

ANNUAL REPORT

19

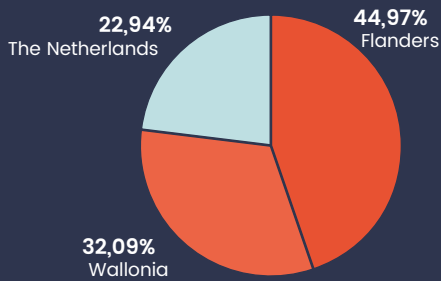
RETAIL ESTATES



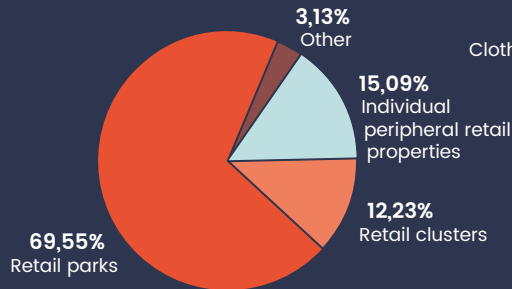
2018 – 2019

IN BRIEF

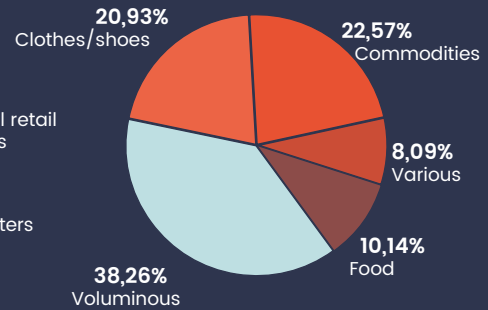
GEOGRAPHICAL DISTRIBUTION



TYPE OF BUILDING



COMMERCIAL ACTIVITIES OF TENANTS



RETAIL PROPERTIES

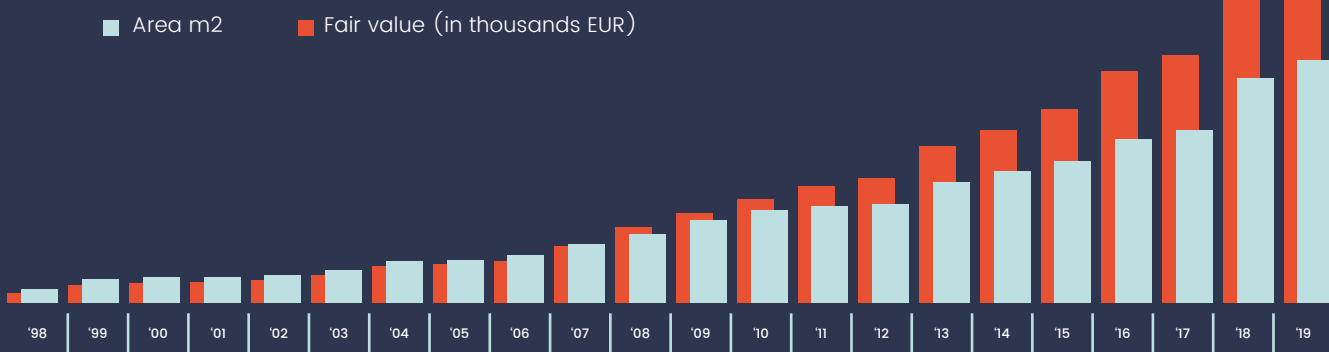


The real estate portfolio of Retail Estates nv consists of retail properties located outside the largest cities of Belgium and the Netherlands

NUMBER OF EMPLOYEES



GROWTH PORTFOLIO **RETAIL ESTATES NV** BETWEEN 1998 AND 2019



1 049 101 M²

Retail area

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

1 529 629 €

Fair value

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

2018-2019

GEOGRAPHICAL SPREAD CLUSTERS

 **98.28%**

Stable occupancy rate

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



NEW CLUSTERS IN THE NETHERLANDS 2018

1 Retail park Spijkenisse

Investment: 47.2 miljoen €

31 retail units

28 527 m²

NEW CLUSTERS

2 Retail park Foss

Investment: 29 m

29 retail units

17 132 m²

3 Retail park Mon

Investment: 27.8

7 retail units

11 779 m²

4 Retail park Arlo

Investment: 17.4

6 retail units

11 123 m²

5 Retail park Hass

Investment: 14.9

4 retail units

5 762 m²

This annual financial report is a registration document within the meaning of Article 28 of the Law of 16 June 2006 concerning the public offer of investment instruments and the admission of investment instruments to trading on a regulated market. The Dutch version of this report was approved by the Belgian Financial Services and Markets Authority (FSMA) in compliance with Article 23 of the aforementioned Law on 11 June 2019. The approval of this registration document does not imply any opinion of the FSMA on the state of the Company (in compliance with Article 23, 2° of the aforementioned Law). Purely for informational causes, the present report is also made available in Dutch and French on the Company's website (www.retailstates.com). The Dutch version as well as the French and English version of this annual report are legally binding. Within the framework of their contractual relationship with the Company, investors can therefore always appeal to the translated versions. Retail Estates, represented by its responsible people, is responsible for the translation and conformity of the Dutch, French and English language versions. However, in case of discrepancies between language versions, the Dutch version always prevails.

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are standards that Retail Estates nv uses to measure and track its financial performance. The measures are used in this annual report but are not defined in a law or generally accepted accounting principles (GAAP). The European Securities and Markets Authority (ESMA) has issued guidelines applicable from 3 July 2016 for the use and explanation of alternative performance measures. The terms considered by Retail Estates nv as an alternative performance measure are contained in chapter 8 of this report, Miscellaneous, called "Glossery - Alternative performance measures". The definition, purpose and reconciliation of the alternative performance measures are foreseen as required by the ESMA Directive.

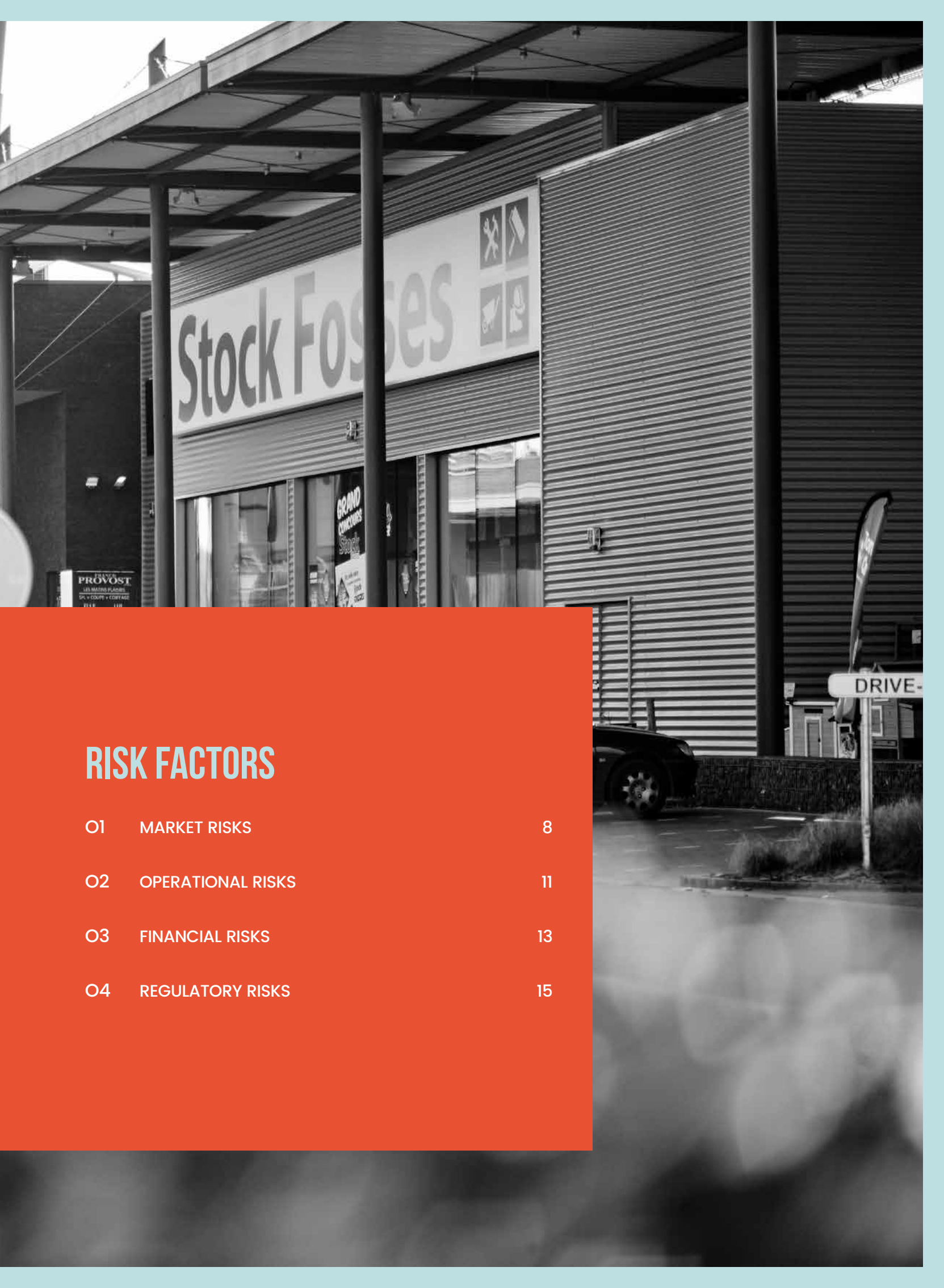
CONTENTS

1	RISK FACTORS	5
2	LETTER TO THE SHAREHOLDERS	27
3	MANAGEMENT REPORT	31
4	RETAIL ESTATES ON THE STOCK EXCHANGE	83
5	REAL ESTATE REPORT	91
6	FINANCIAL REPORT	125
7	PERMANENT DOCUMENT	197
8	MISCELLANEOUS	217



IN RETAIL WE TRUST





RISK FACTORS

O1	MARKET RISKS	8
O2	OPERATIONAL RISKS	11
O3	FINANCIAL RISKS	13
O4	REGULATORY RISKS	15



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

INVESTMENT MARKET FOR OUT-OF-TOWN RETAIL PROPERTIES AND RETAIL PARKS

DESCRIPTION OF THE RISK

The reduced demand from investors for out-of-town retail properties.

POTENTIAL IMPACT

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.

LIMITING FACTORS AND CONTROL

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

52.58% on 31 March 2019 (the BE-REIT legislation set the maximum debt ratio at 65%).

INFLATION RISK

DESCRIPTION OF THE 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.

POTENTIAL IMPACT

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 2019). Based on the data of 31 March 2019, the rental income variation can be estimated at EUR 0.92 million on an annual basis for each percentage point variation of the health index.

LIMITING FACTORS AND CONTROL

The company seeks to reduce the risk of cost increases by entering into contractual agreements with its suppliers.

DEFLATION RISK

DESCRIPTION OF THE RISK

Deflation leads to a reduction in

economic activity, which in turn results in a general fall in prices.

POTENTIAL IMPACT

In the case of deflation, the health index will be negative, so rental income will fall. Based on the data of 31 March 2019, the rental income variation can be estimated at EUR 0.92 million on an annual basis for each percentage point of variation of the health index.

LIMITING FACTORS AND CONTROL

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

DESCRIPTION OF THE RISK

Impact of the increasing importance of e-commerce on existing sales channels.

POTENTIAL IMPACT

Reduced demand for physical shops due to increased online shopping.

Demand for smaller shops (fewer m²) due to less stock being present in the shops.

LIMITING FACTORS AND CONTROL

Leasing to retailers that integrate the "multichannel" concept

into their business model and thus integrate e-commerce into existing shops.

Splitting existing properties into smaller areas.

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 furniture, voluminous, Commodities,...). Within this scope we refer to the real estate report, which includes an overview of the commercial activities of the tenants.

EXTERNAL FACTORS – INCIDENTS

DESCRIPTION OF THE RISK

Impact of external factors and serious incidents (such as terror threat, vandalism, fire, explosion, storm and water damage) that may occur in the buildings included in the real estate portfolio.

POTENTIAL IMPACT

Interrupted activity and consequentially loss of the tenant and reduced rental income.

LIMITING FACTORS AND CONTROL

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.

CHANGING ECONOMIC CLIMATE

DESCRIPTION OF THE RISK

Impact of falling consumption and a declining economy

POTENTIAL IMPACT

Decrease in demand for shops.

Higher vacancy rates and/or lower rents when re-letting.

Decrease in the fair value of the real estate and consequently also in the Net Asset Value (NAV).

Possible bankruptcies of tenants.

LIMITING FACTORS AND CONTROL

Quality of the tenants with mainly retail chains and a limited annual provision for doubtful debtors (on average about 0.50% of the annual rent). 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.

Usually a bank guarantee of 3 to 6 months is required.

MACROECONOMIC FACTORS

DESCRIPTION OF THE RISK

Increased volatility and uncertainty in the international markets.

POTENTIAL IMPACT

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.

LIMITING FACTORS AND CONTROL

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.



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.

2. OPERATIONAL RISKS

VACANCY AND

LOSS OF RENTAL INCOME

DESCRIPTION OF THE RISK

Risk of increased vacancy and higher re-letting costs related to the evolution in supply and demand in the rental market.

POTENTIAL IMPACT

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.

LIMITING FACTORS AND CONTROL

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 exceeded 98% for more than ten years.

RENTABILITY

DESCRIPTION OF THE RISK

Risk of rentability and quality of the tenants.

POTENTIAL IMPACT

Decrease in the quality and solvency of tenants, resulting in an increase in doubtful debtors, thereby reducing the level of debt collection.

LIMITING FACTORS AND CONTROL

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.

STRUCTURAL CONDITION OF THE BUILDINGS

DESCRIPTION OF THE RISK

Risk of structural and technical deterioration during the life cycle of buildings.

POTENTIAL IMPACT

Ageing of buildings, which affects commercial attractiveness. Loss of income and a long period in which the invested capital does not perform.

LIMITING FACTORS AND CONTROL

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

DESCRIPTION OF THE RISK

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.

POTENTIAL IMPACT

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.

LIMITING FACTORS AND CONTROL

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

DESCRIPTION OF THE RISK

At a number of locations where the company has retail properties, activities were carried out in the past that were potentially polluting.

POTENTIAL IMPACT

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.

LIMITING FACTORS AND CONTROL

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.

TRAFFIC INFRASTRUCTURE

DESCRIPTION OF THE RISK

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.

POTENTIAL IMPACT

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.

LIMITING FACTORS AND CONTROL

Dialogue with the government to develop constructive solutions in the interest of all stakeholders.

KEY PERSONNEL

DESCRIPTION OF THE RISK

The loss of key figures within the organisation.

POTENTIAL IMPACT

The loss of core competencies by the company could lead to a number of objectives being reached later than planned.

LIMITING FACTORS AND CONTROL

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

DESCRIPTION OF THE RISK

Risk of operational losses due to the failure of internal processes and systems, human errors or external events (fraud, natural disaster, cybercrime, etc.).

POTENTIAL IMPACT

Financial losses due to fraud, theft of sensitive data or interruption of activities.

LIMITING FACTORS AND CONTROL

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.



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.

3. FINANCIAL RISKS

LIQUIDITY RISK

DESCRIPTION OF THE 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.

POTENTIAL IMPACT

Impossibility to finance acquisitions or developments (via shareholder's equity as well as via debt) or increased costs that reduce the expected profitability.

The lack of financing to repay interest, capital or operating expenses.

Increased cost of debt due to higher bank margins, with an impact on earnings and cash flows.

LIMITING FACTORS AND CONTROL

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

Please refer to note 34 et seq. of the annual report for an overview of the outstanding credits and unused credit facilities.

INTEREST RATE VOLATILITY

DESCRIPTION OF THE RISK

The company risks an increase in its financial costs that may arise from the evolution of interest rates.

POTENTIAL IMPACT

Increased cost of debt, resulting in an impact on earnings and cash flows, and a decrease in profitability.

Strong fluctuations in the value of financial instruments with potential impact on NAV.

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.

LIMITING FACTORS AND CONTROL

The company applies a conservative policy that minimises this interest rate risk.

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.

With an interest rate swap, the variable interest rate is exchanged for a fixed interest rate. 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. Please refer to note 34 et seq. of this annual report for more information about the hedges used by the company.

COUNTERPARTY RISK

DESCRIPTION OF THE RISK

Concluding bank loans and hedging instruments with financial institutions entails a counterparty risk for the company if these financial institutions fail.

POTENTIAL IMPACT

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.

LIMITING FACTORS AND CONTROL

This risk is limited by spreading the sources of financing across different instruments and counterparties.

COVENANT RISK

DESCRIPTION OF THE RISK

Risk of the requirements to meet certain financial parameters under the credit agreements not being respected.

POTENTIAL IMPACT

Not respecting these covenants may result in early termination of these credits.

LIMITING FACTORS AND CONTROL

The company generally has entered into the following covenants with its bankers and bondholders:

- Retention of BE-REIT status
- Minimum portfolio size

- ICR (calculated on net rental results) ≥ 2
- Maximum debt ratio

The Belgian BE-REIT Act imposes a maximum debt ratio of 65%.

The company complies with all the covenants required by the banks. 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.

4. REGULATORY RISKS

RISK ASSOCIATED WITH REGULATORY CHANGE

DESCRIPTION OF THE RISK

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.

POTENTIAL IMPACT

Negative influence on business, profits, profitability, the financial situation and prospects.

LIMITING FACTORS AND CONTROL

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

DESCRIPTION OF THE RISK

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.

POTENTIAL IMPACT

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.

LIMITING FACTORS AND CONTROL

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. 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. The Corporate Governance Charter is based on the 2009 Code of the Corporate Governance Committee (<https://www.corporategovernancecommittee.be>).

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), the Act of 2 August 2002 on the supervision of the financial sector and on financial services and the 2009 Corporate Governance Code.

PERMITS

DESCRIPTION OF THE RISK

The lack of proper urban planning permits and permits for specific properties.

POTENTIAL IMPACT

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.

LIMITING FACTORS AND CONTROL

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.

RISKS ASSOCIATED WITH THE STATUS OF PUBLIC BELGIAN REAL ESTATE INVESTMENT TRUST

DESCRIPTION OF THE RISK

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.

POTENTIAL IMPACT

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.

LIMITING FACTORS AND CONTROL

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.

TAX LAW

DESCRIPTION OF THE RISK

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.

RISKS ASSOCIATED WITH THE STATUS OF INSTITUTIONAL BE-REITS

DESCRIPTION OF THE RISK

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.

POTENTIAL IMPACT

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.

LIMITING FACTORS AND CONTROL

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.

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.

florent
chocolaterie

FASHIONCLUB
MEN

DELHAI

FASH

Chocolaterie Florent

NOCTURNE
RUBIS
20
COLLIERES
DAMES



Stock Fosses



GRAND CONCOURS Stock

10.000 A GAGNER

10.000

UN VELO ELECTRIQUE

Stock < Stock <





1/ EXPANSION BELGIUM

Retail Estates expands in Belgium with an investment of EUR 126.36 million and 65 retail units including Fosses-la-Ville, Mons, Nivelles, Hasselt and Merksem



2/ EXPANSION OF THE NETHERLANDS

Retail Estates expands in the Netherlands with an investment of EUR 63.39 million and 27 retail units including Spijkensisse, Utrecht, Middelburg and Heerlen.

1998-2019

REMARKABLE FACTS

RETAIL ESTATES



1998

Retail Estates on the stock exchange
IPO and first listing on Euronext Brussels



2002

Independent
Retail Estates becomes an independently managed investment company with fixed capital



2008

Value real estate portfolio
Real estate portfolio reaches the milestone of EUR 250 million



1999

Strengthening of the capital
1^e public capital increase



2003

Strengthening of the capital
2^e public capital increase



2012

Retail Estates on the stock exchange

Market capitalisation more than EUR 250 million
Optional stock dividend offered to the shareholders for the first time



2014

Diversification of financing sources
bond issue - private placement

Amendment of the articles of association

Sicaf becomes Belgian Reit
(regulated real estate company)



2011

Value real estate portfolio

Real estate portfolio reaches the milestone of EUR 500 million



2013

Strengthening of the capital

3^e public capital increase



2015

Strengthening of the capital
4^e public capital increase

Retail Estates on the stock exchanges

Market capitalisation lists at a milestone of EUR 700 million



2016

Value real estate portfolio

Real estate portfolio reaches the milestone of EUR 1 billion

Diversification of financing sources

bond issue - private placement



2018

20 years Retail Estates on the stock exchange

Additional listing on Euronext Amsterdam

Strengthening of the capital

5^e public capital increase

Expansion to the Netherlands



2017

Inclusion in EPRA index

The inclusion in the EPRA index contributes to the share's visibility.



2019

Value real estate portfolio

Real estate portfolio reaches the milestone of EUR 1,5 billion

RETAIL ESTATES FROM 1998 TO TODAY

1998. Retail Estates makes a modest start on the Brussels stock exchange with a market capitalization of EUR 28.4 million and a real estate portfolio of EUR 39 million retail warehouses.

The segment is still unknown and therefore unloved. Retail Estates charms a broad group of private investors. There is a budget for one full-time employee.

2019. Retail Estates manages a portfolio of more than 900 peripheral retail units, a large part of which is bundled in retail parks and retail clusters.

The value of the real estate has exceeded the 1.5 billion mark in the past financial year.

Retail Estates strives to spread its investments geographically over Belgium (+/- 75%) and the Netherlands (+/- 25%).

Institutional and private investors form the backbone of shareholdership.

A dynamic team of 30 employees manages the activities from the head offices in Ternat (BE) and Leiderdorp (NL).

KEY FIGURES 2017-2019

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	31/03/19	31/03/18	31/03/17
Number of properties	906	817	668
Total lettable area in m ²	1 049 101	973 525	748 136
Estimated fair value (in €)	1 529 629 000	1 349 367 000	1 071 361 000
Estimated investment value (in €)	1 579 292 000	1 392 427 000	1 097 917 000
Average rent prices per m ²	99,96	96,08	95,45
Occupancy rate	98,28%	98,11%	98,13%

BALANCE SHEET INFORMATION			
Shareholders' equity	707 926 000	568 332 000	514 970 000
Debt ratio (RREC legislation*, max. 65%) ¹	52,58%	57,57%	50,26%

RESULTS			
Net rental income	94 981 000	77 848 000	66 024 000
Property result	93 539 000	76 876 000	65 465 000
Property costs	-7 586 000	-6 124 000	-4 940 000
Operating corporate costs and other current operating income and expenses	-5 147 000	-4 518 000	-2 941 000
Operating result before result on portfolio	80 807 000	66 234 000	57 584 000
Result on portfolio	6 958 000	-1 307 000	13 889 000
Operating result	87 765 000	64 927 000	71 473 000
Financial result	-31 826 000	-17 268 000	-19 064 000
Net result	54 480 000	46 695 000	52 136 000
EPRA earnings	60 896 000	47 900 000	39 115 000

INFORMATION PER SHARE	31/03/19	31/03/18	31/03/17
Number of shares	11 422 593	9 489 661	9 008 208
Number of dividend bearing shares	11 422 593	11 387 593	9 008 208
Net asset value (NAV) (IFRS)	61,98	59,89	57,17
EPRA NAV	64,07	61,33	59,29
Net asset value per share (investment value) excl. dividend excl. the fair value of authorised hedging instruments	64,28	61,73	58,96
EPRA earnings per share	5,41	5,13	4,39
Gross dividend per share	4,25	3,60	3,30
Net dividend per share	2,975	2,520	2,310
Gross dividend yield on closing price (excl. dividend)	5,23%	5,31%	4,48%
Net dividend yield on closing price (excl. dividend)	3,66%	3,66%	3,10%
Closing price on closing date	81,20	71,45	76,9
Average share price	75,43	73,59	77,54
Evolution of share price during the financial year	14,75%	-5,54%	-1,28%
Over-/undervaluation compared to net asset value IFRS	31,01%	19,30%	34,51%

* The Royal Decree of 13 July 2014 (the "RREC R.D."), last modified by the Royal Decree of 23 April 2018 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).

At its meeting of 29 May 2019, the Board of Directors of Retail Estates has decided to pay, in the form of an optional dividend, a gross interim dividend for financial year 2018/2019 (which started on 1 April 2018 and ended on 31 March 2019) amounting to € 4.25 (€ 2.975 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 2018/2019

The total amount of the interim dividend will be in line with the amount that Retail Estates, as a public RREC, is obliged to pay to its shareholders under Article 13 of the Royal Decree of 13 July 2014 on regulated real estate companies, so that the Board will propose to the Annual General Assembly Meeting of July 22, 2019 not to pay an additional dividend for the 2018-2019 financial year.

WATERTUIN


lampidee®

WATERTUIN NU WWW.WATERTUIN.NU
WATERTUIN WATERTUIN

WWW.WATERTUIN.NU WATERTUIN







hunkemöller

The strong growth of the company in general and the start-up of the activities in the Netherlands have translated into a further strengthening of the various teams that form the hard core of the company.

Dear shareholders,

The past financial year will go down as a year in which we persistently worked on the growth of our company and at the same time achieved excellent operational results. Both the capital base and the real estate portfolio were strengthened with amounts that are in line with our long-term growth rate: in April 2018, we raised EUR 123.37 million in capital with the general public within the scope of a successful capital increase, and we invested EUR 189.75 million in the purchase of retail parks and “missing links” in retail clusters that are of strategic importance to us. Contrary to the previous financial year, the emphasis was on investments in Belgium for a total amount of EUR 126.36 million, and to a lesser extent on investments in the Netherlands for an amount of EUR 63.39 million. This is coincidental, driven by a temporary higher offer of high-quality real estate investments in Belgium. It does not change our ambition to achieve an even spread of our investments over Belgium (75%) and the Netherlands (25%). The strategic preference for out-of-town and non-food retail was confirmed for the 21st consecutive year. Today, 82% of our portfolio consist of retail parks and retail clusters, and the non-food retailers represent 90% of the rented retail area.

At an operational level, our expectations were met by a high occupancy rate (98.28%) and minimal loss of rental income (0.36% of the total income from rent and service fees). Combined

with strict cost control and declining funding costs, this resulted in EPRA earnings of EUR 5.41 per share (compared to EUR 5.13 in the previous financial year), a record for our company. In this respect it should be noted that the dilutive effect of the capital increase of April 2018 (1,897,932 new shares) was avoided through a steady growth of the capital base and the real estate portfolio. Our investments in the Netherlands meet our expectations. We fully benefit from the upward trend of the Dutch economy and of the residential real estate market, which incites consumers to invest in home furnishings. The uncertainties with respect to the FBI (fiscal investment institution) status, the Dutch equivalent of our BE-REIT status, and the accompanying tax exemption, should not discourage us. Retail Estates has always based its investments on their taxable status and also publishes taxable results, although we applied for the FBI status and hope to obtain it.

Retail Estates spreads the risks, not only by means of the geographical diversification of its investments, but also by monitoring the diversification of the commercial activities performed in the 906 retail units owned by the company. Each of the sectors has its own particular challenges. However, there are some common elements: the increased importance of promotional sales, the benefits of clustering retail units in a retail park or retail cluster and the struggle to set

off declining sales prices per unit sold by higher sales volumes. We are convinced that Retail Estates made the most prudent choice by investing in out-of-town retail properties. Our tenants are mainly soft discount retailers who are able to operate in a context of affordable rents. In supporting our customers, we focus on sales support initiatives rather than on rent reductions if the sales figures are lower than expected. In our opinion, a sustainable solution for profitability problems lies in the evolution of sales.

In the previous financial year, we also continued investing in the extension of our company's management team. Recruitments for various operational and supporting positions should support our growth. The complexity of regulations at different levels, from urban planning and legislation to financial reporting, requires regular investments in the extension of our team. Today, a management committee consisting of four members as well as a team of 22 people in Belgium and 4 people in the Netherlands are responsible for the daily operation of our company. Without their commitment, Retail Estates would not be a proper enterprise, but nothing more than an investment portfolio. We are convinced that their "hands-on" attitude is a fundamental part of our success.

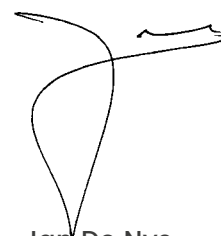
And you, our shareholders, also deserve our acknowledgement after this exceptional year. You

massively subscribed for our most recent capital increase and by showing your continued trust, you have contributed to the positive evolution of Retail Estates on the stock exchange. It is therefore our pleasure to announce payment of a significantly higher dividend, so as to allow you to share in the increased profitability of our company. We hope that your trust in us will be renewed by the possibility we will offer you to accept the optional dividend.

Ternat, 12 June 2019



Paul Borghgraef
Chairman
of the board
of directors



Jan De Nys
Managing
director



MANAGEMENT REPORT

REPORTING ON FINANCIAL YEAR 2018-2019

O1	INTRODUCTION	33
O2	STRATEGY - INVESTMENT IN OUT-OF-TOWN RETAIL REAL ESTATE	34
O3	INVESTING VIA THE BELGIAN REAL ESTATE INVESTMENT TRUST RETAIL ESTATES NV	36
O4	SIGNIFICANT EVENTS IN THE FINANCIAL YEAR	38
O5	COMMENTS ON THE CONSOLIDATED ACCOUNTS FOR FINANCIAL YEAR 2017-2018	46

CORPORATE GOVERNANCE

O6	CORPORATE GOVERNANCE STATEMENT	49
O7	MANAGEMENT OF THE COMPANY	56
O8	OTHER PARTIES INVOLVED	73
O9	ACQUISITION AND SALE OF RETAIL ESTATES NV SHARES - INSIDER TRADING	76
O10	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	76

	DATA IN ACCORDANCE WITH THE EPRA REFERENCE SYSTEM	79
--	---	----



REPORTING ON FINANCIAL YEAR 2018–2019



1. INTRODUCTION

LEGAL REQUIREMENTS

The annual report of Retail Estates is a combined report within the meaning of articles 96 and 119 of the Belgian Company Code. 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 500m² and 3,000m². A typical retail property 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 74 clusters and retail parks in which it systematically increases its investments. Taken together, these clusters and retail parks represent 81.78% 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 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 2019, Retail Estates nv has 906 premises in its portfolio with a total retail area of 1,049,101 m². The occupancy rate of these buildings measured in rented square metres is 98.28%.

On 31 March 2019, the company has no major projects that involve the creation of additional retail area. If projects for which a

planning permission was received are under development, they will be incorporated into the real estate portfolio and taken into account for the calculation of the occupancy level upon provisional delivery of the buildings.

On 31 March 2019, the fair value of the real estate portfolio of Retail Estates nv and its subsidiaries is estimated by the independent real estate experts at EUR 1,529.63 million (value excluding transaction costs) and the investment value at EUR 1,579.29 million (value including transaction costs).

Retail Estates nv has invested a total of EUR 15.40 million in "Distri-Land" real estate certificates. It currently holds 86.05% of the issued "Distri-Land" real estate certificates. The issuer of these real estate certificates owns 10 retail properties with a fair value of EUR 19.33 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 17 May 2019, 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 EUR 61.98 on 31 March 2019. This represents an increase by 3.48% (EUR 59.89 over the previous year). On 31 March 2019, the stock market price of the share was EUR 81.20, representing a premium of 31.02%.

The EPRA NAV amounts to EUR 64.07, compared to EUR 61.33 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 1,932,932. In other words, there is no dilution of the NAV per share.

On 1 April 2019, the company completed a capital increase for an amount of EUR 4.42 million by issuing 68,000 shares. For more information please refer to the section "Events after the date of the balance sheet" in the next chapter.



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

GENK

In August 2018, six retail properties were acquired along Hasseltweg in Genk, with a total surface area of 4,381 m². They represent a rental income of EUR 0.51 million and are let to the retail chains Colora, Bel&Bo, Bent, LolaLiza, Orchestra and Santana.

They are adjacent to the retail properties already owned by Retail Estates at this location and fall within the scope of the further development of the investments in the retail cluster “Genk Hasseltweg”.

MAASMECHELEN

At Maasmechelen, along Koninginnelaan, a newly constructed retail property with a surface area of 1,794 m² and consisting of two retail units and a flat was acquired. This property is adjacent to the M2 Shopping Center, a retail park that serves as a reference for Oost-Limburg. A 630 m² retail unit in this building has already been completed and delivered to Blokker, which has established a shop entirely decorated in accordance with its latest retail concept. The other retail units and the flat were completed and delivered in late 2018.

The retail properties that were let in Genk and Maasmechelen represent a rental income of EUR 0.66 million and were purchased on the basis of an investment value of EUR 9.75 million and a fair value of EUR 9.51 million. These values correspond to the values determined by the real estate expert CBRE.

The properties in Genk and Maasmechelen are owned by a real estate company that was acquired by Retail Estates. This transaction was funded by taking out bank loans and by the non-monetary contribution of a receivable for an amount of EUR 2.31 million. In this respect we refer to the paragraph “Capital increases in the context of the authorised capital” as it appears below in this management report.

MONS – ARLON – HASSELT

In December 2018, three retail parks, situated in Mons (Belgium, province of Hainaut), Arlon (Belgium, province of Luxembourg) and Hasselt (Belgium, province of Limburg) respectively, were acquired.

The retail park at Mons is part of the site “Les Grands Prés – Shopping de Wallonie”, consisting of a shopping mall, a Carrefour hypermarket and an IKEA store. The entire property represents a total of approximately 101,000 m². The retail park part of this site covers an area of 11,779 m² and consists of seven retail units, which have all been let to retail chains such as AS Adventure, Maisons du Monde, Kréfel and Heytens.

The retail park in Arlon (Belgium, province of Luxembourg) is located on the Belgian side of the border between Belgium and the Grand Duchy of Luxembourg in the “Sterpenich” shopping zone. IKEA and Decathlon provide this zone with a strong regional appeal. The retail park consists of a retail area of 11,123 m³ featuring six retail units. The tenants are retail chains active in the home decoration sector, such as Maisons du Monde, Light Gallery, Extra. One retail unit of 1,812 m² has not yet been let.

The retail park in Hasselt (province of Limburg) is on the edge of the site where IKEA recently constructed a branch near the Hasselt Zuid exit of the E311 motorway to Liège. It has a surface area of 5,761 m² and consists of four units. All tenants are active in the home decoration sector. The tenants are the retail chains Mediamarkt, X2O, Kwantum and Maisons du Monde. All retail units are let.

The acquisition of these retail parks resulted from the acquisition of exclusive control of three real estate companies. The investment in this transaction amounts to EUR 60.00 million. For the vacant retail unit, an additional investment of maximally EUR 3.00 million will be made after the unit will have been let. The retail units that have been let generate a rental income of EUR 3.67 million and represent a fair value of EUR 58.43 million. The acquisitions were funded by taking out bank loans.

FOSES-LA-VILLE

Also in December 2018, the retail park “Shop in Stock” in Fosses-la-Ville (Belgium, province of Namur) was acquired: this retail park is situated to the northwest of Namur (between Namur and Charleroi). It has a strong regional appeal in a customer zone of approx. 20 km between Namur, Dinant, Charleroi and Gembloux. The retail park has grown around the DIY shop “Stock Fosses” and currently comprises a retail area of 17,132 m² with 29 retail units. It offers an attractive mix of retail chains such as Delhaize, PointCarré, JBC and Action as well as small-scale local retailers and hospitality establishments that give this shopping destination a very enjoyable character. The investment in the acquisition of this retail park amounts to EUR 29.02 million and generates a rental income of EUR 1.71 million. The fair value of these buildings amounts to EUR 28.58 million. This purchase resulted from the acquisition of exclusive control of a real estate company. The transaction was funded by taking out bank loans and by the non-monetary contribution of a receivable for an amount of EUR 1.82 million. In this respect we refer to the paragraph “Events after the balance sheet date” as it appears below in this management report. The occupancy rate is 100%.

SALE-AND-RENT-BACK

Finally, in December 2018, a total of 11 retail units were acquired spread over six locations in Flanders (Belgium) where Retail Estates had already acquired a considerable number of retail units. It concerns retail

units in Antwerp (Merksem Bredabaan; five units), Lochristi (Antwerpsesteenweg; two retail units), Sint-Joris-Winge (“Gouden Kruispunt” retail park; one unit), Kampenhout (Mechelsesteenweg; one unit), Ninove (Aalstersesteenweg; one unit) and Stabroek (“Picolo” retail park; one unit). Five of these retail units have been let to retail chain Modemakers. The other units have been let to retail chains such as Torfs, Fiets and Ethias. All of the units are currently let. The investment amounts to EUR 20.87 million and generates a rental income of EUR 1.25 million. According to the real estate expert, the fair value amounts to EUR 20.02 million. The transaction resulted from the acquisition of exclusive control of a retail estate company. The transaction was funded by taking out bank loans and by the non-monetary contribution of a receivable for an amount of EUR 2.60 million. In this respect we refer to the paragraph “Events after the balance sheet date” as it appears below in this management report.

B. THE NETHERLANDS

SPIJKENISSE

On 30 April, Retail Estates purchased a retail park in Spijkenisse in the region of Rotterdam. Rotterdam is one of the four large cities constituting “Randstad Holland”. The retail park consists of 23 retail properties and one hospitality establishment, accounting for a total built area of 28,273 m². The total investment amounts to EUR 47.20 million and generates a net rental income of EUR 3.11 million, i.e. an initial yield of

6.53%. According to the appointed real estate expert, the fair value of this investment amounts to EUR 43.85 million as of 31 March 2019.

MIDDELBURG

Also in December 2018, an additional purchase was made of a retail property in Middelburg (Netherlands, province of Zeeland), situated in the retail park “De Mortiere”, where Retail Estates currently owns a majority of the retail units. The retail property has a total surface area of 4,808 m². The investment value is EUR 7.71 million and the net rent generated amounts to EUR 0.55 million. According to the real estate expert, the fair value of this investment amounts to EUR 6.83 million. The acquisition was funded by taking out bank loans.

HEERLEN

On 31 January 2019 a garden centre situated in the retail park of Heerlen (In de Cramer) was acquired. This retail property is located between the IKEA branch and the retail units previously acquired by Retail Estates. With its 43 retail units and its retail area of 75,059 m², the retail park at Heerlen is the largest of its kind in the Benelux. It has strong regional appeal in the tri-border region around Maastricht-Liège-Aachen. The investment amounts to EUR 3.71 million (purchase price inclusive of real estate transfer tax) and the fair value amounts to EUR 3.51 million (purchase price exclusive of real estate transfer tax). The annual rental income amounts to EUR 0.25 million. The acquisition was funded by taking out bank loans.



UTRECHT

On 4 February 2019 a retail property was acquired, situated in the “Kanaleneiland” commercial zone in Utrecht (province of Utrecht). This cluster of retail properties has developed around the IKEA branch at Utrecht and, given the absence of retail parks in this region, it is the reference par excellence for the home decoration sector. With its 650,000 inhabitants, the city district of Utrecht is the fourth largest conurbation in the Netherlands. The investment amounts to EUR 4.77 million (inclusive of real estate transfer tax) and the fair value amounts to EUR 4.50 million (purchase price exclusive of real estate transfer tax). The rental income amounts to EUR 0.32 million.

The acquisition was funded by taking out bank loans.

FIXED ASSETS UNDER CONSTRUCTION

On 31 March 2019 the total amount of the fixed assets under construction is EUR 19.85 million. We distinguish four types of fixed 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, the speculative land positions accounted for EUR 2.20 million, the prospective projects amounted to EUR 9.83 million, the

projects under predevelopment represented EUR 7.80 million and the projects under development represented EUR 0.03 million.

A. FIXED ASSETS UNDER CONSTRUCTION – PROSPECTION: OVERVIEW OF THE MAIN PROJECTS

In 2014, Retail Estates acquired a 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. On 30 August 2016, Retail Estates nv acquired a controlling interest (51%) in real estate company Heerzele nv, which is the owner of an adjacent property at Wetteren. Retail Estates wishes to expand its retail park once it has obtained the necessary permits. The total operation consists of the creation of a gross retail area of approximately 9,000 m², a considerable extension of the car park and an expected total investment of EUR 15.40 million. Completion of this project is expected 12 months after the permit is obtained.

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 additional investment is expected to amount to approximately EUR 4.70 million. Completion is expected by December 2020.

B. FIXED ASSETS UNDER CONSTRUCTION – PREDEVELOPMENT – OVERVIEW OF THE MAIN PROJECTS

Furthermore, the company intends to invest in the extension of its retail cluster at Namen-Zuid for its own account on behalf of a DIY store in Jambes. The additional expected investment is estimated at EUR 12.6 million (total investment EUR 14.72 million) and will consist of the creation of a retail property of approximately 8,000 m². Completion is expected by May 2021, provided that an agreement with the prospective tenant can be reached soon.

After a successful repositioning of the retail park at Braine l'Alleud, Retail Estates started the restructuring of the Kruger retail park at Eeklo in March. The expected investment amounts to EUR 1.30 million. Completion of these works is expected by November 2019.

In Halle, a project has been started to double the sales area of Brantano. This extension was necessary due to the changes in the retail concept of Brantano. The expected investment amounts to EUR 1.88 million and completion is expected by late 2020.

Due to a concept change at Aldi, an extension of the retail unit in Sint Niklaas is necessary. The expected investment amounts to EUR 1.05 million. Completion of this extension is expected in September 2020.

Finally, a number of smaller projects are still ongoing, for which

the investment is expected to amount to EUR 0.14 million in the course of the new financial year.

C. FIXED ASSETS UNDER CONSTRUCTION – DEVELOPMENT – OVERVIEW OF THE MAIN OWN DEVELOPMENTS

There are currently no major projects in this stage of development.

D. COMPLETION OF FIXED ASSETS UNDER CONSTRUCTION

In Frameries the extension of an existing retail park by 9,500 m² was completed. The existing retail park is a recently constructed complex, which was developed into a strong pole of attraction in a densely populated area between Mons and the French border. This retail park, comprising eight retail units and a retail area of approximately 10,000 m², was extended by six retail units with a retail area of 7,210 m² and a fair value of EUR 10.19 million. The total investment amounted to EUR 10.45 million.

At Gentbrugge, a 2,000 m² retail area was extended and renovated for Brantano. The total additional investment amounted to EUR 1.03 million. The fair value after completion amounts to EUR 3.8 million.

In Barchon, a significant extension of the retail infrastructure, including a major increase in the number of parking spaces and the extension of one retail unit, was completed. The total investment amounted to EUR 1.40 million. An additional rental income of EUR 0.11 million was generated.

Retail Estates completed a customised project for Aldi in Nijvel. An existing dilapidated retail property was demolished and replaced by a “state-of-the-art” supermarket with a 2,286 m² retail area. The use of this retail property is the object of a long-term commitment on the part of Aldi, on whose instructions the building was designed. The total investment amounts to EUR 3.41 million and generates a rental income of EUR 0.26 million. According to the real estate expert, the fair value amounts to EUR 4.25 million.

In cooperation with a real estate developer, three retail units were constructed in Waremmé, at a site earlier acquired by Retail Estates. The investment amounts to EUR 1.83 million for a retail area of 1,281 m² and generates a rental income of EUR 0.12 million. According to the real estate expert, the fair value amounts to EUR 1.78 million.

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

On 15 June 2018, Retail Estates sold its retail park in Zwolle (the Netherlands) to an institutional investor for a total sales revenue of approximately EUR 27.60 million. This means that the company recovers the entire investment (including the transaction costs) it made in December 2017 within the scope of the acquisition of the retail park portfolio of CBRE Global Investors. The sold retail park’s fair value (i.e. exclusive of transaction costs) amounted to EUR 26.62 million on 31 March 2018. The sale therefore generated EUR 0.98 million in added value. The retail park accounted for an annual rental income of approximately EUR 2 million.

On 29 May 2018, a retail park in Péruwelz (Belgium) was sold to an institutional investor for a sales revenue of EUR 10 million. This retail park accounted for an annual rental income of EUR 0.69 million. Its fair value amounted to EUR 10.16 million on 31 March 2019. The sale resulted in a loss in value by EUR -0.43 million,

mainly due to transaction costs.

Furthermore, seven solitary retail properties (in Spa, Edingen, Sint-Denijs-Westrem, Luik, Gavere and Soignies) were sold, as well as a plot of building land in Leuven. The net sales revenue amounted to EUR 7.78 million. The fair value of these properties was EUR 8.07 million. The rental income of these solitary properties amounted to EUR 1.41 million. These sales resulted in a net loss in value by EUR -0.29 million (an added value of EUR 0.43 million was created, and losses in value by EUR -0.72 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 2018-2019, less divestments, resulted in an increase of the real estate portfolio by EUR 156.84 million. The total rental income increased by EUR 5.45 million in the financial year 2018-2019 as a result of these investments, but decreased by EUR 1.41 million in the past financial year as a result of the divestments. If the acquisitions and sales had taken place on 1 April 2018, the rental income would have increased by EUR 9.55 million.

The investments are financed by a mix of shareholders’ equity (issue of new shares by contribution in kind or in the capital market)

and borrowed capital (financing of working capital by the banks, issue of a bond loan, ...).

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

For a description of the main investments in the 2016-2017 financial year, please refer to page 40 et seq. of the 2016-2017 annual report.

MANAGEMENT OF THE REAL ESTATE PORTFOLIO OCCUPANCY RATE

The occupancy rate of the Retail Estates nv real estate portfolio is 98.28%.

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

Eight smaller SME tenants (six in Belgium and two 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 EUR 2.63 million. An amount of EUR 0.43 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 9.86% (EUR 0.26 million) of the outstanding amount on 31 March 2019.

DAMAGE CLAIMS

Two properties were damaged by fire in the past financial year. 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 27 April 2018, a public capital increase of Retail Estates took place. On the occasion of this capital increase in cash, 1,897,932 new shares were issued. For more information on the modalities of this capital increase, we refer to the press release of 27 April 2018.

On 26 September 2018, a total of 35,000 new shares were issued at an issue price of EUR 66. The contribution relates to the remaining debt claim resulting from the purchase of the shares of the real estate company nv Etablissementen Hayen, which owns 7 retail properties situated at Genk and Maasmechelen. The new shares have been sharing in the company's profit as from 1 April 2018.

As a result of these capital increases, the total capital of Retail Estates nv amounts to EUR 257,012,792.62 on 31 March 2019, represented by 11.422.593 fully paid ordinary shares.

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 4.83 years. Within the context of the financing of its activities, Retail Estates has a commercial paper programme of (up to) EUR 100 million since September 2017 (and extended in October 2018). 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 2019, an amount of EUR 60.5 million of this commercial paper programme has been used.

The average interest rate on 31 March 2019 is 2.31% compared to 2.62% on 31 March 2018.

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

MERGER BY ACQUISITION OF SUBSIDIARIES

On 16 November 2018 the merger by acquisition of the company Librajem bvba by Retail Estates nv was adopted by the boards of directors of the respective companies, effective as of 30 November 2018.

On 16 November 2018 the merger by acquisition of the company Heerzele nv by Retail

Estates nv was adopted by the boards of directors of the respective companies, effective as of 31 December 2018.

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

DEMERGER OF SUBSIDIARIES

On 15 March 2019, the company Retail Estates Middelburg Invest nv was incorporated following a demerger of Retail Estates Middelburg Invest nv. This demerger is effective retroactively as of 1 January 2019 from a legal and accounting point of view. As a result of this demerger, the retail property situated in retail park "De Mortiere" at Middelburg, which was purchased in December 2018, was transferred to Retail Estates Middelburg Invest nv, together with the retail properties situated on this site and owned by Retail Estates Nederland nv.

EVENTS AFTER THE BALANCE SHEET DATE CAPITAL INCREASE AND ISSUE OF NEW SHARES

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 a receivable with a conventional contribution value of EUR 2,600,000 and of a receivable with a conventional contribution value of EUR 1,820,000 was adopted. By way of compensation for these contributions, 40,000 and

28,000 shares respectively were issued at an issue price of EUR 65.00. These shares were issued without coupon 27 attached and will for the first time share in the profits of the financial year that starts on 1 April 2019.

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. Within the scope of both transactions, part of the sales price was not paid at the time. The receivables relating to the unpaid part of the sales price have now been contributed. The closing price on the date on which the agreements were signed amounted to EUR 74.70. As a result of the subsequent price increase, the issue price represents a 19.95% discount on the closing price on 29 March 2019.

PAYMENT OF AN INTERIM DIVIDEND IN THE FORM OF AN OPTIONAL STOCK DIVIDEND

At its meeting of 29 May 2019, the Board of Directors of Retail Estates (the "Board") decided to pay, in the form of an optional dividend, a gross interim dividend for financial year 2018/2019 (which started on 1 April 2018 and ended on 31 March 2019) amounting to EUR 4.25 (EUR 2.975 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 2018/2019.

The total amount of the interim dividend will be in line with the amount Real Estates is required to pay to its shareholders in its capacity of a public BE-REIT pursuant to article 13 of the Royal Decree of 13 July 2014 relating to regulated real estate companies; consequently, the Board will advise against an additional dividend for financial year 2018-2019 at the annual general meeting of 22 July 2019.

The total maximum capital increase amounts to EUR 11,174,458.49. The total maximum issue price of the new shares to be issued amounts to EUR 33,982,181.45.

A total of 1.932.932 new shares were created in the financial year 2018-2019.



5. COMMENTS ON THE CONSOLIDATED ACCOUNTS FOR FINANCIAL YEAR 2018-2019

BALANCE SHEET

The investment properties (including fixed assets under construction) increased from EUR 1,349.37 million to EUR 1,529.63 million. This can mainly be explained by the expansion of the portfolio by EUR 205.45 million and the sale of investment properties for an amount of EUR 17.36 million. The fixed assets held for sale decreased from EUR 29.20 million to EUR 17.41 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 EUR 17.72 million were added to the assets held for sale in the financial year 2018-2019, and assets worth EUR 27.57 million were sold.

Current assets amount to EUR 28.46 million and consist of EUR 17.41 million from assets held for sale, EUR 4.05 million from trade receivables, EUR 2.34 million from tax receivables and other current assets, EUR 3.16 million from cash and cash equivalents and EUR 1.50 million from accrued charges and deferred income.

The shareholders' equity of the public BE-REIT amounts to

EUR 707.93 million. On 31 March 2019, the share capital amounts to EUR 257.01 million, an increase by EUR 43.49 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 EUR 248.94 million. A total of 1.932.932 new shares were created in the financial year 2018-2019. Issue premiums also increased from EUR 177.99 million to EUR 260.17 million for the same reasons. Reserves amount to EUR 144.33 million and consist of the reserve for the variations in the fair value of real estate properties (EUR 130.36 million), the result of previous financial years carried forward (EUR 53.87 million), available reserves (EUR 15.34 million), legal reserves (EUR 0.06 million), less the impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties (EUR -44.78 million) and less the variations in the fair value of financial assets and liabilities (EUR -10.51 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 booked immediately via the profit and loss account.

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 EUR 54.48 million and consists of EUR 60.90 million from EPRA earnings, EUR 9.96 million from the result on portfolio and EUR -13.37 million from variations in the fair value of financial assets and liabilities.

The long-term liabilities amount to EUR 733.22 million and consist of EUR 706.79 million long-term financial liabilities with an average term of 4.83 years. The remaining long-term liabilities pertain to authorised cash flow hedges (interest rate swaps) and the debt to the minority shareholders of Blován nv.

The short-term liabilities amount to EUR 122.75 million and consist of EUR 25.64 million of trade debts and other short-term liabilities. These mainly comprise the trade debts amounting to EUR 0.39 million, tax debts estimated at EUR 4.07 million, invoices receivable for EUR 12.66 million and exit taxes amounting to EUR 7.98 million. The short-term financial liabilities amount to EUR 82.26 million, of which EUR 60.50 million in commercial papers.

Other short-term liabilities have increased from EUR 0.62 million to EUR 5.48 million. The increase is mainly the result of the variable price settlements of the shares of the companies Textiel D'Eer and Viafobel.

As of 31 March 2019, the weighted average interest rate is 2.31%.

The consolidated balance sheet is included in the "Consolidated balance sheet" chapter in the Financial report (p. 129 et seq.).

PROFIT AND LOSS ACCOUNT

The net rental income increased by EUR 17.13 million, mainly due to the acquisition of additional properties (EUR 5.18 million) and the completion of projects in the 2018-2019 financial year (EUR 0.28 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 (EUR 11.92 million). The sale of properties resulted in a decrease in net rental income of EUR 1.41 million. The sale of properties during the previous financial year resulted in a decrease in this year's net rental income by EUR 0.25 million. The impact of contract renewals is EUR 0.45 million. Furthermore, there is an impact of discounts (EUR 0.51 million), vacancy (EUR -0.61 million) and indexation (EUR 1.10 million).

Property costs amount to EUR 7.59 million, an increase by EUR 1.46 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 EUR 5.15 million, an increase by EUR 0.63 million (13.91%) 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 EUR 0.65 million. This profit is the result of the sale of EUR 44.93 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 EUR 7.36 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 portfolio result amounts to EUR -1.06 million and mainly relates to a variable price adjustment with regard to the purchase of a real estate company, the additional capital gain on the relevant property was booked on the line 'positive variation in investment properties', and in addition the other portfolio result in particular also includes deferred taxes with regard to the Dutch portfolio.

The financial result (excluding variations in the fair value of financial assets and liabilities)

amounts to EUR -18.48 million compared to EUR -17.37 million last year. The decrease in the weighted average interest rate from 2.62% to 2.31% 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 EUR -13.37 million compared to EUR 0.10 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 EUR 60.90 million compared to EUR 47.90 million last year.

The consolidated income statement is included in the "Consolidated income statement" section of the financial report. (p. 127 et seq.).

PROSPECTS FOR FINANCIAL YEAR 2019-2020

For the financial year 2019-2020, on the basis of the planned composition of the real estate portfolio and barring unforeseen events, the company expects the net rental income to amount to EUR 100.51 million. This figure only takes into account purchases and sales for which a sales contract was signed and investments that were tendered and for which the required permits were obtained.

Retail Estates nv aims at a gross dividend of EUR 4.40 (EUR 3.08 net) for the financial year 2019-2020. This would represent an increase by 3.53% compared to the dividend for the financial year 2018-2019 (EUR 4.25 gross).

APPROPRIATION OF THE RESULTS

The board of directors proposes to appropriate the profit of the financial year, as shown in the statutory annual accounts, as follows:

	(000) EUR
Result of the year	54 333
Reserve for the positive/negative balance of changes in the fair value of real estate properties	-9 946
Reserve of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties	1 795
Changes in fair value of financial assets and liabilities	13 205
Profit to be appropriated for the financial year	59 387
Profit carried forward from the previous financial year (IFRS)	55 605
Transfer of carried forward results from previous financial years (- / +)	385
Other	-3 434
Payment of dividend 31 March 2019	-48 546
Result to be carried forward	63 397

At its meeting of 29 May 2019, the Board of Directors of Retail Estates (the "Board") decided to pay, in the form of an optional dividend, a gross interim dividend for financial year 2018/2019 (which started on 1 April 2018 and ended on 31 March 2019) amounting to EUR 4.25 (EUR 2.975 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 2018/2019.

The total amount of the interim dividend will be in line with the amount Real Estates is required

to pay to its shareholders in its capacity of a public BE-REIT pursuant to article 13 of the Royal Decree of 13 July 2014 relating to regulated real estate companies; consequently, the Board will advise against an additional dividend for financial year 2018-2019 at the annual general meeting of 22 July 2019.

Chapters 8 to 11 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 2017-2018 financial year, we refer to p. 41 et seq. of the 2017-2018 annual report.

For more information about the consolidated financial statements for the 2016-2017 financial year, we refer to p. 45 et seq. of the 2016-2017 annual report.

CORPORATE GOVERNANCE



6. CORPORATE GOVERNANCE STATEMENT

This statement adheres to the provisions of the Belgian Corporate Governance Code 2009 and the Belgian Act of 6 April 2010 amending the Belgian Company Code.

Retail Estates nv applies the Code of the Corporate Governance Committee (<https://www.corporategovernancecommittee.be/en>) of 12 March 2009 as its reference code (hereinafter referred to as “the Code”).

On 17 May 2019, taking into account the relevant recent

developments, an adjusted version of the Corporate Governance Charter and the Dealing Code was approved by the board of directors. The Charter can be found at the website: www.retailstates.com.

CORPORATE GOVERNANCE CODE (2009 VERSION)

Retail Estates nv seeks to adhere to the provisions of the Corporate Governance Code as much as possible. There are, however, deviations in several areas. According to the Code’s “comply or explain” principle, it is allowed to take into account the relatively small size and unique characteristics of the company. The Code can be consulted on the website of

the Corporate Governance Committee (<https://www.corporategovernancecommittee.be>)

DEVIATIONS FROM PRINCIPLE 4:

Item 4.6. 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. As a result, all mandates have a term of six years.

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 31.03.2019 ²	Pro forma % at 12.06.2019 ³
Stichting Administratiekantoor 'Het Torentje' group and Leasinvest, acting in mutual consultation	10.03%	7.80%	7.76%
FPIM nv (Belfius Insurance)	9.76%	6.46%	6.42%
KBC Group nv	3.01%	3.00%	2.98%
AXA nv	7.01%	2.70%	2.69%
Federale Verzekering/ Fédérale Assurance	4.96%	4.96%	4.93%
BlackRock, Inc.	3.10%	3.10%	3.08%
General public	62.13%	71.97%	72.14%

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 31.03.2019 (11,422,593 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 17.05.2019 (11,490,593 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 / 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 5 of the Belgian Company Code.

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 committee and 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:
- > as a listed company (and as a public BE-REIT), Retail Estates nv falls under the prudential control of the Financial Services and Markets Authority (FSMA);
- > the real estate expert also plays an important role: the entire real estate portfolio, which constitutes 97% 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. A limited part of the portfolio is valued by Stadim and by Colliers.

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.

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 and within the framework of the implementation of the Belgian Corporate Governance Code, 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), the Act of 2 August 2002 on the supervision of the financial sector and on financial services and the 2009 Corporate Governance Code. 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.retailestates.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.



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

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 Belgian Act on regulated real estate investment trusts, 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 2018-2019. 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 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 2016.⁴ The composition of the Board of Directors reflects

⁴ 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 Company Code; 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.

independence at a double level:

- > the Board of Directors has at least three independent directors within the meaning of article 526ter of the Belgian Company Code and the Belgian 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
- > 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 annex A to the Code. The independent directors strictly comply with the following criteria of independence:

- > they are not a salaried employee, manager, management committee member, managing director, executive director or member of the executive personnel of Retail Estates nv or an affiliated company and have not held a similar position during the five years preceding their appointment;
- > they have not received from Retail Estates nv or any associated company any remuneration or significant financial benefits other than those associated with their mandates;
- > they are not a dominant shareholder of Retail Estates nv or do not have a shareholding stake of more than 10% in Retail Estates nv, either on their own or jointly with a company controlled by the director, they are not a director or

- an executive of such a shareholder and they do not represent such a shareholder. Directors with a shareholding stake of less than 10% may not subject corporate actions relating to their shares, or the exercise of any rights pertaining to them, to contractual stipulations or to unilateral commitments to which they have subscribed. Directors may under no circumstances represent such a shareholder;
- > they do not have a significant commercial relationship with Retail Estates nv or with an associated company, either directly or as a partner, shareholder, director, or as member of the senior or executive management of an organisation related to it in such a way and did not have such a relationship during the past year;
- > they are not a partner or salaried employee of the current or former external statutory auditor of Retail Estates nv or of an associated company and were not such a partner or salaried employee during the past three years;
- > they are not an executive member of the management body of another company in which an executive director of the company holds the position of a non-executive member of the management or supervisory body;
- > they do not have any significant links with the executive directors of Retail Estates nv by virtue of an involvement in other enterprises or bodies;
- > they have not held more than three terms of office as a non-executive director at Retail Estates nv, with an overall limit of 12 years;
- > they are not a close relative of an executive, a member of the management committee or a



person described in one of the above-mentioned situations.

The composition of the board of directors intends to ensure that the decisions taken are in the interests 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 518bis of the Belgian Company Code.

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

Name	Position	Date of commencement 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	06.01.2016	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 Geyte¹	Non-executive director	17.05.2019	2021 shareholders' meeting	Schermerstraat 42, 2000 Antwerpen (Antwerp)
Stijn Elebaut²	Non-executive director	24.04.2019	2021 shareholders' meeting	Stoofstraat 12, 1000 Brussel
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	01.07.2016	2021 shareholders' meeting	Slesbroekstraat 101, 1600 Sint-Pieters Leeuw
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	06.01.2016	2021 shareholders' meeting	Sint-Michielsplein 16, 9000 Gent (Ghent)
Herlinda Wouters	Non-executive director	06.01.2016	2021 shareholders' meeting	Watermanweg 92, 3067 GG Rotterdam, the Netherlands

¹ 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.

² 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.



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.

Pursuant to the Corporate Governance Code, non-executive directors need to be aware of the extent of their duties and the time commitment involved in carrying out those duties within the scope of a mandate in a listed company. They are therefore advised not to consider taking on more than five directorships 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:

A. 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 Immpact Vastgoed nv
- Director of Pertinea Property Partners
- Verzekeringen nv

Committee: /

B. 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
- Managing director of Snowdonia nv
- Director of First Retail International I en II nv
- Chairman of the board of directors of BEM II nv

Committee: /

C. 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.

Committee: /

D. 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: /

Committee:

- Remuneration and nomination committee
- Audit committee

E. Mr Jean-Louis Appelmans



Mr Jean-Louis Appelmans has been a director of Retail Estates since 9 March 1998.

Mr Jean-Louis Appelmans holds a licentiate degree in Commercial Sciences and Financial Sciences (VLEKHO Business School, Brussels).

In 1977, he started working for Compagnie Maritime Belge as a financial analyst. From 1978 to 1987, he held several positions at Chase Manhattan Bank (currently JP MorganChase). From 1987 to 1989, he was responsible for large Belgian companies and SMEs at Crédit Lyonnais (currently Deutsche Bank). He has been a director of Extensa Group since 1989. He was appointed CEO of Leasinvest Real Estate Management NV and statutory manager of the public real estate investment trust Leasinvest Real Estate Comm. VA in July 1999.

Current mandates:

- Managing director of Leasinvest Real Estate Management nv
- Managing director of Leasinvest Immo Lux SICAV-FIS sa
- Managing director of RAB Invest nv
- Manager of Granvelle Consultants & Co bvba
- Director of several real estate companies

Committee:

- Audit committee

F. 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 and an MBA in Financial Management at Vlerick Management School.

He has held the position of Portfolio Manager at Federale Verzekeringen since 2017. Previously he had been Portfolio Manager at Société General Private Banking since 2004. He worked at Toshiba from 2001 to 2004.

Current mandates: /

Committee: /

G. 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)

Committee: /

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

Previous mandates:

- External member of the audit committee of AZ Delta

Committee:

- Audit committee
- Remuneration and nomination committee

I. 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:

- Advisory position at FNAC Vandenborre

Committee:

- Remuneration and nomination committee

J. Mr 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.

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).

Previous mandates:

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

Committee: /

K. Ms Leen Van den Neste



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

She 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. She started her career at KMPG Bedrijfsrevisoren, 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. She 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

Committee:

- Remuneration and nomination committee
- Audit committee

L. Mr Michel Van Geyte⁵



Mr Van Geyte earned a licentiate degree in Economics at the Catholic University of Leuven (KUL) in 1989, followed by a postgraduate degree in Real Estate at KUL. 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 LREM NV and the managing director of Leasinvest Immo Lux. 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:

- Executive director at LREM NV and its operating companies in Belgium and abroad. Chairman of Alumni Vastgoed - KUL.

Previous mandates:

- Director of Canal Logistics Brussels NV, IFMA VZW, Orii Lux S.à.r.l., Fun Park Asten GmbH, T&T Koninklijk Pakhuis NV and Marcator Sàrl.

Committee: /

M. 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.

Ms Wouters has been General Manager of KBC Bank Nederland since July 2011.

Current mandates:

General Manager of KBC Bank Nederland

Committee: /

The composition of the board of directors is determined on the basis of diversity in general and complementarity of skills, experience and know-how.

⁵ Michel van Geyte (CEO Leasinvest) was co-opted on May 17, 2019 and sits on the board of directors with effect from May 18, 2019. He replaces Jean-Louis Appelmans who resigned as director on May 17, 2019.

STATEMENTS CONCERNING DIRECTORS

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. It delegates the day-

to-day management to the managing director, who in turn regularly reports back on the management and the annual budget and presents a quarterly financial and operational report.

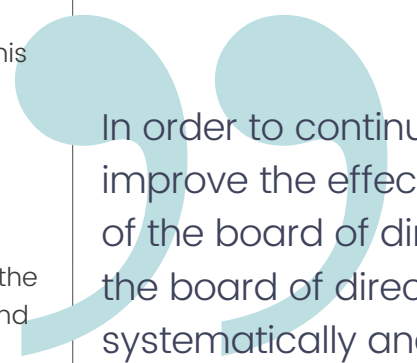
The board of directors can only deliberate and make decisions validly if at least half of its members are present or represented. If this condition is not met, a new meeting can be convened which will deliberate and decide validly on the agenda items of the previous meeting if at least two directors 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. Pursuant to Article 521 of the Belgian Companies Code, 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. However, 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.



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

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 96 §3 of the Belgian Company Code and was approved by the board of directors' meeting of 17 May 2019.

It will be submitted to the annual shareholders' meeting of 22 July 2019, 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 2018-2019

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 management committee section under the Report on the activities and the 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 EUR 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 EUR 6,000. They also receive attendance fees amounting to EUR 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.

Based on the above, the following fees were paid to the directors in 2018-2019 within the scope of the meetings that took place at the registered office of the company:

	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	13 500	6/7	1/2	2/2	19 500
Jean-Louis Appelmans ¹	6 000	9 000	5/7	1/2		15 000
Christophe Demain	6 000	7 500	5/7			13 500
Rudy De Smedt ²	6 000	3 000	2/7			9 000
Vic Ragoen	6 000	12 000	6/7		2/2	18 000
Jean Sterbelle	6 000	9 000	6/7			15 000
Leen Van den Neste	6 000	15 000	6/7	2/2	2/2	21 000
Herlinda Wouters	6 000	9 000	6/7			15 000
Ann Gaeremynck	6 000	16 500	7/7	2/2	2/2	22 500
Jan De Nys ³	0	0	7/7			0
Kara De Smet ⁴	0	0	7/7			0
TOTAL remuneration directors	114 000	94 500				208 500

¹ The mandate of mister Appelmans ended on 17 May 2019

² The mandate of mister De Smedt ended on 31 May 2018

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 April 27, 2018 and the Board of Directors of September 26, 2018 both held by notarial deed are unpaid and were not included in the overview above.

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 2019-2020 and 2020-2021.

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 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 2018-2019 in the context of drawing up the 2019-2020 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 (since 4 April 2017, replacing Vic Ragoen)
- **Jean-Louis Appelmans⁶** – non-executive director

The committee met twice in 2018-2019.

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 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 Eeckt** – CLO (member of the management committee since 01/11/2018).

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

⁶ Jean-Louis Appelmans resigned from the board of directors and from the audit committee on 17 May 2019.

Jan De Nys, managing director and Chief Executive Officer of Retail Estates (for an indefinite period) and Ms Kara De Smet, Chief Financial Officer (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 (group insurance included). It is linked to the achievement of a number of qualitative and quantitative criteria, and the relevant criteria for financial year 2018-2019 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 awarded on the basis of inaccurate financial data. 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 group insurance policies. 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 (group insurance with specific contributions and additional covers) and the other remuneration elements (premium for hospital insurance and occupational accident cover 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 of the CFO is based on a number of qualitative criteria: management skills (team development, investor relations, communication relevant information and preparation of meetings with directors) for a total of 60%, IT coordination and related projects (20%), investment analysis (10%) and representation in interest groups (10%).

The weighting of the variable remuneration of the CIO consists of quantitative and qualitative criteria: Financial criteria (weighting 25%): EPRA earnings per share excluding all fluctuations in the fair value of the assets and interest hedging instruments and the results achieved on realization of assets; portfolio management and optimization of the property portfolio (25% weighting) including occupancy rate and annual improvement work with a view to increasing the rental value in the longer term, implementation

of investment objectives (15%) and a number of management skills (weighting 35%): team development, streamlining reporting and associated reporting ad hoc projects.

The weighting of the variable remuneration of the CLO is based on a number of qualitative criteria: on the one hand transaction management (managing internal and external parties, documentation, information transfer), company secretariat and compliance activities (for a total of 50%) on the other hand, development and organization of legal team (also 50%).

The variable remuneration for the other members of the Board of Management amounts to approximately 15% of the fixed remuneration (whereby the fixed remuneration consists of the basic remuneration, the pension plan and the other components of the remuneration as mentioned above).

The remuneration of the members of the management committee for financial year 2018/2019 was determined as follows:

Name	Basic remuneration in EUR	Variable remuneration in EUR	Group insurance premiums in EUR
Jan De Nys	280	80	39
Other members of the management committee	520	80	27
Total remuneration¹	800	160	66

1. A mobile phone and a laptop were placed at the disposal of the members of the management committee to enable them to perform their duties.

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 EUR 2.50 million⁷ (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 523 of the Belgian Company Code, any member of the board of directors who, whether directly or indirectly, has a financial 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.

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.

There has been no conflict of interest within the meaning of these articles since the start of the last financial year up to the date of publication of this report.

Since the start of the last financial year up to the date of publication of this report, it was not necessary to apply Article 524 of the Companies Code.



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

DAY-TO-DAY MANAGEMENT

The company is managed by a staff of 30 under the leadership of Mr Jan De Nys, managing director (CEO) of the company.

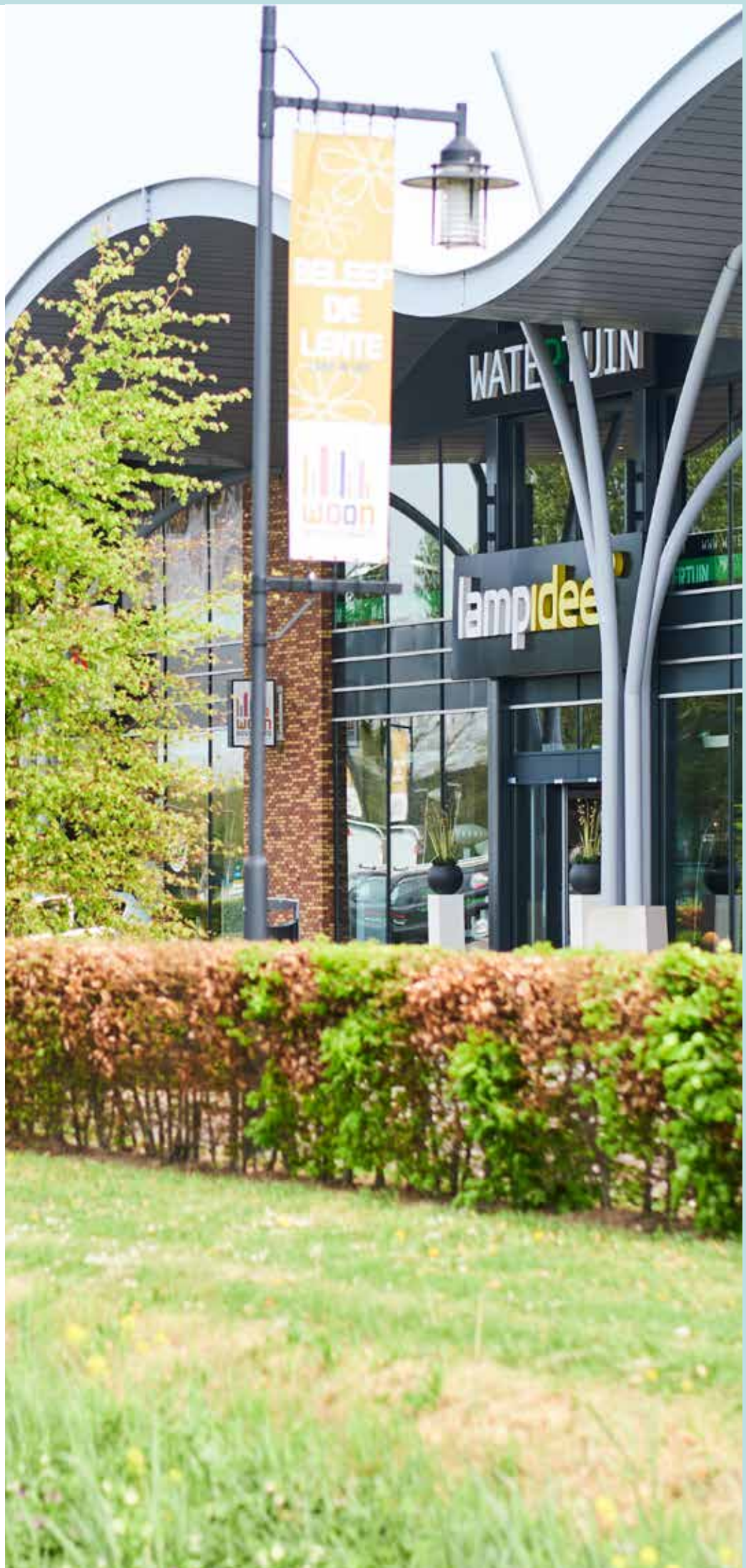
OPERATIONAL REAL ESTATE MANAGEMENT

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 six persons, including three 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 project and building manager, one development manager and two assistants under the supervision of the CIO.

The Dutch team consists of one property manager, one building manager, one technical assistant 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 arising 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-Woluwedal 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 EUR 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 EUR 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 EUR 0.31 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 EUR 0.37 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 EUR 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 F. Adema, to CBRE (Gustav Mahlerlaan 405, box 7971, 1008 AD Amsterdam), represented by Mr G.J.W. Wesselink, and to Colliers (Stadionplein 14, 1076 CM Amsterdam), represented by Mr J.M. van der Wal.

During the past financial year, a fee of EUR 0.10 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 EUR 0.03 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 EUR 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.

The company is managed by a staff of 30 under the leadership of Mr Jan De Nys, managing director (CEO) of the company.

**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.

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.





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), the Act of 2 August 2002 on the supervision of the financial sector and on financial services and the 2009 Corporate Governance Code.

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 2019)

The registered capital amounts to EUR 257,012,792.62 and is divided into 11,422,593 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.

On 1 April 2019 a non-monetary contribution took place (see above), increasing the share capital to EUR 258,542,819.11, divided into 11,490,593 fully paid shares.

STOCK OPTION PLAN

Retail Estates nv has no stock option plan.

AUTHORISED CAPITAL

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

(a) two hundred and fifty-six million two hundred and twenty-five thousand euro (EUR 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. At the date of this report no use has been made of this authorization (a), the balance therefore being EUR 256,225,278.98,

(b) EUR 128,112,639.49 for capital increases within the context of payment of an optional dividend. At the date of this report no use has been made of this authorization (b), the balance therefore being EUR 128,112,639.49,

(c) EUR 256,225,278.98 for all other 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 EUR 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, and in compliance with the modalities to be determined by the board of directors pursuant to article 603 of the Belgian Company Code.

Following the capital increases on 26 September 2018 (EUR 787,513.64) and 1 April 2019 (EUR 1,530,026.49), the balance of the authorized capital of this authorization (c) on the date of publication of this report amounts to EUR 253,907,738,85.

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, within the limits of Articles 620 et seq. of the Belgian Company Code, 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 Company Code and the BE-REIT legislation) and in the articles of association of Retail Estates nv. The articles of association of Retail Estates nv do not deviate from the above-mentioned legal provisions.

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. Their last revision dates from the board of directors' meeting of 1 April 2019.



The registered capital amounts on March 31 to EUR 257,012,792.62 and is divided into 11,422,593 fully paid-up shares, each representing an equal part of the capital.



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 NNAV” 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			31.03.2019		31.03.2018	
	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.	60 895	5.41	47 900	5.13
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.	731 805	64.07	582 020	61.33
EPRA NNAV	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.	699 469	61.24	568 332	59.89
	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%		6.71%
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, taking into account rent-free periods and tenant incentives, makes it possible for investors to compare valuations of portfolios within Europe		6.57%		6.71%
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.		1.31%		1.21%
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.		13.59%		13.66%
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.		13.47%		13.35%

EPRA earnings	31.03.2019	31.03.2018
	EUR/1000	EUR/1000
IFRS Net Result (attributable to the shareholders of the parent company)	54 480	46 695
Adjustments to calculate EPRA earnings		
Excluding:		
Changes in fair value of investment properties	7 361	-2 505
Other result on portfolio	-1 058	1 106
Result on disposal of investment properties	654	92
Changes in the fair value of financial assets and liabilities	-13 374	101
Adaptations to minority interests		
EPRA earnings (attributable to the shareholders of the parent company)	60 895	47 900
Diluted EPRA earnings (in €)		
EPRA earnings (EUR/share) (attributable to the shareholders of the parent company)	5.41	5.13
Diluted EPRA earnings per share (in €)		

EPRA Net Asset Value (NAV)	31.03.2019	31.03.2018
	EUR/1000	EUR/1000
Net Asset Value (attributable to the shareholders of the parent company) according to the annual accounts	707 926	568 332
Net Assets (EUR/share) (attributable to the shareholders of the parent company)	61.98	59.89
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	707 926	568 332
Excluding:		
Fair value of the financial instruments	-23 879	-13 688
EPRA NAV (attributable to the shareholders of the parent company)	731 805	582 020
EPRA NAV (EUR/share) (attributable to the shareholders of the parent company)	64.07	61.33

EPRA Triple Net Asset Value (attributable to the shareholders of the parent company)	31.03.2019	31.03.2018
	EUR/1000	EUR/1000
EPRA NAV (attributable to the shareholders of the parent company)	731 805	582 020
Including:		
Fair value of the financial instruments	-23 879	-13 688
Difference between nominal value and fair value of financial debts	9 652	0
Deferred taxes	0	0
EPRA Triple Net Asset Value (attributable to the shareholders of the parent company)	717 578	568 332
EPRA NNNNAV (EUR/share) (attributable to the shareholders of the parent company)	62.82	59.89

EPRA Net Initial Yield		31.03.2019	31.03.2018
		EUR/1000	EUR/1000
Investment properties (excluding assets held for sale) fair value		1 529 629	1 349 367
Transfer taxes		49 663	43 060
Investment value		1 579 292	1 392 427
Investment properties under construction		12 119	24 981
Investment value of the properties, available for rent	B	1 567 174	1 367 446
Annualised gross rental income		104 872	93 345
Property costs (EPRA)		-1 917	-1 550
Rent payable for hired assets and lease costs		-228	-211
Recovery of charges and taxes normally payable by tenants on let properties		10 403	7 567
Charges normally payable by tenants on let properties		-11 786	-8 498
Charges and taxes on unlet properties		-306	-408
Annualised net rental income	A	102 954	91 795
Notional rent expiration of rent free period or other lease incentives			
Topped-up net annualised rent	C	102 954	91 795
EPRA Net Initial Yield (NIY)	A/B	6.57%	6.71%
EPRA topped-up Net Initial Yield (topped-up NIY)	C/B	6.57%	6.71%

EPRA Vacancy Rate		31.03.2019	31.03.2018
		EUR/1000	EUR/1000
Estimated rental value of vacant surfaces		1 369	1 129
Estimated rental value of total portfolio		104 872	93 345
EPRA Vacancy Rate		1.31%	1.21%

EPRA Cost Ratio		31.03.2019	31.03.2018
		EUR/1000	EUR/1000
Operating corporate costs		5 147	4 518
Impairments on trade receivables		202	-13
Ground rent costs		228	211
Property costs		7 586	6 124
Less:			
Ground rent costs		-228	-211
EPRA costs (incl. vacancy costs)	A	12 934	10 629
Vacancy costs	B	-117	-239
EPRA costs (excl. vacancy costs)	C	12 817	10 390
Rental income less ground rent costs		95 182	77 835
		%	%
EPRA Cost Ratio (incl. vacancy costs)	A/D	13.59%	13.66%
EPRA Cost Ratio (excl. vacancy costs)	C/D	13.47%	13.35%





RETAILESTATES NV ON THE STOCK EXCHANGE

O1	PERFORMANCE	83
O2	LIQUIDITY PROVIDER	87
O3	SHAREHOLDER AGENDA	87

	01.04.2018 31.03.2019	01.04.2017 31.03.2018	01.04.2016 31.03.2017
Highest share price	82.50	81.96	81.89
Opening price at 1 April	70.76	75.64	77.99
Closing price at 31 March	81.20	71.45	76.90
Average share price	75.43	73.59	77.54
Net asset value (NAV) (IFRS)	61.98	59.89	57.17
Premiums NAV relative to closing price	31.01%	19.30%	34.51%
Gross dividend*	4.25	3.60	3.30
Net dividend*	2.975	2.520	2.31
Dividend yield (gross dividend)	5.23%	5.31%	4.48%
Return net result on shareholders' equity	7.70%	8.22%	10.12%
Pay-out ratio (consolidated)	79.06%	84.56%	75.49%
Number of shares	11 422 593	9 489 661	9 008 208
Market capitalisation (EUR million)	927.51	678.02	692.73
Free float percentage	100%	100%	100%
Average daily volume	12 465	10 810	7 207
Annual volume	3 178 516	2 734 885	1 873 888

* At its meeting of 29 May 2019, the Board of Directors of Retail Estates has decided to pay, in the form of an optional dividend, a gross interim dividend for financial year 2018/2019 (which started on 1 April 2018 and ended on 31 March 2019) amounting to € 4.25 (€ 2.975 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 2018/2019
The total amount of the interim dividend will be in line with the amount that Retail Estates, as a public RREC, is obliged to pay to its shareholders under Article 13 of the Royal Decree of 13 July 2014 on regulated real estate companies, so that the Board will propose to the Annual General Assembly Meeting of July 22, 2019 not to pay an additional dividend for the 2018-2019 financial year.

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 EUR 927.52 million as of 31 March 2019.

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

The market capitalisation of Retail Estates nv amounts to EUR 927.52 million as of 31 March 2019.

MARKET CAPITALISATION
(in EUR million)



SHARE PRICE

The share reached its highest price of the year on 22 March 2019 (EUR 82.10) and ended the financial year at EUR 81.20.

The annual average share price was EUR 75.43. The below 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 157.53% over this period compared with an increase by 22.90% for the BEL 20.

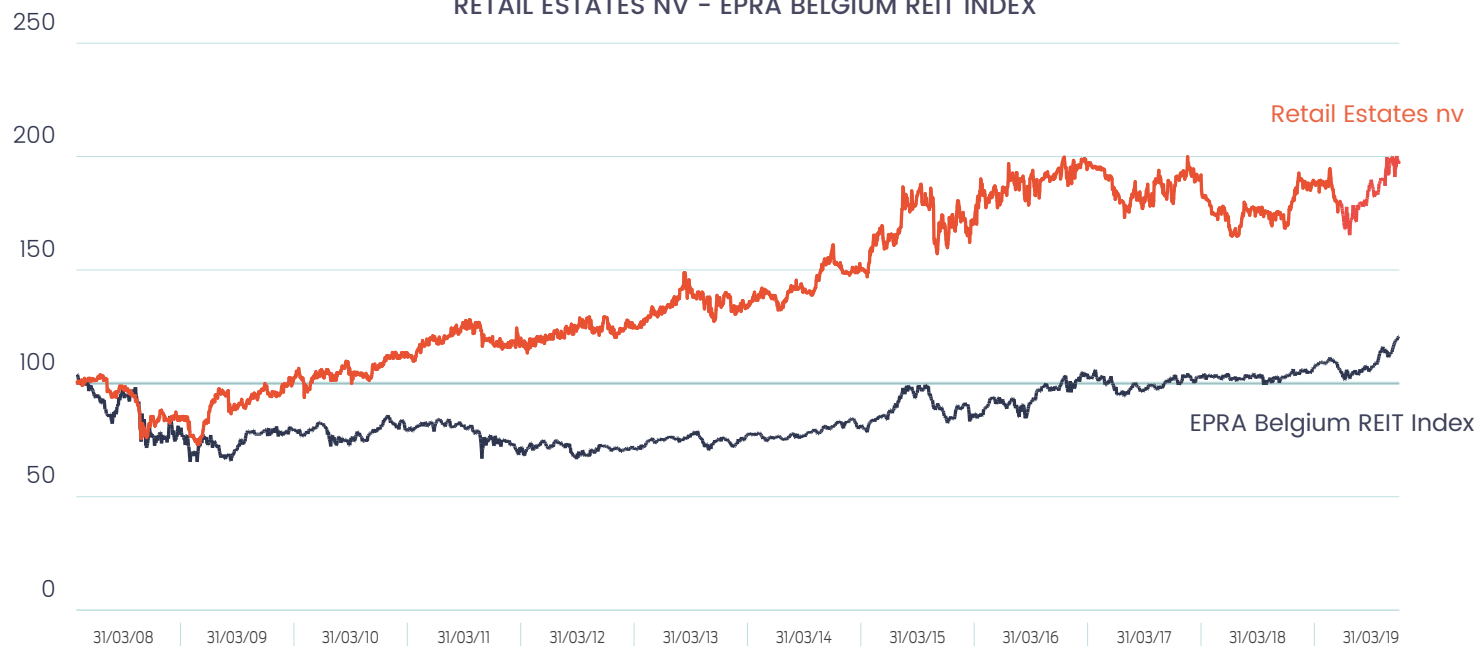
The price of the Retail Estates share increased by 14.76% in the past financial year compared to the beginning of the financial year. The EPRA Belgian REIT index increased by 18.08%.

The Retail Estates share increased by 157.53% over this period compared with an increase by 22.90% for the BEL 20.

RETAIL ESTATES NV - BEL 20



RETAIL ESTATES NV – EPRA BELGIUM REIT INDEX



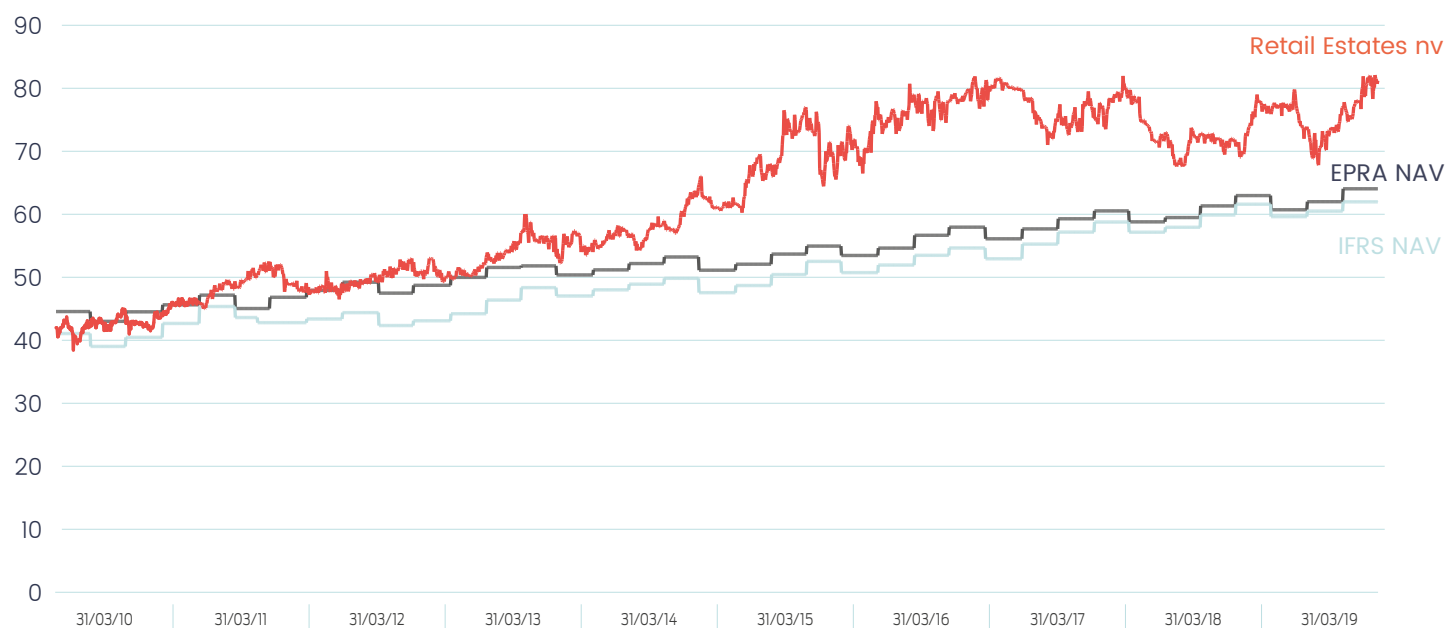
PREMIUMS AND DISCOUNTS

The intrinsic value of the share in case of a real estate valuation at 'fair value' increased during the past year from

EUR 59.89 as of 31 March 2018 to EUR 61.98 as of 31 March 2019 (including dividend).

The EPRA NAV amounts to EUR 64.07, compared to EUR 61.33 in the previous year. This increase is explained by the result of the financial year.

RETAIL ESTATES NV – EPRA NAV – IFRS NAV



DIVIDEND

At its meeting of 31 May 2019, the Board of Directors of Retail Estates (the "Board") decided to pay, in the form of an optional dividend, a gross interim dividend for financial year 2018/2019 (which started on 1 April 2018 and ended on 31 March 2019) amounting to EUR 4.25 (EUR 2.975 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 2018/2019.

This represents an increase by 18,06% per share compared to the dividend received for the financial year ended 31 March 2018.

The total amount of the interim dividend will be in line with the amount Real Estates is required to pay to its shareholders in its capacity of a public BE-REIT pursuant to article 13 of the Royal Decree of 13 July 2014 relating to regulated real estate companies; consequently, the Board will advise against an additional dividend for financial year 2018-2019 at the annual general meeting of 22 July 2019.

The total maximum capital increase amounts to EUR 11,174,458.49. The total maximum issue price of the new shares to be issued amounts to EUR 33,982,181.45.

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.

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 EUR 4.25) in the past financial year was 5.52% compared to the closing price of the share (excluding dividend). The Belgian government linear bond (OLO) 10-year rate was 0.39% on 31 March 2019.





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 EUR 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 22 July 2019 at 10:00 am.

Publication Annual report 2018-2019
14 June 2019

General meeting
22 July 2019

Date Ex-dividend
31 May 2019

Record date dividend
3 June 2019

Announcement half-yearly results
15 November 2019

Announcement annual results of the financial year 2019-2020
15 May 2020



sand direct

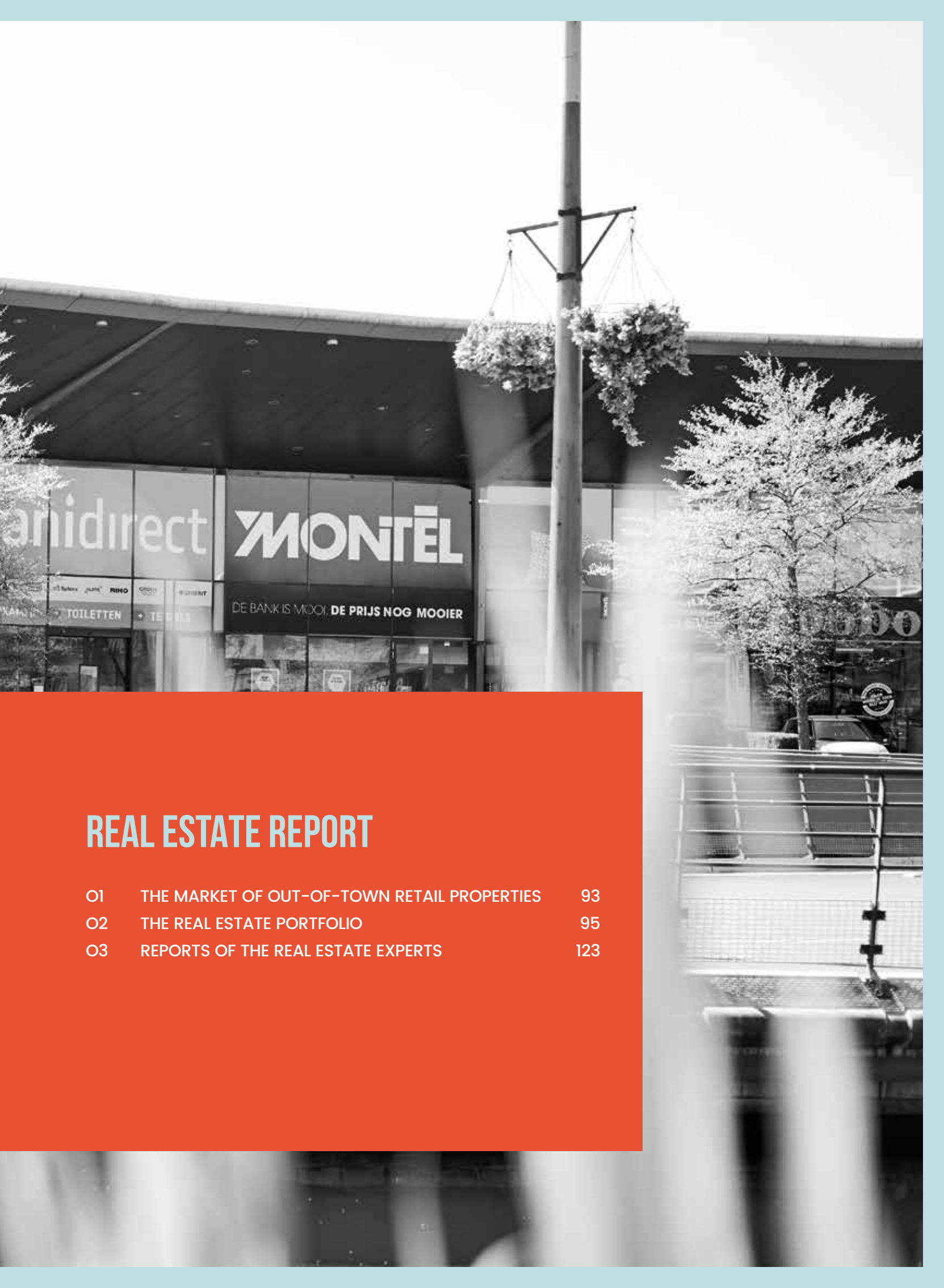
La PLACE

den heuvel
lichting.nl



den heuvel
lichting.nl

BANK



REAL ESTATE REPORT

O1	THE MARKET OF OUT-OF-TOWN RETAIL PROPERTIES	93
O2	THE REAL ESTATE PORTFOLIO	95
O3	REPORTS OF THE REAL ESTATE EXPERTS	123

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

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 EUR 135/m² in major conurbations, and EUR 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 below 2% 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 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 ten Dutch retail parks at nine 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.



During the past years, Retail Estates nv has acquired various retail parks. Several of them have been subjected to a facelift or will be in the medium term.

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

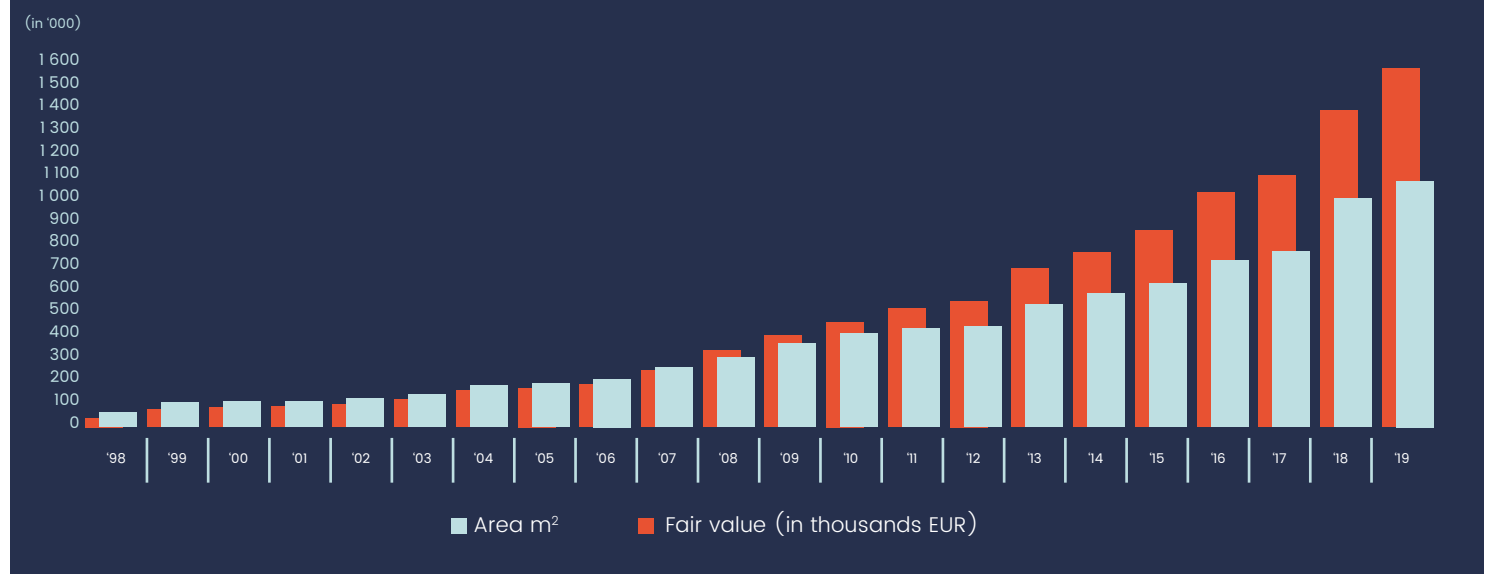
consists of 906 retail properties with a total built-up retail area of 1,049,101 m² as per 31 March 2019. The fair value of the real estate portfolio totals EUR 1,529.63 million. The investment value amounts to EUR 1,579.29 million.

The value of the real estate portfolio of the public BE-REIT has increased by 13.36% compared

to the value on 31 March 2018 (EUR 1,349.37 million). This is mainly the result of acquisitions.

The occupancy rate is 98.28%.

GROWTH PORTFOLIO **RETAIL ESTATES NV** BETWEEN 1998 AND 2018



TYPE OF BUILDING⁸

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.

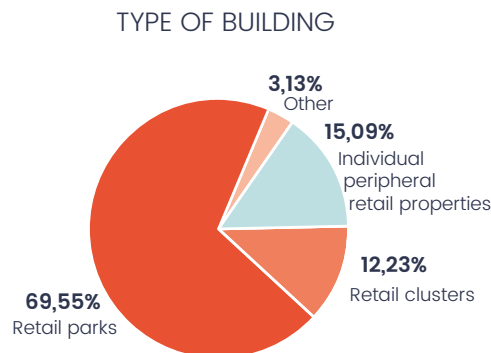
Retail clusters are a collection of out-of-town retail properties located along the same traffic axis that, from the consumer's point of view, form a self-contained whole even though they do not share infrastructure other than the traffic axis. This is the most typical concentration of out-of-town retail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

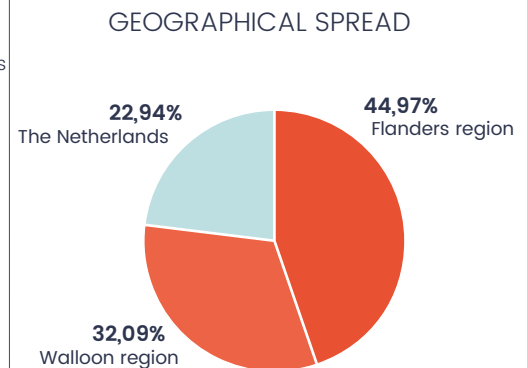
31 May 2024. Retail Estates nv only invests in this type of real estate if they are embedded in a retail property or are part of a real estate portfolio that could only be acquired as a whole.

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



GEOGRAPHICAL SPREAD

The Dutch portfolio accounts for 22.94% of the total portfolio (in m²) as per 31 March 2019. 44.97% of the portfolio is located in the Flemish Region, while 32.09% 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.



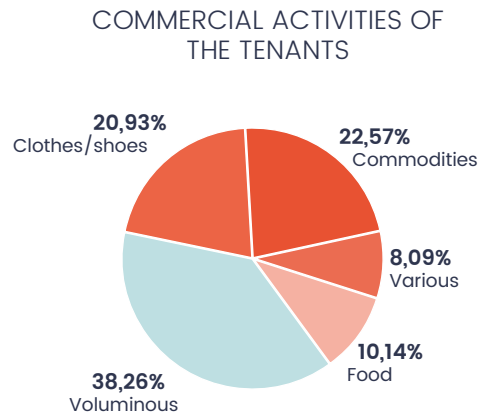
⁸ The pie charts in this chapter show percentages based on the total retail area on 31 March 2019.

COMMERCIAL ACTIVITIES OF THE TENANTS

The share of large-scale retail (38.26%) is in line with that of the previous financial year. Taken together with the commodities industry, large-scale retail accounts for more than 60% 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 10.14%. 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 (20.93% as per 31 March 2019 versus 20.36% as per 31 March 2018). 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 "Other" (4.22%) decreases, mainly due to a limited number of (semi-) logistic properties occupying a relatively large surface area and pay a relatively low rent. The share of food (9.75%) and commodities (21.56%) decreases slightly. The share of the other categories (large-scale (39.96%) and clothing and shoes (24.52%)) 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 2019, the percentage of chain stores and/or franchise issuers amounts to 80.24%. 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.

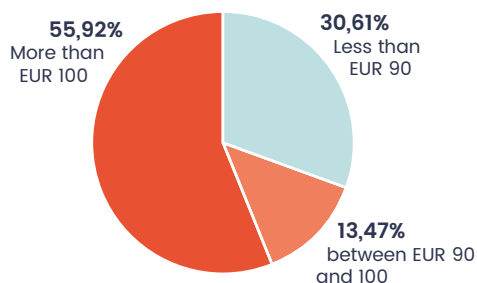
They also make significant marketing efforts which can have a positive impact on the real estate location.

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 EUR 99.96 per year. Compared to 1998 (EUR 61.15/ m²), this represents an increase by 63.47%. 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.

RENT PER M²



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.

TOTAL M² PER PROVINCE - BELGIUM

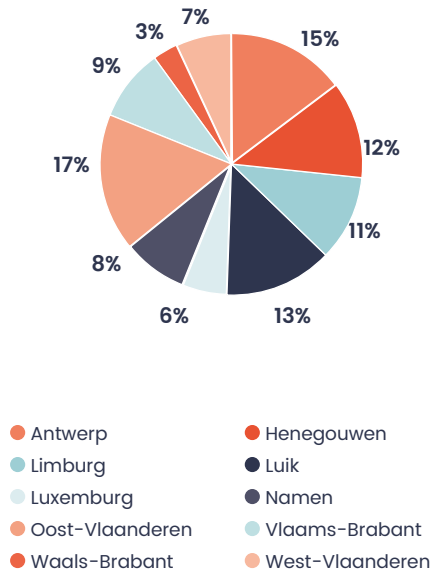


Chart: based on retail area as per 31 March 2019.

TOTAL M² PER PROVINCE - THE NETHERLANDS

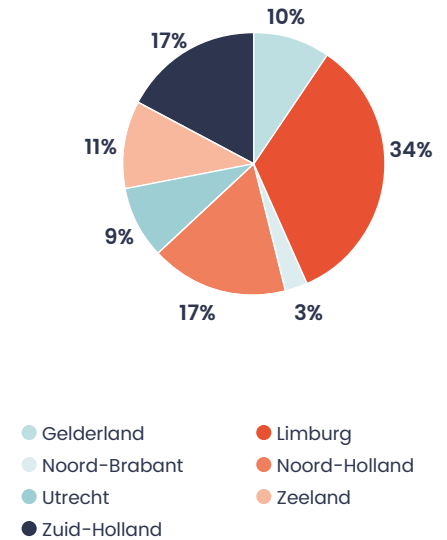


Chart: based on retail area as per 31 March 2019.

YEAR OF CONSTRUCTION OF PORTFOLIO

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

M² AND WEIGHTED AVERAGE YEAR OF CONSTRUCTION PER PROVINCE - BELGIUM

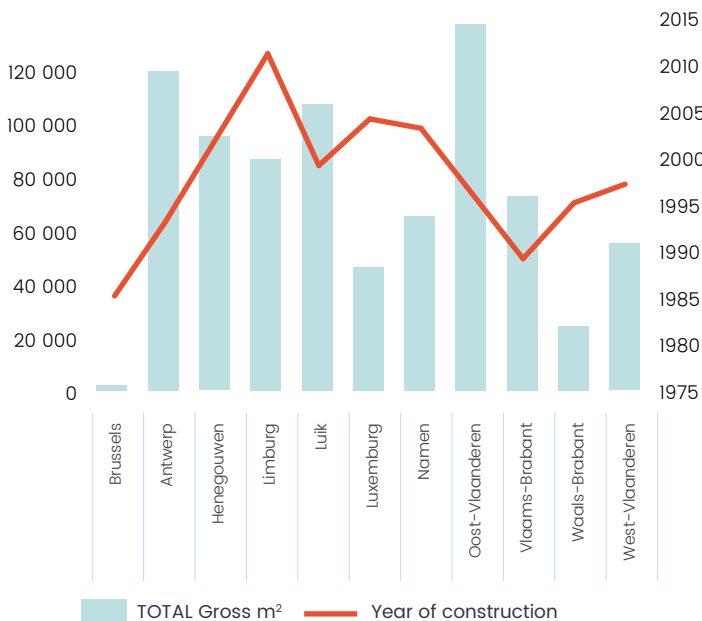


Chart: based on retail area as per 31 March 2019.

M² AND WEIGHTED AVERAGE YEAR OF CONSTRUCTION PER PROVINCE - THE NETHERLANDS



Chart: based on retail area as per 31 March 2019.

EXPIRY DATE OF LEASE AGREEMENTS

The weighted average remaining term is 8.90 years for the Belgian portfolio and 3.67 years for the Dutch portfolio. The weighted average remaining term for the entire portfolio is 7.69 years.

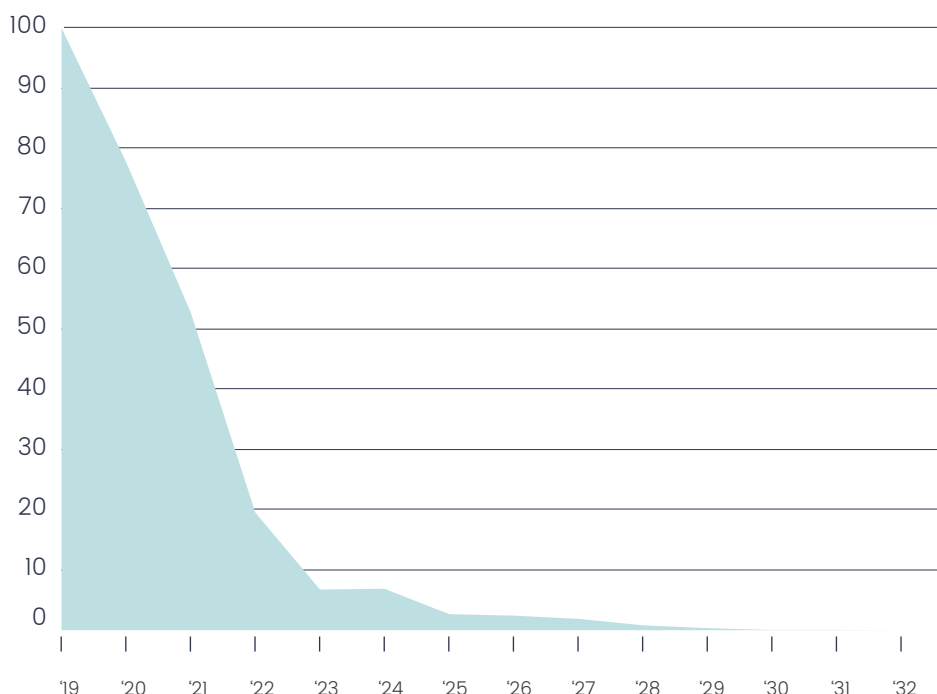
When calculating the weighted average term, we assume that the tenants do not make use of their legal option to terminate of the lease agreement before its expiry date.

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 1.89 years for the Belgian portfolio.

TENANTS: TOP 20

The top twenty tenants of Retail Estates nv represent 43.17% of the gross rental income and 41.25% of the total surface area of the properties in the real estate portfolio. They represent 298 shops. In absolute figures, Brantano accounts for 3.82% of the rental income and tops the list of the five most important tenants. Brantano is followed by Leenbakker (3.48%), Krēfel (3.19%), Pardis (Fun-Trafic) (3.04%) and Aldi (2.56%).

% RENTAL INCOME UNTIL FIRST BREAK



The top twenty tenants of Retail Estates nv represent 43.17% of the gross rental income and 41.25% of the total surface area of the properties in the real estate portfolio. They represent 298 shops.

SUMMARY OF KEY FIGURES

	RETAIL ESTATES		
	31.03.19	31.03.18	31.03.17
Estimated fair value ¹ (in €)	1 529 629 000	1 349 367 000	1 000 799 000
Yield (investment value) ²	6,55%	6,67%	6,60%
Contractual rents (in €)	103 502 136	92 216 148	70 522 410
Contractual rents incl. rental value of vacant buildings (in €)	104 871 501	93 345 252	71 406 658
Total m ² in portfolio	1 049 101	973 525	748 136
Number of properties	906	817	668
Occupancy rate	98,28%	98,11%	98,13%
Total m ² fixed assets under construction - in execution phase	-	12 599	9 742

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 2019 (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)

IMPORTANT NOTE

On 31 March 2019, 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 2019, 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 2019. 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 two retail parks in Heerlen, the Netherlands (with 45 different tenants). The combined fair value of these retail parks represents 7.12% of the consolidated assets of the company. However, as these retail parks concern 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. Furthermore, the cluster Antwerpen-Noord represents 5.52% of the consolidated assets. This mainly concerns retail parks and clusters situated along Bredabaan, over a distance of several kilometres and spread over different towns. Given the geographic spread and the mix of tenants, this cluster should in fact be subdivided into different parts in terms of risk assessment.

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

OVERVIEW REAL ESTATE PORTFOLIO

BELGIUM											
Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value	
Brussels	Bru-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%	258 956,27	3 161 220,97	1 644 679,79	2 770 216,95	
Walloon Brabant	WBr-Individual peripheral properties and other	Avenue Reine Astrid 4/6, 1300 Wavre		BBK Expansion BVBA (Babykid)							
		Rue Pont du Christ 32, 1300 Wavre		Bibliopolis SPRL							
		Rue des Carabiniers, 1300 Wavre									
		Rue du Bosquet 10 en 10A, 1370 Jodoigne		Literie Chanet & Fils SPRL							
		Avenue de Centenaire 42, 1400 Nivelles		BRICO BELGIUM nv							
		Rue du Tienne à deux vallées 3, 1400 Nivelles		ALDI Gemblooux sa							
		Brusselsesteenweg 551, 1410 Waterloo		CARPETLAND nv							
	Grand Route 49, 1435 Corbois		CHAUSSURES MANIET SA								
	1958 - 2013					9 717	99,08%	956 828,96	16 146 137,11	7 247 779,36	15 231 981,55
	WBr-Nivelles		Chaussée de Namur 55C, 1400 Nivelles		Basic Fit België						
		Chaussée de Namur 55D, 1400 Nivelles		SND sa (Trafic)							
		Chaussée de Namur 55A, 1400 Nivelles		VOLTIS SA							
		Chaussée de Namur 55B, 1400 Nivelles		Menatam SA (Eggo)							
		Chaussée de Namur, 1400 Nivelles		Fnac Vanden Borre nv							
2015					5 783	100,00%	605 415,43	9 526 600,00	4 313 461,77	9 249 552,46	
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		LEGIO IMMO BELGIUM 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							
	Rue Pierre Flamand 205, 1420 Braine-l'Alleud		CASA INTERNATIONAL NV								
			Orchestra-Prémaman Belgium SA								
1990 - 2008					8 525	100,00%	850 962,98	13 808 352,76	6 358 682,62	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		NovaSYO BVBA (bedden en matrassen)							
		Bergensesteenweg 460, 1600 Sint-Pieters-Leeuw		Chalet Center comm. v.							
		Demaeghtlaan 216-218, 1500 Halle		BRANTANO nv							
1964 - 2002					7 456	100,00%	411 878,01	6 399 158,27	5 561 329,93	6 303 844,74	

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
	VBr-Individual peripheral properties and other			Atlantis SPRL						
			Verlengde Stallestraat 200, 1620 Drogenbos		Retail Concepts NV (AS Adventure)					
			Verlengde Stallestraat 219, 1620 Drogenbos		Fnac Vanden Borre nv					
			Verlengde Stallestraat 219 b, 1620 Drogenbos		BE PRO TOOLS S.A.					
			Waterloosesteenweg 39, 1640 Sint-Genesius-Rode/ Rhode-Saint-Genèse		CEMEPRO sprl (chateau d'ax)					
			Ninoofsesteenweg 386, 1700 Dilbeek		BRANTANO nv					
			Assesteenweg 66, 1740 Ternat							
			Schaarbeeklei 115, 1800 Vilvoorde		JBC nv					
					DEVOTEC BVBA					
			Goudbloemstraat 2, 1800 Vilvoorde		KHARBAGH- ZAIDI					
			Goudbloemstraat 4, 1800 Vilvoorde		ZERRAD - CHTAOU					
			Waardbeekdreef 6, 1850 Grimbergen		BRANTANO nv					
			Hoogstraat 7, 1930 Zaventem		ALDI Cargovil-Zemst nv					
			Hoogstraat 7A, 1930 Zaventem		D'Almeida Geoffroy Adande D.					
			Brusselsesteenweg 4, 3020 Herent		Walla Sobo Badébona - Abelaki Kanaza					
			Brusselsesteenweg 490, 3090 Overijse		ALDI Cargovil-Zemst nv					
				AVA PAPIERWAREN nv						
				KREFEL nv						
		Leuvensesteenweg 168, 3290 Diest		LEEN BAKKER BELGIE nv						
		Leuvensesteenweg 497, 3300 Tienen		ALDI Heusden-Zolder						
			1970 - 2004		25 792	96,14%	2 934 276,25	42 830 424,40	19 371 017,30	36 331 712,11
	VBr- Kamphenhout	Mechelsesteenweg 44, 1910 Kampenhout		Euro Shoe Group N.V.						
		Mechelsesteenweg 46, 1910 Kampenhout		FABRIMODE nv (Bel & Bo)						
		Mechelsesteenweg 93, 1910 Kampenhout		NORDEX nv						
					Standaard Boekhandel NV					
		Mechelsesteenweg 89 B, 1910 Kampenhout		ZEEMAN textielSupers NV						
		Mechelsesteenweg 91, 1910 Kampenhout		Blokker NV						
		Mechelsesteenweg 89, 1910 Kampenhout		Swiss Sense BVBA						
		Mechelsesteenweg 50, 1910 Kampenhout		MODEMAKERS FASHION nv						
			1989 - 2004		5 636	100,00%	649 515,11	10 190 817,25	4 203 816,45	4 242 270,61
	Zaventem	Leuvensesteenweg 375, 1930 Zaventem		CARPETLAND nv						
		Leuvensesteenweg 350, + 350, 1932 Sint-Stevens-Woluwe		VONIKA BVBA						
		Leuvensesteenweg 8, 1932 Sint-Stevens-Woluwe		E-Logistics NV						
					PROMO SAPIENS nv					
					HUBO BELGIE nv					
					Bedden en Matrassen BV					
					COOLBLUE NV					
		Jozef Van Damstraat 3C, 1932 Sint-Stevens-Woluwe		ANISERCO nv						
				Retail Partners Colruyt Group NV						
				ZEEMAN textielSupers NV						
				KRUIDVAT bvba						
			1967 - 1996		15 380	93,76%	1 237 209,07	18 487 196,04	11 471 734,75	17 838 775,66

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value	
Flemish- Brabant	Leuven-Oost	Tiensesteenweg 410, 3360 Korbeek-Lo		LOVANIX BVBA (ixina)							
		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		LEGIO IMMO BELGIUM NV							
	Ridderstraat 2-12, 3360 Bierbeek		ACTION BELGIUM BVBA								
					L.TORFS NV						
			1987 - 1993		11 001	100,00%	1 481 098,66	21 575 403,84	8 205 497,66	19 469 881,21	
VBR-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							
			1984 - 2011		7 371	100,00%	985 890,21	15 039 032,42	5 497 929,57	14 393 581,71	
Antwerp	Ant-Individual peripheral properties and other	Slachthuisstraat 27, 2000 Antwerpen		ALDI TURNHOUT NV							
		Frans Beirenslaan 51, 2150 Borsbeek (Antw.)		CARPETLAND nv							
		Geelsebaan 64, 2460 Kasterlee									
		Antwerpsesteenweg 482-484, 2660 Hoboken		Sint-Niklaas Doe het Zelf NV							
					HUBO BELGIE nv						
				1973 - 1997		6 826	100,00%	732 290,49	10 679 579,32	5 091 421,42	9 644 126,33
	Antwerpen- Noord	Bredabaan 968, 2170 Merksem			L&L Retail Belgium SA						
		Bredabaan 964, 2170 Merksem			FUN BELGIUM nv						
					LEGIO IMMO BELGIUM NV						
		Bredabaan 809, 2170 Merksem			L.TORFS NV						
				DAMART TSD nv							
Bredabaan 809 bus 5, 2170 Merksem				NovaSYO BVBA (bedden en matrassen)							
				WV2 BVBA (fiets!)							
				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							
				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								
			Kerstens Lennert en Waegemans Yana								
			Roggeman Melvin								
			KREFEL nv								
			LEEN BAKKER BELGIE nv								
			MEDINA nv (Bent Schoenen)								
			L.TORFS NV								
			HET BROEKENPALEIS nv								
			JBC nv								
			Orchestra-Prémaman Belgium SA								
			Picoloplein 31, 2940 Stabroek								
				MODEMAKERS FASHION nv							
			1976 - 2016		37 492	100,00%	5 328 530,45	86 315 934,61	27 964 777,59	79 667 458,13	

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value	
Antwerpen	Ant-Westerlo	Bell Telephonaan2/2, 2260 Oevel		Merkkleding bvba							
		Bell-Telephonaan 1/2, 2260 Oevel		ACTION BELGIUM bvba							
		Hotelstraat 10, 2260 Oevel		C&A België cv							
		Hotelstraat 1, 2260 Oevel		Euro Shoe Group N.V.							
		Hotelstraat 7, 2260 Oevel		FABRIMODE nv (Bel & Bo)							
				KWANTUM BELGIE BV							
				Geelen Maria							
				KP Decor BVBA							
				Zebulah N.V.							
				HEUREKA BVBA (franchisé Heytens)							
				ZEEMAN textielSupers NV							
		Hunkemöller Belgium nv									
1988 - 2011					12 638	100,00%	1 095 429,82	16 333 495,59	9 426 513,90	16 022 969,95	
Antwerpen	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 (Ixina)							
		Antwerpsesteenweg 308, 2500 Lier		Groep Bossuyt België NV							
				KREFEL nv							
		Antwerpsesteenweg 366, 2500 Lier		Slaapadvies BVBA							
		BELGACOM MOBILE NV									
		FUN BELGIUM nv									
1993 - 2009					8 293	100,00%	856 184,15	13 333 608,78	6 185 636,95	7 599 055,66	
Antwerpen	Antwerpen-Zuid	Boomsesteenweg 651, 2610 Wilrijk		Décor Heytens Belgique NV							
		Boomsesteenweg 649, 2610 Wilrijk		KREFEL nv							
		Boomsesteenweg 649-651, 2610 Wilrijk		ADEBO NV							
		Boomsesteenweg 651, 2610 Wilrijk		Obey NV							
				RUFFIN Franky							
		Boomsesteenweg 652, 2610 Wilrijk		CARPETLAND nv							
		Boomsesteenweg 945, 2610 Wilrijk		Keukenontwerpers NV							
				PRO-DUO nv							
				Schrauben Sanitair en Verwarming NV							
		Boomsesteenweg 941, 2610 Wilrijk		Darkom BVBA							
				HILTI BELGIUM nv							
		Boomsesteenweg 943, 2610 Wilrijk		Edenwood NV							
	Boomsesteenweg 800, 2610 Wilrijk		Odysseus Bouwmarkten NV								
	Antwerpsesteenweg 65_1, 2630 Aartselaar		Bedden en Matrassen BV								
	Antwerpsesteenweg 65, 2630 Aartselaar		Keukenhuis NV								
	Boomsesteenweg 68, 2630 Aartselaar		MAXI ZOO BELGIUM bvba								
	Boomsesteenweg 90, 2630 Aartselaar		BMS nv								
	Boomsesteenweg 86, 2630 Aartselaar		FUN BELGIUM nv								
	Boomsesteenweg 62, 2630 Aartselaar		JUMP UNIVERZ BVBA (verkoop trampolines, springkastelen)								
	Boomsesteenweg 66, 2630 Aartselaar		PIOCHEUR nv								
	Koningin Astridlaan 85A bus 00.01, 2550 Kontich		C&A België cv								
	Koningin Astridlaan 83 bus 01.01, 2550 Kontich		Basic Fit België								
	Koningin Astridlaan 83 bus 00.01, 2550 Kontich		ANTWERP FASHION OUTLET NV								
Koningin Astridlaan 85 bus 01.01, 2550 Kontich		LINS									
Koningin Astridlaan 85 bus 00.001, 2550 Kontich		Euro Shoe Group N.V.									
1960 - 2016					32 596	100,00%	3 372 182,30	51 616 423,08	24 312 917,16	39 450 979,60	

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value
Antwerp	Mechelen- Noord	Oscar Van Kesbeecklaan 3, 2800 Mechelen		Euro Shoe Group N.V.						
		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						
		Guido Gezellelaan 10/12, 2800 Mechelen		Children's International Summer Villages-Belgium VZW						
		Guido Gezellelaan 20, 2800 Mechelen		DANS- EN EXPRESSIE vzw						
		Rode Kruisplein 20, 2800 Mechelen		Orchestra-Prémaman Belgium SA						
Liersesteenweg 432, 2800 Mechelen		Babydump B.V.								
				PIOCHEUR nv						
				FUN BELGIUM nv						
1960 - 2011					13 657	100,00%	1 329 370,83	18 750 669,11	10 732 790,71	17 775 325,98
Mechelen-Zuid	Brusselsesteenweg 445 en 443, 2800 Mechelen			Intres Belgium XP bvba (Sleepy)						
	Brusselsesteenweg 439, 2800 Mechelen			FABRIMODE nv (Bel & Bo)						
				Menatam SA (Eggo)						
				BRANTANO nv						
	Brusselsesteenweg 441 A, 2800 Mechelen			Fnac Vanden Borre nv						
	Brusselsesteenweg 441 B, 2800 Mechelen			REDISCO bvba						
Brusselsesteenweg 437, 2800 Mechelen			L&L Retail Belgium SA							
				Madman BVBA						
				LEGIO IMMO BELGIUM NV						
1983 - 2005					7 535	100,00%	980 169,34	14 347 457,85	5 620 254,96	8 954 399,22
Lim- Hasselt	Biezenstraat 47 - 53, 3500 Hasselt			KWANTUM BELGIE BV						
				MEDIA MARKT TWEE TORENS HASSELT NV						
				Maisons du Monde						
				x'O BADKAMERS NV						
2017					5 762	100,00%	868 032,11	14 464 891,71	4 297 798,16	14 867 195,66
Lim-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 125, 3630 Maasmechelen			NRG NEW GENERATION BVBA							
				Koninginnelaan 125A/127, 3630 Maasmechelen						
1989 - 2016					6 595	100,00%	611 062,99	8 878 625,04	4 919 121,63	9 003 259,07
Limburg	Lim-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%	2 018 755,04	31 536 139,54	13 155 200,64	31 162 834,04

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
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		MAAHEN NV						
				ALDI Heusden-Zolder						
1988 - 2015					14 391	100,00%	1 277 212,93	20 018 482,37	10 734 052,98	18 205 509,53
Lim-Lanaken		Maaseikersteenweg 197, 3620 Lanaken		JYSK BVBA						
				E5-Mode nv						
				Chaussea BRT BVBA						
				Toychamp Belgium N.V.						
2005					4 150	100,00%	352 395,39	5 434 565,85	3 095 429,08	5 340 246,38
Limburg		Luikersteenweg 151 bus 6, 3700 Tongeren		JBC nv						
		Luikersteenweg 151 bus 8, 3700 Tongeren		LTORFS 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		NovaSYO BVBA (bedden en matrassen)						
		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	90,43%	2 283 878,24	41 147 485,85	23 070 270,21	37 887 508,27
Lim-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%	742 699,46	11 672 430,40	5 174 960,71	10 747 808,17

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
Liège	Edge of Town	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		Zanimo 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								
		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		LEGIO IMMO BELGIUM 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	93,18%	1 220 120,06	17 884 732,29	10 919 778,72	15 729 824,22
Liège	Lui-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						
				Zanimo SPRL						
		rue de Sewage 1, 4100 Seraing		SERAING DISCOUNT						
		Route du Condroz 221, 4120 Neupré								
				POINT CARRE sprl						
				Bounce Wear BVBA (sportartikelen)						
		Avenue Laboulle 17, 4130 Tiff		LIDL						
		Chaussée Romaine 244, 4300 Waremme		Poirvre et Sel Concept SPRL						
				Revolution Fitness SPRL						
				AlBinete Waremme SPRL						
		Chaussée Romaine 246, 4300 Waremme		Zanimo SPRL						
		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		Euro Shoe Group N.V.								
rue du Chalet 95, 4920 Aywaille										
1986 - 2017					16 109	84,51%	1 255 144,16	17 535 232,30	12 015 486,03	17 540 122,81
Liège	Lui-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						
				Euro Shoe Group N.V.						
				HEMA BELGIE BVBA						
				Nationale4 NV (ZEB)						
		JBC nv								
		Burger Brands Belgium NV								
1975 - 1987					10 672	100,00%	1 790 627,70	27 620 041,36	7 960 100,99	27 787 796,00

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value	
Liège	Luik-Herstal	rue des Naiveux 44, 4040 Herstal		GOBREL sa							
		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 de Naiveux 7, 4040 Herstal		Fnac Vanden Borre nv							
		rue Arnold Delsupexhe 66A, 4040 Herstal		MT - MONDIAL TEXTILES SA							
		rue Arnold Delsupexhe 66B, 4040 Herstal		KREFEL nv							
					JCDECAUX BILLBOARD sa						
					AVA PAPIERWAREN nv						
				1971 - 2001		6 204	100,00%	752 327,52	9 616 715,94	4 627 480,00	6 294 580,69
		Lui-Blegny-Barchon	Rue Champs de Tignée 4/2, 4671 Barchon		Wilmar Deco SPRL						
			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			BRICOBA 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. Bonnelles SPRL								
	Rue Champs de Tignée 20-34, 4671 Barchon		PHILIPPE STEVENS SPRL - DIGITHOME								
			1989 - 2008		13 062	99,23%	1 276 819,51	20 083 795,12	9 742 769,79	16 684 498,84	
	Eupen	Rue Mitoyenne 1, 4700 Eupen		Blokker NV							
				ANISERCO nv							
			Chaussea BRT BVBA								
			C&A België cv								
			CP RETAIL SA								
			Euro Shoe Group N.V.								
			JBC nv								
			PIOCHEUR nv								
			PRO-DUO nv								
			Veritas NV								
		Herbesthalerstraat 154, 4700 Eupen		Orchestra-Prémaman Belgium SA							
			1988 - 1990		9 037	100,00%	901 622,36	12 851 790,30	6 740 576,52	12 949 150,31	

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value		
Liège	Lui-Verviers	Boulevard des Gérardchamps 118, 4800 Verviers		Delhaize Le Lion - De Leeuw Comm.VA Gemeenschap Delhaize-Tom&co-LeenBakker 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		PIOCHEUR nv								
		Rue d' Anvers 6, 4800 Verviers		Régie des Bâtiments								
		Rue de la Station 8, 4800 Verviers		Decathlon Belgium NV 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 Groep Bossuyt Belgie NV ELECTRO AV nv 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) MAXI ZOO BELGIUM bvba Papeterie.be SPRL (Page III) KRUIDVAT bvba Edcom SCRL								
		1998 - 2013					37 123	100,00%	3 474 916,37	52 171 967,44	27 689 545,46	50 087 287,32
		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 (haicare)						
				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		NCD SA (ixina)						
				Chaussée de Louvain 562, 5020 Champion		JBC nv						
		Chaussée de Louvain 564, 5020 Champion		Maisons du Monde								
		Chaussée de Louvain 564B, 5020 Champion		Le Fu SPRL								
		1990 - 2012					14 867	100,00%	1 656 638,49	23 118 804,96	11 089 094,96	19 064 443,14

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value	
Namur	Nam-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%	354 816,66	5 240 119,02	2 406 975,82	3 878 624,42
	Nam- 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		NovaSYO BVBA (bedden en matrassen)							
			2008 - 2009			8 237	100,00%	808 982,24	13 681 218,58	6 143 867,30	12 645 719,51
	Namen- 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)							
POINTNEUPRE 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)				SFX JOUETS SPRL (Shop for Geek)							
Favresse Marie-Hélène (schoonheidssalon)				BERTRAND SA (AD Delhaize)							
Servais Alain (bloemen)											
		2014			15 940	100,00%	1 733 903,03	28 430 781,19	11 889 431,21	29 024 988,83	
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								
		1968 - 2015			8 523	100,00%	888 099,42	13 462 113,37	3 925 600,79	12 979 822,05	
	Chaussée de Marche 586, 5101 Erpent		LOVIC S.A.								

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value	
Namur	Nam-Sambreville	Rue Baty des Puissances 6, 5190 Jemeppe-sur-Sambre		ACTION BELGIUM BVBA							
		rue Baty des Puissances 1, 5190 Jemeppe-sur-Sambre		E5-Mode nv 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 I68 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%	507 139,83	7 479 704,14	4 461 893,19	5 346 072,35
	Nam-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) Parée Pierre NMD sprl C&A België cv								
				1996 - 2001	5 330	100,00%	526 330,23	7 446 957,15	3 975 575,18	6 454 671,73	
Nam-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%	296 631,93	4 557 433,17	2 189 922,84	275 033,07	
Hainaut	Hen-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									
		Rue de la Persévérance 7-9, 6061 Montignies-sur-Sambre		NovaSYO BVBA (bedden en matrassen)							
		rue de Leernes 2, 6140 Fontaine-l'Évêque		MATCH sa							
		Chaussée de Mons 322, 6150 Anderlues		POINT CARRÉ sprl							
		Chaussée de Mons 324, 6150 Anderlues		JBC nv							
		Rue Dewiest 86, 6180 Courcelles		DFAI-Centre funéraire Marchant BVBA							
		Rue Dewiest, 6180 Courcelles		MOBISTAR nv							
		rue des Français 152, 6200 Châtelet		PROFI sa							
		Chaussée de Gilly 38, 6220 Fleurus		ALDI Gembloux sa							
		Rue de Bertrantsart, 6280 Gerpinnes		DISTRILED CENTRE BVBA							
		Rue d'Anderlues 110, 6530 Thuin		LIDL							
		Chaussée de Binche 50, 7000 Mons		Sitipac (société en constitution)							
		Avenue Wilson 421, 7012 Jemappes		NIKE Retail BV Chaussea BRT BVBA Basic Fit België							
		Chaussee de Roeulx 353, 7060 Soignies		CASHALLO SPRL (ixina)							
		Chaussee de Roeulx 351, 7060 Soignies		AVEVE nv							
		Avenue de la Wallonie 6, 7100 La Louvière									
		Rue Zéphirin Fontaine 76A, 7130 Binche		WIBRA België NV							
		Rue Zéphirin Fontaine 140, 7130 Binche		RUNFA SPRL (Wok)							
		Rue des bureaux 3B, 7160 Chapelle-lez-Herlaimont		Oula Oops SPRL (binnenspeeltuin)							
		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		36 644	94,41%	3 143 772,42	43 551 649,54	27 332 265,82	37 090 872,71	

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value	
Hainaut	Hen-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%	736 833,96	11 482 752,59	6 102 843,55	10 898 022,47
	Hen-Erquelines	Route de Mons 276, 6560 Erquelines		SND sa (Trafic)							
		Route de Mons 260, 6560 Erquelines		Tomona SPRL (Tom&Co)							
			2011			2 232	100,00%	195 155,12	2 820 670,24	1 664 818,72	2 781 492,34
	Hen-Mons	Place des Grands Pres I, 7000 Mons		KREFEL nv							
		Place des Grands Pres, 7000 Mons		Maisons du Monde							
				Eva Ameublements SPRL (Rév Interieur)							
				BDO Distribution SA							
				MONSPORTS SCRL (Intersports)							
				Retail Concepts NV (AS Adventure)							
			2016			11 779	100,00%	1 687 363,39	27 905 440,98	8 785 797,38	27 764 462,90
	Hen-Péruwelz	rue Neuve Chaussée, 7600 Péruwelz		FABRIMODE nv (Bel & Bo)							
				ACTION BELGIUM BVBA							
			1996 - 2012			1 740	100,00%	161 584,18	2 335 453,66	1 297 842,55	2 118 494,21
Hen-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%	346 709,29	5 203 891,71	2 023 590,14	5 228 877,66	
Hen-Frameries	Route Nationale, 7080 Frameries		ACTION BELGIUM BVBA								
			FABRIMODE nv (Bel & Bo)								
			Leenbakker NV								
			Natale Mario (Sander boutique)								
			Euro Shoe Group N.V.								
			ANISERCO nv								
	Route Nationale II, 7080 Frameries		Willems NV (verandas)								
			LEGIO IMMO BELGIUM NV								
			Distried Tournai SPRL (Extrashop)								
			SND sa (Trafic)								
			ZEEMAN textielSupers NV								
		2012 - 2018			14 917	100,00%	1 377 808,16	21 492 557,07	11 126 389,29	21 492 619,19	
Hen-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		Le Repaire des Filous SPRL (speelzaal kinderen)								
			Produo SPRL (poils et plumes)								
	Rue de l'Artisanat, 7900 Leuze-en-Hainaut		Euro Shoe Group N.V.								
		2014			3 050	100,00%	278 702,50	4 088 796,10	2 274 953,90	3 982 110,76	

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred 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		Décor Heytens Belgique 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%	918 660,80	12 366 138,27	5 951 428,58	8 273 703,63
Hainaut	Hen-Ath	Chaussée de Bruxelles, 7800 Ath		Euro Shoe Group N.V. AGIK s.p.r.l. KRUIDVAT bvba MATCH sa ZEEMAN textielSupers NV Marquebreucq Nathalie PIOCHEUR nv ELECTRO AV nv ACTION BELGIUM BVBA ALKEN MAES NV							
				MONI SPRL Lloydspharma Group SA							
			1974 - 2017		5 487	100,00%	601 320,14	9 025 441,95	4 092 679,36	6 968 787,84	
Luxembourg	Lux-Arlon	Rue de Grass, 6700 Sterpenich		PHILIPS LIGHTING BELGIUM nv							
		Rue de Grass, 6700 Sterpenich		Maisons du Monde							
		Rue de Grass, 6700 Sterpenich		BDO Distribution SA							
		Rue de Grass, 6700 Sterpenich		DISTRILED MARCHE SPRL (Extra Shop)							
		Rue de Grass, 6700 Sterpenich		ARLONSPORTS SCRL (Intersport)							
				2018		9 311	100,00%	1 146 141,46	16 702 380,49	6 944 949,43	17 368 341,44
	Luxembourg	Lux-Individual peripheral properties and other	Avenue de la Gare, 6720 Habay-la-Neuve		Papeterie.be SPRL (Page III) KRUIDVAT bvba						
			rue de la Vallée 104, 6780 Messancy		Carrefour Belgium SA						
			Rue de la Ferme 108, 6780 Messancy		Maxi Market SPRL						
			rue de la Vallée 100, 6780 Messancy		I.L.I.S. SA						
Rue de la Vallée 100-108, 6780 Messancy				GOBREL sa							
rue de la Vallée 106, 6780 Messancy				MAKE sprl Blue Vision Messancy (à constituer)							
rue de Neufchâteau 5, 6800 Libramont-Chevigny				Clebio SPRL							
Avenue de Bouillon 54, 6800 Libramont				Quality meat Renmans SA BBK Expansion BVBA (Babykid)							
Rue de la Girafe 21, 6830 Bouillon		Omega NV (Databuild)									
Rue de la Girafe 25, 6830 Bouillon		bpost SA									
			1992 - 2008		12 778	84,75%	789 753,59	11 703 550,40	10 239 530,21	15 495 834,88	
Luxembourg	Lux-Libramont	Rue de l'Alliéau, 6800 Libramont		Burger Brands Belgium NV MONDIAL EXPRESS SCRL JBC nv POINT CARRE sprl Planet Parfum SA Veritas NV							
				BRICO ARDENNE SPRL							
				KREFEL nv AVA PAPIERWAREN nv							
			Rue de Libin 2a, 6800 Libramont								
			Rue de Libin 2, 6800 Libramont								
			2006 - 2010		8 657	100,00%	929 068,01	14 533 732,99	6 457 139,65	14 678 143,59	

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured 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		BE KITCHEN SPRL							
		avenue de France 44, 6900 Marche-en-Famenne		ZEEMAN textielSupers NV							
		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							
				EUROVENTES Sprl							
				ELECTRO AV nv							
				Follow Up SPRL							
		Rue du Parc Industriel 13, 6900 Marche-en-Famenne		Civadis SA							
				HUBO BELGIE nv							
1969 - 2013					15 183	100,00%	1 650 191,63	24 256 569,09	11 324 795,11	17 767 896,47	
West-Flanders	Brugge-Noord	Sint-Pieterskaai 21, 8000 Brugge		GOBREL sa							
		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							
				Omega (BWC)							
				MAXI ZOO BELGIUM bvba							
				KRUIDVAT bvba							
						ZEEMAN textielSupers NV					
1965 - 2012					14 110	100,00%	929 068,01	20 067 770,28	10 812 772,70	20 171 656,79	
West-Flanders	WVI-Individual peripheral properties and other	Torhoutsestraat 45, 8020 Ruddervoorde		MATCH sa							
		Maalsesteenweg 166, 8310 Sint-Kruis		MEUBELEN DE ABDIJ bvba							
		Maalsesteenweg 255, 8310 Sint-Kruis		C&A België cv							
		Maalsesteenweg 42, 8310 Sint-Kruis		Holstra BVBA (Zonnewering, luifels, rolluiken, ...)							
		Torhoutsesteenweg 610, 8400 Oostende		IMETAM bvba							
		Biezenstraat 16, 8430 Middelkerke		ACTION BELGIUM BVBA							
		Koninklijke Baan 228, 8670 Koksijde		BRANTANO nv							
		Gentstraat 13, 8760 Meulebeke		ALDI Roeselare nv							
Frankrijklaan 2, 8970 Poperinge		Omega (BWC)									
1950 - 2007					10 138	100,00%	929 068,01	12 790 452,51	7 423 636,45	13 808 571,76	
West-Flanders	Kortrijk-Noord	Ringlaan 32, 8500 Kortrijk		D. Fashion NV (Giks)							
				IMETAM bvba							
				LTORFS NV							
				DE MAMBO B.V.B.A.							
		Ringlaan 11, 8520 Kuurne		Slaapadvies BVBA							
		Ter Ferrants 1, 8520 Kuurne		Fnac Vanden Borre nv							
		Ter Ferrants 3, 8520 Kuurne		Euro Shoe Group N.V.							
Ter Ferrants 4, 8520 Kuurne		AVA PAPIERWAREN nv									
Ter Ferrants 2, 8520 Kuurne		ACTION BELGIUM BVBA									
		LEEN BAKKER BELGIE nv									
1987 - 2015					12 714	100,00%	929 068,01	15 795 512,20	9 483 201,28	10 743 615,98	

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value	
West-Flanders	WVL-Sint-Eloois-Vijve	Gentseweg 520, 8793 Sint-Eloois-Vijve	1988	AVA PAPIERWAREN nv	4 946	80,89%	292 720,00	5 385 516,73	3 688 408,88	5 631 413,41	
				Mekowa BVBA (Gamma)							
	Roeselare		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						
			Brugsesteenweg 356 B, 8800 Roeselare		BELGIAN POSTERS						
			Brugsesteenweg 356 A, 8800 Roeselare		Seats and sofas N.V.						
Brugsesteenweg 356 C, 8800 Roeselare		Omega NV									
				Fnac Vanden Borre nv							
1993 - 2007					12 903	100,00%	1 401 933,24	19 991 883,96	9 624 173,83	16 001 880,63	
East-Flanders	Ovl-Individual peripheral properties and other	Fratersplein 11, 9000 Gent		LIDL							
		Brusselsesteenweg 662, 9050 Gentbrugge		Concept Fashion Group NV							
		Maisstraat 3, 9060 Zelzate		BRANTANO nv							
		Antwerpse Steenweg 71, 9080 Lochristi		JBC nv							
		Antwerpse Steenweg 73, 9080 Lochristi		MODEMAKERS FASHION nv							
		Antwerpsesteenweg 84, 9080 Lochristi		L.TORFS NV							
		Brusselsesteenweg 75, 9090 Melle		DAMART TSD nv							
		Zelebaan 67, 9160 Lokeren		AUGUSTYNS BVBA (verkoop keukens)							
		Zelebaan Lot B, 9160 Lokeren									
		Oosterzelesteenweg 127, 9230 Wetteren		KREFEL nv							
		Grote Baan 154, 9250 Waasmunster		LEGIO IMMO BELGIUM NV							
		Brusselsesteenweg 120, 9300 Aalst		CLAUS Chris							
		Gentsesteenweg 442, 9300 Aalst		TDM Products Belgium bvba							
		Pieter Corneliskaai 16A, 9300 Aalst									
		Kwadelapstraat 2, 9320 Erembodegem		CARPETLAND nv							
		Nachtegaalstraat 8A, 9320 Erembodegem		BRICO BELGIUM nv							
		Aalsterssesteenweg 286, 9400 Ninove									
		Brakelsesteenweg 160, 9400 Ninove		MUYS nv							
		Astridlaan 38, 9500 Geraardsbergen									
		Provincieweg 266, 9550 Herzele		ALDI Erpe Mere nv							
Noordlaan 5, 9630 Munkzwalm											
Ronseweg 56, 9700 Oudenaarde											
Astenemolenstraat, 9800 Deinze		Omega (Deinze)									
Kortrijksesteenweg 18, 9830 Sint-Martens-Latem		Plaza Gent BVBA									
Puitvoetstraat 6B, 9100 Sint-Niklaas											
1974 - 2014					59 930	100,00%	4 772 900,99	63 383 510,35	44 700 979,43	66 786 056,34	

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value
Gent-Zuid		Kortrijksesteenweg 1178, 9051 Sint-Denijs-Westrem		FUN BELGIUM nv						
		Kortrijksesteenweg 1036, 9051 Sint-Denijs-Westrem		Retail Concepts NV (AS Adventure) Décor Heytens Belgique NV						
		Kortrijksesteenweg 1038, 9051 Sint-Denijs-Westrem		GDW-Gent BV						
		Kortrijksesteenweg, 9051 Sint-Denijs-Westrem		FINSBURY PROPERTIES NV						
		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						
		Wallenkensstraat 26, 9051 Sint-Denijs-Westrem		Wamo BVBA (Zeb)						
	Kortrijksesteenweg 1206, 9051 Sint-Denijs-Westrem		CARPETLAND nv							
1978 – 2003					14 004	100,00%	1 804 785,43	27 209 827,41	10 761 536,03	19 964 985,30
Sint-Niklaas		Parklaan 50, 9100 Sint-Niklaas		GUNGO BVBA (IXINA) ELECTRO AV nv Carlier O. en De Craeke S. Mehmed Yalmaz						
		Parklaan 87, 9100 Sint-Niklaas		FUN BELGIUM nv						
		Plezantstraat 268, 9100 Sint-Niklaas		ALDI Erpe Mere nv						
	1999 – 2006					4 796	100,00%	537 953,89	7 334 813,66	3 577 271,77
East-Flanders	Dendermonde	Mechelsesteenweg 138 D, 9200 Dendermonde		BELLOLI bvba						
		Mechelsesteenweg 136, 9200 Dendermonde		Blokker NV						
		Mechelsesteenweg 140, 9200 Dendermonde		LEEN BAKKER BELGIE nv						
		Mechelsesteenweg 138, 9200 Dendermonde		FUN BELGIUM nv						
		Mechelsesteenweg 138, 9200 Dendermonde		Basic Fit België						
		Mechelsesteenweg 51, 9200 Dendermonde		KREFEL nv						
		Mechelsesteenweg 35, 9200 Dendermonde		GAM NV						
		Oude Vest 70, 9200 Dendermonde		KRUIDVAT bvba						
1974 – 2000					12 731	100,00%	1 111 798,52	16 221 704,39	9 495 881,35	6 649 386,32
Ovl-Wetteren		Oude Heerbaan 5, 9230 Wetteren		De Rycke BVBA (groothandel bloemen en planten) Alflora BV (verkoop bloemistenartikelen) Bb Concept BVBA (opslag droge voeding)						
		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						
		Oosterzelesteenweg 5 bus 6 A, 9230 Wetteren		Veritas NV						
		Oosterzelesteenweg 5 bus 6 B, 9230 Wetteren		Retail België 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%	1 872 559,54	28 327 239,01	18 828 413,57

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value		
East- Flanders	Ovl- 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 De Buren België NV								
		2005 - 2014				7 860	100,00%	571 885,17	6 765 961,95	6 001 403,00	7 000 344,57	
		Eeklo	Stationsstraat 76, 9900 Eeklo		MESSIAEN NV							
			Stationstraat - Krügercenter, 9900 Eeklo		DAMART TSD nv Hunkemöller Belgium NV 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		Savermo 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%	1 410 872,60	20 467 649,40	9 099 069,72	19 668 718,10		

THE NETHERLANDS											
Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value	
Zuid- Holland	Leiderdorp	Meubelplein 15, 2353 EX Leiderdorp		V.O.F. Sleep Studio							
		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				2 626	100,00%	206 823,96	2 524 992,71	2 374 542,39	2 099 722,70	
	Alphen aan den Rijn	Euromarkt 103-105, 2408 BD Alphen Aan Den Rijn		JRO Retail Rotterdam B.V.							
		Euromarkt 1-119, 2408 BD Alphen Aan Den Rijn		Huigen Tapijt B.V.							
		Euromarkt 115-117, 2408 BD Alphen Aan Den Rijn		Goedhart Bouwmarkt Alphen aan den Rijn B.V.							
		Euromarkt 119, 2408 BD Alphen Aan Den Rijn		Roobol Woontextiel B.V.							
		Euromarkt 109-111, 2408 BD Alphen Aan Den Rijn		Vegro Verpleegartikelen B.V.							
		Euromarkt 1, 2408 BD Alphen Aan Den Rijn		V.O.F. Zonnestudio 'Gravenzande							
		Euromarkt 101, 2408 BD Alphen Aan Den Rijn		Maatschap Vivre praktijk voor verloskunde							
		Euromarkt 9, 2408 BD Alphen Aan Den Rijn		Michael Fietswinkel B.V.							
Euromarkt 13-21, 2408 BD Alphen Aan Den Rijn			Houtman & De Vogel Makelaardij V.O.F.								
Euromarkt 3, 2408 BD Alphen Aan Den Rijn		Decokay Alphen V.O.F.									
Euromarkt 87-99, 2408 BD Alphen Aan Den Rijn		Aldi Vastgoed B.V.									
Euromarkt 89-97, 2408 BD Alphen Aan Den Rijn		Naviva Kraamzorg B.V.									
Euromarkt 9, 2408 BD Alphen Aan Den Rijn											
1993				10 123	96,93%	1 066 136,27	14 290 705,60	9 910 974,63	15 757 534,17		

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured 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		Turfpoort 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											
		Lucebertstraat 10, 3202 SW Spijkenisse		Bruynzeel Keukens B.V.									
		Lucebertstraat 6, 3202 SW Spijkenisse		Swiss Sense B.V.									
		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		Rocomola									
Lucebertstraat, 3202 SW Spijkenisse													
Lucebertstraat, 3202 SW Spijkenisse													
Lucebertstraat, 3202 SW Spijkenisse													
					2009	28 527	95,59%	3 039 936,69	43 849 738,58	20 000 000,00	47 117 842,42		
Utrecht	Utrecht cl	Goede Hooplaan 21, 3526 AR Utrecht		Leen Bakker Nederland B.V.									
							1990	3 146	100,00%	325 000,00	4 499 758,77	2 346 559,01	4 850 898,23
		Veenendaal	Einsteinlaan 1, 3902 HN Veenendaal		Wooncentrum Veenendaal B.V.								
			Einsteinlaan 1 - 3, 3902 HN Veenendaal										
			Einsteinlaan 1, 3902 HN Veenendaal		De Dromenmaker Veenendaal B.V.								
Einstaanlaan 1, 3902 HN Veenendaal			Bouman vloerservice V.O.F.										
Einstaanlaan 1, 3902 HN Veenendaal		T-Mobile Netherlands B.V.											
					2005	18 454	100,00%	1 288 232,79	11 301 496,08	18 067 482,55	12 572 104,25		
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.									
		Mortiereboulevard 22, 4336 RA Middelburg		Sports Unlimited Retail B.V.									
		Mortiereboulevard 24, 4336 RA Middelburg		De Badenman B.V.									
		Mortiereboulevard 26, 4336 RA Middelburg		BCC (Elektro-Specialzaken)									
		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%	2 362 094,52	31 110 893,25	20 339 869,41	32 799 961,84

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insurred value	Acquisition value
Noord- Brabant	Roosendaal	Oostplein 11, 4706 NL Roosendaal		CS Keukens V.O.F.						
		Oostplein 13, 4706 NL Roosendaal								
		Oostplein 15, 4706 NL Roosendaal								
		Oostplein 19, 4706 NL Roosendaal		Croissanterie Sep						
		Oostplein 7, 4706 NL Roosendaal		Kwantum Nederland B.V.						
		Oostplein 9, 4706 NL Roosendaal		Jysk B.V.						
1993					6 418	73,11%	388 971,79	4 403 427,06	10 018 670,69	5 769 905,55
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 (1 ^e Verdieping), 7321 CT Apeldoorn								
		Het Rietveld 34, 7321 CT Apeldoorn		Beter Bed B.V.						
		Het Rietveld 4, 7321 CT Apeldoorn		Swiss Sense B.V.						
		Het Rietveld 40 (1 ^e Verdieping), 7321 CT Apeldoorn		V.O.F. Wooncentrum						
		Het Rietveld 40 (Gelijkvloers), 7321 CT Apeldoorn								
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%	1 226 757,12	14 249 435,08	22 758 135,47	14 846 824,11
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 Hoef verlichting v.o.f.								
Cruquiusplein 56, 2142 EV Cruquius		Mirck Verf- en behanghandel v.o.f.								
Spaarneweg 44, 2142 EV Cruquius		Goedhart Bouwmarkt B.V.								
Spaarneweg 46, 2142 EV Cruquius		D.H.Z. Center Cruquius B.V. (Praxis)								
2002 - 2006					40 879	100,00%	4 993 496,03	72 882 850,41	41 475 000,00	73 334 359,85

Province	Cluster	Address	year of construc. - last renovation	Tenant	Gross surface m ²	Occupancy rate	Rentale income	Fair value	Insured value	Acquisition value	
NL Limburg	Heerlen	In de Cramer 146, 6412 PM Heerlen		Dreams 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		Tummers Keukens II B.V.							
		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		DMG Meubelen B.V.							
		In de Cramer 156-158, 6412 PM Heerlen		Rofra Meubelen Heerlen B.V.							
		In de Cramer 160, 6412 PM Heerlen		Krisbo 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									
		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		Berden Meubelen									
In de Cramer 102A, 6412 PM Heerlen		Kvik NL B.V.									
In de Cramer 104, 6412 PM Heerlen		Beter Bed B.V.									
In de Cramer 106, 6412 PM Heerlen		Swiss Sense B.V.									
In de Cramer 106A, 6412 PM Heerlen		Tempur Benelux Retail B.V.									
In de Cramer 108, 6412 PM Heerlen		Blokker B.V.									
In de Cramer, 6412 PM Heerlen		Tuincentrum Heerlen B.V.									
1991 - 2004					81 676	98,53%	7 841 163,54	111 292 665,66	66 143 000,00	115 690 542,04	

**number of properties
per company**

31.03.2019

Retail Estates BE	624
Retail Warehousing Invest	31
Blovan	5
Finsbury Properties	9
Hayen	9
NS Properties	1
Cruquius Invest	25
Disterland NV	10
Heerlen I Invest	21
Heerlen II Invest	27
Retail Estates NL	43
Retail Estates Middelburg Invest	14
Spijkenisse Invest	30
Viafobel	30
Textiel D'Eer	11
Mons LGP II	7
RP Hasselt	4
RP Arlon	5
Total number of properties	906

On 31 March 2019, the occupancy rate is 98.28%

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

On 31 March 2019, the occupancy rate is 98.28%



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 an update as of 31 March 2019 of our valuation of the portfolio of Retail Estates, Distri-Land, Finsbury Properties, RP Hasselt, RP Arlon and Mons LGP 2. 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 EUR 2,500,000 over the 2013, 2014, 2015 and Q1 2016 period).

In case of buildings with a value higher than EUR 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 capitalisation with a gross initial yield of the passing rent, taking into account possible corrections like 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 order to calculate the investment value of the retail park in Tongeren and the Distri-Land portfolio, we have capitalised the relevant adjusted market rent. 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 this is not the case, the adjusted market rent is equal

to the market rent. In addition, adjustments are made for the difference in the current rent and the (adjusted) market rent.

The portfolio of Retail Estates NV (incl. Tongeren) has an investment value of EUR 507.44 million (incl. corrections) and a fair value of EUR 495.07 million as per 31.03.2019. The investment value increased by 0.6% versus the previous quarter. This gives a 6.46% yield for Retail Estates.

The portfolio of Immobilière Distri-Land NV has an investment value of EUR 19.82 million (incl. corrections) and a fair value of EUR 19.33 million as per 31.03.2019. The investment value increased by 0.1% versus the previous quarter. This gives a 6.74% yield for Immobilière Distri-Land NV.

The portfolio of Finsbury Properties NV has an investment value of EUR 10.79 million (incl. corrections) and a fair value of EUR 10.53 million as per 31.03.2019. This gives a 6.88% yield for Finsbury Properties.”

The portfolio of RP Hasselt has an investment value of EUR 14.83 million (incl. corrections) and a fair value of EUR 14.46 million as per 31.03.2019. This gives a yield of 5.87% for RP Hasselt.

The portfolio of RP Arlon has an investment value of EUR 17.12 million (incl. corrections) and a fair value of EUR 16.70 million as per 31.03.2019. This gives a yield of 6.67% for RP Arlon.

The portfolio of Mons LGP 2 has an investment value of EUR 28.60

million (incl. corrections) and a fair value of EUR 27.91 million as per 31.03.2019. This gives a yield of 5.97% for Mons LGP 2.

REPORT BY CBRE

The CBRE report was published on 31 March 2019 and covers 383 real estate properties belonging to Retail Estates nv and its subsidiaries. The investment value of these real estate properties is estimated at EUR 645.12 million and the fair value at EUR 629.39 million. These properties account for a rental income of EUR 42.27 million, which represents a gross yield of 6.55%.

REPORT BY STADIM

The Stadim report was published on 31 March 2019 and covers a semi-logistics complex. The investment value of these real estate properties is estimated at EUR 4.75 million and the fair value at EUR 4.64 million. These properties account for a rental income of EUR 0.29 million, which represents a gross yield of 6.16%.

THE NETHERLANDS

REPORT BY CUSHMAN & WAKEFIELD

The Cushman & Wakefield report was published on 31 March 2019 and covers 102 real estate properties belonging to Retail Estates nv and its subsidiaries. The investment value of these real estate properties is estimated at EUR 241.91 million and the fair value at EUR 228.01 million. These properties account for a rental income of EUR 15.83 million, which represents a gross yield of 6.55%.

REPORT BY CBRE

The CBRE report was published on 31 March 2019 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 EUR 52.09 million and the fair value at EUR 48.68 million. These properties account for a rental income of EUR 4.32 million, which represents a gross yield of 8.30%.

REPORT BY COLLIERS

The Colliers report was published on 31 March 2019 and covers 14 real estate properties belonging to Retail Estates nv and its subsidiaries. The investment value of these real estate properties is estimated at EUR 37.82 million and the fair value at EUR 35.64 million. These properties account for a rental income of EUR 2.69 million, which represents a gross yield of 7.11%.



Er zit een modemaker in iedereen.



Hier start
de catwalk.

Open: 10 tot 19u
Gesloten: maandag en feestdagen

modemakers
merken en meer

FINANCIAL REPORT

01	CONSOLIDATED INCOME STATEMENT	127
02	CONSOLIDATED BALANCE SHEET	129
03	CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	131
04	CONSOLIDATED CASH FLOW STATEMENT	135
05	NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS	137
06	OTHER NOTES	150
07	STATUTORY AUDITORS' REPORT	182
08	STATUTORY INCOME STATEMENT	187
09	STATUTORY BALANCE SHEET	189
10	STATUTORY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	191
11	STATUTORY APPROPRIATION OF RESULT	195
12	STATEMENT ON RESPONSIBILITIES	196

1. A. CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (in € 000)	Notes	31.03.2019	31.03.2018
Rental income	1	95 411	78 046
Rental related expenses	2	-430	-198
Net rental income		94 981	77 848
Recovery of property expenses			
Recovery of rental charges and taxes normally payable by tenants on let properties	3	10 403	7 567
Rental charges and taxes normally payable by tenants on let properties	4	-11 786	-8 498
Other rental related income and expenses		-58	-41
Property result		93 539	76 876
Technical costs	5	-3 829	-2 948
Commercial costs	6	-870	-618
Charges and taxes on unlet properties	7	-306	-408
Property management costs	8	-2 562	-2 158
Other property costs	9	-18	8
Property costs		-7 586	-6 124
Operating property result		85 954	70 752
Operating corporate costs	10	-5 147	-4 518
Other current operating income and expenses			
Operating result before result on portfolio		80 807	66 234
Result on disposals of investment properties	11	654	92
Result on sales of other non-financial assets			
Changes in fair value of investment properties	12	7 361	-2 505
Other result on portfolio		-1 058	1 106
Operating result		87 765	64 927
Financial income	13	93	70
Net interest charges	14	-18 479	-17 379
Changes in the fair value of financial assets and liabilities	35	-13 374	101
Other financial charges	15	-67	-60

INCOME STATEMENT (in € 000)	Notes	31.03.2019	31.03.2018
Financial result		-31 826	-17 268
Result before taxes		55 938	47 659
Taxes	16	-1 458	-964
Net result		54 479	46 695
Attributable to:			
Shareholders of the Group		54 479	46 695
Minority interests			
Note:			
EPRA earnings (share Group)¹		60 896	47 901
Result on portfolio		6 957	-1 307
Changes in fair value of financial assets and liabilities		-13 374	101

RESULT PER SHARE	Notes	31.03.2019	31.03.2018
Number of ordinary shares in circulation	17	11 422 593	9 489 661
Weighted average number of shares	17	11 265 034	9 331 494
Net profit per ordinary share (in €) ²		4.84	5.00
Diluted net profit per share (in €)		4.84	5.00

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)	31.03.2019	31.03.2018
Net result	54 479	46 695
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	3 183	5 365
OTHER COMPREHENSIVE INCOME	57 662	52 060

2. CONSOLIDATED BALANCE SHEET

ASSETS (in € 000)		31.03.2019	31.03.2018
Non-current assets		1 535 431	1 354 397
Goodwill			
Intangible non-current assets	20	142	115
Investment properties ¹	21	1 529 629	1 349 367
Other tangible non-current assets	20	2 812	2 119
Financial non-current assets	35	186	
Finance lease receivables		1 030	1 030
Trade receivables and other non-current assets		1 632	1 767
Deferred taxes		1 113	1 249
Other		519	518
Current assets		28 461	39 776
Non-current assets or groups of assets held for sale	22	17 406	29 201
Trade receivables	23	4 051	3 533
Tax receivables and other current assets	24	2 342	2 281
Cash and cash equivalents	25	3 163	3 389
Deferred charges and accrued income	26	1 500	1 371
TOTAL ASSETS		1 563 892	1 394 173

¹ Including project developments (IAS 40).

SHAREHOLDERS' EQUITY AND LIABILITIES (in € 000)		Notes	31.03.2019	31.03.2018
Shareholders' equity			707 926	568 332
Shareholders' equity attributable to the shareholders of the parent company			707 926	568 332
Capital	27		248 939	208 205
Issue premiums	28		260 174	177 990
Reserves			144 335	135 442
Net result of the financial year			54 480	46 695
Minority interests				

SHAREHOLDERS' EQUITY AND LIABILITIES (in € 000) (sequal)		Notes	31.03.2019	31.03.2018
Liabilities			855 965	825 841
Non-current liabilities			733 220	766 518
Provisions				
Non-current financial debts		34/35	706 793	746 000
Credit institutions			622 200	661 494
Long term financial lease				
Bonds			84 593	84 506
Other non-current financial liabilities		30/35	26 427	20 518
Current liabilities			122 745	59 323
Current financial debts		34/35	82 260	36 384
Credit institutions			82 260	36 384
Short term financial lease				
Trade debts and other current debts		30	25 640	12 800
Exit tax		31	7 975	1 067
Other		30	17 665	11 733
Other current liabilities		32	5 479	620
Accrued charges and deferred income		33	9 366	9 519
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			1 563 892	1 394 173

DEBT RATIO		Notes	31.03.19	31.03.18
Debt ratio ²		36	52.58%	57.57%

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

Balance according to IFRS on 31 March 2017	197 603
- Net appropriation of profits 2017-2018	
- Transfer of portfolio result to reserves	
- Transfer variation in fair value of hedging instruments	
- Transfer of EPRA earnings to reserves	
- Reclassification between reserves	
- Dividends of the financial year 2016-2017	
- Capital increase	
- Capital increase through contribution in kind	10 833
- Costs of capital increase	-231
- Other	
- Other comprehensive income 31/03/2018	
Balance according to IFRS on 31 March 2018	208 205
- Net appropriation of profits 2018-2019	
- Transfer of portfolio result to reserves	
- Transfer variation in fair value of hedging instruments	
- Transfer of EPRA earnings to reserves	
- Reclassification between reserves	
- Dividends of the financial year 2017-2018	
- Capital increase	42 704
- Capital increase through contribution in kind	788
- Costs of capital increase	-2 758
- Other	
- Other comprehensive income 31/03/2019	
Balance according to IFRS on 31 March 2019	248 939

	Issue premiums	Reserves*	Net result of the financial year	TOTAL Shareholders' Equity
	157 529	107 705	52 136	514 970
		13 610	-13 610	
		-869	869	
		9 668	-9 668	
			-29 727	-29 727
	20 462			31 295
				-231
		-37		-37
		5 365	46 695	52 060
	177 990	135 442	46 695	568 332
		-1 399	1 399	
		101	-101	
		6 998	-6 998	
			-40 995	-40 995
	80 661			123 365
	1 523			2 311
				-2 758
		10		10
		3 183	54 478	57 661
	260 174	144 335	54 479	707 926

* 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
Balance according to IFRS on 31 March 2017	133	101 285	13 413
- Net appropriation of profits 2017-2018			
- Transfer of portfolio result to reserves		13 610	
- Transfer variation in fair value of hedging instruments			
- Transfer of EPRA earnings to reserves			
- Reclassification between reserves	-129	-1 522	1 651
- Capital increase through contribution in kind			
- Costs of capital increase			
- Other	51		
- Other comprehensive income 31/03/2018			
Balance according to IFRS on 31 March 2018	55	113 373	15 064
- Net appropriation of profits 2018-2019			
- Transfer of portfolio result to reserves		16 779	
- Transfer variation in fair value of hedging instruments			
- Transfer of EPRA earnings to reserves			
- Reclassification between reserves		205	271
- Capital increase through contribution in kind			
- Costs of capital increase			
- Other	5		
- Other comprehensive income 31/03/2019			
Balance according to IFRS on 31 March 2019	60	130 357	15 335

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
-26 703	-4 032	-14 253	37 861	107 705
				13 610
		-869		-869
			9 668	9 668
92			-180	-37
	1 233	4 132		5 365
-26 611	-2 799	-10 990	47 349	135 442
-18 178				-1 399
		101		101
			6 998	6 998
	903	-903	-476	0
5				10
	-776	3 959		3 183
-44 784	-2 672	-7 833	53 871	144 335

4. CONSOLIDATED CASH FLOW STATEMENT

CASH-FLOW STATEMENT (in € 000)	Notes	31.03.2019	31.03.2018
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		3 389	978
I. Cash-flow from operating activities		45 768	50 197
Operating result		87 764	64 927
Interest paid		-17 624	-16 493
Interest received		50	
Corporate taxes paid		-975	-3 468
Corporate taxes received		1 377	494
Other		-16 113	1 234
Non-cash elements to be added to / deducted from the result:		6 943	1 876
* Depreciations and impairments			
- Depreciations / Impairments (or write-backs) on tangible and intangible assets	20	303	683
- Depreciations / Impairments (or write-backs) on trade receivables	2	202	-13
* Other non-cash elements			
- Changes in the fair value of investment properties	12	-7 361	2 505
- Profit on disposal of investment properties	11	-654	-92
- Other result on portfolio		1 059	-1 106
- Changes in the fair value of financial assets and liabilities		13 394	-101
* Other			
Change in working capital requirements:		-15 654	1 627
* Movement of assets			
- Trade receivables and other receivables	23	726	-2 590
- Tax receivables and other current assets	24	221	861
- Deferred charges and accrued income	26	-116	-186
- Long-term assets			
* Movement of liabilities			
- Trade debts and other current debts	30/31	1 139	820
- Other current liabilities	32	-16 051	-9
- Accrued charges and deferred income	33	-1 167	2 731

CASH-FLOW STATEMENT (in € 000)		Notes	31.03.2019	31.03.2018
2. Cash-flow from investment activities			-120 777	-282 392
Purchase of intangible assets	20	-97	-86	
Purchase of investment properties and assets held for sale	21	-84 569	-288 257	
Disposal of investment properties and assets held for sale	21	48 374	7 635	
Acquisition of shares of real estate companies		-83 700	-1 193	
Disposal of shares of real estate companies		0		
Purchase of other tangible assets	21	-951	-361	
Disposal of other tangible assets	21	29	12	
Disposal of non-current financial assets		0		
Income from trade receivables and other non-current assets		137	-142	
3. Cash-flow from financing activities			74 781	234 605
* Change in financial liabilities and financial debts				
- Increase in financial debts	34	152 009	316 364	
- Decrease in financial debts	34	-159 074	-51 886	
* Change in other liabilities				
- Increase (+) / Decrease (-) in other liabilities		-82	86	
* Change in shareholders' equity				
- Capital increase and issue premiums	27	125 676		
- Costs of capital increase	28	-2 757	-231	
- Other		4		
* Dividend				
- Dividend for the previous financial year	19	-40 995	-29 728	
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR			3 161	3 389

A total of EUR 167.05 million in credit lines was used or extended and EUR 15.04 million lines were added through acquisitions (non-cash item). EUR 159.07 million in credits were temporarily not used or reimbursed.

5. NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS

KEY PERFORMANCE INDICATORS

EPRA earnings per share (in €)	31.03.19	31.03.18
EPRA earnings (attributable to the shareholders of the parent company)	60 895 034	47 900 000
Number of ordinary shares in circulation	11 422 593	9 489 661
Weighted average number of shares	11 265 034	9 331 494
EPRA earnings per share (in €) ¹	5.41	5.13
EPRA earnings per share (in €) - diluted	5.41	5.13

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 (11,422,593 shares), the EPRA earnings per share amounts to EUR 5.41 at 31.03.2019 versus EUR 5.13 at 31.03.2018.

NET ASSET VALUE PER SHARE (in €) - SHARE GROUP	31.03.19	31.03.18
Net asset value per share IFRS ¹	61.98	59.89
EPRA NAV per share ²	64.07	61.33
Net asset value per share (investment value) excl. dividend excl. the fair value of authorised hedging instruments ³	64.28	61.73

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 2019 comprise Retail Estates nv and its subsidiaries (the "Group"). The annual accounts were approved for publication by the board of directors on 17 May 2019 and will be submitted for approval to the annual shareholders' meeting on 22 July 2019.

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 year 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 2018

The following standards as amended by the IASB and the following interpretations as issued by the IFRIC are applicable to the current period but have no effect on the presentation, the notes or the financial results of the Group.

The following amendments and annual improvements to standards are mandatory for the first time for the financial year beginning 1 January 2018⁹ and have been endorsed by the European Union:

- **IFRS 9**, 'Financial instruments' (effective 1 January 2018). This standard, which covers financial instruments on both the asset as well as the liability side, describes the criteria for recognition, classification and derecognition of such instruments, in addition to the allowed measurement methods.
- **IFRS 15**, 'Revenue from contracts with customers' (effective 1 January 2018). The IASB and FASB have jointly published a standard regarding revenue from contracts with customers. The standard will result in better financial reporting and will improve the comparability of the top line in financial statements globally. Companies using IFRS will be required to apply the revenue standard for annual periods beginning on or after 1 January 2018.
- **Amendments to IFRS 15**, 'Revenue from contracts with customers' – Clarifications (effective 1 January 2018). These amendments comprise clarification guidance on identifying performance obligations, accounting for licences of intellectual property and the principle versus agent assessment. The amendment also includes more illustrative examples.
- **Amendments to IFRS 4**: 'Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts' (effective 1 January 2018): These amendments introduce two possible approaches usable by entities that issue insurance contracts in the scope of IFRS 4: an overlay approach and a deferral approach. The amended standard will:
 - give all companies that issue insurance the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied early; and
 - give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard—IAS 39.
- **IFRIC 22**, 'Foreign currency transactions and advance consideration' (effective 1 January 2018): This IFRIC addresses foreign currency transactions or parts of transactions where there is an advance consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice.
- **Annual improvements 2014–2016** applicable to three standards of which changes on IFRS 1 and IAS 28 are applicable as of 1 January 2018 and changes on IFRS 12 are applicable as of 1 January 2017. The improvements that will be applicable as of 1 January 2017 concern IFRS 12, 'Disclosure of interests in other entities' regarding clarification of the scope of the standard (these amendments should be applied retrospectively for annual periods beginning on or after 1 January 2017).
- **Amendments to IFRS 2**: 'Share-based payments' (effective 1 January 2018): The amendment clarifies the measurement basis for cash-settled payments and the accounting for modifications that change an award from cash settled to equity settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay the amount to the tax authorities.
- **Amendments to IAS 40**, 'Investment property' (effective 1 January 2018): The amendment clarifies that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence.

⁹ For Retail Estates, these standards are mandatory for the first time the financial year starting on 1 April 2018

New or amended standards and interpretations not yet in force

The following new standards and amendments to standards have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2018 and have been endorsed by the European Union:

- **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.
- › Since Retail Estates almost exclusively acts as a lessor (and has not opted to do a reassessment whether a contract is a lease agreement or compared to IAS 17) has been found that IFRS 16 has no material impact on the consolidated annual accounts. In the limited cases where Retail Estates is the lessee, lease agreements classified as operational leases under IAS 17 and these contracts are not exceptions as foreseen in IFRS 16, there would be a right of use asset and associated obligation must be recognized in the consolidated Financial Statements. With initial application this would have an impact of EUR 0.97 million on shareholders' equity.
- **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.

- › Based on an analysis of Retail Estates situation as of March 31, 2019, it appeared that IFRS 9 has no material impact on the consolidated Financial Statements. With regard to special amortizations on financial assets valued at amortized cost, including trade receivables and finance lease receivables, is expected that the initial application of it credit loss model under IFRS 9 results in an early recognition of credit losses comparison with the current applied loss model under IAS 39. Taking into account the relative limited amount of outstanding trade receivables and finance lease receivables, combined with credit risk associated with it, the impact on the financial statements of Retail Estates is limited. We refer to Note 23 for more information about the impact of IFRS 9 on the valuation of trade receivables.
- **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.

The following new standards, amendments and interpretation to standards have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2018 and have not been endorsed by the European Union:

- **IFRS 17, 'Insurance contracts'** (effective 1 January 2021). 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.
- **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.
- **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 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.
- **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.

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

- **IFRS 3** ‘Business Combinations’ and IFRS 11 ‘Joint Arrangements’, the amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- **IAS 12** ‘Income Taxes’, the amendments clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognised in profit or loss, regardless of how the tax arises.
- **IAS 23** ‘Borrowing Costs’, the amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

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 (EUR), and is rounded off to the nearest thousand. The companies of the Group also do their accounting in euro (EUR).

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.

EXPLANATION OF THE TRANSACTION COSTS 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 registration 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 EUR 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 EUR 6 billion that took place between 2003 and 2005. As regards transactions involving buildings of which the total value is lower than EUR 2.50 million, transfer rights 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 EUR 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 EUR 2.5 million.

EXPLANATION OF THE TRANSACTION TAXES IN THE NETHERLANDS

The Dutch transaction 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:

- a) the costs of maintenance and repairs to roofs and parking areas: these costs are charged to the operating property result;
- b) 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.

FIXED ASSETS UNDER CONSTRUCTION

Under the adjusted IAS 40 standard, fixed 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	20-25%
Own use properties	3%

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 2019 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:

- a) 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;
- b) 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 RREC 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 2019, the value of the investment properties related to the Distri-Land certificates amounts to EUR 15.40 million (EUR 15.31 million on 31 March 2018) compared to a total portfolio of EUR 1,529.63.

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.

FIXED 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.

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.

PUT OPTIONS OVER NON-CONTROLLING INTERESTS IN SUBSIDIARIES

The Group has written put options relating to certain non-controlling interests in fully consolidated subsidiaries. The exercise price of the option may be fixed or can be determined on the basis of a pre-set formula and the options can be exercised at any time or on a fixed date.

In accordance with IAS 32, the Group has recognised a financial liability for the remaining amount (exercise price) on the acquisition date. IAS 32 does not offer specific guidelines for the debit side of the entry. Consequently, the group has opted for the anticipated acquisition method in its financial reporting and has set off the non-controlling interest against the financial liability. This is consistent with the fact that any later changes in the fair value of the liability shall be recognised in the income statement instead of in shareholders' equity in accordance with IAS 39.

PERSONNEL BENEFITS

Retail Estates nv provides a defined contribution pension scheme for its employees and directors. This scheme was entrusted to a fund that is independent of the company (for the directors). The plan for employees is largely handled via the joint committee. It is therefore a sector plan, 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 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 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, 90.39% 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 2.31%.

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 90.39% 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 2017 (pages 121-177 of the Annual Financial Report 2016-2017) and 31 March 2018 (pages 116-170 of the Annual Financial Report 2017-2018) 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).



Over the past three years, leases were renewed or new leases were concluded for 24.09% of the buildings. For this part of the portfolio, the average rental prices increased from EUR 78.46 to EUR 97.01 per m².



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)	31.03.2019	31.03.2018
Within one year	101 459	91 951
Between one and five year(s)	336 886	312 411
Within more than five years	385 741	382 942

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 1.89 years for the Belgian portfolio. Over the past three years, leases were renewed or new leases were concluded for 24.09% of the buildings. For this part of the portfolio, the average rental prices increased from EUR 78.46 to EUR 97.01 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 906 properties, a total of 144 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 9 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 first occupied the property, excluding 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)	31.03.2019	31.03.2018
Rent payable for hired assets and lease costs	-228	-211
Impairments on trade receivables	-202	13
Total rental-related expenses	-430	-198

NOTE 3

Recovery of charges and taxes normally payable by tenants on let properties (in € 000)	31.03.2019	31.03.2018
Recharging of rental charges borne by the owner	4 936	2 788
Recharging of real estate taxes and taxes on let properties	5 467	4 779
Total recovery of charges and taxes normally payable by tenants on let properties	10 403	7 567

NOTE 4

Charges normally payable by tenants on let properties (in € 000)	31.03.2019	31.03.2018
Rental charges borne by the owner	-5 440	-3 226
Real estate taxes and taxes on let properties	-6 345	-5 272
Total charges normally payable by tenants on let properties	-11 786	-8 498

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 EUR 815.99 million. This amount represents 52.75% of the fair value of the real estate on the same date (EUR 1,547.03 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. Fixed assets held for sale, on the other hand, are insured.

Insurance (in € 000)	31.03.2019	31.03.2018
Insurance premiums	845	743
Percentage of fair value covered by insurance	52,75	53,51

NOTE 5

Technical costs (in € 000)	31.03.2019	31.03.2018
Recurrent technical costs	-2 858	-2 361
Structural maintenance	-2 858	-2 361
Non-recurrent technical costs	-971	-587
Occasional maintenance	-968	-563
Claim events covered by insurance companies	-237	-146
Compensations received from insurance companies	235	122
Total technical costs	-3 829	-2 948

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)	31.03.2019	31.03.2018
Brokers' commissions	-65	-47
Publicity related to the properties	-451	-130
Lawyers' fees and legal costs	-248	-252
Other	-107	-189
Total commercial costs	-870	-618

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)	31.03.2019	31.03.2018
Vacancy charges of the financial year	-117	-239
Property tax on vacant buildings	-189	-169
Total charges and taxes on unlet properties	-306	-408

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 fixed assets under construction (mainly property tax). On 31 March 2019, the cost for vacant property was 0.32% of the rental income received, compared to 0.52% on 31 March 2018.

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.

For more information about staff costs and staffing in the 2017-2018 financial year, we refer to p.140 et seq. of the 2017-2018 annual report.

For more information about staff costs and staffing in the 2016-2017 financial year, we refer to p.146 et seq. of the 2016-2017 annual report.

Management costs (in € 000) – Internal property management costs	31.03.2019	31.03.2018
Office charges	-255	-227
IT	-193	-180
Other	-62	-47
Housing costs	-216	-128
Fees to third parties	-305	-151
Public relations, communication and advertising	-20	-18
Personnel expenses	-1 773	-1 636
Salaries	-1 133	-925
Social security	-232	-208
Pensions and collective insurances	-14	-34
Other	-394	-469
Management fees received from tenants	8	3
Taxes and legal costs		
Depreciation charges on office furniture, IT equipment and software		
Total property management costs	-2 562	-2 158

Personnel costs make up most of the management costs. The table below provides an overview of the employee count in FTE.

(in FTE)	31.03.2019	31.03.2018
Property department	15,53	14,34
Total	26,50	22,40
Average	24,50	20,48

NOTE 9

Other property charges (in € 000)	31.03.2019	31.03.2018
Other property charges	-18	8
Total other property charges	-18	8

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)	31.03.2019	31.03.2018
Office charges	-258	-178
IT	-218	-139
Other	-40	-39
Housing costs	-188	-106
Fees to third parties	-510	-633
Recurrent	-190	-222
- Lawyers		
- Auditors	-146	-179
- Other	-44	-43
Non-recurrent	-311	-362
- Lawyers	-42	-74
- Notary costs	-52	-13
- Consultants	-218	-275
Mergers and acquisitions (other than business combinations)	-9	-50
Public relations, communication and advertising	-103	-247
Personnel expenses	-1 229	-896
Salaries	-634	-451
Social security	-141	-99
Pensions and collective insurances	-86	-59
Other	-368	-287
Management fees	-905	-703
Remuneration of board of directors	-242	-313
Taxes and legal costs	-1 712	-1 442
Total operating costs	-5 147	-4 518

NOTE 11

Result on disposals of investment properties (in € 000)	31.03.2019	31.03.2018
Book value of sold real estate properties	44 933	7 543
Net sales price of investment properties (sales price - transaction costs)	45 587	7 635
Total benefit or loss on disposals of investment properties	654	92

In the past financial year, properties were divested for a net sales price of EUR 45.59 million. A capital gain of EUR 0.65 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)	31.03.2019	31.03.2018
Positive change in investment properties	21 256	16 567
Negative change in investment properties	-13 896	-19 072
Total changes in fair value of investment properties	7 361	-2 505

Indexations, increases in the yield at top locations and lease renewals at retail parks have positively impacted the fair value.

The negative changes can mainly be explained by the effect of depreciation of transaction costs to determine the fair value of investment properties. As from 1 April 2017, the impact on the fair value of investment properties as a result of depreciation of these estimated transaction costs resulting from the hypothetical disposal of investment properties has been recorded directly in the income statement.

	31.03.2019	31.03.2018
Other result on portfolio	-1 058	1 106

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)	31.03.2019	31.03.2018
Collected interests and dividends	0	0
Other	93	70
Total financial result	93	70

NOTE 14

Net interest charges (in € 000)	31.03.2019	31.03.2018
Nominal interest on loans ¹	-18 545	-17 434
Other interest costs ²	66	55
Total net interest charges	-18 479	-17 379

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 2,62%.

The weighted average interest rate amounts to 2.31% on 31 March 2019 and 2.62% on 31 March 2018 (after application of the IRS). 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 ratio of interest charges on loans versus rental income received, amounts to 19,53% on 31 March 2019 compared to 22,53% the year before. Please refer to note 35 for an overview of all swaps.

If the hedging instruments concluded are not taken into account, the weighted average interest rate amounts to 1.49%.

NOTE 15

Other financial charges (in € 000)	31.03.2019	31.03.2018
Bank costs and other commissions	-67	-60
Total other financial charges	-67	-60

NOTE 16

Corporate income tax (in € 000)	31.03.2019	31.03.2018
Company	-47	-43
1. Corporate income tax	-47	-43
Tax rate of 29,58%	-47	-43
Previous year tax adjustment		
2. Exit tax		
Subsidiaries	-1 412	-921
1. Corporate income tax	-2 011	-1 026
Current year taxes	-2 011	-1 026
Previous year tax adjustment		
2. Exit tax	600	105
Total corporate income tax	-1 458	-964

A BE-REIT is subject to corporate income tax solely in respect of non-tax deductible expenditure and abnormal benefits. Deferred taxes are booked 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 12.75% if the respective boards of directors of Retail Estates nv and the subsidiary intend to merge the subsidiary with the public BE-REIT. This rate is expected to increase to 15% as from fiscal year 2020.

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	31.03.2019	31.03.2018
Movements of the number of shares		
Number of shares at the beginning of the financial year	9 489 661	9 008 208
Number of shares at the end of the financial year	11 422 593	9 489 661
Number of dividend bearing shares	11 422 593	11 387 593
Weighted average number of shares for diluted earnings per share	11 265 034	9 331 494

**Capital increase via board of directors
(in the context of authorised capital):**

CAPITAL INCREASE BY MEANS OF CONTRIBUTION IN KIND

On 27 April 2018, a public capital increase of Retail Estates took place. On the occasion of this capital increase in cash, 1,897,932 new shares were issued. For more information on the modalities of this capital increase, please refer to the press release of 27 April 2018.

On 26 September 2018, a total of 35,000 new shares were issued at an issue price of EUR 66. The contribution relates to the remaining debt claim resulting from the purchase of the shares of the real estate company nv Etablissementen Hayen, which owns seven retail properties situated at Genk and Maasmechelen. The new shares have been sharing in the company's profit as from 1 April 2018.

As a result of these capital increases, the total capital of Retail Estates nv amounted to EUR 257,012,792.62 on 31 March 2019, represented by 11.422.593 fully paid ordinary shares.

NOTE 18

Calculation of distributable earnings (in € 000) – statutory	31.03.19	31.03.18
Net result	54 333	45 637
+ Depreciations	261	406
+ Impairments	461	272
- Reversal of impairments	-397	-285
- Reversal transferred and discounted rents	0	
+/- Other non-monetary components	13 205	-101
+/- Result on the disposal of investment properties	719	-366
+/- Changes in fair value of investment properties and investment properties under construction	-8 151	2 555
ADJUSTED RESULT (A)	60 431	48 118
+/- Capital gains and losses realized on real estate during the financial year		
- 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		
+ 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	60 431	48 118
Calculation of distributable earnings (in € 000) – consolidated	31.03.19	31.03.18
Net result	54 479	46 695
+ Depreciations	303	683
+ Impairments	664	272
- Reversal of impairments	-463	-285
- Reversal transferred and discounted rents		
+/- Other non-monetary components	13 374	-101
+/- Result on the disposal of investment properties	-654	-92
+/- Changes in fair value of investment properties and investment properties under construction	-6 303	1 399
ADJUSTED RESULT (A)	61 401	48 571
+/- Capital gains and losses realized on real estate during the financial year		
- 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		
+ 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		
Net reduction debt		
Distributable result	61 401	48 571

1 compared to the acquisition value plus the capitalized investment costs

The other non-monetary elements, amounting to EUR 13.37 million, concern the variations in the fair value of the financial instruments. The variations in the fair value of investment properties and fixed assets under construction consist of the result on portfolio amounting to EUR 8.15 million on the one hand and the non-distributable result of the subsidiaries amounting to EUR 0.17 million on the other hand.

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

	31.03.2019	31.03.2018
Ordinary net earnings	54 333	45 637
Diluted net earnings	54 333	45 637
Distributable earnings	60 431	48 118
Minimum profit distribution	48 345	38 494
Proposed gross dividend	48 546	40 995
Pay-out ratio	80,33%	85,20%

Calculation of pay-out ratio (in € 000) – consolidated

	31.03.19	31.03.18
Ordinary net earnings	54 479	46 695
Diluted net earnings	54 479	46 695
Distributable earnings	61 401	48 479
Minimum profit distribution	49 121	38 783
Proposed gross dividend	48 546	40 995
Pay-out ratio	79,06%	84,56%



NOTE 20

Investment and amortisation table (in € 000)	Intangible non-current assets		Other tangible non-current assets	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Acquisition value				
Balance at the end of the previous financial year	1 143	1 057	3 225	2 925
Acquisitions	98	86	431	370
Transfers and disposals of assets			-238	-70
Transfers to/from other accounts			521	
At the end of the financial year	1 241	1 143	3 939	3 225
Amortisation and impairment losses				
Balance at the end of the previous financial year	1 027	710	1 106	792
Balance of acquired companies	2		-1	
Amortisation ¹	69	317	234	366
Transfers and disposals of assets			-212	-58
Transfers to/from other accounts			0	
At the end of the financial year	1 098	1 027	1 127	1 106
Net book value	142	115	2 812	2 119

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	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Balance at the end of the previous financial year	1 349 367	1 071 360	29 201	5 691	1 378 568	1 077 051
Acquisition through purchase real estate companies	120 881	3 166	3 375		124 256	3 166
Acquisition through contribution real estate companies						
Capitalised interest cost	66	35			66	35
Acquisition of investment properties	64 495	307 874		490	72 385	308 364
Investments that result from subsequent expenses included in the carrying amount of the asset	7 890				7 890	
Contribution of investment properties						
Disposal through sale of real estate companies					0	0
Disposal of investment properties	-17 363	-1 655	-27 570	-5 888	-44 933	-7 543
Transfers to assets held for sale	-14 343	-28 651	14 343	28 651	0	0
Other transfers	-2 787				-2 787	0
Acquisition of investment properties under construction	12 119				12 119	
Completion of investment properties under construction to portfolio	16 396				16 396	
Transfer of investment properties under construction to portfolio	-16 396				-16 396	
Change in fair value (+/-)	9 304	-2 762	-1 943	257	7 361	-2 505
At the end of the financial year	1 529 629	1 349 367	17 406	29 201	1 547 035	1 378 568
OTHER INFORMATIONS						
Investment value of the property	1 579 292	1 392 427	18 761	30 929	1 598 053	1 423 356

¹ Including investment properties under construction (IAS 40).

Investments resulting from subsequent expenditure included in the book value of the assets amounted to EUR 7.89 million in financial year 2018-2019. In addition, the company realised EUR 16.40 million from the development of property for its own account and invested EUR 12.12 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 2018-2019" in the management report.

As mentioned in the valuation rules, fixed 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. On 31 March 2019 the project in Eeklo (which is in the pre-development phase) was recorded at its fair value.

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	31.03.2019		31.03.2018	
				Range	Weighted average	Range	Weighted average
Belgium		Gross Initial Yield-capitalization	Annual rent (EUR/m ²)	34,67-296,01	101,45	45,27-200	99,46
		DCF	Discount rate (%)	6,85%-8,50%	7,70%	5,8%-9%	6,30%
			Remaining lease duration (expiry date) (in months)	0m-540m	107m	0m-552m	110m
			Remaining lease duration (first break option) (in months)	0m-42m	23m	0m-42m	23m
			Capitalisation rate (%)	5%-10%	6,42%	5,20%-10,00%	6,64%
			Vacancy (in months)	0m-12m	/	0m-12m	/
The Netherlands		Gross Initial Yield-capitalization	Annual rent (EUR/m ²)	53,36-198,94	95,94	53,00-195,03	94,24
		DCF	Discount rate (%)	/	/	/	/
			Remaining lease duration (expiry date) (in months)	0m-150m	44m	0m-162m	45m
			Remaining lease duration (first break option) (in months)	0m-150m	44m	0m-162m	45m
			Capitalisation rate (%)	5,86%-11,22%	6,99%	5,90-10,09%	7,09%
			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 EUR 15.80 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 EUR 202.60 million. A decrease in the yield by 100 bps leads to an increase in the portfolio's fair value by EUR 275.61 million.

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 financial year 2018-2019, the company acquired control of six real estate companies for a total amount of EUR 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 EUR 120.88 million, a change in working capital of EUR 31.73 million and an increase in financial and other liabilities by EUR 15.04 million. Furthermore, the remaining shares (50%) of the companies Heerzele and NS Properties were acquired for a total amount of EUR 4.65 million and EUR 0.77 million respectively. Disposals during the past financial year resulted in a decrease in investment properties and fixed assets held for sale by EUR 44,93 million.

During financial year 2017-2018, the company acquired control of two real estate companies for a total amount of EUR 3.17 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 EUR 3.43 million, a change in working capital of EUR 0.52 million and an increase in financial and other liabilities by EUR 1.64 million. Disposals during the past financial year resulted in a decrease in investment properties and fixed assets held for sale by EUR 7.54 million.

NOTE 22

Fixed assets or groups of assets held for sale (in € 000)

	31.03.2019	31.03.2018
Assets held for sale	17 406	29 201
Total assets held for sale	17 406	29 201

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 2019, these assets represent a fair value of EUR 17.40. This includes EUR 1.66 for 3 retail properties, EUR 0.92 million for land positions, EUR 12.37 million for the logistics centre in Erembodegem and EUR 2.46 million for a retail property in Paris.

NOTE 23

Trade receivables and doubtful debtors

Trade receivables (in € 000)

	31.03.2019	31.03.2018
Trade receivables	4 634	4 044
Invoices to be issued	755	743
Doubtful debtors	-1 572	-1 352
Income to be collected	0	-287
Coupon real estate certificats		
Distri-Land	225	223
Other	8	162
Total trade receivables	4 051	3 533

Outstanding trade receivables amount to EUR 2.63 million. An amount of EUR 0.43 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 9.86% of the outstanding amount on 31 March 2019, which corresponds to a risk of EUR 0.26 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)

	31.03.2019	31.03.2018
At the end of the previous financial year	-1 352	-1 430
From acquired companies	-26	
Provisions	-535	-230
Recoveries	222	84
Write-offs	119	224
At the end of the financial year	-1 572	-1 352

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)

	31.03.2019	31.03.2018
Due < 30 days	323	344
Due 30-90 days	314	351
Due > 90 days	-85	-178
Not due	2 141	2 018

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)	31.03.2019	31.03.2018
Taxes		
VAT receivable		
Withholding tax receivable		455
Property tax receivable	2 246	1 752
Salary and social security		
Other	96	74
Total tax receivables and other current assets	2 342	2 281

NOTE 25

Cash and cash equivalents (in € 000)	31.03.2019	31.03.2018
Bank balances	3 163	3 389
Total cash and cash equivalents	3 163	3 389

NOTE 26

Deferred charges and accrued income (in € 000)	31.03.2019	31.03.2018
Completed, property returns not due	129	41
Rental discounts and rental benefits to be appropriated		
Property costs paid in advance	550	597
Interest and other financial costs paid in advance	529	451
Other	291	282
Total deferred charges and accrued income	1 500	1 371

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

Capital evolution		Capital movement (in € 000)	Total remaining capital after the transaction (in € 000)	Number of shares created	Total number of shares
Date	Transaction				
28/06/13	Contribution in kind	540	131 338	24 009	5 837 131
28/06/13	Capital increase in cash	32 699	164 037	1 453 280	7 290 411
28/11/14	Contribution in kind	6 054	170 091	269 062	7 559 473
28/05/15	Capital increase in cash	28 345	198 436	1 259 740	8 819 213
29/01/16	Contribution in kind	1 060	199 496	47 107	8 866 320
14/12/16	Contribution in kind	2 604	202 100	115 735	8 982 055
14/12/16	Contribution in kind	588	202 688	26 153	9 008 208
5/04/17	Contribution in kind	3 924	206 612	174 404	9 182 612
29/06/17	Contribution in kind	4 500	211 112	200 000	9 382 612
29/03/18	Contribution in kind	1 890	213 002	83 973	9 466 585
29/03/18	Contribution in kind	519	213 521	23 076	9 489 661
27/04/18	Capital increase in cash	42 704	256 225	1 897 932	11 387 593
26/09/18	Contribution in kind	788	257 013	35 000	11 422 593

As per 31 March 2019, the registered capital amounts to EUR 257,012,792.62 and is represented by 11,422,593 shares. There are no preferred shares. Each of these shares grants one voting right 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.

On 25 April 2018, the company completed a capital increase for an amount of EUR 123.4 million by issuing 1,897,932 shares.

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	177 990
27/04/18	Capital increase in cash	80 661
26/09/18	Contribution in kind	1 522
Total issue premiums 31/03/2019		260 174

NOTE 29

Other non-current financial liabilities (in € 000)	31.03.2019	31.03.2018
Authorised hedging instruments (also refer to note 35)	23 679	13 688
Other	2 748	6 829
Total other non-current financial liabilities	26 427	20 517

The 'Other' section concerns recognition of the debt towards minority shareholders for the further acquisition of shares in Heerzele nv and Blovan nv not

yet owned by Retail Estates nv (also see note 41).

NOTE 30

Trade debts and other current debts (in € 000)	31.03.2019	31.03.2018
Exit tax	7 975	1 067
Other	17 665	11 733
Trade debts	393	312
Invoices to be received	12 659	8 404
Taxes payable	4 068	2 606
Other current debts	544	411
Total trade debts and other current debts	25 640	12 800

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.

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 31

Exit tax (in € 000)	31.03.2019
Balance at the end of the previous financial year	1 067
Increase during the financial year	6 137
Advance payments	605
Assessments	166
At the end of the financial year	7 975

NOTE 32

Other current liabilities (in € 000)	31.03.2019	31.03.2018
Dividends payable	34	33
Other	5 446	586
Total other current liabilities	5 479	619

The increase by EUR 4.86 million is explained by the balance of the variable price settlements of the shares of the companies Textiel D'Eer and Viafobel.

NOTE 33

Accrued charges and deferred income (in € 000)	31.03.2019	31.03.2018
Property returns received in advance	5 696	5 358
Completed, not due interests and other financial costs	3 276	3 292
Other	394	869
Total accrued charges and deferred income	9 366	9 519

The deferred revenues mainly concern rents paid in advance.

NOTE 34

Breakdown by due date of credit lines (in € 000)	31.03.2019	31.03.2018
Non-current		
Bilateral loans - variable or fixed rate	622 200	661 494
Financial leasing		
Bond loan	84 593	84 506
Subtotal	706 793	746 000
Current		
Bilateral loans - variable or fixed rate	21 760	1 384
Treasury certificates	60 500	35 000
Subtotal	82 260	36 384
Total	789 053	782 384

Breakdown by maturity of non-current financial debts – future interest burden not included (in € 000)

	31.03.2019	31.03.2018
Between one and two year(s)	87 743	128 517
Between two and five years	299 104	211 187
More than five years	319 946	406 790

Breakdown by the variable or fixed-rate nature of the loans (in € 000)¹

	31.03.2019	31.03.2018
Variable rate loans	511 088	539 718
Fixed rate loans	277 965	242 666

¹ Without taking into account hedging instruments

Retail Estates nv has the following unused credit facilities (in € 000)²

	31.03.2019	31.03.2018
Expiring within one year	0	100 000
Expiring after one year	206 612	88 237

² EUR 60.5 million of the unused credit lines is used as a backup line for the amounts withdrawn from the commercial paper program

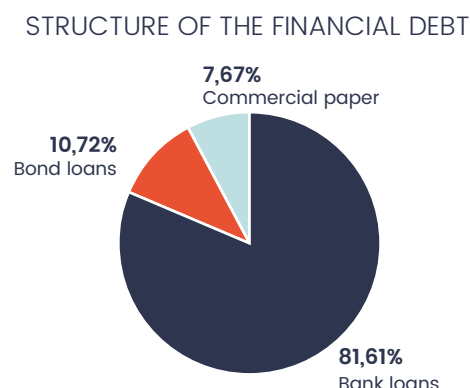
Estimate of the future interest burden

	Total future interest burden	
	31.03.2019	31.03.2018
Within one year	17 168	17 392
Between one and five year(s)	59 946	54 992
More than five years	17 015	24 760
Total	94 129	97 144

Over the course of the financial year, financial liabilities increased by a net amount of EUR 6.70 million. New loans were taken out or existing loans were extended for an amount of EUR 167.05 million while other loans expired and were repaid for an amount of EUR 160.38 million.

Non-current and current financial liabilities

STRUCTURE OF THE FINANCIAL DEBT:



On 31 March 2019, total consolidated financial debt amounted to EUR 789.05 million.

This amount is composed as follows:

Non-current liabilities:

- EUR 622.20 million in traditional bilateral long-term bank loans, spread over several banks
- EUR 84.59 million in bond loans

This is a decrease by EUR 39.29 compared to last year. This decrease can mainly be explained by the conversion of a long-term investment loan to a short-term investment loan of EUR 20.00 million. In addition, a revolving credit of approximately EUR 20 million is temporarily not used.

Current liabilities:

- EUR 21.76 million in traditional bilateral short-term bank loans, spread over several banks
- EUR 60.50 million in Commercial Papers

This is an increase by EUR 45.88 million compared to last year. This increased can mainly be explained by an increase of the commercial paper programme by EUR 25.50 million and the conversion of a long-term investment loan to a short-term investment loan of EUR 20.00 million.

90.93% 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 2019 and interest covers according to the contracts currently in progress. For the unhedged part of the liabilities for a total of EUR 75.86 million, the Euribor expectations on the date of this report + banking margin were taken into account.

The company has issued 3 bond loans:

- EUR 30 million, issued on 23 April 2014 with a maturity of 7 years and at an interest rate of 3.56%.
- EUR 30 million, issued on 29 April 2016 with a maturity of 10 years, of which EUR 4 million at a fixed interest rate of 2.84% and EUR 26 million at a floating interest rate (Euribor 3 months + 2.25%)
- EUR 25 million, issued on 10 June 2016 with a maturity of 10 years and an interest rate of 2.84%.

Within the group, the company Textiel D'EER and the company Viafobel granted mortgages (for a amount of EUR 0.50 million) as well as the power to take out a mortgage (for an amount of EUR 14.02 million) in favour of KBC and BNP respectively. These guarantees will be cancelled at the time of the merger of these companies with Retail Estates nv).

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 EUR 26.72 million on shareholders' equity and changes in the fair value of financial assets and liabilities. EUR 24.46 million of this amount would be recorded via the income statement and EUR 2.26 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 EUR -23.58 million on shareholders' equity and changes in the fair value of financial assets and liabilities. EUR -21.70 million of this amount would be recorded via the income statement account and EUR -1.88 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%.

NOTE 35

Financial instruments on 31 March 2019

Summary of financial instruments as at closing date (in € 000)			31.03.2019		31.03.2018	
			Categories	Level	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	1 632	1 632	1 767	1 767
II. Current assets						
Trade receivables and other receivables	A	2	6 392	6 392	5 814	5 814
Cash and cash equivalents	B	2	3 163	3 163	3 389	3 389
Total financial instruments on the assets side of the balance sheet			12 217	12 217	12 000	12 000
I. Non-current liabilities						
Interest-bearing liabilities	A	2				
Credit institutions	A	2	622 200	628 107	661 494	678 110
Bond loan						
Other	A	2	84 593	88 338	84 506	94 732
Other non-current liabilities	A	2				
Other financial liabilities	C	2	26 428	26 428	20 518	20 518
II. Current liabilities						
Interest-bearing liabilities	A	2	82 260	82 260	36 384	36 384
Current trade debts and other debts	A/C	2/3	31 120	31 120	13 419	13 419
Total financial instruments on the liabilities side of the balance sheet			846 600	856 252	816 321	843 163

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 2019, Retail Estates nv has EUR 511.09 million of financial debts at a variable interest rate and EUR 277.97 million of financial debts at a fixed interest rate⁹. 90.39% 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 2018-2019 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.

⁹ The table presents the gross amounts (excl. activated costs).

Financial debts at fixed interest rate	31.03.19		31.03.18	
	Book value	Fair value	Book value	Fair value
Financial debts at fixed interest rate	277 965	287 617	242 666	269 508

Financial instruments at fair value

Fair value of financial assets and liabilities (in € 000)	31.03.2019	31.03.2018
Fair value of financial derivatives - Liabilities	-23 679	-13 688
Fair value of financial derivatives - Assets	187	
Total fair value of financial assets and liabilities	-23 493	-13 688

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 EUR -13.37 million was recorded in the income statement with respect to the financial instruments. An amount of EUR - 3.96 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 EUR -9.41 million relate to the variations in fair value for the period of 1 April 2018 to 31 March 2019. Swaps qualifying as cash flow hedges 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				Variable	Notional	Type of	Hedge
Starting date	Ending date	Interest rate	Interest rate	amount	derivative	accounting	
				(in € 000)			
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 +	4 232	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	06/2016	06/2019	1,44%	Euribor 3 M +	50 000	IRS	YES
9	06/2019	06/2024	1,49%	Euribor 3 M +	30 000	IRS	NO
10	03/2018	03/2026	1,10%	Euribor 3 M +	20 000	IRS	NO
11	12/2018	12/2026	0,81%	Euribor 3 M +	60 000	IRS	NO
12	12/2018	12/2026	1,06%	Euribor 3 M +	25 000	IRS	NO
13	01/2018	01/2026	0,74%	Euribor 3 M +	25 000	IRS	NO
14	03/2018	03/2026	0,88%	Euribor 3 M +	25 000	IRS	NO
15	03/2018	03/2025	0,78%	Euribor 3 M +	25 000	IRS	NO
16	06/2016	06/2021	0,00%	Euribor 3 M +	25 000	FLOOR	YES
17	06/2016	06/2019	0,00%	Euribor 3 M +	50 000	FLOOR	YES
18	07/2016	04/2026	-2,25%	Euribor 3 M +	26 000	FLOOR	YES
19	03/2018	03/2026	0,00%	Euribor 3 M +	20 000	FLOOR	NO
20	12/2018	12/2026	0,00%	Euribor 3 M +	25 000	FLOOR	NO
21	07/2018	01/2023	0,80%	Euribor 3 M +	20 000	IRS	NO
22	07/2018	10/2025	1,52%	Euribor 3 M +	15 000	IRS	NO
23	09/2018	09/2022	0,91%	Euribor 3 M +	21 000	IRS	NO
24	10/2018	10/2024	1,19%	Euribor 3 M +	10 000	IRS	NO
25	03/2022	03/2024	0,52%	Euribor 3 M +	50 000	IRS	NO
26	10/2023	06/2026	0,68%	Euribor 3 M +	50 000	IRS	NO
27	03/2019	03/2022	0,00%	Euribor 3 M +	25 000	CAP	NO
28	12/2020	12/2022	0,00%	Euribor 3 M +	50 000	CAP	NO

Breakdown by maturity of liquidity obligation associated with the derivative products (in € 000)

31.03.2019

Between zero and two year(s)	51 887
Between two and five years	217 345
More than five years	346 000
Total	615 232

NOTE 36

Additional comments on the debt ratio development

Calculation debt ratio (in € 000)	31.03.2019	31.03.2018
Liabilities	855 966	825 842
To be excluded:	33 739	23 208
I. Non-current liabilities	24 373	13 688
Provisions		
Authorised hedging instruments	23 679	13 688
Deferred taxes	694	
II. Current liabilities	9 366	9 520
Provisions		
Authorised hedging instruments		
Accrued charges and deferred income	9 366	9 520
Total debt	822 227	802 634
Net reduction debt		
Total assets	1 563 892	1 394 173
Authorised hedging instruments - assets	187	
Total Assets taken into account for the calculation of the debt ratio	1 563 706	
DEBT RATIO	52,58%	57,57%

Principle

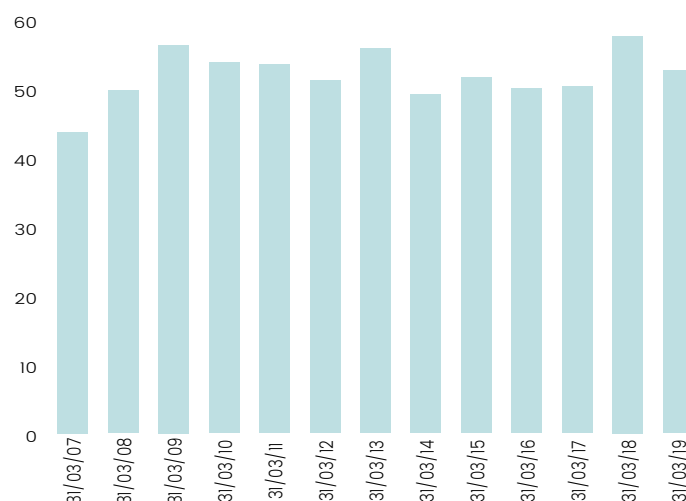
Article 24 of the Belgian Royal Decree relating to Belgian regulated real estate companies requires public Belgian REITs to draw up a budget forecast with an implementation schedule when its consolidated debt ratio exceeds 50% of consolidated assets. The budget forecast describes the measures that will 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 2018-2019

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 of +/- 55% ideal for the shareholders of the public Belgian real estate investment trust 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 52.58% and taking into account the capital increase by non-monetary contribution recorded on 1 April 2019, Retail Estates nv has an investment potential of EUR 289.99 million without exceeding a debt ratio of 60% (the company has a covenant with a number of banks which provides that the debt ratio must not exceed 60%).

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 2019 takes into account the following assumptions:

- the **capital increase** completed on 1 April 2019 for an amount of EUR 4.42 million
- **disposals in the first quarter of 2019–2020**
No disposals are planned.
- **results of the first quarter of 2019–2020.**
The results of the first quarter as indicated in the 2018–2019 budget and as approved by the board of directors.
- **planned investments** in the first quarter of 2019–2020
Planned investments account for EUR 2.23 million in the first quarter of 2018–2019.
- the **interim optional dividend** at an issue price of EUR 68.425.

Based on the above-mentioned assumptions, the debt ratio would amount to 53.36% as per 30 June 2019. A projection is also made of the debt ratio as per 31 March 2020. This projection takes into account the following assumptions:

- the **capital increase** completed on 1 April 2019 for an amount of EUR 4.42 million.
- **disposals in financial year 2019–2020**
No disposals are planned.
- **results of financial year 2019–2020**
The results of the financial year as indicated in the 2018–2019 budget and as approved by the board of directors.
- **planned investments in financial year 2019–2020**
Planned investments for the entire financial year account for EUR 5.54 million.

Taking into account the additional planned investments and the earnings expectations for the full year, the debt ratio would amount to 50.38% as per 31 March 2020.

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 planned 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 EUR 298.74 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 1.59% in order to exceed the debt ratio) or a reduction in rents (if the yields remain unchanged, the rents would have to drop by EUR 19.57 million). Historically, the fair value of the real estate portfolio has always risen or has at least been stable since the company's incorporation. There are currently no indications in the market to assume an increase in the yield.

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.

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,

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 53.36% as per 30 June 2019. 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 2017/2018 and 2018/2019, nor in the period between 1 April 2019 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)	31.03.2019	31.03.2018
Directors	1 147	1 016
Total	1 147	1 016

NOTE 38

Auditor's fee (VAT excl.)	31.03.2019	31.03.2018
Remuneration of the auditor for the audit assignment	104	104
Remuneration for exceptional duties or special assignments		
- Other audit assignments	6	26
- Tax consultancy assignments		0
- Other assignments outside the audit assignment	44	9

In compliance with paragraph 6 of article 133/1 of the Belgian Company Code, 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 31.03.2019

Acquisitions and completed own developments in financial year 2018-2019 resulted in an increase of the real estate portfolio by EUR 201.77 million. As a result of these investments, total rental income increased by EUR 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 EUR 12.25 million. The operating result increased by EUR 4.64 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 31.03.2018

Acquisitions and completed own developments in financial year 2017-2018 resulted in an increase of the real estate portfolio by EUR 311.04 million. As a result of these investments, total rental income increased by EUR 8.55 million in financial year 2017-2018. If the acquisitions had taken place on 1 April 2017, the rental income would have increased by EUR 20.08 million. The operating result increased by EUR 10.05 million as a result of these investments.

Sold real estate companies and investment properties

As PER 31.03.2019

Disposals were made during the 2018-2019 financial year for a net sale price of EUR 45.59 million, which resulted in a decrease in investment properties by EUR 17.36 million and a decrease in assets held for sale by EUR 27.57. Rental income declined by EUR 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 EUR 2.70 million.

As PER 31.03.2018

Disposals were made during the 2017-2018 financial year for a net sale price of EUR 7.64 million, which resulted in a decrease in investment properties by EUR 7.54 million. Rental income declined by EUR 0.25 million as a result of these disposals. If the disposals had taken place on 1 April 2017, the rental income would have decreased by EUR 0.51 million.

NOTE 40

Events after the balance sheet date

CAPITAL INCREASE AND ISSUE OF NEW SHARES

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 a receivable with a conventional contribution value of EUR 2,600,000 and of a receivable with a conventional contribution value of EUR 1,820,000 was established. By way of compensation for these contributions, 40,000 and 28,000 shares respectively were issued at an issue price of EUR 65.00. These shares were issued without coupon 27 attached and will for the first time share in the profits of the financial year that starts on 1 April 2019.

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. Within the scope of both transactions, part of the sales price was not paid at the time. The receivables relating to the unpaid part of the sales price have now been contributed. The closing price on the date on which the agreements were signed amounted to EUR 74.70. As a result of the subsequent price increase, the issue price represents a 19.95% discount on the closing price on 29 March 2019. Following the issue of these new shares, the total number of shares issued by Retail Estates nv is 11,490,593.

At its meeting of 31 May 2019, the Board of Directors of Retail Estates (the "Board") decided to pay, in the form of an optional dividend, a gross interim dividend for financial year 2018/2019 (which started on 1 April 2018 and ended on 31 March 2019) amounting to EUR 4.25 (EUR 2.975 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 2018/2019.

The total amount of the interim dividend will be in line with the amount Real Estates is required to pay to its shareholders in its capacity of a public BE-REIT pursuant to article 13 of the Royal Decree of 13 July 2014 relating to regulated real estate companies; consequently, the Board will advise against an additional dividend for financial year 2018-2019

at the annual general meeting of 22 July 2019.

The total maximum capital increase amounts to EUR 11,174,458.49. The total maximum issue price of the new shares to be issued amounts to EUR 33,982,181.45.

NOTE 41

List of consolidated companies and changes in the circle of consolidation

As per 31 March 2019, 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		107 775	3 708	100%
NS Properties bvba	609	1 145	46	100%
Finsbury Properties nv		10 537	707	100%
Blovan nv		4 633	303	50%
Etablissements Hayen nv	3 414	10 897	463	100%
Textiel D'eer nv	1 005	20 080	320	100%
Viafobel nv	10 048	28 434	433	100%
RP Arlon nv		16 702	221	100%
Mons LGP 2 nv		27 905	404	100%
RP Hasselt nv		14 465	205	100%
Retail Estates Nederland		53 013	5 626	100%
Coöperatieve Leiderdorp		0	40	100%
Cruquius Invest		72 883	4 906	100%
Spijkenisse Invest	10 250	30 691	3 169	100%
Heerlen I Invest		56 368	3 990	100%
Heerlen II Invest		54 946	3 604	100%
Retail Estates Middelburg		31 111	637	100%

¹ Value at closing date of the consolidated figures (31.03.2019).

² For the period the companies are part of the Group in the current financial year..

During the past financial year, the company obtained control of Etablissements Hayen nv, Textiel D'Eer nv, Viafobel nv, RP Arlon nv, RP Hasselt nv, Mons LGP II nv. In addition, a Dutch subsidiary was incorporated for the purchase of Dutch real estate. The board of directors of Retail Estates nv acknowledged the mergers by acquisition of subsidiaries Librajem bvba and Heerzele nv in the course of the past financial year.

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 and Retail Estates Middelburg were incorporated in the Netherlands. The other companies were incorporated in Belgium.

NON-CONTROLLING INTEREST - BLOVAN NV

On 31 January 2017, Retail Estates nv acquired a stake (50%) in a second real estate company, Blovan nv, which owns a semi-logistics facility in Wetteren that is used for business-to-business trade.

In the event of an exit of its partner, the company intends to acquire all shares. Due to the combination of the cooperation agreement and the put options (which Retail Estates nv intends to exercise) relating to the non-controlling interest, Retail Estates nv has a controlling interest in Blovan nv and is applying the full consolidation method.

In accordance with the valuation rules, the Group has recognised a financial liability for

the remaining amount (exercise price) on the acquisition date. The impact on the non-current liabilities amounts to EUR 2.06 million.

NOTE 42

Determination of the amount in accordance with Article 617 of the Belgian Company Code

The amount of the paid-up capital as referred to in Article 617 of the Belgian Company Code 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)	31.03.2019	31.03.2018
Non-distributable elements of the shareholders' equity before distribution of results	587 454	452 438
Paid-up capital	257 012	208 239
Non-available issue premiums pursuant to the articles of association	260 174	177 990
Reserve for the positive balance of the variations of the fair value of real estate	104 922	103 475
Reserve for the impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties	-24 150	-23 477
Reserve for the balance of the changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined in IFRS	-2 672	-2 799
Reserve for the balance of the changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined in IFRS	-7 833	-10 990
Other reserves	1	0
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.	-5 054	-2 454
Result on portfolio	8 151	5 872
Revaluation participations	169	-8 427
Changes in fair value of financial assets and liabilities	-13 374	101
Total shareholders' equity, statutory, non-distributable	582 400	449 984
Shareholders' equity, statutory	704 711	564 077
Planned dividend distribution	48 546	40 995
Shareholders' equity, statutory, after distribution of dividends	656 165	523 082
Remaining reserve after distribution	73 765	73 098

On 31 March 2019, the result of the subsidiaries amounted to EUR 10.75 million. Of this amount, EUR 10.58 million will be added to the result carried forward (result of the subsidiaries that qualify for the lookthrough) and EUR 0.17 million

will be added to the reserves for the balance of the change in fair value of the real estate.



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 current 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)	31.03.2019				31.03.18			
	Belgium	The Netherlands	Unallocated amounts	TOTAL	Belgium	The Netherlands	Unallocated amounts	TOTAL
Rental income	73 438	21 972		95 411	69 654	8 392		78 046
Rental related expenses	-283	-147		-430	-198			-198
Net rental income	73 155	21 825		94 981	69 456	8 392		77 848
Recovery of property expenses								
Recovery of rental charges and taxes normally payable by tenants on let properties	7 663	2 739		10 403	6 858	709		7 567
Rental charges and taxes normally payable by tenants on let properties	-8 205	-3 580		-11 786	-7 488	-1 010		-8 498
Other rental related income and expenses	-48	-10		-58	-41			-41
Property result	72 565	20 974		93 539	68 786	8 091		76 877
Technical costs	-2 746	-1 083		-3 829	-2 443	-505		-2 948
Commercial costs	-756	-114		-870	-601	-17		-618
Charges and taxes on unlet properties	-220	-86		-306	-372	-36		-408
Property management costs	-1 907	-655		-2 562	-2 030	-278		-2 308
Other property costs	1 729	-1 747		-18	616	-608		8
Property costs	-3 902	-3 684		-7 586	-4 830	-1 444		-6 274
Operating property result	68 663	17 290		85 954	63 955	6 647		70 602
Operating corporate costs			-5 147	-5 147			-4 368	-4 368
Other current operating income and expenses								
Operating result before result on portfolio				80 807				66 234

Segmented information – results by segment (in € 000)	31.03.2019				31.03.18			
	Belgium	The Netherlands	Unallocated amounts	TOTAL	Belgium	The Netherlands	Unallocated amounts	TOTAL
Result on disposals of investment properties	-309	964		654	92			
Result on sales of other non-financial assets								
Changes in fair value of investment properties	10 407	-3 046		7 361	10 733	-13 238		-2 505
Other result on portfolio	-902	-156		-1 058	-143	1 249		1 106
Operating result				87 764				64 927
Financial income			93	93			125	125
Net interest charges			-18 479	-18 479			-17 434	-17 434
Changes in fair value of financial assets and liabilities			-13 374	-13 374			101	101
Other financial charges			-67	-67			-60	-60
Financial result			-31 826	-31 826			-17 268	-17 268
Result before taxes				55 937				47 659
Taxes	198	-1 656		-1 458	-282	-683		-964
Net result				54 479				46 695

Segmented information

Segmented information – assets by segment (in € 000)	31.03.2019			31.03.18		
	Belgium	The Netherlands	TOTAL	Belgium	The Netherlands	TOTAL
Investment properties ¹	1 217 504	312 125	1 529 629	1 097 845	251 521	1 349 366
Fixed assets or groups of assets held for sale	16 437	969	17 406	1 637	27 564	29 201

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 2019

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 and following the recommendation by the audit committee. 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 consolidated accounts of Retail Estates nv for 4 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 statement of financial position as at 31 March 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in Shareholders' equity and the consolidated statement of cash flows 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 statement of financial position total of EUR '000' 1.563.892 and a profit for the year of EUR '000' 54.478.

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 2019, 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 (ISAs) as approved by the IAASB for the years ending as from 31 March 2019, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements 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 MATTER

The company recorded investment property on the assets side of the balance sheet at 31 March 2019 for a total sum of EUR '000' 1.529.629. 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.

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. As regards investments in the Netherlands, the Board of Directors can rely on a less extended experience in the field of valuation and valuation parameters.

For additional information on the valuation of the investment property, please refer to Notes 20 and 21 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 2018, 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.
- Finally we checked whether the disclosures in the notes to the Consolidated Financial Statements are in compliance with IFRS.

VALUATION OF THE FINANCIAL DERIVATIVES

KEY AUDIT MATTER

In view of hedging the interest rate risk on financial debts, Retail Estates NV entered into derivative financial instruments with a total nominal value of EUR '000' 831.232. IFRS require derivative financial instruments to be stated at fair value.

Since the fair value of the derivative financial instruments is measured using a financial model and financial parameters that are complex in nature (see Note 35 of the Consolidated Financial Statements), we consider the valuation of the derivative financial instruments a key audit matter.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We received bank confirmation letters for the purposes of validating the existence and completeness of the contracts as well as their valuation as at 31 March 2019. Then, calling on our experts, we independently measured the fair value of a sample of these contracts and made a comparison with their respective values as reported in 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 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 Board of Directors and 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 Board of Directors and 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 Board of Directors and with the Audit Committee, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements 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 or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 (Revised in 2018) 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 report is consistent with the consolidated accounts for the year under audit, and it is prepared in accordance with article 119 of the Companies' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular on the basis of the knowledge gained from the audit, whether the annual report on the consolidated financial statements and the other information contained in the annual report on the consolidated financial statements, which are the following chapters of the annual report:

- Chapter 1 - Risk factors
- Chapter 2 - Letter to the shareholders
- Chapter 3 - Management report
- Chapter 4 - Retail Estates on the stock exchange
- Chapter 5 - Property report

- Chapter 7 - Permanent document
- Chapter 8 - 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 134 of the Companies' 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 2019

The Statutory Auditor **PwC Bedrijfsrevisoren CVBA**

Represented by

Damien Walgrave
Réviser 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 2018, we refer to page 166 et seq. of the 2017-2018 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 2017, we refer to page 174 of the 2016-2017 annual report.



8. A. STATUTORY INCOME STATEMENT

Chapters 8 to 11 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)	31.03.2019	31.03.2018
Rental income	66 409	63 412
Rental related expenses	-356	-251
Net rental income	66 053	63 160
Recovery of property expenses		
Recovery of rental charges and taxes normally payable by tenants on let properties	6 739	6 088
Rental charges and taxes normally payable by tenants on let properties	-7 196	-6 662
Other rental related income and expenses	-25	-41
Property result	65 571	62 545
Technical costs	-2 563	-2 348
Commercial costs	-712	-597
Charges and taxes on unlet properties	-191	-367
Property management costs	644	-534
Other property costs	-18	8
Property costs	-2 840	-3 839
Operating property result	62 731	58 707
Operating corporate costs	-4 307	-3 752
Other current operating income and expenses		
Operating result before result on portfolio	58 424	54 955
Result on disposals of investment properties	-719	366
Result on sales of other non-financial assets		
Changes in fair value of investment properties	8 151	5 872
Other result on portfolio		

INCOME STATEMENT (in € 000)	31.03.2019	31.03.2018
Operating result	65 856	61 193
Financial income	8 529	6 857
Net interest charges	-18 171	-17 295
Changes in fair value of financial assets and liabilities	-2 626	101
Other financial charges	-55	-5 177
Financial result	-12 323	-15 514
Result before taxes	53 533	45 679
Taxes	801	-43
Net result	54 333	45 637
Note:		
EPRA earnings	49 527	44 426
Result on portfolio	7 432	6 238
Revaluation participations		-5 129
Changes in fair value of financial assets and liabilities	-2 626	101

B. STATUTORY STATEMENT OF OTHER COMPREHENSIVE INCOME

Statement of other comprehensive income (in € 000)	31.03.2019	31.03.2018
Net result	54 333	45 637
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	3 184	5 363
Variations in the fair value of financial assets available for sale		
Conversion differences arising from the conversion of a foreign activity		
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	57 517	51 000

9. STATUTORY BALANCE SHEET

ASSETS (in € 000)	31.03.2019	31.03.2018
Non-current assets	1 476 153	1 370 507
Goodwill		
Intangible non-current assets	139	114
Investment properties	975 396	968 107
Other tangible non-current assets	2 698	2 055
Financial non-current assets	496 375	398 686
Finance lease receivables	1 030	1 030
Trade receivables and other non-current assets	515	515
Current assets	44 283	15 267
Non-current assets or groups of assets held for sale	13 572	1 557
Trade receivables	1 048	1 196
Tax receivables and other current assets	26 922	10 567
Cash and cash equivalents	1 779	1 184
Deferred charges and accrued income	962	763
TOTAL ASSETS	1 520 436	1 385 774

SHAREHOLDERS' EQUITY AND LIABILITIES (in € 000)

31.03.2019

31.03.2018

Shareholders' equity	704 711	564 077
Capital	248 973	208 239
Issue premiums	260 174	177 990
Reserves	141 231	132 212
Net result of the financial year	54 333	45 637
Liabilities	815 725	821 697
Non-current liabilities	708 700	766 043
Provisions		
Non-current financial debts	682 771	745 387
Credit institutions	598 178	660 880
Long term financial lease	0	0
Other	84 593	84 507
Other non-current liabilities	25 929	20 656
Deferred taxes		
Current liabilities	107 025	55 655
Current financial debts	91 327	36 325
Credit institutions	91 327	36 325
Short term financial lease	0	0
Trade debts and other current debts	9 065	12 533
Other current liabilities	827	171
Accrued charges and deferred income	5 806	6 626
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 520 435	1 385 774

10. STATUTORY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (in € 000)	Capital ordinary shares	Issue premiums
Balance according to IFRS on 31 March 2017	197 635	157 529
- Net appropriation of profits 2017-2018		
- Transfer of portfolio result to reserves		
- Transfer changes in fair value of authorised hedging instruments		
- Transfer of EPRA earnings to reserves		
- Reclassification between reserves		
- Dividends of the financial year 2016-2017		
- Capital increase		
- Capital increase through contribution in kind	10 833	20 462
- Increase in shareholders' equity as a result of mergers		
- Costs of capital increase	-229	
- Other		
- Other comprehensive income 31/03/2018		
Balance according to IFRS on 31 March 2018	208 239	177 991
- Net appropriation of profits 2018-2019		
- Transfer of portfolio result to reserves		
- Transfer changes in fair value of authorised hedging instruments		
- Transfer of EPRA earnings to reserves		
- Reclassification between reserves		
- Dividends of the financial year 2017-2018		
- Capital increase	42 704	80 661
- Capital increase through contribution in kind	788	1 523
- Increase in shareholders' equity as a result of mergers	-2 758	
- Costs of capital increase		
- Other		
- Other comprehensive income 31/03/2019		
Balance according to IFRS on 31 March 2019	248 973	260 175

Reserves*	Net result of the financial year		Minority interests	TOTAL Shareholders' Equity
111 363	44 096	0	510 623	
7 493	-7 493		0	
-869	869			
7 744	-7 744		0	
			0	
	-29 727		-29 727	
			0	
			31 295	
1 095			1 095	
			-229	
21			21	
5 364	45 637		51 001	
132 211	45 637	0	564 077	
-2 740	2 740		0	
101	-101		0	
7 281	-7 281		0	
0			0	
	-40 995		-40 995	
			123 365	
			2 311	
1 195			-1 563	
			0	
			0	
3 183	54 333		57 516	
141 232	54 333	0	704 711	

* 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
Balance according to IFRS on 31 March 2017	129	96 955	12 979
- Net appropriation of profits 2017-2018			
- Transfer of portfolio result to reserves		7 493	
- Transfer changes in fair value of authorised hedging instruments			
- Transfer of EPRA earnings to reserves			
- Reclassification between reserves	-129	-1 522	1 651
- Capital increase through contribution in kind			
- Increase in shareholders' equity as a result of mergers		549	
- Costs of capital increase			
- Other			
- Other comprehensive income 31/03/2018			
Balance according to IFRS on 31 March 2018	0	103 475	14 630
- Net appropriation of profits 2018-2019			
- Transfer of portfolio result to reserves		-2 370	
- Transfer changes in fair value of authorised hedging instruments			
- Transfer of EPRA earnings to reserves			
- Reclassification between reserves		2 705	729
- Capital increase through contribution in kind			
- Increase in shareholders' equity as a result of mergers	1	1 112	
- Costs of capital increase			
- Other			
- Other comprehensive income 31/03/2019			
Balance according to IFRS on 31 March 2019	1	104 922	15 359

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
-22 999	-4 031	-14 252	42 584	111 363
				7 493
		-869		-869
			7 744	7 744
				0
				0
-925			1 472	1 096
				0
447			-426	21
	1 232	4 131		5 363
-23 477	-2 799	-10 990	51 374	132 211
-370				-2 740
		101		101
			7 281	7 281
	903	-903	-3 434	0
				0
-303			385	1 195
				0
				0
	-776	3 959		3 183
-24 150	-2 672	-7 833	55 606	141 232

11. STATUTORY APPROPRIATION OF RESULT

Statutory appropriation of result (in € 000)	31.03.2019	31.03.2018
A. Net result	54 333	45 637
B. Allocation to / transfer from reserves		
- Allocation to / transfer from the reserves for the balance of changes in fair value of investment properties ¹		
Financial year	-9 946	2 184
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	1 795	369
- 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	13 205	-101
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	-3 434	
Toevoeging aan/onttrekking van overgedragen resultaten van vorige boekjaren (- / +)	385	1 472
C. Remuneration of capital, following article 13, § 1, first paragraph	48 546	40 995
D. Remuneration of capital - other than C		
Result to be carried forward	7 792	8 197

As per 31 March 2019, there is an increase in shareholders' equity as a result of mergers for an amount of EUR 1.20 million. Of that amount, EUR 1.11 million was allocated to reserves for the balance of the variations in the fair value of investment properties, EUR -0.30 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 EUR 0.39 million was allocated to the

results of the previous financial years carried forward.

On 31 March 2019, the result of the subsidiaries amounted to EUR 10.75 million. Of this amount, EUR 10.58 million will be added to the result carried forward (result of the subsidiaries that qualify for the lookthrough) and EUR 0.17 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.







PERMANENT DOCUMENT

O1	GENERAL INFORMATION	199
O2	ARTICLES OF ASSOCIATION	201



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 1 April 2019 and published in the Annexes to the Belgian Official Gazette of 12 April 2019 under number 19314416.

The company has made a public appeal on savings in accordance with Article 439 of the Belgian Company Code

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 Court of Commerce 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 > Shareholders' agenda > (Extraordinary) general 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 Company Code 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 Company Code. 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 system was established by the Belgian Royal Decree of 13 July 2014, most recently amended 23 April 2018 and the Belgian Act of 12 May 2014, most recently amended by the Belgian Act of 22 October 2017.

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 EUR 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 BEREIT.

The objective of all these rules is to limit risks. Companies that merge with a BE-REIT are subject to a 12.50%¹⁰ tax on the unrealised gains and tax-free reserves, i.e. the 'exit tax', plus a supertax at the prevailing rate.

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 Company Code. 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, as amended from time to time (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

¹⁰ This rate will increase to 15% as from 1 January 2020.

(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) on the long term directly, or through a company in which it owns a holding in accordance with the provisions of the RREC legislation, if necessary collaboration with third parties 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 fifty-eight million five hundred and forty-two thousand eight hundred and nineteen euro eleven cents (EUR 258,542,819.11).

It is represented by eleven million four hundred and ninety thousand five hundred and ninety-three (11,490,593) 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 subscribed 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 (EUR 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 (EUR 128,112,639.49) for capital increases within the context of an optional dividend,
- (c) two hundred and fifty-six million two hundred and twenty-five thousand two hundred and

seventy-eight euros and ninety-eight cents (EUR 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 (EUR 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 new shares, unless these decisions are taken by the shareholders' meeting.

Within the above limits and without prejudice to the mandatory provisions of the Belgian Company Code, 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 with regard to

regulated Belgian real estate investment trusts) that qualify for conversion, with or without the issuance of new shares, on a case-by-case basis. The board of directors is also authorised by the shareholders' meeting to issue other securities, including but not limited to (subordinated or non-subordinated) convertible bonds, warrants, non-voting shares, and preferred shares with regard to dividends and/or liquidation proceeds.

Moreover, the board of directors is allowed to limit or cancel the preferential right granted by the Belgian Company Code to the shareholders, including those in favour of one or more persons other than the employees of the company or a subsidiary, provided that an irreducible allocation right is granted to the existing shareholders upon the distribution of new securities. This irreducible allocation right shall meet the requirements determined by the BE-REIT legislation and Article 6.4 of these articles of association.

This right need not be granted in the event of a contribution in cash made in the context of an optional dividend distribution, under the conditions referred to in Article 6.4 of these articles of association.

Capital increases by means of a contribution in kind shall be carried out in accordance with the requirements determined by the BE-REIT legislation and Article 6.4 of these 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 Article 607 of the Belgian Company Code, 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 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.

When the board of directors requests payment of an issue premium following its decision to proceed to a capital increase, the amount of this premium, possibly after deduction of an amount with a maximum equalling the costs of the capital increase pursuant to the applicable IFRS rules, shall be allocated to a non-distributable "issue premium" reserve which shall serve, like the capital, as a guarantee to third parties, and which can only be reduced or abolished pursuant to a decision of the shareholders' meeting, deliberating in accordance with the conditions

set forth in Article 612 of the Belgian Company Code, without prejudice to its incorporation into the company's capital.

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 Company Code, 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 Company Code, including instances when such acquisitions are made by persons acting in the name and on behalf of a subsidiary.

6.4. Capital increase

Any capital increase shall meet the requirements of Articles 581 through 609 of the Belgian Company Code and the BE-REIT legislation.

The company's capital can be increased pursuant to a decision of the shareholders' meeting, deliberating in accordance with Article 558 and, if applicable, Article 560 of the Belgian Company Code, 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, pursuant to a decision of the shareholders' meeting or within the limits of the authorised capital, the shareholders' preferential subscription right can only be restricted or cancelled if an irreducible allocation right is granted to the existing shareholders at the time that the new shares are awarded. This irreducible allocation

right shall meet the following requirements, determined by the BE-REIT legislation:

1. it applies to all new issued securities;
2. it is granted to the shareholders in proportion to the percentage of the capital represented by their shares at the time of the transaction;
3. a maximum price per share is announced at the latest on the eve of the start of the public subscription period; and
4. the public subscription period lasts, in that case, at least three stock exchange days.

This irreducible allocation right applies to the issuance of shares, (subordinated or nonsubordinated) convertible bonds and warrants, but does not have to be allocated 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 stock dividend, provided the grant thereof is effectively open to all shareholders.

Capital increases by means of contributions in kind are subject to the rules set forth in Articles 601 and 602 of the Belgian Company Code.

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 pursuant to Article 602 of the Belgian Company Code, 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 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 board of directors decide to request payment of an issue premium, this premium must be credited to an unavailable reserve account which can only be decreased or cancelled by decision of the shareholders' meeting, taken in the manner required for an amendment of the articles of association, with observance of the procedure to reduce the share capital. The issue premium shall serve, like the share capital, as a guarantee for the benefit of third parties.

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 Company Code 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 Company Code.

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 Company Code, 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 Company Code, 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 Company Code.

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 Company Code, 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 Companies Code 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 Company Code, 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 Company Code 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 Company Code, 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 Company Code 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 Company Code 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 Company Code, 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 Company Code) and in the media in accordance with the requirements of the Belgian Company Code, 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' 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 Company Code.

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 Company Code.

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 Company Code.

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 Company Code 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 Company Code, 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 of the Belgian Company Code 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 Belgian Company Code, distribute an interim dividend from the profits for the financial year 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 Company Code, 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 Company Code.

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 Company Code 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.



Altijd
kwaliteit





MISCELLANEOUS

O1	GLOSSARY – GENERAL	219
O2	GLOSSARY – ALTERNATIVE PERFORMANCE BENCHMARKS	221

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.

BE-REIT LEGISLATION

The Act of 12 May 2014 on regulated real estate companies (Belgian REITs) and the Royal Decree of 13 July 2014 as amended per April 23 2018 implementing the Act of 12 May 2014 on regulated real estate companies (Belgian REITs), as amended most recently by the Act of 22 October 2017.

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.

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 2019, before deduction

of gratuities or other benefits granted to the tenants.

CORPORATE GOVERNANCE

Good governance means adherence to principles such as transparency, integrity and balance between responsibilities, based on the recommendations of the FSMA and Euronext. In a more general sense, they are part of strict business ethics and require compliance with the Belgian Act of 2 August 2002.

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.

BRUTORENDEMENT

Definition

The gross return represents the ratio of the current rental income (net and after deduction of canons), to the estimated value of the portfolio (i.e. without fixed 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)	31.03.19	31.03.18
Operating result before result on portfolio (A)	80 807	66 234
Net rental income (B)	94 981	77 848
Operating margin (A/B)	85,08%	85,08%

FINANCIAL RESULT (EXCLUDING CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES)

(in € 000)	31.03.19	31.03.18
Financial result (A)	-31 826	-17 268
Changes in fair value of financial assets and liabilities (B)	-13 374	101
Financial result (excluding changes in fair value of financial assets and liabilities) (A-B)	-18 452	-17 369

RESULT ON PORTFOLIO

(in € 000)	31.03.19	31.03.18
Result on disposals of investment properties (A)	654	92
Result on sales of other non-financial assets (B)	0	0
Changes in fair value of investment properties (C)	7 361	-2 505
Other result on portfolio (D)	-1 058	1 106
Result on portfolio (A+B+C+D)	6 957	-1 307

WEIGHTED AVERAGE INTEREST RATE

(in € 000)	31.03.19	31.03.18
Interest charges (including the credit margin and the cost of the hedging instruments) (A)	17 261	16 583
Weighted average financial debt of the period (B)	747 040	632 052
Weighted average interest rate (A/B)	2,31%	2,62%

NET ASSET VALUE PER SHARE (INVESTMENT VALUE) EXCLUDING DIVIDEND EXCLUDING THE FAIR VALUE OF AUTHORISED HEDGING INSTRUMENTS

(in € 000)	31.03.19	31.03.18
Shareholders' equity attributable to the shareholders of the parent company (A)	707 926	568 332
Impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties (B)	-51 030	-44 780
The fair value of authorised hedging instruments qualifying for hedge accounting (C)	-23 879	-13 688
Proposed gross dividend (D)	48 546	40 995
Number of ordinary shares in circulation (E)	11 422 593	9 489 661
Net asset value per share (investment value) excluding dividend excluding the fair value of authorised hedging instruments ((A-B-C-D)/E)	64,28	61,73

GROSS YIELD

(in € 000)	31.03.19	31.03.18
The current rental income (net, after deduction of canon) (A)	103 502	93 452
the estimated investment value of the portfolio (without taking into account the assets under construction included in the cost price) (B)*	1 580 291	1 402 015
Gross yield (A/B)	6,55%	6,67%

* 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 86,05% 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)

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 bcvba – Woluwegarden-Woluwedal 18 at 1932 Brussel, represented by Mr Damien Walgrave
Financial year closing:	31 March
Capital at 1.04.2019:	EUR 258,542,819.11
Number of shares at 1.04.2019:	11,490,593
Annual shareholders’ meeting:	Penultimate Monday of July
Share listing:	Euronext – continuous market
Financial services:	KBC Bank
Value of real estate portfolio as of 31.03.2019:	Investment value EUR 1,579.29 million – fair value EUR 1,529.63 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 31.03.2019	906
Type of properties:	Out-of-town retail real estate
Liquidity provider:	KBC Securities and De Groef 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.



RETAIL ESTATES



OPENBARE GVV-SIR PUBLIQUE

INDUSTRIELAAN 6
B- 1740 TERNAT
T. +32 (0)2 568 10 20
F. +32 (0)2 581 09 42

INFO@RETAILESTATES.COM
WWW.RETAILESTATES.COM