Wereldhave
BELGIUM

Annual Financial Report 2019

Adding value to everyday life

make every day count

At Wereldhave Belgium, we believe that everyone deserves to have a comfortable, well-balanced everyday life. No ifs. No buts. End of story.

And we play our part by creating best-in-class Full Service Centers. Centers for a better everyday life. How do we do this? By creating a new category in retail real estate; one that helps customers run their daily lives more easily and makes everyday life comfortable and joyful.

In this report

Consolidated key information

Key information

	2019	2018	2017
Share price 31/12	**86.2**	82.2	95.3
Share price/Net result from core activities 31/12	**14.6**	14.3	16.8
Market capitalisation 31/12 (mln)	**673.0**	619.8	660.9
Net asset value per share (conform IFRS)	**88.3**	90.0	89.3
Gross dividend	**5.2**	5.2	5.1
Dividend yield 31/12 (gross)[1]	**6.0%**	6.3%	5.4%
Consolidated debt ratio[2]	**29.3%**	29.7%	29.0%
Occupancy rate[3]	**95.2%**	96.2%	94.3%
Pay-out ratio	**89.0%**	97.1%	90.5%
Free float	**33.5%**	34.1%	30.4%
Number of shares	**7,807,981**	7,540,250	6,939,017

1 Gross dividend divided by the share price on year end
2 See calculation table in note 29 of the consolidated financial report
3 Estimated market rental values of the leased areas divided by the total estimated market rental value of the portfolio

Consolidated key figures over the past 3 years

(x € 1,000)	2019	**2018**	**2017**
Results			
Net rental income	58,613	52,996[1]	50,393[1]
Net result	**28,957**	**40,541**	**54,682**
Net result from core activities[2]	45,617	40,730	39,404
Net result from non-core activities[3]	-16,660	-191	15,278
Balance sheet			
Properties available for lease[4]	948,671	941,964	786,747
Development projects	12,615	14,692	66,817
Total investment properties	**961,286**	**956,656**	**853,564**
Shareholders' equity	689,221	678,428	619,284
Fair value properties available for lease by segmentation[4]			
Retail	855,059	845,984	682,765
Lease incentives	1,236	1,164	236
Fair value properties available for lease - retail	**856,294**	**847,147**	**683,001**
Offices	92,010	94,577	103,235
Lease incentives	366	239	511
Fair value properties available for lease - offices	**92,376**	**94,816**	**103,746**
	948,671	**941,964**	**786,747**
Share data (x € 1)			
Net result from core activities	5.92	5.74	5.68
Net result from non-core activities	-2.16	-0.03	2.20
Net result	3.76	5.71	7.88
Gross dividend	5.20	5.20	5.10
Net dividend	3.64	3.64	3.57
Net asset value before profit distribution	88.27	89.97	89.25

1 By applying the new IFRS 16 - Leasing agreement standard in 2019, the figures of previous years have been restated with the annual leasehold payments being transferred from the net rental result to the financial result
2 See note 4. The net result from core activities is the operating result before the portfolio result minus the financial result and taxation, and excluding variations in the fair value of financial derivatives (that are not treated as hedge accounting in accordance with IFRS 9) and other non-distributable items on the basis of the company financial statements of Wereldhave Belgium
3 See note 4. The result from non-core activities (portfolio result) comprises (i) the result on sale of property investments, (ii) the variations in the fair value of property investments, (iii) the other portfolio result, (IV) the variations in the fair value of financial assets and liabilities and (V) taxes on capital gain latencies and the exit taxes paid
4 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'

Message to the shareholders

Strong operational results and consolidation of the retail portfolio

We are proud to present our annual report on the activities of the year 2019 and are happy to highlight some of the key developments of the year.

In a challenging market for retailers and consequently also for retail property leasing companies, we saw our operational results improve significantly and that our shopping centers could maintain their relevance and even further strengthen it, through active management and a long-term vision. This is visible in the remarkable increase in our visitor numbers (4.95%), with a positive figure for each shopping center compared to a negative market figure. Our strong balance sheet allows us to continue to invest in the future in order to make our assets more future-proof, as well as to aim for new acquisitions.

The most significant rental activities were the replacement of the surfaces that were vacated by Carrefour. The new stores of Decathlon, Action, Ville Neuve, Eyes + More and Medi-Market were opened in Belle-Île in Liège in the last quarter of 2019, with a significant positive impact during the holiday period. In Shopping 1 in Genk we were able to welcome Albert Heijn, Medi-Market and The Fashion Store, so that we could also add high-quality tenants and further strengthen the tenant mix.

Despite a number of leases in our office portfolio, which only consists of our sites in Vilvoorde and Berchem, we were unable to increase the occupancy rate. In order to retain existing tenants and to attract new tenants, we decided to make additional investments in the upcoming years, which will improve the technical quality of the buildings and increase the aesthetic attractiveness.

Within our project developments, the ‘7 Fontaines’ project in Tournai was delivered in 2019. This project was fully let, which led to a positive revaluation. There was significant progress again made in 2019 with regard to the projects of the shopping complex in Waterloo and Belle-Île (renovation and extension). Specifically, the plans of the Belle-Île expansion project have been modified and optimized to take into accoint the evolution in the retail market and to build in future flexibility, as well as to offer the possibility to add new functions.

In addition to this progress in project development, two smaller acquisitions were finalised, more specifically in Kortrijk and Genk, which allowed us to further consolidate our existing properties at these locations. Other acquisition files were analyzed but not retained based on our strict quality criteria.

Our current derogation from the FSMA did not apply in 2019, as the share of the Belle-Île shopping centre in Liège in the portfolio remained below the 20% threshold throughout the year. Nevertheless, it is expected that due to the renovation and expansion project that the share will again exceed this threshold, so a possible extension of the derogation for the period after 2020 will be anticipated. However, the Company is, through active prospection, looking for new investment opportunities to structurally reduce the share of this shopping center in the portfolio below 20%.

Furthermore, we are pleased that we were able to translate the confidence of Wereldhave N.V. into an extension of the intercompany credit facility, allowing us to extend the average duration of our financing structure and to ensure back-up of our Treasury Notes program. This enabled us to present a “best in class” average financing cost of 0.81% for 2019.

The net result for 2019, comprising the net result of core activities and non-core activities, amounted to € 29.0 mln (2018: € 40.5 mln). In comparison to 2018, this decrease on balance is fully attributable to a lower net result from non-core activities (2019: € -16.7 mln / 2018: € -0.2 mln), partially compensated by a higher net result from core activities (2019: € 45.6 mln / 2018: € 40.7 mln).

A dividend of € 5.20 gross - € 3.64 net per share is proposed to the General Meeting of Shareholders (2018: € 5.20 gross - € 3.64 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, 6 March 2020

Kasper Deforche
Chief Executive Officer
Wereldhave Belgium

Matthijs Storm
Managing Director
Wereldhave Belgium

Consolidated annual report

Profile

The Company is a public regulated real estate company (RREC) with a focus on commercial real estate in Belgium and Luxembourg.

The Company targets new investments in retail properties (mainly in shopping centres and retail parks). The value of the nvestment properties portfolio, including project developments, is € 961.3 mln at 31/12/2019. The existing operational shopping centre portfolio of € 856.5 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 € 92.1 mln on 31/12/2019. The development portfolio of € 12.6 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 N.V., 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 2019 Wereldhave N.V. and Wereldhave International N.V., Schiphol, directly or indirectly held 66.53% 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 29.33% and a solvency of 70.67%, 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 Integrity Policy 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 (now Article 3: 6, §2, 1 ° of the Code of Companies and Associations ("CCA")) and the Royal Decree of 6 June 2010 on the designation of the Corporate Governance Code 2009 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 2009 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 2009.

In accordance with article 96 §2 of the Companies Code (now Article 3: 6, §2, 1 ° of the Code of Companies and Associations ("CCA")) this Corporate Governance Statement must, as a bare minimum, contain the following information:

- The Corporate Governance Code 2009 applied by the Company and is also an indication of Corporate Governance practices that are applied in addition to the Corporate Governance Code 2009 and the underlying reasons for this;
- 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 24 April 2019 by the Board of Directors.

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 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.

1 The Corporate Governance Statement forms an integral part of the Management Report in accordance with article 3:6,§2 of the Companies Code

Management structures

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

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 (now “object” based on CCA), 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 (now the CCA).

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 (now Article 7:87 of the CCA) and Appendix A of the Corporate Governance Code 2009.

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 (now Article 7:86 of the CCA), 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.

In accordance with article 96, §2, 6° of the Companies Code (now Article 3: 6, §2, 6 °, third paragraph of the CCA), 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. Provided that Mrs Boone is appointed as Director at an Extraordinary General Meeting of the Management Company organized on 18 April 2018, the Company meets the legal conditions regarding gender diversity, since this means that two of six Directors are of a different gender.

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.

He or 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 or 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 (now Code of Companies and Associations).

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.

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.

	Position	Start date mandate	Most recent renewal	End of mandate
Directors				
Dirk Goeminne	Independent Director	04-01-15	03-31-19	05-12-23
	Chairman of the Board of Directors			
	Chairman of the Remuneration Committee			
Ann Claes	Independent Director	04-01-17		05-14-21
	Member of the Audit Committee			
Brigitte Boone	Independent Director	04-18-18		05-13-22
	Chairman of the Audit Committee			
	Member of the Remuneration Committee			
Kasper Deforche	Managing Director	07-01-16	05-10-19	05-12-23
	Executive Manager			
Dirk Anbeek[1]	Managing Director	07-31-12	05-13-16	03-01-19
	Executive Manager			
Herman van Everdingen[2]	Director	03-01-19		08-01-19
Matthijs Storm	Managing Director	08-01-19		05-12-23
	Executive Manager			
Dennis de Vreede	Director	08-01-19		05-12-23
	Member of the Remuneration Committee			

1 Dirk Anbeek has resigned from 1 March 2019
2 Herman van Everdingen became Director ad interim after the departure of Dirk Anbeek until the appointment of Matthijs Storm

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 2009. 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 31/12/2019, the Board of Directors consists of the following six members:

Kasper Deforche (38), Medialaan 30/6, 1800 Vilvoorde, Director since 1 April 2015. 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. He qualifies as a (Managing) Director and Effective Leader.

Nationality: Belgian

(attendance rate during his mandate in 2019: 100% (7/7))

Current mandates:

- Director Wereldhave Belgium Services N.V.
- Chief Executive Officer of Wereldhave Belgium N.V.
- Director Wereldhave Belgium Property Management
- Director Waterloo Shopping BVBA
- Director of Multilist N.V.
- Director Pandecadadia N.V.
- Director Repsak BVBA
- Director Quadrimm BVBA
- Director of Belgian-Luxembourg Counsil Of Shopping Centers (BLSC)
- Director Professional Association of the Real Estate Sector (BVS / UPSI)
- Director De Kringwinkel Antwerpen VZW

At the Extraordinary General Meeting of the Shareholders of the Management Company dated on 1 March 2019, Mr. Kasper Deforche was reappointed as (Managing) Director for a period of four years until 12 April 2023, i.e. until the approval of the annual accounts closed on 31 December 2022 by the Ordinary General Meeting.

Dirk Goeminne (65), 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 2023. Mr. Goeminne has also taken on the responsibility of the Presidency of the Renumeration Committee.

Nationality: Belgian

(attendance rate during his mandate in 2019: 100% (7/7))

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 N.V., 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.

Current mandates:
- Independent Director of Van de Velde N.V. (Publicly listed)
- Chairman Supervisory Board of Stern Groep N.V. (The Netherlands) (Publicly listed)
- Executive Chairman of Ter Beke N.V. (Publicly listed)
- Chairman Board of Directors JBC N.V.
- Supervisory Director Wielco BV (The Netherlands)

Mandates ending in the last five years:
- Chairman Supervisory Board of Beter Bed Holding N.V. (The Netherlands) (Publicly listed)

At the Extraordinary General Meeting of the shareholders of the Management Company dated. On 1 March 2019, Mr. Dirk Goeminne was reappointed as independent Director and also Chairman of the Board of Directors and of the Remuneration Committee for a period of four years running until 12 April 2023, ie until the approval of the financial statements closed on 31 December 2022 by the ordinary general meeting.

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

(attendance rate during her mandate in 2019: 100%)

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.

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

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

She was appointed for a period of four years ending on 14 April 2021, i.e. until the approval of the annual accounts closed on 31 December 2020 by the Ordinary General Meeting.

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

Nationality: Belgian

(attendance rate during his mandate in 2019: 100% (7/7))

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.

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 N.V.;
- Director and chairman of the audit committee of ENABEL N.V.;
- 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.

Mrs. Boone qualifies as independent Director, Chairman of the Audit Committee and member of the Remuneration Committee for a period of 4 years starting on 18 April 2018 ending on 13 April 2022, ie until the approval of the annual accounts closed on 31 December 2021 by the Ordinary General Meeting.

Matthijs Storm (41), WTC Schiphol Toren A, Schiphol Boulevard 233, 1118 BH Schiphol, is an experiences real-estate manager with international experience. Before his appointment as CEO of Wereldhave N.V. on 1 August 2019, he worked at Kempen & Co from 2011. He was responsible for an internationally diversified real estate portfolio of approximately € 4 billion. He also started his career at Kempen, from 2003 to 2006 he worked as real-estate analyst (sell-side). The following two years, in 2006 and 2007, he worked at Fortis Bank Global Markets as Head of Real-Estate Research. From 2007 to 2011, he worked at ING Clarion (later CBRE Clarion) as Senior Vice President and Portfolio Manager of real-estate funds.

Mr. Matthijs Storm qualifies as an Executive (Managing) Director and Chief Executive Officer for a period of 4 years starting on 1 August 2019 and ending on 12 April 2023 following the approval of the annual accounts closed on 31 December 2022 by the ordinary general meeting. Matthijs is also the CEO of Wereldhave N.V., major shareholder of the company.

Nationality: Dutch

(attendance rate during her mandate in 2019: 100% (5/5))

Current mandates:
- CEO of Wereldhave N.V. (Publicly listed)

Dennis de Vreede (50), WTC Schiphol Toren A, Schiphol Boulevard 233, 1118 BH Schiphol, is an experienced financial director with international experience.

Dennis was appointed CFO of Wereldhave N.V. in April 2018. From 2013 to 2017, he was CFO of Deepocean, an internationally operating off-shore service company. Previously, he spent two years at Prologis as Senior Vice President Finance Europe and from 2001 to 2011 at Redevco as CFO. He started his career in 1993 as an accountant at KPMG International. From 1999 to 2007, he worked in various financial positions in the telecom sector.

Mr. Dennis De Vreede qualifies as a non-executive Director and member of the Remuneration Committee for a period of 4 years starting on 1 August 2019 and ending on 12 April 2023 following the approval of the annual accounts closed on 31 December 2022 by the ordinary general meeting. He is also CFO of Wereldhave N.V., major shareholder of the company. He has the Dutch nationality.

(attendance during the mandate in 2019: 100% (5/5))

Current mandates:
- CFO of Wereldhave N.V. (Publicly listed)

Statements concerning the directors and executive management

On the basis of the information at its disposal, Wereldhave Belgium N.V., 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:
  - 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. Seven meetings were held in 2019.

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 fulfil 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 (now WVV Articles 7:93, 7:99 and 7: 100), 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.

The Board of Directors established a Remuneration Committee on 24 April 2019. Its role, composition and functioning are defined in the Internal Regulations of the Remuneration Committee, which are attached in Annex 4 to the Corporate Governance Charter and form an integral part thereof. In addition, the Board of Directors details the composition and operation of the Remuneration Committee in the Corporate Governance Statement, which forms a separate chapter of the Annual Financial Report.

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

Brigitte Boone

Brigitte Boone has international financial experience in various companies.
Attendance quorum: 100% (4/4)

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.

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;
   - 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.

The Renumeration Committee

Composition and remuneration
The Remuneration Committee consists of three non-executive Directors, which the Board of Directors appoints on the proposal of the Remuneration Committee among the non-executive Directors, the majority of whom are independent within the meaning of article 526ter of the Companies Code (now article 7: 100 of the Companies Code) and Appendix A of the 2009 Corporate Governance Code.

The members of the Remuneration Committee should have the necessary expertise and knowledge on the remuneration policy of listed companies

The Board of Directors appoints the chairman of the Remuneration Committee.

The chairman of the Remuneration Committee can be the President.

The duration of the mandate of the members of the Remuneration Committee may not exceed the duration of their mandate as a Director. The mandate of the members of the Remuneration Committee can be renewed at the same time as their mandate as a Director.

To the extent that a maximum of four meetings are held per year, the members of the Renumeration Committee do not collect attendance fees, unless the Board of Directors decides otherwise.

Current composition of the Remuneration Committee:

Independent Director and Chairman:

Dirk Goeminne (since the establishment of the Remuneration Committee on 24 April 2019)

Dirk Goeminne has international experience in various companies.

Attendance quorum: 100% (1/1)

Independent Director

Brigitte Boone (since the establishment of the Remuneration Committee on 24 April 2019)

Brigitte Boone has international financial experience in various companies.

Attendance quorum: 100% (1/1)

Non-executive Director

Dennis de Vreede Vreede (since the start of his mandate on 1 August 2019)

Dennis de Vreede has international financial experience in various companies.

Attendance quorum: - (0/0)

Chairmanship
The Chairman of the Remuneration Committee convenes the meetings of the Remuneration Committee and determines their agenda.

He leads the work of the Remuneration Committee and ensures that the members of the Remuneration Committee reach a consensus after a critical and constructive discussion of the agenda items.

The chairman of the Remuneration Committee takes the necessary measures to ensure a climate of trust in the Remuneration Committee and ensures that it works efficiently. Among other things, he ensures that every new member of the Remuneration Committee is integrated smoothly, with the necessary personal contacts and with the communication of useful information regarding the functioning of the Remuneration Committee in order to guarantee a fast and efficient cooperation.

And finally, the Chairman of the Remuneration Committee is the privileged interlocutor of the Board of Directors for any matter for which the Remuneration Committee is competent.

Responsibilities
The Remuneration Committee assists the Board of Directors with proposals regarding the remuneration policy for the non-executive Directors, the members of the executive management, the members of the committees of the Board of Directors and regarding any periodic revisions of this policy.

The Remuneration Committee prepares the annual remuneration report that the Board of Directors encloses with the Corporate Governance Statement, and provides an explanation of this report to the General Meeting of Shareholders.

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

However, the Board of Directors is the only one with decision-making authority.

The performance by the Remuneration Committee of its duties does not in any way relieve the Board of Directors and its members from their own obligations and responsibilities.

Education and training
The Remuneration Committee works out a procedure for the formation of the new Directors.

In this way, they must be able to quickly become acquainted with the characteristics, activities and economic environment of the Company, so that they can immediately exercise their mandate in the best conditions. The procedure will consist of:

- the delivery of documents (Articles of Association, Governance Charter, internal regulations, last six-monthly and Annual Financial Report, recent brochures);
- the design, at the start of the mandate, of “one to one” meetings with the Chairman, with other Directors, with the Effective Leaders, which deal with matters such as the governance, strategy, risks and challenges of the Company and about her financial situation.

Operation

Meetings
The Remuneration Committee meets at least twice a year, and in any case:

- prior to the approval of the agenda of each General Meeting of Shareholders, with proposals for resolutions concerning Directors’ mandates on the agenda;
- for the preparation of the annual remuneration report.

It meets as often as necessary at the request of the chairman of the Remuneration Committee, one of its members, the Chairman or the Managing Directors.

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

In the performance of its duties, the Remuneration Committee may furthermore be assisted or advised by one or more experts to be appointed by the Committee, for a fee charged to the Company.

Nobody decides / advises on their own reimbursement. To this end, the Director concerned leaves the meeting of the Remuneration Committee when his own individual remuneration is discussed. This method is not applied when the Remuneration Committee discusses the general remuneration policy and the policy with regard to categories of Directors.

Agenda – documents
The chairman of the Remuneration Committee sets the agenda for the meetings of the Remuneration Committee and reports to the Board of Directors. With the exception of urgent circumstances, meetings of the Remuneration Committee will be convened at least five days in advance.

Decisions, quorum and majority

To validly deliberate, the majority of the members of the Remuneration Committee must be present. A member of the Remuneration Committee cannot be represented. The advice and recommendations are taken by majority. The chairman of the Remuneration Committee does not have a casting vote if necessary.

Minutes

The minutes summarise the discussions and specify the advice and recommendations, with, where appropriate, mention of the reservation of the members of the Remuneration Committee.

They are communicated in draft form to the members of the Remuneration Committee and are then formally approved and signed at a subsequent meeting of the Remuneration Committee.

The original is kept by the Company for its archives.

The chairman of the Remuneration Committee is responsible for delivering a copy of the minutes to the members of the Remuneration Committee.

Reports

After each meeting of the Remuneration Committee, the Chairman of the Remuneration Committee (or, if he is absent, a member of the Remuneration Committee who is designated for this purpose) reports at the next meeting of the Board of Directors on the performance of his duties and shares, in the in particular, the advice and recommendations of the Remuneration Committee, so that the Board of Directors can deliberate on it.

Evaluation

The Remuneration Committee evaluates its own efficiency, functioning and interaction with the Board of Directors at least every three years, reviews its internal rules and then, if appropriate, 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.

On the closing date of the financial year ending on 31 December 2019, the Executive Managers were:

- K. Deforche, Chief Executive Officer of the Board of Directors;
- M. Storm, Chief Executive Officer of the Board of Directors;
- C. Biquet, General Manager and Chief Financial Officer.

Role

The role of the Executive Managers is primarily:

- 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 8 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 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 Head of control and reporting) 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 N.V., 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 Head of control and reporting) 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 22 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 N.V., 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 Kasper Deforche (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.

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 2019 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.

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 € 25,000. The Chairman of the Board of Directors receives an additional € 10,000 each year, the Chairman of a Committee € 5,000 and the members of a committee €3,000. Independent directors are not entitled to variable remuneration or other benefits.

Overview of individual compensation during 2019

(all amounts are - where applicable - excl. VAT)

Independent non-executive managers	Fixed
Dirk Goeminne - Chairman of the Board of Directors	40,000
Brigitte Boone - Chairman of the Audit Committee	33,000
Ann Claes - Member of the Audit Committee	28,000
Non-independent non-executive managers	
Herman van Everdingen[1]	unpaid mandate
Dennis de Vreede[2]	unpaid mandate
Executive Management :	
Dirk Anbeek[3]	unpaid mandate
Matthijs Storm[2]	unpaid mandate
Kasper Deforche	[4]

1 from 1 March 2019 to 1 August 2019
2 from 1 August 2019
3 until 01 March 2019
4 See Executive Management remuneration

The remuneration amount for 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 Matthijs Storm 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 Company wishes to offer those involved a level of remuneration comparable to that which is offered by other companies for similar positions.

In order to keep informed of the remuneration applicable on the market, the 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. 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 (now the CCA) and the Royal Decree applicable to Regulated Real Estate Companies, as well as the principles of the Corporate Governance Code 2009.

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.

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 2019 the evaluation criteria for determining variable remuneration on short term 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%).

Long-term variable remuneration:
The Board of Directors of the Statutory Management Company evaluated the realisation of these objectives for 2019 and set the variable remuneration at € 90,000 for Kasper Deforche (*).

Allocation criteria/objectives:

- The Company achieved its targets for 2019:
  - earnings per share (EPS) (75%);
  - sustainability (25%).

Conditions:

- deferred payment;
- employed by the Company at the time of payment;
- if the employment has ended on the initiative of the Company, the variable remuneration remains earned.

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.

	Fixed compensation	Variable compensation short term	Variable compensation long term	Retirement plan	Fringe benefits	Total
2019						
Kasper Deforche (*)	€ 350,000	€ 90,000	€ 100,000	€ 0	€ 0	€ 540,000
Dirk Anbeek (**)	unsalaried mandate					
Matthijs Storm (**)	unsalaried mandate					
Cédric Biquet (***)	€ 159,010	€ 50,000	€ 28,224	€ 24,931	€ 18,206	€ 280,371
2018						
Kasper Deforche (*)	€ 350,000	€ 100,000	€ 90,000	€ 0	€ 0	€ 540,000
Dirk Anbeek	unsalaried mandate					

* The following service agreements are in force:

a. Service agreement between Kasper Deforche and the Company for holding the position of CEO of the Company. An annual fixed fee of € 175,000. 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 N.V., for handling the operational management of the relevant management entity. An annual fixed fee of € 175.000. 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 Wereldhave Belgium Services N.V..

** The mandates of Dirk Anbeek (until 1 March 2019) and Matthijs Storm (from 1 August 2019) are not remunerated. They represent the reference shareholder and receive a remuneration in this respect.

*** Cédric Bicquet is an employee of the Company. The 'Variable long-term renumeration' is payable in the third year following the year for which the renumeration is granted.

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 in any case does not vote on the point in question, in accordance with the Companies Code (now the CCA).

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.

Article 523 of the Companies Code (now Article 7:96 of the CCA) 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 and may not delegate this decision. 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 (now Article 7:97 of the CCA) 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 three 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

1. Insiders are prohibited from purchasing or selling Company securities if they have access to insider information about the Company;
2. 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;
3. 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;
4. 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;
5. 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;
6. 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

1.1.1 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.

1.1.2 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.

1.1.3 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.

1.1.4 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

i. having informed the Compliance Officer in writing of the number of securities involved and the nature of the transaction planned;
ii. 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:

i. 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;
ii. 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
iii. 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.

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 20% of GRESB (a real estate index focused on sustainability) with a score of 91/100 (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 2018.

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 renewed its CSR program in 2019 to further integrate sustainability into its business strategy. We want our Full-Service Centres to emit less CO2 and waste. We also want to support the local communities where we operate. Our 2030 CSR program - A Better Tomorrow - therefore focuses on three areas: Better Footprint, Better Nature, and Better Living. We have set clear ambitions for each area and have aligned these ambitions with specific UN Sustainable Development Goals (SDGs). A Better Tomorrow will improve our environmental management and reduce waste and CO2, strengthen our investments in local communities, and protect urban flora and fauna. We see CSR as a value proposition for both our tenants and visitors.

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.

Better footprint: environmental performance

Wereldhave Group’s first area is to reduce waste and pollution from its centres - this is the basis for a healthy community. Collaborating with visitors and tenants is also important in order to make a meaningful impact on the broader challenge of the climate crisis.

Energy and renewable energy on-site
Since 2013, Wereldhave has an energy reduction target of 30%. At the end of 2018, this goal was achieved with energy savings of 32% (energy efficiency 2013-2018 kWh per visitor). In 2019, we continued to take measures to save energy and reduce CO2 emissions.

In 2018, we successfully turned air conditioning on and off during the opening hours of a shopping centre in Belgium, saving of approximately 12%. We continue to guarantee perfect air quality through well-placed temperature and CO2 sensors. We extended this to our Ring Shopping, Les Bastions and Belle-Île centres, and integrated this solution into our building management system for full automation.

In addition, the Belgian companies have renewed their electricity contracts and purchased 100% European wind energy.

At our headquarters in Belgium, we opted for a low Global Warming Potential coolant for the cooling system. We are also expanding the use of solar foils for windows. In addition to being used in our Belle-Île shopping center in Liège, we will also use them on the south and west sides of our Belgian offices. This reduces the need for cooling and increases the comfort for our tenants. These examples show that energy and CO2 reduction is a step-by-step process.

Water
Wereldhave is focused on limiting water consumption. Our shopping centres and offices consumed a total of 48,429 m^3 of water in 2019, including the water consumption of the tenants. Most of the water is used for cleaning the shopping centers and for the toilets, cooling and fire protection systems. Rainwater is also collected and used in three Belgian shopping centers.

Toilets are renewed or added to our centers as part of the Customer Journey. The new toilet designs are equipped with water-saving toilets and faucets in accordance with BREEAM in-use requirements. The Les Bastions, Belle-Ile and Ring Shopping Kortrijk centers have been upgraded to meet these standards.

Waste
No significant changes occurred in our waste management process in 2019. In 2020, a new supplier will be contracted for waste management, which will enable us to educate tenants for more efficient sorting, renew all equipment (containers) and reduce service costs. We have rolled out new bins in various centres with compartments for residual waste and plastic / metal / drink packages (PMD) for visitors.

Better nature: resilience

Wereldhave is convinced that as a company it is necessary to adapt to the risks of the climate crisis with solutions that take care of the environment and biodiversity. Expanding green - adding green roofs, for example - helps against heat islands and flooding streets during extreme rain showers. They also add space for urban greenery and wildlife.

Ecology
Green roofs and green spaces around our centres can have a cooling effect and counteract the heat island effect due to the global warming in cities. They can also accommodate the local flora and fauna. At the end of 2019, 27% of shopping centres had introduced at least one biodiversity measure, such as a green roof, bird nesting boxes, bee hotels, insect hotels or a project in collaboration with a local school or association. Wereldhave Belgium has more than 5,500 m^2 of green roofs at its shopping centres; in addition to biodiversity, the green roofs ensure water retention, air purification, insulation and heat regulation. In 2020 we will review the measures we have taken in the context of BREEAM in-use certification.

Sustainable Building Certificates
In 2013 Wereldhave decided to standardise the sustainable quality of the buildings and to improve their management using the BREEAM certification instrument. In 2019, the company decided to mainly use BREEAM-in-use for our indoor centres. In 2019, the BREEAM in-use certificates for Shopping Nivelles and Ring Shopping Kortrijk Noord in Belgium were renewed. Both were certified with a double Very Good score (Asset performance and Building Management).

Better living: social performance

Wereldhave strives for clean, safe and pleasant centres to work and spend time in. That means providing services that our tenants and visitors want - access to public transport, bicycle sheds, and electric charging points, for example. It also means being a good employer for employees so that they thrive personally and professionally. Contributing to local communities is an important part - having a positive social impact - by providing space for social enterprises and charities and creating an environment that reduces loneliness and exclusion.

Personnel
For the well-being of our employees, dust measurements were carried out in the office buildings in Vilvoorde in the first part of the year, with good results.

Every year Wereldhave Belgium has rolled out a health plan that includes 4 values as part of “Healthy People, Happy People”: Food; Move; Energy (Energy Balance) and It Works (Work-related solutions to make the most of passion and creativity). We participated in our annual Immorun, have healthy cooking classes, monthly Tai-chi classes and employee coaching sessions.

Safety and wellbeing
Health and safety risks are assessed for all shopping centers and office buildings. These assessments include reports of certificates, training and incidents obtained.

Value Chain impact
We encourage our tenants to invest in sustainability by means of our sustainability standard (Green Lease). At the end of 2019, 49% of the total tenant base was ‘Green’. The Green Lease has been included as standard in all new rental contracts since 2014. The Green Lease includes agreements about working conditions, material used during construction work, waste separation and energy and water consumption. A Green Lease also determines the data that is exchanged between parties.

We also encourage sustainable forms of transport. When redesigning our car parks, we include charging points for electric vehicles. We have EV charging points available in almost all our car parks. Only Belle-Île has yet to be installed during the renovation of the car park as part of the extension.

For our suppliers, we use a sustainability charter (Supplier Code of Conduct) to impose our conditions regarding responsible material use and risk management on service providers. The Supplier Code of Conduct is available on our corporate website and has been included in every service contract with a value of at least EUR 10,000 per year since 2014.

Community
We believe that every shopping center can make a positive contribution to the local challenges.

That is why we make about 1% of our NRI available in kind and in-cash each year for social impact. This budget is used for events with social impact, to create space for local and / or social initiatives and to improve facilities for the disabled, the elderly and children. In 2019, 104 events with social impact were organized in all our shopping centres.

For example, we regularly organize labor markets to help fill vacancies with our tenants or other companies in the cities where we are located. We helped Green Peace, Vredeseilanden, Oxfam and the Red Cross, among others, with recruiting members and collecting donations.

In December 2019, the largest Flemish charity event of our national radio 'Studio Brussel', De Warmste Week, took place 1 km from Ring Shopping Kortrijk.

As a shopping center, we facilitated charity sales of more than 30 'Hot Actions' by offering free space in our shopping center to people from the community. We transformed a free building into 'The Warmest Building' where non-profit organizations could recruit or raise awareness among volunteers.

We organized an auction together with our tenant 'Het Idee' - a tea room run by people with disabilities. 30 images of an artist with a disability were auctioned for the benefit of 'De Branding / Waak' - the owner of Het Idee. Ring Shopping raised a total of 2,470 euros and supported many people in their way to help the charity grow in the community.

Philanthropy and corporate sponsorship
In addition to the social impact of the activities around the shopping centres, Wereldhave's sponsorship policy focuses on involving employees in culture and sports. In 2019 Wereldhave Belgium was a proud sponsor of the City Pirates in Antwerp. They are a football club that wants to make football accessible to everyone. Social involvement is an important pillar in addition to football. The club is a social platform for parents, children and volunteers who contribute to a better city. The club has 1,100 youth players from 80 different nationalities. It is a safe place where children and parents can push their limits. In 2019 we organized a team building event together with the City Pirates, including a free dinner for their youth football team.

Management report

The chapter ‘Risk factors’ and the ‘Corporate Governance Statement’ 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 (now Articles 3: 6 and 3:32 of the CCA).

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 Belgium and Luxembourg. 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 healthy 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:

- rent growth thanks to active management of shopping centres and retail parks;
- development (and redevelopment) of shopping centres for the Company's portfolio;
- 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, with the aim of strengthening their attractiveness in the long term, as well as the possibility of adding new functions in order to evolve to a Full Service Center . 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 N.V., 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.

Property portfolio

Properties available for lease

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

The main investments and divestments performed in 2019 were:

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

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

Retail portfolio

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

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

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

In 2019, Wereldhave Belgium, with its five shopping centers, almost reached the milestone of twenty million visitors. This is due to an increase in the number of visitors by 4.95% compared to the same period last year, on top of that with positive figures individually for each of the retail properties. In comparison, the index of the sector organization BSLC showed in 2019 a decrease of 0.88%. Since four of Wereldhave Belgium retail properties are part of this index, which includes a total of 23 shopping centers, this result is remarkable. In its shopping centers, Wereldhave Belgium made huge efforts to optimize the tenant mix and this strategy is now paying off.

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

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

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

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

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

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

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

Office portfolio

The EPRA occupancy rate evolved from 90.6% on 31 December 2018 to 89.2 % on 31 December 2019. The office park ‘De Veldekens’ in Berchem-Antwerpen is almost fully let (98%) at year-end, while the occupancy rate of the ‘Business & Media’ ‘office park in Vilvoorde remained stable at around 75%.

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

Projectontwikkelingen

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

The main events occurred in 2019 were:
- the completion of the redevelopment project ‘7 Fontaines’ in Tournai (€ +1.8 mln), which has been transferred from heading ‘Project developments’ to heading ‘Properties available for lease’ on completion date (€ -4.7 mln);
- further investments in the preparation process of the extension project in the Belle-Île (€ +0.7 mln).

Financial results

Net result from core activities

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

This increase is mainly due to:
- the positive impact (€ +4.5 mln) on the property result of the full year contribution of the two retail parks in Turnhout and Bruges, which were acquired and contributed at the end of 2018;
- the non-recurring impact on the property result of the termination fees paid by Carrefour in “Belle-île” in Liège and in Genk “Shopping 1”, and by some other tenants, mainly in the office portfolio (€ +1.9 mln in 2019);
- the increase in the property result (€ +0.9 mln) related to the development projects (i) extension of the shopping center ‘Les Bastions’ in Tournai, which was delivered on 12 April 2018, and therefore contributed in 2019 for the entire year; (ii) Tournai ‘7 Fontaines’, which was delivered being fully occupied in June 2019 and has since then generated rental income;
- the strong property results mainly in Genk Shopping 1 and Ring Shopping Kortrijk, compensated by lower results mainly in Belle-Ile during the redevelopment of the ex-Carrefour area, in Genk Stadsplein and as well in the office portfolio (net € -1.7 mln);
- the increase in the property charges (€ -0.9 mln), which is mainly due to higher maintenance costs and costs related to bankruptcies;
- the increase in the general costs and other operational income and charges (€ -0.5 mln), which is mainly attributable to higher personnel costs due to the reinforcement of the team, more advisory costs on legal matters and project studies, as well as higher marketing and investors’ relation costs;
- the decrease in the financial expenses (€ +0.3 mln) due to the lower average financing cost during the year (0.81% in 2019 compared to 1.09% in 2018);
- the decrease of taxes costs (€ +0. mln) due to the positive impact of the merger of the subsidiary Immo Guwy N.V. within Wereldhave Belgium SCA, which took place in September 2019. .

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

Net result from non-core activities

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

Equity and financing

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

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

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

Wereldhave Belgium’s guideline for the longer term is a solvency ratio of about 70%. At 31 December 2019, the Company relies on external and ‘intracompany’ funding.

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

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

In addition, the € 100 mln Treasury Notes program, initiated in September 2018, has been extensively used in 2019 (€ 93 mln on 31 December 2019), with a significant positive impact on the average financing cost (0.81% in 2019 compared to 1.09% in 2018).

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 2019 is 29.33% (2018: 29.68%), providing room for additional investments.

Events having occurred after the end of the financial year

On 4 February 2020, and as announced in the press release on the 2019 results, the residential part of the building in Gent Overpoort (approximately 2,000 m^2 student rooms) was sold for a sale price of € 7.8 million. Taking into account the latest valuation of the real estate expert (€ 7.5 million), which was booked in the 'Assets held for sale' on 31 December 2019, this transaction has a capital gain that will be booked in the results of the year 2020.

In addition, shareholders were invited to hold an Extraordinary General Meeting of Shareholders on 6 March 2020 with the agenda:

- renewal of the authorization of the authorized capital;
- the change of the purpose / object of the Company to conform its articles of association to the new Code of Companies and Associations;
- the conversion of the Company into a "public limited company" with a one-tier board model.

All documents related to this Extraordinary General Meeting are available on the Company's website (www.wereldhavebelgium.com/investor-relations/rapporten-publicaties/).

Other than these operations, no additional significant events occurred after 31 December 2019 that would affect or be disclosed in this financial report.

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

The General Meeting of the Shareholders will be held on Wednesday 8 April 2020 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 (2018: € 5.10 gross - € 3.57 net), representing a pay-out ratio of 89% of the distributable operational result.

As 7,807,981 shares are participating in the result of 2019, the distributable dividend is € 40.6 mln.

A payment of 89% 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 further declares his intention to offer the possibility to the shareholders of the Company, by way of an optional dividend, to contribute their right to receive the dividend to the capital of the Company, against the issuance of new shares (in addition to the options to either receive the dividend in cash or to opt for a combination of both previous options). The final decision will be made by the Board of Directors on Monday 20 April 2020 whereby the Board of Directors, within the framework of the authorized capital, will proceed to the increase of the share capital by the contribution in kind of the net dividend receivable (i.e. € 3.64 per share). For the shareholders opting for new shares in exchange of the (full or partial) contribution of their dividend receivable and benefiting from a reduced withholding tax or an exemption of such withholding tax, the contribution of the receivable will, just as for the shareholders who do not benefit from such reduction or exemption, amount to € 3.64 per share and the balance resulting from the said reduction or exemption from withholding tax will be paid in cash as from Thursday 14 May 2020. The terms and conditions of this transaction will be established on Monday 20 April 2020.

Because of this intention, the financial calendar, which was included in the previous press releases, has been adjusted, whereby the ‘Ex-dividend date’, the ‘Dividend record date’ and the ‘Dividend payment date’ are respectively fixed on 22 April, 23 April and 14 May 2020.

Financial services are provided by BNP Paribas Fortis.

Prospects

Wereldhave Belgium forecasts for 2020, taking into account the positive contributions of the two retail parks recently acquired, a net result from the core activities in a range between € 5.55 - € 5.65 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 20 April 2020. 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

N.V. Wereldhave Belgium
D. Goeminne, Voorzitter
B. Boone
A. Claes
K. Deforche
M. Storm
D. de Vreede
Vilvoorde, 6 March 2020

EPRA

EPRA performance measures

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

	EPRA Performance Measure	Definition		2019	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	**45,617**	40,730
			€/share	**5.92**	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	**690,256**	680,073
			€/share	**88.40**	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	**689,139**	678,428
			€/share	**88.26**	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.		**5.76%**	5.66%
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.		**4.48%**	2.91%
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.		**18.84%**	17.28%
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.		**16.89%**	15.44%

Table 1: EPRA earnings

(x € 1,000)	2019	2018
Net result IFRS (group share)	**28,957**	**40,541**
Adjustments to calculate EPRA Earnings		
Exclude:		
I. Changes in value of investment properties	16,547	477
II. Profit or losses on disposal of investment properties	21	35
III. Other portfolio result and deferred tax	-582	-323
VI. Changes in fair value of financial instruments and associated close-out costs	674	-
EPRA Earnings (group share)	45,617	40,730
Weighted average number of shares	7,708,224	7,098,634
EPRA Earnings per share	**5.92**	**5.74**

Table 2 and 3: EPRA NAV and EPRA NNNAV

(x € 1,000)	2019	2018
Net Asset Value (group share)	**689,221**	**678,428**
Net Asset Value per share (group share)	88.27	89.97
Exclude:		
I. Fair value of financial instruments	1,035	159
II. Deferred taxes	-	1,486
EPRA NAV (group share)	690,256	680,073
Number of shares at year end	7,807,981	7,540,250
EPRA NAV per share (group share)	**88.40**	**90.19**
Include:		
I. Fair value of financial instruments	-1,035	-159
II. Fair value of debt	-82	-
III. Deferred taxes	-	-1,486
EPRA NNNAV (group share)	689,139	678,428
Number of shares at year end	7,807,981	7,540,250
EPRA NNNAV per share (group share)	**88.26**	**89.97**

Table 4: EPRA net initial yield (NIY)

(x € 1,000)	2019	2018
Investment properties	**961,286**	**956,656**
Exclude:		
'Right of use asset' according to IFRS 16	-6,511	-
Investment properties built or developped in portfolio available for lease	-12,615	-12,539
Properties available for lease	**942,160**	**944,117**
Include:		
Estimated transaction costs resulting from hypothetical disposal of investment properties	24,158	24,208
Investment value of the properties available for lease (B)	**966,318**	**968,325**
Annualised gross rental income	57,350	56,481
Exclude:		
Property charges	-1,697	-1,702
Annualised net rental income (A)	**55,654**	**54,779**
EPRA NET INITIAL YIELD (A/B)	**5.76%**	**5.66%**

Table 5: EPRA vacancy rate

	Lettable space in m^2	Estimated rental value (ERV) of vacant spaces in € 1,000	Estimated Rental Value (ERV) in € 1,000	EPRA vacancy rate 2019	EPRA vacancy rate 2018
Segment					
Offices	62,494	970	8,809	11.02%	9.37%
Retail	220,108	1,620	48,975	3.31%	1.78%
Investment properties available for lease	**282,602**	**2,591**	**57,785**	**4.48%**	**2.91%**

Table 6: EPRA cost ratios

(x € 1,000)	2019	2018 (adjusted)
Overhead expenses	4,702	4,261
Write-downs on trade receivables	731	151
Fees for building rights and leaseholds	387	404
Property charges	5,676	4,701
Exclude:		
Fees for building rights and leaseholds	-387	-404
EPRA costs (including vacancy costs) (A)	**11,109**	**9,113**
Vacancy costs	-1,148	-971
EPRA costs (excluding vacancy costs) (B)	**9,961**	**8,142**
Rental income decreased with fees for building rights and leaseholds (C)	58,969	52,746
EPRA Cost Ratio (including vacancy costs) (A/C)	**18.8%**	**17.3%**
EPRA Cost Ratio (excluding vacancy costs) (B/C)	**16.9%**	**15.4%**

1 The EPRA Cost Ratio (including vacancy costs) and the EPRA Cost Ratio (excluding vacancy costs) increased on 31 December 2019 compared to 31 December 2018, mainly due to the increase of the general costs (reinforcement of the team) and of the property charges (mainly due to all-in contracts where the common costs cannot be reinvoiced)

Real estate report

The Belgian real estate market

Decline in investment in commercial real estate

Despite a record year for real estate transactions in Belgium in 2019 (€ 5.25 billion), the proportion of invested volume in retail property decreased by 47%. This is mainly due to the absence of significant transactions in the shopping centre segment, after a record year 2018 (sale of 3 large shopping centres Woluwé Shopping Centre, Rive Gauche and Docks). The other two segments of retail real estate performed better with an increase of 32% for retail properties on the periphery and 14% for those in the city centre, respectively.

Prime yields remained stable in shopping centres (at 4.00%) and in peripheral stores (at 5.25%), while in the inner city they grew by 35 basis points (to 3.5%)[1].

On the other hand, the polarisation of the market returns is still present, especially in the case of less well located locations or in the case of important vacancy levels.

Positive take-up in commercial real estate in a sector in transiti

The year 2019 was the second best year in the last decade in terms of the acquisitions. If we analyse this take-up per segment, it is the shopping centres (+ 32%) that perform best, followed by retail properties in the periphery and finally retail properties in the city centre. Despite these excellent figures, we note that the sector is in a transition phase. As in previous years, large tenants are more cautious and demanding with regard to rental conditions. The expectations of the consumer are also constantly changing. Their interest in textiles is declining, but their interest in catering, services and leisure activities is increasing strongly. So tomorrow's winners will undoubtedly be shopping centres that can adapt their retail mix to consumer expectations, but also shopping centres located in strategic locations that can evolve into multifunctional sites.

Rents in the best shopping centres in the country have remained stable, while those in secondary shopping centres are under pressure. The latter tend to see an erosion in visitor numbers and thus in turnover.

The reallocation of the 5,000m^2 vacated by the partial departure of Carrefour in Belle-Île was a good example of how the commercial mix can be adapted to the changing needs of consumers in this market in transition.

Record levels for investment in offices

After a very strong year in 2018, the office investment market continued its dynamism with a 5% increase in volume. The most important transactions were the sale of the Solar portfolio and Pegasus Park.

The prime yields for standard lease contracts fell further to a record level of 3.9%.

In terms of office take-up, the best figure in 10 years was recorded. The Brussels market grew particularly well, driven by demand from the public sector. The regional markets also performed well, with a take-up above the long-term average.

The year 2019 was also marked as the year of co-working, with a take-up of 97,000m^2, i.e. more than 11% of the national take-up.

The average rent on the national market increased by 7% to €166/m^2/year in 2019 (€155.5/m^2/year in 2018), while the prime rate in Brussels remained stable at €315/m^2/year.

Source: based on figures from Expertisenews and Cushman & Wakefield

[1] Source: Cushman & Wakefield

Summary of the real estate portfolio

Summary of the real estate portfolio

(x € 1,000)	Shopping centres	%	Offices	%	Total
Fair value					
Properties available for lease	856,531		92,140		948,671
Development projects	12,615				12,615
Total real estate investments	**869,145**	**89.72%**	**92,140**	**9.51%**	**961,286**
Assets held for sale	**7,480**	**0.77%**	**-**		**7,480**
Insured value[1]	510,459	83.89%	98,021	16.11%	608,480
Contractual rent	49,352	86.05%	7,999	13.95%	57,350

1 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)	Parkings (number of spaces)
Retail				
Shopping Centre "Belle-Ile", Quai des Vennes 1, 4020 Liège	1994	19.38%	30,083	2,200
Shopping Centre Nivelles, Chausée de Mons 18A, 1400 Nivelles	2012	17.24%	29,129	1,452
Shopping Centre "Shopping Bastions", Boulevard W. de Marvis 22, 7500 Tournai	2018	15.94%	30,636	2,000
Retailpark 'les Bastions' in Tournai	2016	2.01%	10,312	360
Tournai - 7 Fontaines	2019	0.71%	3,485	-
Shopping Centre "Shopping I", Rootenstraat 8, 3600 Genk	2014	6.60%	21,282	1,250
Shopping Centre "Kortrijk Noord", Ringlaan, 8500 Kortrijk	2005	12.96%	32,309	2,000
"Forum Overpoort", Overpoortstraat, 9000 Gent	2014	0.82%	3,959	-
Genk - Stadsplein, Stadsplein 39, 3600 Genk	2008	3.55%	15,415	44
Commercial complex Waterloo, Chaussée de Bruxelles 193-195, 1410 Waterloo	1968	1.49%	3,351	95
Brugge Retail Park	1970	4.21%	20,343	650
Turnhout Retail Park	1979	3.52%	19,804	765
		88.41%	**220,108**	**10,816**
Offices				
'Business- & Media' office park, Medialaan 30, 1800 Vilvoorde	1999	0.90%	5.449 / 349[5]	173
'Business- & Media' office park, Medialaan 32, 1800 Vilvoorde	1999	0.47%	3.907 / 116[5]	121
Business- & Media' office park, Medialaan 28, 1800 Vilvoorde	2001	1.87%	12.772 / 227[5]	335
De Veldekens I, Roderveldlaan 1-2, 2600 Berchem	2001	1.79%	11.194 / 255[5]	238
De Veldekens II, Roderveldlaan 3-4-5, 2600 Berchem	1999	2.62%	16.003 / 821[5]	315
De Veldekens III, Berchemstadionstraat 76-78, 2600 Berchem	2002	1.86%	11.193 / 224[5]	217
		9.51%	**60.518 / 1.992[5]**	**1,399**
Development in commercial projects				
Redevelopment shopping centre in Waterloo		0.12%		
Extension shopping centre 'Belle-Ile' in Liège		0.46%		
Nivelles land positions		0.72%		
		1.30%		
Assets held for sale				
"Forum Overpoort", Overpoortstraat, 9000 Gent (studentenkamers)	2014	0.77%	1,972	-
		0.77%		
Totaal		**100.00%**	**282.598 / 1.992[5]**	**12,215**

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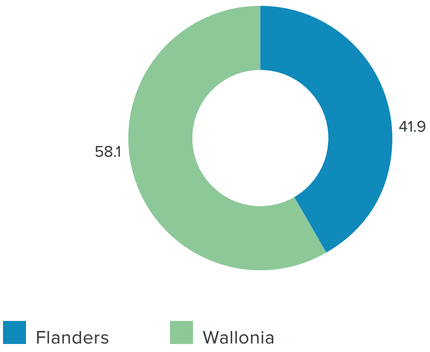
	Contract rent at 31 December 2019 (€ x 1,000)	Rental value vacancy (€ x 1,000)	Theoretical rental value at 31 December 2019 (€ x 1,000)	Estimated rental value (€ x 1,000)	Occupancy rate at 31 December 2019
Retail					
Shopping Centre "Belle-Ile", Quai des Vennes 1, 4020 Liège	11,273,867	326,565	11,600,432	10,996,015	97.3%
Shopping Centre Nivelles, Chausée de Mons 18A, 1400 Nivelles	8,778,001	54,169	8,832,170	8,623,571	99.0%
Shopping Centre "Shopping Bastions", Boulevard W. de Marvis 22, 7500 Tournai	8,458,617	37,828	8,496,445	7,959,049	99.5%
Retailpark 'les Bastions' in Tournai	1,133,569	28,865	1,162,434	1,170,830	97.5%
Tournai - 7 Fontaines	424,469	-	424,469	429,830	100.0%
Shopping Centre "Shopping I", Rootenstraat 8, 3600 Genk	3,556,861	636,377	4,193,238	4,400,899	85.4%
Shopping Centre "Kortrijk Noord", Ringlaan, 8500 Kortrijk	7,180,381	123,815	7,304,196	7,078,482	94.9%
"Forum Overpoort", Overpoortstraat, 9000 Gent	449,820	56,415	506,235	489,553	92.9%
Genk - Stadsplein, Stadsplein 39, 3600 Genk	2,505,759	333,950	2,839,709	2,421,618	89.2%
Commercial complex Waterloo, Chaussée de Bruxelles 193-195, 1410 Waterloo	842,280	22,120	864,400	867,718	98.4%
Brugge Retail Park	2,450,604	-	2,450,604	2,373,090	100.0%
Turnhout Retail Park	2,297,730	-	2,297,730	2,164,726	100.0%
	49,351,958	**1,620,104**	**50,972,062**	**48,975,381**	**96.3%**
Offices					
'Business- & Media' office park, Medialaan 30, 1800 Vilvoorde	680,528	197,520	878,048	831,320	76.2%
'Business- & Media' office park, Medialaan 32, 1800 Vilvoorde	157,797	445,340	603,137	585,300	29.2%
Business- & Media' office park, Medialaan 28, 1800 Vilvoorde	1,479,312	196,920	1,676,232	1,857,760	89.5%
De Veldekens I, Roderveldlaan 1-2, 2600 Berchem	1,723,688	85,000	1,808,688	1,627,508	95.1%
De Veldekens II, Roderveldlaan 3-4-5, 2600 Berchem	2,314,880	36,813	2,351,693	2,290,688	98.4%
De Veldekens III, Berchemstadionstraat 76-78, 2600 Berchem	1,642,305	8,813	1,651,118	1,616,625	99.4%
	7,998,510	**970,406**	**8,968,916**	**8,809,201**	**89.2%**
Development in commercial projects					
Redevelopment shopping centre in Waterloo					
Extension shopping centre 'Belle-Ile' in Liège					
Nivelles land positions					
Assets held for sale					
"Forum Overpoort", Overpoortstraat, 9000 Gent (studentenkamers)	455,545	-	455,545	455,545	100.0%
Totaal	**57,806,013**	**2,590,510**	**60,396,523**	**58,240,127**	**95.2%**

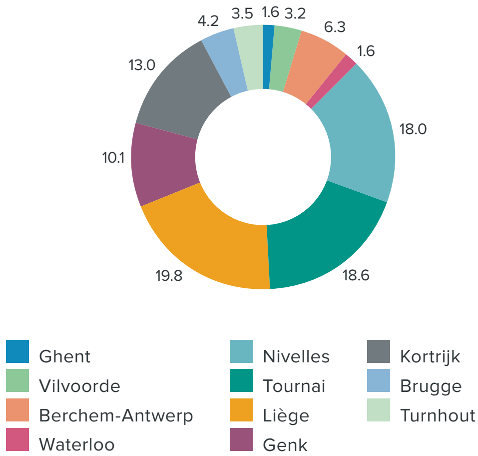
1 Rental value vacancy is the estimated rental value on the vacant units.
2 The theoretical rental value equals the contractual rent increased with the value of rental vacancy.
3 To determine the estimated rental value, external valuation experts rely on their knowledge of the property market and on 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, in accordance with the EPRA guidelines.
5 Archives

Key information

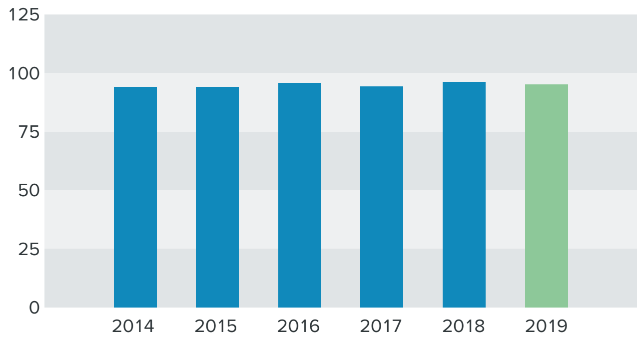
Geographical breakdown
(as % of fair value)



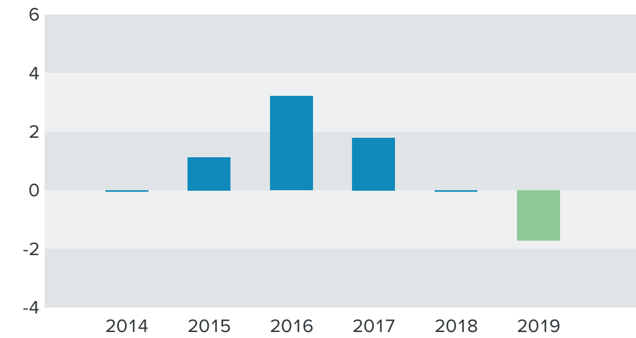
Geographical breakdown
(as % of fair value)



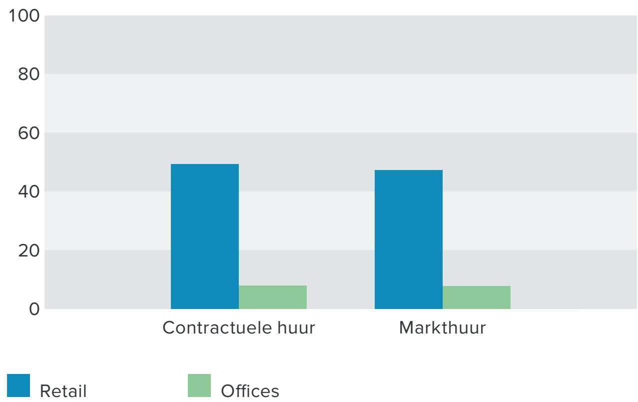
Average occupancy
(in % of rental income)



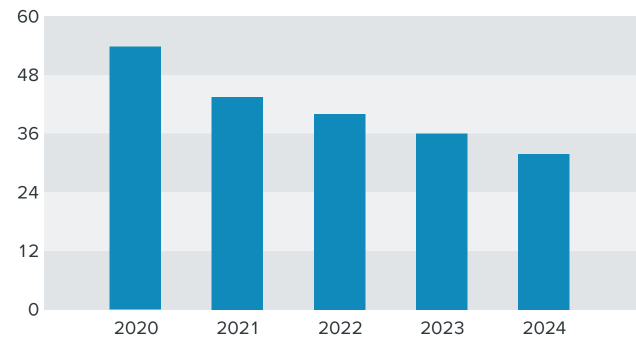
Portfolio revaluation
(in %)



Contracted rent/market rent
(in € 1.000)

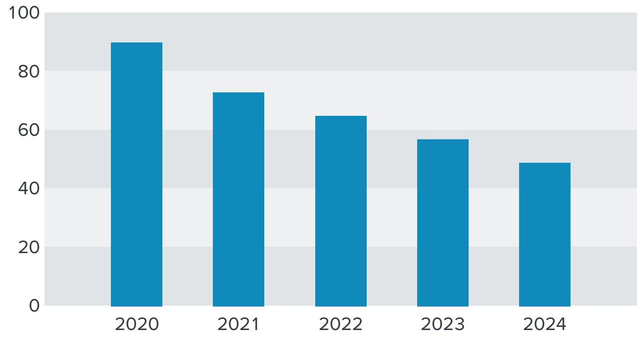


Contract rent over 5 years
(in € millions)



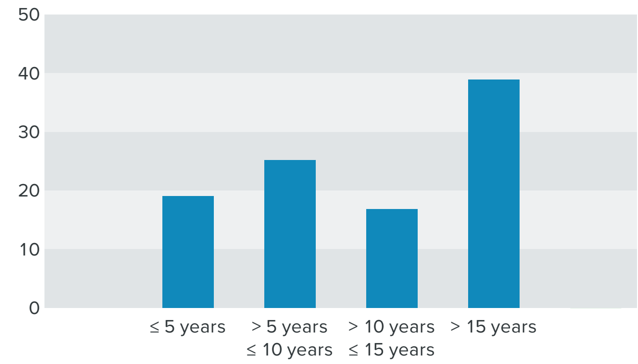
Guaranteed rental income

(in %)



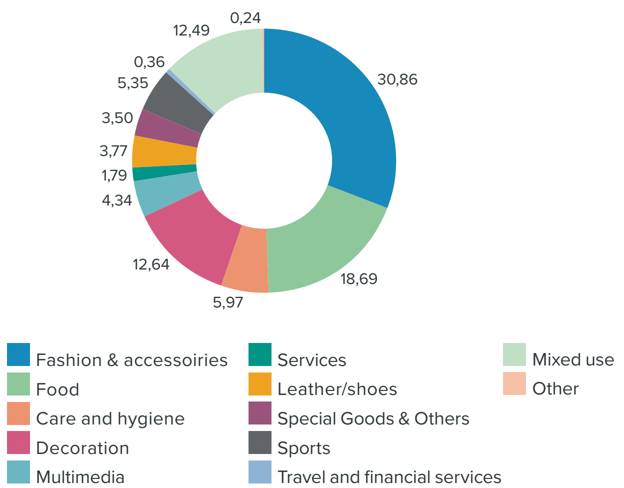
Age analysis of the real estate portfolio

(in % of valuation)



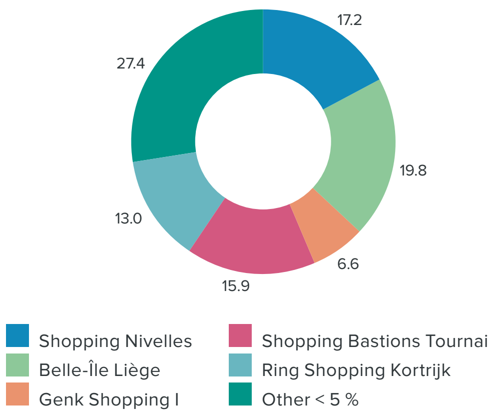
Branche mix investment property retail

(as % of rental income)



Investment properties > 5%

(in % fair value)



Top 10 tenants*

Global Portfolio

	Huurder	Section	%
1	Carrefour	Retail	4,67%
2	H&M Hennes & Mauritz N.V.	Retail	3,11%
3	Ahold Delhaize	Retail	2,81%
4	C&A	Retail	2,76%
5	A.S. Watson	Retail	2,15%
6	Argenta	Retail	2,04%
7	Brico	Offices	1,86%
8	Lunch Garden	Retail	1,64%
9	RICOH	Offices	1,37%
10	Grand Vision	Retail	1,34%
			23,75%

Retail

	Huurder	%
1	Carrefour	4,67%
2	H&M Hennes & Mauritz N.V.	3,11%
3	Ahold Delhaize	2,81%
4	C&A	2,76%
5	A.S. Watson	2,15%
6	Brico	1,86%
7	Lunch Garden	1,64%
8	Grand Vision	1,34%
9	Bestseller	1,30%
10	Esprit	1,22%
		22,86%

Offices

	Huurder	%
1	Argenta	2,04%
2	RICOH	1,37%
3	Amadeus	0,98%
4	Proximus	0,83%
5	KBC Bank	0,69%
6	ABN AMRO Bank	0,61%
7	Antea	0,56%
8	TVM	0,42%
9	WGEO	0,38%
10	Neovia	0,36%
		8,24%

*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 3.0 years, and the average duration until the end of the lease contracts is 6.1 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 Europe.

The total insured value of the investment properties portfolio amounts to € 608.5 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 63.3 % of the fair value of the investment properties portfolio.

The insurance premium for 2019, including taxes, amounts to € 157.931.

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 N.V., 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-Île' in Liège in accordance with article 30 §3 and §4 of the RREC Law

As explained in the annual report 2018, the Company obtained on 11 December 2018 a new derogation from the FSMA for a new period of 2 years, which expires on 31 December 2020.

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-Île' 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.

Nevertheless, considering the acquisitions (the two retail parks in Bruges and Turnhout) and additional investments made in the portfolio in 2018, the share of the fair value of Belle-Île in the investment properties portfolio decreased below the 20% threshold on 31 December 2018. In 2019, taking into account the revaluations and investments of the year and despite additional investments performed in the centre (mainly the redevelopment of the Carrefour area), the fair value of the shopping centre remained below this threshold (19.84% on 31 December 2019), so that this derogation did not come into force in 2019.

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

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

Acquisitions and disposals

On the investment side, two transactions were realised in the first half of 2019. It concerns on the one hand the consolidation of our property rights in Kortrijk (the acquisition of the residual rights of a part of the car park and of a site on which a ground lease in favour of Burger King is established) and on the other hand the additional purchases of private units in the Shopping 1 shopping centre in Genk.

The additional purchases in Kortrijk allow us to further strengthen our control of the site, add a popular fast food restaurant to our list of tenants and, in the long term, safeguard our parking capacity.

The additional purchases of the private units in the Shopping 1 shopping centre in Genk gave us the opportunity, after intensive renovations, to open a store of The Fashion Store of approximately 1,000m^2 at the end of 2019. The importance of the opening of this new store was immediately and clearly visible on the basis of its very positive impact on the number of visitors.

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

Development projects

In the course of 2019, the last part of the project was completed on the site of Bastions in Tournai. It concerns the subproject '7 Fontaines' in which a shopping area on the parking lot of the shopping centre was redeveloped and accommodates Tom & Co and La Foir Fouille. A positive revaluation was booked on this project.

With regard to Belle-Île, significant progress was again made in 2019. The redevelopment of the area vacated by Carrefour was successfully completed and Decathlon, Action, Villeneuve, Medi-Market and Eyes & More opened their new stores at the end of 2019. The importance of opening these additional stores was immediately and clearly visible on the basis of their very positive impact on the number of visitors.

The renovation of the entire shopping centre was started at the end of 2019, for which the works will take up the major part of 2020.

With regard to the expansion project in Belle-Île, the plans were modified and optimised to take into account the evolution in the retail market and to include future flexibility as well as the possibility to add new functions. It is expected that, after obtaining additional permits, the works will be able to start in the last quarter of 2020.

The Waterloo project was also modified, in this case to take account of a new vision of the municipality for its commercial centre. Retail and residential remain the relevant components of the project, but have been redesigned in terms of concept. However, an important administrative and permit process still needs to be completed before the effective realisation of this project can start.

In Kortrijk, preparations were made and relevant permits were obtained to transform the facade, entrances and outer area of the shopping centre and significantly increase its attractiveness to visitors. It is expected that this project can be realised during 2020 and part of 2021.

Description of the real estate portfolio

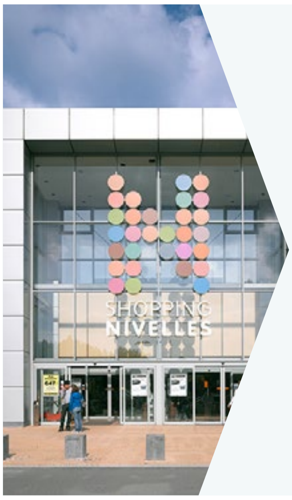
Retail portfolio

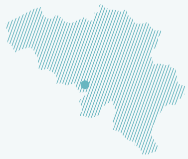
Shopping centre ‘Belle-Île’

Quai des Vennes 1, 4020 Liège

Top 5 tenants	
Carrefour	4.86%
WE	4.02%
C&A	3.50%
A.S. Watson	2.91%
H&M Hennes & Mauritz N.V.	2.80%

Number of tenants: 97
Construction: 1994
Location: Belle-Île is located in the southeast of Liège, at the start of the ‘Autoroute des Ardennes’ – E25
Lettable area: 30,083 m^2





Shopping centre Nivelles

Chaussée de Mons 18A, 1400 Nivelles

Top 5 tenants	
Ahold Delhaize	6.04%
H&M Hennes & Mauritz N.V.	4.70%
Excellent Retail Brands	2.75%
AS Adventure	2.58%
Delcambe Chaussures	2.34%

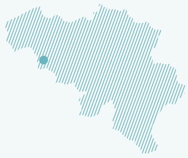
Number of tenants: 100
Construction: 1974 – Extension: 2012
Location: The shopping centre of Nivelles is located at the periphery of Nivelles, exit ‘Nivelles Sud’ of highway E19
Lettable area: 29,129 m^2

Shopping center Kortrijk Noord

Ringlaan, 8500 Kortrijk

Top 5 tenants	
C&A	4.48%
H&M Hennes & Mauritz N.V.	4.33%
Tims	3.99%
A.S. Watson	3.45%
Ahold Delhaize	3.27%

Number of tenants: 90
Construction: 1973 – Renovation 2005
Location: The shopping centre is located alongside the ring of Kortrijk
Lettable area: 32,309 m^2



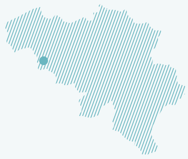
Shopping centre ‘Shopping Bastions’

Boulevard Walter de Marvis 22, 7500 Tournai

Top 5 tenants

C&A	5.05%
Ahold Delhaize	4.80%
Inditex	4.61%
H&M Hennes & Mauritz N.V.	4.01%
A.S. Watson	3.13%

Number of tenants: 89
Construction: 1979 – Renovatie & uitbreiding 2018
Location: The Retail Park ‘Shopping Bastions’ is located alongside the ring of Tournai
Lettable area: 30,636 m²



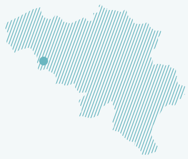
Retail Park ‘Les Bastions’

Boulevard Walter de Marvis 22, 7500 Tournai

Top 5 tenants

Maisons du Monde	17.83%
Sportsdirect	15.24%
Brico	15.14%
ZEB	12.03%
AS Adventure	10.09%

Number of tenants: 9
Construction: 2016
Location: The Retail Park ‘Les Bastions’ is located alongside the ring of Tournai
Lettable area: 10,312 m²



Tournai – 7 Fontaines

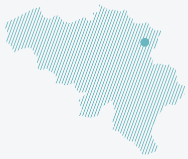
Boulevard Walter de Marvis 22, 7500 Tournai

Top 3 tenants

La Foir’Fouille	53.72%
Tom&Co	28.39%
Quick - Burger King	17.89%

Number of tenants: 3
Construction: 2019
Location: ‘7 Fontaines’ is located alongside the ring of Tournai
Lettable area: 3,485 m²

Shopping centre Genk 'Shopping 1'



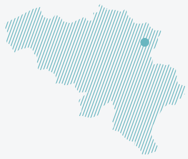
Rootenstraat 8, 3600 Genk

Top 5 tenants

Ahold Delhaize	6.38%
New Yorker	6.13%
Lunch Garden	5.85%
The Fashion Store	4.14%
Quick - Burger King	3.97%

Number of tenants: 59
Construction: 1967 – Renovation 2014
Location: The shopping centre is located in the centre of Genk
Lettable area: 21,282 m²

Genk Stadsplein



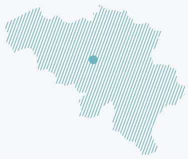
Stadsplein 39, 3600 Genk

Top 5 tenants

H&M Hennes & Mauritz N.V.	17.16%
Inditex	11.33%
C&A	11.32%
A.S. Watson	8.75%
Bestseller	6.98%

Number of tenants: 24
Construction: 2008
Location: The shopping centre is located in the centre of Genk
Lettable area: 15,415 m²

Commercieel complex te Waterloo

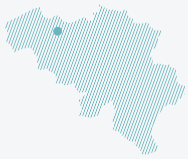


Chaussée de Bruxelles 193-195, 1410 Waterloo

Top 5 tenants

Celebrity	21.37%
Club	19.61%
Planet Parfum	13.07%
Exki	9.80%
Madame Charlotte	8.02%

Number of tenants: 12
Construction: 1968
Location: The shopping centre is located in the centre of Waterloo
Lettable area: 3,351 m²



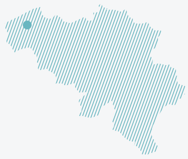
‘Forum Overpoort’ Gent

Overpoortstraat, 9000 Gent

Top 4 tenants

JIMS	35.96%
Ahold Delhaize	28.82%
A.S. Watson	19.28%
Yammi Yammi	15.93%

Number of tenants: 4
Construction: 2014
Location: : The complex is situated along the Overpoortstraat, in the city centre
Lettable area: 3,959 m^2



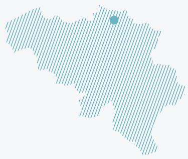
Brugge Retail Park

Maalsesteenweg 334, 8310 Brugge Sint-Kruis

Top 5 tenants

Carrefour	37.34%
Metro Group	19.42%
Brico	19.09%
Lunch Garden	6.27%
Ixina	4.48%

Number of tenants: 13
Construction: Early 70
Location: : The Brugge Retail Park is located along one of the main access roads to Bruges
Lettable area: 20,343 m^2



Turnhout Retail Park

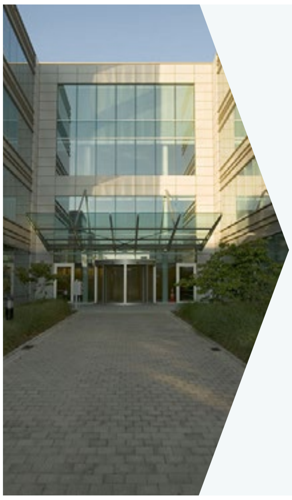
Parklaan 80, 2300 Turnhout

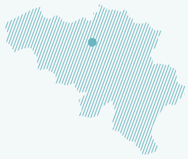
Top 5 tenants

Carrefour	54.72%
Brico	19.26%
Lunch Garden	8.49%
Auto 5	4.11%
Mc Donald’s	3.34%

Number of tenants: 12
Construction: Early 70
Location: The Turnhout Retail Park is located alongside the ring of Turnhout
Lettable area: 19,804 m^2

Offices portfolio





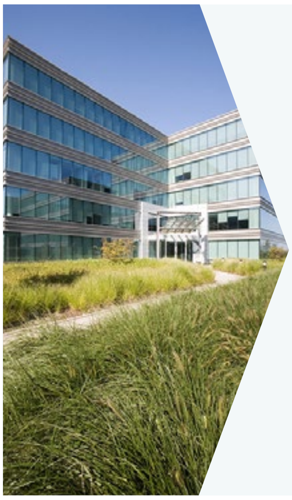
Office building in Vilvoorde

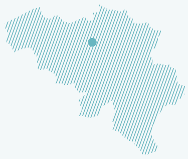
Medialaan 28, 1800 Vilvoorde

Top 5 tenants

Ricoh Belgium N.V.	51.59%
WGEO Ltd. - Belgium Branch	14.30%
Neovia Logistics Services LLC	14.26%
QUINZ Advocaten cvba	11.72%
Bright Plus Outsourcing Solutions N.V.	8.13%

Number of tenants: 6
Construction: 2001
Location: In Business park 'Business- & Mediapark', near the Brussels ring (exit 6) and near the national airport
Lettable area: 12,772 m²





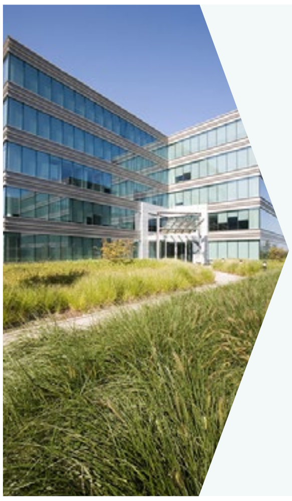
Office building in Vilvoorde

Medialaan 30-, 1800 Vilvoorde

Top 5 tenants

Amadeus Benelux S.A.	32.75%
Wereldhave Belgium	26.00%
Nutrition & Santé Benelux N.V./sa	18.89%
Monster Belgium N.V.	14.42%
Ricoh	4.62%

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: 5,449 m²



Office building in Vilvoorde

Medialaan 32, 1800 Vilvoorde

Top 2 tenants

Intersystems Benelux	59.57%
Bahlsen Comm V.	40.43%

Number of tenants: 2
Construction: 1999
Location: In Business park 'Business- & Mediapark', near the Brussels ring (exit 6) and near the national airport
Lettable area: 3,907 m²

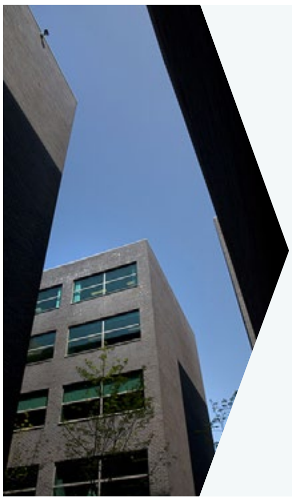
Office building in Antwerp

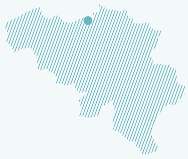
Veldekens I, Roderveldlaan 1-2, 2600 Antwerp

Top 4 tenants

Argenta Spaarbank N.V.	47.68%
Proximus	27.95%
Antea Belgium N.V.	18.76%
BTV VZW	5.61%

Number of tenants: 4
Construction: 2001
Location: Situated close to Berchem station
Lettable area: 11,194 m²





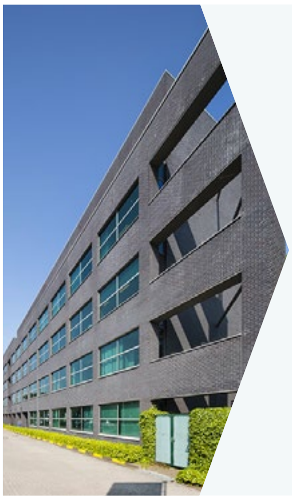
Office building in Antwerp

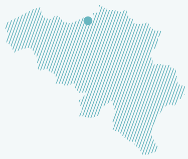
Veldekens II, Roderveldlaan 3-4-5, 2600 Antwerp

Top 5 tenants

KBC Bank	25.19%
Argenta Spaarbank N.V.	16.45%
ABN AMRO Bank N.V.	16.29%
Odyssey Logistics Europe BVBA	7.39%
Tennant Europe N.V.	7.30%

Number of tenants: 13
Construction: 1999
Location: Situated close to Berchem station
Lettable area: 16,003 m²





Office building in Antwerp

Veldekens III, Berchemstadionstraat 76-78, 2600 Antwerp

Top 3 tenants

Amadeus Benelux S.A.	26.07%
TVM Belgium	18.12%
USG Professionals N.V.	12.57%
CWS-BOCO Belux N.V.	7.62%
Pearlchain N.V.	6.90%

Number of tenants: 17
Construction: 2002
Location: Situated close to Berchem station
Lettable area: 11,193 m²

Development projects

Commercial complex – Waterloo

Sector
Retail

Status
Non committed

Type
Multifunctional redevelopment of the shopping centre

Omvang
10,000 m² GLA

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 still difficult for the Management Company to estimate when this project could effectively be realised, but discussions are ongoing and are moving in the right direction. The Company monitors closely the actual developments and decisions of the local government.

Shopping center 'Belle-Île' – Liège

Sectoren
Retail/F&B/Leisure

Status
Committed

Type
Extension

Omvang
+/- 11,000 m² GLA

Estimated completion
2022

Verwacht rendement
6.0% – 6.5%

The plans of this project have been modified and optimized to take into account the evolution in the retail market and to include future flexibility, as well as the possibility to add new functions (leisure, F&B, co-working,...) that will allow the shopping centre to evolve into a Full Service Centre. These changes imply the need for adapted permits, which have already been requested or are in preparation. Construction is expected to start in the second half of 2020, with completion expected during the first half of 2022.

Investment budget: € 47.4 mln

Valuation experts' report

Resolutions of the valuation experts, prepared on 31 December 2019, 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 as at 31 December 2019: € 502.3 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 as at 31 December 2019: € 439.8 mln (fair value).

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 2019, the total value of the property portfolio amounts to € 942.2 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 2019 amounts to € 12.6 mln, which are fully valued at cost.

Stock exchange & Wereldhave Belgium

Dividend and number of shares

In 2019, shareholders of the Company achieved a return (calculated on the basis of share price evolution and gross dividend of the year) of 9.3% (2018: -8.3%).The return of the EPRA Index Europe amounts to -21.0%. The price/Net result from core activities ratio at the end of 2019 was 14.6.

The closing share price of the Company at 31 December 2019 was € 86.20 compared to € 82.20 on 31 December 2018.

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 3,605, the traded volumes in 2019 were 213.3% higher than in 2018 (on average 1,690 a day).

The velocity ratio of the share in 2019 was 0.05%.

The Wereldhave Belgium Share

	31 December 2019	31 December 2018	31 December 2017
Number of shares			
Number of shares at year end	7,807,981	7,540,250	6,939,017
Number of shares entitled to dividends	7,807,981	7,540,250	6,939,017
Registered shares	4,821,564	4,854,993	4,558,596
Dematerialized shares	2,986,417	2,685,257	2,380,421
Market capitalization at closing (€ mln)	673	620	661
Free float	33.5%	34.1%	30.4%
Share price (€)			
Highest closing price	93.2	99.40	111.45
Lowest closing price	79	81.80	90.12
Share price at closing	86.2	82.20	95.25
Premium (+) / Discount (-) relative to the actual net asset value (%)	-2.31	-8.64	6.72
Average share price	82.75	92.51	99.06
Data per share (€)			
Net value (fair value)	88.24	89.97	89.25
EPRA Net asset value	88.40	90.19	89.58
Gross dividend	5.2	5.2	5.1
Net dividend	3.64	3.64	3.57
Gross dividend yield (%)	6.03%	6.33%	5.35%
Net dividend yield (%)	4.22%	4.43%	3.75%
Pay out ratio	89.00%	97.12%	90.47%
Volume (number of shares)			
Average daily volume	3,605	1,690	1,792
Volume per year	919,227	431,074	457,040
Velocity ratio	0.05%	0.02%	0.03%

Dividend

A gross dividend per share of € 5.20 gross – € 3.64 net (2018: € 5.20 gross – € 3.64 net) is proposed to the General Meeting of Shareholders to be held on 8 April 2020.

The Board of Directors further declares his intention to offer the possibility to the shareholders of the Company, by way of an optional dividend, to contribute their right to receive the dividend to the capital of the Company, against the issuance of new shares (in addition to the options to either receive the dividend in cash or to opt for a combination of both previous options). The final decision will be made by the Board of Directors on Monday 20 April 2020 whereby the Board of Directors, within the framework of the authorized capital, will proceed to the increase of the share capital by the contribution in kind of the net dividend receivable (i.e. € 3.64 per share). For the shareholders opting for new shares in exchange of the (full or partial) contribution of their dividend receivable and benefiting from a reduced withholding tax or an exemption of such withholding tax, the contribution of the receivable will, just as for the shareholders who do not benefit from such reduction or exemption, amount to € 3.64 per share and the balance resulting from the said reduction or exemption from withholding tax will be paid in cash as from Thursday 14 May 2020. The terms and conditions of this transaction will be established on Monday 20 April 2020.

Because of this intention, the financial calendar, which was included in the previous press releases, has been adjusted, whereby the 'Ex-dividend date', the 'Dividend record date' and the 'Dividend payment date' are respectively fixed on 22 April, 23 April and 14 May 2020.

Shareholdership

	Number of voting rights held directly	% of voting rights held directly
Name		
Wereldhave N.V. WTC Schiphol Toren A Schiphol Boulevard 233 1118 BH Schiphol Nederland	**2,690,487**	**34.46%**
Wereldhave International N.V. WTC Schiphol Toren A Schiphol Boulevard 233 1118 BH Schiphol Nederland	**2,504,392**	**32.07%**
Public	**2,613,102**	**33.47%**
Total	**7,807,981**	**100%**
Listing of shares held by Effective Leaders and members of the Board of Directors		
Matthijs Storm		-
Dennis de Vreede		-
Kasper Deforche		-
Cédric Biquet		-
Dirk Goeminne		-
Ann Claes		-
Brigitte Boone		-

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 € 329.4 mln divided among 7,807,981 shares, each representing 1/7,807,981 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 N.V. and Wereldhave International N.V., 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 2019, 7,807,981 shares are outstanding, of which 34.46% is held by Wereldhave N.V., 32.07% by N.V. Wereldhave International and 33.47% by the public.

Wereldhave International N.V. is a 100% subsidiary of Wereldhave N.V.

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 (May 2018) and by € 15,725,444.89 as a result of the contribution in kind of the retail park located in Turnhout (December 2018). In May 2019, the available amount of authorised capital was again reduced by € 11,296,213.35 as a result of the optional dividend operation. On 31 December 2019, the available balance of authorised capital amounts to € 256,110,102.14. In order to again grant this authorisation to the Management Company for an additional period of 5 years, the Company convened an extraordinary general meeting early February 2020, which will take place on March 6, 2020.

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 2020

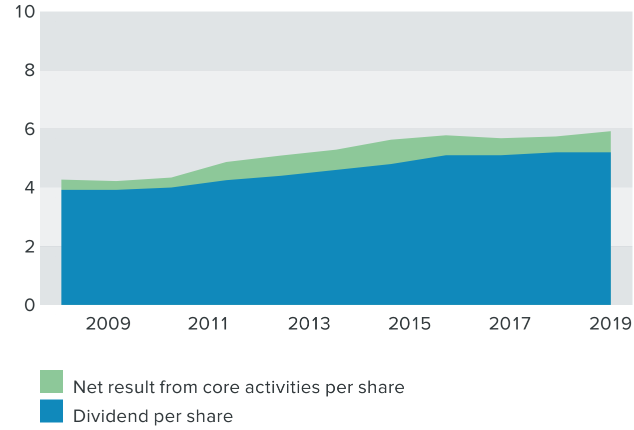
Wednesday 8 April 2020	APR 8	**General Meeting of Shareholders**
Wednesday 22 April 2020	APR 22	**Ex-dividend date**
Thursday 23 April 2020	APR 23	**Dividend record date**
Thursday 14 May 2020	MAY 14	**Dividend payable 2019**
Monday 20 April 2020	APR 20	**Press release Q1 2020 (17:40 AM)**
Thursday 16 July 2020	JUL 16	**Press release Q2 2020 (17:40 AM)**
Wednesday 21 October 2020	OCT 21	**Press release Q3 2020 (17:40 AM)**

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

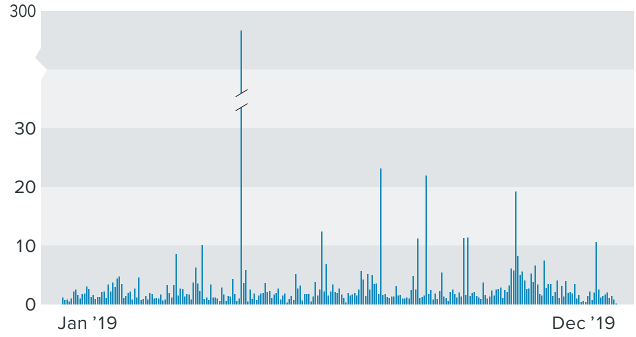
Net result from core activities per share and dividend per share

(x € 1)



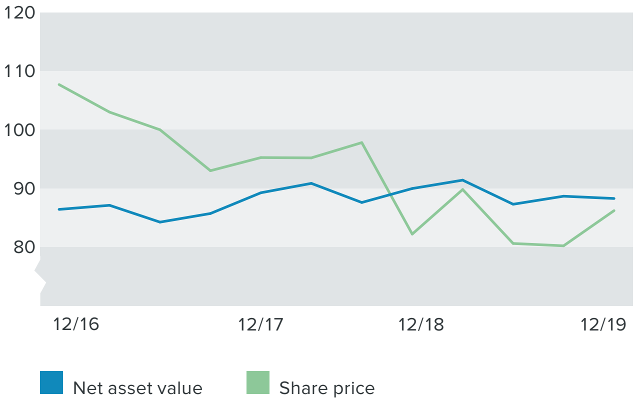
Traded volumes Wereldhave Belgium

(x 1,000)



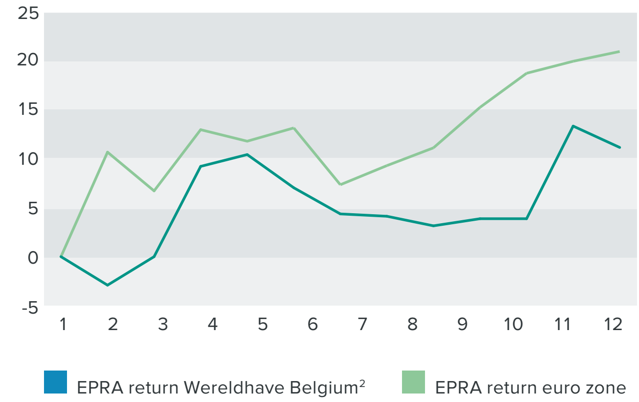
Share price/net asset value

(before profit sharing x € 1)



EPRA return 2019[1]

(in %)

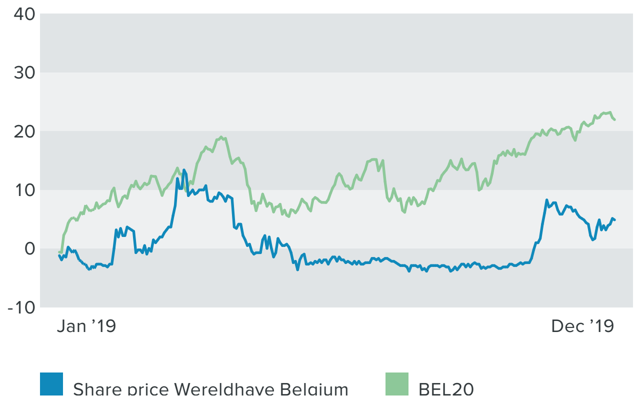


1 These data are given for guidance only and are not required in accordance with the RREC-law and are also not subject to any verification by public authorities; these figures have not been audited by the auditor

2 Share price evolution (including gross dividend) of Wereldhave Belgium

Comparison Wereldhave Belgium to BEL20 close index

(in %)



Financial report

Consolidated statement of financial position

(x € 1,000)	Comm.	31 December 2019	31 December 2018
Assets			
I. Non-current assets			
C. Investment properties	6	961,286	956,656
D. Other tangible assets	7	625	718
G. Trade receivables and other non-current assets		546	475
		962,456	**957,849**
II. Current assets			
A. Assets held for sale	6		
Investment properties		7,480	-
D. Trade receivables	8	17,348	13,520
E. Tax receivables and other current assets	8	1,933	1,795
F. Cash and cash equivalents	9	4,337	6,931
		31,097	**22,246**
Total assets		**993,554**	**980,095**
Shareholders' equity			
I. Shareholders' equity attributable to the parent company's shareholders			
A. Capital	10		
Issued capital		329,437	318,141
Costs capital increase		-188	-108
B. Issue premiums		88,877	78,733
C. Reserves			
a. Legal reserve		36	36
b. Reserve for the balance of changes in fair value of real estate properties		181,713	181,384
d. Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting		-193	-52
j. Reserve for actuarial gains and losses of defined pension schemes		-721	-521
m. Other reserves		302	925
n. Accumulated result		61,001	59,349
D. Net result of the year		28.957[1]	40,541
		689,221	**678,428**
II. Minority interests		**-**	**-**

(x € 1,000)	Comm.	31 December 2019	31 December 2018
Liabilities			
I. Non-current liabilities			
A. Provisions			
Pensions	11	1,131	845
B. Non-current financial liabilities			
a. Credit institutions	12	179,805	109,726
c. Other			
Rent guarantees received	13	1,052	810
C. Other non-current financial liabilities	14		
Authorised hedging intruments		1,035	159
Other		6,507	-
F. Deferred taxes - liabilities	15		
b. Other		-	1,486
		189,530	**113,024**
II. Current liabilities	**16**		
B. Current financial liabilities			
c. Other			
Other loans		93,000	176,000
Other		1,136	50
D. Trade payables and other current liabilities			
b. Other			
Suppliers		8,214	2,759
Taxes, remunerations and social security contributions		1,648	1,555
F. Accrued charges and deferred income			
Real estate income received in advance		3,663	2,235
Other		7,142	6,044
		114,802	**188,642**
Total shareholders' equity and liabilities		**993,554**	**980,095**
Net asset value per share (x € 1)		88.27	89.97

1 Proposed dividend 2019: 40,60 KEUR (€ 5.20 * 7,807,981 shares)

Consolidated profit and loss account

(x € 1,000)	Comm.	31 December 2019	31 December 2018 (restated)
I. Rental income	**17**		
Rent		57,448	52,295
Indemnification for early termination of lease		1,909	855
III. Rental-related expenses	**17**		
Rent to be paid on rented area		-13	-3[1]
Amounts written off on specific trade receivables		-742	-161
Revaluation of general provision on trade receivables (according to IFRS 9)		11	10
Net rental income		**58,613**	**52,996**
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	**18**	**9,282**	**11.576[2]**
VII. Rental charges and taxes normally paid by the tenant on let properties	**18**	**-11,058**	**-12.951[2]**
VIII. Other revenue and charges for letting	**19**	**4,841**	**4.496[2]**
Net rental charges and taxes on let properties		**3,065**	**3.121[2]**
Property result		**61,679**	**56.118[2]**
IX. Technical costs			
Repairs		-507	-119
Insurance premiums		-38	-38
		-545	**-157**
X. Commercial costs			
Agency commissions		-317	-368
Publicity		-5,614	-5.403[2]
		-5,931	**-5.772[2]**
XI. Charges and taxes on non-let properties			
Costs on non-let properties		-726	-625
Real estate tax on non-let properties		-422	-347
		-1,148	**-971**
XII. Property management costs			
(Internal) property management costs		-1,117	-921
		-1,117	**-921**
Property charges	**20**	**-8,741**	**-7.821[2]**
Property operating results		**52,938**	**48,297**
XIV. General company costs	**21**		
Staff costs		-3,378	-2,956
Other		-1,895	-1,721
XV. Other operating income and charges	**22**	**571**	**415**
Total XIV. + XV.		**-4,702**	**-4,261**

(x € 1,000)	Comm.	31 December 2019	31 December 2018 (restated)
Operating results before result on the portfolio		**48,235**	**44,035**
XVI. Result on disposals of investment properties			
Net property sales (selling price – transaction costs)			2,489
Book value of the property sold		-21	-2,524
		-21	**-35**
XVII. Result on disposals of other non-financial assets			
Net sales of other non-financial assets (sale price - transaction costs)		9	10
		9	**10**
XVIII. Variations in the fair value of investment properties			
Positive variations in the fair value of investment properties		2,590	24,388
Negative variations in the fair value of investment properties		-19,137	-24,865
	23	**-16,547**	**-477**
Total XVI. + XVII. XVIII.		**-16,559**	**-503**
Operating result		**31,676**	**43,533**
XX. Financial income			
Interests and dividends received		53	157
XXI. Net interest charges			
Nominal interest charges on loans		-2,285	-2,669
Other interest charges		-374	-401[1]
XXII. Other financial charges			
Bank charges and other commissions		-88	-102
XXIII. Variations in the fair value of financial assets and liabilities			
Authorised hedging intruments		-674	-
Financial result	**24**	**-3,368**	**-3,015**
Result before tax		**28,308**	**40,517**
XXIV. Corporate tax			
Corporate tax		-137	-299
Deferred tax on market fluctuations of investment properties		1,486	323
XXV. Exit tax			
Exit tax		-699	-
Tax	**25**	**649**	**23**
Net result		**28,957**	**40,541**
Net result shareholders of the Group		**28,957**	**40,541**
Result per share (x € 1)	**26**	**3.76**	**5.71**
Diluted result per share (x € 1)		**3.76**	**5.71**

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

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

Statement of comprehensive income

(x € 1,000)	31 december 2019	31 December 2018
I. Net result	**28,957**	**40,541**
II. Other comprehensive income		
Items taken in the result		
B. Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	-141	451
Items not taken in the result		
E. Actuarial gains and losses of pledged pension schemes	-200	265
Total other comprehensive income	**-341**	**716**
Comprehensive income (I + II)	**28,616**	**41,257**
Attributable to:		
Minority interests	-	-
Shareholders of the group	28,616	41,257

Consolidated cash flow statement

(x € 1,000)	Comm.	31 december 2019	31 December 2018
Cash flow from operating activities			
Net result before tax		28,308	40,517
Income from interest and dividends		-53	-157
Result exclusive of dividend received		**28,255**	**40,360**
Depreciation tangible assets		139	141
Rental discounts and investments		-256	-977
Interest charges		2,747	2,771
Changes in the fair value of investment property	23	16,547	477
Changes in the fair value of authorized hedging instruments		674	-
Movements in provisions	8	-4,157	-1,324
Movements in short term debts	16	4,942	-849
Corporate tax paid		-700	-299
Corporate tax received		229	89
		20,165	**29**
Net cash flow from operating activities		**48,420**	**40,389**
Cash flow from investment activities			
Acquisition investment properties	6	-3,029	-40,207
Sales investment properties	6	-	2,240
Investments in investment properties	6	-14,513	-31,846
Acquisition furniture and vehicles		-74	-336
Interest and dividend received		53	157
Net cash flow from investment activities		**-17,563**	**-69,992**
Cash flow from financial activities			
Appeal credit institutions/Other	12	128,000	234,000
Repayment credit institutions/Other	12	-141,000	-181,961
Dividends paid	27	-17,769	-15,056
Interest paid		-2,682	-2,565
Net cash flow from financing activities		**-33,451**	**34,419**
Net cash flow		**-2,594**	**4,816**
Cash & bank balances			
At 1 January		6,931	2,115
Increase/decrease cash and bank balances		-2,594	4,816
At 31 December	**9**	**4,337**	**6,931**

Consolidated statement of movements in equity

(x € 1.000)		*Share capital*	*Issue premiums*	*Legal reserve*	*Reserve for the balance of changes in fair value of real estate properties*
2018					
Balance at 31 December 2017		**292,774**	**50,563**	**36**	**139,371**
Adjustment on initial application of IFRS 9 (net of tax)					
Adjusted balance at 1 Januari 2018		**292,774**	**50,563**	**36**	**139,371**
Capital increase		25,260			
Issue premiums			28,170		
Variations in the fair value of hedging instruments					
Transfer from reserves					
Provisions for pensions					
Other					
Net result					
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties	1				42,013
Dividend over 2017	2				
Balance at 31 December 2018		**318,034**	**78,733**	**36**	**181,384**
2019					
Closed balance at 31 December 2018		**318,034**	**78,733**	**36**	**181,384**
Capital increase		11,215			
Issue premiums			10,144		
Variations in the fair value of hedging instruments					
Transfer from reserves					
Provisions for pensions					
Other					
Net result					
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties	3				329
Dividend over 2018	4				
Balance at 31 December 2019		**329,249**	**88,877**	**36**	**181,713**
Transfer of the result 2019 on the portfolio to reserve for the balance of changes in fair value of real estate properties					-16,547
Transfer of the changes 2019 in fair value of authorised hedging instruments not subject to hedge accounting					
Proposed dividend 2019	5				
Proposed allocation of the net result of the accounting year to the accumulated result of previous years					
Balance at 31 December 2019 after allocation	**6**	**329,249**	**88,877**	**36**	**165,166**

1 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.

2 Dividend paid 2017 € 5.10 (net € 3.57) per share: € -35,389 of which € 14,993 paid in cash and the balance paid out in 228,525 new shares, which led to a capital increase and issue premiums.

3 Changes in fair value of the investment properties portfolio over 2018. Reclassification of the heading 'Accumulated result'.

4 Dividend paid 2018 € 5.20 (net € 3.64) per share: € -39,209 of which € 17,769 paid in cash and the balance paid out in 267,731 new shares, which led to a capital increase and issue premiums.

5 Dividend 2019 proposed for approval to the Ordinary General Meeting of 8 April 2020

6 Conformément aux recommandations du régulateur, nous présentons, en dessous de la situation finale des fonds propres au 31 décembre 2019, l'affectation future du résultat 2019 qui aura lieu en 2020.

	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	Reserve for actuarial gains and losses of defined pension schemes	Other reserves	Accumulated result of previous accounting years	Net result of the year	Proposed remuneration of the shareholder's equity	Total
2018								
Balance at 31 December 2017	**-503**	**-**	**-786**	**956**	**136,872**			**619,284**
Adjustment on initial application of IFRS 9 (net of tax)					-153			-153
Adjusted balance at 1 Januari 2018	**-503**	**-**	**-786**	**956**	**136,720**			**619,131**
Capital increase								25,260
Issue premiums								28,170
Variations in the fair value of hedging instruments	451							451
Transfer from reserves				-31	31			-
Provisions for pensions			265					265
Other								-
Net result						**40,541**		**40,541**
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					-42,013			-
Dividend over 2017					-35,389			-35,389
Balance at 31 December 2018	**-52**	**-**	**-521**	**925**	**59,349**	**40,541**		**678,428**
2019								
Closed balance at 31 December 2018	**-52**	**-**	**-521**	**925**	**99,889**			**678,428**
Capital increase								11,215
Issue premiums								10,144
Variations in the fair value of hedging instruments	-141							-141
Transfer from reserves				-628	628			-
Provisions for pensions			-200					-200
Other				4	23			27
Net result						**28,957**		**28,957**
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					-329			-
Dividend over 2018					-39,209			-39,209
Balance at 31 December 2019	**-193**	**-**	**-721**	**302**	**61,002**	**28,957**	**-**	**689,221**
Transfer of the result 2019 on the portfolio to reserve for the balance of changes in fair value of real estate properties						16,547		-
Transfer of the changes 2019 in fair value of authorised hedging instruments not subject to hedge accounting		-674				674		-
Proposed dividend 2019						-40,602	40,602	-
Proposed allocation of the net result of the accounting year to the accumulated result of previous years					5,577	-5,577		
Balance at 31 December 2019 after allocation	**-193**	**-674**	**-721**	**302**	**66,579**	**-**	**40,602**	**689,221**

Notes

1. General information

Wereldhave Belgium (the Company) has the status of a Belgian public Regulated Real Estate Company (RREC). The Company invests preferably in shopping centres and/or extensions of shopping centres and, in retail parks in Belgium and Luxembourg.

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 N.V., 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 2019 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 6 March 2020. The General Meeting of Shareholders will be held on 8 April 2020 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-Île' in Liège in accordance with article 30 §3 and §4 of the RREC Law

As explained in the annual report 2018, the Company obtained on 11 December 2018 a new derogation from the FSMA for a new period of 2 years, which expires 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-Île' 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% (see calculation in note 29) as long as the derogation on article 30 §1 and §2 of the RREC Law applies.

Nevertheless, considering the acquisitions (the two retail parks in Bruges and Turnhout) and additional investments made in the portfolio in 2018, the share of the fair value of Belle-Île in the investment properties portfolio decreased below the 20% threshold on 31 December 2018. In 2019, taking into account the revaluations and investments of the year and despite additional investments performed in the centre (mainly the redevelopment of the Carrefour area), the fair value of the shopping centre remained below this threshold (19.84% on 31 December 2019), so that this derogation did not come into force in 2019.

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

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

3. Accounting policies

3.1 Basis of preparation annual accounts 2019

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.

Wereldhave Belgium has adopted a new IFRS standard in its accounting policies during the financial year 2019 and has therefore adjusted its accounting policies for the preparation of this annual report as at 31 December 2019. This new standard, described below, has had a minimal impact on the Company's reporting in 2019. Furthermore, the valuation rules have remained the same as those for the financial year ending on 31 December 2018.

The important financial risks (credit risk, liquidity risk, ...) associated with our activity are described in detail in chapter 9 'Risk factors' of this 2019 annual financial report.

New IFRS standards

IFRS 16 Leases

IFRS 16 Leases published on 13 January 2016 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 reporting periods beginning on or after 1 January 2019.

IFRS 16 introduces a single, on-balance sheet accounting model for lease agreements in the balance sheet of lessees. Under IFRS 16, a lease agreements is defined as a contract, or part of a contract, under which the right to exercise control over the use of an identified asset (the underlying asset) is transferred for a specified period in exchange for compensation. 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 exemptions for short-term leases (less than 12 months duration) and leases of low value items. These have both been applied. Lessor accounting remains similar to the previous standard – i.e. lessors continue to classify leases as finance or operating leases based on their nature.

Previously, all leases were classified by the Company as operating or finance leases based on the criteria set out in IAS 17 Leases. As a result of the implementation of IFRS 16, the Company has recognized a right of use and lease obligation for all contracts that meet the criteria of IFRS 16. The choice has been made to value the right of use at an amount equal to the lease obligation.

All 'rights of use' that meet the definition of 'Investment Property' will be classified as Investment Property. Other 'rights of use' will be included in the most appropriate heading, depending on the nature of the asset to which the right of use applies.

The 'rights of use' presented as 'Investment property' are measured at fair value and have been recorded in accordance with IAS 17. Lease obligations are recognised initially at their present value and will subsequently increase with interest expense as well as decrease with rental payments made.

The Company has adopted IFRS 16 as from 1 January 2019, using the modified retrospective approach. As a result, the cumulative effect of the adoption of IFRS 16 was recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, without adjustment to comparative information. However, this effect on retained earnings amounts to zero. Please find below the impact of the implementation on the balance sheet, which results exclusively from the leasehold agreements for 'Ring Shopping' in Kortrijk.

One of the two leasehold agreements, namely the one on the parking lot of 'Ring Shopping' in Kortrijk, was terminated on 28 June 2019. The bare ownership was purchased for this purpose. As a result, the total rights of use and lease obligations have been reduced.

(x € 1,000)	Investment properties	Lease liabilities
2019		
Balance at 31 December 2018	**-**	**-**
Initial recognition	7,154	7,154
Balance at 1 January 2019	**7,154**	**7,154**
Interest charges on lease liabilities	-	374
Revaluation/Payment 2019	-12	-387
Termination leasehold on parking	-632	-632
Balance at 30 June 2019	**6,511**	**6,509**

We refer to disclosures 6.1 and 14 of the consolidated financial statements for the accounting year closed on 31 December 2019.

Since 1 January 2019, IFRIC 23, amendments to **IFRS 9, IAS 28, IAS 19 and the annual improvements to IFRS standards (cycle 2015-2017)** are also in force. The impact for Wereldhave Belgium is minimal.

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 2019, and have not been applied in preparing these consolidated financial statements:

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 or non-existence and acquisition of substantial processes. 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 IASB 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 other stakeholders. 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 that includes the ability to produce economic benefits and that is controlled by the entity as a result of past events.
- Revising the definition of a liability as a present obligation of the entity as a result of past events, whose settlement results in an outflow of resources from the entity embodying economic benefits.
- 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 use of other comprehensive income should be limited to specific cases.

The amendments are effective for annual periods beginning on or after 1 January 2020, whereas the IASB will start using the revised Conceptual Framework immediately when developing new or amended standards and interpretations. These amendments have not yet been endorsed by the EU.

On September 26, 2019, the IASB issued **Amendments to IFRS 9, IAS 39 and IFRS 7 (interest rate benchmark reform)**. The related amendments adapt some specific requirements for hedge accounting to address the potential effects of the IBOR reform and the related uncertainty. In addition, entities are required to provide additional information to investors about their hedge relationships that are directly affected by these uncertainties.

The amendments are summarised as followst:

- In determining whether a forecast transaction is highly probable, an entity assumes that, as a result of the reform, the interest rate benchmark on which the hedged cash flows are based has not changed.
- When making prospective assessments, an entity assumes that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument is based has not changed as a result of the reform of the interest rate benchmark.
- When applying IAS 39, the entity is not required to make the IAS 39 retrospective assessment for hedging relationships that are directly affected by the reform. However, the enterprise must comply with all other IAS 39 requirements for hedge accounting, including the prospective assessment.
- For hedges of a non-contractually specified benchmark component of interest rate risk, an entity applies the separately identifiable requirement only at the inception of such a hedging relationship.

The amendments shall apply for the financial years commencing on or after 1 January 2020, whereby earlier application is permitted. The amendments have not yet been approved by the EU. All these amendments are not expected to have a significant impact on the Group's consolidated financial statements.

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

(i) 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.

(ii) 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 exceptional impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit and loss, as is gain or loss as a result of derecognition from the balance sheet.

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.

(iii) 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.

(iv) 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.

(v) 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.

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 bad debt is measured using the expected credit loss model under IFRS 9. Historical losses are defined as receivables that have been definitively lost due to bankruptcy. Historical losses for the last two financial years are compared with the total rental income, and a percentage is set for the provision for bad debts. Different percentages are set for receivables that are more or less than 90 days past due. The percentages are also corrected for current market conditions ('forward looking'). There is no distinction by type of customer. The movement in the provision is recognised in the income statement as 'general expenses'.

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.

The Other rental-related income mainly includes the income generated in the common areas of the centres and the animation contributions paid by the tenants in the marketing actions carried out in all the shopping centres, which have been agreed on a fixed basis of the rented areas in the lease contracts. These actions include marketing campaigns in the media, animation activities in the common areas, ...

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.

The exit tax is the tax on capital gains resulting from the recognition of a Belgian company as a RREC or from a merger of a non-RREC with a RREC.

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 (level 3) 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

	2019		2018 (Restated)	
(x € 1,000)	1	2	1	2
Net rental income	**58,613**		**52,996[3]**	
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	9,282		11,576[4]	
VII. Rental charges and taxes normally paid by the tenant on let properties	-11,058		-12,951[4]	
VIII. Other revenue and charges for letting	4,841		4,496[4]	
	3,065		**3,121[4]**	
Property result	**61,679**		**56,118[4]**	
IX. Technical costs	-545		-157	
X. Commercial costs	-5,931		-5,772[4]	
XI. Charges and taxes on non-let properties	-1,148		-971	
XII. Property management costs	-1,117		-921	
Property charges	**-8,741**		**-7,821[4]**	
XIV. General company costs	-5,273		-4,676	
XV. Other operating income and charges	571		415	
Operating results before result on the portfolio	**48,235**		**44,035**	
XVI. Result on disposals of investment properties		-21		-35
XVII. Result on disposals of other non financial assets	9		10	
XVIII. Change in fair value of the investment properties				
- positive		2,590		24,388
- negative		-19,137		-24,865
Operating result	**48,244**	**-16,568**	**44,045**	**-512**
XX. Financial income	53		157	
XXI. Net interest charges	-2,659		-3,070[3]	
XXII. Other financial charges	-88		-102	
XXIII. Variations in the fair value of financial assets and liabilities		-674		
Financial result	**-2,694**	**-674**	**-3,015[3]**	**-**
Result before tax	**45,551**	**-17,243**	**41,030**	**-512**
Corporate tax	**67**	**582**	**-299**	**323**
Net result	**45,617**	**-16,660**	**40,730**	**-191**
Profit per share (x € 1)	5.92	-2.16	5.74	-0.03

1 The net result from core activities is the operating result before the portfolio result minus the financial result and taxation, and excluding variations in the fair value of financial derivatives (that are not treated as hedge accounting in accordance with IFRS 9) and other non-distributable items on the basis of the company financial statements of Wereldhave Belgium

2 The result from non-core activities (portfolio result) comprises (i) the result on sale of property investments, (ii) the variations in the fair value of property investments, (iii) the other portfolio result, (IV) the variations in the fair value of financial assets and liabilities and (V) taxes on capital gain latencies and the exit taxes paid

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

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

Wereldhave Belgium distinguishes the net result from core and non-core activities in the notes of the consolidated financial statement, because this provides a clearer view of the Company's result. 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)	Offices	Retail	Total
2019			
I. Rental income			**59,357**
Rent	7,261	50,187	
Indemnification for early termination of lease	339	1,570	
III. Rental-related expenses			**-743**
Rent to be paid on rented area	-1	-11	
Amounts written off on specific trade receivables		-742	
Revaluation of general provision on trade receivables (according to IFRS 9)		11	
Net rental income	**7,598**	**51,015**	**58,613**
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	**1,817**	**7,466**	**9,282**
VII. Rental charges and taxes normally paid by the tenant on let properties	**-1,900**	**-9,158**	**-11,058**
VIII. Other revenue and charges for letting		**4,841**	**4,841**
Net rental charges and taxes paid on let properties	**-83**	**3,149**	**3,065**
Property result	**7,515**	**54,164**	**61,679**
IX. Technical costs			**-545**
Repairs	-200	-307	
Insurance premiums	-2	-36	
X. Commercial costs			**-5,931**
Agency commissions	-110	-208	
Publicity	-10	-5,603	
XI. Charges and taxes on non let properties			**-1,148**
Costs on non let properties	-226	-500	
Real estate tax on non let properties	-10	-412	
XII. (Internal) property management costs	**-108**	**-1,009**	**-1,117**
Property operating results	**6,849**	**46,089**	**52,938**
XIV. General company costs			**-5,273**
XV. Other operating income and charges			**571**
Operating result before result on the portfolio			**48,236**
XVI. Result on disposals of investment properties			**-21**
Net property sales (selling price – transaction costs)	-21		
Book value of the property sold			
XVII. Result on disposals of other non financial assets			**9**
XVIII. Variations in the fair value of investment properties			**-16,547**
Positive variations in the fair value of investment properties	-	2,590	
Negative variations in the fair value of investment properties	-3,671	-15,466	
XIX. Other portfolio result	**-**	**-**	**-**
Operating result			**31,677**
Financial result			**-3,368**
Result before taxes			**28,308**
XXIV. Corporate tax			-137
XXIV. Deferred taxes on market fluctuations of investment properties			1,486
XXV. Exit tax			-699
Tax			**649**
Net result			**28,957**

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(x € 1.000)	Kantoren	Retail	Totaal
Investment properties			
Properties available for lease			
Balance at 1 January	94,577	845,984	940,561
Transfer of development projects to properties available for lease		4,712	4,712
Transfer of properties available for lease to investment properties held for sale		-7,480	-7,480
Initial recognition 'Right of use asset' according to IFRS 16		7,154	7,154
Acquisition		2,376	2,376
Investments	868	15,494	16,362
Revaluation	-3,671	-12,944	-16,615
Balance at 31 December	**91,774**	**855,295**	**947,070**
Capitalised rent incentives	366	1,236	1,602
Value properties available for lease	**92,140**	**856,530**	**948,672**
Development projects			
Balance at 1 January		14,692	14,692
Transfer of development projects to properties available for lease		-4,712	-4,712
Investments		2,500	2,500
Capitalised interest		66	66
Revaluation		69	69
Balance at 31 December		**12,615**	**12,615**
Total portfolio	**92,140**	**869,145**	**961,287**

(x € 1,000)	Offices	Retail	Total
2018 (Restated)			
I. Rental income			**53,150**
Rent	7,838	44,458	
Indemnification for early termination of lease	31	824	
III. Rental-related expenses			**-154**[1]
Rent to be paid on rented area	-3	0[1]	
Amounts written off on specific trade receivables	-18	-144	
Revaluation of general provision on trade receivables (according to IFRS 9)	1	9	
Net rental income	**7,849**	**45,147**	**52,996**
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	**2,574**	**9,002**[2]	**11,576**[2]
VII. Rental charges and taxes normally paid by the tenant on let properties	**-2,670**	**10,282**[2]	**-12,951**[2]
VIII. Other revenue and charges for letting		**4,496**[2]	**4,496**[2]
Net rental charges and taxes paid on let properties	**-96**	**3,217**[2]	**3,121**[2]
Property result	**7,754**	**48,364**[2]	**56,118**[2]
IX. Technical costs			**-157**
Repairs	24	-143	
Insurance premiums	-4	-34	
X. Commercial costs			**-5,772**[2]
Agency commissions	-145	-224	
Publicity	-	-5,404[2]	
XI. Charges and taxes on non let properties			**-971**
Costs on non let properties	-223	-402	
Real estate tax on non let properties	-76	-271	
XII. (Internal) property management costs	**-100**	**-820**	**-921**
Property operating results	**7,230**	**41,066**	**48,297**[2]
XIV. General company costs			**-4,676**
XV. Other operating income and charges			**415**

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(x € 1.000)	Kantoren	Retail	Totaal
Operating result before result on the portfolio			**44,036**
XVI. Result on disposals of investment properties			**-35**
Net property sales (selling price – transaction costs)	2,212	277	
Book value of the property sold	-2,524	-	
XVII. Result on disposals of other non financial assets			**10**
XVIII. Variations in the fair value of investment properties			**-477**
Positive variations in the fair value of investment properties	110	24,278	
Negative variations in the fair value of investment properties	-6,850	-18,015	
XIX. Other portfolio result	-	-	-
Operating result			**43,533**
Financial result			**-3,015[1]**
Result before taxes			**40,517**
2018			
XXIV. Corporate tax			-299
XXIV. Deferred taxes on market fluctuations of investment properties			323
Tax			**23**
Net result			**40,541**
Investment properties			
Properties available for lease			
Balance at 1 January	103,235	682,765	786,000
Transfer of development projects to properties available for lease		79,412	79,412
Transfer of properties available for lease to development projects		-2,329	-2,329
Transfer of properties available for lease to investment properties held for sale	-2,240		-2,240
Acquisition		73,303	73,303
Investments	321	6,175	6,495
Revaluation	-6,739	6,659	-80
Balance at 31 December	**94,577**	**845,984**	**940,561**
Capitalised rent incentives	239	1,164	1,403
Value properties available for lease	**94,816**	**847,147**	**941,964**
Development projects			
Balance at 1 January		66,817	66,817
Transfer of development projects to properties available for lease		-79,412	-79,412
Transfer of properties available for lease to development projects		2,329	2,329
Investments		25,147	25,147
Capitalised interest		206	206
Revaluation		-396	-396
Balance at 31 December		**14,692**	**14,692**
Total portfolio	**94,816**	**861,839**	**956,656**

1 By applying the new IFRS 16 - Leasing agreement standard, the annual leasehold payments were transferred from the net rental result to the financial result
2 Reallocation / presentation of the marketing contributions of the tenants in other revenue and charges for letting and of the marketing costs in property charges

This segment information covers 97.5% 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)	2019	2018
Properties available for lease		
Balance at 1 January	**940,561**	**786,000**
Transfer of development projects to properties available for lease	4,712	79,412
Transfer of properties available for lease to development projects	-	-2,329
Transfer of properties available for lease to investment properties held for sale	-7,480	-2,240
Initial recognition 'Right of use asset' according to IFRS 16	6,511	-
Acquisition	3,007	73,303
Investments	16,362	6,496
Revaluations	-16,604	-80
Balance at 31 December	**947,069**	**940,561**
Book value of capitalised rent incentives	1,602	1,403
Fair value investment properties conform external real estate experts	**948,671**[1]	**941,964**
Development projects		
Balance at 1 January	**14,692**	**66,817**
Transfer of development projects to properties available for lease	-4,712	-79,412
Transfer of properties available for lease to development projects	-	2,329
Investments	2,500	25,147
Capitalised interest	66	206
Revaluations	69	-396
Balance at 31 December	**12,615**	**14,692**
Total investment properties	**961,286**	**956,656**

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

6.1 Properties available for lease

Transfer

Different transfers have been recorded in 2019 in the portfolio:

- from sections ‘Development projects’ to ‘Property available for lease’: delivery of the redevelopment project Tournai ‘7 Fontaines’ (€ 4.7 mln);
- from ‘Properties available for lease’ to ‘investment properties held for sale’: transfer of the student rooms in Ghent Overpoort, which were sold in the first quarter of 2020 (€ -7.5 mln).

Initial recognition ‘right of use asset’ in accordance with IFRS 16

This section relates to the impact of the adoption in 2019 of IFRS 16, which recognised a ‘right of use’ of € 6.5 mln on a long lease which expires in Kortrijk to 2115 and for which an annual canon of € 0.4 mln is payable.

Acquisition

The fair value of the portfolio slightly increased with the acquisition of the property rights in Kortrijk and Genk Shopping 1 (in total € 3.0 mln).

Investments

Investments include capital expenditures performed in the existing portfolio (2019: € 16.4 mln; 2018: € 6.5 mln), such as in Belle-Île shopping centre and Genk Shopping 1 with the redevelopment of the ex-Carrefour surfaces.

Changes in fair value of properties available for lease

The valuation result (2019: € -16.6 mln; 2018: € -0.1 mln) is the result of the positive and negative revaluation of the properties available for lease. These negative revaluations in 2019 (-1.7%) were attributed by the independent valuation experts on the one hand to the retail portfolio (-1.5% / € -12.9 mln) and on the other hand to the office portfolio (-3.8% / € -3.7 mln). These revaluations mainly relate to adjustments made by the property experts in their valuation parameters to reflect specific events in the portfolio (investments, adjustments of yields or market rents due to changes in rental conditions, ...).

6.2 Development projects

On 31 December 2019, the fair value of the development projects portfolio amounts to € 12.6 mln (31 December 2018: € 14.7 mln); investments and transfers excluded, this fair value remained stable (€ +0.1 mln) in the financial year 2019.

The main events occurred in 2019 are:

- the further development of the ‘7 Fontaines’ project in Tournai (€ + 1.8 mln), which was transferred from the ‘Development projects’ heading to ‘Properties available for lease’ on the completion date (€ -4.7 mln);
- further investments in the context of the preparation of the extension project of the Belle-Île shopping centre (€ + 0.7 mln).

As at 31 December 2019, there is no indication that an impairment should be recorded on the valuation of the project developments.

6.3 Properties available for lease

The value of the portfolio of assets held for sale at 31 December 2019 amounts to € 7.5 mln (31 December 2018 € 0.0 mln).

This balance at year-end is entirely related to the building in Ghent Overpoort where the tenant of the residential part benefited of a call option to purchase this part of this building (approximately 2,000 m^2 of student rooms). As a result of the exercise of the call option, the fair value of this part of the property (€ 7.5 mln) has been transferred from the heading 'Properties available for lease' to heading 'Assets held for sale'. The strike price (€ 7.8 mln) being in line with the latest valuation of the real estate expert for this property, this transaction will generate limited impact on the result of non-core activities in 2020. The transaction took place on 4 February 2020.

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							948.67	948.67
Assets held for sale							7.48	7.48
Assets not measured at fair value								
Development projects[1]			12.62	12.62				
Liabilities measured at fair value								
Authorised hedging intruments	1.04			1.04		1.04		1.04
Liabilities not measured at fair value								
Interest-bearing debts		273.00		273.00		273.08		273.08

1 Trade receivables, other receivables and cash and cash equivalents, 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.

		Range	Weighted average
2018			
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
2019			
Hypothesis capitalisation of the market rent method			
Capitalisation factor	Retail	5,02 - 6,75%	5.42%
	Offices	7,85 - 8,50%	8.05%
Market rent	Retail	€ 103 - € 366	€ 256
	Offices	€ 120 - € 125	€ 123

The valuations are based on the current rental situation of the properties, amongst others their contractual 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;
- an 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 € 9.5 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 € 37.5 mln (€ -40.8 mln).

7. Other tangible assets

(x € 1,000)	Office equipment	Cars	Total
Balance on 1 January 2019	**704**	**14**	**718**
Purchases (+/-)	74	-	74
Disposals (+/-)	-28	-	-28
Depreciation (+/-)	-133	-6	-139
Balance on 31 December 2019	**617**	**8**	**625**
Balance on 1 January 2018	**489**	**90**	**579**
Purchases (+/-)	329	-	329
Disposals (+/-)	-	-49	-49
Depreciation (+/-)	-114	-27	-141
Balance on 31 December 2018	**704**	**14**	**718**

(x € 1,000)	2019	2018
Total purchase cost	2,608	2,563
Total depreciation	-1,983	-1,844
Net book value	**625**	**718**

Other tangible assets include plant, machinery and equipment as well as vehicles.

8. Current receivables

(x € 1,000)	2019	2018
Trade receivables		
Debtors	5,956	3,438
Charges and tax to recharge	11,391	10,082
Totaal	**17,348**	**13,520**

(x € 1,000)	2019	2018
Aging balance Rent		
< 30 days	3502	868
>= 30 days and < 90 days	745	888
>= 90 days	2,604	1,976
	6,850	**3,732**
IFRS 9 Provision	-117	-142
Specific provision	-776	-151
Total	**5,956**	**3,438**

(x € 1,000)	2019	2018
Tax receivables and other current assets		
Taxes		
Withholding tax to recover: Ring Shopping Kortrijk Noord	-	166
Withholding tax to recover: Basilix	119	326
Withholding tax to recover: Other	1,128	26
Property tax to recover	162	368
VAT to recover	474	818
Other current assets		
Social security amounts to be recovered	50	90
Total	**1,933**	**1,795**

The fair value of the current receivables (€ 19.3 mln) corresponds to the balance sheet value due to the very short-term nature of these assets.

9. Cash and cash equivalents

(x € 1,000)	2019	2018
Bank	4,337	6,931
Total	**4,337**	**6,931**

The heading ‘Cash and cash equivalents’ 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 decrease of this caption compared to last year is mainly due to a lower proportion of rental incomes being received before closing date and a more accurate treasury management.

10. Share capital

(x € 1,000)	Amounts	Number of shares
Issued capital		
On 31 December 2018	318,034	7,540,250
On 31 December 2019	**329,249**	**7,807,981**
Bearer shares and dematerialised shares without nominal value		
Registered		4,821,564
Dematerialised		2,986,417
Total on 31 December 2019		**7,807,981**
Issue premiums		
On 31 December 2018	78,733	
On 31 December 2019	**88,877**	

Shareholders

Of the 7,807,981 shares in circulation at 31 December 2019, 34.46% were held by Wereldhave N.V. 32.07% by N.V. Wereldhave International and 34.47% by the general public.

The share capital and the issue premium have been twice increased in the course of 2019, due to the optional dividend operation (€ +21.4 mln) on 15 May 2019.

The costs related to these capital increases amounted to € 80,917.

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 2019, the available amount of the authorized capital decreased by € 11.3 mln due to the optional dividend operation. On 31 December 2019, the available amount of the authorized capital amounts to €256,110,102.13.

History of the capital

	Operation	Capital movement (€ x 1,000)	Total capital after operation (€ x 1,000)	Number of created shares	Total number of shares
Date					
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
8 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
15 May 2019	Capital increase - Optional dividend 2019	11,215	329,249	267,731	7,807,981
On 31 December 2019			**329,249**		**7,807,981**
Issue premiums					
11 April 2012	Merger by absorption of Redevco Retail Belgium plc	27,759			
16 February 2015	Capital increase in cash	22,804			
8 May 2018	Capital increase - Contribution in kind (optional dividend)	10,754			
21 December 2018	Capital increase - Contribution in kind (Turnhout RP)	17,416			
15 May 2019	Capital increase - Optional dividend 2019	10,144			
On 31 December 2019		**88,877**			

11. Pension obligations

(x € 1,000)	2019	2018
Net liability on 1 January	845	1,060
Movements in liabilities	286	-215
Net liability on 31 December	**1,131**	**845**

Within the framework of a ‘Defined benefit plan’ for the benefit of the staff, a provision has been recorded and amounts to € 1,131k as at 31 December 2019 (2018: € 845k). 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 2019.

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 (0.40% for the defined benefit plans and 0.30% for the defined contribution plans), expected future salary increases (2.0%) and expected inflation (2.0%.).

12. Long-term financial debts

Credit institutions and other loans

On 31 December 2019, Wereldhave Belgium benefits of five long-term committed credit lines (revolving credits and term loans) amounting to € 240 mln, of which € 180 mln were used at the end of 2019.

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 2019, 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.

At 31 December 2019, Wereldhave Belgium obtained an additional credit line with respect to its majority shareholder Wereldhave N.V. for an amount of 150 mln, of which no use was made at year-end.

For 2019, the average financing cost, calculated on the use of all financial debts (non-current and current, including hedging instruments), was 0.81% (2018: 1.09%).

(in € mln)	Committed amount	Called up by 31 December 2019	Called up by 31 December 2018	Maturity
Borrower				
ING 2018-2022	50	50	50	28/09/22
Wereldhave N.V..[1]	150	0[2]	[3]	31/07/24
BNP Paribas Fortis	70	70	-	30/04/21
KBC	60	-	-	30/04/21
BNP Paribas Fortis	30	30	30	11/04/24
Belfius 2018-2023	30	30	30	03/04/23
TOTAL	**390**	**180**	**110**	

1 Wereldhave N.V. holds on 31 December 2019, directly and indirectly 66,53% of the outstanding shares of the Company.
2 This credit line is not effectively used but considered as back-up for the Treasury Notes program
3 This credit line was recorded in the short term debts as of 31 December 2018 (maturity date as of 31/07/2019). This credit line has been renewed for 5 years in the course of 2019.

Reconciliation of movements in financial liabilities to cash flows arising from financing activities (IAS 7)

(in € mln)	Long term borrowings	Short term borrowings	Total
Restated balance at 1 January 2019	**110**	**176**	**286**
Changes from financing cash flows			
Proceeds from loans and borrowings	70	58	128
Repayment of borrowings	-	-141	-141
	-	-	
Total changes from financing cash flows	**70**	**-83**	**-13**
Balance at 31 December 2019	**180**	**93**	**273**

The intercompany loan was repaid in its entirety (€ 141 million) in the course of the year 2019 through the use of other loans. On the one hand in the short term through the issuance of additional Commercial Papers and on the other hand in the long term with bank loans.

Sensitivity analysis

An increase (decrease) of the financial market interest rate by 1% has an effect of € -1.3 mln (€ 0,9 mln) on the result and the equity capital, which represents € -0.17 per share (€ 0.12 per share).

13. Rent guarantees received

(x € 1,000)	2019	2018
Guarantee tenants	1,052	810
Net book value	**1,052**	**810**

14. Authorised hedging instruments

	Nominal amount	Interest rate	Balance on 31/12/2018
Maturity			
Start date: 28/09/2018 End date: 28/09/2022	€ 50 mln	0.285%	€ -0,36 mln
Start date: 30/06/2020 End date: 30/06/2025	€ 50 mln	0.251%	€ -0,67 mln

Authorised hedging instruments

In addition to the IRS of € 50 mln purchased on 28 September 2018, which expires on 28 September 2022, the Company concluded in May 2019 three new IRS for a total nominal amount of € 50 mln, with a forward start date on 30 June 2020 for a period of 5 year (up to 30 June 2025) and with fixed interest rates (in average 0.251%), hedged at macro level of its financial debts with floating interest rates.

By performing this Interest Rate Swap, the variable interest rate (Euribor – 3 months with a floor option at 0.0% in the first two years of the instruments) is converted to a fixed interest rate of 0.251% (on which the credit margin needs to be added) until the final expiry date of the credit facility. Contrary to the 2018 IRS, this financial instrument is not considered a 'cash flow hedge' as stipulated in IFRS9, so all the revaluations of these instruments have therefore been recognized through the income statement.

Other

In 2019 IFRS 16 was applied, resulting in the recognition of a leasehold in Kortrijk for an amount of € 6.5 mln. The interest rate (incremental borrowing rate) used in the calculation of the lease obligation is 5.45%.

15. Deferred taxes

(x € 1,000)	2019	2018
Deferred taxes	**-**	**1486**

The provision for deferred taxes was fully written off in the course of 2019 as a result of the merger of the subsidiary Immo Guwy N.V. within Wereldhave Belgium Comm. V.A. (the RREC), which resulted in the payment of an exit tax amount of € 0.7 million. No deferred taxes remain in the portfolio after this operation.

16. Current liabilities

(x € 1,000)	2019	2018
Credit institutions	-	-
Other loans	93,000	176,000
Other current financial liabilities	1,136	50
Trade payables	8,214	2,759
Taxes, remunerations and social security contributions	1,648	1,555
Other current liabilities		-
Rental income received in advance	3,663	2,235
Other accrued charges and deferred income	7,142	6,044
Total	**114,802**	**188,642**

Credit institutions and other loans

Credit institutions: Wereldhave Belgium has no committed short-term credit line (revolving credit) with its financial partner as at 31 December 2019.

Other loans: On 31 December 2019, the Treasury Notes program, which was replaced in September 2018, was used for an amount of € 93 mln. The issues on this program have mostly been executed in short-term (<1 year) but, in order to hedge the market risk, they are fully covered by available committed credit lines of the Company.

The fair value of these debts does not differ from the nominal value as it concerns short-term advances at floating interest rates. This financing instrument is secured without collateral.

(in € mln)	Committed amount	Called up by 31 December 2019	Called up by 31 December 2018	Maturity
Borrower				
BNP Paribas Fortis	26	-	-	N.V..T
Wereldhave N.V. [1]	165	[2]	141	31/07/24
Treasury notes program - Belfius/ KBC	100	93	35	N.V.T
TOTAL	**291**	**93**	**176**	

1 Wereldhave N.V. holds on 31 December 2019, directly and indirectly 66,50% of the outstanding shares of the Company
2 This credit line came initially to maturity as at 31/07/2019 but has been renewed for 5 years in the course of 2019 and therefore has been transferred into long term financial debts

Reconciliation of movements in financial liabilities to cash flows arising from financing activities (IAS 7).

Other current financial debts (€ 1.1 Mln)

Other current liabilities mainly consist of withholding tax deducted years ago on dividends paid to Wereldhave International and Wereldhave N.V., the main shareholders of the Company (€ 1.1 million). The decision that took place in 2019 regarding the affordability of the aforementioned withholding tax was favorable to Wereldhave Belgium.

As a result, a short-term receivable (€ 1.1 million) against the Belgian state and a short-term debt against the main shareholders were recorded.

Suppliers

The trade payables (€ 8.2 mln) concern the short-term liabilities related to investments, development projects and current supplier obligations. Per object, the obligations are assigned as follows:

(x € 1,000)	2019
Remaining investment commitment shopping centre Genk Shopping 1	1,486
Remaining investment commitment shopping centre Nivelles	7
Remaining investment commitment shopping centre Kortrijk	239
Remaining investment commitment shopping centre Liège	2,879
Remaining investment commitment Brugge Retail Park	146
Remaining investment commitment offices	244
Remaining various investment commitment	240
Various suppliers	2,972
	8,214

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 (€ 0.1 mln) and remunerations (€ 1.5 mln).

Property yields received in advance (€ 3.7 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 2020.

Other accruals (€ 7.1 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)	2019	2018
Rental income	59,477	53,985
Rent reductions	-2,029	-1,690
Rent	**57,448**	**52,295**
Indemnification for early termination of lease	**1,909**	**855**
Rent to be paid on leased spaces	-13	-3[1]
Write-offs on specific trade receivables	-742	-161
Revaluation of general provision on trade receivables (in accordance with IFRS 9)	11	10
Costs associated with rental	**-744**	**-154**[1]
Net rental income	**58,613**	**52,996** [1]

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

The rental income is spread among about 625 (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.

For rental income depending on the turnover of the tenant, the Company 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 4.1%.

The ten main tenants represent 24.1% of the total rental income.

The future aggregate contractual rent from lease agreements on 31 December 2019 is as follows:

(x € 1,000)	2019	2018
Year 1	52,197	48,187
Year 2 - year 4	117,532	105,985
Year 5	31,135	24,821
Net book value	**200,864**	**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)	2019	2018
Recovery of rental charges paid by the owner	9,282	11.576[1]
Rental charges paid by the owner	-11,058	-12.951[1]
Total	**-1,776**	**-1,375**

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

The rental charges and taxes include the common charges (€ 11.1 mln) spent for the management of the portfolio.

The recovery includes the recharging of the common charges (€ 9.3 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 2018 (2019: € -1.8 million - 2018: € -1.4 million) is due to the impact of a number of leases (all -in, ...) which means that a smaller proportion of those costs can be invoiced and a higher vacancy rate observed in the course of 2019.

19. Other rental-related income and expenses

Other rental-related income and expenses (€ 4.8 million) largely include the income generated in the common areas of the centres and the animation contributions paid by the tenants in the marketing actions carried out in all the shopping centres. These actions relate among other things to media marketing campaigns, animation activities in the common areas, ...

20. Property charges

(x € 1,000)	2019	2018
Technical costs	545	157
Vacancy charges	726	625
Commercial costs	5,931	5,772[1]
Property tax due to vacancy	422	347
Management costs	1,117	921
Total	**8,741**	**7,822**

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

Technical costs comprise the recurring maintenance (€ 507k) and the insurance premiums (€ 38k).

The commercial costs include all publicity and marketing costs spent in the shopping centres, including marketing campaigns in the media, animation activities organised in the common areas,..., as well as the cost of brokers (€ 317k).

The costs on vacant spaces include common costs not recoverable because of the vacancy and therefore remaining a cost for the landlord.

The internal management costs include internal costs (payroll costs, ...) that can be attributed directly to the conservation of the investment portfolio (€ 1.1 mln).

21. General costs of the company

(x € 1,000)	2019	2018
Staff costs		
Salaries	2,462	1,869
Social security	871	899
Allocation salary cost to development projects	-346	-410
Profit sharing	496	543
Pension en insurance costs	464	412
Other staff costs	384	476
Subtotal staff costs	**4,331**	**3,789**
Allocated to management/property charges	-953	-834
Total staff costs	**3,378**	**2,956**
Other costs		
Audit fees	129	120
Advisory fees	551	527
Other costs	1,603	1,425
Subtotal other costs	**2,283**	**2,072**
Allocated to management/property charges	-387	-351
Total other costs	**1,895**	**1,721**
Total general costs	**5,273**	**4,676**

The apportionment key for assigning general expenses to property charges

For 2018, part of the general expenses and incomes (2019: € 1.3 mln, 2018: € 1.2 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 2019, there were 46.6 FTE employed by the company; as at end of December 2019 were 49.0 FTE on the payroll of the Company.

The profit-sharing distributed to the employees in the form of a bonus, 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.

22. Other operating income and charges

The apportionment key for assigning other operating income and charges to property charges

For 2019, part of the other operating income (2019: € 0.3 mln, 2018: € 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.

(x € 1,000)	2019	2018
Other operating income and charges		
Other income	1,699	1,524
RREC costs	-162	-198
Investment fund tax	-630	-576
Subtotal other operating income and charges	**908**	**751**
Allocated to management/property charges	-336	-335
Total other operating income and charges	**571**	**415**

Other income

The other income includes the fees (2019: € 1.2 mln – 2018: € 1.2 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'.

23. Result disposals of investment properties and valuations differences

(x € 1,000)	2019	2018
Positive revaluation	2,590	24,388
Negative revaluation	-19,137	-24,865
Net book value	**-16,547**	**-477**

See also note 6.1.

24. Financial result

(x € 1,000)	2019	2018
Financial income		
Interests received (coupon real estate certificate Basilix)	53	157
	53	**157**
Financial charges		
Interest costs	-2,285	-2,669
Other interest costs	-374	-401[1]
Other	-88	-102
Changes in fair value of authorised hedging instruments	-674	-
	-3,422	**-3,172**
Total	**-3,368**	**-3,015**
Average interest rate on loans	**0.81%**	**1.09%**
Net interest costs	-2,285	-2,669
Weighted average debt for the period	281,944	243,855

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

The interest charges (€ 2.3 mln) include the interest paid on the credit facilities concluded by the Company for its cash management. The other interest costs include the leasehold costs paid on a leasehold agreement in Kortrijk, in accordance with the application of IFRS 16 Leases.

25. 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)	2019	2018
Corporate tax	-137	-299
Deferred tax on market fluctuations of investment property	1,486	323
Exit tax	-699	-
Total	**649**	**23**

The write-down of the provision for deferred taxes (€ +1.5 mln) is the result of the merger of Immo Guwy within Wereldhave Belgium Com.V.A., which prompted the payment of an exit tax of 0.7 mln.

26. 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 (2019: € 5.92; 2018: € 5.74). No financial instruments have been issued that are convertible into shares. The total number of shares issued increased in 2019, on the one hand with the optional dividend operation, as a result of which 267,731 new shares were issued on 15 May 2019. The total number of outstanding shares amounts to 7,807,981 as per 31 December 2019 (7,540,250 as per 31 December 2018) and the average number of outstanding shares was 7,807,223.

27. Dividend

A dividend of € 39.2 mln was paid in 2019 (gross € 5.20 / share - net € 3.64 / share), of which € 17.8 mln were paid in cash and € 21.4 mln in 267,731 new shares.

After the balance sheet date, the Board of Directors of the Management Company has proposed to pay out an amount of € 40.6 mln (2018: € 39.2 mln), i.e. a gross dividend of € 5.20; net € 3.64 (2018: € 5.20 – € 3.64) 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

(calculated on the statutory figures of Wereldhave Belgium Comm. VA.)

(x € 1,000)	2019	2018
Net result	**27,639**	**39,644**
Depreciation	114	105
Result on disposal of real estate properties	21	35
Variation in the fair value of real estate properties	14,646	588
Corrected result for mandatory distribution	**42,420**	**40,373**
Minimum result to be distributed (80%)	33,936	32,299
Operating result allocated to dividend distribution	40,602	39,209
Operating result allocated to dividend distribution / per share	5.20	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.

28. 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

(calculated on the statutory figures of Wereldhave Belgium Comm. VA.)

(x € 1,000)	2019	2018
Non-distributable elements of shareholders' equity for profit distribution		
Capital	329,285	318,034
Issue premiums	88,877	78,733
Legal reserve	25	-
Reserve for the balance of changes in fair value of real estate properties	181,803[1]	188,173[1]
Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting as defined in IFRS	0[2]	0[2]
Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting as defined in IFRS	-	-
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	0[3]	0[3]
Transfer of changes in fair value of authorised hedging instruments not subject to hedge accounting as defined in IFRS to reserve	0[4]	0[4]
Total non-distributable shareholders'equity	**599,990**	**584,940**
Shareholders' equity	690,485	680,920
Proposed dividend distribution	40,602	39,209
Number of shares	7,807,981	7,540,250
Remaining reserves after distribution	49,893	56,771

1 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
2 The negative balances of 2019 and 2018, respectively -192.6 keur and -51.7 keur, are not taken into account in the Art. 617 calculations
3 The negative amounts of 2019 and 2018, respectively -14,646.5 keur and -218.3 keur, are not taken into account in the Art. 617 calculations
4 The negative amounts of 2019 and 2018, respectively -674.3 keur and 0 keur, are not taken into account in the Art. 617 calculations

29. Determining the debt ratio

(x € 1,000)	Statutory balance sheet	Consolidated balance sheet
Total items "Liabilities" in the balance sheet	**301,894**	**304,333**
I. Non current liabilities	189,284	189,530
A. Provisions	-930	-1,131
C. Other non-current financial liabilities - Authorised hedging instruments	-1,035	-1,035
II. Current liabilities	112,609	114,802
F. Accrued charges and deferred income	-10,160	-10,805
Total items "Liabilities" considered for the calculationof the debt ratio (numerator)	**289,769**	**291,362**
Total "Assets" in the balance sheet	**992,379**	**993,554**
Authorised hedging instruments recorded under assets		
Total "Assets" considered for the calculation of the debt ratio (denominator)	**992,379**	**993,554**
Debt ratio	**29.20%**	**29.33%**

30. Intra-group related party transactions

The remuneration of the Management Company, Wereldhave Belgium N.V., is determined by the General Meeting of Shareholders and has been set at € 120,000 (excl. VAT).

Intra-group fees, invoiced by Wereldhave N.V. and related to IT support, amounts over 2019 € 423k (excl. VAT).

Credit facilities (revolving credits) provided by the 'Fiscale Beleggingsinstelling' (FBI) according to Dutch law Wereldhave N.V. (reference shareholder: 66.53 %) to the Comm. VA Wereldhave Belgium (see also notes 12 and 16):

On 31 July 2014, Wereldhave N.V. had a credit facility amounting to € 150 mln granted for a period of 5 years and with a credit margin of 120 bps and on 8 August 2014 Wereldhave N.V. granted an additional credit facility amounting to € 14.5 mln for a period of 5 years, with a credit margin of 80 bps. On 18 July 2019, these two credit facilities were replaced by a new credit facility of € 150 mln for an additional period of 5 years (until 31 July 2024), with a credit margin of 120 bps. This line is mostly used as a back-up line for the treasury note program, which can be used up to an amount of € 100 mln. As per 31 December 2019, no use was made of this credit facility by the Company.

Except from the decreed dividends and the above-mentioned transactions, there have been no other transactions with other group companies in 2019.

Compensation for the executive / non-executive directors / members of the executive management (€ 901,371) is explained in the remuneration report included in the consolidated annual report.

The N.V. 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 N.V. Wereldhave Belgium nor to the members of the Board of Directors.

31. List of consolidated companies

The companies below were incorporated into the consolidation according to the full consolidation method:

	Address	Company number	Investments in affiliated enterprises (x € 1,000)	Held part of capital (in %)
Company				
Joseph II plc	Medialaan 30 B 6, 1800 Vilvoorde	BE 0472.903.308	642	99.98%
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%
			2,415	

Except for Wereldhave Belgium Services N.V., the administration of these companies is done by the Company in its role as parent company.

J-II N.V.

J-II N.V., 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 N.V. 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 N.V. and its shares were pledged in favour of Fortis Bank N.V. 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 N.V., since J-II N.V. 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 N.V. 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 N.V. 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

Waterloo Shopping BVBA, with its registered office at Medialaan 30, 1800 Vilvoorde and with company number 0452.882.013 is a project company that is active within the framework of modernisation and expansion project in the centre of Waterloo. The retail part will be developed directly by Wereldhave Belgium Com.V.A. (after the takeover by the GVV of its subsidiary Immo Guwy N.V.), while Waterloo Shopping will develop the residential part. This project is ideally located 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.

The urban development project 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 € 1.2 mln, being the value of the land position. In the context of the merger of Immo Guwy, this project was revalued in the course of 2019, which resulted in an impairment of € 0.6 mln (from € 1.8 mln on 31 December 2018 to € 1.2 mln on 31 December 2019).

The investment amount of this development is estimated at about € 50 mln.

WBPM N.V.

WBPM N.V., 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 N.V. that have not been taken over by Wereldhave Belgium Comm. VA.

Wereldhave Belgium Services N.V.

Since July 2014, the Company owns 99.52% of the shares of Wereldhave Belgium Services N.V., which acts as a property and asset manager of the Company's investment properties portfolio.

32. Leasehold- and investment liabilities not shown on the balance sheet

The Company has contracted investment liabilities amounting to € 8.0 mln. These mainly relate to the reallocation of the ex-Carrefour areas, the renovation and extension projects in the 'Belle-Île' shopping centre. The leasehold liability related to the 'Ring Shopping' shopping centre in Kortrijk which expires in 2115, was recorded on the balance sheet, in accordance with IFRS 16, and is therefore no longer off-balance sheet.

We also refer to note 3.1 of the consolidated financial statements for the financial year ended on 31 December 2019.

The ageing analysis of the leasehold- and investment liabilities is as follows:

(x € 1,000)	2019	2018
< 1 year	8,069	3,376
>1 year - < 5 year	-	1,584
> 5 year	-	31,825
Total	**8,069**	**36,785**

33. Remuneration of the auditor

The remuneration related to the auditing activities in 2019 amounted to € 99,749 excl. VAT. In addition, the Statutory Auditor provided additional audit-related services in the context of capital increases (optional dividend and contribution to J-II) and other specific assignments, for which he invoiced fees of €13,500 excl VAT.

34. Branches

The company has no branches.

35. 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 N.V. and Wereldhave International N.V.

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 (European 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.

In its judgement of 15 March 2019, the Court of Appeal dismissed the claims of the Belgian State as unfounded.

After being served, the Belgian State has accepted this judgment, so that this decision has become final.

As a result, the Company no longer has to withhold withholding tax of 5% on dividends paid to the Dutch affiliates Wereldhave N.V. and Wereldhave International N.V.

In accordance with the aforementioned judgment, the Belgian State granted an exemption by administrative decision of 18 October 2019 for the withholding taxes of 1999 and 2000, which was wrongly collected.

As of December 31, 2019, these amounts had not yet been repaid.

36. Events having occurred after the end of the financial year

On 4 February 2020, and as announced in the press release on the results of 2019, the residential part of the building in Ghent Overpoort (approximately 2,000 m^2 student rooms) was sold for a sale price of € 7.8 mln. Taking into account the latest valuation of the external independent valuation expert (€ 7.5 mln), which was recorded in the 'Assets held for sale' on 31 December 2019, this transaction has a capital gain which will be booked in the results for the year 2020.

In addition, the shareholders were invited to an Extraordinary General Meeting of Shareholders to be held on 6 March 2020 with the agenda:

- the renewal of the authorisation of the authorised capital;
- the modification of the purpose/object of the Company to bring its articles of association in line with the new Companies Code;
- the conversion of the Company into a "public limited liability company" with a one-tier board model.

All documents relating to this Extraordinary General Meeting are available on the Company's website (www.wereldhavebelgium.com/investor-relations/rapporten-publicaties/).

Other than these operations, no additional significant events have occurred after 31 December 2019 that would have an impact on this 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 on the consolidated financial statements as of and for the year ended 31 December 2019

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 2019, 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 10 April 2019, 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 2021. We have performed the statutory audit of the consolidated financial statements of Wereldhave Belgium Comm. VA for four 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 2019, 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 2019, the consolidated profit and loss account and statement of comprehensive income, the consolidated statement of movements in equity and the 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'000 993.554 and the consolidated profit and loss account shows a profit for the year of EUR'000 28.957.

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 2019 and of its consolidated financial performance and its consolidated cash flows for the year that 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

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were 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 these matters.

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 2019, the carrying value of the Group's total investment portfolio was EUR 961,3 million and represented 96,8% 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 Nivelles 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. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Company nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Company.

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 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 3:32 of the Companies' and Associations' 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 3:65 of the Companies' and Associations' 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, 6 March 2020

KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren
Statutory Auditor

represented by
Filip De Bock
Réviseur d'Entreprises / Bedrijfsrevisor

Statutory statement

Statutory statement of financial position

(x € 1.000)	31 december 2019	31 december 2018
Assets		
I. Non-current assets		
C. Investment properties	960,706	938,972
D. Other tangible assets	439	545
E. Financial non-current assets		
Investments in affiliated enterprises	2,415	10,298
Amounts receivable from affiliated enterprises	201	10,320
G. Trade receivables and other non-current assets	357	334
	964,118	**960,469**
II. Current assets		
A. Assets held for sale		
Investment properties	7,480	-
D. Trade receivables	16,029	12,367
E. Tax receivables and other current assets	1,776	1,039
F. Cash and cash equivalents	2,976	5,624
	28,260	**19,029**
Total assets	**992,379**	**979,498**
Shareholders' equity		
I. Shareholders' equity attributable to the parent company's shareholders		
A. Capital		
Issued capital	329,437	318,141
Costs capital increase	-153	-108
B. Issue premiums	88,877	78,733
C. Reserves		
a. Legal reserve	25	-
b. Reserve for the balance of changes in fair value of real estate properties	181,803	188,173
d. Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-193	-52
j. Reserve for actuarial gains and losses of defined pension schemes	-597	-446
m. Other reserves	-115	-116
n. Accumulated result	63,762	56,950
D. Net result of the year	27.639[1]	39,644
	690,485	**680,920**
II. Minority interests	**-**	**-**

(x € 1.000)	31 december 2019	31 december 2018
Liabilities		
I. Non-current liabilities		
A. Provisions		
Pensions	930	714
B. Non-current financial liabilities		
a. Credit institutions	179,805	109,726
c. Other		
Rent guarantees received	1,007	748
C. Other non-current financial liabilities		
Authorised hedging intruments	1,035	159
Other	6,507	-
	189,284	**111,347**
II. Current liabilities		
B. Current financial liabilities		
c. Other		
Other loans	93,000	176,000
Other	1,136	50
D. Trade payables and other current liabilities		
b. Other		
Suppliers	7,254	2,573
Taxes, remunerations and social security contributions	1,059	955
F. Accrued charges and deferred income		
Real estate income received in advance	3,344	2,228
Other	6,816	5,425
	112,609	**187,231**
Total shareholders' equity and liabilities	**992,379**	**979,498**
Net asset value per share (x € 1)	88.43	90.30

1 Proposed dividend 2019: 40,60 KEUR (€ 5.20 * 7,807,981 shares)

Statutory profit and loss account

(x € 1.000)	31 December 2019	31 December 2018 (restated)
I. Rental income		
Rent	56,816	51,414
Indemnification for early termination of lease	1,909	855
III. Rental-related expenses		
Rent to be paid on rented area	-13	-3[1]
Amounts written off on specific trade receivables	-635	-122
Revaluation of general provision on trade receivables (according to IFRS 9)	-2	1
Net rental income	**58,076**	**52,144**
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	**-**	**0[2]**
VII. Rental charges and taxes normally paid by the tenant on let properties	**-1,798**	**-1,368[2]**
VIII. Other revenue and charges for letting	**1,933**	**1,988[2]**
Net rental charges and taxes on let properties	**136**	**620[2]**
Property result	**58,212**	**52,764[2]**
IX. Technical costs		
Repairs	-453	-111
Insurance premiums	-38	-38
	-491	**-150**
X. Commercial costs		
Agency commissions	-318	-366
Publicity	-2,694	-2,893[2]
	-3,012	**-3,259[2]**
XI. Charges and taxes on non-let properties		
Costs on non-let properties	-715	-612
Real estate tax on non-let properties	-412	-338
	-1,127	**-951**
XII. Property management costs		
(Internal) property management costs	-1,068	-961
	-1,068	**-961**
Property charges	**-5,697**	**-5,321[2]**
Property operating results	**52,515**	**47,444**
XIV. General company costs		
Staff costs	-2,435	-2,274
Other	-1,383	-1,234
XV. Other operating income and charges	**-828**	**-779**
Total XIV. + XV.	**-4,646**	**-4,287**
Operating results before result on the portfolio	**47,869**	**43,157**
XVI. Result on disposals of investment properties		
Net property sales (selling price – transaction costs)		2,489
Book value of the property sold	-21	-2,524
	-21	**-35**
XVII. Result on disposals of other non-financial assets		
Net sales of other non-financial assets (sale price - transaction costs)	9	-4
	9	**-4**
XVIII. Variations in the fair value of investment properties		
Positive variations in the fair value of investment properties	2,656	24,277
Negative variations in the fair value of investment properties	-17,302	-24,865
	-14,646	**-588**
Total XVI. + XVII. XVIII.	**-14,659**	**-627**
Operating result	**33,210**	**42,530**

(x € 1.000)	31 December 2019	31 December 2018 (restated)
XX. Financial income		
Interests and dividends received	52	152
XXI. Net interest charges		
Nominal interest charges on loans	-2,050	-2,427
Other interest charges	-374	-401[1]
XXII. Other financial charges		
Net losses on sales of financial assets	-2,321	
Bank charges and other commissions	-86	-100
XXIII. Variations in the fair value of financial assets and liabilities		
Authorised hedging intruments	-674	-
Financial result	**-5,453**	**-2,776**
Result before tax	**27,757**	**39,754**
XXIV. Corporate tax		
Corporate tax	-119	-110
Tax	**-119**	**-110**
Net result	**27,639**	**39,644**
Net result shareholders of the Group	**27,639**	**39,644**
Result per share (x € 1)	**3.59**	**5.58**
Diluted result per share (x € 1)	**3.59**	**5.58**

1 By applying the new IFRS 16 - Leasing agreement standard, the annual leasehold payments were transferred from the net rental result to the financial result
2 Reallocation / presentation of the marketing contributions of the tenants in other revenue and charges for letting and of the marketing costs in property charges

Statement of comprehensive income

	31 December 2019	31 December 2018
I. Net result	**27,639**	**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	-141	451
Items not taken in the result		
E. Actuarial gains and losses of pledged pension schemes	-151	275
Total other comprehensive income	**-292**	**726**
Comprehensive income (I + II)	**27,346**	**40,370**
Attributable to:		
Minority interests	-	-
Shareholders of the group	27,346	40,370

Statutory statement of movements in equity

(x € 1.000)	*Note*	*Share capital*	*Issue premiums*	*Legal reserve*	*Reserve for the balance of changes in fair value of real estate properties*
2018					
Balance at 31 December 2017		**292,774**	**50,563**	**-**	**146,219**
Adjustment on initial application of IFRS 9 (net of tax)					
Adjusted balance 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					
Transfer from reserves					
Provisions for pensions					
Other					
Net result					
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties	1				41,955
Dividend over 2017	2				
Balance at 31 December 2018		**318,034**	**78,733**	**-**	**188,173**
2019					
Closed balance at 31 December 2018		**318,034**	**78,733**	**-**	**188,173**
Capital increase		11,251			
Issue premiums			10,144		
Variations in the fair value of hedging instruments					
Transfer from reserves					
Provisions for pensions					
Other				25	
Net result					
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties	3				-6,370
Dividend over 2018	4				
Balance at 31 December 2019		**329,285**	**88,877**	**25**	**181,803**
Transfer of the result 2019 on the portfolio to reserve for the balance of changes in fair value of real estate properties					-14,646
Transfer of the changes 2019 in fair value of authorised hedging instruments not subject to hedge accounting					
Proposed dividend 2019	5				
Proposed allocation of the net result of the accounting year to the accumulated result of previous years	6				
Balance at 31 December 2019 after allocation		**329,285**	**88,877**	**25**	**167,156**

1 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

2 Dividend paid 2017 € 5.10 (net € 3.57) per share: € -35,389 of which € 14,993 paid in cash and the balance paid out in 228,525 new shares, which led to a capital increase and issue premiums

3 Changes in fair value of the investment properties portfolio over 2018. Reclassification of the heading 'Accumulated result'

4 Dividend paid 2018 € 5.20 (net € 3.64) per share: € -39,209 of which € 17,769 paid in cash and the balance paid out in 267,731 new shares, which led to a capital increase and issue premiums

5 Dividend 2019 proposed for approval to the Ordinary General Meeting of 8 April 2020

6 Conformément aux recommandations du régulateur, nous présentons, en dessous de la situation finale des fonds propres au 31 décembre 2019, l'affectation future du résultat 2019 qui aura lieu en 2020

	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	Reserve for actuarial gains and losses of defined pension schemes	Other reserves	Accumulated result of previous accounting years	Net result of the year	Proposed remuneration of the shareholder's equity	Total
2018								
Balance at 31 December 2017	**-503**	**-**	**-721**	**-**	**134,293**		**-**	**622,626**
Adjustment on initial application of IFRS 9 (net of tax)				-116				-116
Adjusted balance at 1 Januari 2018	**-503**	**-**	**-721**	**-116**	**134,293**		**-**	**622,510**
Capital increase								25,260
Issue premiums								28,170
Variations in the fair value of hedging instruments	451							451
Transfer from reserves								-
Provisions for pensions			275					275
Other								-
Net result						**39,644**		**39,644**
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					-41,955			-
Dividend over 2017					-35,389			-35,389
Balance at 31 December 2018	**-52**	**-**	**-446**	**-116**	**56,949**	**39,644**	**-**	**680,919**
2019								
Closed balance at 31 December 2018	**-52**	**-**	**-446**	**-116**	**96,593**		**-**	**680,919**
Capital increase								11,251
Issue premiums								10,144
Variations in the fair value of hedging instruments	-141							-141
Transfer from reserves								-
Provisions for pensions			-151					-151
Other				1	8			34
Net result						**27,639**		**27,639**
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					6,370			-
Dividend over 2018					-39,209			-39,209
Balance at 31 December 2019	**-193**	**-**	**-597**	**-115**	**63,762**	**27,639**	**-**	**690,485**
Transfer of the result 2019 on the portfolio to reserve for the balance of changes in fair value of real estate properties						14,646		-
Transfer of the changes 2019 in fair value of authorised hedging instruments not subject to hedge accounting		-674				674		-
Proposed dividend 2019						-40,602	40,602	-
Proposed allocation of the net result of the accounting year to the accumulated result of previous years					2,358	-2,358		-
Balance at 31 December 2019 after allocation	**-193**	**-674**	**-597**	**-115**	**66,120**	**-**	**40,602**	**690,485**

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 2019	31 December 2018
A. Net result	**27,639**	**39,644**
B. Transfer to/from reserves	**14,646**	**588**
Transfer to/from reserve for the balance of changes in fair value of real estate properties		
Financial year	14,646	588
C. Return on capital	**40,602**	**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 200

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 N.V.
D. Goeminne, Chairman
B. Boone
A. Claes
K. Deforche
D. de Vreede
M. Storm

Vilvoorde, 6 March 2020

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[1].

[1] The chapter 'Risk Factors' forms an integral part of the Management Report in accordance with article 96, §2 of the Companies Code (now article 3: 6, §1 of the CCA)

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). (1-2-3-4-5) • Sector-based diversification of the tenant portfolio (see branch mix). (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 3.0 years, and up to the end of the rental agreement 6.1 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)
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, ...). This ongoing addition of supplementary uses (f&b, leisure,...) also contributes to reinforcing the attractiveness of the real estate portfolio in the long term. (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 (every 3 years for a retail lease) ensures that this difference does not become too big. (1)
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 and financing sources. (1-2-3) • Hedge against these interest rate fluctuations through financial derivatives. (1-2-3) • The debt ratio remained limited (29.3 % on 31 December 2019), consequently the impact of any fluctuations is limited. (1) • Debts at fixed rate (40 %) respectively variabel rate (60%) (1-2-3-4)

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 (now article 3: 6, §1 of the CCA)

Risk description	Possible impact	Limiting measures
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) N.V., the main shareholder, is a 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 individuals and professional investors and shareholders. (1-2-3) • Sound capital ratios (limited debt ratio). (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. (1-2-3)
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 reasonably stable and secure countries. (1-2-3) • The debt ratio remained limited (29.3 % on 31 December 2019), 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. The inclusion of additional uses (f&b, leisure,...), which can be considered as a diversification strategy, also brings extra stability to the value of the portfolio. (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 and organization of an active communication strategy to increase the visibility of the Company. (1-2) • Financial services provided by BNP Paribas Fortis and liquidity provider entrusted to Degroof-Petercam. (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.	• Limited development pipeline (<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)
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) • Active participation of the Company in the management of the co-ownership in which it is involved in order to defend its interest. (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) • The Company structure has been actively managed, with the help of specialised advisors, in order to optimise the economic parameters of the different entities of the Group. (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 inclusion of additional uses (f&b, leisure,...) also brings additional diversification which strengthens the resilience of the portfolio. The occupancy rate as at 31 December 2019 amounted to 95.2%. (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 € 608.5 million as per 31 December 2019, i.e. 63.3 % of the fair value. The insurance premium is € 157,931. (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)
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 5% 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. As a result, the Belle-Île shopping centre has represented more than 20% of the Company's portfolio for many years, which caused the need to receive a derogation from the FSMA. In 2019, Belle-Île remained below 20% (19.84% at year-end), which is in line with the diversification rules of the legislation. (1-2)
Debtor risk	1. Non-extension or early break of the rental agreement. 2. Decline in solvency or bankruptcy risk. 3. Tenant concentration. 4. Payment term.	• Short communication line with tenants, through active asset and property management. (1-2-3-4) • Internal leasing asset management team. (1-2-3-4) • Monitoring of the financial health of tenants (screening, turnover, financials, and rental pressure). (1-2-3) • Stringent collection procedure and regular supervision of long-term outstanding receivables. Active monitoring of the debtors (including contact with tenants,...). The total cost for doubtful debtors as at 31 December 2019 amounts € 776.4k. (1-2-4) • Spread of the tenant portfolio – see branch mix. (1-2-3) • Limit the concentration of important tenants. The top 10 of the most important tenants represents about 24% 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. (1-2)

1 Key Performance Indicators

2 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 concluded for a long and fixed term with a 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 the Company's capital and financing. 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)
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 N.V. and Wereldhave International N.V. hold 66.5% 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 28 - article 617 W. Venn. (now Art 7: 212 of the CCA)). (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 (internal and external audit performed by professional advisers). (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 majority shareholder (Wereldhave (International) N.V.) 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)
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)

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 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, half-yearly 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.

General information

Identification and statutory provisions

Statute

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 license 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 (this has not been included in the CCA).

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.
- Minutes drawn up by Mr Damien Hisette, civil law 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 the number 2019-01-04/0300574.
- Minutes drawn up by Ms Daisy Dekegel, civil law notary in Brussels, on 11 May 2019 (amendment of the share capital), published in the Annexes to the Belgian Official Gazette on 6 June 2019, under the number 2019-06-06/0075777.

The Articles of Association were last amended according to the Deed executed before Master Damien Hisette, civil law notary in Brussels, on 27 September 2019 (merger SA 'Immo Guwy'/CVA 'Wereldhave Belgium'), published in the Annexes to the Belgian Official Gazette of 28 October 2019 under number 2019-10-28/0142551.

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;
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');
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 and twenty-nine million four hundred and thirty-seven thousand four hundred and fifty-four euros eighty-eight cents (€ 329,437,454.88). It is represented by seven million eight hundred and seven thousand nine hundred and eighty-one (7,807,981) 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 therefore valid until 24 April 2020. In the course of 2018, the available amount of authorised capital was reduced by € 9,642,018.13 as a result of an optional dividend operation (May 2018) and by € 15,725,444.89 as a result of the contribution in kind of the retail park located in Turnhout (December 2018). In May 2019, the available amount of authorised capital was again reduced by € 11,296,213.35 as a result of the optional dividend operation. On 31 December 2019, the available balance of authorised capital amounts to € 256,110,102.14.

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 (now the CCA), 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 (now Article 7:154 of the CCA) and in accordance with the rules set down in Articles 620 et seq. and 630 of the Companies Code (now Articles 7:215 and 7:226 of the CCA). 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 (now Articles 7:93, 7:99 and 7:100 of the CCA), 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 (now Article 7:99 of the CCA) or Article 526quater, §4 of the Companies Code (now Article 7:100 of the CCA).

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 (now Article 7:100 of the WVV), the Board of Directors has set up a Remuneration Committee according to Article 526quater of the Companies Code (now Article 7:100 of the WVV).

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.

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 annual 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 10 April 2019, KPMG Bedrijfsrevisoren, Burgerlijke vennootschap o.v.v. CVBA, with IBR membership B00001, represented by Filip De Bock with IBR membership A01913, with registered office at B-2600 Antwerpen, Borbeeksebrug 30 bus 2, with company number 0419.122.548 was reappointed 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 2022 that will approve the financial statements at 31 December 2021. (1) (2)

The fees relating to audit activities amounted in 2019 € 99,749 excl. VAT for the period running from 1 January 2019 until 31 December 2019. In addition, the Statutory Auditor provided additional audit-related services in the context of capital increases (optional dividend and contribution to J-II) and the conversion of the Company into a SA, for which he invoiced fees amounting to €13,500 excl VAT.

Valuation experts

As of 31 December 2019, 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: € 44,947 (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: € 34,545 (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.

Moreover, in 2019 Cushman & Wakefield completed a number of specific valuation assignments in the portfolio for a total amount of € 16,750 (excluding VAT).

Property managers

Wereldhave Belgium Services N.V., 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 N.V. are held by the Company. The fees in favour of Wereldhave Belgium Services N.V. are charged directly to the tenants in accordance with the contractual terms and conditions described in the rental agreements.

Wereldhave Belgium Services N.V. 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 N.V. 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 € 13,843 (excl. VAT).

Financial service provider

BNP Paribas Fortis N.V. 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 2019 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 2017 and 2018

- Consolidated accounts 2017: p. 164 to p. 215 of the annual financial report 2017
- Management report over 2017 : p. 115 to p. 124 of the annual financial report 2017
- Auditor’s report over 2017: p. 216 to p. 216of the annual financial report 2017
- Consolidated accounts 2018: p. 124 to p. 183 of the annual financial report 2018
- Management report over 2018: p. 73 to p. 84 of the annual financial report 2018
- Auditor’s report over 2018: p. 184 to p. 188 of the annual financial report 2018

Glossary and alternative performance standards

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 2019 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 2019 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 (now Article 7:99 of the CCA).

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 24)

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 head of control & reporting) 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 N.V.

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 November 2016 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 5).

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.

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.

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 executive 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).

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')

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 head of control & reporting) 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 (now Articles 3:58 et seq. of the CCA), to which the external auditing of the Company is entrusted.

Statutory Management Company
The Statutory Management Company of the Company, currently Wereldhave Belgium N.V. (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.

Withholding Tax
Tax withheld by a bank or financial intermediary on payment of a dividend.

Wereldhave Groep
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).

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