Wereldhave
BELGIUM

Annual Financial Report 2020

Adding value to everyday life

make every day count

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

In this report

Consolidated key information

Key information

	2020	2019	2018
Share price 31/12	39.3	86.2	82.2
Share price/Net result from core activities per share 31/12	8.5	14.6	14.3
Market capitalisation 31/12 (€ mln)	326.9	673.0	619.8
Net asset value per share (conform IFRS) (€ per share)	78.2	88.3	90.0
Gross dividend (€ per share)	4.0	4.5	5.2
Dividend yield 31/12 (gross)[1]	10.2%	5.2%	6.3%
Consolidated debt ratio[2]	30.0%	29.3%	29.7%
Occupancy rate[3]	91.9%	95.2%	96.2%
Pay-out ratio[4]	90.8%	77.0%	96.3%
Free float	32.3%	33.5%	34.1%
Number of shares	8,319,287	7,807,981	7,540,250

1 Gross dividend per share divided by the share price on year end.
2 See calculation table in note 28 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.
4 Payout ratio calculated in relation to the consolidated net result from core activities (in relation to the corrected result for mandatory distribution, these ratios become 84.0% in 2020, 81.0% in 2019 and 97.1% in 2018).

Consolidated key figures over the past 3 years

(x € 1,000)	2020	2019	2018
Results			
Net rental income	49,218	58,613	52,996 [1)]
Net result	**-22,148**	**28,957**	**40,541**
Net result from core activities[2]	36,656	45,617	40,730
Net result from non-core activities[3]	-58,803	-16,660	-191
Balance sheet			
Properties available for lease[4]	908,575	948,671	941,964
Development projects	12,635	12,615	14,692
Total investment properties	**921,209**	**961,286**	**956,656**
Shareholders' equity	650,548	689,221	678,428
Fair value properties available for lease by segmentation[4]			
Retail	816,903	855,059	845,984
Lease incentives	892	1,236	1,164
Fair value properties available for lease - retail	**817,795**	**856,294**	**847,147**
Offices	89,975	92,010	94,577
Lease incentives	805	366	239
Fair value properties available for lease - offices	**90,780**	**92,376**	**94,816**
	908,575	**948,671**	**941,964**
Share data (x € 1)			
Net result from core activities	4.65	5.92	5.74
Net result from non-core activities	-7.47	-2.16	-0.03
Net result	-2.81	3.76	5.71
Gross dividend	4.00	4.50	5.20
Net dividend	2.80	3.15	3.64
Net asset value before profit distribution	78.20	88.27	89.97

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

Resilient operating profits and real estate valuations in 2020, despite the Covid-19 outbreak

5

Resilient operating profits and real estate valuations in 2020, despite the Covid-19 outbreak

It is our pleasure to present our results for 2020 and the major events that shaped the year.

Covid-19 and its consequences were, without a doubt, the most significant events of 2020. Clearly the appearance of the pandemic at the beginning of the year and its continuation throughout contributed to making the year difficult for most of the population and, particularly, for the commercial real estate industry. The initial compulsory closures of bars, cafés and restaurants followed by nonessential shops put the entire retail segment under pressure.

However, it's very satisfying to note that, despite the very difficult context, the Company managed the crisis very effectively and professionally and the portfolio was very resilient. We would especially like to congratulate and thank all of the Company's staff for their work and for the results they obtained.

From the standpoint of portfolio marketing, there was significant activity with over 90 transactions recorded. Well-known brands continued to invest in their physical shops despite the difficult situation and confirm their confidence in our portfolio. Among these new arrivals were brands including Action, Superdry, JOTT and Pitaya. Many other brands renewed their leases, confirming the quality of the Company's portfolio.

Unfortunately, the pandemic and the resulting mandatory closings negatively impacted the year's financial results. The Company decided to support its tenants during the crisis via an approach suited to their specific problems. Agreements were finalised with most of them enabling them to navigate the crisis and keep their shops and, in some instances, prolonging their lease contracts. Thanks to this approach the Company was able to maintain a high level of occupancy in its retail portfolio, enabling it to ensure its appeal once the crisis ends.

The Company also believed that it was important to strengthen its liquidity and solvency during these uncertain times. Therefore, a decision was made during 2020 to refinance credit lines in the amount of € 145m which will mature in 2021. This initiative, as well as the success of the optional dividend and strict limitations on Capex enabled the Company to face the crisis with confidence and also, and especially, to ensure its strong position for the future.

The Extraordinary General Meeting of Shareholders held on 6 March 2020 also confirmed the Company's decision to move on from a partnership limited by shares to become a traditional public limited company. The appointment of three additional new directors representing the main shareholder on the Board of Directors was also approved.

In keeping with its ongoing concern to improve its environmental footprint, the Company pursued a number of different initiatives in 2020, notably in terms of reducing energy consumption (installation of LED lighting, etc.) and waste management, enabling it to confirm its profile as a responsible real estate company.

The Company continued to enjoy a special FMSA waiver valid until the end of 2020 related to the weight of the Belle-Île shopping centre in its portfolio. Although the value of the shopping centre remained under the 20% limit required by the regulations in effect during the year, the Company preferred to request an extension of the waiver for a two-year period, which it obtained. This proactive approach was necessary given that the shopping centre again accounted for over 20% of the portfolio at the end of the year. The new waiver therefore came into effect.

Taking account of the health crisis, the Company deemed it necessary to delay its General Meeting of Shareholders initially scheduled for 8 April, in the midst of the lockdown. This led to the deferral of other financial calendar dates, such as the distribution of the 2019 dividend. The General Meeting eventually took place on 2 September 2020, enabling the Company to proceed with the distribution, on 13 November 2020, of its 2019 dividend of € 4.50 per share in the form of an optional payout in shares or cash.

The Company published its 2020 annual results on 10 February 2021. It reported net earnings from core activities of € 4.65 per share and net income, taking account of the negative revaluations of the portfolio recorded during the year, of € -2.81 per share, down compared to 2019. Taking these results into account, a dividend per share of € 4.0 gross - € 2.80 net was proposed to the General Meeting of Shareholders (2019: € 4.50 gross - € 3.15 net). Another optional dividend is being planned for the shareholders.

The health crisis also confirmed the analysis already done by the Company with respect to the evolution of the needs and expectations of consumers. The trend is accelerating and corroborates the validity of the Company's plan to transform its shopping centres into Full Service Centres with a retail mix better suited to the needs of consumers, as well as more services and functionality. The redevelopment of the Belle-Île shopping centre was completed in 2020 with this in mind and was the first step in this transformation prior to extension. In the same spirit, 2021 will also see the renovation of the Ring shopping centre in Kortrijk and the development of concepts already in the portfolio such as The Point as well as new concepts to strengthen our appeal and to differentiate our assets.

Lastly, we would like to express our gratitude to Kasper Deforche, who resigned on 31 December 2020, for his significant contributions to the Company's results over the past years.

The Board of Directors decided to appoint Nicolas Beaussillon to replace Mr Deforche as at 1 January 2021. Mr Beaussillon was the Company's sales director for over four years. Together with this appointment, as well as that of Ine Beeterens as COO, the Board of Directors confirmed its confidence in the team in place and in its strategy.

We would like to thank you for your trust in our Company. Please enjoy this report.

Vilvoorde, 12 March 2021

Matthijs Storm
Managing director

Nicolas Beaussillon
Managing director

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 focuses its new investments on retail property (mainly in shopping centres and retail parks). The value of the investment properties portfolio, including development projects, amounts to €921.2 mln on 31 December 2020. The existing operational retail portfolio of € 817.8 mln (approx. 90% of the total portfolio, excluding development projects) contains shopping centres in Courtrai, Tournai, Liège, Nivelles, Genk, Ghent and Waterloo and retail parks in Tournai, Bruges and Turnhout. In addition, the investment property portfolio contains offices in Vilvoorde and Antwerp, amounting to €90.82.1 mln on 31 December 2020. The development portfolio of € 12.6 mln contains land positions and realised investments that relate to the restructuring and/or extension of shopping centres in Waterloo, Liège and Nivelles.

The Company wanted to create value by actively managing shopping centres and retail parks and (re)developing them for its own portfolio. With its own staff the Company maintained direct contact with the tenants. This gives the Company a better idea of what is important to tenants and provides it with recent market information. The knowledge thus acquired is also used in the (re)development of projects.

Structure

The Company has been a RREC since 27 October 2014 and is governed by the legislation of the Act of 12 May 2014 (as amended) and the Royal Decree of 13 July 2014 (as amended). The RREC has been licensed and registered as such with the Financial Services and Markets Authority ("FSMA") since 22 September 2014.

The Company has the tax status of a RREC and therefore does not pay corporate tax, except on possible exceptional and favourable advantages and on rejected expenditures. Wereldhave Belgium Services NV, 99.52% subsidiary of the Company, acts as property manager of the investment property portfolio.

Wereldhave Belgium' shares (the 'Shares') are traded at the Euronext continuous stock exchange in Brussels.

The public limited companies incorporated under Dutch law Wereldhave NV and Wereldhave International NV, Schiphol, held 67.66% of the shares either directly or indirectly on 31 December 2020.

Property valuation

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

Financial position

With a consolidated debt ratio of 29, 99% and a solvency of 70, 01%, the Company positions itself as a real estate company with very solid balance sheet ratios.

Corporate governance statement[1]

General

The Company attaches great value to the balance between the interests of the provider of risk-bearing capital and those of other stakeholders in the Company. Matters such as openness, the adequate provision of forward-looking information and business ethics form part of this. The business ethics are anchored in the Business Integrity Policy and the Code of Conduct for staff, which are published on the website www.wereldhavebelgium.com.

In accordance with Article 3:6, §2, 1° of the Companies and Associations Code (hereinafter "CAC") and the Royal Decree of 12 May 2019 on the Corporate Governance Code to be followed by listed companies, the Company applies the Belgian Corporate Governance Code of 2020 as its reference code.

The Corporate Governance Code 2020 is available on the website www.corporategovernancecommittee.be. However, the size of the company and the specific governance structure of the Company are taken into account. In particular, for this reason, the Corporate Governance principles are relevant for the governance structure of the Board of Directors.

The Board of Directors should devote a specific chapter to Corporate Governance in its Annual Financial Report, discussing the Company's Corporate Governance practices for the relevant financial year, including the specific information required by applicable law and the Corporate Governance Code 2020.

Pursuant to, inter alia, article 3:6, §2 of the CAC, this Corporate Governance Statement (the "CG Statement") must at least contain the following information:

- the Corporate Governance Code 2020 applied by the Company and also an indication of the corporate governance practices applied in addition to the Corporate Governance Code 2020 and the substantiated reasons therefore;
- the main features of the internal control and risk management systems (regarding financial reporting);
- the shareholder structure, as derived from the transparency declarations received by the Company from its Shareholders and certain financial and business information; and
- the composition and functioning of the governing bodies and its committees.

The Corporate Governance Charter and its Annexes define the rules, procedures and practices on the basis of which the Company is managed and controlled.

The Corporate Governance Charter is subject to, and does not detract from, the Company's articles of association and the relevant provisions of Belgian law, such as the CAC. Any summaries or descriptions in this Charter of legal and statutory provisions, corporate structures or contractual relationships are for clarification purposes only and should not be considered as legal or tax advice as to the interpretation or enforceability of such provisions or relationships.

The Corporate Governance Charter must be read together with the articles of association of the Company, the Annual Financial Report and the other information made available by the Company from time to time. Additional information on each financial year relating to the pertinent changes and events of the previous financial year will be communicated in the CG Statement.

The Charter can be consulted on the Company's website (www.wereldhavebelgium.com) and will be revised as often as necessary. The Charter was last revised by the Board of Directors on 11 March 2021.

Comply or explain principle

Where there is a deviation from the recommendations of the Corporate Governance Code 2020, this is explicitly stated in the Corporate Governance Charter. The Company applies the 'comply or explain' principle.

At the date of the current Annual Financial Report, the following provision of the Corporate Governance Code 2020 has been deviated from:

Remuneration of the members of the Board of Directors and Effective Leaders

Contrary to the provisions 7.6 and 7.9 of the Corporate Governance Code 2020 that state that each (non-executive) member of the Board of Directors or each Effective Leader should receive part of their remuneration in the form of shares of the Company, this shall not be the case for the (non-executive) members of the Board of Directors or the Effective Leaders as the Company is of the opinion that given the COVID-19 context and the resulting volatility of the Company's share price, this is an individual decision of the member concerned.

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

Governing bodies

Board of Directors

As a result of the renewal of 8 April 2015 of the authorisation in light of the authorised capital, which expired on 24 April 2020, article 7 of the Company's Articles of Association (which limits the amount of the authorised capital) had to be amended. Pursuant to article 39, §1, third paragraph, of the Act of 23 March 2019 on the implementation of the CAC, the Company was also required, on the occasion of the aforementioned amendment to Article 7 of its Articles of Association, to bring its Articles of Association completely into line with the new CAC at the same time.

At the Extraordinary General Meeting of Shareholders of 6 March 2020, the Company was converted from a limited partnership ("commanditaire vennootschap op aandelen") into a public limitedf company ("naamloze vennootschap") with a one-tier Board of Directors and the Company's Articles of Association were amended to reflect the provisions of the CAC, and the former director of the Company (i.e. the public limited company "Wereldbel", as its name was changed on 21 October 2020 - the "Former Statutory Manager") resigned from this position.

Pursuant to the law and its articles of association, since 6 March 2020 the Board of Directors has been composed in such a way that the Company can be managed in accordance with art. 4 of the RREC Act. This principle is very strictly applied: the Company, the Board of Directors and the Effective Leaders do not pay attention to special interests of Shareholders, of the members of the Board of Directors, of the Promoter or of the Effective Leaders. The interests taken into account in the management of the Company are not limited to the Shareholders and extend to all elements of the notion of "social interest" referred to in the CAC.

The Board of Directors is the leading body of the Company. It acts collegially.

Thus, the Board of Directors has the task of defining the Company's business strategy, which is based on a contribution to long-term value, supervising the policy of the Effective Leaders and the general state of affairs in the Company and its Subsidiaries. To this end, it verifies that risks are properly assessed and monitors their management within the framework of regular and rigorous audits.

Social responsibility, inclusiveness and diversity in general are criteria that, among others, help the Board of Directors in its decision-making.

The Board of Directors has both a supervisory and an advisory role and focuses on the interests of the Company, the business and all its Shareholders. The Board of Directors acts as a college with joint responsibility without a mandate and independently of the partial interests involved in the Company.

Composition

The Board of Directors consists of at least six natural persons:

- the majority qualify as non-executive members;
- at least three members qualify as "independent" in the sense of Article 7:87 of the CAC and provision 3.5 of the Corporate Governance Code 2020; and
- at least one-third of the Board of Directors must be of the opposite sex in accordance with Article 7:86 of the CAC.

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

The Board of Directors is composed in such a way that there is a balance of competences and professional experience in disciplines such as real estate, finance and general management, without excluding candidate members of the Board of Directors whose experience in other areas and personality would be assets to the Company.

In accordance with Article 3:6, §2, 6°, third paragraph of the CAC, the members of the Board of Directors confirm to comply with and to make the necessary efforts to meet the legal requirements regarding gender diversity. Subject to the appointment as directors of Mrs. Boone and Mrs. Claes at the Extraordinary General Meeting of Shareholders to be held on 6 March 2020 and Mrs. Slegtenhorst at the Ordinary General Meeting of Shareholders on 2 September 2020, the Company complies with the legal conditions concerning gender diversity, as three out of nine members of the Board of Directors are of a different gender.

Each member of the Board of Directors must also possess the personal qualities that will allow him to exercise his or her mandate in a flexible and collegial way, but with full independence of mind.

He or she must have an impeccable reputation for integrity (especially regarding confidentiality, conflicts of interest and preventing the misuse of inside information), be critical and business-minded and be able to develop a strategic vision.

Each member of the Board of Directors must also be sufficiently motivated and have the necessary time to be present at the meetings of the Board of Directors - and if necessary the meetings of the committee or committees of which he or she is a member - and to prepare these meetings.

For the composition of the Board of Directors, the Company prefers the complementarity of competences, experience and knowledge and, to the extent possible, diversity in general.

Two of the members of the Board of Directors have been appointed Managing Directors and are in charge of the daily management of the Company and together form the Executive Management and are then the Effective Leaders within the meaning of the RREC Act. The Managing Directors cannot act as Chairman of the Board of Directors. The Managing Directors are assisted in the execution of their duties by a compact management organisation.

Duration, appointment, assessment and renewal of directorships

Duration

The duration of the directorships shall not exceed four years. The mandates are renewable.

The members of the Board of Directors are appointed and their mandates renewed by the General Meeting of Shareholders on the proposal of the Board of Directors after advice from the Nomination and Remuneration Committee.

In order to ensure the continuity of the work of the Board of Directors and to prevent several members of the Board of Directors resigning at the same time, the Board of Directors shall draw up a schedule according to which members of the Board of Directors shall resign periodically.

The most recent rotation schedule adopted by the Board of Directors for the next three years shall be published in the Annual Financial Report. The date of initial appointment and the date of last reappointment of each member of the Board of Directors shall be indicated.

The members of the Board of Directors have no family connections with each other.

Appointment

In accordance with the RREC Act, the persons who participate in the management or policy of the Company, without being part of the Effective Management, must have the expertise and appropriate experience required for the performance of their duties.

	Position	Start date mandate	Most recent renewal	End of mandate
Directors				
Dirk Goeminne	Independent Director, Chairman of the Board of Directors, Chairman of the Remuneration and Nomination Committee	4/1/2015	3/31/2019	5/12/2023
Ann Claes	Independent Director, Member of the Audit Committee	4/1/2017		5/14/2021
Brigitte Boone	Independent Director, Chairman of the Audit Committee, Member of the Remuneration and Nomination Committee	4/18/2018		5/13/2022
Kasper Deforche[1]	Managing Director, Effective Leader	7/1/2016	5/10/2019	12/31/2020
Matthijs Storm	Managing Director, Effective Leader	8/1/2019		5/12/2023
Dennis de Vreede	Director, Member of the Audit Committee, Member of the Remuneration and Nomination Committee	8/1/2019		5/12/2023
Doris Slegtenhorst	Director	9/2/2020		4/10/2024
Remco Langewouters	Director	9/2/2020		4/10/2024
Edmund Wellenstein	Director	9/2/2020		4/10/2024

1 Kasper Deforche resigned from 31 December 2020. His succession is assured by Nicolas Beaussillon from 1 January 2021.

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

1. Seeks the opinions and recommendations, in particular on:
   - the number of members of the Board of Directors that it deems appropriate, without this number falling below the legal minimum,
   - the alignment of the profile of the member of the Board of Directors whose mandate is to be extended, if necessary, with the needs of the Board of Directors,
   - the determination of the desired profile, on the basis of the general selection criteria for members of the Board of Directors and on the basis of the latest evaluation of the operation of the Board of Directors (which shows, among other things, the current and required competences, knowledge and experience within the Board of Directors), and of any special criteria used to search for one or more new members of the Board of Directors.
2. In turn, interview the candidates, examine their curriculum vitae and their references if desired, take note of the other mandates they hold (in listed or unlisted companies) and evaluate them.
3. Deliberations in accordance with the internal regulations of the Board of Directors.

The Board of Directors ensures that appropriate plans exist for the succession of the members of the Board of Directors, ensures that any appointment or renewal of directorships, both for executive and non-executive members of the Board of Directors, is possible in order to guarantee the continuity of the work of the Board of Directors and its committees and to maintain the balance of competences and experience in their ranks.

Non-executive members of the Board of Directors are made duly aware of the extent of their duties at the time they stand for election, especially with regard to the time commitment of their mandate. They may not consider more than five directorships in listed companies. Any changes in their other relevant commitments and new commitments outside the Company are reported to the Chairman of the Board of Directors in due time.

Any proposal for the appointment of a member of the Board of Directors to the General Meeting of Shareholders shall be accompanied by a recommendation from the Board of Directors. The proposal shall state the proposed term of office, which shall not exceed four years, and shall be accompanied by relevant information on the candidate's professional qualifications together with a list of the positions the candidate already holds. The Board of Directors shall indicate which candidates meet the independence criteria within the meaning of provision 3.5 of the Corporate Governance Code 2020.

Without prejudice to the applicable legal provisions on the subject, proposals for appointment shall be announced at least 24 days before the General Meeting of Shareholders, together with the other items on the agenda.

In case of (re)appointment, the profile shall be checked beforehand. The reasons for reappointment will be explained to the General Meeting of Shareholders. Upon reappointment, the way in which the candidate has fulfilled his/her task as member of the Board of Directors will be taken into account. The existence of a conflicting interest during the previous term will also be taken into account in the assessment.

When one or more directorships become vacant, the remaining members of the Board of Directors have the right to fill these temporarily until the next General Meeting of Shareholders, which will proceed to the final election.

The members of the Board of Directors should be exclusively natural persons.

Professional development

The Chairman ensures that new members of the Board of Directors receive appropriate initial training tailored to their role, including an update on the legal and regulatory environment, so that they can quickly contribute to the Board of Directors.

The members of the Board of Directors should constantly update their knowledge of the Company's affairs and of the evolution of the real estate sector.

The members of the Board of Directors shall devote sufficient time to effectively perform their duties and take on their responsibilities. The Company makes sufficient resources available for this purpose.

Evaluation

In accordance with the 2020 Corporate Governance Code and its internal regulations, the Board of Directors evaluates regularly (and at least every two to three years) and under the leadership of its Chairman, its size, composition, performance and that of its committees, as well as its interaction with the Effective Leaders.

This evaluation process has four objectives:

- assess the functioning of the Board of Directors and its committees;
- check that the important issues are thoroughly prepared and discussed;
- evaluate the actual contribution of each member of the Board of Directors, their attendance at Board and Committee meetings and their constructive involvement in discussions and decision-making; and
- check whether the current composition of the Board of Directors or of the committees is in line with that which is desirable.

The members of the Board of Directors regularly evaluate their interaction with the Effective Leaders. To this end, they meet at least once a year.

The contribution of each member of the Board of Directors is periodically evaluated in order to adjust the composition of the Board of Directors, taking changing circumstances into account. In case of a reappointment, an evaluation of the Board member's commitment and effectiveness takes place according to a pre-defined and transparent procedure. The members of the Board of Directors will not attend the discussions concerning their evaluation.

The Board of Directors shall act on the results of the evaluation by identifying its strengths and addressing its weaknesses. Where appropriate, this includes proposing new members for appointment, proposing not to reappoint existing members or taking any measures deemed useful for the effective functioning of the Board of Directors.

The Board of Directors may be assisted in this evaluation by external experts.

Under the leadership of its Chairman, the Board of Directors takes note of the self-assessment reports of the Committees it has established, assesses the composition and size of the Committees and pronounces on any adjustments proposed by these Committees.

On the occasion of the preparation of the CG Statement on Corporate Governance of the Annual Financial Report, an annual evaluation of compliance with the procedures, rules and regulations applicable to the Board of Directors will take place.

The CG Statement contains information on the main features of the evaluation process of the Board of Directors, of the Audit and Risk Committee, of the Nomination and Remuneration Committee and of the individual members of the Board of Directors.

Members of the Board of Directors
On 31 December 2020, the Board of Directors had the following nine members:

Kasper Deforche (39), Medialaan 30/6 in 1800 Vilvoorde, member of the Board of Directors since 1 April 2015.
In addition to holding a Master's degree in Applied Economics from KU Leuven, he also holds certificates from the Antwerp Management School, Solvay Brussels School and Harvard Business School. He has over 10 years of experience in retail real estate, having previously worked for AG Real Estate and Vastned Retail Belgium. He is also RICS accredited, holds a BIV number and is a Certified Director at Guberna. He qualifies as (Managing) Director and Effective Leader.

Nationality: Belgian

(attendance rate during the 2020 term: 8/9)

Current mandates:
- Director Wereldhave Belgium Services NV (until 31/12/2020);
- Director Wereldhave Management Belgium NV (until 31/12/2020);
- Director Waterloo Shopping BV (until 31/12/2020);
- Director Multilist NV;
- Director Pandecadadia NV;
- Director Repsak BV;
- Director Quadrimm BV;
- Director Belgian Luxembourg Council of Retail and Shopping Centers (BLSC) (until 31/12/2020);
- Director of the Professional Association of the Real Estate Sector (BVS/UPSI) (until 31/12/2020);
- Director of De Kringwinkel Antwerpen VZW.

Past mandates over the last 5 years:
- Managing Director WereldBel (Former Statutory Management Company until liquidation on 21 October 2020);
- Director Wereldhave Belgium Property Management (until liquidation on 21 October 2020).

At the Extraordinary General Meeting of Shareholders on 6 March 2020, Mr. Deforche was appointed as (Managing) Director of the Board of Directors for a period of three years until 12 April 2023, i.e. until the approval of the annual accounts closed on 31 December 2022 by the ordinary General Meeting of Shareholders.

By press release of 25 November 2020, the Board of Directors communicated that Mr. Kasper Deforche would step down as CEO and member of the Board of Directors on 31 December 2020. By press release of 17 December 2020 the Board of Directors announced that Mr. Nicolas Beaussillon would be appointed as CEO with effect as of 1 January 2021 subject to approval by the FSMA[1].

Dirk Goeminne (66), Oudeheerweg-heide 77, 9250 Waasmunster, has international experience in various retail groups and can therefore make an important contribution to strategic decision-making. He qualifies as an independent member of the Board of Directors and also Chairman of the Board of Directors. Mr. Goeminne has also taken on the responsibility of chairing the Nomination and Remuneration Committee.

Nationality: Belgian

(attendance rate during the 2020 term: 9/9)

Mr. Goeminne graduated from the UFSIA Antwerp as Master of Science in 1976 and as Commercial Engineer in 1977 and started his career in 1977 as an auditor at Price Waterhouse & Co.

1 This appointment was approved by the FSMA on 12 February 2021.

Mr. Goeminne has been active in the textile and clothing industry since 1979 and has successively held management positions at ITC/IDECO, Femilux NV, WE Belgium - WE France - WE Luxembourg, WE Europe BV. From 1997, he successively served as Operational Director and Chairman of the Group Management Board of Hema BV. From 2003 to 2007, he was Chairman of the Group Management of V&D and a member of the Board of Directors of Maxeda.

Current mandates:
- Independent director of Van de Velde NV (Listed);
- Chairman of the Board of Auditors of Stern Groep NV (Netherlands) (Listed);
- Chairman of Ter Beke NV (Listed on the stock exchange);
- Chairman of the Board of Directors of JBC NV;
- Member of the Board of Auditors of Wielco BV (Netherlands).

Past mandates over the last 5 years:
- Chairman of the Board of Auditors of Beter Bed Holding NV (Netherlands) (Listed).

At the Extraordinary General Meeting of Shareholders on 6 March 2020, Mr. Goeminne was appointed as an independent member of the Board of Directors for a period of three years running until 12 April 2023, i.e. until the approval of the financial statements closed on 31 December 2022 by the Ordinary General Meeting of Shareholders.

Ann Claes, Bruinstraat 50, 3520 Zonhoven, has extensive experience in retail as a shareholder and CEO of Claes Retail Group and can therefore make a significant contribution to strategic decision-making. She qualifies as an independent member of the Board of Directors and member of the Audit and Risk Committee.

Nationality: Belgian

(attendance rate during the 2020 term: 8/9)

Mrs. Claes obtained her Bachelor's degree in Economics at Diepenbeek and completed the Advanced Management Program at Vlerick Business School in Ghent.

From 1984, she held various positions within JBC and Claes Retail Group. The group grew into a group with more than 180 shops. The successful takeover of the Mayerline clothing chain and the expansion of JBC in Germany are the most recent achievements of Claes Retail Group, which is headed by Mrs. Claes and her brother, Mr. Bart Claes.

Current mandates:
- Managing director of CRG NV;
- Managing director at JBC nv;
- Managing director at Mayerline nv;
- Managing director of GF Company nv;
- Managing director of Immo Iris nv;
- Managing director of Girl Immo nv;
- Managing director at I Am Holding nv;
- Director of ACE Fashion sa;
- Director VOKA Limburg.

Past mandates over the last 5 years:
- Member of the Board of Directors of the Fashion Museum Hasselt

She was appointed as an independent member of the Board of Directors for a period of one year ending on 14 April 2021, i.e. until the approval of the annual accounts closed on 31 December 2020 by the Ordinary General Meeting of Shareholders.

Brigitte Boone, who lives in Haasrode, has financial experience in various companies. Mrs. Boone is an independent member of the Board of Directors, Chairwoman of the Audit and Risk Committee and member of the Nomination and Remuneration Committee.

Nationality: Belgian

(attendance rate during the 2020 term: 9/9)

Mrs. 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).

Mrs. Boone has extensive board and financial experience and relevant experience in running audit committees in both listed and non-listed companies, but also has in-depth legal, tax and financial knowledge given her former positions at Generale Bank and the later Fortis Bank as legal advisor, head of the tax department, CEO Fortis private equity, CEO commercial and investment banking and executive director of Fortis Bank. She has also acquired experience in the retail sector through former mandates in e.g. Fun, AS Adventure and Brantano.

Current mandates:
- Director and member of the audit committee of NN Insurance Belgium;
- Director and member of the asset allocation committee and risk committee of Amonis OFP;
- Director and member of the audit committee of GIMV;
- Director and member of the audit committee of IMEC VZW;
- Director of FIDIMEC NV;
- Director and chairman of the audit committee of ENABEL NV;
- Director of Delhaize Management BVBA;
- Director and Chairman of the audit Committee of Puilaetco Dewaay Private Bankers;
- Director of SD Worx Group;
- Commissioner of VP Exploitatie;
- Manager 2B projects.

Past mandates over the last 5 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;
- Director of Delhaize Management BVBA;
- Director and member of the remuneration committee of "De Werkvennootschap".

Mrs. Boone was appointed as an independent member of the Board of Directors for a period of two years running up to 13 April 2022, i.e. until the approval of the annual accounts closed on 31 December 2021 by the Ordinary General Meeting of Shareholders.

Matthijs Storm (42), WTC Schiphol Toren A, Schiphol Boulevard 233, 1118 BH Schiphol, is an experienced property manager with international experience. Prior to his appointment as CEO of Wereldhave NV on 1 August 2019, he worked from 2011 at Kempen & Co, where he was responsible for an internationally diversified property portfolio of approximately € 4 billion. He also started his career at Kempen, working there from 2003 to 2006 as a 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. Storm qualifies as executive (Managing) Director and Effective Leader for a period of 3 years running up to 12 April 2023 following the approval of the annual accounts closed on 31 December 2022 by the Ordinary General Meeting of Shareholders. Mr. Storm is also the CEO of Wereldhave NV, reference shareholder of the Company.

Nationality: Dutch

(attendance rate during the 2020 term: 8/9)

Current mandates:
- CEO of Wereldhave NV (listed);
- CEO of Wereldhave International NV.

Dennis De Vreede (51), WTC Schiphol Toren A, Schiphol Boulevard 233, 1118 BH Schiphol, is an experienced financial executive with international experience. Dennis was appointed CFO of Wereldhave NV in April 2018. From 2013 to 2017 he was CFO at Deepocean, an internationally operating off-shore service company. Before that, he worked for two years at Prologis as Senior Vice President Finance Europe and from 2007 to 2011 at Redevco as CFO. He started his career in 1993 as an auditor at KPMG International. From 1999 to 2007, he worked in various financial positions in the telecom sector.

Mr. Dennis De Vreede qualifies as non-executive member of the Board of Directors and member of the Nomination and Remuneration Committee for a period of 3 years, until 12 April 2023 following the approval of the annual accounts closed on 31 December 2022 by the Ordinary General Meeting of Shareholders. He is also CFO of Wereldhave NV, reference shareholder of the Company.

Nationality: Dutch

(attendance rate during the 2020 term: 8/9)

Current mandates:
- CFO of Wereldhave NV (listed);
- CFO of Wereldhave Internatioal NV.

Doris Slegtenhorst (38), WTC Schiphol Toren A, Schiphol Boulevard 233, 1118 BH Schiphol, has over 11 years of experience in commercial real estate at home and abroad.

Nationality: Dutch

(attendance rate during the 2020 term: 3/3)

Mrs. Slegtenhorst received her Bachelor's degree in "International Business" from Maastricht University and obtained a Master's degree in "Strategic Management" from Erasmus University in Rotterdam.

Doris started her professional career as a European Graduate Analyst at Unibail-Rodamco in September 2009. In a period of over five years, she held various operational positions within the group. In May 2014, she continued her career within Wereldhave Netherlands as Senior Leasing Manager. In addition, Mrs. Slegtenhorst obtained a Master in Real Estate from the Amsterdam School of Real Estate in 2019. In 2020, she successfully completed the Leadership Development Program.

In February 2017 Mrs. Slegtenhorst was appointed as Business Unit Manager within Wereldhave Netherlands, where she is responsible for a number of shopping centres within the portfolio of Wereldhave Netherlands.

Current mandates: none.

Past mandates over the last 5 years: nil.

Mrs. Slegtenhorst has been a director of the Company since 2 September 2020 and she was appointed as a member of the Board of Directors for a period of four years ending on 10 April 2024, i.e. until the approval of the financial statements closed on 31 December 2023 by the Ordinary General Meeting of Shareholders.

Remco Langewouters (41), WTC Schiphol Toren A, Schiphol Boulevard 233, 1118 BH Schiphol, is an experienced financial professional with international experience in financial reporting, risk management and internal control. He is also Group Controller within Wereldhave Management Holding B.V., a 100% subsidiary of the reference shareholderof the Company.

Nationality: Dutch

(attendance rate during the 2020 term 2/3)

Mr. Langewouters has been a registeraccountant since 2010. After obtaining his Master's degree Economics and Business from Tilburg University in 2005, Mr. Langewouters started working as an auditor at PwC Netherlands and later at the United States.

In the nearly ten years at PwC Mr. Langewouters has worked for listed and private equity companies with a focus on the international real estate sector. From 2014 to 2016 he worked as Senior Finance Manager for Angelo, Gordon Netherlands B.V., a 100% subsidiary of US-based investment manager Angelo, Gordon & Co., L.P.

In the following two years, he worked as Finance Manager for Ventolines B.V., an asset manager with a focus on sustainable energy projects.

Current mandates: none.

Past mandates over the last 5 years: nil.

Mr. Langewouters has been a director of the Company since 2 September 2020. He was appointed as a member of the Board of Directors for a period of four years ending on 10 April 2024, i.e. until the approval of the annual accounts closed on 31 December 2023 by the Ordinary General Meeting of Shareholders.

Edmund Wellenstein (38), WTC Schiphol Toren A, Schiphol Boulevard 233, 1118 BH Schiphol, has over 11 years of experience in various financial and commercial roles in the real estate, pharmaceutical and energy sectors.

Nationality: Dutch

(attendance rate during the 2020 term 2/3)

After earning a Master's degree in International Relations (cum laude) from the University of Groningen in the Netherlands Mr. Wellenstein worked in various roles at EBN, the investment company for gas production and renewable energy of the Dutch State, between 2009 and 2015. He then worked as Finance Manager Immunology at AbbVie Nederland, a division of the US listed manufacturer of biopharmaceutical drugs.

Mr. Wellenstein has been working for Wereldhave since 2017, first as Business Controller within the Dutch organisation and, since 2020, as Group Business Controller for Wereldhave Management Holding B.V.

Since 2015, Mr. Wellenstein has been certified as "Certified Management Accountant (CMA)" by the American Institute of Management Accountants (IMA), and since 2019 as "Chartered Alternative Investment Analyst(CAIA)" by the American Chartered Alternative Investments Analyst Association (CAIAA).

Current mandates: none.

Past mandates over the last 5 years: nil.

Mr. Wellenstein has been a director of Wereldhave Belgium NV since 2 September 2020. He was appointed as member of the Board of Directors for a period of four years ending on 10 April 2024, i.e. until the approval of the annual accounts closed on 31 December 2023 by the Ordinary General Meeting of Shareholdersof 10 April 2024.

Statements on Directors and Effective Leaders

The Board of Directors, on the basis of the information at its disposal, declares that:

- neither members of the Board of Directors nor Effective Leaders at least for the past five years:
  - have been convicted of fraud offences;
  - have been the subject of official and publicly expressed accusations and/or imposed sanctions by a statutory or regulatory authority (including recognised professional organisations), or have ever been declared incompetent by a court of law to act as a member of the management body of a company or to act in the management or exercise of the activities of a company;
  - have held an executive function as a member of the administrative, management or supervisory bodies of a company at the time of its bankruptcy, receivership or liquidation.
- there are currently no employment contracts or service agreements with the members of the Board of Directors that provide for well-defined benefits upon termination of employment;
- the employment contracts or service agreements entered into between the Company and the Effective Leaders do not provide for any special payments on termination of employment, except with regard to the payments provided for on termination of employment which are specified in the section entitled "Company Executive Management Remuneration - Effective Leaders" in chapter 11 "Remuneration Report" of this Annual Financial Report.

Chairmanship

The Board of Directors shall appoint one of its independent members as Chairman, based on his knowledge, expertise, experience and ability to mediate.

The CEO may not be the Chairman of the Board of Directors.

If the Board of Directors is considering appointing a former CEO as Chairman of the Board of Directors, the positive and negative implications of such a decision must be carefully weighed and the CG Statement must state why such an appointment will not impede the required autonomy of the Chairman.

The Board of Directors also appoints a vice-chairman who will replace the Chairman as Chairman of the Board of Directors or of the General Meeting of Shareholders in case of impediment.

The role of the Chairman is to lead the Board of Directors independently, to facilitate the functioning of the Board and to promote the quality of the management of the Company.

The Chairman promotes a climate of trust in which there is room for open discussion and constructive criticism. The Chairman ensures that there is sufficient time for reflection and discussion before a decision is taken. Once the decision has been taken, all members of the Board of Directors are expected to support its implementation.

The Chairman's specific tasks are as follows:

- communication with the Effective Leaders and developing a close relationship with the CEO;
- setting the agenda for the meetings of the Board of Directors, in consultation with the CEO and the Secretary;
- ensure, together with the CEO, that procedures relating to the preparation, deliberation, adoption of resolutions and implementation of decisions are properly followed;
- leading the General Meeting of Shareholders and maintaining effective communication with the Shareholders;
- conducting consultations with any advisers engaged by the Board of Directors;
- discussing with the members of the Board of Directors the outcome of the annual evaluation of the functioning of the Board of Directors;
- the Chairman shall also take the initiative in matters such as selection, (re)appointment and assessment of members of the Board of Directors, remuneration issues, contacts/ communications with external advisers, all this in preparation for the discussion of these matters in the plenary meeting of the Board of Directors; and
- the Chairman ensures in particular that the best practices of Corporate Governance are applied to the relations between the Shareholders, the Board of Directors and the Effective Leaders.

Furthermore, the Chairman shall ensure that:

- new members of the Board of Directors follow an induction and education or training programme;
- the members of the Board of Directors receive in good time all information necessary for the proper performance of their duties;
- there is sufficient time for deliberation and decision-making by the Board of Directors; and that
- a procedure shall be developed for the selection of a vice-chairman to lead Board meetings in the absence of the Chairman and to lead Board discussions and decision-making in cases where the Chairman has a conflict of interest.

In addition, the Chairman shall perform the duties assigned to him by law, the Company's articles of association and the Board of Directors.

Powers of the Board of Directors

The Board of Directors has the most extensive powers to perform all actions that are necessary or useful for the realisation of the Company's object with the exception of those reserved for the General Meeting by law or by the Articles of Association.

The Board of Directors should strive for sustainable value creation by the Company, taking into account both the legitimate interests of Shareholders and other stakeholders, through (i) setting the Company's strategy, (ii) establishing effective, responsible and ethical leadership and (iii) monitoring the Company's performance, as further set out below.

i. Strategy

- the Board of Directors oversees the Company's values and strategy, its readiness to take risks and its main policies and is responsible, among other things, for:
- taking strategic decisions including investments and divestments, leasing strategy, the general operation of the Company and making pronouncements on any initiative submitted to the Board by the Effective Leaders;
- providing the necessary financial and human resources so that the Company can achieve its objectives; and
- in achieving its objectives, take into account social and ethical responsibility and diversity in general, as well as the Company's own corporate culture; and
- determining the Company's willingness to take risks in order to achieve the Company's strategic objectives.

ii. LeadershipThe Board of Directors is responsible for:

- appointing and dismissing the CEO and the Effective Leaders, as well as evaluating their performance in terms of achieving the Company's strategy against agreed performance measures and targets;
- determining the powers entrusted to the Effective Leaders. These are included in the Board of Directors' and the Effective Leaders' internal regulations;
- adopt the Company's remuneration policy, after advice from the Company's Nomination and Remuneration Committee (see Annex 6 of the Corporate Governance Charter), and taking into account the Company's general remuneration framework;
- taking measures for a smooth and efficient dialogue with the current and potential Shareholders and with the clients of the Company (i.e. the users of its properties), based on mutual understanding of the objectives and interests and in the interest of the Company;
- providing a succession plan for the CEO, the Effective Leaders and the members of the Board of Directors;
- evaluate the achievement of the Company's strategic objectives against agreed benchmarks and targets; and
- making proposals to the General Meeting of Shareholders for the appointment or reappointment of the members of the Board of Directors.

iii. SupervisionThe Board of Directors:
- Assesses the effectiveness of the Audit and Risk Committee;
- Assesses the effectiveness of the Nomination and Remuneration Committee;
- takes the necessary measures to ensure the integrity of the Company also taking into account the assessment of the Compliance Officer;
- takes the necessary measures for the timely publication and communication of the annual accounts and of the other financial and non-financial information to the Shareholders and potential Shareholders in accordance with the existing legislation and regulations. The Board of Directors shall ensure that the Annual Financial Report contains sufficient information on issues of social importance as well as relevant environmental and social indicators;
- approves the framework of internal control and risk management established by the Effective Leaders and assesses its implementation, taking into account the assessment of the Audit and Risk Committee and of the person in charge of the Independent Internal Auditing function and the Risk Officer;
- monitors the performance of the Statutory Auditor and the Independent Internal Audit function, taking into account the assessment of the Audit and Risk Committee;
- describes the main features of the Company's internal control and risk management systems and their disclosure;
- ensures that there is a process for assessing the Company's compliance with applicable laws and other regulations, as well as the application of internal guidelines in this regard;
- approves a code of conduct for the Board of Directors and the Effective Leaders as well as for employees in terms of responsible and ethical behaviour and reviews it at least once a year; and
- monitors the performance of the external audit and the functioning of the internal audit.

Connection to the applicable rules
By accepting his mandate, the member of the Board of Directors complies with all the rules applicable to the Company, and in particular, the legislation on RRECs, the Articles of Association of the Company, the Corporate Governance Charter, as well as the internal regulations of the Board of Directors.

Right to information
Each member of the Board of Directors has the right to receive all information and documents necessary for the proper performance of his or her duties, subject to the information and documents related to corporate opportunities set out in the Corporate Governance Charter and in the cases specified therein.

Operation

General
The Articles of Association stipulate that the management of the Company must be organised in such a way that the effective management of the Company is entrusted to at least two natural persons who together form the executive management and who are also the Effective Leaders within the meaning of the RREC Act .

Frequency
The Board of Directors meets at least four times a year, and as often as necessary. The Company organises - if necessary and appropriate - meetings of the Board of Directors using video, telephone and internet-based means of communication.

The frequency and the schedule of the meetings are determined by the Board of Directors in close consultation with the Effective Leaders. The meeting schedule for the entire calendar year shall be determined by the end of the third quarter of the previous calendar year at the latest.

The Board of Directors discusses the strategy and risks associated with the company at least once a year.

Non-executive members of the Board of Directors meet at least once a year in the absence of the CEO and the other Effective Leaders.

The number of meetings of the Board of Directors (and of its Committees), as well as the individual attendance rate of the members of the Board of Directors, is disclosed in the CG Statement.

Convening and agenda
The Board of Directors meets upon convocation by its Chairman or by two members of the Board of Directors. The convocation must be made at least 24 hours before the meeting.

The notices shall be validly given by letter or by any other means of telecommunication having a physical medium. They shall contain the agenda.

The agenda lists the topics that will be discussed at the meeting.

The Chairman shall ensure that the members of the Board of Directors receive appropriate and correct information in good time before meetings so that the Board of Directors can deliberate with full knowledge of the facts.

The members of the Board of Directors, when preparing for the meeting of the Board of Directors, spend the necessary time examining the information and documents they receive and request additional information and documents whenever they deem it appropriate. They undertake to actively participate in the work of the Board of Directors.

Chairmanship and Secretariat
The Chairman shall chair each sitting.

In his absence, he shall be replaced by the vice-chairman and, in his absence, by the oldest member of the Board of Directors.

Proxies
Any member of the Board of Directors who is unable to attend can be represented by another member of the Board of Directors at a specific meeting. The proxy must be in writing or by any other means of telecommunication having a tangible medium.

A member of the Board of Directors may represent several colleagues and cast as many votes as he has received proxies for in addition to his own vote.

Decisions, quorum and majority
Except in case of force majeure, the Board of Directors can 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.

Any decision of the Board of Directors is taken by absolute majority of the present or represented members of the Board of Directors and, in case one or more of them abstains, by majority of the members of the Board of Directors. In the event of a division, the person chairing the meeting has the deciding vote.

All members of the Board of Directors shall have one vote; blank votes and abstentions shall be deemed not to have been cast when counting the number of votes. If after a second vote no majority is obtained on a decision to be taken, the proposal shall be deemed rejected.

The Board of Directors can take decisions in writing. The decisions must be taken by unanimous agreement of the members of the Board of Directors. The signatures of the members of the Board of Directors shall be applied either to a single document or to several copies thereof.

These decisions shall have the same validity as if they had been taken at a regularly convened meeting of the Board of Directors and shall bear the date of the last signature affixed by the members of the Board of Directors on the document referred to above.

Minutes
The deliberations and votes of the Board of Directors summarise the discussions, specify the decisions taken and indicate any reservations of certain members of the Board of Directors.

They shall be signed by the Chairman and by those members of the Board of Directors who so desire.

The original is destined for the archives of the Company.

The Chairman or an Effective Leader, each of them acting jointly with another member of the Board of Directors, are authorised to authenticate copies or extracts of the minutes.

Company Secretary
The Board of Directors is responsible for the appointment and dismissal of the Company Secretary (the “Secretary”). The Board of Directors shall ensure that the appointed person has the necessary skills and knowledge regarding management matters.

Mr. Cédric Biquet, in his capacity as Chief Financial Officer (“CFO”), is currently appointed as Secretary.

The position of the Secretary shall include:
- supporting the Board of Directors, its committees and the Effective Leaders in all governance matters;
- preparing the Charter and the CG Statement;
- ensuring a good information flow within the Board of Directors, its committees and among the Effective Leaders;
- accurately recording in the minutes the substance of the discussions and decisions taken in the meetings of the Board of Directors; and
- facilitating initial training and supporting professional development where necessary.

The Members of the Board of Directors and the Effective Leaders have individual access to the Secretary.

Transactions in securities of the Company
With regard to transactions in securities of the Company, the member of the Board of Directors is subject to the preventive rules on market abuse in Annex 7 to the Corporate Governance Charter.

Among other things, he/she must inform the Compliance Officer prior to each transaction.

Integrity and independence
For all Effective Leaders and members of the Board of Directors, and for the latter irrespective of whether they are independent or not, it is necessary that they are able to make decisions based on independent judgement. Acting with independence means developing a personal conviction and having the courage to act accordingly by evaluating and critically questioning the views of the members of the Board of Directors and the Effective Leaders, by questioning the Effective Leaders when appropriate in light of the issues and risks involved, and by being able to resist peer pressure.

The members of the Board of Directors and the Effective Leaders shall ensure that they receive detailed and accurate information, which they shall study thoroughly in order to gain and maintain a proper understanding of the main aspects of the business activity. The members of the Board of Directors ask the Effective Leaders for clarification whenever they deem it necessary.

Although they are part of the same collegial body, both executive and non-executive members of the Board of Directors have specific complementary roles in the Board of Directors.

- the Effective Leader(s) provide the Board of Directors with all relevant and financial information in order for the latter to effectively fulfil its role;
- the non-executive members of the Board of Directors critically and constructively question, help develop and approve or reject the strategy and key policies proposed by the Effective Leaders;
- the non-executive members of the Board of Directors carefully review the performance of the Effective Leaders against the agreed targets.

The members of the Board of Directors and Effective Leaders should handle the confidential information they have received in their capacity as members of the Board of Directors and Effective Leaders with care. Members of the Board of Directors and Effective Leaders may only use the information they have in their capacity as members of the Board of Directors or Effective Leaders within the scope of their mandate.

A member of the Board of Directors and/or an Effective Leader shall retire early in the event of inadequate performance, structural disagreement, incompatibility of interests or when it is otherwise imperative, such as in the event that it has become apparent on sufficient grounds that the integrity of the Board of Directors member and/or Effective Leader is at risk.

The Committees of the Board of Directors
In accordance with articles 7:99 and 7:100 of the CAC, the Board of Directors has established an Audit and Risk Committee and a Nomination and Remuneration Committee among its members and under its responsibility and has drawn up their internal regulations. The role, the composition and the operation of the Audit and Risk Committee and of the Nomination- and Remuneration Committee are respectively laid down in the internal regulations of the Audit and Risk Committee attached in Annex 3 to the Corporate Governance Charter and in the internal regulations of the Nomination- and Remuneration Committee attached in Annex 4 to the Corporate Governance Charter.

However, the Board of Directors has decided not to establish a strategic committee. Indeed, the Board of Directors believes that its limited size and composition allow for efficient deliberation on strategic issues.

The Audit and Risk Committee

Composition and remuneration
The Audit and Risk Committee consists of at least three non-executive members of the Board of Directors, with at least one member being an independent director.

The members of the Audit and Risk Committee must have relevant knowledge and experience in accordance with the provisions of the Corporate Governance Code 2020, particularly in the areas of accounting, auditing and financial matters, whereby at least one “independent” member of the Board of Directors must hold a higher education degree in an economic or financial field or have acquired the relevant experience in these areas.

The duration of the mandate of the members of the Audit and Risk Committee may not exceed the duration of their mandate as member of the Board of Directors. The end of the directorship of a member of the Audit and Risk Committee automatically entails the end of his/her directorship in the Audit and Risk Committee.

Insofar as a maximum of four meetings per year is held, the members of the Audit and Risk Committee shall not collect attendance fees, unless the Board of Directors decides otherwise.

Current composition of the Audit and Risk Committee:

Independent member of the Board of Directors and Chairman:

Brigitte Boone

Mrs. Brigitte Boone has international financial experience in various companies.

Attendance quorum: 4/4

Independent member of the Board of Directors:

Ann Claes

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

Attendance quorum: 4/4

Non-executive member (invited in 2020 and effective member from 2021):

Dennis de Vreede

Mr. de Vreede has international financial experience in various companies.

Attendance quorum: 4/4

Chairmanship
The chairman of the Audit and Risk Committee is appointed by the members of the Committee.

The chairman of the Audit and Risk Committee shall convene the meetings and determine the agenda, after consulting the CFO.

The chairman of the Audit and Risk Committee shall ensure that the members of the Audit and Risk Committee reach a consensus after critical and constructive discussion of the items on the agenda.

The chairman of the Audit and Risk Committee takes the necessary measures to create a climate of trust within the Audit and Risk Committee and ensures its effective operation. Among other things, he shall ensure that each new member of the Audit and Risk Committee is inducted smoothly, with the necessary personal contacts and the communication of useful information concerning the operation of the Audit and Risk Committee in order to guarantee fast and efficient cooperation.

The chairman of the Audit and Risk Committee is also the privileged interlocutor of the Board of Directors for any matter for which the Audit and Risk Committee is competent.

The Secretary
The Secretary is also the secretary of the Audit and Risk Committee.

The Secretary shall prepare a report on the conclusions and recommendations of the meeting of the Audit and Risk Committee.

The report shall be kept at the disposal of the members of the Board of Directors.

Responsibilities
The Audit and Risk Committee assists the Board of Directors and the Effective Leaders in ensuring the accuracy and sincerity of the Company's annual and consolidated accounts, as well as the quality of internal and external controls and information provided to Shareholders and to the market. For this purpose, the Audit and Risk Committee provides all advice and recommendations necessary to the Board of Directors and the Effective Leaders.

Special assignments of the Audit and Risk Committee:

1. In the context of financial reporting and monitoring of the process for its preparation:
- supervise the accounting integrity of the financial information provided by the Company; the draft statutory financial statements, the consolidated financial statements, the quarterly reports as well as the draft key financial statements for publication;
- examining any change in application of the accounting principles, analysing and endorsing the valuation rules and reporting;
- Ask the CFO about the methods used for accounting for significant and unusual transactions, when different accounting treatments are possible;
- discuss the most important financial reports with the CFO and the Statutory Auditor.

2. as part of monitoring the effectiveness of the Company's internal control and risk management systems:
- examine the internal control and risk management procedures applied by the Company and its Perimeter Companies to ensure that risks are properly identified, managed and brought to the attention of the Audit and Risk Committee;
- check the description of internal control and risk management procedures to be included in the management report;
- examine the report that the Effective Leaders have to submit to the Board of Directors, the FSMA and the Statutory Auditor regarding the evaluation of internal control procedures (which falls into three concrete pillars, i.e. internal audit, risk management and compliance and which are supervised by the person in charge of, respectively, the Independent Internal Auditing function, the risk management function (the Risk Officer) and the compliance function (the Compliance Officer), also referred to as the independent control functions), its explanation and risk management in the Annual Financial Report;
- examine the specific measures that are put in place to enable staff or other persons in contact with the Companyto raise concerns in confidence about possible irregularities in financial reporting or other matters; and

- approve the operating rules of internal audit and their possible amendments; ensure the monitoring of the efficiency of internal audit and carry out the assignment assigned to it in accordance with the relevant operating rules.

3. in the context of monitoring the annual and half-yearly accounts:
- to ensure the follow-up of the questions and recommendations of the Statutory auditor;
- examine the draft statutory annual accounts and consolidated annual accounts and express their opinion before submitting it to the Board of Directors; and
- hear the CFO and the Statutory Auditor when necessary.

4. in the context of the follow-up of the external audit:
- advising the Board of Directors on the appointment, reappointment or dismissal of the Statutory Auditor and on the amount of fees to be determined for the performance of his duties;
- verify the independence of the Statutory Auditor;
- Approve in advance any assignment entrusted to the Statutory Auditor that falls outside their statutory remit. Review the nature and scope of non-audit services provided, and establish and apply a formal policy defining what types of non-audit services are excluded, allowed after review by the Audit and Risk Committee or automatically allowed, all with the “one-to-one” rule in mind;
- be informed of the Statutory Auditor’s work programme; and
- review the efficiency of the external audit procedure.

For the execution of its tasks, the Audit and Risk Committee discusses the most important issues with the CFO, the Statutory Auditor and any other person in the Company it deems necessary to hear.

After notification to the Chairman, the Audit and Risk Committee may request from legal, accounting or other advisors any advice or assistance it deems necessary for the performance of its functions.

However, the Board of Directors alone has the decision-making power.

The performance by the Audit and Risk Committee of its duties shall in no way relieve the Board of Directors and its members of their own duties and responsibilities.

Operation

Meetings

The Audit and Risk Committee shall meet as often as necessary for its proper operation and in any event at least four times a year, at the request of the chairman of the Audit and Risk Committee, any of its members, the Chairman, an Effective Leader and the CFO. If necessary or upon request of one of its members or the Statutory Auditor, the chairman of the Audit and Risk Committee may call special meetings. Members are expected to attend all meetings of the Committee. If necessary, the Company organises committee meetings using video, telephone and internet-based communication tools.

The Effective Leaders may be invited to attend meetings of the Audit and Risk Committee and to provide relevant information and insights related to their area of responsibility.

The Audit and Risk Committee has the possibility to speak with any relevant person without the Effective Leaders being present. The chairman of the Audit and Risk Committee may, if appropriate, request the Statutory Auditor to be present at a meeting of the Audit and Risk Committee.

The Audit and Risk Committee meets at least twice a year with the Statutory Auditor and the Company’s internal auditor to discuss with them matters relating to its internal regulations and any issues arising from the audit process and, in particular, the significant weaknesses of the internal control.

The Audit and Risk Committee meets at least once a year with the Statutory Auditor to exchange views on any matter within its remit and any issue raised by the audit process.

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

The Audit and Risk Committee may also be assisted or advised in the performance of its duties by one or more experts appointed by it, at a fee to be paid by the Company.

Although the Audit and Risk Committee is entrusted with the duties and powers set out in these regulations, it is not the duty of the Auditand Risk Committee to plan or conduct audits, or to determine whether the Company’s financial reporting and publications are complete and in accordance with applicable laws and regulations.

The Audit and Risk Committee may only exercise the powers expressly granted by the Board of Directors and may not exercise powers extending beyond the powers of the Board of Directors.

The Effective Managers shall annually report to the Board of Directors on the developments in the relationship with the Statutory Auditor, including in particular his independence (including the desirability of rotation of responsible partners within the office of the Statutory Auditor charged with the audit and of the performance of non-audit work for the Company by the same office).

The Audit and Risk Committee advises the Board of Directors on the report. Partly based on this, the Board of Directors determines its nomination for the appointment of a Statutory Auditor at the General Meeting of Shareholders.

Agenda - documents

The chairman of the Audit and Risk Committee shall determine the agenda for the meetings of the Audit and Risk Committee after consulting the CFO of the Company, and shall report to the Board of Directors. Except in urgent circumstances, meetings of the Audit and Risk Committee shall be convened at least five business days in advance. The meeting of the Audit and Risk Committee shall be planned in advance as far as possible and shall be part of the planning for the preparation of the annual accounts.

Each member of the Audit and Risk Committee shall have access to the books, records and offices of the Company and the power to conduct interviews with officers and employees as may be necessary or useful for the proper performance of his duties.

A member of the Audit and Risk Committee shall exercise this right in consultation with the chairman of the Audit and Risk Committee and the Secretary.

Decisions, quorum and majority

In order to validly deliberate, at least two members of the Audit and Risk Committee must be present. A member of the Audit and Risk Committee may not be represented. Advice and recommendations are taken by majority vote. The chairman of the Audit and Risk Committee does not have a casting vote.

Minutes

The Secretary is in charge of the secretariat of the Audit and Risk Committee and of taking the minutes of the meetings.

The minutes summarise the discussions, specify the opinions and recommendations, and, if applicable, the reservations expressed by the members of the Audit and Risk Committee. They are submitted in draft form to all members of the Audit and Risk Committee and are then formally approved and signed at a subsequent Audit and Risk Committee meeting.

The original shall be kept by the Company. The minutes shall be kept at the disposal of the Statutory Auditor.

All members of the Board of Directors receive a copy of the minutes of the Audit and Risk Committee.

Reports

After each meeting of the Audit and Risk Committee, the chairman of the Audit and Risk Committee (or in his absence, another member of the Audit and Risk Committee designated for this purpose) reports at the next meeting of the Board of Directors on the execution of his tasks and in particular after the meetings devoted to the preparation of the Annual Accounts intended for publication.

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

Evaluation

At least every three years, the Audit and Risk Committee evaluates its own efficiency, its functioning and its interaction with the Board of Directors, re-examines its internal regulations and then recommends any necessary changes to the Board of Directors.

The Nomination and Remuneration Committee

Composition and remuneration

The Company has decided to combine the Nomination and Remuneration Committee pursuant to provision 4.20 of the Corporate Governance Code 2020.

The Nomination and Remuneration Committee consists of three non-executive members of the Board of Directors, appointed by the Board of Directors on the proposal of the Nomination and Remuneration Committee, whereby the Nomination and Remuneration Committee is composed of a majority of independent directors within the meaning of article 7:87 of the CAC and provision 3.5 of the Corporate Governance Code 2020.

The members of the Nomination and Remuneration Committee must have the necessary expertise and knowledge regarding the remuneration policy of listed companies.

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

The term of the mandate of the members of the Nomination and Remuneration Committee may not exceed the term of their mandate as member of the Board of Directors. The mandate of the members of the Nomination and Remuneration Committee may be renewed at the same time as their mandate as a member of the Board of Directors.

Insofar as a maximum of four meetings per year is held, the members of the Nomination and Remuneration Committee shall not collect attendance fees, unless otherwise decided by the Board of Directors.

Current composition of the Nomination and Remuneration Committee:

Independent member of the Board of Directors and Chairman of the Nomination and Remuneration Committee:

Mr. **Dirk Goeminne** (since the formation of the Remuneration Committee on 24 April 2019)

Mr. Goeminne has international experience in various companies.

Attendance quorum: 2/2

Independent member of the Board of Directors

Mrs. **Brigitte Boone** (since the creation of the Remuneration Committee on 24 April 2019)

Mrs. Boone has international financial experience in various companies.

Attendance quorum: 2/2

Non-executive member of the Board of Directors
Mr. **Dennis De Vreede** (since the beginning of his term of office on 01 August 2019)

Mr. De Vreede has international financial experience in various companies.

Attendance quorum: 2/2

Chairmanship
The chairman of the Nomination and Remuneration Committee calls the meetings of the Nomination and Remuneration Committee and sets their agenda.

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

The chairman of the Nomination and Remuneration Committee takes the necessary measures to create a climate of trust within the Nomination and Remuneration Committee and ensures its efficient operation. Among other things, he shall ensure that each new member of the Nomination and Remunerations Committee is inducted smoothly, with the necessary personal contacts and the communication of useful information concerning the operation of the Nomination and Remunerations Committee to guarantee fast and efficient cooperation.

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

Responsibilities
The Nomination and Remuneration Committee makes recommendations on the nomination and remuneration of the members of the Board of Directors and the Effective Leaders, including the Chairman and the CEO.

More specifically, the Nomination and Remuneration Committee makes proposals to the Board of Directors concerning the remuneration policy for members of the Board of Directors and the Effective Leaders.

The Nomination and Remuneration Committee draws up plans for the orderly succession of the members of the Board of Directors and the Effective Leaders.

The Nomination and Remuneration Committee leads the (re) appointment process of the members of the Board of Directors and the Effective Leaders.

The Nomination and Remuneration Committee also ensures that there are appropriate programmes for talent development and for promoting diversity in leadership.

The powers of the Nomination and Remuneration Committee are, in particular:

1. In the context of appointments and evaluations:
- study selection criteria and procedures for the appointment of the members of the Board of Directors and the Effective Leaders;
- analysing the candidacies for the open mandates of member of the Board of Directors and of the Effective Leaders in accordance with the Articles of Association;
- analyse the candidacies for the Board of Directors and Effective Leaders;
- propose the appointment of the CEO;
- regularly evaluate the size and composition of the Board of Directors and, if necessary, make recommendations for changing its size and composition; and
- the questions relating to the temporary or permanent replacement of a member of the Board of Directors and an Effective Leader.

2. Within the framework of the remuneration principles:
- make proposals to the Board of Directors on the remuneration policy for the members of the Board of Directors and the Effective Leaders;
- make proposals to the Board of Directors on the individual remuneration of the members of the Board of Directors and the Effective Leaders, including variable remuneration and long-term performance bonuses, whether or not linked to shares, in the form of share options or other financial instruments, and severance payments, and where applicable, the resulting proposals to be submitted by the Board of Directors to the General Meeting;
- prepare the remuneration report; and
- explain the remuneration report.

Education and training

The Nomination and Remuneration Committee is developing a procedure for the formation of the new members of the Board of Directors and the Effective Leaders.

In this way, they should be able to quickly get to know 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 handing over of documents (Articles of Association, Corporate Governance Charter, internal regulations, latest half-yearly and Annual Financial Report, recent brochures); and
- the set-up, at the beginning of the mandate, of “one to one” meetings with the Chairman, with other members of the Board of Directors, with the Effective Leaders, covering, inter alia, the governance, strategy, risks and challenges of the Company and its financial situation.

Operation

Meetings

The Nomination and Remuneration Committee meets as often as is necessary for its proper functioning and in any case at least once a year:

- prior to the approval of the agenda of each General Meeting of Shareholders, with on the agenda shall include proposals for resolutions concerning mandates of the members of the Board of Directors;
- prior to the approval of the agenda of each Board meeting, with on the agenda proposals for resolutions concerning mandates of the Effective Leaders or the review/amendment of the Company’s remuneration policy; and
- for the preparation of the annual remuneration report.

The Nomination and Remuneration Committee shall meet as often as necessary upon the request of the chairman of the Nomination and Remuneration Committee, any of its members, the Chairman or an Effective Leader. When necessary, the Company organises committee meetings using video, telephone and internet-based communication tools.

The Nomination and Remuneration Committee has the opportunity to speak to any relevant person without the Effective Leaders being present.

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

The Nomination and Remuneration Committee may also be assisted or advised in the performance of its duties by one or more experts appointed by it, at a fee to be paid by the Company.

No one decides/advises on his own remuneration. To this end, the member of the Board of Directors or the Effective Leader concerned, if any, shall leave the meeting of the Nomination- and Remuneration Committee when his/her own individual remuneration is being discussed. This procedure shall not be applied when the Nomination and Remuneration Committee discusses the general remuneration policy and the policy regarding categories of members of the Board of Directors or the Effective Leaders.

Agenda

The chairman of the Nomination and Remuneration Committee shall set the agenda for the Nomination and Remuneration Committee meetings and report to the Board of Directors. Except in urgent circumstances, meetings of the Nomination and Remuneration Committee shall be convened at least five working days in advance.

Decisions, quorum and majority

The majority of the members of the Nomination and Remuneration Committee must be present in order to validly deliberate. A member of the Nomination and Remuneration Committee may not be represented. Advice and recommendations are made by majority vote. The chairman of the Nomination and Remuneration Committee does not have a casting vote.

Minutes

The minutes shall summarise the discussions and specify the advice and recommendations, stating, where appropriate, the reservations of the members of the Nomination and Remuneration Committee.

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

The original is kept by the Company for its archives.

The chairman of the Nomination and Remuneration Committee is responsible for providing a copy of the minutes to the members of the Nomination and Remuneration Committee and to the Company.

The chairman of the Nomination and Remuneration Committee is responsible for providing a copy of the minutes to the members of Nomination and Remuneration Committee.

Reports

After each meeting of the Nomination and Remuneration Committee, the chairman of the Nomination and Remuneration Committee (or, in his absence, a member of the Nomination and Remuneration Committee designated for this purpose) shall report at the next meeting of the Board of Directors on the exercise of his duties and, in particular, shall inform the Board of Directors of the opinions and recommendations of the Nomination and Remuneration Committee so that the Board of Directors may deliberate thereon.

Evaluation

At least every three years, the Nomination and Remuneration Committee evaluates its own efficiency, its functioning and its interaction with the Board of Directors, reviews its terms of reference and then, if appropriate, recommends any necessary changes to the Board of Directors.

Effective Leaders / Executive Management

The Internal Regulations attached as Annex 5 to the Corporate Governance Charter of which it forms an integral part, describe the role, composition and working rules.

Pursuant to Article 14, § 3 of the RREC Act, the effective management of the Company is entrusted to at least two persons, who bear the title of "Effective Leader" or member of the Executive Management.

The Effective Leaders on the closing date of the financial year ending on 31 December 2020 were:

- Mr. Kasper Deforche, member of the Board of Directors[1],
- Mr. Matthijs Storm, member of the Board of Directors,
- Mr. Cédric Biquet, Managing Director and CFO.

Role

The role of the Effective Leaders is primarily:

- to be entrusted with the operational management of the Company;
- to propose the Company's strategy to the Board of Directors;
- the preparation of all decisions to be taken by the Board of Directors in order to fulfil its obligations;
- implement the decisions of the Board of Directors concerning the acquisition or transfer, in any form, of real estate or shares of real estate companies;
- decide on the acquisition or transfer, in any form, of real estate or shares of real estate companies with a value, in accordance with the general strategy determined by the Board of Directors;
- rent out real estate, and more generally, conclude agreements in connection with it, in accordance with the general strategy approved by the Board of Directors on the proposal of the Effective Leaders;
- ensure the day-to-day management of the Company and report on this to the Board of Directors;
- the monitoring of the cash situation of the Company; the presentation to the Board of Directors of an up-to-date, accurate and comprehensible view of the operational and financial developments of the Company and its participations;
- organising internal controls (systems for identifying, evaluating, managing and monitoring financial, property and other risks, including the internal control and risk management systems relating to the financial reporting process, including the Annual Financial Report and the consolidated financial statements), without prejudice to the supervisory role of the Board of Directors, based on the framework approved by the Board of Directors;
- overseeing the preparation of the financial statements in accordance with the Company's applicable accounting standards, auditing standards and auditing guidelines;
- the mandatory publication by the Company of the annual accounts;
- present to the Board of Directors an objective and comprehensible evaluation of the financial situation, of the budget as well as of the "business plan", and of its follow-up;
- hiring and firing of staff and determining the remuneration of staff members;

- having the overall responsibility and accountability for the internal control procedures which falls into three concrete pillars namely Internal Audit, Risk Management and Compliance and which are supervised by the person in charge of, respectively, the Independent Internal Auditor function, the Risk Officer and the Compliance Officer (also referred to as the independent control functions); and
- accountable to the Board of Directors for the performance of its duties.

Missions

The Effective Leaders participate internally in the execution of the Company's activities and in the definition of its policies. In that context, they have the following main tasks:

- generally implement the decisions of the Board of Directors;
- analyse the general policy and strategy of the Company and, if necessary, make proposals in this respect to the Board of Directors, actually implement the general strategy and policy of the Company, as approved by the Board of Directors;
- identify investment, divestment and financing opportunities or needs, and make proposals to the Board of Directors in this regard as appropriate;
- direct and lead the executive management of the Company, in accordance with the decisions of the Board of Directors;
- supervise the comprehensive, focused, reliable and accurate preparation of the financial statements, in accordance with the accounting standards and valuation rules of the Company, submit the financial statements to the Board of Directors;
- objectively and understandably evaluate the financial situation, budget and business plan of the Company, submit this evaluation to the Board of Directors;
- implement internal controls (systems for the identification, assessment, management and monitoring of financial and other risks), without prejudice to the successive role of the Board of Directors and the role of the independent control functions , i.e. the person in charge of, respectively, the Independent Internal Audit function, the Risk Officer and the Compliance Officer;

1 Replaced by Mr. Nicolas Beaussillon as of 1 January 2021.

- report to the Board of Directors, to the FSMA and to the Statutory Auditor on the evaluation of the internal control procedures which fall into three concrete pillars, i.e. internal audit, risk management and compliance, and these pillars are supervised by the person in charge of, respectively, the independent internal audit function, the risk management function (the Risk Officer) and the compliance function (the Compliance Officer), also referred to as the independent control functions; and
- prepare the disclosure of the financial statements and other financial and non-financial information.

The Effective Leaders carry out their assignments without prejudice to the powers of the Board of Directors.

The Effective Leaders acting together are authorised to represent the Company and as regards the daily management the Effective Leaders acting alone are authorised to represent the Company.

Operation
The Effective Leaders meet at least twice a month, and as often as necessary.

The Effective Leaders take the necessary measures to create a climate of trust and close cooperation among themselves, by contributing to open discussions and to the constructive expression of divergent views.

The Effective Leaders carry out their assignments collegially.

Corporate Governance
The Effective Leaders act in the sole interest of all stakeholders. They organise their personal and business activities so as to avoid any direct or indirect conflict of interest with the Company (as set out in Schedule 8 to the Corporate Governance Charter).

They shall not make any decision or take any action in the matters falling within their responsibility where they could find themselves in a situation of conflict with the interests of the Company or with the sole interest of its Shareholders.

The Effective Leaders undertake to comply with the provisions of the Belgian Corporate Governance Code 2020 and of the Corporate Governance Charter, in particular regarding the rules to prevent conflicts of interest and market abuse. The provisions on "Integrity and independence" of members of the Board of Directors apply to the Effective Leaders.

Supervision
The Effective Leaders are responsible for carrying out their assignments, which they do under the supervision of the Board of Directors and without prejudice to the assignments of the members of the Board of Directors.

The Effective Leaders regularly report to the Board of Directors on the execution of their assignments.

Control functions

As part of its internal control, the Company must implement internal audit procedures, a risk management policy and an integrity policy.

This is overseen by the person in charge of, respectively, the internal audit function, the risk management function and the compliance function in accordance with Article 17, §3, 4 and 5 of the RREC Act (together these are the "independent control functions").

Independent compliance function
Article 17, § 4 of the RREC Act provides that the public regulated real estate company *"shall take the necessary measures to have permanently in place an appropriate independent compliance function to ensure compliance by the Public Regulated Real Estate Company, its directors, effective management, employees and proxies with the legal rules relating to the integrity of the business of the Public Regulated Real Estate Company". Article 6 of the RREC Royal Decree provides that the Public Regulated Real Estate Company "shall take the necessary measures to have permanently available an adequate independent compliance function. The compliance function is adequate when it ensures with reasonable certainty the compliance of the Public Regulated Real Estate Company, its directors, effective management, employees and proxies with 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 investigating and promoting the Company's compliance with the rules relating to the integrity of the Company's activities. The rules relate to those arising from the Company's policy, the Company's statute, as well as other legal and regulatory provisions.

In other words, it is an element of the corporate culture that emphasises honesty and integrity and the observance of high ethical standards in business. Both the company and its employees must behave with integrity, i.e. be honest, trustworthy and credible.

Mr. Laurent Trenson (employee and Head of Control and Reporting of the Company) was reappointed in accordance with Article 14, § 4 of the RREC Act as responsible of the independent compliance function. Laurent Trenson's mandate with regard to the independent compliance function runs from 23 September 2017 and is of indefinite duration. Mr. Laurent Trenson, in his capacity as the person in charge of the compliance function, must further report to Mr. Kasper Deforche[1] who qualifies as Effective Leader of the Company and Managing Director of the Company.

1 From 1 January 2021 to Mr. Nicolas Beaussillon.

Independent risk management function
Article 17, § 5 of the RREC Act stipulates that the public Regulated Real Estate Company *"shall have an adequate risk management function and 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 (i.e. operational, market, liquidity and counterparty) risks associated with its 'portfolio' and other activities.

The person in charge of the risk management function is responsible for, among other things, drawing up, developing, monitoring, updating and implementing the risk management policy and procedures.

Mr. Laurent Trenson (employee and Head of Control and Reporting of the Company) was reappointed, in accordance with Article 14, § 4 of the RREC Act, as responsible of the independent risk management function on the date of 22 September 2017. Laurent Trenson's mandate with respect to the independent risk management function runs from 23 September 2017 and is of indefinite duration. Mr. Laurent Trenson, in his capacity as the person in charge of the compliance and risk management function, should further report to Mr. Kasper Deforche[1] who qualifies as Effective Leader of the Company and Managing Director of the Company.

Independent internal audit function
Article 17, § 3 of the RREC Act stipulates that the public regulated real estate company *"shall take the necessary measures to ensure the permanent availability of an adequate independent internal audit function. The FSMA may grant exemptions to the provisions of the first paragraph if the Public Regulated Real Estate Company concerned demonstrates that this requirement is not proportionate and appropriate in view of the nature, size and complexity of its business, but without derogating from the actual obligation to have an internal audit function. The FSMA may lay down specific conditions for the granting of these derogations."*

The 'internal audit' can be understood as an independent assessment function that is embedded in the organisation. This function is aimed at examining and assessing the proper functioning, effectiveness and efficiency of the internal (control) processes/procedures used by the Company, including the compliance function and the risk management function. The person responsible for the internal audit can provide the various members of the organisation, within the framework of their responsibilities, with analyses, recommendations, advice, evaluations and information concerning the activities under investigation.

The Company has appointed the external consultant BDO Advisory BV, represented by E.S.G.L. van Zandvoort, partner, as the person in charge of the internal audit. Mr Kasper Deforche[1] (Delegated member of the Board of Directors and Effective Leader) was appointed in accordance with article 14, § 4 of the RREC Act as Effective Manager who carries out the control of the Company on the internal audit function as observed by BDO Advisory BV and thus can be considered as the person ultimately responsible for the internal audit. BDO Advisory BV's mandate as external consultant runs from 23 September 2017 and is of indefinite duration.

Remuneration report

General
This remuneration report refers to the remuneration policy of the Company and its Subsidiaries, which has been prepared in accordance with:

i. the CAC (as amended by the Act of 28 April 2020 transposing the Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards promoting the long-term involvement of shareholders and laying down various provisions in respect of companies and associations),
ii. the RREC Act; and with
iii. the recommendations of the Belgian Corporate Governance Code.

The remuneration policy was adopted by the Board of Directors on the advice of the Nomination and Remuneration Committee.

The remuneration policy is designed to achieve the following objectives: attracting, rewarding and retaining the necessary talent and stimulating the realisation of the strategic objectives while taking into account the risk appetite and the behavioural standards of the Company and promoting sustainable value creation for the benefit of the Company. The remuneration policy should create a close link between the interests of the Members of the Board of Directors and Effective Leaders, on the one hand; and those of the Company, its shareholders and all other stakeholders, on the other hand.

1 See previous footnote.

The Company wishes to offer these persons a remuneration level that stands comparison with the remunerations paid by other companies for similar functions. In order to keep track of the fees prevailing in the market, the Company participates in benchmarks by social secretariats or specialised consultants. It also sometimes consults these specialists outside of any benchmark. The Board of Directors makes sure that the remuneration policy is consistent with the general remuneration framework of the Company.

This remuneration policy can be consulted on the Company's website (https://www.wereldhavebelgium.com/en/about-us/documentation/) and will, after approval by the General Meeting of Shareholders, be an integral part of the Company's Corporate Governance Charter.

For the identity of the various categories of stakeholders collecting compensation, this chapter refers to the other chapters of the Corporate Governance Charter.

Remuneration Former Statutory Manager until March 6, 2020

As a result of the conversion on 6 March 2020 of the Company from a limited partnership to a public limited company with a one-tier Board of Directors, the Former Statutory Manager of the Company (i.e. the public limited company "Wereldbel", as its name was changed on 21 October 2020 prior to its liquidation on the same date - the "Former Statutory Manager") has resigned from this position.

However, the Former Statutory Manager was until this date remunerated pro rata temporis for the execution of its mandate. Therefore the Former Statutory Manager received a fixed remuneration which was mainly to cover the remuneration of the independent directors until March 6, 2020 and the general administrative management of the Company. This remuneration reflected the responsibilities and time commitment of these independent directors during this period while for the former non-independent directors no costs were charged.

The remuneration of the Former Statutory Manager for the period between 1 January and 6 March 2020 amounts to 21,310 EUR (excl. VAT), which was paid by the Company before its liquidation on 21 October 2020.

The remuneration of the Former Statutory Manager is subject to verification by the Statutory Auditor and complied with article 35 § 1 of the RREC Act.

Remuneration of the Board of Directors as of 6 March 2020

General

The amount of the remuneration of the members of the Board of Directors is determined by the General Meeting of Shareholders of the Company, upon proposal of the Board of Directors and advice of the Nomination and Remuneration Committee.

The members of the Board of Directors receive a fixed remuneration for the execution of their mandate, with the exception of the members of the Board of Directors (executive or non-executive) and the Effective Leaders, appointed by the reference shareholder Wereldhave NV, who do not receive any remuneration from the Company for the execution of their mandate as director / Effective Leader as they receive a remuneration from Wereldhave NV.

Remuneration of the independent members of the Board of Directors

The amount of the remuneration of the independent members of the Board of Directors was determined by the Extraordinary General Meeting of Shareholders of 6 March 2020.

An annual fixed remuneration of 25,000.00 EUR was granted to these independent members of the Board of Directors, with the exception of the Chairman to whom an annual fixed remuneration of 35,000.00 EUR was granted. The chairman of a Committee was granted an annual fixed fee of 5,000.00 EUR and the members of that Committee an annual fixed fee of 3,000.00 EUR.

The independent members of the Board of Directors do not receive any remuneration linked to their performance or the performance of the Company (such as bonuses or options on shares), nor any other benefits, and in their capacity as independent members of the Board of Directors, no subscription rights will be granted to them. The Company does not grant shares to the independent Directors. It believes that its general policy and practices already meet the objective of recommendation 7.6 of the Corporate Governance Code 2020, which seeks to promote long-term value creation.

Remuneration of the Company's Executive Management - Effective Leaders

The remuneration of the Company's executive management is determined by the Board of Directors on the proposal of the Nomination and Remuneration Committee.

In order to align the interests of the Company's executive management with the objectives of sustainable value creation for the Company, the variable part of the remuneration package of the Company's executive management is linked to the overall performance of the Company and individual performance.

For the CEO, this remuneration consists of :

- fixed remuneration determined on the basis of comparisons with the fixed remuneration prevailing on the market for a comparable position in a comparable company for the performance year in question. The fixed remuneration is not determined on the basis of the operations and transactions carried out by the Company. The fixed annual remuneration shall be paid in monthly twelfths on the due date;
- a short-term variable remuneration, in cash, according to the achievement, on the one hand, of predetermined individual targets and, on the other hand, of predetermined collective targets assessed on the basis of criteria weighted according to their importance;

- a long-term, variable remuneration, in specie, according to the achievement of predetermined collective targets assessed on the basis of criteria weighted according to their importance.

For the 2020 financial year, the collective assessment criteria for determining this part of the short-term variable remuneration were as follows:
- the net result of core activity per share (collective target-25%);
- the occupancy rate (collective target -25%);
- the like-for-like rental growth (collective target- 25%);
- the evolution of the development portfolio (collective target- 10%); and
- general management (individual target - 15%)[1]. For the 2020 financial year, the evaluation criteria for determining the long-term variable remuneration were as follows:

- the net result of core activity per share (75%);
- the sustainability of the portfolio (25%)

For the CFO this remuneration consists of:
- fixed remuneration determined in an employment contract on the basis of comparisons with the fixed remuneration prevailing on the market for a comparable position in a comparable company for the performance year in question. The fixed remuneration is not determined on the basis of the operations and transactions carried out by the Company. The fixed annual remuneration is payable in accordance with labour law.
- short term variable remuneration, in cash, according to the achievement of predetermined individual targets assessed on the basis of criteria weighted according to their importance.
- a long-term variable remuneration in specie, in function of the realisation of pre-determined collective targets assessed on the basis of criteria weighted according to their importance:
  - the net result of core activity per share (75%);
  - the sustainability of the portfolio (25%).

Total return	25%	Total return WHB < MSCI Total return WHB = MSCI Total return WHB >0,5% MSCI Total return WHB >1,0% MSCI	0% 50% 100% 150%	Max. pay-out is 150%. Any value below MSCI results in 0% pay-out. Continued operating assets - excluding assets held for sale and developments
Occupancy rate	15%	Occupancy rate 31/12/yearX < Occupancy rate 01/01/yearX Occupancy rate 31/12/yearX < Budget Occupancy rate 31/12/yearX Occupancy rate 31/12/yearX > Budget Occupancy rate 31/12/yearX	0% 100% 150%	Prorata progression per 0,1% between 0 - 100%. Max pay-out is 150%. Shopping centres and offices combined
General expenditures savings	10%	General expenditures > budget yearX General expenditures < budget yearX	0% 100%	Pay-out is binary: 0% or 100%. GenEx excl. group services charges and allocation to properties
Individual targets	50%			

Terms of payment of the variable remuneration of the executive management of the Company:
- payable with a postponement;
- employed by the Company at the time of payment; and
- if employment is terminated on the initiative of the Company, the variable remuneration remains acquired.

The other benefits include the reimbursement of professional expenses incurred in the course of his duties.

The members of the executive management of the Company are, however, not obliged to hold a minimum of shares in the Company, contrary to what was determined in provision 7.9 of the Code. In applying the ‘Comply or Explain’-principle to this deviation, the Company is of the opinion that the holding of shares in the Company by the executive management should be an individual decision of the member concerned. Given the current market volatility following the outbreak of the COVID-19 crisis and the impact thereof on the Company’s share price, it is currently not appropriate to provide for a mechanism of partial remuneration of the Company’s executive management in the form of shares in the Company or a mandatory minimum holding of shares in the Company. Therefore, until further notice, the holding of shares in the Company by the executive members of the Board of Directors should be an individual decision of the member concerned. However, the Board of Directors reserves the right to propose such a mechanism in the future if the circumstances are favourable.

The contracts with the Company’s executive management provide a claw-back right on variable remuneration attributable to incorrect financial data.

No shares, share options or other rights to acquire shares were granted to the members of the Company’s executive management as remuneration.

1 The remuneration policy proposed by the Board of Directors foresees the following target as of the year 2021: General management of the Company (50%); Total return of the Company’s portfolio investment properties retail (25%); Occupancy rate of the Company’s portfolio investment properties (15%); and Compliance with the budget “general expenses” (GENEX) (10%).

The Ordinary General Meeting of Shareholders that decides on the Annual Financial Report of the Board of Directors will also decide on the remuneration report through a separate vote.

Overview of individual compensation during 2020

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

Independent non-executive managers	**Fixed [4)]**
Dirk Goeminne - Chairman of the Board of Directors and of the Remuneration and Nomination Committee	€ 40,000
Brigitte Boone - Chairman of the Audit Committee and member of the Remuneration and Nomination Committee	€ 33,000
Ann Claes - Member of the Audit Committee	€ 28,000
Non-independent non-executive managers	
Dennis de Vreede	unpaid mandate[5]
Doris Slegtenhorst[1]	unpaid mandate[5]
Remco Langewouters[1]	unpaid mandate[5]
Edmund Wellenstein[1]	unpaid mandate[5]
Executive Management :	
Matthijs Storm	unpaid mandate[5]
Kasper Deforche[2]	[3]

1 From 2 September 2020.
2 Up to 31 December 2020.
3 See Executive Management remuneration.
4 These remunerations are fixed amounts and were paid prorata temporis by the Former Statutory Management Company (from 1 January to 6 March 2020) and by the Company (from 7 March 2020 to 31 December 2020), respectively. There is no variable remuneration or other additional benefits for directors.
5 The mandates of Matthijs Storm and Dennis De Vreede (as of 6 March 2020) as well as those of Doris Slegtenhorst, Remco Langewouters and Edmund Wellenstein (as of 2 September 2020) are unpaid. They represent the reference shareholder and receive remuneration from the latter.

	Fixed compensation	Variable compensa-tion short term	Variable compensa-tion long term	Retirement plan	Fringe benefits	Extraordi-nary items	Total	Proportion of fixed and variable remunera-tion
2020								
Kasper Deforche (1) (2) (4) (5)	€ 350.000	€ 72.500	€ 72.500	€ 0	€ 0	€ 395.000	€ 890.000	84% / 16%
Matthijs Storm	unsalaried mandate							
Cédric Biquet (3) (5) (6)	€ 174.000	€ 50.000	€ 37.500	€ 32.765	€ 17.109	€ 0	€ 311.374	72% / 28%
2019								
Kasper Deforche (1) (2) (4) (5)	€ 350.000	€ 90.000	€ 100.000	€ 0	€ 0	€ 0	€ 540.000	65% / 35%
Matthijs Storm	unsalaried mandate							
Cédric Biquet (3) (5) (6)	€ 159.010	€ 50.000	€ 28.224	€ 24.931	€ 18.206	€ 0	€ 280.371	73% / 27%
Dirk Anbeek (7)	unsalaried mandate							

1. For Mr Kasper Deforche, the following service agreements were in force in the year 2020:
   a. Service agreement between Mr. Kasper Deforche on the one hand and the Company on the other hand with the task of acting as CEO of the Company. An annual fixed remuneration of 175,000 EUR was invoiced. In addition, there is a variable remuneration of minimum 50,000 EUR and maximum 100,000 EUR (excluding VAT), half of which is payable in the second year following the year for which the remuneration is granted and the other half in the third year for which the remuneration is granted. A lump-sum payment of 12 months is provided for in the event the Company terminates the agreement.
   b. Services agreement between, on the one hand, REPSAK BV with head office at Onze Lieve Heerweg 16 in 1860 Meise, permanently represented by Kasper Deforche and, on the other hand, Wereldhave Belgium Services NV, in order to take care of the operational management of the management entity. A fixed annual fee of 175,000 EUR has been invoiced. In addition, there is a variable remuneration of minimum 50,000 EUR and maximum 100,000 EUR (excl. VAT), which is payable in the year following the year for which the remuneration is granted. A fixed compensation of 12 months is provided in case the agreement is terminated by Wereldhave Belgium Services NV.

2. As per 31 December 2020, Mr Kasper Deforche and his management company REPSAK BV resigned from all their mandates in the Company and its subsidiaries. For this purpose, a contractual termination arrangement was stipulated, i.e. an indemnity payable by the Company to Mr. Deforche (175,000 EUR) and by Wereldhave Belgium Services NV to its management company REPSAK BV (175,000 EUR), but only calculated on the fixed remuneration of the year 2020. Furthermore, an additional termination payment of 45,000 EUR was paid to REPSAK BV by Wereldhave Belgium Services NV. Furthermore, the not yet paid but acquired bonuses of 145,000 EUR to Mr. Deforche for the years 2018 and 2019 and of 72,500 EUR for the year 2020 (LTI); and 72,500 EUR STI bonus for 2020 were paid to REPSAK BV. Mr. Kasper Deforche and REPSAK BV will still provide temporary services as consultants during the period between 1 January and 30 June 2021. For these services they will both receive a fixed remuneration of 87,500 EUR, excluding any variable remuneration. The Company has obtained the necessary legal advice to conclude that the termination arrangements with Mr. Kasper Deforche and REPSAK BV are in conformity with the rules set out in the Company's Corporate Governance Charter and in the CAC, which conformity has been confirmed by the Company to the FSMA.

3. The mandates of Matthijs Storm and Dennis De Vreede (as of 6 March 2020) as well as those of Mrs. Doris Slegtenhorst, Mr. Remco Langewouters and Mr. Edmund Wellenstein (as of 2 September 2020) are unremunerated. They represent the reference shareholder and receive remuneration from the latter.

4. The fixed remuneration of the independent members of the Board of Directors was paid pro rata temporis by the Former Statutory Manager (from January 1 to March 6, 2020) and by the Company (from March 7, 2020 to December 31, 2020), respectively.

5. Mr. Cédric Biquet is an employee of the Company. The "long-term variable remuneration" is made payable at the end of April of the second year following the year for which it is granted.

6. As of 1 January 2020, Mr. Nicolas Beaussillon and his management company Ifield BV have replaced Mr. Kasper Deforche and REPSAK BV respectively in all their mandates for the Company and the Subsidiaries. As of this date, the following service agreements will be:
   a. Service agreement between Mr. Nicolas Beaussillon on the one hand and the Company on the other hand with the task of acting as CEO of the Company with an annual fixed remuneration of 155,000 EUR. In addition, there is a long-term variable remuneration of maximum 100,000 EUR (excl. VAT), half of which is payable in the month of April of the second year following the year for which the remuneration is granted and the other half in the month of April of the third year for which the remuneration is granted. A lump-sum payment of 12 months is provided for in the event the Company terminates the agreement.
   b. Services agreement between IFIELD BV with registered office at Drève des Chasseurs 31, 1410 Waterloo, permanently represented by Mr. Nicolas Beaussillon, and Wereldhave Belgium Services NV with the task of taking care of the operational management of the management entity concerned. An annual fixed remuneration of [155,000] EUR has been set. In addition, there is a short-term variable remuneration of maximum 100,000 EUR (excl. VAT), which is payable at the end of April of the following year. A fixed indemnity of 12 months is provided in case the agreement is terminated by Wereldhave Belgium Services NV.

7. Apart from the provision of a laptop computer that meets the Company's security standards and for which he himself bears the consumption costs, the CEO does not receive any benefits in kind. The other benefits of the CFO include a contribution to a pension plan (group insurance - see point 8 below), hospitalisation insurance, luncheon vouchers, a monthly expense allowance, a company car, a laptop computer and a mobile phone which meet the security standards of the Company and for which he himself bears the consumption.

8. The members of the executive management whose contract it provides have the choice to allocate part of their variable remuneration to a supplementary pension system, by means of an insurance of the 'individual pension commitment' type, entered into through a pension contract with a recognised insurer. It provides benefits both in the event of life on retirement and in the event of death before retirement. The pension system consists of a promise of the defined contribution type as regards the budget and a promise of the defined benefit type as regards death cover. The life guarantee provides for the creation of a "life service" in the form of capital, payable to the beneficiary on the scheduled retirement date or, if applicable, on the deferred retirement date. The life performance is equal to the result of the investment, in the fund made available, according to the distribution chosen by the beneficiary, of the life premiums and of the possible profit share granted by the insurer. The amount of the life premiums is based on the calculation of the 80% rule that determines the maximum pension capital that can be built up within the framework of an individual pension commitment. The death guarantee provides for the payment of the established reserve to the beneficiary in the event of the death of the member before the planned retirement date. When the created reserve is lower than the minimum death benefit, the minimum benefit is guaranteed.

Evolution of remuneration and performance of the Company:
In accordance with article 3:6, §3, fifth and sixth paragraph of the CAC, the following information is provided:
- annual change in total remuneration of all directors and executive managers together:
  - 2018: € 859.337
  - 2019: € 921.371
  - 2020: € 1.302.403

1 Including Mr Kasper Deforche's severance pay (€ 395,000).

- annual change in the average remuneration, expressed in full-time equivalents, of employees of the company other than the directors:
  - 2018: € 45.558
  - 2018: € 54.750
  - 2020: € 56.743
- the ratio between the highest remuneration of executive management of the Company and the lowest remuneration (in full-time equivalent) of the employeesof the Company:
  - 2018: 13,7 / 1
  - 2018: 13,2 / 1
  - 2020: 11,2 / 1

Prevention and conflicts of interest

Conflicts of interest and functions
The member of the Board of Directors shall arrange his personal and business interests so that any conflict with the interests of the Company is excluded and is in the sole interest of the Shareholders.

Any member of the Board of Directors who finds that a transaction submitted to the Board of Directors is of a nature to interest another company in which he holds a directorship or another mandate, immediately informs the Chairman of the Board of Directors.

A member of the Board of Directors shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a conflict of interest.

A member of the Board of Directors may accept mandates in other companies, as long as he does not hold more than five directorships in listed companies and he complies with the obligations regarding the disclosure of these mandates set out in the Corporate Governance Charter. Any member of the Board of Directors who intends to accept a mandate in addition to the one he is performing (with the exception of director mandates in companies controlled by the Company and director mandates which, in the opinion of the concerned member of the Board of Directors, are not of a nature to influence his availability), informs the Chairman of this fact, with whom he examines whether this new burden leaves him sufficient availability for the Company.

Preventive rules for conflicts of interest
As far as the prevention of conflicts of interest is concerned, the Company is subject, on the one hand, to the legal rules - Articles 7:96 and 7:97 of the CAC and Articles 36, 37 and 38 of the RREC Act - and to the rules in its Corporate Governance Charter, on the other hand.

Article 7:96 of the CAC stipulates that a director with a financial interest that conflicts with a decision or a transaction that falls within the powers of the Board of Directors must notify the other directors thereof before the Board of Directors takes a decision, and must abstain from participating in the deliberations and the vote. The minutes of the Board of Directors must contain the notifications required by law and may not delegate this decision. The Corporate Governance Charter clarifies that transactions between the Company and its directors should take place at usual market conditions. Such transactions are also published in the Annual Financial Report, with a statement of the conflict of interest and a declaration that the relevant provisions have been complied with.

Article 7:97 of the CAC furthermore requires decisions or transactions in execution of decisions of the Company (or its subsidiaries) that concern relationships with affiliated companies (except for their respective subsidiaries) to be submitted to the opinion of a committee of three independent members of the Board of Directors, assisted by one or more independent experts. The aforementioned procedure does not apply to (i) decisions and transactions that are customary and have taken place under normal market conditions for similar transactions and (ii) decisions and transactions that represent less than 1% of the net assets of the Company, as evidenced by the latest consolidated Financial Statements.

Article 37 of the RREC Act requires notification to the FSMA of the transactions planned by the Public Regulated Real Estate Company or one of its perimeter companies if one or more of the following persons are directly or indirectly a counterparty to those transactions or derive any financial benefit from them:
- the persons who control or hold interests in the public Regulated Real Estate Company;
- the persons with whom (a) the public Regulated Real Estate Company, (b) a perimeter company of the public Regulated Real Estate Company, (c) the promoter and (d) the other shareholders of a perimeter company of the public Regulated Real Estate Company are associated or have a participation relationship;
- the promoter of the public Regulated Real Estate Company;
- the other shareholders of all perimeter companies of the public Regulated Real Estate Company; and
- the directors, the members of the executive management, the persons in charge of the daily management, the effective leaders or the mandataries:
  - of the public Regulated Real Estate Company or any of its perimeter companies;
  - of the promoter;
  - of the other shareholders of any perimeter company of the public Regulated Real Estate Company; and
  - of a person who controls or holds a participation in the public Regulated Real Estate Company.

In its communication to the FSMA, the Company must demonstrate that the planned transaction is in its interest and that it falls within the framework of its business strategy.

Operations covered by Article 37, § 1 of the RREC Act must be carried out under normal market conditions (Article 37, § 3 of the RREC Act).

The Company shall be bound by the valuation of the expert in accordance with Article 49, § 2 of the RREC Act when a transaction with the persons referred to above relates to real estate.

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

- the transactions involving a sum less than the lower of 1% of the consolidated assets of the public Regulated Real Estate Company and €2,500,000;
- the acquisition of securities by the public Regulated Real Estate Company or one of its perimeter companies 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 an intermediary within the meaning of Article 2, 10°, of the Law of 2 August 2002;
- the acquisition of or subscription to the shares of the public Regulated Real Estate Company issued pursuant to a resolution of the General Meeting by the persons referred to in Article 37(1); and
- transactions involving the liquid assets of the public Regulated Real Estate Company or one of its perimeter companies, provided that the person acting as counterparty has the capacity of intermediary within the meaning of Article 2, 10°, of the Law of August 2002 and that these transactions are carried out at market conditions.

Overview of conflicts of interest in the previous and current financial year
No conflicts of interest have arisen within the Company between the Company, its members of the Board of Directors in the previous and, up to the Date of this Annual Financial Report, in the current financial year.

Rules of conduct concerning financial transactions

Introduction
Insider trading is the purchase or sale of shares or other financial instruments using accurate and material, as yet unpublished, information relating to the Company, its clients or suppliers with a view to obtaining an unfair advantage. Insider information is information that could be used by a reasonable investor in his investment decision. Insider trading is unethical and is illegal in most countries. It is also unethical and, as the case may be, illegal to disclose inside information that has come to one's knowledge other than in the normal course of the exercise of one's duties.

The Company has decided to improve prevention against insider trading by adopting a policy and introducing a specific procedure. Insider trading is subject to criminal law: the persons involved, as well as the Company, may be subject to criminal and/or administrative prosecution. They also increase the risk that proceedings will be instituted against the Company, its members of the Board of Directors and Effective Leaders and that their liability will be at stake in proceedings relating to fraud on financial instruments. Notwithstanding this policy, the Company expects its members of the Board of Directors, Effective Leaders and employees to behave in a legal and ethical manner.

Purpose
The Company has adopted this policy with regard to its members of the Board of Directors, the Effective Leaders, employees, family members and designated third parties who have access to inside information regarding the Company, in order to avoid any (apparent) violation of the legislation on:

- the purchase and sale of securities issued by the Company while the person concerned possessed inside information (information which has not been made public, which is concrete and important and which could have a significant influence on the price of the financial instruments concerned);
- avoiding the disclosure of inside information to third parties.

Scope
These regulations apply to members of the Board of Directors, Effective Leaders, employees of the Wereldhave Group, their family members (together the 'Insiders') and all third parties who, through their ties, have privileged information on the Company.

The regulations shall apply to all transactions in financial instruments issued by the Company, including shares, share options and any security that the Company may issue, such as preference shares, convertible bonds, subscription rights and listed options or any other derivative.

The regulations also apply to all securities whose underlying value is the Company's share, regardless of the issuer. Securities bought or sold for the account of a member of the Board of Directors, Effective Leader or employee of the Wereldhave Group in execution of a contract for the discretionary management of a securities portfolio concluded with a bank or registered financial intermediary are not considered as being bought or sold by the Insider.

After approval of the text of the policy by the members of the Board of Directors, a copy shall be provided to each member of the Board of Directors, Effective Leader, employee or designated third party. Each new member of the Board of Directors, Effective Leader, employee and designated third party shall receive a copy of the policy at the time of his/her commencement of employment or at the beginning of his/her relationship with the Company.

Members of the Board of Directors, Effective Leaders and Key Employees

Members of the Board of Directors and Effective Leaders

The members of the Board of Directors and Effective Leaders have regular or occasional access to inside information. They are recommended to be very careful when buying or selling financial instruments of the Company. In case of doubt, they may consult the Compliance Officer.

Key employees

Key employees, because of their position in the Company and their regular or occasional access to inside information, should be very careful when buying or selling financial instruments of the Company. The Company shall adapt the list of key employees in due time to include the name of the new key employees and to delete the name of the key employees who left the Company.

Risk & Compliance Officer - Internal Audit

Each Public Regulated Real Estate Company must, as part of its internal control, implement internal audit procedures, a risk management policy and an integrity policy. This is supervised by the person in charge of, respectively, the internal audit function, the risk management function and the compliance function in accordance with Article 17, §3, 4 and 5 of the RREC Act (together these are the "independent control functions").

Definition of 'inside information'

On 3 July 2016, the European Market Abuse Regulation ("Market Abuse Regulation" or "MAR") entered into force. The Market Abuse Regulation has direct effect in all EU Member States and contains rules that apply to anyone whowishes to trade in securities of the Company or other related companies.

In connection with this Market Abuse Regulation, the Company has drawn up new regulations for its employees, management and directors, with rules for the possession of and transactions in Wereldhave Belgium shares, or financial instruments derived from them, such as options on shares or the convertible bonds that are outstanding.
Within the framework of the aforementioned Market Abuse Regulation, market abuse should be interpreted as (i) insider dealing, (ii) unlawful disclosure of inside information and (iii) market manipulation.

In case of application of Article 17 MAR, it is prohibited to a) trade with inside information or attempt to trade with inside information, b) advise or induce another person to trade with inside information or c) disclose inside information without authority. In application of Article 18 MAR, it is prohibited to manipulate the market (as market manipulation is defined in Article 12 MAR) or attempt to manipulate the market.

In accordance with Article 7 MAR, inside information is defined as any information of a precise nature which has not been made public, relating, directly or indirectly, to the Company or its financial instruments and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments.

Information is considered likely to have a significant effect on the price of Financial Instruments if a reasonable investor would be likely to use that information as part of the basis for making investment decisions.

Information shall be deemed to be of a precise nature if it relates to a situation that exists or may reasonably be expected to come into existence, or to an event that has occurred or may reasonably be expected to do so, and if it is specific enough to allow a conclusion to be drawn as to the possible effect of that situation or event on the price of the Financial Instruments.

In the case of a protracted process intended to bring about a particular circumstance or to generate a particular event, that future circumstance or future event, and the intermediate steps in that process which relate to the creation or occurrence of that future circumstance or future event, may be regarded as material information for these purposes. An intermediate step in a protracted process shall be deemed to be inside information where that intermediate step fulfils in itself the criteria for inside information.

In applying Article 8 of the Market Abuse Regulation, insider dealing occurs when a person possessing inside information uses that information to acquire or dispose of, for his own account or for the account of a third party, either directly or indirectly, financial instruments to which that information relates. The use of inside information by cancelling or adjusting an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information, shall also be considered as insider dealing.

Consultation with the Compliance Officer

Each Insider who wishes to know with certainty whether the information at his disposal is specific, important and public is advised to consult the Compliance Officer on this matter before selling or purchasing financial instruments of the Company.

Company politics and procedures

Prohibited activities

i. Insiders may not purchase or sell Financial Instruments of the Company when they have insider information on the Company.

ii. Insiders may not purchase or sell the Company's Financial Instruments outside the trading windows as described below or during special closed periods as determined by the Compliance Officer.

iii. Members of the Board of Directors, Effective Leaders and Key Employees may only purchase or sell Financial Instruments of the Company after having informed the Compliance Officer in accordance with the procedure described below. The Members of the Board of Directors, Effective Leaders and Key Employees are recommended, to the extent possible, to keep the documents that support the reason for the purchase or sale.

iv. Insiders may not disclose inside information regarding the Company to third parties (including their family members, analysts, private investors, members of an investment group and the news media) except in the normal course of their employment with the Company and only after having obtained the authorisation of the Compliance Officer. If inside information is disclosed to third parties, the Company shall take the necessary steps to safeguard the confidentiality of the information, e.g. by asking the third party to confirm in writing that it will respect the provisions of the policy and/or by having it sign a confidentiality agreement. Any request by a third party regarding concrete and important undisclosed information on the Company must be submitted to the Compliance Officer.

v. Insiders may not make recommendations to third parties on the purchase or sale of the Company's Financial Instruments while they possess inside information on the Company, except that Insiders must recommend to third parties not to sell or purchase Financial Instruments of the Company if that purchase or sale would constitute a violation of the law or of the policy. The Company strongly recommends Insiders not to make recommendations to third parties on the purchase or sale of Financial Instruments of the Company, even if they do not possess Inside Information on the Company.

vi. Insiders may not buy or sell Financial Instruments of another listed company or recommend to third parties that they buy or sell those Financial Instruments or communicate insider information on that other public company while they have insider information on that company in the context of their position with the Company.

Trading windows and closed periods

1. The buying and selling windows for insiders.
   The members of the Board of Directors, Effective Leaders and Key Employees, as well as other persons who have knowledge of sensitive information and are registered on the insiders list, may not purchase or sell securities of the Company during the period from 1 January until the first publication of the annual results, during the period of thirty days preceding the publication of the quarterly results or an announcement of a dividend or interim dividend and during the period of one month immediately preceding the first publication of a prospectus for a share offering, unless the issuer demonstrates that the decision-making period is shorter, in which case such shorter period shall apply. In addition, there is a prohibition on reverse transactions. This means that they may not sell within six months of purchase and may not buy within six months of sale. Outside that period, buying and selling of securities of the Company is allowed for those persons after informing the Compliance Officer.

2. No purchase or sale during a purchase and sale window by persons possessing inside information.
   Insiders possessing inside information on the Company may not purchase or sell securities of the Company, even during the purchase and sales windows. Insiders possessing inside information may only purchase or sell during a buying and selling window after the closing of the stock exchange on the second full trading day following the publication by the Company of the relevant information.

3. No buying or selling during closed periods or during special closed periods.
   Insiders may not purchase or sell securities of the Company outside the applicable purchase or sales windows or during special closed periods as determined by the Compliance Officer. Insiders may not disclose to third parties that a special closed period has been established.

   Pursuant to Article 19(11) of the Market Abuse Regulation, a person with managerial responsibilities within the Company must in principle refrain from conducting transactions for his own account or for the account, direct or indirect, of a third party relating to shares or debt instruments of the Company or to derivatives or other Financial Instruments linked to them, during a closed period of thirty calendar days prior to the publication of the annual and half-yearly financial report.

A "person with managerial responsibility" is a person who:
   a. is a member of an administrative or supervisory body;
   b. has an executive function but is not a member of the bodies referred to under a) and has regular access to inside information relating directly or indirectly to the Company, and also has the authority to take management decisions affecting the future developments and business prospects of the Company.

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

Procedure

Members of the Board of Directors, Effective Leaders and Key Employees may only purchase or sell securities of the Company after:

i. they have informed the Compliance Officer in writing of the number of securities involved and the nature of the planned transaction,
ii. to have confirmed in writing to the Compliance Officer that they do not have any inside information on the Company, and this at the latest two working days before carrying out the planned transaction.

The Compliance Officer may, on an individual basis, authorise the purchase or sale of securities of the Company outside the applicable purchase and sale windows due to special (financial or other) circumstances. In such case, the following procedure is applicable:

i. the person concerned informs the Compliance Officer in writing of the exceptional circumstances as well as the number of securities involved and the nature of the planned transaction;
ii. the person concerned confirms in writing to the Compliance Officer that he has no inside information on the Company, and this at most two working days before the planned transaction; and
iii. the Compliance Officer gives written consent to proceed with this transaction.

Priority of legal restrictions

If the legislation imposes more restrictions than this policy, the restrictions imposed in the legislation shall apply. Insiders wishing to know whether there are stricter legal restrictions may consult the Compliance Officer.

Possible civil, criminal and disciplinary sanctions

Civil and criminal penalties

The consequences of insider dealing, or of disclosing insider information to third parties, can be very serious. Whoever violates the legislation on insider trading and reporting of insider information to third parties may be ordered to pay the amount of realised profit or avoided loss, to pay the amount of loss suffered by the person who purchased the securities or to whom the securities were sold, to pay a civil compensation or criminal fine, or to imprisonment. The Company and/or the persons in charge of the person who committed the offence may also be ordered to pay civil compensation or a criminal fine.

Disciplinary sanctions

In case of violation of the present policy by an Effective Leader, an employee or a family member, a disciplinary sanction may be imposed on the Effective Leader or the employee. This sanction may go as far as dismissal for serious misconduct.

Notification of offences

Insiders who become aware of the violation of the provisions of the policy or of the legislation on insider trading or the disclosure of insider information by another Insider must immediately inform the Compliance Officer thereof. The Compliance Officer who has knowledge of the violation decides, together with the Company's legal counsel, whether the Company should publish the insider information and whether the Company should report the violation to the competent authorities.

Duty to report for persons discharging managerial responsibilities and persons closely associated with them

Article 19, paragraph 1 of the Market Abuse Regulation provides as of 3 July 2016 the obligation for "persons discharging managerial responsibilities" and their "closely associated persons" (hereinafter "Reporting Persons") to report to the Company and to the FSMA the transactions they carry out for their own account in shares or debt instruments of the Company, or derivatives or other financial instruments linked to them, without delay and no later than three business days after the date of the transaction.

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

a. is a member of an administrative or supervisory body;
b. has an executive function but is not a member of the bodies referred to under a) and has regular access to inside information relating directly or indirectly to the Company, and also has the authority to take management decisions affecting the future developments and business prospects of the Company.

"Closely related persons" shall mean:

a. the spouse of the person discharging managerial responsibilities or the life partner of such person who is legally considered to be the equivalent of a spouse;
b. children who are legally dependent on the person in charge;
c. other relatives of the person with managerial responsibilities who, at the date of the transaction in question, have shared the same household with that person for at least the last year;

d. a legal person, trust or partnership the managerial responsibility of which is vested in a person referred to in (a), (b) and (c) above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

Reporting agents report their transactions to the Company and the FSMA through the online reporting application developed by the FSMA.

The reporting obligation referred to in Article 19(1) of the Market Abuse Regulation shall apply once the total amount of transactions within a calendar year has reached the threshold of €5,000.

The notification referred to in Article 19(1) of the Market Abuse Regulation shall contain the following information:

- Name and contact details of the person with managerial responsibility or, where applicable, name of the person closely associated with that person
- Reason for the report;
- Name of the issuer concerned (Wereldhave Belgium NV);
- Description and characteristics of the financial instrument;
- Nature of the transaction(s) (i.e. acquisition or disposal) and whether or not it relates to the exercise of a stock option plan or the specific examples set out in Article 19(7) Market Abuse Regulation;
- Date and place of the transaction(s); and,
- Price and extent of the transaction(s). In the case of a transaction in which financial instruments are provided as financial collateral and a potential change in value is foreseen, this fact should be disclosed together with the value of the financial instruments at the date when they are provided as collateral.

By way of derogation from Article 19(3), first and second subparagraphs, Market Abuse Regulation, reported transactions shall be made public by the FSMA on its website, rather than by the Company.

The Company shall inform the persons discharging managerial responsibilities within the Company in writing of their responsibilities under Article 19 of the Market Abuse Regulation. The Company shall draw up a list of all persons with executive responsibilities and of persons closely associated with them. The persons with managerial responsibilities shall in turn inform the persons closely associated in writing of their responsibilities under Article 19 Market Abuse Regulation and shall keep a copy of this notification.

Lists of insiders

In application of Article 18(1) of the Market Abuse Regulation, the Company shall draw up lists of persons who have access to inside information and who work for it on the basis of an employment contract or otherwise perform tasks in connection with which they have access to inside information, such as advisers, auditors or rating agencies (the list of insiders) based on the standard forms drawn up by the FSMA, and shall continuously update this list of insiders in accordance with the provisions of Article 18(4) of the Market Abuse Regulation.

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 insiders' list declare in writing that they are aware of their legal obligations and of the sanctions applicable to insider trading and the unlawful disclosure of inside information.

Disclosure of inside information

In case of application of Article 17(1) Market Abuse Regulation, the Company shall publicly disclose inside information which directly concerns the Company as soon as possible.

However, in accordance with Article 17(4) Market Abuse Regulation, the Company may under its own responsibility delay the public disclosure of inside information provided that each of the following conditions is met:

- Immediate disclosure would probably harm its legitimate interests,
- It is unlikely that the public would be misled by this delay,
- the Company is able to guarantee the confidentiality of the information concerned.

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

Questions

All questions regarding the provisions of the policy and its procedures should be directed to the Compliance Officer.

Corporate social responsability: a better tomorrow

Our CSR program

In 2013, the Company launched its first CSR program; almost all goals set in this program were achieved in the years up to and including 2020. Since 2013, sustainability has become even more prominent. Climate change, increasing urbanisation, growing inequality and an ageing population are in the news on a daily basis. Regulations by Dutch, Belgian and French governments, ambitions of retailers and industry peers, and investments under sustainable management are all on the rise. Sustainability is also very relevant to our sector, as buildings contribute to 50% of energy consumption, 50% of all materials extracted and 33% of waste in the European Union. Wereldhave has therefore launched new targets as part of the “Better Tomorrow” program. Under “Better Tomorrow”, our ambition for 2030 is that our Full Service Centres will be low carbon and less wasteful, making a positive contribution to local communities.

Our 2030 CSR program - A Better Tomorrow - therefore focuses on three areas: Better Footprint, Better Nature, and Better Living. For each area, we have set clear ambitions and connected these ambitions with specific UN Sustainable Development Goals (SDGs). A Better Tomorrow will improve our environmental management and reduce waste and CO_2, 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.

7 AFFORDABLE AND CLEAN ENERGY

Affordable and clean energy

Reduce carbon emissions 30% by 2030 – for those areas in our centers under our operational control.
Partner with tenants and visitors to reduce carbon and waste (ambition: net zero value-chain by 2050).

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible consumption and production

Increase recycling and zero waste to landfill.
Reduce water consumption.
Partner with tenants and visitors to reduce carbon and waste (ambition: net zero value-chain by 2050).

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economic growth

Aim for zero safety incidents in our centers.

13 CLIMATE ACTION

Climate action

Increase % of Wereldhave buildings with plans in place to mitigate physical effects of climate change (extreme heat, flooding, storms etc.).

11 SUSTAINABLE CITIES AND COMMUNITIES

Sustainable cities and communities

Increase m^2 of green areas on and around our centers with ecological value and climate resilience.
1% NRI-equivalent contribution to socio-economic and social inclusion initiatives.

17 PARTNERSHIPS FOR THE GOALS

Partnership for the goals

Partnering with suppliers, tenants & society.

Science-based climate action

Wereldhave is committed to reducing carbon emissions in line with what climate science says is needed. As part of this, we are currently measuring, together with Metabolic, our emissions of CO_2 equivalent per square meter. We are using 2018 as the basis for calculating a carbon budget through 2030 for the common areas in our centers. This budget will be linked to the requirements of the 2015 Paris Climate Agreement (to limit global warming to “well below +2°C”). Our target will be verified by the Science-Based Targets initiative (SBTi), as well as experts from the Carbon Disclosure Project (CDP), the UN Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). To achieve our goal, we will prepare a +2°C roadmap for each asset.

CSR Accreditations

Wereldhave continued to receive multiple recognitions in 2020 for various results of its CSR and sustainability program ‘A Better Tomorrow’, as well as approval for its future commitments.

- GRESB Five Star rating for the 7th consecutive year
- 100% of eligible Wereldhave centers are BREEAM Very Good certified;
- Wereldhave’s strategy to reduce climate impact approved by SBTi;
- Inclusion in the Dow Jones Sustainability Indices;
- EPRA sBPR Gold for the 5th year in a row.

A distinction should be made between the Wereldhave Group and Wereldhave Belgium. Wereldhave Belgium follows the Group’s objectives and framework and complements them for its own portfolio. Since 2016, the CSR report has been integrated into the annual report.

Since the parent company Wereldhave is GRI compliant, reference is made to that annual report.

The corresponding ‘Critical Performance Indicators and progress figures are included in an overview with all CSR indicators, this can be consulted in Wereldhave’s Annual Report.

Better footprint: environmental performance

Waste

An important part of improving our environmental performance by 2020 has been achieved in reducing waste and pollution from our centers - this forms the basis for a healthy community. In doing so, partnering with visitors and tenants is important to making meaningful impact on the broader challenge of the climate crisis.

In 2020, after a complete survey of the market, a new supplier was contracted for the waste management of all sites (Retail & Offices).

In addition to the fine optimization of unit prices, we will also provide training for tenants and clear signage at our container parks, all to make sorting even more efficient. The new supplier will also replace all equipment, containers and related items with new equipment.

For example, we are now also working with smart compactors that have an automatic filling detection system. The supplier will no longer collect the containers at fixed intervals, but only when the container is filled with 70% waste. This allows us to optimize transport and thus transport costs.

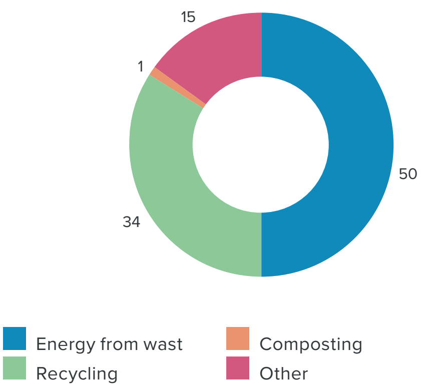
The new contract was concluded for 5 years and will also be evaluated annually to see whether any optimizations can be found (e.g. increasing the number of residual fractions).

We have also placed new garbage cans in the mall in Genk and Kortrijk with compartments for residual waste and plastic/metallic/drinkable waste (PMD), for the visitors.

In Belle-Île, we stopped the distribution of advertisements in tenants’ mailboxes, which has a positive impact on paper/cardboard waste. Furthermore, a waste sorting zone was created with the addition of sorting on semi-transparent films, frigolite, batteries and bulbs. Via our communication tool *flow*, this was also communicated to the tenants to make them aware of the usefulness of good recycling.

Also in Shopping Nivelles, the number of sorting flows was increased and a Bebat/Recupel point was installed in the point for visitors.

Waste
(in %)

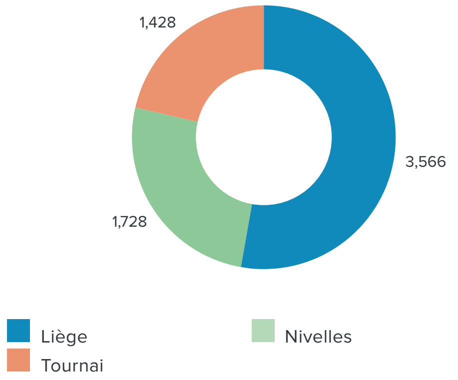


Energy and renewable energy on-site

Since 2013, Wereldhave has had an energy reduction target of 30%. At the end of 2018, this goal achieved with energy savings of 32% (energy efficiency 2013-2018 kWh per visitor). In 2020, we continued to take measures to reduce energy consumption and generate lower carbon emissions.
For example, Wereldhave Belgium now operates more than 6,700 solar panels.

In 2020, these solar panels generated 2,013 MWh of renewable energy on site, an increase of 9% over 2019. Meanwhile, work continues on the 2 projects at Genk Shopping 1 and Ring Shopping Kortrijk Noord for the installation of solar panels in 2021.

Solar panels



Some of our LED lighting projects in 2020:
In Shopping Nivelles, all lighting (parking lot and gallery) was replaced by LED lighting to achieve a significant reduction in energy consumption.

At the car park of Ring shopping, part of the high frequency ballast lighting was already replaced by LED lighting resulting in reduced energy consumption, better light quality and less light pollution.

During the renovation of the Belle-Île gallery, the old lighting was replaced by LED lighting. In addition, twilight switches were placed in less frequently used areas (technical rooms, service corridors, etc). All this was linked to a new BMS system from the manufacturer Honeywell, which gives a great deal of control and flexibility in controlling the lighting and other technical installations.

When renting out our office floors in Vilvoorde and Berchem, LED lighting is systematically installed. This was already done in most of the common parts. The private areas are now being systematically installed.

Optimizations of building management systems (BMS):
In Nivelles, sensors were placed at several strategic locations in the gallery that continuously measure temperature and CO_2 levels. In conjunction with Johnson Controls' building management system, the gallery's ventilation, cooling and heating are automatically turned off when ambient conditions of temperature and CO_2 allow. This tried and tested system, which has already been applied to other of our buildings, generates significant savings while maintaining full comfort for our tenants and customers.

The latter was also applied in Belle-Île with the implementation of the new Honeywell building management system.

In Shopping 1 in Genk, a weather-dependent heating line control was installed in the Priva BMS. From April to the end of September, we have already reduced our consumption by 202,409 MWH, representing a saving of € 30,357. Furthermore, automatic light switches were installed in the service corridors and counting rooms so that there is no standby consumption.

All our building management systems are continuously monitored by several specialized external parties as well as our own technical services. This ensures that the installations linked to them function in the most optimal conditions.

Some other energy-saving and comfort-enhancing interventions:
In Belle-Île, much attention was also paid to possible improvements as part of the renovation. For example, the entrance shafts and the ceilings in the car park were insulated. Automatic revolving doors were installed at 3 of the 5 entrances, with a positive impact on the temperature in the gallery as there are fewer draughts. The electric hot air curtains were replaced by thermal ones connected to the existing heating circuit of the shopping center. We also conducted a study together with Bopro in order to draw a net zero carbon routemap for Belle-Île.

In Bastions, 7% of the communication on *flow* (our communication platform towards the tenants) is about sustainability. In this way we involve the tenants as much as possible and make them aware of our initiatives.

Covid-19 related interventions to HVAC and other technical installations:
Almost all of today's HVAC installations are focused on energy efficiency.

After all, that's laid down in building standards. Therefore, in most cases, they reuse air from inside the building that has already been cooled or heated. However, this could also make it easier for the virus that is present in the air to spread. Turning off the systems is also often not an option for comfort and fresh air needs.

It was therefore important to identify the risks of our current systems and to take concrete measures for each individual building on that basis.

We thus had to avoid recycling filtered indoor air while still providing maximum ventilation. Virus particles circulating in the return air ducts could reenter the supply air circuit through recirculation.

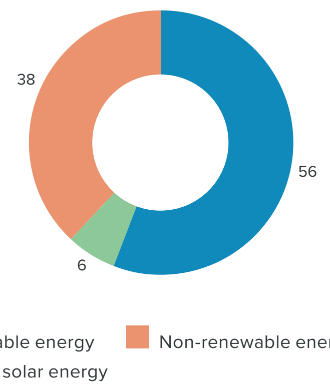
We therefore switched the entire HVAC system to fresh air only and opened doors and windows to the maximum.

These interventions are obviously detrimental to energy consumption, but extremely necessary for the health of our customers and tenants.

Nevertheless, we took advantage of the lockdowns to reduce overall energy consumption as much as possible in all our buildings. Sections were closed to the public, technical installations that could be switched off were turned off and the remaining ones were continuously monitored to ensure they were working optimally. These measures kept energy consumption under control. These decisions made it possible to support both the environment and our tenants.

Energy consumption

(in %)



Water

Wereldhave is focused on reducing water consumption. Our shopping centers and offices will have consumed a total of 107,704 m^3 of water by 2020, including the water consumption of 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 four Belgian shopping centers.

As part of the Customer Journey, restrooms are being renovated or added to our centers. The new toilet designs are equipped with water-saving toilets and taps in line with BREEAM in-use requirements. The centers Les Bastions, Belle-Île and Ring Shopping Kortrijk have been upgraded to meet these standards.

In 2020, the entire network of water supply to the units was renewed in Ring Shopping. This with the aim of avoiding leaks (and water loss) and to guarantee the quality of the water for the merchants.

The cooling towers in Genk Shopping 1 received an alarm on the building management system so that no water is lost in case of breakdown or technical failure. An investigation was started into the installation of a groundwater well.

In Shopping les Bastions, a new service for visitors was announced in early 2020. It is a fully ecological dry cleaning service that carries a poetic French word of "Biochisserie". We also had the pleasure of installing an ecological car wash with very low water consumption and ECOCert-certified products.

Better nature: resilience

Wereldhave is convinced that as a business, adapting to the risks of the climate crisis with solutions that take care of the environment and biodiversity is necessary. Expanding green spaces - adding green roofs, for example - helps against heat islands and street flooding during extreme rainfall events. They also add space for urban greenery and wildlife.

Ecology

Green roofs and green spaces around our centers can have a cooling effect and counteract the heat island effect caused by global warming of cities. They can also provide space for local flora and fauna. By the end of 2020, 33% of shopping centers had implemented at least one biodiversity measure, such as a green roof, nesting boxes for birds, bee hotels, insect hotels or a project in cooperation with a local school or association. Wereldhave Belgium has more than 5,500 m^2 of green roofs on its shopping centers; in addition to biodiversity, the green roofs provide water retention, air purification, insulation and heat regulation. In 2020, we will review the measures we have taken as part of the BREEAM in-use certification.

Better living: social events

Wereldhave strives to provide clean, safe and pleasant centers in which to work and spend time. That means providing services that our tenants and visitors want - access to public transportation, bike racks, and electric charging stations, for example. It also means being a good employer for employees, so 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

As part of "Healthy People, Happy People", Wereldhave Belgium rolled out a health plan each year that included 4 values: Food; Move; Energy (Energy Balance) and It Works (Work-related solutions to make the most of passion and creativity). Due to Corona and the mandatory home work, this program was postponed to 2021.

Safety and wellbeing

Health and safety risks are assessed for all shopping centers and office buildings. These assessments include reports of certificates obtained, training and incidents. During the Covid-19 crisis, several issues for the safety of staff but also tenants and visitors were applied.

Key measures for restarting after lockdowns:

- Limiting the number of entrance doors.
- Respecting the maximum number of customers admitted at the same time.
- Increasing surveillance.
- Increasing cleaning and cleaning methods.
- Wearing a mouth mask:
  - Mandatory for staff and service providers (guards, cleaning, ...).
  - Mandatory for customers (available for purchase at The Point).
- Materialization of social distance = 1.5 m guaranteed space in queues.
- Communication of barrier measures.
- Protective materials for staff (alcohol gel, mouth masks, gloves).
- Extensive communication of the measures via *flow* and the Wereldhave website.
- Adjustments to the air ventilation systems.

Plexiglas screens were also installed between the offices at the head office, stickers to make the measures clear, alcohol gel facilities, walking routes, etc.

Valuechain impact
We encourage our tenants to invest in sustainability through our sustainability standard (Green Lease). By the end of 2020, 45% of the total tenant base was 'Green'. The Green Lease has been included as standard in all new leases since 2014. The Green Lease includes agreements on working conditions, use of materials in construction work, waste separation and energy and water consumption. A Green Lease also defines the data to be exchanged between parties.

We also encourage sustainable transportation. When redeveloping parking lots or parking lots, we study the number of charging points for electric or hybrid cars. In Nivelles and Vilvoorde, a new partnership was concluded for the installation of electric charging stations. The Retail Park in Bruges and our Shopping in Belle-Île are planned for 2021.

For our suppliers, we use a sustainability charter (Supplier Code of Conduct) to impose our conditions with regard to responsible use of materials and risk management on service providers. The Supplier Code of Conduct can be viewed 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 local challenges.
Therefore, each year we make available approximately 1% of our NRI in-kind and in-cash for social impact. This budget is used for social impact events, to create space for local and/or social initiatives and to improve facilities for the disabled, elderly and children. In 2020, 21 social impact events were organized in all our shopping centers. Due to the necessary lock-downs, this number was significantly reduced, also to provide as much free space as possible for visitors.

To show our support for this unprecedented health crisis in history, we provided a distributor of masks whose profits were donated to the Belgian Red Cross. We also answered the call of the Medical Authorities by organizing a large "coronaproof" blood donation among others in Shopping les Bastions.

Further in the context of corona, a pop-up was made available to ZOL-GENK in Shopping 1 in Genk; it was dedicated to nurses: the heroes of care. In this building, nurses were recruited for the hospital.

In Ring Shopping we organized " Animal Day's " in September whereby numerous non-profit organizations that promote animal welfare each day were given a forum and free stand. In this way, we gave our visitors a warm extra during the shopping experience and the non-profit organizations the opportunity to raise funds and give information about adoption in these difficult times.

In Belle-Île, a collaboration with Terre.be was put into practice: several containers were installed in our car park to collect second-hand clothes and textiles and thus reduce waste with an environmental added value. Through Osmose.be, we welcome assistance dogs in training to the gallery.

Finally, there was the Operation Pièces Rouges in collaboration with RTL: the collection could not take place in the shopping center, but all the funds were deposited in a Crelan agency, a partner of the project.

Philanthropy and corporate sponsorship
In addition to the social impact of the activities around the shopping centers, Wereldhave focuses its sponsorship policy on involving employees in culture and sports. Also in 2020, Wereldhave Belgium was a proud sponsor of the City Pirates in Antwerp. They are a soccer club that wants to make soccer accessible for everyone. Social involvement is an important pillar next to soccer. The club is a social platform for parents, children and volunteers who work together for a better city. The club has 1100 youth players of 80 different nationalities. It is a safe place where children and parents can push their limits.

Finally, in all our centers, proceeds from the sale of mouth masks for a total of €10,000 were donated to the Red Cross.

External recognition & commitments
Our sustainability performance is assessed each year by international rating agencies, non-governmental organizations (NGOs) and socially responsible investment (SRI)/ESG analysts.

Sustainable Building Certificates
In 2013, Wereldhave decided to standardize the sustainable quality of its buildings and improve their management using the BREEAM certification tool. In 2019, the Company decided to use BREEAM-in-use mainly for our indoor centers. In 2020, the BREEAM-in-use certificate for Shopping les Bastions was obtained with a score of Very Good for Asset and Building management.

Breeam-in-use building management	
Shopping Les Bastions	Very good
Ring Shopping Kortrijk Noord	Very good
Genk Shopping 1	Excellent
Shopping Nivelles	Excellent
Shopping Belle-Île	Not in scope yet, due to development

GRESB
In 2020, for the seventh year in a row, the Global Real Estate Sustainability Benchmark (GRESB) awarded five stars to Wereldhave : the highest rating. With a score of 93 out of 100, we are now in the top 5 of the European listed real estate sector.

CDP
Since 2012, Wereldhave has participated in the Carbon Disclosure project (CDP): an initiative aimed at reducing emissions and taking action against climate change.
CDP has over 3,000 participants. In 2020, Wereldhave scored an A- for the first time.

ISS-ESG
In 2019, ISS-ESG, a well-known sustainability rating agency, awarded Wereldhave prime status for the third time in a row.

According to Wereldhave's Corporate Rating, this places the group in the top 10% in our industry for environmental, social and governance performance.

EPRA

Wereldhave is committed to reporting in accordance with EPRA's financial and sustainability guidelines.

EPRA (European Public Real Estate) awarded Wereldhave an SBPR recognition for our best-in-class annual sustainability performance report. For the fourth year in a row, we received EPRA's SBPR with a gold award.

Environmental performance indicators Retail

	Absolute portfolio		Like-for-like portfolio	
Impact areas	2020	2019	2020	2019
Energy (MWh)				
Electricity shared services	8,305	9,128	8,2	9,026
Electricity submetered to tenants	18	42	18	42
Total landlord obtained electricity	8,323	9,17	8,218	9,068
Proportion of electricity from renewable sources (market-based)	100%	100%	100%	100%
District heating and cooling shared services	-	-	-	-
District heating and cooling submetered to tenants	-	-	-	-
Total landlord obtained district heating	-	-	-	-
Proportion heating and cooling from renewable sources	0%	0%	0%	0%
Fuels shared services	3,817	4,088	3,649	3,925
Fuels submetered to tenants	514	531	514	531
Total landlord obtained fuels	4,331	4,619	4,163	4,456
Proportion of fuels from renewable sources	0%	0%	0%	0%
Total energy from shared services	12,122	13,216	11,849	12,951
Total energy submetered to tenants	532	573	532	573
Total landlord obtained energy	12,654	13,789	12,381	13,524
Total renewable energy produced on-site	2,013	1,839	2,013	1,839
Greenhouse gas emissions from energy (tCO2e)				
Total direct GHG emissions Scope 1 (market-based)	786	838	663	713
Total direct GHG emissions Scope 1 (location-based)	786	838	663	713
Total indirect GHG emissions Scope 2 (market-based)	-	-	-	-
Total indirect GHG emissions Scope 2 (location-based)	1,954	2,184	1924	2155
Total indirect GHG emissions Scope 3 (market-based)	98	108	98	108
Total GHG emissions - landlord obtained/submetered (market-based)	884	946	761	821
Water (m3)				
Water from municipal water supplies or other public	53,756	65,621	53,714	65,577
Water from rainwater collected directly and stored	5,631	3,394	5,631	3,394
Water from groundwater / surface water	31,976	81,755	31,976	81,755
Total landlord obtained water consumption	91,363	150,770	91,321	150,726
Water submetered to tenants	35,020	42,612	35,020	42,612
Waste (metric tonnes)				
Hazardous waste	-	-	-	-
Non-hazardous waste	1,568	1,937	1,545	1,914
Total weight of waste by disposal route (metric tonnes)				
Recycling	517	600	510	593
Composting	16	-	15	-
Energy from Waste	768	1027	757	1014
Incineration without energy recovery	-	-	-	-
Landfill	31	310	31	306
other	235	-	232	-
Proportion of waste by disposal route (%)				
Recycling	33%	31%	33%	31%
Composting	1%	0%	1%	0%
Energy from Waste	49%	53%	49%	53%
Incineration without energy recovery	0%	0%	0%	0%
Landfill	2%	16%	2%	16%
other	15%	0%	15%	0%

Milieu-intensiteitsindicatoren Retail

		Absolute portfolio		Like for like portfolio	
		2020	2019	**2020**	2019
Impact areas					
Building energy intensity	kWh/m²/year	64.13	69.88	64.07	69.99
	kWh/visitor/year	0.91	0.72	0.89	0.70
Greenhouse gas intensity from building energy	kg CO_2e/m²/year	4.48	4.79	3.94	4.25
	kg CO_2e/visitor/year	0.06	0.05	0.05	0.04
Building water intensity	m³/m²/year	0.46	0.76	0.47	0.78
	liter/visitor/year	6.59	7.83	6.59	7.82

Milieu-prestatieindicatoren Kantoren

	Absolute portfolio		Like-for-like	
	2020	2019	**2020**	2019
Energy (MWh)				
Electricity shared services	6,203	6,647	-	-
Electricity submetered to tenants	1,527	1,857	-	-
Total landlord obtained electricity	7,730	8,504	-	-
Proportion of electricity from renewable sources	100%	100%	-	-
District heating and cooling shared services	-	-	-	-
District heating and cooling submetered to tenants	-	-	-	-
Total landlord obtained district heating	-	-	-	-
Proportion heating and cooling from renewable sources	-	-	-	-
Fuels shared services	5,612	4,100	-	-
Fuels submetered to tenants	7	16	-	-
Total landlord obtained fuels	5,619	4,116	-	-
Proportion of fuels from renewable sources	0%	0%	-	-
Total energy from shared services	11,815	10,747	-	-
Total energy submetered to tenants	1,534	1,873	-	-
Total landlord obtained energy	13,349	12,620	-	-
Greenhouse gas emissions (tCO_2e)			**-**	**-**
Total direct GHG emissions Scope 1 (market-based)	1,019	745	-	-
Total indirect GHG emissions Scope 2 (market-based)	-	-	-	-
Total indirect GHG emissions Scope 3 (market-based)	1,3	3	-	-
Total GHG emissions (market-based)	1,020	747	-	-
Water (m³)			**-**	**-**
Water from public water supplies - shared services	16,341	19,147	-	-
Water from public water supplies - submetered	-	-	-	-
Water from rainwater collected directly and stored	-	-	-	-
Water from groundwater / surface water	-	-	-	-
Total landlord obtained water consumption	16,341	19,147	-	-
Waste (metric tonnes)			**-**	**-**
Hazardous waste	-	-	-	-
Non-hazardous waste	109	154	-	-
Total weight of waste by disposal route (metric tonnes)	109	**154**	**-**	**-**
Recycling	44	57	-	-
Composting	-	-	-	-
Energy from Waste	50	75	-	-
Incineration without energy recovery	-	-	-	-
Landfill	-	-	-	-
other	15	22	-	-
Proportion of waste by disposal route (%)			**-**	**-**
Recycling	40%	37%	-	-
Composting	0%	0%	-	-
Energy from Waste	46%	49%	-	-
Incineration without energy recovery	0%	0%	-	-
Landfill	0%	0%	-	-
other	14%	14%	-	-

Environmental intensity indicators Office

			Absolute portfolio		Like-for-like portfolio	
			2020	2019	**2020**	2019
Impact areas						
Building energy intensity	CRESS CRE1	kWh/m²/year	125.00	118.18	-	-
Greenhouse gas intensity from building energy	CRESS CRE3	$kgCO_2e/m^2/year$	9.56	7.00	-	-
Building water intensity	CRESS CRE2	m³/m²/year	0.15	0.18	-	-

BREEAM certificates

		2020	2019
BREEAM certifications in place	% of retail center GLA		
Outstanding		0%	0%
Excellent		36%	36%
Very Good		43%	17%
Good/Pass		0%	0%
Percentage of GLA which is BREEAM rated		**79%**	**53%**
Percentage of eligible centers GLA which is BREEAM rated		**100%**	**74%**

EPRA Sustainability performance measures

Environmental performance measures	**Pagina**
Total electricity consumption	45-46
Like-for-like total electricity consumption	45-46
Total district heating & cooling consumption	45-46
Like-for-like total district heating & cooling consumption	45-46
Total fuel consumption	45-46
Like-for-like total fuel consumption	45-46
Building energy intensity	45-46
Total direct greenhouse gas (GHG) emissions	45-46
Total indirect greenhouse gas (GHG) emissions	45-46
Greenhouse gas (GHG) emissions intensity from building energy consumption	45-46
Total water consumption	45-46
Like-for-like total water consumption	45-46
Building water intensity	45-46
Total weight of waste by disposal route	45-46
Like-for-like total weight of waste by disposal route	45-46
Type and number of sustainably certified assets	44
Governance performance measures	**Pagina**
Composition of the highest governance body	10-11
Process for nominating and selecting the highest governance body	11-12
Process for managing conflicts of interest	33-34

Management report

Chapter 9 “Risk factors” and the “Declaration of Corporate Governance” (in Chapter 3) are an integral part of this management report and form the annual report on the consolidated annual financial statements prepared in accordance with Articles 3:6 and 3:32 of the CSA (Belgian code of companies and associations).

Mission and strategy

Mission: a focus on shopping centres and retail parks

Wereldhave Belgium is positioned as a real estate investor and operator. It focuses on large shopping centres and retail parks located in Belgium and Luxembourg. The Company has a range of skills and resources which enables it to invest, manage, operate and redevelop its assets to provide its shareholders with an attractive return on investment with a low risk profile.

Strategy: value creation and risk spreading

Wereldhave Belgium seeks stable growth of its net earnings from core activities and a healthy dividend policy. To achieve this goal, it puts value creation and risk spreading at the heart of its strategy. Value is primarily created through:

- the active management of shopping centres and retail parks;
- the (re)development of shopping centres for its own portfolio;
- the acquisition of commercial real estate assets meeting the Company's quality criteria.

Active management and redevelopment of shopping centres and retail parks

Wereldhave Belgium invests in and owns shopping centres and retail parks that are leaders in their catchment area. In its ongoing effort to optimise its portfolio, the Company decided to transform its shopping centres into "Full Service Centres" which are better suited to meeting people's changing needs and consumption habits. The move to Full Service Centres will enable the Company to shift from a purely commercial approach to a 'LifeCentral' focus for its assets.

The LifeCentral programme is a response to changes in consumer behaviour and the development of e-commerce. It is intended to provide new reasons for buyers to visit our centres. Our Full Service Centres will go beyond traditional shopping and provide a place where visitors can relax, socialise, work and stay healthy while doing their shopping.

They will have to meet all of the basic daily needs of customers we have identified in a single location, of which there are four major categories:

1. Essential needs (food and other essential products);
2. Self-expression - i.e. "look good and make a good impression" (fashion, interior design and cosmetics);
3. Enjoyment of life - spend time with friends and family (recreation and entertainment, restaurants);
4. Well-being - take care of personal health (stay in shape, healthcare and well-being).

In addition, the LifeCentral programme isn't limited to the way retail space will be used. It will also provide services to consumers and tenants, including The Point, *flow*, and more.

This strategy will enable the Company to guarantee a high occupancy rate for its assets over the long term while getting the most value out of its property positions via the development of new services.

Wereldhave Belgium is positioned as a leading player in the commercial real estate landscape of Belgium and Luxembourg. In this context, the Company is constantly in contact with investors, property developers and leading real estate agents. It constantly analyses the opportunities for purchasing buildings which meet its requirements in terms of quality and strategic location.

Property Management - Managing the portfolio of property investments

Wereldhave Belgium Services SA, whose registered office is located at Medialaan 30 bus 6,1800 Vilvoorde, under company number 0422.120.838, is the real estate manager for the real estate investment portfolio of the RREC.

The shares of Wereldhave Belgium Services are 99.52% held by the Company. The fees payable to Wereldhave Belgium Services are directly charged to the tenants in accordance with the contractual conditions set in the lease contracts.

Wereldhave Belgium Services has an administrative, accounting, financial and technical organisation tailored to the management of the Company's real estate portfolio.

The Directors of Wereldhave Belgium Services meet industry requirements for professional reliability, certification (IPI) and experience, as described in, and in compliance with, Article 19 of the law on RRECs.

Although characterised by local expertise and practices, the Belgian real estate market nevertheless provides many opportunities to exchange information about the best practices of the markets in which the Wereldhave Group is active.

To increase its operational excellence, Wereldhave Belgium is developing a high-performance data management system. The data come from the same sources and are delivered via the same channels ensuring that Company processes can be optimally adapted to each other.

Impact of the Covid-19 outbreak on the 2020 financial year

(This information is an integral part of the financial statements as presented in the section of this report entitled "Financial report").

Following a very solid 2019, which saw the arrival of new brands and increased traffic in its portfolio, 2020 started off very well, continuing the positive trend. During the first two months of the year, traffic, an important indicator of the financial health of our centres, rose by over 10% in all of our centres compared to the same period the previous year, well beyond average market performance. This trend again confirmed the overall intrinsic quality of the Company's portfolio and its know-how with respect to retail strategy, the active management of the common spaces of the centres (via the organisation of events and by making them available for temporary occupancy) and the organisation of well-targeted promotional campaigns.

However, as of the beginning of March 2020, the outbreak of the Covid-19 pandemic around the world, and in Belgium in particular, had an immediate and significant effect on retail activity, notably due to the successive restrictions on the movements of people and the compulsory closure of all activities deemed nonessential implemented by the public authorities in an attempt to halt the pandemic.

The Company did its utmost to deal with the challenging events:

- by maintaining its centres open to the extent allowed by the authorities and by taking the organisational measures required to ensure the safety of its patrons;
- by providing support to its tenants, notably by participating in the financial effort by waving some of the rent owed in order to help tenants survive the current economic situation;
- by taking all financial measures required to preserve and strengthen the Company's liquidity position, notably by cutting costs, deferring investments deemed to be less important and by strengthening its financing structure.

In order to maintain its shareholders and other stakeholders informed of the evolution of the situation, during 2020, in addition to its other recurring regulatory publications, the Company issued several press releases about Covid-19 events, notably on 16 March when it provided information on the non-relevance of the outlook previously announced; on 2 April when it announced changes to the financial calendar and, notably, the deferral of the Ordinary General Meeting of Shareholders; and on 22 June when it announced a new financial calendar and adjusted the amount of the 2019 dividend downward.

The Company is hereby presenting its annual financial report on the 2020 results and describing the changes in its activities over the past financial year.

Changes in operational activities:
As stated above, the first two months of 2020 performed very well from an operational standpoint, illustrated notably by the very positive increase in the number of visitors in the shopping centres, up by over 10% compared to the same period the previous year. This increase was well above that of the shopping centre market, which was 6% according to the BLSC, the representative body of the players of the shopping centre industry. The significant factors which contributed to this success included dynamic marketing (with the opening of several hit store concepts) and active online and traditional marketing organised on the overall theme "Make every day count".

The arrival of the Covid-19 pandemic put an abrupt end to this positive trend with the announcement on 12 March of the decisions of the National Security Council, which, among others, ordered the compulsory closing of all cafés, bars and restaurants. Starting on 17 March, the rules were hardened by the government and all nonessential shops were closed to the public. Shopping centres remained open, but with a limited number of products, which obviously had a strong negative impact on the number of patrons and on the revenue of tenants. During the closure period, a range of different measures were taken to limit costs to a minimum (temporary unemployment for shopping centre employees, termination or deferral of all interventions and of all investment projects not deemed a priority).

During this period of slow activity, and aware that the health and safety of the patrons, tenants, employees and commercial partners of the Company were an absolute priority, a number of initiatives were implemented, taking into account the measures in effect to enable the creation of a safe environment for all stakeholders. The Company took a number of measures and operational steps for this purpose. It created safe environments in the shopping centres for patrons, managed traffic flows to avoid having too many people in the same place at the same time and assisted with the recovery of tenant activities, notably by providing additional terrace space to hospitality industry tenants, free of charge.

After two months of closure, retail outlets were allowed to reopen and began to gradually open their doors as of 11 May, depending on their type of business.

Following the reopening of the shops, the Company saw positive trends with a gradual increase in the number of visitors, rising from 50% before hospitality providers opened to over 75% following their reopening and even 90% starting in June. Active online marketing and the loosening of restrictive measures enabled the Company to again attract customers to the experience and the services and return to visitor levels slightly below those reached prior to the Covid-19 pandemic.

The whole health situation deteriorated again during the summer. This led the Government to delay the July sales until August and to again implement stricter safety measures at the end of July. This limited the number of people that could visit shopping centres as well as the length of their visit.

Following another relaxation of the safety measures, September and October saw traffic increase to slightly below the levels of the previous year, but with a better conversion rate for tenants, which meant that their revenue numbers declined less than the number of visitors.

However, the return of the pandemic in fall led the National Security Council to again implement more drastic precautionary measures. It closed all cafés, bars and restaurants on 19 October. This was followed by all shops deemed non-essential starting on 2 November. These decisions led to the closing of approximately 80% of the shops in the shopping centres with a significant impact on traffic. During this second compulsory closing, the Company brought back the measures taken earlier in the year intended to limit its costs as much as possible.

Nonessential outlets were allowed to open again on 1 December. This gave them the opportunity to try to make up lost business during the all-important year-end shopping period. However, hospitality businesses and other so-called close-contact service providers (hairdressers, beauty salons, etc.) remained closed at the end of the financial year.

As a result of this chaotic situation, the 2020 traffic numbers for the Company's shopping centres were on average 28.0% lower compared to 2019, slightly better than the market numbers published by the BLSC, which were down 29.3% in 2020 compared to 2019.

Changes in rental activities:
The outbreak of the pandemic and the announcement of compulsory closures caused concern amongst tenants who suddenly saw the sales of their physical stores decline or stop completely for indefinite periods of time, which led them to further increase their cost-cutting measures. Given this context, individual discussions were initiated with the Company's retail tenants impacted by the closures about their rent payments during the periods of closure. The tenants asked for a (full or partial) discount or the spreading of the amounts owed for these periods and, potentially, support measures for the periods following their reopening to the public to help them recover their business.

Given these highly unusual and unique circumstances, the Company wanted to position itself as a partner with its tenants. It, therefore, considered the option of implementing individual agreements with them, while maintaining a fair balance between the parties. The majority of tenants contacted appreciated the Company's proactive approach of sharing the financial burden during the down periods, enabling them to more easily navigate the periods during which their businesses had to be closed.

It should be noted that the Company's revenues are quite diversified, and none of the tenants in its portfolio accounts for more than 5% of its turnover. This ensures that it is not overly exposed to any given counterparty which might be more heavily impacted by the current health crisis than others.

Nevertheless, rental activity was high during the year, despite the discussions initiated with existing tenants regarding Covid-19. At 31 December, 92 lease transactions (lease renewals and new leases) were signed in the Company's portfolio, thereby confirming its continuing appeal and its resilience in the face of the current market context.

Changes in financial activities:
The health crisis and the successive decisions taken by the National Security Council to partially or completely shut down retail activities during the year inevitably had a direct impact on the Company's liquidity. The announcement of the decisions and the resulting uncertainty had a significant impact on the payment behaviour of tenants, leading them to delay payment of their invoices to ensure their own liquidity.

As a result, many discussions were initiated with tenants, on the one hand, by the retail department, and on the other, by the finance department, in order to agree on payment terms for outstanding receivables while taking into account the waivers granted during the commercial discussions. During these discussions, it became apparent that the financial situation of some tenants, which was already precarious prior to the start of the crisis, had deteriorated significantly. This had led some to initiate judicial reorganisation proceedings or even to file for bankruptcy. This was the case for companies including Camaieu, Maxi Toys et Mega World.

Given this context, during the financial year, the Company had to focus its efforts on implementing a more proactive collections policy to identify risks as early as possible and optimise its chances of recovering unpaid receivables. These efforts enabled the Company to maintain a receivables recovery rate of 94.9% for the entire 2020 financial year (taking into account the amount of the concessions granted). The rate was 89.0% for the fourth quarter of 2020 (also taking into account the amount of the concessions granted).

Given this pressure on the Company's revenue, as illustrated above, it proactively implemented measures to preserve its own liquidity and reduce its expenses and those of its tenants, which included the temporary interruption or deferral of several investment programmes and cost reductions, notably by putting shopping centre staff on temporary unemployment and by suspending certain contracts. As a result, investment programmes under way, such as the renovation of the Belle-Île shopping centre in Liege and the renovation of office buildings in Vilvoorde and Antwerp were temporarily suspended during the past year, before starting up again after the Company had confirmed its liquidity position. Special attention was also paid to the analysis of the Company's cost structure in order to optimise it and find structural savings.

To further manage its liquidity position, the Company took action during 2020 to strengthen its financing structure by taking out new bank lines of credit to replace lines which were scheduled to mature during the first half of 2021. With these refinancing transactions in hand, and although its financing needs have been met in the short term, the Company continues to actively investigate several complementary financing options (notably in the bond markets) in order to optimise the diversification of its funding sources and extend their average residual duration.

Real estate portfolio valuation
Given the current context, in which the commercial real estate market has been negatively impacted by the Covid-19 pandemic, whose medium- and long-term consequences are not yet fully understood, and with very limited transactions throughout the year, it has been difficult for independent real estate experts to find points of reference with which to back their valuations.

Despite this, they decided that they would have to include the negative impact of the crisis on the Company's real estate portfolio for 2020. This resulted in reductions in value in the portfolio.

Given the current level of market uncertainty, experts have added a "material valuation uncertainty" clause to their commercial property valuations, in accordance with the valuation standards recommended by RICS. The clause states, in essence, that while the valuations are highly reliable, they must be interpreted carefully due to the lack of market benchmarks. However, the clause was not applicable on 31 December 2020 for valuations of office building portfolios as this market experienced more activity in 2020. It also afforded independent property experts the benefit of market benchmarks to back their valuations.

Investment property

Buildings available for lease

The fair value of buildings available for lease changed from € 948.7m at 31 December 2019 to € 908.6m at 31 December 2020. Excluding investments and divestments, this value decreased by € -57.0m during the 2020 financial year.

The Company proceeded with investments in its portfolio of buildings available for lease in the total amount of € 16.8m in 2020. Most of this amount was allocated to the renovation of the Belle-Île shopping centre in Liege, the setting up of new tenants in the Ring Shopping Kortrijk and at Genk Shopping 1, as well as to the investment programme carried out for the office building portfolio. During the financial year, the Company also proceeded with the disposal of a student residence building located in Ghent Overpoort in the amount of € 7.8m, generating a realised gain of € 0.3m compared to its last fair value.

The EPRA occupancy rate for the portfolio of buildings available for lease was 91.9% at 31 December 2020 (31 December 2019: 95.2%).

Commercial buildings portfolio

Wereldhave Belgium focuses on shopping centres and retail parks with a dominant position in their catchment area, with a preference for complexes with the potential for expansion to move towards Full Service Centres. Thanks to its proactive approach, the Company has maintained and strengthened the competitive position of its portfolio of commercial buildings on the market. The commercial building portfolio accounts for over 90% of the value of the investment buildings portfolio, including development projects and assets held for sale.

The EPRA occupancy rate (see above) of the portfolio of commercial buildings decreased from 96.3% at 31 December 2019 to 94.4% at 31 December 2020. The decrease was mainly due to the combined impact of the departure of certain tenants, primarily in Tournai and Genk (Shopping 1 and Stadsplein) and a few bankruptcies in the portfolio (e.g., Camaieu, Maxi Toys and Mega World). They were partially offset by good retail numbers despite the current economic situation, with the arrival of new tenants including Action in Kortrijk, Holland & Barret, Pitaya and Superdry in Belle-Île and Jack & Jones at Shopping Nivelles.

The Like-for-Like change in the 2020 operational real estate results for the commercial real estate portfolio was -19.1%, compared to +0.8% in 2019. It was significantly impacted by the concessions granted to tenants in light of the Covid-19 pandemic and by the resulting compulsory temporary closures of retail outlets.

Despite dynamic management of the shopping centres and the excellent cooperation between local and head office teams, the results of speciality leasing (temporary stand rentals and promotional activities in the common areas) fell significantly in 2020 compared to 2019. This was due to the fact that the spaces could not be used during the closures and other periods with restrictions during 2020 because of the Covid-19 pandemic.

In 2020, the Company continued to plan its project to repairthe façades, entrances and exterior areas of the Ring shopping centre in Courtrai. The renovation work will begin in the first half of 2021 and last about 10 months, with an estimated investment budget of € 11.5m. The project, and the launch of a new logo, will considerably increase the appeal of the centre for visitors and will also attract new tenants. The The Point concept will also be launched during the year to increase the quality of services to consumers.

Office building portfolio

The EPRA occupancy rate of this portfolio decreased from 89.2% at 31 December 2019 to 77.5% at 31 December 2020. This significant drop was due to the departure of several tenants, from both the De Veldekens office complex in Berchem-Antwerp, which saw the departure of tenants including Argenta, KBC and Proximus, and from the Business & Media business offices in Vilvoorde, with the departure of tenants including Monster and WGEO. Although some of the departures were expected, the Covid-19 pandemic slowed the releasing of the premises, which remains a priority for the Company during the 2021 financial year.

The Like-for-Like change in operational real estate results during the 2020 financial year for the office buildings portfolio was -1.5%, compared to -10.0% in 2019.

In order to improve the services in the buildings and increase their aesthetic appeal notably given the marketing challenges, the Company decided at the end of 2019 to carry out a multi-year investment programme for this portfolio over the coming years. Shared restaurants will be completely redesigned at the two locations to provide better service to tenants and improvements will be made to the building equipment and to the entrance halls and the restroom area.

Development projects

Development projects were valued at € 12.6m as at 31 December 2020 (31 December 2019: € 12.6m). Excluding investments, this value decreased (€ -1.0m) over the 2020 financial year due to the amortisation of certain costs incurred for the Belle-Île extension project.

During the past year, investments were made to prepare the extension of the Belle-Île shopping centre in Liege (€ 0.8m) and the redevelopment of the Waterloo site (€ 0.2 million).

With respect to the Belle-Île extension project, after modifying and optimising the plans in 2019 to take the changes in the retail market into account and to include greater flexibility and new functionality (leisure, restaurants, co-working, etc.) in order for the shopping centre to evolve into a Full Service Centre, requests for permits and for changes to permits were filed during 2020 with the goal of having all required authorisations in hand by the beginning of 2021. As soon as the permits are received, and taking into account the evolution of the marketing of the project, the Company will prepare a new works schedule. The project has an estimated budget of € 47m and will last about two years.

Financial results

Net earnings from core activities

The Company's net earnings from core activities were € 36.7m in 2020 (€ 45.6m in 2019). Net rental income decreased by € 9.4m, primarily due to (i) write-offs granted or to be granted to tenants as a result of Covid-19 discussions (€ 7.1m), (ii) an amount of non-recurring indemnities for a greater number of early lease terminations received last year (€ 1.3m), and (iii) lower revenue in 2020 (€ 0.6m) generated from the operation of the common areas of the shopping centres due to the restrictions implemented by the authorities to fight the Covid-19 pandemic. Compared to 2019, real estate expenses were stable overall, whereas overheads decreased considerably (€ -0.8m) as a result of the combined effect of non-recurring income from a tax reversal partially offset by a non-recurring charge linked to the termination of collaboration contracts with the Company.

Net financial expenses increased slightly by € 0.2m, primarily due to the greater use of current credit lines during the year, resulting from cautious liquidity management under current market conditions and the cost of the refinancing transactions carried out during the year.

Taking into account the impacts mentioned above, and of the greater average number of shares than during the 2019 financial year, the net earnings from key activities per share decreased to € 4.65 (compared to € 5.92 at 31 December 2019).

Net earnings from non-core activities

Net earnings from non-core activities were € -58.8m at 31 December 2020 (€ -16.7m at 31 December 2019). Net earnings from non-core activities primarily include the result of the revaluation of the real estate portfolio (€ -57.9m), the income from the sale of student rooms in Ghent Overpoort (€ 0.3m) and the changes in the fair value of hedging instruments (€ -1.2m).

Shareholders' equity and financing

Shareholders' equity was € 650.5m at 31 December 2020 (€ 689.2m at 31 December 2019). The decrease was primarily due to impairments recorded on the real estate portfolio during the past financial year.

The intrinsic value per share (total shareholders' equity/total number of shares), including the profit/loss for the current financial year and taking into account the profit/loss from the distribution of an optional dividend in 2020, was € 78.20 at 31 December 2020 (€ 88.27 at 31 December 2019).

As mentioned above, shareholders' equity was increased over the year by the allocation of an optional dividend for 2019, resulting in an increase of € 18.5m (capital) via the creation of 511,306 new shares.

The number of shares issued was 8,319,287 as at 31 December 2020.

Total financial debt decreased from € 273.0m at 31 December 2019 to € 263.0m at 31 December 2020, primarily as a result of cash generated by the leasing business during the year, used in part for additional investments in the portfolio (€ 17.8m) and for the distribution of a dividend in cash (€ 16.6m).

During the financial year, the Company carried out several refinancing transactions by taking out three new lines of credit with its banking partners for a total of € 145m for an average duration of 3.3 years to refinance two lines of bank credit for a total of € 130m arriving at maturity during the second half of 2021.

The refinancing transactions have enabled the Company to maintain the average duration of its financing structure at about three years (2.9 years at 31 December 2020, compared to 3.2 years at 31 December 2019).

In addition, a commercial paper programme of € 100m was launched in September 2018, and continued to be used heavily in 2020, from a total in use of € 93.0m on 31 December 2019 to a total of € 85.0m at 31 December 2020. This commercial paper programme, intended for institutional investors, was also impacted by the Covid-19 crisis during the financial year. At the start of the crisis, these investors also began to protect their liquidity by keeping their cash available, resulting in a significant slowing of the market for several weeks. However, this market also showed great resilience and recovered quite quickly, again enabling the Company to make nearly full use of its programme by the end of the year. The significant use of a financing method seen as inexpensive enabled the Company to maintain an extremely low average cost of financing at 0.90% in 2020 (compared to 0.81% in 2019).

In addition, the Company implemented a "Green Financing Framework" during the 2020 financial year. Taking advantage of this framework, which was certified by an independent body, the Company will be able to conclude or issue new financing instruments with a "Green" label in the future. Certification of the framework is a recognition of the quality and of the environmental performance of the Company's portfolio and further strengthens its image as a responsible real estate investor, which will enable it to eventually expand its base of potential investors.

At 31 December 2020, the debt ratio was 29.99% (29.33% at 31 December 2019). This slight increase in the debt level compared to that of the previous financial year is primarily due to decreases in the value of the real estate portfolio recorded during the financial period. This debt ratio under 30% illustrates the strength of the Company's balance sheet, giving it room to plan new investments.

With respect to interest rate fluctuation risk hedging, the Company carried out the restructuring of an IRS-type derivative instrument in the amount of € 50m in 2020 in order to push back its start-up date by a year (from 30 June 2020 to 30 June 2021). This transaction enabled the Company to continue to benefit from the current, extremely low interest rates for another year, which had a positive impact on its average cost of financing in 2020. Taking account of this instrument at its delayed start date, the Company's hedging ratio is 61% as at 31 December 2020.

Changes in the Company's structure

On 6 February 2020, the shareholders were invited to attend an Extraordinary General Meeting of Shareholders on 6 March 2020, with the following agenda:

- Extension of the authorised capital which expired on 24 April 2020;
- Modification of the Articles of Association of the Company to comply with the new Code of Companies and Associations;
- Change in the legal form of the Company from a partnership limited by shares into a limited liability company with a monistic board of directors.

All of these items were voted on with the required majority and were, therefore, passed by the meeting. As a result, the Company became a limited liability company called "Wereldhave Belgium SA".

Significant events after the close of the financial period

Kasper Deforche, co-Managing Director and Executive Manager of the Company resigned from the Board of Directors of Wereldhave Belgium on 31 December 2020.

He was replaced by Nicolas Beaussillon as co-Managing Director and Executive Manager on 1 January 2021. Together with Matthijs Storm, also co-Managing Director and Executive Manager and Cédric Biquet, CFO and Executive Manager, Nicolas Beaussillon is responsible for the day-to-day operations management of the Company.

With the exception of these items, no other significant events occurred after 31 December 2020 likely to have an impact on this financial report or which should be mentioned.

Research and development

Given the nature and specific activity of the Company, it does not do any research and development.

Appropriation of the result

The net profit/loss for the financial year, including income from core and non-core activities, was € -22.1m (€ 29m in 2019). This decrease compared to the previous financial year is due, on the one hand, to a decrease in the net earnings from core activities (€ -9.0m) and, on the other hand, to a decrease in the net earnings from non-core activities (€ -42.1m) compared to the 2019 financial year.

The General Meeting of Shareholders will be held on Wednesday, 14 April 2021 at 11.00 a.m. at the Company's registered office. The Board of Directors of the Company will propose to the General Meeting of Shareholders of Wereldhave Belgium SA the allocation of a dividend in the amount of € 4.00 per share gross –€ 2.80 net (2019: gross € 4.50 – net € 3.15).

The Board of Directors also stated its intention to grant the shareholders of the Company, via the allocation of an optional dividend, the option to make a contribution in kind to the capital of the Company consisting of the receivable generated by the allocation of the dividend, against the issue of new shares (while maintaining the option for shareholders to receive their dividend in cash or to choose a combination of the two above-mentioned options).

The final decision with respect to the granting of the optional dividend will be taken by the Board of Directors meeting on Wednesday, 21 April 2021, during which the Board of Directors, within the context of the authorised capital, will proceed with the capital increase via the contribution in kind of the net dividend receivable (i.e. € 2.80 per share).

For shareholders who choose to make a contribution of all or part of their right to the dividend in exchange for new shares and who benefit from a reduced withholding tax rate or from a full exemption from the withholding tax as well as for shareholders who do not benefit from this type of reduction or exemption, the contribution will be in the amount of their dividend receivable, net of withholding (i.e. € 2.80 per share). The balance of the dividend resulting from the withholding reduction or exemption will be paid in cash starting on Monday, 17 May 2021. The exact terms and conditions of the transaction will be set during the Board of Directors meeting of 21 April 2021.

In order to enable the implementation of this type of process, the financial calendar appearing in previous press releases has been adapted such that the ex-dividend date, the dividend record date and the dividend payment date will be on 23 April, 26 April and 17 May, respectively.

Financial services are provided by BNP Paribas Fortis.

Forecast

At the start of the Covid-19 pandemic in 2020, the Company announced that due to the significant uncertainty created by the health crisis and the lack of visibility regarding its extent and duration, it would be impossible to provide any formal results forecasts. In order to ensure transparency and provide accurate information to its shareholders and other stakeholders, the Company had, nevertheless, provided an indication of the net earnings from core activities per share, without making any commitment as to its realisation.

At the time of this press release, the health situation remains precarious and, despite the vaccination campaign under way, it is still difficult to predict the short-term evolution of the situation.

Given this context, the Company maintains that it is difficult to provide a formal outlook for the net earning from core activities per share for the 2021 financial period. Nevertheless, out of a concern for transparency, the Company is announcing an approximate value per share of € 4.50 for this financial year.

The Company will, however, keep the market informed of any changes in the situation and the impact any changes may have on this estimate. It will be adjusted in the event of distribution, if applicable, of an optional dividend, which will be formally decided on by the Board of Directors at its meeting of 21 April 2021.

The Board of Directors of Wereldhave Belgium states that:

1. Based on the audits carried out, Wereldhave Belgium's internal control and risk management systems comply with the recommendations of the Belgian Corporate Governance Code and provide near-absolute assurance that the financial reporting, as it is provided in this annual financial report does not contain any material inaccuracies. The Board of Directors has not received any information that the internal control and risk management systems have operated in a way which is non-compliant with their description or did not function properly;
2. The annual accounts provide an accurate picture of the assets, liabilities, financial position and results of Wereldhave Belgium and of the companies included in its scope of consolidation;
3. The annual financial report provides an accurate picture, on the date the balance sheet was prepared, of operations during the Wereldhave accounting year and of those of its affiliated companies whose contact information is included in these annual financial statements;
4. This annual financial report describes the significant risks to which Wereldhave and its affiliated companies are exposed;
5. All reasonable measures for this purpose having been taken, the information included in this annual report is, to its knowledge, a reflection of the facts and does not involve any omissions which would impact its scope.

The Board of Directors

Wereldhave Belgium SA
D. Goeminne, Chairman
B. Boone
A. Claes
N. Beaussillon
M. Storm
D. de Vreede
D. Slegtenhorst
R. Langewouters
E. Wellenstein

Vilvoorde, 11 March 2021

EPRA

EPRA performance measures

EPRA performance measures

	EPRA Performance Measure	Definition		2020	2019
1	EPRA Earnings	Earnings from operational activities Objective: A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	x € 1.000	36,656	45,617
			€/share	4.65	5.92
2	EPRA NAV METRICS - EPRA Net Reinstatement Value	Assumes that entities never sell assets and aims to represent the value required to rebuild the entity. Objective: The EPRA NAV set of metrics make adjustments to the NAV per the IFRS financial statements to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios.	x € 1.000	675,691	714,414
			€/share	81.22	91.50
2	EPRA NAV METRICS - EPRA Net Tangible Assets	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. Objective: The EPRA NAV set of metrics make adjustments to the NAV per the IFRS financial statements to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios.	x € 1.000	652,561	690,256
			€/share	78.44	88.40
2	EPRA NAV METRICS - EPRA Net Disposal Value	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. Objective: The EPRA NAV set of metrics make adjustments to the NAV per the IFRS financial statements to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios.	x € 1.000	650,144	689,139
			€/share	78.15	88.26
3	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 comparable measure for portfolio valuations. This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.		5.6%	5.5%
3	EPRA 'TOPPED UP' NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).		5.8%	5.8%
4	EPRA Vacancy Rate	Estimated Market Rental Value (ERV)of vacant space divided by ERV of the whole portfolio. Objective: A 'pure' (%) measure of investment property space that is vacant, based on ERV.		7.7%	4.5%
5	EPRA Cost Ratio (including direct vacancy costs)	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income. Objective: A key measure to enable meaningful measurement of the changes in a company's operating costs.		28.5%	16.9%
5	EPRA Cost Ratio (excluding direct vacancy costs)	Administrative & operating costs (excluding costs of direct vacancy) divided by gross rental income. Objective: A key measure to enable meaningful measurement of the changes in a company's operating costs.		25.3%	15.0%

1: EPRA earnings

(x € 1.000)	2020	2019
Net result IFRS (group share)	**-22,148**	**28,957**
Adjustments to calculate EPRA Earnings		
Exclude:		
I. Changes in value of investment properties	57,936	16,547
II. Profit or losses on disposal of investment properties	-325	21
III. Other portfolio result and deferred tax	-	-582
VI. Changes in fair value of financial instruments and associated close-out costs	1,193	674
EPRA Earnings (group share)	**36,656**	**45,617**
Weighted average number of shares	7,876,435	7,708,224
EPRA Earnings per share	**4.65**	**5.92**

2. EPRA NAV METRICS

(x € 1.000)	2020	2020	2020	2019	2019	2019
	EPRA NRV	EPRA NTA[1]	EPRA NDV[2]	EPRA NRV	EPRA NTA[1]	EPRA NDV[2]
IFRS Equity attributable to shareholders	**650,548**	**650,548**	**650,548**	**689,221**	**689,221**	**689,221**
Include/exclude	-	-	-	-	-	-
Hybrid instruments	-	-	-	-	-	-
Diluted NAV	**650,548**	**650,548**	**650,548**	**689,221**	**689,221**	**689,221**
Include:						
ii.a) Revaluation of IP (if IAS 40 cost option is used)	-	-	-	-	-	-
ii.b) Revaluation of IPUC (if IAS 40 cost option is used)	-	-	-	-	-	-
ii.c) Revaluation of other non-current investments	-	-	-	-	-	-
iii) Revaluation of tenant leases held as finance leases	-	-	-	-	-	-
iv) Revaluation of trading properties	-	-	-	-	-	-
Diluted NAV at Fair Value	**650,548**	**650,548**	**650,548**	**689,221**	**689,221**	**689,221**
Exclude:						
v) Deferred tax in relation to the fair value gains of IP	-	-	-	-	-	-
vi) Fair value of financial instruments	2,013	2,013	-	1,035	1,035	-
vii) Goodwill as a result of deferred tax	-	-	-	-	-	-
vii.a) Goodwill as per the IFRS balance sheet	-	-	-	-	-	-
vii.b) Intangibles per the IFRS balance sheet	-	-	-	-	-	-
Include:						
viii) Fair value of fixed interest rate debt	-	-	- 404	-	-	- 82
ix) Revaluation of intangibles to fair value	-	-	-	-	-	-
x) Real estate transfer tax	23,130	-	-	24,158	-	-
NAV	**675,691**	**652,561**	**650,144**	**714,414**	**690,256**	**689,139**
Fully diluted number of shares	8,319,287	8,319,287	8,319,287	7,807,981	7,807,981	7,807,981
NAV per share (in €)	**81.22**	**78.44**	**78.15**	**91.50**	**88.40**	**88.26**

1 EPRA NTA corresponds to the previously presented EPRA NAV.
2 EPRA NDV corresponds to the previously presented EPRA NNNAV.

3. EPRA Net Initial Yield (NIY) and 'topped-up' NIY

(x € 1.000)	2020	2019
Investment properties	**921,209**	**961,286**
Exclude:		
'Right of use asset' according to IFRS 16	-6,511	-6,511
Investment properties built or developped in portfolio available for lease	-12,635	-12,615
Properties available for lease	**902,064**	**942,160**
Include:		
Estimated transaction costs resulting from hypothetical disposal of investment properties	23,130	24,158
Investment value of the properties available for lease (B)	**925,194**	**966,318**
Annualised gross rental income	53,749	55,165
Exclude:		
Property charges	-1,548	-1,697
Annualised net rental income (A)	**52,201**	**53,468**
EPRA NET INITIAL YIELD (A/B)	**5.6%**	**5.5%**
Exclude:		
Unexpired rent-free periods	1,279	2,185
Annualised net rental income (rent-free periods excluded) (C)	**53,480**	**55,654**
EPRA 'TOPPED UP' NET INITIAL YIELD (C/B)	**5.8%**	**5.8%**

4. 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 2020	EPRA vacancy rate 2019
Segment					
Offices	62,413	1,900	8,801	21.6%	11.0%
Retail	219,955	2,525	48,921	5.2%	3.3%
Investment properties available for lease	**282,368**	**4,425**	**57,722**	**7.7%**	**4.5%**

5. EPRA cost ratios

(x € 1.000)	2020	2019
(i) Administrative/operating expense line per IFRS income statement	17,048	12,325
(ii) Net service charge costs / fees	2,225	2,528
(iii) Management fees less actual/estimated profit element	-	-
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits	-3,222	-4,836
(v) Share of Joint Venture expenses	-	-
Exclude (if part of the above):		
(vi) Investment Property depreciation	-	-
(vii) Ground rent costs	-4	-13
(viii) Service charge costs recovered through rents but not seperately invoiced	-	-
Costs (including direct vacancy costs) (A)	**16,047**	**10,004**
(ix) Direct vacancy costs	-1,84	-1,148
Costs (excluding direct vacancy costs) (B)	**14,206**	**8,856**
(x.a) Gross rental income less ground rent costs - per IFRS	59,429	63,914
(x.b) Less: Other operating income/recharges intended to cover overhead expenses	-3,222	-4,836
(xi) Less: service fee and service charge costs components of Gross Rental Income	-	-
(xii) Add: share of joint ventures (Gross Rental Income less ground rents costs)	-	-
Gross Rental Income (C)	**56,207**	**59,077**
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**28.5%**	**16.9%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**25.3%**	**15.0%**

Real estate report

The Belgian real estate market

Record year for real estate investment, but a significant decline in commercial real estate

Despite a complex health situation, 2020 ranks as the best year in the last 10 years with over 6.2 billion invested, i.e. 10% more than in 2019 and 20% more than the average of the past 10 years. However, there are major differences between segments. Given the significant impact of Covid on retail, this segment lost its historical standing as the second most sought-after asset class and is now in fourth position behind offices, residential and logistics. In addition to Covid, the decline in the retail segment is due primarily to the lack of major transactions in shopping centres, contrary to previous years. The peripheral retail segment had a good year considering the context.

Prime yields increased slightly in the shopping centre segment (4.4%) and for urban outlets (4%), whereas they remained stable for peripheral retail (5.3%).

The polarisation of market yields is still current for less well-situated locations and in the case of a significant rental vacancy.

Slight decrease in commercial real estate in a sector in transition

2020 was the third best year in the past 10 years in terms of take up. It was about 4.6% below 2019, which was the second-best year, and 10% above the average for the same period. However, the decline in the number of transactions was more significant with 18% fewer transactions compared to 2019. There were fewer transactions, but for larger surface areas. The peripheral retail segment, therefore, performed best, supported by the expansion of supermarket chains and the takeover of many Brantano shops, which went bankrupt, by Van Haren. Shopping centres and urban retail saw the biggest declines at 38% and 18%, respectively, compared to 2019.

Trends which were already being seen in the sector prior to the Covid crisis were confirmed and are tending to accelerate. Tenants are more cautious and more demanding about leasing conditions and the expectations of consumers are also constantly changing. Their interest in clothing has decreased, but has increased significantly for hospitality, services and leisure activities. The hands-down winners of tomorrow will, without a doubt, be shopping centres that are able to change their retail offering to meet consumer expectations. The other winners will be those located in strategic areas which can transform into multifunctional sites.

As a result of the health crisis, which is making retailers more cautious, rents for the best locations (prime rents) declined in all commercial real estate segments, with drops of +/- 10% for the best shopping centres and the best city centre locations and of +/- 5% for peripheral outlets, respectively.

The Company's portfolio was very resilient in this context given that contracts were signed, on average, at rates higher than the market and than the previous rental amount.

Record levels of investment in office space

The office space investment market had another excellent year in 2020, led by big investor appetite. The record level was sustained by the sale of the Tour des Finances by Breevast for over € 1.25 billion. Given the scarcity of products, prime yields compressed even further to 3.5% in Brussels and 4.9% in Antwerp.

Significant decrease in office space take-up

Given the difficult health context during the year, many tenants delayed their decision to move. Take-up in office buildings experienced a very difficult year with decreases of, respectively, 40% in Brussels and 25% in Antwerp. However, the market recovered nicely in the fourth quarter, which bodes well for an improvement in the situation in 2021.

Prime rents remained stable at € 315 and € 165/m^2/year, in Brussels and Antwerp, respectively.

Source: from the figures presented by Expertisenews, Cushman & Wakefield and JLL

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	817,795		90,780		908,575
Development projects	12,635				12,635
Total real estate investments	**830,429**	**90.15%**	**90,780**	**9.85%**	**921,210**
Insured value[1]	510,459	83.89%	98,021	16.11%	608,480
Contractual rent	48,292	87.76%	6,736	12.24%	55,028

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-Île", Quai des Vennes 1, 4020 Liège	2020	19.7%	30,043	1,641
Shopping Centre Nivelles, Chausée de Mons 18A, 1400 Nivelles	2012	17.6%	28,482	1,500
Shopping Centre "Shopping Bastions", Boulevard W. de Marvis 22, 7500 Tournai	2018	15.5%	31,089	1,450
Retailpark 'les Bastions' in Tournai	2016	2.1%	10,061	360
Tournai - 7 Fontaines	2019	0.7%	3,485	-
Shopping Centre "Shopping I", Rootenstraat 8, 3600 Genk	2014	6.1%	21,435	1,250
Shopping Centre "Kortrijk Noord", Ringlaan, 8500 Kortrijk	2005	13.2%	32,352	2,000
"Forum Overpoort", Overpoortstraat, 9000 Gent	2014	0.8%	3,959	-
Genk - Stadsplein, Stadsplein 39, 3600 Genk	2008	3.5%	15,415	44
Commercial complex Waterloo, Chaussée de Bruxelles 193-195, 1410 Waterloo	1968	1.5%	3,487	95
Brugge Retail Park	1970	4.4%	20,343	650
Turnhout Retail Park	1979	3.6%	19,804	765
		88.7%	**219,955**	**9,755**
Offices				
Business- & Media' office park, Medialaan 28, 1800 Vilvoorde	2001	2.0%	12,772 / 214[5]	337
'Business- & Media' office park, Medialaan 30, 1800 Vilvoorde	1999	0.9%	5,449 / 349[5]	173
'Business- & Media' office park, Medialaan 32, 1800 Vilvoorde	1999	0.5%	3,907 / 116[5]	121
De Veldekens I, Roderveldlaan 1-2, 2600 Berchem	2001	1.8%	11,194 / 171[5]	224
De Veldekens II, Roderveldlaan 3-4-5, 2600 Berchem	1999	2.7%	16,003 / 821[5]	315
De Veldekens III, Berchemstadionstraat 76-78, 2600 Berchem	2002	2.0%	11,193 / 224[5]	217
		9.9%	**60,518 / 1,895[5)]**	**1,387**
Development in commercial projects				
Redevelopment shopping centre in Waterloo		0.1%		
Extension shopping centre 'Belle-Île' in Liège		0.5%		
Nivelles land positions		0.8%		
		1.4%		
Total		**100.0%**	**280,473 / 1,895[5]**	**11,142**

Continuation > >

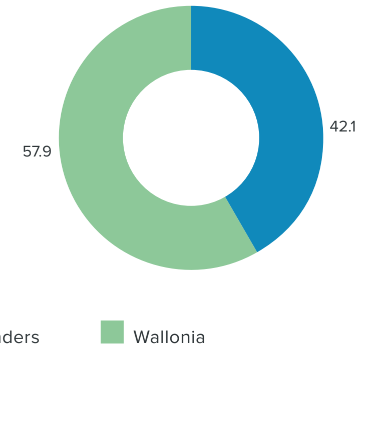
Continuation

	Year of construction or most recent renovation	Diversification of the portfolio (in % of valuation)[1]	Lettable area (in sqm)[2]	Parkings (number of spaces)[3]	Occupancy rate at 31 December 2020[4]
Retail					
Shopping Centre "Belle-Île", Quai des Vennes 1, 4020 Liège	11,314,568	246,900	11,561,468	10,946,573	98.1%
Shopping Centre Nivelles, Chausée de Mons 18A, 1400 Nivelles	9,069,158	83,100	9,152,258	8,842,134	97.6%
Shopping Centre "Shopping Bastions", Boulevard W. de Marvis 22, 7500 Tournai	7,708,123	461,237	8,169,360	7,775,787	94.1%
Retailpark 'les Bastions' in Tournai	1,060,809	84,279	1,145,088	1,163,928	91.0%
Tournai - 7 Fontaines	426,725	-	426,725	429,830	100.0%
Shopping Centre "Shopping I", Rootenstraat 8, 3600 Genk	3,327,272	698,169	4,025,441	4,221,362	81.8%
Shopping Centre "Kortrijk Noord", Ringlaan, 8500 Kortrijk	7,139,858	355,869	7,495,727	7,186,993	95.2%
"Forum Overpoort", Overpoortstraat, 9000 Gent	454,203	56,415	510,618	489,946	88.5%
Genk - Stadsplein, Stadsplein 39, 3600 Genk	2,157,406	522,000	2,679,406	2,453,718	79.0%
Commercial complex Waterloo, Chaussée de Bruxelles 193-195, 1410 Waterloo	894,815	-	894,815	868,449	100.0%
Brugge Retail Park	2,432,832	17,400	2,450,232	2,377,581	99.3%
Turnhout Retail Park	2,306,270	-	2,306,270	2,164,821	100.0%
	48,292,039	**2,525,369**	**50,817,408**	**48,921,122**	**94.4%**
Offices					
'Business- & Media' office park, Medialaan 30, 1800 Vilvoorde	1,321,183	361,460	1,682,643	1,860,320	80.7%
'Business- & Media' office park, Medialaan 32, 1800 Vilvoorde	575,916	299,580	875,496	831,320	63.5%
Business- & Media' office park, Medialaan 28, 1800 Vilvoorde	252,031	355,660	607,691	585,300	39.1%
De Veldekens I, Roderveldlaan 1-2, 2600 Berchem	777,957	838,188	1,616,145	1,616,388	56.4%
De Veldekens II, Roderveldlaan 3-4-5, 2600 Berchem	2,154,673	36,000	2,190,673	2,290,688	89.3%
De Veldekens III, Berchemstadionstraat 76-78, 2600 Berchem	1,654,650	8,813	1,663,463	1,616,625	99.5%
	6,736,410	**1,899,701**	**8,636,111**	**8,800,641**	**77.5%**
Development in commercial projects					
Redevelopment shopping centre in Waterloo					
Extension shopping centre 'Belle-Île' in Liège					
Nivelles land positions					
Totaal	**55,028,449**	**4,425,070**	**59,453,519**	**57,721,763**	**91.9%**

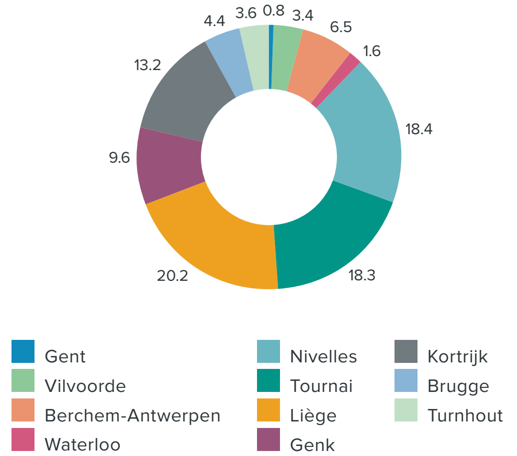
1 Rental value vacancy is the estimated rental value on the vacant units.
2 The theoretical rental value equals the contractual rent increased with the value of rental vacancy.
3 To determine the estimated rental value, external valuation experts rely on their knowledge of the property market and on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

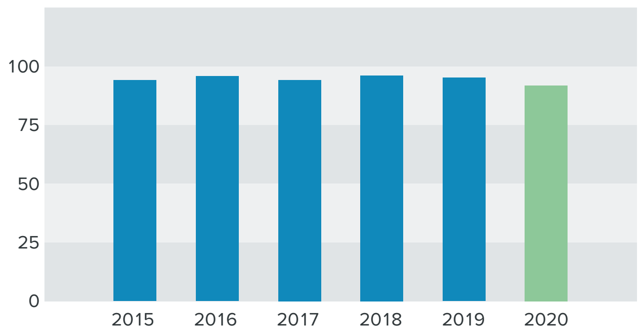
Geographical breakdown
(as % of fair value)



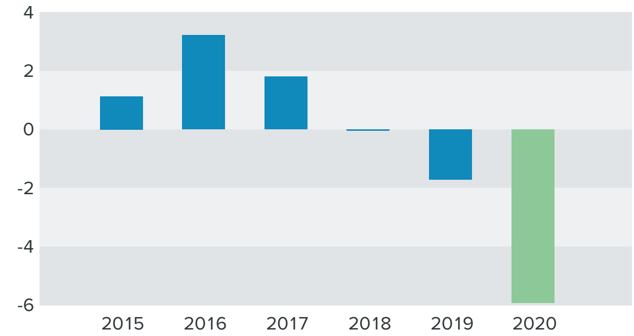
Geographical breakdown
(as % of fair value)



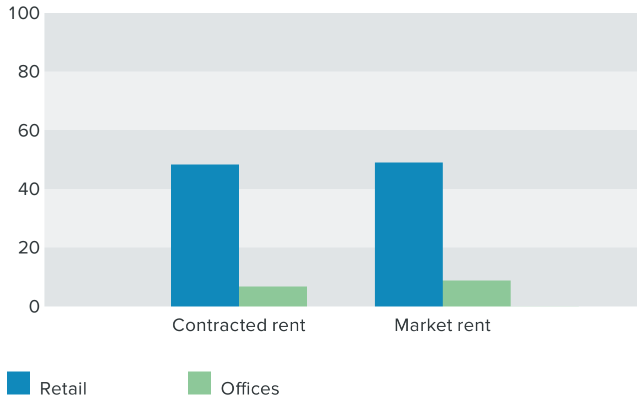
Average occupancy
(in % of rental income)



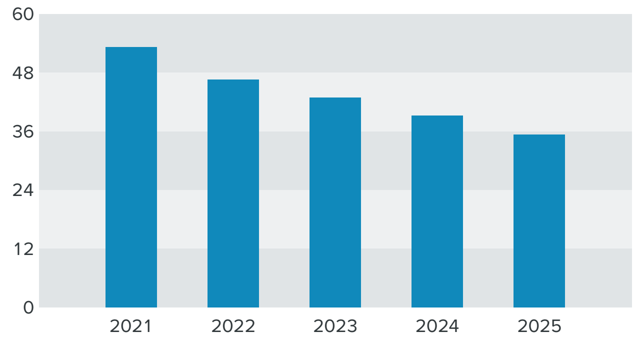
Portfolio revaluation
(in %)



Contracted rent/market rent
(x € 1.000)

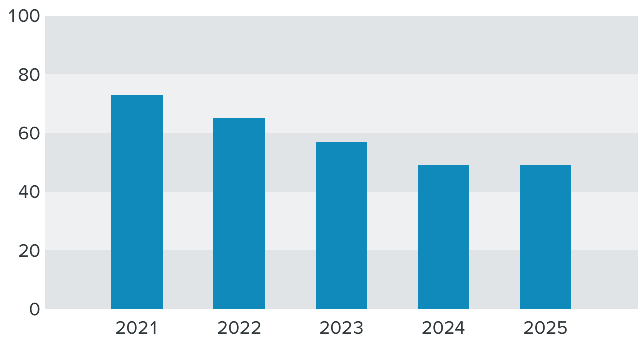


Contract rent over 5 years
(in € mln)



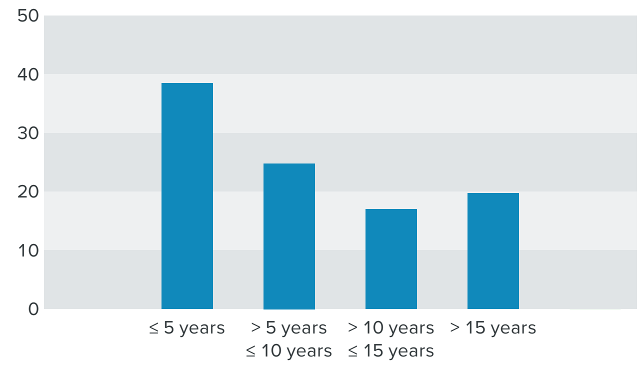
Guaranteed rental income

(in %)



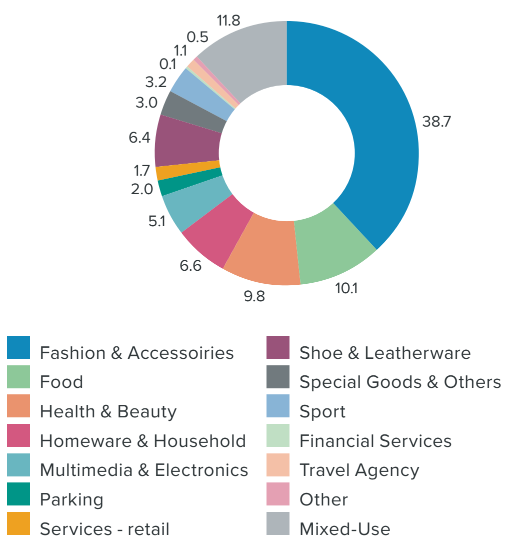
Age analysis of the real estate portfolio

(in % of fair value)



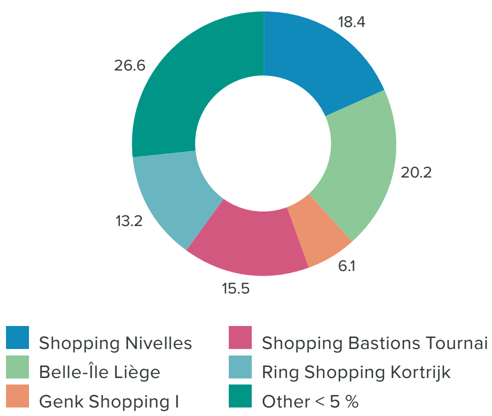
Branche mix investment property retail

(as % of rental income)



Investment properties > 5%

(in % fair value)



Top 10 - Global Portfolio

	Tenant	Section	%
1	Carrefour	Retail	4.7%
2	Ahold Delhaize	Retail	3.1%
3	C&A	Retail	2.8%
4	Hennes & Mauritz	Retail	2.8%
5	A.S. Watson Group	Retail	2.2%
6	Brico	Retail	2.0%
7	Lunch Garden	Retail	1.9%
8	Cassis/Paprika	Retail	1.6%
9	Ricoh	Offices	1.4%
10	Redisco	Retail	1.3%
			23.8%

Top 10 - retail

	Tenant	%
1	Carrefour	4.9%
2	Ahold Delhaize	3.0%
3	C&A	3.0%
4	Hennes & Mauritz	2.8%
5	A.S. Watson Group	2.3%
6	Brico	1.9%
7	Lunch Garden	1.7%
8	Cassis/Paprika	1.6%
9	Redisco	1.4%
10	Bestseller	1.4%
		24.0%

Top 10 - Offices

	Tenant	%
1	Ricoh	1.4%
2	Amadeus	1.0%
3	KBC Bank	0.7%
4	ABN Amro Bank	0.6%
5	Antea	0.6%
6	TVM	0.4%
7	Neovia	0.4%
8	Argenta	0.4%
9	BTV	0.3%
10	USG	0.3%
		6.3%

Average lease contract duration

The average duration of lease contracts is 2.6 years until the first termination option and 6.3 years to the end of the lease.

Insured value of the real estate portfolio

The insured value of the real estate portfolio is based on an annual external estimate of “rebuilding cost” carried out by a certified appraiser. Insured values are indexed automatically each year.

In order to avoid recurring disputes between owner and tenant, standard lease contracts stipulate that the insurance policies for all of the underlying real estate complexes are subscribed by the owner-lessor for the rebuilding value of the real estate complex, including “loss of rent” for a period of 36 months.

The insurance risk is subscribed with AIG Europe.

The total insured value of the real estate portfolio is € 608.5m.

The proportional part of the insured value compared to the real value is due to the high value of the land compared to the construction value inherent to commercial real estate.

Insured value accounts for 66.0% of the real value of the total real estate portfolio.

The insurance premium for 2020, including taxes, was € 191,244.

Operational management of the real estate portfolio

The Company has an internal management organisation which is responsible for the administrative, technical and commercial management of the real estate.

The Wereldhave Belgium Services SA subsidiary has an administrative, accounting, financial and technical organisation tailored to the management of the Company’s real estate portfolio. The Directors of Wereldhave Belgium Services SA meet requirements for professional reliability and experience, as described in, and in compliance with, Article 19 of the law on RRECs.

Waiver for the Belle-Île shopping centre in accordance with Article 30 §3 and § 4 of the RREC (SIR) law.

The Company obtained another waiver from the FSMA on 20 October 2020 for another two-year period, ending on 31 December 2022.

The waiver was granted under the following cumulative conditions:

- the waiver is granted until 31 December 2022;
- the Company must report to the FSMA quarterly on the share of the Belle-Île shopping centre in the real estate investment portfolio;
- the interim report and the prospectus the Company will publish in future must expressly mention that the priority the Company attributes to shopping centres implies greater geographical concentration as well as greater risk concentration, notably for technical and fire issues.

In accordance with Article 30 § 4 of the RREC law, the Company’s debt ratio cannot at any time exceed 33% as long as the waiver in Article 30 § 1 and § 2 of the RREC law remains in effect.

Given the revaluations and the investments made during the financial year, primarily for the Belle-Île shopping centre (completion of the redevelopment work for the areas no longer occupied by Carrefour and renovation of the remainder of the common areas), at the end of 2020, the value of Belle-Île was again above the 20% limit (20.2% at 31 December 2020), resulting in the waiver being applied again.

In order to bring the weight of the shopping centre below 20% structurally, the Company is actively prospecting new investment opportunities in the Belgian and Luxembourg markets.

Acquisitions and disposals

During the financial year, the Company also proceeded with the disposal of a student residence building located in Gent Overpoort in the amount of € 7.8m, generating a realised gain of € 0.3m compared to its last fair value. The building was sold to its tenant under a purchase right granted to them at the time the lease contract was agreed.

Development projects

The Belle-Île shopping centre was renovated in 2020. The renovation involved the in-depth modernisation of the interior of the shopping centre to preserve its appeal and meet new customer expectations, and many updated building services to enable energy savings and a more comfortable setting for users. The Company also took advantage of the opportunity to implement its The Point concept, which has met with great success. Due to the health crisis, the 25th anniversary of the centre and the launch of a new logo were delayed until 2021.

With respect to the extension project, the plans have been modified and optimised to take into account the changing retail market, to include as much flexibility as possible and to allow for new functionality. The Company is waiting for new permits in the first half of 2021 and will then set a new works schedule based on the success of its marketing efforts.

The renovation work on the façades, entrances and outdoors areas of the Ring shopping centre in Courtrai will begin in spring 2021 and will last about 10 months. The project, and the launch of a new logo, will considerably increase the appeal of the centre for visitors and will also attract new tenants. The The Point concept will also start during the year to increase the quality of services to consumers.

After modification to take account of the new vision of the local authorities, the Waterloo project is continuing to progress. Retail and residential are still at the heart of the project. A significant administrative procedure and the granting of permits must be completed before the project can get under way.

The permits required for the redevelopment of the retail park in Bruges were obtained in 2020. The Company is now in contact with the tenants to agree on the works schedule.

Description of the real estate portfolio

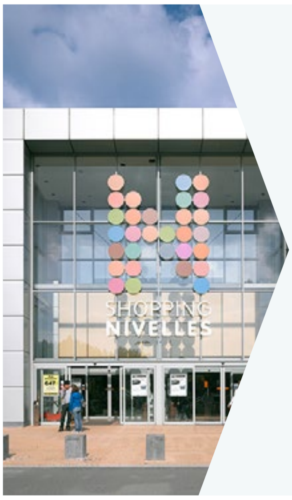
Retail portfolio

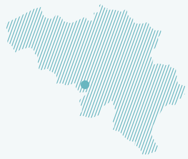
Shopping centre 'Belle-Île'

Quai des Vennes 1, 4020 Liège

Top 5 tenants	
Carrefour	4.93%
WE	4.04%
C&A	3.52%
A.S. Watson	3.19%
Esprit	2.28%

Number of tenants: 98
Construction: 1994 - Renovation 2020
Location: Belle-Île is located in the southeast of Liège, at the start of the 'Autoroute des Ardennes' – E25
Lettable area: 30,043 m²





Shopping centre Nivelles

Chaussée de Mons 18A, 1400 Nivelles

Top 5 tenants	
Ahold Delhaize	5.97%
Hennes & Mauritz	4.63%
AS Adevnture	2.58%
Delcambe Chaussures	2.42%
C&A	2.40%

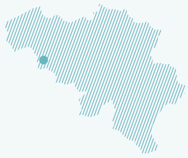
Number of tenants: 99
Construction: 1974 – Extension: 2012
Location: The shopping centre of Nivelles is located at the periphery of Nivelles, exit 'Nivelles Sud' of highway E19
Lettable area: 29,160 m²

Shopping center Kortrijk Noord

Ringlaan, 8500 Kortrijk

Top 5 tenants	
C&A	4.47%
Hennes & Mauritz	4.32%
Tims	3.98%
Redisco	3.73%
A.S. Watson	3.44%

Number of tenants: 83
Construction: 1973 – Renovation 2005
Location: The shopping centre is located alongside the ring of Kortrijk
Lettable area: 32,352 m²



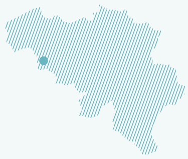
Shopping centre ‘Shopping Bastions’

Boulevard Walter de Marvis 22, 7500 Tournai

Top 5 tenants

C&A	5.25%
Ahold Delhaize	4.99%
Hennes & Mauritz	4.15%
A.S. Watson	3.24%
New Yorker	2.83%

Number of tenants: 87
Construction: 1979 – Renovatie & uitbreiding 2018
Location: The Retail Park ‘Shopping Bastions’ is located alongside the ring of Tournai
Lettable area: 31,025 m²



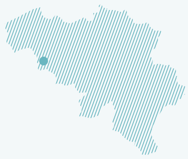
Retail Park ‘Les Bastions’

Boulevard Walter de Marvis 22, 7500 Tournai

Top 5 tenants

Maisons du Monde	19.27%
Sportsdirect	16.47%
Brico	16.34%
ZEB	12.99%
AS Adventure	10.89%

Number of tenants: 8
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

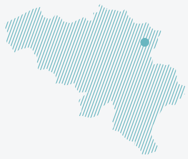
Top 3 tenants

La Foir’Fouille	53.42%
Tom&Co	28.64%
Burger Brands	17.94%

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



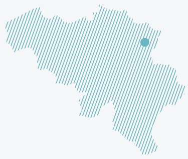
Top 5 tenants

Q-Park	14.42%
Ahold Delhaize	6.13%
Lunch Garden	5.64%
New Yorker	5.51%
The Fashion Store	3.93%

Number of tenants: 57
Construction: 1967 – Renovation 2014
Location: The shopping centre is located in the centre of Genk
Lettable area: 21,434 m²

Genk Stadsplein

Stadsplein 39, 3600 Genk



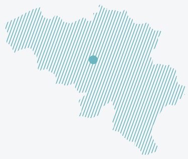
Top 5 tenants

C&A	13.32%
Inditex	13.30%
Hennes & Mauritz	12.98%
A.S. Watson	10.29%
Bestseller	8.19%

Number of tenants: 19
Construction: 2008
Location: The shopping centre is located in the centre of Genk
Lettable area: 15,415 m²

Commercieel complex te Waterloo

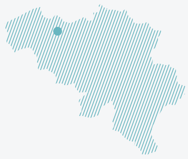
Chaussée de Bruxelles 193-195, 1410 Waterloo



Top 5 tenants

Celebrity	20.08%
Standaard Boekhandel	18.65%
Madame Charlotte	14.23%
Planet Parfum	12.43%
Exki	9.21%

Number of tenants: 12
Construction: 1968
Location: The shopping centre is located in the centre of Waterloo
Lettable area: 3,487 m²



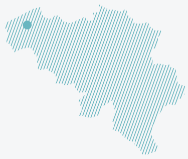
‘Forum Overpoort’ Gent

Overpoortstraat, 9000 Gent

Top 4 tenants

Jims	35.95%
Ahold Delhaize	28.81%
A.S. Watson	19.33%
Yammi Yammi	15.92%

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



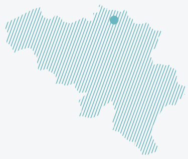
Brugge Retail Park

Maalsesteenweg 334, 8310 Brugge Sint-Kruis

Top 5 tenants

Carrefour	37.98%
Ceconomy (Media Markt)	19.69%
Brico	19.02%
Lunch Garden	6.38%
Ixina	4.56%

Number of tenants: 12
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

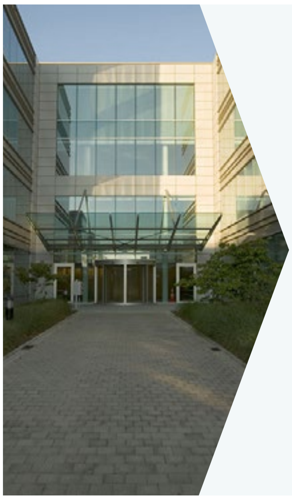
Parklaan 80, 2300 Turnhout

Top 5 tenants

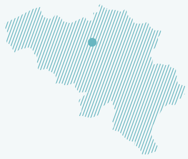
Carrefour	55.03%
Brico	19.16%
Lunch Garden	8.53%
Auto 5	4.14%
McDonald’s	3.35%

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

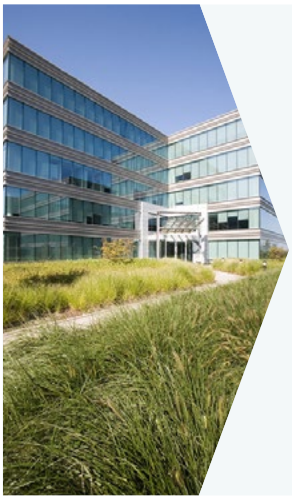


Medialaan 28, 1800 Vilvoorde

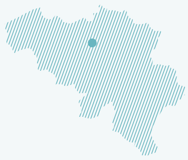
Top 4 tenants

Ricoh	58.28%
Quinz	16.35%
Neovia	16.13%
Bright Plus Outsourcing Solutions N.V.	9.24%

Number of tenants: 5
Construction: 2001
Location: In Business park ‘Business- & Mediapark’, near the Brussels ring (exit 6) and near the national airport
Lettable area: 12,986 m²



Office building in Vilvoorde

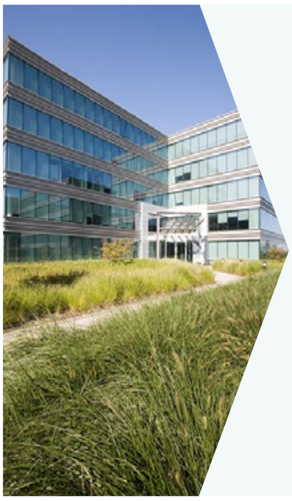


Medialaan 30-, 1800 Vilvoorde

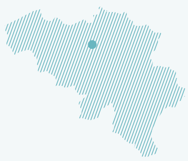
Top 4 tenants

Amadeus	39.50%
Nutrition & Santé	22.69%
Wereldhave Belgium	19.31%
Wereldhave Belgium Services	11.87%

Number of tenants: 4
Construction: 1999
Location: In Business park ‘Business- & Mediapark’, near the Brussels ring (exit 6) and near the national airport
Lettable area: 5,798 m²



Office building in Vilvoorde



Medialaan 32, 1800 Vilvoorde

Top 3 tenants

Intersystems	49.03%
Bahlsen	32.95%
Grenke Lease	18.02%

Number of tenants: 3
Construction: 1999
Location: In Business park ‘Business- & Mediapark’, near the Brussels ring (exit 6) and near the national airport
Lettable area: 4,023 m²

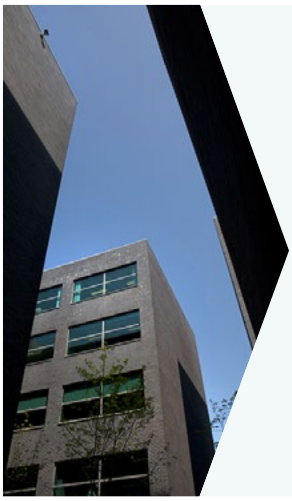
Office building in Antwerp

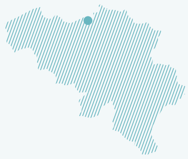
Veldekens I, Roderveldlaan 1-2, 2600 Antwerp

Top 5 tenants

Antea	42.67%
BTV	23.56%
Celestia	11.47%
Centrica	11.34%
Agfa Healthcare	10.97%

Number of tenants: 5
Construction: 2001
Location: Situated close to Berchem station
Lettable area: 11,365 m²





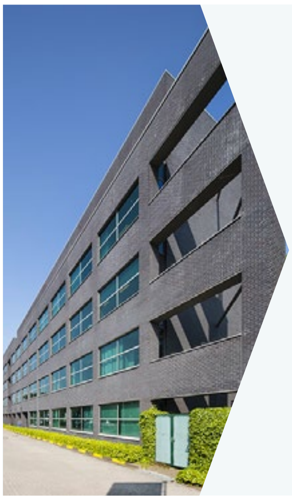
Office building in Antwerp

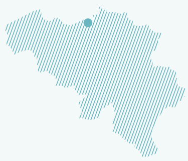
Veldekens II, Roderveldlaan 3-4-5, 2600 Antwerp

Top 5 tenants

KBC Bank	18.73%
ABN Amro Bank	16.67%
Argenta	9.26%
Odyssey	7.52%
SPB Benelux	7.40%

Number of tenants: 11
Construction: 1999
Location: Situated close to Berchem station
Lettable area: 16,955 m²





Office building in Antwerp

Veldekens III, Berchemstadionstraat 76-78, 2600 Antwerp

Top 5 tenants

Amadeus	21.28%
TVM	14.71%
USG	10.20%
CWS - Boco	6.19%
Pearlchain	5.59%

Number of tenants: 18
Construction: 2002
Location: Situated close to Berchem station
Lettable area: 11,416 m²

Development projects

Commercial complex – Waterloo

Sector
Retail/Residential

Type
Multifunctional redevelopment of the shopping centre

Omvang
+/- 15,000 m² GLA

Status
Non committed

This urban development project is part of a master plan that is again being studied at this time by the local authorities. In this context, it is still difficult for the 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/Co-working

Type
Extension

Omvang
+/- 11,000 m² GLA

Verwacht rendement
6.0% – 6.5%

Status
Non commited

The plans of this project have been optimized 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 Center.
All necessary permits are expected to be obtained in the first half of 2021.

Investment budget: € 47 mln

Valuation experts' report

Resolutions of the valuation experts, prepared on 31 December 2020, 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'.

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

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 2020: € 481.0 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 at 31 December 2020: € 421.1 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.

The total value of the property portfolio available for sale (excluding the value of the right of use for the long lease on a part of the shopping center in Kortrijk recognized in accordance with IFRS 16 at € 6.5 mln) amounts to € 902.1 mln on 31 December 2020.

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 2020 amounts to € 12.6 mln, which are fully valued at cost.

Material Uncertainty Clause
With regards to the retail sector, we are still facing an unprecedented set of circumstances at valuation date due to COVID-19 and a lack of relevant/sufficient market information on which to base our assessments. Our valuation of these properties is therefore reported as being subject to the 'material uncertainty clause' as set out in VPS 3 and VPGA 10 of the RICS Valuation - Global Standards. Consequently, less certainty - and a higher degree of prudence - should be attached to our valuations in respect of these properties than would normally be the case.

To avoid misunderstanding, this explanatory note, including the 'material uncertainty' clause, does not mean that the valuation is unreliable. This explanatory note was added to ensure transparency and to give a better understanding of the market context in which the valuation was made. Recognizing that market conditions can change rapidly due to changes in control or future spread of COVID-19, we emphasize the importance of the valuation date. However, this clause does not apply to the valuations of the office portfolio as of 31 December 2020, as this market was more active in 2020, allowing independent real estate experts to use market references to support their valuations.

Stock exchange & Wereldhave Belgium

Dividend and number of shares

In 2020, Shareholders of the Company achieved a return (calculated on the basis of share price evolution and gross dividend of the year) of - 49.2 % (2019: 9.3 %). The return of the EPRA Index Europe amounts to -7.4 %. The price/Net result from core activities ratio at the end of 2020 was 8.5.

The closing share price of the Company at 31 December 2020 was € 39.30 compared to € 86.20 on 31 December 2019.

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 4,511, the traded volumes in 2020 were 25.1 % higher than in 2019 (on average 3,605 a day).

The velocity ratio of the share in 2020 was 0.06%.

The Wereldhave Belgium share

	31 december 2020	31 december 2019	31 december 2018
Number of shares			
Number of shares at year end	8,319,287	7,807,981	7,540,250
Number of shares entitled to dividends	8,319,287	7,807,981	7,540,250
Registered shares	4,446,670	4,821,564	4,854,993
Dematerialized shares	3,872,617	2,986,417	2,685,257
Market capitalization at closing (€ mln)	327	673	620
Free float	32.3%	33.5%	34.1%
Share price (€)			
Highest closing price	88.00	93.20	99.40
Lowest closing price	35.30	79.00	81.80
Share price at closing	39.30	86.20	82.20
Premium (+) / Discount (-) relative to the actual net asset value (%)	-49.74	-2.35	-8.64
Average share price	54.24	82.75	92.51
Data per share (€)			
Net value (fair value)	78.20	88.27	89.97
EPRA NTA	78.44	88.40	90.19
Gross dividend	4.0	4.5	5.2
Net dividend	2.80	3.15	3.64
Gross dividend yield (%)	10.18%	5.22%	6.33%
Net dividend yield (%)	7.12%	3.65%	4.43%
Pay out ratio	83.97%	81.03%	97.12%
Volume (number of shares)			
Average daily volume	4,511	3,605	1,690
Volume per year	1,159,444	919,227	431,074
Velocity ratio	0.06%	0.05%	0.02%

Dividend

A gross dividend per share of € 4.00 gross – € 2.80 net (2019: € 4.50 gross – € 3.15 net) is proposed to the General Meeting of Shareholders to be held on 14 April 2021.

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 21 April 2021 whereby the Board of Directors, within the framework of the authorized capital, will proceed to the increase of the share capital by the contribution in kind of the net dividend receivable (i.e. € 2.80 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 € 2.80 per share and the balance resulting from the said reduction or exemption from withholding tax will be paid in cash as from Monday 17 May 2021. The terms and conditions of this transaction will be established on Monday 21 April 2021. Because of this intention, the financial calendar, which was included in the previous press releases, has been adjusted, whereby the 'Ex-dividend date', the 'Dividend record date' and the 'Dividend payment date' are respectively fixed on 23 April, 26 April and 17 May 2021.

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	**2,906,423**	**34.94%**
Wereldhave International N.V. WTC Schiphol Toren A Schiphol Boulevard 233 1118 BH Schiphol Nederland	**2,722,164**	**32.72%**
Public	**2,690,700**	**32.34%**
Total	**8,319,287**	**100%**
Listing of shares held by Effective Leaders and members of the Board of Directors		
Matthijs Storm	-	-
Dennis de Vreede	-	-
Remco Langewouters	-	-
Edmund Wellenstein	-	-
Doris Slegtenhorst	-	-
Kasper Deforche	-	-
Cédric Biquet	400	0%
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.

Capital structure

At the date of this annual financial report, the share capital of Comm. VA Wereldhave Belgium is € 348.0 mln divided among 8,319,287 shares, each representing 1/8.319.287th 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.

Employee share scheme

There is currently no employee share scheme.

Shareholder agreements which could lead to transfer restrictions or limitations on the exercise of voting rights

On 28 October 2008, in accordance with the law of 12 April 2007, Article 74 §7 point 3, Wereldhave N.V. and Wereldhave International N.V. announced that they held, respectively, over 30% of the voting shares of the Company at 1 September 2008.

Of the 8,319,287 shares in circulation at 31 December 2020, 34.94 % were held by Wereldhave N.V. 32.72 % by N.V. Wereldhave International and 32,34% by the general public.

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

Authorised capital

Pursuant to article 7 of the Articles of Association, the Company's Board of Directors is authorised to raise the Company's share capital, on one or more occasions, by a maximum amount of € 329,437,454.88. By virtue of said article 7 of the Articles of Association, the general meeting of the Shareholders 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 € 329,437,454.88 was renewed by the extraordinary general meeting of 06 March 2020, 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 13 March 2020. The authorisation granted is therefore valid until 13 March 2025. This authorisation is renewable.

In the course of 2020, the available amount of the authorized capital decreased by € 18,522,059.85 mln due to the optional dividend operation (November 2020). On 31 December 2020, the available amount of the authorized capital amounts to €310,915,395.03.

If the capital increases decided on by the Board of Directors, 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. The amount recognised under the issuance premium is not taken into account for the determination of the balance of the authorised capital.

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 2021

Wednesday 14 April 2021

APR 14

General meeting of shareholders

Friday 23 April 2021

APR 23

Ex-dividend date

Monday 26 April 2021

APR 26

Dividend record date

Monday 17 May 2021

MAY 17

Dividend payout 2020

Wednesday 21 April 2021

APR 21

Press release Q1 2021 (18:00)

Monday 19 July 2021

JUL 19

Press release Q2 2021 (18:00)

Wednesday 20 October 2021

OCT 20

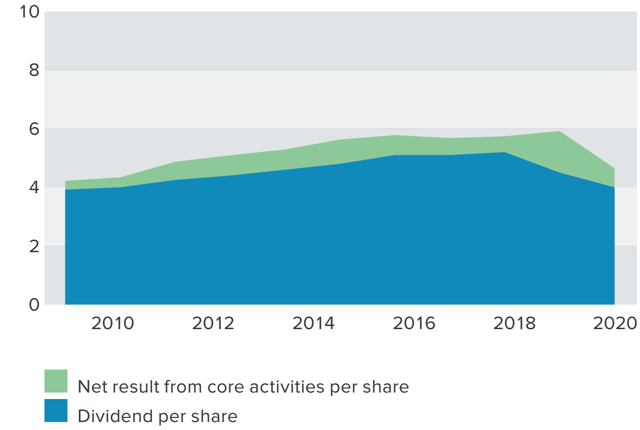
Press release Q3 2021 (18:00)

Any changes to the financial agenda will be published via a press release, which can also be consulted on the Company's website: **www.wereldhavebelgium.com**

Stock exchange data

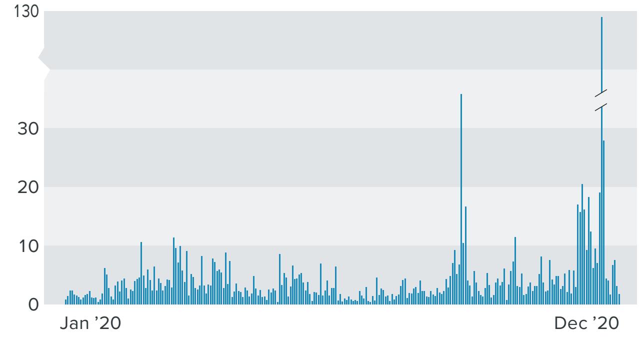
Net result from core activities per share and dividend per share

(x € 1)



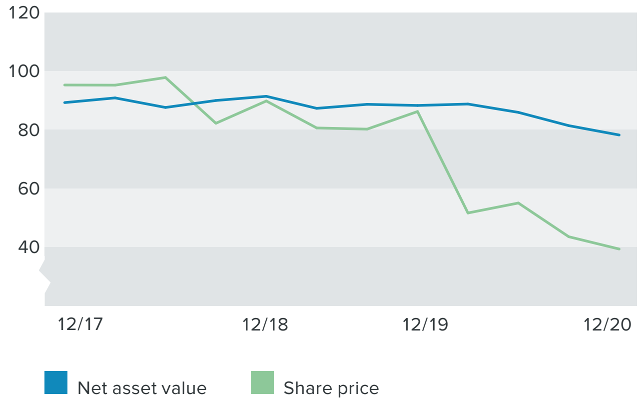
Traded volumes Wereldhave Belgium

(x 1,000)



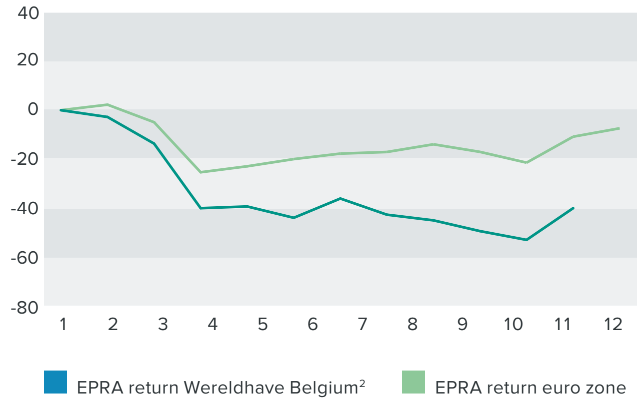
Share price/net asset value

(before profit sharing x € 1)



EPRA return 2020[1]

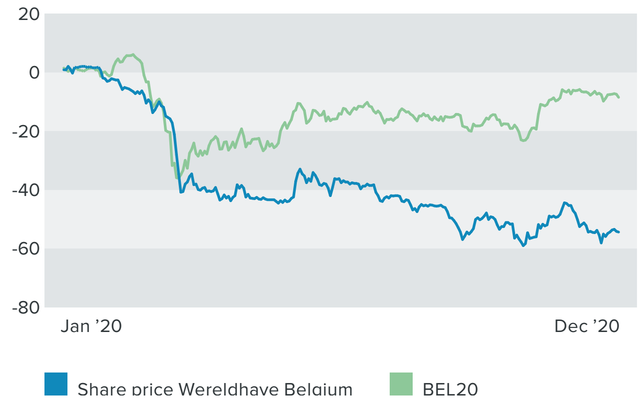
(in %)



1 These figures are provided for information purposes only and are not required by the GVR legislation, nor they have been subject to any form of inspection by public authorities; these figures have not been audited by the auditor.
2 Development of the share price (including gross dividend) of the Wereldhave Belgium share.

Comparison Wereldhave Belgium to BEL20 close index

(in %)



Financial report

Consolidated statement of financial position

(x € 1,000)	Note	31 December 2020	31 December 2019
Assets			
I. Non-current assets			
C. Investment properties	6	921,209	961,286
D. Other tangible assets	7	895	625
G. Trade receivables and other non-current assets		521	546
		922,625	**962,456**
II. Current assets			
A. Assets held for sale	6		
Investment properties		-	7,480
D. Trade receivables	8	13,561	17,348
E. Tax receivables and other current assets	8	5,002	1,933
F. Cash and cash equivalents	9	3,030	4,337
		21,593	**31,097**
Total assets		**944,218**	**993,554**
Shareholders' equity			
I. Shareholders' equity attributable to the parent company's shareholders			
A. Capital	10		
Issued capital		347,960	329,437
Costs capital increase		-236	-188
B. Issue premiums		88,877	88,877
C. Reserves			
a. Legal reserve		36	36
b. Reserve for the balance of changes in fair value of real estate properties		167,284	181,713
d. Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting		-141	-193
j. Reserve for actuarial gains and losses of defined pension schemes		-637	-721
m. Other reserves		302	302
n. Accumulated result		69,251[1]	61,001
D. Net result of the year		-22,148	28,957
		650,548	**689,221**
II. Minority interests		-	-

Continuation > >

Continuation

(x € 1,000)	Note	31 December 2020	31 December 2019
Liabilities			
I. Non-current liabilities			
A. Provisions			
Pensions	11	1,102	1,131
B. Non-current financial liabilities			
a. Credit institutions	12	152,733	179,805
c. Other			
Rent guarantees received	13	826	1,052
C. Other non-current financial liabilities	14		
Authorised hedging intruments		2,013	1,035
Other		6,843	6,507
		163,517	**189,530**
II. Current liabilities	**15**		
B. Current financial liabilities			
a. Credit institutions		25,000	-
c. Other			
Other loans		84,950	93,000
Other		34	34
D. Trade payables and other current liabilities			
b. Other			
Suppliers		11,338	9,316[2]
Taxes, remunerations and social security contributions		1,491	1,648
F. Accrued charges and deferred income			
Real estate income received in advance		2,833	3,663
Other		4,507	7,142
		130,153	**114,802**
Total shareholders' equity and liabilities		**944,218**	**993,554**
Net asset value per share (x € 1)		78.20	88.27

1 Proposed dividend 2020: 33,277KEUR (€ 4.00 * 8,319,287 shares).
2 Reclassification of the debt to the majority Shareholder related to withholding tax on dividend from other financial liabilities to other current liabilities.

Consolidated profit and loss account

(x € 1,000)	Note	31 December 2020	31 December 2019 (restated)
I. Rental income	**16**		
Rent		55,882	57,448
Indemnification for early termination of lease		584	1,909
III. Rental-related expenses	**16**		
Rent to be paid on rented area		-4	-13
Depreciations on trade receivables		-7,243	-731[1]
Net rental income		**49,218**	**58,613**
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	**17**	**7,737**	**7,880[2]**
VII. Rental charges and taxes normally paid by the tenant on let properties	**17**	**-8,909**	**-9,656[2]**
VIII. Other revenue and charges for letting	**18**	**3,222**	**4,841**
Net rental charges and taxes on let properties		**2,050**	**3,065**
Property result		**51,268**	**61,679**
IX. Technical costs			
Repairs		-382	-507
Insurance premiums		-7	-38
		-389	**-545**
X. Commercial costs			
Agency commissions		-288	-317
Publicity		-3,945	-5,304[3]
		-4,233	**-5,621[3]**
XI. Charges and taxes on non-let properties			
Costs on non-let properties		-1,094	-726
Real estate tax on non-let properties		-746	-422
		-1,840	**-1,148**
XII. Property management costs			
(Internal) property management costs		-1,080	-1,117
		-1,080	**-1,117**
Property charges	**19**	**-7,542**	**-8,431[3]**
Property operating results		**43,726**	**53,248[3]**
XIV. General company costs	**20**		
Staff costs		-4,649	-3,479[3]
Other		-904	-2,895[3]
XV. Other operating income and charges	**21**	**1,325**	**1,362[3]**
Total XIV. + XV.		**-4,228**	**-5,012[3]**

Continued > >

Continued

(x € 1,000)	Note	**31 December 2020**	31 December 2019 (restated)
Operating results before result on the portfolio		**39,498**	**48,235**
XVI. Result on disposals of investment properties			
Net property sales (selling price – transaction costs)		7,805	-
Book value of the property sold		-7,480	-21
		325	**-21**
XVII. Result on disposals of other non-financial assets			
Net sales of other non-financial assets (sale price - transaction costs)		-4	9
		-4	**9**
XVIII. Variations in the fair value of investment properties			
Positive variations in the fair value of investment properties		-	2,590
Negative variations in the fair value of investment properties		-57,936	-19,137
	22	**-57,936**	**-16,547**
Total XVI. + XVII. XVIII.		**-57,615**	**-16,559**
Operating result		**-18,117**	**31,676**
XX. Financial income			
Interests and dividends received		3	53
XXI. Net interest charges			
Nominal interest charges on loans		-2,327	-2,285
Other interest charges		-359	-374
XXII. Other financial charges			
Bank charges and other commissions		-162	-88
XXIII. Variations in the fair value of financial assets and liabilities			
Authorised hedging intruments		-1,091	-674
Other		-102	-
Financial result	**23**	**-4,037**	**-3,368**
Result before tax		**-22,154**	**28,308**
XXIV. Corporate tax			
Corporate tax		6	-137
Deferred tax on market fluctuations of investment properties			1,486
XXV. Exit tax			
Exit tax		-	-699
Tax	**24**	**6**	**649**
Net result		**-22,148**	**28,957**
Net result shareholders of the Group		**-22,148**	**28,957**
Result per share (x € 1)	**25**	**-2.81**	**3.76**
Diluted result per share (x € 1)		**-2.81**	**3.76**

1 Consolidation of all impacts on trade receivables (according to IFRS 9) under one heading.
2 Reallocation between rental charges and their recovery (€ 1,402k).
3 Reallocation of corporate marketing costs to general costs (€ 310k), of various taxes and costs from other operating income and charges to other general costs (€ 791k) and of other costs within general costs headings (€ 101k).

Statement of comprehensive income

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

Consolidated cash flow statement

(x € 1,000)	Note	31 December 2020	31 December 2019
Cash flow from operating activities			
Net result before tax		-22,154	28,308
Income from interest and dividends		-3	-53
Result exclusive of dividend received		**-22,157**	**28,255**
Depreciation tangible assets		86	139
Rental discounts and investments		216	-256
Interest charges		2,848	2,747
Changes in the fair value of investment property	22	57,936	16,547
Variations in the fair value of financial assets and liabilities		1,193	674
Movements in provisions on rent receivables		3,216	614[1]
Movements in receivables	8	-2,599	-4,771[1]
Movements in short term debts	15	-579	4,942
Corporate tax paid		-205	-700
Corporate tax received			229
		62,111	**20,165**
Net cash flow from operating activities		**39,954**	**48,420**
Cash flow from investment activities			
Acquisition investment properties	6		-3,029
Sales investment properties	6	7,837	-
Investments in investment properties	6	-19,611	-14,513
Acquisition furniture and vehicles		-36	-74
Interest and dividend received		3	53
Net cash flow from investment activities		**-11,807**	**-17,563**
Cash flow from financial activities			
Appeal credit institutions/Other	12	124,000	128,000
Repayment credit institutions/Other	12	-134,050	-141,000
Dividends paid	26	-16,614	-17,769
Interest paid		-2,790	-2,682
Net cash flow from financing activities		**-29,454**	**-33,451**
Net cash flow		**-1,308**	**-2,594**
Cash & bank balances			
At 1 January		4,337	6,931
Increase/decrease cash and bank balances		-1,308	-2,594
At 31 December	**9**	**3,030**	**4,337**

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

Consolidated statement of movements in equity

(x € 1,000)	*Share capital*	*Issue premiums*	*Legal reserve*	*Reserve for the balance of changes in fair value of real estate properties*
2019				
Closed balance at 31 December 2018	**318,034**	**78,733**	**36**	**181,384**
Capital increase	11,215			
Issue premiums		10,144		
Variations in the fair value of hedging instruments				
Transfer from reserves				
Provisions for pensions				
Other				
Net result				
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties				329
Dividend over 2018				
Balance at 31 December 2019	**329,249**	**88,877**	**36**	**181,713**
2020				
Closed balance at 31 December 2019	**329,249**	**88,877**	**36**	**181,713**
Capital increase	18,475			
Variations in the fair value of hedging instruments				
Provisions for pensions				
Net result				
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties				-16,547
Transfer from reserve for the balance of changes in fair value of real estate properties to accumulated result				2,118
Dividend over 2019				
Balance at 31 December 2020	**347,724**	**88,877**	**36**	**167,284**
Transfer of the result 2020 on the portfolio to reserve for the balance of changes in fair value of real estate properties				-57,936
Transfer of the changes 2020 in fair value of authorised hedging instruments not subject to hedge accounting				
Proposed dividend 2020				
Proposed allocation of the net result of the accounting year to the accumulated result of previous years				
Balance at 31 December 2020 after allocation	**347,724**	**88,877**	**36**	**109,348**

Continued >>

1 Costs capital increase included (€ - 236k as at 31 December 2020).
2 Changes in fair value of the investment properties portfolio over 2018. Reclassification of the heading 'Accumulated result'.
3 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.
4 See note 10.
5 Changes in fair value of the investment properties portfolio over 2019. Reclassification of the heading 'Accumulated result'.
6 Reclassification of the accumulated historical changes in fair value of the residential part of the Ghent Overpoort building to distributable income as a result of its realisation.
7 Dividend paid 2019 € 4.50 (net € 3.15) per share: € -35,136 of which € 16,614 paid in cash and the balance paid out in 511,306 new shares, which led to a capital increase.
8 Dividend 2020 proposed for approval to the Ordinary General Meeting of 14 April 2021.
9 According to the regulator's recommendations, we present, under the final balance of equity as at 31 December 2020, the future allocation of the 2020 result that will take place in 2021.

Continued *(x € 1.000)*	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	Reserve for actuarial gains and losses of defined pension schemes	Other reserves	Accumulated result of previous accounting years	Net result of the year	Proposed remuneration of the shareholder's equity	Total
2019								
Closed balance at 31 December 2018	**-52**	**-**	**-521**	**925**	**99,889**			**678,428**
Capital increase								11,215
Issue premiums								10,144
Variations in the fair value of hedging instruments	-141							-141
Transfer from reserves				-628	628			-
Provisions for pensions			-200					-200
Other				4	23			27
Net result						**28,957**		**28,957**
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					-329			-
Dividend over 2018					-39,209			-39,209
Balance at 31 December 2019	**-193**	**-**	**-721**	**302**	**61,002**	**28,957**	**-**	**689,221**
2020								
Closed balance at 31 December 2019	**-193**	**-**	**-721**	**302**	**89,959**		**-**	**689,221**
Capital increase								18,475
Variations in the fair value of hedging instruments	51	-674			674			51
Provisions for pensions			84					84
Net result						**-22,148**		**-22,148**
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					16,547			-
Transfer from reserve for the balance of changes in fair value of real estate properties to accumulated result					-2,118			-
Dividend over 2019					-35,136			-35,136
Balance at 31 December 2020	**-141**	**-674**	**-637**	**302**	**69,926**	**-22,148**	**-**	**650,548**
Transfer of the result 2020 on the portfolio to reserve for the balance of changes in fair value of real estate properties						57,936		-
Transfer of the changes 2020 in fair value of authorised hedging instruments not subject to hedge accounting		-1,091				1,091		-
Proposed dividend 2020						-33,277	33,277	-
Proposed allocation of the net result of the accounting year to the accumulated result of previous years					3,602	-3,602		-
Balance at 31 December 2020 after allocation	**-141**	**-1,765**	**-637**	**302**	**73,528**	**-**	**33,277**	**650,548**

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 Board of Directors. The Board of Directors is composed of at least four members. One is Executive Board member of the Company 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 2020 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 on 11 March 2021. The General Meeting of Shareholders will be held on 14 April 2021 at the registered offices of the company. The General Meeting of Shareholders is authorized to change the approbation of the result within legal limits.

This "Financial Report" section should be read together with the section of the Management Report entitled "2 The 2020 financial year impacted by the Covid-19 pandemic".

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 13 July 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

The Company obtained on 20 October 2020 a new derogation from the FSMA for a new period of 2 years, which expires on 31 December 2022.

This derogation has been allowed against the following cumulative conditions:

- The derogation has been granted until 31 December 2022;
- 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 and retail parks 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 28) as long as the derogation on article 30 §1 and §2 of the RREC Law applies.

In 2020, due to the revaluations and investments over the year, which primarily involved the Belle-Île shopping centre (completion of the redevelopment of the former Carrefour areas and renovation of the remainder of the common areas), the value of Belle-Île exceeded the 20% threshold (20.15% at 31 December 2020) such that the waiver was again applicable.

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 2020

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.

During the 2020 financial period Wereldhave Belgium implemented the following new IFRS standards applicable as at 1 January 2020 and already adopted by the European Union:

- Amendments to References to the Conceptual Framework in IFRS Standards:
- Definition of a Business (Amendment to IFRS 3);
- Definition of Material (Amendments to IAS 1 and IAS 8);
- Amendments to IFRS 16 "Leases - Covid-19-related rent concessions (published 28 May 2020);
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7).

With respect to this last reform, it implies that certain benchmark interest rates cannot be used. The Euribor rate on which the Company's financing and derivatives are based is, however, compliant with the reform and can continue to be applied.

These new standards are not expected to have a significant impact on the Company's consolidated financial statements.

The Company therefore adjusted its valuation rules to prepare this annual report as at 31 December 2020.
The important financial risks (credit risk, liquidity risk, ...) associated with the activity of the Company are described in detail in chapter 9 'Risk factors' of this 2020 annual financial report.

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 2020, and have not been applied in preparing these consolidated financial statements:

Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current, published 23 January 2020, clarifies a criterion in IAS 1 to classify a liability as current and non-current: the requirement for an entity to have the right to defer settlement of the liability during at lease 12 months after the reporting period.

The amendments:
- state that the right of an entity to defer settlement must exist at the end of the financial information presentation period;
- clarify that the classification isn't impacted by expectations related to the exercise of the right to defer the settlement of the liability;
- clarify how the loan conditions impact the classification; and
- clarify the classification requirements for the liabilities an entity will settle or can settle by issuing equity instruments.

On 15 July 2020, the IASB published the document entitled Classification of Liabilities as Current or Non-current Liabilities – Deferral of Effective Date (amendments to IAS 1), which delays by one year, i.e. to financial years opened as at 1 January 2023, the effective data of the changes to IAS 1 proposed in January 2020. These amendments have not yet been endorsed by the EU. These amendments are not expected to have a significant impact on the Company's consolidated financial statements.

Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets and annual improvements, published on 14 May 2020, contain several detailed changes which clarify certain wordings and correct minor errors or conflicts between standards' requirements:
- **The amendments to IFRS 3 Business Combinations** update a reference in IFRS 3 to the conceptual framework of financial information, without changing the accounting requirements for business combinations.
- **The amendments to IAS 16 Property, Plant and Equipment** forbid entities from reducing the acquisition value of property, plant and equipment with revenue from the sale of products produced before the asset was in the location and condition necessary for it to be capable of operating in the manner intended by management. The revenue and production costs of these goods must be recorded in the income statement. The amendments also state that to verify if one of the property, plant and equipment items is operating as planned, its technical and physical performances must be assessed, rather than its financial performance.
- **The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets**, specify the costs that a company includes when it assesses if a contract will be loss-making. The costs required to execute a contract include: the marginal costs related to the execution of the contract; and the allocation of the other costs directly linked to contract execution.
- **Annual improvements to IFRS 2018-2020** make minor changes to IFRS 1 First-time Adoption of International Financial Reporting Standards , IFRS 9 Financial Instruments, IAS 41 Agriculture and the illustrative examples included in IFRS Leases.

The amendments are effective for financial years opened as at 1 January 2022. These amendments have not yet been endorsed by the EU. These amendments are not expected to have a significant impact on the Company's consolidated financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 related to the Interest Rate Benchmark Reform – Phase 2, published on 27 August 2020, cover the issues that could arise at the time the current benchmark interest rate is replaced and have an impact on the financial information when changes are made to the contractual cash flows or to hedging relationships due to the adoption of a new benchmark interest rate ("questions at replacement time").

During phase 2 of its project, the Board changed the requirements for IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases for:
- Changes to the basis for the determination of the contractual cash flows of financial assets and liabilities (including lease liabilities);
- Hedging accounting; and
- Disclosure.

The Phase 2 amendments are applicable to changes in contractual cash flows and hedging relationships as a result of the benchmark interest rate reform. The amendments are effective for the financial years opened as at 1 January 2021 and are applicable retroactively. A hedging relationship which has been ended can be reinstated if, and only if, the interruption was due to changes required as a result of the interest rate benchmark reform. These amendments have not yet been endorsed by the EU. These amendments are not expected to have a significant impact on the Company'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 Shareholders' 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 3.12.

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.

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.

3.4 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. To determine fair value, the capitalisation rate (determined based on the condition of the building and its estimated life, its occupancy rate, the residual duration of the leases, etc.) and the discounted value of the difference between market rents and contractual rents, the vacancy rate and the amount of maintenance expenses must be determined for each property in question. 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.

In application of IFRS16, which introduces a single lessee accounting model, the Company recognises an "Investment property" asset representing the use right related to the long lease contract from which the Company benefits on part of the "Ring Shopping" shopping centre in Courtrai. This asset is initially recognised at its acquisition price, then periodically revalued at its fair value in the same way as the Company's other investment properties.

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.

The rent concessions granted as a result of the Covid-19 discussions have been handled according to IFRS 16 principles, i.e. they are handled in a linear way for the firm residual duration of the lease contract, as long as the concessions were granted for a lease period after the date of signature of the agreement by the parties.

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): 10 years

Other tangible fixed assets than the ones above are valued annually to determine if they must be impaired over the long term.

In application of IFRS16, which introduces a single lessee accounting model, the Company recognises an "Other tangible fixed assets" asset representing the use right related to company vehicles by virtue of a lease-finance contract. This asset is also recognised at its acquisition price and valued annually to determine if it should be subject to impairment.

At the time of sale of an asset recognised as another fixed asset, the positive and negative valuation differences are recognised in the income statement.

3.8 Financial instruments

(i) Classification, 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 amortised cost, at fair value through other comprehensive income - debt instrument, at fair value through other comprehensive income – equity security or at fair value through profit and loss.

Financial assets are not reclassified following their initial recognition, except if the Group changes its economic model for the management of financial assets. If applicable, all of the financial assets in question are reclassified on the first day of the first reporting period following the change in economic 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 note 32(A)). 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 Company assesses if the solvency of the financial assets has deteriorated at each close date. The items which indicate that the solvency of a financial asset will be revised are:

- significant financial difficulties experienced by the lessee;
- a breach of contract, such as a late payment greater than 90 days;
- the likelihood that the lessee will declare bankruptcy or another form of financial reorganisation.

If the above are observed, the amortised cost of the financial asset in question will be decreased by the impairment value. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. The profit and loss resulting from the derecognition are recorded on the income statement (more extensive information about the risks to which the Company is exposed as a result of its use of financial instruments, such as credit risk, is available in the "Risk factors" section of this annual report.

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.

At the time of derecognition of a financial liability, the difference between the book value allocated to the portion derecognised and the counterparty paid (including, if applicable, the assets excluding cash transferred and the liabilities assumed) must be recognised in net income.

(iv) Derivative financial instruments and hedging accounting

The Group holds derivative financial instruments to hedge its value and interest rate risk exposures. Embedded derivatives are separated from the host contract and recognised separately if the host contract is not a financial asset and certain criteria are met.

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. It also designates 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.

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 lease-related 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.

The rent concessions granted as a result of the Covid-19 discussions have been handled according to IFRS 9 principles, i.e. they are fully handled as an impairment as long as the concessions were granted for rent receivables already invoiced and not yet paid by the tenants.

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.

In application of IFRS16, which introduces a single lessee accounting model for the recognition of lease contracts, the Company recognises a rental liability which reflects the obligation to pay rent. This type of debt has been recognised for the Company's emphyteutic lease on part of the Courtrai shopping centre and for the Company's liability for the lease-financing of company vehicles. Lease obligations are recognised initially at their present value and will subsequently increase with interest expense as well as decrease with rental payments made.

3.14 Pension scheme

Defined contribution plans

A defined contribution plan is a pension scheme by virtue of which the Group's companies pay an annual contribution.

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.

By virtue of the regulations in effect in Belgium, commercial buildings are leased on the basis of commercial leases, which are agreed for periods of nine years, renewable maximum three times with option to terminate at the end of each three-year period. The lease amount is subdivided into a portion for the pure rent of the surface area which is not subject to VAT and a portion for the supply of services which is subject to VAT. The rent amount is indexed annually based on the change in the health index and can be revised every three years. The average duration of contractual lease agreements is 2.6 years up to the first cancellation option and 6.3 years to the end of the lease agreements.

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 shared costs (see description in Note 3.18). 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 property management activity is carried out by Wereldhave Belgium Services each month. Recognition of the remuneration received for this activity can then be 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. This section also includes the advertising and marketing expenses in the shopping centres including marketing via the media, events organised in the common areas, etc.).

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 amount of time to get ready for its intended use are capitalised as part of the cost of the respective assets. 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, who is the Group's CODM. The Board of Directors 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.

With respect to the commercial sector, expert assessors are still confronted with a range of unprecedented circumstances on the valuation date due to the Covid-19 pandemic and a lack of relevant/sufficient information about the market on which they can base their valuations. Therefore, the valuation of properties is established subject to the "material valuation uncertainty" clause as defined in the VPS 3 and VPGA 10 standards of the RICS Valuation - Global Standards. As a result less certainty - and a greater degree of caution - should be used for the valuations of the properties than would normally be the case.

To avoid any misunderstanding, the "material valuation uncertainty" clause does not mean that a valuation is not reliable. This explanatory note was added to ensure transparency and provide a better understanding of the market context in which the valuation was made.
Acknowledging that market conditions can change quickly due to changes in control or the spread of Covid-19 in the future, the expert assessors emphasise the importance of the valuation date. However, the clause is not applicable to the valuation of office buildings as at 31 December 2020, because this sector was more active in 2020, providing the expert assessors with market benchmarks against which to back up their valuations.

4. Consolidated statement of net result from core[1] and non-core[2] activities to 31 December

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

1 The net result from core activities is the operating result before the portfolio result minus the financial result and taxation, and excluding variations in the fair value of financial derivatives (that are not treated as hedge accounting in accordance with IFRS 9) and other non-distributable items on the basis of the company financial statements of Wereldhave Belgium.
2 The result from non-core activities (portfolio result) comprises (i) the result on sale of property investments, (ii) the variations in the fair value of property investments, (iii) the other portfolio result, (IV) the variations in the fair value of financial assets and liabilities and (V) taxes on capital gain latencies and the exit taxes paid.
3 Reallocation between rental charges and their recovery.
4 Reallocation of corporate marketing costs to general costs, of various taxes from other operating income and charges to other general costs and of other costs within general costs headings.

Wereldhave Belgium makes a distinction between net earnings from core and from non-core activities. This provides a more granular picture of the results. Such presentation is not required by IFRS Standards.

5. Segment information

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

Continuation > >

Continuation

(x € 1,000)	Offices	Retail	Total
XXIV. Corporate tax			**6**
Tax			**6**
Net result			**-22,148**
Investment properties			
Properties available for lease			
Balance at 1 January	91,774	855,295	947,069
Investments	1,634	15,170	16,805
Revaluation	-3,433	-53,563	-56,996
Balance at 31 December	**89,975**	**816,903**	**906,878**
Capitalised rent incentives	805	892	1,697
Value properties available for lease	**90,780**	**817,795**	**908,575**
Development projects			
Balance at 1 January		12,615	12,615
Investments		940	940
Capitalised interest		20	20
Revaluation		-940	-940
Balance at 31 December		**12,635**	**12,635**
Total portfolio	**90,780**	**830,429**	**921,210**

(x € 1,000)	Offices	Retail	Total
31 December 2019 (Restated)			
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	
Depreciations on trade receivables	-180[1]	-551[1]	
Net rental income	**7,418**	**51,195**	**58,613**
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	**1,817**	**6,063[2]**	**7,880[2]**
VII. Rental charges and taxes normally paid by the tenant on let properties	**-1,900**	**-7,756[2]**	**9,656[2]**
VIII. Other revenue and charges for letting		**4,841**	**4,841**
Net rental charges and taxes paid on let properties	**-83**	**3,149**	**3,065**
Property result	**7,335**	**54,344**	**61,679**
IX. Technical costs			**-545**
Repairs	-200	-307	
Insurance premiums	-2	-36	
X. Commercial costs			**-5,621[3]**
Agency commissions	-110	-208	
Publicity	-10	-5,294[3]	
XI. Charges and taxes on non let properties			**-1,148**
Costs on non let properties	-226	-500	
Real estate tax on non let properties	-10	-412	
XII. (Internal) property management costs	**-108**	**-1,009**	**-1,117**
Property operating results	**6,669**	**46,579[3]**	**53,248[3]**
XIV. General company costs			**-6,374[3]**
XV. Other operating income and charges			**1,362[3]**

Continuation > >

Continuation

(x € 1,000)	Offices	Retail	Total
Operating result before result on the portfolio			**-5,012[3]**
XVI. Result on disposals of investment properties			**-21**
Net property sales (selling price – transaction costs)	-21		
Book value of the property sold			
XVII. Result on disposals of other non financial assets			**9**
XVIII. Variations in the fair value of investment properties			**-16,547**
Positive variations in the fair value of investment properties	-	2,590	
Negative variations in the fair value of investment properties	-3,671	-15,466	
Operating result			**31,676**
Financial result			**-3,368**
Result before taxes			**28,308**
XXIV. Corporate tax			**-137**
XXIV. Deferred taxes on market fluctuations of investment properties			**1,486**
XXV. Exit tax			**-699**
Tax			**649**
Net result			**28,957**
Investment properties			
Properties available for lease			
Balance at 1 January	94,577	845,984	940,561
Transfer of development projects to properties available for lease		4,712	4,712
Transfer of properties available for lease to investment properties held for sale		-7,480	-7,480
Initial recognition 'Right of use asset' according to IFRS 16		7,154	7,154
Acquisition		2,376	2,376
Investments	1,104	15,258	16,362
Revaluation	-3,671	-12,944	-16,615
Balance at 31 December	**92,010**	**855,059**	**947,070**
Capitalised rent incentives	366	1,236	1,602
Value properties available for lease	**92,376**	**856,294**	**948,672**
Development projects			
Balance at 1 January		14,692	14,692
Transfer of development projects to properties available for lease		-4,712	-4,712
Investments		2,500	2,500
Capitalised interest		66	66
Revaluation		69	69
Balance at 31 December		**12,615**	**12,615**
Total portfolio	**92,376**	**868,909**	**961,287**

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

This segment information covers 97.6% of the total assets. The split of the other assets is not relevant for the Chief operating decision maker.

The explanations on the balances and the main changes compared to last year can be found in the notes (for example note 6 regarding the investment properties).

6. Investment properties

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

1 This amount also includes the "right of use" asset on a leasehold agreement in Kortrijk of € 6.5 mln (application of IFRS 16).
2 There is no development project at fair value as of 31 December 2020.

6.1 Properties available for lease

Transfer

There was no transfer between the portfolio of buildings available for lease and the development projects or the assets held for sale during the 2020 financial period.

Acquisition/Disposal

The Company carry out any acquisitions or disposals of buildings available for lease during the 2020 financial period.

Investments

In 2020, the Company made investments in its portfolio of buildings available for lease in the total amount of € 16.8m (compared to € 16.4m in 2019), most of which was allocated to:

- the renovation of existing surface area in the Belle-Île shopping centre in Liege;
- the setting up of new tenants, notably at Ring Shopping Kortrijk and Genk Shopping 1;
- continuing the investment programme for the office building portfolio;
- the general maintenance of the portfolio.

Changes in fair value of properties available for lease

The result of the revaluation of € -57.0m (2019: € -16.6 m) was due to negative changes in value for the portfolio of buildings available for lease. These negative revaluations in 2020 (-5.9%) were attributed by the independent valuation experts on the one hand to the retail portfolio (-6.15% / € -53.6 mln) and on the other hand to the office portfolio (-3.6% / € -3.4 mln). Taking into account the current health crisis, the expert assessors deemed it necessary to reflect the negative impact of the crisis on their property valuations, therefore adjusting their main valuation parameters, primarily by increasing the capitalisation rates and by reducing certain estimated rental values applied to the buildings. In addition, the expert assessors also took into account changes in the situation specific to each building in their valuations, notably by proceeding with adjustments to estimated rental values (upwards or downwards) depending on the level of rents obtained when the leases were agreed, with corrections to values related to changes in the occupancy rates of the respective buildings (notably to take into account unrecoverable expenses during current or future periods of rental vacancy). The expert assessors also proceeded with certain deductions related to estimated write-offs of rent receivables which the Company, as a result of the Covid-19 pandemic, could be required to grant to tenants for compulsory closure periods required by the public authorities.

6.2 Development projects

Investments

On 31 December 2020, the value of the development projects amounted to € 12.6 mln (31 December 2019: € 12.6m); excluding investments, this value decreased (€ -1.0m) during the 2020 financial year due to the amortisation of certain costs incurred for the Belle-Île extension project. These costs were incurred during the initial extension project but were rendered obsolete by the changes made to the project to make it more multifunctional, in accordance with the Company's strategy.

Investments were made during the past year to prepare two development projects:

- The extension of the Belle-Île shopping centre in Liege (€ +0.8m) to prepare and submit the last permits required, which are expected in the first quarter of 2021;

- The multifunctional redevelopment (for commercial and residential surfaces) of the Waterloo site (€ +0.2m) which is still in the early planning stages.

As at 31 December 2020, and despite the persistence of the Covid-19 pandemic, there is no indication that an impairment of the book value of these projects (the values include that of the land as well as that of the studies completed and/or the permits received) should be implemented.

6.3 Properties available for lease

The value of the portfolio of assets held for sale at 31 December 2020 amounts to € 0.0 mln (31 December 2019 €: €7,5 mln).

At the start of the financial period, the portfolio included the long lease on the portion of the Ghent Overpoort building consisting of student housing (about 2,000 m²), on which the current operator of the housing had a purchase option which they exercised in 2019. The disposal of the long lease on the building was effective in the first quarter of 2020, generating a capital gain of € 0.3m compared to its latest fair value on the Company's books.

6.4 Sensitivity analysis

	Financial assets and liabilities[1]		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							908.58	908.58
Assets not measured at fair value								
Development projects *			12.64	12.64				
Liabilities measured at fair value								
Authorised hedging intruments						2.01		2.01
Liabilities not measured at fair value								
Interest-bearing debts		262.95		262.95		263.35		263.35

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 is obtained;
- agreements with general contractors signed;
- the required financing is obtained;
- > 70% pre-leased.

		Range	Weighted average
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
2020			
Hypothesis capitalisation of the market rent method			
Capitalisation factor	Retail	5.25 - 7.00%	5.65%
	Offices	7.85 - 8.75%	8.16%
Market rent	Retail	€ 109 - € 364	€ 288
	Offices	€ 120 - € 125	€ 141

The valuations are based on the current rental characteristics of the properties, including their contractual rent levels, their occupancy rates as described in the overall situation of the Company's portfolio (see the real estate report) and the expected residual duration of current lease contracts (most contracts are commercial lease contracts, with break possibilities every three years for the tenant). The valuation experts determine these values based on their knowledge of the market values for let and vacant surfaces (see table here above). 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 expert assessors next determine a capitalisation rate for each building, reflecting their general condition and quality, less the value of the investment amounts (approved by the Company) (for more information about the main changes to parameters in 2020 see section 6.1 above).

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 € 9.2 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 € 35.3 mln (€ 38.3 mln).

7. Other tangible assets

(x € 1,000)	Office equipment	Cars	Total
Balance on 1 January 2020	**617**	**8**	**625**
Purchases (+/-)	33	-	33
Disposals (+/-)	-	-6	-6
Depreciation (+/-)	-85	-1	-86
Decommissioning (+/-)	-8	-	-8
Recognition right of use on company cars under financial lease	-	338	338
Balance on 31 December 2020	**556**	**338**	**895**
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**

(x € 1,000)	2020	2019
Total purchase cost	2,964	2,608
Total depreciation	-2,070	-1,983
Net book value	**895**	**625**

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

8. Current receivables

(x € 1,000)	2020	2019
Trade receivables		
Debtors	4,906	5,956
Charges and tax to recharge	8,655	11,391
Totaal	**13,561**	**17,348**

(x € 1,000)	2020	2019
Tax receivables and other current assets		
Taxes		
Withholding tax to recover: Basilix	89	119
Withholding tax to recover: Other	2,585	1,128
Various tax to recover	1,995	-
Property tax to recover	111	162
VAT to recover	165	474
Other current assets		
Social security amounts to be recovered	57	50
Total	**5,002**	**1,933**

The fair value of the current receivables (€ 18.6 mln) corresponds to the balance sheet value due to the very short-term nature of these assets.

The amount of taxes due increased over the 2020 financial period due to the recognition (i) on the one hand, of the expected recovery of a withholding which was deducted from the dividends paid in 2017 and 2018 to the majority shareholder Wereldhave NL and which can be recovered from the tax authorities (€ 2.4m), and (ii), on the other hand, the recovery of an exceptional subscription tax for the past five years (€ 2.0m) related to the adjustment to the calculation base of the tax.

(x € 1,000)	2020	2019
Aging balance Rent		
< 30 days	1,219	3,502
>= 30 days and < 90 days	2,115	745
>= 90 days	5,688	2,604
	9,023	**6,850**
IFRS 9 Provision	-19	-117
Specific provision	-1,318	-776
Provision Covid-19	-2,780	-
Total	**4,906**	**5,956**

Given the current health crisis, the Company noted an increase in the late payment of rents and charges over the financial year, generating an increase in the amount of trade receivables on the close date of the financial period. In addition, the periods of compulsory closure decided by the public authorities resulted in tenants questioning whether their rent was due during those periods.

The Company initiated individual discussions with its tenants, which resulted in the granting of partial write-offs of the rent amounts due.

As at the date of this report, an agreement was found with over 97% of tenants for the first compulsory closure period and with about 50% for the second closure period in the form of write-offs of rents due, generating a negative impact of € 4.0m and € 0.4m, respectively, on the Company's rental revenue.

In addition, in order to take account of the estimated impact the discussions still under way will have on the recoverability of the receivables at the close date, the Company recorded additional provisions on trade receivables on 31 December 2020 in the amount of € 0.7m and € 2.1m, respectively, for the two compulsory closure periods.

The total impact of the write-offs on receivables granted (or still expected to be granted) to tenants for 2020 is € 7.1m)

At the same time, the Company also specifically assesses the situation of its receivables each year. As a result, impairments were recognised on open receivables with tenants who have gone bankrupt or are in legal reorganisation. As at 31 December 2020, this special provision totalled € 1.3m, of which € 0.4m impacted the income statement of the past financial year.

9. Cash and cash equivalents

(x € 1,000)	2020	2019
Bank	3,030	4,337
Total	**3,030**	**4,337**

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 2019	329,249	7,807,981
On 31 December 2020	**347,724**	**8,319,287**
Registered		4,446,670
Dematerialised		3,872,617
Total on 31 December 2020		**8,319,287**
Issue premiums		
On 31 December 2019	88,877	
On 31 December 2020	**88,877**	

Shareholders

Of the 8,319,287 shares in circulation at 31 December 2020, 34.94 % were held by Wereldhave N.V. 32.72 % by N.V. Wereldhave International and 32,34% by the general public.

On 6 March 2020, an Extraordinary General Meeting of the Company decided to renew the amount of the Company's authorised capital as the previous authorisation expired on 24 April 2020. As a result of this decision, the General Meeting granted the Board of Directors of the Company the authority, for another five-year period and for a maximum amount up to 329,437,454.88, to proceed with capital increases without having to receive another authorisation from the General Meeting.

During 2020, the Board of Directors used the authorisation to increase the Company's authorised capital at the time of the optional dividend distribution (€ 18.5m) implemented on 13 November 2020).

The costs related to these capital increases amounted to € 47,085.

Following this transaction, the amount of authorised capital available at 31 December 2020 was € 310,915,395.03.

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
Friday, November 13, 2020	Capital increase - Optional dividend 2020	18,475	347,724	511,306	8,319,287
On 31 December 2020			**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 2020		**88,877**			

11. Pension obligations

(x € 1,000)	2020	2019
Net liability on 1 January	1,131	845
Movements in liabilities	-29	286
Net liability on 31 December	**1,102**	**1,131**

Within the framework of a 'Defined benefit plan' for the benefit of the staff, a provision has been recorded and amounts to € 1,102k as at 31 December 2020 (2019: € 1.131k). All of the defined plans are funded externally via a collective insurance contract. All plans comply with the regulatory frameworks and minimum financing requirements. These were reviewed on 31 December 2020.

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 (0.45 % for the defined benefit plans and 0.15% for the defined contribution plans), expected future salary increases (1.7 %) and expected inflation (1.7 %).

12. Long-term financial debts

Credit institutions and other loans

As part of the management of its liquidity position, and taking into account the current difficult health situation, the Company actively worked to strengthen its financing structure over the 2020. This financing structure consists primarily of credit facilities with banks, a commercial paper programme with institutional investors and an inter-company line with the major shareholder Wereldhave NV.

The Company was not exposed to any financing deadline requirements in 2020, but it was during the second quarter of 2021 with the maturing at the end of April 2021 of two bank lines with BNP and KBC, in the total amount of € 130 m. Thanks to its solid balance sheet and the resilience of its portfolio, the Company was able to obtain three new bank lines from BNP, KBC and Belfius in the respective amounts of € 70m (in two tranches of € 35m with different maturities), € 25m and € 50m for a total of € 145m.

As a result of these transactions, the next financing deadlines have been delayed to the second half of 2022.

Thanks to this refinancing, on 31 December 2020, Wereldhave Belgium benefited from seven confirmed long-term credit facilities (revolving credits and term loans) with different maturities amounting to € 255m, of which € 153m have been used.

Their fair value does not significantly differ from their nominal value since six of them are short-term advances with variable interest rates. The margin counted by the bank is considered to be in line with market conditions.

It concerns credit facilities for which no guarantees have been provided. These credit facilities are the subject of covenants, of which the continuation of RREC status, a negative pledge, and compliance with a number of financial ratios are the main ones. The Board of Directors of the Company monitors the covenants on a regular basis. As at 31 December 2020, all conditions relating to the covenants have been met. (see Title 9: Risk factors/Financial risks).

The Company uses the following two types of credit facilities:
- 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 in the short term (from one to three months) and renewed periodically up to the final maturity of the credit (revolving credit facilities).

At 31 December 2020, Wereldhave Belgium also has an additional credit facility from its major shareholder Wereldhave NV in the amount of € 150m) from which no drawdowns were made during the financial year, but which is used, in part, as a back-up to the Company's commercial paper programme.

Taking account of these transactions, on 31 December 2020, the Company had a solid balance sheet with a debt ratio of 29.99%, available credit facilities in the total amount of € 177m (including the 100% back-up of the commercial paper programme with available credit lines), an average residual debt maturity at 31 December 2020 of 2.9 years and an average cost of financing in 2020 of 0.90%.

Although its medium-term financing needs are met, the Company is actively studying several additional financing options (notably in the bond markets) in order to optimise the diversification of its financing sources and to lengthen its average residual duration.

(in € mln)	Committed amount	Called up by 31 December 2020	Called up by 31 December 2019	Maturity
Borrower				
ING 2018-2022	50	50	50	9/28/2022
BNP Paribas Fortis	70	-	70	11/20/2020
BNP Paribas Fortis	35	34	-	6/30/2022
BNP Paribas Fortis	35	3	-	4/30/2024
KBC	25	-	-	4/30/2026
BNP Paribas Fortis	30	30	30	4/11/2024
Belfius 2018-2023	30	30	30	4/3/2023
Belfius 2020-2023	50	6	-	9/30/2023
Wereldhave NL[1]	150	0[2]	0[2]	7/31/2024
TOTAL	**475**	**153**	**180**	

1 Wereldhave NL (Wereldhave NV en Wereldhave International NV) holds on 31 December 2020, directly and indirectly 67.66% of the outstanding shares of the Company.
2 This credit line is not effectively used but partly considered as back-up for the Treasury Notes program.

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

(in € mln)	Long term borrowings	Short term wborrowings	Total
Restated balance at 1 January 2020	**180**	**93**	**273**
Changes from financing cash flows			
Proceeds from loans and borrowings	60	64	124
Repayment of borrowings	-87	-47	-134
Total changes from financing cash flows	**-27**	**17**	**-10**
Balance at 31 December 2020	**153**	**110**	**263**

No drawdowns were made on the inter-company credit facility during the 2020 financial year; it is used, in part, as a back-up to the Company's Commercial Paper programme.

Sensitivity analysis

An increase (decrease) of the financial market interest rate by 1% has an effect of € -1.5 mln (€ 0,8 mln) on the result and the equity capital, which represents € -0.18 per share (€ 0.10 per share).

13. Rent guarantees received

(x € 1,000)	2020	2019
Guarantee tenants	826	1,052
Net book value	**826**	**1,052**

14. Other non-current financial liabilities

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. In the first quarter of 2020, these three instruments were liquidated and replaced by a new IRS in the nominal amount of € 50m with a deferred effective date on 30 June 2021 for a period of six years (until 30 June 2027) and a fixed rate of 0.327%. This structure ensures the continuation of the macro level hedging initially provided by the three above-mentioned IRS on the portion of the Company's debt with a floating interest rate.

By performing this new 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 0.327% (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.
The revaluation of instruments to which hedge accounting was not applied generated a negative impact of € 1.1m on the income statement of the 2020 financial year.

	Nominal amount	Interest rate	Balance on 31/12/2020	Balance on 31/12/2019
Maturity				
Start date: 28/09/2018 End date: 28/09/2022	€ 50 mln	0.285%	€ -0,25 mln	€ -0,36 mln
Start date: 30/06/2020 End date: 30/06/2025	€ 50 mln	0.251%	-	€ -0,67 mln
Start date: 30/06/2021 End date: 30/06/2027	€ 50 mln	0.327%	€ -1,76 mln	-

Other

IFRS 16 was applied, resulting in the recognition in liabilities:

- of a lease liability for a long lease contract for Kortrijk in the amount of € 6.5m). The interest rate (incremental borrowing rate) used in the calculation of the lease obligation is 5.45%.
- a lease liability for lease-financing contracts held by the Company for its company vehicle fleet, in the amount of € 0.3m. The interest rate (incremental borrowing rate) used in the calculation of the lease obligation is 5.00 %.

15. Current liabilities

(x € 1,000)	2020	2019
Credit institutions	25,000	-
Other loans	84,950	93,000
Other current financial liabilities	34	34
Trade payables	11,338	9,316
Taxes, remunerations and social security contributions	1,491	1,648
Other current liabilities		
Rental income received in advance	2,833	3,663
Other accrued charges and deferred income	4,507	7,142
Total	**130,153**	**114,802**

Credit institutions and other loans

Credit institutions: On 31 December 2020, the Company had a confirmed short-term credit facility of € 35m with KBC Bank, of which € 25m was used as at 31 December 2020, and whose maturity date falls within the year following the close date of the past financial year.

Other loans: On 31 December 2020, the Treasury Notes program, which was replaced in September 2018, was used for an amount of € 85 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 2020	Called up by 31 December 2019	Maturity
Borrower				
BNP Paribas Fortis	26	-	-	9/21/2020
KBC	35	25	-	4/30/2021
Treasury notes program - Belfius/ KBC	100	85	93	N/A
TOTAL	**161**	**110**	**93**	

1 Wereldhave NV holds on 31 December 2020, directly and indirectly 67.66% of the outstanding shares of the Company.

Reconciliation of movements in financial liabilities to cash flows arising from financing activities (IAS 7) - see note 12.

Suppliers

The trade payables (€ 11.3 mln) concern the short-term liabilities related to investments, development projects and current supplier obligations. This item also includes the withholding tax deducted at the time of the distribution of the 2017 and 2018 dividends, on the dividends to be repaid to Wereldhave International and Wereldhave NV, the main shareholders of the Company (€ 2.4m). 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.

Per object, the obligations are assigned as follows:

(x € 1,000)	2020
Remaining investment commitment shopping centre Genk Shopping 1	553
Remaining investment commitment Waterloo	45
Remaining investment commitment shopping centre Kortrijk	150
Remaining investment commitment shopping centre Liège	1,420
Remaining investment commitment Brugge Retail Park	5
Remaining investment commitment offices	356
Remaining various investment commitment	666
Various suppliers	3,651
Withholding tax on dividend due to the majority Shareholder	2,450
Various provisions invoices to be received/credit notes to be sent	2,042
	11,338

The fair value of the elements of this item is in line with their book value.

Taxes, Remunerations and social charges

This section only covers remuneration liabilities and social charges (€ 1.5m).

Property yields received in advance

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 2021.

Other accrual accounts

This concerns the accruals related to general company expenses and real estate charges (property tax to be received, rental vacancy costs, etc.) and the allocation of the lease contracts based on revenue.

16. Rental income

(x € 1,000)	2020	2019
Rental income	58,094	59,477
Rent reductions	-2,212	-2,029
Rent	**55,882**	**57,448**
Indemnification for early termination of lease	**584**	**1,909**
Rent to be paid on leased spaces	-4	-13
Revaluation and loss on trade receivables	-7,243	-731[1]
Costs associated with rental	**-7,247**	**-744**
Net rental income	**49,218**	**58,613**

1 Consolidation of all impacts on trade receivables (according to IFRS 9) under one heading.

The rental income is spread among about 600 (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 contractors.

Rent loss as a result of vacancy, expressed as a percentage of theoretical rent amounted to 7.4 %.

The ten main tenants represent 24.0 % of the total rental income.

The future contractual rent from lease agreements on 31 December 2020 is as follows:

(x € 1,000)	2020	2019
Year 1	53,195	53,739
Year 2	46,611	44,479
Year 3	42,869	40,015
Year 4	39,211	36,019
Year 5	35,305	31,813
> Year 5	131,886	127,790
Net book value	**349,078**	**333,855**

17. Rental charges and taxes and recovery of rental charges and taxes normally paid by the tenant on let properties

(x € 1,000)	2020	2019
Recovery of rental charges paid by the owner	7,737	7,880[1]
Rental charges paid by the owner	-8,909	-9,656[1]
Total	**-1,172**	**-1,776**

1 Reallocation between rental charges and their recovery.

The rental charges and taxes include the common charges (€ 8.9 mln) spent for the management of the portfolio.

The recovery includes the recharging of the common charges (€ 7.7 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 2019 (2020: € -1.2 million - 2019: € -1.8m) is primarily related to savings on charges in the portfolio, notably during the periods of compulsory closures by the suspension of certain interventions and the reduction of certain consumptions due to the overall slowdown in business in the centres during these periods.

18. Other rental-related income and expenses

Other rental-related income and expenses (€ 3.2 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 include marketing campaigns in the media, animation activities in the common areas...

Given the health context during 2020, this revenue declined significantly compared to 2019 (€ 4.8m) due to the fact that it was impossible to use the common areas of the buildings and to conduct an active marketing policy during a period in which public access to the centres was restricted.

19. Property charges

(x € 1,000)	2020	2019 (restated)
Technical costs	389	545
Vacancy charges	1,094	726
Commercial costs	4,233	5.621[1]
Property tax due to vacancy	746	422
Management costs	1,080	1,117
Total	**7,542**	**8.431[1]**

1 Reallocation of corporate marketing costs to general costs.

Technical costs (€ 389k) consist primarily of recurring maintenance for the buildings.

The costs on vacant spaces (€1.1 mln) include common costs not recoverable because of the vacancy and therefore remaining a cost for the landlord. These fees rose compared to 2019 (€ 0.7m) due to the increase in the portfolio's vacancy rate during the past financial year. The commercial costs (€4.2 mln) 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. As stated above, these fees decreased compared to the previous financial period (€ 5.6m) as a result of the reduced marketing activity during the health crisis.

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

20. General costs of the company

(x € 1,000)	2020	2019 (restated)
Staff costs		
Salaries	4,012	2,563[1]
Social security	1,028	871
Allocation salary cost to development projects	-461	-346
Profit sharing	395	496
Pension en insurance costs	564	464
Other staff costs	90	384
Subtotal staff costs	**5,628**	**4,432[1]**
Allocated to management/property charges	-978	-953
Total staff costs	**4,649**	**3,479[1]**
Other costs		
Audit fees	94	129
Advisory fees	663	551
Other costs	509	2,602[1]
Subtotal other costs	**1,266**	**3,282[1]**
Allocated to management/property charges	-362	-387
Total other costs	**904**	**2,895[1]**
Total general costs	**5,553**	**6,374[1]**

1 Reallocation of corporate marketing costs to general costs and of other costs within general costs headings.

The apportionment key for assigning general expenses to property charges

For 2020, a set percentage of general expenses and revenue (2020: € 1.3 mln, 2019: € 1.3 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.

Staff

During the accounting year 2020, there were 48.9 FTE employed by the company; as at end of December 2019 were 47.6 FTE on the payroll of the Company.

The profit-sharing distributed to employees in the form of a bonus is based on the following key indicators: occupancy rate, real estate costs, management fees, sustainability, like-for-like revenue growth and personal goals. For each indicator, objectives have been set. The score realized compared to the objective determine the result.

Personnel expenses and social charges increased significantly in 2020 (€ +1.5m) primarily as as result of a non-recurring charge (€ +1.2m) to terminate the employment and provision of services contracts of some employees with the Company.

Pension costs
The pension costs contain the premium for the pension schemes of employees.

Other costs
Other expenses decreased significantly compared to the previous financial year (€ -2.0m) as a result of non-recurring income from the recovery of taxes (€ +2.0m) recorded by the Company during the past financial year.

21. Other operating income and charges

The apportionment key for assigning other operating income and charges to property charges
For 2020, part of the other operating income (2020: € 0.4 mln, 2019: € 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)	2020	2019 (restated)
Other operating income and charges		
Other income	1,690	1,699
RREC costs	-	-[1]
Investment fund tax	-	-[1]
Subtotal other operating income and charges	**1,690**	**1,699[1]**
Allocated to management/property charges	-365	-336
Total other operating income and charges	**1,325**	**1,362[1]**

1 Reallocation of investment fund tax and RREC costs from other operating income and charges to other general costs.

Other income
The other income includes the fees (2020: € 1.7 mln – 2019: € 1.7 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.

22. Result disposals of investment properties and valuations differences

(x € 1,000)	2020	2019
Positive revaluation	-	2,590
Negative revaluation	-57,936	-19,137
Net book value	**-57,936**	**-16,547**

See also note 6.1

23. Financial result

(x € 1,000)	2020	2019
Financial income		
Interests received (coupon real estate certificate Basilix)	3	53
	3	**53**
Financial charges		
Interest costs	-2,327	-2,285
Other interest costs	-359	-374
Other	-162	-88
Variations in the fair value of financial assets and liabilities	-1,193	-674
	-4,041	**-3,422**
Total	**-4,037**	**-3,368**
Average interest rate on loans	**0.90%**	**0.81%**
Net interest costs	-2,327	-2,285
Weighted average debt for the period	269,377	281,944

|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.

24. Taxes on result

Corporate income tax is calculated based on any exceptional and favourable advantages and rejected expenses.

The subsidiaries are subject to the common tax regime and may therefore need to pay corporate tax under the normal regime.

(x € 1,000)	2020	2019
Corporate tax	6	-137
Deferred tax on market fluctuations of investment property	-	1,486
Exit tax	-	-699
Total	**6**	**649**

25. Result per share

The result per share is calculated based on the total profit after tax and the average number of shares held in the year (2020: € -2.81; 2019: € 3.76). No financial instruments have been issued that are convertible into shares. The total number of shares issued increased in 2020, on the one hand with the optional dividend operation, as a result of which 511,306 new shares were issued on 13 November 2020. The total number of outstanding shares amounts to 8,319,287 as per 31 December 2020 (7,807,981 as per 31 December 2019) and the average number of outstanding shares was 7,876,435.

26. Dividend

A dividend of € 35.1 mln was paid in 2020 (gross € 4.50 / share - net € 3.15 / share), of which € 16.6 mln were paid in cash and € 18.5 mln in 511,306 new shares.

After the balance sheet date, the Board of Directors of the Company has proposed to pay out an amount of € 33.3 mln (2019: € 35.1 mln), i.e. a gross dividend of € 4.00; net € 2.80 (2019: € 4.50 – € 3.15) 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 NV)

(x € 1,000)	2020	2019
Net result	**-23,066**	**27,639**
Depreciation	60	114
Amounts written off on trade receivables	3,043	519[1]
Result on disposal of real estate properties	-325	21
Variation in the fair value of real estate properties	57,936	14,646
Other non-monetary items - Incentives	-216	-256[1]
Other non-monetary items - Variations in the fair value of authorised hedging intruments	1,091	674[1]
Other non-monetary items - Variations in the fair value of financial assets and liabilities	1,107	-
Corrected result for mandatory distribution	**39,630**	**43.357[1]**
Minimum result to be distributed (80%)	31,704	34.686[1]
Operating result allocated to dividend distribution	33,277	35.136[2]
Operating result allocated to dividend distribution / per share	4.00	4,50[2]

1 Some non-monetary items which were not taken into account in 2019 have been properly included.
2 The proposed dividend amount for the 2019 financial year has been decreased in the course of 2020 from € 5.20/share to € 4.50/share, this latter beeing effectively paid out.

The corrected result does not need to be further modified for any possible non-exempt gain on disposals of property investments or debt reductions. As a result, the corrected result equals the amount that is eligible for the mandatory payment of 80% according to article 45, 2° of the RREC Law.

27. Article 617 of the companies code

The amount, as referred to in article 617 of the Belgian Companies Code, of paid-up capital or, if this amount is higher, the called-up capital, plus all reserves which, pursuant to the law or the articles of association, may not be distributed, is determined in Chapter 4 of annex C of the Royal Decree of 13 July 2014.

Determination of the amount pursuant to article 617 of the company code
(calculated on the statutory figures of Wereldhave Belgium Comm. VA.)

(x € 1,000)	2020	2019
Non-distributable elements of shareholders' equity for profit distribution		
Capital	347,760	329,285
Issue premiums	88,877	88,877
Legal reserve	25	25
Reserve for the balance of changes in fair value of real estate properties	163,700[1]	181,803[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	0[3]	0[3]
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	-57,936	-
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	**542,425**	**599,990**
Shareholders' equity	650,814	690,485
Proposed dividend distribution	33,277	40,602
Number of shares	8,319,287	7,807,981
Remaining reserves after distribution	75,111	49,893

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 2020 and 2019, respectively -141.5 keur and -192.6 keur, are not taken into account in the Art. 617 calculations.
3 The negative balance of 2020 (€ -674.3 k) is not taken into account in the Art. 617 calculations.
4 The negative amounts of 2020 and 2019, respectively -1,090.6 keur and -674.3 keur, are not taken into account in the Art. 617 calculations.

28. Determining the debt ratio

(x € 1,000)	Statutory balance sheet	Consolidated balance sheet
Total items "Liabilities" in the balance sheet	**291,683**	**293,670**
I. Non current liabilities	163,218	163,517
A. Provisions	-963	-1,102
C. Other non-current financial liabilities - Authorised hedging instruments	-2,013	-2,013
II. Current liabilities	128,465	130,153
F. Accrued charges and deferred income	-6,199	-7,340
Total items "Liabilities" considered for the calculationof the debt ratio (numerator)	**282,508**	**283,215**
Total "Assets" in the balance sheet	**942,496**	**944,218**
Authorised hedging instruments recorded under assets		
Total "Assets" considered for the calculation of the debt ratio (denominator)	**942,496**	**944,218**
Debt ratio	**29.97%**	**29.99%**

29. Intra-group related party transactions

Intra-group fees, invoiced by Wereldhave NV and related to IT support, amounts over 2020 € 521k (excl. VAT).

Credit facility (revolving credit) granted to Wereldhave Belgium SA by the Dutch-registered public limited company Wereldhave SA (jointly with Wereldhave International SA, the lead shareholders with 67.66%) with FBI status (see Notes 12 and 15).

This credit facility in the nominal amount of € 150m was renewed during the 2019 financial year for another five-year period, ending on 31 July 2024. This credit facility has a credit margin of 120 basis points and does not include a commitment fee. This line is mostly used as a back-up line for the treasury note program, which can be used up to a maximum amount of € 100 mln. At 31 December 2020, this line was not used, other than as a back-up for the outstanding treasury notes.

Except from the decreed dividends and the above-mentioned transactions, there have been no other transactions with other group companies in 2020.

The remuneration of the executive/non-executive directors and of the members of executive management (€ 1,302k including the severance pay of € 395k for Mr Deforche) is detailed in the compensation report included in the consolidated annual report.

The shares held in the portfolio by the members of the Board of Directors or by Executive Managers are covered in the chapter “Wereldhave Belgium and the stock market” of this report. The Company has not extended loans, advances or guarantees to members of the Board of Directors or to the Executive Managers.

30 List of consolidated companies

The companies below were incorporated in the scope of consolidation according to the full consolidation method on 31 December 2020.

	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%
Wereldhave Belgium Services plc	Medialaan 30 B 6, 1800 Vilvoorde	BE 0422.120.838	1,503	99.52%
			2,353	

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

J-II NV

J-II NV, with its registered offices at Medialaan 30, box 6, 1800 Vilvoorde, and with company number 0472.903.308, was established on 29 September 2000 within the framework of the sale to Fortis Bank NV of the amount of ground rent paid under the agreement dated 11 May 2000 in which Wereldhave Belgium Comm. VA provided a long-term lease of 27 years to the European Union for a property located at 1000 Brussels, Joseph II-laan 26-30.

At the moment of establishment, bare ownership of this property was included in the capital of J-II NV and its shares were pledged in favour of Fortis Bank NV. This company has no activities, other than being the holder of the residual ownership rights of the above-mentioned property.

The value of the residual property rights of this property located at Joseph II-laan 26-30, 1000 Brussels equals € 1 for J-II NV, since J-II NV has granted the long leaseholder (the European Union) a purchase option for acquisition of the residual ownership rights, plus the non-expired annual amount of ground rent due from the date of exercising the option until 10 May 2027, whereby the long leaseholder (the European Union) can exercise the purchase option in the second quarter of the year 2026 upon payment of € 1, to be increased by the not yet expired annual ground rent due as from the date of exercising the purchase option until 10 May 2027, as a result of which the long leaseholder will become the full owner of the property starting from 30 September 2027.

The de facto expectation is that the long leaseholder (the European Union) will exercise the purchase option in the second half of the year 2026 of the long lease right (i.e. 2027), with the result that it is thus correct from an accounting point of view that the current book value of the residuary ownership rights of this property located at Joseph II-laan 26-30, 1000 Brussels for J-II NV equals € 1 (i.e. the purchase price due from the long lease giver (the European Union) upon exercising the purchase option during the period from 1 July 2026 – 31 December 2026). In addition, it can be stated that J-II NV has no other obligations towards the long leaseholder (i.e. the European Union) within the framework of this transaction or towards BNP Paribas Fortis as the purchaser of the ground rent amount of the long leasehold agreement.

In addition J-II SA holds 100% of two retail outlets in the Genk Shopping 1 shopping centre, which were acquired during the 2019 financial year via a contribution in kind in exchange for new J-II SA shares carried out by their former owner Immo Guwy SA, before being absorbed in turn by the parent company Wereldhave Belgium SA.

Waterloo shopping BV

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, 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 Board of Directors to estimate when this project could effectively be realised. The fair value of the project is € 1.3m. This amount represents the value of the land and of the studies completed to prepare the project.

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

Wereldhave Belgium Services NV

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

WBPM NV

Note that the Company held WBPM SA whose registered office is located at Medialaan 30, 1800 Vilvoorde, operating under company number 0833.792.402. This company was a special purpose vehicle created on 8 February 2011 whose operational activity, which was being discontinued, consisted solely of providing administrative, legal and technical services for a limited number of property projects of ING REDH Belgium SA that were not taken over by Wereldhave Belgium SCA.

The company was liquidated on 21 October 2020 and has no longer been included in the consolidation scope of Wereldhave Belgium SA. since then.

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

The Company has contracted investment liabilities amounting to € 0.7 mln. They are primarily related to the renovation and extension programmes for the Belle-Île shopping centre and for renovation work on the façades of the Kortrijk shopping centre and on the Veldekens office building in Berchem and Medialaan office building in Vilvoorde.

The obligations related to the long-term lease on a part of the Ring Shopping shopping centre in Kortrijk, running through 2115 and those related to the lease financing of the Company's vehicle fleet were recognised in the balance sheet in accordance with IFRS 16 and are, therefore, not included off-balance sheet.

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

(x € 1,000)	2020	2019
< 1 year	733	8,069
>1 year - < 5 year	-	-
> 5 year	-	-
Total	**733**	**8,069**

32. Remuneration of the auditor

The remuneration related to the auditing activities in 2020 amounted to € 92,115 excl. VAT. In addition, the Statutory Auditor provided services in the context of the capital increases (optional dividend), the liquidation of subsidiaries and other specific assignments, for which they invoiced fees of € 18,000 (excluding VAT).

33. Branches

The company has no branches.

34. Lawsuits and arbitration

The Company, as a defendant or a plaintiff, is involved in a small number of lawsuits which the Company generally feels are not likely to have a major impact on the financial position or the profitability of the Company, either because the sums which are at issue are relatively insignificant or because the risk of a judgement against the Company is minor.

Withholding tax on decreed dividends to Wereldhave NV and Wereldhave International NV

During the 2019 financial year, the legal proceedings brought against the Belgian government involving the reimbursement of the withholding tax paid (5% deduction at source) on the dividend for 1999 and 2000, ended in the Company's favour and it did not have to deduct the withholding of 5% on the dividends paid to the Dutch companies Wereldhave NV and Wereldhave International NV. These amounts (€ 1.1m) were recovered by the Company at the start of the 2020 financial year then reimbursed to the two Dutch companies above accordingly.

Based on this favourable outcome, the Company submitted a request for the reimbursement of the withholding tax on the dividends for 2017 and 2018 given that the deduction at source of 5% was also applied in those years. Following discussions with the administration, the Company received confirmation that the amounts (€ 2.5m) would be returned and that the reimbursement would occur during the first quarter of 2021. Once recovered, the amounts will then have to be refunded to the two Dutch companies which is why a receivable vis-à-vis the administration and a liability vis-à-vis the major shareholders was recorded in the financial statements at 31 December 2020.

Bruges Sint-Kruis – dispute with Carrefour Belgium SA regarding its occupancy contract.

Following the unilateral reduction by Carrefour Belgium SA of the commercial area it operates in the Brugge Sint Kruis retail park, the Company requested that the judge of the peace decide the lease issue against Carrefour Belgium SA. These legal proceedings have been in progress since January 2019. However, during the 2020 financial year, Carrefour Belgium SA decided to no longer pay the full amount it owed according to its lease contract. It unilaterally decreased the rent payment and the charges to the amount if felt it owed for the (smaller) surface area it was using and paid the balance into a blocked account. As at 31 December 2020, the arrears amounted to € 0.4m. A judgement is expected during the second quarter of 2021. It should be noted that the rent initially paid by Carrefour to the blocked account was eventually paid to the Company after the closing date of the 2020 financial year.

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

As announced in the press release of 25 November 2020, it was mutually agreed that the collaboration between the Company and Kasper Deforche, co-Managing Director and Executive Manager Director of the Company, would end on 31 December 2020.

On 17 December 2020, the Company communicated the appointment of Nicolas Beaussillon as the new co-Managing Director and Executive Manager of the Company, replacing Mr Deforche effective 1 January 2021.

The change took effect on 1 January 2021. However, Kasper Deforche remained available during the first few months of 2021 to ensure a smooth and complete transition. In addition, the FSMA confirmed its approval of the appointment on 10 February 2021.

The appointment will be submitted to the approval of the Board of Directors during the Ordinary General Meeting of Shareholders on 14 April 2021 to confirm the decision taken by the Company's Board of Directors.

The Board of Directors would like to thank Kasper Deforche for the significant contribution he made to the growth of the Company over the past years and wishes him all the best for the future of his career.

Other than these events, no additional significant events have occurred after 31 December 2020 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 NV on the consolidated financial statements as of and for the year ended December 31, 2020

In the context of the statutory audit of the consolidated financial statements of Wereldhave Belgium NV (“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 December 31, 2020, 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 April 10, 2019, in accordance with the proposal of the board of directors. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended December 31, 2021. We have performed the statutory audit of the consolidated financial statements of the Group for five 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 December 31, 2020, 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 December 31, 2020, 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’000 944.218 and the consolidated statement of profit or loss shows a loss for the year of EUR’000 22.148.

In our opinion, the consolidated financial statements give a true and fair view of the Group’s equity and financial position as at December 31, 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and 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 ‘3.23 Important assessments’, 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 December 31, 2020, the carrying value of the Group’s total investment portfolio was EUR 921,2 million and represented 97,6% of total assets.

The valuation of investment properties is complex and requires significant judgement.

Investment properties are valued at fair value at reporting date using the direct capitalization method. The fair value is dependent on the valuation methodology adopted and on the inputs into the valuation model. Factors such as prevailing market conditions, the individual nature, condition and location of each property have a direct impact on the fair value.

The following assumptions are key in determining fair value:
- Market rent
- Future vacancy rates
- Yield factors
- Maintenance expenses
- Transaction expenses
- Investment budgets

As required by the applicable legislation for regulated real estate companies, the investment properties are valued by external real estate experts. In the valuation reports of the shopping centers as at December 31, 2020, the experts included a material uncertainty clause, highlighting the increased uncertainty associated with the valuation due to the lack of market references because of the COVID-19 pandemic. This clause is not applicable to the offices.

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 Kortrijk 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 assessed the adequacy of the disclosures related to investment property, specifically the related measurement uncertainty, the valuation model and assumptions used in that model. In particular, we assessed whether the material uncertainty clause, as included by the external real estate experts in their reports for shopping centers, was adequately disclosed in the consolidated financial statements and the consolidated annual report.

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 Group nor on the efficiency or effectivity of how the board of directors supervisory board has conducted or will conduct the business of the Group. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

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 engagement 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 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

- Information about the independenceOur 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, March 11, 2021

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor

represented by
Filip De Bock
Bedrijfsrevisor / Réviseur d'Entreprises

Statutory statement

Statutory statement of financial position

(x € 1,000)	31 December 2020	31 December 2019
Assets		
I. Non-current assets		
C. Investment properties	920,629	960,706
D. Other tangible assets	620	439
E. Financial non-current assets		
Investments in affiliated enterprises	1,348	2,415
Amounts receivable from affiliated enterprises	206	201
G. Trade receivables and other non-current assets	347	357
	923,150	**964,118**
II. Current assets		
A. Assets held for sale		
Investment properties	-	7,480
D. Trade receivables	12,627	16,029
E. Tax receivables and other current assets	4,986	1,776
F. Cash and cash equivalents	1,939	2,976
	19,552	**28,260**
Total assets	**942,703**	**992,379**
Shareholders' equity		
I. Shareholders' equity attributable to the parent company's shareholders		
A. Capital		
Issued capital	347,960	329,437
Costs capital increase	-200	-153
B. Issue premiums	88,877	88,877
C. Reserves		
a. Legal reserve	25	25
b. Reserve for the balance of changes in fair value of real estate properties	167,936	181,803
d. Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-141	-193
e. Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	-674	-
j. Reserve for actuarial gains and losses of defined pension schemes	-593	-597
m. Other reserves	-115	-115
n. Accumulated result	70,806[1]	63,762
D. Net result of the year	-23,066	27,639
	650,814	**690,485**
II. Minority interests	**-**	**-**

Continuation > >

Continuation

(x € 1,000)	**31 December 2020**	31 December 2019
Liabilities		
I. Non-current liabilities		
A. Provisions		
Pensions	963	930
B. Non-current financial liabilities		
a. Credit institutions	152,733	179,805
c. Other		
Rent guarantees received	781	1,007
C. Other non-current financial liabilities		
Authorised hedging intruments	2,013	1,035
Other	6,728	6,507
F. Deferred taxes - liabilities		
	163,218	**189,284**
II. Current liabilities		
B. Current financial liabilities		
a. Credit institutions	25,000	-
c. Other		
Other loans	84,950	93,000
Other	34	34
D. Trade payables and other current liabilities		
b. Other		
Suppliers	10,878	8,356[2)]
Taxes, remunerations and social security contributions	1,403	1,059
F. Accrued charges and deferred income		
Real estate income received in advance	2,621	3,344
Other	3,784	6,816
	128,671	**112,609**
Total shareholders' equity and liabilities	**942,703**	**992,379**
Net asset value per share (x € 1)	78.23	88.43

1 Proposed dividend 2020: 33,277KEUR (€ 4.00 * 8,319,287 shares).
2 Reclassification of the debt to the majority Shareholder related to withholding tax on dividend from other financial liabilities to other current liabilities.

Statutory profit and loss account

(x € 1,000)	31 December 2020	31 December 2019 (restated)
I. Rental income		
Rent	55,808	56,816
Indemnification for early termination of lease	584	1,909
III. Rental-related expenses		
Rent to be paid on rented area	-4	-13
Depreciations on trade receivables	-7,061	-636[1]
Net rental income	**49,327**	**58,076**
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	**-**	**-**
VII. Rental charges and taxes normally paid by the tenant on let properties	**-1,172**	**-1,798**
VIII. Other revenue and charges for letting	**1,425**	**1,933**
Net rental charges and taxes on let properties	**253**	**136**
Property result	**49,581**	**58,212**
IX. Technical costs		
Repairs	-381	-453
Insurance premiums	-7	-38
	-388	**-491**
X. Commercial costs		
Agency commissions	-288	-318
Publicity	-2,148	-2,394[3]
	-2,437	**-2,712[3]**
XI. Charges and taxes on non-let properties		
Costs on non-let properties	-1,094	-715
Real estate tax on non-let properties	-746	-412
	-1,840	**-1,127**
XII. Property management costs		
(Internal) property management costs	-1,146	-1,068
	-1,146	**-1,068**
Property charges	**-5,811**	**-5,397[3]**
Property operating results	**43,769**	**52,315[3]**
XIV. General company costs		
Staff costs	-3,734	-2,536[3]
Other	-435	-2,373[3]
XV. Other operating income and charges	**-35**	**-37[3]**
Total XIV. + XV.	**-4,203**	**-4,946[3]**
Operating results before result on the portfolio	**39,566**	**47,869**
XVI. Result on disposals of investment properties		
Net property sales (selling price – transaction costs)		-
Book value of the property sold	325	-21
	325	**-21**
XVII. Result on disposals of other non-financial assets		
Net sales of other non-financial assets (sale price - transaction costs)	-4	9
	-4	**9**
XVIII. Variations in the fair value of investment properties		
Positive variations in the fair value of investment properties	-	2,656
Negative variations in the fair value of investment properties	-57,936	-17,302
	-57,936	**-14,646**
Total XVI. + XVII. XVIII.	**-57,615**	**-14,659**
Operating result	**-18,048**	**33,210**

Continuation > >

Continuation

XX. Financial income		
Interests and dividends received	2	52
XXI. Net interest charges		
Nominal interest charges on loans	-2,245	-2,050
Other interest charges	-359	-374
XXII. Other financial charges		
Net losses on sales of financial assets	-61	-2,321
Bank charges and other commissions	-161	-86
XXIII. Variations in the fair value of financial assets and liabilities		
Authorised hedging intruments	-1,091	-674
Other	-1,107	-
Financial result	**-5,021**	**-5,453**
Result before tax	**-23,069**	**27,757**
XXIV. Corporate tax		
Corporate tax	3	-119
Tax	**3**	**-119**
Net result	**-23,066**	**27,639**
Net result shareholders of the Group	**-23,066**	**27,639**
Result per share (x € 1)	**-2.93**	**3.59**
Diluted result per share (x € 1)	**-2.93**	**3.59**

1 Consolidation of all impacts on trade receivables (according to IFRS 9) under one heading.
2 Reallocation between rental charges and their recovery.
3 Reallocation of corporate marketing costs to general costs (€ 300k), of various taxes and costs from other operating income and charges to other general costs (€ 791k) and of other costs within general costs headings (€ 101k).

Statement of comprehensive income

(x € 1,000)	31 December 2020	31 December 2019
I. Net result	**-23,066**	**27,639**
II. Other comprehensive income		
Items taken in the result		
B. Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	51	-141
Items not taken in the result		
E. Actuarial gains and losses of pledged pension schemes	-4	-151
Total other comprehensive income	**47**	**-292**
Comprehensive income (I + II)	**-23,019**	**27,346**
Attributable to:		
Minority interests	-	-
Shareholders of the group	-23,019	27,346

Statutory statement of movements in equity

(x € 1.000)	*Share capital*	*Issue premiums*	*Legal reserve*	*Reserve for the balance of changes in fair value of real estate properties*
2019				
Closed balance at 31 December 2018	**318,034**	**78,733**	**-**	**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				-6,370
Dividend over 2018				
Balance at 31 December 2019	**329,285**	**88,877**	**25**	**181,803**
2020				
Closed balance at 31 December 2019	**329,285**	**88,877**	**25**	**181,803**
Capital increase	18,475			
Variations in the fair value of hedging instruments				
Provisions for pensions				
Net result				
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties				-15,985
Transfer from reserve for the balance of changes in fair value of real estate properties to accumulated result				2,118
Dividend over 2019				
Balance at 31 December 2020	**347,760**	**88,877**	**25**	**167,936**
Transfer of the result 2020 on the portfolio to reserve for the balance of changes in fair value of real estate properties				-57,936
Transfer of the changes 2020 in fair value of authorised hedging instruments not subject to hedge accounting				
Proposed dividend 2020				
Proposed allocation of the net result of the accounting year to the accumulated result of previous years				
Balance at 31 December 2020 after allocation	**347,760**	**88,877**	**25**	**110,000**

Continuation > >

Continuation	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	Reserve for actuarial gains and losses of defined pension schemes	Other reserves	Accumulated result of previous accounting years	Net result of the year	Proposed remuneration of the shareholder's equity	Total
2019								
Closed balance at 31 December 2018	**-52**	**-**	**-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**
2020								
Closed balance at 31 December 2019	**-193**	**-**	**-597**	**-115**	**91,400**		**-**	**690,485**
Capital increase								18,475
Variations in the fair value of hedging instruments	51	-674			674			51
Provisions for pensions			4					4
Net result						**-23,066**		**-23,066**
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					15,985			-
Transfer from reserve for the balance of changes in fair value of real estate properties to accumulated result					-2,118			-
Dividend over 2019					-35,136			-35,136
Balance at 31 December 2020	**-141**	**-674**	**-593**	**-115**	**70,806**	**-23,066**	**-**	**650,814**
Transfer of the result 2020 on the portfolio to reserve for the balance of changes in fair value of real estate properties						57,936		-
Transfer of the changes 2020 in fair value of authorised hedging instruments not subject to hedge accounting		-1,091				1,091		-
Proposed dividend 2020						-33,277	33,277	-
Proposed allocation of the net result of the accounting year to the accumulated result of previous years					2,683	-2,683		-
Balance at 31 December 2020 after allocation	**-141**	**-1,765**	**-593**	**-115**	**73,489**	**-**	**33,277**	**650,814**

1 Costs capital increase included (€ - 200k as at 31 Decembre 2020).
2 Changes in fair value of the investment properties portfolio over 2018. Reclassification of the heading 'Accumulated result'.
3 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.
4 Changes in fair value of the investment properties portfolio over 2019. Reclassification of the heading 'Accumulated result'.
5 Reclassification of the accumulated historical changes in fair value of the residential part of the Ghent Overpoort building to distributable income as a result of its realisation.
6 Dividend paid 2019 € 4.50 (net € 3.15) per share: € -35,136 of which € 16,614 paid in cash and the balance paid out in 511,306 new shares, which led to a capital increase.
7 Dividend 2020 proposed for approval to the Ordinary General Meeting of 14 April 2021.
8 According to the regulator's recommendations, we present, under the final balance of equity as at 31 December 2020, the future allocation of the 2020 result that will take place in 2021.

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 2020	31 December 2019
A. Net result	**-23,066**	**27,639**
B. Transfer to/from reserves	**59,026**	**18,777[1, 2]**
Transfer to/from reserve for the balance of changes in fair value of real estate properties	57,936	18,103[1]
Transfer to/from reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	1,091	674[2]
C. Return on capital	**33,277**	**35,136[3]**
(In accordance with article 13, §1, paragraph 1 from the Royal Decree of 13 July 2014)		

1 Restatement to include allocation of revaluations booked in the absorbed subsidiary and reserve transfer on sold building.
2 Restatement to take account of revaluations on derivatives.
3 The proposed dividend amount for the 2019 financial year has been decreased in the course of 2020 from € 5.20/share to € 4.50/share, this latter beeing effectively paid out.

The statutory annual accounts, the notes, and the Auditor's report concerning the statutory annual accounts of Wereldhave Belgium can be obtained free of charge at the Company's Head Office. These documents are also available on our website: www.wereldhavebelgium.com

The auditor delivered an unqualified audit opinion.

The statutory annual accounts, the notes, the annual report and the Auditor's report will, according to the legal regulations, be deposited at the National Bank of Belgium.

Responsibility statement according to Section 12 § 2 of the Royal Decree of 14 November 2007
The Board of Directors 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 Board of Directors 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 Board of Directors
Wereldhave Belgium NV
D. Goeminne, Chairman
B. Boone
A. Claes
N. Beaussillon
M. Storm
D. de Vreede
D. Slegtenhorst
R. Langewouters
E. Wellenstein

Vilvoorde, 11 March 2021

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.

In this chapter we give 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 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. Decrease or non-renewal of leases resulting in vacancies.	• Geographical distribution of the real estate portfolio in Belgium. (see the summary 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 through, amongst others, proactive direct contact with the tenants. (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. 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)
Credit risk Credit risk is the risk of financial loss if a counterparty to a financial instrument does not meet their contractual obligations. Credit risk consists of tenant receivables, in particular	1. Potential increase in the number of doubtful debtors resulting in a decrease 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 databasleL of external credit ratings, financial statements, credit rating information, sector information and, in certain cases, bank references if available). (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) • Initiatives are implemented to benefit from e-commerce by organising the delivery of products ordered in the shopping centres. (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) • Lease agreements with rental adjustment options on break dates (every three years for a commercial lease) also ensure that this difference does not become too big. (1)

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 3: 6, §1 of the CCA.

Risk description	Possible impact	Limiting measures
Volatility of interest rates Strong fluctuations in the short and/or long term rates on international markets	1. Increase in the financial costs. 2. Fluctuations in the value of financial instruments (fixed interest rates, hedging instruments, etc.). 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 2020), consequently the impact of any fluctuations is limited. (1) • Debts at fixed rate (40 %) respectively variable rate (60%) (1-2-3-4)
Financial markets Volatility and uncertainty on the international financial markets	1. Limited possibilities for raising new capital in the form of equity or borrowed capital. 2. Increase in debt ratio and limitation of growth opportunities. 3. Volatility of the share price.	• Developing of solid long-term relations with investors and credit institutions so that dialogue can take place on a regular basis. (1-2-3) • Wereldhave (International) NV, 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. (see the appendix). (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). (1-2-3) • Cooperation with public services (police, etc). (1-2-3)
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 (29.99% on 31 December 2020), 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)

Risk description	Possible impact	Limiting measures
Risks resulting from the Covid-19 virus Restrictive administrative measures were implemented in Belgium after mid-March 2020 to limit the spread of the Covid-19 virus.	1. Macro-environment (economic, demographic, political): consumption was impacted by the measures taken throughout Europe, which led to negative GDP growth in Belgium in 2020. The global economy will likely remain listless in 2021. 2. Consumption habits: the lockdown measures implemented by the federal government for physical shops in Belgium could also have structural impact on the consumption habits of consumers. This could affect the market share of purchases made in physical shops in Belgium. 3. Financing and liquidity: The Company's access to financing and liquidity could also be impacted by the Covid-19 crisis as financial institutions have become more cautious in the way they allocate funds. In addition, the capital markets have become more volatile as a result of the Covid-19 crisis and could be closed temporarily. The Company's cost of financing could increase in the event of unfavourable market conditions. 4. Customers (merchants): Virtually all of the Company's tenants have been impacted by the Covid-19 crisis because all physical shops, with the exception of those deemed to be "essential", were closed by order of the federal authorities from 18 March 2020 to 11 May 2020 (and to 8 June for restaurants and bars) and from 2 November 2020 to 29 November 2020 (and from 18 October for restaurants and bars and so-called close-contact service providers like hairdressers, which were still closed at 31 December 2020) resulting in a significant decrease in traffic. The compulsory closing of physical shops and restrictions on their activities resulted in strong pressure on the liquidity of tenants, which led to an increase in overdue rents. Most of the physical shops were again open to the public on 31 December 2020, but subject to strict sanitary measures which, among other things, limited the number of customers authorised to shop depending on the surface area of the outlet. An ongoing decrease, steeper and more generalised, in physical shop sales could harm their solvency/liquidity and payment to the Company of a portion of the rents due. 5. Valuations: The outbreak of the Covid-19 crisis could have a negative effect on the valuation of retail real estate, reflecting the slowing of the investment market and the global pressure on liquidity. A significant negative impact on valuations could lead to a deterioration in the Company's main ratios (Loan-to-Value, etc.) and put additional pressure on its financing and its compliance with the RREC law. 6. Health, safety and security: the Company is dependent on the decisions taken by the Federal authorities to limit the spread of the Covid-19 virus. At 31 December 2020, it was still not clear to the Company if the measures would be implemented again and, if so, to what extent that would have a negative impact on the activities of the Company and its customers (merchants).	• Solid balance sheet/low debt ratio for the Company. • Diversification of tenants (none of the tenants accounts for more than 5% of the Company's total rental income) and of the activity sectors of the tenants in its portfolio. • Cautious financing strategy/anticipation of the next credit maturities. • Diversification of financing sources between financial institutions and the institutional markets (CP, Eur PP). • Active portfolio management (by a company within the Company's scope) to facilitate tenants' activities.

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 Board of Directors. (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 Board of Directors and the Executive Managers, 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) • If applicable, rental guarantee clauses 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. Decisions blocked due to the legal voting thresholds at the General Meeting of Co-owners. 2. Increasing maintenance costs. 3. Aging of the properties within the real estate portfolio. 4. 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. (1-2-3-4) • Active participation of the Company in the management of the co-ownership in which it is involved in order to defend its interest. (1-2-3-4)
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. • The Company's structure is managed actively with the assistance of specialised advisors in order to optimise the economic parameters of the Group's different entities. (1)

Risk description	Possible impact	Limiting measures
Vacancy Scenarios of vacant property, such as failures, relocations, shrinkage, etc.	1. Decrease in the occupancy tax, which could lead to a decrease in revenue. 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/retail parks. (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 2020 amounted to 91.9%. (1-2-3) • Diversification of tenants (none of the tenants accounts for more than 5% of the Company's total rental income) and of the activity sectors of the tenants in its portfolio. (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 2020, i.e. 66.0 % of the fair value. The insurance premium is € 191,244. (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 the revenue generated by tenant in compliance with the RREC law (< 20% of revenue from a single tenant) on this topic. On 31 December 2020, the largest tenant of the Company represented about 4.9% 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 2020, Belle-Île remained below 20%, which made it possible to comply with the diversification requirements. However, it exceeded the threshold on 1 December 2020 (20.1%), which activated the waiver. (1-2)

Risk description	Possible impact	Limiting measures
Debtor risk	1. Non-extension or early break of the rental agreement. 2. Decline in solvency or bankruptcy risk. 3. Tenant concentration.	• Short communication line with tenants, through active asset and property management. (1-2-3) • Internal leasing asset management team. (1-2-3) • Monitoring of the financial health of tenants (screening, turnover, financials, and rental pressure). (1-2-3) • Stringent collection procedure and regular supervision of long-term outstanding receivables. Active monitoring of the debtors (including contact with tenants,...). The total charge recorded for bad debt in 2020 was € 445k (excluding the reductions on receivables given to tenants in response to Covid-19). (1-2) • 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)
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 instil 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 Board of Directors. (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 20 October 2020 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) • Minimum 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) • Minimum 30% unutilised margin of committed lines of credit. (1) • Strict monitoring with Executive Management and Board of Directors 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.	• Minimum 30% unutilised margin of committed lines of credit. (1) • Strict monitoring with Executive Management and Board of Directors concerning the impact of possible interest rates changes. (1-2) • Protection against a rise in interest rates by making use of credit lines with fixed interest rates and 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 (on 31 December 2020 Wereldhave NV and Wereldhave International NV hold 66.77% of the shares). (1-2) • At least 80% of adjusted net profit, reduced by the net decrease in the debt burden during the financial year, must be distributed as return on capital. (See comment 28 – Article 7:212 of the CSA)) (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) • The fluctuations in the unrealised fair value of hedging instruments related to a non-cash item, (if the income is held to maturity and is not liquidated early) are presented either separately in the statement of comprehensive income if they are recognised as hedging instruments according to IFRS9 or in the income statement if the hedge accounting is not implemented according to IFRS 9. (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 Board of Directors 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 favourable 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 Board of Directors. (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 Board of Directors in order to observe the legislation and to adapt the strategy with this. (1-2-3-4) • The majority shareholder (Wereldhave (International) NV) strictly observes the regulatory legislation on the preservation of the RREC status and in particular regarding the limits relating to the free float. (1-4)
Change of general, urban planning and/or environmental legislation The Company is exposed to changes in legislation (Belgian, European and international) and to increasing numbers of more complex regulations, as well as to potential changes in their interpretation or their application by the public authorities or the courts, including for environmental and urban planning regulations.	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 Board of Directors 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 Board of Directors 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 Board of Directors 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.

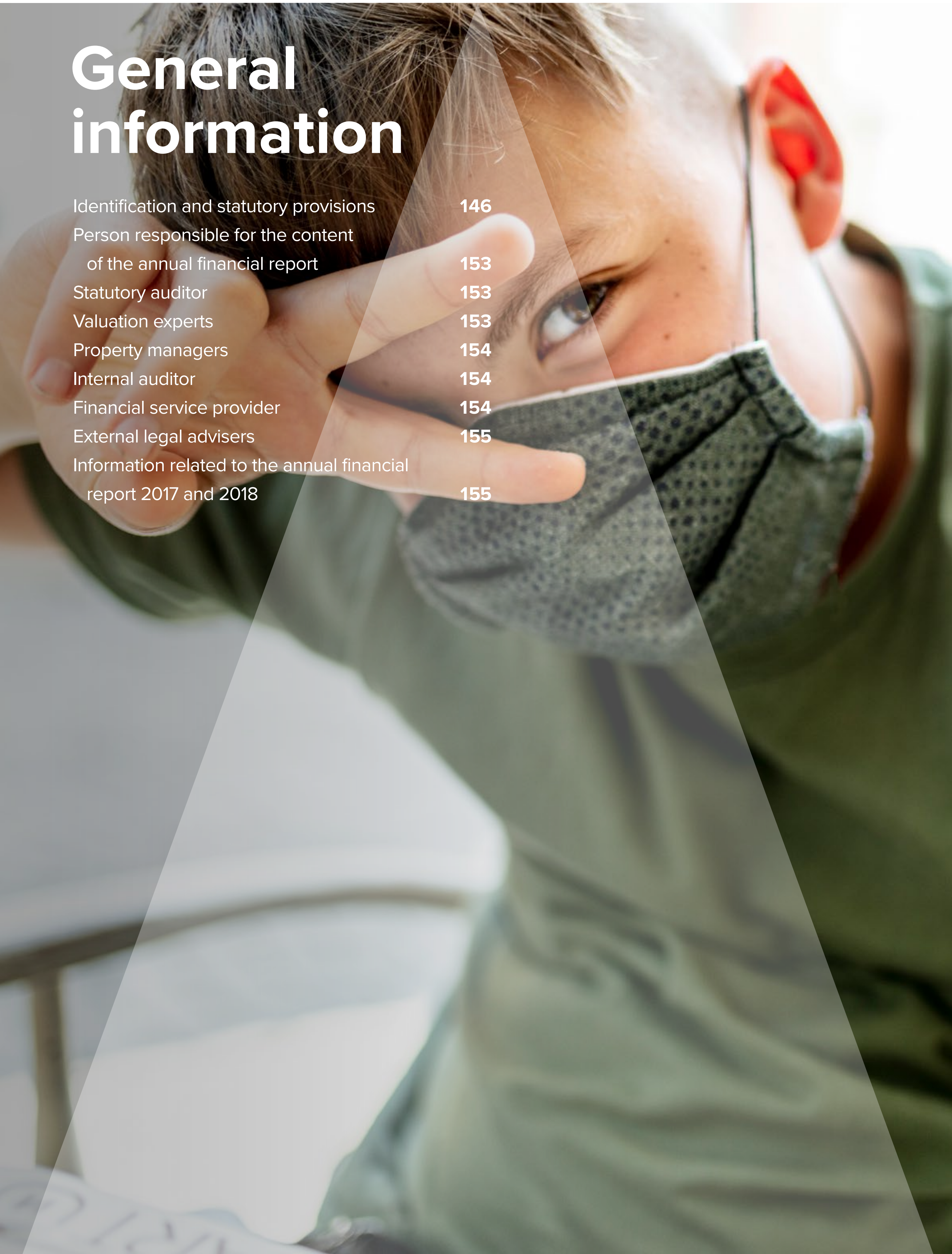
The instruments for internal control and risk management are formed by the Corporate Governance Charter, the administrative organization, the investment strategy approved by the Board of Directors each year, the Business Principles and the Code of Conduct. The Company has a system of warnings in the 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) under Belgian law.

Registered office
Medialaan 30, box 6 - 1800 Vilvoorde.

Company number (RPR Brussels)
The Company is registered with the Crossroads Bank for Enterprises under enterprise number 0412.597.022.

Legal form, establishment, publication
The Company was established, in the form of a public limited company and under the name 'Rank City Wall (Belgium)', by deed executed before Pierre Spaey, notary in Sint-Jans-Molenbeek, on 8 August 1972, published in the Annexes to the Belgian Official State Gazette on 18 August 1972, under number 2520-9.

The Company was converted into a limited partnership by the Extraordinary General Meeting of Shareholders held on 15 January 1998, the minutes of which were drawn up by Eric Spruyt, notary in Brussels, and published in the Annexes to the Belgian Official State Gazette on 7 February 1998, under number 980207-208.

On 15 January 1998, the Company was also recognised as a "real estate investment company with fixed capital under Belgian law", abbreviated as a "vastgoedbevak" (investment fund) under Belgian law, and registered with the FSMA.

As a real estate investment trust, the Company was subject to (i) the provisions of the Royal Decree of 10 April 1995 relating to real estate investment trusts and subsequently the provisions of the Royal Decree of 7 December 2010 relating to real estate investment trusts (which has repealed the aforementioned Royal Decree of 10 April 1995) and to (ii) the provisions of the Act of 20 July 2004 on certain forms of collective management of investment portfolios and subsequently the provisions of the Act of 3 August 2012 on certain forms of collective management of investment portfolios (which has repealed the aforementioned Act of 20 July 2004).

Taking into account the entry into force of the Act of 19 April 2014 on alternative collective investment undertakings and their managers (hereinafter the AC Act), the Company has opted to apply for the status of public regulated real estate company, as introduced by the Act of 12 May 2014 on regulated real estate companies (the "RREC Act"), instead of the status of public real estate investment trust. Within this framework, the Company submitted its application for authorisation as a public regulated real estate company to the FSMA on 8 August 2014.

Subsequently, in accordance with Articles 9, §3 and 77 of the RREC Act, the Company was authorised as a public regulated real estate company by the FSMA on 22 September 2014, and this under the condition precedent of the amendment of the Company's articles of association (the "Articles of Association") and compliance with the provisions of Article 77, §2 and following of the RREC Act.

The Extraordinary General Meeting of Shareholders of 27 October 2014 unanimously approved the change of object in view of the change of status of the Company from a real estate investment trust to a public regulated real estate company, in accordance with the RREC Act. As no right of withdrawal was exercised at the aforementioned Extraordinary General Meeting of Shareholders, and all suspensive conditions to which the amendment of the articles of association by the Extraordinary General Meeting of Shareholders and the licence granted by the FSMA were subjected were fulfilled, the Company has enjoyed the status of public regulated real estate company since 27 October 2014. The Company is of the opinion that the status of public regulated real estate company is better suited to the economic reality and offers an appropriate legal framework that is in line with the Company's capacity as an operational and commercial real estate company. This status allows the Company to pursue its current activities in the interest of the Company, its Shareholders and other stakeholders, and to consistently position itself as a REIT ('Real Estate Investment Trust').

As a public regulated real estate company, the Company has since ceased to be subject to the provisions of the Royal Decree of 7 December 2010 on real estate investment trusts and the Act of 3 August 2012 on certain forms of collective management of investment portfolios. Since 27 October 2014, the RREC Act and the RREC Royal Decree are the applicable regulations.

Finally, following the entry into force on 1 January 2020 of the Belgian Companies and Associations Code (the "CAC") the Company converted from a limited partnership to a public limited company on the Extraordinary General Meeting of Shareholders held on 6 March 2020, the minutes of which were drawn up by Mr. Daisy Dekegel, notary in Brussels, and published in the Annexes to the Belgian Official State Gazette on 13 March 2020 under the reference number 2020-03-13/0314594.

The Company is registered with the FSMA.

The Company is a listed company within the meaning of 1:11 of the CAC.

The Articles of Association have been amended several times due to, among other things:

- Deed executed before Mr. Frank Depuyt, notary in Sint- Jans- Molenbeek, replacing his colleague notary Hans Berquin in Brussels, on 5 November 1987, published in the Annexes to the Belgian Official State Gazette of 2 December 1987 under number 871202-114.Deed executed before Mr. Hans Berquin, notary in Brussels, on 13 December 1995, published in the Annexes to the Belgian Official State Gazette of 18 January 1996, under number 960118-488.
- Deed executed before Mr. Eric Spruyt, notary in Brussels on 14 January 1998, published in the Annexes to the Belgian Official State Gazette of 21 February 1998, under number 980221-344.
- Deed (the name was changed into the current one and the public limited company was converted into a limited partnership) executed before Mr. Eric Spruyt, notary in Brussels, on 15 January 1998, published in the Annexes to the Belgian Official State Gazette of 7 February 1998, under number 980207-208.
- Deed executed before Mr. Eric Spruyt, notary in Brussels, on 16 January 1998, published in the Annexes to the Belgian Official State Gazette of 7 February 1998, under number 980207-209.
- Deed executed before Mr. Denis Deckers, notary in Brussels, on 14 May 1999 (merger NV 'Groter Berchem'/ CVA 'Wereldhave Belgium'), published in the Annexes to the Belgian Official State Gazette of 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 State Gazette of 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 State Gazette of 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 in Brussels, on 12 November 2007, published in the Annexes to the Belgian Official State Gazette of 26 November 2007, under number 7168947.
- Minutes drawn up by Mr. Denis Deckers, notary in Brussels, on 16 December 2011 (a.o. adoption of a new text of the Articles of Association), published in the Annexes to the Belgian Official State Gazette of 27 January 2012, under number 025102.
- Minutes drawn up by Mr. Denis Deckers, Notary in Brussels, holder of the minute, through the intermediary of Notary Jan Muller in Waasmunster, on 11 April 2012, published in the Annexes to the Belgian Official State Gazette of 9 May 2012, under number 086309.
- Minutes drawn up by Mr. Denis Deckers, Notary Public of Brussels, on 10 April 2013, published in the Annexes to the Belgian Official State Gazette of 6 May 2013, under number 69095.
- Minutes drawn up by Mr. Daisy Dekegel, associate notary in Brussels, on 9 April 2014, published in the Annexes to the Belgian Official State Gazette of 24 April 2014, under number 20140424-87218.
- Minutes drawn up by Mr. Daisy Dekegel, associate notary in Brussels, on 27 October 2014, published in the Annexes to the Belgian Official State Gazette of 17 November 2014, under number 20141117-0207907, followed by a rectification deed drawn up by Mr. Daisy Dekegel, associate notary in Brussels, on 13 January 2015, published in the Annexes to the Belgian Official State Gazette of 3 February 2015, under number 20150203-017996.
- Minutes drawn up by Mr. Nathalie Meert, associated notary in Antwerp, replacing her colleague, Mr. Daisy Dekegel, associated notary in Brussels, who was prevented from acting, on 23 January 2015, published in the Annexes to the Belgian Official State Gazette of 17 February 2015, under number 20150217-025683, and this under suspensive conditions, the realisation of which was established by deed passed before Mr. Daisy Dekegel, aforementioned, on 16 February 2015, published in the Annexes to the Belgian Official State Gazette on 10 March 2015, under number 2015-03-10/0036809.
- Minutes drawn up by Mr. Daisy Dekegel, notary in Brussels, on 8 April 2015, (including a change of corporate name from 'C.V.A. WERELHAVE BELGIUM S.C.A.' to 'WERELDHAVE BELGIUM'), published in the Annexes to the Belgian Official State Gazette on 24 April 2015, under number 2015-04-24/0059754.
- Minutes drawn up by Mr. Daisy Dekegel, notary in Brussels, on 7 May 2018, (change of share capital), published in the Annexes to the Belgian Official State Gazette on 29 May 2018, under number 2018-05-29/0083198.
- Minutes drawn up by Mr. Damien Hisette, notary in Brussels, on 21 December 2018, (change of share capital by contribution in kind) published in the Annexes to the Belgian Official State Gazette on 4 January 2019, under number 2019-01-04/0300574.
- Minutes drawn up by Mr. Daisy Dekegel, notary in Brussels, on 11 May 2019, (change of share capital), published in the Annexes to the Belgian Official State Gazette on 6 June 2019, under number 2019-06/0075777.
- Minutes drawn up by Mr. Damien Hisette, notary in Brussels, on 27 September 2019 (merger NV Immo Guwy/ CVA Wereldhave Belgium), published in the Annexes to the Belgian Official State Gazette of 28 October 2019, under number 2019-10-28/0142551.
- Minutes drawn up by Mr. Daisy Dekegel, notary in Brussels, on 6 March 2020 (conversion of the legal form of the Company into a public limited company and amendment of the Articles of Association in accordance with the CAC), published in the Annexesto the Belgian Official State Gazette of 13 March 2020, under number 2020-03-13/0314594.

The Articles of Association were last amended by deed executed before Mr. Daisy Dekegel, notary in Brussels, on 10 November 2020 (amendment of the capital within the framework of the authorised capital), published in the Annexes to the Belgian Official State Gazette of 23 November 2020, under number 2020-11-23/0356317.

Duration

The Company has been established for an indefinite period of time.

Financial year

The financial year shall begin on 1 January and end on 31 December of each year.

Inspection of documents

- The Articles of Association are available for inspection at the Clerk's office of the Dutch-speaking Enterprise Court in Brussels, at the Company's registered office and on its website;
- The Annual Accounts are filed with the Balance Sheet Centre of the National Bank of Belgium;
- The Annual Accounts and accompanying reports are sent each year to the registered shareholders as well as to any other person who requests them, and are available for inspection on the Company's website;
- The decisions concerning the appointment and dismissal of the members of the Board of Directors are published in the Annexes to the Belgian Official State Gazette;
- Financial announcements as well as notices convening general meetings shall be published in the financial press;
- Relevant public company documents are available on the Company's website (www.wereldhavebelgium.com).

The other documents accessible to the public are available for inspection at the Company's registered office.

Object

Article 4 of the Statutes:

4.1. The Company's sole object shall be:

a. make immovable property available to users, either directly or through a company in which it has a shareholding, in accordance with the provisions of the RREC Act and the decisions and regulations made in implementation thereof; and,

b. within the limits of section 7, b) of the RREC Act, owning real estate as referred to in section 2, 5° of the RREC Act. Real estate within the meaning of Article 2, 5° of the RREC Act is understood to mean
   i. immovable property as defined in Articles 517 et seq. of the old Civil Code and rights in rem in immovable property, excluding immovable property of a forestry, agricultural or mining nature;
   ii. shares with voting rights issued by real estate companies, of which the Company holds directly or indirectly more than 25 % of the capital;
   iii. option rights on real estate;
   iv. shares of public or institutional regulated companies, provided in the latter case that more than 25% of their capital is held, directly or indirectly, by the Company;
   v. rights resulting from contracts whereby the Company is granted one or more goods by way of a lease, or other similar rights of use;
   vi. participation rights in public and institutional real estate investment trusts;
   vii. participation rights in foreign undertakings for collective investment in real estate registered in the list referred to in Article 260 of the Law of 19 April 2014 on alternative undertakings for collective investment and their managers;
   viii. participation rights in undertakings for collective investment in real estate established in another Member State of the European Economic Area and not included in the list referred to in Article 260 of the Law of 19 April 2014 on alternative undertakings for collective investment and their managers, provided that they are subject to supervision equivalent to that exercised over public real estate investment trusts;
   ix. shares or participation rights issued by companies (i) having legal personality; (ii) governed by the law of another Member State of the European Economic Area; (iii) the shares of which are admitted to trading on a regulated market or not and which may or may not be subject to a regime of prudential supervision (iv) the principal activity of which consists in the acquisition or construction of immovable property with a view to placing it at the disposal of users, or the direct or indirect holding of shares in companies engaged in a similar activity; and (v) which are exempt from tax on income from profits arising from the activity referred to in provision (iv) above, subject to compliance with certain legal obligations, and which are required to distribute at least part of their income to their shareholders (hereinafter referred to as "Real Estate Investment Trusts" (abbreviated to "REITs");
   x. real estate certificates , as referred to in Article 4, 7° of the Law of 11 July 2018; on the offer of investment instruments to the public and the admission of investment instruments to trading on the regulated market;
   xi. Rights of participation in specialized real estate investment trusts (GVBF/FIIS), as regulated by the Royal Decree of 9 November 2016 on specialized real estate investment trusts.

The real estate referred to in Article 4.1 (b) (vi), (vii), (viii), (ix) and (xi), which concerns participation rights in an alternative investment institution as referred to in the European regulations, cannot qualify as shares with voting rights issued by real estate companies, regardless of the amount of the participation held directly or indirectly by the Company.

If the applicable regulations on regulated real estate companies were to change in the future and designate other types of assets as real estate within the meaning of the RREC Act, the Company will also be allowed to invest in those additional types of assets.

c. concluding or acceding to a public contract with a public principal on a long-term basis, either directly or through a company in which it holds a participation in accordance with the provisions of the applicable regulations on regulated real estate companies, if necessary in cooperation with third parties:
   i. DBF agreements, the so-called "Design, Build, Finance" agreements;
   ii. DB(F)M agreements, the so-called "Design, Build, (Finance) and Maintain" agreements;

iii. DBF(M)O agreements, the so-called "Design, Build, Finance, (Maintain) and Operate" agreements;and/or
iv. contracts for the concession of public works relating to buildings and/or other immovable infrastructure and related services, and on the basis of which:
    i. it ensures the provision, maintenance and/or operation for the benefit of a public entity and/or the citizen as end user, in order to fulfil a social need and/or allow the provision of a public service; and
    ii. the associated financing, availability, demand and/ or operational risk, in addition to any construction risk, can be borne, in whole or in part, by it, without necessarily holding any rights in rem;

d. to undertake on a long-term basis, directly or through a company in which it holds a participationin accordance with the provisions of the applicable regulations on regulated real estate companies, if necessary in cooperation with third parties, develop, arrange for the development, establishment, management, operation or provision of:
    i. facilities and storage places for the transport, distribution or storage of electricity, gas, fossil or non-fossil fuels and energy in general, and goods related to them;
    ii. utilities for the transport, distribution, storage or purification of water and related goods;
    iii. plants for the generation, storage and transport of energy, whether renewable or not, and goods related to them; or
    iv. waste and incineration plants and their associated goods.

e. the initial holding of less than 25 % in the capital of a company in whichthe activities referred to in Article 4.1(c) above are carried out, provided that the said participation is converted into a shareholding within two years, or any longer period required by the public entity with which the contract is concluded in this respect, following the end of the construction phase of the PPP project (within the meaning of the applicable legislation on regulated real estate companies), as a result of a transfer of shares in accordance with the provisions of the applicable legislation on regulated real estate companies.

If the applicable regulations on regulated real estate companies were to change in the future and allow the Company to pursue new activities, the Company will also be allowed to pursue those additional activities.

Within the framework of the provision of immovable property, the Company may carry out all activities connected with the creation, construction (without prejudice to the prohibition on acting as a promotor, except for occasional transactions), conversion, fitting out, renovation, development, acquisition, disposal, the letting, the subletting, the exchange, the contribution, the transfer, the allotment, the bringing under the system of co-ownership or undivided ownership of immovable property, the granting or acquiring of rights of superficies, usufruct, long lease right, or other real or personal rights on immovable property, the management and operation of immovable property (in the widest sense). It can be the property manager of a property of which it is co-owner or the property manager of a building complex in which it is one of the owners. In this context, it may also carry out any other activity which adds value to its properties or its users (facility management, organisation of events, concierge services, renovation works adapted to the specific needs of the tenant, etc.). The Company can also offer customised real estate solutions whereby properties are adapted to the specific needs of their users.

4.2. The Company may invest on an ancillary or temporary basis in securities that are not real estate within the meaning of the applicable regulations 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 in order to ensure adequate risk diversification. The Company may also hold unallocated cash in all currencies in the form of sight or time deposits or in the form of any other easily negotiable monetary instrument.

The Company may also enter into transactions involving hedging instruments, provided that their sole purpose is to cover the interest rate and exchange rate risk within the framework of the financing and management of the Company's activities, as referred to in the applicable regulations on regulated real estate companies and excluding any transaction of a speculative nature.

4.3. The Company may lease or give one or more immovable properties. The activity of leasing immovable property with an option to purchase may only be carried out as a secondary activity, unless such immovable property is intended for a purpose of general interest, including social housing and education (in this case the activity may be carried out as the main activity).

4.4. The Company may also, in accordance with the applicable regulations on regulated real estate companies:
- provide mortgages or other securities or guarantees to finance its activities or those of its perimeter companies, within the limits set by applicable regulations on regulated real estate companies;
- granting loans and providing securities or guarantees in accordance with Article 42 of the RREC Act.

4.5. The Company may acquire, rent or lease, transfer or exchange all movable or immovable property, materials and supplies, 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 operations which are directly or indirectly related to its object or which are of a nature to pursue or facilitate the realisation of its object, and may engage in the exploitation of all intellectual rights and commercial properties related thereto.

Subject to the applicable regulations on regulated real estate companies, the Company may by means of contribution in cash or in kind, merger, demerger or other corporate restructuring, subscription, participation, financial intervention or in any other manner, take a stake in any existing or future companies or businesses, in Belgium or abroad, the object of which is similar to or complementary to its own, or is of a nature to pursue or facilitate the realisation of its object and, in general, it may carry out all transactions directly or indirectly relating to its object as well as all relevant or necessary acts for the realisation of its object.

Any amendment of the Company's articles of association requires the prior approval of the FSMA.

Capital - Shares

Article 6 of the Statutes - Capital

Per 31 December 2020, the capital amounts to three hundred and forty-seven million nine hundred and fifty-nine thousand five hundred and seventy-three eurocents (€347,959,514.73). It is represented by eight million three hundred and nineteen thousand two hundred and eighty-seven (8,319,287) shares, without nominal value, each representing an equal share of the capital.

Article 7 of the Articles of Association - Authorised capital

The Board of Directors is authorised, in accordance with Article 7 of the Articles of Association, to increase the Company's capital in one or more instalments by a maximum amount of €329,437,454.88. Pursuant to the aforementioned article 7 of the Articles of Association, the General Meeting of Shareholders may renew the aforementioned authorisation concerning the authorised capital.

The authorisation to increase the Company's capital in one or more instalments by a maximum amount of €329,437,454.88 was renewed by the Extraordinary General Meeting of Shareholders of 6 March 2020, for a period of five years from the publication in the Annexes to the Belgian Official State Gazette of this resolution on 13 March 2020.

The authorisation granted is therefore valid until 13 March 2025. During 2020, the available amount of authorised capital was reduced by €18,522,059.85 as a result of an optional dividend operation (November 2020).

This authorisation is renewable.

On 31 December 2020, the available balance of authorised capital amounts to € 310,915,395.03.

This (these) capital increase(s) can be carried out by contribution in cash or in kind or by incorporation of reserves or issue premiums as well as all equity components under the Company's IFRS statutory financial statements (prepared pursuant to the applicable regulations on regulated real estate companies) that are susceptible to conversion into capital, and whether or not with the creation of new securities with or without voting rights, in accordance with the rules prescribed by the CAC , the applicable regulations on regulated real estate companies and the Articles of Association.

For each capital increase, the Board of Directors determines the price, the possible issue premium and the conditions of issuance of the new shares, unless the General Meeting of Shareholders decides on this itself. The Board of Directors may issue new shares with the same or different rights (including voting rights, dividend rights - including the transferability or non-transferability of any preference dividend - and/or rights regarding the liquidation balance and any preference regarding the repayment of capital) as the existing shares and, in this context, amend the Articles of Association to reflect any such different rights.

The Board of Directors may create or issue not only shares, but also subscription rights (whether or not attached to another security) and convertible bonds or bonds redeemable in shares or other securities (of any kind whatsoever), and it may do so in compliance with the rules prescribed by the FMSA and the regulations applicable to regulated real estate companies.
Any issue premiums shall be recorded in one or more separate accounts under equity on the liabilities side of the balance sheet. The Board of Directors may freely decide to place any issue premiums, possibly after deduction of an amount equal to the costs of the capital increase within the meaning of the applicable IFRS rules, in an unavailable account which shall constitute a guarantee to third parties on the same basis as the capital and which may under no circumstances be reduced or abolished other than by a decision of the General Meeting of Shareholders, decisive as regards an amendment to the articles of association, with the exception of conversion into capital.

Article 8 of the Articles of Association - Nature of the Shares

The shares of the Company (the "Shares") are registered or dematerialised. Each Shareholder of the Company may request the Board of Directors to convert these Shares into dematerialised Shares at its own expense.

At the written request of a Shareholder of the Company, the Board of Directors shall convert the dematerialised Shares into registered Shares.

The conversion of the dematerialised Shares into registered Shares shall be effected by an entry in the register of registered Shares, dated and signed by the shareholder or his proxy and by the Board of Directors of the Company or a special proxy.

The dematerialised Share is represented by an entry on account in the name of the owner or the holder with an approved account holder or the settlement institution.

The Share booked on account is transferred by transfer from account to account.

The number of dematerialised Shares in circulation at any time shall be entered, per class of Share, in the register of registered Shares in the name of the settlement institution.

Conversion into dematerialised Shares may be requested as soon as the Company has appointed a liquidator.

Article 10 of the Articles of Association - Repurchase of own Shares

Pursuant to Article 10 of the Articles of Association, the Company may acquire and hold its own Shares paid in cash in pledge by virtue of the decision of the General Meeting of

Shareholders deliberating in accordance with the attendance and majority quorum provided for in Article 7:154 of the CAC and according to the rules laid down in Articles 7:215 and following and 7:226 of the CAC. The same General Meeting of Shareholders may determine the conditions for disposal of these Shares.

Article 13 of the Statutes - Notification of major shareholdings

In accordance with the conditions, terms and modalities provided for in Articles 6 to 13 of the Law of 2 May 2007 on disclosure of major shareholdings in issuers whose shares are admitted to trading on a regulated market and in the Royal Decree of 14 February 2008 on disclosure of major shareholdings, as amended from time to time (the 'Transparency Law') each natural or legal person must notify the Company and the FSMA of the number and the percentage of existing voting rights which he holds, directly or indirectly, when the number of voting rights reaches, exceeds or falls below 5%, 10%, 15%, 20%, etc. of the total number of existing voting rights, each time per bracket of 5% under the conditions provided for by the Transparency Law.

Management and representation

Article 14 of the Statutes - Appointment - Resignation - Vacancy

The Company is managed by the Board of Directors consisting of at least six members appointed by the General Meeting of Shareholders for a period of four years in principle.

On 31 December 2020, the members of the Board of Directors were:

- Mrs. Brigitte Boone;
- Mrs. Ann Claes;
- Mr. Dirk Goeminne;
- Mr. Kasper Deforche (until 31 December 2020);
- Mr. Dennis De Vreede;
- Mr. Remco Langewouters;
- Mrs. Doris Slegtenhorst;
- Mr. Matthijs Storm; and
- Mr. Edmund Wellenstein.

The Company is validly represented in all acts, including those to which a public or ministerial official gives his cooperation, as well as in court, either as plaintiff or defendant, by two directors acting jointly or, within the limits of the daily management, by each delegate acting alone, or by special proxies appointed by the Board of Directors.

In accordance with the provisions of article 13 of the RREC Act, the Board of Directors is composed in such a way that the Company can be managed in accordance with article 4 of the RREC Act.

There should also be at least three independent directors in the sense of Article 7:87 of the CAC on the Board of Directors.

The Board of Directors is organised in such a way that, depending on the chosen policy structure, the Board of Directors or the Company itself complies with the provisions of Article 17 of the RREC Act. The members of the Board of Directors, the Effective Leaders, and the persons responsible for the independent control functions must be natural persons.

The persons referred to in the previous sentence must at all times have the professional reliability and appropriate expertise and experience required to perform their duties, as stipulated in Article 14(1) of the RREC Act. They must not find themselves in any of the situations provided for in Article 20 of the Act of 25 April 2014 on the status and supervision of credit institutions.

The Effective Management of the Company must be entrusted to at least two natural persons.

Article 17 of the Statutes - Advisory committees

In accordance with articles 7:93, 7:99 and 7:100 of the CAC, the Board of Directors can set up one or more advisory committees, such as, for example, a Strategic Committee, an Audit and Risk Committee and a Nomination and Remuneration Committee, from among its members and under its responsibility. The Board of Directors should in any event set up an Audit and Risk Committee and a Nomination and Remuneration Committee amongst its members and under its responsibility as soon as the Company no longer meets the criteria set out in Article 7:99 of the CAC and Article 7:100 of the CAC, respectively.

The Board of Directors determines the composition and powers of these committees, subject to the applicable regulations. As the Company's Financial Statements since the 2018 financial year show that the Company no longer fulfils the criteria set out in Articles 7:99 and 7:100 of the CAC, the Board of Directors has established an Audit and Risk Committee and a Nomination and Remuneration Committee, subject to the provisions of Articles 7:99 and 7:100 of the CAC.

Article 20 of the Statutes - Control

The control of the Company is entrusted to one or more statutory auditors. The assignment of the Statutory Auditor may only be entrusted to one or more recognized auditors or one or more auditing companies approved by the FSMA. The appointment of Company's auditors requires the prior consent of the FSMA. Such approval is also required for the renewal of an appointment.

General Meetings of Shareholders

Article 21 of the Articles of Association - Ordinary, Special and Extraordinary General Meeting

The Ordinary General Meeting of the Shareholders must be convened every year on the second Wednesday of the month of April at eleven o'clock. If this day is a legal holiday, the meeting shall be held on the next working day at the same time.

A Special General Meeting of Shareholders may be convened at any time to deliberate and decide on any matter within its competence.

An Extraordinary General Meeting of Shareholders may also be convened at any time to deliberate and resolve on any amendment to the Articles of Association, in the presence of a Notary Public.

The General Meetings of the Shareholders are held at the registered office of the Company or at any other place in Belgium, designated in the convocation.

Article 24 of the Articles of Association - Admission - Deposit of securities

A Shareholder can only participate in the General Meeting of Shareholders and exercise the voting right there, provided that the following requirements are met:

1. A Shareholder can only participate in the General Meeting of Shareholders and exercise the voting right therein on the basis of the accounting registration of the Shares in the name of the Shareholder, on the registration date, either by their registration in the register of the Shares in the name of the Company, or by their registration in the accounts of a recognised account holder or a settlement institution, regardless 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 twenty-four hours (Belgian time) shall be deemed the registration date.
2. The owners of dematerialised Shares who wish to attend the General Meeting of Shareholders must produce a certificate issued by their financial intermediary or recognised account holder attesting to the number of dematerialised Shares registered in their accounts in the name of the Shareholder on the record date and for which the Shareholder has indicated a desire to attend the General Meeting of Shareholders. This deposit must be made at the registered office or at the institutions mentioned in the invitation no later than on the sixth day prior to the date of the General Meeting of Shareholders. The owners of registered Shares who wish to participate in the General Meeting of Shareholders must inform the Company by ordinary letter, fax or e-mail at the latest on the sixth day prior to the date of the General Meeting of Shareholders of their intention to participate in the General Meeting of Shareholders.
3. The Board of Directors shall keep a register for each shareholder who has notified his wish to participate in the General Meeting of Shareholders, which shall include his name and address or registered office, the number of Shares he held on the record date and with which he has notified his wish to participate in the General Meeting of Shareholders, as well as the description of the documents proving that he was in possession of the Shares on that record date.

Article 28 of the Statutes - Voting rights

Each Share entitles its holder to one vote.

When one or more Shares belong to several persons indivisibly or to a legal person with a collegiate body of representation, the exercise of the rights attached thereto vis-à-vis the Company may only be exercised by a single person designated in writing for that purpose. As long as such designation has not been made, all rights attached to the Shares shall remain suspended.

If a Share is encumbered with usufruct, the voting right attached to that Share shall be exercised by the usufructuary unless the bare owner objects in writing in advance.

Profit distribution

Article 31 of the Articles of Association - appropriation of profit

The Company, by way of remuneration of the capital, shall distribute the profit in accordance with and in conformity with Article 45 of the RREC Act.

Responsible for the content of the Annual Financial Report

The Company, represented by its Board of Directors, is responsible for the content of the Annual Financial Report. The Board of Directors, having taken all reasonable measures to this end, declares that the information in the Annual Financial Report, to the best of its knowledge, is in accordance with the reality and that no data has been omitted the disclosure of which would alter the purport of the Annual Financial Report.

Statutory auditor

On 10 April 2019, KPMG Bedrijfsrevisoren BV, met IBR lidmaatschap B00001, represented by Filip De Bock met IBR lidmaatschap 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 term of three years ending immediately after the Annual General Meeting of Shareholders to be held in 2022, at which occasion it will be resolved to approve the Annual Accounts ending on 31 December 2021. (1) (2)

The fees relating to the audit activities in 2020 amounted to € 92.115 excl. tax for the financial year running from 1 January 2020 to 31 December 2020. In addition, the Statutory Auditor provided additional audit-related services in the context of the conversion of the Company into a public limited company (NV), the capital increase (optional dividend), the liquidation and dissolution of Wereldbel NV and WBPM NV and the EMIR report, for which he invoiced fees amounting to € 18.000 excl.

Valuation experts

The independent external valuation experts of the Company (the "Valuation Experts") are per 31 December 2020:

- Cushman & Wakefield, with registered office at 1000 Brussels, Kunstlaan 56, represented by Kris Peetermans/ Ardalan Azari. (1) (2)Mandate: 01 January 2018 - 31 December 2020Retail segment.Annual fee:€ 44.947 (excluding VAT)
- CBRE Valuation Services, having its registered office at 1000 Brussels, avenue de l'Ecole 7, represented by Pieter Paepen. (1) (2)Mandate: 01 January 2018 - 31 December 2020Retail and office segments.Annual fee:€ 34.660 (excluding VAT)

In accordance with the RREC legislation, the Valuation Experts value the portfolio of investment properties four times a year. The fees are fixed and calculated on the basis of a fixed amount per building.

1. The Board of Directors also states that the Statutory Auditor and the Valuation experts have given their approval for the contents of their respective reports and for their conclusions to be included in the Annual Report and that they have given their approval for the contents of, the form of and the context in which the relevant part is included in the Annual Report.
2. The Company declares that the information provided by the Valuation Experts and the Statutory Auditor has been faithfully reproduced. As far as the Company knows and has been able to ascertain from information published by the Valuation experts and the Statutory Auditor, no fact has been omitted which would render the information reproduced by the experts and the Statutory Auditor inaccurate or misleading.

In addition, in 2020 Cushman & Wakefield has some specific valuation assignments in its portfolio for a total amount of € 3.000 (excluding VAT).

Property Managers

Wereldhave Belgium Services NV, with registered office at 1800 Vilvoorde, Medialaan 30 box 6, company number 0422.120.838, acts as property manager of the investment property portfolio.

99.52% of Wereldhave Belgium Services NV shares are held by the Company. The fees for the benefit of Wereldhave Belgium Services NV are charged directly to the tenants in accordance with the contractual conditions described in the leases.

Wereldhave Belgium Services NV has an administrative, accounting, financial and technical organisation that is appropriate for the management of the Company's property portfolio.

The directors of Wereldhave Belgium Services NV have the required professional reliability and appropriate experience as described and in accordance with section 19 of the RREC Act.

Internal auditor

In 2017, BDO Advisory BV, with registered office at 5652 XR Eindhoven, Holtroplaan 23, represented by Drs. E. S.G.L. van Zandvoort, partner, was appointed as the person in charge of the internal audit. The service agreement includes:

- Drawing up the audit charter
- Drawing up an audit plan
- Implementation of the audit plan

The annual fee is fixed at a flat rate of € 13.843 (excluding VAT).

Financial Service Provider: BNP Paribas Fortis

BNP Paribas Fortis NV is in charge of the financial services for the Company.

This includes the financial service of the Company, the financial services related to the payment of dividends, the settlement of securities issued by the Company.

Taking into account the organisation of the optional dividend operation, the remuneration in 2020 was set at € 15.000 (excl. VAT).

External legal advisers

The Company shall call upon external legal advisors, among others, for:

- Complex cases (purchase, sale, merger, contribution)
- Due diligence matters
- Implementation of (new) legislation

The remuneration is determined on the basis of market rates.

Information on the Annual Financial Report 2018 and 2019

- Consolidated Financial Statements 2018: p.124 to p.183 of the Annual Financial Report 2018
- Management report for 2018 : p.73 to p.84 of the Annual Financial Report 2018
- Commissioner's Report 2018: pp.184 to p.188 of the Annual Financial Report 2018

- Consolidated Financial Statements 2019: p.78 to p.115 of the Annual Financial Report 2019
- Management Report2019: p.41 to p.48 of the Annual Financial Report 2019
- Commissioner's Report 2019:p.116 to p.119 of the Annual Financial Report 2019

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 2020 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 2020 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.

Shareholders
All the Shareholders of the Company.

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.

RREC Royal Decree
The Royal Decree of 13 July 2014 relating to regulated real estate companies.

General Meeting of Shareholders
Is the General Meeting of Shareholders as provided for by the Articles of Association of the Company.

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.

BREEAM (Building Research Establishment Environmental Assessment Method)
Method of assessing the environmental performance of buildings (www.breeam.org).

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.

Code 2020
is the Belgian Corporate Governance Code of 2020, 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, i.e. listed companies as defined in Article 1:11 of the Belgian Code of Companies and Associations, 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.

Employee
Each director or member of staff of the Company appointed by the supervisor who is deemed capable of bearing price-sensitive information.

Audit Committee
The Audit Committee of the Company as appointed by the Board of Directors in accordance with Article 7:99 of the CCA.

Statutory Auditor
Is/(Are) the Statutory Auditor(s) of the Company, as provided for by Articles 3:58 et seq. of the CCA), to which the external auditing of the Company is entrusted.

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.

CG Statement
The 'corporate governance' chapter of the Annual Financial Report.

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.

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).

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.

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.

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 October 2019 EPRA's Reporting and Accounting Committee updated the EPRA Best Practices Recommendations ("BPR") 1. This BPR contain recommendations concerning the determination of key performance indicators for the performance of the portfolio. A number of these indicators are considered to be alternative performance measures in accordance with the ESMA-directive. The numerical reconciliation of these alternative performance measures can be found in a completely separate section of this report (Chapter 6).

EPRA Europe index
European stock market index (excluding the UK) of the FTSE EPRA/NAREIT Global Real Estate. The index consists of property values that are representative of the listed real estate sector in Europe. It was created by EPRA.

ERV
Abbreviation of Estimated Rental Value.

FBI (Fiscaal beleggingsinstelling – Tax investment institution)
Tax system in the Netherlands, comparable with the RREC system.

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.

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.

GLA
Gross lettable area.

Group
The public limited company Wereldhave Belgium and the companies in its scope.

Wereldhave Group
The Company under Dutch law Wereldhave N.V., with registered office at WTC Schiphol Tower A, 3rd floor, Schiphol Boulevard 233, 1118 BH Schiphol, Netherlands (and companies affiliated to it).

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).

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.

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.

Insider
Person who has access to price-sensitive information.

Financial Instrument
Means any value or any right belonging to one of the following categories:
i. 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.

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.

KPI
Key Performance Indicators are variables for evaluating performances.

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, ...).

RREC Law
The Law of 12 May 2014 relating to regulated real estate companies.

Market rent
The expected rent that can be contracted when letting.

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.

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.

Listed Shareholding
Is a Subsidiary or a listed shareholding.

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.

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

Chairman
The Chairman of the Board of Directors.

Take-up
Use of the areas intended for letting.

Derived products – Derivatives
Derived products – derivatives give the Company the opportunity to cover itself against any short-term increase in interest rates. This interest rate risk can be covered to a limited extent by using derived products (the purchase of CAP, possibly with the sale of FLOOR; IRS contracts).

Developer
The persons who exclusively or jointly control an RREC in the sense of Article 2, 13° of the RREC Law, the developer is the limited liability company under Dutch law Wereldhave NV.

Annual Financial Report
The consolidated annual report of the Board of Directors.

REIT (Real Estate Investment Trust)
Listed real estate investment fund in the United States.

Initial yield
Total rental income on the balance sheet date divided by the investment value of the real estate portfolio.

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 Consolidated income statement p. 150)

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.

Company
The public limited company Wereldhave Belgium, with company registration number 0412.597.022.

Interest Rate Swap
Inter-bank rate.

Take-up
Occupancy of the premises intended for leasing.

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.

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.

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.

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.

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 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.

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