Wereldhave
BELGIUM

Results 2020

make every day count

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

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

Summary

In 2020, Wereldhave Belgium recorded a decrease of its net result from core activities per share, from € 5.92 in 2019 to € 4.65 in 2020.

The EPRA occupancy rate of the retail portfolio amounts to 94.4% as of 31 December 2020, compared to 96.3% as of 31 December 2019. For the whole investment portfolio, the EPRA occupancy rate amounts to 91.9% as of 31 December 2020 (95.2% as of 31 December 2019).

Strongly impacted by the concessions granted to tenants as a result of the Covid-19 pandemic and the resulting temporary mandatory closures of commercial activities, the 'Like-for-Like' of the property operating results in 2020 compared to the financial year 2019 amounted to -17.0% (retail portfolio: -19.1%; offices portfolio: -1.5%). Excluding the direct impact of the pandemic, the 'Like-for-Like' percentage would have been -2.0% for the entire portfolio.

The net asset value per share before dividend payment amounted to € 78.20 (2019: € 88.27).

The debt ratio amounted to 29.99% as of 31 December 2020, in line with the one as of 31 December 2019 (29.33%).

Samenvatting

Wereldhave Belgium kende over 2020 een daling van zijn netto resultaat van kernactiviteiten per aandeel van € 5,92 in 2019 naar € 4,65 in 2020.

De EPRA bezettingsgraad van de retail portefeuille bedroeg 94,4% op 31 december 2020, ten opzichte van 96,3% op 31 december 2019. Voor de totale portefeuille vastgoedbeleggingen bedroeg de EPRA bezettingsgraad 91,9% op 31 december 2020 (95,2% op 31 december 2019).

Sterk beïnvloed door de aan huurders verleende toegevingen tijdens de Covid-19 pandemie en de daaruit voortvloeiende verplichte tijdelijke sluitingen van commerciële activiteiten, daalde de "Like-for-Like" van de operationele vastgoedresultaten in 2020 ten opzichte van het boekjaar 2019 met 17,0% (retail portefeuille: -19,1%; kantorenportefeuille: -1,5%). Zonder de directe impact van de pandemie zou het 'Like-for-Like'-percentage -2,0% zijn voor de hele portefeuille. Zonder de directe impact van de pandemie zou het 'Like-for-Like'-percentage -2,0% zijn voor de hele portefeuille.

De nettowaarde per aandeel vóór dividenduitkering bedroeg € 78,20 op 31 december 2020 (2019: € 88,27).

De schuldgraad bedroeg op 31 december 2020 29,99%. Deze bleef dus stabiel ten opzichte van 31 december 2019 (29,33%).

Résumé

En 2020, Wereldhave Belgium a connu une baisse de son résultat net des activités clés par action de € 5,92 en 2019 à € 4,65 en 2020.

Le taux d'occupation EPRA du portefeuille d'immeubles commerciaux s'est établi à 94,4% au 31 décembre 2020, par rapport à 96,3% au 31 décembre 2019. Pour le portefeuille total d'immeubles de placement, le taux d'occupation EPRA s'est élevé à 91,9% au 31 décembre 2020 (95,2% au 31 décembre 2019).

Fortement impacté par les concessions accordées aux locataires du fait de la survenance de la pandémie Covid-19 et des fermetures obligatoires temporaires des activités commerciales qui en ont découlé, le 'Like-for-Like' de l'évolution des résultats immobiliers opérationnels en 2020 par rapport à l'année 2019 s'est établi à -17,0% (portefeuille d'immeubles commerciaux: -19,1%; portefeuille d'immeubles de bureaux: -1,5%). Hors impact direct de cette pandémie, ce pourcentage 'Like-for-Like' se serait établi à -2,0% pour l'ensemble du portefeuille.

La valeur d'actif net par action avant distribution du dividende s'est établie à € 78,20 au 31 décembre 2020 (2019: € 88,27).

Le taux d'endettement s'est établi à 29,99% au 31 décembre 2020, en ligne avec celui du 31 décembre 2019 (29,33%).

Statement of the board of directors

On the results as of 31 December 2020 (for the period 01 January – 31 December 2020)

Despite the outbreak of the Covid-19 pandemic, resilience of operating results and property valuations in 2020

Net result from core activities per share:

€ 4.65

(2019: € 5.92)

Net asset value per share:

€ 78.20

(2019: € 88.27)

EPRA occupancy rate:

91.9%

(2019: 95.2%)

Debt ratio of:

29.99%

(2019: 29.33%)

Successful refinancing of

€ 145 mln

(in anticipation of financing maturing in 2021 for an amount of € 130 mln)

High debt recovery percentage of

94.9%

in the year 2020

Optional dividend proposal

€ 4.00 gross - € 2.80 net

(2019: € 4.50 gross - € 3.15 net)

Key figures

(x € 1,000)	31 December 2020	31 December 2019
Results		
Net rental income	49,218	58,613
Net result	**-22,148**	**28,957**
Net result from core activities [1]	36,656	45,617
Net result from non-core activities [2]	-58,803	-16,660
Profit per share (x € 1)	-2.81	3.76
Net result from core activities per share (x € 1)	4.65	5.92
Average number of shares	7,876,435	7,708,224

(x € 1,000)	31 December 2020	31 December 2019
Balance sheet		
Properties available for lease [3]	908,575	948,671
Development projects	12,635	12,615
Total investment properties	**921,209**	**961,285**
Shareholders' equity [4]	650,548	689,221
Net asset value per share (x € 1) [4]	78.20	88.27
Debt ratio	30.0%	29.3%
Share price	39.3	86.2
Number of shares	8,319,287	7,807,981

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 comprises (i) the result on sale of property investments, (ii) the variations in the fair value of property investments, (iii) the other portfolio result, (IV) the variations in the fair value of financial assets and liabilities and (V) 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 dividend payment.

Financial year 2020 marked by the outbreak of the Covid-19 pandemic

After a solid 2019, marked by the arrival of new retailers and an increase in the number of visitors within the portfolio, the year 2020 was off to a very positive start, with the continuation of this positive trend. Indeed, in the first two months of the year, visitor numbers, an important indicator of the economic health of our centres, were up by more than 10% in all our centres compared to the same period last year, well above average market performance. This trend further confirmed the intrinsic overall quality of the Company's portfolio and its expertise in terms of commercial strategy, active management of the common areas of its centres (by organising events and making them available for temporary occupancy) and the organisation of well-targeted promotional campaigns.

However, from the beginning of March 2020, the outbreak of the Covid-19 pandemic in the world in general and in Belgium in particular had an immediate and significant impact on all commercial activities, in particular when the public authorities took successive measures restricting the movement of people and the mandatory ceasing of all activities deemed non-essential, in an attempt to stem the pandemic.

In this difficult context, the Company tried to cope with the events:

- by keeping its centres in operation to the extent permitted by the authorities and by taking the necessary organisational measures to guarantee the safety of its visitors;
- by supporting its tenants, in particular in a financial effort by waiving rent receivables to help its tenants get through the current economic climate;
- by taking all necessary financial measures to preserve and strengthen the Company's liquidity position, in particular by achieving cost savings, postponing investments deemed to be of lower priority and strengthening its financing structure.

In order to keep its shareholders and other stakeholders informed of developments, during 2020, in addition to its recurring regulated publications, the Company issued several press releases relating to Covid-19 events, notably on 16 March, informing them of the irrelevance of the previously announced earnings outlook. On 2 April, the Company announced changes to the financial calendar, in particular the postponement of the Ordinary General Meeting of Shareholders; and on 22 June, it announced a new financial calendar and an adjustment of the amount of the 2019 dividend downwards.

Today, the Company is publishing its 2020 annual results press release, presenting the evolution of the Company's activities over the past year.

Evolution of operational activities

As indicated above, the first two months of 2020 have been characterised by very good operational performance, illustrated in particular by the very positive trend in the number of visitors in shopping centres, up by more than 10% compared with the same period last year, an increase well above the figure of 6.0% reported by BLSC, the body representing the players in the shopping centre sector. Important factors contributing to this success were dynamic marketing (with the opening of several successful shop concepts) as well as active online and offline communication on the theme of "Make every day count".

The outbreak of the Covid-19 pandemic abruptly put a stop to this positive trend, with the announcement on 12 March of the decisions of the National Security Council which, among other things, imposed the mandatory closure of all cafés, bars and restaurants. From 17 March, the rules were tightened by the government and all non-essential shops were forced to close to the public. Shopping centres remained accessible at all times, but with a limited offer, which obviously had a strong negative impact on the number of visitors as well as on the turnover of tenants. During the closure period, various measures were taken to keep costs to a minimum (temporary unemployment of employees in the shopping centres, halting and deferring all interventions and investment projects that were not considered a priority.

During this period of economic downturn and knowing that the health and safety of visitors, tenants, employees and the Company's diverse business partners is a top priority, the Company has taken various initiatives, considering the measures in place, to ensure a safe environment for all stakeholders. The Company created secure environments for visitors in the centres to manage footfall flows in order to avoid overcrowding at any given time and has encouraged the restart of tenants' activities by among other things providing additional terrace space free of charge to F&B's tenants.

After almost two months of closure, commercial activities were able to resume, with shops gradually reopening from 11 May, depending on the type of activity.

Following the reopening of the shops, the Company recorded positive trends with a gradual increase in the number of visitors rising from 50% before the opening of the F&B's to more than 75% after the reopening of the F&B's and even around 90% from June onwards. Active online marketing and the easing of restrictive measures have enabled the Company to attract customers back to the experience and services and to return to visitor levels slightly lower than those achieved before the Covid-19 pandemic.

During the summer, the health situation worsened again, which led the Government to postpone the summer sales from July to August and to reinforce security measures again at the end of July by limiting the number of people who could visit the centres and the duration of these visits.

After a further easing of measures, the months of September and October were characterised by slightly lower visitor numbers than in the previous year, but by a better conversion rate among tenants, so that their turnover fell less than the decline in visitor numbers.

However, the resurgence of the pandemic during the autumn led the National Security Council to take more drastic precautionary measures by once again imposing the mandatory closure of cafés, bars and restaurants from 19 October and then of all shops deemed "non-essential" from 2 November. These decisions led to the closure of around 80% of the shops in shopping centres, which again had a strong impact on the number of visitors in shopping centres. During this second period of mandatory closure, the Company reinstated the measures taken earlier in the year to limit costs as much as possible.

On 1 December, the non-essential shops were able to reopen their doors again, allowing them to try to make up for the reduced sales during the important holiday season, while the F&B's activities and other so-called contact activities (hairdressers, beauticians, etc.) are still subject to a mandatory closure of their businesses at the end of the financial year.

As a result of this chaotic situation, the numbers of visitors in the Company's shopping centres in 2020 were around 28.0% lower on average than in 2019, slightly better than the market figures published by BLSC, which were -29.3% in 2020 compared with 2019.

Evolution of rental activities

The outbreak of the pandemic and the announcement of the various mandatory closures caused concern among tenants, who suddenly saw their sales in physical shops partially or totally interrupted for indefinite periods, leading them to be even more concerned about limiting their costs. In this context, individual discussions have been initiated with the Company's commercial tenants who were impacted by these interruptions in relation to the payment of rent during the period of shop closure. These tenants requested a discount (total or partial) or deferral of the amounts due during these periods, as well as possible supporting measures for the periods following their reopening to the public to help them resume their activities.

The Company wished, in this very exceptional and unique context, to position itself as a partner of its tenants and therefore to consider the possibility of entering into individual agreements with its tenants in order to maintain a fair balance between the parties. The majority of the tenants contacted appreciated this proactive approach by the Company to agree to share in a balanced way the financial effort during periods of non productivity, enabling them to easier get through the periods of inactivity imposed on them.

In this context, at the date of this press release, agreements have been reached with more than 97% of the tenants regarding the first mandatory closure period in the form of debt waivers, generating a negative impact of € 4.0 mln on the Company's rental income. In addition, a provision on trade receivables of € 0.7 mln has been recorded in the result as at 31 December 2020 in respect of tenants with whom no agreement has yet been reached.

In parallel, discussions were initiated during the last quarter of 2020 with tenants impacted by the second mandatory closure period and agreements have already been reached with about 50% of them also in the form of exceptional and partial debt waivers, generating a total negative impact of € 0.4 mln on the Company's rental income. With regard to the discussions still in progress, the Company has made an estimate of the impact of these residual discussions, based on its experience of previous discussions and by making a number of assumptions, leading to the recording of an additional provision of € 2.1 mln for the waiver of trade receivables at 31 December 2020.

The total impact of these debt waivers granted (or estimated still to be granted) to tenants over the year 2020 therefore amounts to €7.1 mln.

It is also worth mentioning that the Company benefits from a good diversification of its revenues, since no tenant in its portfolio represents more than 5% of its revenues, thus enabling it not to be overly exposed to a counterparty that would be more heavily impacted by the current health crisis.

In addition to these Covid-19-related discussions with existing tenants, there was strong rental activity during the year. At 31 December, 92 rental transactions (lease renewals or new leases) were signed within the Company's portfolio, further confirming its attractiveness and resilience to the current market environment.

Evolution of financial activities

The outbreak of the health crisis and the successive decisions of the National Safety Council to partially or totally shut down commercial activities during the year had an inevitable direct financial impact on the Company's liquidity. Indeed, the announcement of these decisions and the resulting uncertainty had a major impact on the payment behaviour of tenants, leading them to delay payment of their invoices in order to preserve their own liquidity.

As a result, numerous discussions were initiated with the tenants, on the one hand by the commercial department and on the other hand by the financial department, in order to agree on the terms and conditions for settling outstanding receivables while taking into account the concessions granted in the context of the commercial discussions. During these discussions, it became clear that the financial situation of some tenants, sometimes already precarious before the outbreak of the crisis, had deteriorated significantly, leading some of them to initiate legal reorganization proceedings or even to file for bankruptcy, as was the case for companies such as for example Camaieu, Maxi Toys and Mega World.

Given this context, the Company had to focus its efforts during the financial year on implementing an even more proactive debt recovery policy to identify risks as early as possible and optimise its chances of recovering outstanding receivables. As a result of these efforts, the Company is now able to report a debt recovery rate of 94.9 % for the full year 2020 (taking into account the amounts of concessions granted), while this rate is 89.0 % for the fourth quarter of 2020 (also taking into account the amounts of concessions granted).

Considering the pressure on the Company's revenues as illustrated above, the Company has proactively taken measures to preserve its own liquidity and reduce its expenses and those of its tenants, such as temporarily interrupting or postponing several investment programmes and reducing expenses, including temporarily furloughing shopping centre staff and suspending certain contracts. Ongoing investment programmes, such as the renovation of the Belle-Île shopping centre in Liège or the renovation of the office buildings in Vilvoorde and Antwerp, were temporarily interrupted during the past year, before finally being restarted after the Company had reassured itself of its liquidity position. Special attention was also paid to analysing the cost structure of the Company in order to optimise it and to achieve structural savings. This analysis has enabled the Company to record exceptional income of € 1.95 mln in 2020 related to the recovery of various taxes, and to generate recurring structural savings for the coming financial years.

Also as part of the management of its liquidity position, the Company actively worked during 2020 to strengthen its financing structure. As a reminder, this is mainly made up of credit lines with banking institutions, a commercial paper programme with institutional investors and an inter-company line with the majority shareholder Wereldhave NV. The Company was not exposed to financing maturities in 2020 but during the second quarter of 2021 with the maturity of two bank lines for a total amount of € 130 mln. Building on its strong balance sheet and the resilience of its portfolio, the Company has concluded three new bank financings for a total amount of € 145 mln. As a result of these transactions, the next financing maturities are postponed to the second half of 2022. Although the Company's financing needs are met in the medium term, it is actively pursuing the analysis of several complementary financing options (notably on the bond markets) with a view to optimising the diversification of its financing sources and extending the average residual maturity.

Taking into account these various transactions, the Company is able to report at 31 December 2020 a solid balance sheet with a debt ratio of 29.99%, available credit lines totalling € 177 mln (taking into account a 100% back-up of the commercial paper programme through available credit lines), an average residual maturity of the debt at 31 December 2020 of 2.9 years and an average cost of financing in 2020 of 0.90%.

Valuation of the investment property portfolio

In the current context, where the commercial property market has been negatively impacted by the Covid-19 pandemic, the consequences of which are not yet fully known in the medium and long term, and transaction activity remained very limited during the year, it has been difficult for independent property experts to find benchmarks to support their valuations.

Despite this, they have deemed it necessary to reflect in their valuations of the Company's investment portfolio in 2020, the negative impact of the crisis on property values, in particular by taking into account corrections to their valuation parameters or by deducting from their values estimates of the amounts of rent concessions that the Company will have to grant to tenants.

On this basis, the Company recorded, excluding the impact of investments made during the year, a decrease in value (excluding investments/divestments) of its investment property portfolio of -5.9% (€ -57.9 mln) over the entire past financial year.

In view of the current level of market uncertainty, the experts insisted on including a "material uncertainty" clause in their valuations for commercial properties in accordance with the valuation standards prescribed by the RICS organisation. This clause essentially states that these valuations, while providing a high degree of reliability, must be interpreted with caution due to the lack of market references. However, this clause is not applicable to for valuations of the office property portfolio at 31 December 2020, as this market was more active in 2020 and thus allows independent property experts to benefit from market references to support their valuations.

Results of financial year 2020

Net result

The net result for 2020, combining the net result from core and non-core activities, amounted to € -22.1 mln (2019: € 29.0 mln). This decrease compared to the previous year is due, on the one hand, to a decrease in the net result from core activities (€ -9.0 mln), and, on the other hand, to a decrease in thenet result from non-core activities (€ -42.1 mln) compared to 2019.

Net result from core activities

In 2020, the Company recorded a net result from core activities of € 36.7mln (2019: € 45.6 mln).

The net rental income decreased by € 9.4 mln, mainly due to (i) debt waivers granted or to be granted to tenants in the context of the Covid-19 discussions (€ 7.1 mln), (ii) a higher amount of non-recurring lease termination indemnities received last year (€ 1. 3 mln), and finally (iii) a lower amount of income in 2020 (€ 0.6 mln) generated on the exploitation of the common areas of shopping centres as a result of the limitation measures taken by the authorities in the context of the fight against the Covid-19 pandemic. Compared to 2019, property expenses remained stable overall while general expenses decreased significantly (€ -0.8 mln) due to the combined effect of a non-recurring tax recovery income partly offset by a non-recurring expense related to the termination of collaboration contracts with the Company.

Net financial charges increased slightly by € 0.2 mln, mainly due to a higher use of current credit lines during the year, resulting from prudent liquidity management in the current market conditions, as well as the cost of refinancing operations carried out during the financial year.

Considering the impacts mentioned here above and the increase in the number of shares compared to financial year 2019, the net result from core activities per share amounted to € 4.65 in 2020 (2019: € 5.92).

Net result from non-core activities

The net result from non-core activities amounts to € -58.8 mln (2019: € -16.7 mln) and is mainly constituted by the fair value revaluations of the investment properties portfolio (€ -57.9 mln), the realised result of the sale of student rooms in Ghent Overpoort (€ 0.3 mln) and the changes in the fair value of hedging instruments (€ -1.2 mln)

Shareholders' equity and net asset value

As of 31 December 2020, the shareholders' equity amounted to € 650.5 mln (31 December 2019: € 689.2 mln). This decrease is mainly due to the decreases in value recorded on the property portfolio during the past financial year.

The net asset value per share (total shareholders' equity / total number of shares), including the result of the current financial year and taking into account the result of the distribution of an optional dividend organised in 2020, amounts to € 78.20 as at 31 December 2020 (€ 88.27 as at 31 December 2019).

As mentioned above, shareholders' equity has been increased in the course of the year by the distribution of an optional dividend resulting in an equity increase's of € 21.4 mln (capital) by the issuance of 511,306 new shares.

The number of issued shares as of 31 December 2020 amounted to 8,319,287 shares.

Financing policy

Total financial liabilities increased from € 273.0 mln at 31 December 2019 to € 263.0 mln at 31 December 2020, mainly as a result of the cash flow generated from the rental activity during the year, which has been partly used for additional investments in the portfolio (€ 17.8 mln) and for the distribution of the dividend in cash (€ 16.6 mln).

During the financial year, the Company carried out various refinancing operations by concluding three new credit lines with its banking partners for a total amount of € 145 mln and for an average duration of 3.3 years, as refinancing of two bank credit lines for a total amount of € 130 mln which expire in the second quarter of 2021.

These refinancing operations enabled the Company to maintain the average duration of its financing structure at around 3 years (2.9 years at 31 December 2020 compared to 3.2 years at 31 December 2019)

In addition, the € 100 million Treasury Notes programme, initiated in September 2018, continued to be extensively used in 2020, increasing from a total use of € 93.0 mln on 31 December 2019 to a total of € 85.0 mln on 31 December 2020. This Treasury Notes programme, aimed at an institutional investor audience, was also influenced by the outbreak of the Covid-19 pandemic during the financial year. Indeed, as soon as the crisis broke out, these investors also took care to preserve their liquidity by keeping their cash available, leading to a significant slowdown in this market for a few weeks. However, this market also showed great resilience by recovering fairly quickly, enabling the Company to ensure that its programme was almost fully utilised by the end of the year. This significant use of what is considered to be a cheap way of financing enabled the Company to keep its average financing cost extremely low, at 0.90% in 2020 (compared with 0.81% in 2019).

In addition, the Company implemented a "Green Financing Framework" during the 2020 financial year. Benefiting from this framework, which has been certified by an independent body, the Company may in the future enter into or issue new financing instruments with a "Green" label. The certification of this framework is a recognition of the quality and environmental performance of the Company's portfolio and further strengthen the image of the Company's as a responsible player and to broaden its offer to potential investors.

At 31 December 2020, the debt ratio was 29.99% (29.33% at 31 December 2019). This slight increase in the debt ratio compared to the previous financial year is mainly due to the decreases in value of the property portfolio during the financial year. This debt ratio below 30% illustrates the strength of the Company's balance sheet, providing room for additional investments.

With regard to the Company's interest rate hedging policy, the Company has restructured an IRS derivative instrument for an amount of € 50 mln during 2020 to postpone its starting date by one year (from 30 June 2020 to 30 June 2021). This operation enabled the Company to continue to benefit for another year from the current extremely low interest rates, which had a positive impact on its average financing cost in 2020. Taking into account this deferred start date instrument, the Company benefits from a hedging ratio of 61% as of 31 December 2020.

Property portfolio

Properties available for lease

The fair value of the properties available for lease decreased from € 948.7 mln on 31 December 2019 to € 908.6 mln on 31 December 2020; investments and divestments excluded, this value decreased by € - 57.0 mln in the course of the year.

In 2020 the Company has invested in its portfolio of properties available for lease for a total amount of € 16.8 mln, of which most of it is allocated to the renovation of the Belle-Île shopping centre in Liège, the installation of new tenants at Ring Shopping Kortrijk and Genk Shopping 1 and the investment programme carried out in the office portfolio. During the financial year, the Company also sold of a student accommodation building in Ghent Overpoort for € 7.8 mln, generating a realised capital gain of € 0.3 mln compared to its last fair value.

The EPRA occupancy rate on 31 December 2020 of the investment portfolio amounts to 91.9% (31 December 2019: 95.2%).

Retail portfolio

Wereldhave Belgium further focuses on convenient shopping centres and retail parks that are dominant in their catchment area, and preferably with a potential for further expansion into Full Service Centres. By means of a proactive approach, the Company aims to maintain and strengthen the market position of its retail portfolio. The share of the retail portfolio amounts to more than 90% of the value of the investment property portfolio, including development projects and assets held for sale.

The EPRA occupancy rate – see above- of the retail portfolio decreased from 96.3% as at 31 December 2019 to 94.4% as at 31 December 2020. This decrease is mainly due to the combined effect of the departure of some tenants, mainly in Tournai and Genk (Shopping 1 and Stadsplein) and some bankruptcies within the portfolio (such as Camaieu, Maxi Toys, Mega World, ...); partly offset by good commercial results achieved despite the current economic environment, with the arrival of new tenants such as Action in Kortrijk, Holland & Barret, Pitaya and Superdry in Belle-Île, Jack & Jones in Shopping Nivelles, ...

Strongly impacted by the concessions granted to tenants due to the Covid-19 pandemic and the temporary mandatory closures of commercial activities, the 'Like-for-Like' of the evolution of the property operating results during 2020 on the retail portfolio was -19.1%, compared to +0.8% in 2019.

With regard to the Belle-Île extension project, after having modified and optimised the plans in 2019 to take into account the evolution in the retail market and incorporate greater flexibility and new functions (leisure, catering, co-working, etc.) to develop the shopping centre into a Full Service Centre, the Company submitted applications for permits or permit modifications during 2020, with the aim of receiving all the necessary authorisations at the beginning of 2021. Once these permits will be received and depending on the evolution of the letting of the project, the Company will define a new timeline for its execution. This project is estimated at a budget of around € 47 mln and has a construction period of about 2 years.

Despite the active management of our shopping centres and the smooth cooperation between the local teams and the head office the results of specialty leasing (temporary leasing of stands and promotional activities in common areas) have significantly decreased in 2020 compared to 2019, as these areas could not be used during the periods of closure and other periods of restriction that followed in 2020 due to the outbreak of the Covid-19 pandemic.

Office portfolio

The EPRA occupancy rate evolved from 89.2% on 31 December 2019 to 77.5 % on 31 December 2020. This significant decrease is due to the departure of several tenants, both in the 'De Veldekens' office complex in Berchem-Antwerp, mainly with the departure of Argenta, KBC and Proximus left, and in the 'Business & Media' office park in Vilvoorde, with the departure of tenants as Monster and WGEO. left. Although some of these departures were expected, the outbreak of the Covid-19 pandemic has caused a pause in the commercialisation of these areas, which remains a priority for the Company in financial year 2021.

The 'Like-for-Like' of the evolution of the property operating results during 2020 on the office portfolio was -1.5%, compared to -10.0% in 2019.

In order to improve the technical quality of the buildings and to increase their aesthetic attractiveness, particularly in view of these commercialisation issues, the Company decided to perform a multi-year investment programme in this portfolio in the coming years. Common restaurants in both locations will be fully redeveloped in order to offer a better service to the tenants. Upgrades to the technical installations and to the equipment of the entrance halls and sanitary blocks will be made.

Development projects

On 31 December 2020, the value of the development projects portfolio amounted to € 12.6 mln (31 December 2019: € 12.6 mln); investments excluded, this value decreased (€ -1.0 mln) over the financial year 2020 due to the depreciation of certain costs relating to the Belle-Île extension project.

During the past year, investments were made in the preparation of the extension project of the Belle-Île shopping centre in Liège (€ +0.8 mln) and the redevelopment project of the Waterloo site (€ +0.2 mln).

Derogation shopping centre Belle-Île in Liège

Regarding the issue of diversification of the Belle-Île shopping centre in Liège within the Company's portfolio since its acquisition, this centre represents a percentage that is greater than or close to the regulatory limit of 20% of the total portfolio, and the Company has been granted a derogation from this limit by the FSMA for a period of two years, expiring on 31 December 2020.

Knowing that, without significant additional investments in other real estate assets, the value of the centre would remain close to this limit, the Company proactively contacted the FSMA in the second half of the year to request an extension of this derogation. Following an internal validation process, the FSMA responded positively to this request on 20 October 2020 and thus granted a new derogation for an additional period of two years expiring on 31 December 2022.

This approach proved more than necessary as taking into account the revaluations and investments made during the year in this shopping centre, its share in the fair value as at 31 December 2020 amounted to 20.15%. Since the prescribed threshold of 20% has again been reached, the new derogation became applicable immediately.

To structurally reduce the share of this shopping centre in the portfolio below 20%, the Company is, through active prospecting, looking for new investment opportunities in the Belgian and Luxembourg investment markets.

Corporate – dividend

The Annual Shareholders' General Meeting will take place on Wednesday 14 April 2021 at 11 a.m. at the Company's registered office. A dividend of € 4.00 gross - € 2.80 net (2019: € 4.50 gross - € 3.15 net) per share will be proposed by the Board of Directors to the Shareholders' General Meeting.

The Board of Directors further declares its intention to offer the possibility to the shareholders of the Company, by way of an optional dividend, to contribute their right to receive the dividend to the capital of the Company, against the issuance of new shares (in addition to the options to either receive the dividend in cash or to opt for a combination of both previous options). The final decision will be made by the Board of Directors on Wednesday 21 April 2021 whereby the Board of Directors, within the framework of the authorized capital, will proceed to the increase of the share capital by the contribution in kind of the net dividend receivable (i.e. € 2.80 net per share).

For the shareholders opting for new shares in exchange for the (full or partial) contribution of their dividend receivable and benefiting from a reduced withholding tax or an exemption of such withholding tax, the contribution of the receivable will, just as for the shareholders who do not benefit from such reduction or exemption, amount to € 2.80 per share and the balance resulting from the said reduction or exemption from withholding tax will be paid in cash as from Monday 17 May 2021. The terms and conditions of this transaction will be established during the Board of Directors on Wednesday 21 April 2021.

Because of this intention, the financial calendar, which was included in the previous press releases, has been adjusted, whereby the 'Ex-dividend date', the 'Dividend record date' and the 'Dividend payment date' are respectively fixed on 23 April, 26 April and 17 May 2021.

Organisation

On 31 December 2020, Kasper Deforche, co-Managing Director and Effective Leader of the Company, left the Board of Directors of Wereldhave Belgium.

As from that date, he was replaced by Mr. Nicolas Beaussillon as co-Managing Director and Effective Leader. Together with Matthijs Storm, also co-Managing Director and Effective Leader, and Cédric Biquet, Chief Financial Officer and Effective Manager, Nicolas Beaussillon is responsible for the day-to-day operational management of the Company.

The Board of Directors would like to thank Kasper Deforche for his important contribution to the development of the Company in recent years and wishes him all the best for the continuation of his professional career.

Related parties

Except for the services rendered between entities of the Group, no transaction took place during 2020 between persons or institutions which can be considered as related parties of the Company.

Prospects

At the time of the outbreak of the Covid-19 pandemic in 2020, the Company had announced that, due to the great uncertainty created by this health crisis and the lack of visibility as to its scope and duration, it was impossible to confirm earnings forecasts. However, in the interests of transparency and good information for its shareholders and other stakeholders, the Company had communicated an indication of net results from core activities, without making any commitment as to achieve this indication..

As of the date of this press release, the health situation remains precarious and, despite the ongoing vaccination campaign, it is still difficult to predict the short-term evolution of the situation. In addition, some of the tenants (catering and F&B, contact businesses, travel agencies) are still totally or partially prevented from carrying out their activities, making it uncertain whether they will be able to receive all of their income from this part of the tenant portfolio.

In this context, the Company considers it remains difficult to communicate a formal outlook of net results from core activities for the financial year 2021. Nevertheless, in the interest of transparency, the Company prefers to announce an indication of this earnings of € 4.50 per share for that year.

The Company will, however, keep the market informed of developments and the impact that these developments will have on this earnings guidance. This indication will have to be adjusted in the event of the distribution of an optional dividend, the formal decision on which should be taken at the Board of Directors' meeting on 21 April 2021.

Financial calendar

Yearly Financial report 2020	Friday 12 March 2021
General Meeting of Shareholders	Wednesday 14 April 2021
Ex-dividend date	Friday 23 April 2021
Dividend record date	Monday 26 April 2021
Dividend payable 2020	Monday 17 May 2021
Press release Q1 2020 (18:00)	Wednesday 21 April 2021
Press release Q2 2020 (18:00)	Monday 19 July 2021
Press release Q3 2020 (18:00)	Wednesday 20 October 2021

Vilvoorde, 10 February 2021

Wereldhave Belgium NV/SA

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Financial statements

Consolidated statement of financial position at 31 December

(x € 1,000)	31 December 2020	31 December 2019
Assets		
I. Non-current assets		
C. Investment properties	921,209	961,286
D. Other tangible assets	895	625
G. Trade receivables and other non-current assets	521	546
	922,625	**962,456**
II. Current assets		
A. Assets held for sale		
Investment properties	-	7,480
D. Trade receivables	13,561	17,348
E. Tax receivables and other current assets	5,002	1,933
F. Cash and cash equivalents	3,030	4,337
	21,593	**31,097**
Total assets	**944,218**	**993,554**
Shareholders' equity		
I. Shareholders' equity attributable to the parent company's shareholders		
A. Capital		
Issued capital	347,960	329,437
Costs capital increase	-236	-188
B. Issue premiums	88,877	88,877
C. Reserves		
a. Legal reserve	36	36
b. Reserve for the balance of changes in fair value of real estate properties	163,048	181,713
d. Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-141	-193
j. Reserve for actuarial gains and losses of defined pension schemes	-637	-721
m. Other reserves	302	302
n. Accumulated result	73,487[1)]	61,001
D. Net result of the year	-22,148	28,957
	650,548	**689,221**
II. Minority interests	-	-

1 Proposed dividend 2020: 33,277KEUR (€ 4.00 * 8,319,287 shares)

(x € 1,000)	31 December 2020	31 December 2019
Liabilities		
I. Non-current liabilities		
A. Provisions		
Pensions	1,102	1,131
B. Non-current financial liabilities		
a. Credit institutions	152,733	179,805
c. Other		
Rent guarantees received	826	1,052
C. Other non-current financial liabilities		
Authorised hedging intruments	2,013	1,035
Other	6,843	6,507
F. Deferred taxes - liabilities		
	163,517	**189,530**
II. Current liabilities		
B. Current financial liabilities		
c. Other		
Other loans	109,950	93,000
Other	34	1,136
D. Trade payables and other current liabilities		
b. Other		
Suppliers	11,338	8,214
Taxes, remunerations and social security contributions	1,491	1,648
F. Accrued charges and deferred income		
Real estate income received in advance	2,833	3,663
Other	4,507	7,142
	130,153	**114,802**
Total shareholders' equity and liabilities	**944,218**	**993,554**
Net asset value per share (x € 1)	78.20	88.27

Consolidated profit and loss account to 31 December

(x € 1,000)	31 December 2020	31 December 2019
I. Rental income		
Rent	55,882	57,448
Indemnification for early termination of lease	584	1,909
III. Rental-related expenses		
Rent to be paid on rented area	-4	-13
Revaluation and loss on trade receivables	-7,243	-731[1]
Net rental income	**49,218**	**58,613**
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	**7,737**	**7,880[2]**
VII. Rental charges and taxes normally paid by the tenant on let properties	**-8,909**	**-9,656[2]**
VIII. Other revenue and charges for letting	**3,222**	**4,841**
Net rental charges and taxes on let properties	**2,050**	**3,065**
Property result	**51,268**	**61,679**
IX. Technical costs		
Repairs	-382	-507
Insurance premiums	-7	-38
	-389	**-545**
X. Commercial costs		
Agency commissions	-288	-317
Publicity	-3,945	-5,304[3]
	-4,233	**-5,621[3]**
XI. Charges and taxes on non-let properties		
Costs on non-let properties	-1,094	-726
Real estate tax on non-let properties	-746	-422
	-1,840	**-1,148**
XII. Property management costs		
(Internal) property management costs	-1,080	-1,117
	-1,080	**-1,117**
Property charges	**-7,542**	**-8,431[3]**
Property operating results	**43,726**	**53,248[3]**
XIV. General company costs		
Staff costs	-4,649	-3,479[3]
Other	-904	-2,895[3]
XV. Other operating income and charges	**1,325**	**1,362[3]**
Total XIV. + XV.	**-4,228**	**-5,012[3]**

1 Consolidation of all impacts on trade receivables (according to IFRS 9) under one heading
2 Reallocation between rental charges and their recovery
3 Reallocation of corporate marketing costs to general costs, of various taxes from other operating income and charges to other general costs and of other costs within general costs headings.

(x € 1,000)	31 December 2020	31 December 2019
Operating results before result on the portfolio	**39,498**	**48,235**
XVI. Result on disposals of investment properties		
Net property sales (selling price – transaction costs)	7,805	-
Book value of the property sold	-7,480	-21
Amounts written off on trade receivables	**325**	**-21**
Revaluation of provision on trade receivables (according to IFRS 9)		
Net sales of other non-financial assets (sale price - transaction costs)	-4	9
	-4	**9**
XVIII. Variations in the fair value of investment properties		
Positive variations in the fair value of investment properties	-	2,590
Negative variations in the fair value of investment properties	-57,936	-19,137
	-57,936	**-16,547**
Total XVI. + XVII. XVIII.	**-57,615**	**-16,559**
Operating result	**-18,117**	**31,676**
XX. Financial income		
Interests and dividends received	3	53
XXI. Net interest charges		
Nominal interest charges on loans	-2,327	-2,285
Other interest charges	-359	-374
XXII. Other financial charges		
Bank charges and other commissions	-162	-88
XXIII. Variations in the fair value of financial assets and liabilities		
Authorised hedging intruments	-1,091	-674
Other	-102	-
Financial result	**-4,037**	**-3,368**
Result before tax	**-22,154**	**28,308**
XXIV. Corporate tax		
Corporate tax	6	-137
Deferred tax on market fluctuations of investment properties		1,486
XXV. Exit tax		
Exit tax	-	-699
Tax	**6**	**649**
Net result	**-22,148**	**28,957**
Net result shareholders of the Group	**-22,148**	**28,957**
Result per share (x € 1)	**-2.81**	**3.76**
Diluted result per share (x € 1)	**-2.81**	**3.76**

Consolidated statement of net result from core (1) and non-core (2) activities to 31 December

(x € 1,000)	2020 1)	2020 2)	2019 (Restated) 1)	2019 (Restated) 2)
Net rental income	**49,218**		**58,613**	
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	7,737		7,880[3]	
VII. Rental charges and taxes normally paid by the tenant on let properties	-8,909		-9,656[3]	
VIII. Other revenue and charges for letting	3,222		4,841	
	2,050		**3,066**	
Property result	**51,268**		**61,679**	
IX. Technical costs	-389		-545	
X. Commercial costs	-4,233		-5,621[4]	
XI. Charges and taxes on non-let properties	-1,840		-1,148	
XII. Property management costs	-1,080		-1,117	
Property charges	**-7,542**		**-8,431[4]**	
XIV. General company costs	-5,553		-6,374[4]	
XV. Other operating income and charges	1,325		1,362[4]	
Operating results before result on the portfolio	**39,498**		**48,235**	
XVI. Result on disposals of investment properties		325		-21
XVII. Result on disposals of other non financial assets	-4		9	
XVIII. Change in fair value of the investment properties				
- positive		-		2,590
- negative		-57,936		-19,137
Operating result	**39,494**	**-57,611**	**48,244**	**-16,568**
XX. Financial income	3		53	
XXI. Net interest charges	-2,685		-2,659	
XXII. Other financial charges	-162		-88	
XXIII. Variations in the fair value of financial assets and liabilities		-1,193		-674
Financial result	**-2,845**	**-1,193**	**-2,694**	**-674**
Result before tax	**36,650**	**-58,803**	**45,551**	**-17,243**
Corporate tax	**6**		**67**	**582**
Net result	**36,656**	**-58,803**	**45,618**	**-16,660**
Profit per share (x € 1)	4.65	-7.47	5.92	-2.16

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 (i) the result on sale of property investments, (ii) the variations in the fair value of property investments, (iii) the other portfolio result, (IV) the variations in the fair value of financial assets and liabilities and (V) taxes on capital gain latencies and the exit taxes paid.

3 Reallocation between rental charges and their recovery

4 Herallocatie van de corporate marketingkosten naar algemene kosten, van diverse taksen van de andere operationele opbrengsten en kosten naar overige algemene kosten en van overige kosten binnen de algemene kosten rubrieken.

Consolidated statement of comprehensive income to 31 December

(x € 1,000)	31 December 2020	31 December 2019
I. Net result	**-22,148**	**28,957**
II. Other comprehensive income		
Items taken in the result		
B. Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	51	-141
Items not taken in the result		
E. Actuarial gains and losses of pledged pension schemes	84	-200
Total other comprehensive income	**135**	**-341**
Comprehensive income (I + II)	**-22,013**	**28,616**
Attributable to:		
Minority interests	-	-
Shareholders of the group	-22,013	28,616

Consolidated cash flow statement to 31 December

(x € 1,000)	31 December 2020	31 December 2019
Cash flow from operating activities		
Net result before tax	-22,154	28,308
Income from interest and dividends	-3	-53
Result exclusive of dividend received	**-22,157**	**28,255**
Depreciation tangible assets	86	139
Rental discounts and investments	216	-256
Interest charges	2,848	2,747
Changes in the fair value of investment property	57,936	16,547
Changes in the fair value of authorized hedging instruments	1,193	674
Movements in provisions on rent receivables	3,216	614[1]
Movements in receivables	-2,599	-4,771[1]
Movements in short term debts	-579	4,942
Corporate tax paid	-205	-700
Corporate tax received		229
	62,111	**20,165**
Net cash flow from operating activities	**39,954**	**48,420**
Cash flow from investment activities		
Acquisition investment properties		-3,029
Sales investment properties	7,837	-
Investments in investment properties	-19,611	-14,513
Acquisition furniture and vehicles	-36	-74
Interest and dividend received	3	53
Net cash flow from investment activities	**-11,807**	**-17,563**
Cash flow from financial activities		
Appeal credit institutions/Other	124,000	128,000
Repayment credit institutions/Other	-134,050	-141,000
Dividends paid	-16,614	-17,769
Interest paid	-2,790	-2,682
Net cash flow from financing activities	**-29,454**	**-33,451**
Net cash flow	**-1,308**	**-2,594**
Cash & bank balances		
At 1 January	4,337	6,931
Increase/decrease cash and bank balances	-1,308	-2,594
At 31 December	**3,030**	**4,337**

1 Movements in receivables have been subdivided into (1) movements in provisions on rent receivables and (2) movements in ordinary receivables.

Consolidated statement of movements in equity

(x € 1,000)		Share capital	Issue premiums	Legal reserve	Reserve for the balance of changes in fair value of real estate properties
2019					
Closed balance at 31 December 2018		**318,034**	**78,733**	**36**	**181,384**
Capital increase		11,215			
Issue premiums			10,144		
Variations in the fair value of hedging instruments					
Transfer from reserves					
Provisions for pensions					
Other					
Net result					
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties	1)				329
Dividend over 2018	2)				
Balance at 31 December 2019		**329,249**	**88,877**	**36**	**181,713**
2020					
Closed balance at 31 December 2019		**329,249**	**88,877**	**36**	**181,713**
Capital increase		18,475			
Variations in the fair value of hedging instruments					
Provisions for pensions					
Net result					
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties	3)				-18,665
Dividend over 2019	4)				
Balance at 31 December 2020		**347,724**	**88,877**	**36**	**163,048**
Transfer of the result 2020 on the portfolio to reserve for the balance of changes in fair value of real estate properties					-57,936
Transfer of the changes 2020 in fair value of authorised hedging instruments not subject to hedge accounting					
Proposed dividend 2020	5)				
Proposed allocation of the net result of the accounting year to the accumulated result of previous years					
Balance at 31 December 2020 after allocation	6)	**347,724**	**88,877**	**36**	**105,112**
Continued >>					

1 Changes in fair value of the investment properties portfolio over 2018. Reclassification of the heading 'Accumulated result'.
2 Dividend paid 2018 € 5.20 (net € 3.64) per share: € -39,209 of which € 17,769 paid in cash and the balance paid out in 267,731 new shares, which led to a capital increase and issue premiums.
3 Changes in fair value of the investment properties portfolio over 2019. Reclassification of the heading 'Accumulated result'.
4 Dividend paid 2019 € 4.50 (net € 3.15) per share: € -35,136 of which € 16,614 paid in cash and the balance paid out in 511,306 new shares, which led to a capital increase.
5 Dividend 2020 proposed for approval to the Ordinary General Meeting of 14 April 2021
6 According to the regulator's recommendations, we present, under the final balance of equity as at 31 December 2020, the future allocation of the 2020 result that will take place in 2021.

	Continued							
	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	Reserve for actuarial gains and losses of defined pension schemes	Other reserves	Accumulated result of previous accounting years	Net result of the year	Proposed remuneration of the shareholder's equity	Total
2019								
Closed balance at 31 December 2018	**-52**	**-**	**-521**	**925**	**99,889**			**678,428**
Capital increase								11,215
Issue premiums								10,144
Variations in the fair value of hedging instruments	-141							-141
Transfer from reserves				-628	628			-
Provisions for pensions			-200					-200
Other				4	23			27
Net result						**28,957**		**28,957**
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					-329			-
Dividend over 2018					-39,209			-39,209
Balance at 31 December 2019	**-193**	**-**	**-721**	**302**	**61,002**	**28,957**	**-**	**689,221**
2020								
Closed balance at 31 December 2019	**-193**	**-**	**-721**	**302**	**89,959**		**-**	**689,221**
Capital increase								18,475
Variations in the fair value of hedging instruments	51	-674			674			51
Provisions for pensions			84					84
Net result						**-22,148**		**-22,148**
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					18,665			-
Dividend over 2019					-35,136			-35,136
Balance at 31 December 2020	**-141**	**-674**	**-637**	**302**	**74,162**	**-22,148**	**-**	**650,548**
Transfer of the result 2020 on the portfolio to reserve for the balance of changes in fair value of real estate properties						57,936		-
Transfer of the changes 2020 in fair value of authorised hedging instru-ments not subject to hedge account-ing		-1,091				1,091		-
Proposed dividend 2020						-33,277	33,277	-
Proposed allocation of the net result of the accounting year to the accumu-lated result of previous years					3,602	-3,602		-
Balance at 31 December 2020 after allocation	**-141**	**-1,765**	**-637**	**302**	**77,763**	**-**	**33,277**	**650,548**

Segment information

(x € 1,000)	Offices	Retail	Total
31 December 2020			
I. Rental income			**56,466**
Rent	7,101	48,781	
Indemnification for early termination of lease	525	58	
III. Rental-related expenses			**-7,247**
Rent to be paid on rented area	-4	-	
Revaluation and loss on trade receivables	-2	-7,241	
Net rental income	**7,620**	**41,599**	**49,218**
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	**1,715**	**6,022**	**7,737**
VII. Rental charges and taxes normally paid by the tenant on let properties	**-1,793**	**-7,116**	**-8,909**
VIII. Other revenue and charges for letting	**-**	**3,222**	**3,222**
Net rental charges and taxes paid on let properties	**-78**	**2,129**	**2,050**
Property result	**7,541**	**43,727**	**51,268**
IX. Technical costs			**-389**
Repairs	-80	-302	
Insurance premiums	-	-7	
X. Commercial costs			**-4,233**
Agency commissions	-65	-223	
Publicity	-	-3,945	
XI. Charges and taxes on non let properties			**-1,840**
Costs on non let properties	-471	-623	
Real estate tax on non let properties	-255	-491	
XII. (Internal) property management costs	**-45**	**-1,035**	**-1,080**
Property operating results	**6,625**	**37,101**	**43,726**
XIV. General company costs			**-5,553**
XV. Other operating income and charges			**1,325**
Operating result before result on the portfolio			**39,498**
XVI. Result on disposals of investment properties			**325**
Net property sales (selling price – transaction costs)	-12	7,817	
Book value of the property sold	-	-7,480	
XVII. Result on disposals of other non financial assets			**-4**
XVIII. Variations in the fair value of investment properties			**-57,936**
Positive variations in the fair value of investment properties			
Negative variations in the fair value of investment properties	-3,433	-54,503	
Operating result			**-18,117**
Financial result			**-4,037**
Result before taxes			**-22,154**
XXIV. Corporate tax			**6**
Tax			**6**
Net result			**-22,148**

(x € 1,000)	Offices	Retail	Total
31 December 2020			
Investment properties			
Properties available for lease			
Balance at 1 January	91,774	855,295	947,069
Investments	1,634	15,170	16,805
Revaluation	-3,433	-53,563	-56,996
Balance at 31 December	**89,975**	**816,903**	**906,878**
Capitalised rent incentives	805	892	1,697
Value properties available for lease	**90,780**	**817,795**	**908,575**
Development projects			
Balance at 1 January		12,615	12,615
Investments		940	940
Capitalised interest		20	20
Revaluation		-940	-940
Balance at 31 December		**12,635**	**12,635**
Total portfolio	**90,780**	**830,429**	**921,210**

(x € 1,000)	Offices	Retail	Total
31 December 2019			
I. Rental income			**59,357**
Rent	7,261	50,187	
Indemnification for early termination of lease	339	1,570	
III. Rental-related expenses			**-743**
Rent to be paid on rented area	-1	-11	
Revaluation and loss on trade receivables	-180[1]	-551[1]	
Net rental income	**7,418**	**51,195**	**58,613**
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	**1,817**	**6,063[2]**	**7,880[2]**
VII. Rental charges and taxes normally paid by the tenant on let properties	**-1,900**	**-7,756[2]**	**9,656[2]**
VIII. Other revenue and charges for letting		**4,841**	**4,841**
Net rental charges and taxes paid on let properties	**-83**	**3,149**	**3,065**
Property result	**7,335**	**54,344**	**61,679**
IX. Technical costs			**-545**
Repairs	-200	-307	
Insurance premiums	-2	-36	
X. Commercial costs			**-5,621[3]**
Agency commissions	-110	-208	
Publicity	-10	-5,294[3]	
XI. Charges and taxes on non let properties			**-1,148**
Costs on non let properties	-226	-500	
Real estate tax on non let properties	-10	-412	
XII. (Internal) property management costs	**-108**	**-1,009**	**-1,117**
Property operating results	**6,669**	**46,579[3]**	**53,248[3]**
XIV. General company costs			**-6,374[3]**
XV. Other operating income and charges			**1,362[3]**
Operating result before result on the portfolio			**-5,012[3]**
XVI. Result on disposals of investment properties			**-21**
Net property sales (selling price – transaction costs)	-21		
Book value of the property sold			
XVII. Result on disposals of other non financial assets			**9**
XVIII. Variations in the fair value of investment properties			**-16,547**
Positive variations in the fair value of investment properties	-	2,590	
Negative variations in the fair value of investment properties	-3,671	-15,466	
Operating result			**31,676**
Financial result			**-3,368**
Result before taxes			**28,308**
XXIV. Corporate tax			**-137**
XXIV. Deferred taxes on market fluctuations of investment properties			**1,486**
XXV. Exit tax			**-699**
Tax			**649**
Net result			**28,957**

1 Consolidation of provisions on trade receivables (according to IFRS 9) into the ad-hoc item
2 Reallocation between rental charges and their recovery
3 Reallocation of corporate marketing costs to general costs, of various taxes from other operating income and charges to other general costs and of other costs within general costs headings.

(x € 1,000)	Offices	Retail	Total
30 June 2019			
Investment properties			
Properties available for lease			
Balance at 1 January	94,577	845,984	940,561
Transfer of development projects to properties available for lease		4,712	4,712
Transfer of properties available for lease to investment properties held for sale		-7,480	-7,480
Initial recognition 'Right of use asset' according to IFRS 16		7,154	7,154
Acquisition		2,376	2,376
Investments	1,104	15,258	16,362
Revaluation	-3,671	-12,944	-16,615
Balance at 31 December	**92,010**	**855,059**	**947,070**
Capitalised rent incentives	366	1,236	1,602
Value properties available for lease	**92,376**	**856,294**	**948,672**
Development projects			
Balance at 1 January		14,692	14,692
Transfer of development projects to properties available for lease		-4,712	-4,712
Investments		2,500	2,500
Capitalised interest		66	66
Revaluation		69	69
Balance at 31 December		**12,615**	**12,615**
Total portfolio	**92,376**	**868,909**	**961,287**

Movements in investment properties

(x € 1,000)	31 December 2020	31 December 2019
Properties available for lease		
Balance at 1 January	**947,069**[1]	**940,561**
Transfer of development projects to properties available for lease	-	4,712
Transfer of properties available for lease to investment properties held for sale	-	-7,480
Initial recognition 'Right of use asset' according to IFRS 16	-	6,511
Acquisition	-	3,007
Investments	16,805	16,362
Revaluations	-56,996	-16,604
Total properties available for lease	**906,878**	**947,069**
Book value of capitalised rent incentives	1,697	1,602
Fair value investment properties conform external real estate experts	**908,575**	**948,671**
Development projects		
Balance at 1 January	**12,615**	**14,692**
Transfer of development projects to properties available for lease	-	-4,712
Investments	940	2,500
Capitalised interest	20	66
Revaluations	-940	69
Total development projects [2]	**12,635**	**12,615**
Total investment properties	**921,209**	**961,286**

1 This amount also includes the “right of use” asset on a leasehold agreement in Kortrijk of € 6.5 mln (application of IFRS 16)

2 There is no development project at fair value as of 31 December 2020

Basis of preparation figures up to 31 December 2020

The financial information regarding the period ending on 31 December 2020 has been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union. This financial statement should be read in conjunction with the financial annual report for the year ending 31 December 2020. The valuation rules remained the same as those for the financial year ending on 31 December 2019.

Consolidation
The published figures in this statement are consolidated figures. In accordance with the relevant legislation, the subsidiaries and associates are consolidated.

Risk management
In order to limit the possible impact for the Company and its shareholders, the Board of Directors continuously monitors the business, financial, operational and strategic risks with which the REIT may be confronted.

The focus on shopping centres and retail parks involves a higher geographical concentration, in the sense that the apportionment is implemented only on a limited number of real estate as well as a higher risk concentration in case of technical problems and fire.

In accordance with article 88 of the law of 3 August 2012, the Board of Directors confirms taking into account social, ethical and environmental aspects when controlling the financial means and executing rights conferred by securities in the portfolio. See annual financial report 2020, Section ‘Corporate social responsibility’.

Audit
The statutory auditor has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement, which would require an adjustment to the figures included in the press release.

Obligations regarding the provision of information to the public (r.d. of 14 November 2007)

Mr. M. Storm and Mr. N. Beaussillon, Co-Managing Directors of the REIT, declare, in the name and on behalf of the Board of Directors, in the function of managing entity of the REIT, that, as far as they know,

a) the set of financial statements, prepared in accordance with the applicable accounting standards, gives a true and fair view of the assets, liabilities, financial position and results of the REIT and the undertakings included in the consolidation taken as a whole;

b) the statement regarding 2020 includes a fair review of the information required.

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