

Wereldhave, France Assets:

Jaarverslag Wereldhave 2014

On November 28, the EGM convened to discuss and approve the rights issue of € 550m for the acquisition of six shopping centres in France for € 850m. These shopping centres are located in Argenteuil (Paris), Rouen (2), Le Havre, Bordeaux and Strasbourg. The transaction was completed on December 18, 2014. On pages 44 up to 47 of this report, you will find detailed information on the portfolio we acquired.

The acquisition of six shopping centres in France was a major step forward in the growth of the Company, expanding the portfolio with nearly one third and bringing the balance sheet total at yearend 2014 to € 3.2bn. The transaction was financed with a rights issue of € 550m and interest bearing debt of € 150m. The remainder was paid with available cash, mainly from the disposal of the Spanish portfolio. At year-end 2014, the Loan-to-Value stood at 35.4%, well within the targeted range.

A rights issue to raise € 550m was launched on December 1, 2014 at an issue price of € 41.23 per Offer Share.

The number of Wereldhave ordinary shares outstanding increased to 35,020,921.

Net rental income from the portfolio is currently at € 46.4m and the average occupancy-to-cost ratio is at 12.7%, a more or less normal level for these centres. The occupancy is at 91%. Wereldhave aims to improve the occupancy gradually to a targeted 97%, thus improving the net initial yield from 5.5% in 2015 to 5.9% in 2017. Wereldhave's operational performance in other countries has shown that mid-sized centres can reach high occupancy levels, even in an economic downturn.

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The disposal of our French offices portfolio for € 401m, 5% above the year-end 2014 book value, marked the end of a successful 30 year period of office developments in Paris under the management of Michel Janet.

On June 30, 2015, Wereldhave acquired the ownership of 1,600m² of the Côté Seine shopping centre in Argenteuil, leased to KIABI, an investment of € 1.8m. There were no other changes to the shopping centre portfolio.

In Docks Vauban, Le Havre, a Head of Terms was signed with Primark for a shop of 6,000m² in the heart of the shopping centre.

In addition, Wereldhave is preparing plans to improve the inner climate of the centre by fitting out entrances with sliding doors and tourniquets. The total investment will amount to approximately € 10m. Construction will start in September 2016 and the new Primark is scheduled to open its doors during the last quarter of 2017. Several large retailers have meanwhile expressed their interest in the centre or wish to expand their shop.

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In France, the committed development pipeline consists of the Primark for Docks Vauban in Le Havre. The improvement of the inner climate in Docks Vauban by creating sliding doors and tourniquets was completed in 2016 and the first reactions are very positive.

There were no changes to the investment portfolio in 2016. The project to improve the inner climate of Docks Vauban was completed in November 2016. The open entrances were replaced by doors, which had a significant impact on footfall, which went up by 14%. Also, five new kiosks were signed.

The development portfolio consists of the works to accommodate a Primark in Docks Vauban.

Construction of the € 8m project started in January 2017 and the Primark is expected to open its doors in Q3 2017.

In Saint Sever, Rouen, the Verrerie project to create a food hall in front of the entrance of the Kinopolis cinema is expected to start in February 2017. It requires an investment of approx. € 14m.

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In France, the committed development pipeline consists of the Primark for Docks Vauban in Le Havre and the Verrerie project in Saint Sever, Rouen.

The shell for the Primark in Docks Vauban was completed in July 2017 and tenant fit-out works started early in August. Primark will open its doors on 21 February 2018. In Rouen, works for the Verrerie project at the Saint Sever shopping centre started in October 2017.

The project will add an extensive food hall in front of the entrance of the Kinopolis cinema.

In Le Havre, the shell for the Primark in Docks Vauban was completed in July 2017 and tenant fitout works started early in August. Primark will open its doors on February 21, 2018. The announced store opening has added to the appeal of the centre.

The sealing project was completed in December 2016. Footfall numbers are positive and leasing activity is increasing.

Now that the inner climate has improved, specialty leasing is also picking up.

In Rouen, works for the Verrerie project at the Saint Sever shopping centre started on October 2, 2017.

The project will add an extensive food hall in front of the entrance of the Kinopolis cinema. Vapiano signed as one of the first food anchors.

Jaarverslag Wereldhave 2018

In France, the year 2018 saw the successful opening in February of Primark in Docks Vauban, Le Havre, and the completion of the Verrerie refurbishment scheme in Saint Sever, Rouen, in December.

The committed development pipeline in France consists of the Verrerie project in Saint Sever, Rouen.

It will add an extensive food court in front of the Kinopolis cinema. The project, which will be completed during in 2019, is nearly fully let. Plans for an extension to accommodate a big fashion anchor are currently being prepared.

Investments 2018: 34,9m
Investments 2017: 22,2m

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In France, the committed development pipeline consists of the Verrerie project in Saint Sever, Rouen.

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Saint Sever - Verrerie & refurb
Total investment: 26m
Capex (net) so far 20m
Capex spent 2018 15m

KEY PARAMETERS SHOPPING CENTRES PERFORMANCE	2014	2015	2016	2017	2018	2019
Net rental income	1,3 €	45,7 €	45,9 €	40,8 €	39,2 €	38,5 €
NIY (EPRA)	5,5%	5,0%	4,7%	4,6%	4,7%	4,7%
Occupancy	91,2%	91,1%	94,4%	93,2%	94,0%	94,0%
Investment: market value	832,0 €	852,0 €	899,7 €	877,1 €	879,1 €	806,0 €
Investment: under construction						
Acquisitions	858,8 €	1,7 €	0,0 €	0,0 €	0,0 €	0,0 €
Refurbishments/development *			20,4 €	22,2 €	35,0 €	9,0 €

Note* for me confusing in the year results, as such may not be correct to (re)check