Wereldhave
BELGIUM

Trading update

31 March 2023

better everyday life, better business

Wereldhave Belgium Full Service Centers contribute to a better everyday life for visitors and better business for our partners.

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 Belgium Full Service Centers play a vital role in people's everyday lives in leading regional cities in Belgium.

Results on 31 March 2023

Continued good performance in the first quarter 2023 leads to catch-up with pre-Covid performance level

- **Net result from core activities: € 11.2M (31 March 2022: € 10.2M);**
- **Net asset value per share: € 79.95 (31 December 2022: € 78.99);**
- **Debt ratio of 27.4% (31 December 2022: 28.6%);**
- **EPRA occupancy rate total portfolio: 95.2% (31 December 2022: 95.2%), with EPRA occupancy rate retail portfolio: 96.9% (31 December 2022: 97.7%) and EPRA occupancy rate office portfolio: 86.1% (31 December 2022: 81.5%);**
- **Fair value of the investment properties portfolio: € 952.3M (31 December 2022: € 949.2M);**
- **Outlook of net result from core activities maintained between € 4.85 - € 4.95 per share.**

Key Figures

(x € 1,000)	31 March 2023	31 March 2022
Results		
Net rental income	15,678	13,681
Net result	**8,513**	**15,134**
Net result from core activities[1]	11,198	10,179
Net result from non-core activities[2]	-2,685	4,955
Profit per share (x € 1)	0.96	1.74
Net result from core activities per share (x € 1)	1.26	1.17
Average number of shares (#)	8,886,001	8,692,063

(x € 1,000)	31 March 2023	31 December 2022
Balance sheet		
Properties available for lease[3]	938,001	934,981
Development projects	14,298	14,252
Total investment properties	**952,299**	**949,233**
Shareholders' equity[4]	710,457	701,944
Net asset value per share (x € 1)[4]	79.95	78.99
Consolidated debt ratio	27.4%	28.6%
Share price (x € 1)	53.70	49.00
Number of shares (#)	8,886,001	8,886,001

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

Wereldhave Belgium continues to perform well in the first quarter 2023, catching up with 2019 performance

The first quarter of the year is usually a slightly quieter period for retail property owners, as after the dynamic of the sales period, retailers await the arrival of Spring. However, the Company's first quarter of 2023 deviated from this trend in two respects.

First, the past quarter was marked by several changes in the Company's management, which led to the departure of three of the four members of the management team. The departure of the CEO Nicolas Beaussillon was announced to the market via press release dated 7 March 2023, and that of the Company's CFO and COO was recorded. The latter has already been replaced by Mr Jean-Philippe Pinteaux and, pending the appointment of successors, Mr Matthijs Storm (already Managing Director and Effective Leader of the Company) and Mr. Dennis de Vreede will assume the duties of the CEO and CFO respectively on an interim basis.

Secondly, in terms of the Company's results, the good performance and trends of the end of FY2022 continued in the first quarter of 2023 both in terms of leasing, operating and financial activities.

Visitors numbers during the first quarter of 2023 showed thus a very good start in the various shopping centres of the portfolio (+11.4% compared to 2022 and +2.8% compared to 2019, which is, as far as the latter figure is concerned, a better performance than that of the market). January and February 2023 saw very good visitors numbers, but unfortunately the blocking of access to the Delhaize supermarkets due to an union strike had however a negative impact on the footfall of Shopping Nivelles and Shopping Les Bastions for the last three weeks of March 2023.

During the past quarter, leasing activities within the Company's portfolio also continued to show the same vitality, with the signing of 23 leases and lease renewals at terms and conditions averaging above market values (+5%). New leases were signed with Basic Fit, Rituals, Ricoh, Sports Direct, Loxam, Press Shop, etc. The leasing pipeline remains strong it being understood that some tenants remain cautious given the impact of the international geopolitical situation (including high indexation rates) on their profit margins.

This strong commercial activity has led to the continuation of the increase in the occupancy rate of the Company's office portfolio and an almost stable occupancy rate of the retail portfolio compared to 31 December 2022. Given that the first quarter was characterised by the usual more limited pop-up activity in the Company's retail portfolio (compared to the last months of the year which constitutes the best commercial period), this trend can be expected to continue.

Given the above as well as the information, figures and data that you will find in this press release, it appears that the Company is continuing on the path set out before the Covid crisis. Naturally, the Company continues to pay specific attention to the international context and its impact on the Company's customers as well as the necessary measures to be taken to maintain its performance.

Operational activities

Result of the quarter

The net rental income for the first quarter of 2023 amounted to € 15.7M, i.e. an increase of 14.6% compared to the same period in 2022 (€ 13.7M as per 31 March 2022). This increase is due to higher portfolio occupancy in the first quarter 2023 compared to the first quarter 2022 mainly in the office portfolio.

The net result of core activities for the first quarter of the year increased from € 10.2M at 31 March 2022 to € 11.2M at 31 March 2023.

Properties available for lease

The fair value of the portfolio of properties available for lease amounted to € 938M at 31 March 2023, which is € 3M higher than the € 935M at 31 December 2022. Without taking into account the investments in the portfolio during this period, the property values have remained almost constant compared to the values on 31 December 2022.

It should be noted that, on 31 March 2023, the weight of the value of Shopping Belle-Île within the Company's total assets was still below the regulatory threshold of 20% (18.95%). On the other hand, the Company's debt ratio was 27.4% on 31 March 2023.

As of 31 March 2023, the EPRA occupancy rate for the retail portfolio was 96.9%, compared with 97.7% on 31 December 2022. This decrease is due to a (usual) more limited pop-up activity during the first quarter of 2023 compared to the last quarter of the year (when this activity is at its highest level).

The EPRA occupancy rate of the office portfolio increased from 81.5% at 31 December 2022 to 86.1% on 31 March 2023 due to the conclusion of a number of leases in The Sage Vilvoorde and The Sage Antwerp. In a year time, the EPRA occupancy rate of the office portfolio increased by 17.3% (68.8% as of 31 March 2022).

Development projects

The fair value of the development projects did not change in the first quarter of 2023 compared to 31 December 2022 and amounted to € 14.3M on 31 March 2023 (€ 14.3M on 31 December 2022).

In the first quarter of 2023, the final items of the provisional acceptance of the works of the renovation project of the facades, entrances and outdoor terraces as well as the "rebranding" of the shopping centre Ring Kortrijk (€ 11.7M) were carried out.
In addition, the first renovation works of the retail park De Mael on Maalsesteenweg in Bruges (demolition of an 800m^2 building, followed by the reconstruction of a building extended to ± 1,500m^2) continued. This building will be delivered in the second quarter of 2023 and the commercialisation of the spaces is almost complete.

Finally, the Company continued its multi-year programme to modernise and rebrand its office parks in Vilvoorde and Berchem (total investment budget of € 8.7M). For the past quarter, this included the construction of a green zone and new access paths to The Sage Vilvoorde offices, contributing to the "look and feel" of these buildings.

Shareholders’ equity and net asset value

Shareholders' equity amounted to € 710.5M as per 31 March 2023 (€ 701.9M as per 31 December 2022). This increase is solely due to the generated results of the first quarter.

The net asset value per share (total shareholders' equity / number of shares), before dividend distribution of the previous financial year and including profit of the current financial year, amounted to € 79.95 on 31 March 2023 (€ 78.99 at 31 December 2022).

Financial structure and liquidity

The Company has a solid balance sheet structure, with a debt ratio of 27.4% at 31 March 2023 (28.6% on 31 December 2022).

In the past quarter, the Company did not close any new financings due to the successful financing operations in 2021 and 2022.

The financing structure of the Company is thus very strong as per 31 March 2023, both with regard to the availability of committed credit lines (€ 151M taking into account 100% coverage of the outstanding commercial paper) and the diversification of its financing sources (57% bank financing, 30% commercial paper and 13% bond financing).

The average interest rate on outstanding loans was 2.20% for the first three months of 2023 (1.68% for the year 2022).

General meeting and dividend payment 2022

As announced via press release dated 7 March 2023, Mr. Nicolas Beaussillon stepped down as CEO, Effective Leader and Managing Director of the Company on 31 March 2023. However, Mr. Beaussillon remains available to the Company in the coming months to ensure a smooth transition. Meanwhile, a process was also initiated to determine his succession but Mr. Matthijs Storm takes over as CEO ad interim.

On 10 March 2023, the General Meeting of Shareholders was convened on 12 April 2023 to express its opinion on the statutory and consolidated financial statements for the year ended 31 December 2022, including the appropriation of the result.

For financial year 2022, a dividend of € 4.20 per share (€ 2.94 net) was proposed, representing 87% of the net distributable result of financial year 2022.

The General Meeting of Shareholders was also requested to:

- appoint Mr. Luc Weverbergh, as Independent Member of the Board of Directors for four years (subject to the condition of approval by the FSMA);
- renew for four years (subject to the condition of approval by the FSMA) the mandates of Mr. Matthijs Storm (as Managing Director and Effective Leader) and Mr. Albertus Wilhelmus (Dennis) de Vreede (as Non-Executive Board Member), which expired on the date of the Meeting;
- appoint Mr. Keesjan Verhoog, as Non-Executive Member of the Board of Directors for four years (subject to the condition of approval by the FSMA); and
- ratify the resignation of Mr. Nicolas Beaussillon from his mandate as a director of the Company with effect on 31 March 2023.

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

Finally, the Company bade farewell to Mr. Dirk Goeminne as Independent Director and Chairman of the Board of Directors. The Company is very grateful to Mr. Goeminne for having benefited from his experience and expertise in (listed) companies during his 12 years of directorship.

Forecasts

In the press release of 7 February 2023, the Company announced that for the year 2023 it expected to achieve a net result from core activities between € 4.85 and € 4.95 per share. However, taking into account the current economic context, the Company can confirm this indication.

As the uncertainties arising from the international context (increased energy and construction prices, inflation, etc.) still apply and may impact the development of the economic activity in general and that of the Company's tenants in particular, the Company assumes that this range should still be viewed with caution.

However, the Company will keep the market informed of the evolution of the situation and the impact that the evolution of the above circumstances would have on this indication of result.

The Board of Directors of Wereldhave Belgium NV

Financial calendar for 2023

Ex-dividend date (ex coupon)	Monday 17 April 2023
Dividend record date	Tuesday 18 April 2023
Dividend 2022 payment	Wednesday 19 April 2023
Press release Q1 2023 (before opening of the stock market)	Thursday 20 April 2023
Press release Q2 2023 (before opening of the stock market)	Thursday 20 July 2023
Press release Q3 2023 (before opening of the stock market)	Friday 27 October 2023

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