Wereldhave
BELGIUM

Annual Financial Report 2021

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 Belgium.

In this report

Consolidated key information

Key information

	2021	2020	2019
Share price 31/12 (€)	**49.30**	39.30	86.20
Share price/Net result from core activities per share 31/12 (€)	**10.8**	8.5	14.6
Market capitalisation 31/12 (€ M)	**428.5**	326.9	673.0
Net asset value per share (according to IFRS) (€)	**77.19**	78.20	88.27
Gross dividend (€ per share)	**4.10**	4.00	4.50
Dividend yield 31/12 (gross)[1]	**8.3%**	10.2%	5.2%
Consolidated debt ratio[2]	**28.2%**	30.0%	29.3%
Occupancy rate[3]	**93.9%**	91.9%	95.2%
Pay-out ratio[4]	**91.4%**	90.8%	77.0%
Free float	**34.1%**	32.3%	33.5%
Number of shares (#)	**8,692,063**	8,319,287	7,807,981

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 89.7% in 2021, 84.0% in 2020 and 81.0% in 2019).

Consolidated key figures over the past 3 years

(x € 1,000)	2021	2020	2019
Results			
Net rental income	52,648	49,218	58,613
Net result	**38,191**	**-22,148**	**28,957**
Net result from core activities	38,993	36,656	45,617
Net result from non-core activities	-802	-58,803	-16,660
Balance sheet			
Properties available for lease	912,491	908,575	948,671
Development projects	13,514	12,635	12,615
Total investment properties	**926,005**	**921,209**	**961,286**
Shareholders' equity	670,897	650,548	689,221
Fair value properties available for lease by segmentation			
Retail	817,268	816,903	855,059
Lease incentives	952	892	1,236
Fair value properties available for lease - retail	**818,221**	**817,795**	**856,294**
Offices	93,528	89,975	92,010
Lease incentives	742	805	366
Fair value properties available for lease - offices	**94,270**	**90,780**	**92,376**
	912,491	**908,575**	**948,671**
Share data (x € 1)			
Net result from core activities	4.56	4.65	5.92
Net result from non-core activities	-0.09	-7.47	-2.16
Net result	4.47	-2.81	3.76
Gross dividend	4.10	4.00	4.50
Net dividend	2.87	2.80	3.15
Net asset value before profit distribution	77.19	78.20	88.27

Message to the shareholders

A volatile 2021 financial year ends on a positive note

Dear Wereldhave Belgium Shareholders,

2021 was a year of contradictions! The year started the same way the previous one ended, impacted by significant restrictions which affected the Company's activities as well as, and especially, those of many of its tenants.

Fortunately, the reopening in June of all businesses and the lifting of most of the restrictions had an immediate positive effect and enabled the Company and its tenants to again focus on their core businesses.

Against this backdrop, we are proud to present the various key aspects of 2021 in this Annual Financial Report. The main points are presented below.

Consistent use of assets

After having turned to e-commerce due to the mandatory closure of shops, customers quickly returned to brick-and-mortar shops as soon as the restrictions were lifted. Traffic in the Company's assets experienced a very encouraging increase in the second half of 2021 and reached levels slightly below those of the same period in 2019 (-10%).

In addition, the positive footfall were immediately reflected in the turnover of the Company tenants given that a significant majority of them recorded better results in the second half of 2021 than during the same period in 2019.

These good results combined with results that were often better than the market's in terms of traffic confirmed the soundness of the Company's strategy, which consists in transforming shopping centres into 'Full Service Centers", and the intrinsic quality of its assets and its teams.

Excellent rental activity

Despite an environment still impacted by the health crisis and after 2020, a year which saw a slight slowdown in new occupancy, many retailers decided to expand their business. This confirmed the importance of brick-and-mortar retail and their convictions about its future.

The Company did well as a result, concluding no fewer than 93 transactions in its portfolio, which enabled it to attract appealing new brands and to increase its occupancy rate by 2% (and even 2.8% for the retail portion of its portfolio).

Investments in the portfolio

In order to ensure the sustainability of its assets and to continue to implement its strategy, the Company added several investments to its existing portfolio. It started the renovation of the Ring Kortrijk shopping centre for which work will be completed in 2022. It implemented several of its concepts and continued its ambitious renovation project for its offices where the first positive results are now being seen.

The Company will continue to make ambitious investments in assets in the future.

Stronger finances

The Company also strengthened its finances in 2021. It carried out several significant transactions such as the refinancing of a credit line of € 50M for four years and the issue of a green bond for € 32M for five years. It increased its commercial paper programme from € 100M to € 150M and issued an optional dividend.

As a result, the Company has all of the resources it needs to look to the future of its business with peace of mind and, especially, to prepare for external growth.

Financial results and outlook

2020 and 2021 were two years dedicated to managing the health crisis and its effects. Following a significant decline in 2020 the Company's net earnings from core activities, they increased in 2021 (6.4%). However, the increase was not entirely reflected in the result per share given actions undertaken by the Company to strengthen its financial structure.

With respect to net earnings from non-core activities, and after several value adjustments on the portfolio due to the pandemic, the valuation of the portfolio stabilised, and even rose slightly in the last quarter compared to the previous quarter.

In view of the results obtained and taking into account the current context (improvement in the health situation on the one hand, and a relaxation of government measures). The Board of Directors intends to propose to the General Meeting of Shareholders a dividend of € 4.10 gross - € 2.87 net per share and also plans to propose that shareholders subscribe to an optional dividend.

For 2022, in the absence of major external events, the Company expects an increase in the net result of core activities per share between € 4.70 and € 4.80.

Given the return to better results and its financial soundness, the Company is also continuing to actively search for external growth opportunities in the business areas previously described.

To conclude, we would like to extend our sincere thanks to our employees, customers, shareholders, and by extension, to the different stakeholders of the Company for their contribution to positive results!

Vilvoorde, 09 March 2022

Matthijs Storm
Managing Director

Nicolas Beaussillon
Managing Director

Consolidated annual report

Profile

The Company is a public regulated real estate company (RREC) under Belgian law, 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 € 926M on 31 December 2021. The existing operational retail portfolio of € 818.2M (over 90% of the total portfolio, excluding development projects) contains shopping centres in Kortrijk, 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 € 94.3M on 31 December 2021. The development portfolio (€ 13.5M) contains land positions and realised investments that relate to the restructuring and/or extension of shopping centres and retailcomplexes in Kortrijk, Waterloo, Liège, Bruges and Nivelles.

The Company aims at creating value by actively managing shopping centres and retail parks and by (re)developing them for its own portfolio. With its own staff the Company maintains 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 (re)development 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 SA, a 99.52% subsidiary of the Company, acts as property manager of the investment property portfolio.

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

The public limited companies incorporated under Dutch law Wereldhave SA and Wereldhave International SA, Schiphol, held 65.9% of the shares either directly or indirectly on 31 December 2021.

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 28.2% and a solvency of 71.8%, the Company positions itself as a real estate company with very solid balance sheet ratios.

Corporate Governance Statement

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 (Code 2020) to be followed by listed companies, the Company applies the Code of 2020 as its reference code.

The 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 needs to 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 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 Code 2020 applied by the Company and also an indication of the Corporate Governance practices applied in addition to the 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 (the ‘Charter’) define the rules, procedures and practices on the basis of which the Company is managed and controlled.

The Charter is subject to, and does not detract from, the Company's articles of association (the ‘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 Charter must be read together with the Articles of Association, 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 9 March 2022.

Comply or explain principle

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

At the date of the current Annual Financial Report, the following provision of the 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 this is an individual decision of the member or Effective Leader concerned.

Given the current market volatility following the Covid-19 crisis and its impact on the Company's share price, it is at not appropriate at this time to establish a mechanism of partial remuneration of the members of the Board of Directors and the Effective Leaders in the form of shares of the Company or a mandatory minimum holding of shares of the Company. The Board of Directors reserves the right, however, in the future, if circumstances are favorable, to propose such a mechanism for the members of the Board of Directors and the Effective Leaders.

Governing bodies

Board of Directors

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 management 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 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. Given the presence of Mrs. Boone, Mrs. Claes and Mrs. Slegtenhorst as members of the Board of Directors, 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 than the other members.

Each member of the Board of Directors must also possess the personal qualities that will allow him/her 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

Directors	Position	Start date mandate	Most recent renewal	End of mandate
Dirk Goeminne	Independent Director Chairman of the Board of Directors Chairman of the Nomination and Remuneration Committee	1-4-2015	31-3-2019	12-5-2023
Ann Claes	Independent Director Member of the Audit and Risk Committee	1-4-2017	14-4-2021	9-4-2025
Brigitte Boone	Independent Director Chairman of the Audit and Risk Committee Member of the Nomination and Remuneration Committee	18-4-2018		13-4-2022
Nicolas Beaussillon	Managing Director Effective Leader	14-4-2021		9-4-2025
Matthijs Storm	Managing Director Effective Leader	1-8-2019		12-5-2023
Dennis de Vreede	Director Member of the Audit and Risk Committee Member of the Nomination and Remuneration Committee	1-8-2019		12-5-2023
Doris Slegtenhorst	Director	2-9-2020		10-4-2024
Remco Langewouters	Director	2-9-2020		10-4-2024
Edmund Wellenstein	Director	2-9-2020		10-4-2024

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 of the Company, without being part of the Effective Management, must have the expertise and appropriate experience required for the performance of their duties.

Before submitting its proposals to the General Meeting of Shareholders, 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, interviews 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. Deliberates 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 Code 2020.

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 a 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 Code 2020 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 2021, the Board of Directors had the following nine members:

Nicolas Beaussillon (42), Medialaan 30/6 in 1800 Vilvoorde, has been CEO and Managing Director of the Company since 1 January 2021. He was appointed as a member of the Board of Directors and as Effective Leader by the General Meeting of Shareholders of 14 April 2021 for a period of four years ending on 9 April 2025, i.e., until the approval of the annual accounts closed on 31 December 2024 by the General Meeting of Shareholders.

Nationality: Belgian

Attendance rate during the 2021 term: 8/8

Mr. Beaussillon holds a Masters in Business Administration from ICHEC in Brussels. He joined the Company in 2016 as commercial director (via Ifield SRL). He has over 15 years of experience in the real estate sector, particularly in the commercial management and development of shopping centres. He began his career in London in 2003 before joining Cushman & Wakefield in 2005, where he worked for 10 years, the last of which as Partner and Head of the shopping centre team.

Current Mandates:
- Director of Ifield SRL
- Director of Wereldhave Belgium Services SA (via Ifield SRL)
- Director of Wereldhave Management Belgium SA
- Director of J-II SA
- Director of Waterloo Shopping SRL
- Director of Beroepsvereniging van de Vastgoedsector/ Union Professionnelle du Secteur Immobilier (BVS/UPSI)
- Director of the Belgian Luxembourg Council of Retail and Shopping Centers ASBL (BLSC)
- Director of Les Jeunes Jardiniers ASBL

Dirk Goeminne (67), 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 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 2021 term: 8/8

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.

Mr. Goeminne has been active in the textile and clothing industry since 1979 and has successively held management positions at ITC/IDECO, Femilux SA, 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 SA (Listed)
- Chairman of Ter Beke SA (Listed on the stock exchange)
- Chairman of the Board of Directors of JBC SA
- 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 SA (Netherlands) (Listed)
- Chairman of the Board of Auditors of Stern Groep SA (Netherlands) (Listed)

At the Extraordinary General Meeting of Shareholders on 6 March 2020, Mr. Goeminne was appointed as 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 2021 term: 8/8

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 SA
- Managing director at JBC SA
- Managing director at Mayerline SA
- Managing director of Immo Iris SA
- Managing director of Girls Immo SA
- Director of JBC SRL
- Director of ACE Fashion SA
- Director of May Lux SA
- Director of CKS Fashion
- Director of CKS Partners SA
- Director of Voka Limbourg
- Director of OVWB ASBL

Past mandates over the last 5 years:
- Member of the Board of Directors of the Fashion Museum Hasselt
- Managing Director of I Am Holding SA
- Managing Director of GF Company SA

The term of Mrs. Claes as independent member of the Board of Directors was renewed at the General Meeting of Shareholders of 14 April 2021 for a term of four years until 9 April 2025, i.e., until the approval of the annual accounts closed on 31 December 2024.

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 2021 term: 8/8

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 audit committee of GIMV;
- Director and member of the audit committee of IMEC VZW;
- Director of FIDIMEC SA;
- Director and member of the audit committee of ENABEL SA;
- Director of SD Worx Group;
- Manager of 2B Projects;
- Member of the Supervisory Board of Van Landschot Kempen.

Past mandates over the last 5 years:
- Director and Chairwoman of the audit committee of Studio 100;
- Director of Plopsaland;
- Commissioner of VP Exploitatie;
- 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”.
- Director and Chairwoman of the audit committee of Puilaetco Dewaay Private Bankers

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. The renewal of Mrs. Boone’s term as an independent member of the Board of Directors for a term of four years will be proposed to the General Meeting of Shareholders of 13 April 2022.

Matthijs Storm (43), 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 SA 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 General Meeting of Shareholders. Mr. Storm is also the CEO of Wereldhave SA, reference shareholder of the Company.

Nationality: Dutch

Attendance rate during the 2021 term: 8/8

Current mandates:
- CEO of Wereldhave SA (listed)

Dennis de Vreede (52), WTC Schiphol Toren A, Schiphol Boulevard 233, 1118 BH Schiphol, is an experienced financial executive with international experience.
Dennis was appointed CFO of Wereldhave SA in April 2018. From 2013 to 2017 he was CFO at Deep Ocean, 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 General Meeting of Shareholders. He is also CFO of Wereldhave SA, reference shareholder of the Company.

Nationality: Dutch

Attendance rate during the 2021 term: 8/8

Current mandates:
- CFO of Wereldhave SA (listed).
- Member of the Tauw Group's Supervisory Board

Doris Slegtenhorst (39), WTC Schiphol Toren A, Schiphol Boulevard 233, 1118 BH Schiphol, has over 12 years of experience in commercial real estate at home and abroad.

Nationality: Dutch

Attendance rate during the 2021 term: 8/8

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:
- none.

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 General Meeting of Shareholders.

Remco Langewouters (42), 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 shareholder of the Company.

Nationality: Dutch

Attendance rate during the 2021 term 8/8

Mr. Langewouters has been a register accountant 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:
- none.

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 General Meeting of Shareholders.

Edmund Wellenstein (39), WTC Schiphol Toren A, Schiphol Boulevard 233, 1118 BH Schiphol, has over 12 years of experience in various financial and commercial roles in the real estate, pharmaceutical and energy sectors.

Nationality: Dutch

Attendance rate during the 2021 term 8/8

After earning a Master's degree in International Relations (cum laude) from the University of Groningen in the Netherlands Mr. Wellestein 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. Wellestein 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. Wellestein 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:
- none.

Mr. Wellestein has been a director of Wereldhave Belgium SA 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 General Meeting of Shareholders of 10 April 2024.

Statements on Directors and Effective Leaders
On the basis of the information at its disposal, the Board of Directors 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.
- 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 "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 of Shareholders 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. Leadership

The 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 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. Supervision

The 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, the 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 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. Nicolas Rosiers, in his capacity as General Counsel, 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.

Chief Financial Officer (CFO)

By the press release of 4 November 2021, the Board of Directors announced the appointment of Mrs. Ingrid Theuninck[1] as Chief Financial Officer of the Company, replacing Mr. Cédric Biquet. Her appointment took effect on 8 November 2021.

Mrs. Theuninck graduated as commercial engineer and holds a Postgraduate Degree in Real Estate, both from KULeuven. She has extensive experience in corporate real estate financing and in real estate transactions, fields in which she worked for over 20 years. She acquired expertise as a credit analyst and investment manager with several Belgian financial institutions (KBC Banque SA, Dexia Banque SA and Banque Degroof SA) as well as in M&A and real estate management with several operators in residential care and assisted care centres (Armonea and Vulpia SA).
Mrs. Theuninck also acquired specialised knowledge in the listed property investments sector thanks to her experience in another public regulated company (Leasinvest Real Estate SA). To date, Ingrid had been working as an independent at Vista Capital Advisors.

1 Via Firesti SRL

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 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 Charter and in the internal regulations of the Nomination and Remuneration Committee attached in Annex 4 to the 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 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 Board of Directors 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 Chairwoman of the Audit Committee:

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

Attendance quorum in 2021: 4/4

Independent member of the Board of Directors:

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

Attendance quorum in 2021: 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 in 2021: 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 Company to 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 Audit and 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 three calendar 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 the Remuneration Committees pursuant to provision 4.20 of the 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 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
Mr. Goeminne has international experience in various companies.

Attendance quorum: 100%

Independent member of the Board of Directors

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

Attendance quorum: 100%

Non-executive member of the Board of Directors

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

Attendance quorum: 100%

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;
- analyse the applications 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 applications 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 of Shareholders;
- prepare the remuneration report; and
- explain the remuneration report.

Education and training
The Nomination and Remuneration Committee is developing a procedure for the training 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, 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 an agenda including 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 an agenda including 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 and 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 three calendar 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.

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 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 financial year 2021 were:
- Mr. Nicolas Beaussillon, Managing Director; and
- Mr. Matthijs Storm, Managing Director.

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;
- lease 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 dismissing 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:
- 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;
- 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 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 Code 2020 and of the 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. Nicolas Beaussillon who qualifies as Effective Leader and Managing Director of the Company.

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. Nicolas Beaussillon who qualifies as Effective Leader 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 aims 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 Nicolas Beaussillon (Managing Director and Effective Leader) was appointed in accordance with article 14, § 4 of the RREC Act as Effective Leader 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 the promotion of 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 Code 2020.

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. 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/Group/documentation/) and was approved by the General Meeting of Shareholders on 14 April 2021. It forms an integral part of the Charter. For the identity of the various categories of stakeholders collecting compensation, this chapter refers to the other chapters of the Charter.

Remuneration of the Board of Directors

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 SA, 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 SA.

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 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 was granted. The chairman of a Committee was granted an annual fixed fee of € 5,000 and the members of that Committee an annual fixed fee of € 3,000[1]. 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 Code 2020, which seeks to promote long-term value creation.

Given the current market volatility following the Covid 19 crisis and its impact on the Company's share price, it is not possible at this time to determine the Company's share price, it is not opportune to establish a mechanism of partial remuneration of the independent members of the Board of Board of Directors in the form of shares of the Company or a mandatory minimum holding of shares of the Company. The Board of Directors reserves reserves the right, however, in the future, if the circumstances are favorable, to propose such a mechanism for the independent members of the Board of Directors.

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 (to date, the CEO) is linked to the overall performance of the Company and individual performance. 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 cash, whose amount, objectives and evaluation criteria are identical to those used for short-term variable remuneration.

1 For 2022, it has been proposed that the remuneration of the independent members of the Board of Directors be adjusted as follows: the independent members of the Board of Directors receive annual fixed remuneration of € 26,000, with the exception of the Chairman who receives annual fixed remuneration of € 36,500. The Chairman of a committee receives annual fixed remuneration of € 5,250 and the members of the committee receive annual fixed remuneration of € 3,200.

For the 2021 financial year, the Company's Remuneration Policy included the following criteria for determining the short-term and long term remuneration of the Executive Management of the company (to date, the CEO):

- General management – individual objectives in accordance with the specific operational responsibilities of the executive management (50%);
- Total return on the portfolio of retail investment properties of the Company (25%);
- Occupancy rate (15%); and
- Compliance with the general expenses budget (GENEX) of the Company (10%).

The results of these objectives for the financial year 2021 are as follows:

KPI	Weight	Target Year 2021	Pay-out ratio	Results	Payable
Total return	25%	Total return WHB <0.0% MSCI	0%	The benchmark results of MSCI Retail Belgium for 2021 will be available on 31 March 2022	
		Total return WHB = MSCI	50%		
		Total return WHB >0.5% MSCI	100%		€ 37,500 (provision pending final determi-nation)
		Total return WHB >1.0% MSCI	150%		
Occupancy rate	15%	Occupancy rate < 91.6%	0%	Result KPI: € 93.9%	
		Occupancy rate < 92.3%	100%	Pay-out ratio = 150%	€ 22,500
		Occupancy rate < 93%	150%		
General expenditures savings	10%	General expenditures < budget	100%	Result KPI = budget	
				Pay-out ratio = 100%	
					€ 10,000
Individual targets	50%			Pay-out ratio = 100%	€ 50,000
Total					€ 120,000[1]

1 Taking into account the results achieved by the key performance indicators of the Company's collective targets for the year 2021, the maximum amount of the variable remuneration of the CEO of €100,000 has been exceeded.

Starting in 2022, the remuneration policy provides for the following criteria for the determination of short-term and long term variable remunerations for the Executive Management of the Company (to date, the CEO):

- General management – individual objectives in accordance with the specific operational responsibilities of the executive management (50%);
- Total return of the portfolio of retail investment properties of the Company (20%);
- Occupancy rate (15%);
- Net Promoter Score Consumers (10%), which was added to the existing key collective performance indicators as a measurement of the likelihood that customers will recommend the Company's shopping centres and thus assessing of the customer experience in these assets; and
- Compliance with the General Expenses budget (GENEX) of the Company (5)%.

KPI	Weight	Targets Year 2022	Pay-out ratio	Comments
Total return	20%	Total return WHB < MSCI	0%	Max. pay-out is 150%. Any value below MSCI results in 0% pay-out. Continued operating assets - excluding assets held for sale and developments
		Total return WHB = MSCI	50%	
		Total return WHB >0.5% MSCI	100%	
		Total return WHB >1.0% MSCI	150%	
Occupancy rate	15%	Occupancy rate 31/12/2022 < 93%	0%	Prorata progression per 0,1% between 0 - 100%. Max pay-out is 150%. Shopping centres and offices combined
		Occupancy rate 31/12/2022 < 94%	100%	
		Occupancy rate 31/12/2022 > 95%	150%	
NPS Consumers	10%	<36	0%	Prorata progression per 0.1% between 0 - 100%.
		>38	100%	
General expenditures savings	5%	General expenditures > budget 2022	0%	Pay-out is binary: 0% or 100%. GenEx excl. group services charges and allocation to properties
		General expenditures < budget 2022	100%	
Individual targets	50%			

Procedures for the payment of variable remuneration to the Executive Management of the Company (to date, the CEO):

- deferred payment;
  - short-term variable remuneration for a given year is payable at the end of April the following year; and
  - half of the long-term variable remuneration for a given year is payable at the end of April of the second year following the year for which the remuneration is allocated and the other half at the end of April of the third year for which the remuneration is allocated.
- be 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 2020. 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. 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 remuneration for financial year 2021

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

Independent non-executive managers	**Fixed**
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
Doris Slegtenhorst	unpaid mandate
Remco Langewouters	unpaid mandate
Edmund Wellenstein	unpaid mandate
Executive Management :	
Matthijs Storm	unpaid mandate
Nicolas Beaussillon	See Executive Management remuneration

	Fixed compensation	Variable compensation short term	Variable compensation long term	Retirement plan	Fringe benefits	Extra-ordinary items	Total	Proportion of fixed and variable remuneration
2021								
Nicolas Beaussillon (2) (4)	€ 310,000	€ 120,000	€ 120,000	€ 0	€ 0	€ 0	€ 550,000	57% / 43%
Matthijs Storm	unsalaried mandate							
Cédric Biquet (3)	€ 141,244	€ 50,000	€ 20,837	€ 17,636	€ 9,247	€ 0	€ 238,965	70% / 30%
2020								
Kasper Deforche (1) (4)	€ 350,000	€ 72,500	€ 72,500	€ 0	€ 0	€ 395,000	€ 890,000	84% / 16%
Matthijs Storm	unsalaried mandate							
Cédric Biquet	€ 174,000	€ 50,000	€ 37,500	€ 32,765	€ 17,109	€ 0	€ 311,374	72% / 28%

1. During the period between 1 January and 30 June 2021, Mr. Kasper Deforche (former CEO and Managing Director of the Company) and his management company Repsak BV, provided consulting services. For these services, they both received fixed remuneration in the amount of € 87,500 excluding any variable remuneration.

2. The following services agreements were in effect for Mr. Nicolas Beaussillon and his management company Ifield SRL:

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[1]. In addition, there is a long-term variable compensation amounting to € 100,000 (excl. VAT) if all objectives are achieved 100%, which however according to the results achieved by the key performance indicators of the collective objectives exceeded. The half of this long-term variable remuneration is payable in April of the second year following the year for which the bonus is granted and the other half in the month of April of the third year for which the payment 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 SRL with registered office at Drève des Chasseurs 31, 1410 Waterloo, permanently represented by Mr. Nicolas Beaussillon, and Wereldhave Belgium Services SA with the task of taking care of the operational management of the management entity concerned. An annual fixed remuneration of € 155,000 has been set[2]. In addition, there is a short-term variable remuneration of maximum € 100,000 (excl. VAT) if all objectives are 100% achieved, but which can be exceeded based on the results obtained by the key performance indicators of collective objectives. This short-term variable remuneration 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 SA.

3. Mr. Cédric Biquet was employed by the Company until 11 June 2021. His short-term variable remuneration for 2020 and his long-term variable remuneration for 2018 were paid at the end of April 2021. His holidays as an employee of the Company were paid to him on his departure in accordance with the applicable legislation. The Company did not pay any severance pay to Mr. Biquet. Through the end of his employment contract, his other benefits included a contribution to a pension plan (group insurance) hospitalisation insurance, meal vouchers, a monthly expense allocation, a company car, a laptop computer and a mobile telephone which met the Company's security standards.

1 For 2022, this amount is rounded after indexation to € 161,250.
2 For 2022, this amount is rounded after indexation to € 161,250.

4. The CEO does not receive any benefits in kind other than a laptop computer which meets the Company's security standards and for which he pays his own energy consumption.

Evolution of remuneration and performance of the Company:
In accordance with Article 3:6, §3, fifth and sixth alinea's of the CAC, the following information is provided:

- annual change in total remuneration of all directors and Executive directors together:
  - 2018: € 859,337
  - 2019: € 921,371
  - 2020: € 1,302,403[1]
  - 2021: € 849,965[2]
- annual change in the average remuneration, expressed in full-time equivalents, of employees of the company other than the directors:
  - 2018: € 45,558
  - 2019: € 54,750
  - 2020: € 56,743
  - 2021: € 54,198
- The ratio between the highest remuneration of executive director of the Company and the lowest remuneration (in full-time equivalent) of the employees of the Company:
  - 2018: 13.7 / 1
  - 2019: 13.2 / 1
  - 2020: 11.2 / 1
  - 2021: 13.2 / 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 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 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 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

1 Including severance pay for Mr. Kasper Deforche and his management company (€395,000).
2 Not taking into account the consultancy fee of Mr. Kasper Deforche (€175,000).

- 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 of Shareholders 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
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 who wishes 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; or
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; or
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 SA);
- 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.

Sustainability: A Better Tomorrow

The Company has been actively communicating about the many initiatives it undertakes in terms of the sustainability of its portfolio since 2013. We launched a programme called 'Better Tomorrow'. It is based on three major pillars, each with big sustainability implications, i.e., 'a better ecological footprint', 'better nature' and 'a better life'.

Given that the goal is to improve the environment and daily life in our Full Service Centers, this Corporate Social Responsibility (CSR) programme has been implemented to achieve our objectives by 2030. They are fundamental to welcoming and attracting our customers to all of our Assets.

It's important to note also, that since 2019, all of our employees are given objectives each year, selected together, on which each will work. The enthusiasm of our teams demonstrates the awareness of our employees as well as their willingness to work together for a better future. In addition to their objectives, many individual and collective initiatives have been started in-house. This enthusiasm was shared throughout the year both with our tenants to raise awareness about the future of our planet and with our visitors through our many actions.

Better nature

The Company believes that it is necessary to provide solutions which protect the environment and biodiversity. Special attention has been paid to increasing green space both indoors and out, to increasing the number of insects around our sites and to installing new green roofs to protect against flooding and create habitats for plants and urban fauna. The Company has also started collective vegetable gardens brought in and installed on site by our teams.

With this in mind, our goal is to incorporate 'A Better Nature' in our CSR programme for 2030.

Ecology

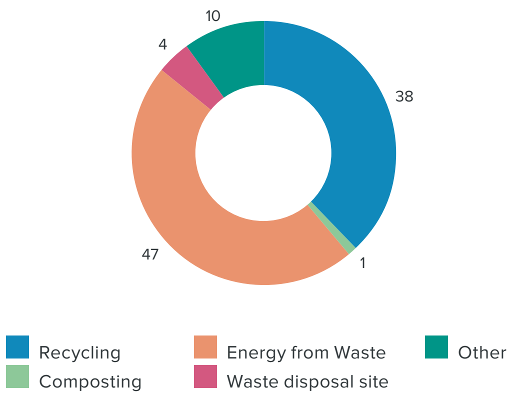
In 2021, one of the major projects involved the renovation of two large roundabouts located on either side of our Belle-Ile site in Liège. In this case, we selected melliferous plans to attract useful insects and butterflies. A number of different types of plants were planted including bobo hydrangea, fairy roses, Munstead lavender and fountain grass, covered with shale petals.

Our site in Nivelles welcomed new green spaces outdoors where new trees and hedges were planted, as well a meadow with flowers. The indoor green areas were also improved by doubling the number of plants in the gallery.

Shopping Nivelles has had beehives on its roof for some time. In order to improve their environment, it was decided to move them to the back of the shopping centre to bring them closer to the storm drain, which is more favourable for the bees. We also decided to double the number of beehives in 2021.

Waste

(in %)



In addition to these initiatives the Company is very proud to have set up the first collective vegetable garden in our portfolio on the Nivelles Shopping site. The goal was two-fold, to create a space where the Shopping Centre and shop teams could socialise and to create workshops and a place for our patrons to visit. It is intended to help them discover a new environment and raise their awareness about improving nature. One of our goals for visitors in 2022 is to start up visits to the Shopping Nivelles site to explore all of the initiatives taken to promote sustainability.

2021 also provided an opportunity to renew the reception areas and restaurants of our offices in Vilvoorde and Berchem. One of the goals of the renovation was to make them more welcoming and to add some green space and more appealing and convivial rest areas for our tenants' staff. The results of the renovations were very well received.

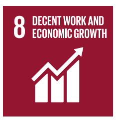
Our most important Sustainable Development Goals (SDG's)

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).

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).



Decent work and economic growth

Aim for zero safety incidents in our centers.

Climate action

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

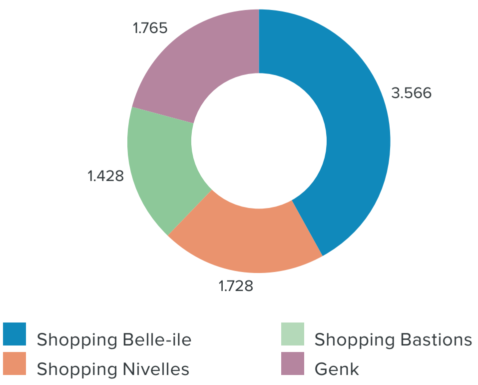
Sustainable cities and communities

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.

Partnership for the goals

Partnering with suppliers, tenants & society.

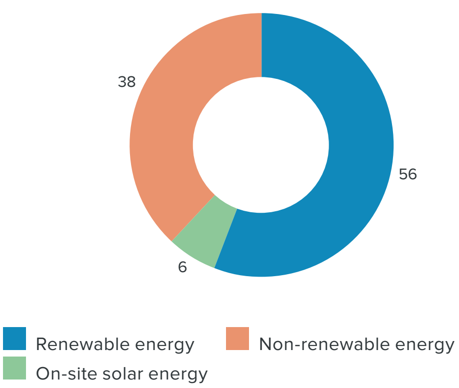
Solar panels



Sustainable building certificates
In 2013, the Company decided to standardise the sustainability level of all of its buildings and to improve their management using the BREEAM certification process.

In 2021, we launched the process for the Shopping 1 in Genk. The analysis is still under way with several groups and we intend to obtain a BREEAM in use 'Very Good' certificate for this Asset. We will be launching studies to certify Belle-Ile in Liège and Ring in Courtrai in 2022. Both shopping centres have been partially renovated.

Energy consumption
(in %)



A better life
In order to work on a better future for the next generations, the Company's goal is to actively improve the working environment of its employees and of all of its retailers and subcontractors. A number of studies have been done for this purpose, and a range of services have been improved. They include better access to public transport, parking areas for bicycles and the installation of electrical charging stations. Special attention has also been paid to the wellbeing and training of our employees.

The goal is to work in close cooperation with local companies and charitable organisations by creating an environment that promotes change.

We believe that A Better Life is essential to reach the goals of our CSR programme by 2030.

Employees
In 2021, the Company made significant investments for its employees to improve their comfort, knowledge and wellbeing.

A programme called 'Boost Wellbeing 2.0' was implemented. We had already initiated the programme in 2020, but the circumstances surrounding Covid made working on it impossible. 2021 provided the opportunity to restart the project while involving colleagues from different departments. This ensured that everyone in the Company would feel involved. The basic goal was to ensure that everyone shared the belief that creating commitment starts with us and that every participant felt that it was important that enjoyment be 100% part of the project. It all started with the goal of transforming creative ideas into action.

The programme included a number of initiatives. Relaxation massages were offered at work to all members of the Company, many 'Vitality Tips' were provided and 'Vitality Week' was held in October. During that week, the emphasis was on the wellbeing of our employees to enable them to take care of themselves and of their work environment.

The Company also emphasised employee training in 2021. This enabled part of the staff to receive training on new topics and to, especially, enhance their skills to grow in the Company. We emphasise and prioritise in-house promotion before looking outside the Company. This is only possible when our employees continue to expand their knowledge.

Listening
In 2021, we also undertook two satisfaction surveys for our staff. The first took place in June and the second one in November. The results confirmed that our management approach works. 98% of employees stated that they liked their work and 93% that they were proud to work for Wereldhave Belgium.

The top three reasons were:
1. The positive working environment
2. Work satisfaction
3. Collaboration

This is only possible when special attention is paid to all employees. We consistently listen to their needs and wishes.

Giving of oneself
2021 also provided an opportunity to raise employee awareness about the challenges the Company faces today and about those we will face in the coming years. A number of initiatives are under way in this respect. Many of our employees became aware of the blood shortages faced by hospitals. A majority of the Company's employees responded to the call with enthusiasm. We also created the 'Clean-up Walk Day' during which the teams were encouraged to take a walk to pick up the rubbish found around our Assets.

A visit to the BIGH Farm aquaponics farm in Brussels was organised in September. It is located on the roofs of the Anderlecht slaughterhouses in Brussels. The farm's mission is to create a network of sustainable urban aquaponics farms in large cities. The purpose of our visit was to raise the awareness of our employees to the fact that more and more people are living in urban areas and that the main challenge for cities around the world is to meet the need for fresh and safe food, which is increasing every day.

Lastly, the Company decided in 2021 that it would provide its employees with a cafeteria plan benefit. The concept consists in letting employees create their own salary package based on their needs and preferences. Their needs will vary depending on their family situation (for example, additional holidays), the employee's life cycle (saving-pension) or their mobility situation (electric bicycle). Regardless of the choices they make for their cafeteria plan employees, like their employer have to be concerned about the budget neutrality of the concept. The Company's objective in this case, is to be able to provide an alternative and extra benefit to the entire staff.

Philanthropy and company sponsorship
The Covid crisis was more present than ever in 2021. The Company decided to dedicate its time to people in need. Our motivated staff decided to become involved in charitable actions.

In May, and despite the lockdown, we provided support to Bel RTL's Opération Pièces Rouges project for Télévie, whose goal is to collect all of the small change in people's pockets, piggy banks and drawers. The purpose of the operation is to provide support to Télévie to finance cancer research. All of our French-language shopping centres took part in the action, which was highly successful.

In July 2021, horrific flooding took place in and around Liège. In this case, the team at our Belle-Ile shopping centre in Liège helped the many people affected by providing food and water for several days to meet their basic survival needs. The teams in our other shopping centres in Belgium immediately provided their support to the operation by organising a food and clothing collection in less than 24 hours to send it to the Liège region. Hundreds of kilos were collected, transported and provided to the Red Cross to help the many families in distress.

Despite the distance between our Assets, there is real cohesion among the different teams. Thanks to this cohesion, the Marketing team initiated a national marketing action with furoshiki designed by the Brussels-based graphic artist Oli-B. Furoshiki (風呂敷) is a traditional Japanese fabric folding and tying technique used to wrap gifts. The goal was to provide our customers with the opportunity to wrap their Christmas gifts with this original and environmentally-friendly, reusable fabric. But, especially to make a € 2 donation by scanning a QR code via the Payconiq application at the stand. Visitors could choose their non-profit via 'Scan for Change'.

As a responsible company, we want to make a difference. In Belgium, over one third of all food produced is wasted. In 2021, the Company joined forces with some of its hospitality and grocery tenants to collaborate with 'Too Good To Go'. The goal of the company is to enable each of us to commit to preventing food waste and to enabling all food to achieve its goal: to be eaten. Each day, participating retailers offer their customers packs of perishable foodstuffs at an affordable price. This way, the retailers are able to sell their unsold goods and our customers participate actively in reducing waste. In 2022, we will be launching the campaign nationally to inform a maximum number of visitors and to contribute to making a better planet.

Visitor and staff safety
The safety of our staff, patrons and tenants is a priority. As a result of the Covid crisis, we implemented a series of measures to guarantee everyone's safety.
A daily assessment was carried out to ensure that all measures in effect were being complied with. It was implemented by the different security services as well as by all of the onsite staff. The measures included the following:

- Compliance with mandatory mask wearing
- The implementation of a CO2 control system in our offices and in our shopping centres to provide the best ventilation possible to limit virus propagation
- Increased cleaning, particularly of contact points
- Compliance with the number of visitors per m2
- The installation of plexiglass at our The Point locations to protect our hostesses, personnel and patrons
- Daily communication with our tenants about the different measures to put in place and, notably, the various rules issued Federal Government's Consultation Committee via the *"flow"* communication application.

Raising the awareness of our personnel and of visitors
In a world which is perpetually changing, and with a wide range of communication systems including social media, television, the press, etc. we felt that it was important to take some time with our staff to raise their awareness about sustainability.

The Company organised several visits and presentations for teams in 2021 to raise the awareness of our personnel about the future of our planet and to become ambassadors for our tenants. It is up to us to share the right reflexes, habits and, especially, to improve the use of the resources we have.

For this purpose, our staff does 'night walks' in all of our shopping centres several times a year. The goal of visiting a shopping centre outside of opening hours when it is normally closed, is to discover and understand all of the energy savings that can be made. Our teams discover each time that in many shops, a wide range of items, including signs, radios, tills, etc. stay on 24/7. This unnecessary consumption costs our tenants who are often unaware of the situation. Thanks to these visits and a complete report provided to the tenant, we're working to decrease energy consumption. As conscientious owners, we believe that it is important to conduct this exercise, which is greatly appreciated by our tenants. We held our first 'Eco-Days' in September 2021. The tradeshow at our Bastions shopping centre in Tournai consisted of a number of different stands set up in the middle of our gallery. The main objective was for our teams to bring together different activities on the theme of ecology under one roof. The message for our visitors was 'How to live more ecologically'. The first tradeshow was a real success. Both in terms of the number of very motivated exhibitors who came to present their concept and the number of visitors who are very interested in this very current topic. The topics ranged from 'Eating Better' notably via local food stands, organic products and collaborations with certain brands such as the Exki restaurant chain. The 'Consuming Better' theme was also very well represented with, among others, workshops and tips and tricks. Lastly, there was 'Wellbeing', with an emphasis on cosmetics and natural soap products.

As a result of the success of this first edition, we duplicated it in other shopping centres in Belgium where it was also very successful.

Communication
We believe that it is important that the Company communicate about the actions it undertakes. With our tenants, our visitors and our investors. As a result, we decided to implement a page especially dedicated to sustainability on our websites. The page is available at www.wereldhavebelgium.com and on the web pages of our shopping centres. It is updated on a regular basis and covers the various actions implemented.

This way, we all contribute to a better future for our planet.

Impact on the value chain
One of the Company's goals is to encourage all of our tenants to invest in sustainability using a range of different methods.

For several years now, we've included a 'Green Lease' in our commercial leases which all of our tenants must sign when they sign their lease. The Green Lease defines the standards for a 'green' lease. It advises tenants on how to implement more sustainable measures and ensures that tenants work effectively with us to implement renewable energies, waste management, recycling, water consumption and energy consumption actions in their shops.

The Company promotes a winning owner/tenant partnership to promote more and better performing ecological buildings to reach the objectives set for 2030. Our teams meet with our tenants throughout the year and spend time with them to discuss the specific measures which could be implemented by each one. The results of the visits are very encouraging and are very appreciated by all of our tenants.

Alongside these visits, in 2021, we implemented a Sustainability Committee consisting of tenants. The Committees meet twice a year and took place for the first time in our Belle-Il shopping centre. The initial feedback was very positive and we will be repeating the experience both at Belle-Ile and in all of our shopping centres in 2022.
The Company is also working on creating alternative means of transport for our visitors and our tenants. In this respect, we are continuing to install and modernise charging stations. In 2021, we installed new charging stations at Shopping Nivelles. They were moved and now use the latest technology. In 2021, we initiated a thorough study to define the different charging station methods to be implemented for all of our Assets, both in our shopping centres and our offices. The in-depth study was conducted by an external partner specialising in charging stations. The study analyses market trends in Europe and in Belgium in order to best meet the future needs of our employees, visitors and tenants. Following this study, we will be able to adapt current installations to the present and future needs of the market.

The Point
Starting in 2016, the Company decided to invest in the information points present in the shopping centres. The goal was to provide a better welcome. As part of this project, a number of actions were undertaken to provide a 'better life' for our visitors.

In 2021 we opened two new The Points: one in the shopping centre in Courtrai and the other one in our shopping centre in Genk. They are always changing and we emphasise certain services such as screens which provide bus schedules in our shopping centre in Genk. This is to promote soft mobility. We also worked on welcoming people with disabilities and paid special attention to ensuring that the facilities meet Acces-i standards. This standard best meets the needs of persons with disabilities. The two new The Points also host collection drop off points for batteries and lightbulbs in collaboration with Bebat et Recupel.

Our The Points are also relay stations for the delivery and collection of packages ordered online. According to a Dutch study, over 43% of our visitors feel that the collection point is the most environmentally-friendly delivery method.

A better ecological footprint
In 2021, the Company focused on managing the environment. Many actions were undertaken to reduce the amount of waste produced by our shopping centres, notably via selective sorting. We also emphasised reducing the CO2 produced by our Assets. This is done to take on the great climate crisis challenge. 'A Better ecological footprint' is an essential component of our Corporate Social Responsibility (CSR) programme implemented to achieve our objectives by 2030.

All of this enables us to improve our visitor and tenant base, decrease the cost of capital and support the future value of our Assets.

Energy
The Company set up a plan in 2013 to reduce its energy consumption by more than 30%. Many actions have been taken to meet this objective, and where possible, to exceed it.

In 2021, one of the objectives was to improve energy consumption monitoring. They were tracked closely by our technical managers to prevent overconsumption and to better regulate the use of certain energy sources. Automatic control systems were installed.

LED lighting
All of the lighting at Shopping Nivelles has been LED since 2021. The process began in 2019 and was spread over three years. We're proud to announce that the shopping centre is now fully LED. The installation will reduce electricity consumption significantly and reduce costs. The current energy price situation encourages us to invest even more in low-consumption technology.

We also installed LED in all of the passageways at Shopping 1 in Genk. This is a significant investment which was necessary given the technology still being used.

When The Sage restaurants in our office buildings in Vilvoorde and Berchem were renovated, we also installed 100% LED lighting to meet current standards. In addition, presence detectors were installed to ensure that the lights would only come on in the common areas when people were present and to limit energy consumption to a minimum.

Covid-19
New standards were imposed by the authorities during the pandemic to better regulate ventilation and, especially, to ensure optimal air flow in our shopping centres. The systems currently in place regenerate the air, which is very positive from a technical standpoint. However, during the pandemic, the technique had a tendency to increase the risk of facilitating the spread of the virus.

It was therefore necessary to avoid recycling the indoor air and to ventilate as much as possible. As a result, we switched to an HVAC system which uses fresh air only.

With respect to our offices, CO2 detectors were installed in all offices and meeting rooms to prevent saturated air and ventilate when necessary.

Water
One of the major challenges for the Company is to limit water consumption in all of its shopping centres and in the offices. Water in our shopping centres is used primarily by our tenants, as well as for cleaning the common areas, the public toilets, the cooling systems and the fire protection systems.

With respect to water consumption in our public toilets, in 2021, we carried out work at our Belle-Ile shopping centre in Liège to connect them to a rain water recovery system. This will provide substantial savings over the coming years.

In 2021, we also fully renovated the public toilets at Shopping Nivelles. We connected them to the rainwater system and also installed a flushing system that drastically reduces water consumption.

The same gains in water savings were made by the renovation of The Sage in Vilvoorde and Berchem.

Lastly, in 2021, we launched a fully ecological laundry service at The Point in the Bastion shopping centre in Tournai.

Waste

Following a waste management study done at the end of 2020 to select a new partner, we implemented many actions in early 2021 to optimise waste management reductions throughout our offices and shopping centres. We analysed management site by site in order to increase selective sorting and to decrease “bulk” waste. This was all made possible thanks to support from our tenants and the optimisation of communication with the employees in the shops and our container parks.

Given that selective sorting is always changing, we had to increase the number of product categories to meet the new standards in effect. The new collaboration also resulted in the installation of all-new containers with electronic chips. The intelligent chips optimise transport by reducing trips to the minimum required.

In 2021, one of the objectives of the onsite teams was to install collection points in all of our centres. The goal was to have a location in each of the centres where customers could leave their old batteries, used lightbulbs and electrical appliances. In order to ensure the best tracking of the waste, we worked closely with Bebat to collect batteries and with Recupel for used bulbs and appliances.

Thanks to motivated staff and optimal communication from the start of the launch of the collection points, we were successful and confirmed that they met a real and growing need of our patrons.

Solar panels

The Company had over 6,700 solar panels in operation at its shopping centres in Belgium through 2020. As the goal is to reduce electricity consumption in these assets, the decision was made in 2021 to install over 1,700 additional solar panels on the roof Shopping 1 in Genk.

The next objective will be to install new solar panels on our shopping centre in Courtrai, which is currently being fully renovated.

We are constantly seeking to limit our electricity consumption and in 2021, we installed an automatic outdoor launderette at the Bastions site in Tournai, which is available to our customers. This laundry will soon be equipped with solar panels to be completely autonomous.

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

Environmental performance indicators Retail

	Absolute portfolio		Like-for-like portfolio	
Impact areas	2021	2020	2021	2020
Energy (MWh)				
Electricity shared services	7,944	8,305	6,526	6,840
Electricity submetered to tenants	17	18	17	18
Total landlord obtained electricity	7,961	8,323	6,543	6,858
Proportion of electricity from renewable sources (market-based)	100%	100%	100%	100%
District heating and cooling shared services	0	0	0	0
District heating and cooling submetered to tenants	0	0	0	0
Total landlord obtained district heating	0	0	0	0
Proportion heating and cooling from renewable sources	0%	0%	0%	0%
Fuels shared services	3,645	3,817	3,645	3,817
Fuels submetered to tenants	287	514	287	514
Total landlord obtained fuels	3,932	4,331	3,932	4,331
Proportion of fuels from renewable sources	0%	0%	0%	0%
Total energy from shared services	11,589	12,122	10,171	10,657
Total energy submetered to tenants	304	532	304	532
Total landlord obtained energy	11,893	12,654	10,475	11,189
Total renewable energy produced on-site	1,853	2,013	1,847	2,013
Greenhouse gas emissions from energy (tCO2e)				
Total direct GHG emissions Scope 1 (market-based)	662	786	662	693
Total direct GHG emissions Scope 1 (location-based)	662	786	662	693
Total indirect GHG emissions Scope 2 (market-based)	0	0	0	0
Total indirect GHG emissions Scope 2 (location-based)	1,053	1,954	1053	1955
Total indirect GHG emissions Scope 3 (market-based)	52	98	52	93
Total GHG emissions - landlord obtained/submetered (market-based)	714	884	714	786
Water (m3)				
Water from municipal water supplies or other public	51,710	53,756	51,710	53,714
Water from rainwater collected directly and stored	3,356	5,631	3,356	5,631
Water from groundwater / surface water	11,689	31,976	11,689	31,976
Total landlord obtained water consumption	66,755	91,363	66,755	91,321
Water submetered to tenants	30,362	35,020	30,362	35,020
Waste (metric tonnes)				
Hazardous waste	0	0	0	0
Non-hazardous waste	1,224	1,568	1,224	1,545
Total weight of waste by disposal route (metric tonnes)				
Recycling	465	517	465	510
Composting	12	16	12	15
Energy from Waste	575	768	575	757
Incineration without energy recovery	0	0	0	0
Landfill	49	31	49	31
other	122	235	122	232
Proportion of waste by disposal route (%)				
Recycling	38%	33%	38%	33%
Composting	1%	1%	1%	1%
Energy from Waste	47%	49%	47%	49%
Incineration without energy recovery	0%	0%	0%	0%
Landfill	4%	2%	4%	2%
other	10%	15%	10%	15%

Environmental intensity indicators Retail

		Absolute portfolio		Like for like portfolio	
Impact areas		2021	2020	2021	2020
Building energy intensity	kWh/m²/year	60.27	64.13	54.21	64.07
	kWh/visitor/year	0.73	0.91	0.64	0.89
Greenhouse gas intensity from building energy	kg CO_2e/m²/year	3.62	4.48	3.70	4.07
	kg CO_2e/visitor/year	0.04	0.06	0.04	0.06
Building water intensity	m³/m²/year	0.34	0.46	0.35	0.47
	liter/visitor/year	4.10	6.59	4.10	6.59

Environmental performance indicators Office

	Absolute portfolio		Like-for-like	
Impact areas	2021	2020	2021	2020
Energy (MWh)				
Electricity shared services	5,037	6,203		
Electricity submetered to tenants	1,060	1,527		
Total landlord obtained electricity	6,097	7,730		
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	4,629	5,612		
Fuels submetered to tenants	0	7		
Total landlord obtained fuels	4,629	5,619		
Proportion of fuels from renewable sources	0%	0%		
Total energy from shared services	9,666	11,815		
Total energy submetered to tenants	1,060	1,534		
Total landlord obtained energy	10,726	13,349		
Greenhouse gas emissions (tCO2e)				
Total direct GHG emissions Scope 1 (market-based)	853	1,019		
Total indirect GHG emissions Scope 2 (market-based)	0	0		
Total indirect GHG emissions Scope 3 (market-based)		1		
Total GHG emissions (market-based)	853	1,020		
Water (m3)				
Water from public water supplies - shared services	15,034	16,341		
Water from public water supplies - submetered				
Water from rainwater collected directly and stored				
Water from groundwater / surface water				
Total landlord obtained water consumption	15,034	16,341		
Waste (metric tonnes)				
Hazardous waste	0	0		
Non-hazardous waste	90	109		
Total weight of waste by disposal route (metric tonnes)	90	109		
Recycling	37.7	44		
Composting	0	0		
Energy from Waste	40.6	50		
Incineration without energy recovery	0	0		
Landfill	0	0		
other	12.7	15		
Proportion of waste by disposal route (%)				
Recycling	42%	40%		
Composting	0%	0%		
Energy from Waste	45%	46%		
Incineration without energy recovery	0%	0%		
Landfill	0%	0%		
other	13%	14%		

Environmental intensity indicators Office

			Absolute portfolio		Like for like portfolio	
Impact areas			**2021**	**2020**	**2021**	**2020**
Building energy intensity	CRESS CRE1	kWh/m²/year	100.45	125.00		
Greenhouse gas intensity from building energy	CRESS CRE3	$kgCO_2e/m^2$/year	7.98	9.56		
Building water intensity	CRESS CRE2	m³/m²/year	0.14	0.15		

BREEAM certificates

% of retail center GLA	2021	2020
BREEAM certifications in place		
Outstanding	0%	0%
Excellent	36%	36%
Very Good	43%	43%
Good/Pass	0%	0%
Percentage of GLA which is BREEAM rated	**79%**	**79%**
Percentage of eligible centers GLA which is BREEAM rated	**100%**	**100%**

EPRA Sustainability performance measures

Environmental performance measures	**Page**
Total electricity consumption	46-47
Like-for-like total electricity consumption	46-47
Total district heating & cooling consumption	46-47
Like-for-like total district heating & cooling consumption	46-47
Total fuel consumption	46-47
Like-for-like total fuel consumption	46-47
Building energy intensity	47-48
Total direct greenhouse gas (GHG) emissions	46-47
Total indirect greenhouse gas (GHG) emissions	46-47
Greenhouse gas (GHG) emissions intensity from building energy consumption	47-48
Total water consumption	46-47
Like-for-like total water consumption	46-47
Building water intensity	47-48
Total weight of waste by disposal route	46-47
Like-for-like total weight of waste by disposal route	46-47
Type and number of sustainably certified assets	45
Governance performance measures	**Page**
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 “Corporate Governance Statement” (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.

Mission and strategy

Mission: a focus on shopping centres and retail parks

The Company is positioned as a professional 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

The Company 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 and the (re)development of shopping centres and retail parks;
- the acquisition of commercial real estate assets meeting the Company's quality criteria.

Active management and redevelopment of shopping centres and retail parks

The Company 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 the Company's centres. The Company's Full Service Centres will go beyond traditional shopping and provide a place where visitors can relax, socialise, work and stay healthy when 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 - taking care of personal health (staying in shape, healthcare and well-being).

Lastly, the 'LifeCentral' programme is not limited to the way in which the retail space will be used. It will also provide services to consumers and tenants including "The Point", the *"flow"* application, the "Troov" application (for shopping by appointment times), etc. The strategy will enable the Company to guarantee a high occupancy level for its assets over the long term while optimising its property positions via the development of new functionality.

Acquisition of retail buildings

The Company is positioned as a leading player in the commercial real estate landscape of Belgium and Luxembourg. Within this environment, the Company is constantly in contact with investors, property developers and leading real estate agents. It continuously 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 SA 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 SA 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 (Nicolas Beaussillon and Ine Beeterens) meet the requirements for professional reliability and experience as they are described in, and in compliance with, Article 19 of the RREC Law.

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.

The Company is continuing to develop a high-performance data management system to increase its operational excellence. 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.

Volatile Financial Year 2021 ending with positive signals

(This information forms an integral part of the financial statements, which are included in the 'Financial Report' section of present Annual Financial Report has been presented)

2021 was a "two-face" year. It started in the same way as the previous one ended, with numerous restrictions affecting several of the Company's tenants with an obviously significant impact on the number of visitors to the Company's assets and consequently on the turnover figures of its tenants.

Fortunately, the reopening of all activities in June and the lifting of most restrictions (only the wearing of face masks in enclosed areas remained in force) had an immediate positive effect. Footfalls returned very quickly to levels slightly below those of 2019 and many retailers were even able to benefit from a catch-up effect by registering better results than before the pandemic.

In this respect, it is important to note that although customers turned to e-commerce during the mandatory shop closures, they quickly returned to physical shops once the restrictions were lifted. The Company has however taken advantage of this crisis to increase its understanding of consumer behaviour, which was constantly evolving, especially after the most recent events. This convinces the Company that its strategy of turning its shopping centres into "Full Service Centres" is the right one ensuring the sustainability of its assets.

The resilience of the Company's results in a year that were still badly affected by the pandemic also vindicates these strategic choices, the intrinsic quality of the assets and the teams.

Evolution of operational activities

The outbreak of the Covid-19 pandemic had a major impact on Belgian society and on the country's economic activities in 2020 and continued to entail many fluctuating measures to be taken in the retail sector in 2021. At the beginning of 2021, only a limited number of Food & Beverage businesses were open where only takeaway service could be provided. All contact professions such as hairdressers, beauticians and fitness centres were closed for the whole month of January.

The footfall of the Company's shopping centres did gradually increase during the first quarter up until government measures of 27 March 2021 were applied. In the first quarter of 2021, the Company's shopping centres received on average 15.7% fewer visitors than in the same period a year earlier (pre-Covid). This result was remarkably better than the figures recorded for the entire shopping centre market in Belgium (-17.1%). This was further evidence of the resilience and intrinsic quality of the Company's portfolio, as well as of the sound management by its commercial and operational teams.

On 27 March, the government again announced tighter restrictions, requiring customers of so-called 'non-essential' shops to make an appointment in advance. In order to support its tenants in the best possible way, the Company immediately looked for a solution to make 'shopping by appointment' as smooth as possible for both retailers and customers at its shopping centres. In this context, the Company was the first in its sector to make the app 'Troov' (a new online reservation system) available to its retailers. Customers of its shopping centres were thus able to make appointments in the shops of their choice easily and in accordance with the rules imposed by the government.

As the infection rates decreased, the restrictive government measures were gradually relaxed. On 26 April, the so-called 'non-essential' shops were again allowed to open without appointment and customers were no longer required to shop alone. On 8 May, the Food & Beverage businesses were allowed to resume their activities, but only on outdoor terraces. The Company had taken several measures to support the tenants whereby it managed to provide additional space to Food & Beverage businesses in its shopping centres. As of 9 June, the government's summer plan could be implemented. As a result, Food & Beverage businesses were allowed to open indoors as well, albeit under strict conditions.

For the second quarter, the sector association BLSC (" Belgian Luxembourg Council for Retail and Shopping Centres ") reported a decrease of 25.1% in the number of visitors compared to 2019 (a comparison with the figures for 2020 is not relevant due to the different closures).

With a decrease of 20%, the Company recorded better figures than the market once again.

The third quarter started without many restrictions. Only a face mask was still mandatory in shopping centres. The travel sector had started to pick up again slowly and consumer confidence was also rising. For the full third quarter, the Company recorded a footfall decrease of 9.8% compared to 2019, when the sector reported a decrease of -11.6%.

The last quarter was characterised by increased virus circulation. In this context, the Government decided at the end of October to tighten again the face mask requirement, including in shops and shopping centres. Moreover, the recommendation to telework had a negative effect on the shopping centres footfall and on the occupancy rate in offices. That recommendation became an obligation on 17 November, with a maximum one day per week at the office per staff member. On 3 December, the measures were tightened again. The teleworking obligation was confirmed with a maximum of one day per week at the office. Other measures fortunately had little direct impact on the Company's sectors of activity.

In the fourth quarter, 4.896.130 visitors visited the Company's Belgian shopping centres, which is 11% lower than in 2019. For the full year, the Company ended with a decrease of 15.5% compared to 2019 and an increase of 23.9% compared to 2020.

As all shops and Food & Beverage businesses were open again in the second half of the year it is also relevant to analyse the turnover figures. Hence, the Company divided its tenants into 13 different categories; 8 of these 13 categories had better sales figures than in 2019. The best performers include activities such as health & beauty, sports, fashion, services, home furnishings, etc., while activities such as travel agencies, hairdressers and shoes remain under pressure.

The year 2021 was not only characterised by the pandemic and its consequences: the Company undertook many initiatives to increase the value of its assets, and both the leasing and operational teams managed to complete many projects offering a multitude of services to its tenants and customers.

In the first half of the year, the Company started renovating the façades, entrances and outdoor terraces, as well as the 're-branding' of Ring Shopping Kortrijk Noord Shopping, which will for now on be called 'Ring Kortrijk'. In the autumn, the 'The Point' concept also opened its door in Kortrijk. It is within this scope that a test phase started with Storeshippers, a partner facilitating the last-mile delivery for retailers.

In Genk Shopping 1, 'The Point' was also opened, this time in cooperation with the Genk Tourist Board and KRC Genk. The finishing touches were given to the upgrade project of the car park and the implementation of solar panels as well as other sustainable initiatives were realised.

Various investments were also made in the Walloon centres. Shopping Nivelles implemented the new concept for the restrooms and optimised the customer experience by adding greenery to the gallery and by applying scent marketing (fragrance). A new entrance between the shopping and the retail park was opened in Les Bastions in the autumn of 2021 to provide the customer with an easier routing. The public seating areas in Les Bastions and Belle-Ile were upgraded so as to improve the customer experience. The Belle-Ile logo was also redesigned to prepare for the future of shopping centre. The external signage was also upgraded, and green and digital screens now enhance the visitor's experience.

With the completion of the latest projects, the implementation of the transversal projects under the 'Customer Journey' heading can be said to be already well advanced. With this programme, the Company launched various projects to improve the customer experience in a period when e-commerce is progressing. For example, all the Company's shopping centres now have angled signage to increase retailers' visibility, general wayfinding in the shopping centres, modernised restrooms with breastfeeding areas and children's toilets, a play & relax area and 'The Point' for customer service.

The second half of the year also witnessed the start of the cooperation with the company "Secret View", which will have all the Company's shopping centres visited on a regular basis by anonymous customers to map out the retailers' customer experience ('mystery shopping'). The individual feedback received will help the tenants to improve their customer service and ensure healthy competition amongst most retailers in terms of quality of customer reception. The aforementioned projects of the Company and services it provides are also part of this mystery shopping. The results of the first two periods of mystery shopping, with a total of over 1,000 visits to more than 450 locations, were very positive with an overall satisfaction score of 80%.

This result is also in line with the "Net Promoter Scores" (NPS) and the "Customer Satisfaction Scores" (CSAT) that are measured daily. The NPS in Q4 over the four last quarters is 33 and the CSAT shows that the customer experience and recommendation of customers for the Company's shopping centres are very high.

The Company developed and launched in early 2021 a new concept for its office parks in Berchem and Vilvoorde called "The Sage". The aim was to strengthen the position of these assets by linking its know-how as shopping centre operator to office spaces. Not only the branding, but also the entrance halls, green areas and the technical installations were tackled. In addition, the office occupants now have access also to the "Eatery", a refreshing catering concept, and, in Berchem, to shower rooms, a sports hall and an ironing room.

Evolution of leasing activities

Although 2021 was marked for by the uncertainty of the ongoing Covid-19 pandemic for the second year running, the leasing activities of commercial spaces within the Company's portfolio showed undoubtfully remarkable dynamism throughout the year.

The Company concluded a total of 93 leases and lease renewals over that period. In concrete terms, this corresponds to one contract concluded every two working days and more than 15% of the Company's entire tenant portfolio. Not only was the volume of transactions high, but it should also be noted that these were concluded on average 6% above the market rent. This good performance shows that retailers continue to express their confidence in the quality of the Company's portfolio.

In addition, the Company focused on attracting quality brands offering added value to customers in shopping centres and retail parks and fitting in as much as possible with the Company's ambition to have its assets characterised as "Full-Service Centres." The Company was thus able to welcome new retailers with brands already present in Belgium such as Jysk, Oil & Vinegar, IKKS, Superdry, Maison du Monde, etc. and to further optimise its commercial mix by convincing new or recent brands on the Belgian market to establish themselves in its centres (i.e., Le Palais des Thés, Cantata, Kusmi Tea, Hubside, Dunkin Donuts, KFC, Hawaiian Poké Bowl, etc.). These results showed that the Company's assets remained very attractive in the market in a still challenging market environment.

It is, however, noteworthy that the two halves of the past year proceeded at two different paces: the first half, or at least part of it, was characterised by the introduction and/or enforcement of restrictive government measures affecting the activities of many retailers (e.g. the closure of Food & Beverage businesses and beauticians and shopping by appointment). Unsurprisingly, the tenants concerned were affected by these measures during this period. In this context the Company received again support requests from certain tenants in the sectors concerned. In this respect, the Company again opted for a partnership policy with its tenants and tried to conclude individual agreements with them. As at 31 December, the various restrictive measures imposed for the health crisis had a total negative impact of € 3M on the net rental income of the Company over the past year. As at 31 December 2021, the Company still had a provision of € 0.6M for possible concessions still to be granted to certain tenants in connection with the health crisis. The second half of the year, on the other hand, had proceeded in an almost normal manner, apart from the obligation to wear a face mask in closed areas and to use the Covid Safe Ticket in the Food & Beverage sector. The Company's assets thus benefited from a good footfall, which was directly reflected in the sales figures of the tenants.

This dynamism has therefore led to a situation where the Belle-Ile shopping centre in Liège and Shopping Nivelles reached an occupancy rate of 100% again on 31 December 2021 and the Company's other retail assets have made good progress, enabling the Company to report an occupancy rate of 97.2% for its retail portfolio at year-end (+2.8% compared to 2020).

As to the leasing of its office spaces, the Company noted that the introduction of its new and innovative concept "The Sage" began to bear fruits, even though the office rental market remained under pressure due to the consequences of the pandemic. In this context, the Company signed 6 new leases in the past year representing a total area of 3,500 m^2 and 3 lease renewals representing an additional area of 2,000 m^2.

Evolution of financial activities

During financial year 2021, the Company optimised its financial structure with a view to further maintain a solid balance sheet structure, thereby limiting credit risks (the maturity of the loan portfolio was extended) and hedging interest rate risks. As at 31 December 2021, the debt ratio was 28.2% compared to 30.0% on 31 December 2020. Such a level of debt ratio illustrates the Company's solid balance sheet and thus its strong equity base, which puts the Company in a position to consider and finance further growth.

Within the 'Green Finance Framework' that it set up recently, the Company concluded a successful private placement of green bonds for a total amount of € 32M on 31 March 2021.

This new sustainable financing was concluded for a period of 5 years. Subsequently, in June 2021, the Company secured a new € 50M "green" bank loan to replace an existing loan for the same amount maturing in September 2022, while at the same time extending its maturity to 30 June 2025.

These successful financing transactions demonstrated the good environmental performance of the Company's portfolio.

Furthermore, the Company extended its commercial paper programme with € 50M to € 150M, which provides it with additional sources of financing for its activities and growth, while allowing it to further optimise its financing costs and also to issue on a longer-term basis.

To hedge the interest rate risk, the Company entered into several hedging instruments in 2021, which are matched to the maturity of the financings. These enable the Company to finance itself at favourable low variable interest rates while securing hedging against the interest rate risk.

Total financial liabilities decreased from € 263.5M as per 31 December 2020 to € 250.1M as per 31 December 2021, mainly as a result of the cash flow generated by the leasing activity during the year, which was partly used for further reduction of financial debts and for the distribution of the dividend in cash (€ 18.1M).

As at 31 December 2021, the withdrawals amount to € 250.1M, spread over various funding sources (43.8% bank loans, 26.9% commercial paper, 12.8% bonds and 16.5% intercompany loan). On the other hand, amounts of € 145M and € 42.7M are available on undrawn backup lines and the intercompany backup line available as guarantee for the commercial paper programme.

The resilience of the Company's financing structure was thus confirmed on 31 December 2021, both in terms of the amount available on the closed-end credit lines as well as in terms of the diversification of its financing sources.

Investment property

Buildings available for lease

The fair value of the portfolio of buildings available for lease (excluding development projects) increased from € 908.6M at 31 December 2020 to € 912.5M at 31 December 2021. Excluding investments, the amount decreased by € 8.2M during the 2021 financial year due to the combined effect of a negative change in the fair value of the investment properties of € 3.2M, the transfer of buildings held for sale for € 3.3M, the acquisition of a retail unit and an adjustment to the acquisition value of an asset following a transaction, for a total of € 1.7M.

The Company proceeded with investments in its portfolio of buildings available for lease in the total amount of € 12.2M in 2021. Most of this amount was allocated to the renovation of the Ring Kortrijk shopping centre in Courtrai, the building of a small extension to the Shopping Bastions in Tournai, the implementation of its “The Point” concept at Ring Kortrijk and Shopping 1 Genk, as well as to the investment programme carried out for the office building portfolio. During the financial year, the Company also acquired a retail unit in Shopping 1 Genk for € 0.8M.

Commercial buildings portfolio

The Company 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 and/or renovation to move towards Full Service Centers. 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 increased from 94.4% at 31 December 2020 to 97.2% at 31 December 2021. The increase was primarily the result of the combined effect of the arrival of a number of new tenants including Maisons du Monde, Jack & Jones and Ken in Belle-Île, Pitaya, Cantata and Palais des Thés in Nivelles, April and Ersoz in Genk, Hawaiian Poké Bowl and Superdry in Ring Kortrijk and Boulangerie Louise, Dunkin’ Donuts and Black & White Burger in Shopping Bastions, and the interest of players creating pop-up store concepts like “It’s all about Christmas”, Chronostock, and others.

Following a difficult 2020, speciality leasing (i.e., the temporary occupation of stands and promotional activities in common areas regained momentum in 2021.

These good lease results and less restrictive government measures to fight the Covid-19 pandemic were reflected in the ‘Like-For-Like’ of the property operating income of the assets, which increased by 15.2% compared to a decrease of 19.1% in 2020.

The renovation work of the façades and outdoor spaces around the Ring Kortrijk shopping centre, which began in the first quarter of 2021, was problem-free, in line with the schedule and budget. The new logo and name of the shopping centre (“Ring Kortrijk” instead of “Ring Shopping Kortrijk Noord”) were also revealed in 2021. They received a very positive reception from the customers and tenants of the shopping centre. Work is expected to be completed in the second quarter of 2022.

A small 250 m^2 extension was added to the Shopping Bastions in Tournai and accepted at the end of the year. The new space is already fully leased by two tenants who will open their doors during the first quarter of 2022.

In Bruges, the Company obtained a permit for the renovation and partial redevelopment of its site. Work planning and discussions with the current tenants are currently under way. The budget for this renovation is currently being finalised and the Company expects to implement the project in 2022 or 2023 depending how things proceed, and to complete the work in several stages to limit, insofar as possible, any disturbance for tenants.

All of the permits required for the extension project at Shopping Belle-Île were obtained in early 2021. The Company is currently working on marketing and on completing the project budget to be able to prepare the work schedule.

Office building portfolio

The EPRA occupancy rate of this portfolio decreased from 77.5% at 31 December 2020 to 76.0% at 31 December 2021. This slight decline was due to the combined effect of the departure of several tenants and the signing of several new leases and lease renewals, primarily at ‘The Sage Antwerp’ complex and, to a lesser extent, at ‘The Sage Vilvoorde’. In Antwerp, the Company recorded the departures of tenants including KBC, ABN Amro and Argenta, as well as the arrival of Maersk Line and AGFA HealthCare. Quinz expanded at Vilvoorde, and Solvus moved in.

Despite the slight decline in the occupancy rate, and given the current context, the Company is positive, especially for Antwerp, about the reactions it received following the launch of its renovation project to improve the technical aspects of the buildings and improve their aesthetic appeal. During 2021, a new restaurant operated by ISS opened at each site to provide better service to tenants. The entrance hall installations and technical equipment were improved and the sanitary facilities were also modernised. These improvements are still under way and will be carried out in stages through 2023.

Given that the occupancy rate at the start of 2021 was much lower than at the start of 2020, the effect on the property operating income ‘Like-for-Like’ for 2021 was fairly significant. There was a 26.7% drop in 2021, compared to a decrease of 1.5% in 2020.

Development projects

On 31 December 2021, the value of the development projects amounted to € 13.5M (31 December 2020: € 12,6M). This increase in value was due to the investments made in the Belle-Île and Waterloo projects over the financial year.

Financial results

Net profit/loss

The net profit/loss for the financial year, including income from core and non-core activities, was € 38.2M (-€ 22.1M in 2020). The significant increase (+€ 60.3M) compared to the previous financial year was primarily due to the significant improvement in the results of non-core activities, i.e., from -€ 58.8M at the end of 2020 to -€ 0.8M at the end of 2021 (i.e., +€ 58M), and to the increase in the result of core activities of € 2.3M.

Net earnings from core activities

The result from core activities at 31 December 2021 was € 39M compared to € 36.7M at the end of 2020. The € 2.3M increase was due to a € 3.5M increase in the real estate earnings, to virtually constant operating costs (up € 0.2M) and an increase in financial expenses (up € 1.2M). The Company recorded an increase of € 3.5M in net rental income, i.e., 6.97% compared to 2020. Despite the many health measures still in effect in 2021, and the decreases in rent and other concessions granted to tenants by the Company, it was able to considerably improve its net rental income thanks to proactive management of its portfolio, lease renewals and better rent levels.

The balance of property expenses and general expenses remained virtually unchanged compared to 2020. Property expenses decreased by € 0.3M, falling from € 7.5M to € 7.2M, while general expenses increased by € 0.2M, from € 4.2M to € 4.4M.

The result was an increase in operating income (from core activities) of € 3.7M (+9.26%) which reached € 43.2M (compared to € 39.5M at the end of 2020).

Due notably to the refinancing operations carried out in 2021 to ensure prudent cash management and to strengthen the Company's financing position, the financial result decreased from -€ 2.85M to -€ 4.06M at the end of the 2021 financial year.

The Company issued new shares via an optional dividend in April 2021. Taking account of the increase in the net result from core activities of 6.38% (i.e., € 2.3M) above and the greater average number of shares compared to 2020, the net result from core activities per share fell slightly to € 4.56 (compared to a net result from core activities per share of € 4.65 at 31 December 2020). In this respect, it should be noted that the decrease was also due to the fact that, in 2020, the optional dividend was only granted in November and the calculation of the net result per share was more favourable than when new shares are issued during the first half of the year (as was the case in April 2021).

Net earnings from non-core activities

The net earnings from non-core activities primarily include the result of the revaluation of the property portfolio and changes in the fair value of the hedging portfolio. The result of the revaluation of the investment properties increased by € 54.7M, rising from -€ 57.9M at the end of 2020 to -€ 3.3M at the end of 2021. This change was due to the fact that valuations stabilised in the portfolio, which changed very little following the adjustments made to it during the 2019 and 2020 financial years, due to the health crisis. With respect to changes in the fair value of the hedging portfolio, there was a positive change from -€ 1.2M to +€ 2.5M. The valuation of derivatives is primarily determined by fluctuations in rates.

Shareholders' equity and net value per share

Shareholders equity at 31 December 2021 was € 670.9M (€ 650.5M as at 31 December 2020), i.e., an increase of 3.1%. The increase was due to a combination of factors, including the capital increase of € 15.1M via an optional dividend, the payment of a dividend of € 33.3M for the 2020 financial year and the net profit/loss of € 38.1M carried forward.

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 2021, was € 77.19 at 31 December 2021 (€ 78.20 at 31 December 2020).

As mentioned above, shareholders' equity was increased over the year by the allocation of an optional dividend for the dividend of the 2020 financial year, resulting in an increase of € 15.1M (capital) via the creation of 372,776 new shares.

The number of shares issued was 8,692,063 as at 31 December 2021.

Significant events after the close of the financial period

In order to build its retail park, on the one hand, and the extension of the Bastions shopping centre in Tournai, on the other hand, the Company acquired in 2014 the rights in rem on several lots adjacent to the lot it initially owned. In order to make optimal use of the lots, the Company had initiated negotiations with several candidates to take over the unused portions of these lots. Agreements were reached with two of the candidates, but subject to permits.

As announced in the press release of 8 February 2022, these permits were obtained at the end of 2021, implying that the sales deeds will be implemented during the first half of 2022 and the lots will be removed from the Company's portfolio.

One of the lots, which consists of an old office building, will be sold to the Zone de Police Tournaisis, which will set up its police station after redevelopment and the second one, on which the Company holds a long lease, will be assigned to Lidl to set up a new store. These transactions will contribute to strengthen the commercial attractiveness of Shopping Bastions. With the exception of these items and the extension of the term of a director which was presented in the Annual Consolidated Report section above, no other significant events occurred after 31 December 2021 likely to have an impact on this Annual Financial Report or that should be mentioned therein.

Research and development

Given the nature and specific activity of the Company, it does not do any research and development. However, the Company has launched or implemented specific projects (see the chapter 'Changes in operational activities'.

Allocation of the result

The net profit/loss for the financial year, including income from core and non-core activities, was € 38.2M (-€ 22.1M in 2020). The significant increase (+€ 60.3M) compared to the previous financial year was primarily due to the significant improvement in the result of non-core activities, i.e., from - € 58.8M at the end of 2020 to -€ 0.8 M at the end of 2021 (i.e., +€ 58M), and to the increase in the result of core activities of € 2.3M.

The General Meeting of Shareholders will be held on Wednesday, 13 April 2022 at 11:00 am at Medialaan 28 in Vilvoorde (next door to the Company's registered office). The Board of Directors will propose to the General Meeting of Shareholders the allocation of a dividend in the amount of € 4.10 per share gross – € 2.87 net (2020: gross € 4.00 – net € 2.80). 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 Tuesday, 19 April 2022, 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., € 2.87 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. amount to € 2.87 per share) and the balance resulting from the said reduction or exemption from withholding tax will be paid in cash as from Monday 09 May 2022. The exact terms and conditions of the transaction will be set during the Board of Directors meeting of 19 April 2022.

In order to enable the implementation of this type of process, the financial calendar appearing in previous press releases has been adjusted such that the ex-dividend date, the dividend record date and the dividend payment date are set on 14 April (and not 18 April (Easter Monday) as originally announced in the press release of 8 February 2022), 19 April and 9 May, respectively. Financial services are provided by BNP Paribas Fortis.

Forecast

For 2022, the Company is forecasting a net result from core activities between € 4.70 and € 4.80 per share. This objective must, however, be considered with caution given that uncertainties related to the health crisis although increasingly insignificant and to consequences of the international geopolitical situation, are still having an impact thereon. Given this context, the Company will inform the market in the event of any new measures that could have an impact on this outlook.

The range will be adjusted in the event of the distribution, if applicable, of an optional dividend, which will be formally decided on by the Board of Directors at its meeting of 19 April 2022.

In addition, the Company is continuing to search for growth opportunities for its portfolio via new acquisitions and development. If such opportunities should arise, the Company will immediately inform the market.

The Board of Directors states that:

1. Based on the controls carried out and the recommendations of the Code 2020, the internal control and risk management systems of the Company are adequate and ensure a reasonable level of certainty that the financial reporting, as provided in this Annual Financial Report, does not contain any material misstatements. 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 during the financial year in question;
2. The annual accounts provide an accurate picture of the assets, liabilities, financial position and results of Company and of the Subsidiaries included in the scope of consolidation;
3. The Annual Financial Report provides an accurate picture, on the date the balance sheet was prepared, of operations during the Company's accounting year and of those of its Subsidiaries whose information is included in these annual accounts;
4. his Annual Financial Report describes the main risks confronting the Company and its Subsidiaries;
5. After taking all reasonable measures to this effect, the information included in this Annual Financial Report is, to its knowledge, a reflection of the facts and does not involve any omissions which could 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, 09 March 2022

EPRA

EPRA performance measures

These figures are provided for information purposes only and are not required by the legislation on regulated real estate companies or subject to any form of control by government authorities. These figures have not been verified by the auditor.

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

	EPRA Performance Measure	Definition		2021	2020
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	38,993	36,656
			€/share	4.56	4.65
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	695,011	675,691
			€/share	79.96	81.22
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	671,781	652,561
			€/share	77.29	78.44
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	670,897	650,144
			€/share	77.19	78.15
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%	5.6%
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.		6.1%	7.7%
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.		21.5%	28.5%
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.		18.2%	25.3%

1. EPRA earnings

(x € 1,000)	2021	2020
Net result IFRS (group share)	**38,191**	**-22,148**
Adjustments to calculate EPRA Earnings		
Exclude:		
Changes in value of investment properties	3,275	57,936
Profit or losses on disposal of investment properties	2	-325
Other portfolio result and deferred tax	-	0
Changes in fair value of financial instruments and associated close-out costs	-2,475	1,193
EPRA Earnings (group share)	**38,993**	**36,656**
Weighted average number of shares	8,553,166	7,876,435
EPRA Earnings per share	**4.56**	**4.65**

2. EPRA NAV METRICS

(x € 1,000)	2021	2021	2021	2020	2020	2020
	EPRA NRV	**EPRA NTA**	**EPRA NDV**	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**
IFRS Equity attributable to shareholders	**670,897**	**670,897**	**670,897**	**650,548**	**650,548**	**650,548**
Include/exclude						
Hybrid instruments						
Diluted NAV	**670,897**	**670,897**	**670,897**	**650,548**	**650,548**	**650,548**
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	**670,897**	**670,897**	**670,897**	**650,548**	**650,548**	**650,548**
Exclude:						
v) Deferred tax in relation to the fair value gains of IP						
vi) Fair value of financial instruments	884	884		2,013	2,013	
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			-41			-404
ix) Revaluation of intangibles to fair value						
x) Real estate transfer tax	23,230			23,130		
NAV	**695,011**	**671,781**	**670,897**	**675,691**	**652,561**	**650,144**
Fully diluted number of shares	8,692,063	8,692,063	8,692,063	8,319,287	8,319,287	8,319,287
NAV per share (in €)	**79.96**	**77.29**	**77.19**	**81.22**	**78.44**	**78.15**

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

(x € 1,000)	2021	2020
Investment properties	**926,005**	**921,209**
Exclude:		
'Right of use asset' according to IFRS 16	-6,511	-6,511
Investment properties built or developped in portfolio available for lease	-13,514	-12,635
Properties available for lease	**905,980**	**902,064**
Include:		
Estimated transaction costs resulting from hypothetical disposal of investment properties	23,230	23,130
Investment value of the properties available for lease (B)	929,210	925,194
Annualised gross rental income	**53,939**	**53,749**
Exclude:		
Property charges	-1,543	-1,548
Annualised net rental income (A)	52,396	52,201
EPRA NET INITIAL YIELD (A/B)	**5.6%**	**5.6%**
Exclude:		
Unexpired rent-free periods	1,580	1,279
Annualised net rental income (rent-free periods excluded) (C)	**53,976**	**53,480**
EPRA 'TOPPED UP' NET INITIAL YIELD (C/B)	**5.8%**	**5.8%**

4. EPRA vacancy rate

	Lettable space in m²	Estimated rental value (ERV) of vacant spaces in € 1,000	Estimated Rental Value (ERV) in € 1,000	EPRA vacancy rate 2021	EPRA vacancy rate 2020
Segment					
Offices	62,429	2,239	8,951	25.0%	21.6%
Retail	221,505	1,845	49,292	3.7%	5.2%
Investment properties available for lease	**283,934**	**4,084**	**58,243**	**6.1%**	**7.7%**

5. EPRA cost ratios

(x € 1,000)	2021	2020
(i) Administrative/operating expense line per IFRS income statement	12,546	17,048
(ii) Net service charge costs / fees	2,885	2,225
(iii) Management fees less actual/estimated profit element		
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits	-3,673	-3,222
(v) Share of Joint Venture expenses		
Exclude (if part of the above):		
(vi) Investment Property depreciation		
(vii) Ground rent costs	-10	-4
(viii) Service charge costs recovered through rents but not seperately invoiced		
Costs (including direct vacancy costs) (A)	**11,748**	**16,047**
(ix) Direct vacancy costs	-1,785	-1,840
Costs (excluding direct vacancy costs) (B)	**9,963**	**14,206**
(x.a) Gross rental income less ground rent costs - per IFRS	58,411	59,429
(x.b) Less: Other operating income/recharges intended to cover overhead expenses	-3,673	-3,222
(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)	**54,738**	**56,207**
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**21.5%**	**28.5%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**18.2%**	**25.3%**

Real estate report

The Belgian real estate market[1]

2021, a transition year for commercial real estate after three years of record investment volumes.

2021 saw a significant decrease (+/-20%) in the volume of investments made in commercial real estate. The decrease was, without a doubt, partially the result of the ongoing difficult health situation, but it was also due to the limited number of major transactions.

As in 2020, commercial real estate lost its place as the second most popular asset class of investors to logistics and residential. This decrease in the volume of investments in commercial real estate was also due, to a large extent, to the total absence of major transactions on the market in 2021, a trend that will likely evolve over the coming months and years.

Prime yields increased slightly in the different commercial real estate segments since 2020, to reach 4.35% for city centres, 4.65% for shopping centres and 5.60% for retail parks, respectively. Experts expect yields to stabilise in 2022 (already apparent in the second half of 2021) before a likely renewal of interest starting in 2023.

Record take-up in commercial real estate.

Despite a commercial landscape undergoing significant change, the take-up level reached a record in 2021 at 480,000 m^2.

These very positive results were due to a large extent to sustained activity in the out of town commercial real estate segment which accounted for over 60% the take-up. This was primarily thanks to the opening of several new developments and the sustained expansion of chains active in food, household goods and discount.

Take-up also revived, although to a lesser extent, in city centres and shopping centres, reaching 105,000 m^2 and 50,000 m^2, respectively. F&B businesses were the most active in this sector while the users of major retail space were relatively calm.

It is also interesting to note that the number of transactions increased by 25% compared to previous years. This again demonstrated retailers interest in developing their own networks of brick-and-mortar stores.

A good year for investments in office properties

Following 2020, which broke all records, activity returned to more normal levels in 2021, although it was still higher than the average over the past years. Office space confirmed its position as the preferred asset of investors in the Belgian market.

This sustained interest for offices was reflected in the valuation of the assets, with a compression of 3.60% in prime yields in Brussels for “core” assets and the prospect of compression in the Flemish region of about 5.15% for these assets.

Improvement in office space take-up.

Following the significant decrease in take-up in 2020, activity recovered significantly in 2021, while remaining below pre-Covid levels. The recovery was most pronounced in Brussels, but was also seen in the Flemish region of the country. The good performances of the last quarter of 2021 point to a rebound in 2022.

1 Sources: Cushman & Wakefield and CBRE

Summary and composition of the real estate portfolio

Summary of the real estate portfolio

(x € 1,000)	Shopping centres	%	Offices	%	Total
Fair value					
Properties available for lease	818,221		94,270		912,491
Development projects	13,514				13,514
Total real estate investments	**831,735**	**89.5%**	**94,270**	**10.2%**	**926,005**
Assets held for sale	**3,325**	**0.4%**			**3,325**
Insured value[1]	510,459	83.9%	98,021	16.1%	608,480
Contractual rent	49,738	90.5%	5,247	9.5%	54,986

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 Belle-Île, Quai des Vennes 1, 4020 Liège	2020	19.5%	30,223	1,641
Shopping Nivelles, Chaussée de Mons 18A, 1400 Nivelles	2012	17.5%	28,154	1,500
Shopping Bastions, Boulevard W. de Marvis 22, 7500 Tournai	2018	15.3%	31,381	1,450
Retailpark Bastions, Rue des bastions 100, 7500 Tournai	2016	2.1%	10,312	360
7 Fontaines, Boulevard W. de Marvis 22, 7500 Tournai	2019	0.6%	3,485	
Shopping 1, Rootenstraat 8, 3600 Genk	2014	6.0%	21,661	1,250
Ring Kortrijk, Ringlaan 34, 8500 Kortrijk	2005	13.3%	32,677	2,000
Shopping Overpoort, Overpoortstraat 49A, 9000 Gent	2014	0.8%	3,960	
Genk Stadsplein, Stadsplein 39, 3600 Genk	2008	3.4%	15,415	44
Commercial complex Waterloo, Chaussée de Bruxelles 193-195, 1410 Waterloo	1968	1.5%	3,487	95
Brugge Retail park, Maalsesteenweg 334, 8310 Brugge Sint-Kruis	1970	4.4%	20,946	650
Turnhout Retail Park, Parklaan 80, 2300 Turnhout	1979	3.6%	19,804	765
		88.0%	**221,505**	**9,755**
Offices				
The Sage Vilvoorde 28, Medialaan 28, 1800 Vilvoorde	2001	2.0%	12.772 / 228[5]	337
The Sage Vilvoorde 30, Medialaan 30, 1800 Vilvoorde	1999	0.9%	5.449 / 349[5]	173
The Sage Vilvoorde 32, Medialaan 32, 1800 Vilvoorde	1999	0.5%	3.907 / 116[5]	120
The Sage Antwerp I, Roderveldlaan 1-2, 2600 Berchem	2021	2.0%	10.600 / 767[5]	224
The Sage Antwerp II, Roderveldlaan 3-4-5, 2600 Berchem	2021	2.8%	16.003 / 821[5]	322
The Sage Antwerp III, Berchemstadionstraat 76-78, 2600 Berchem	2021	2.0%	11.163 / 224[5]	217
		10.1%	**59.894 / 2.505[5]**	**1,393**
Development in commercial projects				
Redevelopment commercial complex in Waterloo		0.1%		
Extension shopping Belle-Île in Liège		0.6%		
Nivelles land positions		0.7%		
		1.5%		
Investment properties held for sale				
Property and land positions in Tournai		0.4%		
		0.4%		
Totaal		**100.0%**	**281.399/ 2.505[5]**	**11,148**

Continued > >

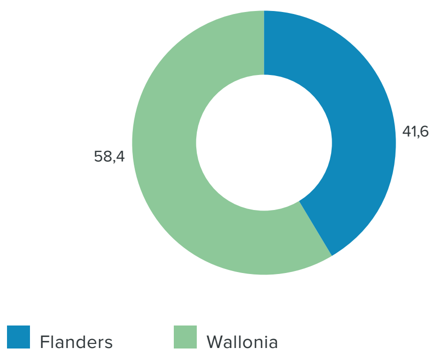
Continued

	Contract rent at 31 December 2021 (€ x 1,000)	Rental value vacancy (€ x 1,000)[1]	Theoretical rental value at 31 December 2021 (€ x 1,000)[2]	Estimated rental value (€ x 1,000)[3]	Occupancy rate at 31 December 2021[4]
Retail					
Shopping Belle-Île, Quai des Vennes 1, 4020 Liège	11,132,369	57,500	11,189,869	10,720,436	99.7%
Shopping Nivelles, Chaussée de Mons 18A, 1400 Nivelles	9,541,957	45,584	9,587,541	8,938,055	100.0%
Shopping Bastions, Boulevard W. de Marvis 22, 7500 Tournai	8,292,734	225,661	8,518,395	8,095,354	97.6%
Retailpark Bastions, Rue des bastions 100, 7500 Tournai	1,089,912	22,599	1,112,511	1,156,070	98.0%
7 Fontaines, Boulevard W. de Marvis 22, 7500 Tournai	429,000	0	429,000	429,830	100.0%
Shopping 1, Rootenstraat 8, 3600 Genk	3,385,168	724,600	4,109,768	4,335,055	85.6%
Ring Kortrijk, Ringlaan 34, 8500 Kortrijk	7,492,026	151,528	7,643,554	7,288,884	99.1%
Shopping Overpoort, Overpoortstraat 49A, 9000 Gent	520,373	0	520,373	489,809	100.0%
Genk Stadsplein, Stadsplein 39, 3600 Genk	2,151,740	491,000	2,642,740	2,391,170	82.1%
Commercial complex Waterloo, Chaussée de Bruxelles 193-195, 1410 Waterloo	897,545	0	897,545	876,950	100.0%
Brugge Retail park, Maalsesteenweg 334, 8310 Brugge Sint-Kruis	2,357,285	126,525	2,483,810	2,393,385	100.0%
Turnhout Retail Park, Parklaan 80, 2300 Turnhout	2,306,983	0	2,306,983	2,176,937	100.0%
	49,597,092	**1,844,997**	**51,442,089**	**49,291,934**	**97.2%**
Offices					
The Sage Vilvoorde 28, Medialaan 28, 1800 Vilvoorde	360,372	491,060	851,432	831,320	40.9%
The Sage Vilvoorde 30, Medialaan 30, 1800 Vilvoorde	253,801	356,380	610,181	584,800	39.1%
The Sage Vilvoorde 32, Medialaan 32, 1800 Vilvoorde	1,344,442	364,960	1,709,402	1,860,320	80.5%
The Sage Antwerp I, Roderveldlaan 1-2, 2600 Berchem	1,193,396	353,110	1,546,506	1,629,055	83.5%
The Sage Antwerp II, Roderveldlaan 3-4-5, 2600 Berchem	1,976,230	428,820	2,405,050	2,376,255	82.1%
The Sage Antwerp III, Berchemstadionstraat 76-78, 2600 Berchem	1,433,862	244,640	1,678,502	1,669,250	85.3%
	6,562,104	**2,238,970**	**8,801,074**	**8,951,000**	**76.0%**
Development in commercial projects					
Redevelopment commercial complex in Waterloo					
Extension shopping Belle-Île in Liège					
Nivelles land positions					
Investment properties held for sale					
Property and land positions in Tournai					
Totaal	**56,159,196**	**4,083,967**	**60,243,163**	**58,242,934**	**93.9%**

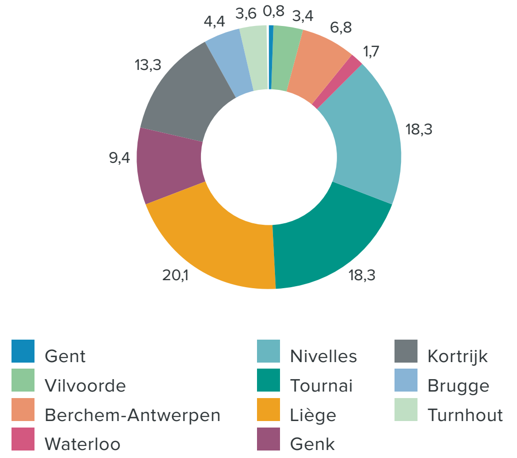
1 Rental value vacancy is the estimated rental value on the vacant units.
2 The theoretical rental value equals the contractual rent increased with the value of rental vacancy.
3 To determine the estimated rental value, external valuation experts rely on their knowledge of the property market and on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

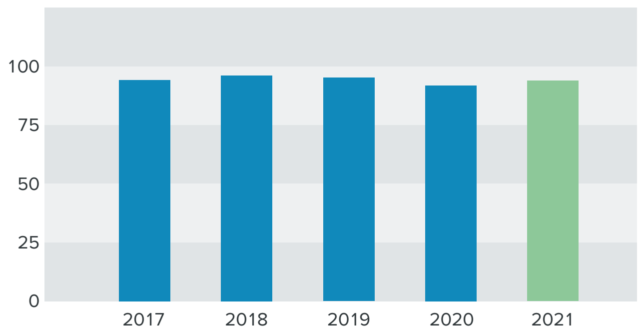
Geographical breakdown
(as % of fair value)



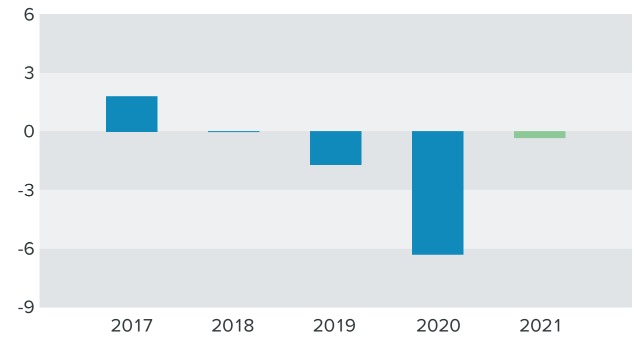
Geographical breakdown
(as % of fair value)



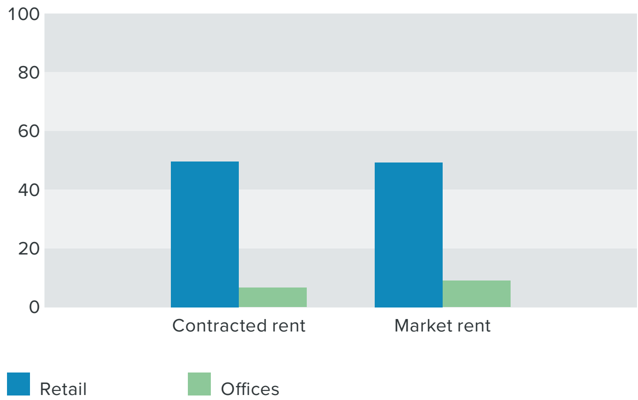
Average occupancy
(in % of rental income)



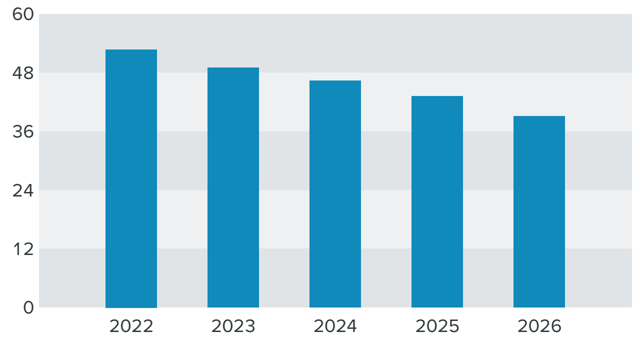
Portfolio revaluation
(in %)



Contracted rent/market rent
(x € 1.000)

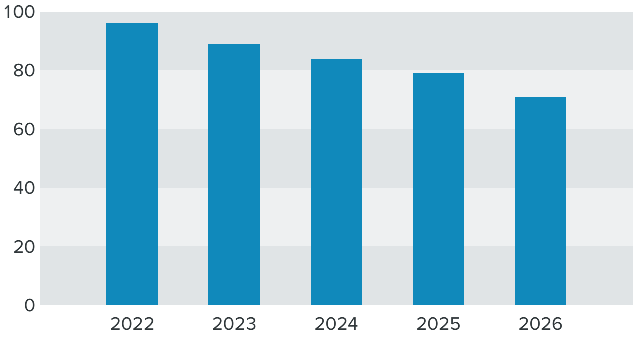


Contract rent over 5 years
(in € M)



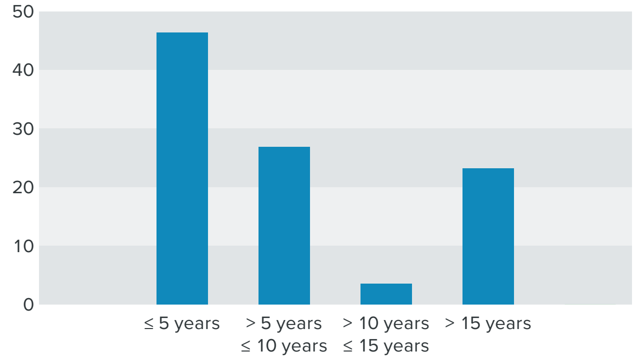
Guaranteed rental income

(in %)



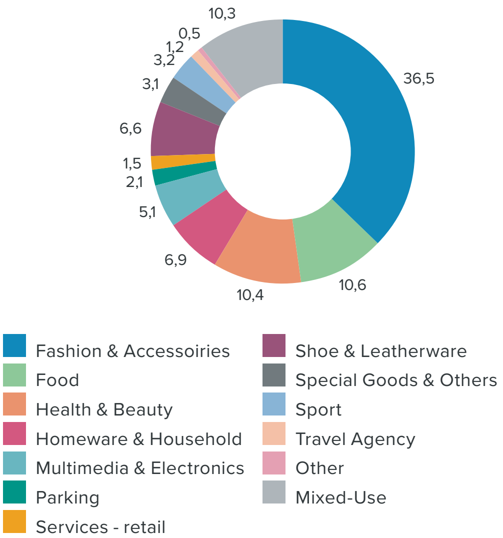
Age analysis of the retail portfolio

(in % of fair value)



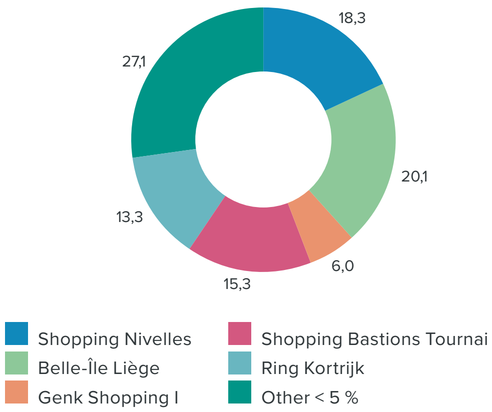
Branche mix investment property retail

(as % of rental income)



Investment properties > 5%

(in % fair value)



Top 10 - Global Portfolio

	Tenant	Section	%
1	CARREFOUR	Retail	5.0%
2	AHOLD DELHAIZE	Retail	3.0%
3	C&A	Retail	3.0%
4	A.S. WATSON GROUP	Retail	2.3%
5	BESTSELLER	Retail	2.0%
6	BRICO	Retail	2.0%
7	HENNES & MAURITZ	Retail	1.9%
8	LUNCH GARDEN	Retail	1.7%
9	CASSIS/PAPRIKA	Retail	1.6%
10	REDISCO	Retail	1.4%
			24.1%

Top 10 – retail

	Tenant	%
1	CARREFOUR	5.6%
2	AHOLD DELHAIZE	3.4%
3	C&A	3.4%
4	A.S. WATSON GROUP	2.6%
5	BESTSELLER	2.3%
6	BRICO	2.2%
7	HENNES & MAURITZ	2.1%
8	LUNCH GARDEN	1.9%
9	CASSIS/PAPRIKA	1.8%
10	REDISCO	1.6%
		26.9%

Top 10 – offices

	Tenant	%
1	RICOH	13.2%
2	ANTEA	5.7%
3	QUINZ	4.7%
4	MAERSK LINE BELGIUM	4.6%
5	AMADEUS	4.5%
6	TVM	4.2%
7	NEOVIA	3.9%
8	BTV	3.3%
9	USG	2.9%
10	SPB BENELUX	2.9%
		50.0%

Average lease contract duration

The average duration of lease contracts is 2.1 years until the first termination option and 6.6 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 S.A.. 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 66.7% of the real value of the total real estate portfolio.

The insurance premium for 2021, including taxes, was € 0.2M.

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) Act

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 Act, 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 Act remains in effect.

Taking account of the revaluations carried out during the financial year, primarily for the Ring Kortrijk shopping centre and offices in Antwerp, the value of Belle-Île at the end of 2021 was again above the 20% limit (20.1% at 31 December 2021), 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

In order to build its retail park, on the one hand, and the extension of the Bastions shopping centre in Tournai, on the other hand, the Company acquired in 2014 the rights in rem on several lots adjacent to the lot it initially owned. In order to make optimal use of the lots, the Company had initiated negotiations with several candidates to take over the unused portions of these lots. Agreements were reached with two of the candidates, but subject to permits.

The permits were obtained at the end of 2021, implying that the sales deeds will be implemented during the first half of 2022 and the lots will be removed from the Company's portfolio. One of the lots, which consists of an old office building, will be sold to the Zone de Police Tournai, which will set up its police station after redevelopment and the second one, on which the Company holds a long lease, will be assigned to Lidl to set up a new store. These transactions will contribute to strengthening the commercial attractiveness of Shopping Bastions.

During the financial year, the Company also acquired a retail unit in Shopping 1 Genk for € 0.8M.

Development projects

Renovation work for the façades, entrances and outdoor areas of the Ring Kortrijk shopping centre began in the first half of 2021 and will last one year. A new name (Ring Kortrijk instead of Ring Shopping Kortrijk Noord) and a new logo were revealed during the year and were enthusiastically received by customers.

At Belle-Île, a new logo more in line with the new positioning of the centre was launched following the interior renovation work carried out in 2019 and 2020. The Company also received the permits required to carry out the extension project for a surface area of 11.000 m^2. Given the impact of the health crisis on the timing of marketing and on construction prices, the Company is taking time to review the different parameters before deciding on a more detailed implementation schedule.

In order to improve the customer experience, the Company has continued to invest in its cross-sector 'Customer Journey' project by implementing, among others, its "The Point" concept in Courtrai and Genk, new signage in Courtrai and new rest areas in Liège and Nivelles.

In Bruges, the Company submitted a request for a permit modifying its original permit for a renovation project. It hopes to receive the permit in the first half of 2022 and to be able to start the project in 2022 or 2023.

In Waterloo, the Region gave its provisional approval for the ZEC (zone d'enjeu communal) project submitted by the municipality and required for the implementation of the Company's project so that the Company can prepare for the filing of its urban development permit at the end of 2022.

Description of the real estate portfolio

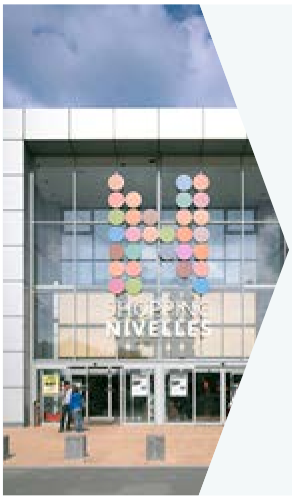
Retail portfolio

Shopping Belle-Île

Quai des Vennes 1, 4020 Liège

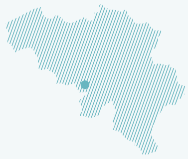
Top 5 tenants	
Carrefour	5.2%
C&A	3.9%
A.S. Watson Group	3.2%
Damart	2.3%
Bestseller	2.3%

Number of tenants: 93
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: 30,233 m^2



Shopping Nivelles

Chaussée de Mons 18A, 1400 Nivelles



Top 5 tenants	
Ahold Delhaize	5.9%
Bestseller	2.9%
As Adventure	2.6%
Delcambe Chaussures	2.5%
H&M Hennes & Mauritz SA	2.4%

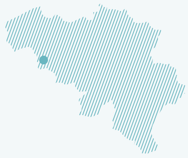
Number of tenants: 98
Construction: 1974 – Extension: 2012
Location: The shopping centre of Nivelles is located at the periphery of Nivelles, exit 'Nivelles Sud' of highway E19
Lettable area: 28,154 m^2

Ring Kortrijk

Ringlaan, 8500 Kortrijk

Top 5 tenants	
C&A	4.3%
H&M Hennes & Mauritz SA	4.1%
Redisco	3.7%
A.S. Watson Group	3.3%
Ahold Delhaize	3.1%

Number of tenants: 84
Construction: 1973 – Renovation 2005
Location: The shopping centre is located alongside the ring of Kortrijk
Lettable area: 32,677 m^2



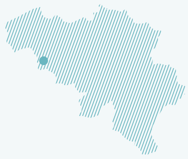
Shopping Bastions

Boulevard Walter de Marvis 22, 7500 Tournai

Top 5 tenants

C&A	5.1%
Ahold Delhaize	4.9%
A.S. Watson Group	3.2%
New Yorker	2.8%
Etam	2.7%

Number of tenants: 88
Construction: 1979 – Extension: 2018
Location: The Retail Park 'Shopping Bastions' is located alongside the ring of Tournai
Lettable area: 31,381 m^2



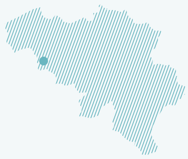
Retail Park Bastions

Rue des bastions 100, 7500 Tournai

Top 5 tenants

Maisons Du Monde	18.9%
Sportsdirect	16.1%
Brico	16.0%
ZEB	12.9%
AS Adventure	10.7%

Number of tenants: 8
Construction: 2016
Location: The Retail Park 'Les Bastions' is located alongside the ring of Tournai
Lettable area: 10,312 m^2



7 Fontaines

Boulevard Walter de Marvis 22, 7500 Tournai

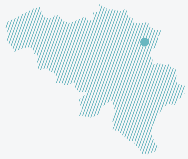
Top 3 tenants

La Foir'Fouille	51.1%
Tom&Co	27.7%
Burger Brands	21.3%

Number of tenants: 3
Construction: 2019
Location: '7 Fontaines' is located alongside the ring of Tournai
Lettable area: 3,485 m^2

Shopping 1

Rootenstraat 8, 3600 Genk



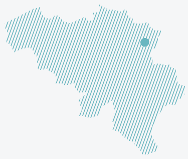
Top 5 tenants

Q Park	14.3%
Ahold Delhaize	6.2%
New Yorker	5.7%
Lunch Garden	5.5%
Burger Brands	3.9%

Number of tenants: 59
Construction: 1967 – Renovation 2014
Location: Shopping 1 is located in the centre of Genk
Lettable area: 21,661 m^2

Genk Stadsplein

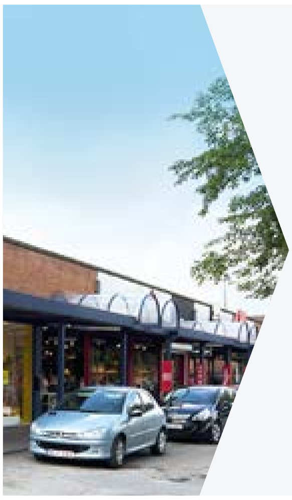
Stadsplein 39, 3600 Genk



Top 5 tenants

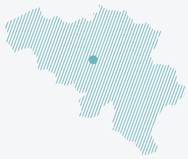
C&A	14.3%
Inditex	14.1%
A.S. Watson Group	11.0%
H&M Hennes & Mauritz SA	9.5%
Bestseller	8.0%

Number of tenants: 18
Construction: 2008
Location: The shopping centre is located in the centre of Genk
Lettable area: 15,415 m^2



Commercieel complex te Waterloo

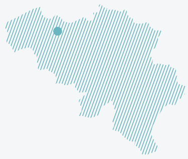
Chaussée de Bruxelles 193-195, 1410 Waterloo



Top 5 tenants

Celebrity	20.1%
Club	18.6%
Madame Charlotte	14.2%
Planet Parfum	12.4%
Exki	9.2%

Number of tenants: 12
Construction: 1968
Location: The shopping centre is located in the centre of Waterloo
Lettable area: 3,487 m^2



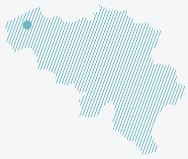
Shopping Overpoort

Overpoortstraat, 9000 Gent

Top 5 tenants

Jims	31.5%
Ahold Delhaize	25.3%
A.S. Watson Group	17.0%
Yammi Yammi	14.6%
Subway - Honny Bunny	11.6%

Number of tenants: 5
Construction: 2014
Location: The complex is situated along the Overpoortstraat, in the city centre of Gent
Lettable area: 3,960 m²



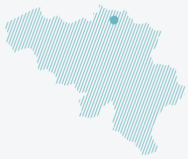
Brugge Retail Park

Maalsesteenweg 334, 8310 Brugge Sint-Kruis

Top 5 tenants

Carrefour	40.0%
Media Markt	20.4%
Brico	19.7%
Lunch Garden	6.7%
Pearle	4.2%

Number of tenants: 11
Construction: Begin 70
Location: The Brugge Retail Park is located along one of the main access roads to Bruges
Lettable area: 20,946 m²



Turnhout Retail Park

Parklaan 80, 2300 Turnhout

Top 5 tenants

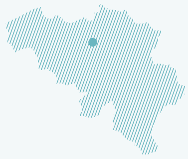
Carrefour	55.5%
Brico	19.2%
Lunch Garden	7.4%
Auto 5	4.2%
McDonald's	3.5%

Number of tenants: 12
Construction: Begin 70
Location: The Turnhout Retail Park is located alongside the ring of Turnhout
Lettable area: 19,804 m²

Offices portfolio

The Sage Vilvoorde 28

Medialaan 28, 1800 Vilvoorde



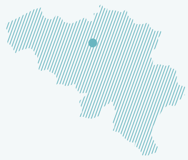
Top 4 tenants

Ricoh	54.7%
Quinz	20.4%
Neovia	16.8%
Usg People Business Solutions	8.1%

Number of tenants: 4
Construction: 2001
Location: In Business park 'Business- & Mediapark', near the Brussels ring (exit 6) and near the national airport
Lettable area: 13,000 m²

The Sage Vilvoorde 30

Medialaan 30, 1800 Vilvoorde



Top 5 tenants

Nutrition & Sante	36.8%
Ricoh	9.0%
Usg People Business Solutions	1.7%
Ced Belgium	1.5%
Bahlsen	0.1%

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

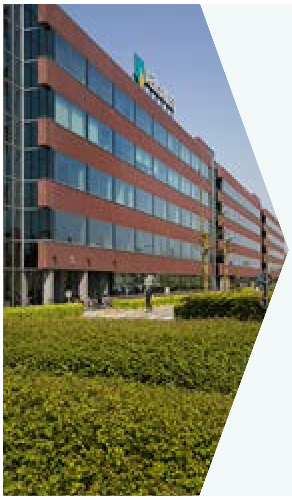
The Sage Vilvoorde 32

Medialaan 32, 1800 Vilvoorde

Top 4 tenants

Intersystems	37.8%
Bahlsen	25.6%
Ced Belgium	22.7%
Grenke Lease	13.9%

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: 4,023 m²



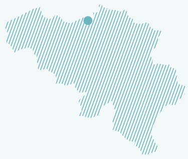
The Sage Antwerp 1

Roderveldlaan 1-2, 2600 Antwerpen

Top 5 tenants

Antea	27.5%
Maersk Line Belgium	22.3%
BTV	16.0%
Celestia	8.0%
KH Engineering België	7.7%

Number of tenants: 7
Construction: 2001
Location: Situated close to Berchem station
Lettable area: 11,367 m²



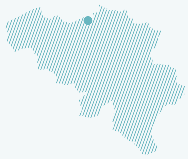
The Sage Antwerp 2

Roderveldlaan 3-4-5, 2600 Antwerpen

Top 5 tenants

Spb Benelux	13.7%
Odyssey	13.5%
Vito	13.1%
Tennant	12.7%
Hlb	12.5%

Number of tenants: 10
Construction: 1999
Location: Situated close to Berchem station
Lettable area: 16,824 m²



The Sage Antwerp 3

Berchemstadionstraat 76-78, 2600 Antwerpen

Top 5 tenants

Amadeus	18.2%
Tvm	17.1%
Usg	11.9%
Cws - Boco	7.2%
Finvision	6.2%

Number of tenants: 15
Construction: 2002
Location: Situated close to Berchem station
Lettable area: 11,417 m²

Development projects

Waterloo

Sector
Retail/Residential

Type
Multifunctional redevelopment of the shopping centre

Scope
+/- 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

Sector
Retail/F&B/Leisure/Co-working

Type
Extension

Scope
+/- 11,000 m² GLA

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 firsthalf of 2021.

Valuation experts' report

Resolutions of the valuation experts, prepared on 31 December 2021, following the valuation of the property portfolio, as referred to the Royal Decree of 13 July 2014 with respect to regulated real estate companies.

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 estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion'.

Evaluation principles for the property portfolio

Cushman & Wakefield

Investment products: Capitalisation method
The valuation method used is the capitalisation of market rents with adjustments to take into account any items which may impact the value of the property, such as rental vacancy, etc.

The first approach consists in determining market rents (MR). We analyse the price level at which the buildings could be rented on the market tomorrow. To arrive at this price, we use our internal data and current market transactions while taking account the location and accessibility of the site, of the building overall and of the individual retail areas.

Once the MR has been determined for each retail space, we calculate the adjusted Market Rent. It corresponds to the rent received plus 60%-80% of the difference between the rent received and the estimated market rent, or 100% of the estimated market rent, depending on the rent received.

The first case applies when the MR is greater than the rent received. From experience, we know that when contracts are renewed and the MR is higher than the rent received, the owner rarely receives 100% of the MR.

In the event of a dispute at the time of renegotiation between the owner and the tenant, a judge will decide on a rent on average 60%-80% of the difference between the rent received and the Mr. The adjusted Market Rent will apply until the end of the contract.

The second scenario applies when the rent received is greater than the Mr. We think that it is highly unlikely that the rent can be maintained and that the rent received will adjust to the MR at the next break.

The second approach consists in assessing at what yield an investor would be prepared to purchase the property. To determine the yield, we used the most comparable transactions and the transactions in progress in our investment department. We obtain the gross value before adjustments.

For the third approach, we take account of all of the adjustments that could have an impact on the gross value before adjustments. The adjustments include current and future vacancy, rental expenses and planned works, investments, etc. The adjustments are deducted or added to the initial gross value to obtain the gross value after adjustments (or Investment value, all-in).

The last approach consists in obtaining the value excluding ownership costs. We obtain this value by deducting the normative hypothetical cost of 2.5% from the all-in market value after adjustments.

Total valuation at 31 December 2021: € 482.0M

CBRE

Buildings available for lease: valuation of rental flows
We used the rental income method for investment properties. This method consists in capitalising (in perpetuity) the estimated rental income with adjustments up or down for non-recoverable charges, vacancies, rent-free periods and rental costs.

An estimated rental value (ERV) is defined for each building and a capitalisation rate (cap rate) is set based on points of comparison. An adjustment is made for the difference between the estimated rental value and the contractual rents:

- If the estimated rental value is greater than the current rents, a negative adjustment is made (discount), consisting in the difference between the market rental value and the contractual rent calculated through the term of the current rental period.
- If the estimated rental value is less than the current rents, a positive adjustment is made (premium), consisting in the difference between the market rental value and the contractual rent calculated through to the next time the tenant can terminate the lease.

Development projects: Residual method
We used the residual valuation method for the land in Nivelles. It defines the market value of a property by estimating the sales price of the finished project, after development, based on optimal maximum use. The development costs are then deducted from the estimated sale price. Development costs include construction costs, fees, taxes, financing costs and the developer's margin. The result is the value of the property in its current state, with the permit for the (re)development project.

Total valuation at 31 December 2021: € 424M (fair value)

This valuation does not include any negative values.

The market value is consistent with the valuations done to prepare the annual accounts.

Transaction costs
The valuation is established without taxes and does not take account of the cost of carrying it out. When valuing a property for sale, the net valuation excludes the buyer's costs, which can vary by region. The normative hypothetical costs are 2.5%.

Assumptions and sources of information
According to the Red Book glossary, an assumption is 'a supposition taken to be true'.

It involves facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, do not need to be verified by the valuer as part of the valuation process. We use a number of assumptions and information sources for our valuations. We believe that our assumptions are reasonable given our knowledge of the properties and the content of the reports provided to us. If the assumptions are incorrect, the valuation will have to be adjusted. The assumptions used for our valuation are provided below.

Inspections
We inspected all of the properties and the Company's management informed us that none of the properties had changed significantly since our last inspection.

Information
We assumed that the information provided by Wereldhave Belgium and its professional advisors regarding the properties is complete and accurate.

Our assumptions provide detailed information on the factors that can impact value, including potential lease transactions, rent reviews, pending legal requirements and provisions with respect to planning provided to us, assuming the corresponding information was up to date.

Title
As part of a previous valuation of the properties, we used the information of the Company with respect to the quality and commercial potential of the ownership titles of each property. When we didn't have a report or an ownership title, we assumed, unless the contrary was proven, that the properties were not for sale and that they were free of any obligation, mortgage or other charges. Our valuation is based on information provided by third parties, including the ownership rights, which we did not verify separately as valuators for accounting purposes for Wereldhave Belgium: we assumed that the information received was accurate.

Surface areas
We did not measure the properties. We used the surfaces areas provided to us and taken from measurement reports for the properties to check the surface areas.

Machinery and technical installations
The tangible fixed assets including lifts, escalators, climate control systems and other equipment were deemed integral parts of the properties and were taken into account in our valuations. The machinery and technical installations, other appliances and equipment of the tenants were not taken into account in our valuation.

We did not carry out any special testing on service systems and, for the purposes of valuation, we assumed that they were in good condition and compliant with the articles of association and the legislation and regulations in effect.

Environmental and soil survey

Our assignment did not include research or technical environmental assessments and we did not conduct any historical research regarding soil or building pollution. Unless there was information to the contrary, we assumed that the properties were not impacted by soil pollution and that there was no reason to believe that the current or future use of the properties would be affected.

Our assignment did not include checking the structure of the properties, but our report assessed the need for repairs, where applicable. The properties were assessed based on the Company's belief that, unless there was information to the contrary, no hazardous materials were used for the construction of the buildings in question.

Planning

We received information about urban development planning verbally only. During our investigation, the local authorities informed us that there were no outstanding urban planning, road building or other project violations. The information provided to us by the 'urban planning managers' was given with no guarantees on their part and we, therefore, decline any responsibility with respect to the accuracy and completeness of the information provided.

We did not review the building permits and assumed that the properties were built and are used in accordance with all required authorisations and that there are no outstanding legal issues. We assumed that the buildings are compliant with all legal requirements, including those of the local authorities, notably with respect to construction, fire, health and safety.

Leases

With respect to lease conditions, the contractual leases, rent indexation, additional income, non-recoverable costs and investment expenses, we used information from the lease agreements provided by the Company for the purposes of our valuation.

We did not carry out an analysis of renter solvency. However, we took our knowledge of the financial situation of the tenants in this market into account for our valuation. We assumed that each tenant could meet their rental commitments and that there were no breaches of the lease agreements.

The total value of the real estate portfolio (excluding the right of use recognised according to IFRS 16 on the long lease for part of the Kortrijk shopping centre in the amount of € 6.5M) was € 906M at 31 December 2021.

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 price then at their 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.

As at 31 December 2021, the total value of development projects amounted to € 13.5M, entirely valued at cost price.

Stock exchange & Wereldhave Belgium

Dividend and number of shares

In 2021, the Shareholders of the Company achieved a return (calculated on the basis of share price evolution and the gross dividend of the year) of 35.6% (2020: -49.2%). The return of the EPRA Index Eurozone was 3.8%. The price/net result ratio at the end of 2021 was 10.8.

The closing share price of the Company at 31 December 2021 was € 49.30 compared to € 39.30 on 31 December 2020. Neither the Company nor any of its subsidiaries own Wereldhave Belgium shares. 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.

In 2021, traded volumes were 4,742 shares a day on average, an increase of 5.1% in volume compared to 2020 (on average 4,511 units a day). The velocity ratio of the share in 2021 was 0.06%.

The Wereldhave Belgium share

	2021	2020	2019
Number of shares			
Number of shares at year end	**8,692,063**	8,319,287	7,807,981
Number of shares entitled to dividends	**8,692,063**	8,319,287	7,807,981
Registered shares	**4,670,666**	4,446,670	4,821,564
Dematerialized shares	**4,021,397**	3,872,617	2,986,417
Market capitalization at closing (€ M)	**428.5**	326.9	673.0
Free float (%)	**34.1%**	32.3%	33.5%
Share price (€)			
Highest closing price	**54.10**	88.00	93.20
Lowest closing price	**39.30**	35.30	79.00
Share price at closing	**49.30**	39.30	86.20
Premium (+) / Discount (-) relative to the actual net asset value (%)	**-36.13**	-49.74	-2.35
Average share price	**46.63**	54.24	82.75
Data per share (€)			
Net value (fair value)	**77.19**	78.20	88.27
EPRA Net Tangible Assets (NTA)	**77.29**	78.44	88.40
Gross dividend	**4.10**	4.00	4.50
Net dividend	**2.87**	2.80	3.15
Gross dividend yield (%)	**8.32%**	10.18%	5.22%
Net dividend yield (%)	**5.82%**	7.12%	3.65%
Pay-out ratio (%)	**89.72%**	83.97%	81.03%
Volume (number of shares)			
Average daily volume	**4,742**	4,511	3,605
Volume per year	**1,223,353**	1,159,444	919,227
Velocity ratio (%)	**0.06%**	0.06%	0.05%

Dividend

A dividend per share of € 4.10 gross – € 2.87 net (2020: € 4.00 gross – € 2.80 net) will be proposed to the General Meeting of Shareholders to be held on 13 April 2022.

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 Tuesday, 19 April 2022 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. € 2.87 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 € 2.87 per share and the balance resulting from the said reduction or exemption from withholding tax will be paid in cash as from 9 May 2022. The exact terms and conditions of the transaction will be set on Tuesday, 19 April 2022.

To enable the organisation of this process, the financial calendar 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 set for Thursday, 14 April, Tuesday, 19 April and Monday, 9 May 2022.

Shareholdership

Name	Number of voting rights held directly	% of voting rights held directly
Wereldhave SA WTC Schiphol Toren A Schiphol Boulevard 233 1118 BH Schiphol Nederland	**2,865,359**	**32.97%**
Wereldhave International SA WTC Schiphol Toren A Schiphol Boulevard 233 1118 BH Schiphol Nederland	**2,862,964**	**32.94%**
Public	**2,963,740**	**34.10%**
Total	**8,692,063**	**100%**

None of the Executive Managers or the members of the Board of Directors held any Company shares as at 31 December 2021.

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 the Company was € 362,810,389.47 divided among 8,692,063 shares, each representing a 1/8,692,063rd of the share capital without par value and fully paid up. 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 3, Wereldhave SA and Wereldhave International SA announced that they held, respectively, over 30% of the voting shares of the Company at 1 September 2008.

Of the 8,692,063 shares in circulation at 31 December 2021, 32.96% were held by Wereldhave SA, 32.94% by SA Wereldhave International and 34.10% by the general public ("Free Float").

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

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 6 March 2020, for a term of five years, as of the compulsory disclosure in the Supplement to the Belgian Official Gazette 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 2021, the available amount of authorised capital decreased by € 15,086,501.36 due to an optional dividend operation (May 2021).

On 31 December 2021, the available amount of the authorized capital amounts to € 295,828,893.67.

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 the issuance premiums, as well as all own assets under the IFRS separate financial statements of the Company (prepared under the Regulatory Regime governing publicly 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 Belgian Code on Companies and Associations, the applicable legislation governing public RRECs and the articles of association.

Financial calendar for 2022

Wednesday, 13 April 2022

APR 13

General Meeting of Shareholders

Thursday, 14 April 2022

APR 14

Ex-dividend date[1]

Tuesday, 19 April 2022

APR 19

Q1 2022 press release (after market close)

Tuesday, 19 April 2022

APR 19

Dividend record date

Monday, 9 May 2022

MEI 9

2021 dividend payment

Tuesday, 19 July 2022

JUL 19

Q2 2022 press release (after market close)

Tuesday, 25 October 2022

OKT 25

Q3 2022 press release (after market close)

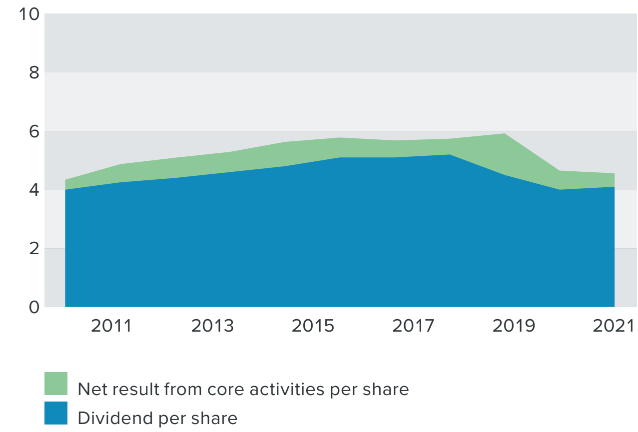
All changes to the financial calendar will be published in a press release, which can also be found on the Company website at www.wereldhavebelgium.com

1 (and not (Easter) Monday) 18 April 2022, as stated in error in the press release of 8 February 2022)

Stock exchange data

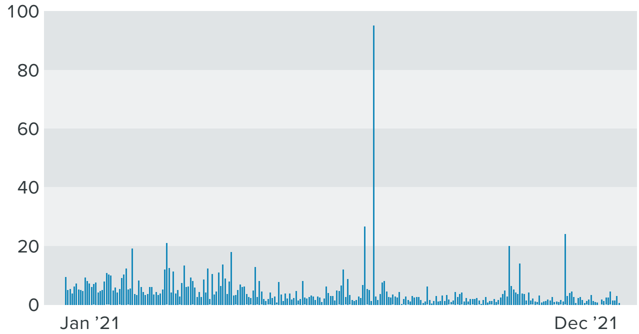
Net result of core activities per share and dividend per share

(x € 1)



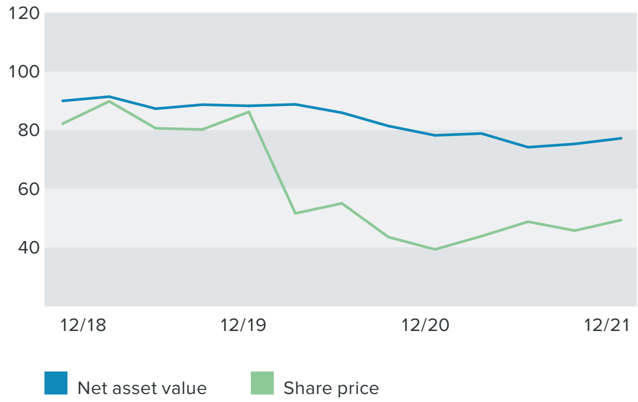
Traded volumes Wereldhave Belgium

(x 1,000)

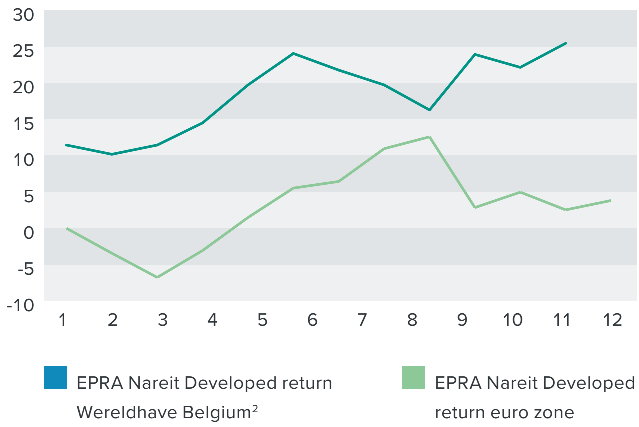


Share price/net asset value

(before profit sharing x € 1)

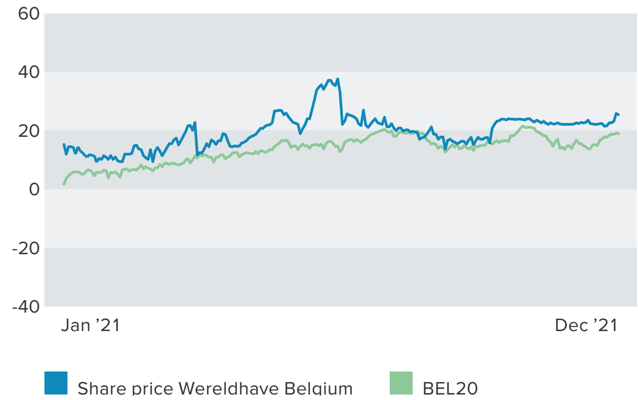


EPRA Nareit Developed return[1]



Comparison Wereldhave Belgium to BEL20 close index

(in %)



1 These data are provided for information only and are not required by the RREC Law. They are not subject to any verification by the Public Authorities and are not audited by the Statutory Auditors.

2 Changes in the market price (gross dividend included) of the Wereldhave Belgium share.

Financial report

Consolidated balance sheet

(x € 1,000)	Note	2021	2020
Assets			
Non-current assets			
Investment properties	6	926,005	921,209
Other tangible assets	7	707	895
Financial non-current assets	14	1,487	
Trade receivables and other non-current assets		408	521
Total non-current assets		**928,607**	**922,625**
Current assets			
Assets held for sale	6	3,325	
Trade receivables	8	12,562	13,561
Tax receivables and other current assets	8	502	5,002
Cash and cash equivalents	9	5,539	3,030
Total current assets		**21,928**	**21,593**
Total assets		**950,535**	**944,218**
Shareholders' equity			
Shareholders' equity attributable to the parent company's shareholders			
Capital	10	362,810	347,724
Issue premiums	10	88,877	88,877
Reserves		181,016	236,090
Net result of the year		38,191	-22,148
Total shareholders' equity attributable to the parent company's shareholders		**670,893**	**650,543**
Minority interests		**4**	**4**
Total shareholders' equity		**670,897**	**650,548**
Liabilities			
Non-current liabilities			
Provisions	11	849	1,102
Non-current financial liabilities	12	182,804	153,558
Credit institutions	*12*	*109,556*	*152,733*
Other non-current financial liabilities	*13*	*73,248*	*826*
Other non-current financial obligations	14	7,546	8,856
Total non-current liabilities		**191,199**	**163,517**
Current liabilities	**15**		
Current financial liabilities		67,313	109,984
Credit institutions			*25,000*
Other current financial liabilities		*67,313*	*84,984*
Trade payables and other current liabilities		11,404	12,829
Accrued charges and deferred income		9,721	7,340
Total current liabilities		**88,439**	**130,153**
Total shareholders' equity and liabilities		**950,535**	**944,218**
Net asset value per share (x € 1)		77.19	78.20

Consolidated profit and loss account

(x € 1,000)	Note	2021	2020
Rental income	16	54,866	56,466
Rental-related expenses	16	-2,219	-7,247
Net rental income		**52,648**	**49,218**
Recovery of rental charges and taxes normally paid by the tenant on let properties	17	8,951	7,737
Rental charges and taxes normally paid by the tenant on let properties	17	-10,519	-8,909
Other revenue and charges for letting	18	3,673	3,222
Net rental charges and taxes on let properties		**2,105**	**2,050**
Property result		**54,753**	**51,268**
Technical costs		-308	-389
Commercial costs		-4,178	-4,233
Charges and taxes on non-let properties		-1,785	-1,840
Property management costs		-938	-1,080
Property charges	**19**	**-7,209**	**-7,543**
Property operating results		**47,544**	**43,726**
General company costs	20	-5,772	-5,553
Other operating income and charges	21	1,388	1,325
Total		**-4,385**	**-4,228**
Operating results before result on the portfolio		**43,159**	**39,498**
Result on disposals of investment properties		-2	325
Result on disposals of other non-financial assets		-9	-4
Variations in the fair value of investment properties	22	-3,275	-57,936
Total portfolio result		**-3,286**	**-57,615**
Operating result		**39,873**	**-18,117**
Financial income		789	3
Net interest charges		-4,671	-2,685
Other financial charges		-176	-162
Variations in the fair value of financial assets and liabilities		2,475	-1,193
Financial result	**23**	**-1,583**	**-4,037**
Result before tax		**38,291**	**-22,154**
Corporate tax		-100	6
Tax	**24**	**-100**	**6**
Net result		**38,191**	**-22,148**
Net result shareholders of the Group		38,191	-22,148
Result per share (x € 1)	25	4.47	-2.81
Diluted result per share (x € 1)		4.47	-2.81

Statement of comprehensive income

(x € 1,000)	2021	2020
Net result	**38,191**	**-22,148**
Other comprehensive income		
Items taken in the result		
Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	81	51
Items not taken in the result		
Actuarial gains and losses of pledged pension schemes	268	84
Total other comprehensive income	**349**	**135**
Comprehensive income	**38,539**	**-22,013**
Attributable to:		
Shareholders of the group	38,539	-22,013
Minority interests		

Consolidated cash flow statement

(x € 1,000)	Note	2021	2020
Cash flow from operating activities			
Net result before tax		38,291	-22,154
Income from interest and dividends		-3	-3
Result exclusive of dividend received		**38,288**	**-22,157**
Depreciation tangible assets		213	86
Rental discounts and investments		794	216
Interest charges		4,056	2,848
Changes in the fair value of investment property	22	3,275	57,936
Variations in the fair value of financial assets and liabilities		-2,410	1,193
Movements in provisions on rent receivables		-301	3,216
Movements in receivables	8	-5,199	-2,599
Movements in short term debts	15	8,683	-579
Corporate tax paid			-205
Corporate tax received		74	
		9,186	**62,111**
Net cash flow from operating activities		**47,474**	**39,954**
Cash flow from investment activities			
Acquisition investment properties	6	-829[1]	
Adjustment of acquisition value investment properties	6	2,500[1]	
Sales investment properties	6		7,837
Investments in investment properties	6	-10,811	-19,611
Acquisition furniture and vehicles		-26	-36
Interest and dividend received		3	3
Net cash flow from investment activities		**-9,163**	**-11,807**
Cash flow from financial activities			
Appeal credit institutions/Other	12	72,000	124,000
Repayment credit institutions/Other	12	-85,700	-134,050
Dividends paid	26	-18,142	-16,614
Interest paid		-3,959	-2,790
Net cash flow from financing activities		**-35,802**	**-29,454**
Net cash flow		**2,509**	**-1,308**
Cash & bank balances			
At 1 January		3,030	4,337
Increase/decrease cash and bank balances		2,509	-1,308
At 31 December	**9**	**5,539**	**3,030**

1 As a result of a settlement agreement regarding the retail park in Bruges, the acquisition value was adjusted. The Company also acquired an additional retail unit in its existing Genk shopping centre

Consolidated statement of movements in equity

(x € 1,000)	*Share capital*[1]	*Issue premiums*	*Reserves*[2]	*Net result of the year*	*Proposed remuneration of the shareholder's equity*	*Total*
Balance at 31 December 2019	**329,249**	**88,877**	**271,095**			**689,221**
Capital increase	18,475					18,475
Variations in the fair value of hedging instruments			51			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						
Transfer from reserve for the balance of changes in fair value of real estate properties to accumulated result						
Transfer of the changes in fair value of authorised hedging instruments not subject to hedge accounting						
Dividend over 2019[3]			-35,136			-35,136
Balance at 31 December 2020	**347,724**	**88,877**	**236,094**	**-22,148**		**650,548**
Balance at 31 December 2020	**347,724**	**88,877**	**213,947**			**650,548**
Capital increase[4]	15,087					15,087
Variations in the fair value of hedging instruments			81			81
Provisions for pensions			268			268
Other			-3			-3
Net result				**38,191**		**38,191**
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties						
Transfer of the changes in fair value of authorised hedging instruments not subject to hedge accounting						
Dividend over 2020[5]			-33,277			-33,277
Balance at 31 December 2021	**362,810**	**88,877**	**181,016**	**38,191**		**670,893**
Transfer of the result 2021 on the portfolio to reserve for the balance of changes in fair value of real estate properties			-3,275	3,275		
Transfer of the changes 2021 in fair value of authorised hedging instruments not subject to hedge accounting			2,410	-2,410		
Proposed dividend 2021[6]				-35,637	35,637	
Proposed allocation of the net result of the accounting year to the accumulated result of previous years			3,419	-3,419		
Balance at 31 December 2021 after allocation[7]	**362,810**	**88,877**	**183,569**	**-**	**35,637**	**670,893**

1 Costs capital increase included (€ -284k as at 31 Decembre 2021)
2 See detail reserves
3 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.
4 See note 10
5 Dividend paid 2020 € 4.00 (net € 2.80) per share: € -33,277 of which € 18,142 paid in cash and the balance paid out in 372,776 new shares, which led to a capital increase.
6 Dividend 2021 proposed for approval to the Ordinary General Meeting of 13 April 2022
7 According to the regulator's recommendations, we present, under the final balance of equity as at 31 December 2021, the future allocation of the 2021 result that will take place in 2022.

Detail of the reserves

Continuation

(x € 1,000)	Legal reserve	Reserve for the balance of changes in fair value of real estate properties	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	Total
Balance at 31 December 2019	**36**	**181,713**	**-193**		**-721**	**302**	**89,959**	**271,095**
Capital increase								
Variations in the fair value of hedging instruments			51	-674			674	51
Provisions for pensions					84			84
Net result								
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties[1]		-16,547					16,547	
Transfer from reserve for the balance of changes in fair value of real estate properties to accumulated result[2]		2,118					-2,118	
Transfer of the changes in fair value of authorised hedging instruments not subject to hedge accounting								
Dividend over 2019							-35,136	-35,136
Allocation of the net result of the accounting year to the accumulated result of previous years								
Balance at 31 December 2020	**36**	**167,284**	**-141**	**-674**	**-637**	**302**	**69,926**	**236,094**
Balance at 31 December 2020	**36**	**167,284**	**-141**	**-674**	**-637**	**302**	**47,778**	**213,947**
Capital increase								
Variations in the fair value of hedging instruments			81					81
Provisions for pensions					268			268
Other	-3							-3
Net result								
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties[3]		-57,936					57,936	
Transfer of the changes in fair value of authorised hedging instruments not subject to hedge accounting				-1,091			1,091	
Dividend over 2020							-33,277	-33,277
Balance at 31 December 2021	**33**	**109,348**	**-61**	**-1,765**	**-369**	**302**	**73,528**	**181,016**

Continuation

Transfer of the result 2021 on the portfolio to reserve for the balance of changes in fair value of real estate properties		-3,275						-3,275
Transfer of the changes 2021 in fair value of authorised hedging instruments not subject to hedge accounting				2,410				2,410
Proposed dividend 2021								
Proposed allocation of the net result of the accounting year to the accumulated result of previous years							3,419	3,419
Balance at 31 December 2021 after allocation	**33**	**106,073**	**-61**	**645**	**-369**	**302**	**76,946**	**183,569**

1 Changes in fair value of the investment properties portfolio over 2019. Reclassification of the heading 'Accumulated result'.
2 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.
3 Changes in fair value of the investment properties portfolio over 2020. Reclassification of the heading 'Accumulated result'.

Appendixes

1. General information

The Company is a regulated real estate company (RREC) under Belgian law. The Company prefers to invest in shopping centres and/or shopping centre extensions and in retail parks in Belgium and Luxembourg.

The Company is managed by the Board of Directors. The Board of Directors consists of at least six members (natural persons), three of which are independent.

The Company is listed on the Euronext stock exchange in Brussels.

The consolidated annual accounts for the period from 1 January to 31 December 2021 result from the consolidation of the Company and its subsidiaries.

The consolidated annual accounts and consolidated annual report were approved by the Board of Directors on 9 March 2022. The General Meeting of Shareholders will be held on 13 April 2022 at Medialaan 28 (next door to the Company's registered office). The General Meeting of Shareholders is authorized to change the approbation of the result within legal limits.

This section, the 'Financial Report', must be read together with the sections on the Management Report ("A volatile financial year in 2021 ends on a positive note", investment properties portfolio and financial results).

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 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 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 never exceed 33% at any time (see calculation in note 28) as long as the waiver to Article 30 §1 and §2 of the RREC Law applies.

Given the revaluations and the investments made during the financial year, primarily for the Ring Kortrijk shopping centre and the office buildings in Antwerp, the value of Belle-Île was above the 20% limit at the end of 2021 (20.10% at 31 December 2021), resulting in the waiver being applied again. In order to bring the weight of the shopping centre in the portfolio below 20% structurally, the Company is actively prospecting new opportunities in the Belgian and Luxembourg investment markets.

3. Accounting policies

3.1 Basis of preparation annual accounts 2021

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 2021 financial year, the Company implemented the new IFRS standards below, applicable as at 1 January 2021 and already endorsed by the European Union:

- Amendment to IFRS 16 Leases related to the concessions for Covid-19 (published in March 2021),
- Amendments following the Interest Rate Benchmark Reform Phase 2 to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (published in August 2020).

These amendments did not have a significant impact on the Company's consolidated financial statements.

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 2021, 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 non-current: the requirement for an entity to have the right to defer settlement of the liability during at least 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 reporting period;
- clarify that the classification isn't impacted by expectations related to the exercise of the right of the entity 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. Early application is authorised. These amendments have not yet been endorsed by the European Union.

The IASB published a new draft about these amendments on 19 November 2021.

- **Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the annual improvements,** published on 14 May 2020, contain several changes which clarify certain wordings and correct minor errors or conflicts between standards' requirements:
- **The amendments made to IFRS 3 Business Combinations** update a reference 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 is in both the location and condition necessary for it to be capable of operating in the manner intended by management. The income 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 made to IAS 37 Provisions,** Contingent Liabilities and Contingent Assets, specify the type of costs to be considered when a company assesses if a contract is 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 to the illustrative examples included in IFRS 16 Leases.

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

Amendments to IAS 1 Presentation of Financial Statements and to IFRS Practice Statement 2: Information to be provided on accounting practices, published 12 February 2021, include minor changes intended to improve the information to be provided on accounting practices in order to provide more useful information to investors and the other main users of financial statements. The changes made to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The changes made to the IFRS Practice Statement 2 provide companies with guidance on how to apply the materiality concept to the notes of financial statements.

The amendments are effective for financial years opened as at 1 January 2023. Early application is authorised. 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.

The amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates, published on 12 February 2021, help entities distinguish changes in accounting estimates from changes in accounting policies. The distinction is important because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events.

The amendments are effective for financial years opened as at 1 January 2023 and early application is authorised. These amendments have not yet been endorsed by the European Union. These amendments are not expected to have a significant impact on the Company's consolidated financial statements.

Amendments to IAS 12 Income Taxes: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction, published 6 May 2021, clarifies the way in which entities must recognise deferred tax arising from transactions such as lease contracts and decommissioning obligations. IAS 12 Income Taxes defines how entities recognise income tax, including deferred tax, which is the tax payable or refunded in future. Under certain circumstances, companies are exempted from the recognition of deferred taxes when they recognise assets or liabilities for the first time. There was previously some uncertainty as to whether the exemption applied to transactions such as lease contracts and decommissioning obligations – transactions for which companies recognised both an asset and a liability. The amendments state that the exemption does not apply and that entities are required to recognise deferred tax on these transactions. The purpose of the changes is to reduce diversity in the declaration of deferred taxes on lease contracts and decommissioning obligations.

The amendments are effective for financial years opened as at 1 January 2023. Early application is authorised. These amendments have not yet been endorsed by the European Union. 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.

Transactions, balances and unrealised profits on transactions between subsidiaries are eliminated. Unrealized losses are also eliminated.

Incorporating acquisitions

For acquisitions, the Company 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. The Company does not necessarily consider acquisitions of real estate that, for economic reasons are purchased within a legal entity, to be a business combination but assesses each acquisition individually on the basis of the characteristics of the businesses in question.

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 capitalised and no goodwill or tax deferrals are taken into account.

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

3.3 Equity

The objective of the Company, when managing shareholders' equity (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 optimise total costs. Further, the Company manages its capital to ensure that it meets the requirements of regulations (Royal Decree of 13 July 2014). The share capital is described in note 3.8.

The Company can adjust the amount of its dividend, reduce its capital, issue new shares or sell assets to maintain or, if required, adjust the capital structure.

Marginal costs directly allocated to the issue of ordinary shares, net of any taxes, are deducted from shareholders' equity. Taxes on the transaction costs of equity operations are recognised 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 investment paid to the seller and the share of the Company in the fair value of the acquired net asset 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 non-current 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 IFRS 16, 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 Kortrijk" shopping centre. This asset is also 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 lease incentives granted to tenants are amortised on a straight-line basis over the term of the related lease, but, at the latest, over the period 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:

- definitive 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, in charge of technical supervision and project management, on the basis of time spent and the capitalised 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 rates if there is no specific project financing. Interest charges comprise interest and all the costs of the Company 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 tangible assets:

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

Other tangible 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.

Gains and losses on disposals of assets classified as other tangible assets 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; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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 amortised 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 180 days;
- he 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 recognised in profit or loss. The profit and loss resulting from the derecognition are recorded in profit or loss (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 recognised in profit or loss. Other net gains and losses are recognised 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 recognised 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 derecognises 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 realise 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. The Group also derecognises a financial liability when its conditions are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability is recognised at fair value, based on the modified conditions.

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 profit/loss.

(iv) Derivative financial instruments and hedging accounting

The Group holds derivatives to hedge its exposure to currency and interest rate risks. 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 the inception of a designated hedging relationship, the Group collect structured documentation describing the objective of the entity in terms of risk management and its hedging strategy. 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 recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised 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 instrument 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. Provisions are created for receivables over 180 days past due. 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 net 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 long 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 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'. 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 actual 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 2.1 years up to the first cancellation option and 6.6 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 tenant has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised 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 based on retailer turnover or rental income from incidental rental are accounted for in the profit and loss account for the period to which they relate if it 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.

Rental charges normally payable by tenants (+/-)

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 such 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 (incurred by the landlord). Because it acts as principal, the rental costs and their recovery 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 charges

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
Interest comprises the total of interest attributable to the accounting period on loans, other debts, accounts receivable and cash and bank balances and is split between interests received and paid. Due to the amortised cost valuation of interests bearing debts as well as amortisation of the liability portion of convertible bonds, interest will include interest addition to interest bearing debts on the basis of the effective interest rate per loan.

Interest directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use is capitalised as part of the cost of the respective asset. 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 Significant valuations

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 are commented on in note 6.

4. Consolidated statement of net result from core and non-core activities

(x € 1,000)	2021		2020	
	Core[1]	Non-core[2]	Core[1]	Non-core[2]
Net rental income	**52,648**		**49,218**	
Recovery of rental charges and taxes normally paid by the tenant on let properties	8,951		7,737	
Rental charges and taxes normally paid by the tenant on let properties	-10,519		-8,909	
Other revenue and charges for letting	3,673		3,222	
	2,105		**2,050**	
Property result	**54,753**		**51,268**	
Technical costs	-308		-389	
Commercial costs	-4,178		-4,233	
Charges and taxes on non-let properties	-1,785		-1,840	
Property management costs	-938		-1,080	
Property charges	**-7,209**		**-7,543**	
General company costs	-5,772		-5,553	
Other operating income and charges	1,388		1,325	
	-4,385		**-4,228**	
Operating results before result on the portfolio	**43,159**		**39,498**	
Result on disposals of investment properties		-2		325
Result on disposals of other non-financial assets	-9		-4	
Variations in the fair value of investment properties		-3,275		-57,936
Operating result	**43,150**	**-3,277**	**39,494**	**-57,611**
Financial income	789		3	
Net interest charges	-4,671		-2,685	
Other financial charges	-176		-162	
Variations in the fair value of financial assets and liabilities		2,475		-1,193
Financial result	**-4,057**	**2,475**	**-2,845**	**-1,193**
Result before tax	**39,093**	**-802**	**36,650**	**-58,803**
Tax	**-100**		**6**	
Net result	**38,993**	**-802**	**36,656**	**-58,803**
Result per share (x € 1)	4.56	-0.09	4.65	-7.47

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 the result on sale of property investments, the variations in the fair value of property investments, the other portfolio result, the variations in the fair value of financial assets and liabilities and taxes on capital gain latencies and the exit taxes paid.

In the notes to the annual consolidated accounts, the Company does not differentiate between core and non-core activities as this provides a better understanding of the composition of the profit/loss. The presentation is not mandatory according to the IFRS.

5. Segment information

The segmentation of rental income, property charges, investment properties and revaluations is broken down by sector as follows:

Segment information 2021

(x € 1,000)	Offices	Retail	Total
Rental income	6,231	48,636	54,866
Rental-related expenses	-197	-2,022	-2,219
Net rental income	**6,034**	**46,614**	**52,648**
Recovery of rental charges and taxes normally paid by the tenant on let properties	1,433	7,518	8,951
Rental charges and taxes normally paid by the tenant on let properties	-1,667	-8,853	-10,519
Other revenue and charges for letting		3,673	3,673
Net rental charges and taxes on let properties	**-234**	**2,339**	**2,105**
Property result	**5,800**	**48,953**	**54,753**
Technical costs		-308	-308
Commercial costs	-103	-4,075	-4,178
Charges and taxes on non-let properties	-763	-1,022	-1,785
Property management costs	-217	-721	-938
Property operating results	**4,717**	**42,827**	**47,544**
General company costs			-5,772
Other operating income and charges			1,388
Operating results before result on the portfolio			**43,159**
Result on disposals of investment properties		-2	-2
Result on disposals of other non-financial assets		-9	-9
Variations in the fair value of investment properties	-322	-2,953	-3,275
Operating result			**39,873**
Financial result			**-1,583**
Result before taxes			**38,291**
Corporate tax			-100
Net result			**38,191**
Investment properties			
Properties available for lease			
Balance at 1 January	89,975	816,903	906,878
Transfer of development projects to properties available for lease		2	2
Transfer of properties available for lease to investment properties held for sale		-3,325	-3,325
Investments	3,875	8,312	12,186
Acquisition		-1,671[1]	-1,671
Revaluation	-322	-2,953	-3,275
Balance at 31 December	**93,528**	**817,268**	**910,796**
Capitalised rent incentives	742	952	1,695
Value properties available for lease	**94,270**	**818,221**	**912,491**
Development projects			
Balance at 1 January		12,635	12,635
Investments		783	783
Capitalised interest		97	97
Revaluation			
Balance at 31 December		**13,514**	**13,514**
Total portfolio	**94,270**	**831,735**	**926,005**

1 As a result of a settlement agreement regarding the retail park in Bruges, the acquisition value was adjusted. The Company also acquired an additional retail unit in its existing Genk shopping centre

Segment information 2020

(x € 1,000)	Offices	Retail	Total
Rental income	7,626	48,839	56,466
Rental-related expenses	-7	-7,241	-7,247
Net rental income	**7,620**	**41,599**	**49,218**
Recovery of rental charges and taxes normally paid by the tenant on let properties	1,715	6,022	7,737
Rental charges and taxes normally paid by the tenant on let properties	-1,793	-7,116	-8,909
Other revenue and charges for letting		3,222	3,222
Net rental charges and taxes on let properties	**-78**	**2,129**	**2,050**
Property result	**7,541**	**43,727**	**51,268**
Technical costs	-80	-309	-389
Commercial costs	-65	-4,168	-4,233
Charges and taxes on non-let properties	-726	-1,114	-1,840
Property management costs	-45	-1,035	-1,080
Property operating results	**6,625**	**37,101**	**43,726**
General company costs			-5,553
Other operating income and charges			1,325
Operating results before result on the portfolio			**39,498**
Result on disposals of investment properties		325	325
Result on disposals of other non-financial assets		-4	-4
Variations in the fair value of investment properties	-3,433	-54,503	-57,936
Operating result			**-18,117**
Financial result			**-4,037**
Result before taxes			**-22,154**
Corporate 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**	**921,209**

This segment information covers 97.4% of total assets.
The allocation of the other assets is not relevant.

The explanations on the balances and the main changes compared to last year can be found in the notes (e.g., note 6 on the investment properties section).

6. Investment properties

(x € 1,000)	2021	2020
Properties available for lease		
Balance at 1 January	**906,878**	**947,069**
Transfer of development projects to properties available for lease	2	
Transfer of properties available for lease to investment properties held for sale	-3,325	
Acquisition	-1.671[1]	
Investments	12,186	16,805
Revaluations	-3,275	-56,996
Total properties available for lease	**910,796**	**906,878**
Book value of capitalised rent incentives	1,695	1,697
Fair value investment properties conform external real estate experts	**912,491**	**908,575**
Development projects		
Balance at 1 January	**12,635**	**12,615**
Transfer of development projects to properties available for lease	-2	
Investments	785	940
Capitalised interest	97	20
Revaluations		-940
Total development projects	**13,514**	**12,635**
Total investment properties	**926,005**	**921,209**

1 As a result of a settlement agreement regarding the retail park in Bruges, the acquisition value was adjusted. The Company also acquired an additional retail unit in its existing Genk shopping centre

6.1 Properties available for lease

Transfers

In the fourth quarter of 2021, the conditions for the sale of a vacant lot and a vacant building located near the Shopping Bastions in Tournai to third parties, who will develop them, were met. The assets were transferred from investment properties to assets held for sale (see also note 6.3 "Assets held for sale"). The deeds for these sales are expected in the first half of 2022.

Acquisition/Disposals

The Company acquired an additional unit in Shopping 1 in Genk during the 2021 financial year. In addition, due to the signing of an agreement regarding a dispute with the former owner of the Retail Park in Bruges, an adjustment was made to the acquisition value, which, together with the acquisition of the unit at Genk, resulted in a negative amount of € 1.7M in the 'Acquisition' section.

Investments

In 2020, the Company made investments in its portfolio of buildings available for lease in the total amount of € 12.2M (compared to € 16.8M in 2020), most of which was allocated to:

- the renovation of the exterior façade and outdoor areas of the Ring Kortrijk shopping centre;
- continuing the investment programme for the office building portfolio;
- the building of a small extension to the Shopping Bastions in Tournai;
- the implementation of 'The Point' concepts at Ring Kortrijk and Shopping 1 Genk;
- the installation of new sanitary facilities and rest areas in Shopping Nivelles;
- the general maintenance of the portfolio.

Changes in fair value of properties available for lease

The result of the revaluation at the end of 2021 amounted to -€ 3.3M, i.e., an improvement of € 53.7M compared to 2020 (-€ 57M).

2020 was characterised by a significant negative revaluation of the portfolio (-5.9%) by independent valuation experts (including -6.15%/-€ 53.6M for the retail portfolio and -3.6%/-€ 3.4M for the office portfolio) due to the exceptional situation resulting from the health crisis.

In 2021, and although the health crisis had not ended, the independent valuation experts observed a stabilising of portfolio valuations.

Given this context, the negative change in the fair value of the property portfolio was limited to -€ 3.3M or 0.36% of the portfolio (of which -0.32%/-€ 3M for the retail portfolio and 0.04%/-€ 0.3M for the office portfolio).

6.2 Development projects

Investments

On 31 December 2021, the value of the development projects amounted to € 13.5M (31 December 2020: € 12.6M and remained constant excluding investments of € 0.9M. Investments (including capitalised interest) were made during the past year to prepare two development projects:

- the extension of Shopping Belle-Île in Liège (€ 0.8M): preparation and receipt of the permits in the first quarter of 2021;
- The multifunctional redevelopment (for commercial and residential surfaces) of the Waterloo site (€ 0.1M) which is still in the early planning stages.

As at 31 December 2021, and despite the persistence of the Covid-19 pandemic, there was 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. In 2020, the Company recognised an impairment (-€ 0.9M) on the historical costs of the extension project at Shopping Belle-Île in Liège.

6.3 Assets held for sale

The value of the portfolio of assets held for sale at 31 December 2021 amounted to € 3.3M (31 December 2020: there were no assets held for sale).

In the fourth quarter of 2021, a vacant lot and an empty building located near the Shopping Bastions in Tournai were sold to third parties, who will develop them. The assets were transferred from investment properties to assets held for sale (see note 6.1 “Transfers”). The deeds for these sales are expected in the first half of 2022.

6.4 Sensitivity analysis

	Financial assets and liabilities[1]		Non-financial assets and liabilities					
		Book value	Book value					Fair value
(x € 1,000)	Fair value - Hedging instruments	Other financial liabilities	At cost	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value								
Properties available for lease							912,491	912,491
Authorised hedging intruments						1,487		1,487
Assets held for sale					3,325			3,325
Assets not measured at fair value								
Development projects*			13,514	13,514				
Liabilities measured at fair value								
Authorised hedging intruments						884		884
Liabilities not measured at fair value								
Interest-bearing debts		249,250		249,250		249,291		249,291

[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 sensitivity levels during the year in question.

*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 and valued at its fair value, in which case it will be transferred into the development projects section but will continue to be 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 used to decide when a development project can be measured at fair value:
- an irrevocable building permit is obtained;
- an agreement is signed with a general contractor;
- the required financing is obtained;
- > 70% pre-leased.

		Range	Weighted average
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	€ 123
2021			
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 - € 130	€ 123

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 valuation experts then determine a capitalisation rate for each property, which reflects the general state/quality of the property and deduct the amount of the investments required (agreed by the Company).

For development projects, the valuation experts take the following into account in their calculations:
- the number of extra units that can be developed and the surface area of each of the units;
- their estimation of the rental values for each of the units to be developed;
- a capitalisation rate which reflects the quality and attractiveness (based on general and specific elements) of the future project;
- the expected investment amount to realise 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 € 9.3M; (2020: € 9.2M).
- 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 € 35.4M (€ 38.3M). (2020: € 35.3M (€ 38.3M).

7. Other tangible assets

(x € 1,000)	Office equip-ment	Cars	Total
Balance on 1 January 2021	**556**	**338**	**895**
Purchases (+/-)	26		26
Disposals (+/-)			
Depreciation (+/-)	-95		-95
Decommissioning (+/-)			
Recognition right of use on company cars under financial lease		-119	-119
Balance on 31 December 2021	**488**	**219**	**707**
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**

(x € 1,000)	2021	2020
Total purchase cost	2,990	2,964
Total depreciation	-2,283	-2,070
Net book value	**707**	**895**

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

8. Current receivables

(x € 1,000)	2021	2020
Trade receivables		
Debtors	3,089	4,906
Charges and tax to recharge	9,473	8,655
Totaal	**12,562**	**13,561**

(x € 1,000)	2021	2020
Tax receivables and other current assets		
Taxes		
Withholding tax to recover: Basilix	90	89
Withholding tax to recover: Other	61	2,585
Various tax to recover		1,995
Property tax to recover	111	111
VAT to recover	4	165
Other current assets		
Social security amounts to be recovered	235	57
Total	**502**	**5,002**

The fair value of the current receivables (€ 13M) corresponds to the balance sheet value due to the very short-term nature of these assets.

There were occasional adjustments in 2020 amounting to € 4.4M. On the one hand, (i) the inclusion of part of a recovery expected from a withholding which was taken on the dividends paid to the majority shareholder Wereldhave NL in 2017 and 2018 and which was eventually recovered from the tax authorities (€ 2.4M), and, (ii) on the other hand, the recovery of an exceptional amount of registration taxes for the past five years (€ 2.0M), related to the adjustment to the calculation basis of the tax.

(x € 1,000)	2021	2020
Aging balance Rent		
< 30 days	937	1,219
>= 30 days and < 90 days	841	2,115
>= 90 days	5,127	5,688
	6,905	**9,023**
IFRS 9 Provision	-13	-19
Specific provision	-3,202	-1,318
Provision Covid-19	-600	-2,780
Total	**3,089**	**4,906**

Although the health crisis continued in 2021, its impact on late payments and the recovery of rents and charges decreased significantly compared to 2020. At the end of 2020, € 9M in trade receivables were still outstanding, compared to € 6.9M at the end of 2021. A significant improvement in receivables ageing was also noted (see table below). However, some tenants, who were significantly impacted by the pandemic, signed payment agreements (including deferrals, discounts and even waivers) with the Company.

The mandatory closure periods decided by the government led some tenants to ask for help from the Company to find a solution. As a result, the Company initiated discussions with its tenants starting in 2020, which resulted in the granting of partial write-offs of receivables. At the end of 2021, the Company reviewed the situation and implemented an additional provision of € 0.6M based on individual tenants and on the rent discounts/reductions already granted since the start of the pandemic. In addition to this provision, a special provision of € 3.2M was created for tenants experiencing payment difficulties or whose receivables had gone unpaid for over 180 days. This increased the net open position to € 3M at the end of 2021 (not including the bank guarantees provided by tenants).

9. Cash and cash equivalents

(x € 1,000)	2021	2020
Bank	5,539	3,030
Total	**5,539**	**3,030**

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 increase in this item compared to last year was primarily due to the greater proportion of rental income received before the closing date.

10. Share capital

Shareholdership

There were 8,692,063 shares in circulation at 31 December 2021, of which 32.96% were held by Wereldhave SA 32.94% by Wereldhave International SA and 34.10% 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. By this decision, the General Meeting granted the Board of Directors of the Company the option for a new five-year term for a maximum amount of € 329,437,454.88, to proceed with capital increases without requiring a resolution by the General Meeting. During 2020, the Board of Directors used the authorisation to increase the Company's authorised capital with the optional dividend distribution (€ 18.5M) which took place on 13 November 2020).

In 2021, the Board of Directors again made use of the option via a new optional dividend transaction (€ 15.1M) which took place on 17 May 2021. As a result, 372,776 new shares were issued, increasing the total number of shares to 8,692,063 for capital of € 362.8M.

History of the capital and issue premiums

Date	Operation	Capital movement (€ x 1,000)	Total capital after operation[1] (€ x 1,000)	Number of created shares	Total number of shares
History of capital					
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
13 November 2020	Capital increase - Optional dividend 2020	18,475	347,724	511,306	8,319,287
17 May 2021	Capital increase - Optional dividend 2021	15,086	362,810	372,776	8,692,063
On 31 December 2021			**362,810**		**8,692,063**
History of 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 2021		**88,877**			

1 After deduction of costs of capital increase

11. Pension obligations

(x € 1,000)	2021	2020
Net liability on 1 January	1,102	1,131
Movements in liabilities	-253	-29
Net liability on 31 December	**849**	**1,102**

Within the framework of the “Defined benefit” and “Defined contribution” plans for the benefit of the staff, provisions were recorded in the amount of € 0.8M as at 31 December 2021 (2020: € 1.1M). 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 2021. 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 (0.80% for the defined benefit plans and 0.90% 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

The financing structure of the Company consists primarily of lines of credit with banking institutions, a commercial paper programme with institutional investors (see note 15 ‘Current liabilities’), a ‘green’ bond and an inter-company line of credit with the majority shareholder Wereldhave SA.

During the 2021 financial year, the Company further optimised its financial structure in order to maintain a solid balance sheet, to minimise credit risk (the average maturity of the loan portfolio was extended) and to cover interest rate risk. At 31 December 2021, the debt ratio was 28.2%, compared to 30.0% at 31 December 2020. This debt ratio illustrates the strength of the Company’s balance sheet and, therefore, of its shareholders’ equity, which enables it to plan and fund new growth.

Within the context of the “green financing framework”, the Company recently set up, it successfully implemented a private green bond placement on 31 March 2021 in the total amount of € 32M (at a rate of 3.25% and maturing on 31 March 2026).

This new sustainable financing is for a period of five years. The Company subsequently obtained a new ‘green’ bank loan of € 50M to replace an existing loan in the same amount which would mature in September 2022 and to extend the maturity date to 30 June 2025.

These successful financing transactions demonstrated the excellent environmental performance of the Company’s portfolio.

In addition, the Company increased its commercial paper programme from € 100M to € 150M. This has provided it with additional sources to fund its operations and growth and has also enabled it to further optimise its financing costs and issue for the longer term (see note 15 “Current liabilities”).

The Company uses the following two types of credit facilities:
- Term loans: loans whose total amount was drawn down immediately and must be repaid at maturity. All term loans had been used as at 31 December 2021.
- Revolving credit: loans for which short-term withdrawals (between one and three months) can be made and renewed until the expiration date of the line of credit. They

are primarily held as backup lines for the commercial paper programme. There were no drawdowns on these loans as at 31 December 2021.

The Company also has an inter-company line of credit of € 150M with its majority shareholder Wereldhave SA from which a drawdown of € 40M was made during 2021. The inter-company line of credit is considered in part a backup for the commercial paper programme used by the Company.

The Company has eight long-term credit facilities (revolving credit, term loans, green bond, and the inter-company line with Wereldhave SA) with different maturities of € 437M, of which € 182M have been used (see table below). As the inter-company line is primarily intended as a partial backup for the commercial paper programme of € 150M, we are reducing the committed lines of credit to € 187.75M (€ 437M - € 182M long-term drawdown - € 67.25M drawdown on commercial paper).

The fair value of the credit facilities is not significantly different from their nominal value because there are six variable-rate short-term lines of credit. The margin applied by the bank is considered to be in line with market conditions. These are credit facilities for which no guarantees have been provided. However, the credit facilities are subject to a number of restrictive clauses, the most significant of which is the requirement to retain RREC status, negative pledging and compliance with financial ratios. The Board of Directors of the Company monitors these commitments on a regular basis. As at December 2021, all of the conditions related to the restrictive clauses had been met. (see chapter 9: Risk factors/financial risks).

Although its medium-term financing needs are met, the Company is actively studying several additional financing options in order to optimise the diversification of its financing sources and to lengthen its average residual duration.

(in € M)	Committed amount	Called up by 31 December 2021	Called up by 31 December 2020	Maturity
Borrower				
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
ING	50	50	50	6/30/2025
ING - Degroof Petercam	32	32		3/31/2026
Wereldhave NL[1]	150	40		7/31/2024
TOTAL	**437**	**182**	**153**	

1 Wereldhave NL (Wereldhave SA en Wereldhave International SA) holds on 31 December 2021, directly and indirectly 65,9% of the outstanding shares of the Company.

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

(in € M)	Long term borrowings	Short term borrowings	Total
Restated balance at 1 January 2021	**154**	**110**	**264**
Changes from financing cash flows			
Proceeds from loans and borrowings	72		72
Repayment of borrowings	-43	-43	-86
Total changes from financing cash flows	**29**	**-43**	**-13**
Balance at 31 December 2021	**183**	**67**	**250**

The intercompany line of credit is considered a partial backup for the commercial paper programme used by the Company. As at 31 December 2021, € 40M of the facility had been used.

Sensitivity analysis

An increase in the financial market interest rate curve of 1% has an effect of € -1.1M) on the result and the shareholders' equity, which represents € -0.13 per share). Given that the Euribor was negative over the 2021 financial year, the Company only paid the margin on its variable financing.

13. Other non-current financial liabilities

(x € 1,000)	2021	2020
Other non-current financial liabilities	72,000	
Guarantee tenants	1,248	826
Net book value	**73,248**	**826**

14. Other non-current financial liabilities

Authorised hedging instruments

The Company applies a macro-hedging strategy to its variable-rate financial liabilities. During the 2021 financial year, the Company converted a number of existing instruments and replaced them with new IRS and caps, some of which with deferred start dates to meet the maturities of certain existing derivatives and extend their maturities. Current IRS in the amount of € 50M with a fixed rate of 0.285% combined with the Floor of € 50M, both with maturity dates of 28 September 2022, qualify for hedge accounting with changes in the fair value through equity. At their maturity date, the instruments will be replaced with a new IRS of € 50M through 31 December 2027 with a fixed interest rate of 0.327% (to which the loan margin is added). The new IRS will no longer considered to be a "cash flow hedge", as stipulated by IFRS 9. Consequently, all revaluations of these instruments will be recognised in the income statement.

As at 31 December 2021, these instruments had a positive impact on the income statement via the indirect result of € 2.4M.

	Start date	End date	Nominal amount (in € M)	Interest rate (in %)	Balance on 31/12/2021 (x € 1,000)	Balance on 31/12/2020 (x € 1,000)
Current hedging instruments						
Floor	8/24/2018	9/28/2022	50	0.00%	208	
Interest Rate Swap	9/28/2018	9/28/2022	50	0.29%	-315	-250
Interest Rate Swap	3/31/2021	3/31/2026	32	-0.31%	385	
CAP	3/31/2021	6/30/2023	60	0.50%	50	
Total					**328**	**-250**
Future hedging instruments						
Interest Rate Swap	9/30/2022	12/31/2027	50	0.33%	-568	-1,760
Interest Rate Swap	6/30/2023	12/31/2025	40	-0.14%	254	
Interest Rate Swap	4/11/2024	12/31/2026	25	0.02%	124	
Interest Rate Swap	4/3/2023	12/31/2027	25	0.01%	186	
Interest Rate Swap	12/31/2025	12/31/2026	32	0.17%	24	
Interest Rate Swap	12/31/2026	12/31/2027	17	0.33%	-1	
CAP	6/30/2023	12/31/2025	25	0.50%	221	
CAP	4/11/2024	12/31/2025	5	0.50%	36	
Total					**275**	**-1,760**

Other

IFRS 16 was applied, resulting in the recognition in liabilities of the following:

- A lease liability for a long lease contract for Ring 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 € 0.2M. The interest rate (incremental borrowing rate) used in the calculation of the lease obligation is 5.0%.

15. Current liabilities

(x € 1,000)	2021	2020
Credit institutions		25,000
Other loans	67,250	84,950
Other current financial liabilities	63	34
Trade payables	10,646	11,338
Taxes, remunerations and social security contributions	759	1,491
Rental income received in advance	3,629	2,833
Other accrued charges and deferred income	6,092	4,507
Total	**88,439**	**130,153**

Credit institutions and other loans

As at 31 December 2021, the Company had an unused line of credit maturing within the year. The ‘other loans’ relate to the use of the commercial paper programme, which was increased from € 100M to € 150M during the 2021 financial year. As at December 2020, the use of € 85M was recognised, whereas at 31 December 2021, the amount was € 67.2M.

The issues of this program have mostly been short-term (< 1 year) but, in order to hedge the market risk, they are fully covered by availability from committed credit lines. The fair value of these debts does not differ from their nominal value as they concern short-term advances at floating interest rates. These credit facilities were secured without collateral.

(in € M)	Committed amount	Called up by 31 December 2021	Called up by 31 December 2020	Maturity
Borrower				
KBC	35		25	4/30/2021
BNP Paribas Fortis	35		34	6/30/2022
Treasury notes program - Belfius/ KBC	150	67	85	NA
TOTAL	**220**	**67**	**144**	

Reconciliation of movements in financial liabilities to cash flows arising from financing activities (IAS 7) - see note 12.

Suppliers

The trade payables (€ 10.6M) concern the short-term liabilities related to investments, development projects and current supplier obligations. The fair value of the elements in this item is in line with their book value.

Per object, the obligations are allocated as follows:

(x € 1,000)	2021
Remaining investment commitment Shopping 1 - Genk	661
Remaining investment commitment Waterloo Shopping	18
Remaining investment commitment Ring Kortrijk	1,202
Remaining investment commitment Shopping Belle-Île - Liège	798
Remaining investment commitment Shopping Nivelles	119
Remaining investment commitment Shopping Bastions - Tournai	247
Remaining investment commitment Overpoort - Gent	40
Remaining investment commitment Turnhout RP	38
Remaining investment commitment Brugge RP	61
Remaining investment commitment offices	2,312
Various suppliers	3,376
Various provisions invoices to be received/credit notes to be sent	1,774
	10,646

Taxes, Remunerations and social charges

This section only covers remuneration liabilities and social charges (€ 0.8M).

Property income 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 2022.

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 and costs associated with rental

(x € 1,000)	2021	2020
Rental income	56,701	58,094
Rent reductions	-2,207	-2,212
Rent	**54,494**	**55,882**
Indemnification for early termination of lease	**373**	**584**
Rent to be paid on leased spaces	-10	-4
Revaluation and loss on trade receivables	-2,209	-7,243
Costs associated with rental	**-2,219**	**-7,247**
Net rental income	**52,648**	**49,218**

The rental income is spread among about 630 (trade) leases, held with national and international retailers and leading companies.

Office and retail spaces are the object of 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.

Rent loss as a result of vacancy, expressed as a percentage of theoretical rent amounted to 6.8%. The ten main tenants account for 24.1% of the total rental income.

The future contractual rent from lease agreements on 31 December 2021 is as follows:

(x € 1,000)	2021	2020
Year 1	53,492	53,195
Year 2	49,749	46,611
Year 3	47,090	42,869
Year 4	43,907	39,211
Year 5	39,814	35,305
> Year 5	136,653	131,886
Net book value	**370,705**	**349,078**

17. Rental charges and taxes and recovery of rental charges and taxes normally paid by the tenant on let properties

(x € 1,000)	2021	2020
Recovery of rental charges paid by the owner	8,951	7,737
Rental charges paid by the owner	-10,519	-8,909
Total	**-1,568**	**-1,172**

The rental charges and taxes include the common charges (€ 10.5M) spent for the management of the portfolio. The recovery includes the recharging of the common charges (€ 8.9M) as contractually stipulated in the lease agreement. This recovery is achieved, on the one hand, thanks to help from provisions invoiced in advance on a monthly or quarterly basis and, on the other hand, thanks to annual breakdowns invoiced at the start of the following financial year. The decrease in the net profit/loss of these items (€ -1.6M) compared to 2020 (€ -1.2M) was primarily due to the impact of a number of rental contracts (all-in, etc.) which enable the re-invoicing of a smaller portion of the costs.

18. Other rental-related income and expenses

The 'other rental-related income and expenses' (€ 3.7M) primarily include the income generated in the common areas of the shopping centres and the marketing contributions paid by the tenants for the marketing actions carried out in all the shopping centres. These actions include marketing campaigns in the media, events in the common areas, etc.

Despite the health context during the 2020 and 2021 financial years, an increase of € 0.5M was nevertheless recorded compared to 2020.

19. Property costs

(x € 1,000)	2021	2020
Repairs	-301	-382
Insurance premiums	-7	-7
Technical costs	**-308**	**-389**
Agency commissions	-323	-288
Publicity	-3,855	-3,945
Commercial costs	**-4,178**	**-4,233**
Vacancy charges	-1,327	-1,094
Property tax due to vacancy	-458	-746
Charges and taxes on non-let properties	**-1,785**	**-1,840**
(Internal) property management costs	-938	-1,080
Property management costs	**-938**	**-1,080**
Total	**-7,209**	**-7,543**

Total property charges decreased slightly by € 0.3M compared to 2020.

Technical costs (€ 0.3M) consist mainly of recurring maintenance on the buildings. The costs for vacant spaces (€ 1.8M) include common costs for vacant space which could not be re-invoiced by the landlord. These expenses remained fairly stable compared to 2020. Commercial costs (€ 4.2M) include all publicity and marketing amounts spent in the shopping centres, including marketing campaigns in the media, events organised in the common areas, etc., as well as the cost of estate agents. As stated above, these costs were in line with those of 2020 (€ 4.2M). Internal management costs include internal expenses (payroll costs, etc.) that can be attributed directly to the maintenance of the investment properties portfolio (€ 0.9M).

20. General costs of the Company

(x € 1,000)	2021	2020
Staff costs		
Salaries	-2,680	-4,012
Social security	-970	-1,028
Allocation salary cost to development projects	483	461
Profit sharing	-524	-395
Pension en insurance costs	-339	-564
Other staff costs	-454	-90
Subtotal staff costs	**-4,485**	**-5,628**
Allocated to management/property charges	932	978
Total staff costs	**-3,553**	**-4,649**
Other costs		
Audit fees	-116	-94
Advisory fees	-351	-663
Other costs	-2,059	-509
Subtotal other costs	**-2,525**	**-1,266**
Allocated to management/property charges	306	362
Total other costs	**-2,219**	**-904**
Total general costs	**-5,772**	**-5,553**

Apportionment key for assigning general expenses to property charges

For 2021, a set percentage of general expenses and revenue (2021: € 1.2M, 2020: € 1.3M) 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 2021 accounting year, an average of 49.1 FTE were employed by the Company; as at 31 December 2021 there were 54.2 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 decreased significantly in 2021 (€ -1.4M) primarily as a result of a non-recurring charge (€ +1.2M) in 2020 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.

Miscellaneous expenses

Miscellaneous expenses increased by € 1.5M compared to 2020. 2020 saw an exceptional, one-time correction of € 1.5M in the subscription tax for the three previous years.

21. Other operating income and charges

Apportionment key for assigning other operating income and charges to property charges

In 2021, a fixed percentage of other operating income was allocated to management costs in the real estate charges.

It remained virtually unchanged over the 2020 and 2021 financial years at € 0.4M. The apportionment key has been computed normatively and applied to the respective tasks of the employees and the other general expenses.

(x € 1,000)	2021	2020
Other operating income and charges		
Other income	1,761	1,690
Subtotal other operating income and charges	**1,761**	**1,690**
Allocated to management/property charges	-374	-365
Total other operating income and charges	**1,388**	**1,325**

Other income

The other income includes rental management fees (2021: € 1.8M – 2020: € 1.7M) 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. Variations in fair value of investment properties

(x € 1,000)	2021	2020
Positive revaluation	14,307	-
Negative revaluation	-17,583	-57,936
Net book value	**-3,275**	**-57,936**

See also note 6.1

The negative variations in the fair value of investment properties have been reduced considerably compared to 2020, which was a very difficult year during which the health crisis created a great deal of uncertainty. As a result, the independent valuation experts did not have a framework for the quarterly valuations and a poor outlook on the implications for the market. The real impact became visible and measurable during 2021 and we noted an increase in activity on the part of tenants, notably during the second half of 2021. The occupancy rate of the portfolio also increased again. The Company was able to sign new contracts and existing contracts were renewed. All of this contributed to stabilising valuations compared to 2020. The table below shows that a little under than half of the change is a positive change, whereas in 2020, only impairments were recorded.

23. Financial result

(x € 1,000)	2021	2020
Financial income		
Interests received (coupon real estate certificate Basilix)	6	3
Interests received (other)	783	
	789	**3**
Financial charges		
Interest costs	-4,297	-2,327
Other interest costs	-373	-359
Other	-176	-162
Variations in the fair value of financial assets and liabilities	2,475	-1,193
	-2,372	**-4,041**
Total	**-1,583**	**-4,037**
Average interest rate on loans	1.38%	0.90%
Net interest costs	-3,514	-2,327
Weighted average debt for the period	259,321	269,377

Interest charges (€ -4.3M) include the interest paid on the credit facilities concluded by the Company for its cash management.

The interest received in the amount of € 0.8M must be taken into account to obtain the net cost of interest. As described in note 14, the Company took out several hedging instruments to cover its variable rate loans. The interest received was for the IRS. The other interest costs include the leasehold costs paid on a leasehold agreement in Courtrai, in accordance with the application of IFRS 16 Leases.

The changes in the fair value of financial assets and liabilities were related to fluctuations in the market value of cash flow hedges. See above note 14.

The average interest rate on loans was 1.38% at the end of 2021, compared to 0.90% at the end of 2020.

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)	2021	2020
Corporate tax	-100	6
Total	**-100**	**6**

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 (2021: € 4.47- 2020: € -2.81). No financial instruments have been issued that are convertible into shares. The total number of shares issued increased in 2021, on the one hand with the optional dividend operation, as a result of which 372,776 new shares were issued on 17 May 2021. The total number of outstanding shares was 8,692,063 as at 31 December 2021 (8,319,287 as at 31 December 2020) and the average number of outstanding shares was 8,553,166.

26. Dividend

A dividend of € 33.3M was paid in 2021 (gross € 4.00 / share - net € 2.80 / share), of which € 18.1M were paid in cash and € 15.1 M in 372,776 new shares. After the balance sheet date, the Board of Directors of the Company has proposed to pay out an amount of € 35.6M (2020: € 33.3M), i.e. a gross dividend of € 4.10; net € 2.87 (2020: € 4.00 – € 2.80) 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 the mandatory allocatable dividend
(calculated using the statutory figures of Wereldhave Belgium SA)

(x € 1,000)	2021	2020
Net result	**38,682**	**-23,066**
Depreciation	151	60
Amounts written off on trade receivables	-876	3,043
Result on disposal of real estate properties	2	-325
Variation in the fair value of real estate properties	3,275	57,936
Other non-monetary items - Incentives	794	-216
Other non-monetary items - Variations in the fair value of authorised hedging intruments	-2,410	1,091
Other non-monetary items - Variations in the fair value of financial assets and liabilities	103	1,107
Corrected result for mandatory distribution	**39,721**	**39,630**
Minimum result to be distributed (80%)	31,777	31,704
Net debt reduction	-15,850	
Minimum result to be distributed (80%) - Net debt reduction	15,926	31,704
Operating result allocated to dividend distribution	35,637	33,277
Operating result allocated to dividend distribution / per share	4.10	4.00

27. Article 7:212 of the BCCA

As defined in Article 7:212 of the BCCA, the amount 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 in compliance with Article 7:212 of the BCCA
(calculated using the statutory figures of Wereldhave Belgium SA)

(x € 1,000)	2021	2020
Non-distributable elements of shareholders' equity for profit distribution		
Capital	362,846	347,760
Issue premiums	88,877	88,877
Legal reserve	25	25
Reserve for the balance of changes in fair value of real estate properties[1]	105,764	163,700
Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting as defined in IFRS[2]		
Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting as defined in IFRS[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	-3,275	-57,936
Transfer of changes in fair value of authorised hedging instruments not subject to hedge accounting as defined in IFRS to reserve[4]	2,410	
Total non-distributable shareholders'equity	**556,647**	**542,425**
Shareholders' equity	671,615	650,814
Proposed dividend distribution	35,637	33,277
Number of shares	8,692,063	8,319,287
Remaining reserves after distribution	79,331	75,112

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 2021 and 2020, respectively -60.7 keur and -141.5 keur, are not taken into account in the Art. 7:212
3 The negative balances of 2021 (-1,764.8 k) and 2020 (€ -674.3 k) are not taken into account in the Art. 7:212 calculations.
4 The negative amount of 2020 (-1,090.6 keur) is not taken into account in the Art. 7:212 calculations.

28. Determination the debt ratio

(x € 1,000)	Statutory balance sheet	Consolidated balance sheet
Total items "Liabilities" in the balance sheet	276,590	279,638
Non current liabilities	190,992	191,199
Provisions	-734	-849
Other non-current financial liabilities - Authorised hedging instruments	-884	-884
Current liabilities	85,598	88,439
Accrued charges and deferred income	-8,082	-9,721
Total items "Liabilities" considered for the calculationof the debt ratio (numerator)	**266,890**	**268,184**
Total "Assets" in the balance sheet	**948,205**	**950,535**
Authorised hedging instruments recorded under assets		
Total "Assets" considered for the calculation of the debt ratio (denominator)	**948,205**	**950,535**
Debt ratio	**28.1%**	**28.2%**

The consolidated debt ratio at 31 December 2021 was 28.2%, compared to 30.0% at the end of 2020, which reflected more strengthening of the balance sheet.

29. Intra-group related party transactions

Intra-group fees, invoiced by Wereldhave SA for IT support (ICT), among other items, amounted to € 0.4M (excl. VAT) in 2021.

The Dutch fiscal investment institution (FBI) Wereldhave SA (lead shareholder, with Wereldhave International SA, at 65.90%) granted the Company (see notes 12 and 15) a revolving line of credit of € 150M with a maturity at 31 July 2024.

This credit facility has a credit margin in line with the market and does not include a commitment fee. This credit facility is used primarily as a backup line for the commercial paper programme of € 150M.

As at 31 December 2021, € 40M of the facility had been used.

Except from the decreed dividends and the above-mentioned transactions, there have been no other transactions with other group companies in 2021. The remuneration for the executive/non-executive directors and members of executive management is explained in the remuneration 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 2021.

Company	Address	Company number	Investments in affiliated enterprises (x € 1,000)	Held part of capital (in %)
Joseph II plc	Medialaan 30 B 6, 1800 Vilvoorde	BE 0472.903.308	581	99.98%
Waterloo Shopping Ltd.	Medialaan 30 B 6, 1800 Vilvoorde	BE 0452.882.013	-	100%
Wereldhave Belgium Services plc	Medialaan 30 B 6, 1800 Vilvoorde	BE 0422.120.838	599	99.52%
			1,180	

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

J-II SA

J-II SA, with its registered offices at Medialaan 30, box 6, 1800 Vilvoorde, company number 0472.903.308, was established on 29 September 2000 within the framework of the sale to Fortis Bank SA of the amount of ground rent paid under the agreement dated 11 May 2000 in which Wereldhave Belgium SCA granted a long-term lease of 27 years to the European Union for a property located at

Joseph II-laan 26-30, 1000 Brussels. At the moment of establishment, bare ownership of this property was included in the capital of J-II SA and its shares were pledged in favour of Fortis Bank SA. 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 SA, since J-II SA 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 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 SA equals € 1 (i.e. the purchase price due from the long leaseholder (the European Union) upon exercising the purchase option during the period from 1 January 2026 to 31 December 2026). In addition, it can be stated that J-II SA 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 SRL

Waterloo Shopping SRL, with its registered office at Medialaan 30, 1800 Vilvoorde, company number 0452.882.013 is a real estate development company that is active within the framework of the modernisation and expansion project for 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 and the Region. 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 € 1.4M. 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 € 50M.

Wereldhave Belgium Services SA

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

31. Off-balance leasehold- and investment liabilities

The Company has contracted investment liabilities amounting to € 13.7 mln. They are primarily related to renovation work on the façades of the Ring Kortrijk shopping centre, to the extension programme for the Shopping Belle-Île and the renovation of The Sage office buildings in Berchem and Vilvoorde. The obligations related to the long-term lease on a part of the Ring Shopping in Kortrijk, running through 2114 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 analysis of the ageing of investment liabilities is as follows:

(x € 1,000)	2021	2020
< 1 year	13,701	733
>1 year - < 5 year	-	-
> 5 year	-	-
Total	**13,701**	**733**

32. Remuneration of the auditor

The remuneration related to the auditing activities in 2021 amounted to € 91,725 excl. VAT. In addition, the Statutory Auditors provided services complementary to the audit assignment for the capital increases (optional dividend), the private placement of 31 March 2021, the EMIR report and ESEF reporting, for which they invoiced fees of € 29,286 (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 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.

Bruges Sint-Kruis - dispute with Carrefour Belgium SA regarding its commercial lease.

Following the unilateral reduction by Carrefour Belgium SA of the commercial area it operates in the Bruges Sint-Kruis retail park, the Company requested that the judge of the peace decide the lease issue against Carrefour Belgium SA.

The legal proceedings have been under way since January 2019. On 21 April 2021, a decision was rendered by which the Justice of the Peace stated that (i) although the decision by Carrefour Belgium SA to reduce the size of its store was open to criticism, there was an agreement in principle regarding the downsizing of the store with the legal predecessor of the Company, (ii) the request to terminate the lease by the Company as a result of the breach by Carrefour Belgium SA was therefore rejected, (iii) except with respect to the total surface area leased for which Carrefour Belgium SA must continue to comply with the existing lease in full and, in particular, continue to comply with all of its financial obligations to the Company. Carrefour Belgium SA has paid its past due amounts to date.

35. Significant events after the close of the financial period

In order to build its retail park, on the one hand, and the extension of the Bastions shopping centre in Tournai, on the other, the Company acquired the operating rights to several lots adjacent to its initial property in 2014.

In order to make optimal use of the lots, the Company had initiated negotiations with several candidates to take over the unused portions of the lots. Agreements were reached with two of the candidates, subject to their obtaining permits. As announced in the press release dated February 8, 2022 the permits were obtained at the end of 2021, such that the deeds of sale will be implemented during the first half of 2022 and the lots will be removed from the Company's portfolio. One of the lots, which consists of an old office building, will be sold to the Zone de Police Tournaisis, which will set up its police station after fitting out and the second one will be sold to Lidl for a new store. These transactions will contribute to strengthening the commercial appeal of Shopping Bastions. With the exception of these items, no other significant events occurred after 31 December 2021 likely to have an impact on this Annual Financial Report or which should be mentioned in it.

Auditor's report

Statutory auditor's report to the general meeting of Wereldhave Belgium SA on the consolidated financial statements as of and for the year ended December 31, 2021

FREE TRANSLATION OF A STATUTORY AUDITORS' REPORT WITH AN UNQUALIFIED OPINION THE ORIGINAL OF WHICH WAS PREPARED IN DUTCH

In the context of the statutory audit of the consolidated financial statements of Wereldhave Belgium SA ("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, 2021, 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 Shareholders of April 10 2019, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended December 31, 2021. We have performed the statutory audit of the consolidated financial statements of the Group for six 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, 2021, 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 profit and loss account as at December 31, 2021, the consolidated statements of profit or loss, the 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 EUR'000 950.535 and the consolidated statement of profit or loss shows a profit for the year of EUR'000 38.191.

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, 2021 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 '3.6 Investment Properties' and note '6. Investment Properties' of the consolidated financial statements.

Description

The Group's investment property portfolio comprises shopping centres ('Retail'), offices as well as properties under development. As at December 31, 2021, the carrying value of the Group's total investment portfolio was EUR 926 million and represented 97,4% 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.

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 one site visit to a 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, transaction expenses and the investment budgets 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.

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 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:
- 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

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

European Single Electronic Format (ESEF)
In accordance with the draft standard on the audit of compliance of the Financial Statements with the European Single Electronic Format (hereafter “ESEF”), we have audited as well whether the ESEF-format is in accordance with the regulatory technical standards as laid down in the EU Delegated Regulation nr. 2019/815 of 17 December 2018 (hereafter “Delegated Regulation”).

The Board of Directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereafter “digital consolidated financial statements”) included in the annual financial report.

It is our responsibility to obtain sufficient and appropriate information to conclude whether the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements under the Delegated Regulation.

At the date of this report, we have not yet received the annual financial report and the digital consolidated financial statements prepared by the Board of Directors. We have reminded the Board of Directors of their legal responsibility to provide the documents to the statutory auditor and the shareholders within the deadlines stipulated in the Belgian Companies’ and Associations’ Code. As a result, we were unable to conclude whether the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements under the Delegated Regulation.

Other aspect
This report is consistent with our additional report to the audit committee on the basis of Article 11 ofRegulation (EU) No 537/2014.

Antwerp, March 9, 2022

KPMG Bedrijfsrevisoren - Réviseurs d’Entreprises
Statutory Auditor

represented by
Filip De Bock
Bedrijfsrevisor / Réviseur d’Entreprises

Statutory statement

Statutory balance sheet

(x € 1,000)	**2021**	2020
Assets		
Non-current assets		
Investment properties	925,425	920,629
Other tangible assets	494	620
Financial non-current assets	2,879	1,554
Trade receivables and other non-current assets	246	347
Total non-current assets	**929,043**	**923,150**
Current assets		
Assets held for sale	3,325	
Trade receivables	11,803	12,627
Tax receivables and other current assets	300	4,986
Cash and cash equivalents	3,735	1,939
Total current assets	**19,162**	**19,552**
Total assets	**948,205**	**942,703**
Shareholders' equity		
Shareholders' equity attributable to the parent company's shareholders		
Capital	362,846	347,760
Issue premiums	88,877	88,877
Reserves	181,210	237,244
Net result of the year	38,682	-23,066
Total shareholders' equity attributable to the parent company's shareholders	671,615	650,814
Total shareholders' equity	**671,615**	**650,814**
Liabilities		
Non-current liabilities		
Provisions	734	963
Non-current financial liabilities	182,759	153,514
Credit institutions	*109,556*	*152,733*
Other	*73,203*	*781*
Other non-current financial liabilities	7,499	8,741
Total non-current liabilities	**190,992**	**163,218**
Current liabilities		
Current financial liabilities	67,313	109,984
Credit institutions	-	*25,000*
Other	*67,313*	*84,984*
Trade payables and other current liabilities	10,203	12,281
Accrued charges and deferred income	8,082	6,405
Total current liabilities	**85,598**	**128,671**
Total shareholders' equity and liabilities	**948,205**	**942,703**
Net asset value per share (x € 1)	77.27	78.23

Statutory profit and loss account

(x € 1,000)	2021	2020
Rental income	54,826	56,392
Rental-related expenses	-1,595	-7,065
Net rental income	**53,230**	**49,327**
Recovery of rental charges and taxes normally paid by the tenant on let properties		-
Rental charges and taxes normally paid by the tenant on let properties	-1,568	-1,172
Other revenue and charges for letting	1,716	1,425
Net rental charges and taxes on let properties	**149**	**254**
Property result	**53,379**	**49,581**
Technical costs	-299	-388
Commercial costs	-2,221	-2,437
Charges and taxes on non-let properties	-1,775	-1,840
Property management costs	-1,311	-1,146
Property charges	**-5,607**	**-5,812**
Property operating results	**47,772**	**43,769**
General company costs	-4,098	-4,168
Other operating income and charges	41	-35
Total	**-4,057**	**-4,203**
Operating results before result on the portfolio	**43,715**	**39,566**
Result on disposals of investment properties	-2	325
Result on disposals of other non-financial assets	-9	-4
Variations in the fair value of investment properties	-3,275	-57,936
Total portfolio result	**-3,286**	**-57,615**
Operating result	**40,429**	**-18,048**
Financial income	786	2
Net interest charges	-4,568	-2,604
Other financial charges	-172	-222
Variations in the fair value of financial assets and liabilities	2,307	-2,197
Financial result	**-1,648**	**-5,021**
Result before tax	**38,782**	**-23,069**
Corporate tax	-100	3
Tax	**-100**	**3**
Net result	**38,682**	**-23,066**
Net result shareholders of the Group	38,682	-23,066
Result per share (x € 1)	4.52	-2.93
Diluted result per share (x € 1)	4.52	-2.93

Statement of comprehensive income

(x € 1,000)	2021	2020
Net result	**38,682**	**-23,066**
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	81	51
Items not taken in the result		
Actuarial gains and losses of pledged pension schemes	230	-4
Total other comprehensive income	**310**	**47**
Comprehensive income	**38,992**	**-23,019**
Attributable to:		
Shareholders of the group	38,992	-23,019

Statutory statement of movements in equity

(x € 1,000)	*Share capital*[1]	*Issue premiums*	*Reserves*[2]	*Net result of the year*	*Proposed remuneration of the shareholder's equity*	*Total*
Balance at 31 December 2019	**329,285**	**88,877**	**272,324**			**690,485**
Capital increase	18,475					18,475
Variations in the fair value of hedging instruments			51			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						
Transfer from reserve for the balance of changes in fair value of real estate properties to accumulated result						
Transfer of the changes in fair value of authorised hedging instruments not subject to hedge accounting						
Dividend over 2019[3]			-35,136			-35,136
Balance at 31 December 2020	**347,760**	**88,877**	**237,244**	**-23,066**		**650,814**
Balance at 31 December 2020	**347,760**	**88,877**	**214,178**			**650,814**
Capital increase	15,087					15,087
Variations in the fair value of hedging instruments			81			81
Provisions for pensions			230			230
Other						
Net result				**38,682**		**38,682**
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties						
Transfer of the changes in fair value of authorised hedging instruments not subject to hedge accounting						
Dividend over 2020[4]			-33,277			-33,277
Balance at 31 December 2021	**362,846**	**88,877**	**181,210**	**38,682**		**671,615**
Transfer of the result 2021 on the portfolio to reserve for the balance of changes in fair value of real estate properties			-3,275	3,275		
Transfer of the changes 2021 in fair value of authorised hedging instruments not subject to hedge accounting			2,410	-2,410		
Proposed dividend 2021[5]				-35,637	35,637	
Proposed allocation of the net result of the accounting year to the accumulated result of previous years			3,910	-3,910		
Balance at 31 December 2021 after allocation[6]	**362,846**	**88,877**	**184,255**	**-**	**35,637**	**671,615**

1 Costs capital increase included (€ -248k as at 31 Decembre 2021)
2 See detail reserves
3 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.
4 Dividend paid 2020
€ 4.00 (net € 2.80) per share: € -33,277 of which € 18,142 paid in cash and the balance paid out in 372,776 new shares, which led to a capital increase.
5 Dividend 2021 proposed for approval to the Ordinary General Meeting of 13 April 2022
6 According to the regulator's recommendations, we present, under the final balance of equity as at 31 December 2021, the future allocation of the 2021 result that will take place in 2022.

Detail of the reserves

(x € 1,000)	*Legal reserve*	*Reserve for the balance of changes in fair value of real estate properties*	*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*	*Total*
Balance at 31 December 2019	**25**	**181,803**	**-193**	**-**	**-597**	**-115**	**91,401**	**272,324**
Capital increase								
Variations in the fair value of hedging instruments			51	-674			674	51
Provisions for pensions					4			4
Net result								
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties[1]		-15,985					15,985	
Transfer from reserve for the balance of changes in fair value of real estate properties to accumulated result[2]		2,118					-2,118	
Transfer of the changes in fair value of authorised hedging instruments not subject to hedge accounting								
Dividend over 2019							-35,136	-35,136
Allocation of the net result of the accounting year to the accumulated result of previous years								-
Balance at 31 December 2020	**25**	**167,936**	**-141**	**-674**	**-593**	**-115**	**70,807**	**237,244**
Balance at 31 December 2020	**25**	**167,936**	**-141**	**-674**	**-593**	**-115**	**47,741**	**214,178**
Capital increase								
Variations in the fair value of hedging instruments			81		230			310
Provisions for pensions								
Other								
Net result								
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties[3]		-57,936					57,936	
Transfer of the changes in fair value of authorised hedging instruments not subject to hedge accounting				-1,091			1,091	
Dividend over 2020							-33,277	-33,277
Balance at 31 December 2021	**25**	**110,000**	**-61**	**-1,765**	**-363**	**-115**	**73,490**	**181,210**
Transfer of the result 2021 on the portfolio to reserve for the balance of changes in fair value of real estate properties		-3,275						-3,275
Transfer of the changes 2021 in fair value of authorised hedging instruments not subject to hedge accounting				2,410				2,410
Proposed dividend 2021								
Proposed allocation of the net result of the accounting year to the accumulated result of previous years							3,910	3,910
Balance at 31 December 2021 after allocation	**25**	**106,724**	**-61**	**645**	**-363**	**-115**	**77,400**	**184,255**

1 Changes in fair value of the investment properties portfolio over 2019. Reclassification of the heading 'Accumulated result'.
2 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.
3 Changes in fair value of the investment properties portfolio over 2020. Reclassification of the heading 'Accumulated result'.

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)	2021	2020
Net result	**38,682**	**-23,066**
Transfer to/from reserves	**865**	**59,026**
Transfer to/from reserve for the balance of changes in fair value of real estate properties	3,275	57,936
Transfer to/from reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	-2,410	1,091
Return on capital	**35,637**	**33,277**
(In accordance with article 13, §1, paragraph 1 from the Royal Decree of 13 July 2014)		

The complete statutory annual accounts, the notes, and the Statutory Auditor's report on the statutory annual accounts of the Company can be obtained free of charge at the Company's registered 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.

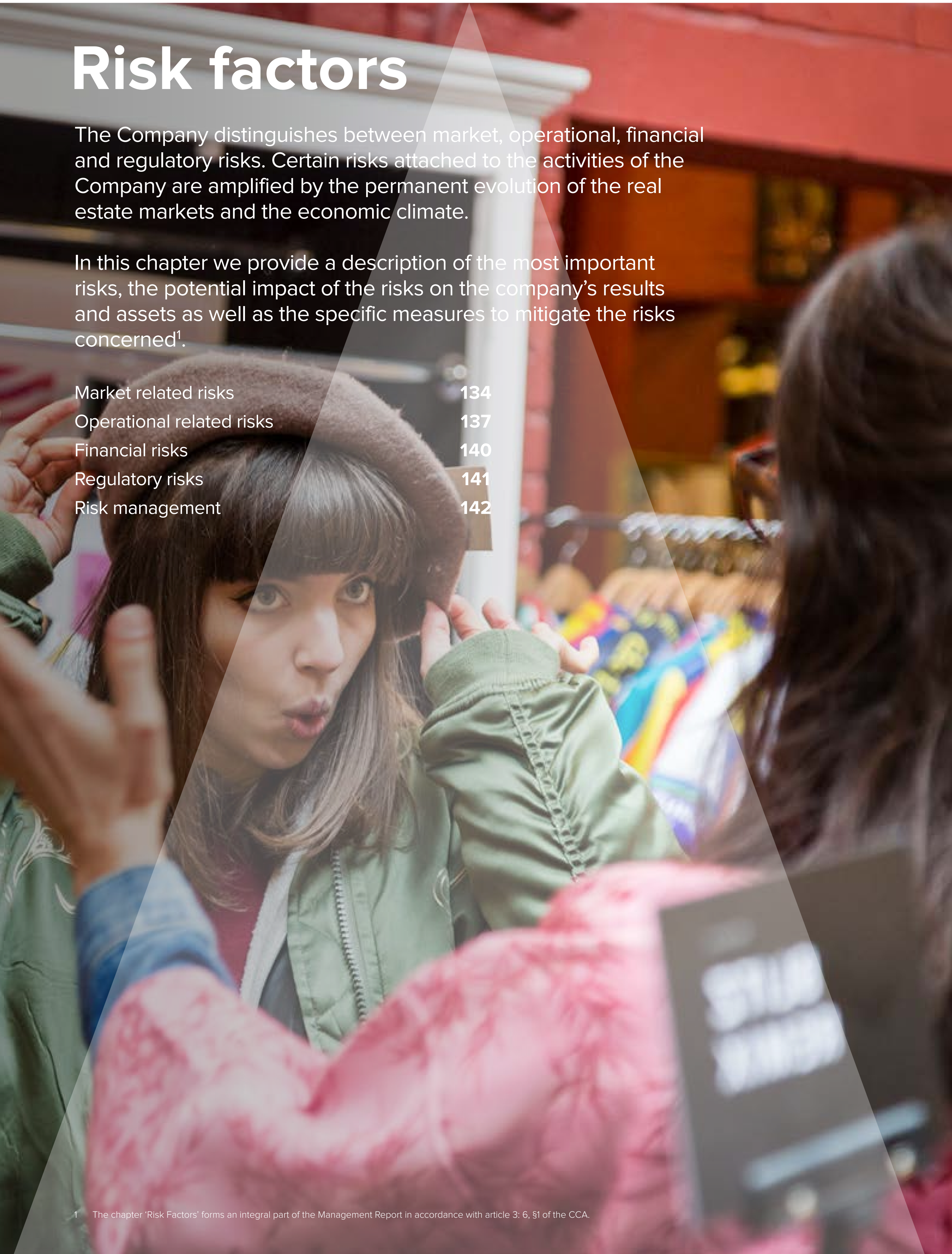
Responsibility statement according to Section 12 §2 of the RREC Royal Decree of 14 November 2007.
The Board of Directors of the Company states that:

- based on the audits carried out, the Company's internal control and risk management systems comply with the recommendations of the Belgian Code on Corporate Governance and provide near-absolute assurance that the financial reporting, as it is provided in this annual financial report does not contain any material misstatements. 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;
- that the annual accounts present a true and fair view of the assets, liabilities, financial position and results of Company;
- that the annual financial report provides a true and fair view of the situation on the balance sheet date and the course of business during the financial year of Company;
- that the main risks confronting the Company have been described in this annual financial report; and
- 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, 9 March 2022



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 provide a description of the most important risks, the potential impact of the risks on the company's results and assets as well as the specific measures to mitigate the risks concerned[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 2.6 years, and up to the end of the rental agreement 6.3 years. (1-2-3-4-5)
Rental market shopping centres Sales activities of tenants under pressure	1. Higher bankruptcy risk of the tenant. 2. Potential increase in the number of doubtful debtors resulting in a decrease in collection frequency. 3. Increase in vacancy due to not finding potential tenants at the market price.	• Quality tenants, such as large national and international retailers, with a lower bankruptcy risk. (1-2-3) • Active asset management through, amongst others, proactive direct contact with the tenants. (1-2-3) • Strict monitoring of the collection policy. (2) • Application of standard rental conditions such as the advance payment of rent and the provision of a bank guarantee (equivalent to 3/6 months of rent). (1-2) • Stimulation of lease payments by direct debit. (1-2)
Credit risk Credit risk is the risk of financial loss if a counter-party 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 database (analysis 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)

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 (28.2 % on 31 December 2021), consequently the impact of any fluctuations is limited. (1) • Debts at fixed rate (68.2 %) respectively variable rate (31.8%), IRS included (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 opportu-nities. 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) SA, 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 (28.2% on 31 December 2021), 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 In 2021, restrictive administrative measures to limit the spread of the Covid-19 virus have been extended in Belgium	1. Macro-environment (economic, demographic, political): consumption was impacted by the measures taken throughout Europe, which led to a global economic slowdown 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-10 crisis and could be closed temporarily. The Company's cost of financing could increase in the event of unfavourable market conditions. 4. Customers (retailers): 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 October 2021 to 9 June 2021 for restaurants and bars and from 18 October 2020 to 26 February 2021 and again between 27 March and 26 April 2021 so-called close-contact service providers like hairdressers and for other 'non-essential' shops between 27 March and 25 April to receive their customers by appointment only, which affected the number of visitors. These compulsory closures or restrictions on their activities have put significant pressure on tenants' liquidity, leading to an increase in rent arrears. 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 2021, 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	5. 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 2021 amounted to 93.9%. (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 € 608.5M as per 31 December 2021, i.e. 66.7% of the fair value. The insurance premium is € 220,000. (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 2021, the largest tenant of the Company represented about 5.0% 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 2021, Belle-Ile remained slightly above 20% and was still above this thresholdon 31 December 2021 (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 2021 was € 3.215k (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)

(*) Key performance indicators
(**) 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 2021 Wereldhave SA and Wereldhave International SA hold 65.9% 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 27 – 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 (*) 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) SA) 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)

(*) ferring 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 provided by 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 SA '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 SA 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.
- Minutes drawn up by Mr. Daisy Dekegel, notary in Brussels, on 10 November 2020 (change of share capital), published in the Annexes to the Belgian Official State Gazette of 23 November 2020, under number 2020-11-23/0356317.
- The Articles of Association were last amended by deed executed before Mr. Daisy Dekegel, notary in Brussels, on 11 May 2021 (amendment of the capital within the

framework of the authorised capital), published in the Annexes to the Belgian Official State Gazette of 10 June 2021, under number 2021-06-11/21335526.

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
      vi. 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 specialised real estate investment trusts (GVBF/FIIS), as regulated by the Royal Decree of 9 November 2016 on specialised 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
d. 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;
e. to undertake on a long-term basis, 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, 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.
f. the initial holding of less than 25 % in the capital of a company in which the 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 sixty-three million ninety-four thousand two hundred twenty euros and thirty-three eurocents (€363,094,220.33). It is represented by eight million six hundred ninety-two thousand sixty-three (8,692,063) 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. The authorisation is renewable.

During 2020, the available amount of authorised capital was reduced in the amount of € 18,522,059.85 € as a result of an optional dividend operation (November 2020).

During 2021, the available amount of authorised capital was again reduced in the amount of €15,806,501.36 as a result of an optional dividend operation (May 2021).

As at 31 December 2021, the available balance of authorised capital amounted to € 295,828,893.67.

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 2021, the members of the Board of Directors were:

- Mrs. Brigitte Boone;
- Mrs. Ann Claes;
- Mr. Dirk Goeminne;
- Mr. Kasper Nicolas Beaussillon;
- Mr. Dennis De Vreede;
- Mr. Remco Langewouters;
- Mrs. Doris Slegtenhorst;
- Mr. Matthijs Storm; and
- Mr. Edmund Wellestein.

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 Management 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 recognised 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:

- 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.
- 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.
- 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.

Person 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-1930 Zaventem, Luchthaven Brussel Nationaal 1K, 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 2021 amounted to € 91,725 excl. tax for the financial year running from 1 January 2021 to 31 December 2021. In addition, the Statutory Auditor provided additional audit-related services in the context of the capital increase (optional dividend), the private placement of 31 March 2021, the EMIR report, and the ESEF reporting for which it invoiced fees amounting to € 29,286 excl. VAT, as approved by the Audit Committee.

Valuation experts

The independent external valuation experts of the Company (the “Valuation Experts”) are per 31 December 2021:

- Cushman & Wakefield, with registered office at 1000 Brussels, Kunstlaan 56, represented by Ardalan Azari. Mandate: 01 January 2018 - 31 December 2021 Retail segment. Annual fee: € 46,492 (excluding VAT)
- CBRE Valuation Services, having its registered office at 1000 Brussels, Boulevard de Waterloo 16, represented by Pieter Paepen. Mandate: 01 January 2018 - 31 December 2021 Retail and office segments. Annual fee: € 35,312 (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.

- 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 Financial 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 Financial Report.
- 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.

Property Managers

Wereldhave Belgium Services SA, 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 SA shares are held by the Company. The fees for the benefit of Wereldhave Belgium Services SA are charged directly to the tenants in accordance with the contractual conditions described in the leases. Wereldhave Belgium Services SA 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 SA 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 provider 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 € 15,832 (excluding VAT).

Financial Service Provider: BNP Paribas Fortis

BNP Paribas Fortis SA 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 2021 was set at € 15.000 (excl. VAT).

External legal advisors

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 legal procedures, as the applicant or defendant

The remuneration is determined on the basis of market rates.

Information on the Annual Financial Report 2019 and 2020

- Consolidated Financial Statements 2019: p. 78 to p. 115 of the Annual Financial Report 2019
- Management report for 2019: 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
- Consolidated Financial Statements 2020: p. 88 to p. 124 of the Annual Financial Report 2020
- Management Report 2020: p. 49 to p. 58 of the Annual Financial Report 2020
- Auditor's Report 2020: p. 125 to p. 128 of the Annual Financial Report 2020

Glossary and alternative performance standards

Glossary

Alternative performance standards are indicators employed by the Company to measure and monitor its operational performance. The indicators are used in this 2021 Annual Financial Report 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 the Company regards as an 'alternative performance standard' are incorporated in this section of the 2021 Annual Financial Report, entitled 'Glossary 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 and Risk Management Committee
The Audit and Risk Management Committee of the Company as appointed by the Board of Directors in accordance with Article 7:99 of the BCCA.

Remuneration and Nomination Committee
The Remuneration and Nomination Committee of the Company as appointed by the Board of Directors in accordance with Article 7:100 of the BCCA.

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.

Board of Directors
The Board of Directors of the Company, consisting of several independent executive and non-executive members.

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
Fiscaal stelsel in Nederland, vergelijkbaar met het GVV-statuut.

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 Company and its Subsidiaries.

Wereldhave Group
The Company under Dutch law Wereldhave SA, 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 7 to the Corporate Governance Charter.

Insider
Person who has access to price-sensitive information.

Financial Instrument
Means any security or right belonging to one of the following categories:

i. actions representing the capital and other securities similar to shares;
ii. bonds and other debt instruments which can be traded on a capital market;
iii. all other generally negotiable securities, used to acquire the securities in points (i) and (ii) by subscription or exchange or which are settled in cash, excluding payment methods;
iv. rights to participate in undertakings for collective investment;
v. instruments which are generally traded on the money market;
vi. financial futures, including equivalent instruments which are settled in cash;
vii. forward rate agreements;
viii. currency and interest rate swaps and cash flow swaps combined with shares or share indices (equity swaps);
ix. currency and interest rate options and other options for the acquisition or disposal of the financial instruments in points (i) to (viii) above, 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 of two months preceding the publication of the annual results of the Company or of a listed equity investment or, if the annual results are published during a period less than two months from the close of the financial period, the period starting with the close of the financial period until the date of publication inclusive;
ii. the period of one month preceding the announcement of the half-year or quarterly results of the Company or of a listed equity investment, or if the results are announced within a period of less than one month from the close of the relevant period, the period starting with the close of the period until the date of the announcement inclusive.

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 SA.

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 heading 'Consolidated profit and loss account')

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 RREC Law. 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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