



**RETAIL
ESTATES**



PRESS RELEASE

**Regulated information
Ternat, 17 January 2022**

COVID-19 – UPDATE SHOP CLOSURES IN THE NETHERLANDS – REOPENING OF ALL DUTCH SHOPS AFTER 4 WEEKS OF COMPULSORY CLOSURE

SALE OF RETAIL PARK IN LOMMEL AND REINVESTMENT IN REINFORCEMENT PRESENCE IN OTHER RETAIL PARKS

FRAMEWORK AGREEMENT CONCLUDED FOR PHASED DIVESTMENT OF KEERDOK RETAIL SITE IN MECHELEN – OPENING VACCINATION CENTRE

The Netherlands - COVID-update

The Dutch government has taken draconian measures to limit the further spread of the omicron variant of the COVID-19 virus. All horeca establishments and non-essential retail shops have been closed since 19 December 2021 until 14 January 2022. On Saturday 16 January 2022, shops opened again, although with a mandatory closing at 5pm, a measure that does not affect many traders in the home improvement sector. All 246 retail properties and horeca establishments of Retail Estates were affected. The original decision was taken on 18 December 2021 when all rents for the month of December 2021 had already been paid. Since the home improvement sector once again achieved strong turnover figures in 2021, there were no significant rent arrears at that time. The occupancy rate was almost 100 percent, driven by strong demand from the sector for new sales outlets. The investment market in peripheral retail properties was also very active in the last quarter of 2021 at a price level above the five-year average. The decision by the Dutch government to close non-essential shops, which was unprecedented in north-western Europe, therefore came as a surprise. From the experience of the previous lockdown in the Netherlands in the first quarter of 2021 that lasted three months, it can be remembered that the peripheral retail sector in general and home improvement sector in particular recovered quickly and strongly after the reopening. It is expected in the retail sector that this will also be the case in 2022.

The expected rental income for the month of January 2022 amounts to € 3.06 million. In accordance with Dutch practice and applicable law, it can be expected that during the period of mandatory close the tenants will pay at least half of the rent on time and that only the balance of € 1.53 million will be the subject of consultation with Retail Estates resulting in a partial rent reduction.

Belgium - Investments and divestments

Retail Estates has sold its small-scale retail park in **Lommel** to a family real estate company at a selling price of € 11.5 million. The retail park has four tenants and is surrounded by residential buildings, which means that it cannot be expanded. As a result, it was no longer a strategic asset in the Retail Estates property portfolio. At the time of the sale, the rental income amounted to € 0.75 million on an annual basis. The sale price of € 10 million was reinvested in the purchase of 6 retail properties located in Sint-Joris-Winge (1 retail property in the "Gouden Kruispunt" retail park rented to Leen Bakker), in Lokeren (2 retail properties at the Zelebaan retail park rented to Damart and LolaLiza) and in Libramont (3 retail properties in the retail cluster along the Route de Bouillon, 2 of which are rented to Leen Bakker and Casa respectively, and 1 of which is for rent). The rental income from the leased premises amounts to € 0.58 million on an annual basis. An amount of € 1.2 million was also invested in the purchase of an empty retail property in Tournai with an estimated rental value of € 0.08 million (peripheral retail zone Froyennes). All these investments complete retail parks or retail clusters in the Retail Estates property portfolio.

In **Mechelen**, Retail Estates owns 7 retail properties located in a retail cluster consisting of 13 shops on the Keerdok site. This site was rezoned by the local government for construction of apartments with the approval of the RUP Rode Kruisplein. Four of the seven tenants have moved to the new retail park Malinas and three others closed their shops. Retail Estates has entered into a framework agreement with the operating company of two real estate developers to realise a phased sale of its retail premises by the end of June 2024. The transaction is subject to suspensive conditions that must be met by the end of February 2024. The total sale price amounts to € 10.24 million which is €0.79 million less than the fair value as per 30 September 2021 which amounted to € 11.02 million. The largest retail building on this site was made available to the city of Mechelen, which set up a vaccination centre there as of 1 December 2021.

Dividend forecast confirmed

The strong results achieved in the first three quarters of the 2021-2022 financial year, as well as the cautiously estimated income for the current fourth quarter, allow us to confirm the dividend forecast for the full financial year at € 4.60 gross.

ABOUT RETAIL ESTATES NV

The Belgian public real estate investment trust Retail Estates nv is a niche player specialised in making in out-of-town retail properties located on the periphery of residential areas or along main access roads to urban centres available to users. Real Estates NV acquires these real properties from third parties or builds and commercialises retail buildings for its own account. The buildings have useful areas ranging between 500 m² and 3,000 m². A typical retail building has an average area of 1,000 m².

As of 31 December 2021, Retail Estates nv has 1,003 premises in its portfolio with a total retail area of 1,198,682m², spread over Belgium and the Netherlands.

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

FORWARD-LOOKING STATEMENTS

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

Ternat, 17 January 2022

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