



Wereldhave
BELGIUM

Results 2019

make every day count

At Wereldhave Belgium, we believe that everyone deserves to have a comfortable, well-balanced everyday life.

No ifs. No buts. End of story.

And we play our part by creating best-in-class Full Service Centers. Centers for a better everyday life.

How do we do this? By creating a new category in retail real estate; one that helps customers run their daily lives more easily and makes everyday life comfortable and joyful.

Summary

In 2019, Wereldhave Belgium recorded an increase of its net result from core activities per share, from € 5.74 in 2018 to € 5.92 in 2019.

The EPRA occupancy rate of the retail portfolio amounts to 96.3% as of 31 December 2019, compared to 97.2% as of 31 December 2018. For the whole investment portfolio, the EPRA occupancy rate amounts to 95.2% as of 31 December 2019 (96.2% as of 31 December 2018).

The 'Like-for-Like' rental growth in 2019 amounted to -1.0% (retail portfolio: +0.8%; offices portfolio: -10.0%).

The net asset value per share, before profit distribution and dividend payment, amounted to € 88.27 (2018: € 89.97).

The debt ratio amounted to 29.33% as of 31 December 2019, in line with the one as of 31 December 2018 (29.68%).

Samenvatting

Wereldhave Belgium heeft over 2019 een stijging van zijn netto resultaat van kernactiviteiten per aandeel van € 5,74 in 2018 tot € 5,92 in 2019 gerealiseerd.

De EPRA bezettingsgraad van de retail portefeuille bedraagt 96,3% op 31 december 2019, ten opzichte van 97,2% op 31 december 2018. Voor de totale portefeuille vastgoed-beleggingen bedraagt de EPRA bezettingsgraad 95,2% op 31 december 2019 (96,2% op 31 december 2018).

De 'Like-for-Like' huurgroei over 2019 kwam uit op - 1,0% (retail portefeuille: +0,8%; kantorenportefeuille: -10,0%).

De nettowaarde per aandeel vóór winstverdeling en dividenduitkering bedroeg € 88,27 (2018: € 89,97).

De schuldgraad bedroeg op 31 december 2019 29,33%, welke stabiel ten opzichte van 31 december 2018 (29,68%) is gebleven.

Résumé

En 2019, Wereldhave Belgium a connu une augmentation de son résultat net de ses activités clés par action de € 5,74 en 2018 à € 5,92 en 2019.

Le taux d'occupation EPRA du portefeuille d'immeubles commerciaux s'est établi à 96,3% au 31 décembre 2019, par rapport à 97,2% au 31 décembre 2018. Pour le portefeuille total d'immeubles de placement, le taux d'occupation EPRA s'est élevé à 95,2% au 31 décembre 2019 (96,2% au 31 décembre 2018).

Le 'Like-for-Like' de l'évolution des revenus locatifs au cours de l'année 2019 s'est établi à -1,0% (portefeuille d'immeubles commerciaux: +0,8%; portefeuille d'immeubles de bureaux: -10,0%).

La valeur d'actif net par action, avant répartition du bénéfice et avant distribution du dividende, s'est établie à € 88,27 au 31 décembre 2019 (2018: € 89,97).

Le taux d'endettement s'est établi à 29,33% au 31 décembre 2019, en ligne avec celui du 31 décembre 2018 (29,68%).

Statement of the board of directors

on the results as of 31/12/2019 (for the period 01/01/2019 – 31/12/2019)

Strong operational results and further consolidation of the retail portfolio

Net result from core activities
per share:

€ 5.92

(2018: € 5.74)

Net asset value
per share:

€ 88.27

(2018: € 89.97)



EPRA occupancy rate:

95.2%

(2018: 96.2%)

Debt ratio of:

29.33%

(2018: 29.68%)



Increase in the number of visitors
in the shopping centers by:

4.95%

compared to the same period last year (comparable market figure of -0.88%)



Optional dividend proposal:

€ 5.20 gross - € 3.64 net

(2018: € 5.20 gross - € 3.64 net)

Forecasted net result from core activities between:

€ 5.55 and € 5.65

for 2020



Key figures

(x € 1,000)

Results	31 December 2019	31 December 2018 (restated)
Net rental income	58,613	52,996 ¹
Net result	28,957	40,541
Net result from core activities ²⁾	45,617	40,730
Net result from non-core activities ³⁾	-16,660	-191
Profit per share (x € 1)	3.76	5.71
Net result from core activities per share (x € 1)	5.92	5.74
Balance sheet	31 December 2019	31 December 2018
Properties available for lease	948,671	941,964
Development projects	12,615	14,692
Total investment properties portfolio	961,286	956,656
Shareholders' equity ⁴⁾	689,221	678,428
Net asset value per share (x € 1) ⁴⁾	88.27	89.97
Debt ratio on total of assets	29.33%	29.67%
Number of shares	7,807,981	7,540,250
Average number of shares	7,708,224	7,098,634

1 By applying the new IFRS 16 - Leasing agreement standard, the annual leasehold payments were transferred from the net rental result to the financial result.

2 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.

3 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.

4 Before profit distribution and dividend payment.

Net result

The net result for 2019, combining the net result from core and non-core activities, amounted to € 29.0 mln (2018: € 40.5 mln). This decrease is exclusively caused by a lower net result from non-core activities (€ -16.5 mln compared to 2018), which has been partially compensated by a higher net result from core activities (€ +4.9 mln compared to 2018).

Net result from core activities

In 2019, Wereldhave Belgium recorded a net result from core activities of € 45.6 mln (2018: € 40.7 mln).

This increase is mainly due to the positive impact (€ +4.5 mln) on the property result of the full year contribution of the two retail parks in Turnhout and Bruges, which were acquired and contributed at the end of 2018.

Considering the increase in the number of shares due to the optional dividend, which took place in May 2019, the net result of core activities per share amounted to € 5.92 in 2019 (2018: € 5.74).

Net result from non-core activities

The net result from non-core activities amounts to € -16.7 mln (2018: € -0.2 mln) and is mainly constituted by the fair value revaluations of the investment properties portfolio (€ -16.5 in 2019 compared to € -0.5 mln in 2018). This negative revaluation in 2019 (-1.7%) were attributed by the independent experts to the retail portfolio (-1.5%) and to the offices portfolio (-3.8%).

Shareholders' equity and net asset value

As of 31 December 2019, the shareholders' equity amounted to € 689.2 mln (31 December 2018: € 678.4 mln), while the net asset value per share, including the profit generated over the current year, amounted to € 88.27 (31 December 2018: € 89.97).

The shareholder's equity has been increased in the course of the year by the distribution of an optional dividend resulting in an equity increase of € 21.4 mln (capital and issue premium) by the issuance of 267,731 new shares.

The number of issued shares as of 31 December 2019 amounted to 7,807,981 shares.

Financing policy

The total financial liabilities decreased from € 286.0 mln on 31 December 2018 to € 273.0 mln on 31 December 2019, mainly due to the cash generated from the rental activity during the course of the year, which has been partly used for additional investments in the portfolio (€ 18.9 mln), for the dividend payment in cash (€ 17.8 mln), and for the acquisition of real estate residual rights in Kortrijk (€ 2.7 mln) and of some retail units in Genk Shopping 1 (€ 0.3 mln).

In the course of the year, the intercompany credit facility with Wereldhave NV, which came to maturity at the end of July 2019, has been extended for an additional period of 5 years (until 31 July 2024), for a total nominal amount of € 150 mln at unchanged conditions. With this refinancing operation, Wereldhave Belgium extended the average duration of its financing structure (3.2 years on 31 December 2019 compared to 2.8 years on 31 December 2018).

In addition, the € 100 mln Treasury Notes program, initiated in September 2018, has been extensively used in 2019 (€ 93 mln on 31 December 2019), with a significant positive impact on

the average financing cost (0.81% in 2019 compared to 1.09% in 2018).

As of 31 December 2019, the debt ratio amounted to 29.33% (29.68% on 31 December 2018), providing room for additional investments.

Property portfolio

Properties available for lease

The fair value of the properties available for lease increased from € 942.0 mln on 31 December 2018 to € 948.7 mln on 31 December 2019; investments and divestments excluded, this value decreased by € 16.5 mln in the course of the year.

The main investments and divestments performed in 2019 were:

- the impact of the adoption of IFRS 16, which recognised a 'right of use' asset on a leasehold agreement in Kortrijk of € 6.5 mln;
- the transfer of the redevelopment project Tournai '7 Fontaines' from the heading "Development projects" to heading "Properties available for lease" (€ 4.7 mln);
- the purchase of real estate residual rights in Kortrijk and Genk (€ 3.0 mln);
- the transfer of the student housing in Ghent Overpoort, which will be sold in the first quarter of 2020, from the heading "Properties available for lease" to heading "Assets held for sale" (€ - 7.5 mln);
- other investment works realized in the existing portfolio (€ 16.6 mln).

The EPRA occupancy rate on 31 December 2019 of the investment portfolio amounts to 95.2% (31 December 2018: 96.2%).

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 Centers. 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 97.2% as at 31 December 2018 to 96.3% as at 31 December 2019. This decrease is mainly due to the combined effect of, on the one hand, a few leaving tenants (including Carrefour partly in Belle-Île and fully in Genk Shopping 1) and bankruptcies (including Coolcat); and on the other hand further strong leasing results, with the arrival of new tenants such as Decathlon, Action, Villeneuve, Medi-Market and Eyes & More in Belle-Île as well as Albert Heijn, The Fashion Store and Medi-Market in Genk.

The 'like-for-like' property result of the retail portfolio was slightly positive in 2019 at +0.8% (2018: +0.3%).

In 2019, Wereldhave Belgium, with its five shopping centers, almost reached the milestone of twenty million visitors. This is due to an increase in the number of visitors by 4.95% compared to the same period last year, on top of that with positive figures individually for each of the retail properties. In comparison, the index of the sector organization BSLC showed in 2019 a decrease of 0.88%. Since four of Wereldhave Belgium retail properties are part of this index, which includes a total of

23 shopping centers, this result is remarkable. In its shopping centers, Wereldhave Belgium made huge efforts to optimize the tenant mix and this strategy is now paying off.

In Belle-Île, the new stores of Decathlon, Action, Ville Neuve, Eyes + More and Medi-Market were opened during the last quarter of 2019. This had a significant positive impact on the performance of the center in the last month of 2019. In addition, the renovation project of the shopping center also started in the course of the fourth quarter of 2019 (budget of € 13.7 million), with a planned duration of approximately one year. This project involves the renovation of the mall, the performance enhancement of the technical facilities and the extensive renovation of the parking. This investment program will enable the shopping center to even better respond to the needs of the customers.

Additionally, the plans for the extension project in Belle-Île have been modified and optimized to better anticipate to the evolution in the retail market and to enable the center to remain flexible in the future, as well as the possibility of adding new functions (leisure, F&B, co-working,...) in order to evolve to a Full Service Center. These changes will not have a significant impact on the expected profitability of this project, but do imply the need for modified building permits, which have been already been applied for or are in preparation phase. The construction of the extension is expected to start in the second semester of 2020, depending on building permit procedures, with an expected completion time and impact on EPS during the first half of 2022.

In Genk Shopping 1, the redevelopment of the surfaces being vacated by Carrefour were delivered on time before the end of the year for the planned opening of the stores of the new tenants Albert Heijn and Medi-Market. The Fashion Store also opened its store in the fourth quarter of 2019. These new stores already generated a significant positive impact on the performance of the shopping center. The remaining vacant areas in Genk Shopping 1 are being actively commercialized.

In Ghent Overpoort, the tenant of the residential part benefited of a call option to purchase this part of this building (approximately 2,000 m² of student rooms). In the second half of 2019, the tenant effectively exercised his option, leading to a disposal of these areas in the first quarter of 2020. Taking into account this future disposal, the fair value of this part of the property (€ 7.5 mln) has been transferred from the heading 'Properties available for lease' to heading 'Assets held for sale'. The strike price (€ 7.8 mln) being in line with the last valuation of the real estate expert for this property, this transaction will generate limited impact on the result of non-core activities in 2020.

The active management of our shopping centers and the smooth cooperation between the local teams and the head office translate into strong results in specialty leasing (temporary letting of stands and promotional activities in common areas), which has been confirmed during the fourth quarter 2019.

All these achievements, together with a dynamic marketing policy at corporate level and within the various shopping centers, led to good results in 2019, both in terms of visitor numbers and in terms of turnover figures of our tenants.

Growth through the search for new retail investment projects remains strategic for the Company.

Office portfolio

The EPRA occupancy rate evolved from 90.6% on 31 December 2018 to 89.2 % on 31 December 2019.

The office park 'De Veldekens' in Berchem-Antwerpen is almost fully let (98%) at year-end, while the occupancy rate of the 'Business & Media' office park in Vilvoorde remained stable at around 75%.

In order to improve the technical qualities of the buildings and to increase their aesthetic attractiveness, it was decided to perform an additional investment program (€ 8.6 mln) in this office portfolio in the coming years. Mutualized restaurants in both locations will be fully redeveloped in order to offer a better service to the tenants and upgrades to the technical installations and to the equipment of the entrance halls and sanitary blocks will be made. This investment program was launched at the end of 2019 with an expected duration of 3 years.

Development projects

On 31 December 2019, the value of the development projects portfolio amounted to € 12.6 mln (31 December 2018: € 14.7 mln); investments and transfers excluded, the value remained stable (€ +0.1 mln) over the financial year 2019. This is mainly due to the combined effect of the positive revaluation of the '7 Fontaines' project in Tournai, which was fully let on delivery date, together with a negative revaluation of the project in Waterloo.

The main events occurred in 2019 were:

- the completion of the redevelopment project '7 Fontaines' in Tournai (€ +1.8 mln), which has been transferred from heading 'Project developments' to heading 'Properties available for lease' on completion date (€ -4.7 mln);
- further investments in the preparation process of the extension project in the Belle-Île (€ +0.7 mln).

Derogation shopping centre Belle-Île in Liège

As explained in the annual report of 2018, the Company received a new derogation from the FSMA on 11 December 2018 for a new period of 2 years, expiring on 31 December 2020. Nevertheless, considering the acquisitions (the two retail parks in Bruges and Turnhout) and additional investments made in the portfolio in 2018, the share of the fair value of Belle-Île in the investment properties portfolio decreased below the 20% threshold on 31 December 2018.

In 2019, taking into account the revaluations and investments of the year and despite additional investments performed in the center (mainly the redevelopment of the Carrefour area), the fair value of the shopping center remained below this threshold (19.84% on 31 December 2019), so that this derogation did not come into force in 2019.

Nevertheless, considering that Wereldhave Belgium recently announced that it will make additional investments in this asset in the coming years (the renovation project of the existing mall of € 13.7 mln in 2020 and the extension project foreseen from 2020 to 2022), it is expected that the value of the shopping center will again exceed the 20% threshold in the first semester of 2020.

To structurally reduce the share of this shopping center 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 8 April 2020 at 11 a.m. at the Company's registered office. A dividend of € 5.20 gross - € 3.64 net (2018: € 5.20 gross - € 3.64 net) per share will be proposed by the Board of Directors of the Statutory Manager to the Shareholders' General Meeting.

The Board of Directors further declares his 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 Monday 20 April 2020 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. € 3.64 per share). For the shareholders opting for new shares in exchange of 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 € 3.64 per share and the balance resulting from the said reduction or exemption from withholding tax will be paid in cash as from Thursday 14 May 2020. The terms and conditions of this transaction will be established on Monday 20 April 2020.

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 22 April, 23 April and 14 May 2020.

Financial calendar

Yearly Financial report 2019	Friday 6 March 2020
General Meeting of Shareholders	Wednesday 8 April 2020
Ex-dividend date (coupon detachment)	Wednesday 22 April 2020
Dividend record date	Thursday 23 April 2020
Dividend payable 2019	Thursday 14 May 2020
Press release Q1 2020 (17:40)	Monday 20 April 2020
Press release Q2 2020 (17:40)	Thursday 16 July 2020
Press release Q3 2020 (17:40)	Wednesday 21 October 2020

Vilvoorde, 5 February 2020

NV Wereldhave Belgium SA

Statutory Management Company

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Wereldhave Belgium focuses on shopping centres and retail parks which are dominant in their catchment area. The shares of the Company are listed on Euronext Brussels. At 31 December 2019, Wereldhave Belgium's market capitalisation amounted € 673 mln.

For further information, please consult: www.wereldhavebelgium.com

Organisation

On 1 March 2019, Dirk Anbeek, co-Managing Director and Effective Leader of the Company, resigned from his position at the Board of Directors of the Statutory Manager of Wereldhave Belgium. From this date, he was temporarily replaced by Herman van Everdingen as interim Director. On 1 August 2019, Matthijs Storm and Dennis de Vreede were appointed as respectively co-Managing Director / Effective Leader and Director for a period of 4 years.

Together with Kasper Deforche, also co-Managing Director and Effective Leader, and Cédric Biquet, General Director and Effective Leader, Matthijs Storm is responsible for the day-to-day operational management of the Company.

Related parties

Except for the services rendered between entities of the Group, no transaction took place during 2019 between persons or institutions which can be considered as related parties of the Company.

Prospects

For 2020, Wereldhave Belgium forecasts a net result from core activities per share in a range of € 5.55 - € 5.65, needing to be adjusted in case of distribution of an optional dividend, which could be formally decided by the Board of Directors on 20 April 2020. Unexpected circumstances excluded, this objective can be achieved.

Wereldhave Belgium continues to look for new opportunities to further strengthen its portfolio through acquisitions or new developments.

Financial statements



Consolidated statement of financial position at 31 December

(x € 1,000)

	31 December 2019	31 December 2018
Assets		
I. Non-current assets		
C. Investment properties	961,286	956,656
D. Other tangible assets	625	718
G. Trade receivables and other non-current assets	546	475
	962,456	957,849
II. Current assets		
A. Assets held for sale		
Investment properties	7,480	-
D. Trade receivables	17,348	13,520
E. Tax receivables and other current assets	1,933	1,795
F. Cash and cash equivalents	4,337	6,931
	31,097	22,246
Total assets	993,554	980,095
Shareholders' equity		
I. Shareholders' equity attributable to the parent company's shareholders		
A. Capital		
Issued capital	329,437	318,141
Costs capital increase	-188	-108
B. Issue premiums	88,877	78,733
C. Reserves		
a. Legal reserve	36	36
b. Reserve for the balance of changes in fair value of real estate properties	181,713	181,384
d. Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-193	-52
j. Reserve for actuarial gains and losses of defined pension schemes	-721	-521
m. Other reserves	302	925
n. Accumulated result	61,001	59,349
D. Net result of the year	28,957 ¹⁾	40,541
	689,221	678,428
II. Minority interests	-	-
Liabilities		
I. Non-current liabilities		
A. Provisions		
Pensions	1,131	845
B. Non-current financial liabilities		
a. Credit institutions	179,805	109,726
c. Other		
Rent guarantees received	1,052	810
C. Other non-current financial liabilities		
Authorised hedging instruments	1,035	159
Other	6,507	-
F. Deferred taxes - liabilities		
b. Other	-	1,486
	189,530	113,024
II. Current liabilities		
B. Current financial liabilities		
c. Other		
Other loans	93,000	176,000
Other	1,136	50
D. Trade payables and other current liabilities		
b. Other		
Suppliers	8,214	2,759
Taxes, remunerations and social security contributions	1,648	1,555
F. Accrued charges and deferred income		
Real estate income received in advance	3,663	2,235
Other	7,142	6,044
	114,802	188,642
Total shareholders' equity and liabilities	993,554	980,095
Net asset value per share (x € 1)	88.27	89.97

1 Proposed dividend 2019: 40,601 KEUR (€ 5.20 x 7,807,981 shares).

Consolidated profit and loss account to 31 December

(x € 1,000)	31 December 2019	31 December 2018 (restated)
I. Rental income		
Rent	57,448	52,295
Indemnification for early termination of lease	1,909	855
III. Rental-related expenses		
Rent to be paid on rented area	-13	-3 ¹⁾
Amounts written off on specific trade receivables	-742	-161
Revaluation of general provision on trade receivables (according to IFRS 9)	11	10
Net rental income	58,613	52,996
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	9,282	11,576²⁾
VII. Rental charges and taxes normally paid by the tenant on let properties	-11,058	-12,951²⁾
VIII. Other revenue and charges for letting	4,841	4,496²⁾
Net rental charges and taxes on let properties	3,065	3,121²⁾
Property result	61,679	56,118²⁾
IX. Technical costs		
Repairs	-507	-119
Insurance premiums	-38	-38
	-545	-157
X. Commercial costs		
Agency commissions	-317	-368
Publicity	-5,614	-5,403 ²⁾
	-5,931	-5,772²⁾
XI. Charges and taxes on non-let properties		
Costs on non-let properties	-726	-625
Real estate tax on non-let properties	-422	-347
	-1,148	-971
XII. Property management costs		
(Internal) property management costs	-1,117	-921
	-1,117	-921
Property charges	-8,741	-7,821²⁾
Property operating results	52,938	48,297
XIV. General company costs		
Staff costs	-3,378	-2,956
Other	-1,895	-1,721
XV. Other operating income and charges	571	415
Total XIV. + XV.	-4,702	-4,261
Operating results before result on the portfolio	48,235	44,035

(x € 1,000)	31 December 2019	31 December 2018 (restated)
XVI. Result on disposals of investment properties		
Net property sales (selling price – transaction costs)		2,489
Book value of the property sold	-21	-2,524
	-21	-35
XVII. Result on disposals of other non-financial assets		
Net sales of other non-financial assets (sale price - transaction costs)	9	10
	9	10
XVIII. Variations in the fair value of investment properties		
Positive variations in the fair value of investment properties	2,590	24,388
Negative variations in the fair value of investment properties	-19,137	-24,865
	-16,547	-477
Total XVI. + XVII. XVIII.	-16,559	-503
Operating result	31,676	43,533
XX. Financial income		
Interests and dividends received	53	157
XXI. Net interest charges		
Nominal interest charges on loans	-2,285	-2,669
Other interest charges	-374	-401 ¹⁾
XXII. Other financial charges		
Bank charges and other commissions	-88	-102
XXIII. Variations in the fair value of financial assets and liabilities		
Authorised hedging instruments	-674	-
Financial result	-3,368	-3,015
Result before tax	28,308	40,517
XXIV. Corporate tax		
Corporate tax	-137	-299
Deferred tax on market fluctuations of investment properties	1,486	323
XXV. Exit tax		
Exit tax	-699	-
Tax	649	23
Net result	28,957	40,541
Net result shareholders of the Group	28,957	40,541
Result per share (x € 1)	3.76	5.71
Diluted result per share (x € 1)	3.76	5.71

1 By applying the new IFRS 16 - Leasing agreement standard, the annual leasehold payments were transferred from the net rental result to the financial result.

2 Reallocation / presentation of the marketing contributions of the tenants in other revenue and charges for letting and of the marketing costs in property charges.

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

(x € 1,000)	2019		2018 (restated)	
	1)	2)	1)	2)
Net rental income	58,613		52,996³⁾	
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	9,282		11,576 ⁴⁾	
VII. Rental charges and taxes normally paid by the tenant on let properties	-11,058		-12,951 ⁴⁾	
VIII. Other revenue and charges for letting	4,841		4,496 ⁴⁾	
	3,065		3,121⁴⁾	
Property result	61,679		56,118⁴⁾	
IX. Technical costs	-545		-157	
X. Commercial costs	-5,931		-5,772 ⁴⁾	
XI. Charges and taxes on non-let properties	-1,148		-971	
XII. Property management costs	-1,117		-921	
Property charges	-8,741		-7,821⁴⁾	
XIV. General company costs	-5,273		-4,676	
XV. Other operating income and charges	571		415	
Operating results before result on the portfolio	48,235		44,035	
XVI. Result on disposals of investment properties		-21		-35
XVII. Result on disposals of other non financial assets	9		10	
XVIII. Change in fair value of the investment properties				
- positive		2,590		24,388
- negative		-19,137		-24,865
Operating result	48,244	-16,568	44,045	-512
XX. Financial income	53		157	
XXI. Net interest charges	-2,659		-3,070 ³⁾	
XXII. Other financial charges	-88		-102	
XXIII. Variations in the fair value of financial assets and liabilities		-674		
Financial result	-2,694	-674	-3,015³⁾	-
Result before tax	45,551	-17,243	41,030	-512
Corporate tax	67	582	-299	323
Net result	45,617	-16,660	40,730	-191
Profit per share (x € 1)	5.92	-2.16	5.74	-0.03

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.

3 By applying the new IFRS 16 - Leasing agreement standard, the annual leasehold payments were transferred from the net rental result to the financial result.

4 Reallocation / presentation of the marketing contributions of the tenants in other revenue and charges for letting and of the marketing costs in property charges.

Consolidated statement of comprehensive income to 31 December

	31 December 2019	31 December 2018
I. Net result	28,957	40,541
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	-141	451
Items not taken in the result		
E. Actuarial gains and losses of pledged pension schemes	-200	265
Total other comprehensive income	-341	716
Comprehensive income (I + II)	28,616	41,257
Attributable to:		
Minority interests	-	-
Shareholders of the group	28,616	41,257

Consolidated cash flow statement to 31 December

(x € 1,000)

	31 December 2019	31 December 2018
Cash flow from operating activities		
Net result before tax	28,308	40,517
Income from interest and dividends	-53	-157
Result exclusive of dividend received	28,255	40,360
Depreciation tangible assets	139	141
Rental discounts and investments	-256	-977
Interest charges	2,747	2,771
Changes in the fair value of investment property	16,547	477
Changes in the fair value of authorized hedging instruments	674	-
Movements in provisions	-4,157	-1,324
Movements in short term debts	4,942	-849
Corporate tax paid	-700	-299
Corporate tax received	229	89
	20,165	29
Net cash flow from operating activities	48,420	40,389
Cash flow from investment activities		
Acquisition investment properties	-3,029	-40,207
Sales investment properties	-	2,240
Investments in investment properties	-14,513	-31,846
Acquisition furniture and vehicles	-74	-336
Interest and dividend received	53	157
Net cash flow from investment activities	-17,563	-69,992
Cash flow from financial activities		
Appeal credit institutions/Other	128,000	234,000
Repayment credit institutions/Other	-141,000	-181,961
Dividends paid	-17,769	-15,056
Interest paid	-2,682	-2,565
Net cash flow from financing activities	-33,451	34,419
Net cash flow	-2,594	4,816
Cash & bank balances		
At 1 January	6,931	2,115
Increase/decrease cash and bank balances	-2,594	4,816
At 31 December	4,337	6,931

Consolidated statement of movements in equity to 31 December

(x € 1,000)	Note	Share capital	Issue premiums	Legal reserve	Reserve for the balance of changes in fair value of real estate properties
2018					
Balance at 31 December 2017		292,774	50,563	36	139,371
Adjustment on initial application of IFRS 9 (net of tax)					
Adjusted balance at 1 Januari 2018		292,774	50,563	36	139,371
Capital increase		25,260			
Issue premiums			28,170		
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)				42,013
Dividend over 2017	2)				
Balance at 31 December 2018		318,034	78,733	36	181,384
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	3)				329
Dividend over 2018	4)				
Balance at 31 December 2019		329,249	88,877	36	181,713

Continuation >>

- Changes in fair value of the investment properties portfolio over 2017. Reclassification of the heading 'Accumulated result'. The positive and negative changes in the fair value of real estate properties for the sold office buildings 'Madou' and 'Olieslagerslaan' were reclassified from the heading 'Reserve for the balance of changes in the fair value of real estate properties' to the heading 'Accumulated result' for an amount of € 23.5 mln and € 3.1 mln respectively.
- Dividend paid 2017 € 5.10 (net € 3.57) per share: € -35,389 of which € 14,993 paid in cash and the balance paid out in 228,525 new shares, which led to a capital increase and issue premiums.
- Changes in fair value of the investment properties portfolio over 2018. Reclassification of the heading 'Accumulated result'.
- 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.
- Proposed dividend 2019: 40,601 KEUR (€ 5.20 x 7,807,981 shares).

Continued						
	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	Reserve for actuarial gains and losses of defined pension schemes	Other reserves	Accumulated result	Net result of the year	Total
2018						
Balance at 31 December 2017	-503	-786	956	136,872		619,284
Adjustment on initial application of IFRS 9 (net of tax)				-153		-153
Adjusted balance at 1 Januari 2018	-503	-786	956	136,720		619,131
Capital increase						25,260
Issue premiums						28,170
Variations in the fair value of hedging instruments	451					451
Transfer from reserves			-31	31		-
Provisions for pensions		265				265
Other						-
Net result					40,541	40,541
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties				-42,013		-
Dividend over 2017				-35,389		-35,389
Balance at 31 December 2018	-52	-521	925	59,349	40,541	678,428
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	28,957⁵⁾
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

Segment information to 31 December

(x € 1,000)

	Offices	Retail	Total
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	
Amounts written off on specific trade receivables		-742	
Revaluation of general provision on trade receivables (according to IFRS 9)		11	
Net rental income	7,598	51,015	58,613
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	1,817	7,466	9,282
VII. Rental charges and taxes normally paid by the tenant on let properties	-1,900	-9,158	-11,058
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	7,515	54,164	61,679
IX. Technical costs			-545
Repairs	-200	-307	
Insurance premiums	-2	-36	
X. Commercial costs			-5,931
Agency commissions	-110	-208	
Publicity	-10	-5,603	
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	6,849	46,089	52,938
XIV. General company costs			-5,273
XV. Other operating income and charges			571
Operating result before result on the portfolio			48,236
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	
XIX. Other portfolio result	-	-	-
Operating result			31,677
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
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

(x € 1,000)

Offices Retail Total

2018 (restated)			
I. Rental income			53,150
Rent	7,838	44,458	
Indemnification for early termination of lease	31	824	
III. Rental-related expenses			-154¹⁾
Rent to be paid on rented area	-3	0 ¹⁾	
Amounts written off on specific trade receivables	-18	-144	
Revaluation of general provision on trade receivables (according to IFRS 9)	1	9	
Net rental income	7,849	45,147	52,996
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	2,574	9,002²⁾	11,576²⁾
VII. Rental charges and taxes normally paid by the tenant on let properties	-2,670	10,282²⁾	-12,951²⁾
VIII. Other revenue and charges for letting		4,496²⁾	4,496²⁾
Net rental charges and taxes paid on let properties	-96	3,217²⁾	3,121²⁾
Property result	7,754	48,364²⁾	56,118²⁾
IX. Technical costs			-157
Repairs	24	-143	
Insurance premiums	-4	-34	
X. Commercial costs			-5,772²⁾
Agency commissions	-145	-224	
Publicity	-	-5,404 ²⁾	
XI. Charges and taxes on non let properties			-971
Costs on non let properties	-223	-402	
Real estate tax on non let properties	-76	-271	
XII. (Internal) property management costs	-100	-820	-921
Property operating results	7,230	-1,894	-7,821²⁾
XIV. General company costs			-4,676
XV. Other operating income and charges			415
Operating result before result on the portfolio			-12,082
XVI. Result on disposals of investment properties			-35
Net property sales (selling price – transaction costs)	2,212	277	
Book value of the property sold	-2,524	-	
XVII. Result on disposals of other non financial assets			10
XVIII. Variations in the fair value of investment properties			-477
Positive variations in the fair value of investment properties	110	24,278	
Negative variations in the fair value of investment properties	-6,850	-18,015	
XIX. Other portfolio result	-	-	-
Operating result			-12,585
Financial result			-3,015¹⁾
Result before taxes			40,517
XXIV. Corporate tax			-299
XXIV. Deferred taxes on market fluctuations of investment properties			323
Tax			23
Net result			40,541
Investment properties			
Properties available for lease			
Balance at 1 January	103,235	682,765	786,000
Transfer of development projects to properties available for lease		79,412	79,412
Transfer of properties available for lease to development projects		-2,329	-2,329
Transfer of properties available for lease to investment properties held for sale	-2,240		-2,240
Acquisition		73,303	73,303
Investments	321	6,175	6,495
Revaluation	-6,739	6,659	-80
Balance at 31 December	94,577	845,984	940,561
Capitalised rent incentives	239	1,164	1,403
Value properties available for lease	94,816	847,147	941,964
Development projects			
Balance at 1 January		66,817	66,817
Transfer of development projects to properties available for lease		-79,412	-79,412
Transfer of properties available for lease to development projects		2,329	2,329
Investments		25,147	25,147
Capitalised interest		206	206
Revaluation		-396	-396
Balance at 31 December		14,692	14,692
Total portfolio	94,816	861,839	956,656

1 By applying the new IFRS 16 - Leasing agreement standard, the annual leasehold payments were transferred from the net rental result to the financial result

2 Reallocation / presentation of the marketing contributions of the tenants in other revenue and charges for letting and of the marketing costs in property charges

Movements in investment properties

(x € 1,000)

	2019	2018
Properties available for lease		
Balance at 1 January	940,561	786,000
Transfer of development projects to properties available for lease	4,712	79,412
Transfer of properties available for lease to development projects	-	-2,329
Transfer of properties available for lease to investment properties held for sale	-7,480	-2,240
Initial recognition 'Right of use asset' according to IFRS 16	6,511	-
Acquisition	3,007	73,303
Investments	16,362	6,496
Revaluations	-16,604	-80
Balance at 31 December	947,069	940,561
Book value of capitalised rent incentives	1,602	1,403
Fair value investment properties	948,671	941,964
Development projects		
Balance at 1 January	14,692	66,817
Transfer of development projects to properties available for lease	-4,712	-79,412
Transfer of properties available for lease to development projects	-	2,329
Investments	2,500	25,147
Capitalised interest	66	206
Revaluations	69	-396
Balance at 31 December	12,615	14,692
Total investment properties	961,286	956,656

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

Basis of preparation figures up to 31 December 2019

The financial information regarding the period ending on 31 December 2019 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 2019. In 2019, Wereldhave Belgium adopted one new IFRS standard (IFRS 16 Leases) in its accounting policies and therefore adjusted its valuation rules accordingly for the preparation of the annual financial statement. Furthermore, the valuation rules remained the same as those for the financial year ending on 31 December 2018.

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 Management Company 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 Management Company 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 2019, 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. K. Deforche, Co-Managing Directors of the statutory Management Company of the REIT, declare, in the name and on behalf of the Statutory Management Company, 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 2019 includes a fair review of the information required.

