

Wereldhave

Results

H1 2021

July 27, 2021

make every day count

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

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

# Key items

**Major step in phasing out France: sold four out of six French assets for € 305m**

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**Benelux disposal program finalized, Koningshoek sold above book value**

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**LTV down to 46% - pro-forma for four asset French disposal 42%**

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**Dutch valuations stabilizing for the first time in nine valuation rounds**

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**As a result of disposals, outlook 2021 direct result now at € 1.75 - 1.85 per share**

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**Outlook direct result 2022 reiterated at € 1.40 - € 1.50 per share; to be followed by 4 - 6% annual growth**

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**Dividend guidance 2021 minimum € 1.00 per share**

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# Summary

## Key metrics

	H1 2021	H1 2020	Change
<b>Key financial metrics (x € 1,000)</b>			
Gross rental income	83,778	96,050	-12.8%
Net rental income	61,534	63,576	-3.2%
Direct result	43,656	44,753	-2.5%
Indirect result	-74,027	-161,857	54.3%
Total result	-30,371	-117,103	74.1%
<b>Per share items (€)</b>			
Direct result	0.93	0.97	-3.7%
Indirect result	-1.79	-3.73	52.0%
Total result	-0.86	-2.76	68.9%
Total return based on EPRA NTA	-0.91	-2.76	67.0%
Dividend paid	0.50	0.63	-20.6%

	June 30, 2021	December 31, 2020	Change
<b>Key financial metrics (x € 1,000)</b>			
Investment property	2,435,876	2,577,580	-5.5%
Assets held for sale	4,157	3,200	29.9%
Net debt	1,105,301	1,185,779	-6.8%
Equity attributable to shareholders	1,059,590	1,124,296	-5.8%
<b>EPRA performance metrics</b>			
EPRA EPS for H1 (€/share)	0.92	0.96	-4.5%
EPRA NRV (€/share)	29.03	30.26	-4.1%
EPRA NTA (€/share)	26.33	27.74	-5.1%
EPRA NDV (€/share)	25.39	26.59	-4.5%
EPRA Vacancy rate	6.2%	5.9%	0.3 pp
EPRA Cost ratio (including direct vacancy costs) for H1	30.9%	39.8%	-8.9 pp
EPRA Net Initial Yield	5.8%	6.0%	-0.2 pp
<b>Other ratios</b>			
Net LTV	46.1%	46.7%	-0.6 pp
ICR	5.5x	5.3x	-0.2x
IFRS NAV (€/share)	26.41	27.97	-5.6%
Number of ordinary shares in issue	40,270,921	40,270,921	0.0%
Number of ordinary shares for NAV	40,124,745	40,191,662	-0.2%
Weighted avg. number of ordinary shares outstanding	40,168,985	40,212,448	-0.1%
<b>Shopping Centers portfolio metrics</b>			
Number of assets	26	29	-3
Surface owned (x 1,000m <sup>2</sup> ) <sup>1)</sup>	740	809	-8.5%
LFL NRI growth	4.3%	-21.0%	25.3 pp
Occupancy rate	94.9%	95.0%	-0.1 pp
Theoretical rent (€/m <sup>2</sup> )	220	221	-0.5%
ERV (€/m <sup>2</sup> )	213	211	0.9%
Footfall growth	22.3%	-22.8%	45.1 pp
Proportion of mixed-use Benelux (in m <sup>2</sup> )	10.3%	10.0%	0.3 pp
Net Promotor Score (NPS) Benelux	16	4	12

<sup>1)</sup> Excluding developments

# Message from our CEO

With valuations stabilizing and the vast majority of our disposals now complete, we have a strong balance sheet and sufficient liquidity to step up our LifeCentral strategy. Our operations have proved resilient, even in difficult market conditions. Given that we are approaching our “trough” earnings forecast for 2022 and have delivered most of our 2020-2022 management agenda, growth is once more in sight. For shareholders, it means a return to increased dividends, beginning next year.

In addition, we have strengthened our lease portfolio. Over the past years, we have reduced our exposure to the vulnerable Benelux fashion segment while at the same time increasing the proportion of mixed-use in our portfolio. For our top ten Benelux tenants, all leases have now been secured or renewed successfully – a clear demonstration of the confidence these retail brands have in our portfolio and LifeCentral strategy. I am proud of our leasing and asset management teams who have achieved this, particularly as they were already working hard to support tenants through the Covid-19 crisis.

Although the economic effects of Covid-19 will still be with us in the second half of the year, our expectation is that these will be centered around potential bankruptcies of smaller businesses. We don't believe this will have a material impact on our occupancy rate or rents beyond what is already factored into our strategy.

Following the completion of our Dutch disposal program in Q2, we have made significant progress in the phase-out of our French operations. We have now sold four of the six centers slated for disposal. The impact of this transaction will become visible in the figures at year-end 2021. Annual cost savings will be realized, starting in 2022. With the four French disposals, we are getting much closer to our targeted loan-to-value range of 30-40%. As Dutch valuations are stabilizing, it becomes more likely that we will reach our target range ahead of our year-end 2022 objective, even as we accelerate implementation of our LifeCentral transformation strategy.

During H1, the decline in the value of our portfolio slowed significantly. In our view, this reflects lower risks for retail itself, and increased confidence in the prospects for mixed-use center strategies. In H1, we report a stable yield in the Netherlands for the first time since H1 2017, helped by an active investment market. In Belgium, yields for our leading Full Service Center (FSCs) transformations in Liège and Courtrai even narrowed, a first sign that our strategy is paying off and that our theory that FSCs will trade at lower yields than traditional shopping centers is valid.

Looking forward, we will continue our LifeCentral journey, creating more FSCs in line with the program set out in our strategy. Today, we are announcing plans to transform our Sterrenburg center in Dordrecht into an FSC. Next year, we plan to deliver our first FSC projects in Courtrai, Tilburg, Capelle aan den IJssel, Dordrecht and Hoofddorp. Today, we are also re-confirming our Direct Result Per Share (DRPS) guidance for 2022, and targeted annual growth of 4-6% thereafter. At the same time, we now expect a DRPS for 2021 at € 1.75-1.85, but now including the € 0.13 negative impact from the sale of our French centers. To be clear, without this disposal impact, our DRPS guidance for the year would have increased.

Now that most of our disposal program is complete and valuations stabilizing, we can also be more specific about future dividend distributions. Our proposal will be to distribute at least EUR 1.00 per share as a dividend for 2021; for 2022, we expect to return to our regular pay-out ratio of 75-85% of our direct result. We remain focused on realizing strong total returns for our shareholders – a track record of delivering regular and increasing dividends is something investors are right to expect from the only Dutch Real Estate Investment Trust (REIT) with a 75-year history on the stock market.

Matthijs Storm, CEO

Schiphol, 27 July 2021

# Our markets

## Covid-19

Lockdowns were gradually lifted during Q2. Less restrictions, allowing consumers to visit non-essential stores, had a positive effect on footfall. Restrictions on F&B and the leisure & entertainment sectors were eased only later, however; full reopening in these sectors is still to be confirmed. During H1, discussions with non-essential retailers were mainly focused on rental payments. Our Fair Support Policy again provided a good basis on which to handle case-by-case requests from retailers. Naturally, our discussions took into account changes in government policy and financial support provided to retailers. With stores reopening and an improvement in prospects for the economy, we were also able to restart conversations with prospective new tenants. This gives us confidence that the second half of the year will prove to be more dynamic than the first, with more new leases being concluded and existing leases renewed. This assumes, first, that there is no new wave of Covid-19 infections, resulting in further lockdowns. Secondly, it depends on the agility of non-essential retailers to seize opportunities from the expected surge in retail spending. At the same time, non-essential retailers will have to deal with a reduction in government support and built-up indebtedness.

## Belgium

Following reopening, consumers have returned to our Belgian shopping centers and retail parks. Immediately after reopening, our centers are almost back to the levels witnessed in 2019, where high-street locations still face footfall levels 20-30% below pre-pandemic levels. Retailers' turnover in out-of-town locations proved resilient despite recent lockdowns. Negotiations for new leases took slightly more time than usual; rent collection remains the main point of discussion between tenants and landlords. Sentiment among retailers is broadly divided. E-commerce continues to provide challenges for electronics / multimedia and for multi-brand fashion chains. Despite this, supermarkets, food stores, DIY stores, home decoration and furniture, F&B, and sporting goods retailers are looking to expand. Consequently, we expect the current market lull to end after the summer. With hardly any bankruptcies among larger retail chains, the rental market remains resilient for high-quality and well-occupied centers. Lower quality locations increasingly have to deal with rising vacancy, which in turn leads to a decline in market rents." In Belgium, our occupancy rate and market rents have slightly increased in Q2. Meanwhile, the retail property investment market remained slow; values for shopping centers and retail parks were largely unchanged.

## France

Despite centers reopening, the number of visitors is yet to reach its 2019 level, only partly due to the impact of e-commerce, but mainly because of continued limits on customer numbers at restaurants and cinemas. That said, consumer spending has increased, which means retailer turnover is recovering faster than footfall. In recent months, the French retail market has proved highly resilient. For larger tenants, there is no obvious major bankruptcy risk. For medium-sized retailers in mid-market fashion, risk is higher; many of these retailers remain under financial pressure. With cash available, it is more likely retailers will be able to restart operations, even if the market deteriorates and some are forced to close. Recently, for example, buyers came forward to take over the French operations of fashion retailer GAP, following its decision to withdraw from the European market. The rental market in Q2, meanwhile, remained broadly unchanged. During the quarter, we focused on continuing to collect rent from tenants, though it's clear some are facing a significant decline in turnover. Negotiations with tenants concentrated on Covid-19 related issues rather than overall rent levels, which remained stable. Demand during lockdowns was highest for stores related to DIY, and home decoration - part of a rising trend within the French retail segment. Following reopening, demand is increasing from fashion, services and health & beauty.

## Netherlands

During H1, footfall in the Netherlands mirrored the gradual easing in restrictions on visiting shops. Since full reopening, visitor numbers have returned to approximately 90% of their 2019 levels and are more or less unchanged compared with last year. Bankruptcy levels, meanwhile, have remained low. Those bankruptcies that did occur, including Miss Etam and Steps becoming effective, are likely to increase market vacancies, however. During Q2, these stores continued to operate in order to sell their remaining stock. We don't yet know the exact market effect of travel group D-Reizen's recent bankruptcy; the restart of its stores is still pending. Currently, negotiations with tenants are focused mainly on Covid-19 provisions. Even so, regular leasing discussions are also now gathering pace. An expected reduction in risk over the summer should lead to shorter decision-making processes and more deals. During Q2, the shopping center investment market in the Netherlands remained active. Private investors were able to pick up opportunistic investments and assets that require substantial transformation or redevelopment at relatively low prices. At the same time, centers anchored around groceries and convenience stores have attracted significant investor interest, putting upward pressure on prices. Institutional interest for well-established core centers has also increased.

# Direct & Indirect Result

(x € 1,000)	H1 2021		H1 2020	
	direct result	indirect result	direct result	indirect result
Gross rental income	83,778	-	96,050	-
Service costs charged	15,495	-	14,793	-
<b>Total revenues</b>	<b>99,272</b>	<b>-</b>	<b>110,843</b>	<b>-</b>
Service costs paid	-19,186	-	-18,934	-
Property expenses	-18,552	-	-28,333	-
<b>Total expenses</b>	<b>-37,738</b>	<b>-</b>	<b>-47,267</b>	<b>-</b>
<b>Net rental income</b>	<b>61,534</b>	<b>-</b>	<b>63,576</b>	<b>-</b>
Valuation results	-	-57,241	-	-161,545
Results on disposals	-	-14,505	-	-2,147
General costs	-4,885	-760	-5,080	-1,642
Other income and expense	-	33	-	-12
<b>Operational result</b>	<b>56,649</b>	<b>-72,474</b>	<b>58,496</b>	<b>-165,346</b>
Interest charges	-13,029	-	-14,166	-
Interest income	3	-	4	-
<b>Net interest</b>	<b>-13,025</b>	<b>-</b>	<b>-14,161</b>	<b>-</b>
Other financial income and expense	-	-1,638	-	3,146
<b>Result before tax</b>	<b>43,624</b>	<b>-74,112</b>	<b>44,334</b>	<b>-162,200</b>
Income tax	31	86	419	344
<b>Result</b>	<b>43,656</b>	<b>-74,027</b>	<b>44,753</b>	<b>-161,857</b>
<b>Profit attributable to:</b>				
Shareholders	37,541	-71,976	39,061	-150,019
Non-controlling interest	6,114	-2,050	5,692	-11,837
<b>Result</b>	<b>43,656</b>	<b>-74,027</b>	<b>44,753</b>	<b>-161,857</b>
Earnings per share (€)	0.93	-1.79	0.97	-3.73

Direct result per share (DRPS) for H1 2021 was € 0.93. It represents a 3.7% decline compared to the same period last year and still contains an impact from the Covid-19 pandemic as well as an impact from disposals. Due to the lockdowns, several arrangements have been made with tenants to provide them with the necessary support ranging from flexible payment schemes to waiving a part of the rent. These arrangements and ongoing negotiations, as well as reduced sales-based rents and parking income, had an impact of approximately € 0.25 per share in DRPS for H1.

During H1, EPRA Net Tangible Assets (NTA) declined by 5.1% to € 26.33 per share mainly due to negative portfolio revaluations, which for a large part comes from the 2% increase in transfer tax in the Netherlands. Total return for H1 2021 was € -0.91 per share, following the decline in EPRA NTA and the pay-out to shareholders of a € 0.50 per share dividend for 2020, paid in May 2021.

## Direct result

Our direct result to shareholders for H1 2021 totaled € 37.5m. Gross rental income amounted to € 83.8m, which compares to € 96.1m last year. The main difference is the impact from disposals. Property expenses for H1 came down from € 28.3m last year to € 18.6m this year. These were still affected by provisions made for Covid-19 agreements and negotiations with tenants, but substantially lower than last year. Our results include a € 7.7m provision to account for lower payments among tenants, cover ongoing negotiations as well as the increased bankruptcy risk as a result of the Covid-19 pandemic. Net rental income, meanwhile, amounted to € 61.5m (H1 2020: € 63.6m).

At July 20, 2021, our adjusted rent collection rate (for rents due in H1) stood at 84%. Out of the total due for H1, we granted discounts for € 4.4m. On the remaining € 18.7m, negotiations are proceeding. During H1, we continued a cost conscious approach which led to overall lower costs in the first half of 2021. We expect to realize further cost savings in 2022, mainly from organizational changes following the disposal of our centers in France.

Net interest expense in H1 declined to € 13.0m as a result of a lower net debt and a relatively stable interest rate at 1.94%.

## Indirect result

Our indirect result to shareholders for H1 amounted to -€ 72.0m, due mainly due to a downward revaluation of € 57.2m in our property portfolio (equivalent to -2.3% of the portfolio's total value). An amount of € 14.5m relates to the loss on disposals that were executed during H1.

Values for the Dutch portfolio are stabilizing when isolated from one-off impact from the increase in transfer tax. This also shows in a stable valuation yield on the Dutch portfolio on a like-for-like basis.

The value of our Dutch properties decreased by € 32.4m (-3.7%), compared with year-end 2020. In the Netherlands, € 15.7m of this downward adjustment was due to a 2% increase in transfer tax, effective January 1. Excluding the impact of the transfer tax, the values of the Dutch portfolio have been nearly stable with a value decline of only -1.6% versus -10.5% over 2020. The investment market showed an increasing appreciation for smaller convenience centers and stronger mixed-use schemes. This was visible also in the valuation of our Dutch portfolio. By end of H1, the average EPRA Net Initial Yield (NIY) on our Dutch portfolio compressed 30bps versus year-end 2020 and stood at 6.7%. The compression can be fully explained by the disposals. On a like-for-like basis, the valuation yield on the portfolio has remained stable. There still has been a wait-and-see approach among real estate investors in both Belgium and France during H1, leading to an absence of market transactions. The average EPRA NIY in France was stable at 4.9%, and for our Belgian shopping centers also had a stable yield at 5.6%. In France, values went slightly down by € 17.5m (-2.5%) on the back of a downward adjustment of expected market rents. In Belgium the value of the portfolio was nearly stable (-€ 7.3m or -0.8%), of which € 1.3m related to our Belgian office portfolio.

# Operations

Compared to Q1 2021, the occupancy rate in the shopping center portfolio increased 60bps to 94.9% and 390bps for the Belgian office portfolio to 74.7%. For H1, 113 leases were signed for our shopping centers, on average 3.8% above market rents, and in line with previous rent levels.

During the lockdown periods, many of the retailers experienced a strong decline or even a total drop in turnover. In this context, many individual conversations with a large part of our tenants were initiated about the rent payment conditions. This involved deferred payments, monthly payments, partial or whole forgiving of the rent, as well as supportive measures for the period following reopening of their stores to resume activities.

	# of contracts	Leasing volume	ERV uplift	MGR uplift	Occupancy rate	LFL NRI growth
<b>Shopping Centers</b>						
Belgium	39	6.0%	5.2%	1.8%	96.2%	12.5%
France	32	9.2%	0.6%	5.2%	93.5%	23.2%
Netherlands	42	2.6%	8.9%	-9.0%	94.9%	-9.4%
<b>Total Shopping Centers</b>	<b>113</b>	<b>5.5%</b>	<b>3.8%</b>	<b>0.0%</b>	<b>94.9%</b>	<b>4.3%</b>

## Belgium

In Belgium non-essential stores were forced to close from March 27 and could reopen under certain limitations, but without appointment on April 26. Footfall year-to-date was up 11.3% and for Q2 showed a strong increase of 63.6% when compared to 2020. For the months April and May, our portfolio outperformed the market on footfall by 4.4%. Between reopening in week 17 and week 27, footfall is at 91% in comparison with the level of 2019.

The EPRA occupancy rates in our Belgian shopping centers increased 110bps to 96.2%. Like-for-like (LFL) net rental income (NRI) growth was 12.5%, due to the reduced impact of Covid-19 on doubtful debts and turnover-based rents. Our visitors appreciated the additional services and upgrading of the amenities in our centers with an increased level of customer satisfaction. In Q2, our Net Promoter Score (NPS) rose to +24, compared with +21 the previous quarter. In shoes, turnover lagged behind the overall market, but the fashion sector as a whole performed surprisingly very well, with turnover even above 2019 levels.

In Belgium we signed 39 shopping center leases and 4 office leases in the first half of the year, which is 3 more when compared to the same period last year. The leases were signed 5.2% above market rent on average and 1.8% and 1.2% above previous rent levels excluding and including offices respectively. Our Belgian centers especially attracted a lot of activity from the F&B sector. Examples of new tenants include O'Tacos, Chitir Chicken, Dunkin' Donuts. In April, one of the fastest growing Belgian F&B chains, Hawaiian Poké Bowl, opened its thirteenth location in Belgium at our Shopping 1 center. The take-away location is one of the first to join our fresh food concept initiative at Shopping 1. Additionally, Kusmi Tea chose Belle-Île to open its fifth brand store in Belgium, only its second outside Brussels. Kusmi Tea is a French tea brand with Russian roots, sold in over 35 countries; it currently operates close to 90 stores. Another example is a new 925 m<sup>2</sup> store from furniture & home decoration brand Maisons du Monde at Belle-Île.

The EPRA occupancy rates at our Belgian offices increased by 390bps to 74.7% compared to Q1. The increase is due to a several leases with Maersk for our new office concept The Sage in Antwerp. We introduced the first steps of our renewed office-concept to our Antwerp office, which is also being expanded to our offices in Vilvoorde. The Sage is an office concept designed for the post-Covid era. It provides an innovative office environment aimed at stimulating teamwork and creativity. Keywords of The Sage are operational efficiency, user-friendliness, conviviality and a pleasant working environment. We are confident that with this modern concept we will be able to increase occupancy and deliver future value growth.

## France

Because of Covid-19, non-essential stores in our six French centers were forced to close between February 1 and May 19. With many stores open again, customer satisfaction increased; our NPS improved to -12 in Q2, up from -21 in Q1. On June 9, the F&B operators inside properties could reopen under certain conditions. However, F&B and cinemas could operate with limited capacity until July 1<sup>st</sup>. Footfall year-to-date was -17.7%. The footfall for Q2 saw a strong increase of 31.5% when compared to 2020, which is in line with the market index. Between reopening in week 20 and week 27, footfall is at 81% in comparison with the level of 2019.

At the end of June, the EPRA occupancy rate for our French centers stood at 93.5%, compared with 92.3% at the end of Q1.

Most centers saw unchanged-to-increasing occupancy rates. For H1, our LFL NRI growth came out at +23.2%, mainly due to a lower Covid-19 impact on doubtful debts and turnover compared to prior year.

In France, we signed 32 lease contracts in H1, double the amount when compared with the same period last year. During H1, we signed a 6-year lease with supermarket chain Lidl for a new 2,500 m<sup>2</sup> store at Docks Vauban. With the addition of Lidl, all our French centers are now anchored by one or more grocery retailers. In this center we also opened a new 200 m<sup>2</sup> LEGO® Certified store. The LEGO® store is the first in Normandy, and immediately attracted considerable attraction. A food hall project is currently being considered for development at Mériadeck. For this project, heads-of-terms have been signed for 6 out of 8 units. Meanwhile, at Docks 76 in Rouen, we signed a lease with food market Biltoki; this will be Biltoki's tenth location and the first in Normandy. By March 2022, the food market will be home to 25 independent traders, artisans and chefs. At Côté Seine we increased our healthcare offer by increasing the size of a pharmacy to now nearly 500 m<sup>2</sup>.

## Netherlands

In the Netherlands, Covid-19 restrictions were gradually eased during Q1. Non-essential stores were fully re-opened from April 28. Customer satisfaction continued to increase also in our Dutch portfolio and stood at +4 versus -3 in Q1 with new services being added for instance at The Point in Cityplaza. The lockdown effects year-to-date are most visible in the Netherlands, with visitor numbers showing an 17% decline. As reopening started in Q2, footfall numbers are 10% above 2020 levels. Between reopening in week 17 and week 27, footfall is at 88% in comparison with the level of 2019.

At the end of June, our EPRA occupancy rate in the Netherlands stood at 94.9%, stable versus Q1. Over the same period, LFL NRI was down 9.4%, due mainly to an increase in doubtful debt provisions resulting from the Covid-19 crisis.

The leasing activity has remained robust with 42 leases closed during H1, on average 8.9% above market rents, but 9.0% below previous rent levels. This decline versus previous rent level has been the result of moving to full sales-based rents, worsened market conditions over the past years, but in some cases is compensated by reduced capex obligations for us in the coming years. We have been able to close deals for large floor plates for long-term rental contracts. In Tilburg, Wereldhave and The Sting Companies are strengthening their collaboration by extending three lease agreements covering more than 17,000 m<sup>2</sup>. Additionally, the leases with Intersport and Mediamarkt at Pieter Vreedeplein have been extended. At Cityplaza in Nieuwegein, we extended the leases with The Sting and Mediamarkt. This quarter we entered into a package deal with H&M for all our locations and with Shoeby for three locations.

# 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 total returns. We call this our LifeCentral strategy. Transformation does not need to happen overnight, which is why our LifeCentral strategy will be implemented at a controlled pace.

## Standing portfolio

In Q2, we finalized the disposal of Koningshoek in Maassluis for a gross amount of € 47m, slightly above book value as at 31 December 2020, which makes the gross proceeds from disposals completed now total € 174m since the start of our LifeCentral strategy. Other disposals already completed this year include our Etten-Leur and In de Bogaard centers.

	H1 2021	H1 2020	Change
<b>Net Rental Income</b>			
Belgium	19,843	17,680	12.2%
France	13,164	10,132	29.9%
Netherlands	26,115	32,519	-19.7%
<b>Total Shopping Centers</b>	<b>59,122</b>	<b>60,331</b>	<b>-2.0%</b>
Offices	2,412	3,246	-25.7%
<b>Total</b>	<b>61,534</b>	<b>63,576</b>	<b>-3.2%</b>

	2021	2022	2023	2024	2025	2026	2027	≥ 2028	Indefinite
<b>Lease expiries <sup>1)</sup></b>									
Belgium	8.1%	6.9%	5.2%	5.9%	7.1%	4.3%	14.0%	47.9%	0.7%
France	4.2%	3.0%	6.7%	6.9%	5.2%	5.7%	8.4%	52.6%	7.3%
Netherlands	7.9%	10.2%	12.9%	12.9%	13.0%	7.3%	5.1%	21.5%	9.2%
<b>Total Shopping Centers</b>	<b>7.0%</b>	<b>7.4%</b>	<b>8.9%</b>	<b>9.1%</b>	<b>9.1%</b>	<b>6.0%</b>	<b>8.8%</b>	<b>37.7%</b>	<b>6.0%</b>
Offices	1.5%	6.9%	9.6%	8.6%	2.0%	29.8%	3.1%	38.5%	0.0%
<b>Total</b>	<b>6.8%</b>	<b>7.4%</b>	<b>8.9%</b>	<b>9.1%</b>	<b>8.9%</b>	<b>6.8%</b>	<b>8.6%</b>	<b>37.8%</b>	<b>5.8%</b>

<sup>1)</sup> Lease end date

	Number of assets	Surface owned <sup>1)</sup>	Annualised gross rent <sup>1,2)</sup>	Net value	Revaluation	EPRA NIY
<b>Portfolio overview</b>						
Belgium	9	216.7	48.0	826	-0.7%	5.6%
France	6	194.9	39.7	679	-2.5%	4.9%
Netherlands	11	327.9	63.1	840	-3.7%	6.7%
<b>Total Shopping Centers</b>	<b>26</b>	<b>739.5</b>	<b>150.9</b>	<b>2,345</b>	<b>-2.3%</b>	<b>5.8%</b>
Offices	2	62.5	6.3	90	-1.4%	6.4%
<b>Total</b>	<b>28</b>	<b>802.0</b>	<b>157.2</b>	<b>2,436</b>	<b>-2.3%</b>	<b>5.8%</b>

<sup>1)</sup> Excluding developments

<sup>2)</sup> As per 30 June 2021, excluding parking income

We aim to reduce our financial leverage, focus on FSCs in the Benelux and improve future returns from our portfolio. Consequently, we intend to phase out our French operations before year-end 2022, and sell assets with below-threshold Internal Rates of Return (IRRs) and / or assets, which we cannot successfully transform into FSCs.

## Portfolio sale to Lighthouse Capital Limited

Last night we have reached an agreement on the sale of a portfolio of four centers to Lighthouse Capital for a total gross amount of € 305m (including estimated capital expenditure of € 5m). The portfolio of entities sold to Lighthouse includes our assets Docks Vauban in Le Havre, Docks 76 and Saint Sever in Rouen, and Rivetoile in Strasbourg. After the transfer, scheduled for September 30, 2021, there are no additional capex obligations, vendor loan or rental guarantees for Wereldhave related to this transaction. The deal represents an EPRA NIY of 7.5%. At June 30, 2021, the book value of the assets sold totaled € 504m. As such, we estimate the sale will result in a € -5.06 per share impact on our EPRA NTA at completion. The impact of this transaction will become visible in the figures at year-end 2021. Wereldhave has been marketing the sale of the French assets since early 2020. Our plans for disposal were soon facing the harsh Covid-19 impact with lockdowns severely impacting retail. Investor interest for the portfolio was low in a very challenging debt market. Over the past half year, the French retail landscape showed eroding rental values, expanding yields and limited market demand for shopping centers. Without material wind-down

costs, a saving in general cost will start in 2022. The transaction enables Wereldhave to largely exit France, to secure liquidity until Q1 2024, to strengthen the balance sheet by lowering the LTV and make funds available for the transformational strategy. The remaining centers in our French portfolio - Côté Seine in the greater Paris area (Argenteuil) and Mériadeck in Bordeaux - are still for sale. We now have more room to time the disposal of these two centers and maximize the disposal result. The remaining cost savings will be implemented once the last two assets have been sold.

Upon completion of the transaction it will result in € 479m in asset sales since the announcement of our LifeCentral strategy in February 2020.

### Full Service Center transformations & development portfolio

FSC transformations will be done step-by-step. This agile approach keeps risks low during development. Today, we are announcing that our Sterrenburg center in Dordrecht will also be transformed into an FSC as part of our LifeCentral program. Other transformations currently planned are at Vier Meren in Hoofddorp, Tilburg city-center, Belle-Île in Liège and the Ring Shopping center in Courtrai. Although we have internal commitment for the transformation of Vier Meren and Belle-Île, we have not yet externally committed to these projects.

(In €m)	Total investment	Actual costs	Estimated capex 2021	Estimated capex after 2021	Unlevered IRR	Pre-let rate	Completion
<b>Committed</b>							
Tilburg	15	3	8	4	7%	23%	2022
Sterrenburg	24	8	4	12	6%	97%	2022
Ring Shopping Kortrijk	12	1	6	4	7%	n.a.	2022
Other	16	6	4	5			
<b>Committed total</b>	<b>67</b>	<b>18</b>	<b>22</b>	<b>26</b>			
<b>Uncommitted</b>							
Belle-Île	47	5	-	42	7%	50%	2023
Vier Meren	31	1	2	28	7%	54%	2022
Other	42	1	6	35			
<b>Uncommitted total</b>	<b>120</b>	<b>7</b>	<b>8</b>	<b>105</b>			
<b>Total</b>	<b>187</b>	<b>25</b>	<b>30</b>	<b>131</b>			

## Equity & net asset value

At June 30, 2021 shareholders' equity including non-controlling interest amounted to € 1,279.3m (December 31, 2020: € 1,334.7m). The number of shares in issue remained unchanged at 40,270,921 ordinary shares. A total of 146,176 treasury shares are held by the Company.

€ per share	30-Jun-21	31-Dec-20	Change
IFRS NAV	26.41	27.97	-5.6%
EPRA NRV	29.03	30.26	-4.1%
EPRA NTA	26.33	27.74	-5.1%
EPRA NDV	25.39	26.59	-4.5%

## Financing

At end-June, interest-bearing debt totaled € 1,119m, which - together with a cash balance of € 14m - resulted in a net debt for the year of € 1,105m. Undrawn borrowing capacity amounted to € 271m. Together with the expected proceeds from the disposal in France, this is sufficient to cover all debt maturities through to Q1 2024. Our net loan-to-value (LTV) ratio, meanwhile, stood at 46.1% (compared with 46.7% at year-end 2020). On a pro-forma basis, including the disposal of our French portfolio, our H1 LTV ratio would have been 42%. Assuming our Green Revolving Credit Facility is fully drawn, Wereldhave's gross LTV at the end of H1 stood at 50%, well below our bank covenant limit of 60%. Our average cost of debt and Interest Coverage Ratio (ICR) were 1.94% and 5.5x respectively (our bank covenant requires an ICR of at least 2.0). By end-H1, our interest-bearing debt had a weighted average term-to-maturity of 3.7 years.

Wereldhave's disciplined approach to capital allocation is focused on delivering a strong balance sheet, outperforming long-term value growth for shareholders through its investments, and returning appropriate dividends to shareholders. Our current LTV ratio – at 46.1% – is still above our target range of 30-40%. We expect to receive proceeds of € 305m from our sale of four centers in France (see above) during on September 30, 2021. These proceeds will initially be used to reduce debt and gradually be used for further investments in our LifeCentral strategy.

During H1, Wereldhave has obtained € 202m in additional funding by adding new as well as by extending existing credit facilities. Following the € 32m new funding in Q1, a new € 120m green financing facility was arranged in the Netherlands with ABN AMRO. In Belgium a € 50m facility has been refinanced by a new Green credit facility with a term of four years. Additionally the Treasury notes programme size has been increased from € 100m to € 150m. During Q2, we were able to refinance below our average cost of debt.

The credit lines that can be repaid with the proceeds from the French disposals bear an interest rate below our average cost of debt. Therefore we expect our average interest rate to increase towards year-end 2021 to a level just above 2%. Maturities falling due in the next twelve months, however, bear interest rates above our current average cost of debt and current refinancing rates.

## Dividend

Wereldhave intends to propose to the AGM a dividend for the fiscal year 2021 of at least € 1.00 per share (equivalent to a payout of € 40m). With regards to the 2022 dividend, our aim is to return to a pay-out ratio of 75% to 85%, as set out in our dividend policy.

# Environmental, Social & Governance

## Better Footprint

For each of our centers, we are developing net zero roadmaps - in line with our overall net zero ambition. Roadmaps have already been created during H1 for our Brugge retail park, and our centers at Vier Meren, Sterrenburg and Kronenburg. These roadmaps clearly set out priorities for how to best to reduce our carbon footprint - and how to combine this with refurbishment and structural repairs. Examples done during H1 are that we strengthened the insulation on the roof at our Cityplaza center in Nieuwegein and added LED lighting to the car park at Winkelhof. Another one is that at our Shopping 1 center in Genk, we deployed 1,745 solar panels - capable of producing 450 kWp.

In France, we started a partnership with Too Good To Go to reduce food waste in five centers, contributing to UN Sustainable Development Goals (SDG) 12.5 (substantially reduce waste generation) and 17.16 (enhance the global partnership for sustainable development). During H1, our work with Too Good To Go lowered food waste production by 16,348 kg CO<sub>2</sub>e, the equivalent of 16 flights from Paris to New York. Our partnership does more than lower food waste; it also creates additional income for the ten tenants who are part of the partnership, as well as an attractive deal opportunity for the 3,199 customers that picked up 6,539 discounted food basket in H1 that otherwise would have ended up as food waste. We are currently discussing the possibility of extending our cooperation with Too Good To Go to Belgium in H2, and to the Netherlands after that.

## Better Nature

Our centers can be used to reduce climate risk and increase biodiversity, creating a better local environment. By doing this, we can contribute positively to UN SDGs 11 (sustainable cities and communities) and 13 (climate action) if possible. During H1, we added new beehives at our Shopping Nivelles center in Belgium to support local biodiversity. Our net zero roadmaps also include plans to mitigate the physical effects of climate change (e.g. extreme heat, flooding, storms). Of our 29 centers, 20 have at least one feature aimed at improving biodiversity. These features also have a positive impact on the BREEAM certification of our buildings.

## Better Living

Wereldhave invests in local communities, creating a positive social impact by offering space to social enterprises and charities, and by providing a welcoming environment that helps reduce loneliness and exclusion. By doing so, Wereldhave contributes to UN SDGs 8 (decent work and economic growth) and 11 (sustainable cities and communities). In Belgium, during H1, we supported 26 social events, including fund-raising sales for NGOs Ile de Paix, the Red Cross, and Doctors without Borders, as

well as cultural events, and events to promote better health, or help disadvantaged groups. As part of its half-centenary, our Roselaar shopping center in the Netherlands, supported the charity 'Ik Trakteer' - or "My Treat." Visitors to the center were able to donate the deposits due on plastic bottles to the charity. Proceeds were used to help underprivileged children in the local community.

## Full Service Centers transformations

During H1, we made further progress transforming our centers to FSCs in the Benelux. The proportion of retail floor space devoted to mixed use was 10.3% versus 10.0% at year-end 2020. Notable developments include a strong leasing towards the F&B sector, particularly in Belgium, the opening of Basic Fit at Eggert and increasing the healthcare offer at Presikhaaf.

### Introducing office concept The Sage

As a customer-oriented operator of future FSCs, Wereldhave has decided to put its know-how at the service of its Belgian office parks by launching a new concept. This concept is called The Sage, and is designed for the post-Covid era. It provides an innovative office environment, helping stimulate teamwork and creativity. Keywords of The Sage are operational efficiency, user-friendliness, conviviality and a pleasant working environment.

Following its introduction at our Belgian offices, The Sage will serve as a template for developing an office concept for our FSCs. This co-working concept will offer a high-tech, sustainable office space with flexible, smart meeting rooms, an F&B offer and sporting facilities. This project includes a restaurant chain Eatery, providing additional services such as food take-out.

The Sage is a distinctive concept that provides a modern working environment, with a welcoming, healthy and productive atmosphere. It has been designed with a touch of rebel spirit to help our tenants remain one step ahead in the "war for talent." The Sage also has modern technical installations to reduce carbon emissions, protect the environment, lower water consumption and help make our centers more energy efficient. There is also a focus on recycling, which means lower waste production. The Sage has already been launched at our office properties in Antwerp, and will soon be extended to Vilvoorde.

## Outlook

Wereldhave's aim is to become the market leader in FSCs in the Benelux, broaden our customer experience and improve our digital capabilities. Through our LifeCentral program, we will work to transform our centers, adapting them to new market realities, restoring the retail balance and adding new functions and uses. We have strengthened our balance sheet by divesting selected assets, including a large part of the phase out of our presence in France. The remaining part of the phase out is scheduled to be finalized before year-end 2022.

The transformation of our portfolio into FSCs will be carried out simultaneously with our disposal program. This will lower our debt and strengthen our balance sheet. In the short term - over the next two years - we anticipate our DRPS will decrease to € 1.40-1.50. Once our disposals are complete however, we expect - through our FSC transformation strategy - to achieve rental, value and dividend growth. We currently project for this period an annual growth of our DRPS of between 4% and 6%.

On a constant portfolio basis, we could have raised our previously issued outlook for 2021 DRPS, which was at the lower end of the € 1.80 - 2.00 range. However, the sale of our French portfolio will result in lower rental income for Q4 and therefore affect our DRPS forecast for 2021 negatively by € 0.13. Therefore we now expect a DRPS for 2021 between € 1.75 and 1.85. This outlook assumes a gradual recovery from the pandemic in Western Europe; we should emphasize however that, in the current context, there are significant uncertainties associated with this scenario (including the risk of a further wave of Covid-19 infections in our markets, additional or re-instated lockdown measures, or a material deterioration in economic prospects).

### Conference call / webcast

Wereldhave will host a webcast at 10.00 CET today to present its H1 results. This (live) webcast will be available at [www.wereldhave.com](http://www.wereldhave.com). Questions can be forwarded by e-mail to [ruud.van.maanen@wereldhave.com](mailto:ruud.van.maanen@wereldhave.com) prior to the webcast.

# Condensed consolidated statement of financial position

at June 30, 2021

<i>(x € 1,000)</i>	Note	June 30, 2021	December 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property in operation		2,370,411	2,513,429
Lease incentives		5,484	5,482
Investment property under construction		59,981	58,669
<b>Investment property</b>	5	<b>2,435,876</b>	<b>2,577,580</b>
Property and equipment		4,704	5,419
Intangible assets		352	273
Derivative financial instruments		13,542	13,965
Other financial assets		3,493	2,790
<b>Total non-current assets</b>		<b>2,457,968</b>	<b>2,600,028</b>
<b>Current assets</b>			
Trade and other receivables		59,185	51,167
Tax receivables		6,537	11,027
Derivative financial instruments		-	10,324
Cash and cash equivalents		14,457	67,000
<b>Total current assets</b>		<b>80,179</b>	<b>139,518</b>
Investments held for sale		4,157	3,200
<b>Total assets</b>		<b>2,542,304</b>	<b>2,742,746</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital		40,271	40,271
Share premium		1,711,033	1,711,033
Reserves		-691,713	-627,008
<b>Attributable to shareholders</b>		<b>1,059,590</b>	<b>1,124,296</b>
Non-controlling interest		219,719	210,387
<b>Total equity</b>		<b>1,279,309</b>	<b>1,334,683</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	7	980,259	971,017
Deferred tax liabilities		626	711
Derivative financial instruments		23,778	27,354
Other long-term liabilities		31,859	33,172
<b>Total non-current liabilities</b>		<b>1,036,521</b>	<b>1,032,255</b>
<b>Current liabilities</b>			
Trade payables		7,561	14,864
Tax payable		9,786	9,514
Interest-bearing liabilities	7	139,500	281,762
Other short-term liabilities		69,627	69,313
Derivative financial instruments		-	355
<b>Total current liabilities</b>		<b>226,474</b>	<b>375,808</b>
<b>Total equity and liabilities</b>		<b>2,542,304</b>	<b>2,742,746</b>

# Condensed consolidated income statement

for the period ended June 30, 2021

(x € 1,000)	Note	H1 2021	H1 2020
Gross rental income		83,778	96,050
Service costs charged		15,495	14,793
<b>Total revenue</b>		<b>99,272</b>	<b>110,843</b>
Service costs paid		-19,186	-18,934
Property expenses		-18,552	-28,333
<b>Net rental income</b>	9	<b>61,534</b>	<b>63,576</b>
Valuation results		-57,241	-161,545
Results on disposals		-14,505	-2,147
General costs		-5,645	-6,722
Other income and expense		33	-12
<b>Operating result</b>		<b>-15,825</b>	<b>-106,850</b>
Interest charges		-13,029	-14,166
Interest income		3	4
<b>Net interest</b>		<b>-13,025</b>	<b>-14,161</b>
Other financial income and expense		-1,638	3,146
<b>Result before tax</b>		<b>-30,488</b>	<b>-117,866</b>
Income tax		117	763
<b>Result for the year</b>		<b>-30,371</b>	<b>-117,103</b>
<b>Result attributable to:</b>			
Shareholders		-34,435	-110,958
Non-controlling interest		4,064	-6,145
<b>Result for the year</b>		<b>-30,371</b>	<b>-117,103</b>
Earnings per share (€)		-0.86	-2.76

# Condensed consolidated statement of comprehensive income

for the period ended June 30, 2021

<i>(x € 1,000)</i>	H1 2021	H1 2020
<b>Result</b>	<b>-30,371</b>	<b>-117,103</b>
<b>Items that may be recycled to the income statement subsequently</b>		
Effective portion of change in fair value of cash flow hedges	-4,580	18,746
Changes in fair value of cost of hedging	454	-642
<b>Total comprehensive income</b>	<b>-34,497</b>	<b>-98,999</b>
<b>Attributable to:</b>		
Shareholders	-38,574	-92,862
Non-controlling interest	4,077	-6,137
	<b>-34,497</b>	<b>-98,999</b>

# Condensed consolidated statement of changes in equity

for the period ended June 30, 2021

(x € 1,000)	Attributable to shareholders						Non-controlling interest	Total equity
	Share capital	Share premium	General reserve	Hedge reserve	Cost of hedging reserve	Total attributable to shareholders		
<b>Balance at January 1, 2020</b>	<b>40,271</b>	<b>1,711,033</b>	<b>-425,488</b>	<b>-6,569</b>	<b>350</b>	<b>1,319,598</b>	<b>230,682</b>	<b>1,550,281</b>
<b>Comprehensive income</b>								
Result	-	-	-110,958	-	-	-110,958	-6,145	-117,103
Effective portion of change in fair value of cash flow hedges	-	-	-	18,738	-	18,738	8	18,746
Changes in fair value of cost of hedging	-	-	-	-	-642	-642	-	-642
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-110,958</b>	<b>18,738</b>	<b>-642</b>	<b>-92,862</b>	<b>-6,137</b>	<b>-98,999</b>
<b>Transactions with shareholders</b>								
Shares for remuneration	-	-	-495	-	-	-495	-	-495
Share based payments	-	-	95	-	-	95	-	95
Dividend	-	-	-25,370	-	-	-25,370	-	-25,370
Other	-	-	852	-	-	852	-	852
<b>Balance at June 30, 2020</b>	<b>40,271</b>	<b>1,711,033</b>	<b>-561,364</b>	<b>12,169</b>	<b>-292</b>	<b>1,201,817</b>	<b>224,545</b>	<b>1,426,362</b>
<b>Balance at January 1, 2021</b>	<b>40,271</b>	<b>1,711,033</b>	<b>-633,858</b>	<b>5,764</b>	<b>1,085</b>	<b>1,124,296</b>	<b>210,387</b>	<b>1,334,683</b>
<b>Comprehensive income</b>								
Result	-	-	-34,435	-	-	-34,435	4,064	-30,371
Effective portion of change in fair value of cash flow hedges	-	-	-	-4,593	-	-4,593	13	-4,580
Changes in fair value of cost of hedging	-	-	-	-	454	454	-	454
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-34,435</b>	<b>-4,593</b>	<b>454</b>	<b>-38,574</b>	<b>4,077</b>	<b>-34,497</b>
<b>Transactions with shareholders</b>								
Shares for remuneration	-	-	-966	-	-	-966	-	-966
Share based payments	-	-	2	-	-	2	-	2
Dividend	-	-	-20,135	-	-	-20,135	-11,491	-31,626
Change non-controlling interest	-	-	-5,032	-	-	-5,032	16,716	11,684
Other	-	-	-	-	-	-	30	30
<b>Balance at June 30, 2021</b>	<b>40,271</b>	<b>1,711,033</b>	<b>-694,424</b>	<b>1,171</b>	<b>1,539</b>	<b>1,059,590</b>	<b>219,719</b>	<b>1,279,309</b>

# Condensed Consolidated cash flow statement

for the period ended June 30, 2021

<i>(x € 1,000)</i>	H1 2021	H1 2020
<b>Operating activities</b>		
<b>Result</b>	<b>-30,371</b>	<b>-117,103</b>
Adjustments:		
Valuation results	57,241	161,545
Net interest	13,025	14,161
Other financial income and expense	1,638	-1,944
Results on disposals	14,505	2,147
Deferred tax	-86	-344
Amortization	876	732
Movements in working capital	-11,533	313
<b>Cash flow generated from operations</b>	<b>45,296</b>	<b>59,508</b>
Interest paid	-10,517	-11,193
Interest received	3	4
Income tax	123	374
<b>Cash flow from operating activities</b>	<b>34,906</b>	<b>48,694</b>
<b>Investment activities</b>		
Proceeds from disposals direct investment properties	90,119	37,411
Proceeds from disposals indirect investment property	-	-
Investments in investment property	-21,625	-32,805
Investments in equipment	-95	-20
Investments in financial assets	-703	-78
Investments in intangible assets	-152	-63
<b>Cash flow from investing activities</b>	<b>67,543</b>	<b>4,445</b>
<b>Financing activities</b>		
Proceeds from interest bearing debts	59,613	82,250
Repayment interest bearing debts	-191,916	-99,471
Movements in other long-term liabilities	-1,852	-2,053
Purchase of treasury shares	-967	-496
Transactions non-controlling interests	8,059	-
Dividend paid	-27,929	-25,370
<b>Cash flow from financing activities</b>	<b>-154,992</b>	<b>-45,140</b>
Increase/decrease in cash and cash equivalents	-52,543	7,999
Cash and cash equivalents at January 1	67,000	20,834
<b>Cash and cash equivalents at June 30</b>	<b>14,457</b>	<b>28,833</b>

# Notes to the condensed consolidated interim financial statements

## 1 Reporting entity

Wereldhave N.V. ('the Company') is an investment company which invests in real estate (shopping centres 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. These condensed consolidated interim financial statements for the period ended June 30, 2021 were approved for issue on July 26, 2021. The figures of this press release are unaudited.

## 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 Venootschapsbelasting 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 June 30, 2021. 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 condensed consolidated interim financial statements for the period ended June 30, 2021 are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### Statement of compliance

This condensed consolidated interim financial information for the six months ended June 30, 2021 has been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial information should be read in conjunction with the financial statements for the year ended December 31, 2020, which 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 condensed consolidated interim financial statements**

These condensed consolidated interim financial statements for the period ended June 30, 2021 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 these condensed consolidated interim 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 condensed consolidated interim financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate.

**Change in accounting policy and disclosures****New and amended standards adopted by the Group**

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2020.

As of January 1, 2021 the following standards became effective but did not have an impact on the Company's consolidated financial statements:

- COVID-19-Related Rent Concessions – Amendment to IFRS 16
- Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

**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, 2021 and have not been applied in preparing these condensed consolidated financial statements:

- Onerous Contracts: Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020 – Amendments to IFRS 1, IFRS 9, illustrative examples accompanying IFRS 16 and IAS 41
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Classification of Liabilities as Current or Noncurrent – Amendments to IAS 1
- IFRS 17 Insurance Contracts
- Definition of Accounting Estimate – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

These amendments are not expected to have a significant impact on the Company's consolidated financial statements.

## 4 Segment information

### Geographical segment information H1 2021

(x € 1,000)	Belgium	France	Netherlands	Headoffice	Total
<b>Result</b>					
Gross rental income	27,803	19,897	36,078	-	83,778
Service costs charged	4,125	5,953	5,417	-	15,495
<b>Total revenue</b>	<b>31,928</b>	<b>25,850</b>	<b>41,495</b>	<b>-</b>	<b>99,272</b>
Service costs paid	-5,413	-7,832	-5,941	-	-19,186
Property expenses	-4,260	-4,854	-9,439	-	-18,552
<b>Net rental income</b>	<b>22,255</b>	<b>13,164</b>	<b>26,115</b>	<b>-</b>	<b>61,534</b>
Valuation results	-7,326	-17,504	-32,411	-	-57,241
Results on disposals	65	-	-14,570	-	-14,505
General costs	-1,622	-385	-843	-2,795	-5,645
Other income and expense	-	30	-	3	33
<b>Operating result</b>	<b>13,372</b>	<b>-4,695</b>	<b>-21,709</b>	<b>-2,792</b>	<b>-15,825</b>
Interest charges	-1,767	-8,301	-9,128	6,167	-13,029
Interest income	3	-	-	-	3
Other financial income and expense	546	-	-	-2,184	-1,638
Income tax	-50	179	-12	-	117
<b>Result</b>	<b>12,104</b>	<b>-12,817</b>	<b>-30,849</b>	<b>1,190</b>	<b>-30,371</b>
<b>Total assets</b>					
Investment properties in operation	901,409	678,172	790,830	-	2,370,411
Investment properties under construction	13,290	17	46,674	-	59,981
Assets held for sale	-	-	4,157	-	4,157
Other segment assets	21,503	41,497	363,927	1,144,630	1,571,557
minus: intercompany	-209	-	-65,000	-1,398,593	-1,463,802
	<b>935,993</b>	<b>719,686</b>	<b>1,140,588</b>	<b>-253,963</b>	<b>2,542,304</b>
<b>Investments</b>	<b>2,513</b>	<b>6,217</b>	<b>12,041</b>	<b>-</b>	<b>20,771</b>
<b>Gross rental income by type of property</b>					
Shopping centres	24,785	19,897	36,078	-	80,760
Offices	3,017	-	-	-	3,017
	<b>27,803</b>	<b>19,897</b>	<b>36,078</b>	<b>-</b>	<b>83,778</b>

## Geographical segment information H1 2020

(x € 1,000)	Belgium	France	Netherlands	Headoffice	Total
<b>Result</b>					
Gross rental income	29,700	22,090	44,261	-	96,050
Service costs charged	4,928	4,834	5,032	-	14,793
<b>Total revenue</b>	<b>34,628</b>	<b>26,924</b>	<b>49,292</b>	<b>-</b>	<b>110,843</b>
Service costs paid	-5,881	-7,448	-5,605	-	-18,934
Property expenses	-7,822	-9,343	-11,168	-	-28,333
<b>Net rental income</b>	<b>20,926</b>	<b>10,132</b>	<b>32,519</b>	<b>-</b>	<b>63,576</b>
Valuation results	-35,274	-63,623	-62,649	-	-161,545
Results on disposals	326	-	-2,473	-	-2,147
General costs	-2,102	-889	-990	-2,741	-6,722
Other income and expense	-	-5	-	-7	-12
<b>Operating result</b>	<b>-16,124</b>	<b>-54,385</b>	<b>-33,593</b>	<b>-2,748</b>	<b>-106,850</b>
Interest charges	-1,291	-8,294	-9,060	4,479	-14,166
Interest income	3	-	2	-	4
Other financial income and expense	-899	-	-	4,045	3,146
Income tax	-66	-61	282	607	763
<b>Result</b>	<b>-18,377</b>	<b>-62,739</b>	<b>-42,369</b>	<b>6,383</b>	<b>-117,103</b>
<b>Total assets</b>					
Investment properties in operation	922,436	751,294	992,761	-	2,666,491
Investment properties under construction	12,115	-	57,805	-	69,920
Assets held for sale	-	-	3,200	-	3,200
Other segment assets	24,951	35,052	231,037	1,340,503	1,631,543
minus: intercompany	-204	-	-65,000	-1,408,973	-1,474,177
	<b>959,298</b>	<b>786,346</b>	<b>1,219,803</b>	<b>-68,470</b>	<b>2,896,977</b>
<b>Investments</b>	<b>9,514</b>	<b>10,441</b>	<b>11,392</b>	<b>-</b>	<b>31,347</b>
<b>Gross rental income by type of property</b>					
Shopping centres	25,933	22,090	44,261	-	92,283
Offices	3,767	-	-	-	3,767
	<b>29,700</b>	<b>22,090</b>	<b>44,261</b>	<b>-</b>	<b>96,050</b>

## 5 Investment property

(x € 1,000)	Investment property in operation	Lease incentives	Investment property under construction	Total	Investment property
<b>2021</b>					
<b>Balance at January 1</b>	<b>2,513,429</b>	<b>5,482</b>	<b>58,669</b>		<b>2,577,580</b>
Purchases	661	-	-		661
Investments	9,307	-	10,802		20,109
From / to development properties	9,490	-	-9,490		-
To / from investments held for sale	-957	-	-		-957
Disposals	-104,276	-	-		-104,276
Valuations	-57,241	-	-		-57,241
Other	-2	2	-		-
<b>Balance at June 30</b>	<b>2,370,411</b>	<b>5,484</b>	<b>59,981</b>		<b>2,435,876</b>
<b>2020</b>					
<b>Balance at January 1</b>	<b>2,833,690</b>	<b>5,639</b>	<b>67,357</b>		<b>2,906,686</b>
Purchases	286	-	-		286
Investments	21,978	-	9,710		31,688
From / to development properties	4,084	-	-4,084		-
To / from investments held for sale	-800	-	-		-800
Disposals	-34,264	-	-		-34,264
Valuations	-158,481	-	-3,063		-161,544
Other	-2	123	-		121
<b>Balance at June 30</b>	<b>2,666,491</b>	<b>5,762</b>	<b>69,920</b>		<b>2,742,173</b>

### Key assumptions relating to valuations:

	Belgium	France	Netherlands
<b>June 30, 2021</b>			
Total market rent per sqm (€)	203	227	200
EPRA Net Initial Yield	5.6%	4.9%	6.7%
EPRA vacancy rate	8.1%	7.2%	3.4%
Average vacancy period (in months)	12	11	9
Bandwidth vacancy (in months)	0-18	9-12	0-17
<b>December 31, 2020</b>			
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

## 6 Net asset value per share

The authorised capital comprises 75,000,000 shares each with a nominal value of € 1. As at June 30, 2021, 40,270,921 ordinary shares were issued.

	June 30, 2021	December 31, 2020
Equity available for shareholders (x € 1,000)	1,059,590	1,124,296
Number of ordinary shares	40,270,921	40,270,921
Treasury shares	-146,176	-79,259
<b>Number of ordinary shares per 30 June for calculation net asset value</b>	<b>40,124,745</b>	<b>40,191,662</b>
<b>Net asset value per share (x € 1)</b>	<b>26.41</b>	<b>27.97</b>

## 7 Interest bearing liabilities

(x € 1,000)	June 30, 2021	December 31, 2020
Bank loans	383,183	383,382
Private placement	597,076	587,635
<b>Long-term interest bearing liabilities</b>	<b>980,259</b>	<b>971,017</b>
Bank loans	12,500	74,987
Private placement	27,000	121,825
Treasury notes	100,000	84,950
<b>Short-term interest bearing liabilities</b>	<b>139,500</b>	<b>281,762</b>
<b>Total interest bearing liabilities</b>	<b>1,119,759</b>	<b>1,252,779</b>

(x € 1,000)	June 30, 2021	December 31, 2020
<b>Balance at January 1</b>	<b>1,252,779</b>	<b>1,335,657</b>
New funding	59,613	358,708
Repayments	-201,639	-412,540
Use of effective interest method	405	956
Effect of fair value hedges	-705	-1,584
Exchange rate differences	9,306	-28,419
<b>Balance at December 31</b>	<b>1,119,759</b>	<b>1,252,779</b>

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

(x € 1,000)	June 30, 2021		December 31, 2020	
	carrying amount	fair value	carrying amount	fair value
Bank loans, private placement and EMTN	980,259	1,020,985	971,017	1,026,504
<b>Total</b>	<b>980,259</b>	<b>1,020,985</b>	<b>971,017</b>	<b>1,026,504</b>

## 8 Fair value measurement

(x € 1,000)	Fair value measurement using			
	Total	Quoted prices (Level 1)	Observable input (Level 2)	Unobservable input (Level 3)
<b>June 30, 2021</b>				
<b>Assets measured at fair value</b>				
Investment property in operation	2,375,895	-	-	2,375,895
Investment property under construction <sup>1)</sup>	46,692	-	-	46,692
Investments held for sale	4,157	-	-	4,157
<b>Financial assets</b>				
Derivative financial instruments	13,542	-	13,542	-
<b>Liabilities for which the fair value has been disclosed</b>				
Interest bearing debt	1,160,485	-	1,160,485	-
Derivative financial instruments	23,778	-	23,778	-
<b>December 31, 2020</b>				
<b>Assets measured at fair value</b>				
Investment property in operation	2,518,911	-	-	2,518,911
Investment property under construction <sup>1)</sup>	46,036	-	-	46,036
Investments held for sale	3,200	-	-	3,200
<b>Financial assets</b>				
Derivative financial instruments	24,289	-	24,289	-
<b>Liabilities for which the fair value has been disclosed</b>				
Interest bearing debt	1,308,266	-	1,308,266	-
Derivative financial instruments	27,709	-	27,709	-

<sup>1)</sup> Excluding investment property under construction held at costs (June 30, 2021: € 13,289k; December 31, 2020: € 12,635k)

## 9 Rental income by country

(x € 1,000)	Gross rental income		Property expenses, service costs and operating costs		Net rental income	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Belgium	27,803	29,700	5,548	8,775	22,255	20,926
France	19,897	22,090	6,733	11,957	13,164	10,132
The Netherlands	36,078	44,261	9,964	11,742	26,115	32,519
<b>Total</b>	<b>83,778</b>	<b>96,050</b>	<b>22,244</b>	<b>32,474</b>	<b>61,534</b>	<b>63,576</b>

## 10 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. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions if such terms can be substantiated.

## 11 Events after balance sheet date

On July 26, 2021 agreement was reached to sell a portfolio of entities holding our French assets Docks Vauban in Le Havre, Docks 76 and Saint Sever in Rouen and Rivetoile in Strasbourg to Lighthouse Capital Limited for a total gross proceeds of € 305m. Completion of the transaction is scheduled for September 30, 2021.

## 12 Declaration of the Board of Management

The Board of management of Wereldhave N.V., consisting of Matthijs Storm and Dennis de Vreede, hereby declares that, to the best of their knowledge:

1. the condensed consolidated interim financial statement over the first half year of 2021 gives a true and fair view of the assets, liabilities, financial position and result of Wereldhave N.V. and the companies included in the consolidation as a whole;
2. the condensed consolidated interim financial statement over the first half year of 2021 provides a true and fair view on the condition as at the balance sheet date and the course of business during the half year under review of Wereldhave N.V. and the related companies of which the data have been included in the financial statement, and the expected course of business, where, in as far as important interest do not oppose, particular attention is paid to the investments and the conditions of which the development of turnover and profitability depend; and
3. the condensed consolidated interim financial statement over the first half year of 2021 includes a true and fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht). Wereldhave considers the market risk, liquidity risk and credit risk as financial risks. The market risk can be divided into interest risk and currency risk. Rapidly changing economic environments and uncertainty about the solidity of the Euro(zone) may affect the market circumstances, and thus both the letting prospects as well as the market value of the properties. The continuation of the Euro(zone) is assumed.

For further comments we refer to the annual report 2020. Our risks are being monitored on a continuous basis.

Schiphol, July 27, 2021

### **Board of Management**

Matthijs Storm, CEO

Dennis de Vreede, CFO

