



Wereldhave
BELGIUM

Trading update

31 March 2021

make every day count

Wereldhave Full Service Centers contribute to a more joyful and comfortable everyday life.

A one-stop location for groceries, shopping, leisure, relaxation, sports, health, work and other daily needs, all supported by smart concepts and digital services. By investing sustainably to meet the needs of customers and local areas, we enrich communities, while caring for the environment, and have a positive effect on the way people live, work and shop. Wereldhave Full Service Centers play a vital role in people's everyday lives in leading regional cities in the Netherlands, Belgium and France.

Results on 31 March 2021

Stable results compared to the previous financial year

- Net result from core activities per share: € 1.20 (31 March 2020: € 1.21);
- Net asset value per share: € 78.83 (31 December 2020: € 78.20);
- Successful green bond transaction of € 32 mln (maturity of 5 years starting 31 March 2021 - annual interest rate of 3.25%);
- Debt ratio of 29.0% (31 December 2020: € 30.0%);
- EPRA occupancy rate: 91.4% (31 December 2020: € 91.9%);
- Fair value of the investment properties portfolio: € 916.9 mln (31 December 2020: € 921.2 mln);
- Recovery percentage of 90% for the first quarter of 2021.

Key figures

(x € 1,000)	31 March 2021	31 March 2020
Results		
Net rental income	12,463	12,531
Net result	5,214	3,768
Net result from core activities ¹⁾	9,957	9,411
Net result from non-core activities ²⁾	-4,743	-5,644
Profit per share (x € 1)	0.63	0.48
Net result from core activities per share (x € 1)	1.20	1.21
Average number of shares	8,319,287	7,807,981

(x € 1,000)	31 March 2021	31 December 2020
Balance sheet		
Properties available for lease ³⁾	903,864	908,575
Development projects	12,993	12,635
Total investment properties	916,856	921,209
Shareholders' equity	655,782 ⁴⁾	650,548 ⁴⁾
Net asset value per share (x € 1)	78,83 ⁴⁾	78,20 ⁴⁾
Debt ratio	29.0%	30.0%
Share price	43.8	39.3
Number of shares	8,319,287	8,319,287

- 1 The net result from core activities is the operating result before the portfolio result minus the financial result and taxation, and excluding variations in the fair value of financial derivatives (that are not treated as hedge accounting in accordance with IFRS 9) and other non-distributable items on the basis of the company financial statements of Wereldhave Belgium.
- 2 The result from non-core activities comprises (i) the result on sale of property investments, (ii) the variations in the fair value of property investments, (iii) the other portfolio result, (iv) the variations in the fair value of financial assets and liabilities and (v) taxes on capital gain latencies and the exit taxes paid.
- 3 Fair value has been computed after deduction of the transaction costs (2.5%) incurred at the sales process. The independent valuation expert has carried out the valuation in conformity with 'International Valuation Standards' and 'European Valuation Standards'.
- 4 Before profit distribution and dividend payment.

Covid-19 / Update

Despite encouraging signs with the start of the vaccination campaign launched by the Belgian government, we note that the first quarter of 2021 was characterised by persistent uncertainty about the evolution of the health crisis and the prospect of recovery in economic activity.

The end of the last quarter was also marked by a negative evolution of the spread of the virus in Belgium, which forced the authorities to re-impose restrictive measures for one month from 27 March 2021, mainly targeting the so-called "non-essential" businesses. Although these businesses are allowed to remain open to the public (with a maximum of 50 customers at a time, depending on the surface area), they are only accessible by appointment. This means that the customers can only shop in a targeted manner in order to limit the number of close human contacts. The introduction of such a system (inspired by the Netherlands) has again disrupted the operational activities of these shops, as Belgian consumers are not yet familiar with this way of shopping. The catering businesses have been closed since 19 October 2020 and remained closed to the public throughout the first quarter of 2021 (there is no mention of a reopening date as yet). Also the contact professions could only welcome their customers for a few weeks in the past quarter before they had to close up shop again.

These successive measures had a significant impact on the activities in the shopping centres in the Company's portfolio. During the past quarter and until the implementation of the government measures on 26 March 2021, the number of visitors in our shopping centres continued to gradually increase to exceed the average level since the outbreak of the pandemic, with an average of -15.7% in the first quarter of 2021 compared to the same period last year. This result is better than the figures for the Belgian shopping centre sector as a whole (approximately -17.1% in the past quarter), once again demonstrating the resilience and the intrinsic quality of the Company's investment properties portfolio, as well as the good management of its commercial and operational teams.

In this difficult context, the Company continued the work already done during 2020 on various fronts:

- At the operational level: taking into account the evolution of the different restrictive measures, the Company continued its actions in the shopping centres to ensure the safest possible environment from a health point of view. This dynamic management of the Company's assets was illustrated by its reactivity by being the first Belgian company to launch, as soon as the restrictive measures of 26 March 2021 came into force, an online booking system so that our visitors can easily make an appointment in the shop of their choice. The shopkeepers then receive an online schedule that allows them to keep their shops open in accordance with the government measures.
- On the leasing activity level: besides discussions with the tenants on the support measures granted on a case-by-case basis according to their individual situation, the Company continued to commercialise its rental areas by concluding new leases or renewing existing ones. It was therefore important to report that, despite the current difficult context, rental activity within the portfolio remained dynamic during the past quarter with the signing of some twenty leases at conditions that are on average higher than market values.
- At the financial level: the Company continued to focus on maintaining its liquidity by focusing on the following three axes:
 - Debt recovery, with a rate of 90% for the first quarter of the year;
 - The careful selection of expenses to be incurred, both for investment projects within the portfolio and for general costs;
 - The strengthening of its financing structure. The Company announced on 31 March 2021 the completion of a bond issue by means of a private placement for an amount of € 32 mln with a maturity of 5 years. This transaction marks an important step for the Company, being the first in its history on the bond markets and allowing it to have access to a new source of funding which the Company will certainly be able to rely on in the future. This financing is also the first "green" financing issued by the Company, illustrating the Company's focus on sustainability. The five-year maturity of this financing also allows the Company to extend the average remaining maturity of its financial debt to 2.9 years as at 31 March 2021.

On the date of this quarterly press release, it is still difficult to get a clear view of the evolution of the economic context in the coming months. However, the most recent consultation committees have announced several relaxations of restrictive measures for the coming weeks, which could allow all businesses, except bars and restaurants, to reopen on 26 April. These relaxations, as well as the reopening of bars and restaurants planned for 8 May, are unfortunately conditional on the continued positive developments in the pandemic figures and vaccination rate.

Operational activities

Result of the quarter

Rental income for the first quarter of 2021 amounted to € 12.5 mln, which is stable compared to the same period in 2020 (€ 12.5 mln at 31 March 2020). This stability is linked to the overall neutral effect of a short but stricter closure period in 2020 (i.e. normal activity level and then a nearly complete closure during the last two weeks of March) compared to a less severe Covid-19 effect over a longer period during the whole first quarter of 2021 (activity level was affected throughout the quarter, with more targeted closures per sector).

The net result for the first quarter of the year increased slightly from € 9.4 mln as per 31 March 2020 to € 10.0 mln as per 31 March 2021, mainly due to lower expenses (in real estate and general costs) compared to the previous year and a positive revaluation of the financial hedging instruments in the past quarter.

Properties available for lease

The fair value of the properties available for lease portfolio amounted to € 903.9 mln as at 31 March 2021, slightly lower compared to a value of € 908.6 mln as on 31 December 2020. Without taking into account the investments in the portfolio during this period, the valuations decreased by 0.6% (€ -5.2 m) compared to the value at 31 December 2020, whereby these decreases mainly occurred in Shopping 1 in Genk and in the office portfolio due to the departure of a number of tenants.

It should be noted that, on 31 March 2021, as at the end of last year, the weight of the value of the Belle-Île shopping centre within the Company's portfolio remained above the regulatory threshold of 20% (20.2%), and consequently the FSMA's derogation remained applicable. The application of this derogation implies, in addition to certain reporting obligations to the FSMA, the limitation of the Company's debt ratio to 33%; this ratio amounted to 29.0% on 31 March 2021, which is in line with this requirement.

As of 31 March 2021, the EPRA occupancy rate of the retail portfolio was 95.1%, compared to 94.4% on 31 December 2020. This increase is due to the strong performance of the commercial team in terms of rent levels obtained in the past quarter, as mentioned above.

The EPRA occupancy rate of the office portfolio decreased from 77.5% at 31 December 2020 to 70.8% on 31 March 2021.

Development projects

The fair value of the development projects remained stable during the first quarter and amounted to € 13.0 mln at 31 March 2021 (31 December 2020: € 12.6 mln).

In the first quarter 2021, the execution of the renovation project of the facades, entrances and outdoor terraces as well as the "rebranding" of the Ring Shopping Centre in Kortrijk (€ 11.7 mln) started. Completion is scheduled for the first half of 2022. Moreover, the Company continued its multi-year programme to modernise and rebrand its office parks in Vilvoorde and Berchem (€ 8.6 mln). This includes, on the one hand, the renovation (in Vilvoorde) and fitting out (in Berchem) of common company cantinas (with openings planned for the second quarter of 2021) and, on the other, the gradual renovation of the entrances and entrance areas of the various buildings on both sites. In the second quarter, a rebranding for both office parks will be unveiled to support the marketing efforts for the vacant spaces.

Shareholders' equity and net asset value

Shareholders' equity amounted to € 655.8 mln as per 31 March 2021 (€ 650.5 mln as per 31 December 2020). This increase is due to the result generated during the quarter.

The net asset value per share (total shareholders' equity / number of shares), before dividend distribution of the previous financial year and including profit of the current financial year, amounted to € 78.83 on 31 March 2021 (€ 78.20 at 31 December 2020).

Financial structure and liquidity

The Company has a solid balance sheet structure, with a debt ratio of 29.0% at 31 March 2021 (30.0% on 31 December 2020).

As mentioned above, on 31 March 2021, the Company successfully completed the private placement of green bonds for a total amount of € 32 mln, above the targeted amount of € 30 mln. This new financing, with a maturity of 5 years, starting on 31 March 2021 and expiring on 31 March 2026, was issued at par and bears an annual interest rate of 3.25%. This bond transaction was issued under the Company's recently established green financing framework and was mainly subscribed by institutional investors.

Together with the refinancing of bank loans realised in 2020 (for an amount of € 145 mln with three banking institutions), the issue of this new instrument allows reaching a total refinancing amount of € 177 mln. This amount is, despite the crisis period, much higher than the total amount of loans maturing in 2021 (€ 130 mln, of which € 35 mln still matures at the end of April 2021).

The financing structure of the Company has thus been strengthened as per 31 March 2021, both with regard to the availability of committed credit lines (€ 215 mln taking into account 100% coverage of outstanding commercial paper), the remaining maturity of the debt (2.9 years) and the diversification of its financing sources (49% bank financing, 39% commercial paper and 12% bond financing).

No confirmed credit line is due to expire in the next 15 months, further strengthening the Company's position at a time when financial markets continue to face lots of uncertainties.

The average financing cost in the first quarter of 2021 was 1.35%, compared to 0.90% in 2020 as a result of these refinancing operations.

General meeting and dividend payment 2020

On 12 March 2021, the General Meeting of Shareholders was invited on 14 April 2021 to express its opinion on the statutory and consolidated financial statements for the year ended 31 December 2020, including the appropriation of the result.

A dividend of € 4.00 per share (€ 2.80 net) was proposed for financial year 2020, representing 91% of the net distributable result of financial year 2020.

The General Meeting of Shareholders was also requested to formally appoint Mr. Nicolas Beaussillon as Director and Effective Leader of the Company, and to renew the mandate of Ms. Ann Claes, which expired on the date of the Meeting.

The General Meeting was held on the aforementioned date and all proposals made during the meeting were approved quasi-unanimously. The Company would like to take this opportunity to thank its shareholders once again for their continued trust.

As announced in a separate press release today, the Company offers its Shareholders the choice of receiving their dividend in cash or in shares. The result of this transaction will be announced at the end of the subscription period, while the dividend will be effectively paid (in cash and/or in shares) on 17 May 2021.

Wereldhave NV and Wereldhave International NV, which together hold 65.47% of the shares of the Company on the date of publication, have indicated that they will opt for a stock dividend for an important part of their participation, which will largely contribute to the success of the transaction and will allow the Company to further strengthen its balance sheet.

Forecasts

In the press release of 10 February 2021, the Company announced that the health situation remained precarious and that, despite the ongoing vaccination campaign, it was difficult to predict the short-term evolution of the situation. In addition, the Company noted that some of the tenants (catering and F&B, contact professions, travel agencies) were partially or totally prevented from carrying out their activities, making it uncertain whether they would be able to receive all of their income from this part of the tenant portfolio.

As these uncertainties still applied to the development of the economic activity in general and that of the Company's tenants in particular, the Company maintains that it remains difficult to communicate a formal outlook of net results from core activities for the financial year 2021. But in the interest of transparency and proper information of its shareholders and other stakeholders, the Company confirmed the indication of a result of € 4.50 per share for this financial year, without making any commitment as to the achievement of this indication.

The Company will, however, keep the market informed of developments and the impact that these developments will have on this earnings guidance.

The Board of Directors of Wereldhave Belgium NV/SA

Financial calendar 2021

Ex-dividend date	Friday 23 April 2021
Dividend record date	Monday 26 April 2021
Dividend payable 2020	Monday 17 May 2021
Press release Q2 2021 (18:00)	Monday 19 July 2021
Press release Q3 2021 (18:00)	Wednesday 20 October 2021

For further information

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Wereldhave Belgium focuses on shopping centres and retail parks that are dominant in their catchment area.

The shares are listed on the Euronext Brussels stock exchange. On 31 March 2021, Wereldhave Belgium's market capitalisation amounts to € 364 mln.

For more information: www.wereldhavebelgium.com

