FINANCIAL ANNUAL REPORT 2019

WAREHOUSES ESTATES BELGIUM SCA

IDENTIFICATION

Name	Warehouses Estates Belgium (WEB for short)
Legal form	Partnership limited by shares (SCA for short)
Statut	Public Regulated Property Company (SIRP of SIR for short)
Registered office	29 avenue Jean Mermoz, B-6041 Gosselies (Belgique)
Phone	+32 71 259 259
Fax	+32 71 352 127
E-mail	info@w-e-b.be
Website	www.w-e-b.be
Entreprise number	BE0426.715.074
LEI	549300JTAJHL7MXIM284
Date of incorporation [1]	04 January 1985 under the name « Temec »
Date of admission to Euronext	01 October 1998
Date of approval as SIR	13 January 2015
Duration	Unlimited
Share capital	€10,000,000
Number of actions	3,166,337
ISIN code	BE0003734481
Cotation	Euronext Brussels
Effective Managers	Mr Claude DESSEILLE, CEO [2] Mr Laurent WAGNER, CEO Ms Caroline WAGNER, CAO Mr Antoine TAGLIAVINI, CFO Mr Laurent VENSENSIUS, CTO [3]
Manager	W.E.B. Property Services Plc (WEPS Plc for short)
Closing date	31 December
Property Expert	CBRE represented by Mr Pieter PAEPEN [4]
Auditor	PwC represented by Mr Damien WALGRAVE [5]
Types of properties	Commercial, logistics buildings and offices
Fair value	€272,194,705 [6]

Declaration

Mr Claude DESSEILLE, as Chairman of the Board of Directors, Ms Valérie WAGNER, as Director and ex-Chairwoman of the Board of Directors, Ms Caroline WAGNER and Mr Laurent WAGNER, as Executive Directors and Effective Managers, Messrs Daniel WEEKERS, Jean-Jacques CLOQUET and Jacques PETERS, as Independent Directors as well as Messrs Antoine TAGLIAVINI (CFO) and Laurent VENSENSIUS (CTO), as Effective Managers of Warehouses Estates Belgium SCA (hereinafter "WEB SCA") having its registered office at Avenue Jean Mermoz 29, 6041 Charleroi (Gosselies), Belgium, declare that, to the best of their knowledge:

- the financial statements, drawn up in accordance with applicable accounting standards, give a true and fair view of the Company's assets, financial situation and results;
- the management report contains a true and fair presentation of the development of the business, the results and the situation of the Company, as well as a description of the main risks and uncertainties which it faces.

Any additional information can be obtained on request by telephone at 071/259.259, by fax at 071/352.127 or by email at **info@w-e-b.be**.

The financial report is also available in French and Dutch. Only the French version of the document is authentic; the Dutch and English versions are free translations.

(1) The latest version of the coordinated Articles of Association is available on the Company's website: www.web.be.
(2) until 31/12/2019
(3) as from 01/01/2020
(4) The mandate of the Property Expert was renewed in January 2018 for a period of 3 years.
(5) The mandate of the Auditor was renewed in January 2017 for a period of 3 years.
(6) assets held for sale included

SUMMARY

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PROFILE

WEB SCA is a Public Regulated Property Company under Belgian law ("Société Immobilière Réglementée Publique - SIRP") subject to legal requirements in this area, in particular the Law of 22 October 2017 amending the Law of 12 May 2014, and the Royal Decree of 23 April 2018 amending the Royal Decree of 13 July 2014 relating thereto.

WEB SCA has been listed on Euronext Brussels since 1st October 1998. In accordance with its investment strategy, WEB SCA invests in property in Belgium and the Grand Duchy of Luxembourg.

WEB SCA's business activities consist of making its properties available to users. Most of these are operating leases with WEB SCA retaining the risks and benefits associated with the ownership of investment properties. The rents received are recognised as rental income on a straight-line basis over the duration of the rental contract. WEB SCA has also concluded four (4) long lease contracts.

Through its activities, WEB SCA aims to enhance and increase its property assets, with particular focus on commercial, office and logistics properties. WEB SCA is currently one of the investment and property management specialists in these categories.

WEB SCA has a portfolio of more than 110 properties (excluding projects under development) representing a total property area of 284,863 m² (excluding land). The fair value of this property portfolio amounts to €272,194,705 as at 31 December 2019.[1, 2]

Since its initial public listing 21 years ago, WEB SCA has offered its shareholders a remarkable return, despite the sometimes difficult socio-economic situations. It intends to continue its development by favouring the composition of a stable portfolio, creating value and long-term growth and generating income in line with its dividend policy. WEB SCA will continue to adopt a cautious and selective position in the choice of its investments so that they are always carried out under conditions particularly favourable for its shareholders, while taking into account the potential associated risks.

As at 31 December 2019, the market capitalisation of the Company was €189,980,220.

(1) Following the EGM of 05/09/2018, which approved the merger by absorption of SA Centre Commercial St Georges by WEB SCA, the Company no longer had any subsidiaries as at 30/06/2019, and the figures presented on this date are therefore statutory.
(2) Assets held for sale included.

LETTER TO SHAREHOLDERS

Dear Shareholders,

The 2019 financial period, established over a calendar year, as opposed to the previous period which covered 15 months, closed with a distributable result which was up 7.66% against a comparable period,[1] rising from €11,242,954 to €12,104,164 over the same period.

The fair value of the property portfolio, including investment property, increased from €267,187,603 to € 272,194,706, a rise of 1.87% taking into account the following transactions:

- building stock maintenance work for an amount in the order of €1,071,416 (incl. VAT);
- works for new constructions and improvements to the building stock for an amount in the order of €9,157,263 (incl. VAT);
- the sale of the properties located in Binche and Jumet.

The statutory assets of WEB SCA therefore increased from €272,130,633 to €277,885,774, an increase of 2.11%.

Over a comparable period, the net rental result increased by almost 6% to €18,655,861 as at 31 December 2019 against €17,614,307 at 31 December 2018, generating a property result of €18,141,847 (+7.83%).

The occupancy rate was 94.43%.

On 25 November 2019, the Board of Directors decided to distribute an interim dividend of €2.25 gross per share, paid on 3 December 2019.

At the Ordinary General Meeting of 28 April 2020, it will propose an additional dividend of €1.25 gross.

Consequently, the overall gross amount of the dividend for the 2019 financial period would be €3.50 giving a gross return of 6.49%; the pay-out ratio therefore would stand at 91.56%, compared to 93.50% for the previous financial period.

The Board of Directors and the Effective Management will continue to favour selective growth as well as the maintenance at the best rental level of the building stock, choosing to maintain sufficient profitability to generate an annual profit, which will enable them to offer an attractive dividend per share to Shareholders.

In January 2020, with this in mind, WEB SCA completed the acquisition process for two property companies, generating nearly €1,420,000 in annual rental income.

We would like to thank all of the employees for the work accomplished during this year, and congratulate them for the positive spirit they have demonstrated in order to achieve the objectives.

We would also like to thank all the Shareholders, whose loyalty to the Company strengthens our determination to pursue the profitable expansion of our portfolio.

Valérie WAGNER
President of the Board of Directors [2]

Claude DESSEILLE
CEO [2]

Laurent WAGNER
CEO

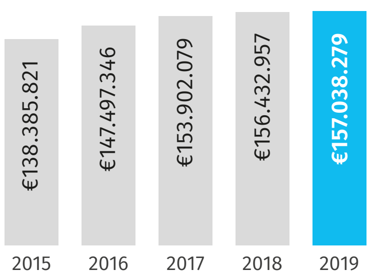
(1) Following the EGM decision of 05/09/2019, the closing date for the 2018 financial year has been changed so that the latter was 15 months against 12 months for the 2019 financial year. Therefore and for for the sake of comparison, the result has been reduced to 12 months pro rata temporis.
(2) until 31/12/2019

KEY FIGURES 2019[1]

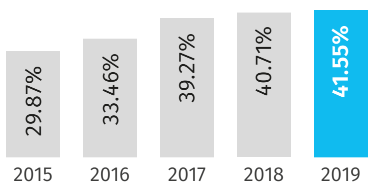
	2018 [2] (15 months)	2018 (12 months)	2019	Variation (12 months)
Net rental result	€22,017,884	€17,614,307	€18.655.861	5.91%
Property result	€21,029,703	€16,823,762	€18,141,847	7.83%
Operating result from properties	€16,973,091	€13,578,473	€14,358,044	5.74%
Operating result before portfolio result	€15,839,190	€12,671,352	€13,620,071	7.49%
Financial result	-€2,124,138	-€1,699,311	-€2,069,487	21.78%
Distributable result	€14,053,692	€11,242,954	€12,104,164	7.66%

	31/12/2018	31/12/2019	Variation
Fair value of portfolio (balance sheet)	€267,187,603	€272,194,705	+ 1.87%
Total assets	€272,130,633	€277,885,774	+ 2.11%

CHANGE IN SHAREHOLDERS' EQUITY (IN €)



CHANGE IN DEBT RATION (IN %)



CHANGE IN FAIR VALUE (IN €)[3]

(1) Assets held for sale included unless otherwise stated
(2) The EGM of 05/09/2018 approved the modification of the closing date of the financial year. Consequently, the 2018 financial period covered 15 months against 12 months for the 2019 financial period.
(3) The fair value is that determined by the Company's independent property expert.
(4) Based on the investment value.
(5) Assets held for sale not included.

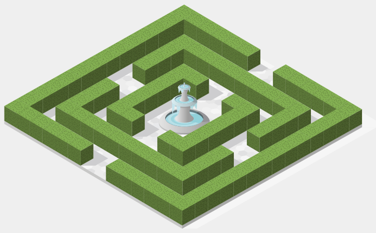
DISTRIBUTION BY SECTOR[4]

OFFICE PROPERTIES
6,91%

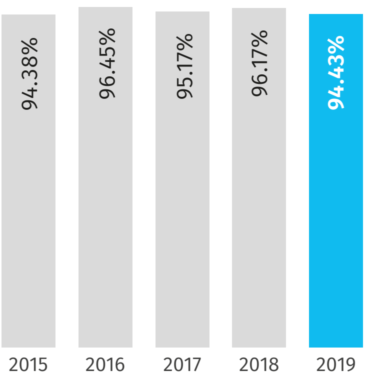
LOGISTICS PROPERTIES
17,84%

COMMERCIAL PROPERTIES
72,62%

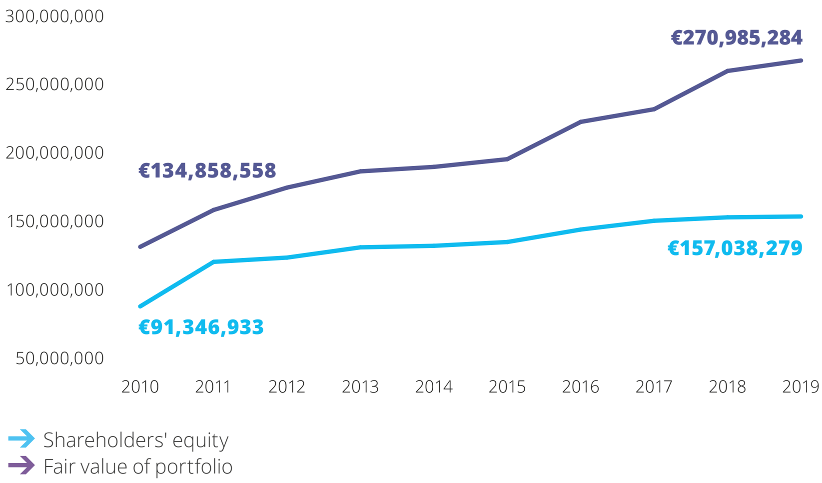
LAND
2,63%



CHANGE IN OCCUPANCY RATE (IN %)

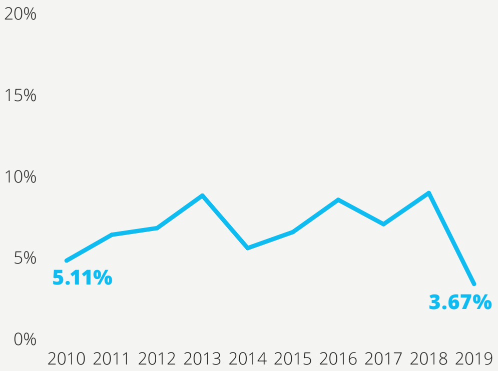


COMPARATIVE CHANGE IN EQUITY AND FAIR VALUE OF PROPERTY[3,5]

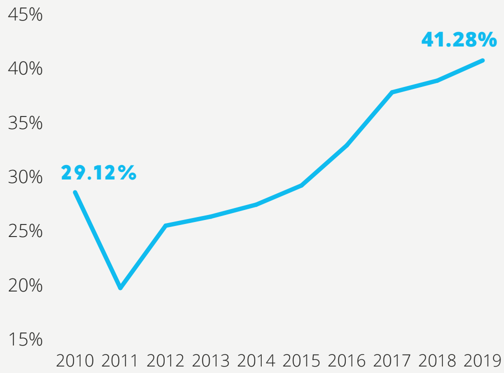


As at 31 December 2019, the Company experienced significant growth in the value of its rental property portfolio for the 21st consecutive year. This growth was accompanied by a similar constant growth in its shareholders' equity.

RETURN ON ASSET

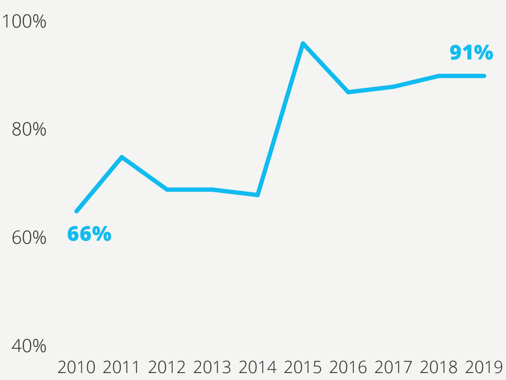


LOAN TO VALUE[2]



Consequently, since 2010, the Company has shown a positive and continuously increasing return on assets (defined as its overall annual result compared to the fair value[1] of its properties for each of the years), achieving 4.47% in 2019. The Company is growing, with demanding requirements for return and dividend distribution.

PERMANENCE OF CAPITAL[3]



GROSS DIVIDENDE[4]

A controlled financing policy results, providing the Company with long-term resources, as well as a sustainable dividend policy for its shareholders.

(1) The fair value is that determined by the Company's independent property expert.
(2) Loan to value, see definition under the APM heading.
(3) Permanence of capital = permanent capital / total liabilities.
(4) The 2018 financial period covered 15 months in order to align its financial period with the calendar year. The total dividend distributed was €4.15 gross/share.

DIVIDEND PAYOUT POLICY

Listed since 1st October 1998 on Euronext Brussels, WEB SCA closed its twenty-first financial period on 31 December 2019.

Its results, once again positive, make it possible to distribute an attractive dividend to each of its shareholders.

Given the good economic development of WEB SCA over the 2019 financial period, on 25 November 2019 the Board of Directors decided to distribute an interim dividend of €2.25 gross per share; this interim dividend was paid on 3 December 2019.

The Board of Directors will ask the Ordinary General Meeting of 28 April 2020 to confirm this interim payment, and to distribute an additional dividend of €1.25, payable on 6 May 2020. The gross amount of the dividend for the 2019 financial period, up by 5.14% compared to that of 2018 5 therefore stands at €3.50. The percentage distributed compared to the results was 91.56%, as against 93.50% for the previous financial period.

WEB SCA intends to continue its profitable development in the future, in order to sustainably consolidate its current policy of dividend distribution and return.

HISTORY OF DIVIDEND DISTRIBUTION

	2015	2016	2017	2018[6]	2019
Intrinsic share value	€43.71	€46.58	€48.61	€49.41	€49.60
Market share price on the closing date	€61.50	€64.50	€61.67	€48.80	€60.00
Annual average market share price [7]	€62.44	€61.86	€62.13	€54.09	€53.96
Gross amount per share	€3.44	€3.44	€3.45	€4.15	€3.50 [8]
Gross return on the annual average market share price [9]	5.51%	5.56%	5.55%	7.67%	6.49% [8]
Percentage distributed in relation to results [10]	101.27% [11]	101.85%	98.96%	93.50%	91.56%[8]

FINANCIAL CALENDAR YEAR[12, 13]

Clôsing of financial period 2019	31/12/2019
Publication of annual financial results for the 2019 financial period	27/03/2020
Online publication of the 2019 annual Financial Report [14]	27/03/2020
Ordinary General Meeting of Shareholders (OGM)	28/04/2020
Dividend for the 2019 financial period	
• Publication of the 2019 dividend [15]	29/04/2020
• Ex-dividend date	04/05/2020
• Record date	05/05/2020
• Payment date	06/05/2020
End of the 1st half of the 2020 financial period	30/06/2020
Publication of the half-yearly financial results for the 2020 financial period	30/09/2020
Publication of the 2020 Half-yearly Financial Report	30/09/2020
Closing of financial period 2002	31/12/2020

(5) Financial period reduced down to 12 months against 15 actual months.
(6) The EGM of 05/09/2018 approved the modification of the closing date of the financial period. Consequently, the 2018 financial period covered 15 months against 12 months for the other financial periods.
(7) This is the daily closing price divided by the number of quotes for the period.
(8) = proposed dividend / distributable result, and therefore subject to the approval of the OGM of 28/04/2020.
(9) The gross return is calculated by dividing the gross amount of the dividend by the annual average market price.
(10) In 2015 and 2016, in order, among other things, to keep its dividend stable, the Company increased its pay-out ratio above 100%, distributing a marginal part of retained earnings brought forward from previous financial periods.
(11) The percentage for 2015 has been recalculated in application of the Royal Decree of 13/07/2014.
(12) Subject to modification. In the event of a modification, the shareholders' agenda will be updated accordingly, and the information will be published on the Company's website: www.web.be. A press release will also be published via the agency Belga.
(13) Unless otherwise stated, publication after the Stock Market closes.
(14) The French (official version) and Dutch versions of the annual financial report will be available on the Company's website as from 27/03/2020.
(15) Publication before the Stock Market opens.

HISTORICAL

1998

Initial public offering, creation of **2,028,860 shares** Approuval as a property investment fund with fixed capital (**SICAFI**: Société d'Investissements à Capital Fixe Immobiliers)

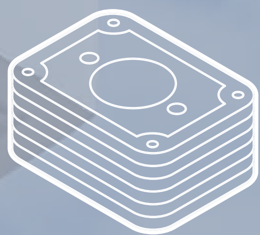
2000

Issue of **986 shares** following the merger by absorption of SA CEMS and SA WINIMO taking the capital from €4,973,268 to **€4,984,671**

Conversion of share capital into euros and increase the same by €15,328.87, taking the capital from €4,984,671 to **€5,000,000**

1999

Issue of **136 shares** following the merger by absorption of SA IMMOWA taking the capital from €4,969,837 to **€4,973.268**



2004

Issue of **272,809 shares** following the merger by absorption of SA IMOBEC taking the capital from €5,000,000 € to **€6,700,000**

2011

Increase in share capital by incorporation of the share premium account for an amount of €787,501.82, taking the capital from €9,212,498 to **€10,000,000**, without creating new shares

2010

Issue of 863,546 shares following the capital increase with preferential rights bringing the capital from €6,700,000 to **€9,212,498**

2019

As at 31 December 2019, the share capital of WEB SCA amounted to **€10,000,000**. It is represented by **3,166,337 shares** without a given nominal value, all fully paid up, each representing one / three million one hundred and sixty-six thousand three hundred and thirty-seventh (1/3,166,337th) part of the capital, and conferring the same rights and benefits. The capital may be subscribed and paid up, both by the General Partner and by the Shareholders.

2015

Approval as a regulated property company (**SIR**: Société Immobilière Réglementée)

MANAGEMENT REPORT

This report contains forecast information based on the plans, estimates and projections of the Company, as well as its reasonable expectations related to external events and factors. By its nature, this forecast information involves risks and uncertainties that could cause the results, financial position, performance and current achievements to deviate from the forecast. Given these factors of uncertainty, statements regarding the future cannot be guaranteed.


ZOO

Strategy

Looking to develop its property portfolio profitably in order to increase both the intrinsic value of the Company and the distributable profit, WEB SCA relies on the following global strategy:

- acquisition of buildings or property companies located in Belgium, mainly in the Retail Park, Logistics and Office areas;
- continuous and proactive renovation of its building stock;
- sale of buildings that have become non-strategic;
- constant monitoring of the debt ratio so that it remains below 50% while maintaining steady growth;
- control of overhead costs;
- maintenance of a high-performance IT system capable of effectively supporting its growth.

To achieve this, it has a Board of Directors and a competent and efficient Effective Management, as well as a network of high-quality Independent Contributors.

The activity carried out as such is in line with all the “pillars” of said activity:

Management creating added value in the long term

WEB SCA:

– proactively manages the relationship with its rental clients: its commercial team continuously builds a close relationship with the tenants. This relationship not only helps maintain an excellent occupancy rate but also contributes to complement a waiting list of potential tenants;
– carefully selects its tenants: the client portfolio is made up of first-rate corporate chains, and includes more than 41% of international operators and almost 31% working on a national scale;[1]
– actively participates in improving the commercial attractiveness of its trading areas.

Continuous and proactive improvement of the existing portfolio

– *Property management*: WEB SCA exercises its commercial management locally, the objectives of such being the sustainability of tenant relationships, as well as the identification of their needs. The client relationship maintained by WEB enables it to pay close attention, and to listen to its tenants.

  This relationship enables a close administrative follow-up, anticipating possible problems and making it possible to provide adequate and rapid solutions. The permanent aspect of client contact also allows us to remain open to their wishes and recommendations, and thereby to identify the most relevant improvements.

  The relatively flat hierarchy of the structure guarantees the quality of management and responsiveness, which is useful for achieving its strategic vision.

– *Facility management*: WEB SCA offers its clients a facility management service available seven days a week.
– The commercial and technical teams are in daily contact with the tenants.

Long-term external growth in value (acquisitions, mergers, etc.)

WEB SCA identifies new projects that contribute to its strategic vision, which meet the following criteria:

– high-quality, attractive and modular buildings in order to minimise any conversion costs;
– prime locations;
– complementarity and diversity of tenants' commercial offers;
– tenants who are financially sound and who participate in the diversity and complementarity of the commercial offer;
– relevant and innovative property projects using the most modern techniques that are the least invasive for the ecosystem;
– sustainable economic profitability.

The investment strategy consists in owning buildings for a long period, without bearing the risks inherent in promotion, and responding primarily to one of the following specificities:

– commercial properties;
– logistics properties;
– office properties.

(1) based on turnover for the period under review

It is the permanent role of the Board of Directors to define and control the implementation of the strategy described above.

Obviously, WEB SCA must adapt its business strategy according to the opportunities and, in the strict measure of social interest, may in certain circumstances sell buildings which would no longer prove to be strategic. The buildings in the portfolio are regularly subject to a study coupled with an examination of the local property context.

During the period under review, WEB continued to invest in the growth of its property portfolio in the spirit of geographic diversification. This growth strategy will remain in place for 2020.

This strategy was accompanied by a policy of maintenance of the existing building stock to preserve all the potential and expressed rental value. This operational strategy will also be the same for 2020.

Activity

Provision of buildings

WEB SCA's main activity consists of providing buildings as well as some land to third parties.

Within the limits of its investment strategy as defined above, WEB SCA invests in properties. Through its activities, WEB SCA aims to enhance and increase its property assets. WEB SCA is currently one of the investment and property management specialists in the categories detailed in the table below.

As of 31 December 2019, these buildings are broken down as follows:

Description of activities	Logistics buildings	Commercial buildings	Office buildings	Land	Total
Total built-on area	129,067 m²	142,745 m²	13,052 m²	n/a	284,863 m²
Investment value [1]	€50,117,671	€204,051,441	€19,403,735	€7,394,850	€280,967,697
Fair value [1]	€48,279,751	€198,192,993	€18,734,875	€6,987,086	€272,194,705
Distribution of assets [2]	17.84%	72.62%	6.91%	2.63%	100%
Insured value [3, 4, 5]	€78,614,093	€175,336,031	€43,199,949	n/a	€297,150,073
Acquisition / renovation value	€40,570,291	€116,369,749	€17,605,967	€10,858,306	€185,404,313
Potential return [6]	9.78%	6.71%	7.28%	4.46%	7.23%

Description of additional services

WORKS: CONSTRUCTIONS, EXTENSIONS, FITTINGS, TRANSFORMATIONS, COMPLIANCE, MAINTENANCE

WEB SCA regularly reviews preventive maintenance work and improvements to be made. Depending on the expiration of the leases and the condition of the buildings, WEB SCA implements adequate renovation programmes.

WEB SCA develops its buildings in order to meet the needs of users ranging from a restructuring of the rented spaces, their extension, up to the construction of new buildings, making it possible to accommodate them in a perfectly adapted environment.

WEB SCA has not entered into a property finance lease and has not offered any building under finance lease, with or without option to purchase, or any similar contract.

WEB SCA carries out its activities with an active management perspective, consisting in particular of carrying out the development and day-to-day management of buildings as well as any other activity bringing added value to these same buildings or to their users.

(1) Assets held for sale including.
(2) Based on the investment value.
(3) The insured value of the buildings was determined according to the quality of the buildings, the cost of construction, fittings, equipment, etc. and does not take into account the rental value of the building, which is the case of the fair value of the portfolio as determined by the Expert. In addition, for certain multi-tenant sites (Rhode-Saint-Genèse), the insured value also includes the accommodation and the content of the tenants, the premium then being distributed in thousandths, as is the practice in co-ownerships. There is therefore no pure correlation between these 2 values.
(4) On the basis of the insured values taken over, WEB SCA paid a total premium of €167,667 for the period under review.
(5) Excluding capital insured for property in co-ownership and certain property insured by the tenant (long lease).
(6) The potential return is calculated by dividing the sum of the passing rent (PR) on the rented surface areas and the estimated rental value (ERV) on the vacant surface areas by the Investment Value. [(PR on rented surfaces) + (ERV on empty surfaces)] / (Investment Value).

FACILITY MANAGEMENT

WEB SCA offers its clients a facility management service available seven days a week.

The technical team in charge of facility management of buildings provides the services intended to ensure the proper functioning of the building (maintenance, upkeep and minor repairs to buildings; maintenance of green spaces, etc.).

OTHER SERVICES

WEB SCA also offers its clients:

- security services on certain sites, i.e. carrying out daily and night rounds by an approved company;
- concierge services on certain sites;
- light development work to accommodate the specific needs of the tenant;
- the distribution of withholding tax on properties and various taxes, including the verification of the amounts, possible requests for exemption, revision and reduction;
- procedures relating to socio-economic permit applications and registration of leases.

Proposal for the allocation of results[1]

Statutory net result for the financial year	**€9,946,016**
Transfer to/from reserves (-/+)	**€1,136,163**
Reserve for the balance of variations in fair value of property	€2,423,231
Reserve for estimated transfer fees and rights arising from hypothetical disposal of investment properties	€48,031
Reserve for the balance of variations in fair value of authorised hedging instruments[2] to which hedge accounting as defined in IFRS is not applied	€420,327
Transfer to/from other reserves	- €
Transfer to/from results carried forward from prior years	-€1,755,426
Capital remuneration provided for in Article 13, para 1, line 1 (AR 07/13/2014)	**-€11,082,180**

Highlights of the 2019 financial year

Interim dividend

In December 2019, the Company distributed an interim dividend for the 2019 financial year in the amount of €2.25 gross.

Portfolio development

The lease contract of the tenant Cedicora, the tenant listed as the most important in terms of rental income (3.05%)[3], ended on 31 December 2019.

In mid-December 2019, the Decathlon chain opened its largest surface area in Wallonia at Dampremy, with 5,000 m² of built surface area on land made available of +/- 18,000 m². The 50-year surface area right took effect in March 2019 after the building permit was obtained by the tenant.

ACQUISITION

WEB SCA continues its development, adapting a cautious and selective position in the choice of its investments so that they are always carried out under conditions particularly favourable for its shareholders, and in accordance with the strategy described above.

At this time, WEB SCA continues its analysis of new investment files, the outcome of which should be confirmed during the 2020 financial year.

Gerpinnes

On 21 November 2019, WEB SCA signed a purchase commitment for a building with land located at Chaussée de Philippeville 223, 6280 Gerpinnes, adjoining its Bultia Village property complex, which would also allow dual access to the site of the commercial centre in question.

In accordance with Article 49, §1 of the Law of 12 May 2014, the acquisition price of this property was set at €425,000 excluding costs, a value in phase with that given by the Real Estate Expert of the SIR, who had determined a fair value of €425,000 as of December 31, 2019.

(1) Subject to the approval of the AGO of 23/04/2019, see Proposal for allocation of the result for the year according to the scheme defined in the Royal Decree of 13/07/2014.
(2) For details of the financial instruments used by the company, please refer to Note 17 of this report.
(3) see Risicos'part, Risico 7 Tenants/Rental vacancies

DIVESTMENTS

Binche

On 15 March 2019, the building located in Binche, on rue Zéphirin Fontaine, was sold.

In accordance with Article 49, paragraph 1 of the Law of 12 May 2014, the acquisition price of this property was set at €1,250,000 excluding costs, a value slightly higher than that given by the SIR's Property Expert, which determined a fair value of €1,166,758 as at 31 December 2019.

Jumet

On 11 September 2019, part of the building located at rue de l'Industrie 12, Jumet was sold.

In accordance with Article 49, paragraph 1 of the Law of 12 May 2014, the sale price of this property had been set at €1,297,500 excluding costs, a value greater than that given by the Property Expert of the regulated property company (SIR - Société Immobilière Réglementée), who had determined a fair value of €1,382,164 as of 30 June 2019.

INVESTMENTS

WEB SCA continues to grow its property portfolio in the spirit of geographic diversification and deconcentration. This growth strategy was accompanied by a policy of maintaining the existing building stock to preserve all the potential and expressed rental value.

During the financial period, WEB SCA spent €9,157,263 in improvements and new construction, which led to the signing of five new leases for an annual rental amount of €756,963, as well as €1,071,416 in maintenance, being a total of €10,228,679 (incl. VAT).

Corporate governance statement

This corporate governance statement falls under the provisions of the Belgian Code of Corporate Governance, as well as the Law of 6 April 2010 amending the Companies Code. This Code is available on the Moniteur Belge (Belgian Official Gazette) website, as well as on the website "www.corporategovernancecommittee.be". It should be noted that the Company has not yet applied the new Companies and Associations Code.

WEB SCA attaches great importance to good governance, and observes the principles of Corporate Governance described in the Belgian Code of Corporate Governance of 2009 (hereinafter referred to as the "Code"), which is its reference code, in accordance with the Royal Decree of 6 June 2010 requiring listed companies to comply with said Code. The Code is available in the annex to the aforementioned Royal Decree (accessible on the Moniteur Belge website).

In accordance with the rules and directives contained in the Code, the governance framework for WEB SCA's activities is specified in a Corporate Governance Charter.

WEB SCA does not conform to the following points of the 2009 Code:

– given the reduced size of the Company, no secretary has been appointed within the meaning of Article 2.9 of the 2009 Code;
– no nomination and remuneration committee has been set up since WEB SCA meets two of the three exclusion criteria set out in Article 526.4, paragraph 4 of the Companies Code and is therefore not legally bound to set up such committees;[4]
– Directors are appointed in principle for six years, whereas the maximum term recommended by the Code is four years. This recommendation is justified by the fact that the shareholders are called upon to decide with sufficient frequency on the appointment of Directors. This consideration is academic for a company which, like WEB SCA, has the form of a partnership limited by shares and is managed by a statutory manager.

In addition, the corporate governance principles of WEB SCA are set by the Board of Directors in a number of documents available on the Company's website (www.web.be):

– Code of conduct,
– Regulations of the Board of Directors,
– Regulations of the effective Managers,
– Regulations of the Audit Committee,
– Corporate Governance Charter.

The corporate governance structure includes:

• the management bodies, namely:
  – Statutory manager of WEB SCA: WEPS SA,
  – Board of Directors and effective Managers of WEB SCA,
  – Audit committee;

• supervisory bodies, both external and internal:
  – internal: Audit Committee, Internal Audit;
  – external: Statutory Auditor, Property Experts.

Composition & Functioning of the administrative bodies

WEB SCA is managed by its Statutory Manager WEB Property Services (or in abbreviated form WEPS SA), appointed in the Articles of Association for an indefinite period.

(4) In companies meeting, on a consolidated basis, at least two of the following three criteria, the setting up of a remuneration committee within the board of directors is not compulsory:
a) average number of employees less than 250 people over the entire financial year concerned, WEB SCA had 1 employee at 31/12/2019,
b) balance sheet total ≤ €43,000,000, the total balance sheet of WEB SCA for the financial year 2019 is €277,885,774,
c) annual net turnover ≤ €50,000,000, the annual net turnover of WEB SCA for the financial year 2019 is €18,789,694.

With the exception of the effective Managers, staff are centred at the level of the Statutory Manager of the regulated property company (SIR), WEPS SA, who may be considered as staff of the SIR for the purposes of Article 4 of the said Law. As of 31 December 2019, this was divided into 3 categories:

- the operational functions are carried out by Ms Valérie WAGNER, Head of Marketing and Sales, and Mr Laurent VENSENSIUS, in charge of the technical management of the buildings, and supervised by an effective Manager, Mr Laurent WAGNER, Chief Executive Officer;
- the mixed functions are exercised by 2 effective Managers: Mr Claude DESSEILLE, Chief Executive Officer and Head of Internal Audit (the functions of internal auditor are however delegated to Mr Pierre PONCELET) as well as by Ms Caroline WAGNER, Chief Administration Officer and Compliance Officer;
- the support functions are supervised by an effective Manager, Mr Antoine TAGLIAVINI, Chief Financial Officer and Risk Manager. These include the financial management, personnel management and IT functions.

Mr Claude DESSEILLE mandate as permanent representative of WEPS SA to WEB SCA, initially appointed by the WEPS SA Extraordinary General Meeting of 13 January 2015, ended on 31 December 2019 following the WEPS SA General Meeting of 16 December 2019, Mr Laurent WAGNER being formally appointed at said meeting as his replacement.

BOARD OF DIRECTORS

In accordance with the Companies Code and its Articles of Association, the Company is managed by a Statutory Manager, WEPS SA, which acts through its Board of Directors. WEPS SA is both the General Partner and the Statutory Manager of the Company, and represents the same.

WEPS SA is responsible, in an unlimited manner, for all of the Company's commitments and, in return, has very extensive management powers.

The Manager's mandate is irrevocable, except in court, for a justifiable reason.

Missions

The Board of Directors decides on WEB SCA's strategy and objectives, the guidelines for achieving them and the level of risk it accepts to take.

The Board of Directors is responsible in particular for:

- Property strategy:
  - decisions to acquire and dispose of rights of rem over property, including the determination of the property value of the asset, the structure of the transaction, and the guarantees that are required to respond to any remarks by the advisers of the Company as part of the due diligence process;
  - policy with regard to insurance;
  - policy with regard to renovations;
  - appointment of the certified property expert and follow-up of his or her reports;
  - definition of a system of semi-annual reports relating to the occupancy rate of buildings, major leases, significant recoveries and disputes;
- financial strategy:
  - interest risk coverage policy;
- staff policy:
  - determination of the staff budget and the remuneration policy (distribution between fixed and variable salaries, remuneration in kind);
  - determination of the organisation chart;
- financial and other information:
  - assessment and approval of all financial and other information, as well as legally required reports, whether under the head of company law or regulations or SIR legislation.

Powers

The Manager of the Company has the power to perform all acts necessary or useful for the accomplishment of the corporate purpose, with the exception of those which the law or the Articles of Association reserve for the General Meeting.

The Manager prepares the half-yearly and annual financial reports.

The Manager appoints the independent property expert(s) in charge of the valuation of each of the properties of the Company and its subsidiaries, in accordance with SIR regulations, and if necessary proposes any modification to the list of experts included in the file which accompanied its application for accreditation as a SIR.

The Manager may delegate special powers to any representative of its choice, restricted to certain acts or to a series of specific acts, with the exception of day-to-day management and the powers reserved for it by the Companies Code and by the SIR Law and their implementing decrees, as well as by any legislation applicable to SIRs. The above delegations and powers are always revocable.

The Manager may fix the remuneration of each representative to whom special authorities have been granted, in accordance with SIR regulations. The remuneration cannot be directly or indirectly linked to the operations carried out by the Company and are charged to the operating costs of the Company.

In addition, pursuant to Article 9 of the Articles of Association relating to the authorised capital, the Manager is authorised to increase the share capital in one or more stages, up to a maximum amount of ten million euros (€10 million), on the dates, conditions and methods it may fix, in accordance with Article 603 of the Companies Code. The preferential right may be limited or cancelled in accordance with Article 11 of the Articles of Association. Under the same conditions, the Manager is authorised to issue convertible bonds or subscription rights. This authorisation is granted for a period of five (5) years from the publication of the minutes of the

General Meeting of 5 September 2018 in the Annexes to the Belgian Official Gazette. The Manager is expressly empowered to proceed, in the event of a takeover bid for securities issued by the Company, to capital increases under the aforementioned conditions. This authorisation is granted for a period of three (3) years from the decision of the General Meeting of 5 September 2018.

These authorisations can be renewed in accordance with the legal provisions regarding the matter.

In addition, pursuant to Article 14 of the Articles of Association relating to the acquisition, pledge and disposal by the Company of its own shares, the Company may acquire or pledge its own fully paid-up shares, with or without the right to vote, against cash under the terms of a decision of the General Meeting ruling in accordance with Articles 620 and 630 of the Companies Code, in compliance with the conditions imposed by all legal provisions in force. This same Meeting may fix the conditions for the disposal of these shares.

The Manager is authorised to acquire shares of the Company, on behalf of the latter, if this acquisition is necessary to avoid serious and imminent damage to the Company. This authorisation is granted for a period of three (3) years from the publication in the Annexes of the Moniteur Belge of the decision of the General Meeting of 5 September 2018.

This authorisation may be extended one or more times in accordance with legal provisions.

The conditions for the disposal of securities acquired by the Company are fixed as the case may be, in accordance with Article 622, paragraph 2 of the Companies Code, by the General Meeting or by the Manager.

The Manager may dispose of the Company's own shares in the following cases:

1. if these shares are admitted to trading on a regulated market within the meaning of Article 4 of the Companies Code;
2. if the disposal is made on a stock exchange or following an offer for sale made under the same conditions to all shareholders, to avoid serious and imminent damage to the company, this authorisation being valid for a period of three (3) years from the publication of the minutes of the Meeting of 5 September 2018, and being extendable for identical terms;
3. in all other cases allowed by the Companies Code.

Composition

Pursuant to Article 20 of the Articles of Association of WEB SCA, the Board of Directors consists of at least five (5) Directors, whether shareholders or not, including at least three (3) independent Directors who meet the conditions of independence set out in Article 526.3 of the Companies Code.

The Directors are appointed for a term of six (6) years at most. If WEPS SA appoints Directors for a term of six years, being a derogation from the Corporate Governance Code, WEB SCA must explain this in its corporate governance statement.

However, WEB SCA has justified this potential derogation in its Corporate Governance charter:

"The maximum term of four years recommended by the Corporate Governance Code is indeed justified by the fact that the shareholders are called upon to decide with sufficient frequency on the appointment of Directors. This consideration is academic for a company which, like WEB SCA, has the form of a partnership limited by shares and is managed by a statutory manager."

Non-executive Directors may not consider accepting more than five (5) terms of office in listed companies.

As of 31 December 2019, the Board of Directors was made up of seven (7) Directors, including three (3) Non-Executive Directors (all independent) and four (4) Executive Directors:

- Ms Valérie WAGNER, Chairwoman of the Board of Directors, Executive Director (HMS);
- Mr Daniel WEEKERS, Vice-Chairman of the Board of Directors, Non-Executive, independent Director;
- Mr Jean-Jacques CLOQUET, Non-Executive, Independent Director;
- Mr Jacques PETERS, Non-Executive, Independent Director;
- Mr Claude DESSEILLE, Executive Director (CEO);
- Mr Laurent WAGNER, Executive Director (CEO);
- Ms Caroline WAGNER, Executive Director (CAO).

The composition of the Board of Directors is based on gender diversity and diversity in general, as well as on the complementarity of skills, experience and knowledge. It aims in particular to ensure a significant representation of Directors who know the property sector well, and more particularly retail, offices as well as logistics, or who have experience in the financial aspects of the management of a listed company, and in particular SIRs. **(see table below)**

The Extraordinary General Meeting of 16 December 2019 of the Manager, WEPS SA, noted the resignation of Mr Claude DESSEILLE from his position as CEO, and the renewal of his mandate as Director from 1st January 2020.

The Board of Directors of 18 December 2019, meanwhile, formally approved his appointment as Chairman of the Board of Directors in place of Ms Valérie WAGNER.

As of 1st January 2020, the Board of Directors will therefore be made up as follows:

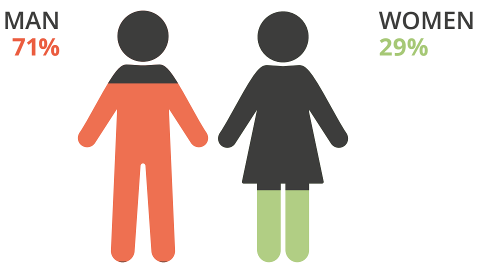
- Mr Claude DESSEILLE, Director, Chairman of the Board of Directors;
- Mr Daniel WEEKERS, Vice-Chairman of the Board of Directors, Non-Executive, independent Director;
- Mr Jean-Jacques CLOQUET, Non-Executive, Independent Director;
- Mr Jacques PETERS, Non-Executive, Independent Director;
- Mr Laurent WAGNER, Executive Director (CEO);
- Ms Caroline WAGNER, Executive Director (CAO);
- Ms Valérie WAGNER, Executive Director (HMS).

The Company complies with the requirements relating to gender diversity as required by the Law of 28 July 2011 aimed at ensuring the presence of women on the Board of Directors of listed companies.

COMPOSITION OF THE BOARD OF DIRECTORS AT 31/12/2019

	Beginning of first mandate	End of current mandate
CLOQUET Jean-Jacques [1, 2]	January 2017	AUG 2023
DESSEILLE Claude [3, 4]	May 2012	AUG 2020
PETERS Jacques [1,2]	January 2018	AUG 2020
WAGNER Caroline [5]	December 2000	AUG 2023
WAGNER Laurent [6]	January 2017	AUG 2023
WAGNER Valérie [7]	January 2017	AUG 2023
WEEKERS Daniel [1, 8]	July 2011	AUG 2023

MIXED RATIO WITHIN THE BOARD OF DIRECTORS



All Directors are natural persons. They meet the conditions of good repute, expertise and experience provided for in Article 14 of the SIR Law and none of them falls within the application of the cases of prohibition referred to in Article 15 of the SIR Law.

Liabilities

As this is a collegial body, and notwithstanding the distinction made between executive, non-executive and independent Directors, all Directors are liable for the management of WEB SCA, in accordance with common corporate law.

SPECIALISED COMMITTEES OF THE BOARD

The Board of Directors may set up specialised committees whose mission is to examine specific questions and advise it on this subject. Decision-making will remain a collective responsibility of the Board of Directors. The composition and mode of operation of each committee are described in the Corporate Governance statement.

In these circumstances, the Board of Directors appoints the members of the committees it creates, and their chairman.

When making these appointments, the Board of Directors ensures that each committee is composed in such a way that, as a whole, it has the skills required to carry out its mission. Each committee includes at least three (3) members.

The term of the mandate as a member of a committee does not exceed that of the Director's mandate.

The Committees of the Board of Directors are empowered to request external professional advice at the expense of the Company after having informed the Chairman of the Board of Directors.

Audit Committee

As the Company fulfils two of the three exclusion criteria listed in Article 526.2, paragraph 3 respectively, it is not legally bound to set up an Audit Committee. The Board of Directors nevertheless took the decision to set up said Audit Committee.[9]

Role

In general, the Audit Committee's mission consists of ensuring the accuracy of accounting and financial information intended for the Board of Directors, Shareholders and third parties in the financial world, and to report its conclusions on the matter to the Board of Directors.

(1) Director meeting the independence criteria defined in Art. 526.3 of the Companies Code, which notably limits the duration of mandates to maximum 3 successive mandates, without this period exceeding 12 years.
(2) This is his 1st term.
(3) As of 16/12/2019, the EGM of WEPS SA approved the re-election of Mr Claude DESSEILLE as Director from 01/01/2020 for a period of 3 years which will expire after the Ordinary General Meeting of 2023 . As of 18/12/2019, the Board of Directors of WEPS SA approved the appointment of Mr Claude DESSEILLE as Chairman of the Board of Directors.
(4) This is his 4rd mandate if we count the mandate exercised by SCA DESSEILLE as the 1st mandate.
(5) This is her 6th term.
(6) As of 18/12/2019, the Board of Directors of WEPS SA approved the appointment of Mr Laurent WAGNER as CEO.
(7) As of 16/01/2018, the Board of Directors of WEPS SA approved the appointment of Ms Valérie WAGNER as Chairwoman of the Board of Directors.
(8) This is his third term and therefore his last as an independent Director.
(9) In companies meeting, on a consolidated basis, at least two of the following three criteria, the setting up of a remuneration committee within the board of directors is not compulsory:
a) average number of employees less than 250 people over the entire financial year concerned, WEB SCA had 1 employee at 31/12/2019,
b) balance sheet total ≤ €43,000,000, the total balance sheet of WEB SCA for the financial year 2019 is €277,885,774,
c) annual net turnover ≤ €50,000,000, the annual net turnover of WEB SCA for the financial year 2019 is €18,789,694.

The Audit Committee's mission is to assist the Board of Directors in:

- monitoring administrative and organisational procedures;
- with regard to financial reporting:
  - monitoring the integrity and accuracy of the figures, information given to the Board of Directors or addressed to Shareholders and the market, and the relevance of the valuation rules and accounting standards applied, and the accuracy and the consistency of this information;
- with regard to internal control and risk management:
  - assessment of the effectiveness of internal control and risk management systems;
- with regard to the Company's independent control functions:
  - assessment of the effectiveness of internal control mechanisms;
- with regard to internal audit:
  - proposal to the Board of Directors concerning the appointment, approval of fees and dismissal of the head of internal audit;
- with regard to internal audit process:
  - approval of the internal audit plan proposed by the internal audit manager,
  - monitoring the assignments of the head of internal audit,
  - monitoring the implementation of internal audit recommendations by Company executive officers;
- with regard to the external audit process:
  - follow-up on questions and remarks made by the Statutory Auditor and recommendations relating to the appointment or reappointment of the Statutory Auditor and its remuneration conditions,
  - monitoring the operation and assessment of the Statutory Auditor, its independence and the non-audit services it provides.

The Audit Committee reports on the aforementioned matters to the Board of Directors, which retains ultimate responsibility, except for the decision-making tasks listed above.

Composition

The Audit Committee is made up of non-executive members of the Board of Directors. At least one member of the Audit Committee is an independent Director within the meaning of Article 526.3 of the Company Code. Mr Daniel WEEKERS, appointed Chairman of this committee, is in charge of accounting and auditing.

The Audit Committee is therefore composed of the following persons:

- Mr Daniel WEEKERS, Chairman, Non-Executive, Independent Director;
- Mr Jean-Jacques CLOQUET, Non-Executive, Independent Director;
- Mr Jacques PETERS, Non-Executive, Independent Director.

Operational mode

The Audit Committee meets at the invitation of the Chairman of the Audit Committee or one of its members at least four times a year, and whenever deemed necessary for the performance of its duties.

At least twice a year, it meets with the Company Statutory Auditor in order to be informed of the conclusions of its audit activities. At least twice a year, the Audit Committee meets the person or persons in charge of the internal audit of WEB SCA.

The Audit Committee is also the point of contact between, on the one hand, the Statutory Auditor and the Internal Auditor and, on the other hand, the Board of Directors, as well as any staff member who may observe irregularities.

In order to deliberate, the majority of the members of the Audit Committee must be present. Committee members cannot appoint a proxy to represent them. Opinions and recommendations are taken by majority. The Chairman does not have a casting vote.

The meetings of the Audit Committee take place (partially) in the presence of the effective Managers and possibly (after having previously informed the Chairman of the Board of Directors) with the members of staff whose presence is deemed necessary by the Committee. It may appoint experts to analyse certain questions in depth, and has the means necessary for this purpose.

As part of its responsibilities, the Audit Committee has access to all the means it deems necessary, including external opinions.

Report

The minutes of the meetings summarise the discussions and specify the opinions and recommendations, indicating, if necessary, any reservations expressed by Committee members. The original is kept by the Company for its records. The Chairman of the Audit Committee is in charge of sending a copy to the members of the Audit Committee.

After each meeting of the Audit Committee, the Chairman of the Audit Committee communicates the Committee's conclusions, recommendations and/or proposals to the Board of Directors, and in particular after the meetings devoted to the preparation of the periodic accounts and the preparation of financial statements for publication.

At each meeting of the Board of Directors ruling on the half-yearly, annual publications and any periodic financial reporting, the Audit Committee reports in writing on its findings in the matters studied.

The Audit Committee is also particularly attentive to the general risk analysis and the content of the additional notes included in the half-yearly and annual reports. The Committee can make recommendations on this subject, and add or request adaptations.

At least once a year, the Audit Committee produces and submits a report to the Board of Directors on its internal operations and its general conclusions concerning:

– the assessment of accounting and financial information,
– the functioning of internal control and risk management systems,
– the functioning of the external auditor,
– the recommendations for accounting adjustments.

The Audit Committee also regularly reports to the Board of Directors on the performance of its tasks.

OPERATIONAL COMMITTEES

The composition is restricted to the team of effective Managers. Until 31 December 2019, Mr Claude DESSEILLE was the Chairman and Mr Laurent WAGNER, the Deputy Chairman.

Ms Valérie WAGNER and the SPRL VLCI represented by Mr Laurent VENSENSIUS attended from time to time as guests.

Effective Managers

The Board of Directors did not opt for the creation of a Management Committee within the meaning of the Companies Code. The Executive Management is made up of persons having the status of effective Manager within the meaning of the applicable legislation. The role of effective Managers is described in the WEB SCA Governance Charter and the Regulations of effective Managers.

WEB SCA considers as effective Managers the operational persons who exercise a direct and decisive influence on the management of all or part of the activities of WEB SCA and have the decision-making power, namely the executive Directors and Mr TAGLIAVINI, taking into account the importance of the CFO functions.

Missions

The WEB SCA effective Managers must, at a minimum:

- implement the decisions of the Board of Directors;
- take, under the supervision of the Board of Directors, the measures necessary so that the Company has its own management structure and an appropriate administrative, accounting, financial and technical organisation enabling it to carry out its activities;
- without prejudice to the monitoring role of the Board of Directors, set up and adapt internal control procedures (identification, assessment, management and monitoring systems for financial and other risks), based on the COSO framework 2013 and approved by the Board of Directors;
- ensure that the Company takes the necessary measures to have permanent independent adequate functions in terms of internal audit, independent Compliance, and risk management, as well as a adequate management policy and integrity policy;
- report at least once a year to the Board of Directors, the FSMA and the Statutory Auditor on the existence of a proprietary management structure and an appropriate administrative, accounting, financial and technical organisation enabling them to carry out their activities and the measures taken;
- submit to the Board of Directors the exhaustive, punctual, true and fair preparation of the financial statements, in accordance with the accounting standards in force, as well as an objective and comprehensive assessment of the financial situation of the Company;
- communicate to the FSMA the annual and semi-annual reports, as well as any detailed periodic financial statements, and declare that they are in accordance with the accounts and inventories;
- confirm that they have taken the necessary steps to ensure that the aforementioned reports are drawn up in accordance with the FSMA instructions in force, as well as by applying the accounting and valuation rules governing the preparation of the annual accounts, with regard to the periodic reports drawn up at the end of the financial year, or by applying the accounting and valuation rules which governed the preparation of the annual accounts relating to the last financial year, with regard to the other periodic reports;
- prepare adequate communication of the financial statements and other significant financial and non-financial information of the Company;
- manage the property portfolio of the Company:
  – présentation o present investment and divestment files to the Board of Directors as well as negotiate and conclude contracts related thereto;
  – carry out rental, modification and renewal of building rental contracts, including the determination of the rental value and other provisions useful for rental contracts;
  – manage disputes;
  – monitor the building maintenance and renovation policy;
  – monitor and coordinate development projects for own account (permit applications, works, administrative procedures, etc.);
- manage the financing of the Company, conduct negotiations with financial institutions with regard to credit applications, refinancing and subscription to interest rate hedging instruments, and ensure cash management;
- manage the staff: recruit and dismiss staff who are not executive officers, manage their contracts, prepare the budgets and monitor the organisation chart;
- provide the Board of Directors with all the information necessary to fulfil its obligations in good time;
- maintain contacts with the authorities (FSMA, Euronext, social and tax authorities);
- manage disputes.

The Regulations for effective Managers also include procedures for the following points:

- decision-making by the effective Managers of WEB SCA;

- proposal by the effective Managers of WEB SCA of the decisions to be taken by the Board of Directors;
- review of proposals from executive officers;
- assessment of the performance of executive officers in relation to the achievement of the agreed objectives;
- reporting to the Board of Directors;
- Delegations: effective Managers can delegate decision-making and signing powers to other managers and/or other executive officers within the limits of a delegation of powers charter. [1]

Composition

In accordance with the regulations relating to SIRs (in particular Article 14 of the Law of 12 May 2014 relating to regulated property companies), the actual Management of WEB SCA is entrusted to at least two natural persons, who are appointed by the Board of Directors, and who bear the title of effective Manager.

On 31 December 2019, the Effective Managers [2] are:

– Mr Claude DESSEILLE, Chief Executive Officer,
– Mr Laurent WAGNER, Chief Executive Officer,
– Ms Caroline WAGNER, Chief Administrative Officer,
– Mr Antoine TAGLIAVINI, Chief Financial Officer.

All of the effective Managers are natural persons. They meet the conditions of good repute, expertise and experience provided for in Article 14 of the SIR Law and none of them falls within the application of the case of prohibition referred to in Article 15 of the same.

DISTRIBUTION OF TASKS BETWEEN THE EFFECTIVE MANAGERS

The tasks are distributed between the effective Managers as indicated in the Regulations for effective Managers, available on the Company's website (www.web.be).

DISTRIBUTION OF TASKS BETWEEN EFFECTIVE MANAGERS AND DIRECTORS [3]

In property and financial matters, the effective Managers identify the possibilities and needs in terms of investment, divestment and financing. They make proposals to the Board of Directors for it to take decisions on this subject. The Board of Directors may however mandate the effective Managers, with the power of sub-delegation, to take a series of decisions, and to represent the Company (for example, when concluding leases below a certain amount).

In terms of staff, the effective Managers lead and manage the teams, within the framework of the organisation chart and the budget determined by the Board of Directors.

With regard to financial reporting, the effective Managers supervise the exhaustive, punctual, true and fair preparation of the financial statements in accordance with the accounting standards and the valuation rules of the Company, present the financial statements to the Board of Directors and, after approval by the Board, have them published. The Board of Directors approves the financial statements and draws up the accounts.

In terms of internal control and risk management, the effective Managers set up and adapt the internal control and risk management procedures (identification, assessment, management and monitoring systems for financial and other risks) within the framework approved by the Board of Directors. The Board of Directors also appoints the heads of independent control functions.

They report regularly to the Board of Directors.

WEB SCA Shareholders

The legal and statutory threshold for transparency declarations is set at 3% of the total number of issued shares admitted to trading on a regulated market. All WEB SCA shares have the same voting rights.

AMOUNT OF SHARE CAPITAL HELD, NUMBER OF SHARES, AND POSSIBLE CATEGORIES OF SHARES

The subscribed share capital is set at ten million euros (€10,000,000). It is represented by 3,166,337 shares, without par value, all fully paid up and conferring the same rights and advantages. The capital may be subscribed and released both by the General Partner and by the Shareholders.

(1) Reference is made to point 5 of the Rules of effective Managers with regard to delegations. (document available on the Company's website).
(2) As of 18/12/2019, the Board of Directors took note of the end of the mandate of Mr Claude DESSEILLE as effective Manager with effect from 31/12/2019. It also appointed with effect from 01/01/2020 Mr Laurent VENSENSIUS as Effective Manager, the latter will exercise the functions of CTO (Chief Technical Officer).
(3) Reference is made to point 5 of the Rules of effective Managers with regard to delegations. (document available on the Company's website).

IDENTITY OF REFERENCE SHAREHOLDERS

Based on the declarations received, the shareholding structure at 31 December 2019 is as follows **(see table below)**

The Stichting Administratie Kantoor Valaur is jointly owned by Mr Robert Jean WAGNER, Ms Valérie WAGNER, Mr Robert Laurent WAGNER, Ms Claire FONTAINE and Ms Jarmila SCHREILOVA.

They are therefore considered to be Promoters within the meaning of Article 2, 13 and 22, of the SIR Law, albeit that, WEB SCA having been approved as a Sicafi (property investment trust) in 1998, i.e. more than three years ago, they are no longer bound by the obligations referred to in Articles 23, paragraph 1 and 2, of the SIR Law.

Total number of shares issued by WEB SCA at 31/12/2019	**3.166.337**	**100%**
Ageas SA	**154.752**	**4,89%**
Norges Bank	**123.283**	**3,89%**
Number of shares held by shareholders acting in concert	**1.513.361**	**47,80%**
Broken down as follows:		
1. Stichting Administratie Kantoor Valaur	1.274.361	40,25%
2. WEPS SA	2.000	0,06%
3. Robert Jean WAGNER	10.000	0,32%
4. Robert Laurent WAGNER	25.000	0,79%
5. Valérie WAGNER	43.500	1,37%
6. VLIM SA	158.500	5,01%
Free float	**1.374.941**	**43,42%**

PROMOTERS

The members of the WAGNER family identified below control WEB SCA.

At WEB SCA level, there is a concert agreement relating to the voting rights binding the members of the WAGNER family (namely Mr Robert Jean WAGNER, Mr Robert Laurent WAGNER, Ms Valérie WAGNER, Ms Claire FONTAINE and Ms Jarmila SCHREILOVA), both directly and through the Stichting Administratie Kantoor Valaur.

Concerted shareholding concerns the exercise of voting rights, with a view to carrying out a sustainable common policy, as well as the acquisition and disposal of securities conferring the right to vote.

In total, this concerted shareholding concerns 1,513,361 shares, representing 47.80% of the total voting rights.

Remuneration report

This report is drawn up in accordance with the Companies and Assocations Code (CSA : Codes des Sociétés et Associations).

At this time, the Company does not plan to modify its remuneration policy for the next two years.

EFFECTIVE MANAGERS

Remuneration policy

The remuneration of the effective Managers is the responsibility of the Board of Directors of WEPS SA and is fixed.

The remuneration package for the effective Managers of WEB SCA results from the application of management agreements and employment contracts. No variable remuneration is granted. Effective Managers do not receive remuneration related to performance, operations or transactions, such as bonuses and long-term incentive plans, or share bonus plans.

This remuneration is determined according to each person's responsibilities and skills, and is indexed if the person is employed under an employment contract.

As of 31 December 2019, the CEOs and the CFO were exercising their functions under an independent status; one of the CEOs, Mr DESSEILLE, benefiting from a company car.

The CAO performs her functions under the auspices of an employment contract, and benefits from such advantages as: hospitalisation insurance, group insurance, company vehicle, PC, and mobile phone.

Amount of remuneration for the year under review

The total remuneration of the effective Managers amounted to €1,038,305[1] for the past financial year.

STATUTORY MANAGER

Remuneration policy

In accordance with the Articles of Association of WEB SCA, the remuneration of the Manager is fixed by the General Meeting, in accordance with Article 35, paragraph 1 of the SIR Law.

The Manager is also entitled to the reimbursement of costs which are directly linked to its mandate. The fees and expenses paid to the Manager by the SIR are subject to control by the Statutory Auditor at each half-yearly or annual closing.

Amount of remuneration for the year under review

The Ordinary General Meeting of 23 April 2019 of WEB SCA decided to grant a fixed annual remuneration of €475,000 excluding VAT to the Statutory Manager for the 2019 Financial Year (from 1 January 2019 to 31 December 2019).

BOARD OF DIRECTORS

Remuneration policy

The Directors of WEPS SA, whether executive or non-executive, receive a fixed and identical remuneration in the form of attendance fees, the amount of which is determined by the General Meeting of WEPS SA. A fixed remuneration of €750 per meeting is allocated to the Directors (including for meetings held electronically).[1]

The Directors do not receive any remuneration linked to performance, operations or transactions, such as bonuses and long-term incentive plans, nor any benefit in kind, nor any benefit linked to pension plans.

The costs they have incurred in the exercise of their duties as Director are reimbursed to them.

The Chairwoman of the Board of Directors receives a fixed annual remuneration, the amount of which is determined by the General Meeting of WEPS SA.

The Deputy Chairman of the Board of Directors receives a fixed annual remuneration, the amount of which is determined by the General Meeting of WEPS SA. **(see table below)**

	Board of Directors	Gross remuneration (excl. VAT)
CLOQUET Jean-Jacques	5/6	€4.500
DESSEILLE Claude	6/6	€4.500
PETERS Jacques	5/6	€4.500
WAGNER Valérie[2]	6/6	€34.500
WAGNER Caroline	6/6	€4.500
WAGNER Laurent	6/6	€4.500
WEEKERS Daniel[2]	6/6	€7.500

(1) The details of this remuneration are included in Note 29 of the financial part of this Annual Report.
(2) As of 16/12/2019, the EGM of WEPS SA decided to grant, from 01/01/2020, identical remuneration to all members of the Board of Directors. This is set as follows:
– a fixed amount of €1,000 per meeting,
– an amount of €500 per meeting for actual attendance,
– an amount of €750 per meeting held by telephone.
(3) This amount also includes the remuneration received as Chairwoman / Deputy Chairman on a pro rata basis.

Amount of remuneration for the year under review

A remuneration of €30,000 was granted to the Chairwoman of the Board of Directors in addition to attendance fees. A remuneration of €3,000 was granted to the Deputy Chairman of the Board of Directors in addition to attendance fees.

AUDIT COMMITTEE

Remuneration policy

The members of the Audit Committee receive remuneration proportional to the work provided, the amount of which is determined by the General Meeting of WEPS SA. Account must therefore be taken of the time that members devote to the activities of the Audit Committee, the skills they bring and the tasks they are in charge of, as well as the value of their work for the company.

The Chairman of the Audit Committee receives fixed annual remuneration determined by the General Meeting of WEPS SA, on a proposal from the Board of Directors, in addition to that of a member of this Committee.

Amount of remuneration for the year under review

A fixed and identical remuneration of €750 per meeting is granted to members.[1]
A remuneration of €15,000/year was granted to the Chairman of the Audit Committee **(see table)**.

	Audit Committee	Gross remuneration (excl. VAT)
WEEKERS Daniel[2]	3/3	€17.250
CLOQUET Jean-Jacques	3/3	€2.250
PETERS Jacques	2/3	€2.250

Internal control

INTERNAL CONTROL

In terms of internal control and risk management, the Board of Directors and the effective Managers have implemented and adapt the internal control and risk management procedures (identification, assessment, management and monitoring of financial and other risks), assisted by the Statutory Auditor and the Audit Committee. The Board of Directors have also appointed the heads of the independent control functions, namely a head of Internal Audit, a Risk Manager and a Compliance Officer, in accordance with Article 17 of the Law of 12 May 2014.

These functions are performed adequately and with the necessary independence, taking into account the size of the Company and its resources.

In accordance with the definition of COSO 2013 ("Committee of Sponsoring Organisations of the Threadway Commission"), a reference system adopted by WEB SCA, internal control consists of constantly establishing and adapting appropriate management systems, with the aim of giving Directors and Managers a reasonable assurance that the financial information is reliable, that legal or internal regulations are complied with, and that the main business processes operate effectively and efficiently.

One of the objectives of internal control is to prevent and control the risk of error or fraud.

The internal control environment is based on the key documents that are the internal procedures, the functional organisation and the Code of Conduct, which are binding on all WEB SCA employees.

The quality of internal control will be assessed over the course of the financial year:

- by internal audit;
- by the Audit Committee, which will ensure the relevance and efficiency of the Company's internal control and risk management systems and will monitor the internal audit and external control carried out by the Statutory Auditor, who will itself formulate all advice and recommendation to the Board of Directors and the effective Managers in these areas, and will in particular review closings, specific accounting treatments, disputes and main risks;
- by the Statutory Auditor as part of its review of the interim and annual accounts. In particular, it may make recommendations concerning the preparation of financial statements.

The Board of Directors supervises the performance of the Audit Committee's tasks in this area, in particular through the reporting provided to it by this Committee.

INTERNAL AUDITING FUNCTION

Since the certification as a regulated property company (SIR), the person in charge of Internal Audit within the Company is Mr Claude DESSEILLE, appointed for an indefinite period. He is an effective Manager but, on the one hand, he has granted

(1) As of 16/12/2019, the EGM of WEPS SA decided to grant, from 01/01/2020, remuneration to the members of the Audit Committee of €1,000 per meeting by actual presence.
(2) This amount also includes the remuneration received as Chairman or Chairwoman on a pro rata basis.

delegations of powers so that he will be less operational and, on the other hand, the Board of Directors does not include a Non-Executive Director who is not independent.

The internal auditor's tasks are delegated to Mr Pierre PONCELET ("BDO"), for a renewable period of one year.

Definition and purpose

In general, the purpose of internal audit is to examine and assess the proper functioning, effectiveness and efficiency of internal control and of the Compliance and risk management functions.

Internal auditing is an independent and objective activity that gives an organisation assurance on the degree of control of its operations, gives it advice for improvement, and contributes to creating added value. It helps this organisation to achieve its objectives by assessing, through a systematic and methodical approach, its risk management, and control and corporate governance processes, and by making proposals to enhance their effectiveness.

Each activity of the Company falls within the scope of internal audit.

In accordance with the other rules adopted by the Company, in particular the Corporate Governance Charter, the Internal Auditor must be immediately informed in the event of suspected fraud, misappropriation or breach of internal rules adopted by the Company, laws or regulations. In this case, the Internal Auditor must inform the Audit Committee and the Compliance Officer, who will ensure that an audit or an investigation is carried out to resolve the problem.

The Internal Auditor may also, upon request and after the agreement of the Audit Committee, assist the persons in charge of the organisation in the effective exercise of their responsibilities, and provide them with analyses, assessments, recommendations, opinions and information on the activities examined.

Reporting and monitoring

The Internal Auditor draws up an internal audit report for each assignment carried out. This is sent in the form of a draft to the CEOs with whom he organises a closing meeting to validate the conclusions.

The Internal Auditor regularly informs the CEOs and the Audit Committee of the main risks identified, the measures taken to improve their control and the progress of the work carried out as part of the mission of this function.

He will immediately inform the Audit Committee of any matter that would pose a significant risk to the Company.

Responsibilities

As such, the Internal Auditor has no direct responsibility or authority over the activities or operations he examines. The responsibilities of the Internal Auditor are as follows:

- implementation of the annual programme, including, where applicable, any special task or project required by the Audit Committee, the effective Managers or the Board of Directors;
- writing of reports summarising the results of internal audit activities and the implementation of the annual programme;
- communication to the Audit Committee of information, emerging trends and developments in the field of internal audit practices and recommendations for revision, if necessary, of the Internal Audit Regulations;
- transmission of a list of important measurement objectives and results to the Audit Committee;
- verification that internal audit conforms to internal audit standards and best practices;
- professionalism in performing audit tasks;
- preservation of integrity and objectivity.

The internal audit process does not release the Audit Committee, the effective Managers and the Board of Directors from their responsibility for managing and improving controls in their respective areas.

The services of the Internal Auditor are evaluated each year by the Audit Committee.

COMPLIANCE FUNCTION

The functions of Compliance Officer are performed for an indefinite period by Ms Caroline WAGNER, effective Manager.

Definition and Purpose

The Compliance function is an internal, independent and permanent function of WEB SCA, charged with ensuring that the Company complies with the laws, regulations and Codes of Conduct applicable to its activity, as well as its integrity policy.

The purpose of the Compliance function is in particular to:

- ensure compliance with the laws and regulations applicable to the Company;
- ensure compliance with the Corporate Governance Charter;
- ensure the establishment and dissemination of information;
- identify and assess the compliance risk to which the Company is exposed;
- ensure compliance with the conflicts of interest rules;
- ensure compliance with the integrity policy rules;
- ensure compliance with the market abuse rules and in particular with the procedures implemented by the Company in terms of prevention of market abuse, as described in the Company's Code of Conduct;
- regularly monitor and assess whether internal procedures and measures relating to Compliance are effective and adequate.

The Compliance Officer alerts the CEOs, the Board of Directors and the Internal Auditor in the event of suspected fraud, misappropriation or breach of internal rules adopted by the Company, or of laws, or regulations.

Reporting and monitoring

The Compliance Officer draws up a Compliance Report for each review carried out.

The draft report is sent to the effective Managers. The Compliance Officer organises a closing meeting to validate the conclusions recorded in the draft Compliance Report.

The report is then presented to the Audit Committee, which examines it during its next meeting. At the request of the Audit Committee, the Compliance Officer provides additional information.

FUNCTION OF RISK MANAGER

The risk management function is exercised by a Risk Manager, who is appointed by the Board of Directors on the proposal of the effective Managers, subject to prior approval by the FSMA.

The Risk Manager's function is performed by Mr Antoine TAGLIAVINI for an indefinite period. The Risk Manager is independent for the exercise of this function.

Definition and Purpose

The risk management function is a permanent internal function independent of operational activities within the Company and is charged with:

- identifying, together with the effective Managers, the risk profile of the Company;
- defining the policy and strategy for risk management;
- designing and deploying risk management processes;
- identifying, according to the processes defined with the effective Managers, the risks to which the Company is exposed;
- assessing the impact of the risks identified in financial, operational, compliance and reputation terms;
- assessing the degree of control of the Company in relation to the risks identified;
- offering the effective Managers an adequate response in accordance with the risk profile;
- implementing or having implemented responses adapted to the risks identified through policies, procedures and/or action plans (including contingency and business continuity plans), the implementation of which is the responsibility of the effective Managers;
- monitoring and ensuring the adequate and operational nature of said policies and procedures;
- being the main "Promoter" of risk management at strategic and operational level;
- deploying a risk culture within the organisation, with appropriate training actions;
- providing regular reporting on the risks identified, the corresponding action plans and their implementation, for the attention of the effective Managers, the Audit Committee and the Board of Directors.

Reporting and monitoring

The Risk Manager implements regular reporting including at a minimum:

- the risks identified;
- the assessment made of these,
- the type of response to these,
- the resulting actions,
- the monitoring of actions by the effective Managers.

He regularly informs the effective Managers and the Audit Committee of the main risks identified, the measures taken to improve their control, and the progress of the work carried out as part of the mission of this function.

Management of Conflict of Interest

The rules for preventing conflicts of interest are integrated into the WEB SCA Governance Charter.

IDENTIFICATION OF POTENTIAL CONFLICTS

Conflicts of interest may notably arise in the following cases:

- acquisition of buildings or property companies;
- provision of buildings.

CONFLICT OF INTEREST PREVENTIVE RULES

Each Director organises his or her personal and professional affairs so as to avoid any conflict of interest, whether direct or indirect, with WEB SCA.

The legal rules for preventing conflicts of interest which apply to WEB SCA are Articles 523, 524 and 524.3 of the Companies Code, the specific rules on conflicts of interest set out in Articles 37 and 49 paragraph 2 of the SIR Law (which notably provides for the obligation to inform the FSMA in advance in a series of cases), as well as the rules provided for in its "Governance Charter".

LEGAL AND REGULATORY PROVISIONS

1. Article 523 of the Companies Code

In accordance with Article 523 of the Companies Code, if a Director has, directly or indirectly, an asset-related interest opposed to a decision or a transaction under the responsibility of the Board of Directors, he or she must communicate this to the other members before the Board's deliberation. The Director's declaration, as well as the reasons justifying the opposite interest that exists on his or her part, must appear in the minutes of the Board of Directors, which must take a decision. The Company's Statutory Auditor must be informed of this, and the Director concerned cannot attend the deliberations of the Board of Directors relating to the operations or decisions concerned, nor take part in the vote. The relevant minutes are then reproduced in the management report.

2. Article 524 of the Companies Code

If a listed company plans to carry out a transaction with a related company (subject to certain exceptions), Article 524 of the Companies Code requires the setting up of an ad hoc Committee composed of three independent Directors; this Committee, assisted by an independent expert, must communicate a reasoned assessment of the proposed transaction to the Board of Directors, which can only take its decision after having read this report. The Statutory Auditor must make an assessment as to the accuracy of the data appearing in the Committee's opinion and in the Board of Directors' minutes. The Board of Directors then specifies in its minutes whether the procedure was followed and, if applicable, the reasons why the Committee's opinion has been waived. The Committee's decision, the extract from the minutes of the Board of Directors and the Statutory Auditor's assessment will be included in the management report.

3. Articles 37 and 49 paragraph 2 of the SIR Law

Article 37 of the SIR Law notably requires public SIRs, subject to certain exceptions, to inform the FSMA beforehand of any transaction that the SIR proposes to carry out with a related company, a company with which the SIR maintains a participation link, the other shareholders of a company within the scope of the SIR, or the Directors, managers and members of the SIR Management Committee. The Company must establish that the proposed transaction is of interest, and that it falls within its strategy, and the transaction must be carried out under normal market conditions. If the transaction concerns property, under Article 49 paragraph 2 of the SIR Law, an independent property expert must assess its fair value, which constitutes the minimum price at which this asset can be sold, or the maximum at which it can be acquired. The SIR must inform the public of this when the transaction is concluded, and comment on this information in its Annual Financial Report.

COMPANY-SPECIFIC PROVISIONS

The Board also imposed specific rules on the Company[1] in addition to the applicable legal rules:

4. Special majority

In the event of an investment or the making available of a building involving a conflict of interest within the meaning of Article 523 of the Companies Code, the decision must be taken by a majority of the Directors, including at least half of the independent Directors.

If such an investment presents a conflict of interest with an independent Director, the rule specified in the above paragraph remains applicable, it being understood that the independent Director in question may not participate in the vote, by application of the Article 523 of the Companies Code.

In addition, we specify that in these cases, the relevant passages of the minutes of the Board of Directors must also be reproduced in the management report.

Similarly, any situation falling under the scope of Article 524 of the Companies Code will result in the application of these provisions (if applicable, cumulatively with Article 523 of the Companies Code) and, in particular, upon the prior assessment of the transaction by a Committee made up of three independent Directors.

5. Transaction with a majority family member or a related company

It may happen that the Company enters into a transaction relating to a property with a member of the majority family or a company linked to one or more of them (defined as a company in which one or more of them holds a stake or exercises a mandate as Director, delegate for daily management, or member of the Board of Directors). In this case, as long as the majority family members are shareholders of the Company, the principles of management of conflicts of interest as provided for by the Company Code, the Corporate Governance Charter and the SIR Regulations will scrupulously be respected, whatever the amount of the investments (de minimis exceptions are not used).

In addition, for any transaction relating to a property (which is not within the competence of the General Meeting), the following rules must apply:

- the effective Managers (by a majority, excluding the effective Managers on whose part there is a conflict of interest) must make a written proposal to the Board of Directors in which they must indicate:
  - description of the property,
  - description of the transaction,
  - description of the conflict of interest,
  - the Company's interest in the transaction,
  - an expert valuation,
  - the price or its equivalent and other conditions,

(1) These are detailed in the WEB SCA Governance Charter.

  – proof that the price or the equivalent is in accordance with market conditions;

- a copy of the proposal of the effective Managers to the Board of Directors will be communicated for information to the FSMA;
- the Board of Directors (to which Article 523 applies) will instruct three independent Directors to prepare the report provided for in Article 524 of the Companies Code (unless it decides not to study the file);
- the Committee of independent Directors will appoint an Independent Expert, who must be a certified property expert, a company auditor or an investment bank;
- the report of the Committee of independent Directors assisted by the Independent Expert must specify, in addition to the information required by Article 524, whether the proposed transaction would be carried out under normal market conditions;
- this report will be communicated, not only to the Board of Directors, but also to the FSMA;
- the Board of Directors must specifically explain its decision regarding compliance with market conditions;
- a copy of the decision of the Board of Directors will be communicated to the FSMA;
- an assessment as to the accuracy of the data must be made by the Statutory Auditor of the company (Article 524, paragraph 3, paragraph 3 of the Companies Code).

6. Conflicts of functions

If WEB SCA proposes to conclude, with a company in which a Director of WEB SCA exercises a mandate or in which it holds a participation other than a minor shareholding, a transaction which is not covered by Article 523 of the Companies Code (for example, because it is a usual transaction concluded under normal market conditions and guarantees), WEB SCA nevertheless considers it necessary that this Director immediately informs the Chairman of the Board of Directors.

His or her declaration, as well as the reasons justifying the non-application of Article 523 of the Companies Code, will appear in the minutes of the Board of Directors, which must take a decision.

The Chairman will decide whether to report thereon to the Board of Directors, and whether the Director concerned should abstain from attending the Board of Directors' deliberations on this transaction or take part in the vote.

The minutes relating to the transaction concerned do not, however, have be reproduced in the Annual Report. The Company will inform the FSMA of this case of conflict.

The application of this policy will be mentioned in the Corporate Governance statement in the Annual Report.

7. Transactions with an executive officer

The above policy also applies, mutatis mutandis, to transactions between WEB SCA and executive officers. The executive officer concerned must declare the conflict of interest to the Chairman of the Board of Directors. His or her declaration must appear in the minutes of the Board of Directors, which must take a decision. This transaction can only be concluded under normal market conditions.

The minutes relating to the transaction concerned do not, however, have be reproduced in the Annual Report. The Company will inform the FSMA of this case of conflict.

8. Corporate opportunities

Since the Directors of WEPS SA are appointed, in particular according to their skills and experience in the property area, it is common for them to hold terms of office in other property companies or companies controlling property companies.

It may therefore happen that a transaction submitted to the Board of Directors (for example: acquisition of a building as part of an auction process) is likely to interest another company in which a Director has a mandate. In such a case, which may involve in certain cases a conflict of functions, the company has decided to apply a procedure largely modelled on that provided for in Article 523 of the Companies Code in matters of conflicts of interest.

The Director concerned must immediately inform the Chairman of the Board of Directors and the CEO of the existence of such a situation. As far as possible, the CEO(s) also take care to identify the existence of such a situation.

Once the risk has been identified, the Director concerned and the Chairman of the Board of Directors or the CEO(s) will jointly examine whether the "Chinese walls" procedures adopted within the entity of which the Director concerned is a party enable the Director, without question, and under his or her sole responsibility, to attend meetings of the Board of Directors. In the event that such procedures have not been put in place, or in the event that the Director concerned or the Board of Directors considers that it is more appropriate for the Director concerned to abstain, the latter will withdraw from the deliberation and decision process: the preparation notes will not be sent to the Director concerned, who will withdraw from the Board of Directors' meeting when the point is discussed there, and this point will be the subject of an annex to the minutes which will not be communicated to said Director.

The Board of Directors' minutes will record compliance with this procedure, or explain the reason why it has not been applied.

This procedure will cease to apply as soon as the risk disappears (for example, because either the company renounces it or the competing company decides not to submit an offer).

If necessary, this procedure will be combined with Article 523 of the Companies Code, if this provision is applicable (for example, because the Director in question has a property interest opposed to that of the Company, the transaction is concluded by a company other than the Company). In addition, we specify that in these cases, the relevant passages of the Board of Directors' minutes must also be reproduced in the management report.

MANDATORY INFORMATION

During the year under review, there was a transaction giving rise to the application of the procedure referred to in Article 523 of the Companies Code relating to conflicts of interest.

At the meeting of the Board of Directors on 18 December 2019 relating to the composition of the Board of Directors, the renewal of the mandates and the appointment of the Chairman. Mr Claude DESSEILLE being directly concerned by an item on the agenda, concerning the renewal of his mandate as Director and his appointment as Chairman of the Board of Directors, the latter abstained from participating in deliberation and voting.

The extract from the Board of Directors' minutes of 18 December 2019 is reproduced below:

"The members of the Board of Directors take note of the acceptance by the Management Committee of the FSMA of 2 December 2009 of the proposals for the renewal of Directors. These were approved by the Extraordinary General Meeting of WEPS SA which was held on Monday, 16 December 2019.

The Extraordinary General Meeting of WEPS SA re-elected Mr Claude DESSEILLE, residing at 8300 KNOKKE, Bronlaan 117/A22 as a Non-Executive Director from 01 January 2020 for a period of 3 years which will expire after the Ordinary General Meeting of 2023.

The Board of Directors proposes the appointment of Mr Claude DESSEILLE as Chairman of the Board of Directors of WEPS SA, from 01 January 2020, in replacement of Ms Valérie WAGNER, whose appointment as Chairwoman will end on 31 December 2019.

Ms Valérie WAGNER confirms the acceptance by the Management Committee of the FSMA of last 2 December on this proposal. This proposal was validated by the members of the Board of Directors present.

Mr Claude DESSEILLE, being concerned by the point relating to his appointment as Chairman of the Board of Directors, abstained from participating in the deliberation, and left the conference during the vote."

During the past financial year, the Company did not carry out any transaction constituting a transaction referred to in Article 524 of the Companies Code.

During the past financial year, the Company did not carry out any transaction constituting a transaction referred to in Article 37 of the SIR Law.

PREVENTIVE RULES FOR MARKET ABUSE

Pursuant to European regulations[1] (hereinafter referred to as the "Regulations") and the law[2] (hereinafter referred to as the "Law") relating to market abuse, the Company has defined, as an issuer, a prevention policy concerning the use of inside information related to its financial instruments. These rules apply:

- to the members of the administrative body of the statutory manager of WEB SCA ;
- to high-level managers who, without being members of the body referred to above, have regular access to inside information directly or indirectly concerning the Company, and the power to take management decisions concerning future development and strategy of the Company, "the managers";
- to persons likely to have inside information because of their involvement in the preparation of a specific transaction.

The rules for preventing market abuse are detailed in the "Code of Conduct" applicable to transactions in shares and other financial instruments of WEB SCA, and to the aforementioned persons.

The Code of Conduct also provides the following rules:

- internal notification:
  - the appointed persons (Managers, staff members and any person called upon to receive inside information) intending to carry out transactions relating to WEB SCA shares must give written notice (fax, mail, email) in advance, i.e. at least 48 hours before the transaction is completed, to the Compliance Officer of WEB SCA,
  - if the Compliance Officer of WEB SCA intends to carry out share transactions, he or she must also notify them in advance (at least 48 hours before the transaction is completed) and in writing (fax, mail, email), to the Chairman of the Board of Directors. The written notice must detail the type of share and the transaction envisaged, the quantity concerned, and the date envisaged for the transaction;
- notification to the FSMA: the appointed persons must notify any transaction carried out on their own account and relating to the financial instruments of the Company at the latest within three working days after the date of the transaction, by means of an online notification via the application available on the FSMA website. These transactions will then be published on the FSMA website;

(1) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16/04/2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Directives 2003/124/EC, 2003/125/CE and 2004/72/CE of the Commission.
(2) Law of 27/06/2016 amending, with a view to transposing Directive 2013/50/EU and implementing Regulation 596/2014, the law of 02/08/2002 relating to the supervision of the financial sector and to financial services, the law of 16/06/2006 relating to public offers of investment instruments and the admission of investment instruments to trading on regulated markets, as well as the law of 02/05/2007 relating to the disclosure of significant holdings in issuers whose shares are admitted to trading on a regulated market.

- establishment of periods during which the execution of stock exchange transactions on WEB SCA shares is not authorised ("closed and prohibited periods");
- keeping of an insider list.

PRIVILEGED INFORMATION

"Information of a precise nature which has not been made public, which concerns, directly or indirectly, the Company, one or more financial instruments, and which, if it were made public, could have a significant influence on the price of the financial instruments concerned or the price of derivative financial instruments linked to them."

WEB SCA ensures that inside information is made public as soon as possible, and in a manner that allows rapid and complete access to this information, and a correct and rapid assessment of the same by the public.

WEB SCA may, under its own responsibility, postpone the publication of inside information, provided that all of the following conditions are met:

- immediate publication is likely to prejudice the legitimate interests of the issuer;
- the delay in publication is not likely to mislead the public;
- the issuer is able to ensure the confidentiality of said information. If the issuer has deferred the publication of inside information, it must inform the FSMA in writing immediately after the publication of the information.

Persons with inside information must refrain from:

- use this inside information, whether for their own account or that of another person, to acquire, dispose of, or attempt to acquire or dispose of the shares concerned directly or indirectly;

- communicate this inside information to any other person, except in the context of the normal performance of their work and the exercise of their function;
- on the basis of this inside information, advise another person, whoever he or she may be, to acquire or sell the shares concerned by this inside information, or to have this acquisition or disposal carried out by other persons.

The Company strongly encourages insiders not to make any recommendations, even when they do not have, or no longer have, inside information, relating to the Company or a subsidiary.

INSIDER LIST

The Compliance Officer draws up and maintains a list of all the persons who have access to inside information.

The Compliance Officer must take all reasonable measures to ensure that the persons appearing on the insider list recognise in writing the legal and regulatory obligations arising therefrom, and are aware of the sanctions applicable in the event of insider dealing or illicit disclosure of privileged information.

It is not recommended for persons on the insider list established in accordance with the regulations, and in particular for Managers, to carry out short-term transactions in the shares of the Company.

CLOSED AND PROHIBITED PERIODS

Managers cannot carry out transactions in financial instruments, either on their own account or on behalf of a third party, directly or indirectly, during a closed period, namely:

- the period of thirty calendar days preceding the date of publication of the annual results;
- the period of thirty calendar days preceding the date of publication of the half-yearly results;

it being understood that, for each period, the trading day during which the publication of the results takes place is added.

Managers may also not carry out transactions in financial instruments, either on their own behalf or on behalf of a third party, directly or indirectly, during a period during which the Company and/or certain managers are in possession of privileged information.

RELATIONS WITH CLIENTS, EMPLOYEES, TENANTS, BUSINESS CONTACTS AND SHAREHOLDERS

In accordance with its Corporate Governance Charter, WEB SCA undertakes to always act, whether towards its clients, employees and business contacts, or towards its shareholders, in compliance with the laws and regulations in force in all economic sectors of the country, and with respect for ethics.

It does not tolerate any form of corruption, and refuses to enter into contact with persons involved in illegal activities, or suspected of being so. When choosing its partners, WEB SCA takes into consideration their desire to respect the principles contained in the Charter, and ensures collaboration with partners scrupulously respecting the various laws and regulations applicable to WEB SCA's activities (including social legislation, tax fraud legislation, etc.).

WEB SCA does not finance or support any political party and any school of thought, and acts independently in this regard.

WEB SCA strives to maintain harmonious human relations in its team, guided by the principles of professional ethics. It takes care to respect the rights of its employees, with a concern for constructive dialogue based on trust. It also ensures that all persons working within it act in accordance with the ethics and the principles of good business conduct, and the principles set out in the charter.

All employees must avoid being in a situation of conflict between their personal interest and the interest of the shareholders of WEB SCA, in particular in the context of relations with customers, contractors, suppliers, and other third parties. In this regard, they must refrain from accepting any remuneration or personal advantage (gift, invitation, etc.) that does not fall within the scope of current low-value end-of-year gift practices, and they must also refrain from giving to these third parties or to any member of a public authority any advantage whatsoever (sum of money, gift, etc.).

Any employee who suspects fraud, embezzlement, illegal or unethical behaviour, or a breach of internal rules adopted by WEB SCA, or of laws or regulations, must immediately inform the Compliance Officer and the Internal Auditor. They will ensure the anonymity of any person who reports a risk of fraud or breach of internal rules adopted by WEB SCA, or laws or regulations.

Research and development

During this financial year, the Company did not incur any research and development costs.

Post balance sheet events

In light of recent events, it is clear that COVID-19 constitutes a serious public health emergency threatening all our citizens and constituting a major challenge for our governments.

The economic shock caused by this health crisis is unprecedented in recent history and its exact extent is impossible to assess at this stage.

Government measures that have already been taken, or will be taken, to deal with this episode will inevitably have a major impact on the activity of our tenants. The impact of these events on our activity for the current financial year cannot yet be quantified.

In this context, we expect that we will receive requests from some of our tenants to temporarily suspend all or part of their rents. We will study their requests and are ready to consider with them suitable solutions which would temporarily relieve their cash flow without compromising our financial balance for the financial year 2020.

In conclusion, we believe that a material impact should be recorded as soon as we see our rents unpaid for a quarter at 50% or more.

ACQUISITIONS

The Company has finalised the process of acquiring two property companies:

Alleur

On 22 January 2020, the Company acquired all the shares of SA BUSINESS PARK ALLEUR, owner of the Business Park Alleur located in the Liège region, in Loncin, at the heart of the motorway interchange, and 3 minutes from the exits of Brussels, Namur and Aachen motorways. This is an office building built in 2018-2019, of ± 4.700 m² on 5 floors with 161 parking spaces.

The site occupancy rate is 100%. With this acquisition, WEB SCA will generate ± €1,045,000 of additional annual rental income with a firm lease of 111 months which started on 1 May 2019;

In accordance with Article 49, paragraph 1 of the Law of 12 May 2014, the transaction was carried out under normal market conditions. The approved WEB SCA expert had

determined a fair value of €16,810,000. The expected return is comparable to the overall return on the portfolio.

Houdeng-Goegnies

On 31 January 2020, the Company acquired all of the shares of SA SPI LA LOUVIERE, owner of a logistics building located at the exit of the Mons-Liège motorway. This is a building constructed in 2018-2019, of ± 6,000 m² on a plot of 11,000 m² with 71 parking spaces, fully leased, generating an annual rental income of €375,000 with a 10-year firm lease taken out on 1 July 2017.

In accordance with Article 49, paragraph 1 of the Law of 12 May 2014, the transaction was carried out under normal market conditions. The approved WEB SCA expert had determined a fair value of €4,930,000. The expected return is comparable to the overall return on the portfolio.

SALES

Courcelles

On 16 March 2020, WEB SCA sold the office building located rue Général de Gaulle 12, 6180 Courcelles.

In accordance with Article 49, paragraph 1 of the Law of 12 May 2014, the sale price of this property has been set at €400,000 excluding costs, a value identical to that given by the SIR Property Expert at 31 December 2019.

Subsidiary

As of 31 December 2019, the Company had no subsidiaries.

Increase of capital by contribution in kind

The Company did not increase any capital by contribution in kind during the year under review.

Diversification of investments in securities

The Company did not make any investments in transferable securities during the year under review.

RISK FACTORS


THLON

Description of the risk	Potential impact	Mitigation factors and risks
I. STRATEGIC RISKS		
1. INVESTMENT PROPERTY PORTFOLIO MANAGEMENT - DIVERSIFICATION		
No transaction carried out by the regulated property company (SIR - Société Immobilière Réglementée) can have the effect that more than 20% of its consolidated assets are invested in properties which form a single property complex. • From the point of view of geographic diversification, the fair value of the property assets constituting the largest property complex of the portfolio, as shown in the Company's Financial Statements at 31/12/2019, represents 18.45%, being the City Nord[1] site in Gosselies. • On the other hand, the fair value of the assets leased to our largest tenant represents 2.48% of the Company's balance sheet. However, this site includes other tenants.	• Legal limitation of borrowing capacity due to a concentration rate of more than 20% of its consolidated assets in properties forming a single property complex. • Diversification does not ensure an adequate spread of risks in terms of property assets within the meaning of Article 29 of the SIR Law.	• Overall, the diversification (geographic and sectoral) of the assets in the portfolio represents a target pursued since September 2015. The fair value of investment properties (excluding investment properties held for sale) thus increased from €198,905k as at 30/09/2015 to €270,975k as at 31/12/2019.
2. INVESTMENT PROPERTY PORTFOLIO MANAGEMENT - ACQUISITIONS		
Certain buildings that are part of the WEB SCA property portfolio were acquired as part of company acquisitions or share acquisitions. In accordance with the Companies Code, in the event of a merger by absorption, all of the assets and liabilities, rights and obligations relating thereto are thus transferred to WEB SCA.	• The acquired property could have hidden defects making it unsuitable for rental, or may not meet the expected interest from tenants which would result in: – a deterioration in the Company's revenue potential, – a rental vacancy. ➔ 1% of the investment value of the portfolio = Year – (€k) 2018 – €2,759k 2019 – €2,810k ➔ 1% of current net rents + ERV = Year – (€k) 2018 – €190k 2019 – €203k • The acquisition of a company comprising property presents a risk linked to the concomitant acquisition of liabilities.	• The Board of Directors and the management team of WEB SCA strive to constantly add value to the SIR portfolio through the careful selection of new investments. • Investment opportunities are subject to a review of available information (market, expected yields, existing tenants, potential, etc.) submitted to the Board of Directors by WEB management. • In order to protect themselves as much as possible, WEB SCA calls on external personnel specialised in the identification of such risks (technical due diligence + administrative due diligence + accounting and tax due diligence).

(1) = sites 13 & 34

Description of the risk	Potential impact	Mitigation factors and risks

I. STRATEGIC RISKS

3. INVESTMENT PROPERTY PORTFOLIO MANAGEMENT - TRANSFORMATIONS

Description of the risk

Any transformation involves a financial risk inherent, either to not being executed according to the prospects of the Company, or specifically to the subcontractors.

Potential impact

- Transformation costs higher than the approved financial planning, altering the return on net rent + expected ERV.
- Exceeding the expected transformation times, extending a rental vacancy.
- Transformation of a building whose rental potential is below expectations.

➔ Potential return on current net rents + ERV =

Year	(%)
2018	7,1%
2019	7,2%

➔ 1 % des Loyers nets en cours + VLE =

Year	(€k)
2018	€190k
2019	€203k

Mitigation factors and risks

- External personnel specialised in the identification of such risks and their management. WEB SCA uses renowned groups and qualified people (engineers, etc.) to carry out the transformation of its assets.
- Clear strategic vision, for the choice of buildings, specific buildings are avoided and buildings suitable for reconversion are favoured. Each building is analysed according to the area in which it is located.
- Preparation of an a priori transformation file.
- Before starting the conversion of a site, the leases are negotiated and a candidate tenant exists.
- Currently there is an annual refurbishment programme submitted to the Board of Directors.

4. INVESTMENT PROPERTY PORTFOLIO MANAGEMENT - DISPOSALS

Description of the risk

Any sale of investment property involves a financial risk inherent in not being carried out according to the company's perspective.

Potential impact

- Long sales period.
- Sale at a price significantly lower than the potential realisable value generating a negative impact on the operating accounts.

➔ Average investment value per Site =

Year	Average Value [2]
2018	€6,131k
2019	€6,534k

➔ Impact of a site sale price lower than 1% =

Year	Impact
2018	€61k
2019	€65k

Mitigation factors and risks

- In compliance with the rules for authorisation of the approval file, any sales from €2.5 million upwards must be approved by the Board of Directors, upon presentation by management:
  - bidding processes,
  - appropriate definition of the sale price,
  - assessment of the risk profile of divestment opportunities on the basis of a detailed analysis,
  - external personnel specialised in the identification of such risks and their management,
  - identification of potential buyers,
  - deleveraging of the Company up to the sale price except re-use in investment property.

(2) Being the investment value determined by the independent property expert as at 31/12/2019 based on the number of sites: €280,998k / 43 sites.

Description of the risk	Potential impact	Mitigation factors and risks
II. OPERATIONAL RISKS		
5. DEPENDENCE ON KEY PEOPLE		
The unavailability of key people is likely to compromise the proper functioning of the Company and expose it to certain remedial and unforeseen expenses.	• Blockage with regard to the proper continuation of the Company's activities. • Negative impact, in the medium or long term, on operational capacity. • Loss of key personnel. • Loss of know-how and data.	• The size of WEB SCA enables knowledge to be shared. The members of management would therefore be able to replace one another if necessary. • With regard to the market in which WEB SCA finds itself, external solutions exist, as there are no manufacturing secrets linked to the profession. • Depending on the function performed by each person, similar profiles are more or less readily available on the market. • The administrative and financial structure in place is capable of ensuring business continuity. • The new software package (ERP) also allows increased portability of information and processes between employees with the same level of competence.
6. INFORMATION SYSTEMS		
• System risks: IT risks emanated from the computerisation of WEB SCA and the necessary opening of its systems to the Internet. These risks were linked to: – the systems allowing the availability of accurate and timely information to the personnel concerned, – reliable databases, network, software and hardware supports, – information security, – resistance to change. • ESEF (European Single Electronics Format): Within the framework of the Transparency Directive (Directive 2004/109/EC, as amended by Directive 2013/50/EU), the Company must publish its next annual accounts in iXBRL format, the standard adopted by the ESMA.	• Restoration cost due to loss of information. • Momentary obstacle to the proper functioning of one or another, or of all the departments of the Company. • Information that is not secure, or unreliable. • Significant manual processing and associated costs. • Internal barriers. • The late publication of periodic information jeopardises the proper functioning of the market for the securities of the late issuer. Indeed, such a delay does not allow investors to be informed in time of the latest financial situation.	• As from 2017, WEB SCA has taken all the necessary measures to support and secure its growth, as well as to sustain the company's data: – 2017: outsourcing to the Proximus data centre of all of the Company's digital data with permanent backup, – 2018: implementation of a high-performance ERP, – 2018: system and data validation by BDO, – 2018: subscription to a service agreement guaranteeing a restart within 4 hours. • As from November 2019, contacts have been established with an IT provider in order to ensure the timely publication of the financial report in the required format.

Description of the risk	Potential impact	Mitigation factors and risks
II. OPERATIONAL RISKS		
7. TENANTS / RENTAL VACANCIES		

Description of the risk

- WEB SCA is exposed to the risks linked to default by its tenants. The SIR may be required to grant free rental periods.
- WEB SCA is exposed to the risks of tenant departure and renegotiation.
- WEB SCA could be impacted to some extent by the development of e-commerce.

Potential impact

- Overall, the risk linked to tenants can be expressed in different forms:
  - loss of rental income (insolvency, etc.),
  - free rental,
  - deterioration in the occupancy rate,
  - possible fall in rents,
  - commercial costs to be incurred in order to relocate,
  - decrease in the fair value of the portfolio (see risk "Changes to the fair value of investment properties").

Year	Occupancy rate
2018	96.17%
2019	94.43%

Year	Definitely unpaid rents % of rents [1]
2018	1.33%
2019	0.69%

Year	Free rental % of rents [2, 3]
2018	0.27%
2019	0.39%

Year	Most important tenant % of rent [4]
2018	Cedicora = 3.18%
2019	Cedicora = 3.05%

Change	Impact of a rental vacancy variation of +1% and -1% expressed in relation to the ERV [5]	
Net income 2018	+ €190k	- €190K
Net income 2019	+ €193k	- €193K
Intrinsic value of a share	+ €0.06	- €0.06
Debt ratio	- 0.03%	+ 0.03%

Mitigation factors and risks

- Certain exogenous aspects (random effects of an economic crisis, the relocation of a chain of stores, a closure, etc.) of this risk make effective control inferior to correct procedural control.
- The increased diversification of the rental stock spreads the potential risk non-proportionally over 305 rental contracts, of which the 5 largest in amount together represent rental income of ± 12.55% of the total.
- Actions are being taken to overcome the problem linked to rental vacancy:
  - preventive screening of the rental stock and anticipation of information on the tenant (personal contacts),
  - finding tenants to fill the buildings or examining the potential linked to the sale,
  - spreading out payments for tenants in difficulty,
  - free rental,
  - adjustment of the rent,
  - search by rental agents,
  - advance rent payments,
  - competitive price per m²,
  - inclusion in the lease of a manager's personal guarantee,
  - daily checking by property management,
  - rent guarantees generally established or paid,
  - many tenants are major brands, which represents a certain financial security for WEBSCA.
- The Board of Directors examined the impact, in the short and medium terms, of e-commerce on its retail type investments. There is currently no direct risk. However, the Company remains vigilant about it.

(1) Rents: see Income Statement, Section I.A. Rents in the Company's Financial Statements as at 31/12/2019.
(2) The figures are not completely comparable as the 2018 Financial Year consisted of 15 months compared to 12 for the 2019 Financial Year.
(3) Free rental / Rents: see Income Statement, Headings I.A. Rents and C. Free rental in the Company's Financial Statements as at 31/12/2019.
(4) Rents: see Income Statement, Section I.A. Rents in the Company's Financial Statements as at 31/12/2019.
(5) The ERV is the Estimated Rental Value for 12 months as at 31/12/2019 according to the independent property expert.

Description of the risk	Potential impact	Mitigation factors and risks
II. OPERATIONAL RISKS		
8. CLAIMS		
The Company is exposed to the risk of a major disaster affecting one or another of its buildings.	• Restoration costs. • Termination of the lease by loss of its object. • Reduction in portfolio operating profit.	• Faced with this risk WEB SCA has adopted a series of measures aimed at protecting its assets and operating income: – all of WEB SCA's assets are covered by "replacement cost" insurance, reviewed periodically, – the insurance covers the structure, the possible content and the possible operating loss, – a circular letter is sent to the tenants requesting all the information concerning fire protection, as well as the other certificates relating thereto, – a waiver clause is included in most leases: in the event that the tenants are not insured, WEB would be compensated for the property, – for some sites (Rhode-Saint-Genèse), the policy covers the property, the content and the rental risk. Everything is then recharged to the tenants. • In terms of operating loss: – all buildings are insured, – rents, charges and withholding taxes are paid until they are restored for operation, – an external audit of insurance policies was carried out in 2017.
9. DEPRECIATION AND RESTORATION OF BUILDINGS		
The Company is exposed to the risk of deterioration of its buildings as a result of wear and tear, as well as the risk of obsolescence.	• Rental vacancy risk (investments to comply with regulatory requirements and tenant expectations). • Loss of revenues.	• The Company has a technical department whose assignment includes: – constant review of the buildings by the technical department which plans the work, – annual submission of a budget over 3/5 years for preventive work, – budgeting of financial needs relating to the planning of approved works. • The following renovation investments have been made: – in 2018: €3,682k – in 2019: €3,385k

Description of the risk	Potential impact	Mitigation factors and risks
II. OPERATIONAL RISKS		
10. ADMINISTRATIVE AUTHORISATION		
The implementation of portfolio extension projects is dependent on obtaining administrative permits and authorisations relating to the legislation in force, particularly at the urban, environmental, social and economic level.	• Delays postponing the execution of the works or the starting date of the lease. • Delays in a proportional measure of the fulfilment of the Company's commitments and the accomplishment of its development strategy. • Risk of not obtaining the requested building permit. • All of these proven risks would have the consequence of delaying the planned development of the Company and of reducing to a certain amount and for a certain time its yield, as it has been exposed thereby to an amount of related expenses.	• The exogenous nature of the risk makes it difficult to control. The Company cannot have control over the person issuing the permits. • Internal organisation. • Monitoring of current files by WEB SCA on a daily basis. • Continuous training of the team within WEB SCA in order to adapt to the multiplication of procedures. • Use of expert advice for complex cases. • Obtaining the environmental permit essential for the operation of the establishment contractually payable by the tenant. • Control is in place for the management of the internal process, although it mainly depends on the decision of an official. A request for a preliminary permit, which rarely differs from the final decision, is made.
11. LARGE POTENTIAL WORKS		
When carrying out major works, the Company may experience a number of unforeseen events capable of reducing its financial profitability for a certain period.	• Time frame, planning issues. • Exceeding budgets. • Site organisation problems. • Technical problems. • Bankruptcy of subcontractors / approval / agreements. • Delay in obtaining the permit. • The good reputation of the SIR with one or another of the client brands could be damaged. • The concerns that the SIR could encounter with regard to major works are mainly linked to the suppliers (bankruptcy of the subcontractor, etc.) from which an opportunity cost could result. • In terms of financial impact, it is difficult to predict since it depends on the occurrence of a probable future event bringing with it problems that are unidentified, or are nor identifiable at the time.	• The exogenous nature of this risk (bankruptcy of the subcontractor, delays, etc.) does not make it more easily controllable by the SIR than the risk linked to obtaining permits. • WEB SCA has an internal structure enabling it to manage subcontracted activities and to limit subcontracting to the bare essential: – requesting administrative authorisation. – clear contracts with subcontractors (prices, late penalties, etc.), – project management (monitoring, approvals, etc.), – guarantees/commitment of subcontractors, – bidding processes.

Description of the risk	Potential impact	Mitigation factors and risks
II. OPERATIONAL RISKS		
12. ENVIRONMENT		
Part of the property assets of the Company are distributed in the Carolegion region. The subsoil of the Charleroi region has been extensively exploited by the coal industry. The subsoil of the Charleroi region has been extensively exploited by the coal and steel industry. WEB SCA may therefore own buildings located in a pollution zone. For many years, asbestos has been used in various applications, but since 1 January 2005, the use and the placing on the market of products containing asbestos is completely prohibited, whether in Belgium or in whole of the European Union.	• Limitation or prevention of accessibility to the affected area causing a loss of earnings. • Environmental degradation. • Introduction of significant costs. • Negative impact on the Company's image. • Soil pollution and industrial embankments are sources of potential risks, as is the possible existence of a mine gallery.	• When starting up any new site, a geotechnical study is carried out in case of doubt. • Systematic analysis of the bearing capacity of the soil before any new construction (soil study). • WEB SCA contractually ensures that the liability lies with the lessee in the event that its activity involves a proven risk of pollution. • Asbestos inventory.
13. MAINTENANCE COST VOLATILITY		
In correlation with its growth by acquisition, the Company must adjust its maintenance costs while ensuring that they adapt a low-risk strategy so as not to durably deteriorate its financial profitability.	• The costs of the Company could be subject to volatility in terms of maintenance and repair affecting its net income on a one-off or lasting basis.	• The Company has set up a department managing all interventions relating to maintenance and repairs. • In order to strengthen its capacity to prevent any inflationary factor relating to these costs, as from 2017 the Company has signed a maintenance contract providing for a fixed annual price per m².

Description of the risk	Potential impact	Mitigation factors and risks

III. FINANCIAL RISKS

14. TREASURY

Description of the risk

WEB SCA is exposed to the liquidity risk linked to the renewal of its maturing financings or for any additional financing necessary to fulfil its commitments. The Company could also be exposed to this risk in the context of the termination of its financing contracts.

Potential impact

- Risk of being forced to set up new financing at a higher cost.
- Cancellation/termination of credit agreements or early repayment.
- Inability to finance activities.

Financial year	2018	2019
Bank debt (€)	104,111,349	112,061,711
Debt ratio	40.71%	41.55%
Funding rate (IRS excluded) [1]	1.30%	0.88%
Float coverage rate [2]	77.63%	75.85%
Debt maturity (years)	4.00	3.4

Mitigation factors and risks

- WEB has developed a prudent financial and debt policy based on:
  - a controlled debt ratio,
  - constant work on extending the maturity of the debt, within the limits of the financial institutions' offer,
  - permanent negotiation of rates with competing financial institutions,
  - the non-immobilisation of cash as part of its Working Capital Need.

15. LIQUIDITY OF WEB SECURITIES

Description of the risk

WEB SCA experiences a low level of liquidity in its shares, limiting both exit and purchase opportunities over the short term.

Potential impact

- Reduced daily capacity for sales or purchases of securities.
- The liquidity of a security is assessed through the average volume of daily transactions recorded on a security for a given period.

Euronext Brussels	2018	2019
Average daily number of securities	590 shares	1,394 shares
Daily amount of capital exchanged	€32,391	€74,775
Average daily number of exchange transactions	8	18

Mitigation factors and risks

- The Company has started a limited road show process.
- Regular contacts are maintained with the banks.
- The Company concluded a Liquidity Provider contract with Petercam-Degroof in August 2018.

16. CHANGES TO THE FAIR VALUE OF INVESTMENT PROPERTIES

Description of the risk

The property portfolio is evaluated quarterly. This upward or downward valuation of assets directly affects the capital of the SIR.

Potential impact

- Negative impact on net income, net asset value and debt ratio, no impact on distributable income for the year.
- As of 31/12/2019, a negative value change of 1% would have the following impact:

Year	2018	2019
Net income	- €2,672k	- €2,710k
Intrinsic value per share	- €0.84	- €0.86
Impact on the debt ratio	+ 0.64%	+ 0.41%

Mitigation factors and risks

- Detailed approach from the Company's property expert.
- Availability of expertise, data and personnel necessary for the valuation.
- Rigorous criteria for selecting buildings in terms of attractiveness and location in particular.
- Implementation of major renovation programmes within the existing portfolio.

(1) Financing rate (IRS included), see Note 16 to the Financial Statements.
(2) Coverage calculation method, see Note 17 to the Financial Statements.

Description of the risk	Potential impact	Mitigation factors and risks
III. FINANCIAL RISKS		
17. INTEREST RATE		
As the Company is financed through bank loans, sometimes contracted at floating rates, it is aware of a certain level of potential financial risk linked to the potential for an increase in short-term Euribor rates.	• In the event of an increase in short term interest rates, a negative impact on financial charges would result. • Increase in the cost of financing the Company in the more or less long term. • Negative effect on the value of the net assets and on the result of each of the periods successively impacted by this increase in the ST rates.	• Floating rate lines of credit, in order to benefit from relatively low short-term borrowing rates, backed by interest rate swap (IRS) hedges. 75.85% of floating rate loans are backed by interest rate hedges which allow the rate to be fixed until the maturity of the credit. • Increase in the proportion of loans taken out at fixed rates. • Increase in the proportion of debt with LT maturity. • Dynamic rate monitoring policy including controls on: – the amount and composition of the outstanding debt covered, – Council information. • Periodic meetings with the bankers.

Year	Total amount of bank debt	Of which total amount of fixed rate credits	Of which total variable rate loans	Variable rate loans not covered by an IRS
2018	€104,111k	€37,511K	€66,600k	€14,900k
%	100%	36.03%	63.97%	14.3%
2019	€112,062k	€37,312K	€74,750k	€18,050k
%	100%	33.30%	66.70%	24.15%

Risk quantification	Variable-rate credit not covered by an IRS	Increase in financial charges & impact on the net result of a + 10 BP change in Euribor 3 months for 12 months [1]
2018	€14,900k	€14.9k
2019	€18,050k	€18,1k

Description of the risk	Potential impact	Mitigation factors and risks
18. CHANGE IN FAIR VALUE OF INTEREST RATE HEDGING INSTRUMENTS		
Interest rate risk hedging operations are random in nature, because they are linked to anticipations of developments in the financial markets in a global economic environment marked by uncertainty.	• Negative or positive effect on equity and intrinsic value per share. • As of 31/12/2019, a change in value of 1 BPV (Basis Point Value) from the average of the current net values of the Euribor 3 months future, over 5 years or 7 years depending on the duration chosen, is equivalent to an impact on the net result of:	• WEB adapts its hedging policy according to the transformation of its financing policy, the development on the financial markets of interest rates, and the respective maturity of its debt compared to that of floating interest rate hedging instruments.

Year	Amount of IRS cover	Impact on net profit for the year [2]
2018	€51,700k	€19.3k
2019	€56,700k	€21.6k

Description of the risk	Potential impact	Mitigation factors and risks
19. BANKING MARKET NOT FAVOURABLE TO PROPERTY AND/OR WEB		
WEB SCA depends, as part of its growth, on borrowings from financial institutions which could have a different strategic reading from the development of the property market.	• Limited access to credit. • Potentially reduced immediate liquidity. • Inorganic development capacity, through acquisitions, hampered. • For every €10 million, taking into account the Company's bank indebtedness as shown in its financial statements as at 31/12/2019, the substitution of bank loans for bond loans, would cost approximately 0.78% more per year, or €78k of financial charges.	• Maintaining an available volume of credit on confirmed credit lines to cover operational disbursements. • No diversification as of 31/12/2019 of the sources of financing between the banking market and the capital market.

(1) See Note 17 to the Financial Statements for details of the calculations and for the sensitivity analysis providing for an increase of 10 basis points in Euribor 3 months for 12 consecutive months, and what would be the impact on the net result.
(2) This calculation is made on the basis of the situation as at 31/12/2019 according to the trading rooms of the banks with which the Company has taken out interest rate hedges.

<table>
<tr><th>Description of the risk</th><th>Potential impact</th><th>Mitigation factors and risks</th></tr>
<tr><th colspan="3">III. FINANCIAL RISKS</th></tr>
<tr><th colspan="3">20. COUNTERPARTY RISK</th></tr>
<tr><td>The conclusion of financing or a hedging instrument with a financial institution creates a counterparty risk in the event of default by that institution.</td><td>• Immediate negative impact on the financial independence of the Company.
<table><tr><th>Year</th><th>Third party debt / total liability</th></tr><tr><td>2018</td><td>42.52%</td></tr><tr><td>2019</td><td>43.49%</td></tr></table><table><tr><th>Year</th><th>Debt ratio [3]</th></tr><tr><td>2018</td><td>40.71 %</td></tr><tr><td>2019</td><td>41.55 %</td></tr></table></td><td>• Increase in the average duration of debt.
• Banks, reputable partners.
• Renewal of lines negotiated several months in advance.
• Prudent financial policy and continuous monitoring by the Board of Directors.
• Limited bank debt ratio.</td></tr>
<tr><th colspan="3">21. INFLATION</th></tr>
<tr><td>The inflation risk to which WEB SCA is exposed is mainly due to the fact that the costs it has to face can be indexed on the basis of other indices and therefore change more quickly than rents.</td><td>• Inflation is defined as the ratio between the value of the consumer price index for a given month and the index for the same month in the previous year.
• It consists of a potential exogenous risk which could decrease the net profit of the Company, a risk possibly aggravated from the moment when the components of inflation, other than the health index, evolve more rapidly than the latter used for indexing rental income.
• If on average a 1% inflation takes 6 months before it is reflected in the leases, and provided that all leases have their anniversary date simultaneously, the shortfall for WEB would be €95k [4] based on the net rent as confirmed at 31/12/2019 by the independent property expert.</td><td>• This risk is considered exogenous because it is subject to major external influences closely correlated with the economic context, as well as with central bank policies.
• Rents or fees are indexed on the anniversary date of the contract according to changes in the health index or the consumer price index.
• Most rental contracts include clauses limiting the negative effects on the Company of a negative variation in the aforementioned indexes.</td></tr>
<tr><th colspan="3">22. NON-COMPLIANCE WITH COVENANTS</th></tr>
<tr><td>In the context of its financing from credit institutions, WEB SCA undertakes to comply with a certain number of resolutory conditions precedent for said credits.</td><td>• The Company is exposed to the risk that its financing contracts will be cancelled, renegotiated or terminated early in the event that it does not comply with the commitments made when these contracts were signed (covenants).
• Reappraisal of a financing contract would expose the company to having to set up other financing at a potentially higher cost or to sell certain assets under non-optimal conditions and in an emergency.</td><td>• The Company negotiates with its counterparties levels of covenants compatible with its projected estimates and regularly analyses the development of these forecasts.</td></tr>
</table>

(3) Calculation method, see B. Statement of financial position at 31/12/2019.
(4) €19,028K / 2 x 1% = €95k.

Description of the risk	Potential impact	Mitigation factors and risks
III. FINANCIAL RISKS		
23. NON-DIVIDEND DISTRIBUTION RISK ACCORDING TO ARTICLE 617 OF THE COMPANIES CODE		
WEB SCA is obliged by the legal framework in which it operates to distribute 80% of the result (AR 13/07/2014 Art. 13 para 1). Note that the distribution obligation is subject to compliance with Article 617 of the Companies Code.	• The essential condition governing any dividend distribution to Shareholders is set out in Article 617 of the Companies Code, whereas such a distribution cannot have the effect of reducing the net assets of the Company, as they appear in the annual accounts, below its capital and unavailable reserves. In terms of sanction, on the civil level, Article 619 of the Companies Code stipulates that any distribution made in contravention of Articles 617 and 618 must be returned by the beneficiary of said distribution if it is demonstrated that the Company was aware of the irregularity in distributions made, or could not ignore it given the circumstances.	• The Board of Directors ensures that the strict conditions provided for by the Companies Code are respected whatever the scenario.
VI. REGULATORY RISKS		
24. RISK OF LOSING THE SIR SYSTEM		
In the event of loss of SIR status, the Company would lose the benefit of the SIR tax transparency regime.	• A loss of authorisation would entail the obligation for WEB SCA to prepay the credits it has taken out (early repayment clause provided for in banking agreements). • The Company would lose the benefit of the SIR tax transparency regime. • The going concern of the Company would be questioned.	• The Company, meticulously supervised by its Board of Directors, ensures compliance with the regulations in force and proactively anticipates changes in these laws. It also calls on external experts.
25. RISK OF MODIFICATION OF THE TAX REGIME		
The Exit tax is calculated taking into account the provisions of circular CI.RH.423/567.729 of 23/12/2004, whose interpretation and/or legislation itself can be modified both in terms of base and rate.	• As a Regulated Property Company (SIR), the Company benefits from a specific tax regime. The legislator wanted the SIR to guarantee property investment with great transparency, and to allow the distribution of a maximum of cash flow while benefiting from certain advantages. The SIR benefits in particular from corporation tax on a reduced basis provided that its "cash flows" are distributed up to a minimum of 80% (calculated on the basis of Art. 13 of the RD of 13/07/2014). The results (rental income and capital gains reduced by operating costs and financial charges) are exempt from corporate tax.	• WEB complies in all respects with the regulations in force and with the provisions of the aforementioned circular for the calculation of Exit Taxes for which it is liable, within the framework of the operations which are subject to the same.

Description of the risk	Potential impact	Mitigation factors and risks
VI. REGULATORY RISKS		
	• The Exit Tax is calculated taking into account the provisions of circular Cl. RH.423/567.729 of 23/12/2004, the interpretation or practical application of which may change. The real value of property, as referred to in said circular, is calculated after deduction of registration fees or VAT. This actual value differs from (and may therefore be lower than) the fair value of the property as shown in the IFRS balance sheet of the SIR. • Any change to this circular could potentially lead to an increase in the base on which the Exit Tax is calculated.	
26. RISK RELATED TO CHANGES IN REGULATIONS		
Changes in regulations, particularly in rental, environmental, town planning or tax matters, and the new obligations that may result, could have an impact on the profitability of WEB SCA and on the value of its assets.	• The Company is exposed to the development of increasingly numerous and complex legislation and regulations, as well as to any possible changes to their interpretation or application by the administrations or by the courts. Added to this is the potential development of international accounting rules with which the Company must comply. • Developments and non-compliance with the regulations will expose the Company to the risk of its liability being called into question, to convictions, to civil, criminal or administrative sanctions, as well as to the risk of not obtaining or renewing a licence. This could negatively influence the activity of the Company, its result, its profitability, its financial situation and/or its prospects.	• Compliance with the regulations in force and anticipation of their development. • Legal monitoring by the Compliance Officer. • Calling on external experts. • Calling on external advisers in order to anticipate the identification of any deviation with regard to the legal framework of the Company. • Extensive procedures defining the acquisition process. • Clear contracts.
27. RISK RELATING TO THE IMPACT OF POTENTIAL LEGAL PROCEEDINGS AND ARBITRATIONS AGAINST THE COMPANY		
The rapid and multiple changes to legislation as well as to its interpretation expose the Company to potential legal proceedings and arbitrations.	• Negative impact on the result for the period and possibly on the image of the Company and its share price.	• Control of the internal aspects of the company which could negatively influence the execution of a contractual obligation. • Active watch by the Compliance Officer, supported by external advisers.

REAL ESTATE REPORT


veritas
DAMART

A. PORTFOLIO OVERVIEW [1]

GENERAL	30/12/2019
Investment value of investment properties	€280,967,697
Fair value	€272,194,705
Percentage of net assets [2]	100%
Potential yield [3]	7.23%
Total rental area	284,863 m²
Occupancy rate	94.43%
Acquisition / renovation value	€185,404,313
Insured value	€297,150,073

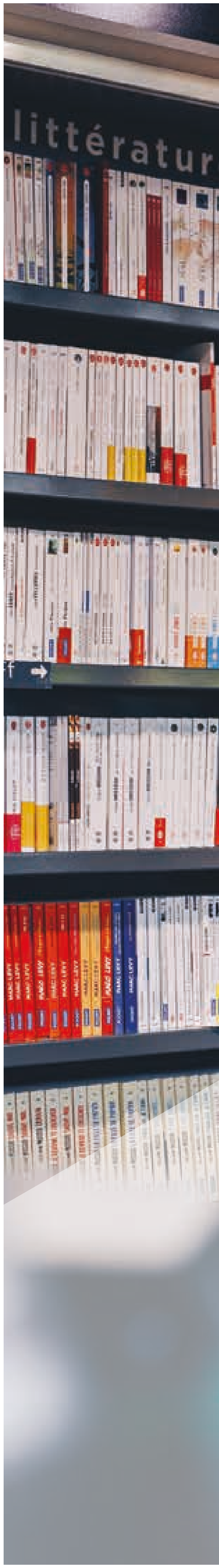
LOGISTICS BUILDINGS	30/12/2019
Investment value of investment properties	€50,117,671
Fair value	€48,279,751
Percentage of net assets [2]	17.84%
Potential yield [3]	9.78%
Total rental area	129,067 m²
Occupancy rate	94.29%
Acquisition / renovation value	€40,570,291
Insured value	€78,614,093

COMMERCIAL BUILDINGS	30/12/2019
Investment value of investment properties	€204,051,441
Fair value	€198,192,993
Percentage of net assets [2]	72.62%
Potential yield [3]	6.71%
Total rental area	142,745 m²
Occupancy rate	95.97%
Acquisition / renovation value	€116,369,749
Insured value [4]	€175,336,031

OFFICE BUILDINGS	30/12/2019
Investment value of investment properties	€19,403,735
Fair value	€18,734,875
Percentage of net assets [2]	6.91%
Potential yield [3]	7.28%
Total rental area	13,052 m²
Occupancy rate	76.50%
Acquisition / renovation value	€17,605,967
Insured value	€43,199,949

LAND	30/12/2019
Investment value of investment properties	€7,394,850
Fair value	€6,987,086
Percentage of net assets [2]	2.63%
Potential yield [3]	4.46%
Total rental area	- m²
Occupancy rate	100%
Acquisition / renovation value	€10,858,306
Insured value	- €

(1) The data presented in this chapter includes any assets held for sale, which participate in the figures published until their actual sale.
(2) Based on the investment value.
(3) The potential yield is calculated by dividing the sum of the passing rent (LP) on the rented surfaces and the estimated rental value (ELV) on vacant surfaces by the Investment Value.
(4) Excluding capital insured for condominium property.



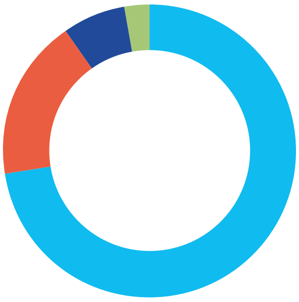
REAL ESTATE REPORT

1. Portfolio analysis [1]

The developments which took place during the year were aimed at increasing the control of risks related to the diversification aspects of the portfolio, both in terms of buildings and of operators. The portfolio diversification was established according to the following criteria in order to reduce the ever possible impact measured in terms of conversion costs: the number of rental contracts (more than 300) [2], the intrinsic quality of tenants, and the variety of sectors of activity in which the latter are active, as well as the modularity of said buildings.

Breakdown of the portfolio [3]

As at 31 December 2019, the portfolio consisted of:

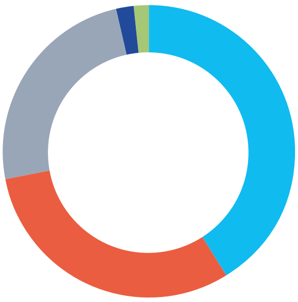


72.62 % Commercial buildings
17.84 % Logistic buildings
6.91 % Office buildings
2.63 % Land

Distribution related to the tenant market scale

WEB SCA's property offer has been very successful, particularly with regard to international companies (41.23%). De facto, the size of these reduces their immediate financial exposure to cyclical crises, which contributes to diversifying the risk in the face of an unfavourable economic situation, and proportionally perpetuates the rental yield of the Company's portfolio.

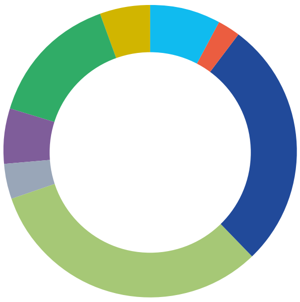
On the other hand, rental income, spread over a large number of tenants (± 275), makes it possible to significantly fragment the debtor risk, thereby improving the stability of income.



41.23 % International
30.90 % National
24.30 % Regional
1.92 % Physical
1.66 % Public

Sectoral distribution of commercial buildings[4]

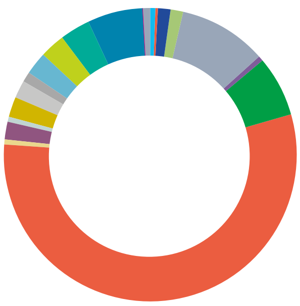
The weighting of the portfolio in terms of economic sectors responds to a proactive investment policy, made up of tenants who are well divided between various economic sectors, which contributes to reducing the potential cyclical risk, particularly in times of less favourable economic conditions. In fact, a cyclical crisis affects the sectors in question in different ways.



- **7.99 %** Food
- **2.46 %** Miscellaneous
- **27.41 %** Personal equipment
- **31.88 %** Household equipment
- **4.00 %** Hotel/restaurant
- **6.16 %** Health and beauty
- **14.69 %** Leisure
- **5.41 %** Services

Geographical distribution[5]

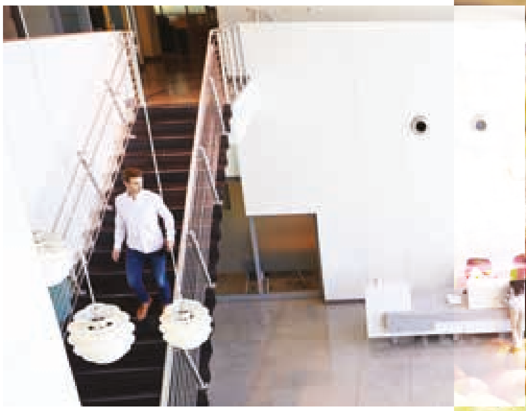
As at 31 December 2019, the presence of the regulated property company (SIR) in the Flemish Region amounted to 3.74% compared to 95.58% in the Walloon Region. At the same date, 55.50% of investment properties were located in Gosselies, on the edge of Walloon Brabant, covering various economic sectors, including logistics buildings, commercial buildings, office buildings, and also land.



- **0.60 %** Anderlues
- **0.48 %** Binche
- **1.31 %** Charleroi
- **1.35 %** Couillet
- **9.65 %** Courcelles
- **0.62 %** Fleurus
- **6.64 %** Gerpinnes/Nalinnes
- **55.50 %** Gosselies
- **0.68 %** Jette
- **1.88 %** Jumet
- **0.54 %** Leuze-en-Hainaut
- **2.20 %** Lodelinsart/Dampremy
- **2.00 %** Marchienne-au-Pont
- **1.22 %** Marcinelle
- **2.34 %** Naninne/Wierde
- **2.90 %** Péruwelz
- **3.14 %** Rhode-Saint-Genèse
- **6.32 %** Saint-Georges-s/Meuse
- **0.02 %** Tournai
- **0.60 %** Ypres

(1) based on rental income for the period for all types of property, unless otherwise stated
(2) only taking into account contracts relating to rental space (buildings and land excluding signage)
(3) based on the investment value determined by the Property Expert
(4) based on rental income for the period under review for commercial property only
(5) based on rental income for the period under review

Our presence in Belgium



Residual term of leases [1]

The expiry dates are well distributed over the next few years: 53.11% of contracts have an expiry date greater than 5 years. The residual term of leases is estimated at 6.37 years on average, which strengthens the control of the risk related to rental vacancy.

In addition, WEB SCA owns properties that are particularly well located, also being the subject of sustained demand due to a catchment area far exceeding the limits of its immediate geographic location, particularly in the commercial property segment.

➔ < 5 years

47,21%

➔ between 5 and 10 years

42,62%

➔ > 10 years

10,16%

Status of leases ending within 12 months of the financial year end

Among the 37 lease contracts expiring between 1st January and 31 December 2020, only 8 surface areas are currently available for rental.

Effectively, for 10 locations, the lease has been renewed as contractually provided (the renouncement period having passed on the date of publication of this document) or the surface area has already been re-let, while 2 locations are already the subject of a renewal request.

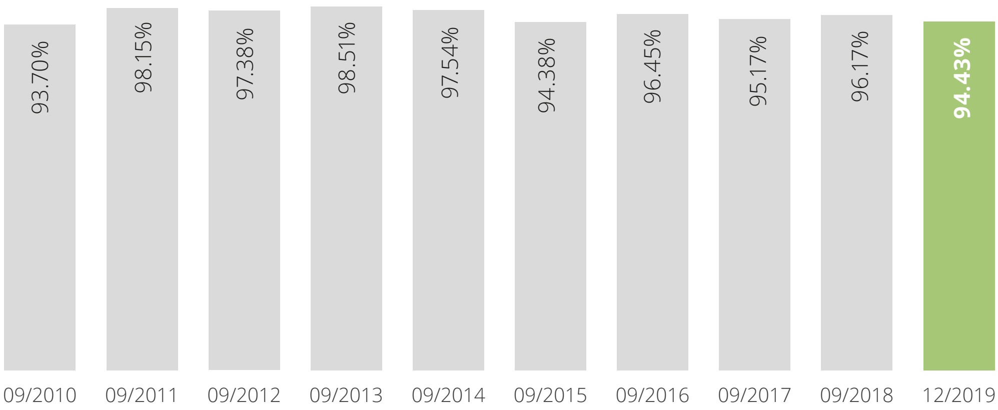
15 of the contracts concerned are of the Plug & Work (8) or precarious type. For the latter type, often surface areas intended for the storage of stocks of large chains installed nearby with conventional lease contracts, the contracts have sometimes been tacitly renewed for several years. Furthermore, some have already been renewed until 2021.

For the remaining contracts, one of the surface areas was sold on 4 March 2020 (Courcelles, rue Général de Gaulle), and the other (which had only one rental unit) will be the subject of a permit request during 2020 for the reconversion of the site.

(1) based on the final expiry date of ongoing rental contracts at 31/12/2018, only taking into account the contracts relating to the rental surface areas (buildings and land excluding signage).

Occupancy rate

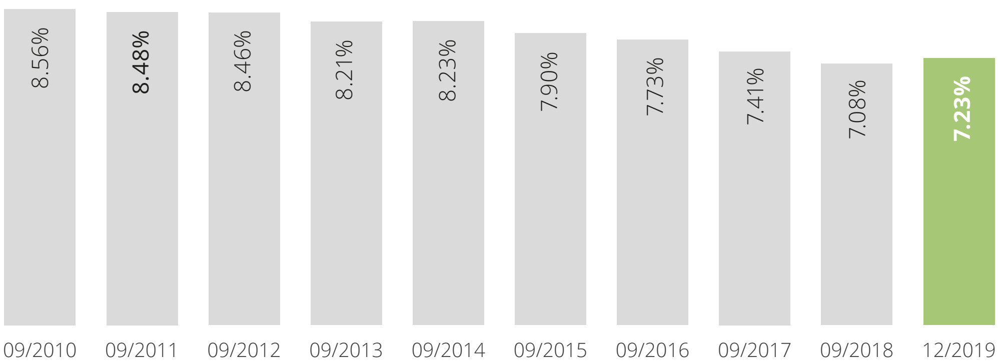
The portfolio's occupancy rate remains high, reaching 94.43% at 31 December 2019.



Over a 10-year period, from 30 September 2009 to 31 December 2019, we recorded an average rate of 96.19%, with values ranging from 93.70% (minimum rate as at 31 December 2010) to 98.51% (maximum rate as at 31 December 2013).[1]

Rental yield[2]

The portfolio's rental yield remains high, with a rate of 7.23% at 31 December 2019.



Over a 10-year period, from 30 September 2009 to 31 December 2019, we recorded an average rental yield of 7.93%, with a minimum of 7.08% as at 31 December 2018, and a maximum of 8.56% as at 31 December 2010.[3]

(1) based on values at the end of the financial year
(2) The potential return is calculated by dividing the sum of the passing rent (PR) on the rented surface areas and the estimated rental value (ERV) on the vacant surface areas by the Investment Value. [(PR on leased surfaces) + (ERV on empty surfaces)] / (Investment Value).
(3) based on values at the end of the financial year

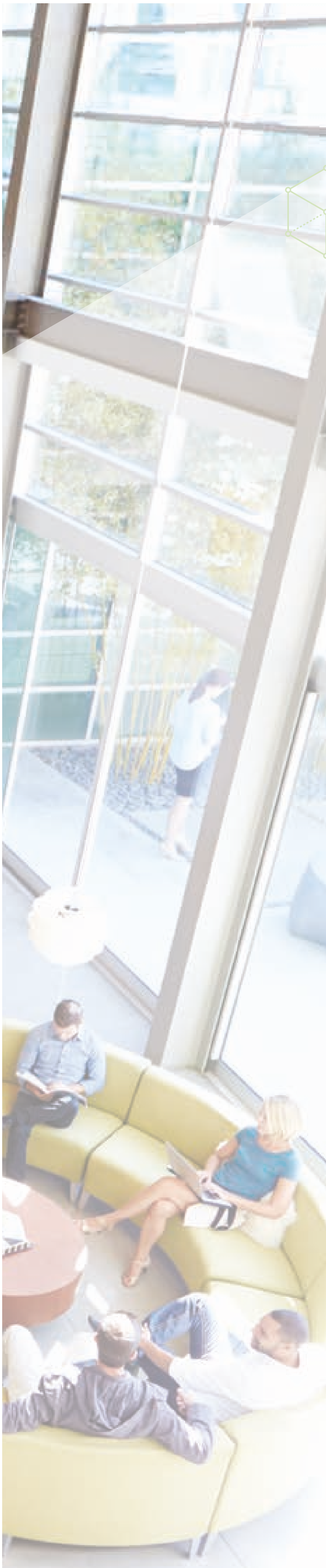
Ranking of the 10 main tenants

According to rental income	%
1. CEDICORA	3.05%
2. PRO BAIL	2.94%
3. MEDIA MARKT	2.79%
4. FOREVER PRODUCTS	1.93%
5. BASIC FIT BELGIUM	1.84%
6. EURO SHOE GROUP	1.77%
7. DELIMMO	1.77%
8. MICHELIN BELUX	1.74%
9. SOL CARBON	1.72%
10. HAINAUT CARAVANING	1.42%

According to the built-on surface areas	m^2
1. Cedicora	21,500
2. Sol Carbon	13,330
3. Michelin Belux	10,434
4. Forever Products	8,875
5. Pro Bail	6,990
6. Media Markt	6,236
7. Jans Building	5,650
8. Facq	5,340
9. Match	5,070
10. Eco DTLO	3,822

According to the residual term of leases [3, 4]	Years
1. Bodymat	50.0
2. Ansimmo	49.2
3. Di (St-Georges-s/Meuse)	33.2
4. Planet Parfum	32.3
5. Voyages Copine	28.0
6. Gelateria John John	27.3
7. OVS Garden	26.2
8. Chaussea	23.4
9. Match	22.0
10. Magic Centre	21.1

(3) Excluding the rental contract for signage and land, these logically end at the same time as the related surface area contract.
(4) Notwithstanding the term of the leases indicated in the document, the tenants have the legal right to terminate their lease at the end of each triennium. In this theoretical scenario, all commercial surface areas would by definition be empty within the following three years and six months.



2. Description of the portfolio

Site 1 – Jumet

Rue de l'Industrie 12, 6040 Jumet
Area: 6,719 m²
Category: Logistics
Construction/renovation year(s):
1970 - 2007 - 2017

Site 2 – Couillet

Route de Philippeville 196-206, 6010 Couillet
Area: 1,875 m²
Category: Commerce
Construction/renovation year(s):
2006 - 2016
Renter(s):
Eweta, Win châssis, AD Delhaize

Route de Philippeville 351, 6010 Couillet
Area: 1,200 m²
Commerce
Construction/renovation year(s):
+/- 1950 - 1999 - 2017
Renter(s):
Basic Fit

Site 3 – Gosselies

Avenue des États-Unis 90, 6041 Gosselies
Area: 623 m² + 18,089 m² (parking)
Category: Logistics
Construction/renovation year(s):
1999 - 2007
Renter(s):
Gimaco, Gruber Logistics, AK Business

Site 4 – Nalinnes – Bultia I

Rue d'Acoz 5, 6280 Gerpinnes
Area: 1,542 m²
Category: Commerce
Construction/renovation year(s):
1998 - 1999 - 2016
Renter(s): Lachapelle, Art de Vue, Planet Parfum, Orange Belgium, 3OM Tattoo By Boris, AB Commerciale, Don Barber Shop, Taverne du Bultia, Bijouterie Laurent by Virginie, CKS Coiffeur Designer

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Route de Philippeville 6, 6120 Nalinnes
Area: 360 m²
Category: Commerce
Construction/renovation year(s):
1920 - 2001
Renter(s): T'Artiste

Site 5 – Gosselies

Chaussée de Fleurus 157, 6041 Gosselies
Area: 11,820 m²
Category: Logistics
Construction/renovation year(s):
± 1975 - 2008 - 2016
Renter(s):
Ertek, Facq, Newrest Servair, Bertoncello, Sentiers du Monde, RMT&Co

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Rue du Cerisier, 6041 Gosselies
Area: 7,203 m²
Category: Logistics
Construction/renovation year(s):
1974 - 1996 - 2013
Renter(s):
Inter-carrelage, Sonaca

Site 8 – Gosselies

Rue de la Glacerie 122, 6180 Courcelles
Area: 33,188 m² + 13,000 m² ground
Category: Logistics
Construction/renovation year(s):
1920 - 1980 - 1990 - 2005 - 2013 - 2016 - 2017
Renter(s):
Fluidra Belgique, Cedicora, Corps et Esprits, Forever Products, C. Daminet, Mutualités Neutre du Hainaut, Transaflo, P. Kasongo, TCG

Site 9 – Gosselies Rue Du Chemin De Fer

Avenue des États-Unis 38-40, 6041 Gosselies
Area: 2,420 m²
Category: Commerce
Construction/renovation year(s):
2011-2017
Renter(s):
Heytens, AD Delhaize

Avenue de la Pépinière 5, 6041 Gosselies
Area: 2,500 m² built
Category: Commerce
Année de construction : 2008
Renter(s):
Urban Soccer

Avenue de la Pépinière 3, 6041 Gosselies
Area: 1,225 m²
Category: Commerce
Construction/renovation year(s):
2011 - 2017
Renter(s):
Le comptoir Européen du Pneu

Site 9 – Gosselies Rue Du Chemin De Fer

Rue du Chemin de Fer 9-15,
6041 Gosselies
Area: 6,853 m² + 3,000 m² parking
Category: Commerce
Construction/renovation year(s):
2019
Renter(s):
OVS Garden, VCentrakor, La Bella Tavola, Foody's Corner, Intersport, Media Market (parking)

Site 10 – Gosselies Demanet

Rue de Namur 136-138,
6041 Gosselies
Area: 10,614 m²
Category: Commerce
Construction/renovation year(s):
1920 - 2011 - 2013 - 2016
Renter(s):
Van Marcke, Cuisines Schmidt, Rev'Intérieur, Mondial Textiles, Medi-Market, Maxi Zoo, Kid'S City, Poker Jeans, Damart, Paprika-Cassis, Action, City Form

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Rue de Namur 140,
6041 Gosselies
Area: 6,230 m²
Category: Commerce
Construction/renovation year(s):
2005
Renter(s):
Media Markt

Site 11 – Gosselies

Rue des Émailleries 4-12
6041 Gosselies
Area: 6,660 m²
Category: Logistics
Construction/renovation year(s):
1960 - 2015
Renter(s):
Cuir N°1, Foirfouille, Planet Pneus, J.-L. Rassart, Rev'Interieur

Site 12 – Fleurus

Avenue de l'Espérance 1
6220 Fleurus
Area: 3,800 m²
Category: Logistics
Construction/renovation year(s):
1992
Renter(s):
Eco DTLO

Site 13 – Gosselies City Nord

Centre Commercial City Nord,
Route Nationale 5, 6041 Gosselies
Area: 30,562 m²
Category: Commerce
Construction/renovation year(s):
from 1980 to 2017
Renter(s):
Ava, Vandenborre, Krëfel, Rack Store, Planet Parfum, Literie Prestige, Casa, Kvik, Pronti, Chaussea, Krinkels, Media Markt, Di, Aquality Protect, Cerese Security, Vandeputte Safety Experts, Nb Sat, Antica Gelateria, Okaïdi, Bristol, Leen Bakker, Au Temps Fleuri, l'Adriatic Pizzeria, Emocion Resto Bar, Hema, Planet Pneus, Babylon, Luxus Maniet, Lidl, Hairco, DSM Cuisines

Site 14 – Anderlues

Chaussée de Mons, 6150 Anderlues
Area: 2,450 m²
Category: Commerce
Construction/renovation year(s):
2005 - 2013 - 2017
Renter(s):
Martin Racing, Bouba city

Site 15 – Rhode-Saint-Genèse

Chaussée de Waterloo, 198-200,
1640 Rhode-Saint-Genèse
Area: 7,806 m²
Category: Offices
Construction/renovation year(s): 1992
Renter(s):
Sleepstore, Living House, Liégeois Group, Sparagus, Tours 33, Tomach Engenneering, Solidbot, Telenet, Insafron, Digital, LG Pronett, Servihome, BNP Paribas, L'Hermitage, Orange Belgium, Proximus, Mesel, Smart 4 Invest, Th. Jungers, EPM, Cuir Center, Igienair, Synlab, X6, BHR Clinic, Gamjak, Goffin & Fils, LUVH, Mob&Com, Denbe Design, Easy Learning, Bugo Concept

Site 17 – Gosselies Aéropole

Avenue Jean Mermoz 33, 6041 Gosselies
Area: 2,800 m²
Category: Logistics
Construction/renovation year(s):
1995
Renter(s):
Belgian Racing

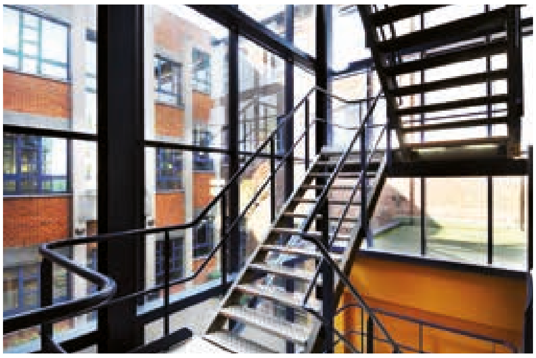
Rue Adrienne Boland 24, 6041 Gosselies
Area: 10,413 m²
Category: Logistics
Construction/renovation year(s):
1995
Renter(s):
Michelin

Rue Adrienne Boland 9, 6041 Gosselies
Area: 400 m²
Category: Logistics
Construction/renovation year(s):
2001 - 2016
Renter(s):
Balteau IE

Rue Adrienne Boland 10, 6041 Gosselies
Area: 2,260 m²
Category: Logistics
Construction/renovation year(s):
1995
Renter(s):
Confort Déménagement

Site 18 – Charleroi, Université de Mons

Boulevard Joseph II 38-42, 6000 Charleroi
Area: 2,571 m²
Category: Offices
Construction/renovation year(s):
1996 - 2007
Renter(s):
UMons



Site 19 – Jumet

Rue Frison 56, 6040 Jumet
Area: 998 m²
Category: Offices
Construction/renovation year(s):
1940 - 1991 - 2007 - 2009 - 2013
Renter(s):
Interfone, Planning Familial "Le Terril",
J. Heuchamps, E. Machiels

Site 20 – Courcelles

Rue Général de Gaulle 12,
6180 Courcelles
Area: 2,574 m²
Category: Commerce
Construction/renovation year(s):
± 1950 - 2004
Renter(s):
Commerces : Olivier Dachkin,
Shoe Discount, Zeeman
2 apartments

Rue Général de Gaulle 12,
6180 Courcelles
Area: 447 m²
Category: Offices
Construction/renovation year(s):
± 1950 - 2004
Renter(s):
Aurelio Cigna

Site 21 – Gerpinnes, Chaussée de Philippeville

Route de Philiville 193, 6280 Gerpinnes
Area: 581 m²
Category: Commerce
Construction/renovation year(s):
2003
Renter(s):
Immo & Lo Invest, RR Mode

Site 22 – Gosselies

Rue de Namur 138, 6041 Gosselies
Area: 1,230 m²
Category: Commerce
Construction/renovation year(s):
1920 - 2011 - 2013
Renter(s):
Banque CBC, DDM Architectes Associés

Site 23 – Gosselies

Route Nationale 5, 6041 Gosselies
Area: 5,025 m²
Category: Commerce
Construction/renovation year(s):
From 1993 to 2013
Renter(s):
Bulthaup, Comptoir Européen du Pneu, Eggo Kitchen House, Inside Concept, Pro-Duo, X²O

Site 24 – Gosselies

Rue des Émailleries 4, 6041 Gosselies
Area: 8,841 m² built
+ 2,413 m² parking
Category: Logistics
Construction/renovation year(s):
1998 - 2000 - 2002 - 2006 - 2012
Renter(s):
Confort Déménagements, Gritec, Houdan Cuisines, RTL Belgium, Sigma Studio, SFIC, Transvia, Pool Cover, Turker

Site 26 – Lodelinsart

Chaussée de Bruxelles 296,
6042 Lodelinsart
Area: 3,500 m² + 6,395 m² ground
Category: Commerce
Construction/renovation year(s):
1987
Renter(s):
Hainaut Caravaning

Site 28 – Loverval

Chaussée de Philippeville, 6280 Loverval
Area: 3,222 m² ground
Category: Ground
Construction/renovation year(s):
NA

Site 29 – Gerpinnes

Chaussée de Philippeville, 6280 Gerpinnes
Area: 10,201 m² ground
Category: Ground
Construction/renovation year(s):
NA
Renter(s):
Allmat

Site 30 – Marchienne-au-Pont

Rue Thomas Bonehill 30,
6030 Marchienne-au-Pont
Area: 13,604 m²
Category: Logistics
Construction/renovation year(s):
1950 - 2010
Renter(s):
Solcarbon, Staw, Proximus, Safe conduite

Site 32 – Gosselies Chotard

Centre Commercial Espace Nord,
Route Nationale 5, 6041 Gosselies
Area: 9.247 m² + 4.965 m² ground
Category: Commerce
Construction/renovation year(s):
from 2000 to 2017
Renter(s):
Univers du Cuir, Magic Center, Sarro Cuisines, Bowling One, Circus, Loft Club, The Room, Le Roi Du Matelas, Carglass, Délice Grill, Quick, Laser Game Evolution, Sun & Zen

Site 33 – Gosselies

Avenue Jean Mermoz 29, 6041 Gosselies
Area: 1,657 m²
Category: Logistics
Construction/renovation year(s):
1992 - 2017
Renter(s):
Concierge, SPP, Banque Van Breda

Avenue Jean Mermoz 29, 6041 Gosselies
Area: 5,935 m²
Category: Logistics
Construction/renovation year(s):
1992
Renter(s):
Le Temps D'un Délice, Van Oirschot Verwarminggsgroothandel, Jacops Sud, PSB Sonorisation, Préparation technique, Gateway Communications

Avenue Jean Mermoz 29, 6041 Gosselies
Area: 13,000 m²
Category: Logistics
Construction/renovation year(s):
2006 - 2013 - 2017
Renter(s):
Enercon, Clyde Bergemann, Kone, Veranda Pro, Chrome Style, Comarfin, CPAS, RDM Agency, Diamant Drilling Services, C.P.I. Belgium, Venyo Europe

Avenue Jean Mermoz 29, 6041 Gosselies
Area: 12,000 m² ground
Category: Ground
Construction/renovation year(s):
NA
Renter(s):
My Park, Europcar

Site 34 – Gosselies

Rue des Bancroix, 6041 Gosselies
Area: 3,218 m²
Category: Commerce
Construction/renovation year(s):
2002 - 2017
Renter(s):
Joggingplus, Anjali, Proximus, Le Break, Gamecash, Sportsdirect.Com, JBC, Tape à l'Œil, Nineteen

Site 35 – Jumet, Nouvelle Route de Bruxelles

Chaussée de Bruxelles 378, 6040 Jumet
Area: 1,894 m²
Category: Commerce
Construction/renovation year(s):
1980 - 2002 - 2012
Renter(s):
On 600 Bien, RMC Optique, World Gym, Planet Coiffure

Site 36 – Leuze-en-Hainaut

Rue de Condé 62, 7900 Leuze-en-Hainaut
Area: 1,530 m² built
Category: Commerce
Construction/renovation year(s):
1930 - 1968 - 1988 - 1996
Renter(s):
Match

Site 37 – Gerpinnes, Bultia Village

Rue du Bultia 85-87, 6280 Gerpinnes
Area: 6,086 m²
Category: Commerce
Construction/renovation year(s):
2013 - 2017
Renter(s):
Commerces : CBC Banque, Veritas, Damart, Hunkemöller, Jean-Christophe Coiffeur, Connections, Huggy's Bar, Di, Club, Italy Meubles, Aloès, Body Concept Training, Smart Concept
12 apartments

Site 38 – Courcelles, Lido Shopping

Rue Philippe Monnoyer 70, 6180 Courcelles
Area: 5,829 m²
Category: Commerce
Construction/renovation year(s):
2005 - 2011 - 2012
Renter(s):
Action, Eldi, Leader Price, Mr Bricolage, Tom & Co, Wibra

Site 39 – Dampremy

Chaussée de Bruxelles 100,
6020 Dampremy
Area: 18,608 m²
Category: Ground
Construction/renovation year(s):
NA (ground)
Renter(s):
Décathlon

Site 42 – Péronnes-lez-Binche

Avenue Léopold III 5,
7134 Péronnes-lez-Binche
Area: 3,360 m²
Category: Commerce
Construction/renovation year(s):
2000
Locataires :
CB Invest, Aksel Pneus, A & M Négoce

Site 43 – Naninne

Chaussée de Marche 878, 5100 Naninne
Area: 3,223 m²
Category: Commerce
Construction/renovation year(s):
Unknown - 2017
Renter(s):
A.M.I. Automobile, Meubles Mailleux

Site 44 – Wierde

Chaussée de Marche 657, 5100 Wierde
Area: 2,225 m^2
Category: Commerce
Construction/renovation year(s):
1990 - 1991 - 2013
Renter(s):
C-Storm, Literie Prestige, City Mariage, Nawagym

Site 45 – Marcinelle, Beau Bien

Avenue de Philippeville 145-157,
6001 Marcinelle
Area: 2,332 m^2
Category: Commerce
Construction/renovation year(s):
2008 - 2015 - 2017
Renter(s):
Commerces : Alphamed, First Line Clothing, PV Distribution, Le Goût du Liban, Hooking
6 apartments

Site 46 – Jette

Rue Henri Werrie 78, 1090 Jette
Area: 1,150 m^2
Category: Commerce
Construction/renovation year(s):
2015
Renter(s):
Basic Fit

Site 47 – Ypres

Paterstraat 5, 8900 Ypres
Area: 1,483 m^2
Category: Commerce
Construction/renovation year(s):
1704 - 1922 - 2015
Renter(s):
Basic Fit

Site 48 – Tournai

Rue des Chapeliers 20, 7000 Tournai
Area: 875 m²
Category: Commerce
Construction/renovation year(s):
1935 - 1998 - 2007

Site 49 – Péruwelz

rue Neuve Chaussée 86, 7600 Péruwelz
Area: 7,480 m²
Category: Commerce
Construction/renovation year(s):
2011
Renter(s):
Intermarché, JBC, Point Carré, Shoe Discount

Site 50 – St Georges Sur Meuse

Rue Campagne du Moulin 17-57,
4470 Saint Georges sur Meuse
Area: 13,302 m²
Category: Commerce
Construction/renovation year(s):
2011 - 2014
Renter(s):
Shoe discount, Trafic, Planet parfum, Bubba ride, MM Tendance, JBC, Marques à suivre, Renmans, Aldi, Orchestra, Figuratif, Gelatéria John-John, California sun, Voyages copine, Brasserie O bar, Amusement with prize, Corposana, Les enfants de la table ronde, CHR citadelle, M. Argento, C. Flamand, Arexo Consulting, Néosmart, My Telecoms, Securitas Verisure, Hunter


ICM
oVerstock
garden
oVerstock

B. PORTFOLIO VALUATION BY THE PROPERTY EXPERT

In accordance with legal provisions, the property in the WEB SCA portfolio is subject to a quarterly valuation. Currently, these property valuation assignments are entrusted to CBRE Valuations Services SRPL, having its registered office at 1000 Brussels, avenue Lloyd George 7, registered in the legal entities' register under number BE 0859.928.556, and appointed for a mandate of 3 renewable years.

As from WEB SCA's last Ordinary General Meeting, it has been represented for this assignment by Mr Pieter PAEPEN, Director.

Beginning of mandate: January 2018
End of mandate: December 2020

For its assignments, the expert's remuneration is € 60,000 excluding VAT, based on the number of m² of the portfolio as at 31 March 2018 according to the various types of property, namely logistics buildings, commercial buildings and office buildings, with a minimum amount per property of € 500 excluding VAT per year. Square metres, m², means all m² valued in the superstructure calculation notes. The above fixed rate will remain in effect as long as the total m² does not change. A quarterly update is planned in the event of variations, and the fees will be adapted to the change of the total m² of the portfolio.

The valuation methods applied by the property appraiser are set out in Note 5 of the financial section of this document.

2. Report of the Property Expert

Subject: Valuation of the WEB SCA Portfolio as at 31 December 2019.

Brussels, 24 January 2020

Ladies and gentlemen,

In accordance with the Royal Decree of 13 July 2014 in application of the Law of 12 May 2014 on Regulated Property Companies, you have given CBRE Valuation Services a mandate to evaluate the entire portfolio of Warehouses Estates Belgium SCA.

Our assignment was carried out independently. All the buildings were visited by experts from CBRE Valuation Services.

In line with standard practice, our assignment was based on the information communicated to us by Warehouses Estates Belgium with regard to the rental status, the charges and taxes to be borne by the lessor, and the works to be carried out, as well as any other factor which may influence the value of the buildings, as well as on the basis of visits carried out by CBRE experts. We assume this information to be accurate and complete. As explicitly stated in our valuation reports, these do not in any way include an assessment of the structural and/or technical quality of the buildings, nor an analysis of the possible existence of harmful materials. These factors are well known to Warehouses Estates Belgium SCA, which manages its assets professionally and carries out technical and legal due diligence before acquiring each building.

The investment value can be defined as being the most probable value under normal terms and conditions of sale between fully informed and consenting parties, on the date of the appraisal, before deduction of the costs of the deeds of sale of the portfolio.

From an accounting point of view, standard practice is to use the 'fair value' principle for the preparation of the financial statements, in accordance with the IAS/IFRS standards. According to the press release by the Belgian Association of Asset Managers (BEAMA) of 8 February 2006, and as confirmed in the press release by the BE-REIT Association of 10 November 2016, the fair value can be obtained by deducting transaction costs of 2.5% of the investment value for buildings with a value of more than €2,500,000. For buildings with an investment value of less than €2,500,000, the deductible fees are 10% or 12.5%, depending on the region in which they are located.

Based on the remarks made in the preceding paragraphs, we confirm that the investment value of the property assets of Warehouses Estates Belgium SCA valued by CBRE Valuation Services as at 31 December 2019 amounts to:

€280,967,697 (Two hundred and eighty million nine hundred and sixty-seven thousand six hundred and ninety seven euros)

After deduction from the overall value of transfer costs in accordance with BEAMA recommendations, and your instructions for costs of deeds, we arrive at a 'Fair Value' of:

€272,194,705 (Two hundred and seventy-two million one hundred and ninety-four thousand seven hundred and five euros)

This amount is therefore the total value attributed to the buildings valued by CBRE Valuation Services.

Yours faithfully,

Pieter Paepen MRICS
Senior Director
Valuation Services
For CBRE Valuation Services

GENERAL VALUATION AT 31/12/2019

Site	Properties	Year of construction / renovation	Built-on area (m²)	Net Rental
	LOGISTIC BUILDINGS			
01	Jumet - Rue de l'Industrie 12	1970-2007	6,719 m²	€0
03	Gosselies - Avenue des États-Unis 90	1999-2007	623 m²	€112,915
05	Gosselies - Chaussée de Fleurus 157	1974-1975-1996-2008-2013	19,023 m²	€673,007
08	Courcelles - Rue de la Glacerie 12	1920-1980-1990-2005-2013	33,188 m²	€1,045,347
11	Gosselies - Rue de l'Escasse	1960	6,660 m²	€93,957
12	Fleurus - Avenue de l'Espérance 1	1992	3,800 m²	€116,290
17	Gosselies - Aéropôle	1995-2001	15,873 m²	€586,074
24	Gosselies - Rue des Émailleries 1-3	1988-2000-2002-2006-2012	8,985 m²	€401,661
30	Marchienne-Au-Pont - Rue T. Bonehill 30	1950-2010	13,604 m²	€376,885
33	Gosselies - Avenue Jean Mermoz 29	1992-1995-2006-2007-2013	20,592 m²	€1,060,299
	TOTAL		**129,067 m²**	**€4,466,435**
	COMMERCIAL BUILDINGS			
02	Couillet - Route de Philippeville 196-206	2006	3,075 m²	€254,977
04	Nalinnes - Bultia	1998-1999-2003-2016	1,902 m²	€309,321
09	Gosselies - Rue du Chemin de fer	2008-2011	12,998 m²	€1,253,771
10	Gosselies - Demanet	1920-2011-2013 + 2005	16,844 m²	€1,518,127
13	Gosselies - City Nord	de 1980 à 2017	30,562 m²	€2,878,435
14	Anderlues - Chaussée de Mons 56-56b	2008-2013	2,450 m²	€118,500
20	Courcelles - Avenue Général de Gaulle 16-20	1950-2004	2,574 m²	€199,038
21	Gerpinnes - Chaussée de Philippeville 193	1920-2001	581 m²	€55,083
23	Gosselies - RN 5	1980-2002-2012	5,025 m²	€601,523
26	Lodelinsart - Chaussée de Bruxelles 296	1987	3,500 m²	€269,348
32	Gosselies - Chotard	2000-2001-2002-2007	9,247 m²	€989,530
34	Gosselies - Rue des Bancroix	2002	3,218 m²	€518,044
35	Jumet - RN 5	1993-1997-2008-2011	1,894 m²	€101,547
36	Leuze-en-Hainaut - Rue Condé 62	1930-1968-1988-1996	1,530 m²	€100,943
37	Gerpinnes - Rue du Bultia 85-87	2013	6,086 m²	€823,938
38	Courcelles - Rue Monnoyer 70	2005-2011-2012	5,829 m²	€530,949
42	Péronnes-lez-Binche - Avenue Léopold III 5	2000	3,360 m²	€97,177
43	Naninne - Chaussée de Marche 878-880	inconnu - 2013	3,223 m²	€223,429
44	Wierde - Chaussée de Marche 651-657	1990-1991-2013	2,225 m²	€221,728
45	Marcinelle - Avenue de Philippeville 141-143	2009	2,332 m²	€206,585
46	Jette - Rue H. Werrie 76	2015	1,150 m²	€128,733
47	Ieper - Paterstraat 5	1704-1922-2015	1,483 m²	€113,362
48	Tournai - Rue des Chapeliers 20	1935-1998-2007	875 m²	€0
49	Peruwelz - Rue Neuve Chaussée 86	2010	7,480 m²	€440,873
50	Saint-Georges-sur-Meuse, Rue Campagne du Moulin 17-57	2010-2014	13,302 m²	€1,174,942
	TOTAL		**142,745 m²**	**€13,129,903**
	OFFICE BUILDINGS			
15	Rhode-Saint-Genèse - Chaussée de Waterloo 198	1992	7,806 m²	€663,773
18	Charleroi - Boulevard Joseph II 38-40-42	1996-2007	2,571 m²	€248,463
19	Jumet - Rue Frison 56	1940-1991-2007-2009-2013	998 m²	€23,272
20	Courcelles - Avenue Général de Gaulle 12	1950-2004	447 m²	€75,362
22	Gosselies - Rue de Namur 138	1920-2011-2012-2013	1,230 m²	€87,844
	TOTAL		**13,052 m²**	**€1,098,714**
	LAND			
28	Loverval - Chaussée de Philippeville		Projet	€0
29	Gerpinnes - Chaussée de Philippeville 212		Projet	€64,815
33	Gosselies - Avenue Jean Mermoz 29		Parking	€93,400
39	Dampremy - Chaussée de Bruxelles 100		Projet	€175,000
	TOTAL		**0 m²**	**€333,215**
	GRAND TOTAL		**284,863 m²**	**€19,028,266**

ERV[1]	Investment Value	Fair Value	Yield (on net rent + ERV)[2]	Occupancy rate[3]	% portfolio (Base VI)
154,537	€921,850	€819,422	16.76%	0.00%	0.33%
€101,739	€1,166,279	€1,036,692	9.68%	100.00%	0.42%
€712,634	€10,172,564	€9,924,453	7.37%	89.76%	3.62%
€806,350	€7,073,979	€6,901,443	14.85%	99.52%	2.52%
€99,900	€1,032,991	€918,214	11.72%	77.58%	0.37%
€121,600	€1,351,071	€1,200,952	8.61%	100.00%	0.48%
€578,355	€6,904,952	€6,508,833	8.49%	100.00%	2.46%
€474,900	€5,142,477	€5,017,051	8.57%	91.18%	1.83%
€316,310	€2,683,741	€2,618,284	14.04%	100.00%	0.96%
€1,103,015	€13,667,767	€13,334,407	8.74%	98.68%	4.86%
€4,469,340	**€50,117,671**	**€48,279,751**	**9.78%**	**94.29%**	**17.84%**
€242,500	€3,576,979	€3,489,735	7.13%	100.00%	1.27%
€298,190	€4,436,496	€4,328,290	6.97%	100.00%	1.58%
€1,137,605	€18,736,913	€18,279,916	6.69%	100.00%	6.67%
€1,528,780	€25,739,212	€25,111,428	5.90%	100.00%	9.16%
€3,012,925	€43,773,373	€42,705,731	6.73%	97.66%	15.58%
€93,500	€1,278,933	€1,136,829	9.27%	100.00%	0.46%
€220,410	€2,569,914	€2,507,233	7.74%	100.00%	0.91%
€83,390	€1,116,585	€992,520	7.23%	68.23%	0.40%
€592,750	€8,695,962	€8,483,866	6.92%	100.00%	3.10%
€0	€3,332,720	€3,251,434	8.08%	100.00%	1.19%
€895,269	€13,371,185	€13,045,057	7.45%	99.30%	4.76%
€510,790	€7,707,960	€7,519,961	6.72%	100.00%	2.74%
€116,001	€1,757,829	€1,562,515	7.71%	74.91%	0.63%
€99,450	€1,219,645	€1,084,129	8.28%	100.00%	0.43%
€837,710	€15,214,271	€14,843,191	5.51%	98.23%	5.41%
€481,925	€6,750,006	€6,585,370	7.87%	100.00%	2.40%
€104,925	€1,308,235	€1,162,875	7.43%	100.00%	0.47%
€240,280	€2,898,009	€2,827,326	7.71%	100.00%	1.03%
€210,250	€2,665,907	€2,600,885	8.32%	100.00%	0.95%
€245,715	€4,003,500	€3,905,854	6.04%	85.44%	1.42%
€97,750	€1,478,123	€1,313,887	8.71%	100.00%	0.53%
€96,395	€1,619,441	€1,472,219	7.00%	100.00%	0.58%
€65,625	€764,214	€679,301	8.59%	0.00%	0.27%
€690,610	€10,266,522	€10,016,118	6.74%	63.75%	3.65%
€1,249,987	€19,769,507	€19,287,323	6.27%	95.10%	7.04%
€13,152,732	**€204,051,441**	**€198,192,993**	**6.71%**	**95.97%**	**72.62%**
€982,267	€14,020,166	€13,678,211	6.79%	69.72%	4.99%
€205,680	€3,128,079	€3,051,784	7.94%	100.00%	1.11%
€58,250	€563,415	€500,813	9.36%	44.12%	0.20%
€53,640	€450,000	€400,000	16.75%	100.00%	0.16%
€92,250	€1,242,075	€1,104,067	7.07%	100.00%	0.44%
€1,392,087	**€19,403,735**	**€18,734,875**	**7.28%**	**76.50%**	**6.91%**
€0	€342,833	€304,740	0.00%	N/A	0.12%
€64,815	€1,216,381	€1,081,228	5.33%	100.00%	0.43%
€90,000	€1,063,014	€944,901	8.79%	100.00%	0.38%
€175,000	€4,772,622	€4,656,217	3.67%	N/A	1.70%
€329,815	**€7,394,850**	**€6,987,086**	**4.46%**	**100.00%**	**2.63%**
€19,343,974	**€280,967,697**	**€272,194,705**	**7.23%**	**94.43%**	**100.00%**

(1) Estimated Rental Value. Being the estimated amount at which a property is likely to be leased on the valuation date between a consenting lessor and lessee under appropriate leasing conditions and normal competition, after adequate marketing, each party acting with full knowledge of the facts, with prudence, and without constraints.
(2) The potential return is calculated by dividing the sum of the passing rent (PR) on the rented surface areas and the estimated rental value (ERV) on the vacant surface areas by the Investment Value. [(PR on leased surfaces) + (ERV on empty surfaces)] / (Investment Value).
(3) Based on the investment value.

Buildings representing more than 5%

As at 31 December 2019, the Company had 5 sites representing more than 5% of its consolidated assets.

These sites are more fully described (age, tenants, occupancy rate, etc.) in the section on building descriptions above.

Site	Investment value	Fair value	% of portfolio[1]
Gosselies - City Nord & rue des Bancroix	€51,481,333	€50,225,692	18.32%
Gosselies - Demanet	€25,739,212	€25,111,428	9.16%
Saint-Georges-sur-Meuse, Rue Campagne du Moulin 17-57	€19,769,507	€19,287,323	7.04%
Gosselies - Rue du Chemin de fer	€18,736,913	€18,279,916	6.67%
Gerpinnes - Rue du Bultia 85-87	€15,214,271	€14,843,191	5.41%

Gosselies - City Nord & rue des Bancroix	Total lease term	Residual period until final expiry date
Altruy	9	1.50
Ava Papierwaren	9	4.50
Caprera	9	5.16
Cerese Security	9	6.33
Chaussea	27	23.67
Di	9	7.83
DSM	9	8.33
Electro Stalle	9	8.38
Euro Shoe Groep	9	4.42
Euroventes	9	1.33
Fnac Vandenborre	9	5.67
Forcal	9	2.25
GroupProtecte	9	5.00
Hemma	9	4.67
Icash	9	6.09
JBC	9	0.25
Koperino	9	3.00
Krefel	18	7.41
Krinkels	1	1.29
Kvik	9	7.95
Lallemand	27	7.33
Leenbakker	9	8.75
Literie 2000	1	1.25
Literie 2000	0	0.08
LTHI	9	8.50
Maria Giuseppe	9	8.50
Maria Giuseppe	9	5.67
NB sat	9	5.09
Odlices	9	7.00
Okaïdi	9	7.09
Piocheur (Casa)	27	6.75
Planet Pneus New	9	9.00
Pro Bail	18	13.33
Redisco	9	7.95
RG Amor	9	4.50
Sojo	9	9.25
Sportdirect.com	9	4.42
Studio Telecom	9	5.00
TAO Belgique	9	2.50
Vandeputte Safety	7	0.25
Vic MNG	9	3.67
Well	9	9.25

Gosselies – Demanet	Total lease term	Residual period until final expiry date
Action	27	20.84
Albert D	27	19.75
CP Retail	9	9.33
Cuisibras	9	7.16
Damart	9	5.67
GTM Sport	9	8.33
Kid's City	9	2.92
Maxi Zoo	9	3.03
Media Markt	20	5.33
Medi-Market	9	3.75
Mondial Textiles	9	1.58
Promotex International	9	5.58
Van Marcke	9	2.50

Lessee	Total lease term	Residual period until final expiry date
Aloès Bien-être	9.00	6.50
CBC Banque	27	20.67
Club	9	2.58
Codron	9	5.71
Connections	9	6.92
Crets Xavier	9	7.09
Damart	9	2.67
Di	9	2.67
Fit Concept Training	9	4.67
Hannecart Thomas	3	0.16
Hunkemöller	9	2.83
Italy Meubles	9	6.79
Kitchen Store	9	8.42
Lada Soumillon	3	0.58
Lemoine Lebecq	3	3.50
Morue Jean-Christophe	9	7.75
Pareja Virone	9	2.92
Signore Invest	2	1.09
Stalens Herbage	3	2.92
Veritas	9	2.67
Wagner Victor	9	8.00

St-Georges-s/Meuse - Rue Campagne du Moulin 17-57 [2]	Total lease term	Residual period until final expiry date
3D Management	18	9.25
A.C. Matic	9	0.17
Aldi	27.02	18.33
Arexo Consulting	9	7.87
Argento Maïté	6	0.50
Bubba Ride	9	3.25
CHR de la Citadelle	9	3.75
Club	9	6.09
Corposana	9	3.50
Di	36	33.16
Euro Shoe Groep	18	12.08
Figuratif	9	5.33
Flamand Cédric	6	0.50
Gelateria John John	36	27.25
Houbrechts Julie	6	0.50
JBC	9	9.13
Leenbakker	6	0.08
MM Bijoux	9	3.25
My Telecoms	9	8.42
Neosmart	9	7.04
Planet Parfum	36	32.30
Orchestra Prémaman	18	9.16
Rubicon	27	18.13
Securitas Direct Verisure	9	8.86
Skyfall	9	8.17
SND	18	12.37
TK	9	0.33
Voyages Copine	36	28.00

Lessee	Total lease term	Residual period until final expiry date
Centrakor Stores	9	8.33
CEP	9	2.83
Décor Heytens	A	7.25
Delimmo	27	18.09
Il Fienile	9	8.25
Media Markt	5	5.33
Overstock Garden	27	26.16
Soccer City	9	8.12
WG Food	9	8.25

Buildings representing more than 20%

The Company does not own investment properties representing more than 20% of its property portfolio.

(1) Based on the investment value determined by the Property Expert.
(2) Only information relating to surface rental contracts is included (excluding totems which logically end on the same date).

C. MARKET OVERVIEW[1]

Offices

Overview

The city of Charleroi is the largest in Wallonia, counting a population of 202,267 and 600,000 in the greater metropolitan area (January 2019). Despite its population, the office stock is estimated to be smaller than Liège and comparable to Namur.

The office market in Charleroi is concentrated around the Boulevard Tirou and Boulevard Audent in the city centre. These office buildings are typically older grade C stock. The largest occupier groups in the city centre are the public sector and the financial institutions.

More recent development can be found closer to the Airport. Notable companies with a presence here include Underside, Monkey Bridge, Promethera Biosciences, Intermire, Provera and several spin-offs of the Brussels University (ULB).

Modern office space in Charleroi trades at rents as from 110 eur/m²/yr up to 140 eur/m²/yr.

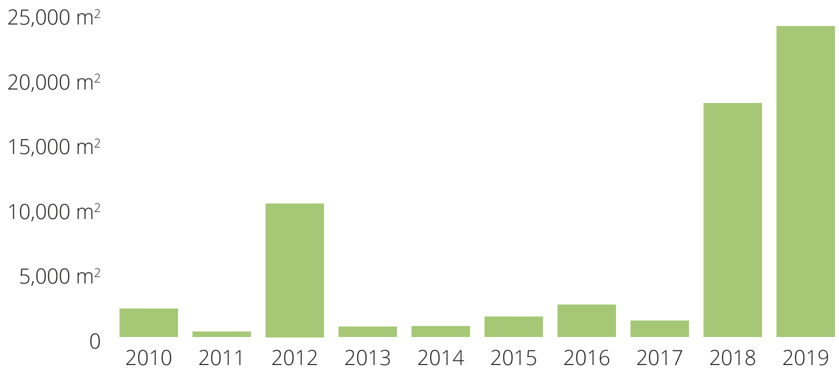
Demand

Office take-up in Charleroi showed very strong growth in 2018 and 2019. In 2019, take-up amounted to 24,001 m^2 representing the highest take-up ever. The most significant deal of the year was the 13,300 m^2 sale of La Renaissance to the city of Charleroi. Additionally, La Sambrienne acquired 5E Element (7,000 m^2) and Semat, rue du Luxembourg 7 in Courcelles (1,200 m^2).

Development

The decline of the coal and steel industries in the 20th century stymied economic growth and development. Since then, the City of Charleroi has been looking to reinvent itself as a modern city, adopting ambitious master plans and large-scale development projects to boost its image and effectiveness as a place to do business and pleasant place to live. The centre is the focal of new development, with the goal of renovating 40% of the entire city centre between 2002 and 2040.

CHARLEROI OFFICE TAKE-UP



(1) Source: CBRE

MAJOR FUTURE PROJECTS INCLUDE:

Left Side Business Park

- 3.5 hectares
- 35.500 m² offices/ 33,500 m² housing, 140 housing units, green space, parking
- Permit granted in Q1 2018 for the FGTB Tower, the first in the business park

Ecopole

- 300 hectares
- Located 10 minutes from the Airport
- Will house office, training, and research
- Focused on sustainable development

Charleroi Creative District

- Redevelopment of the NW part of the city
- Redevelopment of the public spaces and more green spaces
- 16 projects foreseen for this area among these is a new congress center (Les Palais)

Airport

- 50 hectares released for 2 business parks

New Charleroi Stadium

- The facility, which will have a capacity of between 20,000 and 25,000, will be located in Marchienne-au-Pont on wasteland that is currently part of steelworks and mining developments.

Development of new districts

- Creation of 'a village of the elderly', including an elderly home, day care centre and services flats. There are also plans to build medium and luxury housing, offices and underground parking spaces.

Retail

Overview

Despite good occupational demand, retail markets are increasingly polarized, with AAA-locations performing markedly better than secondary locations. Retailers are increasingly selective in their store locations, optimising their store networks in favour of the bigger cities or greater accessibility. Out-of-town retail suits the modern consumer better in terms of convenience. Both supermarkets and other peripheral retail formats deliver easily accessible and highly convenient needs-based retailing. Larger cities and shopping centres are receiving investment to enhance the visit 'experience' and boost footfall and dwell time. This dynamic has resulted in some cities experiencing a growing number of empty storefronts in their centres at the same time governments ponder limiting out-of-town development, particularly in Wallonia.

Charleroi Retail

Rive Gauche

Located on Place Verte, the Rive Gauche shopping centre is a new development of 36,300 m² GLA and containing 100 retail units.

Rive Gauche boasts a strong tenant mix including the top mass-market fashion retailers (Primark, Zara, Bershka, Pull&Bear, H&M, Kiabi and C&A), a food anchor tenant (Delhaize) and plentiful restaurants (such as Burger King) and bars. In 2019, Rive Gauche attracted 12 new retailers, accounting for some 1,200 m² in take up.

Place Verte

Inno (refurbished in 2015) is located in front of the Rive Gauche shopping centre on the Place Verte. It offers 12,000 m² of retail GLA with additional retailers.

Rue de la Montagne

The prime downtown retailing area used to be concentrated on the Rue de la Montagne. This street totals some 38 shopping units on 200 metres and was occupied by traditional international chains.

However, the street has lost a lot of its popularity with barely any new retailers entering and a declining footfall. The completion of the Rive Gauche has resulted in the relocation of several prime retailers such as H&M, Zara and C&A to the shopping centre, resulting in increased vacancy along the street.

Rue de Damprémy

On the Rue de Damprémy, the boutiques tend to be smaller, but fashion is still omnipresent. Next to the traditional personal equipment, this street has a decent offer of pubs & restaurants. The street totals some 44 units along a strip of 150 metres.

Ville 2

Ville 2 is located just outside the Charleroi city centre along the inner ring road. Ville 2 seems to have weathered the competition from Rive Gauche relatively well, and has been able to attract a series of new retailers in recent months. Ville 2 counts 25,350 m² divided in 120 units. Its anchor tenants are Carrefour market (2,712 m²), C&A (1,728 m²), H&M (1,715 m²) and Fnac (1,100 m²). In 2019, Ville 2 attracted some smaller tenants such as Tacoshake, letting 173 m² of retail space; Rituals, occupying 150 m² and Street One letting 85 m².

Belle Fleur

The Belle Fleur retail park was built in 2014 and is located 3km southeast of the city centre. It offers 15,000 m² of retail space divided across 30 shops. The main tenants are Krëfel (1,965 m²) and Action (1,372 m²). In 2019, 1,803 m² retail space was let to Maisons du Monde and 530 m² to Pointcarré.

Cora Châtelineau

The Cora Chatelineau retail park was built in 1970 and renovated in 2013. It is located 4km east of the city center. It offers 45,600 m² of retail space divided across 60 boutiques, some restaurants and one Cora hypermarket. The anchor tenants are Cora (13,500 m²), Brico Plan-it (10,338 m²) and Decathlon (4,575 m²).

City Nord

City Nord is one of the main commercial center of the Carolo metropolitan area (built in 1990 and renovated in 2013) located 10 km north of the city center. This park offers around seventy stores, including the Rack Store brand (7,000 m²).

Espace Nord

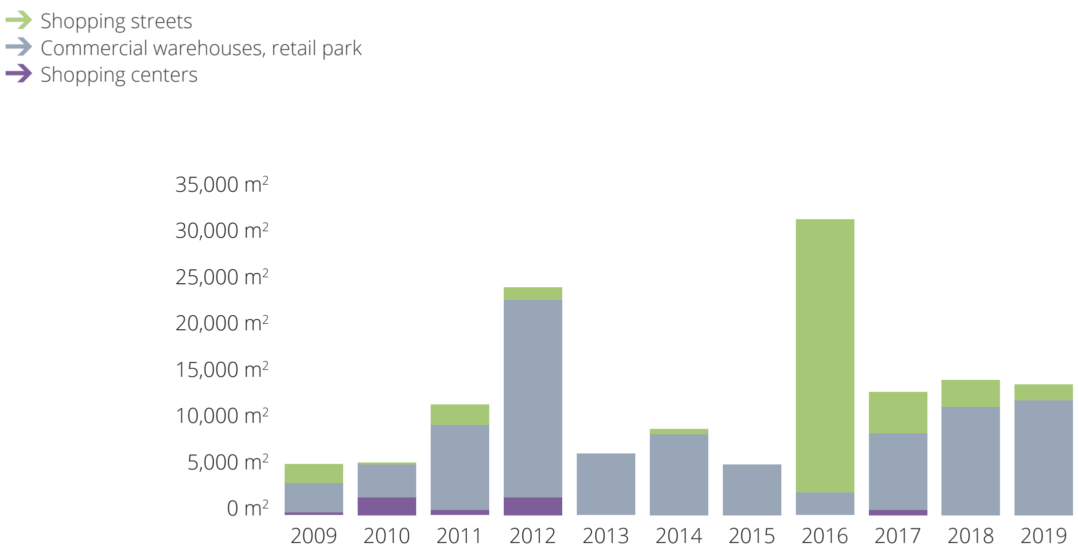
Following the example of City Nord, Espace Nord concentrates nearly fifty stores north of Charleroi city centre. The main tenants include Media Markt (6,236 m²). In 2019, several areas will be made available to major retailers: Centrakor (2,000 m²), Intersport (3,000 m²), OVS Garden (1,500 m²).

Demand

Retail take-up in Belgium amounted to 422,451 m² in 2019, accounting for an active year. More than 934 deals were registered with strong activity in high street (121,924 m²) and out-of-town retail (224,605 m²), as well as solid activity in shopping centres (74,037 m²).

Retail activity in Charleroi totalled 14,135 m² of take-up in 2019. Out of town take-up accounted for the majority of this figure. Notable deals include the Intersport letting along Route du Chemin de Fer in Gosselies (3,000 m²), Hubo letting along Grand Rue (2,000 m²), and Centrakor letting in Espace Nord in Gosselies (2,000 m²).

CHARLEROI RETAIL TAKE-UP



Industrial & logistics

Overview

Demand for industrial & logistics remains strong with the sector rapidly moving towards larger and more technologically advanced warehouses. Multi-modality is highly sought after, and e-commerce, consolidation and economies of scale are significant driver of logistics market activity, as shorter delivery times and efficiency gains are propelling the distribution sector forward.

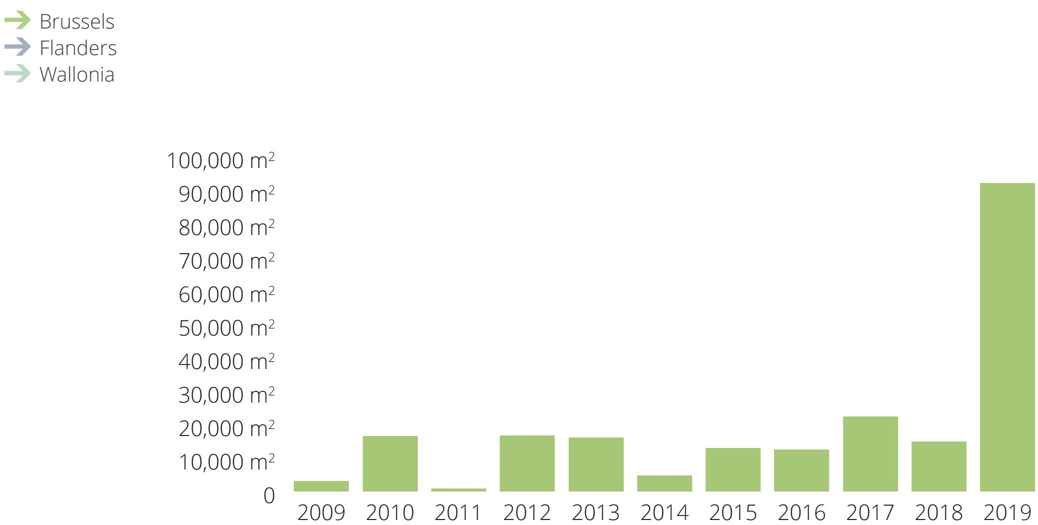
Occupiers prefer to acquire or lease new and larger facilities developed on a 'design & build' basis, well-equipped with the latest and most innovative inventory management infrastructure. Demand is increasingly focused on multi-modality, with land and warehouses providing railway and canal connectivity and container handling proving to be extremely popular among 3PL actors.

For modern XL warehouses or city depots there is virtually no immediate availability and development at risk remains limited. At the end of Q3 2019 a vacancy rate of 2.33% for logistics warehouses was recorded.

Demand

Industrial take-up in Belgium for 2019 totalled 811,818 m². In Charleroi take up has been relatively low. However, in 2019, logistics take-up totalled 92,110 m², reaching the highest take up ever. This record level can mainly be attributed to the acquisition Rue de Gosselies 60 (66,600 m²), the letting of Rue de Gosselies 60 to Terroy (9,200 m²) and the letting of Jean Mermoz 37 to Mastercell (5,664 m²).

INDUSTRIAL & LOGISTICS TAKE-UP CHARLEROI



Investment

Overview

The value of investment transactions in the Belgian commercial real estate market during 2019 totalled €6.12 billion, reaching its highest volume ever. Offices were the most popular asset class, accounting for more than half of investment volume or €3.6 billion. Retail investments accounted for €969 million. Industrial investment decreased to €297 million for the year.

Charleroi

CRE investment in the Charleroi market is typically very limited. In 2019 Joseph Tirou 109 (11,900 m²) was acquired by a private investor from Redevco for € 15 million. Additionally, there was a portfolio deal sold by QRF to Denis Vandamme for €2,2 million and the sale of one of the properties (Rue de la Montagne 41) acquired by Denis Vandamme to a private investor for €150 thousand.

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FINANCIAL REPORT

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STATEMENT OF FINANCIAL POSITION (IN €)

	Notes	IFRS 31/12/2018	IFRS 31/12/2019
ASSETS			
I. Non-current assets		**263,387,750**	**270,986,534**
C. Investment property	1+5	263,366,300	270,975,284
- Property available for rent		263,366,300	270,975,284
G. Non-current trade receivables and other assets	6	21,450	11,250
II. Current assets		**8,742,883**	**6,899,240**
A. Assets held for sale	5+7	3,821,302	1,219,422
- Investment property		3,821,302	1,219,422
B. Current financial assets		2,449	2,449
- Loans and receivables		2,449	2,449
D. Trade receivables	8+14	3,935,356	4,578,276
E. Fiscal receivables and other current assets	9	12,811	51,267
- Other		12,811	51,267
F. Cash and cash equivalents	10+Cash flow	305,355	203,012
G. Adjustment accounts	11	665,609	844,815
- Property charges paid in advance		240,349	317,166
- Other		425,260	527,649
TOTAL ASSETS		272,130,633	277,885,774
TOTAL SHAREHOLDERS' EQUITY		156,432,957	157,038,279
A. Capital	12	8,403,938	8,403,938
- Capital subscribed		10,000,000	10,000,000
- Capital Increase costs		-1,596,062	-1,596,062
B. Share premiums		26,924,110	26,924,110
C. Reserves	13	107,627,580	118,888,473
- a. Legal reserve		40,376	40,376
- b. Reserve for the balance of variations in fair value of property		90,723,096	97,986,614
- c. Reserve for estimated costs and transfer rights arising from the hypothetical disposal of investment properties		-8,459,540	-8,724,958
- e. Reserve for the balance of variations in fair value of authorised hedging instruments to which hedge accounting as defined in IFRS is not applied		-1,482,198	-1,523,938
- m. Other reserves		2,455,361	-
- n. Results brought forward from prior periods		24,350,485	31,110,380
D. Net result for the financial period		13,477,329	2,821,758
- Result for the financial period [1]		13,477,329	2,821,758

(1) The difference between the "net result for the financial period" in the financial position statement and the "net result" in the comprehensive income statement represents the 2019 interim dividend.

	Notes	IFRS 31/12/2018	IFRS 31/12/2019
LIABILITIES			
I. Non-current liabilities		**92,008,034**	**96,676,568**
B. Non-current financial debts	14+15	92,008,034	96,676,568
a) Credit institutions		91,861,475	96,457,437
c) Others		146,559	219,131
- Rental guarantees received		146,559	219,131
II. Current liabilities		**23,689,642**	**24,170,927**
B. Current financial debts	14+16	12,249,875	15,604,274
a) Credit institutions		12,249,875	15,604,274
C. Other current financial liabilities	14+17	1,523,938	1,944,265
- Authorised hedging instruments		1,523,938	1,944,265
D. Trade and other current payables	18	6,512,935	3,164,869
a) Exit Tax		1,253,527	1,253,527
b) Others		5,259,408	1,911,341
- Suppliers		1,721,741	1,568,297
- Taxes, remunerations and social charges		3,537,667	343,044
E. Other current liabilities	19	24,856	24,859
- Other		24,856	24,859
F. Adjustment accounts	20	3,378,039	3,432,660
- Property income received in advance		3,150,758	3,336,180
- Interest and other accrued charges not yet due		227,280	96,481
TOTAL EQUITY AND LIABILITIES		272,130,633	277,885,774

Earnings per share (IAS 33)	Notes	IFRS 31/12/2018	IFRS 31/12/2019
Weighted average number of outstanding ordinary shares	12	3,166,337	3,166,337
Intrinsic unit value of a share [2]		€49.41	€49.60
Share price on the closing date		€48.80	€60.00
Basic net earnings per share [3]	41	€7.71	€3.14
Diluted earnings per share	41	€7.71	€3.14
Market capitalisation		€154,517,246	€189,980,220
Investment properties available for rent	1+5	€263,366,300	€270,975,284
Investment properties held for sale		€3,821,302	€1,219,422
Value of property assets (fair value)	1+5+7	€267,187,602	€272,194,706
Debt ratio according to Art. 27 of RD of 14/07/2014		40.71%	41.55%

Detailed calculation of the debt ratio		IFRS 31/12/2018	IFRS 31/12/2019
Debt ratio calculation method	(a+b+c+d)/e	**40.71%**	**41.55%**
+ Non-current liabilities	a	€92,008,034	€96,676,568
+ Current liabilities	b	€23,689,642	€24,170,927
- Authorised hedging instruments	c	-€1,523,938	-€1,944,265
- Liability adjustment accounts	d	-€3,378,039	-€3,432,660
/ Total equity and liabilities	e	€272,130,633	€277,885,774

(2) The intrinsic unit value of a share reflects the total shareholders' equity divided by the number of shares representing the Company's share capital.
(3) Please note that the result for the 2018 financial period was established over 15 months, and is therefore difficult to compare with the 2019 financial period, which has 12 months without being prorated.

COMPREHENSIVE INCOME STATEMENT (IN €)[1]

	Notes	IFRS 31/12/2018	IFRS 31/12/2019
I. Rental income	21	**21,978,034**	**18,789,694**
A. Rental		22,031,524	18,863,740
C. Free rental		-53,489	-74,046
III. Rental charges	22	**39,850**	**-133,833**
B. Write-downs in value of trade receivables		-508,391	-314,471
C. Reversals of write-downs in value of trade receivables		548,240	180,638
NET RENTAL RESULT		22,017,884	18,655,861
IV. Recovery of property charges		**-**	**6,900**
A. Compensation received for rental damage		-	6,900
V. Recovery of rental charges and duties normally assumed by the tenant on rented properties	23	**2,914,858**	**3,158,711**
A. Re-invoicing of rental charges incurred by the owner		1,325,251	1,468,812
B. Re-invoicing of withholding taxes and duties on rented properties		1,589,607	1,689,899
VI. Costs incumbent on the tenants and assumed by the owner for rental damage and restoration at the end of the lease		**-**	**-3,180**
V. Recovery of rental charges and taxes normally assumed by the tenant on rented properties	23+25	**-3,838,218**	**-3,688,231**
A. Rental charges incurred by the owner		-2,011,000	-1,840,549
B. Withholding taxes and duties on rented properties		-1,827,218	-1,847,682
VIII. Other rental income and expenses	**26**	**-64,822**	**11,785**
PROPERTY RESULT		**21,029,703**	**18,141,847**
IX. Technical costs	**27**	**-1,284,179**	**-1,449,211**
A. Recurring		-206,773	-173,374
- Insurance premiums		-206,773	-173,374
B. Non-recurring		-1,077,407	-1,275,837
- Major repairs		-972,918	-1,071,416
- Claims		-104,489	-204,421
X. Commercial costs	**28**	**-109,387**	**-127,031**
A. Agency commissions		-52,780	-44,109
B. Advertising		-56,607	-82,922
XII. Property management costs	**29**	**-2,663,046**	**-2,207,561**
A. Fees paid to managers		-2,365,148	-1,995,971
- Management fees		-680,625	-574,750
- Remuneration of governing bodies		-1,593,773	-1,348,621
- Fees of the property expert		-90,750	-72,600
B. Property management charges		-297,897	-211,590
- Lawyers		-58,589	-48,709
- Fees and charges		-239,309	-162,881
PROPERTY CHARGES		-4,056,612	-3,783,802
OPERATING RESULT FROM PROPERTIES		16,973,091	14,358,044

(1) Please note that the result for the 2018 financial period was established over 15 months, and is therefore difficult to compare with the 2019 financial period, which has 12 months without being prorated.

	Notes	IFRS 31/12/2018	IFRS 31/12/2019
XIV. Company general expenses	**30**	**-1,219,560**	**-1,169,626**
XV. Other operating income and expenses	**31**	**85,659**	**431,653**
B. Other		85,659	431,653
OPERATING RESULT BEFORE PORTFOLIO RESULT		15,839,190	13,620,071
XVI. Result on sale of investment properties	**32**	**435,881**	**46,980**
A. Net sales of properties (sale price - transaction costs)		16,000,000	2,546,172
B. Book value of properties sold		-15,564,119	-2,499,192
XVIII. Changes in the fair value of investment properties	**33**	**9,913,510**	**-1,650,967**
A. Positive changes in fair value of investment properties		23,986,027	11,298,754
B. Negative changes in the fair value of investment properties		-14,072,517	-12,949,721
XIX. Other portfolio result	**34**	336,958	-
OPERATING RESULT		26,525,539	12,016,084
XX. Financial income	**35**	**16,079**	**9**
A. Interest and dividends received		16,079	9
XXI. Net interest charges	**36**	**-2,094,264**	**-1,645,835**
A. Nominal interest on loans	16	-1,351,564	-984,782
C. Charges resulting from authorised hedging instruments	17	-742,701	-661,053
XXII. Other financial expenses	**37**	**-4,213**	**-3,334**
A. Bank charges and other commissions		-4,213	-3,334
XXIII. Changes in the fair value of financial assets and liabilities	**38**	**-41,740**	**-420,327**
A. Authorised hedging instruments		-41,740	-420,327
- Authorised hedging instruments to which hedge accounting as defined in IFRS is not applied		-41,740	-420,327
FINANCIAL RESULT		-2,124,138	-2,069,487
RESULT BEFORE TAX		24,401,401	9,946,597
XXV. Corporate income tax	**39**	**-209**	**-581**
Tax		-209	-581
NET RESULT FROM KEY ACTIVITIES FOR THE FINANCIAL PERIOD		24,401,192	9,946,016
COMPREHENSIVE RESULT [2]		24,401,192	9,946,016
BASIC EARNINGS PER SHARE [3]		7.71	3.14
DILUTED EARNINGS PER SHARE [3]		7.71	3.14

(2) The comprehensive result is equal to the net result from key activities for the financial period. No other item should be taken into account.
(3) The "Basic earnings per share" is obtained by dividing the "Comprehensive result" by the number of shares representing the Company's share capital.
IAS 33.73 and 33.73A: Dilution is a reduction in earnings per share or an increase in loss per share resulting from the hypothesis of the conversion of convertible instruments, the exercise of options or warrants, or issuance of common shares if certain specified conditions are met. For the calculation of diluted earnings per share, an entity must adjust the net result attributable to ordinary shareholders of the parent entity, as well as the weighted average number of shares in circulation, with the effects of all potentially dilutive ordinary shares. As the Company has not issued any dilution instrument, the basic earnings per share and the diluted earnings per share are therefore identical.

CASH FLOW STATEMENT (IN €)

	Notes	Ref N3	IFRS 31/12/2018	IFRS 31/12/2019
CASH AND CASH EQUIVALENTS AT THE START OF THE FINANCIAL PERIOD[1]			314,830	305,355
Result for the financial period		**11**	**24,401,192**	**9,946,016**
+/- Financial result (excluding changes in the fair value of financial instruments)	35+36	12	2,082,398	1,649,160
+/- Changes in the fair value of financial instruments	38	13	41,740	420,327
+ Tax charge (- tax product)	39		209	581
Non-cash items		**14**	**-10,389,240**	**1,737,820**
- Increase (+ decrease) in the fair value of investment properties	33		-9,913,510	1,650,967
- Capital gains (+ losses) realised on investment properties	32		-435,881	-46,980
+ Impairment losses (- reversals of impairment losses) on trade receivables	22		-39,850	133,833
Changes in working capital requirement		**15**	**5,400,199**	**-4,215,283**
Movements of assets			1,638,118	-994,414
Trade receivables	8+14		884,756	-776,753
Other receivables			858,155	-38,455
Deferred charges and receivables	11		-104,792	-179,206
Movements of liabilities			3,762,081	-3,220,869
Trade payables	18		715,537	-153,444
Changes in fiscal and social accounts payable			3,198,434	-3,194,622
Other payables			-24,057	72,576
Accrued charges and deferred income	20		-127,834	54,622
- Change in non-current assets		**16**	**12,750**	**10,200**
- Taxes paid (+ taxes collected)	**39**		**-209**	**-581**
Other			**-**	**-**
CASH FLOWS FROM OPERATING ACTIVITIES (A)		17	21,549,039	9,548,240
- Investment property acquisitions	5	7	-21,754,046	-
+ Disposals of investment properties	5+32		16,000,000	-
- Development projects and development works	5	9	-5,371,677	-9,157,263
+ Asset disposals held for sale		8	-	2,546,172
CASH FLOWS FROM INVESTING ACTIVITIES (B)	11	10	-11,125,723	-6,611,091
+ Increase in financial debts	3+14+15+16	1	25,727,131	9,304,399
- Reduction in financial debt	3+14+15+16	2	-12,229,798	-1,354,038
Interest paid	36+37	3	-2,098,477	-1,649,169
Interest received	35		16,079	9
Interim dividend for the financial period[1]		5	-10,923,863	-7,124,258
Dividends paid[1]		4	-10,923,863	-2,216,436
CASH FLOWS FROM FINANCING ACTIVITIES (C) [2]		6	-10,432,791	-3,039,492
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD			305,355	203,012

(1) see Statement of changes in equity
(2) see IFRS 7.44 in Note 3 of the RFA - Change in liabilities resulting from financing activities


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STATEMENTS OF CHANGES IN EQUITY (IN €)

	Principal	Share premiums	legal	of balance of variations in fair value of property
AT 30/09/2017	**8,403,938**	**26,924,110**	**40,376**	**85,589,359**
Allocation of 2016/2017 result to reserves				5,133,737
Dividends on 2016/2017 results				
Interim dividend 2017/2018				
Result for the 2017/2018 financial period				
AT 31/12/2018	**8,403,938**	**26,924,110**	**40,376**	**90,723,096**
Allocation of 2017/2018 result to reserves				7,263,518
Dividend balance on 2017/2018 result				
Interim dividend 2019[1]				
Result for the financial period 2019				
AT 31/12/2019, before allocation of 2019 result	**8,403,938**	**26,924,110**	**40,376**	**97,986,614**
AT 31/12/2018	**8,403,938**	**26,924,110**	**40,376**	**90,723,096**
Allocation of 2017/2018 result to reserves				7,263,518
Dividend balance on 2017/2018 result				
AT 31/12/2018 after allocation of the 2018 result	**8,403,938**	**26,924,110**	**40,376**	**97,986,614**
Result for the financial period 2019				
Proposal to allocate 2019 result to reserves				-2,423,231
Interim dividend 2019[2]				
Proposed return on capital (balance)				
AT 31/12/2019, after allocation of the 2019 result[3]	**8,403,938**	**26,924,110**	**40,376**	**95,563,383**

The accounts of the Company are correctly drawn up before the distribution of dividends and before the allocation of the result to the various reserve headings.

Therefore the reserves appearing in the balance sheet table are difficult to reconcile with the amounts of the reserve headings indicated in the calculation tables relating to the allocation of the result. For this reason, WEB decided to prepare the above table detailing the shareholders' equity situation after allocation of the result but before distribution of dividends.

(1) The Company's Board of Directors has decided to distribute an interim dividend of €2.25 gross per share, for a total amount of €7,124,258 gross.
The date of payment of the amount, net of withholding tax at the rate of 30%, was 03/12/2019. This interim payment is included in the proposal for allocation of the result for the financial period which will be submitted to the next AGM of Shareholders. It is also included in the Company's Cash Flow table under the heading Cash flow from financing activities.
(2) The Company's Board of Directors has decided to distribute an interim dividend of €2.25 gross per share, for a total amount of €7,124,258 gross.
The date of payment of the amount, net of withholding tax at the rate of 30%, was 03/12/2019. This interim payment is included in the proposal for allocation of the result for the financial period which will be submitted to the next AGM of Shareholders. It is also included in the Company's Cash Flow table under the heading Cash flow from financing activities.
(3) Subject to acceptance by the AGM.

Reserves				
of balance of variations in fair value of authorised hedging instruments to which hedge accounting as defined in IFRS is not applied	of estimated costs and transfer rights arising from the hypothetical disposal of investment properties	others	Retained earnings	Shareholders' equity
-2,257,869	-8,723,530	2,455,361	41,447,746	153,879,490
775,671	263,990		-6,173,398	-
			-10,923,863	-10,923,863
			-10,923,863	-10,923,863
			24,401,192	24,401,192
-1,482,198	-8,459,540	2,455,361	37,827,814	156,432,957
-41,740	-265,418	-2,455,361	-4,500,998	-
			-2,216,436	-2,216,436
			-7,124,258	-7,124,258
			9,946,016	9,946,016
-1,523,938	-8,724,958	-	33,932,138	157,038,279
-1,482,198	-8,459,540	2,455,361	37,827,814	156,432,957
-41,740	-265,418	-2,455,361	-4,500,998	-
			-2,216,436	-2,216,436
-1,523,938	-8,724,958	-	31,110,380	154,216,521
			9,946,016	9,946,016
-420,327	-48,031		2,891,589	-
			-7,124,258	-7,124,258
			-3,957,921	-3,957,921
-1,944,265	-8,772,989	-	32,865,806	153,080,358

2. Notes to the financial statements

NOTE 0 - General information on the Company

Warehouses Estates Belgium SCA (hereinafter referred to as "WEB SCA" or the "Company") is a regulated property company (Société Immobilière Réglementée - SIR) governed by Belgian law. The closing date for the Company's accounting periods is 31 December of each year. Its registered office is established at 6041 Gosselies, Avenue Jean Mermoz 29 (Belgium).

The Company presents statutory financial statements as at 31 December 2019. The Board of Directors approved the financial statements on 25 March 2020, and authorised their publication on the same date.

The Company is listed on Euronext Brussels.

The activities of the Company consist of the provision of commercial, industrial and office properties and the provision of related services.

Certain financial information contained in this financial report has been rounded up or down, and consequently the numbers appearing in total in this report may differ slightly from the exact arithmetic sum of the numbers preceding them.

ADDITIONAL INFORMATION SPECIFIC TO THE 2019 FINANCIAL PERIOD (IAS 1.36)

The Extraordinary General Meeting of 5 September 2018 approved the extension of the financial period by 3 months, with a view to modifying the closing date of the Company's financial period to 31 December.

Consequently, the financial statements presented on 31 December 2018 covered a period of 15 months starting on 1st October 2017 and ending on 31 December 2018, whereas the 2019 accounts have a normal duration of 12 months.

Consequently, the amounts presented in the financial statements as at 31 December 2019 are not fully comparable to those presented in 2018.

NOTE 01 - Principal accounting policies

1.1 BASIS OF PREPARATION

The statutory financial statements as at 31 December 2019 have been prepared in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union. They are presented in Euros and rounded to the nearest Euro, unless otherwise stated. The accounting policies have been applied consistently for the financial periods shown.

The following new standards and amendments to the following standards are mandatory for the first time from the accounting period beginning on 1st January 2019, and have been adopted by the European Union:

IFRS 16 - Leases (effective date: 1st January 2019). This standard replaces the guidance currently provided by IAS 17, and introduces significant changes with regard to accounting by lessees. Under standard IAS 17, lessees had to make a distinction between finance leases (recognised in the balance sheet), and operating leases (recognised off balance sheet). IFRS 16 now requires the lessee to recognise a rental liability, which reflects future rental payments, and the "right to use the asset" for almost all rental contracts. For lessors, the accounting treatment is generally unchanged. However, since the IASB has updated its definition of finance lease (as well as the guidance on combining and separating contracts), lessors will also be affected by the new standard. Under IFRS 16, a contract is, or contains, a rental contract if it confers the right to control the use of a specific asset for a certain period in exchange for consideration.

The Company does not note any material impact resulting from the accounting treatment and information to be provided, in fact tangible assets only relate to properties provided for simple rental, and possibly to properties held for sale, or to holdings in exclusive subsidiaries. All other tangible assets (IT, company cars, etc.) are made available to the Company by its statutory manager WEPS SA.

Amendments to standard IFRS 9 - Prepayment Features with Negative Compensation (effective date: 1st January 2019). These amendments allow entities to recognise certain instruments containing a prepayment clause, if the exercise of this clause results in negative compensation, at amortised cost or at fair value through other comprehensive result if a specific condition is met, instead of measuring them at fair value through the income statement as they did not meet the so-called "SPPI" rule (solely payments of principal and interest). This amendment also clarifies how to account for the modification of a financial liability.

The application of these new provisions has no impact on the financial statements of the Company.

Amendments to standard IAS 28 - Long-term interests in associates and joint ventures (effective date: 1st January 2019). The IASB clarifies that an entity must apply IFRS 9, including its provisions relating to impairment, to long-term interests in an associate or a joint venture if the equity method is not applied. These amendments further clarify whether the valuation and impairment of such interests should be governed by IFRS 9, IAS 28 or a combination of the two standards.

The application of these new provisions has no impact on the financial statements of the Company, which, furthermore, had no associated companies and joint ventures as at 31 December.

Amendments to standard IAS19 - Employee benefits entitled "Plan amendment, curtailment or settlement" (entered into force on 1st January 2019). These amendments clarify that a company must use updated actuarial assumptions to assess the cost of current services and the net interest for defined benefits if a plan is modified, curtailed or settled. In particular, it is specified that the entity must recognise in the income statement, as cost of past services or as gain or loss resulting from the settlement, any reduction in surplus, even if this was not previously recognised due to the effect of the asset ceiling. The amendments will affect any entity that changes the conditions or composition of a defined benefit plan, in such a way that there is a cost of past service, or a gain or loss from settlement.

The application of these new provisions has no impact on the financial statements of the Company. WEB's personnel are employed by its manager WEPS SA.

Annual improvements to IFRS 2015-2017: applicable to periods beginning on or after 1st January 2019, making changes to the following standards:

IFRS 3 - Business combinations, paragraph 42A: When an entity obtains control of a joint venture (within the meaning of IFRS 11), the transaction is considered to be a business combination carried out in stages, and the company must apply the provisions relating to a business combination carried out in stages, and in particular to remeasure the interests it previously held in the joint venture in the manner described in paragraph 42. To do this, the acquirer must remeasure all of the interests it previously held in the joint venture.

IFRS 11 - Joint Arrangements, paragraph B33CA: A party that has interests in a joint venture without, however, exercising joint control over it may obtain joint control of the joint venture whose activity constitutes a business, within the meaning of IFRS 3. In this case, the interests previously held in the joint venture do not have to be remeasured.

The application of these new provisions has no impact on the financial statements of the Company. As at 31 December, there was no joint venture.

IAS 12 - Income Taxes, paragraph 57A: The entity should recognise the tax consequences of dividends, as defined in IFRS 9, when it recognises dividends payable as liabilities. Consequently, the entity must recognise the tax consequences of dividends in the net result, in other comprehensive result or in equity, depending on the line item in which it recognised the events or transactions that were originally made.

The application of these new provisions has no impact on the financial statements of the Company. As at 31 December, there was no commitment to pay dividends.

IAS 23 - Borrowing Costs, paragraph 14: To the extent that an entity generally borrows funds and uses these for the purpose of obtaining a qualifying asset, the entity must determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. This capitalisation rate must be the weighted average of the borrowing costs applicable to all of the entity's borrowings during the period. However, the entity must exclude from this calculation the borrowing costs applicable to loans contracted specifically for the purpose of obtaining the asset concerned, until the activities essential for the preparation of the asset prior to its use or its planned sale are almost all completed. The amount of borrowing costs that an entity capitalises during a period must not exceed the amount of borrowing costs it incurred during that period.

As at 31 December 2019, the Company invested an amount of €5,772k during the construction of site 9 on the Espace Nord commercial site. The loan interest capitalised as at 31 December 2019 on this occasion amounted to €128k.

1.2 INVESTMENT PROPERTIES

Investment properties are land and/or buildings held by WEB SCA to generate rents or to realise a capital gain, or both.

In accordance with IAS 40 Investment properties, they are initially valued at their cost and recognised, at their first valuation, at their fair value. Any variations noted are recognised directly in the income statement.

At the time of acquisition of the property, the investment value, including transfer rights, is recognised under balance sheet assets. At the time of the first valuation by the property expert, recording is made based on fair value (i.e. excluding transfer rights). The difference, positive or negative, between these two values is recognised in the income statement. However, after the approval of the allocation of the result by the General Meeting, the difference between the fair value of the properties and their investment value is allocated to reserves via "Transfer to/from the reserve for estimated costs and transfer rights arising from the hypothetical disposal of investment properties".

The fair value corresponds to the amount for which a property could be exchanged between well informed parties, with their agreement, and under conditions of normal competition. From the seller's point of view, it must be understood net of registration fees.

Registration fees vary between 10% and 12.5%, depending on the value and location of the property in question. The investment value, transfer rights and fair value are estimated by an independent expert every 3 months.

The Company's independent expert determines the investment value of the property portfolio. Its assessment is based in particular on the present value of the net rental income, in accordance with the "International Valuation Standards" of the "International Valuation Standards Committee". For properties with an investment value of more than €2.5 million (including costs), the probable realisable value corresponds to the fair value, as defined by the IFRS 13 standard, which can be obtained by deduction of an amount of fees equivalent to 2.5% of the investment value. For properties with an investment value of less than €2,500,000, the fees to deduct are equivalent to the fees in force (10% or 12.5%), according to the region of Belgium where they are located.

The independent expert determines the investment value of the property portfolio in detail at the end of each accounting period. In the context of quarterly closings, the expert updates its assessment according to market developments, and the specific characteristics of the properties. Any profit or loss resulting from a change in fair value is recognised in the income statement, including those resulting from the first valuation.

In accordance with IFRS 5, the Company classifies a property as held for sale in its financial statements if its book value will be recovered mainly by its sale rather than by its continuous use. This means that the property must be available for immediate sale in its current condition, and that the sale must be highly probable. Such an asset is then valued at the lower amount between its book value and its fair value, less costs to sell if there are any. Effectively, the sale is normally and operationally carried out by employees of the Company, and it follows that any other costs are borne by the purchaser. It therefore follows from this operating method that the transaction costs are generally almost zero and are known a posteriori, and therefore recorded under the income statement heading "General costs". It should be noted that, if the sale is not expected within the year, any sales costs must be updated. When the sale takes place, the Reserves of "Balance of changes in fair value of property assets" (balance sheet heading C.c) and "Estimated costs and transfer rights arising from the hypothetical disposal of investment properties" (balance sheet heading C.e) are cleared.

1.3 COMMISSIONS PAID TO PROPERTY AGENTS AND OTHER TRANSACTION FEES

The initial book value of the assets includes the commissions relating to the acquisition of investment properties. The same applies when purchasing shares in a property company, a contribution in kind of a building in return for new shares, or a contribution of assets by merger or takeover of a property company. However, if the transaction constitutes a business combination, the costs associated with the transaction are directly recognised as expenses in the income statement.

Commissions relating to the rental of properties are recognised as expenses in the income statement.

1.4 WORK IN INVESTMENT PROPERTIES

The accounting treatment for work carried out in investment properties depends on the type of work:

Improvement work

This is work carried out occasionally to develop the functionality of a building or significantly improve its comfort, with the aim of increasing the rent and the estimated rental value.

The cost of this work is included in the book value of the building, insofar as the independent expert recognises, following this work, an increase in the value of the building. Example: installation of an air conditioning system in a building that did not previously have this.

Major renovation work

These are works undertaken at the end of a building life cycle to renovate the building in depth using modern techniques, generally retaining the existing structure.

The cost of these works is included in the book value of the building.

In accordance with standard IAS 23 Borrowing Costs, the borrowing costs are capitalised and recorded in the balance sheet under the heading "Investment property", provided that the property in question does not generate income during this period. Following the same logic, property withholding taxes, duties and other property charges on projects (properties under construction or under development for own account), and which do not generate income, are recorded as assets on the balance sheet.

Maintenance and repair work

Costs relating to maintenance and repair work which do not develop the functionality of the building and do not improve its comfort are recognised as expenses in the income statement.

1.5 PROPERTIES HELD FOR SALE

Investment properties available for immediate sale, the completion of which is highly probable, are recorded as assets held for sale, and valued at their fair value, in accordance with IAS 40. In accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, a sale is only considered highly probable if the management of WEB SCA is committed to a sale plan, if the building is actively marketed at a reasonable price, and if completion of the sale is expected within a maximum of one year.

1.6 CAPITAL

The costs directly linked to the issue of new shares or options are recognised in equity, net of tax, as a deduction from the amount raised.

Dividends are recognised as a liability when they are declared by the General Meeting of Shareholders.

1.7 FINANCIAL INSTRUMENTS

Trade receivables and payables

Current trade payables and receivables are valued at amortised cost, which corresponds to their nominal value, reduced by an estimate of impairment losses for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, at-sight and short-term deposits, and highly liquid investments, which are easily convertible into cash, have an initial maturity of less than 3 months, and are subject to negligible risk of a change in value. They are valued at their nominal value.

Financial debts

Financial debts are initially valued at their fair value, net of the transaction costs incurred. They are subsequently carried at amortised cost in application of the effective interest rate method, in accordance with IAS 39 - Financial instruments: recognition and measurement.

Derivative instruments

The Company only uses derivative financial instruments to hedge the risks of changes in interest rates (interest rate swaps). These derivative instruments are recognised in the balance sheet as financial assets or liabilities, and measured at their fair value. Changes in the fair value of all interest rate hedges subscribed to by the SIR are recorded in financial income, unless the strict conditions set out in IAS 39 for a cash flow hedge are met, in which case these variations are recognised in equity. To date, all changes in the fair value of hedging instruments are recognised in the income statement, as these do not meet the strict conditions set out in IAS 39. However, their valuation is included at fair value in the statement of the Company's financial position.

1.8 PROVISIONS

In accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, a provision is recognised if the Company has a current obligation (legal or implicit) resulting from a past event, if it is probable that this obligation will result in an outflow of resources, and if the amount of the obligation can be reliably estimated. The amount recognised as a provision corresponds to the best estimate of the expenditure necessary to settle the current obligation on the balance sheet date.

1.9 RENTAL INCOME

In accordance with IAS 17 - Leases, the leases entered into by WEB SCA constitute operating leases, as the Company retains the main risks and advantages associated with the ownership of the investment properties.

The rents received are recognised as rental income on a straight-line basis over the duration of the rental contract.

Rental gratuities and other benefits granted to customers are recognised on a straight-line basis over the first firm period of the lease. This accrual is recognised in the "Other operating income and expenses" heading of the income statement.

Recovery of property costs

At the end of each lease, an inventory is carried out. Any damage is assessed and charged to the outgoing tenant.

1.10 TAXES

Income taxes

The income tax expense includes current and deferred taxes, recognised in accordance with IAS 12 - Income taxes. Deferred taxes are recorded based on the temporary differences between the tax base of assets and liabilities and their book value. They are valued using the tax rates applicable when these temporary differences are realised or settled.

NOTE 2 - Significant accounting judgments and main sources of uncertainty with regard to estimations

2.1 SIGNIFICANT JUDGMENTS CONCERNING THE ACCOUNTING POLICIES OF THE COMPANY

For properties leased on a long-term basis, barring limited exceptions, the Company concluded that almost all of the risks and advantages inherent in ownership of the assets were not transferred to the lessee and, therefore, that these contracts constituted simple leases in accordance with IAS 17 - Leases.

Furthermore, the Company did not have to make any significant judgments in the application of its accounting policies.

2.2 MAIN SOURCES OF UNCERTAINTIES WITH REGARD TO ESTIMATIONS

Estimation of the fair value of investment properties

The investment properties, which constitute almost all of WEB SCA's assets, are estimated at their fair value by an independent expert approved by the FSMA, in application of the principles explained in the accounting policies.

For its evaluation as at 31 December 2019, WEB SCA called on the services of CBRE.

Estimation of fair value of derivative products

The financial instruments which are recorded under WEB SCA's liabilities are estimated at their fair value by the dealing rooms of the credit institutions with which they have been subscribed.

It should be noted that the Company has no leasing operations as lessee.

NOTE 3 - Change in liabilities resulting from financing activities

IAS 7.44	Financing activities				
	Increase in financial debts	Reduction in financial debts	Interest	Dividend 2018	Interim dividend 2019
- Roll over BNP Paribas Fortis	5,000,000				
- Amortisable investment credit BNP Paribas Fortis	603				
- Amortisable investment credit BNP Paribas Fortis	2,413				
- Amortisable investment credit BNP Paribas Fortis	1,383				
- Roll over BNP Paribas Fortis		-200,000			
- Repayment amortisable credit		-13,465			
- Repayment amortisable credit		-53,861			
- Repayment amortisable credit		-73,282			
- Repayment amortisable credit		-51,429			
- Repayment amortisable credit		-12,000			
- Decrease-increase drawdown of straight loan line	4,300,000	-950,000			
OPERATIONAL CASH FLOW AS AT 31/12/2019	9,304,399	-1,354,038	-1,649,160	-2,216,436	-7,124,258
					-3,039,492
References to cash flow	(1)	(2)	(3)	(4)	(5) + (6)

Investing activities			Operating activities					
Building acquisitions	Building disposals	Development projects	Result for the financial period	Interest on bank debts	Change in fair value Interest Swaps	Non-cash items	Change in working capital requirements	Change in non-current assets
-	2,546,172	-9,157,263	9,946,016	1,649,160	420,327	1,737,820	-4,215,283	10,200
		-6,611,091						**9,548,240**
(7)	(8)	(9) + (10)	(11)	(12)	(13)	(14)	(15)	(16) + (17)

NOTE 4 - Sectorial information (in €)

WEB SCA hold a property portfolio made up of 3 major sectors, namely, in decreasing order of importance: commercial buildings, logistics halls and offices. The sector "Other" includes land and residential rentals.

The description of WEB SCA's portfolio is explained in the chapter "Property Report".

STATEMENT OF FINANCIAL POSITION (IN €)

	Offices		Logistics halls	
	31/12/2018	31/12/2019	31/12/2018	31/12/2019
ASSETS				
I. Non-current assets				
C. Investment property	18,828,928	18,334,875	46,842,430	47,460,327
E. Non-current financial assets	-	-	-	-
G. Non-current trade receivables and other assets	-	-	-	-
II . Current assets				
A. Assets held for sale	-	400,001	2,654,544	819,421
B. Current financial assets	-	-	-	-
D. Trade receivables	280,933	288,978	859,057	909,473
E. Fiscal receivables and other current assets	375	375	2,390	2,194
F. Cash and cash equivalents	-	-	-	-
G. Adjustment accounts	53,061	51,582	174,435	124,408
TOTAL ASSETS	19,163,296	19,075,811	50,532,856	49,315,824
TOTAL SHAREHOLDERS' EQUITY				
A. Capital	-	-	-	-
B. Share premiums	-	-	-	-
C. Reserves	-	-	-	-
D. Net result for the financial period	1,122,582	-271,216	737,188	475,802
LIABILITIES				
I. Non-current liabilities				
B. Non-current financial debts	4,717	4,717	-	-
II. Current liabilities				
B. Current financial debts	-	-	-	-
C. Other current financial liabilities	-	-	-	-
D. Trade and other current payables	123,093	106,115	306,230	274,681
E. Other current liabilities	-	-	-	-
F. Adjustment accounts	357,964	276,007	768,003	754,915
TOTAL EQUITY AND LIABILITIES	1,608,356	115,623	1,811,421	1,505,398

Commercial		Other		Not allocated		Total	
31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019
						263,387,750	**270,986,534**
187,076,240	198,192,996	10,618,702	6,987,086	-	-	263,366,300	270,975,284
-	-	-	-	-	-	-	-
21,450	11,250	-	-	-	-	21,450	11,250
						8,742,883	**6,899,240**
1,166,758	-	-	-	-	-	3,821,302	1,219,422
2,449	2,449	-	-	-	-	2,449	2,449
2,640,836	3,177,704	154,530	202,121	-	-	3,935,356	4,578,276
10,046	23,697	-	25,000	-	-	12,811	51,267
-	-	-	-	305,355	203,012	305,355	203,012
322,446	449,779	103,730	137,982	11,937	81,063	665,609	844,815
191,240,226	**201,857,876**	**10,876,962**	**7,352,190**	**317,292**	**284,075**	**272,130,633**	**277,885,774**
						156,432,957	**157,038,279**
-	-	-	-	8,403,938	8,403,938	8,403,938	8,403,938
-	-	-	-	26,924,110	26,924,110	26,924,110	26,924,110
-	-	-	-	107,627,580	118,888,473	107,627,580	118,888,473
17,671,938	10,019,824	4,869,484	-278,394	-10,923,863	-7,124,258	13,477,329	2,821,758
						92,008,034	**96,676,568**
-	-	-	-	92,003,317	96,671,851	92,008,034	96,676,568
						23,689,642	**24,170,927**
-	-	-	-	12,249,875	15,604,274	12,249,875	15,604,274
-	-	-	-	1,523,938	1,944,265	1,523,938	1,944,265
1,223,000	1,147,062	69,419	40,438	4,791,194	1,596,572	6,512,935	3,164,869
-	-	-	-	24,856	24,859	24,856	24,859
2,119,826	2,254,842	132,245	177,152	-	-30,256	3,378,039	3,432,660
21,014,765	**13,421,728**	**5,071,147**	**-60,803**	**242,624,944**	**262,903,827**	**272,130,633**	**277,885,774**

INCOME STATEMENT (IN €)

	Offices		Logistics halls	
	31/12/2018	31/12/2019	31/12/2018	31/12/2019
NET RENTAL RESULT	**1,670,268**	**996,420**	**5,303,915**	**4,247,512**
PROPERTY RESULT	**1,369,697**	**921,474**	**4,969,177**	**3,969,126**
IX. Technical costs	-190,048	-147,868	-545,968	-491,661
X. Commercial costs	-12,405	-6,323	-31,219	-17,726
XI. Charges and duties on unrented properties	-	-	-	-
XII. Property management costs	-124,814	-81,737	-905,774	-764,648
XIV. Company general expenses	-58,710	-42,242	-435,292	-409,201
XV. Other operating income and expenses	-43,180	3,258	23,774	49,098
XVI. Result on sale of investment properties	253,659	-	182,222	-
XVIII. Changes in the fair value of investment properties [1]	29,101	-841,932	-1,781,917	-1,142,156
XIX. Other portfolio result	-	-	-	-
OPERATING RESULT	**1,223,300**	**-195,368**	**1,475,002**	**1,192,832**
FINANCIAL RESULT	**-100,707**	**-75,826**	**-737,741**	**-716,827**
RESULT BEFORE TAX	**1,122,593**	**-271,194**	**737,261**	**476,005**
TAXATION	**-12**	**-22**	**-73**	**-203**
NET RESULT	**1,122,582**	**-271,216**	**737,188**	**475,802**

NOTE 5 - Assessment of the fair value of investment properties (in €)

From the first application of IFRS 13, all the properties in the portfolio were classified in level 3 category ("fair value based mainly on unobservable data"), as defined by the standard.

The valuation of investment properties, properties held for sale (IAS 40.9.a), and property occupied by the Company (IAS 40.9.c), as shown in the financial statements as at 31 December 2019, is established at Fair Value.

It should be noted that, in the financial statements as at 31 December 2019, the Company occupies offices in the building located at 29 avenue Jean Mermoz at 6041 Gosselies, which is part of a site with a total built-on area of 20,592 m². This building has a total surface of 1,657 m², of which 441 m² are occupied by the Company. These offices are not subject to any separate valuation.

The assessment has been made by an independent evaluator with a relevant and recognised professional qualification, and recent experience as to the geographic situation and the categories of the investment properties which are the subject of the valuation (IAS 40.75.e).

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in a normal transaction between market participants at the date of the assessment.

Fair value hierarchy (IFRS 13.72 to 13.80)

Several valuation techniques are used by the Company's independent experts to determine the fair value of the properties in the portfolio. The valuation methods used by the Property Expert are detailed below.

In the Company's financial statements, all of the Company's investment properties are valued at fair value each quarter by the independent property expert. The fair value of a building corresponds to its investment value, namely its value including registration fees and other transaction costs (also called "value deed in hand"), from which a fixed rate reduction of 2.5% is deducted for properties with an investment value greater than €2.5 million, and 10% or 12.5%, depending on the region, for properties with an

(1) see Note 33. Negative change in the fair value of investment properties

Commercial		Other		Not allocated		Total	
31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019
14,127,892	**12,628,723**	**915,808**	**783,206**	**-**	**-**	**22,017,884**	**18,655,861**
14,031,853	12,664,659	658,976	586,588	-	-	21,029,703	18,141,847
-405,254	-660,816	-142,910	-148,866	-	-	-1,284,179	-1,449,211
-50,006	-87,678	-15,756	-15,304	-	-	-109,387	-127,031
-	-	-	-	-	-	-	-
-1,053,561	-933,852	-578,897	-427,324	-	-	-2,663,046	-2,207,561
-496,112	-501,147	-229,445	-217,036	-	-	-1,219,560	-1,169,626
95,846	323,987	9,220	55,310	-	-	85,659	431,653
-	83,121	-	-36,141	-	-	435,881	46,980
6,077,628	8,938	5,588,697	324,182	-	-	9,913,510	-1,650,967
336,958	-	-	-	-	-	336,958	-
18,537,353	10,897,212	5,289,885	121,408	-	-	26,525,539	12,016,084
-865,333	-877,144	-420,358	-399,689	-	-	-2,124,138	-2,069,487
17,672,020	10,020,068	4,869,527	-278,281	-	-	24,401,401	9,946,597
-82	-244	-43	-113	-	-	-209	-581
17,671,938	10,019,824	4,869,484	-278,394	-	-	24,401,192	9,946,016

investment value less than €2.5 million. This reduction rate of 2.5%, common to the SIR sector, results from an analysis by the independent expert of a large number of transactions observed in the market, and represents the average of the transaction costs actually paid during said transactions. The fair value thus obtained can be defined as the estimated amount for which, on the valuation date, an investment property can be negotiated between a willing buyer and a seller of an objective and rational transaction preceded by a negotiation, where the parties are well informed and willing to complete a transaction.

In the case of a valuation by capitalisation of income, the valuations are carried out on the basis of a calculation of the gross yield, where the gross market rents are capitalised. The valuations obtained are corrected on the basis of the net present value (NPV) of the difference between the current rent and the estimated rental value at the date of the valuation, covering the period until the next possibility of termination of current lease contracts. Reductions in rent and periods of free rental are taken into account. For properties which are completely or partially unoccupied, the valuation is calculated on the basis of the estimated rental value, minus the vacancy (in number of months) and costs (rental costs, advertising costs and rental benefits) for the unoccupied parts.

The yields used are specific for the type of property, the location, the state of maintenance and the rental possibilities of each building. The basis for determining yields is formed by taking account of similar transactions, supplemented by specific knowledge relating to the market and properties.

In the case of a valuation using the "Discounted Cash Flows" method, financial modelling is therefore carried out on the basis of an estimate of future positive and negative indexed income flows (on the basis of an "inflation rate"), to which a discount is applied (the "discount rate"), in order to reflect the value of these financial flows on the valuation date (the "net present value" or "NPV").

In the case of undeveloped land or land under development for which a permit has been obtained, the Expert applies the "residual value" method. This method consists of taking the realisable value of the property after development, and deducting the construction costs and the developer's profit margin from the same. The value thus obtained is the value at which the property could be sold in its current state to a developer. The unobservable data used is: estimated rental value and capitalisation rate (in order to determine the realisable value of the property after redevelopment); promotion margin (calculated on the basis of construction costs and reflecting the various risks associated with promotion such as permit risk, construction risk, future marketing risk and interest rate risk); and unforeseen costs (calculated on the basis of construction costs).

Finally, in the case of undeveloped land for which no permit has been filed or no programme has been drawn up, the Expert applies the "Comparable" method, enabling the determination of a price per m² of the existing land area. The basis for determining this price is therefore formed by taking account of similar transactions, supplemented by specific knowledge relating to the market and properties.

CHANGE IN VALUE OF THE PORTFOLIO OF PROPERTIES AVAILABLE FOR RENT (IN €)

	31/12/2018	31/12/2019
BALANCE AT CLOSING N-1	235,413,460	263,366,300
Acquisitions	32,053,075	-
Couillet - Basic Fit	*1,360,000*	-
Péruwelz - rue Neuve Chaussée	*11,261,530*	-
St-Georges-s/Meuse - Centre commercial St Georges	*19,431,544*	-
Development projects	1,689,622	5,771,927
Capitalised expenses	3,682,055	3,385,336
Recovery of VAT	-	-
Transfer of properties held for sale	-3,821,302	102,688
Binche - rue Zéphirin Fontaine	*-1,166,758*	-
Jumet - rue de l'Industrie [1]	*-2,654,544*	*502,688*
Courcelles - rue Général de Gaulle	-	*-400,000*
Divestments	-15,564,119	-
Eupen - Rue de l'Industrie	*-2,217,778*	-
Berchem - Albert Building	*-13,346,341*	-
Increase/(decrease) in fair value	9,913,510	-1,650,967
BALANCE AT CLOSING N	263,366,300	270,975,284

As at 31 December 2019, with regard to the properties held for sale, the Company sold the Binche building and part of the Jumet site located at rue de l'Industrie. These sales generated a small profit of €47k (see Heading 16 of the statutory income statement). The second lot located rue de l'Industrie remains registered in properties held for sale as at 31 December 2019, and steps are still ongoing. On the other hand, a building located in Courcelles with a value of €400k has been transferred to this heading. As a result of the above, Heading II A shows a balance of €1,219,000.

During the financial period, the Company invested €5,772,000 in the development of Site 9, which is fully leased (1,500 m² at OVS Garden, 2,000 m² at Centrakor, 200 m² at La Bella Tavola, 150 m² at Foody's corner and 3,000 m² at Intersport).

Overall, during the financial period, the net change in Fair Value which results from the compensation for upward and downward variations on the entire portfolio of properties available for rental, is -€1,651k:

- the sum of the positive changes in fair value for the financial period amounted to €11,299k; the most important variations noted being as follows:

Site 5 (Gosselies - chaussée de Fleurus): +€874k due to work increasing the value of the building and the consequent decrease in the capitalisation rate;

Site 9 (Gosselies - rue du Chemin de Fer): +€3,234k due to the completion of construction work on new commercial units on the Espace Nord site;

Site 13 (Gosselies - City Nord): +€408k due to the additional rental of 1,000 m² of parking space;

Site 26 (Lodelinsart - chaussée de Bruxelles): +€3,254k due to a commercial project which will lead to the opening of a new commercial centre in 2021;

Site 33 (Gosselies - avenue Jean Mermoz): +€930k due to a new lease signed, and capitalised works generating rental income;

Site 37 (Gerpinnes - Bultia Village): +€546k due to a new signed lease and capitalised works;

Site 39 (Dampremy): +€388k due to a new lease signed and capitalised works;

(1) This building has been divided into two separate cadastral parts in view of the sale. As regards the part still held for sale, the fair value dropped from €1,322K as at 31 December 2018 to €819K as at 31 December 2019, generating a negative variation of €502,688, which, included in "Transfer of properties held for sale", converts to +€502,688.

- the sum of the negative fair value variations for the financial period amounted to €12,950k; the most important variations noted being the following:

Site 5 (Gosselies - chaussée de Fleurus): -€406k, in particular due to investments that do not generate rental income;

Site 8 (Courcelles - rue de la Glacerie): -€1,735k due to the scheduled departure of Cedicora in January 2020;

Site 9 (Gosselies - rue du Chemin de Fer): -€897k due to the construction of new commercial units on the Espace Nord site in order to bring the fair value of all units back to normal market value;

Site 13 (Gosselies - City Nord): -€571k due to an incident which was not compensated for, and consequent works to the latter which did not contribute to the increase in rental income;

Site 15 (Rhode-St-Genèse): -€641k due to rental vacancy;

Site 20 (Courcelles - avenue Général de Gaulle): -€376k due to a rent reduction amendment at Shoe discount, and the anticipation of the 2020 sale of the Immo Cigna surface area;

Site 23 (Gosselies - RN 5): -€302k, in particular due to investments that do not generate rental income;

Site 26 (Lodelinsart - chaussée de Bruxelles): -€3,828k due to the end of the tenant's lease as at next 1st April. The site will be demolished to make way for a new commercial complex, for which a permit will be requested in 2020 (see above Positive change);

Site 33 (Gosselies - avenue Jean Mermoz): -€443k due to investments that do not generate rental income;

Site 38 (Courcelles - Lido shopping): -€109k to reflect current market expectations for peripheral commercial space;

Site 44 (Wierde - chaussée de Marche): -€184k due to investments that do not generate rental income;

Site 49 (Péruwelz - rue Neuve Chaussée): -€805k due to rental vacancy;

Site 50 (St-Georges-s/Meuse - rue Campagne du Moulin): -€327k following a revision of the estimated rental values for the rental units of JBC and Aldi.

Quantitative information regarding fair value measurement based on unobservable data (level 3)

1. AS AT 31 DECEMBER 2019

Asset category	Valuation technique	Unobservable data	Asset category - Minimum	Asset category - Maximum	Asset category - Weighted average
Logistics buildings	Capitalisation of the estimated rental value	Estimated Rental Value (ERV)	€15.00/m²	€45.00/m²	€34.56/m²
		Capitalisation rate	6.85%	11.50%	8.45%
Commercial buildings	Capitalisation of the estimated rental value	Estimated Rental Value (ERV)	€25.07/m²	€158.73/m²	€94.57/m²
		Capitalisation rate	5.62%	8.17%	6.39%
Office buildings	Capitalisation of the estimated rental value	Estimated Rental Value (ERV)	€55.00/m²	€120.00/m²	€108.78/m²
		Capitalisation rate	6.50%	13.36%	6.80%
Land without a permit	Comparable	Unit prices	€101.25/m²	€101.25/m²	€101.25/m²
Land with permit (under construction)	Residual value	Estimated Rental Value (ERV)	€110.00/m²	€135.00/m²	€113.70/m²
		Capitalisation rate	6.25%	6.25%	6.25%
		Promotion margin	20.00%	20.00%	20.00%
		Contingency costs	2.00%	2.00%	2.00%
Rented land	Discounted Cash Flow (DCF)	Discount rate	6.00%	7.00%	5.87%
		Inflation	1.50%	1.50%	1.42%
		Residual term (lease)	49.16 year(s)	50.00 year(s)	46.66 year(s)

Sensitivity of the fair value of properties to changes in unobservable data (in €)

In the event of the hypothetical adaptation of non-observable factors such as the ERV ("ERV"), the capitalisation rate ("Cap rate") and the passing rent ("Passing Rent"), all other things remaining equal, the fair value of the portfolio would vary as follows:

Properties	ERV +10%	ERV -10%
LOGISTICS BUILDINGS		
Jumet - Rue de l'Industrie 12	822,985	815,860
Gosselies - Avenue des Etats-Unis 90	1,103,925	969,460
Gosselies - Chaussée de Fleurus 157	10,610,836	9,150,591
Courcelles - Rue de la Glacerie 12	7,491,497	6,310,955
Gosselies - Rue de l'Escasse	1,004,081	832,348
Fleurus - Avenue de l'Espérance 1	1,299,926	1,101,978
Gosselies - Aéropôle	7,274,914	6,196,144
Gosselies - Rue des Emailleries 1-3	5,426,163	4,595,916
Marchienne-Au-Pont - Rue T. Bonehill 30	2,815,642	2,205,732
Gosselies - Avenue Jean Mermoz 29	14,369,971	12,255,011
TOTAL	**52,219,940**	**44,433,995**
COMMERCIAL BUILDINGS	211,753,684	181,381,831
TOTAL	**211,753,684**	**181,381,831**
OFFICE BUILDINGS		
Rhode-St-Genèse - Chaussée de Waterloo 198-200	14,868,452	12,482,283
Charleroi - Boulevard Joseph II 38-42	3,276,558	2,827,011
Jumet - Rue Frison 56	544,433	457,193
Courcelles - Avenue Général de Gaulle 12	422,608	377,393
Gosselies - Rue de Namur 138	1,160,370	1,037,134
TOTAL	**20,272,421**	**17,181,014**
LAND		
Loverval - Chaussée de Philippeville	304,740	304,740
Gerpinnes - Chaussée de Philippeville 212	1,081,228	1,081,228
Gosselies - Avenue Jean Mermoz 29	998,822	861,028
Dampremy - Chaussée de Bruxelles 100	4,656,217	4,656,217
TOTAL	**7,041,007**	**6,903,213**
GRAND TOTAL	**291,287,052**	**249,900,053**

The sensitivity of fair value to a change in the main unobservable data mentioned above is generally shown as follows (all other things being equal):

Unobservable data	Effect on Fair Value	
	in the event of a decrease in the value of the unobservable data	in the event of an increase in the value of the unobservable data
ERV/m²	negative	positive
Capitalisation rate	positive	negative
Inflation	negative	positive
Discount rate	positive	negative
Residual term (lease)	negative	positive

Cap Rate - 50bps	Cap Rate + 50bps	Passing Rent +1%	Passing Rent -1%
872,631	770,647	819,422	819,422
1,106,347	975,209	1,040,336	1,033,049
10,707,790	9,247,670	9,936,912	9,911,993
7,282,678	6,555,514	6,911,453	6,891,434
972,630	869,403	918,810	917,619
1,274,271	1,135,564	1,203,064	1,198,840
7,179,391	6,344,942	6,750,066	6,723,011
5,330,952	4,737,139	5,025,108	5,008,994
2,736,405	2,510,088	2,624,731	2,611,837
14,244,115	12,533,996	13,363,127	13,300,557
51,707,210	**45,680,172**	**48,593,029**	**48,416,756**
214,315,255	183,039,891	197,828,896	196,996,050
214,315,255	**183,039,891**	**197,828,896**	**196,996,050**
14,875,826	12,652,405	13,695,458	13,660,965
3,286,054	2,849,681	3,059,824	3,043,743
533,692	471,419	501,460	500,167
413,946	387,041	401,740	398,260
1,190,718	1,029,094	1,109,476	1,098,656
20,300,236	**17,389,640**	**18,767,958**	**18,701,791**
304,740	304,740	304,740	304,740
1,186,059	991,466	1,081,228	1,081,228
1,004,726	891,834	947,056	935,157
5,291,748	4,130,318	4,656,217	4,656,217
7,787,273	**6,318,358**	**6,989,241**	**6,977,342**
294,109,974	**252,428,061**	**272,179,124**	**271,091,939**

Use of properties

The effective management considers that the current use of investment properties stated at fair value on the balance sheet is optimal, taking into account the possibilities offered by the rental market and their current technical characteristics.

NOTE 6 - Non-current trade receivables and other assets (in €)

	2018	2019
G. Non-current trade receivables and other assets	**21,450**	**11,250**

As part of the early termination of the "B&B Distribution SPRL" lease following the merger/absorption by "Orchestra" of the brand "Prémaman", the lessor paid the outgoing tenant the sum of €75k. In return, the incoming tenant "Celio" will pay an additional rent in proportion for the first 9 years (till August 2022).

NOTE 7 - Assets held for sale (in €)

INVESTMENT PROPERTY	2018	2019
A. Assets held for sale	**3,821,302**	**1,219,422**
- Investment property	3,821,302	1,219,422

Description of the facts and circumstances of the sale - IFRS 5.41 (b&c)

As part of its commercial strategy, the Company takes care to maintain relevant rental units in its property portfolio. This approach leads the Company to periodically sell properties that are no longer relevant, whether in terms of modernity, location or other criteria making the unit less attractive to rent.

In the financial statements as at 31 December 2019, two properties were reclassified as "Properties held for sale", namely:

LOGISTICS BUILDINGS	Rental income for the financial period	Fair Value as at 31/12/2019	Probable selling price
Site 1 - Jumet	80,000	819,422	1,200,000
COMMERCIAL BUILDINGS	**Rental income for the financial period**	**Fair Value as at 31/12/2019**	**Probable selling price**
Site 20 - Courcelles	75,104	400,000	400,000

These properties will be sold as they are; their sales should take place in the 1st half of 2020.

NOTE 8 - Trade receivables and doubtful debts (in €)

Trade receivables arise either from rentals, from the re-invoicing of rental charges, or from the re-invoicing of duties.

The risk linked to trade receivables (risk linked to tenants) is described in the "Risk factors" section of the annual report.

The Company does not have a customer whose rental income corresponds to 10% or more of the total rental income. The Top 10 tenants are included in the chapter "Property report". Please also refer to the risk report, risk no. 7 relating to tenants/vacant rentals.

Proximity with tenants and frequent interchanges also make it possible to anticipate, as far as possible, any financial problems and, if necessary, to find adequate solutions with these tenants.

When arrears are noted despite the measures taken, an analysis of the potential risk incurred by the Company on the basis of its experience and historical data of the customer, its profile, its solvency, the guarantees issued, etc. is carried out.

In the event of non-payment 30 days after the due date, at the discretion of the case manager, a formal notice will be sent by registered mail to the debtor. In the absence of a reaction from the latter, the file will be sent to the Company's legal counsel, all costs and interest being borne by the debtor.

As at 31 December 2019, the item "Doubtful debts" increased by €13,489, with a cumulative balance of €672,340.

The change in doubtful debts is detailed below.

SEGMENTATION OF THE "TRADE RECEIVABLES" BALANCE	2018	2019
D. Trade receivables	**3,935,356**	**4,578,276**
Customers	3,612,413	4,269,015
Customer credit balances	-	-
Invoices pending	130,822	241,172
Credit notes receivable	3,883	-
Doubtful debtors	658,851	672,340
Impairment charges for doubtful debts	-470,614	-604,251
SEGMENTATION OF THE CUSTOMER BALANCE BY AGEING	**2018**	**2019**
Customers	**3,612,413**	**4,269,015**
Due <30 Days	2,748,848	2,842,828
Due 30 - 59 days	118,456	224,180
Due 60 - 89 days	127,429	60,182
Due > 90 days	617,680	1,141,825
SEGMENTATION OF THE "CUSTOMER" BALANCE BY TYPE OF TENANT	**2018**	**2019**
Customers	**3,612,413**	**4,269,015**
Public institutions	24,244	13,721
Companies	3,507,407	4,219,041
Natural persons	80,762	36,253
DOUBTFUL DEBTORS - TABLE OF MOVEMENTS	**2018**	**2019**
Prior period closing balance	**499,566**	**658,851**
Amount of receivables reclassified as Doubtful debtors	516,560	314,430
Amount of receivables considered doubtful and having been recovered from said customers	-107,181	*-172,338*
Amount of doubtful debts definitively lost for which a write-off has been recorded	-250,094	-128,603
Closing balance at end of financial period	**658,851**	**672,340**
REDUCTIONS IN VALUE RECORDED FOR DOUBTFUL DEBTORS - TABLE OF MOVEMENTS	**2018**	**2019**
Prior period closing balance	**-475,124**	**-470,614**
Amount of new write-downs in value recorded	-390,556	-314,430
Amount of write-downs in value reversed due to the recovery of doubtful debts	110,211	*88,350*
Amount of write-downs in value reversed relating to definitively lost receivables for which a write-off has been recorded	284,855	92,443
Closing balance at end of financial period	**-470,614**	**-604,251**

The impairment charges recorded for doubtful debts on the balance sheet increased by €133,637. However, under heading III.B. and C. of the income statement – write-downs and reversals of write-downs, the impact on the result is -€133,833. The difference between the two figures is explained by the VAT to be recovered on bad debts for an amount of -€196.

It should be noted that, in 2019, the days' sales outstanding of line item II.D. Receivables deteriorated by 1.34%, adversely impacting working capital requirements.

DAYS' SALES OUTSTANDING		2018	2019
Trade receivables (Assets II.D.)	a	€3,935,356	€4,578,276
Rents (Comprehensive result I.A)	b	€22,031,524	€18,863,740
Duration of year in days	c	456	365
Days Sales Outstanding	d = (a : b) x c	81.5	88.6

NOTE 9 - Fiscal receivables and other current assets (in €)

	2018	2019
E. Fiscal receivables and other current assets	**12,811**	**51,267**
Other	12,811	51,267

The balance of this heading corresponds to a VAT claim to be recovered on doubtful debts on the closing date, as well as €25k pending from the sale of Green Power Kart, which will be released upon acceptance of the rectified permit at the start of 2020.

NOTE 10 - Cash and cash equivalents (in €)

	2018	2019
F. Cash and cash equivalents	305,355	203,012

The balances indicated correspond to availability on a current account and there is no cash equivalent. IAS 7.48 does not apply.

The Company still shows a current account balance of €203k in its financial statements as at 31 December 2019. This balance is the result of permanent repayments and loan arbitrations in order to minimise the financial interest expense for the financial period.

As a result, the Company has signed available credit lines for €137,362k, of which only €112,062k was used as at 31 December 2019, which gives it a residual and additional credit capacity of €25,300k, immediately available.

NOTE 11 - Asset adjustment accounts (in €)

	2018	2019
G. Adjustment accounts	**665,609**	**844,815**
Property charges paid in advance	240,349	317,166
Other	425,260	527,649

The "property charges paid in advance" mainly result from:

- insurance premiums for 2020 for €4,346,
- prepayment of maintenance services around the Company's sites for €61,963,
- accrual of brokerage commissions over the duration of the re-renting of the properties concerned for €79,934,
- accrual of rental gratuities for €170,923.

The “Other” line item mainly consists of:

- requests for tax relief for property withholding tax and for duties for a total amount of €268,140,
- bank interest receivable for an amount of €5,322,
- the application of the VAT circular concerning commercial centres, published at the end of 2012, which enabled the Company to provision a recovery of €120,000 on its general costs,
- claims compensation due, on the closing date, for an amount of €85,111.
- other miscellaneous adjustments for €49,077.

NOTE 12 - Share capital

Capital - IAS 1.34

The objective of the Company relating to its equity (as shown in the statutory financial statements) is to guarantee its continuity, to offer a sustainable return to the shareholders, and to generate added value for the other interested parties, as well as to maintain a capital structure which is aimed at lowering its financing costs.

In this spirit, the company's objectives include maximising its return on a constant scope basis, as well as applying a strict acquisition policy which allows it to manage its debt ratio. These operational dimensions are subject to the company's strategy.

The Company's debt ratio therefore remains a prudently managed dimension, both for the purpose of limiting the Company's exposure to upward fluctuations in interest rates, and in order not to precipitate the opening up of its capital, since the latter is the most expensive source of funding for the Company.

For more information on the Company's debt ratio, please refer to the cash flow table set out after the Statement of Financial Position.

Shareholding structure and declaration of significant holdings during the period under review

In application of the legal rules relating to the disclosure of significant holdings in issuers whose shares are admitted to trading on a regulated market, and in addition to the legal thresholds, Article 17 paragraph 2 of WEB SCA's Articles of Association also provides for a threshold set at 3%, the exceeding of which gives rise to a notification obligation.

The same notification is also compulsory in the event of a direct or indirect transfer of securities conferring the right to vote, if, following this transfer, the voting rights fall below one of the thresholds referred to above.

If, as a result of events which change the distribution of voting rights, the percentage of voting rights attached to securities, held directly or indirectly, reaches, exceeds or falls below the thresholds set above, the same notification is mandatory, even if there has been no acquisition or transfer.

The notification must be made as soon as possible, and at the latest within four (4) trading days, starting on the trading day following the date on which the person required to notify becomes aware of the acquisition or transfer, or of the right to exercise voting rights, or of which said person should have been aware, having regard to the circumstances.

Finally, a declaration is also required if persons acting in concert conclude, modify or terminate their agreement, with the consequence that their voting rights reach, exceed or fall below one of the abovementioned thresholds.

At WEB SCA level, there is a concert agreement between the members of the WAGNER family (namely Mr Robert Jean WAGNER, Mr Robert Laurent WAGNER, Ms Valérie WAGNER, Ms Claire FONTAINE and Ms Jarmila SCHREILOVA), both directly and through the Stichting Administratie Kantoor Valaur. Concerted shareholding concerns the exercise of voting rights, with a view to carrying out a sustainable common policy, as well as the acquisition and transfer of securities conferring the right to vote. In total, this concerted shareholding represents 47.80% of the total voting rights.

Based on the information received as at 31 December 2019, the shareholding structure of WEB SCA is established as set out in the "Management report" section, under "Shareholding of WEB SCA" of this report.

Changes in the share capital of the SIR

As at 31 December 2019, the share capital of WEB SCA amounted to €10,000,000. It is represented by 3,166,337 shares without a given nominal value, all fully paid up, each representing one / three million one hundred and sixty-six thousand three hundred and thirty-seventh (1/3,166,337th) part of the capital, and conferring the same rights and benefits. The capital may be subscribed to and paid up, both by the General Partner WEPS SA, and by the Shareholders.

	Share capital	Number of shares	Comments
17/09/1998	€4,969,837	2,028,860	IPO
26/02/1999	€ 4,973,268	2,028,996	Issue of 136 shares following the merger by absorption of SA IMMOWA
6/10/2000	€4,984,671	2,029,982	Issue of 986 shares following the merger by absorption of SA CEMS and SA WINIMO
	€5,000,000	2,029,982	Conversion of capital into euros, and increase of the latter by €15,329 by capitalisation of results brought forward
30/09/2004	€6,700,000	2,302,791	Issue of 272,809 shares following the merger by absorption of SA IMOBEC
8/12/2010	€9,212,498	3,166,337	Issue of 863,546 shares following a capital increase with preferential rights
30/06/2011	€10,000,000	3,166,337	Increase in share capital by incorporation of the "Share Premium" account for an amount of €787,502

NOTE 13 - Reserves (in €)

	2018	2019
C. Reserves	**107,627,580**	**118,888,473**
a. Legal Reserve[1]	40,376	40,376
b. Reserve for the balance of variations in fair value of property	90,723,096	97,986,614
c. Reserve for estimated costs and transfer rights arising from the hypothetical disposal of investment properties	-8,459,540	-8,724,958
e. Reserve for the balance of variations in fair value of authorised hedging instruments to which hedge accounting as defined in IFRS is not applied	-1,482,198	-1,523,938
m. Other reserves	2,455,361	-
n. Results brought forward from prior periods	24,350,485	31,110,380

The reserves are shown before allocation of the result for the financial period, which will be subject to the approval of the Ordinary General Meeting of 28 April 2020.

For more details, we refer to Point 1. "Statement of changes in equity" at the beginning of the financial section of this report.

NOTE 14 - Categories of financial instruments (in €)

	2018		2019		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
FINANCIAL ASSETS					
Financial assets available for sale	**-**	**-**	**-**	**-**	**Level 3**
Loans and receivables					
Deposits paid	-	-	-	-	Level 2
Trade receivables	3,935,356	3,935,356	4,578,276	4,578,276	Level 2
Other receivables	12,811	12,811	51,267	51,267	Level 2
Cash and cash equivalents	**305,355**	**305,355**	**203,012**	**203,012**	**Level 2**
FINANCIAL LIABILITIES					
Fair value through income statement					
Authorised hedging instruments	1,523,938	1,523,938	1,944,265	1,944,265	Level 2
Amortised cost					
Short-term financial debts	12,249,875	12,249,875	15,604,274	15,604,274	Level 2
Long-term financial debts	92,008,034	92,029,659	96,676,568	96,709,741	Level 2
Trade payables	1,721,741	1,721,741	1,568,297	1,568,297	Level 2
Other payables	24,856	24,856	24,859	24,859	Level 2

The fair value of financial instruments is prioritised according to IFRS 13 in 3 levels (1 to 3) each corresponding to a degree of observability of the fair value:

- Level 1 fair value measurements are those based on quoted prices (unadjusted) on the financial markets for identical assets or liabilities;
- Level 2 fair value measurements are those based on data other than quoted prices at Level 1, and are observable, either directly (i.e. prices) or indirectly (i.e. data derived from prices);

(1) This is an old legal reserve (previously constituted).

- Level 3 fair value measurements are those based on valuation techniques that are not based on observable market data (unobservable data).

The fair value of financial instruments has been determined using the following methods:

- for short-term financial instruments, such as trade receivables and debts, the fair value is considered to be not significantly different from the book value, on the basis of the amortised cost;
- for variable rate loans, the fair value is considered to be not significantly different from the book value, on the basis of the amortised cost;
- for fixed rate loans, the fair value is determined by discounting future rates based on a market rate on the closing date;
- for interest rate hedging instruments, the fair value is determined by discounting future cash flows based on forward interest rate curves, on the closing date.

NOTE 15 - Non-current liabilities (in €)

	2018	2019
I. Non-current liabilities	**92,008,034**	**96,676,568**
A. Provisions	**-**	**-**
B. Non-current financial debts	**92,008,034**	**96,676,568**
- Credit institutions	91,861,475	96,457,437
- Amortisable investment credit BNP Paribas Fortis	*14,616*	*1,150*
- Amortisable investment credit BNP Paribas Fortis	*58,462*	*4,601*
- Amortisable investment credit BNP Paribas Fortis	*630,682*	*557,400*
- Roll over BNP Paribas Fortis	*-*	*5,000,000*
- Roll over Belfius	*8,500,000*	*8,500,000*
- Roll over BNP Paribas Fortis	*13,000,000*	*13,000,000*
- Roll over Belfius	*13,000,000*	*13,000,000*
- Roll over Belfius	*2,280,000*	*2,280,000*
- Roll over Belfius	*6,080,000*	*6,080,000*
- Roll over Belfius	*6,840,000*	*6,840,000*
- Roll over Belfius	*-*	*-*
- Roll over Belfius	*-*	*-*
- Roll over Belfius	*-*	*-*
- Roll over BNP Paribas Fortis	*3,800,000*	*3,800,000*
- Roll over BNP Paribas Fortis	*700,000*	*700,000*
- Roll over BNP Paribas Fortis	*350,000*	*150,000*
- Bullet investment credit BNP Paribas Fortis	*4,000,000*	*4,000,000*
- Bullet investment credit Belfius	*3,000,000*	*3,000,000*
- Bullet investment credit BNP Paribas Fortis	*5,000,000*	*5,000,000*
- Bullet investment credit Belfius	*9,500,000*	*9,500,000*
- Bullet investment credit BNP Paribas Fortis	*9,000,000*	*9,000,000*
- Bullet investment credit BNP Paribas Fortis	*6,000,000*	*6,000,000*
- Amortisable investment credit BNP Paribas Fortis	*85,715*	*34,286*
- Amortisable investment credit BNP Paribas Fortis	*22,000*	*10,000*
- Rental guarantees received	146,559	219,131

In its financial statements as at 31 December 2019, the Company had invested €5,772k in development projects (site 9) and €3,385k in property works.

To finance the above, the Company renewed a RO of €5,000k with BNP Paribas Fortis, which had expired on 30 November 2018.

The line item "Credit institutions" includes:

1. The long-term investment loans subscribed to by the subsidiary "Bromley SA", absorbed on 30 June 2011, as detailed below:

a. On 30 December 2005, the absorbed company "Bromley SA" entered into a fixed rate credit opening contract with the bank BNP Paribas Fortis at a rate of 4.53%, and for an amount of €150k. This contract was entered into for a period of 15 years, and its expiry is therefore scheduled for 1st January 2021;

b. On 30 December 2005, the absorbed company "Bromley SA" entered into a fixed rate credit opening contract with BNP Paribas Fortis bank at a rate of 4.53%, and for an amount of €600k. This contract was entered into for a period of 15 years, and its expiry is therefore scheduled for 6 January 2021;

c. On 9 July 2007, the absorbed company "Bromley SA" entered into a fixed rate credit opening contract with the bank BNP Paribas Fortis at a rate of 2.68%, and for an amount of €1,318,000. This contract was entered into for a period of 20 years, and its expiry is therefore scheduled for 30 September 2027.

The rights and obligations related to these credit lines have been fully transferred to the Company.

2. The long term Roll Overs detailed below:

a. On 23 September 2016, the Company entered into a variable rate credit opening contract with Belfius Bank for €8.5M. This contract will end on 30 September 2023. The interest rate is set on the basis of the 3-month Euribor plus 0.85% per year.

   A non-use commission of 0.20% per year is payable quarterly per period started, calculated pro rata temporis on the unused amounts of the credit line;

b. On 15 January 2016, the Company entered into a variable rate credit opening contract with BNP Paribas Fortis bank for an amount of €13M. This contract will end on 31 January 2021. The interest rate is set on the basis of the 3-month Euribor plus 1.10% per year.

   A non-use commission of 0.20% per year is payable quarterly per period started, calculated pro rata temporis on the unused amounts of the credit line;

c. On 23 September 2016, the Company entered into a variable rate credit opening contract with Belfius Bank for €13M. This contract will end on 12 August 2021. The interest rate is set on the basis of the 3-month Euribor plus 0.98% per year.

   On 26 April 2019, this credit was extended until 12 May 2025. The interest rate to be applied as from 13 August 2021 is the 3-month Euribor plus 1.13%.

d. On 26 April 2019, this credit was extended until 12 May 2025. The interest rate to be applied as from 13 August 2021 is the 3-month Euribor plus 1.13%.

   A non-use commission of 0.20% per year is payable quarterly per period started, calculated pro rata temporis on the unused amounts of the credit line. As from 13 August 2021, the non-use commission will be 0.35% per year;

e. On 16 March 2017, the Company entered into a variable rate credit opening contract with BNP Paribas Fortis bank for an amount of €3.8M. This contract will end on 30 April 2024. The interest rate is set on the basis of the 3-month Euribor plus 1.15% per year.

   A non-use commission of 0.1085% per year is payable quarterly per period started, calculated pro rata temporis on the unused amounts of the credit line;

f. On 16 March 2017, the Company entered into a variable rate credit opening contract with BNP Paribas Fortis bank for an amount of €0.7M. This contract will end on 30 April 2024. The interest rate is set on the basis of the 3-month Euribor plus 1.15% per year.

   A non-use commission of 0.1085% per year is payable quarterly per period started, calculated pro rata temporis on the unused amounts of the credit line;

g. On 26 June 2017, the former subsidiary Centre Commercial Saint Georges SA, absorbed on 1st September 2018 from an accounting viewpoint, entered into a variable rate credit opening contract with BNP Paribas Fortis bank for an amount of €1.15M. This contract will end on 30 June 2023. The interest rate is set on the basis of the 3-month Euribor plus 1.25% per year.

   A non-use commission of 0.25% per year is payable quarterly per period started, calculated pro rata temporis on the unused amounts of the credit line;

h. On 24 May 2018, the Company entered into a variable rate credit opening contract with the Belfius bank for an amount of €2.28M. This contract will end on 30 June 2025. The interest rate is set on the basis of the 3-month Euribor plus 1.07% per year.

   A non-use commission of 0.35% per year is payable quarterly per period started, calculated pro rata temporis on the unused amounts of the credit line;

i. On 24 May 2018, the Company entered into a variable rate credit opening contract with the Belfius bank for an amount of €6.08M. This contract will end on 30 June 2024. The interest rate is set on the basis of the 3-month Euribor plus 0.97% per year.

   A non-use commission of 0.35% per year is payable quarterly per period started, calculated pro rata temporis on the unused amounts of the credit line;

j. On 24 May 2018, the Company entered into a variable rate credit opening contract with the Belfius bank for an amount of €6.84M. This contract will end on 30 June 2022. The interest rate is set on the basis of the 3-month Euribor plus 0.67% per year.

   A non-use commission of 0.20% per year is payable quarterly per period started, calculated pro rata temporis on the unused amounts of the credit line.

k. On 3 January 2019, the Company renewed a variable rate credit opening contract with BNP Paribas Fortis bank for an amount of €5M. This contract will end on 2 January 2025. The interest rate is set on the basis of the 3-month Euribor plus 0.90% per year.

   A non-use commission of 0.145% per quarter is calculated on the unused amount of the credit.

l. On 30 September 2019, the Company entered into a variable rate credit opening contract with the Belfius bank for an amount of €6.6M, made available on 31 December 2019. This credit line will end 6 years after the first drawdown, not yet made as at 31 December 2019.

   A non-use commission of 0.35% per quarter is calculated on the unused amount of the credit.

m. On 30 September 2019, the Company entered into a variable rate credit opening contract with the Belfius bank for an amount of €2.64M, made available on 31 December 2019. This credit line will end 7 years after the first drawdown, not yet made as at 31 December 2019.

   A non-use commission of 0.35% per quarter is calculated on the unused amount of the credit.

n. On 30 September 2019, the Company entered into a variable rate credit opening contract with the Belfius bank for an amount of €3.96M, made available on 31 December 2019. This credit line will end 7 years after the first drawdown, not yet made as at 31 December 2019.

   A non-use commission of 0.35% per quarter is calculated on the unused amount of the credit.

3. The long-term investment credits detailed below:

a. On 30 June 2016, the Company entered into a 1.10% fixed-rate credit opening contract with Belfius bank for an amount of €3M. This contract will end on 30 April 2021;

b. On 26 September 2016, the Company entered into a 0.95% fixed-rate credit opening contract with BNP Paribas Fortis bank for an amount of €5M. This contract will end on 30 September 2021;

c. On 23 September 2016, the Company entered into a 1.15% fixed-rate credit opening contract with Belfius Bank for €9.5M. This contract will end on 30 September 2023;

d. On 16 March 2017, the Company entered into a 1.60% fixed-rate credit opening contract with BNP Paribas Fortis bank for an amount of €9M. This contract will end on 30 April 2024;

e. On 26 June 2017, the former subsidiary Centre Commercial St Georges SA, absorbed on 1st September 2018 from an accounting viewpoint, entered into a 1.57% fixed-rate credit opening contract with BNP Paribas Fortis bank for an amount of €6M. This contract will end on 30 June 2023;

f. On 26 November 2016, the former subsidiary Centre Commercial Saint Georges SA, absorbed on 1st September 2018 from an accounting viewpoint, entered into a 1.00% fixed-rate credit opening contract with BNP Paribas Fortis bank for an amount of €60k. This contract will end on 26 November 2021;

g. On 19 November 2015, the former subsidiary Centre Commercial Saint Georges SA, absorbed on 1st September 2018 from an accounting viewpoint, entered into a 1.89% fixed-rate credit opening contract with BNP Paribas Fortis bank for an amount of €0.3M. This contract will end on 19 August 2021;

h. On 30 November 2017, the Company entered into a 1.48% fixed-rate credit opening contract with BNP Paribas Fortis bank for an amount of €4M. This contract will end on 30 November 2022.

The “Rental guarantees received” heading is explained as follows:

Part of the rental guarantees is paid directly to the Company's bank accounts. At the end of the lease, an inventory is organised in the presence of the parties concerned. If there is nothing to the contrary, the rental guarantee is then returned to the tenant. Otherwise, the guarantee is used to return the rental property to its original state.

NOTE 16 - Current financial debts and derivative instruments (in €)

	2018	2019
B. Current financial debts	**12,249,875**	**15,604,274**
- Straight loan Belfius bank	900,000	5,200,000
- Straight loan BNP Paribas Fortis bank	11,150,000	10,200,000
- Short-term loans BNP Paribas Fortis	12,862	13,465
- Short-term loans BNP Paribas Fortis	51,448	53,861
- Short-term loans BNP Paribas Fortis	72,136	73,519
- Short-term loans BNP Paribas Fortis	51,429	51,429
- Short-term loans BNP Paribas Fortis	12,000	12,000
C. Other current financial liabilities	**1,523,938**	**1,944,265**
- Fair value of derivative instruments	1,523,938	1,944,265

DETAILED TABLE OF USES OF BANK CREDITS AS AT 31/12/2019, AND FUTURE CASH FLOWS ARISING FOR THE COMPANY

	Building	Organisation	Type	Rate	End of loan date	Rate
31/12/2019	Berchem	BNP Paribas Fortis	LT	Fixed	06/01/2021	4.53%
	Berchem	BNP Paribas Fortis	LT	Fixed	01/01/2021	4.53%
	Berchem	BNP Paribas Fortis	LT	Fixed	30/09/2027	2.68%
	All	Belfius	LT	Variable	30/09/2023	Euribor + fixed margin
	Rhode-St-Genèse	BNP Paribas Fortis	LT	Variable	31/01/2021	Euribor + fixed margin
	All	Belfius	LT	Variable	12/05/2025	Euribor + fixed margin
	All	BNP Paribas Fortis	ST	Variable	Indefinite	Euribor + fixed margin
	All	Belfius	ST	Variable	Indefinite	Euribor + fixed margin
	All	Belfius	LT	Fixed	30/04/2021	1.10%
	All	BNP Paribas Fortis	LT	Fixed	30/09/2021	0.95%
	All	Belfius	LT	Fixed	30/09/2023	1.15%
	All	BNP Paribas Fortis	LT	Fixed	30/11/2022	1.48%
	St-Georges	BNP Paribas Fortis	LT	Variable	30/04/2024	Euribor + fixed margin
	St-Georges	BNP Paribas Fortis	LT	Variable	30/04/2024	Euribor + fixed margin
	St-Georges	BNP Paribas Fortis	LT	Variable	30/06/2023	Euribor + fixed margin
	St-Georges	BNP Paribas Fortis	LT	Fixed	30/04/2024	1.60%
	St-Georges	BNP Paribas Fortis	LT	Fixed	30/06/2023	1.57%
	St-Georges	BNP Paribas Fortis	LT	Fixed	26/11/2021	1.00%
	St-Georges	BNP Paribas Fortis	LT	Fixed	19/08/2021	1.89%
	Development Site 9	BNP Paribas Fortis	LT	Variable	02/01/2025	Euribor + fixed margin
	Péruwelz	Belfius	LT	Variable	30/06/2025	0.76%
	Péruwelz	Belfius	LT	Variable	30/06/2024	0.66%
	Péruwelz	Belfius	LT	Variable	30/06/2022	0.67%
	Alleur 2020 [2]	Belfius	ST	Variable	31/12/2026	1.34%
	Alleur 2020 [2]	Belfius	ST	Variable	31/12/2027	1.41%
	Alleur 2020 [2]	Belfius	ST	Variable	31/12/2027	1.41%

(1) IRS = interest rate swap, where the Company receives the variable rate and pays the contractual fixed rate).
(2) subscribed to on 30/09/2019, and drawn down post-closing on 22/01/2020 for the acquisition of the subsidiary BPA SA in Alleur, of which 100% of the shares representing the share capital have been acquired.

Continuing its financial policy, the Company maintains its policy of financing in the long-term, consideration that it is necessary to finance its property assets, invested in the long term, with long-term loans.

Given the fact that the Company finances all of its property works or its acquisitions by bank loans, and taking into account the persistent uncertainty linked to changes in the 3-month Euribor rate, the Company applies a prudent strategy which consists, either of borrowing at a fixed rate, or at a variable rate with IRS coverage.[1]

The table below sets out the Company's future commitments until the expiration of these various contracts, in accordance with IFRS 7.39 (a). The calculated interest amounts correspond to the undiscounted contractual cash flows, in accordance with IFRS 7.B11D.

< or = 1 year Nominal	> 1 year and < 5 years Nominal	> 5 years Nominal	Nominal - total 31/12/2019	Gross contractual interest - total 31/12/2019
€53,861	€4,601	€-	€58,462	€1,578
€13,465	€1,150	€-	€14,616	€395
€74,121	€317,445	€239,353	€630,918	€82,439
€-	€8,500,000	€-	€8,500,000	€329,484
€-	€13,000,000	€-	€13,000,000	€102,384
€-	€-	€13,000,000	€13,000,000	€580,656
€10,200,000	€-	€-	€10,200,000	€102,000
€5,200,000	€-	€-	€5,200,000	€57,200
€-	€3,000,000	€-	€3,000,000	€44,060
€-	€5,000,000	€-	€5,000,000	€83,386
€-	€9,500,000	€-	€9,500,000	€410,888
€-	€4,000,000	€-	€4,000,000	€173,209
€-	€3,800,000	€-	€3,800,000	€175,281
€-	€700,000	€-	€700,000	€32,289
€-	€150,000	€-	€150,000	€3,375
€-	€9,000,000	€-	€9,000,000	€243,361
€-	€6,000,000	€-	€6,000,000	€330,476
€12,000	€10,000	€-	€22,000	€214
€51,429	€34,286	€-	€85,715	€1,440
€-	€-	€5,000,000	€5,000,000	€199,186
€-	€-	€2,280,000	€2,280,000	€98,906
€-	€6,080,000	€-	€6,080,000	€188,171
€-	€6,840,000	€-	€6,840,000	€52,092
€15,604,876	**€75,937,482**	**€20,519,353**	**€112,061,711**	**€3,292,471**
		€6,600,000	€-	€-
		€2,640,000	€-	€-
		€3,960,000	€-	€-
€15,604,876	**€75,937,482**	**€33,719,353**	**€112,061,711**	**€3,292,471**

The Company's financing rate as at 31 December 2019 is 1.47%, including rate hedges, calculated as follows: €1,645,835/€112,061,719 = 1.47%. This percentage is included in the Risk Report of this Annual Report as risk no. 14 - Treasury. As at 31 December 2019, the Company maintained the average term of its loans at 3.4 years, and its IRS coverage ratio of its floating rate loans at 75.85% (see Note 17).

WEB SCA is exposed to the liquidity risk linked to the renewal of its maturing financing, or for any additional financing necessary to fulfil its commitments. The Company could also be exposed to this risk in the context of the termination of its financing contracts. However, it should be noted that it has €25 million in credit lines already granted and unused at the end of the financial period, with a view to carrying out in particular the acquisitions announced in its press release of 27 November 2019.

The Company has developed a prudent financial and indebtedness policy based on:

- a controlled debt ratio;
- constant work on extending the maturity of the debt, within the limits of the financial institutions' offer;
- permanent negotiation of rates with competing financial institutions;
- not locking up cash as part of its working capital requirements.

For more details, see the risk report (risk 14) as set out in the first part of this report.

As the Company is financed through bank loans, sometimes contracted at floating rates, it is aware of a certain level of potential financial risk linked to a possible increase in short-term Euribor rates. For more details, see the "Risk report" (risk 17), as set out in the 1st part of this document.

The Company depends, as part of its growth, on borrowings from financial institutions which could have a different strategic reading of the development of the property market. For more details, see the "Risk report" (risk 19), as set out in the first part of this document.

The Company is aware that the contracting of a financing or a hedging instrument with a financial institution creates a counterparty risk in the event of default by that institution. For more details, see the "Risk report" (risk 20), as set out in the first part of this document.

In the context of its financing from credit institutions, the Company undertakes to comply with a certain number of possibly resolutory conditions for said credits. For more details, see the "Risk report" (risk 22), as set out in the 1st part of this report.

Contractual covenants with partner banks

The general conditions for the opening of credits to companies can be obtained on request from the financial institutions concerned.

WEB SCA declares that it has full ownership of all of its assets and holdings detailed in its annual accounts, which are not and/or will not be encumbered by any right, lien, mortgage or seizure.

WEB SCA undertakes to maintain the status of a regulated property company (SIR), and to comply with its legal framework, in accordance with the Law of 12 May 2014 and its Royal Decree of 13 July 2014, and their successive adaptation(s).

Additionally, the Company undertakes not to exceed a maximum debt ratio of 55% of the assets or, if applicable, a lower debt ratio as imposed by the Financial Services and Markets Authority (FSMA). The indebtedness is calculated in accordance with the provisions of the Royal Decree relating to SIRs.

WEB SCA undertakes to entrust its financial partners with a volume of financial transactions proportional to the credit lines granted.

The Company undertakes to comply with a debt coverage ratio ("Debt service cover ratio" or "DSCR") > 2, on a non-consolidated basis, as long as the Bank has not been fully reimbursed in principal, interests and accessory costs.

As at 31 December 2019, the Company's statutory financial statements show a DSCR = 11.2 calculated as follows: Rents (See Heading I.a Rents) / (XXI. Net interest charges (see Heading XXI) + Capital repayment of investment loans (see Note 15)) => 18,863,740 / (1,645,835+ 40,808).

In addition, WEB SCA undertakes, throughout the term of the credit, to apply the same accounting rules as those which were applied to the previous figures published.

NOTE 17 - Hedging instrument contracts (in €)

In order to cover the fluctuation risk of the 3-month Euribor rate paid on variable-rate financial debts, the Company has entered into a certain number of conventional IRS contracts.

In the financial statements as at 31 December 2019, the nominal value of all of these rate hedges is €56.7M. This amount of €56.7M can be compared to a total amount of variable-rate bank loans of €74.8M, which gives a coverage rate of[1] 75.85%, the details of which are given in the table pages 125-126.

The table below shows the Company's future commitments up to the expiry of these rate hedging contracts, in accordance with IFRS 7.39 (b). The calculated interest amounts correspond to the undiscounted contractual cash flows, in accordance with IFRS 7.B11D.

31/12/2019

Organisation	End date	Nominal IRS	Fixed rate	Net interest expense payable < or = 1 year	Net interest expense payable > 1 year and < 5 years	Net interest expense payable > 5 years
Belfius	12/05/2025	13,000,000	0.57% then 0.525%[2]	125,105	393,616	34,026
Belfius	12/08/2021	15,000,000	1.70%	313,852	190,423	-
Belfius	30/06/2022	6,840,000	0.31%	48,025	67,275	-
Belfius	29/09/2023	8,500,000	0.51%	76,680	187,184	-
Belfius	28/06/2024	6,080,000	0.62%	61,233	184,343	-
Belfius	30/06/2025	2,280,000	0.75%	26,040	89,038	7,983
BNP Paribas Fortis	01/01/2025	5,000,000	0.16%	29,715	147,298	-
		56,700,000		**680,651**	**1,259,176**	**42,010**

The Company is aware, due to the hedging policy described above, of a financial risk of €18.1k which would result from an increase of 10 BP (BP = basis points) in the 3-month Euribor rate for 12 consecutive months (see also risk 17 "Interest rate" in the risk report set out in the first part of the annual report). The table below details the calculation of this risk.

(1) Rate in accordance with the directives of the Company's Board of Directors.
(2) This percentage, as justified by this analysis, is that which appears in the Risk Report, Risk 14 "Treasury" in the 1st part of this annual report.

	Building	Organisation	Nominal (bank loans - see Note 16)	Fixed rate loans
31/12/2019	Berchem	BNP Paribas Fortis	58,462	58,462
	Berchem	BNP Paribas Fortis	14,616	14,616
	Berchem	BNP Paribas Fortis	630,918	630,918
	All	Belfius	8,500,000	
	Rhode-St-Genèse	BNP Paribas Fortis	13,000,000	
	All	Belfius	13,000,000	
	All	BNP Paribas Fortis	10,200,000	
	All	Belfius	5,200,000	
	All	Belfius	3,000,000	3,000,000
	All	BNP Paribas Fortis	5,000,000	5,000,000
	All	Belfius	9,500,000	9,500,000
	All	BNP Paribas Fortis	4,000,000	4,000,000
	St-Georges	BNP Paribas Fortis	3,800,000	
	St-Georges	BNP Paribas Fortis	700,000	
	St-Georges	BNP Paribas Fortis	150,000	
	St-Georges	BNP Paribas Fortis	9,000,000	9,000,000
	St-Georges	BNP Paribas Fortis	6,000,000	6,000,000
	St-Georges	BNP Paribas Fortis	22,000	22,000
	St-Georges	BNP Paribas Fortis	85,715	85,715
	Development Site 9	BNP Paribas Fortis	5,000,000	
	Péruwelz	Belfius	2,280,000	
	Péruwelz	Belfius	6,080,000	
	Péruwelz	Belfius	6,840,000	
		Total	**112,061,711**	**37,311,711**
		related %	**100.00%**	**33.30%**
		related %		

NOTE 18 - Trade and other current payables (in €)

	2018	2019
D. Trade and other current payables	**6,512,935**	**3,164,869**
a) Exit Tax	1,253,527	1,253,527
B. Other	5,259,408	1,911,341
Suppliers	1,721,741	1,568,297
Taxes, remunerations and social charges	3,537,667	343,044

The "Other" line item includes, on the one hand, the total of supplier payables not yet due and, on the other hand, "fiscal" payables. The size of the works carried out for the Company's assets fully justifies the elevated amount of the non-due suppliers. For more details on investments, please refer to Note 5 of this report.

With regard to the movements under heading D.a - Exit tax, the financial statements of the Company established on 31 December 2019 reflect the merger by absorption of its only subsidiary, namely SA Centre Commercial St Georges, wholly owned, which took place in accordance with the decision of the Extraordinary General Meeting of 5 September 2018. The accounting entries for this operation were made on 1st September 2018, according to the merger plan filed with the registry on 15 June 2018. As a result, the exit tax debt was calculated on the basis of the absorbed financial

Loans at variable rate	Variable rate loans covered by an IRS	Variable rate loans not covered by an IRS	Impact on Net Result of a Var. of + 10 bp Euribor 3 months for 1 year
8,500,000	8,500,000		
13,000,000	15,000,000	-2,000,000	-2,000
13,000,000	13,000,000		
10,200,000		10,200,000	10,200
5,200,000		5,200,000	5,200
3,800,000		3,800,000	3,800
700,000		700,000	700
150,000		150,000	150
5,000,000	5,000,000		
2,280,000	2,280,000		
6,080,000	6,080,000		
6,840,000	6,840,000		
74,750,000	**56,700,000**	**18,050,000**	**18,050**
66.70%			
100.00%	**75.85%**	**24.15%**	

statements on 31 August 2018, and the fair value of the building was established by an independent expert on the same date. The merger being subsequent to 1st July 2016, the tax debt was calculated at the rate of 12.75%, in accordance with Articles 208 et seq. of the Income Tax Code CIR 92. The methodology applied to the preparation of the tax declaration can be summarised in 2 stages, as follows:

- determination of the division of corporate assets;
- preparation of the tax declaration of the former subsidiary. It was first necessary to reverse all taxed reserves of the company (see "reserves" table). Then, the amount as obtained during the 1st stage had to be included in the "dividends distributed" table, under the heading "division of corporate assets" (code 1304). The result obtained after application of the non-deductible expenses (DNA) then had to be broken down according to whether it was subject to the reduced exit tax rate (code 1471/1472), or to the ordinary corporate tax rate (code 1460). At 31 December 2019, the exit tax debt remains open in the financial statements as at 31 December 2019.

The balance in the heading D.b Taxes, remunerations and social charges is broken down into 3 amounts:

- provision for corporate tax of the former subsidiary Centre Commercial St Georges SA amounting to €112k;
- VAT current account amounting to €197k;
- provision for holiday pay amounting to €33k.

NOTE 19 - Other current liabilities (in €)

	2018	2019
E. Other current liabilities	**24,856**	**24,859**
Dividends on overdue coupons	24,856	24,859
Miscellaneous liabilities	-	-

All coupons that are due but not yet collected by Shareholders are included in this section.

NOTE 20 - Liability adjustment accounts (in €)

	2018	2019
F. Adjustment accounts	**3,378,039**	**3,432,660**
Property income received in advance	3,150,758	3,336,180
Interest and other accrued charges not yet due	227,280	96,481

The line item “Property income received in advance” exclusively relates to the advance invoicing of rents for all of the Company's tenants for €3,153k, and charges for the balance.

The line item “Interest and other accrued charges not yet due” includes the prorated financial interest charge as at 31 December 2019 accrued and not yet paid.

NOTE 21 - Rental income (in €)

	2018	2019
I. Rental income	**21,978,034**	**18,789,694**
A. Rental	22,031,524	18,863,740
C. Free rental	-53,489	-74,046
E. Compensation for early termination of leases	-	-

As of December 31, 2019, rental income, taking into account that 2018 included 15 months of activity, increased by nearly €1,200 k. The two essential components of this development are, on the one hand, the integration of the subsidiary Center Commercial St Georges SA into the statutory accounts following the merger by absorption into WEB SCA which took place on September 1, 2018 for almost €531k and on the other hand, the revenues of the new commercial cells of site 9 within the “Espace Nord” shopping center, which brought in almost €490 k more than in 2018.

The above table shows the different component parts of rental income. In addition to rents, rental income also includes:

- items relating to the periodical distribution of the rental gratuities granted, recognised in accordance with IFRS standards;
- compensation for early termination of leases.

The Company leases its investment properties, mainly on the basis of commercial lease agreements or common law, which are simple rental contracts within the meaning of IAS 17.

In addition, the Company occasionally enters into precarious type agreements (leases renewed from month to month, from 6 months to 6 months, or even from year to year); this type of contract represents a negligible percentage compared to all the leases in force.

Most rental contracts include clauses intended to limit the negative effects on the Company in the event of a negative change in the index.

A bank guarantee corresponding to 3 months' rent is required. Despite the fact that rents are generally payable in advance on a monthly or quarterly basis, a provision of funds is also generally requested for rental charges and taxes incumbent on the Company, which are subject to annual adjustment invoices.

The SIR owns 5 parcels of land which it rents to tenants who have for some of them constructed their own building there. In this case, it should be noted that the constructions become the property of the lessor in the event of the departure of the tenant, or at the end of the lease if the latter is not renewed.

No current rental contract contains a building purchase clause.

The table below shows all future non-indexed rents which will be collected up until their next expiration date.

Additional information relating to rental income in terms of leases and tenants is included in the "Property report" section of this report.

NON-INDEXED FUTURE RENT

	2018	2019
At less than one year	17,149,802	19.936,471
Between one and five years	16,756,009	23,606,152
At more than five years	15,231	10,385,973
TOTAL	**33,921,042**	**51,928,596**

NOTE 22 - Rental charges (in €)

	2018	2019
III. Rental charges	**39,850**	**-133,833**
A. Rents payable on rented premises	-	-
B. Write-downs in value of trade receivables	-508,391	-314,471
C. Reversal of write-downs in value of trade receivables	548,240	180,638

The Company occupies its own premises, and therefore does not pay any rent to third parties. As a reminder (Note 5 - Assessment of the fair value of investment properties), the Company occupies 386 m² of a building of 1,215 m² in the property located at Avenue Jean Mermoz 29 in Gosselies, which is itself included in site 33, with a surface area of 31,970 m²; For this reason there is no separate valuation by the independent property expert.

The write-downs and reversals of write-downs of trade receivables are detailed in Note 8 "Trade receivables and doubtful debts".

WRITE-DOWNS IN VALUE RECORDED FOR DOUBTFUL DEBTS

	2018	2019
Amount of new write-downs in value recorded	-350,603	-314,471
Amount of write-downs in value reversed due to the recovery of doubtful debts	110,211	88,350
Amount of write-downs in value reversed relating to definitively lost receivables for which a write-off has been recorded	280,242	92,288
	39,850	**-133,833**

NOTE 23 - Recovery of rental charges and duties normally assumed by the tenant on rented properties (in €)

	2018	2019
V. Recovery of rental charges and duties	**2,914,858**	**3,158,711**
A. Re-invoicing of rental charges incurred by the owner at the expense of the tenant	1,325,251	1,468,812
B. Re-invoicing of withholding taxes and duties on rented properties	1,589,607	1,689,899

The Company's leases provide for re-invoicing of charges which it a priori incurred, but which concern the tenant, namely:

- maintenance and security at fixed price,
- consumables, if appropriate, according to actual consumption,
- property withholding taxes and duties.

	2018	2019
VII. Rental charges and duties	**-3,838,218**	**-3,688,231**
A. Rental charges incurred by the owner	-2,011,000	-1,840,549
B. Withholding taxes and duties on rented properties	-1,827,218	-1,847,682

As at 31 December 2019, a comparison between the two headings V and VII above shows that the recovery rates are as follows:

	2018	2019
A. Rental charges incurred by the owner	65.90%	79.80%
B. Withholding taxes and duties on rented properties	87.00%	91.46%

With regard to the re-invoicing of energy, maintenance and security costs to tenants, the Company invoiced €1,469k as at 31 December 2019 while it incurred €1,841k of charges. The charge-back rate thus increased from 66% in 2018 to 80% in 2019, due to electrical works, among others, carried out by the Company during the financial period.

The above constitutes the sole contractual obligation of the Company with regard to IAS 40-66.

The difference not re-invoiced is influenced by the average occupancy rate for the financial period with regard to the common part of these charges.

With regard to the rate of charge-back to tenants of withholding taxes and duties on rented properties, the balance of heading VII B is €1,848k, of which €1,689k was reinvoiced, i.e. a charge-back rate of 91.46%.

NOTE 24 - Costs incumbent on the tenants and assumed by the owner on rental damage and restoration at the end of the lease (in €)

	2018	2019
VI. Costs incumbent on the tenants and assumed by the owner on rental damage and restoration at the end of the lease	**-**	**-3.180**

During this financial period, a minor expenditure of €4k was incurred on the Bultia Village site.

NOTE 25 - Rental charges and duties normally assumed by the tenant on rented properties (in €)

	2018	2019
VII. Rental charges and duties	**-3,838,218**	**-3,688,231**
A. Rental charges incurred by the owner	-2,011,000	-1,840,549
B. Withholding taxes and duties on rented properties[1]	-1,827,218	-1,847,682

The charges incurred by the owner but payable by the tenant are, within the context of the Company, the consumption of water, electricity and gas, as well as the maintenance and security of certain rented properties.

A statement of the various meters is produced quarterly and sent for re-invoicing to customers who do not have their own meters,

Regular maintenance of green spaces and parking areas is carried out. This service is organised by the Company and, barring contractual exceptions, is invoiced to tenants. This amount is fixed on the basis of the surface area occupied, and is indexed annually.

Property sites for which security is organised are also subject to a flat-rate recharge.

For some tenants, rental charges are subject to provisional periodic invoicing. In this regard, there may be a slight difference between the charges actually invoiced and those effectively incurred by the Company, as the adjustment is made annually.

Certain charges incurred by tenants may also be assumed by the Company. This concerns the common lighting of property sites, and the maintenance referred to above relating to unoccupied properties.

Finally, it should be noted that certain property withholding taxes are subject to requests for tax relief from the Tax Administration. In the event of reimbursement, this is recognised under heading VII.A "Rental charges incurred by the owner".

NOTE 26 - Other rental income and expenses (in €)

	2018	2019
VIII. Other rental income and expenses	**-64,822**	**11,785**
Other rental income and expenses	-64,822	11,785

As at 31 December 2019, the Company recorded interest on late payments on rent for €11,785.

(1) See Note 23.

NOTE 27 - Technical costs (in €)

	2018	2019
IX. Technical costs	**-1,284,179**	**-1,449,211**
A. Recurring	-206,773	-173,374
Insurance premiums	*-206,773*	*-173,374*
B. Non-recurring	-1,077,407	-1,275,837
Major repairs	*-972,918*	*-1,071,416*
Claims	*-104,489*	*-204,421*

Insurance premiums increased slightly compared to 2018, which covered a 15 month period due to the merger by absorption of the subsidiary Centre Commercial St Georges SA in September 2018.

Expenses for major repairs directly incurred for the financial period increased by almost €293,000 over the financial period, prorata temporis.

The main repairs during the financial period took place at the following sites:

– Site 8 in Courcelles - rue de la Glacerie: €88k due to the repair of the bays and the site's enclosure walls following the demolition of the concierge's house, and reinforcement of the concrete structure;

– Site 10 in Gosselies - Demanet: €33k replacement of the cornices of the old Demanet buildings;

– Site 13 in Gosselies - City Nord: €72k new fire-resistant floor in “La Pause” brasserie;

– Site 15 in Rhode-St Genèse: €82k air conditioning repair and electrical circuit maintenance;

– Site 24 in Gosselies - rue des Emailleries: €50k barrier change, repair of building cladding and roofing;

– Site 30 in Marchienne-Au-Pont - rue Bonehill: €231k, including €225k due to a problem in an electrical cabin.

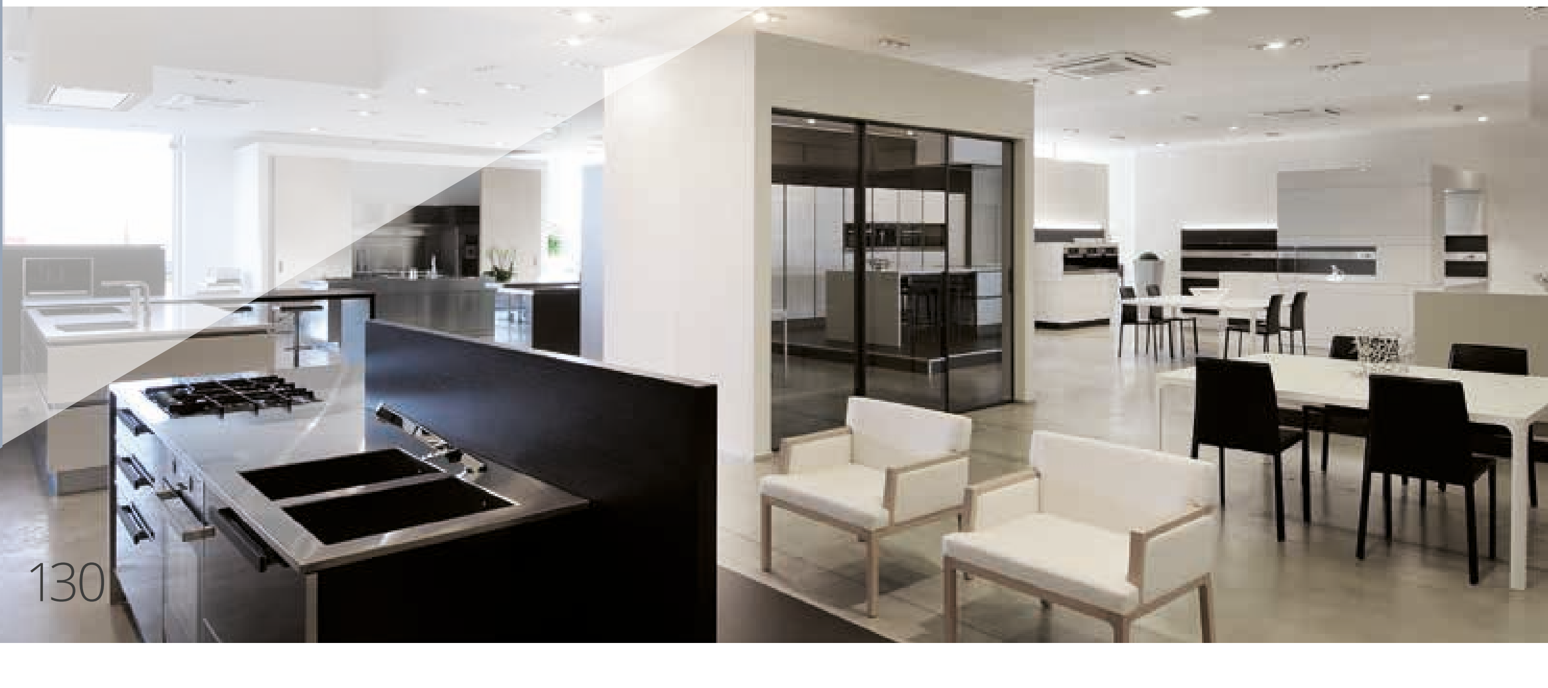
Regarding claims, which increased by €121k, these were compensated by the insurance companies (see “other income” heading), and therefore had no impact on the net result for the financial period.

NOTE 28 - Commercial costs (in €)

	2018	2019
X. Commercial costs	**-109,387**	**-127,031**
Agency commissions	-52,780	-44,109
Advertising	-56,607	-82,922

The SIR uses property intermediaries in order to limit the rental vacancy as much as possible, who support the internal team. This heading lists the commissions paid to them.

In order to improve the Company's visibility, and to promote the various commercial sites, the Company takes part in trade fairs, as well as in cultural, sporting and other activities.



NOTE 29 - Property management costs (in €)

	2018	2019
XII. Property management costs	**-2,663,046**	**-2,207,561**
A. Fees paid to managers	-2,365,148	-1,995,971
Management fees (incl. VAT)	-680,625	-574,750
Remunerations of governing bodies	-1,593,773	-1,348,621
Fees of the Property Expert[1]	-90,750	-72,600
B. Property management charges	-297,897	-211,590
Lawyers	-58,589	-48,709
Duties and fees	-239,309	-162,881

As the Company has the form of a limited partnership with share capital, administered by a a legal person manager (SA WEPS), the fees paid to the managers were set at the last Ordinary General Meeting in April 2019 at €475,000 excluding VAT for a 12 months financial period, i.e. € 574,750 incl. VAT.

As at 31 December 2019, the remuneration of the governing bodies was €1,348,000, i.e. pro rata temporis, an increase of €73,000 compared to 2018, due to:

- the reclassification of an amount of €60k for the cost of the Effective Managers' company cars, which in 2018 appeared in General Expenses (Heading XIV), as well as the allocation of a vehicle to the CEO;
- the end of the benefit relating to the exemption from employers' ONSS social security charges for the Effective Manager under an employee contract for €19k;
- salary indexation and increase in the number of days worked by the CFO from 190 to 196 days per year, all together €20k;
- the decrease in attendance fees of the Board of Directors, having met two times less than in 2018, for €17.8k;
- a negative adjustment to Head of Marketing and Sales remuneration of €7.3k linked to the appointment as President of the Board of Directors.

With regard to the Duties and fees line item, there is a decrease prorata temporis of €27k. In fact the registration of the 2018 duty on disused economic activity sites (Site 39 at Dampremy) was offset by income receivable due to the rental over 50 years of said site to the Decathlon chain, which erected a building there.

REMUNERATIONS OF GOVERNING BODIES (IN €)

	2018	2019
Effective Managers	919,986	1,038,305
of which CEO	*250,005*	*513,775*
Board directors	386,306	283,998
Audit committee	30,855	26,318
TOTAL	**1,337,147**	**1,348,621**

(1) See section "Property report".

NOTE 30 - Company general expenses (in €)

	2018	2019
XIV. Company general expenses	**-1,219,560**	**-1,169,626**
Financial and accounting fees (1)	-305,600	-260,643
Auditors' fees (2)	-61,726	-63,365
External experts' fees (3)	-72,514	-218,416
Legal fees (4)	-6,058	-45,058
Vehicle and operating equipment costs (5)	-125,687	-59,370
Office supplies	-108,706	-92,916
Report printing costs (6)	-31,610	-43,415
Secretarial and marketing costs (7)	-123,565	-122,319
Computer services and supplies (8)	-66,645	-75,455
Participation in seminars, training, trade fairs, receptions, sponsoring (9)	-157,294	-95,246
Legal formalities and contributions (6)	-108,109	-77,507
Other operating expenses	-52,047	-15,917

As at 31 December 2019, general expenses, pro rata temporis considering the fifteen months of activity in 2018, show an increase of €194k which can be explained as follows:

(1) Hiring during 2018 of an accounting assistant[1] working for 12 months in 2019 = + €16k;

(2) The Auditor's fees were increased due to special assignments = + €14k;

(3) The external experts' fees increased by €160k on a comparable basis, in particular due to legal and financial due diligences relating to four acquisitions, of which only two were completed in January 2020 = €144k. Also included in this item are the fees of the tax expert in charge of the Company's annual VAT special pro rata adjustment file, and the fees of the internal audit;

(4) Legal fees increased by €40,000 over the financial period, mainly due to a dispute with settlement favourable to the Company on site 8;

(5) Reduction of €41k in vehicle costs transferred to heading XII (see note 29);

(6) The line items "Report printing costs" as well as "Legal formalities and contributions" have increased as a result of the costs of publishing reports in Dutch;

(7) Secretarial costs have increased proportionally by an amount of €23k due to the growing needs of the company, also as a result of the doubling of the number of reports and publications published in a Dutch version;

(8) Increase in computer services and supplies due to the growing needs of the company = + €22k;

(9) The line item "Participation in seminars, training, trade fairs, receptions, sponsoring" decreased by €31k, mainly due to the decrease in training expenses for an amount of €22k, and the end of sponsoring for the difference.

PWC AUDIT FEES IN 2019 (ART 134 COMPANIES CODE)

	Audit	Services liés
Auditor's fees 2019 (WEB SCA)	35,600	-
Auditor's fees 2019 (WEB SCA) - supplement	2,486	-
Auditor's fees 2008 additional	-	1,683
Interim dividend	-	14,182
VAT on the total	-	9,413
	38,086	25,278
		63,365

(1) under interim status in 2018

NOTE 31 - Other operating income and expenses (in €)

	2018	2019
XV. Other operating income and expenses	**85,659**	**431,653**
Insurance compensation	101,006	207,001
Trade receivables written off	-292,583	-130,567
Miscellaneous income and expenses	277,237	355,218

The item "Insurance compensation" reflects the intervention of insurance companies for restoration costs incurred following various claims. This line item is higher compared to 2018 mainly due to compensation for claims occurring on site 50, Saint-Georges.

The line item "Trade receivable written off" reflects the impact of bankruptcies that occurred during this financial period for which provisions were made in prior periods. These having been reversed, the overall impact on the result is €38k. (See Note 22)

The item "Other miscellaneous income and expenses" is made up of €120k relating to VAT recovery on overcharges for the financial period, €163k relating to VAT recovery on overcharges from prior periods, and € 72k relating to miscellaneous recoveries from customers.

NOTE 32 - Result on sale of investment property (in €)

	2018	2019
XVI. Result on sale of investment properties	**435,881**	**46,980**
Net sales of properties (Sale price - transaction costs)	16,000,000	2,546,172
Book value of properties sold	-15,564,119	-2,499,192

2019 SELLING PRICE

	Fair Value 31/12/2018	Prix de vente 15/03/2019
Site 31 - Binche	-1,166,758	1,249,879

	Fair Value 30/06/2019	Prix de vente 11/09/2019
Site 1 - Jumet Rue de l'Industrie	-1,382,165	1,296,293

As at 31 December 2019, the Company recorded the sale of two properties for a total of €2,546,172 net of disposal costs, generating a positive result of €46,980. For more details, the reader is referred to Note 5.

NOTE 33 - Changes in the fair value of investment properties (in €)

	2018	2019
XVIII. Changes in fair value	**9,913,510**	**-1,650,967**
A. Positive change in fair value of investment properties	23,986,027	11,298,754
B. Negative change in the fair value of investment properties	-14,072,517	-12,949,721

	2018	2019
Valuation of the property expert at the closing date N-1	**235,413,460**	**263,366,300**
Acquisitions including balance and legal fees	32,053,075	-
Development project	1,689,622	5,771,927
Capitalised expenses	3,682,055	3,385,336
Transfer of properties held for sale	-3,821,302	102,688
Divestments[1]	-15,564,119	-
Valuation of the property expert at the closing date N	**263,366,300**	**270,975,284**
Increase/(decrease) in fair value	9,913,510	-1,650,967

NOTE 34 - Other portfolio result (in €)

	2018	2019
XIX. Other portfolio result	**336,958**	**-**

In its statutory financial statements as at 31 December 2018, the Company included statements detailing the merger by absorption of the subsidiary Centre Commercial St Georges SA, generating a result of €337k.

NOTE 35 - Financial income (in €)

	2018	2019
XX. Financial income	**16,079**	**9**
A. Interest and dividends received	16,079	9

The financial income for 2018 corresponded to interest (at arm's length) charged to the subsidiary Centre Commercial St Georges SA on cash advances between 1st October 2017 and 31 August 2018.

(1) For more details, please refer to Note 5, as well as to the property part of this report.

NOTE 36 - Net interest charges (in €)

	2018	2019
XXI. Net interest charges	**-2,094,264**	**-1,645,835**
A. Nominal interest on loan	-1,351,564	-984,782
C. Charges resulting from authorised hedging instruments	-742,701	-661,053

The line item "Charges resulting from authorised hedging financial instruments" represents the interest flows paid by the Company following the subscription to the derivatives detailed in Notes 16 and 17.

Regarding the details of the risks associated with financial instruments, these are included in this report in the section "Risk factors: financial risks".

NOTE 37 - Other financial expenses (in €)

	2018	2019
XXII. Other financial expenses	**-4,213**	**-3,334**
A. Bank charges and other commissions	-4,213	-3,334

NOTE 38 - Changes in the fair value of financial assets and liabilities (in €)

	2018	2019
XXIII. Changes in the fair value of financial assets and liabilities	**-41,740**	**-420,327**
Authorised hedging instruments to which hedge accounting as defined in IFRS is not applied	-41,740	-420,327

Changes in the fair value of financial assets represent the positive (+) or negative (-) change in fair value excluding interest flows from derivatives that do not meet the strict conditions imposed by IAS 39 for cash flow hedges.

Details of the hedging instruments are set out in Note 17 to this report.

A sensitivity analysis calculated by the banks' trading rooms is also provided in the risk report in the 1st part of the annual report, see Risk 18 - Changes in the fair value of interest rate hedging instruments.

Thus, as at 31 December 2019, for a variation of 1 BP in the average net value of Euribor 3 months over 5 years or over 7 years, depending on the term chosen, the net result would be affected by €21.6k.

NOTE 39 - Income tax (in €)

	2018	2019
XXV. Corporate income tax	**-209**	**-581**
Current tax		
Belgian tax	-209	-581

WEB SCA benefits from a different taxation regime from that of commercial companies. This statute provides for the application of Belgian corporate income tax (at the ordinary rate) applied to a reduced taxable base, i.e. mainly on non-deductible expenses.

NOTE 40 - Net result (in €k)

The variation between the 2018 net result and the 2019 net result is broken down as in the table below, with a reference to the Notes to this report.

Breakdown of variations	Notes	€k
Net result for the prior financial period		**24,401**
I. Rental income	21	-3,188
III. Rental charges	22	-174
IV - VIII Recovery of rental charges	23 à 26	474
IX - XII Property charges	27 à 29	273
XIV. Company general expenses	30	50
XV. Other operating income and expenses	31	346
XVI. Result on sale of investment properties	32	-389
XVIII. Changes in the fair value of investment properties	33	-11,564
XIX. Other portfolio result	34	-337
XX. Financial income	35	-16
XXI. Net interest charges	36	448
XXII. Other financial expenses	37	1
XXIII. Changes in the fair value of financial assets and liabilities	38	-379
XXV. Corporate income taxes	39	-
Net result for the financial period		**9,946**
Change in net result at 31/12/2019		**-14,455**

NOTE 41 - Earnings per share

WEB SCA is included in compartment B of Euronext Brussels.

In accordance with IFRS standards, the basic earnings per share are obtained by dividing the result for the financial period (numerator) by the weighted average number of shares in circulation during the period (denominator). Insofar as there are no dilutive instruments at WEB, the basic and diluted results are identical.

The financial statements of the Company for the 2018 financial period corresponded to 15 months of activity, and are therefore not entirely comparable to those for the 2019 financial period.

	2018	2019
Net result for the period (numerator)	€24,401,192	€9,946,016
Weighted average number of shares in circulation (denominator)	3,166,337	3,166,337
Basic net earnings per share	**€7.71**	**€3.14**
Diluted earnings per share	**€7.71**	**€3.14**

OTHER INFORMATION PER SHARE

	2018	2019
Net Assets	**€156,432,957**	**€157,038,279**
Number of shares	**3,166,337**	**3,166,337**
Intrinsic unit value of a share	€49.41	€49.60
Market share price on the closing date	€48.80	€60.00
Operating result before portfolio result	€5.00	€4.30
Portfolio result	€3.27	-€0.51
Operating result	€8.38	€3.79
Financial result	-€0.67	-€0.65
Financial result excluding changes in fair value	-€0.66	-€0.52
Result before tax	€7.71	€3.14
Tax	-€0.00	-€0.00
Basic and diluted earnings per share	€7.71	€3.14

DISTRIBUTABLE RESULT

	2018	2018 per share	2019	2019 per share
Net result for the period (numerator)	€24,401,192	€7.71	€9,946,016	€3.14
Write-downs in value of trade receivables	€508,391	€0.16	€314,471	€0.10
Reversals of write-downs in value of trade receivables	€-548,240	€-0.17	€-180,638	€-0.06
Result on sale of investment properties	€-435,881	€-0.14	€-46,980	€-0.01
Positive change in fair value of investment properties	€-23,986,027	€-7.58	€-11,298,754	€-3.57
Negative change in the fair value of investment properties	€14,072,517	€4.44	€12,949,721	€4.09
Changes in the fair value of financial assets and liabilities	41,740	€0.01	€420,327	€0.13
Distributable result	€14,053,692	€4.44	€12,104,164	€3.82
Number of shares	3,166,337	3,166,337	3,166,337	3,166,337
Distributable result for the period, basic and diluted per share	€4.44	€4.44	€3.82	€3.82
Number of months of activity	15	15	12	12
Recurrent monthly distributable result for the period, basic and diluted per share	€0.30	€0.30	€0.32	€0.32

The 2019 distributable result for a financial period with a normal duration of 12 months has risen to €12,104 k against a financial period of 15 months in 2018, which reduced proportionately to 12 months would have posted a comparable result of €11,243k. This is equivalent to an increase of 7.6% over one year, mainly due to the merger by absorption of SA Centre Commercial St Georges in September 2018, and the rental of the new commercial units of Site 9.

NOTE 42 - Transactions with related parties (in €) [1,2]

The table below sets out, within the meaning of IAS 24, all of the transactions with parties that are related to WEB SCA. Certain shareholders and/or directors of the WEB SCA SIR are also shareholders and/or directors of the companies listed below, and could therefore exert a certain influence on these companies.

The Company emphasises that these related parties have no other subsequent benefits of any kind.

With regard to the Effective Management, which within the meaning of IAS 24.9 are considered to be key members of management, we refer the reader to Note 29 of the annual financial report as at 31 December 2019.

As a preliminary point, it is recalled that the 2018 financial period was made up of 15 months and not 12, which makes the comparison of balances irrelevant.

RELATED COMPANIES	TYPES OF SERVICE PROVIDED	2018	2019
WEPS SA BE0463.639.412	Statutory manager:		
	- Management fees (1)	680,625	574,750
	- Financial and accounting costs (2)	182,987	203,568
	- Administrative costs (2)	311,093	183,593
	- Technical costs (2)	31,957	103,430
	- Vehicle costs (3)	121,361	119,491
	- Remuneration of Directors, Audit Committee and costs (4)	398,778	328,699
	- Miscellaneous costs (5)	267,059	207,997
	- Balance pending at end of financial period	-242,692	-273,609
W.TEAM SA BE0478.981.050	Service company, maintenance and minor repairs on investment properties (6):		
	- Amount of transactions for the financial period	1,023,636	676,807
	- Balance pending at end of financial period	-21,199	-
	Service company, major repairs on investment properties:		
	- Amount of transactions for the financial period	154,753	197,493
	- Balance pending at end of financial period	-	-
SPP SA BE0864.622.465	Office tenant:		
	- Amount of transactions for the financial period	-66,587	-50,557
	- Balance pending at end of financial period	-	-
ASCO SCRL BE0445.165.662	Re-invoicing of advertising costs:		
	- Amount of transactions for the financial period	-	-16,000
	- Balance pending at end of financial period	-	-

(1) The transactions covered by this note are also covered by Art. 37 of the RD of 13/07/2014 relating to SIRs. During the two accounting periods, none of these operations were entered into under conditions outside of the normal business framework of the SIR.
(2) The positive amounts correspond to payables or charges of the SIR, while the negative amounts correspond to receivables or income.

All related party transactions are listed above. However, in the absence of legal criteria making it possible to itemise the transactions with related parties which may be entered into under conditions other than market conditions, no information on this subject is included in this document. Notwithstanding, the invoices of the Statutory Manager WEPS SA, which undertakes the operational management of the Company in accordance with Article 4 of the law of 12 May 2014 relating to SIRs constituted in the form of SCA, are re-invoiced at arm's length rates.

The following variations call for the following comments.

(1) The Ordinary General Meeting of 23 April 2019 confirmed the fixed remuneration of the statutory manager at €475k excluding VAT per year.

(2) The increase in the scope of the Company has generated a change in fixed management costs following the full-time hiring of two employees to strengthen the technical and accounting departments.

(3) Slight increase in costs related to company cars due to the allocation of a vehicle to the CEO.

(4) Slight increase in costs due to additional invoicing related to 2018.

(5) Slight reduction in operating costs.

(6) Decrease in services invoiced by W.Team in line with the decrease in the Company's scope, in particular with the transfer of Eupen and Berchem.

NOTE 43 - Significant events after the balance sheet date

We refer the reader to the 1st part of this report in the “Management report - Post-closing events”. In any event, to the best of our knowledge, the financial statements as at 31 December 2019 as presented, are not susceptible to adjustment (IAS 10).

On 22 January 2020, the Company acquired 100% of the shares representing the capital of SA Business Park Alleur, located in Loncin in the Liège region, at the heart of the motorway interchange, and just three minutes away from the Brussels, Namur and Aachen motorway exits. It is a modular office building of 4,700 m² built in 2019, with 6 stories and 161 parking spaces. The occupancy rate of the site is 100%, with a firm lease of 111 months which started on 1st May 2019. The annual rental income is ± €1,045,000.

On 31 January 2020, the Company acquired 100% of the shares representing the capital of SA SPI. This is for a recently renovated 6,000 m² building, built in 2004 on a plot of 11,000 m², with 71 parking spaces within a multimodal logistics platform, “Magna Park”. The occupancy rate is 100%, the building being fully leased to a pharmaceutical group, with a firm 10-year lease which took effect on 1st July 2017. The additional annual rental income amounts to €375,000.

On 11 February 2020, WEB SCA acquired a property with land located at Chaussée de Philippeville 223, 6280 Gerpinnes.

On 4 March 2020, WEB SCA sold an office property located at rue Général de Gaulle 12, 6180 Courcelles.

In light of recent events, it is clear that COVID-19 constitutes a serious public health emergency threatening all our citizens and constituting a major challenge for our governments.

The economic shock caused by this health crisis is unprecedented in recent history and its exact extent is impossible to assess at this stage.

Government measures that have already been taken, or will be taken, to deal with this episode will inevitably have a major impact on the activity of our tenants. The impact of these events on our activity for the current financial year cannot yet be quantified.

In this context, we expect that we will receive requests from some of our tenants to temporarily suspend all or part of their rents. We will study their requests and are ready to consider with them suitable solutions which would temporarily relieve their cash flow without compromising our financial balance for the financial year 2020.

In conclusion, we believe that a material impact should be recorded as soon as we see our rents unpaid for a quarter at 50% or more.

NOTE 44 - Financial service

The Company's financial service is provided by the company Euroclear Belgium, Boulevard du Roi Albert II 1 in 1210 Brussels. The remuneration for the financial period under review amounts to €14k, including VAT.

3. Statutory auditor's report[1]

In accordance withlegal provisions, the accounts of **WEB SCA** are subject to audit by PwC Reviseurs d'Entreprises SCRL, Woluwe Garden, Woluwedal, 18 - 1932 Sint-Stevens Woluwe, Belgium, represented by Mr Damien WALGRAVE, Auditor, appointed for a renewable term of 3 years.

Start: AGM 2016 - Fiscal period 2016 (10/01/2017) - End: AGM 2019 - Fiscal period 2019 (28/04/2020)

Fees and expenses relating to the audit assignment amounting to €38,086.40 excl. VAT were attributed to the Auditor "PwC" for the period under review.[1]

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF WAREHOUSES ESTATES BELGIUM SCA ON THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019[2]

We present to you our statutory auditor's report in the context of our statutory audit of the annual accounts of Warehouses Estates Belgium SCA (the "Company"). This report includes our report on the annual accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 10 January 2017, following the proposal formulated by the statutory manager and following the recommendation by the audit committee. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2019. We have performed the statutory audit of the Company's annual accounts for three consecutive years.

Report on the annual accounts

Unqualified opinion

We have performed the statutory audit of the Company's annual accounts, which comprise the statement of financial position as at 31 December 2019, the comprehensive income statement, the cash flow statement and the statement of changes in equity the for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a statement of financial position total of EUR '000' 277.886 and a positive net result from key activities for the year of EUR '000' 9.946.

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2019, and of its results and cash flows for the year then ended, in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union and implemented by the Royal Decree of 13 July 2014 "related to regulated real estate companies".

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Auditor's responsibilities for the audit of the annual accounts*" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the requirements related to independence.

(1) The remuneration amounts to €35,600 excluding VAT, excluding costs, and disbursements (4%), and excluding the IRE contribution of 1.3% and fixed contribution of €40 per financial period for the examination of the annual accounts.
(2) Free translation

We have obtained from the statutory manager and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - subsequent event

As far as the outbreak of COVID 19 is concerned, we draw your attention to point "Post balance sheet events" of the directors' report and Note 43 "Significant events after the balance sheet date" of the annual accounts in which the statutory manager expresses their view that, although the consequences thereof may have a significant impact on the Company's operations in 2020, such consequences do not have a material impact on the Company's financial position for the year ended 31 December 2019. Our opinion is not qualified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the investment properties

Key Audit matter

The company recorded investment property on the assets side of the balance sheet at 31 December 2019 for a total sum of EUR '000' 272.195. IFRS-standards require investment property to be stated at fair value. The measurement of that fair value strongly depends on a number of selected parameters, the most important ones being the rental value of the property, the occupation rate, the discount rate and the estimated costs of maintenance and repair.

As required by legislation applicable to regulated real estate companies, the investment properties are valued by an external appraiser, who determines the value per trimester. The fair value of the investment properties booked under the assets of the financial statement is equal to the value determined by the external appraiser.

The valuation of the investment property is a key audit matter in our audit of the financial statements due to their material significance relative to the financial statements on the one hand and the level of judgment inherent in the valuation process on the other.

How our audit addressed the key audit matter

In assessing the reliability of the third-party valuation and the reasonableness of the parameters used, we performed the following procedures:

- We have checked the report of the external appraised against the financial overviews as at 31 December 2019 and we assessed the objectivity, independence and competence of the external appraiser.
- As regards the changes of the property investment fair value compared to 31 December 2018, we analysed the reasonableness of the underlying parameters.
- We compared the recoverable amount of the investment properties that were sold in the course of the financial year with their respective fair values as reported in the latest financial statements.
- Finally we checked whether the disclosures in the notes to the financial statements are in compliance with IFRS.

Valuation of the financial derivatives

Key audit matter

In view of hedging the interest rate risk on financial debts, the Company entered into derivative financial instruments with a total nominal value of EUR 56,7 million. IFRS require derivative financial instruments to be stated at fair value.

Since the fair value of the derivative financial instruments is measured using a financial model and financial parameters that are complex in nature (see Note 14 of the financial statements), we consider the valuation of the derivative financial instruments a key audit matter.

How our audit addressed the key audit matter

We received bank confirmation letters for the purposes of validating the existence and completeness of the contracts as well as their valuation as at 31 December 2019. Then, calling on our experts, we independently measured the fair value of these contracts and made a comparison with their respective values as reported in the financial statements. Finally we checked whether the disclosures in the notes to the financial statements are in compliance with IFRS.

Responsibilities of the statutory manager for the preparation of the annual accounts

The statutory manager is responsible for the preparation of annual accounts that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the European Union and implemented by the Royal Decree of 13 July 2014 "related to regulated real estate companies and for such internal control as the statutory manager determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the statutory manager is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory manager either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the annual accounts in Belgium. A statutory audit does not provide any assurance as to the Company's future viability nor as to the efficiency or effectiveness of the statutory managers current or future business management.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory manager;
- Conclude on the appropriateness of the statutory manager use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 statutory auditor's report to the related disclosures in the annual accounts 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 statutory auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the statutory manager

The statutory manager is responsible for the preparation and the content of the director's report, the other information included in the annual report, as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Companies' and Associations' Code as from 1 January 2020, the Companies' Code until 31 December 2019 and the Company's articles of association.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report, the other information included in the annual report, as well as compliance with the articles of association and of certain requirements of the Companies' and Associations' Code as from 1 January 2020 and of the Companies' Code until 31 December 2019, and to report on these matters.

Aspects related to the directors' report

In our opinion, after having performed specific procedures in relation to the directors' report, the directors' report is consistent with the annual accounts for the year under audit, and it is prepared in accordance with the articles 3:5 and 3:6 of the Companies' and Associations' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report and the other information included in the annual report, containing the following sections:

- Profile
- Letter to shareholders
- Key figures
- Financial calender
- Historical
- Risk factors
- Real Estate Report

is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the annual accounts and our registered audit firm remained independent of the Company in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the annual accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the annual accounts.

Other statements

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- There are no transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' and Associations' Code as from 1 January 2020 and the Companies' Code until 31 December 2019 that we have to report to you;
- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014;
- During the year an interim dividend has been distributed in relation to which we have prepared the attached report, in accordance with the legal requirements.

Sint-Stevens-Woluwe, 26 March 2020

The statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Damien Walgrave
Reviseur d'Entreprises / Bedrijfsrevisor

Appendix 1: Statutory auditor's report on the statement of assets and liabilities in connection with the proposed distribution of an interim dividend

Appendix 2: Annual report 2019

Appendix

STATUTORY AUDITOR'S REPORT TO THE STATUTORYMANAGER OF WAREHOUSES ESTATES BELGIUM SCA ON THE STATEMENT OF ASSETS AND LIABILITIES IN CONNECTION WITH THE PROPOSED DISTRIBUTION OF AN INTERIM DIVIDEND[1]

Introduction

We have reviewed the accompanying statement of assets and liabilities (hereafter the "Statement") as of 30 September 2019, included in appendix of this report, based on which the Statutory Manager of Warehouses Estates Belgium SCA (hereafter "Company") proposes to distribute an interim dividend of EUR 7.124.258,25 (or EUR 2,25 / share), as foreseen in Article 47.2 of the Articles of Association.

The Statutory Manager is responsible for the preparation and fair presentation of this Statement in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union and implemented by the Royal Decree of 13 July 2014 related to regulated real estate companies and the Companies' Code. Our responsibility is to express a conclusion on this Statement based on our review, in accordance with ISRE 2410 and article 618 of the Companies' Code.

Scope of Review

We conducted our review of the Statement as of 30 September 2019 in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). A review of the Statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all material matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, we are not aware of any fact that causes us to believe that the Statement does not fairly present, in all material respects, the Company's capital and financial position in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union and implemented by the Royal Decree of 13 July 2014 related to regulated real estate companies and the Companies' Code.

Finally, according to the Statement, the proposed distribution would not lead to a decrease in the Company's net assets, as required by Article 617 of the Companies' Code and put into force by the Royal Decree of 13 July 2014 related to regulated real estate companies, to an amount lower than the sum of the Company's paid-up capital and those reserves that the Royal Decree of 13 July 2014 or the statutes of the Company do not allow to be distributed.

This report is prepared solely to address the requirements as set by virtue of Article 618 of the Companies' Code and may not be used for any other purpose.

Sint-Stevens-Woluwe, 22 November 2019

The statutory auditor,
PwC Bedrijfsrevisoren cvba/PwC Reviseurs d'entreprises scrl
represented by

Damien Walgrave
Reviseur d'Entreprises / Bedrijfsrevisor

Appendix: Statement of assets and liabilities as of 30 September 2019

(1) Free translation

Appendix: Statement of assets and liabilities as of 30 September 2019

ÉTAT DE LA SITUATION FINANCIÈRE (EN €)

	Notes	IFRS 31/12/2018	IFRS 30/09/19
ACTIF			
I. Actifs non courants		**263.387.750**	**268.861.018**
C. Immeubles de placement	4	263.366.300	268.847.218
- Immeubles disponibles à la location		263.366.300	268.847.218
G. Créances commerciales et autres actifs non courants		21.450	13.800
II. Actifs courants		**8.742.883**	**6.452.890**
A. Actifs détenus en vue de la vente	4	3.821.302	819.422
- Immeubles de placement		3.821.302	819.422
B. Actifs financiers courants		2.449	2.449
- Prêts et créances		2.449	2.449
D. Créances commerciales	6	3.935.356	4.511.386
E. Créances fiscales et autres actifs courants		12.811	51.413
- Autres	6	12.811	51.413
F. Trésorerie et équivalents de trésorerie	Flux	305.355	251.859
G. Comptes de régularisation		665.609	816.360
- Charges immobilières payées d'avance		240.349	384.816
- Autres		425.260	431.544
TOTAL DE L'ACTIF		272.130.633	275.313.908
TOTAL DES CAPITAUX PROPRES		156 432 957	159 971 117
A. Capital	12	8.403.938	8.403.938
- Capital souscrit	5	10.000.000	10.000.000
- Frais d'augmentation de capital		-1.596.062	-1.596.062
B. Primes d'émission		26.924.110	26.924.110
C. Réserves		107.627.580	118.888.473
- a. Réserve Légale		40.376	40.376
- b. Réserve du solde des variations de juste valeur des biens immobiliers		90.723.096	97.986.614
- c. Réserve des frais et droits de mutation estimés intervenant lors de l'aliénation hypothétique des immeubles de placement		-8.459.540	-8.724.958
- e. Réserve du solde des variations de juste valeur des instruments de couverture autorisés auxquels la comptabilité de couverture telle que définie en IFRS n'est pas appliquée		-1.482.198	-1.523.938
- m. Autres réserves		2.455.361	0
- n. Résultats reportés des exercices antérieurs		24.350.485	31.110.380
D. Résultat net de l'exercice		13.477.329	5.754.596
- Résultat de l'exercice		13.477.329	5.754.596

	Notes	IFRS 31/12/2018	IFRS 30/09/19
PASSIF			
I. Passifs non courants		**92.008.034**	**96.726.611**
B. Dettes financières non courantes	6+7	92.008.034	96.726.611
a) Établissements de crédit		91.861.475	96.519.000
c) Autres		146.559	207.611
- Garanties locatives reçues		146.559	207.611
II. Passifs courants		**23.689.642**	**18.616.180**
B. Dettes financières courantes	6+8	12.249.875	8.002.965
a) Établissements de crédit		12.249.875	8.002.965
C. Autres passifs financiers courants	6+9	1.523.938	2.679.520
- Instruments de couverture autorisés		1.523.938	2.679.520
D. Dettes commerciales et autres dettes courantes		6.512.935	4.472.774
a) Exit Tax		1.253.527	1.253.527
b) Autres		5.259.408	3.219.247
- Fournisseurs	6	1.721.741	2.809.372
- Impôts, rémunérations et charges sociales		3.537.667	409.875
E. Autres passifs courants	6	24.856	24.859
- Autres		24.856	24.859
F. Comptes de régularisation		3.378.039	3.436.061
- Revenus immobiliers perçus d'avance		3.150.758	3.334.685
- Intérêts et autres charges courus non échus		227.280	101.376
TOTAL DES CAPITAUX PROPRES ET DU PASSIF		272.130.633	275.313.908

Résultat par action (IAS 33)		IFRS	IFRS
	Notes	31/12/2018	30/09/2019
Nombre moyen pondéré d'actions ordinaires en circulation	5	3.166.337	3.166.337
Valeur unitaire intrinsèque d'une part sociale [1]		49,41 €	50,52 €
Cours de bourse à la date de la clôture		48,80 €	56,00 €
Résultat de base par action		7,71 €	1,82 €
Résultat dilué par action		7,71 €	1,82 €
Capitalisation boursière		154.517.246 €	177.314.872 €
Immeubles de placement disponibles à la location	4	263.366.300 €	268.847.218 €
Immeubles de placement détenus en vue de la vente		3.821.302	819.422 €
Valeur du patrimoine immobilier (juste valeur)	4	267.187.602 €	269.666.640 €
Ratio d'endettement suivant Art. 27 de l'AR du 14/07/2014		40,71%	39,67%

Calcul détaillé du taux d'endettement		IFRS	IFRS
		31/12/2018	30/09/2019
Méthode de calcul du Ratio d'endettement	**(a+b+c+d)/e**	**40,71 %**	**39,67%**
+ Passifs non courants	a	92.008.034 €	96.726.611 €
+ Passifs courants	b	23.689.642 €	18.616.180 €
- Instruments de couverture autorisés	c	-1.523.938 €	-2.679.520 €
- Comptes de régularisation du passif	d	-3.378.039 €	-3.436.061 €
/ Total des capitaux propres et du passif	e	272.130.633 €	275.313.908 €

ÉTAT DU RÉSULTAT GLOBAL (EN €)[1]

		IFRS	IFRS
	Notes	30/06/2018	30/09/2019
I. Revenus locatifs		**12.944.684**	**14.085.133**
A. Loyers	10	12.976.242	14.134.162
C. Gratuités locatives	10	-31.558	-49.029
III. Charges relatives à la location		**73.572**	**-261.387**
B. Réductions de valeur sur créances commerciales		-247.761	-391.522
C. Reprises de réductions de valeur sur créances commerciales		321.333	130.135
RÉSULTAT LOCATIF NET		13.018.256	13.823.746
IV. Récupération de charges immobilières		**250**	**.6.900.**
A. Indemnités perçues au titre de dégâts locatifs		250	.6.900.
V. Récupération de charges locatives et de taxes normalement assumées par le locataire sur immeubles loués		**2.496.569**	**2.725.666**
A. Refacturation de charges locatives exposées par le propriétaire		838.240	1.009.689
B. Refacturation de précomptes et taxes sur immeubles loués		1.658.329	1.715.977
VI. Frais incombant aux locataires et assumés par le propriétaire sur dégâts locatifs et remise en état au terme du bail		**-**	**-2.965**
VII. Charges locatives et taxes normalement assumées par le locataire sur immeubles loués		**-3.037.901**	**-3.239.175**
A. Charges locatives exposées par le propriétaire		-1.232.798	-1.334.591
B. Précomptes et taxes sur immeubles loués		-1.805.103	-1.904.584
VIII. Autres recettes et dépenses relatives à la location		**-70.605**	**9.575**
RÉSULTAT IMMOBILIER		**12.406.569**	**13.323.746**
IX. Frais techniques		**-864.939**	**-1.097.552**
A. Récurrents		-123.076	-130.842
- Primes d'assurance		-123.076	-130.842
B. Non récurrents		-741.863	-966.710
- Grosses réparations	11	-673.068	-796.935
- Sinistres		-68.794	-169.775

(1) La valeur unitaire intrinsèque d'une part sociale reflète le total des fonds propres divisé par le nombre d'actions représentatives du capital de la Société.

	Notes	IFRS 30/06/2018	IFRS 30/09/2019
X. Frais commerciaux		**-53.088**	**-77.411**
A. Commissions d'agence		-35.249	-31.760
B. Publicité		-17.839	-45.651
XII. Frais de gestion immobilière		**-1.676.640**	**-1.676.209**
A. Honoraires versés aux gérants		-1.417.254	-1.484.599
- Honoraires de la gérance		-408.375	-431.063
- Rémunération des organes de gouvernance		-954.429	-999.553
- Honoraires de l'expert immobilier		-54.450	-53.983
B. Charges de gestion d'immeubles		-259.387	-191.610
- Avocats		-33.392	-35.697
- Taxes et redevances		.-225.995	-155.913
CHARGES IMMOBILIÈRES		-2.594.667	-2.851.172
RÉSULTAT D'EXPLOITATION DES IMMEUBLES		9.811.902	10.472.574
XIV. Frais généraux de la société	12	**-673.574**	**-859.181**
XV. Autres revenus et charges d'exploitation		**-14.156**	**374.458**
B. Autres	13	-14.156	374.458
RÉSULTAT D'EXPLOITATION AVANT RÉSULTAT SUR PORTEFEUILLE		9.124.172	9.987.851
XVI. Résultat sur vente d'immeubles de placement		**435.881**	**47.957**
A. Ventes nettes d'immeubles (prix de vente - frais de transaction)		16.000.000	2.547.149
B. Valeur comptable des immeubles vendus		-15.564.119	-2.499.192
XVIII. Variations de la juste valeur des immeubles de placement	4	**12.342.684**	**-1.891.931**
A. Variations positives de la juste valeur des immeubles de placement	4	22.141.111	5.597.476
B. Variations négatives de la juste valeur des immeubles de placement	4	-9.798.426	-7.489.407
RÉSULTAT D'EXPLOITATION		21.902.737	8.143.877
XX. Revenus financiers		**13.119**	**4**
A. Intérêts et dividendes perçus		13.119	4
XXI. Charges d'intérêts nettes		**-1.235.463**	**-1.231.001**
A. Intérêts nominaux sur emprunt		-807.645	-745.533
C. Charges résultant d'instruments de couverture autorisés		-427.818	-485.468
XXII. Autres charges financières		**-2.786**	**-2.701**
A. Frais bancaires et autres commissions		-2.786	-2.701
XXIII. Variations de la juste valeur des actifs et passifs financiers		**-45.633**	**-1.155.582**
A. Instruments de couverture autorisés		-45.633	-1.155.582
- Instruments de couverture autorisés auxquels la comptabilité de couverture telle que définie en IFRS n'est pas appliquée		-45.633	-1.155.582
RÉSULTAT FINANCIER		-1.270.764	-2.389.280
RÉSULTAT AVANT IMPÔT		20.631.973	5.754.596
XXV. Impôt des sociétés		**-209**	**0**
Impôt		-209	0
RÉSULTAT NET DES ACTIVITÉS CLÉS DE L'EXERCICE	14	20.631.764	5.754.596
RÉSULTAT GLOBAL[1]	14	20.631.764	5.754.596
RÉSULTAT DE BASE PAR ACTION[2]	14	6,52	1,82
RÉSULTAT DILUÉ PAR ACTION[2]	14	6,52	1,82

(1) Le résultat global est égal au résultat net des activités clés de l'exercice. Aucun autre élément ne devant être pris en compte.
(2) Le « Résultat de base par action » s'obtient en divisant le « Résultat Global » par le nombre d'actions représentatives du capital de la Société.
IAS 33.73 et 33.73A : La dilution est une réduction du bénéfice par action ou une augmentation de la perte par action résultant de l'hypothèse de la conversion d'instruments convertibles, de l'exercice d'options ou de bons de souscription, ou de l'émission d'actions ordinaires si certaines conditions spécifiées sont remplies. Pour le calcul du résultat dilué par action, une entité doit ajuster le résultat net attribuable aux actionnaires ordinaires de l'entité mère ainsi que le nombre moyen pondéré d'actions en circulation, des effets de toutes les actions ordinaires potentielles dilutives. La Société n'ayant émis aucun instrument de dilution le résultat de base par action et le résultat dilué par action sont donc identiques.

4. Shareholders' equity capital not distributable according to Article 617 of the Companies Code (in €)

The table below is shown after allocation of the result to reserves.

After the capital remuneration of €11,082,180 proposed for the 2019 financial period, and therefore subject to the approval of the Ordinary General Meeting of 28 April 2020, the total of the SIR's reserves and statutory result will be a positive amount of €153,080,358, while the amount still distributable according to the rule defined by Article 617 of the Companies Code will be €32,865,806.

(in €)	Before 2019 allocation	2019 allocation	After 2019 allocation
Capital paid-up or, if greater, capital called (+)	8,403,938		8,403,938
Share premiums unavailable under the Articles of association (+)	26,924,110		26,924,110
Reserve for the balance of variations in fair value of property (+)	97,986,614	-2,423,231	95,563,383
Reserve for estimated costs and transfer rights arising from the hypothetical disposal of investment properties (-)	-8,724,958	-48,031	-8,772,989
Reserve for the balance of variations in fair value of authorised hedging instruments to which hedge accounting as defined in IFRS is applied (+/-)			-
Reserve for the balance of variations in fair value of authorised hedging instruments to which hedge accounting as defined in IFRS is not applied (+/-)	-1,523,938	-420,327	-1,944,265
Reserve for the balance of foreign exchange conversion differences on monetary assets and liabilities (+)			-
Reserve for foreign exchange differences related to the conversion of activities abroad (+/-)			-
Possible modifications to the SIR's capital governed by Article 10 of the coordinated Articles of Association, modified during the EGM of 13/01/2015.			-
Reserve for actuarial differences in defined benefit pension plans (+)			-
Reserve for fiscal timing differences relating to property located abroad (+)			-
Reserve for dividends received destined to repay financial debts (+)			-
Other reserves declared unavailable by the General Meeting (+)			-
Legal reserve (+)	40,376		40,376
NON-DISTRIBUTABLE SHAREHOLDERS' EQUITY ACCORDING TO ARTICLE 617 OF THE COMPANIES CODE	**123,106,141**	**-2,891,589**	**120,214,552**
Net assets (Total assets - provisions - debts - unamortised set-up costs)			157,038,279
Dividend distribution and participation plan			-3,957,921
NET ASSETS AFTER DISTRIBUTION			**153,080,358**
MAXIMUM DISTRIBUTABLE AMOUNT [1]			**32,865,806**

5. Proposal for allocation of the result for the financial period (in €)[2, 3]

	2018	2019
A. Net result	**24,401,192**	**9,946,016**
B. Transfer to/from reserves (-/+)	**-11,260,893**	**1,136,163**
1. Transfer to/from the balance reserve (positive or negative) of changes in fair value of property (-/+)	**-7,263,518**	**2,423,231**
- accounting period	-10,789,810	1,423,780
- prior periods	1,028,883	-
- disposals of property	2,497,408	999,451
2. Transfer to/from the reserve for estimated costs and transfer rights arising from the hypothetical disposal of investment properties (-/+)	**265,418**	**48,031**
- accounting period	876,300	227,187
- prior periods		-
- disposals of property	-610,882	-179,156
3. Transfer to the reserve for the balance of variations in fair value of authorised hedging instruments to which hedge accounting as defined in IFRS is applied (-)	**-**	**-**
- accounting period	-	-
- prior periods	-	-
4. Transfer from the reserve for the balance of variations in fair value of authorised hedging instruments to which hedge accounting as defined in IFRS is applied (+)	-	-
- accounting period	-	-
- prior periods	-	-
5. Transfer to the reserve for the balance of variations in fair value of authorised hedging instruments to which hedge accounting as defined in IFRS is not applied (-)	**-**	**-**
- accounting period	-	-
- prior periods	-	-
6. Transfer from the reserve for the balance of variations in fair value of authorised hedging instruments to which hedge accounting as defined in IFRS is not applied (+)	**41,740**	**420,327**
- accounting period	41,740	420,327
- prior periods	-	-
7. Transfer to/from the reserve for the balance of foreign exchange conversion differences on monetary assets and liabilities (-/+)	-	-
8. Transfer to/from the reserve for fiscal timing differences relating to property located abroad (-/+)	**-**	**-**
9. Transfer to/from the reserve for dividends received intended for the reimbursement of financial debts (-/+)	**-**	**-**
10. Transfer to/from other reserves (-/+) (capital gains > 5 years)	**2,455,361**	**-**
11. Transfer to/from results brought forward from prior periods (-/+)	**-6,759,895**	**-1,755,426**
C. Remuneration of capital as provided for in Art. 13, 1st para., 1st line (balance)	**-2,216,436**	**-3,957,921**
Interim dividend paid in December 2019	**-10,923,863**	**-7,124,258**
D. Remuneration of capital - other than C	**-**	**-**

(1) see "Statement of changes in equity" on pages 96-97
(2) According to the system defined in the RD of 13/07/2014.
(3) Subject to approval at the AGM on 28/04/2020.

6. Obligation to distribute according to the Royal Decree of 13/07/2014 relating to SIRs

DISTRIBUTION OBLIGATION CALCULATION TABLE (ART 13, 1ST PARA. - RD 13/07/2014)[1]

	Notes	2018	2019
Net result for the financial period	**40-41**	**24,401,192**	**9,946,016**
+ Depreciation		-	-
+ Reductions in value	22	508,391	314,471
- Reversals of reductions in value	22	-548,240	-180,638
- Reversals of rents transferred and discounted		-	-
+/- Other non-monetary items	38	41,740	420,327
+/- Result on sale of property	32	-435,881	-46,980
+/- Changes in the fair value of property	33	-9,913,510	1,650,967
= Corrected result (A)		**14,053,692**	**12,104,164**
+/- Capital gains and losses realised on property during the financial period	32	435,881	46,980
- Capital gains realised on property during the financial period, exempt from the distribution obligation subject to their reinvestment within 4 years	32	-435,881	-46,980
+ Capital gains realised on property previously, exempt from the distribution obligation and not having been reinvested within 4 years		-	-
= Net capital gains on disposals of property not exempt from the distribution obligation (B)		**-**	**-**
(A) + (B)		14,053,692	12,104,164
80% of (A) + (B)		**11,242,954**	**9,683,331**
Debt reduction		-	-
Distribution obligation [2]		**11,242,954**	**9,683,331**

(1) This is calculated in accordance with Art. 23 of the RD of 13/07/2014 relating to SIRs.
(2) The distribution obligation provided for in Art. 13 of the RD of 13/07/2014 mentioned above only applies in the event of a positive result.

B. ANNEXE I*

Alternative Performance Measures

Glossary

Net property charges	
Definition	The sum of property charges, net of amounts recovered from tenants, corresponds to the sum of headings IV to XIII of the comprehensive income statement.
Utility	Enables the provision of a summary view of all net property charges.
Operating margin	
Definition	Operating result before portfolio result divided by net rental income.
Utility	Enables the assessment of the operational performance of the company.
Net property result	
Definition	Operating result before portfolio result, to which is added the heading XVI Result on sale of investment property.
Utility	Enables the identification of the operating result before changes in the fair value of investment properties.
Financial result (excluding changes in the fair value of financial assets and liabilities)	
Definition	"Financial result", from which item XXIII "Changes in the fair value of financial assets and liabilities" is subtracted.
Utility	Enables the comparability of the financial result excluding changes in fair value.
Net result before changes in fair value of investment properties and financial assets and liabilities	
Definition	"Net result" from which heading XVIII "Changes in the fair value of investment properties" and heading XXIII "Changes in the fair value of financial assets and liabilities" are subtracted.
Utility	Enables the identification of the net result before changes in the fair value of investment properties and financial assets and liabilities.
Average cost of finance	
Definition	Interest paid, including credit margin, cost of hedging instruments and cost of liquidity divided by the nominal financial debt for the period.
Utility	Enables the measurement of the average cost of the Company's financial debt.
Loan-to-value (LTV)	
Definition	The nominal financial debts minus heading II.F. "Cash and cash equivalents", divided by the sum of balance sheet headings I.C "Investment properties" and II.A. "Assets held for sale". Nominal financial debts are accounting financial debts excluding IFRS adjustments, i.e. excluding the revaluation at fair value of financial assets and liabilities.
Utility	Enables the presentation of the debt ratio, calculated on the basis of the fair value of the property portfolio.

* Not reviewed by PwC.

Reconciliation tables

NET PROPERTY CHARGES (IN €)

		2018	2019
IV. Recovery of property charges	(A)	-	6.900
V. Recovery of rental charges and duties normally assumed by the tenant on rented properties	(B)	2,914,858	3,158,711
VI. Costs incumbent on the tenants and assumed by the owner on rental damage and restoration at the end of the lease	(C)	-	-3,180
V. Recovery of rental charges and taxes normally assumed by the tenant on rented properties	(D)	-3,838,218	-3,688,231
VIII. Other rental income and expenses	(E)	-64,822	11,785
IX. Technical costs	(F)	-1,284,179	-1,449,211
X. Commercial costs	(G)	-109,387	-127,031
XI. Charges and duties on unrented properties	(H)		
XII. Property management costs	(I)	-2,663,046	-2,207,561
XIII. Other property charges	(J)		
NET PROPERTY CHARGES	Total	-5,044,793	-4,297,817

OPERATING MARGIN (IN €)

		2018	2019
Operating result before portfolio result	(A)	15,839,190	13,620,071
Net rental income	(B)	22,017,884	18,655,861
OPERATING MARGIN	(A) / (B)	71.94%	73.01%

NET PROPERTY RESULT (IN €)

		2018	2019
Operating result before portfolio result		15,839,190	13,620,071
XVI. Result on sale of investment properties	(B)	435,881	46,980
NET PROPERTY RESULT	(A) + (B)	16,275,071	13,667,051

FINANCIAL RESULT EXCLUDING CHANGES IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (IN €)

		2018	2019
Financial result		-2,124,138	-2,069,487
XXIII. Changes in the fair value of financial assets and liabilities	(B)	-41,740	-420,327
FINANCIAL RESULT EXCLUDING CHANGES IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	(A) - (B)	-2,082,398	-1,649,160

NET RESULT BEFORE CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES AND FINANCIAL ASSETS AND LIABILITIES (IN €)

		2018	2019
Net result	(A)	24,401,192	9,946,016
XVIII. Changes in the fair value of investment properties	(B)	9,913,510	-1,650,967
XXIII. Changes in the fair value of financial assets and liabilities	(C)	-41,740	-420,327
NET RESULT BEFORE CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES AND FINANCIAL ASSETS AND LIABILITIES	**(A-B-C)**	**14,529,423**	**12,017,311**

AVERAGE FINANCING COST (IN €)

		2018	2019
Net interest charges	(A)	2,094,264	1,645,835
Nominal financial debts	(B)	104,111,349	112,061,711
AVERAGE COST OF FINANCE	**(A) / (B)**	**2.01%**	**1.47%**

LOAN-TO-VALUE (EN €)

		2018	2019
Nominal financial debts	(A)	104,111,349	112,061,711
II. F. Cash and cash equivalents	(B)	305,355	203,012
I. C. Investment property	(D)	263,366,300	270,975,284
II. A. Assets held for sale	(E)	3,821,302	1,219,422
Fair value of the portfolio on the closing date	(C= D+E)	267,187,602	272,194,706
LOAN-TO-VALUE	**(A-B) / C**	**38.85%**	**41.10%**

C. ANNEXE II*

Glossary

BEAMA
Belgian Asset Managers Association (Association Belge des Asset Managers).

BE-REIT ASSOCIATION
Professional association created by all Belgian Regulated Property Companies (Sociétés Immobilières Réglementées - SIRs).

COVERAGE RATIO
(nominal debts at fixed rates + notional IRS) / total debt.

DEBT TO EQUITY RATIO
Ratio calculated in accordance with the Royal Decree of 13 July 2014 (liabilities - provisions - other financial liabilities ((authorised hedging instruments recognised on the liabilities side of the balance sheet) - deferred tax liabilities - adjustment accounts) / balance sheet total).

ESTIMATED RENTAL VALUE (ERV)
Estimated rental value of the portfolio as reviewed by the independent property expert.

EX-DATE
Coupon detachment date.

FLOAT
Percentage of shares held by the public. These are shares for which WEB has not received a transparency declaration from a third party, or which are not owned by WEB.

FSMA (FINANCIAL SERVICES AND MARKETS AUTHORITY)
Autonomous regulatory authority for the financial and insurance markets in Belgium.

IAS (INTERNATIONAL ACCOUNTING STANDARDS)
International accounting standards developed by the International Accounting Standards Board.

IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS)
International financial reporting standards issued by the International Accounting Standards Board.

IRS (INTEREST RATE SWAP)
Interest rate swap contract (most commonly fixed against variable or vice versa) constituting a commitment entered into between two parties to exchange financial flows calculated on a notional basis, a frequency and a fixed term.

IRS “PAYER”
An IRS “payer” (“fixed rate payer”) is an IRS for which a fixed rate is paid to the counterparty in exchange for a variable rate.

IRS “RECEIVER”
An IRS “receiver” (“fixed rate receiver”) is an IRS for which a variable rate is paid to the counterparty in exchange for a fixed rate.

FAIR VALUE
According to the press release of 8 February 2006 by the Belgian Association of Asset Managers (BEAMA), and according to the confirmation by the press release of the BE-REIT Association of 10 November 2016, the fair value of properties over €2,500,000 can be obtained by deducting transaction costs of 2.5% from the investment value. For properties with a deed-in-hand value of less than €2,500,000, the fees to deduct are 10% or 12.5%, depending on the region in which they are located.

INVESTMENT VALUE
Value defined by the property expert as being the most probable value that can be obtained under normal conditions of sale between fully informed and consenting parties on the date of the appraisal, before deduction of transfer rights.

LAW OF 12 MAY 2014
Law on Regulated Property Companies (Sociétés Immobilières Réglementées - SIRs).

LTV (LOAN-TO-VALUE)
LTV = (nominal financial debts - cash) / fair value of the portfolio (Alternative Performance Measure).

MARKET CAPITALISATION
Closing share price multiplied by the total number of shares representing the share capital.

NAV (NET ASSET VALUE)
Intrinsic equity value.

OCCUPANCY RATE
Current rents / (current rents + estimated rental value for unoccupied space).

OPERATING MARGIN
Operating result before portfolio result divided by rental income (excluding accrual of gratuities) (Alternative Performance Measure).

PAY-OUT RATIO (PERCENTAGE OF DISTRIBUTION)
Percentage calculated by dividing the dividend by the distributable result.

PROPERTY MANAGEMENT
Consists of the supervision of maintenance activities, the accounting for rents and the accounting for costs related to properties, to be recovered from tenants.

RECORD DATE
Fixed date on which a shareholder must hold securities in order to be entitled to the payment of the dividend in accordance with the securities held on that date.

REIT (REAL-ESTATE INVESTMENT TRUST)
Closed-end investment company (USA).

RENT IN PROGRESS
Annual rent in progress on the closing date, increased by future rent on signed contracts, as reviewed by the independent property expert.

ROYAL DECREE OF 14 NOVEMBER 2007
Royal Decree relating to the obligations of issuers of financial instruments admitted to trading on a regulated market.

ROYAL DECREE OF 13 JULY 2014
Royal Decree relating to Regulated Property Companies
WITHHOLDING TAX (PRÉCOMPTE MOBILIER)
Dividends are considered as taxable movable income in Belgium. The withholding tax normally deducted at source from this income constitutes, in most situations, the final tax on this income.

GROSS RETURN ON THE ANNUAL AVERAGE MARKET PRICE
Return equal to the gross dividend divided by the annual average share price for the financial period.

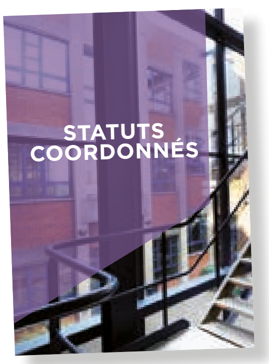
NET RESULT
Result established in accordance with IFRS accounting standards. It represents the profit or the loss of the financial period.

RPM
Register of Legal Entities (Registre des Personnes Morales).

SIR (SOCIÉTÉ IMMOBILIÈRE RÉGLEMENTÉE - "REGULATED PROPERTY COMPANY")
The SIR system was created in 2014, and pursues the same objectives as the structures of Real-Estate Investment Trusts (REIT) set up in certain countries, such as REIT (USA), SIIC (France) and FBI (Netherlands). In addition, the legislator wanted a SIR to guarantee high transparency and to allow the distribution of a large part of its cash flow, while benefiting from certain advantages. It is controlled by the Financial Services and Markets Authority (FSMA), and subject to specific regulations.

VELOCITY
Indicator of the speed of circulation of shares on a regulated market and calculated by dividing the total number of shares traded during the financial period by the average number of shares in circulation during this period.

* Not reviewed by PwC.



COORDINATED STATUTES

The most recent coordinated articles of association are available on the website: www.w-e-b.be.

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