



RETAIL ESTATES



Press release

Periodic statement – regulated information

Ternat, 29 July 2024, 7 a.m.

Interim statement of the board of directors
First quarter 2024-2025 (closed on 30.06.2024)¹

Increased rental income and stable real estate portfolio valuation support profits

Net rental income of € 35.22 million (+4.55% compared to 30 June 2023) in the first quarter of 2024-2025.

EPRA earnings² (group) of € 22.49 million (+0.78% compared to 30 June 2023).

EPRA profit per share (group) of € 1.56 (based on the weighted average number of shares³).

Stable fair value of the real estate portfolio: € 2,031.06 million on 30 June 2024 (+0.14% compared to € 2,028.32 million on 31 March 2024).

Occupancy rate at a high level (97.70%) on 30 June 2024.

Shareholders exchange 39.23% of the dividend rights at the **interim optional dividend** for 331,748 new shares. This exceeds by more than 10% the result of the interim optional dividend in respect of earnings for fiscal year 2022-2023 (34.97%).

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

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

³ Taking into account the issue of 331,748 new shares on 27 June 2024 as a result of the capital increase within the context of the optional interim dividend. More information under 'Events after the balance sheet date'. The weighted average number of shares is 14,386,524.

1 Real estate activities during the first quarter 2024-2025

1.1 Rental income and occupancy rate⁴

The net rental income amounts to € 35.22 million for the first quarter of the financial year, an increase by € 1.53 million (+4.55%) compared to the same period in the past financial year 2023-2024 (€ 33.69 million). The increase is the result of acquisitions of rented real estate in the previous financial year.

The occupancy rate of the portfolio was 97.70% on 30 June 2024 (compared to 97.89% on 31 March 2024).

1.2 Fair value⁵ of the real estate portfolio

As of 30 June 2024, the fair value of the real estate portfolio (including non-current assets under construction) amounts to € 2,031.06 million, which represents an increase by € 2.74 million (+0.14%) compared to the fair value on 31 March 2024 (€ 2,028.32 million). The value of the portfolio remains stable because the minus value resulting from lower valuations of solar panel plants - due to lower electricity prices - is offset by the capital gain on the real estate portfolio.

On 30 June 2024 the real estate portfolio consisted of 1,018 properties with a lettable surface of 1,226,143 m².

1.3 Investments – retail parks

No significant investments took place in the first quarter of the 2024-2025 financial year.

1.4 Divestments

In the first quarter, Retail Estates sold a vacant property in Halle (Belgium) to an end user for a price in line with the fair value.

1.5 Result of the interim optional dividend

Within the context of the interim optional dividend, the shareholders of Retail Estates have opted to subscribe for new shares for 39.23% of their dividend rights. This exceeds by more than 10% the result of the interim optional dividend in respect of earnings for fiscal year 2022-2023 (34.97%), despite the fact that, as last time, a number of reference shareholders did not opt for the subscription of new shares. The result demonstrates a confidence in the company's policy that is broadly supported within Retail Estates' shareholder base.

A total of 39.23% of the coupons no 32 were contributed in exchange for new shares. This means that on 27 June 2024, 331,748 new shares were issued for a total amount of € 19,739,006.00 (issue premium included). These shares were admitted to trading on Euronext Brussels and Euronext Amsterdam on 27 June 2024 and were immediately tradable from that date onward. They will participate in the results of the current financial year that started on 1 April 2024.

⁴ 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.

⁵ Fair value: investment value as determined by an independent real estate expert, with (hypothetical) transfer taxed deducted in accordance with IFRS13. The fair value is the book value under the IFRS (see also note 21 of the 2023-2024 annual report).

This capital increase will be used to expand the real estate portfolio and, in the meantime, to temporarily reduce debt. The capital increase reduces the (legally capped) debt ratio with 0.94% compared to a 100% payment of the interim dividend in cash.

1.6 Impact Euro Shoe Group

On 7 June 2024, the Business Court of Antwerp, Hasselt Division, opened the procedure of transfer under judicial authority for Euro Shoe Group, known for the Bristol shoe store chain. The aim is to find an acquirer for all or part of the business. With this procedure, the company is protected from creditors until 7 September 2024. At the time of publication of this press release, Euro Shoe Group had paid the rent for the Belgian Retail Estates properties for the months of June and July with proceeds from the clearance sales at the Bristol stores. Only the May rent for the Belgian stores has not been paid.

Euro Shoe Group is in the final stages of the procedure whereby interested parties submit binding offers to acquire stores. According to market information, several Belgian and foreign shoe retailers operating in the periphery have expressed interest. Retail Estates is aware of several bids for six of its eleven affected stores. The annual rent for the eleven Belgian stores is € 1.56 million.

In the Netherlands, Retail Estates is negotiating an early termination of the lease of the store it leases to Euro Shoe Group. The annual rent of the store in the Netherlands amounts to € 0.31 million.

In the Netherlands, Retail Estates and Euro Shoe Group have reached an agreement on 25 July 2024 for early termination of the lease of the store that Retail Estates leases to Euro Shoe Group with effect on 31 August 2024. The annual rent of the store in the Netherlands is € 0.31 million.

2 Events after the balance sheet date

2.1 Acquisition additional retail unit in Woonmall Alexandrium

On 16 July 2024, Retail Estates acquired an additional retail unit in home decoration mall Woonmall Alexandrium (Rotterdam, the Netherlands). The unit was acquired via Alex Invest nv, a 50% subsidiary under Dutch law. With this purchase, Retail Estates, through Alex Invest, increases its share to 43.66% of the voting rights in the joint ownership.

3 Key figures on 30 June 2024

3.1 EPRA earnings

On 30 June 2024 the EPRA earnings had evolved to € 22.49 million compared to € 22.32 million in the comparable period in the 2023-2024 financial year.

EPRA earnings per share (on the basis of the weighted average number of shares) amounted to € 1.56 on 30 June 2024, compared to € 1.58 on 30 June 2023. The decline results from dilution (the weighted average number of shares increased from 14,085,827 on 30 June 2023 to 14,386,524 on 30 June 2024).

3.2 Net result

The net result, which also takes into account the results on disposal of investment properties (€ -0.15 million), the positive variations in the fair value of the investment properties (€ +0.60 million), the other

result on portfolio (€ -0.06 million) and the positive variations in the fair value of financial instruments (€ +5.03 million) amounted to € 27.87 million on 30 June 2024.

3.3 Information per share

	30.06.2024	31.03.2024
Number of shares in circulation	14,707,335	14,375,587
Weighted average number of shares	14,386,524	14,294,043
Net asset value per share IFRS (group, in €)	77.71	81.20
EPRA NAV (in €)	74.37	78.15
	30.06.2024	30.06.2023
EPRA earnings per share (based on weighted average number of shares) (in €)	1.56	1.58
EPRA earnings per share (based on number of shares entitled to dividends) (in €)	1.53	1.58

3.4 Weighted average interest charges⁶

On 30 June 2024 the weighted average interest rate was 2.10% compared to 2.30% on 31 March 2024 and 2.13% on 30 June 2023 and results from the changed composition of the credit portfolio and the hedging portfolio. Retail Estates combines bilateral credits at different banking partners with private placements of bonds at institutional investors and with a commercial paper programme (fully covered by back-up lines). The average maturity of the credit portfolio is 3.73 years. The interest rate risk is 97.68% hedged at 30 June 2024 with cash flow hedges so the impact of higher interest rates is not significant.

3.5 Debt ratio

On 30 June 2024 the debt ratio amounted to 45.97% compared to 44.62% on 31 March 2024. The increase of the debt ratio on 30 June 2024 is the result of the processing of the interim dividend for an amount of € 5 per share, partly compensated by the effect of the optional dividend that resulted in a capital increase of € 19.74 million on 27 June 2024.

⁶ 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.

4 Outlook

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

The expected dividend is maintained at € 5.1 gross per share.

5 Financial calendar

Announcement of the half year results of the 2024-2025 financial year	Monday 18 November 2024
Announcement of the third quarter results of the 2024-2025 financial year	Monday 24 February 2025
Announcement of the annual results of the 2024-2025 financial year	Monday 26 May 2025

About Retail Estates nv

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

As of 30 June 2024, Retail Estates nv has 1,018 rental units in its portfolio with a total retail area of 1,226,143 m², spread over Belgium and the Netherlands. The occupancy rate of the entire portfolio was 97.70% on 30 June 2024. The fair value of the consolidated real estate portfolio of Retail Estates NV as at 30 June 2024 is estimated at € 2,031.06 million by independent real estate experts.

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

Forward-looking statements

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

Ternat, 29 July 2024

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