



**RETAIL
ESTATES**



PRESS RELEASE

Ternat, 2 October 2020

COVID -19 (CORONAVIRUS) – UPDATE 01/10/20

STABLE VALUATION OF REAL ESTATE PORTFOLIO

RENTAL INCOME FOR THE QUARTER AT PRE-CORONA LEVEL

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RENTAL INCOME

Business in the out-of-town retail units has recovered. As a result, the rental income is again at pre-corona level. For the period from July until the end of September, 98% of the invoiced rents were collected (not taking into account Brantano, see below).

This is a reflection of the information obtained earlier from the market, which indicates that functional shopping in out-of-town areas is recovering quickly. Easy access by car and ample parking space in the vicinity of large shops allow shoppers to combine efficient shopping with the observance of social distancing. This leads to a higher number of visitors at out-of-town locations, which in turn generates sales increases in the different segments of out-of-town retail trade.

VALUATIONS

The real estate experts delivered their reports containing the valuations on 30 September 2020. As a result of the recovery of retail trade in out-of-town locations, the investment value of the retail estate portfolio (at constant perimeter) has experienced a positive evolution compared to the value of the previous quarter (30 June 2020), due to an increase by 0.37% from € 1,762.94 million on 30 June 2020 to € 1,769.48 million on 30 September 2020. An increase by 0.19% has also been recorded compared to 31 March 2020, at constant perimeter (and therefore independent of purchases and sales during the two past quarters). This means that in general, there are no depreciations of the real estate portfolio on 30 September 2020.

SALE OF RETAIL PARK ALPHEN AAN DEN RIJN (NETHERLANDS)

Retail Estates concluded a sales agreement with regard to its retail park at Alphen aan den Rijn. This is one of the smaller retail parks of its Dutch portfolio. The buyer is an institutional investor who is familiar with out-of-town retail properties. The retail park consists of 14 retail units and generates a rental income of €1.08 million. The sales price amounts to € 15.6 million and represents capital gain of €0.87 million compared to the fair value determined by the real estate expert CBRE Nederland. This transaction will be completed before the end of December 2020. Due to the Covid-19 epidemic, the transaction market came to a standstill, which lasted several months. However, with the return of the investors' trust in out-of-town retail properties, this market is recovering quickly.

UPDATE ON FNG

On 8 July 2020, the judicial reorganisation proceedings were started with regard to the retail activities of the FNG group. The Belgian companies of the FNG group were declared bankrupt on 3 August 2020. On the date on which bankruptcy was declared, Brantano and its affiliates were the tenants of 26 retail units, representing a total rental income of € 3.2 million. A total of 18 retail units have already been transferred : seven of which to the Deichmann group (Van Haren) and 11 to different players in the fashion segment. These 18 retail units represent a total rental income of € 2.32 million. The transfer of the rental agreements takes effect on 1 October 2020, and the conditions (including the rental price levels) are essentially the same as before. The rent for the month of July was paid by Brantano. For the period starting on the date of the bankruptcy and ending on the date on which the retail properties will be released by the trustees in bankruptcy, an occupancy fee (equal to the amount of the rent) will be charged.

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 30 June 2020, Retail Estates nv has 1,004 premises in its portfolio with a total retail area of 1,194,788m², spread over Belgium and the Netherlands. The occupancy rate of the entire portfolio was 97.46% on 30 June 2020, compared to 97.92% on 31 March 2020. The fair value of the consolidated real estate portfolio of Retail Estates NV as at 30 June 2020 is estimated at EUR 1,732.38 million by the 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, 2 October 2020

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