

**RETAIL ESTATES**

Public Limited Liability Company

**Public regulated real estate investment company under Belgian law (BE-REIT)**

Registered office: Industrielaan 6, 1740 Ternat

Company number: 0434.797.847 (RLE Brussels, Dutch division)

(“Retail Estates” or the “Company”)

---

**Memorandum of Information of 16 June 2023  
regarding the optional interim dividend of Retail Estates****Option period from 19 June 2023 (9am CEST) through 7 July 2023 (4pm CEST)**

---

Issue price per new share	EUR 58,31
Contribution proportion	17 No. 31 coupons for one new share. It is not possible to make additional cash payments for insufficient coupons.
Option period	19 June 2023 (9am CEST) to 7 July 2023 (4pm CEST).
Net dividend right	Net dividend right of € 3.43, represented by No. 31 coupon, which will not be traded separately at Euronext Brussels and Euronext Amsterdam.
Delivery of new shares and payment of dividend in cash	12 July 2023
Participation in the result	As from the current financial year that started on 1 April 2023

**The new shares are expected to be admitted for trading on the regulated markets of Euronext Brussels and Euronext Amsterdam on or around 12 July 2023.**



**KBC Securities  
Centralizer**

## TABLE OF CONTENTS

<b>I. OVERVIEW OF THE MAIN CHARACTERISTICS OF THE OPTIONAL INTERIM DIVIDEND</b>	<b>5</b>
1. Options for the shareholder.....	5
2. Issue price and ratio .....	5
3. Option period.....	5
4. Number of new shares to be issued .....	5
5. Amount of the capital increase .....	5
6. Who can subscribe?.....	5
7. How to subscribe?.....	6
8. Capital increase and payout.....	6
9. Admission to trading on the regulated market .....	6
10. Profit participation .....	6
<b>II. FURTHER INFORMATION</b>	<b>7</b>
1. Introduction.....	7
2. Offer .....	8
3. Description of the transaction.....	8
4. The issue price .....	9
5. The option period.....	10
6. Capital increase and interim dividend payment.....	10
7. Justification of the transaction.....	11
8. Suspensive conditions .....	12
9. Financial service – Contribution to financial institution or company.....	12
10. Costs.....	12
11. Tax consequences .....	13
12. Real estate valuation.....	15
13. Information made available.....	16
14. Contact .....	17
<b>III. ANNEX: EXAMPLE</b>	<b>18</b>

## Memorandum of Information of 16 June 2023 regarding the optional interim dividend of Retail Estates

Option period from 19 June 2023 (9am CEST) through 7 July 2023 (4pm CEST)

---

**THIS DOCUMENT IS NOT INTENDED FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR  
TO THE UNITED STATES OF AMERICA, CANADA, AUSTRALIA, JAPAN, SWITZERLAND,  
SOUTH AFRICA, OR ANY OTHER COUNTRY OR JURISDICTION WHERE DISTRIBUTIOIN OF  
THIS DOCUMENT WOULD BE PROHIBITED BY APPLICABLE LAW**

At its meeting of 26 May 2023, 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 2022/2023 (which started on 1 April 2022 and ended on 31 March 2023) amounting to € 4.90 gross (or € 3.43 net, i.e. the net dividend per share after deduction of withholding tax at a rate of 30%<sup>1</sup>) per share (participating in the profits of financial year 2022/2023).

Taking into account the distribution obligation of Retail Estates as a public BE-REIT pursuant to article 13 of the Royal Decree of 13 July 2014 relating to regulated real estate investment companies, the Board will propose to the annual general meeting of 24 July 2023 not to pay an additional dividend for the financial year 2022/2023

In the context of its decision to pay an interim dividend to the shareholders, the Board offers the shareholders the possibility to contribute their claims arising from the distribution of the interim dividend to the capital of the Company in return for the issue of new shares (in addition to the option to receive the interim dividend in cash and the possibility to opt for a combination of the two preceding options).

This "Memorandum of Information" is intended for the shareholders of Retail Estates and provides information about the number and the nature of the new shares and the reasons for and modalities of this optional interim dividend. It has been drawn up in application of articles 1.4 (h) and 1.5 (g) of Regulation (EU) 2017/1129 of the European Parliament and the Board of 14 June 2017 concerning the prospectus to be published when securities are offered to the public or admitted for trading on a regulated market and withdrawing of Directive 2003/71/EG (the "Prospectus Regulation").

This Memorandum of Information may only be consulted by investors who have access to it in Belgium. This Memorandum of Information is made available for information purposes only. The posting of this Memorandum of Information - which is only aimed at the Belgian market - on the Internet is in no way intended to constitute a public offering in any jurisdiction outside Belgium. Reproduction of this electronic version (i) on any other website (other than the one mentioned in this Memorandum of Information) or at any other virtual or physical location, or (ii) in print or on any other carrier with a view to distribution thereof in any way whatsoever, is expressly prohibited.

---

<sup>1</sup> Please refer to the notes on the fiscal treatment of the optional interim dividend under Title II, item 11, for a more detailed explanation on the withholding tax.

The following information is provided for information purposes only and is not in any way intended to constitute a public offering or solicitation to purchase or subscribe to securities of the Company. Additionally, there shall be no public offering or solicitation to purchase or subscribe to securities of the Company in, or to any resident or citizen of, the United States of America, Canada, Australia, Japan, Switzerland, South-Africa or any other jurisdiction where such an offering or solicitation is subject to prior registration, exemption of registration or qualification under the laws of the relevant jurisdiction or does not meet the relevant requirements under the legislation of the relevant jurisdiction. The information included in this Memorandum of Information does not constitute an offering or solicitation to any person whatsoever who may not legally receive such an offer or request or who may not be informed of such an offer or request. The securities of the Company have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act"), and the securities of the Company may not be offered or sold in the United States of America without prior registration under the US Securities Act or without exemption of registration. No element of the information included in this Memorandum of Information or on the website of the Company or the Centralizer, nor a copy thereof may, directly or indirectly, be taken or sent to, or distributed in, the United States of America, Canada, Australia, Japan, Switzerland or South Africa, or elsewhere outside Belgium. Non-compliance with these provisions may constitute a breach of the applicable legislation in the United States of America, Canada, Australia, Japan, Switzerland, South Africa or any other applicable jurisdiction. The dissemination of this information in jurisdictions other than Belgium may be subject to legal restrictions, and any person who becomes aware of and/or receives such information must inform themselves about any applicable legal restrictions and must comply with such restrictions. As a general rule, any person who wishes to access this information should first check whether access to this information constitutes a violation of any applicable legislation or regulations. The Company cannot be held liable should these restrictions be breached by any person.

The Company accepts no liability for the correctness or completeness or the use of the information contained in this Memorandum of Information or found on the website of the Company or the Centralizer, and does not have any obligation to keep this information up to date. This information may not be understood as the provision of advice or recommendations, including, but not limited to, investment, tax, legal or any other advice, and it may not be relied upon as the basis for any decision or action. It is emphasized in particular that actual results and developments may differ materially from any forecast, forward-looking statement, opinion or expectation expressed in this Memorandum of Information or on the Company's website.

No funds, shares or other remuneration may be requested by means of the website of the Company or the Centralizer or the information it contains, in any jurisdiction in which such an offer or request is not permitted or if such an offer or request is addressed to any person who may not legally receive such an offer or request. Any such funds, shares or remuneration sent in response to this Memorandum of Information or the website of the Company or the Centralizer will not be accepted.

No government has expressed its position regarding this Memorandum of Information. No government has assessed the timeliness and quality of this transaction or the situation of the persons implementing it.

## I. OVERVIEW OF THE MAIN CHARACTERISTICS OF THE OPTIONAL INTERIM DIVIDEND

### 1. OPTIONS FOR THE SHAREHOLDER

In the context of the optional interim dividend, each holder of rights can choose between:

- contribution of its net dividend claim to the capital of the Company in exchange for new Retail Estates shares;
- payment of the interim dividend in cash; or
- a combination of the two previous options.

### 2. ISSUE PRICE AND RATIO

The issue price per new share amounts to € 58.31.

To obtain one new share, the net dividend rights linked to 17 number 31 coupons must be contributed.

### 3. OPTION PERIOD

- Start of the option period: 19 June 2023 at 9am (CEST)
- End of the option period: 7 July 2023 at 4pm (CEST)

Shareholders who do not express a choice during the option period in the appropriate manner shall in any event receive the interim dividend in cash.

### 4. NUMBER OF NEW SHARES TO BE ISSUED

A maximum of 828,578 new shares will be issued.

### 5. AMOUNT OF THE CAPITAL INCREASE

The total maximum capital increase amounts to € 18,643,327.81. The total maximum issue price of the new shares to be issued amounts to € 48,314,383.18.

### 6. WHO CAN SUBSCRIBE?

Any (former or current) shareholder holding a sufficient quantity of No. 31 coupons linked to shares of the same form, i.e. 17 net dividend rights or a multiple thereof to subscribe to one new share or a multiple thereof.<sup>2</sup> Shareholders who do not hold the necessary number of net dividend rights, linked to shares of the same form in order to subscribe to at least one share will receive their dividend rights in cash. It is not possible to acquire additional No. 31 coupons. The No. 31 coupon will not be admitted to trading on the stock exchange either. The contribution of net dividend rights cannot be supplemented by a contribution in cash. Coupons linked to shares in different forms cannot be combined.

---

<sup>2</sup> Hereafter referred to as the shareholder(s), for simplicity.

## 7. HOW TO SUBSCRIBE?

Shareholders who wish to contribute their 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:

- the Company, as far as the registered shares are concerned;
- the financial institution where they hold their shares through a securities account, as far as the dematerialised shares are concerned.

## 8. CAPITAL INCREASE AND PAYOUT

The implementation of the capital increase and the issue of the new shares will take place on 12 July 2023. Interim dividends will also be paid in cash as from this date.

No. 31 coupons linked to shares of the same form which have not been contributed with a view to participation in the capital increase in the prescribed manner by 7 July 2023 at 4 pm (CEST) will no longer carry rights to new shares after this date.

## 9. ADMISSION TO TRADING ON THE REGULATED MARKET

The Company 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 interim dividend and intends for the new shares, which will participate in the profits as from financial year 2023-2024, to be traded on Euronext Brussels and Euronext Amsterdam as from the date of issue (12 July 2023).

## 10. PROFIT PARTICIPATION

The new shares issued within the context of the capital increase will participate in the profits as from 1 April 2023.

## II. FURTHER INFORMATION

### 1. INTRODUCTION

On 26 May 2023, the Board, authorized to pay out interim dividends pursuant to article 28 of the articles of association of Retail Estates, decided to award a gross interim dividend for financial year 2022/2023 (which started on 1 April 2022 and ended on 31 March 2023) amounting to € 4.90 gross (€ 3.43 net after deduction of withholding tax at the rate of 30%<sup>3</sup>) per share participating in the profits of financial year 2022/2023. On 14 June 2023 the Board determined the issue price of the shares to be issued pursuant to the optional interim dividend and the option period, and date the interim optional dividend is made available for payment.

In this context, the Board, by way of optional (interim) dividend, offers the shareholders the possibility to contribute their claims arising from the distribution of the interim dividend to the capital of the Company in return for the issue of new shares (in addition to the option to receive the interim dividend in cash and the possibility to opt for a combination of the two preceding options).

The total amount of the interim dividend is in line with the amount Retail 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 investment companies; consequently, the Board will propose to the annual general meeting of 24 July 2023 not to pay an additional dividend for financial year 2022-2023.

Within the framework of the authorised capital<sup>4</sup>, the Board will increase the share capital through a contribution in kind of the net dividend claims held by the shareholders who have opted to receive new shares in exchange for the (full or partial) contribution of their net dividend rights. The specific terms and conditions for this transaction are described in more detail below.

---

<sup>3</sup> Please refer to the notes on the fiscal treatment of the optional interim dividend under Title II, item 11, for a more detailed explanation on the withholding tax.

<sup>4</sup> The board of directors is authorised to increase the capital of the Company, on one or more occasions, up to a maximum amount of:

- (a) € 148,800,161.46 for public capital increases by means of a cash contribution, providing for the possibility for the shareholders of the Company to exercise their preferential subscription right or their irreducible allocation right,
- (b) € 148,800,161.46 for capital increases within the context of an optional dividend,
- (c) at any time, 10% of the amount of the capital at the moment on which the decision to increase the capital is adopted for capital increases by contribution in cash not providing for the possibility for the shareholders of the Company to exercise the preferential subscription right or the irreducible allocation right, with the understanding that the board of directors will only be allowed to increase the capital in accordance with this item (c) if and to the extent that the aggregate amount of the capital increases performed over a period of 12 months in accordance with this paragraph does not exceed 10% of the amount of the capital at the moment on which the resolution for the capital increase is adopted; and
- (d) € 59,520,064.58 for all other forms of capital increase;

with the understanding that within the context of this authorisation, the capital can never be increased to exceed the maximum amount of € 297,600,322.91 during the period for which the authorisation was granted.

This authorisation is granted to the Board 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 1 June 2022 (i.e. 7 July 2022). At the date of this Memorandum of Information, the Board has not yet used the authorization.

## 2. OFFER

In the context of the interim dividend for financial year 2022/2023, the Company is offering the shareholders the following choices:

- contribution of their net dividend claim to the capital of the Company in exchange for new Retail Estates shares; or
- payment of the interim dividend in cash; or
- a combination of the two previous options.

## 3. DESCRIPTION OF THE TRANSACTION

Shareholders who opt for the (whole or partial) contribution of their net dividend rights to the capital of the Company in exchange for new shares can subscribe to the capital increase during a set option period (see below).

The net dividend claim that is linked to a specific number of coupons linked to existing shares of the same form will entitle shareholders to one new share at an issue price per share that is described further down in this Memorandum of Information.

The coupon granting entitlement to the optional interim dividend is coupon No. 31.

Only shareholders holding a sufficient quantity of No. 31 coupons linked to shares of the same form may subscribe to the capital increase. Shareholders who do not hold the necessary number of net dividend rights, represented by No. 31 coupons, linked to shares of the same form in order to subscribe to at least one share will receive their dividend rights in cash.

It is not possible to acquire additional No. 31 coupons. The No. 31 coupon will not be admitted to trading on the stock exchange either.

It is also not possible to supplement the contribution of net dividend rights with a contribution in cash. If a shareholder does not possess the required quantity of No. 31 coupons linked to shares of the same form in order to subscribe to a whole number of new shares, that shareholder does not have the option of supplementing its contribution in kind by means of a cash contribution in order to be able to subscribe to the next whole number of new shares of the same form. The remaining balance will be paid out in cash in such a situation.

If a shareholder holds shares of different forms (e.g. a number of registered shares and a number of shares in dematerialised form), the net dividend claims, represented by No. 31 coupons, linked to these various forms of shares may not be combined to acquire a new share.

#### 4. THE ISSUE PRICE

The issue price of the new shares to be issued amounts to € 58,31.

On 14 June 2023 the Board determined the issue price, taking into account different parameters, such as the stock market price, the minimum issue prices per share of € 54.88 as decided by the Board at its meeting of 26 May 2023, the issue price used in recent similar transactions by similar companies and the fact that the new shares will be entitled to dividends from 1 April 2023. In doing so, in application of article 48, third paragraph of the Law of 12 May 2014 on regulated real estate companies (the "REITs Act"), the Board also took into account the valuation of the assets held by the Company (and its perimeter companies) as of March 31, 2023, which the valuation experts have confirmed is still current. The issue price is 9,32% lower than the closing price of the Retail Estates share on 15 June 2023<sup>5</sup>, which was EUR 64.30.

The Board states that article 26, §2, 2° of the REITs Act should not be complied with because this contribution in kind relates to a contribution of the right to dividend in the context of the payment of an optional dividend and the optional dividend is indeed made payable to all shareholders.

The shareholder who does not wish to proceed to a (total or partial) contribution of its net dividend rights in exchange for new shares will undergo a dilution of the financial rights (including dividend rights and participation in the liquidation balance) and membership rights (including voting rights and preferential subscription rights) connected to its existing participation.

Based on the assumption that 828,578 new shares would be issued (i.e. the total number of new shares that would be issued if all net dividend claims were contributed to the capital<sup>6</sup>), the intrinsic value per share would increase from € 73 (rounded off) on 31 March 2023 to € 72.18 (rounded off).

The impact of the issue of the new shares on the participation in the capital of an existing shareholder who held 1% of the capital of the Company prior to the issue and does not contribute its net dividend rights to the capital of the Company is discussed below.

The calculation is based on the number of existing shares and an estimated 828,578 new shares taking into account the maximum amount of the capital increase of €18,643,327.81 and the issue price per share of € 58.31.

Participation in the shareholding	
Prior to the issue of the new shares	1.00%
After the issue of the new shares	0.94 %

<sup>5</sup> The day prior to the date of the Information Memorandum.

<sup>6</sup> The net dividend rights linked to the 14,085,827 existing shares that entitle the holder to participate in the profits of financial year 2022/2023.

Shareholders who do not contribute their net dividend rights to the capital of the Company are also exposed to a risk of financial dilution of their participation. This risk results from the fact that the new shares are issued at an issue price that is lower than the current stock market price.

## 5. THE OPTION PERIOD

The option period, during which shareholders may subscribe to the capital increase, starts on 19 June 2023 at 9 am (CEST) and ends on 7 July 2023 at 4 pm (CEST).

Shareholders who do not express a choice during the option period in the appropriate manner shall in any event receive the interim dividend in cash.

## 6. CAPITAL INCREASE AND INTERIM DIVIDEND PAYMENT

The implementation of the capital increase and the issue of the new shares will take place on 12 July 2023.

Taking into account the aforementioned issue price, it will be possible to subscribe to any new share to be issued, and will be fully paid up, by the contribution of net dividend rights attached to 17 existing shares of the same form (represented by coupon no. 31<sup>7</sup>). This means that, for each contribution of net dividend rights attached to 17 shares (held at the time of detachment of the coupon), the shareholder will receive one new share.

For shareholders who benefit from reduced withholding tax or are exempt from withholding tax, just as for those shareholders who do not benefit from such a reduction or exemption, the contribution of the net dividend claim will amount to € 3.43<sup>8</sup> per share (more exactly: a shareholder shall receive one new share for each contribution of net dividend rights linked to 17 shares of the same form (held at the time of detachment of the coupon) (represented by coupon No. 31)), and the balance resulting from the reduction in or exemption from withholding tax will also be paid in cash as from 12 July 2023. Shareholders in such situation should send the relevant certificates, unless otherwise stated in the information they receive from their financial institution or intermediary, no later than on 18 July 2023 at 4 pm CEST by e-mail to [taxoperations@kbc.be](mailto:taxoperations@kbc.be) and by post to Taks Operations, KBC Bank NV, GENToren +13, Kortrijksesteenweg 1100, 9051 Gent, in order to receive this tax benefit.

The total amount of the capital increase will equal the number of new shares to be issued multiplied by the (exact) fractional value of the existing Retail Estates shares (i.e. approx. € 22.50 per share), rounding up the result of the calculation. All (new and currently existing) shares of the Company will then be awarded the same fractional value. The difference between the fractional value and the issue price, after deduction, if necessary, of an amount maximum equal to the cost of the capital increase within the meaning of the applicable IFRS rules, will be recorded as an available reserve in a separate account "Available Issue Premiums", under equity on the liabilities side of the company's balance sheet.

---

<sup>7</sup> That was already detached on 31 May 2023 (before opening of the stock market).

<sup>8</sup> Please refer to the discussion of the fiscal treatment of the optional interim dividend under this Title II, item 11, for a more detailed explanation on the withholding tax.

The total capital increase amounts to (provided that every shareholder holds an exact number of No. 31 coupons linked to shares of the same form which entitles them to a whole number of new shares and decides to contribute the relevant net dividend claims to the capital of the Company) a maximum of € 18,643,327.81 within the scope of the issue of maximum 828,578 new shares. The total maximum issue price of the new shares to be issued amounts to € 48,314,383.18.

As the shareholders can choose freely between: (i) payment of the interim dividend in cash; (ii) contribution of net dividend claim in exchange for shares; or (iii) a combination of the two previous options, it is impossible to predict how many new shares will be created exactly.

The capital will only be increased with the amount of the (capital value of the) actual subscriptions received. If the issue is not fully subscribed, the Company reserves the right to increase the capital with the amount of the (capital value of the) subscriptions received.

The allocated new shares will have the same form as the existing shares currently held. Shareholders may submit a written request to have registered shares converted into dematerialised shares, or vice versa, at their own expense at any time after the issue.

As from 12 July 2023, a cash interim dividend will furthermore be paid to shareholders who: (i) have opted to contribute their net dividend rights in exchange for new shares but did not achieve the next whole number of shares (in which case the remaining balance will be paid in cash); (ii) have chosen to receive their dividend in cash; (iii) have opted for a combination of the previous two options; or (iv) have expressed no choice.

The new shares issued within the context of this capital increase will participate in the profits as from 1 April 2023.

The Company will submit a request to Euronext Brussels and Euronext Amsterdam for the additional admission to trading of the new shares issued further to the capital increase within the context of the optional interim dividend and intends for the new shares, which will participate in the profits as from financial year 2023-2024, to be traded on Euronext Brussels and Euronext Amsterdam as from the date of issue (12 July 2023).

## 7. JUSTIFICATION OF THE TRANSACTION

The contribution in kind of claims vis-à-vis Retail Estates in the context of the optional interim dividend and the associated capital increase improve the equity of the Company and therefore reduce its (legally capped) debt ratio. This opens up the possibility for Retail Estates to perform, as the case may be, additional debt-financed transactions in the future in order to further realise its growth strategy. The optional interim dividend also makes it possible to retain funds in the Company (in the amount of the net dividend rights contributed to the Company's capital), which in turn reinforces the Company's financial position.

In addition, it strengthens the ties with the existing shareholders.

## 8. CONDITIONS PRECEDENT

The Board reserves the (purely discretionary) right to withdraw the offer if, between the date of the decision by the Board (or, as the case may be, the directors duly authorized by the Board) on the issue price and the option period and the last day of the option period, the share price of Retail Estates significantly rises or falls on Euronext Brussels and Euronext Amsterdam relative to the issue price of the new shares as set by the Board (or, as the case may be, the directors duly authorized by the Board).

The Board also reserves the (purely discretionary) right not to proceed with the offer or, once commenced, to withdraw it, if between the date of the decision in principle to increase the capital by the Board and the end of the option period, an extraordinary event of a political, military, economic or social nature (including a terrorist attack, epidemic, pandemic or other health crisis) occurs such that the economy and/or the securities markets are significantly affected.

Any possible withdrawal (or non-exercise) of the offer will be immediately communicated to the public by means of a press release.

The exercise or non-exercise of this right may never give rise to any liability on the part of Retail Estates.

## 9. FINANCIAL SERVICE – CONTRIBUTION TO FINANCIAL INSTITUTION OR COMPANY

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:

- the Company, as far as the registered shares are concerned (the registered shareholders will receive a letter with instructions from Retail Estates in this regard); and
- the financial institution where they hold their shares through a securities account, as far as the dematerialised shares are concerned. Shareholders are requested to obtain information from their financial institution regarding the fees that that institution or any other intermediaries would charge for the service they provide.

The principal paying agent of Retail Estates is KBC Bank NV, with registered office at Havenlaan 2, 1080 Brussels, with company number 0462.920.226 (RPR Brussels). The cash dividend payment service provided by the principal paying agent is free of charge.

## 10. COSTS

All legal and administrative costs relating to the capital increase will be borne by the Company.

Certain costs, such as for changing the form of shares, will remain payable by the shareholder. Shareholders are advised to consult their financial institution in this regard.

## 11. TAX CONSEQUENCES

### *Prior warning*

The paragraphs below provide an overview of the Belgian fiscal treatment relating to the optional interim dividend and are included for information purposes only. This overview is merely based on the Belgian tax legislation and administrative interpretations applicable at the date of this Memorandum of Information and is provided subject to changes in applicable tax law, including changes with retroactive effect (prior to the date of this Memorandum of Information).

This summary does not take into account, and does not cover, tax laws in other countries and does not take into account the specific circumstances of individual investors. The information contained in this Memorandum of Information must therefore not be considered investment, legal or tax advice. Shareholders are advised to consult their own tax advisor regarding the tax implications in Belgium and other countries within the framework of their specific situation.

### *Withholding tax*

The option for shareholders (i.e. the payment of the interim dividend in cash, the contribution of their net dividend rights in exchange for the issuance of new shares, or a combination of both) has no impact on the calculation of withholding tax. In other words, 30% withholding tax in an amount of € 1.47 will be deducted from the gross interim dividend of € 4.90 (unless an exemption or reduction of withholding tax applies).

#### - Belgian physical persons

For private investors residing in Belgium, the withholding tax constitutes the final tax on dividend income in Belgium. The dividend income does not have to be declared in the personal income tax return. However, if a private investor decides to include the dividend income in its personal income tax return, he/she will have to pay taxes on this income at the individual rate (30%) or at the progressive personal income tax rate, whichever is the lowest, taking into account other income declared by the tax payer. It is in principle only interesting to declare this income if the combination with other income of the tax payer results in a tax rate lower than 30%. Private investors furthermore qualify for tax exemption for dividends paid or allocated via the personal income tax return during the income year 2023 (tax year 2024) up to the first € 800 (cf article 21, first section, 14° of the Income Tax Code 1992 ("ITC92"). If the dividend income is actually declared, (i) the income tax due will not be increased with the additional municipal tax, and (ii) the withholding tax can be set off against the eventual personal income tax due and any surplus amounts can be refunded, provided the conditions are met.

For professional investors residing in Belgium, the withholding tax does not constitute the final tax in Belgium. The dividend income needs to be declared in the personal income tax return, where it will be taxed at the normal progressive personal income tax rate increased with the additional municipal tax. Subject to certain conditions, the withholding tax can be set off against the personal income tax due and any surplus amounts can be refunded.

- Belgian legal entities

For shareholders subject to the legal entities income tax, the withholding tax in principle constitutes the final tax due.

- Belgian companies

Belgian companies subject to corporate income tax are required to include the dividends in their corporate income tax return and are in principle taxed on the gross dividends received (withholding tax included) at the applicable corporate income tax rate. The standard corporate income tax rate amounts to 25%.

The (interim) dividends paid by the Company in principle do not qualify for the so-called dividends received deduction (DRD) because the Company is a public BE-REIT, which means that the Company benefits from a special tax regime and consequently does not meet the so-called taxation condition (article 203, §1, 2°bis ITC92).

The dividends do nevertheless qualify for the DRD to the extent that the dividends paid by the Company originate from income from real estate (i) situated in another member state of the European Union or in a state with which Belgium has concluded a double taxation treaty on condition that such treaty or any other agreement provides for an exchange of information necessary for the application of the legal provisions of the contracting states; and (ii) that has been subject to corporate income tax, non-resident income tax or any foreign tax that is similar to one of these taxes and does not benefit from a special tax regime that deviates excessively from ordinary law (article 203, §2, section 6 ITC92). Furthermore, the dividends are also eligible for DRD insofar as and to the extent that these dividends are derived from dividends which themselves meet the taxability conditions mentioned in article 203, §1, first section, 1° to 4° ITC92 or from capital gains realised on shares that qualify for exemption in accordance with article 192, §1 ITC92 and provided that the articles of association of the Company provide for an annual distribution of at least 80% of the income received after deduction of remunerations, commissions and costs (article 203, §2, second section ITC92). Pursuant to article 203, §5 ITC92, this 80% threshold is deemed to be met if the BE-REIT has distributed its net proceeds in accordance with Article 13, §1 of the Royal Decree of 13 July 2014 with regard to regulated real estate companies.

For the application of the DRD as set out above, the so-called quantitative conditions set forth in article 202, §2, first section ITC do not apply (cf. article 202, §2, third section, 3° ITC92). Provided that all legal conditions are met, a company-shareholder resident in Belgium can set off any withholding tax deducted from the dividends received against any corporate income tax due, and any surplus can be refunded.

Belgian companies that, upon payment or allocation of the dividends, hold a minimum participation of at least 10% of the Company's share capital may, under certain conditions and provided that certain formalities are met, benefit from an exemption from Belgian withholding tax.

Dividends paid by the BE-REIT to a non-resident shareholder give in principle rise to the collection of withholding tax at a rate of 30%. Pursuant to article 106, §7 of the Royal Decree implementing the Income Tax Code of 1992 (the "RD/ITC"), part of the dividends paid out by a BE-REIT to a non-resident saver may be exempt from withholding tax provided that certain conditions are met. This exemption does not apply to the part of the distributed dividends which originates from Belgian real estate and from dividends obtained by the Company itself from a Belgian resident company, unless the latter is itself a regulated real estate company (or another company referred to in the first section of article 106, §7 RD/ITC) and the dividends it distributes to the Company do not originate from dividends received from a Belgian resident company or from income of Belgian real estate.

Organisations for financing pensions ("OFPs"), i.e. Belgian pension funds incorporated under the legal form of an OFP within the meaning of Article 8 of the Belgian Act of 27 October 2006 on the supervision of institutions for occupational retirement provisions, are in principle not taxed on dividend income because of the limited tax base on which these OFPs are taxable (Article 185bis ITC). Except for certain limitations, the Belgian withholding tax can be set off against the corporate income tax due and can be refunded to the extent that it exceeds the corporate income tax due. Foreign OFPs may, under certain conditions, benefit from an exemption from withholding tax (cf Article 106, §2 RD/ITC).

For shareholders who benefit from an exemption or reduction of withholding tax pursuant to Belgian law or an (applicable) treaty for the avoidance of double taxation, the standard withholding tax of 30%, which is in principle withheld from the distributed gross dividend, is not (in case of exemption) or not entirely (in case of reduced withholding tax) withheld provided that the necessary supporting documents are submitted.

Shareholders who are exempt from withholding tax or who benefit from a reduction of withholding tax will receive this tax advantage in cash as from 12 July 2023. Shareholders who are in such a position must make sure that the required certificates, unless otherwise stated in the information received from their financial institution or intermediary, are sent no later than 18 July 2023 at 4 pm CEST by e-mail to [taxoperations@kbc.be](mailto:taxoperations@kbc.be) and by post to Tax Operations, KBC Bank NV, GENtoren +13, Kortrijksesteenweg 1100, at 9051 Gent in order to receive this tax benefit.

Shareholders who benefit from an exemption or reduced withholding tax will therefore receive a surplus in cash (see above, II.6 "Capital increase and interim dividend payment").

## 12. REAL ESTATE VALUATION

Pursuant to article 48 of the REITs Act, the actual value of the assets of the Company (and its perimeter companies) as determined in article 47, §1 of the REITs Act needs to be determined by the valuation expert(s) when e.g. the Company issues shares or submits an application to admit shares to trading on a regulated market. A new valuation is nevertheless not required when shares are issued or admitted to trading on a regulated market within 4 months after the latest valuation or valuation update with regard to the relevant real estate and insofar the expert confirms that a new valuation is not required based on the general economic situation and the condition of the assets.

The most recent valuation (or update) with regard to the actual value of these assets of the Company and its perimeter companies took place on 31 March 2023 and was carried out in part by Cushman & Wakefield Belgium, in part by Cushman & Wakefield Netherlands, in part by Stadim, in part by Colliers Netherlands, in part by CBRE Belgium and in part by CBRE Netherlands, which means that the Company is in the possession of a valuation (update) that is at most 4 months old at the time of the date of issue of the new shares, which is 12 July 2023.

On 23, 24, respectively 25 May 2023, the Company received confirmation from the same independent real estate experts, namely Cushman & Wakefield Belgium, Cushman & Wakefield Netherlands, CBRE Belgium, CBRE Netherlands, Colliers Netherlands and Stadim, that it is not required to perform a new valuation within the scope of the application for admission of the new shares to trading on a regulated market based on the general economic situation and the condition of the assets.

On 30 June 2023 the aforementioned real estate experts of the Company will determine provide for a new valuation relating to the fair value of the assets of the Company and its perimeter companies. These new valuations will be available prior to the issue of the new shares on or around 12 July 2023 in accordance with article 48 of the REITs Act.

### **13. INFORMATION MADE AVAILABLE**

As a rule, in the context of a public offering of shares on Belgian territory, and for the admission of these shares to trading on a Belgian regulated market, a prospectus must be published, in application of the Prospectus Regulation. However, there is an exception to this rule in the context of the optional dividend. In application of article 1.4 (h) and 1.5 (g) of the Prospectus Regulation, on the first day of the option period, this Memorandum of Information will be made available by the Company to the public, containing information on the number and nature of the shares and the reasons for and modalities of the offer and admission.

Subject to certain customary restrictions, this memorandum of information is available on the website of Retail Estates ([www.retailestates.com](http://www.retailestates.com)) as of 16 June 2023. The Memorandum of Information is also made available, subject to certain customary restrictions, on the website of KBC Securities ([www.kbcsecurities.com/prospectus](http://www.kbcsecurities.com/prospectus)), KBC Bank NV ([www.kbc.be/retail estates](http://www.kbc.be/retail estates)) and Bolero ([www.bolero.be/nl/retail estates](http://www.bolero.be/nl/retail estates)).

The special report of the Board of 26 May 2023 concerning the contribution in kind, drawn up in accordance with article 7:179 io. 7:197 of the Belgian Code on Companies and Associations, as well as the special report of the statutory auditor on the contribution in kind, drawn up in accordance with article 7:179 io. 7:197 of the Belgian Code on Companies and Associations, is also made available on the website of Retail Estates as of 26 May 2023.

**14. CONTACT**

For more information regarding the transaction, shareholders with dematerialised shares can contact the financial institution where they hold their shares in their securities account.

Holders of registered shares can contact the Company for more information by calling us at +32 (0)2 568 10 20 or by emailing us at [investorrelations@retailestates.com](mailto:investorrelations@retailestates.com).

### III. ANNEX: EXAMPLE

An example of the distribution of an optional interim dividend by Retail Estates can be found below. Please note that a possible exemption from or reduction of withholding tax is not taken into consideration.

The example assumes a shareholder who owns 101 No. 31 coupons linked to shares of the same form (e.g. 101 dematerialised shares).

The issue price amounts to € 58.31. It is possible to subscribe to any new share to be issued by means of a contribution of net dividend rights linked to 17 existing shares of the same form, represented by coupon No. 31.

This means that the shareholder will receive one new share per contribution of net dividend rights, represented by No. 31 coupons, linked to 17 shares.

The shareholder can exchange the net dividend rights linked to 101 shares, represented by coupon No. 31, for:

- **Cash:** € 346.43 (rounded off);

OR

- **Shares:**

- 5 new shares (in exchange for 85 No. 31 coupons); and
- an outstanding balance of € 54.88 (rounded off) in cash (in exchange for the other 16 No. 31 coupons, which do not suffice to subscribe to an additional share);

OR

- **Combination:**

- (example) 3 new shares (in exchange for 51 No. 31 coupons); and
- € 171.50 (rounded off) in cash (in exchange for the remaining 50 No. 31 coupons).