



Q3 results

As per 31 december 2020

Covid 19- update

1

State of the business: Belgium vs The Netherlands

Belgium: No financial agreements/compensations after 31/12/2020

The Netherlands: 50% of rent paid, 50% suspended for the closed period

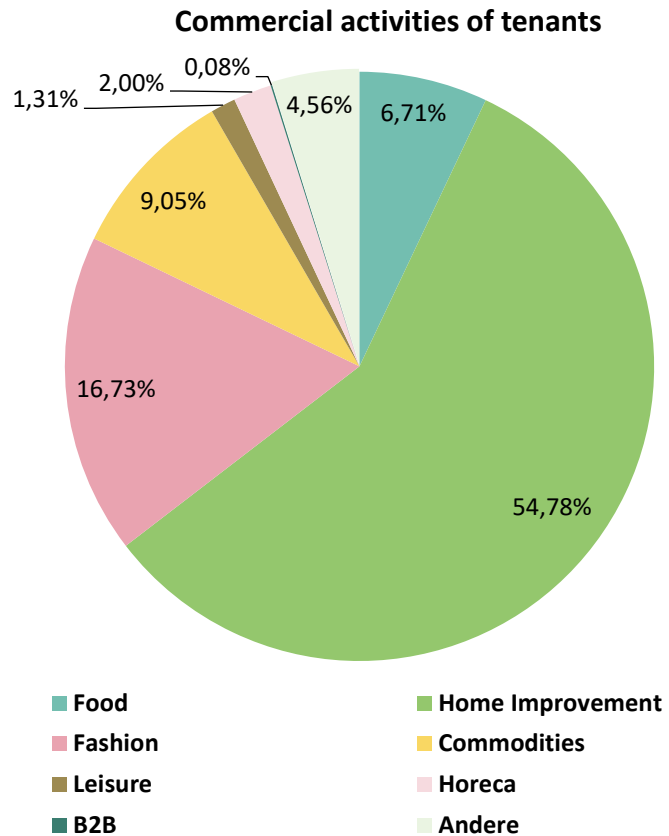
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Comments on distressed and bankrupt tenants / vacant units

3

Significant savings on technical and commercial costs in Q1 & Q2

Drivers retailmarket 2021



Home improvement

- Unseen increase in sales
- Strong demand

Food-commodities

- Everybody wins
- Hunting market share

Fashion

- Fast fashion
- Selective expansion

Focus fashion retail: shoes

Modesector voelt schok van Brugge tot Bangladesh

RETAIL Modeketens hebben hun lente- en zomercollecties gereduceerd en blijven voorzichtig voor het najaar. Dat zet druk op de hele keten: van winkelbediende tot de kledingmakers in Azië.

Na de slechte winterkoopjes bij de moderetailers, met omzetsdalingen van 40 procent, zitten veel retailers met vragen. Hoelang houdt de krimp aan? De zakenbank Bryan Garnier verwacht dat het tot 2023 duurt voor de grootste kledingverkooper, het Spaanse Inditex (Zara, Pull&Bear, Massimo Dutti...), hersteld is van de coronacrisis. En dan is Inditex nog de sterkste speler in de sector.

De Spaanse winkelketen zou in het coronajaar zijn omzet hebben zien dalen met 17 procent, is de verwachting. Hennes & Mauritz (H&M, Cos...), de tweede grootste speler, incasseerde een omzetsdaling van 20 procent en een winstdaling van 90 procent. H&M zei dat het in de tweede jaarhelft initieel een sterk herstel zag, maar dat de tweede lockdown roet in het eten gooide.

Inditex en H&M zijn sterke spelers. Maar wie relatief zwak deze

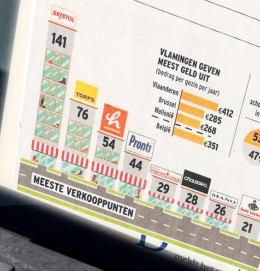
crisis inging en schulden meesleept van eerdere investeringen, zal het heel moeilijk krijgen als de steunmaatregelen 'wegvallen', zegt Dominique Michel, ceo van de handelsfederatie Comeos. Hij vreest voor nieuwe faillissementen en banenverlies. Modewinkels horen tot de sectoren die een beroep doen op het moratorium om voorlopig hun bankschulden niet te moeten aflossen. Dat moratorium werd verlengd tot eind juni. Naar verwachting zullen niet alle ketens het redden.

Onverkochte voorraden

E5, het vroegere E5 Mode, ging twee keer door een gerechtelijke reorganisatie. Ook de groten zoals H&M snijden in hun winkelbestand. De lagere omzet in de winkels en de verschuiving naar onlineverkoop maken die stap dwingend. H&M sluit bijvoorbeeld twee winkels op de Antwerpse

Meir en vervolgen nog meersluitingen in België. De krimp in de sector voelen ze tot in Azië. De federatie van textielproducenten in Bangladesh zegt dat de bestellingen 30 procent lager liggen dan normaal. Winkelketens zitten met historisch hoge onverkochte voorraden en willen dat de komende maanden niet opnieuw meemaken. Consultant McKinsey schat dat winkelketens wereldwijd op 140 tot 160 miljard euro onverkochte voorraden zitten, het dubbele van normaal. Ketens als Hugo Boss, Marks & Spencer en, dichterbij huis, boetiecs als Essentiel, hebben al gezegd dat ze hun lentecollectie ingekrompen hebben. Bart Claes van de Claes Retail Group, die formules zoals JBC en Mayerline omvat, heeft ook al voor het najaar minder besteld om het probleem van onverkochte voorraden te beperken.

België zit stampvol met schoenenwinkels



Together we will beat Covid-19

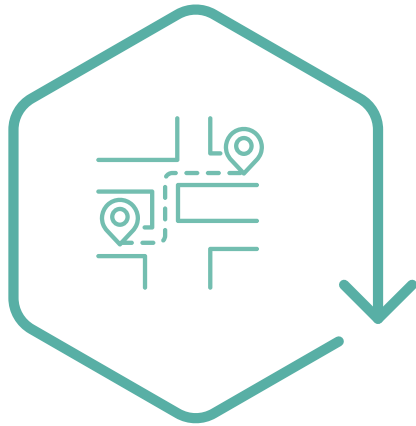
Cutting the dead wood : corona as an accelerator

- Retail Estates was prepared to tackle a crisis
 - debt ratio of +/- 53%
 - high occupancy rate for years
 - stable portfolio valuation
 - Qualitative and diversified portfolio
- Market
- Concept – lifecycle – location – management behavior



Jambes, Belgium

Portfolio management



SELL

Solitary – DIY
Atypical : Alphen

BUY

Cluster location



BUILD

Hognoul – Liège
(besides IKEA)
Jambes-Namur (DIY
Brico Planet)

SUM

Stable debt
ratio, better
portfolio



Arbitrage 2020-2021

Divestments Q3 - part of an annual recurring sales program of individual retail properties that are not part of the core portfolio of Retail Estates NV due to their location, size and/or commercial activity.

Divestments Q3	Net sales price (In mio EUR)
Alphen aan den Rijn	15,60
Fléron (Orchestra)	0,77
Deinze (Hubo)	5,32
Total	21,69
Fair value (30/09/2020)	19,97
Capital gains	+1,72

Valuation portfolio

Stable : Q1/Q2/Q3

Drivers :

- Demand
- Rental levels
- Debt collection
- Corona bonus

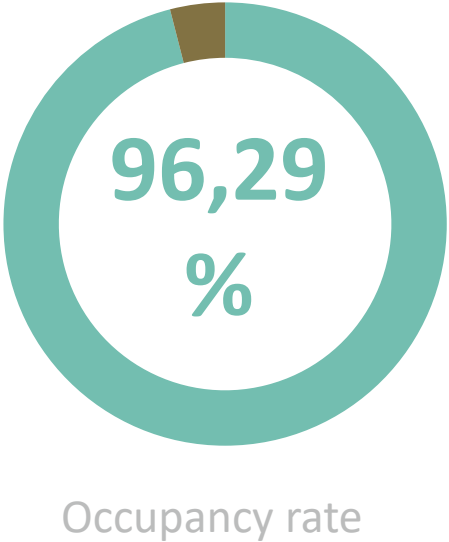
Investment value portfolio at constant perimeter (not taking into account investment/divestments during the accounting year)

	31.03.2020	30.06.2020	30.09.2020	31.12.2020
Investment value (constant perimeter)*	1.686,58	1.683,33	1.689,83	1.691,09
% vs 31.03.2020		-0,19%	+0,19%	+0,27%

*excl. fixed assets under construction

New start in corona times

Unsuccessful WCO	Successful WCO
FNG/Brantano (2/2)	Casa
Orchestra (2)	E5-Mode
Santana (0)	Maxi-Toys
SME (5)	Wibra
Horeca (?)	



COVID-19 Potential Litigations (november 2020)

	Number of stores	Potential litigation	November rent
SME = KMO	2	17.656	15.851
SME	2	2.595	4.714
Branch (=filiaal)	2	11.006	21.028
SME	1	5.366	10.732
Branch	5	11.939	25.783
SME	1	22.792	7.889
Total	13	71.354	

Distressed companies

Di	1	12.081	4.290
Planet Parfum	1	12.192	5.503
E5 Mode	3	14.840	23.959
Total	5	39.113	33.752

Bankrupt companies

Blokker/Megaworld	5	127.802	39.167
Piocheur			
RE	4	97.340	23.030
Finsbury	1	35.605	6.196
Wibra	1	12.724	10.861
Total	11	273.471	79.254



's-Hertogenbosch, The Netherlands

Financial results Q3



Key Figures

Net rental income – Epra Result

75,87 mio EUR – 47,91 mio EUR

Including 1,85 mio EUR discount in Q3

Occupancy rate

96,29%

Estimated Fair Value of the portfolio

1.730,67 mio EUR (1.661,75 mio EUR)

No general corrections on the portfolio, only some specific corrections

Average interest rate

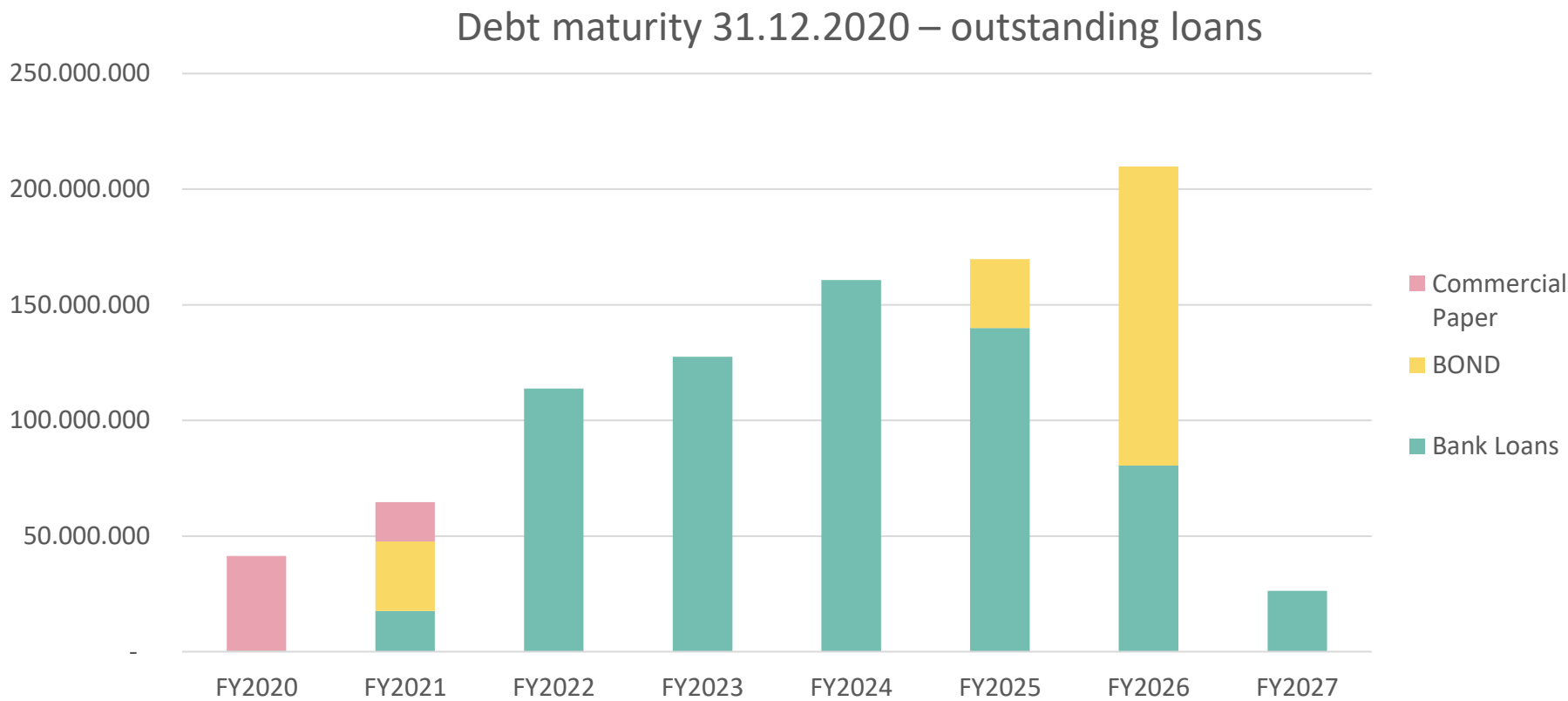
2,07% (2,12% on 31.12.2019)

Key Figures

Results per share	31.12.2020	31.12.2019
In 000 EUR		
EPRA earnings (group)	47.905	51.637
Result on the portfolio	-1.404	1.139
Changes in the fair value of financial assets and liabilities	-3.595	-2.851
Net result (group)	42.91	49.925
EPRA earnings per share (weighted average)	3,79	4,21
Results per share	31.12.2020	31.03.2020
EPRA NAV	64,87	65,60

Treasury update

Succesful placement of 30 mio EUR bond (5 years, 1,991% fix)
Commercial Paper market is back to pre corona level



Guidance 2020-2021

Gross Dividend

4,40€

Net Dividend

3,08€



Frameries, Belgium

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Retail Estates was again included in the EPRA annual report Survey and received a gold award.



Retail Estates was also awarded by EPRA for its first CSR reporting.



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