



**RETAIL
ESTATES**



PRESS RELEASE
Ternat, 1 April 2020

COVID-19 (CORONAVIRUS) - Update

COVID-19 (CORONAVIRUS) - Update

Coronavirus (COVID-19) is increasingly curbing public life in Europe, affecting retail trade in particular. The Belgian government decided to extend the closure of all non-essential commercial businesses, which took effect on 19 March 2020, until 19 April, but with a clear indication that this mandatory closure may be extended until 3 May, to be confirmed, based on scientific advice. The Dutch government decided to give entrepreneurs a free hand and limits itself to encouraging citizens to engage in socially responsible behaviour; as a result, the vast majority of businesses in retail parks in the Netherlands remain open except for individual voluntary closures.

We want to express our sympathy for anyone who contributes to the fight against this virus either at home or at work. Healthcare workers in the first place, but also the sales staff of our tenants whose businesses remain open in Belgium or the Netherlands and who are at the service of consumers on a daily basis.

This has had the following impact on Retail Estates: on 1 April 2020, out of a total of 754 shops in Belgium, 627 shops have been closed while 127 remain open. Out of a total of 214 shops in the Netherlands, one shop has voluntarily closed its doors. Catering establishments in retail parks (usually lunch rooms and the like) were forced to close in both countries. In Belgium, a total of 176 tenants, supported by their interest groups, have communicated in writing that the mandatory closure of their businesses results in so much liquidity pressure that they will suspend payment of the rent due on 1 April. Rents and service fees at out-of-town locations are almost always payable per month. The rent for the 486 shops that are covered by this communication totals € 4.51 million for the month of April 2020. Bank guarantees cover € 2.47 million of this amount.

Retail Estates is aware that it will be necessary to enter into consultation after the mandatory closure is lifted so as to determine when and to what extent this overdue rent will have to be paid. Solutions will be discussed with the tenants on a case by case basis and with full transparency with respect to the interests of both parties. Based on the legal advice that was requested, the rent remains due, but it is impossible to deny the liquidity problems caused by this closure. The measures taken by the Belgian government to support individual companies via the banking sector are encouraging but it is currently unclear to what extent our tenants will be able to benefit from this as these measures still have to be worked out in detail. Our first impression is nevertheless that our tenants will fall within the scope of these measures.

It is to be expected that long-term temporary unemployment will cause a loss of confidence with the consumer. This means that it may take until July 2020 (sales period) for the retail trade to experience a reasonable recovery. Within the scope of their liquidity planning, it is nevertheless to be expected that the company will have to make commercial arrangements with its tenants for a period of three months' rent in order to provide payment facilities over a longer period of time. This effort is currently clear and can be delivered by the company. Based on the information currently available, this will be a temporary effort. It is nevertheless impossible to assess how the liquidity and solvency of our tenants will evolve over a period of twelve months.

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. Retail 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 December 2019, Retail Estates nv has 970 premises in its portfolio with a total retail area of 1,122,499 m², spread over Belgium and the Netherlands. The occupancy rate of the portfolio was 97.98% on 31 December 2019, compared to 98.28% on 31 March 2019. The fair value of the consolidated real estate portfolio of Retail Estates NV as at 31 December 2019 is estimated at EUR 1,665.62 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. As at 31 December 2019, the stock market capitalisation of the shares amounts to EUR 1,059.69 million.

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, 1 April 2020

Jan De Nys, CEO of Retail Estates nv

For more information, please contact:

Retail Estates nv, Jan De Nys – CEO, tel. +32 2/568 10 20 – +32 475/27 84 12

Retail Estates nv, Kara De Smet – CFO, tel. +32 2/568 10 20



RETAIL ESTATES NV

Public BE-REIT under the laws of Belgium

Industrielaan 6 B-1740 Ternat • RLE Brussel

VAT BE 0434 797 847 • T: +32 2 568 10 20

info@retailestates.com • www.retailestates.com



IN RETAIL
WE TRUST