Wereldhave BELGIUM

Annual Financial Report 2022

Adding value to everyday life

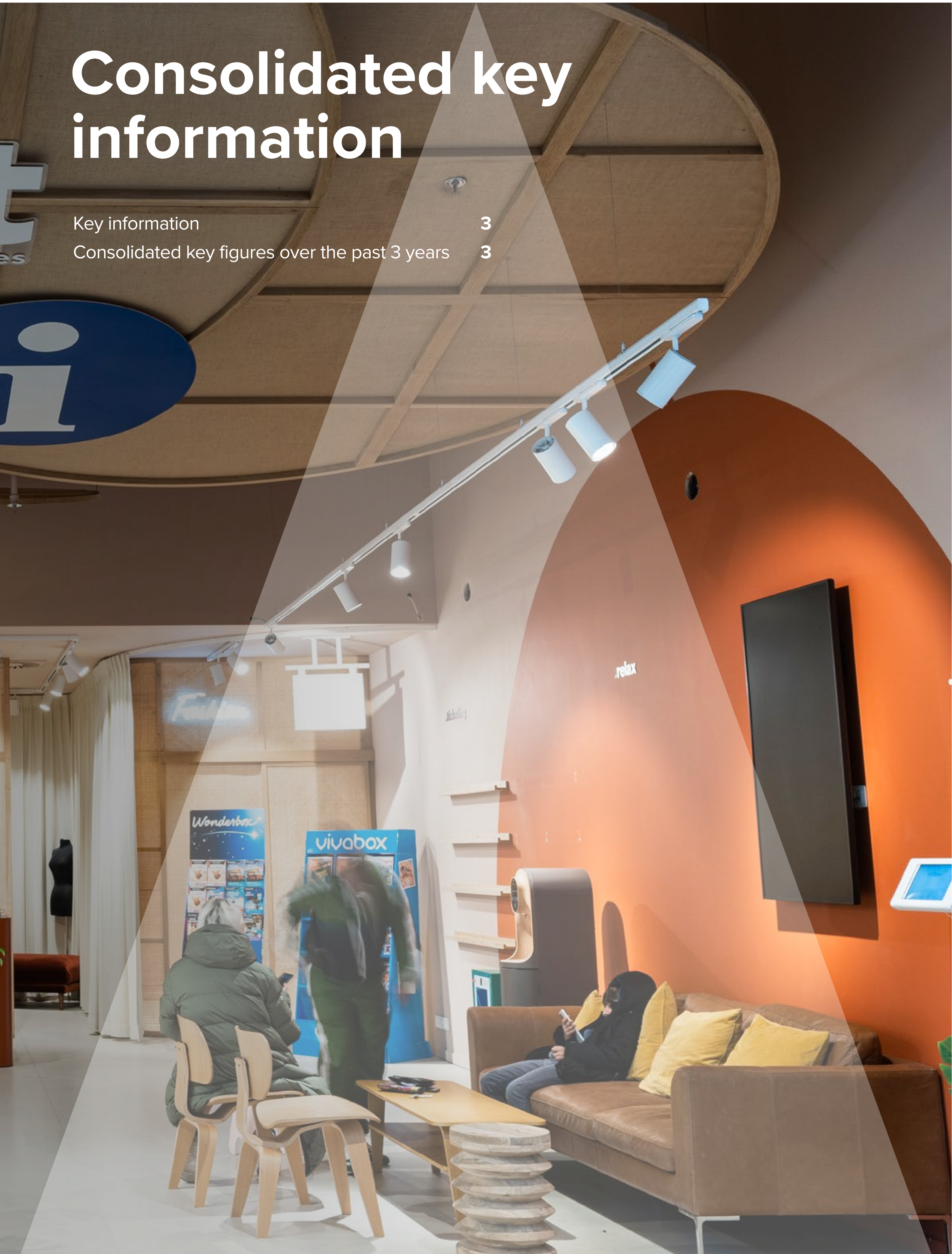
better everyday life, better business

Wereldhave Belgium Full Service Centers contribute to a better everyday life for visitors and better business for our partners.

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 Belgium Full Service Centers play a vital role in people's everyday lives in leading regional cities in Belgium.

In this report

Consolidated key information



Key information

	2022	2021	2020
Share price 31/12 (€)	49.00	49.30	39.30
Share price/Net result from core activities per share 31/12 (€)	10.1	10.8	8.5
Market capitalisation 31/12 (€ M)	435.4	428.5	326.9
Net asset value per share (according to IFRS) (€)	78.99	77.19	78.20
Gross dividend (€ per share)	4.20	4.10	4.00
Dividend yield 31/12 (gross)[1]	8.6%	8.3%	10.2%
Consolidated debt ratio[2]	28.6%	28.2%	30.0%
Occupancy rate[3]	95.2%	93.9%	91.9%
Pay-out ratio[4]	86.9%	91.4%	90.8%
Free float	33.8%	34.1%	32.3%
Number of shares (#)	8,886,001	8,692,063	8,319,287

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 87.1% in 2022, 89.7% in 2021 and 84.0% in 2020).

Consolidated key figures over the past 3 years

(x € 1.000)	2022	2021	2020
Results			
Net rental income	58,861	52,648	49,218
Net result	**55,230**	**38,191**	**-22,148**
Net result from core activities	42,942	38,993	36,656
Net result from non-core activities	12,289	-802	-58,803
Balance sheet			
Properties available for lease	934,981	912,491	908,575
Development projects	14,252	13,514	12,635
Total investment properties	**949,233**	**926,005**	**921,209**
Shareholders' equity	701,944	670,897	650,548
Fair value properties available for lease by segmentation			
Retail	833,371	817,268	816,903
Lease incentives	1,140	952	892
Fair value properties available for lease - retail	**834,511**	**818,221**	**817,795**
Offices	99,793	93,528	89,975
Lease incentives	677	742	805
Fair value properties available for lease - offices	**100,470**	**94,270**	**90,780**
	934,981	**912,491**	**908,575**
Share data (x € 1)			
Net result from core activities	4.87	4.56	4.65
Net result from non-core activities	1.39	-0.09	-7.47
Net result	6.26	4.47	-2.81
Gross dividend	4.20	4.10	4.00
Net dividend	2.94	2.87	2.80
Net asset value before profit distribution	78.99	77.19	78.20

Message to the shareholders

Solid annual results slightly above expectations

Dear Wereldhave Belgium Shareholders,

After a year start that was still somewhat affected by the latest anti-Covid measures and despite the outbreak of the war in Ukraine in February, the Company's operating results show a nice increase over 2021 and are also slightly higher than expected. In this context, the net result from core activities per share amounts to € 4.87 and the Board of Directors will therefore propose to the General Meeting of Shareholders an increase of its gross dividend to € 4.20 per share.

Normalised operational activities

The normalisation of the sanitary situation allowed the Company to resume full operation of its assets and, in this context, attract many more visitors than in 2021 and almost as many as in 2019. These good results, supported by an active marketing policy and significant Specialty Leasing activities, confirm the attractiveness of the physical shops and, more specifically, of the Company's assets. This influx has also had a positive impact on retailers' sales, with most of them posting much better sales figures than in 2019.

Dynamic rental market

These good sales figures have also had a very positive effect on the take-up of retail space, which has never been higher in Belgium than in 2022, confirming the renewed activity of retail chains and the good performance of the national market. Thus, the Company has also been able to benefit from this dynamism by attracting many new enseignes at higher rents than before. Accordingly, the occupancy rate of the Company's total portfolio increased by 1.3% to 95.2%, confirming the quality of its assets.

After two complicated years for its office portfolio, the Company has been rewarded for the investments made and has been able to increase its occupancy rate more than significantly in this segment too, while also looking to the future with confidence.

Financial and economic situation

The inflationary context in which the economy finds itself has an impact on real estate companies, and therefore also on the Company, in several ways. On the one hand, the Company could benefit from the contractual rent indexations and thus significantly increase its income. Its rent increases could also offset the slight increase in asset valuation yields, keeping the portfolio's valuation stable. Hence, the Company could benefit from an average yield of 6.2% on its portfolio. On the other hand, despite the early extension in early 2022 of a credit line due to expire in 2023 and the increase of its hedge ratio to 76%, the Company has seen its funding costs increase. Nevertheless, the Company shows excellent financial strength, allowing it to face the future in a positive manner and closely monitor the development of financial markets.

Financial results and outlook

For the second consecutive year since the Covid crisis, the Company has seen a significant increase in its operating profit and can again propose an increase in its dividend.

For the year 2023, despite the still uncertain context, the Company has slightly increased its earnings forecast to a range between € 4.85 and € 4.95 per share, while remaining cautious.

The Company is also very pleased to announce that the stake of Shopping Belle-Île's in Liege has been reduced to 18.9% as at 31 December 2022, and for the first time since 1998, which means that the derogation granted by FSMA is no longer required. Consequently, the Company will no longer be required to comply with a 33% debt ratio and will be able to once again consider new investments that will allow it to resume the growth of its portfolio.

Finally, we would like to thank our employees, customers, shareholders and by extension the various stakeholders of our Company for contributing to these good results!

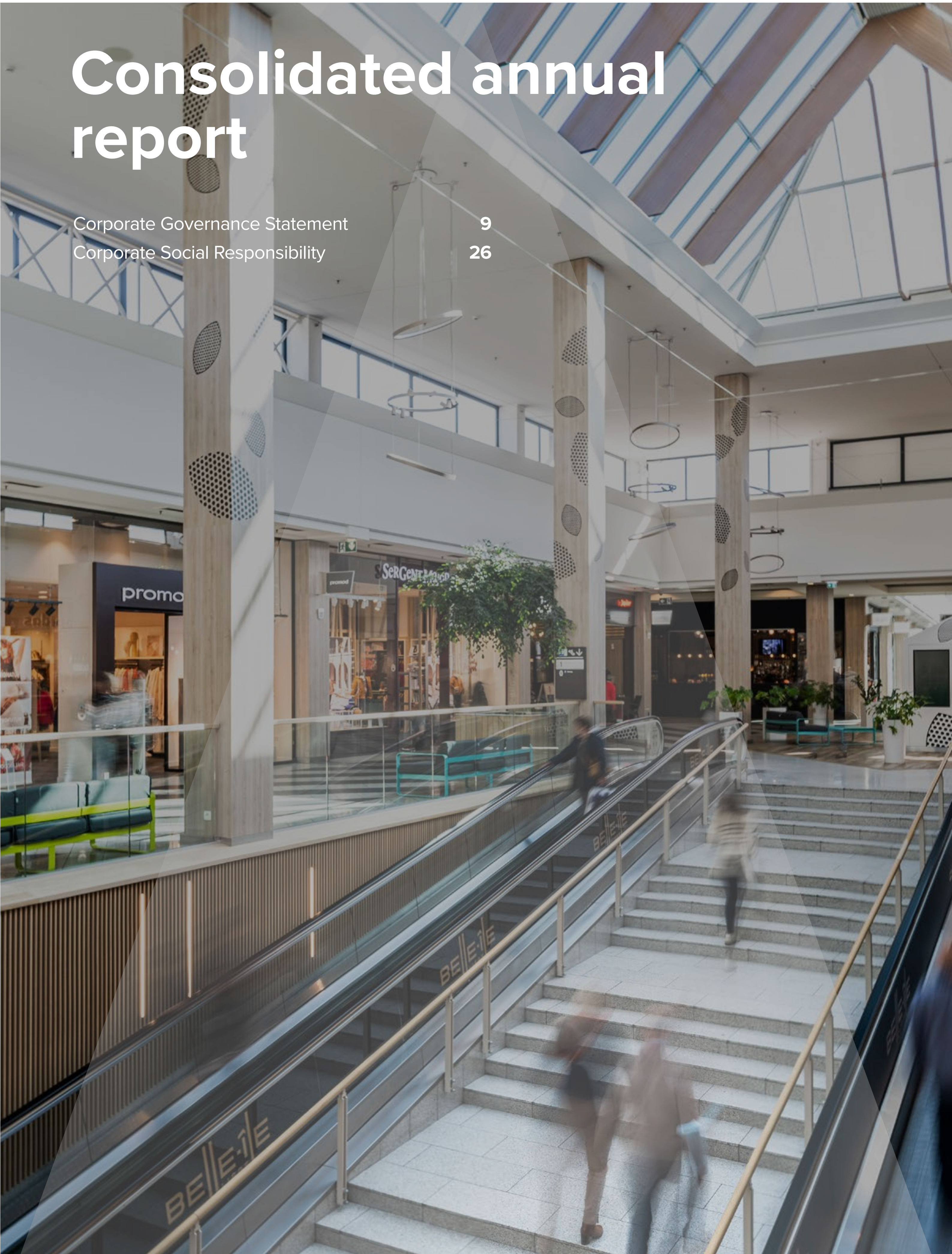
Enjoy your reading!

Vilvoorde, 7 March 2023.

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 € 949.2M on 31 December 2022. The existing operational retail portfolio of € 834.5M (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 € 100.5M on 31 December 2022. The development portfolio (€ 14.3M) contains land positions and realised investments that relate to the restructuring and/or extension of shopping centres and retail complexes 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 66.2% of the shares either directly or indirectly on 31 December 2022.

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 28.6% and a solvency of 71.4%, 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) on corporate governance by listed companies (available on the website www.corporategovernancecommittee.be), the Company uses the 2020 Code as its reference code.

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 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 principe

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 f- 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 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.

The Board of Directors consists of at least six natural persons majority qualify as non-executive members, at least three members qualify as "independent" within the meaning of Article 7:87 of the CAC and provision 3.5 of the 2020 Code; and of whom at least one-third of the Board of Directors must be of the opposite sex in accordance with Article 7:86 of the CAC.

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.

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.

Directors	**Position**	**Start date mandate**	**Most recent renewal**	**End of mandate**[1]
Dirk Goeminne	Independent Director Chairman of the Board of Directors Chairman of the Nomination and Remuneration Committee	4/1/2015	3/31/2019	5/12/2023
Ann Claes	Independent Director Member of the Audit and Risk Committee	4/1/2017	4/14/2021	4/9/2025
Brigitte Boone	Independent Director Chairman of the Audit and Risk Committee Member of the Nomination and Remuneration Committee	4/18/2018	4/13/2022	4/8/2026
Nicolas Beaussillon	Managing Director Effective Leader	4/14/2021		4/9/2025
Matthijs Storm	Managing Director Effective Leader	8/1/2019		5/12/2023
Dennis de Vreede	Director Member of the Audit and Risk Committee Member of the Nomination and Remuneration Committee	8/1/2019		5/12/2023
Doris Slegtenhorst	Director	9/2/2020		4/10/2024
Remco Langewouters	Director	9/2/2020		4/10/2024

[1]Mr Edmund Wellenstein resigned his mandate with effect from 19 April 2022 (published in the Belgian Official Journal on 30 August 2022).

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

The members of the Board of Directors The members of the Board of Directors should be natural persons only. Members of the Executive Board have no family connections between them.

Members of the Board of Directors
On 31 December 2022, the Board of Directors had the following nine members:

Nicolas Beaussillon (43), 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 May 2021 and as Effective Leader 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 2022 term: 11/11

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)
- Chairman 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 (68) 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 the Board of Directors of CRG SA

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)
- Chairman of Ter Beke NV (listed)
- Member of the Supervisory Board of Wielco BV (Netherlands)

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 2022 term: 11/11

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 takeovers of the Mayerline clothing chain and CKS 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 Amlutimi SRL
- Director of JBC SRL
- Director of ACE Fashion SA
- Director of May Lux SA
- Director of VOKA Limburg & VOKA Nationaal
- 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
- Managing director at CRG NV
- Managing director at JBC NV
- Managing director at Mayerline NV
- Managing director at Immo Iris NV
- Managing director at Girls Immo NV
- Director at CKS Fashion NV
- Director of CKS Partners NV

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 2022 term: 11/11

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 chairman of the Audit Committee of ENABEL SA;
- Director of SD Worx Group;
- Manager of 2B Projects;
- Member of the Supervisory Board and member of the Risk and Compliance committee 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.

At the General Meeting of Shareholders on 13 April 2022, Ms Boone was reappointed as an independent member of the Board of Directors for a period of four years 8 April 2025, i.e., until the approval of the annual accounts closed on 31 December 2025 by the Ordinary General Meeting of Shareholders.

Matthijs Storm (44), 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 2022 term: 11/11

Current mandates:
- CEO of Wereldhave SA (listed)

Past mandates over the last five years: nil.

Dennis de Vreede (53), 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 2022 term: 11/11

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

Past mandates over the last five years: nil.

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

Nationality: Dutch

Attendance rate during the 2022 term: 11/11

Doris started her professional career as a European Graduate Analyst at Unibail-Rodamco in September 2009. In a period of over five years, she held various operational positions within the group. In May 2014, she continued her career within Wereldhave Netherlands as Senior Leasing Manager. In addition, Mrs. Slegtenhorst obtained a Master in Real Estate from the Amsterdam School of Real Estate in 2019. In 2020, she successfully completed the Leadership Development Program. In February 2017 Mrs. Slegtenhorst was appointed as Business Unit Manager within Wereldhave Netherlands, where she is responsible for a number of shopping centres within the portfolio of Wereldhave Netherlands.

Current mandates: none.

Past mandates over the last 5 years: nil.

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

Remco Langewouters (43), 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 2022 term: 11/11

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.

Past mandates: nil.

Past mandates over the last five years: nil.

Mr Langewouters has been a director of the Company since 2 September 2020. He was appointed as a member of the Board of Directors for a period of 4 years ending 10 April 2024, i.e. until the approval of the financial statements closed as at 31 December 2023 by the Ordinary General Meeting of Shareholders.

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. 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.

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.

Functioning
The Articles provide that the management of the Company must be organised in such a way that the effective management of the Company must be entrusted to at least two natural persons who together constitute the Executive Management and who are also the Effective Leaders within the meaning of the GVV Act.

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 this CG Statement.

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.

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, was currently appointed as Secretary of the Company.

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

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

The role, composition and operation of the Audit and Risk Committee are set out in the internal rules of procedure of the Audit and Risk Committee attached in Annex 3 to the Charter.

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

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

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 2022: 4/4

Independent (non-executive) member of the Board of Directors:

Ann Claes

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

Attendance quorum in 2022: 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 2022: 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 is also the privileged interlocutor of the Board of Directors for any matter for which the Audit and Risk Committee is competent.

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.

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 are described in more detail in Annex 3 to the Charter.

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 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 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 Corporate Governance Code 2020.

The Internal Regulations attached as Annex 4 to the Charter, of which it forms an integral part, describe the role, composition and operating rules of the Nomination and Remuneration Committee.

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

The 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 end of the term of office as a board member of a member of the Nomination and Remuneration Committee automatically results in the end of his term of office on the Audit and Risk Committee. The mandate of members of the Nomination and Remuneration Committee may be renewed at the same time as their mandate as members of 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.

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

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

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

Effective Leaders / Executive Management

The Internal Regulations attached as Appendix 5 to the Charter of which it forms an integral part, describe the role, composition and operating rules of the Effective Leaders.

In accordance with Article 14, § 3 of the RREC Act, the effective leadership 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 ended 31 December 2022 were:

- Mr Nicolas Beaussillon, Managing Director,
- Mr Matthijs Storm, Managing Director.

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.

The Effective Leaders meet at least twice a month, and as often as necessary and carry out their assignments collegially.

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

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".

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 of the Company 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.

Independent internal audit function

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

The 'internal audit' can be understood as an independent assessment function that is embedded in the organisation. This function is aimed at examining and assessing the proper functioning, effectiveness and efficiency of the internal (control) processes/procedures used by the Company, including the compliance function and the risk management function. The 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 (Delegated member of the Board of Directors and Effective Leader) was appointed in accordance with article 14, § 4 of the RREC Act as Effective Manager who carries out the control of the Company on the internal audit function as observed by BDO Advisory BV and thus can be considered as the person ultimately responsible for the internal audit. BDO Advisory BV's mandate as external consultant runs from 23 September 2017 and is of indefinite duration.

Remuneration report

General

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

i. the CAC (as amended by the Act of 28 April 2020 transposing the Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards promoting the long-term involvement of shareholders and laying down various provisions in respect of companies and associations),
ii. the RREC Act; and with
iii. the recommendations of the 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 will, after approval by the General Meeting of Shareholders of 14 April 2021, be an integral part of the Company's 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 € 26,000 was granted to these independent members of the Board of Directors, with the exception of the Chairman to whom an annual fixed remuneration of € 36,500 was granted. The chairman of a Committee was granted an annual fixed fee of € 5,250 and the members of that Committee an annual fixed fee of € 3,200. The independent members of the Board of Directors do not receive any remuneration linked to their performance or the performance of the Company (such as bonuses or options on shares), nor any other benefits, and in their capacity as independent members of the Board of Directors, no subscription rights will be granted to them.
The Company does not grant shares to the independent Directors. It believes that its general policy and practices already meet the objective of recommendation 7.6 of the Corporate Governance Code 2020, which seeks to promote long-term value creation.

Remuneration of the Company's Executive Management - Effective Leaders

The remuneration of the Company's Executive Management is determined by the Board of Directors on the proposal of the Nomination and Remuneration Committee. In order to align the interests of the Company's Executive Management with the objectives of sustainable value creation for the Company, the variable part of the remuneration package of the Company's Executive Management is linked to the overall performance of the Company and individual performance.
For the CEO, this remuneration consists of:

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

For the 2022 financial year, Remuneration Policy included the following criteria for determining this part of the short-term variable remunerations of Executive Management (to date, the CEO):

- General management – individual objectives in accordance with the specific operational responsibilities (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 assessment of the customer experience in the assets; and
- Compliance with the General Expenses budget (GENEX) of the Company (5)%.

KPI	Weight	Targets Year 2022	Pay-out ratio	Results	Payable
Total return	20%	Total return WHB < MSCI	0%	The benchmark results of MSCI Retail Belgium for 2022 will be available on 31 March 2023	€ 30,000 (provision pending final determination)
		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%	Result KPI: 95.2%	€ 22,500
		Occupancy rate 31/12/2022 < 94%	100%		
		Occupancy rate 31/12/2022 > 95%	150%	Pay-out ratio = 150%	
NPS Consumers	10%	<36	0%	Result KPI = 36	€ 0
		>38	100%	Pay-out ratio = 0%	
General expenditures savings	5%	General expenditures > budget 2022	0%	Result KPI 2022 > budget 2022	€ 0
		General expenditures < budget 2022	100%	Pay-out ratio = 0%	
Individual targets	50%			Pay-out ratio = 75%	€ 37,500
Total					€ 90,000

From the year 2023, the Remuneration Policy provides the following targets for determining the short-term and long-term variable remuneration of the Company's Executive Management (currently the CEO):

- Overall performance execution - individual targets according to the specific operational responsibilities of the Executive Management members (50%);
- Total return of the Company's portfolio of investment properties retail (20%);
- Compliance with the Company's budget "general expenses" (GENEX) (10%)
- Occupancy rate of the Company's investment property portfolio (7.5%);
- "Customer Centric activities" (7.5%) ; and
- "Full Service Centre Score" of the Company's retail portfolio (5%).

KPI	Weight	Targets Year 2023	Pay-out ratio	Comments
Total return	20%	Total return WHB < 0.0% 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%	
General expenditures savings	10%	General expenditures > €8.7M	0%	Pay-out is 0% if GENEX above € 8.7M. Pay-out is pro-rata calculated for GENEX between € 8.7M and € 8.4M with a max. pay-out of 150%. GENEX excl. group services charges and allocation to properties
		General expenditures = €8.7M	100%	
		General expenditures = €8.4M	150%	
Occupancy rate	7.5%	Occupancy rate 31/12/2023 < 94.7%	0%	Max. pay-out is 150%. Pay-our ratio is calculated pro-rata. Shopping centers and offices combined
		Occupancy rate 31/12/2023 > 95.7%	100%	
		Occupancy rate 31/12/2023 > 96.7%	150%	
Customer Centric	7.5%	All staff spend one half-day per year on Customer Centric activities	100%	Pay-out is binary: 0% or 100%. Each staff member has to spend one half-day at e.g. The Point, Eat&Meet, every.deli
FSC Score		Average FSC score < 51	0%	Max. pay-out is 150%. Average FSC score 31/12/2023. Assets included: Shopping Belle-Île, Genk Shopping 1, Shopping Nivelles, Ring Kortrijk and Shopping Les Bastions.
		Average FSC score > 65	100%	
		Average FSC score > 69	150%	
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 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 2022

(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	€ 41,750
Brigitte Boone - Chairman of the Audit Committee and member of the Remuneration and Nomination Committee	€ 34,450
Ann Claes - Member of the Audit Committee	€ 29,200
Non-independent non-executive managers	
Dennis de Vreede	unpaid mandate
Doris Slegtenhorst	unpaid mandate
Remco Langewouters	unpaid mandate
Edmund Wellenstein (until 19/4/2022)	unpaid mandate
Executive Management	
Matthijs Storm	unpaid mandate
Nicolas Beaussillon	See Executive Management remuneration

	Fixed compensation	Variable compen-sation short term	Variable compen-sation long term	Retirement plan	Fringe benefits	Extraordinary items	Total	Proportion of fixed and variable remuneration
2022								
Nicolas Beaussillon (1) (2)	€ 322,500	€ 90,000	€ 90,000	€ 0	€ 0	€ 0	€ 502,500	64% / 36%
Matthijs Storm	unsalaried mandate							
2021								
Nicolas Beaussillon (1) (2)	€ 310,000	€ 120,000	€ 120,000	€ 0	€ 0	€ 0	€ 550,000	57% / 43%
Matthijs Storm	unsalaried mandate							
Cédric Biquet	€ 141,244	€ 50,000	€ 20,837	€ 17,636	€ 9,247	€ 0	€ 238,965	70% / 30%

1. The following service agreements are in force for Mr Nicolas Beaussillon and his management company Ifield:
   - Service Agreement between Mr Nicolas Beaussillon, on the one hand, and the Company, on the other hand, with the assignment of acting as CEO of the Company with an annual fixed remuneration of € 161,250[1]. In addition, there is a long-term variable remuneration in the amount of € 100,000 (excl VAT) if all targets are achieved 100%, which however can be exceeded depending on the results achieved by the key performance indicators of the collective targets. Half of this long-term variable remuneration is made payable in the month of April of the year following the year in which the remuneration is granted and the other half in the month of April of the second year in which the remuneration is granted. A lump-sum compensation of 12 months is provided in case of termination of the agreement by the Company.
   - Service Agreement between, on the one hand, Ifield BV with registered office at Drève des Chasseurs 31 in 1410 Waterloo, with Mr Nicolas Beaussillon as Managing Director, and, on the other hand, Wereldhave Belgium Services NV with the mission to assume the operational management of the management entity in question. An annual fixed remuneration of € 161,250[2] is fixed. In addition, there is a short-term variable remuneration of € 100,000 (excl VAT) if all targets are met 100%, which however can be exceeded depending on the results achieved by the key performance indicators of the collective targets. This short-term variable remuneration is payable at the end of April of the following year. A lump sum compensation of 12 months is foreseen in case of termination of the agreement by Wereldhave Belgium Services NV.
2. Other than the provision of a laptop that meets the Company's security standards and for which he bears the consumption himself, the CEO does not receive any benefit in kind.

Evolution of remuneration and performance of the Company:
In accordance with article 3:6, §3, fifth and sixth paragraph of the CAC, the following information is provided:
- annual change in total remuneration of all directors and Executive Managers together:
  - 2018: € 859,337
  - 2019: € 921,371
  - 2020: € 1,302,403
  - 2021: € 849,965
  - 2022: € 667,900.

1 For 2023, this amount is rounded up to € 173,335 after indexation.
2 For 2023, this amount is rounded up to € 173,335 after indexation.

- 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
  - 2022: € 55,706
- The ratio between the highest remuneration of executive management 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
  - 2022: 12.5 / 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. 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. 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 RREC and €2,500,000;
- the acquisition of securities by the public RREC 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 RREC 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 RREC or one of its perimeter companies, provided that the person acting as counterparty has the capacity of intermediary within the meaning of Article 2, 10°, of the Law of August 2002 and that these transactions are carried out at market conditions.

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

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

Rules of conduct concerning financial transactions

Introduction

Insider trading is the purchase or sale of shares or other financial instruments using accurate and material, as yet unpublished, information relating to the Company, its clients or suppliers with a view to obtaining an unfair advantage. Insider information is information that could be used by a reasonable investor in his investment decision. Insider trading is unethical and is illegal in most countries. It is also unethical and, as the case may be, illegal to disclose inside information that has come to one's knowledge other than in the normal course of the exercise of one's duties. The Company has decided to improve prevention against insider trading by adopting a policy and introducing a specific procedure. Insider trading is subject to criminal law: the persons involved, as well as the Company, may be subject to criminal and/or administrative prosecution. They also increase the risk that proceedings will be instituted against the Company, its members of the Board of Directors and Effective Leaders and that their liability will be at stake in proceedings relating to fraud on financial instruments. Notwithstanding this policy, the Company expects its members of the Board of Directors, Effective Leaders and employees to behave in a legal and ethical manner.

Purpose

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

- the purchase and sale of securities issued by the Company while the person concerned possessed inside information (information which has not been made public, which is

concrete and important and which could have a significant influence on the price of the financial instruments concerned);
- avoiding the disclosure of inside information to third parties.

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

The regulations shall apply to all transactions in financial instruments issued by the Company, including shares, share options and any security that the Company may issue, such as preference shares, convertible bonds, subscription rights and listed options or any other derivative. The regulations also apply to all securities whose underlying value is the Company's share, regardless of the issuer. Securities bought or sold for the account of a member of the Board of Directors, Effective Leader or employee of the Wereldhave Group in execution of a contract for the discretionary management of a securities portfolio concluded with a bank or registered financial intermediary are not considered as being bought or sold by the Insider.

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.

Risk & Compliance Officer - Internal Audit
Each Public RREC 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 When applying Article 8 Market Abuse Regulation, insider trading occurs when a person who possesses inside information uses that information to acquire or dispose, for his own account or for the account of third parties, directly or indirectly, of financial instruments to which that information relates. The use of inside information by cancelling or amending an order relating to a financial instrument to which the information relates while the order was placed before the person concerned possessed the inside information is also considered to be 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.
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. 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
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 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. 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. 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.

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.

Possible civil, criminal and disciplinary sanctions

Civil and criminal penalties

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

There is a reporting requirement for "persons with managerial responsibility" and those "closely associated with them" (as defined by the Market Abuse Regulation)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.

Reporting agents report their transactions to the Company and the FSMA through the online reporting application developed by the FSMA. This reporting obligation applies once the total amount of transactions within a calendar year reaches the threshold of € 5,000.

The reported transactions are made public by the FSMA on its website, rather than by the Company.

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

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

The Company shall publicly disclose inside information which directly concerns it as soon as possible. However, 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 is an ambitious, progressive and responsible real estate player where Corporate Social Responsibility is central. Sustainable real estate is the future. The current climate and energy crisis reinforces the demand for it even more. The Company wants to emphasise its commitment not only by putting sustainability at the heart of both its portfolio management and future projects, but also by demonstrating its sustainable policies and projects of the past year through concrete examples and figures.

An important step taken by the Company in May 2022 was the recruitment of a Corporate Social Responsibility Manager. This person is primarily expected to lead the sustainability projects, certifications and ambitions already underway as well as new ones. A key project is the EPC obligation of non-residential units within the Company's assets. The Company had made the necessary preparations by, on the one hand, consulting with VEKA and, on the other hand, by engaging a study agency to appoint a permanent energy expert type D for new lettings as from January 2023. Upon delivery of the certificate, a roadmap will have to be followed to optimise to a more sustainable label, which will allow the Company to easily monitor the sustainability of its units.

Furthermore, in 2023, the CSR Manager will emphasise awareness of common and private consumption by installing an Energy Management System with smart energy and water meters. Through detailed metering, the technical installations of the Company's assets can be optimised. Also, the CSR Manager will make every effort so that the Company will also comply with the new standardised sustainability reports such as the EU Taxonomy & CSRD.

Since 2013, the Company has been communicating around sustainability through three main pillars within its sustainability programme: 'Better Footprint', 'Better Nature' and 'Better Living'. In the Annual Financial Report, a number of examples will be cited for each category to highlight the Company's high sustainability ambitions. Finally, a summary of a number of officially obtained sustainability labels and projects that can confirm the Company's sustainability policy will follow.

Better footprint

Reducing carbon footprint through operational interventions
In the year 2022, the Executive Managers commissioned the "Building & Maintenance" department to investigate what optimisations can be carried out on the existing technical installations to reduce energy consumption. This always taking into account the comfort of tenants and visitors to the assets.

On a national level, a number of savings actions were imposed and implemented for each shopping centre. They resulted in a significant decrease in consumption throughout the year, including by changing the set point of the temperature in the malls.

This intervention gave the following results for the year 2022 (compared to 2021) for all shopping centres:
- **During winter 2021-2022, a percentage difference in gas consumption of 35%. Therefore, 728,812 kWh of gas were saved, equivalent to the average annual gas consumption of 42 families of 3-4 people.**
- **During summer 2022, a percentage difference in electrical consumption of 10.32%. 29,881 kWh of electricity were therefore saved, equivalent to the average annual electricity consumption of 10 families of 3 to 4 people.**

The Company is convinced that optimisation also remains important with already implemented energy-saving installations. In all assets the hours of outdoor and parking lighting were dosed down to a minimum, while taking into account the comfort of the tenants and visitors of these assets. A numerical example is the implementation of the new outdoor and parking lighting at the Ring Kortrijk shopping centre. The optimisation of the lighting schedule resulted in nice savings, even though the users were already energy-efficient. The programming was changed so that the lighting was less active for a total of 2h per day. The total power of all new outdoor and parking lighting is 10.6 KW. Converted, this optimisation provides therefore a reduction of 21.2 KWh per day or an annual electrical saving of 6,636 KWh. **This corresponds to 115 full charges of an average electric car or in other words 31,600 electric kilometres driven.**

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 m² 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.

To further reduce unnecessary idle consumption, a "night walk" was organised twice in 2022 by the management of each shopping centre. During this check-up, it is checked whether unnecessary consumers are still active during closing hours (e.g. shop window or advertising lighting). With this awareness campaign, the Company can encourage its tenants individually to consume less.

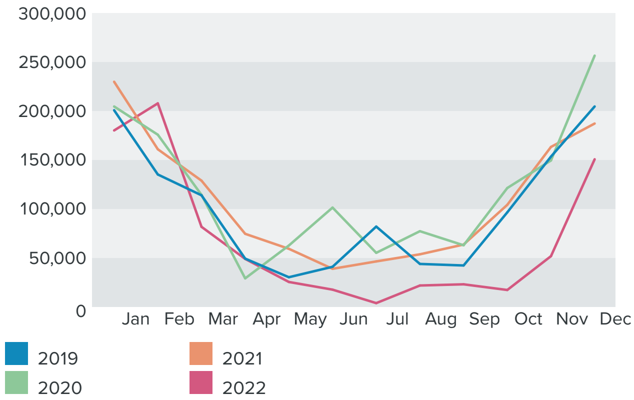
Reducing carbon footprint through investments
The Company realises that optimisation of the existing facilities of its assets as a standalone intervention is insufficient to reduce carbon emissions. As part of this, Capex investments are also made every year. Below, the Company is pleased to provide some examples ending with a "Case Study" where one asset is discussed in detail using concrete results and savings figures.

The Company has invested in charging stations at The Sage Vilvoorde and The Sage Antwerp offices for tenants and their staff. Only for The Sage Vilvoorde, a total of 11 charging stations (22kW) were added. Placing these charging stations does not immediately reduce the asset's CO2 emissions, but it is an important step towards the electrification of the tenants' fleet. Furthermore, at The Sage Antwerp, three older chillers were replaced with new, more energy-efficient ones in November. These cooling machines use eco-friendly refrigerants that have 75% less impact on global warming compared to the old ones. In addition, the machines also use 30% less refrigerant overall.

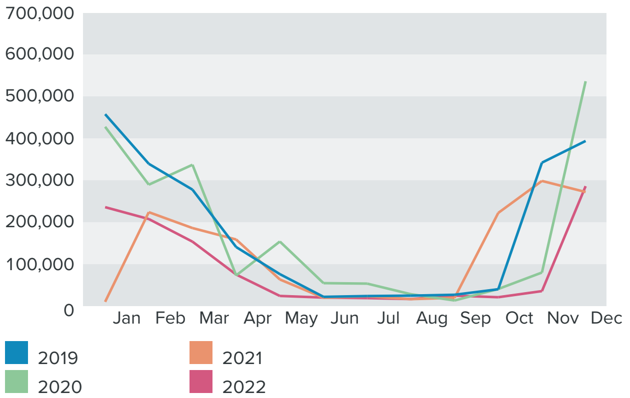
At Shopping 1 in Genk, the last fluorescent lighting in the offices and common areas was replaced with efficient LED lighting in November. This provides a 25% reduction in energy consumption, which would yield total annual savings of 3,578 kWh. At Shopping Nivelles, all lighting in the offices, common areas and walkways was also replaced, meaning that the entire shopping centre now also consists of 100% LED lighting. At Ring Kortrijk, during the exterior renovation works in Q1 & Q2 - 2022, the Company also replaced all exterior lighting with LED. Furthermore, new offices were built where LED lighting was installed. Water-saving sanitary appliances (toilets, taps, urinals) reduced water consumption as soon as they were installed. These sanitary appliances were also connected to rainwater. Both these interventions resulted in a substantial reduction in city water consumption.

Case Study Shopping Belle-Île
Through an overview of the actions carried out in Shopping Belle-Île, the Company shows its savings result. The table below details the actions carried out, both operational interventions and investments, and their impact on the shopping centre's consumption.

Energy consumption
(electricity in KWh)



Gas consumption
(Gas in KWh)



Savings campaign	Consequence
Installation of 3 independent splits to shut off the loop at night.	Savings through investment, decrease in electric and gas consumption.
Closing the gas tap until mid-November to avoid sleeping consumption.	Savings through operational intervention, decrease in gas consumption.
Optimisation of interior lighting burning hours, switching off certain interior lighting during daylight.	Savings through operational intervention, decrease in electrical consumption.
Reducing the number of burning hours of outdoor lighting.	Savings through operational intervention, decrease in electrical consumption.
Replacing outdoor lighting to LED along the Ourthe side and along access roads and roundabouts.	Savings through investment, 50% drop in electrical consumption.
Changing setpoint temperature of the gallery to 19°C (winter) and 24°C (summer).	Savings through investment, decrease in electrical and gas consumption.

The above actions all combined to deliver significant savings. As shown in the graph below, both electric and gas consumption were significantly reduced as a result of investments (sustainability projects) and operational interventions (sustainable policies) of this asset.

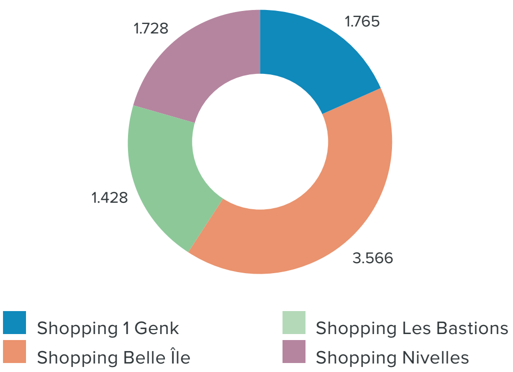
Looking at the difference between the year 2021 and 2022, **there is a total of 23.7% less electricity consumption and 26.1% less gas consumption, 451,139 kWh electric consumption and 400,923 kWh gas consumption respectively.**

Generate green energy
Over the years, investments were made in installing solar panels on the roofs of the Company's assets. In this way, the Company ensures a large reduction in CO2 emissions by producing and using local green energy. Besides consuming this energy, a portion is also injected making this green electrical energy available to third parties.

The Company provides hereunder a picture of all solar panel installations with their total generation and local green energy consumed.

Asset	# solar panels	KW peak	Produced green energy (KWh)	% Green energy compared to total consumption
Shopping 1 Genk	1.765	450	645.455	36%
Shopping Belle-Île	3.566	1.000	852.511	32%
Shopping Les Bastions	1.428	500	510.241	30%
Shopping Nivelles	1.728	500	498.435	27%

Solar panels



Due to exterior renovation works, the installation of solar panels at Ring Kortrijk is foreseen in 2023.

Better Nature

For this pillar, the Company intensified its actions in the year 2022, which can again be divided into sustainability policy (operational) and sustainability projects (investments) on the one hand.

During the months of June and July, 'Eco Days' were organised in each shopping centre. During these events, the Company introduced customers to how to live in an ecological way.

Through various exhibitors, DIY workshops and mannequin exhibitions, it aims to draw attention to ecology and sustainability. It is a programme focusing mainly on zero waste, reusable materials and more conscious living. The Company has a policy regarding waste collection at all its assets. This is to ensure that both its tenants and visitors sort optimally to optimise recycling. To make all this efficient, for example, it completed a new waste collection site at the Ring Kortrijk shopping centre and has applied for a permit for a new one on the other side of the centres. The Company is also optimising its waste reporting by entering into contracts with waste management companies with standardised sustainable reporting.

The Company has also made all kinds of investments for better nature. A good example is in Shopping Nivelles, where a vegetable garden of 150m^2 was created near the beehives. At the beginning of June, an information session was given to both visitors and tenants where tips were given through workshops on how to plant your own vegetable garden. During the external renovation of Ring Kortrijk shopping centre, permeable paving was placed around the shopping area. This allows rainwater to seep through more easily, replenishing the groundwater and increasing biodiversity. In Shopping 1 in Genk, additional bat boxes were placed next to the green roof and nesting boxes. Steps forward were also made in Les Bastions by installing 10 extra beehives. Finally, the Company also made efforts at Shopping Belle-Île through the "hop on the roof" project which acts as additional planting for the beehives and also provides shade for the skylights in summer, which is also meant to have an impact on the cooling of the shopping centre in the summer period.

A building permit was delivered in mid-June for the further greening of The Sage offices in Vilvoorde. 70% of the currently paved central courtyard (including car parking spaces) will be replaced by permeable paving. An additional green area will also be provided with a 240m^2 flower meadow to increase biodiversity and provide food for insects and birds.

Better Living

The Company is convinced that "Better Living" plays an important role for visitors, tenants and staff alike. Several welfare actions were implemented for each of these target groups.

For the Company's staff, amongst other things a thermal comfort survey was conducted for each shopping centre. A number of questions were asked about working conditions. At Shopping Nivelles, for instance, it emerged that the heating and cooling of the offices could be more optimised. In response, the heat pumps were replaced and separate temperature control per room was added. Furthermore, in response to the Covid crisis CO2 monitoring and alarms were applied for each separate office space.

The well-being of visitors and tenants is also optimised every year through various actions. In 2022, for instance, at the Ring Kortrijk shopping centre, the car park lines were tackled, providing specific spaces near the entrance for electric cars, PMR and young families, among others. These lines were also strategically addressed with 'diagonal parking'. Research shows that this promotes safety and makes parking itself easier. Moreover, the exterior and parking lighting was renewed based on a preliminary lighting study by experts. This to minimise safety and light pollution to visitors and surrounding neighbours.

Evidence of sustainable real estate

Sustainability certification

The Company also wants to officially demonstrate that it is investing in making its assets more sustainable. To demonstrate this, it has certified most of its assets according to BREEAM In-Use. BREEAM In-Use is an international sustainability certificate designed by BRE. This certificate assigns a score based on 9 main categories referring to the sustainability of a building.

In the table below, the results of this certification can be observed.

Asset	Part I: Asset Performance	Part II: Management Performance
Shopping Ring Kortrijk	Very Good	Very Good
Shopping Nivelles	Very Good	Very Good
Shopping Belle-Île	Very Good	Q2-2023
Shopping Les Bastions	Q2-2023	Q2-2023
The Sage Vilvoorde M28	Very Good	Not applicable
The Sage Vilvoorde M30	Very Good	Not applicable
The Sage Vilvoorde M32	Very Good	Not applicable
The Sage Antwerp RVL1	Very Good	Not applicable
The Sage Antwerp RVL2	Very Good	Not applicable
The Sage Antwerp RVL3-5	Good	Not applicable
The Sage Antwerp Berchemstadionstraat 76-78	Very Good	Not applicable
Asset	**Post construction certificate**	
Shopping 1 Genk	Very Good	

Road To Paris

In 2022, the Company decided to participate in the sustainability project "The Road To Paris" outside its overall sustainability objectives. This project is an initiative to pursue the goals of the 2015 climate summit, in Paris, as a sustainable organisation. At this summit, now 7 years ago with 55 participating countries, it was decided to take measures to drastically reduce CO2 emissions in the coming years. These measures aim for global warming to be no more than 2°C with a target of 1.5°C.

In June 2022, the Company started to set up this project, in collaboration with a study firm, for the Company's five shopping centres. By analysing in detail the technical installations and the building envelope of its assets, expert sessions will identify the investments needed to meet the European CREM1.5 standard by 2050. All these investments will be placed year after year in an online application to monitor progress internally as well as to compare assets.

Through this project, in addition to its general sustainability targets year after year, the Company will also have an action plan to make its shopping centres more sustainable, with a specific target up to the year 2050. The Company is very much looking forward to achieving this together with its stakeholders to not only achieve sustainability objectives but also to create long-term value for its Shareholders.

3 Due to exterior renovation works, solar panel installation is planned in Ring Kortrijk in 2023.

Environmental performance indicators Retail

	Absolute portfolio		Like-for-like portfolio	
Impact areas	2022	2021	2022	2021
Energy (MWh)				
Electricity shared services	7,780	7,944	7,780	6,526
Electricity submetered to tenants	23	17	23	17
Total landlord obtained electricity	7,803	7,961	7,803	6,543
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	2,975	3,645	2,975	3,645
Fuels submetered to tenants	413	287	413	287
Total landlord obtained fuels	3,578	3,932	3,578	3,932
Proportion of fuels from renewable sources	0%	0%	0%	0%
Total energy from shared services	10,755	11,589	10,755	10,171
Total energy submetered to tenants	436	304	436	304
Total landlord obtained energy	11,381	11,893	11,381	10,475
Total renewable energy produced on-site	2,664	1,853	2,664	1,847
Greenhouse gas emissions from energy (tCO2e)				
Total direct GHG emissions Scope 1 (market-based)	650	662	650	662
Total direct GHG emissions Scope 1 (location-based)	650	662	650	662
Total indirect GHG emissions Scope 2 (market-based)	0	0	0	0
Total indirect GHG emissions Scope 2 (location-based)	1,000	1,053	1000	1053
Total indirect GHG emissions Scope 3 (market-based)	75	52	75	52
Total GHG emissions - landlord obtained/submetered (market-based)	725	714	725	714
Water (m3)				
Water from municipal water supplies or other public	60,531	51,710	60,531	51,710
Water from rainwater collected directly and stored	3,385	3,356	3,385	3,356
Water from groundwater / surface water	949	11,689	949	11,689
Total landlord obtained water consumption	64,865	66,755	64,865	66,755
Water submetered to tenants	37,981	30,362	37,981	30,362
Waste (metric tonnes)				
Hazardous waste	0	0	0	0
Non-hazardous waste	1,375	1,224	1,375	1,224
Total weight of waste by disposal route (metric tonnes)				
Recycling	523	465	523	465
Composting	14	12	14	12
Energy from Waste	646	575	646	575
Incineration without energy recovery	0	0	0	0
Landfill	55	49	55	49
Other	138	122	138	122
Proportion of waste by disposal route (%)				
Recycling	38%	38%	38%	38%
Composting	1%	1%	1%	1%
Energy from Waste	47%	47%	47%	47%
Incineration without energy recovery	0%	0%	0%	0%
Landfill	4%	4%	4%	4%
Other	10%	10%	10%	10%

Environmental intensity indicators Retail

		Absolute portfolio		Like for like portfolio	
Impact areas		2022	2021	2022	2021
Building energy intensity	kWh/m2/year	57.68	60.27	57.68	60.27
	kWh/visitor/year	0.46	0.73	0.46	0.73
Greenhouse gas intensity from building energy	kg CO2e/m2/year	3.67	3.62	3.67	3.62
	kg CO2e/visitor/year	0.03	0.04	0.03	0.04
Building water intensity	m3/m2/year	0.33	0.34	0.33	0.34
	liter/visitor/year	2.63	4.10	2.63	4.10

Environmental performance indicators Offices

	Absolute portfolio		Like for like portfolio	
Impact areas	2022	2021	2022	2021
Energy (MWh)				
Electricity shared services	4,355	4,758	4,355	4,758
Electricity submetered to tenants	903	1,060	903	1,060
Total landlord obtained electricity	6,496	6,030	6,496	6,030
Proportion of electricity from renewable sources	100%	100%	100%	100%
District heating and cooling shared services	-	-	-	-
District heating and cooling submetered to tenants	-	-	-	-
Total landlord obtained district heating	-	-	-	-
Proportion heating and cooling from renewable sources	-	-	-	-
Fuels shared services	3,605	4,629	3,605	4,629
Fuels submetered to tenants	0	0	0	0
Total landlord obtained fuels	3,550	4,629	3,550	4,629
Proportion of fuels from renewable sources	0%	0%	0%	0%
Total energy from shared services	7,960	9,387	7,960	9,387
Total energy submetered to tenants	903	1,060	903	1,060
Total landlord obtained energy	8,863	10,447	8,863	10,447
Greenhouse gas emissions (tCO2e)				
Total direct GHG emissions Scope 1 (market-based)	645	853	645	853
Total indirect GHG emissions Scope 2 (market-based)	0	0	-	0
Total indirect GHG emissions Scope 2 (location-based)	1046	971	1,046	971
Total indirect GHG emissions Scope 3 (market-based)	-	-	-	-
Total GHG emissions (market-based)	645	853	645	853
Water (m3)				
Water from public water supplies - shared services	12,810	15,034	12,810	15,034
Water from public water supplies - submetered	-	-	-	-
Water from rainwater collected directly and stored	-	-	-	-
Water from groundwater / surface water	-	-	-	-
Total landlord obtained water consumption	12,810	15,034	12,810	15,034
Waste (metric tonnes)				
Hazardous waste	0	0	-	0
Non-hazardous waste	119	90	119	90
Total weight of waste by disposal route (metric tonnes)				
Recycling	53.9	37.7	54	37.7
Composting	0	0	-	0
Energy from Waste	49.8	40.6	50	40.6
Incineration without energy recovery	0	0	-	0
Landfill	0	0	-	0
Other	15.3	12.7	15	12.7
Proportion of waste by disposal route (%)				

	Absolute portfolio		Like for like portfolio	
Recycling	45%	42%	45%	42%
Composting	0%	0%	0%	0%
Energy from Waste	42%	45%	42%	45%
Incineration without energy recovery	0%	0%	0%	0%
Landfill	0%	0%	0%	0%
Other	13%	13%	13%	13%

Environmental intensity indicators Offices

			Absolute portfolio		Like for like portfolio	
Impact areas			2022	2021	2022	2021
Building energy intensity	CRESS CRE1	kWh/m2/year	83	98	83	98
Greenhouse gas intensity from building energy	CRESS CRE3	kgCO2e/m2/year	6.04	7.99	6.04	7.99
Building water intensity	CRESS CRE2	m3/m2/year	0.12	0.14	0.12	0.14

BREEAM-certificates

% of retail center GLA	2022	2021
BREEAM certifications in place		
Outstanding	0%	0%
Excellent	0%	36%
Very Good	84%	43%
Good/Pass	3%	0%
Percentage of GLA which is BREEAM rated	**87%**	**79%**
Percentage of eligible centers GLA which is BREEAM rated	**100%**	**100%**

Management report

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

Mission and strategy

Mission: a focus on shopping centres and retail parks

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

Strategy: value creation and risk spreading

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 of shopping centres and retail parks;
- the acquisition of commercial real estate assets that meet 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 our 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. 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 (Ifield BV, represented by Mr Nicolas Beaussillon, Firesti BV, represented by Ms Ingrid Theuninck and Realine BV, represented by Ms 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.

Solid full-year results slightly above expectations

(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)

After an early part of the year that was still somewhat affected by the latest anti-Covid measures and despite the outbreak of war in Ukraine in February, the Company's full-year results were up significantly compared to 2021 and even slightly higher than forecasted. As a result of the lifting of the last restrictive Covid government measures, the Company was able to fully operate its assets again and visitors indeed returned to the physical shops. The very good footfall recorded during 2022 had a positive impact on retailers' sales figures and prompted several of them to open new shops, which again boosted the Company's portfolio occupancy rate to levels almost as high as before the Covid pandemic.

After two years of investments in its office portfolio, these are starting to bear fruit, with occupancy rates increasing by more than 5% last year and future prospects are looking bright.

Inflation also played an important role in the Company's results, positive on the one hand due to the indexation of all rents and negative on the other hand due to the increase in financing costs. However, the Company closely monitors market developments and responds appropriately.

Finally, the Company is pleased to announce that the share of Shopping Belle-Île in Liège in its consolidated assets has been reduced to 18.9% as at 31 December 2022, so that it complies with the legal diversification requirements and consequently the derogation granted by FSMA is no longer necessary. In this context, the Company will also no longer be required to observe a 33% debt ratio and will once again be able to consider new investments, even if the current market context forces a degree of caution.

Evolution of operational activities

After a year 2021 affected by Covid-19, the Company did not experience any closures of shops in 2022. The various restrictions (notably wearing mouth masks and individual shopping) in the context of the pandemic gradually disappeared and were completely lifted by early March 2022.

In the first half of the year, despite the outbreak of war in Ukraine at the end of February 2022, the Company experienced very good momentum in terms of footfall in its shopping centers with an increase of 19.9% compared to the same period in 2021. Visitor numbers are also close to those of 2019 (the pre-Covid period), with a decline of only 5.2%.

Moreover, it is noteworthy that the various commercial assets even outperformed the market average in the first half of the year compared to 2019.

The second half of the year also saw a nice increase in footfall compared to 2021 by over 7.85%. The Company again outperformed the overall market and visitor numbers are close to those of 2019 with a difference limited to -3.4% for the second half of the year.

These figures confirm the Company's strategy to transform its assets into "Full Service Centers" in order to attract even more customers and sustain these activities in the long term. In this context, a number of projects have already been launched in 2022.

The biggest project in 2022 was the renovation of the façade and outdoor areas as well as the reorganisation of the Ring Kortrijk shopping center's car park. The works started in 2021 to make this more than 50-year-old shopping center more attractive. Thanks to the phasing and good communication, the inconvenience for both tenants and visitors could be limited, and the first reactions of the latter are excellent.

As part of its strategy, the Company implemented its new hospitality concept "Eat&Meet" on the first floor of Shopping 1 in Genk in 2022. This project consists in the implementation of a Food Court with several horeca businesses and terraces to welcome visitors. The leasing of this Food Court is progressing well and the official opening will take place in early 2023.

One of the great achievements in 2022 was the opening of a brand new outdoor playground in Shopping Les Bastions in Tournai. This is more than 8 metres high and has already welcomed many families with their children during the summer months to enjoy the new space accessible to all. This space was created in conjunction with the construction of a brand new entrance to the shopping center to strengthen synergies with the adjacent Retail Park.

In addition to these major projects, the Company introduced several concepts to improve the customer experience in its shopping centers in 2022. In Shopping Nivelles, the first concept of "Public Seating" was installed to offer visitors more comfort while shopping. New high-performance electric charging stations were also installed in the outdoor car park of this shopping center to offer visitors an additional service. New Wayfinding was also installed in Nivelles to better guide customers and offer them more comfort during their visit.

These numerous new projects have resulted in a very good NPS ("Net Promoter Score") in most of the Company's branches. This score is a benchmark for measuring the satisfaction of customers visiting shopping centers. To maintain and increase this score in all its shopping centers, the Company continued to conduct Mystery Shopping visits to identify action points needed to continuously improve customer satisfaction.

On the other hand, thanks to the quality of the local teams and the increased activity after the Covid crisis, the Company was able to achieve very good results in the Specialty Leasing segment. This is especially true for all activities and achievements realised in the "The Point" infopoints, especially unprecedented results in gift voucher sales or package delivery. The latter demonstrates the complementary role of e-commerce and physical shops. The teams also organised several events and fairs, notably the "Eco-days", a car show and, above all, very attractive Christmas markets. Thanks to all this, revenues have increased significantly compared to 2021 and new visitors have been attracted thanks to these themed fairs.

The war in Ukraine has obviously affected the management of the Company's assets in terms of energy consumption. In this context and in order to control common charges, an action plan, the "Energy Saving Action Plan", was launched. This consisted of reviewing numerous work processes to reduce or reconsider the management and use of various energy sources, mainly gas and electricity, which are a significant part of common charges. In some areas, these actions have made it possible to reduce consumption by 20%-30% compared with the previous year, while maintaining a high level of comfort and safety. In some cases, these savings will have a short-term effect, while others will have a positive long-term effect, notably thanks to the renegotiation of certain contracts or the adaptation of certain procedures that were very energy-intensive in the past. All these processes will obviously be maintained in 2023, and the teams will continue to work actively to minimise the increase in the common charges of shopping centers.

Evolution of leasing activities
Despite 2022 being characterised by the uncertainty due to the war in Ukraine and rising energy and construction costs, the leasing of retail and office spaces in the Company's portfolio showed a remarkable dynamism throughout the year.

Indeed, in the year 2022, the Company concluded no less than 89 leases and lease renewals for a total area of 7,858m^2, which represented 15% of the Company's entire tenant portfolio. These transactions were concluded on average 3% above the previous rent and 13% above the market rent (6% at 31 December 2021). These fine results reaffirmed the quality of the Company's portfolio and the work of its teams, even in a generally uncertain context.

As for the Company's retail portfolio, 2022 was marked by the opening of quality brands with real added value for customers within the Company's assets. Thus, new shops of enseignes already present in Belgium such as Calzedonia, Claire's, Hairdis, Etam, Ken Shoe Fashion, Médi-Market, JBC, C&A and Kiabi were welcomed or are about to be opened. In addition, the Company further optimised its commercial mix by convincing new or recent enseignes in the Belgian market to establish themselves in its centers (notably Intersport, Chick & Cheez, Project X Paris and Cup Pasta). The arrival of major players such as Kiabi and Intersport is excellent news and strengthens the commercial offer on the Shopping Les Bastions site in Tournai. On the other hand, the opening of a number of Horeca businesses such as Chick & Cheez, O'Tacos, Panos, Planet Yahourt and Hawaian Poké Bowl in Shopping 1 in Genk provided the Company with the opportunity to premiere its new "Eat&Meet" concept in the second quarter.

Thanks to this good momentum, Shopping Belle-Île in Liège and Shopping Nivelles again reached 100% occupancy rates on 31 December 2022, and the occupancy rate of Shopping 1 in Genk increased by more than 5% up to 91% for the first time in 10 years. As a result, the occupancy rate of the Company's retail portfolio has risen to 97.7% (97.2% as at 31 December 2021).

Regarding the commercialisation of its office spaces, the Company noted that after the decline in occupancy at the end of 2021, due to the departure of several tenants, the completion of "The Sage" project has generated a deep interest among potential tenants, with 16 firm leases signed in the past year. This significant development led to a significant increase in the office asset occupancy rate in this period by 5.5% compared to end 2021, up to 81.5% (76% on 31 December 2021).

Evolution of financial activities
2022 was a very volatile year on the financial markets. During the first half of 2022, short-term interest rates were still negative and the Company could benefit from favourable financing conditions, both through its Commercial Paper programme and credit lines. In addition, the Company's strategy to hedge interest rate risk (by entering into Interest Rate Swaps and Caps) is bearing fruit. Since around mid-July 2022, short-term interest rates have increased sharply to around 2% by the end of December 2022. A cap of € 60M at a strike price of 0.5% significantly reduces funding costs.

During the second quarter of 2022, the Company realised the refinancing of its outstanding credit lines with Belfius Bank. These credit lines of € 30M (investment credit) and € 50M (roll over credit facility) were due to mature in April and September 2023. Taking into account the rising interest rate trend that had started since the beginning of 2022 and the short- and medium-term market expectations at that time, the Company anticipated its 2023 maturities, which proved to be a correct decision given that short-term interest rates have continued to rise. Moreover, by choosing a fixed interest rate for the € 30M investment loan, the Company increased its hedge ratio from 65% to 76% from April 2023.

The Company has had a very solid balance sheet structure for many years, with a debt ratio of 28.6% as at 31 December 2022 compared to 28.2% as at 31 December 2021. Such a level of debt ratio illustrates the Company's strong equity base, which enables it to consider and fund further growth.

As of 31 December 2022, drawdowns on debt financing amount to € 256.2M spread over various financing sources (64% bank financing, 23% Commercial Paper and 13% bonds). This is offset by € 55.6M of undrawn backup lines and € 90.3M of available intercompany backup line as guarantee for the Commercial Paper programme.

There is no maturity date within the loan portfolio until 2024. Moreover, previously concluded Interest Rate Swaps and a Cap start in 2023 that will have a positive effect on the cost of funding. These elements further strengthen the Company's position and confirm the intrinsic quality of its portfolio, balance sheet and results.

Investment property

Buildings available for lease

The fair value of the portfolio of buildings available for lease (excluding development projects) increased from € 912.5M at 31 December 2021 to € 935M at 31 December 2022, largely explained by own investments.

In 2022, the Company invested a total amount of € 23.1M, most of which was for the renovation works at the Ring Kortrijk shopping centre. Abstracting these investments, the fair value decreased slightly by € 0.8M, reflected in the indirect result.

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 97.2% at 31 December 2021 to 97.7% at 31 December 2022. This outstanding performance confirms the attractiveness of the Company's assets, both for permanent tenants like Kiabi, Intersport, Bestseller, KFC, Hawaiian Poké Bowl, etc. and for players developing pop-up shop concepts like Green Clothes, etc.

Asset attractiveness was also confirmed by the increase in "Specialty Leasing" (i.e. temporary occupancy of stands and promotional activities in common areas) throughout the year. These fine results are reflected in the "Like-For-Like" rental results of these assets, which increased by 14.4% compared to 2021..

The renovation work on the façades and outdoor spaces around the Ring Kortrijk shopping centre, which began in the first quarter of 2021, is almost completely finalised, is on schedule and on budget, and has been very well received by customers.

In Bruges, the Company has started the renovation of its Retail Park on Maalsesteenweg. Specifically, the first phase of works consists of the demolition of an 800m^2 building, followed by the reconstruction of a building extended to ± 1,500m^2. This building will be delivered in the first half of 2023 and the commercialisation of the spaces is progressing very well. Discussions with the existing tenants are still ongoing for the second phase, which consists of renovating the main building on the site. The budget for this renovation is estimated at ± €15.5M.

Office building portfolio

The EPRA occupancy rate of this portfolio increased from 76.0% at 31 December 2021 to 81.5% at 31 December 2022. This strong increase is the result of strengthening the attractiveness of the assets through the renovations carried out over the past two years, mainly on the site of "The Sage Antwerp" and, to a lesser extent, on the site of "The Sage Vilvoorde". In Antwerp, new tenants such as Escher Cloud, Ikanbi, Robert Half, Group S, etc. were welcomed, while in Vilvoorde, a baby daycare has established itself which also strengthens the service offering to the other tenants on the site.

In 2023, the Company will continue to invest in both sites to build on these good results.

This increase in occupancy is already somewhat reflected in the evolution of "Like-for-Like" rental results with an increase of 2.3% compared to 2021, but will be even more visible in 2023.

Development projects

On 31 December 2022, the value of the development projects amounted to € 14.3M (31 December 2021: € 13.5M). 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 the net income from core and non-core activities, was € 55.2M (€ 38.2M in 2021). The increase (+ € 17M) compared to the previous financial year was primarily due to the significant improvement in the net results of non-core activities, i.e., from - € 0.8M at the end of 2021 to + € 12.3M at the end of 2022 (i.e., + € 13.1M), and to the increase in the net result of core activities of € 3.9M.

Net earnings from core activities

The result from core activities at 31 December 2022 was € 42.9M compared to € 39M at the end of 2021. The € 3.9M increase was due to a € 6.1M increase in the real estate earnings, combined with an increase in property costs (€ 0.7M increase), an increase in operating costs (€ 0.9M increase) and by an increase in the negative financial result (+ € 0.6M). The Company could record an increase of € 36.52 m in net rental result or 11.8% compared to 2021.

The balance of property expenses and general expenses increased compared to 2021. Property expenses decreased by € 0.7M, increased from € 7.2M to € 7.9M, mainly through more marketing campaigns after a Covid period, and general expenses increased by € 0.9M, from € 4.4M to € 5.3M most of which can be explained by indexation of payroll and recruitment of new employees..

The result was an increase in operating income (from core activities) of € 4.5M (+ 10.4%) which reached € 47.7M (compared to € 43.2M at the end of 2021).

As the Company is partially (namely to the extent of +/-65%) hedged against interest rate rises, the strong rise in interest rates in the second half of the year had its impact on the financial result, which rose from - € 4.1M to - € 4.7M at the end of 2022.

The net result of core activities per share shows a strong increase from € 4.56 at the end of 2021 to € 4.87, or 6.8%, taking into account a dilution on the occasion of the optional dividend in April 2022 where 193,938 new shares were issued.

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 € 2.5M, rising from - € 3.3M at the end of 2021 to - € 0.8M at the end of 2022. This is almost with unchanged composition of the property portfolio and explained by better occupancy rates, rent levels often above market rates and capex investments. With respect to changes in the fair value of the hedging portfolio, there was a positive change from + € 2.5M end 2021 to + € 15.4M end 2022. Soaring interest rates largely determine the value of derivatives.

Shareholders' equity and net value per share

Shareholders equity at 31 December 2022 was € 701.9M (€ 670.9M as at 31 December 2021), i.e., an increase of 4.6%. The increase was due to a combination of factors, including the capital increase of € 8.1M via an optional dividend, the payment of a dividend of € 35.6M for the 2021 financial year and the net profit/loss of € 55.2M 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 2022, was € 78.99 at 31 December 2022 (€ 77.19 at 31 December 2021).

The number of shares issued was 8,886,001 as at 31 December 2022.

Significant events after the closure of the financial period

At the General Meeting of 12 April 2023, the mandate of Dirk Goeminne as Independent Member (and Chairman) of the Board of Directors will expire. The Board warmly thanks him for his qualitative contribution to the development of the Company during these last twelve years.

To replace Mr Goeminne, the appointment of Mr Luc Weverbergh as Independent Member of the Board of Directors is proposed, subject to the condition precedent of approval by the FSMA. His appointment will be submitted for approval to the forthcoming General Meeting after which, following approval by the FSMA, it will become final. Mr Weverbergh has extensive experience in the banking world and listed companies in senior management positions, including at BNP Paribas Fortis.

In addition, the General Meeting of 12 April 2023 will be presented with the reappointment of the gentlement Matthijs Storm (as executive member of the Board of Directors) and Dennis de Vreede (as non-executive member of the Board of Directors) as well as the appointment of Mr Keesjan Verhoog as non-executive member of the Board of Directors by the Promoter Wereldhave NV.

Finally, the Company announced via press release of March 7, 2023 that it was mutually agreed that Mr Nicolas Beaussillon will step down as CEO and director of the Company on March 31, 2023. It was agreed that Nicolas Beaussillon will remain available to the Company in the coming months to ensure a smooth transition. Meanwhile, a process was also started to determine his succession. The Company will communicate on this in due course.

Apart from these events, no additional significant events occurred after 31 December 2022 that would affect or require disclosure in this Annual Financial Report.

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 net income from core and non-core activities, was € 55.2M (€ 38.2M in 2021). The increase (+ € 17M) compared to the previous financial year was primarily due to the significant improvement in the net result of non-core activities, i.e., from - € 0.8M at the end of 2021 to € 12.3M at the end of 2022 (i.e., + € 13.1M), and to the increase in the result of core activities of € 3.9M.

The General Meeting of Shareholders will be held on Wednesday, 12 April 2023 at 11:00 am (at 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 € 4.20 per share gross – € 2.94 net (2021: gross € 4.10 – net € 2.87).

Forecast

For 2023, the Company is forecasting a net result from core activities between € 4.85 and € 4.95 per share.

The Company will continue to inform the market should an adjustment of the bandwidth become necessary following changes due to market evolutions or other elements.

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 2020 Code, 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. This 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

Vilvoorde, 7 March 2023

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		2022	2021
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	42,942	38,993
			€/share	4.87	4.56
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	709,597	695,011
			€/share	79.86	79.96
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	685,791	671,781
			€/share	77.18	77.29
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	705,700	670,897
			€/share	79.42	77.19
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.		6.1%	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).		6.3%	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.		4.8%	6.1%
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.		22.3%	21.5%
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.		20.4%	18.2%

1. EPRA earnings

(x € 1.000)	2022	2021
Net result IFRS (group share)	**55,230**	**38,191**
Adjustments to calculate EPRA Earnings		
Exclude:		
Changes in value of investment properties	753	3,275
Profit or losses on disposal of investment properties	29	2
Changes in fair value of financial instruments and associated close-out costs	-15,402	-2,475
Other result on portfolio	2,331	-
EPRA Earnings (group share)	**42,942**	**38,993**
Weighted average number of shares	8,819,584	8,553,166
EPRA Resultaat per aandeel	**4.87**	**4.56**

2. EPRA NAV METRICS

(x € 1.000)	2022	2022	2022	2021	2021	2021
	EPRA NRV	**EPRA NTA**	**EPRA NDV**	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**
IFRS Equity attributable to shareholders	**701,944**	**701,944**	**701,944**	**670,897**	**670,897**	**670,897**
Include/exclude						
Hybrid instruments						
Diluted NAV	**701,944**	**701,944**	**701,944**	**670,897**	**670,897**	**670,897**
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	**701,944**	**701,944**	**701,944**	**670,897**	**670,897**	**670,897**
Exclude:						
v) Deferred tax in relation to the fair value gains of IP						
vi) Fair value of financial instruments	-16,153	-16,153		-603	-603	
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			3,756			-41
ix) Revaluation of intangibles to fair value						
x) Real estate transfer tax	23,807			23,230		
NAV	**709,597**	**685,791**	**705,700**	**693,525**	**670,294**	**670,897**
Fully diluted number of shares	8,886,001	8,886,001	8,886,001	8,692,063	8,692,063	8,692,063
NAV per share (in €)	**79.86**	**77.18**	**79.42**	**79.79**	**77.12**	**77.19**

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

(x € 1.000)	2022	2021
Investment properties	**949,233**	**926,005**
Exclude:		
'Right of use asset' according to IFRS 16	-6,511	-6,511
Investment properties built or developped in portfolio available for lease	-14,252	-13,514
Properties available for lease	**928,470**	**905,980**
Include:		
Estimated transaction costs resulting from hypothetical disposal of investment properties	23,807	23,230
Investment value of the properties available for lease (B)	**952,277**	**929,210**
Annualised gross rental income	59,390	53,939
Exclude:		
Property charges	-1,587	-1,543
Annualised net rental income (A)	**57,803**	**52,396**
EPRA NET INITIAL YIELD (A/B)	**6.1%**	**5.6%**
Exclude:		
Unexpired rent-free periods	1,801	1,580
Annualised net rental income (rent-free periods excluded) (C)	**59,604**	**53,976**
EPRA 'TOPPED UP' NET INITIAL YIELD (C/B)	**6.3%**	**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 2022	EPRA vacancy rate 2021
Segment					
Offices	62,492	1,556	9,083	18.5%	25.0%
Retail	222,251	1,439	51,162	2.3%	3.7%
Investment properties available for lease	**284,743**	**2,996**	**60,245**	**4.8%**	**6.1%**

5. EPRA cost ratios

(x € 1,000)	2022	2021
(i) Administrative/operating expense line per IFRS income statement	13,843	12,546
(ii) Net service charge costs / fees	2,989	2,885
(iii) Management fees less actual/estimated profit element		
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits	-3,892	-3,673
(v) Share of Joint Venture expenses		
Exclude (if part of the above):		
(vi) Investment Property depreciation		
(vii) Ground rent costs	-3	-10
(viii) Service charge costs recovered through rents but not seperately invoiced		
Costs (including direct vacancy costs) (A)	**12,937**	**11,748**
(ix) Direct vacancy costs	-1,082	-1,785
Costs (excluding direct vacancy costs) (B)	**11,855**	**9,963**
(x.a) Gross rental income less ground rent costs - per IFRS	61,963	58,411
(x.b) Less: Other operating income/recharges intended to cover overhead expenses	-3,892	-3,673
(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)	**58,071**	**54,738**
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**22.3%**	**21.5%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**20.4%**	**18.2%**

6. EPRA LTV

(x € 1,000)	Group as reported	Share of Joint Ventures	Share of Material Associates	Non-controlling Interests	Combined 2022
Include					
Borrowings from Financial Institutions	164,450				164,450
Commercial paper	59,750				59,750
Bond loans	32,000				32,000
Net payables	12,647				12,647
Exclude					
Cash and cash equivalents	-10,415				-10,415
Net Debt (a)	**258,432**				**258,432**
Include					
Investment properties at fair value	928,470				928,470
Properties under development	14,252				14,252
Financial assets	592				592
Total Property value (b)	**943,314**				**943,314**
LTV (a/b)	**27.4%**				**27.4%**

Real estate report

The Belgian real estate market[1]

Very good resumption of investment in commercial property

After two years strongly affected by the sanitary context, commercial real estate investment in Belgium experienced a rebound in activity in 2022, with transaction volume up 60% to € 774 million. Even if this volume is still 20% below the average of the past 10 years, it all shows the return of institutional investors and the completion of larger transactions in the fourth quarter. However, it should be noted that no large shopping centres and few retail parks were sold.

Prime yields in the various retail property segments have increased slightly since 2021 to 4.70% for city centres, 5% for shopping centres and 5.80% for peripheral retail property (retail parks) due to the economic climate and according to Cushman & Wakefield.

Another take-up record in commercial real estate

For the first time, the 500,000m² take-up threshold was exceeded in 2022 with 520,000m², representing an increase of 25% compared to the average of the last 10 years.

This increase is mainly due to an increase in the average leased area (+ 10%), while the number of transactions fell slightly (- 4%).

The three retail segments all performed well with increases of 21% for High Streets, 18% for shopping centres and 2.5% for peripheral retail properties (retail parks), respectively.

Record year for investments in office properties

With a total investment volume of over € 5,800 million, the year 2022 far surpassed the volumes of recent years. Indeed, it was a record year driven by some very large transactions.

Despite this increased interest and given the general economic climate, prime yields rose slightly to 4.1% in Brussels, and 5.6% in Flanders, respectively, according to Cushman & Wakefield.Bad year in office space take-up.

Bad year for office space take-up

With a take-up of 578,000m², the year 2022 ended with a 16% decrease compared to the average volume of the past 10 years.

However, the decrease is mainly attributable to the Brussels market, while the Flemish market reached the same level as in 2021.

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	834,511		100,470		934,981
Development projects	14,252				14,252
Total real estate investments	**848,763**	**89.4%**	**100,470**	**10.6%**	**949,233**
Insured value[1]	469,460	81.0%	109,983	19.0%	579,444
Contractual rent	54,177	87.6%	7,650	12.4%	61,827

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	19.2%	30,303	1,641
Shopping Nivelles, Chaussée de Mons 18A, 1400 Nivelles	2012	17.6%	28,143	1,500
Shopping Les Bastions, Boulevard W. de Marvis 22, 7500 Tournai	2018	15.2%	31,405	1,450
Retail park Les Bastions, Rue des bastions 100, 7500 Tournai	2016	2.1%	10,348	360
7 Fontaines, Boulevard W. de Marvis 22, 7500 Tournai	2019	0.6%	3,485	
Shopping 1, Rootenstraat 8, 3600 Genk	2014	6.1%	21,876	1,250
Ring Kortrijk, Ringlaan 34, 8500 Kortrijk	2022	13.6%	33,045	2,000
De Box, Overpoortstraat 49A, 9000 Gent	2014	0.8%	3,960	
Genk Stadsplein, Stadsplein 39, 3600 Genk	2008	3.3%	15,415	44
Commercial complex Waterloo, Chaussée de Bruxelles 193-195, 1410 Waterloo	1968	1.5%	3,509	95
Brugge Retail park, Maalsesteenweg 334, 8310 Brugge Sint-Kruis	1970	4.4%	20,958	650
Turnhout Retail Park, Parklaan 80, 2300 Turnhout	1979	3.5%	19,804	765
		87.9%	**222,251**	**9,755**
Offices				
The Sage Vilvoorde 28, Medialaan 28, 1800 Vilvoorde	2022	2.0%	12.772 / 228[5]	337
The Sage Vilvoorde 30, Medialaan 30, 1800 Vilvoorde	1999	0.9%	5.449 / 389[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	2.2%	11.165 / 255[5]	225
The Sage Antwerp II, Roderveldlaan 3-4-5, 2600 Berchem	2021	3.0%	16.003 / 821[5]	316
The Sage Antwerp III, Berchemstadionstraat 76-78, 2600 Berchem	2021	2.1%	11.163 / 224[5]	223
		10.6%	**60,459 / 2,033[5]**	**1,394**
Development in commercial projects				
Redevelopment commercial complex in Waterloo		0.2%		
Extension shopping Belle-Île in Liège		0.6%		
Nivelles land positions		0.7%		
		1.5%		
Total		**100%**	**282,710 / 2,033[5]**	**11,149**

Continued	Contract rent at 31 December 2022 (€ x 1,000)	Rental value vacancy (€ x 1,000)[1]	Theoretical rental value at 31 December 2022 (€ x 1,000)[2]	Estimated rental value (€ x 1,000)[3]	Occupancy rate at 31 December 2022[4]
Retail					
Shopping Belle-Île, Quai des Vennes 1, 4020 Liège	11,993,664	209,000	12,202,664	10,902,878	99.7%
Shopping Nivelles, Chaussée de Mons 18A, 1400 Nivelles	10,415,292	0	10,415,292	9,788,746	100%
Shopping Les Bastions, Boulevard W. de Marvis 22, 7500 Tournai	9,069,294	78,825	9,148,119	8,525,391	99.1%
Retail park Les Bastions, Rue des bastions 100, 7500 Tournai	1,207,133	0	1,207,133	1,178,476	100%
7 Fontaines, Boulevard W. de Marvis 22, 7500 Tournai	481,319	0	481,319	429,830	100%
Shopping 1, Rootenstraat 8, 3600 Genk	4,251,085	367,842	4,618,926	4,406,752	91.1%
Ring Kortrijk, Ringlaan 34, 8500 Kortrijk	7,994,097	203,838	8,197,935	7,417,255	97.5%
De Box, Overpoortstraat 49A, 9000 Gent	563,319	0	563,319	491,315	100%
Genk Stadsplein, Stadsplein 39, 3600 Genk	2,262,072	565,015	2,827,087	2,387,962	82.1%
Commercial complex Waterloo, Chaussée de Bruxelles 193-195, 1410 Waterloo	908,933	14,700	923,633	885,058	98.4%
Brugge Retail park, Maalsesteenweg 334, 8310 Brugge Sint-Kruis	2,544,993	0	2,544,993	2,570,884	100%
Turnhout Retail Park, Parklaan 80, 2300 Turnhout	2,486,156	0	2,486,156	2,177,084	100%
	54,177,355	**1,439,219**	**55,616,574**	**51,161,630**	**97.7%**
Offices					
The Sage Vilvoorde 28, Medialaan 28, 1800 Vilvoorde	1,408,901	364,960	1,773,861	1,860,320	80.5%
The Sage Vilvoorde 30, Medialaan 30, 1800 Vilvoorde	471,983	392,200	864,183	833,720	53.0%
The Sage Vilvoorde 32, Medialaan 32, 1800 Vilvoorde	276,231	356,380	632,611	584,800	39.1%
The Sage Antwerp I, Roderveldlaan 1-2, 2600 Berchem	1,662,948	23,185	1,686,133	1,703,456	97.2%
The Sage Antwerp II, Roderveldlaan 3-4-5, 2600 Berchem	2,254,727	228,955	2,483,682	2,413,789	87.9%
The Sage Antwerp III, Berchemstadionstraat 76-78, 2600 Berchem	1,574,942	190,736	1,765,678	1,686,938	86.4%
	7,649,731	**1,556,416**	**9,206,147**	**9,083,022**	**81.5%**
Development in commercial projects					
Redevelopment commercial complex in Waterloo					
Extension shopping Belle-Île in Liège					
Nivelles land positions					
Totaal	**61,827,086**	**2,995,635**	**64,822,721**	**60,244,653**	**95.2%**

1 Rental value vacancy is the estimated rental value on the vacant units.

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

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

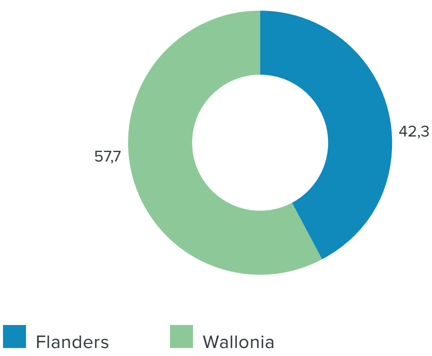
4 The occupancy rate is calculated by dividing the (indexed) contractual rental of current leases by the sum of contractual rents and estimated rental value (market rent) of the vacancy. The latter are determined based on the level of the current rents, in accordance with the EPRA guidelines.

5 Archives

Key information real estate portfolio

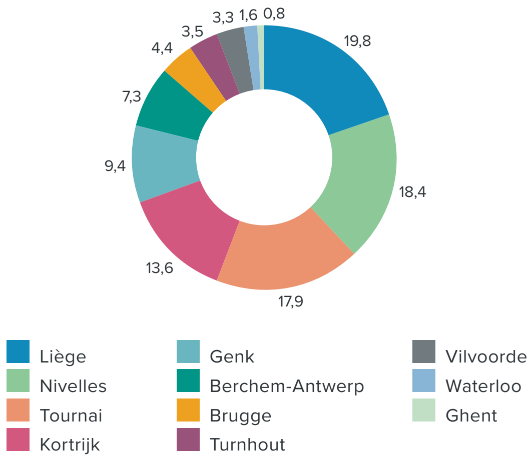
Geographical breakdown

(as % of fair value)



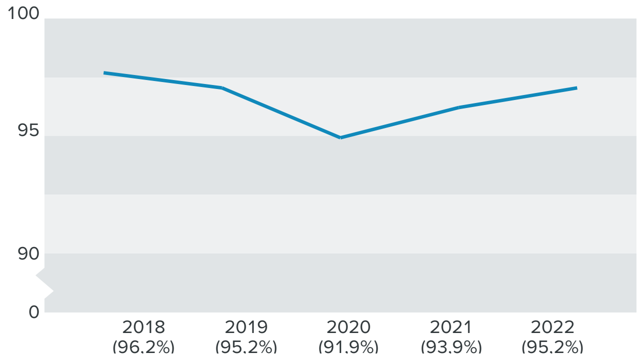
Geographical breakdown

(as % of fair value)



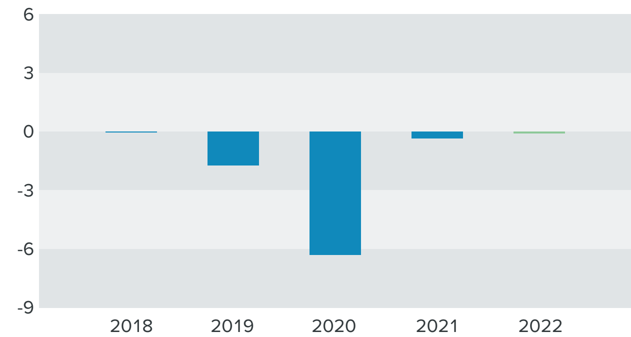
Average occupancy

(in % of rental income)



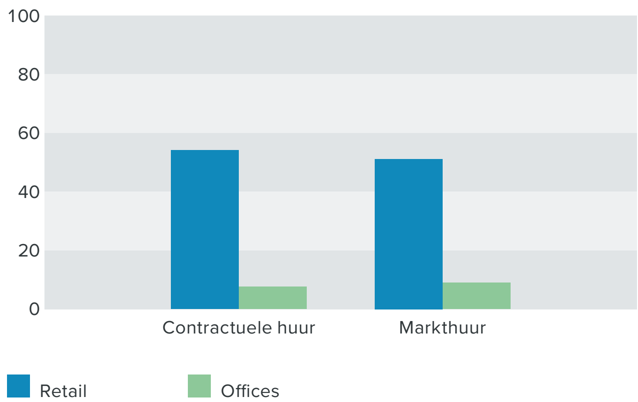
Portfolio revaluation

(in % total investment properties)



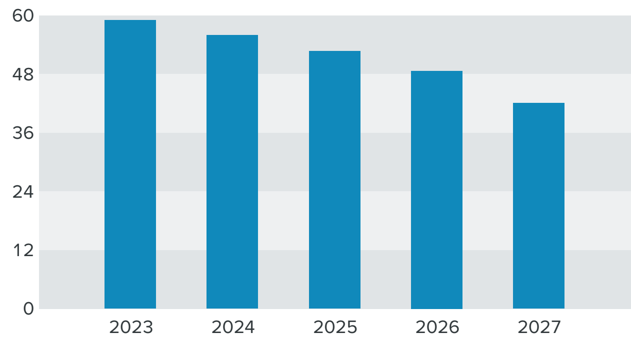
Contracted rent/market rent

(x € 1.000)



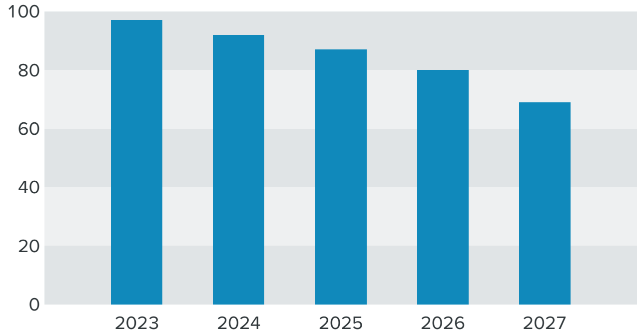
Contract rent over 5 years

(in € M)



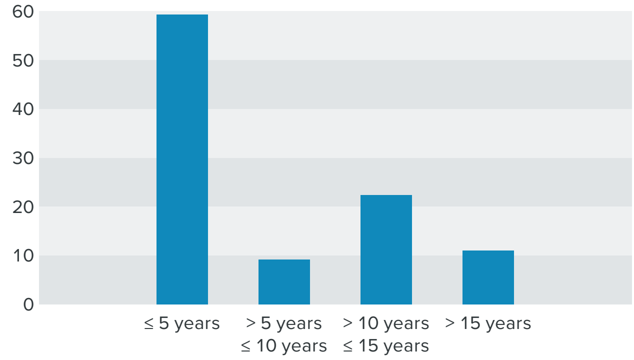
Guaranteed rental income

(in %)



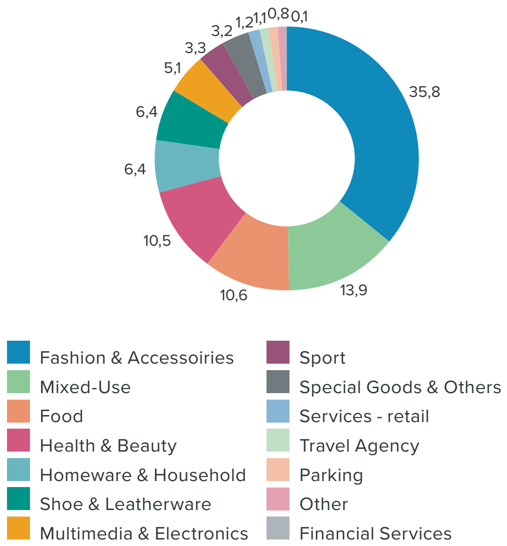
Age analysis of the retail portfolio

(in % of fair value)



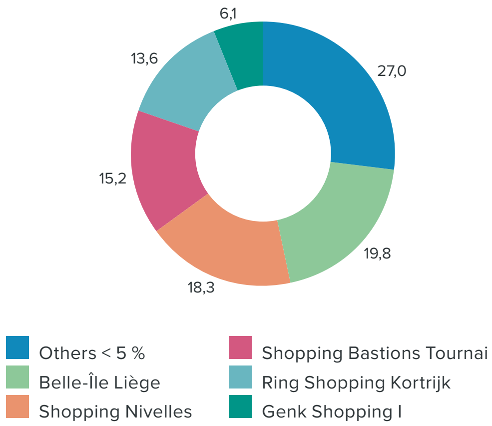
Branche mix investment property retail

(as % of rental income)



Investment properties > 5%

(in % fair value)



Top 10 - Global Portfolio

	Tenant	Section	%
1	Carrefour	Traditional Retail	3.9%
2	Delhaize	Traditional Retail	3.0%
3	C&A	Traditional Retail	3.0%
4	A.S. Watson Group	Traditional Retail	2.4%
5	H&M	Traditional Retail	1.8%
6	Lunch Garden	Mixed Use	1.7%
7	Brico	Traditional Retail	1.6%
8	RICOH	Offices	1.3%
9	HEMA (Jumbo Group)	Traditional Retail	1.2%
10	PAPRIKA	Traditional Retail	1.2%
			21.0%

Top 10 – retail

	Tenant	%
1	Carrefour	5.3%
2	Delhaize	4.0%
3	C&A	4.0%
4	A.S. Watson Group	3.2%
5	H&M	2.4%
6	Brico	2.1%
7	HEMA (Jumbo Group)	1.6%
8	PAPRIKA	1.6%
9	Jack & Jones	1.4%
10	BESTSELLER STORES BELGIUM	1.4%
		27.0%

Top 10 – Offices

	Tenant	%
1	RICOH	12.2%
2	Eschercloud	7.4%
3	Antea	5.9%
4	Maersk Line Belgium	4.8%
5	AMADEUS	4.4%
6	TVM	4.1%
7	Neovia	3.9%
8	BTV	3.3%
9	Celestia	2.9%
10	SPB BENELUX	2.9%
		51.9%

Average lease contract duration

The average duration of lease contracts is 2.0 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 € 579.4M. 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 67.2% of the real value of the total real estate portfolio. The insurance premium for 2022, 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) law.

As a reminder, on 20 October 2020, the FSMA granted a derogation for Shopping “Belle-Île” in Liège, in accordance with Article 30 §3 and §4 of the law GVV, regarding the prohibition to invest more than 20% of consolidated assets in one real estate complex. This derogation was allowed for a limited period of two years ending 31 December 2022.

Thanks to the various investments made by the Company within its portfolio over the last two years, it was recorded that the percentage value of Shopping Belle-Île had structurally fallen below the regulatory threshold of 20% to 18.9% by 31 December 2022, so that on this date, the Company meets the diversification requirement of Article 30 of the GVV Act and a derogation is no longer an issue. Therefore, the Company is no longer required to observe a debt ratio lower than 33%.

The confirmation of this structural diversification is excellent news, as it is the first time since the Company’s listing in 1998 that no derogation is required and the Company is given more freedom to continue investing.

Acquisitions and disposals

In order to build its retail park on the one hand and the extension of its Les Bastions shopping centre in Tournai on the other, the Company acquired the exploitation rights to several parcels adjacent to its original property in 2014. To optimise the value of these parcels, the Company started negotiations some time ago with several candidates to acquire the unused parts of these parcels. Agreements were reached with two of these candidates, but subject to obtaining permits.

These permits were obtained at the end of 2021, so that the sale agreements were signed during 2022, thus removing these parcels from the Company’s portfolio. The first parcel, consisting of a former office building, was sold to the Tournai Police Zone, which will establish its police office there after redevelopment, while the second, over which the Company has a long lease, was transferred to the Lidl chain for the establishment of a new shop. The arrival of these two operators will also contribute to the commercial strengthening of Shopping Les Bastions.

Development projects

The renovation of the facades and outdoor areas of the Ring Kortrijk shopping centre , which began in the first quarter of 2021, is almost entirely complete, is on schedule and on budget, and has been very well received by customers.

In Bruges, the Company started the renovation of its Retail Park on Maalsesteenweg. Specifically, the first phase of works consists of the demolition of an 800m^2 building, followed by the reconstruction of a building extended to ± 1,500m^2. This building will be completed in the first half of 2023 and the commercialisation of the spaces is progressing very well. Discussions with the existing tenants are still ongoing for the second phase, which consists of renovating the main building on the site. The budget for this renovation is estimated at ± €15.5M.

Description of the real estate portfolio

Retail portfolio

Shopping Belle-Île

Quai des Vennes 1, 4020 Liège

Number of tenants: 100 **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: 30,303 m²

Top 5 tenants	
Carrefour	5.4%
C&A	3.9%
A.S. Watson Group	3.1%
Celio	2.2%
Damart	2.2%

Shopping Nivelles

Chaussée de Mons 18A, 1400 Nivelles

Number of tenants: 100 **Construction:** 1974 – Extension: 2012 **Location:** The shopping centre of Nivelles is located at the periphery of Nivelles, exit 'Nivelles Sud' of highway E19
Lettable area: 28,143 m²

Top 5 tenants	
Delhaize	5.8%
AS Adventure	2.6%
Delcambe Chaussures	2.5%
C&A	2.4%
Esprit	2.3%

Ring Kortrijk

Ringlaan, 8500 Kortrijk

Number of tenants: 83 **Construction:** 1973 – Renovation 2005 **Location:** The shopping centre is located alongside the ring of Kortrijk
Lettable area: 33,045 m²

Top 5 tenants	
C&A	4.3%
H&M Hennes & Mauritz Nv	3.8%
A.S. Watson Group	3.4%
Delhaize	3.4%
HEMA	3.1%

Shopping Les Bastions

Boulevard Walter de Marvis 22, 7500 Tournai

Number of tenants: 893 **Construction:** 1979 – Extension: 2018 **Location:** The Retail Park 'Shopping Bastions' is located alongside the ring of Tournai
Lettable area: 31,405 m²

Top 5 tenants	
Delhaize	4.9%
C&A	4.9%
A.S. Watson Group	2.9%
New Yorker	2.8%
Kiabi	2.1%

Retail Park Les Bastions

Rue des bastions 100, 7500 Tournai

Number of tenants: 9 **Construction:** 2016
Location: The Retail Park 'Les Bastions' is located alongside the ring of Tournai
Lettable area: 10,348 m²

Top 5 tenants	
Maisons Du Monde	18.2%
Sportsdirect	15.6%
Intersport	14.5%
ZEB	12.8%
AS Adventure	10.3%

7 Fontaines

Boulevard Walter de Marvis 22, 7500 Tournai

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

Top 3 tenants	
La Foir'Fouille	50.4%
Tom&Co	27.4%
Quick - Burger King	22.2%

Shopping 1

Rootenstraat 8, 3600 Genk

Number of tenants: 65 **Construction:** 1967 – Renovation 2014 **Location:** Shopping 1 is located in the centre of Genk
Lettable area: 21,876 m²

Top 5 tenants	
Lunch Garden	6.4%
Delhaize	6.3%
New Yorker	6.0%
The Fashion Store	3.5%
Action	3.1%

Genk Stadsplein

Stadsplein 39, 3600 Genk

Number of tenants: 20 **Construction:** 2008
Location: The shopping centre is located in the centre of Genk
Lettable area: 15,415 m²

Top 5 tenants	
Zara	14.5%
C&A	13.7%
A.S. Watson Group	11.7%
H&M Hennes & Mauritz	10.5%
Delhaize	6.0%

Commercieel complex te Waterloo

Chaussée de Bruxelles 193-195, 1410 Waterloo

Number of tenants: 12 **Construction:** 1968 **Location:** The shopping centre is located in the centre of Waterloo
Lettable area: 3,509 m²

Top 5 tenants	
Club	20.7%
Celebrity	19.1%
Planet Parfum	13.8%
Madame Charlotte	13.6%
Exki	8.8%

The Box

Overpoortstraat, 9000 Gent

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

Top 5 tenants	
Jims	31.4%
Delhaize	25.1%
A.S. Watson Group	16.9%
Yammi Yammi	14.9%
Honny Bunny	11.7%

Brugge Retail Park

Maalsesteenweg 334, 8310 Brugge Sint-Kruis

Number of tenants: 9 **Construction:** Early 70s
Location: The Brugge Retail Park is located along one of the main access roads to Bruges
Lettable area: 20,958 m²

Top 5 tenants	
Carrefour	42.1%
Brico	19.7%
Media Markt	19.6%
Lunch Garden	7.1%
Pearle	4.5%

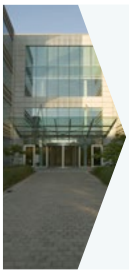
Turnhout Retail Park

Parklaan 80, 2300 Turnhout

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

Top 5 tenants	
Carrefour	55.2%
Brico	19.5%
Lunch Garden	7.3%
Auto 5	4.1%
McDonald's	3.6%

Offices portfolio



The Sage Vilvoorde 28

Medialaan 28, 1800 Vilvoorde

Number of tenants: 4 **Construction:** 2001 - Renovation 2022 **Location:** In Business park 'Business- & Mediapark', near the Brussels ring (exit 6) and near the national airport
Lettable area: 12,772 m^2

Top 4 tenants	
RICOH	52.1%
QUINZ	22.3%
Neovia	17.4%
USG People Business Solutions	8.2%

The Sage Vilvoorde 30

Medialaan 30, 1800 Vilvoorde

Number of tenants: 7 **Construction:** 1999 **Location:** In Business park 'Business- & Mediapark', near the Brussels ring (exit 6) and near the national airport
Lettable area: 5,449 m^2

Top 5 tenants	
NUTRITION & SANTE	30.6%
De Pamperkontjes	16.4%
RICOH	7.0%
USG People Business Solutions	1.4%
CED Belgium	1.3%

The Sage Vilvoorde 32

Medialaan 32, 1800 Vilvoorde

Number of tenants: 4 **Construction:** 2021 **Location:** In Business park 'Business- & Mediapark', near the Brussels ring (exit 6) and near the national airport
Lettable area: 3,907 m^2

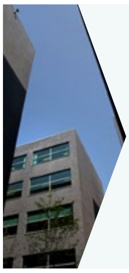
Top 4 tenants	
INTERSYSTEMS	37.8%
Bahlsen	26.2%
CED Belgium	22.3%
Grenke Lease	13.7%

The Sage Antwerp I

Roderveldlaan 1-2, 2600 Antwerpen

Number of tenants: 11
Construction: 2001 - Renovation 2021
Location: Situated close to Berchem station
Lettable area: 11,165 m^2

Top 5 tenants	
Antea	22.3%
Maersk Line Belgium	18.0%
BTV	12.6%
Celestia	11.0%
KH Engineering België	6.2%



The Sage Antwerp II

Roderveldlaan 3-4-5, 2600 Antwerpen

Number of tenants: 13
Construction: 1999 - Renovation 2021
Location: Situated close to Berchem station
Lettable area: 16,003 m^2

Top 5 tenants	
Eschercloud	23.0%
SPB BENELUX	9.0%
VITO	8.4%
Lineas	8.3%
TENNANT	8.2%

The Sage Antwerp III

Berchemstadionstraat 76-78, 2600 Antwerpen

Number of tenants: 14
Construction: 2002 - Renovation 2021
Location: Situated close to Berchem station
Lettable area: 11,163 m^2

Top 5 tenants	
AMADEUS	20.2%
TVM	19.1%
USG	13.3%
GEVERS	6.9%
MAZARS	6.7%

Development projects

Waterloo

Sector
Retail/ Residentieel

Type
Multifunctional redevelopment of the shopping centre

Scope
+/- 15,000 m² GLA

Status
Non committed

This inner-city development project is part of a master plan being studied by the regional and local authorities. In this context, it is difficult for the Company to estimate when this project will effectively materialize, but discussions are ongoing and going in the right direction. The Company is closely monitoring the concrete evolutions and decisions of the regional-local authorities and hopes to be able to submit a building permit application by the end of 2023 or early 2024.

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 were optimized in 2020 to include future flexibility, as well as the possibility of adding new functions (leisure, F&B, co-working,...) that would allow us to evolve the shopping center into a Full Service Center. All necessary permits have been obtained in 2021 but the evolution of construction prices is impacting the profitability of the project. The Company is currently analyzing this project to improve profitability.

Valuation experts' report

Resolutions of the valuation experts, prepared on 31 December 2022 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

Our methodology is based on the ERV (Estimated Rental Value) or Estimated Rental Value with adjustments that take into account the current rent paid and or any other element that affects the value such as, for example, vacancy costs.

In a first step, we determine the market rental value

We analyze at what level the individual stores could be leased in the current market. We base this on our knowledge of the real estate market, internal data and on recent transactions. This rental value is influenced by market conditions, location, retail suitability, accessibility, site and construction characteristics of both the entire building and individual stores, among other factors.

Once an ERV is assigned to each individual store, we then calculate the Adjusted ERV; depending on the current rent level (the passing rent or PR), this will either be this PR plus 60%-80% of the difference between the current rent and the ERV, or simply 100% of the ERV.

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

Usually, the incumbent tenant will take legal action to prevent this, and our experience shows that a judge will usually rule on 60%-80% of the difference. As of right, it is very unlikely to obtain this as an owner, before the end of the contract. The second scenario applies if the current rent is higher than the ERV. It is very unlikely that such a situation will continue after the first break and therefore it is assumed that after the first lease renewal, the PR will be reduced to the ERV.

A second step consists of determining a yield or capitalization rate for which an investor would be willing to buy the respective shopping center in its entirety. Here too we call upon our market knowledge and our retail investment team that monitors the market on a daily basis. We then obtain the Gross Value for corrections.

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 cost of 2.5% from the all-in market value after adjustments.

Total valuation at 31 December 2022: € 490.8M.

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 2022: € 437.7M.

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 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.

Titles

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 € 928M at 31 December 2022.

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 2022, the total value of development projects amounted to € 14.3M, entirely valued at cost price.

Stock exchange & Wereldhave Belgium

Dividend and number of shares

In 2022, the Shareholders of the Company achieved a return (calculated on the basis of share price evolution and the gross dividend of the year) of 7.7% (2021: 35,6%). The price/net result ratio at the end of 2022 was 10.1.

The closing share price of the Company at 31 December 2022 was € 49.00 compared to € 49.30 on 31 December 2021. 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 2022, traded volumes were 2,619 shares a day on average, a decrease of 44.8% in volume compared to 2021 (on average 4,742 units a day). The velocity ratio of the share in 2022 was 0.03%.

The Wereldhave Belgium share

	2022	2021	2020
Number of shares			
Number of shares at year end	**8,886,001**	8,692,063	8,319,287
Number of shares entitled to dividends	**8,886,001**	8,692,063	8,319,287
Registered shares	**4,790,508**	4,670,666	4,446,670
Dematerialized shares	**4,095,493**	4,021,397	3,872,617
Market capitalization at closing (€ M)	**435.4**	428.5	326.9
Free float (%)	**33.8%**	34.1%	32.3%
Share price (€)			
Highest closing price	**61.70**	54.10	88.00
Lowest closing price	**43.30**	39.30	35.30
Share price at closing	**49.00**	49.30	39.30
Premium (+) / Discount (-) relative to the actual net asset value (%)	**-37.97**	-36.13	-49.74
Average share price	**51.89**	46.63	54.24
Data per share (€)			
Net value (fair value)	**78.99**	77.19	78.20
EPRA Net Tangible Assets (NTA)	**77.18**	77.12	78.44
Gross dividend	**4.20**	4.10	4.00
Net dividend	**2.94**	2.87	2.80
Gross dividend yield (%)	**8.57%**	8.32%	10.18%
Net dividend yield (%)	**6.00%**	5.82%	7.12%
Pay-out ratio (%)	**87.14%**	89.72%	83.97%
Volume (number of shares)			
Average daily volume	**2,619**	4,742	4,511
Volume per year	**673,019**	1,223,353	1,159,444
Velocity ratio (%)	**0.03%**	0.06%	0.06%

Dividend

The General Meeting of Shareholders will be held on Wednesday 12 April 2023 at 11 am at the Company's registered office. The Company's Board of Directors will propose to the General Meeting of Shareholders to pay a dividend of €4.20 gross - €2.94 net per share (2021: €4.10 gross - €2.87 net).

Shareholdership

	Number of voting rights held directly	% of voting rights held directly
Name		
Wereldhave N.V. WTC Schiphol Toren A Schiphol Boulevard 233 1118 BH Schiphol Nederland	**2,940,763**	**33.09%**
Wereldhave International N.V. WTC Schiphol Toren A Schiphol Boulevard 233 1118 BH Schiphol Nederland	**2,938,305**	**33.07%**
Public	**3,006,933**	**33.84%**
Total	**8,886,001**	**100%**

None of the Executive Managers or the members of the Board of Directors held any Company shares as at 31 December 2022.

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 € 370,860,694.60 divided among 8,886,001 shares, each representing a 1/8,886,001st 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 NV and Wereldhave International NV announced that they held, respectively, over 30% of the voting shares of the Company at 1 September 2008. Of the 8,886,001 shares in circulation at 31 December 2022, 33.09% were held by Wereldhave NV, 33.07% by NV Wereldhave International and 33.84% by the general public ("Free Float"). Wereldhave International NV is a 100% subsidiary of Wereldhave NV.

Authorised capital

Pursuant to Article 7 of the articles of association, the Company's Board of Directors is authorised to raise the Company's share capital, on one or more occasions, by a maximum amount of € 329,437,454.88. By virtue of said article 7 of the Articles of Association, the general meeting of the Shareholders is empowered to renew said authorisation as regards the authorised capital.

The authorisation to raise the Company's share capital, on one or more occasions, by a maximum amount of € 329,437,454.88 was renewed by the Extraordinary General Meeting of 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 2022, the available amount of authorised capital decreased by € 8,050,254.97 due to an optional dividend operation (April 2022). On 31 December 2022, the available amount of the authorized capital amounts to € 287,778,638.7.

When 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 2023

Wednesday, 12 april 2023

APR 12

General Meeting of Shareholders

Monday, 17 april 2023

APR 17

Ex-dividend date

Tuesday, 18 april 2023

APR 18

Dividend record date

Wednesday, 19 april 2023

APR 19

Dividend 2022 payment

Thursday, 20 april 2023

APR 20

Q1 2023 press release (before opening of the staock market)

Thursday, 20 juli 2023

JUL 20

Q2 2023 press release (before opening of the stock market)

Friday, 27 oktober 2023

OKT 27

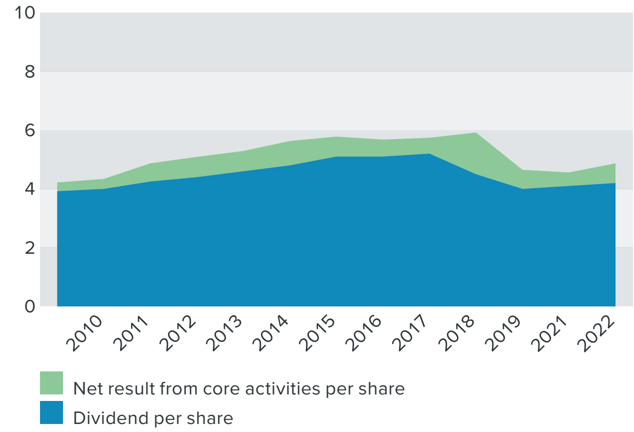
Q3 2023 press release (before opening of the stock market)

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

Stock exchange data

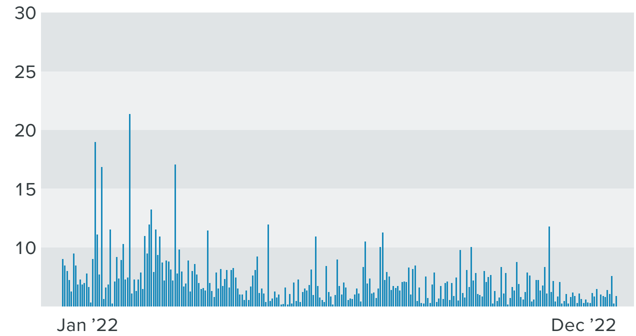
Net result of core activities per share and dividend per share

(x € 1)



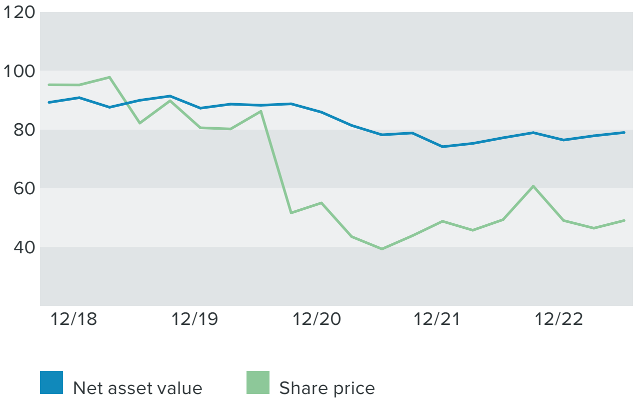
Traded volumes Wereldhave Belgium

(x 1,000)



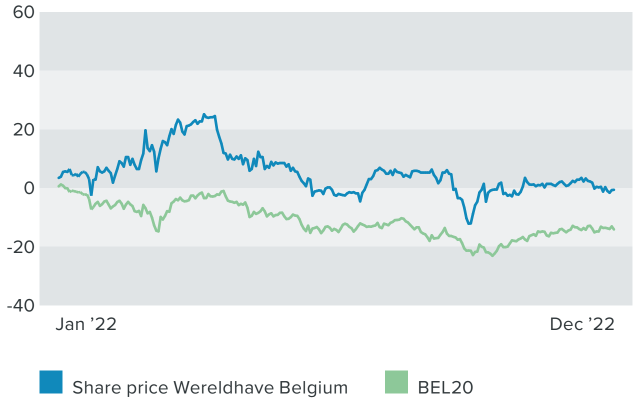
Share price/net asset value

(before profit sharing x € 1)



Comparison Wereldhave Belgium to BEL20 close index

(in %)



Financial report

Consolidated balance sheet

(x € 1,000)	Note	2022	2021
Assets			
Non-current assets			
Investment properties	6	949,233	926,005
Other tangible assets	7	758	707
Financial non-current assets	14	18,111	1,487
Trade receivables and other non-current assets		592	408
Total non-current assets		**968,693**	**928,607**
Current assets			
Assets held for sale	6	-	3,325
Financial current assets	14	803	-
Trade receivables	8	13,247	12,562
Tax receivables and other current assets	8	141	502
Cash and cash equivalents	9	10,415	5,539
Total current assets		**24,605**	**21,928**
Total assets		**993,299**	**950,535**
Shareholders' equity			
Shareholders' equity attributable to the parent company's shareholders			
Capital	10	370,861	362,810
Issue premiums	10	91,351	88,877
Reserves		184,501	181,016
Net result of the year		55,230	38,191
Total shareholders' equity attributable to the parent company's shareholders		**701,943**	**670,893**
Minority interests		1	4
Total shareholders' equity		**701,944**	**670,897**
Liabilities			
Non-current liabilities			
Provisions	11	135	849
Non-current financial liabilities	12	197,062	182,804
Credit institutions	*12*	*164,049*	*109,556*
Other non-current financial liabilities	*13*	*33,012*	*73,248*
Other non-current financial obligations	14	9,542	7,546
Total non-current liabilities		**206,738**	**191,199**
Current liabilities	**15**		
Current financial liabilities		59,785	67,313
Credit institutions			
Other current financial liabilities		*59,785*	*67,313*
Trade payables and other current liabilities		14,795	11,404
Accrued charges and deferred income		10,037	9,721
Total current liabilities		**84,617**	**88,439**
Total shareholders' equity and liabilities		**993,299**	**950,535**
Net asset value per share (x € 1)		78.99	77.19

Consolidated profit and loss account

(x € 1,000)	Note	2022	2021
Rental income	16	58,240	54,866
Rental-related expenses	16	621	-2,219
Net rental income		**58,861**	**52,648**
Recovery of rental charges and taxes normally paid by the tenant on let properties	17	10,075	8,951
Rental charges and taxes normally paid by the tenant on let properties	17	-11,982	-10,519
Other revenue and charges for letting	18	3,892	3,673
Net rental charges and taxes on let properties		**1,985**	**2,105**
Property result		**60,846**	**54,753**
Technical costs		-241	-308
Commercial costs		-4,630	-4,178
Charges and taxes on non-let properties		-1,292	-1,785
Property management costs		-1,700	-938
Property charges	**19**	**-7,862**	**-7,209**
Property operating results		**52,984**	**47,544**
General company costs	20	-7,118	-5,772
Other operating income and charges	21	1,821	1,388
Total		**-5,297**	**-4,385**
Operating results before result on the portfolio		**47,687**	**43,159**
Result on disposals of investment properties		-29	-2
Result on disposals of other non-financial assets			-9
Variations in the fair value of investment properties	22	-753	-3,275
Other result on portfolio	22	-2,331	
Total portfolio result		**-3,114**	**-3,286**
Operating result		**44,574**	**39,873**
Financial income		1,416	789
Net interest charges		-5,913	-4,671
Other financial charges		-202	-176
Variations in the fair value of financial assets and liabilities		15,402	2,475
Financial result	**23**	**10,703**	**-1,583**
Result before tax		**55,277**	**38,291**
Corporate tax		-46	-100
Tax	**24**	**-46**	**-100**
Net result		**55,230**	**38,191**
Net result shareholders of the Group		55,230	38,191
Result per share (x € 1)	25	6.26	4.47
Diluted result per share (x € 1)		6.26	4.47

Statement of comprehensive income

(x € 1,000)	2022	2021
Net result	**55,230**	**38,191**
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	61	81
Items not taken in the result		
Actuarial gains and losses of pledged pension schemes	777	268
Total other comprehensive income	**838**	**349**
Comprehensive income	**56,069**	**38,539**
Attributable to:		
Shareholders of the group	56,069	38,539
Minority interests		

Consolidated cash flow statement

(x € 1,000)	Note	2022	2021
Cash flow from operating activities			
Net result before tax		**55,277**	**38,291**
Income from interest and dividends		-25	-3
Result exclusive of dividend received		**55,251**	**38,288**
Depreciation tangible assets		149	213
Rental discounts and investments		2,577	794
Interest charges		4,744	4,056
Changes in the fair value of investment property	22	753	3,275
Variations in the fair value of financial assets and liabilities		-15,444	-2,410
Movements in provisions on rent receivables		-944	-301
Movements in receivables	8	1,267	-5,199
Movements in short term debts	15	507	8,683
Corporate tax paid		-	
Corporate tax received		60	74
		-6,330	**9,186**
Net cash flow from operating activities		**48,921**	**47,474**
Cash flow from investment activities			
Acquisition investment properties[1]	6		-829
Adjustment of acquisition value investment properties[1]	6		2,500
Sales investment properties	6	3,300	
Investments in investment properties	6	-24,622	-10,811
Acquisition furniture and vehicles		-25	-26
Interest and dividend received		25	3
Net cash flow from investment activities		**-21,321**	**-9,163**
Cash flow from financial activities			
Appeal credit institutions/Other	12	54,450	72,000
Repayment credit institutions/Other	12	-47,500	-85,700
Dividends paid	26	-25,062	-18,142
Interest paid		-4,611	-3,959
Net cash flow from financing activities		**-22,723**	**-35,802**
Net cash flow		**4,877**	**2,509**
Cash & bank balances			
At 1 January		5,539	3,030
Increase/decrease cash and bank balances		4,877	2,509
At 31 December	**9**	**10,415**	**5,539**

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 Shopping 1 Genk.

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 2020	**347,724**	**88,877**	**213,947**			**650,548**
Capital increase	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[3]			-33,277			-33,277
Balance at 31 December 2021	**362,810**	**88,877**	**181,016**	**38,191**		**670,893**
Balance at 31 December 2021	**362,810**	**88,877**	**219,206**			**670,893**
Capital increase[4]	8,050					8,050
Variations in the fair value of hedging instruments			61			61
Provisions for pensions			777			777
Other			94			94
Net result				**55,230**		**55,230**
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 2021[5]		2,474	-35,637			-33,163
Balance at 31 December 2022	**370,861**	**91,351**	**184,501**	**55,230**		**701,943**
Transfer of the result 2022 on the portfolio to reserve for the balance of changes in fair value of real estate properties			-753	753		
Transfer of the changes 2022 in fair value of authorised hedging instruments not subject to hedge accounting			15,444	-15,444		
Proposed dividend 2022[6]				-37,321	37,321	
Proposed allocation of the net result of the accounting year to the accumulated result of previous years			3,219	-3,219		
Balance at 31 December 2022 after allocation[7]	**370,861**	**91,351**	**202,410**	**-**	**37,321**	**701,943**

1 Costs capital increase included (€ -335K as at 31 December 2022)
2 See detail reserves
3 Dividend paid 2020 € 4.00 (net € 2.80) per share: € -33,277K of which € 18,142K paid in cash and the balance paid out in 372,776 new shares, which led to a capital increase.
4 See note 10
5 Dividend paid 2021 € 4.10 (net € 2.87) per share: € -35,637K of which € 25,062K paid in cash and the balance paid out in 193,938 new shares, which led to a capital increase.
6 Dividend 2022 proposed for approval to the Ordinary General Meeting of 12 April 2023
7 According to the regulator's recommendations, we present, under the final balance of equity as at 31 December 2022, the future allocation of the 2022 result that will take place in 2023.

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 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[1]		-57,936					57,936	-
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				-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**
Balance at 31 December 2021	**33**	**109,348**	**-61**	**-1,765**	**-369**	**302**	**111,718**	**219,206**
Capital increase								
Variations in the fair value of hedging instruments			61					61
Provisions for pensions					777			777
Other		90				4		94
Net result								
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties[2]		5,286					-5,286	
Transfer of the changes in fair value of authorised hedging instruments not subject to hedge accounting				2,410			-2,410	
Dividend over 2021							-35,637	-35,637
Balance at 31 December 2022	**33**	**114,724**	**0**	**645**	**409**	**306**	**68,385**	**184,501**
Transfer of the result 2022 on the portfolio to reserve for the balance of changes in fair value of real estate properties		-753						-753
Transfer of the changes 2022 in fair value of authorised hedging instruments not subject to hedge accounting				15,444				15,444
Proposed dividend 2022								
Proposed allocation of the net result of the accounting year to the accumulated result of previous years							3,219	3,219
Balance at 31 December 2022 after allocation	**33**	**113,971**	**0**	**16,089**	**409**	**306**	**71,604**	**202,410**

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

2 Changes in fair value of the investment properties portfolio over 2021. 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 2022 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 07 March 2023. The General Meeting of Shareholders will be held on 12 April 2023 at Medialaan 32 (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 'Solid annual results slightly above expectations', 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

As a reminder, on 20 October 2020, the FSMA granted a derogation for Shopping Belle-Île in Liège, in accordance with Article 30 §3 and §4 of the law GVV, regarding the prohibition to invest more than 20% of consolidated assets in one real estate complex. This derogation was allowed for a limited period of two years ending 31 December 2022.

Thanks to the various investments made by the Company within its portfolio over the last two years, it was recorded that the percentage value of Shopping Belle-Île had structurally fallen below the regulatory threshold of 20% to 18.9% by 31 December 2022, so that on this date, the Company meets the diversification requirement of Article 30 of the GVV Act and a derogation is no longer an issue. Therefore, the Company is no longer required to observe a debt ratio lower than 33%.

The confirmation of this structural diversification is excellent news, as it is the first time since the Company's listing in 1998 that no derogation is required and the Company is given more freedom to continue investing.

3. Accounting policies

3.1 Basis of preparation annual accounts 2022

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.

New standards and interpretations not yet effective[1]

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2022, and have not been applied in preparing these consolidated financial statements:

The amendments are not expected to have a significant impact on the Group's 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 for the classification for 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.

1 Based on EU endorsement status report as per 2 May 2022 (www.efrag.org) – note that the endorsement status should be updated up until the date on which the (condensed) financial statements are authorized for issue.

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

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 endorsed by the EU.

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 been endorsed by the European Union.

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.

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;
- the likelihood that the lessee will declare bankruptcy or another form of financial reorganisation.

If the above are observed, the amortised cost of the financial asset in question will be decreased by the impairment value. Interest income, foreign exchange gains and losses and impairment are 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)	2022		2021	
	Core[1]	**Non-core[2]**	**Core[1]**	**Non-core[2]**
Net rental income	**58,861**		**52,648**	
Recovery of rental charges and taxes normally paid by the tenant on let properties	10,075		8,951	
Rental charges and taxes normally paid by the tenant on let properties	-11,982		-10,519	
Other revenue and charges for letting	3,892		3,673	
	1,985		**2,105**	
Property result	**60,846**		**54,753**	
Technical costs	-241		-308	
Commercial costs	-4,630		-4,178	
Charges and taxes on non-let properties	-1,292		-1,785	
Property management costs	-1,700		-938	
Property charges	**-7,862**		**-7,209**	
General company costs	-7,118		-5,772	
Other operating income and charges	1,821		1,388	
	-5,297		**-4,385**	
Operating results before result on the portfolio	**47,687**		**43,159**	
Result on disposals of investment properties		-29		-2
Result on disposals of other non-financial assets			-9	
Variations in the fair value of investment properties		-753		-3,275
Other result on portfolio		-2,331		
Operating result	**47,687**	**-3,114**	**43,150**	**-3,277**
Financial income	1,416		789	
Net interest charges	-5,913		-4,671	
Other financial charges	-202		-176	
Variations in the fair value of financial assets and liabilities		15,402		2,475
Financial result	**-4,699**	**15,402**	**-4,057**	**2,475**
Result before tax	**42,988**	**12,289**	**39,093**	**-802**
Tax	-46		-100	
Net result	**42,942**	**12,289**	**38,993**	**-802**
Result per share (x € 1)	4.87	1.39	4.56	-0.09

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 2022

(x € 1,000)	Offices	Retail	Total
Rental income	5,808	52,432	58,240
Rental-related expenses	108	512	621
Net rental income	**5,916**	**52,945**	**58,861**
Recovery of rental charges and taxes normally paid by the tenant on let properties	1,440	8,635	10,075
Rental charges and taxes normally paid by the tenant on let properties	-1,829	-10,153	-11,982
Other revenue and charges for letting		3,892	3,892
Net rental charges and taxes on let properties	**-389**	**2,374**	**1,985**
Property result	**5,528**	**55,319**	**60,846**
Technical costs		-241	-241
Commercial costs	-123	-4,507	-4,630
Charges and taxes on non-let properties	-676	-615	-1,292
Property management costs	-183	-1,517	-1,700
Property operating results	**4,546**	**48,438**	**52,984**
General company costs			-7,118
Other operating income and charges			1,821
Operating results before result on the portfolio			**47,687**
Result on disposals of investment properties		-29	-29
Result on disposals of other non-financial assets			-
Variations in the fair value of investment properties	1,668	-2,421	-753
Other result on portfolio		-2,331	-2,331
Operating result			**44,574**
Financial result			**10,703**
Result before tax			**55,277**
Corporate tax			-46
Net result			**55,230**
Investment properties			
Properties available for lease			
Balance at 1 January	93,528	817,268	910,796
Transfer of development projects to properties available for lease		-	-
Transfer of properties available for lease to investment properties held for sale		25	25
Investments	4,597	18,499	23,096
Acquisition		-	-
Revaluation	1,668	-2,421	-753
Balance at 31 December	**99,793**	**833,371**	**933,164**
Capitalised rent incentives	677	1,140	1,817
Value properties available for lease	**100,470**	**834,511**	**934,981**
Development projects			
Balance at 1 January		13,514	13,514
Investments		605	605
Capitalised interest		133	133
Revaluation			
Balance at 31 December		**14,252**	**14,252**
Total portfolio	**100,470**	**848,763**	**949,233**

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 tax			**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[1]
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 Shopping 1 Genk.

This segment information covers 95.6% 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)	**2022**	2021
Properties available for lease		
Balance at 1 January	**910,796**	**906,878**
Transfer of development projects to properties available for lease	-	2
Transfer of properties available for lease to investment properties held for sale	25	-3,325
Acquisition	-	-1.671[1]
Investments	23,096	12,186
Revaluations	-753	-3,275
Total properties available for lease	**933,164**	**910,796**
Book value of capitalised rent incentives	1,817	1,695
Fair value investment properties conform external real estate experts	**934,981**	**912,491**
Development projects		
Balance at 1 January	**13,514**	**12,635**
Transfer of development projects to properties available for lease	-	-2
Investments	605	785
Capitalised interest	133	97
Revaluations		
Total development projects	**14,252**	**13,514**
Total investment properties	**949,233**	**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 Shopping 1 Genk.

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 Les Bastions in Tournai to third parties, who will develop them, were met. The assets were transferred from investment properties to assets held for sale in 2021 (see also note 6.3 “Assets held for sale”). The deeds for these sales were past in Q1 and Q4 2022.

Acquisition/Disposals

In Financial Year 2022, the Company made no acquisitions or 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, , resulted in a negative amount of € 1.7M in the ‘Acquisition’ section.

Investments

In 2022, the Company made significant investments in its portfolio of buildings available for lease in the total amount of € 23M (compared to € 12.2M in 2021), most of which was allocated to:

- the renovation of the exterior façade,outdoor areas and reorganization of the parkings of the Ring Kortrijk shopping centre (10M);
- the implementation of its new catering concept “Eat&Meet” in Shopping 1 in Genk (food court with several catering outlets and communal terraces;
- the opening of a brand new outdoor playground (8m high) in Shopping Les Bastions in Tournai with a new entrance to strengthen the connection between the shopping centre and the retail park;
- the first concept of Public Seating in Shopping Nivelles, the installation of high-performance electric charging stations in the outdoor car park and new Wayfinding;
- the continuation of the investment programme (outdoor parking / entrance hall / charging stations) in the office portfolio (elaboration of concept “The Sage”;- the general maintenance of the portfolio.

Changes in fair value of properties available for lease

The result of the revaluation at the end of 2022 amounted to -€ 0.8M, i.e., an improvement of € 2.5M compared to 2021 (-€ 3,3M).

Including capex investments of € 23M, the fair value of the available-for-sale portfolio increased by € 22.5M. This increase compared to year-end 2021 comes from a combination of factors :

- strong increase in the value of offices due to substantial decrease in vacancies (down 5.5%);
- strong increase in value at Shopping 1 in Genk where occupancy increased by 6.5%;
- higher ERVs (estimated rental values or market rents);
- rental activity that was 3% above the old rent on average;

and this despite the increase in cap rates on most assets (partly as a result of skyrocketing inflation and interest rate rises) with the exception of the Berchem offices which experienced a decrease in cap rates at the end of 2022.

Taking into account capex investments of € 23M and limited lease incentives of € 0.1M, the revaluation result through non-core results amounts to € -0.8M.

This negative variation of the fair value of the property portfolio is negligible compared to the fair value of the portfolio (of which 0.18% / € 1,7M on the office portfolio and -0.26% / € -2.4M on the retail portfolio).

6.2 Development projects

Investments

On 31 December 2022, the value of the development projects amounted to € 14.2M (31 December 2021: € 13.5M) and remained constant excluding investments of € +0.6M.

6.3 Assets held for sale

There are no assets earmarked for sale as at 31 December 2022.

6.4 Sensitivity analysis

	Financial assets and liabilities[1]		Non-financial assets and liabilities					
	Book value		Book value					Fair value
	Fair value - Hedging instruments	Other financial liabilities	At cost	Total	Level 1	Level 2	Level 3	Total
(x € 1,000)								
Assets measured at fair value								
Properties available for lease							934,981	934,981
Authorised hedging intruments						18,913		18,913
Assets held for sale					-			-
Assets not measured at fair value								
Development projects*			14,252	14,252				
Liabilities measured at fair value								
Authorised hedging intruments						2,760		2,760
Liabilities not measured at fair value								
Interest-bearing debts		256,200		256,200		252,444		252,444

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
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
2022			
Hypothesis capitalisation of the market rent method			
Capitalisation factor	Retail	5.54 - 7.26%	5.80%
	Offices	7.65 - 9.10%	8.11%
Market rent	Retail	€ 90 - € 369	€ 273
	Offices	€ 120 - € 133	€ 129

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 € 9.5M; (2021: € 9.3M).
- 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 € 35.6M (€ 38.5M). (2021: € 35.4M (€ 38.3M).

7. Other tangible assets

(x € 1,000)	Office equipment	Cars	Total
Balance on 1 January 2022	**488**	**219**	**707**
Purchases (+/-)	25		25
Disposals (+/-)			
Depreciation (+/-)	-83		-83
Decommissioning (+/-)			
Recognition right of use on company cars under financial lease		109	109
Balance on 31 December 2022	**429**	**328**	**758**
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**

(x € 1,000)	2022	2021
Total purchase cost	3,015	2,990
Total depreciation	-2,258	-2,283
Net book value	**758**	**707**

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

8. Current receivables

(x € 1,000)	2022	2021
Trade receivables		
Debtors	3,691	3,089
Charges and tax to recharge	9,556	9,473
Totaal	**13,247**	**12,562**

(x € 1,000)	2022	2021
Tax receivables and other current assets		
Taxes		
Withholding tax to recover: Basilix	96	90
Withholding tax to recover: Other	0	61
Various tax to recover		
Property tax to recover	111	111
VAT to recover	-183	4
Other current assets		
Social security amounts to be recovered	116	235
Total	**141**	**502**

(x € 1,000)	2022	2021
Aging balance Rent		
< 30 days	750	937
>= 30 days and < 90 days	1,329	841
>= 90 days	4,485	5,127
	6,564	**6,905**
IFRS 9 Provision	-	-13
Specific provision	-2,741	-3,202
Provision Covid-19	-132	-600
Total	**3,691**	**3,089**

The pandemic health crisis of 2019 and 2020 had a significant impact on the collection of rent and expense receivables during the last 3 financial years 2019-2020-2021. There were € 9M of trade receivables outstanding at the end of 2020 and € 6.9M at the end of 2021. During FY2022, some impact was still felt from the health crisis, especially during the first quarter, however, a significant improvement is noticeable. Outstanding receivables at closing date have fallen to € 6.5M, but a significant improvement is also noticeable in the age of receivables (see table above). That said, some of the tenants, who had been (heavily) affected by the pandemic, still entered into payment arrangements (such as deferrals, discounts or even waivers) with the Company., signed payment agreements (including deferrals, discounts and even waivers) with the Company.

The mandatory closure periods decided by the government during the health crisis led some tenants to ask for help from the Company to find a solution. Discussions dating back to 2022 with tenants have resulted in the granting of partial write-offs of receivables. As also happened as at the end of 2021, in 2022 the Company reviewed the situation and made a reversal of provisions of € 0.5M due to the favorable evolution in the collection of receivables. This reversal was determined per individual tenant according to the discounts/ rent reductions already granted since the outbreak of the pandemic. The specific provision remaining at € 3.2M at the end of 2021,was created for tenants experiencing payment difficulties or whose receivables had gone unpaid for over 180 days, was reduced to € 2.7M in 2022.

9. Cash and cash equivalents

(x € 1,000)	2022	2021
Bank	10,415	5,539
Total	**10,415**	**5,539**

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 8,886,001 shares in circulation at 31 December 2022, of which 33.09% were held by Wereldhave N.V. 32.94% by Wereldhave International N.V. and 33.84% 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 also made use of the option via a new optional dividend transaction (€ 15M) which took place on 17 May 2021. As a result, 372,776 new shares were issued. Also in 2022, an optional dividend operation (+ € 8M) was decided, which took place on 9 May 2022. An additional 193,938 new shares were issued to bring the total number of shares to 8,886,001 for capital of € 370.9M.

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
9 May 2022	Capital increase - Optional dividend 2022	8,050	370,861	193,938	8,886,001
On 31 December 2022			**370,861**		**8,886,001**
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			
9 May 2022	Capital increase - Optional dividend 2022	2,474			
On 31 December 2022		**91,351**			

1 After deduction of costs of capital increase

11. Pension obligations

(x € 1,000)	2022	2021
Net liability on 1 January	849	1,102
Movements in liabilities	-715	-253
Net liability on 31 December	**135**	**849**

Within the framework of the “Defined benefit” and “Defined contribution” plans for the benefit of the staff, provisions were recorded in the amount of € 0.2M as at 31 December 2022 (2021: € 0.8M). 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 2022. 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 (3.15% for the defined benefit plans and 3.10% for the defined contribution plans), expected future salary increases according to inflation and expected inflation for 2023, 3% and from 2024, 2.15% for defined benefit schemes and 2.10% for defined contribution schemes.

This liability account should be read together with the pension reserves in equity. The total reserve created increased from € 481K to € 540K.

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 2022 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 2022, the debt ratio was 28.6%, compared to 28.2% at 31 December 2021. 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.

In the second quarter of 2022, the Company extended the average maturity of its loan portfolio by anticipatively extending the upcoming maturities of 2 credit lines with Belfius Bank from April and September 2023 to Sept 2025, Sept 2026 and April 2027 (see table below). Taking into account the hedging strategy of the portfolio at macro level where hedging was already foreseen for a € 30M credit line and the further extension of this € 30M at a fixed interest rate until April 2027, the Company could at the same time increase its hedge ratio from April 2023 from 66% to 76%. The Company was closely monitoring the evolution in the financial markets and would seek to further increase its hedge ratio and duration where appropriate.

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 2022.
- 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.

At 31 December 2022, drawdowns on these loans amounted to € 55M. At 31 December 2022 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. This drawing was redeemed in full in summer 2022 and has not been used since then (see Note 13 Other non-current financial liabilities). This inter-company line of credit (with end date July 2024) is considered in part a backup for the commercial paper programme used by the Company.

As of 30 June 2022, a Revolving credit facility of € 35M reached maturity. As the Company did not use this line and has sufficient backup facilities, the Company decided not to extend it.

The Company has nine long-term credit facilities (revolving credit, term loans, green bond, and the inter-company line with Wereldhave SA) with different maturities of € 402M, of which € 196M have been used (see table below). The higher drawdowns on the revolving credit facilities at year-end, are largely due to the fact that the intercompany line was no longer used. It is mainly intended as a partial backup for the commercial paper programme of € 150M. For that reason, the effectively available committed credit lines amount to € 146M (€ 402M - € 196M long-term drawdown - € 60M drawdown on commercial paper).

The fair value of the credit facilities is not significantly different from their nominal value because there are four variable-rate 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 2022, 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 2022	Called up by 31 December 2021	Maturity
Borrower				
Belfius 2018-2027	30	30	30	4/3/2027
Belfius 2020-2025	30	30		9/30/2025
Belfius 2020-2026	20	16		9/30/2026
BNP Paribas Fortis	30	30	30	4/11/2024
BNP Paribas Fortis	35			4/30/2024
ING	50	50	50	6/30/2025
ING - Degroof Petercam	32	32	32	3/31/2026
KBC	25	9		4/30/2026
Wereldhave NL[1]	150		40	7/31/2024
TOTAL	**402**	**196**	**182**	

1 Wereldhave NL (Wereldhave SA en Wereldhave International SA) holds on 31 December 2022, directly and indirectly 66.9% 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 2022	**183**	**67**	**250**
Changes from financing cash flows			
Proceeds from loans and borrowings	54		54
Repayment of borrowings	-40	-8	-48
Total changes from financing cash flows	**14**	**-8**	**7**
Balance at 31 December 2022	**197**	**60**	**257**

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.

13. Other non-current financial liabilities

(x € 1,000)	2022	2021
Other non-current financial liabilities	32,000	72,000
Guarantee tenants	1,012	1,248
Net book value	**33,012**	**73,248**

Under the Green Financing Framework, the Company entered into a private placement of green bonds totalling € 32M in 2021. This continues to run until the end of March 2026. The € 40M decrease in other long-term financial debts compared to the end of 2021, relates to the repayment of the withdrawal on the intercompany line with the Promoter Wereldhave SA.

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.

End September 2022 an IRS in the amount of € 50M with a fixed rate of 0.285% has reached maturity.. This has been replaced with a new IRS concluded as early as 2021 of € 50M through 31 December 2027 with a fixed interest rate of 0.327% (to which the loan margin is added). The first hedge that expired in September 2022 qualified for hedge accounting with fair value changes through equity. 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.

The fair value of hedging instruments at the end of 2022 was € 16.2M versus € 0.6M, ensuring that these instruments have had a positive impact on the income statement via the indirect result of € 15.6M.

	Start date	End date	Nominal amount (in € M)	Interest rate (in %)	**Balance on 31/12/2022 (x € 1,000)**	Balance on 31/12/2021 (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
Interest Rate Swap	3/31/2021	3/31/2026	32	-0.31%	-2,760	385
Interest Rate Swap	9/30/2022	12/31/2027	50	0.33%	6,415	-568
CAP	3/31/2021	6/30/2023	60	0.50%	803	50
Total					**4,458**	**-240**
Future hedging instruments						
Interest Rate Swap	6/30/2023	12/31/2025	40	-0.14%	3,265	254
Interest Rate Swap	4/11/2024	12/31/2026	25	0.02%	1,913	124
Interest Rate Swap	4/3/2023	12/31/2027	25	0.01%	3,434	186
Interest Rate Swap	12/31/2025	12/31/2026	32	0.17%	791	24
Interest Rate Swap	12/31/2026	12/31/2027	17	0.33%	389	-1
CAP	6/30/2023	12/31/2025	25	0.50%	1,686	221
CAP	4/11/2024	12/31/2025	5	0.50%	217	36
Total					**11,696**	**843**

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 € 0.3M. The interest rate (incremental borrowing rate) used in the calculation of the lease obligation is 5.0%.

15. Current liabilities

(x € 1,000)	**2022**	2021
Credit institutions		
Other loans	59,750	67,250
Other current financial liabilities	35	63
Trade payables	13,463	10,646
Taxes, remunerations and social security contributions	1,332	759
Rental income received in advance	4,477	3,629
Other accrued charges and deferred income	5,561	6,092
Total	**84,617**	**88,439**

Credit institutions and other loans

As at 31 December 2022, the Company has no credit lines maturing within the year. See earlier under note 12 long-term financial debts: the Company extended the credit lines maturing in 2023 in 2022.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 2021, the use of € 67M was recognised, whereas at 31 December 2021, the amount was € 60M. 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 2022	Called up by 31 December 2021	Maturity
Borrower				
Treasury notes program - Belfius/ KBC	150	60	67	NVT
TOTAL	**150**	**60**	**67**	

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

Suppliers

The trade payables (€ 13.4M) concern the short-term liabilities related to investments and development projects (good for € 6.7M) and current supplier obligations. The fair value of the elements in this item is in line with their book value.

(x € 1,000)	2022
Remaining investment commitment Shopping 1 - Genk	945
Remaining investment commitment Waterloo Shopping	27
Remaining investment commitment Ring Kortrijk	1,455
Remaining investment commitment Shopping Belle-Île - Liège	350
Remaining investment commitment Shopping Nivelles	103
Remaining investment commitment Shopping Bastions - Tournai	986
Remaining investment commitment Overpoort - Gent	56
Remaining investment commitment Tournai RP	1
Remaining investment commitment Turnhout RP	20
Remaining investment commitment Brugge RP	579
Remaining investment commitment offices	2,250
Various suppliers	3,756
Various provisions invoices to be received/credit notes to be sent	2,933
	13,463

Taxes, Remunerations and social charges

This section only covers remuneration liabilities and social charges (€ 1.3M).

Property yields received in advance

This item records rental incomes received related the following calendar year. These real estate incomes received in advance will be recorded in profit and loss during the first quarter of financial year 2023.

Other accrual accounts

This concerns the accruals related to general company expenses and real estate charges (property tax to be received, rental vacancy costs, etc.) and the allocation of the lease contracts based on revenue.

16. Rental income

(x € 1,000)	2022	2021
Rental income	60,658	56,701
Rent reductions	-2,417	-2,207
Rent	**58,240**	**54,494**
Indemnification for early termination of lease	**-**	**373**
Rent to be paid on leased spaces	-3	-10
Revaluation and loss on trade receivables	624	-2,209
Costs associated with rental	**621**	**-2,219**
Net rental income	**58,861**	**52,648**

The rental income is spread among about 667 (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 (2022: € 2.6M versus 2021: € 2.1M), 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.

Rents increased by € 3.7M, from € 54.5M to € 58.2M due to the combination of the 1.3% increase in the occupancy rate of the portfolio to 95.2%, the conclusion of 89 contracts at an average of 13% above the market rent and 3% above the old rent and, finally, indexation. In addition, the Company could take back some provisions made in previous years as a result of the Covid pandemic, due to better customer balance, which had a positive difference of € 2.8M from 2021 to 2022. The result is an increase in net rental income of € 6.2M compared to 31 December 2022, or 11.8%.

Rent loss as a result of vacancy, expressed as a percentage of theoretical rent amounted to 6.8%. The ten main tenants account for 21% of the total rental income.

The future contractual rent (until the end of term) from lease agreements on 31 December 2022 is as follows:

(x € 1,000)	2022	2021
Year 1	60,766	53,492
Year 2	57,729	49,749
Year 3	54,392	47,090
Year 4	50,345	43,907
Year 5	43,689	39,814
> Year 5	147,849	136,653
Net book value	**414,770**	**370,705**

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

(x € 1,000)	2022	2021
Recovery of rental charges paid by the owner	10,075	8,951
Rental charges paid by the owner	-11,982	-10,519
Total	**-1,907**	**-1,568**

The rental charges and taxes include the common charges (€ 12M) spent for the management of the portfolio. The recovery includes the recharging of the common charges (€ 10M) 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 (€ -1.9M) compared to 2021 (€ -1.6M) 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. The increase in energy prices is largely billed through with the exception of those related to vacancy, which consequently helps explain the increase in this section.

18. Other rental-related income and expenses

The ‘other rental-related income and expenses’ (€ 3.9M) 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.

The € 0.2M improvement compared to 2021 is because health context in 2022 was much better than in 2020 and 2021.

19. Property costs

(x € 1,000)	2022	2021
Repairs	-241	-301
Insurance premiums		-7
Technical costs	**-241**	**-308**
Agency commissions	-373	-323
Publicity	-4,256	-3,855
Commercial costs	**-4,630**	**-4,178**
Vacancy charges	-1,082	-1,327
Property tax due to vacancy	-210	-458
Charges and taxes on non-let properties	**-1,292**	**-1,785**
(Internal) property management costs	-1,700	-938
Property management costs	**-1,700**	**-938**
Total	**-7,862**	**-7,209**

Total property costs increased by € 0.7M compared to 2021.

Technical costs (€ 0.2M) mainly include recurrent maintenance of shopping centres and remained almost stable compared to the previous year. In contrast, non-rental costs and taxes of € 1.3M decreased by € 0.5M. These include common charges on the unlet surfaces that cannot be re-invoiced by the Company. The decrease is logical given the 1.3% increase in the portfolio occupancy rate. The commercial costs (€ 4.6M) include all publicity and marketing costs spent in the shopping centres, including marketing actions in the media, entertainment activities organised in the common areas, ... as well as estate agents' costs. The increase compared to 2 stable years 2020 - 2021, characterised by shop closures and government restrictions on shop visits following the health crisis, is a logical increase because in 2022 the Company was able to fully engage again in that kind of actions aimed at attracting back visitors and sales for our tenants. Property management costs include internal costs (personnel, etc.) directly attributable to maintaining the investment property portfolio (€ 1.7M). Most of this increase is explained by the indexation of payroll and recruitment of new staff.

20. General costs of the Company

(x € 1,000)	**2022**	2021
Staff costs		
Salaries	-3,095	-2,680
Social security	-1,105	-970
Allocation salary cost to development projects	497	483
Profit sharing	-781	-524
Pension en insurance costs	-455	-339
Other staff costs	-436	-454
Subtotal staff costs	**-5,376**	**-4,485**
Allocated to management/property charges	1,190	932
Total staff costs	**-4,185**	**-3,553**
Other costs		
Audit fees	-188	-116
Advisory fees	-556	-351
Other costs	-2,698	-2,059
Subtotal other costs	**-3,442**	**-2,525**
Allocated to management/property charges	510	306
Total other costs	**-2,933**	**-2,219**
Total general costs	**-7,118**	**-5,772**

Apportionment key for assigning general expenses to property charges

For 2022, a set percentage of general expenses and revenue (2022: € 1.7M, 2021: € 1.2M) 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 2022 accounting year, an average of 53.2 FTE were employed by the Company (for 2021: average of 49.1 FTE); as at 31 December 2022 there were 55.9 FTE on the payroll of the Company. The profit-sharing distributed to employees in the form of a bonus is based on the following key indicators: occupancy rate, real estate costs, management fees, sustainability, like-for-like revenue growth and personal goals. For each indicator, objectives have been set. The score realized compared to the objective determine the result. Personnel expenses and social charges increased in 2022 due to a higher average number of FTEs and indexation of wages.

Pension costs

The pension costs contain the premium for the pension schemes of employees.

Miscellaneous expenses

Miscellaneous expenses increased by € 0.6M compared to 2021. This increase is mainly attributable to an increase in internally recharged group costs due to Wereldhave SA.

21. Other operating income and charges

(x € 1,000)	2022	2021
Other operating income and charges		
Other income	1,821	1,761
Subtotal other operating income and charges	**1,821**	**1,761**
Allocated to management/property charges	-	-374
Total other operating income and charges	**1,821**	**1,388**

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

In 2022, a fixed percentage of other operating income was allocated to management costs in the real estate charges. The apportionment key has been computed normatively and applied to the respective tasks of the employees and the other general expenses.

Other income

The other income includes rental management fees in favour of Wereldhave Belgium Services that are charged directly to the tenants in accordance with the contractual conditions described in the lease agreements.

22. Result disposals of investment properties and valuations differences

(x € 1,000)	2022	2021
Positive revaluation	20,022	14,307
Negative revaluation	-20,775	-17,583
Net book value	**-753**	**-3,275**

See also note 6.1.

After a very difficult year 2020, where the health crisis created a great deal lot of uncertainty and the Company had to deal with a negative variation in the fair value of investment properties of € 58M, it was still € -3.3M at the end of 2021. During 2021, one could noticeably feel an increase in activity on the part of the tenants, and certainly in the second half of 2021. The occupancy rate of the portfolio also increased again in 2021, and the Company could record a nice leasing activity. The year 2022 was again characterised by sky-high inflation, volatile financial markets with a sharp rise in interest rates and consequently cap rates. All these factors, being indexation of rents, higher occupancy rate, increase in market rents, often higher cap rates and the capex investments of € 23M, brought the indirect result of the property portfolio to € -0.8M.

Other portfolio result

The other portfolio result of € -2.3M concerns one-off costs relating to the implementation of a new ERP system and completed due diligence costs. Changes in the organisational structure of the Wereldhave Group were investigated, but did not lead to a balanced result.

23. Financial result

(x € 1,000)	2022	2021
Financial income		
Interests received (coupon real estate certificate Basilix)	19	6
Interests received (other)	1,397	783
	1,416	**789**
Financial charges		
Interest costs	-5,527	-4,297
Other interest costs	-386	-373
Other	-202	-176
Variations in the fair value of financial assets and liabilities	15,402	2,475
	9,287	**-2,372**
Total	**10,703**	**-1,583**
Average interest rate on loans	**1.68%**	**1.38%**
Net interest costs	-4,130	-3,514
Weighted average debt for the period	255,178	259,321

Interest charges (€ -5.5M) include the interest paid on the credit facilities concluded by the Company for its cash management. The interest received in the amount of € 1.4M 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 1.68% at the end of 2022, compared to 1.38% at the end of 2021.

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)	**2022**	2021
Corporate tax	-46	-100
Total	**-46**	**-100**

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 (2022: € 6.26 - 2021: € 4.47). No financial instruments have been issued that are convertible into shares. The total number of shares issued increased in 2022, on the one hand with the optional dividend operation, as a result of which 193,938 new shares were issued on 9 May 2022. The total number of outstanding shares was 8,886,001 as at 31 December 2022 (8,692,063 as at 31 December 2021) and the average number of outstanding shares was 8,819,584.

26. Dividend

A dividend of € 35.6M was paid in 2022 (gross € 4.10/share - net € 2.87/share), of which € 25.1M were paid in cash and € 10.5M in 193,938 new shares. After the balance sheet date, the Board of Directors of the Company has proposed to pay out an amount of € 37.3M (2021: € 35.6M), i.e. a gross dividend of € 4.20; net € 2.94 (2021: € 4.10 – € 2.87) 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)	**2022**	2021
Net result	**55,161**	**38,682**
Depreciation	116	151
Amounts written off on trade receivables	-967	-876
Result on disposal of real estate properties	29	2
Variation in the fair value of real estate properties	753	3,275
Other non-monetary items - Incentives	2,577	794
Other non-monetary items - Variations in the fair value of authorised hedging intruments	-15,444	-2,410
Other non-monetary items - Variations in the fair value of financial assets and liabilities	604	103
Corrected result for mandatory distribution	**42,830**	**39,721**
Minimum result to be distributed (80%)	34,264	31,777
Net debt reduction	-	-15,850
Minimum result to be distributed (80%) - Net debt reduction	34,264	15,926
Operating result allocated to dividend distribution	37,321	35,637
Operating result allocated to dividend distribution / per share	4.20	4.10

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)	2022	2021
Non-distributable elements of shareholders' equity for profit distribution		
Capital	370,897	362,846
Issue premiums	91,351	88,877
Legal reserve	25	25
Reserve for the balance of changes in fair value of real estate properties[1]	106,725	105,764
Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting as defined in IFRS[2]	0	
Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting as defined in IFRS[3]	645	
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	-753	-3,275
Transfer of changes in fair value of authorised hedging instruments not subject to hedge accounting as defined in IFRS to reserve	15,444	2,410
Total non-distributable shareholders'equity	**584,332**	**556,647**
Shareholders' equity	702,441	671,615
Proposed dividend distribution	37,321	35,637
Number of shares	8,886,001	8,692,063
Remaining reserves after distribution	80,788	79,331

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 balance of 2021 (€ -60.7K) is not taken into account in the Art. 7:212

3 The negative balance of 2021 (€ -1,764.8K) is not taken into account in the Art. 7:212

28. Determining the debt ratio

(x € 1,000)	Statutory balance sheet	Consolidated balance sheet
Total items "Liabilities" in the balance sheet	**287,288**	**291,355**
Non current liabilities	206,573	206,738
Provisions	*-73*	*-135*
Other non-current financial liabilities - Authorised hedging instruments	*-2,760*	*-2,760*
Current liabilities	80,715	84,617
Accrued charges and deferred income	*-7,677*	*-10,037*
Total items "Liabilities" considered for the calculationof the debt ratio (numerator)	**276,778**	**278,423**
Total "Assets" in the balance sheet	**989,730**	**993,299**
Authorised hedging instruments recorded under assets	-18,913	-18,913
Total "Assets" considered for the calculation of the debt ratio (denominator)	**970,816**	**974,386**
Debt ratio	**28.5%**	**28.6%**

The consolidated debt ratio at 31 December 2022 was 28.6%, compared to 28.2% at the end of 2021.

29. Intra-group related party transactions

Intra-group fees, invoiced by Wereldhave SA for IT support (ICT), among other items, amounted to € 0.7M (excl. VAT) in 2021.

The Dutch fiscal investment institution (FBI) Wereldhave SA (lead shareholder, with Wereldhave International SA, at 66.16%) 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.

Except from the decreed dividends and the above-mentioned transactions, there have been no other transactions with other group companies in 2022. 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 2022.

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	614	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	3	99.52%
Ter Kamerenbos plc	Medialaan 30 B 6, 1800 Vilvoorde	BE 0793.828.006	-	100%
			617	

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 on which a purchase option (worth € 1 plus the non-expired annual amount of ground rent due from the date of exercising the option until 10 May 2027 to the European Union) was granted. 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 equals € 1. In addition, it can be stated that J-II SA has no other obligations towards the European Union within the framework of this transaction or towards BNP Paribas Fortis. In addition J-II SA holds 100% of two retail outlets in the Genk Shopping 1 shopping centre.

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. Waterloo Shopping also holds 0.48% of the capital of Wereldhave Belgium Services NV and 0.02% of the capital of J-II NV.

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.

Ter Kamerenbos NV

Ter Kamerenbos NV, with registered office located at Medialaan 30/6 in 1800 Vilvoorde, and with company number 0793.828.006 is a company incorporated by the Company on 21 November 2022 with the object of investing assets in real estate.

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

The Company has contracted investment liabilities amounting to € 9.3M. They are primarily related to renovation work on the façades and the roof of the Ring Kortrijk shopping centre, and the renovation of The Sage office buildings in Vilvoorde and the further development of the retail park in Bruges.. The obligations related to the long-term lease on a part of the Ring Shopping in Kortrijk, running through 2115 and those related to the lease financing of the Company's vehicle fleet were recognised in the balance sheet in accordance with IFRS 16 and are, therefore, not included off-balance sheet.

The analysis of the ageing of investment liabilities is as follows:

(x € 1,000)	**2022**	2021
< 1 year	9,387	13,701
>1 year - < 5 year	-	-
> 5 year	-	-
Total	**9,387**	**13,701**

32. Remuneration of the auditor

The remuneration related to the auditing activities in 2022 amounted to € 124K excl. VAT. In addition, the Statutory Auditors provided services for which they invoiced fees of € 115K (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 (excluding the 2022 indexation) to date.

35. Significant events after the close of the financial period

At the General Meeting of 12 April 2023, the mandate of Dirk Goeminne as Independent Member (and Chairman) of the Board of Directors will expire. The Board warmly thanks him for his qualitative contribution to the development of the Company during these last twelve years.

To replace Mr Goeminne, the appointment of Mr Luc Weverbergh as Independent Member of the Board of Directors is proposed, subject to the condition precedent of approval by the FSMA. His appointment will be submitted for approval to the forthcoming General Meeting after which, following approval by the FSMA, it will become final.
Mr Weverbergh has extensive experience in the banking world and listed companies in senior management positions, including at BNP Paribas Fortis.

In addition, the General Meeting of 12 April 2023 will be presented with the reappointment of the gentlement Matthijs Storm (as executive member of the Board of Directors) and Dennis de Vreede (as non-executive member of the Board of Directors) as well as the appointment of Mr Keesjan Verhoog as non-executive member of the Board of Directors by the Promoter Wereldhave NV.

Finally, the Company announced via press release of March 7, 2023 that it was mutually agreed that Mr Nicolas Beaussillon will step down as CEO and director of the Company on March 31, 2023. It was agreed that Nicolas Beaussillon will remain available to the Company in the coming months to ensure a smooth transition. Meanwhile, a process was also started to determine his succession. The Company will communicate on this in due course.

Apart from these events, no additional significant events occurred after 31 December 2022 that would affect or require disclosure in this Annual Financial Report.

Auditor's report

Statutory auditor's report to the general meeting of Wereldhave Belgium NV on the consolidated financial statements as of and for the year ended 31 December 2022
FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

In the context of the statutory audit of the consolidated financial statements of Wereldhave Belgium NV ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements for the year ended 31 December 2022, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 13 April 2022, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2024. We have performed the statutory audit of the consolidated financial statements of the Group for seven consecutive financial years.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2022, prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board and as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2022, as well as the consolidated statements of profit or loss, the statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising a summary of significant accounting policies and other disclosures. The total of the consolidated statement of financial position amounts to EUR'000 993.299 and the consolidated statement of profit or loss shows a profit for the year of EUR '000 55.230.

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board and 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 section C. 'Investment properties' of the assets of the consolidated balance sheet and to note '3.6 Investment properties' and note '6. Investment properties' of the consolidated financial statements.

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 portfolio of investment properties consists of shopping centers ('Retail'), offices and development projects. On 31 December 2022, the value of the portfolio of investment properties is EUR 949 million, representing 95.6% of total assets.

The valuation of investment properties is complex and requires a high degree of judgement.

Investment properties are measured at fair value at the balance sheet date. This fair value is determined by applying the capitalization method, and depends on the valuation model and the assumptions used in that model. Factors such as the level of current market rents and the nature, condition and location of each investment property each have their impact on fair value.

The assumptions below are crucial in determining fair value:
- The market rent
- Future vacancy rate
- The capitalization factor
- The maintenance costs
- The transaction costs
- Investment budgets

As required by applicable legislation for regulated real estate companies, investment properties are valued by external real estate experts.

We identified the valuation of investment properties as a key issue because it represents a significant proportion of the consolidated balance sheet, and requires a high degree of judgement.

Our audit work

Assisted by our property valuation specialists, we performed the following audit procedures:
- We evaluated the design of internal control measures concerning the valuation process.
- We reconciled rental data and other key property information from the accounts with the data used by the external property experts appointed by management.
- For a sample of leases, we reconciled the rental data from the accounting records with the contract data.
- We visited one property and identified the tenants and any vacancies. We reconciled our observations with the rental data from the accounting records regarding this property.
- We determined the expertise, objectivity and competence of the external property experts appointed by management.
- We questioned the valuation model and the assumptions used in that model. The assumptions in question include market rents, future vacancy rates, capitalization factor, maintenance costs, transaction costs and investment budgets. We compared these assumptions with those used in the past by the Group, as well as with market data.
- We verified the mathematical accuracy of the valuation model used by each of the external property experts appointed by management.
- We inspected the valuation reports prepared by the external property experts appointed by management for all investment properties, reconciled the established fair values with accounting records and discussed our results with management.
- We assessed the adequacy of the disclosures related to the investment properties, in particular the related valuation uncertainty, the valuation model and the 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 IFRS Standards as issued by the International Accounting Standards Board and 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 contains material misstatements, that is information 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 of Regulation (EU) No 537/2014.

Zaventem, 8 March 2023

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Jean-François Kupper
Bedrijfsrevisor / Réviseur d'Entreprises

Statutory statement

Statutory balance sheet

(x € 1,000)	2022	2021
Assets		
Non-current assets		
Investment properties	948,653	925,425
Other tangible assets	535	494
Financial non-current assets	19,006	2,879
Trade receivables and other non-current assets	425	246
Total non-current assets	**968,619**	**929,043**
Current assets		
Assets held for sale	-	3,325
Financial current assets	803	-
Trade receivables	12,664	11,803
Tax receivables and other current assets	39	300
Cash and cash equivalents	7,605	3,735
Total current assets	**21,111**	**19,162**
Total assets	**989,730**	**948,205**
Shareholders' equity		
Shareholders' equity attributable to the parent company's shareholders		
Capital	370,897	362,846
Issue premiums	91,351	88,877
Reserves	185,033	181,210
Net result of the year	55,161	38,682
Total shareholders' equity attributable to the parent company's shareholders	702,441	671,615
Total shareholders' equity	**702,441**	**671,615**
Liabilities		
Non-current liabilities		
Provisions	73	734
Non-current financial liabilities	197,056	182,759
Credit institutions	*164,049*	*109,556*
Other	*33,007*	*73,203*
Other non-current financial liabilities	9,444	7,499
Total non-current liabilities	**206,573**	**190,992**
Current liabilities		
Current financial liabilities	59,785	67,313
Credit institutions	-	
Other	*59,785*	*67,313*
Trade payables and other current liabilities	13,254	10,203
Accrued charges and deferred income	7,677	8,082
Total current liabilities	**80,715**	**85,598**
Total shareholders’ equity and liabilities	**989,730**	**948,205**
Net asset value per share (x € 1)	79.05	77.27

Statutory profit and loss account

(x € 1,000)	2022	2021
Rental income	58,191	54,826
Rental-related expenses	678	-1,595
Net rental income	**58,868**	**53,230**
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	-1,907	-1,568
Other revenue and charges for letting	1,758	1,716
Net rental charges and taxes on let properties	**-149**	**149**
Property result	**58,719**	**53,379**
Technical costs	-239	-299
Commercial costs	-2,496	-2,221
Charges and taxes on non-let properties	-1,292	-1,775
Property management costs	-1,700	-1,311
Property charges	**-5,726**	**-5,607**
Property operating results	**52,993**	**47,772**
General company costs	-4,961	-4,098
Other operating income and charges	4	41
Total	**-4,957**	**-4,057**
Operating results before result on the portfolio	**48,037**	**43,715**
Result on disposals of investment properties	-29	-2
Result on disposals of other non-financial assets		-9
Variations in the fair value of investment properties	-753	-3,275
Other result on portfolio	-2,331	
Total portfolio result	**-3,114**	**-3,286**
Operating result	**44,923**	**40,429**
Financial income	1,416	786
Net interest charges	-5,780	-4,568
Other financial charges	-197	-172
Variations in the fair value of financial assets and liabilities	14,839	2,307
Financial result	**10,278**	**-1,648**
Result before tax	**55,201**	**38,782**
Corporate tax	-40	-100
Tax	**-40**	**-100**
Net result	**55,161**	**38,682**
Net result shareholders of the Group	55,161	38,682
Result per share (x € 1)	6.25	4.52
Diluted result per share (x € 1)	6.25	4.52

Statement of comprehensive income

(x € 1,000)	2022	2021
Net result	**55,161**	**38,682**
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	61	81
Items not taken in the result		
Actuarial gains and losses of pledged pension schemes	718	230
Total other comprehensive income	**778**	**310**
Comprehensive income	**55,940**	**38,992**
Attributable to:		
Shareholders of the group	55,940	38,992

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 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
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 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 2020[3]			-33,277			-33,277
Balance at 31 December 2021	**362,846**	**88,877**	**181,210**	**38,682**		**671,615**
Balance at 31 December 2021	**362,846**	**88,877**	**219,892**			**671,615**
Capital increase	8,050					8,050
Variations in the fair value of hedging instruments			61			61
Provisions for pensions			718			718
Other						
Net result				**55,161**		**55,161**
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 2021[4]		2,474	-35,637			-33,163
Balance at 31 December 2022	**370,897**	**91,351**	**185,033**	**55,161**		**702,441**
Transfer of the result 2022 on the portfolio to reserve for the balance of changes in fair value of real estate properties			-753	753		
Transfer of the changes 2022 in fair value of authorised hedging instruments not subject to hedge accounting			15,444	-15,444		
Proposed dividend 2022[5]				-37,321	37,321	
Proposed allocation of the net result of the accounting year to the accumulated result of previous years			3,150	-3,150		
Balance at 31 December 2022 after allocation[6]	**370,897**	**91,351**	**202,873**	**-**	**37,321**	**702,441**

1 Costs capital increase included (€ -299K as at 31 December 2022)

2 See detail reserves

3 Dividend paid 2020 € 4.00 (net € 2.80) per share: € -33,277K of which € 18,142K paid in cash and the balance paid out in 372,776 new shares, which led to a capital increase.

4 Dividend paid 2021 € 4.10 (net € 2.87) per share: € -35,637K of which € 25,062K paid in cash and the balance paid out in 193,938 new shares, which led to a capital increase.

5 Dividend 2022 proposed for approval to the Ordinary General Meeting of 12 April 2023

6 According to the regulator's recommendations, we present, under the final balance of equity as at 31 December 2022, the future allocation of the 2022 result that will take place in 2023.

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 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								
Net result								
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties[1]		-57,936					57,936	
Transfer from reserve for the balance of changes in fair value of real estate properties to accumulated result[2]								
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
Allocation of the net result of the accounting year to the accumulated result of previous years								-
Balance at 31 December 2021	**25**	**110,000**	**-61**	**-1,765**	**-363**	**-115**	**73,490**	**181,210**
Balance at 31 December 2021	**25**	**110,000**	**-61**	**-1,765**	**-363**	**-115**	**112,172**	**219,893**
Capital increase								
Variations in the fair value of hedging instruments			61		718			778
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]		5,286					-5,286	
Transfer of the changes in fair value of authorised hedging instruments not subject to hedge accounting				2,410			-2,410	
Dividend over 2021							-35,637	-35,637
Balance at 31 December 2022	**25**	**115,286**	**0**	**645**	**354**	**-115**	**68,838**	**185,033**
Transfer of the result 2022 on the portfolio to reserve for the balance of changes in fair value of real estate properties		-753						-753
Transfer of the changes 2022 in fair value of authorised hedging instruments not subject to hedge accounting				15,444				15,444
Proposed dividend 2022								
Proposed allocation of the net result of the accounting year to the accumulated result of previous years							3,150	3,150
Balance at 31 December 2022 after allocation	**25**	**114,532**	**0**	**16,089**	**354**	**-115**	**71,988**	**202,873**

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

2 Changes in fair value of the investment properties portfolio over 2021. 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)	2022	2021
Net result	**55,161**	**38,682**
Transfer to/from reserves	**-14,690**	**865**
Transfer to/from reserve for the balance of changes in fair value of real estate properties	753	3,275
Transfer to/from reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	-15,444	-2,410
Return on capital	**37,321**	**35,637**
(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

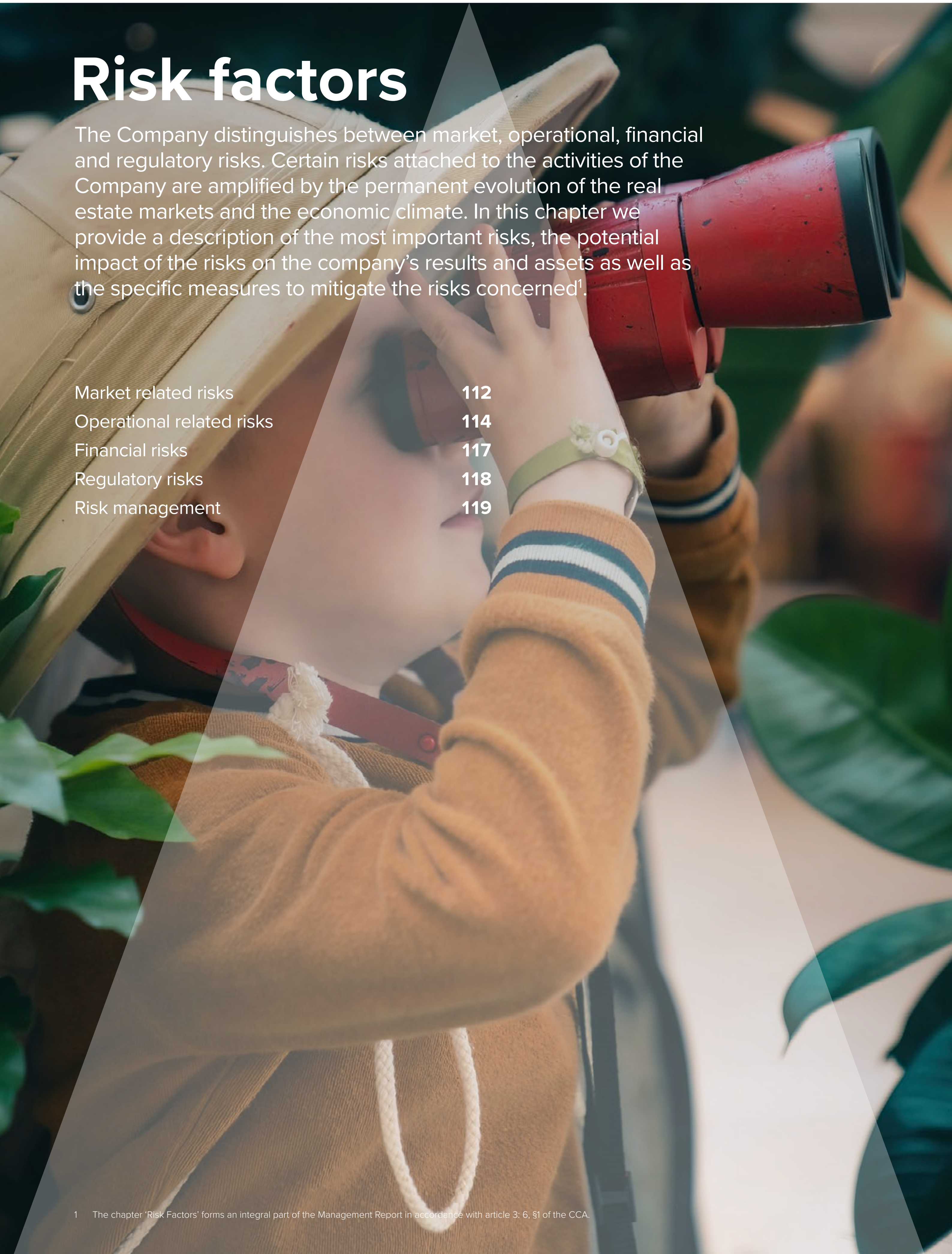
The Board of Directors of the Company states that:

- 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. Beaussillo
M. Storm
D. de Vreede
D. Slegtenhorst
R. Langewouters

Vilvoorde, 7 March 2023



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[1]
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 years, and up to the end of the rental agreement 6.1 years. (1-2-3-4-5)
Rental market shopping centres Sales activities of tenants under pressure	1. Higher bankruptcy risk of the tenant. 2. Potential increase in the number of doubtful debtors resulting in a decrease in collection frequency. 3. Increase in vacancy due to not finding potential tenants at the market price.	• Quality tenants, such as large national and international retailers, with a lower bankruptcy risk. (1-2-3) • Active asset management through, amongst others, proactive direct contact with the tenants. (1-2-3) • Strict monitoring of the collection policy. (2) • Application of standard rental conditions such as the advance payment of rent and the provision of a bank guarantee (equivalent to 3/6 months of rent). (1-2) • Stimulation of lease payments by direct debit. (1-2)
Credit risk Risk of financial loss if a counterparty to a financial instrument does not meet their contractual obligations. (notably from receivables from tenants).	1. Potential increase in the number of doubtful debtors resulting in a decrease in collection frequency. 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.	• 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)
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) • Shopping centres offer a wider experience aspect and a wider range of services than mere shopping (F&B, children's areas, ...). This ongoing addition of supplementary uses (F&B, leisure,...) also contributes to reinforcing the attractiveness of the real estate portfolio in the long term. (1-2-3)
Deflation risk	1. Postponement/cancellation of purchases of consumer goods (expected price falls) leading to pressure on the tenant turnover. 2. Potential decline of rental income due to negative indexation.	• Quality and professional tenants with a lower bankruptcy risk. (2) • Insofar as possible, state in the rental agreement that the rental indexation cannot be negative. (1-2)

1 The numbering of 'limiting measures' refers to the numbering in the 'possible impact' column.

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
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)
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 (28.6% on 31 December 2022), 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 opportunities. 3. Volatility of the share price.	• Developing of solid long-term relations with investors and credit institutions so that dialogue can take place on a regular basis. (1-2-3) • Wereldhave (International) 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 (including war in Ukraine)	1. Increase in financing costs due to an increase in the interest rates (a.o due to higher inflation) 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. 4. Volatility of commodity and energy prices	• 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) • Active asset management of assets (by a perimeter company of the Company) including through action plans to review numerous work processes to reduce or reconsider the management and use of various energy sources, mainly gas and electricity, which account for a significant proportion of common costs (4) • Accelerated sustainability of the property portfolio (4)
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)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
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)
Risks resulting from the Covid-19 virus By 01/01/2022, all restrictive administrative measures to limit the spread of the Covid-19 virus had been lifted in Belgium except for the wearing of an oral mask and the obligation to shop alone (which were, in turn, lifted on 18 February 2022).	1. Change in consumer consumption habits following the measures imposed by the federal government on physical shops in Belgium which would further affect the market share of physical shopping in Belgium. 2. Financing and liquidity: the Company's access to funding and liquidity could also be affected, due to caution from financial institutions. 3. Customers (retailers): These government measures have led to significant pressure on tenants' liquidity, resulting in an increased risk of rent and expense arrears. 4. The outbreak of crises such as the Covid-19 crisis could have a negative impact on retail property valuations, which in turn could negatively affect the Company's key ratios (Loan-to-value, ...).	• 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 Solvabiliteit contractan-ten, vergunningen, budgettering 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 constructi-on 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 develop-ments. (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)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
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-owner-ship, which can cause difficulties if strategic decisions (redevelop-ment, ...) have to be made	1. Decisions blocked due to the legal voting thresholds at the General Meeting of Co-owners. 2. Increasing maintenance costs. 3. Aging of the properties within the real estate portfolio. 4. Negative impact on the fair value of the portfolio.	• Attention given by the Company to avoid these co-ownership contracts, especially for the acquisition of new investment projects. (1-2-3-4) • Active participation of the Company in the management of the co-ownership in which it is involved in order to defend its interest. (1-2-3-4)
Merger, split or other acquisition operation There is a risk that the assets concerned will not be valued at the correct level or that liabilities will not be identified at the time of the change	1. Economic losses should be capitalized if assets are valued too high or liabilities too low.	• In these types of transactions, a thorough due diligence has been carried out, in collaboration with specialised advisors, in order to be able to identify all possible risks as early as possible and to be able to timely provide the necessary coverage (guarantee, discounts, ...) with the counterparty in the context of the transaction. • The Company's structure is managed actively with the assistance of specialised advisors in order to optimise the economic parameters of the Group's different entities. (1)
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 2022 amounted to 95.2%. (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 recon-struction 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 € 579.4M as per 31 December 2022, i.e. 62% of the fair value. The insurance premium is € 211,304. (1-2-3) • Active management of the real estate portfolio in cooperation with the tenants and stakeholders to commercially restore the real estate within a period of < 36 months. (1-2-3)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Termination of rental agreement Early termination or non-extension of a rental agreement	1. Risk of vacancy as a result of a decline in occupancy. 2. Decrease in rental income. 3. Unforeseen costs or increase in costs that are normally passed on.	• Fall back on rental securities/rental guarantees if necessary. (1-2-3) • Conduct commercial negotiations with the tenant to increase the attractiveness of a deal. (1-2-3) • Sell-off of contractual rights. (1-2-3) • Advance notices foreseen in the rental agreements in order to be able to anticipate the reletting of the area and to limit the vacancy period. (1-2-3)
Concentration risk Tenants Property	1. Material downturn of rental income in the event of departure, bankruptcy or decline in the collection from a tenant. 2. Material decrease in the fair value of the property.	• Diversification of the revenue generated by tenant in compliance with the RREC law (< 20% of revenue from a single tenant) on this topic. On 31 December 2022, the largest tenant of the Company represented about 3.9% of the total rental income. (1-2) • Spread of the real estate portfolio as provided by the RREC legislation to limit the effects of vacancy. In this regard, the Belle-Ile shopping centre was structurally below the statutory maximum of 20% of the Company's consolidated assets (18.9%) as at 31 December 2022 so that no further derogation is required. (1-2)
Debtor risk	1. Non-extension or early break of the rental agreement. 2. Decline in solvency or bankruptcy risk. 3. Tenant concentration. 4. Payment term.	• Short communication line with tenants, through active asset and property management. (1-2-3-4) • Internal leasing asset management team. (1-2-3-4) • Monitoring of the financial health of tenants (screening, turnover, financials, and rental pressure). (1-2-3) • Stringent collection procedure and regular supervision of long-term outstanding receivables. Active monitoring of the debtors (including contact with tenants,...). The total charge recorded for bad debt in 2022 was € 2,741K (excluding the reductions on receivables given to tenants in response to Covid-19). (1-2-4) • Spread of the tenant portfolio – see branch mix. (1-2-3) • Limit the concentration of important tenants. The top 10 of the most important tenants represents about 21% 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 Manage-ment 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. • An experienced management team and internal supervision by the Board of Directors.
External service provi-ders 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 Key Performance Indicators, with a results agreement where possible. • Use of standard (general conditions). • Option of terminating the service contract in the event of serious misconduct or fraud.
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)

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 20% 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 20% 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 66.2% 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 legislati-on 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 environmen-tal 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)

(*) Referring to existing practices within the Tax Administration, in particular those mentioned in the Circular letter ref. Ci.RH. 423/567.729 dd. 23.12.2014 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.

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.

Finally, following the entry into force on 1 January 2020 of 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 and for the last time according to Deed executed before Master Yorik Desmyttere, notary in Brussels, on 6 May 2022 (change of capital within the framework of the authorised capital), published in the Annexes to the Belgian Official Gazette of 13 May 2022, under number 2022-05-13/0331545.

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.

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 13 April 2022, KPMG Bedrijfsrevisoren BV, met IBR lidmaatschap B00001, represented by Jean-François Kupper met IBR lidmaatschap A02531, 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 2025, at which occasion it will be resolved to approve the Annual Accounts ending on 31 December 2024.

The fees relating to the audit activities in 2022 amounted to € 124,000 excl. VAT for the financial year running from 1 January 2022 to 31 December 2022. In addition, the Statutory Auditor provided additional audit-related services in the context of a.o. the capital increase (optional dividend), the EMIR report, and the ESEF reporting, and the liquidation/dissolution of Wereldhave Management Belgium NV, for which it invoiced fees amounting to € 115,000 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 2022:

- Cushman & Wakefield, with registered office at 1000 Brussels, Kunstlaan 56, represented by Ardalan Azari. Mandate: 01 January 2022 - 31 December 2024 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 2022 - 31 December 2024 Retail and office segments. Annual fee: € 38,000 (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. This 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 € 17,290 (excluding VAT).

Financial Service Provider: BNP Paribas Fortis – Liquidity Provider : Bank Degroof Petercam

BNP Paribas Fortis NV is in charge of the financial services for the Company. This includes the financial service of the Company, the financial services related to the payment of dividends, the settlement of securities issued by the Company.

Taking into account the organisation of the optional dividend operation, the remuneration in 2022 was set at € 20K (excl. VAT).

The Company appointed Bank Degroof Petercam as liquidity provider in February 2019.

Wereldhave Belgium is followed by:

Bank Degroof Petercam : Herman van der Loos
+32 2 229 63 40 h.vanderloos@degroofpetercam.com

Vlaamse Federatie van Beleggers : Gert De Mesure
+32 2 253 14 75 gert.de.mesure@skynet.be

External legal advisers

The Company shall call upon external legal advisors, among others, for:

- Complex cases (purchase, sale, merger, contribution)
- Due diligence matters
- Implementation of (new) legislation
- The legal procedures, as the applicant or defendant

The remuneration is determined on the basis of market rates.

Information on the Annual Financial Report 2020 and 2021

- 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. 25 to p.128 of the Annual Financial Report 2020

- Consolidated financial statements 2021: p.89 to p.125 of the Annual Financial Report 2021
- Management report for 2021: p.51 to p.60 of the Annual Financial Report 2021
- Auditor's report for 2021: p.126 to p.129 of the Annual Financial Report 2021

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 2022 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 2022 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
Temporary right that grants full enjoyment of a real estate, and for which an annual fee must be paid (canon) to the (naked) owner in recognition of his/her right of ownership. In Belgium, the right of leasehold must be entered into for at least 15 and not more than 99 years.

EPRA and EPRA terminology
EPRA (European Public Real Estate Association) is an organization that promotes European listed property sector, helps develop and represents in order to boost confidence in the sector and to increase investment in listed real estate in Europe. In October 2019 EPRA's Reporting and Accounting Committee updated the EPRA Best Practices Recommendations ("BPR") 1. This BPR contain recommendations concerning the determination of key performance indicators for the performance of the portfolio. A number of these indicators are considered to be alternative performance measures in accordance with the ESMA-directive. The numerical reconciliation of these alternative performance measures can be found in a completely separate section of this report (Chapter 6).

EPRA Europe index
European stock market index (excluding the UK) of the FTSE EPRA/NAREIT Global Real Estate. The index consists of property values that are representative of the listed real estate sector in Europe. It was created by EPRA.

ERV
Abbreviation of Estimated Rental Value.

FBI (Fiscaal beleggingsinstelling – Tax investment institution)
Tax system in the Netherlands, comparable with the RREC system.

Independent internal audit function
An independent assessment function aimed at examining and assessing the proper functioning, effectiveness and efficiency of the processes, procedures and activities of the Company. The Company has entrusted the internal audit function to an external legal person through

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 N.V., with registered office at WTC Schiphol Tower A, 3rd floor, Schiphol Boulevard 233, 1118 BH Schiphol, Netherlands (and companies affiliated to it).

IAS/IFRS (IAS, International Accounting Standards/IFRS, International Financial Reporting Standards)
The international accounting standards for preparing the annual accounts, produced by the International Accounting Standards Board (IASB).

IAS 39
IAS 39 is an IAS/IFRS standard on the way a company must arrange and value its financial instruments in its balance sheet. This standard requires all derived instruments to be processed in the balance sheet at their fair value.

Insider Knowledge
Each undisclosed piece of information that is accurate and relates directly or indirectly to the Company and/or one or more of its listed participation (specifically a company affiliated with the Company or a listed participation) or to one or more financial instruments of the Company, and which, if disclosed, could significantly affect the price of these financial instruments or that of related financial instruments, as is further explained in Annex 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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