

**FOR IMMEDIATE RELEASE**  
**March 26, 2020**

**FOR INFORMATION CONTACT**  
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**RETAIL HOLDINGS N.V. ANNOUNCES 2019 RESULTS**  
**\$0.50 PER SHARE DISTRIBUTION**

March 26, 2020, Willemstad, Curacao

Retail Holdings N.V. (Symbol: RHDGF)

Retail Holdings N.V. ("ReHo", together with its subsidiaries, the "Company"), announced today results for the year ended December 31, 2019. The results reflect the indirect sale in March 2019 of the Company's 57.0% equity stake in Singer Bangladesh Limited ("Singer Bangladesh"). Financial highlights include:

- Consolidated revenue from continuing operations for the period ended December 31, 2019 was \$68.8 million, an increase of 1.3% from prior year. Revenue at Singer India Limited ("Singer India"), the Company's only continuing operation, increased 2.1% to \$68.4 million.
- Net profit from discontinued operations in 2019 includes results from operating activity at Singer Bangladesh of \$1.6 million for the first three months of the year, and a gain on the Singer Bangladesh divestment of \$48.1 million.
- The Company's net income for 2019, including discontinued operations, was \$48.3 million, compared to a 2018 net income of \$7.5 million, of which, \$24.1 million and \$0.4 million, respectively, are attributable to ReHo shareholders. This is equivalent to earnings of \$5.19 and \$.08 per ReHo Share.

The Company also announced a \$0.50 dividend/distribution to be paid to shareholders on or about April 15, 2020, bringing total dividends/distributions to shareholders to \$37.25 per Share since inception of the program in 2007.

**Chairman's Comments**

Commenting on the 2019 results, Stephen H. Goodman, the Company's Chairman, President and CEO, noted, "2019 was a very good year for the Company. The Company divested Singer Bangladesh, nearly completing the divestment program began in earnest in 2015, realizing \$75.0 million cash with a net profit from divestment of \$48.1 million. The Company paid a distribution to ReHo shareholders of \$8.00 per Share in June 2019. Singer India continued to perform satisfactorily despite difficult conditions in the India market, with a modest increase in revenue and net income.

"The 2020 outlook is highly uncertain. The Company's goal is to monetize the Singer India investment and to effectively liquidate ReHo by end 2020. Achieving this goal will be especially challenging, particularly given the status of India and world equity markets as a result, in part, of the spread of COVID-19. We will almost certainly have to accept some diminution in value to realize the goal. It is my personal intention to cease active employment at the Company by year end 2020, although I may continue as a Director should the Company remain.

“I encourage all shareholders to read the complete 2019 Summary Annual Report and the Audited Consolidated Financial Statement and Notes, which will be available shortly at the Corporate/Investor section of the Retail Holdings website: [www.retailholdings.com](http://www.retailholdings.com), and can be obtained free of charge by email, telephone or regular mail request to the Company.

“I extend my sincere thanks to my fellow employees and directors for their considerable effort in making 2019 a success and thank all of the Company shareholders for their continued support.”

## **Management Discussion and Analysis: 2019 Results**

The following discussion and analysis should be read in conjunction with the audited, consolidated financial statements of the Company for the year ended December 31, 2019. Certain comparative figures for the year ended December 31, 2018 are restated.

### **Results of Operations**

#### **Year Ended December 31, 2019 and December 31, 2018**

The results, as presented, for the years ended December 31, 2019 and December 31, 2018, reflect the sale, in March 2019, by the Company, of the entire equity of Retail Holdings Bhold BV, which, in turn, held 57.0% of the equity of Singer Bangladesh and its subsidiaries.

#### ***Continuing operations (excludes Retail Holdings Bhold BV for 2019 and 2018)***

For the year ended December 31, 2019, the Company’s U.S. Dollar consolidated revenue from continuing operations was \$68.8 million, compared to consolidated revenue from continuing operations of \$67.9 million for the same period in 2018, an increase of \$0.9 million or of 1.3%. Revenue at the Company’s operation in India increased to \$68.4 million, or by 2.1%, from prior year in U.S. Dollar terms and by 5.0% in local currency, reflecting the India company’s success in growing market share for sewing products and domestic home appliances in a difficult market.

Gross profit from continuing operations for both the year ended December 31, 2019 and the year ended December 31, 2018 was \$16.1 million, representing a gross profit as a percentage of revenue of 23.5%, and 23.7%, respectively.

Other income for the years ended December 31, 2019 and December 31, 2018 was \$0.5 million. Other income primarily consists of scrap sales, over provisions written back, VAT refunds, and penalties on late customer payments.

S&A expenses for the year ended December 31, 2019 were \$16.0 million, representing 23.2% of revenue, compared to \$17.3 million and 25.5% of revenue for the year ended December 31, 2018. The reduction in S&A expenses as a percentage of revenue primarily reflects better cost management at Corporate and Singer India.

Other expenses, primarily representing royalty payments to SVP for the use of the Singer trade name and trademark, amounted to \$0.6 million for the year ended December 31, 2019, compared to \$0.9 million for the year ended December 31, 2018. Royalty expense is now essentially set at 0.88% of Singer Asia’s consolidated U.S. GAAP revenue, representing a reduction, effective October 1, 2017, from the 1.00% paid in prior periods.

Results from operating activities from continuing operations for the year ended December 31, 2019 were a profit of \$67 thousand, compared to a loss of \$1,643 thousand in the same period in 2018. The improvement primarily reflects lower S&A and other expenses.

Finance income was \$0.3 million for the year ended December 31, 2019, and \$0.8 million for the year ended December 31, 2018. Finance costs, which primarily represent interest expense on borrowings at Singer India to finance working capital, were \$0.3 million for the year ended December 31, 2019 compared to \$1.3 million for the year ended December 31, 2018.

The Company's profit from continuing operations, before tax, was \$64 thousand for the year ended December 31, 2019, compared to a loss from continuing operations, before tax, of \$2,219 thousand for the year ended December 31, 2018. The shift from a loss to a small profit from continuing operations reflects the flow-through of the improved results from operating activities and lower net finance costs.

Tax expense increased to \$0.8 million for the year ended December 31, 2019 from \$0.6 million for the same period prior year. The effective tax rate, which is calculated based on total tax expense as a percentage of profit from continuing operations, before tax, was 1,255.6% for the year ended December 31, 2018. The extraordinarily high tax rate reflects the fact that costs at ReHo and Singer Asia Corporate are not tax effected.

The Company's loss from continuing operations for the year ended December 31, 2019, after tax, was \$0.7 million, compared to a loss from continuing operations, net of tax, of \$2.8 million for the same period in 2018, an improvement of \$2.1 million, reflecting the flow through of the improved profit/(loss) before tax.

Net income at the Company's operation in India increased to \$1.3 million for the period ended December 31, 2019, as compared to \$1.2 million the prior year.

***Discontinued operations*** (includes Retail Holdings Bhold BV for three months in 2019 and for all of 2018)

Results from discontinued operations include the results from operating activities at Retail Holdings Bhold BV, primarily at Singer Bangladesh, for the full year 2018 and for the first three months of 2019 until divestment at March month end, plus the gain on disposal in 2019.

Singer Bangladesh net profit from operations for the full year 2018 was \$11.2 million, net profit from operations in the first three months of 2019 was \$1.6 million. The gain on disposal of Retail Holdings Bhold BV in 2019 was \$48.1 million. Profit from discontinued operations, net of tax, totaled \$49.0 million for the year ended December 31, 2019, compared to \$10.3 million the prior year, the improved results primarily reflecting the gain on disposal.

### ***Overall***

The Company's total net profit, for the year ended December 31, 2019 was \$48.3 million, compared to a profit of \$7.5 million for the same period in 2018. The Company's 2019 results benefitted from the gain on divestment of Retail Holdings Bhold BV in March 2019.

The profit attributable to ReHo shareholders is \$24.1 million for the year ended December 31, 2019, compared to a profit of \$0.4 million for the same period prior year. A profit of \$24.2 million is attributable to non-controlling interests for the year ended December 31, 2019, compared to a profit of \$7.1 million for the year ended December 31, 2018. The increase of the ReHo share of Company profit from 5.3% in 2018 to 50.0% in 2019 reflects that 54.1% of the gain on the Bangladesh divestment flows through to ReHo shareholders, while only 30.8% of the Bangladesh operating income flows through to ReHo shareholders, with 43.0% flowing through to local minority shareholders at Singer Bangladesh. The profit attributable to ReHo shareholders is equivalent to basic and diluted earnings per Share of \$5.19 for the year ended December 31, 2019, compared to basic and diluted profit per Share attributable to ReHo shareholders of \$0.08 for the year ended December 31, 2018.

Total comprehensive income for the year ended December 31, 2019 was \$47.8 million, compared to \$6.4 million in comprehensive income for the year ended December 31, 2018. The increase in comprehensive income of \$41.4 million is largely due to the flow through of the Company's profit, as explained above.

### **About Retail Holdings**

Retail Holdings N.V. is a holding company with one principal asset, a 54.1% equity interest in Singer Asia Limited, which, in turn, owns 59.1% of Singer India Limited, an Indian public company. Retail Holdings N.V. has no operating activities other than those carried out through Singer India. Additional financial and other information about Retail Holdings N.V., including the complete text of the 2019 Retail Holdings Summary Annual Report and 2019 Audited Consolidated Financial Statements and Notes, may be found at the Corporate/Investor section of the Retail Holding's website: [www.retailholdings.com](http://www.retailholdings.com). Price quotations for Retail Holdings shares are available on the "Pink Sheets" quotation service under the symbol "RHDGF".

For further information, please contact Amy Pappas at 1-914-241-3404.

**CONSOLIDATED STATEMENT OF INCOME  
FOR THE YEAR ENDED 31 DECEMBER**

*In thousands of U.S. Dollars*

	<b>2019</b>	<b>2018</b> <b>Restated</b>
<b>Continuing operations</b>		
Revenue	68,814	67,936
Cost of sales	(52,674)	(51,839)
<b>Gross profit</b>	<b>16,140</b>	<b>16,097</b>
Other income	522	454
Selling and administrative expenses	(15,979)	(17,334)
Other expenses	(616)	(860)
<b>Results from operating activities</b>	<b>67</b>	<b>(1,643)</b>
Finance income	341	772
Finance costs	(344)	(1,348)
<b>Net finance costs</b>	<b>(3)</b>	<b>(576)</b>
<b>Profit / (Loss) before taxation</b>	<b>64</b>	<b>(2,219)</b>
Income tax expense	(780)	(619)
<b>Loss from continuing operations</b>	<b>(716)</b>	<b>(2,838)</b>
<b>Discontinued operations</b>		
Profit from discontinued operations, net of tax	49,003	10,314
<b>Profit for the year</b>	<b>48,287</b>	<b>7,476</b>
<b>Profit attributable to:</b>		
Owners of the Group	24,129	398
Non-controlling interests	24,158	7,078
	<b>48,287</b>	<b>7,476</b>
<b>Earnings per share (U.S. Dollar)</b>	<b>5.19</b>	<b>0.08</b>
<b>(Loss) per share – Continuing operations (U.S. Dollar)</b>	<b>(0.19)</b>	<b>(0.48)</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER**

*In thousands of U.S. Dollars*

	<i>31 December</i> <b>2019</b>	<i>31 December</i> <b>2018</b>
<b>ASSETS</b>		
Property, plant and equipment	2,533	18,470
Intangible assets and goodwill	3,221	5,517
Trade and other receivables	-	109
Deferred tax assets	117	704
Other non-current assets	323	4,370
<b>Total non-current assets</b>	<b>6,194</b>	<b>29,170</b>
Inventories	10,535	56,733
Trade and other receivables	11,099	36,078
Income tax receivable	172	-
Other current assets	853	7,060
Cash and cash equivalents	12,974	11,889
<b>Total current assets</b>	<b>35,633</b>	<b>111,760</b>
<b>Total assets</b>	<b>41,827</b>	<b>140,930</b>
<b>EQUITY</b>		
Share capital	53	53
Treasury shares	(7)	(7)
Reserves	(4,103)	(4,355)
Retained earnings	16,515	33,525
<b>Equity attributable to owners of the Group</b>	<b>12,458</b>	<b>29,216</b>
<b>Non-controlling interests</b>	<b>13,522</b>	<b>36,239</b>
<b>Total equity</b>	<b>25,980</b>	<b>65,455</b>
<b>LIABILITIES</b>		
Loans and borrowings	377	469
Employee benefits	50	88
Warranty provision	-	497
Deferred tax liabilities	-	228
Other non-current liabilities	-	2,864
<b>Total non-current liabilities</b>	<b>427</b>	<b>4,146</b>
Bank overdrafts	944	28,203
Current tax liabilities	47	754
Loans and borrowings	1,055	6,069
Trade and other payables	12,383	34,590
Deferred income	370	388
Warranty provision	621	1,325
<b>Total current liabilities</b>	<b>15,420</b>	<b>71,329</b>
<b>Total liabilities</b>	<b>15,847</b>	<b>75,475</b>
<b>Total equity and liabilities</b>	<b>41,827</b>	<b>140,930</b>