WERELDHAVE BELGIUM

2018

Annual financial report

Wereldhave Belgium has its annual financial report drawn up in Dutch. Wereldhave Belgium has made a French and English translation of this annual financial report. Both the Dutch, French and English versions of this annual financial report are legally binding. Wereldhave Belgium, represented by its Statutory Management Company is responsible for the translation and the conformity of the Dutch, French and English language versions. However, in case of discrepancies between the language versions, the Dutch version always has priority.

The Dutch version of this annual financial report, and the French and English translation are available on the website of the Company (www.wereldhavebelgium.com).

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1 CONSOLIDATED KEY INFORMATION

KEY INFORMATION

	2014	2015	2016	2017	2018
Share price 31/12	102.0	110.0	107.7	95.3	82.2
Share price/Net result from core activities 31/12	19.3	19.5	18.6	16.8	14.3
Market capitalisation 31/12 (mln)	643.5	763.3	747.3	660.9	619.8
Net asset value per share (conform IFRS)	79.0	81.8	86.4	89.3	90.0
Gross dividend	4.6	4.9	5.1	5.1	5.2
Dividend yield 31/12 (gross) 1)	4.5%	4.5%	4.7%	5.4%	6.3%
Consolidated debt ratio 2)	34.8%	27.5%	27.6%	29.0%	29.7%
Occupationcy rate 3)	94.1%	94.1%	95.8%	94.3%	96.2%
Pay-out ratio [4)]	87.0%	87.0%	88.2%	90.5%	97.1%
Free float	30.6%	30.4%	30.4%	30.4%	34.1%
Number of shares	6,308,198	6,939,017	6,939,017	6,939,017	7,540,250

[1)] Gross dividend divided by the share price on 31/12/2018.

[2)] See calculation table in note 28 of the consolidated financial report.

[3)] Sum of indexed rent from current leases divided by the sum of contractual rents and estimated rental value of vacancies.

[4)] Increase determined in 2018 due to the increasing number of shares in 2018.

CONSOLIDATED KEY FIGURES OVER THE PAST 5 YEARS

(X € 1,000)

RESULTS	2014	2015	2016	2017	2018
Net rental income	38,932	47,409	49,733	50,103	52,746
Net result	38,855	49,391	66,241	54,682	40,541
Net result from core activities 1)	33,371	39,093	40,078	39,404	40,730
Net result from non-core activities 2)	5,484	10,298	26,163	15,278	-191

(X € 1,000)

BALANCE SHEET	2014	2015	2016	2017	2018
Properties available for lease 3)	724,296	733,482	784,509	786,747	941,964
Development projects	25,802	40,547	35,318	66,817	14,692
Total investment properties	**750,098**	**774,029**	**819,827**	**853,564**	**956,656**
Shareholders' equity	498,284	567,310	599,586	619,284	678,428

(X € 1,000)

FAIR VALUE PROPERTIES AVAILABLE FOR LEASE BY SEGMENTATION 3)	2014	2015	2016	2017	2018
Retail	597,048	607,026	659,905	682,765	845,984
Lease incentives	312	604	575	236	1,164
Fair value properties available for lease - retail	***597,360***	***607,630***	***660,480***	***683,001***	***847,147***
Offices	125,559	124,894	123,452	103,235	94,577
Lease incentives	1,377	958	577	511	239
Fair value properties available for lease - offices	***126,936***	***125,852***	***124,029***	***103,746***	***94,816***
	724,296	**733,482**	**784,509**	**786,747**	**941,964**

(X € 1)

SHARE DATA	2014	2015	2016	2017	2018
Net result from core activities	5.29	5.63	5.78	5.68	5.74
Net result from non-core activities	0.87	1.49	3.77	2.20	-0.03
Net result	6.16	7.12	9.55	7.88	5.71
Gross dividend	4.60	4.90	5.10	5.10	5.20
Net dividend	3.45	3.58	3.57	3.57	3.64
Net asset value before profit distribution	78.99	81.76	86.41	89.25	89.97

1) See note 4. Net result from core activities includes rental income, property charges, general expenses and financial results.

2) See note 4. Net result from non-core activities includes the result on the portfolio, results on disposal of real estate investments and other results (a.o. financial result) that are not included in the net result from core activities.

3) Fair value has been computed after deduction of the transaction costs (2.5%) (until 2015: 10%-12.5%) incurred at the sales process. The independent valuation expert has carried out the valuation in conformity with 'International Valuation Standards' and 'European Valuation Standards'.

2 MESSAGE TO THE SHAREHOLDERS

Kasper Deforche
Chief Executive Officer

STRONG OPERATIONAL RESULTS AND FURTHER GROWTH OF THE RETAIL PORTFOLIO

We are proud to present our annual report on the activities of the year 2018 and are happy to highlight some of the keydevelopments of the year.

We made significant progress in the past year, both in terms of management of the operational property portfolio and in relation to new financial initiatives, whereby we were able to emphasise our solid balance sheet and optimise the Company's cost structure.

After years of preparation and an intensive period of construction activity, the renewed and extended shopping centre 'Shopping Les Bastions' was opened festively and with great success on 12 April 2018. With a total lettable area of more than 40,000 m², 'Shopping Les Bastions' is now one of the leading commercial attraction poles in Wallonia. We are satisfied to say that the shopping centre was almost fully let by the end of the year, that there was a significant increase in the number of visitors and that it made a significant positive contribution to the results of the Company in 2018.

However, this does not mean the end of project development within the existing portfolio. The redevelopment of the '7 Fontaines' project in Tournai is currently well underway and substantial progress was made in 2018 with regards to the project in of the shopping complex in Waterloo and Belle-ïle (renovation and extension).

In addition to this creation of internal value through project development: the acquisition of two retail parks in Bruges and Turnhout were finalised. This is an important step in our ambition to become even more active in the market of peripheral store clusters. In 2019, the rental income from both sites will make an important contribution to the operational result.

The different investments that were made in the existing portfolio, as well as the above mentioned acquisitions resulted in the decrease of theshare of the 'Belle-Île' shopping centre in Liège to below the 20% theshold in the overall portfolio. This has not happened since the Company is quoted on the stock market (1998).

We are proud to highlight two more 'firsts' in the past year:an optional dividend was offered to shareholders and a Treasury Notes program of € 100 mln was set up. Both allow us to strengthen our balance sheet and keep our financing costs under strict control.

Various bank loans were also refinanced or replaced anticipatively, which resulted in an extension of the average duration of our debts and savings on our financing costs.

As far as the financial results are concerned, we once again succeeded in presenting good operational figures, mainly based on a strong increase of the occupancy rate.

The net result for 2018, comprising the net result of core activities and non-core activities, amounted to € 40.5 mln (2017: € 54.7 mln). In comparison to 2017, this decrease on balance is attributable to a lower net result from non-core activities (2018: € -0.2 mln / 2017: € 15.3 mln), partially compensated by a higher net result from core activities (2018: € 40.7 mln / 2017: € 39.4 mln).

A dividend of € 5.20 gross - € 3.64 net per share is proposed to the General Meeting of Shareholders (2017: € 5.10 gross - € 3.57 net). It is the intention to offer an optional dividend again.

Furthermore, we expressly wish to thank all employees, customers, shareholders, and by extension all stakeholders, for their continued contribution to the success of our company.

Vilvoorde, 8 March 2019

Tournai

3 CONSOLIDATED ANNUAL REPORT

PROFILE

The Company is a public regulated real estate company (RREC) with a focus on commercial real estate in Belgium. The Company targets new investments in retail properties. The value of the investment properties portfolio, including project developments, is € 956.7 mln at 31/12/2018. The existing operational shopping centre portfolio of € 847.1 mln (approximately 90% of the total portfolio, excluding project developments) comprises shopping centres in Liège, Nivelles, Tournai, Ghent, Genk, Waterloo and Kortrijk and retail parks in Tournai, Brugge and Turnhout. In addition, the investment properties portfolio includes offices in Brussels, Vilvoorde and Antwerp, which amounted to € 94.8 mln on 31/12/2018. The development portfolio of € 14.7 mln comprises the land positions and investments made relating to the restructuring and/or expansion of shopping centres in Waterloo, Liège and Nivelles.

The Company seeks to generate value through the active management of shopping centres and retail parks and the (re)development of them for its own portfolio. The Company's employees maintain direct contact with the tenants. As a result, the Company is aware of their tenants' issues sooner, and has recent market information at its disposal. Those compentences are also used in the (re)development of projects.

STRUCTURE

The Company has been an RREC since 27 October 2014 and is subject to the legislation of the Royal Decree of 13 July 2014 (as amended) and the Law of 12 May 2014 (as amended). As such the RREC has been licensed and registered by the Financial Services and Markets Authority since 22 September 2014.

The Company has an RREC tax status and, as a result, does not actually pay any corporation tax, with the exception of any abnormal and favourable benefits and rejected expenses.Wereldhave Belgium Services NV, 100% subsidiary of the Company, is part of the consolidation of the Company and acts as the real estate manager of the investment properties portfolio.

The Wereldhave Belgium shares are traded on the Euronext continuous stock exchange in Brussels.

On 31 December 2018 Wereldhave N.V. and Wereldhave International N.V., Schiphol, directly or indirectly held 65.90% of the shares.

VALUATION OF REAL ESTATE

The Company values its real estate at fair value. IFRS 13 defines the 'fair value' as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the valuation date. The definition thus presumes a hypothetical transaction. So even if the Company intends to use an asset rather than sell it, it determines the fair value based on the (hypothetical) sale price.The investment properties portfolio is valued externally by independent valuation experts on a quarterly basis.

FINANCIAL POSITION

With a consolidated debt ratio of 29.7% and a solvency of 70.3%, the Company positions itself as a real estate company with very sound balance sheet ratios.

CORPORATE GOVERNANCE STATEMENT[1]

GENERAL

The Company attaches great importance to achieving a balance between the interests of the providers of risk-bearing capital and the other stakeholders in the Company. Openness, sufficient future-oriented provision of information, and business ethics comprise part of this philosophy. The Company ethics are embedded in the Business Principles and the Code of Conduct for personnel, which are published on the website www.wereldhavebelgium.com.

In accordance with article 96, §2, 1° of the Companies Code (as amended by the Law of 6 April 2010 to strengthen the corporate governance of publicly listed companies) and the Royal Decree of 6 June 2010 on the designation of the Corporate Governance Code to be observed by publicly listed companies, the Company uses the Corporate Governance Code 2009 as its reference code.

The Belgian Corporate Government Governance Code is available on the website www.corporategovernancecommittee.be. The size of the Company is considered here along with the specific management structure of the Company, therefore making the corporate governance principles relevant to the management structure of the Management Company.

In its Annual Financial Report, the Board of Directors must dedicate a specific chapter to corporate governance in which the corporate governance practices of the Company throughout the financial year concerned are discussed, including the specific information required by the applicable legislation and the Corporate Governance Code.

In accordance with article 96 §2 of the Companies Code this Corporate Governance Statement must, as a bare minimum, contain the following information:

- The Corporate Governance Code applied by the Company.
- The main characteristics of the internal systems for control and risk management (regarding financial reporting).
- The shareholder structure, as derived from the transparency declarations that the Company has received from its Shareholders and specific financial and business information.
- The composition and operation of the management bodies and its committees.

The Corporate Governance Charter and its Appendices stipulate the rules, procedures and methods on the basis of which the Company is managed and monitored.

The Corporate Governance Charter is subject, without prejudice to the Articles of Association of the Company and the relevant provisions of Belgian law, such as the Companies Code. Any summaries or descriptions in this Corporate Governance Charter of legal and statutory provisions, company structures or contractual relations are only clarifications and may not be considered as legal or fiscal advice on the interpretation or enforceability of such provisions or relations.

The Corporate Governance Charter must be read together with the articles of association of the Company, the Annual Financial Report, and other information that is periodically made available by the Company. Additional information on each financial year relating to the pertinent changes and events of the previous financial year are reported in a Corporate Governance Statement.

The Corporate Governance Charter can be consulted on the Company website (www.wereldhavebelgium.com) and shall be updated as often as necessary. The Corporate Governance Charter was last updated on 29 January 2016 by the Board of Directors.

[1] The Corporate Governance Statement forms an integral part of the Management Report in accordance with article 96, §2 of the Companies Code.

COMPLY OR EXPLAIN PRINCIPLE

Derogations from the recommendations in the 2009 Code are underlined in the Corporate Governance Charter. To this end the Company applies the principle of 'comply or explain'.

On the date of this Annual Report derogations from the following provisions of the 2009 Code are explained:

Composition of the remuneration committee

As the Company satisfies two of the three criteria stipulated by article 526*quater* of the Companies Code (average number of employees < 250 people and annual net turnover < 50 mln), the Board of Directors has not set up a remuneration committee.

The Board of Directors sees the work of the remuneration committee as the work of the full Board of Directors, and this in derogation from provision 5.4./1 contained in appendix E of the 2009 Code, which stipulates that the remuneration committee consists exclusively of non-executive directors.The remuneration committee of the Board of Directors consequently consists of all members of the Board of Directors (i.e. including the two chief executive officers).

Composition of the Audit Committee

In derogation from provision 5.5 of the 2009 Code that stipulates that each committee must consist of at least three members, the Audit Committee of the Board of Directors of the Management Company only consists of two members.Complying with the recommendation of the 2009 Code that the Audit Committee must have at least three members, would mean that almost the entire Board of Directors is a member of the Audit Committee.

MANAGEMENT STRUCTURES

The Company has the legal form of a partnership limited by shares according to Belgian law.

Ring Shopping Kortrijk Noord

The Company has active and silent partners. The active partners have joint and several unlimited liability for all obligations of the Company. The sleeping partners are only liable for the debts and losses of the Company up to the level of their contribution, provided that they do not carry out any acts of management.

STATUTORY MANAGEMENT COMPANY

According to the Articles of Association, the Company is managed by one or more management companies, who must have the capacity of active partner.

The Management Company is appointed by an Extraordinary General Meeting of Shareholders in the presence of a notary, and in observance of the requirements for an amendment of the Articles of Association.

The Management Company is authorised to perform all acts of internal management that are necessary or useful for the realisation of the Company purpose, with the exception of those actions legally reserved to the General Meeting of Shareholders.

The Management Company performs its duties through the intervention of its Board of Directors. The appointment of the Management Company is for a period of indefinite duration.

The current Management Company is Wereldhave Belgium N.V. and was legally appointed at the Extraordinary Meeting of Shareholders on 15 January 1998.

BOARD OF DIRECTORS

By virtue of the law and its Articles of Association, the Board of Directors of the Management Company is constituted such that the RREC can be managed in accordance with article 4 of the RREC Act. This principle is applied with the utmost stringency: the Company, the Board of Directors and the Executive Managers do not consider the special interests of Shareholders, the Management Company, the Directors, the Developer or the Executive Managers. The interests that are taken into consideration in the management of the Company are not limited to the Shareholders and extend to all components of the notion of 'corporate interest' that is referred to in the Companies Code.

The Board of Directors is the governing structure of the Company. It acts jointly.

Thus the role of the Board of Directors is to determine the strategic vision of the Company, which is based on a contribution to long-term value, the supervision of the policy of the Executive Managers/Chief Executive Officers and the general state of affairs of the Company and its Subsidiaries. To this end it examines whether the risks have been well evaluated and checks their management in the context of regular and strict controls.

Social responsibility, mix and diversity in general are also criteria in the decision-making process of the Board of Directors.

The Board of Directors has both a supervisory and advisory role and thereby targets the interests of the Company, the business and all its Shareholders. The Board of Directors acts as a committee with joint responsibility without mandate and independent of the partial interests involved in the Company.

Composition

The Board of Directors consists of at least four natural people, of which:

- One or more Directors, with a maximum of half of the total number of Directors, can be executive directors. In other words, they can also exercise an operational role within the Company.
- At least three Directors qualify as 'independent' in the sense of article 526ter of the Companies Code and Appendix A of the Corporate Governance Code.

The list of the members of the Board of Directors, published in the Corporate Governance Statement, states which directors are independent.

The Board of Directors is composed such that there is a balance of skills and professional experience in disciplines such as real estate, finance and general management, without excluding candidate directors whose experience in other areas and whose personalities would contribute to the Company.

In accordance with article 518bis of the Companies Code, the publicly listed companies are required to ensure that in principle a minimum of one third of the Board of Directors is either male or female depending on the composition of the remainder, as of the first day of the sixth financial year commencing after the publication of the Act of 28 July 2011 in the Belgian Official Gazette.

However, for listed companies whose free float is less than 50% (free float of the Company at 31 December 2018: 34.10%), which is the case for the Company, this obligation only starts from the first day of the eighth financial year that starts after the publication of the law of 28 July 2011 in the Belgian Official Gazette, being 1 January 2019. In accordance with article 96, §2, 6° of the Companies Code, the members of the Board of Directors confirm they comply with and make the necessary efforts in order to satisfy the legal conditions on gender diversity. At an Extraordinary General Meeting of Shareholders of the Management Company, organized on 18 April 2018, a second female director was appointed (in accordance with article 518bis of the Company Code), i.e. Mrs. Brigitte Boone. Provided that Mrs Boone is appointed, the Company meets the legal conditions regarding gender diversity.

Every Director must also have the personal attributes enabling him/her to perform his/her work flexibly and jointly, but with full independence of mind.

Belle-Île

She must have an impeccable reputation of integrity (especially with regard to confidentiality, conflicts of interest and the prevention of abuse of privileged information), have a critical and business-like attitude and be able to develop a strategic vision.

Every Director must also be sufficiently motivated and have enough time to attend the meetings of the Board of Directors – and if applicable the meetings of the committee(s) he/she is a member of – and to prepare for these meetings.

For the composition of the Board of Directors the Company prefers complementarity of skills, experience and knowledge and, insofar possible, diversity in general.

Two of the Directors are appointed as Chief Executive Officers and are responsible for the day-to-day management of the Company, and together form the Executive Management, and are thus Executive Managers in the sense of the RREC Law. The Chief Executive Officers may not also act as Chairman of the Board of Directors. The Chief Executive Officers are assisted in the execution of their duties by a compact management organisation.

The Board of Directors has decided not to create an 'executive committee' in the sense of the Companies Code.

Duration, appointment, evaluation and extension of the directors' appointments

Duration
The duration of the directors' mandates is limited to four years. The mandates are renewable.

The Directors are appointed and their mandate is renewed by the General Meeting of the Management Company, on proposal of the Board of Directors.

In order to ensure the continuity of the work of the Board of Directors and to prevent several Directors resigning simultaneously, the Board of Directors has drawn up a schedule on the basis of which Directors step down periodically.

The most recent departure schedule for the next three years drawn up by the Board of Directors shall be reported in the Annual Financial Report. For each Director it states when he/she was first appointed and when he/she was last reappointed.

The directors do not have any mutual family ties.

Tournai Retail Park

DIRECTORS	POSITION	START DATE MANDATE	MOST RECENT RENEWAL	END OF MANDATE
Dirk Goeminne	Independent Director Chairman of the Board of Directors	01/04/2015		31/03/2019 (*)
Ann Claes	Independent Director Member of the Audit Committee	01/04/2017		14/05/2021
Brigitte Boone	Independent Director Chairman of the Audit Committee	18/04/2018		13/05/2022
Jacques de Smet	Independent Director Chairman of the Audit Committee	01/04/2015		31/03/2018
Kasper Deforche	Managing Director Executive Manager	01/07/2016		10/05/2019 (*)
Dirk Anbeek	Managing Director Executive Manager	31/07/2012	13/05/2016	8/04/2020 (**)

(*) The mandates were extended on 1 March 2019 for an additional period of 4 years.
(**) Dirk Anbeek has resigned from 1 March 2019.

Appointment
In accordance with the RREC Law the people who participate in the management or policy of the Company, without participating in the Executive Management, must have the prerequisite expertise and experience appropriate to the execution of their duties.

Before submitting its proposals to the General Meeting, the Board of Directors shall:

(1) Collect advice and recommendations, in particular:

- regarding the number of Directors it deems desirable, without this number falling below the legal minimum;
- regarding the compatibility of the profile of the Director whose appointment must be extended, if applicable, as required by the Board of Directors;
- regarding the definition of the desired profile, based on the general selection criteria for the Directors, and based on the latest evaluation of the operation of the Board of Directors (which shows the current and required skills, knowledge and experience within the Board of Directors), and any special criteria applied in the search for one or more new Directors.

(2) In turn, it shall interview the candidates, if required check their curriculum vitae and references, take note of their other mandates (in publicly listed companies or otherwise) and evaluate them.

(3) Deliberate in accordance with the internal rules of the Boards of Directors.

The Board of Directors shall ensure that there are appropriate plans for the succession of the Directors, ensure that each appointment or each renewal of a Director's mandate, both for executive and non-executive Directors, enables the continuity of the operations of the Board of Directors and its committees to be guaranteed, and shall maintain the balance in the skills and experience of their members.

Non-executive Directors are made duly aware of the scope of their duties at such time that they propose their candidacy, in particular regarding their time management in the context of their duties. They may not take more than five directorships in publicly listed companies into consideration. Any alterations to their other relevant commitments and new commitments outside the Company are reported to the Chairman of the Board of Directors at the appropriate time. The Chairman of the Board of Directors reports this to the Secretary of the Company.

Each proposed appointment of a Director by the General Meeting of Shareholders is accompanied by a recommendation of the Board of Directors. The proposal states the proposed duration of the appointment, which may not be longer than four years, and includes relevant information about the professional qualifications of the candidate, together with a list of the positions that the candidate already holds. The Board of Directors shall state which candidates meet the independence criteria of Appendix A of the Corporate Governance Code. Without prejudice to the applicable legal provisions in this respect, appointment proposals shall be announced at least 24 days before the General Meeting of Shareholders, together with the other items on the agenda.

In the event of (re)appointment, a prior assessment of the profile outline shall take place. The reasons for re-appointment shall be explained to the General Meeting of Shareholders. In event of re-appointment, the way in which the candidate has performed his/her role as Director shall be taken into account. The presence of a conflict of interest during the underlying term shall be taken into account for the decision.

If one or more Directors' appointments become available, the remaining Directors have the right to fill these provisionally until the next General Meeting of Shareholders, which shall conduct the final election.

All the members of the Board of Directors must be natural persons.

Professional development

The Chairman ensures that new Directors are given adequate initial training to enable them to contribute quickly to the Board of Directors.

The Directors shall continuously update their knowledge of the affairs of the Company and the development of the real estate sector.

The Directors shall set aside sufficient time to effectively perform their duties and assume their responsibilities.

Evaluation

Under the leadership of its Chairman, the Board of Directors regularly evaluates (at least every two to three years) its size, composition, performance and that of its committees, as well as its interaction with the Executive Managers/the Executive Management.

This evaluation process has four objectives:

- to assess the operation of the Board of Directors and its committees;
- to check whether the key issues have been thoroughly prepared and discussed;

- to evaluate the actual contribution of every Director, his/her attendance at the meetings of the Board of Directors and the committees, as well as his/her constructive involvement in the discussions and the decision-making process; and
- to determine whether the current composition of the Board of Directors or the committees is in line with what is desirable.

Current members of the Board of Directors

On 31/12/2018, the Board of Directors consists of the following five members:

Dirk Anbeek, (55), WTC Schiphol Toren A, Schiphol Boulevard 233, 1118 BH Schiphol, The Netherlands, has been Chief Executive Officer and Executive Manager since 31 July 2012. His appointment was renewed immediately after the General Meeting of 2016 for a period of four years until 8 April 2020.

Mr D. Anbeek is also Managing Director of Wereldhave N.V., reference shareholder of the Company.

Nationality: Dutchman

Before Dirk Anbeek was appointed as statutory director of Wereldhave NV in 2012, he worked as a director for Albert Heijn EVP Franchise & Real Estate (2006-2009) and as Senior Vice President Business Planning & Performance (2004-2006). From 1996-2004 Mr Anbeek held various management positions within Ahold. He was senior consultant at PWC from 1994-1995. Furthermore, he held various management positions at DSM from 1988 to 1994.

(attendance rate during his mandate in 2018: 100%)

Current mandates:

- Statutory director of Wereldhave NV (publicly listed)
- Supervisory director of Ordina NV (publicly listed)
- Supervisory director of Detailresult Groep NV

Mandates ending in the last five years:

- none

After the closing of the financial year ending 31 December 2018 and in accordance with the announcement of the Company on 15 January 2019, Dirk Anbeek has announced that he will resign from 1 March 2019 as Statutory Director and Effective Leader. The Board of Directors took note of this resignation at its meeting of 6 February 2019.

At the Extraordinary General Meeting of the Shareholders of the Management Company of 1 March 2019, Mr. Herman Van Everdingen was appointed as Director in replacement of Dirk Anbeek.

Kasper Deforche (37), Medialaan 30/6, 1800 Vilvoorde, Director since 1 April 2015 for a period of four years (. In addition to a Masters of Applied Economic Sciences at the KU Leuven, he also holds degrees from Antwerp Management School, Solvay Brussels School and Harvard Business School. He has more than 10 years of experience in retail real estate and has previously worked at AG Real Estate and Vastned Retail Belgium. He is also accredited to RICS, holder of a BIV number and member of Guberna.

Nationality: Belgian

(attendance rate during his mandate in 2018: 100%)

Current mandates:

- Director Wereldhave Belgium Services NV
- Chief Executive Officer of Wereldhave Belgium NV
- Director Wereldhave Belgium Property Management NV
- Director Immo Guwy NV

- Director Waterloo Shopping bvba
- Director Multilist NV
- Director Pandecadadia NV
- Director Repsak BVBA
- Director of the Belgium-Luxembourg Council of Shopping Centres (BLSC)
- Director Professional Association of the Real Estate Sector (BVS / UPSI)

Mandates ending in the last five years:
- Director Ag Re B2C NV
- Director Ag Real Estate Group Asset Management NV
- Director Ag Real Estate Westloan NV
- Director Agridec NV
- Director Citymo NV
- Director Gent Zuid NV
- Director Ladolcevita NV
- Director Ninia NV
- Director Nouvelles Galeries De Boulevard Anspach NV
- Director RDV-Invest NV
- Director RF-Invest NV
- Director RV-Invest NV
- Director Senre BVBA
- Director Shopimmo NV
- Director Societe De Developpement Commercial D'anderlecht Pour 200 NV
- Director Societe Hoteliere Du Wiltcher's NV
- Director Nobel NV
- Director Urbis NV
- Director Kanam Grund Kievitplein A NV
- Director Kanam Grund Kievitplein B NV
- Director Kanam Grund Kievitplein C NV
- Director Kanam Grund Kievitplein D-E-F NV
- Director Kanam Grund Kievitplein G NV
- Director Kanam Grund Kievitplein H NV
- Director Kanam Grund Kievitplein Parking NV
- Director Kanam Grund Kievitplein Shopping NV
- Director Kanam Grund Kievitplein J NV
- Director Halle Vastgoed NV

At the Extraordinary General Meeting of the Shareholders of the Management Company dated on 1 March 2019, Mr Kasper Deforche was reappointed as Director for a period of four years.

Dirk Goeminne (64), Oudeheerwegheide 77, 9250 Waasmunster has international experience in various retail concerns and can thus make an important contribution to the strategic decision-making. He was appointed as independent Director and also Chairman of the Board of Directors for a period of four years starting on 1 April 2015 and ending on 31 March 2019.

Nationality: Belgian

Dirk Goeminne graduated from the UFSIA Antwerp with a Master of Applied Economic Sciences in 1976 and as a commercial engineer in 1977, and started his career in 1977 as an auditor at Price Waterhouse & Co.

As of 1979 Dirk Goeminne worked in the textile and clothing industry and held successive management positions at ITC/ IDECO, Femilux NV, WE Belgium – WE France – WE Luxemburg, WE Europe BV. Since 1997 he was successively Chief Operating Officer and Chairman of the Executive Board of Hema BV. From 2003 to 2007 he was Chairman of the Executive Board of V & D and Member of the Executive Board of Maxeda.

(attendance rate during his mandate in 2018: 100%)

Current mandates:
- Independent Director of Van de Velde NV (Publicly listed)
- Chairman Supervisory Board of Beter Bed Holding NV (The Netherlands) (Publicly listed)
- Chairman Supervisory Board of Stern Groep NV (The Netherlands) (Publicly listed)
- Executive Chairman of Ter Beke NV (Publicly listed)

- Chairman Board of Directors JBC NV
- Supervisory Director Wielco BV (The Netherlands)

Mandates ending in the last five years:
- None

Jacques de Smet (69), Hagedoornlaan 96, 1180 Brussels has international financial experience in various companies.

He was appointed as independent Director for a period of three years starting on 1 April 2015 to 31 March 2018.

Nationality: Belgian

Jacques de Smet graduated from the VUB with a Master of Economic Sciences in 1973. He has held various management positions in various international companies.

(attendance rate during his mandate in 2018: 100%)

Current mandates:
- Chief executive officer of Gefor NV
- Independent director of Elia NV (publicly listed)
- Permanent representative of Gefor NV, member of the Board of Directors of Sabca NV (publicly listed)

Mandates ending in the last five years:
- none

Ann Claes, Bruinstraat 50, 3520 Zonhoven, has extensive experience in retail, as shareholder and CEO of Claes Retail Group and, because of this, can have an important contribution to strategic decision-making.

She qualifies as independent Director from 1 April 2017 and is member of the Audit Committee for a period of four years ending on 31 March 2021.

Nationality: Belgian

Ann Claes obtained her Bachelor in Economics in Diepenbeek and completed the Advanced Management Program at Vlerick Business School in Ghent

Since 1984, she held various positions within JBC and Claes Retail Group. The group grew to a group with more than 180 stores. The successful acquisition of Mayerline and the expansion of JBC in Germany are the latest achievements of Claes Retail Group, led by Ann Claes and her brother Bart Claes.

(attendance rate during her mandate in 2018: 100%)

Current mandates:
- Managing Director of CRG NV
- Managing Director of JBC nv
- Managing Director of Mayerline nv
- Managing Director of j GF Company nv
- Managing Director of Immo Iris nv
- Managing Director of Girl Immo nv
- Managing Director of I Am Holding nv
- Managing Director of Investa Wetstraat nv
- Director of ACE Fashion sa
- Director VOKA Limburg

Mandates ending in the last five years:
- Member of the Board of Director of Modemuseum Hasselt

Brigitte Boone, living in Haasrode, has financial experience in various companies.

She qualifies as independent Director for a period of 4 years starting on 18 April 2018 ending on 13 May 2022. Brigitte Boone has also taken on the responsibility of chairing the audit committee.

Nationality: Belgian

Brigitte Boone holds a master's degree in law (KULeuven), a master's degree in economic law (ULB) and is an alumna of Insead (AMP) and Harvard Business School (GMP).

Brigitte Boone has extensive management and financial experience and relevant experience with running audit committees in both listed and non-listed companies, but also has thorough legal, fiscal and financial knowledge given her previous positions at Generale Bank and the later Fortis Bank as legal adviser, head of the tax department, CEO of Fortis private equity, CEO of commercial and investment banking and executive director of Fortis Bank. She has also gained experience with the retail sector through previous mandates, including Fun, AS Adventure and Brantano.

Brigitte Boone heeft een ruime bestuurs-en financiële ervaring en een relevante ervaring met het runnen van auditcomités zowel in beursgenoteerde als in niet-beursgenoteerde ondernemingen, maar beschikt ook over een grondige juridische, fiscale en financiële kennis gezien haar vroegere functies bij Generale Bank en het latere Fortis Bank als juridisch adviseur, hoofd fiscaal departement, CEO Fortis private equity, CEO commercial and investment banking en executief bestuurder van Fortis Bank. Ook heeft zij ervaring met de retail sector verworven door vroegere mandaten in o.a. Fun, AS Adventure en Brantano.

(attendance rate during her mandate in 2018: 75%)

Current mandates:

- Director and member of the audit committee of NN Insurance Belgium;
- Director and chairman of the audit committee of Puilaetco Dewaay Private Bankers;
- Member of the asset allocation committee and of the risk committee of Amonis OFP;
- Director and member of the GIMV audit committee;
- Director and member of the audit committee of IMEC VZW;
- Director of FIDIMEC NV;
- Director and chairman of the audit committee of ENABEL NV;
- Director of Delhaize Management BVBA;
- Director and member of the remuneration committee of De Werkvennootschap;
- Director of SD Worx Group;
- Director of VP Exploitatie.

Mandates ending in the last five years:

- Director and chairman of the audit committee of Studio 100;
- Director of Plopsaland;
- Director and Chairman of the Board of Directors of D.S. Textiles;

Statements concerning the directors and executive management

On the basis of the information at its disposal, Wereldhave Belgium NV, Statutory Management Company, confirms that:

- for at least the past five years neither itself, nor its Directors or, in the event of companies acting as Director, their permanent representative, nor members of the Executive Management:
  - have been convicted of fraud;
  - have been subject to official or publicly expressed accusations and/or imposed penalties by a legal or supervisory authority (including recognised professional organisations), or have ever been declared incompetent by a court of law to act as a member of the management of a company or to act in the context of the management or the performance of the activities of a company;
  - have had an executive position as a member of the management, leading or supervisory bodies of a company at the time of a bankruptcy, receivership or liquidation.
- there are currently no contracts of employment or service-providing agreements with the Directors, or with the RREC, or with the Statutory Management Company, providing for specific payments at the end of the employment.

- the contracts of employment or service-providing agreements concluded between the Statutory Management Company and/or the RREC and the members of the Executive Management do not provide specific payments at the end of the employment, except for the payments provided at the end of the employment as stated in the section 'Remuneration of the Executive Management members' in the chapter 8 'Remuneration report'

Chairmanship

The Board of Directors appoints one of its independent Directors as Chairman, on the basis of his/her knowledge, abilities, experience and mediation skills.

The role of the Chairman consists of independently facilitating the operation of the Board of Directors and promoting the quality of the Company's management.

The specific duties of the Chairman are:

- communication with the Executive Managers/ Executive Management;
- chairing the Board of Directors and the associated tasks, as set out in the Corporate Governance Charter and the Articles of Association of the Company;
- leading the General Meeting of Shareholders;
- negotiating with any advisors appointed by the Board of Directors;
- discussing the results of the annual evaluation of the operation of the Board of Directors with the members of the Board.
- to take also initiatives on subjects such as the selection, (re)appointment and assessment of members of the Board of Directors, payment issues, contacts/ communication with external advisers, in preparation for the debate on these subjects in the plenary meeting of the Board of Directors.
- to ensure in particular that the best Corporate Governance practices are applied to the relations between the Shareholders, the Board of Directors and the Executive Managers/ Executive Management.

Moreover, the Chairman ensures that:

- new members of the Board of Directors go through an introduction and training programme;
- the members of the Board of Directors promptly receive all information required for the proper performance of their duties;
- there is enough time for deliberations and decision-making by the Board of Directors.

Furthermore, the Chairman carries out the tasks assigned to him/her by law, the Articles of Association of the Company and the Board of Directors.

Duties of the Board of Directors

In addition to its legal and statutory obligations the Board of Directors carries out the duties of the Management Company. In that capacity it is responsible for the following tasks, among others:

- The Board of Directors preserves the values and the strategy of the Company, its willingness to take risks and the main policy guidelines.
    - Strategic decisions including investments and disinvestments, the leasing strategy, the general operation of the Company, and decisions on any initiative presented to the Board of Directors.
    - The Board of Directors provides the necessary financial and human resources to enable the Company to achieve its objectives.
    - When realising its objectives, the Board of Directors takes corporate social responsibility and diversity in general into account.
- The Board of Directors:

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- assesses the performance of the Executive Managers/Executive Management and the realisation of the Company's strategy;
- assesses the effectiveness of the Audit Committee;
- takes the necessary measures to safeguard the integrity of the Company, taking the assessment of the Compliance Officer into account;
- takes the necessary measures for the timely publication and communication of the annual accounts and other financial and non-financial information to the Shareholders and potential Shareholders, in accordance with the existing legislation and regulations;
- approves the internal control and risk management structure set up by the Executive Management and evaluates its implementation, taking account of the assessment of the Audit Committee and the person responsible for the Independent Internal Audit role and the Risk Officer;
- supervises the performance of the Auditor and the internal audit function, taking the assessment of the Audit Committee into account;
- describes and publishes the main features of the internal control and risk management systems of the Company.

- The Board of Directors decides on the structure of the Executive Management and defines the responsibilities entrusted to the Executive Management. They are incorporated in the internal rules of the Board of Directors and of the Executive Management.
- Taking measures for a smooth and effective dialogue with the current and potential shareholders, and with the customers of the Company (i.e. users of its real estate), based on mutual understanding of the objectives and interests, and in the interest of the Company.

Acceptance of the applicable rules

By accepting his/her mandate, the Director accepts all the rules applicable to the Management Company and the Company, and in particular the legislation on RRECs, the Articles of Association of the Company and of the Management Company, the Corporate Governance Charter and the internal rules of the Board of Directors.

Right of information

Every Director is entitled to receive all information and documents required for the proper performance of his/her duties, without prejudice to the information and documents relating to corporate opportunities as defined in the Corporate Governance Charter, and in the cases stipulated therein.

Operation

General

The Articles of Association of the Company stipulate that the Management Company must be organised in such a way that, within its Board of Directors, at least two natural persons are responsible for the Executive Management of the Company, who together form the Executive Management and who are also the Executive Managers in the sense of the RREC Law, as well as the Chief Executive Officers.

Frequency

The Board of Directors meets at least four times a year, and as often as necessary.

The frequency and schedule of the meetings are defined by the Board of Directors in close consultation with the Chief Executive Officers. The meeting schedule is set for the entire calendar year, by the end of the third quarter of the previous calendar year at the latest. Six meetings were held in 2018.

The Board of Directors discusses the strategy and the risks attached to the Company at least once a year.

Notice of meeting and agenda
The Board of Directors meets after being convened by its Chairman or two Directors. The notice of meeting must be given at least 24 hours before it convenes.

The notices of meeting are validly given by letter or any other telecommunication means of a tangible medium. They include the agenda.

The agenda states the topics that shall be considered at the meeting.

The Chairman ensures that the Directors punctually receive appropriate and correct information before the meetings so that the Board of Directors can deliberate with sound knowledge of the facts.

In the preparation for the meeting of the Board of Directors, the Directors shall spend the necessary time to examine the information and the documents they receive, and shall request additional information and documents when they deem it appropriate. They undertake to actively participate in the activities of the Board of Directors.

Chairmanship and secretariat
The Chairman chairs every meeting.

If absent, he is replaced by the oldest (independent) Director.

The Board of Directors has appointed a Company Secretary. All Directors may avail themselves of the Secretary's (The CFO of the Company) services.

Proxies
Any Director unable to attend may be represented by another member of the Board of Directors at a specific meeting. The proxy must be appointed in writing, or by any other telecommunication means of a tangible medium.

A Director may represent several colleagues and cast as many votes for which he/she has been appointed as proxy, in addition to his/her own vote.

Decisions, quorum and majority
Except in the event of force majeure, the Board of Directors may only validly deliberate and decide if at least half of its members are present or represented. If this condition is not met, a new meeting must be convened which, provided that two Directors are present or represented, shall validly deliberate and decide on the items on the agenda of the previous meeting

Every decision of the Board of Directors is taken by an absolute majority of the Directors present or represented and, if one or more of them abstain, by a majority of the other Directors. In the event of a tie, the vote of the person chairing the meeting shall be decisive.

All Directors have one vote. Blank votes and abstentions shall be considered as not having been cast when the number of votes is counted. If, after a second vote there is no majority on a decision to be made, the proposal shall be considered as rejected.

In exceptional cases that can be suitably justified by extreme urgency and Company interests, the Board of Directors may take decisions in writing. However, this procedure may not be used for closing the annual accounts and, if applicable, to call on the authorised capital. The decisions must be taken by the unanimous agreement of the Directors. The signatures of the Directors shall be placed either on a single document, or on several copies thereof.

These decisions shall have the same validity as if they were taken by a properly convened meeting of the Board of Directors and shall bear the date of the last signature placed on the above-mentioned document by the Directors.

Minutes
The deliberations and votes of the Board of Directors provide a summary of the discussions, specify the decisions taken and report any reservations of specific Directors.

They are signed by the Chairman of the Board of Directors and at least one other Director and the members who so wish.

The original is intended for the archives of the Managing Company. The Company keeps also a copy for its own archives.

The Chairman, a Chief Executive Officer, each of whom acts in concert with another Director, are authorised to authenticate copies or excerpts of the minutes.

Transactions in Company securities
For transactions in Company securities, the Director is subject to the preventive rules on market abuse in Appendix 7 of the Corporate Governance Charter.

For example, he/she must inform the Compliance Officer prior to any transaction.

Integrity and dedication
For all Directors, both executive and non-executive, and for the latter irrespective of whether or not they are independent, it is necessary that they can decide based on an independent judgement.

The Directors ensure that they receive detailed and accurate information, which they thoroughly study to obtain and maintain a good understanding of the main aspects of the Company activities. They request clarification whenever they deem it necessary.

Although they are part of the same collective body, both executive and non-executive Directors each play a specific complementary role in the Board of Directors:

- The executive Directors provide the Board of Directors with all relevant and financial information so that the latter can effectively fulfill its role.
- The non-executive Directors present the strategy and the main policy guidelines, as proposed by the Executive Managers, in a critical and constructive way for discussion, and help elaborate it further.
- The non-executive Directors closely examine the performance of the Executive Managers in light of the agreed objectives.

The Directors must carefully handle the confidential information they receive in their capacity of Director.

A Director shall step down in the interim in the event of inadequate performance, structural disagreement of opinions, and incompatibility of interests, or when it is otherwise warranted, such as if sufficient grounds demonstrate that the Director's integrity has been jeopardised.

A business relationship between a Director and the Company must be reported in the Annual Financial Report.

A Director must immediately report a (potential) direct or indirect conflict of interest to the Chairman. A Director involved in a case of a conflict of interest shall provide all information on this to the Chairman, including the relevant information on his/her spouse, registered partner or other life partner, foster child, and blood relatives and relatives by marriage up to the second degree.

The Director concerned shall not participate in the Board of Director's assessment of the existence of a conflict of interest.

There is a 'conflict of interest' when the Company plans to enter into a transaction with a legal person:

(i) in which a Director has a personal financial interest;

(ii) in which a member of the board has a family relationship with a Director;

(iii) in which a Director holds a managerial or supervisory position.

The number of directorships of a member of the Board of Directors in other publicly listed companies and similar positions in non-listed companies or organisations is limited in order to guarantee the proper performance of the duties. To determine the number of directorships that can be deemed acceptable in such companies in an individual case, the workload resulting from these positions is ultimately decisive. However, the maximum number of directorships in publicly listed companies is limited to five.

In November, each Director reports all directorships and other similar positions that could affect the workload. The report is made by updating a curriculum vitae to be sent out by the Secretary for publication in the Annual Financial Report.

For the individual Directors, the Annual Financial Report states the age, profession, main position, nationality and all other directorships in publicly listed companies. Moreover, the most significant ancillary posts shall be reported, insofar significant to perform the role of Director.

The Directors require permission from the Board of Directors to accept directorships in other publicly listed companies and similar positions in non-listed companies or organisations. The members of the Board of Directors shall request permission prior to the publication of any nomination for appointment. The request shall be submitted to the Chairman. The Chairman shall submit such a request relating to him or herself to two other Directors.

THE COMMITTEES OF THE BOARD OF DIRECTORS

In accordance with articles 522, 526bis and 526quater of the Companies Code, the Management Company may form one or more advisory committees within its ranks and under its exclusive responsibility, such as, for example, a Strategic Committee, an Audit Committee, an Appointment Committee and a Remuneration Committee, and determine their internal rules.

The Board of Directors has created an Audit Committee. The role, composition and operation thereof are set out in the Internal Rules of the Audit Committee that are attached as Appendix 3 of the Corporate Governance Charter and form an integral part of it. Moreover, the Board of Directors specifies the composition and the operation of the Audit Committee in the Corporate Governance Statement, which forms a separate chapter of the Annual Financial Report.

As the annual accounts of the Company for the year 2018 show that the Company no longer meets the criteria as stated in article 526quater, §4 of the Companies Code, the Board of Directors will take the necessary steps at its next meeting to establish a Remuneration Committee. with due observance of the provisions of Article 526quater of the Companies Code.

The Board of Directors has decided not to set up a Strategic Committee either. Moreover, the work of the Appointments Committee is performed by the full Board of Directors. The Board of Directors believes that its limited size enables efficient deliberations on the topics concerned. For the same reason, a Supervisory Committee of the Executive Managers has not been created as the responsibilities for this are exercised by the Directors who are not Executive Managers.

THE AUDIT COMMITTEE

Composition and remuneration

The Audit Committee consists of two members appointed by the Board of Directors of the Management Company from among the independent Directors. To comply with the recommendation of the Corporate Governance Code that the Audit Committee must have at least three members would lead to almost the entire Board of Directors forming part of the Audit Committee.

The members of the Audit Committee must have relevant knowledge and experience in accordance with the provisions of the Corporate Governance Code, in particular in accounting, audit and financial matters, with at least one 'independent' Director (In this case, Ms Brigitte Boone) holding a higher education certificate in economics or finance or having acquired the relevant experience in these subjects. The Audit Committee is not chaired by the Chairman of the Board of Directors.

The duration of the Audit Committee members' mandate may not exceed the duration of their directorship. The end of an Audit Committee member's mandate as Director also cancels his Audit Committee mandate.

If a maximum of four meetings are held per year, no attendance fees are paid to the members of the Audit Committee, unless decided otherwise by the Board of Directors.

The current composition of the Audit Committee:

Independent Director and Chairman

Jacques de Smet (until 31 March 2018)
Jacques de Smet has international financial experience in various companies.
Attendance quorum: 100% (1/1)

Brigitte Boone (since 18 April 2018)
Brigitte Boone has international financial experience in various companies.
Attendance quorum: 66% (2/3)

Independent Director

Ann Claes
Ann Claes has an international experience in general management and marketing.

Attendance quorum: 100% (4/4)

Chairmanship

The Board of Directors appoints the Chairman of the Committee.
He/she may not be the Chairman (of the Board of Directors).

The Chairman of the Audit Committee calls the meetings and stipulates the agenda, after consulting the Chief Financial Officer (CFO) of the Company.

The Chief Financial Officer (CFO) of the Company ensures that the members of the Audit Committee reach a consensus, after critical and constructive discussion of the items on the agenda.

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The Chairman of the Audit Committee takes the necessary measures to create a climate of trust within the Audit Committee and ensures its efficient operation. He ensures, among others, that each new member of the Audit Committee is inducted smoothly, with the necessary personal contacts and the communication of useful information regarding the operation of the Audit Committee in order to guarantee quick and efficient teamwork.

The Chairman of the Audit Committee is also the favoured point of contact of the Board of Directors regarding any matter for which the Audit Committee is qualified.

Responsibilities

The Audit Committee assists the Board of Directors and the Executive Managers in preserving a true and fair representation of the Company accounts as well as the quality of the internal and external audits and the information supplied to Shareholders and the market. To this end, the Committee provides the necessary advice and recommendations to the Board of Directors and the Executive Managers.

Special duties of the Audit Committee:

(1) In the context of financial reporting and monitoring of the process for their compilation:

- supervises the accounting integrity of the financial information provided by the Company: the drafting of the statutory annual accounts, consolidated accounts, the quarterly reports and the drafting of important financial communications for publication;
- examines any change in the application of the accounting principles, analyses and validates the accounting policies and the reporting;

- obtains information from the Chief Financial Officer (CFO) of the Company about the methods to be used for accounting treatment of significant and unusual operations, when various accounting treatments are possible;
- discusses the main financial reports with the Chief Financial Officer (CFO) of the Company and the Auditor.

(2) In the framework of the monitoring of the efficiency of the internal audit systems and the risk management of the Company:
- examines the internal audit and risk management procedures applied by the Company and its subsidiaries to ensure that the risks have been properly identified, managed and reported correctly to the Audit Committee;
- checks the description of the internal audit and risk management procedures, which must be included in the management report;
- examines the report that the Executive Manager must present to the Board of Directors, the FSMA and the Auditor on the evaluation of the internal audit procedures (which are comprised of three concrete pillars, i.e. internal audit, risk management and compliance, and these pillars are supervised by the person responsible for, respectively, the Independent internal audit function, the risk management function (the Risk Officer) and the compliance function (the Compliance Officer) – also called the independent control functions). Examines the notes and the risk management in the Annual Financial Report;
- examines the specific measures set up to enable staff or other people in contact with the Company to confidentially express their concerns on possible irregularities in the financial reporting or other matters;

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- approves the internal audit operating rules and any changes to them and is responsible for monitoring the efficiency of the internal audit and executes the assignment given to it according to the relevant operating rules.

(3) In the context of monitoring the annual and half year accounts:
- ensures the follow-up of the Auditor's questions and recommendations;
- examines the draft statutory annual accounts and consolidated annual accounts and expresses their opinion on them before presenting them to the Board of Directors;
- if necessary, consults the Chief Financial Officer (CFO) of the Company and the Auditor.

(4) In the context of monitoring the external audit:
- advises the Board of Directors on the appointment, re-appointment or dismissal of the Auditor and the amount of fees that must be paid for the execution of his/her commission;
- verifies the independence of the Auditor of the Company;
- grants prior approval for every commission entrusted to the Auditor of the Company, and which falls outside their statutory role. Verifies the nature and scope of non-audit services provided, and defines and applies a formal policy, which stipulates what types of non-audit services are excluded or allowed after examination by the Committee or automatically allowed, all this with the 'one-to-one' rule kept in mind;
- keeps itself apprised of the work programme of the Company Auditor;
- verifies the efficiency of the external audit procedure.

For the execution of its duties, the Audit Committee discusses the main items with the Chief Financial Officer (CFO) of the Company, the Auditor and any other person in the Company who it considers necessary to consult.

After reporting to the Chairman of the Board of Directors, the Audit Committee may request any advice and assistance from legal, accounting or other advisers that it deems necessary for the execution of its duties.

However, the Board of Directors has the sole power of decision.

The Audit Committee's performance of its duties does not in any way release the Board of Directors and its members from their own obligations and responsibilities.

Operation

Meetings

The Audit Committee meets as often as necessary for its proper operation, and in any case at least four times per year, on the request of its chairman, one of its members, the Chairman, a Chief Executive Officer and the Chief Financial Officer (CFO) of the Company. If necessary or on the request of one of its members or the Auditor, the Chairman of the Audit Committee can fix extraordinary meetings. The members are expected to attend all meetings of the committee. The Audit Committee may speak with any relevant person, without the presence of the Executive Managers. The Chairman of the Audit Committee may request the Auditor to attend a meeting of the Audit Committee.

The Audit Committee meets at least twice per year with the external auditor and the internal auditor in order to consult with them on subjects relating to its internal rules and on all matters arising from the audit process, and in particular the significant weaknesses of the internal audit.

The Audit Committee meets at least once a year the Auditor for an exchange of ideas on any issue that falls within its charge, and any issue raised by the audit process.

The Audit Committee may be assisted by the Company Secretary in the performance of its duties.

Moreover, for the performance of its role the Audit Committee may be assisted or advised by one or more experts appointed by the committee in return for a fee to be borne by the Company.

Although the Audit Committee is assigned with the tasks and authorities set out in these rules, it is not the role of the Audit Committee to plan or implement accountancy audits to determine whether the financial reporting and publications of the Company are complete and comply with the applicable law and regulations.

The Audit Committee may only exercise the authorizations that the Board of Directors has expressly granted and may not exercise any powers that extend further than the authorizations of the Board of Directors.

Each year, the Executive Managers/the Executive Management report to the Board of Directors on the developments in the relations with the Auditor, including in particular its independence (including the desirability of the rotation of the partners concerned within an Audit office that is assigned with the audit and the performance of non-audit activities for the Company by the same office).

The Audit Committee shall advise the Board of Directors on the report. Also on the grounds of this, the Board of Directors stipulates its shortlist for the appointment of an Auditor to the General Meeting of Shareholders.

Agenda – documents

The chairman of the Audit Committee specifies the agenda for the meetings of the Audit Committee and reports to the Board of Directors. Except for urgent circumstances, the meetings of the Audit Committee shall be convened at least five working days beforehand. The meeting of the Audit Committee shall be scheduled beforehand, insofar possible, and forms part of the schedule for the preparation of the annual accounts.

Every member of the Audit Committee has access to the books, data and offices of the Company and has the authority to conduct meetings with managers and employees insofar necessary or useful for the proper completion of its task.

A member of the Audit Committee exercises this right in consultation with the chairman of the Audit Committee and the Company Secretary.

Decisions, quorum and majority
In order to validly deliberate, the two members of the Audit Committee must be present. A member of the Audit Committee may not be represented by proxy. The advice and recommendations are made by a majority. The chairman of the Audit Committee does not have a decisive vote.

Minutes
The chairman of the Audit Committee appoints a person who is responsible for the secretariat of the Audit Committee and for drawing up the minutes of the meetings.

The minutes provide a summary of the discussions, specify the advice and recommendations, and in particular state the reservations that the members of the Audit Committee made, if applicable. They shall be presented as a draft to all members of the Audit Committee and are then formally approved and signed during a subsequent meeting of the Audit Committee.

The original is kept by the Company, while a copy is handed to the Company Secretary for the files of the Company. The minutes are kept available for the Auditor.

A copy of the Audit Committee's minutes is available for all the members of the Board of Directors.

Reports
After each meeting of the Audit Committee the chairman of the Audit Committee (or in his/her absence, another member of the Audit Committee appointed for this purpose) reports to the next meeting of the Board of Directors on the execution of its duties, and in particular after the meetings dedicated to the compilation of the Annual Accounts intended for publication.

When the Audit Committee reports to the Board of Directors, the Audit Committee discusses the issues for which it considers an action or improvement necessary, and makes recommendations on the measures to be taken.

Evaluation
At least every three years the Audit Committee evaluates its own efficiency, operation and its interaction with the Board of Directors, re-examines its Internal Rules, and if applicable then recommends the necessary adjustments to the Board of Directors.

EXECUTIVE MANAGERS / EXECUTIVE MANAGEMENT
The Internal Rules attached as Appendix 4 of the Corporate Governance Charter and which form an integral part thereof, describe the role, composition and operating rules.

In accordance with article 14, §3 of the RREC Law, the actual management of the Company is entrusted to at least two people, who hold the title of 'Executive Manager' or member of the Executive Management or Chief Executive Officer. The Executive Managers are also the Chief Executive Officers (2) of the Management Company's Board of Directors.

On the closing date of the financial year ending on 31 December 2018, the Executive Managers were:
- D. Anbeek, Chief Executive Officer of the Board of Directors
- K. Deforche, Chief Executive Officer of the Board of Directors

Taking into account Dirk Anbeek's decision to resign as Chief Executive Officer and Effective Leader of the Company on 1 March 2019, the Board of Directors decided, under the condition of approval by the FSMA, at the meeting of 6 February 2019, that Mr. Cédric Biquet will be charged with the day-to-day management as of 1 March 2019 in his capacity as General Manager of the Managing Company and Effective Leader of the Company. Mr. Cédric Biquet will exercise his mandate as Effective Leader together with Mr. Kasper Deforche.

Role
The role of the Executive Managers is primarily:

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- to propose the Company strategy to the Board of Directors;
- to prepare all decisions that must be taken by the Board of Directors to fulfill its obligations;
- to execute the decisions of the Board of Directors regarding the acquisition or the transfer of real estate or shares of real estate companies in any form;
- to decide on the acquisition or transfer in any form of real estate or shares of real estate companies with a value, according to the general strategy stipulated by the Board of Directors;
- to lease real estate, and more generally to enter into agreements in this respect, in accordance with the general strategy stipulated by the Board of Director;
- to ensure the day-to-day management of the Company, and report to the Board of Directors in this respect;

- to monitor the treasury position of the Company, and to present the Board of Directors with a current, accurate and clear view of the operational and financial developments of the Company and its shareholdings;
- to organise internal audits (systems for the identification, evaluation, management and monitoring of financial, real estate and other risks, including the internal audit and risk management systems relating to the financial reporting process, including the Annual Financial Report and the consolidated Annual Accounts), without prejudice to the supervisory role of the Board of Directors, based on the framework approved by the Board of Directors;
- to supervise the preparation of the financial statements, corresponding to the applicable standards for Annual Accounts, accounting standards and accounting policies of the Company.
- the mandatory publication of the annual accounts by the Company;
- to present an objective and understandable evaluation of the financial situation, the budget and the 'business plan' and the monitoring thereof, to the Board of Directors;
- to hire and dismiss staff members and determine their remuneration, and
- to bear the general responsibility and liability on the internal audit procedures that comprise three specific pillars, i.e. internal audit, risk management and compliance, and these pillars are supervised by the person responsible for, respectively, the independent internal audit function, the risk management function (the Risk Officer) and the compliance function (the Compliance Officer), also called the independent control functions.

Duties

The Executive Managers participate in the internal execution of Company activities and the outlining of its policy. In this respect their main duties are:

- to execute the decisions of the Board of Directors;
- to analyse the general policy and general strategy of the Company and, if need be, make proposals in this respect to the Board of Directors, to actually execute the general strategy and general policy of the Company, as decided by the Board of Directors;
- to predefine the opportunities or the needs with regard to investment, disinvestment and financing, and as the case may be to make proposals in this respect to the Board of Directors;
- to direct and lead the management team of the Company in accordance with the decisions of the Board of Directors;
- to supervise the detailed, targeted, reliable and accurate preparation of the financial statements, according to accounting standards and accounting policies of the Company, and to present the financial statements to the Board of Directors;
- to evaluate the financial situation, the budget and the business plan of the Company objectively and understandably, and to present the evaluation to the Board of Directors.
- to execute internal audits (systems for the identification, assessment, management and monitoring of financial and other risks), without detracting from the monitoring role of the Board of Directors and the role of the independent control functions, i.e. the person assigned with the independent internal audit function, the Risk Officer, and the Compliance Officer respectively;
- to report to the Board of Directors, the FSMA and the Auditor on the evaluation of the internal audit procedures, which comprise three specific pillars, i.e. internal audit, risk management and compliance, and these pillars are supervised by the person responsible for, respectively, the independent internal audit function, the Risk Officer and the Compliance Officer;

- to prepare the publication of the financial statements and the other financial and non-financial information.

The Executive Managers of the Company perform their duties without prejudice to the authorities of the Board of Directors.

The Executive Managers acting together are authorised to represent the Company, and with regard to the day-to-day management the Executive Managers, acting alone, are authorised to represent the Company.

Operation

The Executive Managers meet at least twice per month, and also as often as necessary.

The Executive Managers take the necessary measures to create a climate of trust and close mutual cooperation, by contributing to open discussions and the constructive presentation of divergent opinions.

The Executive Managers carry out their duties collectively.

Corporate Governance

The Executive Managers act in the sole interest of all stakeholders. They organise their personal and business activities in such a way as to avoid any direct or indirect conflicts of interest with the Company (as explained in Appendix 7 of the Corporate Governance Charter).

They do not make any decisions and do not act in matters within their purview of responsibility, even should they be placed in a situation of a conflict of interests with the Company or with the sole interests of its Shareholders.

The Executive Managers undertake to comply with the provisions of the Belgian Corporate Governance Code and this Corporate Governance Charter, in particular regarding the rules to prevent conflicts of interest and market abuse. The provisions regarding 'Integrity and dedication' of Directors apply to the Executive Managers.

Supervision

The Executive Managers are responsible for the execution of their duties, which they carry out under the supervision of the Board of Directors and without prejudice to the duties of the members of the Board of Directors.

The mandate of the Executive Managers runs respectively until 10 May 2019 (K. Deforche) and 8 April 2020 (D. Anbeek). Since 1 March 1 2019, the mandate of Mr. Dirk Anbeek has come to an end; since then Mr Kasper Deforche has been in charge of the effective management together with Mr Cédric Biquet.

The regularly report to the Board of Directors on the execution of their duties.

AUDIT FUNCTIONS

In the context of its internal audit, the Company must set up the internal audit procedures, a risk management policy and an integrity policy.

These are additionally supervised by the person responsible for the internal audit function, the risk management function and the compliance function respectively (together they are the 'independent audit functions').

Independent compliance function

Article 17, §4 of the RREC Law stipulates that the public Regulated Real Estate Company *"must take the necessary measures to be able to continually have a suitable independent compliance function to ensure the observance by the public Regulated Real Estate Company, its directors, executive management, employees and representatives, of the legal rules relating to the integrity of the business of the public Regulated Real Estate Company"*. Article 6 of the RREC Royal Decree stipulates that the public Regulated Real Estate Company *"must take the necessary measures to be able to permanently have a suitable independent compliance function. The compliance function is suitable when it ensures, with reasonable certainty, the observance by the public Regulated Real Estate Company, its directors, executive managers, employees and representatives, of the legal rules relating to the integrity of the business of the public Regulated Real Estate Company"*.

The 'independent compliance function' can be understood as an independent function within the Company, aimed at examining and fostering the observance by the Company of the rules relating to the integrity of Company activities. The rules concern those arising from the Company policy, status, and other legal and regulatory provisions.

In other words, this is a part of the corporate culture with an emphasis on honesty, integrity and the observance of high ethical standards in the conduct of business. These standards require the Company and its employees to behave with integrity, i.e. honestly, reliably and credibly.

Mr Laurent Trenson (Company employee and senior accountant) has been reappointed as head of the independent compliance function in accordance with article 14, §4 of the RREC Law. Mr Laurent Trenson's new mandate of the independent compliance function started on 23 September 2017 for an undetermined duration. In his capacity as the person in charge of the compliance function, Mr Laurent Trenson reports to Mr Kasper Deforche, in his capacity as Executive Manager of the Company and Chief Executive Officer of Wereldhave Belgium NV, i.e. the statutory Management Company of the Company.

Independent risk management function

Article 17, §5 of the RREC Law stipulates that the public Regulated Real Estate Company *"must have a suitable risk management function and a suitable risk management policy"*. In the context of the 'risk management policy' the Company must demonstrate that it is able to effectively assess, control and monitor the (potential) exposure to risks (e.g. operational, market, liquidity and counterparty risks) attached to its 'portfolio' and other activities.

The person responsible for the risk management function is responsible inter alia, for drawing up, developing, monitoring, updating and implementing the risk management policy and the risk management procedures.

Mr Laurent Trenson (Company employee and senior accountant) has been reappointed as head of the independent risk management function in accordance with article 14, §4 of the RREC Law. Mr Laurent Trenson's new mandate of the independent risk management function started on 23 September 2017 for an undetermined duration. In his capacity as the person in charge of the risk management function, Mr Laurent Trenson reports to Mr Kasper Deforche, in his capacity as Executive Manager of the Company and Chief Executive Officer of Wereldhave Belgium NV, i.e. the statutory Management Company of the Company.

Independent internal audit function

Article 17, §3 of the RREC Law stipulates that the public Regulated Real Estate Company "takes the necessary measures to be able to continue to be in possession of a suitable internal audit function. The FSMA may allow departures to the provisions of the first paragraph if the public Regulated Real Estate Company demonstrates that this requirement is not proportionate and suitable in view of the nature, size and complexity of its business, without, however, being able to depart from the actual requirement to possess an internal audit function. The FSMA may impose specific conditions for granting such departures."

The 'internal audit' can be understood as an independent assessment function embedded in the organisation. This function is aimed at investigating and evaluating the proper operation, effectiveness and efficiency of the internal (audit) processes/procedures applied by the Company, including the compliance function and the risk management function. The person responsible for the internal audit may give the various members of the organisation analyses, recommendations, advice, evaluations and information on the activities audited, within the scope of the exercise of their responsibilities.

The Company has appointed the external consultant BDO Advisory BV, represented by Mr. E.S.G.L. van Zandvoort, partner, as the person in charge of the internal audit. Mr Dirk Anbeek (Chief Executive Officer and Executive Manager of Wereldhave Belgium N.V., i.e. the statutory Management Company of the Company), has been appointed as Executive Manager, in accordance with article 14, §4 of the RREC Law, who supervises the internal audit function performed by BDO Advisory BV and is thus considered to be the person ultimately responsible for the internal audit of the Company. The mandate of BDO Advisory BV as external consultant started on 23 September 2017 for an undetermined duration. On 1 March 2019, Mr. Dirk Anbeek's authority as the person ultimately responsible for the internal audit will be transferred to Mr. Kasper Deforche.

REMUNERATION REPORT

REMUNERATION OF THE MANAGEMENT COMPANY

The Statutory Management Company receives a fixed remuneration for the exercise of its mandate.

This remuneration covers the costs of the independent Directors. The annual remuneration reflects the responsibilities and time spent by the independent Directors. Costs may not be charged to the Statutory Management for non-independent Directors.

The remuneration method of the Statutory Management Company is described in article 15 of the Articles of Association. It can thus only be changed by a decision to amend the Articles of Association by the General Meeting of Shareholders.

The remuneration is due per calendar year and is payable after approval of the annual accounts by the General Meeting of Shareholders. The remuneration of the Statutory Management Company for 2018 was € 120,000 (ex. VAT) and is paid by the Company.

The remuneration of the Statutory Management Company is subject to supervision by the Auditor and satisfies article 35, §1 of the RREC Law.

OVERVIEW OF INDIVIDUAL COMPENSATION DURING 2018

(ALL AMOUNTS ARE - WHERE APPLICABLE - EXCL. VAT)

INDEPENDENT NON-EXECUTIVE MANAGERS	FIXED
Dirk Goeminne - President	25,000
Jacques de Smet - President of the Audit Committee (1)	5,625
Brigitte Boone - President of the Audit Committee (2)	16,875
Ann Claes	20,000

EXECUTIVE MANAGEMENT - EFFECTIVE LEADERS:	
D. Anbeek	unpaid mandate
K. Deforche	unpaid mandate (3)

1) Until 31 March 2018
2) Since 18 April 2018
3) See Remuneration of Executive Management members

REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration amount for independent Directors is determined by the Statutory Management Company's General Meeting, on the proposal of the Board of Directors.

The total remuneration consists of an annual fixed amount. The independent Directors are entitled to an annual fixed remuneration of € 20,000. The Chairman of the Board of Directors receives an additional € 5,000 each year, the Chairman of the Audit Committee € 2,500. Independent directors are not entitled to variable remuneration or other benefits.

The remuneration amount for non-independent executive Directors is established in agreement with the Statutory Management Company and is determined by the Board of Directors. The same procedure is applied for every adjustment of remuneration for the dependent Directors. The remuneration methodology relating to Kasper Deforche is explained in detail in the chapter 'Remuneration of Executive Management members'. The mandate of Dirk Anbeek is unpaid. He represents the reference shareholder and receives a remuneration in this respect.

The Remuneration Policy of the Company purposes to offer those involved with the Company's management, remuneration such that it can attract, keep and motivate the desired profiles.

The Statutory Management Company wishes to offer those involved a level of remuneration comparable to that which is offered by other companies for similar positions. Except in the event of a decision by the Management Company to the contrary, the remuneration policy shall not be altered over the next two years.

In order to keep informed of the remuneration applicable on the market, the Statutory Management Company participates in benchmarks of social secretariats or specialised consultants. It may also consult these specialists occasionally irrespective of any benchmarks.

For a more in-depth perspective on the characteristics of the various categories of those who collect remuneration, one can consult other chapters of the Corporate Governance Charter.

REMUNERATION OF THE EXECUTIVE MANAGEMENT

The Remuneration Policy of the Company relating to the Executive Management is a matter for the Board of Directors of the Statutory Management Company. Remuneration of the Executive Management is evaluated annually. The Board of Directors of the Statutory Management Company has developed and approved a suitable Remuneration Policy that consists of two components:

- a fixed remuneration;
- a variable remuneration in the short and long term.

The Company complies with the remuneration policy of the Companies Code and the Royal Decree applicable to Regulated Real Estate Companies, as well as the principles of the Corporate Governance Code.

Each year, the Board of Directors of the Statutory Management Company analyses the remuneration policy for the members of the Executive Management and examines whether an adjustment is required. All components of the remuneration policy are analysed. This analysis is coupled with an assessment (benchmarking) of the remuneration policy of other publicly listed real estate companies.

REMUNERATION OF EXECUTIVE MANAGEMENT MEMBERS

The amount of remuneration for Executive Management members consists of the following components: a fixed remuneration and a short term and long-term variable remuneration. The mandate of Dirk Anbeek is not remunerated. He represents the reference shareholder and receives a remuneration in this respect.

Fixed remuneration for Executive Management members is determined according to their individual responsibilities and skills. This remuneration is not related to the profit of the Company.

Variable remuneration is determined and based on the effective realisation of the financial and qualitative objectives that are annually established and evaluated by the Board of Directors of the Statutory Management Company. These objectives are determined according to well defined criteria, weighted according to their importance, and approved by the Board of Directors of the Statutory Management Company.

Short-term variable remuneration:
For financial year 2018 the evaluation criteria for determining variable remuneration were as follows: the net result from core activities per share (25%), occupancy rate (25%), the like-for-like rent growth (25%), the progress of the development portfolio (10%), and the General Management (15%).

The Board of Directors of the Statutory Management Company evaluated the realisation of these objectives for 2018 and set short term variable remuneration at € 100,000 for Kasper Deforche (*).

Long-term variable remuneration:
The Board of Directors of the Statutory Management Company evaluated the realisation of these objectives for 2018 and set the variable remuneration at € 90,000 for Kasper Deforche (*).

Allocation criteria/objectives:

- The Company achieved its targets for 2018:
  - earnings per share (EPS) (75%);
  - sustainability (25%).

Conditions:

- Half payable in the second year following the year for which the allowance is granted and the other half in the third year in which the allowance is granted;
- Employed by the Company at the time of payment;
- If the employment has ended before the payment date as a result of an organisational decision that is not related to performance, the variable remuneration remains earned.

Except in the event of a decision to the contrary by the Statutory Management Company, the Remuneration Policy shall not be altered over the next two years.

The other benefits include the reimbursement of professional expenses incurred in relation to their position.

The contracts of the Executive Management provide a right to reclaim variable remuneration that is attributable to incorrect financial data.

Members of the Executive Management hold no shares, share options or other rights to acquire shares.

The Ordinary General Meeting of Shareholders that decides on the Annual Financial Report of the Statutory Management Company's Board of Directors shall also decide on the remuneration report by a separate vote.

2018	FIXED COMPENSATION	VARIABLE COMPENSATION SHORT TERM	VARIABLE COMPENSATION LONG TERM	RETIREMENT PLAN	FRINGE BENEFITS	TOTAL
K. Deforche *	€ 350,000	€ 100,000	€ 90,000	€ 0	€ 0	€ 540,000
D. Anbeek	unsalaried mandate					

2017	FIXED COMPENSATION	VARIABLE COMPENSATION SHORT TERM	VARIABLE COMPENSATION LONG TERM	RETIREMENT PLAN	FRINGE BENEFITS	TOTAL
K. Deforche *	€ 300,000	€ 90,000	€ 90,000	€ 0	€ 0	€ 480,000
D. Anbeek	unsalaried mandate					

*Details on service agreements

a.Service agreement between Kasper Deforche and the Company for holding the position of CEO of the Company. The annual fixed fee, which amounted to € 150,000, was increased to € 175.000 from 1 July 2018. In addition, there is a variable remuneration amounting to at least € 50,000 and a maximum of € 100,000 (excl. VAT) which is payable for half in the second year following the year for which the remuneration was granted and the other half in the third year following the year for which the remuneration was granted. A flat rate of 12 months' remuneration is foreseen in the event of termination by the Company.

b.Service agreement between REPSAK BVBA, with registered office at Onze Lieve Heerweg 16 – 1860 Meise, with as permanent representative Kasper Deforche, and Wereldhave Belgium Services NV, for handling the operational management of the relevant management entity. The annual fixed fee, which amounted to € 150,000, was increased to € 175.000 from 1 July 2018. In addition, there is a variable remuneration amounting to at least € 50,000 and a maximum of € 100,000 (excl. VAT) which is payable in the second year following the year for which the remuneration was granted. A flat rate of 12 months' remuneration is foreseen in the event of termination by the Company.

PREVENTION AND CONFLICTS OF INTERESTS

Conflicts of interests and conflicting functions

The Director arranges his personal and professional interests in such a way that all conflicts with the interests of the Company are ruled out and correspond exclusively with the interests of the Shareholders.

The Director informs the Board of Directors of conflicts of interests, and if applicable, he does not vote on the point in question, in accordance with the Companies Code.

Every Director who determines that a transaction brought before the Board of Directors is of such a nature as to be of interest to a different company in which he performs a director's mandate or other mandate, shall immediately notify the Chairman of the Board of Directors of this. Only if the entity that he is part of applies appropriate 'Chinese Walls' procedures, he withdraws from the deliberation and decision-making process with regard to this transaction and does not receive the information regarding the transaction, in accordance with what is stipulated in this respect in the Corporate Governance Charter.

A Director may accept mandates at other companies, as long as he does not perform more than five director's mandates in listed companies and as long as he complies with the obligations regarding notification of these mandates that are stipulated in the Corporate Governance Charter. Every Director who is planning to accept a mandate in addition to the one he is carrying out (excluding director's mandates in companies that are controlled by the Company and excluding director's mandates that are, according to the judgement of the Director in question, not of such a nature that they influence his availability) notifies the Chairman of this fact, and examines together with the Chairman whether this new burden leaves him with sufficient availability for the Company.

Preventive rules for conflicts of interests

Regarding the prevention of conflicts of interests, the Company is, on the one hand, subject to the articles 523 and 524 of the Companies Code and the articles 36, 37 and 38 of the RREC Law, and on the other hand, it is subject to the stipulations of its Corporate Governance Charter.

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Article 523 of the Companies Code stipulates that a director with an interest of a property management-related nature that is in conflict with a decision or a transaction falling under the authority of the Board of Directors, must notify the other directors of this before the Board of Directors makes a decision, and must refrain from participating in the deliberations or the vote; the minutes of the Board of Directors must contain the legally prescribed statements. The Corporate Governance Charter clarifies that transactions between the Company and its directors must take place in accordance with the usual market conditions. Such transactions are also published in the Annual report, with mention of the conflict of interests and the statement that the stipulations regarding this have been complied with.

Article 524 of the Companies Code also requires decisions or transactions performed in execution of decisions of the Company (or its subsidiaries) that relate to the relationships with connected companies (excluding those with their respective subsidiaries) to be submitted to a committee of independent Directors, assisted by one or multiple independent experts, for advice. The aforementioned procedure does not apply to (i) usual decisions and transactions that have taken place under usual market conditions for similar transactions and (ii) decisions and transactions that represent less than 1% of the net assets of the Company according to the most recent consolidated Annual Accounts.

Article 37 of the RREC Law stipulates that the FSMA must be notified of transactions planned by the public Regulated Real Estate Company or one of its companies of the perimeter if one or multiple of the following persons is directly or indirectly acting as a counterparty in that transaction or gains any property benefit from it:

- the persons that control the public Regulated Real Estate Company or own participation in it;
- the persons with whom (a) the public Regulated Real Estate Company, (b) a company of the perimeter of the public Regulated Real Estate Company, (c) the business manager-legal person of the public Regulated Real Estate Company in the form of a partnership limited by shares, or of a Company controlled by the same, (d) the promotor and (e) the other shareholders of a company of the perimeter of the public Regulated Real Estate Company are connected or are linked by virtue of participating interest;
- the business manager-legal person of the public Regulated Real Estate Company or one of its companies of the perimeter that has taken the form of a partnership limited by shares;
- the promotor of the public Regulated Real Estate Company;
- the other shareholders of all companies of the perimeter of the public Regulated Real Estate Company; or
- the directors, the business managers, the members of the management committee, the persons entrusted with the daily management, the senior managers or the agents:
    - of the public Regulated Real Estate Company or one of its companies of the perimeter;
    - of the business manager-legal person of the public Regulated Real Estate Company or one of its companies of the perimeter that has taken the form of a partnership limited by shares;
    - of the promotor;
    - of the other shareholder of any subsidiary of the public Regulated Real Estate Company; and
    - of a person that controls the public Regulated Real Estate Company or owns participation in it.

In its notification to the FSMA, the Company must demonstrate that the planned transaction is in its interest, and must also demonstrate that the transaction has a place within the course of its business strategy.

Transactions covered by article 37, § 1 of the RREC Law must be carried out under normal market conditions (article 37, §3 of the RREC-Law).

The Company must comply with the valuation of the expert in accordance with article 49, § 2, of the RREC Law when a transaction with the above-mentioned persons relates to real estate.

The provisions of Articles 36 and 37 of the RREC law do not apply to:

- transactions involving a sum that is less than the lowest amount of either 1% of the consolidated assets of the public Regulated Real Estate Company or € 2,500,000;
- the acquisition of securities by the public RREC or one of its companies of the perimeter in the context of a public issue by a third-party issuer, for which a promoter or one of the persons referred to in Article 37, § 1 acts as intermediary within the meaning of Article 2, 10° of the Law of 2 August 2002;
- the acquisition of or subscription to the shares in the public RREC issued as a result of a decision by the general meeting by the persons referred to in Article 37, § 1; and
- transactions involving the liquid assets of the public RREC or one of its companies of the perimeter, provided by the person acting as counterparty has the capacity of intermediary within the meaning of Article 2, 10° of the law of 2 August 2002 and that these transactions are executed under normal market conditions.

Overview of conflicts of interests in the previous and current financial year

There have been no conflicts of interests within the Company between the Company, its Business Manager and the members of the Board of Directors in the previous financial year and in the current financial year up to the Date of this Annual Report.

CODE OF CONDUCT FOR FINANCIAL TRANSACTIONS

Introduction

Insider trading is the purchase or sale of shares or other financial instruments while making use of accurate and important not-yet-published information regarding the Company, its clients or suppliers with the intent of gaining unjustified advantage. Insider information is information that could be used by a reasonable investor in his/her investment decision. Insider trading is unethical and is illegal in most countries. It is also unethical and, in some cases, illegal, to share insider information that one has obtained within the context of one's position, other than within the normal scope of executing one's position.

The Company has decided to improve prevention of insider trading by adopting a policy and by implementing a specific procedure. Insider trading is a part of criminal law: the persons involved, as well as the Company, can become the object of criminal and/or administrative prosecution. It also increases the risk that procedures are instituted against the Company, its Directors and the Senior Managers, and that their liability is at stake in procedures with regard to fraud with financial instruments. Notwithstanding this policy, the Company expects legal and ethical conduct from its Directors, Senior Manager and Employees.

Objective

The Company has adopted this policy with regard to its Directors, Executive Managers, Employees, family members and appointed third parties that have access to insider information regarding the Company, in order to avoid any (appearance of) violation of the laws governing:

- the purchase and sale of securities issued by the Company while the person involved had insider information at his/her disposal (information that was not published, was accurate and important, and which could significantly influence the share price of the financial instruments involved);
- providing insider information to third parties.

Scope

This policy applies to Directors, Executive Managers, Wereldhave Group employees, their family members (together the 'Insiders') and all third parties who have inside information about the Company due to their connections.

The present policy applies to all transactions involving securities issued by the Company, including the shares, share options and all other securities that the Company could issue, such as preference shares, convertible bonds, warrants and listed options or any other derived product. The policy also applies to all securities of which the underlying value is the share of the Company, regardless of the issuer. Securities that are purchased or sold for the account of a Director, Senior Manager or employee of Wereldhave Group in execution of a contract for the discretionary management of a securities portfolio entered into with a bank or registered financial intermediary are not considered to have been purchased or sold by the Insider.

After the policy text has been approved by the members of the Board of Directors, a copy is transmitted to every Director, Executive Manager, employee or designated third party; every new Director, Executive Manager, employee and designated third party will receive a copy of the policy at the moment he/she becomes employed by or at the beginning of his/her relationship with the Company.

Directors, Executive Managers and key employees

Directors and Executive Managers
The Directors and Senior Managers have regular or occasional access to insider information. They are advised to exercise due caution when purchasing or selling Company securities. In case of doubt they can consult the Compliance Officer.

Key employees
Due to their position in the Company and their regular or occasional access to insider information, key employees must exercise due caution when purchasing or selling Company securities. The Company will modify the list of key employees at the appropriate time in order to include the names of new key employees and to remove the names of key employees that have left the Company.

Risk & Compliance Officer – Internal Audit
Every public Regulated Real Estate Company must apply internal audit procedures, a risk management policy and an integrity policy within the framework of its internal monitoring. It is supervised by the person charged with respective functions of internal audit, risk management and compliance in accordance with article 17, § 3, 4 and 5 of the RREC Law (these are referred to as the 'independent checking functions' collectively).

Definition of 'insider information'

On 3 July 2016, the European Market Abuse Regulation (or "MAR") entered into force. The Market Abuse Regulation is directly applicable in all EU Member States and contains rules that apply to all who wish to trade in securities of the Company or other affiliates.

Concerning this Market Abuse Regulation, the Company has adopted new regulations for its employees, management and directors, with rules for ownership of and transactions in shares of the Company or in derivative financial instruments such as outstanding stock options or convertible bonds.

In the context of the aforementioned Market Abuse Regulation, market abuse must be interpreted as (i) insider trading, (ii) the unlawful disclosure of insider information, and (iii) market manipulation.

In application of article 17 MAR, forbidden are a) insider trading or attempts at insider trading, b) advising others to engage in insider trading or c) unlawfully communicating insider information. In application of article 18 MAR, it is forbidden to manipulate or attempt to manipulate the market (as market manipulation is defined in article 12 MAR).

In accordance with article 7 MAR, insider information is defined as any non-public information that is specifically and directly or indirectly related to the Company or its Financial Instruments, which, if it were made public, could have a significant impact on the price of these Financial Instruments.

Information is considered to probably have a significant impact on the price of Financial Instruments if a reasonable investor would be likely to use this information to base in part his or her investment decisions upon.

Information is deemed to be specific if it relates to a situation that exists or which may reasonably be assumed will occur, or to an event that has occurred or which may reasonably be assumed will occur, and if the information is specific enough to draw a conclusion on the possible impact of the situation or event intended above on the prices of Financial Instruments.

In the case of a process spread over time that is intended to cause a particular situation or event take place, or that results in a certain situation or event, this future situation or future event, as well as the intermediate steps in this process related to the creation or the occurrence of such a future situation or future event, is considered specific information in this context. An intermediate step in the process spread over time is considered as insider information if this intermediate step meets the criteria for insider information.

In application of article 8 MAR, insider trading takes place when a person who has insider information uses this information for his or her own account or on behalf of third parties to acquire or dispose of, directly or indirectly, financial instruments to which that information relates. The use of insider information for cancelling or changing an order concerning a financial instrument to which the information relates, when the order was placed before the person concerned possessed the insider information in question, shall also be considered as insider trading.

Consulting the Compliance Officer
Every Insider who wishes to be certain as to whether the information that he/she has access to is accurate and important and public, is advised to consult the Compliance Officer before purchasing or selling Company securities.

Policy of the Company and procedures

Prohibited activities

- Insiders are prohibited from purchasing or selling Company securities if they have access to insider information about the Company;
- Insiders may not purchase or sell Company securities outside the trading windows as described below, or during special closed periods to be determined by the Compliance Officer;
- Directors, Executive Managers and key employees may only purchase or sell Company securities after they have informed the Compliance Officer of this in accordance with the procedure described below. The Directors, Executive Managers and key employees are advised to keep track of documents that demonstrate the reason of purchase or sale to the extent possible;

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- Insiders shall not notify third parties (including their family members, analysts, private investors, members of an investment group and news media) of insider information concerning the Company, except in the framework of the normal exercise of their role within the Company, and only after having received permission for this from the Compliance Officer. If insider information is shared with third parties, the Company will take the necessary steps to safeguard the confidentiality of the information, for example by asking the third party to confirm in writing that he/she/it will respect the stipulations of the policy and/or having him/her/it sign a confidentiality agreement. Every question of third parties regarding accurate and important not-yet public information about the Company must be transmitted to the Compliance Officer;
- Insiders shall not make any recommendations regarding the purchase or sale of Company securities when they have access to insider information regarding the Company, except that Insiders must recommend third parties against purchasing or selling Company securities if this purchase or sale would constitute a breach of the law or of the policy. The Company strongly advises Insiders not to utter any recommendations to third parties regarding the purchase and sale of securities of the Company, not even when they do not have access to insider information regarding the Company;
- Insiders shall not purchase or sell any securities of a different listed company or advise third parties to purchase or sell those securities or share insider information about that other public company while they have access to insider information about that company within the context of their position within the Company.

Trading windows and closed periods

Trading windows for Insiders.
The Directors, Executive Managers and key employees, but also other persons who would have knowledge of sensitive information and who are recorded in the insiders list, may purchase and sell Company securities during the period from 1st January to the first publication of the yearly results, during the period of 30 days before the publication of the quarterly results or the announcement of a dividend or interim-dividend and during a period of 1 month just before the first publication of a prospectus for a stock offering, unless the issuer demonstrates that the decision-taking period is shorter, in such case an accordingly shorter period can be applied. Outside these periods, these persons are authorized to sell or purchase securities of the Company after having informed the Compliance Officer according to the procedure described hereabove.

No purchasing or selling during a trading window for persons that have access to insider information.
Insiders that have access to insider information regarding the Company shall not purchase or sell Company securities, not even during trading windows. Whoever has access to insider information may only purchase or sell during a trading window after closing of the stock exchange on the second complete business day following the publication of the information in question by the Company.

No purchasing or selling during the closed period, nor during special closed periods.
Insiders shall not purchase or sell Company securities outside the applicable trading windows or during special closed periods that the Compliance Officer shall determine. Insiders shall not notify third parties that a special closed period has been determined.

In application of article 19, section 11 MAR, a person with managerial responsibilities at the Company in principle must refrain from carrying out transactions for his or her own account or, directly or indirectly, for the account of a third party, relating to shares or debt instruments of the Company or to derivatives or other related Financial Instruments during a closed period of thirty calendar days prior to the publication of the annual and half-yearly financial report.

A "person with managerial responsibilities" is a person who:

a. is a member of a management or supervisory body;
b. has a managerial position but is not part of the bodies referred to under a) and who has regular access to insider information relating directly or indirectly to the Company, and who also has the power to take management decisions affecting the future developments and business prospects of the Company.

Exceptions for exceptional circumstances.
The Compliance Officer may allow the purchase or sale of Company securities outside the applicable trading windows (with the exception of the special closed periods) on an individual basis, taking into account special (financial or other) circumstances.

Procedure
Directors, Executive Managers and key employees may only purchase or sell Company securities after:

- having informed the Compliance Officer in writing of the number of securities involved and the nature of the transaction planned;
- having provided written confirmation to the Compliance Officer that they do not have access to insider information regarding the Company, at the latest two days before carrying out the planned transaction.

The Compliance Officer may allow the purchasing or sale of Company securities on an individual basis outside the applicable trading windows due to special (financial or other) circumstances.

If this occurs, the following procedure applies:

- the person involved notifies the Compliance Officer in writing of the special circumstances as well as the number of securities and the nature of the transaction planned;
- the person involved provides written confirmation to the Compliance Officer that he/she does not have access to insider information regarding the Company, a maximum of two days before the planned transaction; and
- the Compliance Officer provides written permission to carry out this transaction.

Precedence of legal restrictions

If legislation imposes more restrictions than the Insiders policy, the restrictions imposed by legislation apply. If insiders wish to know whether there are any stricter legal restrictions, they can consult the Compliance Officer.

Possibly civil, criminal and disciplinary sanctions

Civil and criminal sanctions

Insider trading or sharing insider information with third parties can have severe consequences. Whoever is found in breach of the legislation in respect to insider trading and sharing insider information with third parties, can be condemned to payment of the amount of profit gained or of the loss avoided, payment of the amount of the loss suffered by the person who has purchased the securities or to whom the securities have been sold, or payment of a civil compensation or a criminal fine, or to a prison sentence. The Company and/or those responsible for the person who has been found in breach can also be condemned to pay a civil compensation or a criminal fine.

Disciplinary sanctions

In the event of breach of the Insiders' policy by a Business Manager, an employee or a family member, a disciplinary sanction can be imposed on the Executive Manager or the employee. This sanction can even be dismissal for gross negligence.

Notification of breaches

Insiders who have knowledge of a breach of policy stipulations or of the legislation concerning insider trading or sharing insider information by another Insider must immediately inform the Compliance Officer about this. The Compliance Officer who knows about the breach decides together with the legal advisor of the Company whether the Company should publish the insider information and whether the Company should notify the competent authorities of the breach.

Gent Overpoort

Disclosure obligation for persons with managerial responsibilities and persons closely related to them

Article 19, section 1 MAR foresees from 3 July 2016 the obligation for "persons with managerial responsibilities" and "persons closely related" to them (hereinafter "Parties with a Disclosure Obligation") to report to the Company and to the FSMA (Financial Services and Markets Authority) the transactions that they perform for their own account in shares or debt instruments of the Company, derivatives or other financial instruments connected thereto, without delay and no later than 3 working days after the date of the transaction.

A "person with managerial responsibilities" is a person who:

a)is a member of a management or supervisory body;

b)has a managerial position but is not part of the bodies referred to under a) and who has regular access to insider information relating directly or indirectly to the Company, and who also has the power to take management decisions affecting the future developments and business prospects of the Company.

By "persons closely related" to them must be understood:

a)the spouse of the person with managerial responsibilities, or any partner of that person who is legally regarded as equivalent to a spouse;

b)children who are legal dependants of the person with managerial responsibilities;

c)other relatives of the person with managerial responsibilities who on the date of the transaction in question shared the same household as the person concerned for at least the last year;

d)a legal entity, trust or partnership whose managerial responsibilities are discharged by a person referred to in a), b) and c) above, which is directly or indirectly controlled by such a person, established in favour of such a person, or whose economic interests are substantially equivalent to those of such a person.

Parties with a Disclosure Obligation shall report their transactions to the Company and the FSMA through the online reporting application developed by the FSMA.

The disclosure obligation intended in article 19, section 1 MAR applies when the total amount of the transactions reaches a threshold of € 5,000 within a calendar year.

The notification intended in article 19, section 1 MAR must contain the following information:

- The name and contact details of the person with managerial responsibility or, where applicable, the name of the person closely related to this person;
- Reason for notification;
- Name of the relevant issuer (Wereldhave Belgium Comm. VA);
- Description and characteristics of the financial instrument;
- Nature of the transaction(s) (e.g. acquisition or disposal) and indicating whether the transaction is related to the exercise of a stock option programme or to the specific examples cited in article 19, section 7 MAR;
- Date and location of the transaction(s); and,

- Price and size of the transaction(s). In the case of a transaction involving financial instruments as collateral and a potential change in value is foreseen, this fact must be reported, together with the value of the financial instruments on the date they are provided as collateral.

Notwithstanding article 19, section 3, first and second paragraphs MAR, the reported transactions are published by the FSMA on its website instead of by the Company.

The Company shall notify the persons with managerial responsibilities at the Company in writing of their responsibilities under article 19 MAR. The Company shall draw up a list of all persons with managerial responsibilities and persons closely related to them. The persons with managerial responsibilities in turn shall notify the persons closely related to them in writing of their responsibilities under article 19 MAR and retain a copy of this notification.

Lists of persons with insider information

In application of article 18, section 1 MAR, the Company shall draw up lists of persons having access to insider information and who, on the basis of an employment contract, work or perform other tasks in which they have access to insider information, such as consultants, auditors and rating agencies (the list of insiders), on the basis of the standard forms drawn up by the FSMA, and shall continually update this list of insiders in accordance with that which is stipulated in article 18, section 4 MAR.

The aforementioned lists must be kept for five years and may be requested by the FSMA. The Company shall take all reasonable steps to ensure that the persons appearing on the list of insiders declare in writing that they are aware of their legal obligations and of the penalties that apply to insider trading and unlawful communication of insider information.

Disclosure of insider information

In application of article 17, section 1 MAR, the Company shall make the insider information that directly relates to the Company public as soon as possible.

However, in accordance with article 17, section 4 MAR, the Company may, at its own responsibility, delay the public disclosure of insider information, provided that each of the following conditions are met:

- Immediate disclosure would likely harm its legitimate interests,
- It is unlikely that the public would be misled by this delay,
- The Company is able to ensure the confidentiality of the information in question.

In the event that the Company would decide to delay the disclosure of insider information, it shall inform the FSMA immediately after the information has been made public and explain in writing how the conditions for the delay were met.

Questions

All questions regarding policy stipulations and its procedures should be addressed to the Compliance Officer.

CORPORATE SOCIAL RESPONSABILITY

STRATEGY & INTEGRATED APPROACH

Since 2013, the company has actively conducted monitoring and communication activities aimed at making the portfolio more sustainable, raising awareness within the company and encouraging the engagement of its stakeholders. This is a concerted effort together with initiatives taken at the level of the Wereldhave Group.

In the past five years, expertise has been acquired and shared between the different countries. Today, the Wereldhave Group is recognised as one of the leaders in the real estate sector. For example, it was included in the top 15% in its sector in the DJSI Europe and Enlarged World and has been awarded a GRESB score of 90/100 (2017: 82/100), giving us a 5-star label. On top of that, for the third year in a row, Wereldhave received the EPRA Gold Award for its Financial & Sustainability Report 2017.

In this context, a distinction should be made between the Wereldhave Group and Wereldhave Belgium. Wereldhave Belgium implements the group goals and framework, while also supplementing them for its own portfolio. Since 2016, the CSR report has been integrated into the annual report. Since the Wereldhave parent company is GRI compliant, reference is made to this annual report.

Wereldhave chooses to make a difference at the local level by promoting social integration and playing a meaningful role locally with future-proof, sustainable real estate. Based on an integrated approach, we constantly strive to improve the sustainability of our portfolio. In addition, we forge long-term relationships with visitors, employees, investors, entrepreneurs, suppliers, and the immediate surroundings of our centres. In doing so we fulfil our social responsibility and this ambition forms the basis for Wereldhave's Environmental, Social & Governance policy. To integrate sustainability into the business strategy , Wereldhave has established since 2013, a pillar structure with four areas of focus:

Bricks, environmental impact
Dedicated to reducing the environmental impact of our real estate assets, through the optimisation of energy efficiency, the use of sustainable materials and the promotion of sustainable transport modes.

People, human impact
Attract and retain people, develop our human capital and grow employee talent potential. Wereldhave aims to be a good employer for people who invest in themselves, their work and our company.

Partners, supply chain collaboration
Strengthening sustainable partnerships with our key stakeholders to achieve our sustainability objectives.

Society, social impact
Our social responsibility is towards the society in the catchment areas of our shopping centres. We aim to foster social inclusion and to play a meaningful role in the local community.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

Collaboration with our stakeholders is essential for the success of our business operations. These stakeholders have been identified and selected in consultation with the Group Sustainability Committee.

A materiality matrix was also drawn up for the group, with an overview of the stakeholder priorities. The selected topics have a relevant impact on the long-term success of Wereldhave and its stakeholders. In light of external developments, such as the growing attention for climate change (the Paris Agreement) and the United Nations Sustainable Development Goals, the materiality matrix was updated in 2018. Whereas previously, energy saving was a key theme with high relevance, the broader topic of climate change has now been selected.

Additional information is available in the Wereldhave annual report.

BRICKS: ENVIRONMENTAL PERFORMANCE

The first pillar of the Wereldhave Group's sustainable framework is devoted to reducing the environmental impact of our buildings by optimising their energy efficiency, reducing the use of natural resources, using sustainable materials and encouraging the use of public transport. We want to keep the shopping centres attractive, healthy and safe for customers, with the help of proactive local management as well as by improving the quality of the real estate through renovation and redevelopment projects. The 'Key Performance Indicators' and progress figures are included in an overview of all the environmental indicators, which is available in the Wereldhave annual report.

Energy and Renewable energy on-site

In 2013, Wereldhave started with the digitisation of the main meters for gas, electricity, municipal heating and water, in order to reduce energy consumption. Smart meters have been installed on all main meters, which means that they can be read remotely. This data is available at any time of the day through an online portal. Since we now have insight into consumption patterns, we can work on reducing this consumption.

Wereldhave invests in solar panels in order to be able to supply the shopping centres with sustainable, locally generated energy. In 2018, 4,000 solar panels became operational at the shopping centres Belle-Île and Les Bastions.

In addition to the use of sustainably generated power, starting from 1 January 2018, green energy has also been part of the power supply in Belgium.

Best practice: energy saving experiments

In order to learn from energy-saving measures, experiments are also regularly conducted in the shopping centres. For example, we experimented with a drastic measure: shutting off the air conditioning during the opening hours of a shopping centre in Belgium. Via sensors, the air quality and temperature in the shopping centre is constantly monitored, as we certainly do not want to compromise the indoor climate and comfort at the shopping centre. Based on the data from the sensors, the system is turned on or off. Of course, there are many factors that still need to be studied but the initial results are very promising. The investment is relatively low and in the first year, it resulted in some 12% savings at the pilot shopping centre. Thanks to the moderate climate and geographical location of most shopping centres in the Netherlands, France and Belgium, this approach could be successful in other locations. For the time being, we intend to continue to run the pilot in order to assess whether the Return On Investment and the impact on the indoor climate will remain consistent when we fully automate the system.

Water

Wereldhave is focused on decreasing water consumption. By using water efficiently, we can reduce the operational costs of the shopping centres. Most of the water is used for toilets, cooling units, fire safety installations and for cleaning the shopping centres. Water consumption is monitored 24/7 with a monitoring tool, and every quarter, the consumption levels are reported to the group.

In 2018, the cooling tower at Shopping Nivelles was replaced and optimised in terms of water consumption. In Belle-Île, based on the Customer Journey improvement programme, sanitary facilities were installed that incorporate water-saving toilets and taps. Rainwater is also recycled at three Belgian shopping centres.

Waste

Wereldhave's environmental policy also includes guidelines for waste management. The aim of the waste management policy is to sort waste and collect it as efficiently as possible, and to reduce the carbon emissions and transport costs by means of automatic "full" notifications for waste compactor containers. In Shopping Les Bastions as well as at the Head office in Vilvoorde, new waste bins were installed that allow waste to be sorted for recycling purposes.

Sustainable Building Certificates

In 2013, Wereldhave decided to standardise and improve the sustainable quality of its buildings and the management by means of the certification tool BREEAM. This involved the BREEAM In Use and New Construction frameworks. These frameworks incorporate relevant topics such as tenant satisfaction, accessibility, health and safety, biodiversity, maintenance, waste management, energy and water efficiency. In 2018, an application was made for the BREEAM certificate for Genk Shopping 1. The annual administrative renewal of the certificates for Kortrijk and Nivelles was completed.

Biodiversity

Best practice: Greendeal

In Belgium, we participate in Greendeal, an initiative of Belgian environmental and landscape organisations, in which over 110 companies are collaborating to increase the biodiversity around their buildings in the coming three years. Wereldhave's commitments via Greendeal include drawing up and implementing a landscape and management plan for the shopping centres in Genk and Doornik covering an area of some 14 hectares. The 'Green Deal Bedrijven en Biodiversiteit' (Green Deal Companies and Biodiversity) contributes to the policy goal of creating biodiverse ecosystems outside of the various nature zones, so that links can be created between them.

Health and safety

Health and safety risks are assessed for all shopping centres and office buildings.

Shopping Les Bastions received an excellent assessment following the renovation by Access-I in 2018, in terms of accessibility in relation to the various specific needs of visitors with disabilities

PEOPLE: OUR HUMAN CAPITAL

Wereldhave strives to be a good employer for employees who want to invest in career development and personal growth, who have a passion for their job and want to contribute to the success of the company. Proactive management of the shopping centres calls for well qualified staff with a passion for the highly diverse stakeholders (visitors, retailers, etc). Talented interdisciplinary teams are constantly at work at the shopping centres, with the aim of offering consumers an optimal shopping experience. All the social indicators that are relevant for our sector are compared with the previous year, and the detailed overview is presented in the Wereldhave annual report.

Training & Development

Employees of Wereldhave are offered opportunities for personal development. In 2018, in addition to individual training or coaching, Wereldhave Belgium focused considerablyon developing these values together: Collaboration, Passion for your client and Entrepreneurship. During separate sessions, working groups were established to flesh out the values and leading figures from the sector were invited as guest speakers. The Belgian employees were offered a course on 'Communication' in both languages. Speeches were given by members of the Belgian Management team at several events, in order to share the accumulated know-how within the sector, as well as at universities. In 2018, two Facility Management trainees did traineeships at our Belgian centres, and students were also regularly employed for marketing purposes.

Employees who mention at their evaluation meetings that they would like to obtain a certain type of training, can do so either externally, on-the-job or internally. Following the evaluations, we review the needs and, as necessary, address them either in groups or individually.

Employee health & wellbeing

Wereldhave aims to offer a dynamic and healthy working environment for its employees and prides itself in providing an adapted and employee-friendly environment after doing a major upgrade of the Vilvoorde headquarters in 2018. and the offices have been organised in a more logical layout following the dynamic atmosphere of a shopping centre. The design also features plenty of attention for the health of the employees. For example, the workspaces and meeting areas have been made brighter and more spacious, the nursing mothers' room in shopping centres has been updated and there is an attractive lunch space for employees.

In the context of "Healthy People, Happy People", each year Wereldhave rolls out an annual health plan that incorporates four values: Food (nutrition); Move (exercise); Energy (energy balance) and It Works (work-related solutions to make the most of passion and creativity).

Employees are involved in the plan and can contribute suggestions of their own for how to improve the atmosphere at work. Under **Food**, for example, fruit and fruit juice has been made available, as well as an alternative for sweetened soft drinks. The aim is not to put pressure on people that they "have to" eat healthier, but rather to allow them to be more aware of how they approach food and drink. If the measure comes from the employee him or herself, it will have a more lasting impact than when it is imposed top down. In order to trigger this awareness, there will be small cooking workshops, in which employees may participate voluntarily. Another possibility is to invite speakers and/ or influencers to talk about nutrition and the impact on the way we think.

Under **Move**, there is the annual "immorun" (real estate run), but for those who are not so athletically inclined, we also want to stimulate people to go for a walk during lunch breaks, once a month Tai Chi class will be organised, and we are in negotiations with a company to hire bicycles so that employees can go for a bike ride during lunch break, but also to allow them to leave the car at home and use the bike instead. Employees are of course encouragedto make suggestions, which can then be further developed within the Boost-Wellbeing Team.

The **energy** balance of an employee largely determines whether they have had a good night's sleep, but also the way they handle energy loss. It is therefore important for employees to not only draw energy from their job, but that outside of the work environment, they know how to restore their energy balance. Tai Chi is not only movement, but it can also be a way to clear your head and boost your energy levels.

And **It works** stands for the passion that an employee brings to his or her job. Creating commitment is a very important way of allowing people to feel good. Stress is the greatest killer of passion and creativity. Wereldhave aims to protect its people from this by providing a "work smarter, not harder" workshop to help them get a grip on their workload. In this regard, Wereldhave encourages employees to speak up ahead of time when the workload becomes too much. Together we can look for alternatives to keep the workload, stress and negative vibes under control.

With all of these values in mind, employees are welcome to submit proposals in the suggestion box in the kitchen.

PARTNERS: TEAMING UP IN SUPPLY CHAIN RESPONSIBILITY

Maintaining a long-term relationship with our key stakeholders is necessary to achieve our sustainability goals. In the process of continuously making our portfolio more sustainable, we are partially dependent on our partners such as tenants, maintenance providers and suppliers. For additional information, please see the Wereldhave annual report.

SOCIETY: SOCIAL PERFORMANCE

This component is focused on the social responsibility within the catchment area of the shopping centre. We aim to encourage social integration and play a meaningful role in the local community.

Our local social engagement

Wereldhave wants to help its customers to make daily life as convenient as possible. By offering a good mix of inviting restaurants, services, facilities, local, national and international retailers, we create value for the local social structure. In addition, we generate jobs to stimulate the local economic prosperity and to reinforce the social stability. We also offer favourable lease terms for local service and retail concepts with a social focus and we facilitate educational and social events and gatherings at our shopping centres.

For example, in Belgium, no fewer than 80 social campaigns were mounted at the different shopping centres (Damiaanactie, Vredeseilanden, SOS Belastingen, VZW Kinderkanker, Music for Life,…). A sum of €5,000 was provided for a toy drive that collected over 3,600 toys at Shopping Nivelles. With these proceeds, Wereldhave Belgium helped more than 1,000 underprivileged children to have a happy holiday season.

Best practice: 'The Point'

The concept of The Point, a reception and info point that was originally created at Shopping Nivelles, was rolled out in 2018 at Shopping Les Bastions, where a dressing room was added to be providean even better service to customers picking up parcels of items ordered online. At Ring Shopping, Genk Shopping 1 and Belle-Île, The Point was installed to provide customers with various services and to make a visit to our shopping centre more convenient. Thanks to the new digital wayfinding, the customer is now offered optimal support for finding shops or services.

Best practice: 'Het Idee' (The Idea)

A nice example in 2018 is the opening of Het Idee at Ring Shopping in Kortrijk, where, since 2018, employees with disabilities operate a 'pampering cafe' and shop. At Het Idee, you can stop for coffee and cake and shop for beautiful handmade gifts. Het Idee is custom tailored so that the staff is able to function smoothly, for example, through the use of pictograms and a user-friendly till. Most of the products sold at Het Idee have also been made by people with disabilities.

In 2018, Wereldhave Belgium was a partner of Ondernemers voor Ondernemers (Entrepreneurs for Entrepreneurs). The project that was chosen was “teaching Ugandan youth to become entrepreneurs”. The exponential growth of the population has given Uganda the youngest population in the world, with no less than 78% of the population under the age of 30. This represents a tremendous potential, but it is also accompanied by challenges. The market is flooded with a growing number of young graduates, but there is not enough work to go around. Starting a company of their own could be the ideal way for many young people to escape unemployment, but lack of resources and know-how makes a successful start very difficult. With the help of Wereldhave Belgium, Trias coaches the young people in finding access to a profitable market for their products, we provide training and look for investment funding.

ACHIEVEMENTS & COMMITMENTS

Wereldhave is committed to create sustainable value for all stakeholders by decreasing the environmental impact of our assets and creating a positive local social impact.

Our environmental management program aims to reduce the energy consumption of our assets, generate renewable energy on-site by solar panels and to certify our assets using the BREEAM assessment for sustainable buildings. Besides decreasing our environmental impact, Wereldhave creates positive impact in the local communities by enhancing the local economy and facilitating over 200 social inclusion activities each year.

We have received positive recognition from international rating agencies, non-governmental organisations (NGO’s) and socially responsible investment (SRI) analysts. These organisations have evaluated of our social and environmental programmes and the strong commercial potential of proactively addressing environmental and social aspects through in-depth analysis. We further refer to the annual report of the Group for more information.

4 MANAGEMENT REPORT

The chapter 'Risk factors' (p.182 to p.196) and the 'Corporate Governance Statement' (p.14 to p.60) form an integral part of this Management Report and together form the annual report on the consolidated annual accounts in accordance with articles 96 and 119 of the Companies Code.

MISSION AND STRATEGY

MISSION: FOCUS ON SHOPPING CENTRES AND RETAIL PARKS

Wereldhave Belgium wishes to be a professional property investor and lessor that focuses on investments and or expansions in shopping centres and retail parks. In that way, Wereldhave Belgium offers an attractive and structural investment yield for a low risk profile of its total real estate portfolio. The focus on shopping centres and retail parks that the Company has chosen implies a higher concentration geographically as well as a higher concentration of the risk of technical issues and fire.

STRATEGY: VALUE CREATION AND RISK SPREADING

Wereldhave Belgium pursues a stable growth of the net result from core activities and a strong dividend policy. That is exactly the reason why value creation and risk spreading are central. Investment risks are spread over various regions in Belgium. Value is created for investors by means of:

1) rent growth thanks to active management of shopping centres;
2) development (and redevelopment) of shopping centres for the Company's portfolio;
3) acquisition of retail real estate assets meeting the quality criteria of the Company.

Active management of shopping centres and retail parks

Wereldhave Belgium invests in shopping centres and retail parks setting the tone in their catchment area. Via active management and internal know-how, the RREC strengthens its investment properties' market position, aimed at an increase in the visitor numbers, shop turnovers and rental incomes. The RREC also invests in the attractiveness, quality and sustainability of its shopping centres and retail parks. Due to their high occupancy ratio, they contribute to the resilience of the result.

In-house development

Developing high-quality property for its portfolio, and this at market cost, is the second pillar of value creation of the Company. By completing projects under its own management, the RREC optimally tunes quality to user requirements and plans the timing of the investment according to the market situation.

PROPERTY MANAGEMENT – MANAGEMENT OF THE INVESTMENT PROPERTIES' PORTFOLIO

Wereldhave Belgium Services NV, with its registered offices at 1800 Vilvoorde, Medialaan 30 box 6, with company registration number 0422.120.838, acts as the real estate manager of the RREC's investment properties' portfolio.

99.52% of the shares of Wereldhave Belgium Services are held by the Company. The fees paid to Wereldhave Belgium Services are charged directly to the tenants in accordance with the contractual conditions described in the rental agreements.

Wereldhave Belgium Services has an administrative, accounting, financial and technical organisation that is appropriate in order to manage the real estate portfolio of the Company.

The directors of Wereldhave Belgium Services have the required professional reliability, accreditation (BIV) and suitable experience as described in and in accordance with article 19 of the RREC law.

Even though the Belgian property market has its own local knowledge and practices, there is much room for exchange of 'best practices' in markets where the Wereldhave Group is active.

In order to boost the operational excellence, efficient data management is being worked on. The organisation has a BO-BI framework for operational purposes. Data must be provided from the same sources and streams and therefore business processes must be harmonised optimally.

IMPORTANT DEVELOPMENTS

RETAIL PORTFOLIO

Wereldhave Belgium further focuses on convenient shopping centres and retail parks benefitting of a dominant position in their catchment area, and preferably with a potential for further expansion. 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 in the investment properties portfolio, development projects included, increased to about 90% as at 31 december 2018.

The 'like-for-like' property result of the retail portfolio remained stable at +0.3% (2017: -1.1%).

59 commercial leases were concluded during 2018 (49 new contracts and 10 lease renewals).

During the last year, the Company performed investments (relooking, sustainability, ...) in its retail portfolio for an amount of € 6.4 mln.

During the fourth quarter of 2018, the Company concluded the sale of a plot of land located along the retail park in Tournai, where a residential development project should be executed by a promotor. This sale generated a capital gain of € 0.3 mln compare0d to the last fair value of the land.

In 2018, the Company signed an agreement with Carrefour Belgium NV regarding the early termination of their current lease and the conclusion of a new lease on approximately 4,500 m² GLA in the 'Belle-Ile' shopping centre in Liège, allowing Carrefour Belgium NV to perform the necessary investments in a new 'Carrefour Market'. The new commercial lease has been concluded for a new period of 18 years with effect as from 1 January 2019 for a slightly higher rent per m² compared to the current price. According to the terms of this agreement, Carrefour Belgium NV paid a termination fee which generated an positive impact of € 0.7 mln on the net result from core activities of the 2018 financial year.

The vacated area will be redeveloped into medium-sized units which will contribute to strengthen the attractiveness of the shopping centre. The Company has already initiated discussions with several large retailers interested to let these new units.

Moreover, this agreement allows further progress to be made in the framework of the still in preparation renovation and extension projects of the commercial site 'Belle-Ile'.

On top of that, the Company finalized in 2018 a double transaction: one whereby the Company acquired from Redevco Retail Belgium against cash the full ownership of a retail park of 20,727 m² GLA, consisting of 13 fully let retail units ideally located at Maalsesteenweg 334 te Brugge-Sint Kruis; and the other whereby the Company, by means of a contribution in kind by Redevco Retail Belgium, acquired in exchange for newly issued shares of the Company the full ownership of a retail park of 20.557 m² GLA, consisting of 12 fully let retail units ideally located at Parklaan 80 te Turnhout.

Belle-Île

The acquisition values of these two assets were respectively agreed at € 40.0 mln for the Brugge-Sint Kruis site and € 33.1 mln for the Turnhout site, in line with their fair values determined by the independent appraiser. Both sites will contribute as from 2019 for approximately € 4.6 mln on an annual basis to the net rental income of the Company.

Further growth of the real estate portfolio by looking for new investment projects in retail assets remains strategic for the Company.

Occupancy

The EPRA occupancy rate of the retail portfolio increased from 94.9% as at 31 December 2017 to 97.2% as at 31 December 2018. This increase is mainly due to the dynamic rental activity in Kortrijk, Genk, Nivelles and Tournai (historical part and extension).

Development projects

On 31 December 2018, the fair value of the development projects portfolio amounts to € 14.7 mln (31 December 2017: € 66.8 mln); investments and reclassifications excluded, the fair value slightly decreased (€ - 0.4 mln) in 2018. The main events occurred in 2018 are:

- the pursuance of the extension works of shopping centre 'Les Bastions' in Tournai (€ + 24.8 mln);
- the start of the redevelopment project of the properties '7 Fontaines' in Tournai (€ + 0.2 mln);
- some further preparation expenses (€ + 0.3 mln) of the future development projects in Liège and Waterloo;
- the transfer (reclassification) of a part of the '7 Fontaines' property in Tournai from the 'Properties available for lease' caption to the 'Development projects' caption (€ + 2.3 mln);
- the transfer (reclassification) of a part of the extension of the shopping centre 'Les Bastions' in Tournai from the 'Development projects' caption to the 'Properties available for lease' caption (€ - 79.4 mln).

Genk Stadsplein

As of 31 December 2018, the development projects '7 Fontaines' in Tournai and 'reshuffling of the ex-Carrefour area' in Liège are ongoing with expected delivery dates estimated in the course of 2019.

OFFICES' PORTFOLIO

The EPRA occupancy rate amounted to 90.6% as of 31 December 2018, coming from 91.7% as of 31 December 2017.

The office park 'De Veldekens' in Berchem-Antwerpen is almost fully let at closing date, while the occupancy rate of the 'Business & Media' office park in Vilvoorde remains stable around 76% in the course of the year.

In the course of the year, the Company performed investments in its property portfolio for an amount of € 0.3 mln.

The office property located Jan Olieslagerslaan, 41-45 in Vilvoorde has been sold on 4th July 2018, generating a realized loss of about € - 0.3 mln compared to its last fair market value.

The Management Company performs its best effort to reduce the vacancy. The consolidation of the current occupancy rate and the renegotiation of lease agreements coming to maturity are of prime importance.

FINANCIAL RESULTS

NET RESULT FROM CORE ACTIVITIES

In 2018, Wereldhave Belgium recorded a net result from core activities of € 40.7 mln (2017: € 39.4 mln).

This increase is mainly due to:

- the increase in the property result (€ +1.0 mln) resulting from additional rental income generated by the extension of the shopping centre 'Les Bastions' in Tournai, delivered on 12 April 2018, and from the non-recurring impact of the termination fee paid by Carrefour for its partial departure from the shopping centre 'Belle-Ile' in Liège; partially compensated by the decrease in rental income related to the disposals of the office buildings 'Madou' in Brussels and 'Jan Olieslagerslaan' in Vilvoorde, both realized in the course of 2018;
- the decrease of the property charges (€ +0.5 mln);
- the decrease of the general costs (€ +0.3 mln), which is mainly due to decreasing study costs on unrealized projects;
- the increase of financial expenses (€ -0.4 mln) due to the average growth of the financial debts coming from the investments performed during the year;
- the limited positive impact (€ +0.1 mln) on the rental income of the two retail parks in Turnhout and Brugge, acquired on 21 December 2018.

The net result from core activities per share amounts to € 5.74 (2017: € 5.68).

The EPRA Occupancy on 31 December 2018 stood at 96.2% (31 December 2017: 94.3%).

NET RESULT FROM NON-CORE ACTIVITIES

The net result from non-core activities amounted to € -0.2 mln (2017: € 15.3 mln) and mainly consists in fair value revaluation of the investment properties portfolio (€ -0.5 mln) and of deferred tax liabilities (€ +0.3 mln). This difference in results is attributable to the stabilizing values of the property portfolio stated during the financial year 2018.

EQUITY AND DEBT

As of 31 December 2018, the shareholders' equity amounted to € 678.4 mln (31 December 2017: € 619.3 mln), while the net asset value per share, including the profit generated over the current year, amounted to € 89.97 (31 December 2017: € 89.25).

The shareholder's equity has been increased over the year by:

- the distribution of an optional dividend which resulted in an equity increase of € 20.3 mln (capital and issue premium) by issuing 228,525 new shares;
- the contribution in kind of the retail park located in Turnhout, which resulted in an equity increase of € 33.1 mln (capital and issue premium) by issuing 372,708 new shares.

The number of issued shares as of 31 December 2018 amounted to 7,540,250 shares.

Wereldhave Belgium's guideline for the longer term is a solvency ratio of about 70%. At 31 December 2018, the Company relies on external and 'intracompany' funding.

The total financial debts increased from € 234.0 mln as of 31 December 2017 to € 286.0 mln as of 31 December 2018; this increase is mainly due to the investments realized in the portfolio and the acquisition of the retail park located in Brugge.

In the course of the year, the following refinancing operations has been realized:

- a credit facility of € 30 mln coming to maturity in April 2018 has been refinanced by a new credit facility (term loan) of the same nominal amount on a new 5-year period, generating a reduction of the fixed interest rate by about 50 basis points;
- a credit facility of € 50 mln coming to maturity in April 2019 has been refinanced by a new credit facility (term loan) of the same nominal amount on a new 4-year period, generating a reduction of the fixed interest rate by about 75 basis points;
- a treasury notes program of € 100 mln has been set up, enabling on the one hand to reduce the financing cost and, on the other hand, to improve the visibility of the Company on the investors markets. As at 31 December 2018, an amount of € 35 mln had been issued on this program.

Draw-downs are usually at a floating interest rate and are therefore recorded on the balance sheet at fair value. On some other facilities, draw-downs have been made at fixed interest rate. All these credit facilities have been concluded without having provide any security. The fair value does not significantly differ from the nominal value since it is about short-term advances most of the time to a variable interest rate.

The Company had concluded an interest rate swap (IRS) where the variable rate was converted into a fixed rate until the maturity date of the credit facility, which was fixed on 1st April 2019. On 28 September 2018, the Company has anticipatively terminated this IRS and simultaneously concluded a new IRS with the same nominal amount (€ 50 mln), for a new period of 4 years (up to 28 September 2022) at a more favourable interest rate (0.285% instead of 0.39%), in order to hedge the new credit facility concluded at the same date, for the same duration and for the same nominal amount.

Due to the solid balance sheet, the sensitivity to changes in interest rates is rather limited, which increases the dynamism of the Company in case of performance of new investments.

In accordance with the calculation method prescribed by the Royal Decree of 13 July 2014, the debt ratio on the total assets at 31 December 2018 is 29.68% (2017: 29.0%).

These refinancing operations enabled the Company to increase the duration of its financing structure (2.8 years). The average financing cost on outstanding loans in 2018 amounted to 1.09% (average 2017: 0.94%).

EVENTS HAVING OCCURRED AFTER THE END OF THE FINANCIAL YEAR

Modifications of the Directors' mandates described in chapter 'Consolidated annual report' excepted, there is no other significant event occurred after 31 December 2018 which could significantly affect the content of the present report or which should expressly be mentioned.

RESEARCH AND DEVELOPMENT

Due to the nature and specific activities of the company, there are no activities that relate to research or development.

RESULT ALLOCATION

The net result for 2018, consisting of the net result from core and non-core activities, amounted to € 40.5 mln (2017: € 54.7 mln). Compared to the same period in 2017, this decrease is due to a decrease of the net result for non-core activities (€ - 15.5 mln), partially compensated by a higher result for core activities (€ + 1.3 mln).

The General Meeting of the Shareholders will be held on Wednesday 10 April 2019 at 11 am at the head office of the Company. The Board of Directors of the Statutory Manager will propose to the General Meeting of the Shareholders of Wereldhave Belgium SCA/CVA the assignment of a dividend of € 5.20 gross - € 3.64 net (2017: € 5.10 gross - € 3.57 net), representing a pay-out ratio of 97% of the distributable operational result (this percentage is higher than previous year due to the significant increase of the shares' amount occurred in the course of 2018).

As 7,540,250 shares are participating in the result of 2018, the distributable dividend is € 39.2 mln.

A payment of 97% of the operating distributable result is in accordance with Article 45, 2 ° of the RREC-Law and Article 13 of the RREC-KB which requires a minimum payment of 80% of the operating result.

The Board of Directors has declared its intention to offer the possibility to the shareholders of the Company, by way of an optional dividend, to contribute their debt arising from the dividend receivable to the capital of the Company, against the issue 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 24 April 2019 whereby the Board of Directors, within the framework of the authorised capital, will proceed to the increase of the share capital by a contribution in kind of the net dividend debt (i.e. € 3.64 per share). For the shareholders opting to receive 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, will the contribution of the receivable, 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 15 May 2019. The terms and conditions of this transaction will be established at the Board of Directors meeting to be held on 24 April 2019.

Financial services are provided by BNP Paribas Fortis.

PROSPECTS

Wereldhave Belgium forecasts for 2019, taking into account the positive contributions of the two retail parks recently acquired, a net result from the core activities in a range between € 5.90 - € 6.00 per share; this range will need to be adapted in case of the distribution of an optional dividend for which a formal decision would be taken at the Board of Directors meeting on 24 April 2019. Unforeseen circumstances or events excluded, this forecast would be reached.

The Management Company of Wereldhave Belgium declares:

1) that based on the performed assessment and taking into account the recommendations of the Corporate Governance Code, the internal risk management and control systems of Wereldhave Belgium are adequate and provide a reasonable assurance that the financial statements included in this Annual Report contain no inaccuracies of material importance. The Management Company has no indication that the risk management and control system would not have functioned in accordance with the description or that this system would not have functioned properly in the current year;
2) that the annual accounts provide a true and fair view of the assets, liabilities, financial position and result of Wereldhave Belgium and the companies included in the consolidation;
3) that the Annual Report provides a true and fair view of the situation on the balance sheet date, the course of business during the financial year of Wereldhave Belgium and the affiliated companies, the figures of which have been included in its Annual Accounts;
4) that the main risks confronting Wereldhave Belgium and its affiliated companies have been described in the Annual Report; and
5) that after taking all reasonable measures, the information in this report, to its knowledge, is in accordance with the facts and contains no omission which could affect the scope of the Annual Report.

The Management Company

NV Wereldhave Belgium

D. Goeminne, Voorzitter

B. Boone

A. Claes

K. Deforche

Vilvoorde, 8 March 2019

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EPRA

These data are exclusively for information and are not required in compliance with the RREC Law nor subject to any review by public authorities; these figures have not been audited by the statutory auditor.

EPRA (European Public Real Estate Association) is an organization that promotes European listed real estate sector, helps develop and represent in order to boost confidence in the sector and to increase investment in listed real estate in Europe.

EPRA PERFORMANCE MEASURES

TABLE	EPRA PERFORMANCE MEASURE	DEFINITION		2017	2018
1	**EPRA Earnings**	Earnings from operational activities Objective: To measure the result of the strategic operational activities, excluding (i) changes in fair value of financial assets and liabilities (ineffective hedges), and (ii) realized and unrealized gain or loss on investment properties.	x € 1,000	39,403	40,730
			€/share	5.68	5.74
2	**EPRA NAV**	Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystalise in a long-term investment property business model Objective: To provide stakeholders with relevant information on the fair value of assets and liabilities within a real estate investment company with a long-term strategy.	x € 1,000	621,611	680,073
			€/share	89.58	90.19
3	**EPRA NNNAV**	EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes Objective: Provides stakeholders with relevant information on the fair value of assets and liabilities within a real estate entity.	x € 1,000	619,284	678,428
			€/share	89.25	89.97
4	**EPRA Net Initial Yield (NIY)**	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs Objective: a tool to compare real estate portfolios.		5.4%	5.7%

5	**EPRA Vacancy Rate**	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio Objective: To measure the vacancy of the investment properties portfolio based on market rent.	4.2%	2.9%
6	**EPRA Cost Ratio (including direct vacancy costs)**	EPRA costs (including direct vacancy costs) divided by gross rental income, minus the fees for leasehold and building rights Objective: To measure the relevant general and operational costs in order to be able to form an image and to make an analysis of the costs of the Company.	18.0%	17.0%
7	**EPRA Cost Ratio (excluding direct vacancy costs)**	EPRA costs (excluding direct vacancy costs) divided by the gross rental income, minus the fees for leasehold and building rights Objective: To measure the relevant general and operational costs in order to be able to form an image and to make an analysis of the costs of the Company.	15.8%	15.3%

TABLE 1: EPRA EARNINGS

(X € 1,000)

	2017	2018
Net result IFRS (group share)	**54,682**	**40,541**
Adjustments to calculate EPRA Earnings		
Exclude:		
I. Changes in value of investment properties	-15,385	477
II. Profit or losses on disposal of investment properties	0	35
III. Other portfolio result	106	-323
VI. Changes in fair value of financial instruments and associated close-out costs	0	0
EPRA Earnings (group share)	39,403	40,730
Weighted average number of shares	6,939,017	7,098,634
EPRA Earnings per share	**5.68**	**5.74**

TABLE 2 EN 3: EPRA NAV EN EPRA NNNAV

(X € 1,000)

	2017	2018
Net Asset Value (group share)	619,284	678,428
Net Asset Value per share (group share)	89.25	89.97
Exclude:		
I. Fair value of financial instruments	503	159
II. Deferred taxes	1,824	1,486
EPRA NAV (group share)	621,611	680,073
Number of shares at year end	6,939,017	7,540,250
EPRA NAV per share (group share)	**89.58**	**90.19**
Include:		
I. I. Fair value of financial instruments	-503	-159
II. Deferred taxes	-1,824	-1,486
EPRA NNNAV (group share)	619,284	678,428
Number of shares at year end	6,939,017	7,540,250
EPRA NNNAV per share (group share)	**89.25**	**89.97**

TABLE 4: EPRA NET INITIAL YIELD (NIY) AND 'TOPPED-UP' NIY

(X € 1,000)

	2017	2018
Investment properties	853,564	956,656
Exclude:		
Investment properties built or developped in portfolio available for lease	-12,254	-12,539
Investment properties held for sale	0	0
Properties available for lease	***841,310***	***944,117***
Include:		
Estimated transaction costs resulting from hypothetical disposal of investment properties	21,572	24,208
Investment value of the real estate portfolio available for lease (B)	***862,882***	***968,325***
Annualised gross rental income	48,858	56,481
Exclude:		
Property charges	-2,419	-1,702
Annualised net rental income (A)	***46,439***	***54,779***
EPRA NET INITIAL YIELD (A/B)	**5.4%**	**5.7%**

TABLE 5: EPRA VACANCY RATE

SEGMENT	LETTABLE SPACE IN M²	ESTIMATED RENTAL VALUE (ERV) OF VACANT SPACES IN € 1,000	ESTIMATED RENTAL VALUE (ERV) IN € 1,000	EPRA VACANCY RATE 2017	EPRA VACANCY RATE 2018
Offices	62,466	808	8,621	9.10%	9.37%
Retail	221,390	879	49,451	4.10%	1.78%
Investment properties available for lease	**283,856**	**1,687**	**58,072**	**4.20%**	**2.91%**

TABLE 6: EPRA COST RATIOS

(X € 1,000)

	2017 (RESTATED *)	2018
Overhead expenses	4,979*	4,676
Write-downs on trade receivables	110*	168
Fees for building rights and leaseholds	401	404
Property charges	3,656*	4,701
Exclude:		
Fees for building rights and leaseholds	-401	-404
EPRA costs (including vacancy costs) (A)	***8,745***	***9,545***
Vacancy costs	-1,088	-971
EPRA costs (excluding vacancy costs) (B)	***7,657***	***8,574***
Rental income decreased with fees for building rights and leaseholds (C)	48,457	56,077
EPRA Cost Ratio (including vacancy costs) (A/C)	**18.0%**	**17.0%**
EPRA Cost Ratio (excluding vacancy costs) (B/C)	**15.8%**	**15.3%**

The EPRA Cost Ratio (including vacancy costs) and the EPRA Cost Ratio (excluding vacancy costs) decreased on 31 December 2018 compared to 31 December 2017, mainly due to the increase in rental income with the extension of 'Shopping Bastions' and the acquisition of the two retail parks in Bruges and Turnhout; knowing that its impact is quite limited on property costs (sites almost 100% let).

6 REAL ESTATE REPORT

THE BELGIAN REAL ESTATE MARKET

INVESTMENTS IN RETAIL PROPERTY INCREASED SIGNIFICANTLY

Investment volume for retail property almost doubled over the year 2018 to a volume of € 1.85 billion, this increase mainly coming from three shopping centre transactions; indeed, Woluwe Shopping, Rive Gauche in Charleroi as well as Docks in Brussels changed of ownership. Mainly the first two transactions were completed at historically low yields.

Overall, a further decline in yields occurred in the investment market for shopping centres, reaching prime yields of 4.00% last year, while no comparable decrease occurred in the other segments of city centres (high street) and retail warehouses.

For commercial real estate in less favourable locations or with significant vacancy levels, this tendency needs to be strongly nuanced.

RENTAL LEVELS IN SHOPPING CENTRES STABLE IN 2018

According to last year, major players in shopping centres tend to try to capitalize on their strong negotiating position in order to obtain rents depending on future shop turnovers or other specific benefits or contributions. Owners or developers tend to accept these requests in order to favour the commercial mix of the centre and its ability to attract tenants in the smaller units.

In average, market rents decreased over the past year with, albeit, significant differences in function of the success of the shopping centre (e.g.in relation to the number of vacant units). In secondary centres, the turnover of retailers is under strong pressure, which has been translated into negative corrections of rent levels.

The leasing of the last remaining vacant units in the extension of 'Les Bastions' in Tournai contributed significantly to the number of new leases in shopping centres in 2018. It remains a good example of how, in a relatively short period of time, to conclude attractive rents and at the same time to create an interesting and complementary mix.

RECORD LEVELS FOR INVESTMENT IN OFFICES

The office investment market has again been characterised by a significant investment volume, increasing by approximately 15% compared to 2017. The main transactions were "Egmond I & II", "The One", "Passport" and "Art 56".

The yields for the best assets with standard contracts ("prime yields for standard leases") further decreased to a record low of 4.25%.

A RISE IN PRIME RENT

The take-up declined in Brussels, but the vacancy rate of the global Brussels market, mainly driven by the Brussels CBD, decreased to 7.8%.

The importance of various co-working initiatives has to be stressed, which, in a short period of time, took a significant share in the office landscape. With a take-up of 70,000 square meters, this is an increase of 100% compared to 2017.

The prime rent in Brussels reached a new record to € 315 per square meter per year.

In the peripheral locations, however, the demand remains at a low level, resulting in significant vacancy levels and rents remaining under pressure.

Source: Inspired by figures presented by JLL to the Investors Forum 2019

Summary and overview of the real estate portfolio

SUMMARY OF THE REAL ESTATE PORTFOLIO

SUMMARY OF THE REAL ESTATE PORTFOLIO

	SHOPPING CENTRES	%	OFFICES	%	TOTAL
(x € 1,000)					
Fair value					
Properties available for lease	847,384		94,580		941,964
Development projects	14,692				14,692
Total real estate investments	**862,076**	**90.10%**	**94,580**	**9.90%**	**956,656**
Insured value (*)	515,285	84.02%	98,021	15.98%	613,306
Contractual rent	49,707	86.16%	7,982	13.84%	57,688

(*) insured through a General Construction Risk policy

COMPOSITION OF THE REAL ESTATE PORTFOLIO

	YEAR OF CONSTRUCTION OR MOST RECENT RENOVATION	DIVERSIFICATION OF THE PORTFOLIO (IN % OF VALUATION)	LETTABLE AREA (IN SQM)
Retail			
Shopping Centre "Belle-Ile", Quai des Vennes 1, 4020 Liège (5)	1994	18.69%	31,374
Shopping Centre Nivelles, Chausée de Mons 18A, 1400 Nivelles	2012	17.39%	29,159
Shopping Centre "Shopping Bastions", Boulevard W. de Marvis 22, 7500	2018	16.23%	30,622
Retailpark 'les Bastions' in Tournai	2016	2.08%	10,312
Shopping Centre "Shopping I", Rootenstraat 8, 3600 Genk	2014	6.65%	23,681
Shopping Centre "Kortrijk Noord", Ringlaan, 8500 Kortrijk	2005	12.12%	32,146
"Forum Overpoort", Overpoortstraat, 9000 Gent	2014	1.69%	4,122
Genk - Stadsplein, Stadsplein 39, 3600 Genk	2008	4.47%	15,504
Commercial complex Waterloo, Chaussée de Bruxelles 193-195, 1410	1968	1.51%	3,204
Brugge Retail Park	Early 70	4.20%	20,280
Turnhout Retail Park	Early 70	3.55%	20,986
		88.58%	**221,390**
Offices			
'Business- & Media' office park, Medialaan 30, 1800 Vilvoorde	1999	0.97%	5.524 / 284*
'Business- & Media' office park, Medialaan 32, 1800 Vilvoorde	1999	0.63%	3.907 / 119*
Business- & Media' office park, Medialaan 28, 1800 Vilvoorde	2001	1.90%	12.772 / 227*
De Veldekens I, Roderveldlaan 1-2, 2600 Berchem	2001	1.85%	11.192 / 201*
De Veldekens II, Roderveldlaan 3-4-5, 2600 Berchem	1999	2.64%	16.003 / 821*
De Veldekens III, Berchemstadionstraat 76-78, 2600 Berchem	2002	1.90%	11.192 / 224*
		9.89%	**60.590 / 1.876 ***
Development in commercial projects			
Tournai - 7 Fontaines		0.23%	
Redevelopment shopping centre in Waterloo		0.19%	
Extension shopping centre 'Belle-Ile' in Liège		0.39%	
Nivelles land positions		0.72%	
		1.53%	
Assets held for sale			
Totaal		**100.00%**	**281.980 / 1.876 ***

* archives

(1) Rental value vacancy is the difference between the theoretical rental value of the property and the received rental income.

(2) The theoretical rental value equals the contractual rent increased with the value of rental vacancy.

(3) To determine the estimated rental value, external valuation experts rely on their knowledge of the property market and on recent transactions. The rental value is influenced by the location of the property, the suitability of the site, the qualities of the building and the market conditions.

(4) The occupancy rate is calculated by dividing the (indexed) contractual rental of current leases by the sum of contractual rents and estimated rental value (market rent) of the vacancy. The latter are determined based on the level of the current rents.

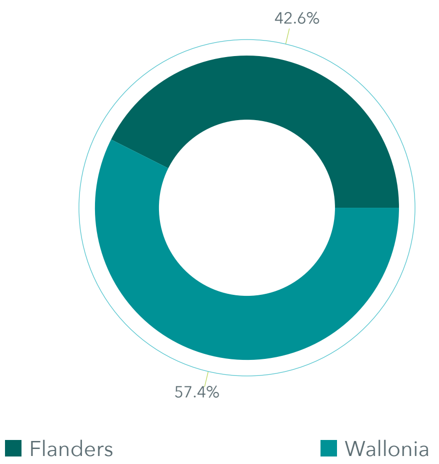
(5) On 11 December 2018 the FSMA granted a renewed dispensation until 31 December 2020 from the ban on investing more than 20% of the assets in one real estate stock.

(6) This property is fully owned by NV Immo Guwy and Waterloo Shopping BVBA and are not included in the statutory accounts.

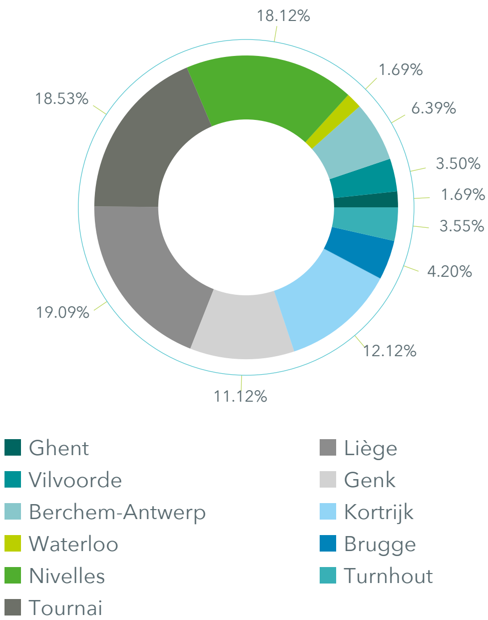
PARKINGS (NUMBER OF SPACES)	CONTRACT RENT AT 31 DECEMBER 2018 (€ X 1,000)	RENTAL VALUE VACANCY (€ X 1,000)	THEORETICAL RENTAL VALUE AT 31 DECEMBER 2018	ESTIMATED RENTAL VALUE (€ X 1,000)	OCCUPANCY RATE AT 31 DECEMBER 2018
		(1)	(2)	(3)	(4)
2,200	11,486	0	11,486	10,904	100.0%
1,452	8,653	29	8,682	8,494	99.7%
2,000	8,403	48	8,450	8,097	100.0%
360	1,107	29	1,136	1,171	97.5%
1,250	3,731	379	4,110	4,565	86.5%
2,000	7,159	159	7,319	6,982	95.1%
0	891	76	967	917	91.8%
44	2,721	138	2,859	2,864	91.8%
95	807	22	829	829	97.3%
650	2,449		2,449	2,416	100.0%
765	2,300		2,300	2,213	100.0%
	49,707	**879**	**50,586**	**49,451**	**97.2%**
179	690	207	896	842	75.5%
121	485	161	646	585	72.6%
338	1,261	403	1,665	1,859	78.3%
238	1,641	5	1,646	1,567	99.7%
315	2,288	24	2,312	2,208	98.9%
217	1,617	9	1,626	1,559	99.4%
	7,982	**808**	**8,790**	**8,621**	**90.6%**
	57,688	**1,687**	**59,375**	**58,072**	**96.2%**

KEY INFORMATION

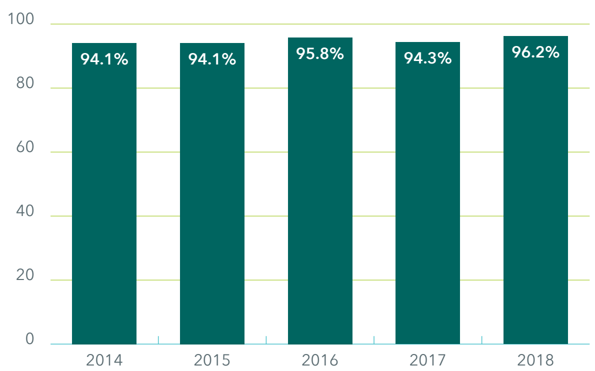
GEOGRAPHICAL BREAKDOWN
(as % of fair value)



GEOGRAPHICAL BREAKDOWN
(as % of fair value)

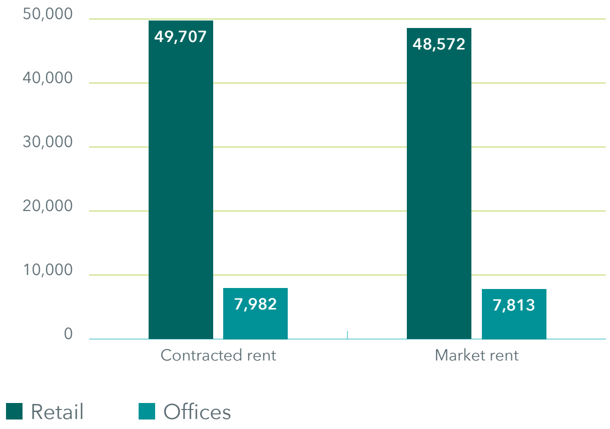


AVERAGE OCCUPANCY
(in % of rental income)



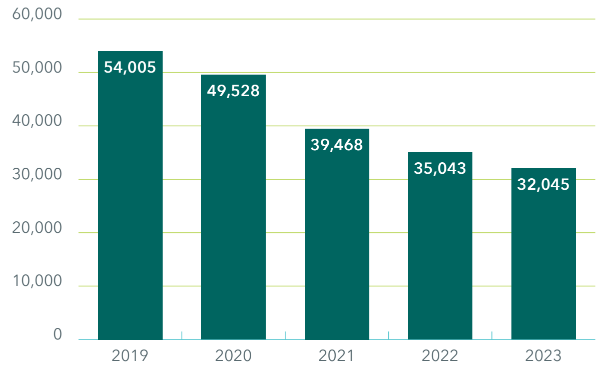
CONTRACTED RENT/MARKET RENT

(x € 1.000)



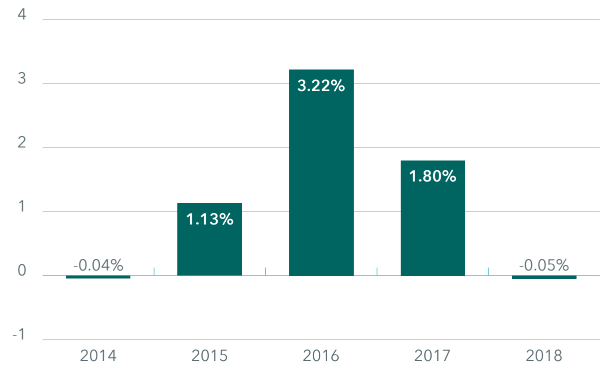
CONTRACT RENT OVER 5 YEARS (TILL FIRST NOTICE POSSIBILITY)

(x € 1,000)



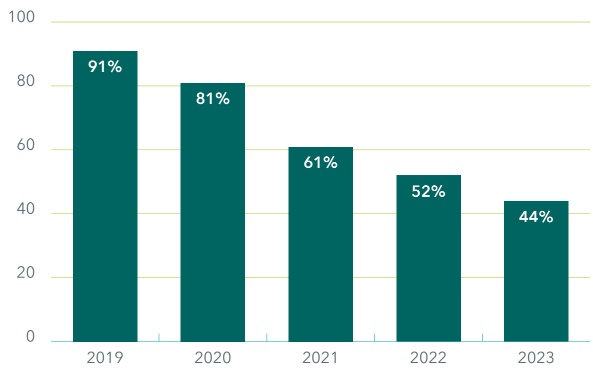
PORTFOLIO REVALUATION

(in %)



GUARANTEED RENTAL INCOME

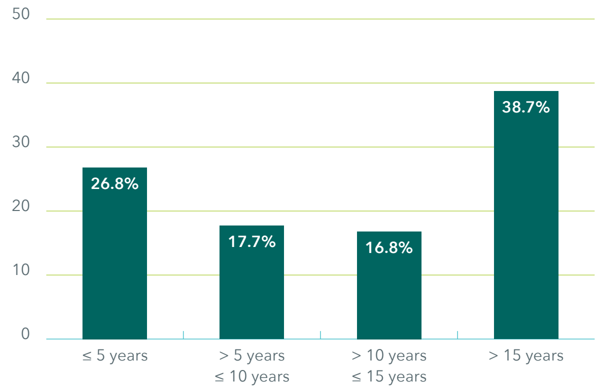
(in %)



BRANCH MIX

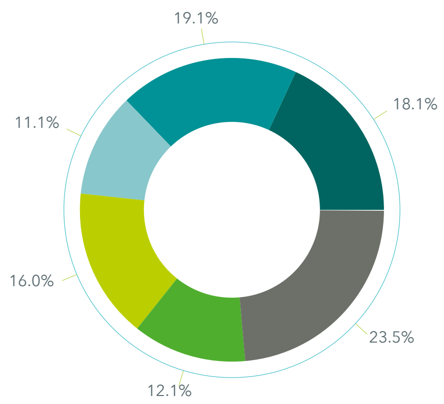
AGE ANALYSIS OF THE REAL ESTATE PORTFOLIO

(in % of valuation)



INVESTMENT PROPERTIES > 5%

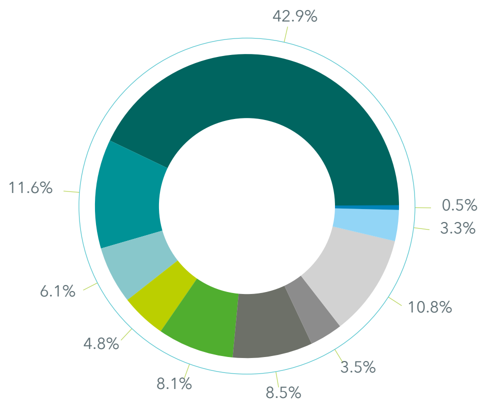
(in % fair value)



- Shopping Nivelles
- Belle-Ile Liège
- Genk Shopping I
- Shopping Bastions Tournai
- Ring Shopping Kortrijk
- Other < 5 %

BRANCHE MIX INVESTMENT PROPERTY RETAIL

(as % of rental income)



- Fashion & accessoiries
- Food
- Leather/shoes
- Decoration
- Restaurant & bar
- Care and hygiene
- Sports
- Multimedia
- Services
- Other

*TOP 10 TENANTS**

Global Portfolio

	TENANT	SECTION	%
1	CARREFOUR	Retail	7.0%
2	HENNES & MAURITZ	Retail	3.1%
3	C&A	Retail	2.7%
4	AHOLD DELHAIZE	Retail	2.4%
5	EXCELLENT RETAIL BRANDS	Retail	2.2%
6	A.S. WATSON GROUP	Retail	2.1%
7	ARGENTA SPAARBANK	Offices	2.0%
8	BRICO	Retail	1.9%
9	INDITEX	Retail	1.8%
10	LUNCH GARDEN	Retail	1.6%
			27.0%

Retail

	TENANT	%
1	CARREFOUR	7.00%
2	HENNES & MAURITZ	3.09%
3	C&A	2.72%
4	AHOLD DELHAIZE	2.43%
5	EXCELLENT RETAIL BRANDS	2.24%
6	A.S. WATSON GROUP	2.14%
7	BRICO	1.86%
8	INDITEX	1.81%
9	Lunch Garden	1.63%
10	CASSIS/PAPRIKA	1.50%
		26.4%

Offices

	TENANT	%
1	Argenta Spaarbank NV	2.0%
2	RICOH BELGIUM NV	1.4%
3	AMADEUS BENELUX S.A.	1.0%
4	Proximus nv	0.9%
5	ABN AMRO BANK NV	0.8%
6	ANTEA BELGIUM NV	0.6%
7	QUINTILES BELGIUM NV/SA	0.6%
8	KBC Bank	0.5%
9	TVM Belgium	0.4%
10	WGEO Ltd. - Belgium Branch	0.4%
		8.5%

* Expressed as a percentage of annualized contractual rent on the total portfolio.

AVERAGE DURATION OF LEASE AGREEMENTS

The average duration of contractual lease agreements until the first possibility of termination is 2.8 years, and the average duration until the end of the lease contracts is 6.0 years.

INSURED VALUE INVESTMENT PROPERTIES PORTFOLIO

The insured value of the investment properties portfolio is based on an annual external valuation of 'new-build value' made by a recognised valuation expert. The insured values are adjusted automatically annually according to the applicable index.

In order to avoid multiple claims between owner and tenant, the standard lease agreements stipulate that insurance agreements of the underlying property units are entered into by the owner-lessor for the rebuild value of the property unit, including 'loss of rent' for a period of 36 months.

The insurance risk is underwritten by AIG Belgium.

The total insured value of the investment properties portfolio amounts to € 613.3 mln.

The proportional share of the insured value compared to the fair value is explained by the high value of the land compared to the construction value, inherent to commercial real estate.

The insured value represents 64.1 % of the fair value of the investment properties portfolio.

The insurance premium for 2018, including taxes, amounts to € 158,589.

OPERATIONAL MANAGEMENT OF THE INVESTMENT PROPERTIES PORTFOLIO

The Company has an internal management organisation that manages the disciplines of administrative, technical and commercial management of property.

Wereldhave Belgium Services NV, subsidiary, has an administrative, accounting and technical organisation that is fitting for management of the investment properties portfolio of the Company. The directors of Wereldhave Belgium Services have the required professional reliability, accreditation (BIV) and appropriate expertise as described and in accordance with Article 13 of the RREC Law and suitable experience in accordance with Article 19 of the RREC Law.

DEROGATION SHOPPING CENTRE 'BELLE-ILE' IN LIÈGE IN ACCORDANCE WITH ARTICLE 30 §3 AND §4 OF THE RREC LAW

For the record, on 23 December 2016, the FSMA (financial services and markets authority) renewed the derogation to the shopping centre 'Belle-Ile' in Liège, in accordance with article 30 §3 and §4 of the REIT-regulation, on the limitation for a single property to represent more than 20% of the total portfolio. This derogation has been granted for a maximum period of 2 years, expiring on 31 December 2018.

Considering the various investments and acquisitions described above, the share of the fair value of the shopping centre compared to the value of the property portfolio decreased, for the first time in the past 20 years, below the 20% threshold, amounting to 19.1% on 31 December 2018, while the debt ratio remained stable on 29.7% at that date. Therefore, a derogation would no longer be necessary for the Company.

Nevertheless, considering that this asset will require further investments in the coming months, according to the evolution of the rental situation, the share of this asset could come back close to or even above the legal threshold; therefore, the Company submitted a request for a new exemption to the FSMA. This request has been granted on 11 December 2018 for an additional period of 2 years.

This derogation has been allowed against the following cumulative conditions:

- The derogation has been accorded until 31 December 2020;
- The Company must report every quarter to the FSMA the share of the shopping centre 'Belle-Ile' in the investment properties portfolio;
- The periodic reports and prospectuses that the Company will publish in the future must explicitly declare that the focus on shopping centres that the Company has chosen imply a higher geographical concentration as well as a higher concentration of the risk of, among other things, technical problems and fire.

In accordance with article 30 §4 of the RREC Law, the debt ratio of the Company may not exceed 33% as long as the derogation on article 30 §1 and §2 of the RREC Law applies.

During this period, the Company will continue to take concrete actions to resolve this aspect of portfolio diversification on a structural basis.

ACQUISITIONS AND DISPOSALS

As of 31 December 2017, the office property 'Madou' was still recorded in the real estate portfolio prior to be effectively sold. Indeed, the sale agreement signed in 2016 implied that the Company would bear all rental risks related to this property and would benefit from its rental incomes up to the end of the ongoing rental agreement maturing on 31 January 2018. At that date, all rights and obligations related to this property have definitively been transferred to the buyer and the liability that was related to it (€ 16.4 mln-) has been written off the accounts of the Company.

In the course of the year 2018, the Company sold on one hand the non-strategic office property located Olieslagerslaan 41-45 in Vilvoorde, generating a realized loss of € 0.3 mln compared to its last fair value and, on the other hand, a plot of land located along the retail park in Tournai to a developer intending to realize a residential development project, generating a realized profit of € 0.3 mln compared to its last fair value.

In the course of the last quarter 2018, the Company concluded a twofold transaction: one whereby the Company acquired from Redevco Retail Belgium against cash the full ownership of a retail park of 20,727 m² GLA, consisting of 13 commercial units 100% and ideally located at Maalsesteenweg 334, Brugge-Sint Kruis; and the other whereby the Company, by means of a contribution in kind by Redevco Retail Belgium, acquired in exchange for newly issued shares of the Company the full ownership of a retail park of 20.557 m² GLA, consisting of 12 commercial units 100% and ideally located at Parklaan 80, Turnhout.

The acquisition values of these two assets were respectively agreed at € 40.0 million for the Brugge-Sint Kruis site and € 33.1 million for the Turnhout site, in line with their fair values determined by the independent appraiser. Both sites will contribute approximately € 4.6 million to the net rental income of the Company on an annual basis.

DEVELOPMENT PROJECTS

On 12 April 2018, after 3 years of construction, the new Shopping centre 'Les Bastions' successfully opened its doors. Above the newly developed extension of 15,000 square meters GLA, the existing part of the shopping centre has been deeply renewed in order to make of it a coherent entity. The new contemporary architecture of the centre and its surrounding areas give a perfect answer to the expectations of the consumers. With a total surface of 43,500 square meters, the site shopping 'Les Bastions' became one of the main retail entities in Wallonia. The newly redeveloped shopping centre generated a significant increase in footfall in 2018 and significantly contributed to the results of the Company.

Considering the additional 15,000 square meters of retail areas, the EPRA occupancy rate of the shopping increased from 94.8% on 31 December 2017 to 99.2% on 31 December 2018, demonstrating the success of this new development.

The last phase of the project in Tournai consist in the redevelopment of a 3,000 square meters property called '7 Fontaines' (budget of € 2.1 mln) which is already entirely let. The works started in the second semester 2018 and the reopening of these surfaces is estimated in mid-2019.

During the last quarter of 2018, the Company executed an agreement with Carrefour Belgium NV regarding the termination of their current lease and the conclusion of a new lease of approximately 4,500 m² GLA in the 'Belle-Ile' shopping centre in Liège. The vacated surface will be redeveloped (budget of € 8.2 mln) into medium-sized units which will contribute to the strengthening of the attractiveness of the shopping centre. The works started in the second semester 2018 and would be delivered mid-2019. The Company has already initiated discussions with several large retailers interested to let these new units.

DESCRIPTION OF THE REAL ESTATE PORTFOLIO

RETAIL PORTFOLIO

Shopping centre 'Belle-Ile'
Quai des Vennes 1, 4020 Liège
Top 5 tenants

Carrefour Belgium	10,70%
Hennes & Mauritz	5,34%
WE	3,81%
C&A	3,17%
A.S. Watson	2,75%

Number of tenants: 100
Construction: 1994
Location: Belle-Ile is located in the southeast of Liège, at the start of the 'Autoroute des Ardennes' – E25
Lettable area: 31,374 m^2

Shopping centre Nivelles
Chaussée de Mons 18A, 1400 Nivelles
Top 5 tenants

Ahold Delhaize	6,06%
Hennes & Mauritz	4,68%
AS Adventure	2,57%
Delcambe Chaussures	2,33%
Esprit	2,24%

Number of tenants: 103
Construction: 1974 – Extension: 2012
Location: The shopping centre of Nivelles is located at the periphery of Nivelles, exit 'Nivelles Sud' of highway E19 *Lettable area:* 29,159 m^2

Shopping centre Kortrijk Noord
Ringlaan, 8500 Kortrijk
Top 5 tenants

C&A	4,33%
Hennes & Mauritz	4,21%
Timmermans	3,88%
Redisco	3,66%
A.S. Watson	3,35%

Number of tenants: 90
Construction: 1973 – Renovation 2005
Location: The shopping centre is located alongside the ring of Kortrijk
Lettable area: 32,146 m^2

Shopping centre ‘Shopping Bastions’

Boulevard Walter de Marvis 22, 7500 Tournai

Top 5 tenants

Inditex	20,30%
Hennes & Mauritz	11,88%
Ahold Delhaize	3,77%
C&A	3,75%
A.S. WATSON GROUP	2,31%

Number of tenants: 97
Construction: 1979 – Renovation and extension: 2018
Location: The shopping centre ‘Shopping Bastions’ is located alongside the ring of Tournai
Lettable area: 30,622 m²

Retail Park ‘Les Bastions’

Boulevard Walter de Marvis 22, 7500 Tournai

Top 5 tenants

Maisons du Monde	17,90%
Sportsdirect.com	15,30%
Brico	15,18%
Harrar	11,74%
AS Adventure	10,12%

Number of tenants: 9
Construction: 2016
Location: The Retail Park ‘Les Bastions’ is located alongside the ring of Tournai
Lettable area: 10.312 m²

Shopping centre Genk ‘Shopping 1’

Rootenstraat 8, 3600 Genk

Top 5 tenants

Carrefour Belgium	16,20%
Sportsdirect.com	8,72%
Lunch Garden	5,37%
Espace Kwesto	5,08%
Burger Brands	3,55%

Number of tenants: 65
Construction: 1967 – Renovation: 2014
Location: The shopping centre is located in the centre of Genk
Lettable area: 23,681 m²

Genk Stadsplein

Stadsplein 39, 3600 Genk

Top 5 tenants

Hennes & Mauritz	16,03%
C&A	10,69%
Inditex	10,57%
A.S. Watson	8,24%
Excellent Retail Brands	8,20%

Number of tenants: 28
Construction: 2008
Location: The shopping centre is located in the centre of Genk
Lettable area: 15,504 m²

Shopping centre Waterloo

Chaussée de Bruxelles 193-195, 1410 Waterloo

Top 5 tenants

Taboo	22,30%
Standaard Boekhandel	20,03%
Planet Parfum	13,35%
Natural Food	10,22%
Madame Charlotte	8,25%

Number of tenants: 12
Construction: 1968
Location: The shopping centre is located in the centre of Waterloo
Lettable area: 3,204 m²

'Forum Overpoort' Gent

Overpoortstraat, 9000 Gent

Top 5 tenants

House Industries	25,20%
Pam Team	25,20%
DO Invest	17,78%
Ahold Delhaize	14,25%
A.S. Watson Group	9,55%

Number of tenants: 6
Construction: 2014
Location: The complex is situated along the Overpoortstraat, in the city centre
Lettable area:
4,122 m² + 119 student rooms

Brugge Retail Park
Maalsesteenweg 334, 8310 Brugge Sint-Kruis
Top 5 tenants

Carrefour	36,90%
Brico	20,10%
Media Markt	19,08%
Lunch Garden	6,20%
HBF Invest	4,48%

Number of tenants: 13
Construction: Early 70
Location: The Brugge Retail Park is is located along one of the main access roads to Bruges
Lettable area: 20.280 m^2

Turnhout Retail Park
Parklaan 80, 2300 Turnhout
Top 5 tenants

Carrefour	53,06%
Brico	21,57%
Lunch Garden	8,28%
Auto 5	3,99%
Mc Donald's	3,28%

Number of tenants: 12
Construction: Early 70
Location: The Turnhout Retail Park is located alongside the ring of Turnhout
Lettable area: 20.986 m^2

OFFICES PORTFOLIO

Office building in Vilvoorde
Medialaan 28, 1800 Vilvoorde
Top 4 tenants

Ricoh	60,36%
WGEO Ltd Belgium	16,46%
Quinz Advocaten	13,77%
Secretary Plus	9,41%

Number of tenants: 5
Construction: 2001
Location: In Business park 'Business- & Mediapark', near the Brussels ring (exit 6) and near the national airport
Lettable area: 12,772 m^2

Office building in Vilvoorde
Medialaan 30, 1800 Vilvoorde
Top 5 tenants

Amadeus Benelux	31,63%
Wereldhave Belgium	25,41%
Nutrition & Santé B-Lux	21,28%
Monster Belgium	13,93%
Ricoh	4,53%

Number of tenants: 8
Construction: 1999
Location: In Business park 'Business- & Mediapark', near the Brussels ring (exit 6) and near the national airport
Lettable area: 5,424 m^2

Office building in Vilvoorde
Medialaan 32, 1800 Vilvoorde
Top 3 tenants

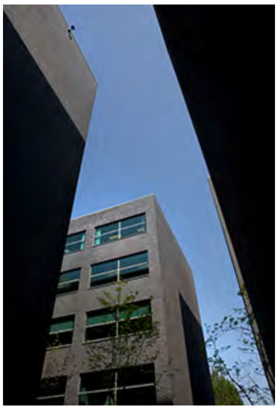
Quintiles Belgium	67,82%
Intersystem Benelux	19,03%
Bahlsen	13,16%

Number of tenants: 3
Construction: 1999
Location: In Business park 'Business- & Mediapark', near the Brussels ring (exit 6) and near the national airport
Lettable area : 3,907 m^2

Office building in Antwerp
Veldekens I, Roderveldlaan 1-2,
2600 Antwerp
Top 3 tenants

Argenta Spaarbank	49,75%
Proximus	30,10%
Antea Belgium	20,14%

Number of tenants: 3
Construction: 2001
Location: Alongside the Antwerp ring
Lettable area: 11,192 m^2



Office building in Antwerp
Veldekens II, Roderveldlaan 3-4-5,
2600 Antwerp
Top 5 tenants

ABN Amro Bank	19,58%
Argenta Spaarbank	15,35%
KBC Bank	12,64%
AON Belgium	7,44%
Odissey Logistics Europe	6,91%

Number of tenants: 13
Construction: 1999
Location: Alongside the Antwerp ring
Lettable area: 16,003 m^2

Office building in Antwerp
Veldekens III, Berchemstadionstraat 76-78,
2600 Antwerp
Top 5 tenants

Amadeus Benelux	21,01%
TVM Belgium	14,66%
USG Professionals	10,17%
CWS-Boco Belux	6,17%
Pearlchain	5,56%

Number of tenants: 18
Construction: 2002
Location: Alongside the Antwerp ring
Lettable area: 11,192 m^2

DEVELOPMENT PROJECTS

Redevelopment project '7 Fontaines' – Tournai

Sector
Retail

Type
Redevelopment

Extent
3,000 m 2 GLA

Estimated completion
Q2 2019

Expected return
6.00%

Status
Committed

- start construction Q4/2018
- estimated completion: Q2/2019
- investment: € 2.1 mln

Commercial complex – Waterloo

Sector
Retail

Type
Multifunctional redevelopment of the shopping centre

Estimated extent
10,000 m 2 GLA

Status
Non committed

This urban development project is part of a master plan that is again being studied at this time by the local authorities. In this context, it is difficult for the Management Company to estimate when this project could effectively be realised. The Company monitors closely the actual developments and decisions of the local government

Shopping centre 'Belle-Ile' – Liège

Sector
Retail

Type
Extension

Extent
+/- 10,000 m 2 GLA

Estimated completion
2020/2021

Expected return
5.5% – 6.0%

Status
Non committed
The socio-economic and the building permit has been obtained.

Priorities are:
(1) attractive (international) brands
(2) optimization of the branch mix
(3) sustainability

Estimated investment: € 50 mln

VALUATION EXPERTS' REPORT

Resolutions of the valuation experts, prepared on 31 December 2018, following the valuation of the property portfolio, as referred to the Royal Decree of 13 July 2014 with respect to regulated real estate companies, the RREC.

Both reports were executed according to the fair value as defined in the 'International Valuation Standards', published by the 'Royal Institution of Chartered Surveyors' (the 'Red Book'), an Internationally accepted Valuation method. The Fair Value is defined as 'the price that would be received if an asset was sold or as the price that would have to be paid to transfer a liability in an orderly transaction between market participants at the valuation date'.

EVALUATION PRINCIPLES FOR THE PROPERTY PORTFOLIO

Cushman & Wakefield

Investment products: Capitalisation method
Our methodology is based on the Estimated Rental Value ('ERV') with corrections considering the rent effectively paid and any other element that can have an impact on the value, as for example vacancy costs.

In a first step, we determine the market rent.

We analyse at which level the building could be let in the current market. To determine this value, we based ourselves on our knowledge of the real estate market, our internal data and on recently performed transactions. This market rent is influenced amongst others by the market conditions, the location, the fit for a retail occupation, the accessibility, the site and buildings' characteristics of the property in global or individually per unit.

Once an ERV has been attributed to each units of a property, we then calculate the adjusted ERV; depending on the passing rent (PR), this adjusted ERV will be either this PR increased by 60%-80% of the difference between the PR and the ERV, or 100% of this ERV.

Two cases can occur:

Once the ERV is higher than the passing rent. In those cases where the current passing rent (PR) is under this ERV, it looks by experience unlikely that the landlord will obtain 100% of the ERV at the time of the rent renewal. It is standard market practice to consider that 60%-80% of the gap between the actual passing rent and the ERV can be bridged in renegotiations. This mainly due to the high legal protection for sitting tenants under Belgian commerce law.

In those cases where the market rent ('ERV') is under the passing rent however, it is very unlikely that this situation continues after the first break; therefore, it is assumed that the PR will be reduced to the ERV at the upcoming rent renewal.

The second step consists in evaluating at which yield an investor would be ready to buy this property in its totality. To determine this yield, we based ourselves on our knowledge of the real estate market and on our retail investment team who daily follows the market.

By dividing the obtained market rent by this yield, we obtain a gross market value before corrections.

In a third step, we perform any eventual corrections that can have an impact on the gross market value before corrections. These corrections are amongst others related to current and upcoming vacancy, forecasted rental costs, planned works and investments, etc. These corrections will come in addition or in deduction of our initial gross market value to arrive at a gross market value after corrections, also called Investment Value (deed in hands).

The last step consists in obtaining the net market value of the property for a buyer. We achieve this value by deducting the normative hypothetical costs of 2.5%.

Total valuation: € 505.9 mln.

CBRE

Investment properties: Income approach
We opted to employ the income approach for the valuation of the investment properties.

This approach consists in the capitalization at last of the estimated rental income plus/minus corrections related to not recoverable costs, vacancy periods, rent free periods and letting costs.

For each property, an estimated rental value ('ERV') and a market conform yield ('cap rate') has been determined based on comparables. A correction has been calculated on the difference between the estimated rental value and the passing rent.

As the ERV is higher than the PR, a correction (discount) is calculated in accruing the difference between the ERV and the PR up to the end of the current lease period.

As the ERV is lower than the PR, a correction (premium) is calculated in accruing the difference between the ERV and the PR on the lease period up to the first break date.

Development projects: Residual approach
The residual approach has been applied for the valuation of the plot of land in Nivelles. This approach enables to determine the market value of the property by estimating the disposal value of the considered project after completion of the development, based on its best and optimal use. The development costs include the construction costs, the fees, the taxes, the financing costs and the margin of the developer. The result represents the value of the property in its current state, all permits of the development project included.

Total valuation: € 436.0 mln.

This valuation does not include any negative value.

The market value is consistent with the valuations used for the preparation of the annual financial statements.

Transaction costs
The Valuation does not include VAT and the construction costs were not taken into account, nor was the value appraisal in the event of any Property being sold. Our net valuation does not include the expenses payable by the buyer either, which vary between the different regions. The normative hypothetical costs amount to 2.5%.

Assumptions and sources of information
An assumption is defined in the Red Book's glossary as a 'supposition that is accepted as true' ('Assumption'). Assumptions are facts, conditions or situations that influence the subject or the approach to a valuation and that – by agreement – must be verified by the appraising party as a component of the valuation process. In our valuations we employed a number of assumptions as well as a specific number of information sources. We are of the opinion that our assumptions are reasonable, bearing in mind our knowledge of the Properties and the contents of the reports made available to us. But should it turn out that these assumptions are incorrect, then the valuation must be reviewed. We refer to the assumptions used in our valuation below.

Inspections
We inspected all properties and the company's management board informed us that no significant alterations were made to any properties whatsoever since our previous inspection.

Information
We assumed that the information provided to us by Wereldhave Belgium and its professional consultants concerning the Properties was both complete and accurate.

It follows from this that we drew up an assumption that details which factors can affect the value, such as possible rental transactions, rent reviews, pending statutory requirements and decisions concerning planning made available to us, and that contains up-to-date information.

Titles
During an earlier valuation of the Properties, we based our work on the information provided by the company with respect to the quality and negotiability of the titles to ownership for each Property. In those cases where we did not have access to statutory reports or titles to ownership, we assumed that, unless proven otherwise, the Properties were freely available for sale and that they are free of encumbrances, mortgages and other charges. Our Valuation was based on information that we obtained from third parties, including the property rights that, as appraisers for Wereldhave Belgium for accounting purposes, we did not verify separately: we deemed the information obtained to be accurate.

Surface areas
We did not measure the Properties and used the surface areas provided to us and the measurement reports conducted for certain Properties in order to check the surface areas.

Machinery and installations
Tangible fixed assets such as elevators, escalators, air conditioning and other standard installations were considered to be an integral component of the properties and constitute a part of our valuations. Machinery and installations, other installations and equipment belonging to the tenants were not included in our valuation.

No specialised tests were performed on any of the service systems, and for the purposes of the valuation we assumed that they were in good condition and in line with the applicable laws and legislation.

Environmental and soil survey
No inspections or environmental evaluations were included in our assignment, and we did not perform a historic survey into contamination of the land and buildings. Unless we were told otherwise, we assumed that the Properties are not affected by soil contamination and that there is no reason to believe that the current or future designated use of the Properties will be affected by this factor.

We were not tasked with conducting structural inspections of the Properties, but in our report we identified the need for repairs, where necessary. The Properties were appraised on the basis of the opinion of the Company that, subject to recommendations to the contrary, no hazardous materials were used in the construction of the buildings.

Planning

We only made verbal inquiries about urbanisation plans. In the course of our investigation the local authorities informed us that there were no violations with respect to town planning, landscaping or any other plans. The information provided to us by the planning officers was nevertheless issued without any obligation on their part, which is why we cannot accept responsibility for incorrect information or substantive omissions in the provided information.

We examined the building permits and assumed that the properties were built and are used in accordance with all required permits and that there are no unresolved legal issues.

We assumed that all buildings comply with the statutory requirements as well as those of the local authorities, including building, fire, health and safety regulations.

Leases

With respect to the lease terms, contractual leases, indexation, additional income, unrecoverable expenses and investment expenditure, we based our work on the information available in the leases that the Company made available to us for the purposes of this Valuation.

While we did not conduct an investigation into the creditworthiness of the tenants, we still took our knowledge of the market perception of the tenants' financial situation into account in our Valuation. We assumed that each tenant can meet its lease obligations and that there have been no breaches of contracts.

As of 31 December 2018, the total value of the property portfolio amounts to € 941.9 mln.

Development projects

Property that is being constructed or developed for future use as an investment property is classified as a development project. Development projects are initially valued at cost and are subsequently valued at fair value. Fair value measurement on development projects is only applied for if the fair value is considered to be reliably measurable. If not, development projects are valued at historical cost less durable impairments. The following criteria are adopted to determine when a reliable fair value of development projects can be determined:

- Excutable building permit obtained;
- Agreements with general contractors signed;
- Project financing in place;
- > 70% pre-let.

The total value of Development projects as of 31 December 2018 amounts to € 14.7 mln, of which € 2.2 mln are valued at fair value.

Genk Shopping 1

7

STOCK EXCHANGE & WERELDHAVE BELGIUM

DIVIDEND AND NUMBER OF SHARES

In 2018, shareholders of the Company achieved a return (calculated on the basis of share price fluctuations and gross dividend) of -8.3% (2017: -6.8%).The return of the EPRA Index Europe amounts to -8.2%. The price/Net result from core activities ratio at the end of 2018 was 14.3.

The closing share price of the Company at 31 December 2018 was € 82.20 compared to € 95.25 on 31 December 2017.

Neither Wereldhave Belgium nor any of its subsidiaries owns shares of Wereldhave Belgium.

There are no preference shares or shares without voting rights, nor are there convertible bonds or warrants that give entitlement to shares. Each of these shares provides one voting right at the General Meeting and these shares thus represent the denominator for notification purposes within the framework of the transparency regulations (i.e. notifications in case of reaching, exceeding or not reaching the legal threshold of 5% or a multiple of 5%). The Company does not apply an additional statutory threshold.

With an average of 1,690, the traded volumes in 2018 were 5.7% lower than in 2017 (on average 1,792 a day).

The velocity ratio of the share in 2018 was 0.02%.

THE WERELDHAVE BELGIUM SHARE

NUMBER OF SHARES	31-12-2016	31-12-2017	31-12-2018
Number of shares at year end	6,939,017	6,939,017	7,540,250
Number of shares entitled to dividends	6,939,017	6,939,017	7,540,250
Registered shares	4,553,137	4,558,596	4,854,993
Dematerialized shares	2,385,880	2,380,421	2,685,257
Market capitalization at closing (€ mln)	747	661	620
Free float	30.4%	30.4%	34.1%
Share price (€)	31-12-2016	31-12-2017	31-12-2018
Highest closing price	121.3	111.45	99.40
Lowest closing price	98.96	90.12	81.80
Share price at closing	107.7	95.25	82.20
Premium (+) / Discount (-) relative to the actual net asset value (%)	24.64	6.72	-8.64
Average share price	110.01	99.06	92.51
Data per share (€)	31-12-2016	31-12-2017	31-12-2018
Net value (fair value)	86.41	89.25	89.97
EPRA Net asset value	86.41	89.58	90.19
Gross dividend	5.1	5.1	5.2
Net dividend	3.57	3.57	3.64
Gross dividend yield (%)	4.74%	5.35%	6.33%
Net dividend yield (%)	3.31%	3.75%	4.43%
Pay out ratio	88.24%	90.47%	97.12% (*)
(*) Increase determined in 2018 due to the increasing number of shares in 2018.			
Volume (number of shares)			
Average daily volume	1,347	1,792	1,690
Volume per year	346,302	457,040	431,074
Velocity ratio	0.02%	0.03%	0.02%

DIVIDEND

A gross dividend per share of € 5.20 gross – € 3.64 net (2017: € 5.10 gross – € 3.57 net) is proposed to the General Meeting of Shareholders to be held on 10 April 2019.

The Board of Directors has declared its intention to offer the possibility to the shareholders of the Company, by way of an optional dividend, to contribute their debt arising from the dividend receivable to the capital of the Company, against the issue 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 24 April 2019 whereby the Board of Directors, within the framework of the authorised capital, will proceed to the increase of the share capital by a contribution in kind of the net dividend debt (i.e. € 3.64 per share). For the shareholders opting to receive 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, will the contribution of the receivable, 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 15 May 2019. The terms and conditions of this transaction will be established on 24 April 2019.

The financial calendar included in the previous press releases is - in view of this intention - adjusted, whereby the 'Ex-dividend date', the 'Dividend record date' and the 'Dividend payment date' are set for 26 April, 29 April and 15 May 2019, respectively.

SHAREHOLDERSHIP

NAME	NUMBER OF VOTING RIGHTS HELD DIRECTLY	% OF VOTING RIGHTS HELD DIRECTLY
Wereldhave N.V.	2,573,510	34.13%
WTC Schiphol Toren A		
Schiphol Boulevard 233		
1118 BH Schiphol		
Nederland		
Wereldhave International N.V.	2,395,506	31.77%
WTC Schiphol Toren A		
Schiphol Boulevard 233		
1118 BH Schiphol		
Nederland		
Public	2,571,234	34.10%
TOTAL	**7,540,250**	**100%**

Listing of shares held by Effective Leaders and members of the Board of Directors	
Dirk Anbeek	0
Herman van Everdingen	0
Kasper Deforche	0
Cédric Biquet	0
Dirk Goeminne	0
Ann Claes	0
Brigitte Boone	0

OTHER INFORMATION

Other information under Article 34 of the Royal Decree of 14 November 2007 regarding the duties of issuers of financial instruments admitted for trading on a regulated market.

1. Capital structure
At the date of this annual financial report, the share capital of Comm. VA Wereldhave Belgium is € 318.1 mln divided among 7,540,250 shares, each representing 1/7,540,250 part of the share capital without par value and fully paid.

There are no legal or statutory restrictions on the transfer of securities and the exercise of voting rights.

2. Employee share scheme
There is currently no employee share scheme.

3. Shareholder agreements which could lead to transfer restrictions or limitations on the exercise of voting rights
On 28 October 2008, Wereldhave NV and Wereldhave International NV, according to the Law of 12 April 2007, Article 74 § 7 point 3, mutually reported that they were in possession of more than 30% of the shares with voting rights in the company at the 1st of September 2008.

On 31 December 2018, 7,540,250 shares are outstanding, of which 34.13% is held by Wereldhave NV, 31.77% by NV Wereldhave International and 34.10% by the public.

Wereldhave International NV is a 100% subsidiary of Wereldhave NV.

4. Authorised capital
Pursuant to article 7 of the Articles of Association, the Company's Management Company is authorised to raise the Company's share capital, on one or more occasions, by a maximum amount of € 292,773,778.51. By virtue of said article 7 of the Articles of Association, the general meeting of the Issuer is empowered to renew said authorisation as regards the authorised capital.

The authorisation to raise the Company's share capital, on one or more occasions, by a maximum amount of € 292,773,778.51 was renewed by the extraordinary general meeting of 8 April 2015, for a term of five years, counting from the compulsory disclosure in the Supplement to the Belgian Official Gazette, Orders and Decrees of this decision on 24 April 2015. The authorisation granted is therefore valid until 24 April 2020. During 2018, the available amount of authorized capital was reduced by € 9,642,018.13 as a result of the optional dividend operation and by € 15,725,444.89 as a result of the contribution in kind of the retail park located in Turnhout. On 31 December 2018, the available balance of authorized capital is € 267,406,315.49.

If the capital increases decided on by the Management Company, as a consequence of the permission granted, comprise an issue premium, the amount of this issue premium must be placed in a special, non-distributable account called 'issuance premiums' which, like the capital, will constitute the security for third parties and cannot be reduced or dispensed with this unless a decision to this effect is taken by a General Meeting that is assembled in accordance with the attendance and majority requirements envisaged for a capital reduction, with the exception of conversion into capital, as provided for above.

This/(These) capital increase(s) can be subscribed for in cash or in kind, or through the incorporation of reserves and issuance premiums, as well as all own assets under the IFRS separate financial statements of the Company (prepared under the Regulatory Regime governing publically Regulated Real Estate Companies (RRECs)) that may be converted into share capital, with or without the creation of new shares, with or without voting rights, in accordance with the rules provided for in the Companies Code, the articles of association or the applicable legislation governing the public RRECs.

FINANCIAL CALENDAR FOR 2019

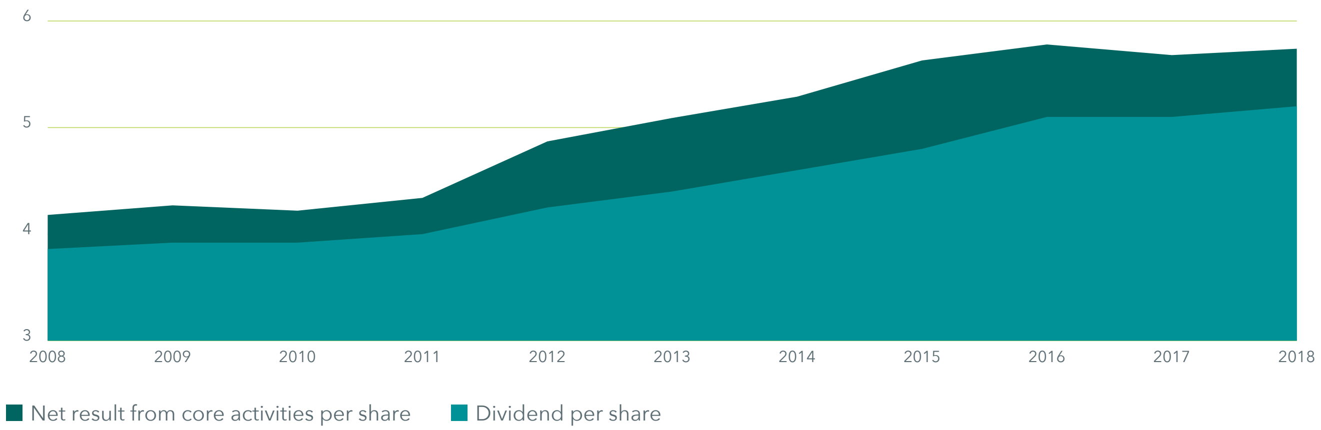
General Meeting of Shareholders	Wednesday 10 April 2019
Press release Q1 2019 (8:00 AM)	Thursday 25 April 2019
Ex-dividend date (coupon detachment)	Friday 26 April 2019
Dividend record date	Monday 29 April 2019
Dividend payable 2018	Wednesday 15 May 2019
Press release Q2 2019 (8:00 AM)	Friday 19 July 2019
Press release Q3 2019 (8:00 AM)	Thursday 24 October 2019

Any changes to the financial agenda will be published in a press release that can also be consulted on the website of the Company: www.wereldhavebelgium.com.

STOCK EXCHANGE DATA

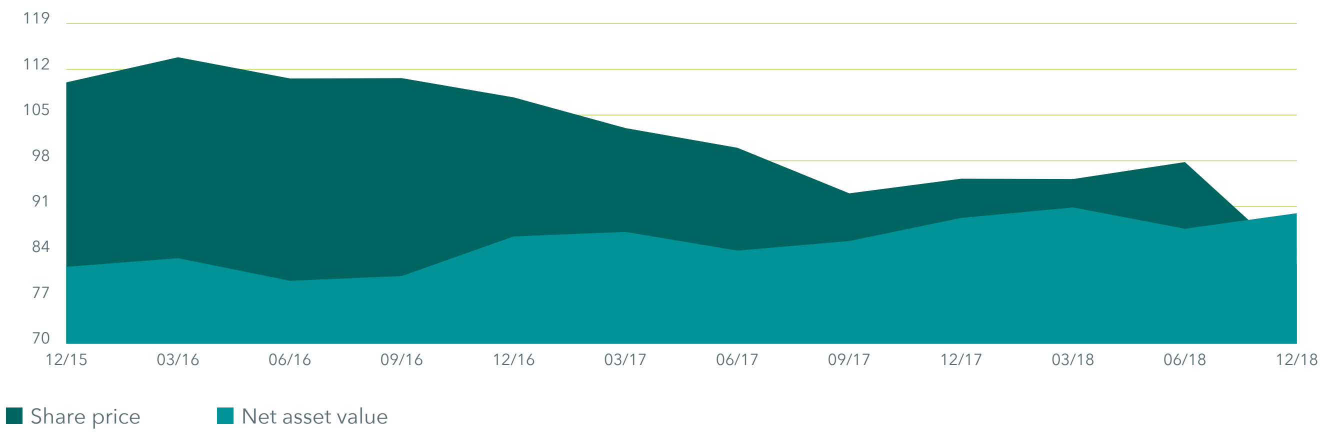
NET RESULT FROM CORE ACTIVITIES PER SHARE AND DIVIDEND PER SHARE

(x € 1)



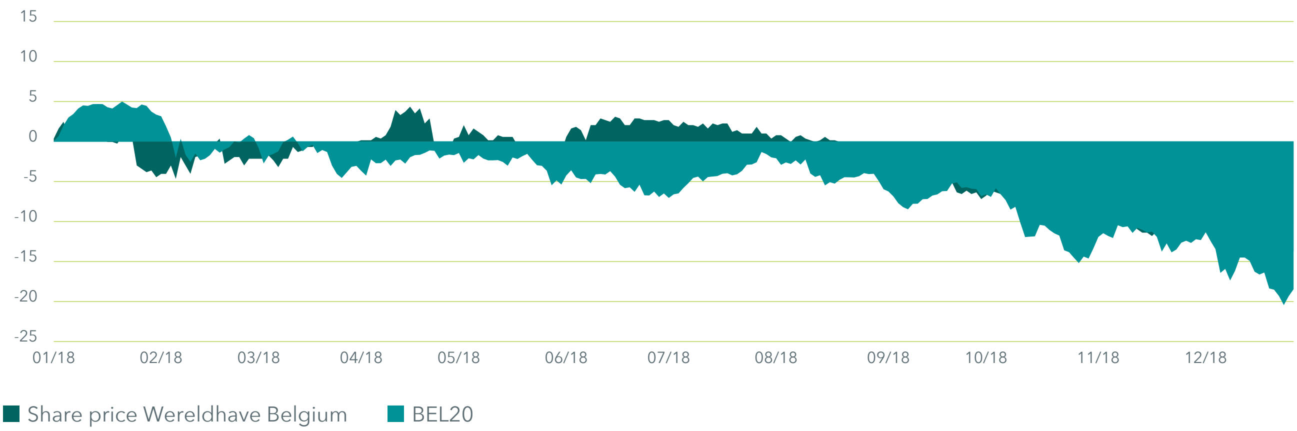
SHARE PRICE/NET ASSET VALUE

(before profit sharing x € 1)

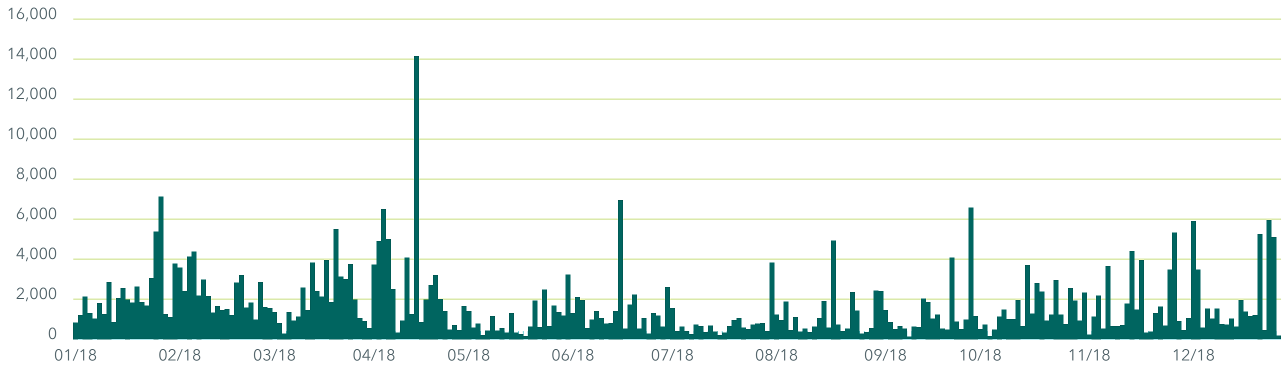


COMPARISON WERELDHAVE BELGIUM TO BEL20 CLOSE INDEX

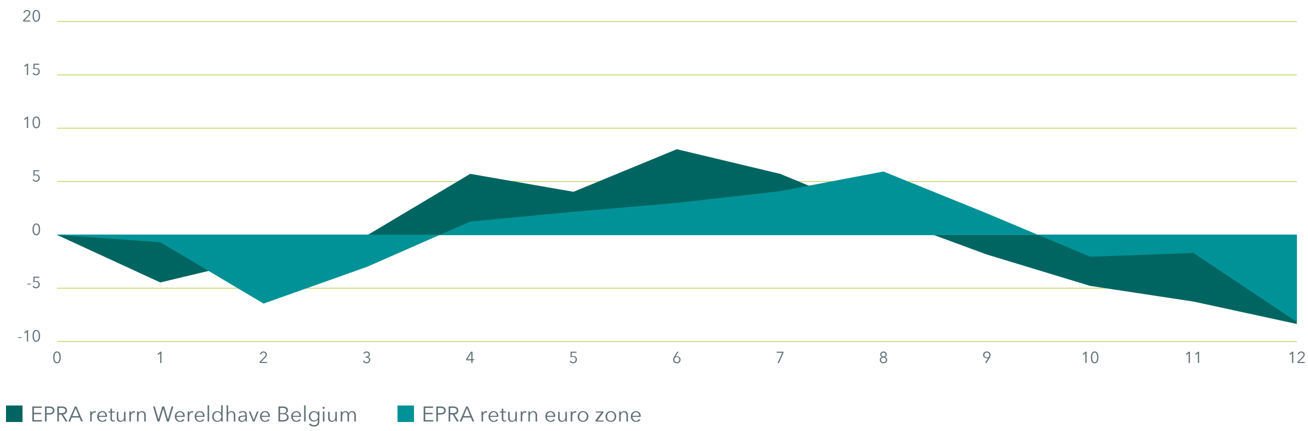
in %



TRADED VOLUMES WERELDHAVE BELGIUM



EPRA RETURN 2018*



(*) These data are given for guidance only and are not required in accordance with the RREC-law and are also not subject to any verification by public authorities; these figures have not been audited by the auditor.

(**) Share price evolution (including gross dividend) of Wereldhave Belgium.

8 FINANCIAL REPORT

CONTENTS FINANCIAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(X € 1,000)

ASSETS		NOTE	31 DECEMBER 2017	31 DECEMBER 2018
I.	Non-current assets			
C.	Investment properties	6	853,564	956,656
			853,564	***956,656***
D.	Other tangible assets	7	579	718
G.	Trade receivables and other non-current assets		0	475
			579	***1,193***
II.	Current assets			
A.	Assets held for sale			
	Investment properties		16,447	0
D.	Trade receivables	8	10,303	13,520
E.	Tax receivables and other current assets	8	1,351	1,795
F.	Cash and cash equivalents	9	2,115	6,931
			30,215	***22,246***
	Total assets		**884,359**	**980,095**

(X € 1,000)

SHAREHOLDERS' EQUITY		NOTE	31 DECEMBER 2017	31 DECEMBER 2018
I.	Shareholders' equity attributable to the parent company's shareholders			
A.	**Capital**	10		
	Issued capital		292,774	318,141
	Costs capital increase		0	-108
B.	**Issue premiums**		50,563	78,733
C.	**Reserves**			
a.	Legal reserve		36	36
b.	Reserve for the balance of changes in fair value of real estate properties		139,371	181,384
d.	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting		-503	-52
j.	Reserve for actuarial gains and losses of defined pension schemes		-786	-521
m.	Other reserves		956	925
n.	Accumulated result		82,190	59,348
D.	**Net result of the year**		54,682	40,541
			619,284	***678,428***
II.	Minority interests		**0**	**0**

(X € 1,000)

	LIABILITIES	NOTE	31 DECEMBER 2017	31 DECEMBER 2018
I.	Non-current liabilities			
A.	**Provisions**			
	Pensions	11	1,060	845
B.	**Non-current financial liabilities**			
a.	Credit institutions	12	186,000	109,726
c.	Other			
	Other loans	12	22,000	0
	Rent guarantees received	13	795	810
C.	**Other non-current financial liabilities**			
	Authorised hedging intruments	14	503	159
F.	**Deferred taxes - liabilities**	15		
b.	Other		1,824	1,486
			212,182	***113,024***
II.	Current liabilities	16		
B.	**Current financial liabilities**			
a.	Credit institutions		25,961	0
c.	Other			
	Other loans		0	176,000
	Other		735	50
D.	**Trade payables and other current liabilities**			
b.	Other			
	Suppliers		3,402	2,759
	Taxes, remunerations and social security contributions		1,462	1,555
E.	**Other current liabilities**		16,449	0
F.	**Accrued charges and deferred income**			
	Real estate income received in advance		903	2,235
	Other		3,981	6,044
			52,893	***188,642***
	Total shareholders' equity and liabilities		**884,359**	**980,095**
	Net asset value per share (x € 1)		89.25	89.97

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(X € 1,000)

		NOTE	31 DECEMBER 2017 (RESTATED *)	31 DECEMBER 2018
I.	**Rental income**	17		
	Rent		50,126*	52,295
	Indemnification for early termination of lease		378	855
III.	**Rental-related expenses**	17		
	Rent to be paid on rented area		-401*	-404
	Amounts written off on specific trade receivables		-110*	-161
	Revaluation of general provision on trade receivables (according to IFRS 9)		0	10
	Net rental income		***49,993****	***52,595***
V.	**Recovery of rental charges and taxes normally paid by the tenant on let properties**	18	11,382	13,564
VII.	**Rental charges and taxes normally paid by the tenant on let properties**	18	-11,991	-15,730
	Net rental charges and taxes on let properties		***-609***	***-2,166***
	Property result		**49,384***	**50,429**
IX.	**Technical costs**			
	Repairs		-419	-119
	Insurance premiums		-61	-38
			-480	***-157***
X.	**Commercial costs**			
	Agency commissions		-303	-368
	Publicity		-190	-116
			-493	***-484***
XI.	**Charges and taxes on non-let properties**			
	Costs on non-let properties		-906	-625
	Real estate tax on non-let properties		-182	-347
			-1,088	***-971***
XII.	**Property management costs**			
	(Internal) property management costs		-986*	-921
			-986*	***-921***
	Property charges	*19*	***-3,047****	***-2,534***
	Property operating results		**46,337***	**47,895**
XIV.	**General company costs**	20		
	Staff costs		-2,611	-2,956
	Other		-2,368*	-1,721
XV.	**Other operating income and charges**	21	457	415
			-4,521*	***-4,261***
	Operating results before result on the portfolio		**41,815**	**43,634**

* Reallocation / presentation of impairment on trade receivables and ground lease costs

(X € 1,000)

		NOTE	31 DECEMBER 2017	31 DECEMBER 2018
XVI.	**Result on disposals of investment properties**			
	Net property sales (selling price – transaction costs)		0	2,489
	Book value of the property sold		0	-2,524
			0	***-35***
XVII.	**Result on disposals of other non-financial assets**			
	Net sales of other non-financial assets (sale price - transaction costs)		-16	10
			-16	***10***
XVIII.	**Variations in the fair value of investment properties**			
	Positive variations in the fair value of investment properties		31,537	24,388
	Negative variations in the fair value of investment properties		-16,152	-24,865
		22	***15,385***	***-477***
XIX.	**Other result on portfolio**		-65	
			-65	***0***
			15,303	***-503***
	Operating result		**57,118**	**43,132**
XX.	**Financial income**			
	Interests and dividends received		330	157
XXI.	**Net interest charges**			
	Nominal interest charges on loans		-2,433	-2,669
XXII.	**Other financial charges**			
	Bank charges and other commissions		-104	-102
	Financial result	***23***	***-2,207***	***-2,614***
	Result before tax		**54,911**	**40,517**
XXV.	Corporate tax			
	Corporate tax		-188	-299
	Deferred tax on market fluctuations of investment properties		-41	323
	Tax	***24***	***-229***	***23***
	Net result		**54,682**	**40,541**
	Net result shareholders of the Group		**54,682**	**40,541**
	Result per share (x € 1)	**25**	**7.88**	**5.71**
	Diluted result per share (x € 1)		**7.88**	**5.71**

STATEMENT OF COMPREHENSIVE INCOME

(X € 1,000)

		31 DECEMBER 2017	31 DECEMBER 2018
I.	**Net result**	**54,682**	**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	306	451
	Items not taken in the result		
E.	Actuarial gains and losses of pledged pension schemes	95	265
	Total other comprehensive income	400	716
	Comprehensive income (I + II)	**55,082**	**41,257**
	Attributable to:		
	Minority interests	0	0
	Shareholders of the group	55,082	41,257

CONSOLIDATED CASH FLOW STATEMENT

(X € 1,000)

	NOTE	31 DECEMBER 2017	31 DECEMBER 2018
Cash flow from operating activities			
Net result before tax		54,911	40,517
Income from interest and dividends		-330	-157
Result exclusive of dividend received		**54,582**	**40,360**
Depreciation tangible assets		194	141
Rental discounts and investments		630	-977
Interest charges		2,537	2,771
Variations in the fair value of investment property	22	-15,385	477
Movements in provisions		-1,000	-1,324
Movements in short term debts		-1,721	-849
Corporate tax paid		-373	-299
Corporate tax received		2,020	89
		-13,098	***29***
Net cash flow from operating activities		**41,484**	**40,389**
Cash flow from investment activities			
Acquisition investment properties		0	-40,207
Sales investment properties		0	2,240
Investments in investment properties		-35,067	-31,846
Acquisition furniture and vehicles		-356	-336
Interest and dividend received		330	157
Net cash flow from investment activities		**-35,093**	**-69,992**
Cash flow from financial activities			
Appeal credit institutions/Other		56,761	234,000
Repayment credit institutions/Other		-30,000	-181,961
Dividends paid	26	-35,389	-15,056
Interest paid		-2,149	-2,565
Net cash flow from financing activities		**-10,777**	**34,419**
Net cash flow		**-4,386**	**4,816**
Cash & bank balances			
At 1 January		6,501	2,115
Increase/decrease cash and bank balances		-4,386	4,816
At 31 December	**9**	**2,115**	**6,931**

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

(X € 1,000)

2017	NOTE	SHARE CAPITAL	ISSUE PREMIUMS	LEGAL RESERVE	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF REAL ESTATE PROPERTIES
Balance at 1 January 2017		**292,774**	**50,563**	**36**	**113,007**
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	a				26,364
Dividend over 2016	b				
Balance at 31 December 2017		**292,774**	**50,563**	**36**	**139,371**

(X € 1,000)

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
-808	**-880**	**986**	**143,908**		**599,586**
306					306
		-31	31		0
	95				95
			5		5
				54,682	54,682
			-26,364		0
			-35,389		-35,389
-503	**-786**	**956**	**82,190**	**54,682**	**619,284**

(X € 1,000)

2018	NOTE	SHARE CAPITAL	ISSUE PREMIUMS	LEGAL RESERVE	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF REAL ESTATE PROPERTIES
Restated balans at 31 December 2017		292,774	50,563	36	139,371
Adjutment on initial application of IFRS 9 (net of tax)					
Adjusted balans 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	c				42,013
Dividend over 2017	d				
Balance at 31 December 2018		**318,034**	**78,733**	**36**	**181,384**

Explanation	
a	Changes in fair value of the investment properties portfolio over 2016. Reclassification of the heading 'Accumulated result'.
b	Dividend paid 2016 € 5.10 (net € 3.57) per share: € -35,389
c	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.
d	Dividend paid 2017 € 5.10 (net € 3.57) per share: € -35,389 of wich € 14,993 paid in cash and the balance paid out in 228,525 new shares, which led to a capital increase and issue premiums.

(X € 1,000)

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
-503	**-786**	**956**	**136,872**		**619,284**
			-153		-153
-503	**-786**	**956**	**136,720**	**0**	**619,131**
					25,260
					28,170
451					451
		-31	31		0
	265				265
					0
				40,541	40,541
			-42,013		0
			-35,389		-35,389
-52	**-521**	**925**	**59,349**	**40,541**	**678,428**

NOTES

1. GENERAL INFORMATION

Wereldhave Belgium (the Company) has the status of a Regulated Real Estate Company (RREC). The Company invests preferably in shopping centres and/or extensions of shopping centres and, possibly (additionally), in offices, residential property and other real estate.

The Company is managed by the sole Statutory Management Company, represented by the Board of Directors. The Board of Directors of the Management Company, Wereldhave Belgium NV, is composed of at least four members. One is Executive Board member of Wereldhave N.V. and three have the legal position of Independent Director.

The Company quotes at the Euronext continuous stock exchange in Brussels.

The consolidated annual accounts from 1 January to 31 December 2018 are the result of the consolidation of Wereldhave Belgium with its subsidiaries.

The consolidated annual accounts and consolidated annual report were approved by the Board of Directors of the Management Company on 8 March 2019. The General Meeting of Shareholders will be held on 10 April 2019 at the registered offices of the company. The General Meeting of Shareholders is authorized to change the approbation of the result within legal limits.

2. FISCAL STATUS

Since 27 October 2014, Wereldhave Belgium benefits from the tax status of RREC (as foreseen in the Royal Decree related to the regulated real estate companies of July 13 2014) and is therefore (provided that certain conditions are met) not submitted to corporate income tax, except on possible exceptional profits and on disallowed expenditures.

Derogation shopping centre 'Belle-Ile' in Liège in accordance with article 30 §3 and §4 of the RREC Law

For the record, on 23 December 2016, the FSMA (financial services and markets authority) renewed the derogation to the shopping centre 'Belle-Ile' in Liège, in accordance with article 30 §3 and §4 of the REIT-regulation, on the limitation for a single property to represent more than 20% of the total portfolio. This derogation has been granted for a maximum period of 2 years, expiring on 31 December 2018.

Considering the various investments and acquisitions described above, the share of the fair value of the shopping centre compared to the value of the property portfolio decreased, for the first time in the past 20 years, below the 20% threshold, amounting to 19.1% on 31 December 2018. Therefore, a derogation would no longer be necessary for the Company.

Nevertheless, considering that this asset will require further investments in the coming months, in particular following the changes in the rental situation, which could bring back the share of this asset close to or even above the legal threshold, the Company submitted a request for a new exemption to the FSMA. This request has been granted on 11 December 2018 for an additional period of 2 years expiring on 31 December 2020.

This derogation has been allowed against the following cumulative conditions:

- The derogation has been granted until 31 December 2020;
- The Company reports the share that the shopping centre 'Belle-Ile' represents in the investment properties portfolio to the FSMA every quarter;
- The periodic reports and prospectuses that the Company will publish in the future must state explicitly that the focus on shopping centres that the Company has chosen imply a higher geographical concentration as well as a higher concentration of the risk of, among other things, technical problems and fire.

In accordance with article 30 §4 of the RREC Law, the debt ratio of the Company may not exceed 33% as long as the derogation on article 30 §1 and §2 of the RREC Law applies.

During this period, the Company will continue to take concrete actions to resolve this aspect of portfolio diversification on a structural basis.

3. ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION ANNUAL ACCOUNTS 2018

The Group's functional currency is the Euro. The consolidated financial statements of the Company have been presented in Euros, rounded to the nearest thousand. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. The consolidated and statutory financial statements of the Company are determined on basis of the fair value unless otherwise stated.

The consolidated accounts have been prepared before distribution of profit. The consolidated balance sheet and the profit and loss account are established in accordance with the scheme applicable to all Belgian RREC's, in accordance with the Royal Decree of 13 July 2014.

In 2018 the below mentioned new IFRS standards or interpretations thereon, relevant to the Company, became applicable. These new or adjusted standards and their interpretation had a minimal impact on Wereldhave Belgium's reporting for the year 2018. It concerns the following standards and interpretations:

IFRS 15 Revenue from Contracts with Customers, establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. This standard, including amendments – Revenues from contracts with customers (issued on 12 April 2016), has been endorsed by the EU.

Wereldhave Belgium adopted this standard on 1 January 2018, according to the full retrospective method without practical exemptions. This adoption did not generate any significant impacts on the result of the Company. The different incomes of the Group, mainly coming from rental incomes, recuperations of rental costs and taxes and reinvoicing of property management fees, have been further analyzed in the perspective of IFRS 15. The result of this analysis concluded that these recuperations of rental costs and taxes and reinvoicing of property management fees effectively come into the scope of IFRS 15, while the rental incomes are in the scope of IFRS 16 (in 2018 still IAS 17).

Common costs are costs incurred by the Company and are related to a whole set of common services as utilities, maintenance and security. The Company is operating as a principal because it decides how, by whom and when the services will be rendered, and is therefore contractually bound. The Company invoices the costs and taxes directly to the tenants, excepted for the vacant spaces (supported by the landlord). Because it is the principal, the Company is authorized to present apart (gross) the rental costs and their recuperations. The whole set of rental costs is related to different performance obligations, which are rendered month after month, enabling the Company to recognize these recuperations over time.

Property Management fees are fees for the property manager in execution of his property management contract, which compensate fixed costs (payroll costs, office consts, …) related to the execution of the mission. This service is rendered month after month by Wereldhave Belgium Services SA/NV. Therefore, the fee can also be recognized over time.

IFRS 9 Financial Instruments published in July 2014 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements, which align hedge accounting more closely with risk management.

It carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January 2018

Wereldhave Belgium adopted this standard as from 1st January 2018. This adoption did not generate any significant impacts on the consolidated balance sheet and profit and loss account of the Company on 31 December 2018.

IFRS 9 forces Wereldhave Belgium to recognize expected credit losses in its financial assets.

Regarding the accounting of the hedging instruments, there has been no modification compared to the previous recognition: Wereldhave Belgium has a single financial instrument (IRS) for which hedge accounting is applied: the instrument is recognized at fair value with all value fluctuations directly recognized in a caption of the equity (caption 'Variation fair value of hedging instruments' in the consolidated statement of the changes in equity). This accounting treatment remained unchanged compared to 31 December 2017, taking into account the 100% hedge effectiveness. In the second semester 2018, the hedge instrument has been anticipatively liquidated and replaced by a new hedge instrument of similar nature. The accounting treatment of these liquidation and acquisition has also been recorded according to the hedge accounting principles.

Regarding the accounting treatment of the account receivables, Wereldhave Belgium applied the 'Expected credit loss model' (simplified approach), which requires to determine default percentages per maturity based on experienced defaults over the last 3 years. These percentages are applied on the account receivables balances at closing date on 31 December 2017, resulting in the recording of a € 0.2 mln provision in the openingsaccounts 2018. The calculation has also been performed in 2018, resulting in a reduction of the provision by € 0.1 mln recorded in the profit and loss account. A complementary specific provision has been recorded above this general provision for specific doubtful debtors, which has also been recorded via P&L, for an amount of € 0.2 mln on 31 December 2018. Therefore, the total provision for doubtful debtors amounts to € 0.3 mln on 31 December 2018.

The tables hereunder present the initial valuation according to IAS 39 and also the adapted book values according to IFRS 9 for financial instruments as recorded in the consolidated balance sheet on 1st January 2018:

FINANCIAL ASSETS (X € 1.000)	ORIGINAL CLASSIFICATION ACCORDING TO IAS 39	NEW CLASSIFICATION ACCORDING TOS IFRS 9	ORIGINAL BOOKVALUE ACCORDING TO IAS 39	NEW BOOKVALUE ACCORDING TOS IFRS 9
Trade receivables	Loans and receivables	At amortised cost price	10,303	10,150
Other receivables	Loans and receivables	At amortised cost price	1,351	1,351
Cash and cash equivalents	Loans and receivables	At amortised cost price	2,115	2,115
Totaal			**13,769**	**13,616**

FINANCIAL LIABILITIES (X € 1.000)	ORIGINAL CLASSIFICATION ACCORDING TO IAS 39	NEW CLASSIFICATION ACCORDING TOS IFRS 9	ORIGINAL BOOKVALUE ACCORDING TO IAS 39	NEW BOOKVALUE ACCORDING TOS IFRS 9
Interest-bearing liabilities	Other financial liabilities	At amortised cost price	233,961	233,961
Rent guarantees received	Other financial liabilities	At amortised cost price	795	795
Derivative financial instruments	Fair value through OCI *	Fair value through OCI *	503	503
Suppliers	Other financial liabilities	At amortised cost price	3,402	3,402
Total			**238,661**	**238,661**

* Apllication of hedge accounting

New standards and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2017, and have not been applied in preparing these consolidated financial statements:

IFRS 16 Leases published on 13 January 2016 makes a distinction between service contracts and lease agreements based on whether the contract conveys the right for the client to control the use of an identified asset and introduces a single, on-balance sheet accounting model of these lease agreements for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases (less than 12 months duration) and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases based on their nature. For lessors, there is little change to the existing accounting in IAS 17 Leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease agreement, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16. This standard has been endorsed by the EU. The impact as lessee for the Company mainly relates to the leasehold agreement on 'Ring Shopping Kortrijk Noord' and on the company cars. The total impact on the consolidated balance sheet would result in an increase in assets and liabilities that can be estimated at approximately € 7 mln. We refer to disclosure 31 of the consolidated financial statements for the accounting year closed on 31 December 2018.

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) issued on 12 October 2017, clarifies how companies should account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9. The amendments are effective for annual periods beginning on or after 1 January 2019, with early adoption permitted. *The amendments are not expected to have a material impact on the Group's consolidated financial statements*. These amendments have been endorsed by the EU.

IFRIC 23 Uncertainty over Income Tax Treatments issued on 7 June 2017, clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognize and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation. An entity is required to assume that a tax authority with the right to examine and challenge tax treatments will examine those treatments and have full knowledge of all related information. Detection risk is not considered in the recognition and measurement of uncertain tax treatments. The entity should measure the impact of the uncertainty using the method that best predicts the resolution of the uncertainty; either the most likely amount method or the expected value method. The interpretation is effective for annual periods beginning on or after 1 January 2019, with earlier adoption permitted. *These amendments are not expected to have a material impact on the Group's consolidated financial statements*. This interpretation has been endorsed by the EU.

Annual improvements to IFRSs 2015-2017 Cycle, issued on 12 December 2017, covers the following minor amendments:

- IFRS 3 Business Combinations: the amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- IFRS 11 Joint Arrangements: the amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 Income Taxes: the amendments clarify that a company accounts for all income tax consequences of dividend payments consistently with the transactions that generated the distributable profits – i.e. in profit or loss, OCI or equity.
- IAS 23 Borrowing Costs: the amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted.

The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) issued on 7 February 2018, clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement.

The amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest). The amendments are effective for annual periods beginning on or after 1 January 2019 and are applied prospectively. The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU[2].

Amendment to IFRS 3 Business Combinations, issued on 22 October 2018, provides more guidance on the definition of a business. The amendment includes an election to use a concentration test. This is a simplified assessment that will result in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If one does not apply the concentration test, or the test is failed, then the assessment focuses on the existence of substantive process.

The amendment applies to businesses acquired in annual periods beginning on or after 1 January 2020 with earlier application permitted. The amendment has not yet been endorsed by the EU.

Amendments to IAS 1 and IAS 8: Definition of Material was issued on 31 October 2018 clarifying the definition of 'Material' and aligning the definition of 'material' across the standards. The new definition states that "information is considered material, if omitting, misstating or obscuring it could reasonably be expected to influence decisions that primarily users of general purpose financial statements make on the basis of those financial statements, which provide information about a specific reporting entity". The amendments clarify that materiality will depend on the nature or magnitude of information. The amendments are effective prospectively for annual periods beginning on or after 1 January 2020 with earlier application permitted. The amendment has not yet been endorsed by the EU.

On 29 March 2018, the IASB has issued **Amendments to References to the Conceptual Framework in IFRS Standards (Amendments to CF).** The Conceptual Framework sets out the fundamental concepts of financial reporting that guides the Board in developing IFRS Standards. It helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way, providing useful information for investors and others. The Conceptual Framework also assists companies in developing accounting policies when no IFRS Standard applies to a particular transaction; and it helps stakeholders to understand the Standards better. Key changes include:

- Increasing the prominence of stewardship in the objective of financial reporting, which is to provide information that is useful in making resource allocation decisions.
- Reinstating prudence, defined as the exercise of caution when making judgements under conditions of uncertainty, as a component of neutrality.
- Defining a reporting entity, which might be a legal entity or a portion of a legal entity.
- Revising the definition of an asset as a present economic resource controlled by the entity as a result of past events.
- Revising the definition of a liability as a present obligation of the entity to transfer an economic resource as a result of past events.
- Removing the probability threshold for recognition and adding guidance on derecognition.
- Adding guidance on the information provided by different measurement bases and explaining factors to consider when selecting a measurement basis.
- Stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where the relevance or faithful representation of the financial statements would be enhanced.

The amendments are effective for annual periods beginning on or after 1 January 2020, whereas the Board will start using the revised Conceptual Framework immediately. These amendments have not yet been endorsed by the EU.

3.2 CONSOLIDATION

SUBSIDIARIES

A subsidiary is an entity that is (exclusively or jointly) controlled by another entity.

Control is having power over the entity, having the rights on variable return due to its participation in the entity, and having the possibility to use power over the entity to influence the amount of income. The annual accounts of a subsidiary are included in the consolidated annual accounts according to the method of full consolidation from the start until the end of the control. If necessary, the general principles of the financial reporting of the subsidiary are changed in order to achieve consistent principles within the Group. The reporting period of the subsidiary is in accordance with that of the parent company.

Intercompany transactions, balances and unrealized profits on transactions between subsidiaries are eliminated. Unrealized losses are also eliminated.

INCORPORATING ACQUISITIONS

For acquisitions, Wereldhave Belgium assesses whether it is IFRS 3 'Business Combinations' or IAS 40 'Investment Property' that applies. Acquisitions are considered to be a business combination if there is an acquisition of assets, rental activities and such a management organisation that the acquired entity can function autonomously as a company, with the aim of generating economic profits. Wereldhave Belgium does not necessarily consider acquisitions of real estate that for business economic reasons are purchased within a legal company to be a business combination but assesses each acquisition individually on the basis of the aforementioned business characteristics.

For the acquisition of business combinations, the fair value of the participation acquired is offset against the price paid for the acquisition. If the fair value is lower, the difference between the sums paid and the fair value is accounted for as goodwill. If the sums paid are lower, the difference is accounted for directly in the profit and loss account.

If an acquisition is not qualified as a business combination, it is incorporated on the basis of the individual assets and liabilities; additional acquisition costs are capitalized and no goodwill or tax deferrals are taken into account.

Costs relating directly to the acquisition are incorporated in the profit and loss account.

3.3 EQUITY

The objective of Wereldhave Belgium, when managing capital (as presented in the annual accounts), is to safeguard the group's going concern, provide returns for the shareholders, benefits for other stakeholders and to maintain such a capital structure to optimize the cost of capital. Further Wereldhave Belgium manages its capital to ensure that it meets the requirements from laws and regulations (Royal Decree of 13 July 2014). The share capital is described in note 3.8.

Wereldhave Belgium may adjust the amount of dividends, return capital to shareholders, issue new shares or sell assets to maintain or adjust the capital structure.

3.4 BUSINESS COMBINATIONS AND GOODWILL

When the company takes control of an activity, as defined in IFRS 3 – Business Combinations, the assets, liabilities and possible identifiable liabilities of the acquired activity are entered at their fair value. The difference between the fair value of the consideration transferred to the seller and the share of Wereldhave Belgium in the fair value of the acquired net assets is a goodwill asset on the balance sheet. If the difference is negative, then this surplus (negative goodwill or badwill) is booked into the result after confirmation of the values.

The costs related to the acquisition, such as advisor fees, are booked directly as expenses (Net result from non-core activities).

3.5 IMPAIRMENT OF NON-FINANCIAL FIXED ASSETS

Assets having an indefinite useful life, e.g. goodwill, are not subject to amortization and are tested on an annual basis for impairment. Assets subject to amortization are reviewed for impairment when events or changes in circumstances occur which give an indication that the book value may not be recoverable.

Impairment is recognized in the profit and loss account for the amount that the book value of an asset exceeds the recoverable amount, being the fair value minus selling costs. Non-financial fixed assets other than goodwill, which are impaired, are assessed for possible recovery of the impairment on each reporting date.

3.6 INVESTMENT PROPERTIES

Investment properties are those properties which are held to earn rental income or for capital appreciation or for both. On acquisition, investment properties are recognized at cost, including transaction costs. Investment properties are stated at fair value at the balance sheet date. Fair values are based on the estimated amount for which a property could be exchanged on the date of valuation in an arm's length transaction.

Fair value is based on the capitalization of market rents less operating costs like maintenance, insurances costs and fixed charges. The net capitalization factor and the present value of the differences between market rent and contracted rent, of vacancies and of maintenance expenditure to be taken into account are calculated for each property individually. Sale costs at the expense of the purchaser, among which transfer tax, are deducted from the fair value. At first balance sheet date after purchase, these sale costs are recognized in the income statement. After acquisition subsequent expenditure is added to the asset's carrying amount when it is probable that future economic benefits will flow to the entity. All other expenditure, such as repairs and maintenance, are charged to the income statement during the financial period in which they are incurred.

The part property in own use is not significant and therefore not classified separately as property in own use.

Investment properties that are located on a long term ('emphytéose'/'erfpacht') lease parcel are valued at fair value in the same way as other investment properties, providing the fair value of the real estate includes the cash value of the obligations to pay the lease as a deduction.

The portfolio is valued quarterly at fair value by an independent external valuation expert in conformity with 'International Valuation Standards' and 'European Valuation Standards'. Valuation differences are recognized in the income statement.

RENT-FREE PERIODS AND RENT REDUCTIONS

The rent-free periods or the lease incentives granted to tenants are amortized on a straight-line basis over the term of the related lease, but only until the first break right of the tenant.

Capitalized rent-free periods or other rent reductions are amortized over the term of the related lease and deducted from the rent income. In the determination of the fair value of the investment properties portfolio, rent-free periods and other rent reductions are deducted from the valuation result in order to avoid double booking.

DEVELOPMENT PROJECTS

Property that is being constructed or developed for future use as investment property is classified as a development project.

Development projects are initially valued at cost and are subsequently valued at fair value, except for projects developed on a property already recorded in the Properties available for lease, which will then be transferred into the development projects but will remain valued at fair value. Fair value measurement on development projects is only applied for if the fair value is considered to be reliably measurable. If not, development projects are valued at historical cost with durable impairments deducted. The following criteria are adopted to determine when a reliable fair value of development projects can be determined:

- building permit obtained;
- agreements with general contractors signed;
- sufficient finance arrangements in place;
- > 70% pre-let.

The cost price comprises the cost price of the work carried out, the costs of personnel directly related to the project, charged with technical supervision and project management on the basis of time spent and the capitalized interest charges until the delivery date on the basis of the interest charges to be attributed directly to the development project or on the basis of the group's average effective interest rate if there is no specific project financing. Interest charges comprise interest and all the costs of Wereldhave Belgium relating to attracting money.

Once the criteria described hereabove are met, the fair value of project developments is determined as for real estate investment properties, providing that the capitalization factor is adjusted for any existing development risks. If possible, the fair value is determined by independent valuation experts. If this is not possible, an internal calculation model with similar parameters is used.

Changes in fair values and sustainable impairment losses are recognized in the income statement, in the caption of the changes in fair value of investment properties. Development projects are transferred to investment properties on the date of their technical completion.

3.7 OTHER TANGIBLE FIXED ASSETS

Property and equipment are stated at cost less depreciation. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the assets:

- office furniture: 10 years
- equipment: 3-5 years
- cars (excl. residual value): 4 years

Other tangible fixed assets are yearly tested for impairment.

Gains and losses on disposals are recognized in the income statement.

3.8 FINANCIAL INSTRUMENTS

Financial assets – Policy applicable from 1 January 2018

RECOGNITION AND INITIAL MEASUREMENT

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPTL:

- It is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see hereunder). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

SUBSEQUENT MEASUREMENT

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit and loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

DERECOGNITION

Financial assets

The Group derecognizes a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- the Group transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred;
- the Group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into a transaction whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, then these assets are not derecognized.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and te consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group holds derivative financial instruments to hedge its value and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates certain derivatives instruments as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivatives financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instruments is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the derecognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

SHARE CAPITAL

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, after deduction of potential tax effects, are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

Financial assets – Policy applicable before 1 January 2018

FINANCIAL NON-DERIVATIVES INSTRUMENTS

Wereldhave Belgium classifies its financial non-derivatives instruments within the following categories:

- (i) Financial assets at fair value through profit and loss (see here below);
- (ii) Loans and other receivables (see here below);
- (iii) Assets available for sale (see here below).

The financial non-derivatives instruments were first recognized at fair value potentially increased by direct acquisition costs. These instruments were then revalued at amortized cost based on the effective interest rate method.

The classification depended on the purpose for which the financial assets were acquired. The classification was determined at initial recognition.

The fair value of financial instruments was, if available, determined by relevant quoted (bid)prices. In case the valuations were not available on markets, the fair value was based on information from banks, which was recalculated in an internal calculation model. When information from banks was also not available only internal calculation models were used.

- (i) Financial assets at fair value through profit and loss (see herebelow);

These assets were initially recorded at cost and subsequently valued at fair value, with the changes in value recorded in the income statement.

- (ii) Loans and other receivables (see here below);

Loans and other receivables were non-derivative financial assets with fixed or determinable payments that were not quoted in an active market.

Loans issued and other receivables were taken into account, initially at fair value plus transaction costs directly attributable to the loan and subsequently at an amortized cost basis. Amortized cost was taken to the income statement under interest income and expense on the basis of the effective interest rate method.

When there was objective evidence that the company would not be able to collect all amounts due, an impairment of loans and receivables was established via the income statement to the amount collectible. Indicators for non-collectability were amongst others significant financial difficulties of a debtor, non-compliance of payment conditions and bankruptcy. (iii) Assets available for sale (see here below).

Assets available for sale were initially recognized at fair value plus acquisition costs and subsequently valued at fair value. Valuation results were directly taken to the comprehensive income. In case a decline of the fair values was significant or prolonged, impairments would be accounted for as impairment in the income statement under revaluation result. When securities classified as available for sale were sold or impaired, the accumulated fair value adjustments recognized in comprehensive income were included in the income statement as results on disposal.

Dividends on financial assets were recognized in the income statement as other income and expense when the right to receive payments was established.

FINANCIAL DERIVATIVE INSTRUMENTS

Hedging instruments were initially valued according to cost price and according to fair value at the following reporting date. Changes in the fair value of financial derivative instruments were recorded in the profit and loss account, unless the derivative complies with hedge accounting.

The fair value of a financial derivative instrument was the amount that the Company expected to receive if it was disposed on the balance sheet date, considering the applicable interest rate and the credit risk of the other party. If a financial derivative instrument could be documented as an effective hedge for the possible change that was due to a certain risk connected to an asset or liability or a very likely future transaction, the part of the result arising from the change in value of the instrument that had been determined to be an effective hedge was immediately justified in the other elements of the global result (equity capital) under 'Changes in the effective part of the Fair Value of authorized hedging instruments subject to hedge accounting as defined in IFRS'. The ineffective part of the instrument was included in the income statement.

ORDINARY SHARES
Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction from the proceeds.

3.9 FIXED ASSETS AVAILABLE FOR SALE
Fixed assets (or a disposal group) are held for sale in case its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition. In addition, the sale must be highly probable, management must be committed to a plan to sell the asset and an active program to locate a buyer and complete the plan must have been initiated. The sale should be completed within one year from the date of classification.

Fixed assets (or disposal group) classified as held for sale shall be measured at the lower of its carrying amount and fair value less costs to sell. No remeasurement takes place when the assets are already measured at fair value. Fixed assets held for sale or the assets from a disposal group shall be presented separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale shall be presented separately from the other liabilities.

Those assets and liabilities that are held for sale shall not be offset. Investment properties available for sale are valued in accordance with IAS 40.

A disposal group is a group of assets and liabilities that is sold or intended to be sold in one transaction.

3.10 TRADE RECEIVABLES
Trade receivables are recognized initially at fair value and subsequently at amortized cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms. Indicators for such an event are among others significant financial difficulties of a debtor, non-compliance to payment conditions and bankruptcy. The amount of the provision is the difference between the asset's carrying amount and the estimated future cash flows. The movement in the provision is recognized as general costs in the income statement.

When trade receivables are uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against general costs in the income statement.

3.11 CASH AND CASH EQUIVALENTS
Cash and cash equivalents comprise cash balances and cash deposits. Cash equivalents are short-term, highly liquid investments (< 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 PROVISIONS
A provision is recognised in the balance sheet when a legal or implicit obligation would exist, as a result of a past event and when it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.13 INTEREST BEARING DEBT
Interest bearing debts are initially recognised at fair value, less direct attributable transactions costs. Any difference between nominal and book value is recognised in the income statement over the period of the interest bearing liabilities on the basis of the effective interest per loan. The short-term portion of loans outstanding to be repaid within twelve months is shown under current liabilities.

3.14 PENSION SCHEME

DEFINED CONTRIBUTION PLANS
As a consequence of the minimum guaranteed rates of return, imposed by law, Belgian pension plans are now classed as 'Defined benefit plans' and the Company, therefore, has no pension plans that qualify as 'defined contribution plans' under IFRS (International Financial Reporting Standards).

DEFINED BENEFIT PLANS
Defined benefit plans are pension schemes where participants can derive statutory benefits at the pension date.

For defined pension plans, the cost of the defined benefits is determined according to the 'Projected Unit Credit Method', in which actuarial valuations are performed at every balance sheet date. The discount rate is the yield at the reporting date of high-quality corporate bonds with a maturity similar to the term of the group's liabilities.

The net pension liability (or asset) relating to defined pension plans included in the balance sheet corresponds to the difference between the obligations of defined pension plans and the fair value of the plan assets. In the event of a surplus, the net credit balance from defined pension plans shall be limited to the present value of the future economic benefits in the form of a reduction in future contributions to the plan or, alternatively, a cash refund.

The obligations are calculated on the basis of the legally guaranteed minimum return.

The fair value of the assets is determined by applying IAS19.115; qualifying insurance policies are therefore taken into account.

Revaluations of the net pension liability (or asset) of defined benefit obligations comprise actuarial profits and losses on the defined benefit obligations, deviations from the expected return and changes in the effect of the cap on the remaining pension claim. These revaluations are entered in the overall result and incorporated directly in the net equity.

The Company determines the net interest cost (or return) on the net defined benefit liability (or asset) for the period by multiplying the net defined benefit liability (asset) by the discount rate as determined at the start of the annual reporting period, taking account of expected changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. This net interest charge is recognized in the consolidated income statement.

3.15 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently at amortised cost basis using the effective interest method.

3.16 LEASES

Properties leased out under operating leases are included in investment properties in the balance sheet. When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable under other non-current assets.

Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases, are charged to the income statement on a straight-line basis over the period of the lease. Leases of assets where the group company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding obligations, net of finance charges, are included in long term liabilities. The interest element of the finance cost is charged to the income statement over the lease period. The investment properties acquired under finance leases are carried at their fair value.

3.17 REVENUES

RENTAL INCOME

Rental income from investment property leased out under operating lease is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives having the nature of rent free periods are recognised as an integral part of the rental income. The incentives are amortised over the term of the lease, limited to the first break of the lease. Amortisations are charged to rental income.

Rental income does not include amounts charged to tenants in respect of common costs. Rental income is shown on an accrual basis.

Variable rental income such as rental income from investment property or rental income from incidental rental are accounted for in the profit and loss account for the period to which they relate if they can be reliably assessed. If assessment is not possible, they will be incorporated at the time of realisation.

3.18 EXPENSES

RENTAL-RELATED EXPENSES

These costs include rents and other amounts (leasehold, …) paid on rented surfaces and impairments on tenant receivables.

CHARGES AND TAXES PAYABLE BY TENANTS ON LET PROJECTS (+/-)

These are shown on a gross basis when the property owner acts as a principal. In the presentation on a gross basis costs and charges are shown separately. Costs and charges are shown on an accrual basis.

Common charges are costs paid by the Company related to a whole set of common services as utilities, maintenance and security. The Company acts as principal because it decides itself how, by whom and when the services will be rendered, and is therefore contractually bound. It reinvoices the expenses and taxes to the tenants, except for vacant spaces (supported by the landlord). Because it acts as principal, the rental costs and their recuperations can be presented on a gross basis. All these rental expenses are related to different performance obligations which are fulfilled month after month, which enable the Company to also present the recuperations spread over time.

Property management fees are remunerations for the property manager for its property manager activity, which cover its fixed costs (payroll, offices, …) related to the execution of its mission. This mission is fulfilled month after month by Wereldhave Belgium Services, enabling the Company to recognize these fees spread over time.

PROPERTY EXPENSES

The amount consists of operating cost for the account of the owner attributable to the accounting period, such as:

- technical costs
- charges and taxes of vacant properties
- property management
- commercial costs

Technical costs include (major) repairs to and maintenance of the buildings, costs of studies regarding maintenance and repairs, costs for total guarantees (a ‘Total Guarantee’ maintenance contract guarantees a constant level of yearly maintenance fees even if major repairs become necessary in case of unforeseen failures or breakdowns) as well as costs of vacant properties.

Commercial costs include expenses related to the letting of surfaces. The agent fees are depreciated over the firm period of the lease.

Investment property depreciation charges are not recognised since investment properties are valued at fair value (see note 6 ‘Investment properties’). The fair value calculation takes into account technical and economical obsolescence.

MANAGEMENT COSTS

The amount comprises management costs attributable to the accounting period. Direct staff costs relating to property management are included in property expenses. Direct staff costs relating to supervising and monitoring development projects are capitalised on the basis of time spent.

3.19 INTERESTS

Interests comprise the total of interests attributable to the accounting period on loans, other debts, accounts receivable and cash and bank balances and is split between interests received and paid. Due to the amortised cost valuation of interests bearing debts as well as amortisation of the liability portion of convertible bonds, interest will include interest addition to interest bearing debts on the basis of the effective interest rate per loan.

Interest directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective assets, starting at the moment of undertaking activities that are necessary to prepare the asset for its intended use till completion unless no further development takes place. The interest capitalised is calculated the groups weighted average cost of borrowings or the borrowing cost of a specific project financing.

3.20 CORPORATE TAX

Income tax on profit and loss for a year comprises current tax. Current income tax is the expected tax payable or receivable on the taxable income or loss for the period using tax rates prevailing at the balance sheet date and any adjustment to taxation in respect of previous years.

3.21 SEGMENT REPORTING

Operational segments are the individual activities of the Group, which are regularly assessed by the Group’s Chief Operating Decision Maker (CODM), in order to assess each segment’s performance and to allocate resources to them.

The Group’s segment reporting is presented, e.g. how the internal financial information of the Group is organized and reported to the Board of Directors of the Statutory Manager, who is the Group’s CODM. The Board of Directors of the Statutory Manager assesses the Group’s performance and allocates resources based on the individual sectors, namely ‘Offices’ and ‘Retail’.

Results, assets and liabilities per segment comprise items which can be directly attributed thereto.

3.22 DIVIDENDS

Dividends are recognised as debts to shareholders in the year in which they are attributed.

3.23 IMPORTANT ASSESSMENTS

INVESTMENT PROPERTIES

The assets of the company mainly consist of the real estate portfolio. The market value of these assets cannot be assessed using official quotations or listings.

A valuation based on fair value is a time- and place-based estimate. IFRS 13 defines 'fair value' as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. The definition assumes a (hypothetical) transaction. So even if the company intends to use an asset rather than sell, it determines the fair value based on the (hypothetical) retail price.

An independent external valuation expert bases his fair value valuation on his own market knowledge and information.

The fair value is based on a net yield calculation, where market rents are capitalised and normative property expenses (such as the costs of maintenance, insurance and expenses) are deducted. The yields used are specific for the country, the location, the type of property, the level of maintenance and the general lettability of every single property. The determination of applicable yields is based upon comparable transactions, added with market and building specific knowledge and remaining other assumptions.

Apart from assumptions with regard to yields, costs for future maintenance investments are also taken into account in the valuation. Furthermore, explicit assumptions are made per lettable location and per tenant with regard to the possibility of (re)letting, the start date of such (re)letting and the costs related hereto. Finally, adjustments are made for expected costs of vacancy (present and future) and for differences between the market rent and contractual rent. The valuation is carried out after the deduction of hypothetical normative sales costs, set at 2.5%, which will be charged to the buyer.

General assumptions with regard to the valuation of investment property have been disclosed in note 6.

4. CONSOLIDATED STATEMENT OF NET RESULT FROM CORE (1) AND NON-CORE (2) ACTIVITIES TO 31 DECEMBER

(X € 1,000)

		2017 (RESTATED *)		2018	
		(1)	(2)	(1)	(2)
	Net rental income	***49,993****		***52,595***	
V.	Recovery of rental charges and taxes normally paid by the tenant on let properties	11,382		13,564	
VII.	Rental charges and taxes normally paid by the tenant on let properties	-11,991		-15,730	
		-609		***-2,166***	
	Property result	**49,384***		**50,429**	
IX.	Technical costs	-480		-157	
X.	Commercial costs	-493		-484	
XI.	Charges and taxes on non-let properties	-1,088		-971	
XII.	Property management costs	-986*		-921	
	Property charges	***-3,047****		***-2,534***	
XIV.	General company costs	-4,978*		-4,676	
XV.	Other operating income and charges	457		415	
	Operating results before result on the portfolio	**41,815**		**43,634**	
XVI.	Result on disposals of investment properties		0		-35
XVII.	Result on disposals of other non financial assets	-16		10	
XVIII.	Change in fair value of the investment properties				
	- positive		31,537		24,388
	- negative		-16,152		-24,865
XIX.	Other result on portfolio		-65		0
	Operating result	**41,799**	**15,319**	**43,644**	**-512**
	Financial result	***-2,207***	***0***	***-2,614***	***0***
	Result before tax	**39,592**	**15,319**	**41,030**	**-512**
	Corporate tax	***-188***	***-41***	***-299***	***323***
	Net result	**39,404**	**15,278**	**40,730**	**-191**
	Profit per share (x €1)	5.68	2.20	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 IAS 39) 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, and (iii) the other portfolio result.

Wereldhave Belgium distinguishes the net result from core and non-core activities. This provides a clearer view of the Company's result. The net result from core activities includes the rental income result, the property expenses, the general costs, the financial result and the corporate taxes. The net result from non-core activities includes the valuation result, the result on disposal of investment properties and other results (i.a. financial result) that are not allocated to the net result from core activities. Such presentation is not required by IFRS Standards.

5. SEGMENT INFORMATION

The segmentation (offices and retail) reflects the approach of the Statutory Management Company on the assessment of the financial benefit and the allocation of resources and group activities. As Statuary Management Company, it operates as a 'chief operating decision maker'.

The segmentation of rental income, property charges, investment properties and revaluations to the following sectors occurs as follows:

(X € 1,000)

2018		OFFICES	RETAIL	TOTAL
I.	Rental income			53,150
	Rent	7,838	44,458	
	Indemnification for early termination of lease	31	824	
III.	Rental-related expenses			-555
	Rent to be paid on rented area		-404	
	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	**7,852**	**44,743**	**52,595**
V	Recovery of rental charges and taxes normally paid by the tenant on let properties	2,574	10,990	13,564
VI	Rental charges and taxes normally paid by the tenant on let properties	-2,670	-13,060	-15,730
		-96	***-2070***	***-2166***
	Property result	**7,757**	**42,673**	**50,429**
IX	Technical costs			-157
	Repairs	24	-143	
	Insurance premiums	-4	-34	
X	Commercial costs			-484
	Agency commissions	-145	-224	
	Publicity	-13	-104	
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	**7,220**	**40,675**	**47,895**
XIV	General company costs			-4,676
XV	Other operating income and charges			415
	Operating result before result on the portfolio			**43,634**
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	0	
XVII	Result on disposals of other non financial assets			10

(X € 1,000)

2018		OFFICES	RETAIL	TOTAL
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	
	Operating result			**43,132**
	Financial result			***-2,614***
	Result before taxes			**40,517**
	Corporate tax			-299
	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	6,496
	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**

(X € 1,000)

2017 (RESTATED *)		OFFICES	RETAIL	TOTAL
I.	Rental income			50,504*
	Rent	9,806	40,320*	
	Indemnification for early termination of lease		378	
III.	Rental-related expenses			-511*
	Rent to be paid on rented area		-401*	
	Amounts written off on specific trade receivables	-14*	-95*	
	Net rental income	**9,792**	**40,202**	**49,993**
V	Recovery of rental charges and taxes normally paid by the tenant on let properties	2,256	9,126	11,382
VII	Rental charges and taxes normally paid by the tenant on let properties	-2,415	-9,576	-11,991
		-159	***-450***	***-609***
	Property result	**9,632***	**39,752***	**49,384***
IX	Technical costs			-480
	Repairs	-217	-202	
	Insurance premiums	-8	-53	
X	Commercial costs			-493
	Agency commissions	-131	-172	
	Publicity	-25	-165	
XI	Charges and taxes on non let properties			-1,088
	Costs on non let properties	-357	-549	
	Real estate tax on non let properties	-12	-170	
XII	(Internal) property management costs	-85*	-901*	-986*
	Property operating results	**8,796**	**37,540**	**46,337**
XIV	General company costs			-4,978*
XV	Other operating income and charges			457
	Operating result before result on the portfolio			**41,815**
XVII	Result on disposals of other non financial assets			-16
XVIII	Variations in the fair value of investment properties			15,385
	Positive variations in the fair value of investment properties	110	31,427	
	Negative variations in the fair value of investment properties	-5,380	-10,772	
XIX	Other result on portfolio			-65
	Operating result			**57,118**
	Financial result			***-2,207***
	Result before taxes			**54,911**

(X € 1,000)

2017	OFFICES	RETAIL	TOTAL
Corporate tax			-188
Deferred taxes on market fluctuations of investment properties			-41
Tax			***-229***
Net result			**54,682**
Investment properties			
Properties available for lease			
Balance at 1 January	123,452	659,905	783,357
Investments	1,500	2,205	3,705
Transfer of properties available for lease to investment properties held for sale	-16,447		-16,447
Revaluation	-5,270	20,655	15,385
Balance at 31 December	***103,235***	***682,765***	***786,000***
Capitalised rent incentives	511	236	747
Value investment properties excl. development projects	**103,746**	**683,001**	**786,747**
Development projects			
Balance at 1 January		35,318	35,318
Investments		31,121	31,121
Capitalised interest		378	378
Balance at 31 December		**66,817**	**66,817**

This segment information covers 97.6% of the total assets. The split of the other assets is not relevant for the Chief operating decision maker.

The explanations on the balances and the main changes compared to last year can be found in the notes (for example note 6 regarding the investment properties).

6. INVESTMENT PROPERTIES

(X € 1,000)

	31 DECEMBER 2017	31 DECEMBER 2018
Properties available for lease		
Balance at 1 January	783,357	786,000
Transfer of development projects to properties available for lease	0	79,412
Transfer of properties available for lease to development projects	0	-2,329
Transfer of properties available for lease to investment properties held for sale	-16,447	-2,240
Acquisition	0	73,303
Investments	3,705	6,496
Revaluations	15,385	-80
Total properties available for lease	***786,000***	***940,561***
Book value of capitalised rent incentives	747	1,403
Fair value investment properties	**786,747**	**941,964**
Development projects		
Balance at 1 January	35,318	66,817
Transfer of development projects to properties available for lease	0	-79,412
Transfer of properties available for lease to development projects	0	2,329
Investments	31,121	25,147
Revaluations	378	206
Capitalised interest	0	-396
Total development projects	***66,817***	***14,692***
Total investment properties	**853,564**	**956,656**

6.1 PROPERTIES AVAILABLE FOR LEASE

TRANSFER

Different transfers have been recorded in 2018 in the portfolio:

- from sections 'Development projects' to 'Property available for lease': delivery of the extension project of the ‘Shopping Bastions’ in Tournai on 12 April 2018;
- from 'Properties available for lease' to 'Development projects': the development project of a part of the '7 Fontaines' building in Tournai which started in 2018;
- from ‘Properties available for lease’ to ‘Properties held for sale’: the office property Olieslagerslaan in Vilvoorde has been temporarily transferred to this caption at the time of signature of the sale agreement; and then derecognized at the time of signature of the notarial deed. The Company received therefore a payment of € 2.3 mln.

ACQUISITION

The fair value of the portfolio increased by € 73 mln with the acquisition of the retail park in Brugge and the contribution in kind of the retail park in Turnhout.

INVESTMENTS

Investments include capital expenditures performed in the existing portfolio (2018: € 6.5 mln; 2017: € 3.7 mln), as solar panels installation, …).

CHANGES IN FAIR VALUE OF PROPERTIES AVAILABLE FOR LEASE

The valuation result (2018: € -0.1 mln; 2017: € 15.4 mln) is the result of the positive and negative revaluation of the properties available for lease. This variation is attributable to the combined effect of a positive revaluation of the retail portfolio (€ +6.66 mln) and a negative revaluation of the office portfolio (€ -6.74 mln).

6.2 DEVELOPMENT PROJECTS

On 31 December 2018, the fair value of the development projects portfolio amounts to € 14.7 mln (31 December 2017: € 66.8 mln); investments and transfers excluded, the fair value slightly decreased (€ -0.4 mln) in 2018.

The main events occurred in 2018 are:

- the further development to completion of the ‘Shopping Bastions’ in Tournai (€ +24.8 mln);

- the start of the redevelopment project '7 Fontaines' in Tournai (€ +0.2 mln);
- some further costs (€ +0.3 mln) on future projects in Liège and Waterloo;
- the transfer (reclassification) of part of the '7 Fontaines' building in Tournai from' Properties available for lease' to 'Development projects' (€ +2.3 mln);
- the transfer (reclassification) of the 'Shopping Bastions' in Tournai from sections 'Development projects' to 'Property available for lease' (€ -79.4 mln).
- Interests (€ 0.2 mln) directly attributable to project developments, calculated based on the weighted average financing cost of the Group, have been capitalized.

6.3 PROPERTIES AVAILABLE FOR LEASE

On 31 December 2017, the office property 'Madou', for which the Company received a payment of € 16.4 mln (see short-term liabilities here under), had been reclassed in this caption. On 31 January 2018, this property has definitively been transferred and therefore the related asset has been derecognized, so that this caption has a zero balance as of 31 December 2018.

6.4 SENSITIVITY ANALYSIS

	FINANCIAL ASSETS AND LIABILITIES		NON-FINANCIAL ASSETS AND LIABILITIES					
	BOOK VALUE		BOOK VALUE		FAIR VALUE			
(X € MLN)	FAIR VALUE - HEDGING INSTRUMENTS	OTHER FINANCIAL LIABILITIES	AT COST	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAAL
Assets measured at fair value								
Properties available for lease							941.96	941.96
Development projects *							2.15	2.15
Investment properties held for sale							0.00	0.00
Assets not measured at fair value								
Development projects *			12.54	12.54			12.54	12.54
Liabilities measured at fair value								
Authorised hedging intruments	0.16			0.16		0.16		0.16
Liabilities not measured at fair value								
Interest-bearing debts		286.00		286.00		286.00		286.00

Trade receivables and other receivables, as well as trade debts and other debts were not included in the above table.

Their book value is considered to be a reasonable approximation of the fair value.

There were no reclassifications between the different levels during the year of return.

*Development projects are first valued at cost and, after that, at fair value, except for projects developed on a property already recorded in the Properties available for lease, which will then be transferred into the development projects but will remain valued at fair value. If its fair value cannot be measured reliably, the development projects can be valued at historical cost less impairments. The following criteria are chosen in order to decide when a property development can be measured at fair value:

- An irrevocable building permit has been obtained;
- An approved building contract;
- Funding requirements are met;
- >70% has already been pre-let.

2017		RANGE	WEIGHTED AVERAGE
Hypothesis capitalisation of the market rent method			
Capitalisation factor	Retail	5,15 - 6,4%	5.50%
	Offices	6,78 - 7,28%	6.80%
Market rent	Retail	€ 118 - € 362	€ 297
	Offices	€ 90 - € 125	€ 121

2018		RANGE	WEIGHTED AVERAGE
Hypothesis capitalisation of the market rent method			
Capitalisation factor	Retail	5,00 - 6,35%	5.42%
	Offices	8,00 - 8,50%	8.18%
Market rent	Retail	€ 109 - € 383	€ 290
	Offices	€ 120 - € 125	€ 121

The valuations are based on the current rental situation of the properties, amongst others their rental levels, their occupancy rates as described in the portfolio description of the Company (see real estate report) and the expected duration of the ongoing rental contracts (most contracts are commercial lease contracts, with break possibilities every three years). The valuation experts determine these values based on their knowledge of the market values for let and vacant surfaces (see table hereabove). Management costs (calculated as percentage of the rental income) and vacancy costs (calculated based on the estimated duration of the vacancy period, considering the specificities of the properties and of the vacant spaces themselves) supported by the landlord are deducted from these values to determine the valuation of the investment properties.

The valuation experts determine then for each property a capitalization rate, which reflects the general state/quality of the property and deduct specific investment amounts (agreed by the Company).

The valuation experts are taking into account for development projects:

- the number of extra units that will be developed and the surfaces of each of these units;
- their estimation of the rental values for each of these newly-developed units;
- a capitalization rate which reflects the quality and attractiveness (based on specific elements) of the project;
- the expected investment amount to realize the project;
- a estimation of the vacancy costs and other costs that will be supported by the landlord during the commercialization phase.

The sensitivity of the fair value can be estimated as follows:

- The effect of an increase (decrease) of 1% of rental income leads to an increase (decrease) of the fair value of the portfolio of about € 9.4 mln;
- The effect of an increase (decrease) of the average initial yield (total rental income at balance sheet date divided by the investment value of the investment properties portfolio) of 25 basis points leads to a decrease (increase) of the portfolio of about € 36.9 mln (€ 40.1 mln).

7. OTHER TANGIBLE ASSETS

(X € 1,000)

	OFFICE EQUIPMENT	CARS	TOTAL
Balance on 1 January 2018	489	90	579
Purchases (+/-)	329	0	329
Disposals (+/-)	0	-49	-49
Depreciation (+/-)	-114	-27	-141
Balance on 31 December 2018	**704**	**14**	**718**
Balance on 1 January 2017	216	416	632
Purchases (+/-)	356	0	356
Disposals (+/-)	0	-215	-215
Depreciation (+/-)	-82	-111	-194
Balance on 31 December 2017	**489**	**90**	**579**

(X € 1,000)

		2017	2018
Total purchase cost		2,282	2,563
Total depreciation		-1,703	-1,844
Net book value		**579**	**718**

Other tangible assets include plant, machinery and equipment as well as vehicles.

8. CURRENT RECEIVABLES

(X € 1,000)

	2017	2018
Debtors	5,222	3,438
Charges and tax to recharge	5,081	10,082
Tax receivables and other current assets	1,351	1,795
Totaal	**11,654**	**15,315**

(X € 1,000)

	2017	2018
Aging balance Rent		
< 30 days	3,270	868
>= 30 days and < 60 days	290	362
>= 60 days and < 90 days	151	526
>= 90 days	1,511	1,976
	5222	***3732***
IFRS 9 Provision	0	142
Specific provision	0	151
	5,222	**3,438**

The fair value of the current receivables (€ 15.3 mln) corresponds to the balance sheet value due to the very short-term nature of these assets. The increase in these receivables is due to the invoicing of taxes (withholding tax) being sent this year after closing date, while it has been invoiced before closing date last year.

(X € 1,000)

	2017	2018
Tax receivables and other current assets	1,351	1,795
Taxes		
Withholding tax to recover: Ring Shopping Kortrijk Noord	380	166
Withholding tax to recover: Basilix	293	326
Withholding tax to recover: Other	25	26
Property tax to recover	364	368
VAT to recover	289	818
Other current assets		
Social security amounts to be recovered	0	90

9. CASH AND CASH EQUIVALENTS

(X € 1,000)

	2017	2018
Bank	2,115	6,931
Total	**2,115**	**6,931**

The heading 'Bank' gives an overview of the financial accounts at different financial institutions. The fair value of the elements of this item is in line with their book value. The increase of this caption compared to last year is mainly due to a higher portion of rental incomes being received before closing date.

10. SHARE CAPITAL

(X € 1,000)

	AMOUNTS	NUMBER OF SHARES
Issued capital		
On 31 December 2017	292,774	6,939,017
On 31 December 2018	**318,034**	**7,540,250**
Bearer shares and dematerialised shares without nominal value		
Registered		4,854,993
Dematerialised		2,685,257
Total on 31 December 2018		**7,540,250**
Issue premiums		
On 31 December 2017	50,563	
On 31 December 2018	**78,733**	

SHAREHOLDERS

Of the 7,540,250 shares in circulation at 31 December 2018, 34.13% were held by Wereldhave N.V. 31.77% by N.V. Wereldhave International and 34.10% by the general public.

The share capital and the issue premium have been twice increased in the course of 2018, on one hand due to the optional dividend operation (€+20.3 mln) on 8 May 2018, and on the other hand with the contribution in kind of the retail park located in Turnhout (€ +33.1 mln) which took place on 21 December 2018.

The costs related to these capital increases amounted to € 107,582.

The statutory Management Company is entitled to increase the share capital in one or more issues by a maximum amount of € 292,773,778.51. This authorisation has been renewed on 16 February 2015 and is valid for five years. In the course of 2018, the available amount of the authorized capital decreased by € 9.6 mln due to the optional dividend operation and by € 15.7 mln due to the contribution in kind of the retail park located in Turnhout. On 31 December 2018, the available amount of the authorized capital amounts to €267,406,315.49.

HISTORY OF THE CAPITAL

DATE	OPERATION	CAPITAL MOVEMENT (€ X 1,000)	TOTAL CAPITAL AFTER OPERATION (€ X 1,000)	NUMBER OF CREATED SHARES	TOTAL NUMBER OF SHARES
15 January 1998	Incorporation	172,750	172,500	5,234,636	5,234,636
14 May 1999	Merger by absorption of Groter Berchem plc	52,469	224,969	97,311	5,331,947
11 April 2012	Merger by absorption of Redevco Retail Belgium plc	41,191	266,160	976,251	6,308,198
16 February 2015	Capital increase in cash	26,614	292,774	630,819	6,939,017
08 May 2018	Capital increase - Contribution in kind (optional dividend)	9,579	302,353	228,525	7,167,542
21 December 2018	Capital increase - Contribution in kind (Turnhout RP)	15,680	318,034	372,708	7,540,250
On 31 December 2018			**318,034**		**7,540,250**
Issue premiums					
11 April 2012	Merger by absorption of Redevco Retail Belgium plc	27,759			
16 February 2015	Capital increase in cash	22,804			
08 May 2018	Capital increase - Contribution in kind (optional dividend)	10,754			
21 December 2018	Capital increase - Contribution in kind (Turnhout RP)	17,416			
On 31 December 2018		**78,733**			

11. PENSION OBLIGATIONS

(X € 1,000)

	2017	2018
Net liability on 1 January	1,168	1,060
Movements in liabilities	-108	-215
Net liability on 31 December	**1,060**	**845**

Within the framework of a 'Defined benefit plan' for the benefit of the staff, a provision has been recorded and amounts to € 845k as at 31 December 2018 (2017: € 1,060k). All plans are financed externally via a collective insurance contract and comply with the regulatory frameworks and minimum financing requirements; these were reviewed on 31 December 2018.

The provisions have been recalculated by an external actuary. The actuarial assumptions are in line with the market, and the main assumptions include the discount rate (1.30% for the defined benefit plans and 1.00% for the defined contribution plans), expected future salary increases (2.0%) and expected inflation (2.0%.) No specific assets were used for these liabilities.

12. LONG-TERM FINANCIAL DEBTS

CREDIT INSTITUTIONS

On 31 December 2018, Wereldhave Belgium benefits of five long-term committed credit lines (revolving credits and term loans) amounting to € 240 mln, of which € 110 mln were used at the end of 2018.

The fair value does not significantly differ from the nominal value since it concerns, for a significant part, short-term prepayments with variable interest rate.

It concerns credit facilities for which no guarantees have been provided.

These credit lines are, admittedly, the subject of several covenants – the 'retention of REET status' and a 'negative pledge' being the main ones. The Board of Directors of the Management Company keeps a close watch on these covenants. As at 31 December 2018, all conditions relating to the covenants have been met. (see Title 9: Risk factors/Financial risks)

These credit lines are of two different types:

- Term loans where the whole amount has been drawn down at inception of the credit and will be fully reimbursed at maturity;
- Revolving credits where drawdowns are made on short term (from one to three months) and renewed up to the final maturity of the credit.

The average financing cost for 2018 was 1.09% (2017: 0.94%).

(IN € MLN)

	COMMITTED AMOUNT (*)	CALLED UP BY 31 DECEMBER 2017	CALLED UP BY 31 DECEMBER 2018	MATURITY
Borrower				
ING 2014-2019 (**)	50	50	-	01/04/2019
ING 2018-2022 (***)	50	-	50	28/09/2022
Wereldhave NV (****)	165	22	(*****)	31/07/2019
BNP Paribas Fortis	70	70	0	30/04/2021
KBC	60	36	0	30/04/2021
BNP Paribas Fortis	30	30	30	11/04/2024
Belfius 2018-2023	30	-	30	03/04/2023
TOTAL	**405**	**208**	**110**	

(*) These amounts are not cumulative.

(**) This credit line was repaid prematurely on 28 September 2018.

(***) This credit line took effect on 28 September 2018.

(****) Wereldhave NV holds on 31 December 2018, directly and indirectly 65,90% of the outstanding shares of the Company.

(*****) Credit line transferred in current liabilities on 31 December 2018.

Reconciliation of movements in financial liabilities to cash flows arising from financing activities (IAS 7)

	LONG TERM BORROWINGS	SHORT TERM BORROWINGS	TOTAL
Restated balance at 1 January 2018	**208**	**26**	**234**
Changes from financing cash flows			
Proceeds from loans and borrowings	80	154	234
Repayment of borrowings	-106	-76	-182
	-72	72	
Total changes from financing cash flows	***-98***	***150***	***52***
Balance at 31 December 2018	**110**	**176**	**286**

Sensitivity analysis

A change (+/-) of the financial market interest rate by 1% has an effect of € 1.8 mln on the result and the equity capital (€ 0.23 per share).

13. RENT GUARANTEES RECEIVED

(X € 1,000)

	2017	2018
Guarantee tenants	795	810
Net book value	**795**	**810**

14. AUTHORISED HEDGING INSTRUMENTS

On 28 September 2018, the Company anticipatively liquidated its ongoing IRS and concluded a new IRS of identical nominal amount (€ 50 mln) for a new period of 4 year (up to 28 September 2022) and a more favourable interest rate (0.285% instead of 0.390%), in order to hedge a new credit loan concluded on the same date and for the same duration and nominal amount.

MATURITY	NOMINAL AMOUNT	INTEREST RATE	BALANCE ON 31/12/2018
Start date: 28/09/2018	€ 50 mln	0.29%	€ -0.16 mln
End date: 28/09/2022			

By performing this Interest Rate Swap, the variable interest rate (Euribor – 3 months with a floor option at 0.0%) is converted to a fixed interest rate of 0.285% (on which the credit margin needs to be added) until the final expiry date of the credit facility. Thus, this financial instrument is considered a 'cash flow hedge' as stipulated in IFRS9. This concerns a full effective hedge, processed completely in the statement of comprehensive income.

15. DEFERRED TAXES

(X € 1,000)

	2017	2018
Deferred taxes	1824	1486

The provision for deferred taxes (Immo Guwy – Waterloo Shopping) is the result of the difference between fair value of the investment properties and the fiscal book value. In 2018, this provision decreased in order to take into account the decrease of the exit tax rate to 12.5%, applicable in case of merger of these companies with the REIT in the fiscal year 2019.

16. CURRENT LIABILITIES

(X € 1,000)

	2017	2018
Credit institutions	25,961	0
Other loans	0	176,000
Other current financial liabilities	735	50
Trade payables	3,402	2,759
Taxes, remunerations and social security contributions	1,462	1,555
Other current liabilities	16,449	0
Rental income received in advance	903	2,235
Other accrued charges and deferred income	3,981	6,044
Total	**52,893**	**188,642**

CREDIT INSTITUTIONS AND OTHER LOANS

Credit institutions: Wereldhave Belgium has a committed credit line (revolving credit) by ING of € 30 mln, which matured in April 2018. This credit line has been replaced by a new credit line ('term loan') with Belfius Bank for the same amount with a new duration of 5 years and an improved fixed rate by about 50 basis points, which has been classified in the long term liabilities on 31 December 2018.

Other loans: A Treasury Notes program of € 100 mln has been set up in September 2018, enabling the Company on one hand to optimize its financing cost and on the other hand to improve its visibility in the investors market. On 31 December 2018, this program was drawn down by an amount of € 35 mln.

The Company also has an intercompany committed credit line ('revolving credit') amounting to € 165 mln, maturing on 31 July 2019, of which € 141.0 mln was drawn down on 31 December 2018..

Fair value does not differ from the nominal value as it concerns short-term advances at floating interest rates. No collateral security was put up for these short term credit facilities.

These credit lines are revolving credits where drawdowns are made on short term (from one to three months) and renewed, according to the Company's needs, up to the final maturity of the credit.

(IN € MLN)

	COMMITTED AMOUNT (*)	CALLED UP BY 31 DECEMBER 2017	CALLED UP BY 31 DECEMBER 2018	MATURITY
Borrower				
ING	30	0	-	17/04/2018
BNP Paribas Fortis	26	26	0	NVT
Wereldhave NV (**)	165	(***)	141	31/07/2019
Wereldhave NV (**)	14.5	(***)	0	18/08/2019
Treasury notes program - Belfius/ KBC	100	-	35	N/A
TOTAL	**335.5**	**26**	**176**	

(*) These amounts are not cumulative.

(**) Wereldhave NV holds on 31 December 2018, directly and indirectly 65,90% of the outstanding shares of the Company.

(***) Credit line classified as non-current at 31 December 2017.

Reconciliation of movements in financial liabilities to cash flows arising from financing activities (IAS 7) – See note 12

OTHER CURRENT FINANCIAL DEBTS (€ 0.1 mln)

This balance includes dividends of previous financial years that have not been collected yet (€ 32k) and inter-company interest payable (€ 18k).

SUPPLIERS

The trade payables (€ 2.8 mln) concern the short-term liabilities related to investments, development projects and current supplier obligations. Per object, the obligations are assigned as follows:

Remaining investment commitment Tournai Retail Park	229
Remaining investment commitment shopping centre Nivelles	6
Remaining investment commitment shopping centre Kortrijk	156
Remaining investment commitment shopping centre Liège	301
Remaining investment commitment building 7 Fontaines	17
Remaining various investment commitment	349
Various suppliers	1,701
	2,759

The fair value of these elements is in line with their book value.

TAXES, REMUNERATIONS AND SOCIAL CHARGES (€ 1.6 mln)

This item includes taxes (€ 0.3 mln), remunerations (€ 1.2 mln) and social charges (€ 0.1 mln).

OTHER SHORT TERM LIABILITIES (€ 0.0 mln)

On 31 December 2017, the payment received from the buyer of the 'Madou' office property has been classified in the short term debts as being a prepayment. On 31 January 2018, this property was definitively transferred and the related obligation was canceled on that date, so that this item was at zero on 31 December 2018.

PROPERTY YIELDS RECEIVED IN ADVANCE (€ 2.2 mln)

This item records rental incomes received related the following calendar year. These real estate incomes received in advance will be recorded in profit and loss during the first quarter of financial year 2019.

OTHER ACCRUALS (€ 6.0 mln)

This concerns the accruals related to general company expenses and real estate charges (property tax to be received, vacancy costs, ...).

17. RENTAL INCOME

(X € 1,000)

	2017 (RESTATED *)	2018
Rental income	51,420*	53,985
Rent reductions	-1,294	-1,690
Rent	**50,126***	**52,295**
Indemnification for early termination of lease	**378**	**855**
Rent to be paid on leased spaces	-401*	-404
Write-offs on specific trade receivables	-110*	-161
Revaluation of general provision on trade receivables (in accordance with IFRS 9)	0	10
Costs associated with rental	***-511****	***-555***
Net rental income	**49,993***	**52,595**

The rental income is spread among about 630 (trade) leases, held with national and international retailers and leading companies.

Office and retail space are the object of (trade) lease contracts with various expiry dates. Rents are invoiced one month or one quarter in advance and adjusted annually based on the health index or consumption price index. Prior rents are considered as other current liabilities towards the tenants, under the title real estate income received in advance, until the period to which the lease relates has expired. The lease agreements determine the rent, the rights and obligations of the tenant and lessor, termination and renewal conditions and any common charges. Passing on of charges is not included in the rental income, except for "all-in" contracts in which the rent contains all cost recoveries, without always being able to make a clear breakdown between the different categories.

For rental income depending on the turnover of the tenant, Wereldhave invoices either on a monthly or quarterly basis (as an advance on the rent), followed by an adjustment at year end based on the final realized turnover figures of the relevant tenant, or by an annual settlement based on the realized turnover figures.

Lease incentives are spread over the period from the start of the lease contract until the first possibility of termination by the contracters.

Rent loss as a result of vacancy, expressed as a percentage of theoretical rent amounted to 2.8%.

The ten main tenants represent 27.0% of the total rental income.

The future aggregate contractual rent from lease agreements on 31 December 2018 is as follows:

(X € 1,000)

	2017	2018
Year 1	43,515	48,187
Year 2 - year 4	103,189	105,985
Year 5	21,060	24,821
Net book value	**167,764**	**178,993**

18. RENTAL CHARGES AND TAXES AND RECOVERY OF RENTAL CHARGES AND TAXES NORMALLY PAID BY THE TENANT ON LET PROPERTIES

(X € 1,000)

	2017	2018
Recovery of rental charges paid by the owner	11,382	13,564
Rental charges paid by the owner	-11,991	-15,730
Total	**-609**	**-2,166**

The rental charges and taxes include the common charges (€ 12.9 mln) and promotional costs (€ 2.8 mln) spent for the management of the portfolio.

The recovery includes the recharging of the common charges (€ 11,6 mln) and of promotional costs (€ 2,0 mln) as contractually stipulated in the lease agreement.

This recovery takes place on the one hand with advances that are invoiced in advance on a monthly or quarterly basis and on the other hand with an annual settlement that is invoiced at the beginning of the following year.

The increase in the net result of those items compared to 2017 (2018: € -2.2 million - 2017: € -0.6 million) is due to exceptional promotional costs issued in 2018 and the impact of a number of leases (all -in, ...) which means that a smaller proportion of those costs can be invoiced.

19. PROPERTY CHARGES

(X € 1,000)

	2017 (RESTATED *)	2018
Technical costs	480	157
Vacancy charges	906	625
Commercial costs	493	484
Property tax due to vacancy	182	347
Management costs	986*	921
Total	**3,047***	**2,534**

Technical costs comprise the recurring maintenance (€ 119k) and the insurance premiums (€ 38k).

The costs on vacant spaces include common costs not recoverable because of the vacancy and therefore remaining a cost for the landlord.

Commercial costs comprise the agent fees (€ 368k) and investors relation and marketing costs (€ 116k).

The internal management costs include internal costs (payroll costs, …) that can be attributed directly to the conservation of the investment portfolio (€ 921k).

20. GENERAL COSTS OF THE COMPANY

(X € 1,000)

	2017 (RESTATED *)	2018
Staff costs		
Salaries	2,241	1,869
Social security	976	899
Allocation salary cost to development projects	-1,192	-410
Profit sharing	426	543
Pensien en insurance costs	469	412
Other staff costs	427	476
Subtotal staff costs	***3,347***	***3,789***
Allocated to management/property charges	-736	-834
Total staff costs	**2,611**	**2,956**
Other costs		
Audit fees	180	120
Advisory fees	984	527
Other costs	1,595*	1,425
Subtotal other costs	***2,760****	***2,072***
Allocated to management/property charges	-392*	-351
Total other costs	**2,368***	**1,721**
Total general costs	**4,979***	**4,676**

THE APPORTIONMENT KEY FOR ASSIGNING GENERAL EXPENSES TO PROPERTY CHARGES

For 2018, part of the general expenses and incomes (2018: € 1.2 mln, 2017: € 0.9 mln) has been assigned to management/ property charges. The apportionment key has been computed normatively and applied to the respective tasks of the employees and the other general expenses.

STAFF

During the accounting year 2018, there were 46.0 FTE employed by the company; as at end of December 2018 were 47.0 FTE on the payroll of the Company.

The profit-sharing distributed to the employees is based on the following key indicators: occupancy rate, real estate costs, management fees, sustainability and like-for-like rental growth. For each indicator, objectives have been set. The score realized compared to the objective determine the result.

PENSION COSTS

The pension costs contain the premium for the pension schemes of employees.

21. OTHER OPERATING INCOME AND CHARGES

	2017	2018
Other operating income and charges		
Other income	-1,503	-1,524
RREC costs	194	198
Investment fund tax	558	576
Subtotal other operating income and charges	***-751***	***-751***
Allocated to management/property charges	294	335
Total other operating income and charges	**-457**	**-415**

THE APPORTIONMENT KEY FOR ASSIGNING OTHER OPERATING INCOME AND CHARGES TO PROPERTY CHARGES

For 2018, part of the other operating income (2018: € 0.3 mln, 2017: € 0.3 mln) has been assigned to management/ property charges. The apportionment key has been computed normatively and applied to the respective tasks of the employees and the other general expenses.

OTHER INCOME

The other income includes the fees (2018: € 1.2 mln – 2017: € 1.0 mln) in favour of Wereldhave Belgium Services that are charged directly to the tenants in accordance with the contractual conditions described in the lease agreements.

MANAGEMENT COMPANY

The remuneration of the Management Company is fixed at € 120,000, stable compared to last year and is presented under 'RREC costs'.

22. RESULT DISPOSALS OF INVESTMENT PROPERTIES AND VALUATIONS DIFFERENCES

(X € 1,000)

	2017	2018
Positive revaluation	31,537	24,388
Negative revaluation	-16,152	-24,865
Net book value	**15,385**	**-477**

See also note 6.1

23. FINANCIAL RESULT

(X € 1,000)

	2017	2018
Financial income		
Interests received (coupon real estate certificate Basilix)	330	157
	330	***157***
Interest costs	-2,433	-2,669
Other	-104	-102
Total	**-2,207**	**-2,614**
Average interest rate on loans	0.94%	1.09%
Net interest costs	-2,433	-2,669
Weighted average debt for the period	258,830	243,855

The interest charges (€ 2.7 mln) include the interest paid on the credit facilities concluded by the Company for its cash management.

24. TAXES ON RESULT

Corporate income tax is calculated based on any exceptional and favourable advantages and rejected expenses.

The subsidiaries are subject to the common tax regime and may therefore need to pay corporate tax under the normal regime.

(X € 1,000)

	2017	2018
Corporate tax	-188	-299
Deferred tax on market fluctuations of investment property	-41	323
Total	**-229**	**23**

The provision for deferred taxes (Immo Guwy – Waterloo Shopping) is the result of the difference between the fair value of the investment properties and the fiscal book value; this provision was positively revalued in 2018 taking into account the decrease of the exit tax rate to 12.5%, applicable in case of a merger of these companies with the RREC in 2019.

25. RESULT PER SHARE

The result per share is calculated based on the total profit after tax and the average number of shares held in the year (2018: € 5.71; 2017: € 7.88). No financial instruments have been issued that are convertible into shares. The total number of shares issued increased in 2018, on the one hand with the optional dividend operation, as a result of which 228,525 new shares were issued on 08/05/2018, and on the other hand with the contribution in kind of the retail park located in Turnhout, whereby 372,708 new shares were issued on 21/12/2018. The total number of outstanding shares amounts to 7,540,250 as per 31 December 2018 (6,939,017 as per 31 December 2017) and the average number of outstanding shares was 7,098,634.

26. DIVIDEND

A dividend of € 35.4 mln was paid in 2018 (gross € 5.10 / share - net € 3.57 / share), of which € 15.0 mln were paid in cash and € 20.4 mln in 228,525 new shares.

After the balance sheet date, the Board of Directors of the Management Company has proposed to pay out an amount of € 39.2 mln (2017: € 35.4 mln), i.e. a gross dividend of € 5.20; net € 3.64 (2017: € 5.10 – € 3.57) per outstanding share. No provision has been made in the consolidated annual accounts for the dividend.

Calculation of the dividend is done in accordance with the relevant legislation (Royal Decree of 13 July 2014).

DETERMINATION OF THE AMOUNT OF MANDATORY DIVIDEND

(X € 1,000)

	2017	2018
Net result	***54,214***	***39,644***
Depreciation	163	105
Other non-monetary elements	65	0
Result on disposal of real estate properties	0	35
Variation in the fair value of real estate properties	-15,327	588
Corrected result for mandatory distribution	***39,115***	***40,373***
Minimum result to be distributed (80%)	31,292	32,299
Operating result allocated to dividend distribution	35,389	39,209
Operating result allocated to dividend distribution / per share	5.10	5.20

The corrected result does not need to be further modified for any possible non-exempt gain on disposals of property investments or debt reductions. As a result, the corrected result equals the amount that is eligible for the mandatory payment of 80% according to article 45, 2° of the RREC Law.

27. ARTICLE 617 OF THE COMPANIES CODE

The amount, as referred to in article 617 of the Belgian Companies Code, of paid-up capital or, if this amount is higher, the called-up capital, plus all reserves which, pursuant to the law or the articles of association, may not be distributed, is determined in Chapter 4 of annex C of the Royal Decree of 13 July 2014.

DETERMINATION OF THE AMOUNT PURSUANT TO ARTICLE 617 OF THE COMPANY CODE

(X € 1,000)

	2017	2018
Non-distributable elements of shareholders' equity for profit distribution		
Capital	292,774	318,034
Issue premiums	50,563	78,733
Reserve for the balance of changes in fair value of real estate properties	146,219	188,173
Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-503	-52
Result of the financial year which, pursuant to chapter 4 of annex C of the Royal Decree of 13 July 2014, is to be allocated to non-distributable reserve		
Transfer of the result on portfolio to the reserve for the balance of changes in fair value of real estate properties	15,327	-218
Total non-distributable shareholders'equity	**504,380**	**584,670**
Shareholders' equity	622,626	680,920
Proposed dividend distribution	35,389	39,209
Number of shares	6,939,017	7,540,250
Remaining reserves after distribution	82,857	57,041
* The reserve for the balance of changes in the fair value of real estate properties is considered net without distinction between positive and negative reserves.		

28. DETERMINING THE DEBT RATIO

(X € 1,000)

		STATUTORY BALANCE SHEET	CONSOLIDATED BALANCE SHEET
Total items "Liabilities" in the balance sheet		298,578	301,667
I.	Non current liabilities	111,347	113,024
	A. Provisions	-714	-845
	C. Other non-current financial liabilities - Authorised hedging instruments	-159	-159
	F. Deferred taxes - Liabilities	0	-1,486
II.	Current liabilities	187,231	188,642
	A. Provisions		
	C. Other current financial liabilities - Authorised hedging instruments		
	F. Accrued charges and deferred income	-7,653	-8,279
Total items "Liabilities" considered for the calculationof the debt ratio (numerator)		290,053	290,899
Total "Assets" in the balance sheet		979,498	980,095
Authorised hedging instruments recorded under assets			
Total "Assets" considered for the calculation of the debt ratio (denominator)		979,498	980,095
Debt ratio		**29.61%**	**29.68%**

29. INTRA-GROUP RELATED PARTY TRANSACTIONS

The remuneration of the Management Company, Wereldhave Belgium NV, is determined by the General Meeting of Shareholders and has been set at € 120,000 (excl. VAT).

Intra-group fees, relating to IT support, amounts over 2018 € 365.2k (excl. VAT).

Credit facilities (revolving credits) provided by the FBI according to Dutch law Wereldhave N.V. (reference shareholder: 65.90 %) to the Comm. VA Wereldhave Belgium (see also note 16).

- On 31 July 2014, Wereldhave NV has a credit facility amounting to € 150 mln granted for a period of 5 years and with a credit margin of 120 bps. On 3 December 2018 this credit line increased to € 165 mln with a credit margin lowered to 40 bps. As per 31 December 2018, € 141 mln has been withdrawn by the Company.
- On 18 August 2014, Wereldhave NV has an additional credit facility amounting to € 14.5 mln granted for a period of 5 years, with a credit margin of 80 bps. As per 31 December 2018, no use was made of this credit facility by the Company.

Both credits were granted according to conditions that are in line with the market.

Except from the decreed dividends and the above-mentioned transactions, there have been no other transactions with other group companies in 2018.

Compensation for the executive / non-executive directors / members of the executive management is explained in the remuneration report included in the consolidated annual report.

The NV Wereldhave Belgium holds no shares or options in the Company. The members of the Board of Directors of the Management Company hold no shares. The Company has not extended loans, advances or guarantees to NV Wereldhave Belgium nor to the members of the Board of Directors.

30. LIST OF CONSOLIDATED COMPANIES

The companies below were incorporated into the consolidation according to the full consolidation method:

COMPANY	ADDRESS	COMPANY NUMBER	INVESTMENTS IN AFFILIATED ENTERPRISES (X € 1,000)	HELD PART OF CAPITAL (IN %)
Joseph II plc	Medialaan 30 B 6, 1800 Vilvoorde	BE 0472.903.308	62	99.84%
Immo Guwy plc	Medialaan 30 B 6, 1800 Vilvoorde	BE 0404.024.004	8,463	100%
Waterloo Shopping Ltd.	Medialaan 30 B 6, 1800 Vilvoorde	BE 0452.882.013	208	100%
W.B.P.M. plc	Medialaan 30 B 6, 1800 Vilvoorde	BE 0833.792.402	62	99%
Wereldhave Belgium Services plc	Medialaan 30 B 6, 1800 Vilvoorde	BE 0422.120.838	1,503	99.52%
			10,298	

Except for Wereldhave Belgium Services NV, the administration of these companies is done by the Company in its role as parent company.

J-II NV

J-II NV, with its registered offices at Medialaan 30, box 6, 1800 Vilvoorde, and with company number 0472.903.308, was established on 29 September 2000 within the framework of the sale to Fortis Bank NV of the amount of ground rent paid under the agreement dated 11 May 2000 in which Wereldhave Belgium Comm. VA provided a long-term lease of 27 years to the European Union for a property located at 1000 Brussels, Joseph II-laan 26-30. At the moment of establishment, bare ownership of this property was included in the capital of J-II NV and its shares were pledged in favour of Fortis Bank NV. This company has no activities, other than being the holder of the residual ownership rights of the above-mentioned property.

The value of the residual property rights of this property located at Joseph II-laan 26-30, 1000 Brussels equals € 1 for J-II NV, since J-II NV has granted the long leaseholder (the European Union) a purchase option for acquisition of the residual ownership rights, plus the non-expired annual amount of ground rent due from the date of exercising the option until 10 May 2027, whereby the long leaseholder (the European Union) can exercise the purchase option in the second quarter of the year 2026 upon payment of € 1, to be increased by the not yet expired annual ground rent due as from the date of exercising the purchase option until 10 May 2027, as a result of which the long leaseholder will become the full owner of the property starting from 30 September 2027.

The de facto expectation is that the long leaseholder (the European Union) will exercise the purchase option in the second half of the year 2026 of the long lease right (i.e. 2027), with the result that it is thus correct from an accounting point of view that the current book value of the residuary ownership rights of this property located at Joseph II-laan 26-30, 1000 Brussels for J-II NV equals € 1 (i.e. the purchase price due from the long lease giver (the European Union) upon exercising the purchase option during the period from 1 July 2026 – 31 December 2026). In addition, it can be stated that J-II NV has no other obligations towards the long leaseholder (i.e. the European Union) within the framework of this transaction or towards BNP Paribas Fortis as the purchaser of the ground rent amount of the long leasehold agreement.

Waterloo Shopping BVBA and Immo Guwy NV

Waterloo Shopping BVBA, with its registered offices at Medialaan 30, 1800 Vilvoorde and with company number 0452.882.013, and Immo Guwy NV, with its registered office at Medialaan 30, 1800 Vilvoorde, and with company number 0404.024.004 are two project companies that are active within the framework of modernisation and expansion to 10,000 m^2 of an open space shopping centre in Waterloo with underground parking garage and 52 apartments in the centre of Waterloo. Immo Guwy NV will develop the retail and parking part that forms part of a residential, retail and parking project at the previous 'Delhaize site' in Waterloo, which is part of the block between Chaussée de Bruxelles, Avenue Reine Astrid, Avenue de l'Ange and Rue Maurice Verbeeck; Waterloo Shopping BVBA will develop the residential part.

The urban development project "Coeur de Ville" at Waterloo (10,000 m² GLA) is part of a master plan that is again being studied at this time by the local authorities, but without consensus. In this context, it is difficult for the Management Company to estimate when this project could effectively be realised. The fair value of this project was set at € 1.8 mln , being the value of the land position. This value did not decrease in 2018.

The investment amount of this development is estimated at about € 52 mln.

WBPM NV

WBPM NV, with registered office at Medialaan 30, 1800 Vilvoorde and with company number 0833.792.402 is an ad hoc company that was established on 8 February 2011. The limited operational activity is coming to an end and consists solely of the administrative, legal and technical services of a limited number of property projects of ING REDH Belgium NV that have not been taken over by Wereldhave Belgium Comm. VA.

Wereldhave Belgium Services NV

Since July 2014, the Company owns 99.52% of the shares of Wereldhave Belgium Services NV, which acts as a property and asset manager of the Company's investment properties portfolio.

31. LEASEHOLD- AND INVESTMENT LIABILITIES NOT SHOWN ON THE BALANCE SHEET

The Company has contracted investment liabilities amounting to € 3.0 mln. These concern the reallocation of the former Carrefour areas in the 'Belle-Île' shopping centre and the redevelopment project '7 Fontaines' in Tournai. The leasehold liabilities, which partly expire until 2037 and partly until 2115, amount to € 33.8 mln and these are related to the 'Ring Kortrijk Shopping Noord' shopping centre.

We also refer to note 3.1 of the consolidated financial statements for the financial year ended on 31 December 2018.

The ageing analysis of the leasehold- and investment liabilities is as follows:

(X € 1,000)

	2017	2018
< 1 year	20,792	3,376
>1 year - < 5 year	1,584	1,584
> 5 year	32,212	31,825
Total	**54,588**	**36,785**

32. REMUNERATION OF THE AUDITOR

The remuneration related to the auditing activities in 2018 amounted to € 93,687 excl. VAT. Moreover, the Auditor provided additional audit-related services in the context of the two capital increase operations, for which he has invoiced compensation amounting to € 11,500 excl. VAT.

33. BRANCHES

The company has no branches.

34. LAWSUITS AND ARBITRATION

The Company, as a defendant or a plaintiff, is involved in a small number of lawsuits which the Company generally feels are not likely to have a major impact on the financial position or the profitability of the Company, either because the sums which are at issue are relatively insignificant or because the risk of a judgement against the Company is minor.

Withholding tax on decreed dividends to Wereldhave NV and Wereldhave International NV

Litigation is ongoing regarding the repayment of Belgian withholding tax (5% tax at source) that had been paid for the years 1999 and 2000.

In the course of the action, the Court of Appeal in Brussels made a preliminary referral to the European Court of Justice in Luxembourg about correct application of the Parent/Subsidiary Directive (90/435/EEC) and about the principle of free movement of capital.

In its ruling of 8 March 2017, the Court of Justice concluded that the Parent/Subsidiary Directive does not apply in the present case. It did not, however, comment on correct application of the principle of free movement of capital due to unclear phrasing of the question.

Only after a final decision of the Belgian Court if Appeal will it become clear whether the 5% withholding tax has to be deducted on dividends paid by the Company to the Dutch affiliates Wereldhave NV and Wereldhave International NV.

The final outcome of this dispute will probably not be known during the course of 2019.

Should – after intervention of a final court decision about the years 1999 and 2000 – the Tax Administration decide to collect the withholding taxes and overdue payments by legal process for past tax assessment periods, as provided for under Belgian law, then Wereldhave NV and Wereldhave International NV shall, each for their part in the lawsuit, indemnify the Company against any action to settle the wrongly, not-deducted withholding tax that was payable on dividend payments included in said tax assessment periods.

The Company decided as from 2017 to effectively retain 5% of withholding tax on the dividend distributed to the Dutch companies Wereldhave SA and Wereldhave International SA.

35. EVENTS HAVING OCCURRED AFTER THE END OF THE FINANCIAL YEAR

No significant events occurred after 31 December 2018 that could be of influence to the present financial report or that should be mentioned in it.

AUDITOR'S REPORT

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF WERELDHAVE BELGIUM COMM. VA AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2018

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

In the context of the statutory audit of the consolidated financial statements of Wereldhave Belgium Comm. VA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements for the year ended 31 December 2018, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 13 April 2016, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2018. We have performed the statutory audit of the consolidated financial statements of Wereldhave Belgium Comm. VA for 3 consecutive financial years.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

UNQUALIFIED OPINION

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2018, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2018, the consolidated profit and loss account and statement of other comprehensive income, consolidated statement of movements in equity and consolidated cash flow statement for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR'000 980.095 and the consolidated profit and loss account shows a profit for the year of EUR'000 40.541.

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

BASIS FOR OUR UNQUALIFIED OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

A key audit matter is that matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of investment properties

We refer to caption C 'Investment properties' of the assets in the consolidated statement of financial position and to note '3.6 Investment Properties' and note '6. Investment Properties' of the consolidated financial statements.

Description

The Group's investment property portfolio comprises offices, retail as well as properties under development. As at 31 December 2018, the carrying value of the Group's total investment portfolio was EUR 956,7 million and represented 97,6% of total assets.

The valuation of investment properties is complex and requires significant judgement.

Investment properties are valued at fair value at reporting date using the direct capitalization method. The fair value is dependent on the valuation methodology adopted and on the inputs into the valuation model. Factors such as prevailing market conditions, the individual nature, condition and location of each property have a direct impact on the fair value.

The following assumptions are key in determining fair value:

- Market rent
- Future vacancy rates
- Yield factors
- Maintenance expenses
- Transaction expenses

Due to the relative size of the Group investment property portfolio in the consolidated statement of financial position and the estimation uncertainties around the determination of fair value, we consider this a key audit matter.

Our audit procedures

With the assistance of our property valuation specialists, we have performed the following audit procedures:

- We have assessed the design of the key controls relating to the valuation process.
- We have reconciled the tenancy schedules and other property related data extracted from the accounting records with the data used as input for the valuations performed by external experts engaged by management.
- We have reconciled a sample of tenancy contracts to the tenancy schedules.
- We have performed a site visit to the Tournai Les Bastions property and observed the tenants presence on the site and any vacancies. We have reconciled our observations to the respective tenancy schedules.
- We have assessed the competence, objectivity and capabilities of the external experts engaged by management.
- We have challenged the appropriateness of key assumptions and the valuation techniques used in the valuation such as market rent levels, future vacancy rates, yield factors, maintenance expenses and transaction expenses by comparing them with those used in the past by the Group, as well as with current market data.
- We have verified the mathematical accuracy of the valuation model applied by the external experts engaged by management.
- We have inspected the valuation reports prepared by the external experts engaged by management for all investment properties, have agreed fair value to the Group's accounting records and have discussed our findings and observations with management.
- We have assessed whether the disclosures relating to investment properties appropriately reflect the exposure to valuation risk, including the valuation methodologies applied and the key assumptions used.

BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

STATUTORY AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;
- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the consolidated financial statements and the other information included in the annual report.

STATUTORY AUDITOR'S RESPONSIBILITIES

In the context of our mandate and in accordance with the Belgian standard (revised in 2018) which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements and the other information included in the annual report, and to report on these matters.

ASPECTS CONCERNING THE BOARD OF DIRECTORS' ANNUAL REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

Based on specific work performed on the board of directors' annual report on the consolidated financial statements, we are of the opinion that this report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 119 of the Companies' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the annual report:

- The Consolidated Key Information;
- And the Real Estate Report ("Summary and overview of the real estate portfolio").

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

INFORMATION ABOUT THE INDEPENDENCE

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit referred to in article 134 of the Companies' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

OTHER ASPECT

- This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Antwerp, 8 March 2019

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
Represented by
Filip De Bock
Réviseur d'Entreprises / Bedrijfsrevisor

STATUTORY STATEMENT

STATUTORY STATEMENT OF FINANCIAL POSITION

(X € 1,000)

ASSETS		31 DECEMBER 2017	31 DECEMBER 2018
I.	Non-current assets		
C.	**Investment properties**	836,015	938,972
		836,015	*938,972*
D.	**Other tangible assets**	542	545
E.	**Financial non-current assets**		
	Investments in affiliated enterprises	10,298	10,298
	Amounts receivable from affiliated enterprises	10,073	10,320
G.	**Trade receivables and other non-current assets**	0	334
		20,912	*21,497*
II.	Current assets		
A.	**Assets held for sale**		
	Investment properties	16,447	0
D.	**Trade receivables**	8,992	12,367
E.	**Tax receivables and other current assets**	1,061	1,039
F.	**Cash and cash equivalents**	1,407	5,624
		27,907	*19,029*
	Total assets	**884,834**	**979,498**

(X € 1,000)

SHAREHOLDER'S EQUITY		31 DECEMBER 2017	31 DECEMBER 2018
I.	Shareholder's equity attributable to the parent company's shareholders		
A.	**Capital**		
	Issued capital	292,774	318,141
	Capital increase costs	0	-108
B.	**Issue premiums**	50,563	78,733
C.	**Reserves**		
b.	Reserve for the balance of changes in fair value of real estate properties	146,219	188,173
d.	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-503	-52
j.	Reserve for actuarial gains and losses of defined pension schemes	-721	-446
m.	Other reserves	0	-116
n.	Accumulated result	80,079	56,950
D.	**Net result of the year**	54,214	39,644
		622,626	*680,920*
II.	**Minority interests**	**0**	**0**

(X € 1,000)

LIABILITIES		31 DECEMBER 2017	31 DECEMBER 2018
I.	Non-current liabilities		
A.	**Provisions**		
	Pensions	978	714
B.	**Non-current financial liabilities**		
a.	Credit institutions	186,000	109,726
c.	Other non-current financial debts		
	Other loans	22,000	
	Rent guarantees received	735	748
C.	**Other non-current financial liabilities**		
	Authorised hedging intruments	503	159
E.	**Other non-current liabilities**	0	0
		210,216	***111,347***
II.	Current liabilities		
B.	**Current financial liabilities**		
a.	Credit institutions	25,961	0
c.	Other current financial debts		
	Other loans		176,000
	Other	540	50
D.	**Trade payables and other current liabilities**		
b.	Other		
	Suppliers	3,101	2,573
	Taxes, remunerations and social security contributions	1,370	955
E.	**Other current liabilities**	16,447	0
F.	**Accrued charges and deferred income**		
	Real estate income received in advance	894	2,228
	Other	3,680	5,425
		51,993	***187,231***
	Total shareholder's equity and liabilities	**884,834**	**979,498**
	Net asset value per share (x € 1)	89.73	90.30

STATUTORY PROFIT AND LOSS ACCOUNT

(X € 1,000)

		31 DECEMBER 2017 (RESTATED *)	31 DECEMBER 2018
I.	**Rental income**		
	Rent	49,263*	51,414
	Indemnification for early termination of lease	378	855
III.	**Rental-related expenses**		
	Rent to be paid on rented area	-401*	-404
	Amounts written off on specific trade receivables	-93*	-122
	Revaluation of general provision on trade receivables (according to IFRS 9)	0	1
	Net rental income	***49,146****	***51,743***
V.	**Recovery of rental charges and taxes normally paid by the tenant on let properties**	1,806	1,988
VII.	**Rental charges and taxes normally paid by the tenant on let properties**	-2,414	-4,147
		-607	***-2,159***
	Property result	**48,539**	**49,584**
IX.	**Technical costs**		
	Recurrent technical costs		
	Repairs	-376	-111
	Insurance premiums	-61	-38
		-437	***-150***
X.	**Commercial costs**		
	Agency commissions	-301	-366
	Publicity	-180	-114
		-481	***-480***
XI.	**Charges and taxes on non let properties**		
	Costs on non let properties	-905	-612
	Real estate tax on non let properties	-180	-338
		-1,085	***-951***
XII.	**Property management costs**		
	(Internal) property management costs	-964*	-961
		-964*	***-961***
	Property charges	***-2,968***	***-2,541***
	Property operating results	**45,571***	**47,043**
XIV.	**General company costs**		
	Staff costs	-1,801	-2,274
	Other	-2,021*	-1,234
XV.	**Other operating income and charges**	-629	-779
		-4,451*	***-4,287***
	Operating results before result on the portfolio	**41,120**	**42,756**

(X € 1,000)

		31 DECEMBER 2017	31 DECEMBER 2018
XVI.	**Result on disposals of investment properties**		
	Net property sales (selling price – transaction costs)	0	2,489
	Book value of the property sold	0	-2,524
		0	***-35***
XVII.	**Result on disposals of other non financial assets**		
	Net sales of other non financial assets (sale price - transaction costs)	-8	-4
		-8	***-4***
XVIII.	**Variations in the fair value of investment properties**		
	Positive variations in the fair value of investment properties	31,479	24,277
	Negative variations in the fair value of investment properties	-16,152	-24,865
		15,327	***-588***
XIX.	**Other result on portfolio**	-65	0
		-65	***0***
		15,254	***-627***
	Operational result	**56,374**	**42,129**
XX.	**Financial income**		
	Interests and dividends received	327	152
XXI.	**Net interest charges**		
	Nominal interest charges on loans	-2,201	-2,427
XXII.	**Other financial charges**		
	Bank charges and other commissions	-100	-100
	Net losses on disposals of financial assets	0	
	Financial result	***-1,974***	***-2,375***
	Result before tax	**54,400**	**39,754**
XXIV.	**Corporate tax**		
	Corporate tax	-187	-110
	Tax	***-187***	***-110***
	Net result	**54,214**	**39,644**
	Result per share (x € 1)	7.81	5.58
	Diluted result per share (x € 1)	7.81	5.58

STATEMENT OF COMPREHENSIVE INCOME

(X € 1,000)

		31 DECEMBER 2017	31 DECEMBER 2018
I.	**Net result**	**54,214**	**39,644**
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	305	451
	Items not taken in the result		
E.	Actuarial gains and losses of pledged pension schemes	88	275
		393	***726***
	Comprehensive income (I + II)	**54,607**	**40,370**

STATUTORY STATEMENT OF MOVEMENTS IN EQUITY FOR 2017

(X € 1,000)

	NOTE	SHARE CAPITAL	ISSUE PREMIUMS	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF REAL ESTATE PROPERTIES
Balance at 1 January 2017		**292,774**	**50,563**	**116,456**
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	a			29,763
Dividend over 2016	b			
Balance at 31 December 2017		**292,774**	**50,563**	**146,219**
Restated balans at 31 December 2017		**292,774**	**50,563**	**146,219**
Adjutment on initial application of IFRS 9 (net of tax)				
Adjusted balans at 1 Januari 2018		**292,774**	**50,563**	**146,219**
Capital increase		25,260		
Issue premiums			28,170	
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	c			41,955
Dividend over 2017	d			
Balance at 31 December 2018		**318,034**	**78,733**	**188,174**

(X € 1,000)

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	ACCUMULATED RESULT	NET RESULT OF THE YEAR	TOTAL
-808	-809	145,231		603,407
306				306
	88			88
			54,214	54,214
		-29,763		0
		-35,389		-35,389
-503	**-721**	**80,079**	**54,214**	**622,626**
-503	-721	134,293		622,626
		-116		-116
-503	-721	134,177	0	622,510
				25,260
				28,170
451				451
	275			275
			39,644	39,644
		-41,955		0
		-35,389		-35,389
-52	**-446**	**56,833**	**39,644**	**680,920**

Notes

a	Changes in fair value of the investment properties portfolio over 2016. Reclassification of the heading 'Accumulated result'.
b	Dividend paid 2016 € 5.10 (net € 3.57) per share: € -35,389
c	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.
d	Dividend paid 2017 € 5.10 (net € 3.57) per share: € -35,389 of wich € 14,993 paid in cash and the balance paid out in 228,525 new shares, which led to a capital increase and issue premiums.

PROFIT APPROPRIATION (IN ACCORDANCE WITH THE SCHEDULE SET OUT IN SECTION 4 OF PART 1 CHAPTER 1 OF APPENDIX C FROM THE ROYAL DECREE OF 13 JULY 2014)

(X € 1,000)

		31 DECEMBER 2017	31 DECEMBER 2018
A.	**Net result**	54,214	39,644
B.	**Transfer to/from reserves**	-15,327	588
	Transfer to/from reserve for the balance of changes in fair value of real estate properties		
	Financial year	-15,327	588
C.	**Return on capital**	35,389	39,209
	(In accordance with article 13, §1, paragraph 1 from the Royal Decree of 13 July 2014)		

The statutory annual accounts, the notes, the statutory report of the Management Company and the Auditor's report concerning the statutory annual accounts of Wereldhave Belgium can be obtained free of charge at the Company's Head Office. These documents are also available on our website: www.wereldhavebelgium.com

The auditor delivered an unqualified audit opinion.

The statutory annual accounts, the notes, the annual report and the Auditor's report will, according to the legal regulations, be deposited at the National Bank of Belgium.

Responsibility statement according to Section 12 § 2 of the Royal Decree of 14 November 2007

The Management Company of Wereldhave Belgium declares:

1) that based on the assessment performed and taking into account the recommendations of the Corporate Governance Code, the internal risk management and control systems of Wereldhave Belgium are adequate and provide a reasonable degree of certainty that the financial reporting as included in this Annual Report is free of material misstatement.
   The Management Company has no evidence that this risk management and control system would not have functioned in accordance with the description or that this system would not have functioned properly in the current year;
2) that the Annual Accounts present a true and fair view of the assets, liabilities, financial position and result of Wereldhave Belgium;
3) that the Annual Report provides a true and fair view of the situation on the balance sheet date, the course of business during the financial year of Wereldhave Belgium;
4) that the main risks confronting Wereldhave Belgium have been described in this Annual Report; and
5) after taking into account every reasonable measure for such purpose, that the information contained in the Annual report reflects, to his knowledge, actual fact and no information has been omitted which, if disclosed, would alter the meaning of the Annual report.

The Management Company

Wereldhave Belgium NV

D. Goeminne, Chairman

B. Boone

A. Claes

K. Deforche

Vilvoorde, 8 March 2019

9 RISK FACTORS

The Company distinguishes between market, operational, financial and regulatory risks. Certain risks attached to the activities of the Company are amplified by the permanent evolution of the real estate markets and the economic climate.

Below is a description of the most important risks, the specific measures to manage the risks concerned, and the potential impact of the risks on the company's results and capital. (*)

MARKET RELATED RISKS

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Economic climate Slowdown of the economic climate or recession	1) Decline of rental income in the event of re-renting or requests for rental reductions. 2) Higher bankruptcy risk of the tenant. 3) Decline in the fair value of the real estate investment portfolio and consequent decline of the net value of the share and increase in the debt ratio. 4) Probability of the realization of the risks described below as a direct or indirect result of the economic climate. 5) Increase in vacancy.	Geographic spread of the real estate portfolio across Belgium (See overview of the real estate portfolio p88-89). (1-2-3-4-5) Sector-based diversification of the tenant portfolio (see branch mix p92). (1-2-3-4-5) Active asset management. (1-2-3-4-5) Accumulation and application of market knowledge. (1-2-3-4-5) The average duration of contractual rental agreements up to the first severance possibility is 2.8 years, and up to the end of the rental agreement 6.0 years. (1-2-3-4-5)
Rental market shopping centres Sales activities of tenants under pressure	1) Higher bankruptcy risk of the tenant. 2) Potential increase in the number of doubtful debtors resulting in a decrease in collection frequency. 3) Increase in vacancy due to not finding potential tenants at the market price.	Quality tenants, such as large national and international retailers, with a lower bankruptcy risk. (1-2-3) Active asset management through, amongst others, proactive direct contact with the tenants. (1-2-3) Strict monitoring of the collection policy. (2) Application of standard rental conditions such as the advance payment of rent and the provision of a bank guarantee (equivalent to 3/6 months of rent). (1-2) Stimulation of lease payments by direct debit. (1-2)

The numbering of 'limiting measures' refers to the numbering in the 'possible impact' column.

(*) The chapter 'Risk Factors' forms an integral part of the Management Report in accordance with article 96, §2 of the Companies Code.

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Decline in tenant solvency	1) Potential increase in the number of bad debts resulting in a decline in collection frequency. 2) Increase in vacancy due to not finding potential tenants at the market price. 3) Potential decrease of the rental income.	Give preference to quality tenants. (1-3) Screening of tenant solvency via the Graydon database. (1-3) Active asset management through, amongst others, proactive direct contact with the tenants. (1-2) Use of standard rental conditions such as the advance payment of the rent and the provision of a bank guarantee. (1-2)
Additional competitive pressure on the retail market (E-commerce, ...)	1) Decrease in the number of visitors 2) Decrease in rental income 3) Increase of the vacancy	Active asset management to increase the attractiveness of the real estate portfolio (tenant mix, ...) (1-2-3) Aim for a high experience factor of the shopping centre, promote customer loyalty, active role in the local community. (1-2-3) Shopping centres offer a wider experience aspect and a wider range of services than mere shopping (F&B, children's areas, …) (1-2-3)
Deflation risk	1) Postponement/cancellation of purchases of consumer goods (expected price falls) leading to pressure on the tenant turnover. 2) Potential decline of rental income due to negative indexation.	Quality and professional tenants with a lower bankruptcy risk. (2) Insofar as possible, state in the rental agreement that the rental indexation cannot be negative. (1-2)
Inflation risk	1) Increasing discrepancy between the collected rental income and the market rent.	Standard provision of indexation clauses in the leases. (1) Rental agreements with rental adjustment options on break date (1)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Volatility of interest rates Strong fluctuations in the short and/or long term rates on international markets	1) Increase in the financial costs. 2) Fluctuations in the value of financial instruments. 3) As a result of the above, a possible decline of the Net Asset Value and a higher debt ratio. 4) Potential decrease of the distributable result.	Diversification of the various capital sources. (1-2-3) Hedge against these interest rate fluctuations through financial derivatives. (1-2-3) The debt ratio remained limited (29.7 % on 31 December 2018) as a result of the deviation granted by the FSMA that applied in 2018, and consequently the impact of any fluctuations is limited. (1) Debts at fixed rate (38 %) respectively variabel rate (62%) (1-2-3-4)
Financial markets Volatility and uncertainty on the international financial markets	1) Limited possibilities for raising new capital in the form of equity or borrowed capital. 2) Increase in debt ratio and limitation of growth opportunities. 3) Volatility of the share price.	Developing of solid long-term relations with investors and credit institutions so that dialogue can take place on a regular basis. (1-2-3) Wereldhave (International) NV is a reliable, solid and long-term shareholder. (1-2-3) Systematic and consistent communication on the financial outlook for all stakeholders concerned. (1-2-3) Application and observance of the RREC legislation for the purpose of protecting the shareholders. (1-2-3) Sound capital ratios. (1-2-3) Aim for the preservation of sufficient availability margins on confirmed lines of credit and anticipation of their extension to have them secured over the long term (see note p 155). (1-2-3)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Terrorism threat	1) Decline in visitors. 2) Decline in tenant turnover. 3) (Partial) destruction of building and consequently potential decline in rental income.	High quality security (ICT, security services, etc). (1-2) Cooperation with public services (police, etc). (1-2) Insurance against terrorism and loss of rental income. (3)
Geo political situation National/international political instability	1) Increase in financing costs due to an increase in the interest rates and potential decline of the fair value of the real estate investment portfolio. 2) Decrease in the number of investment sources and an increased risk of other financial risks becoming effective. 3) Limited access to capital markets.	Focus on the retail real estate market in Belgium and Luxembourg of politically stable and secure countries. (1-2-3) The debt ratio remained limited (29.7 % on 31 December 2018) as a result of the deviation granted by the FSMA that applied in 2018, and consequently the impact of any fluctuations is limited. (1-2-3) Sound balance sheet structure. (1-2-3)
Change of value of the real estate portfolio Volatility of the value of the real estate portfolio	1) Change in the balance sheet ratios. 2) Impact on the net asset value and on the gearing ratio.	Proactive asset management of own assets in order to limit the vacancy. (1-2) Active investment management of the properties in portfolio in order to maintain their values. (1-2) An investment strategy aimed at quality, retail real estate of standing in Belgium and Luxembourg. These countries can offer enough stability and attractiveness. (1-2) Active sustainability policy (measures to improve energy performance such as the installation of solar panels, certification of buildings, separation of waste flows, etc). (1-2)
Liquidity risk of the share	1) Investors who do not invest in shares because of liquidity. 2) Restrictions on the purchase and sale of large blocks of shares.	Transparent communication (1-2) Financial services by BNP Paribas Fortis (2) Extension of the free-float basis through investment operations (contribution in kind) (1-2)

OPERATIONAL RELATED RISKS

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Strategy Investment/policy choices	1) Not achieving expected returns. 2) Decline in the revenue stream as well as its stability. 3) Readjustment of the company's risk profile. 4) Decrease in occupancy because the real estate portfolio is not in line with market demand.	Clear long-term investment strategy and consistent management of the capital structure that is regularly evaluated by the Statutory Management Company. (1-2-3-4) External valuation by an independent valuation expert prior to purchase. (1-2-3-4) Formal approval procedure relating to investments by Executive Management and the Statutory Management Company, and also an experienced management team. (1-2-3-4) Legal, fiscal and environmental-technical due diligence when purchasing real estate with negotiation of price reductions or representations and warrantees from the seller in order to hedge the identified risks. (1-2-3-4) Stipulation of rental guarantees by the real estate vendor. (1-2-3-4) Permanent monitoring via an ICT application project module. (1-2-3-4) Permanent monitoring of the tenant file: financial, turnover, rental pressure, etc. (1-2-3-4)
Development pipeline Solvency contractors, permits, budgeting etc.	1) Uncertainty about future income and occupancy resulting in not achieving the target return. 2) Permits are not granted or incur delays. 3) Changes in the economic climate during the construction phase. 4) Material overrun of the budgets and costs.	Development pipeline limited to 10% of the real estate portfolio. (1-2-3-4) Prior analytical quantification/feasibility study and monitoring by a team specialised in project developments. (1-2-3-4) Starting of the development projects not before having reached a minimum preletting percentage of the area to be developed. (1-3) Appropriate selection of the enterprises with whom the company will contract in the context of a development project. (4)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Age and quality of buildings Technical aging process	1) Rising maintenance costs. 2) Decrease in occupancy. 3) Reduced attractiveness for tenants resulting in a reduction of rental income.	Draw up yearly budgets for structural maintenance and renovation of the properties in portfolio. (1-2-3) Portfolio rotation in order to keep the portfolio up to date (technical, location, etc.). (1-2-3) Strict internal coordination by management and monitoring with the facility managers. (1-2-3)
Environmental risk Pollution detected in or caused by the properties in the real estate portfolio	1) Environmental degradation 2) High costs (management costs, rehabilitation costs, ...) for the company 3) Negative impact on the image of the company 4) Negative impact on the fair value of the portfolio	Careful due diligence process on these aspects in the context of the purchase of new retail property (1-2-3-4) Active asset management to identify and address potential environmental problems as early as possible (1-2-3-4) Annual investments in the portfolio to keep technical installations up to date (1-2-3-4)
Co-ownership Some buildings in the portfolio are in co-ownership, which can cause difficulties if strategic decisions (redevelopment, ...) have to be made	1) Increasing maintenance costs 2) Aging of the properties within the real estate portfolio 3) Negative impact on the fair value of the portfolio	Attention given by the Company to avoid these co-ownership contracts, especially for the acquisition of new investment projects (1-2-3)
Merger, split or other acquisition operation There is a risk that the assets concerned will not be valued at the correct level or that liabilities will not be identified at the time of the change	1) Economic losses should be capitalized if assets are valued too high or liabilities too low	In these types of transactions, a thorough due diligence has been carried out, in collaboration with specialised advisors, in order to be able to identify all possible risks as early as possible and to be able to timely provide the necessary coverage (guarantee, discounts, ...) with the counterparty in the context of the transaction. (1)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Vacancy Scenarios of vacant property, such as failures, relocations, shrinkage, etc.	1) Decrease in the occupancy. 2) Decrease in the fair value of the real estate, and as a result also the Net Asset Value. 3) Possible downward adjustment of the ERV. 4) Unforeseen costs or increase in costs that are normally passed on (e.g. common charges for which the owner is liable).	Active management of the real estate portfolio in cooperation with the tenants and stakeholders to keep the value per property up to standard. (1-2-3-4) Make use of the scale of operations in order to be able to realise global deals on different shopping centres. (1-2-3-4) Temporary occupation in the form of pop-ups, marketing actions or other forms of occupation. (4) Active cooperation with towns and brokers to reduce vacant properties as much as possible. (4) Geographical diversification of the real estate portfolio and occupation by tenants of different sizes and sectors of activity in order to limit the risk of significant vacancy. The occupancy rate by 31 December 2018 was 96.2%.(1-2-3)
Destruction of real estate Demolition building by fire, accident, terrorism, etc.	1) Decrease in fair value of assets. 2) Loss or reduction of rental income or rental turnover. 3) Unusability of the building.	The real estate investment portfolio is insured at reconstruction value in accordance with the ABEX index and insurance against a rental loss of a maximum of 36 months. The insured reconstruction value of the portfolio was insured for an amount of € 613.3 million as per 31 December 2018, i.e. 61.1 % of the fair value. The insurance premium is € 158,589. (1-2-3) Active management of the real estate portfolio in cooperation with the tenants and stakeholders to commercially restore the real estate within a period of < 36 months. (1-2-3)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Termination of rental agreement Early termination or non-extension of a rental agreement	1) Risk of vacancy as a result of a decline in occupancy. 2) Decrease in rental income. 3) Unforeseen costs or increase in costs that are normally passed on.	Fall back on rental securities/rental guarantees if necessary. (1-2-3) Conduct commercial negotiations with the tenant to increase the attractiveness of a deal. (1-2-3) Sell-off of contractual rights. (1-2-3) Advance notices foreseen in the rental agreements in order to be able to anticipate the reletting of the area and to limit the vacancy period. (1-2-3)
Concentration risk - tenants - property	1) Material downturn of rental income in the event of departure, bankruptcy or decline in the collection from a tenant. 2) Material decrease in the fair value of the property.	Diversification of income generated per tenant with observance of the legal provisions in this respect (< 20%). The largest tenant of the Company represents about 6.6% of the total rental income. (1-2) Spread of the real estate portfolio as provided by the RREC legislation** to limit the effects of vacancy. (1-2)
Debtor risk	1) Non-extension or early break of the rental agreement. 2) Decline in solvency or bankruptcy risk. 3) Tenant concentration.	Short communication line with tenants. (1-2-3) Internal leasing asset management team. (1-2-3) Monitoring of the financial health of tenants (screening, turnover, financials, and rental pressure). (1-2-3) Stringent collection procedure and regular supervision of outstanding receivables. The total cost for doubtful debtors as at 31 December 2018 amounts € 168k (1-2-4) Spread of the tenant portfolio – see branch mix p92. (1-2-3) Limit the concentration of important tenants. The top 10 of the most important tenants represents about 29% of the total rental income. (2-3)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Turnover of key personnel	1) Negative effect on the existing business relations. 2) Loss of decisiveness and efficiency in the management decision-making process. 3) Loss of know-how.	Active monitoring of the workload. (2-3) Clear and consistent procedures to guarantee continuity. (1-2-3) Stimulate teamwork in order to avoid a single individual being solely responsible for a concentration of important strategic tasks. (1) Market-compliant remuneration of staff. (1-2-3)
Interruption of the continuity in Risk and Compliance Management due to force majeure	1) Temporary probability increase in the occurrence of risks.	Provide internal training to instill the principles of Compliance and Risk Management among employees in order to support its continuity. (1) An experienced management team and internal supervision by the Statutory Management Company. (1)
External service providers do not correctly observe the service contract	1) Potential negative effect on the income and cost flow, efficiency of the organisation, and general reputation of the company.	Supervision of the activities of important suppliers and service providers on the basis of clear KPIs*, with a results agreement where possible. (1) Use of standard (general conditions) (1) Option of terminating the service contract in the event of serious misconduct or fraud. (1)
Risk related to IT	1) Potential negative effect on the functioning of the organisation. 2) Potential destruction of operational and strategic data.	Daily backups so that loss of data is limited in time .(1-2) The IT servers, where all the operational strategical data (and their back-up) are recorded, are externalized in external data management centres where appropriate security measures are applied. (1-2) See point 5 Risk Management p196 (1-2)

(*) Key performance indicators

(**) On 11 December 2018 the FSMA granted a renewed dispensation from the ban on investing more than 20% of the assets in one real estate stock. (See Real Estate Report – Summary and overview of the real estate portfolio).

FINANCIAL RISKS

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Counterparty risk Insolvency / credit risk with financial partners	1) Loss of deposits. 2) Higher or unforeseen financial costs. 3) Cancellation or termination of existing lines of credit or Interest Rate Swaps and thus a possible limitation of the growth potential.	Strict financing policy with balanced spread regarding maturity, banks with strong ratings and product limited to the Eurozone. (1-2-3) Diversification of financing sources (treasury note program) (1-2-3) 20-30% unutilised margin of committed lines of credit. (1-2-3)
Cash flow and solvency risk	1) Inability to repay interest and capital. 2) Impossibility to realise growth. 3) Forced sale of real estate with possible impact on the sales price.	Loans are of the bullet type with clear view of the due dates. (1) 20-30% unutilised margin of committed lines of credit. (1) Strict monitoring with Executive Management and Statutory Management Company concerning the impact of possible interest rates changes. (1) Protection against a rise in interest rates by making use of credit lines with fixed interest rates and hedging instruments. (1-2-3)
Interest rate development	1) Increase in the weighted average cost of capital. 2) Impact on the profitability of the company.	20-30% unutilised margin of committed lines of credit. (1) Strict monitoring with Executive Management and Statutory Management Company concerning the impact of possible interest rates changes. (1-2) Protection against a rise in interest rates by making use of hedging instruments. (1-2)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Dividend risk	1) Volatility of share price. 2) General decline in confidence in the share or the company.	The development of solid long-term relations with shareholders, investors and financial institutions such that dialogue can take place on a regular basis. (1-2) Stable shareholder's structure (Wereldhave NV and Wereldhave International NV hold 65.90% of the shares). (1-2) At least 80% of the corrected positive net result, less the net decline of debt in the course of the financial year, must be paid out as dividend (See note 27 – art 617 Company Code p164). (1-2)
Bank covenant risk Non-compliance with the requirement to meet certain financial parameters under the credit agreements.	1) Cancellation, renegotiation, termination or early payability of the financing agreements by the financial institution upon the non-observance of the imposed ratios.	Prudent financial policy with constant monitoring to satisfy financial parameters. (1) Active management of the financing structure with thorough attention to the renegotiation processes on the covenants agreed in the new financing contracts (1) Regular monitoring of the development of the debt ratio and prior analysis of the impact of every intended investment operation on the debt ratio. (1)
Risk of changes in fair value of derivative instruments that are intended to hedge the interest rate risk	1) Counterparty risk to partners who have been concluded financial derivatives. 2) Complexity and volatility of the fair value of the hedging instruments and, consequently, of the net value of the share in accordance with IFRS.	Cooperation with well-known international institutions. (1) All the derivatives are retained only for hedging purposes. No speculative instruments are held. (2) Fluctuations in the fair value of hedging instruments represent an unrealized non-cash item (if the products are held to maturity and not settled prematurely) and are presented separately in the statement of comprehensive income to increase readability. (2)

REGULATORY RISKS

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Change in international accounting rules and reporting standards IFRS	1) Impact on reporting, capital requirements, use of derivatives and the organisation of the company. 2) Direct or indirect impact on the real estate valuation as well as on the operational activities.	Permanent evaluation of the changes relating to legal standards. (1-2) Collect advice from external specialised service providers. (1-2) An experienced management team and supervision by the Statutory Management Company in order to observe the legislation and to align the strategy with this. (1-2)
Legislative framework RREC (1) Loss of company status	1) Change of status to an ordinary real estate company and loss of the advantage of the favorable tax status of RREC. 2) Potential impact on the reporting, capital requirements, use of financial products, credit agreements and general operational organization of the company. 3) Impact on transparency, returns and results achieved, and the possible valuation. 4) Penalties and/or intensified supervision by the FSMA if the legal (financial) parameters are not satisfied.	Continuous evaluation and constant attention by the Management Company. (1-2-3-4) The dividend obligation and financing limits are regularly calculated and determined. (1-2-3-4) Regular dialogue with the FSMA as regulator and supervisor of the Regulated Real Estate Companies. (1-2-3-4) An experienced management team and supervision by the Management Company in order to observe the legislation and to align the strategy with this. (1-2-3-4) The Developer (Wereldhave (International) NV) strictly observes the regulatory legislation on the preservation of the RREC status and in particular regarding the limits relating to the free float. (1-4)

1 Referring to existing practices within the Tax Administration, in particular those mentioned in the Circular letter ref. Ci.RH. 423/567.729 dd. 23.12.2014 emanating from the Finance Minister concerning the calculation of exit tax which clarified, among other things, that the value of the assets in question, for calculating the basis of the exit tax (for tax purposes, the taxable amount for the exit tax calculation), is determined by deducting the registration duties or the VAT that would be applied if the assets in question were sold, which is different (it is lower) from the fair value of these assets as determined under IFRS-rules.

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Change of general, urban planning and/or environmental legislation	1) Must comply with the legislation with detrimental implications for the company and/or its shareholders and stakeholders (withholding tax, municipal taxes, and environmental taxes). 2) Not-prepared or incorrect assessment of the impact of the practical application of new legislation. 3) Impact on the purchase and sales prices of real estate. 4) Decrease in the return and consequently the attractiveness of the share. 5) Decline in the fair value of the real estate portfolio.	Remain constantly informed of new legislation by monitoring seminars, assistance by specialists in this respect and self-study. (1-2-3-4-5) An experienced management team and supervision by the Management Company in order to observe the legislation, and to align the strategy with this and evaluate it depending on the specific impact. (1-2-3-4-5) Full legal, fiscal and environmental- technical due diligence when purchasing a property to identify possible violations and to be able to take the necessary measures after purchase to arrange the buildings in an efficient manner. (1-2-3-4-5)

RISK MANAGEMENT

The Statutory Management Company is responsible for the planning, implementation and operation of the internal risk management and control systems geared to the business activities of the Company. The Statutory Management Company is aware that no risk management and control system can provide an absolute guarantee for meeting the company objectives and preventing significant errors, losses, fraud or violation of laws or regulations.

The instruments for internal control and risk management are formed by the Corporate Governance Charter, the administrative organization, the investment strategy approved by the Statutory Management Company each year, the Business Principles and the Code of Conduct.

The Company has a system of warnings in the event of breaches. The integrity-sensitive positions are itemised. Special procedures apply for the hiring of employees in such positions.

The Company has set up an appropriate administrative organization for itself in which the internal control is embedded. The company processes are documented in a database that is available online for all employees. This system not only guarantees the continuity of the company processes, but also records and shares the knowledge available in the company. Moreover, the company processes are developed as job descriptions for each position.

The Administrative Organization/Internal Control system is based upon an enforced division of roles insofar possible. This system also comprises an automated information system, the access to which is based on the job descriptions. Both contracting and payments take place on the basis of the four eyes principle.

The Company applies strict procedures for the regular compilation of quarterly and annual figures on the basis of the established foundations. The internal management reports are aimed at the direct reporting of changes in the value of investments and the profit per share. Furthermore, electronic data processing is used in an automated integrated central information system.

The Company aims to guarantee the reliability and continuity of its IT organization and automated data processing by employing a system of preventive and repressive measures. This system is designed to safeguard the integrity, exclusivity, availability and controllability of automated data processing and storage. Daily backups are made of the data files.

10 GENERAL INFORMATION

IDENTIFICATION AND STATUTORY PROVISIONS

Name
The Company is a public Regulated Real Estate Company (RREC) according to Belgian law.

Registered office
Medialaan 30, box 6 – 1800 Vilvoorde.

Company registration number (RPR Brussels)
The Company is registered with the Crossroads Bank for Enterprises under number 0412.597.022.

Term
The Company was incorporated for an unlimited term.

Legal form, incorporation, publication
The Company was incorporated, in the form of a public limited company and under the name 'RANK CITY WALL (BELGIUM)', by deed executed by Mr Pierre Spaey, notary in Sint-Jans-Molenbeek, on 8 August 1972, published in the annexes to the Belgian Official Gazette on 18 August 1972, under number 2520-9.

The Company was converted into a partnership limited by shares by the Extraordinary General Meeting of Shareholders held on 15 January 1998, the minutes of which were drawn up by Mr Eric Spruyt, notary of Brussels, and published in the annexes to the Belgian Official Gazette on 7 February 1998, under number 980207-208.

As from 15 January 1998 the Company has also been known as a 'property investment fund with fixed capital under Belgian law', or SICAFI under Belgian law, and registered with the FSMA.

As a SICAFI, the Company was subject to (i) the provisions of the Royal Decree of 10 April 1995 relating to SICAFI's and subsequently to the provisions of the Royal Decree of 7 December 2010 relating to SICAFI's (which repealed the aforementioned Royal Decree of 10 April 1995), and (ii) to the provisions of the Law of 20 July 2004 relating to certain forms of collective management of investment portfolios and subsequently to the provisions of the Law of 3 August 2012 relating to certain forms of collective management of investment portfolios (which repealed the aforementioned Law of 20 July 2004).

Taking into account the entry into force of the Law of 19 April 2014 relating to alternative investment funds and their managers (hereafter the AIFMD Law), the Company opted to apply for the status of public regulated real estate company, as introduced by the Law of 12 May 2014 relating to regulated real estate companies (hereafter the RREC Law), in place of the status of public SICAFI. In this context, on 8 August 2014 the Company submitted its licence application as a public regulated real estate company to the FSMA. The Company was subsequently licensed as a public regulated real estate company by the FSMA on 22 September 2014 in accordance with Articles 9, §3 and 77 of the RREC Law, under the condition precedent of the amendment of the Articles of Association of the Company and in compliance with the provisions of Article 77, §2 et seq. of the RREC Law. On 27 October 2014, the Extraordinary General Meeting of Shareholders of the Company eventually and unanimously approved the change of the Company object with a view to changing status from SICAFI to public regulated real estate company in accordance with the RREC Law. As no right of withdrawal was exercised at the aforementioned Extraordinary General Meeting of Shareholders, and all conditions precedent to which the amendment of the Articles of Association was subject by the Extraordinary General Meeting of Shareholders and the licence granted by the FSMA had been met, since 27 October 2014 the Company benefits from the status of public regulated real estate company. The Company is of the understanding that the new status of public regulated real estate company corresponds better to economic reality and provides an appropriate legal framework for the Company in its capacity as operational and commercial real estate company. This status enables the Company to continue its current activities in the interests of the Company, its Shareholders and other stakeholders, and to position itself consistently as REIT ('Real Estate Investment Trust').

As a public regulated real estate company, the Company is since then no longer subject to the provisions of the Royal Decree of 7 December 2010 relating to SICAFI's and the Law of 3 August 2012 relating to certain forms of collective management of investment portfolios:since 27 October 2014 the applicable regulations consist of the RREC Law and the RREC Royal Decree.

The Company is registered with the FSMA.

The Company is a public company that initiates a public offering as defined in Article 438 of the Companies Code.

The Articles of Association of the Company (the Articles of Association) have been amended on several occasions, inter alia as a result of:

- Deed executed by Mr Frank Depuyt, notary in Sint-Jans- Molenbeek, standing in for his fellow notary Mr Hans Berquin of Brussels, on 5 November 1987, published in the annexes to the Belgian Official Gazette on 2 December 1987 under number 871202-114.
- Deed executed by Mr Hans Berquin, notary in Brussels, on 13 December 1995, published in the annexes to the Belgian Official Gazette on 18 January 1996, under number 960118-488.
- Deed executed by Mr Eric Spruyt, notary in Brussels, on 14 January 1998, published in the annexes to the Belgian Official Gazette on 21 February 1998, under number 980211-344.
- Deed (the name was changed to the present one and the public limited company was converted into a partnership limited by shares) executed by Mr Eric Spruyt, notary in Brussels, on 15 January 1998, published in the annexes to the Belgian Official Gazette on 7 February 1998, under number 980207-208.

- Deed executed by Mr Eric Spruyt, notary in Brussels, on 16 January 1998, published in the annexes to the Belgian Official Gazette on 7 February 1998, under number 980207-209.
- Deed executed by Mr Denis Deckers, notary in Brussels, on 14 May 1999 (merger of the public limited company 'Groter Berchem' and the limited share partnership 'Wereldhave Belgium'), published in the annexes to the Belgian Official Gazette on 8 June 1999, under number 990608-160.
- Minutes drawn up by Mr Denis Deckers, notary in Brussels, on 10 May 2002, published in the annexes to the Belgian Official Gazette on 5 July 2002, under number 20020705-537.
- Minutes drawn up by Mr Denis Deckers, notary in Brussels, on 13 April 2006, published in the annexes to the Belgian Official Gazette on 12 May 2006, under number 5068041.
- Minutes drawn up by Mr Denis Deckers, notary in Brussels, on 11 April 2007, followed by a deed establishing the fulfilment of the condition precedent drawn up by Mr Denis Deckers, notary of Brussels, on 12 November 2007, published in the annexes to the Belgian Official Gazette on 26 November 2007, under number 7168947.
- Minutes drawn up by Mr Denis Deckers, notary in Brussels, on 16 December 2011 (among others, adoption of a new text of the Articles of Association), published in the annexes to the Belgian Official Gazette on 27 January 2012, under number 025102.
- Minutes drawn up by Mr Denis Deckers, notary in Brussels, holder of the original instrument, with the assistance of Mr Jan Muller, associate notary of Waasmunster, on 11 April 2012, published in the annexes to the Belgian Official Gazette on 9 May 2012, under number 086309.

- Minutes drawn up by Mr Denis Deckers, notary in Brussels, on 10 April 2013, published in the annexes to the Belgian Official Gazette on 6 May 2013, under number 69095.
- Minutes drawn up by Ms Daisy Dekegel, associate notary in Brussels, on 9 April 2014, published in the annexes to the Belgian Official Gazette on 24 April 2014, under number 20140424-87218.
- Minutes drawn up by Ms Daisy Dekegel, associate notary in Brussels, on 27 October 2014, published in the annexes to the Belgian Official Gazette on 17 November 2014, under number 20141117-0207907, followed by an amending deed executed by Ms Daisy Dekegel, associate notary of Brussels, on 13 January 2015, published in the annexes to the Belgian Official Gazette on 3 February 2015, under number 20150203-017996.
- Minutes drawn up by Ms Nathalie Meert, associate notary in Antwerp, standing in for her colleague Ms Daisy Dekegel, associate notary of Brussels, who was restricted at territorial level, on 23 January 2015, published in the annexes to the Belgian Official Gazette on 17 February 2015, under number 20150217-025683, and this under the conditions precedent, the fulfillment of which was established by deed executed by the aforesaid Ms Daisy Dekegel on 16 February 2015, published in the annexes to the Belgian Official Gazette on 10 March 2015, under number 2015-03-10/0036809.
- Minutes drawn up by Ms Daisy Dekegel, associate notary in Brussels, on 8 April 2015 (a.o. change in the social name of 'C.V.A. WERELHAVE BELGIUM S.C.A.' in 'WERELDHAVE BELGIUM'), published in the annexes to the Belgian Official Gazette on 24 April 2015, under number 2015-04-24/0059754.

- Minutes drawn up by Ms Daisy Dekegel, associate notary in Brussels, on 7 May 2018 (change of the share capital), published in the annexes to the Belgian Official Gazette on 29 May 2018, under number 2018-05-29/0083198.

The Articles of Association were lately amended by minutes drawn up by Mr Damien Hissette, notary in Brussels, on 21 December 2018 (modification of the share capital by contribution in kind), published in the annexes to the Belgian Official Gazette on 4 January 2019, under number 2019-01-04/0300574.

Financial year

The financial year begins on 1 January and ends on 31 December of each year.

Consultation of publicly accessible documents

- The Articles of Association may be consulted at the Clerk's Office of the Dutch-speaking Enterprise Court of Brussels and at the registered office and on the website of the Company;
- The annual accounts are deposited with the Central Balance Sheet Office of the National Bank of Belgium;
- Each year, the annual accounts and relative reports are sent to the registered Shareholders as well as to any other person requesting a copy, and are may be consulted on the website of the Company;
- Resolutions appointing and dismissing the members of the Board of Directors and the Manager are published in the annexes to the Belgian Official Gazette;
- Financial statements and invitations to general meetings are published in the financial press.
- Relevant public company documents are available on the website of the Company (www.wereldhavebelgium.com).

Other publicly accessible documents are may be consulted at the registered office of the Company.

Company purpose

Article 4 of the Articles of Association:

4.1 The exclusive purpose of the Company is:

a. to make real estate available to users, directly or through a company in which it holds a participating interest, in accordance with the provisions of the RREC Law and the decisions and regulations enacted in implementation thereof; and,
b. within the limits of Article 7, b) of the RREC Law, to hold real estate assets listed in Article 2, 5°, vi to x of the RREC Law. Property within the meaning of Article 2, 5° of the RREC Law is understood to mean:
    i. real estate as defined in Articles 517 et seq. of the Civil Code and the rights in rem over real estate, excluding real estate of a silvicultural, agricultural or mining nature;
    ii. shares with voting rights issued by real estate companies under the exclusive or joint control of the Company;
    iii. option rights on real estate;
    iv. shares in public or institutional regulated real estate companies, provided that, in the latter case, joint or exclusive control is exercised thereover by the Company;
    v. rights arising from contracts whereby one or more properties are financially leased to the Company, or other similar rights of use are granted;
    vi. shares in public SICAFI's;
    vii. shares in foreign collective property investment funds included on the list referred to in Article 260 of the Law of 19 April 2014 relating to alternative collective investment funds and their managers;

Belle-Île

viii. shares in collective property investment funds established in another Member State of the European Economic Area and not included on the list referred to in Article 260 of the Law of 19 April 2014 relating to alternative collective investment funds and their managers, to the extent that they are subject to the equivalent supervision that is applicable to SICAFI's;

ix. shares issued by companies (i) with legal personality; (ii) under the laws of another member State of the European Economic Area; (iii) the shares of which are admitted to trading on a regulated market and/or are subject to prudential supervision; (iv) the main activity of which consists in the acquisition or building of real estate with a view to make it available to users, or the direct or indirect holding of participation in companies with a similar corporate purpose; (v) that are exempt from income tax on profits in respect of the activity referred to in the provision under (iv) above, subject to compliance with certain legal requirements, and which are at least required to distribute part of their income to their Shareholders (hereafter 'Real Estate Investment Trusts' (abbreviated to 'REITs');

Genk Shopping 1

x. real estate certificates as referred to in Article 5, §4 of the Law of 16 June 2006 on the public offering of investment vehicles and the admission of investment vehicles to trading on a regulated market.

Within the context of making real estate available, the Company can exercise all activities associated with the construction, rebuilding, renovation, development, acquisition, disposal, management and operation of real estate.

The Company develops a strategy enabling it to position itself in all stages of the value chain of the property sector. To that end the Company acquires and disposes of real estate and rights in rem pertaining to real estate with the aim of making these available to its users. The Company can also manage the development (renovation, extension, construction, etc.) and ensure the day-to-day management of the real estate in its possession. It can be a trustee of a property held in co-ownership or property manager of a building complex where it is one of the owners. In this context it can also exercise all other activities that add value for its real estate or for its users (facility management, organisation of events, concierge services, conversion work adapted to the specific needs of the tenant, etc.). The Company can also offer tailored property solutions, whereby the properties are adapted to the specific needs of their users.

To that end:

a. the Company exercises its activities itself, without in any way delegating such exercise to a third party other than an affiliated Company, in accordance with Articles 19 and 34 of the RREC Law, as a result of which asset management cannot therefore be delegated;
b. it maintains direct relations with its customers and suppliers;
c. with a view to exercising its activities in the manner described in this article, it has operational teams at its disposal that constitute a significant part of its workforce.

4.2 The Company may invest additionally or temporarily in securities that are not real estate in the sense of the applicable legislation on regulated real estate companies. These investments shall be made in accordance with the risk management policy adopted by the Company and shall be diversified, thus ensuring a suitable diversification of risk. The Company may also hold unallocated liquid assets in all currencies in the form of deposits on current accounts and deposits on term accounts or in the form of any other easily negotiable monetary instrument. The Company may furthermore enter into hedging transactions, provided these seek only to cover the interest rate and exchange rate risk in connection with the financing and management of the Company's property and to the exclusion of any operation of a speculative nature.

4.3 The Company may lease or lease out one or more properties (as referred to in the IFRS standards). The activity of leasing out real estate with an option to purchase (as referred to in the IFRS standards) may only be exercised as an ancillary activity, unless this real estate is intended for an objective of general interest, including social housing and education (in this case the activity may be exercised as a principal activity).

4.4 The Company may also, in accordance with the applicable regulations on regulated real estate companies:

- provide mortgages or other collateral or guarantees in connection with the financing of the real estate activities of the Company or its group, within the limits defined by Article 43 of the RREC Law and the applicable regulations on regulated real estate companies;
- grant loans to a subsidiary (the amounts owed to the Company as a result of the disposal of real estate are not taken into account here, provided they are paid within the usual deadlines) in accordance with Article 42 of the RREC Law.

4.5 The Company may acquire, rent or let, transfer or exchange all movable or immovable property, materials and requisites, and in general, for itself or for third parties, and in accordance with the applicable regulations on regulated real estate companies, perform all commercial or financial transactions that are directly or indirectly related to its purpose, and may become involved with the operation of all intellectual property rights and commercial properties pertaining thereto. With due regard for the applicable regulations on regulated real estate companies, the Company may, by way of contributions in cash or in kind, by merger, split or other corporate restructuring, subscription, participation, financial support or otherwise, take a share in all companies, either existing or yet to be established, in Belgium or abroad, the corporate purpose of which is similar to its, or is likely to pursue or facilitate the achievement of its purpose.

The prior consent of the FSMA is required for any amendment to the Articles of Association of the Company.

Capital – Shares

Article 6 of the Articles of Association – Capital

The authorized capital amounts to three hundred eighteen million one hundred forty-one thousand two hundred and forty-one euro fifty-three cents (€ 318,141,241.53). It is represented by seven million five hundred forty thousand two hundred and fifty (7,540,250) shares, with no nominal value, which each represent an equal portion of the capital.

Article 7 of the Articles of Association – Authorised capital

The Statutory Management Company is expressly authorised to increase the fully paid-up social capital on the dates and under the terms and conditions determined by it, on one or more occasions, up to a maximum amount of two hundred and ninety-two million, seven hundred and seventy-three thousand, seven hundred and seventy-eight euros fifty-one cents (€ 292,773,778.51). In accordance with the above-mentioned Article 7 of the Statute, the Issuer's General Meeting of Shareholders can renew the aforementioned authorisation regarding the authorized capital.

The authorisation to increase the share capital of the Company in one or more times by a maximum amount of € 292,773,778.51 was renewed by the Extraordinary General Meeting of Shareholders on 8 April 2015, for a period of five years from the date of publication of the decision in the Appendices to the Belgian Official Gazette on the date of 24 April 2015. The authorisation granted is valid until 24 April 2020. In date of the current annual report, the Company made use of the aforementioned authorisation twice, once on 7 May 2018 for € 9,642,018.13 as a result of the optional dividend operation and once on 21 December 2018 for € 15,725,444.89 as a result of the contribution in kind of the retail park located in Turnhout. On 31 December 2018, the available balance of authorized capital is € 267,406,315.49. This authorisation is renewable.

If the capital increases, decided by the Statutory Management Company pursuant to this authorisation, include an issue premium, the amount of this issue premium must be placed in a special unavailable account called "issue premiums" which, like the capital, constitutes a guarantee for third parties and which cannot be reduced or eliminated unless a decision of the General Meeting of Shareholders is decisive, such as with regard to amendment of the Articles of Association, subject to the conversion into capital as provided above. The amount booked under issue premium is not taken into account when determining the balance of the authorised capital.

Such capital increase(s) may be achieved by subscriptions in cash or by contributions in kind or by the incorporation of reserves or issue premiums as well as all private assets under the separate IFRS annual accounts of the Company (drawn up pursuant to the applicable regulations on regulated real estate companies) that are convertible into capital, whether or not attached to another security, which may give rise to the creation of shares with or without voting right, in accordance with the rules prescribed by the Companies Code, the applicable regulations on regulated real estate companies and these Articles of Association. This authorisation is granted for a period of five years from the date of publication in the annexes to the Belgian Official Gazette of the minutes of the relevant authorising decision of the General Meeting of Shareholders.

This authorisation is renewable.

For each capital increase the Statutory Management Company establishes the price, any issue premium and the terms and conditions of issue of the new shares, unless the General Meeting of Shareholders takes such decisions itself. The Statutory Management Company may also issue new shares with the same or different rights (including in relation to voting rights, dividend rights – including possible transferability of any preference dividend – and/or rights relating to the liquidation balance and any preference in relation to the repayment of capital) as the existing shares and in that connection amend the Articles of Association to express any such different rights.

Article 8 of the Articles of Association – Type of Shares

The shares of the Company (the Shares) are registered or dematerialised. Each Shareholder of the Company may request the Statutory Management Company, at his/her expense, the conversion of these Shares into dematerialised Shares.

Upon written request of a Shareholder of the Company, the Statutory Management Company shall convert the dematerialised Shares into registered Shares.

The conversion of the dematerialised Shares to registered Shares shall take place through an entry into the register of registered Shares, dated and signed by the Shareholder or his/her representative and by the Statutory Management Company of the Company or special proxy.

The dematerialised share is represented by an entry into the account, in the holder's name at a recognised account holder or the settlement institution.

The Share entered on account is transferred by transfer from account to account.

For each category of Share, the number of dematerialised Shares in circulation at any time is entered into the register of registered Shares in the name of the settlement institution.

Conversion to dematerialised Shares may be requested as soon as the Company has appointed a settlement institution.

Article 10 of the Articles of Association – Repurchase of own Shares

Under Article 10 of the Articles of Association, the Company may acquire and hold in pledge its own Shares that have been fully paid up in cash pursuant to the decision of the General Meeting of Shareholders deliberating in accordance with the quorum for attendance and majority provided for in Article 559 of the Companies Code and in accordance with the rules set down in Article 620 et seq. and 630 of the Companies Code. The same General Meeting of Shareholders may define the terms and conditions for the disposal of these shares.

Article 13 of the Articles of Association – Disclosure of major holdings

In accordance with the terms and conditions, time limits and modalities specified in Articles 6 to 13 of the Law of 2 May 2007 on the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market, and in the Royal Decree of 14 February 2008 on the disclosure of major holdings, as amended from time to time (the 'Transparency Legislation'), any natural or legal person must disclose to the Company and to the FSMA the number and percentage of existing voting rights held by him/her directly or indirectly, when the number of voting rights reaches, exceeds or falls short of 5%, 10%, 15%, 20%, etc., in consecutive installments of 5%, of the total of existing voting rights, under the terms and conditions specified by the Transparency Legislation.

Management and Representation

Article 14 of the Articles of Association – Appointment – Dismissal – Vacancy

The Company is managed by one or more management companies, which must have the capacity of limited (managing) partner.

Is appointed managing company for an indefinite period: the public limited company 'N.V. WERELDHAVE BELGIUM S.A.' (incorporated deed executed by Mr Eric Spuyt, notary, on 6 January 1998 and which acquired legal personality as a result of registration on 7 January 1998), with registered office currently located at Medialaan 30, box 6, 1800 Vilvoorde.

To perform its duties, the Statutory Management Company is represented by the persons who, pursuant to the Articles of Association and the law, may bind it for acts of management, in this case the Board of Directors. In accordance with the provisions of Article 13 of the RREC Law, the Board of Directors is composed such that the Company can be managed in accordance with Article 4 of the RREC Law. In addition, at least three independent directors as defined by Article 526ter of the Companies Code must be appointed in the Board of Directors of the Statutory Management Company.

The Statutory Management Company is organised in such a way that, depending on the chosen policy structure, the Statutory Management Company or the Company itself satisfies the provisions of Article 17 of the RREC Law. The members of the Board of Directors, the Executive Managers, and those responsible for the independent audit functions, must be natural persons.

However, Article 39 of the Articles of Association provides that pursuant to Article 109 of the RREC Law, legal persons that perform a function as a member of the Board of Directors of a public regulated real estate company on the date the RREC Law enters into force are authorized to exercise their current mandate until its expiry. Until the aforementioned expiry, Article 14, §1, paragraph 2 of the RREC Law applies to the permanent representative.

The persons referred to in the previous sentence must at all times maintain the required professional integrity and adequate expertise and experience required to carry out their duties, as stipulated by Article 14, §1 of the RREC Law. They may not be subject to the prohibitions referred to in Article 20 of the Law of 25 April 2014 on the status and control of credit institutions.

The Executive Management of the Company must be entrusted to at least two natural persons.

Article 16.2 of the Articles of Association – Advisory Committees

In accordance with Articles 522, 526bis and 526quater of the Companies Code, the Statutory Management Companies, if there is more than one, or the Board of Directors, may establish one or more advisory committees in their (its) midst and under their (its) responsibility, such as, for example, a strategic committee, an Audit Committee, an appointments committee and a remuneration committee. In any event the Board of Directors must establish an Audit Committee and a remuneration committee in its midst and under its responsibility as soon as the Company no longer satisfies the criteria imposed in Article 526bis, §3 of the Companies Code or Article 526quater, §4 of the Companies Code. The Statutory Management Company determines the composition and duties of these committees, with due consideration for the applicable regulations. Given that the Annual Accounts of the Company for the year 2018 present a situation whereby the Company no longer meets the criteria as stated in article 526quater, §4 of the Companies Code, the Board of Directors will take the necessary steps at its next meeting to set up a Remuneration Committee according to Article 526quater of the Companies Code.

Article 20 of the Articles of Association – Audit

The auditing of the Company is entrusted to one or more statutory auditors. The mandate of Statutory Auditor may only be entrusted to one or more qualified auditors or one or more audit companies accredited by the FSMA. The prior consent of the FSMA is required to appoint statutory auditors to the Company. This consent is also required for the renewal of a mandate.

Medialaan

General Meeting of Shareholders

Article 21 of the Articles of Association – Ordinary, Special and Extraordinary General Meetings
The Ordinary General Meeting of Shareholders, known as the annual meeting, shall take place every year at 11 a.m. on the second Wednesday of April. If this day is a public holiday, the meeting is held at the same time on the next working day.

A special General Meeting of Shareholders may be convened at any time to deliberate and decide on any matter that falls within its competence.

An extraordinary General Meeting of Shareholders may also be convened at any time to deliberate and decide on any amendment to the Articles of Association, in the presence of a Notary.

General Meetings of Shareholders are held at the registered office of the Company or at another location in Belgium specified in the notice.

Article 24 of the Articles of Association – Admission – Depositing of securities
A Shareholder may only participate in the General Meeting of Shareholders and exercise a voting right if the requirements following are satisfied:

1) A Shareholder may only participate in the General Meeting of Shareholders and exercise a voting right by virtue of the recording in the accounts of the registered shares of the Shareholder, on the record date, either through entry in the register of registered Shares of the Company or through their entry in the accounts of an authorized account holder or a settlement institution, irrespective of the number of Shares held by the Shareholder at the General Meeting of Shareholders. The fourteenth day prior to the General Meeting of Shareholders, at midnight (Belgian time), counts as the record date.
2) Owners of dematerialised Shares who wish to participate in the General Meeting of Shareholders must produce a certificate issued by their settlement institution or authorized account holder and showing how many dematerialised Shares are entered in their accounts in the name of the Shareholder on the record date, and for which the Shareholder has indicated a desire to participate in the General Meeting of Shareholders. This submission must be made no later than on the sixth day prior to the date of the General Meeting of Shareholders at the registered office or with the institutions specified in the notice. Owners of registered Shares who wish to participate in the General Meeting of Shareholders must inform the Company of their intention to participate in the General Meeting of Shareholders by ordinary letter, fax or email no later than on the sixth day prior to the date of the General Meeting of Shareholders.
3) The Statutory Management Company shall keep a register for each Shareholder having notified his/her desire to participate in the General Meeting of Shareholders, in which his/her name and address or registered office are recorded, the number of Shares held on the record date, and with which he/she has indicated a desire to participate in the General Meeting of Shareholders, together with a description of the documents that show that he/she was in possession of the Shares on that record date.

Article 28 of the Articles of Association – Voting rights

Each Share entitles its holder to one vote.

If one or more Shares are jointly owned by several people or by a legal person with a joint body of representation, the attached rights may only be exercised vis-à-vis the Company by a single person appointed in writing to do so. Until such an appointment has been made, all rights attached to the Shares remain suspended.

If a Share is encumbered by a usufruct, the voting right attached to that Share is exercised by the usufructuary, subject to a prior objection in writing by the bare owner.

Company records – distribution

Article 31 of the Articles of Association – distribution

By way of remuneration of the capital, the Company allocates profits in accordance with and pursuant to Article 45 of the RREC Law.

PERSON RESPONSIBLE FOR THE CONTENT OF THE ANNUAL FINANCIAL REPORT

The Company, represented by its Statutory Management Company which, itself, is represented by its Board of Directors, is responsible for the content of the annual financial report. Having taken all reasonable care to ensure that such is the case, the Statutory Management Company hereby declares that the information contained in this anual financial report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

STATUTORY AUDITOR

On 13 April 2016, KPMG Bedrijfsrevisoren, Burgerlijke vennootschap o.v.v. BCVBA, with IBR membership B00001, represented by Filip De Bock with IBR membership A01913, with offices at Prins Boudewijnlaan 24d, B-2550 Kontich, with company number 0419.122.548 was appointed as Statutory Auditor of the Company for a period of three years that will end immediately after the Annual General Meeting of Shareholders to be held in 2019 that will approve the financial statements at 31 December 2018. (1) (2)

The fees relating to audit activities amounted in 2018 € 93,687 excl. VAT for the period running from 1 January 2018 until 31 December 2018. Additional fees of € 11,500 excl. VAT were paid in the context of the two capital increase operations.

VALUATION EXPERTS

As of 31 December 2017, the valuation experts of the Company are:

- Cushman & Wakefield, with registered office at Kunstlaan 56, 1000 Brussels, represented by Kris Peetermans/Ardalan Azari. (1) (2)
  Mandate: 1 January 2018 – 31 December 2020
  Segment retail.
  Annual fee: € 33,517 (excl. VAT)
  - CBRE Valuation Services, with registered office at Lloyd Georgelaan 7, 1000 Brussels, represented by Pieter Paepen. (1) (2)

  Mandate: 1 January 2018 – 31 December 2020
  Segments retail and offices.
  Annual fee: € 33,846 (excl. VAT)

In accordance with the RREC legislation, the independent external valuation experts value the investment properties portfolio on a quarterly basis. The fees are fixed on a lump-sum basis and are calculated based on a fixed amount per building.

1) The statutory Management Company also declares that the Statutory Auditor and valuation experts have agreed to the contents of both their report and their conclusions being included in the Annual Report and that they have agreed to the content and form of and the context within which the section concerned is included in the Annual Report.

2) The Company declares that the information provided by the valuation experts and the Statutory Auditor was accurately carried over. Insofar as the Company knows and has been able to establish from the information published by the valuation experts and the Statutory Auditor, no fact was omitted that might render the reproduction of the information provided by the valuation experts and the Statutory Auditor incorrect or misleading.

PROPERTY MANAGERS

Wereldhave Belgium Services NV, with registered offices at Medialaan 30, box 6, 1800 Vilvoorde, with company registration number 0422.120.838, acts as real estate manager for the investment properties portfolio.

99.52% of the shares of Wereldhave Belgium Services NV are held by the Company. The fees in favour of Wereldhave Belgium Services NV are charged directly to the tenants in accordance with the contractual terms and conditions described in the rental agreements.

Wereldhave Belgium Services NV has an administrative, accounting, financial and technical organisation that is appropriate for managing the real estate portfolio of the Company.

The directors of Wereldhave Belgium Services NV possess the required professional integrity, accreditation (BIV) and appropriate expertise as described and in accordance with Article 19 of the RREC Law.

INTERNAL AUDITOR

In 2017 BDO Advisory BV, with registered office at 5652 XR Eindhoven, Holtroplaan 23, represented by E.S.G.L. van Zandvoort, partner, was appointed for internal audit matters. The service agreement covers:

- Preparing the audit charter
- Preparing an audit plan
- Implementing the audit plan

The annual fee is set a fixed sum of € 16,389 (excl. VAT).

FINANCIAL SERVICE PROVIDER: BNP PARIBAS FORTIS

BNP Paribas Fortis NV is charged with providing the Company with financial services.

This includes, among other things, the financial service of the Company, the financial services relating to the payment of dividends, and the settlement of securities issued by the Company.

Taking into account the organization of the optional dividend operation, the fee in 2018 was set at € 15,000 (excl. VAT).

EXTERNAL LEGAL ADVISERS

Interalia, the Company utilises external legal advisers for:

- Complex dossiers (purchase, sale, merger, contribution)
- Due diligence matters
- New implementation of legislation

The fee is set on the basis of market rates.

INFORMATION RELATED TO THE ANNUAL FINANCIAL REPORT 2016 AND 2017

- Consolidated accounts 2016: p. 142 to p. 189 of the annual financial report 2016
- Management report over 2016 : p. 94 to p. 103 of the annual financial report 2016
- Auditor's report over 2016: p. 190 to p. 191 of the annual financial report 2016
- Consolidated accounts 2017: p. 158 to p. 206 of the annual financial report 2017
- Management report over 2017: p. 110 to p. 118 of the annual financial report 2017
- Auditor's report over 2017: p. 207 to p. 210 of the annual financial report 2017

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GLOSSARY AND ALTERNATIVE PERFORMANCE STANDARDS

GLOSSARY

Alternative performance standards are criteria employed by 'Wereldhave Belgium' to measure and monitor its operational performance. These criteria are used in this 2018 Annual Report to Shareholders but are not defined in a law or in generally accepted accounting principles (GAAP). The European Securities and Markets Authority (ESMA) has issued guidelines (effective as from 3 July 2016) for the use and explanation of alternative performance standards. The basic concepts of what Wereldhave Belgium regards as an 'alternative performance standard' are incorporated in this section of the 2018 Annual report to Shareholders, entitled 'Glosssary and alternative performance standards". The alternative performance standards are marked with an asterisk (*) and provided with a definition, objective and reconciliation, as required by the ESMA guideline.

Annual Financial Report

The consolidated annual report of the Board of Directors.

Audit Committee

The Audit Committee of the Company as appointed by the Board of Directors in accordance with Article 526bis of the Companies Code.

Average interest rate on loans *

The average interest rate on the financing of the Company is calculated by dividing net interest expense (annualized) by the weighted average debt for the period (based on the daily recordings of all interest-bearing liabilities.

Objective: The average interest rate on the financing measures the average financing cost of debt and allows it to follow the evolution over time, depending on the evolution of the company and the financial markets. (Reconciliation See note 25)

Bo-Bi Framework (Business Objects – Business Intelligence Framework)

This application gives the Company the opportunity to construct reports with a fixed layout from data from various sources, together with a qualitative test of these data.

Board of Directors

The Board of Directors of the Statutory Management Company.

BREEAM (Building Research Establishment Environmental Assessment Method)

Method of assessing the environmental performance of buildings (www.breeam.org).

CG Statement

The 'corporate governance' chapter of the Annual Financial Report.

Chairman

The Chairman of the Board of Directors.

Closed Period

Means one of the following periods:

i. the period 2 months prior to the publication of the annual results of the Company, or a Listed Shareholding, or, if the annual results are published within a period of less than 2 months after the end of the financial year, the period from the end of the financial year up to and including the date of publication;
ii. the period one month prior to the announcement of the six-monthly or quarterly results of the Company, or a Listed Shareholding, or, if the results are announced within a period of less than one month after the end of the relevant period, the period from the end of the period up to and including the date of announcement.

Company

The partnership limited by shares Wereldhave Belgium, with company registration number 0412.597.022.

Compliance Officer
Refers to the Person appointed by the Company in order to focus as an independent function within the organisation on the investigation into, and the promotion of, compliance by the company with laws, regulations and codes of conduct applicable to the Company and in particular the rules relating to the integrity of the activities of the Company (including the management of the policy relating to avoiding transactions with prior knowledge and the application of the provisions of this policy as well as checking the associated procedure).

The Company has appointed Mr Laurent Trenson (employee of the Company and active as a senior accountant) as Compliance Officer.

Contractual rent
The rental prices as contractually specified in the rental agreements on the date of conclusion, prior to deduction of rental discounts or other benefits granted to the tenants.

Corporate Governance Code
Is the Belgian Corporate Governance Code of 12 March 2009, available at www.corporategovernancecommittee.be, which contains a series of rules and practices relating to corporate governance to be complied with by companies under Belgian law, the shares of which are traded on a regulated market, which determine how companies are managed and audited in order to promote a corporate strategy that is based on a contribution to long-term value.

Debt ratio
The debt ratio is calculated as the ratio of all obligations (excluding provisions, adjustment accounts, deferred taxes and negative variations in the fair value of hedging instruments) in relation to the total assets.

Derived products – Derivatives
Derived products – derivatives give the Company the opportunity to cover itself against any short-term increase in interest rates.

This interest rate risk can be covered to a limited extent by using derived products (the purchase of CAP, possibly with the sale of FLOOR; IRS contracts).

Developer
The persons who exclusively or jointly control an RREC in the sense of Article 2, 13° of the RREC Law, the developer is the limited liability company under Dutch law Wereldhave NV.

Director
Each director of the Statutory Management Company.

Due Diligence
Procedure aimed at a complete and certified audit of a company, a building or a real estate portfolio (accounting, economic, legal, tax aspects, etc.) prior to a financing or acquisition.

Employee
Each Director or member of staff of the Company appointed by the supervisor who is deemed capable of bearing price-sensitive information.

Executive Managers
Persons charged with the executive management of the Company who together form the executive management and who are also the executive managers in the sense of the RREC Law as well as Executive Managers. Under the RREC Law, the executive management of the Company must be entrusted to at least two natural persons.

EPRA and EPRA terminology

EPRA (European Public Real Estate Association) is an organization that promotes European listed property sector, helps develop and represents in order to boost confidence in the sector and to increase investment in listed real estate in Europe. In December 2014 EPRA's Reporting and Accounting Committee updated the EPRA Best Practices Recommendations ("BPR") 1. This BPR contain recommendations concerning the determination of key performance indicators for the performance of the portfolio. A number of these indicators are considered to be alternative performance measures in accordance with the ESMA-directive. The numerical reconciliation of these alternative performance measures can be found in a completely separate section of this report (Chapter 6)

EPRA Europe index

European stock market index (excluding the UK) of the FTSE EPRA/NAREIT Global Real Estate. The index consists of property values that are representative of the listed real estate sector in Europe. It was created by EPRA.

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EPRA Occupancy

The EPRA occupancy is calculated as the ratio between the contractual rental income (contractual rental income as of report date and signed contracts that start within the year after the report date) and this same rental income increased by the estimated rental value of the unoccupied rental locations.

ERV

Abbreviation of Estimated Rental Value.

Fair Value

Retail value of property investments according to the IAS/IFRS 13 accounting standards, i.e. after deducting transaction costs, as determined by the valuation experts.

Belle-Île

FBI (Fiscaal beleggingsinstelling – Tax investment institution)
Tax system in the Netherlands, comparable with the RREC system.

Financial Instrument
Means any value or any right belonging to one of the following categories:
i. capital-representing shares and other values equivalent to shares;
ii. bonds and other debt instruments tradable on the capital market;
iii. all other normally traded values with which the values referred to in (i) or (ii) can be acquired or which are settled in cash, excluding means of payment;
iv. rights of participation in collective investment funds;
v. instruments that are normally traded on the financial market;
vi. financial futures, including equivalent instruments settled in cash;
vii. forward rate agreements;
viii. interest rate and currency swaps and swaps relating to cash flows linked to shares or to share indexes (equity swaps);
ix. currency and interest rate options and other options to acquire or dispose of any financial instrument referred to in (i) to (viii), including equivalent instruments settled in cash.

Free Float
Percentage of the Shares owned by the public. On Euronext the free float is calculated as the total amount of share capital less the shares held by companies that are part of the same group, state-owned companies, and founders.

FSMA
The Financial Services and Markets Authority – the former Banking, Finance and Insurance Commission (BFIC).

The autonomous regulatory authority for financial markets and services in Belgium.

General Meeting of Shareholders
Is the General Meeting of Shareholders as provided for by the Articles of Association of the Company.

GLA
Gross lettable area.

Group

The partnership limited by shares Wereldhave Belgium with its perimeter companies.

IAS 39
IAS 39 is an IAS/IFRS standard on the way a company must arrange and value its financial instruments in its balance sheet. This standard requires all derived instruments to be processed in the balance sheet at their fair value.

IAS/IFRS (IAS, International Accounting Standards/IFRS, International Financial Reporting Standards)
The international accounting standards for preparing the annual accounts, produced by the International Accounting Standards Board (IASB).

IFRS standards
International Financial Reporting Standards. Set of accounting principles and valuation rules produced by the International Accounting Standards Board. The aim is to make international comparison easier between European listed companies.

Independent internal audit function
An independent assessment function aimed at examining and assessing the proper functioning, effectiveness and efficiency of the processes, procedures and activities of the Company.

The Company has entrusted the internal audit function to an external legal person through the appointment of an independent consultant, namely BDO Advisory BV, represented by E.S.G.L. van Zandvoort, partner.

Initial yield
Total rental income on the balance sheet date divided by the investment value of the real estate portfolio.

Insider
Person who has access to price-sensitive information.

Insider Knowledge
Each undisclosed piece of information that is accurate and relates directly or indirectly to the Company and/or one or more of its Listed Participation (specifically a company affiliated with the Company or a Listed Participation) or to one or more Financial Instruments of the Company, and which, if disclosed, could significantly affect the price of these Financial Instruments or that of related financial instruments, as is further explained in Annex 6 to the Corporate Governance Charter.

Interest Rate Swap
Inter-bank rate.

KPI
Key Performance Indicators are variables for evaluating performances.

Leasehold
Temporary right that grants full enjoyment of a real estate, and for which an annual fee must be paid (canon) to the (naked) owner in recognition of his/her right of ownership. In Belgium, the right of leasehold must be entered into for at least 27 and not more than 99 years.

Like for like (Epra) net rental growth *
Like for like (Epra) net rental growth at constant composition of the portfolio compares the growth in net rental income from real estate investments throughout the period were available for lease, and not in development, and this for the two full years preceding the closing date of the financial year. The changes in gross rental income on a like-for-like basis, providing insight into the changes in gross rental income that do not result from changes in the property portfolio (investments, disvestments, major renovation, ...).

Listed Shareholding
Is a Subsidiary or a listed shareholding.

Managing Directors
The Managers charged with the daily management of the Company who together form the Executive Management and who are also the Executive Managers in the sense of the RREC Law charged with the xecutive management of the Company.

Market rent
The expected rent that can be contracted when letting.

Net asset value per share
The net asset value per share is equal to the balance of the equity divided by the total number of shares issued on the balance sheet date.

Net dividend
The net dividend is equal to the gross dividend less the withholding tax. Decreed dividends made payable after 1 January 2017 are (subject to certain exemptions) liable to a withholding tax of 30% (Program law of 25 December 2016 published in the Belgian Official Gazette State Journal of 29 December 2016).

Gent Overpoort

Net result from core activities *
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 IAS 39) and other non-distributable items on the basis of the company financial statements of the Company.

Objective: The net result from core activities measures the result of the strategic operational activities, excluding (i) the variations in the fair value of financial assets and liabilities (non-effective hedges), and (ii) the portfolio result (the profit (or loss)) that it turned in (or not) on property investments). This amounts, essentially, to the profit (or loss) that is directly affected by the property and financial management of the Company, excluding the impact ascribed to volatility effects in property and financial markets. (Reconciliation, see Explanatory Note No. 4).

Net result from core activities per share *
The net result from core activities per share is the result (the profit (or loss)) divided by the weighted average number of ordinary shares in issue at year-end.

Objective: The net result from core activities per share measures the result per ordinary share ranking for dividend and enables a comparison with the gross dividend per ordinary share.

(Reconciliation, see Explanatory Note No. 4)

Net result from non-core activities (portfolio result) *
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, and (iii) the other portfolio result.

The result from non-core activities (portfolio result) measures the realised (and unrealised) gains and losses on the property investments, compared to the valuation of the independent valuation expert as at the end of the previous financial year

(Reconciliation, see Explanatory Note No. 4)

Net result per share

The net result per share is calculated by dividing the net result (as shown by the income statement) by the weighted average of the number of shares (i.e. the total number of issued shares minus the entity's own shares) during the financial year.

(Reconciliation, see heading 'Consolidated profit and loss account', p. 162-163)

Net value (fair value) per share

Total net equity attributable to Shareholders of Company (i.e. after deducting the minority shareholdings) divided by the number of shares at year-end (and after deducting the entity's own shares, if applicable). It corresponds to the net value as defined in section 2, 23° of the (regulated real estate companies) Act.

The net value (fair value) per share measures the value of the share based on the fair value of the property investments and makes a comparison with the share price possible.

Occupancy

The occupancy is calculated by dividing the (indexed) contractual rental prices of the current rental contracts by the sum of the contractual rental prices and the estimated rental values (market rents) of the vacancies. The latter is established based on the level of current rental prices on the market.

Real Estate certificate

Real Estate certificates are tangible values representing debt claims that give entitlement to a proportional part of the income from a specific property. The payable coupons include an income part and a capital amortisation part.

REIT (Real Estate Investment Trust)

Listed real estate investment fund in the United States.

Risk Officer

The person charged with the risk management function who is responsible for, among other things, drawing up, developing and monitoring, updating and implementing the risk management policy and the risk management procedure. The Company has appointed Mr Laurent Trenson (employee of the Company and active as a senior accountant) as Risk Officer.

RREC Law

The Law of 12 May 2014 relating to regulated real estate companies.

RREC Royal Decree

The Royal Decree of 13 July 2014 relating to regulated real estate companies.

Shareholders

All the Shareholders of the Company.

Statutory Auditor

Is/(Are) the Statutory Auditor(s) of the Company, as provided for by Article 130 et seq. of the Companies Code, to which the external auditing of the Company is entrusted.

Statutory Management Company

The Statutory Management Company of the Company, currently Wereldhave Belgium NV (managing partner of the Company), with registered office at Medialaan 30, box 6, 1800 Vilvoorde, with company registration number 0462.347.431.

Take-up
Use of the areas intended for letting.

Wereldhave Group
The Company under Dutch law Wereldhave N.V., with registered office at WTC Schiphol Tower A, 3rd floor, Schiphol Boulevard 233, 1118 BH Schiphol, Netherlands (and companies affiliated to it).

Withholding Tax
Tax withheld by a bank or financial intermediary on payment of a dividend.

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