Wereldhave

Welcome to LifeCentral

Integrated Annual Report 2020

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.

About this Report

Welcome to Wereldhave's 2020 Integrated Annual Report. This report provides an overview of our business, strategy and performance, as well as our system of governance and decision-making. The report also looks at how we, as a retail property investor, create value for our shareholders as well as for other stakeholders – our tenants, business partners, and the millions of people who visit our centers every year.

Structure of this report

Our Integrated Annual Report comprises two main sections. The first deals with our business and operating environment, our strategy, performance, outlook and governance. Our Supervisory Board report is included in the Governance section (from page 53). The second section contains our formal disclosures, including our financial statements. Detailed sustainability disclosures may also be found at the end of this report (from page 165). For more information about our approach to reporting, please see Basis of Preparation (page 84). If you have any questions regarding this report, you can contact us at investor.relations@wereldhave.com. Full contents are listed on page 3.

Statement from our Board of Management

As Wereldhave's Board of Management, we take responsibility for the content and accuracy of this Integrated Annual Report. We believe this report provides a fair and balanced picture of Wereldhave's business, strategy and performance, and its ability to create value for both stakeholders and wider society. The report has been prepared in accordance with the Integrated Reporting Framework, published by the International Integrated Reporting Council (IIRC) and all relevant financial reporting standards. This report is intended for all stakeholders and will be of particular interest to providers of financial capital.

About Wereldhave

Established in 1930, Wereldhave is headquartered at Schiphol, near Amsterdam. The Company's shares are listed on Euronext Amsterdam, and included in the AScX-Index. We are registered in the Netherlands as an investment institution, which means that our corporation tax rate is 0% (except on our development activities). Our investments in Belgium consist of a 67.7% stake in Wereldhave Belgium, registered as a tax-exempt investment company and listed on Euronext Brussels. Our investments in France are subject to the country's SIIC regime (Société d'Investissements Immobiliers Cotées).

Wereldhave is a member of several leading industry organizations, including the European Public Real Estate Association (EPRA), the Global Real Estate Sustainability Benchmark (GRESB) and the Dutch Green Building Council.

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Message from our CEO

Matthijs Storm

We announced our new LifeCentral strategy in February 2020. Just a month later, the pandemic hit. Covid-19 has confirmed that our strategy is the right one. If anything, in the wake of the pandemic, the need for transformation is even greater.

"The pandemic has shown that our strategy is the right one to confront the very real challenges in physical retail."

Covid-19 has blighted our economies, and changed our way of life, perhaps forever. I am proud of my teams who, despite the initial shock, showed incredible resilience. They made our centers safe for visitors and continued to make progress with our strategy. We had hoped to sell our French business, but unfortunately Covid-19 presented obstacles – we did, however, sell three Dutch properties and a retail area in Bordeaux despite a difficult investment market. Thanks to these efforts – and a successful re-financing – we are able to reconfirm our trough direct result per share outlook for 2022.

Resilient operating performance

This year, we are reporting solid operating results – thanks to strong rent collection, stable occupancy rates and significant cost cutting. Despite the pandemic, the number of new leases signed was close to our original budget – and at rents that are above market levels. We also maintained our leadership position in sustainability – a crucial part of our overall strategy. For the seventh successive year, we secured a five-star rating from GRESB – the Global Real Estate Sustainability Benchmark – and attained an A- CDP score, in line with our long-term target. In March, as the pandemic began to bite, we immediately started to cut costs. In 2020, we managed to reduce direct general expenses by 20%. We will maintain this heightened "cost awareness" into 2021. In my view, this reflects a strong and effective management of our portfolio and tenants – and shows, moreover, the attractiveness and resilience of our centers, even in most adverse circumstances. With Covid-19, the first half of the year was not easy – we had to reduce our full-year outlook. By the third quarter, however, we were once more in a position to increase our direct result per share guidance – and, despite further lockdowns in the fourth quarter, our direct result per share for the year was in line with our target set at Q3.

Seize the opportunity in residential

During the summer – as part of LifeCentral – we also stepped up our residential strategy – we launched our first two projects in the Netherlands. During the second half of the year, three residential projects in Belgium have been identified. The residential market offers us a clear opportunity – in some cases, to unlock existing profits; in others, to reconfirm book values or bring in residential to replace traditional retail. Currently, we are working on plans for further residential projects in both the Netherlands and Belgium.

Working towards the right deals to phase-out France

We had hoped to sell our French business in the second half of 2020. Unfortunately, our plans were thwarted by new lockdown measures. While it remains key to progress with our disposals program, we decided to terminate the exclusive process we had commenced for the sale of our French portfolio. In the current market circumstances, the transaction did not reflect the full anticipated value of our portfolio, and the financial headroom we now have provides us with the flexibility to free up this capital more gradually over the next two years. We can be exceptionally proud of our teams in France, who successfully steered the business through the Covid-19 crisis, even increasing occupancy rates. Thanks to them, we now have time to phase out our French operations in what we expect to be a better investment market, going into 2021. We continue to aim for a full disposal by the end of 2022.

LifeCentral strategy realigned with the new reality

In late 2020, we reviewed all our operating plans under LifeCentral, and tightened up the blueprints for our centers. Our conclusion was that our strategy is the right one to confront the very real challenges in physical retail – Covid-19 did not create these challenges, but it has accelerated the pace of change in our sector. After our refinancing in the summer, we were able to restart the first of our LifeCentral transformation projects. As we have already made clear, we want to reduce risk by lowering leverage – but we also want to deliver long-term value for our investors. This gives us the flexibility to withstand the current headwinds and continue to make step-by-step progress with LifeCentral, while maintaining our efforts to preserve liquidity. To achieve this, we have decided to spread out the capex required to convert our centers into Full Service Centers. That way, we can press ahead with our strategy as planned, while still reducing our financial leverage. At the same time, we are confident that in 2021 we will be able to speed up our planned divestments, particularly in France – which will release further funding and, in 2022, help bring down our all-important loan-to-value (LTV) ratio to below 40%, in line with our targets.

Re-instating the dividend payment

Considering a roughly stable LTV and the fact that we are finalizing the last Dutch disposals, we feel confident to re-instate the dividend payment. With € 0.50 per share, we are complying with the fiscal regime, whilst at the same time acknowledging that we need to balance this with our capex requirements and a targeted reduction of financial leverage.

Looking forward with confidence

We expect our business environment to improve in 2021, but we also need to be realistic. It will take time to vaccinate entire populations effectively – it is unclear, therefore, how long current restrictions and social-distancing measures will remain in force. Inevitably, government financial support for our tenants will decline, increasing the risk of bankruptcies. We are prepared – we have updated our plans, and we are working closely with our tenants. It is clear our strategy is the right one for the new, post-Covid reality. In some places, bankruptcies may even open up opportunities for us to accelerate strategy implementation. In 2021, cost control and efficiency will remain critical – at the same time, lower financing costs will help maintain our profits. This has been one of the toughest – if not the toughest – year in our careers, and I would like to thank our employees for their continued hard work and resilience. It is times like these that show the value of true teamwork. I would also like to thank our other stakeholders – our tenants, shareholders and creditors who have shown trust in our approach and strategy, and – last but not least – our Supervisory Board for their support and encouragement during the year. After such a difficult 2020, I am confident that 2021 will be better for all of us.

Matthijs Storm,
Chief Executive Officer (CEO)

Wereldhave in 2020

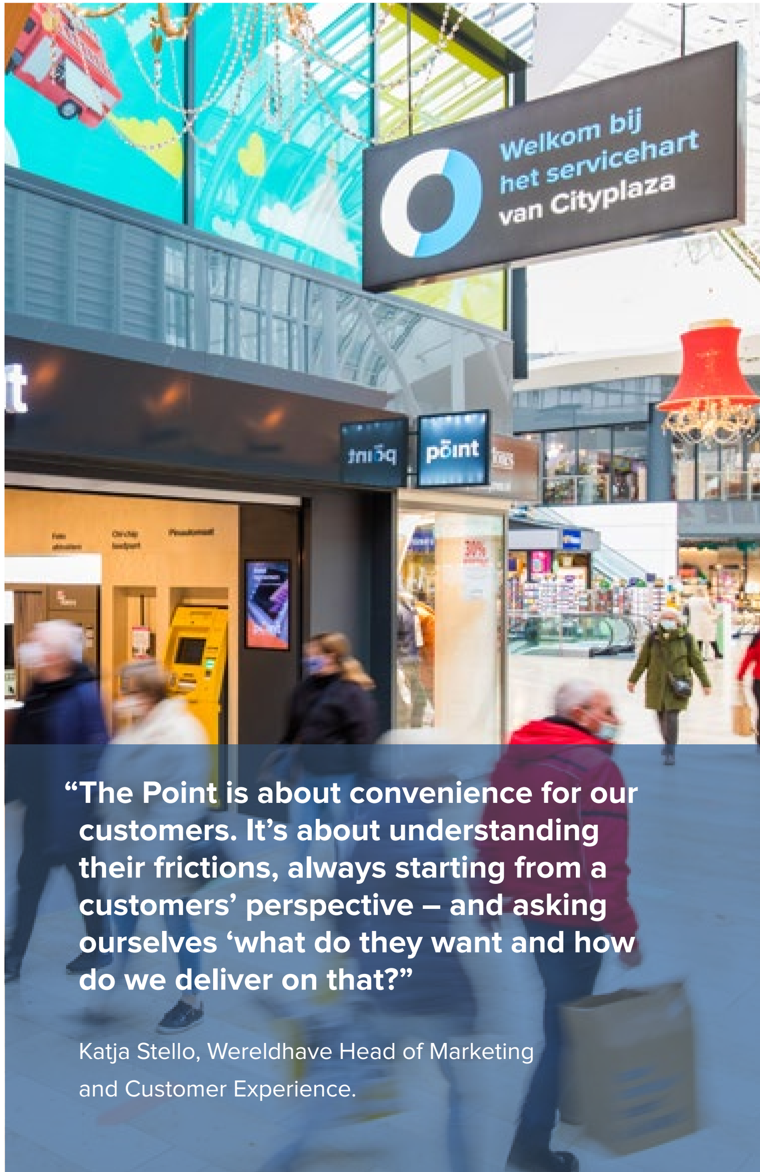
Wereldhave owns and operates retail centers across the Netherlands, Belgium and France, with more than 809,000 m^2 devoted to – among others – groceries, food & beverage, household goods, fashion, leisure & entertainment and healthcare. Further, Wereldhave owns office space in Belgium, representing 4% of the portfolio value.

Feature: The Point

Our first The Point was opened in Shopping Nivelles in Belgium and proved very successful. From here The Point evolved from an information kiosk to a central unit with a large storage for parcel pick-up and delivery and several ancillary services. After the success in the Belgium centers, we opened in November our first The Point in the Netherlands, at Cityplaza Nieuwegein.

Shoppers can buy gift cards and tickets to the cinema or theater. They can borrow a phone charger, wheelchair or stroller – or they can recharge their public transport cards. Last year, we signed a partnership with the Dutch group Parcls to provide a new pick-up and return service, allowing shoppers to buy online and collect their orders at our centers, no matter what delivery company they use. And if they are not happy, they can also return their purchases, using The Point. At Cityplaza, we have even installed a fitting room, and we are planning to introduce a tailoring service so shoppers can try on clothes, or have them adjusted if necessary.

The Point is a perfect fit with our LifeCentral strategy, and proof of the increasing integration between online shopping and traditional bricks-and-mortar retail. For Wereldhave, it is not about competing with e-commerce – it is about providing additional services to shoppers. The Point will also help tenants by giving visitors an additional reason to come into our centers. Ultimately, The Point is about convenience for shoppers, it removes the frustration and the delays involved in returning online purchases. In 2021, we will continue to develop our ideas about The Point and, if successful in Nieuwegein, we will extend the concept to other centers in the Netherlands.



"The Point is about convenience for our customers. It's about understanding their frictions, always starting from a customers' perspective – and asking ourselves 'what do they want and how do we deliver on that?"

Katja Stello, Wereldhave Head of Marketing and Customer Experience.

Our business

Wereldhave owns and operates retail centers across the Netherlands, Belgium and France. Following a thorough assessment of its portfolio versus fundamental market and consumer trends and insights, Wereldhave announced early 2020 to initiate a major transformation of its portfolio.

The company is moving from a pure retail focus to a ‘LifeCentral’ focus for its assets, whereby shopping centers are being converted into ‘Full Service Centers’.

At the end of 2020, we owned 29 shopping centers, with over 809,000m^2 devoted to retail and services. We aim to combine everyday grocery shopping with fashion, beauty, food & beverage, leisure & entertainment, healthcare and well-being. We also put a strong emphasis on sustainability, reducing the carbon footprint of our centers and supporting local communities.

Our centers and tenants

Most of Wereldhave’s centers are in prime locations in large regional cities, including Arnhem, Hoofddorp, Nieuwegein and Tilburg in the Netherlands, Bruges, Courtrai, Liège and Tournai in Belgium, and Bordeaux, Rouen and Strasbourg in France. The Netherlands is our largest market, representing 37% of our portfolio. Many of our tenants are household names: they include supermarkets such as Albert Heijn, Carrefour, Leclerc, Jumbo and fashion stores like C&A, Primark and Hennes & Mauritz (H&M). A.S. Watson’s health and beauty brands, Rituals (cosmetics) and Dutch household goods store Hema also feature among our largest tenants. Of our tenants, 37% are categorized as either “essential” or “everyday” retail[1]. In 2020, nearly 100 million people visited our centers, despite the Covid-19 pandemic.

Our approach to business

Our centers are close to cities – we focus on locations with a catchment area of at least 100,000 within a ten-minute drive. When investing, we choose centers that are well-connected to public transport, and often where we can provide free parking for visitors. Our centers are anchored around food retail – each center has either a hypermarket or up to 2-3 supermarkets. Economically, food retail is more resilient than other sectors – and has proved to be so again during the current Covid-19 crisis. Increasingly, in our centers, we are also offering specialty fresh food areas.

We take a deliberately long-term approach to business – our aim is to create value for local communities, for tenants, visitors and business partners, to increase the value of our investments, and provide attractive returns for shareholders. Typically, Wereldhave’s centers are 20,000-50,000 m^2 in size.

Our two largest centers are Cityplaza in Nieuwegein in the Netherlands (50,400 m^2) and Docks Vauban in Le Havre in northern France (52,600 m^2). For a full list of our centers, see page 88. In each center, the mix of stores is based on consumers’ daily needs – and tailored, as far as possible, to specific local requirements (which may vary by age or income, for example). We invest continuously to maintain and modernize our centers – and ensure they remain attractive places in which to spend time. Our centers provide a balance of services needed for everyday life – people come not only to shop, but also to relax, socialize and increasingly to take care of their health and well-being.

At the end of 2020, our property portfolio was worth approximately € 2.6 billion. Of this, 96% was invested in retail, the remaining 4% in office space in Belgium. We are currently converting our centers to Full Service Centers as part of our LifeCentral strategy (see page 18). We expect our centers to generate a minimum return of 6% (unlevered); our policy is to divest from centers with unlevered IRRs below 5%, or that cannot be converted into Full Service Centers.

1 Essential retail includes hyper or supermarkets. Everyday retail includes other grocery stores, book stores, florists, furniture and home decoration, household electronics, perfume stores, bicycle shops and pet shops. The other categories include services, DIY and garden stores, drugstores, healthcare, restaurants, bars and leisure & entertainment

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Netherlands

- Arnhem (two centers)
- Dordrecht
- Capelle aan den IJssel
- Etten-Leur
- Hoofddorp
- Maassluis
- Heerhugowaard
- Leiderdorp
- Nieuwegein
- Purmerend
- Rijswijk
- Tilburg
- Roosendaal

9

Belgium

- Courtrai
- Genk
- Liège
- Ghent
- Nivelles
- Tournai
- Waterloo
- Turnhout
- Bruges

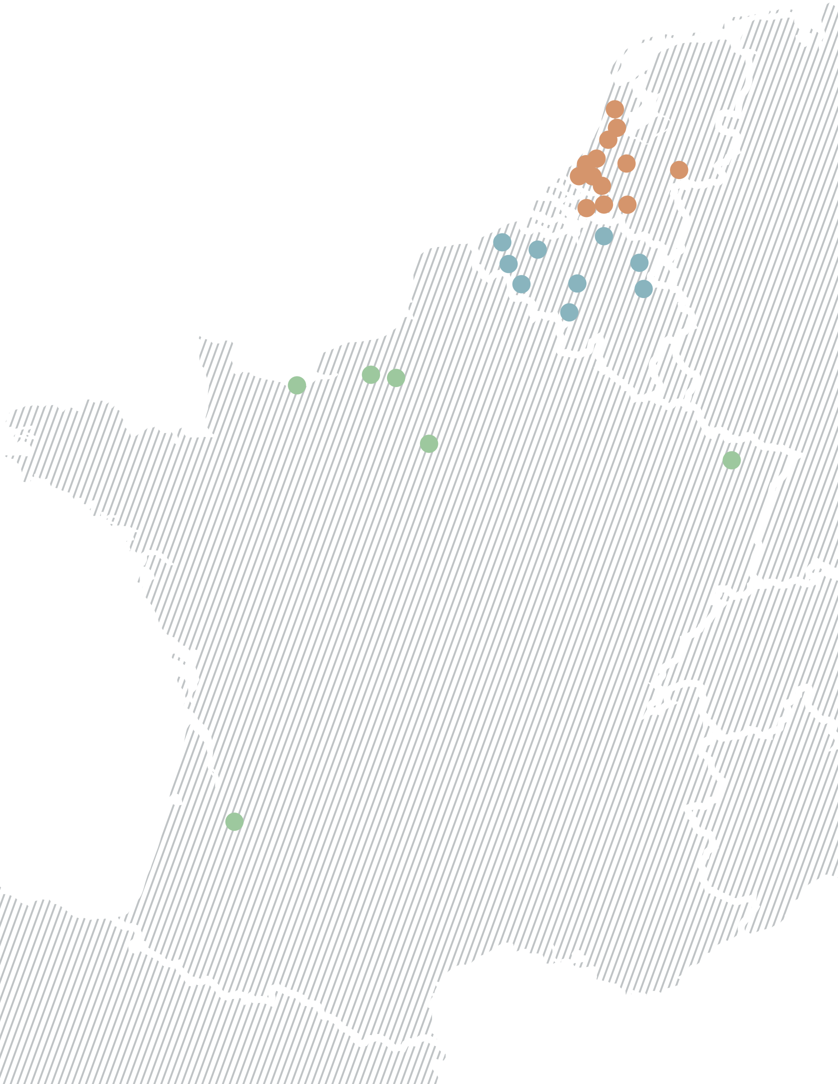
Offices

- Vilvoorde
- Antwerp

6

France

- Argenteuil
- Le Havre
- Rouen (two centers)
- Bordeaux
- Strasbourg



Shopping centers

29

Shopping center surface owned

809,000 m²

Our business model

We own property across the Netherlands, Belgium and France. We rent out space in our centers to tenants; rent is paid either as a fixed amount or, in some cases, it varies according to the tenant's revenue. We also offer additional services to tenants, including access to market data. From our income, we pay costs – including maintenance and upkeep, salaries and energy bills. We also reinvest in our business to maintain standards, and add, remove, transform or upgrade floor space, where needed. We report both profits from our operations (our direct result) and an indirect result, mainly reflecting fluctuations in the value of our properties.

We report both direct and indirect earnings – and work to provide attractive returns to shareholders.

We expect our centers to generate minimum rates of return – we will divest centers that fail to meet this minimum.

We invest in retail centers in large regional cities in the Netherlands, Belgium and France. We also own offices in Belgium.

We use our knowledge and insight to ensure these centers are in the right locations to attract tenants and have the right mix of shops and services to bring in visitors.

We rent out space to tenants, offer additional services and invest continuously to maintain and modernize our centers.

Year in review

First quarter

- Wereldhave unveils LifeCentral – its strategy to convert all locations to Full Service Centers. The strategy will be financed primarily from the sale of French portfolio and divestments from centers in the Netherlands and Belgium with unlevered IRRs below 5%, or that cannot be converted into Full Service Centers.
- Wereldhave completes the sale of its WoensXL shopping center in Eindhoven to Dutch real estate investor Urban Interest. The sale is part of Wereldhave's wider disposal program.
- Measures are taken to preserve liquidity in the wake of the Covid-19 crisis. The measures include cost cuts, a scaling-back of development projects and withdrawal of the Company's proposed final dividend for 2019.
- Wereldhave sets new targets to reduce emissions and achieve net-zero carbon – the targets are independently verified by the Science-Based Targets initiative (SBTi) and other experts.

Second quarter

- Wereldhave successfully reopens centers in Belgium and France after lockdowns during the first wave of Covid-19 in Europe. Centers in the Netherlands remain open for business as part of the Dutch government's "intelligent lockdown."
- Fashion retailer De KOOPman agrees to lease more than 13,000 m^2 in Tilburg, the Netherlands. The site had been occupied previously by Hudson's Bay, which closed its Dutch stores in 2019.
- Wereldhave launches a Green Financing Framework and agrees a Green Revolving Credit Facility of € 100m with ABN AMRO Bank.
- Wereldhave re-installs its direct result per share outlook for 2020 at € 1.70 - € 1.90.

Third quarter

- Wereldhave lifts its 2020 direct result per share forecast to € 1.90 - € 2.10 – the move follows recent cost cuts, the signing of new leases and better than expected rent collection.
- Wereldhave agrees over € 130m in new debt facilities with creditors – the agreement gives the Company additional room for maneuver in the face of the continuing Covid-19 crisis.
- Wereldhave signs two new partnerships – the first is for "last-mile" delivery with Dutch logistics company Parcls; the second is with Shopforce to launch Connect, an online shopping platform for smaller retailers at Wereldhave centers.

Fourth quarter

- UpNext – Wereldhave's new pop-up concept – is launched across centers in the Netherlands. Meanwhile, The Point opens at Cityplaza in Nieuwegein, its first location outside Belgium.
- Wereldhave receives multiple recognitions for its CSR strategy: GRESB Five Star rating, 100% of eligible Wereldhave centers certified BREEAM Very Good, inclusion in Dow Jones Sustainability Indices, EPRA sBPR Gold standard.
- Wereldhave appoints Nicolas Beaussillon as CEO of the Company's Belgian operations, following the departure of his predecessor Kasper Deforche. Nicolas was previously Commercial Director. Ine Beeterens, meanwhile, is appointed Wereldhave Belgium's new Chief Operating Officer.
- Wereldhave sells its Emiclaer center at Amersfoort in the Netherlands and retail area Les Passages, adjacent to our Mériadeck center at Bordeaux in France. Proceeds from the two transactions total € 57m.

Key performance indicators

Operations shopping centers	2019	2020
Like-for-like NRI growth (in %)	-0.6	-21.0
Occupancy (in %)	94.8	95.0
Visitors, like-for-like (in millions)	129.3	99.9
Leasing activities (# leases)	362	386
Proportion of mixed-use Benelux (in m²)	9.4%	10.0%
Customer satisfaction Benelux (NPS)	0	4

Results & finance	2019	2020
Net rental income (in €m)	171.5	133.0
Direct result (in €m)	128.6	92.9
Indirect result (in €m)[1]	-448.1	-287.1
Total result (in €m)[1]	-319.5	-194.2
Direct result per share (in €)	2.81	2.01
EPRA Net Tangible Assets (NTA) per share (in €)	32.97	27.74
Dividend paid per share (in €)	2.52	0.63
Investment property (in €m)	2,907	2,578
Shareholders' equity (in €m)	1,320	1,124
Net debt (in €m)	1,315	1,186
Net Loan-To-Value (LTV) (in %)	44.8	46.7

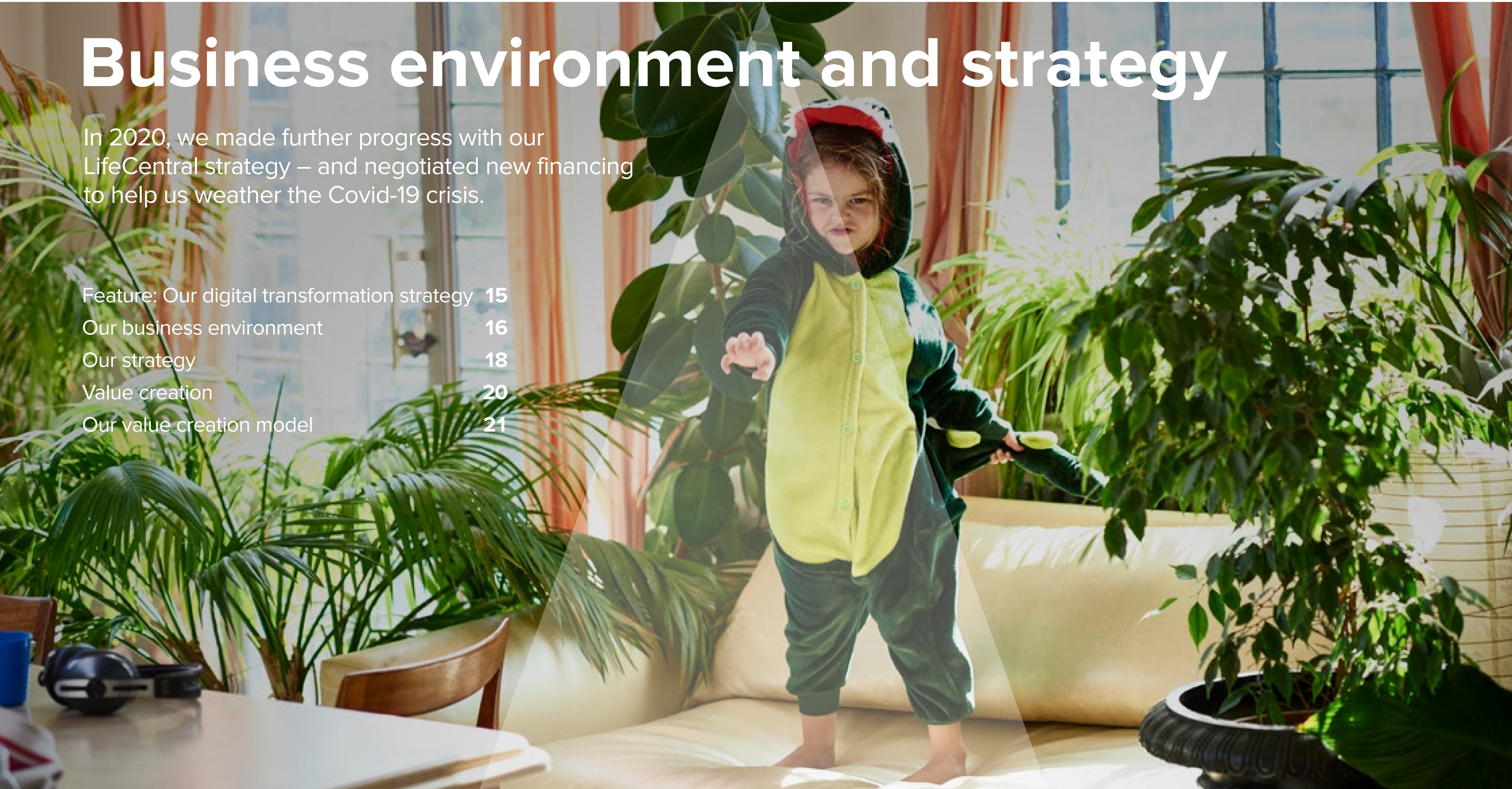
1 From continuing operations

Outlook 2021
Direct result per share between € 1.80 and € 2.00

Sustainability	2019	2020
Building energy intensity (kwh/m²/year)	64.58	56.25
Solar energy produced onsite (MWh)	3,280	4,212
Green spaces (m²)	25,365	25,515
Employee engagement	7.6	7.6
% Green lease	49%	50%
Society investments (x € 1m)	1.5	1.1

Business environment and strategy

In 2020, we made further progress with our LifeCentral strategy – and negotiated new financing to help us weather the Covid-19 crisis.



Feature: Our digital transformation strategy

Over the past year – despite Covid-19 – we have been rolling out our new Digital Transformation strategy. The strategy will help us take a more scientific, data-driven and fact-based approach not only to where we invest and how we manage our centers, but also how we can improve services to tenants and visitors.

Internally, it means we can be more efficient – we have already digitized some of our core processes, including the introduction of ArcGIS and Salesforce for leasing and Power BI dashboards for business planning. This cuts back on costs, and reduces the risk of losing information, especially when key employees retire or leave the Company. It also creates a common database for leasing and improves customer relationship management. The next step, in 2021, will be to further digitize our financial processes.

At the same time, we are using more data to give us insights into consumer behavior. Data can tell us about what consumers spend their money on, when they spend it, what shops, bars or fitness centers they use or how satisfied they are with our centers. We are sharing more turnover data - all within the legal restrictions as dictated by the GDPR regulations[1]. That, in turn, allows us to understand what drives our customer NPS (Net Promoter Score), one of our key strategic metrics.

1 EU's General Data Protection Regulation

It also gives us a better understanding of how tenants are performing – of what the right mix might be in a particular center, for example, or whether tenants would perform better at a different location within the center. We can even begin to analyze the impact of new leases on investment values.

We are including all this data in blueprints for our centers. Increasingly, data will help determine our investment and commercial decisions. Most importantly perhaps, this is valuable data we can share with our tenants, via *flow by Wereldhave* for example, to bring more visitors into our centers, improve tenants' procurement and staff planning, and help them develop and grow their businesses, alongside our own.

"Our relationship with tenants is changing – and digital is an important part of that. It's no longer just a financial relationship; it's a partnership where, through data, we can provide real insight for our tenants."

Tim Smeets, Head of Digital Transformation

Our business environment

It has been a difficult year. During 2020, Covid-19 caused significant disruption to our economies and our way of life. For several weeks, the pandemic forced us to close our centers, first in Belgium and France, then in the Netherlands. But the crisis also confirmed the importance of our LifeCentral strategy – in positioning Wereldhave for the new realities of the retail market, post-Covid.

Covid-19 has hurt economies – and put pressure on liquidity

During the year, Covid-19 dominated our business environment. In Belgium and France, lockdowns brought the temporary closure of our centers. The Netherlands also introduced restrictions – though, until the end of the year, these were not as severe. Consequently, footfall fell sharply; in the second quarter – the height of the first wave in Europe – it was down 37%. Visitors started to return in the third quarter before new restrictions were imposed, closing non-essential stores. Covid-19 also took its toll on the economy. In effect, European economies went into "deep freeze." The Dutch economy was expected to shrink in 2020 by 4.6%[1], far worse than during the 2008-2009 financial crisis[2]. So far, government support has shielded much of the real economy – this may change in 2021 as governments begin to withdraw support, though there are also signs of significant pent-up demand among consumers.

With lockdowns, many of our tenants were facing challenges. Where appropriate, we agreed discounts and deferrals in the scope of our Fair Support Policy. To protect our own financial position, we agreed new debt facilities, cut costs, and scaled back development spending commitments, and canceled our final dividend for 2019. Thanks to these measures, at the end of the third quarter, we were able again to increase our direct result per share forecast for the year and to propose a dividend.

Online shopping continues to expand, fueled by Covid-19 lockdowns

Covid-19 also brought a further increase in online shopping. In the Netherlands, online purchases now account for more than a quarter of retail sales[3]. During the pandemic, many people were unable or too anxious to leave the house to shop. This has fueled the shift towards shopping online. It will in the end, however, not only be online, but an omni-channel experience whereby physical retail and e-commerce combined will provide a seamless experience to the customer. Covid-19 did not create this phenomenon – but it has accelerated it.

Certain sectors have been hit harder than others by the growth in e-commerce. Food retail, where online sales are relatively low, continues to do well. By contrast, multi-brand fashion has been badly affected; a number of our fashion tenants had to file for bankruptcy in 2020, including the clothes store, FNG Group, representing 1.5% of our gross rental income in the Netherlands[4]. With the increase in e-commerce, consumers visit stores less frequently – though they tend to buy more than they used to. It is also increasingly clear that online retail cannot meet all consumer requirements – physical stores are needed for advice, support and to offer "experiences." To fit this new role, stores will have to change – retail shopping will be reinvented to create a balance between offline and online. As part of our LifeCentral strategy, we are reducing our exposure to traditional retail by switching more of our centers to "mixed-use[5]" and introducing new services that bring e-commerce and physical retail closer together.

1 Source: Organization for Economic Cooperation & Development (OECD)
2 Source: OECD
3 Source: Covid-19 Retail Map, Cushman & Wakefield
4 FNG Group owns a number of brands, including Didi, Expresso and Miss Etam
5 Mixed-use refers to everyday grocery shopping with fashion, beauty, food & beverage, leisure & entertainment, healthcare and well-being

Retail real estate demand is changing

At the same time, the pandemic has highlighted the oversupply of retail space. The fact is, with the rise in e-commerce, we need less space devoted to physical retail. In the Netherlands, since 2009, the number of stores has declined by more than 11%. This has put pressure on retail real estate values.

Consumers are changing – spending less on goods, more on "experiences"

Increasingly, consumers are older – in the Netherlands, Belgium and France, populations are aging. More are living in single-person households. With the pandemic, many are now working from home, and are more likely to visit our centers during the working week. Chances are many will not return to daily commuting. There is also a growing preference for smaller, local retailers – we are witnessing the re-emergence of independent bookstores and travel agents, for example. There is a more fundamental shift underway, as well – as consumers, we are spending less on goods, and more on services or "experiences." EU figures show that, from 2009, the biggest growth in consumer spending was in communications, health and recreation[1].

Climate change remains a priority

Arguably, Covid-19 has increased awareness of the current climate emergency – and the need, politically, to tackle it. In Europe, governments are promising a green recovery following the pandemic. Increasingly, environmental concerns are included in building codes – a trend that has been going on for several years now. Meanwhile, the EU's new taxonomy[2] should help drive more investment to "sustainable assets." Increasingly, consumers also expect minimum standards of environmental responsibility, both from ourselves and our tenants. At Wereldhave, we are putting more emphasis on sustainability. As part of LifeCentral, we are "Paris-proofing" our centers, and moving to net-zero carbon. In 2020, we also launched two Green Finance Frameworks, facilitating further investment in energy efficiency at our centers (for details, see page 25).

1 Source: Eurostat, Household consumption by purpose (2009-2019)
2 EU taxonomy for sustainable activities. For more information, see www.ec.europa.eu

Our strategy

Early in 2020, we launched LifeCentral – under this strategy, we are converting our locations to Full Service Centers, offering a mix of retail, leisure & entertainment, food & beverage, fitness and healthcare. There have been delays caused by Covid-19, but the pandemic has also opened up new opportunities, particularly in residential.

LifeCentral

LifeCentral is a response to changing consumer behavior – because of the expansion of e-commerce, we see a significant opportunity to create new reasons for shoppers to visit our centers. Our Full Service Centers will therefore go beyond traditional shopping, and provide a place where visitors can relax, socialize, work and stay healthy, as well as shop.

Our Full Service Centers will be anchored around food retail – shopping for food in store remains a basic need for most consumers. Under LifeCentral, however, we will increase the space devoted to mixed-use – including food & beverage, entertainment, and healthcare. By 2025, over a quarter of the space in our centers will be devoted to mixed-use.

LifeCentral is not limited to how we use retail space – over the past decade, we have moved from property investor to retail real estate specialist. With LifeCentral, we will focus more on how visitors experience our centers – we will offer more services, expand digital support for tenants, and start to create "tenant clusters" in our centers to meet consumers' daily needs, by bringing together tenants from the same sector, such as health & well-being or fresh produce. Ultimately, our aim is to become the Benelux market leader in Full Service Centers.

To support LifeCentral, we have put in place Corporate & Social Responsibility (CSR) and Digital Transformation strategies. Our CSR program – A Better Tomorrow – will cut back waste, reduce our carbon footprint and make our centers greener and more pleasant to be in. Through our Digital Transformation strategy, we will expand use of data to give us new insights into customer behavior, attract more visitors to our centers and support the growth of our tenants' businesses (see pages 15 and 39 for further details).

Customer needs

Full Service Centers should meet customers' basic daily needs under one roof – these needs, we believe, fall into four main categories:

1. Fixing the basics (shopping for groceries and other essentials).
2. Self-expression – or "looking good and making the right impression" (fashion, home decoration, beauty and cosmetics).
3. Enjoying life – spending time with friends and family (leisure & entertainment and food & beverage).
4. Well-being – taking care of personal health (fitness, healthcare and well-being).

These four need areas are at the heart of our strategy.

Covid-19 has changed our thinking slightly on the right mix in our centers – we had identified food & beverage, fitness and leisure & entertainment as our main priorities; we have now added healthcare and flexible use offices to that list. We are also considering adding more residential space – despite the pandemic, demand for residential property remains high, particularly in the Netherlands. We have already identified opportunities for residential at ten centers and started work on four, for example in Arnhem and Leiderdorp. At the same time, we have upped our mixed-use target for 2025 from 22% to 26% - that is because, in some locations, we have been able to bring in new mixed-use tenants sooner than expected. In Arnhem, for example, we recently opened a new fitness center – to take the place of a fashion store.

1 For our Full Service Centers, we measure performance using four specific KPIs (both before and after conversion): unlevered internal rate of return (IRR), customer Net Promoter Score (NPS), tenant satisfaction and percentage of lettable space devoted to mixed-use

Implementation

As a result of Covid-19, implementing our strategy has not been easy. Even so, we have made progress. To deal with delays, we have taken a more step-by-step approach to conversion work at our centers. Over the past year, we have also updated blueprints for each center, based on financial and customer data[1]. These blueprints set out objectives for the entire center, particularly how to allocate space between various uses – from groceries to fashion and healthcare. They also include roadmaps for "Paris-proofing" our properties – making sure, in other words, that as we develop our business we remain within the maximum +2°C target set by the 2015 Paris Climate Agreement[1].
We have also put in place other initiatives: we are working on a digital strategy; we have launched new add-on services for tenants and visitors, including The Point and our UpNext pop-up shops; in 2020, we continued the roll-out of our *flow by Wereldhave* data platform for tenants, and we now have dedicated Customer Experience and Digital Transformation teams. By 2022, we expect to have converted four centers to full service, and to have started work on six others. Because of the pandemic, there was a short delay to development work at our Belle-Île and Vier Meren sites. At Belle-Île, refurbishment is complete; we are now waiting for building permission for the planned extension at the center. Meanwhile, project preparation work has re-started at Vier Meren and two other centers in the Netherlands, including Capelle aan den IJssel.

Disposal program

LifeCentral will be funded primarily through divestments. We are planning to phase out our French operations and have earmarked several other properties for sale in the Netherlands. We made it clear, as part of our strategy, that we would sell properties failing to meet our minimum rate of return – or that could not be converted to Full Service Centers. In 2020, we successfully sold two Dutch centers – WoensXL (Eindhoven) and Emiclaer (Amersfoort) – to Urban Interest. Les Passages Mériadeck in Bordeaux, meanwhile, was sold in December to Vinci. In February 2021, we also sold part of our In de Bogaard center in Rijswijk to SB Real Estate, a subsidiary of HAL Investments.

We had hoped to sell our French business in the second half of 2020. Unfortunately, our plans were delayed by new lockdown measures. We later decided not to pursue discussions – particularly as the medium-term outlook had improved, with the approval of new Covid-19 vaccines and an increased interest in our Dutch disposals. We now have sufficient financial flexibility to take a more gradual approach to phasing out our French business. To maximize shareholder value, we will focus primarily on an asset-by-asset sale during 2021 and 2022.

Preserving liquidity

Alongside our LifeCentral strategy, we took measures to protect our financial position – this was in response to a sharp decline in rental income following the outbreak of Covid-19. The measures included:

- Canceling the Company's 2019 final dividend; for 2020, quarterly dividends were also replaced by a single annual dividend.
- Postponing capex projects that were not externally committed, including those related to LifeCentral conversions.
- Reducing running costs, where possible – in 2020, direct general expenses were reduced by 20%, in part by cutting the number of temporary staff and a one-off benefit for listing expenses in Belgium.

During the year, new financing agreements were arranged worth € 270m, partially refinancing maturing debt. All debt obligations are now covered until the third quarter of 2022, without any disposal proceeds. As it requires only a modest volume, we are confident that in the first half of this year we will be able to further improve our liquidity position.

LifeCentral program
Asset-by-asset transformation towards portfolio of Full Service Centers with mix of 'life central' experiences as base for sustainable growth

Focus on Benelux, and phase out France, proceeds partially to be invested in transformation

Investments in LifeCentral:
300-350 million euro

Targeted divestments:
763 million euro (book value)

Total property return investment approach: investments only in NL & BE with IRRs above threshold of 6.0%

Target LTV: 30-40%

1 The Paris Climate Agreement set a goal to limit global warming to "well below 2°C, preferably to 1.5°C" above pre-industrial levels

Value creation

Background to value creation

We create value in a number of ways – through our investments in property, or through our business or employment practices. This value may be financial in nature – when we pay dividends to shareholders, for example. Or it may be social – our centers offer access to vital services, to shops, healthcare and entertainment. We also see our centers as social hubs for local communities. Like any company, however, we may also deplete value. Our centers consume energy and natural resources. Through our tenants we are also part of wider value chains – producing and selling clothes or cosmetics, for example. It is important that we understand the effects our business has on society, both positive and negative – so we can maximize the value we create for our stakeholders.

Who do we create value for?

We have a number of different stakeholders – these include tenants, investors, business partners and the local communities in which we operate[1]. Our aim is to create value for each of these groups, though we realize of course that we often have to balance contending expectations – where, in creating value for one group, we may reduce value for another. Ultimately, our "social license to operate" depends on our creating long-term value for society as a whole. We have five main stakeholder groups (set out in the table to the right): tenants & visitors, employees & contractors, investors, society and business partners):

1 Our stakeholders may be defined as: those individuals or organizations that influence our business or, correspondingly, may be influenced by our decisions or business activities

Stakeholder group	Expectations	Relationship
Tenants & visitors (retailers and visitors to our centers)	• Attractive local market or catchment (footfall) • High standard of services within centers • Easy access via public transport /free parking • Clean, pleasant and comfortable environment • Right mix of food and other retail, leisure & entertainment, fashion, health & beauty etc.	Through our centers, we offer visitors a one-stop location for groceries, retail, leisure, fitness, healthcare and work – this also provides footfall for our tenants.
Employees & contractors (employees, temporary staff, and outside contractors)	• Safe, professional and inclusive working environment • Fair remuneration • Opportunities for training and career development	Our employees and contractors invest their time, skills and expertise in our business – in return, we provide salaries, fees and other benefits. We also offer regular training to improve skills and knowledge.
Investors (shareholders and financiers)	• Attractive total return on investment • Effective governance and decision-making • Clear communications to financial markets	Investors provide us with financial capital to operate our business – they receive cash returns through interest and dividends – and benefit from investments to increase the value of our centers.
Society (local communities, municipalities, public transport operators)	• Centers acting as social hubs for local communities and activities • Compliance with all relevant laws and regulations • Protection of local environment and biodiversity • Job creation and support for local businesses • Payment of local and transfer taxes • Support for local community projects and initiatives	Society provides our license to operate – in return, we support local communities, and care for the environment, by reducing waste and carbon emissions at our centers.
Business partners (joint venture partners and suppliers of goods and services)	• Prompt payment for services provided • Constructive, long-term partnership • Opportunities for further business development	We buy goods and services from external suppliers in areas such as building, maintenance, security and cleaning – alongside payments, we offer suppliers opportunities to grow and develop their businesses.

To help us understand the value creation process, we have mapped out our value creation model (see page 21). This model shows both the resources we use to operate our business and the value we create for stakeholders through our investments and business activities.

Our value creation model

Resources used

Gross rental income: € 189m
Net debt: € 1,186m
Shareholders' equity: € 1,124m

Financial resources
including equity and debt financing, rents and other forms of income

Surface owned: 871,200 m²
Value of investment portfolio: € 2,578m
Total capex: € 61m

Our properties
including retail centers and offices in the Netherlands, Belgium and France

Total number of new leases processed: 386
Number of centers using *flow by Wereldhave:* 23
General expenses : € 14m

Internal process & systems
including IT and data management systems, procurement, leasing and facilities management

Training & development spend: € 243,000
Total number of FTEs: 178

Human
including time, skills and personal engagement of Wereldhave employees, temporary staff and contractors

Total number of leases: 1,855
Visitors during year: 99.9m
Number of suppliers and contractors: 1,740

Social & relationship
including relationships with important stakeholders (tenants, joint venture partners, visitors, municipalities, local communities etc.)

Energy consumption: 65,621 MWh
Water consumption: 256,635 m³

Natural
including energy, water, building materials required to heat, cool, and maintain our centers

Value created

Tenants and visitors
In 2020, consumer experience (as measured by NPS) is positive despite the challenges posed by the Covid-19 pandemic. We continued to introduce new services for consumers and tenants in scope of LifeCentral. Wereldhave increased space devoted to mixed use to create additional visitor alibies in line with the LifeCentral strategy.

Net Promoter Score visitors Benelux: +4 (0)
Cumulative number of LifeCentral projects completed: 42 (30)
Retail space devoted to mixed use Benelux: 10% (9%)

Employees and contractors
Salaries and benefits slightly increased during the year due to severance payments. Employee satisfaction will be measured again in 2021.

Salaries and benefits paid: € 20m (€ 18m)

Business partners
Payments to suppliers and contractors declined, reflecting cost-cutting. We delayed or scaled back our development projects, reducing use of outside contractors. We temporarily reduced purchased services at our shopping centers during lockdowns.

Payments made to suppliers and other contractors: € 141m (€ 145m)

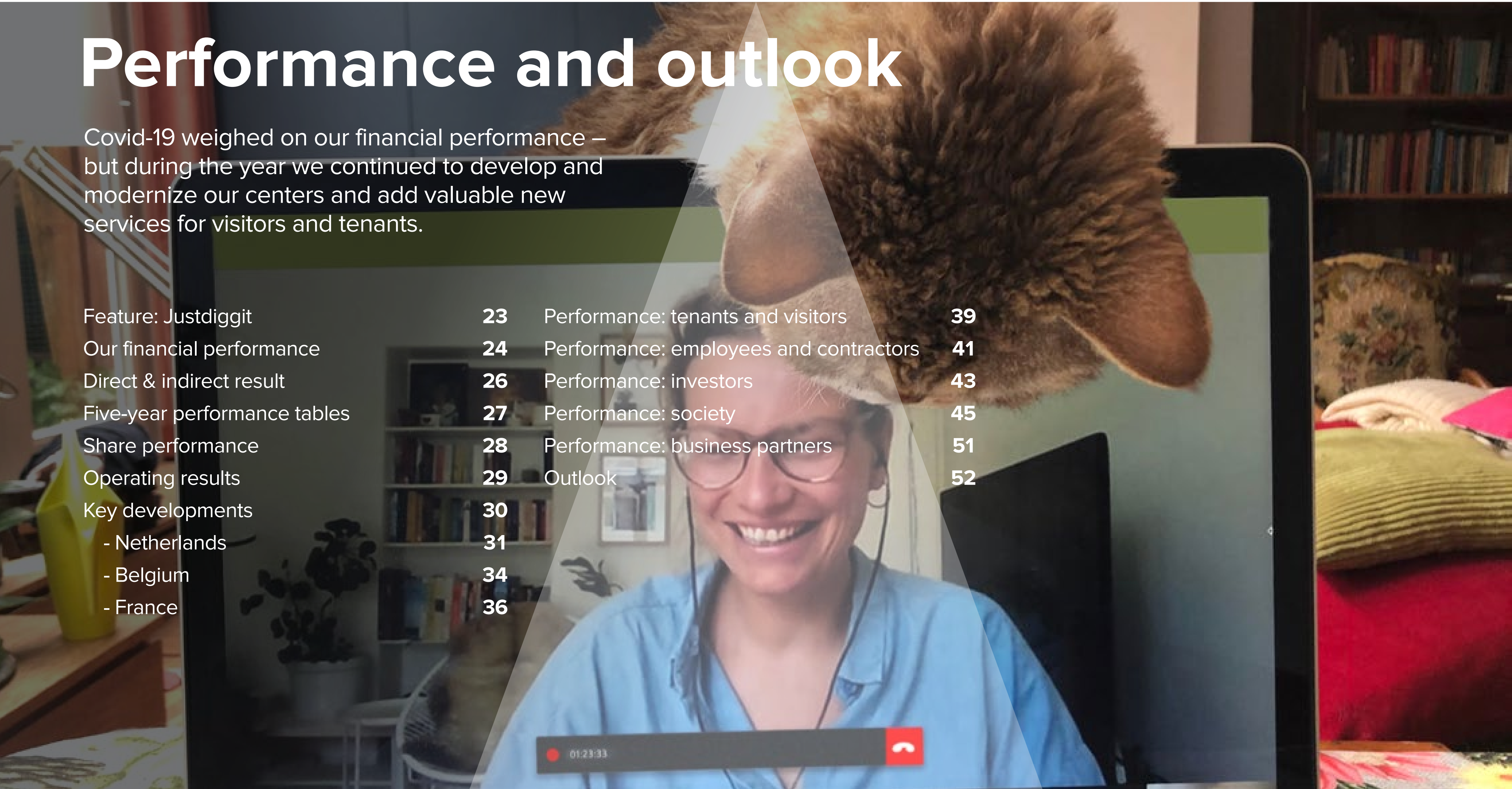
Investors
Wereldhave decided to cancel its final dividend for 2019 because of the Covid-19 crisis; our share price was also sharply lower. Indirect results were negative because of a decline in investment values. Direct results were lower, as the decline in rental income offset cutbacks in spending.

Direct result: € 93m (€ 129m)
Indirect result: € -287m (€ -448m)
Dividend payments: € 34m (€ 107m)

Society
In 2020, we reduced emissions from our business activities in line with our net-zero carbon plan. During the year, we produced more renewable energy thanks to the installation of more solar panels at our centers, and continued to make contributions to social causes.

Total carbon emissions from Wereldhave's obtained energy (scopes 1 + 2): 4,088 tonnes (3,932 tonnes)
Building energy intensity (retail): 0,50 KwH /visitor (0.46 KwH /visitor)
Renewable energy produced onsite: 4,212 MWh (3,280 MWh)
Contributions to social causes in cash and kind: € 1.1m (€ 1.5m)

Note: this model is based on the Integrated Reporting Framework, published by the IIRC. For more information, see https://integratedreporting.org/. Resources, on the left, are based on the Framework's six capitals (Financial, Manufactured, Intellectual, Human, Social & Relationship and Natural). Further details of our business model, in the center, may be found on page 10. Value created, on the right, is shown by stakeholder group. All metrics are for 2020, unless otherwise stated. Under value created, the comparative figure for 2019 is included in brackets.



Performance and outlook

Covid-19 weighed on our financial performance – but during the year we continued to develop and modernize our centers and add valuable new services for visitors and tenants.

Feature: Justdiggit

Wereldhave has been supporting Justdiggit for the past three years. The NGO, based in Amsterdam, works with local communities in east Africa to restore damaged or degraded farmland.

Justdiggit's work mirrors the Company's own commitment to "greening" its buildings – and creating a healthier environment. Wereldhave supports the NGO's Raindance program, which tackles desertification.

Land degradation is a particular problem in east Africa – decades of drought and overexploitation in many areas have produced a shortage of fertile land.

To restore the land, Justdiggit uses two main techniques. The first, known as rainwater harvesting, involves digging the topsoil to allow rainwater to penetrate the surface, then constructing earth barriers – or bunds – to prevent run-off. It is a technique that Justdiggit is currently using with Maasai farmers in Kenya to help restore grazing lands for cattle.

The second technique is called farmer-managed natural regeneration. It involves regrowing trees from stumps. Currently, Justdiggit is using this technique in Tanzania. Its project – in the central Dodoma region – is aimed at regenerating no fewer than eight million trees.

Justdiggit's projects bring multiple advantages: restoring the land means increased crop yields in countries where there is widespread poverty in rural areas. It also supports biodiversity and takes carbon out of the air – vegetation, in effect, traps and stores carbon.

Recently, the UN declared the 2020s the decade of eco-system restoration – globally, about 25% of the world's land has been degraded[1]. That is not only bad for climate change, but also for farmers trying to make a living from agriculture. Justdiggit's work – with Wereldhave's support – is helping thousands of farmers in one of the worst affected parts of the world.

"In Africa, land degradation is especially severe. With nature-based solutions, we can, in effect, kick-start the earth again, and begin to mitigate some of the effects of climate change."

Marjolein Albers, Managing Director, Justdiggit

1 Source: Global Environment Facility

Our financial performance

Total result

The total result for 2020 amounted to € -194.2m (2019: € -319.5m). The direct result for 2020 came out at € 92.9m (2019: € 128.6m). Negative revaluations in all countries as a result of yield shifts and reduced ERVs, led to an indirect result of € -287.1m (2019: € -448.1m).

Direct result

(in €m)	2019	2020
Net rental income	171.5	133.0
General costs	-14.2	-11.4
Net interest	-28.3	-28.9
Taxes on result	-0.4	0.1
Total direct result	**128.6**	**92.9**

The direct result per share for full year 2020 was € 2.01, in line with our latest guidance (€ 1.90-2.10), despite additional lockdown measures and forced store closures in all of our markets during the last quarter of the year. Our guidance assumed no further lockdown measures. The direct result per share in 2020 represents a 28% decline compared with 2019. Without the Covid-19 pandemic, we estimate that the decline would have been 12%. Our 2020 direct result per share contained one-off benefits of € 0.04 –mainly the result of a rebate in Belgium relating to historical listing expenses. EPRA EPS for 2020 was € 1.98, which in comparison with the direct result per share reflects the indirect general expenses, offset by some one-off refunds. Following the outbreak of Covid-19, arrangements were made to provide tenants with necessary financial support. On top of that Covid-19 had a negative NRI effect on sales-based rents, parking income and specialty retail. Support measures ranged from flexible payment plans to waiving part of the rent. These arrangements alone, in effect, reduced our direct result per share by € 0.47. Without this impact, the direct result per share would have come out at € 2.48 – above our original outlook for the year (€ 2.35 - € 2.45). Direct result for full-year 2020 was € 92.9m. Net rental income amounted to € 133.0m. The result was significantly affected by arrangements with tenants and provisions for Covid-19. These provisions reflect current Covid-19 negotiations, as well as assumptions related to weakened payment behavior and increased risk of future bankruptcies. As of February 8, 2021, we had collected 94% of the full-year 2020 rent, adjusted for arrangements. Arrangements for rent discounts have been signed for a total of € 11.9m. Negotiations are underway on the remaining € 17.0m. Of this amount, € 12.1m is covered through a provision on outstanding receivables.

Net interest expense came out at € 28.9m for the year with a stable average interest rate at 1.9%.

Cost control

To maximize total returns, we will continue to prioritize cost control. Ultimately, our aim is to achieve above-average cost efficiency – to be reached once our current disposal program is complete. We have implemented a number of cost-saving measures, reducing our direct general costs in 2020 by 20% (€ 2.8m) to € 11.4m. This includes € 1.6m one-off benefits, including a large rebate received from historical listing expenses in Belgium. For 2021 we expect to maintain a cost base comparable to 2020. On top of this, we are looking into further cost saving measures, including the possibility of subleasing and relocating from our Schiphol WTC headquarters. A relocation is expected to lead to additional annual cost savings of approximately € 0.4m. Additionally, once the phase-out of France is completed, shutting down the French operations should result in further cost savings. Direct general expenses for France in 2020 amounted to € 2.6m. When we would enter the second phase of LifeCentral, the growth phase, our cost ratio should improve by realizing operational synergies.

Indirect result

(in €m)	2019	2020
Valuation result	-448.3	-293.1
Result on disposal	-	0.2
General costs	-2.9	-2.8
Other (financial) income and expense	-1.7	7.2
Taxes	4.9	1.3
Result from discontinued operations	0.5	-
Total indirect result	**-447.5**	**-287.1**

Our indirect result came to a negative € 287.1m for FY 2020. This was mostly related to negative property revaluations amounting to € 293.1m or 10.2% of our total portfolio value. Uncertainty over potentially rising vacancies and a decline in market rents led to a wait-and-see approach among real estate investors and financial institutions providing debt financing. This resulted in an absence of market transactions in the first half of 2020, with most deals already in process prior to the pandemic. In the second half of the year, a few transactions occurred in the French market. In the Netherlands, the investment market was focused largely on smaller convenience shopping centers. Despite this, we managed to sell two assets in 2020 and one in February 2021. Values were adjusted downward to reflect higher expected vacancies, longer void periods, lower estimated market rents and higher yield assumptions (+0.1% to 5.9% for shopping centers) – a result of increased uncertainty in the investment market. Appraisers also included a notion of “material uncertainty” in their appraisals for the Belgian shopping centers, lacking comparable market transactions on which to base their valuations. Compared with year-end 2019, property valuations in the Netherlands declined by € 112.9m (-10.5%), in France by € 122.0m (-15.0%), and in Belgium by € 58.8m (-6.0%) – of which € 3.4m relates to our Belgian office portfolio. The average EPRA Net Initial Yield (NIY) on the Dutch portfolio was 7.0% (+20bps from 2019), compared with 4.9% (+30bps) in France, and 5.6% (unchanged) for our Belgian shopping centers. Appraisers brought down their Estimated Market Rental Value (ERV) estimates across the board – despite the fact new leases in two out of the three countries were agreed above December 2019 ERVs (+4.5% on average).

EPRA Net Tangible Assets (NTA) declined by 15.9% to € 27.74 per share, mainly due to negative portfolio revaluations. Total return for FY 2020 was € - 4.60 per share, following the decline in EPRA NTA and the pay-out to shareholders of a € 0.63 per share dividend for the third quarter of 2019, paid in January 2020.

Equity & net asset value

On December 31, 2020, shareholders’ equity including minority interest amounted to € 1,334.7m (December 31, 2019: € 1,550.3m). The number of issued shares did not change during the year, at 40,270,921 ordinary shares.

Financing & capital allocation

Interest-bearing debt was € 1,252.8m at December 31, 2020, which together with a cash balance of € 67.0m resulted in a net debt for the year of € 1,185.8m. Undrawn borrowing capacity amounted to € 306m. Our net LTV ratio stood at 46.7% (year-end 2019: 44.8%). Assuming a full draw-down of our Green Revolving Credit Facility, Wereldhave’s gross LTV stood at 50.9% at year-end 2020, well below our bank covenant limit of 60%. At year-end 2020, our average cost of debt and Interest Coverage Ratio (ICR) were 1.92% and 5.3x (our bank covenant requires at least 2.0x) respectively. The weighted average term to maturity of the Company’s interest-bearing debt was 3.4 years.

During the year, new financing agreements were arranged with a total value of € 270m, partially refinancing maturing debt. In 2020, we introduced secured financing, using our quality portfolio of assets to bridge liquidity in a cost-effective way during what were very challenging market conditions. Wereldhave also put in place two Green Financing Frameworks covering both Wereldhave N.V. and Wereldhave Belgium, integrating sustainability into our financing. Under this framework, we agreed a new € 125m Green Revolving Credit Facility with ABN AMRO Bank N.V. as sole lender. In September, Wereldhave also reached agreement on new and amended debt facilities worth over € 130m, to which € 70m was added in November, increasing our financial headroom; all debt obligations are now covered until the third quarter of 2022. As it requires only a modest volume, we are confident that in the first half of this year we will be able to further improve liquidity.

During the second half of 2020 and early 2021, Moody’s has made several steps by improving the outlook for Wereldhave. After a downgrade in July from Ba2 to B1, Moody’s kept Wereldhave “under review for further downgrade.” This was upgraded to “negative outlook” in September following an improvement in the Company’s liquidity profile. Moody’s upgraded the outlook for Wereldhave to ‘Stable’ in February 2021. Wereldhave has completed its engagement with Moody’s regarding the credit rating, as the issuance of public debt is currently not part of our funding strategy. Furthermore, Wereldhave’s outstanding European Medium Term Note of € 10m has been repurchased and delisted.

Dividend

We will propose to distribute € 20m to shareholders as dividend. With this, we are slightly above the minimal cash dividend that we are required to distribute within our fiscal regime this year. Given our expected direct result and remaining disposals, this should have no impact on our LTV. This translates into a full-year 2020 dividend of € 0.50 per share. The ex-dividend date is April 28, 2021. The dividend will be payable, in a single installment, from May 3, 2021.

Direct & indirect result

Direct & indirect result

	2020		2019	
(in € 1,000)	direct result	indirect result	direct result	indirect result
Gross rental income	189,372	-	206,589	-
Service costs charged	31,030	-	34,274	-
Total revenues	**220,402**	**-**	**240,863**	**-**
Service costs paid	-40,130	-	-40,575	-
Property expenses	-47,243	-	-28,814	-
Total expenses	**-87,373**	**-**	**-69,389**	**-**
Net rental income	**133,029**	**-**	**171,474**	**-**
Valuation results	-	-293,064	-	-448,343
Results on disposals	-	202	-	49
General costs	-11,378	-2,810	-14,160	-2,938
Other income and expense	-	-178	-	-156
Operational result	**121,651**	**-295,850**	**157,314**	**-451,388**
Interest charges	-28,900	-	-28,382	-
Interest income	16	-	70	-
Net interest	**-28,884**	**-**	**-28,312**	**-**
Other financial income and expense	-	7,384	-	-1,516
Result before tax	**92,767**	**-288,466**	**129,002**	**-452,904**
Income tax	133	1,346	-410	4,854
Result from continuing operations	**92,899**	**-287,120**	**128,592**	**-448,050**
Result from discontinued operations	-	-	-	506
Result	**92,899**	**-287,120**	**128,592**	**-447,543**
Profit attributable to:				
Shareholders	80,643	-267,575	113,232	-441,973
Non-controlling interest	12,256	-19,545	15,360	-5,571
Result	**92,899**	**-287,120**	**128,592**	**-447,543**
Earnings per share from continuing operations (€)	2.01	- 6.66	2.81	- 10.99
Earnings per share from discontinued operations (€)	-	-	-	0.01
Earnings per share (€)	2.01	- 6.66	2.81	- 10.98

Five-year performance tables

Results (in €m)

	2016	2017	2018	2019	2020
Net rental income[1]	201.5	167.3	166.4	171.5	133.0
Result	120.8	84.3	-55.6	-318.9	-194.2
Direct result	151.0	150.1	146.7	128.6	92.9
Indirect result	-30.2	-65.8	-202.3	-447.5	-287.1

1 From continuing operations

Net rental income geographical distribution (in %)

	2016	2017	2018	2019	2020
Belgium	23%	24%	25%	31%	33%
Finland	14%	14%	14%	-	-
France	23%	21%	20%	22%	17%
Netherlands	40%	41%	41%	47%	50%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Balance sheet (in €m)

	2016	2017	2018	2019	2020
Investment property in operation[1]	3,701.3	3,651.3	3,220.2	2,839.3	2,518.9
Investment property under construction	101.2	122.4	60.0	67.4	58.7
Shareholders' equity	1,978.8	1,928.6	1,744.5	1,319.6	1,124.3
Interest-bearing debt	1,566.0	1,557.7	1,358.3	1,335.7	1,252.8

1 Including lease incentives

Investment portfolio sector distribution (in %)

	2016	2017	2018	2019	2020
Retail	97%	97%	97%	97%	96%
Offices	3%	3%	3%	3%	4%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Investment portfolio geographical distribution (in %)

	2016	2017	2018	2019	2020
Belgium	21%	23%	29%	33%	36%
Finland	15%	15%	-	-	-
France	24%	23%	27%	28%	27%
Netherlands	40%	39%	44%	39%	37%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Acquisition of investment properties (in €m)

	2016	2017	2018	2019	2020
Belgium	-	-	73	3	-
Finland	-	-	-	-	-
France	-	-	-	-	-
Netherlands	55	-	-	15	-
Total	**55**	**-**	**73**	**18**	**-**

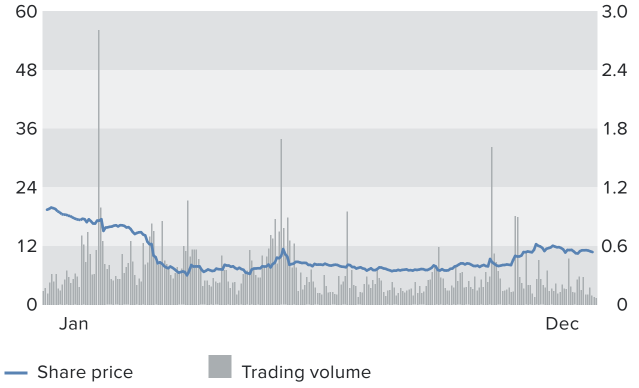
Disposal of investment properties (in €m)

	2016	2017	2018	2019	2020
Belgium	-	-	19	-	8
Finland	-	-	583	-	-
France	-	-	-	-	11
Netherlands	24	81	34	13	85
Total	**24**	**81**	**635**	**13**	**104**

Share performance

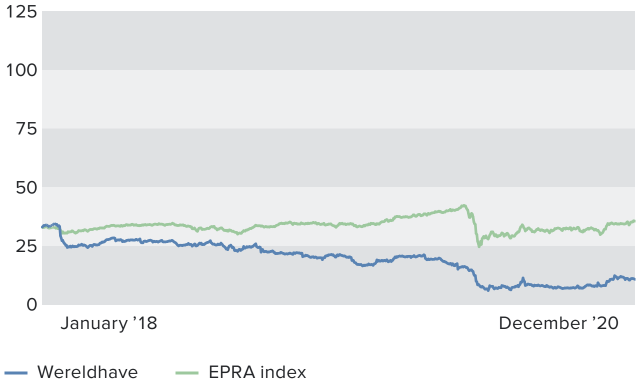
Wereldhave 2020 share price & trading volume

(in €) (in € million)



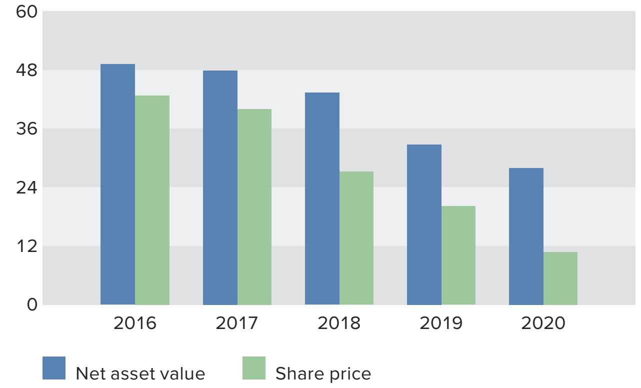
Three-year share price development vs EPRA index

(in €)



Net asset value and share price

(at December 31 in €)



Share data (in €)

	2016	2017	2018	2019	2020
EPRA NAV	51.47	50,00	43.82	32.99	27.76
EPRA NTA	-	-	-	32.97	27.74
Direct result	3.45	3.43	3.33	2.81	2.01
Indirect result	-0.95	-1.75	-5.02	-10.98	-6.66
Dividend[1]	3.08	3.08	2.52	1.89	0.50
Pay-out ratio	89%	90%	76%	90%	25%
Result per share	2,50	1.68	-1.69	-8.17	-4.65

1 For 2020 the proposed dividend is shown

Number of shares

Number of shares	2016	2017	2018	2019	2020
At 31 December	40,270,921	40,270,921	40,270,921	40,270,921	40,270,921
Average during the year[1]	40,257,762	40,248,165	40,243,857	40,251,654	40,212,448

1 Excluding remuneration shares, number used to calculate EPS

Operating results

Shopping center operations

	The Netherlands		Belgium		France		Total Group	
	2019	2020	2019	2020	2019	2020	2019	2020
Like-for-like rental growth	-1.0%	-12.0%	0.8%	-19.1%	-1.0%	-39.7%	-0.6%	-21.0%
Occupancy	95.1%	96.6%	96.3%	94.4%	92.8%	92.8%	94.8%	95.0%
Visitors (millions)	74.6	58.3	19.3	13.9	41.6	27.7	135.5	99.9

Occupancy (in %)

	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Belgium	96.3%	96.4%	96.0%	96.3%	94.4%
France	92.8%	90.5%	90.6%	90.7%	92.8%
Netherlands	95.1%	94.8%	96.4%	96.4%	96.6%
Shopping centers	**94.8%**	**94.1%**	**94.8%**	**94.9%**	**95.0%**
Offices (Belgium)	**89.2%**	**87.0%**	**87.0%**	**85.1%**	**77.5%**
Total portfolio	**94.6%**	**93.8%**	**94.4%**	**94.4%**	**94.1%**

Key developments

Covid-19

Locations dependent on international tourism were the most affected by the pandemic, as well as activities that were no longer possible, or were severely limited by, social distancing. Despite the forced closure of non-essential stores, the positioning of our local centers as catering for everyday life helped mitigate the impact of lockdown restrictions. By implementing a range of safety measures, our centers saw a solid recovery in visitor numbers once non-essential stores were allowed to reopen. As a result of lockdown restrictions, a large performance gap emerged between essential retailers (whose business prospered) and retailers who saw their turnover dry up almost completely.

We introduced a “Fair Support Policy” to handle requests from tenants for discounts and delays in rent payments; requests were dealt with on a case-by-case basis. Most of those still under discussion relate to later lockdown measures introduced towards the end of 2020. On average, the effect of one-month lockdown and forced store closures had a negative impact in 2020 of roughly € 0.15 on our direct result per share.

The outlook for 2021 depends on a number of factors, including the effectiveness of government vaccine strategies; how government measures and support will be adapted during the year; to what extent consumers will spend savings, given the expected rise in unemployment; and the ability and agility of retailers to adapt to a rapidly changing environment.

Operations

Despite challenges this year, occupancy rates in our shopping centers increased by 20bps to 95.0% at rents that were 4.5% above market levels. Like-for-like (LFL) net rental income (NRI) declined by 21.0% mainly as result of provisions and arrangements for Covid-19. Lockdowns not only increased doubtful debts, but also lowered turnover-based rents and parking income. Lockdowns and forced store closures led to a year-on-year 22.8% decline in footfall. The number of leases signed remained strong and roughly equals the level of 2019.

	# of contracts	Leasing volume	ERV uplift	MGR uplift	Occupancy rate	LFL NRI growth
Shopping Centers						
Belgium	92	14.1%	7.0%	0.5%	94.4%	-19.1%
France	52	14.5%	-2.5%	-6.5%	92.8%	-39.7%
Netherlands	242	22.0%	6.4%	-4.7%	96.6%	-12.0%
Total Shopping Centers	**386**	**17.7%**	**4.5%**	**-3.8%**	**95.0%**	**-21.0%**

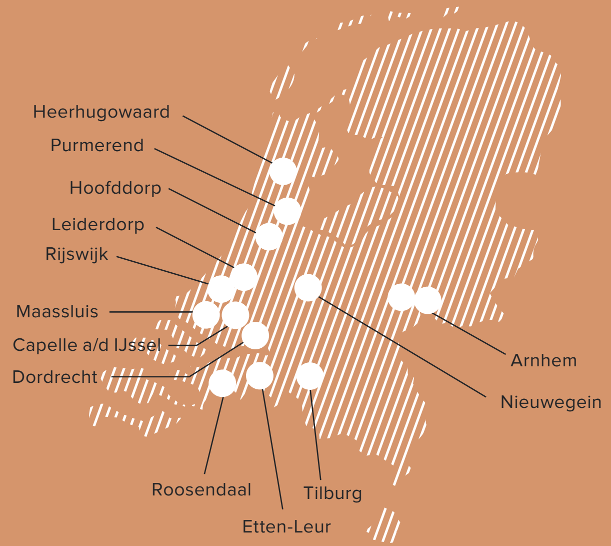
Portfolio, disposals & investments

Wereldhave’s strategy is focused on anticipating long-term trends by transforming our centers into strong, future-proof Full Service Centers. To maximize long-term value growth for shareholders, we focus only on those centers that will deliver above market average total returns. We call this our LifeCentral strategy. Transformation does not need to happen overnight. Our LifeCentral strategy will be implemented at a controlled pace; there is no immediate need to free up cash to finance implementation. Capital allocation is driven entirely by our IRR framework; we apply a hurdle rate of 6% for unlevered IRR.

We aim to reduce our financial leverage, focus on Full Service Centers in the Benelux and improve future returns generated by our portfolio. Consequently, we still intend to phase out our French operations before year-end 2022 and sell other assets with unlevered IRRs below 5% and /or assets, which we cannot successfully transform into Full Service Centers.

Full Service Center transformations will be done step-by-step. This agile approach keeps risks low during development. Transformations that we have currently planned are Vier Meren in Hoofddorp, Tilburg city-center, Belle-Île in Liège and Ring Shopping in Courtrai.

Key developments
The Netherlands



14
Centers

392,177
m² shops

1,088
Retail units

963
Tenants

74[1]
Average employees in 2020

Top 10 tenants

1. Ahold Delhaize
2. Mirage Retail Group
3. C&A
4. A.S. Watson Group
5. Ceconomy
6. Hema
7. Jumbo
8. H&M Group
9. The Sting Companies
10. Deichmann

1 Please note that average number of employees is including holding organization

Economy and outlook

Like other countries, the Netherlands was hit hard by the Covid-19 pandemic. In 2020, the economy contracted by an estimated 4.6%[1]. GDP growth is expected to recover in 2021, but only slowly. Household savings increased during the pandemic, suggesting significant pent-up demand. Government provided extensive support for business during the year. Its job retention scheme has now been extended until mid-2021. Withdrawal of this support will, however, increase the risk of unemployment and bankruptcies, both expected to peak in the second half of 2021.

Key data shopping center operations

	2019	2020
Net rental income (in €m)	80.0	66.8
Occupancy	95.1%	96.6%
Investment properties in operations (in €m)[1]	1,084.7	919.7
Investment properties under construction (in €m)	54.7	46.0
Acquisitions (in €m)	15.1	0.4
Disposals (in €m)	13.0	85.0
EPRA NIY	6.8%	7.0%

1 Including lease incentives

Market developments

Despite two lockdowns during the year, government support and the leniency of both banks and landlords led to a limited number of bankruptcies among retailers. There was a clear divergence in visitor numbers between retail locations catering for everyday needs (these held up relatively well) and those catering for non-daily needs (which saw a significant decrease in footfall). During 2020,

1 Source: OECD

Key economic parameters

	2019	2020E	2021E	2022E
GDP growth, yoy	1.6%	-4.6%	0.8%	2.9%
Harmonized index of consumer prices, yoy	2.7%	1.0%	0.9%	1.1%
Unemployment	3.4%	4.1%	6.1%	6.3%
Private consumption, yoy	1.5%	-6.7%	2.7%	3.4%

E - estimated

activity was focused primarily on arranging solutions for rental payments due during lockdowns. Following a relatively quiet first half, liquidity in the investment market increased towards the end of the year. The number of transactions rose, supported by a 2% increase in the transfer tax, starting in 2021. Prices remained steady for smaller convenience centers.

Portfolio

In the first quarter of 2020 we completed the disposal of WoensXL in Eindhoven. At the end of the year, we disposed our Emiclaer shopping center in Amersfoort. On February 11, 2021, we have sold our part of shopping center In de Bogaard in Rijswijk. The last two Dutch non-core assets are currently in exclusive negotiations with prospective buyers.

Development portfolio

The redevelopment of Presikhaaf in Arnhem was completed within the original budget of € 23m and with occupancy rate above 95%. At our Koperwiek center in Capelle aan den IJssel the second phase of redevelopment was completed successfully within budget. With 96% of space pre-let, the redevelopment project delivered a 5.4% net yield-on-cost. In this phase a Jumbo supermarket and a fresh food area were created. We have prepared the next transformational phase, which involves the extension with food & beverage. To further convert Koperwiek into a Full Service Center, we are currently considering adding leisure & entertainment, as well as housing. In Tilburg, the C&A unit has been delivered at the former Emmapassage. Following demolition of the Emmapassage, the Frederikstraat South has been under construction during the year. Completion for this area is still on schedule for 2022. We have committed to the extension and refurbishment of Sterrenburg in Dordrecht, which mainly involves the creation of a new Jumbo food market. This development has a pre-let of 97%. Completion for this is due in the first quarter of 2022. The preparations for the transformation of Vier Meren in Hoofddorp into a Full Service Center are underway.

Operations

Occupancy rates in our Dutch portfolio improved by 1.5% to 96.6%. During the year, 242 deals were signed at, on average, 6.4% above market rent levels. LFL NRI declined by 12.0%, including the impact on doubtful debts and turnover-based rents due to Covid-19. Footfall declined by 14.7% versus the national index of 16.4%. The Tilburg location formerly occupied by Hudson’s Bay (HBC) was leased out to De Koopman on a temporary turnover-based rental contract. In November, the Amsterdam District Court confirmed Wereldhave’s claim relating to the rental guarantee agreed by HBC.

On October 13, 2020 the Dutch government announced a partial lockdown (affecting mainly the food & beverage sector), followed by a full lockdown with forced store closures from December 15, 2020.

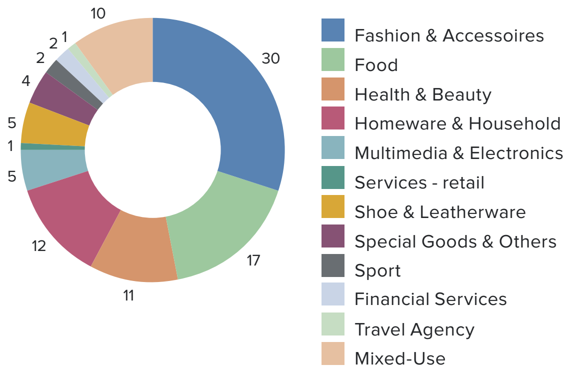
During 2020, Wereldhave began developing two new last-mile delivery services. We signed a partnership with Parcls for our centers in the Netherlands. Under the partnership, Parcls will provide a delivery, pick-up and return service covering all parcel delivery companies. Our second new service is “Connect,” developed in partnership with Shopforce. Connect allows customers to pre-order local groceries using a single online platform and choose either to pick up their order at our centers at a time that suits them, or have the order delivered to their homes. Wereldhave recently launched UpNext: a new full-service label, specifically aimed at temporary leases in 13 Dutch centers. The retail world is rapidly changing and requires more flexibility. With UpNext, Wereldhave aims to attract and help aspiring entrepreneurs, retailers and brands reach thousands of consumers per day by quickly and flexibly opening a full service pop-up.

Results & valuation

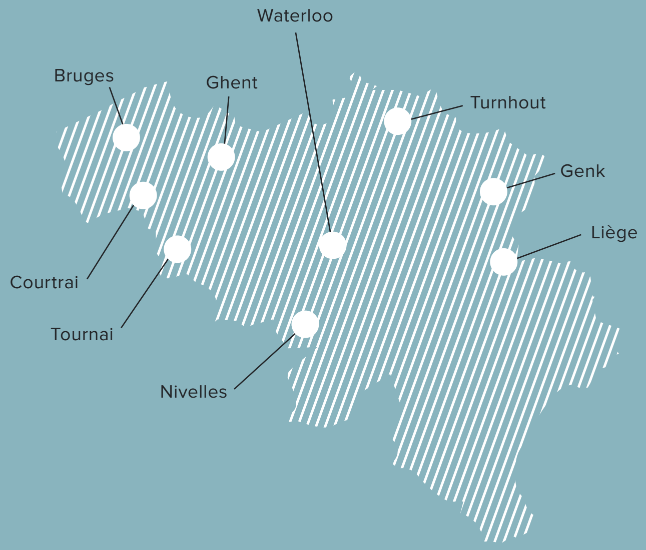
Net rental income in the Netherlands was significantly impacted by the pandemic and amounted to € 66.8m (2019: € 80.0m).The rent collection rate for 2020, adjusted for tenant arrangements in the scope of our Fair Support Policy, amounted to 97% as of February 8, 2021. Revaluations amounted to € -112.9m excluding investments held for sale, mainly as a result of yield shifts reflecting market evidenced transactions and, to a lesser extent, due to changes in projected market rent levels. At the end of 2020, the average EPRA Net Initial Yield on the Dutch portfolio stood at 7.0%. The total portfolio was valued at € 966m on December 31, 2020 (2019: € 1,139m). The value of the development portfolio stood at € 46m at year-end 2020 (2019: € 55m).

Tenant mix

(in % of contract rent)



Key developments
Belgium



9
Centers

219,955
m² shops

552
Retail units

494
Tenants

48
Average employees in 2020

Top 10 tenants

1. Carrefour
2. Ahold Delhaize
3. C&A
4. H&M Group
5. A.S. Watson Group
6. Brico
7. Lunch Garden
8. Cassis Paprika
9. Ricoh
10. Redisco

Economy and outlook

In 2020, Belgium adopted strict measures to contain the Covid-19 virus. Inevitably, this had an adverse effect on the country's economy, which shrank by an estimated 7.5%[1]. Growth is expected to return in 2021, though the outlook remains uncertain. Full recovery will depend on the successful roll-out of the new Covid-19 vaccines. The Belgian government provided continued support for businesses during the year. Some sectors, including food and accommodation, were particularly hard hit by the downturn.

Key data shopping center operations

	2019	2020
Net rental income (in €m)	46.4	36.9
Occupancy	96.3%	94.4%
Investment properties in operations (in €m)[1]	856.5	817.8
Investment properties under construction (in €m)	12.6	12.6
Acquisitions (in €m)	3.0	-
Disposals (in €m)	-	7.5
EPRA NIY	5.6%	5.6%

1 Including lease incentives

Market developments

Take-up of space in the Belgian retail market declined by 4,6% in 2020, with shopping centers and high streets declining slightly more. The fashion sector saw very limited expansion, compared with sports & leisure, food and F&B, which all experienced growth. Fashion rents in shopping centers and high streets came under pressure, while rents for out-of-town retail remained stable. We are making progress with negotiations on rental payments due from

1 Source: OECD

Key economic parameters

	2019	2020E	2021E	2022E
GDP growth, yoy	1.7%	-7.5%	4.7%	2.7%
Harmonized index of consumer prices, yoy	1.2%	0.5%	0.7%	0.6%
Unemployment	5.4%	5.7%	7.9%	6.8%
Private consumption, yoy	1.5%	-10.6%	6.2%	2.4%

E - estimated

non-essential stores for the second lockdown period; these rent payments still dominate discussions between retailers and landlords.

Portfolio

In the first quarter of 2020 we disposed student housing property in Ghent, slightly above the book value. There were no acquisitions in Belgium in 2020.

Development portfolio

In Belgium, we have committed to the first phase of the Full Service Center transformation of Ring Shopping in Courtrai, which involves a refurbishment of the facades and a refurbishment and an extension of the F&B area. The refurbishment of Belle-Île has been completed and we are awaiting building permission for the extension.

Operations

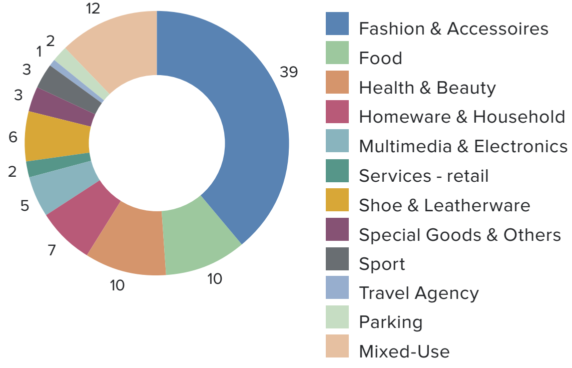
Occupancy rates in our Belgian shopping centers declined to 94.4% (96,3% in 2019) - a result of increased bankruptcies (e.g. Camaïeu). During the year, 92 leasing deals were signed, on average at 7.0% above market rents. LFL NRI declined by 19.1%, including the impact on doubtful debts and turnover-based rents due to Covid-19. Visitor numbers at our centers decreased by 28.0% because of the pandemic, though the overall market fell even more by 29.3%. Occupancy rates at our Belgian offices declined by 11.7pp to 77.5%. The decrease was the result of the departure of Monster and Amadeus at Medialaan, and Argenta and Proximus in Veldekens. As a result of increased vacancies during the year, LFL NRI growth of our offices was 1.5% lower (both including and excluding doubtful debts). Office space represents 4% of the Company's overall portfolio value and 4.0% of our gross rental income.

Results & valuation

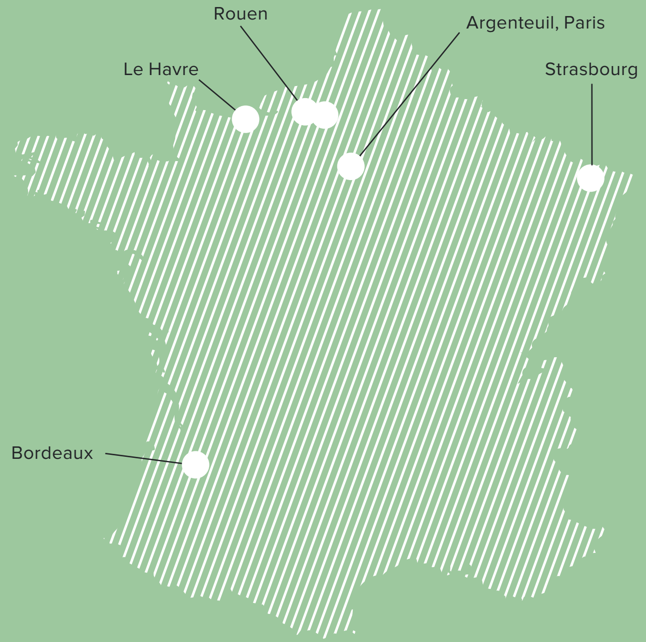
Net rental income in Belgium was significantly impacted by the pandemic and amounted to € 43.5m (2019: € 53.0m) of which € 36.9m is derived from shopping centers. %). The rent collection rate for 2020, adjusted for tenant arrangements in the scope of our Fair Support Policy, amounted to 95% as of February 8, 2021. Revaluations amounted to € -58.8m, mainly as a result of yield shifts due to market uncertainty related to Covid potential impact and, to a lesser extent, due to changes in projected market rent levels. At the end of 2020, the average EPRA Net Initial Yield on the Belgian shopping center portfolio stood at 5.6% and office portfolio at 6.8%. The total portfolio was valued at € 921m on December 31, 2020 (2019: € 961m excluding the student housing in Ghent). The value of the development portfolio stood at € 13m at year-end 2020 (2019: € 13m).

Tenant mix

(in % of contract rent)



Key developments France



6
Centers

196,615
m² shops

468
Retail units

396
Tenants

55
Average employees in 2020

Top 10 tenants

1. Inditex
2. E.Leclerc
3. H&M Group
4. Pathé
5. Auchan
6. Sephora
7. Mango
8. Yves Rocher
9. Celio
10. Jules

Economy and outlook

France's economy shrank by more than 9% in 2020[1] – the country was one of the worst affected by the Covid-19 pandemic. Growth is expected to return in 2021 – the OECD forecasts growth for the year at 6%. Unemployment is likely to exceed 10% in 2021; jobless rates are particularly high already among young and low-skilled workers. The French government has provided significant support for the economy, though figures suggest the crisis has eroded household savings. Travel, tourism and the leisure sectors were hit hard by two national lockdowns during the year.

Key data: shopping center operations

	2019	2020
Net rental income (in €m)	38.5	22.7
Occupancy	92.8%	92.8%
Investment properties in operations (in €m)[1]	805.9	690.6
Investment properties under construction (in €m)	-	-
Acquisitions (in €m)	-	-
Disposals (in €m)	-	11.1
EPRA NIY	4.6%	4.9%

1 Including lease incentives

Market developments

The first and second lockdowns both had a significant effect on shopping center activities in France. Following reopening, customers returned to centers for both shopping and leisure, attracted by marketing events and local retailers. Rental activity overall has however been modest. In the current circumstances, some brands have decided to put their expansion and development plans on hold. Exceptions to this have been retailers such as Normal and Bricorama.

1 Source: OECD

Key economic parameters

	2019	2020E	2021E	2022E
GDP growth, yoy	1.5%	-9.1%	6.0%	3.3%
Harmonized index of consumer prices, yoy	1.3%	0.5%	0.4%	0.8%
Unemployment	8.4%	8.4%	10.5%	10.2%
Private consumption, yoy	1.5%	-7.9%	6.5%	3.8%

E - estimated

Also several brands new to shopping centers took the opportunity to roll out a pop-up strategy. The increase in activity in the investment market was essentially due to a single deal. Volumes were also supported by a number of transactions, negotiated prior to the pandemic. As uncertainties over rent levels rose, the investment market slowed and focused more on convenience assets and neighborhood locations.

Portfolio

In the third quarter of the year we disposed a piece of land in Rouen. At the end of the year, we disposed the retail area Les Passages de Mériadeck, adjacent to our Mériadeck center at Bordeaux in France.

The phase-out of our French operations was initiated in February 2020, with a view to finalizing the process by year-end 2022. During the first half of the year we ran an extensive process in order to receive a decent number of NDA's and LOI's for a full portfolio sale. Despite delays related to lockdowns, we entered into exclusive due diligence negotiations with a prospective buyer during the second half of the year. In the meantime, the investment market in France had started to focus on local and small-scale convenience centers. Our centers did not correspond to this specific profile, being located mainly in large, regional cities. Conditions for negotiations deteriorated as France went into a second national lockdown. We decided not to pursue discussions – particularly as the medium-term outlook had improved in the meantime, with the approval of new Covid-19 vaccines and an increased traction witnessed for our Dutch disposals. To maximize shareholder value, we will focus primarily on an asset-by-asset sale during 2021 and 2022.

Development portfolio

Phase 2 of the full renovation of Saint-Sever in Rouen was completed. A Primark store was contracted as anchor tenant for a next phase, Phase 3.

Operations

Following a decline in the first quarter, occupancy rates in our French portfolio improved by 2.3% by year-end 2020 and, for the year as a whole, were stable at 92.8%. During 2020, 52 leasing deals, representing almost 45,000 m^2 GLA, were agreed for our current portfolio – on average, at 2.5% below market levels. LFL NRI declined by 39.7%, including the impact on doubtful debts, turnover-based rents and parking income due to Covid-19. This included -4% as a result of temporary vacancies due to renovation work at Saint Sever and Mériadeck.

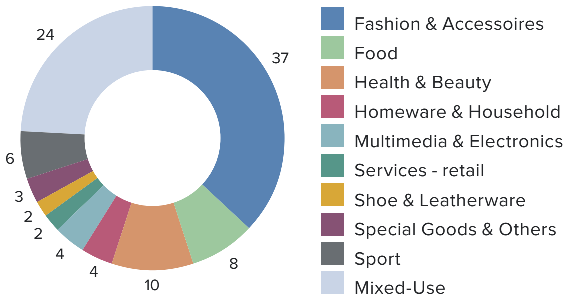
In France, both the first and second lockdowns significantly affected our activities. Customers, however, returned to our centers with enthusiasm once lockdown measures were lifted. Footfall declined by 33.5% for the year versus the national market index of -26.1% and city-center index of -35.1%. Lower footfall was mainly visible in the cinema-anchored centers Docks 76 and Docks Vauban. The latter center also had a larger impact from being more exposed to tourism. At present, non-essential stores in France are still closed, including fitness, F&B and cinemas. Activities like sports, services, household goods and DIY have proved resilient despite continued restrictions. Close relations with our tenants enabled us to efficiently manage negotiations for lockdown periods. During the year, three stores previously occupied by Pittarosso were quickly replaced by Chaussea and Bricorama. As leisure anchors to our centers, two cinema contracts were renewed: the first with Pathé at Docks 76 in Rouen, and the second with Gaumont at Docks Vauban in Le Havre, both at market rent levels. Quality food hall operator Biltoki, meanwhile, will open a store in 2021 at Docks 76, where local food retail will be further strengthened by the recent addition of a Carrefour City.

Results & valuation

Net rental income in France was significantly impacted by the lockdowns following the pandemic and amounted to € 22.7m (2019: € 38.5m). The rent collection rate for 2020, adjusted for tenant arrangements in the scope of our Fair Support Policy, amounted to 86% as of February 8, 2021. Revaluations amounted to € -122.0m, for two-thirds as a result of yield shifts reflecting market evidenced transactions and, the remainder, due to changes in projected market rent levels. At the end of 2020, the average EPRA Net Initial Yield on the French portfolio stood at 4.9%. The total portfolio was valued at € 691m on December 31, 2020 (2019: € 806m).

Tenant mix

(in % of contract rent)



Performance: tenants and visitors

During 2020, we continued to develop our centers, and add new services for both visitors and tenants. We also brought in more leisure, healthcare and fitness tenants – in line with our LifeCentral strategy. For much of the year, our priority, however, was the health and safety of customers visiting our centers.

Transition to Full Service Centers

Our Full Service Centers will go beyond traditional shopping – as we have seen, these centers will combine retail with food and beverage, healthcare and leisure.

Transformations currently planned are at Vier Meren in Hoofddorp, Tilburg city-center, Belle-Île in Liège and Ring Shopping in Courtrai.

Our Presikhaaf shopping center provides a good example of what comes closest to a Full Service Center transformation. At the moment of acquisition in 2014, Wereldhave saw an opportunity to transform the center. Presikhaaf is located in the middle of a residential area in Arnhem close to a wide range of amenities, including Presikhaaf Park, a library, a pharmacy, a healthcare center, elderly care, child care, cultural activities, as well as several schools and sports facilities.

Over the past five years, the center has been upgraded to cater for the daily needs of the local community. Refurbishing the entrances, storefronts, furnishings and floors created a new, modern look & feel. The latest amenities were added to make the visitor journey easy and pleasant: high-quality restrooms, new sign-posting as well as an upgraded children's play area. Presikhaaf boasts the largest ethnic supermarket in the Netherlands. We also expanded our food & beverage offer, brought in specialty fresh food zones, a fitness center, an automated pharmacy and a new healthcare plaza – all good reasons for visitors to come to the center. To support local retailers, we also introduced the last-mile delivery platform "Presikhaaf Connect".

In 2020, Presikhaaf was nominated for the National Council of Shopping Centers' (NRW) annual prize. The NPS core for Presikhaaf stands at a relatively high level of +12 in 2020, in line with 2019. The upgrade of the center also had a material impact on customer satisfaction: visitor ratings on Google improved from 3.5 in 2017 to 4.0 in 2020.

By the end of 2020, mixed-use at Wereldhave accounted for 10% of our lettable space – a good start towards meeting our 2025 target of 25%.

Use of data

Increasingly, we are taking a more scientific approach to managing our centers; we are using more data to assess performance, particularly how well our centers meet visitors' four basic needs (see page 19). In many cases, performance may come down to the right mix of tenants within our centers, or the positioning of specific stores. Data allows us to compare performance and identify shopping patterns – we can use this data to support our tenants, identify best practice within centers or sectors. Visitor and tenant data is now included in strategic blueprints for our centers. As part of LifeCentral, our customer teams are also working on "clusters" – improving choice for consumers by bringing together tenants from the same sector, such as health & well-being or fresh produce.

Our *flow by Wereldhave* platform, meanwhile, provides a real-time communications channel with our tenants. Through the platform, we are able to share location-specific news and data; we have now rolled out *flow by Wereldhave* to our centers in both Belgium and the Netherlands.

Response to Covid-19

Because of Covid-19, many of our centers were closed for long periods in 2020. As centers reopened after lockdowns, our priority was to ensure a safe environment for visitors and tenants. We put in place extensive health measures and worked closely with both tenants and local municipalities to ensure social distancing rules were respected. At some centers, we were able to provide real-time “heat maps” and live footfall data to show when stores were becoming too crowded. In most locations, we benefited from having a contained environment, where health restrictions could be more easily enforced.

With lockdown measures, tenants were forced temporarily to close their businesses. In many cases, we negotiated discounts under our Fair Support Policy. In France, for example, payment of both rent and service charges was postponed in April and May. Where possible, we followed recommendations from local retailer or landlord associations. Generally, discounts depended on other financial support retailers might be receiving from government or parent companies. In the Netherlands, the government paid up to 70% of rents for smaller retailers. Among the hardest hit sectors were food & beverage and multi-brand fashion; in Belgium, we made an additional 2,000m² available outside for bars and restaurants free of charge in June when the first lockdown measures were lifted.

Additional services for visitors and tenants

Despite the pandemic, we continued to introduce new services for visitors and tenants; these services are an integral part of our LifeCentral strategy, intended to improve convenience for visitors, and provide tenants with additional sales opportunities:

- At two centers – in Arnhem and Maassluis – we piloted Connect, in partnership with Shopforce. Connect offers an online shopping platform for smaller fresh produce retailers that often lack the time or resources for effective e-commerce. Using Connect, Customers can order online, and pick up in store. In 2021, we are planning to add home delivery. Connect provides convenience for shoppers, and gives smaller retailers an additional sales channel, open outside usual shopping hours.
- We have also introduced The Point at Cityplaza at Nieuwegein (the first in the Netherlands). The Point – already a proven concept at our centers in Belgium – offers customers a range of services, including a pick-up and return parcel service, ATMs, public transport tickets, gift cards and wrapping, as well as a fitting and adjustment services for clothes; it also acts as an information desk.
- UpNext – our pop-up store concept – has now been introduced to Wereldhave centers across the Netherlands. Using more flexible contracts, UpNext allows retailers to trial new products, add sales space to sell surplus stock, even sell products that were previously available only online. We have launched two versions of UpNext: Shop and Premium. Under Premium, we provide a fully fitted unit and, if required, employees to staff it and operate the tills.

Measuring progress

Improving customer experience of our consumers and tenants is at the heart of everything we do. To gain consumer feedback and measure their experience we use the Net Promoter Score (NPS) as main metric and Customer Satisfaction (CSAT) to measure specific performance of our center operations, touch points and services. We have set clear NPS targets for ourselves – these are built into both our strategy and blueprints for our centers. Overall, for our Full Service Centers in the Benelux, we are aiming for a NPS of +20 by 2025. For tenants we are currently measuring CSAT (Customer Satisfaction). On a scale from 1 to 10 our aim is to score at least +8 in 2025.

In 2020, the Benelux NPS is +4 on average for our Full Service Centers.

NPS calculation explained

With the NPS research method we ask consumers how likely it is they would recommend Wereldhave centers to others. Answers are provided on a scale of 0 (not at all likely) to 10 (extremely likely). NPS is shown as the percentage between promoters (those scoring 9 or above) and detractors (those scoring 6 or below). It is our aim to get actionable insights on how we can optimize the customer experience and turn detractors into promotors.

The following table sets out the progress on projects to improve customer experience in our centers.

		Progress in 2020	Total progress till 2020
Play & Relax	Belgium	2	5
	France	-	2
	Netherlands	1	5
Wayfinding	Belgium	1	4
	France	1	3
	Netherlands	2	8
Commercial Signing	Belgium	2	2
Restrooms	Belgium	-	2
	Netherlands	-	5
Parking garages	Belgium	1	1
	Netherlands	4	1
The Point	Belgium	1	3
	Netherlands	1	1
Every.deli	Netherlands	2	-
Total		18	42

Performance: employees and contractors

During 2020, the health of our employees and contractors was a clear a priority. Further steps were also taken to digitize our internal processes to improve efficiency.

Health and safety

In response to Covid-19, we introduced extensive health measures at our centers and offices. We encouraged, where possible, employees to work remotely – staying connected through a variety of collaboration tools. Employees were offered an allowance to help create a healthy workplace at home. Senior management hosted live streams every two weeks to keep staff informed. At our centers, we installed dedicated hygiene stations, asked visitors to wear masks and put in place separate entrances and exits to curb transmission of the virus. We worked closely with contractors, tenants and local governments to enforce these measures. In our offices, we installed plexi screens, provided hand-sanitizing facilities and enforced social distancing. Because of the pandemic, absentee rates doubled – to 3.9% for the Company as a whole. There were no serious accidents during the year at any of our centers.

Workforce

By the end of 2020, we had 178 employees (FTE) – just under 17% were on part-time contracts. We also employ outside contractors – mostly in maintenance, cleaning and security. During the year, the number of contractors working at our centers decreased – a consequence of the pandemic, which left many of our centers closed for long periods. More than half our workforce - 52% - are women. Our goal is to ensure women make up at least a third of our senior management, primarily by promoting from within the Company. At the end of 2020, women accounted for 28% of senior management, almost on target.

Salaries and benefits

Much of the value we create for employees is through salaries and benefits. In 2020, we paid out € 18.3m in salaries and social security. We contributed a further € 1.4m to employees' pensions.

Employee engagement

At Wereldhave, we want to create an efficient and supportive working environment. Our core values are: Entrepreneurial, Customer-inspired, Responsible and Connected. We measure employee engagement every two years; our next survey will take place in 2021. Our target is to have an engagement score of at least 7.5 in each of our operating countries (our 2018 survey produced an engagement score of 7.6). As well as engagement, our survey measures a number of other criteria, including commitment, role clarity, vitality, loyalty and work atmosphere.

Within the Company, we identify “key talents” - we aim to retain these talents market by keeping pace with market standards for salary and benefits, and best practices in developing an attractive workplace culture and strong employee relationships.

Training and development

To implement our strategy, we will need to develop new skills, particularly in areas such as digital, data analytics and customer relationship management. In 2020, our employees spent 3369 hours in training, on average 19 hours per employee. During the year, we also set up two new teams – Customer Experience and Digital Transformation.

Works' Council & collective bargaining

Across our operations, we comply with regulations regarding collective bargaining and freedom of association. Given our size, there is no Collective Bargaining Agreement (CAO) applicable. To maintain dialog, we have two works councils, representing all Wereldhave employees in the Netherlands and France (covering 73% of the Company's total workforce). Over the past year, Wereldhave N.V.'s works' council discussed a number of topics, including the new home-working policy and the process for mid-year employee reviews. Pay and working conditions are also discussed frequently with these works' councils.

Digitization

In 2020, we moved ahead with our Digital Transformation strategy. This strategy has several objectives: to increase efficiency, save costs and use data to provide insights into consumer behavior (see also page 15). One of our priorities has been to digitize internal processes – to save time and cut down on manual work required. We have already digitized our sales process and started work on our financial management processes. At the same time, where possible, we are stepping up our use of data and analytics to provide a reliable, data-driven basis for management decisions on everything from leasing and marketing to capital allocation.

Performance: investors

Our aim is to maximize long-term returns for investors. In 2020, we launched our new LifeCentral strategy, and secured refinancing. Regrettably, we had to cancel payment of our 2019 final dividend because of the Covid-19 pandemic.

Financing and strategy

With Covid-19, we took prompt measures to secure our financial position. We reduced costs, scaled back our development projects and canceled dividend payments. We also put in place new financing agreements worth € 270m, partially refinancing maturing debt. Taken together, this financing is enough to cover Wereldhave's obligations until the third quarter of 2022. Thanks in part to these measures, we were able to report direct result per share for the year of € 2.01 – in line with the outlook published in the third quarter. Investment values for retail real estate remain under pressure, however.

Our new Green Finance Frameworks align Wereldhave's financing with the Company's overall approach to sustainability. The Frameworks allow us to issue a variety of instruments, including green bonds, green private placements and green (syndicated) loan facilities.

Long-term investment approach

Over recent years, we have seen significant declines in property values. This has led to an increase in our LTV ratio. Through disposals, we have been able to maintain a reasonable debt position. Over the past five years, our interest-bearing debt has come down by more than 17% – but, inevitably, our earnings capacity has been affected. With LifeCentral, we are changing our investment approach – we are moving our focus to the long-term. In the short term, LifeCentral will bring additional costs, largely through increased capital expenditure. Once implemented, however, the strategy will diversify our revenue base, reduce risk and increase the inherent value of our centers. To support our strategy from a financial perspective, we have adopted a total property return approach – investment decisions are taken on the strict basis of a minimum return rate of 6%. By reducing debt, our aim is to bring down our net LTV ratio to 30-40%; at the end of 2020, the net LTV ratio stood at 46.7%. Following the disposal shopping center In de Bogaard in Rijswijk in February 2021, the net LTV stood at 46.3% on a pro forma basis.

Share price

During 2020, our share price lost nearly 47% of its value; this was due mainly to the impact of Covid-19 and subsequent lockdown measures, though the decision to cancel dividend payments and delays in planned disposals also had an effect. The EPRA Developed Europe index showed a loss for 2020 of just under 15%[1]. In the longer term, our approach to business should result in our outperforming the relevant real estate benchmarks – as part of this approach, we will continue to invest in assets with growth potential, work hard to transform our centers into thriving marketplaces and add services that provide real value to tenants and visitors.

1 Source: EPRA 2020 Annual Market Report

Dividends

Early in 2020, we decided to cancel payment of our 2019 final dividend (€ 0.63 /share) as interim dividends already distributed covered our distribution obligation. Our quarterly interim dividends for 2020 were also shelved. This decision was part of broader Company efforts to preserve liquidity in response to the Covid-19 crisis. At our next AGM – scheduled for 26 April 2021 – we will propose a dividend for 2020 of € 0.50 /share, payable in cash, in a single installment. This equates to a payout ratio of 24.9%, which is below our long-term dividend policy.

Wereldhave's disciplined capital allocation framework is focused on maintaining a strong balance sheet, delivering outperforming long-term value growth for shareholders through its investments, and returning appropriate dividends to shareholders. Wereldhave's current LTV ratio – at 46.7% – is still above our target range of 30-40%. To ensure acceptable leverage and long-term growth, management has decided to allocate the Company's recurring income partly to finance investments needed under its LifeCentral strategy, and partly to dividends. Our long-term dividend policy – to pay out 75-85% of our direct result per share to shareholders – remains unchanged.

Communications with investors

We value the trust investors put in us – we have an open and transparent capital allocation process. During the year, we switched to online meetings with investors because of the Covid-19 pandemic. We held 77 one-to-one meetings and another 102 group meetings. We also spoke at several conferences and held two conference calls with equity investors and separately with US Private Placement investors to present Wereldhave's interim and full-year results. To comply with social distancing, we limited in-person attendance at our AGM – shareholders were able to access the meeting online.

Performance: society

We want our centers to be low carbon, less wasteful and have a positive effect on local communities. In 2020, we set clear, science-based targets to reduce carbon emissions, and took further steps to Paris-proof our centers.

A Better Tomorrow

Our CSR program – A Better Tomorrow – is based on three focus areas: Better Footprint, Better Nature, and Better Living; it is an integral part of our overall LifeCentral strategy. In each focus area, we have set ambitions through to 2030. We have also linked these ambitions to the UN Sustainable Development Goals (SDGs), see below. We see A Better Tomorrow as an opportunity: in reducing our environmental footprint, we can save costs – and make our centers cleaner, safer and more pleasant places in which to live and work. At the same time, we are aligning ourselves with deeper changes in society. In recent years, there has been a significant shift towards greater sustainability, not only among consumers, but also among retailers, investors and governments.

1. Better footprint

At Wereldhave, our goal is to reduce emissions by 30% between 2018 and 2030 – for those emissions under our operational control[1]. This will put us on track to become net zero by 2045. It is important that we act to reduce our footprint – the built environment alone accounts for nearly 40% of global emissions[2]. To support our targets, we are developing net-zero roadmaps for our centers – in line with the Paris Climate Agreement.

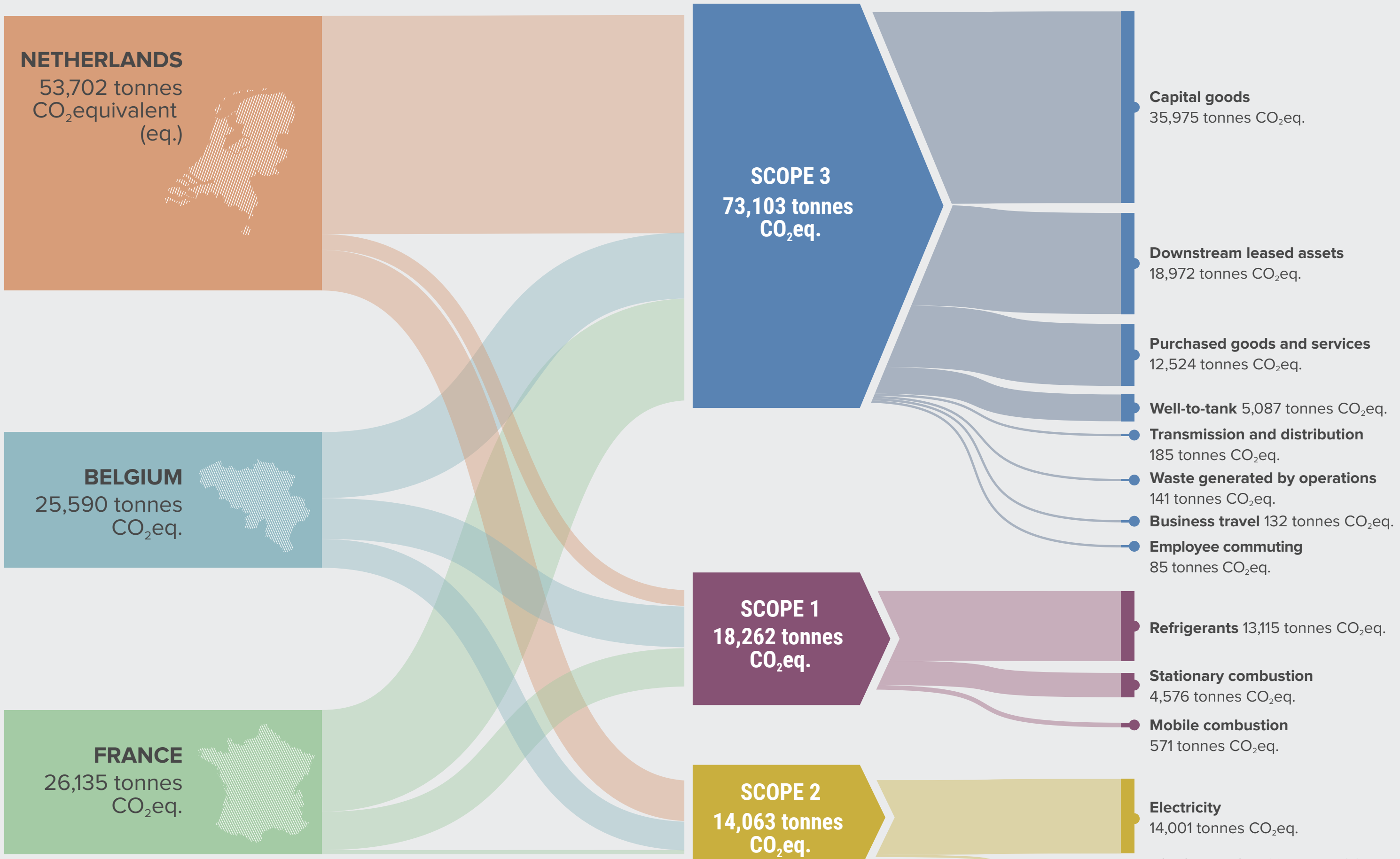
In the following carbon flow chart, the 2018 baseline of carbon emissions per country and scope are visualized.

	Relevant SDGs	*Priorities*	*Ambitions for 2030*	*Current Status*
Better footprint	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	**Energy & carbon** **Materials** **Value chain impacts**	• Reduce carbon emissions with 30% for all m² under Wereldhave's operational control • Zero waste to landfill and use of circular solutions • Partner with tenants and visitors to reduce carbon emissions and waste (net zero value chain by 2050)	• Approved Science-Based Target (SBT) • 4.212 MWh solar energy produced onsite • 28,5% waste recycling and 32,5% waste-to-energy • 100% of buildings have EV charge points or plans in place • Belle-Île, Vier Meren and Sterrenburg net zero carbon route maps started

1 Our target was verified in 2020 by the Science-Based Targets initiative (SBTi), comprising experts from the CDP (formerly, the Carbon Disclosure Project), the UN Global Compact, the Word Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Wereldhave also signed to the World Green Business Council's Net Zero Carbon Building Commitment
2 Source: Architecture 2030

Carbon flow analysis

This chart shows the 2018 baseline of CO_2 equivalent emissions by country and scope that is the basis of our science-based target. Scope 1 relates to emissions from our own operations; scope 2 to emissions from energy bought by the Company; scope 3 to emissions resulting indirectly from our value chain (from waste and travel, for example, or from the activities of our tenants).



(baseline based on 2018 data)

To reduce emissions, we will cut back on energy consumption, partly through efficiency, but we are also considering other options, including smart building technology, district heating, and using heat pumps rather than natural gas. Other examples include:

- LED lighting in car parks at our centers in Courtrai and Nivelles (these also cut down on light pollution and improve lighting quality).
- Installation of weather-dependent heating controls at our Shopping 1 center in Genk.
- Insulation of car park entrances at Belle-Île, installation of a new revolving door to preserve heat and twilight sensors to shut down lighting automatically when not needed. All lighting in Belle-Île has now been converted to LED.

In 2021, we will draw up a plan to replace refrigerants with a non-greenhouse gas alternative. Used to cool our centers, refrigerants are a major contributor to our scope 1 emissions[1]. In 2020, our carbon emissions – scopes 1 and 2 – totaled 4,088 tonnes, up 4% due to the balancing out of the effect of lockdowns on our gas consumption in 2020, and of the effect of malfunctioning district heating and gas heating in 2019.

At many centers, we also generate our own renewable energy. We now have more than 15,200 solar panels on our centers; we plan to install another 5,000. In 2020, these provided 4,212 MWh in electricity – approximately 6% of our total annual use.

Our 2030 target covers only the square meters under our operational control – we also want to reduce scope 3 emissions from our wider value chain. This means working with tenants, visitors and other suppliers and business partners to bring down their carbon footprint as well[2]. Green leases have been standard for tenants since 2014 – these set minimum provisions not only for energy, but also for waste and water consumption. Currently, just over half our leases are green.

We also want to reduce waste – our goal for 2030 is to have zero waste going to landfill. Centers split waste into four recycling streams – for plastics, cardboard and paper, compostables and glass, where applicable. In France and the Netherlands, we conducted pilot projects alongside our tenants with Too Good To Go, an organization that works to prevent food waste. At Belle-Île, we put containers in our car park to collect second-hand clothing and textiles – and at our Shopping Les Bastions center, in Tournai, we added an environmentally-friendly dry cleaner and car wash to help save water. At the same time, we are trying to increase our use of circular products and materials – this consideration is included in blueprints for our centers, and in our Supplier Code.

2. Better nature

As well as reducing our environmental impact, we need to adapt our centers to the effects of climate change. Currently, our centers are developing climate resilience plans, so they can cope better with summer heatwaves or reduce the risk of flash floods. To strengthen resilience, we want to double vegetation on and around our centers – in total, we have just over 25,000 m² of green space. In 2020, we worked with Impact Nation (a collaboration between The Next Web, Impacthub and ABN AMRO) for an automated assessment of the potential for our green space on our roofs. The outcomes of analysis will be included in the net-zero carbon roadmaps for our centers. The green spaces have multiple functions: they reduce heat in summer, lower energy consumption required for cooling,

	Relevant SDGs	*Priorities*	*Ambitions for 2030*	*Current Status*
Better nature	11 Sustainable cities and communities; 13 Climate action	**Resilience** **Habitats**	• 100% of assets have action plans to mitigate physical effects of climate change • Double the surface of vegetation roofs and green spaces	• Assessment of risks of all centers via BREEAM-in-use and CRREM • 25,515 m² green spaces • 100% of buildings have ecologist reports and action plans • 45% of centers have biodiversity measures in place

1 Under the Greenhouse Gas Protocol, scope 1 relates to direct emissions from Wereldhave's own business operations; scope 2 to indirect emissions from the use of purchased energy; and scope 3 to emissions from the company's value chain (i.e. emissions from tenants, visitors and suppliers in the course of their business with Wereldhave).In 2020, we measured Wereldhave's scope 3 emissions for the first time. Our analysis shows that most scope 3 emissions are generated through capital goods, purchased goods and services and downstream leased assets
2 In 2020, we measured Wereldhave's scope 3 emissions for the first time. Our analysis shows that most scope 3 emissions are generated through capital goods, purchased goods and services and downstream leased assets

help protect local biodiversity, and improve visitor experience; studies have shown that access to green space can improve our mental health. In 2020, we added 150 m² of green space at our Cityplaza center in cooperation with the Nieuwegein municipality. At Belle-Île, in Belgium, we are planning to grow hops on the glass roof – for use by a local brewer.

3. Better living

Our approach to CSR is not just about the environment – our centers have an important role in local communities. They provide access to vital services – and, by offering a welcoming environment and hosting events, help combat loneliness and social exclusion. We also regularly make space available in our centers for charities and social enterprises. Every year, we spend approximately 1% of our net rental income on social causes (both in cash and in kind) – in 2020, we spent € 1.1m , equivalent to 0,8%, slightly lower than our target. Ultimately, our aim is to make our centers pleasant places for tenants, visitors and employees to spend time in; as part of Better Living, we have also set goals for safety, employee engagement and turnover.

In 2020 – with Covid-19 – we were restricted in our ability to host events – and because of social distancing measures, we often had less space available. Examples of social events and other activities hosted in our centers included:

- In our Shopping 1 center in Genk, we made pop-up space available to the city hospital to recruit nurses.
- A women's information point was opened at our Mériadeck center in Bordeaux to provide support for women affected by domestic violence (aggravated by the recent pandemic).
- De Ruilfabriek was opened at our Cityplaza center in Nieuwegein, a social enterprise bringing together start-ups focused on sustainable and other fair-trade products.

	Relevant SDGs	*Priorities*	*Ambitions for 2030*	*Current Status*
Better living	8 Decent work and economic growth 11 Sustainable cities and communities 17 Partnerships for the goals	**Well-being** **Employees** **Communities**	• Aim for zero safety incidents at Wereldhave centers • Employee engagement score of at least 7.5 for each country of operation • Reduce % of voluntary departures among company's key talents • Contribute at least 1% of net rental income to socio-economic and social inclusion initiatives	• 0 incidents of non-compliance • 7.6 employee engagement (2018) • 0.8% of NRI equivalent

In addition, we support a number of other causes beyond the direct remit of our centers. These include Justdiggit, which works with local communities on land restoration in east Africa (see page 23) – we also support Clinica Verde, providing access to health for rural communities in Nicaragua.

For more information on Employees, see pages 41-42.

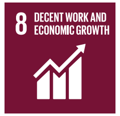
International development agenda

The UN Sustainable Development Goals (SDGs) were adopted in 2015; they set the international development agenda through to 2030. There are seventeen goals in all, supported by a further 169 targets. Of the seventeen goals, we have selected six as "strategic" for Wereldhave – where we believe we can contribute the most. We have marked these on the next page. Our LifeCentral strategy, A Better Tomorrow and our Green Finance Frameworks are all linked directly to the SDGs.

Our strategic Sustainable Development Goals (SDGs)

Please note that "A Better Tomorrow" – our CSR program – is tied directly to a number of underlying SDG targets: 7.2, 7.3, 8.8, 11.5, 11.6, 11.7, 11.B, 12.2, 12.5, 13.1, and 17.16. For more information, see: https://sdgs.un.org/goals
SDGs 7, 11, and 13 link directly to the EU's new taxonomy for sustainable activities (to the taxonomy's Climate Change Mitigation objective and to three designated economic activities: construction of new buildings, 26.2; renovation of existing buildings, 26.3; and acquisition and ownership of buildings, 26.5). For more information on the EU's taxonomy, see: https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

Affordable and clean energy
Working with tenants and visitors, our centers will operate at net zero carbon in line with the Paris Climate agreement.



Decent work and economic growth
Wereldhave promotes safe working environments and aims for zero safety incidents in our centers, in cooperation with contractors and suppliers.

Sustainable cities and communities
Our centers will provide access to public and green spaces to help reduce the environmental impact of cities. We also contribute to socio-economic and social inclusion initiatives.

Responsible consumption and production
As part of our climate commitments, Wereldhave aims to reduce waste generation through recycling and zero waste to landfill, and using more circular solutions in our development projects.

Climate action
Wereldhave wants to increase resilience to climate-related hazards and natural disasters by increasing the green areas in and around our centers.

Partnerships for the goals
Wereldhave partners with stakeholders to reach its selected targets.

Sustainable building certificates

In 2020, we renewed BREEAM-in-Use[1] certificates for our centers in Etten-Leur, Roosendaal, Nieuwegein, Kronenburg Arnhem, and Leiderdorp. We also added four new certificates for Presikhaaf Arnhem, Middenwaard, Purmerend and Tournai. All eligible Wereldhave centers are BREEAM certified as “very good” or higher. Remaining centers such as Koperwiek, Belle-Île and Sterrenburg will be certified BREEAM-in-use after redevelopment. To other assets such as high-street properties and offices, we apply BREEAM best practices alongside our own initiatives. We also have separate energy performance certificates in both the Netherlands and France – these are required under local regulations.

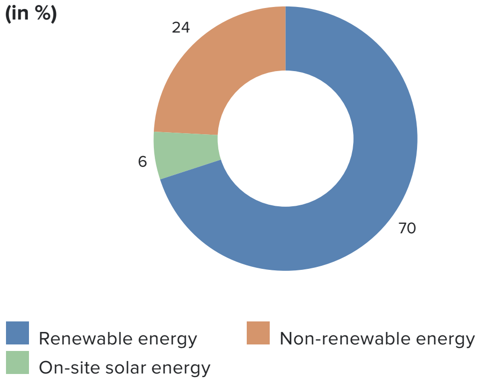
External recognition

According to GRESB – the Global Real Estate Sustainability Benchmark – Wereldhave’s portfolio ranks in the top five for the European-listed real estate sector. For the seventh successive year, we were awarded five stars by GRESB, its highest rating. We also received EPRA’s sBPR (sustainability best practices recommendations) Gold Award for the fifth straight year, and rated A- for the first time in our annual CDP assessment. Wereldhave was also included in the DJSI Europe Index, putting the Company in the top 20% of Europe’s leading companies on sustainability issues. Institutional Shareholder Services (ISS) ranked Wereldhave fourteenth in its ESG assessment out of 364 real estate companies, while our score on the Dutch Association of Investors for Sustainable Development (VBDO) Tax Transparency Benchmark increased in 2020 by just over 35%[2].

1 BREEAM: Building Establishment Environmental Assessment Method
2 In 2020, Wereldhave scored 23 points, up from 17 points the year before

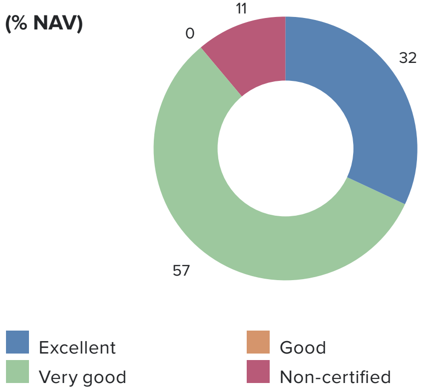
Energy

(in %)

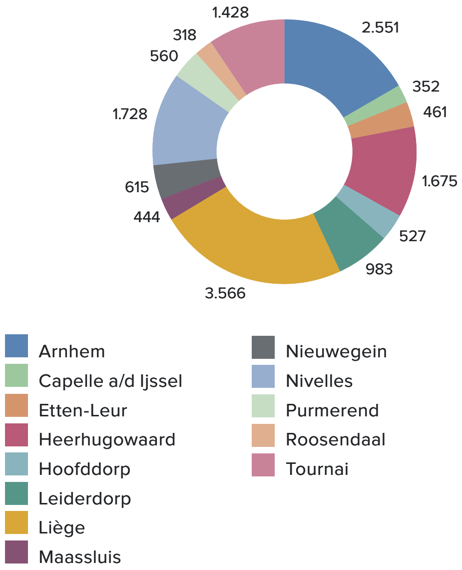


BREEAM certified assets

(% NAV)



Solar panels



Performance: business partners

We work with approximately 1,500 outside contractors; they carry out maintenance work, clean our centers and provide security. We have a strict Supplier Code of Conduct that applies to all major contractors. In 2020, we reduced spending on contractors – a result of broader cost-cutting efforts.

Supplier Code of Conduct

We have had a Sustainable Supplier Code since 2014 (renewed in 2020). Based on the UN Global Compact, BREEAM in-Use requirements and the International Labor Organization (ILO) conventions, the Code applies to all contracts worth € 10,000 or more. In 2021, we will begin a detailed review to assess social and environmental performance among our leading suppliers. This review will initially cover a third of our leading suppliers but, if successful, will be extended to more suppliers.

Most of our contractors work in three areas: maintenance, cleaning and security. Provisions in our Sustainable Supplier Code apply to the entire supply chain – in other words, not just to our suppliers, but to our suppliers' suppliers. The Code covers both social and environmental standards, including the use of forced or child labor, discrimination, freedom of association, health & safety, and corruption.

The Code also includes a provision on the use of circular materials to reduce waste. Our contractors are subject to regular inspection and – in many cases – external certification; we have specific certification requirements for contractors providing technical maintenance, security or cleaning services. Contractors play an important role in ensuring we comply with all relevant regulations, and that we maintain high safety standards at our centers.

Our Sustainable Supplier Code complements two other policies in force: our Employee Code of Conduct and our Business Integrity Policy[1]. We recognize that there may be social or environmental risk through our supply chain, though we regard our own direct risk in these areas as relatively low, given that we operate essentially in north-west Europe. In 2020, we had no significant incidents of bribery, corruption or alleged violations of our Codes of Conduct or Business Integrity Policy.

Payments to suppliers and contractors

In 2020, we spent € 141m on outside contractors, down 3% from the previous year. This decrease was due mainly to cost-cutting across the Company. In addition, we delayed or scaled back our development projects, in response to the Covid-19 crisis, reducing our use of outside contractors. Where possible, we temporarily reduced purchased services at our shopping centers during periods of lockdown.

1 Wereldhave's Employee Code of Conduct covers a number of areas, including conflicts of interest, bribery and corruption, data and confidentiality, the use of social media, and business relations etc. Our Business Integrity Policy, meanwhile, sets out the company's "key ethical values."

Outlook

Our business environment is likely to improve in 2021, but the year will still be marked by the consequences of Covid-19.

Economic conditions

Economies are expected to return to growth after a sharp downturn in 2020. Conditions will remain uncertain, however. With Covid-19, businesses may still be subject to lockdown restrictions. A full return to normal trading conditions is unlikely until a successful roll-out of new vaccines. During 2020, we saw a decline in bankruptcies, thanks to continued government economic support. Any withdrawal of this support in 2021 would increase the risk of bankruptcies, especially in the multi-brand fashion and food & beverage sectors; fashion, in particular, had already been weakened by the rise of online shopping in recent years. We expect food & beverage to return to pre-Covid levels once current restrictions are lifted. Consumer confidence remains weak, though there is considerable pent-up demand, which may be released once the pandemic is behind us.

Trends in society

Covid-19 has accelerated trends in society, evident even before the pandemic. E-commerce, we believe, will continue to expand in 2021. As a result, there will be greater integration between online and physical retail. People will continue to work remotely, even after the end of the pandemic – rather than commuting into large cities. That may bring more visitors to our centers during the working week to shop, relax, or socialize, as well as work. At the same time, sustainability will gain in importance – one consequence of recent lockdowns has been to increase awareness of climate change.

Financial performance

In our markets, Covid-19 has changed none of our fundamentals. Wereldhave's ambition is still to become the market leader in Full Service Centers in the Benelux, broaden customer experience and improve our digital capabilities. Through LifeCentral, we aim to transform our assets, right-sizing them to the new reality, capturing long-term trends, restoring the retail balance and adding new functions and uses. We expect to strengthen our balance sheet by divesting selected assets and phasing out our presence in France. We are well positioned to transform our assets to Full Service Centers. The assets are at densely populated and well-connected locations, and the gap between our current retail rent levels and mixed-use is modest. Therefore, there is a limited negative effect on cash flows as a result of the transformations. Capital allocation will be based on total property returns, with a disciplined, data-driven, fact-based approach. The minimum unlevered IRR threshold is 6%. Assets with unlevered IRRs below 5% will be sold.

We have set ourselves several priorities: reducing leverage through our disposal program in the Netherlands and the planned phase-out of our French operations, executing on four Full Service Center transformation projects (Belle-Île, Tilburg City-center, Vier Meren, Ring Shopping), extending debt maturities, increasing cost-efficiency and maintaining our leading position in ESG. We expect a direct result for 2021 of between € 1.80 and € 2.00 per share, which takes into account the disposal of In de Bogaard, and two additional disposals in the Netherlands to be executed during the first half of the year, and assuming no impact from further lockdown measures (in particular forced store closures), other than those we are already aware of. On average in 2020, the direct impact on our direct result per share for one month lockdown and forced store closures amounted approximately to € 0.15 per share. Wereldhave maintains its long-term dividend policy with a pay-out ratio of 75-85% of direct result per share. Due to planned disposals and our LifeCentral strategy, direct result per share will gradually decrease to reach a low in 2022 of € 1.40 - € 1.50. From there, we expect to deliver growth again of 4-6% a year. At the next AGM, we will propose a dividend for 2020 of € 0.50 per share.

Governance

We're committed to high standards of corporate governance and business ethics – part of this is a clear, transparent approach to decision-making, remuneration, and risk management.

Governance

Wereldhave is committed to a high standard of Corporate Governance. We adhere to strict principles of business ethics and the adequate provision of forward-looking information. Transparency is a key cultural value to us. The Company's business ethics are embedded in the Business Integrity Policy and the Code of Ethics for employees, which is published on our website www.wereldhave.com.

Legal structure

Wereldhave N.V. is a real estate investment company, listed on Euronext Amsterdam and included in the AScX-Index. The Company was founded in 1930 and is listed since 1947. Wereldhave has the fiscal status of an investment institution, so it is subject to a 0% corporation tax rate in the Netherlands (other than for development activities in the Netherlands). Its Belgian investments consist of a 67.7% interest in Wereldhave Belgium N.V., a tax-exempt investment company with variable capital listed on the Euronext Brussels Stock Exchange. The investments in France are subject to the SIIC (Société d'Investissements Immobiliers Cotée) regime.

Wereldhave has a two-tier board structure. Additional regulations for the Boards are set out in the Governance Charter of Wereldhave which can be downloaded at our website.

Board of Management

The members of the Board of Management are jointly responsible for the management and running of Wereldhave N.V. and its subsidiaries, with due respect for their roles and tasks. The CEO takes the lead in this and is the main point of liaison for the Supervisory Board.

The Board of Management is accountable to the Supervisory Board and to the General Meeting of Shareholders.

The Board of Management consists of Mr. Matthijs Storm (CEO) and Mr. Dennis de Vreede (CFO). The Board is supported by a Management team of the three Country Directors and supported by the Company Secretary. The management team does not qualify as an executive committee. The members of the Board of Management are the statutory directors of the Group's real estate companies and as such, solely responsible for the decision making. The Board of Management is appointed and dismissed by the General Meeting of Shareholders, from a nomination to be drawn up by the Supervisory Board. The members of the Board of Management have been appointed for a period of four years. The agreements contain a break option with a four months' notice and a maximum severance payment of one year's salary.

Supervisory Board

The role of the Supervisory Board is to supervise the strategy and the business of the Company and its subsidiaries, as well as to support the Board of Management by providing advice. The Supervisory Board shall be guided by the interests of the Company, taking the interests of the Company's stakeholders into account. The Supervisory Board has two standing Committees, an Audit Committee and a Remuneration and Nomination Committee.

The Supervisory Board of Wereldhave N.V. currently consists of three members. The independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive of the Dutch Governance Code have been fulfilled and all members meet the independence criteria. The members of the Supervisory Board and its Committees are: Mr. Adriaan Nühn (Chair and member of the Remuneration and Nomination Committee), Mr. Hein Brand (Chair Audit Committee) and Mrs. Françoise Dechesne (member Audit Committee, member Remuneration and Nomination Committee). The profile for members of the Board as well as brief resumes can be found at the Company's website.

The term of Supervisory Board member Mr. van de Weerdhof ended in April, 2020. He was not replaced. In April, 2021, Mr. Nühn's and Mr. Brand's term will expire.

At the AGM on April 26, 2021, reappointment of Mr. H. Brand for a term of three years and reappointment of Mr. Nühn for a term of four years will be proposed.

The Supervisory Board maintains regular contact with the external auditor and focuses on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the financial reporting. The Supervisory Board has joint responsibility and acts without a mandate and independently of any particular interests associated with the company.

Committees of the Supervisory Board

The Audit Committee's main role is to oversee financial accounting and reporting, internal control and risk management. In this context, the Audit Committee examines and reports to the Supervisory Board on matters such as (interim) financial reporting and accounts, asset valuations, risk management, accounting methods, finance and tax planning and the relationship with the internal and external auditors.

The remuneration committee and the selection and appointment committee have been combined in one committee, the Remuneration and Nomination Committee. The committee's main role is to prepare the Board meetings with respect to selections and nominations, evaluations and remuneration levels and succession planning.

General Meeting of Shareholders

At least once a year, a General Meeting of Shareholders will be held. The agenda of the Annual General Meeting of Shareholders shall in each case contain the report of the Board of Management, the dividend policy, the adoption of the financial statements, the report of the Supervisory Board, the remuneration report and the proposal to distribute dividends or other distributions. Resolutions to release the members of the Board of Management and Supervisory Boards from liability for their respective duties shall be voted on separately.

Requests of investors who solely or jointly represent 1% of the issued capital to place items on the agenda of the General Meeting of Shareholders shall be honored if such requests are submitted to the Board of Management or the Supervisory Board at least 60 days before the scheduled date of the Meeting, unless, in the opinion of the Supervisory Board and the Board of Management, there are vital interests of the Company opposing the inclusion of such item or items in the agenda. The resulting discussion in the General Meeting should not affect the orderly course of the Meeting.

The secretary of the Company will take minutes of the proceedings at the meeting. The minutes will be signed by the Chairman of the Meeting and the Company Secretary. In principle, the minutes will be published on the Wereldhave website within one month after the Meeting and copies of such minutes are available free of charge on request.

Wereldhave pursues increased shareholder participation at its general meetings, by making proxy forms and voting instructions available online, by enabling voting via internet prior to the meeting and by contacting the known larger shareholders to question them to attend or vote.

The attendance rate at the AGM on April 24, 2020 stood at 30% of the issued share capital. The meeting approved the proposal to repurchase shares, but voted against the proposal to grant the authority to the Board of Management to issue shares. The voting results were analyzed and the largest voters against were consulted about their objections. The Board has explained the importance of the topic from a business perspective. During the year 2020, no shares were issued or repurchased except as part of the LTI scheme.

The policy on communications between the Company and its shareholders can be found at the Company's website.

Protective devices

The protective devices consist of the possibility to issue preference shares up to 50% of the issued share capital (less one share), calculated after issue.

The contract between the Company and the Foundation in relation to the preference shares Wereldhave entails the granting to the Foundation of the right to, on a continuous basis, take, if necessary in tranches, preference shares up to a maximum of, after exercise, 50% of the issued capital (less one share). Both parties have the interim right to cancel the agreement. Following the issue and subsequent repurchase or withdrawal of the preference shares, the Company intends to discuss the protective devices with the General Meeting of Shareholders.

The objective of the Foundation, in accordance with article 2 paragraph 1 of its articles of association, is to promote the interests of Wereldhave, of the companies affiliated to Wereldhave and all stakeholders, whereby the foundation also takes into account maintaining the independence, continuity and identity of the Company.

The Board of the Foundation consisted of Mr. P. Bouw (Chairman), Mr. S. Perrick and Mr. R. de Jong. The Foundation is independent from the Company within the meaning of section 5:71 paragraph 1 under c of the Financial Supervision Act.

The foundation does not hold any shares in Wereldhave at present.

The Foundation intends to take preference shares if, amongst others, a threatening situation occurs where a significant interest might come in the possession of legal entities or persons who possibly aim to acquire control over the Company without the involvement of the Board, without guarantees with respect to the independency and continuity of Wereldhave and its affiliates and without the possibility to safeguard the interests of employees, other shareholders and other parties related to Wereldhave or, affiliated companies, or without the real value of the Wereldhave shares being reflected in a take-over bid, or if power is, or may be exercised with the intention to amend the strategic policy which is determined by the Board and Supervisory Board.

Wereldhave and the Foundation have agreed that the Foundation can request the Company to withdraw or buy back the shares six months after issuance of the preference shares. In addition, Wereldhave is obliged to convene a general meeting of shareholders within eighteen months after the issuance date of the preference shares, where the withdrawal or buy back of the preference shares will be put on the agenda. These contractual clauses imply that the issue of any preference shares is intended as a temporary protective device.

CSR engagement

Wereldhave has dedicated governance in place for Corporate Social Responsibility (CSR); this helps us achieve our sustainability goals. At board level, our CFO is responsible for Wereldhave's sustainability policy; the Group CSR manager reports directly to the CFO. CSR reporting is integrated into management reporting, with quarterly updates from country units on sustainability performance and progress against our KPIs. All data collected through quarterly reports is verified to ensure the quality of the information.

Implementation of our sustainability policy is overseen by the Group CSR Manager in cooperation with individual initiators in each country. Individual managers are responsible for implementing sustainability in their own departments. Projects contributing to achievement of our targets are integrated into Wereldhave's budget business plans.

With this governance structure, Wereldhave is able to embed sustainability more effectively into its daily operations.

Dutch Corporate Governance Code

In the scope of the Dutch Corporate Governance Code, as amended in 2016, the Company maintains a reconciliation table in which is set out how the principles of the Corporate Governance Code are complied with. This reconciliation table is published on our website.

Risk management and internal controls

Risk profile

As a retail property investor in the Netherlands, Belgium and France, Wereldhave is particularly sensitive to factors that impact demand for space from retailers. This is primarily driven by customer behavior. A decline in customer footfall and spending may lead to a lower demand for space, with negative impact upon:

- The value of our assets
- Occupancy rates, rental levels and subsequently rental income
- Property market liquidity for acquisitions and disposals

In addition, (local) governmental decisions such as the introduction of paid parking can severely impact footfall and retail sales, thus putting a pressure on rent. Ease of access of our centers is an essential element in the customers' choice where to go for shopping.

Risk Management

Wereldhave is focusing on the preservation of its reputation, assets, competitive advantage and profits, applying enterprise-wide risk management (ERM). ERM is the process of systematically identifying, analyzing, evaluating and mitigating risks that may impact the achievement of our corporate objectives. We consider risk management to be an essential ingredient of good corporate governance. Better understanding of risks and taking mitigation measures enables Wereldhave to prevent risks to actually occur, minimize losses of incidents and to optimally benefit from opportunities.

Risk management and internal control is embedded in the organization using these five interrelated components:

1. **Governance and Culture:** Governance sets the organizational tone, establishing oversight responsibilities for risk. Culture pertains to our Code of Ethics and the understanding of the risks we are exposed to.

2. **Strategy and Objective-Setting**: A risk appetite is established and aligned with our strategy; business objectives put strategy into practice while serving as a basis for identifying, assessing, and responding to risk.

3. **Performance:** Risks that may impact the achievement of strategy and business objectives need to be identified and assessed. Risks are prioritized by severity in the context of our risk appetite. We select appropriate risk responses and review the risk we run at a portfolio level. We aim to be transparent about this exposure towards our key risk stakeholders.

4. **Review and Revision:** By reviewing entity performance, we evaluate the performance of our enterprise risk management components over time and review what changes are needed.

5. **Information, Communication, and Reporting:** We regard enterprise risk management as a continuous process of obtaining and sharing necessary information, from both internal and external sources, which flows up, down, and across the organization.

Wereldhave adopts the so-called "three lines of defense" when it comes to managing risks. The overall responsibility for establishing, operating and monitoring risk management and internal controls is with the Board of Management, from which the CFO is contact point for risk management and internal control activities. The primary responsibility for managing risks is with the business, meaning country managers and their direct reports. On the group level Wereldhave has several staff departments which support in managing specific risk areas. The Finance and Control team facilitates and monitors the overall risk management process. The third line of defense is the internal audit. Risk management is a full Supervisory Board topic to ensure sound risk management and internal control systems are maintained. Reports are always discussed in full in the Supervisory Board, the Audit Committee prepares but does not filter or select.

The internal auditor assesses the design and operating effectiveness of internal controls and risk mitigating measures and reports to the Board of Management. The internal auditor has a direct escalation reporting line to the Audit Committee. Wereldhave has outsourced the internal Audit Function to BDO. The internal Audit plan is discussed with and approved by the Board of Management, followed by the review and approval of the Supervisory Board. The internal Audit plan priorities are directly derived from Wereldhave's latest annual risk assessment and focused in 2020 on our insurance, legal, treasury and human resource processes. Audits are conducted in co-creation between BDO and Wereldhave Finance & Control.

Fraud risks form an integral part of our risk assessment. A variety of controls is in place ranging, ranging from a strict code of conduct outlining our business integrity principles to integrity awareness training and enforcing segregation of duties for key operational and financial transactions. Wereldhave is continuously working on automating its business processes to ensure transactions are processed in a more effective and efficient way. As part of these projects, we always consider embedding internal controls in the IT systems that we purchase or develop. The Board of Management considers the controls in place as sufficient and adequate to control the fraud risk.

Impact of Covid-19

The risk of a pandemic outbreak has been considered as part of the events and emergencies risk that may have a high impact on our business. The pace at which the Covid-19 pandemic spread has been unprecedented and impacted all aspects of our business in 2020. All disciplines in the company responded rapidly to identify, assess, respond and mitigate the multitude of risks affecting our business. The Board of Management discussed weekly with the country managers the updates on the developments of Covid-19 to facilitate quick and consistent decisions on key business topics. Our highest priority was to ensure the health and safety of our visitors, tenants, employees and business partners. Several initiatives were taken to create the optimal shopping environment, while considering the required safety measures and minimize the risk of further spreading the virus. This included amongst others the use of crowd-management tooling, strict shopping center guidelines, increased security and additional cleaning and disinfection points.

Following the outbreak, we decided to delay a part of our development pipeline and increased the frequency of performing our scenario analysis to monitor the impact of Covid-19 on our financial position and liquidity. The scenario analysis includes various base and bear case assumptions to simulate the potential effects on our financial headroom, loan-to-value, solvency and interest coverage ratio. The scenarios were updated as soon as new measures were announced in the countries in which we operate or based on the occurrence of certain events such as the closing of new financing. Relevant inputs for this model were enhanced through detailed cash collection reports covering also the agreements reached with tenants to support them. Prior to the announced lockdowns we tested our IT systems to ensure it could handle the demand in case our company would have to work fully from home. The tests did not identify significant disruptions and we successfully switched to working from home as of the first lockdown. Our legal, leasing and IT team worked closely together in updating our leasing processes to facilitate that the high volume of arrangements were dealt with in an efficient and effective manner and in accordance with our internal policies. Several other enhancements were made to our internal control framework and policies including further purchase order requirements for development projects as well as tightening of our authorization policies for general purchases and human resources.

Strategic objectives of our strategy

We aim to position our centers as Full Service Centers in close proximity of dense urban areas, to fulfil daily needs of life. Our centers should offer a broad range of partnerships and services to support tenants in doing better business and empower people to live a more well-balanced everyday life close to home. Together with all partners within the local eco-systems we will build full-service platforms to make every day count.

Our strategic long-term objectives are to:
1. Grow rental income and drive property returns of our assets to create value
2. Become a customer oriented Company
3. Attract and retain tenants
4. Be responsible, ambitious and innovative
5. Maintain strong and flexible financing

The Board of Management and Supervisory Board reviewed in a workshop in 2020 the high impact risks of the Group in relation to our strategy. No new high impact risks were identified. The outcome of this review on our high impact risks and the change of the risk during the year is reflected on the following pages:

The high impact risks of the Group in relation to our strategy are:

Our strategic long-term objectives are to:

- Grow rental income and drive property returns of our assets to create value
- Become a customer oriented Company
- Attract and retain tenants
- Be responsible, ambitious and innovative
- Maintain strong and flexible financing

Preventable

Risk	Key controls	Relates to strategic objective:	KPI's
A **Access to equity markets**	• Investor relations stakeholder engagement • Conference calls on results • IR updating of Supervisory Board • Frequent consultations of large shareholders	Change during year:	• Share price • Discount to NAV • TSR
B **Availability and costs of finance**	• Treasury Policy • Continuous dialogue with financiers • Green financing framework	Change during year:	• Average interest rate • Duration • Spread of funding
C **Attract and retain tenants**	• Monthly leasing and funnel updates • Occupancy levels • Category leasing management • Data sharing to assess performance • Sustainability committee per center • Key tenant management • Network and leads	Change during year:	• Total return • Total property return • Total shareholder return • NPS • Footfall • Tenant feedback • Retail balance
D **Development risks**	• Monitor to prevent cost and time overruns • Pre-letting conditions • Recurring external appraisals • Investment proposals • Post-completion analyses	Change during year:	• Total return • Total property return • Total shareholder return

Risk		*Key controls*	*Relates to strategic objective:*	*KPI's*
Preventable				
E	**Change of culture**	• Number of new concepts launched • Multiple income streams • Digital opportunities used • Organizational costs • Attract and retain top talents • Customer centricity	Change during year:	• NPS • Footfall • Tenant feedback • Employee satisfaction • Staff turnover ratio
F	**Regulatory compliance**	• Safety and emergency plans • Regular safety checks • Monitor changes in zoning regulations • Monitor changes in legal and tax landscape	Change during year:	• Total return • Total property return • Total shareholder return
Strategic risks				
G	**Failure to find the right response to changing market conditions or failure to execute the new strategy correctly**	• Annual budget cycle: bottom-up from asset level business plans to consolidated budget • Disciplined IRR driven asset selection	Change during year:	• Total return • Total property return • Total shareholder return
H	**Maintain tax status of tax exempt investment institution in NL, BE and FR**	• Monitor regulatory requirements • Monitor trends and developments in political landscape • Consult and discuss with tax authorities	Change during year:	• Total shareholder return
I	**Achievement of sustainability targets**	• Quarterly KPI reporting • Benchmarking • BREEAM certification	Change during year:	• Total return • Total property return • Total shareholder return • Sustainable development goals

Risk		*Key controls*	*Relates to strategic objective:*	*KPI's*
External				
J	**Decreasing property values**	• Regular internal and external appraisals • Disciplined hold/sell analyses	Change during year:	• ICR • Total return • Total property return • LTV
K	**Events and emergencies**	• Monitor terrorism threat levels • Cyber-attack sensitivity assessments • Insurance for physical damage and business interruption • Response procedures for (pandemic) events	Change during year:	• Total return • Total property return • Total shareholder return

Supervisory Board report

Dear Stakeholders,

Dear Stakeholders, The year 2020 will be remembered as the Covid-19 year, with drastic governmental lockdown measures in France, Belgium and the Netherlands to keep national healthcare schemes sustainable. This had a major impact on leasing and investment markets. During the first wave Covid-19 arrangements were made with tenants that had to close their stores. The second lockdown started in the last quarter of 2020. The Covid-19 arrangements with tenants will impact the rental income for the year 2021, as the rent for the fourth quarter was already collected in most cases, particularly in the Netherlands. The cash collection rate of Wereldhave is somewhat higher than that of peers, which can be attributed to a higher share of convenience retail in our centers. Generally, Multi-brand fashion and food & beverage are the segments where Covid-19 had the largest impact. Supermarkets saw their turnovers reach record levels, as dining at home became the standard. Under these conditions, the leasing of retail space continued, as shown by package deals with large retailers. In the Netherlands and Belgium, new leases were, on average, signed above ERV

The investment markets virtually shut-down in 2020 due to the Covid-19 uncertainty. The Board of Management, in close consultation with the Supervisory Board, decided to put discussions for a single transaction basis of the entire French portfolio on hold. Wereldhave is now pursuing a different approach to dispose of its French assets, by offering centers for sale in a stand-alone transaction or in baskets. This significantly increases the number of prospects whilst lowering the transaction size and should/could consequently result in higher proceeds. Wereldhave expects that when the markets start to recover, the execution of the decision to exit the French market will accelerate. Over the year 2020, assets were sold for a consideration of € 104m, with a limited gain against book values.

Upon the first Covid-19 outbreak, Wereldhave immediately took several drastic measures to manage its liquidity. The development pipeline was significantly reduced, and investments were put on hold wherever possible. The final dividend distribution of € 0.63 per share in respect of the year 2019 was cancelled to enhance our liquidity. In addition, quarterly dividend in respect of 2020 were annulled. Talks with banks and investors on the extension of bilateral facilities became increasingly prolonged, as retail real estate is currently out of favor. During the year new funding was secured to an amount of € 270m, thus securing our liquidity until the third quarter of 2022. As property values went down in 2020, resulting in an indirect result of € -287.1m for the entire year, the net Loan-to-Value ratio slightly increased to 46.7%.

Composition and meetings of the Supervisory Board

Mr. van de Weerdhof stepped down from the Supervisory Board in April 2020 and in view of the decreasing size of the portfolio and to decrease the general costs, he was not replaced. Therefore, the Supervisory Board now consists of three members. The Supervisory Board and the Board of Management would like to express their gratitude towards Mr. van de Weerdhof for his valuable contribution to the work of the Supervisory Board. He has been the driving force in the customer journey improvements over the past four years and delivered valuable input for the new strategy of the Company. We regret to see him leave. With the new Board composition, Wereldhave meets the diversity standards of at least 30% of each gender represented in the Supervisory Board. The Board of Management consists of two members and does not meet the gender representation target. However, the Supervisory Board is pleased with the increasing number of female executives at senior management level in the Netherlands and Belgium. Ine Beeterens was appointed COO in Belgium in December 2020 and in the Netherlands, the gender representation at business unit manager level is at 50%.

A total of thirty meetings was held in 2020. The overall attendance rate was 99.1%, with only one supervisory board member being unable to attend one MS Teams meeting. Most of the meetings were two-weekly update calls to discuss the impact of Covid-19 on operations and the financial position of the Company. At every meeting, liquidity and solvency were discussed and monitored. The Board of Management reported bi-weekly on rent collection levels and the impact of Covid-19 measures. Bear and base case scenarios were developed to continuously monitor the impact of investments, developments and disposals on our liquidity and solvency. The Supervisory Board wishes to compliment the Board of Management and all officers and staff of the Company for the extra-ordinary efforts they have put in 2020. The Supervisory Board is pleased with the results and the net LTV has only slightly increased due to the recent disposals in the Netherlands and France during the fourth quarter of 2020.

Financial statements

The Board of Management submitted the 2020 financial statements and the Board's Management Report to the Supervisory Board. The Supervisory Board recommends the adoption of these financial statements. The financial statements have been audited by KPMG, who issued an unqualified auditor's opinion. The Supervisory Board discussed the audit report and the auditor's opinion with the auditor. The members of the Supervisory Board approved the accounts and signed the 2020 financial statements. The Board of Management assessed that the 2020 results and the current liquidity position allows to distribute a dividend of € 0.50 in cash per share to the shareholders, to comply with the fiscal dividend distribution requirement for the year. The Supervisory Board supports this proposal.

Strategy update

The Supervisory Board held two special meetings to discuss the impact of Covid-19 on the Company strategy. No changes to the strategy are required, but the execution of the strategy became even more urgent. The market shake-out of retailers in weaker market segments accelerated. This underpins the rationale of Wereldhave's LifeCentral strategy and accelerates the need to convert towards Full Service Centers with less retail space.

Financing

The Supervisory Board actively monitors the financing of the Company, including the balance sheet and the available headroom against the loan covenants. The Moody's rating was terminated with effect from February 2021, as Wereldhave does not have any financial instruments for which the rating would be necessary. To optimize the funding cost in a difficult environment, taking advantage of the Company's quality assets, new secured loans were signed to an amount of € 125m. Other recurring financial items that were discussed are the budget, the outlook and guidance, the achievement of the financial objectives from the 2020 budget, the management agenda and the portfolio valuations.

Operations

Operational performance is a recurring topic on every meeting of the Supervisory Board. The development projects and the associated required capex investments are also a standard topic. As in previous years, each Managing Director presented his country's budget for 2021. The Group budget is prepared bottom-up, and CSR investments as well as the Customer Experience expenditures are part of the business plans per asset, which lead to a consolidated budget. The budget for 2021 was discussed in the Boards December meeting and approved in January 2021.

Immediately following the first lockdown, developments were temporarily put on hold, if and where possible, to preserve the liquidity. As the disposal program proceeded and refinancing became available, developments were gradually restarted. Meanwhile, the preparations for the transformation of Vier Meren in Hoofddorp are underway again, and in Belgium the first phase of the Full Service Center transformation of Ring Shopping in Kortrijk has been committed.

Several initiatives were launched to support our tenants and customers, with examples as setting up local pick-up and delivery schemes, a pop-up concept UpNext, home delivery services and a The Point service desk.

Sustainability

The Supervisory Board monitors sustainability progress against KPI reporting and questions the Board of Management where needed. A total of nine of our shopping centers were BREEAM recertified during the year. Wereldhave secured its seventh consecutive 5-star GRESB rating and BREEAM-in-use Very Good for our core portfolio. SBTi (Science-Based Targets initiative) has approved the setting of our targets aligned with a well-below 2° C scenario. This makes Wereldhave the first Dutch real estate company to achieve this. Lastly, we improved our CDP rating from C to A- during 2020. The sustainability ambitions are aligned with 6 of the 17 Sustainable Development Goals of the United Nations.

Risk Management

The Supervisory Board considers risk management to be a full Board topic, prepared by the Audit Committee. The risk management framework was redesigned in 2019 and in view of Covid-19, the Board of Management reviewed the framework in 2020 and discussed its findings and subsequent changes with the Supervisory Board. The Internal Audit function is held by BDO. The internal audit plan for 2020 was agreed in March 2020. The internal audit findings were discussed in multiple sessions, the Netherlands and Belgium in July, the Holding in October and France in February 2021. The internal audit findings were discussed by the Audit Committee with the external auditor and the Supervisory Board. The internal Audit plan for 2021 was discussed and agreed in February 2021.

Culture

The Supervisory Board invites country managers and key employees regularly to its meetings for a presentation and discussion of the key items of their attention. The Board of Management has a similar program called : “meet the Board”, where country management team members are invited to present their key topics. Several Heads of staff were invited to present their department’s action plans to the Supervisory Board, with presentations on corporate development, corporate branding and ICT. Working from home under Covid-19 restrictions clearly had a large impact in realizing progress to achieve cultural change.

The Board of Management used frequent livestream sessions with Q&A’s to update the entire staff and the enthusiasm with which initiatives were developed at local shopping center level clearly shows that Wereldhave staff is becoming more entrepreneurial, customer oriented and creative.

Corporate Governance

Wereldhave is compliant with the Dutch corporate governance code. With the approval of the new remuneration policy by the AGM in April 2020, the last deviation to this Code was eliminated. A breakdown of Wereldhave’s position per best practice recommendation of the Code can be found on the website. The Governance Charter was updated in 2020, to reflect the division of roles and responsibilities of the Board members, the composition of the Management Team and the addition of a related party transaction policy. The Governance Charter also describes our diversity policy.

Evaluation of performance

The Supervisory Board used a questionnaire to review its performance and the functioning of the Board and its members. The answers were discussed in the December Supervisory Board-only meeting. The Supervisory Board notes that all members participate actively in the meetings and that there is a good mixture of knowledge and experience. In 2019, the Board concluded that informal meetings should be held more often. This target has not yet been reached primarily due to Covid-19 restrictions. However, the Supervisory Board met 30 times during 2020. The evaluation of the Board of Management in its new composition was held in December 2020. No transactions with a potential conflict of interest with Supervisory Board members were reported by members of the Supervisory Board in 2020.

Audit Committee

The Committee consists of Mr. H. Brand (Chair) and Mrs. F. Dechesne. The Audit Committee’s main role is to oversee financial accounting and reporting, internal control, risk management and the external auditor including auditor independence. In this context, the Audit Committee examines and reports to the Supervisory Board on matters such as (interim) financial reporting and accounts, asset valuations, risk management, accounting methods, finance and tax planning and the relationship with the auditor. The Audit Committee held four regular meetings in 2020 to discuss the 2019 FY results, the Annual Report for 2019 and the quarterly results for 2020. All meetings were attended by the Company’s CEO and CFO and the Company Secretary, as well as the external auditor. The attendance rate of the meetings was 100%.

The agenda, documentation and minutes of the meetings of the Audit Committee were shared with all Supervisory Board members. The Audit Committee regularly convened with the external auditor, without the Board of Management. The regular items on the agenda include the financial results and financial statements, the annual accounts, the property valuations, the internal and external audit plans, findings and opinion, the liquidity profile and financing of the Company, interest rate and currency risks, legal risks and tax risks and the in control statements. In addition, the Audit Committee monitors operational performance against the budget and reviews investment and divestment proposals.

The external valuations for the standing portfolio were discussed with the auditors twice a year. The decision to cancel quarterly dividend payments was made in April 2020, as one of the Covid-19 cash preserving measures. The proposal to pay a dividend in respect of 2020 at € 0.50 per share was approved in February 2021.

The audit plan 2020 by KPMG was discussed and approved in the July meeting of the Audit Committee. KPMG has been the auditor for the financial years 2016 to 2020. The proposal to reappoint KPMG for the financial years 2021 and 2022 will be tabled for the AGM on April 26, 2021. The Internal audit function is outsourced to BDO accountants. The Audit Committee ascertained that the internal audit function performed well. The internal audit plan was updated in relation to the new strategy in March 2020. The materiality threshold as applied by KPMG is set out in the Audit opinion. The Audit Committee ascertained that all audit findings in excess of the reporting threshold, adjusted and unadjusted, will be reported by the auditor.

Remuneration and Nomination Committee

The Committee consists of Mrs. F. Dechesne (Chair) and Mr. A. Nühn. Three meetings were held in 2020, in January, February and September. One of the members of the Supervisory Board attended a Works Council meeting, upon invitation by the Council. The new remuneration policy which was designed in 2019 was approved with large shareholder support. Overall, remuneration levels did not change, but new indicators for the STI and LTI were chosen to align remuneration with the new strategic KPI's. The Committee decided that although Covid-19 has heavily impacted some of the KPI's, no deviation to the policy will be proposed to the AGM. The Committee is convinced that for the longer term, the chosen targets are adequate. The committee also prepared the evaluation of the members of the Supervisory Board.

At the AGM on April 26, 2021, Mr. Nühn's and Mr. Brand's term will expire. They are eligible and offer themselves available for re-election. The Supervisory Board proposes the renomination of Mr. H. Brand for a term of three years and the renomination of Mr. Nühn for a term of four years, thus creating overlapping expirations over the coming years.

Related party transactions

In the year under review there have been no business transactions with members of the Board of Management nor the Supervisory Board in which conflicts of interest may have played a role. All business transactions between the Company and members of the Board are published in the Annual Report.

Finally

The Supervisory Board notes that Covid-19 brought exceptional challenges to the organization and wishes to compliment the Board of Management as well as the entire staff for its efforts to navigate Wereldhave through this storm.

On behalf of the Supervisory Board,

Adriaan Nühn,
Chairman of the Supervisory Board

Remuneration report 2020 Wereldhave N.V.

This report consists of three chapters. The first contains an explanation of the current policy for the remuneration of the Board of Management. The second chapter contains the policy for the remuneration of the Supervisory Board. The third contains the execution of the policy in 2020.

Chapter 1: Wereldhave N.V. remuneration policy 2020 onwards

The remuneration policy 2020 and onwards was adopted by the General Meeting of Shareholders on April 24, 2020. Our remuneration policy was designed by considering current market and best practices, the Dutch corporate governance code and the Dutch implementation of the European Shareholder Rights Directive ("SRD II"). It is aligned with our customer centric strategy. Successful commercial real estate goes beyond shopping and assets. It should offer a broad range of partnerships and services to support tenants in doing better business and empower people to live a more well-balanced everyday life close to home. Together with all partners within the local eco-systems we will build full-service platforms to make every day count.

Wereldhave applies a total return approach. We use forward looking IRR for hold/sell analyses, invest in assets at densely populated areas and well-connected mixed-use locations, create sector and geographic scale to allow for an efficient service platform, invest in undermanaged assets that meet our strategic criteria and dispose of assets that do not meet the IRR threshold.

We therefore measure our success by the total return of our assets (EBIT plus valuation result), customer satisfaction, as expressed in the Net Promoter Score as well as the footfall of our assets. These KPI's have been selected as the drivers for variable short-term pay. The indicators are used throughout the organization for incentive schemes, to enhance the alignment of pay with performance of the strategic goals.

The goals of the remuneration policy for members of the Board of Management are to align individual and company performance, strengthen long-term commitment to the company, and attract, motivate and retain the best executive management talent, whilst creating alignment with stakeholders.

The essential qualifications comprise not only knowledge and experience in the field of real estate, but also the prerequisite management competencies. The policy aims to safeguard the company's performance and value growth, whilst positioning Wereldhave as an attractive employer for highly qualified directors.

Remuneration philosophy

The following elements are taken into consideration as part of the remuneration philosophy:

- **The remuneration policy aims to attract, motivate and retain the best executive management talent;**
  - As such, pay levels are benchmarked against relevant reference markets, taking into account the relative positioning of Wereldhave in terms of size and complexity;
  - To support the pay for performance principle, 50% of the at target total direct compensation package is fixed compensation and 50% is conditional upon the achievement of performance targets; at maximum scores, 32% of total direct compensation package is fixed compensation and 68% is conditional upon the achievement of performance targets.
- **The remuneration policy supports both short- and long-term business objectives (strategy), with an emphasis on long-term value creation. Wereldhave aims to continuously improve, in a balanced way, business results and the delivery on sustainability aspirations;**
  - This is amongst others realized by alignment with market and best- practices in terms of remuneration, based on the relevant European sector and the local cross-industry, taking into account the company's identity, mission and values;
  - Taking into account the level of support in society, a balanced approach is chosen. When reviewing the remuneration policy, relevant stakeholders are consulted, including employee representatives. The measures in the incentive plans also reflect the balanced approach:
    - The short-term incentive performance indicators are based on and aligned with the financial aspects of the strategic review, complemented with assessment of individual (non-financial) performance;
    - For the long-term incentive, long-term value creation is measured by means of (relative) shareholder return, balanced by sustainability as measured by an independent and specialized institution (GRESB). To emphasize the importance of long-term value creation, the LTI comprises a relatively larger part of variable pay, compared to the STI.
- **The principles underlying the remuneration policies for the Board of Management, executives and other employees of Wereldhave are aligned. In this respect Wereldhave strives for internal consistency in remuneration;**
  - In establishing this policy, the Supervisory Board uses scenario analyses to estimate the possible outcomes and decides whether a correct risk incentive is set for the member of the Board of Management with respect to the overall level of pay;
  - Furthermore, the company's other remuneration programs have been taken into account, amongst others by ensuring consistency with the company salary structure (internal pay ratio and other pay differential approaches), the design of incentive plans and guidelines for salary increases for all employees.
- **The policy design takes into account statutory and other legal provisions, amongst others the Dutch implementation of the European Shareholder Rights Directive ("SRD II") and the Dutch corporate governance code.**

The remuneration & nomination committee regularly reviews the remuneration policy in order to ensure alignment with the philosophy as presented above. Based on the advice of the remuneration & nomination committee, the Supervisory Board draws up (amendments to) the remuneration policy, consults major shareholders and puts the proposal forward for adoption at the general meeting of shareholders.

The total remuneration of the Board of Management of Wereldhave N.V. currently consists of:
- Fixed income;
- Variable income;
  - Short-term incentive ("STI");
  - Long-term incentive ("LTI");
- Pension and other secondary employment benefits.

Labor market and performance peer group

The remuneration levels for Board members are based on surveys and analyses by Korn Ferry. The Supervisory Board regards Wereldhave as an operational company, rather than a financial company, and compares market practice remuneration of European peer companies to individual benchmark remuneration.

The peer group consists of: Altarea-Cogedim (FR), Atrium European Real Estate (AU), Citycon (FI), Cofinimmo (BE), Deutsche Euroshop (DE), EuroCommercial Properties (NL), Gecina (FR), Hamborner (DE), Hufvudstaden (SE), IGD (IT), Klépierre (FR), Leasinvest (BE), Mercialys (FR), NSI (NL), PSP Swiss Property (CH), Retail Estates (BE), Carmila (FR), Unibail-Rodamco-Westfield (FR) and Vastned Retail (NL).

This peer group serves both for assessing the remuneration levels as measuring relative Total Shareholder Return (“TSR”) performance. Given the size of the relatively larger Unibail-Rodamco-Westfield and Klépierre, and to position Wereldhave around the median of the group in terms of size (based on revenue, market capitalization, total assets and employees), these companies are excluded for assessing remuneration levels.

To accommodate potential changes in the labor market and performance peer group due to e.g. a delisting, merger or other extraordinary circumstances, the Supervisory Board may exercise discretion to substitute comparable companies.

Given the company’s headquarters in the Netherlands, and as a second reference market, the local cross-industry is taken into account by means of the index in which Wereldhave is included (currently the AMX index) corrected for size (based on revenue, market capitalization, total assets and employees).

Fixed income:

As from January 1, 2021, fixed income per annum is set at € 558,632 for the CEO and € 403,236 for the CFO. These amounts are fixed for the appointment period, but are subject to indexation annually with the Dutch Consumer Price index (Eurostat) over the period between October 31 of the current year and the previous year, which is also applied for the Dutch employees.

Variable income: STI and LTI

The variable income amounts to a target variable income of 100% of the fixed annual income, of which 40% comprises a short-term incentive in cash and 60% comprises a long-term incentive in shares.

Short-term incentive

The short-term incentive score is determined by a financial target, accounting for 50% of the STI, two qualitative and measurable targets that are directly connected to the strategy, each accounting for 20% of the STI, and one non-financial (individual) target, accounting for 10% of the STI.

The targets are taken from the Company strategy, which are fixed for the coming remuneration policy period (3-4 years).

The targets and weights are as follows:

STI Targets	**Weight**	**Threshold**	**At Target**	**Maximum**
		0% score	**100% score**	**150% score**
Total return continued operating shopping centers (calculated as EBIT + valuation result)[1]	50% of STI	Return equal to MSCI retail property return Benelux	Return 0.5% above the MSCI retail property return Benelux	Return 1% above the MSCI retail property return Benelux
Net Promoter Score Visitors[2]	20% of STI	NPS = 0	NPS = 5	NPS = 10
Average footfall increase y-o-y of continued operating shopping centers[3]	20% of STI	0%	1%	2%
Individual target Board members	10% of STI	set annually	set annually	set annually

1 Continued operating shopping centers exclude developments and refurbishments until the first transformation projects have been completed. As from this date, the performance will be calculated over continued operations including developments and refurbishments The rationale is that developments and refurbishments for the transformation have a negative impact on performance, while under construction. This will on the somewhat longer term be mitigated by completed transformations, however not during the initial period
2 The NPS sore is calculated as the 1-year moving average NPS score, measured over the entire portfolio of continued operating shopping centers (see 1)
3 The Supervisory Board is allowed to replace this indicator by an even more targeted indicator of average dwell time and basket size, when the required data collection for these measures becomes available

Total property return is a measure of the ungeared return for the portfolio and is calculated as the change in capital value, less any capital expenditure incurred, plus net income, expressed as a percentage of capital employed over the period concerned, excluding land.

The net promoter score (NPS) is a management tool to measure the customer experience. The NPS score is a good way to predict client loyalty and shows the willingness to promote the company to others. It provides a quantifiable outcome and it is the most common tool used worldwide. The NPS is calculated externally by a third party.

Footfall is the measure of visitor numbers, counted by automated counters, leading to anonymized visitor information. It is an indicator of the competitiveness of a shopping center.

Based on performance against these targets, a minimum of zero and a maximum of 1.5 times (150%) the short-term incentive (of 40% of the fixed annual income) can become payable, with pro rata pay-out for performance between threshold (50% of target) and maximum (150% of target).

Individual targets will be aligned with strategic business priorities in a certain year and will always be measurable. Disclosure will be made afterwards in the remuneration report for the year.

The Supervisory Board set the 2021 STI targets for total return, NPS and footfall at the same levels as for 2020. The individual 2021 STI targets for board members concern liquidity and progress on disposal of the French assets.

Long-term incentive

The number of shares conditionally granted under the LTI is determined based on the closing price of the first trading day after the share has gone ex-dividend date, immediately after the Annual General Meeting of Shareholders of the year in respect of which the LTI is to be granted. The vesting period will start on the day the conditional shares are granted.

If a dividend is paid on Wereldhave shares, the conditional share balance will be increased by a number of conditional shares equal to the amount of the dividend divided by the ex-dividend share price. These additional conditional shares are subject to the same terms as the conditional shares that were initially awarded.

The performance shares are conditional. Vesting, three years after grant, is subject to continuous employment and is determined by financial and non-financial targets, accounting for 75% and 25% of the LTI, respectively. The targets and weights are as follows:

- Relative Total Shareholder Return - 75% of the LTI;
- GRESB score - 25% of the LTI;

After vesting, a holding period of two years applies.

Relative Total Shareholder Return (75% of LTI)

Total shareholder return (“TSR”) is defined as the share price increase, including reinvested dividends. TSR is measured over a three-year period based on a three-month average of the last three months of the year before the start and the end of the performance period. The performance period starts on 1 January of the year in respect of which the LTI is to be granted.

Wereldhave uses the same peer group as for benchmarking individual remuneration. The ranking against the peer group determines the vesting level.

At the end of the vesting period, a minimum of zero and a maximum of 3 times (300%) the number of shares conditionally granted, under the TSR performance condition, can become unconditional based on relative performance over the performance period. The vesting range is determined by threshold vesting at ranking position 10 (no vesting for performance below the median of the group) and maximum vesting at a Top 3 ranking position. An absolute TSR hurdle will be applied: if TSR development is negative, the LTI multiplier will be capped at 100% of the originally granted shares plus reinvested dividends.

Vesting per ranking position for the relative TSR performance incentive zone

Ranking	**20-11**	**10**	**9**	**8**	**7**	**6**	**5**	**4**	**3**	**2**	**1**
Vesting	0%	75%	150%	150%	200%	250%	250%	250%	300%	300%	300%

We provide the example below for clarification:
LTI 2020:
- 60% of fixed income 2020/closing price April 28, 2020 (ex-dividend date)
- Grant LTI 2020: April 29, 2020
- Performance period January 1, 2020 up to December 31, 2022
- Vesting period April 29, 2020 up to April 28, 2023
- Holding period April 29, 2023 up to April 28, 2025

GRESB score (25% of LTI)
GRESB was launched in 2009 by a group of large pension funds who wanted to have access to comparable and reliable data on the ESG performance of their investments. GRESB have grown to become the leading Environmental, Social and Governance (ESG) benchmark for real estate and infrastructure investments across the world.

The GRESB Score is an overall measure of ESG performance – represented as a percentage (100 percent maximum). The GRESB Score gives quantitative insight into ESG performance in absolute terms, over time and against peer companies.

The GRESB Green Star is a rating on absolute performance. Entities with scores higher than 50 on both the “Management & Policy” and the “Implementation & Measurement” dimensions are rated a “Green Star”.

This is why the GRESB 5 star rating system is more challenging. It is based on the GRESB Score and its quintile position relative to the GRESB universe, with annual calibration of the model. It is calculated relative to the global performance of all reporting entities - property type and geography are not taken into account. In this way the GRESB Rating provides investors with insight into the differentiation of overall ESG performance against continuously improving peers within the global property sector. If certain regions systematically perform better, they will on average have higher-rated companies and funds. If the entity is placed in the top quintile, it will have a GRESB 5-star rating; if it is in the bottom quintile, it will have a GRESB 1-star rating, etc.

If GRESB ceases to rate companies, the Supervisory Board will replace this indicator with an equivalent as published by an independent leading sector specialist, whereby the company must rank between the top 25% of sustainability performers in the sector to earn the target level.

At vesting, a minimum of zero and a maximum of 1 time (100%) the number of shares conditionally granted can become unconditional, based on performance. This implies that a 5-star rating is rewarded with at target reward level to emphasize the standard ambition level. The below vesting range is applicable for the GRESB target (as a percentage of target, i.e. 25% of the LTI, with no overachievement possibility).

Vesting per ranking position for GRESB

GRESB star	**1**	**2**	**3**	**4**	**5**
Vesting	0%	0%	50%	75%	100%

Vesting
Vested shares are transferred to the director, if the terms are satisfied after a performance period of three years, following the year in respect of which these shares were awarded.

After vesting of LTI shares, a two-year holding period is applicable. The holding period and the shareholding guideline do not apply for the portion of the shares that have vested, to pay the taxes that are due upon vesting.

Malus/claw-back/change of control

If a director is summarily dismissed without further notice in accordance with the law or is considered to be a bad leaver, the conditional share balance reverts to the company. If the director steps down or is not reappointed at the end of the agreed appointment period, the scheme remains intact with regard to the conditional share balance. The awards will be pro-rated for the time served. Once the conditions have been met, the vested shares will be transferred to the director. The scheme will remain intact for good leavers, with due observation of the original vesting period of three years, but no additional holding period. Upon vesting, the members of the Board of Management pay income tax and social charges on the long-term variable remuneration.

The Supervisory Board is authorized to downwards adjust the amount of a short or long-term incentive to an appropriate level if payment of the incentive, based on standards of reasonableness and fairness, would be unacceptable. Incentive for this purpose means the unpaid part of the variable remuneration of which the granting is entirely or partially dependent on the achievement of certain targets or the occurrence of certain circumstances. The Supervisory Board is also authorized to withdraw conditional long-term benefits in exchange for a cash payment at market value, if circumstances require. The Supervisory Board will motivate a decision to adjust an incentive or to withdraw in exchange for cash appropriately.

The Supervisory Board is authorized to claw back a short or long-term incentive or annul a non-vested incentive entirely or partially to the extent that the award paid out was based on materially misstated information with respect to the achievement of targets or the occurrence of circumstances on which the incentive was based which was known or should reasonably have been known by the Board of Management. The Supervisory Board will motivate the decision to claw back the incentive appropriately.

In case of a change in control, the awards normally vest pro-rated for time and subject to the performance conditions. Alternatively, the award may be exchanged for awards in the acquiring company.

Pension

No provision facilitating early retirement is in place. Members of the Board of Management are subject to the same pension scheme as all other Wereldhave employees in the Netherlands. Wereldhave has a defined contribution scheme with a retirement age of 67, based on a fiscal maximum ladder of 3% over the pensionable salary of up to € 112,189 as of January 1, 2021.

The CEO and CFO will receive an additional gross pension contribution of € 58,423 per annum and € 37,139 respectively for the year 2021. These amounts are subject to indexation annually with the Dutch Consumer Price index (Eurostat) over the period between October 31 of the current year and the previous year.

Other secondary conditions, fringe benefits

Wereldhave N.V. offers the members of its Board of Management a competitive package of secondary employment benefits in accordance with those offered to its other employees. This benefit package includes a company car or a car allowance equal to the applicable leasing price, accident insurance, disability insurance and director liability insurance. The company does not issue loans, advances or guarantees to the members of its Board of Management.

Conditions of assignment

Directors are appointed for a four-year period with a possibility of early termination. The severance payment is capped at one year's salary with a notification period of two months for the director and four months for the company. The contract of assignment does not contain a change-of-control clause.

The contracts contain a clause that requires the company to compensate the directors for any loss or damage in relation to liability claims based on acts or omissions in the performance of their duties. Damage to reputation is explicitly excluded. The indemnification does not apply to claims related to personal gain, advantage or rewards to which the director was not entitled, or if the claimed loss or damage was caused by gross negligence, intent, deliberate recklessness or serious imputability. It does include the costs of defense, which are advanced by the company under the condition that these expenses must be repaid if it is determined in a final judgment that the director was not entitled to indemnification.

Chapter 2: Supervisory Board remuneration policy

Explanation

On the basis of the revised Shareholder Rights Directive II as implemented into Dutch law per November 2019, the remuneration policy for members of the Supervisory Board was submitted for shareholder adoption. Wereldhave did not propose any amendments to the remuneration policy of the Supervisory Board members. The remuneration levels were last reviewed and amended in 2019. The policy was approved on April 24, 2020.

The main objective of Wereldhave's Supervisory Board remuneration policy is to attract and retain members of the Supervisory Board, taking into account the nature of the Company's Business, the Supervisory Board's activities and the desired expertise, experience and independence of the Supervisory Board members, as set out in the Profile and skills matrix of the Supervisory Board.

The policy aims to reward Supervisory Board members to utilize their expertise and experience to the maximum extent possible, to execute the responsibilities assigned to them including but not limited to the responsibilities imposed by the Civil Code, Dutch Corporate Governance Code and the Articles of Association.

To the extent applicable, the same policy principles are applied for the Supervisory Board as for the Board of Management. This implies, among others, that the policy takes into account the Wereldhave strategy, long-term interests and sustainability, identity, mission and values of the company. More detail is provided in the Board of Management remuneration policy.

The Supervisory Board draws up the Supervisory Board remuneration policy based on advice from its Remuneration and Nomination Committee. The remuneration policy will be reviewed, as a minimum, once every four years to verify its market competitiveness, potentially leading to adjustments. In case of proposed adjustments, the proposed remuneration policy will be put forward for adoption at the General Meeting.

On this basis, the remuneration for Supervisory Board members consists of a fixed fee and a committee fee, which varies for the Chairman, Vice Chairman and members, to reflect the time spent and the responsibilities of the role.

In preparing the remuneration policy and to determine the remuneration of the members of the Supervisory Board, the Remuneration and Nomination Committee uses surveys and analyses by internationally recognized firms specializing in executive compensation. For this purpose, the same remuneration level benchmark approach is applicable as for the Board of Management, comprising a peer group of European peer companies and the local cross-industry by means of the index in which Wereldhave is included corrected for size (based on revenue, market capitalization, total assets and employees), taking into account the two-tier board structure.

In addition, the Company reimburses reasonable actual incurred costs, other than travel expenses within the Netherlands, which are deemed to be included in the annual pay.

2020 remuneration[1]

Fixed fee *(in €)*	
Chairman	61,620
Vice-Chairman	45,188
Members	41,080
Audit Committee fee	
Chair	9,757
Member	7,189
Remuneration and Nomination Committee fee	
Chair	8,216
Member	5,375

1 Amounts adopted in April 2019, indexed with 2.7% for 2020

These amounts are subject to indexation annually with the Dutch Consumer Price index (Eurostat) over the period between October 31 of the current year and the previous year. The indexation for 2021 will be with 1.2%.

The remuneration of the Supervisory Board members is not affected by the Company's results, nor by any change of control at the Company. The Company does not award any options or shares to members of the Supervisory Board. No loans are issued to members of the Supervisory Board. Wereldhave does not grant advance payments or guarantees to Supervisory Board members.

No additional remuneration is paid upon recruiting new Supervisory Board members ("sign-on bonus"). The agreements with Supervisory Board members do not contain any severance or claw-back provisions. None of the Supervisory Board members holds shares or rights to shares in Wereldhave.

Members of the Supervisory Board are appointed for a four-year term, unless stated otherwise. An individual may be a member of the Supervisory Board for consecutive periods up to eight years. The Supervisory Board member may then – in view of extraordinary circumstances - only be reappointed for a period of two years, but such reappointment proposal needs to state the reasons for the exception to the general 8-year rule.

The Supervisory Board remuneration policy has been prepared to be well aligned with the external environment in which the company operates as well as with all applicable rules, regulations and best practices. Wereldhave is aware of the public debate surrounding the topic of remuneration, including the debate on internal pay differentials, and strives for broad stakeholder support. In this light, it has conducted a series of discussions with shareholders/ institutional investors and has invited the Works Council in the Netherlands to provide feedback.

Chapter 3: Execution of the remuneration policy in 2020

Introduction

This report describes how the remuneration policy was executed in 2020. There were no changes in the Board of management. The Supervisory Board changed. Mr. van de Weerdhof stepped down and the Supervisory Board now consists of three individuals.

Performance in 2020

Direct result per share for full-year (FY) 2020 was € 2.01, a 28% decline compared with 2019. Following the outbreak of Covid-19, arrangements were made to provide tenants with necessary support. On top of that Covid-19 had a negative effect on sales-based-rents, parking income and specialty retail. Measures ranged from flexible payment plans to waiving part of the rent. These arrangements alone, in effect, reduced our direct result per share by € 0.47. Without this impact, direct result per share would have come out at € 2.48 – above our original outlook for the year (€ 2.35 - € 2.45).

Our indirect result came to a negative € 287.1m for FY 2020. This was mostly related to negative property revaluations amounting to € 293.1m or 10.2% of our total portfolio value. Values were adjusted downward to reflect higher expected vacancies, longer void periods, lower estimated market rents and higher yield assumptions (+0.1% to 5.9% for shopping centers) – a result of increased uncertainty in the investment market.

Covid-19 restrictions heavily impacted footfall in our centers. In the Netherlands footfall declined by 14.7%, in Belgium by 28% and in France by 33.5%, all of these performing above their market average. By implementing a range of safety measures, our centers saw a solid recovery in visitor numbers once non-essential stores were allowed to reopen. On average, the effect of one month lockdown and forced store closures had a negative impact in 2020 of roughly € 0.15 on our direct result per share. The outlook for 2021 depends on a number of factors, including the effectiveness of government vaccine strategies; how government measures and support will be adapted during the year; to what extent consumers will spend savings, given the expected rise in unemployment; and the ability and agility of etailers to adapt to a rapidly changing environment.

Remuneration of Managing Directors for the financial year 2020

Wereldhave applies fixed income levels that are set for the entire period of the appointment, subject to indexation annually for the change in consumer prices. Variable income is set as a percentage of fixed income. The calculation of the STI and LTI scores can be found in the tables below.

Mr. Dennis de Vreede was appointed in 2018. His term will expire in 2022. The fixed annual remuneration is indexed with 1.2% as per January 1, 2021 to € 403,236 per annum, with short-term variable pay in line with the current remuneration policy and target setting. In respect of the year 2020, the LTI was conditionally granted on April 30, 2020, with vesting in April 2023.

Mr. Matthijs Storm was appointed in 2019. His term will expire in 2023. The fixed annual remuneration is indexed with 1.2% as per January 1, 2021 to € 558,632 per annum, with short-term variable pay in line with the current remuneration policy and target setting. In respect of the year 2020, the LTI was conditionally granted on April 30, 2020, with vesting in April 2023.

As part of the Covid-19 cost cutting measures, the Board of Management decided to cut back its own fixed remuneration temporarily by 15%, for the period May 1, up to and including July 31, 2020. This resulted in a relatively modest cost reduction, but more importantly, it provided a clear signal throughout the organization that the cost savings program was a key topic, resulting in 20% lower direct general expenses in 2020.

(in €)	Fixed income[1]	Company car and other fringe benefits	Variable pay: STI	Variable pay: LTI	Extraordinary items	Pension contribution and compensation	Total remuneration	Relative proportion fixed/variable
Matthijs Storm, CEO, 01-01/31-12	531,312	24,000	223,565	331,207	-	76,161	1,186,245	53/47
Dennis de Vreede, CFO, 01-01/31-12	383,513	19,800	161,374	239,073	-	60,493	864,253	54/46

1 Fixed Income amounts for 2020 include a voluntary temporary 15% cut-back as part of the Covid-19 cost cutting measures, see page 73

Severance payment

During 2020, there were no directors who were entitled to a severance payment; no severance payments were made. The board members did not receive any additional compensation from subsidiaries for board positions they held within the group.

Calculation STI 2020

Please note that at the time of publication of this report, the final MSCI retail real estate index for the Benelux is not yet available. It will be published mid-April 2021 and the final calculation and payment of the STI for 2020 will be adjusted accordingly. The scores for the MSCI index performance below are estimates based on monthly performance during the year and/or historical performance figures over the past.

Any changes to the STI 2020 calculation as provided in this report will be explained in the remuneration report for the year 2021.

With due observance of the above, in summary, the performance against STI targets is currently at follows:

Total Return Outcomes 2020

KPI	Weight	Threshold	At Target	Maximum
		0% Score	100% Score	**150% Score**
Total Return[1] **Targets**	50%	Return equal to MSCI retail property return Benelux	Return 0.5% above the MSCI retail property return Benelux	**Return 1.0% above the MSCI retail property return Benelux**
Total Return[1] **Outcomes 2020**	BE: 25%	X	X	√
	NL: 25%	X	X	√
		Total Property Return **WH BE: -1.0%** vs. MSCI Index BE[2] -4.1% Delta vs. MSCI: +3.1%		Total Property Return **WH NL: -2.6%** vs. MSCI Index NL -4.1% Delta vs. MSCI: +1.5%

1 For continued operating shopping centers only
2 MSCI Index Belgium and the Netherlands still an estimation

NPS Outcomes 2020

KPI	Weight	Threshold	At Target	Maximum
		0% Score	**100% Score**	150% Score
NPS Visitors[1] **Targets**	20%	NPS = 0	NPS = 5	NPS = 10
NPS Visitors[1] **2020 Outcome**	20%	X	√	X

1-year moving average NPS **WH Group: +5**

- Continuous measurement of NPS score per center, reported quarterly
- Respondents via Facebook advertising (Starred) and online panel (Markteffect)
- One face-to-face questionnaire in center in June (Markteffect)
- Minimum of 200 respondents per center per quarter

1 For continued operating shopping centers only

Footfall Outcomes 2020

KPI	Weight	Threshold	At Target	Maximum
		0% Score	100% Score	150% Score
Average Footfall Increase y-o-y[1] **Targets**	20%	0%	1%	2%
Average Footfall Increase y-o-y[1] **2020 Outcome**	20%	√	X	X

Average Footfall Increase **WH Group 2020 vs. 2019: -18%**

1 For continued operating shopping centers only

Individual targets
Weight 10% of STI opportunity of 40%, hence 4% of fixed remuneration.
Target 1: liquidity extended beyond 2021: above target, 125%.
Target 2: Exchange of contracts for disposal France: below target, 0%.
Overall pay-out at 62.5%.
Score at 2.5% of fixed income.

Individual Target Outcomes 2020

KPI	Weight	Threshold	At Target	Maximum
		0% Score	100% Score	150% Score
Individual Target Board Members **Target**	10%	Re-financing 2021 Q1 maturities		
		Promesse de vente French portfolio		
Individual Target Board Members **2020 Outcome**	10%	Re-financing 2021 Q1 maturities: **125%**		
		Promesse de vente French portfolio: **0%**		

The total STI score is at 40.5% of fixed income, or 101.3% of at target STI.

Total Return Outcomes 2020 BoM - Summary

KPI	Weight	Score	STI
Total Return[1]	BE: 25%	150%	(25% x 150%) + (25% x 150%) x 40% = **30.0%**
	NL: 25%	150%	
NPS Visitors[1]	20%	100%	20% x 100% x 40% = **8.0%**
Average Footfall Increase y-o-y[1]	20%	0%	20% x 0% x 40% w= **0.0%**
Individual Target Board Members	Re-financing: 5%	125%	(5% x 125%) + (5% x 0%) x 40% = **2.5%**
	PDV FR: 5%	0%	
Total 2020 STI			30.0% + 8.0% + 0.0% + 2.5% = **40.5%**

1 For continued operating shopping centers only

The Supervisory Board considers this STI to be a fair remuneration, in view of the extraordinary performance in outperforming the MSCI index. The footfall and NPS targets were not amended in view of Covid-19 and Wereldhave did not qualify for the NOW governmental income support for Covid-19 and the Board of Management lowered its fixed income by 15% over a period of three months. For the year 2021, these targets remain unchanged.

Calculation LTI 2020

The long-term variable income amounts to 60% of fixed income, granted conditionally as a long-term incentive in shares. For Mr. Storm an amount of € 331.207 resulted in 46.032 shares that are held on a conditional and blocked account, with vesting in 2023. For Mr. de Vreede, an amount of € 239.073 resulted in 33.227 shares that are held on a conditional and blocked account, with vesting in 2023.

Shares vesting in 2020

During the year 2020 no share plans vested.

Share ownership Board of Management

As of December 31, 2020, Mr. de Vreede holds 8,000 private shares in Wereldhave, Mr. Storm holds 10,061 private shares in the Company.

Wereldhave pay ratio

Wereldhave's internal pay ratio is calculated as the total CEO compensation divided by the average employee compensation.

- Total CEO compensation as disclosed in Note 29 to the consolidated financial statements (General Costs);
- Average employee compensation based on salaries and social security contributions, pension costs and other employee costs and average FTE as disclosed in Note 29 to the consolidated financial statements (General Costs).

Over the past five years, the internal pay ratio development was as shown in the table below. The calculation is made retrospectively, taking into account LTI's from the past which did not vest. The remuneration levels in the years with changes in the board composition show the annualized compensation of the new jobholder.

Over the year 2016, the pay ratio is significantly higher than from 2017 up to and including 2019. The LTI's for 2015 and 2016 were granted conditionally and as such, taken into account when calculating the pay ratio. However, due to the relatively low TSR performance, these LTI's did not vest. The pay ratios were not adjusted retrospectively to show the difference with the years 2017 up to and including 2019, in which no LTI's were awarded as LTV was too high or EPS did not increase. If adjusted, the pay ratio would have remained stable over the entire period.

Pension

Wereldhave's collective pension scheme in the Netherlands is a defined contribution scheme which applied a maximum pensionable income of € 110,111 per January 1, 2020, subject to indexation annually. The CEO and CFO received an additional gross pension contribution of € 57,740 per annum and € 36,699 respectively. These amounts are subject to indexation annually with the Dutch Consumer Price index (Eurostat) over the period between October 31 of the current year and the previous year.

Other

No transactions with a potential conflict of interest were reported by members of the Supervisory Board or the Board of Management in 2020. No loans were issued to members of the Board of Management.

Overview of current share plans

							2020				
Name	Position	Plan	Performance period	Date initial grant	Initial grant	Vesting date	As of January 1	Granted	Reinvested dividends	Vested	As of December 31
Matthijs Storm	CEO	LTI 2020	-	28-Apr-20	46,032	28-Apr-23	-	46,032	-	-	46,032
Dennis de Vreede	CFO	LTI 2020	-	28-Apr-20	33,227	28-Apr-23	-	33,227	-	-	33,227

Remuneration Managing Directors over the past five years

(in €)	Fixed	STI	LTI[1]	Vested LTI	Extraordinary items	Company car and other fringe benefits	Pension contribution and compensation	Total compensation	Direct result	Indirect result	Average employee pay	Pay ratio
CEO												
2016	513,060	147,505	307,836	-	-	24,000	90,303	1,082,704	151.0m	-30.2m	86,414	12.5
2017	515,112	128,778	-	-	-	24,000	91,613	759,503	150.1m	-65.8m	90,745	8.4
2018	522,839	169,923	-	-	-	24,000	95,289	812,051	146.7m	-202.3m	92,915	8.7
2019	537,500	142,438	-	-	-	24,000	74,233	778,171	128.6m	-447.5m	93,232	8.3
2020[2]	531,312	223,565	331,207	-	-	24,000	76,161	1,186,245	92.9m	-287.1m	97,040	12.2
CFO												
2016	382,280	109,906	229,368	-	-	19,200	71,286	812,040	151.0m	-30.2m	86,414	9.4
2017	383,809	95,952	-	-	-	19,200	75,799	574,760	150.1m	-65.8m	90,745	6.3
2018	380,000	123,500	-	-	-	19,800	50,594	573,894	146.7m	-202.3m	92,915	6.2
2019	387,980	102,815	-	-	-	19,800	56,889	567,484	128.6m	-447.5m	93,232	6.1
2020[2]	383,513	161,374	239,073	-	-	19,800	60,493	864,253	92.9m	-287.1m	97,040	8.9

1 See page 70
2 Fixed salary amounts for 2020 include a voluntary temporary 15% cut-back as part of the Covid-19 cost cutting measures, see page 73

Remuneration of the Supervisory Board

In line with the 2020 remuneration policy, the remuneration of the Supervisory Board amounted to € 61,620 for the Chairman, € 45,188 for the Vice Chairman and € 41,080 for members. The committee remuneration levels are a fixed remuneration of € 9,757 for the Audit Committee chair and € 7,189 for committee members; the Chair of the Remuneration committee received a fixed compensation of € 8,216 and committee members € 5,375 per annum. These amounts are subject to indexation annually with the Dutch Consumer Price index (Eurostat) over the period between October 31 of the current year and the previous year.
The Company has not awarded any options or shares to members of the Supervisory Board. The remuneration of the Supervisory Board members is not affected by the Company's results, or by any change of control at the Company. No loans were issued to members of the Supervisory Board.

Remuneration Supervisory Board Members over the past five years

Over the past 5 years, the individual members received the following remuneration:

(x € 1,000)	2020	2019	2018	2017	2016
A. Nühn (from april 22, 2017)	66	65	54	37	-
L. Geirnaerdt (from April 22, 2016 until June 30, 2019)	-	27	48	44	27
G. van de Weerdhof (from April 22, 2016 until April 24, 2020)	17	49	40	40	27
H. Brand (from April 22, 2017)	53	48	33	22	-
H.J. van Everdingen (until January 31, 2019)	-	3	38	37	37
F. Dechesne (from July 1, 2019)	52	27	-	-	-
J.A.P. van Oosten (until April 22, 2017)	-	-	-	16	53
J.A. Bomhof (until April 22, 2017)	-	-	-	12	40
H.L.L. Groenewegen (until September 1, 2016)	-	-	-	-	26
F.C. Weijtens (until April 22, 2016)	-	-	-	-	12
Total	**188**	**219**	**213**	**208**	**222**

Statement by the Board of Management

The Company has identified the main risks it faces, including financial reporting risks. These risks can be found in the chapter Main Risks above. In line with the Dutch Corporate Governance Code and the Dutch Act on financial supervision (Wet op het financieel toezicht), the Company has not provided an exhaustive list of all possible risks. Furthermore, developments that are currently unknown to the Board of Management or considered to be unlikely may change the future risk profile of the Company.

The design of the Company's internal risk management and control systems has been described in the chapter Risk Management above. The objective of these systems is to manage, rather than eliminate, the risk of failure to achieve business objectives and the risk of material errors to the financial reporting. Accordingly, these systems can only provide reasonable, but not absolute, assurance against material losses or material errors

The Board of Management reviewed and analyzed the main strategic, operational, financial & reporting, and compliance risks to which Wereldhave is exposed, and assessed the design and operating effectiveness of the Wereldhave risk management & control system. The outcome of this assessment was shared with the Audit Committee and the Supervisory Board, and was discussed with our internal and external auditor

As required by provision I.4.3 of the Dutch Corporate Governance Code and section 5:25c(2)(c) of the Dutch Act on financial supervision (Wet op het financieel toezicht) and on the basis of the foregoing and the explanations contained in Risk Management, the Board of Management confirms that to its knowledge

- the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.
- the financial statements for 2020 provide, in accordance with IFRS as adopted by the EU, a true and fair view of the consolidated assets, liabilities and financial position as at December 31, 2020, and of the 2020 consolidated income statement and cash flows of Wereldhave N.V.;
- the Annual Report provides a true and fair view of the situation as at December 31, 2020, and the state of affairs during the financial year 2020, together with a description of the main risks faced by the Group.

Schiphol, March 8, 2021

Matthijs Storm,
CEO

Dennis de Vreede,
CFO

Alternative performance measures

We judge and explain our performance using certain alternative performance measures. These alternative performance measures are not defined under IFRS, but they are consistent with how the real estate sector measures financial performance. Wereldhave considers the following metrics to constitute Alternative Performance Measures as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures.

Direct result

The direct result consists of net rental income, general costs, other gains and losses (other than exchange rate differences and nonrecurring project related costs) minus, financial income and expense (other than the interest addition to the real value of the conversion rights of convertible bonds, premiums paid on interest-bearing debt) and tax charges on the direct result. Reference is made to 'Direct & Indirect' result, page 26.

Direct result per share

Direct result per share is calculated by dividing Direct result attributable to owners of the Group (excluding minority interest), refer to 'Direct & Indirect' result (page 26) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (refer to page 139).

Direct result attributable to owners of € 80.6m divided by the average number of shares of 40.2m results in € 2.01 direct result per share.

EPRA earnings

EPRA earnings measures operational performance excluding all components not relevant to the underlying net income performance of the portfolio, such as the change in value of the underlying investments and any gains or losses from the sales of properties. Reference is made to the EPRA tables on page 90.

EPRA earnings per share

EPRA earnings per share is calculated by dividing EPRA earnings by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares. Reference is made to the EPRA tables on page 90.

EPRA cost ratio

The calculation of the cost ratio is based on total operating cost divided by gross rental income.
Reference is made to the EPRA tables on page 93.

EPRA NAV

EPRA NAV is the IFRS Net Asset Value (NAV) excluding certain items not expected to crystallize in a long-term investment property business model. The EPRA NAV excludes the fair value of derivatives and deferred tax liabilities. IFRS NAV € 1,124.3m plus EPRA NAV adjustments of € -8.7m divided by the average number of shares 40.2m = € 27.76 per share.

EPRA NIY

Annualized rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, including estimated purchasers' cost (EPRA Net Initial Yield = (Annualized rent passing + other income + turnover rent -/- property expenses) / Gross Property Value). Reference is made the EPRA tables on page 93 and to note 5 in the financial statements.

EPRA NNNAV
IFRS NAV including the fair values of financial debt and excluding deferred taxes. Reference is made to the EPRA tables on page 92. IFRS NAV € 1,124.3m plus EPRA NNNAV adjustments € -55.2m divided by the average number of shares 40.2m = € 26.60 per share.

EPRA NRV
IFRS NAV excluding the fair value of derivatives and deferred tax liabilities and includes real estate transfer tax. IFRS NAV € 1,124.3m plus EPRA NRV adjustments € 91.8m divided by the average number of shares 40.2m = € 30.26 per share.

EPRA NTA
IFRS NAV excluding intangibles, the fair value of derivatives and 50% of the fair value of the deferred tax liabilities. IFRS NAV € 1,124.3m plus EPRA NTA adjustments € -9.3m divided by the average number of shares 40.2m = € 27.74 per share.

EPRA NDV
IFRS NAV including the fair values of financial debt. IFRS NAV € 1,124.3m minus EPRA NDV adjustments € 55.5m divided by the average number of shares 40.2m = € 26.59 per share.

Footfall
Number of visitors in our shopping centers.

Indirect result
The indirect result consists out of the fair value movements of investment properties and conversion rights on convertible bonds, the impact of ineffectiveness on hedges, exchange rate differences that are accounted for under other financial income and expense, the interest addition to leasehold obligations, the movement in deferred tax liabilities, non-recurring project-related costs and actuarial gains and losses on employee benefit plans. Reference is made to page 26.

Interest coverage ratio
The interest coverage ratio is the ratio of the interest charge in the direct result and the net rental income. The calculation is as follows: Net Rental Income of continued and discontinued operations (€ 133.0m) divided by external interest expenses (€ 25.1m) = 5.3x. The external interest is part of the net interest costs of € 28.9m as presented in note 31 in the financial statements.

Net debt
Net debt is the sum of the non-current and current interest-bearing liabilities (€ 1,252.8m) less cash and cash equivalents (€ 67.0m = € 1,185.8m.

Net debt for LTV
Net debt for LTV is the sum of the non-current and current interest-bearing liabilities (€ 1,252.8m) less cash and cash equivalents (€ 67.0m) and the effect of the hedged foreign currency movements of the debt (€ 12.9m) = € 1,198.6m.

Net LTV
Net Loan-to-value (LTV) is the ratio of net debt for LTV to the aggregate value of investment property including assets held for sale and excluding the present value of future ground rent payments. Net debt for LTV amounts to € 1,198.6m divided by € 2,565.5m = 46.7%. Reference is made to note 5 and 17 in the financial statements.

Net promoter score (NPS)
The NPS sore is calculated as the 1-year moving average NPS score, measured over the entire portfolio of continued operating shopping centers. Continued operating shopping centers exclude developments and refurbishments.

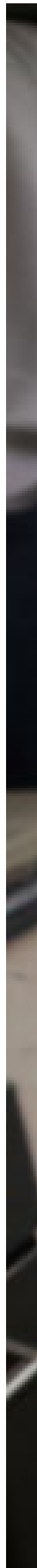
(EPRA) occupancy
The (EPRA) Occupancy rate is the estimated rental value of let units as a percentage of the total estimated rental value of the portfolio, excluding development properties. It includes accommodation, under offer, subject to asset management (where they have been taken back for refurbishment and are not available to let as at the balance sheet date) or occupied by the Group. Reference is made to the EPRA tables on page 29 and note 5 in the financial statements. EPRA Occupancy = 100% minus EPRA Vacancy rate (EPRA tables).

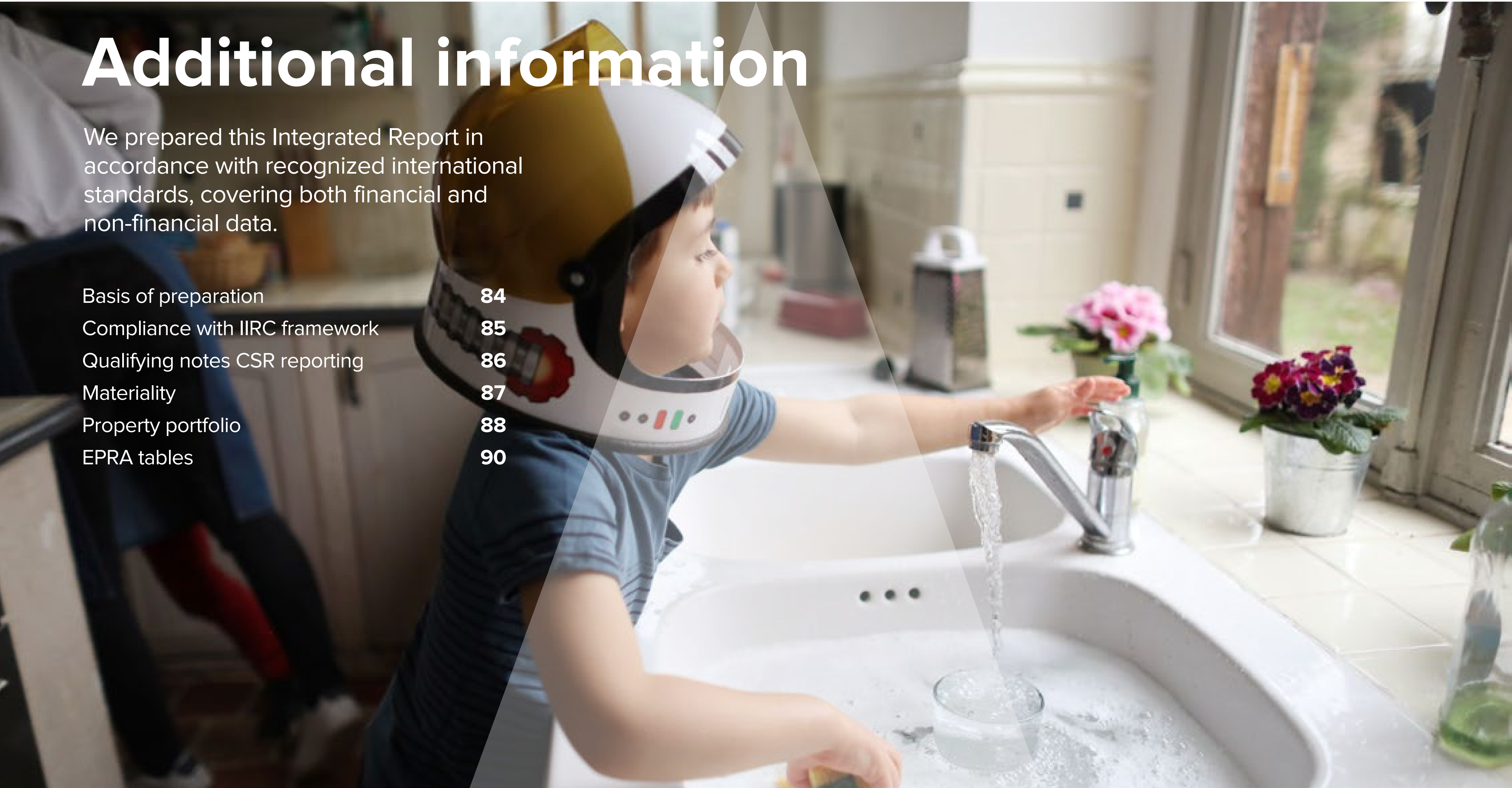
Solvency
Solvency Ratio means the ratio of: "Total equity" (less "Intangible Assets" (if any)) and "Provision for Deferred Tax Liabilities"; to "Balance Sheet Total" (less "Intangible Assets"). Reference is made to note 17 in the financial statements. Total equity (€ 1,334.7m) plus deferred tax liabilities (€ 0.7m) minus Intangible assets (€ 0.3m) divided by balance sheet total € (2.742.7m) minus Intangible assets (€ 0.3m).

Tenant satisfaction
The Tenant Satisfaction score is measure through tenant surveys.

Total property return
Total property return is a measure of the ungeared return for the portfolio and is calculated as the change in capital value, less any capital expenditure incurred, plus net income, expressed as a percentage of capital employed over the period concerned, excluding land.

Total shareholder return
Total shareholder return (“TSR”) is defined as the share price increase, including reinvested dividends. TSR is measured over a three-year period based on a three-month average of the last three months of the year before the start and the end of the performance period. The performance period starts on 1 January of the year in respect of which the LTI is to be granted.





Additional information

We prepared this Integrated Report in accordance with recognized international standards, covering both financial and non-financial data.

Basis of preparation

Wereldhave aims to provide a balanced overview of the Company's operations, strategy and performance, as well as its approach to long-term value creation. This is an integrated report, prepared in accordance with standards published by the Global Reporting Initiative (GRI) and the International Integrated Reporting Council (IIRC). The report focuses on the operational, financial and sustainability performance for the financial year 2020 of Wereldhave N.V. and its subsidiaries. The purpose of the Annual Report is to describe the group's ability to create value over time for stakeholders and society. Our new strategy focuses on how to create value in a retail landscape that is scattered with shop closures. This report highlights the themes that are central in our strategy.

The consolidated financial statements of Wereldhave N.V. have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code. The accounting policies are set out in Note 3 to the Financial statements. The consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of investment property and derivative financial instruments that have been measured at fair value. The preparation of consolidated financial statements in conformity with EU-IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate.

Wereldhave did not seek external assurance for the non-financial information in this report. The Company's non-financial data reporting and data collection process will be strengthened in the coming years, to ultimately allow for external assurance.

Risks are assessed in accordance with Wereldhave's new overall risk management approach. The financial data in this report are based on the consolidated internal reporting from Wereldhave's entities in the Netherlands, Belgium and France. The non-financial data is collected centrally. The production of this report is overseen by a dedicated project team, with contributors from Finance, Corporate Development, Investor Relations, Customer Experience, Digital Transformation and Corporate Social Responsibility. The report is reviewed and approved by the Board of Management.

Compliance with IIRC framework

The International Integrated Reporting framework comprises guiding principles and content elements.
Details of our compliance with this framework are set out below. For more information, see www.integratedreporting.org.

Disclosure	Reference
Guiding principles	
Strategic focus and future orientation	Business environment and strategy (pages 14-21), describing our business model and our value creation model.
Connectivity of information	Our material topics (page 87) are linked to risks and opportunities (pages 59-61), and to the Company's strategy.
Stakeholder relationships	Creating value for our stakeholders (page 20), and explaining value creation model (page 21).
Materiality	Material topics (page 87) and Basis of preparation (page 84) describe the materiality process and topics.
Conciseness	About this report (page 2) and Basis of preparation (page 84) describe how we applied a materiality principle to our Annual Report.
Reliability and completeness	Our Basis of preparation (page 84), setting out the review & approval and external assurance process (Auditor's Report, pages 149-157).
Consistency and comparability	This report is prepared in accordance with IFRS standards as adopted by the EU, the IIRC framework and reporting standards issued by the Global Reporting Initiative (pages 170-172) and EPRA (pages 29, 90-95 and 173).
Content elements	
Organizational overview and external environment	About Wereldhave (page 2), Our Business (pages 8-9) and Our business environment (pages 16-17)
Governance	Governance (pages 53-79)
Business model	Our business model (pages 10-11)
Risk and opportunities	High impact risks (pages 59-61)
Strategy and resource allocation	Business environment and strategy (pages 14-21)
Performance	Performance (pages 22-51)
Outlook	Outlook (page 52)
Basis of preparation and presentation	Basis of preparation (page 84)

Qualifying notes CSR reporting

We use the operational control approach for our sustainability reporting. All energy, carbon, water and waste data reported are consolidated on a 12-month rolling period rather than on the financial year. This means the fourth quarter of 2019 and the first three quarters for 2020 are reported on. The same methodology is applicable for 2019. A complete review of data was conducted on 2019 and 2020 data, hence any differences compared to last year's 2019 data was caused by this sole reason. Based on these reporting boundaries, we report against two portfolio definitions:

Absolute: The absolute portfolio includes all properties where Wereldhave has operational control, where we purchase energy, water or waste services. In 2019/20, 92,5% of the total portfolio was within our reporting boundaries, and therefore included in the absolute portfolio disclosures. For 2020 the absolute data disclosed for all energy and greenhouse gas emissions performance indicators is for 26 out of 29 retail assets as reported in this Annual Report. The data disclosed for water consumption refers to 25 out of 29 assets and waste figures refer to 25 out of 29 assets. For the Belgian offices, we disclose on all two assets.

Like-for-like: The like-for-like includes all properties which have been in the portfolio for at least 12 months prior to the reporting period, but excluding those which were acquired, divested or under significant (re)development. In 2019/20, for the like-for-like figures, 28 out of 29 retail assets are included.

Energy and carbon emissions

We report on all energy procured by Wereldhave, including that consumed by our tenants, and the emissions associated with this energy, which is reported separately. Only gas or electricity which is supplied directly to units/demises by utility suppliers is excluded. Energy data is reported as is and not normalized for degree day correction. District heating and gas consumption are adjusted for comparison on one metric: kWh electricity equivalent. A majority of properties has smart meters in place to monitor energy consumption.

Emission factors are based upon the Covenant of Mayors for electricity and gas consumption, while district heating is based on The US Environmental Protection Agency and Vattenfall. For 2020 and 2019, the emission factors were updated compared to previous years.

Water and waste

Waste data is collected for properties where we directly contract waste management services. Water data may be manually measured or estimated based on invoices. Waste and water data is not normalized.

Intensity

Intensity figures are calculated using 'total landlord-obtained data' as numerator and 'total asset size' as denominator. The reported floor area corresponds to the area served by the energy procured and its associated carbon emissions, and includes common areas, management offices and GLA, but excludes parking garages. Wereldhave acknowledges that the intensity indicator may be affected due to a mismatch between numerator and denominator, as recommended in the EPRA sustainability best practice recommendations.

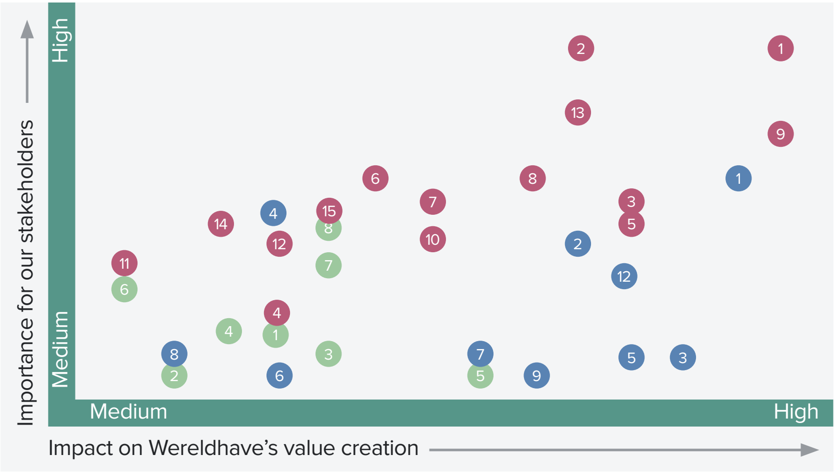
Verification

Lucideon CICS independently verified Wereldhave's reported Scope 1, 2 and 3 emissions, and water and waste consumption data pursuant to ISO 14064-3 (the international standard for verification of greenhouse gas inventories). More information is available as part of our annual CDP submission.

Materiality

Wereldhave has used the materiality assessment as a tool for mapping the most important topics for disclosure and reporting. In 2020 we updated the materiality matrix with an internal group composed of senior management and subject-matter experts. This group ranked 44 value creating topics by scoring them on a scale of 1 to 5. We averaged the results of this survey per topic. This input was then used to design a materiality matrix with the most relevant topics for our organization and portfolio. The matrix plots the relevance and importance of topics for both stakeholders and on the value creation for the company.

Wereldhave uses the Integrated Reporting Framework, published by the IIRC (International Integrated Reporting Council), and the Global Reporting Initiative, as the basis for its corporate reporting. Materiality is an important concept for both frameworks. In our approach, we have taken both frameworks into account to define our materiality matrix.



Material topic	Explanation	Most relevant to
Economic & Governance		
1 **Financial performance**	Direct and indirect financial results of Wereldhave	investors, employees
2 **Strong balance sheet**	Ample liquidity and financial flexibility	investors, employees
3 **Occupancy**	Occupancy in portfolio	tenants, investors
4 **Cost efficiency**	Service costs, CAPEX and general costs	tenants, investors
5 **Risk management**	Concerning economic, social, environmental and governance risks	investors
6 **Corporate governance**	Being a responsible company that follows internal codes and standards	investors, employees
7 **Business ethics**	Proper business policies and practices regarding potentially controversial issues	investors, employees
8 **Tenant satisfaction**	Further optimize the satisfaction and experience of customers	tenants
9 **Tenant mix**	Convert Shopping Centers to Full Service Centers	visitors, tenants, investors
10 **Technology & digital**	Implement technology and digital best practices	visitors, tenants
11 **Protection of personal data**	Privacy, GDPR	visitors, tenants
12 **Transparent and fair taxation**	Paying fair share of taxes	municipalities, governments, investors
13 **Regulatory compliance**	Compliance with laws and regulations	governments, investors
14 **Remuneration policy**	Remuneration of the Board	investors
15 **Stakeholder engagement**	Dialogue with stakeholders	investors, tenants
Environmental Responsibility		
1 **Carbon emissions**	Minimize the environmental impact by reducing the carbon emissions of assets	investors, governments, NGO's
2 **Sustainable buildings**	Manage climate change risks by having sustainable buildings	investors, governments, NGO's
3 **Transportation**	Optimize the accessibility of the assets and provide sustainable transportation (by foot, electric cars, bikes and public transport)	visitors, communities
4 **Sustainable (re-)development**	Implement sustainable best practices and technologies during renovation projects	investors, governments, NGO's
5 **Energy efficiency**	Reduce energy consumption of assets	tenants
6 **Green spaces / biodiversity**	Increase green areas on and around our centers with ecological value and customer experience	communities
7 **Renewable energy**	Producing and procuring renewable energy	investors, governments, NGO's
8 **Certification and labelling**	BREEAM	investors, governments, NGO's
Social Responsibility		
1 **Health & well-being**	Provide a healthy and safe environment for customers, tenants and suppliers	visitors
2 **Local social impact**	Contribute positively to the local communities	visitors, communities
3 **Talent attraction**	Attract and develop talents amongst employees	employees
4 **Accessibility**	Increase the accessibility of the assets for all customers	visitors, tenants
5 **Employee satisfaction**	Retain committed and engaged employees	employees
6 **Challenging & open culture**	Give employees a culture where they can be the best version of themselves	employees
7 **Diversity & equal opportunity**	Provide equal opportunities and an inclusive environment for employees	employees
8 **Human rights**	Respect for human rights for suppliers and procurement	investors, governments, NGO's
9 **Compensation and benefits**	Employee compensation	employees

Property portfolio

The Netherlands

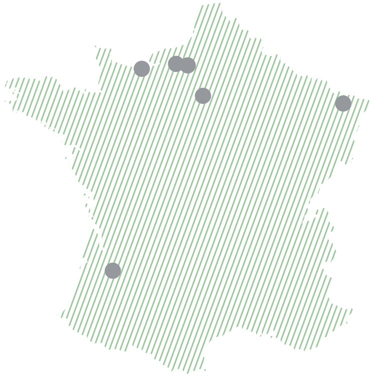
Shopping Centers	Lettable area (m^2)	Parking spaces (owned/total)	Year of acquisition	Year of construction/ renovation	Annual theoretical rent (x € 1m)	Visitors (mln)
Presikhaaf, Arnhem	33,269	-/1,244	2015	2018-2020	4.8	4.2
Kronenburg, Arnhem	40,433	1,300/1,300	1988	2015	10.1	4.6
De Koperwiek, Capelle aan den IJssel	28,544	270/900	2010-2014	2017-2020	7.1	5.4
Sterrenburg, Dordrecht	12,836	375/505	2015	1993	2.8	3.2
Etten-Leur, Etten-Leur	22,826	22/1,916	1991	2015	3.2	2.3
Middenwaard, Heerhugowaard	36,002	1,345/1,850	2015	2011, 2018	8.8	5.9
Vier Meren, Hoofddorp	30,918	819/2,526	2014	2013, 2017	6.8	5.4
Winkelhof, Leiderdorp	18,868	825/825	1993	1999, 2020	4.7	3.2
Koningshoek, Maassluis	20,317	-/1,060	2010	2015-2018	4.0	4.2
CityPlaza, Nieuwegein	50,362	783/1,994	2015	2012	13.1	5.5
Eggert, Purmerend	20,319	274/274	2010	2015-2017	4.4	3.0
Roselaar, Roosendaal	18,165	-/1,312	2010-2014	2015-2016	4.4	4.2
In de Bogaard, Rijswijk	19,833	-/2,680	2015	2002	4.2	1.9
Emmapassage, Tilburg	under construction	-/300	2015	2020-2022	under construction	n.a
Pieter Vreedeplein, Tilburg	23,280	-/780	2015	2008	3.4	5.1
Heuvelstraat-Frederikstraat, Tilburg	16,204	-	2015-2019	2016-2017	2.4	n.a
Total	**392,177**				**84.3**	**58.3**

Belgium

Shopping Centers	Lettable area (m²)	Parking spaces (owned/total)	Year of acquisition	Year of construction/ renovation	Annual theoretical rent (x € 1m)	Visitors (mln)
Ring Shopping, Courtrai	32,352	2,000/2,000	2014	2005	7.5	2.6
Shopping 1, Genk	21,435	1,250/1,250	2010	2014	4.0	3.0
Stadsplein, Genk	15,415	44/44	2012	2008	2.7	n.a
Overpoort, Ghent	3,959	-/-	2012	2014	0.5	n.a
Belle-Île, Liège	30,043	1,641/1,641	1994	2020	11.6	2.4
Nivelles-Shopping, Nivelles	28,482	1,500/1,500	1984	2012	9.4	2.6
Les Bastions Shopping, Tournai	34,574	1,450/1,450	1988	2018	8.7	3.2
Les Bastions Retailpark, Tournai	10,061	360/360	2016	2016	1.1	n.a
Waterloo, Waterloo	3,487	-/95	2010	1968	0.9	n.a
Turnhout Retailpark, Turnhout	19,804	765/765	2018	1970	2.3	n.a
Bruges Retailpark, Bruges	20,343	650/650	2018	1970	2.5	n.a
Sub total	**219,955**				**51.1**	**13.9**
Offices						
De Veldekens, Antwerp	39,606	756/756	1999	2002	5.5	n.a
Medialaan, Vilvoorde	22,807	631/631	1998	2001	3.2	n.a
Sub total	**62,413**				**8.6**	-
Total	**282,368**				**59.8**	**13.9**

France

Côté Seine, Argenteuil	18,638	-/1,350	2014	2010	5.8	4.6
Mériadeck. Bordeaux	24,876	-/1,300	2014	2008	6.0	6.2
Docks Vauban, Le Havre	52,585	-/2,290	2014	2009, 2017	5.5	3.6
Docks76, Rouen	37,108	1,000/1,000	2014	2009	8.9	2.1
Saint Sever, Rouen	34,102	1,800/1,800	2014	2012, 2018	7.2	6.8
Rivetoile, Strasbourg	29,306	-/1,800	2014	2008	9.7	4.3
Total	**196,615**				**43.1**	**27.7**
Overal	**871,160**				**187.1**	**99.9**



EPRA tables

EPRA earnings

(in €m unless otherwise stated)	2020	2019
Earnings per IFRS income statement	**-194.2**	**-319.0**
Adjustments to calculate EPRA earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	293.1	448.3
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-0.2	-0.6
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-	-
(iv) Tax on profits or losses on disposals	-	-
(v) Negative goodwill / goodwill impairment	-	-
(vi) Changes in fair value of financial instruments and associated close-out costs	-6.3	1.5
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-	-
(viii) Deferred tax in respect of EPRA adjustments	-0.5	-4.9
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	-	-
(x) Non-controlling interests in respect of the above	-12.3	-15.4
EPRA Earnings	**79.6**	**110.2**
Weighted average number of shares outstanding during period	40,212,448	40,251,654
EPRA Earnings per share (in €)	**1.98**	**2.74**
Company specific adjustments:		
(a) Non-current operating expenses	3.1	3.1
(b) Non-recurring taxes	-2.1	-
Direct Result	**80.6**	**113.2**
Direct Result per share (in €)	**2.01**	**2.81**

Investment property - rental data

(in €m)	Gross rental income	Net rental income	Surface owned[1]	Annualized gross rent[1, 2]	Annual theoretical rent[1, 2]	Estimated rental value[1, 2]	EPRA vacancy rate
Belgium	59.4	43.5	282.4	55.3	59.7	57.3	8.1%
France	42.8	22.7	196.6	40.9	43.1	45.5	7.2%
Netherlands	87.1	66.8	392.2	79.6	84.3	77.2	3.4%
Total portfolio	**189.4**	**133.0**	**871.2**	**175.8**	**187.1**	**180.0**	**5.9%**

1 Excluding developments
2 As per 31 December 2020, excluding parking income

Investment property - lease data

	Average lease length in years[1]		Annual rent (in €m) of leases expiring in		
	to break	to expiry	Year 1	Year 2	Year 3-5
Belgium	2.6	6.3	6.5	4.2	11.2
France	2.2	5.3	2.7	1.4	6.9
Netherlands	3.2	4.3	6.5	10.9	29.5
Total portfolio	**2.8**	**5.2**	**15.7**	**16.5**	**47.6**

1 Indefinite contracts are included for one year

Investment property - like-for-like net rental income

(in €m)	Properties owned throughout 2 years	Acquisi-tions	Dispos-als	Develop-ment	Other	Total net rental income
2020						
Belgium	42.8	-	-	0.3	0.4	43.5
France	22.3	-	0.3	-	0.1	22.7
Netherlands	60.5	-	3.8	2.5	-	66.8
Total portfolio	**125.6**	**-**	**4.1**	**2.7**	**0.6**	**133.0**
2019						
Belgium	51.5	-	0.4	0.2	0.9	53.0
France	37.0	-	0.9	0.4	0.2	38.5
Netherlands	68.7	-	6.9	2.9	1.5	80.0
Total portfolio	**157.2**	**-**	**8.2**	**3.6**	**2.5**	**171.5**

Like-for-like net rental growth -21.0% total portfolio. Like-for-like net rental growth is determined on a unit by unit basis. Units in redevelopment are excluded from the like-for-like analysis.

Calculation EPRA NAV measures

	new measures			previous measures		new measures			previous measures	
	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019
(in €m unless otherwise stated)	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
IFRS Equity attributable to shareholders	**1,124.3**	**1,124.3**	**1,124.3**	**1,124.3**	**1,124.3**	**1,319.6**	**1,319.6**	**1,319.6**	**1,319.6**	**1,319.6**
Include/exclude	-	-	-	-	-	-	-	-	-	-
Hybrid instruments	-	-	-	-	-	-	-	-	-	-
Diluted NAV	**1,124.3**	**1,124.3**	**1,124.3**	**1,124.3**	**1,124.3**	**1,319.6**	**1,319.6**	**1,319.6**	**1,319.6**	**1,319.6**
Include:										
ii.a) Revaluation of IP (if IAS 40 cost option is used)	-	-	-	-	-	-	-	-	-	-
ii.b) Revaluation of IPUC (if IAS 40 cost option is used)	-	-	-	-	-	-	-	-	-	-
ii.c) Revaluation of other non-current investments	-	-	-	-	-	-	-	-	-	-
iii) Revaluation of tenant leases held as finance leases	-	-	-	-	-	-	-	-	-	-
iv) Revaluation of trading properties	-	-	-	-	-	-	-	-	-	-
Diluted NAV at Fair Value	**1,124.3**	**1,124.3**	**1,124.3**	**1,124.3**	**1,124.3**	**1,319.6**	**1,319.6**	**1,319.6**	**1,319.6**	**1,319.6**
Exclude:										
v) Deferred tax in relation to the fair value gains of IP	0.7	0.4	-	0.7	0.3	1.2	0.6	-	1.2	0.5
vi) Fair value of financial instruments	-9.4	-9.4	-	-9.4	-	7.4	7.4	-	7.4	-
vii) Goodwill as a result of deferred tax	-	-	-	-	-	-	-	-	-	-
vii.a) Goodwill as per the IFRS balance sheet	-	-	-	-	-	-	-	-	-	-
vii.b) Intangibles per the IFRS balance sheet	-	-0.3	-	-	-	-	-0.5	-	-	-
Include:										
viii) Fair value of fixed interest rate debt	-	-	-55.5	-	-55.5	-	-	-39.4	-	-39.4
ix) Revaluation of intangibles to fair value	-	-	-	-	-	-	-	-	-	-
x)Real estate transfer tax	100.4	-	-	-	-	115.8	-	-	-	-
NAV	**1,216.1**	**1,115.0**	**1,068.8**	**1,115.6**	**1,069.1**	**1,444.0**	**1,327.1**	**1,280.2**	**1,328.2**	**1,280.7**
Fully diluted number of shares	40,191,662	40,191,662	40,191,662	40,191,662	40,191,662	40,255,423	40,255,423	40,255,423	40,255,423	40,255,423
NAV per share (in €)	**30.26**	**27.74**	**26.59**	**27.76**	**26.60**	**35.87**	**32.97**	**31.80**	**32.99**	**31.81**

EPRA cost ratio

(in €m)		2020	2019
(i)	Administrative/operating expense line per IFRS income statement	61.6	46.1
(ii)	Net service charge costs / fees	9.1	6.3
(iii)	Management fees less actual/estimated profit element	-	-
(iv)	Other operating income/recharges intended to cover overhead expenses less any related profits	-6.7	-8.6
(v)	Share of Joint Venture expenses	-	-
Exclude (if part of the above):			
(vi)	Investment Property depreciation	-	-
(vii)	Ground rent costs	-0.4	-0.2
(viii)	Service charge costs recovered through rents but not separately invoiced	-	-
Costs (including direct vacancy costs) (A)		**63.6**	**43.6**
(ix)	Direct vacancy costs	-4.2	-3.1
Costs (excluding direct vacancy costs) (B)		**59.4**	**40.5**
(x.a)	Gross rental income less ground rent costs - per IFRS	189.0	206.4
(x.b)	Less: Other operating income/recharges intended to cover overhead expenses	-8.2	-10.9
(xi)	Less: service fee and service charge costs components of Gross Rental Income	-	-
(xii)	Add: share of joint ventures (Gross Rental Income less ground rents costs)	-	-
Gross Rental Income (C)		**180.8**	**195.6**
EPRA Cost Ratio (including direct vacancy costs) (A/C)		**35.2%**	**22.3%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)		**32.9%**	**20.7%**

EPRA net initial yield and 'topped-up' initial yield

(in €m)	December 31, 2020
Fair value investment properties determined by external appraisers	2,549.6
Less developments and parkings	-46.2
Completed property portfolio	**2,503.4**
Allowance for estimated purchasers' costs	104.2
Gross up completed property portfolio valuation (A)	**2,607.6**
Annualized cash passing rental income	173.4
Property outgoings	-17.9
Annualized net rents (B)	**155.5**
Add notional rent expiration of rent free periods or other lease incentives	4.0
Topped-up net annualized rent (C)	**159.5**
EPRA Net Initial Yield (B/A)	6.0%
EPRA 'topped-up' Net Initial Yield (C/A)	6.1%

Summary of investment properties

	Shopping centers		Offices		Total	
(in €m)	market value	annual theoretical rent[1]	market value	annual theoretical rent	market value	annual theoretical rent
Belgium	830.5	51.1	90.8	8.6	921.3	59.7
France	690.6	43.1	-	-	690.6	43.1
Netherlands	965.7	84.3	-	-	965.7	84.3
Total portfolio	**2,486.8**	**178.5**	**90.8**	**8.6**	**2,577.6**	**187.1**

1 excluding parking and residential

Summary of the valuation adjustments of the investment properties

(in €m)	market value	revaluation in 2020	Shopping centers	Offices	Total
Belgium	921.3	-58.9	-6.3%	-3.6%	-6.0%
France	690.6	-122.0	-15.0%	-	-15.0%
Netherlands	965.7	-113.0	-10.5%	-	-10.5%
Total portfolio	**2,577.6**	**-293.9**	**-10.5%**	**-3.6%**	**-10.2%**

Capital expenditure disclosure

	2020			2019		
(in €m)	Group (excl. Joint Ventures)	Joint Ventures (proportion-ate share)	Total Group	**Group (excl. Joint Ventures)**	**Joint Ventures (propor-tionate share)**	**Total Group**
Acquisitions	0.4	-	0.4	18.2	-	18.2
Developments	18.9	-	18.9	24.4	-	24.4
Investment properties	41.1	-	41.1	33.0	-	33.0
Capitalized interest	0.6	-	0.6	0.7	-	0.7
Total Capex	**61.0**	**-**	**61.0**	**76.3**	**-**	**76.3**
Conversion from accrual to cash basis	1.3	-	1.3	4.0	-	4.0
Total Capex on cash basis	**62.3**	**-**	**62.3**	**80.3**	**-**	**80.3**

EPRA performance measures

Performance measures	Definition	Purpose
EPRA NAV	IFRS Net Asset Value (NAV) excluding certain items not expected to crystallize in a long-term investment property business model. The EPRA NAV excludes the fair value of derivatives and deferred tax liabilities.	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.
EPRA NNNAV (triple net)	EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.	Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all the assets and liabilities within a real estate entity.
EPRA Earnings	EPRA Earnings is a measure of operational performance and represents the net income generated from the operational activities, excluding elements not relevant to the underlying net income performance of the portfolio such as fair value gains/losses on investment properties, profit/loss on disposals.	A key measure of a company's operational performance for investors to asses the extent to which its dividends are underpinned by income arising from operational activities.
EPRA Net Reinstatement Value (NRV)	IFRS Net Asset Value (NAV) excludes the fair value of derivatives and deferred tax liabilities and includes real estate transfer tax.	The objective of the EPRA Net Reinstatement Value measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallize in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included.
EPRA Net Tangible Assets (NTA)	IFRS Net Asset Value (NAV) excludes intangibles, the fair value of derivatives and 50% of the fair value of the deferred tax liabilities.	The underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallizing certain levels of deferred tax liability.
EPRA Net Disposal Value (NDV)	IFRS Net Asset Value (NAV) including the fair values of financial debt.	Shareholders are interested in understanding the full extent of liabilities and resulting shareholder value if company assets are sold and/or if liabilities are not held until maturity. For this purpose, the EPRA Net Disposal Value provides the reader with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the Balance Sheet, net of any resulting tax. This measure should not be viewed as a “liquidation NAV” because, in many cases, fair values do not represent liquidation values.
EPRA Net Initial Yield (NIY)	Annualized rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, including estimated purchasers' cost (EPRA Net Initial Yield = ((Annualized rent passing + other income + turnover rent -/- property expenses) / Gross Property Value)).	A comparable measure for portfolio valuations.
EPRA Vacancy	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A measure of investment property space that is vacant, based on ERV.
EPRA Cost Ratio	The calculation for a cost ratio is based on total operating cost and gross rental income.	Cost ratio to reflect the relevant overhead and operating costs of the business and provide a recognized and understood reference point for analysis of a company’s costs.

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Consolidated statement of financial position

at December 31, 2020

(x € 1,000)	Note	December 31, 2020	December 31, 2019
Assets			
Non-current assets			
Investment property in operation		2,513,429	2,833,690
Lease incentives		5,482	5,639
Investment property under construction		58,669	67,357
Investment property	5	**2,577,580**	**2,906,686**
Property and equipment	6	5,419	6,026
Intangible assets	7	273	517
Derivative financial instruments	8,22	13,965	34,024
Other financial assets	8	2,790	826
Total non-current assets		**2,600,028**	**2,948,080**
Current assets			
Trade and other receivables	9	51,167	49,391
Tax receivables	10	11,027	15,008
Derivative financial instruments	22	10,324	-
Cash and cash equivalents	11	67,000	20,834
Total current assets		**139,518**	**85,232**
Investments held for sale	12	3,200	9,880
Total assets		**2,742,746**	**3,043,192**

(x € 1,000)	Note	December 31, 2020	December 31, 2019
Equity and Liabilities			
Equity			
Share capital	13	40,271	40,271
Share premium	14	1,711,033	1,711,033
Reserves	15,16	-627,008	-431,705
Attributable to shareholders		**1,124,296**	**1,319,598**
Non-controlling interest		210,387	230,682
Total equity		**1,334,683**	**1,550,281**
Non-current liabilities			
Interest-bearing liabilities	17	971,017	1,167,684
Deferred tax liabilities	18	711	1,227
Derivative financial instruments	22	27,354	25,414
Other long-term liabilities	19	33,172	34,615
Total non-current liabilities		**1,032,255**	**1,228,941**
Current liabilities			
Trade payables		14,864	8,436
Tax payable	20	9,514	14,751
Interest-bearing liabilities	17	281,762	167,973
Other short-term liabilities	21	69,313	72,430
Derivative financial instruments	22	355	381
Total current liabilities		**375,808**	**263,971**
Total equity and liabilities		**2,742,746**	**3,043,192**

Consolidated income statement
for the year ended December 31, 2020

(x € 1,000)	Note	2020	2019
Gross rental income	25	189,372	206,589
Service costs charged		31,030	34,274
Total revenue		**220,402**	**240,863**
Service costs paid		-40,130	-40,575
Property expenses	26	-47,243	-28,814
Net rental income		**133,029**	**171,474**
Valuation results	27	-293,064	-448,343
Results on disposals	28	202	49
General costs	29	-14,188	-17,098
Other income and expense	30	-178	-156
Operating result		**-174,200**	**-294,073**
Interest charges		-28,900	-28,382
Interest income		16	70
Net interest	31	**-28,884**	**-28,312**
Other financial income and expense	32	7,384	-1,516
Result before tax		**-195,699**	**-323,902**
Income tax	33	1,479	4,444
Result from continuing operations		**-194,221**	**-319,457**
Result from discontinued operations	34	-	506
Result for the year		**-194,221**	**-318,951**
Result attributable to:			
Shareholders		-186,932	-328,741
Non-controlling interest		-7,289	9,790
Result for the year		**-194,221**	**-318,951**
Basic earnings per share from continuing operations (€)	37	-4.65	-8.18
Diluted earnings per share from continuing operations (€)	37	-4.65	-8.18
Basic and diluted earnings per share from discontinued operations (€)	37	-	0.01
Basic earnings per share (€)	37	-4.65	-8.17
Diluted earnings per share (€)	37	-4.65	-8.17

Consolidated statement of comprehensive income

for the year ended December 31, 2020

(x € 1,000)	Note	2020	2019
Result from continuing operations		-194,221	-319,457
Result from discontinued operations		-	506
Result		**-194,221**	**-318,951**
Items that may be recycled to the income statement subsequently			
Effective portion of change in fair value of cash flow hedges	22	12,349	2,989
Changes in fair value of cost of hedging	22	735	2,056
Items that will not be recycled to the income statement subsequently			
Remeasurement of post-employment benefit obligations	19	84	-200
Total comprehensive income		**-181,053**	**-314,106**
Attributable to:			
Shareholders		-173,807	-323,782
Non-controlling interest		-7,246	9,676
		-181,053	**-314,106**

Consolidated statement of changes in equity

for the year ended December 31, 2020

	Attributable to shareholders							
(x € 1,000)	Share capital	Share premium	General reserve	Hedge reserve	Cost of hedging reserve	Total attributable to shareholders	Non- controlling interest	Total equity
Balance at January 1, 2019	**40,271**	**1,711,033**	**4,495**	**-9,605**	**-1,706**	**1,744,489**	**231,348**	**1,975,836**
Comprehensive income								
Result	-	-	-328,741	-	-	-328,741	9,790	-318,951
Remeasurement of post-employment obligations	-	-	-133	-	-	-133	-67	-200
Effective portion of change in fair value of cash flow hedges	-	-	-	3,036	-	3,036	-47	2,989
Changes in fair value of cost of hedging	-	-	-	-	2,056	2,056	-	2,056
Total comprehensive income	**-**	**-**	**-328,874**	**3,036**	**2,056**	**-323,782**	**9,676**	**-314,106**
Transactions with shareholders								
Shares for remuneration	-	-	318	-	-	318	-	318
Share based payments	-	-	-201	-	-	-201	-	-201
Dividend	-	-	-101,480	-	-	-101,480	-5,947	-107,427
Change non-controlling interest	-	-	276	-	-	276	-4,386	-4,110
Other	-	-	-22	-	-	-22	-9	-31
Balance at December 31, 2019	**40,271**	**1,711,033**	**-425,488**	**-6,569**	**350**	**1,319,598**	**230,682**	**1,550,281**
Balance at January 1, 2020	**40,271**	**1,711,033**	**-425,488**	**-6,569**	**350**	**1,319,598**	**230,682**	**1,550,281**
Comprehensive income								
Result	-	-	-186,932			-186,932	-7,289	-194,221
Remeasurement of post employment obligations	-	-	57			57	27	84
Effective portion of change in fair value of cash flow hedges	-	-		12,333		12,333	16	12,349
Changes in fair value of cost of hedging	-	-			735	735	-	735
Total comprehensive income	**-**	**-**	**-186,875**	**12,333**	**735**	**-173,807**	**-7,246**	**-181,053**
Transactions with shareholders								
Shares for remuneration	-	-	-1,031			-1,031	-	-1,031
Share based payments	-	-	725			725	-	725
Dividend	-	-	-25,370			-25,370	-5,770	-31,140
Change non-controlling interest	-	-	4,210			4,210	-7,265	-3,055
Other	-	-	-29			-29	-14	-43
Balance at December 31, 2020	**40,271**	**1,711,033**	**-633,858**	**5,764**	**1,085**	**1,124,296**	**210,387**	**1,334,683**

Consolidated cash flow statement
for the year ended December 31, 2020

(x € 1,000)	Note	2020	2019
Operating activities			
Result		-194,221	-318,951
Adjustments:			
Valuation results	27	293,064	448,343
Net interest	31	28,884	28,312
Other financial income and expense	32	-6,179	1,504
Results on disposals	28,34	-202	-555
Taxes		-1,346	-4,854
Amortization		2,123	1,928
Movements in working capital		2,089	-11,219
Cash flow generated from operations		**124,212**	**144,507**
Interest paid		-27,542	-29,060
Interest received		16	70
Income tax		755	-687
Cash flow from operating activities		**97,441**	**114,831**
Investment activities			
Proceeds from disposals direct investment properties	28	103,834	13,518
Proceeds from disposals indirect investment property		-	-2,696
Investments in investment property	5	-62,327	-80,345
Investments in equipment		-108	-500
Investments in financial assets		-1,964	-109
Investments in intangible assets		-110	-78
Cash flow from investing activities		**39,325**	**-70,210**
Financing activities			
Proceeds from interest-bearing debts	17	358,708	272,760
Repayment interest-bearing debts	17	-411,568	-313,317
Movements in other long-term liabilities		-3,971	-2,046
Other movements in reserve		-496	319
Transactions non-controlling interest		772	-
Dividend paid		-34,046	-107,427
Cash flow from financing activities		**-90,600**	**-149,711**
Increase/decrease in cash and cash equivalents		46,166	-105,091
Cash and cash equivalents at January 1	11	20,834	125,925
Cash and cash equivalents at December 31	11	**67,000**	**20,834**

Notes to the consolidated financial statements

1 Reporting entity

Wereldhave N.V. ('the Company') is an investment company which invests in real estate (shopping centers and offices). The property portfolio of Wereldhave N.V. and its subsidiaries ('the Group') is located in Belgium, France and the Netherlands. The Group is principally involved in leasing investment property under operating leases. The property management is performed by Group management companies. The Company is a limited liability company incorporated and domiciled in the Netherlands. The address of the Company's registered office is Schiphol Boulevard 233, 1118 BH Schiphol. The shares of the Company are listed on the Euronext Stock Exchange of Amsterdam. The consolidated financial statements for the year ended December 31, 2020 were authorized for issue by the Supervisory Board on March 8, 2021 and will be presented to the shareholders for approval on April 26, 2021.

2 Tax status

Wereldhave N.V. has the tax status of an investment company (FBI status) in accordance with section 28 of the Dutch 'Wet op de Vennootschapsbelasting 1969'. This status assumes that the Group is (almost) exclusively engaged in portfolio investment activities. As a consequence, corporation tax is due at a rate of 0% in the Netherlands, provided that certain conditions are met. The main conditions concern the requirement to distribute the taxable result as dividend and restrictions with regard to the leverage. The taxable result of Wereldhave N.V. must be distributed as a dividend to its shareholders within eight months after the year during which the result was made. In general terms, the leverage restrictions imply that investments in real estate (including qualifying real estate companies) may only be financed through debt up to a maximum of 60% of their value. For investments in other assets the maximum level of debt allowed is only 20%. There is no requirement to include capital gains, arising on disposal of investments, in the result to be distributed.

The subsidiaries in Belgium (OGVV status) and France (SIIC status) have a similar status. In Belgium the net value of one single asset may not exceed 20% of the total Belgium portfolio. Our largest asset in Belgium, Belle-Île, exceeds the threshold of 20% at December 31, 2020. The FSMA provided a concession for a maximum period of 2 years expiring December 31, 2022.

3 Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Basis of accounting

Statement of compliance

The consolidated financial statements of Wereldhave N.V. have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

Income and cash flow statement

The Group presents a separate 'statement of profit or loss' and 'other comprehensive income'. The Group reports cash flows from operating activities using the indirect method. Interest received and interest paid is presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities as this most appropriately reflects the Group's business activities.

Preparation of the consolidated financial statements

The consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of investment property and derivative financial instruments that have been measured at fair value.

Going concern

The Covid-19 pandemic developed rapidly in 2020 and significantly negatively impacted the results for the year 2020, mainly due to rent discounts and additional provisions for doubtful debt. The lockdowns and resulting uncertainty around the developments of Covid-19 impacted our operations. These challenging market circumstances also impacted our valuations, investment markets as well as the discussions with banks to maintain a healthy liquidity profile. For 2020 the Group realized a net loss of € 194.2m including a negative revaluation on investment property of € 293.1m. Per year-end, the Group reported a negative working capital of € 236.3m primarily relating to the current portion of interest-bearing liabilities of € 281.7m which is covered by existing debt facilities.

As a result of these developments, we assessed our future liquidity position by performing stress tests on relevant loan covenants and liquidity, both in base and bear case scenarios. As part of the assessment, we reviewed our expected operational performance, loan maturities and available debt facilities, planned capex as well as our investment and divestment strategy. Finally, we assessed the impact on potential dividend distributions.

We have taken several measures to preserve liquidity, amongst others the deferral of large development projects. During the year we have been able to secure our liquidity until Q3 2022 in a bear case scenario and currently have constructive discussions to further extend our liquidity, independent of the disposal process. However, there still could be uncertainty resulting from the Covid-19 pandemic that may cause the company to be unable to realize its disposal program, refinance expiring debt facilities and discharge its liabilities as it would in the normal course of business. Based on the facts and circumstances known at this moment, our liquidity forecasts as well as various stress tests of our liquidity and covenants, management determined that the use of the going concern assumption is warranted.

Lease concessions

In cases where concessions for Covid-19 are granted to lessees relating to past and due rents these concessions are accounted for under IFRS 9. Under IFRS 9 the concessions are recorded as an impairment on tenant receivables and directly charged to the profit and loss account as part of property expenses. In cases where the concession qualifies as a lease modification, for instance due to extension of the lease term or changes to future payments, IFRS 16 applies. Under IFRS 16, the concession is treated as a lease incentive which is straight-lined over the minimum term of the lease as a reduction of rental income. The accounting treatment of concessions granted as well as the expected credit losses on our tenant receivables had a negative impact of € 24 million on the result for the period ended December 31, 2020.

Accounting estimates

The preparation of consolidated financial statements in conformity with EU-IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.32, 5 and 23.

Change in accounting policy and disclosures

New and amended standards adopted by the Group

As of January 1, 2020, the following standards became effective but did not have an impact on the Company's consolidated financial statements.

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

On May 28, 2020, the standard relating to Covid-19-Related Rent Concessions (Amendment to IFRS 16) was issued. The standard provides a practical expedient that allows lessees to account for Covid-19 rent concessions as if they were not a lease modification. The amendment is effective for annual reporting periods beginning on or after June 1, 2020 with earlier application permitted. This amendment had no impact on the consolidated financial statements of the Company

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2020 and have not been early adopted by the group. These standards are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

3.2 Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Wereldhave recognizes acquisitions if IFRS 3R “Business Combinations” or IAS 40 “Investment Property” applies. Acquisitions are considered a business combination if there is an acquisition of assets, rental activities and such, a management organization, that the acquired entity can operate as an independent company with the aim of generating economic results. Wereldhave does not necessarily consider acquisitions of properties within a legal company as a business combination but evaluates these acquisitions individually for the above operational characteristics.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognized amounts of acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred.

For acquisitions of subsidiaries not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

Consolidated financial statements are prepared using uniform accounting policies for similar transactions. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Inter-company transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision maker is the Chief Executive Officer (CEO) of the Company.

3.3 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in euros, which is the Company’s functional currency and the Group’s presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement for the year.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within other financial income and expenses.

The following exchange rates against the euro, were used for these consolidated financial statements:

	average		year-end	
	2020	2019	2020	2019
GBP	1.1251	1.14056	1.11889	1.18213
USD	0.87705	0.89334	0.8186	0.89182
CAD	0.65411	0.67339	0.64329	0.68649

3.4 Comprehensive income

In the statement of comprehensive income, no separate line for tax is included as there are no taxable items. This is due to the tax status of the Group and some subsidiaries.

3.5 Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments mainly to hedge exchange rate and interest rate risks arising from financing activities. The Group does not hold any derivatives for trading purposes. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. Changes in the fair value of derivatives that are not designated as hedging instruments are recognized in the income statement as they arise.

The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges) or hedges of the fair value of recognized assets and liabilities (fair value hedges).

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group uses hedging instruments such as interest and cross currency swaps. Transactions are entered into with a limited number of counterparties with strong credit ratings. Hedging operations are governed by internal policies and rules approved and monitored by the Board of Management.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts is separately accounted for as a cost of hedging and recognized in a cost of hedging reserve within equity.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the transaction is no longer expected to occur, the cumulative gain or loss and costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognized in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognized in profit or loss within other financial income and expense.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to profit or loss over the period to maturity using a recalculated effective interest rate.

3.6 Investment property

Property that is held for long-term rental income or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs. After this initial recognition, investment property is carried at fair value.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date and adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow or capitalization projections. Valuations are performed as of the financial position dates 30 June and 31 December by professional independent external valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Significant unobservable input	Relationship between significant unobservable inputs and the fair value measurement
• Growth forecast for market rent level • Periods of vacancy following expiration of a lease • Occupancy rate • Rent-free periods and other lease incentives • Theoretical net yield	The estimated fair value increases (decreases) if: • The expected growth of market rent levels is higher (lower) • The periods of vacancy are shorter (longer) • The occupancy rate is higher (lower) • The rent-free periods are shorter (longer) • The estimated maintenance costs / investments are lower (higher) • The net-yield is lower (higher)

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Changes in fair values are recognized in the income statement. Investment properties are derecognized when they have been disposed.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

Properties eligible for disposal are classified as assets held for sale. In the case of sale of properties, the difference between net proceeds and book value is recognized in the income statement under results of disposal.

Lease incentives, rent-free periods and other leasing expenses

Rent-free periods and investments made, or allowances granted to tenants by Wereldhave ("lease incentives") are allocated on a linear basis over the lease term. The lease term consists of the period until the first break option for the tenants, which period can be extended by management with the expected prolongation of the leases.

In determining the property at fair value capitalized lease incentives are adjusted for the valuation results, to avoid double counting.

Investment property under construction

Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

It may sometimes be difficult to reliably determine the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract
- The stage of completion
- Whether the project/property is standard (typical for the market) or non-standard
- The level of reliability of expected cash inflows after completion
- The development risk specific to the property
- Past experience with similar constructions
- Status of construction permits

Costs include the material and labor for the construction, costs of staff directly related to technical supervision, project management on the basis of time spent and finance costs. The finance cost are capitalized interest that is charged until the date of delivery and is based on the interest to be allocated to development or on the basis of the average effective rate of the Group, where no specific project financing is present. Interest charges include interest and all costs associated with Wereldhave raising funds.

The fair value of development is determined on an identical basis as investment properties, with the understanding that the capitalization factor is adjusted to reflect development risks.

Fair value changes and impairment losses are recognized in the income statement as valuation result. Investment property under construction are transferred to investment properties on the date of delivery.

3.7 Leases

Group company is the lessee

A right-of-use asset and a lease liability is recognized at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation, impairment losses and adjusted for certain remeasurements of the lease liability. Right-of-use assets are presented under property and equipment. Right-of-use assets that meet the definition of investment property are presented under investment property and subsequently measured at fair value in accordance with the Group's accounting policies.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date which are discounted using the Group's incremental borrowing rate, unless the interest rate implicit in the lease is available. The lease liability is subsequently increased by the interest costs on the lease liability and decreased by any lease payments made. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or changes to the assessment whether a purchase or extension options is reasonably certain to be exercised. Judgement may need to be applied to determine the lease term for some lease contracts that contain renewal or termination options. The assessment may significantly affect the amount of lease liabilities and right-of-use assets recognized.

Lease liabilities are included in other long-term liabilities in the statement of financial position. Payments of lease liabilities are presented as cash flows from financing activities in the cash flow statement.

Group company is the lessor in an operating lease

Properties leased out under operating leases are included in investment property in the consolidated statement of financial position. See Note 25 for the recognition of rental income.

3.8 Property and equipment

Property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost includes the cost of replacing part of existing plant and equipment at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an item of plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation, is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives, as follows:

Office Furniture:	10 years
Equipment:	5 years
Cars:	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year-end. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than the estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

3.9 Intangible assets

Computer software

Acquired computer software licenses and costs relating to internally developed software are capitalized at cost incurred to acquire, develop and implement the specific software. These costs are amortized over their estimated useful lives (5 to 10 years).

3.10 Impairment of non-financial and financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

3.11 Financial instruments

Wereldhave categorizes its financial instruments measured at fair value in three categories. Level 1 valuations are based on quoted market prices, level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either direct or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

3.12 Financial assets

The Group classifies its financial assets in those to be measured subsequently at fair value and those to be measured at amortized cost. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified after their initial recognition unless the Group changes its business model for managing financial assets.

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

A financial asset is initially measured at fair value plus, in case of assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of financial assets depends on the business model for managing the asset and the cash flows characteristics of the asset. There are three measurement categories into which the Group classifies its financial assets:

- Amortized cost is applied for financial assets held within a business model whose objective is to hold the assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Fair value through other comprehensive income is applied for equity investments that are not held for trading or debt investments held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Assets that do not meet the criteria for amortized costs or fair value through other comprehensive income are measured at fair value through profit or loss.

Financial assets at amortized costs are subsequently measured at amortized cost using the effective interest method, reduced by impairment losses. Interest income and impairments are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity and debt investments at fair value through other comprehensive income are subsequently measured at fair value. Dividends, interest income calculated using the effective interest method and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition of debt investments, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Financial assets at fair value through profit or loss are subsequently measured at fair value. Net gains and losses are recognized in profit or loss unless item is designated as hedging instrument.

An overview of the carrying amounts of the financial assets is set out in note 23.

3.13 Financial liabilities

A financial liability is initially measured at fair value plus, in case of assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

Financial liabilities are subsequently classified as measured at amortized cost or fair value through profit or loss.

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

An overview of the carrying amounts of the financial liabilities is set out in note 23.

3.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank overdrafts. Cash and cash equivalents are measured at nominal value.

3.15 Non-current assets held for sale

Non-current assets (or a disposal group) are held for sale in case the carrying amount will be recovered principally by means of a sale rather than by continuing use. This only applies if the asset (or disposal group) is available for immediate sale in its present condition. Furthermore, the sale must be highly probable, management must be committed to a plan to sell the asset and an active program to locate a buyer and complete the plan must have been initiated. The sale should be completed within one year from the date of classification.

Non-current assets (or disposal group) classified as held for sale are measured at the lower of the carrying amount and fair value less cost to sell except for assets such as deferred tax assets and investment property that are carried at fair value. Non-current assets held for sale or the assets from a disposal group are presented separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from the other liabilities. Assets and liabilities held for sale are not offset against each other.

A disposal group is a group of assets and liabilities that is sold or intended to be sold in one transaction.

3.16 Trade receivables

Trade receivables are amounts due from tenants under the lease agreements. Standard lease terms require upfront payment of rent and therefore trade receivables are all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost less expected credit losses.

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables at each reporting date. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

3.17 Equity

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are deducted from the proceeds. When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a change in the general reserve in equity. Repurchased shares are classified as treasury shares and deducted from total equity. When treasury shares are reissued the proceeds are credited to the treasury share reserve and any surplus is credited to the share premium reserve. Dividends are recognized as a liability in the period in which they are declared.

3.18 Dividend policy

As an investment company in accordance with Article 28 of the Dutch 'Wet op de Vennootschapsbelasting 1969', the Company is required to distribute at least the taxable result as dividend.

Wereldhave aims for a dividend pay-out ratio of 75% - 85% of its direct result (net rental income, general costs, other gains and losses, financial income and expense (other than the interest addition to the real value of the conversion rights of convertible bonds, premiums paid on repurchased interest-bearing debt and actuarial gains and losses on employee benefit plans) and tax charges on direct result.

3.19 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Any increase in the provision due to passage of time is recognized as interest charges.

3.20 Non-current liabilities

Interest-bearing debt

Interest-bearing debt is initially recognized at fair value, minus transaction costs. Subsequently interest-bearing debt is measured at amortized cost. Any difference between the face value and the carrying amount is recognized in the income statement over the period of the interest-bearing debt on the basis of the effective interest per debt. The portion of debt outstanding to be repaid within twelve months is shown under current liabilities.

3.21 Pension plans

Defined contribution plans

Defined contribution plans are pension schemes to which a Group company makes a fixed annual contribution and where the Company does not have a legal or constructive obligation to make further payments if the pension fund of the pension scheme does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expense when they are due.

Defined benefit plans
The liability or asset recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

3.22 Trade and other payables
Trade and other payables are recognized initially at fair value and subsequently at amortized cost basis using the effective interest method.

3.23 Revenue

Gross Rental income
Rental income from investment properties leased out under operating leases is recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives are recognized as a reduction of the rental income and are straight-lined over the minimum term of the lease. Rent adjustments due to indexation are recognized as they arise. Rental income does not include value added tax or amounts charged to tenants in respect of service and operating costs.

Variable rental income, such as turnover related rent or income from specialty leasing is recognized in the income statement in the period to which it relates, if it can be estimated reliably. If a reliable estimate is not possible, recognition takes place at the time of realization.

Revenue received from tenants for early termination of leases is directly recognized in the income statement in the period to which the revenues relates.

Service costs charged
Where there are service contracts with third parties, service charges are recovered from tenants. Service charges in respect of vacant property are expensed as property expenses. They mainly relate to gas, water, electricity, cleaning and security. Service charges are shown on a gross basis when Wereldhave acts as a principal.

3.24 Expenses

Service costs paid
Service costs are shown on a gross basis when Wereldhave acts as a principal. In case Wereldhave acts as an agent only the non-recoverable amount of the service and operational costs is presented. In the presentation on a gross basis, costs and charges are shown separately.

Property expenses
Property expenses consist of operational cost for the account of Wereldhave attributable to the accounting period, such as:
- Maintenance;
- Property tax;
- Insurance premiums;
- Property management; and
- Letting expenses.

Letting expenses include the depreciation of capitalized expenditure in connection with a letting, such as fit out contributions paid by Wereldhave. The expenditure is depreciated over the term of the lease. Investment property depreciation charges are not recognized, because investment properties are valued at market value see paragraph 3.6. The market value calculation takes technical and economic obsolescence into account.

General costs

General costs are expenses that are not directly attributable to the operation of properties (including salaries of staff not directly involved with properties, office overheads, advice, valuation and audit fees, listing costs and promotion costs). Direct staff costs relating to property management are included in property expenses. Direct staff costs relating to supervising and monitoring investment and development projects are capitalized as part of the investment property under construction on the basis of time spent.

3.25 Results on disposal

The results on disposal are the differences between the realized selling prices, net of selling costs, and the carrying amount, based on the last reported fair value (mostly the latest appraisal).

Results on disposal from the sale of investment property or fixed assets are processed if the following conditions are met:

- The entity has transferred the rights to all major economic benefits and any significant risks to the buyer;
- The legal entity does not keep possession of those goods and therefore cannot decide on its use;
- The amount of revenue can be reliably determined;
- It is probable that the economic benefits associated with the transaction will flow to the new legal owner; and
- Costs already incurred and the potential future costs in respect to the transaction can be measured reliably.

3.26 Interest charges and interest income

Interest comprises the total of interest attributable to the accounting period on loans, other debts, accounts receivable and cash and bank balances and is split between interest received and interest paid. Interest income & charges is recognized in the income statement as it accrues. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, to the fair value of the financial asset or financial liability as at the recognition of the instrument.

Interest attributable to the acquisition or construction of an asset that takes a substantial period of time to complete, is capitalized as part of the cost of the respective assets, starting from preparation of the plan until completion. Capitalized interest is calculated using the Group's weighted average cost of debt or the borrowing cost of specific project financing.

3.27 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to the Board of Management is generally recognized as an expense, with a corresponding reserve in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of the amount payable to the Board of Management in respect of share-based payments arrangements, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the Board of Management become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share-based payments arrangements. Any changes in the liability are recognized in profit or loss.

3.28 Income tax

Tax charges on the income statement for a year comprise current and deferred tax and are calculated on results before taxes, considering any tax-exempt components of result and non-deductible costs. Losses to be offset against probable future results are recognized as deferred tax asset. Current tax is the expected tax payable or receivable on the taxable income or loss for the period. Deferred tax consists of the expected tax payable or receivable on changes in the value of assets or liabilities which will be realized at the time of sale. Tax charges are calculated using tax rates prevailing at the balance sheet date.

Current tax and deferred tax is recognized in income statement except to the items recognized directly in equity or in other comprehensive income in which case, the tax is also recognized in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are stated at nominal value.

Deferred tax is not recognized for:
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income statement;
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

The carrying value of the Group's investment property is assumed to be realized by sale at the end of use.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable results will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.29 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:
- The profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:
- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3.30 Segment reporting

The Wereldhave Board of Management has determined the operating segments based on the information reviewed by the Board of Management for assessing performance and allocating resources. Management considers the business from a geographic perspective and management assesses performance for Belgium, France, Netherlands and Head office. A segment consists of assets and activities with specific risks and results, differing from other sectors.

3.31 Rounding of amounts

All amounts as disclosed in the financial statements and notes have been rounded off to the nearest thousand euros unless otherwise stated and may not add up exactly due to rounding.

3.32 Significant estimates in the accounts

Investment property

The assets in the Company and its subsidiaries mainly consists of the property portfolio. The market value of these assets cannot be assessed using official quotations or listings.

A valuation based on fair value is a time- and location-based estimate. The estimate is based on the price level on which two well-informed parties under normal market conditions would make a transaction for that specific property on the date of valuation. The fair value of a property in the market can only be determined accurately at the moment of the actual sale of the property.

Twice a year (June 30 and December 31) the properties are valued by external valuers. The valuer appraises at fair value with his own market knowledge and information. The valuation is prepared by the valuer and verified and approved by Wereldhave.

The fair value is based on a net yield calculation, where market rents are capitalized. Elements of this calculation include current and future rent levels, expected vacancy rates, rent indexations, turnover rents, lease incentives, etc. The yields and market rents used are specific for the country, the location, the type of property, the level of maintenance and the general rent ability of every single property. The determination of applicable yields is based upon comparable transactions, supplemented with market and building specific knowledge and remaining other assumptions, in which the professional judgment of the valuer will become more important if the available transaction information is not sufficient.

Apart from assumptions with respect to yields, costs for future maintenance investments are also considered in the valuation. Furthermore, explicit assumptions are made per lettable location and per tenant with regard to (re)letting, the start date of such (re)letting and the costs related thereto. Also, adjustments are made for expected costs of vacancy (present and future) and for differences between the market rent and contractual rent. Sales costs at the expense of the buyer, including transfer tax payable, are deducted from the market value.

The Covid-19 pandemic has influenced the availability of market information. For the Netherlands and France, the appraisers determined that there was a sufficient level of market evidence upon which to base opinions of value as at the valuation date. The valuation reports of our Belgian shopping centers include a material valuation uncertainty statement due to the lack of relevant market information. For these properties there is a lower level of certainty and more caution should be applied to the values than would be the case under normal market conditions. The appraiser cannot attach as much weight as usual to previous market evidence for comparison purposes and there is an increased risk that the price realized in an actual transaction would differ from the value conclusion. As a result of this increased uncertainty, the assumptions may be revised significantly in 2021. For the avoidance of doubt, the appraisers state the inclusion of the material valuation uncertainty paragraph does not mean that the estimated valuations for these shopping centers cannot be relied upon.

General assumptions with regard to the valuation of investment property have been disclosed in paragraph 3.6 and in note 5.

Pensions

With regard to the measurement of defined benefit plans, assumptions have been made with regard to interest rates, expected return on assets, mortality rates and future salary increases. Deviations from the assumptions will impact on assets, liabilities and results on future periods. In order to mitigate risks Wereldhave uses external experts for the measurement of defined benefit plans. Assumptions have been disclosed in note 19.

4 Segment information

Geographical segment information 2020

(x € 1,000)	Belgium	France	Netherlands	Headoffice	Total
Result					
Gross rental income	59,429	42,812	87,132	-	189,372
Service costs charged	7,779	13,387	9,864	-	31,030
Total revenue	**67,208**	**56,198**	**96,996**	**-**	**220,402**
Service costs paid	-10,003	-18,794	-11,333	-	-40,130
Property expenses	-13,742	-14,665	-18,837	-	-47,243
Net rental income	**43,463**	**22,740**	**66,826**	**-**	**133,029**
Valuation results	-58,876	-122,040	-112,148	-	-293,064
Results on disposals	308	6,876	-6,982	-	202
General costs	-3,205	-2,576	-2,201	-6,207	-14,188
Other income and expense	-102	-13	-	-64	-178
Operating result	**-18,411**	**-95,012**	**-54,506**	**-6,270**	**-174,200**
Interest charges	-2,685	-16,811	-18,189	8,786	-28,900
Interest income	3	-	12	-	16
Other financial income and expense	-1,091	-	-	8,475	7,384
Income tax	6	-581	593	1,460	1,479
Result from continuing operations	**-22,178**	**-112,404**	**-72,089**	**12,450**	**-194,221**
Result from discontinued operations	-	-	-	-	-
Result	**-22,178**	**-112,404**	**-72,089**	**12,450**	**-194,221**
Total assets					
Investment properties in operation	906,878	689,477	917,074	-	2,513,429
Investment properties under construction	12,635	-	46,035	-	58,669
Assets held for sale	-	-	3,200	-	3,200
Other segment assets	22,259	44,417	292,629	1,274,321	1,633,626
minus: intercompany	-206	-	-65,000	-1,400,972	-1,466,178
	941,565	**733,894**	**1,193,938**	**-126,651**	**2,742,746**
Investments	18,705	18,163	24,163	-	61,031
Gross rental income by type of property					
Shopping centers	51,813	42,812	87,132	-	181,756
Offices	7,616	-	-	-	7,616
	59,429	**42,812**	**87,132**	**-**	**189,372**

Geographical segment information 2019

(x € 1,000)	Belgium	France	Netherlands	Headoffice	Finland (discontinued)	Total
Result						
Gross rental income	63,914	50,368	92,308	-	-	206,589
Service costs charged	7,880	17,222	9,172	-	-	34,274
Total revenue	**71,794**	**67,589**	**101,480**	**-**	**-**	**240,863**
Service costs paid	-10,407	-19,716	-10,452	-	-	-40,575
Property expenses	-8,397	-9,373	-11,044	-	-	-28,814
Net rental income	**52,989**	**38,501**	**79,984**	**-**	**-**	**171,474**
Valuation results	-17,498	-87,710	-343,135	-	-	-448,343
Results on disposals	6	-6	49	-	-	49
General costs	-3,931	-2,185	-2,467	-8,515	-	-17,098
Other income and expense	4	-2	-	-158	-	-156
Operating result	**31,569**	**-51,401**	**-265,569**	**-8,672**	**-**	**-294,073**
Interest charges	-2,660	-15,702	-20,675	10,654	-	-28,382
Interest income	53	-	13	3	-	70
Other financial income and expense	-686	-	-	-830	-	-1,516
Income tax	649	-396	3,915	276	-	4,444
Result from continuing operations	**28,925**	**-67,500**	**-282,315**	**1,432**	**-**	**-319,457**
Result from discontinued operations	-	-	-	-	506	506
Result	**28,925**	**-67,500**	**-282,315**	**1,432**	**506**	**-318,951**
Total assets						
Investment properties in operation	947,069	804,476	1,082,145	-	-	2,833,690
Investment properties under construction	12,615	-	54,742	-	-	67,357
Assets held for sale	7,480	-	2,400	-	-	9,880
Other segment assets	23,180	34,715	178,481	1,365,919	-	1,602,296
minus: intercompany	-201	-	-65,000	-1,404,830	-	-1,470,031
	990,143	**839,191**	**1,252,769**	**-38,911**	**-**	**3,043,192**
Investments	22,164	14,539	39,593	-		76,296
Gross rental income by type of property						
Shopping centers	56,315	50,368	92,308	-	-	198,990
Offices	7,599	-	-	-	-	7,599
	63,914	**50,368**	**92,308**	**-**	**-**	**206,589**

5 Investment property

(x € 1,000)	Investment property in operation	Lease incentives	Investment property under construction	Total Investment property
2020				
Balance at January 1	**2,833,690**	**5,639**	**67,357**	**2,906,686**
Purchases	422	-	-	422
Investments	41,128	-	19,481	60,609
From / to development properties	25,106	-	-25,106	-
To / from investments held for sale	-	-	-	-
Disposals	-96,116	-	-	-96,116
Valuations	-290,802	-	-3,062	-293,864
Other	-	-157	-	-157
Balance at December 31	**2,513,429**	**5,482**	**58,669**	**2,577,580**
2019				
Balance at January 1	**3,213,454**	**6,754**	**59,999**	**3,280,207**
Recognition of right-of-use asset on initial application IFRS 16	16,050	-	-	16,050
Adjusted balance at January 1	**3,229,504**	**6,754**	**59,999**	**3,296,257**
Purchases	18,188	-	-	18,188
Investments	33,009	-	25,099	58,108
From / to development properties	15,453	-	-15,453	-
To investments held for sale	-9,880	-	-	-9,880
Disposals	-6,529	-	-	-6,529
Valuations	-446,055	-	-2,288	-448,343
Other	-	-1,115	-	-1,115
Balance at December 31	**2,833,690**	**5,639**	**67,357**	**2,906,686**

Investment property in operation

In 2020 the Company disposed in the Netherlands the shopping centers WoensXL in Eindhoven, Emiclaer in Amersfoort and a piece of land in Tilburg in the Netherlands. In France Les Passages in Bordeaux and a piece of land in Rouen were disposed.

Overview of measurement of total investment property:

(x € 1,000)	December 31, 2020	December 31, 2019
Investment property in operation (including lease incentives)	2,503,580	2,823,994
Investment property under construction (IPUC)	46,036	54,742
Fair value as per external valuation reports	**2,549,615**	**2,878,736**
Fair value of ground rent (leasehold)	15,331	15,335
At cost less impairment (IPUC)	12,635	12,615
Total	**2,577,580**	**2,906,686**

Investment properties were valued externally at December 31, 2020 by independent external property valuators Jones Lang LaSalle, Cushman & Wakefield and CBRE. In total 99.5% (2019: 99.6%) of the investment property portfolio was measured at fair value.

Investment property in operation

The valuation adjustments can be broken down as follows:

(x € 1,000)	2020	2019
Belgium	-57,936	-17,567
France	-122,040	-87,710
Netherlands	-110,826	-340,778
Total	**-290,802**	**-446,055**

At December 31, 2020 investment property with a value of € 323.9m is pledged as security for credit facilities. As of December 31, 2020 the Company has drawn € 37m under the relating facilities.

At December 31, 2020 the carrying amount is as follows:

(x € 1,000)	December 31, 2020	December 31, 2019
Total value according to external valuation reports	2,503,580	2,823,994
Add: Present value of future ground rent payments (leasehold)	15,331	15,335
Deduct: carrying amount of rent free periods and other leasing expenses to be amortized	-5,482	-5,639
Carrying amount	**2,513,429**	**2,833,690**

Key assumptions relating to valuations (excluding developments):

	Belgium	France	Netherlands
2020			
Total market rent per sqm (€)	203	231	197
EPRA Net Initial Yield	5.7%	4.9%	7.0%
EPRA vacancy rate	8.1%	7.2%	3.4%
Average vacancy period (in months)	12	11	10
Bandwidth vacancy (in months)	0-18	9-12	5-20
2019			
Total market rent per sqm (€)	204	231	203
EPRA Net Initial Yield	5.8%	4.6%	6.8%
EPRA vacancy rate	4.8%	7.2%	4.9%
Average vacancy period (in months)	8	11	10
Bandwidth vacancy (in months)	0-18	6-15	5-15

EPRA Net Initial Yield

Annualized rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, including estimated purchasers' cost (EPRA Net Initial Yield = ((Annualized rent passing + other income + turnover rent -/- property expenses) / Gross Property Value)). The total average EPRA Net Initial Yield amounts to 6.0% (2019: 5.8%).

The valuation of investment property requires the use of assumptions on a variety of inputs as disclosed in note 3.6 and 3.32. The availability or robustness of market information supporting these assumptions has been impacted by the outbreak of Covid-19 in 2020. For our Belgium shopping centers this resulted in a material uncertainty close as described in note 3.32. All our external valuers have factored the potential impact of Covid-19 into their valuation reports by revising one or more assumptions on inputs. This includes amongst others the market rent levels, yields, vacancy periods, incentives and macroeconomic factors that affect rent indexation.

In case the yield changes with 0.25%, assuming stable market rents, it would result in a change of € 90.9m on shareholders' equity and result (€ 2.26 per share). A 5% drop of the estimated market rent, assuming stable yields, has a negative impact on shareholders' equity and result of approximately € 126.2m (€ 3.14 per share).

Investment property in operation - lease data

	Average lease length		Annual rent of lease expiring in[1, 2]			
(x € 1,000)	Until first break	Until lease end date	< 1 year	1-5 year	> 5 year	indefinite contracts
2020						
Belgium	2.6	6.3	6,487	15,441	33,289	337
France	2.2	5.3	2,706	8,280	22,421	6,194
Netherlands	3.2	4.3	6,518	40,453	26,500	6,784
Total portfolio	**2.8**	**5.2**	**15,711**	**64,174**	**82,210**	**13,315**
2019						
Belgium	3.0	6.1	4,614	21,926	30,059	1,755
France	1.8	5.0	5,796	11,651	21,375	4,585
Netherlands	3.3	4.1	8,510	44,743	29,205	5,878
Total portfolio	**2.8**	**4.9**	**18,920**	**78,320**	**80,639**	**12,218**

1 Based on lease end date
2 Indefinite contracts are included for one year

Investment property under construction

The valuation adjustments can be broken down as follows:

(x € 1,000)	2020	2019
Belgium	-940	69
Netherlands	-2,122	-2,357
Total	**-3,062**	**-2,288**

Fair value hierarchy disclosures for investment properties have been provided in note 24.

6 Property and equipment

	Owned		Leased		
(x € 1,000)	Office equipment	Cars	Offices	Cars	Total
Balance at January 1, 2020	**1,907**	**7**	**3,085**	**1,027**	**6,026**
Investments/purchases	108	-	-	988	1,096
Disposals	-10	-	-	-	-10
Depreciation	-337	-7	-707	-642	-1,693
Balance at December 31, 2020	**1,668**	**-**	**2,378**	**1,373**	**5,419**
Balance at January 1, 2019	**2,106**	**14**	**-**	**-**	**2,120**
Recognition of right-of-use asset on initial application IFRS 16	-	-	3,848	798	4,646
Adjusted balance at January 1, 2019	**2,106**	**14**	**3,848**	**798**	**6,766**
Investments/purchases	150	-	-	827	977
Disposals	-28	-	-	-	-28
Depreciation	-321	-7	-763	-598	-1,689
Balance at December 31, 2019	**1,907**	**7**	**3,085**	**1,027**	**6,026**
December, 31 2020					
Total acquisition at cost	5,311	110	3,848	2,613	11,882
Total depreciation	-3,643	-110	-1,470	-1,240	-6,463
Net book value	**1,668**	**-**	**2,378**	**1,373**	**5,419**
December, 31 2019					
Total acquisition at cost	5,854	110	3,848	1,625	11,437
Total depreciation	-3,947	-103	-763	-598	-5,411
Net book value	**1,907**	**7**	**3,085**	**1,027**	**6,026**

7 Intangible assets

The intangible assets consist of computer software: acquired computer software licenses and costs relating to internally developed software.

Computer software

(x € 1,000)	December 31, 2020	December 31, 2019
Balance at January 1	**517**	**897**
Investments	110	78
Amortization	-354	-458
Total	**273**	**517**

(x € 1,000)	December 31, 2020	December 31, 2019
Total acquisition at cost	2,600	2,489
Total amortization	-2,327	-1,972
Total	**273**	**517**

8 Financial assets

(x € 1,000)	IFRS Category	December 31, 2020	December 31, 2019
Loans	Amortized cost	539	578
Deposits paid	Amortized cost	2,251	248
Derivative financial instruments	Fair value through P&L	13,965	34,024
Total		**16,755**	**34,850**

Derivative financial instruments

Further reference is made to note 22.

9 Trade and other receivables

(x € 1,000)	December 31, 2020	December 31, 2019
Tenant receivables	24,467	22,442
Service charge receivable	1,233	3,650
Prepayments	1,439	3,579
Interest to be received	5,085	5,484
Amounts to be invoiced	9,514	10,006
Other	9,429	4,230
Total	**51,167**	**49,391**

The fair value of the trade and other receivables coincides with their carrying amount. Wereldhave holds tenant deposits, credit letters from banks and Group credit letters as collateral. Other receivables do not include amounts with a maturity of more than twelve months.

Interest to be received refers to interest receivable under interest rate swaps.

Maturity of tenant receivables

(x € 1,000)	December 31, 2020	December 31, 2019
Due	10,121	12,161
Past due less than 1 month	3,056	3,112
Past due between 1 and 3 months	3,439	1,472
Past due between 3 and 12 months	22,455	9,106
Past due over 12 months	11,287	5,691
	50,359	**31,543**
Deduct: provision	-25,891	-9,100
Total	**24,467**	**22,442**

In 2020 an amount of € 24.0m (2019: € 5.1m) was added to the provision doubtful. An amount of € 7.2m (2019: € 8.8m) was withdrawn in 2020.

10 Tax receivables

(x € 1,000)	December 31, 2020	December 31, 2019
Withholding tax	2,757	1,440
Value added tax	4,043	6,368
Dividend tax	4,090	7,200
Corporate income tax	137	-
Total	**11,027**	**15,008**

11 Cash and cash equivalents

(x € 1,000)	December 31, 2020	December 31, 2019
Bank balances	67,000	20,834
Total	**67,000**	**20,834**

12 Investments held for sale

The Company disposed in 2020 the student housing property in Ghent. The remaining position relates to a plot of land in the Netherlands.

13 Share capital

Ordinary shares

(number of shares)	Authorized share capital	Number of issued shares	Shares for remuneration	Outstanding number of shares
Balance at January 1, 2019	**75,000,000**	**40,270,921**	**-27,927**	**40,242,994**
Movements in 2019	-	-	12,429	12,429
Balance at December 31, 2019	**75,000,000**	**40,270,921**	**-15,498**	**40,255,423**
Movements in 2020	-	-	-63,761	-63,761
Balance at December 31, 2020	**75,000,000**	**40,270,921**	**-79,259**	**40,191,662**

The authorized ordinary shares have a par value of € 1 each. All issued ordinary share have been fully paid.

Preference shares

The authorized preference share capital amounts to a number of preference shares equal to the number of ordinary shares up to € 75m. The preference shares have a par value of € 1 each. No preference shares have been issued.

Capital management

The objective of Wereldhave, when managing capital, is to safeguard the Group's continuity, to provide returns for its shareholders, benefits for other stakeholders and to maintain a capital structure as to optimize the cost of capital. Furthermore, Wereldhave manages its fiscal capital to ensure that it meets the requirements from fiscal laws and regulations. Wereldhave has the possibility to adjust the amount of dividends, return capital to shareholders, issue new shares or sell assets in order to maintain or adjust the capital structure.

14 Share premium

Share premium is paid up share capital in excess of nominal value. There were no changes in share premium in 2020. The amount of share premium that is recognized for tax purposes is € 1,716m (2019: € 1,716m).

15 General reserve

Following the uncertainty from Covid-19, the Company decided in April 2020 to withdraw the dividend proposal of € 2.52 per share to holders of ordinary shares and strengthen the liquidity position. The final dividend for 2019 amounts to € 1.89 per share (subject to dividend withholding tax) which covers the distribution obligations under Dutch tax law for the period. The dividend relating to 2019 was distributed in July 2019 (€0.63), October 2019 (€ 0.63) and January 2020 (€ 0.63).

No interim dividends relating to 2020 were distributed in 2020.

An amount of € 227m (2019: € 294m) has been designated as legal reserves, mainly relating to the unrealized valuation adjustments of investment properties and cannot be distributed.

16 Hedge reserve and cost of hedging reserve

The hedge reserve comprises the effective portion of the cumulative net change in fair value of hedging instruments designated as cash flow hedges where the hedged transaction has not yet occurred.
The cost of hedging reserve comprises changes in the fair value of cross-currency interest rate swaps that are caused by the cross-currency basic spreads.

17 Interest-bearing liabilities

Composition

(x € 1,000)	December 31, 2020	December 31, 2019
Long term		
Bank loans	383,382	419,075
Private placement	587,635	739,137
EMTN	-	9,472
	971,017	**1,167,684**
Short term		
Bank loans	74,987	74,973
Private placement	121,825	-
Treasury notes	84,950	93,000
	281,762	**167,973**
Total interest bearing liabilities	**1,252,779**	**1,335,657**

Movements in interest-bearing liabilities

Including short-term portion of debt.

(x € 1,000)	2020	2019
Balance at January 1	**1,335,657**	**1,358,318**
New funding	358,708	272,760
Repayments	-412,540	-313,317
Use of effective interest method	956	1,170
Effect of fair value hedges	-1,584	1,446
Exchange rate differences	-28,419	15,280
Balance at December 31	**1,252,779**	**1,335,657**

Private Placements

The Private Placement Notes issued in 2015 and 2017 contain embedded derivatives. The derivatives are recorded separately in the financial statements. As per December 31, 2020 the embedded derivatives have a positive value of € 4.3m.

Secured interest-bearing liabilities

At December 31, 2020 investment property with a value of € 323.9m is pledged as security for credit facilities. As of December 31, 2020 the Company has drawn € 37m under the relating facilities.

Unsecured interest-bearing liabilities

Unsecured interest-bearing liabilities have financial covenants that include various clauses. As at December 31, 2020 Wereldhave complied with these clauses.

Covenants

Loan-to-value

The Loan-to-value ratio is calculated by dividing the debt by the investment properties. This ratio may not exceed 60%.

Interest cover ratio

The interest cover ratio is calculated by dividing the net rental income by the net interest payable. This ratio may not be less than 2.

Solvency

Equity (less intangible assets) and deferred tax liabilities should amount to at least 40% of total assets (less intangible assets).

	Covenants	December 31, 2020	December 31, 2019
Loan-to-Value	60.0%	46.7%	44.8%
Solvency	40.0%	48.7%	51.0%
Interest coverage ratio	2.0	5.3	6.6

The Company reports a net Loan-to-Value of 46.7% in its communication with investors. The Loan-to-Value definition in accordance with the covenants is a gross Loan-to-Value where the available cash and cash equivalents are not deducted from the debt and both the fair values of the assets and debt are adjusted for the secured debt in place. In accordance with this definition the Loan-to-Value is 54.8% at December 31, 2020.

Average effective interest rate

The effective interest is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net book value of the financial asset or financial liability. Differences to the nominal interest rate may occur because of the amortization of interest charges and equity option components of convertible bonds over the remaining duration of the instrument.

The average nominal interest based on nominal interest rates, without the effects of the effective interest rate method amounts to:

	2020	2019
Euro	1.7%	1.7%
US dollar	2.3%	2.3%
Pound sterling	3.0%	3.0%
Canadian Dollar	2.3%	2.3%
Total	**1.9%**	**1.9%**

The average interest rate based on the effective interest method is as follows:

2020	EUR	GBP	USD	CAD	Total
Short term interest bearing debt					
Bank loans and private placement	0.9%	-	5.5%	-	2.5%
Interest rate swaps	-1.5%	-	-	-	-1.5%
Long term interest bearing debt					
Bank loans, private placement and EMTN	1.6%	4.1%	4.4%	4.0%	2.3%
Interest rate swaps	-0.9%	-	-	-	-0.9%
Average	**1.7%**	**4.1%**	**4.8%**	**4.0%**	**1.9%**

2019	EUR	GBP	USD	CAD	Total
Short term interest bearing debt					
Bank loans and private placement	0.4%	0.0%	-	-	0.4%
Interest rate swaps	0.7%	-	-	-	0.7%
Long term interest bearing debt					
Bank loans and private placement	1.6%	4.1%	4.8%	4.0%	2.6%
Interest rate swaps	-1.6%	-	-	-	-1.6%
Average	**1.7%**	**4.1%**	**4.8%**	**4.0%**	**1.9%**

Fair value of debt

The carrying amount and the fair value of interest-bearing debts may differ as a result of accounting adjustments, such as amortized costs and the result of differences in coupon interest versus market interest.

The fair value of long-term interest-bearing debts is based on prices of these instruments available in the active open market. In the absence of such market prices, the fair value is calculated as the present value of cash flows discounted with the relevant market interest percentages, including a company specific surcharge. The fair value of short-term interest-bearing debts is equal to the book value.

The carrying amount and fair value of long-term interest-bearing debt is as follows:

	December 31, 2020		December 31, 2019	
(x € 1,000)	carrying amount	fair value	carrying amount	fair value
Bank loans, private placement and EMTN	971,017	1,026,504	1,167,684	1,207,517
Total	**971,017**	**1,026,504**	**1,167,684**	**1,207,517**

Currencies

The carrying amount of interest-bearing debt of the Group (short- and long-term) are denominated in the following currencies:

	December 31, 2020		December 31, 2019	
	currency	EUR	currency	EUR
Euro	898,134	898,134	951,094	951,094
US dollar	307,500	252,268	307,500	276,263
Pound sterling	80,000	89,511	80,000	94,570
Canadian dollar	20,000	12,866	20,000	13,730
Total		**1,252,779**		**1,335,657**

Interest-bearing debt in U.S. Dollars, British Pound and Canadian dollar were for an amount of USD 308m, GBP 80m and CAD 20m converted to EURO via multiple cross currency interest rate swaps.

Credit facilities and bank loans

As at December 31, 2020, Wereldhave had € 605m (2019: € 430m) of revolving credit facilities. An amount of € 35m (2019: nil) will expire within 1 year, € 545m (2019: 430m) in 1 to 5 years and € 25m (2019: nil) expires after 5 years.

As at December 31, 2020, Wereldhave had undrawn credit facilities to the amount of € 306m (2019: € 220m). The average maturity of the committed revolving credit facilities at December 31, 2020 was 2.6 years (2019: 3.3 years).

18 Deferred tax liabilities

Deferred tax liabilities relate to the difference between the fair value of investment properties and their carrying amount for tax purposes. This item is to be considered as being of a long-term nature. Movements are shown as follows:

(x € 1,000)	2020	2019
Balance at January 1	**1,227**	**6,648**
Movements taken to the result due to positive revaluation	-	-
Movements taken to the result due to negative revaluation	-391	-4,204
Other	-125	-1,217
Balance at December 31	**711**	**1,227**

19 Other long-term liabilities

(x € 1,000)	December 31, 2020	December 31, 2019
Pension plans	1,102	1,130
Tenants deposits	12,150	13,305
Lease liabilities	19,920	20,180
Total	**33,172**	**34,615**

Tenant deposits consists of amounts received from tenants as a guarantee for future rental payment obligations.

Pension plans

The net liability from the defined benefit plan in Belgium is composed as follows:

(x € 1,000)	2020	2019
Fair value of plan assets	2,850	2,613
Benefit obligations	3,952	3,743
Net liability	**1,102**	**1,130**

Reconciliation of net liability	2020	2019
January 1	**1,130**	**845**
Charge recognized in P&L	376	366
Remeasurement recognized in OCI (Income)/Loss	-84	199
Employer contributions	-320	-280
31-Dec	**1,102**	**1,130**

The movement of the defined benefit obligation in Belgium is as follows:

(x € 1,000)	2020	2019
Balance at January 1	**3,743**	**4,085**
Net service cost	372	357
Interest cost	14	43
Employee contributions	3	6
Benefits paid	-116	-1,093
Experience (gains) / losses	1	426
Expenses	-65	-81
Balance at December 31	**3,952**	**3,743**

The movement of the fair value of plan asset in Belgium is as follows:

(x € 1,000)	2020	2019
Balance at January 1	**2,613**	**3,240**
Interest income on plan assets	10	34
Return om scheme assets	85	227
Actual expenses	-66	-81
Employer contributions	321	280
Employee contributions	3	6
Benefits paid	-116	-1,093
Balance at December 31	**2,850**	**2,613**

The assumptions used:

- discount rate obligations	0.15% - 0.45%	0.30% - 0.40%
- rate of annual salary increases	1.70%	2.00%

Pension costs

The total cost for defined benefit plan in Belgium is as follows:

(x € 1,000)	2020	2019
Current service cost	372	357
Net interest on Net Defined Benefit Liability (Asset)	4	9
Total	**376**	**366**

The following amounts have been recognized in other comprehensive income (OCI):

(x € 1,000)	2020	2019
Actuarial (gain)/loss due to liability expenses	-84	199
Remeasurement effect recognized in OCI	**-84**	**199**

In total the following movements have been recognized in the income statement and OCI:

(x € 1,000)	2020	2019
Balance at January 1	**3,743**	**4,085**
Net service cost	372	357
Interest cost	14	43
Employee contributions	3	6
Benefits paid	-116	-1,093
Experience (gains) / losses	1	426
Expenses	-65	-81
Balance at December 31	**3,952**	**3,743**

The fair value of the Belgian pension assets consists, as in 2019, for 100% of insurance contracts.

Mortality rates

The mortality rates used for Belgium are the MR/FR series with an age correction of -5 years.

In 2020 and 2019 the plan asset in Belgium does not include shares issued by the Company. For the above-mentioned pension plan the expected employer's contribution is € 0.4m for 2021.

Leases

Wereldhave has entered into leasehold contracts as well as offices and car leases. During 2020 the following was recognized in the income statement:

(x € 1,000)	2020	2019
Interest on lease liabilities	1,062	1,066
Variable lease payments not included in the measurement of lease liabilities	412	151
Total	**1,474**	**1,217**

The maturity of the lease liabilities is as follows:

(x € 1,000)	December 31, 2020
- up to 1 year	2,632
- between 1 and 2 years	2,490
- between 2 and 5 years	3,611
- more than 5 years	70,300
Total	**79,033**

20 Tax payable

(x € 1,000)	December 31, 2020	December 31, 2019
Value added tax	4,769	3,976
Social security tax	406	464
Dividend tax	2,449	7,200
Company tax	1,093	1,164
Other tax	796	1,946
Total	**9,514**	**14,751**

21 Other short-term liabilities

(x € 1,000)	December 31, 2020	December 31, 2019
Deferred rents	13,399	15,774
Property expenses	22,421	19,932
Interest	12,195	12,585
General costs	8,015	11,189
Capital commitments payable	6,831	8,695
Other short term liabilities	6,452	4,255
Total	**69,313**	**72,430**

22 Financial instruments

Derivatives are used to hedge foreign currency and interest risks.

Hedging instruments

Interest and cross currency swaps can be classified as hedging instruments against foreign currency risk on loans in USD, GBP and CAD and interest rate risk. The fair value of these instruments breaks down as follows:

(x € 1,000)		Principal	Interest range	Fair value assets	Fair value liabilities
2020					
Cashflow hedge					
USD currency swap	USD	307,500	2.2% - 3.2%	9,745	-8,119
GBP currency swap	GBP	80,000	2.7% - 3.4%	-	-15,644
CAD currency swap	CAD	20,000	2.3%	-	-1,578
EUR interest rate swap	EUR	50,000	0.3%	-	-248
Fair value hedge					
USD currency swap	USD	115,000	n.a.	10,279	-
No hedge accounting					
EUR Interest rate swap	EUR	325,391	0.3% - 3.1%	4,266	-2,120
Total				**24,289**	**-27,709**
2019					
Cashflow hedge					
USD currency swap	USD	307,500	2.2% - 3.2%	13,749	-4,976
GBP currency swap	GBP	80,000	2.7% - 3.4%	-	-14,908
CAD currency swap	CAD	20,000	2.3%	-	-1,617
EUR Interest rate swap	EUR	125,000	0.3% - 1.1%	-	-742
Fair value hedge					
USD currency swap	USD	115,000	n.a.	20,269	-
No hedge accounting					
EUR Interest rate swap	EUR	325,391	0.2% - 3.1%	6	-3,552
Total				**34,024**	**-25,796**

The fair value of a hedging derivative is classified as long-term if the remaining maturity of the hedged item is longer than 1 year and as a current asset or liability if the remaining maturity is less than 1 year.

The remaining term of the derivatives for interest and currency conversion on a principal basis is as follows:

December 31, 2020

(x € 1,000)	EUR	USD	GBP	CAD
- up to 1 year	84,416	115,000	-	-
- between 1 and 5 years	100,000	180,000	15,000	-
- more than 5 years	190,975	12,500	65,000	20,000
Total	**375,391**	**307,500**	**80,000**	**20,000**

December 31, 2019

- up to 1 year	75,000	-	-	-
- between 1 and 5 years	184,416	225,000	-	-
- more than 5 years	190,975	82,500	80,000	20,000
Total	**450,391**	**307,500**	**80,000**	**20,000**

The following amounts have been recognized in shareholders equity in relation to hedge accounting:

December 31, 2020

(x € 1,000)	EUR	USD	GBP	CAD	Total in EUR
Effective part fair value changes in cashflow hedging	414	7,396	3,531	992	12,333
Changes in fair value of cost of hedging	-	31	792	-88	735
Net effect in equity	**414**	**7,427**	**4,323**	**904**	**13,068**

December 31, 2019

Effective part fair value changes in cashflow hedging	262	4,481	-1,605	-102	3,036
Changes in fair value of cost of hedging	-	561	1,576	-81	2,056
Net effect in equity	**262**	**5,042**	**-29**	**-183**	**5,092**

In 2020, a net gain of € 0.3m (2019: € 0.1m expense) was recognized in the income statement as a result of ineffectiveness of hedges.

Regarding fair value hedge derivatives, a loss of € 1.6m has been included in net interest, and a gain for the same amount has been recorded on the same line in the income statement for the hedged item. The cumulative fair value adjustment on the hedged item is € 14.0m negative.

Derivatives

Derivatives include (cross currency) interest rate swaps whose fair value has been determined by a calculation model based on contractual and market interest rates (level 2). In the models the counter party risk has been considered via the non-current exposure method.

Changes in the fair value of derivative financial instruments for interest conversion are accounted for as financial assets at fair value through profit and loss. During 2020 a positive amount of € 5.7m was charged to the other financial income and expense (2019: € 0.2m negative) relating to these financial assets. In addition, net interest decreased by € 5.4m (2019: € 5.5m) as a result of derivative financial instruments for interest conversion.

Credit risk

During 2020 the market value of the interest swaps changed as a result of movement in underlying interest rates. The full value of the derivative financial instruments is exposed to credit risk and is not mitigated by other instruments. The credit risk of counter parties is monitored on a continuous basis.

23 Financial assets and liabilities

Financial risks

Wereldhave's financial risks management focuses on the unpredictable nature of the financial markets and aims to minimise adverse effects on the Group's financial position and performance. Wereldhave is exposed to the following financial risks:

Market and interest risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in foreign currencies and interest-bearing liabilities, to the extent that these are exposed to general and specific market movements. Management sets limits on the exposure to currency and interest rate risk that may be accepted, which are monitored on a monthly basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

The Group's interest rate risk is monitored by the Group's management on a monthly basis. The interest rate risk policy has been approved by the Board of Management. Management analyses the Group's interest rate exposure on a dynamic basis. Various scenarios are simulated, taking into consideration refinancing, renewal of existing positions and alternative financing sources. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions. The simulation is done on a monthly basis to verify that the maximum potential loss is within the limits set by management. Trade receivables and payables (other than tenant deposits) are interest-free and have settlement dates within one year.

The Group manages its exposure to changes in interest rates and its overall cost of financing by using interest rate swap agreements. These interest rate swap agreements are used to transform the interest rate exposure on the underlying liability from a floating interest rate into a fixed interest rate. It is the Wereldhave's policy to keep at least 50% of its borrowings at fixed rates of interest. In the current low interest rate environment Wereldhave has fixed the interest rate for 69% (2019: 77%) of its debt.

Sensitivity
A change in interest rate by 1% will impact the result and equity by € 3.8m (2019: € 3.0m) and earnings per share and asset value per share by € 0.10 (2019: € 0.08).

Currency risk
Wereldhave operates in euro countries only. The currency risks relate to USD, GBP and CAD denominated US Private Placement Notes and have been fully hedged to euro through cross currency swaps.

	December 31, 2020		December 31, 2019	
(x € 1,000)	Currency	EUR	Currency	EUR
Euro	898,134	898,134	951,094	951,094
US dollar	307,500	252,268	307,500	276,263
Pound sterling	80,000	89,511	80,000	94,570
Canadian dollar	20,000	12,866	20,000	13,730
Total		**1,252,779**		**1,335,657**

Liquidity risk
Wereldhave manages its liquidity risk on a consolidated basis with cash provided from rental income being a primary source of liquidity. The Group manages short-term liquidity based on a rolling forecast for projected cash flows for a twelve-month period.

Besides the cash from operations, fluctuations in the liquidity requirements are accommodated by means of several committed revolving credit facilities of in total € 605m.

The facilities will expire for € 35m in 2021, € 160m in 2022, € 50m in 2023, € 335m in 2024 and € 25m in 2026.

As at year-end 2020, borrowing under the committed facilities stood at € 299m (2019: € 210m). The interest and repayment obligations for 2021 are covered by means of cashflow and available facilities.

Liquidity risk is furthermore managed by maintaining strong capital ratios, keeping strong relationships with various international banks and financial markets, and maintaining sufficient credit facilities (committed and uncommitted), see note 17.

Wereldhave must at all times meet its obligations under the loans it has taken out, including the interest cover ratio. The interest cover ratio is calculated by dividing the net rental income by the net interest payable. This ratio must not be less than 2. The 2020 interest cover ratio was 5.3 (2019: 6.6). Wereldhave must also meet solvency requirements: equity (less intangible assets) and deferred tax liabilities should amount to at least 40% of total assets (less intangible assets). At year-end 2020, the solvency was 48.7% (2019: 51.0%). During the period, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

Apart from these obligations and commitments, Wereldhave's tax status imposes financing limits.

Wereldhave is funded with a diversity of financing instruments in money markets and capital markets. Debt maturities are chosen in line with the long-term character of Wereldhave's assets. Consequently, Wereldhave has a well-spread maturity profile.

Financial transactions are only concluded with the prior approval of the Board of Management and the Supervisory Board for bonds and other tradable debt instruments.

Credit risk

Wereldhave's maximum exposure to credit risk in the event that a counterparty fails to fulfil its obligations in relation to each class of recognized financial asset, including derivatives, is the carrying amount of those assets in the consolidated statement of financial position. Reference relating to the credit risk in the derivatives is made in note 8 and 22.

Standard lease terms include that rent has to be paid upfront and every tenant's creditworthiness is verified before entering a new lease. The credit risk related to lease contracts is mitigated by bank guarantees and deposits received from tenants. The maximum credit risk is the carrying amount less bank warranties and deposits received from tenants. Wereldhave monitors this creditworthiness per tenant and determines via management reports the adequacy of the provision for doubtful debtors.

The Group uses a provision matrix to measure the expected credit losses on trade receivables. Trade receivables have been grouped based on shared credit risk characteristics and the days past due to measure the expected credit losses. The provision matrix is initially based on the Group's historical observed loss rates and adjusted to reflect current and forward-looking information, such as the impact of Covid-19 on macroeconomic factors and ongoing negotiations following the lockdowns in 2020.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables at December 31, 2020.

	2020		
(x € 1,000)	Expected loss rate	Gross carrying amount	Provision
Due	8%	10,121	847
Past due less than 1 month	35%	3,056	1,068
Past due between 1 and 3 months	38%	3,439	1,295
Past due between 3 and 12 months	64%	22,455	14,424
Past due over 12 months	73%	11,287	8,256
Total		**50,359**	**25,891**

	2019		
(x € 1,000)	Expected loss rate	Gross carrying amount	Provision
Due	0%	12,161	-
Past due less than 1 month	5%	3,112	169
Past due between 1 and 3 months	25%	1,472	363
Past due between 3 and 12 months	49%	9,106	4,432
Past due over 12 months	73%	5,691	4,136
Total		**31,543**	**9,100**

The movement in the loss allowance for trade receivables during the year was as follows.

(x € 1,000)	2020	2019
Balance at January 1	**9,100**	**12,765**
Amounts written off	-7,217	-8,759
Net remeasurement of loss allowance	24,009	5,094
Balance at December 31	**25,891**	**9,100**

Trade receivables are written off when there is no reasonable expectation of recovery while taking into consideration deposits, guarantees and recoverable taxes. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure to make contractual payments for a period of greater than 90 days past due.

Sensitivity of credit risk on lease income

In case 1% of the annual rent is not paid, the effect on the gross rental income amounts to € 1.8m (2019: € 1.9m) and € 0.04 (2019: € 0.05) on the result per share. If 10% of debtors would default on payment, this would impact results by a maximum of € 2.6m (2019: € 2.6m). As a result of such default, result per share would decrease by € 0.06 (2019 € 0.06).

Wereldhave's maximum exposure to credit risk in the event that a counterparty fails to fulfil its obligations in relation to each class of recognized financial asset, including derivatives, is the carrying amount of those assets in the consolidated statement of financial position.

To limit credit or counterparty risk, only financial institutions with an investment grade credit rating are eligible as counterparties for financial transactions.

Concentration of credit risk

Concentration of risk occurs when a single financial risk is borne by one party or when several financial risks are concentrated within one or a few parties. Wereldhave mitigates the concentration risk with regard to interest, currency and liquidity risk by concluding interest and currency derivatives and loans with several financial parties. The credit risk further reduced by the size and diversification of the tenant portfolio as a result of which there is no concentration of risk.

Maturity of and interest payable on debt

The maturity and interest payable of debt (up to 12 months including trade payables and derivative financial liabilities) and future contractual interest payments is as follows:

December 31, 2020			
(x € 1,000)	Principal	Interest	Total
- up to 1 year	296,308	21,165	317,473
- between 1 and 2 years	196,000	18,681	214,681
- between 2 and 5 years	511,131	37,240	548,371
- more than 5 years	265,801	24,014	289,815
Total	**1,269,240**	**101,100**	**1,370,340**
December 31, 2019			
- up to 1 year	176,817	24,676	201,493
- between 1 and 2 years	299,559	20,151	319,710
- between 2 and 5 years	502,100	44,959	547,059
- more than 5 years	366,850	33,961	400,811
Total	**1,345,327**	**123,747**	**1,469,074**

The difference between the sum of the nominal principal values and the carrying amount of € 1.2m (2019: € 0.9m) consists of the amortized costs of € 2.5m (2019: € 3.0m) and the positive fair value adjustment on hedged items € -1.3m (2019: € -2.1m).

With regard to the interest on debt with variable interest rates, the rates prevailing at the balance sheet date have been used to determine the future outgoing cash flow. In addition to the financial liabilities mentioned above Wereldhave has a tenant deposit liability for an amount of € 12m (2019: € 13m). Tenants are obliged to deposit cash or give a guarantee when entering a lease contract.

Financial assets and liabilities

The table below gives an overview of financial assets and liabilities discussed in previous notes. The first column shows the IFRS categories and subsequent columns the IFRS classes of financial instruments are shown.

(x € 1,000)	**Note**	Amortized cost	Financial assets at fair value through profit and loss	Total
December 31, 2020				
Assets				
Financial assets	8	2,790	24,289	27,079
Trade and other receivables	9	51,167	-	51,167
Cash and cash equivalents	11	67,000	-	67,000
Total		**120,957**	**24,289**	**145,246**
Liabilities				
Interest bearing debts	17	1,252,779	-	1,252,779
Tenants deposits	19	12,150	-	12,150
Lease liabilities	19	19,920	-	19,920
Derivative financial instruments	22	-	27,709	27,709
Trade payables		14,864	-	14,864
Total		**1,299,713**	**27,709**	**1,327,423**
December 31, 2019				
Assets				
Financial assets	8	826	34,024	34,850
Trade and other receivables	9	49,391	-	49,391
Cash and cash equivalents	11	20,834	-	20,834
Total		**71,051**	**34,024**	**105,075**
Liabilities				
Interest bearing debts	17	1,335,657	-	1,335,657
Tenants deposits	19	13,305	-	13,305
Lease liabilities	19	20,180	-	20,180
Derivative financial instruments	22	-	25,795	25,795
Trade payables		8,436	-	8,436
Total		**1,377,578**	**25,795**	**1,403,373**

Fair values of financial assets and liabilities are equal to the carrying amounts, unless mentioned otherwise in the separate notes. There are no financial assets and liabilities held for trading at fair value that are accounted for through profit and loss.

Where applicable, specific risks and further characteristics per financial assets and liabilities are discussed in the related notes.

Off balance sheet assets and liabilities

The Group has contracted capital commitments for an amount of € 22m (2019: € 28m) with regard to investment properties under construction. The Group has undrawn committed credit facilities for an amount of € 306m (2019: € 220m).

The maturity of the Group capital commitments is as follows:

(x € 1,000)	**2020**	**2019**
- up to 1 year	20,577	21,620
- between 1 and 5 years	1,340	5,883
- > year 5	-	-
Total	**21,917**	**27,503**

24 Fair value measurement

The following table analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no transfers between levels during the year under review.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

		Fair value measurement using		
(x € 1,000)	Total	Quoted prices (Level 1)	Observable input (Level 2)	Unobservable input (Level 3)
2020				
Assets measured at fair value				
Investment property in operation	2,518,911	-	-	2,518,911
Investment property under construction	46,036	-	-	46,036
Investments held for sale	3,200	-	-	3,200
Financial assets				
Derivative financial instruments	24,289	-	24,289	-
Liabilities for which the fair value has been disclosed				
Interest bearing debt	1,308,266	-	1,308,266	-
Derivative financial instruments	27,709	-	27,709	-
2019				
Assets measured at fair value				
Investment property in operation	2,839,329	-	-	2,839,329
Investment property under construction	54,742	-	-	54,742
Investments held for sale	9,880	-	-	9,880
Financial assets				
Derivative financial instruments	34,024	-	34,024	-
Liabilities for which the fair value has been disclosed				
Interest bearing debt	1,375,490	-	1,375,490	-
Derivative financial instruments	25,795	-	25,795	-

25 Gross rental income

Lease contracts specify the rent, the other rights and obligations of the lessor and the lessee, including notice and renewal options as well as service and operating cost charges. Lease contracts have various expiry terms and break clauses. Rent indexation is agreed in countries where indexation is usual or legally permitted.

Service cost paid and received are not included in gross rental income. Rental losses as a result of vacancy, expressed as a percentage of theoretical rent, amounted to 7.7% in 2020 (2019: 6.0%).

Rental income based on turnover of the tenant amounts to 3.2% (2019: 2.4%) of gross rental income. Lease incentives provided to tenants amounts to 1.9% (2019: 2.4%) of gross rental income.

A change in the average occupancy rate by 0.5% results in a change of gross rental income by € 1.0m (excluding impact service costs).

The aggregate contractual rent from lease contracts as at December 31, 2020 is shown in the following table (lease contracts with turnover related clauses are accounted for assuming the base rent only):

(x € 1,000)	2020	2019
- up to 1 year	172,089	175,060
- between 1 and 5 years	472,025	473,567
- more than 5 years	300,184	262,615

26 Property expenses

(x € 1,000)	2020	2019
Property maintenance	996	1,171
Property taxes	4,810	4,796
Insurance premiums	445	648
Property management	6,858	7,595
Leasing expenses	749	538
Doubtful debt	24,009	5,067
Other operating costs	9,377	8,999
Total	**47,243**	**28,814**

Other operating costs includes amongst other promotion and marketing costs.

27 Valuation results

(x € 1,000)	2020	2019
Investment properties in operation and investments held for sale		
Valuation gains	2,393	7,436
Valuation losses	-292,395	-453,491
Total	**-290,002**	**-446,055**
Investment properties under construction		
Valuation gains	-	758
Valuation losses	-3,062	-3,047
	-3,062	**-2,288**
Total	**-293,064**	**-448,343**

28 Results on disposals

(x € 1,000)	2020	2019
Properties		
Gross proceeds from sales	104,267	13,820
Selling costs	-431	-308
Net proceeds from sales	**103,836**	**13,513**
Book value investment properties	-103,633	-13,463
Total	**202**	**49**

The result on disposals relates to the sales disclosed in note 5 and note 12.

29 General costs

(x € 1,000)	2020	2019
Salaries and social security contributions	18,344	16,486
Pension costs	1,396	1,272
Other employee costs	2,420	4,076
Audit and advisory fees	2,600	4,524
Office costs	4,112	4,311
Other general costs	3,477	6,230
	32,349	**36,898**
Allocated and recharged	-18,161	-19,800
Total	**14,188**	**17,098**

The allocation and recharges relate to expenses charged to third parties and allocation of costs to property expenses and developments projects.

Employees

During the year 2020 an average of 177 persons (2019: 170) based on full-time basis were employed by the Group, of which 74 (2019: 70) in the Netherlands and 103 (2019: 100) abroad.

Remuneration of the members of the Supervisory Board and the Board of Management

The Supervisory Board members and the members of the Board of Management are considered to be key management personnel. The remuneration policy was last approved at the Annual General Meeting of Shareholders on April 24, 2020. Remuneration is indexed annually with the consumer price index.

Supervisory Board:

	2020	2019
A. Nühn	66	65
L. Geirnaerdt (until June 30, 2019)	-	27
G. van de Weerdhof (until April 24, 2020)	17	49
H. Brand	53	48
H.J. van Everdingen (until January 31, 2019)		3
F. Dechesne (from July 1, 2019)	52	27
Total	**188**	**219**

The members of the Supervisory Board do not hold shares or options in Wereldhave N.V. The Company has not issued loans, advances or financial guarantees to members of the Supervisory Board. Shares or options on shares have not been and will not be awarded to members of the Supervisory Board.

Board of Management:

(x € 1,000)	Fixed income	STI	LTI	Pension and pension compensation	Social charges	Total
2020						
M. Storm	531	224	331	76	13	1,175
A.W. de Vreede	384	161	239	60	13	857
Total	**915**	**385**	**570**	**136**	**26**	**2,032**
2019						
D.J. Anbeek	133	36	-	24	3	196
M. Storm	224	59	-	31	11	325
A.W. de Vreede	388	103	-	57	4	552
Total	**745**	**198**	**-**	**112**	**18**	**1,073**

Short-term incentive

The short-term incentive ("STI") is based on performance against the following targets:

- 50% is based on the Total Property Return in the Benelux compared to the MSCI index for retail property returns in the Benelux;
- 20% is based on the Net Promoter Score ("NPS");
- 20% is based on the average footfall increase for the Benelux; and
- 10% is determined by achievement of individual targes of Board members.

The STI is based on 40% of the fixed annual income. A minimum of zero and a maximum of 1.5 times the STI may become payable depending on performance. A pro rata pay-out applies between the threshold of 50% of target and the maximum of 150% of target.

The performance for 2020 resulted in an STI of € 223,565 for Mr. Storm and € 161,374 for Mr. de Vreede.

Long-term incentive

The long-term incentive ("LTI") is based on performance against the following targets:

- 75% is based on Relative Total Shareholder Returns; and
- 25% is based on GRESB score.

The LTI is based on 60% of the fixed annual income. A minimum of zero and a maximum of 2.5 times the LTI may become payable depending on performance.

(x € 1,000)	Vesting period ends	Long-term incentive	Accounted in financial statements 2020	Accounted in earlier financial statements	Total accounted for
Financial year granted					
2020 - M. Storm	28-Apr-23	331	110	-	110
2019 - M. Storm	n.a.	-	-	-	-
2020 - A.W. de Vreede	28-Apr-23	239	80	-	80
2019 - A.W. de Vreede	n.a.	-	-	-	-
2018 - A.W. de Vreede	n.a.	-	-	-	-

Mr. Storm holds a total of 56,093 shares at December 31, 2020, of which 10,061 are unconditional or private investment. The current fair value of the shares owned by Mr. Storm amounts to € 603,561 based on the stock exchange price of € 10.76 per share as per December 31, 2020.

Mr. de Vreede holds a total of 41,227 shares at December 31, 2020, of which 8,000 are unconditional or private investment. The current fair value of the shares owned by Mr. de Vreede amounts to € 443,603 based on the stock exchange price of € 10.76 per share as per December 31, 2020.

The Company has not granted loans, advances or financial guarantees to members of the Board of Management.

The model to calculate the fair value of the share awards incorporates the ranking of the total shareholder returns of the Company against the defined peer companies.

30 Other income and expenses

Other income and expenses € -0.2m (2019: € -0.2m) relates to investment and divestment activities, project related and other costs that cannot be directly linked to the operational activities.

31 Net interest

(x € 1,000)	2020	2019
Interest paid	-27,551	-26,934
Interest on lease liability	-1,062	-1,066
Capitalized interest	565	700
Amortized costs loans	-852	-1,082
Total interest charges	**-28,900**	**-28,382**
Interest received	16	70
Total	**-28,884**	**-28,312**

Capitalized interest in connection with developments is based on the Group's weighted average cost of debt. During 2020, the range of weighted average interest rates used was 1.9% - 2.0% (2019: 1.9% - 2.1%). The average nominal interest rate at year end 2020 was 1.9% (2019: 1.9%). The line item 'interest paid' includes costs related to fees paid for undrawn parts of committed financing facilities amounting to € 1.4m (2019: € 0.9m).

32 Other financial income and expenses

(x € 1,000)	2020	2019
Exchange rate differences	-89	17
Adjustments financial instruments	6,267	-1,533
Other	1,206	-
Total	**7,384**	**-1,516**

33 Income tax

(x € 1,000)	2020	2019
Result before tax continuing operations	-195,699	-323,902
Tax charges according to applicable tax rates	58,331	83,610
Tax-exempt income based on fiscal status	-57,047	-76,506
Other	194	-2,660
Income tax	**1,478**	**4,444**
Weighted average tax rate	0.8%	1.4%

For 2020 the current tax charge is € 0.9m (2019: € -0.4m) and the deferred tax charge was € 0.5m(2019 € 4.9m). The current tax charge is impacted by refunds received in 2020 for an amount of € 1.4m. The applicable tax rates for Group companies vary from 0% for tax-exempt entities, based on their fiscal status, up to 31%.

The weighted average tax rate varies yearly, mainly because the valuation results are taxed differently for the tax-exempt and tax-based countries.

There are no tax effects relating to other comprehensive income or amounts directly credited to equity (2019: none).

34 Result from discontinued operations

In 2020 there were no discontinued operations. Until 2019 the discontinued operations represented the net result of the discontinued operations in Finland that was sold in 2018.

(x € 1,000)	2020	2019
Net rental income	-	-
Valuation results	-	-
Results on disposals	-	506
General costs	-	-
Net interest	-	-
Income tax	-	-
Result	**-**	**506**

In the cash flow statement, the following amounts have been accounted for in relation to the discontinued operations: operating activities nil (2019: nil), investment activities € nil (2019: € -2.7m) and financing activities nil (2019: nil).

35 Summarized financial information on subsidiaries

All subsidiaries are included in the consolidation. The proportion of voting rights held by the parent or by the Group companies in the subsidiaries do not differ from the proportion of ordinary shares held. The parent does not have any shareholding in preference shares of subsidiaries in the Group.

The total amount of non-controlling interest at year-end 2020 amounts to € 210.4m (2019: 230.7m).

List of Subsidiaries

	Country of incorporation	Proportion of ordinary shares Held by parent (%)	Proportion of ordinary shares Held by the group (%)	Proportion of ordinary shares Held by non-controlling interests (%)
West World Holding N.V.	Netherlands	100.00		
N.V. Wereldhave International	Netherlands	100.00		
Wereldhave Nederland B.V.	Netherlands		100.00	
Wereldhave Development B.V.	Netherlands	100.00		
Relovast V B.V.	Netherlands		100.00	
Relovast VI B.V.	Netherlands		100.00	
Royalton Real Estate B.V.	Netherlands		100.00	
Royalton Square B.V.	Netherlands		100.00	
Royalton Hill B.V.	Netherlands		100.00	
WH Tilburg Zuid (Heuvelstraat) B.V.	Netherlands		100.00	
Wereldhave Management Holding B.V.	Netherlands	100.00		
Wereldhave Management Nederland B.V.	Netherlands		100.00	
NODA SAS	France	100.00		
Wereldhave Retail France SAS	France	100.00		
SCI Bordeaux Bonnac	France	0.01	99.99	
SCI du CC Bordeaux Prefecture	France	0.01	99.99	
SNC Les Docks de Rouen	France	0.01	99.99	
SNS Les Passages de l'Etoile	France	0.01	99.99	
SNC Marceau Côté Seine	France	0.01	99.99	
SNC Elysees Vauban	France	0.01	99.99	
SCI due CC Rouen Saint Sever	France	0.01	99.99	
SNC Cegep et Compagnie	France	0.01	99.99	
SCI des Bureaux Rouen Bretagne	France	0.01	99.99	
SCI Rouen Verrerie	France	0.01	99.99	
SCI Fonciere Marceau Saint Sever	France	0.01	99.99	
Wereldhave Management France SAS	France		100.00	
Wereldhave Belgium	Belgium	34.94	32.72	32.34
NV J-II SA	Belgium		100.00	
Waterloo Shopping BVBA	Belgium		100.00	
NV Wereldhave Management Belgium SA	Belgium		100.00	
NV Wereldhave Belgium Services SA	Belgium		100.00	
Espamad SLU	Spain	100.00		

Summarized financial information for Wereldhave Belgium

	December 31, 2020	December 31, 2019
Current assets	21,593	31,097
Current liabilities	-130,153	-114,802
Total current net assets	**-108,561**	**-83,705**
Non-current assets	922,625	962,456
Non-current liabilities	-163,517	-189,530
Total non-current net assets	**759,109**	**772,926**
Net assets	**650,548**	**689,221**

(x € 1,000)	2020	2019
Summarised income statement		
Revenue	51,268	61,679
Profit before income tax	-22,154	28,308
Income tax expense/income	6	649
Post tax profit from continuing operations	**-22,148**	**28,957**
Other Comprehensive Income	135	-341
Total Comprehensive Income	**-22,013**	**28,616**
Total Comprehensive Income allocated to non-controlling interest	-7,246	9,676
Dividend paid to non-controlling interest	5,770	5,947

Summarized cash flows

(x € 1,000)	2020	2019
Cash flows from operating activities		
Cash generated from operations	39,954	48,420
Interest paid	-2,790	-2,682
Net cash generated from operating activities	**37,164**	**45,738**
Net cash used in investment activities	-11,807	-17,563
Net cash used in financing activities	-26,664	-30,769
Net increase in cash and cash equivalents and bank overdrafts	-1,307	-2,594
Cash, cash equivalents and bank overdrafts at beginning of the year	4,337	6,931
Cash and cash equivalents and bank overdrafts at end of the year	**3,030**	**4,337**

36 Transactions with shareholders

In 2020 there were no transactions with shareholders that affected profit and loss.

37 Result and diluted result per share upon full conversion

Result per share

The results per share are calculated based on the total result after tax, attributable to holders of ordinary shares and the average number of ordinary shares in issue during the year.

Diluted result per share

The diluted result per share is calculated, based on the total result after tax, adjusted for costs relating to the convertible bonds that are charged to the result and the average number of ordinary shares during the year, including the maximum number of shares that could be converted during the year.

(x € 1,000)	2020	2019
Result attributable to shareholders of the company	-186,932	-328,741
Adjustment for effect convertible bonds	-	2,428
Result after effect convertible bonds	**-186,932**	**-326,313**
Number of issued shares as at January 1	40,270,921	40,270,921
Effect of purchased shares for remuneration on weighted average	-58,473	-19,267
Weighted average number of shares for fiscal year	40,212,448	40,251,654
Adjustment for convertible bonds	-	-
Diluted average number of shares after adjustment for the effects of all dilutive potential shares for the fiscal year	**40,212,448**	**40,251,654**

See note 39 for the proposed dividend for 2020.

38 Net asset value per share

Net asset value per share

The net asset value per share is calculated based on equity as presented in the balance sheet as at December 31 and the number of shares issued as at that date.

	2020	2019
Equity available for shareholders (x € 1,000)	**1,124,296**	**1,319,598**
Number of ordinary shares per 31 December	40,270,921	40,270,921
Purchased shares for remuneration	-79,259	-15,498
Number of ordinary shares per 31 December for calculation net asset value	**40,191,662**	**40,255,423**
Net asset value per share (x € 1)	**27.97**	**32.78**

39 Dividend

It is proposed to distribute to holders of ordinary shares a dividend of € 0.50 per share in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax.

40 Related parties

The Board of Management, the Supervisory Board and subsidiaries of Wereldhave N.V. are considered to be related parties. The members of the Supervisory Board and of the Board of Management had no personal interest in any of the Company's investments during the year. For information about the directors´ remuneration and shareholding reference is made to note 29.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions if such terms can be substantiated.

41 Events after balance sheet date

On February 11, 2021, we have sold our part of the shopping center In de Bogaard in Rijswijk to SB Real Estate B.V., as subsidiary of HAL Investments B.V. The gross proceeds of this transaction amounted to € 26m.

On February 12, 2021 a sale and purchase agreements was signed for the disposal of our shopping center in Etten-Leur. The gross proceeds of this transaction amount to € 18m. The transaction is expected to close on March 31, 2021.

Company balance sheet

at December 31, 2020

(x € 1,000)	Note	December 31, 2020	December 31, 2019
Assets			
Non-current assets			
Investments in subsidiaries	2	545,864	749,598
Other financial investments	3	1,473,972	1,477,830
Derivative financial instruments		13,965	34,024
Total non-current assets		**2,033,800**	**2,261,452**
Current assets	4		
Tax receivables		4,480	7,400
Cash and cash equivalents		-	217
Accruals		5,539	5,915
Group companies receivable		387,544	369,443
Short term derivatives		10,324	-
Other receivables		3,318	1,493
Total current assets		**411,204**	**384,468**
Total assets		**2,445,006**	**2,645,920**

(x € 1,000)	Note	December 31, 2020	December 31, 2019
Equity and liabilities			
Equity	5		
Share capital		40,271	40,271
Share premium		1,711,033	1,711,033
General reserve		-667,387	-397,089
Revaluation reserve		220,462	300,343
Hedge reserves		6,849	-6,219
Result current year		-186,932	-328,741
Total equity		**1,124,296**	**1,319,598**
Non-current liabilities			
Interest bearing liabilities	6	818,285	987,879
Derivative financial instruments		25,341	24,379
Total non-current liabilities		**843,626**	**1,012,258**
Current liabilities			
Group companies payable		116,197	108,370
Short term liabilities	7	360,888	205,694
Total current liabilities		**477,085**	**314,064**
Total equity and liabilities		**2,445,006**	**2,645,920**

Company income statement

for the year ended December 31, 2020

(x € 1,000)	Note	2020	2019
General costs	9	-6,161	-7,787
Other income and expense	10	-43	-85
Operating result		**-6,204**	**-7,872**
Interest charges		-24,865	-25,055
Interest income		38,357	38,582
Net interest	11	**13,493**	**13,527**
Other financial income and expenses	12	8,567	-845
Results on disposals		69	562
Result before tax		**15,925**	**5,372**
Income tax		816	-101
Result company after tax		**16,741**	**5,271**
Result from subsidiaries after tax	2	-203,673	-334,011
Result incl subsidiaries		**-186,932**	**-328,741**

Notes to the company financial statements

1 General

1.1 Principles for the presentation of the Company accounts

The Company accounts have been made up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code. The option provided by article 2:362 paragraph 8 of the Civil Code allows to apply the same principles for determining profit and loss and balance sheet items (including the principles of accounting for financial instruments under shareholders' equity or interest-bearing liabilities) as applied in the consolidated accounts.

The consolidated financial statements of Wereldhave N.V. have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code. Reference is made to the notes to the consolidated annual accounts.

The annual accounts have been prepared before distribution of result with the exception where distribution is determined by law.

1.2 Investments in subsidiaries

Investments in subsidiaries and other entities in which the Group either exercises voting control or effective management responsibility are valued at net asset value. The initial processing in the accounts and valuations at balance sheet dates is made at the net asset value. The value is adjusted with the share of the Company in the results of the subsidiary, based on the principles for determining results as applied in the consolidated accounts and with the share in the other movements in equity of the subsidiary as from the date of acquisition, which are attributable to the Company. The net asset value is determined by valuing assets, provisions and liabilities and by determining results according to the principles which have been used in the consolidated accounts.

2 Investments in subsidiaries

Movements are as follows:

(x € 1,000)	2020	2019
Balance at January 1	**749,598**	**1,167,598**
Movements in pension schemes	57	-133
Investments / divestments	-1,367	-
Effect of stockdividend and share issue Belgium	13,173	9,624
Result from subsidiaries after tax	-203,673	-334,011
Dividends	-12,110	-93,382
Other	186	-98
Balance at December 31	**545,864**	**749,598**

List of subsidiaries

At December 31, 2020, the Company had direct shareholdings in the following companies:

		Indirect shareholding (%)	Direct shareholding (%)
Netherlands	West World Holding N.V.		100.00
Netherlands	N.V. Wereldhave International		100.00
Belgium	Wereldhave Belgium	32.72	34.94
Netherlands	Wereldhave Development B.V.		100.00
Netherlands	Wereldhave Management Holding B.V.		100.00
France	NODA S.A.S.		100.00
France	Wereldhave Retail France S.A.S.		100.00
France	SCI Bordeaux Bonnac	99.99	0.01
France	SCI du CC Bordeaux Prefecture	99.99	0.01
France	SNC les Docks de Rouen	99.99	0.01
France	SNS Les Passages de l'Etoile	99.99	0.01
France	SNC Marceau Coté Seine	99.99	0.01
France	SNC Elysees Vauban	99.99	0.01
France	SCI due CC Rouen Saint Sever	99.99	0.01
France	SNC Cegep et Compagnie	99.99	0.01
France	SCI des Bureaux Rouen Bretagne	99.99	0.01
France	SCI Rouen Verrerie	99.99	0.01
France	SCI Fonciere Marceau Saint Sever	99.99	0.01
Spain	Espamad SLU		100.00

3 Other financial investments

(x € 1,000)	Receivables from subsidiaries
Balance at January 1, 2019	**1,561,085**
Investments / withdrawal	57,745
Divestments / redemptions	-141,000
Balance at January 1, 2020	**1,477,830**
Investments / withdrawal	4,142
Divestments / redemptions	-8,000
Balance at December 31, 2020	**1,473,972**

The receivables from subsidiaries which are mentioned in this note have a maturity of more than one year.

4 Current assets

All current assets are due in less than one year. The fair value of the receivables coincides with the balance sheet valuation.

5 Equity

Share capital

The authorized share capital of the Company at December 31, 2020 amounts to € 150m divided over 75m ordinary shares of € 1 and 75m preference shares of € 1. The issued and paid up share capital amounts to € 40m, formed by 40,270,921 ordinary shares.

In the year 2020 63,761 shares were purchased for the long-term bonus of the Board of Management (2019: none).

The movements in equity during 2020 and 2019 were as follows:

(x € 1,000)	Share capital	Share premium reserve	General reserve	Revaluation reserve[1]	Hedge reserve[1]	Cost of hedging reserve[1]	Result current year	Total
Balance at January 1, 2019	**40,271**	**1,711,033**	**-237,358**	**309,860**	**-9,605**	**-1,706**	**-68,006**	**1,744,489**
Result 2018 distribution	-	-	-58,489	-9,517	-	-	68,006	-
Effective portion of change in fair value of cash flow hedges	-	-	-	-	3,036	-	-	3,036
Changes in fair value of cost of hedging	-	-	-	-	-	2,056		2,056
Shares for remuneration	-	-	318	-	-	-	-	318
Remeasurement of past employment obligations	-	-	-133	-	-	-	-	-133
Share based payments	-	-	-201	-	-	-	-	-201
Dividend over 2018	-	-	-50,740	-	-	-	-	-50,740
Interim dividend 2019	-	-	-50,740	-	-	-	-	-50,740
Result for the year[2]	-	-	-	-	-	-	-328,741	-328,741
Change non-controlling interest	-	-	276	-	-	-	-	276
Other	-	-	-22	-	-	-	-	-22
Balance at December 31, 2019	**40,271**	**1,711,033**	**-397,089**	**300,343**	**-6,569**	**350**	**-328,741**	**1,319,599**
Balance at January 1, 2020	**40,271**	**1,711,033**	**-397,089**	**300,343**	**-6,569**	**350**	**-328,741**	**1,319,599**
Result 2019 distribution	-	-	-248,860	-79,881	-	-	328,741	-
Effective portion of change in fair value of cash flow hedges	-	-	-	-	12,333	-	-	12,333
Changes in fair value of cost of hedging	-	-	-	-	-	735	-	735
Shares for remuneration	-	-	-1,031	-	-	-	-	-1,031
Remeasurement of past employment obligations	-	-	57	-	-	-	-	57
Share based payments	-	-	725	-	-	-	-	725
Dividend over 2019	-	-	-25,370	-	-	-	-	-25,370
Result for the year[2]	-	-	-	-	-	-	-186,932	-186,932
Change non-controlling interest	-	-	4,210	-	-	-	-	4,210
Other	-	-	-29	-	-	-	-	-29
Balance at December 31, 2020	**40,271**	**1,711,033**	**-667,387**	**220,462**	**5,764**	**1,085**	**-186,932**	**1,124,296**

1 Legal reserves
2 The annual accounts have been prepared before distribution of result. With regard to the proposed result distribution reference is made to the other information paragraph

Share premium

Share premium is paid up share capital in excess of nominal value. There were no changes in the share premium in 2020. The amount of share premium that is recognized for tax purposes is € 1,716m (2019: € 1,716m).

General reserve

Allocation of result over 2019.

The General Meeting of Shareholders on April 24, 2020 determined the following allocation of the profit over 2019:

(x € 1,000)	
Distributed to holders of ordinary shares	76,110
Revaluation reserve subsidiaries	-79,881
General reserve	-324,970
Result after tax	**-328,741**

Dividend 2020

The 2020 dividend proposal is explained in the 'Proposed distribution of results' paragraph.

Revaluation reserve

In this reserve cumulative positive valuation results on property investments in subsidiaries are kept.

6 Interest-bearing liabilities

The maturity of interest-bearing liabilities (non-current and current) shows as follows:

	December 31, 2020					
(x € 1,000)	< 1 year	1 - 5 year	>5 year	Total long-term	Total	31-Dec-19
Debt to financial institutions	171,812	553,125	265,160	818,285	990,097	1,062,852
Total	**171,812**	**553,125**	**265,160**	**818,285**	**990,097**	**1,062,852**

Capital repayments due within 12 months from the end of the financial year are included under short-term interest-bearing liabilities.

Average effective interest

2020	EUR	GBP	USD	CAD	Total
Short term interest bearing debt					
Bank loans and private placement	1.6%		5.5%		3.8%
Interest rate swaps	-1.5%				-1.5%
Long term interest bearing debt					
Bank loans and private placement	1.8%	4.1%	4.4%	4.0%	2.6%
Cross currency interest rate swaps	-1.1%				-1.1%
Average	**2.0%**	**4.1%**	**4.8%**	**4.0%**	**2.2%**

2019					
Short term interest bearing debt					
Bank loans and private placement	0.8%	-	-	-	0.8%
Interest rate swaps	0.7%	-	-	-	0.7%
Long term interest bearing debt					
Bank loans, private placement and EMTN	1.8%	4.1%	4.8%	4.0%	2.9%
Cross currency interest rate swaps	-1.9%	-	-	-	-1.9%
Average	**2.0%**	**4.1%**	**4.8%**	**4.0%**	**2.2%**

Fair value

The carrying amount and the fair value of long-term interest-bearing debts are as follows:

	December 31, 2020		December 31, 2019	
(x € 1,000)	carrying amount	fair value	carrying amount	fair value
Bank loans, private placement and EMTN	818,285	873,006	987,879	1,027,988
Total	**818,285**	**873,006**	**987,879**	**1,027,988**

Currencies

There are loans closed in euro, pound sterling, US dollars and Canadian dollars.

7 Short-term liabilities

(x € 1,000)	December 31, 2020	December 31, 2019
Short term portion of long term debt	171,812	74,973
Creditors	849	166
Taxes on profit	1,382	126
Other debts	186,845	130,429
Total	**360,888**	**205,694**

8 Off-balance sheet assets and liabilities

The Group has no off-balance sheets assets or liabilities.

9 General costs

(x € 1,000)	2020	2019
Salaries and social security contributions	2,179	1,194
Pension costs	45	39
Other employee costs	104	506
Audit and advisory fees	551	2,187
Office costs	574	553
Other general costs	7,096	7,484
	10,549	**11,963**
Allocated and recharged	-4,388	-4,176
	-4,388	**-4,176**
Total	**6,161**	**7,787**

The allocation and recharges relate to expenses charged to third parties and allocation of costs to property expenses and development projects.

Employees

During 2020 the legal entity employed an average of 2 persons (2019: 2). The employees worked in the Netherlands.

Remuneration of the members of the Supervisory Board and the Board of Management

The Supervisory Board members and the members of the Board of Management are considered to be key management personnel. The remuneration policy was last approved at the Annual General Meeting of Shareholders on April 24, 2020. Remuneration is indexed annually with the consumer price index.

10 Other income and expense

Other income and expenses € -0.1m (2019: € -0.1m) relate to investment and divestment activities, project related and other costs that cannot be directly linked to the operational activities. These costs are partly compensated by other subsidiaries.

11 Net interest

(x € 1,000)	2020	2019
Interest paid	-24,013	-23,972
Amortized costs loans	-851	-1,082
Total interest charges	**-24,865**	**-25,054**
Interest received	38,357	38,581
Total	**13,493**	**13,527**

During 2020, the range of weighted average interest rates used was 1.9% - 2.0% (2019: 1.9% - 2.2%). The average nominal interest rate at year end 2020 was 2.2% (2019: 2.2%).The line item ‘interest paid’ includes costs related to fees paid for undrawn parts of committed financing facilities amounting to € 1.2m (2019: € 0.7m). Interest received relates to loans provided to subsidiaries.

12 Other financial income and expenses

(x € 1,000)	2020	2019
Exchange rate differences	2	2
Adjustments financial instruments	8,565	-847
Total	**8,567**	**-845**

13 Audit fees

In 2020 Wereldhave N.V. and its subsidiaries have accounted for the following costs from the Group auditor KPMG:

(x € 1,000)	2020	2019
Audit of the Annual Accounts	576	542
Other assurance services	17	102
Tax advisory services	-	-
Total	**593**	**644**

KPMG provided, in addition to the statutory audit of the financial statements, assurance services in relation to financing transactions, ground rent settlements and issuance of stock dividend. The other assurance services are in compliance with Dutch Auditor Regulations.

Of the total amount of audit fees € 280k (2019: € 297k) relates to the Netherlands. This consist of an amount of € 273k (2019: € 221k) for the audit of the Annual Accounts and € 7k (2019: € 76k) for other audit activities.

All fees are in compliance with the Dutch Auditor Regulations..

14 Management and members of the Supervisory Board

For the remuneration of the members of the Board of Management and Supervisory Board reference is made to note 29 in the consolidated annual accounts.

15 Related parties

All Group entities are treated as related parties. Reference is made to note 40 in the consolidated annual accounts.

16 Contingencies

General guarantees as defined in Art. 403, Book 2 of the Dutch civil code has been given by the Company for a number of subsidiaries in the Netherlands.

The Company is the head of the corporate income tax and VAT units for which Dutch subsidiaries are also included. The Company is also jointly and severally liable for the tax units as a whole.

17 Events after balance sheet date

On February 11, 2021, we have sold our part of the shopping center In de Bogaard in Rijswijk to SB Real Estate B.V., as subsidiary of HAL Investments B.V. The gross proceeds of this transaction amounted to € 26m.

On February 12, 2021 a sale and purchase agreements was signed for the disposal of our shopping center in Etten-Leur. The gross proceeds of this transaction amount to € 18m. The transaction is expected to close on March 31, 2021.

Schiphol, March 8, 2021

Supervisory Board
A. Nühn
H. Brand
F. Dechesne

Board of Management
M. Storm
A.W. de Vreede

Other information

Rules for the distribution of results are set out in Article 25 of the Company's Articles of Association. The preference shareholders have a first call on results in the form of a dividend distribution on the paid-up nominal share value at a percentage rate equal to the twelve-month money market rate (European Interbank Offered Rates), valid for the first exchange day of the financial year concerned plus a surcharge of 1.5%, or if this amount is not available, as much is available from the distributable result. Distribution of the remaining balance available for distribution is determined by the Annual General Meeting of Shareholders.

Proposed distribution of results

It is proposed to distribute to holders of ordinary shares a dividend of € 0.50 per share in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax.

(in €m)	2020
Profit	-186.9
Proposed dividend	20.1
Revaluation reserve subsidiaries	-79.8
General reserve	-127.2
	-186.9

Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Wereldhave N.V.

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

In our opinion:

— the accompanying consolidated financial statements give a true and fair view of the financial position of Wereldhave N.V. as at 31 December 2020 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

— the accompanying company financial statements give a true and fair view of the financial position of Wereldhave N.V. as at 31 December 2020 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2020 of Wereldhave N.V. (the Company) based in Schiphol. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 31 December 2020;
2. the following consolidated statements for 2020: the income statement, the statements of comprehensive income, changes in equity and cash flow statement; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as 31 December 2020;
2. the company profit and loss account for 2020; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Wereldhave N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit approach

Summary

Materiality
— Materiality of EUR 8.0 million
— 0.60% of total equity
— Materiality for accounts in the income statement related to direct result: EUR 4.0 million

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Group audit

- Full scope audit in all significant components performed by KPMG auditors
- 100% of investment property
- 100% of gross rental income

Key audit matters

- Valuation of investment property
- Tax status
- Valuation of derivatives
- Liquidity risk related to COVID-19

Opinion

Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 8.0 million (2019: EUR 10.0 million). The materiality is determined with reference to total equity (2020: 0.60% (2019: 0.65%)). We consider total equity as the most appropriate benchmark because this benchmark best fits the nature of Wereldhave's operations and equity is deemed most relevant for the investors and other users of the financial statements. For accounts in the income statements related to direct result (which primarily excludes valuation results) we determined materiality at EUR 4.0 million (2019: EUR 5.0 million). This direct result is an important measure for the performance of the Company's current portfolio and important for the investors and other users of the financial statements. Materiality significantly changed compared to last year due to the negative result impacting total equity. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of EUR 400 thousand for the financial statements as a whole (2019: EUR 500 thousand) and EUR 200 thousand for accounts related to net direct result excluding valuation results (2019: EUR 250 thousand) which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Wereldhave N.V. is at the head of a group of components. The financial information of this group is included in the financial statements of Wereldhave N.V.

Our group audit mainly focused on significant components. The group manages its investment property through its subsidiaries in the Netherlands, Belgium and France. Each of these subsidiaries is individually significant in the context of the group's financial statements. Therefore, we have worked with KPMG audit teams in each of the aforementioned countries to perform a full scope audit of the financial information of these subsidiaries. Given our responsibility for the overall audit opinion, we are responsible for directing, supervising and performing the group audit. As group auditor we were involved in the full-scope audits performed by the auditors of the subsidiaries.

Our involvement included, amongst others, the following:

- issuing audit instructions to subsidiary auditors describing the scope of the audit procedures to be performed, our risk assessment, materiality to be applied and reporting requirements;
- participation in planning discussions with subsidiary auditors;
- attending conference calls during the audit with respect to relevant audit matters;
- attending virtual closing meetings at the subsidiaries to discuss relevant audit findings with the subsidiary auditor and country management;
- follow up on reported audit findings;
- discussions on reporting of component auditors with country management; and

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— review of the audit files of all significant components to verify the audit work by subsidiary auditors has been carried out in accordance with our instructions.

The consolidation of the financial information of the group, the disclosures in the financial statements and certain topics that are performed at group level are audited by the group audit team. These topics include, but are not limited to, equity, group financing, audit work on the going concern assumption, derivatives and hedge accounting, assessment of the tax status and employee benefits.

In view of restrictions on the movement of people across borders, and also within significantly affected countries, we considered making changes to the planned audit approach to evaluate the component auditors' communications and the adequacy of their work. According to our original audit plan, we intended to visit the components in Belgium and France to review selected component auditor documentation. Due to the aforementioned restrictions, this was not practicable and we requested those component auditors to provide us with remote access to audit workpapers to perform these evaluations. In addition, due to the inability to arrange in-person meetings with such component auditors, we have increased the use of alternative methods of communication with them, including through written instructions, exchange of emails and virtual meetings.

For a non-significant component we performed analytical procedures in order to corroborate that our scoping remained appropriate throughout the audit.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

A full scope audit of the reporting packages is performed for all significant components. The audit coverage as stated in the section summary can be further specified as follows:

— 100% of investment property; and

— 100% of gross rental income.

Our focus on the risk of fraud and non-compliance with laws and regulations

Our objectives

The objectives of our audit with respect to fraud and non-compliance with laws and regulations are:

With respect to fraud:

— to identify and assess the risks of material misstatement of the financial statements due to fraud;

— to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate audit responses; and

— to respond appropriately to fraud or suspected fraud identified during the audit.

With respect to non-compliance with laws and regulations:

— to identify and assess the risk of material misstatement of the financial statements due to non-compliance with laws and regulations; and

— to obtain a high (but not absolute) level of assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error when considering the applicable legal and regulatory framework.

The primary responsibility for the prevention and detection of fraud and non-compliance with laws and regulations lies with the Board of Management, with oversight by the Supervisory Board. We refer to chapter 'Risk management and internal controls' of the Annual Report where the Board of Management included its risk assessment and the Supervisory Board report where the Supervisory Board reflects on this assessment.

Our risk assessment

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated the fraud risk factors to consider whether those factors indicated a risk of material misstatement due to fraud.

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In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and we inquired Board of Management and the Supervisory Board as to whether the entity is in compliance with such laws and regulations and inspected correspondence, if any, with relevant licensing and regulatory authorities.

The potential effect of the identified laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements, including taxation and financial reporting (including related Company legislation). We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items and therefore no additional audit response is necessary.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have an indirect material effect on amounts recognized or disclosures provided in the financial statements, or both, for instance through the imposition of fines or litigation. We identified anti-money laundering laws and regulations as an areas most likely to have such an indirect effect.

In accordance with the auditing standard we evaluated the following presumed fraud risks that are relevant to our audit:

— revenue recognition, in relation to gross rental income; and
— management override of controls.

We rebutted the presumed fraud risk on revenue recognition in relation to gross rental income as there is limited perceived pressure on management and limited opportunity. Additionally, there is little judgement involved as the revenue related to gross rental income is contractually agreed.

We communicated the identified risks of fraud throughout our team and remained alert to any indications of fraud and/or non-compliance throughout the audit. This included communication from the group to component audit teams of relevant risks of fraud and/or non-compliance with laws and regulations identified at group level.

In all of our audits, we addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud. We refer to the key audit matters ’valuation of investment property’ and ‘valuation of derivatives’, that are examples of our approach related to areas of higher risk due to accounting estimates where management makes significant judgements.

We communicated our risk assessment and audit response to management and the Audit Committee of the Supervisory Board. Our audit procedures differ from a specific forensic fraud investigation, which investigation often has a more in-depth character.

Our response to the risks identified

We performed the following audit procedures (not limited) to respond to the assessed risks:

— We evaluated the design and the implementation of internal controls that mitigate fraud risks.
— We performed data analysis of high-risk journal entries and evaluated key estimates and judgements for bias by the Company, including retrospective reviews of prior year's estimates.
— We incorporated elements of unpredictability in our audit.
— We considered the outcome of our other audit procedures and evaluated whether any findings or misstatements were indicative of fraud or non-compliance.
— We obtained audit evidence regarding compliance with the provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements.

We do note that our audit is based on the procedures described in line with applicable auditing standards. In addition to the requirements of the auditing standards we have performed the following additional procedures:

— review of occupancy rates; and
— test of ownership of investment property via the land register.

Our procedures to address identified risks of fraud and related to not result in a key audit matter.

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We do note that our audit is not primarily designed to detect fraud and non-compliance with laws and regulations and that management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud, including compliance with laws and regulations.

The more distant non-compliance with indirect laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment property

Description

The valuation of investment property is complex and requires judgement, both from management and the external appraisal firms hired by management. The valuation is dependent on valuation techniques using a number of assumptions to determine expected future cash flows. Assumptions include developments of market rent levels, vacancy rates, interest rates, maintenance expenses and transfer tax. The Covid-19 pandemic has influenced the availability of market information. Independent appraisers in the Netherlands and France have determined there was a sufficient level of market evidence upon which to base opinions of value as at the valuation date. The valuation reports of the Belgian shopping centers include a material valuation uncertainty statement due to the lack of relevant market information. For these properties there is a lower level of certainty and more caution should be applied to the values than would be the case under normal market conditions. Management evaluated the impact of the uncertainty statements on the valuations and the associated disclosures.

Due to the significance of investment property (representing 94.1% of total assets) and the estimation uncertainties, we consider this a key audit matter.

Refer for the accounting policies and estimates to the notes to the financial statements, note 3.6 Investment Property and note 3.32 Significant estimates in the accounts. For disclosure on Investment Property refer to note 5.

Our response

With involvement of KPMG auditors in the Netherlands, France and Belgium, our procedures for the valuation of investment property included:

- assessment of the valuation process with respect to the investment property as at year-end 2020, including evaluating design and implementation of related internal controls and tests of details at the significant components;
- verification of the accuracy and completeness of the rent roll data and other property related data used as input for the valuations performed by the external appraisal firms by comparing them to contracts;
- reconciliation of the rent roll data as per balance sheet date to the gross rental income as accounted for in the profit and loss statement;
- assessment of the objectivity and expertise of the external appraisal firms;
- involvement of our property valuation experts to verify the appropriateness of the valuation methodology and determine the mathematical accuracy of the valuation model.
- Additionally, the property valuation experts verified the valuation techniques applied with specific focus on the appropriateness of key assumptions in the valuation process, which consists of market rent levels and yield. This includes an assessment of the historical accuracy of the assumptions in previous periods, our understanding of the market and market developments and a comparison of assumptions and movements therein with publicly available data;
- assessment of the impact of the material valuation uncertainty statement of the investment property valuations;

— discussion of the results of the valuation process and our findings and observations with management and the appraisal firms; and
— assessment of the adequacy of the related disclosures in relation to the requirements of EU-IFRS, including the adequate disclosure of the material valuation uncertainty statement in the Belgian independent external valuation reports.

Our observation

Overall, we consider that the assumptions and related estimates resulted in a neutral valuation of the investment property and we determined that the related disclosures are adequate.

Tax status

Description

Wereldhave N.V. has a tax exempt status as per article 28 of the Corporate Income Tax law, 1969 in the Netherlands and a similar tax status in Belgium and France. When the conditions are met Wereldhave N.V. is exempt from corporate income tax for the operations. Specific activities such as (re)developments or specific operational activities could have an impact on the tax exempt status.

From a financial statements perspective and for the users of these financial statements, compliance to the strict rules is essential to maintain the tax exempt status. The tax exempt status is important to the financial statements and our audit as non-compliance with applicable tax laws and regulations could have a material negative impact on the financial position of the group. Therefore, we consider this a key audit matter.
Management assessment of the tax status is included in Note 2 of the financial statements.

Our response

Our procedures for the compliance with the tax exempt requirements included, amongst others:

— Evaluation of management's assessment whether Wereldhave N.V. meets the requirements for the tax exempt status in the Netherlands, Belgium and France.
— Involvement of our tax specialists in all our procedures.
— We obtained a letter from the Company's external fiscal advisor relating to the confirmation of the tax exempt status in each of the respective countries.
— Discussion regarding the requirements with the management and the tax manager of Wereldhave N.V. This includes the consideration of the financing structure, dividend policy and operational activities of Wereldhave N.V.
— Inspection of correspondence with the tax authorities, to assess whether Wereldhave N.V. meets the requirements for the tax exempt status.
— Assessment of the adequacy of the related disclosures.

Our observation

Based on the result of our procedures we consider management's assessment as disclosed in Note 2 to be reasonable. Furthermore, we determined that the related disclosures are adequate.

Valuation of derivatives

Description

Wereldhave N.V. uses derivatives (cross currency and interest rate swaps) to fix the exchange rate and interest rate risk on part of its floating aspects of its finance activities. The borrowings are used to finance investment property activities. Next to this Wereldhave N.V. has a number of embedded derivatives.
As at 31 December 2020, Wereldhave N.V. has recognized derivative financial instruments at fair value, with a debit amount of EUR 24.3 million and a credit amount of EUR 27.7 million.
Wereldhave N.V. has opted for cash flow hedge accounting principles regarding the currency derivatives and fair value hedge accounting regarding the cross currency interest rate swaps.

As explained in Note 22 to the financial statements, the fair value of derivatives is based on fair value quotes from counterparties which are compared to the results of the internal valuation model using market data obtained from an independent recognized market data agency. As these valuations are complex, we consider this to be a key audit matter.

Our response

We used our valuation specialists to independently calculate the fair value of the derivatives and compared the outcome to the values calculated by Wereldhave N.V. We also evaluated Wereldhave N.V.'s assessment of the adjustment to the fair value for counterparty non-performance risk (or credit valuation adjustment/debit valuation adjustment – CVA/DVA). Additionally, we assessed the adequacy of the disclosures.

Our observation

Overall we assess that the assumptions used and related estimates resulted in a neutral valuation without significant variances when compared with our own valuations.

Liquidity risk related to COVID-19

Description

As part of the preparation of the financial statements IFRS standards require management to annually assess its ability to continue as a going concern and appropriately disclose the results of its assessment in the financial statements. This assessment includes the possible effects of COVID-19 on the Company's liquidity. This going concern assessment has been set forth in note 3.1 and in note 23 liquidity risk. The COVID-19 pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of the financial statements its effects are subject to significant levels of uncertainty. The resulting market circumstances impacted valuations, investment markets as well as the discussions with financing institutions to secure the liquidity profile. Management prepared a financial and liquidity risk analysis addressing amongst others future compliance with financing conditions as well as the financing and cash requirements to ensure continuation of the Company's operations.

Our response

We considered the liquidity risk arising from COVID-19 in planning and performing our audit. Our procedures included:

— We considered management's going concern assessment including COVID-19-related sources of risk for the company's business and financial resources compared with our own understanding of the risks.

— We considered management's plans, such as early refinancing and planning of investments and divestments to take action to mitigate the risks.This includes the impact of cost reductions and the continuous assessment of the necessity and timing of (un)committed capital expenditure, as well as the funding raised in 2020, the liquidity levels as at 31 December 2020, the requirement to repay debts and the presence of available undrawn facilities.

— We assessed the reliability of the forecasted cash flows and covenants projections by performing a retrospective review of previous forecasts and by comparing them with market expectations.

— We compared management's analysis to our assessment of reasonably possible scenarios resulting from COVID-19 uncertainty.

— We evaluated and challenged the reasonableness of the assumptions in respect of projected liquidity, including loan covenant compliance, available future cash flows from operating, financing and investing activities and projected key ratios for the future covenant calculations.

— We applied professional scepticism in this challenge and considered potential management bias when performing our sensitivity analyses. Our sensitivity analyses included reverse stress testing on the assumptions to evaluate the sensitivity to the liquidity projections in combination with the available funding and (un)drawn facilities.

— We inspected supporting documentation such as contracts and underlying calculations.

— We reviewed the cash flow and covenant calculations which were prepared by management supported by an external specialist.

— We evaluated the disclosure about liquidity risk and the related going concern assumption as set forth in note 23 and note 3.1 respectively, including the disclosures in the management report, comparing the overall picture against our understanding of the risks.

Our observation

We found management's assumptions appropriate and related disclosures to be adequate. However, an audit cannot predict unknown factors or all possible future implications for Wereldhave N.V. and this is particularly the case in relation to COVID-19.

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Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

— is consistent with the financial statements and does not contain material misstatements; and

— contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Management is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the General Meeting of Shareholders as auditor of Wereldhave N.V. on 22 April 2016, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of The Board of Management and the Supervisory Board for the financial statements

The Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, The Board of Management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, The Board of Management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, The Board of Management should prepare the financial statements using the going concern basis of accounting unless The Board of Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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A further description of our responsibilities for the audit of the financial statements is included in appendix of this auditor's report. This description forms part of our auditor’s report.

Amstelveen, 8 March 2021

KPMG Accountants N.V.

H.D. Grönloh RA

Appendix:
Description of our responsibilities for the audit of the financial statements

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Board of Management;
- concluding on the appropriateness of The Board of Management’s use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Companys ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor’s report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Appendix

List of abbreviations

AScX	Amsterdam Small Cap Index
BREEAM	Building Research Establishment Environmental Assessment Method
CAO	Collective Bargaining Agreement
CDP	Formerly, Carbon Disclosure Project
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
EPRA	European Public Real Estate Association
EPS	Earnings per share
ERV	Estimated rental value
EU	European Union
FSMA	Financial Services & Markets Authority
FTE	Full-time equivalent
GRESB	Global Real Estate Sustainability Benchmark
ILO	International Labor Organization
IRR	Internal rate of return
ISS	Institutional Shareholder Services
IVBN	Association of Institutional Property Investors in the Netherlands

KPI	Key performance indicator
KwH	Kilo-watt hours
IEA	International Energy Agency
IIRC	International Integrated Reporting Council
LTV	Loan-to-Value
MWh	Mega-watt hours
NA	Not available
NIY	Net initial yield
NPS	Net Promoter Score
OECD	Organization for Economic Cooperation & Development
sBPR	Sustainability best practices recommendations
SBTi	Science-Based Targets initiative
SIIC	Société d’investissement immobilier cotée
VBDO	Dutch Association of Investors for Sustainable Development
WWF	World Wide Fund for Nature
WRI	World Resources Institute

Contribution to Sustainable Development Goals

Sustainable Development Goal	Sustainability focus area	Alignment
7. Affordable and clean energy	Better footprint	Reduce carbon emissions 30% by 2030 – for those areas in our centers under our operational control
		Partner with tenants and visitors to reduce carbon and waste (ambition: net zero value-chain by 2050)
8. Decent work and economic growth	Better living	Aim for zero safety incidents in our centers
11. Sustainable cities and communities	Better nature, Better living	Increase m^2 of green areas on and around our centers with ecological value and climate resilience
		1% NRI-equivalent contribution to socio-economic and social inclusion initiatives
12. Responsible consumption and production	Better footprint	Increase recycling and zero waste to landfill
		Reduce water consumption
		Partner with tenants and visitors to reduce carbon and waste (ambition: net zero value-chain by 2050)
13. Climate action	Better nature	Increase % of Wereldhave buildings with plans in place to mitigate physical effects of climate change (extreme heat, flooding, storms etc.)
17. Partnership for the goals	All pillars	Partnering with suppliers, tenants & society

Social indicators

Workforce

Workforce - employment (GRI 102-7; 102-8)

(in FTE)		Total	Belgium	France	Netherlands
2020	Number of FTE	178.1	47.6	55.8	74.7
2019	Number of FTE	171.0	46.6	52.8	71.6
2020	Part-time employees	16.8%	16.0%	1.8%	27.8%
2019	Part-time employees	18.3%	16.0%	1.9%	31.2%
2020	Full-time employees	83.2%	84.0%	98.2%	72.2%
2019	Full-time employees	81.7%	84.0%	98.1%	68.8%
2020	Employees with fixed contract	14.1%	0.0%	16.1%	21.5%
2019	Employees with fixed contract	9.4%	6.0%	0.0%	18.2%
2020	Employees with permanent contract	85.9%	100.0%	83.9%	78.5%
2019	Employees with permanent contract	90.6%	94.0%	100.0%	81.8%

Workforce - employment (GRI 405-1, EPRA Diversity-Emp)

	2020			2019		
(number)	%	Male	Female	%	Male	Female
Age group < 30	10.8%	9	11	13.3%	13	11
Age group 30-40	36.2%	34	33	38.3%	34	35
Age group 40-50	34.1%	29	34	30.6%	22	33
Age group > 50	18.9%	17	18	17.8%	15	17
Total numbers of employees	185	89	96	180	84	96
Employees in senior management		72.0%	28.0%		70%	30%
Annual increase in base salary excluding individual STI	3.8%	3.6%	4.0%	4.1%	4.1%	4.1%

Employee turnover

Total number and rates of new employee hires and employee turnover by age group, gender and region (GRI 401-1, EPRA Emp-Turnover)

	2020		2019	
(number)	New hires	Departures	New hires	Departures
Male	26	19	22	14
Female	19	21	18	22
Age group < 30	14	12	14	8
Age group 30-40	18	16	18	10
Age group 40-50	10	8	7	12
Age group > 50	3	4	1	6
Total	**45**	**40**	**40**	**36**

Reasons for departure

(number)	2020	2019	2018
Resignations	20	20	26
Dismissals	3	5	4
Mutual agreements	4	7	12
Retirements	-	-	3
Departure during probation period	2	1	3
Expiry contacts	9	3	14
Outsourcing	-	-	-
Deaths	-	-	-
Internal transfer	2	-	-
Totals	**40**	**36**	**62**
Employee turnover	21.6%	20.0%	35.2%

New employee hires

New employees hired in 2020 by gender	%
Male employees	57.8%
Female employees	42.2%

New employees hired in 2020 by age group	%
Age group < 30	31.1%
Age group 30-40	40.0%
Age group 40-50	22.2%
Age group > 50	6.7%

Sickness ratio

Sickness ratio and total number of work-related fatalities

	Units	Total	Belgium	France	Netherlands
2020 Absentee rate	%	3.9	2.2	4.9	4.3
2019 Absentee rate	%	1.9	2.1	1.8	1.9
2020 Injury rate	%	0,0	0,0	0,0	0,0
2019 Injury rate	%	0,0	0,0	0,0	0,0
2020 Work-related fatalities	Number	0	0	0	0
2019 Work-related fatalities	Number	0	0	0	0

Training & development

Average hours of training per employee, by gender

	Units	Total	Belgium	France	Netherlands
2020 training hours total	Number	3,369	673	1,155	1,541
2020 training hours per employee	Number	18	14	21	20
2020 training costs total	in Euro	243,248	54,983	24,725	163,540
2020 training costs per employee	in Euro	1,315	1,100	442	2,070
2019 training hours total	Number	3,479	382	1,030	2,068
2019 training hours per employee	Number	19	8	19	27
2019 training costs total	in Euro	188,991	30,163	24,725	134,103
2019 training costs per employee	in Euro	1,050	603	467	1,742

		2020		2019	
	Units	Male	Female	Male	Female
Educational training	%	64.5%	35.5%	12.6%	87.4%
Skills & development training		45.4%	54.6%	60.0%	40.0%
Wereldhave training		26.8%	73.2%	65.4%	34.6%
Training works council		0.0%	0.0%	64.3%	35.7%
Training hours per employee	Number of hours	17.4	18.9	26.1	15.0

Number of training hours split per category (GRI 404-2)

(number of hours)	2020	2019
Educational training	202	254
Skills & development training	3,070	2,957
Wereldhave training	98	156
Training works council	0	112

Employee category

Breakdown of employees by employee category (GRI 102-8)

(Number)	2020
Board	2
Management	21
Operations (Leasing, Development, Shopping center Management)	86
Staff	76
Total	**185**

Breakdown of employees by gender

Senior management split by gender (GRI 102-8)

	2020	2018	2017
Male employees	72.0%	69.6%	70.8%
Female employees	28.0%	30.4%	29.2%

Remuneration

Ratio of Base Salary and remuneration of women to men by employee category (GRI 405-2, EPRA Diversity-pay)

	2020	
	Male	Female
Board	100%	0%
Management	67%	33%
Operations (Leasing, Development, Shopping center Management)	42%	58%
Staff	49%	51%

Employee satisfaction[1]

Employee satisfaction by aspect measured (GRI 102-43)

(Number)	2018	2016
Commitment	7.4	7.7
Engagement	7.6	7.5
Role clarity	7.5	6.9
Vitality	n/a	7.6
Work atmosphere	n/a	7.7
Loyalty	7,7	n/a
Response rate	90.1%	89.5%

1 Employee satisfaction will be measured again in 2021

Incidents of discrimination

Total numbers of incidents of discrimination and corrective actions (GRI 406-1)

(Number)	2020	2019	2018
Number of incidents of discrimination reported	0	0	0

Employee performance appraisals

	2020	2019
Percentage of employees with an appraisal	85%	97%

Employee health and safety

	2020	2019
Injury rate	0%	0%
Absentee rate	3.9%	1.9%
Number of work-related fatalities	0	0

Community engagement

	2020	2019
Social performance indicators retail portfolio		
Local engagement program in place (% of assets)	100%	100%
Local community investments - absolute (€)	1,062,275	1,485,745
Local community investments - relative to NRI (% of NRI)	0.8%	0.9%

Health and safety assessments

	2020
Health & Safety - assessment undertaken (in %)	84%
Health & Safety - incidents of non-compliance occurred	0

Environmental indicators

Environmental performance indicators - Retail

EPRA, GRI 302-1, 302-2, 303-1, 305-1, 305-2, 305-3, 306-2

	Absolute portfolio		Like-for-like portfolio							
			Belgium		France		Netherlands		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Energy (MWh)										
Electricity shared services	30,495	33,769	8,200	9,026	4,687	7,167	17,082	17,214	29,969	33,407
Electricity submetered to tenants	6,545	6,149	18	42	6,527	6,107	0	0	6,545	6,149
Total landlord obtained electricity	37,040	39,918	8,218	9,068	11,214	13,274	17,082	17,214	36,514	39,556
Proportion of electricity from renewable sources (market-based)	93%	93%	100%	100%	23%	20%	100%	100%	93%	93%
District heating and cooling shared services	2,447	1,842	0	0	62	97	2,385	1,745	2,447	1,842
District heating and cooling submetered to tenants	0	0	0	0	0	0	0	0	0	0
Total landlord obtained district heating	2,447	1,842	0	0	62	97	2,385	1,745	2,447	1,842
Proportion heating and cooling from renewable sources	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Fuels shared services	12,343	13,185	3,649	3,925	365	675	7,861	8,048	11,875	12,648
Fuels submetered to tenants	514	531	514	531	0	0	0	0	514	531
Total landlord obtained fuels	12,857	13,716	4,163	4,456	365	675	7,861	8,048	12,389	13,179
Proportion of fuels from renewable sources	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total energy from shared services	45,285	48,796	11,849	12,951	5,114	7,939	27,328	27,007	44,291	47,897
Total energy submetered to tenants	7,059	6,680	532	573	6,527	6,107	0	0	7,059	6,680
Total landlord obtained energy	52,344	55,476	12,381	13,524	11,641	14,046	27,328	27,007	51,350	54,577
Total renewable energy produced on-site	4,212	3,280	2,013	1,839	0	0	2,121	1,370	4,134	3,209
Greenhouse gas emissions from energy (tCO_2e)										
Total direct GHG emissions Scope 1 (market-based)	2,242	2,398	663	713	66	123	1,427	1,462	2,156	2,298
Total direct GHG emissions Scope 1 (location-based)	2,242	2,398	663	713	66	123	1,427	1,462	2,156	2,298
Total indirect GHG emissions Scope 2 (market-based)	828	793	0	0	512	620	316	173	828	793
Total indirect GHG emissions Scope 2 (location-based)	9,807	10,129	1,919	2,143	512	620	7,143	7,207	9,574	9,970
Total indirect GHG emissions Scope 3 (market-based)	228	248	93	96	135	152	0	0	228	248
Total GHG emissions - landlord obtained/submetered (market-based)	3,298	3,439	756	809	713	895	1,743	1,635	3,212	3,339

	Absolute portfolio		Like-for-like portfolio							
			Belgium		France		Netherlands		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Water (m³)										
Water from municipal water supplies or other public	219,028	262,004	53,714	65,577	88,324	122,803	58,396	52,221	200,434	240,601
Water from rainwater collected directly and stored	5,631	3,394	5,631	3,394	0	0	0	0	5,631	3,394
Water from groundwater / surface water	31,976	81,755	31,976	81,755	0	0	0	0	31,976	81,755
Total landlord obtained water consumption	256,635	347,153	91,321	150,726	88,324	122,803	58,396	52,221	238,041	325,750
Water submetered to tenants	35,020	42,612	35,020	42,612	0	0	0	0	35,020	42,612
Waste (metric tonnes)										
Hazardous waste	0	0	0	0	0	0	0	0	0	0
Non-hazardous waste	5,101	5,985	1,545	1,914	1,783	2,078	1,743	1,960	5,071	5,952
Total weight of waste by disposal route (metric tonnes)										
Recycling	1,428	1,556	510	593	499	582	436	431	1,420	1,548
Composting	15	0	15	0	0	0	0	0	15	0
Energy from Waste	1,683	1,975	757	1,014	0	0	1,011	1,176	1,623	1,964
Incineration without energy recovery	1,224	1,436	0	0	767	1,184	296	353	1,217	1,428
Landfill	612	1,017	31	306	517	312	0	0	659	1,012
other	153	0	232	0	0	0	0	0	152	0
Proportion of waste by disposal route (%)										
Recycling	28%	26%	33%	31%	28%	28%	25%	22%	28%	26%
Composting	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%
Energy from Waste	33%	33%	49%	53%	0%	0%	58%	60%	32%	33%
Incineration without energy recovery	24%	24%	0%	0%	43%	57%	17%	18%	24%	24%
Landfill	12%	17%	2%	16%	29%	15%	0%	0%	13%	17%
other	3%	0%	15%	0%	0%	0%	0%	0%	3%	0%

Environmental intensity indicators - Retail

EPRA Sustainability performance measures (GRI 302-1, 302-2, 303-1, 305-1, 305-2, 305-3, 306-2)

		Absolute portfolio		Like-for-like portfolio							
				Belgium		France		Netherlands		Total	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Impact areas											
Building energy intensity	kWh/m²/year	56.25	64.58	64.07	69.99	46.70	56.34	60.95	60.24	57.64	61.26
	kWh/visitor/year	0.50	0.45	0.89	0.70	0.42	0.34	0.48	0.42	0.52	0.44
Greenhouse gas intensity from building energy	kg CO_2e/m²/year	3.54	3.70	3.91	4.19	2.86	3.59	3.89	3.65	3.61	3.75
	kg CO_2e/visitor/year	0.03	0.03	0.05	0.04	0.03	0.02	0.03	0.03	0.03	0.03
Building water intensity	m³/m²/year	0.28	0.37	0.47	0.78	0.35	0.49	0.13	0.12	0.27	0.37
	liter/visitor/year	2.47	2.62	6.59	7.82	3.19	2.95	1.02	0.81	2.41	2.60

Environmental performance indicators - Office

	Absolute portfolio		Like-for-like portfolio			
			Belgium		Total	
	2020	2019	2020	2019	2020	2019
Energy (MWh)						
Electricity shared services	6,203	6,647	-	-	-	-
Electricity submetered to tenants	1,527	1,857	-	-	-	-
Total landlord obtained electricity	7,730	8,504	-	-	-	-
Proportion of electricity from renewable sources	100%	100%	-	-	-	-
District heating and cooling shared services	-	-	-	-	-	-
District heating and cooling submetered to tenants	-	-	-	-	-	-
Total landlord obtained district heating	-	-	-	-	-	-
Proportion heating and cooling from renewable sources	-	-	-	-	-	-
Fuels shared services	5,612	4,100	-	-	-	-
Fuels submetered to tenants	7	16	-	-	-	-
Total landlord obtained fuels	5,619	4,116	-	-	-	-
Proportion of fuels from renewable sources	0%	0%	-	-	-	-
Total energy from shared services	11,815	10,747	-	-	-	-
Total energy submetered to tenants	1,534	1,873	-	-	-	-
Total landlord obtained energy	13,349	12,620	-	-	-	-

	Absolute portfolio		Like-for-like portfolio			
			Belgium		Total	
	2020	2019	2020	2019	2020	2019
Greenhouse gas emissions (tCO_2e)			-	-	-	-
Total direct GHG emissions Scope 1 (market-based)	1,019	745	-	-	-	-
Total indirect GHG emissions Scope 2 (market-based)	0	0	-	-	-	-
Total indirect GHG emissions Scope 3 (market-based)	1.3	3	-	-	-	-
Total GHG emissions (market-based)	1,020	747	-	-	-	-
Water (m^3)			-	-	-	-
Water from public water supplies - shared services	16,341	19,147	-	-	-	-
Water from public water supplies - submetered	-	-	-	-	-	-
Water from rainwater collected directly and stored	-	-	-	-	-	-
Water from groundwater / surface water	-	-	-	-	-	-
Total landlord obtained water consumption	16,341	19,147	-	-	-	-
Waste (metric tonnes)			-	-	-	-
Hazardous waste	0	0	-	-	-	-
Non-hazardous waste	109	154	-	-	-	-
Total weight of waste by disposal route (metric tonnes)	109	154	-	-	-	-
Recycling	44	57	-	-	-	-
Composting	0	0	-	-	-	-
Energy from Waste	50	75	-	-	-	-
Incineration without energy recovery	0	0	-	-	-	-
Landfill	0	0	-	-	-	-
other	15	22	-	-	-	-
Proportion of waste by disposal route (%)			-	-	-	-
Recycling	40%	37%	-	-	-	-
Composting	0%	0%	-	-	-	-
Energy from Waste	46%	49%	-	-	-	-
Incineration without energy recovery	0%	0%	-	-	-	-
Landfill	0%	0%	-	-	-	-
other	14%	14%	-	-	-	-

Environmental intensity indicators - Office

			Absolute portfolio		Like-for-like portfolio			
					Belgium		Total	
			2020	2019	2020	2019	2020	2019
Impact areas								
Building energy intensity	CRESS CRE1	kWh/m²/year	125.00	118.18	-	-	-	-
Greenhouse gas intensity from building energy	CRESS CRE3	$kgCO_2e/m^2/year$	9.56	7.00	-	-	-	-
Building water intensity	CRESS CRE2	m³/m²/year	0.15	0.18	-	-	-	-

BREEAM certificates

		Total		Netherlands		Belgium		France	
		2020	2019	2020	2019	2020	2019	2020	2019
BREEAM certifications in place	% of retail center GLA								
Outstanding		0%	0%	0%	0%	0%	0%	0%	0%
Excellent		32%	32%	0%	0%	36%	36%	84%	84%
Very Good		57%	40%	86%	62%	43%	17%	16%	16%
Good/Pass		0%	2%	0%	5%	0%	0%	0%	0%
Percentage of GLA which is BREEAM rated		**89%**	**74%**	**86%**	**67%**	**79%**	**53%**	**100%**	**100%**
Percentage of eligible centers GLA which is BREEAM rated		**100%**	**84%**	**100%**	**79%**	**100%**	**74%**	**100%**	**100%**

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