RETAIL ESTATES

PRESS RELEASE - PUBLICITY

Ternat, 20 July 2020 - 14.00 CEST

TERMS & CONDITIONS REGARDING THE OPTIONAL DIVIDEND

The general meeting of Retail Estates decided on 20 July 2020 to pay out a gross dividend of € 4.40 per share (i.e. a net dividend of € 3.08 per share after deduction of withholding tax[1] at a rate of 30%) for financial year 2019-2020 and the board of directors of Retail Estates decided, also on 20 July 2020, to offer the shareholders the possibility, within the context of an optional dividend, to contribute their claim arising from the above-mentioned decision of the general meeting to the company's capital in return for the issue of new shares (in addition to the option to receive the dividend in cash and the possibility to opt for a combination of the two preceding options).
The new shares will participate in the profits as from 1 April 2020.

The contribution in kind of claims against Retail Estates in the context of the optional dividend and the associated capital increase improve the shareholders' equity of the company and therefore reduce its (legally capped) debt ratio. This opens up the possibility for Retail Estates to execute additional debt-financed transactions in the future in order to further realise its growth strategy. The optional dividend also makes it possible to retain funds in the Company (in line with the net dividend rights contributed to the company's capital), which in turn reinforces the company's liquidity position. In addition, it strengthens the ties with the shareholders.

Within the context of the optional dividend, shareholders will have the following options:

• CONTRIBUTION OF NET DIVIDEND RIGHTS TO THE CAPITAL OF THE COMPANY IN EXCHANGE FOR NEW RETAIL ESTATES SHARES:

To subscribe to one new share, a shareholder needs to contribute net dividend rights, represented by No. 28 coupons, linked to 20 existing shares of the same form (each for a net dividend amount of € 3.08). This comes down to an issue price of € 61.60 per share (= 20 x € 3.08).

The issue price of the new shares to be issued has been contractually determined at € 61.60 and was calculated on the basis of the EPRA NAV[2] on 31 March 2020, decreased by the gross dividend for financial year 2019-2020. The issue price is 1,47% lower than the average closing price of the Retail Estates share of the last 10 trading days (6 July 2020 – 17 July 2020). The closing price includes coupon No. 28 representing the dividend right for the financial year 2019-2020, to which the new shares to be issued will not be entitled[3]. The new shares to be issued will participate in the profits of the financial year 2020-2021.

• PAYMENT OF THE DIVIDEND IN CASH:

Coupon No. 28 yields a dividend of € 4.40 gross or € 3.08 net per share (after deduction of 30% withholding tax).

• A COMBINATION OF THE TWO PREVIOUS OPTIONS:

A mix between non-monetary contribution of net dividend rights in exchange for new shares and payment of the net dividend in cash.

1 As far as the fiscal treatment of the dividends of the company is concerned, reference is made to the Memorandum of Information, which provides more insight into this fiscal treatment for purely informative purposes.

2 As calculated in accordance with the definition contained in the "EPRA Best Practices Recommendations". The EPRA NAV is the Net Asset Value (NAV) according to IFRS, adjusted to take into account the fair value of the investment properties and with the exclusion of certain elements which do not fall within the scope of a financial model of long-term investment properties. In practice, the ERPA NAV of Retail Estates is calculated as follows: shareholders' equity (excluding the fair value of the authorised hedging instruments) divided by the number of shares.

3 By way of comparison, the closing price can be reduced (pro forma) by the gross dividend (€ 4,40) or by the net dividend (€3,08). The issue price is 7,20% higher than the closing price on 17 July 2020 (€ 61,10), if the gross dividend is reduced, and 5,04% higher than the closing price on 17 July 2020, if the net dividend is reduced.

The Retail Estates share will be listed including coupon No. 28 until Tuesday 21 July 2020. As from Wednesday 22 July 2020 (the 'ex date'), the Retail Estates share will be listed excluding coupon No. 28.

Shareholders who wish to contribute their net dividend rights (in whole or in part) to the capital of the company in exchange for new shares must contact the following during the option period (from Monday 27 July 2020 (9am CEST) until Monday 17 August 2020 (3pm CEST)):

- Retail Estates, as far as the registered shares are concerned (the registered shareholders will receive a letter with instructions from Retail Estates in this regard);
- The financial institution where they hold their shares through a securities account [or KBC Bank NV], as far as the dematerialised shares are concerned.

Shareholders who do not express a choice during the option period in the appropriate manner will be paid the dividend in cash in any case. The Memorandum of Information, which will be available on the company's website under certain customary restrictions as from Monday 20 July 2020, will contain more detailed information about the optional dividend. Please read this Memorandum of Information before making a decision. The Memorandum of Information will, under certain customary restrictions, be made available on the websites of KBC Securities (www.kbcsecurities.com/prospectus-documents-overviews/prospectusoverview), KBC Bank (www.kbc.be/retailestates) and Bolero (www.bolero.be/nl/retailestates).

The actual distribution of the optional dividend will take place on 20 August 2020 (before start of trading) in line with the choice of the shareholders: (i) in the form of the issuance of new shares in exchange for a contribution of net dividend rights; (ii) in the form of payment of the dividend in cash; or (iii) a combination of the two previous options.

Retail Estates will submit a request to Euronext Brussels and Euronext Amsterdam for the admission to trading of the new shares issued further to the capital increase within the context of the optional dividend and intends for the new shares, which will participate in the profits as from financial year 2020-2021, to be traded on Euronext Brussels and Euronext Amsterdam as from the date of issue (20 August 2020). The results of the optional dividend will be announced on 20 August 2020 by means of a press release on the company's website.

The financial service is provided by KBC Bank NV (principal paying agent).

SHAREHOLDER AGENDA

Monday 20 July 2020	Publication of Memorandum of Information for the optional dividend
Wednesday 22 July 2020	Ex date optional dividend
Thursday 23 July 2020	Record date optional dividend
Monday 27 July 2020 (9am CEST) to Monday 17 August 2020 (4pm CEST)	Option period for shareholders
Thursday 20 August 2020	Payment of the optional dividend
Thursday 20 August 2020	Announcement of the results of the optional dividend
Thursday 20 August 2020	(Anticipated) trading of new shares on Euronext Brussels and Euronext Amsterdam

This written information is not intended for distribution, publication or release in the United States of America (USA) or to "US persons" as defined in Regulation S under the US Securities Act of 1933, as amended (the "Securities Act") or persons resident in Australia, Canada, Japan, South Africa or Switzerland. The information included in this document does not constitute an offer to sell securities in the United States of America, Canada, Japan, South Africa, Switzerland, Australia or any other country or jurisdiction where the distribution of this information is prohibited by applicable law.

The securities of Retail Estates have not been, and will not be, registered under the Securities Act or with any other securities regulatory authority of a state or other jurisdiction in the United States of America. The securities may not be offered or sold in the United States of America without prior registration within the scope of the Securities Act except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable state legislation. Retail Estates NV will not register any part of the offer in the United States of America or make a public offer of securities in the United States of America.

The relevant investors are requested to take note of the Memorandum of Information, which is available on the website of Retail Estates under certain customary restrictions.

ABOUT RETAIL ESTATES NV

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

As of 31 March 2020, Retail Estates nv has 969 premises in its portfolio with a total retail area of 1,136,492 m², spread over Belgium and the Netherlands. The occupancy rate of the portfolio was 97.92% on 31 March 2020, compared to 98.28% on 31 March 2019.
The fair value of the consolidated real estate portfolio of Retail Estates NV as at 31 March 2020 is estimated at EUR 1,661.75 million by independent real estate experts.

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

FORWARD-LOOKING STATEMENTS

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

Ternat, 20 July 2020

Jan De Nys, CEO of Retail Estates nv

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