Wereldhave

Adding value to everyday life

Integrated Annual Report 2019

make every day count

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

And we play our part by creating best-in-class Full Service Centers. Centers for a better everyday life. How do we do this? By creating a new category in retail real estate; one that helps customers run their daily lives more easily and makes everyday life comfortable and joyful. With our LifeCentral transformation program, we focus on creating the right balance on the four customer need areas that make every day count.

About this report

Who we are and what we do

Wereldhave is a retail property investor in the Netherlands, Belgium and France. For us, successful commercial real estate goes beyond location. It is about offering tenants services that support their business and allow people to live a better, more balanced life close to home. Together with our local partners, we are building Full Service Centers that serve communities and help our customers make every day count.

About this report

This 2019 Integrated Annual Report explains how, over time, Wereldhave creates values for its stakeholders and society – not only as a real estate investor, but also as an employer and a business partner. This Report describes our business, strategy and performance; it also explains our system of governance, and how we take decisions in the long-term interests of Wereldhave and its stakeholders.

This Report comprises two main parts. The report from the Board of Management is structured around six main sections, starting with the introduction, followed by chapters addressing our business environment, our business and strategy, creating value, performance and outlook, and governance. The Supervisory Board report is included in the Governance section. Our detailed sustainability disclosures can be found at the end of this Report, directly after the financial statements and the auditor's report. To download this Report or obtain more information, please visit us at Wereldhave.com or contact us at investor.relations@wereldhave.com.

Statement from the Board of Management

As Wereldhave's Board of Management, we take responsibility for the content and accuracy of this Report. Our Integrated Annual Report gives a fair and balanced picture of Wereldhave's performance, strategy and management, as well as our ability to create value for stakeholders and society over the short, medium and long term. This Report also addresses the Company's most important risks. It is intended for all stakeholders, but is of particular interest to providers of financial capital.

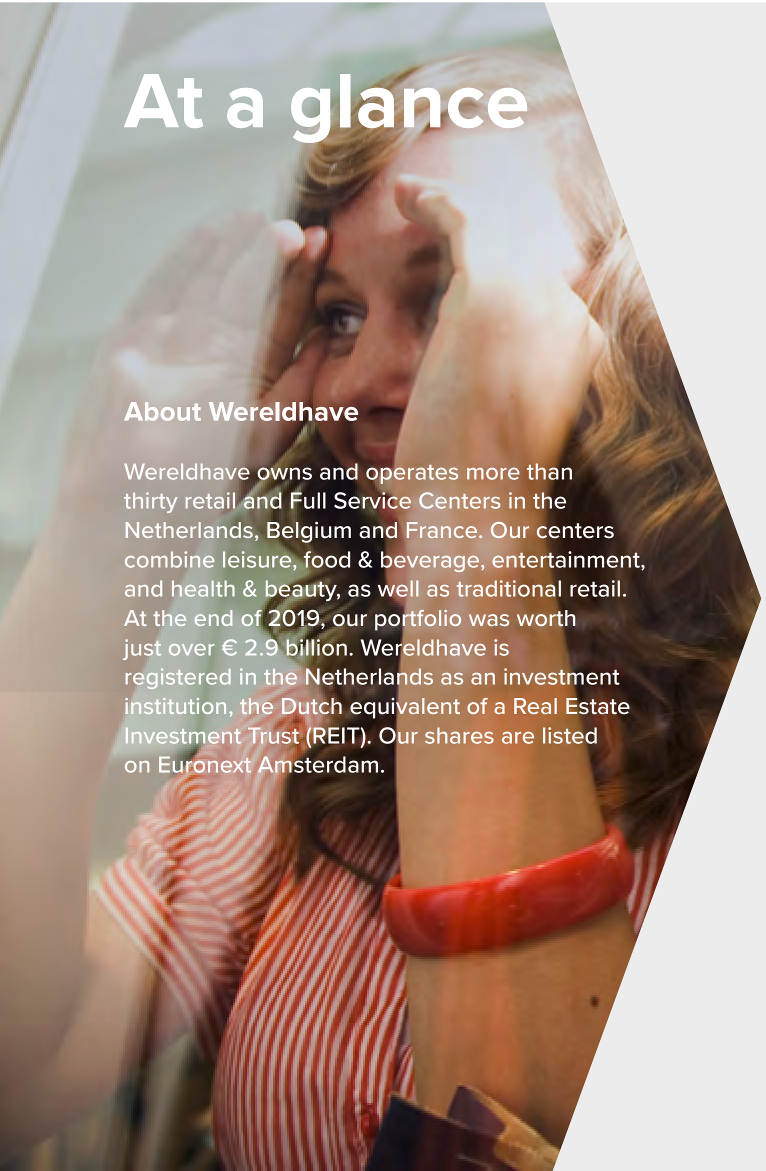
About Wereldhave

Wereldhave was established in 1930. Shares in Wereldhave are listed on the Euronext Amsterdam (AMX) Stock Exchange. The Company has the fiscal status of an investment institution; as such, it pays no corporation tax in the Netherlands (other than for development activities). Wereldhave's investments in Belgium consist of a 66.53% interest in Wereldhave Belgium, a tax-exempt investment company listed on the Euronext Brussels Stock Exchange. Our investments in France are subject to the SIIC regime.

Wereldhave is a member of EPRA, IVBN and the Dutch Green Building Council. Wereldhave's headquarters are located at WTC Schiphol, Schiphol Boulevard 233, 1118 BH Schiphol.

In this report

At a glance



About Wereldhave

Wereldhave owns and operates more than thirty retail and Full Service Centers in the Netherlands, Belgium and France. Our centers combine leisure, food & beverage, entertainment, and health & beauty, as well as traditional retail. At the end of 2019, our portfolio was worth just over € 2.9 billion. Wereldhave is registered in the Netherlands as an investment institution, the Dutch equivalent of a Real Estate Investment Trust (REIT). Our shares are listed on Euronext Amsterdam.

LifeCentral program
Asset-by-asset transformation towards portfolio of Full Service Centers with mix of 'life central' experiences as base for sustainable growth

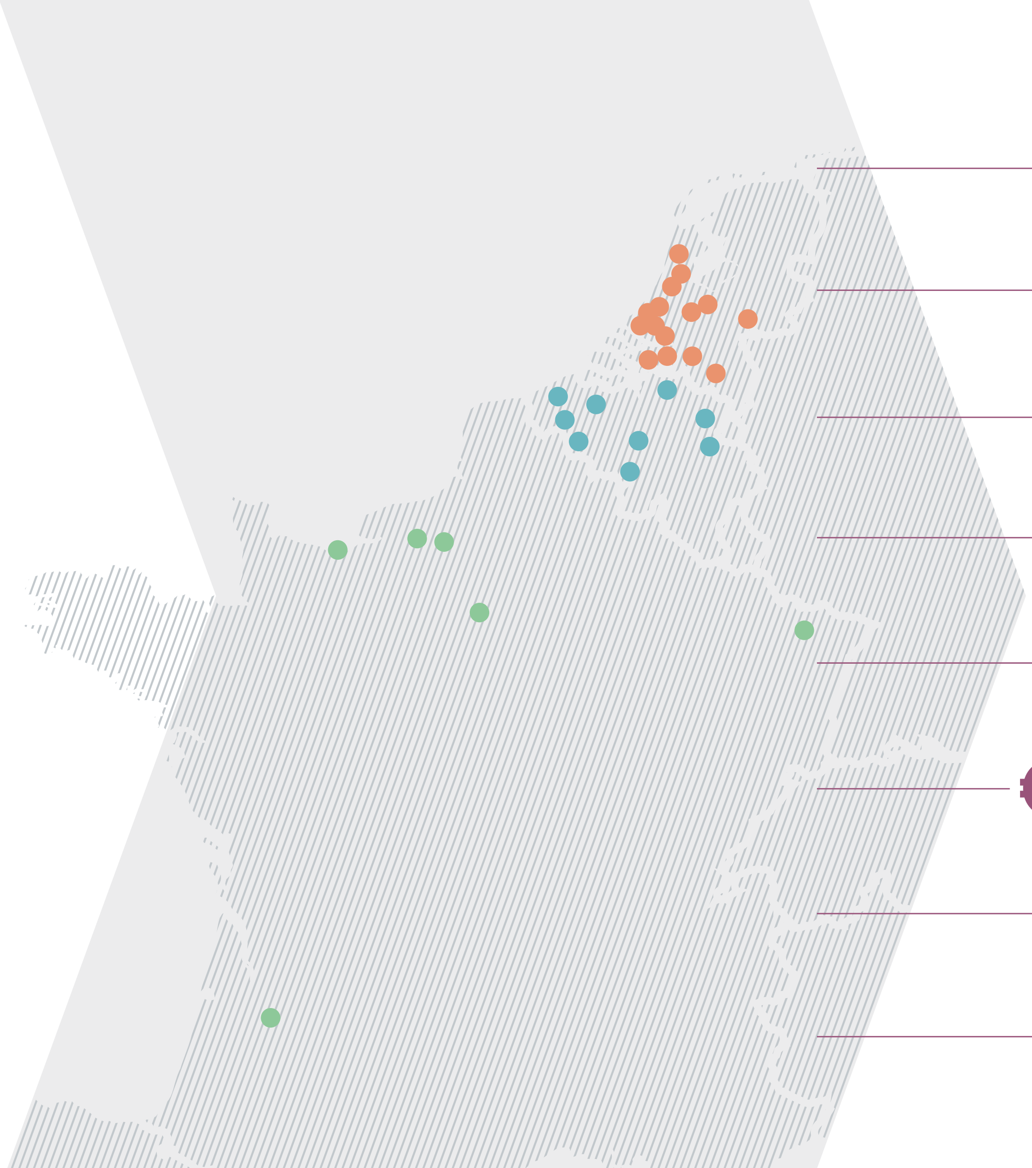
Focus on Benelux, and phase out France, proceeds to be invested in transformation

Total investments in LifeCentral:
300-350 million euro

Total targeted divestments:
book value of 1,075 million euro

Wereldhave to adopt a **total property return investment approach**

New target LTV of 30-40%,
without an equity / rights issue



€ -318.9

Total result 2019:
€ -318.9m (2018: € -55.6m)

€ 128.6

Direct result 2019:
€ 128.6m (2018: € 146.7m)

€ -447.5

Indirect result 2019:
€ -447.5m (2018: € -202.3m)

€ 2.81

EPRA EPS 2019: € 2.81

€ 2.52

Dividend for 2019: € 2.52
(final distribution of € 0.63 per share)

€ 2.35-€ 2.45

Outlook EPRA EPS 2020:
€ 2.35 to € 2.45

75%-85%

Dividend pay-out ratio between
75% and 85% of EPRA EPS

€ 1.76

Dividend for 2020: € 1.76 (three interim
payments of € 0.44 and an expected final
distribution of € 0.44 per share)

Our highlights of 2019

January
CEO Dirk Anbeek steps down,
Herman van Everdingen interim CEO.

February
USPP € 56m redeemed.

March
New Supervisory Board member announced.

July
Construction start phase 2 Tilburg inner-city redevelopment.

August
New CEO Matthijs Storm takes the helm.

September
WH rated GRESB 5 star for 6th consecutive year.

April
NRW shopping center marketing award.
Sale of former V&D in Hoofddorp.

May
€ 250m convertible bond redeemed.

June
Completion phase 2 Koperwiek, Capelle a/d IJssel.

October

Completion redevelopment former Carrefour in Liège, Belgium.

November

Truffaut opening in Bordeaux, France.

December

Carrefour and Biltoki to open stores in Docks76, Rouen, France.

Operations	2018	2019
Net rental income (x € 1m)[1]	166.4	171.5
Like-for-like SC rental growth (%)	0.1	-0.6
Occupancy SC portfolio (%)	96.3	94.8
Visitors, like-for-like (x 1m)	134.0	135.5
Leasing activities (# leases)	347	362

Results & finance	2018	2019
Total result (x € 1m)[1]	16.4	-319.5
Direct result (x € 1m)[1]	118.0	128.6
Indirect result (x € 1m)[1]	-101.6	-448.1
Direct result per share (in €)[1]	2.62	2.81
EPRA NAV per share (in €)	43.82	32.99
Dividend proposal per share (in €)	2.52	2.52
Investment property (x € 1m)	3,280	2,907
Shareholders' equity (x € 1m)	1,744	1,320
Net debt (in € 1m)	1,232	1,315
LTV (Loan-To-Value) (as a%)	37.5	44.8

Outlook 2020
EPS: between € 2.35 and € 2.45
Dividend 2020: € 1.76 per share, € 0.44 per quarter

Sustainability	2018	2019
Building energy intensity (kwh/m²/year)	70.26	68.34
Solar energy produced onsite (MWh)	2,360	3,667
Green roofs (m²)	25,365	25,365
Employee engagement	7.6	7.6
% Green lease	49%	49%
Society investments (x € 1m)	1.6	1.5

1 From continuing operations

Message from our CEO

A new strategy

Shareholders cannot be satisfied with the returns Wereldhave has delivered over the past few years. Although we posted strong operational results, our indirect result for 2019 was heavily affected by negative property revaluations, particularly in the Netherlands and France. These revaluations reflect the market reality of a harsh retail landscape.

"With our LifeCentral transformation program, we are convinced to have a strategic direction that sets us up for success."

"I am proud of our local teams, who managed to produce a relatively strong result, in challenging operational markets. Despite several bankruptcies, the Dutch team managed to keep occupancy high. Adjusted for Hudson's Bay and Sportsworld, l-f-l rental growth would have been +0.8%. In Belgium, strong performance continues and the 5% growth in footfall is particularly impressive, particularly as two large Carrefour units were successfully repositioned in 2019. Retail sales growth of >1% in France is a result of significant operational improvements in the second half of 2019. The strong local teams on the ground in my view lay the perfect foundation for our transformation strategy.

Due to our leasing efforts, overall occupancy remained high, but there is rental pressure as there is a surplus of retail floorspace. This rental pressure and rising yields have caused a negative total result for the year 2019. Our Loan-to-Value is now above the targeted range. We aim to bring the debt ratio back within the 30%-40% range with selected disposals but this impacts our earning capacity.

Given the developments over the past years it is clear that we need to develop and express new ambitions for Wereldhave. Over the past months we have put a lot of time and efforts in analyzing our own portfolio in relation to key market developments and trends. With our LifeCentral transformation program, we are convinced to have a strategic direction that sets us up for success. With it, we fundamentally change the traditional real estate approach into one where not the bricks and mortar, but today's and future consumer needs are at the heart of what we do.

The major difference is that retail has experienced 20 years of Golden Age (rental growth, yield compression). This time is over and the industry needs to adapt, transform itself and its products. The industry needs to be prepared for more active management, more capex and ultimately winners and losers. Being on the front-foot in retail transformations is a significant advantage to us. We want to become the market leader in Full Service Centers in the Benelux, broaden the customer experience and improve our digital capabilities. Through our LifeCentral program, we will actively transform our assets, right-sizing them to the new reality, restoring the retail balance and add new functions and uses. We will strengthen our balance sheet by divesting selective assets and plan to phase out our presence in France.

I believe we are well positioned to transform our assets to Full Service Centers. The assets are in densely populated and well connected locations, the size of our portfolio and current retail rent levels allow for the conversion towards mixed-use and we have capable teams in place, underpinned by strong operational results in 2019. Capital allocation will be based on the total property return, with a disciplined data driven, fact based approach. Assets with below threshold IRRs will be sold.

The transformation of our portfolio will be executed simultaneously with our disposal program. This will lower our debt and strengthen our balance sheet, but we expect our earnings per share will decrease over the next three years. We are confident that after the disposals have been executed, we will be able to create rental growth, value growth and dividend growth. We will maintain our dividend policy with a pay-out between 75% and 85% of EPS. However, the new reality is that EPS will gradually decrease to bottom out at a range of € 1.40 - € 1.50 when we have completed our disposals in 2022. From there, we expect that we will deliver EPS growth again of 4-6% per annum until 2025.

We started the development of our new strategy with outside-in investor meetings, followed by internal blueprinting of all assets against an internal capital allocation framework. A lot of effort has been put into our new strategy. First and foremost I would like to thank the Wereldhave teams and the Supervisory Board for their inspirational input and sharing their vision and thoughts. I would also like to thank the investors for their valuable feedback in the outside-in meetings and our advisors for guiding us through the process and relentlessly updating the many draft versions of the documentation. I am convinced that actively transforming our shopping centers with LifeCentral to Full Service Centers, puts Wereldhave firmly on track for future growth."

Matthijs Storm,
CEO Wereldhave N.V.

"I believe we are well positioned to transform our assets to Full Service Centers."

Beyond shopping

In recent years, shopping has become a social experience. Increasingly, we go shopping not just to shop, but to socialize, relax and spend time with friends and family.

Beyond shopping

In recent years, shopping has become a more social experience. It's expanded beyond the basics – beyond shopping for groceries, clothes or electronics. Demand for services is growing. As consumers, we want 'experiences', not just products. We go to shopping centers to socialize, relax, and spend time with our friends and family. And that's changing the future of shopping – and the future of our business. Below, we've identified the five key trends that are driving these changes: the growth in online sales, the increased use of technology, continued oversupply of retail space, changes in consumer behavior and the growing importance of sustainability.

We're shopping more online – but physical stores are here to stay

Currently, around 10% of retail sales in our three markets are made online. We expect that to increase over the next few years. By 2025, online sales in the Netherlands, for example, could be close to 20%. There are significant differences between sectors, however. For toys, around 40% are bought online. For fashion, multimedia and electronics, it's more around 30%. Not surprisingly, retailers in these sectors are switching more online – they are closing stores, or changing store formats. In other sectors, the rate is much lower. Consumers may research online, but they still tend to buy, or pick up, in-store. In the case of supermarkets, for example, online accounts for just 3-4% of sales. For food, we still prefer to buy in-store. And that's why our centers are anchored around food retail.

Technology goes beyond the internet – it's also transforming our business

Digital technologies have changed so many aspects of our lives – they are also changing our business. We have access to much more data, often in real-time. That gives us the kind of insight into consumer behavior that, five or ten years ago, would have been unimaginable. With this insight, we can develop new services both for tenants and visitors to our centers. We can offer customized gift ideas, for example – send personalized messages and advertisements. Internally, we can use technology to speed up our own processes, increasing efficiency, reducing risk and saving costs.

There's an oversupply of retail space – not all locations will lose out, however

Research suggests that, by 2023, around a quarter of Dutch retail space will be obsolete[1] - largely because of the growth in online shopping. As a result, investment returns have declined. Currently, returns on retail property are lower, on average, than for residential, office or industrial real estate[2]. We're seeing restructuring across the retail sector – including bankruptcies and store closures. Not all locations, however, are losing out. In the years ahead, we'll see increased 'polarization'. There will be 'winners' and 'losers'. Retail, we expect, will gravitate toward prime out-of-city locations – away from city centers. These locations offer access to growing urban populations; they're often well connected to public transport, and offer a mix of leisure, food & beverage, entertainment and health & beauty, alongside traditional retail.

Attitudes to shopping are changing – because consumers are changing

Part of the reason for the change in consumer behavior is demographic: in Europe, we're living much longer than we used to. Those over 65 now account for almost a fifth of the continent's population. Older populations may bring increased demand for healthcare. At the same time, more of us are living in cities – and more of us are living alone. There is also a generational shift. Younger people don't

1 Source: Resetting retail (the future of Dutch retail property) – CBRE The Netherlands, 2019
2 Based on average compound annual total returns, 2009-2018. Source: MSCI

regard shopping as a chore – they see it increasingly as a leisure activity[1]. The result is that more money is being spent on services; consumers want ‘experiences’. As a result, there is more emphasis on customer satisfaction, and on centers being safe, pleasant places to be and work. In the Netherlands, France and Belgium, out-of-home spending – on restaurants, recreation and entertainment – has increased sharply since 2010[2] (see chart).

There’s more emphasis on sustainability – and responsible business

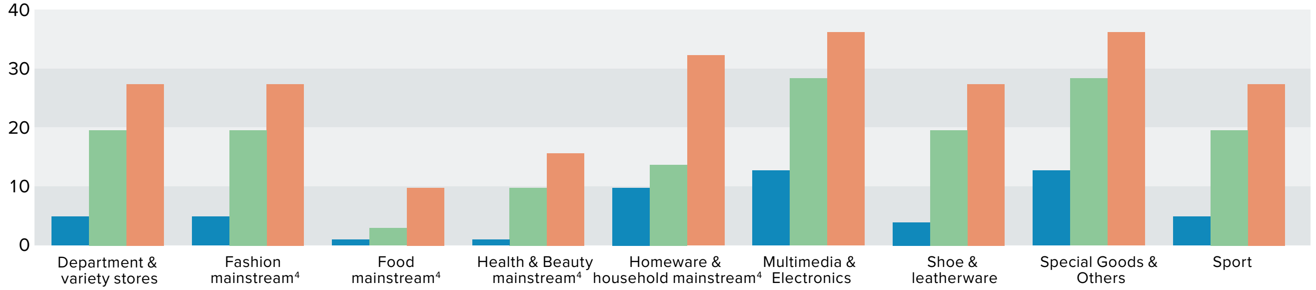
We’re also seeing the rise of ethical consumers. In response, retailers are adopting more sustainable business practices – cutting waste, phasing out single-use plastics, and switching to sustainable products. Governments are supporting this trend, not least through the UN Sustainable Development Goals (SDGs) and Paris Climate Agreement. Responsible, ESG[3] investing is growing. We’re also seeing tighter environmental controls, often in areas that affect Wereldhave directly, like construction and building management. Increasingly, people expect companies to behave responsibly, to respect human and labor rights – and to minimize their impact on the environment.

Out-of-home spending in Wereldhave markets

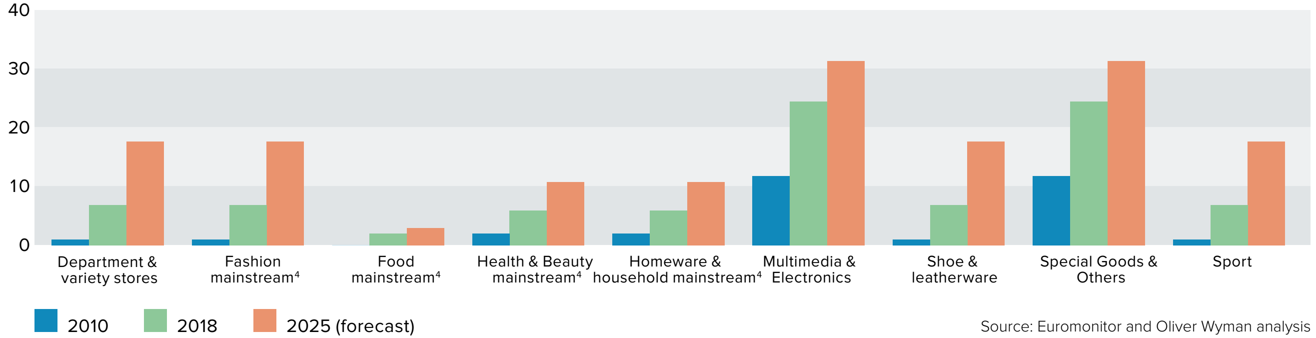
(in EUR billions)	2010	2018	2025	Forecast ‘share of wallet’ by 2025
Netherlands	35	47	61	12%
Belgium	18	25	31	10%

Source: Euromonitor. Out-of-home spending includes catering, hotels, recreation and entertainment

Online share of total sales by product group Netherlands



Online share of total sales by product group Belgium



Source: Euromonitor and Oliver Wyman analysis

Urbanization, % of national population living in cities

	1960	1970	1980	1990	2000	2010	2020[5]	2030[5]
Netherlands	59.80%	61.70%	64.70%	68.70%	76.80%	87.10%	92.20%	94.80%
Belgium	92.50%	93.80%	95.40%	96.40%	97.10%	97.70%	98.10%	98.40%

Source: UN, World Urbanization Prospects (2018 revision)

1 According to research by Ebeltoft Group, 55% of consumers aged between 25 and 44 said they saw shopping as ‘fun’
2 Source: Euromonitor (as % of total spend)
3 Environmental, Social & Governance
4 Discount players not included as floorspace of discount players is assumed not be impacted by e-commerce
5 Forecast

Our business & strategy

With LifeCentral, we're making a change – we're focusing on centers that combine retail with food & beverage, leisure, entertainment and health & beauty.

Our business

Wereldhave owns and operates centers across the Netherlands, Belgium and France. Headquartered near Amsterdam, we have 31 centers in all, with almost 850,000 m^2 for retail and services. We focus on centers where shopping, leisure, food, health & beauty and entertainment can be easily combined. In our approach to business, we put strong emphasis on sustainability – on investing in local communities and reducing waste and carbon emissions from our centers.

Our approach

Over the past eight years, we have evolved from a property investor to a specialist in retail real estate. Since 2012, we have sold our investments in the US, UK, Spain and Finland. We are also planning to phase out our presence in France. Long-term, our ambition is to become a pure Benelux player. Currently, our property portfolio is worth just over € 2.9 billion – 97% is invested in shopping centers, the remaining 3% in office space.

When investing, we look for centers that are well-located, and that can meet consumers' daily needs. We focus on centers that have a dominant market position locally and a population of at least 100,000 people within a ten-minute drive. Generally, our centers range in size between 20,000 and 50,000 m^2. Our centers are anchored around food retail, preferably with at least one hypermarket, or two to three supermarkets. Economically, food sales are more resilient than other sectors – they have also been less affected by the increase in e-commerce.

In our centers, we offer healthcare, entertainment and other functions such as offices, residential use, alongside traditional retail. We take a systematic, targeted approach to match the mix of shops and services within each center to the needs of the local community – in terms, for example, of age and income. We invest continuously in our centers to modernize them and keep them up to date.

Overall, this approach makes our centers convenient and well-connected to local communities. Our centers are places where people go to shop, meet and relax. We believe shopping has become an essentially social experience. At the same time, our approach creates natural footfall – this helps attract and retain retailers and other tenants.

We create value for the communities in which we operate – by providing access to services, contributing to economic growth and job creation, and by operating sustainably. We see our centers as social hubs for local communities. At the same time, we also want to increase rental income and improve returns for our investors. Within our portfolio, the focus is on organic growth – we also make selective acquisitions and disposals to ensure sufficient asset rotation and further improve the quality of our investments.

Our centers

Our centers are in prime locations in large regional cities including Eindhoven, Hoofddorp and Tilburg in the Netherlands, Liège and Ghent in Belgium, and Strasbourg and Bordeaux in France. The Netherlands is our largest market, representing approximately 39% of our investment portfolio.

At the end of 2019, Wereldhave's centers had over 2,000 tenants. Many of our tenants are household names: food retailers such as Albert Heijn, Carrefour, Leclerc and Jumbo – fashion stores like Zara, C&A and Hennes & Mauritz (H&M) and the perfume and cosmetics specialist Sephora. Cinema group Pathé also features among our largest tenants.

16

Netherlands

- Amersfoort
- Arnhem (2 centers)
- Dordrecht
- Capelle aan den IJssel
- Eindhoven
- Etten-Leur
- Hoofdorp
- Maassluis
- Heerhugowaard
- Leiderdorp
- Nieuwegein
- Purmerend
- Rijswijk
- Tilburg
- Roosendaal

9

Belgium

- Courtrai
- Genk
- Liège
- Ghent
- Nivelles
- Tournai
- Waterloo
- Turnhout
- Bruges

Offices

- Vilvoorde
- Antwerp

6

France

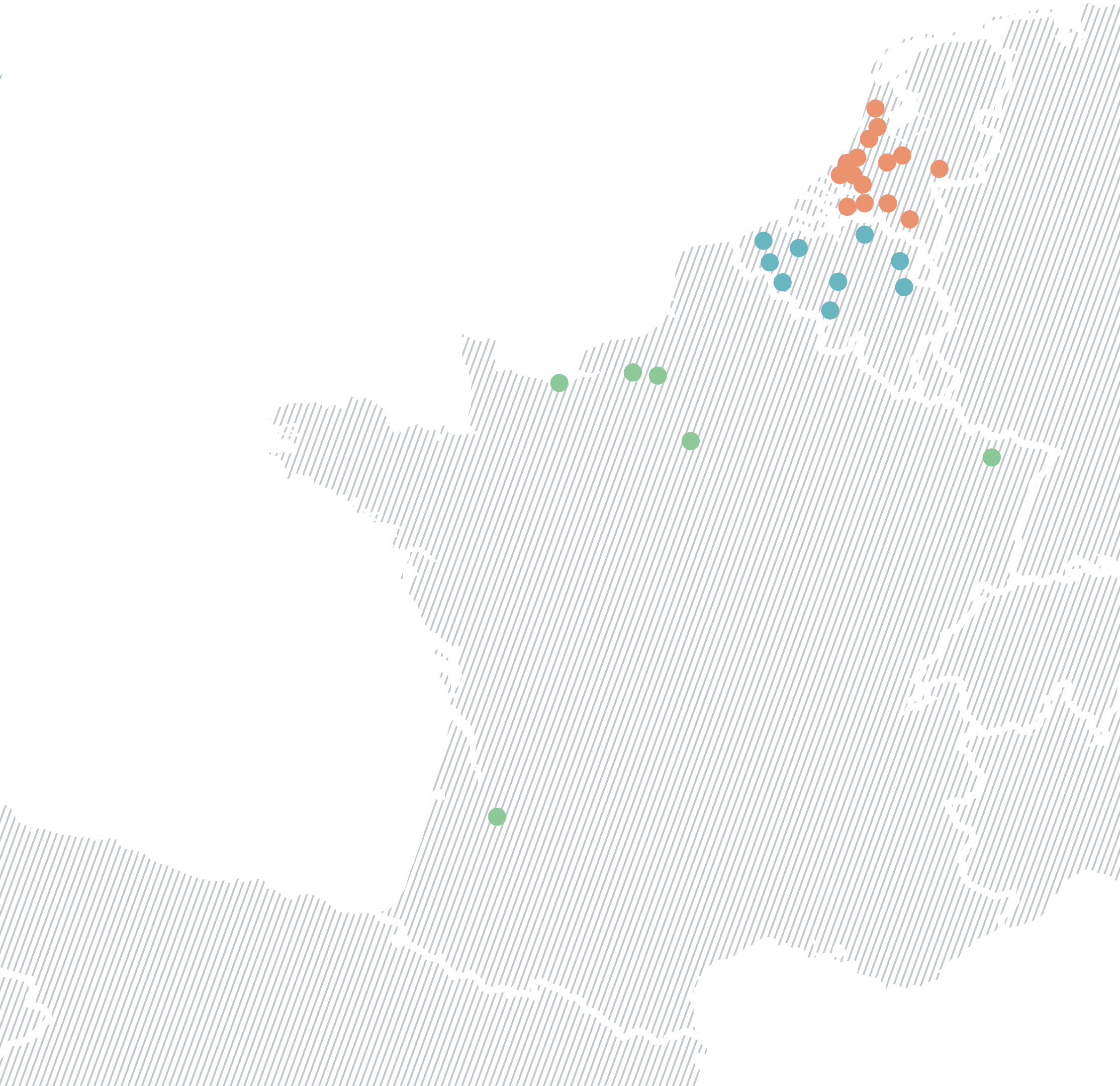
- Argenteuil
- Le Havre
- Rouen (2 centers)
- Bordeaux
- Strasbourg

Centers in total

31

Approximately

913,100 m²



Our business model

We convert shopping centers into Full Service Centers in large regional cities in the Netherlands, Belgium and France. We use our insights and local knowledge to ensure these centers are in the right locations to attract tenants and visitors. We also provide additional services to our tenants, including specialty leasing and access to market data. Most of our income comes from rent – tenants pay rent either as a fixed amount or, in some cases, a variable amount, depending on tenants' revenue. We generate a 'direct result' – the profits from our operations – and an 'indirect result', reflecting fluctuations in the value of our properties.

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Our strategy

Our strategy will help us adapt to the trends we are seeing in retail – from the growth in online shopping to the restructuring taking place across the sector. It's also a response to changing consumer behavior, to the increased importance of sustainability and the rise of shopping as a social experience. Early in 2020, we launched LifeCentral – our plan to convert all our locations to Full Service Centers that will increasingly provide a mix of retail, leisure, food & beverages, health & beauty and entertainment.

LifeCentral (2020-2025)

With LifeCentral, we are entering a new phase. The strategy involves converting all our centers to Full Service Centers. These Full Service Centers go beyond traditional shopping centers, providing more services, like bars and restaurants, cinemas, healthcare and fitness clubs, even residential apartments. Retail will still play an important role – but will, in most cases, occupy proportionally less floorspace in our centers than in the past (see charts next page).

Full service centers, in effect, put all consumer needs under one roof. We've identified these needs under four basic 'headings':

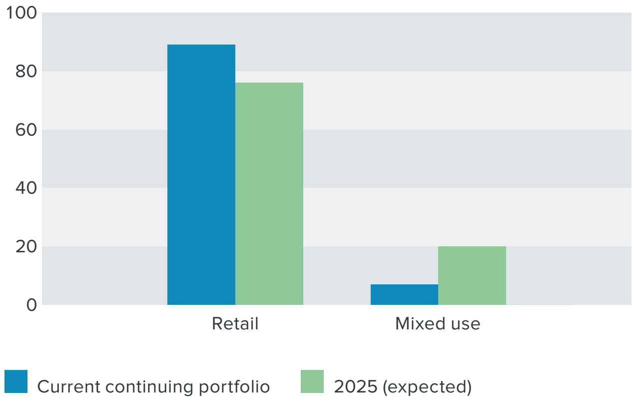
1. Fixing the basics (shopping, groceries)
2. Expression ('looking good and making the right impression' – fashion, cosmetics)
3. Enjoying life (spending time with friends and loved ones – leisure, entertainment, food & drink)
4. Well-being (taking care of personal health and development – healthcare, well-being, fitness)

To implement this strategy, we need first to select the right centers – the 'winners' from the polarization we're seeing in retail markets. Broadly, these centers will be close to areas of population density, well connected to public transport, with free parking, and support from local government. Given the increasing importance of sustainability, we will also focus on centers that can be 'Paris-proofed' – i.e. brought into line, in terms of environmental performance, with the maximum +2°C warming scenario agreed in 2015 as part of the Paris Climate Agreement. We will also apply a hurdle – rate of 6%. For those locations with returns of between 5% and 6%, we will take steps, where possible, to improve financial performance over the coming years (with a view to meet the 6% hurdle rate). This currently applies to six locations: four retail parks in Belgium, and two centers – one in Belgium, one in the Netherlands.

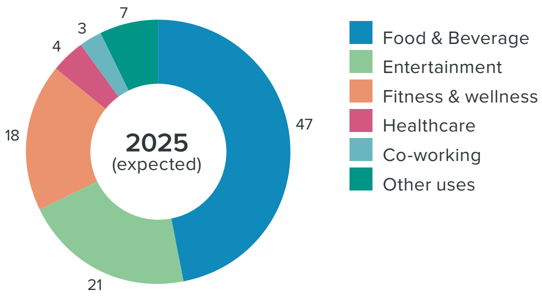
Over the next few years, we will invest in our selected centers. We estimate total investment at € 300-350 million until 2025. In some cases, we will need to right-size our centers, either reducing or increasing floorspace to meet the expected demands of tenants and visitors. Where we have to reduce, we'll convert more floorspace to residential or offices – to keep vacancies to a minimum. All these measures will be contained in our Blueprints for 2025. Ultimately, with Full Service Centers, our aim is to create a virtuous circle: to bring more visitors into our centers, improve services for both tenants and customers, and increase the long-term value of our investments. By 2025, we expect the share of non-retail (or mixed use) in our Dutch and Belgian centers to approximately double. At the same time, retail will decrease to just around 75%.

As part of LifeCentral, we will phase out France and sell off some assets – those that don't meet our criteria. These disposals will help offset the cost of converting our centers and strengthen our balance sheet.

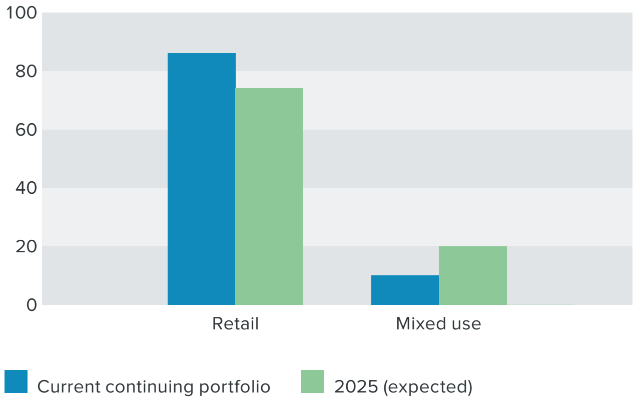
Netherlands
(average % distribution /1,000 m²)



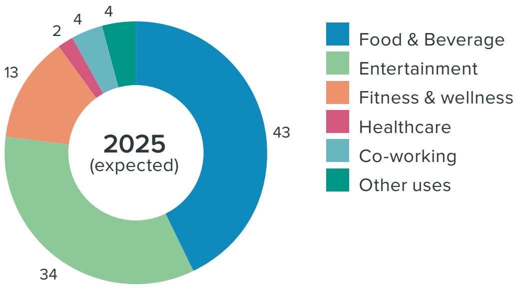
Netherlands
(average % distributed of mixed use only /1,000 m²)



Belgium
(average % distribution /1,000 m²)



Belgium
(average % distributed of mixed use only /1,000 m²)



In the Netherlands, remaining space forecast for 2025 (4%) will be ‘right-sized’ through conversion to residential, offices and write-offs. For Belgium, figures include increased floorspace at Belle-Île (11,000 m²), Kortrijk (3,000 m²) and Tournai (400 m²), as well as the write-off of floorspace at Genk (3,642 m²).

Implementation

We will be implementing LifeCentral over the next five years. For 2020, our focus will be on further developing the concept of full service centers, engaging with tenants and putting in place the skills and local partnerships we will need to execute our strategy successfully. We will start work initially at two centers – Belle-Île in Belgium and Vier Meren in the Netherlands. These centers will act as ‘proofs of concept’. In the case of Belle-Île, our goal will be to transform the center into a mix of fashion, sports, leisure, and food & beverage. We’ll be increasing floorspace there by more than a third, an additional 11,000 m². If successful, we will scale up our full service concept to other centers. Through to 2025, we aim to complete our disposal program. we’ll implement our Blueprints, make acquisitions where possible and continue to increase returns.

To implement LifeCentral, we’ll also invest in digital technologies and develop more local partnerships.
With technology, we’re putting in place a two-year Digital Transformation Roadmap. As part of this, we’ll digitize key internal processes like lease management and marketing. We’ll automate, where possible to simplify and strengthen internal management. We’ll also centralize data – and use

insights to offer new services to tenants and visitors, and deal with specific pain points. To support the roadmap, we'll invest in developing new data and IT skills within the Company. We're currently rolling out our *flow by Wereldhave*™ platform, which allows us to share real-time, location-specific data with our tenants. We want to encourage more innovation, in part through co-creation with tenants and other local partners – like hotels, business parks, high schools and local municipalities. Our aim is to develop new income streams – from service contracts, for example, and specialty leasing.

A Better Tomorrow

Wereldhave has also updated its approach to sustainability. We want our new Full Service Centers to be low carbon and less wasteful. We also want to support the communities in which we operate, which we see as crucial to our long-term social license to operate. Our 2030 CSR program – A Better Tomorrow – focuses on three main areas: Better Footprint, Better Nature and Better Living. For each of these areas, we've set clear ambitions, and aligned these ambitions directly with specific UN Sustainable Development Goals (SDGs). A Better Tomorrow will improve our environmental management, reduce waste and carbon – strengthen our investment in local communities, and help protect urban wildlife, living close to our centers. We regard CSR as a key part of our value proposition to both tenants and visitors.

	Priorities	*Ambitions for 2030*	*Relevant SDGs*
Better footprint	**Energy & carbon** **Materials** **Value chain impacts**	• All m^2 within direct control of our organisation to operate at net zero carbon by 2030 • Partner with tenants and visitors to reduce carbon and waste (ambition: net zero value-chain by 2050) • Increase recycling and zero waste to landfill • Reduce water consumption	SDG7: Affordable and clean energy SDG12: Responsible production and consumption SDG17: Partnerships for the Goals
Better nature	**Resilience** **Habitat**	• Increase % of Wereldhave buildings with plans in place to mitigate physical effects of climate change (extreme heat, flooding, storms etc.) • Increase m^2 of green areas in and around our centers with ecological value and climate resilience	SDG11: Sustainable cities and communities SDG13: Climate action.
Better living	**Well-being** **Employees** **Communities**	• Aim for zero safety incidents in our centers • Increase satisfaction and Net Promoter Score among tenants and visitors • Target employee engagement score of at least 7.5 for each country of operation • Reduce % of voluntary departures among 'key talents' • Contribute at least 1% of net rental income to socio-economic and social inclusion initiatives	SDG8: Decent work and economic growth SDG11: Sustainable cities and communities SDG17: Partnerships for the Goals

Long-term focus

In the short-term, LifeCentral may mean lower revenue as we bring new tenants into our centers. Longer-term, however, the switch to Full Service Centers will diversify our revenue base, reduce risk and yields – and, ultimately, increase the intrinsic value of our assets. Currently, compared with our peers, we have relatively low average rent /m^2. Financially, this puts us in a good position to implement our strategy – it means the switch to Full Service Centers will have (relatively) less impact on rental income. We expect our earnings per share (EPS) to bottom out at € 1.40 - € 1.50 in 2022 before increasing again as we fully implement our strategy.

Our aim is to deliver long-term value and above industry average returns for investors. To do this, we'll combine implementation with sound financial management. We're taking steps to reduce leverage – and strengthen our balance sheet. Over time, we want to decrease our loan-to-value ratio to 30% - 40% (down from 44.8% in 2019). To benchmark our centers (and assess the transition to Full Service Centers), we'll use four main performance indicators; these will help ensure we continue to deliver value to shareholders, tenants and customers:

KPI on asset level	Performance target	Stakeholder
Asset IRR (unlevered)	Minimum 6%	Shareholders
Customer Feedback (NPS)	At least +20	Customers
Tenant Feedback	Tenant Satisfaction Score >8	Tenants
Retail Balance	Mixed use >20%	Customers and tenants

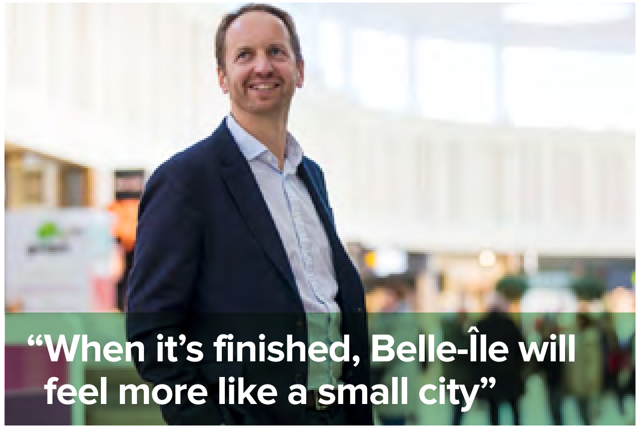
Make every day well-balanced

Over the next two years, Wereldhave Belgium will add another 11,000 square meters to Belle-Île.

Around two-thirds of the extension will go to non-traditional retailers, including the new co-working space.

Nicolas Beaussillon
This is a big investment for us – we really believe in what we're doing.

After having worked a few months on the extension plans for the Belle-Île shopping center, Nicolas Beaussillon – Wereldhave Belgium's Commercial Director – wasn't convinced. "The plan we had was very traditional. It wasn't really suited for a market that's changing so quickly. I was worried that, by the time we built the extension, it would already be out of date."



Three years later, Belle-Île, just a few miles south-east of Liège, is at the forefront of Wereldhave's new strategy. It's one of the first centers that will make the transition from traditional shopping center to shopping 2.0 – a Full Service Center that combines shopping with entertainment, leisure, co-working and food & beverage.

Outside space

As part of this transition, Nicolas is planning to bring in new tenants – traditional retailers for sure but as well more local businesses, more sports & fitness and an extensive co-working space. The center will also be hooked up to the internet, and there'll be more furniture and sofas, so that visitors can sit down with friends, talk and relax. Using wood in the interior design will also make the center more homely, a place people will enjoy spending time in.

Nicolas also wants to open up more outside space. As the name suggests, Belle-Île is built on an island. On one side, the center looks over the river and a park – an ideal spot for cafés and restaurants with outside terraces and even accessible when the shopping center is closed. There are also plans to renovate the center's 2,200-space car park.

"There'll be people shopping, people working and eating, playing sport," says Nicolas. "The co-working space will make a big difference. The idea is that the center will feel more like a small city. We expect a lot of people to spend the whole day on site."

More floorspace

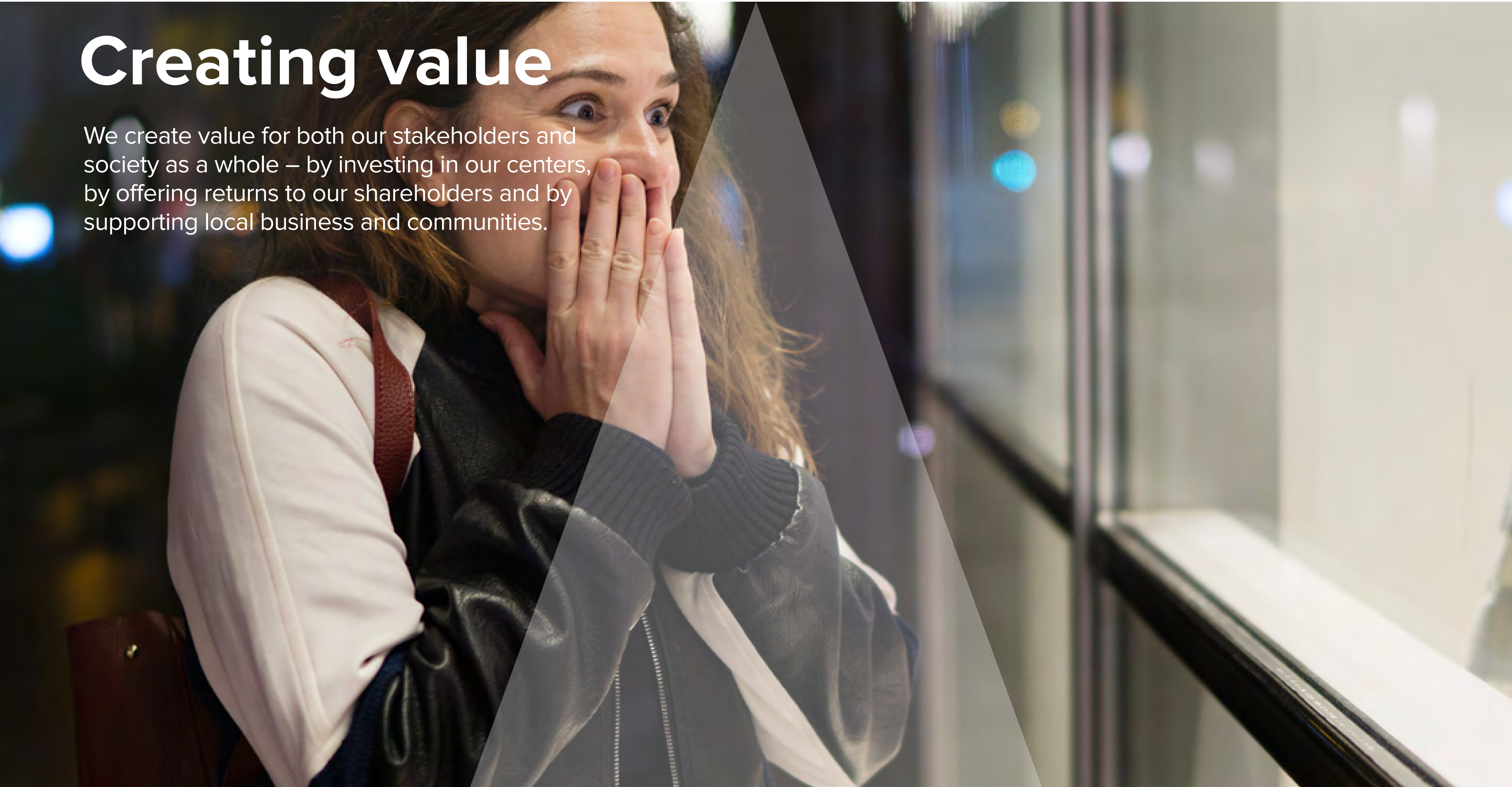
Over the next two years, Wereldhave Belgium will add another 11,000 square meters to Belle-Île. Around two-thirds will go to non-traditional retailers, including the new co-working space. But the extension will also allow Wereldhave to accommodate traditional retailers that need more floorspace.

> "Three years later, Belle-Île, just a few miles south-east of Liège, is at the forefront of Wereldhave's new strategy."

"Some retailers currently present in the center need 2,000 or 2,500 square meters. That's their concept nowadays," says Nicolas. "And the fact is if we can't offer them the extra space, they'll go elsewhere."

Transforming Belle-Île won't be plain sailing. Apart from the usual building permits and paperwork, Nicolas and his teams will have to build a network of new relationships. "We know it's going to take time," says Nicolas. "We've been working in traditional retail for more than fifteen years. If we want to bring in, for example, a vegetarian restaurant, that's not something you find in a traditional shopping centers. We're going to have to build up these contacts."

Nicolas takes a long-term view, however: "Belle-Île has always done pretty well," he says. "But it opened back in 1995, and the time has come to invest. The difference with Wereldhave is that we're not just a developer, we're a long-term investor. We were there 25 years ago and, hopefully, we'll still be there in 25 years' time. This is a big investment for us – we really believe in what we're doing."



Creating value

We create value for both our stakeholders and society as a whole – by investing in our centers, by offering returns to our shareholders and by supporting local business and communities.

Creating value

Wereldhave creates value in several ways – through our property investments, through the way we operate our business and through our support for local communities. Clearly, this value may be financial – the dividends we pay to shareholders, for example, or the payments we regularly make to suppliers of goods and services. We create social value by providing employment, training and career development. Our centers also offer access to services – to shops, entertainment and healthcare.

At the same time, we realize that we may also deplete value – through damage to the environment or the consumption of natural resources, for example. Some value we create directly as a result of our business activities. Other value is indirect – an outcome of what we do, rather than a direct result. This year, we saw a considerable decrease in the financial value of our properties. By paying dividends, salaries and taxes, for example, we help drive economic growth and job creation. Because of this indirect value creation, it's important that, as Wereldhave, we work closely with our stakeholders to increase (where possible) our positive impact on stakeholders and society.

Our stakeholders

Our aim is to create long-term value for our stakeholders. These stakeholders include our tenants, employees, business partners and investors. We also have wider obligations to society to operate as a responsible company – to protect the environment and support sustainable development. Our stakeholders are those individuals or organizations that influence our business or, correspondingly, that may be influenced by our decisions and activities. Our social license to operate depends, ultimately, on continuing to create long-term value for our stakeholders.

"Our social license to operate depends, ultimately, on continuing to create long-term value for our stakeholders."

On page 27, we have set out our value creation model. This model, based on the International Integrated Reporting Framework, shows the value Wereldhave creates for its main stakeholder groups (for the purposes of this model, we have used five groups: tenants & visitors, employees & contractors, business partners, investors and society). The table below provides further details of our stakeholder groups and our assessment of their expectations.

Stakeholder group	Expectations
Tenants & visitors (including retailers, service providers operating in Wereldhave centers, visitors to centers)	• Attractive catchment area • High standard of services within centers • Easy access via public transport /free parking • Pleasant, positive ‘user experience’
Employees & contractors (including all full-time and part-time employees, contractors working for security, cleaning companies etc.)	• Safe, professional working environment • Payment of salaries and other benefits • Opportunities for training and career development
Business partners (including suppliers of goods and services to centers, joint venture partners)	• Creation of new commercial opportunities • Constructive, long-term relationship • Prompt payment of accounts
Investors (including shareholders, creditors, financial market actors)	• Attractive, stable dividends • Clear, appropriate business strategy • Strong system of governance and decision-making • Clear communications to financial markets’
Society (including local communities, municipal governments, transport operators, NGOs and community groups)	• Caring for local environment and urban wildlife • Compliance with relevant laws and regulations • Payment of local taxes and transfer taxes • Support for local community projects and initiatives

Value Creation model

Resources used

€ 1.3 bln in shareholders' equity
€ 1.3 bln in net debt
€ 129m direct result

Financial

We issue equity and obtain debt financing – this provides the funds we need to operate our business, to maintain and upgrade our properties and, where appropriate, to explore future opportunities for growth. From our properties, we generate revenue – most from rental payments.

€ 2.9 bln in portfolio of centers and other property
913,100 m^2 in total lettable space at year-end
€ 58m invested in 2019

Manufactured

We own and operate Full Service Centers in large regional cities; these centers offer retail, food & beverage, entertainment, beauty, healthcare and well-being – in many cases, they also include parking for visitors and tenants.

2,018 leases
€ 67m in development projects

Intellectual

As well as relationships, our business also relies on 'institutional knowledge' – the systems and processes, within Wereldhave, that allow us to work efficiently and effectively. These include a disciplined capital allocation framework, our facilities management systems, IT platforms, data, accounting and customer relationship systems, market research and risk management.

171 employees at December 31 (FTE equivalent)
21 contractors employed at centers (FTE equivalent)
€ 0.2m spent on training and development

Human

Our employees provide their time, skills and capabilities. We outsource many services to contractors – including security, facilities management and cleaning. We invest in our workforce – in training and development and in providing a safe, healthy and diverse working environment.

1,952 suppliers and contractors
135m visitors per year

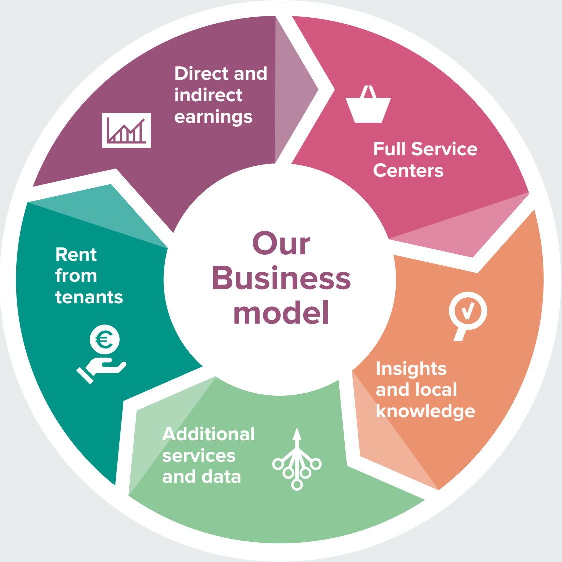
Social & relationship

Our business relies on relationships – not only with our tenants and visitors, but also with contractors, local governments and regulators, suppliers and other business partners. We also need the goodwill of the communities in which we operate. All these contribute to the success of our business and allow it to grow and develop.

65,256 MWh in total energy consumption
217,725 m^3 in water consumption

Natural

We consume natural resources: we use energy for electicity to heat or coll our centers –water for cleaning, cooling and fire protection. We use materials in renovation and maintenance, and occupy and develop land, usually in urban or suburban areas.



Value created

Tenants and visitors

We invest in our centers to improve tenant and visitor satisfaction. To our tenants, we offer access to attractive local markets. To visitors, we provide a mix of shops and amenities. We maintain, upgrade and renovate our centers – we may increase or decrease retail space, depending on local market developments.

84% retail space, **16%** mixed use
65 average tenants per center
Tenant satisfaction measurement in **2020**
-7 average NPS visitors
326 events
340 brand & activation campaigns

Employees and contractors

To our employees, we provide salaries and benefits. We make sure pay is fair for all. We offer training, so employees can learn new skills, and we provide career opportunities. We create a safe and diverse working environment for both employees and outside contractors – and encourage healthy lifestyle through our vitality program.

€18m paid to employees in salaries and benefits
7.6 employee satisfaction score

Business partners

We work closely with our suppliers: we pay them, help them grow their businesses alongside our own – and offer reliable, long-term partnerships. We support these partnership through constant innovation.

€145m paid to suppliers and contractors

Investors

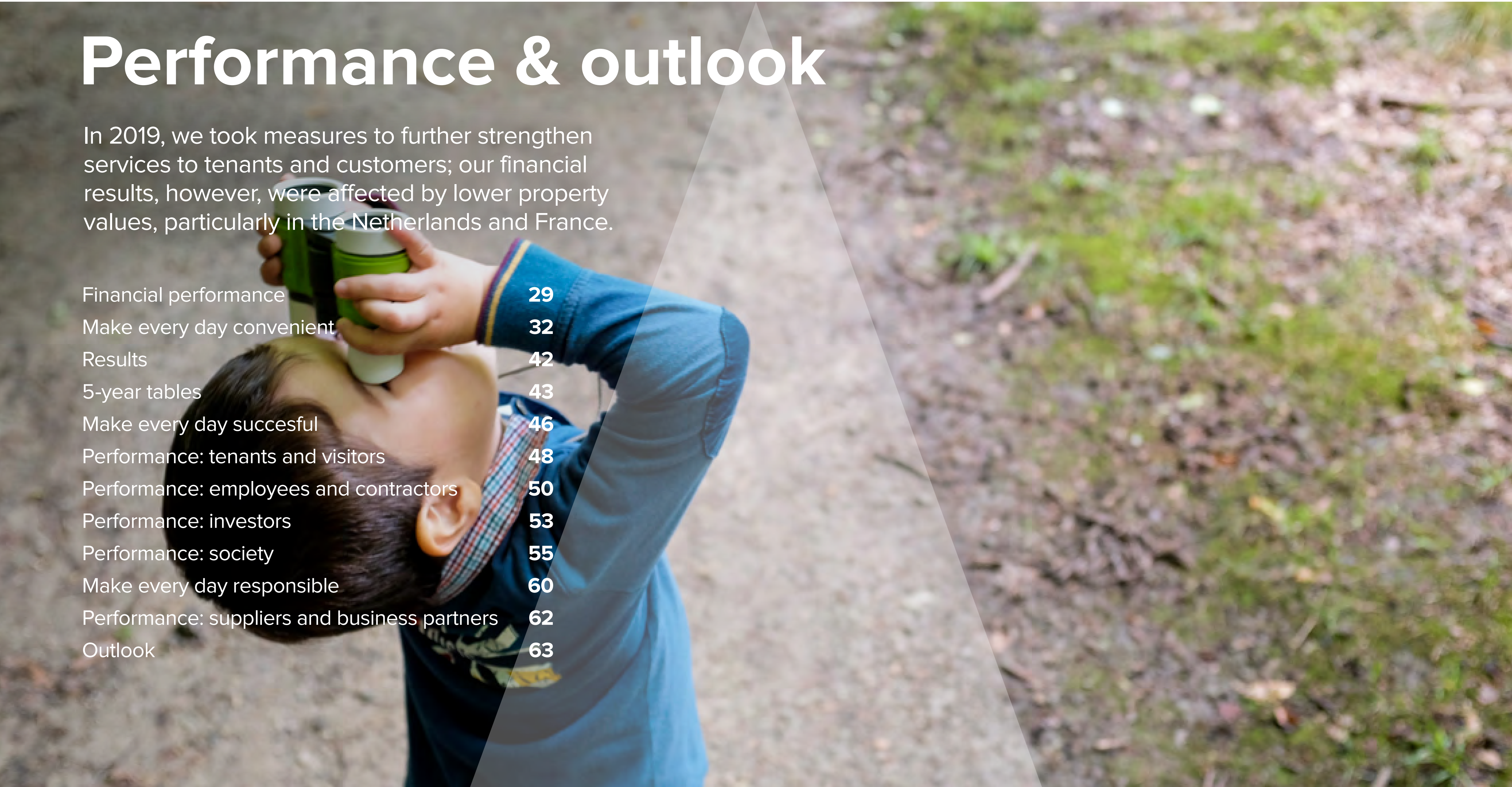
For investors, we offer an attractive total return, consisting of dividend payments, interest payments and value growth. As a REIT, we distribute taxable profit to shareholders. We aim to achieve above market average returns through a operational and financial disciplined approach.

€ 107m in cash dividend
€ 129m Direct Result
€ -448m Indirect Result
€ -319m Total Result

Society

Through our centers, we support local economic growth and job creation. We pay local tax and transfer tax to help finance public services – and invest in local good causes. We also consume natural resources, mainly to heat, clean and cool our centers. We aim to, however, to reduce our carbon footprint and limit waste. We also organize events at our centers for the benefit of local communities.

15.526 solar panels
3667 MWh renewable energy produced on-site
0,46 building energy intensity (kWh/visitor/year)



Performance & outlook

In 2019, we took measures to further strengthen services to tenants and customers; our financial results, however, were affected by lower property values, particularly in the Netherlands and France.

Financial performance

EPRA EPS for FY 2019 is € 2.81. This is just above our outlook provided at the interim results. It represents a 7.3% growth compared to the EPRA EPS from continued operations last year. This increase is largely the effect of two acquisitions in Belgium and lower interest expenses. The discontinued operations relate to the disposal of Finland at the end of 2018. We forecast for FY 2020 an EPRA EPS of € 2.35 - € 2.45 on a constant portfolio basis. EPRA NAV declined by 24.7% to € 32.99 per share. This is mainly the effect of negative revaluations. Our total return for 2019 was € -8.31 per share, following the decline in EPRA NAV and the pay-out to shareholders of € 2.52 dividend per share.

Total result

The total result for the year 2019 amounted to € -318.9m. The direct result for 2019 came out at € 128.6m (2018: € 146.7m). Lower property valuations, particularly in the Netherlands and France, led to an indirect result of € -447.5m.

Direct result

Results (x € 1m)	**2018**	**2019**
Net rental income	166.4	**171.5**
General costs	-13.8	**-14.2**
Other income and expense	0.1	**–**
Net interest	-33.0	**-28.3**
Taxes on result	-1.6	**-0.4**
Result from discontinued operations	28.7	**–**
Total direct result	**146.7**	**128.6**

The decrease of the direct result of € 18.1m against the previous year is caused by the disposal of the Itis shopping center in Finland at the end of 2018. This caused a drop of € 28.7m in the direct result, which was partially offset by a net rental income increase of € 5.1m and € 4.6m lower interest charges. The direct result from continuing operations rose by € 10.6m. This is mainly the effect of the acquisition of two retail parks in Belgium and the opening of new retail units opposite to the Tournai shopping center. Net rental income amounted to € 171.5m for FY 2019.

The other effect on NRI consists of a € 0.6m increase in the Netherlands, where write-offs of rent free assets for bankrupting tenants in the Netherlands were more than offset by key money from tenants, collection of doubtful debts and indemnities received. However, in France net rental income decreased by € 0.7m, mainly due to doubtful debt charges and increased legal expenditure. Tax charges on the direct result decreased by € 1.2m to € 0.4m which can be attributed to a merger of taxable entities in Belgium and refunds relating to previous years.

Indirect result

Results (x € 1m)	2018	2019
Valuation result	-94.5	**-448.3**
Result on disposal	-1.6	**-**
General costs	-3.1	**-2.9**
Other income and expense	-3.6	**-1.7**
Taxes	1.2	**4.9**
Result from discontinued operations	-100.7	**0.5**
Total indirect result	**-202.3**	**-447.5**

In 2019, there was a negative property revaluation of € 448.3m or 13.4% of our total portfolio value. Of this, € 324.5m occurred during the second half of the year. Compared with year-end 2018, the property valuation in the Netherlands went down by € 343m, in France by € 88m and in Belgium by € 17m (of which € 4m related to our Belgian offices portfolio). Tax charges were € 3.6m lower and there was a decrease of € 0.5m in financial income and expense. Our indirect result came to € 447.5m negative.

Equity & Net asset value

On December 31, 2019, shareholders' equity including minority interest amounted to € 1,550.3m (December 31, 2018: € 1,975.8m). The number of shares in issue did not change during the year, at 40,270,921 ordinary shares.

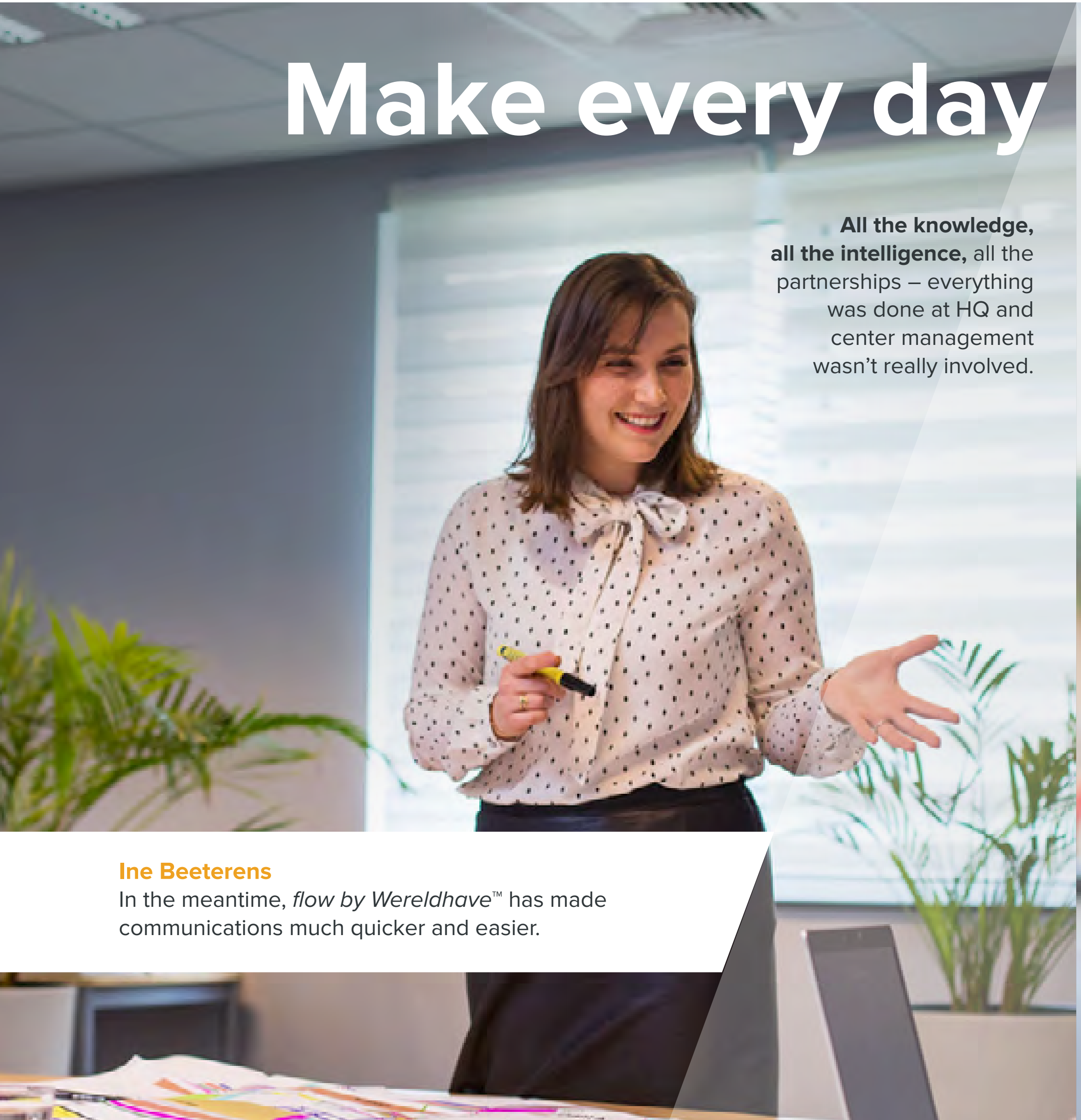
Financing

During the first half of the year, the proceeds from the disposal of Itis were used to redeem maturing debt, € 56m in US Private Placements in February and a € 250m convertible bond in May. There were no major refinancing transactions during the second part of the year.

Interest-bearing debt was € 1,335.7m at December 31, 2019, which together with a cash balance of € 20.8m results in a net debt of € 1,314.9m. Undrawn borrowing capacity amounted to € 220m and the Loan-to-value ratio stood at 44.8% (YE 2018: 37.5%) compared with our bank covenant of 60%. As at year-end 2019 the average cost of debt and ICR were 1.89% and 6.6x (covenant >2.0x) respectively. The weighted average term to maturity of interest-bearing debt was 4.0 years.

Dividend

For 2019, Wereldhave will pay a full-year dividend of € 2.52. This means a final dividend will be proposed of € 0.63 per share. The ex-dividend date is April 28, 2020. The dividend will be payable as from May 4, 2020.



Make every day convenient

All the knowledge, all the intelligence, all the partnerships – everything was done at HQ and center management wasn't really involved.

"We want to be our own service-shop manager," says Ine.

Ine Beeterens
In the meantime, *flow by Wereldhave*™ has made communications much quicker and easier.

Five years ago, when she joined Wereldhave, Ine Beeterens asked for a wild card. "At that time, the focus was really on the investment side. We weren't focusing enough on the tenants or the customers. We invested, we renovated, we built extensions – but we didn't attach much importance to what happened after the leases were signed. I said, 'OK, if I'm going to be responsible for the operations, I need a wildcard. I need to be able to optimise things here'." As Wereldhave's Head of Operations in Belgium, Ine is now putting tenants and customers front and center, expanding services and building local networks across the country's 9 centers. Her changes are in line with the new LifeCentral strategy – to move away from traditional shopping to centers that offer a mix of retail, leisure, health & beauty, food and entertainment.

Local management

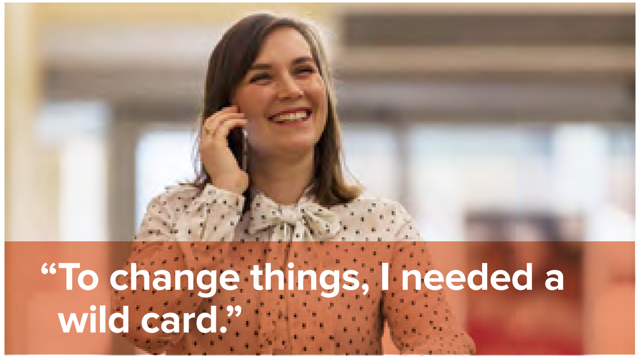
In Belgium, Ine's first step was a simple one: increase communications between Head Office and local centers: "There was a gap between HQ and the centers. All the knowledge, all the intelligence, all the partnerships – everything was done at HQ and center management wasn't really involved."

Ine brought in local management to help renegotiate contracts for services like cleaning and security – and gave them access to reports on traffic and turnover of tenants. "That's when I saw the tenants were also getting involved," she says. "Now, we work more together. We share results from our client studies, for example, so tenants can see how they fit into the center. If there's a new shop opening, we'll sit together with the marketing teams to have an effective and successful launch. It's the same if there's a shop struggling, we'll go to management, and ask 'how can we help?'."

Click of a button

In the meantime, *flow by Wereldhave*™ has made communications much quicker and easier. Tenants can keep up to date with the latest news and research at the click of a button. Crucially, they can also share information. Stores now input sales data, for example. This gives Wereldhave more insight into what customers are buying and what shops they're visiting. In Belgium, *flow by Wereldhave*™ now has 1,200 users, just 6 months after launch. "We're not sending emails anymore, or distributing flyers," says Ine. "Either tenants read it on flow, or they miss it – that's the only way to get everybody on board."

Gradually, Wereldhave's centers are changing: they are bringing in more local businesses, not just the big retail chains; they're also providing additional services – reduced-price theatre tickets, wifi connections, phone chargers, and co-working spaces. In some centers, customers can pick up products ordered online – even, in the case of clothes, have them adjusted on site. "We want to be our own service-shop manager," says Ine. "We want to be a shop for services that other shops don't provide, but where there is clear demand from customers. In one center, we had a lot of customers at the information point, asking for dry cleaning. So, we added the service. A dry cleaning firm comes, picks up customers' clothes and brings them back, cleaned and ironed." Moreover, the services are used by our tenants, they can call on a seamstress for adjusting customers' clothes, or pickup online ordered packages as they work in the centers. Even with the progress that's been made, there are still some challenges ahead. Finding space for new entertainment or leisure tenants won't be easy – a mark, says Ine, of Wereldhave Belgium's recent success. "That's the downside, we don't have a spare 1,000 square meters for a cinema or a bowling alley. We are now rethinking our assets and try to expand vertically." Ine also wants more data, particularly as some data was lost with the introduction of the EU's GDPR. "With customers, we know when they're coming, how they're coming, how long they're staying. But we don't know enough what lies behind that – about their preferences or interests. We're working on it with tenants, to have an exchange of accurate data. We're experts in this business and it is in everybody's interest that we can help our tenants grow and be successful."



Key developments
The Netherlands

Top 10 tenants

1. Ahold Delhaize
2. Blokker
3. C&A
4. A.S. Watson
5. Hema
6. H&M
7. Metro Group
8. Jumbo
9. Van Haren
10. Douglas

16
Centers

425,600
m² shops

1,198
Retail units

1,106
Tenants

45
Average employees in 2019

Economy

A significant fiscal stimulus package is expected to boost economic growth in the Netherlands in 2020, according to the OECD's 2019 economic outlook. The Dutch labor market will remain strong, with low unemployment and solid wage growth. GDP growth is projected to decrease slightly, to 1.3% in 2020 and remain stable in 2021. Demand in 2020 will be mainly supported by private consumption and the fiscal stimulus. Consumer price inflation is expected to have peaked at 2.6% in 2019 and will decline to 1.4% in 2020 and 1.5% in 2021.

Key data Shopping Center Operations

	2018	2019
Net rental income (in €m)	79.4	**80.0**
Occupancy	97.1%	**95.1%**
Investment properties market value (in €m)	1,399.1	**1,084.7**
Investment properties under construction (in €m)	45.3	**54.7**
Acquisitions (in €m)	-	**15.1**
Disposals (in €m)	21.0	**13.0**
EPRA NIY	5.6%	**6.8%**

Market

The number of retailer bankruptcies in the Netherlands increased again in 2019, after two somewhat more stable years of 2017 and 2018. The largest bankruptcy was the Hudson's Bay Company Netherlands, a tenant of Wereldhave in Tilburg. Supermarkets and convenience operators are still looking for expansion, as the online share in convenience is still significantly lower than in electronics and fashion. Bankruptcies of such large tenants put a pressure on rents, as restarts are often at lower rents and large floor plates are harder to re-let.

Key economic parameters

	2018	2019	2020E	2021E
GDP growth, yoy	2.6%	**1.7%**	1.3%	1.3%
Harmonised index of consumer prices, yoy	1.6%	**2.6%**	1.4%	1.5%
Unemployment	3.8%	**3.5%**	3.7%	4.1%
Private consumption, yoy	2.3%	**1.5%**	1.7%	1.5%

Dominant urban locations are less affected by ageing populations, as the overall population is still growing. The gap between dominant urban locations and rural locations and city fringes is continuing to widen. Single ownership is becoming increasingly important, as it allows the owner to quickly adapt to market changes.

Portfolio

There were no major changes to the investment portfolio during 2019. In 2019, Wereldhave sold the former V&D department store and an adjacent office building in Hoofddorp, the Netherlands, for € 7.3m, which is € 0.3m above book value. The transaction was completed in December 2019. In Tilburg, Wereldhave acquired a store at the Heuvelstraat for € 10.6m to create a passageway between the Emmapassage and the Frederikstraat. This transaction was completed in February 2019.

In February 2020, Wereldhave signed an agreement for the disposal of WoensXL for € 25.7m, around book-value at December 31, 2019.

Development portfolio

The redevelopment of the West square of Presikhaaf in Arnhem started in January 2020. This is the final stage of the entire project and costs are still in line with the original budget of € 23m. Healthcare is becoming an important anchor for the center. In 2019, a dentist was added, whilst negotiations are ongoing to add other medical services, such as physiotherapists and a dietician. BasicFit opened a fitness center in Q4 2019. These are first steps for Presikhaaf towards becoming a Full Service Center.

In Capelle aan den IJssel, phase 2 of the redevelopment of De Koperwiek was completed in 2019. The total investment amounts to € 36m. Preparations for phase 4 are ongoing. This phase expands the second supermarket and adds a third supermarket to the center. The building permit has meanwhile been granted. Construction is expected to start in H1 2020.

In Tilburg, the Emmapassage has been vacated. The roof of the mall has been removed to create a new open-air shopping street. The completion is scheduled for the first half of 2020. The first tenant, Gianotten bookstore, opened on February 1, 2020. An agreement was reached with a large fashion retailer to become the second anchor in 2020. The construction of a new high street with retail and residential apartments between the Emmapassage and the Heuvelstraat has also started. Agreement has been reached with the contractor/developer on the sale of the residential apartment rights, Wereldhave remains the owner of the retail units. The total net investment for Wereldhave amounts to € 18m.

In Dordrecht, plans for a new Jumbo food market are in the final stage. The building permit application has been filed. Construction is expected to commence in the first half of 2020. The total investment amounts to € 14m.

Operations

Leasing activity in 2019 was above 2018 levels, with 246 leases signed. During the fourth quarter, 11 new leases were signed, including a package deal with Nelson shoes and the signing of Bomont in the former CoolCat unit in Roosendaal and Van Haren for De Koperwiek in Capelle aan den IJssel. Like-for-like rental growth for the year came out at -1.0%, mainly the result from write-offs of rent free periods of defaulting tenants.

The footfall development in the Netherlands outperformed the market average, with De Koperwiek showing the best performance. Footfall in Capelle aan den Ijssel went up by 6.3% and is now back at the 2014 level. It is a good example of how revitalizing leads to an attractive center. Overall, footfall in the Dutch portfolio went up by 0.2%, against a market average decline of -0.4%.

Results and valuation

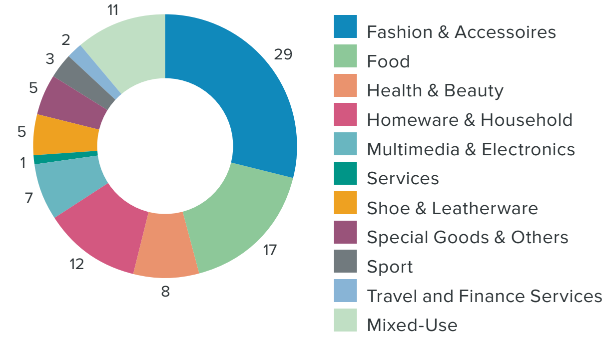
Net rental income in the Netherlands increased by € 0.6m, in spite of bankruptcies of CoolCat, Hudson's Bay, Witteveen and Sportsworld. Debt collection and key money from tenants contributed to the increase of net rental income. Occupancy at 31 December 2019 stood at 95.1%.

Hudson's Bay in the Netherlands went bankrupt in December 2019. The lease was terminated by the administrator and the keys will be returned at the end of February. Wereldhave is preparing legal action to activate the corporate guarantee. We are currently working on several options, including some temporary solutions as well as long-term leasing opportunities. Some large formats have already expressed their interest in the property.

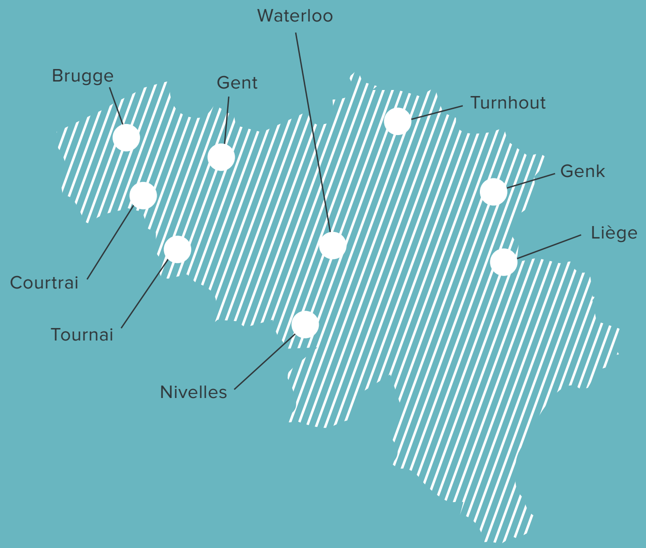
In the Netherlands, yields were adjusted to reflect recent market evidence transactions, but also projections of lower long-term rents. The largest hits were on the bigger shopping malls such as CityPlaza, Middenwaard and Kronenburg, whilst the bankruptcy of HBC Netherlands caused a substantial downward revaluation in Tilburg. Given the size of the larger centers, many formats already have a footprint and it takes longer to replace defaulting tenants. At the end of 2019, the average EPRA Net Initial Yield on the Dutch portfolio stood at 6.8%. The total portfolio was valued at € 1,139m on December 31, 2019 (2018: € 1,444m). The value of the development portfolio stood at € 55m at year-end 2019 (2018: € 45m).

Tenant mix

(% of total surface)



Key developments
Belgium



9
Centers

220,100
m² shops

552
Retail units

513
Tenants

47
Average employees in 2019

Top 10 tenants

1. Carrefour
2. H&M
3. Ahold Delhaize
4. C&A
5. A.S. Watson
6. Brico
7. Lunch Garden
8. Grand Vision
9. Bestseller
10. Esprit

Economy

GDP growth in Belgium is projected to moderate to 1.0% in 2020 and 2021, according to the OECD economic outlook 2019. Productivity growth remains subdued, especially in the service sector. Private consumption will continue to be the main driver of growth, supported by past reductions in labor taxation, robust job creation and wage growth. Headline inflation has fallen recently, following a decline in energy prices, but core inflation is gradually rising to an expected level of 1.4% at the end of 2021.

Key data Shopping Center Operations

	2018	2019
Net rental income (in €m)	40.5	**46.4**
Occupancy	97.2%	**96.3%**
Investment properties market value (in €m)	847.4	**856.5**
Investment properties under construction (in €m)	14.7	**12.6**
Acquisitions (in €m)	73.3	**3.0**
Disposals (in €m)	-	**-**
EPRA NIY	5.5%	**5.6%**

Market

In Belgium, we are seeing changing consumer behavior with an increased demand for services and a rapidly increasing share of e-commerce. Retailers are taking a cautious stance when it comes to opening new locations. Fashion retailers are struggling, mainly due to the continued shortening of collection life-cycles, competition from value retailers and e-commerce. Grocery stores on the other hand are still expanding, with supermarkets like Jumbo, Lidl and Albert Heijn as the main examples. Locations that have solid

Key economic parameters

	2018	2019	2020E	2021E
GDP growth, yoy	1.5%	**1.1%**	1.0%	1.0%
Harmonised index of consumer prices, yoy	2.3%	**1.3%**	1.4%	1.4%
Unemployment	6.0%	**5.5%**	5.4%	5.3%
Private consumption, yoy	1.5%	**1.0%**	1.2%	1.3%

footfall are still able to attract new retail formats, but units with larger floor space remain the most challenging. Food & beverage remains the key instrument to increase footfall and dwell time. In peripheral and saturated markets, increased renegotiations are putting downward pressure on rents. Yields for prime shopping centers are around 4%.

The office market in Belgium saw a gradual decline in vacancy and rising rents on prime locations. Secondary and peripheral locations are facing competition from new co-working concepts. Tailor made, small units are increasingly being offered, also as sublet from companies that rationalize their floor-space. The office investment market is still dynamic.

Portfolio

During the first semester of 2019, Wereldhave Belgium acquired the residual freehold rights of the car park and of an area with a leasehold held by Burger King, both in Kortrijk. In Genk some additional units were acquired, which were already let to The Fashion Store. The total investment for these acquisitions amounted to € 3.0m.

Development portfolio

The redevelopment of the former Carrefour unit in the Belle-Île shopping center in Liège, Belgium, is nearly completed. Works are expected to be completed by the end of February 2020. Carrefour scaled its presence down from 10,000 m² to approx. 4,000 m². Decathlon, Action, Villeneuve, Medi-Market and Eyes & More took up the remainder, with only 600 m² still vacant at December 31, 2019.

The extension plans for Belle-Île are currently being amended, to allow for a Full Service Center format and add residential units to the immediate surroundings of the center. Wereldhave expects to submit the building permit application in March 2020. The total investment is estimated at € 47m, with completion in Q1 2022. This project will spearhead our LifeCentral program to transform to Full Service Centers.

Operations

Leasing activity was above the 2018 levels, and accounted for 66 leases. During the fourth quarter, new leases were signed with Pizza Hut, La Vita e Bella and Proximus for Nivelles, Pronti in Tournai, TUI in Liège and van Haren in Kortrijk. The four former Thomas Cook travel agencies were quickly relet and three of the four CoolCat units have also been relet. In Genk, the former Carrefour was leased to Albert Heijn and Medimarket, together representing nearly 60% of the floorspace of the former Carrefour. Negotiations to add a drugstore and a F&B operator are ongoing. Like-for-like rental growth of the shopping center portfolio in 2019 amounted to 0.8%. Footfall in Belgium increased by nearly 5%, whilst the BLSC index decreased by 0.9%. This is remarkable, as the Wereldhave portfolio contains 4 of the 23 constituents for the index.

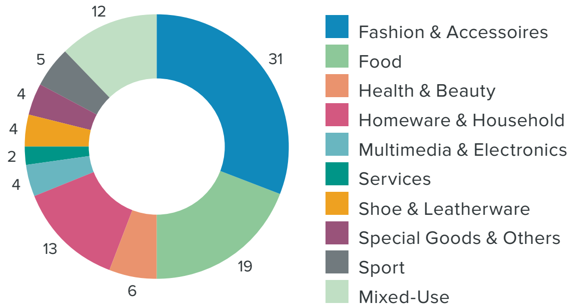
Results and valuation

Net rental income rose by 11% compared to 2018. This increase is primarily the result from the acquisition of two retail parks at the end of 2018. In addition, indemnities received for the surrender of leases largely accounted for a one-off increase of net rental income of € 1.1m. Property expenses rose due to write-offs of doubtful debt and higher maintenance costs. The bankruptcies of Thomas Cook and CoolCat also impacted performance. Occupancy of the shopping center portfolio stood at 96.3% at year-end 2019, against 97.2% for 2018. The Belgian offices portfolio was 89.2% let at the end of 2019, against 90.6% in 2018. This brings the overall occupancy in Belgium at year-end 2019 to 95.2% (2018: 96.2%)

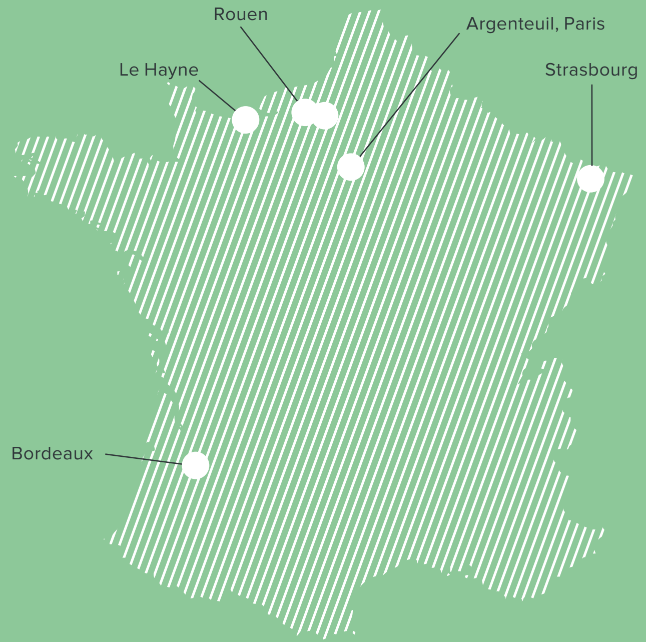
Property values went down by 1.6%. The downward revaluations primarily relate to Genk Stadsplein and Genk Shopping1, mainly from ERV decline. At the end of 2019, the average EPRA Net Initial Yield on the Belgian retail portfolio stood at 5.6%. The total portfolio was valued at € 961m on December 31, 2019 (2018: € 957m). The value of the development portfolio stood at € 13m at year-end 2019 (2018: € 15m).

Tenant mix

(% of total surface)



Key developments France



6
Centers

204,900
m² shops

468
Retail units

399
Tenants

53
Average employees in 2019

Top 10 tenants

1. E.Leclerc
2. Pathe
3. Inditex
4. H&M Group
5. Auchan
6. SEPHORA
7. Mango
8. Yves Rocher
9. Celio
10. Foot Locker

Economy

Economic growth in France is projected to remain moderate at 1.2% in 2020-21, driven by domestic demand. Resilient job creation, notably for jobs with permanent contracts, tax cuts and the impact of the social emergency measures will raise household disposable income and consumption, according to the OECD economic outlook 2019. A gradual decline in the household saving rate will support private consumption. The unemployment rate will decline slowly towards 8.0% at the end of 2021, while core inflation and wages will strengthen only slightly. HICP inflation is expected to remain stable at 1.3% in 2020 and 2021.

Key data Shopping Center Operations

	2018	2019
Net rental income (in €m)	39.2	**38.5**
Occupancy	94.0%	**92.8%**
Investment properties market value (in €m)	879.1	**805.9**
Investment properties under construction (in €m)	-	-
Acquisitions (in €m)	-	-
Disposals (in €m)	-	-
EPRA NIY	4.7%	**4.6%**

Market

After several years of decline, shopping centers are now posting slightly increasing sales figures again. Footfall increased by 0.3% on market average, but social unrest led to a decline in footfall of -3.4% of the French shopping center index in December 2019.

Key economic parameters

	2018	2019	2020E	2021E
GDP growth, yoy	1.7%	**1.3%**	1.2%	1.2%
Harmonised index of consumer prices, yoy	2.1%	**1.3%**	1.3%	1.3%
Unemployment	9.1%	**8.5%**	8.0%	8.0%
Private consumption, yoy	0.9%	**1.1%**	1.4%	1.4%

Portfolio

There were no acquisitions or disposals in 2019. The portfolio consists of 6 centers in Paris, Strasbourg, Le Havre, Bordeaux and Rouen (2). The French portfolio does not contain any committed development projects.

Operations

During 2019, there were 50 leases signed. The fourth quarter of 2019 saw new leases with Swarovsky for Docks76 and a dentist center in Rivetoile. Truffaut opened their doors in Mériadeck in November. The most notable renewals were with NewYorker for Docks Vauban, Kookai in Rivetoile and Promod in Saint Sever. Like-for-like rental growth for the year was -1.0%

There was an increase in footfall of 1.1% and in tenant sales of 1.2%, both numbers above the national indices. Sports, food, household and services saw sales growth, whereas fashion and electronics sales are flat or negative. Sales levels for fashion are clearly picking up. The 2019 sales were above the previous year's levels. Social unrest and strikes have impacted the leasing activity, as travel to and from Paris became problematic.

The opening of a Truffaut urban concept gardening center in Bordeaux brought the Christmas shopping season to a higher level, clearly underpinning the relevance of gardening for our centers. In Rouen, agreement has been reached with Carrefour and a Biltoki food hall for the former Toys 'R Us store in Docks76. Preleasing for the food hall to be created in Bordeaux is ongoing, as is the pre-letting for the extension for Saint Sever, to accommodate a new large fashion anchor for the center.

Results and Valuation

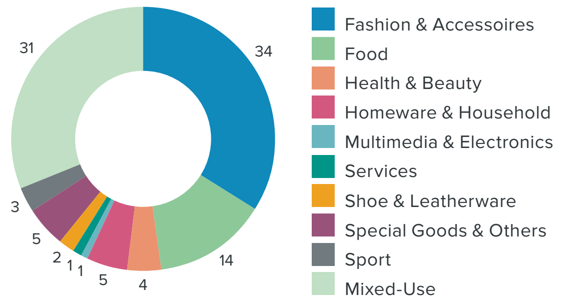
Net rental income in France for 2019 totaled € 38.5m (2018: € 39.2m). The bankruptcy of PittaRosso with the closure of three stores in our centers was the year's largest setback. At year-end 2019, occupancy of the portfolio stood at 92.8% (2018: 94.0%).

In France, there were very few reference transactions on the investment market. Property values went down with -9.8% as result of pressure on ERV levels and non-yielding capex. There was a yield increase in Rivetoile, mainly connected to increased competition from the Strasbourg city center. The average EPRA Net Initial Yield at December 31, 2019 stood at 4.6%.

The investment portfolio was valued at € 806m on December 31, 2019 (2018: € 879m).

Tenant mix

(% of total surface)



Direct & indirect result

Direct & indirect result

(x € 1,000)	2019 direct result	2019 indirect result	2018 direct result	2018 indirect result
Gross rental income	206,589	-	201,769	-
Service costs charged	34,274	-	35,267	-
Total revenues	**240,863**	**-**	**237,036**	**-**
Service costs paid	-40,575	-	-43,029	-
Property expenses	-28,814	-	-27,653	-
Total expenses	**-69,389**	**-**	**-70,682**	**-**
Net rental income	**171,474**	**-**	**166,354**	**-**
Valuation results	-	-448,343	-	-94,513
Results on disposals	-	49	-	-1,578
General costs	-14,160	-2,938	-13,837	-3,110
Other income and expense	-	-156	113	-1,572
Operational result	**157,314**	**-451,388**	**152,630**	**-100,772**
Interest charges	-28,382	-	-33,028	-
Interest income	70	-	71	-
Net interest	**-28,312**	**-**	**-32,957**	**-**
Other financial income and expense	-	-1,516	-	-2,062
Result before tax	**129,002**	**-452,904**	**119,673**	**-102,834**
Income tax	-410	4,854	-1,634	1,240
Result from continuing operations	**128,592**	**-448,050**	**118,039**	**-101,594**
Result from discontinued operations	-	506	28,660	-100,739
Result	**128,592**	**-447,543**	**146,699**	**-202,333**
Profit attributable to:				
Shareholders	113,232	-441,973	134,131	-202,137
Non-controlling interest	15,360	-5,571	12,568	-196
Result	**128,592**	**-447,543**	**146,699**	**-202,333**
Earnings per share from continuing operations (€)	2.81	-10.99	2.62	-2.52
Earnings per share from discontinued operations (€)	-	0.01	0.71	-2.50
Earnings per share (€)	2.81	-10.98	3.33	-5.02

5-year tables

Results

Results (in € millions)	2015	2016	2017	2018	2019
Net rental income[1]	184.7	201.5	167.3	166.4	**171.5**
Result	103.8	120.8	84.3	-55.6	**-318.9**
Direct result	133.7	151.0	150.1	146.7	**128.6**
Indirect result	-29.9	-30.2	-65.8	-202.3	**-447.5**

1 From continuing operations

Balance sheet

Balance sheet (in € millions)	2015	2016	2017	2018	2019
Investment property in operation[1]	3,659.3	3,701.3	3,651.3	3,220.2	**2,839.3**
Investment property under construction	66.2	101.2	122.4	60.0	**67.4**
Shareholders' equity	2,015.1	1,978.8	1,928.6	1,744.5	**1,319.6**
Interest-bearing debt	1,510.0	1,566.0	1,557.7	1,358.3	**1,335.7**

1 Including lease incentives.

Investment portfolio distribution

	2015	2016	2017	2018	2019
Retail	97%	97%	97%	97%	97%
Offices	3%	3%	3%	3%	3%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

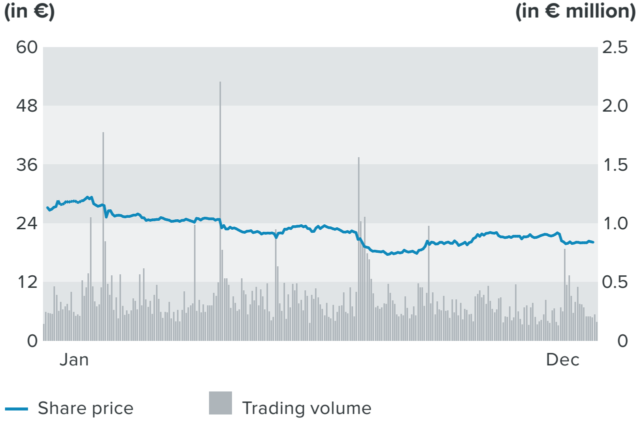
Share data (in €)

(€)	2015	2016	2017	2018	2019
EPRA NAV	52.10	51.47	50.00	43.82	**32.99**
Direct result	3.23	3.45	3.43	3.33	**2.81**
Indirect result	-0.88	-0.95	-1.75	-5.02	**-10.98**
Dividend	3.01	3.08	3.08	2.52	**2.52**
Pay-out	93%	89%	90%	76%	**90%**
Result per share	2.35	2,50	1.68	-1.69	**-8.17**

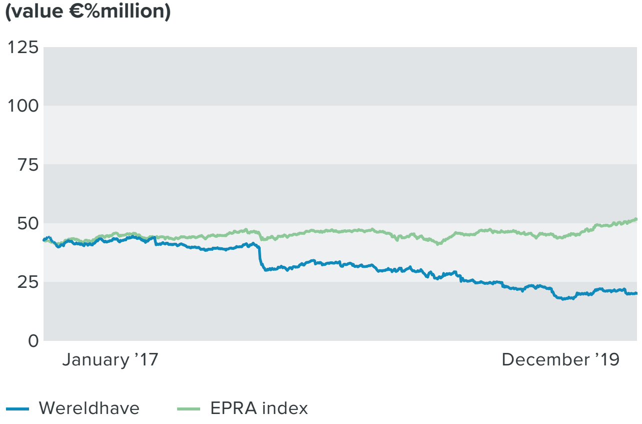
Occupancy

	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Belgium	97.2%	95.8%	96.2%	96.3%	96.3%
France	94.0%	92.2%	92.0%	92.2%	92.8%
Netherlands	97.1%	97.0%	97.2%	96.1%	95.1%
Shopping centers	**96.3%**	**95.5%**	**95.6%**	**95.1%**	**94.8%**
Offices (Belgium)	**90.6%**	**88.9%**	**92.6%**	**91.7%**	**89.2%**
Total portfolio	**96.1%**	**95.2%**	**95.5%**	**95.0%**	**94.6%**

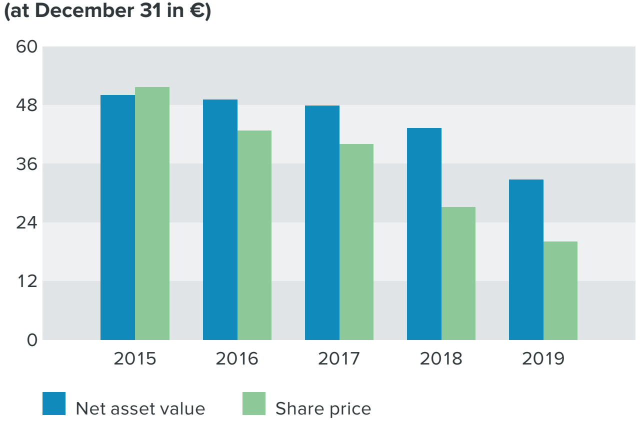
Wereldhave share price & trading volume 2019



3 year wereldhave share price development vs EPRA index



Net asset value and share price



Shopping Center Operations

	The Netherlands		Belgium		France		Total Group	
	2018	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**
Like-for-like rental growth	2.0%	**-1.0%**	0.3%	**0.8%**	-3.5%	**-1.0%**	0.1%	**-0.6%**
Occupancy	97.1%	**95.1%**	97.2%	**96.3%**	94.0%	**92.8%**	96.3%	**94.8%**
Visitors (x 1m)	74.4	**74.6**	18.4	**19.3**	41.2	**41.6**	134.0	**135.5**

Investment portfolio geographical distribution

	2015	2016	2017	2018	2019
Belgium	20%	21%	23%	29%	**33%**
Finland	17%	15%	15%	-	**-**
France	23%	24%	23%	27%	**28%**
Netherlands	40%	40%	39%	44%	**39%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Disposal of investment properties (x € 1m)

	2015	2016	2017	2018	2019
Belgium	-	-	-	19	**-**
Finland	-	-	-	583	**-**
France	401	-	-	-	**-**
Netherlands	-	24	81	34	**13**
Total	**401**	**24**	**81**	**635**	**13**

Net rental income distribution per country

	2015	2016	2017	2018	2019
Belgium	24%	23%	24%	25%	**31%**
Finland	15%	14%	14%	14%	**0%**
France	31%	23%	21%	20%	**22%**
Netherlands	30%	40%	41%	41%	**47%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Acquisition of investment properties (x € 1m)

	2015	2016	2017	2018	2019
Belgium	-	-	-	73	**3**
Finland	11	-	-	-	**-**
France	2	-	-	-	**-**
Netherlands	778	55	-	-	**15**
Total	**791**	**55**	**-**	**73**	**18**

Number of shares

Number of shares	2015	2016	2017	2018	2019
At 31 December	40,270,921	40,270,921	40,270,921	40,270,921	**40,270,921**
Average during the year[1]	37,690,510	40,257,762	40,248,165	40,243,857	**40,251,654**

1 Excluding remuneration shares, number used to calculate EPS

Make every day succesful

“We have to work hard to continue bringing people through the doors,” says Linda. “Just offering stores and products isn’t enough any more.”

Linda Kleij
Customers are more demanding. These days, they can get anything they want online. So why come to a shopping center?

As part of Business Booster, Wereldhave provides its tenants with regular feedback from a mystery shopper.

Linda Kleij joined Wereldhave straight out of school. In the twenty years since then, she has seen a lot of change. “Customers are more demanding. These days, they can get anything they want online. So why come to a shopping center?”

For Linda – manager of two centers in southern Netherlands – it’s about offering services and ‘experiences’. She notes that young people, for example, are spending more on food & beverage, on socializing with their friends.

“We have to work hard to continue bringing people through the doors,” says Linda. “Just offering stores and products isn’t enough anymore. People go to other cities and compare. Things also come in from other countries. Look at Black Friday. It used to be something that happened only in America. Now, it’s one of our busiest days of the year.

“We have to keep our centers relevant. To do that, we ask a lot of questions. What do our customers need? What do they miss? What do they expect when they come to the center.”

Customer experience

Linda has seen a lot of change, but now she’s also part of the change. Last year, she introduced Business Booster at her center in Etten-Leur. Business Booster, she explains, is about working with tenants to improve the customer experience.

New services had already been added to Linda’s centers – among them, new playgrounds, chargers for electric vehicles and special shopping nights, even a ‘meet your hero’ event for children. But Business Booster goes a step further.

“It’s about sharing knowledge, really,” says Linda. “Our customers’ experience doesn’t stop at the front door – it continues inside the stores. I know, from my own experience, if you walk into a shop and immediately you feel welcome, that makes a real difference.” Together, Linda’s two centers – at Etten-Leur and Roosendaal – bring in 8.5 million visitors a year.

Mystery shoppers

As part of Business Booster, Wereldhave provides its tenants with regular feedback from a mystery shopper. Linda also organizes quarterly meetings for her tenants – to share data and other information. The meetings encourage a “community spirit,” she says. “People get to know each other, they work together. As a result, they cooperate better.”

Wereldhave now plans to expand the Business Booster concept to create a package of add-on services for tenants – these could include, for example, help with recruitment, or administration, as well as access to data and feedback from mystery shoppers. Recently, Linda joined Wereldhave’s project team, looking at new value propositions for tenants and visitors.

Business Booster is very much in line with Wereldhave’s new LifeCentral strategy, which puts tenants and customers at the heart of the Company’s business.

“Tenants have to change as well,” says Linda. “We say our business has changed, but so has theirs. Look at some of the retail bankruptcies in the past few years. The fact is, we can have all the plans in the world, but we need to show tenants the value of what we’re doing with our centers. We need to bring them along with us.”

Performance: tenants and visitors

People's lives today are extremely busy. With our Full Service Centers, we help people find the right balance. Through our centers, we are introducing 'one-stop, countless possibilities': offering a local place to shop, work, or spend time with friends and family. We tailor our centers to the needs of local communities – we invest in maintenance and upgrade, and look to build strong, long-term relationships with our tenants.

During 2019, we worked hard to improve customer experience in our centers, with four main areas of attention: Play & Relax, Wayfinding, Parking and Restrooms. In each of these, we have introduced new projects and initiatives across our centers in the Netherlands, Belgium and France. The table below shows our progress in 2019 and total progress to date.

		Progress in 2019	Total progress till 2019
Play & Relax	Belgium	**3**	4
	France	**1**	2
	Netherlands	**3**	4
Wayfinding	Belgium	**2**	3
	France	**1**	2
	Netherlands	**5**	6
Restrooms	Belgium	**1**	2
	Netherlands	**5**	5
Parking garages	Belgium	**1**	1
	Netherlands	**1**	1
Total		**23**	30

In 2019, we developed our own restroom concept, focusing on the customer needs

- Designing disabled restrooms in cooperation with a local NGO
- Improving the comfort of our female and male restroom (by installing racks above the toilets, for example) Designing gender-neutral family restrooms and nurseries (especially with more men using these facilities).

Our restroom concept has also been aligned with BREEAM-in-use to reduce energy and water use. The feedback from customers and local press has been overwhelmingly positive.

Wayfinding – making it easier for visitors to find their way in our centers – was further improved in 2019, with the roll-out of our standardized format, which includes low-cost and easily replaceable insert screens. It will keep wayfinding accurate and in line with developments in our centers. Color codes are used to connect to parking areas. We are also strengthening our Wayfinding strategy by adding flag signing to all centers that don't currently have this. Improvements to our parking garages consisted mainly of improved routing, pedestrian safety and comfort (angled parking, special parkings and counting systems). As these refurbishments involve high investments, the parking garage updates have mostly been combined with larger redevelopment projects.

We have now completed 30 Customer Journey projects; our efforts in this areas will continue in 2020, with the preparation of a new five-year plan. Among our projects, we are working on an outdoor Play & Relax concept.

We actively promote best practice sharing across our operations. Examples include:

- Fresh-street in the Netherlands: this involves placing local retailers of fresh product close to supermarkets (adding a local dimension and helping meet consumer demand for fresh, local produce).
- Service points In Belgium: besides providing information, these points also act as a pick-up location for online orders.
- Combining food & beverage (F&B) with leisure and entertainment in France: we're currently developing an overall F&B strategy, based on two formats: proximity F&B (short stay) and Eat & Meet (long stay).

Our platforms will offer a range of services - from turn-key brand store solutions to subscription-based, data-driven consumer insights. This will support our tenants' store concepts, assortments and marketing. It will also enable them to engage consumers – and anticipate their needs. Retail-as-a-service means tenants not only spend more time on their core business, but can focus that time on activities that will deliver the best results.

As part of this, we have launched the app *flow by Wereldhave*™, developed in partnership with Chainels. This service platform gives our business partners access to real-time information and data. It also provides access to commercial opportunities, reduces effort and time on handling technical issues, staff recruitment and centralizes day-to-day store management.

Our first pilot was launched in September 2019 in Shopping 1, Genk. Since then, *flow by Wereldhave*™ has now been rolled out to four more Belgian centers. We will extend *flow by Wereldhave*™ to all other Wereldhave centers in the first half of 2020. The future development of the platform will be based on tenant needs and data driven insights. Alongside *flow by Wereldhave*™, we also launched Salesforce Sales Cloud and Salesforce Marketing Cloud – as part of broader efforts to improve our customer-centricity and build sustainable relationships with tenants and shoppers.

To gauge our success, we measure satisfaction among both tenants and customers. We also monitor sales and footfall data. Our goal, over the coming years, is to increase satisfaction, measured through the Net Promoter Score. The NPS score measures the customer satisfaction with the customer experience, the client loyalty and the willingness to promote the services to others. It provides a quantifiable outcome and it is the most common tool used worldwide. The NPS is calculated externally by a third party.

Performance: employees and contractors

Wereldhave aims to become the market leader in the Benelux for Full Service Centers. Our centers are designed around four basic customer needs. These are: fixing the basics, self expression, enjoying life and well-being. LifeCentral has a much broader focus than just retail. We create attractive concepts to improve the customer experience. We align our centers with consumer demands, the municipality and other stakeholders.

To implement our strategy, we need to increase our knowledge of customer demands and market trends, not only in retail, but also in mixed-use formats. In turn, developing new knowledge helps us create a more innovative working environment.

Among our priorities are research and data science to strengthen our insights into consumer behavior (insight that we can subsequently share with tenants). At the same time, we also want to improve our marketing capabilities to help brand and position our new Full Service Centers.

To this end, we have made changes to our organization to become more customer centric and innovative. In 2019, we formed a new Customer Experience Team, under the lead of Katja Stello, Customer Experience Director. She will oversee the implementation of the Full Service format across our businesses, assisted by group and local marketing and implementation managers. We also appointed Tim Smeets as Digital Transformation Manager. His experience and track record in the transformation of B2C and B2B retail will help Wereldhave apply the latest digital technology and create data-driven services for customer needs.

We have identified seven key areas for improvement:

1. **Automation of core processes to improve efficiency:** Leasing will have a single platform for daily operations. Finance will see additional processes such as debit management to be digitized.
2. **Reduction of operational risks:** Internal succession plans to assure stable operational performance. ERP to focus on finance/accounting functionality only.
3. **Tenant insights and services:** Tenants can easily manage contracts via one channel. Leasing will have a single source for tenant relationship management and a digital contract management solution.
4. **Better insight in customer behavior:** Marketing will use customer data for new value propositions, service concepts, marketing events and profiling. Customers can experience more tailored communication.
5. **Faster identification and delivery of value propositions:** Testing of new apps by the Customer Experience Team, improve new apps and make service concepts and value proposition quicker and more flexible.
6. **Co-ordination of governance and IT projects:** Improve effective decision making, work more efficiently and increase efficiency.
7. **Faster, richer and easier data access and reporting:** Controlling, leasing, finance and management will have tailored reports and tooling for better insights and steering information.

In 2019, we rolled out a new B2B Salesforce module. The module was piloted in the Netherlands in early 2020; if successful, it will be adapted for use in other operations. It will automate our leasing process, speeding up decision-making. A B2C CRM Salesforce project was started to align customer loyalty and reward schemes. This is a valuable tool to enhance insight into consumer needs. The implementation is scheduled to be completed during the first quarter of 2020.

Category Leasing

We are also moving toward category leasing. To lease out space, we need to understand the needs of our tenants. Specialists with in-depth sector knowledge will improve our ability to explain the conceptual value of new formats that we want to roll-out in our centers. Leasing is changing from providing space to business development and partnership.

Diversity and healthy lifestyles

At senior management level, 70% of employees are male and 30% are female. Wereldhave's target is to have at least 33% women in senior management.To encourage healthy lifestyles, we organized various activities. In Belgium, Wereldhave took part in the annual Immorun and a monthly tai-chi session. In the Netherlands, we organized a tennis clinic and road cycling tour. We also provide our employees regularly with fruit.

Salaries & benefits

Our business is highly dependent on our executive management and employees. We are committed attracting and retaining talented employees, with short- and long-term incentive schemes. In addition, we have a talent development program in place; we fund Master's in Real Estate for high-potential employees, and succession planning for key positions within the Company.

We have a strict code of conduct, outlining our business integrity principles and regularly organize integrity awareness training. We also conduct internal audits to monitor compliance.

During 2019, the employee remuneration amounts to € 18m in salaries and benefits, divided over an average of 170 FTE.

Employee satisfaction

The employee satisfaction survey was last performed in 2018, with a score of 7.6.

Works council & collective bargaining

In all our operations, we comply with statutory requirements in the areas of freedom of association and collective bargaining. Given our size, we are not obliged to have a Collective Bargaining Agreement (CAO). To maintain constructive dialogue with all employees, Wereldhave has two works councils representing the employees of Wereldhave N.V. and Wereldhave France. Seventy-two percent of all Wereldhave employees are represented.

Our French works council is chaired by the director of Wereldhave France. The works council must be consulted and informed regarding all matters relating to important economic activities, for example with regard to the Company's structure and organization.

Important topics for the works council include changes to strategy, the Company's economic and financial situation, social policy, job opportunities, and working conditions (including health and safety). The works council is also involved in the implementation of social and cultural projects in the Company to ensure the well-being of our French employees.

The Dutch Works Council, chaired by Jan van Straaten (Head of Accounting), consists of five members from Wereldhave Nederland as well as the Holding Company. The works council holds quarterly meetings with the CEO and the director of Wereldhave Nederland. Subjects on the works council's agenda include organisational issues, climate, and culture and communication with employees.

Training and education

In December 2019 and January 2020, integrity awareness trainings were held in the Netherlands, Belgium and France. Two forensic accountants first explained the various forms of fraud and the importance of integrity. They then presented a fictitious case about a Wereldhave employee and, as the case developed, asked questions like: "how would you handle this situation?" The key take away is that, when in doubt, people should step forward to discuss. This improves and safeguards the company against risks of fraud. It also helps building better mutual understanding if nothing proves to be wrong.

In January 2020, special attention was paid to Phishing and email security. Recent examples of companies that are held hostage by ransomware, frequent requests, appearing to be from management, with urgent payment requests and phishing mails for account settings show that vigilance is key.

In addition to these examples of general staff training, Wereldhave offers high potentials training opportunities such as funding master in Real Estate educations and high quality management trainings at esteemed educational institutions. In 2019, an amount of € 0.2m was spent on training and education.

Performance: investors

We aim to maximize long-term sustainable returns for investors. To do so, we use a total-return investment framework, rigorous data-driven capital allocation and prudent balance sheet management, allowing for both internal and external growth. We will de-risk our assets and increase growth potential by covering a broader range of needs, which will also create more diversified income streams and have a high synergy potential.

We value the trust investors put in us, and we have an open, transparent investment process. We allocated capital by selecting assets with growth potential in business and value, or because they are undervalued. We work hard to grow our centers, turning them into thriving marketplaces. We also add services that provide value to tenants and visitors. This approach, we believe, should result in us outperforming the relevant benchmarks for real estate.

Investor meetings

Wereldhave held numerous one-to-one investor meetings in 2019 and two conference calls to present the Company’s interim and full year results. While formulating our strategy, various large investors were questioned in outside-in meetings. Investors were asked to share their insights and vision on future retail real estate trends and developments.

Dividends

For 2019, Wereldhave will pay a full-year dividend of € 2.52. This means a final dividend will be proposed of € 0.63 per share. The ex-dividend date is April 28, 2020. The dividend will be payable as from May 4, 2020. Wereldhave maintains its dividend policy with a pay-out between 75% and 85% of EPS. Due to the planned disposals and the LifeCentral transformation program, EPS will gradually decrease to bottom out at a range of € 1.40 - € 1.50 in 2022. From there, we expect to deliver growth again of 4-6% per annum. Dividend for the year 2020 is expected to be at € 1.76. Interim dividend per quarter is set at € 0.44, with an expected final distribution of € 0.44, in line with the pay-out ratio. The financial calendar with ex-dividend, record and payment dates can be found on our website.

Share price

During 2019, our share price dropped significantly, showing that investors were not satisfied with our performance and strategy. The table with the share price development can be found on page 44 of this report. The total shareholder return came out in the lower quartile of the peer group. As a result, the LTI schemes for 2016 did not vest.

Investment approach

Over the past five years, Wereldhave has posted disappointing total results. Our direct result – in terms of earnings per share – peaked in 2016 at € 3.45, but has been gradually decreasing since. In the meantime, our indirect result has decreased due to lower property values. This has led to a steadily increasing loan-to-value ratio. Disposals help us maintain a prudent debt ratio, but these inevitably impact our earning capacity.

Given this, we have decided a radical change to our investment approach. As part of this, Wereldhave is moving its focus from short-term to long-term to facilitate the broader transformation to Full Service Centers. This transformation involves repositioning several centers, incurring additional capex and other expenses in the short-term. The pay-off of this approach – in terms of an increase in rental and capital value – will come once the move to full service centers is complete. To support our approach, we have adopted a total property return strategy. Under LifeCentral, planned conversions have been put into a disciplined forward-looking capital allocation framework; with this framework, investment decisions will be based on long-term total property return (IRR) for shareholders Capital allocation will now be entirely driven by this IRR framework. We will apply a hurdle rate of 6%. Our action plan includes clear quantified financial targets and we aim to further improve transparency for investors.

Green finance framework

In 2019, we started preparations for a Green finance framework which allows us to obtain financing in line with the International Capital Market Association's Green Bond principles. We expect to make the announcement that Wereldhave has access to the capital market for green financing in H1 2020. This is an important step, as it offers an attractive financing opportunity at a low funding cost.

Performance: society

Under LifeCentral, our Full Service Centers will be located in densely populated areas; they will become the heart of local communities in which people live and work, fully connected to local transport networks, public facilities, housing, offices and entertainment. We support our local communities, and reduce waste and our impact on the environment.

Our CSR program

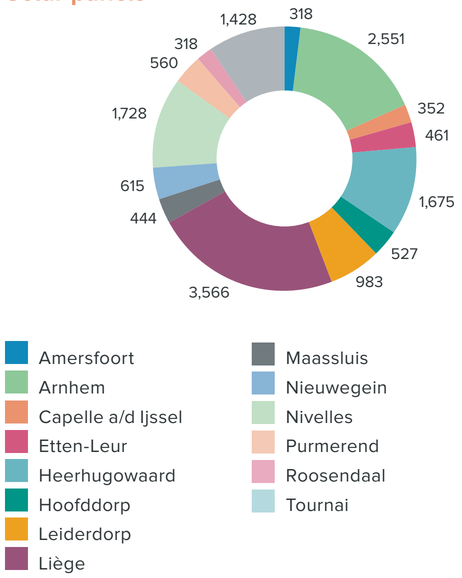
We launched our first CSR program in 2013; we have met almost all the targets set out in this program. Since 2013, sustainability has come even more to the fore. Climate change, the extinction crisis, increasing urbanization, rising inequality and an ageing population are in the news daily. Regulation by Dutch, Belgian and French governments, ambitions by retailers and peers, and investments under sustainable management are all increasing. Sustainability is also very relevant for our sector, as buildings contribute to 50% of energy use, 50% of all extracted materials and 33% of waste generated in the European Union. We have therefore launched new targets, as part of our "better tomorrow" program and new corporate strategy (see page 20). Under "Better tomorrow", our ambition for 2030 is that our Full Service Centers will be low carbon, less wasteful and make a positive contribution to local communities.

Science-based climate action

We're committed to reducing carbon emissions in line with what climate science says is necessary. As part of this, we are currently calculating, together with Metabolic, our emissions of CO_2 equivalent per square meter. We will use 2018 as a baseline to calculate a carbon budget through to 2030 for the common areas in our centers. This budget will be tied to requirements under the 2015 Paris Climate Agreement (to limit global warming to "well below +2°C").

Our target will be verified by the Science-Based Targets initiative (SBTi), as well as experts from the Carbon Disclosure Project (CDP), the UN Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). To implement our target, we will create a +2°C roadmap for each center.

Solar panels



Affordable and clean energy
Working with our tenants and visitors, our centers will operate at net zero carbon in line with the Paris Climate agreement.

Decent work and economic growth
Wereldhave promotes safe working environments and aims for zero safety incidents in our centers, in cooperation with our contractors and suppliers.

Sustainable cities and communities
Our centers will provide access to public and green spaces for all that help reduce the environmental impact of cities. We also contribute to socio-economic and social inclusion initiatives.

Responsible consumption and production
As part of our climate commitments, Wereldhave aims to reduce waste generation by recycling and zero waste to landfill, and using more circular solutions in our developments.

Climate action
Wereldhave wants to increase the resilience to climate-related hazards and natural disasters where we operate by increasing the green areas on and around our centers.

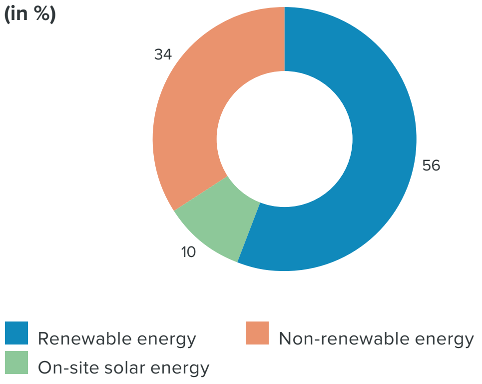
Partnerships for the goals
Wereldhave partners with our stakeholders to reach the selected targets.

Energy

In 2019, we continued to take measures to reduce energy and lower carbon emissions. For example, we installed nearly 3,000 new solar panels on the roofs of our Emiclaer, Presikhaaf, Middenwaard and Cityplaza centers in the Netherlands. Wereldhave now operates more than 15,000 solar panels in the Netherlands and Belgium. In 2019, our solar panels generated 3,667 MWh of renewable energy on site, an increase of more than 50% compared to 2018. Our Dutch and Belgian operations also renewed their electricity contracts to switch to 100% European wind energy.

Energy

(in %)



In 2018, we installed temperature and CO_2 sensors in one of our centers in Belgium; these allow us to control air conditioning automatically, resulting in savings of approximately 12%. In 2019, we expanded this to Kortrijk, Les Bastions and Belle-Île, and integrated this solution into our building management system for full automation

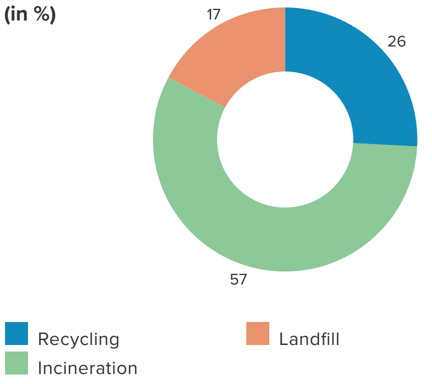
In all our redevelopment projects, we install LED lighting, such as in De Koperwiek and Presikhaaf. We periodically review lighting schedules, and renewed our lighting system in Cityplaza for full automation. In our headquarters in Belgium, we opted for a low Global Warming Potential refrigerant for the cooling system. We are also expanding the use of window solar films. Besides being used at Belle-Île in Liège, and Koningshoek in Maassluis, we will apply them to the south and west sides of our Belgian offices. This reduces the need for cooling and increases comfort for our tenants.

Waste

We are currently reorganizing our waste collection; our aim is to have four separate waste collection streams each site in 2020. We rolled out new waste collection bins with compartments for residual waste and plastic/metal/drinking (PMD) packages. Especially in the Netherlands, we face limited options for collecting PMD waste. Even though PMD collection is widely practiced in households, it is still a challenge for businesses. We are currently in discussion with our waste management company to pilot-test PMD collection.

Waste

(in %)



Water

Wereldhave is focused on limiting water consumption. In 2019, our shopping centers and offices used a total of 217,725 m^3 of water; this includes tenants' water consumption. Most water is used for cleaning and for toilets, cooling and fire protection systems. Rainwater is also captured and used in three of our Belgian shopping centers. This is not just good environmental practice, but also saves money.

As part of our Customer Journey project, restrooms are being renewed or added to our centers. The new restroom designs are equipped with water-saving toilets and taps in line with BREEAM-in-use requirements. Restrooms at Les Bastions, Belle-Île, Koperwiek, Presikhaaf, Winkelhof, Middenwaard, Cityplaza and Ring Shopping Kortrijk have been upgraded to meet these standards.

Green leases and transport

We encourage our tenants to invest in sustainability through our sustainability standard (Green Lease). At the end of 2019, 49% of our entire tenant base was 'green'. The Green Lease has been included as standard in all new leases since 2014. The Green Lease includes provisions in respect of working conditions, use of materials during construction, waste separation, and energy and water consumption. A Green Lease also sets out requirements for data sharing between the parties.

We also encourage sustainable transport. In redeveloping our parking garages, we include electric vehicle charging points. In almost all our garages, we now have EV-charging available. In outside parking spaces, charging points are often provided by local authorities.

Resilience + habitats

Green roofs and green spaces around our centers can have a cooling effect; they also help combat cities' heat island effect and provide space for local flora and fauna. At the end of 2019, 61% of Wereldhave's shopping centers had implemented at least one biodiversity measure, such as green roofs, nesting boxes for birds, bee and insect hotels, or a project in collaboration with a local school or association. By the end of 2019, Wereldhave had more than 25,000 m^2 of green roofs on its shopping centers; in addition to biodiversity, green roofs support water retention, air purification, insulation and heat regulation. In 2020, we will review the measures we have taken as part of the BREEAM-in-use certification.

Safety and wellbeing

Health and safety risks are assessed for all our shopping centers and office buildings. These assessments include reports of certificates achieved, training and incidents. In addition, Wereldhave is working toward making all shopping centers accessible for people with disabilities. Currently, 82% of our buildings have measures in place to improve access for the disabled, such as free wheelchair rental or a "Max Mobile" - a 100% electric vehicle that picks up elderly or disabled people and transports them to our centers. In 2019, we co-launched Max Mobile in de Koperwiek in Capelle aan den IJssel.

Community

We believe that every shopping center can make a positive contribution to local communities, which is why we make an approximately 1% equivalent of our NRI in-kind and in-cash available each year for social impact. This budget is used to fund events, to make space available for local and/ or social initiatives, and to improve facilities for disabled people, the elderly and children. In 2019, 189 social impact events were organized across our shopping centers.

We provided assistance to among others the Salvation Army, Terre des Hommes, Oxfam Novib and the Red Cross, including support for member recruitment and collecting donations. In Maassluis, we hosted a pop-up exhibition called "Klimaat in je Straat" – or "Climate in your street" – on how to make your street, garden and house climate-proof. The City of Maassluis was the organizer of the exhibition.

Philanthropy and corporate sponsorship

In addition to social impact activities, Wereldhave also helps more employees get involved in culture and sport. In 2019, Wereldhave donated € 250,250 to this cause. In Belgium, Wereldhave sponsors the City Pirates in Antwerp – a soccer club that aims to make the sport accessible to all. The club also acts as a social platform for parents, children and volunteers. The club, which has 1,100 youth players from 80 different nationalities, provides a safe place for both children and parent. In 2019, we organized a free lunch for their youth football team.

Sustainable Building Certificates

In 2013, Wereldhave decided to standardize and improve the sustainable quality of its buildings and management by using BREEAM certification. In 2019, we decided to use primarily BREEAM-in-use for our enclosed centers. In 2019, BREEAM-in-use certificates were renewed for our six French centers, as well as Nivelles and Ring Shopping Kortrijk Noord in Belgium. Two new certificates were awarded for Koningshoek and in den Boogaard. Both Dutch centers received a rating of Very Good. At present, about 82% of our centers within scope are BREEAM-certified.

Currently, we focus certification on our core portfolio. For retail parks, high street assets and offices, we apply BREEAM best practices alongside our own initiatives to improve sustainability. Wereldhave also has Energy Performance Certificate labels in Netherlands and France, required under local legislation and regulations.

GRESB

In 2019, for the fifth year in a row, the Global Real Estate Sustainability Benchmark (GRESB) awarded Wereldhave five stars: its highest rating., With a score of 91 out of 100, we now rank third among the European listed retail real estate sector.

CDP

Since 2012, Wereldhave has participated in the Carbon Disclosure Project (CDP): an initiative aimed at reducing carbon emissions and taking action on climate change. CDP has more than 3,000 participants.

ISS-ESG

In 2019, ISS-ESG, a well-known sustainability rating agency, awarded Wereldhave Prime Status for a second consecutive year. According to its Corporate Rating, Wereldhave features in the top 10% in our industry for environmental, social and governance performance.

EPRA

Wereldhave is committed to reporting in accordance with EPRA's financial and sustainability guidelines.EPRA (European Public Real Estate) has awarded Wereldhave a Sustainable Best Practices Recommendation (SBPR) for our best-in-class annual sustainability performance report. For the fourth year in a row, we have received EPRA's SBPR Gold award.

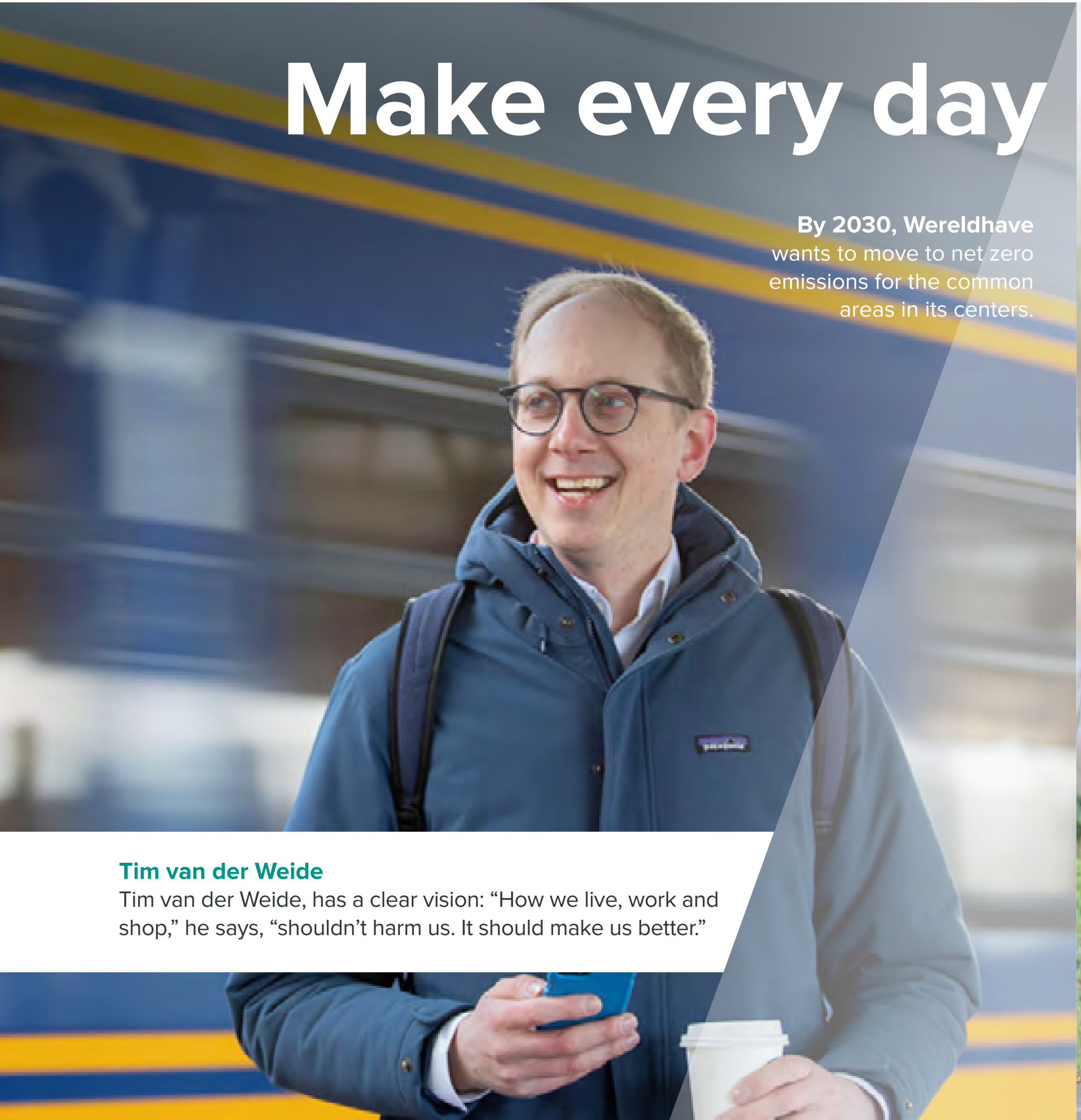
Tax Transparency Benchmark VBDO

In VBDO's (the Dutch Association of Investors for Sustainable Development) 2019 benchmark, Wereldhave score 17, an improvement from 16 in 2018. During the year, we published our sustainable tax policy online. VBDO's tax transparency benchmark covers 77 listed Dutch companies.

External recognition & Commitments

Our sustainability performance is assessed every year by international rating agencies, non-governmental organizations (NGOs) and socially responsible investment (SRI)/ESG analysts:

Make every day responsible



By 2030, Wereldhave wants to move to net zero emissions for the common areas in its centers.

Tim van der Weide
Tim van der Weide, has a clear vision: “How we live, work and shop,” he says, “shouldn’t harm us. It should make us better.”

Our approach is about making it easier for our tenants, particularly the local retailers, and working with them.

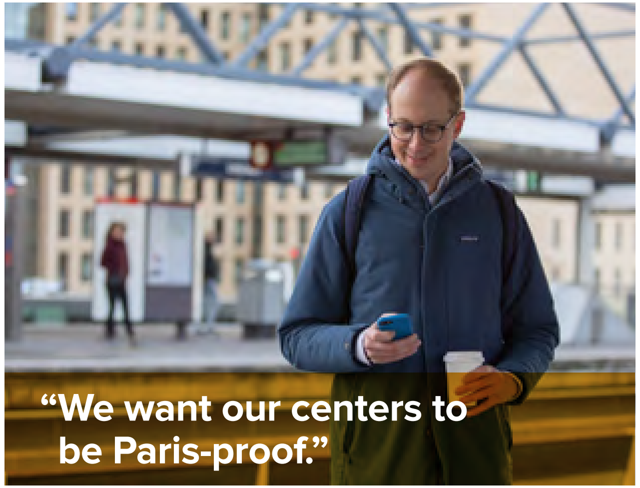
Wereldhave's CSR Manager, Tim van der Weide, has a clear vision: "How we live, work and shop," he says, "shouldn't harm us. It should make us better." For Wereldhave, sustainability, he adds, "is really about a better everyday life". CSR is a key part of Wereldhave's LifeCentral strategy. Alongside the new strategy, the Company has launched a CSR program for 2030, aimed at reducing carbon emissions and contributing more to local communities.

"There are three elements to our plan," says Tim. "It's about safeguarding the value of our centers. It's about attracting tenants and visitors, and it's about being a good neighbor. We also want our centers to be comfortable and safe places to be."

Entry point

In Europe, buildings account for nearly 40% of carbon emissions – so it's no surprise that Wereldhave's plan focuses heavily on climate and the environment. Tim sees carbon as an entry point to tackle other issues: "Looking at our carbon footprint, you can bring in a lot of other aspects – not just energy, but also the building materials we use and the waste our centers generate, for example. The advantage with carbon is there's a lot of focus on it at the moment, but it's also very measurable."

By 2030, Wereldhave wants to move to net zero emissions for the common areas in its centers. There are separate targets for energy use and waste reduction. The Company also wants to increase its green space – protecting urban wildlife and creating a more attractive environment for visitors, one of the 'win-wins' that Tim often talks about. Currently, he's putting in place a carbon budget in line with the 'well below +2°C' objective set out in the 2015 Paris Climate Agreement – it's all part of making Wereldhave's center 'Paris-proof'. "The budget will give us direction," he says. "We all work with financial budgets. This is just the same. With a budget, we know exactly what we need to stick to."



Better data

Tim's challenge now is to further take the CSR program to local centers. Already, he's looking at how to step up sustainability at Belle-Île, one of Wereldhave's flagship centers in Belgium, currently undergoing re-development. Tim lists time, resources and data as key challenges. "The better your data," he says, "the easier it is to know where the gaps are, and to know where there are alternatives. If we plan to use concrete, for example – what other products are out there?"

Despite the challenges, Tim says things are moving in the right direction: "For the Board, this is important. Managers, of course, want to know – what does this mean for my center? But, make no mistake, there's a shift in broader society, and people at Wereldhave are part of that shift."

To implement its plan, Wereldhave will also have to work closely with its tenants. Many of the large chains are adopting more sustainable practices, but Tim recognizes that smaller, local businesses may not have the resources or the time to make the necessary changes.

"Our approach is about making it easier for our tenants, particularly the local retailers, and working with them," he says. "We need to be seen as a company that is a partner in this area. We've already done a lot, but the good news now is that we're being more strategic in our approach. With everything we do, we'll take carbon into account. We'll ask, are we adding to our footprint? And, if so are we still in line with our budget? Are we on track to be Paris-proof?"

Performance: suppliers and business partners

On the short term our leasing managers – including support staff – will have a more efficient and user-friendly system to guide them smoothly through their day-to-day operations. Our marketing teams will be able to collect much more valuable data and insights about our shoppers, to tailor their marketing efforts and measure the impact and assess room for improvement. On the long-run, it also provides visibility and easy access to data, making it easier to collaborate and increases productivity across the entire organization.

Activation events are essential to spread the name of the shopping centers and improve the appeal of a center. These events are often a co-production with tenants in our shopping center. During the year, Wereldhave marketing teams in the Netherlands, Belgium and France organized 326 events. Docks 76 created an innovative concept called the Christmas box, gathering a selection of gifts from the tenants' shops. The box were distributed in the center to the best clients on the 14th of December. Local media coverage created a high visibility, with radio messages, radio giveaway's, social media, website and newspapers, in exchange for a logo on the gift box.

And speaking of true partnership: the Rivetoile shopping center management team helped its tenant Jeff de Bruges in opening its Christmas pop-up in the common areas of the center for a maximum visibility.

Supply Chain Management

Many services at our shopping centers are outsourced to specialist external parties, for example maintenance, cleaning and security.

We have a sustainability charter (Supplier Code of Conduct), setting out conditions with regard to responsible use of materials and risk management on service providers. Our Supplier Code of Conduct is available online, and has been included in every service contract worth at least € 10,000 per annum since 2014.

Our supplier policy is based on UN Guiding Principles and OECD Guidelines. It contains guidelines with regard to economic, environmental and social issues, including human rights, child labor, working conditions, business ethics and environmental management. In total, we work together with more than 1,500 service providers for the operational management, maintenance and refurbishment of our shopping centers and offices. Some of these service providers are of key importance, as they directly contribute to the image of our centers.

As the business activities of Wereldhave and its suppliers are concentrated in Europe, we believe the risk of potential wrongdoing with regard to people and/or the environment is limited. Suppliers are nevertheless inspected by third parties, either hired by Wereldhave or through external verification and certification agencies, to safeguard the quality of the services and to prevent potential wrongdoing. To support this approach, we have determined specific certification requirements for companies providing us with technical maintenance, cleaning and security. Potential wrongdoing is dealt with immediately, with standard procedures at local level. As wrongdoing is rare, follow-up is not monitored pro-actively.

Outlook

Wereldhave has the ambition to become the market leader in Full Service Centers in the Benelux, broaden the customer experience and improve our digital capabilities. Through our LifeCentral program, we will actively transform our assets, right-sizing them to the new reality, restoring the retail balance and add new functions and use. We will strengthen our balance sheet by divesting selective assets and phasing out our presence in France.

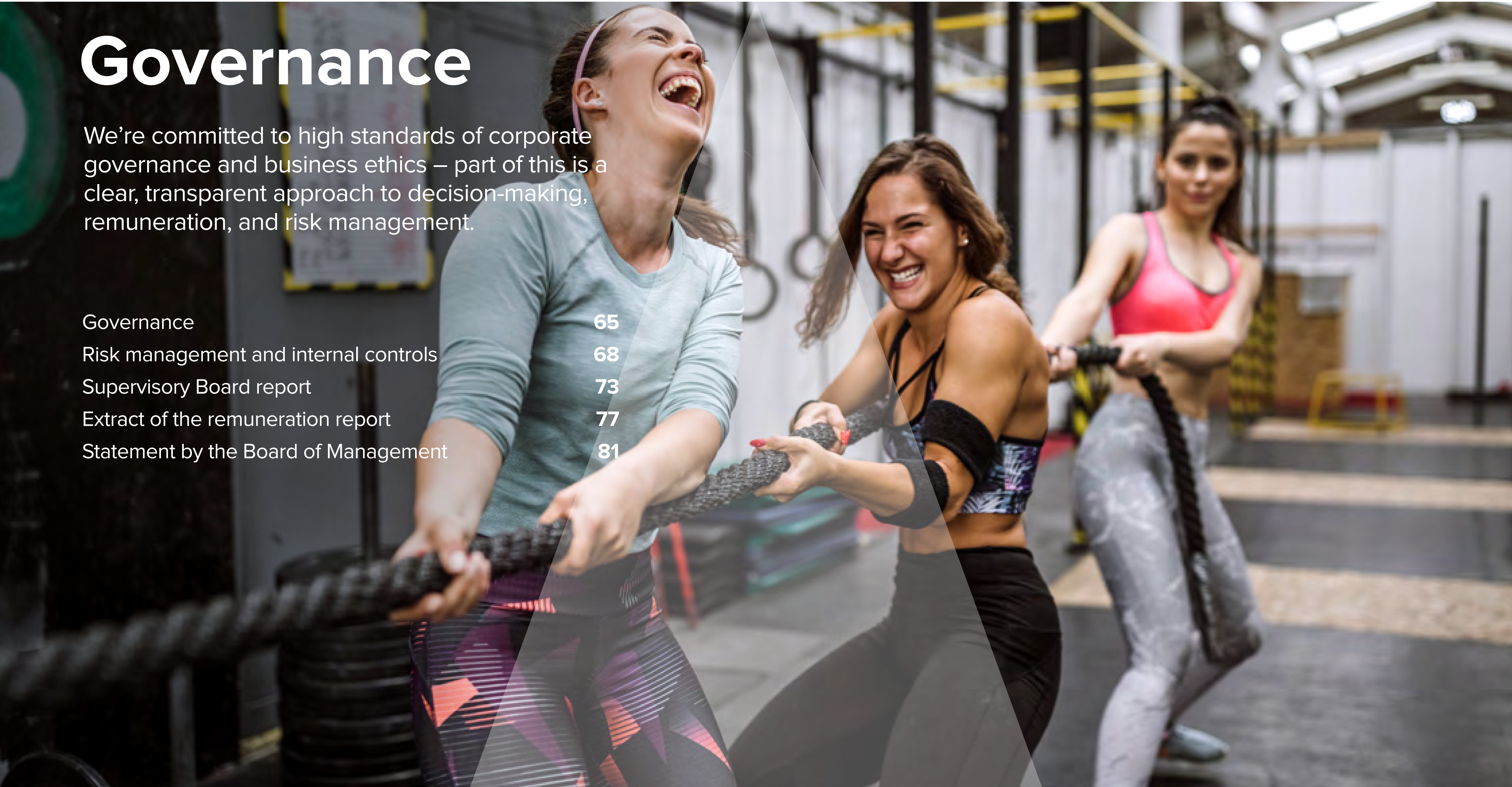
We are well positioned to transform our assets to Full Service Centers. The assets are on densely populated and well connected locations and the gap between current retail rent levels and mixed-use is modest. Capital allocation will be based on the total property return, with a disciplined data driven, fact based approach. Assets with below target IRRs will be sold.

The transformation of our portfolio will be executed simultaneously with our disposal program. This will lower our debt and strengthen our balance sheet, but we expect our earnings per share will decrease over the next three years. We are confident that after the disposals have been executed, we will be able to create rental growth, value growth and dividend growth.

For the year 2020, we expect a direct result between € 2.35 and € 2.45 per share on a constant portfolio basis. Wereldhave maintains its dividend policy with a pay-out between 75% and 85% of EPS. Due to the planned disposals and the LifeCentral transformation program, EPS will gradually decrease to bottom out at a range of € 1.40 - € 1.50 in 2022. From there, we expect to deliver growth again of 4-6% per annum until 2025. Dividend for the year 2020 is expected to be at € 1.76. Interim dividend per quarter is set at € 0.44, with an expected final distribution of € 0.44, in line with the pay-out ratio.

Governance

We’re committed to high standards of corporate governance and business ethics – part of this is a clear, transparent approach to decision-making, remuneration, and risk management.



Governance

Wereldhave is committed to a high standard of Corporate Governance. We adhere to strict principles of business ethics and the adequate provision of forward-looking information. Transparency is a key cultural value to us. The Company's business ethics are embedded in the Business Integrity Policy and the Code of Ethics for employees, which is published on our website www.wereldhave.com.

Legal structure

Wereldhave N.V. is a real estate investment company, listed at Euronext Amsterdam (AMX). The Company was founded in 1930 and is listed since 1947. Wereldhave has the fiscal status of an investment institution, so it is subject to a 0% corporation tax rate in the Netherlands (other than for development activities in the Netherlands). Its Belgian investments consist of a 66.53% interest in Wereldhave Belgium, a tax-exempt investment company with variable capital listed on the Euronext Brussels Stock Exchange. The investments in France are subject to the SIIC (Sociétés d'Investissements Immobilières Cotées) regime.

Wereldhave has a two-tier board structure. Additional regulations for the Boards are set out in the Governance Charter of Wereldhave which can be downloaded at our website.

Board of Management

The members of the Board of Management are jointly responsible for the management and running of Wereldhave N.V. and its subsidiaries, with due respect for their roles and tasks. The CEO takes the lead in this, and is the main point of liaison for the Supervisory Board. The Board of Management is accountable to the Supervisory Board and to the General Meeting of Shareholders.

The Board of Management consists of Mr. Matthijs Storm (CEO) and Mr. Dennis de Vreede (CFO). The Board is supported by a Management team of the three Country Directors and supported by the Company Secretary. The management team does not qualify as an executive committee. The members of the Board of Management are the statutory directors of the Group's real estate companies and as such, solely responsible for the decision making. The Board of Management is appointed and dismissed by the General Meeting of Shareholders, from a nomination to be drawn up by the Supervisory Board. The members of the Board of Management have been appointed for a period of four years. The agreements contain a break option with a four months' notice and a maximum severance payment of one year's salary.

Supervisory Board

The role of the Supervisory Board is to supervise the strategy and the business of the Company and its subsidiaries, as well as to support the Board of Management by providing advice. The Supervisory Board shall be guided by the interests of the Company, taking the interests of the Company's stakeholders into account. The Supervisory Board has two standing Committees, an Audit Committee and a Remuneration and Nomination Committee.

The Supervisory Board of Wereldhave N.V. consists of four members. The independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive of the Dutch Governance Code have been fulfilled and all members meet the independence criteria.

The members of the Supervisory Board and its Committees are: Mr. Adriaan Nühn (Chair and member of the Remuneration and Nomination Committee), Mr. Gert van de Weerdhof (Vice Chair and Chair Remuneration- and Nomination committee), Mr. Hein Brand (Chair Audit Committee) and Mrs. Françoise Dechesne (member Audit Committee). The profile for members of the Board as well as brief resumes can be found at the Company's website. At the AGM on April 24, 2020, Mr Van de Weerdhof's re-appointment will be proposed for a second four-year term.

The Supervisory Board maintains regular contact with the external auditor and focuses on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the financial reporting. The Supervisory Board has joint responsibility and acts without a mandate and independently of any particular interests associated with the company.

Committees of the Supervisory Board

The Audit Committee's main role is to oversee financial accounting and reporting, internal control and risk management. In this context, the Audit Committee examines and reports to the Supervisory Board on matters such as (interim) financial reporting and accounts, asset valuations, risk management, accounting methods, finance and tax planning and the relationship with the Auditor

The remuneration committee and the selection and appointment committee have been combined in one committee, the Remuneration and Nomination Committee. The committee's main role is to prepare the Board meetings with respect to selections and nominations, evaluations and remuneration levels and succession planning.

General Meeting of Shareholders

At least once a year, a General Meeting of Shareholders will be held. The agenda of the Annual General Meeting of Shareholders shall in each case contain the report of the Board of Management, the dividend policy, the adoption of the financial statements, the report of the Supervisory Board, the remuneration report and the proposal to distribute dividends or other distributions. Resolutions to release the members of the Board of Management and Supervisory Boards from liability for their respective duties shall be voted on separately

Requests of investors who solely or jointly represent 1% of the issued capital to place items on the agenda of the General Meeting of Shareholders shall be honoured if such requests are submitted to the Board of Management or the Supervisory Board at least 60 days before the scheduled date of the Meeting, unless, in the opinion of the Supervisory Board and the Board of Management, there are vital interests of the Company opposing the inclusion of such item or items in the agenda. The resulting discussion in the General Meeting should not affect the orderly course of the Meeting.

The secretary of the Company will take minutes of the proceedings at the meeting. The minutes will be signed by the Chairman of the Meeting and the Company Secretary. In principle, the minutes will be published on the Wereldhave website within one month after the Meeting and copies of such minutes are available free of charge on request.

Wereldhave pursues increased shareholder participation at its general meetings, by making proxy forms and voting instructions available online, by enabling voting via internet prior to the meeting and by contacting the known larger shareholders to question them to attend or vote. The attendance rate at the AGM on April 26, 2019 stood at 36% of the issued share capital. The meeting approved the proposal to repurchase shares, but voted against the proposal to grant the authority to the Board of Management to issue shares. The voting results were analysed and the largest voters against were consulted about their objections. The Board has explained the importance of the topic from a business perspective. During the year 2019, no shares were issued or repurchased.

The policy on communications between the Company and its shareholders can be found at the Company's website

Protective devices

The protective devices consist of the possibility to issue preference shares up to 50% of the issued share capital (less one share), calculated after issue

The contract between the Company and the Foundation in relation to the preference shares Wereldhave entails the granting to the Foundation of the right to, on a continuous basis, take, if necessary in tranches, preference shares up to a maximum of, after exercise, 50% of the issued capital (less one share). Both parties have the interim right to cancel the agreement. Following the issue and subsequent repurchase or withdrawal of the preference shares, the Company intends to discuss the protective devices with the General Meeting of Shareholders.

The objective of the Foundation, in accordance with article 2 paragraph 1 of its articles of association, is to promote the interests of Wereldhave, of the companies affiliated to Wereldhave and all stakeholders, whereby the foundation also takes into account maintaining the independence, continuity and identity of the Company. The Board of the Foundation consisted of Mr. P. Bouw (Chairman), Mr. S. Perrick and Mr. R. de Jong. The Foundation is independent from the Company within the meaning of section 5:71 paragraph 1 under c of the Financial Supervision Act. The foundation does not hold any shares in Wereldhave at present

The Foundation intends to take preference shares if, amongst others, a threatening situation occurs where a significant interest might come in the possession of legal entities or persons who possibly aim to acquire control over the Company without the involvement of the Board, without guarantees with respect to the independency and continuity of Wereldhave and its affiliates and without the possibility to safeguard the interests of employees, other shareholders and other parties related to Wereldhave or, affiliated companies, or without the real value of the Wereldhave shares being reflected in a take-over bid, or if power is, or may be exercised with the intention to amend the strategic policy which is determined by the Board and Supervisory Board.

Wereldhave and the Foundation have agreed that the Foundation can request the Company to withdraw or buy back the shares six months after issuance of the preference shares. In addition, Wereldhave is obliged to convene a general meeting of shareholders within eighteen months after the issuance date of the preference shares, where the withdrawal or buy back of the preference shares will be put on the agenda. These contractual clauses imply that the issue of any preference shares is intended as a temporary protective device.

CSR engagement

Wereldhave has dedicated governance in place for CSR; this helps us achieve our sustainability goals. At board level, our CFO is responsible for Wereldhave’s sustainability policy; the Group CSR manager reports directly to the CFO. CSR reporting is integrated into management reporting, with quarterly updates from country units on sustainability performance and progress against our KPIs. All data collected through quarterly reports is verified to ensure the quality of the information.

Implementation of our sustainability policy is overseen by the Group CSR Manager in cooperation with individual initiators in each country. Individual managers are responsible for implementing sustainability in their own departments. Projects contributing to achievement of our targets are integrated into Wereldhave’s budget business plans.

With this governance structure, Wereldhave is able to embed sustainability more effectively into its daily operations.

Risk management and internal controls

Risk profile

As a retail property investor in the Netherlands, Belgium and France, Wereldhave is particularly sensitive to factors that impact demand for space from retailers. This is primarily driven by customer behaviour. A decline in customer footfall and spending may lead to a lower demand for space, with negative impact upon

- The value of our assets.
- Occupancy rates, rental levels and subsequently rental income.
- Property market liquidity for acquisitions and disposals.

In addition, (local) governmental decisions such as the introduction of paid parking can severely impact footfall and retail sales, thus putting a pressure on rent. Ease of access of our centers is an essential element in the customers' choice where to go for shopping.

Risk Management

Wereldhave is focusing on the preservation of its reputation, assets, competitive advantage and profits, applying enterprise-wide risk management (ERM). ERM is the process of systematically identifying, analysing, evaluating and treating risks that may impact the achievement of our corporate objectives. We consider risk management to be an essential ingredient of good corporate governance. Better understanding of risks and taking mitigation measures enables Wereldhave to prevent risks to actually occur, minimize losses of incidents and to optimally benefit from opportunities.

In 2019 Wereldhave has further improved its risk management practices; the existing risk management framework was reviewed and a new top-down process was conducted aimed at structurally embedding risk management in the organization whilst paying explicit attention to strategic and external risks in addition to operational and financial (reporting) risks. The initiative resulted in strengthening the way risk management is conducted as well as our enterprise-wide risk profile and further follow-up of the top risks that result from that. The scope of our risk management comprises of all risk categories (i.e. strategic, financial, operational, financial reporting and compliance risks). Risk identification always starts with objectives/plan of the respective business unit, segment/market, business function or project.

Risk management is embedded in the organization using these five interrelated components:

1. **Governance and Culture:** Governance sets the organisational tone, establishing oversight responsibilities for risk. Culture pertains to our Code of Ethics and the understanding of the risks we are exposed to.
2. **Strategy and Objective-Setting:** A risk appetite is established and aligned with our strategy; business objectives put strategy into practice while serving as a basis for identifying, assessing, and responding to risk.
3. **Performance:** Risks that may impact the achievement of strategy and business objectives need to be identified and assessed. Risks are prioritized by severity in the context of our risk appetite. We select appropriate risk responses and review the risk we run at a portfolio level. We aim to be transparent about this exposure towards our key risk stakeholders.
4. **Review and Revision:** By reviewing entity performance, we evaluate the performance of our enterprise risk management components over time and review what changes are needed.
5. **Information, Communication, and Reporting:** We regard enterprise risk management as a continuous process of obtaining and sharing necessary information, from both internal and external sources, which flows up, down, and across the organisation.

Wereldhave adopts the so-called ‘three lines of defense’ when it comes to managing risks. The overall responsibility for risk management is with the Board of Management, from which the CFO is contact point for risk management activities. The primary responsibility for managing risks is with the business, meaning country managers and their direct reports. On the group level Wereldhave has several staff departments which support in managing specific risk areas. The Finance and Control team facilitates the overall risk management process. The third line of defense is internal audit. Risk management is a full supervisory board topic. Reports are always put to the Supervisory Board, the Audit Committee prepares but does not filter or select.

The internal auditor assesses the design and operating effectiveness of internal controls and risk mitigating measures and reports to the Board of Management. The internal auditor has a direct escalation reporting line to the Audit Committee. Wereldhave has outsourced the internal Audit Function to BDO. The internal Audit plan is discussed with and approved by the Board of Management, followed by the review and approval of the Supervisory Board. The internal Audit plan priorities are directly derived from Wereldhave’s latest annual risk assessment. Audits are conducted in co-creation between BDO and Wereldhave Finance & Control.

Changing retail environment

During 2019, bottom-up workshops were held throughout the organisation and with the Supervisory Board to discuss risks against the changing retail environment. In order to have a common understanding of the severity of risks and treat risks consistent throughout Wereldhave, risk rating criteria have been defined. These risk rating criteria for assessing likelihood of occurrence as well as the impact of risks are aligned with Wereldhave' overall risk appetite and group impact. The 15 most significant risks that were selected in the workshops were discussed at Group level with relevant risk managing disciplines, such as Operations, Tax, Legal, Control etc. Impact and Wereldhave’s risk bearing capacity were determined, followed by the risk appetite per risk and the likelihood of occurrence. Opinions on risks, appetite, impact and likelihood proved to be aligned in most cases. Dissenting opinions were discussed and explained.

Priorities to mitigate the top risks were
- address the rapidly changing retail environment, primarily from changing consumer behavior;
- address lower demand for retail;
- become customer centric and innovative;
- move towards more data driven decision making;
- engage tight cost control on development projects;
- stringent monitoring of tenant related risks and arrears;
- strive for a low LTV, preferably between 30-40%.

These priorities were taken as input for the strategic revision, as explained on pages 18 up to 21 of this report.

Strategic objectives of our new strategy

We aim to position our centers as Full Service Centers in close proximity of densed urban areas, to fulfil every day’s needs of life. Our centers should offer a broad range of partnerships and services to support tenants in doing better business and empower people to live a more well-balanced everyday life close to home. Together with all partners within the local eco-systems we will build Full Service platforms to make every day count.

The high impact risks of the Group in relation to our strategy are:

Our strategic long-term objectives are to:

- Grow rental income and drive property returns of our assets to create value
- Become a customer oriented Company
- Attract and retain tenants
- Be responsible, ambitious and innovative
- Maintain strong and flexible financing

Preventable

	Risk	*Key controls*	*Relates to strategic objective:*	*KPI's*
A	**Access to Equity markets**	• Investor relations stakeholder engagement • Conference calls on results • IR updating of Supervisory Board • Frequent consultations of large shareholders	Change during year: ↗	• Share price • Discount to NAV • TSR
B	**Availability and costs of finance**	• Treasury Policy • Strive for investment grade credit rating • Green financing framework	Change during year: ↗	• Credit rating Moody's • Average interest rate • Duration • Spread of funding
C	**Attract and retain tenants**	• Monthly leasing and funnel updates • Occupancy levels • Category leasing management • Data sharing to assess performance • Sustainability committee per centre • Key tenant management • Network and leads	Change during year: ↗	• Total return • Total property return • Total shareholder return • NPS • Footfall • Tenant feedback • Retail balance
D	**Development risks**	• Monitor to prevent cost and time overruns • Pre-letting • Recurring internal and external appraisals • Investment proposals • Ex-post analyses	Change during year: ↘	• Total return • Total property return • Total shareholder return

Risk		*Key controls*	*Relates to strategic objective:*	*KPI's*
Preventable				
E	**Change of culture**	• Number of new concepts launched • Multiple income streams • Digital opportunities used • Organisational costs • Attract and retain top talents • Customer centricity	Change during year:	• NPS • Footfall • Tenant feedback • Employee satisfaction • Staff turnover ratio
F	**Regulatory compliance**	• Safety and emergency plans • Regular safety checks • Monitor changes in zoning regulations • Monitor changes in legal and tax landscape	Change during year:	• Total return • Total property return • Total shareholder return
Strategic risks				
G	**Failure to find the right response to changing market conditions or failure to execute the new strategy correctly**	• Annual budget cycle: bottom-up from asset level business plans to consolidated budget • Disciplined IRR driven asset selection	Change during year:	• Total return • Total property return • Total shareholder return
H	**Maintain tax status of tax exempt investment institution in NL, BE and FR**	• Monitor regulatory requirements • Monitor trends and developments in political landscape • Consult and discuss with tax authorities	Change during year:	• Total shareholder return
I	**Achievement of Sustainability targets**	• Quarterly KPI reporting • Standard item in investment proposals • BREEAM certification	Change during year:	• Total return • Total property return • Total shareholder return • Sustainable development goals

External

Risk	*Key controls*	*Relates to strategic objective:*	*KPI's*
J **Decreasing property values**	• Regular internal and external appraisals • Disciplined hold/sell analyses	Change during year:	• ICR • Total return • Total property return • LTV
K **Events and emergencies**	• Monitor terrorism threat levels • Cyber-attack sensitivity • Power disruptions • Extreme weather	Change during year:	• Total return • Total property return • Total shareholder return

Improvements in this year's annual report

In this year's annual report the following improvement are included on risk management compared to last year's annual report.

- In line with its risk management efforts, an updated risk profile is included, which shows Wereldhave's top risks (enterprise-wide) including external and strategic risks next to preventable operational and financial risks.
- Wereldhave's top risks are explicitly linked to strategic goals to show the potential impact of risks on goals. The most important existing mitigation measures related to a specific risk are mentioned to provide an understanding of what Wereldhave is (already) doing to mitigate its top risks.
- Key performance indicators (KPI's) and key risk indicators (KRI's) are included which are linked to strategic goals and top risks to show how these impact Wereldhave and how Wereldhave monitors developments over time.

Planned improvements for 2020 and 2021

Based on the growth path Wereldhave expects to be able to improve reporting on risk management in the 2020 or 2021 annual report as follows:

- Expected development of risk exposures of individual risks over time.
- Effect of planned mitigating measures on risk exposure (by means of visualization show how newly taken mitigation measures effect the impact and likelihood of individual risks).
- Translation of risk appetite in risk tolerances for individual risks (e.g. as a lower/higher boundary or bandwidth on KPI's or KRI's).

Supervisory Board report

Dear Stakeholders,

2019 was a year with changes to the composition of Wereldhave's Board of Management. Dirk Anbeek stepped down as CEO per April 1, 2019. Herman van Everdingen, whose term as a Supervisory Board member would expire in April 2019, acted as interim CEO. He started on February 1, 2019 and on August 1, 2019 Matthijs Storm started as our new CEO. We would like to thank Herman van Everdingen and our CFO Dennis de Vreede for guiding Wereldhave through the interim period. The Supervisory Board would also like to express its gratitude to Leen Geirnaerdt, who stepped down on July 1, 2019.

The Supervisory Board was actively involved in the strategic discussions over the period August 2019 until February 2020. We are pleased with the bottom-up process that was used, whereby on an asset by asset basis long-term projections were made. These analyses will form the foundation for future changes in the composition of the portfolio.

Rental levels of our portfolio have been analysed on their long-term sustainability, and top down market assumptions were used to assess the impact of changing customer behaviour on retail formats. This led to red flag analyses per center and the options for alternative use were assessed, tailor made to the local environment.

We fully support the Board's vision that shopping centers must evolve into Full Service Centers to fulfil all everyday life needs. Retail is certainly not dead, but reinventing itself. We feel that Wereldhave is clearly moving in the right direction. Improving customer centricity is not a one-time effort. We will have to continuously adapt to changing customer behaviour and the retail environment.

Meetings

A total of thirteen meetings was held in 2019.
The Supervisory Board held six regular meetings with the Board of Management, to approve the annual report, discuss the quarterly results and the budget for the year 2020. Three extra meetings were held in 2019 and one in January 2020 to discuss the strategic direction.
Four meetings were held without the Board of Management being present, to discuss the composition of the Board of management, the remuneration policy and evaluate the performance of both boards. The attendance rate was 100% at all meetings.

Strategy

The Supervisory Board held several strategic discussions with the Board of Management in the second half of the year. With its evenly spread portfolio of dominant shopping centers Wereldhave is well equipped to provide Full Service for everyday needs nearby. Wereldhave will dispose assets that do not meet the IRR criteria and right-size its assets to match the needs of the catchment area. Right-sizing could entail the conversion to other use, but also the addition of non-retail space.

The retail climate is harsh and rental values are under pressure. This resulted in substantial write-downs on the portfolio. The Supervisory Board is convinced that the new strategic direction towards Full Service Centers provides the basis for solid performance in the future. Wereldhave now has clear guiding principles for the composition of the portfolio. Retail and mixed use functions of each center will be right-sized to demand. A disciplined data driven approach in asset selection will contribute to making the company and its results more predictable, stable and transparent.

ICT is essential for a data driven approach in managing the portfolio. Wereldhave made a thorough assessment of its ICT environment, assisted by external experts. The recently appointed Digital Transformation Manager will spearhead the introduction of a new CRM system for B2B and B2C solutions, workforce automation (digital leasing and leasing administration), digital services & innovation and insights & analytics. The Supervisory Board will be frequently updated on progress.

Financial statements

The Board of Management submitted the 2019 financial statements and the Board's Management Report to the Supervisory Board. The Supervisory Board recommends the adoption of the 2019 financial statements. The accounts have been audited by KPMG, who issued an unqualified auditor's report. The Supervisory Board discussed the audit report and the auditor's opinion with the auditor. The members of the Supervisory Board approved the accounts and signed the 2019 financial statements. The Supervisory Board also supports the Board of Management's proposal to shareholders of a 2019 dividend in cash of € 2.52 per share, of which € 1.89 was already paid in quarterly instalments of € 0.63 in July and October 2019 and January 2020.

Financing

The Supervisory Board monitors the financing of the Company, including the balance sheet and the available headroom against the loan covenants. The financing of the Company was a frequent topic of discussions, with a downward rating adjustment and a steadily increasing Loan-to-Value ratio.

There were no major refinancing operations in 2019. The proceeds from the disposal of the Itis shopping center in Finland were used to repay the 1% convertible bond 2014-2019. The EMTN program was renewed. Recurring financial items that were discussed are the budget, the outlook and guidance, the achievement of the financial objectives from the 2019 budget, the management agenda and the portfolio valuations.

Operations

Operational performance is a recurring topic on every meeting of the Supervisory Board. The development projects and the associated capex are also a standard topic. As in previous year, each Managing Director presented his country's budget for 2020. The Group budget is prepared bottom-up, and CSR investments as well as the Customer Journey expenditures are part of the business plans per asset, which lead to a consolidated budget. The budget for 2020 was discussed in the Boards December meeting and approved in January 2020.

In Liege, plans are being rolled out to expand the Belle-Île shopping center. This project is a spearpoint in Wereldhave's new strategy, as several mixed-use components are added to convert the center into a full-service concept.

The Customer Journey project was continued in 2019, with good progress being made. The project perfectly fits within the new strategic direction. With a customer centric approach Wereldhave will assess per asset which further improvements to the service offer are necessary to meet the needs of customers.

The Supervisory Board monitors sustainability progress against KPI reporting and questions the Board of Management where needed. The ambition for 2030 is that our full-service centers are low carbon, less wasteful and make a communal impact. Wereldhave aims for a 5 star GRESB rating and BREEAM-in-use Very Good for our core portfolio, as well as receive a CDP score of A- in 2025. The ambitions are aligned with 6 of the 17 Sustainable Development Goals of the United Nations.

Risk Management

The Supervisory Board considers Risk Management to be a full Board topic, prepared by the Audit committee. As suggested by the Audit Committee, the Board of Management held risk management workshops with senior management levels. Risks were mapped on likelihood and impact. This resulted in a heatmap. The risk management workshops and internal discussions also resulted in some (minor) items for improvement of internal controls. The internal control framework will be updated in 2020.

The Internal Audit function is held by BDO and their internal audit findings were discussed in two tranches, the Netherlands and Belgium in July, France and the Holding in October. The internal audit findings were discussed by the Audit Committee with the external auditor and the Supervisory Board. The internal Audit plan for 2020 was reviewed in connection with the risk management workshop findings and the new strategy. The plan was approved in March 2020.

Culture

The Supervisory Board invites country managers and key employees regularly to its meetings for a presentation and discussion of the key items of their attention. The Board of Management has a similar program called : "meet the Board", where employees are invited to present their key tasks. Cultural enhancement programs were rolled out in 2018 and 2019. In 2020 the cultural programmes will be updated in line with the new strategy, to emphasize that a customer oriented approach has become even more important.

Corporate Governance

Wereldhave is compliant to the Dutch corporate governance code, as amended in 2016, with the exception of one item. In deviation of article 3.1.2.vi of the Code, Wereldhave does not yet apply a shareholding period of 5 years.

The revised remuneration policy which will be put to the vote in April 2020, introduces a five year holding period. The Groups Governance Charter was updated to reflect the division of roles and responsibilities of the Board members, the composition of the Management Team and the addition of a related party transaction policy.

Evaluation

In 2019, the Supervisory Board used a questionnaire to review its performance and the functioning of the Board and its members. The answers were discussed in the December Supervisory Board-only meeting and progress against the 2018 items for improvement was made. In 2019 a meeting was held with presentations from external retail experts to discuss trends and relevant retail topics for Wereldhave. The valuation process was also discussed with the external valuator in the October meeting. Wereldhave's ICT infrastructure was reviewed in 2019. The Supervisory Board is pleased with the appointment of a Digital Transformation manager, as this is essential for the execution of the new strategy.

The 2019 evaluation findings mainly related to the planning of meetings, whereby the Audit committee now has a preference for meetings which are not held on the same day as the Supervisory Board meetings. In addition, the Board wishes to be frequently updated on trends and insights in the retail environment.

The evaluation of the Board of Management in its new composition will be held in 2020, after the publication of the 2019 annual report. No transactions with a potential conflict of interest with Supervisory Board members were reported by members of the Supervisory Board in 2019.

Audit Committee

The Audit Committee's main role is to oversee financial accounting and reporting, internal control and risk management. In this context, the Audit Committee examines and reports to the Supervisory Board on matters such as (interim) financial reporting and accounts, asset valuations, risk management, accounting methods, finance and tax planning and the relationship with the Auditor.

The Audit Committee held four regular meetings in 2019 to discuss the 2018 FY results, the annual report for 2018 and the quarterly results for 2019. All meetings were attended by the Company's CEO and CFO and the Company Secretary, as well as the external auditor. The attendance rate of the meetings was 100%. The agenda, documentation and minutes of the meetings of the Audit Committee were shared with all Supervisory Board members. The Audit Committee regularly convened with the external auditor, without the Board of Management.

The regular items on the agenda the financial results and financial statements, the annual accounts, the property valuations, the internal and external audit plans, findings and opinion, financing of the Company and interest rate- and currency risks, legal risks and tax risks and the in control statements. In addition, the Audit Committee monitors operational performance against the budget and reviews investment and divestment proposals.

The external valuations for the standing portfolio were discussed with the auditors twice a year. The external valuator attended a committee meeting to discuss the scope of their work and recent trends and developments. The quarterly dividend was discussed in the July meeting of the committee and subsequently approved by the Board. The audit plan 2019 by KPMG was discussed and approved in the July meeting of the Audit Committee.

The Internal audit function is outsourced to BDO accountants. The Audit Committee ascertained that the internal audit function performed well. The internal audit report for the year 2020 was discussed in the July 2019 meeting and will be updated in relation to the new strategy in March 2020.

The materiality threshold as applied by KPMG is set out in the Audit opinion. The Audit Committee ascertained that all audit findings in excess of the reporting threshold, adjusted and unadjusted, will be reported by the auditor.

Remuneration and Nomination Committee

The Committee convened twice in 2019. Recurring items on the agenda were the remuneration report and the board evaluations. The committee attended a meeting of the Works Council in November 2019 and it was decided that all members of the Supervisory Board will attend a Works Council meeting, upon invitation by the Council. The Committee discussed the remuneration levels with the Board of Management and checked whether the targets for the STI and LTI and vesting conditions for earlier incentive schemes were met.

The search for the succession of Mr. Dirk Anbeek started in February 2019. Mr. Matthijs Storm was appointed as per August 1, 2019. The remuneration for members of the Board of Management was compared against the peer group by external experts. The committee drafted a new remuneration policy with the main goals of tailoring it to our new strategy, complying with the SRD 2 requirements and further strengthening the alignment of the executives' interests with those of our shareholders. Overall, remuneration levels will not change, but new indicators for the STI and LTI will be chosen to align remuneration with the new strategic KPI's. These will be fully measurable, with 90% ex-ante and 100% ex-post disclosure of targets. The threshold for vesting has become more ambitious, with higher scores required for vesting and the introduction of an absolute total shareholder return hurdle.

The proposal can be found in the 2019 remuneration report which is posted on our website. It will be tabled for the AGM in April 2020.

The committee also prepared the evaluation of the members of the Supervisory Board. The functioning of the newly composed Board of Management and its members will be evaluated in the first half of 2020.

Related party transactions

In the year under review there have been no business transactions with members of the Board of Management nor the Supervisory Board in which conflicts of interest may have played a role. All business transactions between the Company and members of the Board are published in the Annual Report.

Finally

The Supervisory Board would like to acknowledge the efforts that were made throughout the organisation in preparation of the new strategy. Bottom-up red flag analyses meant a lot of extra work had to be done, but the effort was worth it. The Board would also like to thank Leen Geirnaerdt and Herman van Everdingen for their contribution to the Board. During and after his tenure, Herman also served as interim Managing Director twice. The Board wishes them both lots of success.

On behalf of the Supervisory Board,

Adriaan Nühn, Chairman of the Supervisory Board

Extract of the remuneration report

Board of Management remuneration policy

A new remuneration policy was drafted with the main goals of tailoring it to our new strategy, complying with the SRD 2 requirements and further strengthening the alignment of the executives' interests with those of our shareholders.

The main elements of the policy will be highlighted below. The full remuneration report can be found at Wereldhave's website.

Remuneration levels:

- The new policy does not lead to an increase of the current remuneration levels;
- Fixed income remains to be set by the AGM at (re-) appointment, with no interim changes other than indexation;
- The total maximum variable (STI and LTI) opportunity decreases by 10% (of fixed income);
- The STI is set at 40% at target with the maximum limit capped at 60% of fixed income;
- The LTI remains set at 60% of fixed income, but the multiplier is lowered, and the total opportunity decreases by 30% of fixed income.

Short-term incentives (STI):

- Like-for-like rental income as STI indicator is replaced by total property return, footfall, customer satisfaction and individual targets;
- The above STI targets are clearly measurable and disclosed. The individual goals (10% of the STI) will be disclosed in the remuneration report following the end of the performance period (on a retrospective basis).
- Sustainability is set as a long term indicator.

Long-term incentives (LTI):

- The LTI indicators are TSR development (75%) and GRESB (25%) ranking;
- The threshold goal for the TSR metric has become more challenging (position 10 instead of position 14 out of 20) with a multiplier set at zero for below average performance against the peer group;
- The vesting level for achieving relative TSR position 10 decreases from 30% to 25% of maximum opportunity (75/300=25%);
- A post-vesting holding period of two years is introduced for the LTI awards;
- We have introduced an absolute TSR hurdle: if absolute TSR over the performance period is negative, the multiplier will be capped at 100% of the initial grant plus reinvested dividends.

Supervisory Board remuneration policy

Wereldhave does not propose any amendments to the remuneration policy of the Supervisory Board members. The remuneration levels were last reviewed and amended in 2019.

Execution of the remuneration policy in 2019

Introduction

There were changes in the Board of management and the Supervisory Board. Mr. Dirk Anbeek voluntarily stepped down from the Board per April 1, 2019, having accepted a position elsewhere. Mr. Herman van Everdingen acted as interim CEO from February 1 until August 31 2019. He received a fixed remuneration for his tenure as interim CEO of € 175,000 with the use of a company car. No variable pay, pension or fringe benefits were awarded. Since he was a non-statutory director, his remuneration is included in the general expenses of the Company and not disclosed as Director Remuneration. Mr. Storm was appointed CEO at the EGM in July. He started on August 1, 2019.

The Supervisory Board also saw changes in its composition. Francoise Dechesne was appointed in April 2019 and Leen Geirnaerdt stepped down in July.

Performance in 2019

Retail is changing rapidly and the retail landscape is scattered with retailer bankruptcies. New formats and mixed use are green sprouts, but not yet sufficient to cover for the decrease in rental values, lower occupancy and lower net rental income. The indirect result for the year 2019 is at € -447.5m, the direct result came out at € 2.81 per share, just above the guidance range that was provided. Our leasing efforts helped us in keeping occupancy at 94.6%, but against lower rental income, particularly in France and to some lesser extent, in the Netherlands. Like-for-like rental income on shopping centers, which is a key driver for the short term incentive, stood at an average of -0.6%. The share price decreased during the year and reflects an implied yield expansion, even before the 2019 valuations were done. As a result, total shareholder return is at the lower quartile of the peer group. The 2016 LTI share plans for Mr. Dirk Anbeek and Mr. Robert Bolier did not vest. No LTI is awarded in respect of the year 2019, since EPS decreased and the LTV was above the target level.

Remuneration of Managing Directors for the financial year 2019

Wereldhave applies fixed income levels that are set for the entire period of the appointment, to be indexed annually for the change in consumer prices. Variable income is set as a percentage of fixed income. The calculation of the STI and LTI scores can be found in the table below.

Mr. Dennis de Vreede was appointed in 2018. His term will expire in 2022. The fixed annual remuneration is indexed with 2.7% as per January 1, 2020 to € 398,455 per annum, with variable pay in line with the current remuneration policy and target setting. In respect of the year 2019, no LTI will be granted, as the conditions for granting were not met.

Mr. Matthijs Storm was appointed in 2019. His term will expire in 2023. The fixed annual remuneration is be indexed with 2.7% as per January 1, 2020 to € 552,012 per annum, with short term variable pay pro rata temporis awarded in line with the current remuneration policy and target setting. In respect of the year 2019, no LTI will be granted, as the conditions for granting were not met.

Mr. Anbeek stepped down from the Board as per April 1, 2019. Under the terms of his contract he is entitled to a short term incentive over the first three months of 2019.

The STI score against the targets has been adjusted pro rata, as shown in the table below. In respect of the year 2019, no LTI will be granted, as the conditions for granting were not met. The 2016 share plan did not vest. In respect of 2017 and 2018, no LTI was granted.

Conditions of assignment

Directors are appointed for a four-year period with a possibility of early termination. The severance payment is capped at one year's salary with a notification period of two months for the director and four months for the Company. The contract of assignment does not contain a change-of-control clause.

The contracts contain a clause that requires the Company to compensate the directors for any loss or damage in relation to liability claims based on acts or omissions in the performance of their duties. Damage to reputation is explicitly excluded. The indemnification does not apply to claims related to personal gain, advantage or rewards to which the director was not entitled, or if the claimed loss or damage was caused by gross negligence, intent, deliberate recklessness or serious imputability. It does include the costs of defence, which are advanced by the Company

			Variable pay		Extraor-dinary items	Pension contribution and compensation	Total remuneration	
	Fixed income	Company car and other fringe benefits	STI	LTI				Relative proportion fixed/variable
Matthijs Storm, CEO — 01-08/31-12	223,958	10,000	59,349	-	-	30,931	324,238	82/18
Dennis de Vreede, CFO — 01-01/31-12	387,980	19,800	102,815	-	-	56,889	567,484	82/18
Dirk Anbeek, CEO — 01-01/31-03	133,456	6,000	35,609	n/a	-	24,271	199,336	82/18

under the condition that these expenses must be repaid if it is determined in a final judgment that the director was not entitled to indemnification.

Severance payment
During 2019, no severance payments were made. The board members did not receive any additional compensation from subsidiaries for board positions they held within the Group.

Calculation STI 2019
The STI incentive is calculated as follows:
- LFL RG at or above inflation scores 15% of fixed income
- LFL RG at or above budget scores 15% of fixed income
- Remain rated GRESB Green Star scores 10% of fixed income.

The budget like-for-like rental growth has a sliding scale, with 1% below budget scoring zero, at budget 100% and 1% above budget 200% score. As actual like-for-like rental growth for the year 2019 came out well above budget in Belgium and France, the maximum score of 15 was reached. Rental growth was below inflation in all countries, with only Belgium scoring 1.5. This brings the total score at 16.5% of fixed income. The Company remained rated GRESB Green Star, which scores 10%. The total STI score therefore amounts to 26.5% (16.5% + 10%).

Calculation LTI 2019
The LTI incentive is calculated as follows:
- EPS growth at inflation 20% bonus
- at 100 bps over inflation 40% bonus and
- at 200 bps over inflation the maximum of 60% bonus.
- EPS growth scores between 0 and 200 bps over inflation will be calculated at a sliding scale.

If the Loan-to-Value at year-end exceeds 40%, no conditional long-term incentive will be granted in respect of that year. The LTI contributes to the long-term value creation as the vesting outcome is fully dependent on the TSR score over the vesting period.

The Earnings per share did not increase compared to the previous year, hence no initial long-term incentive is granted in respect of the year 2019.

Shares vesting in 2019
The LTI in respect of the year 2016 did not vest, as Wereldhave's TSR score against the peer group was in the lower quartile, implying that a multiplier of zero is applicable.

Overview of current share plans
See table below. In respect of the years 2017, 2018 and 2019, no share plans were awarded. The 2016 plan did not vest.

Share ownership Board of Management

Balance at 31/12/2019

Mr. De Vreede holds 3,000 private shares in Wereldhave, Mr. Storm does not hold shares in the Company.

Wereldhave pay ratio
Wereldhave's internal pay ratio is calculated as the total CEO compensation divided by the average employee compensation. This standardized approach allows for context in the external market, using the IFRS accounts.
- Total CEO compensation as disclosed in Note 30 to the consolidated financial statements (General Costs);

								2019			
Name	position	plan	Performance period	Initial grant	date	vesting	Reinvested dividends	1-Jan	Reinvested dividends	vested	31-Dec
Dirk Anbeek	CEO	LTI 2016	2017-2019	7,310	04-26-17	12-31-19	789	8,099	783	-	8,882
Robert Bolier	CFO	LTI 2016	2017-2019	5,446	04-26-17	12-31-19	587	6,033	583	-	6,616

- Average employee compensation based on salaries and social security contributions, pension costs and other employee costs and average FTE as disclosed in Note 30 to the consolidated financial statements (General Costs).

Over the past five years, the internal pay ratio development was as shown in the table below. The calculation is made retrospectively, taking into account LTI's from the past which did not vest. The remuneration levels in the years with changes in the board composition show the annualized compensation of the new jobholder (see table below).

Pension

Wereldhave's collective pension scheme in the Netherlands is a defined contribution scheme which applies a maximum pensionable income of € 107,593 per January 1, 2019, indexed annually. The CEO and CFO received an additional gross pension contribution of € 56,022 per annum and € 35,735 respectively. These amounts will be indexed annually with the Dutch Consumer Price index (Eurostat) over the period between October 31 of the current year and the previous year.

Other

No transactions with a potential conflict of interest were reported by members of the Supervisory Board or the Board of Management in 2019. No loans were issued to members of the Board of Management.

Further details of the terms and conditions for the members of the Boards can be found in the remuneration report from the Supervisory Board, as published on the Company's website.

Remuneration of the Supervisory Board

The 2019 remuneration of the Supervisory Board amounted to € 60,000 for the Chairman, € 44,000 for the Vice Chairman and € 40,000 for members. The committee remuneration levels are a fixed remuneration of € 9,500 for the Audit Committee chair and € 7,000 for committee members; the Chair of the Remuneration committee receives a fixed compensation of € 8,000 and committee members € 5,126 per annum. These amounts will be indexed annually with the Dutch Consumer Price index (Eurostat) over the period between October 31 of the current year and the previous year.

The Company has not awarded any options or shares to members of the Supervisory Board. The remuneration of the Supervisory Board members is not affected by the Company's results, or by any change of control at the Company. No loans were issued to members of the Supervisory Board.

	Fixed	STI	LTI	Vested LTI	Extraordinary items	Company car and other fringe benefits	Pension contribution and compensation	Total compensation	Direct result	Indirect result	Average employee pay	Pay ratio
CEO												
2015	510,000	178,500	306,000	-	-	24,000	89,648	1,108,148	133.7m	-29.9m	85,175	13.0
2016	513,060	147,505	307,836	-	-	24,000	90,303	1,082,704	151.0m	-30.2m	86,414	12.5
2017	515,112	128,778	-	-	-	24,000	91,613	759,503	150.1m	-65.8m	90,745	8.4
2018	522,839	169,923	-	-	-	24,000	95,289	812,051	146.7m	-202.3m	92,915	8.7
2019	537,500	142,438	-	-	-	24,000	74,233	778,171	128.6m	-447.5m	93,232	8.3
CFO												
2015	380,000	122,000	228,000	-	-	19,200	70,744	819,944	133.7m	-29.9m	85,175	9.6
2016	382,280	109,906	229,368	-	-	19,200	71,286	812,040	151.0m	-30.2m	86,414	9.4
2017	383,809	95,952	-	-	-	19,200	75,799	574,760	150.1m	-65.8m	90,745	6.3
2018	380,000	123,500	-	-	-	19,800	50,594	573,894	146.7m	-202.3m	92,915	6.2
2019	387,980	102,815	-	-	-	19,800	56,889	567,484	128.6m	-447.5m	93,232	6.1

Statement by the Board of Management

The Company has identified the main risks it faces, including financial reporting risks. These risks can be found in the chapter Main Risks above. In line with the Dutch Corporate Governance Code and the Dutch Act on financial supervision (Wet op het financieel toezicht), the Company has not provided an exhaustive list of all possible risks. Furthermore, developments that are currently unknown to the Board of Management or considered to be unlikely may change the future risk profile of the Company.

The design of the Company's internal risk management and control systems has been described in the chapter Risk Management above. The objective of these systems is to manage, rather than eliminate, the risk of failure to achieve business objectives and the risk of material errors to the financial reporting. Accordingly, these systems can only provide reasonable, but not absolute, assurance against material losses or material errors.

The Board of Management reviewed and analyzed the main strategic, operational, financial & reporting, and compliance risks to which Wereldhave is exposed, and assessed the design and operating effectiveness of the Wereldhave risk management & control system. The outcome of this assessment was shared with the Audit Committee and the Supervisory Board, and was discussed with our internal and external auditor.

As required by provision I.4.3 of the Dutch Corporate Governance Code and section 5:25c(2)(c) of the Dutch Act on financial supervision (Wet op het financieel toezicht) and on the basis of the foregoing and the explanations contained in Risk Management, the Board of Management confirms that to its knowledge:

- the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report;
- the financial statements for 2019 provide, in accordance with IFRS as adopted by the EU, a true and fair view of the consolidated assets, liabilities and financial position as at December 31, 2019, and of the 2019 consolidated income statement and cash flows of Wereldhave N.V.;
- the Annual Report provides a true and fair view of the situation as at December 31, 2019, and the state of affairs during the financial year 2019, together with a description of the main risks faced by the Group.

Schiphol, March 9, 2020

Matthijs Storm, CEO

Dennis de Vreede, CFO

Alternative performance measures

We judge and explain our performance using certain alternative performance measures. These alternative performance measures are not defined under IFRS, but they are consistent with how the real estate sector measures financial performance. Wereldhave considers the following metrics to constitute Alternative Performance Measures as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures.

Direct result

The direct result (or EPRA earnings) consists of net rental income, general costs, other gains and losses (other than exchange rate differences and nonrecurring projectrelated costs) minus, financial income and expense (other than the interest addition to the real value of the conversion rights of convertible bonds, premiums paid on interestbearing debt) and tax charges on the direct result. Reference is made to 'Direct & Indirect' result, page 42.

EPS

Earnings Per Share is calculated by dividing:

- Direct result attributable to owners of the Group (excluding minority interest), refer to 'Direct & Indirect' result (page 42) by the Weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (refer to page 139).
- Direct result attributable to owners of € 113.2m divided by the average number of shares of 40.3m = € 2.81 per share.

EPRA Cost Ratio

The calculation of the cost ratio is based on total operating cost divided by gross rental income. Reference is made to the EPRA tables on page 92.

EPRA NAV

EPRA NAV is the IFRS Net Asset Value (NAV) excluding certain items not expected to crystallise in a long-term investment property business model. The EPRA NAV excludes the fair value of derivatives and deferred tax liabilities. IFRS NAV € 1,319.6m plus EPRA NAV adjustments of € 8.6m divided by the average number of shares 40.3m = € 32.99 per share.

EPRA NIY

Annualised rental income based on cash rents passing at the balance sheet date, less nonrecoverable property operating expenses, divided by the market value of the property, including estimated purchasers' cost (EPRA Net Initial Yield = (Annualised rent passing + other income + turnover rent -/- property expenses) / Gross Property Value). Reference is made the EPRA tables on page 92 and to Note 5 in the financial statements.

EPRA NNNAV

EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes. Reference is made to the EPRA tables on page 92. IFRS NAV € 1319.6m plus EPRA NAV adjustments € 8.6m minus EPRA NNNAV adjustments € 47.5m divided by the average number of shares 40.3m = € 31.81 per share.

EPRA NRV

IFRS NAV excludes the fair value of derivatives and deferred tax liabilities and includes real estate transfer tax. IFRS NAV € 1,319.6m plus EPRA NRV adjustments € 132.4m divided by the average number of shares 40.3m = € 36.07 per share.

EPRA NTA

IFRS NAV excludes intangibles, the fair value of derivatives and 50% of the fair value of the deferred tax liabilities. IFRS NAV € 1,319.6m plus EPRA NTA adjustments € 7.5m divided by the average number of shares 40.3m = € 32.97 per share.

EPRA NDV
IFRS NAV including the fair values of financial debt. IFRS NAV € 1,319.6m minus EPRA NDV adjustments € 39.4m divided by the average number of shares 40.3m = € 31.80 per share.

Footfall
Number of visitors in our shopping centers.

Indirect result
The indirect result consists out of the fair value movements of investment properties and conversion rights on convertible bonds, the impact of ineffectiveness on hedges, exchange rate differences that are accounted for under other financial income and expense, the interest addition to leasehold obligations, the movement in deferred tax liabilities, non-recurring project-related costs and actuarial gains and losses on employee benefit plans. Reference is made to page 42.

Interest Coverage Ratio
The interest coverage ratio is the ratio of the interest charge in the direct result and the net rental income. The calculation is as follows: Net Rental Income of continued and discontinued operations (€ 171.5m) divided by external interest expenses (€ 26.0m) = 6.6x. The external interest is part of the net interest costs of € 28.3m as presented in Note 32 in the financial statements.

LTV
Loan to value (LTV) is the ratio of net debt for LTV to the aggregate value of investment property including assets held for sale and excluding the present value of future ground rent payments. Net debt amounts to € 1,299.2m divided by € 2,901.2m = 44.8%. Reference is made to Note 5 and 18 in the financial statements.

Net Debt for LTV
Net debt is the sum of the non-current and current interest-bearing liabilities (€ 1,335.7m) less cash and cash equivalents (€ 20.8m) and the effect of the hedged foreign currency movements of the debt (€ 15.6m) = € 1,299.2m.

Net Promoter Score (NPS)
The NPS sore is calculated as the 1-year moving average NPS score, measured over the entire portfolio of continued operating shopping centers. Continued operating shopping centers exclude developments and refurbishments.

(EPRA) Occupancy
The (EPRA) Occupancy rate is the estimated rental value of let units as a percentage of the total estimated rental value of the portfolio, excluding development properties. It includes accommodation, under offer, subject to asset management (where they have been taken back for refurbishment and are not available to let as at the balance sheet date) or occupied by the Group. Reference is made to the EPRA tables on page 92 and Note 5 in the financial statements. EPRA Occupancy = 100% minus EPRA Vacancy rate (EPRA tables).

Solvency
Solvency Ratio means the ratio of: “Total equity” (less “Intangible Assets” (if any)) and “Provision for Deferred Tax Liabilities”; to “Balance Sheet Total” (less “Intangible Assets”). Reference is made to Note 18 in the financial statements. Total equity (€ 1,550.3m) plus deferred tax liabilities (€ 1.2m) minus Intangible assets (€ 0.5m) divided by balance sheet total (€ 3.043.2m) minus Intangible assets (€ 0.5m).

Tenant Satisfaction
The Tenant Satisfaction score is measure through tenant surveys.

Total Property return
Total property return is a measure of the ungeared return for the portfolio and is calculated as the change in capital value, less any capital expenditure incurred, plus net income, expressed as a percentage of capital employed over the period concerned, excluding land.

Total Shareholder return
Total shareholder return (“TSR”) is defined as the share price increase, including reinvested dividends. TSR is measured over a three-year period based on a three-month average of the last three months of the year before the start and the end of the performance period. The performance period starts on 1 January of the year in respect of which the LTI is to be granted.

Additional information

We prepared this integrated Report in accordance with recognized international standards, covering both financial and non-financial data.

Basis of preparation

Wereldhave aims to provide a balanced overview of the Company's operations, strategy and performance, as well as its approach to long-term value creation. This is an integrated report, prepared in accordance with standards published by the Global Reporting Initiative (GRI) and the International Integrated Reporting Council (IIRC). The report focuses on the operational, financial and sustainability performance for the financial year 2019 of Wereldhave N.V. and its subsidiaries. The purpose of the Annual Report is to describe the Group's ability to create value over time for stakeholders and society. Our new strategy focuses on how to create value in a retail landscape that is scattered with shop closures. This report highlights the themes that are central in our strategy.

The consolidated financial statements of Wereldhave N.V. have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code. The accounting policies are set out in Note 3 to the Financial statements. The consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of investment property and derivative financial instruments that have been measured at fair value. The preparation of consolidated financial statements in conformity with EU-IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate.

Wereldhave did not seek external assurance for the non-financial information in this report. The Company's non-financial data reporting and data collection process will be strengthened in the coming years, to ultimately allow for external assurance.

Risks are assessed in accordance with Wereldhave's new overall risk management approach. The financial data in this report are based on the consolidated internal reporting from Wereldhave's entities in the Netherlands, Belgium and France. The non-financial data is collected centrally. The production of this report is overseen by a dedicated project team, with contributors from Finance, Corporate Development, Investor Relations, Customer Experience, Digital Transformation and Corporate Social Responsibility. The report is reviewed and approved by the Board of Management.

Compliance with IIRC framework

The International Integrated Reporting framework comprises guiding principles and content elements. Details of our compliance with this framework are set out below. For more information, see www.integratedreporting.org.

Disclosure	Reference
Guiding principles	
Strategic focus and future orientation	Our business strategy (pages 14-27), describing our business model and our value creation model
Connectivity of information	Our material topics (page 88) are linked directly to risks and opportunities, and to the Company's strategy (pages 70-72)
Stakeholder relationships	Creating value for our stakeholders (pages 25-26), explaining value creation model (page 27), and stakeholder dialogue (page 160).
Materiality	Material topics (page 88) and Basis of preparation (page 85) describe the materiality process and topics
Conciseness	About this Report (page 2) and Basis of Preparation (page 85) describe how we applied a materiality principle to our Annual Report
Reliability and completeness	Our basis of preparation (page 85), setting out the review & approval and external assurance process (Auditor's Report, pages 150-158).
Consistency and comparability	This Report is prepared in accordance with IFRS standards as adopted by the EU, the IIRC framework and reporting standards issued by the Global Reporting Initiative (page 171) and EPRA (page 92 and 174).
Content elements	
Organizational overview and external environment	At a glance (page 4), Our Business (pages 14-15) and Beyond Shopping (pages 10-12)
Governance	Governance (pages 65-83)
Business model	Our Business Model (pages 16-17)
Risk and opportunities	High impact risks (pages 70-72)
Strategy and resource allocation	Our business & strategy (pages 13-21)
Performance	Performance (pages 28-62)
Outlook	Outlook (page 63)
Basis of preparation and presentation	Basis of preparation (page 85)

Qualifying Notes CSR reporting

Scope environmental reporting

Over 2019, the portfolio coverage of our environmental reporting is 96% in net market value.
For 2019 the absolute data disclosed for all energy and greenhouse gas emissions performance indicators is for 38 out of 46 properties. The data disclosed for water consumption refers to 36 out of 46 properties and waste figures refer to 36 out of 46 properties. For the like-for-like figures, 28 out of 46 properties are included for energy and greenhouse gas data and 27 out of 46 properties are included for water for waste like-for-like figures.

The reported data contains the total landlord obtained energy and water consumed by the properties owned and managed by Wereldhave. Where tenant consumption is sub-metered this is reported separately. Like-for-like data show the change of an indicator over a two-year period with a constant portfolio. Absolute data provides an overview of the environmental impact over 2019. All assets which have been acquired divested or under significant (re)development during the reporting period are excluded for like-for-like data.

The majority of properties have smart meters in place to monitor energy consumption. Wereldhave introduced a monitoring system in 2016 to monitor its environmental performance. Some automatic meter readings in these shopping centres are not reliable, because in 2019 changes were made to this system, and in the shopping centres under development sub-meters and meters have been replaced, added or removed. Therefore in these cases, the data is corrected by our third-party data managers to obtain reliable and comparable results.

Methodology performance data

Intensity figures are calculated using ‘shared services’ as numerator and lettable floor area as denominator. These shared services refer to landlord-obtained consumption for common areas and services provided to tenants that do not have sub-meters. Wereldhave acknowledges that the intensity indicator may be affected due to a mismatch between numerator and denominator, as recommended in the EPRA sustainability best practice recommendations.

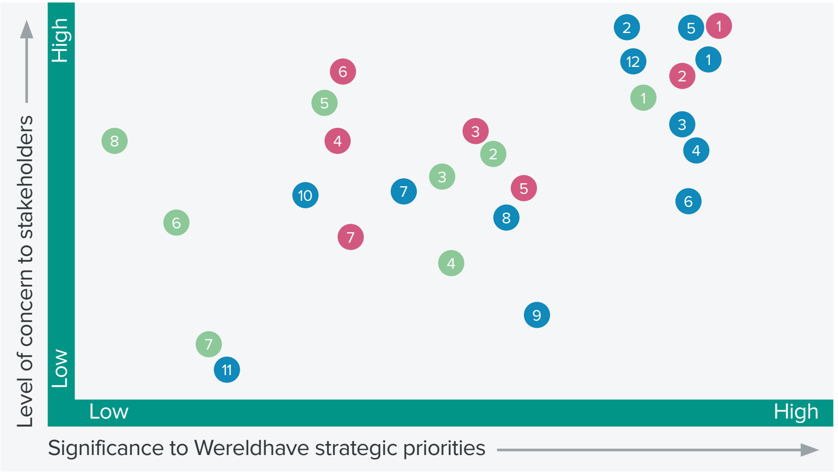
For the environmental performance indicators we use a different reporting period than for our financial reporting. Environmental performance indicators are consolidated on a 12-month rolling period rather than on the financial year. Since 2015, the reporting period covers a 12-month period, including the fourth quarter of 2014 and the first three quarters for 2015. The same methodology is applicable for 2019.

Energy consumption includes both direct and indirect energy consumption. The direct energy refers to primary source energy which is purchased and consumed on site by Wereldhave (e.g. gas and fuel oil). Indirect energy refers to the energy produced by and purchased from a third-party in the converted form of electricity or fluid (e.g. electricity, heating and cooling networks). Disposal routes for Belgium and France were not available in detail for 2019, hence we extrapolated the data from the available data.

Emission factors are based upon the information provided by energy suppliers for electricity, district heating and gas consumption and national emission factors. The carbon emissions relate to the energy consumptions (kWh) reported in the same table. Scope 3 GHG emissions refer to landlord-obtained energy consumption and exclude waste for instance.

Materiality

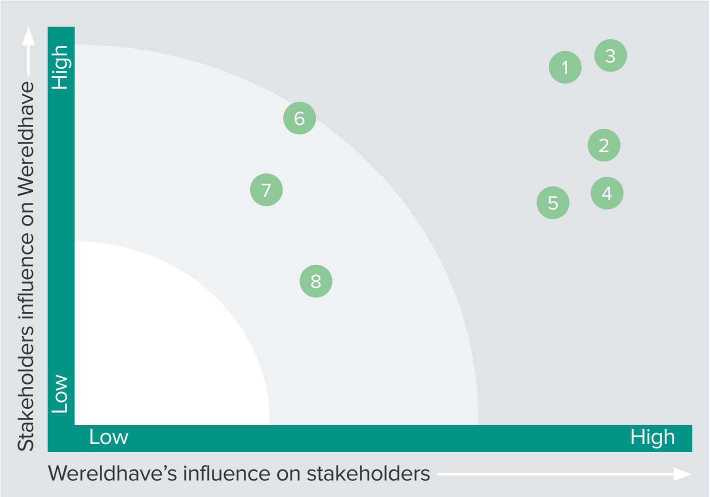
Since 2013 Wereldhave has used the materiality assessment as a tool for focusing on the strategic sustainability agenda. We have obtained information in various ways to assess the expectations and interests of our internal and external stakeholders. Discussions were conducted with stakeholders about the organization's long-term strategy and the accompanying objectives, through interviews, for example, as well as workshops, satisfaction surveys and desk research. The stakeholders were asked to classify materiality themes by relevance. This input was used to design a materiality matrix with the most relevant topics for our organization and portfolio. All material topics have a relevant impact on the long-term success of Wereldhave and its stakeholders. Based on external developments such as increased attention for climate change (the Paris Agreement) and the Sustainable Development Goals of the United Nations. The matrix plots the relevance and importance of topics for both stakeholders and the company.



Material topic	*Explanation*	*Most relevant to*
Economic & Governance		
1 **Financial performance**	Annual financial results of Wereldhave	investors, employees
2 **Occupancy**	Occupancy in SC portfolio	tenants, investors
3 **L4L rental growth**	Rental growth of like-for-like assets	investors
4 **Cost efficiency**	Service costs, CAPEX and general costs	tenants, investors
5 **Risk management**	Concerning economic, social, environmental and governance risks	investors
6 **Corporate governance**	Being a responsible company that follows internal codes and standards Proper	investors
7 **Business ethics**	Proper business policies and practices regarding potentially controversial issues	investors, employees
Social Responsibility		
1 **Customer satisfaction**	Further optimize the satisfaction and experience of customers	customers
2 **Building Safety**	Provide a healthy and safe environment for customers, tenants and suppliers	customers, tenants, suppliers
3 **Local social impact**	Contribute positively to the local communities	customers, communities
4 **Talents**	Attract and develop talents amongst employees	employees
5 **Tenant mix**	Convert Shopping Centers to Full Service Centers	customer, tenants, investors
6 **Technology & digital**	Implement technology and digital best practices at the shopping centres and offices	customers, tenants
7 **Accessibility**	Increase the accessibility of the assets for all customers	customers, communities
8 **Employee satisfaction**	Retain committed and engaged employees	employees
9 **Challenging & open culture**	Give employees a culture where they can be the best version of themselves	employees
10 **Health & well-being**	Provide a healthy environment for employees, tenants and customers	employees, tenants, customers
11 **Diversity**	Provide equal opportunities and an inclusive environment for employees	employees
12 **Tennant satisfaction**	Further optimize the satisfaction and collaboration with tenants	tenants
Environmental Responsibility		
1 **Climate change (CO_2-emissions)**	Minimize the environmental impact by reducing the carbon emissions of assets	investors, governments, NGO's
2 **Sustainable buildings**	Manage climate change risks by having sustainable buildings	investors, governments, NGO's
3 **Transportation**	Optimize the accessibility of the assets and provide sustainable transportation (by foot, electric cars, bikes and public transport)	customer, communities
4 **Sustainable (re-)development**	Implement sustainable best practices and technologies during renovation projects	investors, governments, NGO's
5 **Energy efficiency**	Further optimize energy efficiency of assets	tenants, investors, NGO's
6 **Waste**	Further optimize efficiency of waste management	tenants, governments
7 **Water**	Further optimize water efficiency of assets	tenants
8 **Biodiversity**	Manage and improve the impact of assets on the local ecology	communities, governments, NGO's

Stakeholders engagement

Cooperation with our stakeholders is essential for the success of our business operations. The figure below shows Wereldhave's stakeholders and their strategic relevance. Stakeholders who have a significant impact on Wereldhave and vice versa are regarded as the most relevant stakeholders. Wereldhave maintains an ongoing dialogue with its stakeholders; these opportunities for contact are business-as-usual for our employees.



1. Customers
2. Tenants
3. Employees
4. Investors
5. Community
6. Governments
7. Suppliers and contractors
8. NGOs

Stakeholders that have any questions/remarks on Wereldhave's sustainability strategy and performance are encouraged to contact us at sustainability@wereldhave.com.

Property portfolio

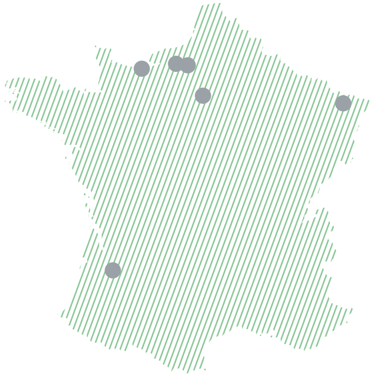
The Netherlands

Shopping Centers	Lettable area (m²)	Parking spaces (owned/total)	Year of acquisition	Year of construction/ renovation	Annual theoretical rent (x € 1m)	Visitors (mln)
Emiclaer, Amersfoort	19,700	160/675	2015	1993	4.7	4.1
Presikhaaf, Arnhem	34,300	-/1,244	2015	2018/2019	4.7	4.2
Kronenburg, Arnhem	39,900	1,300/1,300	1988	2015	10.1	5.6
De Koperwiek, Capelle aan den IJssel	28,400	270/900	2010-2014	2017/2019	7.0	5.9
Sterrenburg, Dordrecht	15,800	375/505	2015	1993	3.0	3.6
WoensXL, Eindhoven	10,400	-/1,800	2010	2006	2.8	1.9
Etten-Leur, Etten-Leur	22,800	22/1,916	1991	2015	3.4	3.1
Middenwaard, Heerhugowaard	36,100	1,345/1,850	2015	2011/2018	9.0	6.1
Vier Meren, Hoofddorp	30,800	819/2,526	2014	2013/2017	6.9	7.1
Winkelhof, Leiderdorp	18,800	825/825	1993	1999	4.7	3.7
Koningshoek, Maassluis	20,300	-/1,060	2010	2015-2018	4.0	4.3
CityPlaza, Nieuwegein	50,400	783/1994	2015	2012	13.6	6.5
Eggert, Purmerend	20,300	274/274	2010	2015-2017	4.6	3.8
Roselaar, Roosendaal	18,200	-/1,312	2010-2014	2015-2016	4.4	5.4
In de Bogaard, Rijswijk	19,900	-/2,680	2015	2002	4.5	2.3
Emmapassage, Tilburg	Under construction	-/300	2015	1992	Under construction	n.a.
Pieter Vreedeplein, Tilburg	23,300	-/780	2015	2008	3.4	7.0
Heuvelstraat-Frederikstraat, Tilburg	16,200	n.a.	2015-2019	2016-2017	2.6	n.a.
Total	**425,600**				**93.4**	**74.6**

Belgium

Shopping Centers	Lettable area (m²)	Parking spaces (owned/total)	Year of acquisition	Year of construction/ renovation	Annual theoretical rent (x € 1m)	Visitors (mln)
Ring Shopping, Courtrai	32,300	2,000/2,000	2014	2005	7.3	3.5
Shopping 1, Genk	21,300	1,250/1,250	2010	2014	4.2	4.1
Stadsplein, Genk	15,400	44/44	2012	2008	2.8	n.a.
Overpoort, Gent	4,000	n.a.	2012	2014	0.5	n.a.
Belle-Île, Liège	30,100	2,200/2,200	1994	1994	11.6	3.4
Nivelles-Shopping, Nivelles	29,100	1,452/1,452	1984	2012	8.8	3.7
Les Bastions Shopping, Tournai	34,100	2,000/2,000	1988	2018	8.9	4.5
Les Bastions Retailpark, Tournai	10,300	360/360	2016	2016	1.2	n.a.
Waterloo, Waterloo	3,400	-/95	2010	1968	0.9	n.a.
Turnhout Retailpark, Turnhout	19,800	765/765	2018	1970	2.3	n.a.
Bruges Retailpark, Bruges	20,300	650/650	2018	1970	2.5	n.a.
Sub total	**220,100**				**51.0**	**19.2**
Offices						
De Veldekens, Antwerp	39,700	770/770	1999	2002	5.8	n.a.
Medialaan, Vilvoorde	22,800	638/638	1998	2001	3.1	n.a.
Sub total	**62,500**				**8.9**	**19.2**
Total	**282,600**				**59.9**	**19.2**

France



	Lettable area (m²)	Parking spaces (owned/total)	Year of acquisition	Year of construction/ renovation	Annual theoretical rent (x € 1m)	Visitors (mln)
Côté Seine, Argenteuil	18,500	-/1,350	2014	2010	5.7	6.0
Mériadeck, Bordeaux	32,200	-/1,300	2014	2008	7.8	9.1
Docks Vauban, Le Havre	57,600	-/2,300	2014	2009/2017	7.2	6.9
Docks76, Rouen	37,100	1,000/1,000	2014	2009	9.6	3.9
Saint-Sever, Rouen	31,000	1,800/1,800	2014	2012/2018	8.8	9.5
Rivetoile, Strasbourg	28,500	-/1,500	2014	2008	9.7	6.2
Total	**204,900**				**48.8**	**41.6**
Overal	**913,100**				**202.1**	**135.4**

EPRA tables

Investment property - rental data

(in €m)	Gross rental income	Net rental income	Surface owned[1]	Annualised gross rent[1,2]	Annual theoretical rent[1,2]	Estimated rental value[1,2]	EPRA vacancy rate
Belgium	63.9	53.0	282.6	57.4	59.9	57.8	4.8%
France	50.4	38.5	204.9	42.9	48.8	47.3	7.2%
Netherlands	92.3	80.0	425.6	88.7	93.4	86.5	4.9%
Total portfolio	**206.6**	**171.5**	**913.1**	**189.0**	**202.1**	**191.6**	**5.4%**

1 Excluding Emmapassage Tilburg
2 As per 31 December 2019, excluding parking income

Investment property - lease data

	Average lease length in years[1]		Annual rent of leases expiring in		
(x € 1,000)	to break	to expiry	Year 1	Year 2	Year 3-5
Belgium	3.0	6.1	4,614	9,261	12,665
France	1.8	5.0	5,796	2,995	8,656
Netherlands	3.3	4.1	8,510	13,968	30,775
Total portfolio	**2.8**	**4.9**	**18,920**	**26,224**	**52,096**

1 Excluding indefinite contracts

Investment property – like-for-like net rental income

(x € 1,000)	Properties owned throughout 2 years	Acquisitions	Disposals	Development	Other	Total net rental income
2019						
Belgium	40,708	4,631	-1	6,742	909	52,989
Finland	-	-	-	-	-	-
France	37,606	-	268	581	46	38,501
Netherlands	73,645	492	10	2,712	3,125	79,984
Total portfolio	**151,958**	**5,123**	**277**	**10,035**	**4,081**	**171,474**
2018						
Belgium	41,137	142	251	6,046	181	47,757
Finland	-	-	26,989	-	-	26,989
France	38,003	-	-	631	549	39,183
Netherlands	74,416	-	877	2,288	1,833	79,414
Total portfolio	**153,557**	**142**	**28,117**	**8,965**	**2,562**	**193,343**

Like-for-like net rental growth -1.0% total portfolio. Like-for-like net rental growth is determined on a unit by unit basis. Units in redevelopment are excluded from the like-for-like analysis.

Calculation EPRA NAV metrics per share

	December 31, 2019 EPRA NAV	December 31, 2018 EPRA NAV	December 31, 2019 EPRA TRIPLE NAV	December 31, 2018 EPRA TRIPLE NAV	December 31, 2019 EPRA NRV	December 31, 2018 EPRA NRV	December 31, 2019 EPRA NTA	December 31, 2018 EPRA NTA	December 31, 2019 EPRA NDV	December 31, 2018 EPRA NDV
IFRS Equity attributable to shareholders	**32.78**	**43.35**	**32.78**	**43.35**	**32.78**	**43.35**	**32.78**	**43.35**	**32.78**	**43.35**
Include/exclude	-	-	-	-	-	-	-	-	-	-
Hybrid instruments	-	-	-	-	-	-	-	-	-	-
Diluted NAV	**32.78**	**43.35**	**32.78**	**43.35**	**32.78**	**43.35**	**32.78**	**43.35**	**32.78**	**43.35**
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	**32.78**	**43.35**	**32.78**	**43.35**	**32.78**	**43.35**	**32.78**	**43.35**	**32.78**	**43.35**
Exclude										
v) Deferred tax in relation to the fair value gains of IP	0.03	0.17	0.01	0.07	0.03	0.17	0.02	0.08	-	-
vi) Fair value of financial instruments	0.18	0.30	-	-	0.18	0.30	0.18	0.30	-	-
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	-	-	-	-	-	-	-0.01	-0.02	-	-
Include:	-	-	-	-	-	-	-	-	-	-
viii) Fair value of fixed interest rate debt	-	-	-0.98	-1.01	-	-	-	-	-0.98	-1.01
ix) Revaluation of intangibles to fair value	-	-	-	-	-	-	-	-	-	-
x) Real estate transfer tax	-	-	-	-	3.08	3.65	-	-	-	-
NAV per share	**32.99**	**43.82**	**31.81**	**42.41**	**36.07**	**47.47**	**32.97**	**43.71**	**31.80**	**42.34**

EPRA cost ratio

(x € 1,000)	2019	2018
Net service charges	6,301	8,509
Property expenses	28,814	28,133
General Costs	17,098	16,995
Ground rent	(151)	(1,245)
Total Costs (EPRA) including direct vacancy costs	**52,062**	**52,392**
Direct vacancy cost	(3,124)	(2,591)
Total Costs (EPRA) excluding direct vacancy costs	**48,938**	**49,801**
Gross rental income	206,589	229,984
Cost ratio (%) including direct vacancy costs	**25.2%**	**22.8%**
Cost ratio (%) excluding direct vacancy costs	**23.7%**	**21.7%**

Summary of investment properties

	Shopping Centres		Offices		Total	
(in € millions)	market value	annual theoretical rent[1]	market value	annual theoretical rent	market value	annual theoretical rent
Belgium	869	51.0	92	8.9	961	59.9
France	806	48.8	-	-	806	48.8
Netherlands	1,140	93.4	-	-	1,140	93.4
Total portfolio	**2,815**	**193.2**	**92**	**8.9**	**2,907**	**202.1**

1 excluding parking and residential

EPRA net initial yield and 'topped-up' initial yield

(x € 1,000)	Income	Investment properties
Gross investment portfolio valuation excluding assets in development		2,942,994
Purchasers costs		-116,787
Properties in Development (Belgium & Netherlands)		65,144
Properties classified as held for sale		9,880
Leasehold IFRS 16		15,335
Net portfolio valuation as reported in the financial statements		**2,916,566**
Income and yields		
Net operational income used for calculation of EPRA Net Initial Yield	172,015	5.8%
Rent-free periods (including pre-lets)	6,933	0.3%
Rent for 'topped-up' initial yield	178,948	6.1%

Summary of the valuation adjustments of the investment properties

(in € millions)	market value	revalua-tion in 2019	Shopping Centres	Offices	Total
Belgium	961	-17	-1.6%	-3.8%	-1.8%
France	806	-88	-9.8%	-	-9.8%
Netherlands	1,140	-343	-23.1%	-	-23.1%
Total portfolio	**2,907**	**-448**	**-13.6%**	**-3.8%**	**-13.4%**

EPRA performance measures

Performance measures	Definition	Purpose
EPRA NAV	IFRS Net Asset Value (NAV) excluding certain items not expected to crystallise in a longterm investment property business model. The EPRA NAV excludes the fair value of derivatives and deferred tax liabilities.	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.
EPRA NNNAV (triple net)	EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.	Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all the assets and liabilities within a real estate entity.
EPRA Net Reinstatement Value	IFRS Net Asset Value (NAV) excludes the fair value of derivatives and deferred tax liabilities and includes real estate transfer tax.	The objective of the EPRA Net Reinstatement Value measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included.
EPRA Net Tangible Assets	IFRS Net Asset Value (NAV) excludes intangibles, the fair value of derivatives and 50% of the fair value of the deferred tax liabilities.	The underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.
EPRA Net Disposal Value	IFRS Net Asset Value (NAV) including the fair values of financial debt.	Shareholders are interested in understanding the full extent of liabilities and resulting shareholder value if company assets are sold and/or if liabilities are not held until maturity. For this purpose, the EPRA Net Disposal Value provides the reader with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the Balance Sheet, net of any resulting tax. This measure should not be viewed as a “liquidation NAV” because, in many cases, fair values do not represent liquidation values.
EPRA Net Initial Yield	Annualised rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, including estimated purchasers' cost (EPRA Net Initial Yield = ((Annualised rent passing + other income + turnover rent -/- property expenses) / Gross Property Value)).	A comparable measure for portfolio valuations.
EPRA Vacancy	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A measure of investment property space that is vacant, based on ERV.
EPRA Cost Ratio	The calculation for a cost ratio is based on total operating cost and gross rental income.	Cost ratio to reflect the relevant overhead and operating costs of the business and provide a recognised and understood reference point for analysis of a company’s costs.

Financial statements

Consolidated statement of financial position
at December 31, 2019

(x € 1,000)	Note	December 31, 2019	December 31, 2018
Assets			
Non-current assets			
Investment property in operation		2,833,690	3,213,454
Lease incentives		5,639	6,754
Investment property under construction		67,357	59,999
Investment property	5	**2,906,686**	**3,280,207**
Property and equipment	6	6,026	2,120
Intangible assets	7	517	897
Derivative financial instruments	9,23	34,024	27,245
Deferred tax assets	8	-	-
Other financial assets	9	826	717
Total non-current assets		**2,948,080**	**3,311,185**
Current assets			
Trade and other receivables	10	49,391	52,697
Tax receivables	11	15,008	13,693
Cash and cash equivalents	12	20,834	125,925
Total current assets		**85,232**	**192,314**
Investments held for sale	13	9,880	6,940
Total assets		**3,043,192**	**3,510,440**

(x € 1,000)	Note	December 31, 2019	December 31, 2018
Equity and Liabilities			
Equity			
Share capital	14	40,271	40,271
Share premium	15	1,711,033	1,711,033
Reserves	16,17	-431,705	-6,815
Attributable to shareholders		**1,319,598**	**1,744,489**
Non-controlling interest		230,682	231,347
Total equity		**1,550,281**	**1,975,836**
Non-current liabilities			
Interest-bearing liabilities	18	1,167,684	1,019,151
Deferred tax liabilities	19	1,227	6,648
Derivative financial instruments	23	25,414	36,421
Other long-term liabilities	20	34,615	14,774
Total non-current liabilities		**1,228,941**	**1,076,994**
Current liabilities			
Trade payables		8,436	8,529
Tax payable	21	14,751	11,651
Interest-bearing liabilities	18	167,973	339,167
Other short-term liabilities	22	72,430	96,031
Derivative financial instruments	23	381	2,230
Total current liabilities		**263,971**	**457,610**
Total equity and liabilities		**3,043,192**	**3,510,440**

Consolidated income statement
for the year ended December 31, 2019

(x € 1,000)	Note	2019	2018
Gross rental income	26	206,589	201,769
Service costs charged		34,274	35,267
Total revenue		**240,863**	**237,036**
Service costs paid		-40,575	-43,029
Property expenses	27	-28,814	-27,653
Net rental income		**171,474**	**166,354**
Valuation results	28	-448,343	-94,513
Results on disposals	29	49	-1,578
General costs	30	-17,098	-16,946
Other income and expense	31	-156	-1,459
Operating result		**-294,073**	**51,858**
Interest charges		-28,382	-33,028
Interest income		70	71
Net interest	32	**-28,312**	**-32,957**
Other financial income and expense	33	-1,516	-2,062
Result before tax		**-323,902**	**16,839**
Income tax	34	4,444	-395
Result from continuing operations		**-319,457**	**16,444**
Result from discontinued operations	35	506	-72,078
Result for the year		**-318,951**	**-55,634**
Result attributable to:			
Shareholders		-328,741	-68,006
Non-controlling interest		9,790	12,372
Result for the year		**-318,951**	**-55,634**
Basic earnings per share from continuing operations (€)	38	-8.18	0.10
Diluted earnings per share from continuing operations (€)	38	-8.18	0.10
Basic and diluted earnings per share from discontinued operations (€)	38	0.01	-1.79
Basic earnings per share (€)	38	-8.17	-1.69
Diluted earnings per share (€)	38	-8.17	-1.69

Consolidated statement of comprehensive income
for the year ended December 31, 2019

(x € 1,000)	Note	2019	2018
Result from continuing operations		-319,457	16,444
Result from discontinued operations		506	-72,078
Result		**-318,951**	**-55,634**
Items that may be recycled to the income statement subsequently			
Effective portion of change in fair value of cash flow hedges	23	2,989	-4,632
Changes in fair value of cost of hedging	23	2,056	2,660
Items that will not be recycled to the income statement subsequently			
Remeasurement of post-employment benefit obligations	20	-200	265
Total comprehensive income		**-314,106**	**-57,340**
Attributable to:			
Shareholders		-323,782	-69,932
Non-controlling interest		9,676	12,592
		-314,106	**-57,340**

Consolidated statement of changes in equity
for the year ended December 31, 2019

	Attributable to shareholders							
(x € 1,000)	Share capital	Share premium	General reserve	Hedge reserve	Cost of hedging reserve	Total attributable to shareholders	Non-controlling interest	Total equity
Balance at January 1, 2018	**40,271**	**1,711,033**	**186,071**	**-4,847**	**-4,366**	**1,928,162**	**188,351**	**2,116,513**
Comprehensive income								
Result	-	-	-68,006	-	-	-68,006	12,372	-55,634
Remeasurement of post-employment obligations	-	-	172	-	-	172	93	265
Effective portion of change in fair value of cash flow hedges	-	-	-	-4,758	-	-4,758	126	-4,632
Changes in fair value of cost of hedging	-	-	-	-	2,660	2,660	-	2,660
Total comprehensive income	**-**	**-**	**-67,834**	**-4,758**	**2,660**	**-69,932**	**12,592**	**-57,340**
Transactions with shareholders								
Share based payments	-	-	-167	-	-	-167	-	-167
Dividend	-	-	-112,756	-	-	-112,756	-4,598	-117,354
Change non-controlling interest	-	-	-702	-	-	-702	35,003	34,301
Other	-	-	-116	-	-	-116	-	-116
Balance at December 31, 2018	**40,271**	**1,711,033**	**4,495**	**-9,605**	**-1,706**	**1,744,489**	**231,348**	**1,975,836**
Balance at January 1, 2019	**40,271**	**1,711,033**	**4,495**	**-9,605**	**-1,706**	**1,744,489**	**231,348**	**1,975,836**
Comprehensive income								
Result	-	-	-328,741	-	-	-328,741	9,790	-318,951
Remeasurement of post employment obligations	-	-	-133	-	-	-133	-67	-200
Effective portion of change in fair value of cash flow hedges	-	-	-	3,036	-	3,036	-47	2,989
Changes in fair value of cost of hedging	-	-	-	-	2,056	2,056	-	2,056
Total comprehensive income	**-**	**-**	**-328,874**	**3,036**	**2,056**	**-323,782**	**9,676**	**-314,106**
Transactions with shareholders								
Shares for remuneration	-	-	318	-	-	318	-	318
Share based payments	-	-	-201	-	-	-201	-	-201
Dividend	-	-	-101,480	-	-	-101,480	-5,947	-107,427
Change non-controlling interest	-	-	276	-	-	276	-4,386	-4,110
Other	-	-	-22	-	-	-22	-9	-31
Balance at December 31, 2019	**40,271**	**1,711,033**	**-425,488**	**-6,569**	**350**	**1,319,598**	**230,682**	**1,550,281**

Consolidated cash flow statement
for the year ended December 31, 2019

(x € 1,000)	Note	2019	2018
Operating activities			
Result		-318,951	-55,634
Adjustments:			
Valuation results	28, 35	448,343	112,776
Net interest	32, 35	28,312	32,943
Other financial income and expense	33	1,504	2,062
Results on disposals	29, 35	-555	84,227
Deferred tax		-4,854	-3,120
Amortisation		1,928	752
Movements in working capital		-11,219	11,903
Cash flow generated from operations		**144,507**	**185,909**
Interest paid		-29,060	-32,682
Interest received		70	85
Income tax paid		-687	-1,261
Cash flow from operating activities		**114,831**	**152,051**
Investment activities			
Proceeds from disposals direct investment properties	29	13,518	34,544
Proceeds from disposals indirect investment property		-2,696	437,257
Investments in investment property	5	-80,345	-186,152
Investments in equipment		-500	-457
Investments in financial assets		-109	-437
Investments in intangible assets		-78	-141
Cash flow from investing activities		**-70,210**	**284,614**
Financing activities			
Proceeds from interest-bearing debts	18	272,760	35,996
Repayment interest-bearing debts	18	-313,317	-247,819
Movements in other long-term liabilities		-2,046	613
Other movements in reserve		319	-
Transactions non-controlling interest		-	4,239
Dividend paid		-107,427	-117,354
Cash flow from financing activities		**-149,711**	**-324,325**
Increase/decrease in cash and cash equivalents		-105,091	112,340
Cash and cash equivalents at January 1	12	125,925	13,585
Cash and cash equivalents at December 31	12	**20,834**	**125,925**

Notes to the consolidated financial statements

1 Reporting entity

Wereldhave N.V. ('the Company') is an investment company which invests in real estate (shopping centres and offices). The property portfolio of Wereldhave N.V. and its subsidiaries ('the Group') is located in Belgium, France and the Netherlands. The Group is principally involved in leasing investment property under operating leases. The property management is performed by Group management companies. The Company is a limited liability company incorporated and domiciled in the Netherlands. The address of the Company's registered office is Schiphol Boulevard 233, 1118 BH Schiphol. The shares of the Company are listed on the Euronext Stock Exchange of Amsterdam. The consolidated financial statements for the year ended December 31, 2019 were authorised for issue by the Supervisory Board on March 9, 2020 and will be presented to the shareholders for approval on April 24, 2020.

2 Tax status

Wereldhave N.V. has the tax status of an investment company (FBI status) in accordance with section 28 of the Dutch 'Wet op de Vennootschapsbelasting 1969'. This status assumes that the Group is (almost) exclusively engaged in portfolio investment activities. As a consequence, corporation tax is due at a rate of 0% in the Netherlands, provided that certain conditions are met. The main conditions concern the requirement to distribute the taxable result as dividend and restrictions with regard to the leverage. The taxable result of Wereldhave N.V. must be distributed as a dividend to its shareholders within eight months after the year during which the result was made. In general terms, the leverage restrictions imply that investments in real estate (including qualifying real estate companies) may only be financed through debt up to a maximum of 60% of their value. For investments in other assets the maximum level of debt allowed is only 20%. There is no requirement to include capital gains, arising on disposal of investments, in the result to be distributed.

The subsidiaries in Belgium (OGVV status) and France (SIIC status) have a similar status. In Belgium the net value of one single asset may not exceed 20% of the total Belgium portfolio. A concession was granted by the FSMA for a maximum period of 2 years expiring December 31, 2020. Our largest asset in Belgium, Belle-Île, was below the threshold of 20% at December 31, 2019.

3 Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Basis of accounting

Statement of compliance

The consolidated financial statements of Wereldhave N.V. have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

Income and cash flow statement

The Group presents a separate 'statement of profit or loss' and 'other comprehensive income'.

The Group reports cash flows from operating activities using the indirect method. Interest received and interest paid is presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities as this most appropriately reflects the Group's business activities.

Preparation of the consolidated financial statements

The consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of investment property and derivative financial instruments that have been measured at fair value.

The preparation of consolidated financial statements in conformity with EU-IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5 and 25.

Change in accounting policy and disclosures

New and amended standards adopted by the Group

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2018, except for the new standards mentioned below:

IFRS 16

Wereldhave adopted IFRS 16, 'Leases' from January 1, 2019. IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Classification and Measurement the Group as a lessee

A right-of-use asset and a lease liability is recognised at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation, impairment losses and adjusted for certain remeasurements of the lease liability. Right-of-use assets are presented under property and equipment. Right-of-use assets that meet the definition of investment property are presented under investment property and subsequently measured at fair value in accordance with the Group's accounting policies.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date which are discounted using the Group's incremental borrowing rate, unless the interest rate implicit in the lease is available. The lease liability is subsequently increased by the interest costs on the lease liability and decreased by any lease payments made. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or changes to the assessment whether a purchase or extension options is reasonably certain to be exercised. Judgement may need to be applied to determine the lease term for some lease contracts that contain renewal or termination options. The assessment may significantly affect the amount of lease liabilities and right-of-use assets recognised.

For the transition at January 1, 2019 the Group accounted for its leasehold contracts, office and car leases under IFRS 16 using the modified retrospective approach. As permitted under the specific transitional provisions, the 2018 comparative information is not restated. The comparative information is presented in accordance with IAS 17 and related interpretations. The disclosure requirements of IFRS 16 have not been applied to comparative information.

On adoption of IFRS 16 Wereldhave elected to use the transition practical expedient to recognise only lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17. Therefore, the definition of a lease under IFRS 16 has only been applied to contracts entered into or changed on or after January 1, 2019. Wereldhave elected to use the recognition exemptions for leases with a lease term of 12 months or less at date of initial application and lease contracts for which the underlying asset is of low value.

Lease liabilities were measured at the present value of the remaining lease payments and discounted using the incremental borrowing rate as of January 1, 2019. The weighted average rate applied is 5%. Lease liabilities are included in other long-term liabilities in the statement of financial position.

Right-of-use assets were measured at the amount equal to the lease liability and adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet at December 31, 2018.

The impact of the transition to IFRS 16 is summarised below.

(x € 1,000)	January 1, 2019
Assets	
Investment Property	16,050
Property and equipment	4,646
Total right-of-use assets recognised under IFRS 16	**20,696**
Liabilities	
Other long-term liabilities	20,696
Total lease liabilities recognised under IFRS 16	
Operating lease commitments at December 31, 2018	85,518
Discounted using the incremental borrowing rate at January 1, 2019	20,696
Lease liabilities recognised at January 1, 2019	**20,696**

For leases under IFRS 16 the Group recognised depreciation and interests costs instead of operating lease expenses. For the year ending December 31, 2019 the Group recognised depreciation charges of € 1.3m and interest costs of € 1.1m. No depreciation is recognised for right-of-use assets that meet the definition of investment property. Payments of lease liabilities are presented as cash flows from financing activities in the cash flow statement.

The Group as a lessor

IFRS 16 did not result in any changes to the accounting of leases where Wereldhave acts as the lessor.

Change in classification

The Group reclassified in the comparative figures an amount of € 5.0m from 'gross rental income' to 'property expenses'. This change has no impact on equity and results.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2019. These standards and amendments did not have an impact on these consolidated financial statements.

Other standards

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a significant impact on the Group.

3.2 Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Wereldhave recognises acquisitions if IFRS 3R "Business Combinations" or IAS 40 "Investment Property" applies. Acquisitions are considered a business combination if there is an acquisition of assets, rental activities and such, a management organisation, that the acquired entity can operate as an independent company with the aim of generating economic results. Wereldhave does not necessarily consider acquisitions of properties within a legal company as a business combination but evaluates these acquisitions individually for the above operational characteristics.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

For acquisitions of subsidiaries not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

Consolidated financial statements are prepared using uniform accounting policies for similar transactions. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated.

Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Operating segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision maker is the Chief Executive Officer (CEO) of the Company.

3.3 Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euros, which is the Company's functional currency and the Group's presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement for the year.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within other financial income and expenses.

The following exchange rates against the euro, were used for these consolidated financial statements:

	average		year-end	
	2019	**2018**	**2019**	**2018**
GBP	1.14056	1.13038	1.18213	1.11241
USD	0.89334	0.84755	0.89182	0.87207
CAD	0.67339	0.65386	0.68649	0.63955

3.4 Comprehensive income
In the statement of comprehensive income, no separate line for tax is included as there are no taxable items. This is due to the tax status of the Group and some subsidiaries.

3.5 Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments mainly to hedge exchange rate and interest rate risks arising from financing activities. The Group does not hold any derivatives for trading purposes. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. Changes in the fair value of derivatives that are not designated as hedging instruments are recognised in the income statement as they arise.

The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges) or hedges of the fair value of recognised assets and liabilities (fair value hedges).

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

The Group uses hedging instruments such as interest and cross currency swaps. Transactions are entered into with a limited number of counterparties with strong credit ratings. Hedging operations are governed by internal policies and rules approved and monitored by the Board of Management.

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 other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income 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 recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts is separately accounted for as a cost of hedging and recognised in a cost of hedging reserve within equity.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the transaction is no longer expected to occur, the cumulative gain or loss and costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other financial income and expense.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

3.6 Investment property

Property that is held for long-term rental income or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs. After this initial recognition, investment property is carried at fair value.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date and adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow or capitalisation projections. Valuations are performed as of the financial position dates 30 June and 31 December by professional independent external valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Significant unobservable input	Relationship between significant unobservable inputs and the fair value measurement
• Growth forecast for market rent level • Periods of vacancy following expiration of a lease • Occupancy rate • Rent-free periods and other lease incentives • Theoretical net yield	The estimated fair value increases (decreases) if: • The expected growth of market rent levels is higher (lower) • The periods of vacancy are shorter (longer) • The occupancy rate is higher (lower) • The rent-free periods are shorter (longer) • The estimated maintenance costs / investments are lower (higher) • The net-yield is lower (higher)

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

Properties eligible for disposal are classified as assets held for sale. In the case of sale of properties, the difference between net proceeds and book value is recognised in the income statement under results of disposal.

Lease incentives, rent-free periods and other leasing expenses

Rent-free periods and investments made, or allowances granted to tenants by Wereldhave ("lease incentives") are allocated on a linear basis over the lease term. The lease term consists of the period until the first break option for the tenants, which period can be extended by management with the expected prolongation of the leases.

In determining the property at fair value capitalised lease incentives are adjusted for the valuation results, to avoid double counting.

Investment property under construction

Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

It may sometimes be difficult to reliably determine the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract
- The stage of completion
- Whether the project/property is standard (typical for the market) or non-standard
- The level of reliability of expected cash inflows after completion
- The development risk specific to the property
- Past experience with similar constructions
- Status of construction permits

Costs include the material and labour for the construction, costs of staff directly related to technical supervision, project management on the basis of time spent and finance costs. The finance cost are capitalised interest that is charged until the date of delivery and is based on the interest to be allocated to development or on the basis of the average effective rate of the Group, where no specific project financing is present. Interest charges include interest and all costs associated with Wereldhave raising funds.

The fair value of development is determined on an identical basis as investment properties, with the understanding that the capitalisation factor is adjusted to reflect development risks.

Fair value changes and impairment losses are recognised in the income statement as valuation result. Investment property under construction are transferred to investment properties on the date of delivery.

3.7 Leases

Group company is the lessee

A right-of-use asset and a lease liability is recognised at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation, impairment losses and adjusted for certain remeasurements of the lease liability. Right-of-use assets are presented under property and equipment. Right-of-use assets that meet the definition of investment property are presented under investment property and subsequently measured at fair value in accordance with the Group's accounting policies.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date which are discounted using the Group's incremental borrowing rate, unless the interest rate implicit in the lease is available. The lease liability is subsequently increased by the interest costs on the lease liability and decreased by any lease payments made. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or changes to the assessment whether a purchase or extension options is reasonably certain to be exercised. Judgement may need to be applied to determine the lease term for some lease contracts that contain renewal or termination options. The assessment may significantly affect the amount of lease liabilities and right-of-use assets recognised.

Lease liabilities are included in other long-term liabilities in the statement of financial position. Payments of lease liabilities are presented as cash flows from financing activities in the cash flow statement.

Group company is the lessor in an operating lease

Properties leased out under operating leases are included in investment property in the consolidated statement of financial position. See Note 26 for the recognition of rental income.

Accounting policy applied until December 31, 2018

Group company is the lessee

Operating lease

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to income statement on a straight-line basis over the period of the lease.

Finance lease

Leases of assets, where the Group company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding obligations, net of finance charges, are included in long-term liabilities. The interest element of the finance cost is charged to the income statement over the lease period. Investment properties acquired under finance leases are carried at their fair value. Fair value changes are recognised through income statement.

3.8 Property and equipment

Property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost includes the cost of replacing part of existing plant and equipment at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an item of plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation, is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives, as follows:

Office Furniture:	10 years
Equipment:	5 years
Cars:	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year-end. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than the estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

3.9 Intangible assets

Computer software

Acquired computer software licenses and costs relating to internally developed software are capitalised at cost incurred to acquire, develop and implement the specific software. These costs are amortised over their estimated useful lives (5 to 10 years).

3.10 Impairment of non-financial and financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

3.11 Financial instruments

Wereldhave categorises its financial instruments measured at fair value in three categories. Level 1 valuations are based on quoted market prices, level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either direct or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

3.12 Financial assets

The Group classifies its financial assets in those to be measured subsequently at fair value and those to be measured at amortised cost. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified after their initial recognition unless the Group changes its business model for managing financial assets.

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

A financial asset is initially measured at fair value plus, in case of assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of financial assets depends on the business model for managing the asset and the cash flows characteristics of the asset. There are three measurement categories into which the Group classifies its financial assets:

- Amortised cost is applied for financial assets held within a business model whose objective is to hold the assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Fair value through other comprehensive income is applied for equity investments that are not held for trading or debt investments held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Assets that do not meet the criteria for amortised costs or fair value through other comprehensive income are measured at fair value through profit or loss.

Financial assets at amortised costs are subsequently measured at amortised cost using the effective interest method, reduced by impairment losses. Interest income and impairments are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity and debt investments at fair value through other comprehensive income are subsequently measured at fair value. Dividends, interest income calculated using the effective interest method and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition of debt investments, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Financial assets at fair value through profit or loss are subsequently measured at fair value. Net gains and losses are recognised in profit or loss unless item is designated as hedging instrument.

An overview of the carrying amounts of the financial assets is set out in Note 24.

3.13 Financial liabilities

A financial liability is initially measured at fair value plus, in case of assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

Financial liabilities are subsequently classified as measured at amortised cost or fair value through profit or loss.

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

An overview of the carrying amounts of the financial liabilities is set out in Note 24.

3.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank overdrafts. Cash and cash equivalents are measured at nominal value.

3.15 Non-current assets held for sale

Non-current assets (or a disposal group) are held for sale in case the carrying amount will be recovered principally by means of a sale rather than by continuing use. This only applies if the asset (or disposal group) is available for immediate sale in its present condition. Furthermore, 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.

Non-current assets (or disposal group) classified as held for sale are measured at the lower of the carrying amount and fair value less cost to sell except for assets such as deferred tax assets and investment property that are carried at fair value. Non-current assets held for sale or the assets from a disposal group are presented separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from the other liabilities. Assets and liabilities held for sale are not offset against each other.

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

3.16 Trade receivables

Trade receivables are amounts due from tenants under the lease agreements. Standard lease terms require upfront payment of rent and therefore trade receivables are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost less expected credit losses.

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables at each reporting date. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

3.17 Equity

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are deducted from the proceeds. When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in the general reserve in equity. Repurchased shares are classified as treasury shares and deducted from total equity. When treasury shares are reissued the proceeds are credited to the treasury share reserve and any surplus is credited to the share premium reserve. Dividends are recognised as a liability in the period in which they are declared.

3.18 Dividend policy

As an investment company in accordance with Article 28 of the Dutch ‘Wet op de Vennootschapsbelasting 1969’, the Company is required to distribute at least the taxable result as dividend.

Wereldhave aims for a dividend pay-out ratio of 75% - 85% of its direct result (net rental income, general costs, other gains and losses, financial income and expense (other than the interest addition to the real value of the conversion rights of convertible bonds, premiums paid on repurchased interest-bearing debt and actuarial gains and losses on employee benefit plans) and tax charges on direct result.

3.19 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Any increase in the provision due to passage of time is recognised as interest charges.

3.20 Non-current liabilities

Interest-bearing debt

Interest-bearing debt is initially recognised at fair value, minus transaction costs. Subsequently interest-bearing debt is measured at amortised cost. Any difference between the face value and the carrying amount is recognised in the income statement over the period of the interest-bearing debt on the basis of the effective interest per debt. The portion of debt outstanding to be repaid within twelve months is shown under current liabilities.

Convertible bonds

The components of a convertible bond are stated separately in accordance with the economic content of the agreement as a financial liability and shareholders’ equity. At the time of issue, the fair value of the debt component is determined on the basis of market interest rate applicable to a comparable non-convertible instrument. This amount is carried as a financial liability on the basis of amortised cost of purchase using the effective interest rate method up until the time of fulfilment, i.e. when the instrument is converted or reaches its maturity. The equity option component is calculated by subtracting the value of the debt component from the fair value of the whole instrument. The resultant value, less the income tax impact, is recognised as part of the share premium reserve in shareholders' equity.

Other long-term liabilities

Long-term debts from employee benefit plans are accounted for in accordance with paragraph 3.21.

3.21 Pension plans

Defined contribution plans

Defined contribution plans are pension schemes to which a Group company makes a fixed annual contribution and where the Company does not have a legal or constructive obligation to make further payments if the pension fund of the pension scheme does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

3.22 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.

3.23 Revenue

Gross Rental income

Rental income from investment properties leased out under operating leases is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives are recognised as a reduction of the rental income and are straight-lined over the minimum term of the lease. Rent adjustments due to indexation are recognised as they arise. Rental income does not include value added tax or amounts charged to tenants in respect of service and operating costs.

Variable rental income, such as turnover related rent or income from specialty leasing is recognised in the income statement in the period to which it relates, if it can be estimated reliably. If a reliable estimate is not possible, recognition takes place at the time of realisation.

Revenue received from tenants for early termination of leases is directly recognised in the income statement in the period to which the revenues relates.

Service costs charged

Where there are service contracts with third parties, service charges are recovered from tenants. Service charges in respect of vacant property are expensed as property expenses. They mainly relate to gas, water, electricity, cleaning and security. Service charges are shown on a gross basis when Wereldhave acts as a principal.

3.24 Expenses

Service costs paid

Service costs are shown on a gross basis when Wereldhave acts as a principal. In case Wereldhave acts as an agent only the non-recoverable amount of the service and operational costs is presented. In the presentation on a gross basis, costs and charges are shown separately.

Property expenses

Property expenses consist of operational cost for the account of Wereldhave attributable to the accounting period, such as:

- Maintenance;
- Property tax;
- Insurance premiums;
- Property management; and
- Letting expenses.

Letting expenses include the depreciation of capitalised expenditure in connection with a letting, such as fit out contributions paid by Wereldhave. The expenditure is depreciated over the term of the lease. Investment property depreciation charges are not recognised, because investment properties are valued at market value see paragraph 3.6. The market value calculation takes technical and economic obsolescence into account.

General costs

General costs are expenses that are not directly attributable to the operation of properties (including salaries of staff not directly involved with properties, office overheads, advice, valuation and audit fees, listing costs and promotion costs). Direct staff costs relating to property management are included in property expenses. Direct staff costs relating to supervising and monitoring investment and development projects are capitalised as part of the investment property under construction on the basis of time spent.

3.25 Results on disposal

The results on disposal are the differences between the realised selling prices, net of selling costs, and the carrying amount, based on the last reported fair value (mostly the latest appraisal).

Results on disposal from the sale of investment property or fixed assets are processed if the following conditions are met:

- The entity has transferred the rights to all major economic benefits and any significant risks to the buyer;
- The legal entity does not keep possession of those goods and therefore cannot decide on its use;
- The amount of revenue can be reliably determined;
- It is probable that the economic benefits associated with the transaction will flow to the new legal owner; and
- Costs already incurred and the potential future costs in respect to the transaction can be measured reliably.

3.26 Interest charges and interest income

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 interest received and interest paid. Interest income & charges is recognised in the income statement as it accrues. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, to the fair value of the financial asset or financial liability as at the recognition of the instrument.

Interest attributable to the acquisition or construction of an asset that takes a substantial period of time to complete, is capitalised as part of the cost of the respective assets, starting from preparation of the plan until completion. Capitalised interest is calculated using the Group's weighted average cost of debt or the borrowing cost of specific project financing.

3.27 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to the Board of Management is generally recognised as an expense, with a corresponding reserve in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of the amount payable to the Board of Management in respect of share-based payments arrangements, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the Board of Management become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share-based payments arrangements. Any changes in the liability are recognised in profit or loss.

3.28 Income tax

Tax charges on the income statement for a year comprise current and deferred tax and are calculated on results before taxes, considering any tax-exempt components of result and non-deductible costs. Losses to be offset against probable future results are recognised as deferred tax asset. Current tax is the expected tax payable or receivable on the taxable income or loss for the period. Deferred tax consists of the expected tax payable or receivable on changes in the value of assets or liabilities which will be realised at the time of sale.
Tax charges are calculated using tax rates prevailing at the balance sheet date.

Current tax and deferred tax is recognised in income statement except to the items recognised directly in equity or in other comprehensive income in which case, the tax is also recognised in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are stated at nominal value.

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income statement;
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The carrying value of the Group's investment property is assumed to be realised by sale at the end of use.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable results will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.29 Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing:
- The profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by;
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:
- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3.30 Segment reporting
The Wereldhave Board of Management has determined the operating segments based on the information reviewed by the Board of Management for assessing performance and allocating resources. Management considers the business from a geographic perspective and management assesses performance for Belgium, Finland, Netherlands, France and Head office. A segment consists of assets and activities with specific risks and results, differing from other sectors. Finland was disposed effective December 14, 2018.

3.31 Rounding of amounts
All amounts as disclosed in the financial statements and notes have been rounded off to the nearest thousand euros unless otherwise stated and may not add up exactly due to rounding.

3.32 Significant estimates in the accounts

Investment property
The assets in the Company and its subsidiaries mainly consists of the property 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 location-based estimate. The estimate is based on the price level on which two well-informed parties under normal market conditions would make a transaction for that specific property on the date of valuation. The fair value of a property in the market can only be determined accurately at the moment of the actual sale of the property.

Twice a year (June 30 and December 31) the properties are valued by external valuers. The valuer appraises at fair value with his own market knowledge and information. The valuation is prepared by the valuer and verified and approved by Wereldhave.

The fair value is based on a net yield calculation, where market rents are capitalised. Elements of this calculation include current and future rent levels, expected vacancy rates, rent indexations, turnover rents, lease incentives, etc. The yields and market rents used are specific for the country, the location, the type of property, the level of maintenance and the general rent ability of every single property. The determination of applicable yields is based upon comparable transactions, supplemented with market and building specific knowledge and remaining other assumptions, in which the professional judgment of the valuer will become more important if the available transaction information is not sufficient.

Apart from assumptions with respect to yields, costs for future maintenance investments are also considered in the valuation. Furthermore, explicit assumptions are made per lettable location and per tenant with regard to (re)letting, the start date of such (re)letting and the costs related thereto. Also, adjustments are made for expected costs of vacancy (present and future) and for differences between the market rent and contractual rent. Sales costs at the expense of the buyer, including transfer tax payable, are deducted from the market value.

General assumptions with regard to the valuation of investment property have been disclosed in paragraph 3.6 and in Note 5.

Pensions
With regard to the measurement of defined benefit plans, assumptions have been made with regard to interest rates, expected return on assets, mortality rates and future salary increases. Deviations from the assumptions will impact on assets, liabilities and results on future periods. In order to mitigate risks Wereldhave uses external experts for the measurement of defined benefit plans. Assumptions have been disclosed in Note 20.

4 Segment information

Geographical segment information 2019

(x € 1,000)	Belgium	Finland	France	Netherlands	Headoffice	Total
Result						
Gross rental income	63,914	-	50,368	92,308	-	206,589
Service costs charged	7,880	-	17,222	9,172	-	34,274
Total revenue	**71,794**	**-**	**67,589**	**101,480**	**-**	**240,863**
Service costs paid	-10,407	-	-19,716	-10,452	-	-40,575
Property expenses	-8,397	-	-9,373	-11,044	-	-28,814
Net rental income	**52,989**	**-**	**38,501**	**79,984**	**-**	**171,474**
Valuation results	-17,498	-	-87,710	-343,135	-	-448,343
Results on disposals	6	-	-6	49	-	49
General costs	-3,931	-	-2,185	-2,467	-8,515	-17,098
Other income and expense	4	-	-2	-	-158	-156
Operating result	**31,569**	**-**	**-51,401**	**-265,569**	**-8,672**	**-294,073**
Interest charges	-2,660	-	-15,702	-20,675	10,654	-28,382
Interest income	53	-	-	13	3	70
Other financial income and expense	-686	-	-	-	-830	-1,516
Income tax	649	-	-396	3,915	276	4,444
Result from continuing operations	**28,925**	**-**	**-67,500**	**-282,315**	**1,432**	**-319,457**
Result from discontinued operations	-	506	-	-	-	506
Result	**28,925**	**506**	**-67,500**	**-282,315**	**1,432**	**-318,951**
Total assets						
Investment properties in operation	947,069	-	804,476	1,082,145	-	2,833,690
Investment properties under construction	12,615	-	-	54,742	-	67,357
Assets held for sale	7,480	-	-	2,400	-	9,880
Other segment assets	23,180	-	34,715	178,481	1,365,919	1,602,296
minus: intercompany	-201	-	-	-65,000	-1,404,830	-1,470,031
	990,143	**-**	**839,191**	**1,252,769**	**-38,911**	**3,043,192**
Investments	22,164		14,539	39,593	-	76,296
Gross rental income by type of property						
Shopping centres	56,315	-	50,368	92,308	-	198,990
Offices	7,599	-	-	-	-	7,599
	63,914	**-**	**50,368**	**92,308**	**-**	**206,589**

Geographical segment information 2018

(x € 1,000)	Belgium	Finland	France	Netherlands	Headoffice	**Total**
Result						
Gross rental income	57,374	-	51,270	93,125	-	201,769
Service costs charged	11,576	-	14,913	8,778	-	35,267
Total revenue	**68,950**	**-**	**66,182**	**101,903**	**-**	**237,036**
Service costs paid	-13,566	-	-19,579	-9,883	-	-43,029
Property expenses	-7,627	-	-7,420	-12,606	-	-27,653
Net rental income	**47,757**	**-**	**39,183**	**79,414**	**-**	**166,354**
Valuation results	-1,327	-	-33,794	-59,391	-	-94,513
Results on disposals	-35	-	-652	-890	-	-1,578
General costs	-3,344	-	-2,619	-1,625	-9,357	-16,946
Other income and expense	117	-	-6	-	-1,570	-1,459
Operating result	**43,167**	**-**	**2,111**	**17,507**	**-10,928**	**51,858**
Interest charges	-2,669	-	-15,128	-19,909	4,678	-33,028
Interest income	44	-	-	26	-	71
Other financial income and expense	-	-	-	-	-2,062	-2,062
Income tax	21	-	-1,007	592	-	-395
Result from continuing operations	**40,563**	**-**	**-14,024**	**-1,783**	**-8,312**	**16,444**
Result from discontinued operations	-	-72,078	-	-	-	-72,078
Result	**40,563**	**-72,078**	**-14,024**	**-1,783**	**-8,312**	**-55,634**
Total assets						
Investment properties in operation	940,584	-	877,646	1,395,224	-	3,213,454
Investment properties under construction	14,692	-	-	45,307	-	59,999
Assets held for sale	-	-	-	6,940	-	6,940
Other segment assets	35,712	-	37,410	308,617	1,411,925	1,793,664
minus: intercompany	-10,532	-	-	-65,000	-1,488,085	-1,563,618
	980,456	**-**	**915,056**	**1,691,087**	**-76,160**	**3,510,440**
Investments	106,025	29,317	34,995	51,009	-	221,346
Gross rental income by type of property						
Shopping centres	49,503	-	51,270	93,125	-	193,898
Offices	7,871	-	-	-	-	7,871
	57,374	**-**	**51,270**	**93,125**	**-**	**201,769**

5 Investment property

(x € 1,000)	Investment property in operation	Lease incentives	Investment property under construction	Total Investment property
2019				
Balance at January 1	**3,213,454**	**6,754**	**59,999**	**3,280,207**
Recognition of right-of-use asset on initial application IFRS 16	16,050	-	-	16,050
Adjusted balance at January 1	**3,229,504**	**6,754**	**59,999**	**3,296,257**
Purchases	18,188	-	-	18,188
Investments	33,009	-	25,099	58,108
From / to development properties	15,453	-	-15,453	-
To / from investments held for sale	-9,880	-	-	-9,880
Disposals	-6,529	-	-	-6,529
Valuations	-446,055	-	-2,288	-448,343
Other	-	-1,115	-	-1,115
Balance at December 31	**2,833,690**	**5,639**	**67,357**	**2,906,686**
2018				
Balance at January 1	**3,643,322**	**8,014**	**122,361**	**3,773,697**
Purchases	73,303	-	-	73,303
Investments	81,954	-	66,089	148,043
From / to development properties	114,762	-	-114,762	-
To investments held for sale	-	-	-	-
Disposals	-602,761	-3,339	-	-606,100
Valuations	-97,126	-	-13,689	-110,815
Other	-	2,079	-	2,079
Balance at December 31	**3,213,454**	**6,754**	**59,999**	**3,280,207**

Investment property in operation

Wereldhave acquired in Tilburg a store in the Heuvelstraat for € 11m and an additional plot for € 3m. In Kortrijk the residual freehold rights of the car park and a leasehold was acquired for € 3m. Disposals during the year of € 7m relate mainly to the sale of residential apartment rights and a parking in Tilburg.

Overview of measurement of total investment property:

(x € 1,000)	December 31, 2019	December 31, 2018
Investment property in operation (including lease incentives)	2,839,329	3,220,208
Investment property under construction (IPUC)	54,742	51,074
Fair value	**2,894,071**	**3,271,282**
At cost less impairment (IPUC)	12,615	8,925
Total	**2,906,686**	**3,280,207**

99.6% (2018: 99.7%) of the total property portfolio was measured at fair value.

Investment property in operation

The valuation adjustments can be broken down as follows:

(x € 1,000)	2019	2018
Belgium	-17,567	-929
Finland	-	-18,263
France	-87,710	-33,794
Netherlands	-340,778	-44,139
Total	**-446,055**	**-97,126**

In 2019 (as well as 2018) no investment property is secured by mortgage.

99.6% of the investment property were valued externally at December 31, 2019. Independent external property valuators in 2019 are: Jones Lang LaSalle, Cushman & Wakefield and CBRE.

At December 31, 2019 the carrying amount is as follows:

(x € 1,000)	December 31, 2019	December 31, 2018
Total value according to external valuation reports	2,823,994	3,220,208
Add: Present value of future ground rent payments (leasehold)	15,335	-
Deduct: carrying amount of rent free periods and other leasing expenses to be amortised	-5,639	-6,754
Carrying amount	**2,833,690**	**3,213,454**

Key assumptions relating to valuations:

	Belgium	France	Netherlands
2019			
Total market rent per sqm (€)	204	231	203
EPRA Net Initial Yield	5.8%	4.6%	6.8%
EPRA vacancy rate	4.8%	7.2%	4.9%
Average vacancy period (in months)	8	11	10
Bandwith vacancy (in months)	0-18	6-15	5-15
2018			
Total market rent per sqm (€)	208	243	230
EPRA Net Initial Yield	5.8%	4.7%	5.6%
EPRA vacancy rate	3.8%	6.0%	2.9%
Average vacancy period (in months)	6-12	9	7
Bandwith vacancy (in months)	0-21	6-12	5-13

EPRA Net Initial Yield

Annualised rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, including estimated purchasers' cost (EPRA Net Initial Yield = ((Annualised rent passing + other income + turnover rent -/- property expenses) / Gross Property Value)). The total average EPRA Net Initial Yield amounts to 5.8% (2018: 5.4%).

A change in yield with 0.25% results in a change of approximately € 109m in equity and result (€ 2.71 per share). A 5% drop of the estimated market rent, assuming stable yields, has a negative impact on shareholders' equity and result of approximately € 141m (€ 3.50 per share).

Investment property in operation - lease data

	Average lease length		Annual rent of lease expiring in[1,2]			
(x € 1,000)	Until first break	Until lease end date	< 1 year	1-5 year	> 5 year	indefinite contracts
2019						
Belgium	3.0	6.1	4,614	21,926	30,059	1,755
France	1.8	5.0	5,796	11,651	21,375	4,585
Netherlands	3.3	4.1	8,510	44,743	29,205	5,878
Total portfolio	**2.8**	**4.9**	**18,920**	**78,320**	**80,639**	**12,218**
2018						
Belgium	2.7	6.1	2,924	23,016	29,195	2,225
France	2.0	4.8	6,089	14,674	23,914	4,509
Netherlands	3.8	5.1	5,237	44,603	33,606	7,807
Total portfolio	**3.0**	**5.3**	**14,250**	**82,293**	**86,715**	**14,541**

1 Based on Lease end date
2 Indefinite contracts has been reclassified in the comparative figures

Investment property under construction

The valuation adjustments can be broken down as follows:

(x € 1,000)	2019	2018
Belgium	69	-396
Netherlands	-2,357	-13,292
Total	**-2,288**	**-13,689**

Fair value hierarchy disclosures for investment properties have been provided in Note 25.

6 Property and equipment

	Owned		Leased		
(x € 1,000)	Office equipment	Cars	Offices	Cars	Total
Balance at January 1, 2019	**2,106**	**14**	**-**	**-**	**2,120**
Recognition of right-of-use asset on initial application IFRS 16	-	-	3,848	798	4,646
Adjusted balance at January 1, 2019	**2,106**	**14**	**3,848**	**798**	**6,766**
Investments/purchases	150	-	-	827	977
Disposals	-28	-	-	-	-28
Depreciation	-321	-7	-763	-598	-1,689
Balance at December 31, 2019	**1,907**	**7**	**3,085**	**1,027**	**6,026**
Balance at January 1, 2018	**2,031**	**87**	**-**		**2,118**
Investments/purchases	453	-	-		453
Disposals	-59	-46	-		-105
Depreciation	-319	-27	-		-346
Balance at December 31, 2018	**2,106**	**14**	**-**		**2,120**
December, 31 2019					
Total acquisition at cost	5,854	110	3,848	1,625	11,437
Total depreciation	-3,947	-103	-763	-598	-5,411
Net book value	**1,907**	**7**	**3,085**	**1,027**	**6,026**
December, 31 2018					
Total acquisition at cost	5,963	110	-	-	6,073
Total depreciation	-3,857	-96	-	-	-3,953
Net book value	**2,106**	**14**	**-**	**-**	**2,120**

7 Intangible assets

The intangible assets consist of computer software: acquired computer software licenses and costs relating to internally developed software.

Computer software

(x € 1,000)	December 31, 2019	December 31, 2018
Balance at January 1	**897**	**1,162**
Investments	78	141
Amortisation	-458	-406
Total	**517**	**897**

(x € 1,000)	December 31, 2019	December 31, 2018
Total acquisition at cost	2,489	2,412
Total amortisation	-1,972	-1,515
Total	**517**	**897**

8 Deferred tax assets

(x € 1,000)	December 31, 2019	December 31, 2018
Balance at January 1	**-**	**2,235**
Additions	-	1,707
Discontinued operation	-	-3,942
Total	**-**	**-**

9 Financial assets

(x € 1,000)	IFRS Category	December 31, 2019	December 31, 2018
Loans	Amortised cost	578	472
Deposits paid	Amortised cost	248	244
Derivative financial instruments	Fair value through P&L	34,024	27,245
Total		**34,850**	**27,961**

Derivative financial instruments

Further reference is made to Note 23.

10 Trade and other receivables

(x € 1,000)	December 31, 2019	December 31, 2018
Tenant receivables	22,442	11,091
Service charge receivable	3,650	5,779
Prepayments	3,579	6,589
Interest to be received	5,484	9,695
Amounts to be invoiced	10,006	15,876
Other	4,230	3,667
Total	**49,391**	**52,697**

The fair value of the trade and other receivables coincides with their carrying amount. Wereldhave holds tenant deposits, credit letters from banks and Group credit letters as collateral. Other receivables do not include amounts with a maturity of more than twelve months.

Interest to be received refers to interest receivable under interest rate swaps.

Maturity of tenant receivables

(x € 1,000)	December 31, 2019	December 31, 2018
- not due	12,161	-
- up to 1 month	3,112	4,737
- between 1 and 3 months	1,472	1,814
- between 3 and 12 months	9,106	3,897
- more than 1 year	5,691	13,408
	31,543	**23,856**
Deduct: provision	-9,100	-12,765
Total	**22,442**	**11,091**

In 2019 an amount of € 5.1m (2018: € 2.7m) was added to the provision doubtful. An amount of € 8.8m (2018: € 0.2m) was withdrawn in 2019.

11 Tax receivables

(x € 1,000)	December 31, 2019	December 31, 2018
Withholding tax	1,440	919
Value added tax	6,368	8,124
Dividend tax	7,200	4,650
Total	**15,008**	**13,693**

12 Cash and cash equivalents

(x € 1,000)	December 31, 2019	December 31, 2018
Bank balances	20,834	30,925
Deposits	-	95,000
Total	**20,834**	**125,925**

13 Investments held for sale

Wereldhave completed the disposal of the former V&D department store in Hoofddorp and transferred student housing in Gent and a plot of land in the Netherlands to investments held for sale.

14 Share capital

Ordinary shares

(number of shares)	Authorised share capital	Number of issued shares	Shares for remuneration	Outstanding number of shares
Balance at January 1, 2018	**75,000,000**	**40,270,921**	**-26,030**	**40,244,891**
Movements in 2018	-	-	-1,897	-1,897
Balance at December 31, 2018	**75,000,000**	**40,270,921**	**-27,927**	**40,242,994**
Movements in 2019	-	-	12,429	12,429
Balance at December 31, 2019	**75,000,000**	**40,270,921**	**-15,498**	**40,255,423**

The authorised ordinary shares have a par value of € 1 each. All issued ordinary share have been fully paid.

Preference shares

The authorised preference share capital amounts to a number of preference shares equal to the number of ordinary shares up to € 75m. The preference shares have a par value of € 1 each. No preference shares have been issued.

Capital management

The objective of Wereldhave, when managing capital, is to safeguard the Group's continuity, to provide returns for its shareholders, benefits for other stakeholders and to maintain a capital structure as to optimise the cost of capital. Furthermore, Wereldhave manages its fiscal capital to ensure that it meets the requirements from fiscal laws and regulations. Wereldhave has the possibility to adjust the amount of dividends, return capital to shareholders, issue new shares or sell assets in order to maintain or adjust the capital structure.

15 Share premium

Share premium is paid up share capital in excess of nominal value. There were no changes in share premium in 2019. The amount of share premium that is recognised for tax purposes is € 1,716m (2018: € 1,716m).

16 General reserve

In 2019, an interim dividend of € 0.63 and a final dividend of € 0.63 relating to 2018 were paid (€ 1.26 interim dividend relating to 2018 was paid in 2018) per qualifying ordinary share. An interim dividend relating to 2019 of € 0.63 was paid in July 2019 and € 0.63 was paid in October 2019.

An amount of € 294m (2018: € 299m) has been designated as legal reserves, mainly relating to the unrealised valuation adjustments of investment properties and cannot be distributed.

17 Hedge reserve and cost of hedging reserve

The hedge reserve comprises the effective portion of the cumulative net change in fair value of hedging instruments designated as cash flow hedges where the hedged transaction has not yet occurred.

The cost of hedging reserve comprises changes in the fair value of cross-currency interest rate swaps that are caused by the cross-currency basic spreads.

18 Interest-bearing liabilities

Composition

(x € 1,000)	December 31, 2019	December 31, 2018
Long term		
Bank loans	419,075	283,835
Private placement	739,137	725,936
EMTN	9,472	9,380
	1,167,684	**1,019,151**
Short term		
Bank loans	74,973	-
Private placement	-	55,616
Treasury notes	93,000	35,000
Convertible bonds	-	248,551
	167,973	**339,167**
Total interest bearing liabilities	**1,335,657**	**1,358,318**

Movements in interest-bearing liabilities

Including short-term portion of debt.

(x € 1,000)	2019	2018
Balance at January 1	**1,358,318**	**1,557,658**
New funding	272,760	35,996
Repayments	-313,317	-247,819
Use of effective interest method	1,170	1,474
Effect of fair value hedges	1,446	531
Exchange rate differences	15,280	10,478
Balance at December 31	**1,335,657**	**1,358,318**

2014-2019 Convertible bond

On 15 May 2014 Wereldhave issued a 1% convertible bond due 22 May 2019 for an amount of € 250m. The convertible bonds were treated as a compound financial instrument. The fair value of the conversion option has been separated from the loan contract and has been accounted for as derivative. The conversion option is calculated by subtracting the value of the debt component from the fair value of the whole instrument. The change in value of the conversion option is accounted for in the income statement. The convertible bond was repaid in full in May 2019.

(x € 1,000)	2019	2018
Balance at January 1	**248,551**	**245,028**
Amortisation option premium	1,175	2,820
Use of effective interest method	274	703
Repayment	-250,000	-
Balance at December 31	**-**	**248,551**

Private Placements

The Private Placement Notes issued in 2015 and 2017 contain embedded derivatives. The derivatives are recorded separately in the financial statements. As per December 31, 2019 the embedded derivatives have a negative value of € 1.1m.

Secured interest-bearing liabilities

The Company has no secured debt.

Unsecured interest-bearing liabilities

Unsecured interest-bearing liabilities have financial covenants that include various clauses. As at December 31, 2019 Wereldhave complied with these clauses.

Covenants

Loan-to-value

The Loan-to-value ratio is calculated by dividing the debt by the investment properties. This ratio may not exceed 60%.

Interest cover ratio

The interest cover ratio is calculated by dividing the net rental income by the net interest payable. This ratio may not be less than 2.

Solvency

Equity (less intangible assets) and deferred tax liabilities should amount to at least 40% of total assets (less intangible assets).

	Covenants	December 31, 2019	December 31, 2018
Loan-to-Value	60.0%	44.8%	37.5%
Solvency	40.0%	51.0%	56.5%
Interest coverage ratio	2.0	6.6	6.2

Wereldhave reports a net LTV of 44.8% in its communication with investors. The LTV definition in the covenants is a gross LTV i.e. cash is not deducted from the debt. In accordance with this definition the LTV is 45.5%.

Average effective interest rate

The effective interest is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net book value of the financial asset or financial liability. Differences to the nominal interest rate may occur because of the amortisation of interest charges and equity option components of convertible bonds over the remaining duration of the instrument.

The average nominal interest based on nominal interest rates, without the effects of the effective interest rate method amounts to:

	2019	2018
Euro	1.7%	1.8%
US dollar	2.3%	2.4%
Pound sterling	3.0%	3.5%
Canadian Dollar	2.3%	2.3%
Total	**1.9%**	**2.1%**

The average interest rate based on the effective interest method is as follows:

2019	EUR	GBP	USD	CAD	Total
Short term interest bearing debt					
Bank loans and private placement	0.4%	-	-	-	0.4%
Interest rate swaps	0.7%	-	-	-	0.7%
Long term interest bearing debt					
Bank loans, private placement and EMTN	1.6%	4.1%	4.8%	4.0%	2.6%
Interest rate swaps	-1.6%	-	-	-	-1.6%
Average	**1.7%**	**4.1%**	**4.8%**	**4.0%**	**1.9%**

2018	EUR	GBP	USD	CAD	Total
Short term interest bearing debt					
Convertible bonds	1.0%	-	-	-	1.0%
Bank loans and private placement	0.2%	4.5%	-	-	2.9%
Interest rate swaps	-0.0%	-	-	-	-0.0%
Long term interest bearing debt					
Bank loans and private placement	1.8%	4.1%	4.8%	4.0%	2.8%
Interest rate swaps	-1.2%	-	-	-	-1.2%
Average	**1.8%**	**4.3%**	**4.8%**	**4.0%**	**2.1%**

Fair value of debt

The carrying amount and the fair value of interest-bearing debts may differ as a result of accounting adjustments, such as amortised costs, the equity option component of the convertible bond and the result of differences in coupon interest versus market interest.

The fair value of long-term interest-bearing debts is based on prices of these instruments available in the active open market (convertible bonds). In the absence of such market prices, the fair value (bank debt and other loans) is calculated as the present value of cash flows discounted with the relevant market interest percentages, including a company specific surcharge. The fair value of short-term interest-bearing debts is equal to the book value.

The carrying amount and fair value of long-term interest-bearing debt is as follows:

	December 31, 2019		December 31, 2018	
(x € 1,000)	carrying amount	fair value	carrying amount	fair value
Bank loans, private placement and EMTN	1,167,684	1,207,517	1,019,151	1,056,633
Total	**1,167,684**	**1,207,517**	**1,019,151**	**1,056,633**

Currencies

The carrying amount of interest-bearing debt of the Group (short- and long-term) are denominated in the following currencies:

	December 31, 2019		December 31, 2018	
	currency	EUR	currency	EUR
Euro	951,094	951,094	932,411	932,411
US dollar	307,500	276,263	307,500	269,203
Pound sterling	80,000	94,570	130,000	143,913
Canadian dollar	20,000	13,730	20,000	12,791
Total		**1,335,657**		**1,358,318**

Interest-bearing debt in U.S. Dollars, British Pound and Canadian dollar were for an amount of USD 308m, GBP 80m and CAD 20m converted to EURO via multiple cross currency interest rate swaps.

Credit facilities and bank loans

As at December 31, 2019, Wereldhave had € 430m (2018: € 430m) of revolving credit facilities. Nil (2018: € 0m) will expire within 1 year, € 430m (2018: 430m) in 1 to 5 years and nil (2018: € 0m) expires after 5 years. As at December 31, 2019, Wereldhave had undrawn credit facilities to the amount of € 220m (2018: € 430m). The average maturity of the committed revolving credit facilities at 31 December 2019 was 3.3 years (2018: 3.6 years).

19 Deferred tax liabilities

Deferred tax liabilities relate to the difference between the fair value of investment properties and their carrying amount for tax purposes. This item is to be considered as being of a long-term nature. Movements are shown as follows:

(x € 1,000)	2019	2018
Balance at January 1	**6,648**	**77,127**
Movements taken to the result due to positive revaluation	-	18
Movements taken to the result due to negative revaluation	-4,204	-853
Discontinued operations	-	-69,223
Other	-1,217	-421
Balance at December 31	**1,227**	**6,648**

20 Other long-term liabilities

(x € 1,000)	December 31, 2019	December 31, 2018
Pension plans	1,130	845
Tenants deposits	13,305	12,954
Lease liabilities	20,180	-
Other	-	975
Total	**34,615**	**14,774**

Tenant deposits consists of amounts received from tenants as a guarantee for future rental payment obligations.

Pension plans

The net liability from the defined benefit plan in Belgium is composed as follows:

(x € 1,000)	2019	2018
Fair value of plan assets	2,613	3,240
Benefit obligations	3,743	4,085
Net liability	**1,130**	**845**

Reconciliation of net liability	2019	2018
January 1	**845**	**1,160**
Charge recognised in P&L	366	376
Remeasurement recognised in OCI (Income)/Loss	199	-347
Employer contributions	-280	-344
31-Dec	**1,130**	**845**

The movement of the defined benefit obligation in Belgium is as follows:

(x € 1,000)	2019	2018
Balance at January 1	**4,085**	**4,243**
Net service cost	357	365
Interest cost	43	45
Employee contributions	6	8
Benefits paid	-1,093	-168
Experience (gains) / losses	426	-301
Expenses	-81	-107
Balance at December 31	**3,743**	**4,085**

The movement of the fair value of plan asset in Belgium is as follows:

(x € 1,000)	2019	2018
Balance at January 1	**3,240**	**3,083**
Interest income on plan assets	34	34
Return om scheme assets	227	47
Actual expenses	-81	-107
Employer contributions	280	343
Employee contributions	6	8
Benefits paid	-1,093	-168
Balance at December 31	**2,613**	**3,240**

The assumptions used:

- discount rate obligations	0.30% - 0.40%	1.00% - 1.30%
- rate of annual salary increases	2.00%	2.00%

Pension costs

The total cost for defined benefit plan in Belgium is as follows:

(x € 1,000)	2019	2018
Current service cost	357	365
Net interest on Net Defined Benefit Liability (Asset)	9	11
Total	**366**	**376**

The following amounts have been recognised in other comprehensive income (OCI):

(x € 1,000)	2019	2018
Actuarial (gain)/loss due to liability expenses	199	-347
Remeasurement effect recognised in OCI	**199**	**-347**

In total the following movements have been recognised in the income statement and OCI:

(x € 1,000)	2019	2018
Balance at January 1	**4,085**	**4,243**
Net service cost	357	365
Interest cost	43	45
Employee contributions	6	8
Benefits paid	-1,093	-168
Experience (gains) / losses	426	-301
Expenses	-81	-107
Balance at December 31	**3,743**	**4,085**

The fair value of the Belgian pension assets consists, as in 2018, for 100% of insurance contracts.

Mortality rates

The mortality rates used for Belgium are the MR/FR series with an age correction of -5 years.

In 2019 and 2018 the plan asset in Belgium does not include shares issued by the Company. For the above-mentioned pension plan the expected employer's contribution is € 0.4m for 2020.

Leases

Wereldhave has entered into leasehold contracts as well as offices and car leases. During 2019 the following was recognised in the income statement:

(x € 1,000)	2019
Interest on lease liabilities	1,066
Variable lease payments not included in the measurement of lease liabilities	151
Total	**1,217**

The maturity of the lease liabilities is as follows:

(x € 1,000)	December 31, 2019
- up to 1 year	2,383
- between 1 and 2 years	2,233
- between 2 and 5 years	5,070
- more than 5 years	71,125
Total	**80,811**

21 Tax payable

(x € 1,000)	December 31, 2019	December 31, 2018
Value added tax	3,976	3,788
Social security tax	464	506
Dividend tax	7,200	4,650
Company tax	1,164	1,441
Other tax	1,946	1,266
Total	**14,751**	**11,651**

22 Other short-term liabilities

(x € 1,000)	December 31, 2019	December 31, 2018
Deferred rents	15,774	15,127
Property expenses	19,932	27,763
Interest	12,585	18,923
General costs	11,189	17,805
Capital commitments payable	8,695	12,729
Other short term liabilities	4,255	3,684
Total	**72,430**	**96,031**

23 Financial instruments

Derivatives are used to hedge foreign currency and interest risks.

Hedging instruments

Interest and cross currency swaps can be classified as hedging instruments against foreign currency risk on loans in USD, GBP and CAD and interest rate risk. The fair value of these instruments breaks down as follows:

(x € 1,000)		Principal	Interest range	Fair value assets	Fair value liabilities
2019					
Cashflow hedge					
USD currency swap	USD	307,500	2.2% - 3.2%	13,749	-4,976
GBP currency swap	GBP	80,000	2.7% - 3.4%	-	-14,908
CAD currency swap	CAD	20,000	2.3%	-	-1,617
EUR interest rate swap	EUR	125,000	0.3% - 1.1%	-	-742
Fair value hedge					
USD currency swap	USD	115,000	n.a.	20,269	-
No hedge accounting					
EUR Interest rate swap	EUR	325,391	0.2% - 3.1%	6	-3,552
Total				**34,024**	**-25,796**
2018					
Cashflow hedge					
USD currency swap	USD	307,500	2.2% - 3.2%	9,344	-9,461
GBP currency swap	GBP	130,000	2.7% - 4.3%	-	-22,593
CAD currency swap	CAD	20,000	2.3%	-	-2,373
EUR Interest rate swap	EUR	125,000	0.4% - 1.1%	-	-896
Fair value hedge					
USD currency swap	USD	115,000	n.a.	17,901	-
No hedge accounting					
EUR Interest rate swap	EUR	274,991	3.1%	-	-3,327
Total				**27,245**	**-38,650**

The fair value of a hedging derivative is classified as long-term if the remaining maturity of the hedged item is longer than 1 year and as a current asset or liability if the remaining maturity is less than 1 year.

The remaining term of the derivatives for interest and currency conversion on a principal basis is as follows:

December 31, 2019				
(x € 1,000)	EUR	USD	GBP	CAD
- up to 1 year	75,000	-	-	-
- between 1 and 5 years	184,416	225,000	-	-
- more than 5 years	190,975	82,500	80,000	20,000
Total	**450,391**	**307,500**	**80,000**	**20,000**
				December 31, 2018
- up to 1 year	-	-	50,000	-
- between 1 and 5 years	209,416	145,000	-	-
- more than 5 years	190,975	162,500	80,000	20,000
Total	**400,391**	**307,500**	**130,000**	**20,000**

The following amounts have been recognised in equity in relation to hedge accounting:

December 31, 2019					
(x € 1,000)	EUR	USD	GBP	CAD	Total in EUR
Effective part fair value changes in cashflow hedging	262	4,481	-1,605	-102	3,036
Changes in fair value of cost of hedging	-	561	1,576	-81	2,056
Net effect in equity	**262**	**5,042**	**-29**	**-183**	**5,092**
December 31, 2018					
Effective part fair value changes in cashflow hedging	408	-3,139	-1,756	-271	-4,758
Changes in fair value of cost of hedging	-	3,083	-773	350	2,660
Net effect in equity	**408**	**-56**	**-2,529**	**79**	**-2,098**

In 2019, a net expense of € 0.1m (2018: € 0.2m gain) was recognised in the income statement as a result of ineffectiveness of hedges.

Regarding fair value hedge derivatives, a gain of € 0.3m has been included in net interest, and a loss for the same amount has been recorded on the same line in the income statement for the hedged item. The cumulative fair value adjustment on the hedged item is € 24.2m negative.

Derivatives

Derivatives include (cross currency) interest rate swaps whose fair value has been determined by a calculation model based on contractual and market interest rates (level 2). In the models the counter party risk has been considered via the non-current exposure method.

Changes in the fair value of derivative financial instruments for interest conversion are accounted for as financial assets at fair value through profit and loss. During 2019 a negative amount of € 0.2m was charged to the other financial income and expense (2018: € 0.5m positive) relating to these financial assets. In addition, net interest decreased by € 5.5m (2018: € 4.9m) as a result of derivative financial instruments for interest conversion.

Credit risk

During 2019 the market value of the interest swaps changed as a result of movement in underlying interest rates. The full value of the derivative financial instruments is exposed to credit risk and is not mitigated by other instruments. The credit risk of counter parties is monitored on a continuous basis.

24 Financial assets and liabilities

Financial risks

Wereldhave's financial risks management focuses on the unpredictable nature of the financial markets and aims to minimise adverse effects on the Group's financial position and performance. Wereldhave is exposed to the following financial risks:

Market and Interest risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in foreign currencies and interest-bearing liabilities, to the extent that these are exposed to general and specific market movements. Management sets limits on the exposure to currency and interest rate risk that may be accepted, which are monitored on a monthly basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

The Group's interest rate risk is monitored by the Group's management on a monthly basis. The interest rate risk policy has been approved by the Board of Management. Management analyses the Group's interest rate exposure on a dynamic basis. Various scenarios are simulated, taking into consideration refinancing, renewal of existing positions and alternative financing sources. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions. The simulation is done on a monthly basis to verify that the maximum potential loss is within the limits set by management. Trade receivables and payables (other than tenant deposits) are interest-free and have settlement dates within one year.

The Group manages its exposure to changes in interest rates and its overall cost of financing by using interest rate swap agreements. These interest rate swap agreements are used to transform the interest rate exposure on the underlying liability from a floating interest rate into a fixed interest rate. It is the Wereldhave's policy to keep at least 50% of its borrowings at fixed rates of interest. In the current low interest rate environment Wereldhave has fixed the interest rate for 77% (2018: 97%) of its debt.

Sensitivity

A change in interest rate by 1% will impact the result and equity by € 3.0m (2018: € 0.4m) and earnings per share and asset value per share by € 0.08 (2018: € 0.01).

Currency risk

Wereldhave operates in euro countries only. The currency risks relate to USD, GBP and CAD denominated US Private Placement Notes and have been fully hedged to euro through cross currency swaps.

	December 31, 2019		December 31, 2018	
(x € 1,000)	Currency	EUR	Currency	EUR
Euro	951,094	951,094	932,411	932,411
US dollar	307,500	276,263	307,500	269,203
Pound sterling	80,000	94,570	130,000	143,913
Canadian dollar	20,000	13,730	20,000	12,791
Total		**1,335,657**		**1,358,318**

Liquidity risk

Wereldhave manages its liquidity risk on a consolidated basis with cash provided from rental income being a primary source of liquidity. The Group manages short-term liquidity based on a rolling forecast for projected cash flows for a twelve-month period.

Besides the cash from operations, fluctuations in the liquidity requirements are accommodated by means of several committed revolving credit facilities of in total € 430m.

Facilities amounting to € 130m are available until the first half of 2021 and facilities amounting to € 300m are available until the first quarter of 2024.

As at year-end 2019, borrowing under the committed facilities stood at € 210m (2018: nil). The interest and repayment obligations for 2019 are covered by means of cashflow and available facilities.

Liquidity risk is furthermore managed by maintaining strong capital ratios, keeping strong relationships with various international banks and financial markets, and maintaining sufficient credit facilities (committed and uncommitted), see Note 18.

Wereldhave must at all times meet its obligations under the loans it has taken out, including the interest cover ratio. The interest cover ratio is calculated by dividing the net rental income by the net interest payable. This ratio must not be less than 2. The 2019 interest cover ratio was 6.6 (2018: 6.2). Wereldhave must also meet solvency requirements: equity (less intangible assets) and deferred tax liabilities should amount to at least 40% of total assets (less intangible assets). At year-end 2019, the solvency was 51% (2018: 57%). During the period, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

Apart from these obligations and commitments, Wereldhave's tax status imposes financing limits.

Wereldhave is funded with a diversity of financing instruments in money markets and capital markets. Debt maturities are chosen in line with the long-term character of Wereldhave's assets. Consequently, Wereldhave has a well-spread maturity profile.

Financial transactions are only concluded with the prior approval of the Board of Management and the Supervisory Board for bonds and other tradable debt instruments.

Credit risk

Wereldhave's maximum exposure to credit risk in the event that a counterparty fails to fulfil its obligations in relation to each class of recognised financial asset, including derivatives, is the carrying amount of those assets in the consolidated statement of financial position. Reference relating to the credit risk in the derivatives is made in Note 9 and 23.

Standard lease terms include that rent has to be paid upfront and every tenant's creditworthiness is verified before entering a new lease. The credit risk related to lease contracts is mitigated by bank guarantees and deposits received from tenants. The maximum credit risk is the carrying amount less bank warranties and deposits received from tenants. Wereldhave monitors this creditworthiness per tenant and determines via management reports the adequacy of the provision for doubtful debtors.

The Group uses a provision matrix to measure the expected credit losses on trade receivables. Trade receivables have been grouped based on shared credit risk characteristics and the days past due to measure the expected credit losses. The provision matrix is initially based on the Group's historical observed loss rates and adjusted to reflect current and forward-looking information on macroeconomic factors affecting tenants to settle the receivables.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables at December 31, 2019.

	2019		
(x € 1,000)	Expected loss rate	Gross carrying amount	Provision
Not due	0%	12,161	-
Up to 1 month	5%	3,112	169
Between 1 and 3 months	25%	1,472	363
Between 3 and 12 months	49%	9,106	4,432
More than 1 year	73%	5,691	4,136
Total		**31,543**	**9,100**

(x € 1,000)	2018 Expected loss rate	Gross carrying amount	Provision
Up to 1 month	3%	4,737	138
Between 1 and 3 months	28%	1,814	516
Between 3 and 12 months	40%	3,897	1,549
More than 1 year	79%	13,408	10,562
Total		**23,856**	**12,765**

The movement in the loss allowance for trade receivables during the year was as follows.

(x € 1,000)	2019	2018
Balance at January 1 under IAS 39	12,765	10,283
Amount restated through opening retained earnings	-	520
Balance at January 1 under IFRS 9	**12,765**	**10,803**
Amounts written off	-8,759	-242
Net remeasurement of loss allowance	5,094	2,204
Balance at December 31	**9,100**	**12,765**

Trade receivables are written off when there is no reasonable expectation of recovery while taking into consideration deposits, guarantees and recoverable taxes. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure to make contractual payments for a period of greater than 90 days past due.

Sensitivity of credit risk on lease income

In case 1% of the annual rent is not paid, the effect on the gross rental income amounts to € 1.9m (2018: € 2.0m) and € 0.05 (2018: € 0.05) on the result per share. If 10% of debtors would default on payment, this would impact results by a maximum of € 2.6m (2018: € 1.7m). As a result of such default, result per share would decrease by € 0.06 (2018 € 0.04).

Wereldhave's maximum exposure to credit risk in the event that a counterparty fails to fulfil its obligations in relation to each class of recognised financial asset, including derivatives, is the carrying amount of those assets in the consolidated statement of financial position.

To limit credit or counterparty risk, only financial institutions with an investment grade credit rating are eligible as counterparties for financial transactions.

Concentration of credit risk

Concentration of risk occurs when a single financial risk is borne by one party or when several financial risks are concentrated within one or a few parties. Wereldhave mitigates the concentration risk with regard to interest, currency and liquidity risk by concluding interest and currency derivatives and loans with several financial parties. The credit risk further reduced by the size and diversification of the tenant portfolio as a result of which there is no concentration of risk.

Maturity of and interest payable on debt

The maturity and interest payable of debt (up to 12 months including trade payables and derivative financial liabilities) and future contractual interest payments is as follows:

December 31, 2019

(x € 1,000)	Principal	Interest	Total
- up to 1 year	176,817	24,676	201,493
- between 1 and 2 years	299,559	20,151	319,710
- between 2 and 5 years	502,100	44,959	547,059
- more than 5 years	366,850	33,961	400,811
Total	**1,345,327**	**123,747**	**1,469,074**

December 31, 2018

- up to 1 year	351,380	24,441	375,821
- between 1 and 2 years	75,000	22,838	97,838
- between 2 and 5 years	458,450	49,133	507,583
- more than 5 years	487,470	47,179	534,649
Total	**1,372,300**	**143,592**	**1,515,892**

The difference between the sum of the nominal principal values and the carrying amount of € 0.9m (2018: € 3.2m) consists of the amortised costs of € 3.0m (2018: € 3.7m) and the positive fair value adjustment on hedged items € -2.1m (2018: € -8.1m). In 2018 it also included the negative option component of the convertible bond recorded as a derivative of € 1.2m.

With regard to the interest on debt with variable interest rates, the rates prevailing at the balance sheet date have been used to determine the future outgoing cash flow.

In addition to the financial liabilities mentioned above Wereldhave has a tenant deposit liability for an amount of € 13m (2018: € 13m). Tenants are obliged to deposit cash or give a guarantee when entering a lease contract.

Financial assets and liabilities

The table below gives an overview of financial assets and liabilities discussed in previous notes. The first column shows the IFRS categories and subsequent columns the IFRS classes of financial instruments are shown.

(x € 1,000)	Note	Amortised cost	Financial assets at fair value through profit and loss	Total
December 31, 2019				
Assets				
Financial assets	9	826	34,024	34,850
Trade and other receivables	10	49,391	-	49,391
Cash and cash equivalents	12	20,834	-	20,834
Total		**71,051**	**34,024**	**105,075**
Liabilities				
Interest bearing debts	18	1,335,657	-	1,335,657
Tenants deposits	20	13,305	-	13,305
Lease liabilities	20	20,180	-	20,180
Derivative financial instruments	23	-	25,795	25,795
Trade payables		8,436	-	8,436
Total		**1,377,578**	**25,795**	**1,403,373**
December 31, 2018				
Assets				
Financial assets	9	717	27,245	27,962
Trade and other receivables	10	52,697	-	52,697
Cash and cash equivalents	12	125,925	-	125,925
Total		**179,339**	**27,245**	**206,584**
Liabilities				
Interest bearing debts	18	1,358,318	-	1,358,318
Tenants deposits	20	12,954	-	12,954
Derivative financial instruments	23	-	38,651	38,651
Trade payables		8,529	-	8,529
Total		**1,379,801**	**38,651**	**1,418,452**

Fair values of financial assets and liabilities are equal to the carrying amounts, unless mentioned otherwise in the separate notes. There are no financial assets and liabilities held for trading at fair value that are accounted for through profit and loss.

Where applicable, specific risks and further characteristics per financial assets and liabilities are discussed in the related notes.

Off balance sheet assets and liabilities

The Group has contracted capital commitments for an amount of € 28m (2018: € 11m) with regard to investment properties under construction. The Group has undrawn committed credit facilities for an amount of € 220m (2018: € 430m). The Group has no outstanding guarantees issued to third parties (2018: € 34m).

The maturity of the Group capital commitments is as follows:

(x € 1,000)	2019	2018
- up to 1 year	21,620	12,936
- between 1 and 5 years	5,883	7,965
- > year 5	-	75,134
Total	**27,503**	**96,035**

25 Fair value measurement

The following table analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no transfers between levels during the year under review.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

		Fair value measurement using		
(x € 1,000)	Total	Quoted prices (Level 1)	Observable input (Level 2)	Unobservable input (Level 3)
2019				
Assets measured at fair value				
Investment property in operation	2,839,329	-	-	2,839,329
Investment property under construction	54,742	-	-	54,742
Investments held for sale	9,880	-	-	9,880
Financial assets				
Derivative financial instruments	34,024	-	34,024	-
Liabilities for which the fair value has been disclosed				
Interest bearing debt	1,375,490	-	1,375,490	-
Derivative financial instruments	25,795	-	25,795	-
2018				
Assets measured at fair value				
Investment property in operation	3,220,208	-	-	3,220,208
Investment property under construction	51,074	-	-	51,074
Investments held for sale	6,940	-	-	6,940
Financial assets				
Derivative financial instruments	27,245	-	27,245	-
Liabilities for which the fair value has been disclosed				
Interest bearing debt	1,398,692	251,443	1,147,249	-
Derivative financial instruments	38,651	-	38,651	-

26 Gross rental income

Lease contracts specify the rent, the other rights and obligations of the lessor and the lessee, including notice and renewal options as well as service and operating cost charges. Lease contracts have various expiry terms and break clauses. Rent indexation is agreed in countries where indexation is usual or legally permitted.

Service cost paid and received are not included in gross rental income. Rental losses as a result of vacancy, expressed as a percentage of theoretical rent, amounted to 6.0% in 2019 (2018: 6.5%).

Rental income based on turnover of the tenant amounts to 2.4% (2018: 2.8%) of gross rental income. Lease incentives provided to tenants amounts to 2.4% (2018: 1.6%) of gross rental income.

A change in the average occupancy rate by 0.5% results in a change of gross rental income by € 1.1m (excluding impact service costs).

The aggregate contractual rent from lease contracts as at December 31, 2019 is shown in the following table (lease contracts with turnover related clauses are accounted for assuming the base rent only):

(x € 1,000)	**2019**	**2018**
- up to 1 year	175,060	179,928
- between 1 and 5 years	473,567	422,165
- more than 5 years	262,615	241,180

27 Property expenses

(x € 1,000)	2019	2018
Property maintenance	1,171	802
Property taxes	4,796	5,585
Insurance premiums	648	551
Property management	7,595	7,244
Leasing expenses	538	492
Other operating costs	14,066	12,978
Total	**28,814**	**27,653**

Other operating costs includes amongst other promotion costs, marketing costs and doubtful debt.

28 Valuation results

(x € 1,000)	2019	2018
Investment properties in operation and investments held for sale		
Valuation gains	7,436	28,408
Valuation losses	-453,491	-109,232
Total	**-446,055**	**-80,824**
Investment properties under construction		
Valuation gains	758	-
Valuation losses	-3,047	-13,689
	-2,288	**-13,689**
Total	**-448,343**	**-94,513**

29 Results on disposals

(x € 1,000)	2019	2018
Properties		
Gross proceeds from sales	13,820	35,893
Selling costs	-308	-2,000
Net proceeds from sales	**13,513**	**33,893**
Book value investment properties	-13,463	-35,471
	-13,463	**-35,471**
Total	**49**	**-1,578**

The result on disposals mainly relates to the sale of the former V&D department store in Hoofddorp and a plot of land in Tilburg. Reference is made to Note 5 and Note 13.

30 General costs

(x € 1,000)	2019	2018
Salaries and social security contributions	16,486	18,249
Pension costs	1,272	1,093
Other employee costs	4,076	3,577
Audit and advisory fees	4,524	3,758
Office costs	4,311	5,452
Other general costs	6,230	4,855
	36,898	**36,985**
Allocated and recharged	-19,800	-20,039
Total	**17,098**	**16,946**

The allocation and recharges relate to expenses charged to third parties and allocation of costs to property expenses and developments projects.

Employees

During the year 2019 an average of 170 persons (2018: 181) based on full-time basis were employed by the Group, of which 70 (2018: 68) in the Netherlands and 100 (2019: 113) abroad.

Remuneration of the members of the Supervisory Board and the Board of Management

The Supervisory Board members and the members of the Board of Management are considered to be key management personnel. The remuneration levels were last set at the Extraordinary General Meeting of Shareholders on July 23, 2015 for the Board of Management and at the Annual General Meeting of Shareholders on April 26, 2019 for the Supervisory Board. Remuneration is indexed annually with the consumer price index.

Supervisory Board:

	2019	2018
A. Nuhn	65	54
L. Geirnaerdt (until June 30, 2019)	27	48
G. van de Weerdhof	49	40
H. Brand	48	33
H.J. van Everdingen (until January 31, 2019)	3	38
F. Dechesne (from July 1, 2019)	27	-
Total	**219**	**213**

The members of the Supervisory Board do not hold shares or options in Wereldhave N.V. The Company has not issued loans, advances or financial guarantees to members of the Supervisory Board. Shares or options on shares have not been awarded and will not be awarded to members of the Supervisory Board.

Board of Management:

(x € 1,000)	Fixed income	STI	LTI	One off	Pension and pension compensation	Social charges	Total
2019							
D.J. Anbeek	133	36	-	-	24	3	196
M. Storm	224	59	-	-	31	11	325
A.W. de Vreede	388	103	-	-	57	4	552
Total	**745**	**198**	**-**	**-**	**112**	**18**	**1,073**
2018							
D.J. Anbeek	523	170	-	-	95	11	799
R.J. Bolier	130	42	-	501	26	4	703
A.W. de Vreede	285	93	-	-	38	8	424
Total	**938**	**305**	**-**	**501**	**159**	**23**	**1,926**

STI 2019

The STI incentive is calculated as follows:

- LFL RG at or above inflation scores 15% of fixed income;
- LFL RG at or above budget scores 15% of fixed income; and
- Remain rated GRESB Green Star scores 10% of fixed income.

Like-for-like rental growth for the year 2019 amounted to 0.8% in Belgium (index 1.5%), -1.0% in France (index 2.3%) and -1.0% in the Netherlands (index 2.1%). This results in a score of 1.5% for Belgium.

Actual like-for-like rental growth for the year 2019 was above budget in Belgium and France. This results in a score of 15%. The Company remained rated GRESB Green Star, which scores 10%.

The total STI score therefore amounts to 26.5% (1.5%+ 15%+ 10%). This implies that in respect of the year 2019, a short-term incentive of 26.5% of fixed salary is payable in cash.

This amounts to an STI of € 59,349 for Mr Storm, € 102,815 for Mr de Vreede and € 35,609 for Mr Anbeek.

LTI 2019

The LTI incentive is calculated as follows:
- EPS growth at inflation 20% bonus;
- at 100 bps over inflation 40% bonus; and
- at 200 bps over inflation the maximum of 60% bonus;
- EPS growth scores between 0 and 200 bps over inflation will be calculated at a sliding scale.

LTI overview

(x € 1,000)	Vesting period u/i Dec 31	Long-term incentive	Accounted in financial statements 2018	Accounted in earlier financial statements	Total accounted for
Financial year granted					
2019 - M. Storm	n.a.	-	-	-	-
2018 - D.J. Anbeek	n.a.	-	-	-	-
2017 - D.J. Anbeek	n.a.	-	-	-	-
2016 - D.J. Anbeek	2019	308	-116	116	-
2019 - A.W. de Vreede	n.a.	-	-	-	-
2018 - A.W. de Vreede	n.a.	-	-	-	-
2018 - R.J. Bolier	n.a.	-	-	-	-
2017 - R.J. Bolier	n.a.	-	-	-	-
2016 - R.J. Bolier	2019	229	-85	85	-

At December 31, 2019 Mr Anbeek holds a total of 8,882 conditional performance award shares in relation to the LTI 2016 which will not vest. The current fair value of the shares owned by Mr Anbeek amounts to € 178,706 based on the stock exchange price of € 20.12 per share as per December 31, 2019.

Mr De Vreede holds a total of 3,000 shares at December 31, 2019, of which 3,000 are unconditional or private investment. The current fair value of the shares owned by Mr De Vreede amounts to € 60,360 based on the stock exchange price of € 20.12 per share as per December 31, 2019.

At December 31, 2019 Mr Bolier holds a total of 6,616 conditional performance award shares in relation to the LTI 2016 which will not vest. The current fair value of the shares owned by Mr Bolier amounts to € 133,114 based on the stock exchange price of € 20.12 per share as per December 31, 2019.

The Company has not granted loans, advances or financial guarantees to members of the Board of Management.

The model to calculate the fair value of the share awards incorporates the ranking of the total shareholder returns of the Company against the defined peer companies.

31 Other income and expenses

Other income and expenses € -0.2m (2018: € -1.5m) relates to investment and divestment activities, project related and other costs that cannot be directly linked to the operational activities.

32 Net interest

(x € 1,000)	2019	2018
Interest paid	-26,934	-32,742
Interest on lease liability	-1,066	-
Capitalised interest	700	1,989
Amortised costs loans	-1,082	-2,275
Total interest charges	**-28,382**	**-33,028**
Interest received	70	71
Total	**-28,312**	**-32,957**

Capitalised interest in connection with developments is based on the Group's weighted average cost of debt. During 2019, the range of weighted average interest rates used was 1.9% - 2.1% (2018: 1.9% - 2.0%). The average nominal interest rate at year end 2019 was 1.9% (2018: 2.0%).The line item 'interest paid' includes costs related to fees paid for undrawn parts of committed financing facilities amounting to € 0.9m (2018: € 1.0m).

33 Other financial income and expenses

(x € 1,000)	2019	2018
Exchange rate differences	17	11
Adjustments financial instruments	-1,533	-2,073
Total	**-1,516**	**-2,062**

34 Income tax

(x € 1,000)	2019	2018
Result before tax continuing operations	-323,902	16,839
Tax charges according to applicable tax rates	83,610	-5,029
Tax-exempt income based on fiscal status	-76,506	5,623
Other	-2,660	-989
Income tax	**4,444**	**-395**
Weighted average tax rate	1.4%	2.3%

For 2019 the current tax charge is € -0.4m (2018: € -1.6m) and the deferred tax charge was € 4.9m (2018 € 1.2m). The applicable tax rates for Group companies vary from 0% for tax-exempt entities, based on their fiscal status, up to 31%.

The weighted average tax rate varies yearly, mainly because the valuation results are taxed differently for the tax-exempt and tax-based countries.

There are no tax effects relating to other comprehensive income or amounts directly credited to equity (2018: none).

35 Result from discontinued operations

On December 14, 2018 Wereldhave completed the disposal of Finland. In 2019 the Group received € 0.4m following the final settlement in relation to the disposal of Finland.

(x € 1,000)	2019	2018
Net rental income	-	26,989
Valuation results	-	-18,263
Results on disposals	506	-82,649
General costs	-	-49
Net interest	-	14
Income tax	-	1,880
Result	**506**	**-72,078**

In the cash flow statement the following amounts have been accounted for in relation to the discontinued operations in 2019: operating activities nil, investment activities € -2.7m and financing activities nil.

36 Summarised financial information on subsidiaries

All subsidiaries are included in the consolidation. The proportion of voting rights held by the parent or by the Group companies in the subsidiaries do not differ from the proportion of ordinary shares held. The parent does not have any shareholding in preference shares of subsidiaries in the Group.

The total amount of non-controlling interest at year-end 2019 amounts to € 230.7m.

List of Subsidiaries

	Country of incorporation	Proportion of ordinary shares Held by parent (%)	Proportion of ordinary shares Held by the group (%)	Proportion of ordinary shares Held by non-controlling interests (%)
West World Holding N.V.	Netherlands	100.00		
N.V. Wereldhave International	Netherlands	100.00		
Wereldhave Nederland B.V.	Netherlands		100.00	
Wereldhave Development B.V.	Netherlands	100.00		
Relovast V B.V.	Netherlands		100.00	
Relovast VI B.V.	Netherlands		100.00	
Royalton Real Estate B.V.	Netherlands		100.00	
Royalton Square B.V.	Netherlands		100.00	
Royalton Hill B.V.	Netherlands		100.00	
WH Tilburg Zuid (Heuvelstraat) B.V.	Netherlands		100.00	
Wereldhave Management Holding B.V.	Netherlands	100.00		
Wereldhave Management Nederland B.V.	Netherlands		100.00	
Ilôt Kleber SAS	France	100.00		
Espace Saint Denis SAS	France	100.00		
NODA SAS	France	100.00		
Wereldhave Retail France SAS	France	100.00		
Urba Green SAS	France		100.00	
SCI Bordeaux Bonnac	France	0.01	99.99	
SCI du CC Bordeax Prefecture	France	0.01	99.99	
SNC Les Docks de Rouen	France	0.01	99.99	
SNS Les Passages de l'Etoile	France	0.01	99.99	
SNC Marceau Côté Seine	France	0.01	99.99	
SNC Elysees Vauban	France	0.01	99.99	
SCI due CC Rouen Saint Sever	France	0.01	99.99	
SNC Cegep et Compagnie	France	0.01	99.99	
SCI des Bureaux Rouen Bretagne	France	0.01	99.99	
SCI Rouen Verrerie	France	0.01	99.99	
SCI Fonciere Marceau Saint Sever	France	0.01	99.99	
Wereldhave Management France SAS	France		100.00	
Wereldhave Belgium	Belgium	34.46	32.07	33.47
NV J-II SA	Belgium		100.00	
NV Wereldhave Belgium SA	Belgium		100.00	
Waterloo Shopping BVBA	Belgium		100.00	
WBPM N.V.	Belgium		100.00	
NV Wereldhave Management Belgium SA	Belgium		100.00	
NV Wereldhave Belgium Services SA	Belgium		100.00	
Espamad SLU	Spain	100.00		

Summarised financial information for Wereldhave Belgium

	December 31, 2019	December 31, 2018
Current assets	31,097	22,246
Current liabilities	-114,802	-188,642
Total current net assets	**-83,705**	**-166,396**
Non-current assets	962,456	957,848
Non-current liabilities	-189,530	-113,024
Total non-current net assets	**772,926**	**844,824**
Net assets	**689,221**	**678,428**

(x € 1,000)	2019	2018
Summarised income statement		
Revenue	61,679	56,118
Profit before income tax	28,308	40,517
Income tax expense/income	649	24
Post tax profit from continuing operations	**28,957**	**40,541**
Other Comprehensive Income	-341	716
Total Comprehensive Income	**28,616**	**41,257**
Total Comprehensive Income allocated to non-controlling interest	**9,676**	**12,592**
Dividend paid to non-controlling interest	5,947	4,598

Summarised cash flows

(x € 1,000)	2019	2018
Cash flows from operating activities		
Cash generated from operations	48,420	40,389
Interest paid	-2,682	-2,565
Net cash generated from operating activities	**45,738**	**37,824**
Net cash used in investment activities	-17,563	-69,992
Net cash used in financing activities	-30,769	36,984
Net increase in cash and cash equivalents and bank overdrafts	-2,594	4,816
Cash, cash equivalents and bank overdrafts at beginning of the year	6,931	2,115
Cash and cash equivalents and bank overdrafts at end of the year	**4,337**	**6,931**

37 Transactions with shareholders

In 2019 there were no transactions with shareholders that affected profit and loss.

38 Result and diluted result per share upon full conversion

Result per share

The results per share are calculated based on the total result after tax, attributable to holders of ordinary shares and the average number of ordinary shares in issue during the year.

Diluted result per share

The diluted result per share is calculated, based on the total result after tax, adjusted for costs relating to the convertible bonds that are charged to the result and the average number of ordinary shares during the year, including the maximum number of shares that could be converted during the year.

(x € 1,000)	2019	2018
Result attributable to shareholders of the Company	-328,741	-68,006
Adjustment for effect convertible bonds	2,428	6,022
Result after effect convertible bonds	**-326,313**	**-61,984**
Number of shares as at January 1	40,270,921	40,270,921
Adjustment for purchase of own shares for remuneration	-19,267	-27,064
Weighted average number of shares for fiscal year	40,251,654	40,243,857
Adjustment for convertible bonds	-	4,231,192
Diluted average number of shares after adjustment for the effects of all dilutive potential shares for the fiscal year	**40,251,654**	**44,475,049**

See Note 40 for the proposed dividend for 2019.

39 Net asset value per share

Net asset value per share

The net asset value per share is calculated based on equity as presented in the balance sheet as at December 31 and the number of shares issued as at that date.

	2019	2018
Equity available for shareholders (x € 1,000)	**1,319,598**	**1,744,489**
Number of ordinary shares per 31 December	40,270,921	40,270,921
Purchased shares for remuneration	-15,498	-27,927
Number of ordinary shares per 31 December for calculation net asset value	**40,255,423**	**40,242,994**
Net asset value per share (x € 1)	**32.78**	**43.35**

40 Dividend

It is proposed to distribute to holders of ordinary shares a dividend of € 2.52 per share (interim dividend of € 0.63 was paid in July 2019, € 0.63 was paid in October 2019 and € 0.63 was paid in January 2020) in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax.

41 Related parties

The Board of Management, the Supervisory Board and subsidiaries of Wereldhave N.V. are considered to be related parties. The members of the Supervisory Board and of the Board of Management had no personal interest in any of the Company's investments during the year. For information about the directors´ remuneration reference is made to Note 30.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions if such terms can be substantiated.

42 Contingent liabilities

In France, a discussion has arisen with the tax authorities about the application of the Tax Treaty between France and the Netherlands. If Wereldhave indeed would not be eligible for the benefits of the French – Dutch tax treaty, as the French tax authorities seem to argue, the exemption granted by the SIIC regime is essentially eliminated by the imposition of an alternative tax. This might effectively render the SIIC regime meaningless. No tax assessment or formal claim has been received yet. However, the prenotification has been received for the years 2015 up to and including 2017 for a total amount of € 61.7m. Wereldhave is vigorously contesting any reassessment on the basis that it is entitled to the benefits of the Tax Treaty, which has been the practice since 2003 in accordance with confirmations issued by the French Central Tax Authority. Based on the initial assessment of our position, Wereldhave believes there are solid grounds to contest this prenotification. Subsequently, no provision has been recorded.

43 Events after balance sheet date

On February 6, 2020 we signed an LOI for the disposal of WoensXL for € 25.7m, around book-value at December 31, 2019. The transaction was completed on March 2, 2020.

Company balance sheet

at December 31, 2019

(x € 1,000)	Note	December 31, 2019	December 31, 2018
Assets			
Non-current assets			
Investments in subsidiaries	2	749,598	1,167,598
Other financial investments	3	1,477,830	1,561,085
Derivative financial instruments		34,024	27,245
Total non-current assets		**2,261,452**	**2,755,928**
Current assets	4		
Tax receivables		7,400	4,708
Cash and cash equivalents		217	95,177
Accruals		5,915	10,824
Group companies receivable		369,443	456,316
Other receivables		1,493	1,591
Total current assets		**384,468**	**568,617**
Total assets		**2,645,920**	**3,324,545**

(x € 1,000)	Note	December 31, 2019	December 31, 2018
Equity and liabilities			
Equity	5		
Share capital		40,271	40,271
Share premium		1,711,033	1,711,033
General reserve		-397,089	-237,358
Revaluation reserve		300,343	309,860
Hedge reserves		-6,219	-11,311
Result current year		-328,741	-68,006
Total equity		**1,319,598**	**1,744,489**
Non-current liabilities			
Interest bearing liabilities	6	987,879	909,425
Derivative financial instruments		24,379	36,262
Total non-current liabilities		**1,012,258**	**945,687**
Current liabilities			
Group companies payable		108,370	99,244
Short term liabilities	7	205,694	535,125
Total current liabilities		**314,064**	**634,369**
Total equity and liabilities		**2,645,920**	**3,324,545**

Company income statement
for the year ended December 31, 2019

(x € 1,000)	Note	2019	2018
General costs	9	-7,787	-9,749
Other income and expense	10	-85	-879
Operating result		**-7,872**	**-10,628**
Interest charges		-25,055	-31,302
Interest income		38,582	49,842
Net interest	11	**13,527**	**18,540**
Other financial income and expenses	12	-845	-2,069
Results on disposals		562	-81,518
Result before tax		**5,372**	**-75,675**
Income tax		-101	-84
Result company after tax		**5,271**	**-75,758**
Result from subsidiaries after tax	2	-334,011	7,752
Result incl subsidiaries		**-328,741**	**-68,006**

Notes to the company financial statements

1 General

1.1 Principles for the presentation of the Company accounts

The Company accounts have been made up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code. The option provided by article 2:362 paragraph 8 of the Civil Code allows to apply the same principles for determining profit and loss and balance sheet items (including the principles of accounting for financial instruments under shareholders' equity or interest-bearing liabilities) as applied in the consolidated accounts.

The consolidated financial statements of Wereldhave N.V. have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code. Reference is made to the notes to the consolidated annual accounts.

The annual accounts have been prepared before distribution of result with the exception where distribution is determined by law.

1.2 Investments in subsidiaries

Investments in subsidiaries and other entities in which the Group either exercises voting control or effective management responsibility are valued at net asset value. The initial processing in the accounts and valuations at balance sheet dates is made at the net asset value. The value is adjusted with the share of the Company in the results of the subsidiary, based on the principles for determining results as applied in the consolidated accounts and with the share in the other movements in equity of the subsidiary as from the date of acquisition, which are attributable to the Company. The net asset value is determined by valuing assets, provisions and liabilities and by determining results according to the principles which have been used in the consolidated accounts.

2 Investments in subsidiaries

Movements are as follows:

(x € 1,000)	2019	2018
Balance at January 1	**1,167,598**	**1,403,053**
Movements in pension schemes	-133	172
Investments / divestments	-	-161,442
Effect of stockdividend and share issue Belgium	9,624	4,372
Result from subsidiaries after tax	-334,011	7,752
Dividends	-93,382	-85,752
Other	-98	-557
Balance at December 31	**749,598**	**1,167,598**

List of subsidiaries

At December 31, 2019, the Company had direct shareholdings in the following companies:

		Indirect shareholding (%)	Direct shareholding (%)
Netherlands	West World Holding N.V.		100.00
Netherlands	N.V. Wereldhave International		100.00
Belgium	Wereldhave Belgium	32.07	34.46
Netherlands	Wereldhave Development B.V.		100.00
Netherlands	Wereldhave Management Holding B.V.		100.00
France	Ilôt Kleber S.A.S.		100.00
France	Espace Saint Denis S.A.S.		100.00
France	NODA S.A.S.		100.00
France	Wereldhave Retail France S.A.S.		100.00
France	SCI Bordeaux Bonnac	99.99	0.01
France	SCI du CC Bordeaux Prefecture	99.99	0.01
France	SNC les Docks de Rouen	99.99	0.01
France	SNS Les Passages de l'Etoile	99.99	0.01
France	SNC Marceau Coté Seine	99.99	0.01
France	SNC Elysees Vauban	99.99	0.01
France	SCI due CC Rouen Saint Sever	99.99	0.01
France	SNC Cegep et Compagnie	99.99	0.01
France	SCI des Bureaux Rouen Bretagne	99.99	0.01
France	SCI Rouen Verrerie	99.99	0.01
France	SCI Fonciere Marceau Saint Sever	99.99	0.01
Spain	Espamad SLU		100.00

3 Other financial investments

(x € 1,000)	Receivables from subsidiaries
Balance at January 1, 2018	**1,780,476**
Investments / withdrawal	119,350
Divestments / redemptions	-338,741
Balance at January 1, 2019	**1,561,085**
Investments / withdrawal	57,745
Divestments / redemptions	-141,000
Balance at December 31, 2019	**1,477,830**

The receivables from subsidiaries which are mentioned in this note have a maturity of more than one year.

4 Current assets

All current assets are due in less than one year. The fair value of the receivables coincides with the balance sheet valuation.

5 Equity

Share capital

The authorised share capital of the Company at December 31, 2019 amounts to € 150m divided over 75m ordinary shares of € 1 and 75m preference shares of € 1. The issued and paid up share capital amounts to € 40m, formed by 40,270,921 ordinary shares.

In the year 2019 no shares were purchased for the long-term bonus of the Board of Management (2018: none).

The movements in equity during 2019 and 2018 were as follows:

(x € 1,000)	Share capital	Share premium reserve	General reserve	Revaluation reserve[1]	Hedge reserve[1]	Cost of hedging reserve[1]	Result current year	Total
Balance at January 1, 2018	**40,271**	**1,711,033**	**-248,261**	**366,642**	**-4,847**	**-4,366**	**67,690**	**1,928,162**
Result 2017 distribution	-	-	66,917	773	-	-	-67,690	-
Effective portion of change in fair value of cash flow hedges	-	-	-	-	-4,758	-	-	-4,758
Changes in fair value of cost of hedging	-	-	-	-	-	2,660	-	2,660
Shares for remuneration	-	-	-167	-	-	-	-	-167
Remeasurement of past employment obligations	-	-	172	-	-	-	-	172
Share based payments	-	-	-	-	-	-	-	-
Dividend over 2017	-	-	-62,016	-	-	-	-	-62,016
Interim dividend 2018	-	-	-50,740	-	-	-	-	-50,740
Profit for the year[2]	-	-	-	-	-	-	-68,006	-68,006
Change non-controlling interest	-	-	-702	-	-	-	-	-702
Other	-	-	57,439	-57,555	-	-	-	-116
Balance at December 31, 2018	**40,271**	**1,711,033**	**-237,358**	**309,860**	**-9,605**	**-1,706**	**-68,006**	**1,744,489**
Balance at January 1, 2019	**40,271**	**1,711,033**	**-237,358**	**309,860**	**-9,605**	**-1,706**	**-68,006**	**1,744,489**
Result 2018 distribution	-	-	-58,489	-9,517	-	-	68,006	-
Effective portion of change in fair value of cash flow hedges	-	-	-	-	3,036	-	-	3,036
Changes in fair value of cost of hedging	-	-	-	-	-	2,056	-	2,056
Shares for remuneration	-	-	318	-	-	-	-	318
Remeasurement of past employment obligations	-	-	-133	-	-	-	-	-133
Share based payments	-	-	-201	-	-	-	-	-201
Dividend over 2018	-	-	-50,740	-	-	-	-	-50,740
Interim dividend 2019	-	-	-50,740	-	-	-	-	-50,740
Profit for the year[2]	-	-	-	-	-	-	-328,741	-328,741
Change non-controlling interest	-	-	276	-	-	-	-	276
Other	-	-	-22	-	-	-	-	-22
Balance at December 31, 2019	**40,271**	**1,711,033**	**-397,089**	**300,343**	**-6,569**	**350**	**-328,741**	**1,319,598**

1 Legal reserves
2 The annual accounts have been prepared before distribution of result. With regard to the proposed result distribution reference is made to the other information paragraph

Share premium

Share premium is paid up share capital in excess of nominal value. There were no changes in the share premium in 2019. The amount of share premium that is recognised for tax purposes is € 1,716m (2018: € 1,716m).

General reserve

Allocation of result over 2018.

The General Meeting of Shareholders on April 26, 2019 determined the following allocation of the profit over 2018:

(x € 1,000)	
Distributed to holders of ordinary shares	101,480
Revaluation reserve subsidiaries	-9,517
General reserve	-159,969
Result after tax	**-68,006**

Dividend 2019

The 2019 dividend proposal is explained in the ‘Proposed distribution of results’ paragraph.

Revaluation reserve

In this reserve cumulative positive valuation results on property investments in subsidiaries are kept.

6 Interest-bearing liabilities

The maturity of interest-bearing liabilities (non-current and current) shows as follows:

	December 31, 2019					
(x € 1,000)	< 1 year	1 - 5 year	>5 year	Total long-term	Total	**31-Dec-18**
Convertible bonds	-	-	-	-	-	248,551
Debt to financial institutions	74,973	622,491	365,388	987,879	1,062,852	965,041
Total	**74,973**	**622,491**	**365,388**	**987,879**	**1,062,852**	**1,213,592**

Capital repayments due within 12 months from the end of the financial year are included under short-term interest-bearing liabilities.

Average effective interest

2019	EUR	GBP	USD	CAD	Total
Short term interest bearing debt					
Bank loans and private placement	0.8%	-	-	-	0.8%
Interest rate swaps	0.7%	-	-	-	0.7%
Long-term interest bearing debt					
Bank loans, private placement and EMTN	1.8%	4.1%	4.8%	4.0%	2.9%
Cross currency interest rate swaps	-1.9%	-	-	-	-1.9%
Average	**2.0%**	**4.1%**	**4.8%**	**4.0%**	**2.2%**
2018					
Short term interest bearing debt					
Convertible bonds	1.2%	-	-	-	1.2%
Bank loans and private placement	-	4.5%	-	-	4.5%
Interest rate swaps	-0.0%	-	-	-	-0.0%
Long term interest bearing debt					
Bank loans, private placement and EMTN	2.0%	4.1%	4.8%	4.0%	3.0%
Cross currency interest rate swaps	-1.3%	-	-	-	-1.3%
Average	**1.9%**	**4.3%**	**4.8%**	**4.0%**	**2.2%**

Fair value

The carrying amount and the fair value of long-term interest-bearing debts are as follows:

	December 31, 2019		December 31, 2018	
(x € 1,000)	carrying amount	fair value	carrying amount	fair value
Convertible bonds			-	-
Bank loans, private placement and EMTN	987,879	1,027,988	909,425	946,907
Total	**987,879**	**1,027,988**	**909,425**	**946,907**

Currencies
There are loans closed in euro, pound sterling, US dollars and Canadian dollars.

7 Short-term liabilities

(x € 1,000)	December 31, 2019	December 31, 2018
Short term portion of long term debt	74,973	304,167
Creditors	166	344
Taxes on profit	126	70
Other debts	130,429	230,543
Total	**205,694**	**535,125**

8 Off balance sheet assets and liabilities
The Group has no outstanding guarantees issued to third parties (2018: € 34m).

9 General costs

(x € 1,000)	2019	2018
Salaries and social security contributions	1,194	2,392
Pension costs	39	45
Other employee costs	506	231
Audit and advisory fees	2,187	1,441
Office costs	553	486
Other general costs	7,484	9,608
	11,963	**14,203**
Allocated and recharged	-4,176	-4,454
	-4,176	**-4,454**
Total	**7,787**	**9,749**

The allocation and recharges relate to expenses charged to third parties and allocation of costs to property expenses and development projects.

Employees
During 2019 the legal entity employed an average of 2 persons (2018: 2). The employees worked in the Netherlands.

Remuneration of the members of the Supervisory Board and the Board of Management
The Supervisory Board members and the members of the Board of Management are considered to be key management personnel. The remuneration levels were last set at the Extraordinary General Meeting of Shareholders on July 23, 2015 for the Board of Management and at the Annual General Meeting of Shareholders on April 26, 2019 for the Supervisory Board. Remuneration is indexed annually with the consumer price index.

10 Other income and expense
Other income and expenses € -0.1m (2018: € -0.9m) relates to investment and divestment activities, project related and other costs that cannot be directly linked to the operational activities. These costs are partly compensated by other subsidiaries.

11 Net interest

(x € 1,000)	2019	2018
Interest paid	-23,972	-29,027
Amortised costs loans	-1,082	-2,275
Total interest charges	**-25,054**	**-31,302**
Interest received	38,581	49,842
Total	**13,527**	**18,540**

During 2019, the range of weighted average interest rates used was 1.9% - 2.2% (2018: 1.9% - 2.2%). The average nominal interest rate at year end 2019 was 2.2% (2018: 2.2%). The line item ‘interest paid’ includes costs related to fees paid for undrawn parts of committed financing facilities amounting to € 0.7m (2018: € 0.9m). Interest received relates to loans provided to subsidiaries.

12 Other financial income and expenses

(x € 1,000)	2019	2018
Exchange rate differences	2	-
Adjustments financial instruments	-847	-2,069
Total	**-845**	**-2,069**

13 Audit fees

In 2019 Wereldhave N.V. and its subsidiaries have accounted for the following costs from the Group auditor KPMG:

(x € 1,000)	2019	2018
Audit of the Annual Accounts	542	446
Other assurance services	102	113
Tax advisory services	-	-
Total	**644**	**559**

KPMG provided, in addition to the statutory audit of the financial statements, assurance services in relation to financing transactions, the completion accounts for the disposal of Finland, ground rent settlements and issuance of stock dividend. The other assurance services are in compliance with Dutch Auditor Regulations.

Of the total amount of audit fees € 297k (2018: € 292k) relates to the Netherlands. This consist of an amount of € 221k (2018: € 217k) for the audit of the Annual Accounts and € 76k (2018: € 75k) for other audit activities.

All fees are in compliance with the Dutch Auditor Regulations.

14 Management and members of the Supervisory board

For the remuneration of the members of the Board of Management and Supervisory Board reference is made to Note 30 in the consolidated annual accounts.

15 Related parties

All Group entities are treated as related parties. Reference is made to Note 41 in the consolidated annual accounts.

16 Contingencies

General guarantees as defined in Art. 403, Book 2 of the Dutch civil code has been given by the Company for a number of subsidiaries in the Netherlands.

In France, a discussion has arisen with the tax authorities about the application of the Tax Treaty between France and the Netherlands. If Wereldhave indeed would not be eligible for the benefits of the French – Dutch tax treaty, as the French tax authorities seem to argue, the exemption granted by the SIIC regime is essentially eliminated by the imposition of an alternative tax. This might effectively render the SIIC regime meaningless. No tax assessment or formal claim has been received yet. Therefore there is no obligation. However, the prenotification has been received for the years 2015 up to and including 2017 for a total amount of € 61.7m. Wereldhave is vigorously contesting any reassessment on the basis that it is entitled to the benefits of the Tax Treaty, which has been the practice since 2003 in accordance with confirmations issued by the French Central Tax Authority. Based on the initial assessment of our position, Wereldhave believes there are solid grounds to contest this prenotification. Subsequently, no provision has been recorded.

The Company is the head of the corporate income tax and VAT units for which Dutch subsidiaries are also included. The Company is also jointly and severally liable for the tax units as a whole.

17 Events after balance sheet date

On February 6, 2020 we signed an LOI for the disposal of WoensXL for € 25.7m, around book-value at December 31, 2019. The transaction was completed on March 2, 2020.

Schiphol, March 9, 2020

Supervisory Board
A. Nühn
G. van de Weerdhof
H. Brand
F. Dechesne

Board of Management
M. Storm
A.W. de Vreede

Other information

Rules for the distribution of results are set out in Article 25 of the Company's Articles of Association. The preference shareholders have a first call on results in the form of a dividend distribution on the paid-up nominal share value at a percentage rate equal to the twelve-month money market rate (European Interbank Offered Rates), valid for the first exchange day of the financial year concerned plus a surcharge of 1.5%, or if this amount is not available, as much is available from the distributable result. Distribution of the remaining balance available for distribution is determined by the Annual General Meeting of Shareholders.

Proposed distribution of results

It is proposed to distribute to holders of ordinary shares a dividend of € 2.52 per share in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax. An interim dividend relating to 2019 of € 0.63 was paid in July 2019, € 0.63 was paid in October 2019 and € 0.63 was paid in January 2020.

(x € 1m)	2019	2018
Profit	-328.7	-68.0
Payment to holders of ordinary shares	101.4	101.4
Revaluation reserve subsidiaries	-79.9	-9.5
General reserve	-350.2	-159.9
	-328.7	**-68.0**

Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Wereldhave N.V.

Report on the audit of the financial statements 2019 included in the integrated annual report

Our opinion

In our opinion:

— the accompanying consolidated financial statements give a true and fair view of the financial position of Wereldhave N.V. as at 31 December 2019 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

— the accompanying company financial statements give a true and fair view of the financial position of Wereldhave N.V. as at 31 December 2019 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2019 of Wereldhave N.V. (the Company) based in Schiphol. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1 the consolidated statement of financial position as at 31 December 2019;

2 the following consolidated statements for 2019: the income statement, the statements of comprehensive income, changes in equity and cash flow statement; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1 the company balance sheet as 31 December 2019;

2 the company income statement for 2019; and

3 the notes comprising a summary of the accounting policies and other explanatory information.

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Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Wereldhave N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit approach

Summary

Materiality

- Materiality of EUR 10.0 million
- 0.65% of total equity
- Materiality for accounts in the income statement related to direct result: EUR 5.0 million

Group audit

- Full scope audit in all significant components performed by KPMG auditors
- 100% of investment property
- 100% of gross rental income

Key audit matters

- Valuation of investment property
- Tax status
- Valuation of derivatives

Opinion

Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 10.0 million (2018: EUR 10.6 million). The materiality is determined with reference to total equity (0.65%). We consider total equity as the most appropriate benchmark, because this benchmark best fits the nature of Wereldhave's operations and equity is deemed most relevant for the investors and other users of the financial statements. For accounts in the income statement related to direct result (which excludes valuation results) we determined materiality at EUR 5.0 million (2018: EUR 5.3 million). This direct result is an important measure for the performance of the Company's current portfolio (excluding the impact of changes in market value of investment property and derivatives) and important for the investors and other users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of EUR 500 thousand for the financial statements as a whole and EUR 250 thousand for accounts related to net direct result excluding valuation results, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Wereldhave N.V. is at the head of a group of components. The financial information of this group is included in the financial statements of Wereldhave N.V.

Our group audit mainly focused on significant components. The group manages its investment property through its subsidiaries in France, Belgium and the Netherlands. Each of these subsidiaries are individually significant in the context of the group's financial statements and therefore we have used KPMG audit teams in each country to perform an audit of the complete financial information of the subsidiaries in these countries (full scope audit). Given our responsibility for the overall audit opinion, we are responsible for directing, supervising and performing the group audit. As group auditor we were involved in the full-scope audits performed by the auditors of the subsidiaries.

Our involvement included, amongst others, the following:

- issuing audit instructions to subsidiary auditors describing the scope of the audit procedures to be performed, our risk assessment, materiality to be applied and reporting requirements;
- Participation in planning discussions with subsidiary auditors;
- Attending conference calls during the audit with respect to relevant audit matters;
- Attending closing meetings at the subsidiaries to discuss relevant audit findings with the subsidiary auditor and local management;
- Follow up on reported audit findings;
- Discussions on local reporting with country management; and

— Review of the audit files of all significant components to verify the audit work by subsidiary auditors has been carried out in accordance with our instructions.

The consolidation of the group, the disclosures in the financial statements and certain accounting topics that are performed at group level are audited by the group audit team. The accounting matters include, but are not limited to, equity, group financing, derivatives and hedge accounting, assessment of the tax exempt status, employee benefits and IFRS 16 disclosures.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

A full scope audit of the reporting packages is performed for all significant components. The audit coverage as stated in the section summary can be further specified as follows:

— 100% of investment property; and

— 100% of gross rental income.

Audit scope in relation to fraud

In accordance with the Dutch standards on auditing we are responsible for obtaining a high (but not absolute) level of assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error.

As part of our risk assessment process we have evaluated events or conditions that indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud ('fraud risk factors') to determine whether fraud risks are relevant to our audit.

We communicated identified fraud risks throughout our team and remained alert to any indications of fraud throughout the audit. This included communication from the group to component audit teams of relevant fraud risks identified at group level.

In accordance with the auditing standard we evaluated the fraud risks that are relevant to our audit:

— management override of controls (presumed risk); and

— the fraud risk related to the price component of real estate acquisitions and disposals as a result of possible 'abc-transactions' and the fraud risk related to possible illegal payments as part of fees paid to parties involved.

Our audit procedures included an evaluation of the design, implementation as well as the operating effectiveness of internal controls relevant to mitigate these risks and substantive audit procedures. The substantive procedures to address the risk of management override of controls include detailed testing of high risk journal entries and evaluation of management bias. The substantive procedures in respect to the risk related to real estate acquisitions and disposals consist of inspection of underlying documentation (agreements, notary deed, memorandum of settlement and bank statements) and evaluation of the price component.

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Finally, we have assessed ownership of real estate based on, amongst others, the land register, parties involved and related service fees in relation to possible ABC-transactions. In determining the audit procedures we have made use of the company's evaluation in relation to fraud risk management (prevention, detections and response), including the set-up of ethical standards to create a culture of honesty.

As part of our evaluation of any instances of fraud, we inspected the incident register/whistle blowing reports and follow up by management.

We communicated our risk assessment and audit response to management and the Audit Committee of the Supervisory Board. Our audit procedures differ from a specific forensic fraud investigation, which investigation often has a more in-depth character.

Our procedures to address fraud risks did not result in the identification of a key audit matter.

We do note that our audit is based on the procedures described in line with applicable auditing standards and are not primarily designed to detect fraud.

Audit scope in relation to non-compliance with laws and regulations

We have evaluated facts and circumstances in order to assess laws and regulation relevant to the Company.

We identified laws and regulations that could reasonably be expected to have a material effect on the financial statements based on our general understanding and sector experience, through discussion with relevant management and evaluating the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group to component audit teams of relevant laws and regulations identified at group level. The potential effect of these laws and regulations on the financial statements varies considerably:

— Firstly, the Company is subject to laws and regulations that directly affect the financial statements including taxation and financial reporting (including related company legislation). We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. In order to assist us in our assessment of the Company's compliance with tax laws we used KPMG tax specialists in our audit, as necessary, and consult with the Company's tax manager and external tax advisors on matters we considered to be important.

— Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have an indirect material effect on amounts recognized or disclosures provided in the financial statements, or both, for instance through the imposition of fines or litigation.

We identified the anti-money laundering laws and regulation as those most likely to have such an indirect effect.

Auditing standards limit the required audit procedures to identify non-compliance with laws and regulations that have an indirect effect to inquiring of relevant management and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not identify any additional actual or suspected non-compliance other than those previously identified by the company in each of the above areas. We considered the effect of actual or suspected non-compliance as part of our procedures on the related financial statement items.

Our procedures to address compliance with laws and regulations did not result in the identification of a key audit matter.

We do note that our audit is not primarily designed to detect non-compliance with laws and regulations and that management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud, including compliance with laws and regulations.

The more distant non-compliance with indirect laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the 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 property

Description

The valuation of investment property is complex and requires judgement, both from management and the external appraisal firms hired by management. The valuation is dependent on valuation techniques using a number of assumptions to determine expected future cash flows and risks. Assumptions include for example developments of market rent levels, vacancy rates, interest rates, maintenance expenses and transfer tax.

Due to the significance of investment property (representing 95.8% of total assets) and the estimation uncertainties, we consider this a key audit matter.

Refer for the accounting policies to Note 3.6 on the financial statements and the disclosures about the valuation and valuation parameters of investment property in Note 5.

Our response

With involvement of our local KPMG auditor in the Netherlands, France and Belgium, our procedures for the valuation of investment property included, amongst others:

— assessment of the valuation process with respect to the investment property as at year-end 2019, including testing related internal controls and tests of details at each subsidiary;
— verification of the accuracy and completeness of the rent roll data and other property related data used as input for the valuations performed by the external appraisal firms by comparing them to contracts;
— reconciliation of the rent roll data as per balance sheet date to the gross rental income as accounted for in the profit and loss statement;
— assessment of the objectivity and expertise of the external appraisal firms;
— involvement of our property valuation experts to verify the appropriateness of the valuation methodology and determine the mathematical accuracy of the valuation model. Additionally, the property valuation experts verified the valuation techniques applied with specific focus on the appropriateness of key assumptions in the valuation process, which consists of market rent levels and yield. This includes an assessment of the historical accuracy of the assumptions in previous periods, our understanding of the market and market developments and a comparison of assumptions and movements therein with publicly available data;
— discussion of the results of the valuation process and our findings and observations with management and the appraisal firms; and
— assessment of the related disclosures in relation to the requirements of EU-IFRS.

Our observation

Overall we consider that the assumptions and related estimates resulted in a neutral valuation of the investment property and we determined that the related disclosures are in accordance with IAS 40 and IFRS 13.

Tax status

Description

Wereldhave N.V. has a tax exempt status as per article 28 of the Corporate Income Tax law, 1969 in the Netherlands and a similar tax status in Belgium and France. When the conditions are met Wereldhave N.V. is exempt from corporate income tax for the operations. Specific activities such as (re)developments or specific operational activities could have an impact on the tax exempt status. From a financial statements perspective and for the users of these financial statements, compliance to the strict rules is essential to maintain the tax exempt status. The tax exempt status is important to the financial statements and our audit as non-compliance with applicable tax laws and regulations could have a material negative impact on the financial position of the group. Therefore we consider this a key audit matter.

Management assessment of the tax exempt status is included in Note 2 of the financial statements.

Additionally, during 2018, the French tax authorities have questioned the applicability of the Tax Treaty for the Company between The Netherlands and France. The Company is in discussion with the French tax authorities but has not received a formal claim yet, however a prenotification for the years 2015-2017 has been received. For further details, we refer to Note 42.

Our response

Our procedures for the compliance with the tax exempt requirements included, amongst others:

— Evaluation of management's assessment whether Wereldhave N.V. meets the requirements for the tax exempt status in the Netherlands, Belgium and France.

— Involvement of our tax specialists in all our procedures.

— We obtained a letter from the Company's external fiscal advisor relating to the confirmation of the tax exempt status in each of the respective countries.

— Discussion regarding the requirements with the Board of Management and the tax manager of Wereldhave N.V. This includes the consideration of the financing structure, dividend policy and operational activities of Wereldhave N.V.

— Inspection of correspondence with the tax authorities, to assess whether Wereldhave N.V. meets the requirements for the tax exempt status.

— Inspection of the assessment of management and supporting documentation in relation to the tax prenotification in France including discussion with the Board of Management and the tax manager;

— Assessment of the related disclosures in relation to the requirements of IAS 37 and IFRIC 23.

Our observation

Based on the result of our procedures we consider management's assessment as disclosed in Note 2 and Note 42 to be reasonable taking into account the current available information. Furthermore we determined that the related disclosures are in accordance with IAS 37 and IFRIC 23.

Valuation of derivatives

Description

Wereldhave N.V. uses derivatives (cross currency and interest rate swaps) to fix the exchange rate and interest rate risk on part of its floating aspects of its finance activities. The borrowings are used to finance investment property activities.

As at 31 December 2019, Wereldhave N.V. has recognized derivative financial instruments at fair value, with a debit amount of EUR 34.0 million and a credit amount of EUR 25.8 million.

Wereldhave N.V. has opted for cash flow hedge accounting principles regarding the currency derivatives and fair value hedge accounting regarding the cross currency interest rate swaps.

As explained in Note 23 to the financial statements, the fair value of derivatives is based on fair value quotes from counterparties which are compared to the results of the internal valuation model using market data obtained from an independent recognized market data agency. As these valuations are complex, we consider this to be a key audit matter.

Our response

We used our valuation specialists to independently calculate the fair value of the derivatives and compared the outcome to the values calculated by Wereldhave N.V. We also evaluated Wereldhave N.V.'s assessment of the adjustment to the fair value for counterparty non-performance risk (or credit valuation adjustment/debit valuation adjustment – CVA/DVA). Additionally, we verified the accuracy of the disclosure and assessed that the disclosures are in line with the requirements of EU-IFRS.

Our observation

Overall we assess that the assumptions used and related estimates resulted in a neutral valuation without significant variances when compared with our own valuations. Furthermore, we determined that the related disclosures are in accordance with EU-IFRS.

Report on the other information included in the integrated annual report

In addition to the financial statements and our auditor's report thereon, the integrated annual report contains other information. Additionally, other information includes Remuneration report 2019 Wereldhave N.V.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board of Management is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

KPMG

Report on other legal and regulatory requirements

Engagement

We were engaged by the General Meeting of Shareholders as auditor of Wereldhave N.V. on 22 April 2016, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Management and the Supervisory Board for the financial statements

The Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Management should prepare the financial statements using the going concern basis of accounting unless the Board of Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in appendix of this auditor's report. This description forms part of our auditor's report.

Amstelveen, 9 March 2020

KPMG Accountants N.V.

H.D. Grönloh RA

Appendix:
Description of our responsibilities for the audit of the financial statements

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

— identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

— obtaining an understanding of internal control 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 Company's internal control;

— evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management;

— concluding on the appropriateness of the Board of Management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;

— evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and

— evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board 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.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Appendix

Stakeholder dialogue

Stakeholder group	Communication	Concerns	Follow-up	Material aspects
1 Customers (visitors) • All visitors • Potential visitors	Helpdesk Surveys SC websites Social media Events Frequency: daily	Complaints and tips Facilities and services Attractive shopping centre Experience	Customer journey improvements Optimise branchmix and shop offer Investments in facilities Operational excellence	Customer satisfaction Health & safety in shopping centres Tenant mix Social function of shopping centres
2 Retailers (and tenants) • All tenants • Potential tenants • Tenant associations	On-site management (key) account management Retailer seminars Tenant satisfaction surveys Sustainability committees Regular meetings Frequency: daily	Footfall & customer spending Attractive shopping centre Value for money services Complaints and tips	Knowledge sharing Customer journey improvements Investments in facilities Marketing Operational excellence	Operational performance Cost efficient design & development Energy consumption Tenant mix Health & safety of shopping centres Green leases tenants Waste management Water consumption
3 Employees & board • All employees • Supervisory Board • Works Council	News letters Result presentations Onboarding Career development Works council meetings Internal communications Frequency: daily	Commitment and engagement Personal development Recognition	Market conform remuneration Fun & teambuilding Talent development programme	Financial performance Operational performance Attract & retain talents Integrity
4 Investors, banks and analysts • Equity & debt providers • Advisor • Assurance firms	AGM Annual report Interim statements and trading updates One-to-one meetings EPRA Real estate seminars Frequency: weekly	Strategy Share price Earnings per share Risk exposure Image and communication	Follow up required outcome of meetings	Financial performance Operational performance Cost efficient design & development Integrity Risk management Building certification

Stakeholder group	Communication	Concerns	Follow-up	Material aspects
5 Communities • Inhabitantants, local organisations and associations in the catchment areas of our shopping centres	Network meetings Online and offline communication Presentations of redevelopments Contact frequency: weekly	Attractive sustainable environment Long term relationship Collaboration in local initiatives	Follow up required outcome of meetings	Community investment Social function of shopping centres Job creation
6 Governments • National governments • Regional governments • Local governments	Meetings Presentations Dialogues Contact frequency: weekly	Information provision regarding local impact, redevelopment projects Collaboration in local initiatives	Follow up required outcome of meetings	Job creation Community investment Social function of shopping centres Health & safety in shopping centres
7 Suppliers and contractors • All suppliers • All contractors	Supplier dialogue Partnership meetings Regular supplier and contractors meetings Contact frequency: daily	Reliability Transparency Quality-cost control	Follow up required outcome of meetings	Sustainable purchasing Sustainable materials
8 NGO's	Network meetings, dialogue Contact frequency weekly	Information provision	Follow up required outcome of meetings	Community investment Sustainable purchasing Sustainable materials Water consumption Waste management Energy consumption

Contribution to sustainable developments goals

Sustainable Development Goal	Sustainability focus area	Alignment
7. Affordable and clean energy	Better footprint	All m^2 within direct control of our organisation to operate at net zero carbon by 2030
		Partner with tenants and visitors to reduce carbon and waste (ambition: net zero value-chain by 2050)
8. Decent work and economic growth	Better living	Aim for zero safety incidents in our centers
11. Sustainable cities and communities	Better nature, Better living	Increase m^2 of green areas on and around our centers with ecological value and climate resilience
		1% NRI-equivalent contribution to socio-economic and social inclusion initiatives
12. Responsible consumption and production	Better footprint	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)
13. Climate action	Better nature	Increase % of Wereldhave buildings with plans in place to mitigate physical effects of climate change (extreme heat, flooding, storms etc.)
17. Partnership for the goals	All pillars	Partnering with suppliers, tenants & society

Social indicators

Workforce

Workforce - employment (GRI 102-7; 102-8)

(in FTE)		Total	Belgium	France	Netherlands
2019	Number of employees year end	171.0	46.6	52.8	71.6
2018	Number of employees year end	165.0	46.0	52.8	66.2
2019	Part-time employees	18.3%	16.0%	1.9%	31.2%
2018	Part-time employees	14.2%	16.3%	1.9%	21.6%
2019	Full-time employees	81.7%	84.0%	98.1%	68.8%
2018	Full-time employees	85.8%	83.7%	98.1%	78.4%
2019	Employees with fixed contract	9.4%	6.0%	0.0%	18.2%
2018	Employees with fixed contract	9.1%	2.0%	0.0%	20.3%
2019	Employees with permanent contract	90.6%	94.0%	100.0%	81.8%
2018	Employees with permanent contract	90.9%	98.0%	100.0%	79.7%

Workforce - employment (GRI 405-1, EPRA Diversity-Emp)

		2019			2018	
(number)	%	Male	Female	%	Male	Female
Age group < 30	13.3%	13	11	10.1%	6	13
Age group 30-40	38.3%	34	35	39.3%	31	36
Age group 40-50	30.6%	22	33	35.7%	26	36
Age group > 50	17.8%	15	17	14.9%	13	15
Total numbers of employees	180	84	96	176	76	100
Employees in senior management		69.6%	30.4%		71%	29%
Annual increase in base salary excluding individual STI	4.1%	4.1%	4.1%		6.9%	12.4%

Employee turnover

Total number and rates of new employee hires and employee turnover by age group, gender and region (GRI 401-1, EPRA Emp-Turnover)

	2019		2018	
(number)	New hires	Departures	New hires	Departures
Male	22	14	23	21
Female	18	22	41	42
Age group < 30	14	8	14	13
Age group 30-40	18	10	26	22
Age group 40-50	7	12	22	15
Age group > 50	1	6	2	12
Total	**40**	**36**	**64**	**63**

Reasons for departure

(number)	2019	2018	2017
Resignations	20	26	19
Dismissals	5	4	5
Mutual agreements	7	12	30
Retirements	-	3	1
Departure during probation period	1	3	2
Expiry contacts	3	14	15
Outsourcing	-	-	-
Deaths	-	-	-
Totals	**36**	**62**	**72**
Employee turnover	20.0%	35.2%	37.5%

New employee hires

New employees hired in 2019 by gender	%
Male employees	56.8%
Female employees	43.2%

New employees hired in 2019 by age group	%
Age group < 30	35.1%
Age group 30-40	37.9%
Age group 40-50	18.9%
Age group > 50	8.1%

Sickness ratio

Sickness ratio and total number of work-related fatalities

	Units	Total	Belgium	France	Netherlands
2019 Absentee rate	%	1.9	2.1	1.8	1.9
2018 Absentee rate		3.0	4.1	4.5	1.1
2019 Injury rate	%	-	-	-	-
2018 Injury rate		-	-	-	-
2019 Work-related fatalities	Number	-	-	-	-
2018 Work-related fatalities	Number	-	-	-	-

Training & development

Average hours of training per employee, by gender

	Units	Total	Belgium	France	Netherlands
2019 training hours total	Number	3,479	382	1,030	2,068
2019 training hours per employee	Number	19	8	19	27
2019 training costs total	in Euro	188,991	30,163	24,725	134,103
2019 training costs per employee	in Euro	1,050	603	467	1,742
2018 training hours total	Number	1,809	392	298	1,119
2018 training hours per employee	Number	10	8	6	15
2018 training costs total	in Euro	189,193	28,230	18,007	142,957
2018 training costs per employee	in Euro	1,075	576	340	1,932

		2019		2018	
	Units	Male	Female	Male	Female
Educational training	%	12.6%	87.4%	52.7%	47.3%
Skills & development training		60.0%	40.0%	50.8%	49.2%
Wereldhave training		65.4%	34.6%	100.0%	0.0%
Training works council		64.3%	35.7%	80.0%	20.0%
Training hours per employee	Number of hours	26.1	15.0	12.9	8.3

Number of training hours split per category (GRI 404-2)

(number of hours)	2019	2018
Educational training	254	502
Skills & development training	2,957	1,198
Wereldhave training	156	29
Training works council	112	80

Employee category

Breakdown of employees by employee category (GRI 102-8)

(Number)	2019
Board	2
Management	18
Operations (Leasing, Development, Shopping Centre Management)	89
Staff	71
Total	**180**

Breakdown of employees by gender

Senior management split by gender (GRI 102-8)

	2019	2018	2017
Male employees	69.6%	70.8%	65.0%
Female employees	30.4%	29.2%	35.0%

Remuneration

Ratio of Base Salary and remuneration of women to men by employee category (GRI 405-2, EPRA Diversity-pay)

	2019	
	Male	Female
Board	100%	0%
Management	61%	39%
Operations (Leasing, Development, Shopping Centre Management)	44%	56%
Staff	45%	55%

Employee satisfaction

Employee satisfaction by aspect measured (GRI 102-43)

(Number)	2018	2016
Commitment	7.4	7.7
Engagement	7.6	7.5
Role clarity	7.5	6.9
Vitality	n/a	7.6
Work atmosphere	n/a	7.7
Loyalty	7,7	n/a
Response rate	90.1%	89.5%

Incidents of discrimination

Total numbers of incidents of discrimination and corrective actions (GRI 406-1)

(Number)	2019	2018	2017
Number of incidents of discrimination reported	-	-	-

Employee performance appraisals

	2019	2018
Percentage of employees with an appraisal	97%	83%

Health and safety assessments

	2019	2018
Injury rate	0%	0%
Absentee rate	1.9%	3.0%
Number of work-related fatalities	-	-

Community engagement

	2019	2018
Social performance indicators retail portfolio		
Local engagement programme in place (% of assets)	100%	100%
Local community investments - absolute (€)	1,485,745	1,618,674
Local community investments - relative to NRI (% of NRI)	-	-

Employee health and safety

	2019
Health & Safety - assessment undertaken (in %)	84%
Health & Safety - incidents of non-compliance occurred	-

Environmental indicators

Environmental performance indicators - Retail

EPRA, GRI 302-1, 302-2, 303-1, 305-1, 305-2, 305-3, 306-2

	Absolute								Like for like comparison	
				Belgium		France		Netherlands		Total
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Impact area - MWh										
Electricity consumption common areas	24,925	28,331	7,079	8,291	7,331	9,130	7,999	8,040	22,409	25,462
Electricity tenants	12,365	11,557	33	31	3,640	2,609	8,095	8,165	11,767	10,805
Total landlord obtained electricity	37,290	39,888	7,111	8,323	10,971	11,739	16,094	16,206	34,176	36,267
District heating and cooling common areas	1,022	838	-	-	498	251	384	400	882	651
District heating and cooling tenants	-	-	-	-	-	-	-	-	-	-
Total landlord obtained district heating	1,022	838	-	-	498	251	384	400	882	651
Gas consumption common areas	6,911	10,231	2,789	4,710	269	2,308	3,292	2,621	6,350	9,639
Gas consumption tenants	5,669	7,685	278	308	-	-	5,090	7,094	5,368	7,403
Total gas consumption	12,581	17,917	3,067	5,018	269	2,308	8,382	9,716	11,718	17,042
Renewable energy produced on-site	3,667	2,360	1,877	897	-	-	1,455	1,416	3,332	2,313
Total energy consumption from all sources common areas	36,265	39,400	9,867	13,001	8,098	11,689	11,675	11,062	29,640	35,752
Total energy consumption from all sources tenants	18,035	19,242	311	340	3,640	2,609	13,184	15,259	17,136	18,207
Total energy consumption	54,299	58,643	10,179	13,341	11,738	14,297	24,859	26,321	46,776	53,959
Impact area - Tonnes CO_2e										
Total direct GHG emissions Scope 1	1,251	1,872	505	862	49	422	596	480	1,149	1,764
Total indirect GHG emissions Scope 2	244	200	-	-	119	61	91	95	211	156
Total indirect GHG emissions Scope 3	1,026	1,391	50	56	-	-	1,013	1,379	1,063	1,435
Total direct and indirect GHG emissions	2,521	3,464	555	918	168	483	1,700	1,954	2,423	3,355
Impact area - m^3										
Water consumption common areas	145,101	199,939	23,008	55,072	81,077	78,655	35,334	58,582	139,419	192,309
Water consumption tenants	53,708	77,970	11,672	10,755	17	21,538	907	1,178	29,713	33,471
Rainwater recovery	87,845	29,241	87,845	29,241					87,845	29,241
Total water consumption	198,810	277,908	34,680	65,827	81,094	100,193	36,241	59,760	169,132	225,780
Impact area - Metric tonnes										
Total weight of waste	5,837	5,566	1,409	1,470	2,196	1,875	1,835	1,776	5,440	5,121

	Absolute		Like for like comparison							
				Belgium		France		Netherlands		Total
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Hazardous waste	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Impact area - Proportion by weight (%)										
Disposal route										
Reuse	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Recycling	26%	25%	31%	33%	28%	24%	22%	22%	26%	26%
Composting	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Recovery	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Incineration	57%	57%	53%	51%	56%	58%	60%	60%	57%	56%
Landfill	17%	17%	16%	15%	15%	17%	18%	18%	17%	17%
Other	0%	0%	0%	0%	1%	1%	0%	0%	0%	0%

Environmental intensity indicators - Retail

EPRA Sustainability performance measures (GRI 302-1, 302-2, 303-1, 305-1, 305-2, 305-3, 306-2)

		Absolute		Like for like comparison							
					Belgium		France		Netherlands		Total
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Impact areas											
Building energy intensity (CRESS CRE1)	kWh/m²/year	68	70	78	103	62	75	94	99	80	92
	kWh/visitor/year	-	-	1	1	-	-	1	1	1	1
Greenhouse gas intensity from building energy (CRESS CRE3)	kg CO_2e/m²/year	3	4	4	7	1	3	6	7	4	6
	kg CO_2e/visitor/year	-	-	-	-	-	-	-	-	-	-
Building water intensity (CRESS CRE2)	m³/m²/year	-	-	-	1	-	1	-	-	-	-
	liter/visitor/year	2	2	2	5	2	3	1	1	2	2

Environmental performance indicators - Office

	Absolute				Like for like comparison	
				Belgium		Total
	2019	2018	2019	2018	2019	2018
Impact area - MWh						
Electricity consumption common areas	5,562	6,311	5,562	6,311	5,562	6,311
Electricity tenants	1,312	2,234	1,312	2,234	1,312	2,234
Total landlord obtained electricity	6,874	8,545	6,874	8,545	6,874	8,545
District heating and cooling common areas	-	-	-	-	-	-
District heating and cooling tenants	-	-	-	-	-	-
Total landlord obtained district heating	-	-	-	-	-	-
Gas consumption common areas	4,082	3,704	4,082	3,704	4,082	3,704
Gas consumption tenants	-	-	-	-	-	-
Total gas consumption	4,082	3,704	4,082	3,704	4,082	3,704
Total energy consumption from all sources common areas	9,644	10,016	9,644	10,016	9,644	10,016
Total energy consumption from all sources tenants	1,312	2,234	1,312	2,234	1,312	2,234
Total energy consumption	10,956	12,249	10,956	12,249	10,956	12,249
Impact area - Tonnes CO_2e						
Total direct GHG emissions Scope 1	747	678	747	678	747	678
Total indirect GHG emissions Scope 2	-	-	-	-	-	-
Total indirect GHG emissions Scope 3	-	-	-	-	-	-
Total direct and indirect GHG emissions	747	678	747	678	747	678
Impact area - m^3						
Water consumption common areas	18,915	18,078	18,915	18,078	18,915	18,078
Water consumption tenants						
Rainwater recovery						
Total water consumption	18,915	18,078	18,915	18,078	18,915	18,078
Impact area - Metric tonnes						
Total weight of waste	154	171	154	171	154	171
Hazardous waste	n/a	n/a	n/a	n/a	n/a	n/a
Impact area - Proportion by weight (%)						
Disposal route						
Reuse	0%	0%	0%	0%	0%	0%
Recycling	31%	30%	31%	30%	31%	30%
Composting	0%	0%	0%	0%	0%	0%
Recovery	0%	0%	0%	0%	0%	0%
Incineration	53%	54%	53%	54%	53%	54%
Landfill	16%	16%	16%	16%	16%	16%
Other	0%	0%	0%	0%	0%	0%

Evironmental intensity indicators - Office

			Absolute		Like for like comparison			
					Belgium		Total	
			2019	2018	2019	2018	2019	2018
Impact areas								
Building energy intensity	CRESS CRE1	kWh/m²/year	176	202	176	202	176	202
Greenhouse gas intensity from building energy	CRESS CRE3	$kgCO_2e/m^2/year$	12	11	12	11	12	11
Building water intensity	CRESS CRE2	m³/m²/year	0	0	0	0	0	0

BREEAM certificates

		2019
BREEAM certifications in place	% of retail GLA	82%
Very Good or higher		79%
BREEAM certifications in place	% of retail NAV	83%
Very Good or higher		80%
Total number of BREEAM certifications		**18**

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