April 16, 2020

Open letter: Questions AGM Wereldhave N.V. April 24, 2020

Dear Board of Directors and Board of Supervisors,

As *The Third Way* we represent a large number of dissatisfied retail WH shareholders, a social media grassroots movement. Initially we grew by uniting around a new strategy for Wereldhave developed under this alias by a IEX member. We sought to contribute in a positive yet critical way to shareholder value. Our open letters advocating a new strategy and criticizing the LifeCentral's foundation were well publicized in the Dutch financial media so it will not be necessary to elaborate on them here. With WH IR we agreed to bundle all our shareholders' questions into one as presented here.

As of now we are dealing with the fact that every investor, small and large, has been surprised by the Corona crisis: much, if not everything, has changed. Unfortunately the Q1 update will be published after these questions had to be submitted. Therefore we will focus mainly on structural risk management only here.

Our focal points are:

- The financial structure already looked weak at consolidated level but it's structurally much weaker, unbalanced, pre-corona crisis. This due to WH financing itself against WH Belgium's assets. Why was this allowed to happen, why did the Supervisory Board allow the new LifeCentral strategy to function as an amplifier of embedded risks, what are the remedial actions?
- The LifeCentral strategy is factually finished. It should be formally exited and the focus should shift to right-sizing the company. Please add much needed leadership to the RvB, adding proven experience in crisis management.
- We deem the remuneration proposal inappropriate, not aligned with shareholder interests and additionally not suited to the challenges for the coming years. Furthermore, it is inappropriate in these times to propose such a lucrative package when the focus should be on leading by example.

In the context of the Annual General Meeting of Shareholders we have categorized our questions along the various Agenda items as per the AGM document published on the Wereldhave website We would appreciate to have them answered at the AGM and to receive the answers in writing.

Questions to be conveyed at the Annual Shareholder Meeting

ITEM 2 Management report 2019

i. Risk & Finance

A group split in two separate parts: WH overleveraged, WHB lowly leveraged.

Over the years WH as a group hasn't performed while Belgium did so in comparison - as measured by their respective share prices. This has led to the situation that Belgium has become very relevant from a size perspective. However, the agreements with lenders were not changed to reflect this and continued to treat WH as one entity.

As a result, the WH lenders came into a position whereby the LTV covenant was still on a consolidated group basis, while the 66% percent only shareholding in Belgium warranted differentiation: WH lenders only have a subordinated recourse to WHB assets - behind the creditors like lenders of Belgium itself.

Still the WH financiers were requested to Lend more and more to WH - but against the Value of the Belgian assets. Moreover, the proceeds thereof were used by WH itself - where problems grew.

The result is at one side an overleveraged WH and on the other side a lowly leveraged WHB. An unsustainably imbalanced financial structure was thus created.

Questions to the RvC about WH's leverage

a. When the new CEO appointed new valuation firms, the valuation methodology changed and the new CEO's data and ERV were included. The valuation dropped in only six months by a remarkable 23% in Holland and 10% in France. You realized that the result was a very steep devaluation of 400 mln euro. But did you also realize the danger of the LTV for WH excluding Belgium shooting up to a dangerous 55% (WHB: 30%) in December 2019?

b. Furthermore, when management proposed to already spend the forecasted proceeds of future asset sales - thereby worsening the LTV even further -, did you then realize and document this significant risk? Why did you allow this to happen?

c. With more negative events adding over time, - including Moody's downgrade and shareholders valuing WH without WHB at zero or occasionally below zero - when did you recognize the structural problem needed an immediate solution? Why did the RvC allow this unsustainable situation to evolve into an existential threat, already before the corona crisis? Please answer in the context of the details provided in section (iii) below.

d. Without the corona crisis, the LTV of WH without Belgium would most likely reach 60% at the end of Q2. In the very unlikely event you don't agree, we'd be willing to explain verbally to the Supervisory Board before this AvA. Could you please explain and document in detail when and how The Supervisory Board discussed these problems with the RvB?

e. How do you reflect on your actions as Supervisory Board in light of above?

ii. Questions to the RvC about their actions following current events

a. What actions were undertaken by the Board after subsequently:

- Moody's downgraded your company to just above junk status?
- The much talked about bridge loan was not awarded to prefinance the asset sales, indicating stress at financiers' level?
- We as *The Third Way* immediately criticized the LifeCentral plans – including the pivotal position of Belgium - and the financial newspaper FD also publicized the remarkable comparison of the market cap of the group vs Belgium. Why did you not endorse the plan to sell Belgium, solving the problem, but instead endorsed it as a focal point of the LifeCentral strategy, aggravating the problems?
- You became the most shorted public company in the Netherlands. What does it imply to you that, in spite of the extreme fall of the share price and thus the great profits the shorters can already reap, they have not done so yet?

b. When the impact of the current Corona crisis started to become clear, and thus also that the LTV now both at 'group' and 'group without Belgium' level became an existential problem, what action did you take?

c. Why is the average duration of WH's loans so short, and why did you agree to the further mismatch, the even short term finance fixed assets with commercial paper in Belgium - a market now dead?

d. What further downgrades do you anticipate from Moody's and what will be the impact? How are you preparing WH, what are the scenario's?

e. Could you inform us about the current status of the discussions with lenders, and their actions anticipated, in light of the above? Please also indicate impact on lending costs and the yields for shareholders?

iii. Questions about strategy

On top of the outlined existing problems, due to the Corona crisis rents will go down and not return to 2019 levels in the foreseeable future. In this context we deem the following should be the priorities for WH:

a. The LifeCentral strategy - which relies on asset sales and their reinvestment in malls – is exited. Will you RvB and RvC enact this?

b. WH should be tasked with reducing costs significantly. Reduce especially HQ costs. We request RvB to present a plan whereby costs are reduced to levels demonstrably below peers. Will you enact this?

c. In light of above, could the RvC please explain if it thinks the RvB has the required experience with crisis management at this level? Please elaborate factually.

ITEM 4. Proposal to adopt the new remuneration policy vote

i. Questions about the use of non-EPRA measures for its KPI

The RvB has decided to change its KPI from EPRA to a total return EPRA, or in other words, now unrealized gains and losses on real estate are included. Additionally, the RvB has stated in the FY 2019 annual report that dividends will be around 75-85% of EPS. RvB has clarified that dividends will not be based on the total return EPRA – and thus EPS - as this would entail paying out cash out of unrealized – thus non-cash – returns. Hence, it will be based on EPRA EPS.

We deem this logical, however it raises some interesting questions:

a. Could you please confirm that RvB's KPI will be fully aligned with shareholder interest, thus using EPRA as a measure? We would like to avoid the absurd yet now possible situation that shareholders receive less dividend at reduced shareprice, while RvB is entitled to greater income (again, at the expense of already beaten down shareholders).

b. As so much importance is given to the NAV, the base case for investing should be aligned. So we expect WH to make investment decisions not against its current base case of falling rents or potential cap rates, but against the realization of the NAV through the sale of its malls. This is the only logical consequence, WH potentially becomes an active seller of assets. Could you please indicate at which NAV vs implied value - through share price - ratio you'd propose to actively seek asset sales?

c. We have posed that in accordance with EPRA real estate valuation should be excluded from KPI’s as this is a largely uncontrollable variable. If RvC and RvB insist on incorporating it the question is at which devaluation of the real estate RvB and RvC would feel to have failed?

ii. Questions about management's alignment with shareholder interests

a. Currently we are facing the fact that except from the CFO no members of the RvB and RvC hold WH shares privately. This is a negative sign towards us shareholders. In light of all the upbeat changes announced previously, like LifeCentral, why is this so? What can we expect?

b. Despite the crisis and the sacrifices being made by everyone, RvB and sitting RvC have not mentioned any. Instead, it is presenting a very substantial package for its CEO and CFO. Do you think this is appropriate in the face of shareholders and all other stakeholders suffering massive losses, which already began before the Corona crises?

   Is instead of cutting your salaries, as done by the management of peer companies already, not a better way to start convincing your shareholders that their interests are aligned with the management's? Furthermore, we would like to stress that WHA now finds itself in a situation whereby no doubt staff – also French – is now further demotivated.

Yours truly,

The Third Way…

April 16, 2020.