Wereldhave

Press release Wereldhave

Results 2021

10 February 2022

make every day count

Wereldhave Full Service Centers contribute to a more joyful and comfortable everyday life.
A one-stop location that combines 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

DRPS 2021 at € 1.88 per share, above guidance of € 1.80 – 1.85 due to strong rent collection

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Proposed dividend 2021 € 1.10 per share, vs. € 0.50 for 2020

Stable Benelux property valuations in H2 2021, LTV down to 41% from 47% FY 2020

Two Full Service Centers completed, delivering 3 Full Service Centers in 2022

Significant increase in NPS to +25 reflecting strategy impact

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Outlook DRPS 2022 increased from € 1.40-1.50 per share to € 1.50-1.60

Summary

	2021	2020	Change
Key financial metrics (x € 1,000)			
Gross rental income	161,840	189,372	-14.5%
Net rental income	124,669	133,029	-6.3%
Direct result	88,481	92,899	-4.8%
Indirect result	-301,772	-287,120	-5.1%
Total result	-213,292	-194,221	-9.8%
Per share items (€)			
Direct result	1.88	2.01	-6.4%
Indirect result	-7.52	-6.66	-12.9%
Total result	-5.64	-4.65	-21.2%
Total return based on EPRA NTA	-5.70	-4.60	-23.9%
Dividend paid	0.50	0.63	-20.6%

	31 Dec 2021	31 Dec 2020	Change
Key financial metrics (x € 1,000)			
Investment property	1,939,340	2,577,580	-24.8%
Assets held for sale	6,525	3,200	103.9%
Net debt	788,082	1,185,779	-33.5%
Equity attributable to shareholders	866,823	1,124,296	-22.9%
EPRA performance metrics			
EPRA EPS (€/share)	1.68	1.98	-15.0%
EPRA NRV (€/share)	23.93	30.26	-20.9%
EPRA NTA (€/share)	21.54	27.74	-22.4%
EPRA NDV (€/share)	20.89	26.59	-21.4%
EPRA Vacancy rate	5.1%	5.9%	-0.8 pp
EPRA Cost ratio (including direct vacancy costs)	32.2%	35.2%	-3.0 pp
EPRA Net Initial Yield	6.0%	6.0%	0.0 pp
Other ratios			
Net LTV	41.0%	46.7%	-5.7 pp
ICR	5.8x	5.3x	0.5x
IFRS NAV (€/share)	21.60	27.97	-22.8%
Number of ordinary shares in issue	40,270,921	40,270,921	0.0%
Number of ordinary shares for NAV	40,124,327	40,191,662	-0.2%
Weighted avg. number of ordinary shares outstanding	40,146,461	40,212,448	-0.2%
Shopping Centers portfolio metrics			
Number of assets	22	29	-24.1%
Surface owned (x 1,000m2) [1]	594	809	-26.6%
LFL NRI growth	6.0%	-21.0%	27.0 pp
Occupancy rate	96.2%	95.0%	1.2 pp
Theoretical rent (€/m2)	223	221	0.9%
ERV (€/m2)	211	211	0.0%
Footfall growth	-3.1%	-22.8%	19.7 pp
Proportion of mixed-use Benelux (in m2)	10.8%	10.0%	0.8 pp
Customer satisfaction Benelux (NPS)	25	4	21

[1] *Excluding developments*

Message from our CEO

Major step forward in financial strength
In 2021, our finance and country teams took a major step forward in fulfilling one of our key strategic objectives: to strengthen our balance sheet and free up capital for our Full Service Center transformations. Despite Covid-19, our teams managed to sell three Dutch assets that had been earmarked for sale and four of our six centers in France. These disposals – plus the new financing we have arranged in both the Netherlands and Belgium – now put us in a position where liquidity is secured and funds are available to finance our LifeCentral strategy. According to a leading independent research and advisory firm[1], we now have one of the lowest leverage ratios of all European retail companies. Our asset values have been reset significantly by appraisers in recent years, providing strong support to our current leverage ratio. After two years of focusing on our financing, we have shifted attention to transforming our assets – at the same time, we will make sure we divest our last two French assets at the right price.

First Full Service Center transformations on their way as operations show resilience
Over the past year, we managed to kick-start many of our transformation projects after a 2020 that was dominated by Covid-19 and liquidity constraints. Though our LifeCentral strategy was drafted before Covid-19, the pandemic proved the need to transform our assets. By right-sizing traditional retail and seizing opportunities to add other tenants in areas such as residential and healthcare, Wereldhave can embark on a new phase of growth. After an era of “bigger is better” in shopping centers, we believe focus should now be on uses and services for local consumers and local communities. During 2021, we worked hard on the design, permits, concepts and leasing of several Full Service Center (FSC) transformation projects. Meanwhile, our key operational indicators remained strong with shopping center occupancy rates above 96% and rent collection well above our peers – a further confirmation of continued operational excellence in our core markets, the Netherlands and Belgium. In 2021, we leased the entire former Hudson’s Bay property in Tilburg to De KOOPman and delivered the first phase of our Belle-Île center in Liège. I am especially grateful to our French team who, despite knowing since February 2020 we were exiting the country, remained committed throughout and have managed to deliver strong occupancy rates and rent collection for the year.

Growing evidence that our LifeCentral strategy is paying off
When we launched LifeCentral in early 2020 we realized that such a radical change would demand a lot of our stakeholders. After two years, we feel increasingly confident that we made the right call. We have re-shaped Wereldhave financially and have created a new FSC concept that will allow the Company to grow again. In 2021, we signed a slew of new leases in the Netherlands and Belgium that will underpin our strategy, particularly with non-traditional retail operators in food & beverage (F&B) and healthcare; during the year, we also added residential plans to our pipeline in both countries. The large package deal agreed with F&B operator Albron in the first of our new Full Service Centers to be delivered in 2022, was remarkable in that respect – and testimony to the new concepts created with our Customer Experience team. Next to non-retail leasing, we also measure our success through the NPS score, a measure of customer satisfaction, which in 2021 increased significantly to +25 (2020: +4), driven by new concepts such as The Point, UpNext and most recently a partnership with StoreShippers for ship-from-store delivery. Wereldhave has also been recognized as a frontrunner in Environmental, Social & Governance (ESG) matters in recent years – and we are further enhancing that position as part of our LifeCentral strategy. With every transformation, we are implementing the Paris Proof roadmaps, doing our utmost to further reduce carbon emissions and contribute to a better everyday life and better environment. In 2021, we were again awarded a 5-star GRESB rating, placing us at 2nd position in Europe amongst listed retail companies (2020: 3rd position).

Full steam ahead
2022 looks to be an exciting and promising year for Wereldhave. Our first two Full Service Centers have been completed and a further three are due for delivery – proving the success of this new concept. Alongside these deliveries, we will get more FSC projects underway, while keeping an eye on potential external growth opportunities that will come with phase 2 of our LifeCentral strategy. Meanwhile, we continue to focus on cost reductions. Now our balance sheet is amongst the strongest of our European retail peers, our task is to bring leverage down to our target range. We have narrowed that target range to 35-40% as asset values are stabilizing. The year 2022 will also be the last year of earnings decline for investors, as we promised back in 2020. From 2023, we expect to enter a new period of sustained earnings growth, driven by the completion of our FSC projects, continued cost efficiencies and an improving occupier market. Already shareholders are benefiting from improving prospects for our total returns (and dividend) – according to our forecast, those prospects will continue to improve in the period ahead.

[1] Based on Green Street’s Debt / EBITDA and Comprehensive Leverage comparison in Weekly REIT Pricing Review (28 January 2022)

Lastly, I would like to express my gratitude to all our stakeholders who have supported our strategy over the past years. As I said, we knew from the beginning our plan would take time and require some difficult decisions, not least the disposal of our French assets below book value. That said, patience is now starting to pay off. Customer satisfaction is increasing; our operational metrics are also positive. With solid property values, our returns for investors are rising. The good news is: our strategy is beginning to bear fruit – and it has only just begun!

Matthijs Storm, CEO

Schiphol, 10 February 2022

Our markets

Covid-19

During 2021, retail markets were again affected by Covid-19. Wereldhave's decision to anchor centers around food retail and convenience helped mitigate the worst effects of the pandemic. In many cases, centers also performed better than local high streets as shoppers attempted to avoid crowds. Lockdowns were gradually lifted during Q2, though measures were reinstated at the end of Q4. Lifting of restrictions allowed consumers to visit non-essential stores, which had a positive effect on footfall. Restrictions on F&B and the leisure & entertainment sectors were eased during the course of the summer. During H1, discussions with non-essential retailers were focused mainly on rental payments. Our Fair Support Policy again provided a good basis on which to handle case-by-case requests from retailers. With stores reopening and an improvement in economic prospects in H2, conversations with prospective new tenants could be restarted. As a result, the second half of the year was more active than the first, with an increase in both new leases and renewals of existing leases. Overall, during the year, the effect of the pandemic on our markets was far less than initially feared, suggesting the leasing market will remain active in 2022 despite recent lockdowns ordered to combat the new Omicron variant.

Belgium

In the first half of 2021, stores in Belgium were subject to continued Covid-19 restrictions. Lockdown measures introduced in 2020, which were subsequently expanded in March 2021, were gradually eased in April and May, leading to increased footfall in our centers. As from June, most restrictions were lifted. The Belgian government tightened restrictions again toward the end of the year, given an upsurge in infections. At shopping centers, the recovery in footfall was stronger than at high-street locations, particularly in Flanders, where visitor numbers were close to pre-pandemic. Across Wallonia, shopping center traffic during H2 remained roughly 10-15% below pre-pandemic levels.

Among larger retail chains, there were relatively few bankruptcies. Leasing activity in the Belgian retail market was strong during 2021. A rebound in retailer activity resulted in a strong take-up of retail space in the food and food & beverage (F&B) sectors, but demand from international fashion brands also rebounded. For quality shopping center locations, the outlook for rents has improved. Prime rent levels for shopping centers stabilized during 2021, and market observers expect growth in 2022 and beyond. There were no material transactions in the large retail property investment market, due to a lack of supply. Instead, deal activity was focused on supermarkets and standalone out-of-town retail locations.

Netherlands

The Dutch market was again affected by Covid-19; restrictions were gradually eased during the first quarter, with non-essential stores allowed to reopen on April 28; footfall followed the pattern of restrictions, recovering almost to pre-pandemic levels in the second and third quarters; the Dutch government again ordered a full lockdown shortly before Christmas. The Covid-19 pandemic proved to be less impactful than initially expected. The Dutch government provided sufficient financial support to keep retailer bankruptcies at an all-time low. During the year, demand for retail space remained firm, particularly at convenience-oriented retail locations; occupancy rates also remained high. We now feel that rent levels have started to bottom out. Demand from the F&B, fitness and healthcare segments remained strong.

During the year, the investment market for retail property remained active despite an increase in transfer tax. Centers anchored around groceries and convenience stores continued to attract significant investor interest; investment opportunities in this sector are, however, becoming increasingly scarce. Consequently, interest from institutional investors has shifted toward well-established core centers.

France

Because of Covid-19, our centers in France were closed for three months before reopening in mid-May. Footfall did not recover to pre-pandemic levels as restrictions continued on customer numbers in restaurants and cinemas. Following reopening, the growth in visitor numbers was limited by a combination of continued restrictions on restaurants and cinemas, and the introduction of the government's health pass for non-essential venues, whilst online sales increased.

Retail sales, however, were buoyed by an overall reduction in home-working. Sales of household equipment, DIY and home appliances remained stable during the year, though below levels seen in 2020. Conversely, sales of clothing and perfumery/beauty products strengthened, returning to around their pre-crisis levels. Following an adjustment in 2020, market rents started to stabilize. As a result, rents for certain shopping centers became more affordable, drawing demand from retail park tenants, healthcare operators, as well as local food retailers and discount brands. Over the past year, the French investment market for retail property remained subdued, with investors focused mainly on convenience centers, with essential goods retailers.

Direct & Indirect Result

	2021		2020	
(in € 1,000)	**direct result**	**indirect result**	**direct result**	**indirect result**
Gross rental income	161,840	-	189,372	-
Service costs charged	28,931	-	31,030	-
Total revenues	**190,771**	**-**	**220,402**	**-**
Service costs paid	-34,772	-	-40,130	-
Property expenses	-31,329	-	-47,243	-
Total expenses	**-66,101**	**-**	**-87,373**	**-**
Net rental income	**124,669**	**-**	**133,029**	**-**
Valuation results	-	-65,880	-	-293,064
Results on disposals	-	-228,439	-	202
General costs	-11,298	-7,590	-11,378	-2,810
Other income and expense	6	-214	-	-178
Operational result	**113,377**	**-302,123**	**121,651**	**-295,850**
Interest charges	-24,763	-	-28,900	-
Interest income	13	-	16	-
Net interest	**-24,749**	**-**	**-28,884**	**-**
Other financial income and expense	-	-1,133	-	7,384
Result before tax	**88,628**	**-303,256**	**92,767**	**-288,466**
Income tax	-147	1,483	133	1,346
Result	**88,481**	**-301,772**	**92,899**	**-287,120**
Profit attributable to:				
Shareholders	75,332	-301,582	80,643	-267,575
Non-controlling interest	13,149	-190	12,256	-19,545
Result	**88,481**	**-301,772**	**92,899**	**-287,120**
Earnings per share (€)	1.88	-7.52	2.01	-6.66

Wereldhave's direct result per share (DRPS) for 2021 is € 1.88, which is above our latest outlook of € 1.80-1.85. The 6.5% decline compared with the previous year was mainly a result of our disposals. Our results came out above our expectations, due to better than expected turnover-based rents, specialty leasing income in Belgium, cash collection from aged debtors in France and leasing results in the Netherlands. In addition, arrangements were made with tenants to provide them with financial support during recent lockdowns, ranging from flexible payment schemes to waiving part of the rent. We estimate that these arrangements and negotiations with other tenants - as well as Covid-19 related lower sales-based rents and parking income - reduced our DRPS in 2021 by approximately € 0.29 per share.

During Q4, our EPRA net tangible assets (NTA) was stable at € 21.54 per share; this includes a revaluation of the full portfolio. For 2021, our EPRA NTA declined by 22.4%, due to the sale below book value of our centers in France, a 2% increase of transfer tax in the Netherlands and negative revaluations in H1. Our total return for 2021 was -€ 5.70 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 for 2021 totaled € 88.5m. Gross rental income amounted to € 161.8m, down from € 189.4m the previous year, because of disposals made during the year. Property expenses decreased from € 47.2m to € 31.3m. Expenses were still affected by provisions made for Covid-19 agreements with tenants, but these provisions were substantially lower than in 2020. Our results include € 10.6m expense for doubtful debt to account for lower payments among tenants, ongoing rent negotiations, as well as the increased bankruptcy risk of tenants as a result of the ongoing Covid-19 pandemic. Net rental income for 2021, meanwhile, decreased to € 124.7m, compared with € 133.0m in 2020, as a result of disposals.

At February 4, 2022, our adjusted rent collection rate (for rents due in 2021) stood at 97%. Out of the total due for the year, we granted discounts of € 7.0m. On the remaining € 3.6m, negotiations are proceeding. During the year, we continued our cost-conscious approach, which in 2021 again led to lower overall costs. We expect to realize further cost savings in 2022, mainly from organizational changes following the disposal of our centers in France and the intended move of our headquarters.

Net interest expense declined to € 24.7m as a result of a lower net debt and a slight increase in our average interest rate to 2.3% by end-2021, as we used proceeds from our French disposals to repay loans carrying below-average rates.

Indirect result

Our indirect result to shareholders for 2021 amounted to -€ 301.8m, mainly due to a loss on disposals of -€ 228.4m, and a downward revaluation of € 65.9m in our property portfolio (equivalent to 3.3% of the portfolio's total value LFL), mainly in H1. The downward valuation adjustment in H2 was just -0.4%.

In 2021, the value of our Dutch properties decreased by € 37m (-4.2%). Of this amount, € 15.7m was due to the 2% increase in transfer tax, effective January 1, 2021. Excluding this, the value of our Dutch portfolio declined by just -2.2%, compared with -10.5% in 2020. During the year, investors showed increased appreciation for smaller convenience centers and stronger mixed-use locations; this helped further support the valuation of our Dutch portfolio. By the end of 2021, our Dutch portfolio's average EPRA Net Initial Yield (NIY) stood at 6.5%, a 50bps compression mainly due to disposals made during the year and yield compression for our first Full Service Centers. On a like-for-like basis, the valuation yield on our portfolio was down by 20bps. In 2021, real estate investors in both Belgium and France adopted a wait-and-see approach, resulting in limited market transactions during the year. Our average EPRA NIY in France declined 30bps to 4.6%; for our Belgian shopping centers, it increased slightly to 5.7%. In France, values decreased by € 24.7m (-12.7% LFL) following a downward adjustment of expected market rents. In Belgium, the value of our portfolio was relatively stable, down just € 4.2m (or 0.5%) for the whole year, but up 0.3% for H2.

Full Service Center Performance

Under our LifeCentral strategy we are transforming our assets into Full Service Centers. As two of our assets now qualify as FSCs and multiple assets are in transformation, we start tracking the performance of our assets based on their transformation status: Full Service Center, Development, Shopping Center. The first results show decent performance for our two Full Services Centers, especially on the leasing side, with new leases signed above old rent and ERV. The total property return of these two assets is above our target of 6%. The NPS of the two FSCs is now in line with the other assets, but as this is the average of the past four quarters and as multiple concepts have just been launched, we expect the NPS to further increase over the coming year.

KPI	**Full Service Center**	**Development**	**Shopping Center**
# Assets	2	6	9
Mixed Use Percentage	18%	10%	10%
MGR Uplift	7.3%	-4.6%	-6.4%
MGR vs. ERV	10.5%	-1.6%	4.8%
NPS	+21	24	20
Direct Result	4.8%	5.2%	5.7%
Valuation Result	1.2%	-3.1%	-2.9%
Total Property Return [1]	6.1%	2.0%	2.8%

[1] According to MSCI definition

Operations

In 2021, our operations were again affected by Covid-19. Despite the pandemic, some sectors continued to do well, including food retail, DIY and multimedia. During the year, we saw increased demand from F&B operators, and signed several new package deals in the Netherlands and Belgium. Furthermore, in line with the strategy, we now have almost completed our disposal program.

Covid-19 restrictions

For a second year, governments imposed measures to protect public health; inevitably, these measures had an adverse effect on Wereldhave's operations. Across our three main markets, restrictions were eased from the second quarter. During that period, footfall in our centers returned almost to pre-pandemic levels. Measures were re-imposed toward the end of the year, however, including a full lockdown in the Netherlands over the Christmas and New Year holidays. Restrictions included mask-wearing in stores, social distancing, limits on customer numbers and – at times – the forced closure of non-essential stores. In August, a health pass was introduced for visitors to our centers in France. Among the hardest hit sectors was Food & Beverage (F&B), with bars, cafés and restaurants often subject to additional measures. Wereldhave's decision to anchor centers around food retail and convenience helped mitigate the worst effects of the pandemic. In many cases, centers also performed better than local high streets as shoppers attempted to avoid crowds.

Health measures at our centers

Throughout 2021, Wereldhave continued with health measures to protect customers, tenants and other visitors to our centers. Among measures taken were additional cleaning, security and ventilation, hand disinfection stations, stimulating visits on non-peak hours and 'shopping by appointment' services. We also installed vending machines for face masks at our centers in Belgium and the Netherlands.

Impact on retailers

Retailers followed a similar pattern to 2020. Essential sectors like food retail and pharmacies performed well, as did DIY, sports goods, home decoration, multimedia and electronics. Non-essential sectors did less well, including fashion, shoes and other accessories. Retail bankruptcies remained low, however – due to continued government financial support in the Netherlands and France. During the year, we continued with our Fair Support Policy, agreeing rent discounts and deferrals for smaller retailers in particular.

Occupancy and leasing activity

During 2021, the occupancy rate in our shopping center portfolio remained high and even increased by 120bps to 96.2%; occupancy at our Belgian offices declined 150bps to 76.0%, however. A total of 188 leases were signed for our shopping centers, at an average of 1.1% above market rents, and 4.5% below previous rent levels because of a continued decline in market rents for larger fashion locations. There was strong demand, particularly from F&B operators toward the end of the year. We also agreed new package deals in the Netherlands with several leading retailers, including C&A, H&M, The Sting Companies and MediaMarkt. As such, leases with the majority of our top 10 tenants in The Netherlands and in Belgium have now been renewed, extended and marked to market.

Occupancy rates

	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Belgium	94.4%	95.1%	96.2%	96.0%	97.2%
France	92.8%	92.3%	93.5%	94.8%	94.7%
Netherlands	96.6%	94.9%	94.9%	94.9%	95.7%
Shopping centers	**95.0%**	**94.3%**	**94.9%**	**95.3%**	**96.2%**
Offices (Belgium)	77.5%	70.8%	74.7%	75.5%	76.0%
Total portfolio	**94.1%**	**93.1%**	**93.8%**	**94.0%**	**94.9%**

Overview operational performance

	# of contracts	Leasing volume	ERV uplift	MGR uplift	Occupancy rate	LFL NRI growth
Shopping centers						
Belgium	84	15.4%	6.2%	-3.4%	97.2%	15.2%
France	16	12.3%	-13.2%	2.3%	94.7%	34.3%
Netherlands	88	11.0%	-0.6%	-6.4%	95.7%	-3.5%
Total	**188**	**12.8%**	**1.1%**	**-4.4%**	**96.2%**	**6.0%**

Rent collection & footfall

For 2021, our adjusted rent collection rate at 97.4% has now returned almost to pre-pandemic levels, particularly in Belgium 97.4% and the Netherlands 98.3%. We have been actively pursuing unpaid rents for 2020 (for which the adjusted rent collection rate now stands at 99%). In France, for the four centers sold, the outstanding rents for Q3 were paid in full by the new owner. The rent collection in France for the remaining portfolio is 91.3%.

Footfall (like-for-like)

Shopping centers	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Belgium	-38.5%	-14.7%	63.6%	5.0%	43.5%
France	-39.3%	-43.4%	31.5%	-17.7%	1.2%
Netherlands	-22.5%	-39.6%	10.4%	-0.5%	4.9%
Overall	**-30.4%**	**-36.9%**	**22.3%**	**-1.9%**	**11.3%**

Belgium

In Belgium, non-essential stores were closed for a month during Q2; further restrictions on customer numbers were reimposed at the end of Q4. Visitor numbers grew 17.4% in 2021, still 15% below levels seen in 2019 before the pandemic. During periods where centers were fully operational, visitor numbers averaged around 6% below pre-pandemic levels.

In 2021, EPRA occupancy rate for our shopping center portfolio increased by 280bps to 97.2%. Like-for-like net rental income (NRI) was up 15.2%, due to the reduced impact of Covid-19 on doubtful debts, offset partially by the effect of reduced income from turnover-based rents. In Q4, Net Promoter Score (NPS) – our main measure of customer satisfaction – rose to +33 from +18 in 2020, a reflection of new services and amenities added to our centers, including our toilets concept, play & relax areas, upgraded parking, and services like the Point and Connect. In shoes, turnover lagged behind the overall market, but the fashion sector as a whole performed surprisingly well, with turnover above 2019 levels.

In Belgium, we signed 84 new shopping center leases and 9 office leases. These leases were signed at 6.2% above average market rents for our shopping centers. Across our Belgian centers, we saw significant demand from the F&B sector. We signed new leases in Q4 with several F&B operators: among others KFC at Courtrai Ring, Pitaya at Nivelles, Black & White Burger at Les Bastions – as part of our Full Service Center transformations. We also signed a lease on a new 925 m2 store at Belle Ile for home decoration specialist Maisons du Monde.

The EPRA occupancy rate for our Belgian office portfolio decreased in 2021 by 150bps to 76.0%, though rates recovered strongly after an initial low-point in Q1 thanks to the agreement of new leases with Maersk in Antwerp under our new office concept, The Sage. We are currently negotiating new leases in both of our office parks.

Netherlands

In the Netherlands, Covid-19 restrictions were gradually eased during Q1. Non-essential stores were fully re-opened from April 28. Non-essential stores were forced to close again from 18 December 2021 to 14 January 2022. Customer satisfaction at our Dutch centers increased to +17, versus -8 in 2020, reflecting the appreciation of the new and upgraded services and amenities to our centers, in combination with the disposal of underperforming assets. Visitor numbers declined 6.7% year-on-year versus market index decline of 12.6%, but were still 18% down on 2019 following lockdowns. When centers were fully open, visitor numbers were roughly 8% below pre-pandemic levels.

At end-2021, our EPRA occupancy rate stood at 95.7%, slightly down from end-2020; even so, occupancy rates have been improving since Q1. The decrease in 2021 stems from the delayed effect of the bankruptcy of multi-brand fashion retailer Miss Etam. Like-for-like NRI, meanwhile, declined 3.5%, due mainly to an increase in doubtful debt provisions resulting from the Covid-19 crisis. In the Netherlands, Covid-19 lockdowns were more severe and lasted longer than in 2020. Leasing activity remained robust, with 88 leases signed in 2021, at an average 0.6% below market rents and 6.4% below previous rent levels. During the year, we agreed a lease for three locations with The Sting Companies in Tilburg for more than 17,000 m^2 and signed contracts for seven C&A locations. Regarding F&B, we have signed a letter of intent for a package deal with national F&B operator Albron. As part of this deal, Albron will open new outlets at our centers across the Netherlands; in Tilburg, we will be welcoming brands, including Anne&Max, Frites Affairs, Strada and CoffeeCompany. Additionally, we have signed contracts this year with Starbucks and Robuust at Cityplaza, Burger Me at Sterrenburg and I Love Sushi at Middenwaard. As well as new leases, we continued to extend services for tenants and visitors at our Dutch centers; we continued to roll out UpNext, with the opening of three new NIX & NIX pop-up stores. We also completed our new healthcare cluster at Presikhaaf – and launched same-day delivery services at our Cityplaza and Middenwaard centers.

France

Because of Covid-19, non-essential stores in our French centers were forced to close between February 1 and May 19. On June 9, F&B operators inside our centers could reopen under certain conditions. Restrictions on customer numbers at F&B venues and cinemas remained until July 1. Footfall for 2021 was down 12.2% year-on-year and 36% below 2019. Footfall for Q4 was up 1.2% compared with the same period in 2020.

Our EPRA occupancy rate in France increased by 190bps to 94.7%. For the year, our like-for-like NRI growth came out at +34.3%. Continued government support for tenants reduced the impact of Covid-19 on doubtful debts and bankruptcies.

In 2021, we signed 16 lease contracts for our two remaining French centers. We also started developing a new food hall at Mériadeck. For this project, rental contracts have now been signed for eight out of nine units. At Côté Seine, we increased our healthcare offer by expanding the center's pharmacy to nearly 500 m^2, and signed new leases with Foot Korner and Pitaya. Additionally, we are in advanced talks to sign a new 1,600 m^2 fitness center to strengthen Côté Seine's position as a convenience location.

Portfolio, disposals & investments

Wereldhave's strategy is focused on anticipating long-term trends by transforming our locations 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 rolled-out at a controlled pace.

Existing portfolio

Disposals completed this year include our non-core assets Etten-Leur and In de Bogaard in Q1 and Koningshoek in Maassluis in Q2. In France, four of our six assets were sold and transferred to new owners on 30 September 2021.

Net rental income

(x € 1,000)	2021	2020	Change
Belgium	42,441	36,927	14.9%
France	22,168	22,740	-2.5%
Netherlands	55,246	66,826	-17.3%
Total shopping centers	**119,856**	**126,493**	**-5.2%**
Offices	4,814	6,536	-26.3%
Total	**124,669**	**133,029**	**-6.3%**

Lease expiries based on lease end date

	2022	2023	2024	2025	2026	2027	2028	≥ 2028	Indefinite
Belgium	7.4%	5.0%	5.8%	7.3%	4.7%	13.2%	8.7%	47.0%	0.9%
France	4.7%	11.1%	14.8%	8.8%	2.7%	8.7%	14.8%	31.1%	3.2%
Netherlands	9.5%	12.4%	14.5%	12.2%	8.4%	8.0%	9.6%	15.7%	9.7%
Total shopping centers	**8.3%**	**9.4%**	**11.1%**	**10.0%**	**6.5%**	**10.1%**	**9.7%**	**29.3%**	**5.7%**
Offices	7.6%	2.6%	2.4%	1.3%	29.1%	8.8%	21.9%	26.3%	0.0%
Total	**8.3%**	**9.1%**	**10.8%**	**9.6%**	**7.5%**	**10.0%**	**10.2%**	**29.2%**	**5.4%**

Portfolio overview

	Number of assets	Surface owned [1]	Annualized gross rent [1], [2]	Net value	Revaluation	EPRA NIY
Belgium	9	221.5	49.6	831.7	-0.5%	5.7%
France	2	43.2	10.8	170.1	-12.7%	4.6%
Netherlands	11	328.8	64.5	843.3	-4.2%	6.5%
Total shopping centers	**22**	**593.6**	**124.9**	**1845.1**	**-3.4%**	**6.0%**
Offices	2	62.4	6.6	94.3	-0.4%	6.4%
Total	**24**	**656.0**	**131.5**	**1939.3**	**-3.3%**	**6.0%**

[1] Excluding developments
[2] As per 31 December 2021, excluding parking income

Full Service Center transformations & development portfolio

FSC transformations will be done step-by-step. This agile approach keeps risks low during development.
We currently have four ongoing transformations and will start two additional transformations within 12 months. In 2022 we expect to deliver three Full Service Centers. In parallel the preparations, varying from design to permit requests, have started for the transformation of three additional assets.

Development pipeline

Developments (In €m)	Total investment	Actual costs	Estimated capex 2022	Estimated capex after 2022	Unlevered IRR	Pre-let rate	Completion
Committed							
Tilburg	18	7	11	-	7%	36%	2022
Sterrenburg	24	10	14	-	6%	97%	2022
Ring Shopping Kortrijk	12	4	8	-	7%	n.a.	2022
Vier Meren	31	2	21	8	7%	56%	2023
Koperwiek	16	1	4	11	7%	38%	2023
Kronenburg	15	-	5	10	6%	85%	2023
Committed total	**116**	**24**	**63**	**29**			

Equity & net asset value

At December 31, 2021, our shareholders' equity – including non-controlling interests – amounted to € 1,095.5m (December 31, 2020: € 1,334.7m). The number of shares in issue remained unchanged at 40,270,921 ordinary shares. A total of 146,594 treasury shares are held by the Company.

€ per share	**2021**	**2020**	**Change**
IFRS NAV	21.60	27.97	-22.8%
EPRA NRV	23.93	30.26	-20.9%
EPRA NTA	21.54	27.74	-22.4%
EPRA NDV	20.89	26.59	-21.4%

Financing & capital allocation

Interest-bearing debt totaled € 814.9m at December 31, 2021, which together with a cash balance of € 26.8m resulted in a net debt for the year of € 788.1m. Undrawn borrowing capacity amounted to € 525m. Our net loan-to-value (LTV) ratio stood at 41.0% (year-end 2020: 46.7%). Assuming our Green Revolving Credit Facility is fully drawn, Wereldhave's gross LTV stood at 45.7% at year-end 2021, well below our bank covenant limit of 60%.

At year-end 2021, our average cost of debt and Interest Coverage Ratio (ICR) were 2.3% and 5.8x respectively (our bank covenant requires an ICR of at least 2.0x). The weighted average term to maturity of the Company's interest-bearing debt was 3.8 years.

On 30 September 2021, the Company received payment for the sale of four French shopping centers. Proceeds were used to reduce debt, freeing up the Group's revolving credit facilities. As a result of the transaction, our LTV ratio improved to the figure mentioned above. A reduction in our net debt position resulted in lower interest costs. However, the Company's average cost of debt increased, because proceeds from our French sales were used initially to repay debt under credit facilities with lower-than average interest rates, though these repayments were without penalties. It should be noted that maturities falling due in 2022 carry interest rates above our current average cost of debt and refinancing rates.

During 2021, Wereldhave obtained € 202m in additional funding by agreeing new credits and extending existing facilities. Following a € 32m private placement in Q1, a new € 120m green financing facility was arranged in the Netherlands with ABN AMRO.

In Belgium, a € 50m facility was refinanced through a new, four-year green credit facility. Additionally, our Treasury notes program was expanded from € 100m to € 150m.

In February 2021, Wereldhave ended its engagement with Moody's regarding the Company's credit rating, as the issuance of public debt is not part of our funding strategy in the near term.

Wereldhave's disciplined capital allocation framework is focused toward a strong balance sheet, delivering outperforming long-term value growth for shareholders through its investments, and returning appropriate dividends to shareholders. In 2021, Wereldhave's LTV ratio improved to slightly above our revised 35-40% target range.

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, partly to dividends.

Dividend

Wereldhave intends to propose to the Company's AGM a dividend for 2021 of € 1.10 per share (equivalent to a payout of € 44.3m). With regard to the 2022 dividend, our aim is to return to a pay-out ratio of 75-85% of our direct result, as set out in our dividend policy.

Environmental, Social & Governance

For the eighth consecutive year, Wereldhave received a 5-star rating from GRESB[1], the global ESG benchmark for real estate. This ranks Wereldhave number 2 among listed European shopping center companies. Wereldhave also received its sixth Gold Award for best practice sustainability reporting from the European Public Real Estate Association (EPRA). MSCI ESG, meanwhile, upgraded Wereldhave to an A rating from BBB for its sustainability performance. In 2021, the Company again gained ground in the VBDO Tax Transparency benchmark; Wereldhave is now ranked joint 20th out of 77 participants, the highest real estate company in the benchmark. Our sustainability strategy is based on three pillars: Better Footprint, Better Nature, and Better Living:

Better Footprint

We are committed to helping build a more sustainable world. Through our Better Footprint pillar, we can contribute positively to three of the UN's Sustainable Development Goals: SDG 7 (affordable and clean energy), SDG 12 (responsible consumption and production)) and SDG 17 (partnerships for the goals).

For each of our centers, we are developing Paris Proof roadmaps in line with the 2030 SBTi[2] climate and 2045 Paris targets. These roadmaps set out clear priorities for how best to reduce our carbon footprint, and how to combine this with redevelopments and planned maintenance. We have now finalized roadmaps for seven of our 11 Dutch centers and two of our eight centers in Belgium. We expect to have roadmaps for all Full Service Centers in 2022 and for all remaining shopping centers in 2023. During 2021, we took measures to implement our climate strategy, including strengthening insulation on the roof at our Cityplaza center in Nieuwegein, introducing over 800 LED lights at the Cityplaza and Winkelhof car park, and installing 1,745 solar panels at Shopping 1 center in Genk, capable of producing 450 kWp. Solar panels will soon be extended to our center in Courtrai in Belgium, which is currently undergoing renovation. In addition, we contract 100% renewable energy for the common areas in our centers, have solar panels on almost all our shopping centers for common area consumption, and have installed smart meters at our Dutch centers to help monitor water consumption.

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1 Global Real Estate Sustainability Benchmark (GRESB)
2 Science-Based Targets Initiative (SBTi)

During 2021, we also continued to cooperate with our tenants on reducing the footprint in and around our centers. In our Belgian centers, we hosted a series of ECOdays in 2021 to engage on sustainability with visitors. We started with a partnership with Too Good To Go in France in H1 to lower food waste production. In H2, we expanded our cooperation with Too Good To Go to Belgium, and will be looking to further extend our partnership to the Netherlands in 2022. At Ring Shopping in Courtrai, we installed a Donkey Republic bicycle rental station and a last-mile delivery bike station to support eco-friendly traffic to our centers. At Nivelles and Belle-Île, we set up new recycling points for customers at The Point for light bulbs, batteries and other electronic equipment.

Following the pandemic, we turned off the heat recovery setting of the ventilation systems at our centers. This system is less energy efficient than our previous set-up, which allowed heat recovery. Heat circulation, however, may increase the risk of spreading Covid-19 by circulating air through our centers. The new fresh air-only HVAC system will allow more effective ventilation, helping prevent the spread of the virus.

Better Nature

In adapting to a changing climate, Wereldhave also wants to protect local biodiversity. Our Paris Proof roadmaps 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 certifications of our buildings.

In 2021, at Shopping Nivelles, we planted new outdoor green areas with trees, hedges and flowers. We also doubled the number of beehives at the center – and started our first collective vegetable garden, raising awareness of nature and creating a space where staff and tenants could meet.

Through Better Nature, we are contributing to SDG 11 (sustainable cities and communities) and SDG 13 (climate action).

Better Living

Wereldhave wants its centers to be clean, safe and pleasant places to spend time in. We do this by providing a good working environment for employees and suppliers, and by investing in local communities. We want to create positive social impact by offering space to social enterprises and charities, and by providing a welcoming environment that helps reduce loneliness and exclusion. To ensure proper working conditions at our suppliers, Wereldhave has a supplier code. In 2021, we conducted a survey of 12 of our 36 leading suppliers, concluding that most of them have sustainability policies that comply with our Supplier Code. The remaining top suppliers will be surveyed in 2022 and 2023. During 2021, we supported over 150 social initiatives and events, including fund-raising sales for NGOs Île de Paix, the Red Cross, and Doctors without Borders, as well as cultural events, and events to promote better health, or help disadvantaged groups. In Arnhem, we worked closely with Presikhaaf University – a local platform supporting young people and children. Presikhaaf University will be operating The Point in our Kronenburg and Presikhaaf centers and they will also support the launch of shuttle service Max Mobiel from March 2022. Max Mobiel – already active at our De Koperwiek center – will be extended to our Presikhaaf and Kronenburg locations.

Through Better Living, Wereldhave is contributing to SDG 8 (decent work and economic growth) and SDG 11 (sustainable cities and communities).

Full Service Center transformations

In 2020, we introduced our new LifeCentral strategy, aimed at transforming our shopping centers into versatile Full Service Centers (FSCs), catering to people's daily needs, convenient and close to home in their local communities. Our FSC transformations are phased in over time; this step-by-step approach keeps risks low during redevelopment. During 2021, we made further progress transforming our centers to FSCs in the Benelux. Examples are the finalization of the health cluster in Presikhaaf in Arnhem, the opening of the every.deli fresh cluster and Basic Fit in De Koperwiek in Capelle aan den IJssel and the signed package deal with Albron for seven F&B units in two of our in-house developed F&B clusters. By end-2021, across our portfolio, the proportion of retail floor space devoted to mixed use increased to 11% twelve months earlier. During the year, we leased more space to F&B operators, particularly in Belgium, opened the Basic Fit at our Eggert center in Purmerend, and increased our healthcare offer at Presikhaaf.

In 2016 we started the renovation of our Presikhaaf center in Arnhem and during the last two years we transformed it into an FSC with the addition of F&B, Gym, Health Cluster (including a dentist, dietician, laser clinic, pharmacy and blood bank), facilities (e.g. service hub The Point) and services (e.g. home delivery Presikhaaf Connect). In combination with four supermarkets and two every.deli fresh clusters, Presikhaaf in Arnhem is our first finalized Full Service Center.

For 2022, we expect to deliver a city-center FSC in Tilburg. We have made significant progress toward this goal thanks to our partnership with Albron, which resulted in the leasing of four F&B units on the center's F&B square. We expect to make further leasing progress in Tilburg in H1 2022 in the Frederikstraat Zuid. At our Sterrenburg center in Dordrecht, a 4,000m2 Jumbo Food Market will open its doors in Q1 2022, marking the finalization of phase 1 of the FSC transformation . The next steps will be renovating the interior, creating an every.deli fresh cluster and the addition of mixed use. At Courtrai, we have started phase 1 of the FSC transformation by upgrading our Ring Kortrijk center , renovating the façade, creating additional F&B space and starting to market our every.deli fresh food cluster.

In January 2022 the construction works for the FSC transformation of Vier Meren in Hoofddorp have started. This center will be focused more on F&B and Leisure & Entertainment. The first F&B deals have been signed and the leasing of the Leisure & Entertainment space is currently ongoing. At our De Koperwiek center in Capelle aan den IJssel, we have already taken several steps in the FSC transformation in recent years, including an every.deli fresh cluster and a Basic Fit gym. Next steps in the FSC transformation will be the addition of a large F&B cluster, both inside and outside the center and the opening of service hub The Point. Research for the addition of Leisure & Entertainment, as well as residential, are ongoing.

Improving customer experience

We realize that satisfied customers will visit our centers more often, and are likely to stay longer and spend more and become ambassadors; this drives turnover for tenants and supports rent and value growth for shareholders. To measure customer satisfaction, we use the Net Promoter Score (NPS). Over the past year, NPS for our Dutch and Belgian centers rose from +4 to +25. To achieve this, we worked to remove sources of dissatisfaction and improve basic facilities for visitors. Examples of this include the installation of clear wayfinding at 15 of our centers; this will be extended to all remaining locations in 2022. At our Cityplaza center in Nieuwegein, we received positive feedback on recent improvements. After installing The Point – our service hub – at Cityplaza, we created an outside play & relax area at the center and improved the parking with wall decorative wall lighting picturing people and local iconic buildings and wayfinding to strengthen a sense of security and local 'feel'. At the same time, we have upgraded the parking garage at our Winkelhof center in Leiderdorp. For 2022, we are also planning to upgrade the parking at Shopping 1 in Genk, and create a new outside play & relax area at our Les Bastions location in Tournai.

To improve the customer experience we aim to get the most out of all interactions with our visitors and tenants. That is why besides improving the centers, we also improve how we make people feel by introducing four Full Service Center principles. Behavioral principles in the field of hospitality, convenience, partnership and community. They are at the basis of every concept or service we develop and lead to an even more pleasant, consistent and effective experience.

All our centers in Belgium now have their own service hub The Point, following recent openings at Shopping 1 and at Ring Shopping in Courtrai; this allows us to roll out the latest additional services, part of our Full Service Center concept – including parcel pick-up & delivery, dry cleaning, a tailoring service and tourism desk. In 2022, The Point will be installed in De Koperwiek in Capelle aan den IJssel in the Netherlands, followed by Kronenburg and Presikhaaf in Arnhem. Our The Point concept in Belgium on average results in >100,000 additional visitors and >€ 1m revenue in gift cards per annum per center. Our first The Point concept in The Netherlands in Nieuwegein helped to push our 2021 visitor number above 2020 (vs. double digit decline in visitor numbers for the market).

To improve the customer experience we aim to get the most out of all interactions with our visitors and tenants. That is why besides improving the centers, we also improve how we make people feel by introducing our four Full Service Center principles, behavioral principles in the field of hospitality, convenience, partnership and community. The Full Service Center principles offer a framework to the whole organization to put our strategy into practice and give direction in every concept or service we develop.

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 strategy, we will work to transform our assets, adapting them to new market realities, restoring the retail balance and adding new functions and uses. Over the past year, we have strengthened our balance sheet by divesting non-core assets, including four of our six assets in France.

Transforming our locations into FSCs will be carried out alongside our disposal program. This will further lower our debt and strengthen our balance sheet. In 2022, we anticipate our DRPS will decrease to a low-point of € 1.50-1.60. This has already improved from the trough DRPS of € 1.40-1.50 we communicated earlier. As of 2023 we expect our DRPS to return to an annual growth of between 4% and 6% driven by the completion of our Full Service Centers, a bottoming retail rental market and further cost savings.

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 next 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 full-year 2021 results. This (live) webcast will be available at www.wereldhave.com. Questions can be forwarded by e-mail to investor.relations@wereldhave.com prior to the webcast.

Consolidated statement of financial position

at December 31, 2021

(x € 1,000)	Note	December 31, 2021	December 31, 2020
Assets			
Non-current assets			
Investment property in operation		1,907,015	2,513,429
Lease incentives		5,738	5,482
Investment property under construction		26,587	58,669
Investment property	**5**	**1,939,340**	**2,577,580**
Property and equipment		3,968	5,419
Intangible assets		479	273
Derivative financial instruments		16,398	13,965
Other financial assets		3,419	2,790
Total non-current assets		**1,963,605**	**2,600,028**
Current assets			
Trade and other receivables		35,818	51,167
Tax receivables		4,775	11,027
Derivative financial instruments		-	10,324
Cash and cash equivalents		26,769	67,000
Total current assets		**67,362**	**139,518**
Investments held for sale		6,525	3,200
Total assets		**2,037,491**	**2,742,746**

(x € 1,000)	Note	December 31, 2021	December 31, 2020
Equity and Liabilities			
Equity			
Share capital		40,271	40,271
Share premium		1,711,033	1,711,033
Reserves		-884,481	-627,008
Attributable to shareholders		**866,823**	**1,124,296**
Non-controlling interest		228,713	210,387
Total equity		**1,095,536**	**1,334,683**
Non-current liabilities			
Interest-bearing liabilities	7	672,600	971,017
Deferred tax liabilities		-	711
Derivative financial instruments		18,273	27,354
Other long-term liabilities		24,912	33,172
Total non-current liabilities		**715,785**	**1,032,255**
Current liabilities			
Trade payables		12,337	14,864
Tax payable		4,336	9,514
Interest-bearing liabilities	7	142,250	281,762
Other short-term liabilities		67,141	69,313
Derivative financial instruments		107	355
Total current liabilities		**226,171**	**375,808**
Total equity and liabilities		**2,037,491**	**2,742,746**

Consolidated income statement

for the year ended December 31, 2021

(x € 1,000)	Note	2021	2020
Gross rental income		161,840	189,372
Service costs charged		28,931	31,030
Total revenue		**190,771**	**220,402**
Service costs paid		-34,772	-40,130
Property expenses		-31,329	-47,243
Net rental income	**9**	**124,669**	**133,029**
Valuation results		-65,880	-293,064
Results on disposals		-228,439	202
General costs		-18,888	-14,188
Other income and expense		-208	-178
Operating result		**-188,745**	**-174,200**
Interest charges		-24,763	-28,900
Interest income		13	16
Net interest		**-24,749**	**-28,884**
Other financial income and expense		-1,133	7,384
Result before tax		**-214,628**	**-195,699**
Income tax		1,336	1,479
Result for the year		**-213,292**	**-194,221**
Result attributable to:			
Shareholders		-226,250	-186,932
Non-controlling interest		12,958	-7,289
Result for the year		**-213,292**	**-194,221**
Earnings per share (€)		-5.64	-4.65

Consolidated statement of comprehensive income

for the year ended December 31, 2021

(x € 1,000)	2021	2020
Result	**-213,292**	**-194,221**
Items that may be recycled to the income statement subsequently		
Effective portion of change in fair value of cash flow hedges	-6,099	12,349
Changes in fair value of cost of hedging	681	735
Items that will not be recycled to the income statement subsequently		
Remeasurement of post-employment benefit obligations	269	84
Total comprehensive income	**-218,441**	**-181,053**
Attributable to:		
Shareholders	-231,512	-173,807
Non-controlling interest	13,071	-7,246
	-218,441	**-181,053**

Consolidated statement of changes in equity

for the year ended December 31, 2021

					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, 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**
Balance at January 1, 2021	**40,271**	**1,711,033**	**-633,858**	**5,764**	**1,085**	**1,124,296**	**210,387**	**1,334,683**
Comprehensive income								
Result	-	-	-226,250	-	-	-226,250	12,958	-213,292
Remeasurement of post employment obligations	-	-	177	-	-	177	92	269
Effective portion of change in fair value of cash flow hedges	-	-	-	-6,120	-	-6,120	21	-6,099
Changes in fair value of cost of hedging	-	-	-		681	681	-	681
Total comprehensive income	**-**	**-**	**-226,073**	**-6,120**	**681**	**-231,512**	**13,071**	**-218,441**
Transactions with shareholders								
Shares for remuneration	-	-	-937	-	-	-937	-	-937
Share based payments	-	-	153	-	-	153	-	153
Dividend	-	-	-20,135	-	-	-20,135	-11,491	-31,626
Change non-controlling interest	-	-	-5,032	-	-	-5,032	16,746	11,714
Other	-	-	-10	-	-	-10	-	-10
Balance at December 31, 2021	**40,271**	**1,711,033**	**-885,891**	**-356**	**1,766**	**866,823**	**228,713**	**1,095,536**

Consolidated cash flow statement

for the year ended December 31, 2021

(x € 1,000)	2021	2020
Operating activities		
Result	**-213,292**	**-194,221**
Adjustments:		
Valuation results	65,880	293,064
Net interest	24,749	28,884
Other financial income and expense	1,133	-6,179
Results on disposals	228,439	-202
Taxes	-1,336	-1,346
Amortization	1,802	2,123
Movements in working capital	-2,502	2,089
Cash flow generated from operations	**104,874**	**124,212**
Interest paid	-24,271	-27,542
Interest received	17	16
Income tax	-208	755
Cash flow from operating activities	**80,413**	**97,441**
Investment activities		
Proceeds from disposals direct investment properties	91,925	103,834
Proceeds from disposals indirect investment property	298,775	-
Investments in investment property	-39,648	-62,327
Investments in equipment	-56	-108
Investments in financial assets	-630	-1,964
Investments in intangible assets	-358	-110
Cash flow from investing activities	**350,009**	**39,325**
Financing activities		
Proceeds from interest-bearing debts	31,316	358,708
Repayment interest-bearing debts	-478,116	-411,568
Movements in other long-term liabilities	-3,045	-3,971
Other movements in reserve	-938	-496
Transactions non-controlling interest	8,059	772
Dividend paid	-27,929	-34,046
Cash flow from financing activities	**-470,653**	**-90,600**
Increase/decrease in cash and cash equivalents	-40,231	46,166
Cash and cash equivalents at January 1	67,000	20,834
Cash and cash equivalents at December 31	**26,769**	**67,000**

Notes to the consolidated financial information

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.

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-Ile, exceeds the threshold of 20% at December 31, 2021. The FSMA provided a concession for a maximum period of 2 years expiring December 31, 2022.

3 Basis of preparation results 2021

The accounting principles applied for preparation of this press release are based on International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code. The accounting policies are consistent with those of the annual financial statements for the year ended December 31, 2020, unless otherwise stated. The figures of this press release are unaudited.

The consolidated financial information for the period ended December 31, 2021 has 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 the financial information 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 financial information in the period the assumptions changed. Management believes that the underlying assumptions are appropriate.

The preparation of this consolidated financial information 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 information in the period the assumptions changed.

Management believes that the underlying assumptions used for the preparation of the financial information 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 consolidated financial information:

- 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 the financial information:

- 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 financial information.

4 Segment information

Geographical segment information 2021

(x € 1,000)	Belgium	France	Netherlands	Headoffice	Total
Result					
Gross rental income	58,411	33,336	70,092	-	161,840
Service costs charged	8,951	10,525	9,456	-	28,931
Total revenue	**67,362**	**43,861**	**79,548**	**-**	**190,771**
Service costs paid	-11,836	-12,485	-10,452	-	-34,772
Property expenses	-8,272	-9,207	-13,850	-	-31,329
Net rental income	**47,255**	**22,168**	**55,246**	**-**	**124,669**
Valuation results	-4,188	-24,680	-37,012	-	-65,880
Results on disposals	63	-214,086	-14,417	-	-228,439
General costs	-3,374	-6,500	-2,444	-6,571	-18,888
Other income and expense	6	-7	-	-207	-208
Operating result	**39,762**	**-223,105**	**1,375**	**-6,777**	**-188,745**
Interest charges	-3,891	-14,669	-18,621	12,418	-24,763
Interest income	3	14	-4		13
Other financial income and expense	2,410	-	-	-3,543	-1,133
Income tax	-100	-107	1,543	-	1,336
Result	**38,184**	**-237,866**	**-15,707**	**2,098**	**-213,292**
Total assets					
Investment properties in operation	910,796	168,985	827,235	-	1,907,015
Investment properties under construction	13,514	-	13,072		26,587
Assets held for sale	3,325	-	3,200	-	6,525
Other segment assets	23,903	17,698	383,757	882,890	1,308,248
minus: intercompany	-211	-	-65,000	-1,145,673	-1,210,884
	951,327	**186,683**	**1,162,265**	**-262,783**	**2,037,491**
Investments	**12,310**	**10,987**	**20,126**	**-**	**43,423**
Gross rental income by type of property					
Shopping centers	52,180	33,336	70,092	-	155,609
Offices	6,231	-	-	-	6,231
	58,411	**33,336**	**70,092**	**-**	**161,840**

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	0	12		16
Other financial income and expense	-1,091	-	0	8,475	7,384
Income tax	6	-581	593	1,460	1,479
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	0	-	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**

5 Investment property

(x € 1,000)	Investment property in operation	Lease incentives	Investment property under construction	Total Investment property
2021				
Balance at January 1	**2,513,429**	**5,482**	**58,669**	**2,577,580**
Purchases	-1,010	-	-	-1,010
Investments	27,568	-	16,865	44,433
From / to development properties	48,947	-	-48,947	-
To / from investments held for sale	-4,282	-	-	-4,282
Disposals	-611,773	-	-	-611,773
Valuations	-65,880	-	-	-65,880
Other	16	256	-0	272
Balance at December 31	**1,907,015**	**5,738**	**26,587**	**1,939,340**
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	-0	-	-	-0
Disposals	-96,116	-	-	-96,116
Valuations	-290,802	-	-3,062	-293,864
Other	-	-157	-0	-157
Balance at December 31	**2,513,429**	**5,482**	**58,669**	**2,577,580**

Key assumptions relating to valuations:

	Belgium	France	Netherlands
2021			
Total market rent per sqm (€)	203	268	200
EPRA Net Initial Yield	5.8%	4.6%	6.5%
EPRA vacancy rate	6.1%	5.3%	4.3%
Average vacancy period (in months)	13	12	9
Bandwidth vacancy (in months)	9-18	9-15	0-17
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

6 Net asset value per share

The authorized capital comprises 75,000,000 million shares each with a nominal value of € 1. As at December 31, 2021, 40,270,921 ordinary shares were issued.

	2021	2020
Equity available for shareholders (x € 1,000)	**866,823**	**1,124,299**
Number of ordinary shares per 31 December	40,270,921	40,270,921
Purchased shares for remuneration	-146,594	-79,259
Number of ordinary shares per 31 December for calculation net asset value	**40,124,327**	**40,191,662**
Net asset value per share (x € 1)	**21.60**	**27.97**

7 Interest bearing liabilities

(x € 1,000)	December 31, 2021	December 31, 2020
Long term		
Bank loans	141,355	383,382
Private placements	531,245	587,635
	672,600	**971,017**
Short term		
Bank loans	-	74,987
Private placements	75,000	121,825
Treasury notes	67,250	84,950
	142,250	**281,762**
Total interest bearing liabilities	**814,850**	**1,252,779**

(x € 1,000)	2021	2020
Balance at January 1	**1,252,779**	**1,335,657**
New funding	31,316	358,708
Repayments	-487,839	-412,540
Use of effective interest method	961	956
Effect of fair value hedges	-705	-1,584
Exchange rate differences	18,338	-28,419
Balance at December 31	**814,850**	**1,252,779**

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

	December 31, 2021		December 31, 2020	
(x € 1,000)	carrying amount	fair value	carrying amount	fair value
Bank loans and private placements	672,600	701,058	971,017	1,026,504
Total	**672,600**	**701,058**	**971,017**	**1,026,504**

8 Fair value measurement

(x € 1,000)	Total	Fair value measurement using Quoted prices (Level 1)	Observable input (Level 2)	Unobservable input (Level 3)
2021				
Assets measured at fair value				
Investment property in operation	1,912,753	-	-	1,912,753
Investment property under construction	13,073	-	-	13,073
Investments held for sale	6,525	-	-	6,525
Financial assets				
Derivative financial instruments	16,398	-	16,398	-
Liabilities for which the fair value has been disclosed				
Interest bearing debt	843,308	-	843,308	-
Derivative financial instruments	18,379	-	18,379	-
2020				
Assets measured at fair value				
Investment property in operation	2,518,911	-	-	2,518,911
Investment property under construction	37,348	-	-	37,348
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**	**-**

9 Rental income by country

	Gross rental income		Property expenses, service costs and operating costs		Net rental income	
(x € 1,000)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Belgium	58,411	59,429	11,156	15,966	47,255	43,463
France	33,336	42,812	11,168	20,072	22,168	22,740
The Netherlands	70,092	87,132	14,846	20,306	55,246	66,826
Total	**161,840**	**189,372**	**37,170**	**56,344**	**124,669**	**133,029**

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 February 4, 2022 an agreement was reached with Hudson’s Bay Company ULC for the settlement of the rental guarantee with respect to the former HBC lease in Tilburg. The funds from the settlement were received on February 7, 2022.

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make every day count