

**Press release  
Zug, 22 July 2020**

## **Zug Estates reaches agreement with retail and catering tenants**

**Rent amounts owed by retail and catering tenants directly impacted by the lockdown will be reduced by 50 to 80 percent. More than 90 percent of these tenants appreciate Zug Estates' offer and have accepted it. While this rent relief will have merely a negligible impact on the Group's earnings, sales in the hotel and catering segment have plummeted as a result of COVID-19.**

Most retail and catering tenants had to close their businesses during the government-mandated lockdown from 16 March to 11 May 2020. As a way of supporting those business tenants during this difficult phase and to ensure that the tenant mix remains balanced over the long term, Zug Estates made them an offer in mid-May proposing a reduction of their rent payments.

Under the offer made by Zug Estates, rents would be reduced by at least 50 percent for all retail and catering tenants at the Metalli and Suurstoffi sites that were directly impacted by the lockdown. Rent relief of up to 80 percent will be granted to smaller tenants. Contrary to the solution envisaged by the National Council and the Council of States, there is no upper limit.

In the meantime, more than 90 percent of the tenants affected have praised and accepted the proposed solution. This also shows that tenants and landlords are capable of finding bilateral solutions quickly and amicably and that there is no need for the government to intervene in contractual relationships under private law, as is currently planned.

Due to the temporary impact of this rent relief measure, we still expect rental revenue to increase for the year as a whole. As previously announced, property expenses and financial expenses will be substantially higher due to increased renovation and maintenance work as well as a decrease in capitalisable financing costs.

Although developments in the second half of the year are difficult to forecast, we expect sales and GOP in the hotel and catering segment to fall significantly short of the prior-year level due to the fact that our regular customers' international business travel activities came to a halt, causing sales to plummet. Both operating income before depreciation and revaluations and net income excluding revaluation and special effects are expected to be significantly lower year on year as a result.

### **Important dates:**

28 August 2020	Publication of Half-Year Report 2020
3 September 2020	Publication of Sustainability Report
5 March 2021	Publication of Annual Report 2020

### **For additional information:**

Mirko Käppeli, CFO      T +41 41 729 10 10, [ir@zugestates.ch](mailto:ir@zugestates.ch)

### **About Zug Estates**

The Zug Estates Group conceives, develops, markets and manages properties in the Zug region. It focuses on central sites that are suitable for a wide range of uses and allow sustainable development. The real estate portfolio comprises the two sites in Zug and Risch Rotkreuz. The Group also runs a city resort in Zug incorporating the leading business hotels Parkhotel Zug and City Garden and a comprehensive range of restaurants. As at 31 December 2019, the total portfolio value was CHF 1.63 billion. Zug Estates Holding AG is listed on the SIX Swiss Exchange, Zurich (ticker symbol: ZUGN, securities number: 14 805 212).