
RETAIL ESTATES NV

REQUEST FOR PROPOSAL FOR AUDIT SERVICES

AUDIT MANDATE 2025 - 2028

Request for proposal for audit services

The mandate of the auditor of Retail Estates (hereafter referred to as Retail Estates) including all its affiliates (hereafter referred to as “RE Group”) will expire after the next general meeting deciding on the result of the financial year ending March 31st, 2024. Therefore, Retail Estates is requesting proposals from audit firms that have extensive experience in providing audit services for organizations active in real estate sector. We invite your firm to submit a proposal to us by May 6th, 2024.

About Retail Estates

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

As of 31 December 2023, Retail Estates has 1,025 rental units in its portfolio with a total retail area of 1,234,904 m², spread over Belgium and the Netherlands. The occupancy rate of the entire portfolio was 97.92% on 31 December 2023. The fair value of the consolidated real estate portfolio of Retail Estates as at 31 December 2023 is estimated at € 2,010.63 million by independent real estate experts.

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

Audit services to perform

Your proposal is expected to cover the following audit services:

1. Limited review of the Retail Estates IFRS consolidated financial statements for the six-month period ended September 30, 2024, two consecutive years thereafter, including review of the related Press Release, and meetings with the Audit Committee and/or Board of Directors, as necessary.
2. Annual audit of the Retail Estates IFRS consolidated financial statements for the year ended March 31, 2025, two consecutive years thereafter, including review of the related Press Release, and meetings with the Audit Committee and/or Board of Directors, as necessary.
3. Annual ESG assurance for the year ended March 31, 2025 and 2 consecutive years thereafter.
4. Statutory audit of Retail Estates and subsidiaries, where necessary.
5. Reporting to the FSMA.
6. Review of the ESEF Report to submit to FSMA.

7. EMIR reporting.

8. Management letter containing comments and recommendations with respect to accounting and administrative controls and efficiency.

9. Availability throughout the year to provide advice and guidance on internal audit, financial accounting, and reporting issues, where necessary.

Please also note that you may be requested to perform other legal tasks or agreed upon procedures such as certification of bank covenant reporting, capital increases via contribution in kind, stock dividend, comfort letters for banks upon public capital increases. Please explain the pricing of your review for such short missions.

Relationship with prior audit firm

Price Waterhouse Reviseurs d'Entreprises, represented by Jeroen Bockaert, have been the auditors of Retail Estates for 9 years, having started May 22nd, 2015. As a result of the evolution in the audit regulations, their audit mandate expires after the Annual General Shareholders Meeting during fiscal year 2024-2025. Following good corporate governance, the Audit Committee of Retail Estates takes this opportunity to search for a fitting Group Auditor.

Proposal content

To create your proposal, we recommend you consult the public available information published on the website of Retail Estates (<https://www.RetailEstates.com>), our annual reports and press releases. We advise the responding auditor to organize their responses in the manner and format described below.

Additional questions can be raised for more information, bear in mind the timetable below for more information. When submitting your proposal, we expect that the following information is included:

1. Executive summary

Provide a summary of the attributes that will make the difference from other firms being considered, including your main motivation for adding Retail Estates to your client portfolio.

2. Description of your organization

In your proposal, we anticipate a comprehensive overview of the following aspects: your organization, including its mission, vision, core beliefs, and cultural ethos; previous engagements with (listed) real estate enterprises; and perspectives, strategies, and approaches concerning forthcoming non-financial audit regulations (ESG – CSRD).

3. Team Qualifications

The objective is to gain an initial understanding of the team which Retail Estates will be working with:

- ✓ Identify the specific partners, managers, and in-charge staff who would be assigned to this engagement. We expect a clear overview of the different roles and responsibilities with a clear indication of the expected time per team member – both in absolute (hours) and relative (percentage) terms. Make us understand what the added value is of the proposed team.
- ✓ Provide their bios specifying relevant experience to the type of services requested. It is important that the team members have specific experience with listed real estate companies and that the signing partner obtains the necessary credentials from FSMA.
- ✓ Discuss commitments you make to staff continuity. Elaborate on the availability and commitment of the partners and managers.
- ✓ if you are planning to make use of specialists (e.g. valuation experts, IFRS-desk, etc...), we also expect you to list the resume of these specialists. Make us understand what the added value is of the specialists involved.

4. Audit Approach

Provide a description of the scope of the audit, features and outputs, timing and coordination. Describe how your firm will approach the proposed services, including the use of affiliates or staff from other locations or areas that will receive primary emphasis, and the type of assistance that will be required from Retail Estates's staff. Elaborate on the communication process used by the firm to discuss issues with management and the Audit Committee and/or Board. Provide a description on how you would potentially collaborate with local auditors, if deemed necessary, in other countries.

Specify the view on following topics:

- ✓ Identified risks and areas of attention for RE Group.
- ✓ Topics of specific areas of attention (such as but not limiting to: audit approach on the Dutch subsidiaries, challenging external valuation, IT audit, ...).
- ✓ Planned materiality levels.
- ✓ Planning for deliverables (audit plan, management letter, auditor's reports, presentation to the audit committee, ...).
- ✓ Planned activities and their timing taking into account the timing's of publications as presented on our website.

5. Client References and Regulatory Experience

Provide credentials relevant to serving firms of a similar size and operations as Retail Estates which are active in similar industry sector.

6. Independence and quality

Confirmation of the firm's status to serve as our auditor and outline the quality assurance programs. Include your view on auditor independence, (partner) rotation, how to deal with potential conflicts of interest and compliance in general. Retail Estates values compliance and emphasizes that it extends beyond legal obligations to encompass adherence to internal codes of conduct as well.

7. Transition plan

Describe the transition plan your firm will follow to ensure minimal disruption to the business during the transition phase. In particular, please explain how you plan to organize the transition with PWC if you are chosen to be the future auditor of Retail Estates.

8. Fees

Please provide:

- 1) A fee for Retail Estates to allow you to issue your opinion on Retail Estates's IFRS consolidated financial statements incl. ESEF requirements (limited review of the half-year reporting and audit of the full year reporting per March 31).
- 2) Additional audit fees required for the statutory audit of Retail Estates and the subsidiaries subject to a statutory audit.
- 3) A fee for the ESG assurance.
- 4) A fee for EMIR reporting.
- 5) Pricing for the short missions, described in audit services to be performed.

Please also include insights in additional costs, if any, and indexation or other adjustment mechanism, if any.

9. Additional Information

Please provide any additional information, not specifically requested, but which you believe would be useful in evaluating your proposal.

Timetable

Activity	Responsible	Deadline
Confirmation to participate	RFP participants	March 22, 2024
Delivery of signed Non-Disclosure Agreement (NDA)	RFP participants	March 28, 2024
RFP Distribution	Retail Estates	March 29, 2024
Written questions or clarifications sent to Retail Estates	RFP participants	April 15, 2024
Answer from Retail estates to written questions	Retail Estates	April 29, 2024
Written proposal due to Retail Estates in pdf	RFP participants	May 6, 2024
Evaluation of the proposals	Retail Estates	May 13, 2024
Presentation of the selected proposals to the audit committee	RFP participants	May 21, 2024
Final decision of the board based on the recommendation of the audit committee	Retail Estates	May 24, 2024



Confidentiality

By accepting to take part in this proposal process, you agree to keep in confidence all information disclosed to you by Retail Estates during the process, not to disclose it to third parties, and not to use it for any other purpose than for participation in the proposal process.

Additional information

Audit scoping information is included with this RFP in attachment to assist your firm in developing your fee estimate.

Please notify Ms. Kara De Smet (CFO) or Ms. Dorien Van den Bosch (Finance manager) via email (kara.desmet@retailestates.com or dorien.vandenbosch@retailestates.com) of your intention to participate to this proposal process no later than March 22, 2024.

Attachments

1. Overview of the legal entity structure
2. High level contribution table per legal entity (rent, NOI and investment property)