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## **Memorandum of Information of**

# **Wereldhave** **BELGIUM**

## **regarding the optional dividend dated 28 October 2020**

### **Option period from 28 October to 9 November 2020**

The Ordinary General Meeting of the shareholders of Wereldhave Belgium NV/SA (hereinafter “the Company”) decided on 2 September 2020 to pay a gross dividend of € 4.50 per share for financial year 2019 (€ 3.15 net, i.e. after deduction of withholding tax at the rate of 30%<sup>1</sup>). The Board of Directors of the Company (hereinafter “the Board of Directors”) decided on 21 October 2020 to offer the shareholders of the Company in the framework of the authorised capital an option, by way of a dividend in cash or shares, in which the claim arising from the decision to distribute profit can be contributed to the capital of the Company in return for the issue of new shares (in addition to an option to receive the dividend in cash and the option to combine both of the aforementioned options).

This Memorandum of Information is intended for the shareholders of the Company and offers information about the number and nature of the new shares and the reasons for and provisions applicable to this optional dividend. It has been drawn up in application of Article 1.4 (h) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 related to the prospectus which needs to be published when shares are offered to the public or authorized to be traded on a regulated market and repealing Directive 2003/71/EG (the “Prospectus Regulation”), which provides that a prospectus does not need to be drawn up to offer shares and be allowed to trade shares within the context of an optional dividend, to the extent that an information document containing information on the number and the nature of the shares and on the reasons for and provisions applicable to the offer and of the admission is made available to the public. This Memorandum of Information is drawn up and published in accordance with the aforementioned article.

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No funds, shares or other remuneration may be requested by means of the website of the Company or the information it contains in any jurisdiction in which such offer or request is not permitted or if the offer or request is addressed to any person who may not legally receive such an offer or request. Any such shares, remuneration or funds sent in response to this Information Brochure or the website of the Company will not be accepted. Shareholders must personally determine whether they can accept the optional dividend. It is their responsibility to fully observe the laws of the jurisdiction where they live or reside or of which they are a national (which includes obtaining any authorisation whatsoever from governments, regulatory bodies or others which may be required).

No government has expressed its position on this Memorandum of Information. No government has assessed the timeliness and quality of this transaction, nor the situation of the persons implementing it.

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<sup>1</sup> More information about the Belgian tax processing of dividends is given in section II, 11 of this Memorandum of Information.

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## **I. OVERVIEW OF THE MAIN CHARACTERISTICS OF THE OPTIONAL DIVIDEND**

### **1. OPTIONS FOR THE SHAREHOLDER**

In the context of the optional dividend, the shareholder can choose between:

- ✓ contribution of the dividend rights to the capital of the Company, in exchange for new shares;
- ✓ payment of the dividend in cash; or
- ✓ a combination of the two previous options.

### **2. ISSUE PRICE AND RATIO**

The issue price per new share amounts to € 36.225.

To obtain two new shares, the net dividend rights of 23 number 24 coupons must be contributed.

### **3. OPTION PERIOD**

Start of option period: Wednesday 28 October 2020 at 9 a.m. (CET)

End of option period: Monday 9 November 2020 at 4 p.m. (CET)

With regard to the choice to be made, the Board of Directors wishes to bring to the attention of shareholders that the interim report on the quarterly figures as at 30 September 2020 was published, as set out in the financial calendar, on Wednesday 21 October 2020 before the opening of the stock exchange<sup>2</sup>. As of Friday 23 October 2020, the share is listed ex coupon nr. 24. The registration date (record date), it being the date on which positions are closed in order to identify the shareholders who qualify to receive a dividend, is on Monday 26 October 2020.

Shareholders who have expressed no choice in terms of the method during the option period will in any event receive the dividend entirely in cash.

### **4. NUMBER OF NEW SHARES TO BE ISSUED**

A maximum of 678,954 new shares will be issued.

### **5. AMOUNT OF THE CAPITAL INCREASE**

Taking into account the number of dividend-entitled shares (7,807,981), the ratio for the issue of new shares (23 no. 24 coupons in exchange for two new shares) and the issue price of one new share (i.e. € 36.225), the maximum capital increase amounts to € 24,595,108.65, represented by a maximum of 678,954 new shares.

This decision to increase the capital is still subject to the precedent conditions that, between Wednesday 21 October 2020 (the date of the decision by the Board of directors) and Tuesday 10 November 2020, the share price of the Company does not significantly rise or fall on Euronext Brussels compared to the average price on the basis of which the issue price was set by the Board of Directors and that, between Wednesday 21 October 2020 and Tuesday 10 November 2020, no extraordinary event of a political, military, economic, environmental, medical or social nature occurs which significantly affects the economy and/or the securities markets.

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<sup>2</sup> See the press release.

## **6. WHO CAN SUBSCRIBE?**

Any shareholder having a sufficient number of no. 24 coupons. Shareholders who do not have the necessary number of dividend rights to subscribe to at least one share will receive their dividend rights in cash. It is not possible to acquire additional no. 24 coupons. The contribution of dividend rights cannot be supplemented by a contribution in cash.

If a shareholder owns shares of different types (for example, a number of registered shares and a number of shares in dematerialised form), the dividend claims linked to these various forms of shares may not be combined to acquire new shares.

All shareholders can subscribe to new shares using their number 24 coupons, provided that, in doing so, they do not violate the legal rules applicable in the jurisdiction under which they fall. Shareholders falling under a different jurisdiction than the Belgian jurisdiction, must make certain that they can subscribe to new shares within the context of the optional dividend without imposing any legal obligations on the Company other than those arising from Belgian legislation, and that they comply with the laws of the jurisdiction under which they fall (including any permission from the government, in accordance with regulations or any other form of permission that may appear necessary).

## **7. HOW TO SUBSCRIBE?**

Shareholders who wish to contribute their dividend rights (in whole or in part) to the capital of the Company in exchange for new shares must contact:

- ✓ the Company, as regards registered shares;
- ✓ the financial institution that keeps the shares, as regards dematerialised shares.

## **8. CAPITAL INCREASE AND PAYOUT**

Implementation of the capital increase and the issue of new shares will be adopted on Tuesday 10 November 2020. As of Friday 13 November 2020, dividends will be paid in cash.

Number 24 coupons attached to shares of the same type which have not been contributed with a view to participation in the capital increase in the prescribed manner by 4:00 p.m. (CET) on Monday 9 November 2020 will not carry rights to new shares thereafter but will be paid in cash.

## **9. STOCK EXCHANGE LISTING**

As from Friday 13 November 2020, the new shares having coupon no. 25 attached will be admitted for trading on Euronext Brussels.

## **10. PROFIT PARTICIPATION**

The new shares having coupon no. 25 attached and issued in the context of the capital increase participate in the profit as of 1 January 2020.

## **II. FURTHER INFORMATION**

### **1. INTRODUCTION**

The Ordinary General Meeting of the shareholders of the Company of 2 September 2020 approved a gross dividend of € 4.50 (€ 3.15 net, i.e. after deduction of withholding tax at a rate of 30%) per share.

The Board of Directors of the Company decided on 21 October 2020 to offer the shareholders an option in which the claim arising from the decision to distribute profit can be contributed to the capital of the Company in return for the issue of new shares (in addition to an option to receive the dividend in cash).

The Board of Directors will, in the context of the authorised capital, proceed to increase the registered capital by contribution in kind of the net dividend claim (i.e. € 3.15 net, per share, after deduction of withholding tax at the rate of 30%) of shareholders who have opted to receive shares in exchange for the (full or partial) contribution of their dividend rights. The specific conditions and methods for this transaction are described in more detail below.

### **2. OFFER**

In the context of the dividend for financial year 2019, the Company is offering shareholders the following choices:

- ✓ contribution of the net dividend claim to the Company's capital, in exchange for new shares; or
- ✓ payment of the dividend in cash; or
- ✓ a combination of the two previous options.

### **3. DESCRIPTION OF THE TRANSACTION**

Shareholders who wish to opt for the (whole or partial) contribution of their dividend rights to the capital of the Company in exchange for new shares can subscribe to the capital increase during a set option period (see below).

The dividend claim that is coupled to a defined number of existing shares of the same type will provide the right to one new share, at an issue price per share that is further described in this Memorandum of Information.

The title to the right to the dividend is constituted by coupon no. 24.

Only shareholders having a sufficient number of no. 24 coupons attached to shares of the same type may subscribe to the capital increase. Shareholders who do not have the necessary number of dividend rights to subscribe to at least one share will receive their dividend rights in cash.

It is not possible to acquire additional no. 24 coupons. Coupons no. 24 will therefore not be listed or traded on the stock exchange.

It is also not possible to supplement the contribution of dividend rights with a contribution in cash. If shareholders do not possess the required number of shares of the same type in order to subscribe to a whole number of new shares, these shareholders do not have the option of supplementing their contribution in kind by means of a cash contribution in order to raise their subscription amount to the next whole number of shares. In such a case, the (by definition, extremely limited) remaining balance will be paid out in cash.

If a shareholder owns shares of different types (for example, a number of registered shares and a number of shares in dematerialised form), the dividend claims linked to these various forms of shares may not be combined to acquire new shares.

Registered shares can be exchanged for shares in dematerialised form and vice versa, at the expense of the shareholder.

#### 4. ISSUE PRICE

The issue price per new share amounts to € 36.225.

This issue price was calculated on the basis of the average stock market share price of the Company, over a period of 10 trading days.

More specifically, the issue price was calculated as follows:

(Average of the opening stock prices of the aforementioned 10 trading days prior to the date of the decision of the Board of Directors) – gross dividend 2019 (€ 4.50)) - discount

##### *a) Average stock price*

The average stock price of the share is the average of the opening prices for the 10 trading days prior to the decision of the Board of Directors on 21 October 2020 to issue the optional dividend (namely from Wednesday 7 October 2020 to Tuesday 20 October 2020, inclusive), i.e. € 42.33.

##### *b) Gross dividend of 2019*

The gross dividend of 2019 as determined at the annual shareholders meeting of the Company of 2 September 2020 amounts to € 4.50.

##### *c) Result and discount*

The average stock price ex-dividend was then divided by the net dividend of € 3.15 and the result of this formula was then rounded downwards to a multiple of the net dividend.

Applying an issue price per new share of € 36.225, the final discount (with regard to the average stock price as described above decreased by the gross dividend amount) amounts to -4.24%.

The discount on the closing price of the Company's share on Tuesday 20 October 2020 amounts to -3.66%.

The net asset value as defined in article 2, 23° of the act of 12 May 2014 regarding Regulated Real Estate Companies, as amended by the act of 22 October 2017 of the Company's share as at 30 September 2020 (which already takes into account the deduction of the undistributed gross dividend of € 4.50) amounts to € 81.39<sup>3</sup> and, therefore, the issue price of the new shares is 55.49% lower than the net asset value.

Shareholders who do not wish to proceed to a (total or partial) contribution of their dividend rights in exchange for new shares will undergo a dilution of their financial rights (including dividend rights and participation in the liquidation balance) and membership rights (including voting rights and preferential subscription rights) connected to their existing participation.

In the event of the issuance of 678,954 new shares (*i.e.* upon the full placement of the proposed optional dividend), the part of a shareholder who holds 1% of the Company's capital (*i.e.* 78,079 shares) in comparison with the totality of the shares of the Company prior to issuance will decrease with 8% to 0.92%, if he does not participate with a contribution of his dividend rights in exchange for new shares.

It is also stated that the new shares will be issued at an issue price below the par value of the old shares, as a result of which the par value of all shares after the capital increase will be lower than the current one. The capital representative value or accounting par value of a share without nominal value is obtained by dividing the total amount of capital by the total number of shares issued. According to the theory used in Belgium, the par value is determined in the same way even after incorporation. Where there is only one type of share, and the contribution value of new shares differs from the accounting par value of existing shares, the accounting par value of all shares is, in this view, determined by dividing the new total amount of capital after capital increase by the total number of shares. It can therefore be concluded that the accounting par value of all the shares after the capital increase will be lower than the current accounting par value of all the shares.

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<sup>3</sup> See Trading Update Q3 2020 published on 21 October 2020

## 5. OPTION PERIOD

The option period, during which shareholders may subscribe to the capital increase, starts on Wednesday 28 October 2020 at 9:00 a.m. (CET) and ends on Monday 9 November 2020 at 4:00 p.m. (CET).

With regard to the choice to be made, the Board of Directors wishes to bring to the attention of shareholders that the interim report on the quarterly figures as at 30 September 2020 was published, as set out in the financial calendar, on Wednesday, 21 October 2020 after closing of the stock exchange. As of Friday 23 October 2020, the share is listed ex coupon nr. 24. The registration date (record date), it being the date on which positions are closed in order to identify the shareholders who qualify to receive a dividend, is Monday 26 October 2020.

Shareholders who have expressed no choice in the prescribed manner during this period will, in any event, receive the dividend in cash.

## 6. CAPITAL INCREASE AND DIVIDEND PAYMENT

Implementation of the capital increase and the issue of new shares will be adopted on Tuesday 10 November 2020.

Taking into account the aforementioned issue price, two newly issued shares may be subscribed, and such new shares will be fully paid up, by the contribution of net dividend rights in the amount of € 3.15 (i.e. net after deduction of withholding tax at the rate of 30%) associated with 23 existing shares of the same type, represented by coupon no. 24.

The capital increase amounts (in terms of the hypothesis that shareholders hold an exact number of shares of the same type that entitles them to a whole number of new shares) to a maximum of € 24,595,108.65 as a result of the issue of a maximum of 678,954 new shares. The total maximum issue price of the new shares amounts therefore to € 24,595,108.65.

The amount of the capital increase will be equal to the number of new shares to be issued multiplied by the issue price (*see above under heading 4*). This implies that the new shares will be issued at the issue price of € 36.225, which is below the par value of the existing shares (i.e. €42.1923996597). The capital representative value or par value of a share without nominal value is obtained by dividing the total amount of capital by the total number of shares issued. According to the theory used in Belgium, the par value is determined in the same way even after incorporation. Where there is only one type of share, and the contribution value of new shares differs from the accounting par value of existing shares, the accounting par value of all shares is, in this view, determined by dividing the new total amount of capital after capital increase by the total number of shares. It can therefore be concluded that the accounting par value of all the shares after the capital increase will be lower than the current accounting par value of all the shares. In the special report of the Board of Directors drawn up in accordance with Sections 7:179 and 7:197 of the Belgian Companies and Associations Code, the issue price of the new shares and the consequences thereof for the rights attached to for the shareholders were accounted for. In particular, the impact of the issue on the shareholders' capital rights, in particular the profit rights and the rights to the liquidation surplus, and on the shareholders' membership rights, in particular the voting rights.

The new shares assigned will be of the same type as the current shares already held. Shareholders may request the conversion of registered shares into dematerialised shares or vice versa after the issue, in writing, at any time and at their own cost.

As from Friday 13 November 2020, a cash dividend will be paid to shareholders who: (i) opted to contribute their dividend rights against the issue of new shares but did not achieve the next whole number of shares (in which case the remaining balance will be paid in cash); (ii) chose to receive their dividend in cash; (iii) chose for a combination; or (iv) expressed no choice.

Shareholders who, with regard to the withholding tax of 30%, benefit from reduced withholding tax or are exempt from withholding tax will contribute a dividend claim of € 3.15 per share (the same amount as the net dividend after deduction of withholding tax at the rate of 30%), just as those who do not benefit from such a reduction or exemption, and the balance deriving from the reduction of or exemption from withholding tax will be paid in cash as from Friday 13 November 2020. Shareholders in such a situation must submit the customary certificate via their financial institution to the paying agent (i.e. the financial institution which is responsible for the financial services with regard to the Company share).

The new shares, with coupon no. 25 attached, issued as a result of this capital increase, participate in the profit as of 1 January 2020.

The new shares, with coupon no. 25 attached, will be admitted for trading as of Friday 13 November 2020 and can be traded on Euronext Brussels.

## **7. JUSTIFICATION OF THE TRANSACTION**

The contribution in kind of claims on the Company, in the context of the optional dividend and the concomitant capital increase, improves the equity of the company and lowers its debt ratio, which was 31.95%<sup>4</sup> based on the interim report on the quarterly figures as at 30 September 2020.

It opens furthermore the possibility for the Company to execute (i) additional debt-financed transactions and (ii) investments in its own existing portfolio in the future, in order to pursue its growth objectives. The optional dividend also makes it possible (insofar as the dividend rights are to be contributed into the equity of the Company) to avoid a cash-out.

In addition, it strengthens ties with the shareholders.

## **8. CONDITIONS PRECEDENT**

The Board of Directors reserves the (purely discretionary) right to withdraw the offer if, between Wednesday 21 October 2020 (the date of the decision by the Board of Directors) and Tuesday 10 November 2020, the share price of the Company significantly rises or falls on Euronext Brussels relative to the average price on the basis of which the issue price was set by the Board of Directors.

The Board of Directors also reserves the (purely discretionary) right to withdraw the offer if, between Wednesday 21 October 2020 and Tuesday 10 November 2020, an extraordinary event of a political, military, economic, environmental, medical or social nature occurs such that the economy and/or the securities markets are significantly affected.

Any withdrawal of the offer will be immediately communicated to the public by means of a press release. The exercise or non-exercise of this right may never give rise to any liability on the part of the Company.

## **9. FINANCIAL SERVICE**

Shareholders who wish to contribute their dividend rights (in whole or in part) to the capital of the Company in exchange for new shares must contact the Company, as regards registered shares, or the financial institution that manages their shares, as regards dematerialised shares.

This service is free of charge for the shareholder.

The paying agent of the Company is BNP Paribas Fortis.

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<sup>4</sup> See Trading Update Q3 2020 published on 21 October 2020



## 10. COSTS

All legal and administrative costs relating to the capital increase shall be borne by the Company.

Certain costs, such as those for a change of the share type, shall continue to be for the account of the shareholder. Shareholders are advised to consult their financial institution in this case.

## 11. TAX CONSEQUENCES

The paragraphs below concerning withholding tax contain the Belgian tax treatment with regard to the optional dividend. They are based on the Belgian tax legislation and administrative interpretations applicable at the date of this Memorandum of Information. This summary does not take into account, and does not cover, tax laws in other countries and does not take into account the specific circumstances of individual investors.

The information contained in this Memorandum of Information must not be considered investment, legal or tax advice. Shareholders are advised to consult their own tax advisor regarding the tax implications in Belgium and other countries within the framework of their specific situation.

The option for shareholders (i.e. the payment of the dividend in cash, the contribution of their dividend rights against the issuance of new shares, or a combination of both) has no impact on the calculation of withholding tax. In other words, withholding tax of 30% will be withheld on the gross dividend of € 4.50 per share (unless an exemption from or reduction of withholding tax is applicable).

Shareholders who benefit from reduced withholding tax or are exempt from withholding tax will contribute a dividend claim of € 3,15 per share, just as those who do not benefit from such a reduction or exemption, and the balance deriving from the reduction of or exemption from withholding tax will be paid in cash as from Friday 13 November 2020. Shareholders in such a situation must submit the customary certificate via their financial institution to BNP Paribas Fortis (i.e. the financial institution which is responsible for the financial services with regard to the Company's share).

## 12. INFORMATION MADE AVAILABLE

In principle, when a public offer of shares is made in Belgium, and for the admission of such shares for trading on a regulated Belgian market, a prospectus must be published under the Prospectus Regulation and the law of 11 July 2018 related to financial instruments, offered to the public and the authorization to be traded on a regulated market.

Given the publication of this Memorandum of Information, however, pursuant to Article 1.4 (h) of the Prospectus Regulation, the obligation to publish a prospectus in the case of an optional dividend does not apply.

This Memorandum of Information, subject to the customary limitations, is available on the website of the Company (<http://www.wereldhavebelgium.com/en/investor-relations/optionaldividend>).

The special report by the Board of Directors of 21 October 2020 related to the contribution in kind, drawn up pursuant to Articles 7:179 and 7:197 of the Companies Code, as well as the special report of the auditor on the contribution in kind, also drawn up pursuant to Sections 7:179 and 7:197 of the Belgian Companies and Associations Code, are available on the website of the Company.

## 13. CONTACT

For more information about the transaction, shareholders with dematerialised shares may contact the financial institution managing their shares or BNP Paribas Fortis NV (acting as paying agent for the Company), having its registered office at Warandenberg 3, 1000 Brussels, by telephone +32 (0)2 433 41 13 or by email [CFCM-ECM@bnpparibasfortis.com](mailto:CFCM-ECM@bnpparibasfortis.com).

Holders of registered shares can contact the Company for more information (by telephone + 32 (0)2 732 19 00 or by email to [investor.relations@wereldhavebelgium.be](mailto:investor.relations@wereldhavebelgium.be)).

### III. APPENDIX: EXAMPLE

The following is an example in the framework of a payment for an optional dividend, for illustrative purposes. It does not take into account any exemption from or reduction of withholding tax.

The example uses a shareholder who owns 100 shares of the same type (for example, 100 dematerialised shares).

The issue price is € 36.225. Two new shares may be subscribed by contributing the net dividend rights of 23 existing shares of the same type, represented by coupon no. 24.

The shareholder can exchange the net dividend rights attached to 100 shares, represented by coupon no. 24, for:

- ✓ Cash:  $100 \times € 3.15 = € 315$  or
- ✓ Shares: 8 new shares (in exchange for 92 no. 24 coupons) + the balance amounting to € 25.20 in cash (in exchange for the remaining 8 no. 24 coupons, which are not enough to subscribe to an additional share); or
- ✓ A combination: (for example) 6 new shares (in exchange for 69 no. 24 coupons) + € 97.65 in cash (in exchange for the remaining 31 no. 24 coupons).

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