

ANNUAL REPORT

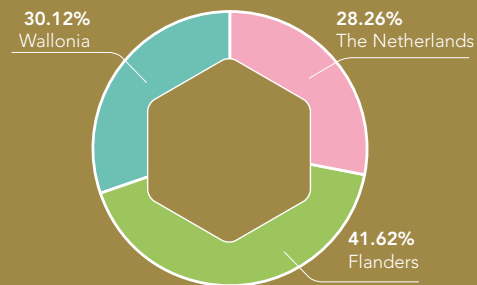
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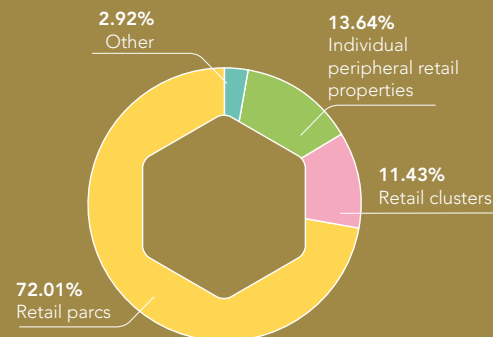
2019-2020

IN BRIEF

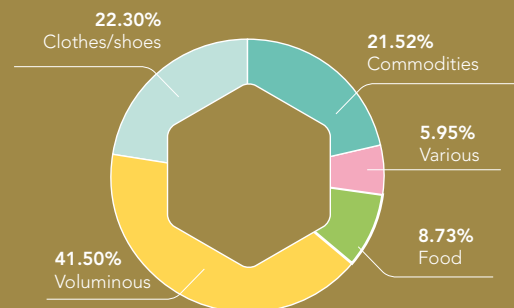
GEOGRAPHICAL DISTRIBUTION



TYPE OF BUILDING



COMMERCIAL ACTIVITIES OF TENANTS

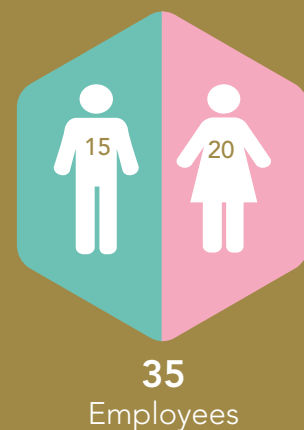


RETAIL PROPERTIES

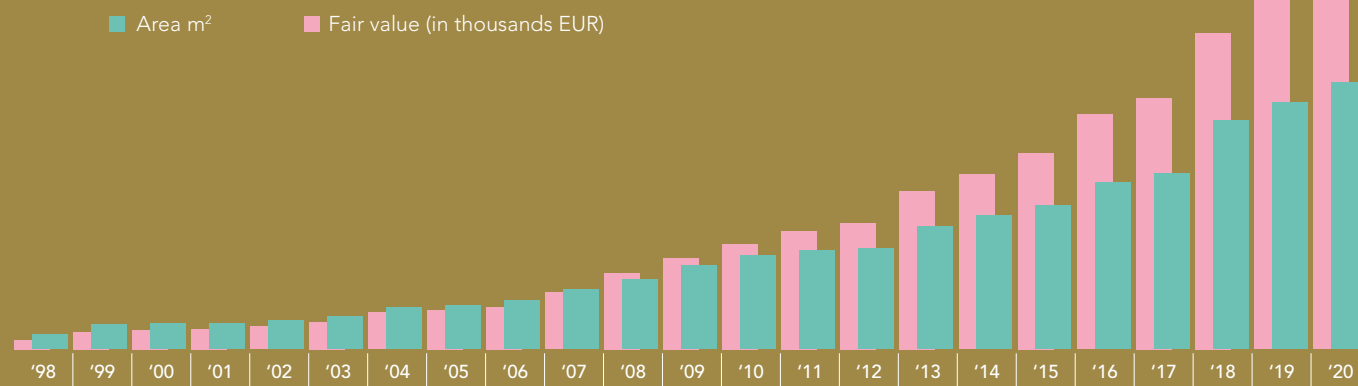


969 RETAIL PROPERTIES
The real estate portfolio of Retail Estates nv consists of retail properties located outside the largest cities of Belgium and the Netherlands

NUMBER OF EMPLOYEES



GROWTH PORTFOLIO RETAIL ESTATES NV BETWEEN 2019 AND 2020



1 136 492 m²

RETAIL AREA

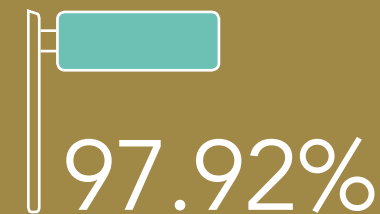
Retail Estates invests in acquisitions, investments in project developments and investments in the optimisation of its real estate portfolio.

1 661 753 €

FAIR VALUE

Retail Estates nv has concentrated on continuously improving the quality of its properties and the expansion of its real estate portfolio.

GEOGRAPHICAL SPREAD CLUSTERS



STABLE OCCUPANCY RATE

The current outlet renting market in the suburban areas shows great stability with respect to both investors and lessees.



NEW RETAIL PARCS IN THE NETHERLANDS 2019-2020

- Retail parc Breda**
Investment 63,69 million €
31 retail units
39,932 m²
- Retail parc Naaldwijk**
Investment 20,39 million €
16 retail units
19,875 m²
- Retail parc Zaandam**
Investment 13,42 million €
9 retail units
15,054 m²
- Retail parc Utrecht**
Investment 5,10 million €
4 retail units
4,159 m²

NEW RETAIL PARCS IN BELGIUM 2019-2020

- Retail parc Libramont**
Investment 5,57 million €
2 retail units
2,847 m²

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EXPLANATORY NOTE COVID-19

During the first quarter of the calendar year 2020, the COVID-19 virus spread on an unprecedented scale in Europe. Public life came to an almost complete standstill and retail trade in particular was seriously affected. In Belgium the government decided to close all non-essential businesses. The closure took effect on 19 March 2020 and ended on 11 May 2020. The Dutch government decided to leave entrepreneurs freedom to take the initiative and limits itself to inciting citizens to display socially responsible behaviour. As a result, the businesses in the retail parks have remained open, with some exceptions. There is a general concern among entrepreneurs that the epidemic will return and in particular that a new lockdown will be imposed. This is a risk that cannot be excluded as long as no vaccine can be distributed on a large scale.

The compulsory closure has led to considerable pressure on liquidity with the tenants, leading to significant arrears in payment of the rent. In addition, it is to be expected that long-term temporary unemployment, potentially followed by dismissals, will cause a loss of confidence with the consumer. This means that it may take until October 2020 for the retail trade to experience a reasonable recovery. The company concluded commercial agreements granting payment facilities with its client for a period of three months (April – May – June 2020). For the period of compulsory closure, agreements were concluded on a selective basis with a view to partially reduce the rental charges. This effort is currently clear and can be delivered by the company. Based on the information currently available, this will be a temporary effort. It is nevertheless impossible to assess how the liquidity and solvency of our customers will evolve over a period of twelve months and to what extent they will benefit from government aid. That is why the company has cut its variable costs wherever possible.

Where the valuation by our real estate expert is concerned, we find that the valuations on 31 March 2020 are represented on the basis of a “major uncertainty relating to the valuation”. We refer to page 146 of this report for an overview of the reports of the real estate experts. The real estate experts took into account a rent-free period of 1 month for the businesses affected by the obligatory closure imposed by the government.

The evolution of these valuation in the next quarters is something that cannot be predicted. Expectations are that the vacancy rate in the sector, which is now relatively low, may increase, causing pressure on rental price levels. Moreover, it is not certain whether customers in all segments will be able to find sufficient financing to rent and decorate vacant properties. This may have a negative influence on the valuations, which in turn will inevitably have an impact on the debt ratio in case of weak operational results.

Retail Estates closed its 2019-2020 financial year on 31 March with a strong operational basis, which was hardly affected by the corona crisis. The majority of the rents for March 2020 had already been paid. The occupancy rate of 97.92% is also a sign of the health of the portfolio. The start of the corona crisis affected the company at a time when the operational results were strong. This will give the company the resilience and flexibility required to face this crisis, more than other real estate companies in the same sector. In addition, the company had the financial means that were required to complete the announced acquisition of two retail parks at Den Bosch (completed on 7 April 2020) and Maastricht (executed on 2 June 2020) respectively. The proceeds of the € 75 million bond loan issued in December 2019 had been reserved for that purpose. In the light of the above, Retail Estates confirms its dividend prognosis of € 4,4 for the closed 2019-2020 financial year.



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RISK FACTORS



The main risks facing the company are listed below. For each of the listed risks, measures and procedures are in place to assess, control and monitor the effects as much as possible. These measures and procedures are also discussed below.

The board of directors regularly evaluates the company's exposure to risks, the financial impact of these risks and the actions that must be taken to monitor these potential risks, to avoid the risks and/or (where relevant) to limit the impact of these risks.

This list of risks is based on the information that was known at the time of preparation of this report. Other unknown and unlikely risks or risks that are not expected to have a significant adverse effect on the company, its activities and its financial situation may exist. The list of risks included in this chapter is therefore not exhaustive.

1. MARKET RISKS

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
INVESTMENT MARKET FOR OUT-OF-TOWN RETAIL PROPERTIES AND RETAIL PARKS		
The reduced demand from investors for out-of-town retail properties.	The value of the portfolio is estimated each quarter by independent real estate experts. A decrease in valuation leads to a decrease in shareholder's equity ("NAV") and, consequently, an increase in the debt ratio of the company.	The value of out-of-town retail property is mainly determined by the commercial value of the property's location. Due to the scarcity of good locations, supply and demand tend to exert upward pressure in both the private and institutional investor markets. The values are generally inflation-proof due to indexation of the rent, but they are interest rate sensitive due to the high debt ratio of many investors. The willingness to invest on the part of institutional investors can temporarily decrease due to macroeconomic factors that affect the availability and cost of credit. Experience shows that the private investor market, which still represents a major part of investments, is less sensitive to this. The debt ratio amounts to 53.10% on 31 March 2020 (the BE-REIT legislation set the maximum debt ratio at 65%).
INFLATION RISK		
The Group's lease agreements contain indexation clauses on the basis of the health index (Belgium) or the consumer price index (the Netherlands), so that annual rental income evolves with the (indexed) inflation rate.	The Group's exposure to inflation mainly concerns costs related to the lease, including those with respect to renovation and investment works, which may be linked to an index other than the health index, which could cause these costs to increase more quickly than the increase in rents. This may have an impact on the operational margin. If real estate costs increased 1% faster than the rental prices, this would have a 0.08% impact on the Group's operational margin (on the basis of the data of 31 March 2020). Based on the data of 31 March 2020, the rental income variation can be estimated at EUR 0.99 million on an annual basis for each percentage point variation of the health index.	The company seeks to reduce the risk of cost increases by entering into contractual agreements with its suppliers.

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
DEFLATION RISK		
Deflation leads to a reduction in economic activity, which in turn results in a general fall in prices.	In the case of deflation, the health index will be negative, so rental income will fall. Based on the data of 31 March 2020, the rental income variation can be estimated at EUR 0.99 million on an annual basis for each percentage point of variation of the health index.	The Group is partly protected against the risk of deflation (and a corresponding decrease in rental income). Virtually all of the Group's lease agreements specify that the rent cannot fall below the level of the base rent (i.e. the base rent applicable when the lease agreement is concluded). But even in the case of these lease agreements, a decrease in rent to a level that is lower than the current rent but higher than the base price cannot be ruled out.
E-COMMERCE		
Impact of the increasing importance of e-commerce on existing sales channels.	<p>Reduced demand for physical shops due to increased online shopping.</p> <p>Demand for smaller shops (fewer m²) due to less stock being present in the shops.</p>	<p>Leasing to retailers that integrate the "multichannel" concept into their business model and thus integrate e-commerce into existing shops.</p> <p>Splitting existing properties into smaller areas.</p> <p>The effect of the impact is also influenced by the retail segment in which the tenant is active. A large part of the activities of the Retail Estates tenants is less susceptible to e-commerce (home decoration, large-scale retail activities, consumer goods,...). Within this scope we refer to the real estate report, which includes an overview of the commercial activities of the tenants.</p>

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
EXTERNAL FACTORS - INCIDENTS		
Impact of external factors and serious incidents (such as terror threat, vandalism, fire, explosion, storm and water damage, pandemics) that may occur in the buildings included in the real estate portfolio.	<p>Interrupted activity and consequentially loss of the tenant and reduced rental income.</p> <p>Decrease in rental income due to the closure of shops following the quarantine measures imposed by the government.</p> <p>Possible bankruptcies of tenants.</p> <p>Increased volatility and uncertainty in the international markets.</p> <p>Decline in consumer confidence, long-term unemployment, increased tax burden on work.</p> <p>Decrease in rents.</p> <p>Decrease in the fair value of real estate and consequently also in the Net Asset Value (NAV).</p>	<p>The company is insured against lost rental income for a period of 18 to 36 months (depending on the type of permit to be obtained) due to external factors and serious incidents. Please refer to the management report, in which the incidents are explicitly discussed. The Real Estate Report indicates the insured values for each cluster.</p> <p>Good liquidity position to tide over a temporary disruption of the cash flow.</p> <p>Usually a bank guarantee of 3 to 6 months is required.</p> <p>The company aims to build long-term relationships with financial partners and investors, and has unused credit facilities available to absorb liquidity shortages and finance investments for which firm commitments have already been made. Please refer to note 34 et seq. of this annual report for an overview of the outstanding credits and unused credit facilities.</p> <p>Sectoral diversification of customers and low average contractual rent.</p> <p>Value is determined by the commercial value of the property's location. Retail Estates spreads its investments throughout all major shopping areas in Belgium and the Netherlands. These investments are concentrated in the subregions with strong purchasing power.</p>



“

Retail Estates spreads its investments throughout all major shopping areas in Belgium and the Netherlands.”

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
CHANGING ECONOMIC CLIMATE		
Impact of falling consumption and a declining economy	Decrease in demand for shops. Higher vacancy rates and/or lower rents when re-letting. Decrease in the fair value of real estate and consequently also in the Net Asset Value (NAV).	Quality of the tenants with mainly retail chains. Please refer to note 23 of this annual report for the evolutions in terms of dubious debtors. Sectoral diversification of customers and low average contractual rent. Value is determined by the commercial value of the property's location. Retail Estates spreads its investments throughout all major shopping areas in Belgium and the Netherlands. These investments are concentrated in the subregions with strong purchasing power.
	Possible bankruptcies of tenants.	Usually a bank guarantee of 3 to 6 months is required.
MACROECONOMIC FACTORS		
Increased volatility and uncertainty in the international markets.	May lead to greater difficulty in accessing the stock market to acquire new capital/shareholder's equity or reduced availability of liquidity on debt capital markets with respect to the refinancing of outstanding bonds.	The company aims to build long-term relationships with financial partners and investors, and has unused credit facilities available to absorb liquidity shortages and finance investments for which firm commitments have already been made. Please refer to note 34 et seq. of this annual report for an overview of the outstanding credits and unused credit facilities.

2. OPERATIONAL RISKS

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
VACANCY AND LOSS OF RENTAL INCOME		
Risk of increased vacancy and higher re-letting costs related to the evolution in supply and demand in the rental market.	Rental income and cash flow affected by an increase in vacancy and the costs of re-letting. Decrease in the fair value of the real estate portfolio and consequently a decrease in the NAV and an increase in debt ratio.	Diversified customer base with a good sectoral spread. Good market knowledge via in-house operational teams with strong know-how and knowledge of the retail business. Weekly follow-up and discussion of debt collection at the property meeting. The occupancy rate has been around 98% or higher for more than ten years.
RENTABILITY		
Risk of rentability and quality of the tenants.	Decrease in the quality and solvency of tenants, resulting in an increase in doubtful debtors, thereby reducing the level of debt collection.	Permanent follow-up by means of a weekly debt collection and property meeting ensures a proper flow of information and a swift approach. Good market knowledge via in-house operational teams with strong know-how and knowledge of the retail business.

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
STRUCTURAL CONDITION OF THE BUILDINGS		
Risk of structural and technical deterioration during the life cycle of buildings.	Ageing of buildings, which affects commercial attractiveness. Loss of income and a long period in which the invested capital does not perform.	Management makes every effort to anticipate these risks and, to this end, conducts a consistent policy with respect to maintenance and repairs. In practice, these interventions are limited mainly to the renovation of car parks and roofs.
ACQUISITIONS		
A large number of buildings in the company's real estate portfolio (and in that of its subsidiaries) were acquired in the context of the acquisition of shares in real estate companies or corporate restructuring such as mergers and (partial) demergers. Real estate companies over which control is acquired are typically absorbed by Retail Estates, which transfers all of the capital, assets as well as liabilities, of these companies to Retail Estates.	There is a risk that hidden liabilities in these transactions will be transferred to Retail Estates, which would have a significant negative impact on the activities, results, profitability, financial position and outlook of the Group.	Management takes the necessary precautions to identify possible risks prior to acquiring control (cf. due diligence with regard to technical, financial, fiscal and accounting as well as legal risks) and strives to obtain the necessary contractual guarantees from the seller/supplier. If necessary, this due diligence is supported by external advisers and a prior valuation by an independent real estate expert.
SOIL CONTAMINATION		
At a number of locations where the company has retail properties, activities were carried out in the past that were potentially polluting.	Retail Estates is in principle not liable for such - by definition historical - contamination. The activities of the tenants of the company usually only result in a very limited risk of contamination and moreover are the responsibility of the tenant. However, the applicable legislation provides for complex, time-consuming procedures when transferring real estate, and this can result in research and study costs. The regulations relating to soil transport result in additional costs if contaminated soil must be manipulated during construction work at such contaminated sites.	Retail Estates attempts to integrate environmental issues into the due diligence research that typically precedes the acquisition of real estate and, as far as possible, to place responsibility for any soil contamination (including a possible remediation obligation) with the transferor of the property or the real estate company.

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
TRAFFIC INFRASTRUCTURE		
Out-of-town retail properties are by definition mainly accessible via regional roads. The road network is regularly refurbished with new roundabouts, cycle paths, tunnels etc. in the context of road safety.	The result of such a refurbishment usually increases the commercial value of retail properties, since the traffic flow is often slowed and the environment around the shopping areas becomes safer. However, it cannot be ruled out that in exceptional cases access to some shopping areas may become more difficult or their visibility may decrease.	Dialogue with the government to develop constructive solutions in the interest of all stakeholders.
KEY PERSONNEL		
The loss of key figures within the organisation.	The loss of core competencies by the company could lead to a number of objectives being reached later than planned.	Retail Estates pays appropriate attention to the well-being of its employees. The company's remuneration policy is in line with the market. Great importance is attached to managing the competences of the team members.
IT & FRAUD		
Risk of operational losses due to the failure of internal processes and systems, human errors or external events (fraud, natural disaster, cybercrime, etc.).	Financial losses due to fraud, theft of sensitive data or interruption of activities.	A disaster recovery plan was developed to ensure that the company's activities can be continued in the event of a disaster or crisis. All data is also backed up in various ways (on site, off site on tape, and in the cloud). Appropriate measures have also been taken in terms of access and security. For IT-related services, Retail Estates is supported by an external partner with whom an SLA (Service Level Agreement) has been concluded.



“ A conservative and cautious financing strategy with a balanced spread of expiration dates, diversification of funding sources and an extensive group of bank partners. ”

3. FINANCIAL RISKS

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
LIQUIDITY RISK		
Retail Estates is exposed to a liquidity risk that could result in a lack of cash in case of non-renewal or termination of its financing contracts.	<p>Impossibility to finance acquisitions or developments (via shareholder's equity as well as via debt) or increased costs that reduce the expected profitability.</p> <p>The lack of financing to repay interest, capital or operating expenses.</p> <p>Increased cost of debt due to higher bank margins, with an impact on earnings and cash flows.</p>	<p>A conservative and cautious financing strategy with a balanced spread of expiration dates, diversification of funding sources and an extensive group of bank partners.</p> <p>Please refer to note 34 et seq. of the annual report for an overview of the outstanding credits and unused credit facilities.</p>

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
INTEREST RATE VOLATILITY		
The company risks an increase in its financial costs that may arise from the evolution of interest rates.	<p>Increased cost of debt, resulting in an impact on earnings and cash flows, and a decrease in profitability.</p> <p>Strong fluctuations in the value of financial instruments with potential impact on NAV.</p> <p>In the current context of negative interest rates, the method used by some banks of demanding a floor for the Euribor rate (which is used as a reference in the financing contracts) of 0% has a negative effect on the financial costs. Indeed, an asymmetry is present since Retail Estates must pay a negative interest rate for its hedging instrument while the banks use a 0% floor.</p>	<p>The company applies a conservative policy that minimises this interest rate risk.</p> <p>Retail Estates nv uses interest rate swaps to hedge the interest rate risk on long-term loans concluded at a floating interest rate. The maturity of these instruments is matched to the maturity of the underlying credits. If the Euribor rate (interest rate for short-term loans) falls sharply, the market value of these instruments will undergo a negative change. However, this is an unrealised and non-cash item.</p> <p>In an interest rate swap, the variable interest rate is exchanged for a fixed interest rate.</p> <p>The company has limited the risk of “floors” with its 4 major banks as much as possible by allowing floors only for the portion of the credits that are not covered or by building in floors in the interest rate swaps.</p> <p>Please refer to note 34 et seq. of this annual report for more information about the hedges used by the company.</p>

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
COUNTERPARTY RISK		
Concluding bank loans and hedging instruments with financial institutions entails a counterparty risk for the company if these financial institutions fail.	Termination of existing credit lines, which must then be refinanced with another bank/financier, which involves restructuring costs and the risk of higher interest costs for the new credits.	This risk is limited by spreading the sources of financing across different instruments and counterparties.
COVENANT RISK		
Risk of the requirements to meet certain financial parameters under the credit agreements not being respected.	Not respecting these covenants may result in early termination of these credits.	<p>The company generally has entered into the following covenants with its bankers and bondholders:</p> <ul style="list-style-type: none"> - Retention of BE-REIT status - Minimum portfolio size - ICR (calculated on net rental results) ≥ 2 - Maximum debt ratio <p>The Belgian BE-REIT Act imposes a maximum debt ratio of 65%.</p> <p>On the date of this report, the company complies with all covenants required by the banks and bond holders. In addition, in accordance with Art. 24 of the BE-REIT Belgian Royal Decree, Retail Estates nv submits a budget forecast with an implementation schedule as long as the consolidated debt ratio, as defined in the same Belgian Royal Decree, is above 50%. This forecast describes the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets. The evolution of the debt ratio is monitored at regular intervals and the influence of any planned investment operation on debt levels is analysed in advance. This obligation has no impact on the company's banking covenant risk.</p>

4. REGULATORY RISKS

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
RISK ASSOCIATED WITH REGULATORY CHANGE		
Changes in regulations, including fiscal, environmental, urban planning, mobility policy and sustainable development as well as new provisions related to the leasing of real estate and the extension of permits with which the company, its real estate, and/or the users to whom the real estate is made available must comply.	Negative influence on business, profits, profitability, the financial situation and prospects.	Constant monitoring of existing, potentially changing or future new laws and regulations and compliance with these laws and regulations, assisted by external specialist advisers.
RISK ASSOCIATED WITH NON-COMPLIANCE WITH THE REGULATIONS		
There is a risk that, possibly due to the (fast) evolution of the regulations applicable to the company (please refer in this context to "Risks associated with regulatory change"), the Company itself, its executives or its employees do not adequately comply with the relevant regulations or that these persons do not act with integrity.	Failure to comply with the relevant legislation can have a financial or legal impact on the company; the nature and extent of this impact depends on the legislation that is not complied with.	<p>The company shall make every effort to ensure that its executives and employees have the required background and knowledge to adequately implement the relevant legislation.</p> <p>The company has a Corporate Governance Charter and a Dealing Code. Both documents have been published on the company's website and have been communicated to the team.</p> <p>The Dealing Code is an integral part of the company's Corporate Governance Charter and was drawn up in line with the applicable regulations and legislation, in particular Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the Market Abuse Regulation).</p>

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
PERMITS		
The lack of proper urban planning permits and permits for specific properties.	Impact on the value of the real estate, since this value is largely determined by the presence of all urban planning permits and permissions under the law on commercial establishments according to the desired use of the property. If a new use must be allocated to the property due to external circumstances, changes to the permits granted must be requested. Obtaining such changes is often time-consuming and the process lacks transparency, which may cause property to be temporarily vacated, even though tenants had been found for it.	Management devotes due attention to reviewing the urban planning permits when acquiring and developing retail outlets. In addition, management continuously tries to evaluate changes in urban planning permits and permissions and compliance with these permits and permissions, and to anticipate such changes.
TOWN PLANNING REGULATIONS		
If the town planning regulations change, retail units for which an authorisation was received will no longer be allowed to undergo changes subject to authorisation that are contrary to the new purpose desired by the government.	As the retail units cannot be given any other purpose than their original authorised purpose, the possible uses are more limited than usual. In addition, all transformations that may jeopardise the optimisation of the buildings are excluded. However, the retail units can still be let within these limits.	The management attempts to prevent this kind of situations by making use of all legal remedies available pursuant to the applicable laws within the context of the revision of town planning regulations in order to maintain some flexibility. If this is not possible, a redevelopment of the site concerned will be considered, in line with the purpose desired by the government.
RISKS ASSOCIATED WITH THE STATUS OF PUBLIC BELGIAN REAL ESTATE INVESTMENT TRUST		
Risk of future changes to the legislation on BE-REITs, which would make it no longer possible for the company to enjoy the favourable fiscal transparency system for BE-REITs. The company is also subject to the risk of future adverse changes to this system.	Risk of loss of recognition of the status of public BE-REIT. Loss of the favourable tax system of a BE-REIT and mandatory repayment of certain credits in case of non-compliance with the rules.	Constant monitoring of legal requirements and compliance with these requirements, assisted by external specialist advisers. Intensive dialogue with the regulator in the context of prudential oversight of the BE-REITs. Representation of the company in organisations representing the BE-REIT sector.

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL
TAX LAW		
The exit tax owed by companies whose assets are taken over by a BE-REIT in case of e.g. a merger is calculated taking into account Circular Ci.RH. 423/567.729 of the Belgian Tax Authorities of 23 December 2004, the interpretation or practical application of which may always change. The "actual value for tax purposes" referred to in this circular is calculated with a deduction of registration fees or VAT (which would apply in the event of a sale of the assets) and may differ from the fair value of the real estate as recorded in the balance sheet of the public BE-REIT in accordance with IFRS 13.	Non compliance with relevant tax legislation may apply to the company including a financial or have a legal impact.	The company shall make every effort to ensure that its executives and employees have the required background and knowledge to adequately implement the relevant legislation.
RISKS ASSOCIATED WITH THE STATUS OF INSTITUTIONAL BE-REITS		
The company has control over one institutional BE-REIT: Retail Warehousing Invest nv. Like Retail Estates nv, Retail Warehousing Invest nv is subject to the Belgian BE-REIT Act in its capacity as an institutional BE-REIT.	Risk of loss of recognition of the status of institutional BE-REIT. Loss of the favourable tax system of a BE-REIT and mandatory repayment of certain credits in case of non-compliance with the rules.	Constant monitoring of legal requirements and compliance with these requirements, assisted by external specialist advisers. Intensive dialogue with the regulator in the context of prudential oversight of the BE-REITs. Representation of the company in organisations representing the BE-REIT sector.



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1

EXPANSION IN THE NETHERLANDS

Retail Estates expands in the Netherlands with an investment of EUR 102,55 million and 60 retail units including Breda, Naaldwijk, Zaandam and Utrecht.

2

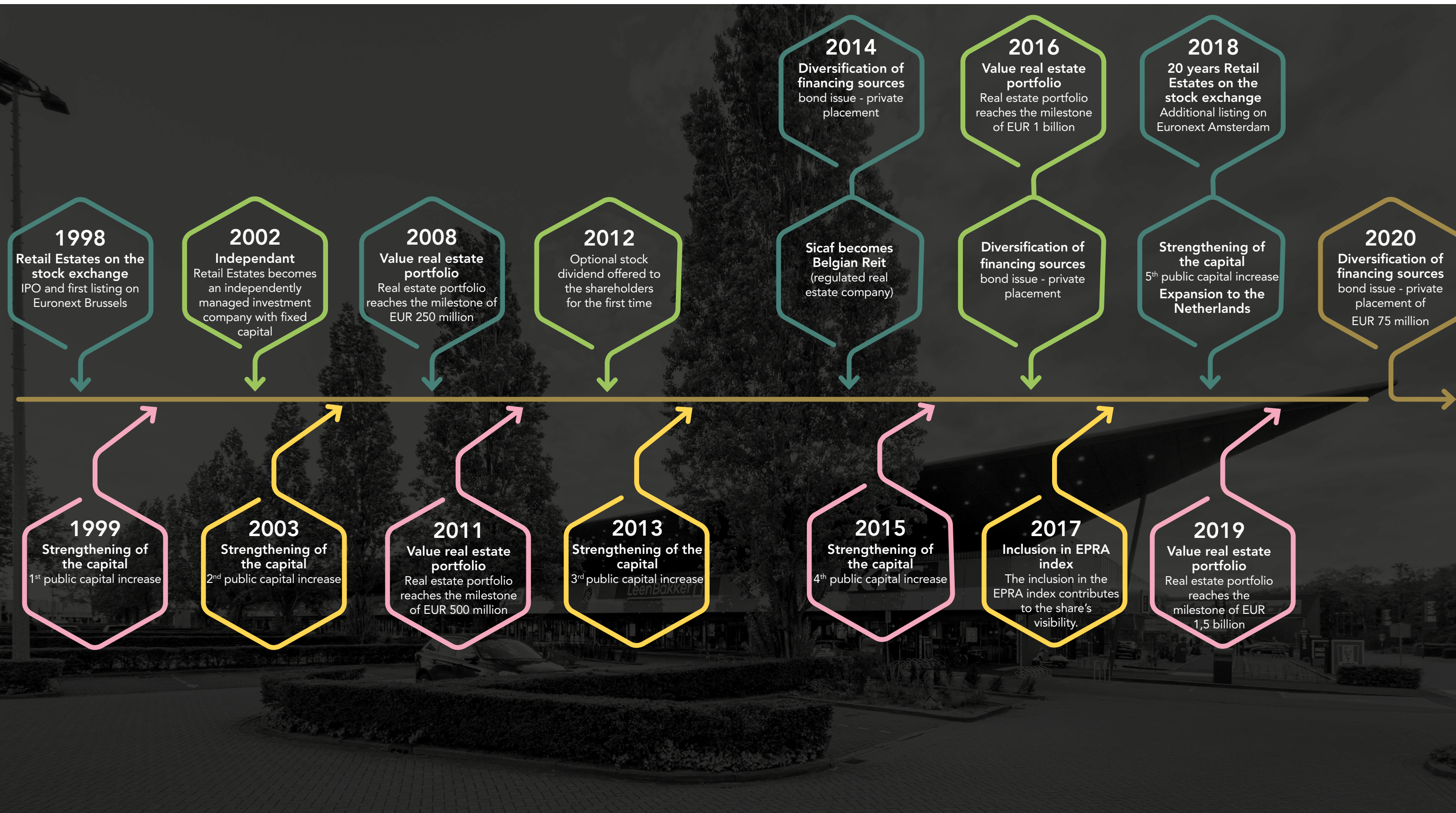
EXPANSION IN BELGIUM

Retail Estates expands in Belgium with an investment of EUR 5,57 million and 2 retail units in Libramont.



1998-2020

REMARKABLE FACTS



KEY FIGURES 2018-2020

THE FINANCIAL YEAR OF RETAIL ESTATES NV STARTS ON 1 APRIL AND ENDS ON 31 MARCH.
THE KEY FIGURES BELOW ARE CONSOLIDATED FIGURES.

REAL ESTATE PORTFOLIO	31/03/20	31/03/19	31/03/18
Number of properties	969	906	817
Total lettable area in m ²	1 136 492	1 049 101	973 525
Estimated fair value (in €)	1 661 753 000	1 529 629 000	1 349 367 000
Estimated investment value (in €)	1 719 004 000	1 579 292 000	1 392 427 000
Average rent prices per m ²	102,28	99.96	96.08
Occupancy rate*	97.92%	98.28%	98.11%

BALANCE SHEET INFORMATION

Shareholders' equity	798 987 000	707 926 000	568 332 000
Debt ratio (RREC legislation, max. 65%)**	53.10%	52.58%	57.57%

RESULTS

Net rental income	107 614 000	94 981 000	77 848 000
Property result	106 204 000	93 539 000	76 876 000
Property costs	-9 052 000	-7 586 000	-6 124 000
Operating corporate costs and other current operating income and expenses	-5 593 000	-5 147 000	-4 518 000
Operating result before result on portfolio	91 559 000	80 807 000	66 234 000
Result on portfolio	-4 884 000	6 957 000	-1 307 000
Operating result	86 675 000	87 764 000	64 927 000
Financial result	-25 533 000	-31 826 000	-17 268 000
Net result	58 098 000	54 479 000	46 695 000
EPRA earnings	69 199 000	60 896 000	47 900 000

* The retail park "De Bossche Boulevard" that was acquired on 7 april 2020 was taken into account for determining the occupancy rate.

** The Royal Decree of 13 July 2014 (the "RREC R.D."), last modified by the Royal Decree of 28 april 2020 in execution of the Law of 12 May 2014 (the "RREC Law"), last modified by the Law of 22 October 2017 on regulated real estate companies (Belgian REITs).

INFORMATION PER SHARE	31/03/20	31/03/19	31/03/18
Number of shares	12 630 414	11 422 593	9 489 661
Number of dividend bearing shares	12 630 414	11 422 593	11 387 593
Net asset value (NAV) (IFRS)	63.26	61.98	59.89
EPRA NAV	65.55	64.07	61.33
Net asset value per share (investment value) excl. dividend excl. the fair value of authorised hedging instruments	65.73	64.28	61.73
EPRA earnings per share	5.60	5.41	5.13
Gross dividend per share	4.40	4.25	3.60
Net dividend per share	3.08	2.975	2.520
Gross dividend yield on closing price (excl. dividend)	9.28%	5.23%	5.31%
Net dividend yield on closing price (excl. dividend)	6.50%	3.66%	3.66%
Closing price on closing date	47.40	81.20	71.45
Average share price	81.11	75.43	73.59
Evolution of share price during the financial year	-33.01%	14.75%	-5.54%
Over-/undervaluation compared to net asset value IFRS	-25.07%	31.01%	19.30%



//

In spite of the storm that has been raging through the retail landscape since mid-March 2020 in the form of the corona crisis, it is our pleasure to announce that on 31 March of this year, we concluded the most successful financial year, in terms of operational results, in the 22 years since our initial public offering. //

LETTER TO THE SHAREHOLDERS



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1. INTRODUCTION

LEGAL REQUIREMENTS

The annual report of Retail Estates is a combined report within the meaning of articles 3:6 and 3:32 of the Belgian Code of Companies and Associations. The elements to be included in this report on the basis of these articles are discussed in the different chapters.

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements, including but not limited to statements using such words as “believe”, “anticipate”, “expect”, “intend”, “plan”, “pursue”, “estimate”, “can”, “will”, “continue”, and similar expressions. These forward-looking statements are made in the context of known and unknown risks, uncertainties and other factors that might cause the actual results, the financial condition, the performance or the accomplishments of Retail Estates nv and its subsidiaries (“the Group”) or the results of the sector to differ considerably from the expected results, performance or accomplishments expressed or implied in the aforementioned forward-looking statements. Given these uncertainties, investors are advised not to place undue reliance on such forward-looking statements.

2. STRATEGY - INVESTMENT IN OUT-OF-TOWN RETAIL REAL ESTATE

GOAL - INVESTMENT IN A REPRESENTATIVE PORTFOLIO OF OUT-OF-TOWN RETAIL REAL ESTATE

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

The most important long-term goal for Retail Estates nv is to assemble, manage and expand a portfolio of out-of-town retail real estate which ensures steady, long-term growth due to its location and the quality and diversification of its tenants. The projected growth results both from the value of the assets and the income generated from leasing.

In the short term, this goal is being pursued by continuously monitoring the occupancy rate of the portfolio, the rental income and the maintenance and management costs.

The selective purchase and construction of retail buildings at particular locations (so-called ‘retail clusters and retail parks’) are aimed at simplifying the management and boosting the value of the portfolio. Retail Estates nv has currently identified 78 clusters and retail parks in which it systematically increases its investments. Taken together, these clusters and retail parks represent 83.44% of its portfolio. The real estate portfolio is spread throughout Belgium and the Netherlands.

Over the past years, Retail Estates nv has concentrated on continuously improving the quality of its properties and expanding its real estate portfolio.

In principle, Retail Estates nv rents its properties as a building shell, with the furnishings, fittings and maintenance left to the discretion of the tenants. Retail



“

Retail Estates nv has currently identified 78 clusters and retail parks in which it systematically increases its investments.

Taken together, these clusters and retail parks represent 83.44% of its portfolio. ”

Estates nv's own maintenance costs are essentially limited to the maintenance of car parks and roofs, and can be planned in advance in most cases.

Most of its tenants are well-known retail chains.

As of 31 March 2020, Retail Estates nv has 969 premises in its portfolio with a total retail area of 1,136,492 m². The occupancy rate of these buildings measured in rented square metres is 97.92%.

On 31 March 2020, the fair value of the real estate portfolio of Retail Estates nv and its subsidiaries is estimated by the independent real estate experts at € 1,661.75 million (value excluding transaction costs) and the investment value at € 1,719.00 million (value including transaction costs).

Retail Estates nv has invested a total of € 15.44 million in "Distri-Land" real estate certificates. It currently holds 87.00% of the issued "Distri-Land" real estate certificates. The issuer of these real estate certificates owns 10 retail properties with a fair value of € 19.17 million.

ACQUISITION CRITERIA

Retail Estates nv seeks to optimise its real estate portfolio in terms of profitability and potential capital gains by paying attention to a number of criteria which serve as guidelines when acquiring real estate:

CHOICE OF LOCATION

Based on the insight that management has acquired into the profitability of its tenants, the locations that are selected aim to offer Retail Estates nv's tenants the best chances of success. In this respect, the company seeks to achieve a healthy balance between the supply of retail properties and the demand from retailers. The aim in this is to develop a number of cluster locations and retail parks.

RENTAL PRICES AND INITIAL PROFITABILITY

In order to reconcile the profitability expectation of Retail Estates nv and its tenants over the long term, special attention is paid to rental prices. Experience has shown that the excessive rents charged by certain project developers result in a high level of customer turnover when the results do not quickly meet the retailers' expectations.

GEOGRAPHICAL SPREAD

Retail Estates nv spreads its investments throughout all major retail areas in Belgium and the Netherlands. In practice, however, it invests little in the Brussels Capital Region due to its extremely low supply of out-of-town locations. As a result, the public BE-REIT prefers to concentrate its investments in sub-regions with strong purchasing power (mainly the Brussels – Ghent – Antwerp triangle and the "green axis" of Brussels – Namur – Luxembourg in Belgium as well as the "Randstad" region in the Netherlands and the central and southern parts of the country).

DEVELOPMENT AND REDEVELOPMENT OF PROPERTY FOR OUR OWN ACCOUNT

Retail Estates nv has significant experience in developing new retail buildings for its tenants for its own account. Experience shows that such developments offer architecturally attractive retail properties which generate a higher initial income than retail buildings offered on the investment market. The redevelopment of out-of-town shopping clusters into large groups of modern, connected retail properties also becomes more important by the year. Such redevelopments generally allow for an increase in lettable area and a better alignment of the premises with tenants' needs. Another distinct advantage of redevelopments is that parking and road infrastructure is improved and retail properties are modernised.

DIVERSITY OF TENANTS

Retail Estates nv seeks to have as many different retail sectors as possible represented in its list of tenants, with a preference for sectors known to have valuable retail outlets. In times of economic hardship, not all retail sectors are equally affected by a possible fall in turnover. A good distribution over diverse sectors limits the risks attached to negative economic developments.

3. INVESTING VIA THE BELGIAN REAL ESTATE INVESTMENT TRUST RETAIL ESTATES NV

Since 24 October 2014, Retail Estates nv has been registered as a public Belgian real estate investment trust. In its capacity of public BE-REIT – and with a view to maintaining this status – the company is subject to the BE-REIT legislation, which includes restrictions relative to its activities, debt ratio and appropriation of results. As long as it respects the above-mentioned rules, the company benefits from an exceptional tax regime. This regime allows Retail Estates nv to pay virtually no corporate tax on its earnings in Belgium, thereby ensuring that the result available for distribution is higher than for real estate companies that do not enjoy this status. As a public BE-REIT, Retail Estates nv also has additional assets, such as its strongly diversified real estate portfolio and the fact that it has been incorporated for an indefinite period of time.

Investments in out-of-town retail real estate have, over the years, become more attractive owing to a stricter permit policy adopted by the government, a very limited supply of high-quality shop locations and a continuously high level of demand. The internationalisation of the retail property market, in conjunction with the shift from city centre to out-of-town shopping, has had a positive influence on the out-of-town retail real estate market. This evolution, as well as the tendency to further institutionalise the investment market for out-of-town retail real estate, not only explains the rise in rents, but also the increase in the fair value of this real estate in the longer term. Moreover, several tenants of the company have incorporated the benefits of distance selling – by means of online selling – in their retail concept. This tendency even extends to the points of sale, which benefits these companies' market position.

Each Retail Estates nv shareholder owns an investment instrument that can be traded freely and cashed in at any time via Euronext. Retail Estates has furthermore also been listed on Euronext Amsterdam since 11 April 2018, one week after the 20th anniversary of its listing on Euronext Brussels. All shares of Retail Estates nv are held by the public and a number of institutional investors. On 12 June 2020, six shareholders reported

that, in accordance with the transparency legislation and Retail Estates nv's articles of association, they have stakes exceeding the statutory threshold of 3% and/or 5% (further explanation in the "Shareholding structure" section of this management report).

The Euronext pricing lists, which are published in the daily press and on the Euronext website, enable shareholders to follow the evolution of their investments at all times. The company also has a website (www.retailstates.com) with relevant shareholder information.

The net asset value (NAV) of the share is an important indication of its value. The net asset value is calculated by dividing the consolidated shareholders' equity by the number of shares. The NAV (IFRS) amounted to € 63.26 on 31 March 2020. This represents an increase by 2.07% (€ 61.98 over the previous year). On 31 March 2020, the stock market price of the share was € 47.40, representing a discount of 25.07%.

The EPRA NAV amounts to € 65.55, compared to € 64.07 in the previous year. This increase is due to the positive change in the value of the real estate investments and the results of the financial year. Compared to the previous financial year, the number of shares of Retail Estates nv increased by 1,207,821. In other words, there is no dilution of the NAV per share.

4. SIGNIFICANT EVENTS IN THE FINANCIAL YEAR

INVESTMENTS – RETAIL PARKS

During the past financial year, Retail Estates reinforced its investments in Belgium and the Netherlands.

A. BELGIUM

LIBRAMONT

On 22 July 2019 the agreement of 12 June 2019 was executed, pursuant to which a private investor contributed two additional retail properties in retail park Aliénau at Libramont. It concerns the properties rented to PointCarré and to Hennes & Mauritz. These retail properties account for a global annual rental income of € 0.32 million. The investment value of these retail properties is € 5.57 million. The gross initial yield on this investment amounts to 5.75%. In earlier transactions, Retail Estates had already acquired seven retail units in this retail park, out of a total of the 17 retail units that together make up the park. These past few years, this retail park has acquired a strong regional appeal. It is regarded as the most important retail park of the wider region.¹ This transaction was funded for an amount of € 3.61 million by the issue of new shares at an issue price of € 68.425 per share. A total of 52,758 new shares were issued on 22 July 2019. They represent a capital increase by € 1.19 million and an increase of the issue premium for the balance of € 2.42 million. These shares were issued with coupon 28 et seq. attached and will for the first time share in the profits of the financial year that started on 1 April 2019. The remaining part of the investment was realised by the purchase, by notarial deed, of the land on which these retail properties are constructed, within the context of a superficies agreement. By the execution of this deed, the Group has now acquired full ownership.

B. THE NETHERLANDS

Within the context of a transaction with an institutional investor, Retail Estates acquired 56 retail properties spread over three locations: Breda, Naaldwijk and Zaandam. The retail properties represent a retail area of 74,163 m², which is let in its entirety. The investment amounts to € 97 million, inclusive of real estate transfer tax, notary fees and transaction costs, and generates a net rental income² of € 6.79 million, representing

an initial yield of 7% (i.e. 7.14% on the contractually determined rents). The fair value³ determined by the real estate expert Cushman & Wakefield amounts to € 91.87 million.

1. BREDA (province of North Brabant)

This transaction relates to the purchase of 31 retail properties that are part of Woonboulevard Breda. This retail park, which focuses on home decoration articles, is situated at an excellent location at the junction of several motorways. The quality of the retail park is reinforced by the presence of a large IKEA store, guaranteeing a strong regional appeal. For that matter, the IKEA store has recently undergone a major expansion. The catchment area covers 275,000 local residents. The 31 retail properties represent a retail area of 39,932 m² and have all been let to retail chains.

2. NAALDWIJK (province of South Holland)

The retail park acquired at Naaldwijk is situated in the densely populated region between Rotterdam and The Hague and has a catchment area of approximately 135,000 residents. On a retail area of 19,875 m², the retail park offers an extensive range of home decoration articles spread over 16 retail properties that are mainly let to retail chains. The retail park also features an office floor with a surface area of 1,055 m², of which 855 m² are currently not let.

3. ZAANDAM (province of North Holland)

Zaandam is part of the conurbation of Amsterdam and features a business zone which has entirely evolved into a cluster location with a large number of home decoration stores. The catchment area of this retail zone covers the northwest of Amsterdam, with approximately 155,000 inhabitants. Retail Estates acquired 9 retail properties in this zone with a total surface area of 15,054 m², the majority of which are let to a number of retail chains and PMEs.

With its 31 retail properties, the investment in the retail park at Breda for an amount of € 62.75 million constitutes the cornerstone of this transaction. Together with the retail parks at Cruquius (Amsterdam region) and Heerlen, which were acquired earlier, it is one of the top ten retail parks in the Netherlands. With a total investment of € 421.84 million in 215 retail properties at

¹ See press release of 13 June 2019

² The net rental price is calculated by deducting the Dutch equivalent of the property tax and the polder taxes from the contractual rental price so as to arrive at a rental price that is comparable with Belgian rental prices.

³ In the Netherlands the fair value corresponds to the cost-to-buyer valuation (i.e. the total investment excluding 6% real estate transfer tax, notary fees and other costs of transfer).



“ Within the context of a transaction with an institutional investor, Retail Estates acquired 56 retail properties spread over three locations: Breda, Naaldwijk and Zaandam. ”

13 locations in the Netherlands, Retail Estates NV has built a leading position among the institutional investors in the out-of-town segment. In April 2018 the crowning achievement was an additional listing on the Amsterdam stock exchange.

This transaction was partially financed with bank loans. The remaining part (for an amount of € 51.32 million) was financed by the issue of new shares. A total of 750,000 shares were issued at an issue price of € 68.425 per share.

In Utrecht, part of a retail cluster was acquired in late November 2019, for an amount of € 5.10 million. The properties are let to 4 retailers. Gross rental income is € 0.41 million.

NON-CURRENT ASSETS UNDER CONSTRUCTION

On 31 March 2020 the total amount of the non-current assets under construction is € 28.35 million. We distinguish four types of non-current assets under construction: speculative land positions (the so-called “land bank”), i.e. residual lands of existing portfolios that are intended for possible development or will be sold at a later stage if no redevelopment is possible. Furthermore, there are prospective projects, projects

under predevelopment and projects under development.

On 31 March 2020, the speculative land positions accounted for € 1.40 million, the prospective projects amounted to € 10.13 million, the projects under predevelopment represented € 8.82 million and the projects under development represented € 8.00 million.

A. NON-CURRENT ASSETS UNDER CONSTRUCTION - PROSPECTION – OVERVIEW OF THE MAIN PROJECTS

In 2014, Retail Estates acquired the retail park at Wetteren with 14 retail units and a gross retail area of 10,423 m². The retail park, which opened in 2008, is known as Frunpark Wetteren. It is very successful and attracts consumers from far and wide. In 2016 Retail Estates NV acquired an adjacent plot of land with an industrial building and an industrial site for redevelopment. An EIR permit has already been obtained for this development, but an environmental permit has not yet been granted. Deliberations with various authorities are ongoing in order to determine how the extension of the retail park can be realised within the limits of the Spatial Implementation Plan, according to which a permit is needed for retail properties destined for large-scale retail. The costs of the procedures already completed and the preparation of the request for an environmental permit currently amount to € 0.41 million. The investment in this extension will amount

to € 9 million. Completion of this project is expected 12 months after the permit is obtained.

B. NON-CURRENT ASSETS UNDER CONSTRUCTION – PREDEVELOPMENT - OVERVIEW OF THE MAIN PROJECTS

In Halle, the existing retail area will be extended. The additional investment is expected to amount to approximately € 1.36 million.

The permits required for this development have been obtained. This project requires the construction of a number of apartment buildings. As this is a matter outside the scope of Retail Estates, a cooperation with a property developer was negotiated, who can develop this part of the project. The contractually agreed minimum advance sale of the apartment has not yet been achieved. Completion is expected by November 2021.

A completely new retail park will be constructed next to the existing IKEA of Hognoul. The retail park will comprise four retail units, for a total retail area of 5,672 m². The total investment is expected to amount to approximately € 10.37 million. Completion is expected in September 2021.

For the retail park in Heerlen (the Netherlands) the permit for the modernisation of the entire façade has been received. The additional investment is expected to amount to approximately € 3.83 million. Completion is expected by December 2021.

Finally, the company intends to invest in the renovation of its retail park in Apeldoorn. The retail area will be redivided and the façades will be renovated. The permit for this renovation has been received. The additional investment is expected to amount to approximately € 1.39 million. Completion is expected by September 2020.

Finally, a number of smaller projects are still ongoing, for which the investment is expected to amount to € 0.23 million in the course of the new financial year.

C. NON-CURRENT ASSETS UNDER CONSTRUCTION – DEVELOPMENT – OVERVIEW OF THE MAIN OWN DEVELOPMENTS

The company has started the extension of its retail cluster at Namen-Zuid. It concerns a forward-financing operation, which will have the legal form of a real estate leasing.

The extension concerns the construction of a new building on the one hand and the renovation of an existing building on the other hand, resulting in a total retail area of 15,905 m². The building will be constructed to suit Brico Planit, but will at the same time be a multifunctional area offering different possibilities. The total investment was contractually limited to € 17.95 million. The investment will be made according to the “open book” principle, with a yield of 6.50% determined in advance. Execution has started in September 2019 and completion is expected by May 2021.

Due to the concept change at Aldi, an extension of the retail unit in Sint Niklaas is necessary. The expected additional investment amounts to € 0.36 million. Completion of this extension is expected in late May 2020.

Furthermore, the company is investing in the renovation of its retail park at Roosendaal. The permits for this renovation were obtained and the commercialisation was started. The total investment is expected to amount to approximately € 4.70 million. The project consists of 3 phases. Phase 1 has almost been completed. The total investment amounted to € 1.5 million. Completion of the next two phases is expected by January 2021, subject to an agreement with the tenants.

Other projects: this concerns various smaller projects and extensions. The expected additional investment for these projects amounts to approximately € 0.13 million.

D. COMPLETION OF NON-CURRENT ASSETS UNDER CONSTRUCTION

A thorough façade renovation has been executed for the entire site of the Krüger shopping centre at Eeklo. The works were completed in September 2019. At the same time as the façade renovation, the distribution of the retail park was reorganised. A few retail properties were redivided and new tenants could be attracted. The total investment amounted to € 1.36 million and has led to a

positive revaluation of the retail park for an amount of € 2.57 million. The total rental income of the retail park amounts to € 1.42 million on 1 October 2019, compared to € 1.36 million on 1 October 2017 (before the start of the works).

In Eupen the embellishment of the existing retail park and the construction of one new retail unit were completed in January 2020. The total investment amounted to € 1.71.

OPTIMISATION OF REAL ESTATE PORTFOLIO

Retail Estates nv pays close attention to the changing needs of its tenants with respect to retail area. Several tenants systematically expand their product range and regularly request an extension of their retail area. This can be done by acquiring space from adjacent tenants who sometimes have too much space or by constructing a new addition to the retail unit. Sometimes a combination of both is opted for.

Renovations sometimes include more than just an expansion of the retail area; Retail Estates nv regularly seizes the opportunity to remove an existing shop façade and replace it with a contemporary version that better fits the tenant's image.

Such investments allow us to build “win-win” relations with the tenants. Available lands are made profitable in this manner and revenue growth allows the tenant to pay the rent increase.

DIVESTMENTS

Four solitary retail properties were sold (in Bastogne, Meulebeke, Fleurus and Brugge), as well as a piece of land in Gerpinnes. In addition, a retail unit in Paris and a shopping mall in Leiderdorp were sold. The net sales revenue amounted to € 8.28 million. The fair value of these properties was € 7.68 million. The rental income of these properties amounted to € 0.28 million. These sales resulted in a net added value of € 0.60 million (an added value of € 0.84 million was created, and losses in value by € -0.24 million were incurred).

These divestments are part of an annual recurring sales programme of individual retail properties that are not part of the core portfolio of Retail Estates nv due to their location, size and/or commercial activity.

INVESTMENTS: CONCLUSION

Acquisitions and own developments in the financial year 2019-2020, less divestments, resulted in an increase of the real estate portfolio by € 114.27 million. The total rental income increased by € 5.68 million in the financial year 2019-2020 as a result of these investments, but decreased by € 0.11 million in the past financial year as a result of the divestments. If the acquisitions and sales had taken place on 1 April 2019, the rental income would have increased by € 7.56 million.

The investments are financed by a mix of shareholders' equity (issue of new shares by non-monetary or monetary contributions) and borrowed capital (financing of working capital by the banks, issue of a bond loan, ...).

For a description of the main investments in the 2018-2019 financial year, please refer to pages 38 – 42 of the 2018-2019 Annual Financial Report.

For a description of the main investments in the 2017-2018 financial year, please refer to pages 32 – 37 of the 2017-2018 Annual Financial Report.

MANAGEMENT OF THE REAL ESTATE PORTFOLIO

OCCUPANCY RATE

The occupancy rate of the Retail Estates nv real estate portfolio is 97.92%.

Obviously, the occupancy rate must be seen as a snapshot taken of a series of mutations in the previous financial year. It does not imply a guarantee for the future, as the legislation on commercial lease is mandatory and allows for cancellation every three years by all tenants.

RENTAL INCOME

Ten smaller SME tenants (nine in Belgium and one in the Netherlands) filed for bankruptcy in the past financial year. The necessary provisions were created for the irrecoverable debts.

At the end of this financial year, outstanding trade receivables amount to € 3.89 million. An amount of € 0.21 million relates to the revolving fund and the reserve fund. Taking into account the guarantees obtained – both rental guarantees and the requested bank guarantees – and the receivables not yet due, the credit risk on trade receivables is limited to approximately

0.08% (€ 0.003 million) of the outstanding amount on 31 March 2020.

DAMAGE CLAIMS

No properties were damaged by fire in the past financial year. There have been a few reports of damage due to wind. The insurance company paid a compensation. Unfortunately, vandalism is a recurring problem for retail units located at the outskirts of large urban agglomerations.

CAPITAL INCREASES IN THE CONTEXT OF THE AUTHORISED CAPITAL

On 1 April 2019, the board of directors issued new shares following two subsequent decisions relating to a capital increase within the context of the authorised capital. On the occasion of these capital increases, the contribution of two receivables with a conventional contribution value of € 4,420,000 was established. By way of compensation for this contribution, 68,000 shares were issued at an issue price of € 65.

These non-monetary contributions have taken place pursuant to two agreements entered into on 20 December 2018 with regard to the acquisition of all shares of nv Textiel d'Eer and all shares of nv Viafobel respectively.⁴

At its meeting of 29 May 2019, the board of directors of Retail Estates decided to pay an interim dividend for financial year 2018-2019 in the form of an optional dividend with a gross value of € 4.25 (€ 2.975 net). A total of 67.87% of the coupons no 27 were incorporated in exchange for new shares. As a result, 337,063 new shares were issued on 24 June 2019, for a total amount of € 23.06 million.

On 26 June 2019, the board of directors issued 750,000 new shares and the capital was increased by € 51,318,750. This capital increase took place within the context of the incorporation of a receivable with respect to the acquisition of 56 retail properties in the Netherlands⁵.

On 22 July 2019, the board of directors issued 52,758 new shares and the capital was increased by € 3,609,966.15. This capital increase took place within the context of the non-monetary contribution of two retail properties in Libramont⁶.

⁴ See press release of 1 April 2019.
⁵ See press release of 26 June 2019.
⁶ See press release of 26 July 2019.



“ The Belvédère urban development plan, within the context of which the city of Maastricht aims at the reconversion of derelict industrial estates with a surface area of approximately 300 ha. ”

Following these capital increases, 1,207,821 shares were issued, increasing the total number of shares to 12,630,414 and the share capital to € 284,189,235.69 on 31 March 2020.

IMPLEMENTATION OF THE FINANCING STRATEGY

Retail Estates combines bilateral credits with different banking partners and private placements of bonds for institutional investors. The average maturity of the credit portfolio is 4.42 years. Within the context of the financing of its activities, Retail Estates has had a commercial paper programme since September 2017 (and extended in October 2018) of (up to) € 100 million. The commercial paper is fully covered by back-up lines and unused credit lines that serve as a guarantee for refinancing should the placement or renewal of the commercial paper prove to be impossible or only partially possible.

As of 31 March 2020, an amount of € 74.25 million of this commercial paper programme has been used.

The average interest rate on 31 March 2020 is 2.13% compared to 2.31% on 31 March 2019.

Retail Estates opts for a growth model with a direct contribution of earnings per share. This can be done

both on the capital side and on the debt financing side. On the capital side, this can be done through a non-monetary contribution, a traditional rights issue or via the option for BE-REITs recently introduced in the BE-REIT Act to implement a capital increase through an accelerated bookbuilding (ABB). At the extraordinary general meeting, the authorised capital authorisation was extended and the articles of association were adjusted to make the application of the accelerated bookbuilding procedure possible for Retail Estates nv.

On the debt financing side, this can be done through tradition bank financing on the one hand or a public and/or private bond loan on the other. Retail Estates regularly examines the possibility of a private and/or public bond loan.

For more information with regard to the financing, please refer to note 34 et seq. to this annual report.

MERGER BY ACQUISITION OF SUBSIDIARIES

On 20 December 2019, Retail Estates acquired the last 50 per cent of the shares of Blovan NV which they did not yet possess. The company owns a semi-logistics facility at Wetteren that is adjacent to the retail park Frunpark Wetteren of Retail Estates. The additional investment amounts to approximately € 2 million. The

results achieved by this company were consolidated earlier, as the joint shareholder had a contractual sales option.

Also on 23 December 2019, the board of directors proceeded to the merger by acquisition of five real estate companies: Textiel d'Eer NV, Viafobel NV, RP Hasselt NV, Mons LGP 2 NV and Blovan NV.

Furthermore, the board of directors proceeded on 20 March 2020 to the merger by acquisition of the real estate company RP Arlon NV.

Mergers of subsidiaries simplify administrative management and reduce the taxable income of the subsidiaries of Retail Estates nv.

EVENTS AFTER THE BALANCE SHEET DATE PURCHASE OF RETAIL PARK "DE BOSSCHE BOULEVARD"

On 7 April 2019 Retail Estates acquired the retail park "De Bossche Boulevard", situated in 's-Hertogenbosch (the Netherlands – province of North Brabant). This retail park has a surface area of approximately 50,000 m² and has a strong regional appeal in an area of 960,000 inhabitants living a 20 minutes' drive or less away. The city of Den Bosch itself has 154,000 inhabitants, accounting

for the largest group of customers. The customer zone is located in the centre of the Breda-Utrecht-Eindhoven triangle. Together with the Randstad region and the province of Limburg, this is the area where Retail Estates concentrates its investments on account of the strong purchasing power present in the region and its economic performance.

De Bossche Boulevard comprises 29 retail units, all of which are let, mainly to retail chains like Praxis, Mediamarkt, Leen Bakker, Kwantum, Prenatal and X₂O. It's a retail park of the latest generation, where not only large-scale retail activities are allowed, but where electric appliances, sports articles and baby items can be sold as well. The net rental income amounts to € 4.53 million, which comes down to an average rent of € 93/ m². This amount is below the national average and that of the other retail parks owned by Retail Estates in the Netherlands.

The amount invested is € 68.70 million and the fair value calculated by the real estate expert Cushman & Wakefield amounts to € 65.42 million. This acquisition was entirely financed with the proceeds of the successful issue of a bond loan of € 75 million, which was completed by Retail Estates in late December 2019.

PURCHASE OF RETAIL PARK BELVÉDÈRE MAASTRICHT (NETHERLANDS, PROVINCE OF LIMBURG)

On 13 February 2020 Retail Estates entered into an agreement with a view to the purchase of the retail park Belvédère (phase 1), currently under construction in Maastricht. The complex will consist of 7,850 m² of retail area subdivided into five retail units, which will all be let to retail chains from the home decoration section (i.a. Jysk, Beter Bed, Leen Bakker, Carpet-right). The retail properties were completed on 2 June 2020, and Retail Estates subsequently acquired the buildings. Rental agreements have been entered into for a period of 10 years, with an option for 5-year extensions. The investment amounts to € 10 million (exclusive of recoverable VAT) and generates a rental income of € 0.66 million. The real estate expert Cushman & Wakefield set the fair value at € 9.97 million.

Maastricht is the capital of the Dutch province of Limburg and is known in the retail sector as one of the best shopping areas in the Netherlands. Its historic city centre attracts customers from beyond the Dutch borders. The city itself has approximately 121,000 inhabitants and is situated in a prosperous region, extending from Amsterdam over the Randstad region to the Southern Netherlands, where Retail Estates concentrates its investments.

The construction of the Belvédère retail park is part of the Belvédère urban development plan, within the context of which the city of Maastricht aims at the reconversion of derelict industrial estates with a surface area of approximately 300 ha. This development plan previously led to the conversion of a major industrial heritage site, the Sphinx factory, into a new city district that also accommodates retail trade in the form of a branch of Loods 5, a large-scale home decoration store. Conversely, the Belvédère retail park will be constructed at a new business site that was created after the demolition of industrial buildings. The city of Maastricht is one of the last Dutch cities to grant permits for a retail park destined for large-scale retail trade. Retail Estates therefore regards this acquisition as a great opportunity, increasing the total number of retail parks in the Netherlands to 17.

The development of this new complex in retail park Belvédère was made possible by K&F Ontwikkeling BV, which is part of the K&F Group and owned by J.J.

Krimpenfort, who became a reference on the Dutch out-of-town retail market after having expanded the retail network of Carpet-right from a local to a national player. Over the past 20 years, he has extended his activities to project development and advice to national retailers.

COVID-19

We refer to the general explanation on page 7 of this report.

5. COMMENTS ON THE CONSOLIDATED ACCOUNTS FOR FINANCIAL YEAR 2019-2020

BALANCE SHEET

The investment properties (including non-current assets under construction) increased from € 1,529.63 million to € 1,661.75 million. This can mainly be explained by the expansion of the portfolio by € 125.14 million and the sale of investment properties for an amount of € 4.29 million. The non-current assets held for sale decreased from € 17.41 million to € 1.79 million. At the end of each quarter, the assets for which the sales agreement has already been signed but the deed has not yet been executed are recorded in the assets held for sale. Assets worth € 0.18 million were added to the assets held for sale in the financial year 2019-2020, and assets worth € 15.13 million were sold or incorporated into the investment properties.

Current assets amount to € 113.01 million and consist of € 1.79 million from assets held for sale, € 5.69 million from trade receivables, € 5.69 million from tax receivables and other current assets, € 98.08 million from cash and cash equivalents and € 1.76 million from accrued charges and deferred income.

The shareholders' equity of the public BE-REIT amounts to € 798.99 million. On 31 March 2020, the share capital amounts to € 284.19 million, an increase by € 27.18 million compared to last year, following the capital increases mentioned above. After deduction of the capital increase costs, the capital on the balance sheet amounts to € 275.77 million. A total of 1,207,821 new shares were created in the financial year 2019-2020. Issue premiums also increased from € 260.17 million to € 315.41 million for the same reasons. Reserves amount to € 149.71 million and consist of the reserve for the variations in the fair value of real estate properties (€ 143.04 million), the result of previous financial years carried forward (€ 63.66 million), the available reserves (€ 17.49 million) and the legal reserves (€ 0.06 million). The reserves are decreased by the impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties (€ 51.17 million) and by the variations in the fair value

of financial assets and liabilities (€ 23.39 million). The Group makes use of financial derivatives (interest rate swaps and caps) to hedge interest rate risks arising from certain operational, financial and investment activities. Financial derivatives are initially recognised at cost and revalued to their fair value on the next reporting date. The derivatives currently used by Retail Estates nv qualify as accounting cash flow hedges only to a limited extent. Changes in the fair value of the derivatives that do not qualify as cash flow hedges are recorded directly in the income statement. Changes in the fair value of the swaps qualifying as cash flow hedges are booked directly as shareholders' equity and are not included in the income statement. The negative value of these instruments is the result of the strong decline in interest rates that has continued since late 2008 under the influence of American and European central banks.

The net result of the financial year amounts to € 58.10 million and consists of € 69.20 million from EPRA earnings, € - 4.88 million from the result on portfolio and € -6.22 million from variations in the fair value of financial assets and liabilities.

The long-term liabilities amount to € 833.75 million and consist of € 804.79 million long-term financial liabilities with an average term of 4.42 years. The remaining long-term liabilities pertain to authorised cash flow hedges (interest rate swaps) and financial leaseings under IFRS 16.

The short-term liabilities amount to € 152.40 million and consist of € 15.38 million of trade debts and other short-term liabilities. These mainly comprise the trade debts amounting to € 0.22 million, tax debts estimated at € 4.30 million, invoices receivable for € 9.14 million and exit taxes amounting to € 0.96 million. The short-term financial liabilities amount to € 126.99 million, of which € 74.25 million in commercial papers.

Other short-term liabilities have decreased from € 5.48 million to € 0.81 million. The decrease is mainly the result of the price settlements of the shares of the companies Textiel D'Eer and Viafobel, which were processed at the start of this financial year.

As of 31 March 2020, the weighted average interest rate is 2.13%.



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The city of Maastricht is one of the last Dutch cities to grant permits for a retail park destined for large-scale retail trade. Retail Estates therefore regards this acquisition as a great opportunity. ”

The consolidated balance sheet is contained in the chapter “Consolidated balance sheet” of the Financial Report (p. 154 et seq.).

PROFIT AND LOSS ACCOUNT

The net rental income increased by € 12.63 million, mainly due to the acquisition of additional properties and the completion of projects in the 2019-2020 financial year (€ 5.68 million), and the acquisition of the properties and the completion of the projects in the previous financial year that yielded a full year's rent for the first time this year (€ 7.11 million). The sale of properties resulted in a decrease in net rental income of € -0.11 million. The sale of properties during the previous financial year resulted in a decrease in this year's net rental income by € -0.84 million. The impact of contract renewals is € -0.07 million. Furthermore, there is an impact of discounts (€0.07 million), vacancy (€ - 0.91 million) and indexation (€ 1.59 million).

Property costs amount to € 9.05 million, an increase by € 1.47 million, mainly due to the increase in technical costs, recurring fees payable to third parties and commercial costs following the expansion of the portfolio, and the increase in personnel expenses following the expansion of staff. The company's overhead expenses amount to € 5.59 million, an increase by € 0.46 million

(8.66%) compared to the previous year, mainly due to an increase in personnel expenses following the expansion of staff and an increase in taxes and legal expenses.

The result of the sale of investment properties is € 0.60 million. This profit is the result of the sale of € 7.68 million in properties (fair value). Please refer to the “Divestment” section in this chapter for more details.

The variation in the fair value of investment properties amounts to € -5.48 million. There is a positive impact of indexations, increases in the yield at top locations and lease renewals at retail parks, and a negative impact of the depreciation of the costs of the transaction for the determination of the fair value of investment properties. The other result on portfolio amounts to € 0.3 million and mainly relates to a variable price adjustment within the context of the acquisition of a real estate company. The added value of the real estate concerned was recorded on the line “positive variations in investment properties”. The other result on portfolio also includes deferred taxes relating to the Dutch portfolio.

The financial result (excluding variations in the fair value of financial assets and liabilities) amounts to € -19.31 million compared to € -18.48 million last year. The decrease in the weighted average interest

rate from 2.31% to 2.13% offsets the increase in the interest charges due to additional loans taken to finance further expansion of the portfolio. The variation in the fair value of financial assets and liabilities amounts to € -6.22 million compared to € -13.37 million last year. The increase in these costs is the result of the change in the fair values of the swaps that are not defined as a cash flow (variations in the fair value of financial assets and liabilities). However, this result is an unrealised and non-cash item.

The EPRA result (i.e. the net result without the result on portfolio) amounts to € 69.20 million compared to € 60.90 million last year.

The consolidated income statement is contained in the chapter “Consolidated income statement” of the Financial Report (p. 152 et seq.).

PROSPECTS FOR FINANCIAL YEAR 2020-2021

Due to the uncertainties linked to COVID-19 (we refer to the general notes on page 7 of this annual report and to the events after the balance sheet date), it's not possible today to assess the exact impact on the net rental income of 2020. As a result, an exact dividend prognosis is impossible as well. The contractual rents on the basis of the expected composition of the real estate portfolio

and taking into account the acquisitions after 31 March 2020 (Retail Park De Bossche Boulevard and Retailpark in Maastricht, please refer to the events after the balance sheet date) amount to € 117.50 for the financial year 2020-2021. This figure only takes into account acquisitions and disposals for which a private agreement has been signed and investments that have been tendered and for which the required permits have been obtained. A dividend at the level of the previous financial year (taking into account a payout ratio of 100%) is no longer feasible if the rents decrease by more than 15,35%.



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The Company does its utmost to provide its managers and employees with the necessary background and knowledge. ”

APPROPRIATION OF THE RESULTS

The board of directors will propose to the shareholders' meeting, to be held on 20 July 2020, a gross dividend for the financial year 2019-2020 (which began on 1 April 2019 and ended on 31 March 2020) in the amount of € 4.40 (or € 3.08 net, i.e. the net dividend per share after the deduction of 30% in withholding tax) per share which shares in the result of the financial year 2019-2020.

	(000) EUR
Result of the year	58 641
Reserve for the positive/negative balance of changes in the fair value of real estate properties	3 690
Reserve of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties	-43
Changes in fair value of financial assets and liabilities	7 293
Profit to be appropriated for the financial year	69 581
Profit carried forward from the previous financial year (IFRS)	67 163
Transfer of carried forward results from previous financial years (- / +)	2 909
Other	-452
Payment of dividend 31 March 2020	-55 574
Result to be carried forward	83 628

Chapters 8 to 11 of the financial report of this annual report contain an abridged version of the statutory annual accounts. The integral version of the statutory annual accounts as well as the related reports can be consulted on the website of Retail Estates (www.retailstates.com) or can be obtained free of charge upon request.

MISCELLANEOUS ITEMS

RESEARCH AND DEVELOPMENT

The company has not undertaken any activities or incurred any expenditure in the area of research and development.

BRANCH OFFICES

The company does not have any branch offices.

HISTORICAL FINANCIAL SITUATION

For more information about the consolidated financial statements for the 2018-2019 financial year we refer to p. 46 et seq. of the 2018-2019 Annual Financial Report.

For more information about the consolidated financial statements for the 2017-2018 financial year we refer to p. 41 et seq. of the 2017-2018 Annual Financial Report.

6. CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE CODE (2020 VERSION)

In accordance with article 3:6 § 2 BCCA and the Royal Decree of 12 May 2019 laying down the corporate governance code to be complied with by listed companies, Retail Estates nv attempts to implement the provisions of the 2020 Belgian Corporate Governance Code (2020 Code) whenever possible, taking into account the particularities linked to the BE-REIT legislation. The 2020 Code is available on the website www.corporategovernancecommittee.be. However, Retail Estates nv derogates from the provisions of the 2020 Corporate Governance Code in a number of fields. According to the “comply or explain” principle of the 2020 Code, it is permitted to take into account the company's specific situation (e.g. the relatively small size and the characteristics of the company) and to derogate from a provision of the 2020 Corporate Governance Code, subject to justification.

On the date of this annual report, Retail Estates complies with the 2020 Corporate Governance Code, although Retail Estates nv has not yet adjusted their articles of association (including the section relating to

governance) to the new Belgian Code of Companies and Associations, and with the exception of the following provisions:

DEROGATION FROM PROVISION 5.6

The recommended four-year mandate for directors is considered too short given the complexity of the type of property in which Retail Estates nv specialises. The majority of mandates of directors currently have a term of 6 years, expiring on the date of the 2021 annual meeting.

DEROGATION FROM PROVISION 7.6

Retail Estates nv derogates from this provision and does not award a remuneration in the form of share to non-executive directors. The purpose of provision 7.6 of the 2020 Corporate Governance Code is to incite directors to act from the perspective of a long-term shareholder. This perspective has been embedded in the governance of Retail Estates nv as a regulated real estate company ever since its stock exchange listing. The Retail Estates share has a strong track record and the company's management strives for solid earnings per share year after year, an ambition that is certainly achieved. Retail Estates nv feels that the management has proved in the past that this perspective, without the award of a remuneration in the form of shares, is sufficiently present

in the management's conduct. The remuneration report contained in this Corporate Governance Statement includes an overview of the total remuneration of the non-executive directors. Without any obligation imposed by the remuneration policy, the chairman of the Board of Directors, Mr Paul Borghgraef, and one non-executive director, Mr René Annaert, do have a shareholding in Retail Estates nv.

DEROGATION FROM PROVISION 7.9

Retail Estates derogates from this provision and does not set an explicit minimum threshold of shares of Retail Estates to be held by the members of the management committee. In the past Retail Estates nv proved that the remuneration policy determined by the management committee, which does not set a minimum threshold for shareholding, ensures the pursuit of solid earnings per share year after year. In its policy and in line with the strategy of the board of directors, the management committee attaches great importance to the perspective of a long-term shareholder. Without any obligation imposed by the remuneration policy, the CEO does have a shareholding in Retail Estates nv.

SHAREHOLDING STRUCTURE

Based on the transparency declarations received and the information which Retail Estates nv possesses, the main shareholders are:

	% at date of registration ¹	Pro forma % at 31.03.2020 ²	Pro forma % at 12.06.2020 ³
Stichting Administratiekantoor 'Het Torentje' group and Leasinvest, acting in mutual consultation	10.03%	10.45%	10.45%
FPIM nv (Belfius Insurance)	9.76%	7.55%	7.55%
KBC Group nv	3.01%	2.71%	2.71%
AXA nv	6.05%	6.05%	6.05%
Federale Verzekering/Fédérale Assurance	4.96%	4.48%	4.48%
BlackRock, Inc.	3.04%	3.04%	3.04%
General public	63.15%	65.72%	65.72%

¹ On the basis of the denominator at the time of registration.

² On the basis of the number of voting rights, which appears from the information received from the company's shareholders, and taking into account the denominator applicable at 31.03.2020 (12.630.414 shares), this table shows, for information only, the (supposed) shareholding structure. It should be noted that this does not necessarily correspond with reality (not for all shareholders in any case), since the company is not necessarily aware of share transactions that did not result in the triggering of a notification threshold, and thus did not result in a transparency notification.

³ On the basis of the number of voting rights, which appears from the information received from the company's shareholders, and taking into account the denominator applicable at 12.06.2020 12,630,414 shares), this table shows, for information only, the (supposed) shareholding structure. It should be noted that this does not necessarily correspond with reality (not for all shareholders in any case), since the company is not necessarily aware of share transactions that did not result in the triggering of a notification threshold, and thus did not result in a transparency notification.

With the exception of the above-mentioned shareholders, no other shareholder has declared ownership of more than 3% of the issued shares of Retail

Estates nv. According to the criteria applied by Euronext, Retail Estates nv has a free float of 100%.

The transparency declarations received are available for consultation on the company's website www.retailstates.com (under Investor Relations / The share / Shareholding structure).

Voting right of the shareholders

Each share carries one vote. The company's shareholders from whom transparency statements were received do not have preferential voting rights.

Control over Retail Estates NV

There is currently no control over Retail Estates NV within the meaning of article 1:14 of the Belgian Code of Companies and Associations.

Change in control

Retail Estates NV is not aware of any agreements that may lead to a change in control.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

In accordance with the Corporate Governance rules and the relevant legislation, Retail Estates nv has developed an internal control and risk management system taking into account the nature, size and complexity of the company's activities and its environment.

Internal control is a process which aims to provide reasonable guarantees to ensure that the following objectives are met:

- > effectiveness and improvement of the operation of the company;
- > reliability and integrity of information;
- > compliance with policies, procedures, legislation and regulations.

Retail Estates nv has taken the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) as its reference for implementing its internal control system. The components of this framework and their application at Retail Estates nv are discussed below.

Internal control and risk management systems in general

Sound internal control and balanced risk management are an inherent part of Retail Estates nv's corporate culture and are disseminated throughout the organisation by means of:

- > corporate governance rules and the existence of a remuneration and nomination committee and an audit committee;
- > the existence of a code of conduct (dealing code), dealing in particular with such matters as conflicts of interest, confidentiality, buying and selling of shares, prevention of abuse of company property, and communication;
- > a human resources policy with rules for personnel recruitment, periodic performance evaluation and establishment of the annual objectives;

- > procedure monitoring and process formalisation.

The board of directors regularly evaluates the company's exposure to risks, the financial impact of these risks and the actions that must be taken to monitor these potential risks, to avoid the risks and/or (where relevant) to limit the impact of these risks.

In particular, the company has developed internal control and risk management systems for the most important processes in the company, namely managing costs and expenses, repairs and maintenance, developments, and collecting rents.

Internal control and risk management systems relating to financial reporting

CONTROL ENVIRONMENT

The control environment as regards financial reporting consists of the following components:

- > the *accounting team* is responsible for preparing and reporting financial information;
- > the *controller* is responsible for reviewing the financial information and preparing the consolidated figures (in consultation with the CFO) as well as for the feedback of financial information to Retail Estates nv's operational activities;
- > the *CFO* is responsible for the final review of the consolidated financial statements and for the correct application of the valuation rules, and reports back on these tasks to the CEO;
- > as part of his responsibility for the day-to-day management of the company, the *CEO* shall regularly discuss the financial reporting with the CFO;
- > the *audit committee* and the *board of directors* have detailed quarterly (half-yearly for the audit committee) question and discussion sessions with the CEO and CFO and oversee the proper application of the valuation rules. Other factors also play a role in the company's control environment:
- > being a listed company (and a public BE-REIT), Retail Estates nv is subject to the prudential supervision of the FSMA;
- > the real estate expert also plays an important role: the entire real estate portfolio, which constitutes 93% of the balance sheet total, is valued by internationally recognised independent real estate experts (Cushman & Wakefield, Stadim, Colliers and CBRE), each evaluating one part of the real estate portfolio.

RISK ANALYSIS

Regular management and operational meetings serve to address issues that need to be followed up, thus ensuring balanced risk awareness and management:

- > the main events of the past period and their impact on the accounting figures;
- > recent and planned transactions;
- > the development of major key performance indicators; and
- > any operational, legal and fiscal risks.



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The limited size of
the Retail Estates team
contributes significantly
to the smooth flow of
information.”

As a result of these meetings, the appropriate actions can be undertaken and measures can be adopted in order to implement the company's policy. These actions aim to achieve a balanced risk policy in line with the strategic objectives and 'risk appetite' of the company put forward by the board of directors.

CONTROL ACTIVITIES

Control procedures are in effect with respect to the company's key activities, such as collecting rents, repairs and maintenance, project development, site supervision, etc. These procedures are evaluated on a regular basis by the management team.

An ERP system tracks all aspects of the real estate business (overview of lease agreements, rent calls, settlement of costs, payment monitoring, etc.). This software system is linked to the accounting software.

INFORMATION AND COMMUNICATION

A financial report containing the analyses of the figures, the key performance indicators, the impact of purchases and sales on budgets, the cash flow positions, etc. is drawn up every quarter.

In addition, a quarterly operational report is prepared which includes the key performance indicators relating to the real estate department.

In the first and third quarter of the financial year, an intermediary press release is published. Every six months, a more comprehensive half-yearly financial report is published in accordance with IFRS standards. At the end of the financial year, all relevant financial information is published in the annual financial report, which is also made available on the company's website.

The limited size of the Retail Estates team contributes significantly to the smooth flow of information. The considerable involvement of the board of directors and its chairman promotes open communication and ensures that the management body is appropriately provided with information.

MONITORING

Every quarter, the financial team draws up the quarterly figures and balance sheets. These quarterly figures are always extensively analysed and checked. To limit the risk of errors in financial reporting, the figures are discussed with the management and their accuracy and completeness are verified by analysing rental income, vacancies, technical costs, rental activity, developments

regarding the value of the buildings, outstanding debtors etc. in compliance with the four-eyes principle. Comparisons with forecasts and budgets are discussed. Every quarter, management provides the board of directors with a comprehensive report on the financial statements with a comparison of annual figures, budgets and explanations for any deviations.

The statutory auditor also reports to the board of directors on the main findings of their audit activities.

Appropriate risk management policy

The main risks the company faces relate to (i) the market value of the properties, (ii) changes in the rental market, (iii) the structural condition of the buildings, (iv) financial risks, including liquidity risk, the use of financial instruments and banking counterparty and covenant risk, (v) technical permit-related risks, (vi) changes to the traffic infrastructure, (vii) soil contamination, (viii) risks associated with merger, demerger or acquisition transactions, and (ix) regulatory risks.

Measures and procedures are in place to identify and monitor each of the listed risks, to avoid these risks and/or to minimize their impact, if any, and to assess, control and monitor their consequences as much as possible. This is the responsibility of the risk manager.

Integrity policy

The integrity policy, which is overseen by the person entrusted with the "compliance function", covers various aspects, including the prevention of insider trading, conflicts of interest and incompatibility of mandates, non-corruption and professional secrecy.

The effective management examines on a regular basis which other areas and activities should be included in the scope of the compliance function. The "independent compliance function" is treated as an independent function within an organisation that focuses on investigating and promoting compliance by the company with the laws, regulations and rules of conduct applicable to the company and, in particular, the rules relating to the integrity of the company's activities. We discuss the most important of these below:

PREVENTION OF INSIDER TRADING AND MARKET ABUSE

In accordance with the principles and values of the company, Retail Estates nv has included rules in its code of conduct ("Dealing Code") that must be observed by the directors, employees and appointed persons who want to trade in financial instruments issued by Retail Estates nv. The rules of the Dealing Code were drawn up in line with the applicable regulations and legislation, in particular Regulation (EU) No 596/2014 of the European Parliament

and of the Council of 16 April 2014 on market abuse (the Market Abuse Regulation) and the Act of 2 August 2002 on the supervision of the financial sector and on financial services. The company's Dealing Code constitutes an integral part of the Corporate Governance Charter and can be consulted (separately) on the company's website (www.retailstates.com).

The Dealing Code covers for example the disclosure of information relevant to such transactions and stipulates:

- > restrictions on the execution of transactions in financial instruments of the company during specific periods prior to publication of the financial results ("closed periods") or during any other period considered sensitive ("prohibited periods");
- > the appointment of a compliance officer to oversee compliance with the Dealing Code by the directors and other designated persons;
- > prior notification of all transactions in financial instruments of the company to the compliance officer; and
- > the disclosure of each transaction.

CONFLICTS OF INTEREST AND INCOMPATIBILITY OF MANDATES

Reference is made to the passage under 'Handling conflicts of interest' under chapter 7 of this management report.

NON-CORRUPTION

Retail Estates nv strongly emphasises the principles of honesty and integrity, and expects a similar attitude on the part of third parties with whom the company does business.

PROFESSIONAL SECRECY

It is expressly forbidden for members of the bodies of the company and for personnel to use or reveal any confidential information they acquire during the course of their duties for improper purposes.

POLITICAL ACTIVITIES

In pursuing legitimate commercial objectives, Retail Estates nv acts in a socially responsible manner in accordance with the laws of the country in which the company is active.

Independent supervisory functions

RISK MANAGEMENT FUNCTION

Measures and procedures are in place to identify and monitor the risks that the company faces, to avoid these risks and/or to minimize their impact, if any, and to assess, control and monitor their consequences as much as possible. This is the responsibility of the risk manager.

As a large number of risks are legal in nature, Ms Lore Leo, legal counsel (member of the M&A team; according to the Board of Directors, the main risks relate to the acquisition activities rather than to portfolio management activities), was appointed risk manager. She consults with the compliance officer in this context.

The risk manager was appointed on 14 March 2018 for a three-year term and has the required professional reliability and suitable expertise. The risk manager is under direct supervision of a member of the effective management, in this case Mr Jan De Nys, who bears final responsibility for the company's risk management systems.

INDEPENDENT COMPLIANCE FUNCTION

The board of directors has appointed Mr. Paul Borghgraef as compliance officer. He also chairs the board of directors. Based on his position, he is in particular responsible for compliance with the integrity policy as described above.

The term of Paul Borghgraef's mandate as compliance officer is the same as for his board mandate (which expires at the 2021 annual shareholders' meeting).

INDEPENDENT INTERNAL AUDIT FUNCTION

The person in charge of the internal audit is responsible for the independent and ongoing assessment of the activities of the company and furthermore analyses the quality and efficiency of existing procedures and methods of internal control.

The internal statutory auditor will present his findings on a yearly basis.

The internal audit function is performed by an external consultant, in this case VMB, represented by Mr Luc Martens. The internal audit function, which is thus outsourced to an external legal person represented by a natural person, is performed under the supervision and

responsibility of Mr Giovanni Ronsse, the finance and reporting analyst of the company. He was appointed on 14 March 2018 for a three-year term and has the required professional reliability and suitable expertise.

Internal audit functions within Retail Warehousing Invest nv

Pursuant to article 17, §2 of the BE-REIT Act, the internal audit within the company also covers its subsidiary as it qualifies as an institutional real estate investment trust (REIT).

7. MANAGEMENT OF THE COMPANY

COMPOSITION

On the date of this report, the board of directors of Retail Estates nv consists of 12 directors: 10 non-executive directors and 2 executive directors, i.e. the managing director (CEO) and the chief financial officer (CFO).

The Board of Directors has set up three committees: a remuneration and nomination committee, an audit committee and a management committee.

The Board of Directors met nine times in 2019-2020. A number of meetings were held by conference call or in the office of notary public Tim Carnewal. The remuneration and nomination committee and the audit committee met twice. The management committee meets on a weekly basis.

In spite of the provisions of the 2020 Corporate Governance Code, which prescribes a four-year term for management mandates, all mandates of the directors of Retail Estates NV were extended for a new six-year term (until the end of the 2021 shareholders' meeting) during the annual shareholders' meeting of 1 July 2016. Directors whose mandate took effect after the annual meeting of 1 July 2016 were also appointed for a term expiring upon the closure of the 2021 annual meeting.⁷ The composition of the Board of Directors reflects independence at a double level:

- > the Board of Directors has at least three independent directors within the meaning of article 526ter of the Belgian Code of Companies and the Belgian 2020 Corporate Governance Code; these independent directors were reappointed during the annual shareholders' meeting of 1 July 2016, the extraordinary shareholders' meeting of 6 January 2016 and the extraordinary shareholders' meeting of 4 April 2017; and

⁷ The extraordinary shareholders' meeting of 4 April 2017 approved the appointment of (i) Ms Ann Gaeremynck as an independent director within the meaning of article 526ter of the Belgian Code of Companies; and (ii) Mr Victor Ragoen as a non-executive director, in both cases until the end of the 2021 shareholders' meeting. Michel Van Geyte (CEO Leasinvest) was co-opted on 17 May 2019 and is a member of the board of directors as of 18 May 2019. He replaces Jean-Louis Appelmans, who resigned on 17 May 2019. Stijn Elebaut replaces Mr Rudy De Smedt in the board of directors as of 24 April 2019. Mr De Smedt resigned on 31 May 2018.



“ At Retail Estates the equality principle is the basis for the selection of employees. ”

> the Board of Directors has a majority of non-executive directors.

The directors are appointed for a maximum term of six years and can be re-elected.

These directors also meet the criteria of independence set out in article 3.5 of the 2020 Corporate Governance Code (see article 7:87 of the Belgian Code of Companies and Associations). The independent directors strictly comply with the following criteria of independence:

1. not being a member of the executive management or holding a position as a person entrusted with the daily management of the company or a company or person affiliated with the company, and not having been in such a position for the three years prior to their appointment. Alternatively, no longer enjoying share options of the company related to such position;
2. not having served for a total term of more than twelve years as a non-executive director;
3. not being part of the senior management (as defined in article 19, 2° of the Belgian Act of 20 September 1948 regarding the organisation of business) of the company or a company or person affiliated with the

company, and not having been in such a position for the three years prior to their appointment; alternatively, no longer enjoying share options of the company related to such position;

4. not receiving or having received during their mandate or for a period of three years prior to their appointment, any significant remuneration or any other significant advantage of a proprietary nature from the company or a company or person affiliated with the company, other than any fee they receive or have received as non-executive director;
5. a. not holding, either directly or indirectly, either alone or acting in concert, any shares representing in total one tenth or more of the company's capital or one tenth of more of the voting rights in the company at the moment of the appointment;
b. in no event having been nominated by a shareholder meeting the conditions described under (a);
6. not having, or having had in the year prior to their appointment, a significant business relationship with the company of a company or person affiliated with the company, either directly or as a partner, shareholder, member of the board of directors or member of the senior management (as defined in article 19, 2° of the

above-mentioned Belgian Act of 20 September 1948 regarding the organisation of business) of a company or person who maintains such a relationship;

7. not be or have been within the last three years prior to their appointment, a partner or member of the audit team of the company of the person who is, or has been within the last three years prior to the appointment the statutory auditor of the company or an affiliated company or person;
8. not be an executive of another company in which a member of the executive management of the company is a non-executive member of the board, and not having other significant links with executive directors of the company through involvement in other companies or bodies;
9. not have, in the company or an affiliated company or person, a spouse, legally cohabiting partner or relative by blood or marriage to the second degree, holding a position as board member or executive of person entrusted with the daily management (as defined in article 19, 2° of the Act of 20 September 1948 relating to the organisation of business) or falling under one of the other circumstances referred to in 1. to 8. above and, as regards point 2., up to three years after the

relative concerned terminated their last term of office.

The composition of the board of directors intends to ensure that the decisions taken are in the interest of the company. The composition of the board of directors is determined on the basis of diversity in general and complementarity of skills, experience and know-how. It is of particular importance to have a strong representation of directors who are well versed in the management of retail businesses in the type of property in which Retail Estates nv invests and/or have experience in the financial aspects of the management of a listed company and of a BE-REIT in particular. Consequently, it is pivotal that members of the board of directors are complementary in terms of knowledge and experience. To enable the board of directors to operate efficiently, the intent is to limit the number of board members to 12. The current composition of the Board of Directors ensures compliance with the requirements in terms of gender diversity. The Board of Directors currently consists of four women and eight men, which is in line with article 7:86 of the Belgian Code of Companies and Associations.

On the date of this report, the Board of Directors of Retail Estates NV is composed as follows:

Name	Position	Start of current mandate	Date of expiry of current mandate	Professional address
Paul Borghgraef	Chairman of the Board of Directors	01.07.2016	2021 shareholders' meeting	Gauwberg 6, 2970 Schilde
Jan De Nys	Managing director Chairman of the management committee	01.07.2016	2021 shareholders' meeting	Industrielaan 6, 1740 Ternat
Kara De Smet	Chief Financial Officer Member of the management committee	12.01.2016	2021 shareholders' meeting	Industrielaan 6, 1740 Ternat
René Annaert	Independent director Chairman of the remuneration and nomination committee Member of the audit committee	01.07.2016	2021 shareholders' meeting	Mercatorlaan 4, 1780 Wemmel
Michel Van Geyte ⁸	Non-executive director	18.05.2019	2021 shareholders' meeting	Schermersstraat 42, 2000 Antwerpen (Antwerp)
Stijn Elebaut ⁹	Non-executive director	24.04.2019	2021 shareholders' meeting	Stoofstraat 12, 1000 Brussel (Brussels)
Christophe Demain	Non-executive director	01.07.2016	2021 shareholders' meeting	Galiléelaan 5, 1210 Brussel (Brussels)
Ann Gaeremynck	Independent director Member of the remuneration and nomination committee Member of the audit committee	04.04.2017	2021 shareholders' meeting	Naamsestraat 69, 3000 Leuven
Victor Ragoen	Non-executive director Member of the remuneration and nomination committee	04.04.2017	2021 shareholders' meeting	Tenboslaan 23, 1560 Hoeilaart
Jean Sterbelle	Non-executive director	01.07.2016	2021 shareholders' meeting	Vieux Chemin de l'Helpe 33, 1332 Rixensart
Leen Van den Neste	Independent director Member of the remuneration and nomination committee Chairwoman of the audit committee	12.01.2016	2021 shareholders' meeting	Sint-Michielsplein 16, 9000 Gent (Ghent)
Herlinda Wouters	Non-executive director	12.01.2016	2021 shareholders' meeting	Watermanweg 92, 3067 GG Rotterdam, the Netherlands

⁸ Michel Van Geyte (CEO Leasinvest) was co-opted on 17 May 2019 and is a member of the board of directors as of 18 May 2019. His appointment was approved at the general annual meeting of 22 July 2019. He replaces Jean-Louis Appelmans, who resigned on 17 May 2019.

⁹ Stijn Elebaut replaces Mr Rudy De Smedt in the board of directors as of 24 April 2019. His appointment was approved at the general annual meeting of 22 July 2019. Mr De Smedt resigned on 31 May 2018.

Four out of twelve directors represent a reference shareholder: Ms Wouters (on behalf of KBC Group), Mr Van Geyte (on behalf of Het Torentje (Leasinvest)), Mr Demain (on behalf of Belfius Group) and Mr. Elebaut (on behalf of Federale Verzekering).

Mr De Nys, Mr Borghgraef and Mr Annaert have declared that they hold shares in the company for their personal

account.

In compliance with the 2020 Corporate Governance Code, non-executive directors need to be aware of the extent of their duties, especially with respect to the time commitment involved in carrying out those duties. Non-executive directors are not allowed to hold more than five mandates as directors in listed companies. None of

the non-executive directors has more than five mandates in listed companies.

The following is an overview of the different mandates with a concise description of the professional career of the different directors:

Mr. Paul Borghgraef



Mr Paul Borghgraef has been a director and the chairman of the Board of Directors of Retail Estates since 2004.

He obtained a degree in Accountancy and Tax Law at Economische Hogeschool Antwerpen in 1976, followed by a postgraduate degree in Information Technology and Social Legislation.

He started his career at the policy accounting department of Kredietbank in 1976.

From 1977 to 1978, he worked for Dijker en Doorbos (currently PWC) as an auditor and tax specialist.

From 1978 onwards, he held several positions at Krefima, including that of managing director and chairman of the management committee, executive director and chairman of the Board of Directors until 2006.

Since 1995 he has served as a judge in commercial cases at the Enterprise Court in Antwerp.

Current mandates:

- Director of PG58 NV
- Director of Pertinea Property Partners
- Director of Verzekeringen NV
- Director of Home Sint-Jozef VZW

Committees: /

Mr. Jan De Nys



Mr Jan De Nys has been the managing director of Retail Estates nv since 1998.

He earned a licentiate degree in Law at the Catholic University of Leuven in 1982, followed by a postgraduate degree in European Law at the College of Europe in Bruges.

He started his career with De Bandt, Van Hecke in 1982. From 1999 to 2002, he held several positions at Mitiska NV, and he remained a director of this company until 2009.

Current mandates:

- Director of Alides REIM NV
- Director of First Retail International I en II NV
- Chairman of the board of directors of BEM II NV

Committees: /

Ms. Kara De Smet



Kara De Smet has been the CFO of Retail Estates since 2006. She has been an executive director since January 2016.

She has been lecturing at the Post University Centre of the Catholic University of Leuven (department of Real Estate Management) since 2015.

She obtained a licentiate degree in Applied Economic Sciences at the Catholic University of Leuven in 1999.

From 1999 to 2006, she worked for Deloitte as an audit manager.

Current mandates:

- Director of the BE-REIT Association, the professional association of BE-REITs, where she also chairs the Accounting workgroup.

Committees: /

Mr. René Annaert



Mr Annaert has been an independent director of Retail Estates since 7 July 2015. Mr Annaert chairs the remuneration and nomination committee and is also a member of the audit committee of Retail Estates. He obtained a degree in Construction Engineering at Sint-Lukas Hogeschool Brussel.

Mr Annaert started his career as a draughtsman at Traction et Electricité. From 1975 to 1988, he held the positions of site manager and project coordinator with different companies. René Annaert became director and CEO of C.V.A. Wereldhave Belgium in 1988. He held this position until 2000, after which he served as managing director of Devimo N.V. until 2011. Mr Annaerts was CEO of Brussels International Trade Mart from 2012 to 2015.

Current mandates: /

Committees:

- Remuneration and nomination committee
- Audit committee

Mr. Michel Van Geyte



Mr Van Geyte earned a licentiate degree in Applied Economic Science at the Catholic University of Leuven (KUL) in 1989, followed by a postgraduate degree in Real Estate at KUL and an executive master in Corporate Finance at Vlerick Business School. He started his career in 1990 at Belgian Shell. From 1991 to 1995 he was a consultant at UNIZO, where he was involved in research into shopping centres and SMEs. Between 1995 and 1999 he held the position of deputy general manager at C.I.P., a project developer of office buildings and residential projects. In 1999 he became a country manager at Grubb&Ellis and between 2001 and 2004 he was a managing partner at Knight Frank Belgium (Letting, Investment, brokerage,...).

Michel Van Geyte joined Leasinvest Real Estate in 2004, where he initially held the office of commercial manager (C.O.O.). He is now the CEO – executive director of Leasinvest Real Estate Management NV and statutory manager of the public BE-REIT GVV Leasinvest Real Estate Comm. VA.

Mr Van Geyte has been lecturing at the Catholic University of Leuven since 2009, where he teaches several subjects related to real estate.

Current mandates:

- Managing director of Leasinvest Real Estate Management NV
- Managing director of Leasinvest Immo Lux SICAV-FIS SA
- Director of different real estate companies that are part of Leasinvest Real Estate
- Chairman of Alumni Vastgoed - KUL

Committees: /

Mr. Stijn Elebaut



Mr Stijn Elebaut has been a director of Retail Estates since 24 April 2019. Mr Elebaut earned a licentiate degree in commercial sciences at EHSAL, followed by an MBA in Financial Management at Vlerick Management School.

In 2001 Mr Elebaut started his career in financial controlling with Toshiba TEC. Between 2004 and 2017 he held several positions at Société Generale Private Banking (previously Bank De Maertelaere), including that of buy-side equity analyst and Portfolio Manager. He has been Portfolio Manager with Federale Verzekering since 2017.

Current mandates: /

Committees: /

Mr. Christophe Demain



Mr Demain has been a non-executive director of Retail Estates since 30 June 2013. He earned his degree in Applied Economic Sciences at the Université Catholique de Louvain (UCL).

He is the Chief Investment Officer at Belfius Insurance. He started his career as a trader with Crédit Général and later with Ippa Bank. From 1999 to 2009, he held different positions within Axa. He has been Chief Investment Officer at Belfius Insurance since 2013.

Current mandates:

- Chief Investment Officer at Belfius Insurance NV
- Director of Belwing NV
- Director of Rekode NV
- Director of Elantis NV
- Director of Belfius Investment Partners NV
- Director of Newton Biocapital I, Pricaf Privée SA
- Director of various real estate companies of Belfius Group (i.e. LFB NV, Legros-Renier, Les Amarantes Seigneurie de Loverval NV, Coquelets NV, Immo Malvoz BVBA, Immo Zeedrift NV, ImmoActivity NV and Offico Immo NV).

Previous mandates:

- Director of Auxipar NV (until 2018)
- Director of Cofinimmo NV (until 2017)
- Director of First Retail International NV (until 2017)
- Director of First Retail International 2 NV (until 2017)
- Director and liquidator of AIS Consulting SA (until 2014)
- Permanent representative of AIS Consulting SA, manager of SCI St Mesmin (until 2014)

Committees: /

Ms. Ann Gaeremynck



Ms Ann Gaeremynck has been an independent director of Retail Estates since 4 April 2017.

Ms Ann Gaeremynck is a doctor in Applied Economic Sciences. She obtained her degree at the Catholic University of Leuven.

Ann Gaeremynck is full professor at the Faculty of Business and Economics of the Catholic University of Leuven.

Her main research interests lie in the field of governance, audit and financial reporting.

Current mandates:

- Director of VGP
- Director of VIVES University College
- Director of ICCI (Information Centre for Company Auditors)

Previous mandates:

- External member of the audit committee of AZ Delta

Committees:

- Audit committee
- Remuneration and nomination committee

Mr. Victor Ragoen



Mr Victor Ragoen has been a director of Retail Estates since 5 November 2004.

He served as managing director of New Vanden Borre NV until 31 January 2015. He obtained a licentiate degree in Commercial Sciences and Financial Sciences and a master's degree in marketing at the Vlerick School.

He started his career at Ogilvy & Mather as junior account executive in 1980 and switched to BBDO in 1981. From 1982 to 1991, he held several marketing positions within American Express. From 1991 to 2007, he served as managing partner and later as managing director of Vanden Borre. From 2007 to 2011, Mr Ragoen was vice chairman of KESA Electricals. From May 2011 to February 2015, he served as managing director of Vanden Borre once again.

Current mandates: /

Committees:

- Remuneration and nomination committee

Jean Sterbelle



Mr Jean Sterbelle has been a director of Retail Estates since 12 April 2013.

He obtained a graduate degree in real estate and a real estate agent certificate at INFAC.

From 1989 to 1990, he served as deputy of the safety and buildings manager of Morgan Guaranty Trust Company of New York (Euroclear Operation Centre).

From 1990 to 2007, he held several real estate related positions within the Fortis group, where he became commercial manager for commercial real estate in 1996.

From 2007 to June 2014, he served as Head of Real Estate Commercial Management at AXA Belgium – Letting & Investment.

From 1 July 2014 until late October 2018, he was Head of Transactions & Letting at AXA Real Estate Investment Managers Belgium NV. In this position he was responsible for letting and for real estate transactions on behalf of all AXA REIM customers/investors (purchase/sale).

He has been Head of Luxembourg with Leasinvest Real Estate since 1 July 2019 and is responsible for the operational management of the Luxembourg real estate portfolio of the BE-REIT, as well as for the implementation of the investment strategy.

Current mandates: /

Previous mandates:

- Head of Transactions Belux – AXA Real Estate Investment Managers Belgium NV
- Director of several real estate companies

Committees: /

Ms. Leen Van den Neste



Ms Leen Van den Neste has been an independent director of Retail Estates since 12 January 2016.

Ms Leen Van den Neste obtained her degree in Law at Ghent University in 1988. She furthermore obtained a special licence in Accountancy at the Vlerick Management School in Ghent in 1990.

Ms Van den Neste started her career at KMPG Bedrijfs-revisoren, followed by a position as senior internal auditor at the Internal Audit department of VF. In 1995, she started working for the Arco Group, where she held several positions. She became administration and finance manager in 2005 and served as a member of the management committee of the Arco Group from 2007 to 2011.

Ms Van den Neste joined the management committee of VDK Bank in September 2011 and became chairwoman in April 2012.

Current mandates:

- Managing director and president of VDK Bank NV
- Director and member of the executive committee of Febelfin
- Chairwoman of the Board of Directors of Xior NV, a public real estate investment fund
- Director of KAA Gent CVBASO
- Director of Centrale voor Huisvesting - Arrondissement Gent
- Director of CPP-Incofin
- Director of Gentco CVBA
- Director of Familiehulp VZW
- Director of Artevelde Hogeschool VZW

Committees:

- Remuneration and nomination committee
- Audit committee

Ms. Herlinda Wouters



Ms Herlinda Wouters has been a director of Retail Estates since 12 January 2016.

In 1980, Ms Wouters obtained a master's degree in Applied Economic Sciences and a master's degree in Educational Sciences, in both cases at the University of Antwerp. Ms Wouters started her career at Exxon Chemicals as a business analyst. From 1983 to 1997, she worked for IndoSuez Bank Belgium, initially as Global Relationship Manager and later as a Branch Manager.

In 1998, Ms Wouters made the switch to KBC Bank, where she started working as a senior banker and became Corporate Business Development Manager later on. She worked for KBC Financial Products Ltd as Program Director from late 2009 to early 2011. She also held this position with Antwerp Diamond Bank for six months.

From July 2011 to July 2019, Ms Wouters was the General Manager of KBC Bank Nederland in Rotterdam.

Ms Wouters has been General Manager of KBC Bank Finance and director of KBC Bail Immobilier France, with establishments in Paris and Lille, since August 2019.

Current mandates:

General Manager of KBC Bank France, director of KBC Bail Immobilier France

Committees: /

MEMBERS OF THE EXECUTIVE COMMITTEE WHO ARE NOT MEMBERS OF THE BOARD OF DIRECTORS

Runa Vander Eeck



Runa Vander Eeck has been CLO of Retail Estates since November 2018.

She obtained a law degree in 2003 at the Catholic University of Leuven.

She was a lawyer at Brussels from 2003 to 2018 at law firm Eubelius (from 2012 as "Counsel") with a focus on corporate, corporate and economic law. She has in this matters published and taught.

Current mandates: /

Koenraad Van Nieuwenburg



Koenraad Van Nieuwenburg is CIO of Retail Estates since April 2017. He obtained a master's degree civil engineer-architect in 1997 at Ghent University.

In 1999 he obtained a Postgraduate degree in real estate at the Catholic University of Leuven.

From 1998 to 2001 he was an independent Architect and project manager for the total coordination of several construction projects

From 2001 to 2017, he was Director of Real Estate and Expansion at IKEA Belgium nv / Director BENE-property vof.

Current mandates: /

STATEMENTS CONCERNING DIRECTORS AND MANAGEMENT COMMITTEE MEMBERS

The board of directors of Retail Estates nv hereby confirms that none of its directors and none of the members of the management committee have in the course of the past five years been convicted of a crime of fraud, been the subject of any official and/or public accusation, had a sanction imposed by a judicial or regulatory body, been banned by a court of law from serving as a member of a management body, or ever appeared before a court of law in the capacity of a director, in connection with bankruptcy. There is no family relationship between the directors and the members of the management committee.

FUNCTIONING OF THE BOARD OF DIRECTORS

The board of directors of Retail Estates nv determines the company's strategy, investments, budgets, disposals and acquisitions and funding.

The board of directors prepares the annual accounts and interim financial statements and the annual report of the company for the shareholders' meeting. The board of directors also approves merger and demerger reports. It decides on the use of the authorised capital and convenes the annual and extraordinary shareholders' meeting. It supervises the accuracy and transparency of communications to shareholders, financial analysts and the general public as communicated through prospectuses, annual and interim reports and press releases.

He delegates day-to-day management to the CEO who reports regularly on management, annually budget and prepares a quarterly financial and operational reporting.

The board of directors has set up a management committee as defined in article 524bis of the Belgian Companies Code, to which they transferred a number of managerial powers. In practice, the management committee is responsible for:

- > presenting proposals to the Board of Directors as regards strategy and general policy;
- > implementing the strategy outlined by the Board of Directors, including the decisions to acquire or transfer real rights on real estate or shares of real estate companies;
- > the company's daily management, in consultation with

the managing director, and reporting to the Board of Directors.

In addition, the managing director, supported by the management committee, is responsible for the executive management.

The board of directors can only deliberate and make decisions validly if at least half of its members are present or represented. If this condition is not met, a new meeting can be convened which will deliberate and decide validly on the agenda items of the previous meeting if at least two directors are present or represented. Each decision of the board of directors is taken by a simple majority of the votes cast by the directors present or represented, and in the event of abstention by one of them, by the majority of the votes cast by the other directors. In the event of a tie, the director chairing the meeting has the casting vote. Resolutions of the board of directors may in exceptional cases be adopted by unanimous written agreement by the directors whenever the urgency of the matter and the interest of Retail Estates nv so require. In accordance with the articles of association of Retail Estates, this procedure may not be followed for the adoption of the financial statements or the appropriation of the authorised capital.

In addition to its legal mandate, the board of directors, bearing in mind the company's interests, will also determine the strategy and outline the policy lines. More specifically, it makes all fundamental decisions concerning investments in and disposals of properties as well as those regarding their funding.

A clear distinction is made between the responsibilities of the managing director and those of the chairman of the board of directors. The chairman leads the board of directors and ensures that the agenda for the meetings of the board of directors is prepared and that the directors promptly receive the relevant information.

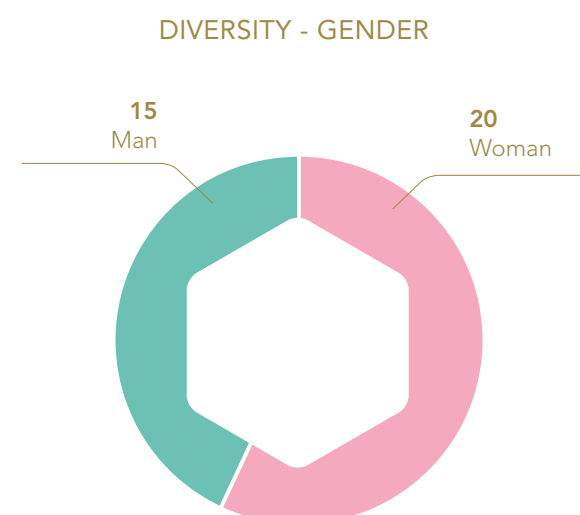
The managing director is responsible for the operational tasks relating to the management of the real estate portfolio and the functioning of the company. The board of directors will ensure that sufficient powers are given to meet these responsibilities and duties.

DIVERSITY POLICY

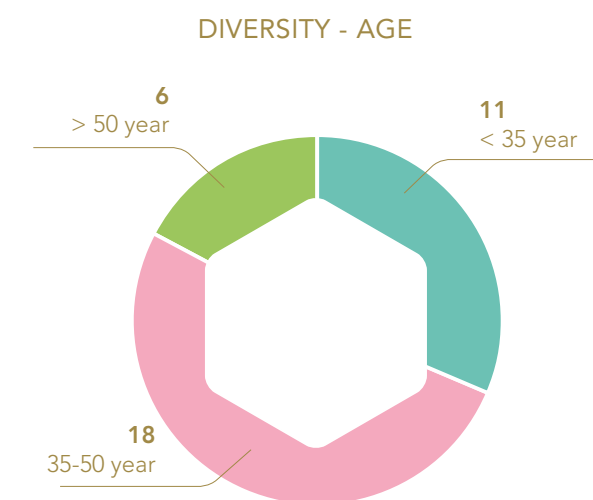
At Retail Estates the equality principle is the basis for the selection of employees. This means that all employees are selected on the basis of their competencies and skills, independent from e.g. age, gender and cultural background. Diversity within the team is part of the corporate culture and Retail Estates feels that it is an added value for the company's growth and an enrichment of the corporate culture.

The composition of the group of employees reveals that this policy actually yields results.

The table below represents diversity on the basis of gender:



The graph below represents diversity on the basis of age:



Diversity is also taken into account for the composition of the management committee and the board of directors: the management committee is composed on the basis of gender equality and the company has four female directors. In addition, the composition of the management committee and board of directors is determined on the basis of diversity in general and complementarity of skills, experience and know-how. It is of particular importance to have a strong representation of directors who are well versed in the management of retail businesses in the type of property in which Retail Estates nv invests and/or have experience in the financial aspects of the management of a listed company and of a BE-REIT in particular. Consequently, it is pivotal that members of the board of directors are complementary in terms of knowledge and experience.

For more information about diversity within Retail Estates, please refer to chapter the Sustainability report on page 89.

REMUNERATION REPORT

INTRODUCTION AND CONTEXT

Retail Estates nv has prepared a report on the remuneration policy for its directors. The board of directors has ten non-executive and two executive directors, i.e. the executive chief financial officer (Ms Kara De Smet) and the managing director (Mr Jan De Nys), who together assume the effective management of Retail Estates nv and its subsidiaries.

The report was prepared by the remuneration committee in accordance with article 3:6 §3 of the Belgian Code of Companies and Associations and was approved by the board of directors' meeting of 12 June 2020.

It will be submitted to the annual shareholders' meeting of 20 July 2020, which is to approve or disapprove the report by a separate vote.

REMUNERATION POLICY

Principle

The remuneration policy of Retail Estates nv has been prepared in such a way that it takes into account market-compliant remuneration, which enables the company to attract and retain talented directors, while also considering the size of the company and its financial prospects. This remuneration furthermore has to be proportionate to the responsibilities associated with the position of a director in a listed company. However, the expectations of the shareholders must be met as well.

The remuneration and nomination committee analyses the applied remuneration policy on a yearly basis, assesses whether adjustments are required and makes the necessary recommendations to the board of directors, which in turn must present the recommendations to the shareholders' meeting.

Internal procedure - financial year 2019-2020

The remuneration committee met twice during the past financial year to verify and adjust, where necessary, the remuneration budgets of the directors on an individual basis and the personnel budget in its entirety in accordance with the responsibilities of the persons in question and the medium and long-term objectives the board of directors has set for the company. In this respect, the executive directors are analysed both in terms of the overall remuneration level and the distribution of the different components.

REMUNERATION OF THE MANAGEMENT COMMITTEE

Please refer to the section "management committee" in the chapter "Report on the activities and functioning of the committees".

REMUNERATION OF THE DIRECTORS

Remuneration of Mr Paul Borghgraef, chairman of the board of directors.

The fixed remuneration of the chairman was set at € 60,000, given the regular presence and involvement of Mr. Paul Borghgraef and given the fact that he is the daily interlocutor and sounding board of the managing director between board meetings. Variable remuneration and other benefits or severance payment are not available.

Mr Paul Borghgraef is a non-executive director and has been chairman of the board of directors since 12 January 2016. He does not receive a separate remuneration for the exercise of his directorship.

Executive directors

Executive directors do not receive a remuneration in their capacity as directors.

Non-executive directors

Non-executive directors receive a fixed annual remuneration of € 6,000. They also receive attendance fees amounting to € 1,500 per meeting for attending meetings of the board of directors and its committee(s).

Non-executive directors do not receive performance-related remuneration such as bonuses or stock-related long-term incentive schemes or fringe benefits.

In certain cases the non-executive directors may be granted an expense allowance for expenses relating to on-site visits prior to a meeting of the board of directors, which will decide on investments or divestments.

On the basis of the foregoing, the following expense allowances were paid to the directors in 2019-2020:

	Annual fixed remuneration (EUR)	Performance-related (EUR)	Attendance at board of directors' meetings ⁵	Attendance at audit committee meetings	Attendance at remuneration and nomination committee meetings	TOTAL (EUR)
Paul Borghraef	60 000	0	7/7			60 000
René Annaert	6 000	16 500	7/7	2/2	2/2	22 500
Jean-Louis Appelmans ¹		4 500	2/2	1/2		4 500
Christophe Demain	6 000	9 000	6/7			15 000
Stijn Elebaut ⁶	6 000	7 500	6/7			13 500
Vic Ragoen	6 000	13 500	7/7		2/2	19 500
Jean Sterbelle	6 000	10 500	7/7			16 500
Leen Van den Neste	6 000	10 500	5/7	2/2	2/2	16 500
Herlinda Wouters	6 000	7 500	5/7			13 500
Ann Gaeremynck	6 000	13 500	7/7	2/2	2/2	19 500
Michel Van Geyte ²	0	0	4/5			0
Jan De Nys ³	0	0	7/7			0
Kara De Smet ⁴	0	0	7/7			0
TOTAL remuneration directors	108 000	93 000				201 000

¹ The mandate of mister Appelmans ended on 17 May 2019

² Mr. Van Geyte receives, at his request, no remuneration in his capacity as director of Retail Estates

³ Mr. De Nys receives no remuneration in his capacity as director of Retail Estates

⁴ Ms De Smet receives no remuneration in her capacity as director of Retail Estates

⁵ The Board of Directors of May 29, 2019 and the Board of Directors of July 22, 2019 both held by notarial deed are unpaid and were not included in the overview above.

⁶ The Board of Directors of April 24 was unpaid for Mr. Stijn Elebaut

Indemnification and insurance of directors

The company has taken out an insurance policy to cover the liability of its directors.

Future developments

At the recommendation of the remuneration committee, the board of directors does not intend to make any significant changes to the remuneration policy. This applies to both the executive and non-executive directors and to financial years 2020-2021 and 2021-2022.

REPORT ON THE ACTIVITIES AND FUNCTIONING OF THE COMMITTEES

Please refer to section 4 of this chapter for the board of directors' activity report.

In order to continually improve the effectiveness of the board of directors, the board of directors shall systematically and regularly (at least every three years) evaluate its size, its composition, its performance and those of its committees as well as its interaction with the management committee.

This assessment focuses on:

- the functioning of the board of directors and its committees;
- the effective contribution of each director through their



“ Diversity within the team is part of the corporate culture and Retail Estates feels that it is an added value for the company’s growth and an enrichment of the corporate culture. ”

attendance at the meetings of the board of directors and the committees and their contribution to the discussions and the decision-making process.

Various committees can be established within the board of directors for specific matters.

Currently, the board of directors of Retail Estates nv has set up three committees: a remuneration and nomination committee, an audit committee and a management committee.

REMUNERATION AND NOMINATION COMMITTEE

The remuneration and nomination committee consists of the following members:

- René Annaert – Independent director and chairman of the committee
- Leen Van den Neste – independent director
- Ann Gaeremynck – independent director
- Vic Ragoen – non-executive director

The committee convened twice in 2019-2020 in the context of drawing up the 2020-2021 budget. The employee remuneration policy was discussed during these meetings and an inventory was made of the recurrent fees paid to external service providers.

The role of the remuneration and nomination committee is to assist the board of directors by:

- formulating recommendations on the composition of the board of directors and its committees;
- assisting in the selection, assessment and appointment of the members of the board of directors;
- assisting in determining the remuneration of the members of the board of directors;
- preparing the remuneration report.

AUDIT COMMITTEE

The audit committee consists of the following members:

- Leen Van den Neste – Independent director and chairwoman of the committee
- René Annaert - Independent director
- Ann Gaeremynck – independent director
- Jean-Louis Appelmans¹⁰ – non-executive director

The committee met twice in 2019-2020.

The tasks of this audit committee mainly concern monitoring the financial reporting process and the effectiveness of internal control and risk management systems, monitoring internal audits, conducting

¹⁰ Jean-Louis Appelmans resigned from the board of directors and from the audit committee on 17 May 2019; he was not replaced within the audit committee.

statutory audits of individual and consolidated accounts and assessing and monitoring the independence of the statutory auditor.

MANAGEMENT COMMITTEE

The management committee consists of the following members:

- Jan De Nys – CEO, executive director and chairman of the committee
- Kara De Smet - CFO and executive director
- Koenraad Van Nieuwenburg – CIO
- Runa Vander Eeck – CLO

The duties of this management committee mainly concern the day-to-day management of Retail Estates nv and its participations, the organisation and management of support functions, the conclusion of lease agreements, the due diligence for investments and disposals, the preparation of financial statements and all operational reporting.

As far as the division of powers between the management committee and the board of directors and any other aspects of the functioning of the management committee are concerned, reference is made to the charter of the management committee, which can be

consulted on the company’s website.

Retail Estates has entrusted the following persons with the effective management of the company within the meaning of article 14 of the BE-REIT Act: Mr Jan De Nys, Chief Executive Officer of Retail Estates (for an indefinite period) and Ms Kara De Smet, Chief Financial Officer of Retail Estates (until the end of the 2021 annual shareholders’ meeting on financial year 2020/2021). Pursuant to the Corporate Governance Charter of Retail Estates, the effective managers participate in the management of Retail Estates.

The remuneration for the position of CEO, which has been held by Mr Jan De Nys since the initial public offering of Retail Estates nv in March 1998, takes into account his experience and track record in establishing and developing the company. It also takes into account the experience he gained in the retail environment in Belgium and abroad as well as his commercial, legal and financial knowledge which is necessary for the development of a portfolio of out-of-town retail properties and the daily management of a listed company. He carries out his mandate personally as an independent manager.

The fixed remuneration is indexed annually on 1 April.

The variable remuneration of the managing director is determined annually by the board of directors based on a proposal put forward by the remuneration committee. This remuneration shall not exceed 25% of the fixed remuneration (including the IPT scheme). It is linked to the achievement of a number of qualitative and quantitative criteria, and the relevant criteria for financial year 2019-2020 are:

- Financial criteria (weighting of 25%):
EPRA profits per share excluding all changes in fair value of the assets and interest rate hedging instruments and the results achieved on the realisation of assets;
- Portfolio management (weighting of 25%):
Collection management and occupancy level;
- Real estate portfolio optimisation (weighting of 25%):
Cluster development, improvement works and expansion of retail premises with a view to growing the rental value in the long term and updating the buildings and environmental elements;
- Implementation of strategic objectives (weighting of 10%):
Asset purchases and sales, growth of the company;
- Management skills (weighting of 15%):
Expansion of management team and staff, investor relations and corporate identity.

The variable remuneration is paid annually in July after approval of the annual accounts and the remuneration report by the annual shareholders' meeting. There are no special provisions for the recovery of variable remuneration. The civil law provisions governing undue payments apply in full.

The agreement with the managing director provides for a notice period of eighteen months in the event of termination by Retail Estates nv. Any termination compensation to be paid if the public BE-REIT waives performance during the notice period shall be calculated in accordance with the fixed remuneration and the annual premiums for IPT schemes. In accordance with legal provisions, the notice period was approved by the board of directors upon the recommendation of the remuneration committee and taking into account the contributions the managing director has made to the growth of the company since its initial public offering in March 1998.

In the event of termination by the managing director,

the notice period shall be six months.

If the managing director is unable to perform his duties because of incapacity for work (illness or accident), Retail Estates nv shall continue to pay him the fixed portion of his remuneration for a period of two months from the first day of incapacity for work. He shall subsequently receive an incapacity allowance (guaranteed by an insurance company) equal to 75% of the fixed remuneration.

The managing director is not entitled to any stock options or any other benefits except a computer and a mobile phone.

Except for the above-mentioned remuneration, Mr. Jan De Nys does not receive a separate remuneration for the exercise of his directorship.

The remuneration for the other members of the management committee includes the following elements: a basic remuneration (an annually indexed fixed remuneration in line with the management contracts), a variable remuneration, a pension scheme (IPT scheme with specific contributions and additional covers) and the other remuneration elements (premium for hospital insurance and disability insurance and benefits in kind related to the use of a company car). The variable remuneration of the other members of the management committee is linked to the achievement of a number of qualitative and quantitative criteria which are determined and assessed by the board of directors.

The weighting of the variable remuneration for the CFO is based on a number of qualitative criteria: management skills (team development, investor relations, communication of relevant information and preparation of the meetings with the directors) for a total of 60%, IT coordination and relevant projects (20%), investment analysis (10%) and representation in interest groups (10%).

The weighting of the variable remuneration for the CIO is based on both quantitative and qualitative criteria: financial criteria (25% weighting): EPRA earnings per share excluding all changes in fair value of the assets and interest rate hedging instruments and the results achieved on the realisation of assets; portfolio management and optimisation of the real estate portfolio (25% weighting), including occupancy rate and

annual improvement works with a view to an increase of the rental value in the long term, achievement of investment purposes (15%); a number of management skills (35% weighting): team development, streamlining of reporting and relevant ad hoc projects.

The weighting of the variable remuneration for the CLO is based on a number of qualitative criteria: hand transaction management (assistance to internal and external parties, documentation, information transfer), company-related administrative tasks and compliance

(for a total of 50%) on the one hand, development and organisation of the legal team on the other hand (also 50%).

The variable remunerations for the other executive officers equal approximately 15% of the fixed remuneration (consisting of the basic remuneration, the pension scheme and the other elements of the remuneration, as stated above).

The remuneration of the members of the management

committee for financial year 2019-2020 was determined as follows:

Name	Fixed remuneration	Premiums IPC-plan	Variable remuneration
Jan De Nys - managing director	282	119	80
Other members of the management committee	628	37	105
TOTAL¹	909	156	185

1. The members of the executive committee were provided with a mobile phone and laptop for the performance of their duties.



“ Under the supervision of its chairman, the board of directors shall regularly evaluate its size, composition, performance and relationships with management, shareholders and other stakeholders. ”

EVALUATION OF THE PERFORMANCE OF THE DIRECTORS

Under the supervision of its chairman, the board of directors shall regularly evaluate its size, composition, performance and relationships with management, shareholders and other stakeholders.

The purpose of this evaluation is to:

- appraise the functioning of the board of directors and its committees on the one hand; and
- monitor the composition of the board of directors on the other hand.

Also included is the timely provision of information prior to meetings of the board of directors.

The evaluation itself takes the form of a written questionnaire that needs to be answered individually and anonymously.

POWER OF REPRESENTATION

In all legal and statutory transactions concerning acts of disposal relating to real estate, the company will be represented by at least two directors acting jointly. These two directors will in principle be the executive directors/effective managers, namely Mr De Nys and Ms De Smet.

The company may also be validly represented by the director responsible for the day-to-day management or his/her special proxy, by means of a special authorisation, in case of transactions related to an item with a value that is lower than € 2.50 million¹¹ (including the conclusion of a leasing agreement with or without purchase option or the creation of easements).

SETTLEMENT OF CONFLICTS OF INTEREST

Pursuant to article 7:96 of the Belgian Code of Companies and Associations, any member of the board of directors who, whether directly or indirectly, has a proprietary interest which conflicts with a decision or an operation that falls under the competence of the board of directors may not attend the deliberations of the board of directors nor participate in the vote.

Reference is also made to articles 36 through 38 of the BE-REIT Act when one of the persons mentioned in this article (director, manager, promoter of the BE-REIT etc.) acts as a counterparty in an operation undertaken with the public BE-REIT or a company under its control.

No conflict of interest within the meaning of the aforementioned articles occurred since the start of the past financial year until the date of publication of this report.

¹¹ This amount was increased to € 5 million on 1 April 2019. For amounts between € 2.5 million and € 5 million, two special proxies have to act jointly.

Since the start of the past financial year until the date of publication of this report, neither article 524 of the Belgian Code of Companies nor article 7:97 of the Belgian Code of Companies and Associations needed to be applied.

DAY-TO-DAY MANAGEMENT

The company is managed by a team of 35 under the leadership of Mr Jan De Nys, managing director (CEO) of the company.

OPERATIONAL REAL ESTATE MANAGEMENT

The operational management of the buildings in the portfolio of Retail Estates is based on collaboration between the commercial real estate division and the technical division. This exchange of information between divisions is essential for preventative management, ad hoc issues and the identification of investment opportunities.

The real estate division consists of seven persons, including four property managers, one quality managers and two assistants supporting this division. They are usually recruited from people who are active in the retail sector itself. They are supervised by the CEO.

The technical division consists of one senior project

manager, two project managers, one development manager and an assistant under the supervision of the CIO.

The Dutch team consists of two property managers, one asset manager, one technical manager and one administrative assistant. They report to the CEO and the CIO.

8. OTHER PARTIES INVOLVED

CERTIFICATION OF THE ACCOUNTS

A statutory auditor appointed by the shareholders' meeting has to:

- > certify the annual accounts and proceed to the limited review as in any limited liability company ("naamloze vennootschap"/"société anonyme");
- > prepare special reports resulting from the applicable legislation, given that Retail Estates nv is a public BE-REIT and a listed company.

The statutory auditor is PwC Bedrijfsrevisoren, represented by Mr Damien Walgrave, a company auditor certified by the FSMA, having its registered office at 1932 Brussels, Woluwegarden-Woluwedael 18. At the annual shareholders' meeting of 23 July 2018, the statutory auditor was appointed for a three-year term. The statutory auditor's fixed fee for reviewing and certifying the statutory and consolidated annual accounts of Retail Estates nv and its subsidiaries is € 0.10 million (excluding VAT).

The remuneration of PwC Bedrijfsrevisoren for the tasks assigned to the statutory auditor by law (e.g. reports when mergers occur) amounts to € 0.05 million (excluding VAT). No fees relating to studies and assistance (for example on taxation matters and due diligence assignments) were paid in the past financial year.

REAL ESTATE EXPERT

In accordance with the BE-REIT legislation, Retail Estates nv calls upon experts for the regular valuations of its assets each time when it issues shares, lists securities on the stock market or purchases unlisted shares and when it purchases or sells real estate. These valuations are necessary to determine the inventory value and to prepare the annual accounts. The fees for the real estate experts depend on the surface area to be taxed and are in no way based on the results of the valuation.

BELGIUM

The valuation assignments for the Belgian portfolio were entrusted to Cushman & Wakefield (Kunstlaan 56, 1000 Brussels), represented by Mr Gregory Lamarche, to CBRE nv (Avenue Lloyd George 7, 1000 Brussels), represented by Mr Tom Maes, and to Stadim cvba (Uitbreidingsstraat 10-16, 2600 Antwerp), represented by Ms Natalie Van Overbeke and Mr Philippe Janssens.

During the past financial year, a fee of € 0.32 million (including VAT) was payable to Cushman & Wakefield for the regular valuations of a part of the properties in the real estate portfolio and the initial valuations of real estate purchases. Fees of € 0.38 million (including VAT) were paid to CBRE for the regular valuation of the remainder of the real estate portfolio and initial valuations of real estate purchases. The compensation payable to Stadim in respect of the regular valuations of a part of the properties in the real estate portfolio and the initial valuations of real estate purchases amounts to € 0.002 million (including VAT) on an annual basis.

The real estate of Immobilière Distri-Land nv is valued by Cushman & Wakefield on the basis of a joint instruction from Retail Estates nv and Immobilière Distri-Land nv, with the results published by the latter. The costs are shared 50/50 between Retail Estates nv and Immobilière Distri-Land nv.

THE NETHERLANDS

The valuation assignments for the Dutch portfolio were entrusted to Cushman & Wakefield (Gustav Mahlerlaan 362-364, 1082 ME Amsterdam), represented by Mr. H. De Bruijn, to CBRE (Gustav Mahlerlaan 405, box 7971, 1008 AD Amsterdam), represented by Ms. A. Postma, and to Colliers (Stadionplein 14, 1076 CM Amsterdam), represented by Mr J.M. van der Wal.

During the past financial year, a fee of € 0.14 million (including VAT) was payable to Cushman & Wakefield for the regular valuations of a part of the properties in the real estate portfolio and the initial valuations of real estate purchases. Fees of € 0.02 million (including VAT) were paid to CBRE for the regular valuation of part of the real estate portfolio and initial valuations of real estate purchases. Fees of € 0.01 million (including VAT) were paid to Colliers for the regular valuation of part of the real estate portfolio and initial valuations of real estate purchases.

CERTIFICATION OF THE ACCOUNTS, INFORMATION ABOUT THE MARKET, MARKET SHARES, CLASSIFICATIONS AND OTHER INFORMATION

Unless stated otherwise in the annual report, all information about the market, market shares, classifications, sector data and all other information in this annual report is based on reports drawn up by sector-related sources, published information, reports drawn up by the statutory auditor of the real estate experts, or on the estimates of the Company, which considers this information to be reasonable. If information originates from independent sources, the annual report refers to these independent sources. The information provided by third parties has been reproduced correctly and, to the best of the Company's knowledge or as far as the Company could determine on the basis of the information published by the third party concerned, no facts have been omitted causing the information represented to be incorrect or misleading. The Company did not check this information independently. Furthermore, market information is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of the data on which the information is based, due to the voluntary contribution to the collection of data and due to other limitations and uncertainties inherent in any statistical study of market information. One should therefore be aware that information relating to the market, market shares, classifications and sector data, as well as estimates and assumptions based on such information, may not be accurate.

The other parties involved agreed that the information mentioned in this chapter will be incorporated into the annual report.

9. ACQUISITION AND SALE OF RETAIL ESTATES NV SHARES - INSIDER TRADING

In accordance with the principles and values of the company, Retail Estates nv has included rules in its Dealing Code that must be observed by the directors and appointed persons who want to trade in financial instruments issued by Retail Estates nv.

The Dealing Code is an integral part of the company's Corporate Governance Charter and was drawn up in line with the applicable regulations and legislation, in particular Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the Market Abuse Regulation) and the Act of 2 August 2002 on the supervision of the financial sector and on financial services.

10. INFORMATION BASED ON ARTICLE 34 OF THE BELGIAN ROYAL DECREE OF 14 NOVEMBER 2007 CONCERNING THE OBLIGATIONS OF ISSUERS OF FINANCIAL INSTRUMENTS ADMITTED TO TRADING ON A REGULATED MARKET

CAPITAL STRUCTURE (ON 31 MARCH 2020)

The registered capital amounts to € 284,189,235.69 and is divided into 12,630,414 fully paid-up shares, each representing an equal part of the capital. There is only one category of shares. There is no legal or statutory limitation on the voting rights or the transferability of the shares.

STOCK OPTION PLAN

Retail Estates nv has no stock option plan.

AUTHORISED CAPITAL

The extraordinary general meetings of 23 July 2018 and 23 December 2019 expressly authorised the board of directors to increase the share capital in one or more instalments up to a maximum amount of:

- (a) € 256,225,278.98 for public capital increases by means of a monetary contribution, providing for the possibility to exercise the legal preferential subscription right or the irreducible allocation right by the shareholders of the Company. On the date of this report, this authorisation (a) has not yet been exercised, so that the balance amounts to € 256,225,278.98,
- (b) € 128,112,639.49 for capital increases within the context of payment of an optional dividend. Following the capital increase of 24 June 2019 (€ 7,584,048.82), the balance of the authorised capital that is the subject of this authorisation (b) is € 120,528,590.67 on the date of publication of this report,
- (c) at any time 10% of the amount of the capital at the

moment on which the decision to increase the capital is taken, for capital increases through monetary contributions not providing for the possibility to exercise the legal preferential subscription right or the irreducible allocation right by the shareholders of the Company, on the understanding that the board of directors will only be authorised to increase the capital in accordance with this item (c) if and to the extent that the aggregate amount of the capital increases that took place in accordance with this paragraph over a period of 12 months does not exceed 10% of the amount of the capital at the moment on which the decision to increase the capital was taken. On the date of this report this authorisation (c) has not yet been exercise, or

- (d) two hundred and fifty-six million two hundred and twenty-five thousand two hundred and seventy-eight euro and ninety-eight eurocents (€ 256,225,278.98) for all types of capital increase, on the understanding that within the context of this authorisation, the share capital can never be increased to exceed the maximum amount of € 256,225,278.98 during the period for which the authorisation was granted. Following the capital increases of 26 September 2018 (€ 787,513.64), 1 April 2019 (€ 1,530,026.49), 26 June 2019 (€ 16,875,292.20) and 22 July 2019 (€ 1,187,075.56), the balance of the authorised capital that is the subject of this authorisation (c) is € 235,845,371.09 on the date of publication of this report.

This authorisation is conferred on the board of directors for a period of five years as from the publication in the Annexes to the Belgian Official Gazette of the amendment to the articles of association, adopted by the extraordinary shareholders' meeting of 23 July 2018.

PURCHASE OF OWN SHARES

The company does not own any of its own shares. The extraordinary shareholders' meeting of 23 July 2018 amended the articles of association to authorise the board of directors to acquire shares in Retail Estates nv under a number of special conditions listed in the articles of association.

The board of directors is authorised to decide that the company can acquire, pledge and transfer its own shares when such acquisition or transfer is necessary

to avoid serious, imminent harm to the company. This authorisation is valid for a period of three years as from the publication in the Annexes to the Belgian Official Gazette of the authority granted by the extraordinary shareholders' meeting of 23 July 2018, and can be extended by the shareholders' meeting for the same period of time.

The board of directors is authorised, for a period of five years following the extraordinary shareholders' meeting of 23 July 2018, to acquire, pledge and transfer the company's own shares on the company's behalf, at a unit price which may not be less than 85% of the closing market price on the day preceding the date of the transaction (acquisition, sale or pledge) and may not exceed 115% of the closing market price on the day preceding the date of the transaction, subject to the requirement that the company may not, at any time, hold more than 20% of the total issued shares.

DECISION-MAKING BODIES

The rules which govern the appointment or replacement of the members of the board of directors and the amendment procedure relating to the articles of association of Retail Estates nv are set out in the applicable legislation (especially the Belgian Code of Companies, the Belgian Code of Companies and Associations and the BE-REIT legislation) and in the articles of association of Retail Estates nv.

CONTRACTUAL PROVISIONS

The conditions under which the financial institutions have provided Retail Estates nv with financing require retention of the public Belgian real estate investment trust status. The general terms and conditions under which this financing was granted give banks the option to demand early repayment in the event of change of control. In addition, a covenant has been written into the credit agreements with a number of financial institutions whereby Retail Estates nv commits itself to maintaining a maximum debt level of 60% (lower than the legal threshold of 65%).

ARTICLES OF ASSOCIATION OF RETAIL ESTATES NV

The articles of association of Retail Estates nv have been included in the Permanent Document chapter of this annual report. They were revised for the last time on the occasion of the extraordinary general meeting of 23 December 2019.

DATA IN ACCORDANCE WITH THE EPRA REFERENCE SYSTEM

EPRA KEY PERFORMANCE INDICATORS

These data are not required by the legislation on Belgian REITs and are provided by way of information only. The statutory auditor considered whether the ratios "EPRA Earnings", "EPRA NAV" and "EPRA NNNAV" were calculated according to the definition included in the "EPRA Best Practices Recommendations" and whether the financial data used in the calculation of these ratios correspond with the accounting data included in the activated consolidated financial statements.



Retail Estates was again included in the EPRA annual report Survey and received a gold award.

EPRA Key performance indicators			31.03.2020		31.03.2019	
	Definitions	Purpose	EUR/ 1000	EUR per share	EUR/ 1000	EUR per share
EPRA earnings	Current result from adjusted core operational activities.	A key measure of a company's underlying operating results from its property rental business and an indicator of the extent to which current dividend payments are supported by core activity earnings.	69 199	5.60	60 895	5.41
EPRA NAV	Net Asset Value (NAV) adjusted to take the fair value of the property investments into account and excluding certain elements not expected to crystallise in a long-term investment property business model.	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the current fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.	827 944	65.55	731 805	64.07
EPRA NNNAV	EPRA NAV adjusted to take the fair value of (i) the financial instruments, (ii) the debts and (iii) the deferred taxes into account.	Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of the assets and liabilities.	796 311	63.05	699 387	61.23
	Definitions	Purpose		%		%
EPRA Net Initial Yield (NIY)	Annualised gross rental income based on current rents ('passing rents') at balance sheet closing dates, excluding property costs, divided by the market value of the portfolio, plus estimated transfer rights and costs resulting from the hypothetical disposal of investment properties.	This measure makes it possible for investors to compare valuations of portfolios within Europe.		6.57%		6.57%
EPRA topped-up Net Initial Yield (topped-up NIY)	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of the rent-free periods or other unexpired lease incentives as step up rents.	This measure, taken into account rent-free periods and tenant incentives, makes it possible for investors to compare valuations of portfolios within Europe.		6.57%		6.57%
EPRA Vacancy	Estimated market Rental Value (ERV) of vacant surfaces divided by the ERV of the portfolio as a whole.	Shows the vacancy rate based on ERV in a clear way.		1.80%		1.31%
EPRA Cost Ratio (incl. vacancy costs)	EPRA costs (including vacancy costs) divided by the gross rental income less ground rent costs	A key measure to enable meaningful measurement of the changes in a company's operating costs.		13.83%		13.59%
EPRA Cost Ratio (excl. vacancy costs)	EPRA Costs (excluding vacancy costs) divided by the gross rental income less ground rent costs	A key measure to enable meaningful measurement of the changes in a company's operating costs.		13.30%		13.47%

EPRA earnings		31.03.2020	31.03.2019
		EUR/1000	EUR/1000
IFRS Net Result (attributable to the shareholders of the parent company)		58 098	54 479
Adjustments to calculate EPRA earnings			
Excluding:			
Changes in fair value of investment properties		-5 183	7 361
Other result on portfolio		-298	-1 058
Result on disposal of investment properties		597	654
Changes in the fair value of financial assets and liabilities		-6 216	-13 374
Adaptations to minority interests			
EPRA earnings (attributable to the shareholders of the parent company)		69 199	60 895
Diluted EPRA earnings (in €)			
EPRA earnings (EUR/share) (attributable to the shareholders of the parent company)		5.60	5.41
Diluted EPRA earnings per share (in €)			

EPRA Net Asset Value (NAV)		31.03.2020	31.03.2019
		EUR/1000	EUR/1000
Net Asset Value (attributable to the shareholders of the parent company) according to the annual accounts		798 987	707 926
Net Assets (EUR/share) (attributable to the shareholders of the parent company)		63.26	61.98
Effect of exercise of options, convertibles and other equity interests			
Diluted net asset value after effect of exercise of options, convertibles and other equity interests		798 987	707 926
Excluding:			
Fair value of the financial instruments		-28 957	-23 879
EPRA NAV (attributable to the shareholders of the parent company)		827 944	731 805
EPRA NAV (EUR/share) (attributable to the shareholders of the parent company)		65.55	64.07

EPRA Triple Net Asset Value (attributable to the shareholders of the parent company)		31.03.2020	31.03.2019
		EUR/1000	EUR/1000
EPRA NAV (attributable to the shareholders of the parent company)		827 944	731 805
Including:			
Fair value of the financial instruments		-28 957	-23 879
Difference between nominal value and fair value of financial debts		-4 328	-9 652
Deferred taxes		1 653	1 113
EPRA Triple Net Asset Value (attributable to the shareholders of the parent company)		796 311	699 387
EPRA NNNAV (EUR/share) (attributable to the shareholders of the parent company)		63.05	61.23

EPRA Net Initial Yield		31.03.2020	31.03.2019
		EUR/1000	EUR/1000
Investment properties (excluding assets held for sale) fair value		1 661 753	1 529 629
Transfer taxes		57 367	49 663
Investment value		1 719 120	1 579 292
Investment properties under construction		13 804	12 119
Investment value of the properties, available for rent	B	1 705 316	1 567 173
Annualised gross rental income		114 458	104 872
Property costs (EPRA)		-2 339	-1 917
Rent payable for hired assets and lease costs		-210	-228
Recovery of charges and taxes normally payable by tenants on let properties		12 124	10 403
Charges normally payable by tenants on let properties		-13 505	-11 786
Charges and taxes on unlet properties		-748	-306
Annualised net rental income	A	112 119	102 954
Notional rent expiration of rent free period or other lease incentives			
Topped-up net annualised rent	C	112 119	102 954
EPRA Net Initial Yield (NIY)	A/B	6.57%	6.57%
EPRA topped-up Net Initial Yield (topped-up NIY)	C/B	6.57%	6.57%

EPRA Vacancy Rate		31.03.2020	31.03.2019
		EUR/1000	EUR/1000
Estimated rental value of vacant surfaces		2 054	1 369
Estimated rental value of total portfolio		114 372	104 872
EPRA Vacancy Rate		1.80%	1.31%

EPRA Cost Ratio		31.03.2020	31.03.2019
		EUR/1000	EUR/1000
Operating corporate costs		5 593	5 147
Impairments on trade receivables		247	202
Ground rent costs		210	228
Property costs		9 052	7 586
Less:			
Ground rent costs		-210	-228
EPRA costs (incl. vacancy costs)	A	14 891	12 934
Vacancy costs	B	-564	-117
EPRA costs (excl. vacancy costs)	C	14 327	12 817
Rental income less ground rent costs		107 700	95 183
EPRA Cost Ratio (incl. vacancy costs)	A/D	13.83%	13.59%
EPRA Cost Ratio (excl. vacancy costs)	C/D	13.30%	13.47%

"

The energy consumption of the head office can be monitored and adjusted if necessary in order to reach an optimal balance between consumption and the available energy supply. "

SUSTAINABILITY REPORT

VISION

The Sustainable Development Goals (SDGs) adopted by the general meeting of the United Nations constitute a benchmark against which Retail Estates can measure its current performance as well as short- and long-term goals in the field of sustainable development.



Below we will define eight of the SDGs that are of particular interest to Retail Estates:

	TODAY	TO(morrow) DO Goal 2020	FUTURE WANTED Goal 2025
	<ul style="list-style-type: none"> New office space in Belgium meets target well-being Fruit and nuts 'Sporting for a good cause' Fitness room at employees disposal Activities to promote a group atmosphere Individual and collective training on the operation of the new office 	<ul style="list-style-type: none"> Follow up new office space Belgium (monitoring) Better documenting trainings followed so we can monitor whether every employee follows sufficient and appropriate training 	<ul style="list-style-type: none"> Improvement of the working environment in the Netherlands in view of the company's growth
	<ul style="list-style-type: none"> Executive Committee 50-50, today 60% women and 40% men working in Retail Estates Gender equality has always been a priority within Retail Estates with a focus on the work-life balance of employees, whatever their gender. 	<ul style="list-style-type: none"> completed completed 	
	<ul style="list-style-type: none"> New permits according to water test (watertoets) / separate sewerage system / green roof New construction always provides the possibility of rainwater connection 	<ul style="list-style-type: none"> Cooled and sparkling tap water in the office Senisbilise tenants use of rainwater recovery, compulsory connection 	<ul style="list-style-type: none"> Further roll-out monitoring of general water consumption by tenants
	<ul style="list-style-type: none"> Some buildings with solar panels Testprojects relighting LED Charging stations veficles at office 	<ul style="list-style-type: none"> Strategy to equip multiple buildings / sites with solar panels Monitor consumption to reduce it, further use on relighting LED, timers parking lights & totems, condition measurement of buildings (360° evaluations). 	<ul style="list-style-type: none"> 2MWp solar panels placed Use electricity like for like -5% for the 20 top sites Charging stations for 16 out of 20 topsites
	<ul style="list-style-type: none"> Belgian company with focuss on integrity that has grown by 269.61% over 10 years in terms of the fair value of the portfolio. 	<ul style="list-style-type: none"> Formal approval integrity compliance charter 	
	<ul style="list-style-type: none"> Renew and expand on site Preventive and, where necessary, curative maintenance of roofs and car parks Occasional social actions and interventions Laying green roofs that provide natural drainage for rainwater. This avoids overloading the sewer system. 	<ul style="list-style-type: none"> Making retail parks and clusters more sustainable through biodiversity and green (local) electricity Multi-annual maintenance planning (incl. inspections etc.) Further stimulate the importance of retail for the user/visitor as a meeting place 	<ul style="list-style-type: none"> Making retail parks and clusters more sustainable through biodiversity and green (local) electricity Multi-annual maintenance planning (incl. inspections etc.) for 80% of parcs and clusters
		<ul style="list-style-type: none"> Refinement of objectives and evaluation 	<ul style="list-style-type: none"> CO₂ measurement of the company
	<ul style="list-style-type: none"> Collaboration with sheltered workplaces on a number of sites (green maintenance) 	<ul style="list-style-type: none"> Extend collaboration with custom companies on a number of sites (green maintenance) 	<ul style="list-style-type: none"> Optimising dialogue with tenants (e.g. green lease) Dialogue with local authorities or bodies in order to set up collaborations (sheltered wokplaces, local heroes, actions on RP,...).

MORE IN GENERAL, RETAIL ESTATES HAS DEVELOPED ITS SUSTAINABILITY STRATEGY ON THE BASIS OF THE FOLLOWING THREE PILLARS:



PORTFOLIO -
OUR PROPERTIES



STAKEHOLDERS



CORPORATE CULTURE –
OUR TEAM AND WORKING
ENVIRONMENT

01 PORTFOLIO – OUR PROPERTIES

A sustainable property is a flexible property in terms of use, design and the possibility to adjust it to the customer’s needs, taking into account the present-day technical requirements.

Whenever a building permit application is filed, we consult with the appropriate engineering agencies and competent authorities in order to comply with the relevant standards and recommendations as to sustainability.

In practice, we focus on the following topics:

The **water assessment** is an important element of the water management of a particular site: will a new building or extension of the existing building have a negative impact on the risk of flooding, the water quality, the groundwater level, etc.? Careful forethought should be given to the required facilities to prevent flooding. This is possible by means of permeable paving on car parks, on-site storage of rainwater and/or delayed discharge into the public sewerage system, recovery of rainwater to cover the property’s own needs, etc.

By incorporating these elements in the construction process, Retail Estates attempts to raise awareness and encourage its customers to also pay attention to these issues (e.g. sanitary facilities connected to rainwater tanks installed during construction or transformation works).

Furthermore, Retail Estates attempts to anticipate the use of **separated sewerage systems** wherever possible.

After all, it’s more efficient for rainwater to infiltrate into the soil or be diverted to nearby watercourses than to be discharged together with wastewater into the same sewerage system, possibly leading to flooding (in case of excessive rainfall, sewerage systems are often not able to take in the excess water). Existing sewerage systems will be adapted in due time so as to connect them to the separated sewerage system on public property, so that rainwater can be stored and water purification plants can be optimised efficiently.

The public authorities intend to increase the energy efficiency of all buildings and evaluate their energy performance and indoor climate. This is a short- and long-term investment. The construction of buildings with sustainable materials and sufficient insulation is a good basis for long-term effects. The tenants have to assume responsibility for furnishing their shops with **high-performance and energy-efficient technical installations**. The best way to save money is to reduce energy consumption through the building envelope and the installations.

The choice of **sustainable materials** is also important. In new constructions or whenever materials have to be replaced, preference is given to the use of natural materials (wood), recyclable or recycled materials (e.g. composites). In addition, the materials chosen should be appropriate for their intended use, and more robust materials should be impact resistant and guarantee long-term protection. Each element thus contributes in one way or another to increased sustainability.

DAILY FOLLOW-UP AND IMPROVEMENTS

Retail Estates is responsible for the maintenance of the roofs and the car parks of the properties in its portfolio. For that purpose, a multi-annual maintenance plan has been developed. In 2018, a condition measurement of 100 roofs chosen at random revealed that the roofs are adequately maintained. It’s clear that well-planned preventive maintenance prevents unnecessary repairs, resulting in less expenses for transport, a reduction in the consumption of raw materials and a smaller environmental footprint.

We aim at an extensive multi-annual maintenance planning for as many properties in our portfolio as possible so as to optimally control and plan costs. As is the case for renovations or new constructions, our aim is to find sustainable and environmentally friendly solutions for maintenance works as well, using the right materials (recyclable wherever possible).

Other maintenance works and investments that offer sustainable results are works relating to the optimisation of existing communal installations. A case in point is the economically responsible management of car park lighting in retail parks. Another example is the controlled and conscious monitoring of energy consumption with a view to decreasing it and reducing the impact on our valuable energy resources and on nature. Some of our sites are already equipped with timers, but we intend to increase our efforts and perform an analysis in order to identify areas where the lights can be turned off earlier or be partially deactivated. This will not only result in decreased energy consumption, but also in a reduction of the costs, thus creating a win-win situation for Retail Estates, its stakeholders and nature.

EXAMPLES OF REALISATIONS ECOLOGY & WATER



Be-mine in Beringen is one of the retail parks in the Retail Estates portfolio that features an extensive (maintenance-friendly) green roof of 18,000 m². The car park has been designed without an underground sewerage system and only has permeable paving.

Retail Estates also owns retail units with green roofs in Winterslag and Erpent (Namur).





Fosses La Ville



Cruquius



Cruquius



Den Bosch

During the latest renovation works on the car park of a retail park in **Fosses La Ville**, buffer areas were provided by creating a natural basin and a paved area was transformed into a green environment (orchard). Permeable paving prevents flooding of the car park areas.

In **Eupen** a new building was constructed in 2019-2020, combined with an extension of the existing car park, and investments were made to increase sustainability (building envelope in compliance with the standards relating to energy performance and indoor climate and LED applications for car park lighting). Investments were made in a new car park with paving consisting of permeable clinker bricks, as well as in an additional buffer area to prevent an overload of the public sewerage system.



LIGHTING

In **Cruquius (NL)** all light fixtures under the canopy were replaced by LED fixtures.



HEATING

In **Roosendaal (NL)** heating for all units is supplied by a central system. Consumption could be reduced considerably by disconnecting the system for the vacant buildings. Within the scope of a renovation project, we will examine whether it would be possible to separate the central heating systems into individual installations for each building, so that a general connection to the gas supply system is no longer needed as of next year and consumption of fossil fuels can be further reduced.



SOLAR PANELS

We intend to make our new constructions independent from fossil fuels.

In **Oudenaarde, Wetteren, Oevel, Verviers and Den Bosch**, solar panels have been installed on the roof of various retail units, either for communal or for individual energy consumption. Retail Estates is currently analysing how this application may be extended to more buildings and sites. In any case, an investment in solar panels is always considered taking into account the condition of the roof and the existing insulation.

SUSTAINABLE INTEGRAL DESIGN

Within the scope of the thorough renovation in 2019-2020 of its own office in Ternat (the head office was inaugurated in February 2020), Retail Estates also took care to integrate sustainable elements, not only where the technical aspect is concerned. The energy consumption of the head office can be monitored and adjusted if necessary in order to reach an optimal balance between consumption and the available energy supply. The team also followed a training course relating to the functioning of the building and the use of telecommunication tools so as to facilitate digital working methods.

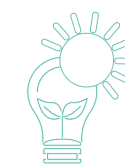
Sustainability was the main focus in all aspects of the design and realisation phase. Our efforts will certainly pay off at the operational level in the years to come. Below is an overview and brief explanation of the main elements by the architect:



VENTILATION: high-performance mechanical ventilation with a monitoring and control system in the entire office. CO₂-levels are measured continuously and in some areas the windows can be opened. The building complies with the applicable regulations in the field of energy performance and indoor climate. Heating and free cooling are provided by a heat pump.



WATER: clean water and rainwater recovery. In places where installations work at higher temperatures, the risk of contamination is closely monitored. A drinking fountain will be installed, which will filter and cool mains water and add carbon dioxide gas (with a view to reducing the amount of packaging). Energy-saving showers with direct heating have also been installed so as to reduce water wastage. Sanitary taps and flushing systems have been equipped with detectors wherever possible so as to prevent excessive consumption and wastage.



LIGHTING: maximum use of natural light and an indoor lighting study guarantee a comfortable workplace. Automatic sun blinds, which can also be operated manually, were installed on the east, south and west sides of the building. The light intensity of the light fixtures automatically adjusts to the natural light entering the building. The possibility of intelligent dimming is provided and the entire lighting system is connected to

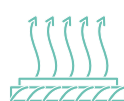




the building management system.



EXERCISE & NUTRITION: thanks to the showers in the basement level for commuters who stay in shape by walking or cycling to work and the showers next to the gym area on the upper floor, everyone has the possibility to exercise. A selection of fruit is offered every week and drinks are always available. For those who have to commute over larger distances, charging stations for electric cars and electric bikes have been installed.



THERMAL COMFORT: the ground floor level, where the offices are situated, is equipped with floor heating and cooling ceilings with the possibility to adjust them to the needs of each area. The upper level, the meeting rooms, the gym area and cafeteria are equipped with heating and cooling systems incorporated into the ceiling. All installations can be controlled by a central system. No fossil fuels are used. The technical systems have been overdimensioned in order to maintain a constant and pleasant temperature in the entire building in an energy-saving manner, resulting in increased comfort and taking into account the number of Retail Estates employees who are present in the building at any given time.



NOISE: An acoustic study was performed. The office is a landscape office, but thanks to the use of sound insulating and absorbing materials, the required acoustic comfort is guaranteed. Installations that generate noise are separated from the office environment.



MATERIALS: a lot of natural materials, with a focus on wood, were used to create a pleasant (working) atmosphere. Wood was also used for the (invisible) structural elements of the building. Thanks to the optimal design of the exterior carpentry, a maximum of natural light enters the building, leading to significant energy savings (reduced need for artificial lighting). No contaminating materials or materials that have a significant impact on the environment were used in the construction of the building. All materials are documented in the post-intervention file. Waste is always separated for disposal.

The architect:

“I feel that the project has been successful in terms of sustainability, first of all because it’s a transformation project, which is better than developing a new plot of land. The glass façade offers a view of a beautiful green landscape, which is not only atypical of an industrial estate, but also offers the user an added value. The layout, with the landscape office on the ground floor and the open spaces on the upper floor, contribute to the quality of the workplace for everyone, as do the technical specifications and performance. Where the latter is concerned, I’m thinking specifically of the acoustic performance of the building, both internally and from the outside to the inside. The entire architectural concept has resulted in an open building offering a pleasant working atmosphere, but this is something only the users can confirm.”



ENVIRONMENTAL INDICATORS & TABLES

METHODOLOGY RELATING TO THE TABLES

Retail Estates has chosen to draw up its sustainability report in accordance with the EPRA sBPR Guidelines, the purpose of which is to facilitate comparisons between different European real estate companies. These data are not required by the legislation on Belgian REITs and are provided by way of information only.

The values indicated relate to the periods from 1 January to 31 December of the years 2018 and 2019.

As this is the first reporting year, the year 2018 has been included by way of indication only. The reference measurement will be that of the year 2019 and will serve as a benchmark for the future. It is therefore not useful to corroborate the evolution between 2018 and 2019.

However, the details of the tables will be discussed if necessary. Like for like reports will also be provided as from the next reporting period.

For the energy indicators, a distinction is made between Belgium and the Netherlands. Where the social indicators are concerned, the company is regarded as a whole. The governance chapter is included in the annual report.

SUSTAINABLE PERFORMANCE MEASURE						
EPRA Code	Sustainable performance Measure	Units of Measure	Belgium		the Netherlands	
			2019	2018	2019	2018
ENERGY						
		m²	812 081.00	812 247.00	320 642.00	225 948.00
Elec-Abs	Total electricity consumption	MWh	1 318.76	1 163.64	2 875.03	1 366.69
Fuels-Abs	Total fuel consumption	MWh	103.77	167.04	2 990.58	1 606.84
Energy Total		MWh	1 422.53	1 330.68	5 865.61	2 973.53
Energy-Int	Building energy intensity	kWh/sqm	1.75	1.64	18.29	13.16
GREENHOUSE GAS EMISSIONS						
GHG-dir-abs	Total direct greenhouse gas (GHG) emissions	ton CO ₂	na	na	unknown	unknown
GHG-indir-Abs	Total indirect greenhouse gas (GHG) emissions	ton CO ₂	223.05	278.24	919.73	621.76
GHG-Int	Greenhouse gas (GHG) emissions intensity from building energy consumption	kg CO ₂ /sqm	0.27	0.34	2.87	2.75
WATER						
Water-Abs	Total water consumption	m³	unknown	unknown	6 859.00	4 053.00
Water-Int	Building water intensity	m³/sqm	unknown	unknown	0.02	0.02
WASTE						
Waste-Abs	Total weight of waste by disposal route		na	na	na	na
CERTIFICATES						
Cert-Tot	Type and number of sustainably certified asset		na	na	na	na



ENERGY

In Belgium, electricity and gas consumption relates to the communal parts (there is no heat grid). As tenants enter into individual contracts with energy suppliers, no data are available about individual consumption. Furthermore, communal installations are usually limited to outdoor lighting and very occasionally a sprinkler system or other technical equipment.

In the Netherlands the technical installations are larger. In some retail parks, Retail Estates provides gas heating for its tenants. As a result, the consumption for communal technical equipment is considerably higher than in Belgium.

No extrapolation of the values, i.e. the consumption measured by the energy supplier, takes place. Considering the size of the portfolio and the fact that some contracts expire earlier or become effective sooner from one year to another, the same data search was executed for 2018 and for 2019. The data management will be refined in the future.



GREENHOUSE GAS EMISSIONS

The CO₂ volumes (expressed in tonnes) result from earlier energy sources. The general conversion factors for 2018 and 2019 were requested from the Belgian energy supplier. The factor 209.1 g CO₂/kWh was used for 2018 and the factor 156.8 g CO₂/kWh was used for 2019. These factors were applied for both Belgium and the Netherlands. This item can be further analysed in the future.



WATER

No information is available for Belgium. It is our intention to reconstruct the consumption of 2019 in the next report and to compare it to that of 2020. This information is available in the Netherlands. The issue of water consumption has already been discussed in earlier chapters. The recovery of rainwater is always included in new projects.



WASTE

As the tenants are responsible for their own waste management, little information is available. A few sites have a communal waste management plan, but no information is available.

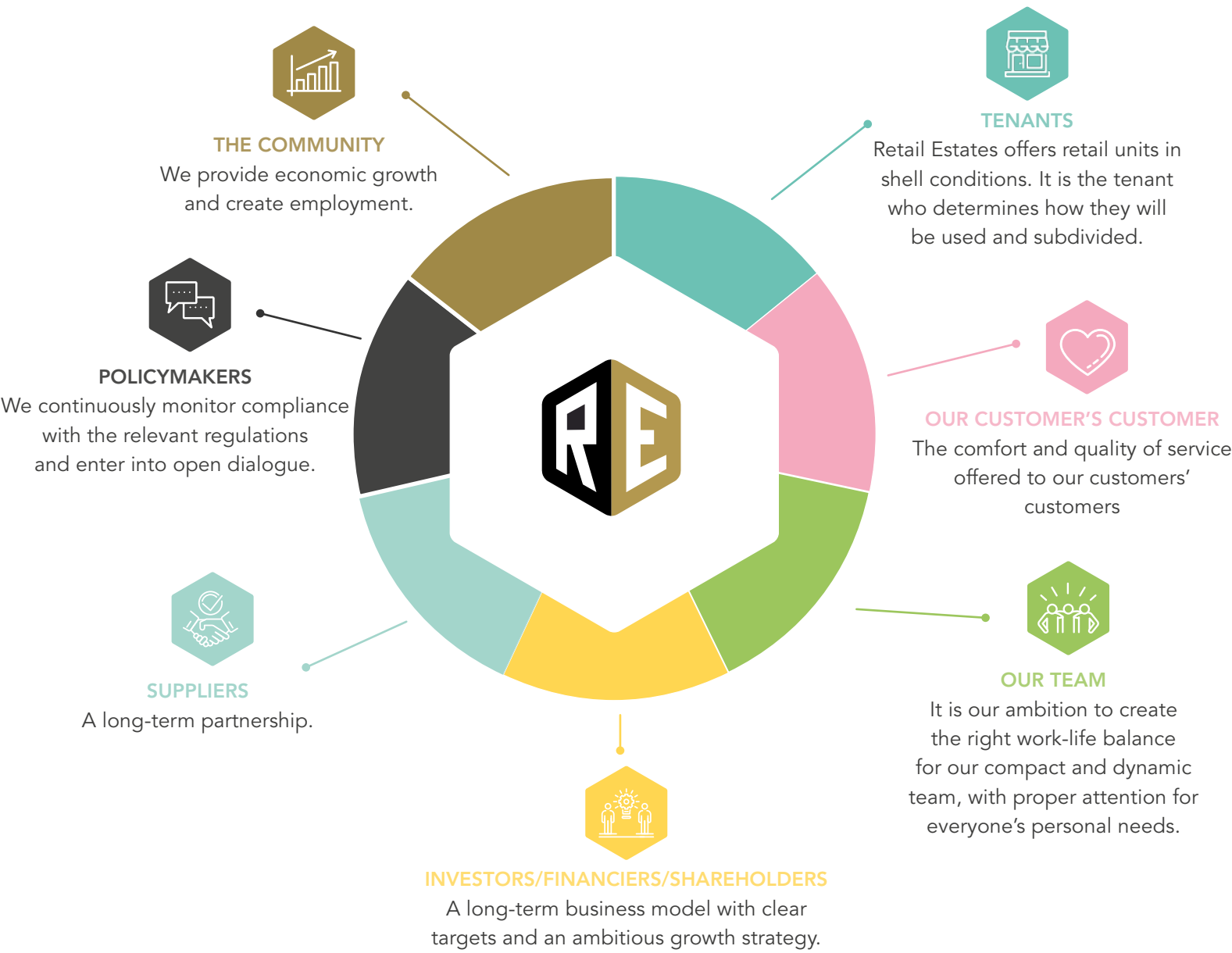
At Retail Estates' own office, waste is separated and the use of disposable packaging is prevented whenever possible.



CERTIFICATES

No additional certification like BREEAM is applied for; the key items of this certification are known and are considered in a pragmatic manner whenever a new project is started. The renovated office building does comply with many items of the WELL certification, but the choice was made not to apply for this certification for the building. If national certifications apply, they will be provided.

02 STAKEHOLDERS



Being a long-term investor in retail properties, Retail Estates intends to find a good balance between the interests of the different stakeholders: investors, authorities, local communities, employees, suppliers, tenants/shopkeepers and customers.

TENANTS
Retail Estates offers retail units in shell conditions. It is the tenant who determines how they will be used and subdivided. Retail Estates therefore does not have full control of the furnishing of the shops, but by raising awareness and by providing sustainable basic

facilities (e.g. rainwater tanks) for new construction or transformation projects, the company makes tenants aware of the benefits of rational energy consumption.

If an existing retail unit is ready for occupation by the tenant, small adjustments are made to render it easier to use. Thanks to the flexibility of the existing units (e.g. height, logical column structure, individual connections,...) this can often be done very quickly. If more extensive adjustments are needed, the tenant is informed of the applicable legislation (energy efficiency and indoor climate, requirements imposed by the fire brigade,...) so

that he can make the correct adjustments.

In case of new constructions, the technical specifications are discussed with the tenant. Very often a carefully considered basic structure is provided, so that the adjustments to be made are only accessory and can easily be integrated during the construction process. The future flexibility of a property (e.g. the possibility to subdivide a retail area) and adjustments that meet the specific needs of the current tenant can be perfectly combined. We look for synergies between the tenant and the lessor.

OUR CUSTOMER'S CUSTOMER
The comfort and quality of service offered to our customers' customers are of crucial importance. This is reflected in a multitude of small details: green areas, well-structured car parks enabling customers to easily find their cars, safe traffic circulation, clearly recognisable shopfronts, (covered) walkways,...

If renovations are necessary, the nuisance that may be caused by the works is always carefully assessed so as to limit the impact. In Eeklo, for instance, the entire façade was renovated. Instead of putting up scaffolding in front of all shops during the entire period of the works, mobile work zones were put in place, causing a minimum of nuisance for shoppers and guaranteeing maximum accessibility.



OUR TEAM
It is our ambition to create the right work-life balance for our compact and dynamic team, with proper attention for everyone's personal needs and personal and professional development. In addition, we offer our employees an attractive wage package. Correct ethical conduct is one of our basic values.

INVESTORS/FINANCIERS/SHAREHOLDERS
Our long-term objective is value creation and profit generation. This is supported by a long-term business model with clear targets and an ambitious growth strategy.

We regularly communicate with our investors, financiers and shareholders and value transparent communication.

SUPPLIERS
It is our intention to develop a long-term partnership with our suppliers by making clear arrangements and conducting negotiations in a fair and correct manner.

POLICYMAKERS
We continuously monitor compliance with the relevant regulations and enter into open dialogue through the appropriate professional organisations.

THE COMMUNITY
We try to minimise the effects of our activities on the direct surroundings and take measures to reduce their environmental impact. We provide economic growth and create employment. We also collaborate with sheltered workshops.

03 CORPORATE CULTURE: OUR TEAM AND WORKING ENVIRONMENT

Retail Estates started out as a small business and has developed into a company employing more than 35 people. Close and direct communication is an essential part of our activities. We have worked hard to achieve our results and will continue to do so for even better results in the future, by putting the right people in the right place and providing adequate coaching to develop and maintain our talents. We also provide the possibility to grow through training or project follow-up outside the scope of the usual job responsibilities. A lot of attention is paid to the personal development of each of our employees.

Events are organised on a regular basis, both for the different divisions and for the entire team. We also encourage our people to take initiative, of which "Sports for charity" (see below) is a perfect example. This is a bottom-up initiative that is now supported by the entire company.

2019 was the year in which the office building was transformed into a modern and pleasant workplace where people can feel at home. The office features a comfortable kitchen and a gym area destined to promote "a healthy mind in a healthy body". Fresh fruit is also provided at the office.

Outside our own company, we also notice that each of our projects is firmly embedded in society and in the local communities. Together with our tenants, we examine how we can reach as many people as possible while providing added value of social and local relevance wherever we can. Making a contribution to local communities is possible in many different ways: by upgrading a place where people can meet, by launching initiatives that create added value, by supporting local heroes or by providing creative solutions to problems. The expert in our team examines the possibilities to take marketing to the next level.

DIGITISATION

The integration of new digital technologies should result in an improvement of the business processes as well as in the optimisation of the cross-border cooperation between the different teams as well as of the quality and the services for all stakeholders.

The project for the digitisation of all documents is ongoing, and the existing IT infrastructure allows our people to work from a remote location and entirely digitally. The processing of incoming and outgoing invoices is also being digitalised and will be optimised in the year to come.

Furthermore, all documents that are useful to the management committee, the remuneration committee, the audit committee and the board of directors have been made available on a digital platform. This increases efficiency and minimises paper consumption.

Finally, we also make use of the latest technology in our retail parks. For instance, drones were used to remind visitors to observe the social distancing rules in the context of the COVID-19 crisis at the moment on which shops were allowed to reopen in May.

SPORTS FOR CHARITY

A healthy mind in a healthy body. The purpose of this initiative is to practise sports and help a charity at the same time. The idea was conceived in 2018 by a few colleagues, and an active work group was eventually set up to stimulate the entire team. Every minute an employee practises "sports" is converted into a specific amount of money. Each year the money thus collected is given to a charity proposed by the employees. Usually it's a charity one of our employees has a special affinity with because he or she is closely involved in it or has been promoting it for some time. Each charity has the opportunity to present itself to the team during a lunch meeting.

In 2019, the efforts of our employees yielded a total amount of € 4,164.89. This amount was tripled by Retail Estates so that three charities received the same amount: VZW De Okkernoot, De Charcot Stichting and Zorgcirkels Jongdementie.



Sports for charity

KRUGERSHOPPING EEKLO CELEBRATES ITS 20TH ANNIVERSARY: FROM AN ABANDONED BREWERY TO A SUCCESSFUL SHOPPING AREA.

The 20th anniversary of Krugershopping in Eeklo was celebrated with drinks and entertainment for all customers and visitors of the retail park. Twenty years ago, the old abandoned brewery De Kruger was a blemish on the city. Today it's a lively place with constant comings and goings of people. According to the shop owners, the retail park's main assets are the large diversity of the shops and the variety of events and activities it hosts.

Krugershopping benefits the entire city. A study has shown that 85 per cent of the residents of surrounding municipalities regularly come to Eeklo to do their shopping.

Retail Estates believes in a synergy with local shopkeepers and businesses in Eeklo in order to attract more people. Krugershopping offers consumers a wide variety of shops and various new concept stores in an attractive setting.

INSTITUT SAINT VALENTIN, MONTIGNIES-SUR-SAMBRE

A first-generation Aldi supermarket was situated next to a local school. Various attempts to reuse the building for commercial purposes after the supermarket left were unsuccessful due to the location and the design of the building, which had very low ceilings, a typical characteristic of first-generation out-of-town retail properties. The adjacent school, Institut St. Valentin, had been struggling with a shortage of space for quite some time. Their acute need, combined with the lack of commercial demand, made us decide to grant a long lease for the building and the car park for a symbolic amount. The building is used as a multi-purpose hall for after-school care and physical education classes. This way, it serves a much better purpose than it would have if we had let it for commercial purposes. Retail Estates restored the roof and donated some desks from the old office, so that the building was ready for use by the school immediately.



“ Events are organised on a regular basis, both for the different divisions and for the entire team.”

SOCIAL PERFORMANCE MEASURES						
EPRA Code	Sustainable performance Measure	Units of Measure	Corporate 2019		Corporate 2018	
Diversity			male	female	male	female
Diversity-Emp	Employee gender diversity	% of diversity total employees	40%	60%	47%	53%
		% of diversity in Management team	50%	50%	67%	33%
Diversity-Pay	Gender pay ratio	% pay ratio	100%		100%	
Training						
Emp-training	Employee training and development	number of training hours	128		100	
Development						
Emp-Dev	Employee performance appraisals	% of appraisals to all employees	100%		100%	
Turnover						
Emp-turnover	New hires and turnover	number of new hires	5		7	
		number of turnovers	2		1	
Health & Safety						
H&S-Emp	Employee health and safety	% of total number of worked hours injury rate	0%		0%	
H&S-Emp	Employee health and safety	% of total number of worked hours lost days	0%		0%	
H&S-Emp	Employee health and safety	% of total number of worked hours absentee rate	1,72%		2,54%	
H&S-Emp	Employee health and safety	Total number of fatalities	0%		0%	
H&S-Asset	Asset health and safety assessments	% of assets H&S assessments	na		na	
H&S-Comp	Asset health and safety compliance	Total number of incidents	na		na	
Community						
Comty-Eng	Community engagement, impact assessments and development programs	Qualitative	other		other	

SOCIAL AND GOVERNANCE INDICATORS & TABLES

METHODOLOGY & COMMENTS RELATING TO THE TABLES

The values indicated relate to the period coinciding with the financial year, i.e. from 1 April to 31 March of the years 2018 and 2019. The final counts, e.g. of the number of staff, therefore relate to March 2019 and March 2020.

Training hours are registered centrally. If necessary, the executives can use training courses to address areas for improvement. Employees are also encouraged to take the initiative and work on their own career development.

Each year, at least one assessment interview is scheduled for each of our employees.

The management of Retail Estates sets great store by a safe and healthy living and working environment. A systematic improvement of this environment is continuously pursued in our efforts to take care of all stakeholders (employees, visitors, customers,...). Our people constitute the foundation of our company. Their physical and mental health are of the utmost importance. Everyone, regardless of their position in the company, is expected to know and anticipate the health and safety risks.

No health and safety assessments are carried out with regard to the properties themselves. In the future, more detailed reports in this respect will be drawn up within the context of the “multi-annual maintenance planning”.

Social actions were not quantified, but our contributions in this respect were discussed in detail in previous texts.

The chapter relating to “Governance” is explained in detail in the annual financial report (see p. 105 of the Annual Financial Report 2019-2020).

GOVERNANCE PERFORMANCE MEASURES		
EPRA Code	Sustainable performance Measure	page report
Gov-Board	Composition of the highest governance body	61 a.f
Gov-Selec	Process for nominating and selecting the highest governance body	61 a.f.
Gov-Col	Process for managing conflicts of interest	80 a.f.



O1	PERFORMANCE	109
O2	LIQUIDITY PROVIDERS	113
O3	SHAREHOLDER AGENDA	113

	01.04.2019	01.04.2018	01.04.2017
	31.03.2020	31.03.2019	31.03.2018
Highest share price	89.10	82.50	81.96
Opening price at 1 April	81.50	70.76	75.64
Closing price at 31 March	47.40	81.20	71.45
Average share price	81.11	75.43	73.59
Net asset value (NAV) (IFRS)	63.26	61.98	59.89
Premiums NAV relative to closing price	-25.07%	31.01%	19.30%
Gross dividend	4.40	4.25	3.60
Net dividend	3.080	2.975	2.520
Dividend yield (gross dividend)	9.28%	5.23%	5.31%
Return net result on shareholders' equity	7.27%	7.70%	8.22%
Pay-out ratio (consolidated)	79.90%	79.06%	84.56%
Number of shares	12 630 414	11 422 593	9 489 661
Market capitalisation (EUR million)	598.68	927.51	678.02
Free float percentage	100%	100%	100%
Average daily volume	12 179	12 465	10 810
Annual volume	3 117 885	3 178 516	2 734 885

1. PERFORMANCE

MARKET CAPITALISATION

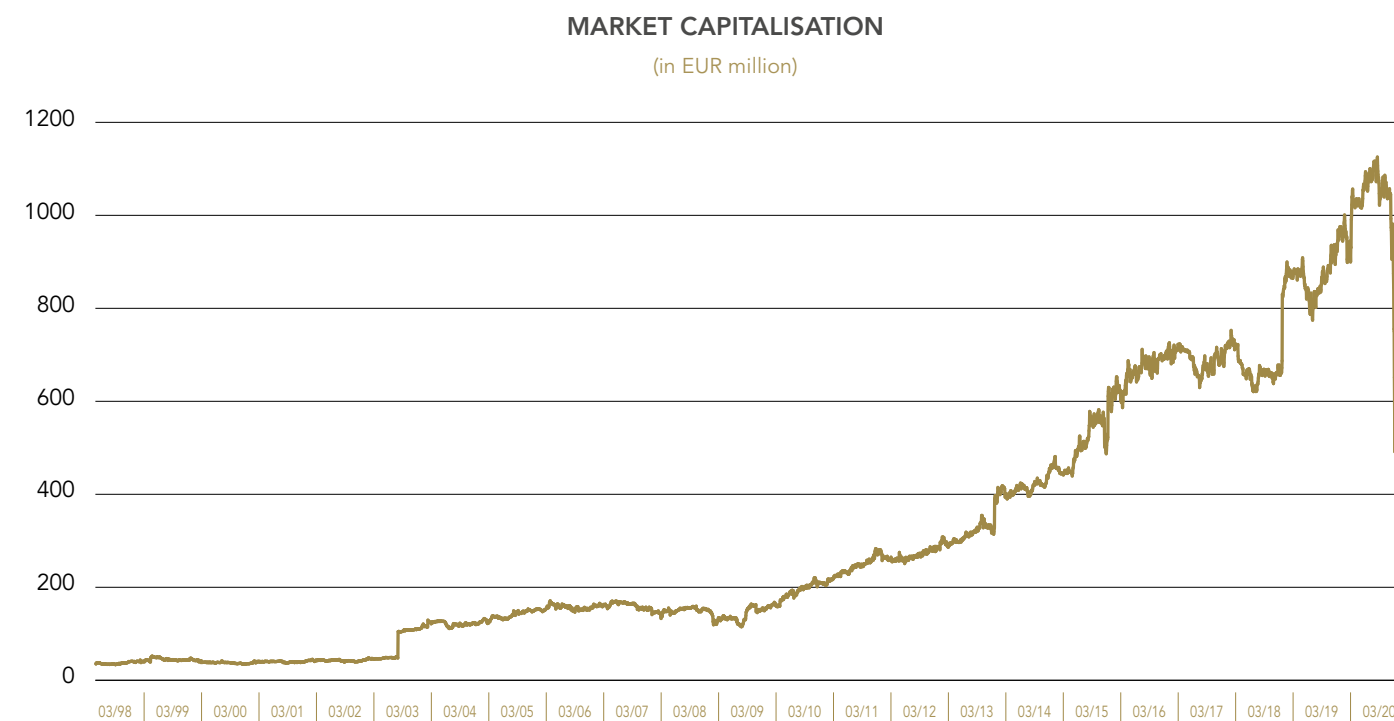
Retail Estates nv is listed on the Euronext continuous market.

In the context of Euronext's plans to reform and harmonise its list of quotations and promote the visibility and liquidity of small and medium-sized enterprises, relevant benchmarks for the mid-caps and small-caps were launched on 1 March 2005.

Retail Estates nv is part of the BelMid index, which consists of 38 companies.

The market capitalisation of Retail Estates nv amounts to € 598.61 million as of 31 March 2020. This decrease (on 31 December 2019, the market capitalisation was still € 1,059.69 million) is entirely attributable to the outbreak of COVID-19. However, the decline is less pronounced than that of other real estate companies in the sector.

Based on Euronext's criteria, Retail Estates nv has a free float of 100%.

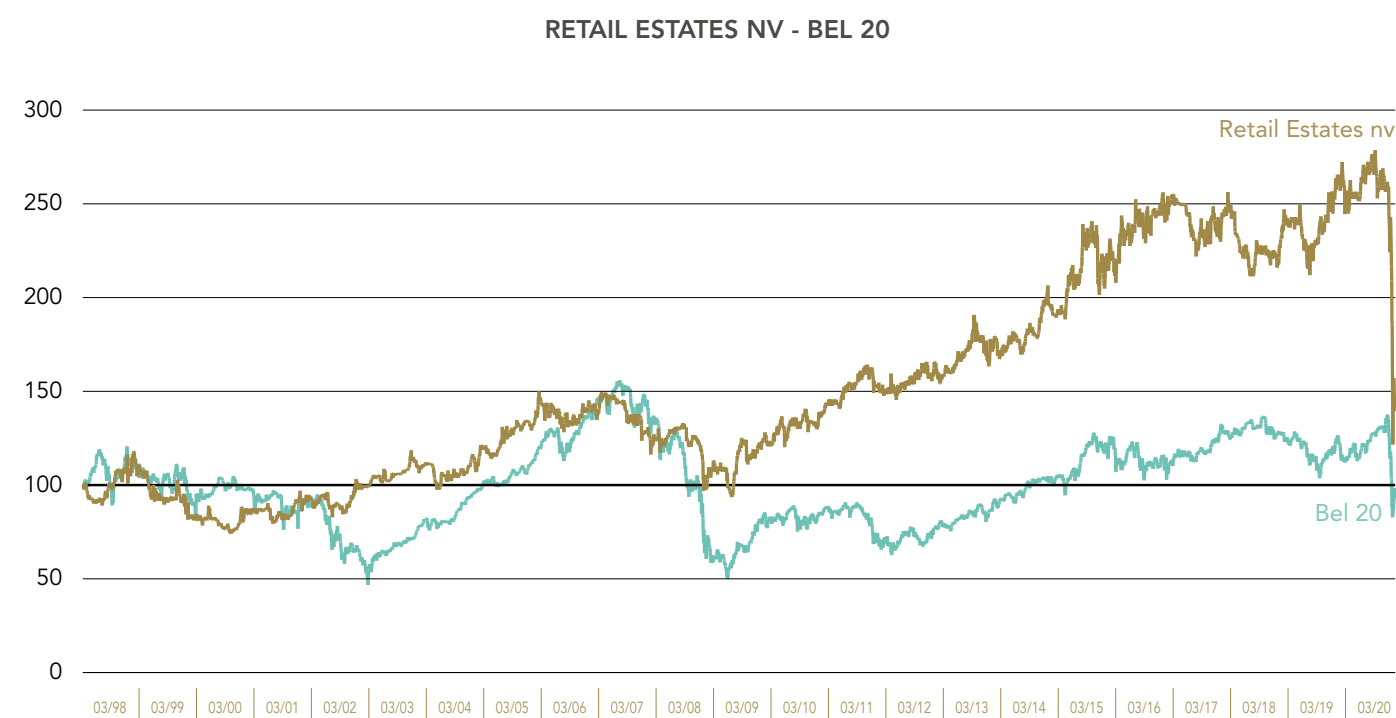


SHARE PRICE

The share reached its highest price of the year on 29 November 2019 (€ 89.10) and ended the financial year at € 47.40. The sharp fall in the share price at the end of the financial year is entirely related to the outbreak of COVID-19.

The annual average share price was € 81.11. The above chart shows the stock market performance of the Retail Estates share relative to the BEL 20 since the share's introduction on the stock exchange. The Retail Estates share increased by 50.33% over this period compared with a decrease by -2.53% for the BEL 20.

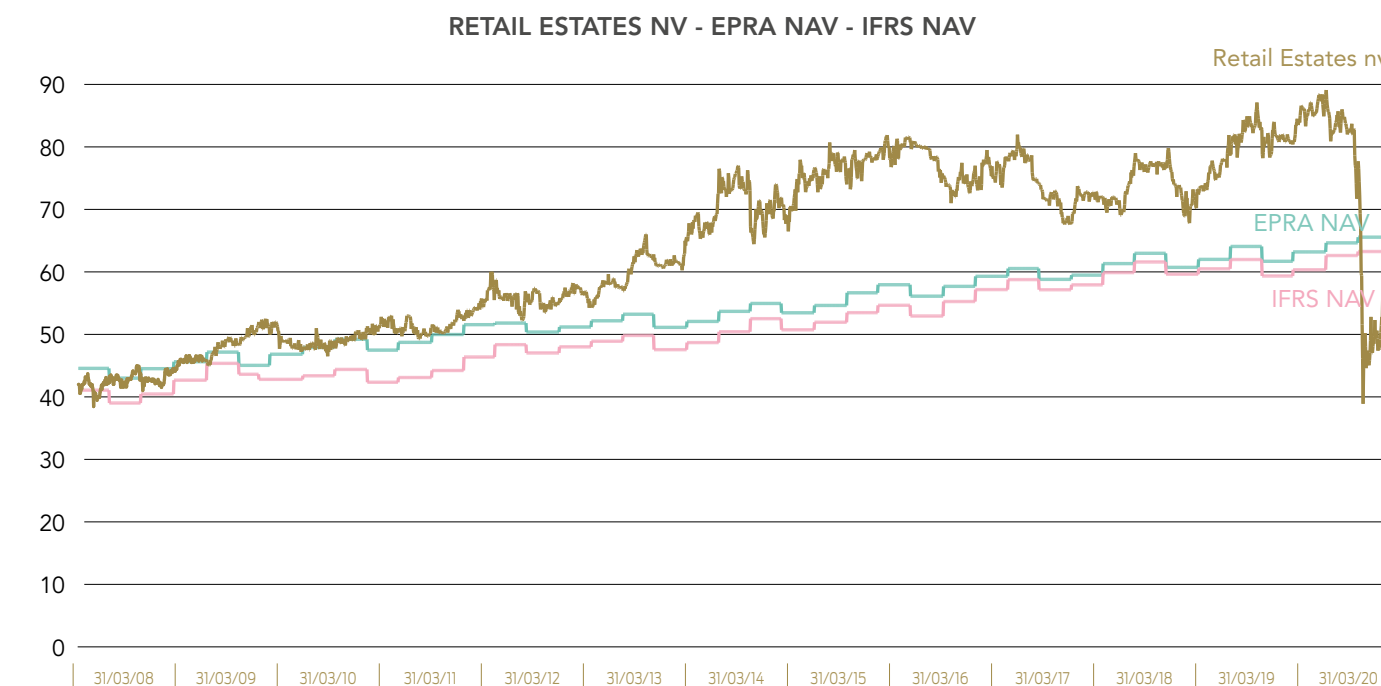
The price of the Retail Estates share decreased by 41.63% in the past financial year compared to the beginning of the financial year. The EPRA Belgian REIT index increased by 3.96%.



PREMIUMS AND DISCOUNTS

The intrinsic value of the share in case of a real estate valuation at 'fair value' increased during the past year from € 61.98 as of 31 March 2019 to € 63.26 as of 31 March 2020 (including dividend).

The EPRA NAV amounts to € 65.55, compared to € 64.03 in the previous year. This increase is explained by the result of the financial year.





“ Since its listing on the stock exchange, the performance of Retail Estates nv has always been in line with the market, in line with the expectations formulated by management at the beginning of the financial year. ”

DIVIDEND

At its meeting of 12 June 2020, the Board of Directors of Retail Estates (the “Board”) decided to pay a gross dividend for financial year 2019/2020 (which started on 1 April 2019 and ended on 31 March 2020) amounting to € 4.40 (€ 3.08 net, i.e. the net dividend per share after deduction of withholding tax at the rate of 30%) per share participating in the profits of financial year 2019/2020.

This represents an increase by 3.53% per share compared to the dividend received for the financial year ended 31 March 2019.

BELGIAN REAL ESTATE INVESTMENT TRUST

Within a specific category of investments, the risk profiles and returns can vary considerably depending on the focus, type of activities and specific characteristics of the company that issued the shares.

The greater the risk profile, the higher the return an investor will demand.

A number of important factors that determine the performance of the BE-REITs include the type and location of the real estate, the type of tenants, the extent

of possible vacancies, the interest rate and the general stock market climate.

Since its listing on the stock exchange, the performance of Retail Estates nv has always been in line with the market, in line with the expectations formulated by management at the beginning of the financial year.

OLO (BELGIAN GOVERNMENT BONDS)

Real estate is seen by some investors as a bridge between an investment in shares and an investment in bonds or government bonds. The dividend yield of Retail Estates nv (in the case of a gross dividend of € 4.40) in the past financial year was 10.23% compared to the closing price of the share (excluding dividend). The high dividend yield can be explained by the low share price following the COVID-19 outbreak. The Belgian government linear bond (OLO) 10-year rate was 0.02% on 31 March.

2. LIQUIDITY PROVIDER

Since 1 April 2003, KBC Securities has been acting as a market animator promoting the marketability of the shares. Since 1 October 2016, De Groef Petercam has also been acting as market animator.

Fees for the past financial year were € 0.025 million excl. VAT for 12 months for each market animator.

3. SHAREHOLDER AGENDA

The shareholders’ meeting will take place at the offices of Retail Estates nv, Industrielaan 6, Ternat on Monday 20 July 2020 at 10:00 am.

Publication Annual report 2019-2020

12 June 2020

General meeting

20 July 2020

Ex-dividend date

22 July 2020

Announcement half-yearly results

20 November 2020

Announcement annual results of the financial year 2020-2021

14 May 2021



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1. THE MARKET OF OUT-OF-TOWN RETAIL PROPERTIES

PRELIMINARY COMMENT

We refer to the general comment with respect to COVID-19 on page 7 of this report and wish to specifically point out the impact COVID-19 may have on the valuations.

BELGIUM

Virtually unbridled growth appeared to be possible in the 1980s and the early 1990s. Tighter legislation put an end to this proliferation midway through the 1990s. Numerous 'opportunity seekers' have since disappeared on account of the growing complexity of the market. The supply of new properties, especially in Flanders, has decreased markedly, but demand has remained stable. This has resulted in rising rents and falling returns. The market of out-of-town retail real estate has established its own position alongside city centre retail premises, offices and semi-industrial real estate.

For prime locations, tenants are currently paying annual rents of over € 135/m² in major conurbations, and € 120/m² in smaller ones, with returns on high-end prime market locations between 5% and 5.50%.

The trend of rising rents came to a halt a few years ago, with the exception of properties at high-end prime locations. At these locations tenants try to keep the rent payable by limiting the rented area.

These two factors – the increase in the average rent and the decrease in the average return – have reinforced the growth in value of properties at prime locations over the past twenty years. Until now, the out-of-town retail market has been spared the decreases in rent and increased yield requirements that affect the inner-city market. This can be explained mainly by the lower rents that are common in the out-of-town areas and by the fact that the yield expectations have never declined to such an extent in these areas compared to the inner city.

The best barometer to measure demand is the rate of unoccupied properties, which has for several years been around 2% or lower in the portfolio of Retail Estates nv.

Tenants of out-of-town retail properties are fiercely loyal to their sales outlets. This is due to the quality of the location on the one hand and the granting of socioeconomic permits on the other. The permits are issued for buildings, not to tenants. Moreover, this kind of properties are rented out while still in shell condition and tenants invest significant amounts in furnishing the shops, which makes them even less inclined to relocate.

Most tenants of Retail Estates nv's properties are chain stores that have acquired the best sites in recent years, often at the expense of local SMEs, which used to dominate these locations in the past. In this sense, the development that has occurred is similar to what has happened in high streets. On the investment side, the attractive ratio of supply and demand has resulted in an increased presence of institutional investors. Affluent individuals also show a growing interest in this type of real estate.

Ten institutional investors are now highly active in this segment. Generally speaking, Belgium has an increasing number of integrated retail parks; it follows in the footsteps of the United Kingdom and France, where retail parks can be found close to every conurbation. Retail parks in Belgium nevertheless tend to be rather small (15,000 to 20,000m²) and are mostly situated in the French-speaking part of the country (Wallonia). In Flanders, new parks tend to be built in small urban areas, such as retail parks T Forum in Tongeren and Be-MINE Boulevard in Beringen.

An important part of Retail Estates nv's properties are located adjacent to major peripheral motorways or near residential districts on the outskirts of larger conurbations; they often form clusters and seek proximity to each other.

The contemporary vision of urban and spatial planning embraces greater cohesion and clarity. Increasingly, certain zones are explicitly being earmarked as areas for large retail outlets and other zones as areas for shops with restricted activities. These areas have space for further establishments. We cannot exclude the possibility that many new developments will be realised as a result of the regionalisation of the place of business policy, which became effective on 1 July 2014.

During the past years, Retail Estates nv has acquired



“

The best barometer to measure demand is the rate of unoccupied properties, which has for several years been around 2% or lower in the portfolio of Retail Estates nv. „

various retail parks. Several of them have been subjected to a facelift or will be in the medium term. The expansion of such sites also offers Retail Estates nv attractive prospects.

It is labour-intensive to select suitable opportunities and plan and manage these alterations. They require the necessary expertise, but are rewarded with a higher return on rents.

THE NETHERLANDS

Active in the Netherlands since June 2017, Retail Estates nv has invested in 17 Dutch retail parks at 14 locations. These retail parks are destined for large-scale retail activities and are principally let to retail chains. Consumer expenditure in the Netherlands has increased continuously over the past three years. Low unemployment and strong economic growth in the Netherlands follow years of draconic savings that helped rebalance government and social security financing but also resulted in a previously unseen decline of the retail trade in the 2008-2013 period. According to the most recent quarterly report of the Dutch government service CBS, consumer confidence is at the highest level in ten years' time. This is especially beneficial to the residential real estate market, where home furnishing purchases have peaked.

Investments in the out-of-town retail market have increased strongly as a result of the improved prospects as communicated by retailers. For a population of 17 million people, the Netherlands have approximately 200 out-of-town locations where large-scale retail activities are allowed. The stringent urban planning framework limits the number of retail parks as well as the forms of retail activities that can be performed at those locations. It is for example not allowed to sell foodstuffs, clothes and shoes in retail parks. This approach has nevertheless prevented fragmentation of the retail offer via out-of-town retail properties and has promoted the development of easily accessible retail parks. Acquisition of this type of real estate by international institutional investors is still in an early stage.

2. THE REAL ESTATE PORTFOLIO

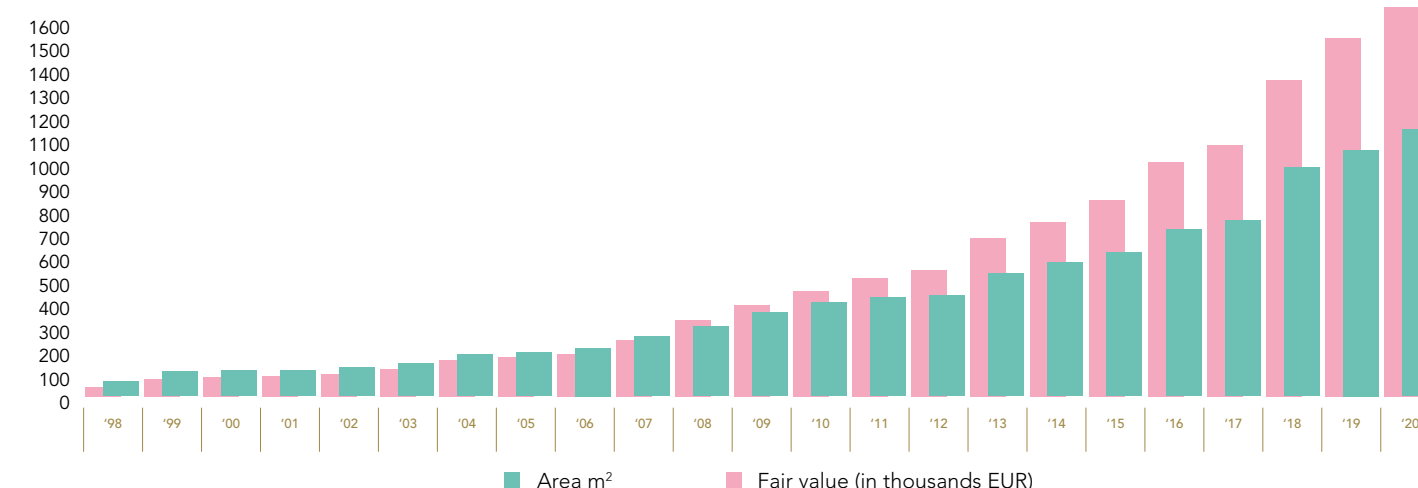
INVESTMENT STRATEGY AND PROFILE

Retail Estates nv has invested in out-of-town retail properties since 1998. Over a period of 20 years, the company has established a significant portfolio which consists of 969 retail properties with a total built-up retail area of 1,136,492 m² as per 31 March 2020. The fair value of the real estate portfolio totals € 1,661.75 million. The investment value amounts to € 1,719.00 million.

The value of the real estate portfolio of the public BE-REIT has increased by 8.64% compared to the value on 31 March 2019 (€ 1,529.63 million). This is mainly the result of acquisitions.

The occupancy rate is 97.92%.

GROWTH PORTFOLIO RETAIL ESTATES NV BETWEEN 1998 AND 2020



TYPE OF BUILDING¹²

Definitions

Individual out-of-town retail properties are solitary retail properties adjacent to the public road. Every outlet has its own car park and entrance and exit roads, connecting it to the public road and making it easily recognisable. No retail properties of the same type are necessarily present in the immediate vicinity.

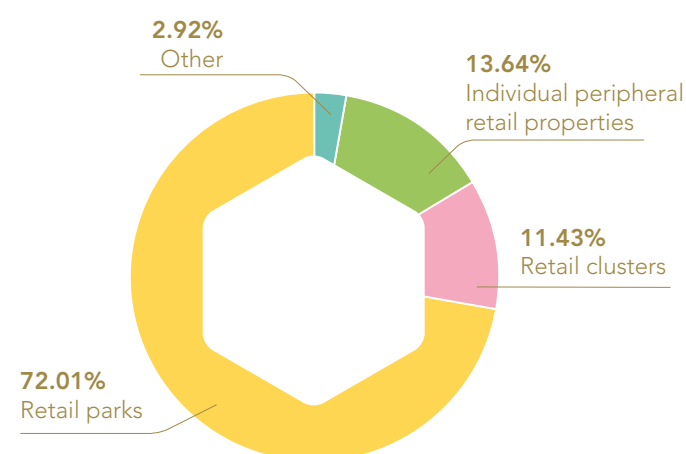
Retail clusters are a collection of out-of-town retail properties located along the same traffic axis that, from the consumer's point of view, form a self-contained whole even though they do not share infrastructure other than the traffic axis. This is the most typical concentration of out-of-town retail properties in Belgium.

Retail parks consist of retail properties that, in conjunction with other retail units, form part of an integrated commercial complex. All properties use a central car park with a shared entrance and exit road. This enables the consumer to visit several shops without having to move their car. Typically, at least five retail properties are present at these sites.

Other real estate mainly consists of offices, residential dwellings, hospitality establishments and a logistics complex at Erembodegem. The Erembodegem site is leased in its entirety to Brantano nv under a lease agreement that will expire on 31 May 2024. Retail Estates nv only invests in this type of real estate if they are embedded in a retail property or are part of a real estate portfolio that could only be acquired as a whole.

Retail properties under development are properties that form part of a newly built or renovation project.

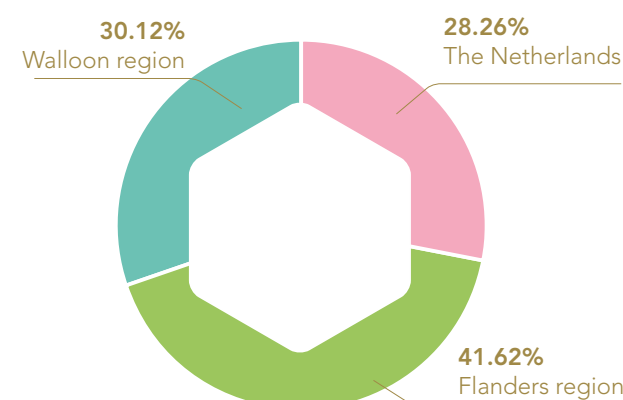
TYPE OF BUILDING



GEOGRAPHICAL SPREAD

The Dutch portfolio accounts for 28.26% of the total portfolio (in m²) as per 31 March 2020. 41.62% of the portfolio is located in the Flemish Region, while 30.12% is situated in the Walloon Region. The ratio of the Belgian properties is in line with the way in which the population is distributed across the two regions. Retail Estates nv furthermore only has two retail outlets in the Brussels-Capital Region. Out-of-town real estate is scarce in this region, which is why it is not actively observed by Retail Estates nv.

GEOGRAPHICAL SPREAD



COMMERCIAL ACTIVITIES OF THE TENANTS

The share of large-scale retail (41.50%) is slightly higher than that of the previous financial year. Taken together with the commodities industry, large-scale retail accounts for more than 63% of the leased surface area. The tenants in these industries provide a stable basis as they are more resilient to unfavourable economic conditions and less susceptible to e-commerce. Food retailers only account for 8.73%. In addition, socioeconomic permits for all these activities are very difficult to obtain. This is conducive to an increase in the value of the properties on the one hand and stronger loyalty to the location on the other.

The share of shoe and clothing shops is stable (22.30% as per 31 March 2020 versus 20.93% as per 31 March 2019). This category continues to constitute a major part of the activities of the tenants of Retail Estates.

A breakdown on the basis of contractual rents shows that the share of "Various" (1.80%) decreases, mainly due to a limited number of (semi-)logistic properties occupying a relatively large surface area and paying a relatively low rent. The share of food (8.76%) and commodities (20.85%) remain relatively stable. The share of the other categories (Voluminous (43.87%) and clothing and shoes (24.72%)) slightly increases.

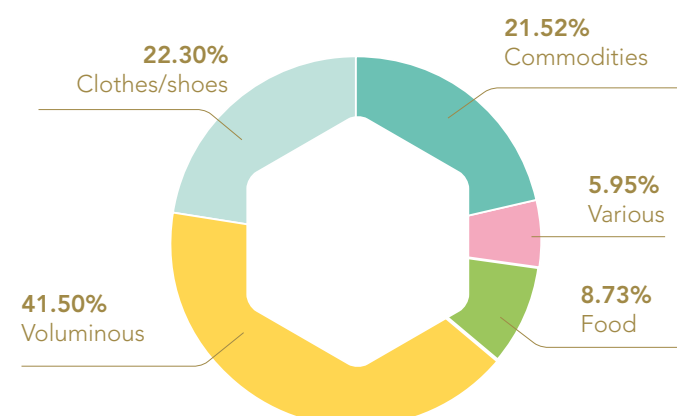
TENANTS: CHAIN STORES VERSUS SMEs

Since its incorporation, Retail Estates nv has focused on mainly letting out its properties to chain stores and/or franchise issuers.

For the purposes of this analysis, 'chain store' shall mean a large retail company with at least five sales outlets and central accounting. Already in 1998, the company was letting out 82% of its properties to chain stores of this kind. On 31 March 2020, the percentage of chain stores and/or franchise issuers amounts to 80%. These tenants are less sensitive to changing conditions in the local market than local independent SMEs. For example, a temporary local fall in turnover caused by e.g. road works will not cause chain stores any liquidity problems capable of jeopardising the payment of rent. As most chain stores are organised nationally, and often internationally as well, they can rely on a strong professional organisation and a marketing unit that can promote the attractiveness of any individual outlet.

They also make significant marketing efforts which can have a positive impact on the real estate location.

COMMERCIAL ACTIVITIES OF THE TENANTS

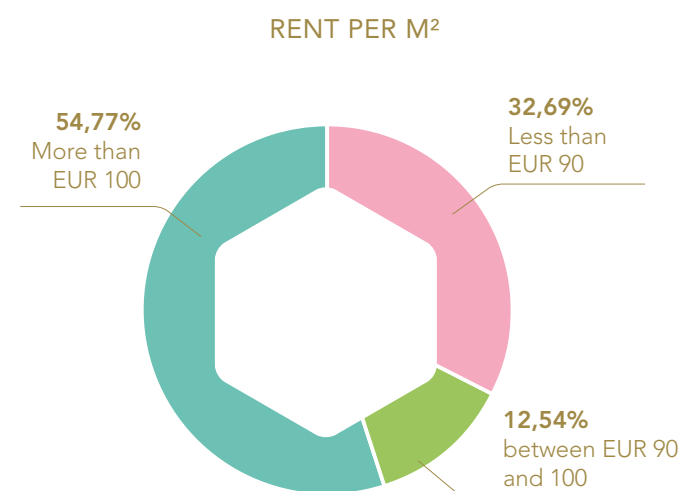


¹² The pie charts in this chapter show percentages based on the total retail area on 31 March 2020.

RENT PER M²

The differences in rental prices are often not only due to the characteristics of the location, but also linked to the term of the lease agreements. On the Belgian market, such agreements can, in the best-case scenario, be reviewed only every 9 years, or otherwise not until 18 or 27 years later. On the Dutch market, standard lease agreements are concluded for a five-year period. The demand for long-term lease agreements can in part be explained by the significant amounts tenants invest in furnishing the shops. In addition, long-term lease agreements ensure that the tenant is also bound by the rental price as the tenant risks losing the retail outlet if they want to renegotiate the rental price.

The average contractual rent per m² amounts to € 102.28 per year. Compared to 1998 (€ 61.15/m²), this represents an increase by 67.26%. This increase is due partly to inflation and rent increases and partly to the increase in the number of recently established retail properties, which, due to the higher market prices, are typically rented out at higher prices than the average of the existing real estate portfolio.



GEOGRAPHICAL SPREAD PER PROVINCE

The charts below illustrate the geographical spread of the buildings in the different Belgian and Dutch provinces based on the number of m².

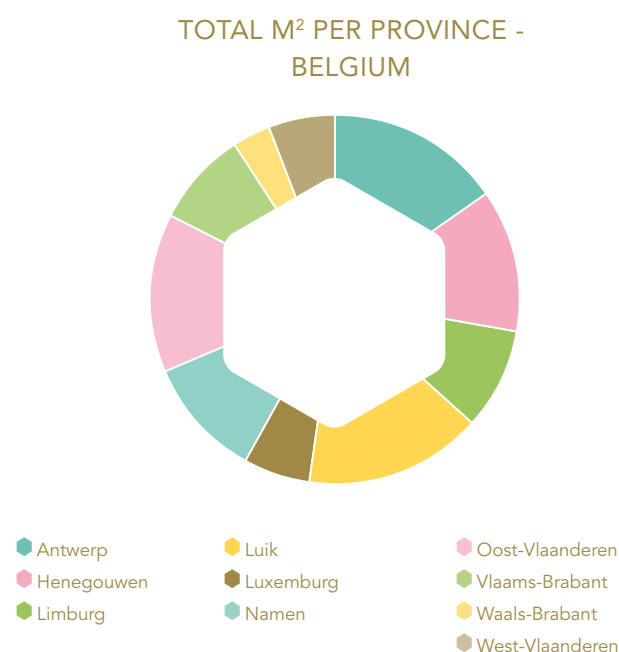


Chart: based on retail area as per 31 March 2020.

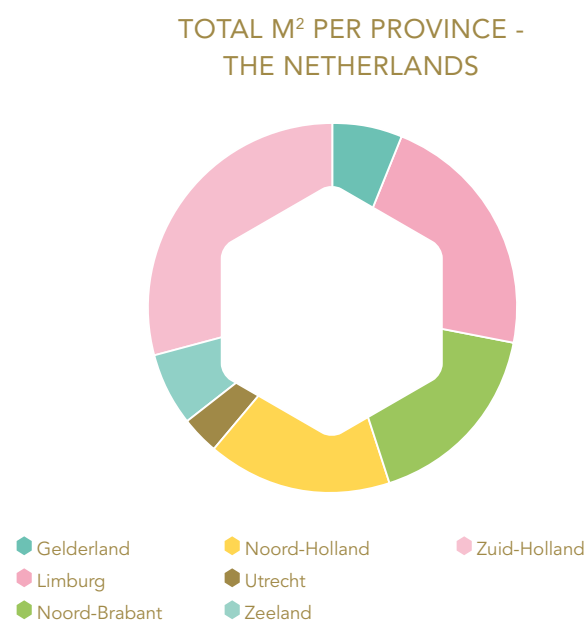


Chart: based on retail area as per 31 March 2020.

YEAR OF CONSTRUCTION OF PORTFOLIO

The charts below shows the age of the buildings in Belgium and the Netherlands based on the weighted average number of m².

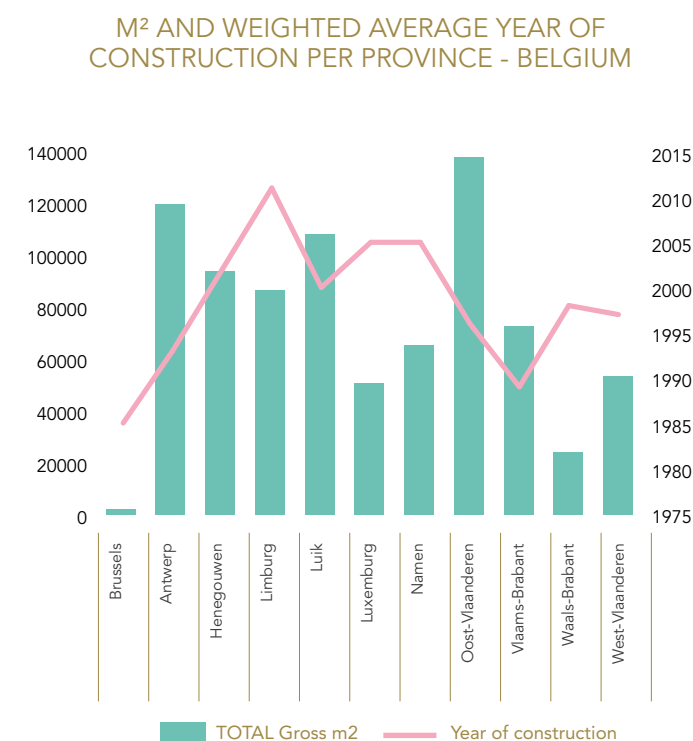


Chart: based on retail area as per 31 March 2020.

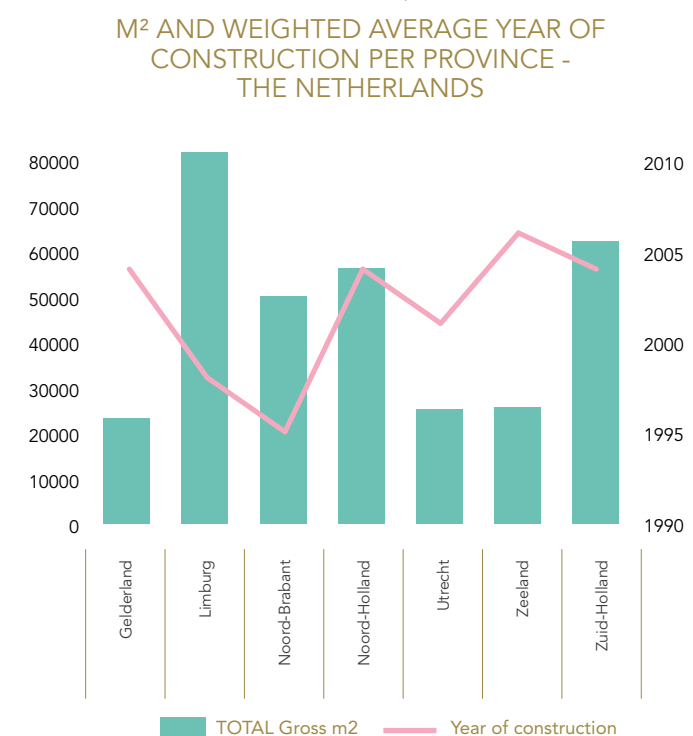


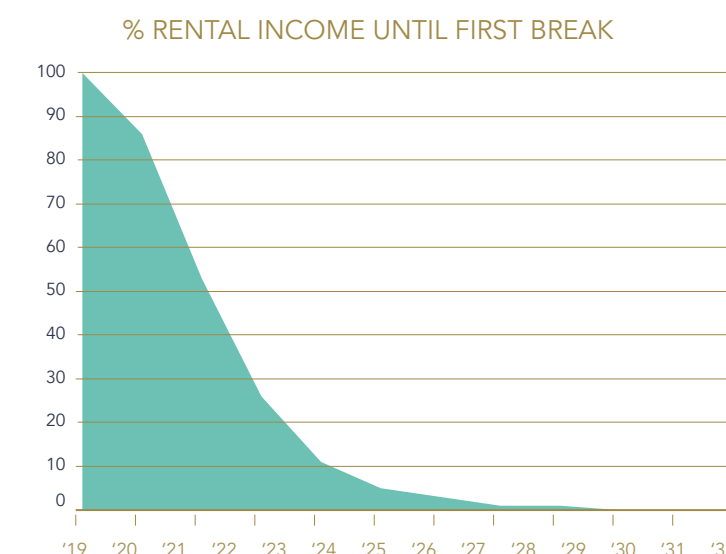
Chart: based on retail area as per 31 March 2020.

EXPIRY DATE OF LEASE AGREEMENTS

The weighted average remaining term is 8.61 years for the Belgian portfolio and 3.63 years for the Dutch portfolio. The weighted average remaining term for the entire portfolio is 7.27 years.

When calculating the weighted average term, we assume that the tenants do not make use of their legal option to terminate of the lease agreement before its expiry date.

Standard lease agreements have a five- or ten-year term in the Netherlands and a nine-year term in Belgium. Belgian tenants have the legal option to terminate the agreement upon expiry of each period of three years. Taking into account this legal option, the weighted average remaining term is 1.93 years for the Belgian portfolio.



TENANTS: TOP 20

The top twenty tenants of Retail Estates nv represent 41.89% of the gross rental income and 39.86% of the total surface area of the properties in the real estate portfolio. They represent 304 shops. In absolute figures, Gilde (Kwantum/Leen Bakker) accounts for 3.82% of the rental income and tops the list of the five most important tenants, followed by Brantano (3.56%), Krëfel (2.98%), Pardis (Fun-Trafic) (2.85%) and De Mandemakers Groep (2.76%).

SUMMARY OF KEY FIGURES

	RETAIL ESTATES		
	31.03.2020	31.03.2019	31.03.18
Estimated fair value ¹ (in €)	1 661 753 000	1 529 629 291	1 349 367 000
Yield (investment value) ²	6,53%	6,55%	6,67%
Contractual rents (in €)	112 317 786	103 502 136	92 216 148
Contractual rents incl. rental value of vacant buildings (in €)	114 371 781	104 871 501	93 345 252
Total m ² in portfolio	1 136 492	1 049 101	973 525
Number of properties	969	906	817
Occupancy rate	97,92%	98,28%	98,11%
Total m ² fixed assets under construction - in execution phase	9 278	-	12 599

¹ This fair value also contains the investment properties under construction, which are not included in the fair value as mentioned in the real estate experts' conclusions on 31 March 2020 (see further in this chapter).

² The current rental income (net, after deduction of canon) divided by the estimated investment value of the portfolio (without taking into account the investment properties under construction included in the cost price). We refer to "reconciliation tables" in the chapter miscellaneous"

IMPORTANT NOTE

On 31 March 2020, the real estate portfolio of Retail Estates nv consists of real estate properties owned by Retail Estates nv and its perimeter companies.

REAL ESTATE PORTFOLIO OF IMMOBILIÈRE DISTRI-LAND NV

On 31 March 2020, the real estate portfolio of Immobilière Distri-Land nv consists of 10 retail properties that have been rented out completely.

All of these retail properties were built before 1989 and are similar to those owned by Retail Estates nv in terms of location and rent.

OVERVIEW OF REAL ESTATE PORTFOLIO

Below is an overview of the real estate portfolio of Retail Estates nv and its subsidiaries as per 31 March 2020. Clusters of which the fair value represents more than 5% of the consolidated assets are briefly described below:

The largest cluster in our portfolio concerns a retail parks in Heerlen, the Netherlands (with 46 different tenants). The fair value of this retail park represents 6.22% of the consolidated assets of the company. However, as it concerns two separate physical buildings separated by an Ikea outlet which is not part of our portfolio, they should in fact be considered separately in terms of risk assessment.

For further details on the real estate portfolio, please refer to the list below.

OVERVIEW OF REAL ESTATE PORTFOLIO

BELGIUM			year of construc. - last renovation		Gross surface m²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value	
Province	Cluster	Address	Tenant								
Brussels	Individual peripheral properties and other	Jerusalemstraat 48-50, 1030 Schaarbeek	ALDI Cargovil-Zemst nv								
		Ninoofsesteenweg 510, 1070 Anderlecht	Orchestra-Prémaman Belgium SA								
1981 - 1987					2 205	100,00%	261 087,87	3 134 148,01	1 644 679,79	2 770 216,95	
Walloon Brabant	Individual peripheral properties and other	Avenue Reine Astrid 4/6, 1300 Wavre	BBK Expansion BVBA (Babykid)								
		Rue Pont du Christ 32, 1300 Wavre	AVIMMO INVEST SPRL Régie d'électricité de la ville de Wavre								
		Rue des Carabiniers, 1300 Wavre									
		Rue du Bosquet 10 en 10A, 1370 Jodoigne	Literie Chanet & Fils SPRL								
		Brusselsesteenweg 551, 1410 Waterloo	CARPETLAND nv								
		Grand Route 49, 1435 Corbais	CHAUSSURES MANIET SA								
	1958 - 2013					5 775	99,98%	611 611,36	9 289 357,46	4 307 494,68	10 123 456,93
	Nivelles	Chaussée de Namur 55C, 1400 Nivelles	Basic Fit België								
		Chaussée de Namur 55D, 1400 Nivelles	SND sa (Trafic)								
		Avenue de Centenaire 42, 1400 Nivelles	BRICO BELGIUM nv								
		Rue du Tienne à deux vallées 3, 1400 Nivelles	ALDI Gembloux sa								
		Chaussée de Namur 55A, 1400 Nivelles	VOLTIS SA								
		Chaussée de Namur 55B, 1400 Nivelles	Menatam SA (Eggo)								
	2015					9 726	100,00%	1 060 975,10	16 694 221,27	7 254 492,34	14 373 573,33
	Braine l'Alleud	Avenue de la belle Province 37-39, 1420 Braine-l'Alleud	AVA PAPIERWAREN nv								
Avenue de la belle Province 21, 1420 Braine-l'Alleud		Proximus NV (Belgacom)									
Avenue de la belle Province 31, 1420 Braine-l'Alleud		BRANTANO nv									
Avenue de la belle Province 35, 1420 Braine-l'Alleud		C&A België cv									
Avenue de la belle Province 27, 1420 Braine-l'Alleud		ANISERCO nv									
Avenue de la belle Province 29, 1420 Braine-l'Alleud		OVS Home nv									
Avenue de la belle Province 33, 1420 Braine-l'Alleud		MAXI TOYS Belgium sa									
		MOBISTAR nv									
Avenue de la belle Province 25, 1420 Braine-l'Alleud		PIOCHEUR nv									
1990 - 2008					8 535	100,00%	861 918,60	13 756 370,69	6 366 141,49	14 795 992,69	
Flemish- Brabant	Halle	Edingsesteenweg 75, 1500 Halle	Dreambaby NV								
		Edingsesteenweg 75, 1500 Halle	Orchestra-Prémaman Belgium SA								
		Bergensesteenweg 162, 1500 Halle	AVEVE nv								
		Bergensesteenweg 420a, 1600 Sint-Pieters-Leeuw	M&S RENOV SPRL								
		Bergensesteenweg 460, 1600 Sint-Pieters-Leeuw	Chalet Center NV								
		Demaeghtlaan 216-218, 1500 Halle	BRANTANO nv								
	1964 - 2002					7 457	100,00%	418 420,41	7 393 961,46	5 562 075,82	6 303 844,74

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value		
Flemish- Brabant	Leuven-Oost	Tiensesteenweg 370, 3360 Korbeek-Lo		SANTANA INTERNATIONAL NV								
		Tiensesteenweg 393, 3360 Korbeek-Lo		FUN BELGIUM nv								
		Tiensesteenweg 1B, 3360 Korbeek-Lo		Orchestra-Prémaman Belgium SA								
		Ridderstraat 2-12, 3360 Bierbeek		BRANTANO nv								
				FABRIMODE nv (Bel & Bo)								
		Ridderstraat 10, 3360 Bierbeek		LEEN BAKKER BELGIE nv								
		Ridderstraat 12, 3360 Bierbeek		OVS Home nv								
				ACTION BELGIUM BVBA								
			L.TORFS NV									
				1987 - 1993	11 008	100,00%	1 511 893,09	21 752 903,93	8 210 718,87	19 469 881,21		
Sint-Joris-Winge	Gouden Kruispunt 69, 3390 Tielt-Winge		MODEMAKERS FASHION nv									
	Aarschotsesteenweg 9, 3390 Sint-Joris-Winge		Retail Concepts NV (AS Adventure)									
			FUN BELGIUM nv									
			BRANTANO nv									
			1987 - 1993	11 008	100,00%	1 511 893,09	21 752 903,93	8 210 718,87	19 469 881,21			
Antwerp	Individual peripheral properties and other	Slachthuisstraat 27, 2000 Antwerpen		ALDI TURNHOUT NV								
		Frans Beirenslaan 51, 2150 Borsbeek (Antw.)		CARPETLAND nv								
		Geelsebaan 64, 2460 Kasterlee										
		Antwerpseseesteeweg 482-484, 2660 Hoboken		Sint-Niklaas Doe het Zelf NV								
		Nekkerspoelstraat 447, 2800 Mechelen		HUBO BELGIE nv								
		Picoloplein 31, 2940 Stabroek		MODEMAKERS FASHION nv								
			1973 - 1997	8 326	100,00%	900 099,24	12 942 752,62	6 210 251,21	12 505 843,28			
	Antwerpen- Noord	Bredabaan 968, 2170 Merksem		L&L Retail Belgium SA								
		Bredabaan 964, 2170 Merksem		FUN BELGIUM nv								
				X?O Antwerpen en Limburg NV								
		Bredabaan 809, 2170 Merksem		L.TORFS NV								
				DAMART TSD nv								
		Bredabaan 809 bus 5, 2170 Merksem		WV2 BVBA (fietsl)								
				ETHIAS NV								
		Bredabaan 891-893, 2170 Merksem		ALDI TURNHOUT NV								
				AVEVE nv								
				Bedden en Matrassen BV								
				FABRIMODE nv (Bel & Bo)								
				C&A België cv								
				CARPETLAND nv								
				KRUIDVAT bvba								
				Chaussea BRT BVBA								
				Menatam SA (Eggo)								
				Euro Shoe Group N.V.								
				MAXI ZOO BELGIUM bvba								
			Fnac Vanden Borre nv									
		KOKIDO BVBA										
		PRO-DUO nv										
		ZEEMAN textielSupers NV										
		Van Praetlei 260 2/1, 2170 Merksem										
		Bredabaan 1205-1207, 2900 Schoten		KREFEL nv								
		Bredabaan 1213, 2900 Schoten		LEEN BAKKER BELGIE nv								
		Bredabaan 1207, 2900 Schoten		MEDINA nv (Bent Schoenen)								
		Bredabaan 1215, 2900 Schoten										
		Bredabaan 1211, 2900 Schoten		HET BROEKENPALEIS nv								
		Bredabaan 1209, 2900 Schoten		JBC nv								
		Bredabaan 1203, 2900 Schoten		Orchestra-Prémaman Belgium SA								
			1976 - 2016	35 991	99,25%	5 244 575,05	83 731 879,77	26 845 201,91	77 280 721,75			

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
Antwerp	Westerlo	Bell Telephonelaan2/2, 2260 Oevel		ACTION BELGIUM BVBA						
		Bell-Telephonelaan 1/2, 2260 Oevel								
		Hotelstraat 10, 2260 Oevel								
		Hotelstraat 1, 2260 Oevel								
		Hotelstraat 7, 2260 Oevel								
				C&A België cv						
				Euro Shoe Group N.V.						
				FABRIMODE nv (Bel & Bo)						
				KWANTUM BELGIE BV						
				KI VIDEO BVBA (matrassen)						
				Zebulah N.V.						
				HEUREKA BVBA (franchisé Heytens)						
				ZEEMAN textielSupers NV						
				Hunkemöller Belgium NV						
				Merkkleding BVBA						
				Mega Outlet BVBA						
			1988 - 2011		12 806	99,88%	997 032,03	16 138 009,46	9 551 822,84	16 458 592,83
	Lier	Donk 54/1, 2500 Lier		LUMA BVBA						
		Donk 54/2, 2500 Lier		HEUREKA BVBA (franchisé Heytens)						
		Donk 54/3, 2500 Lier		Fnac Vanden Borre nv						
		Donk 54/4, 2500 Lier		Manylion BVBA (lxina)						
		Antwerpsesteenweg 308, 2500 Lier		Groep Bossuyt Belgie NV						
				KREFEL nv						
				Slaapadvies BVBA						
		Antwerpsesteenweg 366, 2500 Lier		BELGACOM MOBILE NV						
				FUN BELGIUM nv						
			1993 - 2009		8 293	100,00%	871 840,73	13 379 027,65	6 185 636,95	7 599 055,66
Antwerp		Boomsesteenweg 651, 2610 Wilrijk		DECOR HEYTENS BELGIE NV						
		Boomsesteenweg 649, 2610 Wilrijk		KREFEL nv						
		Boomsesteenweg 649-651, 2610 Wilrijk		ADEBO NV						
				Obey NV						
				RUFFIN Franky						
		Boomsesteenweg 652, 2610 Wilrijk		CARPETLAND nv						
		Boomsesteenweg 945, 2610 Wilrijk		Keukenontwerpers NV						
				PRO-DUO nv						
				Schrauwen Sanitair en Verwarming NV						
		Boomsesteenweg 941, 2610 Wilrijk		A & Y GROUP BV						
	Antwerpen-Zuid			HILTI BELGIUM nv						
				Edenwood NV						
		Boomsesteenweg 943, 2610 Wilrijk		Odysseus Bouwmarkten NV						
		Boomsesteenweg 800, 2610 Wilrijk		Bedden en Matrassen BV						
		Antwerpsesteenweg 65_1, 2630 Aartselaar		MEUBELN DE ABDIJ bvba						
		Antwerpsesteenweg 65, 2630 Aartselaar		MAXI ZOO BELGIUM bvba						
		Boomsesteenweg 68, 2630 Aartselaar		BMS nv						
		Boomsesteenweg 90, 2630 Aartselaar		FUN BELGIUM nv						
		Boomsesteenweg 86, 2630 Aartselaar		JUMP UNIVERZ BVBA (verkoop trampolines, springkastelen)						
		Boomsesteenweg 62, 2630 Aartselaar		PIOCHEUR nv						
		Boomsesteenweg 66, 2630 Aartselaar		C&A België cv						
		Koningin Astridlaan 85A bus 00.01, 2550 Kontich		Basic Fit België						
		Koningin Astridlaan 83 bus 01.01, 2550 Kontich		ANTWERP FASHION OUTLET NV (ZEB)						
				LIN'S						
		Koningin Astridlaan 85 bus 01.01, 2550 Kontich		Euro Shoe Group N.V.						
			1960 - 2016		32 596	100,00%	3 415 587,51	52 478 397,23	24 312 917,16	39 465 439,10

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
Antwerp	Mechelen-Noord	Oscar Van Kesbeecklaan 3, 2800 Mechelen		Mega Outlet BVBA						
		Oscar Van Kesbeecklaan 7, 2800 Mechelen		MAXI ZOO BELGIUM bvba						
		Electriciteitsstraat 39, 2800 Mechelen		BRANTANO nv						
		Guido Gezellelaan, 2800 Mechelen		PRO-DUO nv						
		Guido Gezellelaan 6, 2800 Mechelen		Actief Interim NV						
		Guido Gezellelaan 8, 2800 Mechelen		LEEN BAKKER BELGIE nv						
		Guido Gezellelaan 10, 2800 Mechelen		Fnac Vanden Borre nv						
				Children's International Summer Villages-Belgium VZW						
	Guido Gezellelaan 10-18, 2800 Mechelen		DANS- EN EXPRESSIE vzw							
	Guido Gezellelaan 10/12, 2800 Mechelen		Orchestra-Prémaman Belgium SA							
	Guido Gezellelaan 20, 2800 Mechelen		Babydump B.V.							
	Rode Kruisplein 20, 2800 Mechelen		PIOCHEUR nv							
	Liersesteenweg 432, 2800 Mechelen		FUN BELGIUM nv							
		1960 - 2011		13 757	100,00%	1 361 993,86	19 173 290,33	10 261 160,92	17 829 811,13	
	Mechelen-Zuid	Brusselsesteenweg 445 en 443, 2800 Mechelen		Slaapadvies BVBA						
		Brusselsesteenweg 439, 2800 Mechelen		FABRIMODE nv (Bel & Bo)						
				Menatam SA (Eggo)						
				BRANTANO nv						
		Brusselsesteenweg 441 A, 2800 Mechelen		Fnac Vanden Borre nv						
		Brusselsesteenweg 441, 2800 Mechelen								
		Brusselsesteenweg 441 B, 2800 Mechelen		REDISCO bvba						
		Brusselsesteenweg 437, 2800 Mechelen		L&L Retail Belgium SA						
				Madman BVBA						
		Geerdegemstraat 148, 2800 Mechelen		OVS Home nv						
			1983 - 2005		7 536	100,00%	989 203,24	13 984 041,98	5 621 000,85	8 954 399,22
	Limburg	Hasselt	Biezenstraat 47 - 53, 3500 Hasselt		KWANTUM BELGIE BV					
				MEDIA MARKT TWEE TORENS HASSELT NV						
				Maisons du Monde						
				X²O Antwerpen en Limburg NV						
			2017		5 762	100,00%	873 375,01	14 368 412,02	4 297 798,16	14 869 806,62
Individual peripheral properties and other		Genkersteenweg 160, 3500 Hasselt		OVS GARDEN NV						
		Vredelaan 34, 3530 Houthalen		GROUP GL International NV						
		Grote Baan 212, 3530 Houthalen		JBC nv						
		Meylandtlaan 171, 3550 Heusden-Zolder		LIDL						
		Koninginnelaan 125, 3630 Maasmechelen		PIOCHEUR nv						
		Koninginnelaan 127, 3630 Maasmechelen		NRG NEW GENERATION BVBA						
			1989 - 2016		6 595	100,00%	618 125,65	8 799 234,43	4 919 121,63	9 008 137,75
Beringen	Koolmijnlaan 193, 3580 Beringen		BRICO BELGIUM nv							
			Albert Heijn België NV							
			MAXI ZOO BELGIUM bvba							
			Chaussea BRT BVBA							
			MEDINA nv (Bent Schoenen)							
			L&L Retail Belgium SA							
			Monashee BVBA (Zeb)							
			H&M Hennes & Mauritz SA							
			FABRIMODE nv (Bel & Bo)							
			C&A België cv							
			AVA PAPIERWAREN nv							
			Fnac Vanden Borre nv							
		2015		17 637	100,00%	2 034 181,48	31 323 978,00	13 155 200,64	30 944 405,87	

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value	
Limburg	Genk-Hasseltweg	Hasseltweg 97, 3600 Genk		Groep Bossuyt Belgie NV							
		Hasseltweg 99, 3600 Genk		FABRIMODE nv (Bel & Bo)							
		Hasseltweg 101, 3600 Genk		MEDINA nv (Bent Schoenen)							
		Hasseltweg 103, 3600 Genk		L&L Retail Belgium SA							
		Hasseltweg 105-107, 3600 Genk		Orchestra-Prémaman Belgium SA							
		Hasseltweg 183, 3600 Genk		SANTANA INTERNATIONAL NV							
		Hasseltweg 111, 3600 Genk		VAN BEUREN INTERIORS bvba							
		Hasseltweg 113, 3600 Genk		KVIK AS							
		Hasseltweg 115, 3600 Genk		GOBREL sa							
		Hasseltweg 76 bus 1, 3600 Genk		Toychamp Belgium N.V.							
		Hasseltweg 76, 3600 Genk		Seats and sofas N.V.							
		Wilde Kastanjelaan 3, 3600 Genk		MEVLANA SLAGERIJ BVBA ALDI HEUSDEN-ZOLDER							
	1988 - 2015				14 391	100,00%	1 293 488,57	19 882 339,17	10 734 052,98	18 262 886,16	
	Lanaken	Maaseikersteenweg 197, 3620 Lanaken	JYSK BVBA								
			E5-Mode nv Merkkleding BVBA Toychamp Belgium N.V.								
	2005				4 150	100,00%	283 418,58	5 293 602,00	3 095 429,08	5 340 246,38	
	Tongeren	Luikersteenweg 151 bus 6, 3700 Tongeren		JBC nv							
		Luikersteenweg 151 bus 8, 3700 Tongeren		L.TORFS NV							
		Luikersteenweg 151 bus 10, 3700 Tongeren		ADL Consult BVBA							
		Luikersteenweg 151 bus 12, 3700 Tongeren		PRO-DUO nv							
		Luikersteenweg 151 bus 14, 3700 Tongeren		Euro Shoe Group N.V.							
		Luikersteenweg 151 bus 16, 3700 Tongeren		Kleding Vossen NV							
		Luikersteenweg 151 bus 18, 3700 Tongeren		Fnac Vanden Borre nv							
		Luikersteenweg 151 bus 2, 3700 Tongeren		Monashee BVBA (Zeb)							
		Luikersteenweg 151 bus 4, 3700 Tongeren									
		Luikersteenweg 151 bus 1, 3700 Tongeren		Dreamland NV							
		Luikersteenweg 151 bus 3, 3700 Tongeren		FABRIMODE nv (Bel & Bo)							
		Luikersteenweg 151 bus 5, 3700 Tongeren		KRUIDVAT bvba							
		Luikersteenweg 151 bus 7, 3700 Tongeren		E5-Mode nv							
		Luikersteenweg 151 bus 9, 3700 Tongeren		Chaussea BRT BVBA							
		Luikersteenweg 151 bus 11, 3700 Tongeren		C.C.I.T. BVBA							
		Luikersteenweg 151 bus 13, 3700 Tongeren		GOBREL sa							
		Luikersteenweg 151 bus 15, 3700 Tongeren		PIOCHEUR nv							
Luikersteenweg 151 bus 17, 3700 Tongeren											
Luikersteenweg 151 bus 19, 3700 Tongeren											
Luikersteenweg 151 bus 21, 3700 Tongeren			Delhaize Le Lion - De Leeuw Comm.VA								
Luikersteenweg 151 bus 23, 3700 Tongeren			LIDL								
Luikersteenweg 151 bus 25, 3700 Tongeren			ACTION BELGIUM BVBA								
Luikersteenweg 151 bus 27, 3700 Tongeren			MAXI ZOO BELGIUM bvba								
Luikersteenweg 151 bus 29-31, 3700 Tongeren			Descarto BVBA								
Luikersteenweg 151 bus 33, 3700 Tongeren			LEEN BAKKER BELGIE nv								
Luikersteenweg 151 bus 35, 3700 Tongeren											
Luikersteenweg 151 bus 37, 3700 Tongeren			Groep L.B.M. BVBA								
2012				30 930	99,87%	2 312 870,30	41 165 389,26	23 070 270,21	37 832 674,95		
Lommel		Binnensingel 48, 3920 Lommel		Sportsdirect.com Belgium							
		Binnensingel 50, 3920 Lommel		LIDL							
		Binnensingel 54, 3920 Lommel		LEEN BAKKER BELGIE nv							
		Binnensingel 46, 3920 Lommel		KREFEL nv							
2006				6 938	100,00%	750 611,42	11 587 646,76	5 174 960,71	10 747 809,40		

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value		
Liège	Liège - periphery	Bld Cuivre et Zinc 21, 4000 Liège		ANISERCO nv								
		Bld Cuivre et Zinc 19, 4000 Liège		Discus SPRL (verkoop visgerei)								
		Boulevard Froidmont /Bld Cuivre et Zinc, 4000 Liège		Zanimò SPRL								
		Bld Cuivre et Zinc 17, 4000 Liège		Star Mode SPRL								
		Boulevard Raymond Poincaré 105, 4000 Liège		KREFEL nv								
		Boulevard Raymond Poincaré 103, 4000 Liège		TERRE ASBL (Point Carre)								
		Boulevard Raymond Poincaré, 4000 Liège		Burger Brands Belgium NV								
		Boulevard Froidmont 21, 4000 Liège		LEEN BAKKER BELGIE nv								
		Boulevard Froidmont 19, 4000 Liège		NovaSYO BVBA (bedden en matrassen)								
		Boulevard Froidmont 13/15, 4000 Liège		BURO MARKET nv								
		Boulevard de Froidmont 23, 4020 Liège		ALDI VAUX-SUR-SURE SA								
		Boulevard de Froidmont 17, 4020 Liège		DISTRILED LIEGE sprl								
		Boulevard Raymond Poincaré 26, 4000 Liège		X²O Wallonië NV								
		Boulevard Raymond Pointcaré 20, 4000 Liège		Lambrechts NV (groothandel sanitair)								
	Boulevard Raymond Pointcaré 22, 4000 Liège		W4D NV (Engels Liège)									
				1988 - 2012		14 640	100,00%	1 255 989,80	18 123 378,27	10 919 778,72	15 766 030,92	
	Individual peripheral properties and other	Rue Joseph Demoulin 15, 4000 Liège		ACTION BELGIUM BVBA								
		Rue Servais Malaise 29, 4030 Grivegnée		Euro Shoe Group N.V.								
		Rue Servais Malaise 29/31, 4030 Grivegnée		KRUIDVAT bvba								
				Zanimò SPRL								
		rue de Sewage 1, 4100 Seraing		J. DISCOUNT SA								
		Route du Condroz 221, 4120 Neupré		KO AMUSEMENT 4120 SRL								
		Route du Condroz, 4120 Neupré		POINT CARRE sprl								
				Bounce Wear BVBA (sportartikelen)								
		Avenue Laboulle 17, 4130 Tiff		LIDL								
		Chaussée Romaine 244, 4300 Waremme		Poivre et Sel Concept SPRL								
				Revolution Fitness SPRL								
				Al' Binete Waremme SPRL								
		Chaussée Romaine 246, 4300 Waremme		D.V.A.P. SA								
		Rue Joseph Wauters 25A, 4500 Huy		BRANTANO nv								
		Avenue du Bosquet 33, 4500 Huy		Bleu Citron SPRL								
		rue du Bay-Bonnet 8, 4620 Fléron										
		Rue Bureau 56, 4620 Fléron		Orchestra-Prémaman Belgium SA								
Boulevard des Anglais 47, 4900 Spa												
rue du Chalet 95, 4920 Aywaille												
			1986 - 2017		16 109	99,98%	1 347 684,00	17 322 142,19	12 015 486,03	17 720 673,06		
Rocourt	Chaussée de Tongres 269, 4000 Rocourt		Auto 5 NV									
			CLUB sa									
			KREFEL nv									
			Medi-Market Parapharmacie Liège NV									
			BDO Distribution SA									
			Chaussea BRT BVBA									
			C&A België cv									
			WELL SA									
			HEMA BELGIE BVBA									
			Nationale4 NV (ZEB)									
			JBC nv									
			Burger Brands Belgium NV									
					1975 - 1987		10 737	100,00%	1 809 734,20	27 665 211,14	8 008 583,62	28 033 677,39

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
Liège	Herstal	rue des Naiveux 44, 4040 Herstal		HOME KITCHENS SPRL						
		rue des Naiveux 40, 4040 Herstal		L&L Retail Belgium SA						
		Rue des Naiveux 24B, 4040 Herstal		Promotex International SA						
		Rue des Naiveux 20, 4040 Herstal		TAO Belgique SA						
		Rue des Naiveux 16, 4040 Herstal		Fnac Vanden Borre nv						
		rue de Naiveux 7, 4040 Herstal		MT - MONDIAL TEXTILES SA						
		rue Arnold Delsupexhe 66A, 4040 Herstal		KREFEL nv						
				JCDECAUX BILLBOARD sa						
		rue Arnold Delsupexhe 66B, 4040 Herstal		AVA PAPIERWAREN nv						
	1971 - 2001				6 205	100,00%	736 157,48	9 233 131,93	4 628 225,89	6 303 050,69
Liège	Blegny-Barchon	Rue Champs de Tignée 4/2, 4671 Barchon		Wilmar Deco SPRL (FAILLIET)						
		Rue Champs de Tignée 4/1, 4671 Barchon		SERV19 SCRL						
		Champs de Tignée 14, 4671 Barchon		LES PERES NOIRS SA						
				Optic Barchon SPRL						
				Chaud Diffusion SPRL						
		Rue Champs de Tignée 26/04, 4671 Barchon		Saker-Greco						
		Rue Champs de Tignée 22, 4671 Barchon		BRICOPA SA						
		Rue Champs de Tignée 26/1, 4671 Barchon		INGI COIFFURE SPRL						
		Rue Champs de Tignée 24, 4671 Barchon		Les Bouchers Doubles SPRL						
		Rue Champs de Tignée 24/11, 4671 Barchon		LA CHINE WOK SPRL						
		Rue Champs de Tignée 20/01, 4671 Barchon		CIRCUS BELGIUM SA						
		Rue Champs de Tignée 26/03, 4671 Barchon		LA GLISSE						
		Rue Champs de Tignée 20/02, 4671 Barchon		3D MANAGEMENT SPRL						
		Rue Champs de Tignée 30, 4671 Barchon		SEPTEMBRE 1965 sprl (Pointcarré)						
		Rue Champs de Tignée 32, 4671 Barchon		Delhaize Le Lion - De Leeuw Comm.VA						
		Rue Champs de Tignée 20, 4671 Barchon		LIDL						
		Rue Champs de Tignée 20-34, 4671 Barchon		TOP TRADING BVBA						
		Rue Champs de Tignée 34/2, 4671 Barchon		T.C. Boncelles SPRL						
		Rue Champs de Tignée 20-34, 4671 Barchon		PHILIPPE STEVENS SPRL - DIGITHOME						
	1989 - 2008				13 062	99,99%	1 289 945,13	19 735 921,43	9 742 769,79	16 679 875,68
Liège	Eupen			CCB MODE SA						
				Blokker NV						
				ANISERCO nv						
				Chaussea BRT BVBA						
				C&A België cv						
		Rue Mitoyenne 1, 4700 Eupen		CP RETAIL SA						
				Euro Shoe Group N.V.						
				JBC nv						
				PIOCHEUR nv						
				PRO-DUO nv						
Liège	Eupen			Veritas NV						
		Herbesthalerstraat 154, 4700 Eupen		Orchestra-Prémaman Belgium SA						
	1988 - 1990				10 124	100,00%	1 021 191,20	14 307 307,67	7 551 355,18	14 496 991,63

Province	Cluster	Adres	Bouwjaar - laatste renovatie	Tenant	Gross surface m²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
Liège	Verviers	Boulevard des Gérardchamps 118, 4800 Verviers		Delhaize Le Lion - De Leeuw Comm.VA						
				ANISERCO nv						
				LEEN BAKKER BELGIE nv						
		Rue Fernand Houget 6A, 4800 Verviers		BDO Distribution SA						
		Rue Fernand Houget 2, 4800 Verviers		BRANTANO nv						
		Rue Fernand Houget 3, 4800 Verviers								
		Rue Fernand Houget 3, 4800 Verviers		CASA INTERNATIONALE NV						
		Rue d' Anvers 6, 4800 Verviers		Régie des Bâtiments						
		Rue Fernand Houget 6A, 4800 Verviers								
		Rue de la Station 8, 4800 Verviers		Decathlon Belgium NV						
Liège	Verviers			Matilde Solar Energy BVBA						
				McDonald's Restaurants Belgium NV-						
				Securex International						
				Miami Sun SPRL						
				ING Belgique SA						
				Pharmacies Populaires de Verviers et arr. SCRL						
				Dreamland NV						
				PRO-DUO nv						
				Zanimo SPRL						
				ELECTRO AV nv						
Liège	Verviers			SND sa (Trafic)						
				Menatam SA (Eggo)						
				Maisons du Monde						
				Parfumerie ICI PARIS XL SA						
				Chaussea BRT BVBA						
				L&L Retail Belgium SA						
				3D MANAGEMENT SPRL						
				JBC nv						
				Delimmo SA						
				CRESCEND HOME S.A. (Ixina)						
Liège	Verviers			MAXI ZOO BELGIUM bvba						
				Papeterie.be SPRL (Page 111)						
				KRUIDVAT bvba						
				Edcom SCRL						
	1998 - 2013				37 152	99,92%	3 520 796,22	52 927 073,44	27 711 176,17	50 090 832,62
Namur	Namen-Noord	rue de Sardanson 4, 5004 Bouge		FAST FOOD sprl						
				CCB Corporate SPRL (Cash Converters)						
		rue de Sardanson 2, 5004 Bouge		2 HB ANS SPRL (haircare)						
		Chaussée de Louvain 261, 5004 Bouge		C&A België cv						
		Chaussée de Louvain 257, 5004 Bouge		Carrefour Belgium SA						
		rue Louis Albert 7, 5020 Champion		Blokker NV						
		rue Louis Albert 5, 5020 Champion		E5-Mode nv						
		rue Louis Albert 5-7, 5020 Champion		BRANTANO nv						
		Rue Louis Albert 6A, 5020 Champion		SND sa (Trafic)						
		Rue Louis Albert 6, 5020 Champion								
Namur	Namen-Noord	Chaussée de Louvain 562, 5020 Champion		ALDI Gembloux sa						
		Chaussée de Louvain 564, 5020 Champion		Maisons du Monde						
		Chaussée de Louvain 564B, 5020 Champion		Le Fu SPRL						
	1990 - 2012				14 868	99,94%	1 564 488,86	22 873 070,56	11 089 840,85	19 064 443,14

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
Namur	Individual peripheral properties and other	Ancien Rivage 73, 5020 Malonne		ANISERCO nv						
		Chaussée de Wavre 42B, 5030 Gembloux		BRANTANO nv						
		Avenue Reine Elisabeth, 5300 Andenne		MAXI TOYS Belgium sa						
		Avenue de la Belle Mine 24, 5300 Andenne		Fnac Vanden Borre nv						
			1996 - 2007		3 227	100,00%	357 510,71	5 069 928,97	2 406 975,82	3 878 624,42
	Gembloux	Campagne d'Enée, 5030 Gembloux		Menatam SA (Eggo)						
		Campagne d'Enée 11, 5030 Gembloux		KREFEL nv						
		Campagne d'Enée 2, 5030 Gembloux		AVA PAPIERWAREN nv						
		Campagne d'Enée 10, 5030 Gembloux		AUGEM SPRL						
		Campagne d'Enée 8, 5030 Gembloux		ELECTRO AV nv						
		Campagne d'Enée 7, 5030 Gembloux		KRUIDVAT bvba						
		Campagne d'Enée 1, 5030 Gembloux		POINT CARRE sprl						
		Campagne d'Enée 5, 5030 Gembloux		DISTRILED CENTRE BVBA						
			2008 - 2009		8 237	100,00%	904 302,78	13 624 282,56	6 143 867,30	12 645 719,51
	Fosses-La-Ville	Rue du Cimetière, 5070 Fosses-la-Ville		Parfumerie ICI PARIS XL SA						
				JBC nv						
				POINT CARRE sprl						
				CHAUSSURES MANIET SA						
				ETABLISSEMENT SWILLE SA (Entre Parenthèse)						
				Hunkemöller Belgium NV						
				ACTION BELGIUM BVBA						
				HELGA CHANTRAINE SPRL (Julie Fashion Club en Fashion club Men)						
				GTELECOM SPRL						
				SPV FAMILY SPRL (Okaidi)						
				POINTFOSSES SPRL						
				Pharmacie Graf-Lesoye SPRL						
				O.Q.G SPRL (Brasserie)						
				Delhaize Le Lion - De Leeuw Comm.VA						
				Jouets BROZE SA						
				STOCK FOSSES SA						
				SNC FLORENT ET CIE SCS (Chocolaterie)						
				ANISERCO nv						
				VG EXPRESS SPRL (Shop for Geek)						
				Just et Oli SPRL						
				IMPERIAL BIJOUX SPRL						
				CROQ'IN STOCK SCRI						
				PREVITI M. & C. SCRL (Traiteur Italiaans)						
				CROQ'IN SUSHI SARL						
				Favresse Marie-Hélène (schoonheidssalon)						
				BERTRAND SA (AD Delhaize)						
				Servais Alain (bloemen)						
			2014		15 940	99,98%	1 748 340,83	28 461 808,40	11 889 431,21	29 201 101,44
	Namen-Zuid	Avenue du Prince de Liege 115, 5100 Jambes		Fnac Vanden Borre nv						
		Avenue Prince de Liège 117, 5100 Jambes		Chaussea BRT BVBA						
		Avenue Prince de Liège 114/120, 5100 Jambes		Orchestra-Prémaman Belgium SA						
		Chaussée de Liege 519, 5100 Jambes		Burger Brands Belgium NV						
		Chaussée de Marche 570, 5101 Erpent		KREFEL nv						
		Chaussée de Marche 586, 5101 Erpent		LOVIC S.A.						
			1968 - 2015		8 523	100,00%	897 546,01	13 524 876,11	6 357 190,85	12 979 822,05

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
Namur	Sambreville	Rue Baty des Puissances 6, 5190 Jemeppe-sur-Sambre		ACTION BELGIUM BVBA						
				E5-Mode nv						
		rue Baty des Puissances 1, 5190 Jemeppe-sur-Sambre		BRICO BELGIUM nv						
				BRANTANO nv						
		Rue Baty des Puissances 12, 5190 Jemeppe-sur-Sambre		MAXI TOYS Belgium sa						
		Rue Baty des Puissances, 5190 Jemeppe-sur-Sambre		Ping an 168 SPRL (kledingwinkel - Mirroir)						
		Rue Baty des Puissances 11/2, 5190 Jemeppe-sur-Sambre		GOBREL sa						
		Rue Baty des Puissances 27, 5190 Jemeppe-sur-Sambre		Bavarois Concept SPRL (Wok)						
			1992 - 2002		5 982	100,00%	512 425,25	7 696 397,59	4 461 893,19	5 346 072,35
	Dinant	Tienne de l'Europe / Rue Saint Jacques, 5500 Dinant		BRANTANO nv						
		Tienne de l'Europe 12C, 5500 Dinant		ELECTRO AV nv						
		Tienne de l'Europe 5, 5500 Dinant		LEEN BAKKER BELGIE nv						
		Tienne de l'Europe, 5500 Dinant		CP RETAIL SA						
				CHARTEX sa (Point Carré)						
				NMD sprl						
				C&A België cv						
			1996 - 2001		5 330	100,00%	534 064,05	7 395 815,80	3 975 575,18	6 454 671,73
	Philippeville	Rue de Neuville 2, 5600 Philippeville		Euro Shoe Group N.V.						
		rue de Neuville, 5600 Philippeville		C&A België cv						
				ALDI Gembloux sa						
			1989		2 936	100,00%	300 329,90	4 758 012,78	2 189 922,84	275 033,07
Hainaut	Individual peripheral properties and other	Route de Philippeville 402/422, 6010 Couillet		MK MEUBLES SCS						
		Route Nationale 5, 6041 Gosselies		Electro Depot Belgique SA						
		Route de la Basse Sambre 713, 6060 Gilly		WIBRA België NV						
		Route de la Basse Sambre, 6060 Gilly		Mega Store SPRL						
		avenue du Centenaire 50, 6061 Montignies-sur-Sambre		Le Comité Scolaire Saint Valentin ASBL						
		Rue de la Persévérance 7-9, 6061 Montignies-sur-Sambre		Basic Fit België						
		rue de Leernes 2, 6140 Fontaine-l'Evêque		MATCH sa						
		Chaussée de Mons 322, 6150 Anderlues		POINT CARRE sprl						
		Chaussée de Mons 324, 6150 Anderlues		JBC nv						
		Rue Dewiëst 86, 6180 Courcelles		DFA1-Centre funéraire Marchant BVBA						
		Rue Dewiëst, 6180 Courcelles		MOBISTAR nv						
		rue des Français 152, 6200 Châtelet		PROFI sa						
		Rue de Bertransart, 6280 Gerpinnes		DISTRILED CENTRE BVBA						
		Rue d'Anderlues 110, 6530 Thuin		LIDL						
		Chaussée de Binche 50, 7000 Mons		Sitipac SPRL						
		Avenue Wilson 421, 7012 Jemappes		NIKE Retail BV						
				Chaussea BRT BVBA						
		Chaussee de Roeulx 353, 7060 Soignies		CASHALLO SPRL (xina)						
		Chaussee de Roeulx 351, 7060 Soignies		AVEVE nv						
		Avenue de la Wallonie 6, 7100 La Louvière								
				Electro Depot Belgique SA						
		Rue Zéphirin Fontaine 76A, 7130 Binche		KRUIDVAT bvba						
		Rue Zépherin Fontaine 140, 7130 Binche		RUNFA SPRL (Wok)						
		Rue des bureaux 3B, 7160 Chapelle-lez-Herlaimont		LIDL						
		route de Mons, 7390 Quaregnon		MAXI TOYS Belgium sa						
		route de Mons 107, 7390 Quaregnon		Bassani SPRL						
				Mc Donald's Belgium Inc.						
				JCDECAUX BILLBOARD sa						
		Route de Mons 124, 7390 Wasmuel		Ideal Bazar SPRL						
		rue de la Perseverance 13, 6061 Montignies-sur-Sambre		Do Invest NV						
		rue de la Perseverance 11, 6061 Montignies-sur-Sambre		Fnac Vanden Borre nv						
		rue du Grand Hornu 63, 7301 Hornu		ANISERCO nv						
		rue du Grand Hornu 77, 7301 Hornu		CARPETLAND nv						
			1980 - 2009		35 382	99,94%	3 131 702,17	40 979 290,51	26 390 957,02	35 433 703,20

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
Hainaut	Aiseau-Presles	Rue du Campinaire 72, 6250 Aiseau-Presles		Omega NV (Databuild)						
		Rue du Campinaire 74, 6250 Aiseau-Presles		RSDECO						
		Rue du Campinaire 76, 6250 Aiseau-Presles		AVEVE nv						
		Rue du Campinaire 78, 6250 Aiseau-Presles		ELECTRO AV nv						
		Rue du Campinaire 80, 6250 Aiseau-Presles		ALDI Gembloux sa						
		Rue du Campinaire 82, 6250 Aiseau-Presles		Euro Shoe Group N.V.						
	2009 - 2011				8 182	100,00%	746 869,53	11 416 831,98	6 102 843,55	10 898 022,47
	Erquelinnes	Route de Mons 276, 6560 Erquelinnes		SND sa (Trafic)						
		Route de Mons 260, 6560 Erquelinnes		Tomona SPRL (Tom&Co)						
	2011				2 232	100,00%	197 032,75	2 807 393,56	1 664 818,72	2 781 492,34
	Mons	Place des Grands Pres 1, 7000 Mons		KREFEL nv						
		Place des Grands Pres, 7000 Mons		Maisons du Monde						
				Eva Ameublements SPRL (Rév Interieur)						
				BDO Distribution SA						
				MONSPORTS SCRL (Intersports)						
2016				11 779	100,00%	1 720 213,58	27 738 789,75	8 785 797,38	27 765 180,33	
Péruwelz	rue Neuve Chaussée, 7600 Péruwelz		FABRIMODE nv (Bel & Bo)							
			ACTION BELGIUM BVBA							
	1996 - 2012				1 740	100,00%	164 570,72	2 305 261,66	1 297 842,55	2 118 494,21
Mouscron	Rue de la Liesse 96, 7700 Mouscron/Moeskroen		Excel-Cash SA (cash converters)							
	Rue de la Liesse 92, 7700 Mouscron/Moeskroen		LIDL							
	Rue de la Liesse 94, 7700 Mouscron/Moeskroen		GOBREL sa							
2014				2 713	100,00%	348 832,42	5 147 822,97	2 023 590,14	5 228 877,66	
Frameries	Route Nationale, 7080 Frameries		ACTION BELGIUM BVBA							
			FABRIMODE nv (Bel & Bo)							
			LEEN BAKKER BELGIE nv							
			Natale Mario (Sander boutique)							
			Euro Shoe Group N.V.							
			ANISERCO nv							
	Route Nationale 11, 7080 Frameries		Willems NV (verandas)							
			X²O Wallonië NV							
			Distriedl Tourmai SPRL (Extrashop)							
			SND sa (Trafic)							
			ZEEMAN textielSupers NV							
			KRUIDVAT bvba							
2012 -2018				14 917	100,00%	1 420 540,83	21 722 658,55	11 126 389,29	21 756 559,19	
Leuze-en-Hainaut	Rue de l'Artisanat 3, 7900 Leuze-en-Hainaut		ACTION BELGIUM BVBA							
	Rue de l'Artisanat 5 bus A, 7900 Leuze-en-Hainaut									
	Rue de l'Artisanat 5, 7900 Leuze-en-Hainaut		JD Optimal SRL							
	Rue de l'Artisanat, 7900 Leuze-en-Hainaut		Euro Shoe Group N.V.							
2014				3 050	99,80%	229 280,59	4 045 664,86	2 274 953,90	3 982 110,76	

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value	
Hainaut	Tournai	rue des Roselières 10, 7503 Froyennes		CHAUSSURES MANIET SA							
		rue des Roselières 14, 7503 Froyennes		LEEN BAKKER BELGIE nv							
		rue des Roseliers 7, 7503 Froyennes		Delcambe Chaussures SPRL							
		rue des Roseliers 1, 7503 Froyennes		DECOR HEYTENS BELGIE NV							
		Rue de Maire 13a, 7503 Froyennes		ANISERCO nv							
		Rue de Maire 18 E, 7503 Froyennes		MAXI TOYS Belgium sa							
		Rue de Maire 13 c, 7503 Froyennes		CARGLASS nv							
		Rue de Maire 13 D, 7503 Froyennes		Au coin du Feu SPRL							
		Rue de la Taverne du Maire 3, 7503 Froyennes		DI SA							
					MOBISTAR nv						
			1981 - 2010		7 979	100,00%	939 921,37	12 156 348,32	5 951 428,58	8 273 703,63	
Hainaut	Ath	Chaussée de Bruxelles, 7800 Ath		Euro Shoe Group N.V.							
				AGIK s.p.r.l.							
				KRUIDVAT bvba							
				MATCH sa							
				ZEEMAN textielSupers NV							
				PIOCHEUR nv							
				ELECTRO AV nv							
				ACTION BELGIUM BVBA							
				Alken-Maes NV							
	Chaussée de Bruxelles 60, 7800 Ath		MONI SPRL								
				Lloydspharma Group SA							
			1974 - 2017		5 487	100,00%	607 884,57	9 120 509,30	4 092 679,36	6 970 254,88	
Luxembourg	Arlon	Rue de Grass, 6700 Sterpenich		Signify Belgium NV							
				Maisons du Monde							
				BDO Distribution SA							
				DISTRILED MARCHE SPRL (Extra Shop)							
				ARLONSPORTS SCRL (Intersport)							
					X²O Wallonië NV						
				2018		11 123	100,00%	1 345 671,15	19 807 373,92	8 296 495,82	20 651 267,66
	Individual peripheral properties and other	Avenue de la Gare, 6720 Habay-la-Neuve		Carrefour Belgium SA							
				Maxi Market SPRL							
		rue de la Vallée 104, 6780 Messancy		I.L.I.S. SA							
		Rue de la Ferme 108, 6780 Messancy		GOBREL sa							
		rue de la Vallée 100, 6780 Messancy		MAKE sprl							
		Rue de la Vallée 100-108, 6780 Messancy		Blue Vision Messancy							
		rue de la Vallée 106, 6780 Messancy		Clebio SPRL							
				Quality meat Renmans SA							
				BBK Expansion							
		rue de Neufchâteau 5, 6800 Libramont-Chevigny		BVBA (Babykid)							
	Avenue de Bouillon 54, 6800 Libramont										
	Rue de la Girafe 21, 6830 Bouillon		Omega NV (Databuild)								
Rue de la Girafe 25, 6830 Bouillon		bpost SA									
			1992 - 2008		12 778	99,84%	799 285,40	10 699 404,76	9 530 938,01	14 150 001,88	
Libramont	Rue de l'Aliénau, 6800 Libramont		Burger Brands Belgium NV								
			MONDIAL EXPRESS SCRL								
			JBC nv								
			POINT CARRE sprl								
			Planet Parfum SA								
			Veritas NV								
			H&M Hennes & Mauritz SA								
	Rue du Neufchâteau 8, 6800 Libramont										
	Rue de Libin 2a, 6800 Libramont		BRICO ARDENNE SPRL								
	Rue de Libin 2, 6800 Libramont		KREFEL nv								
				AVA PAPIERWAREN nv							
			2006 - 2010		11 503	100,00%	1 261 881,39	19 800 347,66	8 579 932,70	20 264 595,09	

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
Luxembourg	Marche-en-Famenne	avenue de France 40, 6900 Marche-en-Famenne		MAXI TOYS Belgium sa						
		avenue de France 42, 6900 Marche-en-Famenne								
		avenue de France 44, 6900 Marche-en-Famenne		I X I DISTRIBUTION S.A.						
	Marche-en-Famenne	avenue de France 38, 6900 Marche-en-Famenne		C&A België cv						
				BBK Expansion BVBA (Babykid)						
		Avenue de France 32, 6900 Marche-en-Famenne		LEEN BAKKER BELGIE nv						
		Avenue de France 34, 6900 Marche-en-Famenne		JMBA SPRL (Ixina)						
		Avenue de France 36, 6900 Marche-en-Famenne		PIOCHEUR nv						
		Chaussée de Liège 11, 6900 Marche-en-Famenne		BASILE FAMILY sprl						
		Rue du parc Industriel 5, 6900 Marche-en-Famenne		H&M Hennes & Mauritz SA						
				HEMA BELGIE BVBA						
				ELECTRO AV nv						
				Follow Up SPRL						
	Marche-en-Famenne			Civadis SA						
				HUBO BELGIE nv						
		Rue du Parc Industriel 13, 6900 Marche-en-Famenne								
			1969 - 2013		15 183	99,90%	1 469 296,36	24 276 473,57	11 324 795,11	17 767 896,47
	Brugge-Noord	Sint-Pieterskaai 21, 8000 Brugge		Paco Meubelen BVBA						
		Sint-Pieterskaai 20 A, 8000 Brugge		HEMA BELGIE BVBA						
		Sint-Pieterskaai 20, 8000 Brugge		Delix 88 BVBA						
		Sint-Pieterszuidstraat en Veemarktstraat, 8000 Brugge		LIDL						
				Euro Shoe Group N.V.						
				ADL Consult BVBA						
				IDEWE VZW						
				Dreambaby NV						
				LEEN BAKKER BELGIE nv						
				ACTION BELGIUM BVBA						
	Brugge-Noord			Omega (BWC)						
				MAXI ZOO BELGIUM bvba						
				KRUIDVAT bvba						
				ZEEMAN textielSupers NV						
			1965 - 2012		14 110	100,00%	1 309 979,72	20 281 883,61	10 524 458,87	20 171 656,79
	-Individual peripheral properties and other	Torhoutsestraat 45, 8020 Ruddervoorde		MATCH sa						
		Maalsesteenweg 166, 8310 Sint-Kruis		MEUBELN DE ABDIJ bvba						
		Maalsesteenweg 255, 8310 Sint-Kruis		C&A België cv						
		Torhoutsesteenweg 610, 8400 Oostende		IMETAM bvba						
		Biezenstraat 16, 8430 Middelkerke		ACTION BELGIUM BVBA						
		Koninklijke Baan 228, 8670 Koksijde		BRANTANO nv						
		Frankrijklaan 2, 8970 Poperinge		Omega (BWC)						
		Gentstraat 13, 8760 Meulebeke		ALDI Roeselare nv						
		Frankrijklaan 2, 8970 Poperinge		Omega (BWC)						
			1950 - 1998		8 598	100,00%	813 916,99	11 190 686,71	6 413 132,34	11 794 383,32
	Kortrijk-Noord	Ringlaan 32, 8500 Kortrijk		D. Fashion NV (Giks)						
				IMETAM bvba						
				L.TORFS NV						
		Ringlaan 11, 8520 Kuurne		DE MAMBO B.V.B.A.						
				NovaSYO BVBA (bedden en matrassen)						
				Fnac Vanden Borre nv						
		Ter Ferrants 1, 8520 Kuurne		Euro Shoe Group N.V.						
		Ter Ferrants 3, 8520 Kuurne		AVA PAPIERWAREN nv						
		Ter Ferrants 4, 8520 Kuurne		ACTION BELGIUM BVBA						
		Ter Ferrants 2, 8520 Kuurne		LEEN BAKKER BELGIE nv						
			1987 - 2015		12 714	100,00%	1 046 171,01	15 668 724,93	9 483 201,28	10 743 615,98

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
West-Flanders	Sint-Eloois-Vijve	Gentseweg 520, 8793 Sint-Eloois-Vijve		AVA PAPIERWAREN nv						
				Mekowa BVBA (Gamma)						
				Boncquet Robert BVBA						
	Roeselare		1988	NovaSYO BVBA (bedden en matrassen)	4 952	100,00%	341 656,02	5 377 042,98	3 693 630,07	5 631 413,41
		Brugsestraat 377, 8800 Roeselare		BRICO BELGIUM nv						
		Brugsesteenweg 508-510, 8800 Roeselare		ANISERCO nv						
		Mercury Centrum - Brugsesteenweg 363, 8800 Roeselare		PIOCHEUR nv						
		Brugsesteenweg 524, 8800 Roeselare		IMETAM bvba						
				BELGIAN POSTERS						
		Brugsesteenweg 356 B, 8800 Roeselare		Seats and sofas N.V.						
		Brugsesteenweg 356 A, 8800 Roeselare		Omega NV						
		Brugsesteenweg 356 C, 8800 Roeselare		Fnac Vanden Borre nv						
			1993 - 2007		12 903	100,00%	1 421 032,42	19 859 511,62	9 624 173,83	16 001 880,63
	Individual peripheral properties and other	Fratersplein 11, 9000 Gent		LIDL						
		Brusselsesteenweg 662, 9050 Gentbrugge		Concept Fashion Group NV						
				BRANTANO nv						
		Maisstraat 3, 9060 Zelzate		JBC nv						
		Antwerpse Steenweg 71, 9080 Lochristi		MODEMAKERS FASHION nv						
		Antwerpse Steenweg 73, 9080 Lochristi		L.TORFS NV						
		Antwerpsesteenweg 84, 9080 Lochristi		DAMART TSD nv						
				AUGUSTYNS BVBA (verkoop keukens)						
		Brusselsesteenweg 75, 9090 Melle								
		Zeleebaan 67, 9160 Lokeren								
	Individual peripheral properties and other	Zeleebaan Lot B, 9160 Lokeren								
		Oosterzelesteenweg 127, 9230 Wetteren		KREFEL nv						
				OVS GARDEN NV						
				TDM Products Belgium bvba						
		Grote Baan 154, 9250 Waasmunster								
		Brusselsesteenweg 120, 9300 Aalst								
		Gentsesteenweg 442, 9300 Aalst		CARPETLAND nv						
		Pieter Corneliskaai 16A, 9300 Aalst		BRICO BELGIUM nv						
		Kwadelapstraat 2, 9320 Erembodegem								
		Nachtegaalstraat 8A, 9320 Erembodegem								
	Individual peripheral properties and other	Aalstersesteenweg 286, 9400 Ninove		MODEMAKERS FASHION nv						
		Brakelsesteenweg 160, 9400 Ninove		MUYS nv						
		Astridlaan 38, 9500 Geraardsbergen		ALDI Erpe Mere nv						
		Provincieweg 266, 9550 Herzele								
		Noordlaan 5, 9630 Munkzwalm								
		Ronseweg 56, 9700 Oudenaarde								
		Astenemolenstraat, 9800 Deinze		Omega (Deinze)						
		Kortrijksesteenweg 18, 9830 Sint-Martens-Latem		V.M.A. NV						
		Puitvoetstraat 6B, 9100 Sint-Niklaas								
			1974 - 2014		59 930	100,00%	4 832 606,60	62 669 968,92	44 700 979,43	66 823 588,72

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
East- Flanders	Gent-Zuid	Kortrijksesteenweg 1178, 9051 Sint-Denijs-Westrem		FUN BELGIUM nv						
		Kortrijksesteenweg 1036, 9051 Sint-Denijs-Westrem		Retail Concepts NV (AS Adventure)						
				DECOR HEYTENS BELGIE NV						
		Kortrijksesteenweg, 9051 Sint-Denijs-Westrem								
		Kortrijksesteenweg 1038, 9051 Sint-Denijs-Westrem		GDW-Gent BV						
		Kortrijksesteenweg 1200, 9051 Sint-Denijs-Westrem		Fnac Vanden Borre nv						
		Kortrijksesteenweg 1192B, 9051 Sint-Denijs-Westrem		KREFEL nv						
		Kortrijksesteenweg 1182A, 9051 Sint-Denijs-Westrem		Orchestra-Prémaman Belgium SA						
		Wallenkensstraat 28, 9051 Sint-Denijs-Westrem		PIOCHEUR nv						
		Wallenkensstraat 24, 9051 Sint-Denijs-Westrem		L.TORFS NV						
	Sint-Niklaas	Wallenkensstraat 26, 9051 Sint-Denijs-Westrem		Wamo BVBA (Zeb)						
		Kortrijksestenweg 1206, 9051 Sint-Denijs-Westrem		CARPETLAND nv						
	1978 - 2003				14 504	100,00%	1 833 137,80	28 006 897,99	10 818 338,16	19 964 985,30
	Sint-Niklaas	Parklaan 50, 9100 Sint-Niklaas		GUNGO BVBA (IXINA)						
				ELECTRO AV nv						
		Parklaan 87, 9100 Sint-Niklaas		FUN BELGIUM nv						
	Dendermonde	Plezantstraat 268, 9100 Sint-Niklaas		ALDI Erpe Mere nv						
		1999 - 2006				4 796	100,00%	543 329,92	7 403 734,63	3 577 271,77
		Mechelsesteenweg 138 D, 9200 Dendermonde		BELLOLI bvba						
		Mechelsesteenweg 136, 9200 Dendermonde		Blokker NV						
		Mechelsesteenweg 140, 9200 Dendermonde		LEEN BAKKER BELGIE nv						
				FUN BELGIUM nv						
				Basic Fit België						
		Mechelsesteenweg 51, 9200 Dendermonde		KREFEL nv						
		Oude Vest 70, 9200 Dendermonde		KRUIDVAT bvba						
		Mechelsesteenweg 35, 9200 Dendermonde		GAM NV						
	1974 - 2000				12 731	100,00%	1 129 693,48	16 815 854,18	9 495 881,35	6 649 386,32
	Wetteren	Oude Heerbaan 7, 9230 Wetteren		BEKINTEX NV						
		Oude Heerbaan 5, 9230 Wetteren		ULRIKA BVBA						
				De Rijcke B.V. (groothandel bloemen en planten)						
		Oosterzelesteenweg 5 bus 13, 9230 Wetteren		AMELIM NV						
		Oosterzelesteenweg 5 bus 12 A en 12 B, 9230 Wetteren		ATITA NV (papierwaren)						
		Oosterzelesteenweg 5 bus 11, 9230 Wetteren		JBC nv						
		Oosterzelesteenweg 5 bus 10, 9230 Wetteren		L.TORFS NV						
		Oosterzelesteenweg 5 bus 9, 9230 Wetteren		Fnac Vanden Borre nv						
		Oosterzelesteenweg 5 bus 8, 9230 Wetteren		Slaapadvies BVBA						
		Oosterzelesteenweg 5 bus 7, 9230 Wetteren		Sportsdirect.com Belgium						
	Wetteren	Oosterzelesteenweg 5 bus 6 A, 9230 Wetteren		Veritas NV						
		Oosterzelesteenweg 5 bus 6 B, 9230 Wetteren		Caprera BVBA						
		Oosterzelesteenweg 5 bus 5, 9230 Wetteren		L&L Retail Belgium SA						
		Oosterzelesteenweg 5 bus 4, 9230 Wetteren		REDISCO bvba						
		Oosterzelesteenweg 5 bus 3, 9230 Wetteren		Orchestra-Prémaman Belgium SA						
		Oosterzelesteenweg 5 bus 2, 9230 Wetteren		C&A België cv						
		Oosterzelesteenweg 5 bus 1, 9230 Wetteren		Wamo BVBA (Zeb)						
		Hoek Brusselsesteenweg-Oosterzelesteenweg, 9230 Wetteren								
	1996 - 2008				25 246	100,00%	1 815 768,99	27 699 670,84	18 830 651,21	25 743 921,49

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value	
East- Flanders	Oudenaarde	Gentstraat 47-67, 9700 Oudenaarde		Extra Vertes BVBA							
				C&A België cv							
				JYSK BVBA							
				ACTION BELGIUM BVBA							
				PIOCHEUR nv							
				WIBRA België NV							
				LIDL							
				KRUIDVAT bvba							
				bpost SA							
	2005 - 2014				8 060	100,00%	578 012,87	8 108 701,69	6 011 845,39	7 000 344,57	
	Eeklo	Stationsstraat 76, 9900 Eeklo		Verhaeghe Peter BVBA (KVIK)							
		Stationstraat - Krügercenter, 9900 Eeklo		DAMART TSD nv							
		Stationstraat - Krügercenter, 9900 Eeklo		Hunkemöller Belgium NV							
		Stationstraat - Krügercenter, 9900 Eeklo		HANS ANDERS BELGIE BVBA							
		Stationstraat 82N - Krügercenter, 9900 Eeklo		L&L Retail Belgium SA							
		Stationstraat 82M - Krügercenter, 9900 Eeklo		BRANTANO nv							
		Stationstraat 82L - Krügercenter, 9900 Eeklo		C&A België cv							
		Stationstraat 82D - Krügercenter, 9900 Eeklo		Saverno NV (ZEB)							
		Stationstraat 82J - Krügercenter, 9900 Eeklo		L.TORFS NV							
		Stationstraat 82H - Krügercenter, 9900 Eeklo		HEMA BELGIE BVBA							
		Stationstraat 82G - Krügercenter, 9900 Eeklo		Fnac Vanden Borre nv							
		Stationstraat 82F - Krügercenter, 9900 Eeklo		JBC nv							
		Stationstraat 82J - Krügercenter, 9900 Eeklo		Carrefour Belgium SA							
		Stationstraat 82J - Krügercenter, 9900 Eeklo		Fitform							
		Stationstraat 82C - Krügercenter, 9900 Eeklo		LIDL							
		Stationstraat 82A - Krügercenter, 9900 Eeklo		ELECTRO AV nv							
		Stationstraat 78 - Krügercenter, 9900 Eeklo		Tijdloos BVBA							
1998 - 2009				12 199	100,00%	1 438 179,51	22 326 411,79	9 099 069,72	19 511 568,04		

THE NETHERLANDS

THE NETHERLANDS										
Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
Zuid-Holland	Leiderdorp	Meubelplein 15, 2353 EX Leiderdorp								
		Meubelplein 12, 2353 EX Leiderdorp		Citee Keukens BV						
		Meubelplein 7 - 15, 2353 EX Leiderdorp		M&J Keukens t.h.o.d.n. Keukenstunter VOF						
		Meubelplein 13, 2353 EX Leiderdorp		Show Pain Leiderdorp						
		Meubelplein 14, 2353 EX Leiderdorp		Berg en Berg Zwaanshoek B.V.						
	2002				2 782	99,66%	147 260,52	1 335 880,66	2 701 000,00	1 289 949,84
	Alphen aan den Rijn	Euromarkt 103-105, 2408 BD Alphen Aan Den Rijn		Dutch Dream Slaapcomfort BV						
		Euromarkt 1-119, 2408 BD Alphen Aan Den Rijn		JRO Retail Rotterdam B.V.						
		Euromarkt 115-117, 2408 BD Alphen Aan Den Rijn		Huigen Tapijt B.V.						
		Euromarkt 119, 2408 BD Alphen Aan Den Rijn		Uipkes Houten Vloeren B.V.						
		Euromarkt 109-111, 2408 BD Alphen Aan Den Rijn		Goedhart Bouwmarkt Alphen aan den Rijn B.V.						
		Euromarkt 1, 2408 BD Alphen Aan Den Rijn		Roobol Woontextiel B.V.						
		Euromarkt 101, 2408 BD Alphen Aan Den Rijn		Vegro Verpleegartikelen B.V.						
		Euromarkt 9, 2408 BD Alphen Aan Den Rijn		V.O.F. Zonnestudio 'Gravenzande						
		Euromarkt 13-21, 2408 BD Alphen Aan Den Rijn		Maatschap Vivre praktijk voor verloskunde						
		Euromarkt 3, 2408 BD Alphen Aan Den Rijn								
		Euromarkt 87-99, 2408 BD Alphen Aan Den Rijn		Houtman & De Vogel Makelaardij V.O.F.						
		Euromarkt 89-97, 2408 BD Alphen Aan Den Rijn		Decokay Alphen V.O.F.						
				Aldi Vastgoed B.V.						
		Euromarkt 9, 2408 BD Alphen Aan Den Rijn		Kort Kappers						
1993				10 156	99,97%	1 073 123,65	14 242 340,65	8 583 000,00	15 757 534,17	

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value	
Zuid-Holland	Spijkenisse	Lucebertstraat 76, 3202 SW Spijkenisse		Braretail B.V.							
		Lucebertstraat 72, 3202 SW Spijkenisse		Hoogenboezem Meubelen B.V.							
		Lucebertstraat 68, 3202 SW Spijkenisse		Beter Bed B.V.							
		Lucebertstraat 64, 3202 SW Spijkenisse		Jysk B.V.							
		Lucebertstraat 60, 3202 SW Spijkenisse		Kwantum Nederland B.V.							
		Lucebertstraat 56, 3202 SW Spijkenisse		Leen Bakker Nederland B.V.							
		Lucebertstraat 52, 3202 SW Spijkenisse		Meubelcentrum Lissabon B.V.							
		Lucebertstraat, 3202 SW Spijkenisse									
		Lucebertstraat 48, 3202 SW Spijkenisse		Babydump B.V.							
		Lucebertstraat 44, 3202 SW Spijkenisse		Dudaco B.V							
		Lucebertstraat 38, 3202 SW Spijkenisse		Prominent Comfort Producten B.V.							
		Lucebertstraat 34, 3202 SW Spijkenisse		APS B.V.							
		Lucebertstraat 36, 3202 SW Spijkenisse		Turfpoot B.V.							
		Lucebertstraat 30, 3202 SW Spijkenisse		Carpetright B.V.							
		Lucebertstraat 32, 3202 SW Spijkenisse		SANI-DUMP B.V.							
		Lucebertstraat 28, 3202 SW Spijkenisse		De Watertuin Spijkenisse B.V.							
		Lucebertstraat 22, 3202 SW Spijkenisse		Roobol Woontextiel B.V.							
		Lucebertstraat 18, 3202 SW Spijkenisse		Lampidee B.V							
		Lucebertstraat 14, 3202 SW Spijkenisse		Swiss Sense B.V.							
		Lucebertstraat 10, 3202 SW Spijkenisse		Bruynzeel Keukens B.V.							
		Lucebertstraat 6, 3202 SW Spijkenisse									
		Lucebertstraat 2, 3202 SW Spijkenisse		Wooning Keukens & Sanitair B.V.							
		Lucebertstraat 26, 3202 SW Spijkenisse		Keukenconcurrent Nederland B.V.							
		Lucebertstraat 42, 3202 SW Spijkenisse		Klay Schuifdeurkasten B.V.							
		Constantstraat 4, 3202 SW Spijkenisse									
		Constantstraat 2, 3202 SW Spijkenisse		Rofra Meubelen Spijkenisse B.V.							
	Lucebertstraat, 3202 SW Spijkenisse		Infozuil Nederland								
	Constantstraat 2 TO, 3202 SW Spijkenisse										
	Lucebertstraat, 3202 SW Spijkenisse										
	Lucebertstraat, 3202 SW Spijkenisse										
	Lucebertstraat, 3202 SW Spijkenisse										
				2009		28 527	99,99%	3 128 944,63	43 742 413,32	21 000 000,00	47 077 177,42
	Utrecht	Naaldwijk	Hovenierstraat 127, 2671 ZP Naaldwijk		Grando Keukens Naaldwijk V.O.F.						
Gezelstraat 11, 2671 ZP Naaldwijk											
Hovenierstraat 131, 2671 ZP Naaldwijk				Beter Bed B.V.							
Warmoezenierstraat1, 2671 ZP Naaldwijk				De Mandemakers Groep B.V.							
Hovenierstraat 129, 2671 ZP Naaldwijk											
Warmoezenierstraat 19, 2671 ZP Naaldwijk				The Fitness Experience Naaldwijk B.V.							
Warmoezenierstraat 17, 2671 ZP Naaldwijk				Meubelcentrum Lissabon B.V.							
Warmoezenierstraat 15, 2671 ZP Naaldwijk				Leen Bakker Nederland B.V.							
Warmoezenierstraat 13, 2671 ZP Naaldwijk											
Warmoezenierstraat 11, 2671 ZP Naaldwijk				Roobol Woontextiel B.V.							
Gildestraat 104-106, 2671 ZP Naaldwijk				Kwantum Nederland B.V.							
Gezelstraat 7b en 9, 2671 ZP Naaldwijk				Jysk B.V.							
Gezelstraat 7, 2671 ZP Naaldwijk				Quartero Interior and Kitchen							
Warmoezenierstraat 5+7, 2671 ZP Naaldwijk											
Warmoezenierstraat 3+5, 2671 ZP Naaldwijk				Panorama Studios V.O.F.							
Gildestraat 109-110, 2671 ZP Naaldwijk				Troost Interieurs B.V.							
Warmoezenierstraat 9, 2671 ZP Naaldwijk			Keuken Vision Naaldwijk B.V.								
Hovenierstraat 133, 2671 ZP Naaldwijk		Tsang-Chen V.O.F.									
			1998 - 2004		20 812	99,96%	1 633 222,31	19 247 663,03	21 977 000,00	20 389 548,35	
Utrecht	Utrecht cl	Hollantlaan 18, 3526 AR Utrecht		Leen Bakker Nederland B.V.							
		Hollantlaan 26, 3526 AM Utrecht		N.T.U. Utrecht B.V.							
		Hollantlaan 28, 3526 AM Utrecht		SANI-DUMP B.V.							
		Kaap de Goede Hooplaan 7 - 7a, 3526 AM Utrecht		F. Schimmel Beheer B.V.							
				1990		6 688	100,00%	716 511,38	9 515 711,77	4 150 000,00	10 100 446,24
Veenendaal	Einsteinnlaan 1, 3902 HN Veenendaal		Wooncentrum Veenendaal B.V.								
	Einsteinnlaan 1 - 3, 3902 HN Veenendaal		De Dromenmaker Veenendaal B.V.								
			Bouman vloerservice V.O.F.								
			2005		18 454	100,00%	1 322 153,35	10 880 220,26	26 606 000,00	12 572 104,25	

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value		
Zeeland	Middelburg	Mortiereboulevard 10, 4336 RA Middelburg		Kwantum Nederland B.V.								
		Mortiereboulevard 12, 4336 RA Middelburg		Woonsquare B.V.								
		Mortiereboulevard 14, 4336 RA Middelburg		Leen Bakker Nederland B.V.								
		Mortiereboulevard 16, 4336 RA Middelburg		Pronto Zeeland B.V.								
		Mortiereboulevard 18, 4336 RA Middelburg		Swiss Sense B.V.								
		Mortiereboulevard 20, 4336 RA Middelburg		Profijt Zeeland B.V.								
				Sports Unlimited Retail B.V.								
		Mortiereboulevard 24, 4336 RA Middelburg		De Badenman B.V.								
		Mortiereboulevard 26, 4336 RA Middelburg		BCC (Elektro-Speciaalzaken)								
		Mortiereboulevard 28, 4336 RA Middelburg		Keukenconcurrent Nederland B.V.								
		Mortiereboulevard 30, 4336 RA Middelburg		Bruynzeel Keukens B.V.								
		Mortiereboulevard 32, 4336 RA Middelburg		Beter Bed B.V.								
		Mortiereboulevard 36, 4336 RA Middelburg		Blokker B.V.								
		Mortiereboulevard 4, 4336 RA Middelburg		Media Markt Saturn Holding Nederland B.V.								
			2006		25 583	100,00%	2 424 907,20	31 109 978,03	12 440 000,00	32 799 961,84		
Noord- Brabant	Roosendaal	Oostplein 1, 4706 NL Roosendaal										
		Oostplein 11, 4706 NL Roosendaal		CS Keukens V.O.F.								
		Oostplein 13, 4706 NL Roosendaal		Roobol Woontextiel B.V.								
		Oostplein 15, 4706 NL Roosendaal										
		Oostplein 19, 4706 NL Roosendaal		Croissanterier Sep								
		Oostplein 3, 4706 NL Roosendaal										
		Oostplein 3, 4706 NL Roosendaal										
		Oostplein 5, 4706 NL Roosendaal										
		Oostplein 7, 4706 NL Roosendaal		Kwantum Nederland B.V.								
Oostplein 9, 4706 NL Roosendaal		Jysk B.V.										
			1993		10 233	99,83%	465 891,53	7 390 567,84	9 255 000,00	10 497 286,71		
Gelderland	Apeldoorn	Het Rietveld 10, 7321 CT Apeldoorn		KFC Holdings B.V.								
		Het Rietveld 14, 7321 CT Apeldoorn		Wooncentrum De Groot Apeldoorn B.V.								
		Het Rietveld 2, 7321 CT Apeldoorn		Keuken & Bad Apeldoorn B.V.								
		Het Rietveld 22, 7321 CT Apeldoorn		Kvik NL B.V.								
		Het Rietveld 26 (Gelijkvloers), 7321 CT Apeldoorn		totaalBED B.V.								
		Het Rietveld 28 (Gelijkvloers), 7321 CT Apeldoorn		Bruynzeel Keukens B.V.								
		Het Rietveld 32, 7321 CT Apeldoorn		Keukenconcurrent Nederland B.V.								
		Het Rietveld 28 + 32 (1e Verdieping), 7321 CT Apeldoorn		Wooncentrum De Groot Apeldoorn B.V.								
		Het Rietveld 34, 7321 CT Apeldoorn		Beter Bed B.V.								
		Het Rietveld 4, 7321 CT Apeldoorn		Swiss Sense B.V.								
		Het Rietveld 40 (1e Verdieping), 7321 CT Apeldoorn										
		Het Rietveld 40 (Gelijkvloers), 7321 CT Apeldoorn		V.O.F. Wooncentrum								
		Het Rietveld 6, 7321 CT Apeldoorn		Kluswijs B.V.								
Het Rietveld 8, 7321 CT Apeldoorn		HLC Wereld B.V.										
			2004 - 2005		23 245	100,00%	1 224 552,47	13 992 237,95	28 425 000,00	15 458 824,11		
Noord Holland	Cruquius	Cruquiusplein 4, 2142 EV Cruquius		Turfpoort B.V.								
		Cruquiusplein 6, 2142 EV Cruquius		Jysk B.V.								
		Cruquiusplein 10, 2142 EV Cruquius		Media Markt Saturn Holding Nederland B.V.								
		Cruquiusplein 12, 2142 EV Cruquius		Twin Sport Cruquius B.V.								
		Cruquiusplein 16, 2142 EV Cruquius		La Place Food B.V.								
		Cruquiusplein 18-20, 2142 EV Cruquius		Van den Heuvel Verlichting/Kleinmeubel B.V.								
		Cruquiusplein 22, 2142 EV Cruquius		De Badenman B.V.								
		Cruquiusplein 24, 2142 EV Cruquius		Nijman International B.V.								
		Cruquiusplein 26, 2142 EV Cruquius		Roobol Woontextiel B.V.								
		Cruquiusplein 28-30, 2142 EV Cruquius		Bruynzeel Keukens B.V.								
		Cruquiusplein 32, 2142 EV Cruquius		Y. Toka								
		Cruquiusplein 34, 2142 EV Cruquius		Swiss Sense B.V.								
		Cruquiusplein 36, 2142 EV Cruquius		HACO Cruquius BV								
		Cruquiusplein 38, 2142 EV Cruquius		De MandemakersGroep Holding B.V. (DMG)								
		Cruquiusplein 40, 2142 EV Cruquius		De Bommel Groep B.V.								
		Cruquiusplein 42, 2142 EV Cruquius		Kwantum Nederland B.V.								
		Cruquiusplein 44, 2142 EV Cruquius		Carpetright B.V.								
		Cruquiusplein 46, 2142 EV Cruquius		Beter Bed B.V.								
		Cruquiusplein 48, 2142 EV Cruquius		Keukenkampioen B.V.								
		Cruquiusplein 50, 2142 EV Cruquius		Van Bommel en Kroon Keukens BV								
		Cruquiusplein 52, 2142 EV Cruquius		Leen Bakker Nederland B.V.								
		Cruquiusplein 54, 2142 EV Cruquius		Van 't Hoefft verlichting v.o.f.								
		Cruquiusplein 56, 2142 EV Cruquius		Mirck Verf- en behanghandel v.o.f.								
		Spaarneweg 44, 2142 EV Cruquius		Goedhart Bouwmarkt Cruquius B.V.								
		Spaarneweg 46, 2142 EV Cruquius		D.H.Z. Center Cruquius B.V. (Praxis)								
		Cruquiuszoom 13-15, 2142 EV Cruquius		ACTION EVENTS B.V.								
					2002 - 2006		41 662	100,00%	5 137 388,32	73 944 329,31	43 549 000,00	74 215 618,72

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value	
Noord Holland	Zaandam	Pieter Ghijsenlaan 22A, 1506 PV Zaandam		V.O.F. Beddenspecialzaak De Bedstee							
		Pieter Ghijsenlaan 22B, 1506 PV Zaandam		V.O.F. Nils Home Store							
		Pieter Ghijsenlaan 18A+18B, 1506 PV Zaandam		Keukenloods B.V.							
		Pieter Ghijsenlaan 22, 1506 PV Zaandam		Licht Plaza B.V.							
		Pieter Ghijsenlaan 20, 1506 PV Zaandam		Brugman Keukens & Badkamers B.V.							
		Pieter Ghijsenlaan 16C, 1506 PV Zaandam		Haco Zaandam B.V.							
		Pieter Ghijsenlaan 16 A, 1506 PV Zaandam		Swiss Sense B.V.							
		Pieter Ghijsenlaan 16 B, 1506 PV Zaandam		Lamp en Licht Zaandam B.V.							
		Pieter Ghijsenlaan 16 D, 1506 PV Zaandam		SANI-DUMP B.V.							
		Pieter Ghijsenlaan, 1506 PV Zaandam									
			2001		14 533	100,00%	1 024 864,70	13 217 160,85	15 807 000,00	13 415 543,37	
NL Limburg	Heerlen	In de Cramer 146, 6412 PM Heerlen		Turfpoort B.V.							
		In de Cramer 146 A, 6412 PM Heerlen		Van den Heuvel Verlichting/Kleinmeubel B.V.							
		In de Cramer 146 B, 6412 PM Heerlen		Keukenkampioen B.V.							
		In de Cramer 146 C, 6412 PM Heerlen		Bruynzeel Keukens B.V.							
		In de Cramer 148, 6412 PM Heerlen									
		In de Cramer 148 A-B, 6412 PM Heerlen		Nuva Keukens B.V.							
		In de Cramer 150, 6412 PM Heerlen		Tapijtcentrum Nederland B.V.							
		In de Cramer 152, 6412 PM Heerlen		Carpetright B.V.							
		In de Cramer 154, 6412 PM Heerlen		HACO Heerlen B.V.							
		In de Cramer 156-158, 6412 PM Heerlen		Rofra Meubelen Heerlen B.V.							
		In de Cramer 160, 6412 PM Heerlen		Horeca Groep Heerlen B.V.							
		In de Cramer 162, 6412 PM Heerlen		Prenatal moeder en kind B.V.							
		In de Cramer 164, 6412 PM Heerlen		Pronto Wonen Heerlen B.V.							
		In de Cramer 166, 6412 PM Heerlen		Brugman Keukens & Badkamers B.V.							
		In de Cramer 168-176, 6412 PM Heerlen		Goossens Meubelen B.V.							
		In de Cramer 178, 6412 PM Heerlen		DMG Meubelen B.V.							
		In de Cramer 180, 6412 PM Heerlen		Budget Home Store Heerlen B.V.							
		In de Cramer 182, 6412 PM Heerlen		Trendhopper Heerlen B.V.							
		In de Cramer 184, 6412 PM Heerlen		K&D B.V.							
		In de Cramer 186-188, 6412 PM Heerlen		Sijben Wooncenter B.V.							
		In de Cramer 190, 6412 PM Heerlen									
		In de Cramer 64, 6412 PM Heerlen		Fast food Boer Biet Heerlen V.O.F.							
		In de Cramer 66, 6412 PM Heerlen		Leen Bakker Nederland B.V.							
		In de Cramer 68A, 6412 PM Heerlen		Woonmekka B.V.							
		In de Cramer 68, 6412 PM Heerlen		Knibbeler Meubel B.V.							
		In de Cramer 70, 6412 PM Heerlen		Kwantum Nederland B.V.							
		In de Cramer 74, 6412 PM Heerlen		Seats and Sofas B.V.							
		In de Cramer 76, 6412 PM Heerlen		Woonsquare B.V.							
		In de Cramer 78B, 6412 PM Heerlen		DFS trading Limited							
		In de Cramer 80, 6412 PM Heerlen		Jysk B.V.							
		In de Cramer 78, 6412 PM Heerlen		Pets place Retail B.V.							
		In de Cramer 78C, 6412 PM Heerlen		Sanisale.com							
		In de Cramer 82, 6412 PM Heerlen		Praxis Vastgoed B.V.							
		In de Cramer 84, 6412 PM Heerlen		Bufkes Nederland B.V.							
		In de Cramer 86-88-90, 6412 PM Heerlen		Babypark Kesteren B.V.							
		In de Cramer 92, 6412 PM Heerlen		Casa Nederland BV							
		In de Cramer 94 - 96, 6412 PM Heerlen		Gorissen Keukens V.O.F.							
		In de Cramer 96A, 6412 PM Heerlen									
		In de Cramer 98, 6412 PM Heerlen									
		In de Cramer 98 A + 100 (deel), 6412 PM Heerlen		De Badenman B.V.							
		In de Cramer 100, 6412 PM Heerlen		Beter Bed B.V.							
		In de Cramer 102, 6412 PM Heerlen									
		In de Cramer 102A, 6412 PM Heerlen									
		In de Cramer 104, 6412 PM Heerlen									
		In de Cramer 106, 6412 PM Heerlen		Swiss Sense B.V.							
		In de Cramer 106A, 6412 PM Heerlen									
		In de Cramer 108, 6412 PM Heerlen		Blokker B.V.							
		In de Cramer, 6412 PM Heerlen		Tuincentrum Heerlen B.V.							
			1991 - 2004		81 676	99,95%	7 688 790,73	111 009 381,84	69 450 000,00	115 716 469,15	

Province	Cluster	Address	year of constr. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value	
Noord- Brabant	Breda	Kruisvoort 30, 4814 RZ Breda		Beter Bed B.V.							
		Kruisvoort 32, 4814 RZ Breda		Brugman Keukens & Badkamers B.V.							
		Kruisvoort 34, 4814 RZ Breda		Mameho B.V.							
		Kruisvoort 38, 4814 RZ Breda		Trendhopper Breda B.V.							
		Kruisvoort 40, 4814 RZ Breda		Kwantum Nederland B.V.							
		Kruisvoort 42, 4814 RZ Breda									
		Kruisvoort 48, 4814 RZ Breda		Sanisale.com breda B.V.							
		Kruisvoort 50, 4814 RZ Breda		Hoogenboezem Meubelen B.V.							
		Kruisvoort 52, 4814 RZ Breda		Bruynzeel Keukens B.V.							
		Kruisvoort 54B, 4814 RZ Breda		Tempur Benelux Retail B.V.							
		Kruisvoort 54A, 4814 RZ Breda		Tulp Verkoop B.V.							
		Kruisvoort 56, 4814 RZ Breda		Swiss Sense B.V.							
		Kruisvoort 58, 4814 RZ Breda		De Mandemakers Groep B.V.							
		Kruisvoort 60+62, 4814 RZ Breda		Woonexpress B.V.							
		Kruisvoort 44, 4814 RZ Breda		Lamp en Licht Retail B.V.							
		Kruisvoort 46, 4814 RZ Breda		V.O.F. La Plaza							
		Kruisvoort 86, 4814 RZ Breda		Kvik NL B.V.							
		Kruisvoort 88-90, 4814 RZ Breda		Leen Bakker Nederland B.V.							
		Kruisvoort 82, 4814 RZ Breda		Carpetright B.V.							
		Kruisvoort 84, 4814 RZ Breda		Haco Breda B.V.							
		Kruisvoort 80, 4814 RZ Breda		JAN Hendriks Stijlvol Wonen							
		Kruisvoort 78, 4814 RZ Breda									
		Kruisvoort 76, 4814 RZ Breda		Plaza Brabant B.V.							
		Kruisvoort 74, 4814 RZ Breda									
		Kruisvoort 72, 4814 RZ Breda		Sedere B.V.							
		Kruisvoort 70, 4814 RZ Breda		Vloer het Zelf Breda II B.V.							
		Kruisvoort, 4814 RZ Breda		McDonald's Nederland B.V.							
		Kruisvoort 68, 4814 RZ Breda		Grando Retail B.V.							
					39 677	100,00%	4 363 599,21	60 776 882,82	41 929 000,00	62 805 893,70	

Number of properties per company

31.03.2020

Retail Estates BE	696
Retail Warehousing Invest	30
Finsbury Properties	10
NS Properties	1
Cruquius Invest	27
Distriland NV	10
Heerlen I Invest	21
Heerlen II Invest	27
Breda I Invest	16
Breda II Invest	12
Naaldwijk Invest	18
Zaandam Invest	9
Retail Estates Nederland	48
Retail Estates Middelburg Invest	14
Spijkenisse Invest	30
Total number of properties	969

On 31 March 2020, the occupancy rate is 97.92%.

The occupancy rate is calculated as the actual leased area in relation to the lettable area, expressed in m².

3. REPORTS OF THE REAL ESTATE EXPERTS

BELGIUM

REPORT BY CUSHMAN & WAKEFIELD

This report covers 363 premises which are part of the real estate portfolio of Retail Estates nv and its subsidiaries.

We have the pleasure of providing you with our valuation as of 31 March 2020, which covers the portfolio of Retail Estates, Distri-Land, Finsbury Properties and RP Arlon. We confirm that we carried out this task as an independent expert.

We also confirm that our valuation was carried out in accordance with national and international standards and their application procedures, including in the field of valuation of Belgian Real Estate Investment Trusts (BE-REITs). (According to the current conclusions. We reserve the right to review our valuation in case of modified conclusions).

Fair value is defined as the estimated amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. This definition corresponds to our definition of market value.

The sale of a building is in theory subject to transfer duties collected by the government. The amount depends on the manner of transfer, the profile of the purchaser and the geographical location of the building. On the basis of a representative sample of the properties on the Belgian market, the average transaction cost has been found to equal 2.50% (for buildings with a value higher than € 2,500,000 over the 2013, 2014, 2015 and Q1 2016 period).

In case of buildings with a value higher than € 2,500,000, we determine the sales value (excluding costs corresponding to the fair value as set by the international accounting standard IAS 40) by subtracting 2.50% from the investment value for transaction costs. The different properties are regarded as a portfolio in this context.

Our "investment value" is based on a capitalisation of the adjusted market rental value, taking into account possible corrections like vacancy, step-rents, rent-free periods, etc. If the market rent is higher than the current rent, this adjusted market rent is determined by taking

60% of the gap between the market rent and the current rent. This amount is then added to the current rent. If the current rent is higher than the market rent, the adjusted market rent equals the market rent.

The cap rate depends on current output on the investment market, taking into account the location, the suitability of the site, the quality of the tenant and the building at the moment of the valuation. On the date of the valuation, the majority of the retail properties were closed by the government on account of the COVID-19 crisis. It is as yet uncertain what the impact will be on the valuation of the properties. However, it is a reality that cannot be ignored and may have an impact on the liquidity of certain retailers.

That is the reason why for most of the retailers, an additional provision equalling 1 month's loss of rental income has been taken into account due to the risk of non-payment of the rent by the tenants on account of the compulsory closure during the COVID-19 crisis. No provision has been taken into account for retailers who can remain open.

The portfolio of Retail Estates NV (incl. Tongeren) has an investment value of € 559.73 million (incl. corrections) and a fair value of € 546.08 million as per 31.03.2020. The investment value increased by 7.80% versus the previous quarter. This gives a 6.39% yield for Retail Estates.

The portfolio of Immobilière Distri-Land NV has an investment value of € 19.65 million (incl. corrections) and a fair value of € 19.17 million as per 31.03.2020. The investment value increased by 0.58% versus the previous quarter. This gives a 6.7% yield for Immobilière Distri-Land NV.

The portfolio of Finsbury Properties NV has an investment value of € 11.59 million (incl. corrections) and a fair value of € 11.31 million as per 31.03.2020. This gives a 6.81% yield for Finsbury Properties.

The portfolio of RP Arlon has an investment value of € 20.30 million (incl. corrections) and a fair value of € 19.81 million as per 31.03.2020. This gives a 6.81% yield for RP Arlon.

MATERIAL UNCERTAINTY CLAUSE DUE TO THE NEW CORONA VIRUS (COVID-19)

The outbreak of the new corona virus (COVID-19), which was declared a "worldwide pandemic" by the World Health Organisation on 11 March 2020, has an impact on the financial markets all over the world. Many countries have imposed restrictions on travel.

This has consequences for the market activities in many sectors. On the valuation date, we can therefore not attach as much importance to earlier market data as a reference for a valuation. The current measures taken in reaction to COVID-19 imply that we are confronted with unprecedented circumstances as a basis for our valuation.

That is why our valuation will be reported on the basis of "material uncertainty in relation to the valuation" in accordance with VPS 3 and VPGA 10 of the RICS Red Book Global. Therefore, our valuation is less certain than it would be under normal circumstances and should be used with more caution. In view of the fact that the potential future impact of COVID-19 on the real estate market is as yet unknown, we recommend a regular revision of the valuation of real estate. The impact on the value of properties that are assessed on the basis of their commercial potential, e.g. hotels, restaurants and cafés, healthcare institutions and student accommodations, may be more significant than the impact on properties of other categories. It is therefore advisable to revise the assessment of these assets more regularly and more carefully than that of other types of real estate. Due to a declining occupancy rate of hotels, there may be a risk for their profitability (and hence their value), in particular if they largely depend on tourism or on meetings and events.

REPORT BY CBRE

The CBRE report was published on 31 March 2020 and covers 381 real estate properties belonging to Retail Estates nv and its subsidiaries. The investment value of these real estate properties is estimated at € 641.15 million and the fair value at € 625.52 million. These properties account for a rental income of € 42.67 million, which represents a gross yield of 6.65%.

We should report that on the date of this valuation, a "Material uncertainty in relation to the valuation" exists due to the outbreak of the Corona virus (COVID-19), which was declared a worldwide pandemic by the World

Health Organisation on 11 March 2020. This has an impact on the financial markets worldwide. Consequently, this situation also has an impact on the normal operation of the markets in many sectors. We are therefore of the opinion that on the date of the valuation, the importance of earlier transactions or market indicators, which are used as a reference to determine an accurate current market value, has decreased.

The current measures taken in reaction to COVID-19 imply that we are confronted with unprecedented circumstances as a basis for our valuation. For that reason our valuation is presented on the basis of a "material uncertainty in relation to the valuation", as stated in the RICS guidelines (VPS 3 and VPGA 10 – RICS Valuation – Global Standards). As a result, the degree of certainty of the values mentioned in our reports is lower than it would be under normal circumstances, and our valuation should therefore be used with more caution. As the future impact of COVID-19 on the real estate market is unknown and uncertain, we advise you to have our properties assessed again at regular intervals. You are advised to use this valuation with caution.

REPORT BY STADIM

The Stadim report was published on 31 March 2020 and covers a semi-logistics complex. The investment value of these real estate properties is estimated at € 4.80 million and the fair value at € 4.68 million. These properties account for a rental income of € 0.30 million, which represents a gross yield of 6.21%.

THE NETHERLANDS

REPORT BY CUSHMAN & WAKEFIELD

The Cushman & Wakefield report was published on 31 March 2020 and covers 160 real estate properties belonging to Retail Estates nv and its subsidiaries. The investment value of these real estate properties is estimated at € 341.58 million and the fair value at € 321.94 million. These properties account for a rental income of € 22.98 million, which represents a gross yield of 6.73%.

The outbreak of the new corona virus (COVID-19), which was declared a "worldwide pandemic" by the World Health Organisation on 11 March 2020, has an impact on the financial markets all over the world. Many countries have imposed restrictions on travel.

This has consequences for the market activities in many



//

The largest cluster in our portfolio concerns a retail parks in Heerlen, the Netherlands (with 46 different tenants). The fair value of this retail park represents 6.22% of the consolidated assets of the company. //

sectors. On the valuation date, we can therefore not attach as much importance to earlier market data as a reference for a valuation. The current measures taken in reaction to COVID-19 imply that we are confronted with unprecedented circumstances as a basis for our valuation.

That is why our valuations will be reported on the basis of “material uncertainty in relation to the valuation” in accordance with VPS 3 and VPGA 10 of the RICS Red Book Global. Therefore, our valuation is less certain than it would be under normal circumstances and should be used with more caution. Given the unknown future impact of COVID-19 on the real estate market, we advise you to revise the valuation of your properties carefully and on a more regular basis.

The impact on the value of properties that are assessed on the basis of their commercial potential, e.g. hotels, restaurants and cafés, healthcare institutions and student accommodations, may be more significant than the impact on assets of other categories. It is therefore advisable to revise the assessment of these assets more regularly and more carefully than that of other types of real estate. Due to a declining occupancy rate of hotels, there may be a risk for their profitability (and hence their value), in particular if they largely depend on tourism or on meetings and business events.

With respect to the inspection of these properties, we follow the guidelines of the NVRT (Dutch register of real estate appraisers).

REPORT BY CBRE

The CBRE report was published on 31 March 2020 and covers 44 real estate properties belonging to Retail Estates nv and its subsidiaries. The investment value of these real estate properties is estimated at € 51.19 million and the fair value at € 47.88 million. These properties account for a rental income of € 4.02 million, which represents a gross yield of 7.85%.

The outbreak of the new corona virus (COVID-19), which was declared a “worldwide pandemic” by the World Health Organisation on 11 March 2020, has had an impact on the financial markets all over the world. Many countries have imposed restrictions on travel. Market activities in many sectors are impacted. On the date of the valuation we are of the opinion that we cannot attach as much importance to earlier market data for comparison purposes as a basis for our valuation. The current measures taken in reaction to COVID-19 imply that we are confronted with unprecedented circumstances as a basis for our valuation. That’s why our valuation(s) will be reported on the basis of “material uncertainty in relation to the valuation”, as stated in VPS3 and VPGA10 of the RICS Valuation - Global Standards. Therefore, our valuation is less certain than it

would be under normal circumstances and should be used with more caution. In view of the fact that the potential future impact of COVID-19 on the real estate market is as yet unknown, we recommend a regular revision of the valuation of (this property). We recommend you to use this valuation with caution.

REPORT BY COLLIERS

The Colliers report was published on 31 March 2020 and covers 18 real estate properties belonging to Retail Estates nv and its subsidiaries. The investment value of these real estate properties is estimated at € 43.12 million and the fair value at € 40.62 million. These properties account for a rental income of € 3.14 million, which represents a gross yield of 7.28%.

On the reference date for the valuation, the outbreak of the Corona virus (COVID-19) caused unrest on the markets in the Netherlands and the rest of the world. It is highly probable that the Dutch real estate market will be affected as well. However, any (negative) impact on the markets will only become clear gradually on the real estate markets, as transactions take time and prices are set earlier. As a result, the appraiser currently cannot predict the possible impact of the Corona outbreak (and the measures taken by the public authorities) on the value of real estate and is compelled to base their valuation on transactions from the (recent) past. Our

valuation is subject to (material) uncertainty in relation to the valuation, as described in VPS3 and VPGA10 of the RICS valuation standards. That’s why our valuation is less certain than would be the case under normal circumstances and should be used with more caution. In addition, we foresee that a longer marketing period will be needed to realise the value in a transaction. The possibility that the amount of our valuation will correspond exactly with the price actually obtained in a transaction has decreased. We therefore advise you to revise the valuation on a regular basis and to seek specific market advice for any intended transaction.



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FINANCIAL REPORT

1. A. CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (in € 000)	Notes	31.03.2020	31.03.2019
Rental income	1	107 910	95 411
Rental related expenses	2	-296	-430
Net rental income		107 614	94 981
Recovery of property expenses			
Recovery of rental charges and taxes normally payable by tenants on let properties	3	12 124	10 403
Rental charges and taxes normally payable by tenants on let properties	4	-13 505	-11 786
Other rental related income and expenses		-29	-58
Property result		106 204	93 539
Technical costs	5	-4 486	-3 829
Commercial costs	6	-874	-870
Charges and taxes on unlet properties	7	-748	-306
Property management costs	8	-2 939	-2 562
Other property costs	9	-3	-18
Property costs		-9 052	-7 586
Operating property result		97 152	85 953
Operating corporate costs	10	-5 593	-5 147
Other current operating income and expenses			
Operating result before result on portfolio		91 559	80 807
Result on disposals of investment properties	11	597	654
Result on sales of other non-financial assets			
Changes in fair value of investment properties	12	-5 183	7 361
Other result on portfolio		-298	-1 058
Operating result		86 675	87 765
Financial income	13	55	93
Net interest charges	14	-19 275	-18 479
Changes in the fair value of financial assets and liabilities	35	-6 216	-13 374
Other financial charges	15	-96	-67

INCOME STATEMENT (in € 000)	Notes	31.03.2020	31.03.2019
Financial result		-25 533	-31 826
Result before taxes		61 142	55 938
Taxes	16	-3 044	-1 458
Net result		58 098	54 479
Attributable to:			
Shareholders of the Group		58 098	54 479
Minority interests			
Note:			
EPRA earnings (share Group)¹		69 199	60 896
Result on portfolio		-4 884	6 957
Changes in fair value of financial assets and liabilities		-6 216	-13 374

RESULT PER SHARE	Notes	31.03.2020	31.03.2019
Number of ordinary shares in circulation	17	12 630 414	11 422 593
Weighted average number of shares	17	12 359 942	11 265 034
Net profit per ordinary share (in €) ²		4.70	4.84
Diluted net profit per share (in €)		4.70	4.84

¹ The EPRA earnings is calculated as follows: net result excluding changes in fair value of investment properties, exclusive the result on disposal of investment properties and exclusive changes in fair value of financial assets and liabilities.

² The net profit per ordinary share is calculated as follows: the net result divided by the weighted average number of shares.

1. B. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Statement of other comprehensive income (in € 000)	31.03.2020	31.03.2019
Net result	58 098	54 479
Other components of other comprehensive income, recyclable in income statements:		
Impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-154	0
Changes in the fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	511	3 183
OTHER COMPREHENSIVE INCOME	58 455	57 662

2. CONSOLIDATED BALANCE SHEET

ASSETS (in € 000)	Notes	31.03.2020	31.03.2019
Non-current assets		1 672 128	1 535 431
Goodwill			
Intangible non-current assets	20	1 142	142
Investment properties ¹	21	1 661 753	1 529 629
Other tangible non-current assets	20	6 545	2 812
Financial non-current assets	35		186
Finance lease receivables		1 030	1 030
Trade receivables and other non-current assets		1 658	1 632
Deferred taxes		1 653	1 113
Other		5	519
Current assets		113 008	28 461
Non-current assets or groups of assets held for sale	22	1 791	17 406
Trade receivables	23	5 686	4 051
Tax receivables and other current assets	24	5 690	2 342
Cash and cash equivalents	25	98 082	3 163
Deferred charges and accrued income	26	1 759	1 500
TOTAL ASSETS		1 785 136	1 563 892

¹ Including project developments (IAS 40).

SHAREHOLDERS' EQUITY AND LIABILITIES (in € 000)	Notes	31.03.2020	31.03.2019
Shareholders' equity		798 987	707 926
Shareholders' equity attributable to the shareholders of the parent company		798 987	707 926
Capital	27	275 768	248 939
Issue premiums	28	315 410	260 174
Reserves		149 711	144 335
Net result of the financial year		58 098	54 480
Minority interests			

SHAREHOLDERS' EQUITY AND LIABILITIES (in € 000)	Notes	31.03.2020	31.03.2019
Liabilities		986 149	855 965
Non-current liabilities		833 751	733 220
Provisions			
Non-current financial debts	34/35	804 793	706 793
Credit institutions		642 707	622 200
Long term financial lease		2 870	
Bonds		159 217	84 593
Other non-current financial liabilities	30/35	28 957	26 427
Current liabilities		152 399	122 745
Current financial debts	34/35	126 993	82 260
Credit institutions		126 993	82 260
Short term financial lease			
Trade debts and other current debts	30	15 385	25 640
Exit tax	31	959	7 975
Other	30	14 426	17 665
Other current liabilities	32	815	5 479
Accrued charges and deferred income	33	9 206	9 366
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1 785 136	1 563 892

DEBT RATIO	Notes	31.03.2020	31.03.2019
Debt ratio ²	36	53.10%	52.58%

² The debt ratio is calculated as follows: liabilities (excluding provisions, accrued charges and deferred income, financial instruments and deferred taxes), divided by the total assets (excluding hedging instruments).

3. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (in € 000)	Capital ordinary shares	Issue premiums	Reserves*	Net result of the financial year	TOTAL Shareholders' Equity
Balance according to IFRS on 31 March 2018	208 205	177 990	135 442	46 695	568 332
- Net appropriation of profits 2018-2019					-
- Transfer of portfolio result to reserves			-1 399	1 399	-
- Transfer changes in fair value of authorised hedging instruments			101	-101	-
- Transfer of EPRA earnings to reserves			6 998	-6 998	-
- Reclassification between reserves					-
- Dividends of the financial year 2017-2018				-40 995	-40 995
- Capital increase	42 704	80 661			123 365
- Capital increase through contribution in kind	788	1 523			2 311
- Costs of capital increase	-2 758				-2 758
- Other			10		10
- Other comprehensive income 31/03/2019			3 183	54 478	57 661
Balance according to IFRS on 31 March 2019	248 939	260 174	144 335	54 478	707 926
- Net appropriation of profits 2019-2020					-
- Transfer of portfolio result to reserves			6 302	-6 302	-
- Transfer changes in fair value of authorised hedging instruments			-13 374	13 374	-
- Transfer of EPRA earnings to reserves			13 004	-13 004	-
- Reclassification between reserves					-
- Dividends of the financial year 2018-2019				-48 546	-48 546
- Capital increase					-
- Capital increase through contribution in kind	27 176	55 235			82 411
- Costs of capital increase	-348				-348
- Other			-911		-911
- Other comprehensive income 31/03/2020			357	58 098	58 455
Balance according to IFRS on 31 March 2020	275 767	315 409	149 713	58 098	798 987

* Detail of the reserves (in € 000)	Legal reserve	Reserve for the positive/negative balance of changes in the fair value of real estate properties	Available reserves	Impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties	Changes in the effective part of the fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	Changes in the effective part of the fair value of authorised hedging instruments not subjected to qualify for hedge accounting as defined by IFRS	Results carried forward from previous financial years	TOTAL
Balance according to IFRS on 31 March 2018	55	113 373	15 064	-26 611	-2 799	-10 990	47 349	135 441
- Net appropriation of profits 2018-2019								
- Transfer of portfolio result to reserves		16 779		-18 178				-1 399
- Transfer changes in fair value of authorised hedging instruments						101		101
- Transfer of EPRA earnings to reserves							6 998	6 998
- Reclassification between reserves		205	271		903	-903	-476	0
- Capital increase through contribution in kind								
- Costs of capital increase								
- Other	5			5				10
- Other comprehensive income 31/03/2019					-776	3 959		3 183
Balance according to IFRS on 31 March 2019	60	130 357	15 335	-44 784	-2 672	-7 833	53 871	144 334
- Net appropriation of profits 2019-2020								0
- Transfer of portfolio result to reserves		14 619		-8 317				6 302
- Transfer changes in fair value of authorised hedging instruments						-13 374		-13 374
- Transfer of EPRA earnings to reserves							13 004	13 004
- Reclassification between reserves	2	-1 028	2 156	2 083			-3 213	0
- Capital increase through contribution in kind								0
- Costs of capital increase								0
- Other		-911						-911
- Other comprehensive income 31/03/2020				-154	-67	578		357
Balance according to IFRS on 31 March 2020	62	143 037	17 491	-51 172	-2 739	-20 629	63 662	149 712

4. CONSOLIDATED CASH FLOW STATEMENT

CASH-FLOW STATEMENT (in € 000)	Notes	31.03.2020	31.03.2019
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		3 161	3 389
1. Cash-flow from operating activities		53 419	45 768
Operating result		86 675	87 764
Interest paid		-18 053	-17 624
Interest received		50	50
Corporate taxes paid		-11 539	-975
Corporate taxes received		258	1 377
Other		708	-16 113
Non-cash elements to be added to / deducted from the result:		11 471	6 943
* Depreciations and impairments			
- Depreciations / Impairments (or write-backs) on tangible and intangible assets	20	364	303
- Depreciations / Impairments (or write-backs) on trade receivables	2	247	202
* Other non-cash elements			
- Changes in the fair value of investment properties	12	5 183	-7 361
- Profit on disposal of investment properties	11	-597	-654
- Other result on portfolio		298	1 059
- Changes in the fair value of financial assets and liabilities		5 975	13 394
* Other			
Change in working capital requirements:		-16 150	-15 654
* Movement of assets			
- Trade receivables and other receivables	23	-1 882	726
- Tax receivables and other current assets	24	-3 349	221
- Deferred charges and accrued income	26	-259	-116
- Long-term assets			
* Movement of liabilities			
- Trade debts and other current debts	30/31	-10 255	1 139
- Other current liabilities	32	-244	-16 051
- Accrued charges and deferred income	33	-160	-1 167

CASH-FLOW STATEMENT (sequal) (in € 000)	Notes	31.03.2020	31.03.2019
2. Cash-flow from investment activities		-73 484	-120 777
Purchase of intangible assets	20	-1 071	-97
Purchase of investment properties and assets held for sale	21	-60 739	-84 569
Disposal of investment properties and assets held for sale	21	-5 427	48 374
Acquisition of shares of real estate companies		-2 344	-83 700
Disposal of shares of real estate companies		0	0
Purchase of other tangible assets	20	-4 056	-951
Disposal of other tangible assets	20	27	29
Disposal of non-current financial assets		0	0
Income from trade receivables and other non-current assets		127	137
3. Cash-flow from financing activities		114 986	-50 886
* Change in financial liabilities and financial debts			
- Increase in financial debts	34	262 623	152 009
- Decrease in financial debts	34	-122 756	-159 074
* Change in other liabilities			
- Increase (+) / Decrease (-) in other liabilities		2 014	-82
* Change in shareholders' equity			
- Capital increase and issue premiums	27	0	9
- Costs of capital increase	28	-348	-2 757
- Other		-1 065	4
* Dividend			
- Dividend for the previous financial year	19	-25 482	-40 995
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		98 082	3 161

A total of € 262.62 million in credit lines was used or extended and € 122.76 million in credits was temporarily not used or repaid.

5. NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS

We refer to the general comment with respect to COVID-19 on page 7 of this report and wish to specifically point out the impact COVID-19 may have on the valuations.

KEY PERFORMANCE INDICATORS

EPRA earnings per share (in €)	31.03.2020	31.03.2019
EPRA earnings (attributable to the shareholders of the parent company)	69 198 748	60 895 034
Number of ordinary shares in circulation	12 630 414	11 422 593
Weighted average number of shares	12 359 942	11 265 034
EPRA earnings per share (in €) ¹	5,60	5,41
EPRA earnings per share (in €) - diluted	5,60	5,41

¹ The EPRA earnings per share is calculated from the weighted average number of shares, counted from the time of issue (which does not necessarily coincide with first dividend entitlement date). Calculated on the number of dividend-entitled shares (12.630.414 shares), the EPRA earnings per share amounts to EUR 5.48 EUR at 31.03.2020 versus EUR 5.33 at 31.03.2019.

NET ASSET VALUE PER SHARE (in €) - SHARE GROUP	31.03.2020	31.03.2019
Net asset value per share IFRS ¹	63,26	61,98
EPRA NAV per share ²	65,55	64,07
Net asset value per share (investment value) excl. dividend excl. the fair value of authorised hedging instruments ³	65,73	64,28

¹ The net asset value per share IFRS (fair value) is calculated as follows: shareholders' equity (attributable to the shareholders of the parent company) divided by the number of shares.

² EPRA NAV is calculated as follows: shareholders' equity (excluding the fair value of authorised hedging instruments) divided by the number of shares.

³ For the definition and purpose of this alternative performance measure, we refer to the Lexicon in the chapter 'miscellaneous' of this annual report

GENERAL COMPANY INFORMATION

Retail Estates nv is a public Belgian Real Estate Investment Trust (BE-REIT) governed by and construed in accordance with Belgian law. Its registered office is located in Ternat.

The consolidated annual accounts of the company for the financial year which ended on 31 March 2020 comprise Retail Estates nv and its subsidiaries (the "Group"). The annual accounts were approved for publication by the board of directors on 12 June 2020 and will be submitted for approval to the annual shareholders' meeting on 20 July 2020.

SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF CONFORMITY

The consolidated accounts are drawn up in accordance with accounting standards which are consistent with the International Financial Reporting Standards as implemented by the BE-REIT legislation.

Application of IFRS 3 Business Combinations

Corporate transactions of the past financial years were not processed as business combinations as defined by IFRS 3 based on the finding that this standard was not applicable given the nature and the scale of the acquired companies. The companies in question owned a limited number of properties. Their employees have not been retained and their activities have been discontinued. They were not intended to be kept on as independent businesses. The companies are fully consolidated. Please refer to note 41 for more information on this matter.

New or amended standards and interpretations applicable in 2019

The following amendments and annual improvements to standards are mandatory for the first time for the financial year beginning on or after 1 January 2019¹³ and have been endorsed by the European Union but have no significant effect on the presentation, the notes or the financial results of the Group:

- **IFRS 16, 'Leases'** (effective 1 January 2019). This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- **Amendments to IFRS 9, 'Prepayment features with negative compensation'** (effective 1 January 2019 with the EU). An amendments to allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss, because they would otherwise fail the SPPI-test. In addition, this amendment clarifies an aspect of the accounting for financial liabilities following a modification.

- **IFRIC 23, 'Uncertainty over income tax treatments'** (effective 1 January 2019). This interpretation clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

¹³ For Retail Estates, these standards are mandatory for the first time applicable for the financial year starting on April 1, 2019.

- **Amendments to IAS 28, 'Long term interests in associates and joint ventures'** (effective 1 January 2019). Clarification regarding the accounting for long-term interests in an associate or joint venture, to which the equity method is not applied, under IFRS 9. Specifically, whether the measurement and impairment of such interests should be done using IFRS 9, IAS 28 or a combination of both.

- **Amendments to IAS 19, 'Plan Amendment, Curtailment or Settlement'** (effective 1 January 2019). The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement. In addition, an entity will have to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendments will affect any entity that changes the terms or the membership of a defined benefit plan such that there is past service cost or a gain or loss on settlement.

- **Annual improvements to IFRS Standards 2015-2017 cycle**, applicable as of 1 January 2019 and containing the following amendments to IFRSs:

° IFRS 3 Business combination, paragraph 42A: The amendments clarify that, when an entity obtains control of a business that is a joint operation (as defined in IFRS 11), it applies the requirements for a business combination achieved in stages, including re-measuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer re-measures its entire previously held interest in the joint operation.

° IFRS 11 Joint Arrangements, paragraph B33CA: A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. In such cases, previously held interests in the joint operation are not re-measured.

° IAS 12 Income Taxes, paragraph 57A: The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or

events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

° IAS 23 Borrowing Costs, paragraph 14: The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments.

New or amended standards and interpretations not yet applicable in 2019

The following new standards and amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2019 and have been endorsed by the European Union

- **Amendments to References to the Conceptual Framework in IFRS Standards** (effective 1 January 2020). The revised Conceptual Framework includes a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance—in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting
- **Amendments to the definition of material in IAS 1 and IAS 8** (effective 1 January 2020). The amendments clarify the definition of material and make IFRSs more consistent. The amendment clarifies that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information. It also states that an entity assesses materiality in the context of the financial statements as a whole. The amendment also clarifies the meaning of ‘primary users of general purpose financial statements’ to whom those financial statements are directed, by defining them as ‘existing and potential investors, lenders and other creditors’ that must rely on general purpose financial statements for much of the financial information they need. The amendments

are not expected to have a significant impact on the preparation of financial statements.

- **Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform** (effective 1 January 2020). The amendments require qualitative and quantitative disclosures to enable users of financial statements to understand how an entity’s hedging relationships are affected by the uncertainty arising from interest rate benchmark reform.

The following new standards and amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2019 and have not been endorsed by the European Union:

- **Amendments to the guidance of IFRS 3 Business Combinations**, that revises the definition of a business (effective 1 January 2020). The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organised workforce. The changes to the definition of a business will likely result in more acquisitions being accounted for as asset acquisitions across all industries, particularly real estate, pharmaceutical, and oil and gas. Application of the changes would also affect the accounting for disposal transactions.
- **IFRS 17 ‘Insurance contracts’** (effective 1 January 2022). This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

The following standard is mandatory since the financial year beginning 1 January 2016 (however not yet subjected to EU endorsement). The European Commission has decided not to launch the endorsement process of this interim standard but to wait for the final standard:

- **IFRS 14, ‘Regulatory deferral accounts’** (effective 1 January 2016). It concerns an interim standard on the accounting for certain balances that arise from rate-regulated activities. IFRS 14 is only applicable to entities that apply IFRS 1 as first-time adopters of

IFRS. It permits such entities, on adoption of IFRS, to continue to apply their previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The interim standard also provides guidance on selecting and changing accounting policies (on first-time adoption or subsequently) and on presentation and disclosure.

PRESENTATION PRINCIPLES

The financial information is drawn up in euro (€), and is rounded off to the nearest thousand. The companies of the Group also do their accounting in euro (€).

Below is a summary of the most important principles for financial reporting. The accounting principles were applied consistently throughout the relevant period.

CONSOLIDATION PRINCIPLES

The companies controlled by the Group are consolidated through the application of the full consolidation method.

Full consolidation consists in incorporating all the assets and liabilities of the consolidated companies as well as the costs and revenues, carrying out the necessary eliminations.

‘Control’ is defined as Retail Estates nv’s ability to directly or indirectly determine the financial and operational policy of the subsidiary, to benefit from the variable cash flows and the results of this subsidiary and to influence its variable cash flows by controlling the subsidiary.

In order to apply the full consolidation method to certificates, it is not only required to control the issuing company but also to own 75% of the number of certificates issued. In this case, the company acknowledges a debt towards the holders of certificates for the real estate certificates not owned by the company.

FOREIGN CURRENCY CONVERSION

Foreign currency transactions are booked by applying the exchange rate valid on the transaction date. Monetary assets and liabilities in foreign currencies are valued by applying the closing rate on the balance sheet date. Exchange rate differences ensuing from foreign currency transactions and the conversion of monetary assets and liabilities into foreign currencies are booked in the income statement in the period in which they arise.

Non-monetary assets and liabilities in foreign currencies are converted at the exchange rate applicable on the transaction date.

FINANCIAL DERIVATIVES

Fair value hedge accounting

The Group uses financial derivatives (interest rate swaps) to hedge interest rate risks arising from operational, financial and investment activities. Derivative financial products are initially valued at their fair value.

After the initial recognition, financial derivatives are valued in the annual accounts at their fair value.

Gains or losses resulting from changes in the fair value of the financial derivatives are immediately recognised in the income statement unless a derivative meets the conditions for cash flow hedge accounting.

The fair value of the financial interest rate derivatives is the amount that the company expects to receive or pay if the financial interest rate derivative is terminated as of the balance sheet date, taking into account the prevailing interest rate and the credit risk of the counterparties involved.

Cash flow hedge accounting

If a financial derivative can be documented as an effective hedge against any cash flow fluctuations, attributable to a risk linked to an asset or liability, or a highly probable future transaction, the part of the result ensuing from the change in value of the financial interest rate derivative that has been recognised as an effective hedge shall be posted directly to equity under "Changes in the fair value of financial assets and liabilities". The ineffective part of the financial interest rate derivative shall be recognised in the income statement.

INVESTMENT PROPERTIES

Valuation at initial recognition

Investment properties comprise all real estate properties that are ready to be let. Investment properties are initially valued at acquisition cost, including additional expenses and non-deductible VAT. The exit tax, owed by companies over which the public BE-REIT acquires direct or indirect control, is furthermore in principle deducted from the value of the underlying property given that it concerns a tax on the latent capital gain existing in the acquired company prior to the acquisition unless these companies do not qualify for a merger with the public BE-REIT (as decided by the board of directors). The commissions related to the acquisition of buildings are regarded as additional costs of the acquisition and are

added to the acquisition cost.

If a property is acquired through contributions in kind, any third-party costs directly attributable to the issuance of new shares shall be deducted from equity. The contributed properties are valued at contribution value at initial recognition.

Valuation after initial recognition

At the end of each quarter, an independent real estate expert shall provide an exact assessment of the following elements:

- the immovable properties, the properties that are immovable by their intended use, and the rights in rem over immovable properties held by Retail Estates nv or, where appropriate, by a subsidiary it controls;
- the option rights over immovable properties held by Retail Estates nv or, where appropriate, by a subsidiary it controls, as well as the immovable properties to which these rights apply;
- the contractual rights by which one or more immovable property assets are leased to Retail Estates nv or, where appropriate, to a subsidiary it controls, including the underlying immovable property.

The experts perform their assessments in accordance with national and international standards and their application procedures, including those in the field of the valuation of Belgian regulated real estate companies (pursuant to the provisional decrees; the experts reserve the right to adapt the valuation in the event of any amendments to the decrees).

Fair value is specifically defined as the price that would be received upon sale of an asset or that would have to be paid upon the transfer of an obligation in an arm's length transaction between market parties on the valuation date.

From the point of view of the seller, it must be construed minus the transaction taxes. The estimated amount of the transaction taxes is immediately deducted from the results at initial recognition.

COMMENTS ON THE REAL ESTATE TRANSFER TAX IN BELGIUM

The transfer of ownership of an immovable object is subject to transaction taxes in Belgium. The amount of these taxes depends on the manner of transfer, the capacity of the buyer and the geographical location of the property. The first two elements, and hence the full amount of the taxes due, are therefore only known when the transfer of ownership has been completed. The different transfer of ownership possibilities and the corresponding taxes are:

- real estates sales agreements: 12.50% for properties located in Brussels-Capital Region and in the Walloon Region, 10% for properties located in the Flemish Region;
- sale of real estate under the broker system: 5% to 8% depending on the Region;
- long-term lease agreements for real estate (up to 50 years for the right of building and up to 99 years for the long-term lease right): 2%;
- real estate sales agreements where the purchaser is a public body (e.g. an entity of the European Union, the Federal Government, a regional government or a foreign government): exemption from duties;
- non-monetary contribution of real estate in return for the issuance of new shares to the benefit of the contributor: exemption from duties;
- sales agreement for shares of a real estate company: absence of duties;
- merger, demerger and other company reorganisations: absence of duties; etc.

As a result, the actual percentage of the transfer taxes varies from 0% to 12.50%; it is furthermore impossible to predict which percentage is applicable to the transfer of a given Belgian property before the actual transfer takes place.

In January 2006, all experts involved in determining the value of Belgian BE-REITs were asked to determine a weighted average percentage of the actual taxes for the real estate portfolios of the BE-REITs. For transactions of properties with a value of over € 2.50 million, and in view of the range of methods for transferring ownership (see above), the experts calculated the weighted average taxes at 2.50% based on a representative sample of 220 market transactions with a total worth of € 6 billion that took place between 2003 and 2005. As regards

transactions involving buildings of which the total value is lower than € 2.50 million, transfer duties of 10% to 12.50% are applied depending on the Region in which the premises are located. It was decided to adjust this percentage by multiples of 0.5% if necessary. In the course of 2016, an update of this calculation was made according to the methodology used in 2006 based on a sample of 305 large or institutional transactions (threshold of € 2.5 million) that occurred between 2013 and the 1st quarter of 2016 (this is 70% or 8.18 billion of the estimated total number of investment transactions during this period). The experts came to the conclusion that the 0.5% threshold was not exceeded. Consequently, the weighted average of 2.5% was retained. This percentage will be reassessed every 5 years or in case of a change in the tax context.

Retail Estates nv considers its real estate portfolio as a whole which can be disposed of as a whole or as a limited number of larger parts. Retail Estates manages its real estate at portfolio level whenever possible ("retail cluster and retail parks", see management report and chapter "overview of real estate portfolio" in the real estate report for an overview of the clusters). Consequently, the fair value is determined by deducting 2.5% from the value of the properties (in accordance with the valuation at "fair value" of its valuation appraisers Cushman & Wakefield, CBRE and Stadim). In accordance with its strategy, Retail Estates does in principle not have the intention to sell individual properties within the clusters with an investment value below € 2.5 million.

COMMENTS ON THE REAL ESTATE TRANSFER TAX IN THE NETHERLANDS

The Dutch transfer tax amounts to 6%. For the other costs (e.g. notary fees) Retail Estates charges between 0.08% and 1% extra.

Any gains or losses resulting from fluctuations in the fair value of an investment property are recognised in the income statement in the period in which they arise and assigned to the reserves for the balance of fluctuations in the fair value of real estate properties during the appropriation of profits.

EXPENDITURE FOR WORKS ON INVESTMENT PROPERTIES

The expenditure for works on investment properties is charged to the operating property result if the expenditure does not have a positive effect on the expected future economic benefits, and is capitalised if it substantially increases the expected economic benefits it brings to the entity. There are two major types of expenditure:

- the costs of maintenance and repairs to roofs and parking areas: these costs are charged to the operating property result;
- the costs of major transformation and renovation works: transformations are occasional projects that add an additional function to the building or considerably improve the existing comfort so as to increase the rental price and/or rental value. These costs relate to materials, fees, contacting works and the like. Internal management and supervisory costs are not capitalised. As soon as they have commenced, such works are included in the assessed value of the building in question (initially on a provisional basis and then definitively following a visit by the real estate expert). Any works that remain to be done are deducted from the valuation. Once these works have been completed, the costs are capitalised and hence added to the fair value of the investment properties.

Disposal of investment properties

The gains or losses realised from the sale of an investment property are classified as "Result from sales of investment properties" in the income statement and are allocated to the retained earnings upon the appropriation of results. The commissions paid for sales and the liabilities resulting from transactions are deducted from the selling price in order to determine the gain or loss realised.

NON-CURRENT ASSETS UNDER CONSTRUCTION

Under the adjusted IAS 40 standard, non-current assets under construction are included in the investment properties. If purchased, they are valued at the acquisition value, including incidental costs and non-deductible VAT.

If the Group believes that the fair value of the investment properties under construction cannot be determined

in a reliable manner but assumes it will be possible to determine the fair value once the properties have been contracted, licensed and rented, the investment properties under construction will be recorded at cost price until the fair value can be determined (once they have been contracted, licensed and rented or until the construction is completed (whichever happens first)) in accordance with IAS 40.53. This fair value is based on the valuation by the real estate expert after deduction of the works still to be performed.

A non-current asset under construction can relate to a plot of land, a building to be demolished or an existing building that needs to be given a new purpose, requiring considerable renovation work to realise the desired purpose.

OTHER TANGIBLE NON-CURRENT ASSETS

Tangible non-current assets other than land and buildings the use of which is limited in time are valued at acquisition cost and then depreciated over their expected useful life using the straight-line method.

In the financial year of the investment, depreciation is recorded pro rata to the number of months that the asset was in use.

The following annual depreciation and amortisation percentages apply:

- Facilities, machinery and equipment	20%
- Furniture	10%
- Vehicles	20-33%
- IT equipment	33%
- Standard software	33%
- Tailor-made software	10%-25%
- Own use properties	3%
- Technical equipment	6,66%

Leased equipment is depreciated over the contractual period of the lease.

If there are indications that an asset may have suffered an impairment loss, the book value is compared with the realisable value.

If the book value is higher than the realisable value, an impairment loss is recognised.

When other tangible non-current assets are sold or retired, their acquisition value and any related depreciations cease to be recognised in the balance sheet and the realised gains or losses are recognised in the income statement.

TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS

Trade receivables and other non-current assets are valued at fair value at initial recognition and are subsequently valued at amortised cost on the basis of the effective interest rate method. A write-down is recorded if uncertainty exists concerning the collectability of the receivable at maturity.

REAL ESTATE CERTIFICATES

Valuation

1. GENERAL PRINCIPLE

If the holder of the certificates does not have a material interest (more than 75%) in a real estate certificate, the certificates shall be entered on the closing date at the weighted average quoted price during the preceding 30 days and classified as "non-current financial assets".

The aforementioned rule does not apply if, on the basis of publicly available information and the issue conditions for the real estate certificate, a net asset value is noted that is substantially below the stock market price. The value is then limited to the net asset value.

2. OWNERSHIP OF MATERIAL INTEREST (MORE THAN 75%) IN CERTIFICATES ISSUED (AS OF 31 MARCH 2020 ONLY APPLICABLE TO THE "DISTRI-LAND" REAL ESTATE CERTIFICATES)

The quoted price of these real estate certificates as listed on the Euronext – Second Market cannot be considered as a reliable reference given the limited liquidity of this real estate certificate. Retail Estates nv's policy is to revalue its real estate certificates on every closing date in view of:

- the fair value of the immovable properties owned by the issuer by analogy with the valuation of the company's own real properties. This is done on the basis of a periodic valuation by a real estate expert hired jointly by Retail Estates nv and Immobilière Distri-Land nv. Where one or more buildings are sold by the real estate certificate issuer, the sales price shall be used as valuation until the distribution of the sale's proceeds;

- the contractual rights of the holder of the real estate certificate in compliance with the prospectus that was published at the time of issue of the real estate certificate.

Retail Estates nv only invests in certificates issued for the financing of out-of-town retail real estate. The real estate owned by the issuer is the type of out-of-town retail real estate in which Retail Estates nv aims to invest. Although Retail Estates nv is not the legal owner of this real estate, it considers itself to be the economic beneficiary pro rata its contractual rights in ownership. In addition, an investment in real estate certificates is considered as an investment in real estate pursuant to Article 2, sub. 5°, x, of the Belgian BE-REIT Act of 12 May 2014.

Taking these considerations into account, the certificates are classified as investment properties at their acquisition value, including additional expenses. Any gains or losses resulting from fluctuations in the fair value of an investment property are recognised in the income statement in the period in which they arise and assigned to the unavailable reserves at the time of the appropriation of profits. On 31 March 2020, the value of the investment properties related to the Distri-Land certificates amounts to € 15.44 million (€ 15.40 million on 31 March 2019) compared to a total portfolio of Retail Estates of € 1,661.75 million.

Processing of coupons

1. PROCESSING OF CURRENT OPERATING RESULT

As a holder of real estate certificates, Retail Estates nv has a contractual right, pro rata to the number of real estate certificates in its possession, to a share of the operating result realised by the issuer. This result is calculated by deducting the operating and maintenance expenses from the total rental income collected. The entire decrease or increase in value is recognised by re-estimating the value of the real estate certificate. As a result, the coupon should not be considered as compensation for any reduction in value of the issuer's buildings. The entire coupon is therefore treated as net rental income and is classified as turnover.

2. PROCESSING OF THE LIQUIDATION BALANCE IN CASE OF SALE OF REAL ESTATE

Whenever a particular property in the issuer's portfolio is sold, the following applies:

the net proceeds, after retention of any withholding tax liability, are only recognised as realised capital gains in Retail Estates nv's accounts equal to the amount of the difference between the book value of the real estate certificate on the closing date increased by the net liquidation coupon on the one hand and the book value on the previous closing date on the other. The book value of the real estate certificate is calculated at each closing date by performing a valuation of the certificate holder's contractual rights as they appear in the issue prospectus based on the fair value of the immovable property owned by the issuer as validated by the real estate expert of Retail Estates nv on the closing date. Any gains or losses resulting from fluctuations in the fair value of an investment property are recognised in the income statement and incorporated in the period in which they arise and are assigned to the reserves available for distribution at the time of the appropriation of profits.

NON-CURRENT ASSETS OR GROUPS OF ASSETS HELD FOR SALE

These assets concern real estate for which the book value will primarily be realised by the sale of the assets and not by further letting. Like the investment properties (see above), these assets are recognised at fair value, which is equal to investment value less transaction fees.

A property is recorded as an asset held for sale if a declaration of intent to sell has been signed.

CURRENT ASSETS

The receivables payable within one year are recognised at nominal value less write-downs for doubtful or bad debts. Bank deposits, sight or term deposits, are valued at amortised cost. Any supplementary costs are charged directly to the income statement. Listed securities are valued at their quoted price.

SHAREHOLDERS' EQUITY

The capital includes the funds obtained when the company was incorporated and those received following mergers or capital increases. Any third-party costs directly attributable to the issuance of new shares shall be deducted from shareholders' equity. When share capital recognised as equity is repurchased by Retail Estates nv, the paid amount, including any directly attributable costs, shall be recognised as a change in shareholders' equity. Purchased own shares

are presented as a decrease in the total shareholders' equity.

Dividends are included in the result carried forward until they have been approved by the shareholders' meeting.

LIABILITIES

A provision is taken if:

- Retail Estates nv has an existing – legally enforceable or actual – commitment resulting from an event in the past;
- an outflow of funds will probably be required to settle the commitment; and
- the amount of the commitment can be estimated reliably.

Trade debts are presented at nominal value on the balance sheet date. Interest-bearing borrowings are initially recognised at cost price less transaction costs. The interest-bearing borrowings are subsequently valued on the basis of the effective interest rate method, recognising each difference between the initial book value and the redemption value as an interest cost in the income statement over the term of the loan.

BENEFITS FOR THE STAFF AND EXECUTIVE OFFICERS

Retail Estates nv provides a defined contribution pension scheme for its employees and executive officers. For the executive officers this scheme has been entrusted to an insurance company that is independent of the company.

The scheme for employees is largely handled via the fund of the joint committee. It is therefore a sector scheme, and it is the organiser of this pension scheme (Fonds Tweede Pijler PC 323) who is to assume the legal responsibilities and obligations.

Contributions paid during the financial year are recognised as expenses.

PROPERTY RESULT

The net rental result includes the rent, operating lease income and other revenues related to the aforementioned sources of income less rent-related expenses, i.e. the rent payable on leased assets, impairment losses on receivables and write-backs of impairment losses on receivables.

The recovery of property expenses includes the revenue obtained from charging costs for major repairs and maintenance.

The charges and taxes payable by tenants on let properties and the recovery of these expenses refer to costs that, under law or custom, are at the tenant's expense. The owner will either charge or not charge these costs to the tenant according to the contractual arrangements made with the tenant.

Income is valued at fair value of the compensation received and is recognised in the income statement in the period to which it refers using the straight-line method.

PROPERTY CHARGES

The property charges are valued at the fair value of the compensation that has been paid or is due and are recognised in the income statement in the period to which they refer using the straight-line method.

The technical costs include, among other things, structural and occasional maintenance costs and losses resulting from incidents partially covered by the insurance companies. The commercial costs include brokers' commission fees. The property management costs mainly consist of the relevant personnel costs, the operating costs of the company's registered office and fees paid to third parties.

Management fees received from tenants or third parties which partially cover the management costs of the properties are deducted.

CORPORATE OPERATING COSTS AND OTHER CURRENT OPERATING INCOME AND EXPENSES

The corporate operating costs include the fixed operating costs of the company, which operates as a legal entity that is listed on the stock market and benefits from the BE-REIT status. These costs are incurred in order to obtain transparent financial information, to be economically comparable with other types of investments and to offer investors the opportunity to participate directly in a diversified real estate investment in a liquid manner. Part of the costs incurred in the context of Retail Estates nv's growth strategy are also included in this category.

FINANCIAL RESULT

The financial result consists of the borrowing costs and additional funding costs, such as the negative variations in hedging instruments where these are not effective within the meaning of IAS 39, less income from investments.

CORPORATE INCOME TAX

Corporate income tax comprises the current tax burden on the profit or loss for the year. Corporate income tax is recognised directly in the income statement, except when related to items recognised directly in shareholders' equity, in which case it is recognised in shareholders' equity. The current tax burden includes the expected tax payable on the taxable income for the year as well as any adjustment to the tax payable for previous years.

EXIT TAX

Exit tax is the corporate income tax on capital gains arising from the merger of a BE-REIT with a company that is not a BE-REIT. When this company first enters the consolidation scope of the Group, a provision for exit tax liabilities is recorded.

In principle, intermediate revisions of this provision for exit tax only take place when the rise in value of this company's property calls for an increase. Any overvaluation owing to reductions in value is only established at the time of the actual merger. These adjustments to the exit tax liability are recognised in the income statement on the taxes line.

FINANCIAL RISK MANAGEMENT

EVOLUTION OF THE INTEREST RATES

Higher interest rates result in increased financial expenses and a decrease in the EPRA earnings. In the current context of negative interest rates, the method used by some banks of demanding a floor for the Euribor rate (which is used as a reference in the financing contracts) of 0% has a negative effect on the financial costs. Retail Estates nv makes use of financial instruments of the IRS type to hedge the interest rate risk on non-current loans with variable interest rate. In an interest rate swap, the variable interest rate is exchanged for a fixed interest rate. Due to this interest rate policy, 85.62% of the current loans are hedged with a fixed interest rate. An interest hedging has also been concluded for a large part of the still to be renewed credits. The weighted average interest rate of the public BE-REIT is 2.13%.

FINANCING RISK

Long-term financing is concluded in the form of “bullet loans”, i.e. loans for which the principal must be paid back in full after a term of five to eight years. The diversification of financing over various banks limits the Group's liquidity risk. The Group concludes 85.62% of its loans at a fixed interest rate or at a variable interest rate which is immediately converted to a fixed interest rate. The net result is therefore only sensitive to interest rate fluctuations to a limited extent.

CREDIT RISK

Before a new tenant is accepted, a credit risk analysis is carried out on the basis of the available information. Rental arrears are furthermore carefully monitored by Retail Estates nv. In case of non-payment, the company generally holds a bank guarantee.

Please refer to notes 34 and 35 for more details.

None of our customers account for at least 10% of the total rental income.

HISTORIC FINANCIAL INFORMATION

The audited consolidated annual accounts for the financial years ending on 31 March 2018 (pages 116-170 of the Annual Financial Report 2017-2018) and 31 March 2019 (pages 126-186 of the Annual Financial Report 2018-2019) are incorporated in this annual report by reference. Copies of documents incorporated in this annual report by reference can be consulted on the company's website (www.retailstates.com).

6. OTHER NOTES

Rounding off to the nearest thousand can bring about discrepancies between the balance sheet and the income statement and the details presented below.

NOTE 1

The rise in rental income is mainly due to the growth of the real estate portfolio.

As a theoretical exercise, the following table shows how much rental income Retail Estates nv is certain to receive based on the current lease agreements.

Rental income (in € 000)	31.03.2020	31.03.2019
Within one year	115 025	101 459
Between one and five year(s)	358 688	336 886
Within more than five years	391 861	385 741

This does not alter the theoretical risk that all (Belgian) tenants may make use of their legal termination option at the end of the current three-year period. Taking into account this legal option, the weighted average remaining term is 1.93 years for the Belgian portfolio. Over the past three years, leases were renewed or new leases were concluded for 19.39% of the buildings. For this part of the portfolio, the average basic rental prices increased from € 72.27 to € 94.63 per m². The granting of rent-free periods is rather rare in the market of out-of-town retail real estate. In the past three years, and out of a portfolio of 969 properties, a total of 168 months of rent-free periods was granted, which is negligible. No other material incentives are given when entering into lease agreements.

Type of lease agreement

The Group concludes commercial rental contracts for its buildings in Belgium for a minimum period of nine years, which, in most cases, can be terminated by the tenant after the expiry of the third and the sixth year, subject to six months' notice prior to the expiry date. Standard lease agreements in the Netherlands have a five-year term.

The rents are usually paid in advance on a monthly basis (sometimes quarterly). They are indexed annually on the anniversary of the lease agreement. Taxes and levies, including property tax, the insurance premium and common charges, are in principle borne by the tenant. To guarantee compliance with the obligations imposed

on the tenant by virtue of the agreement, some tenants must provide a rental guarantee, usually in the form of a bank guarantee, corresponding to three months' rent.

At the start of the agreement, an inventory of fixtures is drawn up between the parties by an independent expert. Upon expiry of the agreement, the tenant must return the leased premises in the condition described in the inventory of fixtures that was drawn up when the tenant moved into the property, subject to normal wear and tear. The lessee is not entitled to transfer the lease nor to sublet all or part of the leased property without prior written consent of the lessor. The tenant must register the agreement at their own expense.

NOTE 2

Rental-related expenses (in € 000)	31.03.2020	31.03.2019
Rent payable for hired assets and lease costs	-50	-228
Impairments on trade receivables	-247	-202
Total rental-related expenses	-296	-430

NOTE 3

Recovery of charges and taxes normally payable by tenants on let properties (in € 000)	31.03.2020	31.03.2019
Recharging of rental charges borne by the owner	6 247	4 936
Recharging of real estate taxes and taxes on let properties	5 877	5 467
Total recovery of charges and taxes normally payable by tenants on let properties	12 124	10 403

NOTE 4

Charges normally payable by tenants on let properties (in € 000)	31.03.2020	31.03.2019
Rental charges borne by the owner	-6 507	-5 440
Real estate taxes and taxes on let properties	-6 998	-6 345
Total charges normally payable by tenants on let properties	-13 505	-11 786

The standard lease agreements usually provide for these expenses and taxes to be charged by the owner to the tenants. A number of the Group's lease agreements nevertheless state that some expenses and taxes remain payable by the owner.

These expenses and taxes principally include the costs of property tax, insurance and utilities.

The buildings (both existing buildings and those under construction) are covered by various insurance policies (providing cover for e.g. fire, storm and water damage) for a total value (new building value without land) of approximately € 911.88 million. This amount represents 54.82% of the fair value of the real estate on the same date (€ 1,663.54 million). The cover is limited to an amount determined by Retail Estates on the basis of the new building value. The value of the land must not be insured due to its nature. Non-current assets held for sale, on the other hand, are insured.

Insurance	31.03.2020	31.03.2019
Insurance premiums (in € 000)	986	845
Percentage of fair value covered by insurance	54.82	52.75

NOTE 5

Technical costs (in € 000)	31.03.2020	31.03.2019
Recurrent technical costs	-3 626	-2 858
Structural maintenance	-3 626	-2 858
Non-recurrent technical costs	-860	-971
Occasional maintenance	-871	-968
Claim events covered by insurance companies	-164	-237
Compensations received from insurance companies	175	235
Total technical costs	-4 486	-3 829

Structural maintenance principally covers regular renovation of car parks and roofs. Occasional maintenance, on the other hand, mainly includes unforeseeable costs for the structure of the let premises that are attributable to wear and tear, uninsured accidents and acts of vandalism.

NOTE 6

Commercial costs (in € 000)	31.03.2020	31.03.2019
Brokers' commissions	-91	-65
Publicity related to the properties	-452	-451
Lawyers' fees and legal costs	-275	-248
Other	-56	-107
Total commercial costs	-874	-870

Commercial costs mainly concern marketing events for the retail parks and fees for lease renewal negotiations and the preparation of permit applications.

NOTE 7

Charges and taxes on unlet properties (in € 000)	31.03.2020	31.03.2019
Vacancy charges of the financial year	-564	-117
Property tax on vacant buildings	-184	-189
Total charges and taxes on unlet properties	-748	-306

The costs and taxes relating to unlet buildings concern buildings that are vacant for a limited period of time in the context of a changeover between tenants and non-current assets under construction (mainly property tax). On 31 March 2020, the cost for vacant property was 0.70% of the rental income received, compared to 0.32% on 31 March 2019.

NOTE 8

Management costs are subdivided into portfolio management costs and other costs.

These costs mainly consist of the relevant personnel costs, the operating costs of Retail Estates nv's registered office and fees paid to third parties. Management fees received from tenants which partially cover the management costs of the properties are deducted.

Management costs (in € 000) - Internal property management costs	31.03.2020	31.03.2019
Office charges	-186	-255
IT	-118	-193
Other	-69	-62
Housing costs	-295	-216
Fees to third parties	-242	-305
Public relations, communication and advertising	-37	-20
Personnel expenses	-2 216	-1 773
Salaries	-1 484	-1 133
Social security	-266	-232
Pensions and collective insurances	-25	-14
Other	-441	-394
Management fees received from tenants	38	8
Taxes and legal costs		
Depreciation charges on office furniture, IT equipment and software		
Total property management costs	-2 939	-2 562

Personnel costs make up most of the management costs. The table below provides an overview of the employee count in FTE.

(in FTE)	31.03.20	31.03.2019
Property department	18.59	15.53
Total	31.60	26.50
Average	29.90	24.50

For more information about the personnel cost and the employee count for the 2018-2019 financial year we refer to p. 152 et seq. of the 2018-2019 Annual Financial Report.

For more information about the personnel cost and the employee count for the 2017-2018 financial year we refer to p. 140 et seq. of the 2017-2018 Annual Financial Report.

NOTE 9

Other property charges (in € 000)	31.03.2020	31.03.2019
Other property charges	-3	-18
Total other property charges	-3	-18

NOTE 10

The corporate operating costs include the fixed operating costs of the company, which operates as a legal entity that is listed on the stock market and benefits from the BE-REIT status. These costs are incurred in order to obtain transparent financial information, to be economically comparable with other types of investments and to offer investors the opportunity to participate indirectly in a diversified real estate investment in a liquid manner. A part of the costs incurred in the context of the company's growth strategy are also included in this category.

Corporate operating costs (in € 000)	31.03.2020	31.03.2019
Office charges	-175	-258
IT	-127	-218
Other	-48	-40
Housing costs	-194	-188
Fees to third parties	-531	-510
Recurrent	-230	-190
- Lawyers		
- Auditors	-239	-146
- Other	9	-44
Non-recurrent	-216	-311
- Lawyers	-23	-42
- Notary costs	-24	-52
- Consultants	-169	-218
Mergers and acquisitions (other than business combinations)	-85	-9
Public relations, communication and advertising	-129	-103
Personnel expenses	-1 177	-1 229
Salaries	-604	-634
Social security	-126	-141
Pensions and collective insurances	-39	-86
Other	-408	-368
Management fees	-1 250	-905
Remuneration of board of directors	-233	-242
Taxes and legal costs	-1 904	-1 712
Total operating costs	-5 593	-5 147

NOTE 11

Result on disposals of investment properties (in € 000)	31.03.2020	31.03.2019
Book value of sold real estate properties	7 678	44 933
Net sales price of investment properties (sales price - transaction costs)	8 275	45 587
Total benefit or loss on disposals of investment properties	597	654

In the past financial year, properties were divested for a net sales price of € 8.28 million. A capital gain of € 0.60 million was realised on these divestments. Overall, sales revenues represent a sales value that is in line with the investment value of the real estate expert and thus exceeds the fair value determined by the expert. For more information please refer to chapter 3 of this report (Management Report).

NOTE 12

Changes in fair value of investment properties (in € 000)	31.03.2020	31.03.2019
Positive change in investment properties	13 532	21 256
Negative change in investment properties	-18 716	-13 896
Total changes in fair value of investment properties	-5 183	7 361

Within the context of COVID-19 (see general comment on p. 7), the real estate experts took into account a rent-free period of 1 month for the businesses affected by the obligatory closure imposed by the government. The impact of this rent-free period amounted to € -6.61 and explains the negative variation of the real estate variation on 31 March 2020.

	31.03.2020	31.03.2019
Other result on portfolio	-298	-1 058

The other result on portfolio mainly relates to a variable price adjustment within the context of the acquisition of a real estate company. The added value of the real estate concerned was recorded on the line "positive variations in investment properties".

NOTE 13

Financial result (in € 000)	31.03.2020	31.03.2019
Collected interests and dividends	0	0
Other	55	93
Total financial result	55	93

NOTE 14

Net interest charges (in € 000)	31.03.2020	31.03.2019
Nominal interest on loans ¹	-19 372	-18 545
Other interest costs ²	97	66
Total net interest charges	-19 275	-18 479

¹ Also includes the interests on Interest Rate Swaps (financial instruments)..

² Capitalised interest costs on investment properties under construction. The interest rate used is 2.31%.

The weighted average interest rate amounts to 2.13% on 31 March 2020 and 2.31% on 31 March 2019 (including the interest costs of the hedging instruments concluded). The company has concluded almost all of its loans as fixed-rate investment loans or as long-term variable-rate loans, for which a fixed interest rate was negotiated via a swap agreement. The evolution of the interest cover ratio, the net rental income versus interest charges on loans amounts to 5.56 on 31 March 2020 compared to 5.12 the year before. The company agreed on a minimum interest cover ration of 2 with some of its bankers and bond holders. Please refer to note 35 for an overview of all swaps and caps.

If the hedging instruments concluded are not taken into account, the weighted average interest rate amounts to 1.44%.

NOTE 15

Other financial charges (in € 000)	31.03.2020	31.03.2019
Bank costs and other commissions	-96	-67
Total other financial charges	-96	-67

NOTE 16

Corporate income tax (in € 000)	31.03.2020	31.03.2019
Company	-550	-47
1. Corporate income tax	-550	-47
Tax rate of 29,58%	-62	-47
Previous year tax adjustment	-488	
2. Exit tax		
Subsidiaries	-2 494	-1 412
1. Corporate income tax	-2 870	-2 011
Current year taxes	-2 870	-2 011
Previous year tax adjustment		
2. Exit tax	376	600
Total corporate income tax	-3 044	-1 458

A BE-REIT is subject to corporate income tax solely in respect of non-tax deductible expenditure and abnormal benefits. Deferred taxes are recorded for the subsidiaries on the difference between the book value after depreciation in the statutory annual accounts of these subsidiaries and the fair value. These deferred taxes are recorded at a rate of 15% if the respective boards of directors of Retail Estates nv and the subsidiary intend to merge the subsidiary with the public BE-REIT.

The subsidiaries in the Netherlands fall outside the scope of the BE-REIT system or a similar Dutch system. The revenues of the Dutch companies are therefore taxed based on the applicable corporate tax rate (currently 25%).

NOTE 17

Number of shares	31.03.2020	31.03.2019
Movements of the number of shares		
Number of shares at the beginning of the financial year	11 422 593	9 489 661
Number of shares at the end of the financial year	12 630 414	11 422 593
Number of dividend bearing shares	12 630 414	11 422 593
Weighted average number of shares for diluted earnings per share	12 359 942	11 265 034

Capital increase via board of directors (in the context of authorised capital):

CAPITAL INCREASE BY MEANS OF CONTRIBUTION IN KIND

On 1 April 2019, a total of 68,000 new shares were issued at an issue price of € 65. The contribution relates to the remaining debt claim resulting from the purchase of the shares of the real estate companies Textiel D'Eer nv en Viafobel nv. The new shares have been sharing in the company's profit as from 1 April 2019.

On 24 June 2019, a total of 337,063 new shares were issued at an issue price of € 68.425. The capital increase relates to a non-monetary contribution within the context of an optional dividend. 67.87% of the shareholders opted for a subscription for new shares. The new shares have been sharing in the company's profit as from 1 April 2019.

On 26 June 2019, a total of 750,000 new shares were issued at an issue price of € 68.425. On the occasion of this capital increase, the contribution of a receivable with a contractual contribution value of € 51.32 million was established. The new shares have been sharing in the company's profit as from 1 April 2019.

On 22 July 2019, a total of 52,758 new shares were issued at an issue price of € 68.425. The contribution relates to the remaining debt claim with a contractual contribution value of € 3.61 million. The new shares have been sharing in the company's profit as from 1 April 2019.

As a result of these capital increases, the total capital of Retail Estates nv amounted to € 284,189,235.69 on 31 March 2020, represented by 12,630,414 fully paid ordinary shares.

NOTE 18

Calculation of distributable earnings (in € 000) - statutory	31.03.2020	31.03.2019
Net result	58 641	54 333
+ Depreciations	351	261
+ Impairments	456	461
- Reversal of impairments	-510	-397
- Reversal transferred and discounted rents		0
+/- Other non-monetary components	6 216	13 374
+/- Share in the non recurring result of holding incorporated using the equity method	1 077	-169
+/- Result on the disposal of investment properties	-471	719
+/- Changes in fair value of investment properties and investment properties under construction	3 647	-8 151
Adjusted result (A)	69 407	60 431
+/- Capital gains and losses realized on real estate during the financial year ¹	1 347	-111
- Capital gains realized on real estate during the financial year exempt from the mandatory payment subject to their reinvestment within a period of 4 years ¹	1 347	-111
+ Realized capital gains on real estate previously exempt from the mandatory payment and which were not reinvested within a 4-year period		
Net capital gains on realization of real estate not exempt from mandatory payment (B)		
Net reduction debt	0	0
Distributable result	69 407	60 431
Calculation of distributable earnings (in € 000) - consolidated	31.03.2020	31.03.2019
Net result	58 098	54 479
+ Depreciations	364	303
+ Impairments	591	664
- Reversal of impairments	-596	-463
- Reversal transferred and discounted rents		
+/- Other non-monetary components	6 216	13 374
+/- Result on the disposal of investment properties	-597	-654
+/- Changes in fair value of investment properties and investment properties under construction	5 481	-6 303
Adjusted result (A)	69 558	61 401
+/- Capital gains and losses realized on real estate during the financial year ¹	1 787	1 682
- Capital gains realized on real estate during the financial year exempt from the mandatory payment subject to their reinvestment within a period of 4 years ¹	1 787	1 682
+ Realized capital gains on real estate previously exempt from the mandatory payment and which were not reinvested within a 4-year period		
Net capital gains on realization of real estate not exempt from mandatory payment (B)		
Net reduction debt		
Distributable result	69 558	61 401

¹ ten opzichte van de aanschaffingswaarde vermeerderd met de geactiveerde investeringskosten

The other non-monetary elements, amounting to € 6.22 million, concern the variations in the fair value of the financial instruments. The variations in the fair value of investment properties and non-current assets under construction consist of the result on portfolio amounting to € 5.18 million on the one hand and the “other result on portfolio” on the other hand. The share in the non-distributable result of the subsidiaries relates to the variations in the fair value of the subsidiaries.

In accordance with article 13 of the BE-REIT Belgian Royal Decree, the BE-REIT must at least pay out the positive difference between the following amounts by way of reimbursement of capital :

1° 80% of the amount determined in accordance with the table incorporated into Chapter III of Annex C (BE-REIT Belgian Royal Decree); and

2° the net decrease over the financial year of the debt of the public BE-REIT.

NOTE 19

Calculation of pay-out ratio (in € 000) - statutory	31.03.2020	31.03.2019
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Ordinary net earnings	58 641	54 333
Diluted net earnings	58 641	54 333
Distributable earnings	69 407	60 431
Minimum profit distribution	55 526	48 345

Proposed gross dividend	55 574	48 546
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Pay-out ratio	80.07%	80.33%
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Calculation of pay-out ratio (in € 000) - consolidated	31.03.2020	31.03.2019
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Ordinary net earnings	58 098	54 479
Diluted net earnings	58 098	54 479
Distributable earnings	69 558	61 401
Minimum profit distribution	55 646	49 121

Proposed gross dividend	55 574	48 546
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Pay-out ratio	79.90%	79.06%
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NOTE 20

Investment and amortisation table (in € 000)	Intangible non-current assets		Other tangible non-current assets	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019

Acquisition value				
Balance at the end of the previous financial year	1 029	931	3 939	3 225
Acquisitions	1 071	98	4 056	431
Transfers and disposals of assets			-290	-238
Transfers to/from other accounts				521

At the end of the financial year	2 100	1 029	7 705	3 939
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Amortisation and impairment losses				
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Balance at the end of the previous financial year	886	815	1 127	1 106
Balance of acquired companies		2		-1
Amortisation ¹	72	69	292	234
Transfers and disposals of assets			-263	-212
Transfers to/from other accounts				0

At the end of the financial year	958	886	1 156	1 127
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Net book value	1 142	142	6 549	2 812
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¹ Amortisation of non-current intangible assets and other non-current tangible assets are recognised in the income statement under ‘property management costs’. The depreciation costs on cars are included in the personnel costs.

NOTE 21

Investment and revaluation table (in € 000)	Investment properties ¹		assets held for sale		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Balance at the end of the previous financial year	1 529 629	1 349 367	17 406	29 201	1 547 035	1 378 568
Acquisition through purchase real estate companies		120 881		3 375	0	124 256
"Acquisition through contribution real estate companies"						
Capitalised interest cost	39	66			39	66
Acquisition of investment properties	107 752	64 495			107 752	64 495
Investments that result from subsequent expenses included in the carrying amount of the asset	2 309	7 890	2		2 311	7 890
Contribution of investment properties	3 618				3 618	
Disposal through sale of real estate companies					0	0
Disposal of investment properties	-4 293	-17 363	-3 385	-27 570	-7 678	-44 933
Transfers to assets held for sale	-289	-14 343	180	14 343	-109	0
Other transfers	13 702	-2 787	-11 747		1 955	-2 787
Acquisition of investment properties under construction	13 958	12 119			13 958	12 119
Completion of investment properties under construction to portfolio	7 197	16 396			7 197	16 396
Transfer of investment properties under construction to portfolio	-7 351	-16 396			-7 351	-16 396
Change in fair value (+/-)	-4 518	9 304	-665	-1 943	-5 183	7 361
At the end of the financial year	1 661 753	1 529 629	1 791	17 406	1 663 544	1 547 035
OTHER INFORMATION						
Investment value of the property	1 719 120	1 579 292	1 807	18 761	1 720 927	1 598 053

¹ Including investment properties under construction (IAS 40).

Investments resulting from subsequent expenditure included in the book value of the assets amounted to € 2.30 million in financial year 2019-2020. In addition, the company realised € 7.20 million from the development of property for its own account and invested € 13.96 million in the development of property for its own account.

Where the evolutions in investment properties and the assets held for sale are concerned, please refer to the "Comments on the consolidated accounts for financial year 2019-2020".

As mentioned in the valuation rules, non-current assets under construction are included in the investment

properties, in accordance with the adjusted IAS 40 standard. If purchased, they are valued at the acquisition value, including incidental costs and non-deductible VAT.

If the Group believes that the fair value of the investment properties under construction cannot be determined in a reliable manner but assumes it will be possible to determine the fair value once the properties have been contracted, licensed and rented, the investment properties under construction will be recorded at cost price until the fair value can be determined (once they have been contracted, licensed and rented or until the construction is completed (whichever happens first)) in accordance with IAS 40.53. This fair value is based on

the valuation by the real estate expert after deduction of the works still to be performed.

IFRS 13

IFRS 13 introduced a uniform framework for valuation at fair value and the provision of information on valuation at fair value, where this valuation principle is obligatory or permitted on the basis of other IFRS standards. In this context, fair value is specifically defined as the price that would be received upon sale of an asset or that would have to be paid upon the transfer of an obligation in an arm's length transaction between market parties on the valuation date.

Investment properties are recorded at fair value. Fair value is determined on the basis of one of the following levels of the IFRS 13 hierarchy:

- Level 1: valuation based on quoted prices in active markets
- Level 2: valuation based on directly or indirectly observable (external) inputs
- Level 3: valuation entirely or partly based on unobservable (external) inputs

Investment properties fall under level 3 according to the IFRS 13 classification.

VALUATION METHODOLOGY

Investment properties are recorded on the basis of appraisal reports drawn up by independent expert real estate appraisers. Investment properties are valued at fair value. This fair value is based on the market value (i.e. corrected for transfer tax as described in the "Accounting policies" described above).

The methods used by the independent real estate appraisers are the following:

The investment value is generally calculated on the basis of a GIY (gross initial yield) capitalisation of the passing rent, taking into account possible corrections like estimated market rental value, vacancy, step-rents, rent-free periods etc. The gross initial yield depends on current output on the investment market, taking into account the location, the suitability of the site, the quality of the tenant and the building at the moment of the valuation.

In case of buildings where the property rights are divided in bare ownership on the one hand and rights of superficies or long lease rights on the other, the value of the superficies or long lease rights is determined by discounting (Discounted Cash Flow) the net rental income, i.e. after deduction of the superficies or ground rent, until the end of the long lease or superficies agreement.

The value of the bare ownership is determined by updating (Discounted Cash Flow) the periodical superficies or leasehold rent until the expiry date of this agreement.

Unobservable inputs for the determination of the fair value:

Country	Fair value	Method	Input	31.03.2020		31.03.2019	
				Range	Weighted average	Range	Weighted average
Belgium	Gross Initial Yield-capitalization		Annual rent (EUR/m ²)	33.86-249.68	103.87	34.67-296.01	101.45
			Capitalisation rate (%)	5.00%-9.25%	6.42%	5%-10%	6.42%
			Remaining lease duration (expiry date) (in months)	0m-528m	105m	0m-540m	107m
			Remaining lease duration (first break option) (in months)	0m-50m	24m	0m-42m	23m
			Vacancy (in months)	0m-12m	/	0m-12m	/
	DCF		Annual rent (EUR/m ²)	33.86-249.68	103.87	34.67-296.01	101.45
			Discount rate (%)	5.87%-8.6%	6.27%	6.85%-8.50%	7.70%
			Remaining lease duration (expiry date) (in months)	0m-528m	105m	0m-540m	107m
			Remaining lease duration (first break option) (in months)	0m-50m	24m	0m-42m	23m
			Vacancy (in months)	0m-12m	/	0m-12m	/
The Netherlands	Gross Initial Yield-capitalization		Annual rent (EUR/m ²)	34.35-225.44	98.1	53.36-198.94	95.94
			Capitalisation rate (%)	5.85%-11.33%	6.91%	5.86%-11.22%	6.99%
			Remaining lease duration (expiry date) (in months)	0m-120m	44m	0m-150m	44m
			Remaining lease duration (first break option) (in months)	0m-120m	44m	0m-150m	44m
			Vacancy (in months)	0m-12m	/	0m-12m	/

SENSITIVITY OF VALUATIONS

The sensitivity of the fair value in relation to changes in the significant unobservable inputs used to determine the fair value of the properties classified in level 3 (in accordance with the IFRS fair value hierarchy) is the following (ceteris paribus): the effect of the increase of the rental income by 1% leads to an increase in the portfolio's fair value by € 16.62 million. The effect of an increase (decrease) of the rental income by 2% or 5% is linear. The effect of an increase in the yield by 100 bps leads to a decrease in the portfolio's fair value by € 220.68 million. A decrease in the yield by 100 bps leads to an increase in the portfolio's fair value by € 300.50 million.

We find that the valuations on 31 March 2020 are represented on the basis of a "material uncertainty in relation to the variation" due to COVID-19. We refer to p. 7 of this report for an overview of the reports of the real estate experts. The real estate experts took

into account a loss of rental income of 1 month for the businesses affected by the obligatory closure imposed by the government. We also refer to the general comments on p. 7 of this annual report.

VALUATION PROCESS

The valuation process for real estate is determined by the CEO and the CFO after approval by the audit committee. They also decide on the independent real estate expert who will be appointed for the different parts of the real estate portfolio. Typically, contracts are entered into for a renewable term of three years. The fees of the real estate experts are determined for the term of their mandate and are not connected to the value of the properties that are the subject of the valuation.

An independent real estate expert is appointed for each country in order to ensure that the specific characteristics

of each geographic region are reflected correctly. The real estate portfolio is valued on a quarterly basis. The valuation method (see above) is determined by the real estate expert. The valuation cycle in the course of a financial year consists of a visit to the property, after which a detailed report is drawn up, as well as three desktop reviews.

The reports of the independent real estate experts are based on:

- Information provided by the company, such as current rents, terms and conditions of lease agreements, possible rent reductions, investments etc. This information originates from the financial and management system of the public BE-REIT and is governed by the company's general monitoring system.
- Assumptions and valuation models put forward by real estate experts. The assumptions mainly relate to the market situation and concern yields and discount rates. They are based on their professional assessment and perception of the market.

The information provided to the real estate experts and the assumptions and valuation models used are checked by the company's controller and the public BE-REIT's management. All material differences (positive as well as negative) in absolute and relevant terms (versus the previous quarter and versus the previous year) are compared and analysed every quarter. On this basis, the management meets with the real estate experts with a view to accurately and fully reflecting all information regarding the various sites in the valuations. Finally, the final valuations are presented to the audit committee.

IMPACT OF ACQUIRED COMPANIES

During the financial year 2019-2020 the remaining shares (50%) of the company Blovan were acquired for a total amount of € 2.25 million. In order to guarantee the sellers' involvement pending the redevelopment of the site, they are still entitled to a share of the operational profits. In addition, they still benefit from deferred added value if the site can be redeveloped for retail activities in the long term. Disposals during the past financial year resulted in a decrease in investment properties and non-current assets held for sale by € -7.68 million.

During financial year 2018-2019, the company acquired control of six real estate companies for a total amount of € 78.16 million. The acquisition of the companies was paid in cash or financed through the issuance of shares. This resulted in an increase in investment properties by € 120.88 million, a change in working capital of € 31.73 million and an increase in financial and other liabilities by € 15.04 million. Furthermore, the remaining shares (50%) of the companies Heerzele and NS Properties were acquired for a total amount of € 4.65 million and € 0.77 million respectively. Disposals during the financial year 2018-2019 resulted in a decrease in investment properties and non-current assets held for sale by € 44.93 million.

NOTE 22

Non-current assets or groups of assets held for sale (in € 000)		
	31.03.2020	31.03.2019
Assets held for sale	1 791	17 406
Total assets held for sale	1 791	17 406

Recorded under assets held for sale are those assets for which there is an intention to sell but the final deed of sale had not yet been executed. These assets are usually sold within a year. The sale is not expected to result in a decrease in value of these assets.

On 31 March 2020, these assets represent a fair value of € 1.79 million. This amount includes € 0.87 million for 2 retail properties en € 0.92 million in land positions. The decrease compared to last year can mainly be explained by the reversal of the logistics centre in Erembodedem to the property investments. As from 1 April 2019 properties are only transferred to the assets held for sale if a declaration of intent has been signed with the potential buyer.

NOTE 23**Trade receivables and doubtful debtors**

Trade receivables (in € 000)		
	31.03.2020	31.03.2019
Trade receivables	5 674	4 634
Invoices to be issued	1 372	755
Doubtful debtors	-1 567	-1 572
Income to be collected		0
Coupon real estate certificats		
Distri-Land	193	225
Other	13	8
Total trade receivables	5 686	4 051

Outstanding trade receivables amount to € 3.89 million. An amount of € 0.21 million relates to the revolving fund and the reserve fund. Taking into account the guarantees obtained – both rental guarantees and the requested bank guarantees – the credit risk concerning trade receivables is limited to approximately 0.08% of the outstanding amount on 31 March 2020, which corresponds to a risk of € 0.003 million (after deducting doubtful debtors).

For more details about the Distri-Land coupon please refer to the chapter 'Real estate certificates' in the valuation rules mentioned earlier in this financial report.

Impairment on doubtful debtors - roll forward (in € 000)		
	31.03.2020	31.03.2019
At the end of the previous financial year	-1 572	-1 352
From acquired companies		-26
Provisions	-597	-535
Recoveries	338	222
Write-offs	265	119
At the end of the financial year	-1 566	-1 572

The provision for doubtful debtors is established as follows: the rental arrears list is closely monitored internally. Based on a management assessment, or if obvious and demonstrable reasons exist to suggest that the claim cannot be recovered, a provision is created. Trade receivables are payable in cash. The table below shows an overview of the age structure of the trade receivables for which no value reduction was registered.

Trade receivables - Ageing (in € 000)		
	31.03.2020	31.03.2019
Due < 30 days	231	323
Due 30-90 days	126	314
Due > 90 days	-82	-85
Not due	3 618	2 141

Based on historical information and subject to significant changes in the doubtful debts, it appears that the accounting treatment of doubtful debts as referred to in IFRS 9 has no material impact on the financial statements.

NOTE 24

Tax receivables and other current assets (in € 000)		
	31.03.2020	31.03.2019
Taxes		
VAT receivable		
Withholding tax receivable		
Property tax receivable	1 898	2 246
Salary and social security		
Other	3 792	96
Total tax receivables and other current assets	5 690	2 342

NOTE 25

Cash and cash equivalents (in € 000)		
	31.03.2020	31.03.2019
Bank balances	98 082	3 163
Total cash and cash equivalents	98 082	3 163

NOTE 26

Deferred charges and accrued income (in € 000)		
	31.03.2020	31.03.2019
Completed, property returns not due	85	129
Rental discounts and rental benefits to be appropriated		
Property costs paid in advance	935	550
Interest and other financial costs paid in advance	451	529
Other	288	291
Total deferred charges and accrued income	1 759	1 500

The deferred charges mainly concern assurances and maintenance costs for the ERP software.

NOTE 27**Shareholders' equity****CAPITAL**

Capital evolution		Capital movement	Total remaining capital after the transaction	Number of shares created	Total number of shares
Date	Transaction	(in € 000)	(in € 000)		
12/07/1988	Incorporation	-	74	3 000	3 000
27/03/1998	IPO and 1st listing on Euronext Brussels	20 563	20 637	1 173 212	1 176 212
30/04/1999	Capital decrease (incorporation of losses)	-5 131	15 505	-	1 176 212
30/04/1999	Merger by acquisition	1 385	16 891	283 582	1 459 794
30/04/1999	Capital decrease (incorporation of losses)	-2 267	14 624	-	1 459 794
30/04/1999	Incorporation of losses	-174	14 451	-	1 459 794
30/04/1999	Incorporation of issue premium and revaluation gain	4 793	19 244	-	1 459 794
30/04/1999	Cash contribution	10 854	30 098	823 348	2 283 142
1/07/2003	Cash contribution	12 039	42 137	913 256	3 196 398
31/12/2003	Public bid on real estate certificates Distri-Land	4 907	47 043	372 216	3 568 614
5/11/2004	Partial incorporation of issue premium	33 250	80 294	-	3 568 614
5/11/2004	Annulment of 20 bearer shares	-1	80 293	-20	3 568 594
10/08/2005	Merger by absorption	1	80 294	130	3 568 724
21/11/2006	Merger by absorption	10	80 303	228	3 568 952
30/11/2007	Contribution in kind in the context of a partial split	3 804	84 107	169 047	3 737 999
30/06/2008	Contribution in kind in the context of a partial split	1 882	85 989	83 632	3 821 631
5/09/2008	Contribution in kind	534	86 523	23 750	3 845 381
30/04/2009	Contribution in kind	5 625	92 148	250 000	4 095 381
24/11/2009	Contribution in kind in the context of a partial split	6 944	99 092	308 623	4 404 004
5/02/2010	Contribution in kind	4 380	103 472	194 664	4 598 668
31/03/2010	Contribution in kind in the context of a partial split	910	104 382	40 459	4 639 127
05/05/2010	Contribution in kind	3 288	107 671	146 135	4 785 262
21/06/2010	Contribution in kind	2 662	110 332	118 293	4 903 555
30/11/2010	Contribution in kind	2 212	112 544	98 301	5 001 856
30/11/2010	Contribution in kind	1 280	113 824	56 872	5 058 728
30/11/2010	Contribution in kind	66	113 890	2 935	5 061 663
16/06/2011	Contribution in kind	1 989	115 879	88 397	5 150 060
27/06/2011	Contribution in kind	5 520	121 399	245 348	5 395 408
30/03/2012	Contribution in kind in the context of a partial split	937	122 336	41 666	5 437 074
4/07/2012	Contribution in kind	4 694	127 030	208 607	5 645 681
27/07/2012	Contribution in kind - stock optional dividend	3 768	130 798	167 441	5 813 122
28/06/2013	Contribution in kind	540	131 338	24 009	5 837 131
28/06/2013	Capital increase in cash	32 699	164 037	1 453 280	7 290 411
28/11/2014	Contribution in kind	6 054	170 091	269 062	7 559 473
28/05/2015	Capital increase in cash	28 345	198 436	1 259 740	8 819 213
29/01/2016	Contribution in kind	1 060	199 496	47 107	8 866 320
14/12/2016	Contribution in kind	2 604	202 100	115 735	8 982 055
14/12/2016	Contribution in kind	588	202 688	26 153	9 008 208
5/04/2017	Contribution in kind	3 924	206 612	174 404	9 182 612
29/06/2017	Contribution in kind	4 500	211 112	200 000	9 382 612
29/03/2018	Contribution in kind	1 890	213 002	83 973	9 466 585
29/03/2018	Contribution in kind	519	213 521	23 076	9 489 661
27/04/2018	Capital increase in cash	42 704	256 225	1 897 932	11 387 593
26/09/2018	Contribution in kind	788	257 013	35 000	11 422 593
1/04/2019	Contribution in kind	900	257 913	40 000	11 462 593
1/04/2019	Contribution in kind	630	258 543	28 000	11 490 593
24/06/2019	Contribution in kind - stock optional dividend	7 584	266 127	337 063	11 827 656
26/06/2019	Contribution in kind	16 875	283 002	750 000	12 577 656
22/07/2019	Contribution in kind	1 187	284 189	52 758	12 630 414

As per 31 March 2020, the registered capital amounts to € 284,189,235.69 and is represented by 12,630,414 shares. There are no preferred shares. Each of these shares represents one vote at the shareholders' meeting, and these shares represent the denominator for the notification in the context of the transparency declarations.

The difference between the registered capital as indicated above and the capital included in the consolidated balance sheet is explained by the capital increase costs, which were deducted in the consolidated balance sheet.

The capital has been paid up in full.

Please refer to article 6 of the articles of association of Retail Estates nv, as included in the chapter "Permanent document" of this report.

NOTE 28

Issue premium evolution (in € 000)		Issue premiums
Date	Transaction	
Previous financial year		260 174
1/04/19	Contribution in kind	1 700
1/04/19	Contribution in kind	1 190
24/06/19	Contribution in kind - stock optional dividend	15 479
26/06/2019	Contribution in kind	34 443
22/07/19	Contribution in kind	2 423
Total issue premiums 31/03/2020		315 410

NOTE 29

Other non-current financial liabilities (in € 000)		31.03.2020	31.03.2019
Authorised hedging instruments (also refer to note 35)		28 957	23 679
Other			2 748
Total other non-current financial liabilities		28 957	26 427

The decline of the 'Other' item related to the payment of the debt towards minority shareholders for the further acquisition of shares in Blovan nv not yet owned by Retail Estates nv and acquired in the course of this financial year.

NOTE 30

Trade debts and other current debts (in € 000)		31.03.2020	31.03.2019
Exit tax		959	7 975
Other		14 426	17 665
Trade debts		221	393
Invoices to be received		9 138	12 659
Taxes payable		4 297	4 068
Other current debts		770	544
Total trade debts and other current debts		15 385	25 640

The invoices to be received mainly concern work in progress relating to the real estate, property tax and joint costs of the retail parks that can be charged.

NOTE 31

Exit tax (in € 000)		31.03.2020
Balance at the end of the previous financial year		7 975
Increase during the financial year		742
Advance payments		-7 756
Assessments		-2
At the end of the financial year		959

The 'Exit tax' refers to the taxes payable on the deferred capital gains of acquired real estate companies that will have to be paid at the time of merger of those companies with the public BE-REIT Retail Estates nv. The table below gives an overview of the evolution of the exit tax owed versus the previous financial year.

NOTE 32

Other current liabilities (in € 000)		31.03.2020	31.03.2019
Dividends payable		34	34
Other		781	5 446
Total other current liabilities		815	5 479

The decrease by € 4.66 million is explained by the non-monetary contribution on 1 April 2019 of the debt claim that had come into being in the previous financial year on the occasion of the acquisition of the shares on the companies Textiel D'Eer and Viafobel.

NOTE 33

Accrued charges and deferred income (in € 000)	31.03.2020	31.03.2019
Property returns received in advance	5 368	5 696
Completed, not due interests and other financial costs	3 448	3 276
Other	389	394
Total accrued charges and deferred income	9 206	9 366

The deferred revenues mainly concern rents paid in advance.

NOTE 34

Breakdown by due date of credit lines (in € 000)	31.03.2020	31.03.2019
Non-current		
Bilateral loans - variable or fixed rate	642 707	622 200
Bond loan	159 217	84 593
Subtotal	801 924	706 793
Current		
Bilateral loans - variable or fixed rate	52 743	21 760
Treasury certificates	74 250	60 500
Subtotal	126 993	82 260
Total	928 917	789 053

Breakdown by maturity of non-current financial debts - future interest burden not included (in € 000)	31.03.2020	31.03.2019
---	------------	------------

Between one and two year(s)	91 638	87 743
Between two and five years	336 504	299 104
More than five years	373 781	319 946

Breakdown by the variable or fixed-rate nature of the loans (in € 000) ¹	31.03.2020	31.03.2019
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Variable rate loans	572 829	511 088
Fixed rate loans	356 088	277 965

¹ Without taking into account hedging instruments

Retail Estates nv has the following unused credit facilities (in € 000)	31.03.2020	31.03.2019
---	------------	------------

Expiring within one year	4 000	0
Expiring after one year	173 862	206 612

2 74,25 mio EUR of the unused credit lines is used as a backup line for the amounts withdrawn from the commercial paper program

Estimate of the future interest burden	Total future interest burden	31.03.2020	31.03.2019
--	------------------------------	------------	------------

Within one year	19 722	17 168
Between one and five year(s)	64 776	59 946
More than five years	15 860	17 015

Total	100 358	94 129
--------------	----------------	---------------

Over the course of the financial year, financial liabilities increased by a net amount of € 139.86 million. New loans were taken out or existing loans were extended for an amount of € 262.62 million while other loans expired and were repaid for an amount of € 122.76 million. In addition, there are costs linked to the issue of bonds that are incorporated into the result spread over time.

Non-current and current financial liabilities**STRUCTURE OF THE FINANCIAL DEBT:**

On 31 March 2020, total consolidated financial debt amounted to € 928.92 million.

This amount is composed as follows:

Non-current liabilities:

- € 642.71 million in traditional bilateral long-term bank loans, spread over several banks
- € 2.87 million in financial leases
- € 159.22 million in bond loans

(in € 000)	31.03.2020	31.03.2019
Bilateral loans	642.71	622.20
Financial leases	2.87	0
Bond loans	159.22	84.59

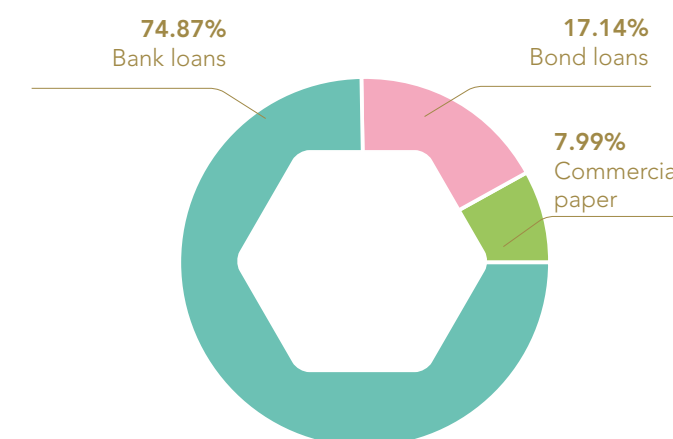
This is an increase by € 98.00 compared to last year. This increase can mainly be explained by the successful issue of a bond loan for an amount of € 75 million and a conversion of a long-term investment loan to a short-term investment loan of € 31.00 million. In addition, a revolving credit of approximately € 54 million was temporarily used at the end of the financial year to finance the acquisition of retail park "De Bossche Boulevard" on 7 April 2020.

Current liabilities:

- € 52.74 million in traditional bilateral short-term bank loans, spread over several banks
- € 74.25 million in Commercial Papers

(in € 000)	31.03.2020	31.03.2019
Bilateral loans	52.74	21.76
Commercial Paper	74.25	60.50

This is an increase by € 44.73 million compared to last year. This increase can mainly be explained by an increase of the commercial paper programme by € 13.75 million and the conversion of a long-term investment loan to a short-term investment loan of € 31.00 million.

STRUCTURE OF THE FINANCIAL DEBT:

85.62% of the loans have a fixed interest rate or are hedged using an interest rate swap contract. The estimate of the future interest burden takes into account the debt position as of 31 March 2020 and interest covers according to the contracts currently in progress. For the unhedged part of the liabilities for a total of € 133.54 million, the Euribor expectations on the date of this report and a banking margin were taken into account.

The company has issued 4 bond loans:

- € 30 million, issued on 23 April 2014 with a maturity of 7 years and at an interest rate of 3.56%.
- € 30 million, issued on 29 April 2016 with a maturity of 10 years, of which € 4 million at a fixed interest rate of 2.84% and € 26 million at a floating interest rate (Euribor 3 months + 2.25%)
- € 25 million, issued on 10 June 2016 with a maturity of 10 years and an interest rate of 2.84%.
- € 75 million, issued on 18 June 2019 with a maturity of 7 years and an interest rate of 2.15%.

Interest charges analysis – interest sensitivity

The degree to which Retail Estates nv can finance itself significantly impacts its profitability. Property investment generally entails a relatively high level of debt financing. To optimally limit this risk, Retail Estates nv applies a relatively cautious and conservative strategy (see above). This strategy ensures that a rise in the interest rate has no substantial impact on the total result. Interest rate increases or decreases nevertheless have an impact on the market value of the concluded IRS contracts and thus on shareholders' equity and changes in the fair value of financial assets and liabilities. If the interest rate were to rise by 1%, this would have a positive impact of € 32.32 million on shareholders' equity and changes in the fair value of financial assets and liabilities. € 30.54 million of this amount would be recorded via the income statement and € 1.78 million of this amount would be recorded directly under shareholders' equity. If interest rate were to decrease by 1%, this would have a negative impact

of € 29.30 million on shareholders' equity and changes in the fair value of financial assets and liabilities. € 27.73 million of this amount would be recorded via the income statement account and € 1,57 million would be recorded directly under shareholders' equity.

In principle, Retail Estates nv concludes an agreement with its banks for a debt ratio covenant of 60%.

Maturity dates

The weighted average term of the outstanding financial debts of Retail Estates was 4.42 years on 31 March 2020 compared to 4.83 years for the previous year. On 30 March 2020 the total of unused and confirmed long-term credit lines amounted to € 103.61 million. This is exclusive of the backup lines for the Commercial Paper programme amounting to € 100 million.

The categories correspond to the following financial instruments:

- A. Financial assets or liabilities (including receivables and loans) held to maturity at amortised cost.
- B. Investments held to maturity at amortised cost.
- C. Assets or liabilities held at fair value through profit and loss except for financial instruments designated as hedging instruments.

The aggregate financial instruments of the Group correspond to level 2 in the fair values hierarchy. Fair value valuation is carried out regularly.

Level 2 in the fair value hierarchy includes other financial assets and liabilities of which the fair value can be determined by reference to other inputs which are directly or indirectly observable for the relevant assets or liabilities.

The valuation techniques regarding the fair value of level 2 financial instruments are the following:

- The item "other financial liabilities" refers to interest rate swaps of which the fair value can be determined by means of interest rates applicable on active markets; these rates are generally provided by financial institutions.
- The fair value of the other level 2 financial assets and liabilities is virtually equal to their book value:

- because they have a short-term maturity (e.g. trade receivables and debts); or
- because they have a variable interest rate.

The fair value of debts with a fixed interest rate is estimated by discounting their future cash flows at a rate that reflects the Group's credit risk.

Financial instruments at amortised cost

Since trade receivables and trade debts are short-term instruments, the fair value approximates the nominal value of these financial assets and liabilities.

On 31 March 2020, Retail Estates nv has € 572.83 million of financial debts at a variable interest rate and € 356.09 million of financial debts at a fixed interest rate¹⁴.

¹⁴ The table presents the gross amounts (excl. activated costs).

85.62% of the loans have a fixed interest rate or are hedged using an interest rate swap contract. The fixed interest rates at which these long-term debts were originally concluded in most cases no longer correspond to prevailing money market rates, resulting in a difference between their book value and their fair value. The table below compares the total amount of fixed-rate debts at book value and at fair value at the end of the 2019-2020 financial year. The fair value of the fixed-rate debts is estimated by discounting their future cash flows at an interest rate that reflects the Group's credit risk. The fair value of the fixed-rate debts is mentioned in the table below. The book value is equal to the amortised cost. The financial debts with a variable rate have a book value that approximates their fair value.

Financial debts at fixed interest rate	31.03.2020		31.03.2019	
	Book value	Fair value	Book value	Fair value
Financial debts at fixed interest rate	356 088	360 416	277 965	287 617

Financial instruments at fair value

Fair value of financial assets and liabilities (in € 000)	31.03.2020	31.03.2019
Fair value of financial derivatives - Liabilities	-28 957	-23 679
Fair value of financial derivatives - Assets	0	187
Total fair value of financial assets and liabilities	-28 957	-23 493

The Group makes use of financial derivatives (interest rate swaps, floors and caps) to hedge interest rate risks arising from operational, financial and investment activities. Financial derivatives are initially recognised at cost and revalued to their fair value on the next reporting date. The derivatives currently used by Retail Estates nv qualify as cash flow hedges only to a limited extent. Changes in the fair value of the derivatives that do not qualify as cash flow hedges are recorded directly in the income statement. An amount of € 6.22 million was recorded in the income statement with respect to the financial instruments. An amount of € 0.58 million relates to the linear depreciation of the value on 31 December 2015 of the financial instruments that do not longer qualify as cash flow hedges, and € 5.64 million relate to the variations in fair value for the period of 1 April 2019 to 31 March 2020. Swaps qualifying as cash flow hedges

NOTE 35

Financial instruments on 31 March 2020

Summary of financial instruments as at closing date (in € 000)	Cate- gories	Level	31.03.2020		31.03.2019	
			Book value	Fair value	Book value	Fair value
I. Non-current assets						
Finance lease receivables	C	2	1 030	1 030	1 030	1 030
Loans and receivables	A	2	1 658	1 658	1 632	1 632
II. Current assets						
Trade receivables and other receivables	A	2	11 376	11 376	6 392	6 392
Cash and cash equivalents	B	2	98 082	98 082	3 163	3 163
Total financial instruments on the assets side of the balance sheet			112 147	112 147	12 217	12 217
I. Non-current liabilities						
Interest-bearing liabilities	A	2				
Credit institutions	A	2	642 707	643 933	622 200	628 107
Bond loan						
Other	A	2	159 217	162 319	84 593	88 338
Other non-current liabilities	A	2				
Other financial liabilities	C	2	28 957	28 957	26 428	26 428
II. Current liabilities						
Interest-bearing liabilities	A	2	126 993	126 993	82 260	82 260
Current trade debts and other debts	A/C	2/3	16 200	16 200	31 120	31 120
Total financial instruments on the liabilities side of the balance sheet			974 074	978 402	846 600	856 252

are recognised directly as shareholders' equity and are not recorded in the income statement. The interest rate swaps are level 2 instruments.

Overview of financial instruments:

Other non-current liabilities							
	Starting date	Ending date	Interest rate	Variable interest rate	Notional amount (in € 000)	Type of derivative	Hedge accounting
1	06/2016	06/2023	1.04%	Euribor 3 M +	25 000	IRS	NO
2	06/2016	06/2023	1.03%	Euribor 3 M +	10 000	IRS	NO
3	03/2009	12/2023	3.89%	Euribor 3 M +	3 997	IRS	NO
4	06/2017	06/2024	1.29%	Euribor 3 M +	35 000	IRS	NO
5	07/2016	04/2026	1.26%	Euribor 3 M +	26 000	IRS	YES
6	06/2017	06/2023	1.36%	Euribor 3 M +	14 000	IRS	NO
7	06/2016	06/2021	1.03%	Euribor 3 M +	25 000	IRS	YES
8	06/2019	06/2024	1.49%	Euribor 3 M +	30 000	IRS	NO
9	03/2018	03/2026	1.10%	Euribor 3 M +	20 000	IRS	NO
10	12/2018	12/2026	0.81%	Euribor 3 M +	60 000	IRS	NO
11	12/2018	12/2026	1.06%	Euribor 3 M +	25 000	IRS	NO
12	01/2018	01/2026	0.74%	Euribor 3 M +	25 000	IRS	NO
13	03/2018	03/2026	0.88%	Euribor 3 M +	25 000	IRS	NO
14	03/2018	03/2025	0.78%	Euribor 3 M +	25 000	IRS	NO
15	06/2016	06/2021	0.00%	Euribor 3 M +	25 000	FLOOR	YES
16	07/2016	04/2026	-2.25%	Euribor 3 M +	26 000	FLOOR	YES
17	03/2018	03/2026	0.00%	Euribor 3 M +	20 000	FLOOR	NO
18	12/2018	12/2026	0.00%	Euribor 3 M +	25 000	FLOOR	NO
19	07/2018	01/2023	0.80%	Euribor 3 M +	20 000	IRS	NO
20	07/2018	10/2025	1.52%	Euribor 3 M +	15 000	IRS	NO
21	09/2018	09/2022	0.91%	Euribor 3 M +	21 000	IRS	NO
22	10/2018	10/2024	1.19%	Euribor 3 M +	10 000	IRS	NO
23	03/2022	03/2024	0.52%	Euribor 3 M +	50 000	IRS	NO
24	10/2023	06/2026	0.68%	Euribor 3 M +	50 000	IRS	NO
25	12/2024	12/2028	0.70%	Euribor 3 M +	25 000	IRS	NO
26	12/2024	12/2028	0.72%	Euribor 3 M +	25 000	IRS	NO
27	03/2024	03/2029	0.34%	Euribor 3 M +	25 000	IRS	NO
28	03/2024	03/2029	0.37%	Euribor 3 M +	25 000	IRS	NO
29	06/2024	03/2029	0.06%	Euribor 3 M +	25 000	IRS	NO
30	06/2024	03/2029	0.03%	Euribor 3 M +	25 000	IRS	NO
31	06/2024	06/2029	0.00%	Euribor 3 M +	50 000	IRS	NO
32	03/2019	03/2022	0.00%	Euribor 3 M +	25 000	CAP	NO
33	12/2020	12/2022	0.25%	Euribor 3 M +	50 000	CAP	NO
34	12/2020	12/2023	0.25%	Euribor 3 M +	50 000	CAP	NO
35	12/2022	03/2025	0.25%	Euribor 3 M +	25 000	CAP	NO

Breakdown by maturity of liquidity obligation associated with the derivative products (in € 000)

31.03.2020

Between zero and two year(s)	11 391
Between two and five years	15 473
More than five years	6 662
Total	33 526

NOTE 36

Additional comments on the debt ratio development

Calculation debt ratio (in € 000)	31.03.2020	31.03.2019
Liabilities	986 149	855 966
To be excluded:	38 163	33 739
I. Non-current liabilities	28 957	24 373
Provisions		
Authorised hedging instruments	28 957	23 679
Deferred taxes	0	694
II. Current liabilities	9 206	9 366
Provisions		
Authorised hedging instruments		
Accrued charges and deferred income	9 206	9 366
Total debt	947 986	822 227
Net reduction debt		
Total assets	1 785 136	1 563 892
Authorised hedging instruments - assets	-	187
Total Assets taken into account for the calculation of the debt ratio	1 785 136	1 563 706
DEBT RATIO	53,10%	52,58%

Principle

Article 24 of the BE-REIT Belgian Royal Decree requires public BE-REITs to draw up a budget forecast with an implementation schedule when its consolidated debt ratio and that of its perimeter companies exceeds 50% of the consolidated assets. The budget forecast describes the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of consolidated assets.

A separate report on the budget forecast is prepared by the statutory auditor, confirming that the latter has verified the method of drawing up the forecast, particularly as regards the economic principles, and that the figures contained in this forecast correspond to the accounting records of the public BE-REIT.

The general guidelines of the budget forecast are included in the annual and half-yearly financial reports.

The annual and half-yearly financial reports describe the implementation of the budget forecast during the relevant period as well as its future implementation by the public BE-REIT and provide justification for this approach.

Notes regarding 2019-2020

Historical evolution of the debt ratio



Historically, the debt ratio of Retail Estates has fluctuated between 50-55%. In the course of its history, Retail Estates nv has never had a debt ratio exceeding 60%.

LONG-TERM EVOLUTION OF THE DEBT RATIO

The board of directors considers a debt ratio between 50% and 55% ideal for the shareholders of the public BE-REIT in terms of return and EPRA result per share. The impact of every investment on the debt ratio is reviewed and an investment is possibly not carried out if it would have a negative impact on the debt ratio.

Based on the current debt ratio of 53.10%, Retail Estates nv has an investment potential of € 307.74 million without exceeding a debt ratio of 60% (the company has concluded a covenant with a number of banks, stipulating that the debt ratio cannot exceed 60%). The impact of the acquisition of retail park "De Bossche Boulevard" is already included, as the credit lines for the purchase of this park were already drawn on 31 March 2020.

SHORT-TERM EVOLUTION OF THE DEBT RATIO

Every quarter, the board of directors is presented with a prognosis of how the debt ratio will evolve during the next quarter. The board also discusses any deviations

which may have occurred between the estimated and actual debt ratio during the previous quarter.

The projection of the debt ratio as per 30 June 2020 takes into account the following assumptions:

- **disposals in the first quarter of 2020-2021**
There are planned sales of EUR 2.2 million in total.
- **results of the first quarter of 2020-2021.**
The results of the first quarter as indicated in the 2020-2021 budget and as approved by the board of directors.
- **planned investments in the first quarter of 2020-2021**
Planned investments account for € 75.70 million in the first quarter of 2020-2021.

Based on the above-mentioned assumptions, the debt ratio would amount to 53.29% as per 30 June 2020.

A projection is also made of the debt ratio as per 31 March 2021. This projection takes into account the following assumptions:

- **disposals in financial year 2020-2021**
There are planned sales of EUR 2.2 million in total.
- **results of financial year 2020-2021**
The results of the financial year as indicated in the 2020-2021 budget and as approved by the board of directors.
- **planned investments in financial year 2020-2021**
Planned investments for the entire financial year account for € 90.91 million.

Taking into account the additional planned investments and the earnings expectations for the full year, the debt ratio would amount to 52.98% as per 31 March 2021.

The debt ratio projection only takes into account acquisitions and disposals for which a private agreement has been signed (without conditions precedent) as well as investments that have been planned and contracted out. Expiring credits are assumed to be refinanced for the same amount.

OTHER ELEMENTS THAT INFLUENCE THE DEBT RATIO

The valuation of the real estate portfolio also has an impact on the debt ratio. Considering the current capital basis, the maximum debt ratio of 65% would be exceeded in the event of a reduction in the fair value of investment properties by more than € 326.70 million. This reduction in value could be the result of an increase in the yield (if the rental values remain unchanged, the yield would have to increase by 1.60% in order to exceed the debt ratio) or a reduction in rents (if the yields remain unchanged, the rents would have to drop by € 21.33 million). Historically, the fair value of the real estate portfolio has always risen or has at least been stable since the company's incorporation. The evolution of these valuation in the next quarters is something that cannot be predicted due to the COVID-19 crisis. Expectations are that the vacancy rate in the sector, which is now relatively low, may increase, causing pressure on rental price levels. Moreover, it is not certain whether customers in all segments will be able to find sufficient financing to rent and decorate vacant properties. This may have a negative influence on the valuations, which in turn will inevitably have an impact on the debt ratio in case of weak operational results. If substantial value drops do take place that raise the debt ratio above 65%, Retail Estates nv can decide to dispose of some of its properties. Retail Estates NV has a solid track record of selling properties at their estimated investment value. For more information please refer to chapter 3 of this report, "Management Report". On average, these properties were sold at their estimated investment value.

Retail Estates can also strengthen its balance by issuing an optional dividend or by making use of the possibility for BE-REITs to make a capital increase via accelerated bookbuilding (ABB), as provided in the BE-REIT Act. At the extraordinary general meeting of 23 december 2019, the authorised capital authorisation was extended and the articles of association were adjusted to make the application of the accelerated bookbuilding procedure possible for Retail Estates nv.

Conclusion

Retail Estates nv is of the opinion that, based on

- the historical evolution of the public BE-REIT,
- its track record as regards sales,
- the possibilities described above to strengthen the balance sheet

no additional measures need to be taken to prevent the debt ratio from exceeding 65%. The public BE-REIT intends to maintain the debt ratio between 50% and 55%. Based on the above-mentioned assumptions, the debt ratio would amount to 53.29% as per 30 June 2020. This level is evaluated regularly and will be reviewed by the board of directors if deemed necessary in the light of changing market conditions or environmental factors.

NOTE 37

Related parties

The company's related parties are its subsidiaries and its directors and executive officers. Transactions with subsidiaries are eliminated in the consolidation.

The Company has not concluded any transactions with related parties (as defined under IFRS) during the financial years 2018/2019 and 2019/2020, nor in the period between 1 April 2020 and the date of this report.

Directors and executive officers

The remuneration for directors and executive officers is recorded under "corporate operating costs" (see note 10).

(in € 000)	31.03.2020	31.03.2019
Directors	1 483	1 147
Total	1 483	1 147

NOTE 38

Auditor's fee (VAT excl.)	31.03.2020	31.03.2019
Remuneration of the auditor for the audit assignment	109	104
Remuneration for exceptional duties or special assignments		
- Other audit assignments	18	6
- Tax consultancy assignments		
- Other assignments outside the audit assignment	15	44

In compliance with paragraph article 3:64 of the Belgian Code of Companies and Associations, the 70% rule needs to be assessed at the level of Retail Estates nv. It was not exceeded. No assignments were carried out in addition to the audit assignments.

NOTE 39

Acquired real estate companies and investment properties

AS PER 31.03.2020

Acquisitions and completed own developments in financial year 2019-2020 resulted in an increase of the real estate portfolio by € 118.57 million. As a result of these investments, total rental income increased by € 5.68 million in financial year 2019-2020. If the acquisitions had taken place on 1 April 2019, the rental income would have increased by € 7.85 million. The operating result increased by € 4.83 million as a result of these investments. Please refer to the management report for more information on the structuring and financing of these acquisitions.

AS PER 31.03.2019

Acquisitions and completed own developments in financial year 2018-2019 resulted in an increase of the real estate portfolio by € 201.77 million. As a result of these investments, total rental income increased by € 5.45 million in financial year 2018-2019. If the acquisitions had taken place on 1 April 2018, the rental income would have increased by € 12.25 million. The operating result increased by € 4.64 million as a result of these investments. Please refer to the management report in the 2018-2019 annual report for more information on the structuring and financing of these acquisitions.

Sold real estate companies and investment properties

AS PER 31.03.2020

Disposals were made during the 2019-2020 financial year for a net sale price of € 8.28 million, which resulted in a decrease in investment properties by € -4.29 million and a decrease in assets held for sale by € -3.38. Rental income declined by € 0.11 million as a result of these disposals. If the disposals had taken place on 1 April 2019, the rental income would have decreased by € 0.28 million.

AS PER 31.03.2019

Disposals were made during the 2018-2019 financial year for a net sale price of € 45.59 million, which resulted in a decrease in investment properties by € 17.36 million and a decrease in assets held for sale by € 27.57. Rental income declined by € 1.41 million as a result of these disposals. If the disposals had taken place on 1 April 2018, the rental income would have decreased by € 2.70 million.

NOTE 40**Events after the balance sheet date****ACQUISITION OF RETAIL PARK "DE BOSSCHE BOULEVARD"**

On 7 April 2020 Retail Estates acquired the retail park "De Bossche Boulevard", situated in 's-Hertogenbosch (the Netherlands – province of North Brabant). This retail park has a surface area of approximately 50,000 m² and has a strong regional appeal in an area of 960,000 inhabitants living a 20 minutes' drive or less away. The city of Den Bosch itself has 154,000 inhabitants, accounting for the largest group of customers. The customer zone is located in the centre of the Breda-Utrecht-Eindhoven triangle. Together with the Randstad region and the province of Limburg, this is the area where Retail Estates concentrates its investments in the Netherlands on account of the strong purchasing power present in the region and its economic performance.

De Bossche Boulevard comprises 29 retail units, all of which are let, mainly to retail chains like Praxis, Mediamarkt, Leen Bakker, Kwantum, Prenatal and X₂O. It's a retail park of the latest generation, where not only large-scale retail activities are allowed, but where electric appliances, sports articles and baby items can be sold as well. The net rental income amounts to € 4.525 million, which comes down to an average rent of € 93/m². This amount is below the national average and that of the other retail parks owned by Retail Estates in the Netherlands.

The amount invested is € 68.70 million and the fair value calculated by the real estate expert Cushman & Wakefield amounts to € 65.42 million. This acquisition is entirely financed with the proceeds of the successful issue of a bond loan of € 75 million, which was completed by Retail Estates in late December 2019.

PURCHASE OF RETAIL PARK BELVÉDÈRE MAASTRICHT**(NETHERLANDS, PROVINCE OF LIMBURG)**

On 13 February 2020 Retail Estates entered into an agreement with a view to the purchase of the retail park Belvédère (phase 1), currently under construction in Maastricht. The complex will consist of 7,850 m² of retail area subdivided into five retail units, which will all be let to retail chains from the home decoration section (i.a. Jysk, Beter Bed, Leen Bakker, Carpetright). The retail properties were completed on 1 June 2020, and Retail Estates subsequently acquired the buildings.

Rental agreements have been entered into for a period of 10 years, with an option for 5-year extensions. The investment amounts to € 10 million (exclusive of recoverable VAT) and generates a rental income of € 0.66 million. The real estate expert Cushman & Wakefield set the fair value at € 9.97 million.

Maastricht is the capital of the Dutch province of Limburg and is known in the retail sector as one of the best shopping areas in the Netherlands. Its historic city centre attracts customers from beyond the Dutch borders. The city itself has approximately 121,000 inhabitants and is situated in a prosperous region, extending from Amsterdam over the Randstad region to the Southern Netherlands, where Retail Estates concentrates its investments.

The construction of the Belvédère retail park is part of the Belvédère urban development plan, within the context of which the city of Maastricht aims at the reconversion of derelict industrial estates with a surface area of approximately 300 ha. This development plan previously led to the conversion of a major industrial heritage site, the Sphinx factory, into a new city district that also accommodates retail trade in the form of a branch of Loods 5, a large-scale home decoration store. Conversely, the Belvédère retail park will be constructed at a new business site that was created after the demolition of industrial buildings. The city of Maastricht is one of the last Dutch cities to grant permits for a retail park destined for large-scale retail trade. Retail Estates therefore regards this acquisition as a great opportunity, increasing the total number of retail parks in the Netherlands to nine.

The development of this new complex in retail park Belvédère was made possible by K&F Ontwikkeling BV, which is part of the K&F Group and owned by J.J. Krimpenfort, who became a reference on the Dutch out-of-town retail market after having expanded the retail network of Carpetright from a local to a national player. Over the past 20 years, he has extended his activities to project development and advice to national retailers.

COVID – 19

During the first quarter of the calendar year 2020, the COVID-19 virus spread on an unprecedented scale in Europe. Public life came to an almost complete standstill and retail trade in particular was seriously affected. In Belgium the government decided to close all non-essential businesses. The closure took effect on 19 March 2020 and ended on 11 May 2020. The Dutch government decided to leave entrepreneurs freedom to take the initiative and limits itself to inciting citizens to display socially responsible behaviour. As a result, the businesses in the retail parks have remained open, with some exceptions. There is a general concern among entrepreneurs that the epidemic will return and in particular that a new lockdown will be imposed. This is a risk that cannot be excluded as long as no vaccine can be distributed on a large scale.

The compulsory closure has led to considerable pressure on liquidity with the tenants, leading to major arrears in payment of the rent. In addition, it is to be expected that long-term temporary unemployment, potentially followed by dismissals, will cause a loss of confidence with the consumer. This means that it may take until October 2020 for the retail trade to experience a reasonable recovery. The company concluded commercial agreements granting payment facilities with its client for a period of three months (April – May – June 2020). For the period of compulsory closure, agreements were concluded on a selective basis with a view to partially reduce the rental charges. This effort is currently clear and can be delivered by the company. Based on the information currently available, this will be a temporary effort. It is nevertheless impossible to assess how the liquidity and solvency of our customers will evolve over a period of twelve months and to what extent they will benefit from government aid. That is why the company has cut its variable costs wherever possible.

Where the valuation by our real estate expert is concerned, we find that the valuations on 31 March 2020 are represented on the basis of a "material uncertainty in relation to the valuation". We refer to page 146 of this report for an overview of the reports of the real estate experts. The real estate experts took into account a rent-free period of 1 month for the businesses affected by the obligatory closure imposed by the government.

The evolution of these valuation in the next quarters is something that cannot be predicted. Expectations are that the vacancy rate in the sector, which is now relatively low, may increase, causing pressure on rental price levels. Moreover, it is not certain whether customers in all segments will be able to find sufficient financing to rent and decorate vacant properties. This may have a negative influence on the valuations, which in turn will inevitably have an impact on the debt ratio in case of weak operational results.

Retail Estates closed its 2019-2020 financial year on 31 March 2020 with a strong operational basis, which was hardly affected by the corona crisis. The majority of the rents for March 2020 had already been paid. The occupancy rate of 97.92% is also a sign of the health of the portfolio. The start of the corona crisis affected the company at a time when the operational results were strong. This will give the company the resilience and flexibility required to face this crisis, more than other real estate companies in the same sector. In addition, the company had the financial means that were required to complete the announced acquisition of two retail parks at Den Bosch (completed on 7 April 2020) and Maastricht (completed on 2 June 2020) respectively. The proceeds of the € 75 million bond loan issued in December 2019 had been reserved for that purpose. In the light of the above, Retail Estates confirms its dividend prognosis of € 4.4 for the closed 2019-2020 financial year.

NOTE 41**List of consolidated companies and changes in the circle of consolidation**

As per 31 March 2020, the following subsidiaries are part of the consolidation perimeter of Retail Estates nv:

Subsidiary	External financial debts ¹ (in € 000)	Investment properties ¹ (in € 000)	Rental income ² (in € 000)	Participation percentage
Retail Warehousing Invest nv		112 578	3 789	100%
NS Properties bvba		1 304	80	100%
Finsbury Properties nv		11 305	769	100%
Retail Estates Nederland		57 372	4 684	100%
Coöperatieve Leiderdorp		0	20	100%
Cruquius Invest		73 937	4 995	100%
Spijkenisse Invest	10 250	43 742	3 069	100%
Heerlen I Invest		56 497	4 008	100%
Heerlen II Invest		54 613	3 744	100%
Retail Estates Middelburg		31 110	2 352	100%
Breda I Invest		37 794	2 053	100%
Breda II Invest		22 989	1 244	100%
Naaldwijk Invest		19 248	1 250	100%
Zaandam Invest		13 217	778	100%
Osbroek Invest				100%

¹ Value at closing date of the consolidated figures (31.03.2020).

² For the period the companies are part of the Group in the current financial year.

In the course of the past financial year, five Dutch subsidiaries were established for the purchase of Dutch real estate. In the course of the past financial year, the board of directors of Retail Estates established the mergers by acquisition of Etablissementen Hayen nv, Textiel D'Eer nv, Viafobel nv, RP Arlon nv, RP Hasselt nv, Mons LGP 2 nv and Blovan nv.

Please refer to the Management Report of this annual report for more information.

None of these acquisitions were considered a business combination under IFRS 3, based on the conclusion that this definition is not applicable given the nature and the size of the acquired companies. The companies in question owned a limited number of properties. Their employees have not been retained and their activities have been discontinued.

The companies Retail Estates Nederland, Coöperatieve Leiderdorp, Cruquius Invest, Spijkenisse Invest, Heerlen I Invest, Heerlen II Invest, Breda I Invest, Breda II Invest, Zaandam Invest, Naaldwijk Invest, Osbroek Invest and Retail Estates Middelburg were incorporated in the Netherlands. The other companies were incorporated in Belgium.

NOTE 42**Determination of the amount in accordance with Article 7:212 of the Belgian Code of Companies and Associations**

The amount of the paid-up capital as referred to in article 7:212 of the Belgian Code of Companies and Associations or, if higher, the amount of the called-up capital increased by all the reserves which cannot

be distributed in accordance with the law or with the provisions of the articles of association, is determined in Article 13, §1, of the BE-REIT Belgian Royal Decree.

This calculation is carried out on the basis of the statutory annual accounts of Retail Estates nv.

(in € 000)	31.03.2020	31.03.2019
Non-distributable elements of the shareholders' equity before distribution of results	654 401	587 454
Paid-up capital	275 801	257 012
Non-available issue premiums pursuant to the articles of association	315 410	260 174
Reserve for the positive balance of the variations of the fair value of real estate	115 186	104 922
Reserve for the impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties	-28 633	-24 150
Reserve for the balance of the changes in fair value of authorised hedging instruments qualifying for hedge accounting	-2 739	-2 672
Reserve for the balance of the changes in fair value of authorised hedging instruments not qualifying for hedge accounting	-20 629	-7 833
Other reserves	5	1
Profit and loss of the financial year that must be allocated to the non-distributable reserves in accordance with Article 13, §1, of the RREC R.D.	-10 940	-5 054
Result on portfolio	-3 647	8 151
Share in the non recurring result of holding incorporated using the equity method	-1 077	169
Changes in fair value of financial assets and liabilities	-6 216	-13 374
Total shareholders' equity, statutory, non-distributable	643 461	582 400
Shareholders' equity, statutory	796 259	704 711
Planned dividend distribution	55 574	48 546
Shareholders' equity, statutory, after distribution of dividends	740 685	656 165
Remaining reserve after distribution	97 225	73 765

Retail Estates applies the look-through approach with respect to its distribution obligation. The look-through approach can be described as a consolidation approach in the statutory annual accounts at the level of the distribution obligation, the appropriation of results and the distribution restrictions. The share in the results of the shareholdings is allocated to the unavailable and available reserves as if it concerned the results of the parent BE-REIT.

On 31 March 2020 the share in the result of the shareholdings that was processed in accordance with the change in equity method amounted to € 18.39 million. Of this amount, € -1.08 million will be added to the reserves for the balance of the change in fair value of the real estate and € 19.46 million will be added to the result carried forward.

Segmented information

IFRS 8 defines an operating segment as follows: an operating segment is a component of the entity (IFRS 8.5):

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of an same entity);
- whose operating results are reviewed regularly by the entity's chief operating decision maker (CODM) to take decisions about resources to be allocated to the

segment and assess its performance; and

- for which discrete financial information is available.

Since the 2018-2019 financial year, Retail Estates has distinguished between two geographical segments: Belgium and the Netherlands.

The management committee acts as CODM within Retail Estates.

NOTE 43

Segmented information – Profit & Loss

Segmented information – results by segment (in € 000)	31.03.2020				31.03.2019			
	Belgium	The Netherlands	Unallocated amounts	TOTAL	Belgium	The Netherlands	Unallocated amounts	TOTAL
Rental income	79 713	28 197		107 910	73 438	21 972		95 411
Rental related expenses	-270	-27		-296	-283	-147		-430
Net rental income	79 443	28 170		107 614	73 155	21 825		94 981
Recovery of property expenses								
Recovery of rental charges and taxes normally payable by tenants on let properties	8 795	3 329		12 124	7 663	2 739		10 403
Rental charges and taxes normally payable by tenants on let properties	-9 244	-4 261		-13 505	-8 205	-3 580		-11 786
Other rental related income and expenses	-32	3		-29	-48	-10		-58
Property result	78 962	27 241		106 204	72 565	20 974		93 539
Technical costs	-3 052	-1 434		-4 486	-2 746	-1 083		-3 829
Commercial costs	-771	-103		-874	-756	-114		-870
Charges and taxes on unlet properties	-633	-116		-748	-220	-86		-306
Property management costs	-2 171	-769		-2 939	-1 907	-655		-2 562
Other property costs	-3	0		-3	-18	0		-18
Property costs	-6 629	-2 422		-9 051	-3 902	-3 684		-7 586
Operating property result	72 333	24 819		97 152	68 663	17 290		85 954
Operating corporate costs			-5 593	-5 593			-5 147	-5 147
Other current operating income and expenses								
Operating result before result on portfolio				91 560				80 807

Segmented information – results by segment (sequel) (in € 000)	31.03.2020				31.03.2019			
	Belgium	The Netherlands	Unallocated amounts	TOTAL	Belgium	The Netherlands	Unallocated amounts	TOTAL
Result on disposals of investment properties	595	2		597	-309	964		654
Result on sales of other non-financial assets								
Changes in fair value of investment properties	1 152	-6 335		-5 183	10 407	-3 046		7 361
Other result on portfolio	-451	153		-298	-902	-156		-1 058
Operating result				86 675				87 764
Financial income			54	54			93	93
Net interest charges			-19 275	-19 275			-18 479	-18 479
Changes in fair value of financial assets and liabilities			-6 216	-6 216			-13 374	-13 374
Other financial charges			-96	-96			-67	-67
Financial result			-25 533	-25 533			-31 827	-31 826
Result before taxes				61 142				55 937
Taxes	-583	-2 461		-3 044	198	-1 656		-1 458
Net result				58 098				54 479

Segmented information

Segmented information – assets by segment (in € 000)	31.03.2020			31.03.2019		
	Belgium	The Netherlands	TOTAL	Belgium	The Netherlands	TOTAL
Investment properties ¹	1 251 233	410 519	1 661 752	1 217 504	312 125	1 529 629
Non-current assets or groups of assets held for sale	1 791		1 791	16 437	969	17 406

¹ Including investment properties under construction (IAS 40).

NOTE 44

Key sources of estimation uncertainty in accordance with IAS 1.125:

The implementation of the Group's accounting policies includes important evaluations in the field of classification of lease contracts and acquisition of shares in regulated real estate companies. Accounting estimates are used when the Group determines the fair value of its investment properties and financial instruments. The most important principles for the performance of assessments are based on the Group's experience and the contribution of the real estate experts.

The key sources of estimation uncertainty are discussed in notes 21 (investment properties), 35 (financial instruments) and 41 (list of consolidated companies).

7. STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF THE COMPANY RETAIL ESTATES NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Retail Estates NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 23 July 2018, following the proposal formulated by the board of directors. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 March 2021. We have performed the statutory audit of the Company's consolidated accounts for 5 consecutive years.

REPORT ON THE CONSOLIDATED ACCOUNTS UNQUALIFIED OPINION

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated balance sheet as at 31 March 2020, the consolidated income statement and other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated balance sheet total of EUR'000 1.785.136 and a consolidated net result for the year of EUR'000 58.098.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 March 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted

by the European Union and with the legal and regulatory requirements applicable in Belgium.

BASIS FOR UNQUALIFIED OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated accounts" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

EMPHASIS OF MATTER - SUBSEQUENT EVENT

As far as the outbreak of COVID 19 is concerned, we draw your attention to page 7 of the directors' report and note 40 ("Subsequent events") of the consolidated annual accounts in which the board of directors expresses their view that, although the consequences thereof may still have a significant impact on the Company's operations after year-end. Our opinion is not qualified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

VALUATION OF THE INVESTMENT PROPERTIES KEY AUDIT MATTERS

The company recorded investment property on the assets side of the balance sheet at 31 March 2020 for a total sum of EUR '000' 1.661.753. IFRS-standards require investment property to be stated at fair value. The measurement of that fair value strongly depends on a number of selected parameters, the most important ones being the rental value of the property, the occupation rate, the discount rate and the estimated costs of maintenance and repair.

As required by legislation applicable to regulated real estate companies, the investment properties are valued by an external appraiser.

In their report as of 31 March 2020, the external appraisers draw the attention to an important uncertainty in view of the effects of the corona virus on the future valuation of the investment property. This uncertainty mainly relates to the future macro-economic consequences of the current Covid-19 pandemic, with regard to potential tenant treasury and continuity problems and, in the longer term, relationship between supply and demand of commercial properties and the resulting risk on vacancy.

The valuation of the investment property is a key audit matter in our audit of the Consolidated Financial Statements due to their material significance relative to the financial statements on the one hand and the level of judgment inherent in the valuation process on the other.

For additional information on the valuation of the investment property, please refer to Notes 21 and 22 of these Consolidated Financial Statements.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER?

In assessing the reliability of the third-party valuation and the reasonableness of the parameters used, we performed the following procedures:

- We assessed the objectivity, independence and competence of the external appraisers.
- For a sample of buildings, we tested the reasonableness of the parameters used by comparing the external appraisers' parameters with those used by our internal appraisers. Where these parameters differed significantly from the ones used by the external appraiser, the impact of the difference on the fair value was determined on the basis of the individual property investment but also on the basis of the aggregate property portfolio.

In addition, as regards the fair value changes compared to 31 March 2019, we analysed the reasonableness of the underlying parameters.

As regards the Dutch valuation, we asked our Dutch internal experts to assist us in carrying out the above procedures.

- We also compared the recoverable amount of the investment properties that were sold in the course of the financial year with their respective fair values as reported in the latest financial statements before the time of disposal.
- We have evaluated whether the uncertainty referred to by the external valuers was correctly disclosed in the annual report and in the notes to the Consolidated Financial Statements.
- Finally we checked whether the disclosures in the notes to the Consolidated Financial Statements are in compliance with IFRS.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE PREPARATION OF THE CONSOLIDATED ACCOUNTS

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determine is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

STATUTORY AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED ACCOUNTS

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement

of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts.

STATUTORY AUDITOR'S RESPONSIBILITIES

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts and to report on these matters.

ASPECTS RELATED TO THE DIRECTORS' REPORT ON THE CONSOLIDATED ACCOUNTS AND TO THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts, containing:

- Risk factors
- Letter to the shareholders
- Management report
- Retail Estates on the stock exchange
- Real Estate report
- Permanent document
- Miscellaneous

contain a material misstatement or information which is incorrectly stated or otherwise misleading. In the light of the work we have carried out, we have no material deviation to report.

STATEMENT RELATED TO INDEPENDENCE

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

OTHER STATEMENTS

- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Sint-Stevens-Woluwe, 12 June 2020

The statutory auditor

PwC Reviseurs d'Entreprises SRL /
PwC Bedrijfsrevisoren BV

Represented by

Damien Walgrave
Réviseur d'Entreprises / Bedrijfsrevisor

For the report of the Auditor to the General Meeting of Shareholders on the consolidated financial statements for the financial year closed on 31 March 2019, we refer to page 182 et seq. of the 2018-2019 annual report.

For the report of the Auditor to the General Meeting of Shareholders on the consolidated financial statements for the financial year closed on 31 March 2018, we refer to page 166 et seq. of the 2017-2018 annual report.

8. A. STATUTORY INCOME STATEMENT

Chapters 9 to 12 contain an abridged version of the statutory annual accounts. The integral version of the statutory annual accounts as well as the related reports can be consulted on the website of Retail Estates (www.retailstates.com) or can be obtained free of charge upon request.

The auditor has delivered an unqualified statement for the statutory annual accounts.

INCOME STATEMENT (in € 000)	31.03.2020	31.03.2019
Rental income	69 264	66 409
Rental related expenses	-333	-356
Net rental income	68 931	66 053
Recovery of property expenses		
Recovery of rental charges and taxes normally payable by tenants on let properties	7 211	6 739
Rental charges and taxes normally payable by tenants on let properties	-7 677	-7 196
Other rental related income and expenses	-30	-25
Property result	68 435	65 571
Technical costs	-2 950	-2 563
Commercial costs	-716	-712
Charges and taxes on unlet properties	-621	-191
Property management costs	1 288	644
Other property costs	-3	-18
Property costs	-3 002	-2 840
Operating property result	65 432	62 731
Operating corporate costs	-4 729	-4 307
Other current operating income and expenses		
Operating result before result on portfolio	60 703	58 424
Result on disposals of investment properties	471	-719
Result on sales of other non-financial assets		
Changes in fair value of investment properties	-3 377	8 151
Other result on portfolio	-270	

INCOME STATEMENT (in € 000)	31.03.2020	31.03.2019
Operating result	57 527	65 856
Financial income	8 366	6 479
Net interest charges	-18 850	-18 171
Changes in fair value of financial assets and liabilities	-6 216	-13 374
Other financial charges	-68	-55
Financial result	-16 769	-25 121
Share in the result of holding incorporated using the equity method ⁽¹⁾	18 387	12 798
Result before taxes	59 145	53 533
Taxes	-505	801
Net result	58 640	54 333
Note:		
EPRA earnings	69 110	60 106
Result on portfolio	-3 176	7 432
Changes in fair value of financial assets and liabilities	-6 216	-13 374
Share in the non recurring result of holding incorporated using the equity method	-1 077	169

(1) Until 31 March 2019, the holdings of the subsidiaries were valued as financial instruments as per IFRS 9. Since 1 April 2019, the holdings have been valued using the equity method as per IAS 28. Due to this change in the valuation rules, the dividend paid out from the holdings is recognised as a reduction in the book value of the holding, and the result of the affiliated companies is recognised under the section "Share in the result of holdings incorporated using the equity method". The subsidiaries dividend of 2.05 million euros that was paid out to the parent company in 2019 is now incorporated in the section "Share in the result of holdings incorporated using the equity method", instead of under section Financial income.

B. STATUTORY STATEMENT OF OTHER COMPREHENSIVE INCOME

Statement of other comprehensive income (in € 000)	31.03.2020	31.03.2019
Net result	58 641	54 333
Other components of other comprehensive income, recyclable in income statements:		
Impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	0	0
Changes in the fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	511	3 148
Variaties in de reële waarde van financiële activa beschikbaar voor verkoop		
Omrekeningsverschillen die voortvloeien uit de omrekening van een buitenlandse activiteit		
Actuarial gains and losses from defined benefit plans		
Income tax on the "other elements of the global result"		
Other elements of the "global result", after tax		
OTHER COMPREHENSIVE INCOME	59 152	57 481

9. STATUTORY BALANCE SHEET

ASSETS (in € 000)	31.03.2020	31.03.2019
Non-current assets	1 724 364	1 476 153
Goodwill		
Intangible non-current assets	1 138	139
Investment properties	1 127 032	975 396
Other tangible non-current assets	6 420	2 698
Financial non-current assets	588 742	496 375
Finance lease receivables	1 030	1 030
Trade receivables and other non-current assets	2	515
Current assets	41 595	44 283
Non-current assets or groups of assets held for sale	1 791	13 572
Trade receivables	913	1 048
Tax receivables and other current assets	27 190	26 922
Cash and cash equivalents	10 756	1 779
Deferred charges and accrued income	945	962
TOTAL ASSETS	1 765 959	1 520 436

SHAREHOLDERS' EQUITY AND LIABILITIES (in € 000)	31.03.2020	31.03.2019
Shareholders' equity	796 258	704 711
Capital	275 801	248 973
Issue premiums	315 410	260 174
Reserves	146 407	141 231
Net result of the financial year	58.641	54 333
Liabilities	969 702	815 725
Non-current liabilities	823 690	708 700
Provisions		
Non-current financial debts	794 544	682 771
Credit institutions	632 457	598 178
Long term financial lease	2 870	0
Other	159 217	84 593
Other non-current liabilities	29 146	25 929
Deferred taxes		
Current liabilities	146 012	107 025
Current financial debts	132 663	91 327
Credit institutions	132 663	91 327
Short term financial lease		0
Trade debts and other current debts	7 659	9 065
Other current liabilities	473	827
Accrued charges and deferred income	5 217	5 806
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 765 959	1 520 435

10. STATUTORY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (in € 000)	Capital ordinary shares	Issue premiums	Reserves*	Net result of the financial year	Minority interests	TOTAL Shareholders' Equity
Balance according to IFRS on 31 March 2018	208 239	177 991	132 211	45 637	0	564 077
- Net appropriation of profits 2018-2019						0
- Transfer of portfolio result to reserves			-2 740	2 740		0
- Transfer changes in fair value of authorised hedging instruments			101	-101		0
- Transfer of EPRA earnings to reserves			7 281	-7 281		0
- Reclassification between reserves			0			0
- Dividends of the financial year 2017-2018				-40 995		-40 995
- Capital increase	42 704	80 661				123 365
- Capital increase through contribution in kind	788	1 523				2 311
- Increase in shareholders' equity as a result of mergers	-2 758		1 195			-1 563
- Costs of capital increase						0
- Other						0
- Other comprehensive income 31/03/2019			3 183	54 333		57 516
Balance according to IFRS on 31 March 2019	248 973	260 175	141 232	54 333	0	704 711
- Net appropriation of profits 2019-2020						0
- Transfer of portfolio result to reserves			10 060	-10 060		0
- Transfer changes in fair value of authorised hedging instruments			-13 374	13 374		0
- Transfer of EPRA earnings to reserves			9 101	-9 101		0
- Reclassification between reserves						0
- Dividends of the financial year 2018-2019				-48 546		-48 546
- Capital increase						0
- Capital increase through contribution in kind	27 176	55 235				82 411
- Increase in shareholders' equity as a result of mergers			-212			-212
- Costs of capital increase	-348					-348
- Other			-911			-911
- Other comprehensive income 31/03/2020			511	58 641		59 152
Balance according to IFRS on 31 March 2020	275 801	315 410	146 407	58 641	0	796 259

* Detail of the reserves (in € 000)	Legal reserve	Reserve for the positive/negative balance of changes in the fair value of real estate properties	Available reserves	Impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties	Changes in the effective part of the fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	Changes in the effective part of the fair value of authorised hedging instruments are not subjected to qualify for hedge accounting as defined by IFRS	Results carried forward from previous financial years	TOTAL
Balance according to IFRS on 31 March 2018	0	103 475	14 630	-23 477	-2 799	-10 990	51 374	132 211
- Net appropriation of profits 2018-2019								
- Transfer of portfolio result to reserves		-2 370		-370				-2 740
- Transfer changes in fair value of authorised hedging instruments						101		101
- Transfer of EPRA earnings to reserves							7 281	7 281
- Reclassification between reserves		2 705	729		903	-903	-3 434	0
- Capital increase through contribution in kind								0
- Increase in shareholders' equity as a result of mergers	1	1 112		-303			385	1 195
- Costs of capital increase								0
- Other								0
- Other comprehensive income 31/03/2019					-776	3 959		3 183
Balance according to IFRS on 31 March 2019	1	104 922	15 359	-24 150	-2 672	-7 833	55 606	141 232
- Net appropriation of profits 2019-2020								
- Transfer of portfolio result to reserves		11 855		-1 795				10 060
- Transfer changes in fair value of authorised hedging instruments						-13 374		-13 374
- Transfer of EPRA earnings to reserves							9 101	9 101
- Reclassification between reserves		-608	608	452			-452	0
- Capital increase through contribution in kind								0
- Increase in shareholders' equity as a result of mergers	4	-72	87	-3 140			2 909	-212
- Costs of capital increase								0
- Other		-911						-911
- Other comprehensive income 31/03/2020					-67	578		511
Balance according to IFRS on 31 March 2020	5	115 186	16 054	-28 633	-2 739	-20 629	67 164	146 407

11. STATUTORY APPROPRIATION OF RESULT

Statutory appropriation of result (in € 000)	31.03.2020	31.03.2019
A. Net result	58 641	54 333
B. Allocation to / transfer from reserves		
- Allocation to / transfer from the reserves for the balance of changes in fair value of investment properties		
Financial year	3 690	-9 946
Previous financial years		
Realisation of properties		
- Allocation to / transfer from the reserves of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties	-43	1 795
- Allocation to / transfer from the reserves for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting		
Financial year	7 293	13 205
Previous financial years		
- Transfer of the reserve for the balance of the exchange rate differences on monetary assets and liabilities (- / +)		
- Transfer of the tax deferred tax reserve with regard to real estate located abroad (- / +)		
- Transfer of the reserve for the dividends received for the repayment of financial debts (- / +)		
- Allocation to / transfer from other reserves	-452	-3 434
Addition to / withdrawal from retained earnings from previous financial years (- / +)	2 909	385
C. Remuneration of capital, following article 13, § 1, first paragraph	55 574	48 546
D. Remuneration of capital - other than C		
Result to be carried forward	16 465	7 792

As per 31 March 2020, there is a decrease in shareholders' equity as a result of mergers for an amount of € 0.21 million. Of that amount, € 0.07 million was allocated to reserves for the balance of the variations in the fair value of investment properties, € -3.14 million was allocated to the reserves for the impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties and € 0.09 million was allocated to the available reserves and € 2.91 million was allocated to the results of the previous financial years carried forward.

On 31 March 2020, the result of the subsidiaries amounted to € 14.17 million. Of this amount, € 15.05 million will be added to the result carried forward (result of the subsidiaries that qualify for the look-through) and € -0.88 million will be added to the reserves for the balance of the change in fair value of the real estate.

12. STATEMENT ON RESPONSIBILITIES

The board of directors of Retail Estates nv is responsible for the contents of this annual report, subject to information provided by third parties, including reports of the statutory auditor and the real estate experts.

The board of directors, the composition of which can be found in the "Management Report" chapter, hereby declares that, to the best of its knowledge:

- this annual report accurately presents important events and, where applicable, the most important transactions conducted with related parties in the course of the financial year, and the impact of those transactions on the abbreviated financial statements;
- this report makes no omissions that significantly alter the scope of any statement made in the annual report;
- the abbreviated financial statements, which were prepared in accordance with the applicable accounting standards and were thoroughly audited by the statutory auditor, accurately present the properties, the financial situation and the results of Retail Estates nv and the subsidiaries included in the consolidation. The management report furthermore contains the expectations concerning next year's results as well as explanatory notes on the risks and the uncertainties facing the company.

This statement was added to the annual report based on article 12, §2, 3° of the RD of 14 November 2007.

In addition, the board of directors declares that, to the best of their knowledge, the Company is not involved as a defendant in disputes that may have a material impact on the annual accounts.



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PERMANENT DOCUMENT



1. GENERAL INFORMATION

IDENTIFICATION

NAME

Retail estates nv - Public Belgian Real Estate Investment Trust organised and existing under the laws of Belgium.

REGISTERED OFFICE

Industrielaan 6, 1740 Ternat. Pursuant to Article 2 of the articles of association, the registered office of the company may be relocated to any place in Belgium following a decision by the board of directors without any need to amend the articles of association.

COMPANY NUMBER

The company has been entered in the register of legal entities under company number 0434.797.847.

LEGAL FORM, INCORPORATION, PUBLICATION

The limited liability company ("naamloze vennootschap") "Retail Estates – Vastgoedbevak naar Belgisch recht" (currently "Openbare GVV naar Belgisch recht" – "Public BE-REIT organised and existing under the laws of Belgium") was incorporated pursuant to a deed executed in the presence of the notary public Urbain Drieskens at Houthalen on 12 July 1988 and subsequently published in the Annexes to the Belgian Official Gazette on 29 July 1988 under number 880729-313.

The articles of association were most recently amended by minutes drawn up by Tim Carnewal, associated notary public in Brussels, on 23 December 2019 and published in the Annexes to the Belgian Official Gazette of 16 January of the following year under number 20303712.

DURATION

The company has been incorporated for an unlimited period of time.

CORPORATE PURPOSE

Please refer to Article 3 of the articles of association as included under section "2. Articles of Association" in the Permanent Document of this annual report.

FINANCIAL YEAR

The financial year of the company starts on 1 April and ends on 31 March of each year. The first financial year

as a real estate investment company (currently "Belgian Real Estate Investment Trust") ran from 1 April 1998 to 31 March 1999.

INSPECTION OF DOCUMENTS

The non-consolidated and consolidated annual accounts, articles of association, annual reports and other information disclosed publicly on behalf of the shareholders can be obtained free of charge at the registered office of the company. The non-consolidated and consolidated annual accounts and the supplementary reports shall be deposited with the National Bank of Belgium. The articles of association can be obtained from the Registry of the Brussels Enterprise Court at Brussels, or on the website www.retailstates.com.

Notices convening shareholders' meetings shall be published in the Annexes to the Belgian Official Gazette and in the newspaper De Standaard. The convening notices and all relevant documents shall simultaneously be available on the company's website at www.retailstates.com: Investor Relations > Shareholders' agenda > (Extraordinary) shareholders' meeting.

All press releases and other financial information published by Retail Estates nv can be viewed on the website.

The annual reports of the company shall be sent to holders of registered shares, to other holders of securities who have fulfilled the formalities prescribed by the Belgian Code of Companies and Associations and to any person who requests them. They can also be obtained at the registered office of the company.

DESCRIPTION OF THE ACTIONS REQUIRED TO CHANGES THE RIGHTS OF THE SHAREHOLDERS

The rights of the company's shareholders can only be changed in accordance with the applicable provisions of the Belgian Code of Companies and Associations. Furthermore, any proposal to amend the articles of association must be approved in advance by the FSMA, in accordance with article 12 of the BE-REIT Act, and by the company's general meeting (except in case of use of the authorised capital by the board of directors).

LEGAL REGIME

BELGIAN REAL ESTATE INVESTMENT TRUST

The BE-REIT regime is governed by the Belgian Act of 12 May 2014, amended for the last time on 28 April 2020, and by the Belgian Royal Decree of 13 July 2014, amended for the last time on 23 April 2018.

The concept of a Belgian Real Estate Investment Trust is based on Real Estate Investment Trusts (USA – “REITs”).

The intention of lawmakers was for a BE-REIT to guarantee optimum transparency of real estate investments and to assure maximum disbursement of cash flow while allowing investors to enjoy numerous benefits. The BE-REIT is regulated by the FSMA and is subject to specific regulations, the most important of which are:

- the legal status must be that of a limited liability company (“naamloze vennootschap”) or a partnership limited by shares (“commanditaire vennootschap op aandelen”) with a minimum capital of € 1,200,000;
- indebtedness must be limited to 65%;
- the portfolio must be stated at fair value without a possibility of write-downs;
- independent experts must make an annual estimate of the real estate assets, which needs to be updated by the end of the first three quarters of each financial year;
- at least 80 % of the current result must be paid out as dividends;
- the risk must be spread, i.e. no more than 20% of the assets may be invested in one and the same real estate complex;
- virtually complete exemption from corporate tax;
- an advance levy (currently 30%) must be deducted from the payable dividend. This is by way of discharge of obligations, insofar as it concerns individuals who acquired the shares as part of the management of their private property;
- stock exchange listing;
- the activity must be limited to real estate investments;

additionally, the BE-REIT may invest assets in securities;

- possibility to request that branches of the BE-REIT be given the status of an institutional BE-REIT.

The objective of all these rules is to limit risks. Companies that merge with a BE-REIT are subject to a tax of 15%¹⁵ on the unrealised gains and tax-free reserves, i.e. the ‘exit tax’, plus a supertax at the prevailing rate.

¹⁵ This rate applies as from 1 January 2020; previously a rate of 12.50% applied.

2. ARTICLES OF ASSOCIATION

LEGAL FORM - NAME – REGISTERED OFFICE – CORPORATE PURPOSE - DURATION

ARTICLE 1: LEGAL FORM AND NAME

The company has the form of a limited liability company (“naamloze vennootschap”) under Belgian law with the name “Retail Estates”. This name shall be immediately followed by the words “Belgian Real Estate Investment Trust organised and existing under the laws of Belgium” or “Public BE-REIT organised and existing under the laws of Belgium” (“Société immobilière réglementée publique de droit belge” or “SIR publique de droit belge” / “Openbare gereguleerde vastgoedvennootschap naar Belgisch recht” or “Openbare GVV naar Belgisch recht”) and all documents issued by the company shall mention this.

The company solicits its financial resources in Belgium or abroad by means of a public offering of shares, and therefore makes a public appeal on savings within the meaning of Article 438(1) of the Belgian Code of Companies. The company's shares are admitted to trading on a regulated market.

The company is subject to the statutory framework governing public real estate investment trusts organised and existing under the laws of Belgium, hereafter called “public BE-REITs”.

The company is subject to any applicable regulations with regard to regulated real estate companies and in particular to the provisions of the Belgian Act of 12 May 2014 on Belgian Regulated Real Estate Investments Trusts (the “BE-REIT Act”) and the Belgian Royal Decree of 13 July 2014 on Belgian Regulated Real Estate Investment Trusts (the “BE-REIT Belgian Royal Decree”) (this Act and this Royal Decree are hereinafter referred to as the “BE-REIT legislation”).

ARTICLE 2: REGISTERED OFFICE

The company's registered office is located at 6 Industrielaan, B-1740 Ternat (Belgium).

The registered office may be transferred to any other location in Belgium pursuant to a decision of the board of directors provided that the applicable legislation

on the use of languages is complied with, without an amendment to these articles being required.

The board of directors is also authorised to establish administrative offices, places of business and subsidiaries both in Belgium and abroad.

ARTICLE 3: CORPORATE PURPOSE

The purpose of the company is limited to the following:

- (a) to make real estate available to users, directly or through a company in which it holds shares, in accordance with the provisions of the BE-REIT Act and its implementing decrees and regulations; and
- (b) to own real estate within the limits of the BE-REIT legislation, as mentioned in article 2, 5°, I to xi of the BE-REIT Act, as well as any other goods, shares or rights defined as real estate by the applicable regulations on Belgian regulated real estate investment trusts;

Real estate is understood to mean:

- i. real estate as defined in Articles 517 et seq. of the Belgian Civil Code and rights in rem to real estate, to the exclusion of real estate related to forestry, agriculture and mining;
- ii. voting shares issued by real estate companies of which the company holds more than 25% of the share capital, either directly or indirectly;
- iii. option rights to real estate;
- iv. shares of public or institutional Belgian real estate investment trusts provided, in the last case, that the company holds more than 25% of the capital therein, either directly or indirectly;
- v. the rights resulting from contracts in which the company was given one or more properties in lease or in which other analogous user rights were granted;
- vi. shares in public and institutional fixed-capital real estate investment funds (Bevak/Sicafi);
- vii. rights to own participating interests in foreign institutions for collective investment in real estate that are registered in the list referred to in Article 260 of the BE-REIT Act;
- viii. rights to own participating interests in institutions for collective investment in real estate that are established in another Member State of the European Economic Area and that are not registered in the list referred to in Article 260 of the BE-REIT Act, insofar

- as they are subject to oversight equivalent to that exercised over the public fixed-capital real estate investment funds;
 - ix. shares or rights to own participating interests issued by companies (i) with a legal personality; (ii) governed by the laws of another Member State of the European Economic Area; (iii) whose shares are admitted to trading on a regulated market and/or are subject to a regime of prudential supervision; (iv) whose principal activity is the acquisition or construction of immovable property in anticipation of making it available to users or direct or indirect ownership of shares in the capital of companies with similar corporate purposes; and (v) that are exempted from the tax on income from profits originating from the activities referred to under (iv), subject to compliance with specific legal requirements, and that are at least obliged to distribute part of their income among their shareholders (called "Real Estate Investment Trusts" and abbreviated to "REITs");
 - x. real estate certificates within the meaning of Article 5, § 4 of the Belgian Act of 16 June 2006;
 - xi. rights to own participating interests in a specialised real estate investment fund;
 - xii. all other properties, shares or rights defined as real estate by the regulations applicable to regulated real estate companies.
- (c) to enter into one or several of the following agreements on a long-term basis, either directly or through a company in which it holds participating interests in accordance with the provisions of the BE-REIT legislation, possibly in cooperation with third parties or with a public client:
- i. DBF agreements, the so-called "Design, Build, Finance" agreements;
 - ii. DF(F)M agreements, the so-called "Design, Build, (Finance) and Maintain" agreements;
 - iii. DFF(M)O agreements, the so-called "Design, Build, Finance, (Maintain) and Operate" agreements; and/or
 - iv. agreements for public works concessions relating to buildings and/or other immovable infrastructure and corresponding services, and on the basis of which:
- (i) it is responsible for the delivery, the maintenance and/or the operation on behalf of a public entity and/or the citizen as end user, with the purpose of meeting

- a social need and/or enable the provision of a public service; and
- (ii) the relevant financing, availability, demand and/or operating risk, in addition to the construction risk, if any, can be borne by the company in full or in part, without necessarily being granted rights in rem; or
- (d) to develop, cause to be developed, construct, cause to be constructed, manage, cause to be managed, operate, cause to be operated or make available:
 - i. facilities for the transport, distribution or storage of electricity, gas, fossile or non-fossile fuels and energy in general, and related goods;
 - ii. public facilities for the transport, distribution, storage or purification of water and related goods;
 - iii. installations for the generation, storage and transport of (renewable) energy and related goods; or
 - iv. waste and incineration installations and related goods.

Within the framework of making available real estate, the company may in particular carry out all activities related to the establishment, construction (without prejudice to the prohibition to act as a property developer, except in case of occasional transactions), remodelling, renovation, development, acquisition, disposal, furnishing, letting, sub-letting, exchange, transfer, contribution, development, registration as co-ownership or joint ownership of real estate as described above, the granting or acquisition of building rights, usufruct, ground lease or other in rem or personal rights on properties as described above, and the management and operation of real estate.

The company may, by means of contribution in cash or in kind, merger, demerger or other corporate restructuring, registration, participation, membership, financial support or in any other way, acquire a share (or be a member) of any existing or future companies, businesses or associations in Belgium or abroad with a corporate purpose that is similar or complementary to that of the company (including participating interests in a perimeter company that provides services to the tenants of the buildings of the company and/or its perimeter companies) or that supports or facilitates the realisation of its purpose and, in general, execute all transactions connected directly or indirectly to its corporate purpose.

The company may grant mortgages or other forms of security as well as extend loans to, and serve as a

guarantor for, a perimeter company within the limits of the BE-REIT legislation.

The company may, on a temporary or subsidiary basis, also invest in securities that are not real estate within the meaning of the BE-REIT legislation. Such investments shall be made in accordance with the risk management policy adopted by the company, and shall be diversified to ensure an adequate risk diversification. The company may hold non-committed liquid assets. The liquid assets can be held in all currencies, in the form of demand and term deposits, as well, as well as all easily convertible money market instruments.

In addition, the company may engage in transactions involving hedging instruments, provided the latter are carried out for the sole purpose of hedging the interest rate and exchange risk, expressly excluding any speculative transactions.

The company and its perimeter companies may let one or more properties under finance leases, with or without purchase option. Such finance leases with a purchase option may only be granted on a subsidiary basis, unless the properties in question are intended to be used in the public interest, including social housing and education (in which case this activity may form part of the company's main business).

In general, the company is deemed to carry out all of its activities and transactions in accordance with the rules and within the limits provided for by the BE-REIT legislation and any other applicable legislation.

ARTICLE 4: PROHIBITIONS

The company may not act as a property developer within the meaning of the BE-REIT legislation, except for occasional transactions.

The company is prohibited from:

1. participating in a fixed price syndicate or guarantee association;
2. lending financial instruments, except for loans that are granted under the conditions and in accordance with the provisions of the Belgian Royal Decree of 7 March 2006; and
3. acquiring financial instruments issued by a company or a private association that was declared bankrupt, has

concluded an amicable settlement with its creditors, is the object of judicial reorganisation proceedings, has been granted deferment of payments or in respect of which a similar measure has been taken abroad.

4. making contractual arrangements or including stipulations in the articles of association with respect to perimeter companies that may affect the voting power to which these companies are entitled pursuant to the applicable legislation due to a participating interest of 25% plus one share.

ARTICLE 5: DURATION

The company has been incorporated for an unlimited period of time.

CAPITAL - SHARES

ARTICLE 6: CAPITAL

6.1 Registered capital

The share capital amounts to two hundred and eighty-four million one hundred and eighty-nine thousand two hundred and thirty-five euro sixty-nine cents (€284,189,235.69).

It is represented by twelve million six hundred and thirty thousand four hundred and fourteen (12,630,414) shares without par value, each representing an equal share of the capital. The capital has been paid up in full.

6.2. Authorised capital

The Board of Directors is authorised to increase the company's share capital on one or more occasions, up to a maximum amount of:

- (a) two hundred and fifty-six million two hundred and twenty-five thousand two hundred and seventy-eight euro ninety-eight cents (€256,225,278.98) for public capital increases by means of a cash contribution, providing for the possibility to exercise the legal preferential subscription right or the irreducible allocation right by the shareholders of the Company,
- (b) one hundred and twenty-eight million one hundred and twelve thousand six hundred and thirty-nine euro forty-nine cents (€ 128,112,639.49) for capital increases within the context of an optional dividend,
- (c) at any time 10% of the amount of the capital at the moment on which the decision to increase the capital is taken, on the understanding that the board of directors will only be authorised to increase the capital in accordance with this item (c) if and to the extent that the aggregate amount of the capital increases that took place in accordance with this paragraph over a period of 12 months does not exceed 10% of the amount of the capital at the moment on which the decision to increase the capital was taken, or
- (d) two hundred and fifty-six million two hundred and twenty-five thousand two hundred and seventy-eight euros and ninety-eight cents (€ 256,225,278.98) for all forms of capital increase;

on the understanding that within the context of this authorisation, the share capital can never be increased to exceed the maximum amount of two hundred and

fifty-six million two hundred and twenty-five thousand two hundred and seventy-eight euros and ninety-eight cents (€ 256,225,278.98) during the period for which the authorisation was granted.

This authorisation is conferred on the board of directors for a period of five years as from the publication in the Annexes to the Belgian Official Gazette of the amendment to the articles of association, adopted by the extraordinary shareholders' meeting of 23 July 2018. This authorisation can be renewed. The board of directors shall determine the price, the issue premium and the issue conditions for the new shares, unless these decisions are taken by the shareholders' meeting.

Within the above limits and without prejudice to the mandatory provisions of the applicable legislation, the board of directors can decide to increase the capital by means of contributions in cash or non-monetary contributions, the conversion of reserves or issue premiums as well as of shareholders' equity under the statutory IFRS annual accounts of the company (prepared in accordance with the application regulations) that qualify for conversion, with or without the issuance of new shares of one or several existing types. The board of directors is also authorised by the shareholders' meeting to issue other securities, including but not limited to (subordinated or non-subordinated) warrants (subscription rights).

Moreover, the board of directors is allowed to restrict or cancel the preferential subscription right granted to the shareholders, including those in favour of one or more persons other than the staff members of the company or a subsidiary, provided that an irreducible allocation right is granted to the existing shareholders upon the distribution of new securities (if legally required). This irreducible allocation right, if any, shall meet the requirements determined by the BE-REIT legislation and Article 6.4 of these articles of association.

That right must in any case not be granted in case of a cash contribution (i) in the context of the distribution of an optional stock dividend under the conditions provided for by article 6.4. of the articles of association or (ii) in the context of the authorised capital, if the aggregate amount of the capital increases that will take place in accordance with article 26, §1, third section, of the BE-REIT Act over a period of 12 months does not

exceed 10% of the amount of the capital at the moment on which the resolution for a capital increase is adopted.

Capital increases by means of a non-monetary contribution shall be carried out in accordance with the requirements determined by the BE-REIT legislation and Article 6.4 of the articles of association. Such contributions can include a right to a dividend in the context of an optional stock dividend distribution.

Without prejudice to the authorisation granted to the board of directors in accordance with the preceding paragraphs, the board of directors is authorised to proceed to one or more capital increases, in the event of a takeover bid for all of the company's shares, under the conditions set forth in the applicable corporate laws, provided that the company has received an acknowledgement of the takeover bid from the Financial Services and Markets Authority (FSMA) within a period of three years from the extraordinary shareholders' meeting of 23 July 2018. If applicable, the board of directors must (if required by law) respect the irreducible allocation right provided for by the BE-REIT legislation. Capital increases carried out by the board of directors pursuant to this authorisation will be deducted from the remaining authorised capital, mentioned in the first paragraph of this Article.

If the board of directors requests payment of an issue premium on the occasion of its decision to increase the capital, this issue premium shall be recorded on one or several separate accounts under the item "shareholders' equity" on the liabilities' side of the balance sheet. The Board of Directors is free to decide to deposit the amount of this premium, possibly after deduction of an amount not larger than the costs of the capital increase within the meaning of the applicable IFRS rules, on an unavailable account, called "issue premium", that will constitute a guarantee for third parties in the same manner as the share capital and that, subject to its incorporation into the capital, can only be reduced or cancelled by resolution of the general shareholders' meeting deliberating under the conditions laid down in the applicable legislation.

6.3. Acquisition, transfer and pledge of own shares

The company can acquire, pledge or retransfer its own shares subject to the conditions provided for by law.

The board of directors is authorised, within the limits of Articles 620 et seq. of the Belgian Code of Companies, to decide that the company can acquire, pledge and transfer its own shares when such acquisition or transfer is necessary to avoid serious, imminent harm to the company. This authorisation is valid for a period of three (3) years as from the publication in the Annexes to the Belgian Official Gazette of the authority granted by the extraordinary shareholders' meeting of 23 July 2018, and can be extended by the shareholders' meeting for the same period of time.

The board of directors is authorised, for a period of five (5) years following the extraordinary shareholders' meeting of 23 July 2018, to acquire, pledge and transfer the company's own shares on the company's behalf, at a unit price which may not be less than 85% of the closing market price on the day preceding the date of the transaction (acquisition, sale or pledge) and may not exceed 115% of the closing market price on the day preceding the date of the transaction (acquisition, sale or pledge), subject to the requirement that the company may not, at any time, hold more than 20% of the total issued shares.

These conditions and limits extend to acquisitions and transfers of the company's shares by its subsidiaries within the meaning of the first paragraph of Article 627 of the Belgian Code of Companies, including instances when such acquisitions are made by persons acting in the name and on behalf of a subsidiary.

6.4. Capital increase

All capital increased must take place in compliance with the applicable corporate laws as well as the BE-REIT legislation.

The company's capital can be increased pursuant to a decision of the shareholders' meeting or pursuant to a decision of the board of directors within the limits of the authorised capital. It is, however, forbidden for the company to subscribe, directly or indirectly, to its own capital.

In the event of a capital increase by means of a cash contribution, decided by the general meeting or in the context of the authorised capital, and without prejudice to the application of the binding provisions of the applicable corporate legislation, the preferential subscription right

can only be restricted or cancelled if, to the extent required by the BE-REIT legislation, an irreducible allocation right is granted to the existing shareholders at the time of allocation of the new securities. In this case, this irreducible allocation right meets the conditions laid down in the BE-REIT legislation. In this case the irreducible allocation right applies to the issue of shares, (subordinated or non-subordinated) convertible bonds and warrants (subscription rights), but must in any case not be allocated (i) to a cash contribution with a restriction or cancellation of the preferential subscription right, in addition to a non-monetary contribution in the context of the distribution of an optional dividend, provided the grant thereof is effectively open to all shareholders, or (ii) within the context of the authorised capital, if the aggregate amount of the capital increases that will take place in accordance with article 26, §1, third section, of the BE-REIT Act over a period of 12 months does not exceed 10% of the amount of the capital at the moment on which the resolution for a capital increase is adopted.

Capital increases by non-monetary contributions are subject to the applicable corporate laws.

Moreover, the following requirements must be met in the event of the issuance of securities following a non-monetary contribution, in accordance with the BE-REIT legislation:

1. the contributor's identity must be disclosed in the report prepared by the board of directors with respect to the non-monetary contribution and also, if applicable, in the notice of the shareholders' meeting called to vote on the capital increase;
2. the issue price may not be less than the lower value of the following: (a) a net value per share dated no more than four months before the date of the contribution agreement or, at the company's choosing, before the date of the document enacting the capital increase and (b) the average closing market (share) price over the thirty calendar days preceding this same date. In this respect it is permitted to deduct, from the amount indicated in point (b) above, an amount corresponding to the portion of undistributed gross dividends of which the new shares could be deprived, provided that the board of directors specifically justifies, in its special report, the amount of accrued dividends to be deducted, and sets forth the financial

conditions for the transaction in the annual financial report;

3. unless the issue price or, under the circumstances provided in Article 6.6 below, the share exchange ratio as well as the associated formalities, is determined and communicated to the public at the latest on the working day following the conclusion of the contribution agreement, with a mention of the time period within which the capital increase will effectively be carried out, the document enacting the capital increase shall be drawn up within a maximum period of four months; and
4. the report mentioned in point 1 above must also make clear the effect of the proposed contribution on the situation of the existing shareholders, in particular their share of the company's profit, the net value per share and the capital, as well as the impact on voting rights.

These additional conditions are in any case not applicable in the event of the contribution of a right to a dividend in the context of an optional stock dividend distribution, provided the grant thereof is effectively open to all shareholders.

Should the general meeting decide to request payment of an issue premium, this issue premium shall be recorded on one or several separate accounts under the item "shareholders' equity" on the liabilities' side of the balance sheet. The general meeting or, in the context of the authorised capital, the board of directors is free to decide to record this premium on an unavailable reserve account that can only be decreased or cancelled by decision of the shareholders' meeting under the conditions laid down in the applicable legislation.

6.5. Capital decrease.

A capital decrease may only take place if shareholders in a similar situation are treated equally and if the applicable provisions of the Belgian Code of Companies are complied with.

6.6. Mergers, demergers and equivalent transactions

In accordance with the BE-REIT legislation, the additional requirements set forth in Article 6.4 in the event of a non-monetary contribution are applicable mutatis mutandis to mergers, demergers and equivalent transactions

within the meaning of Articles 671 to 677, 681 to 758 and 772/1 of the Belgian Code of Companies.

ARTICLE 7: NATURE OF THE SHARES

At the shareholders' choosing, the shares can be registered or in dematerialised form.

Any shareholder may at any time request the conversion of his or her shares.

The shares shall remain in registered form when the law so requires.

Registered securities shall be recorded in the share register kept at the company's registered office. Title to the shares can only be established through the recording in this register.

Dematerialised securities are represented by an entry into an account, in the name of the owner or the holder, with a settlement institution or authorised account holder.

All shares are fully paid up, and without par value.

ARTICLE 8 – EXERCISE OF THE RIGHTS ATTACHED TO THE SHARES

The shares are indivisible, and the company only recognises one owner per share. When several persons may claim rights to the same share, the exercise of the rights attached to this share shall be suspended until a single person is designated as the owner with regard to the company.

ARTICLE 9: OTHER SECURITIES

The company is authorised to issue the securities referred to in Article 460 of the Belgian Code of Companies, with the exception of profit sharing instruments and similar securities, provided that the specific rules stipulated by the BE REIT legislation and these articles of association are respected.

ARTICLE 10: STOCK EXCHANGE LISTING AND DISCLOSURE OF SUBSTANTIAL SHAREHOLDINGS

The company's shares must be admitted to trading on a regulated market in Belgium, in accordance with the BE-REIT legislation.

Each shareholder has the obligation to notify the

Financial Services and Markets Authority (FSMA) of their possession of securities with voting rights or similar financial instruments issued by the company, in accordance with the legislation on the disclosure of substantial shareholdings.

The thresholds above which the notification obligation comes into effect, for the purpose of the legislation on the disclosure of substantial shareholdings, is fixed at three percent (3%), five percent (5%) and multiples of five percent (5%) of the total number of outstanding voting rights.

With the exception of the derogations provided for by the Belgian Code of Companies, no-one is allowed more votes at a shareholders' meeting of the company than the number of votes attached to the shares which the person in question had declared to own at the latest twenty (20) days before the date of the shareholders' meeting.

MANAGEMENT AND CONTROL

ARTICLE 11 : COMPOSITION OF THE BOARD OF DIRECTORS

The company is managed by a board of directors. The board shall be composed of a minimum of three and a maximum of twelve members, who need not necessarily be shareholders in the company, who are appointed by the shareholders' meeting for a maximum term of six years and who can be removed from office by the shareholders' meeting at any time. Resigning directors are eligible for reappointment.

The board of directors shall have at least three independent directors, within the meaning of Article 526ter of the Belgian Code of Companies.

For the exercise of their mandates, the directors must have the necessary professional integrity and appropriate expertise as provided for in the BE-REIT legislation, and may not fall within the scope of the prohibitions laid down in the BE-REIT legislation.

In the event of a vacancy on the board of directors, the remaining directors shall have the right to temporarily appoint another director to fill the vacancy until the next shareholders' meeting, at which time the vacancy will be filled on a permanent basis.

Every director thus appointed by the general meeting completes the term of office of the director he replaces.

ARTICLE 12. – CHAIRMANSHIP AND MEETINGS OF THE BOARD OF DIRECTORS

The board of directors may appoint a chairperson from among its members.

The board of directors shall meet when convened by the chairperson, by two directors or by the managing director(s), whenever the interests of the company so require.

Notices of meetings shall indicate the place, date, time and agenda of the meeting and shall be sent by regular mail, fax or email at the latest 24 hours in advance.

In exceptional circumstances, when the above-mentioned convening deadlines cannot be met, the time periods may be shortened. If necessary, notice may be given by telephone, in addition to the above-mentioned means.

The meeting is chaired by the chairperson or, if the latter is absent, by a director appointed by the directors present. The person chairing the meeting may appoint a secretary, who need not be a director.

Any director may, by letter, fax, email or any other written means, give a proxy to another member of the board to represent him or her at a given meeting. No member of the board may represent more than three other directors.

Each director who attends or is represented at a meeting is deemed to have been validly notified thereof. A director may also, before or after a board meeting which he or she did not attend, waive his or her right to claim a defect or irregularity with respect to the fulfilment of the convening formalities. In any case, the proper fulfilment of the convening formalities need not be proven when all directors are present or validly represented and express their agreement with the agenda.

Meetings of the board of directors may validly be held by videoconference or conference call. In this case, the meeting will be considered to have been held at the company's registered office if at least one director was physically present at this location.

The directors may use the information they acquire in their capacity as directors only in the scope of their official duties.

ARTICLE 13: DELIBERATIONS

Except in case of force majeure, the board of directors may validly deliberate and take decisions only if at least half its members are present or represented. If this condition is not met, a new meeting may be called, which may validly deliberate and take decisions on the items on the agenda of the previous meeting if at least two directors are present or represented.

Barring exceptional cases, the meeting may, in principle, only deliberate and vote on the items that are on the agenda.

Pursuant to Article 521 of the Belgian Code of Companies, in exceptional cases duly justified by their urgency and the corporate interest, the board of directors may take decisions unanimously in writing. However, this procedure may not be used to adopt the annual accounts

or determine the appropriation of the authorised capital.

Board decisions shall be approved by a simple majority of votes cast by those directors who are present or represented or, in the event of one or more of them having abstained, by a majority of the other directors. In the event of a tie, the director chairing the meeting shall cast the deciding vote.

When a director has a conflict of interest and consequently does not take part in the board's deliberations or vote on a particular decision or transaction, the vote of this director shall not be taken into account for the purpose of calculating the quorum and majority.

Decisions of the board of directors are recorded in minutes, signed by the chairperson of the board, the secretary, and those members who so request. These minutes are kept in a special register. Proxies are attached to the minutes of the meeting for which they were given.

Copies of or extracts from these minutes, which are to be used in legal proceedings or otherwise, shall be signed by the chairperson of the board of directors, two directors or a director entrusted with the daily management. This authority may be delegated to a representative.

ARTICLE 14: PREVENTION OF CONFLICTS OF INTERESTS

The directors, the person(s) in charge of the day-to-day management and the company's attorneys-in-fact may not act as a counterparty in a transaction with the company or one of its perimeter companies nor derive any benefit from such a transaction, except when the transaction is proposed in the interest of the company and the transaction is situated within the normal course of the company's strategy and is conducted in ordinary market conditions.

In this case, the company must first inform the Financial Services and Markets Authority (FSMA).

The transactions mentioned in the first paragraph, as well as the information contained in the aforementioned notice, shall be immediately made public and explained in the annual report and, if applicable, the half-year report.

The previous provisions do not apply to transactions that fall outside the scope of application of the conflicts of interest procedure provided for by the BE-REIT legislation.

Articles 523 and 524 of the Belgian Code of Companies remain applicable in full.

ARTICLE 15: POWERS OF THE BOARD OF DIRECTORS

The board of directors is vested with the powers to perform all acts necessary or useful for the realisation of the company's corporate purpose, except those which are reserved by law, or these articles, to be executed by the shareholders' meeting.

The board of directors shall draw up the half-year report and the annual report. The board shall appoint one or more experts, in accordance with the BE-REIT legislation, and if applicable, propose any modification to the list of experts, contained in the file accompanying its application to be recognised as a BE-REIT.

The board may determine the remuneration of any attorney-in-fact to whom it grants special powers, in accordance with the BE-REIT legislation.

ARTICLE 16: REMUNERATION OF THE DIRECTORS

The directors shall be reimbursed for normal, legitimate expenses and costs incurred in the performance of their duties, provided that these costs were previously discussed with and accepted by the chairperson of the board of directors.

Moreover, in accordance with the BE-REIT legislation, no remuneration may be granted to directors based on a specific transaction of the company or its perimeter companies.

ARTICLE 17: EFFECTIVE MANAGEMENT, DAY-TO-DAY MANAGEMENT AND DELEGATION OF POWERS

The effective management of the company must be assigned to a minimum of two persons.

For the exercise of their mandates, the persons entrusted with the effective management of the company must have the necessary professional integrity and appropriate expertise in accordance with the BE-REIT legislation, and may not fall within the scope of the prohibitions laid down in the BE-REIT legislation.

The board of directors may delegate the day-to-day management of the company to one or more persons, on the understanding that the day-to-day management shall be organised in such a way that the board of directors has at least two directors who may jointly ensure the day-to-day management or supervise the performance thereof.

The board and the persons entrusted with the day-to-day management, within the limits of their powers, may delegate to a representative, who need not be a director, all or some of their powers pertaining to extraordinary or specific matters within the context of a given mandate.

The board of directors may create one or several advisory committees from amongst its members, which will fall under the responsibility of the board of directors. The board shall determine the composition and the duties of any such committees.

ARTICLE 18: MANAGEMENT COMMITTEE (“DIRECTIECOMITÉ”)

Without prejudice to Article 17 relating to the day-to-day management and the delegation of powers, and within the limits provided for by Article 524bis of the Belgian Code of Companies, the board of directors may delegate all or some of its managerial powers to a management committee (“directiecomité”), composed of several members, who need not be directors, although this delegation of powers may not concern the company's general policy, any acts reserved by other legal provisions or the articles of association to the board of directors, or decisions or transactions to which Article 524ter of the Belgian Code of Companies applies, in which case the notification procedure set forth in Article 524ter § 2 will apply.

The board of directors is responsible for overseeing the management committee. The board determines the management committee's working procedure and the conditions for the appointment and removal of its members, as well as their remuneration and their term of office.

If a legal entity is appointed to the management committee, it has the obligation to designate, in accordance with the applicable provisions of the Belgian Code of Companies, a permanent representative to perform its duties in its name and on its behalf.

ARTICLE 19: REPRESENTATION OF THE COMPANY

The company is validly represented in all actions, including those involving a public official or a notary public, either by two directors acting jointly or, in the context of the day-to-day management, by a person entrusted with this management. With respect to third parties, they need not produce proof of a prior decision of the board.

Moreover, the company is validly bound by special attorneys-in-fact acting within the scope of their mandate.

The company may be represented abroad by any person expressly authorised to do so by the board of directors.

ARTICLE 20: AUDIT

The company shall appoint one or more statutory auditors to perform the duties incumbent on them pursuant to the Belgian Code of Companies and the BE-REIT legislation.

The statutory auditor(s) must be recognised by the Financial Services and Markets Authority (FSMA).

SHAREHOLDERS' MEETINGS

ARTICLE 21: MEETINGS

The annual shareholders' meeting shall be held each year, on the penultimate Monday of July, at 10:00 a.m. If this day is a public holiday, the annual shareholders' meeting will be held on the next working day, at the same time.

An extraordinary or special shareholders' meeting may be convened any time the interests of the company so require.

These shareholders' meetings may be convened by the board of directors or by the statutory auditor(s) and must be called whenever the shareholders collectively representing one-fifth of the registered capital so request.

Shareholders' meetings are held at the company's registered office or at any other location mentioned in the notice or otherwise indicated.

One or several shareholders collectively possessing at least 3% of the registered capital may, in accordance

with the provisions of the Belgian Code of Companies and within the limits thereof, request the inclusion of items on the agenda of any shareholders' meeting, and submit proposals for resolutions with respect to the items included or to be included in the agenda. Additional agenda items or proposed resolutions must be submitted to the company no later than on the twenty-second (22nd) day before the date of the shareholders' meeting. The directors shall answer the questions submitted to them by shareholders during the shareholders' meeting or those which have been submitted in writing about their report or the agenda items, provided that the provision of the information or facts in question could not harm the company's business interests or undermine their duty of confidentiality to the company. As soon as the notice of the shareholders' meeting is published, the shareholders may submit questions in writing, which will be answered during the meeting, provided that they were submitted to the company no later than the sixth day prior to the meeting.

The statutory auditor(s) shall answer the questions asked by the shareholders about his/her/their audit report.

ARTICLE 22: NOTICE

Pursuant to Article 533 of the Belgian Code of Companies, a shareholders' meeting must be convened by means of a notice published in the Belgian Official Gazette, a national newspaper (except in those cases expressly mentioned in the Belgian Code of Companies) and in the media in accordance with the requirements of the Belgian Code of Companies, at the latest 30 days before the meeting. If a new meeting must be convened and if the date of the second meeting is mentioned in the first notice, the notice for the second meeting must be published at the latest 17 days before the meeting.

The notice shall be sent to the holders of shares, bonds, registered warrants and registered depositary receipts for shares issued with the company's concurrence, as well as to the directors and statutory auditors within the above-mentioned period before the meeting; the notice may be sent by regular mail, unless the recipients have individually and expressly agreed in writing to receive the notice by another means of communication. No proof needs to be provided of the fulfilment of this formality.

The notice shall contain the agenda for the meeting, with indication of the matters to be discussed and the

proposed resolutions, as well as the date, time, and place of the meeting and the other information required by the Belgian Code of Companies.

The required documents are made available and a copy thereof shall be sent to the entitled recipients pursuant to the applicable provisions of the Belgian Code of Companies.

A shareholder who attends or is represented at a meeting is considered to have received valid notice thereof. A shareholder may also, before or after a shareholders' meeting which he or she does not attend, waive his or her right to invoke any defect or irregularity committed in the fulfilment of the convening formalities.

ARTICLE 23: PARTICIPATION IN THE SHAREHOLDERS' MEETING

The right to attend and vote at a shareholders' meeting is subject to the recording of the shares in the shareholder's name on the fourteenth day preceding the shareholders' meeting, at twenty-four hours (Belgian time) (hereinafter the “record date”), in either the register of the company's registered shares or in the books held by an authorised account holder or settlement institution, regardless of the number of shares actually held by the shareholder on the date of the shareholders' meeting.

The holders of dematerialised shares who wish to attend a shareholders' meeting must produce a certificate issued by their authorised account holder or settlement institution, certifying, as the case may be, the number of dematerialised shares listed in the shareholder's name on the record date with which the shareholder has declared his or her intention to participate in the shareholders' meeting.

The certificate must be submitted to the company's registered office or to an institution identified in the notice of the meeting, no later than six days before the date of the meeting.

The holders of registered shares who wish to attend a shareholders' meeting must notify the company of their intention to do so by regular mail, fax or email addressed to the company's registered office, no later than the sixth day before the date of the meeting.

All shareholders or their proxy holders have the

obligation, before attending a meeting, to sign the attendance list, indicating the last name, the first name(s), and the address of the shareholder and the number of shares represented.

ARTICLE 24: VOTES BY PROXY

All shareholders may be represented at a shareholders' meeting by a proxy, who need not be a shareholder.

A shareholder may only appoint one proxy holder for a given shareholders' meeting, without prejudice to the derogations provided for in the Belgian Code of Companies.

In order to be valid, any request to appoint a proxy holder shall include at least the following information: (1) the agenda for the meeting, indicating the matters to be discussed and the proposed resolutions; (2) a request for instructions regarding the exercising of voting rights for the various items of the agenda; and (3) an indication of the manner in which the proxy should exercise the voting rights in the absence of instructions from the shareholder.

The proxy form must be signed by the shareholder and be submitted at the company's registered office or the location indicated in the notice no later than six days before the date of the meeting.

Co-owners, usufructuaries and bare owners, creditors holding a pledge and debtors-pledgees must be represented, respectively, by one and the same person.

ARTICLE 25: VOTE BY MAIL

If the board of directors so authorises in the notice of the meeting, shareholders may vote on the items of the agenda by correspondence, using a form prepared and made available by the company.

The form for distance voting shall include at least the following information: (1) the name or corporate name of the shareholder, as well as the shareholder's address or registered office; (2) the number of votes the shareholder wishes to cast at the shareholders' meeting; (3) the type of shares held; (4) the agenda for the meeting, including proposals for resolutions; (5) the deadline by which the form must reach the company; and (6) the shareholder's signature. The form shall expressly state that it must be signed by the shareholder and sent to the company by

registered letter no later than six days before the date of the meeting.

ARTICLE 26: OFFICERS

Every shareholders' meeting shall be chaired by the chairperson of the board of directors or, in the chairperson's absence, by a director appointed by the directors present or by a member of the meeting appointed by the latter. The chairperson shall appoint a secretary.

If the number of persons present so allows, the meeting shall select two vote counters, acting on a proposal of the chairperson.

The minutes of shareholders' meetings are signed by the chairperson of the meeting, the secretary, the vote counters, the directors and the statutory auditor(s) present, as well as by those shareholders who so request.

The minutes shall be kept in a special register. Proxies are attached to the minutes of the meeting for which they were given.

ARTICLE 27: NUMBER OF VOTES AND THE EXERCISE OF VOTING RIGHTS

Each share carries one vote.

The holders of bonds and warrants may attend the shareholders' meeting, but only have an advisory vote.

ARTICLE 28: DELIBERATIONS AND VOTE

The shareholders' meeting may validly deliberate and vote, regardless of the percentage of the registered capital present or represented, except in those cases where the Belgian Code of Companies requires a quorum.

The shareholders' meeting may not deliberate on items that do not appear on the agenda, unless all shareholders are physically present or represented at the meeting and unanimously decide to extend the agenda.

Unless provided otherwise by law or by provisions of the articles of association, all resolutions are adopted by a simple majority of the votes cast. Blank and invalidly marked ballots shall not be counted when calculating the votes cast.

Resolutions relating to the approval of the company's annual accounts and the discharge to be granted to the directors and statutory auditor(s) are adopted by a majority of votes.

When the shareholders' meeting is required to deliberate, amongst other things, on:

- an amendment to the articles of association,
- an increase or decrease of the registered capital,
- the issuance of shares below the accounting par value,
- the issuance of convertible bonds or warrants,
- the dissolution of the company,

at least half the shares representing the capital must be represented at the meeting. If this condition is not met, a new meeting must be convened, which will validly deliberate, regardless of the number of shares represented.

Decisions on the above-mentioned subjects must be approved by a majority of three quarters of the votes cast, without prejudice to other rules of attendance and majority provided for by the Belgian Code of Companies, including those in relation to a change to the corporate purpose, the acquisition, the pledge and the transfer of own shares by the company, the dissolution of the company when, as a result of losses, the company's net asset value falls below a quarter of its registered capital, and the conversion of the company into a different corporate form.

Voting shall take place by a show of hands or roll call, unless the shareholders' meeting decides otherwise by a simple majority of votes cast.

ARTICLE 29: MINUTES

The minutes of shareholders' meetings are signed by the officers and by those shareholders who so request.

Copies of or extracts from the minutes that are to be used in court or otherwise shall be signed by the chairperson, the secretary and the vote counters or, in their absence, by two directors.

FINANCIAL YEAR – ANNUAL ACCOUNTS - DIVIDENDS

ARTICLE 30: FINANCIAL YEAR AND ANNUAL ACCOUNTS

The financial year starts on the first of April of each year and ends on the thirty-first of March of the following year.

At the end of each financial year, the board of directors shall draw up an inventory, as well as the annual accounts. The board of directors shall also draft a report, in which it justifies its management of the company. The statutory auditor shall draft a detailed written report in preparation for the annual shareholders' meeting. These documents shall be prepared in accordance with the applicable legal provisions.

ARTICLE 31: DISTRIBUTION OF DIVIDENDS

On an annual basis, the company must distribute a dividend to its shareholders, within the permissible limits referred to in the applicable corporate laws and the BE-REIT legislation, the minimum amount of which is prescribed by the BE-REIT legislation.

The board of directors may, within the limits of the applicable provisions of the corporate laws, distribute an interim dividend and determine a payment date.

ARTICLE 32: PAYMENT OF DIVIDENDS

The dividends that the shareholders' meeting decides to distribute shall be paid at the time and place determined by the shareholders' meeting or the board of directors.

Any dividends or interim dividends distributed in violation of the law must be reimbursed by the shareholders who received them, if the company can prove that the shareholders in question knew, or should have known, under the circumstances, that the distribution made in their favour was contrary to the statutory requirements.

ARTICLE 33: ANNUAL AND HALF-YEAR REPORT

The company's annual and half-year reports, containing the statutory and consolidated annual and half-year accounts, and the statutory auditor's report shall be put at the disposal of the shareholders in accordance with the statutory provisions applicable to issuers of financial instruments admitted to trading on a regulated market and in accordance with the BE-REIT legislation.

The company's annual and half-year reports shall be made available on its website.

Shareholders have the right to obtain a copy of the annual and half-year reports free of charge at the company's registered office.

DISSOLUTION - LIQUIDATION

ARTICLE 34: APPOINTMENT AND POWERS OF THE LIQUIDATORS

In the event of the dissolution of the company, for whatever reason and at any time whatsoever, the liquidation shall be carried out by one or several liquidators appointed by the shareholders' meeting. The liquidator(s) may only take office after ratification of his/her/their appointment by the court of commerce. If no liquidator(s) is/are appointed, the members of the board of directors shall be considered liquidators vis-à-vis third parties.

The liquidators shall form a board ("college"). To this end, they shall have the broadest powers in accordance with the applicable provisions of the Belgian Code of Companies, without prejudice to any limits imposed by the shareholders' meeting.

The liquidator(s) has/have the obligation to call a shareholders' meeting each time such a meeting is requested by the shareholders collectively representing a fifth of the registered capital.

The shareholders' meeting shall determine the fees of the liquidator(s).

The liquidation of the company shall be closed in accordance with the provisions of the Belgian Code of Companies.

ARTICLE 35: ALLOCATION OF LIQUIDATION PROCEEDS

After settlement of all debts, expenses and liquidation costs, the net asset value shall first be used to pay back, in cash or in kind, the paid-up registered capital that has not yet been reimbursed.

Any remaining balance shall be divided equally among the shares.

GENERAL PROVISIONS

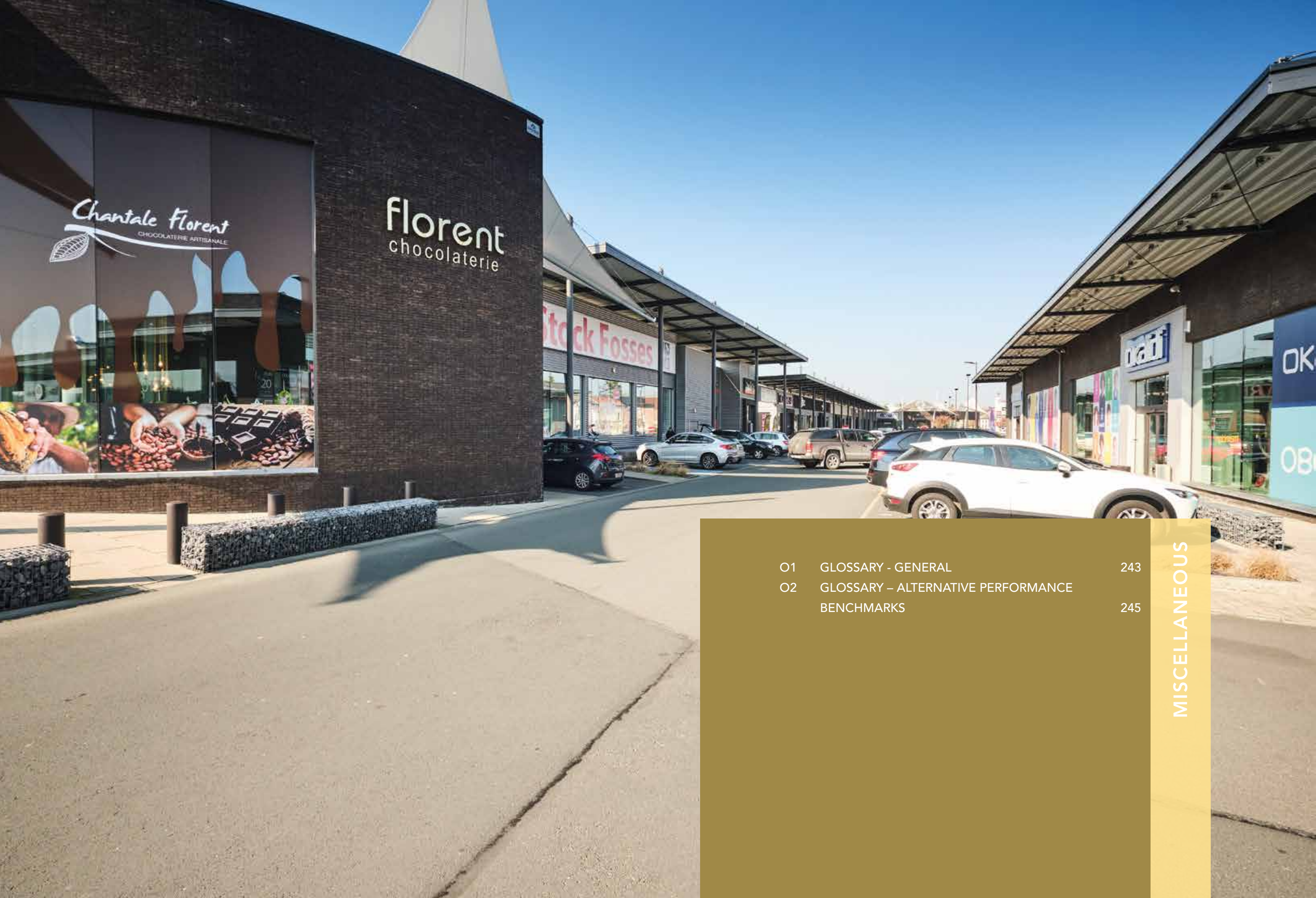
ARTICLE 36: ELECTION OF DOMICILE

Any director, manager and liquidator of the company who has his/her place of residence abroad is deemed, for the purpose of his or her official functions, to have elected domicile at the company's registered office, to which address all communications, notices, and writs of summons may be validly sent.

The holders of registered shares must notify the company of any change of address. In the absence thereof, all communications, notices and writs of summons will be validly sent to their last known address.

ARTICLE 37: APPLICABLE LAW

Any provision of these articles of association that is contrary to the mandatory provisions of the Belgian Code of Companies and to the BE-REIT legislation shall be deemed null and void; the invalidity of any one of these articles or any part thereof shall have no effect on the remaining articles.



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MISCELLANEOUS



1. GLOSSARY - GENERAL

ACQUISITION VALUE

This is the term to be used for the purchase of a building. Any transaction costs paid are included in the acquisition price.

BEL MID-INDEX

Since 1 March 2005, this has been a weighted price index of shares quoted on Euronext that makes allowance for the stock market capitalisation, with the weightings determined by the free float percentage and the velocity of circulation of the shares in the basket.

BE-REIT LEGISLATION

The Act of 12 May 2014 relating to regulated real estate companies, amended for the last time on 28 April 2020, and the royal decree of 13 July 2014 relating to regulated real estate companies, amended for the last time on 23 April 2018.

BULLET LOAN

A loan repaid in its entirety at the end of the loan term.

CHAIN STORES

These are companies that have a central procurement department and operate at least five different retail outlets.

CONTRACTUAL RENTS

The index-linked basic rents as contractually determined in the lease agreements as of 31 March 2020, before deduction of gratuities or other benefits granted to the tenants.

CORPORATE GOVERNANCE CODE (2020 VERSION)

Belgian Code drawn up by the Corporate Governance Committee and containing recommendations and provisions relating to corporate governance to be observed by companies under Belgian law whose shares are traded on a regulated market.

DEBT RATIO

The debt ratio is calculated as follows: liabilities (excluding provisions, accrued charges and deferred income, hedging instruments and deferred taxes) divided by the total assets (excluding hedging instruments).

DIVIDEND YIELD

The ratio of the most recently paid gross dividend to the final share price of the financial year over which the dividend is payable.

ESTIMATED INVESTMENT VALUE

This is the value of the real estate portfolio, including costs, registration charges, fees and VAT, as estimated each quarter by an independent expert.

ESTIMATED LIQUIDATION VALUE

This is the value excluding costs, registration charges, fees and recoverable VAT, based on a scenario whereby the buildings are sold on a building-by-building basis.

EXIT TAX

The exit tax is a special corporate income tax rate applied to the difference between the fair value of the registered capital of companies and the book value of its capital at the time that a company is recognised as a Belgian real estate investment trust, or merges with a Belgian real estate investment trust.

FAIR VALUE

This value is equal to the amount for which a building could be swapped between properly informed parties, consenting and acting under normal competitive conditions. From the point of view of the seller, it must be construed minus the registration charges.

FREE FLOAT

This is the percentage of shares held by the public. Euronext calculates the free float as the total number of shares in the capital, minus the shares held by companies that form part of the same group, state enterprises, founders, shareholders with a shareholder agreement, and shareholders with a controlling majority.

GROSS DIVIDEND

The gross dividend per share is the operating profit that is distributed.

IFRS STANDARDS

The International Financial Reporting Standards are a set of accounting principles and valuation rules prepared by the International Accounting Standards Board. The aim is to simplify international comparison

between European listed companies.

Listed companies are required to prepare their consolidated accounts according to these standards starting from the first financial year beginning after 1 January 2005.

INSTITUTIONAL INVESTOR

An enterprise that professionally invests funds entrusted to it by third parties for various reasons. Examples include pension funds, investment funds,...

“INTEREST RATE SWAP” (IRS)

An “Interest Rate Swap” is an agreement between parties to exchange interest rate cash flows during a predetermined period of time on an amount agreed beforehand. This concerns only the interest rate cash flows. The amount itself is not swapped. IRS is often used to hedge interest rate increases. In this case a variable interest rate will be swapped for a fixed one.

MARKET CAPITALISATION

This is the total number of shares at the end of the financial year multiplied by the closing price at the end of the financial year.

NET ASSET VALUE

NAV (Net Asset Value): this is the shareholders’ equity divided by the number of shares.

NET CASH FLOW

Operating cash flow, EPRA earnings (share of the group) plus the additions to depreciation, impairments on trade receivables, and additions to, and withdrawals from, provisions, plus the achieved higher or lower value relative to the investment value at the end of the previous financial year, minus the exit tax.

NET DIVIDEND

The net dividend equals the gross dividend after retention of 30% withholding tax.

OCCUPANCY RATE

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.

OLO (BELGIAN GOVERNMENT BONDS)

Government bond usually deemed equivalent to a virtually risk-free investment, and used as such to calculate the risk premium compared with listed securities. The risk premium is the additional return expected by the investor for the company’s risk profile.

OUT-OF-TOWN RETAIL PROPERTIES

Retail properties grouped along roads leading into and out of cities and towns. Each outlet has its own car park and an entrance and exit road connecting it to the public road.

PAY-OUT RATIO

The pay-out ratio indicates the percentage of the net profit that will be paid out as a dividend to shareholders. This ratio is obtained by dividing the paid-out net profit by the total net profit.

PRICE/EARNINGS RATIO (P/E RATIO)

This ratio is calculated by dividing the price of the share by the profit per share. The ratio indicates the number of years of earnings that would be required to pay back the purchase price.

REAL ESTATE CERTIFICATE

A real estate certificate is a security that entitles the holder to a proportionate part of the income obtained from a building. The holder also shares in the proceeds if the building is sold.

RETAIL CLUSTER

A collection of out-of-town retail properties located along the same traffic axis that, from the consumer’s point of view, form a self-contained whole although they do not share infrastructure other than the traffic axis.

RETAIL PARK

Retail properties that form part of an integrated commercial complex and are grouped together with other retail properties. All properties use a central car park with a shared entrance and exit road.

RETURN

The total return achieved by the share in the past 12 months or (most recent price + gross dividend)/price in the previous year.

SECURITISED REAL ESTATE

This is an alternative way of investing in real estate, whereby the shareholder or certificate holder, instead of investing personally in the ownership of a property, acquires (listed) shares or share certificates of a company that has purchased a property.

VELOCITY OF CIRCULATION

Sum of the shares traded monthly, relative to the total number of shares over the past 12 months.

2. GLOSSARY – ALTERNATIVE PERFORMANCE BENCHMARKS

TERMINOLOGY

OPERATING MARGIN

Definition

The ‘Operating result before result of the portfolio’ divided by the ‘Net rental income’.

Purpose

Allows measuring the operational performance of the company.

FINANCIAL RESULT (EXCLUDING CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES).

Definition

The “Financial result” minus the “Changes in fair value of financial assets and liabilities”

Purpose

Allows to make a distinction between the realised and the unrealised financial result.

RESULT ON PORTFOLIO

Definition

The “Result on portfolio” consists of the following items:

- “Result on disposals of investment properties”;
- “Result on sales of other non-financial assets”;
- “Changes in fair value of investment properties”; and
- “Other result on portfolio”.

Purpose

Allows to measure realised and unrealised gains and losses related to the portfolio, compared to the last valuation by independent real estate experts.

WEIGHTED AVERAGE INTEREST RATE

Definition

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.

Purpose

Allows to measure the average interest charges of the company.

NET ASSET VALUE PER SHARE (INVESTMENT VALUE) EXCLUDING DIVIDEND EXCLUDING THE FAIR VALUE OF AUTHORISED HEDGING INSTRUMENTS

Definition

Shareholders' equity (excluding the impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties, excluding the fair value of authorised hedging instruments and excluding dividend) divided by the number of shares.

Purpose

Reflects the net asset value per share adjusting for some material IFRS adjustments to enable comparison with its stock market value.

GROSS YIELD

Definition

The gross yield represents the ratio of the current rental income (net and after deduction of taxes) to the estimated value of the portfolio (i.e. without non-current assets under construction).

Purpose

This key figure represents the relationship between two of the most important parameters of the company and makes it possible to make a comparison over the years and between different companies.

RECONCILIATION TABLES

OPERATING MARGIN

(in € 000)	31.03.2020	31.03.2019
Operating result before result on portfolio (A)	91 559	80 807
Net rental income (B)	107 614	94 981
Operating margin (A/B)	85,08%	85,08%

FINANCIAL RESULT (EXCLUDING CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES).

(in € 000)	31.03.2020	31.03.2019
Financial result (A)	-25 533	-31 826
Changes in fair value of financial assets and liabilities (B)	-6 216	-13 374
Financial result (excluding changes in fair value of financial assets and liabilities) (A-B)	-19 317	-18 452

RESULT ON PORTFOLIO

(in € 000)	31.03.2020	31.03.2019
Result on disposals of investment properties (A)	597	654
Result on sales of other non-financial assets (B)	0	0
Changes in fair value of investment properties (C)	-5 183	7 361
Other result on portfolio (D)	-298	-1 058
Result on portfolio (A+B+C+D)	-4 884	6 957

WEIGHTED AVERAGE INTEREST RATE

(in € 000)	31.03.2020	31.03.2019
Net interest charges (including the credit margin and the cost of the hedging instruments) (A)	19 275	18 479
Other charges of debt (B)*	1 337	1 218
Weighted average financial debt of the period (C)**	839 839	747 040
Weighted average interest rate (A-B)/C	2.13%	2.31%

*Other debt costs relate to reservation fees, up-front fees, etc.
**Financial debt at the end of the period multiplied by factor 0,9041

NET ASSET VALUE PER SHARE (INVESTMENT VALUE) EXCLUDING DIVIDEND EXCLUDING THE FAIR VALUE OF
AUTHORISED HEDGING INSTRUMENTS

(in € 000)	31.03.2020	31.03.2019
Shareholders' equity attributable to the shareholders of the parent company (A)	798 987	707 926
Impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties (B)	-57 187	-51 030
The fair value of authorised hedging instruments qualifying for hedge accounting (C)	-29 584	-23 879
Proposed gross dividend (D)	55 574	48 546
Number of ordinary shares in circulation (E)	12 630 414	11 422 593
Net asset value per share (investment value) excluding dividend excluding the fair value of authorised hedging instruments ((A-B-C-D)/E)	65.73	64.28

GROSS YIELD

(in thousands €)	31.03.2020	31.03.2019
The current rental income (net, after deduction of canon) (A)	112 318	103 502
The estimated investment value of the portfolio (without taking into account the assets under construction included in the cost price) (B)*	1 719 120	1 580 291
Gross yield (A/B)	6.53%	6.55%

* Difference between the investment value included here and the investment value as stated previously in the balance sheet is explained by the real estate portfolio of "Distri-land". The yield is determined on the basis of real estate reports, whereby the "Distri-land" portfolio is included for 100%. Retail Estates only holds 87,00% of the issued real estate certificates and values the certificates to the underlying value of the property pro rata its contractual rights (see annual report 2017-2018)

NOTES

INFORMATION SHEET

Name:	Retail Estates nv
Status:	Public Belgian Real Estate Investment Trust ("Belgian REIT") organised and existing under the laws of Belgium.
Address:	Industrielaan 6 – B-1740 Ternat
Tel:	+32 (0)2 568 10 20
Fax:	+32 (0)2 581 09 42
E-mail:	info@retailestates.com
Website:	www.retailestates.com
Register of legal entities:	Brussels
VAT:	BE 0434.797.847
Company number:	0434.797.847
Date of incorporation:	12 July 1988
Status as fixed-capital real estate investment fund granted:	27 March 1998 (until 23 October 2014)
Status as Belgian real estate investment trust (BE-REIT) granted:	24 October 2014
Duration:	Unlimited
Management:	Internal
Statutory auditor:	PwC Bedrijfsrevisoren bv – Woluwegarden-Woluwedael 18 at 1932 Brussel, represented by Mr Damien Walgrave
Financial year closing:	31 March
Capital at 31.03.2020:	€ 284,189,235.69
Number of shares at 31.03.2020:	12,630,414
Annual shareholders' meeting:	Penultimate Monday of July
Share listing:	Euronext – continuous market
Financial services:	KBC Bank
Value of real estate portfolio as of 31.03.2020:	Investment value € 1,719.04 million – fair value € 1,661.75 million (incl. value of "Immobilière Distri-Land nv" real estate certificates)
Real estate experts:	Cushman & Wakefield, CBRE, Colliers and Stadim
Number of properties as of 31.03.2020	969
Type of properties:	Out-of-town retail real estate
Liquidity provider:	KBC Securities and De Groof Petercam

AVAILABILITY OF THE ANNUAL REPORT

This annual report is available in Dutch, French and English versions.

This annual report was prepared in Dutch. Retail Estates nv checked the translation of and the correspondence between the official Dutch version and the French and English versions and is responsible for the translations. In the event of contradictions between the Dutch and the French or English version, the Dutch version shall prevail. For information purposes only, an electronic version of this annual report is available on the website of Retail Estates nv (www.retailestates.com). None of the other information published on the website of Retail Estates nv is part of this annual report.

