

The letter by TTW outlines six key proposals

Topic	Proposal TTW	Response Wereldhave
French portfolio	<ul style="list-style-type: none"> Sell French assets for €800m 	<ul style="list-style-type: none"> We agree to phase out France, this has been communicated as part of our strategy Valuation when disposing assets is always uncertain, also given limited liquidity of these assets
Stake in WH Belgium	<ul style="list-style-type: none"> Sell the 66% shareholding in Wereldhave Belgium for €400m 	<ul style="list-style-type: none"> We see sufficient reasons to maintain our majority stake in Wereldhave Belgium, mainly (i) the Belgian portfolio consists of strong assets with FSC transformation potential and (ii) there are synergies with the Dutch platform Furthermore, valuation when disposing is always uncertain, especially given the size of our stake and the limited liquidity of the shares in Wereldhave Belgium
Capex program Dutch assets	<ul style="list-style-type: none"> Refrain from investing €350m in transformation of Dutch assets to full service centers as the investment appears to be yielding insufficiently (ROE of 3%) 	<ul style="list-style-type: none"> It is important to emphasize that the €300-350m will be invested in both Dutch and Belgian assets, and over a 6 year period (2020 – 2025) We have extensively analysed the performance and potential of each asset, and will only invest in an asset if we believe we can generate an unlevered IRR of >6%
Offices or residential	<ul style="list-style-type: none"> Sell the parts of the centers that will be converted to offices or residential 	<ul style="list-style-type: none"> Under the FBI regime, we are not allowed to become a third party developer, and a “convert & sell” strategy will therefore not be allowed under the FBI regime. We are exploring alternative models with our partner Amvest. In addition, selling integrated offices or other use as part of a Full Service Center is highly complicated and conflicts with our ambition to fully control the asset.
Location of headquarters	<ul style="list-style-type: none"> Relocate headquarters from the expensive Schiphol location to a LifeCentral location to reduce costs, increase revenues and allowing employees ‘feet on the floor’ 	<ul style="list-style-type: none"> We will take this into consideration Note that we are bound to a lease agreement for our current HQ location, and that we currently do not have suitable office space in any of our centers
Strategy post 2022	<ul style="list-style-type: none"> Separate the physical centers from the asset and operational management Sell the physical assets to investors at much lower NIY Focus fully on marketing LifeCentral 	<ul style="list-style-type: none"> We currently see added value in owning the assets ourselves Our focus for now will be on successfully implementing LifeCentral in our own portfolio Note that we are currently a REIT (real estate investment trust) subject to a friendly tax regime (FBI); we will lose that status if we sell all real estate and we do not believe that to be in the best interest of our shareholders