WDP
WAREHOUSES WITH BRAINS

Annual financial report '18

www.wdp.eu

Contents

The annual financial report is available at the registered office of the company:

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and is available on the website **www.wdp.eu** in three languages (Dutch, French and English).

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1. Responsible for the contents of the annual financial report

WDP's statutory manager, De Pauw NV, with registered office at Blakebergen 15, 1861 Meise (Wolvertem), represented by its permanent representative Tony De Pauw, declares that no government interventions, lawsuits or arbitrations exist that could significantly influence – or that could recently have influenced – WDP's financial position or its results. It also declares that, to its knowledge, no circumstances or facts exist that could lead to such government interventions, lawsuits or arbitrations.

Moreover, the manager declares that, to the best of its knowledge:

- the financial statements, drawn up in accordance with the applicable standards for financial statements, give a true and fair view of the group's equity and financial position and the results of the issuer and of the companies included in the consolidation;
- the annual financial report gives a true and fair view of the developments and results of the company and of the position of the issuer and the companies included in the consolidation, as well as a description of the main risks and uncertainties facing the company;
- no significant changes have occurred in the financial or commercial positions of the Group since 31 December 2018.

2. Statement regarding the future

This annual financial report contains statements geared towards the future. Such statements involve unknown risks, uncertainties and other factors that could result in the current results, financial position, performance and realisations differing from any future results, financial position, performance and realisations expressed or implicated by such statements referring to the future. Given these uncertain factors, such statements referring to the future do not offer any guarantees.

3. Information from third parties

WDP declares that the information provided by the experts and the statutory auditor has been faithfully reproduced. To WDP's knowledge, and based on what it has been able to deduce from the information published by the property experts and the statutory auditor, no facts were omitted that would render the information provided by the property experts or the statutory auditor incorrect or misleading.

WDP's statutory manager also reports that the statutory auditor and the property experts have approved the inclusion of the content of their respective reports and conclusions in the annual financial report, and that they have approved the content and form in which this section is included in the annual financial report.

For confidentiality reasons, the full report of the property experts has not been included and cannot be consulted.

4. Required components of the annual report

In accordance with Articles 96 and 119 of the Belgian Companies Code, the required components of the WDP annual report appear in the following chapters:

- *4.1. Management report – Consolidated key figures;*
- *4.2. Management report – Notes to the consolidated results 2018;*
- *4.3. Management report – Transactions and realisations;*
- *4.4. Management report – Management of financial resources;*
- *4.6. Management report – Outlook;*
- *4.7. Management report – Corporate governance;*
- *8. Risk factors;* and
- *9. Financial statements.*

This annual financial report gives an overview of the activities and financial statements for the financial year ending on 31 December 2018.

5. Alternative Performance Measures, EPRA and GRI

In accordance with the guidelines issued by ESMA (European Securities and Market Authority), the definition and function of the Alternative Performance Measures (APMs) applied by WDP are explained in a footnote where they appear in this annual financial report. The reconciliation of APMs is provided in Chapter *9.5. Financial statements – Detailed calculation of the Alternative Performance Measures applied by WDP*. This definition will also always be accompanied by a symbol (◤) so the reader can easily recognise it as an APM definition.

WDP also reports in accordance with the EPRA (European Public Real Estate Association) reporting guidelines and GRI (Global Reporting Initiative) standards to the extent that these are relevant to its activities.

20 years on the stock exchange

	Surface area property portfolio	Property portfolio value	Buildings
IPO 1999	400,000 m²	100 millions euros	40
2018	4.5 million m²	3.5 billions euros	200

EPRA EPS	DPS	#TeamWDP
1.46 euros	1.32 euros	10 employees
6.00 euros	4.80 euros	70 employees

This is WDP

2018

EPRA EPS
6.00 euros
+7% y/y

DPS
4.80 euros
+7% y/y

Occupancy rate
97%

Area
4.5 million m²

~3.5
BILLIONS EUROS
275 million euros
in development

Duration
lease contracts
5.8 years

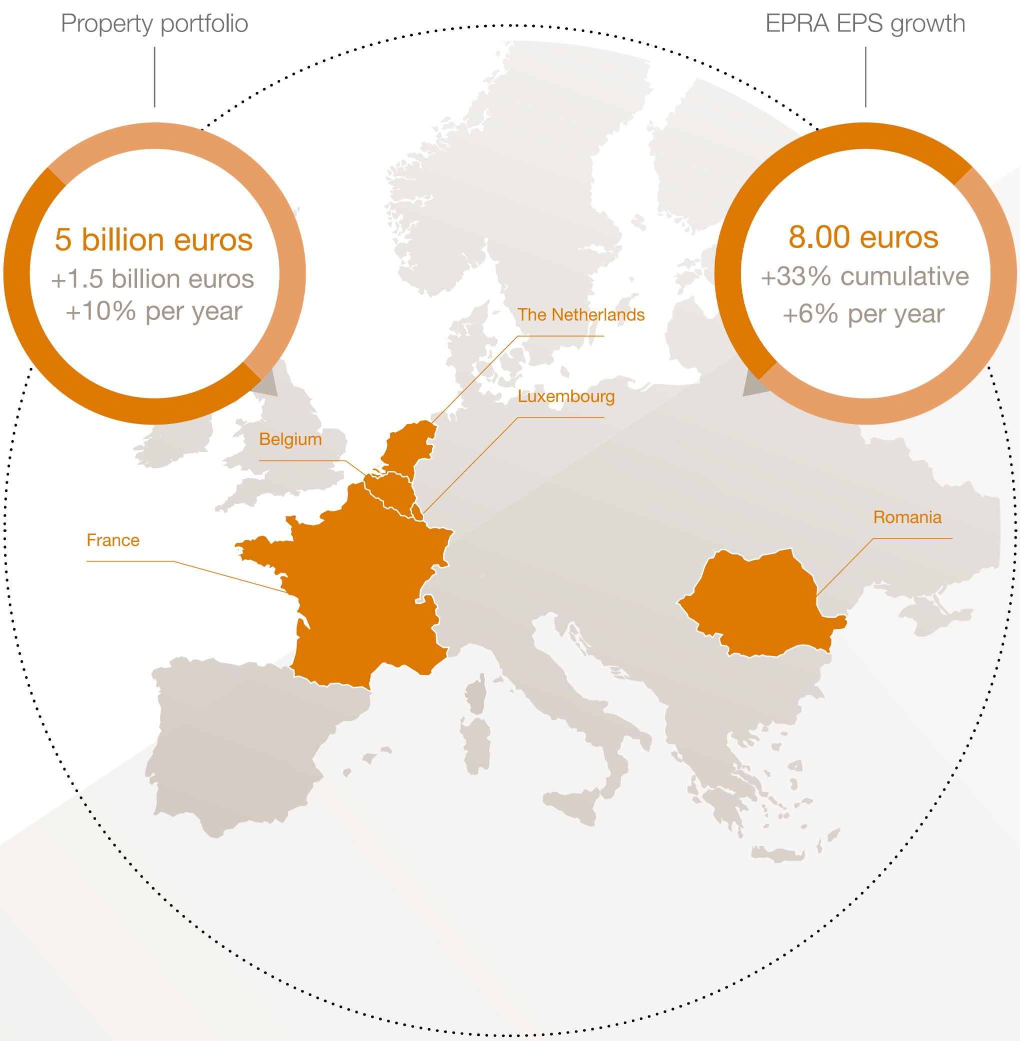
EPRA Net Initial Yield
6.0%

Loan-to-value
50.0%

Cost of debt
2.4%

Solar panels
60 MWp

AMBITION FOR 2019-23[1]



1 These ambitions are based on the retention of the current operational and financial metrics and a stable operational environment within a context of sustained structural demand for modern logistics spaces. These growth and profit targets are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate), and a normal number of hours of sunshine.

1.

Chairman's letter to the shareholders

Accelerated as well as cost-effective realisation of 2016-20 growth plan. In 2018, the EPRA Earnings per share once again showed a rise of 7% to 6.00 euros, mainly driven by the pre-leased projects in the Netherlands and the Romanian growth market. This included solid operational and financial metrics at a consistently high occupancy rate of around 97%, a gearing ratio of around 50% and a strong financial buffer of 300 million euros in unused credit lines. In addition, we pursued on the dynamics of the past two years and identified 350 million euros of new investments, enabling us to identify a package of 1.1 billion euros – of the envisaged volume of 1.25 billion euros within the five-year 2016-20 growth plan – within a period of three years (or after 60% of the time lapsed). That way, the targeted EPRA Earnings per share of 7.00 euros in 2020 is within reach.

Creating value for clients and shareholders through project developments. WDP currently completes new construction projects at a rate of about 100,000 m² per quarter in the countries in which we operate. This shows the confidence that our clients have in our company within a highly competitive landscape. They have stepped up their collaberation with us – more than half of the new business in the past three years was driven by repeat business with existing clients. We can only achieve this thanks to #TeamWDP, based on our three well-oiled commercial platforms (Belgium-Luxembourg-France, the Netherlands and Romania) in combination with the team of project managers and the WDP Group's financial clout. The WDP growth is supported, inter alia, through digital development, automation, streamlined procedures and targeted acquisitions, without losing sight of WDP's DNA: focussing on the client, short lines of decision-making, and an agile organisation that guarantees a fast and qualitative realisation.

Structural drivers in the logistics market stimulate demand for sustainable solutions. In recent years, the logistics sector has gained huge significance within the value chain. Management of the supply chain is of critical importance to companies. Rapid and strongly evolving consumer behaviour, the increased focus on sustainability, as well as the technological solutions that enable

"WDP strives to continue its strategy steadily through the implementation of a new 2019-23 growth plan and aspires for an annual investment of around 10% of the portfolio, and an annual increase of 6% in the EPRA Earnings per share."

MARK DUYCK
CHAIRMAN
FROM THE BOARD OF DIRECTORS

this, lead to a sustained market demand. WDP is well positioned to provide its clients with modern, multi-modal, and intelligent warehouses in the vicinity of the consumer. WDP also wishes to focus on further preservation and technology. For instance, about one-third of the sites have been equipped with solar panels which is more and more becoming the standard for logistics buildings, and WDP is gradually evolving towards its ambition of 100 MWp of installed capacity. In addition, WDP has introduced an energy monitoring tool across the entire portfolio, and is now able to start a dialogue with the client to optimize energy consumption. The WDP Green Finance Framework, within which framework WDP was the very first REIT and Belgian company able to issue a green USPP (US Private Placement), supports the sustainable focus of our company.

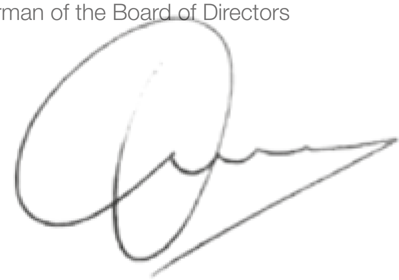
Implementation of new growth plan. The last hurdles are now being taken to realise the 2016-20 growth plan objectives and WDP looks with confidence towards the logistics market and its future. On this basis, WDP wishes to further pursue its steady and profitable growth and to write a new chapter by implementing a new 2019-23 growth plan. With this new five-year growth plan, WDP aims for a cumulative investment volume of 1.5 billion euros, implying an annual portfolio growth of 10%, borne proportionately by the three commercial and geographical platforms. As a result of long-term growth, WDP will examine a broadening of its activities in the Benelux' neighbouring region. This should lead to an annual increase of 6% in the EPRA Earnings per share to 8.00 euros in 2023.

Having WDP on the stock exchange for twenty years. In 2019, WDP is celebrating its twentieth anniversary of stock exchange listing. I have contributed to this pathway together with a very limited crew in the early beginning, which gradually developed into the team it is today. During this time, our stock of leased surface areas increased by a factor of ten. Our market capitalisation and EPRA Earnings increased by a factor of twenty and a factor of four, respectively. Having started out as a small unknown player in an unpopular property segment, the company has changed from a fund into an extensive SME, still holding a hands-on mentality, a latent family character, and a visible professionalism. Keeping in mind the words of founder Jos De Pauw: "take care of the client" and "stick to what you know". Today, allow me to add that, although we now have the waistline of an ocean liner, we must maintain the agility of a coaster.

We face the future with confidence and believe that the Group is robust and well positioned to weather any possible shocks due to the fragile (geo)political landscape, trade wars, and a possibly more volatile climate in terms of macro-economics and/or interest rates.

On the occasion of the Annual General Meeting in April 2019, I will be handing over this chair to my successor, Rik Vandenberghe. I wish him a smooth road. Finally, I would also like to thank all the stakeholders for the many years of cooperation and recognition: our clients, partners and suppliers, the committed employees, members of the management team and members of the Board of Directors.

MARK DUYCK
Chairman of the Board of Directors



"During the twenty years that WDP has been a trusted value on the stock exchange, the company has grown from a small niche player to a leader in logistics property with a strong commercial platform and robust financial position. In 1999, we were not included in any index, and today we are part of the BEL 20. The latter was not an aim in itself, but without our listing we would never have been able to realise the growth, professionalisation and reputation that we have today. Our experience should be an incentive for others to take the same route: transparency and sharing with others via an IPO leads to faster and profitable growth."

MARK DUYCK
CHAIRMAN OF THE BOARD OF DIRECTORS

2.
Strategy

The cornerstone of WDP is a consistent pure player strategy pursued for decades. As a real estate player, WDP gears itself towards investment in and development and long-term rental of high-quality and sustainable logistics and semi-industrial properties.

WDP is the market leader in the Benelux[1] in logistics and semi-industrial property, and is a respected European player active in Belgium, the Netherlands, Luxembourg, France, and the Romanian growth market.

WDP continues to expand its property portfolio under its long-term vision, through the development of self-financed storage and distribution facilities, based on client's demand and requirements, and in compliance with the highest industry standards. In addition, the GVV/SIR[2] also invests directly in existing high-quality sites, all with a view to long-term leasing. This allows WDP to gain a strategic advantage from the entire property value chain.

As a commercial company, WDP aims for client partnerships. This requires a long-term relationship based on mutual trust. By consistently offering its clients high-quality properties, in line with the latest needs of the sector, WDP strives to support their growth.

1 This statement is based on a comparative calculation of the number of square metres of lettable surface area in buildings in the portfolio.

2 A GVV/SIR is a Regulated Real Estate Company under Belgian Law.

Warehouses with Brains

A flexible and active investor

The backbone of WDP's policy is its consistently high occupancy rate thanks to long-term partner relationships with clients. WDP aims to be a property specialist that brainstorms solutions along with the client. Hence our slogan: WDP – Warehouses with Brains.

As a GVV/SIR, WDP is not a passive fund, but a commercial company providing custom-tailored buildings and property solutions. WDP is also a self-managed company, with management performed in-house for the sole benefit of its shareholders and other stakeholders. By maintaining projects in the portfolio after delivery or purchase, the added value created in-house remains in the company.

As a market leader in logistics and semi-industrial property, WDP has its finger on the pulse of the sector. After all, the logistics and distribution world is constantly in motion. Staying at the forefront of these developments allows WDP to consistently offer its clients the latest in facilities and solutions.

Another key concept in WDP's strategy is flexibility. Thanks to thorough knowledge of its clients and their areas of activity, combined with a diversified portfolio, WDP can quickly respond to its clients' evolving needs. By working with a relatively small but dedicated team, WDP also guarantees its clients fast and flexible solutions, while the high operating margin also benefits shareholders.

This brings us to another key concept in WDP's strategy: in-house expertise. Not only does WDP have its own sales team tasked with maximising occupancy, with attention to both existing and prospective clients, it also has its own project and facility managers with years of experience to handle the development and management of buildings in the portfolio. The project managers monitor the construction of new properties under the supervision of the technical director. The facility managers are responsible for management of existing buildings, including maintenance, modification and improvement works. After all, it is vital to manage all critical property functions in-house, in order to respond to issues as quickly and effectively as possible and safeguard the long-term health of the company. WDP also maintains firm control over its financial, bookkeeping and legal affairs.

An investor with a sustainable management

As a long-term investor in logistics properties, WDP is aware of the key role it plays for the environment, and of its social responsibilities. That is why WDP's sustainable management is key to its strategy, and implemented in its daily operation.

It is vital for the company to expand its portfolio sustainably and responsibly. WDP pays attention to the energy efficiency of its buildings and invests in renewable energy, in the form of solar panels. A win-win approach is always vital to these investments, for the benefit of all stakeholders.

Sustainable management also implies acting as a sustainable employer, with special attention to employees and sustainable management of the business for all stakeholders involved in the company's activities.

A real estate specialist with sound fundamentals

Investment criteria

In launching new projects and acquiring new properties, we always apply a number of strict criteria. The basic requirements include adjusted market return and a positive outcome from a thorough screening for possible risks, primarily property-related risks, such as location, technology, sustainability and lettability, as well as legal, financial and taxation risks.

With regard to financing, efforts are made to match property investments closely to synchronous issue of new equity and external funding. This provides for a healthy mix of equity and external funding. Moreover, logical application of the matching principle (which consistently pairs capital increases with corresponding immediately profitable assets) contributes to growth in earnings per share, one of the basic principles and objectives of the company.

WDP only invests in a new or existing property if it is convinced of its re-letting potential after departure of the current tenant. The buildings must also have high residual value: the site must be of permanently high value, even once the commercial life cycle of the buildings comes to an end.

Any buildings or land in which the company invests must contribute to the total portfolio value and to earnings per share. They must be in line with the modern, efficient portfolio and so also the network WDP wishes to build in the logistics market.

Financial policy

The financial policy is also based on a number of fixed conditions. The first is a high occupancy rate based on long-term leases with clients who are also our partners. In addition to this, strict cost control must be provided in combination with a justified debt structure and interest rate hedging, for the benefit of all stakeholders (shareholders, clients, financiers, the WDP team and suppliers).

Appropriate financing is key for a sound and profitable business model, given the capital-intensive nature of the real estate sector. The company always aims for a gearing ratio of 50 to 55% (formerly 55 to 60%) with a sound debt hedging ratio. By continuously upscaling, WDP aims to achieve a competitive debt and capital costs.

Setting aside a portion of the profits can also build up a financial buffer for the future, which can be reinvested into further company growth. This enables a sustainable and attractive dividend policy, with the dividend supported in absolute terms by the historical reserves and a high payout rate of approx. 80%, in line with the statutory minimum for a GVV/SIR. WDP's philosophy on dividend policy strives for a synchronized evolution of dividend with the EPRA Earnings per share.

Finally, WDP envisions a strategy with clearly defined company growth. Growth should also provide added value for both clients and shareholders, so this growth maintains controlled and sustainable.

Advantages of the GVV/SIR structure

In Belgium, WDP is structured as a public GVV/SIR (Regulated Real Estate Company), also subject to the prudential supervision of the FSMA. In the Netherlands and France, WDP has the status of a Fiscal investment institution (Fiscale Beleggingsinstelling FBI) and a Société d'Investissement Immobilier Côtée (SIIC), respectively. This enables WDP to operate in these core markets using the defensive Real Estate Investment Trust model (REIT).

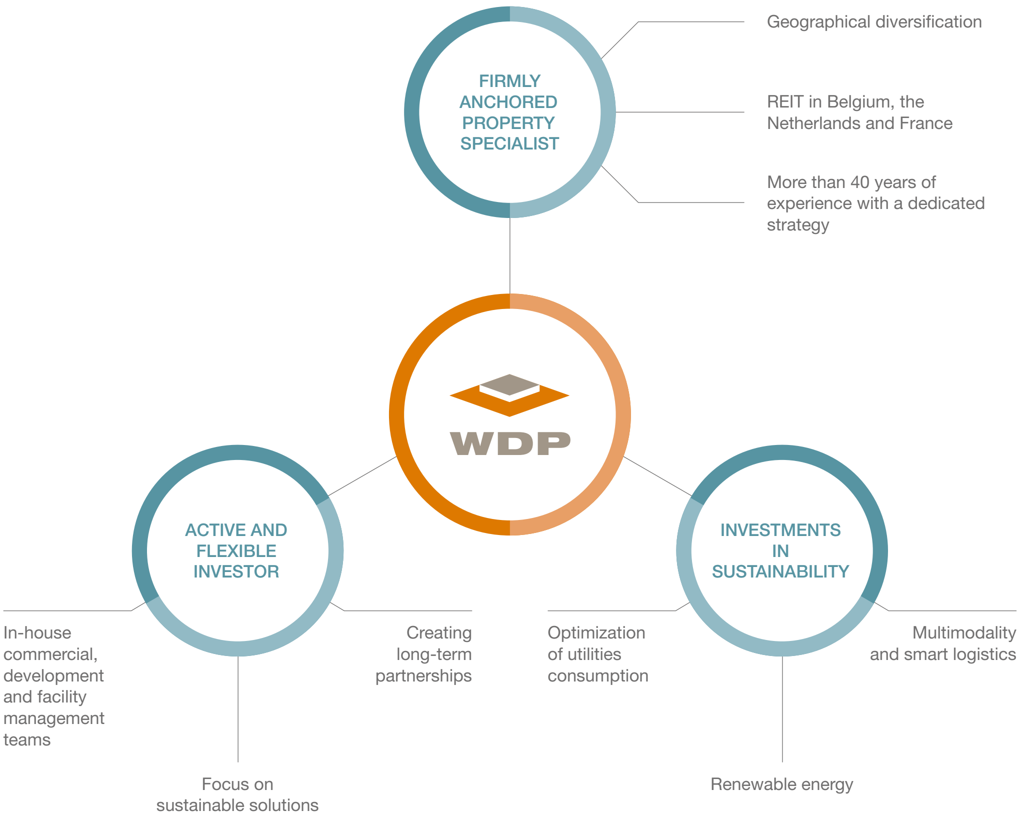
The GVV/SIR is, as a defensive investment vehicle, subject to strict regulations designed to protect shareholders and financiers. GVV/SIR status gives investors the opportunity to gain balanced, cost-effective and fiscally transparent access to a diversified property portfolio.

By emphasising the creation of long-term cash flows, in conjunction with the high earnings distribution obligation, a GVV/SIR like WDP provides a full-fledged, profitable, liquid alternative to direct property. Due to the size of the portfolio, WDP also provides investors with a substantially large investment spread in specific regions as well as a healthy diversification.

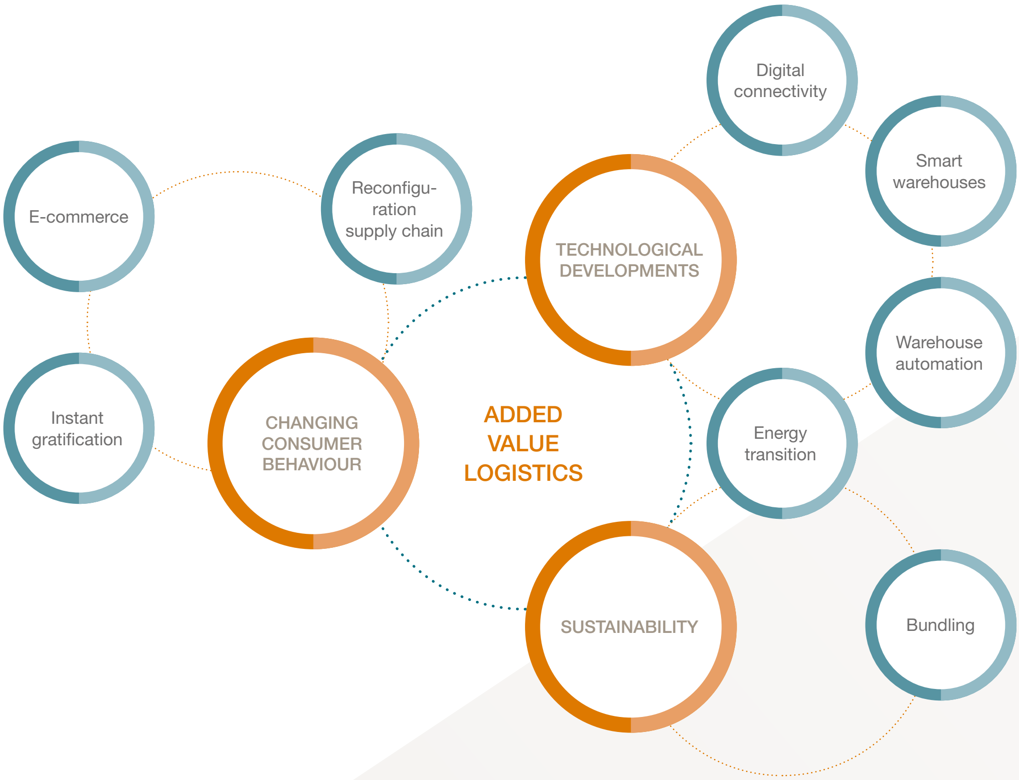
Finally, the status of GVV/SIR, FBI and SIIC in Belgium, the Netherlands and France, respectively, allows WDP to position itself internationally with respect to clients, suppliers, financiers and investors in a consistent manner.

3 REIT (Real Estate Investment Trust) is an international designation for listed real estate firms with a long-term investment policy and a fiscally transparent status. In Belgium: GVV/SIR, in the Netherlands: FBI and in France: SIIC.

A pure player in the warehouse sector



From commodity to game changer



WDP, your partner for further growth

Added-value logistics

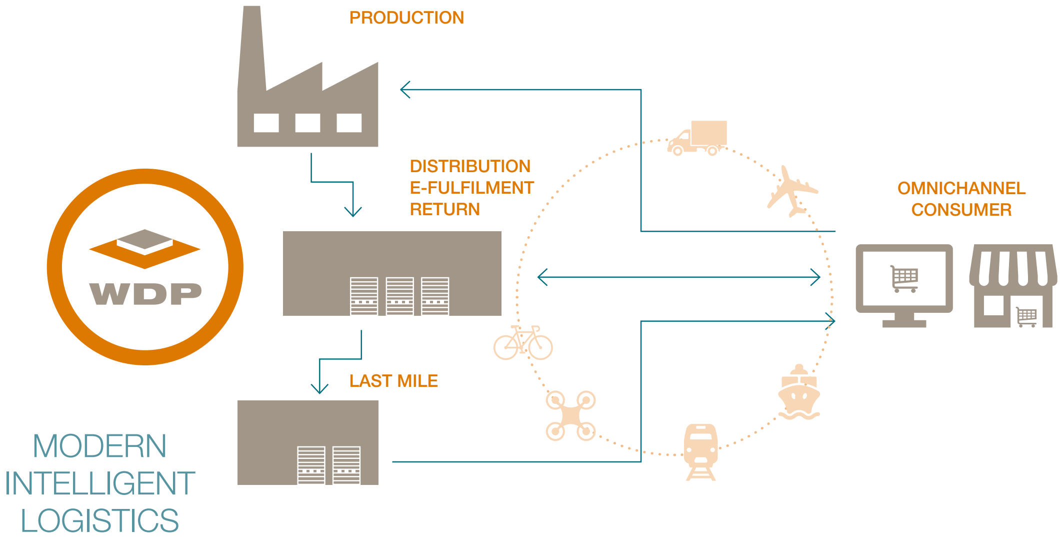
Today's logistics real estate sector plays a critical role in the supply chain. Traditional storage and distribution facilities have evolved from a mere basic necessity into the linchpin of the supply chain. A structural demand for modern, intelligent warehouses is a logical consequence of this.

One decisive factor here is the new role of the consumer. During a visit to the supermarket, consumers expect fresh food products to be ready for consumption. They are also increasingly enjoying e-commerce services and expect their orders to be delivered immediately. Instant gratification has become self-evident, and is now possible thanks to technological advances.

Intelligent warehouses – possibly with corresponding production facilities – are created based on the latest technology trends. Digital connectivity, energy transition and warehouse automation optimise the supply chain and respond proactively to customer satisfaction for tenants, and thus also consumers.

Logistics properties must also be sustainable. For instance, clients want properties that are energy efficient (and thus also cost-saving), but their location must also be strategic. Clients want to bundle their goods flows as much as possible

Key role in supply chain



while also maximising delivery efficiency and speed.

WDP helps its clients maximise added value precisely in the area of logistics. WDP helps them brainstorm solutions and offers them a diversified portfolio of sustainable, state-of-the-art buildings, all of which are tailored to the needs of the sector.

A geographically strategic portfolio

WDP sites are always selected for their strategic locations, such as in the immediate vicinity of storage and distribution hubs. We give special attention to multimodal sites, with optimal links to road, water and rail infrastructure.

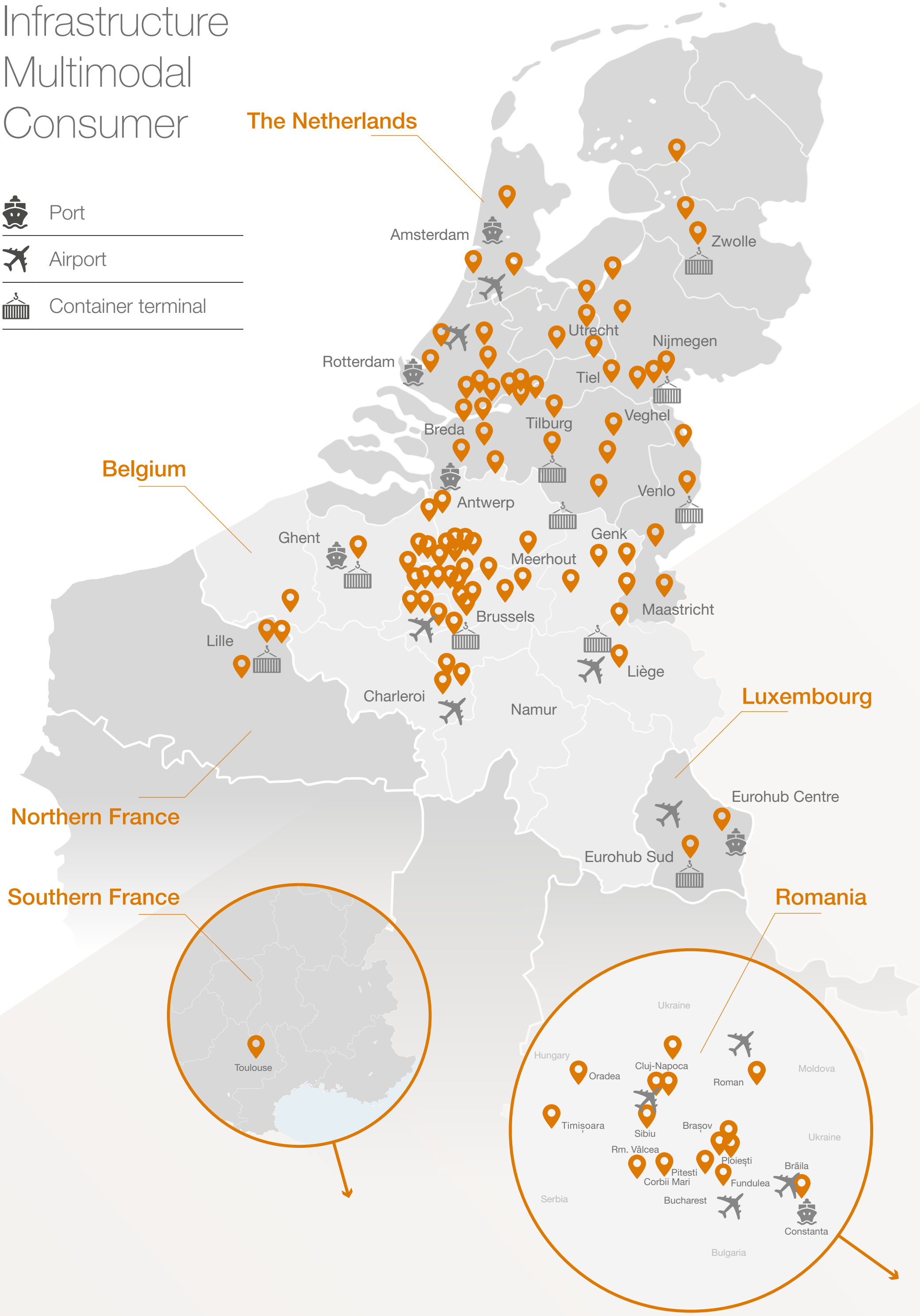
WDP focuses specifically on two major logistics corridors: the majority of buildings in the WDP portfolio are situated at prime locations along the logistical axis of Amsterdam-Rotterdam-Breda-Antwerp-Brussels-Lille. This part of the portfolio is mostly situated in the economic heart of Northwestern Europe, with a high concentration of consumers and buying power. The warehouse sites are located in the strategic hinterland of the ports of Antwerp and Rotterdam, which serve as import and export gateways for Europe. WDP's other focal point is Romania, as a complementary growth market. Based on its historical position as a production market, combined with a fast-growing consumer market, the role of logistics has expanded rapidly, with an emphasis on increased added value, and the associated demand for modern storage and distribution spaces. Moreover, Romania serves as a gateway to supply the whole of South-eastern Europe.

Infrastructure Multimodal Consumer

Port

Airport

Container terminal



WDP, the Group

BE

WDP COMM. VA

100%	100%	55%	80%
NL	FR	LU	RO
THE NETHERLANDS	FRANCE	LUXEMBOURG	ROMANIA

WDP Nederland N.V.
Hoge Mosten 2
4822 NH Breda

WDP Development NL N.V.
Hoge Mosten 2
4822 NH Breda

WDP France SARL
rue Cantrelle 28
36000 Châteauroux

WDP Luxembourg SA
Parc Logistique
Eurohub Sud
L-3434 Dudelange

A 55-45% joint venture with the Luxembourg government.

WDP Romania SRL
1 Baia de Arama Street,
building C1, 1st floor,
office no. 19, district 2,
Bucharest

An 80-20% partnership with entrepreneur and Romania specialist Jeroen Biermans.

3. History and milestones

VALUE OF THE PORTFOLIO

1977-98
Rederij De Pauw NV: property portfolio of the Jos De Pauw family. Expansion into a specialised semi-industrial real estate company.

1999
Founding of Warehousing & Distribution De Pauw Comm. VA. Company status: vastgoedbevak/sicafi. IPO as The Growing Bevak. Founding of WDP Italia SRL and WDP CZ SRO.

2000
Founding of WDP France SARL.

2009
Acquisition of DHL premises in Meer, Willebroek and Mechelen. Successful capital increase.

2010
First BREEAM certificate for a logistics property in the Netherlands. WDP Nederland B.V. becomes an N.V. and gains FBI (Fiscale BeleggingsInstelling) status. Opening of WDP office in the Netherlands. EIB financing package for growth in Romania.

2011-13 Growth plan

2011
2011-2013 Strategic growth plan based on three growth pillars: leasing, CO_2 neutral portfolio and acquisitions. Acquisition of the logistics portfolio of Wereldhave NL. Introduction of optional dividend.

2012
Acquisition of Lake Side Portfolio in the Netherlands. Sale of WDP CZ SRO.

2013
2013-16 Strategic growth plan: portfolio expansion by 50% to 1.8 billion euros and cumulative growth of EPRA Earnings per share of 20 to 25%. First bond issuance. Solar farms in Romania.

2013-16 Growth plan

2014
Regulated Real Estate Company (GVV/SIR). Further internal professionalisation. Issue of a retail bond. (Indirect) contribution in kind of the Tiel site. Ambitions set higher in the 2013-16 strategic growth plan. Market capitalisation surpassing 1 billion euros.

2015
Contribution in kind of the FMCG campus in Bornem. WDP and The Greenery conclude a long-term partnership. Launch of solar panels project (30 MWp) in the Netherlands. Doubling of the portfolio in Romania to approx. 100,000 m². Kickoff of WDPort of Ghent. WDP shares also listed on Euronext Amsterdam. 2013-16 growth plan targets achieved one year early: portfolio of approx. 2 billion euros and EPRA Earnings per share of 5.00 euros.

2016
New 2016-20 growth plan: target portfolio growth by 1 billion to 3 billion euros and a cumulative increase of 25% in earnings per share. WDP included in AMX Index on Euronext Amsterdam. Luxembourg as a new core market and reinforcement of the Benelux position. First development at Liège-Trilogiport. Successful innovative capital increase. Value of property portfolio passes the milestone of 2 billion euros.

2001

Company name changed to Warehouses De Pauw. Formation of WDP Nederland B.V. and first building in Breda.

2003

Successful capital increase.

2004

Free float to 70% after sale of a 20% stake of the Jos De Pauw family.

2005

Sale of WDP Italia SRL. Focus on two core regions: the Breda-Antwerp-Brussels-Lille logistics corridor and the Czech Republic.

2006

2006-09 Strategic growth plan: doubling of portfolio value to 700 million euros. Capital increase after partial acquisition of the property of Massive NV.

2007

Acquisition of Univeg's property portfolio. Formation of WDP Development RO SRL.

2008

Launch of solar energy project (30 MWp) and ambition to achieve a CO_2neutral property portfolio. Milestone of 1 million m² in lettable area in the property portfolio.

2006-09 Growth plan

2017

WDP named 2017 Entrepreneur of the Year®. Successful launch in Luxembourg: acquisition and first project. Strategic purchase of land in the Netherlands. Increase of participation to 80% in WDP Romania. Investment volume target for 2016-20 growth plan increased to 1.25 billion euros due to further growth in existing geographic core markets.

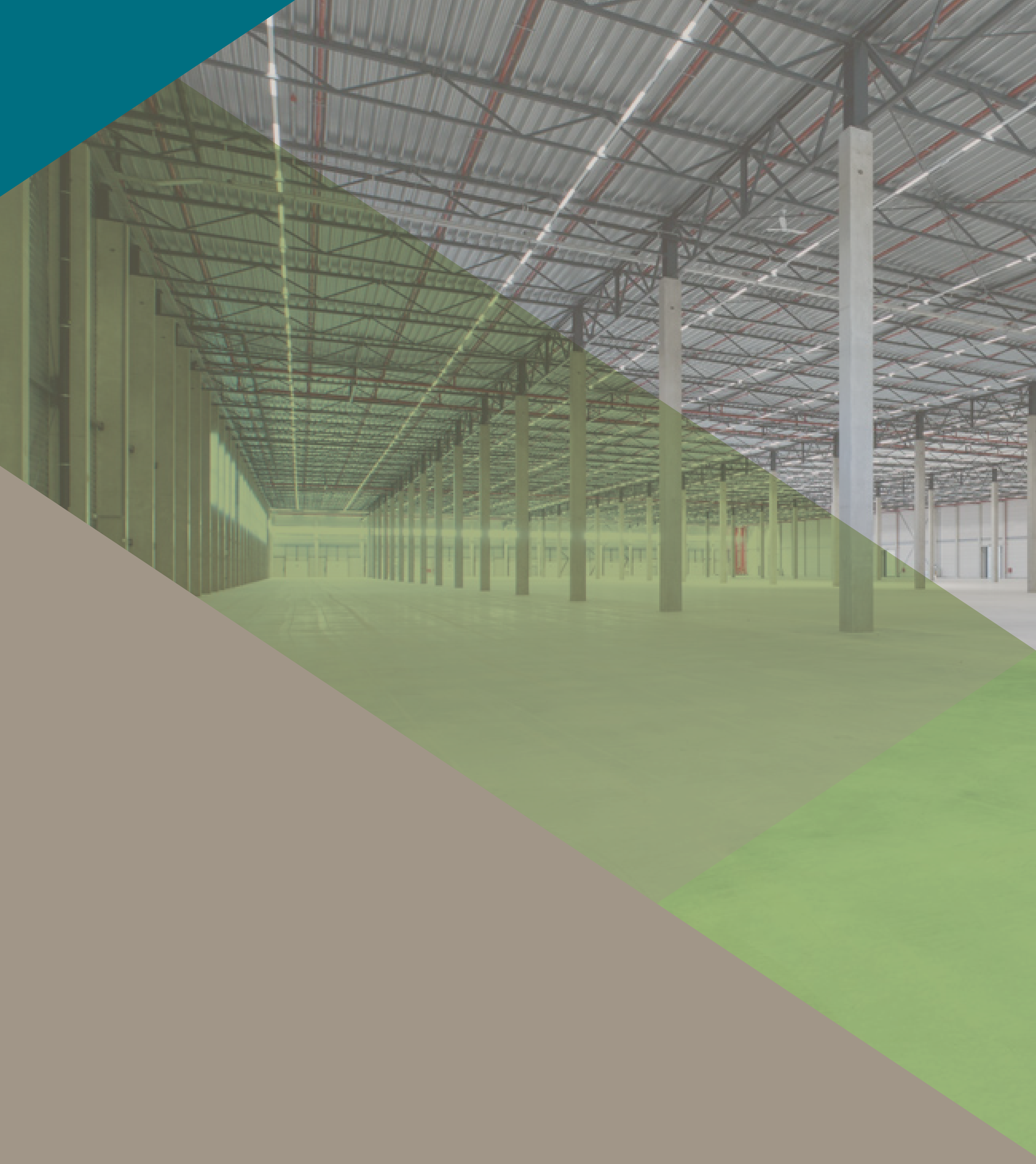
2016-20 Growth plan

2018

Issue of first green bond and further rollout of the solar panel programme. Realisation of clusters: logistics parks in Zellik (BE), Breda (NL) and Bucharest – Dragomeresti (RO). Approx. 240 million euros in new investments in Romania and a new EIB financing package of 150 million euros to support further expansion in this growth market. Reinforcement of shareholders' equity with 170 million euros (by way of reserved earnings, optional dividend and contributions in kind). Targets under the 2016-20 growth plan within reach. Announcement of new five-year growth plan for 2019-23: planned annual portfolio growth of 10% to 5 billion euros and annual increase in EPRA Earnings by 6% to 8.00 euros by 2023.

2019-23 Growth plan

~3.5 BILLION EUROS



4. Management report

1. Consolidated key figures

Key figures	2009	2010	2011	2012	2013
Operational					
Fair value of property portfolio (including solar panels) (in million euros)	883.7	889.2	989.4	1,163.1	1,273.1
Total surface area (in m²) (including concession land)	3,975,000	3,969,000	4,281,504	4,793,766	4,849,454
Lettable area (in m²)	1,302,670	1,356,407	1,659,621	2,018,150	2,137,602
Gross rental yield (including vacancies)[1] (in %)	8.3	8.3	8.3	8.0	8.2
Average lease term (until first break)[2] (in years)	n.a.	6.1	7.2	7.2	7.3
Occupancy rate[3] (in %)	91.7	95.7	96.7	97.3	97.4
Operating margin[4] (in %)	92.4	91.8	91.7	91.3	91.8
Result (in million euros)					
Property result	57.8	62.7	69.1	81.3	89.0
Operating result (before the result on the portfolio)	53.4	57.5	63.3	74.3	81.8
Financial result (excluding change in the fair value of the financial instruments)[5]	-18.1	-18.5	-18.9	-21.3	-21.4
EPRA Earnings[6]	34.0	39.0	44.3	52.1	59.6
Result on the portfolio (including share joint ventures) – Group share[7]	-22.7	-4.2	2.7	1.7	-0.7
Change in the fair value of the financial instruments – Group share	-10.9	-2.3	-17.3	-18.5	20.8
Depreciation and write-down on solar panels (including share joint ventures) – Group share	n.r.	n.r.	n.r.	n.r.	n.r.
Net result (IFRS) – Group share	0.4	32.6	29.7	35.3	79.7
Financial					
Balance sheet total (in million euros)	916.1	922.4	1,018.9	1,181.1	1,283.1
Shareholders' equity (excluding the fair value of financial instruments) (in million euros)	399.3	406.0	453.3	520.6	576.7
Net financial debt (in million euros)	492.8	499.2	547.0	644.1	686.8
Loan-to-value[8] (in %)	55.1	55.4	54.7	55.6	54.4
Gearing ratio (proportional) (in line with GVV/SIR Royal Decree) (in %)	55.3	55.2	55.1	56.1	55.5
Average cost of debt[9] (in %)	n.a.	4.3	4.0	3.6	3.6
Interest Coverage Ratio[10] (in x)	2.5	2.9	3.1	3.4	3.6
Details per share (in euros)					
Gross dividend	2.94	2.94	2.94	3.11	3.25
EPRA Earnings[11]	3.14	3.11	3.42	3.67	3.85
Result on the portfolio (including share joint ventures) – Group share[12]	-2.29	-0.33	0.21	0.12	-0.05
Change in the fair value of financial instruments – Group share	-1.01	-0.18	-1.34	-1.30	1.35
Depreciation and write-down on solar panels – Group share	n.r.	n.r.	n.r.	n.r.	n.r.
Net result (IFRS) – Group share	-0.21	2.60	2.29	2.49	5.15
EPRA NAV[13]	32.0	32.5	33.4	34.6	35.9
IFRS NAV[14]	29.3	29.6	29.4	29.9	32.8
Share price	33.93	36.65	37.06	47.24	52.70

2014	2015	2016	2017	2018
1,567.3	1,930.0	2,203.8	2,669.8	3,449.6
5,701,562	6,613,567	7,309,128	8,767,182	11,843,174
2,432,230	3,081,943	3,375,482	3,756,983	4,485,050
8.0	7.6	7.5	7.1	6.7
7.1	6.5	6.3	6.2	5.8
97.6	97.5	97.0	97.4	97.5
91.8	92.1	93.3	92.5	91.3
101.8	129.1	139.7	154.5	187.9
93.5	119.0	130.2	142.8	171.6
-25.4	-27.1	-30.3	-25.7	-33.0
67.3	90.9	100.8	121.4	134.4
19.7	47.4	31.2	101.5	208.3
-19.4	7.8	1.8	16.5	-9.0
-2.9	-3.4	-3.5	-4.2	-4.8
64.7	142.7	130.2	235.2	328.8
1,570.3	1,907.3	2,182.6	2,675.3	3,483.3
682.5	829.4	1,091.7	1,238.4	1,580.5
863.6	1041.8	1045.6	1348.6	1,696.0
56.0	55.2	48.4	51.3	50.0
56.7	56.8	50.5	53.1	51.8
3.5	2.9	2.8	2.6	2.4
3.3	4.2	4.1	5.2	4.6
3.40	4.00	4.26	4.50	4.80
4.10	5.00	5.30	5.60	6.00
1.20	2.60	1.64	4.68	9.31
-1.18	0.43	0.09	0.76	-0.40
-0.18	-0.19	-0.18	-0.19	-0.21
3.94	7.85	6.86	10.84	14.69
39.2	44.9	51.2	58.3	71.2
35.2	41.5	48.4	56.3	68.5
62.68	81.24	84.89	93.43	115.20

Some figures are subject to rounding adjustments. Consequently, it may occur that figures shown as totals in certain tables are not precise arithmetical totals of foregoing figures.

1 Calculated by dividing the annualised contractual gross (cash) rents by the fair value. The fair value is the value of the property portfolio after deduction of transaction costs (mainly transfer tax).

2 Including solar panels that are accounted for at the remaining weighted average term for green energy certificates.

3 Calculated based on the rental values of leased properties and unleased surface areas, including revenue from solar panels. This does not include projects under construction and/or renovations.

4 ◤The operating margin is obtained by dividing the operating result (before the result on the portfolio) by the property result.

5 ◤Financial result (excluding changes in the fair value of the financial instruments): this is the financial result according to IFRS exclusive of the change in the fair value of financial assets and liabilities, and reflects the actual financial expenses of the company.

6 ◤EPRA Earnings: this figure is the underlying result of the core activities and indicates the degree to which the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) exclusive of the result on the portfolio, the changes in the fair value of financial instruments and depreciation and write-down on solar panels. See also www.epra.com.

7 ◤Result on the portfolio (including share in joint ventures): realised and unrealised capital gains/losses with respect to the latest valuation by the property expert, taking into account the effective or deferred capital gains tax due, including WDP's proportionate share in the portfolio of affiliated companies and joint ventures.

8 ◤The loan-to-value is obtained from the IFRS statements by dividing the net financial debt by the sum of the fair value of the property portfolio, the fair value of the solar panels and financing to and holdings in associated companies and joint ventures.

9 ◤The average cost of debt is the weighted annual average interest rate for the reporting period, taking into account the average outstanding debts over this period.

10 Defined as operating result (before the result on the portfolio) divided by interest charges, minus interest income and dividends collection, minus compensation for financial leasing and others.

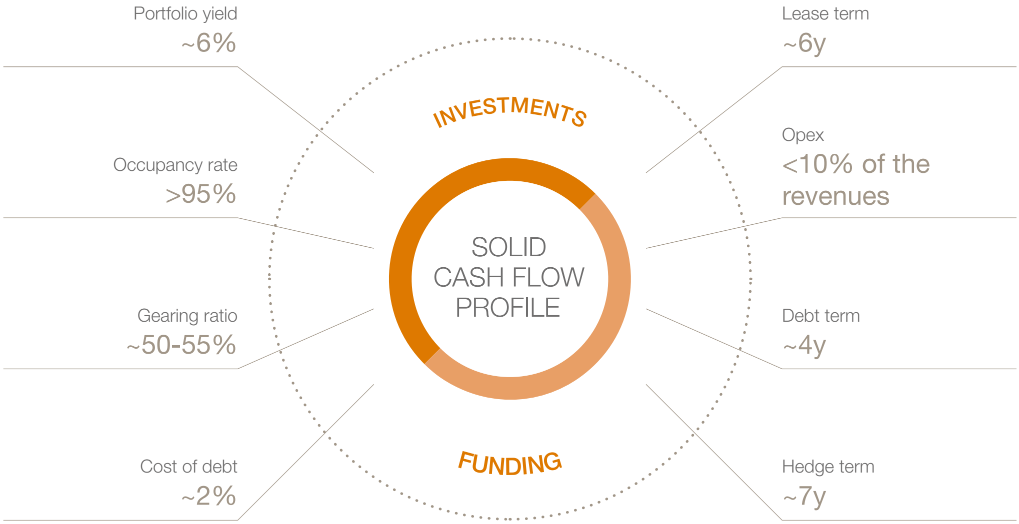
11 ◤The EPRA Earnings per share are the EPRA Earnings based on the weighted average number of shares. See also www.epra.com.

12 ◤Result on the portfolio (including share in joint ventures) per share is the result on the portfolio based on the weighted average number of shares.

13 ◤EPRA NAV: the EPRA NAV is the NAV adjusted to include properties and other investments at their fair value and exclude certain line items that are not expected to take shape in a business model with investment properties over the long term. See also www.epra.com.

14 IFRS NAV: Net Asset Value before profit distribution for the current financial year as per the IFRS balance sheet. The IFRS NAV is calculated by dividing the shareholders' equity as per IFRS by the number of shares entitled to dividend on the balance sheet date.

Built on strong fundamentals



EPRA key performance indicators[1]	31.12.2018	31.12.2017
EPRA Earnings (in euros per share)[2]	6.00	5.60
EPRA NAV (in euros per share)[3]	71.2	58.3
EPRA NNNAV (in euros per share)[4]	68.2	55.9
EPRA Net Initial Yield (in %)	6.0	6.4
EPRA Topped-up Net Initial Yield (in %)	6.0	6.4
EPRA vacancy rate (in %)	2.7	2.9
EPRA cost ratio (including direct vacancy costs) (in %)[5]	9.5	9.0
EPRA cost ratio (excluding direct vacancy costs) (in %)[5]	9.1	8.5

1 Financial performance indicators calculated according to EPRA (European Public Real Estate Association) Best Practices Recommendations. See also www.epra.com.

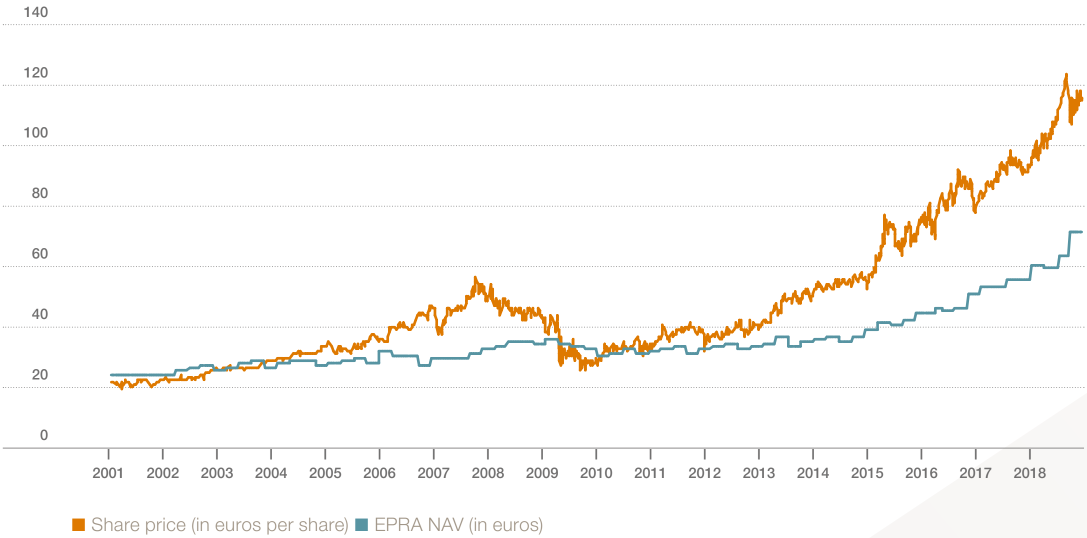
2 ◤EPRA Earnings: this figure is the underlying result of the core activities and indicates the degree to which the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) exclusive of the result on the portfolio, the change in the fair value of financial instruments and depreciation and write-down on solar panels. The EPRA Earnings per share are the EPRA Earnings based on the weighted average number of shares. See also www.epra.com.

3 ◤EPRA NAV: the EPRA NAV is the NAV adjusted to include properties and other investments at their fair value and exclude certain line items that are not expected to take shape in a business model with investment properties in the long-term. See also www.epra.com.

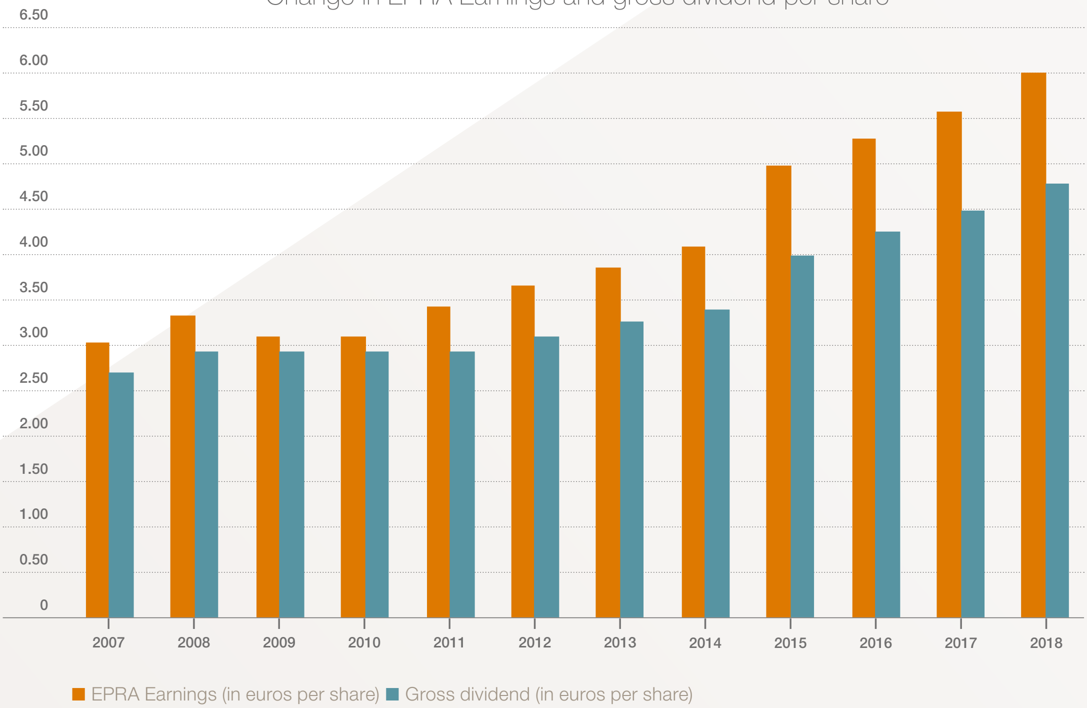
4 ◤EPRA NAV: this is the EPRA NAV that is adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred taxes. See also www.epra.com.

5 ◤EPRA cost ratio: this is the administrative and operating costs (including and excluding direct vacancy costs), divided by the gross rental income. See also www.epra.com.

Share price versus EPRA NAV



Change in EPRA Earnings and gross dividend per share



2. Notes to the consolidated results 2018

1. Summary

- The EPRA Earnings[1] for 2018 amount to 134.4 million euros, marking an increase of 10.7% in comparison to 2017 (121.4 million euros). The EPRA Earnings per share[2] for 2018 amount to 6.00 euros, an increase of 7.2% compared to 5.60 euros in 2017.
- The net result (IFRS) – Group share for 2018 amounts to 328.8 million euros, driven in part by a change of 208.3 million euros (or 6.2%) in the underlying value of the property portfolio. The net result (IFRS) – Group share per share for 2018 amounts to 14.69 euros, compared to 10.84 euros in 2017.
- The occupancy rate[3] was 97.5% on 31 December 2018, compared to 97.4% as at 31 December 2017. The average duration (until the first break) of the lease contracts in the WDP portfolio is 5.8 years (including solar panels).
- On 31 December 2018, loan-to-value came to[4] 50.0% and the gearing ratio (proportional) to 51.8%, compared to 51.3% and 53.1%, respectively, as at 31 December 2017.
- The EPRA NAV[5] was 71.2 euros as at 31 December 2018, compared to 58.3 euros as at 31 December 2017. The IFRS NAV was 68.5 euros on 31 December 2018, compared to 56.3 euros on 31 December 2017.
- A total of over 350 million euros in new investments were successfully identified in 2018. The total identified investment volume under the 2016-20 growth plan comes to approx. 1.1 billion euros, implying around 90% of the planned target of 1.25 billion euros.
- Given that the targets under the 2016-20 growth plan (1.25 billion euros in cumulative investments and EPRA Earnings per share of 7.00 euros in 2020) are within reach, WDP is currently already planning the next chapter in its further growth. In particular, WDP is announcing the implementation of a new growth plan that envisages a portfolio expansion to 5 billion euros over the five-year period from 2019 to 2023, supported by a target annual portfolio growth of 10% and an annual increase of 6% in EPRA Earnings per share, bringing this figure to 8.00 euros by 2023. This growth will mainly be driven by the company's own pre-leased projects on existing and/or new plots, and to a limited degree by selective acquisitions, supported by WDP's commercial platform within each of its existing core markets and its positioning as both developer and long-term final investor.[6]
- For 2019, WDP anticipates EPRA Earnings of 6.50 euros per share (an increase of 8%). Based on this outlook, the dividend for 2019 (payable in 2020) is projected at 5.20 euros gross per share, also marking an increase of 8% over 2018.[7]

1 EPRA Earnings: this figure is the underlying result of the core activities and indicates the degree to which the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) exclusive of the result on the portfolio, the changes in the fair value of financial instruments and depreciation and write-down on solar panels. See also www.epra.com.

2 The EPRA Earnings per share are the EPRA Earnings based on the weighted average number of shares.

3 The occupancy rate is calculated based on the rental values of the leased properties and the unleased space and includes income from solar panels. This does not include projects under development or renovations.

4 The loan-to-value is obtained from the IFRS statements by dividing the net financial debt by the sum of the fair value of the property portfolio, the fair value of the solar panels and financing to and holdings in associated companies and joint ventures.

5 EPRA NAV: this is the NAV that was adjusted to include properties and other investments at their fair value and exclude certain line items that are not expected to take shape in a business model with investment properties over the long term. See also www.epra.com.

6 These ambitions are based on retention of current operating and financial metrics and a stable operating environment in a context of persistent structural demand for modern logistics space. These growth and profit targets are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate), and a normal number of hours of sunshine.

7 These growth and profit targets are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate), and a normal number of hours of sunshine.

2. Notes on the consolidated profit and loss account 2018 (analytical schedule)

Property result

The property result comes to 187.9 million euros for 2018, an increase of 21.6% over last year (154.5 million euros), including full consolidation of the Romanian entity starting on 1 January 2018 (previously using the equity accounting method). This increase is driven by continued portfolio growth in 2017-2018, primarily through new pre-leased projects in the growth markets of the Netherlands and Romania. Based on an unchanged portfolio, the level of rental income rose by +1.7%[8], mainly driven by the indexing of leases. The property result also includes 14.5 million euros in income from solar panels, compared to 10.3 million euros in the same period last year, when the installed capacity was smaller. Moreover, the second and third quarters of 2018 enjoyed unusually high solar exposure.

Operating result (before the result on the portfolio)

The operating result (before the result on the portfolio) amounts to 171.6 million euros in 2018, an increase of 20.1% compared to the same period last year (142.8 million euros). Property and other overhead costs amounted to 16.4 million euros for the 2018 financial year, an increase of 5 million euros compared to the costs for the same period in 2017. On an underlying basis, changes in the general company expenses are in line with the portfolio growth. After all, the increase is explained in part by approx. 1 million euros in revenue in 2017 within the overhead expenses, related to management fees charged to the Romanian entity, which was fully consolidated in 2018. Moreover, the overhead in Q4 2018 also included a one-time expenditure of 0.7 million euros related to digitisation projects The operating margin for 2018 comes to 91.3%, in line with the average in recent years.

Financial result (excluding change in the fair value of financial instruments)

The financial result (excluding change in the fair value of financial instruments)[9] amounts to -33.0 million euros for 2018, an increase compared to last year (-25.7 million euros) due to higher outstanding financial debt and loss of the interest received on loans provided to the Romanian entity, which is now fully consolidated (previously, using the equity accounting method).

The total financial debt (as per IFRS) amounted to 1,697.8 million euros on 31 December 2018, compared to 1,349.8 million euros in the same period last year. The average cost of debt comes to 2.4% for 2018, compared to 2.6% in 2017.

8 ◤Like-for-like rental growth: this is the organic growth in gross rental income year-on-year with an unchanged portfolio, exclusive of project developments, acquisitions and sales during these two comparison periods.

9 ◤Financial result (exclusive of change in the fair value of the financial instruments): this is the financial result according to IFRS exclusive of the change in the fair value of financial assets and liabilities, and reflects the actual financial expenses of the company.

Consolidated results (in euros x 1,000)	FY 2018	FY 2017	Δ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	173,791	143,574	30,216	21.0%
Indemnification related to early lease terminations	215	801	-585	n.r.
Income from solar energy	14,537	10,331	4,206	40.7%
Other operating income/costs	-619	-213	-406	n.r.
Property result	**187,923**	**154,493**	**33,431**	**21.6%**
Property charges	-6,271	-4,959	-1,313	26.5%
General company expenses	-10,097	-6,695	-3,403	50.8%
Operating result (before the result on the portfolio)	**171,555**	**142,839**	**28,715**	**20.1%**
Financial result (excluding change in the fair value of financial instruments)	-33,012	-25,734	-7,278	28.3%
Taxes on EPRA Earnings	-1,587	-367	-1,220	n.r.
Deferred taxes on EPRA Earnings	-511	-565	53	n.r.
Share in the result of associated companies and joint ventures	256	5,246	-4,990	n.r.
Minority interests	-2,342	0	-2,342	n.r.
EPRA Earnings	134,359	121,421	12,939	10.7%
Movement in the fair value of investment property (+/-)	213,811	94,763	119,048	n.r.
Result on disposal of investment property (+/-)	787	929	-142	n.r.
Deferred taxes on the result on the portfolio (+/-)	-3,698	-79	-3,619	n.r.
Share in the result of associated companies and joint ventures	209	5,876	-5,666	n.r.
Result on the portfolio	**211,109**	**101,489**	**109,621**	**n.r.**
Minority interests	-2,853	0	-2,853	n.r.
Result on the portfolio – Group share	208,257	101,489	106,768	n.r.
Change in the fair value of financial instruments	-9,027	16,470	-25,497	n.r.
Change in the fair value of financial instruments	**-9,027**	**16,470**	**-25,497**	**n.r.**
Minority interests	0	0	0	n.r.
Change in the fair value of financial instruments – Group share	-9,027	16,470	-25,497	n.r.
Depreciation and write-down on solar panels	-4,937	-3,904	-1,033	n.r.
Share in the result of associated companies and joint ventures	0	-319	319	n.r.
Depreciation and write-down on solar panels	**-4,937**	**-4,224**	**-713**	**n.r.**
Minority interests	132	0	132	n.r.
Depreciation and write-down on solar panels – Group share	-4,805	-4,224	-582	n.r.
Net result (IFRS)	333,846	235,156	98,691	n.r.
Minority interests	-5,063	0	-5,063	n.r.
Net result (IFRS) – Group share	328,784	235,156	93,628	n.r.

Key ratios (in euros per share)	FY 2018	FY 2017	Δ y/y (abs.)	Δ y/y (%)
EPRA Earnings[1]	6.00	5.60	0.40	7.2%
Result on the portfolio – Group share[1]	9.31	4.68	4.63	n.r.
Change in the fair value of financial instruments – Group share[1]	-0.40	0.76	-1.16	n.r.
Depreciation and write-down on solar panels – Group share[1]	-0.21	-0.19	-0.02	n.r.
Net result (IFRS) – Group share[1]	14.69	10.84	3.85	n.r.
EPRA Earnings[2]	5.83	5.52	0.31	5.6%
Proposed payment	110,694,672	99,041,747	11,652,926	11.8%
Dividend payout ratio (versus EPRA Earnings)[3]	82.4%	81.6%	0.8%	n.r.
Gross dividend	4.80	4.50	0.30	6.7%
Net dividend	3.36	3.15	0.21	6.7%
Weighted average number of shares	22,379,427	21,687,261	692,166	3.2%
Number of outstanding shares at the end of the period	23,061,390	22,009,277	1,052,113	4.8%

1 Calculated on the weighted average number of shares.

2 Calculated based on the number of shares entitled to dividend.

3 The dividend payout ratio is calculated in absolute figures based on the consolidated result. Dividend is distributed on a statutory basis by WDP Comm. VA.

Share in the result of associated companies and joint venturess

The result of 0.3 million euros for 2018 primarily stems from the underlying result of the core activities of the Luxembourg joint venture. In 2017, this also incorporated the result (WDP's share) from the Romanian entity, which at that time also included a deferred tax asset of 2.4 million euros (1.7 million euros of which in the fourth quarter of 2017) that was recognised in light of the recent acceleration in the expansion of Romanian activities, which means the structural profitability will allow future profit to be offset against available tax losses carried forward.

EPRA Earnings

The EPRA Earnings of WDP for 2018 amount to 134.4 million euros. This result marks an increase of 10.7% over the result of 121.4 million euros in 2017. The EPRA Earnings per share are up 7.2% year-on-year, to 6.00 euros, including an increase of 3% in the weighted average number of outstanding shares.

The increase in the EPRA Earnings per share was higher for the first nine months (+9%) than in the fourth quarter (+2%). This temporary dip is attributed to three factors: 1) the fact that projects delivered in 2017 mainly started in or after the second quarter contributed to the result, whereas this only started at the end of the fourth quarter in 2018, 2) a one-time positive impact on the last quarter of 2017 related to a deferred tax asset for the Romanian activities (+1.7 million euros) and 3) a one-time expenditure in the fourth quarter of 2018 related to digitisation projects (-0.7 million euros). After elimination of the last two factors, the underlying increase equates to +10% in Q4 2018.

Result on the portfolio (including portion for joint ventures) – Group share

Result on the portfolio (including share in joint ventures) – Group share[10] for the entire 2018 financial year amounts to +208,3 million euros or +9,31 euros per share[11]. For the same period last year, this result amounted to +101.5 million euros or +4.68 euros per share. This breaks down as follows by country for 2018: Belgium (+76.6 million euros), the Netherlands (+110.2 million euros), France (+9.9 million euros), Romania (+11.4 million euros) and Luxembourg (+0.2 million euros).

The revaluation of 208.3 million euros marks an increase of 6.2% in the value of the underlying portfolio, mainly driven by sustained investor interest in logistics properties, prompting the independent property experts to adjust yields by an average of 40 basis points in 2018, as well as by capital gains on project developments.

Change in the fair value of financial instruments – Group share

Changes in the fair value of financial assets and liabilities – Group share[12] amount to -9.0 million euros or -0.40 euros per share for 2018 (compared to +16.5 million euros or +0.76 euros per share in 2017). This negative impact stems from the change in fair value of the interest rate hedges concluded (Interest Rate Swaps) as at 31 December 2018, as a result of a decrease in long-term interest rates during 2018.

The change in the fair value of these interest rate hedges has been fully accounted for in the profit and loss account, not in shareholders' equity. Since this impact involves a non-cash and unrealised item, it is excluded from the financial result in the analytical presentation of the results and is shown separately in the profit and loss account.

Depreciation and write-down on solar panels (including share joint ventures) – Group share

The solar panels are valued on the balance sheet at fair value based on the revaluation model in accordance with IAS 16 *Tangible fixed assets*.

10 Result on the portfolio (including share joint ventures) – Group share: realised and unrealised capital gains/loss with respect to the latest valuation by the property experts, taking into account the effective or deferred capital gains tax due, including WDP's proportionate share in the portfolio of affiliated companies and joint ventures.

11 Result on the portfolio (including share joint ventures) per share – Group share: this is the result on the portfolio (including share joint ventures) based on the weighted average number of shares.

12 The change in the fair value of financial assets and liabilities – Group share (non-cash item) is calculated based on the mark-to-market (M-t-M) value of the interest rate hedges concluded.

In compliance with IAS 16, WDP must include a depreciation component in its IFRS accounts according to the residual life of the PV installations. The depreciation is calculated based on the fair value from the previous balance sheet date. This newly calculated net book value is then revaluated at fair value. This revaluation is recognised directly in the shareholders' equity to the extent that it still exceeds the historical cost price, plus accumulated depreciations. If it does not, then it is entered in the profit and loss account. The depreciation component and write-down amounts to -4.8 million euros. Since this impact involves a non-cash and unrealised item, it is excluded from the financial result in the analytical presentation of the results and is shown separately in the profit and loss account.

Net result (IFRS) – Group share

The EPRA Earnings along with the result on the portfolio, the change in the fair value of financial instruments and the depreciation and write-down for solar panels produce a net result (IFRS) – Group share of 328.8 million euros in 2018 (compared to the same period last year, when this figure was 235.2 million euros).

The difference between the net result (IFRS) – Group share of 328.8 million euros and the EPRA Earnings of 134.4 million euros is attributable to the negative change in the fair value of the interest hedging instruments, the positive fluctuation in the value of the portfolio and the depreciation and write-down on the solar panels.

3. Notes on the 2018 consolidated balance sheet

Early adoption of IFRS 16 *Leases*

IFRS 16 introduces significant changes in accounting for leases for the lessee, removing the distinction between operational and financial leases and recognising assets and liabilities for all leases (aside from exemptions for short-term leases or low-value assets) and is applicable to financial years starting from 1 January 2019.

Given that WDP acts almost exclusively in the capacity of landlord, and thus also lessor, this does not entail any changes in this regard, and WDP will continue to valuate its property portfolio at fair value as per IAS 40.

However, for some of its investments, WDP does not hold the freehold ownership, but the usufruct through a concession, leasehold, or similar arrangement in which it acts as a lessee (as also regularly occurs in the logistics property segment, with public authorities retaining ownership of some land at multimodal nodes and near critical infrastructure). Specifically, this will require recognition of a right of use and corresponding lease liability (approx. 41 million euros)[13] in the consolidated balance sheet starting from the 2019 financial year.

WDP has decided for early adoption of this new IFRS standard and has incorporated its impact into the consolidated balance sheet of 31 December 2018, for assets within the fair value of the property portfolio and for liabilities within non-current liabilities. Considering the fact that the definition of debt ratio in the Belgian GVV/SIR Law includes not only financial debt, but also other non-current financial liabilities of this kind, this accounting rule increases the gearing ratio by 0.6%. In addition, the impact on the profit and loss account, being the recurring costs of concessions, starting in the 2019 financial year are incorporated via the *Financial result* instead of in the *Rental income, net of rental-related expenses*. For further details on the impact of application of IFRS 16, please refer to Chapter *9. Financial statements – 2. Notes – 3. General impact of application of IFRS 16 Leases.*

Property portfolio[14]

According to independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate, the fair value[15] of WDP's

13 Including the proportionate share of the joint ventures, this comes to 43 million euros.

14 Under IFRS 11 Joint arrangements, the joint ventures (mainly WDP Luxembourg, in which WDP retains 55%) are incorporated using the equity accounting method. WDP's proportionate share in the portfolio of WDP Luxembourg (55%) is still reflected in the statistics in the reporting on the portfolio.

15 For the precise valuation method used, please refer to the BE-REIT press release dated 10 November 2016.

property portfolio according to IAS 40, amounts to 3,332.3 million euros as at 31 December 2018 compared to 2,567.4 million euros at the start of financial year (including the heading *Assets held for sale*). Together with the valuation at fair value of investments in solar panels[16], the total portfolio value changes to 3,449.6 million euros compared to 2,669.8 million euros at the end of 2017.

This figure of 3,449.6 million euros includes 3,065.7 million euros in completed properties (standing portfolio). The projects under development account for a value of 161.1 million euros. In addition, WDP also holds land reserves in places such as Courcelles, Heppignies, Asse-Zellik, Bleiswijk, Den Bosch, Breda and Schiphol and the land bank in Romania, at a fair value of 105.5 million euros.

The investments made in solar panels are valuated at a fair value of 117.4 million euros as at 31 December 2018.

The overall portfolio is valued at a gross rental yield of 6.7%.[17]. The gross rental yield after deduction of the estimated market rental value for the unleased parts is 6.5%.

Shareholders' equity

The shareholders' equity of the Group (IFRS) amounted to 1,580.5 million euros on 31 December 2018, compared to 1,238.4 million euros at the end of 2017. The shareholders' equity excluding the fair value of the financial assets and liabilities (excluding the cumulative mark-to-market (MtM) value of the interest rate hedges included in IFRS shareholders' equity), amounted to 1,632.5 million euros as at 31 December 2018, compared to 1,281.3 million euros at 2017 year-end. This increase is a consequence of the capital base growth thanks to profit generation during 2018, the payment of the dividend for the 2017 financial year, the capital increase following the optional dividend and the capital increase resulting from the acquisition of the sites in Asse-Zellik and the indirect contribution in kind of the claim arising from completion of the projects in Veghel, Tiel and Bleiswijk. In addition, the property portfolio also enjoyed value growth, as estimated by the independent property experts.

NAV per share

The EPRA NAV per share amounted to 71.2 euros on 31 December 2018. This marks an increase of 12.9 euros compared to an EPRA NAV per share of 58.3 euros on 31 December 2017 as a consequence of the profit generation, dividend payout, capital increase and revaluation of the portfolio. The IFRS NAV per share[18] amounted to 68.5 euros as at 31 December 2018 compared to 56.3 euros as at 31 December 2017.

Debt

The total (long-term and short-term) financial debts had increased to 1,697.8 million euros by 31 December 2018, compared to 1,349.8 million euros at the end of December 2017, mainly due to the consolidation in full of the Romanian entity and to continued portfolio growth. The short-term financial debt of 221 million euros mainly includes the traditional commercial paper programme (151 million euros).

The balance sheet total rose from 2,675.3 million euros on 31 December 2017 to 3,483.3 million euros by the end of December 2018. The gearing ratio (proportional) decreased to 51.8% as at 31 December 2018, compared to 53.1% on 31 December 2017. The loan-to-value, which compares the net financial debt to the portfolio value (based on the IFRS statements, including solar panels and financing to and holdings in joint ventures), came to 50.0% as at 31 December 2018.

The weighted average term of WDP's outstanding financial debt as at 31 December 2018 was 4.4 years[19]. If only the total drawn and undrawn long-term loans are taken into account, the weighted

16 Investments in solar panels are valuated in compliance with IAS 16 by applying the revaluation model.

17 Calculated by dividing the annualised contractual gross (cash) rents and the rental value of the unleased parts by the fair value. The fair value is the value of the investment properties after deduction of transaction costs (mainly transfer tax).

18 The IFRS NAV is calculated as shareholders' equity as per IFRS divided by the total number of shares entitled to dividend on the balance sheet date. This is the net value according to Belgian GVV/SIR legislation.

19 Including the short-term debts, these mainly consist of the commercial paper programme, which is fully covered with backup facilities.

Consolidated balance sheet (in euros x 1,000)	31.12.2018	31.12.2017	Δ y/y (abs.)	Δ y/y (%)
Intangible fixed assets	252	146	106	n.r.
Investment property	3,299,864	2,404,027	895,837	37.3%
Other tangible fixed assets (including solar panels)	120,426	95,876	24,551	25.6%
Financial fixed assets	7,877	97,469	-89,592	-91.9%
Trade receivables and other fixed assets	4,972	3,411	1,561	45.8%
Deferred taxes – assets	0	0	0	n.r.
Participations in associated companies and joint ventures	10,636	31,626	-20,990	-66.4%
Fixed assets	3,444,026	2,632,554	811,472	30.8%
Assets held for sale	739	7,525	-6,786	n.r.
Trade receivables	9,987	9,042	945	n.r.
Tax receivables and other current assets	18,990	22,830	-3,840	n.r.
Cash and cash equivalents	1,724	1,231	493	n.r.
Accruals and deferrals	7,867	2,116	5,750	n.r.
Current assets	39,307	42,745	-3,438	n.r.
Total assets	3,483,333	2,675,299	808,034	n.r.
Capital	176,684	168,873	7,811	4.6%
Issue premiums	646,286	545,154	101,132	18.6%
Reserves	428,767	289,256	139,511	48.2%
Net result for the financial year	328,784	235,156	93,628	39.8%
Shareholders' equity attributable to Group shareholders	**1,580,521**	**1,238,439**	**342,083**	**27.6%**
Minority interests	29,994	0	29,994	n.r.
Shareholders' equity	1,610,516	1,238,439	372,077	30.0%
Long-term liabilities	1,577,336	1,158,293	419,043	36.2%
Long-term financial liabilities	1,476,586	1,108,966	367,620	33.1%
Other long-term liabilities	100,750	49,328	51,423	104.2%
Short-term liabilities	295,481	278,566	16,915	6.1%
Short-term financial liabilities	221,165	240,849	-19,684	-8.2%
Other short-term liabilities	74,316	37,717	36,599	97.0%
Liabilities	1,872,817	1,436,860	435,958	30.3%
Total liabilities	3,483,333	2,675,299	808,034	30.2%

Key ratios	31.12.2018	31.12.2017	Δ y/y (abs.)	Δ y/y (%)
(in euros per share)				
IFRS NAV	68.5	56.3	12.3	21.8%
EPRA NAV	71.2	58.3	12.9	22.1%
Share price	115.2	93.4	21.8	23.3%
Premium/Discount with respect to EPRA NAV	61.9%	60.3%	1.5%	n.r.
(in million euros)				
Fair value of the portfolio (including solar panels)[1]	3,449.6	2,669.8	779.8	29.2%
Loan-to-value	50.0%	51.3%	-1.3%	n.r.
Gearing ratio (proportional)[2]	51.8%	53.1%	-1.3%	n.r.

1 Including the proportional share of WDP in the portfolio of WDP Luxembourg (55%).
2 For the method used in the calculation of the gearing ratio, please refer to the Belgian Royal Decree of 13 July 2014 on GVVs/SIRs.

average term amounts to 5.3 years[20]. As at 31 December 2018, the total amount of undrawn and confirmed long-term credit facilities was approx. 300 million euros[21].

The average cost of debt was 2.4% in 2018. The Interest Coverage Ratio[22] is equal to 4.6x for the same period, compared to 4.9x for the entire 2017 financial year. The hedge ratio[23] which measures the percentage of financial debt with a fixed or floating interest rate and subsequently hedges this by means of Interest Rate Swaps (IRS), comes to 91%, with a weighted average term of 7.3 years.

4. Contribution to the Treasury

In 2018, WDP and its subsidiaries collectively contributed 35.9 million euros to the Treasury in social, fiscal and sector-specific taxes.

in euros (x 1,000)	FY 2018	FY 2017
Corporate tax	262	360
Exit tax	0	331
Advance levy	28,762	26,031
Subscription fee	1,495	1,104
Social security contribution (employers' contribution)	727	788
Non-recoverable VAT	696	746
Property tax and other taxes related to immovable goods borne by the owner	3,780	3,039
Transfer taxes	123	2,500
Other taxes	76	279
Total	**35,921**	**35,178**

20 For some credits, at the request of the company, the lender may decide to extend the credit by means of an extension option. If this option is exercised every time, the weighted average maturity of long-term loans will be 5.6 years.

21 Excluding the credit facilities at the European Investment Bank for financing pre-leased projects in Romania, and credit facilities for hedging the commercial paper programme.

22 Defined as operating result (before result on the portfolio), divided by interest charges, minus interest and dividend collection, minus compensation for financial leasing and others.

23 Hedge ratio: percentage of fixed-rate and floating-rate debts hedged against interest rate fluctuations by means of derivatives. This economic parameter is not an obligatory parameter under the Belgian Regulated Real Estate Investment Companies Law (the GVV/SIR Law).

3. Transactions and realisations

1. Occupancy rate and leasing activity

On 31 December 2018, the property portfolio achieved an occupancy rate of 97.5%, compared to 97.4% at the end of 2017. Out of the 10% of lease agreements reaching their next expiry date in 2018, 99% were successfully extended (of which more than 90% with existing customers). This reaffirms the trust customers have in WDP.

2. Acquisitions and divestments

2018 saw a number of successful acquisitions, with a total investment volume of approx. 96 million euros. All of these acquisitions were made at prices in line with the fair value determined in the valuations from the independent property experts. WDP generates an overall gross initial rental yield of approx. 8.8% on these investments[1].

2.1. Acquisitions

Belgium

ZELLIK, BROEKOOI 170: acquisition of a site of approx. 14,000 m² designated for redevelopment[2] in the immediate vicinity of WDP locations for Antalis and Euro Pool System, among others. The investment amount comes to approx. 7 million euros.

ASSE-ZELLIK: a built area of approx. 22,000 m² for redevelopment, which was acquired by means of a contribution in kind for an amount of approx. 5 million euros. The site is situated next to the WDP location for Euro Pool System[2]. Zellik is regarded as strategic for logistics activities, given its direct connection to the Brussels ring road.

ASSE-ZELLIK: an additional site of around 52,000 m², consisting of both vacant lots and built area, for a total amount of approx. 12 million euros.[2]. WDP wants to redevelop this site in part at a later stage. The site was formerly owned by De Persgroep Publishing NV.

The Netherlands

VEGHEL: a built area of approx. 10,000 m² for redevelopment[2], situated next to the existing WDP location for Kuehne + Nagel. The site was acquired for an amount of approx. 2 million euros.

BREDA, STEENEN HOOFD 44: acquisition of a new land resource[2] of approx. 90,000 m². The investment amount comes to approx. 7 million euros.

HASSELT, HANZEWEG: an additional warehouse was acquired next to the existing WDP premises for Scania, with a total area of approx. 10,000 m². Scania will lease this property for a ten-year term as well.

BARENDRECHT, SPOORWEG-EMPLACEMENT: the existing WDP site will be extended with over 3,000 m² of land resources.[2] The investment amount comes to approx. 1 million euros.

Romania

BRASOV (2): sale-and-lease-back of the Flenco East Europe Fluid System site consisting of a building of approx. 20,000 m² and additional land resources. Flenco is now leasing this site under a ten-year fixed lease.

1 Excluding land reserve.

2 This area covers the entire area of the parcel.

The investment budget for WDP is approx. 5 million euros.

TIMISOARA (6): multi-tenant site for Procter & Gamble, among others, totalling approx. 37,000 m². Thanks to this site's location on the existing WDP warehouse site in Timisoara, WDP will be ready to capitalise on potential future demand for additional real estate for existing and/or new customers. The investment amount comes to approx. 21 million euros.

CLUJ-NAPOCA (4): an existing warehouse measuring around 33,000 m². The lease with Profi has a remaining duration of ten years. This acquisition will further extend the retailer's partnership with WDP, following the previous commissioning of a new refrigerated distribution centre on this site. At this location, the supermarket chain Profi is centralising its retail service for fruit and vegetables for the Transylvania region. This acquisition will also make WDP the owner of the entire logistics park in Cluj-Napoca (nearly 70,000 m²), and the party responsible for park management. The investment budget for this acquisition amounts to approx. 22 million euros.

BRAZI: WDP acquired Carrefour's existing warehouse, spanning some 23,000 m², in Brazi (near Ploiesti), and leased it to this retailer for a ten-year term. This property is currently being expanded with an additional 11,000 m².[3]

SLATINA: acquisition of a new land resource of approx. 64,000 m² in Slatina[2], situated to the west of Bucharest.

2.2. Sales

LEUVEN, VAART 25-35: anticipating the need for more housing in this part of the city, WDP entered into a partnership agreement with project developer L.I.F.E. to convert the existing Hungaria building into a residential tower block. As part of this project, WDP along with L.I.F.E. are selling this site in phases.[4] 69% of the surface area has already been sold.

Additionally, in the course of 2018, the sites in MEER, TERNAT (INDUSTRIELAAN 23), AIX-EN-PROVENCE, PUURS, LILLE-TEMPLEMARS (RUE DE L'ÉPINOY) and part of the site in ANDERLECHT were sold.

3. Projects completed in 2018

As announced, WDP successfully delivered the following pre-leased projects during 2018, with a total area of 433,000 m². The gross initial rental yield for all the completed projects amounts to 7.1%[5], with an investment budget of around 266 million euros.

Belgium

HEPPIGNIES, RUE DE CAPILÔNE 6: the existing space (20,000 m²) for Trafic has been expanded with some 15,000 m². Trafic is signing on to a twelve-year lease for this. The investment budget for WDP comes to approx. 8 million euros.

3 See *4.3.4. Management report – Transactions and realisations – Projects under development*.

4 See the press release of 30 April 2015.

5 The gross yield is 6.3% for the Benelux and 8.7% for Romania.

Luxembourg[6]

EUROHUB SUD: construction of a new warehouse of around 25,000 m² with an investment budget of approx. 11 million euros. Retailer Auchan enjoys a warehouse space of some 20,000 m², fitted with walk-in coolers and freezers, under a 15-year lease. In addition to its logistics centre, this supermarket chain has also set up its regional administrative headquarters on this site. The remaining 5,000 m² will be leased to Innovation First, under a ten-year term. Innovation First specialises in the development and production of educational robots, toy robots for consumers and rack systems for servers and IT components.

The Netherlands

BLEISWIJK, MAANSTEENWEG/SPECTRUMLAAN: completion of new construction projects for Mediq (25,000 m²), Total Exotics (4,000 m²), Misi (7,000 m²) and Toolstation (11,900 m²). The total investment budget for these projects amounts to approx. 36 million euros.

ECHT, FAHRENHEITWEG: in the ML business park in Echt, where WDP is already present with a site leased to Action, WDP has completed a distribution centre of approx. 14,000 m² that is leased for a fixed ten-year term to logistics service provider Dick Vijn. The investment budget for WDP is approx. 10 million euros.

HEERLEN, EARL BAKKENSTRAAT: the existing CEVA Logistics warehouse has been extended with an area of approx. 13,000 m². The lease contract holds a duration of 3.5 years. The investment budget amounts to around 6 million euros.

MOERDIJK, ENERGIEWEG 4: a distribution centre totalling approx. 18,000 m² for storage of packaged hazardous substances for Gondrand Traffic under a long-term 15-year lease. This development has an investment budget of about 18 million euros.

AMSTERDAM, KAAPSTADWEG: new cross-docking warehouse totalling over 14,000 m² for logistics service provider DHL Parcel with an investment budget of approx. 14 million euros. DHL Parcel is renting the premises from WDP under a long-term 15-year lease.

SCHIPHOL LOGISTICS PARK: in late 2017, WDP exercised part of its purchase option to acquire some 4 ha of additional land to expand the Schiphol Logistics Park. An additional surface of 17,000 m² has been completed for Rapid Logistics and Panalpina under a five-year lease with an investment amount of approx. 27 million euros.

TIEL, DE DIEPERT 5: the existing site has been expanded with a new distribution centre of around 32,000 m², with logistics service provider Kuehne + Nagel initially moving into about 12,000 m² of this space under a multi-year lease. The investment amount is around 20 million euros for the entire expansion (including the land).

VEGHEL, MARSHALLWEG 2: partial redevelopment of a strategic FMCG campus for logistics service provider Kuehne + Nagel. This phased redevelopment involves replacing 31,000 m² in old storage space with a brand-new, state-of-the-art distribution centre totalling around 35,000 m². The investment budget for the entire redevelopment amounts to approx. 26 million euros.

6 Taking into account the proportionate share of WDP in the portfolio of WDP Luxembourg (55%)

Romania

ARICESTII RAHTIVANI: newly built warehouse with offices of about 4,500 m² for Kamtec, specialising in car parts, which is signing on to a long-term ten-year lease. The investment budget amounts to approx. 3 million euros.

ORADEA (1): on this new WDP site a warehouse with office space has been developed totalling over 4,000 m² for Kuehne + Nagel under a five-year fixed lease. The investment budget amounts to approx. 2 million euros.

ORADEA (2): a warehouse of over 16,000 m² for automotive supplier Inteva Products Salonta, under a ten-year lease. The investment budget amounts to around 8 million euros.

RAMNICU VALCEA (3): at the request of tenant Faurecia, the area was expanded by approx. 4,800 m² based on a ten-year lease, for both the existing and new warehouse space. The investment budget for this expansion amounts to around 3 million euros.

OARJA (3): construction of two new warehouses for CEVA Logistics of around 10,000 m² and 19,000 m². CEVA Logistics is signing on to a three-year lease for the entire site. The total investment budget for both phases comes to approx. 10 million euros.

OARJA (4): additional expansion of some 18,000 m² on this site, also for logistics service provider CEVA Logistics. The investment budget amounts to approx. 5 million euros. The lease has a five-year term.

TIMISOARA (2): newly built warehouse totalling around 8,000 m² for logistics service provider TE Connectivity Solutions, under a long-term ten-year lease with a break option after seven years. The investment budget amounts to approx. 4 million euros.

TIMISOARA (3): new warehouse totalling approx. 3,000 m² for furniture retail chain Moemax, under a five-year lease. The investment budget amounts to approx. 2 million euros.

TIMISOARA (4): new warehouse totalling approx. 6,000 m² for packing specialist 360 Co-Packing, under a long-term five-year lease. The investment budget amounts to approx. 2 million euros.

TIMISOARA (5): a new warehouse of around 15,000 m² for 360 Co-Packing, which will move into this new site under a five-year lease. The investment amount comes to approx. 8 million euros.

CLUJ-NAPOCA (3): at this site, supermarket chain Profi is centralising its retail service for fruit and vegetables for the Transylvania region. WDP has developed a refrigerated distribution centre, with offices, totalling over 11,000 m². Profi has signed on to a long-term ten-year lease. The investment budget amounts to approx. 10 million euros.

ROMAN: new construction project of some 39,000 m² for Profi, under a long-term ten-year fixed lease. The investment budget amounts to around 8 million euros.

PAULESTI (1): Global Enterprises International, a supplier for the automotive sector, has signed a seven-year lease for a new warehouse of around 4,800 m². The investment budget amounts to approx. 3 million euros.

BRASOV (3): Inter Cars has expanded its existing warehouse with approx. 3,000 m², with additional truck parking, under a seven-year lease. The investment budget for WDP comes to approx. 2 million euros.

CONSTANTA – MIHAIL KOGALNICEANU: on the existing parcel owned by WDP, a new customized warehouse was realised for tenant Vesta ceu Romania, a global player in wind energy. The property spans some 2,300 m² and will be occupied under a five-year lease. The investment budget amounts to approx. 1 million euros.

BUCHAREST (4): on the parcel of land to the north-west of Bucharest, acquired at the end of 2017, WDP has realised three new warehouses totalling 24,000 m² for logistics service provider Aquila Part Prod Com, under a five-year lease. The investment budget comes to approx. 15 million euros.

BUCHAREST (5): on the same location, cosmetics manufacturer and distributor Sarantis Romania has moved into its new warehouse, measuring around 10,000 m², under a six-year lease. The investment amount comes to approx. 6 million euros.

4. Projects under development

On the total number of projects under development, WDP expects to generate approx. 273 million euros[7] with a total surface area of approx. 445,000 m², a gross initial rental yield of about 7.5%[8].

Belgium

TONGEREN, HEERSTERVELDWEG 17: during the fourth quarter of 2019, WDP will acquire land with a direct connection to the E313 motorway on this site to build a new cross-dock warehouse of around 5,000 m² for logistics service provider GLS. Completion of this new property is scheduled for the fourth quarter of 2019. GLS has signed a fifteen-year fixed lease. The investment budget for WDP is approx. 8 million euros.

Luxembourg[9]

EUROHUB SUD: construction of the third new warehouse on this site, with an area of 25,000 m², 15,000 m² of which is already leased to an end user. The investment budget for WDP comes to approx. 12 million euros. WDP plans to deliver this project by 2019 year end.

The Netherlands

BARENDRECHT, DIERENSTEINWEG 30: redevelopment of approx. 23,700 m² for tenant The Greenery based on a lease of at least fifteen years (delivery of the final phase is slated for the first quarter of 2019).[10]. The investment budget amounts to around 10 million euros.

BLEISWIJK, MAANSTEENWEG/SPECTRUMLAAN (4): the recently acquired land in Bleiswijk will see construction of its first project, for Konings-Zuivel, a distributor specialising in dairy products. WDP will build a distribution centre of approx. 8,000 m² on the site under a ten-year lease. Completion of this property is scheduled for the first quarter of 2019. The investment budget amounts to around 6 million euros.

BLEISWIJK, MAANSTEENWEG/SPECTRUMLAAN (5): new construction project with a surface of around 8,000 m² to be delivered during the second quarter of 2019. This space will be rented to fruit and vegetable specialist Hoogsteder Group, a subsidiary of The Greenery, under a ten-year lease. WDP projects an investment budget of approx. 7 million euros to complete this project.

7 116 million euros of which has thus far been invested.

8 The gross yield is 6.3% for the Benelux and 8.6% for Romania.

9 Taking into account the proportionate share of WDP in the portfolio of WDP Luxembourg (55%)

10 See also *4.3.3 Management Report – Transactions and realisations – Projects completed in the course of 2018.*

BREDA, IABC 5301: after demolition of the existing warehouse (formerly owned by The Greenery), WDP started construction of a new warehouse of some 55,000 m², which after delivery (slated for the third quarter of 2019) will be leased by Lidl under a long-term ten-year agreement. Lidl will use this location to consolidate its food activities. The investment budget for WDP comes to approx. 27 million euros.

ZWOLLE, MINDENSTRAAT 7: for Altrex, the existing site will be expanded by around 3,885 m², with completion scheduled for the third quarter of 2019. WDP forecasts an investment budget of approx. 2 million euros for this expansion. Altrex is signing on to a ten-year lease and extending its lease for the existing space for the same term.

ZWOLLE, PADERBORNSTRAAT: a second distribution centre for online retailer wehkamp of approx. 25,000 m², to expand its existing fully automated e-commerce centre on this site. After delivery (slated for the first quarter of 2019), wehkamp will occupy this new property under a long-term ten-year lease. WDP projects an investment budget of approx. 24 million euros to complete this project.

HEINENOORD, BEDRIJVENPARK HOEKSE WAARD: after delivery (slated for the first quarter of 2019), trading house Van Claem Klerks Group and international transport firm Newcorp Logistics will lease warehouses of 11,025 m² and 11,050 m², respectively, under a five-year lease. The investment budget amounts to approx. 18 million euros.

ARNHEM, IJSSELOORD 2 BUSINESS PARK: construction of a new warehouse of 20,250 m² for Bunzl, a supplier of packaging, disposables and hygiene products, under a long-term ten-year lease after delivery (slated for the second quarter of 2019). WDP projects an investment budget of approx. 18 million euros to complete this project.

Romania

PAULESTI (2): a new warehouse for an end user with an area totalling approx. 8,800 m², slated for delivery in the second quarter of 2019. The tenant is signing on to a ten-year agreement. WDP projects an investment budget of some 7 million euros.

SIBIU (3): a new warehouse of approx. 4,000 m² for Aeronamic Eastern Europe SRL, a supplier to the wind energy sector, which is signing a long-term 15-year lease (with first termination date after ten years). The investment budget amounts to approx. 4 million euros. Delivery is scheduled for the second quarter 2019.

BUCHAREST – STEFANESTII DE JOS (4): a new food logistics warehouse of approx. 58,000 m² for Metro. The building will be delivered in phases starting in early 2020 and consists of both a non-temperature-controlled warehouse and a refrigerated and frozen storage space for food distribution. Metro is signing on to a long-term ten-year lease for this site. WDP forecasts an investment budget of approx. 33 million euros for this project.

BUCHAREST – STEFANESTII DE JOS (5): clothing specialist LPP will house its e-commerce activities in a distribution centre of over 22,000 m² to be newly developed, slated for delivery during the second quarter of 2019. LPP will lease this new warehouse for a period of ten years. The investment budget for WDP is approx. 10 million euros.

BUCHAREST – STEFANESTII DE JOS (6): realisation of approx. 2,500 m² for Kitchen Shop. This new construction project will be delivered during the second quarter of 2019, with an investment budget of approx. 2 million euros. Kitchen Shop will occupy the site under a ten-year lease.

BUCHAREST – STEFANESTII DE JOS (7): new state-of-the-art logistics site for Auchan. The new buildings, totalling approx. 77,000 m², will be partly fitted out with a conditioned zone and will be leased by Auchan for a seven-year term. Delivery is slated for over the course of Q1 2020. The investment budget amounts to around 45 million euros.

BUZAU: construction of a new warehouse for Ursus Breweries, one of the largest breweries in Romania. Ursus Breweries will use the site in Buzau, located in the north east of Bucharest, to supply its clients in the capital. The new distribution centre, spanning approx. 21,000 m², is located next to the existing brewery and after delivery – expected during the third quarter of 2019 – it will be leased for a period of ten years. The investment budget for WDP comes to approx. 10 million euros.

BRAZI: the warehouse recently acquired[11] from Carrefour, will be expanded by 11,000 m², slated for delivery in the course of the third quarter of 2019. Part of the building is fitted out as a conditioned zone. Carrefour will lease this part for a ten-year term. The investment budget amounts to approx. 5 million euros.

DEVA: distribution centre for Carrefour, under a ten-year lease, which will be responsible for deliveries to its supermarkets. Completion of this new building is scheduled for the fourth quarter of 2019. The site is located at the junction of the A1 and E79 motorways between Bucharest and Timisoara. The new warehouse meets this retailer's need for more space under its expansion strategy and for workflow optimisation. The distribution centre with an area of approx. 45,000 m² is being developed in line with Carrefour's sustainability requirements, with part of the warehouse fitted out as a conditioned zone. WDP projects an investment budget of approx. 24 million euros to complete this project.

5. Additional potential

For further growth in the future and expansion of the property portfolio in the service of our clients, WDP has the following land resources:

Freehold (full ownership)		Potential buildable area (in m²)
BE	Heppignies	45,000
BE	Courcelles	10,000
BE	Asse-Zellik	44,000
BE	Various	70,000
NL	Bleiswijk	30,000
NL	's-Hertogenbosch	50,000
NL	Schiphol Logistics Park	6,000
NL	Breda	49,000
NL	Various	10,000
RO	Various	>550,000

Leasehold (options on concessions)		Potential buildable area (in m²)
BE	WDPort of Ghent	150,000
BE	Trilogiport	35,000
LU	Eurohub Sud	25,000

Leasehold (exclusive options)		Potential buildable area (in m²)
NL	Schiphol Logistics Park	10,000
NL	Nieuwegein	15,000
NL	Bleiswijk	35,000
NL	Zwolle	22,000

6. Sustainability

Solar panel project in the Netherlands

Currently, the second phase of the solar panel project in the Netherlands is under development, for a total investment of approx. 25 million euros and a total additional capacity of 25 MWp by the end of 2019[12]. After delivery, WDP will have a total installed capacity of 85 MWp in its solar power portfolio. Over the medium-term, WDP will strive for a total PV portfolio of 100 MWp.

11 See *4.3.3. Management Report – Transactions and realisations – Projects completed in the course of 2018.*

12 Thus far, commercial agreements have been concluded for the installation of 13 MWp.

Energy monitoring system for the entire property portfolio

Over the course of 2018, in partnership with energy management specialist nanoGrid, WDP rolled out the hardware installation for the energy management system across the properties in the WDP portfolio. This energy monitoring system can optimise client consumption, providing savings on energy bills and thus also contributing towards a more sustainable property portfolio.

7. Changes in policy regarding Dutch REIT status

As part of the planned elimination of the dividend tax, the Dutch Government coalition agreement of October 2017 stated the intention that FBIs, including WDP through its subsidiary WDP Nederland N.V., would no longer be allowed to invest directly in Dutch real estate from 2020 onwards. In early October of 2018, the Dutch government announced that it would maintain the dividend withholding tax and keep the FBI regime intact, meaning that direct investment in Dutch real estate will continue to be permitted after 2020.

In addition, WDP was in talks with the Dutch tax authority, which indicated to WDP that – as a shareholder in WDP Nederland N.V., which has FBI status – it is subject to a new shareholder test (the conditions to qualify as an FBI depend on factors such as activities and shareholder structure). In light of the above, the talks between the Dutch tax authority and the company to firm up the details were suspended. WDP hopes to resume these talks in the near future. The company believes it should be able to pass this shareholder test and reach reasonable agreements with the Dutch tax authority.[13]

13 For information purposes, WDP estimates the difference between the fiscally transparent status of an FBI and the normal taxation regime (pro forma) to be no more than 3% of current EPRA Earnings per share.

4. Management of financial resources

1. Financing policy

The financial policy of the WDP group is geared towards the company being financed with a perfect mix of debts and shareholders' equity, and that adequate resources are available for the implementation of current projects and potential opportunities.

The key objectives within this context are the following:

- a proactive management of the capital structure;
- an ideal balance of equity capital and borrowed capital;
- a good diversification of the various sources of financing;
- a good spread of the maturities of the liabilities;
- an adequate liquidity risk;
- a sustainable long-term relationship with all financing partners;
- an active financial risk control including interest risk, liquidity risk and counter-party risk.

WDP's scale of business activities in combination with the defined regulations related to its GVV/SIR status and the high visibility on rental flows, provide WDP with a competitive advantage in finding the appropriate financing sources. This is extremely important in the continuously changing financing environment where key words are high creditworthiness and diversification.

Financial key figures	31.12.2018	31.12.2017
Loan-to-value[1]	50.0	51.3
Gearing ratio (proportional) (in line with the GVV-Royal Decree)[2]	51.8	53.1
Interest Coverage Ratio[3] (in x)	4.6	4.9
Average cost of debt (in %)	2.4	2.6
Average remaining term of outstanding debts (in years)	4.4	4.1
Average remaining term of long-term credit facilities (in years)	5.3	4.5
Hedge ratio[4] (in %)	91	91
Average remaining duration of hedges[5] (in years)	7.3	7.6

1 ◤The loan-to-value is obtained by dividing the net financial debts by the fair value of the portfolio and shareholdings. The latter is equal to the sum of the fair value of the property portfolio (including assets held for sale), the fair value of the solar panels and financing for and holdings in affiliated companies and joint ventures.

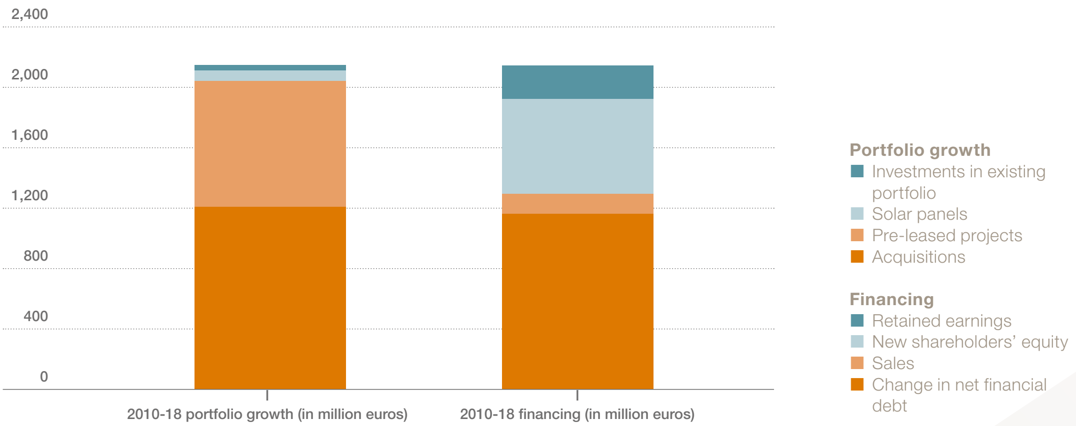
2 For the method used in the calculation of the gearing ratio, please refer to the Belgian Royal Decree of 13 July 2014 on GVVs/SIRs.

3 Defined as operating result (before the result on the portfolio) divided by interest charges, minus interest income and dividends collection, minus compensation for financial leasing and others. This ratio indicates the extent to which the company is able to meet its cost of financing.

4 ◤The hedge ratio refers to the percentage of fixed and floating interest rate debts hedged against interest rate fluctuations by derivatives. This economic parameter is not an obligatory parameter under the Belgian Regulated Real Estate Investment Companies Law (the GVV/SIR Law).

5 Remaining duration of debt at fixed rate and interest rate hedges entered into to hedge the debt against interest rate fluctuations.

Financing sources from 2010 to 2018: matching the assets and liabilities of WDP



2. Debt structure

To the highest extent possible, WDP strives to guarantee a matching of its assets and liabilities throughout the cycle. From that point of view, the portfolio generates a gross return of 6.7%, based on very high visibility with an average lease duration (including solar panels) of 5.8 years (until the first maturity date, and 7.2 years until the expiry date). These are then financed with debts which today bear an average cost of under 3%, based on a high hedge ratio with long-term hedging instruments, at an average of 7.3 years.

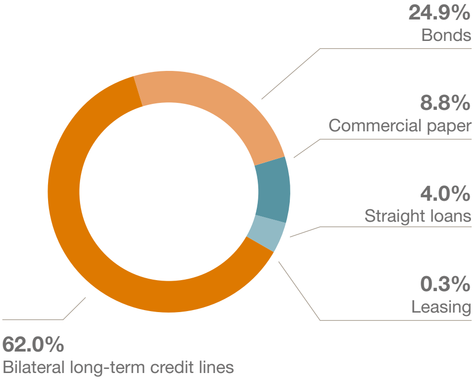
This wide margin between yields and costs ensures adequate support to cover the cost of financing, resulting in an Interest Coverage Ratio of 4.6x. Moreover, the visibility on both the income and expenses results in a robust revenue flow.

Gearing ratio

The use of debt is legally limited via the Belgian Royal Decree on GVV/SIR. For instance, the gearing ratio cannot exceed 65% (both consolidated, and statutory) and moreover, dividend distribution to the shareholders is only permitted if the defined limit is not exceeded – given that they must be used at that time to bring the debt ratio back down below 65%. Debts are used to optimise returns for shareholders, but must be applied with prudence taking numerous factors into account, such as access to refinancing capital, capacity to cover interest costs, quality of the portfolio, the term of the leases and the portion of projects under development. WDP prefers a financial policy in which the gearing ratio fluctuates between 50 and 55%.

At 2018 year-end, the loan-to-value amounted to 50.0% and the gearing ratio (proportional) to 51.8%, compared to 51.3% and 53.1%, respectively, as at 31 December.

Breakdown



On 31 December 2018, the total outstanding consolidated financial debt came to 1,697.8 million euros. This amount breaks down as follows:

- 1,047.6 million euros in traditional bilateral medium and long-term bank loans, distributed across seventeen banks;
- 151.0 million euros in commercial paper[1];
- 426.0 million euros in bond loans;
- 67.5 million euros in straight loans;
- 5.7 million euros in lease debts.

Maturity dates

The bulk of the debt instruments used are bullet type instruments, which implies that over the term, interest liabilities are due on the principal sum and that full repayment of the capital is due on the final expiry date. 12% of the debts are short-term (primarily straight loans and commercial paper), the other 48% have a term of over one year and 40% matures after more than five years. Regarding the maturity dates of the long-term debts in 2019, these respective credit facilities have all been extended.

The weighted average term of WDP's outstanding financial debt as at 31 December 2018 was 4.4 years[2]. If only the total drawn and undrawn long-term credits are taken into account, the weighted average term amounts to 5.3 years[3]. At 2017 year end, this was 4.1 and 4.5 years, respectively.

As at 31 December 2018, the total amount of undrawn and confirmed long-term credit facilities was approx. 300 million euros[4].

The charts hereafter show the maturity dates of the debts. WDP aspires to achieve the best possible spread of debts in the time frame, in which a balance is likewise sought between the term, costs and a diversification of the debt instruments used. Since an extension option can be exercised for some credits by the lender at the request of WDP, in charts account was kept of the minimum and maximum term of the credits, in which in the latter case it was assumed that the extension options were carried out each time by the bank. In 2019, 226.3 million euros in debt mature, 151 million euros of which is related to commercial paper, which by definition has a term of up to one year. This commercial paper or negotiable paper, as mentioned previously, is fully hedged using available unused credit facilities should its replacement not or only partially appear to be possible.

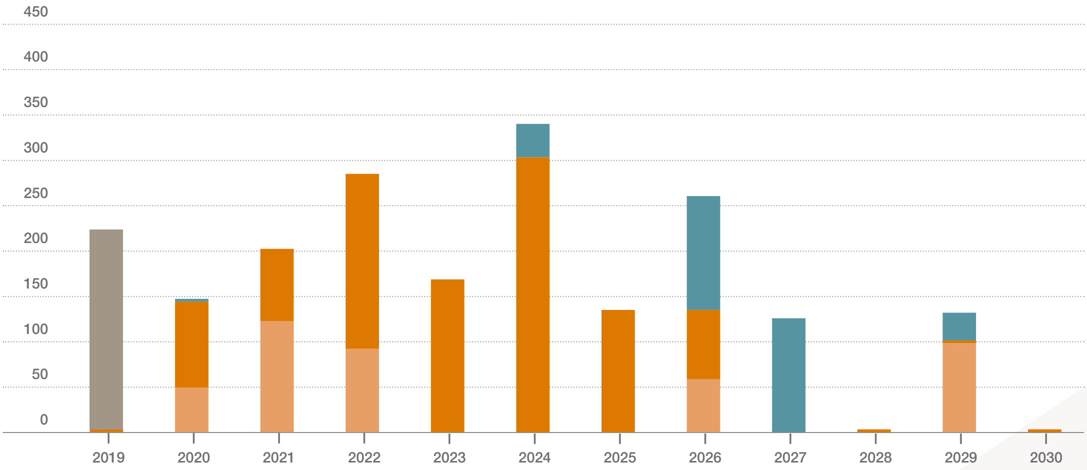
1 The commercial paper is hedged with backup lines and untapped credit lines to serve as collateral for financing, if subscription or extension of commercial paper appears to be impossible or only possible to a limited degree.

2 Including the short-term debts, consisting mainly of the commercial paper programme, which is fully covered by backup facilities.

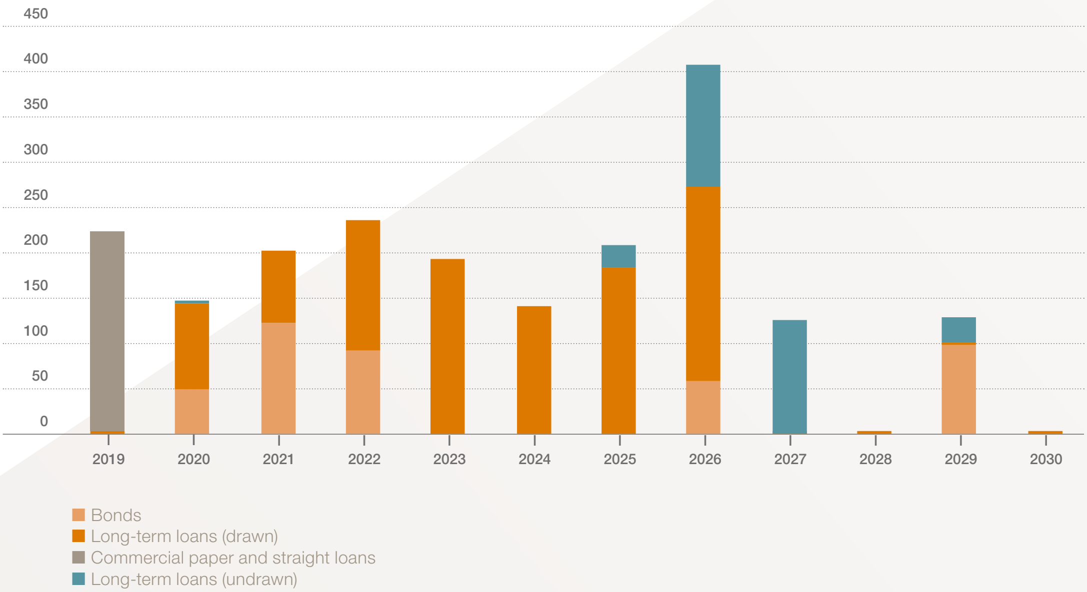
3 For some credits, at the request of the company, the lender may decide to extend the credit by means of an extension option. If this option would be executed every time, the weighted average term of long-term credits amounts to 5.6 years.

4 Excluding the credit facilities at the European Investment Bank for financing pre-leased projects in Romania, and credit facilities for hedging the commercial paper programme.

Debt maturity dates (minimum term)[5]

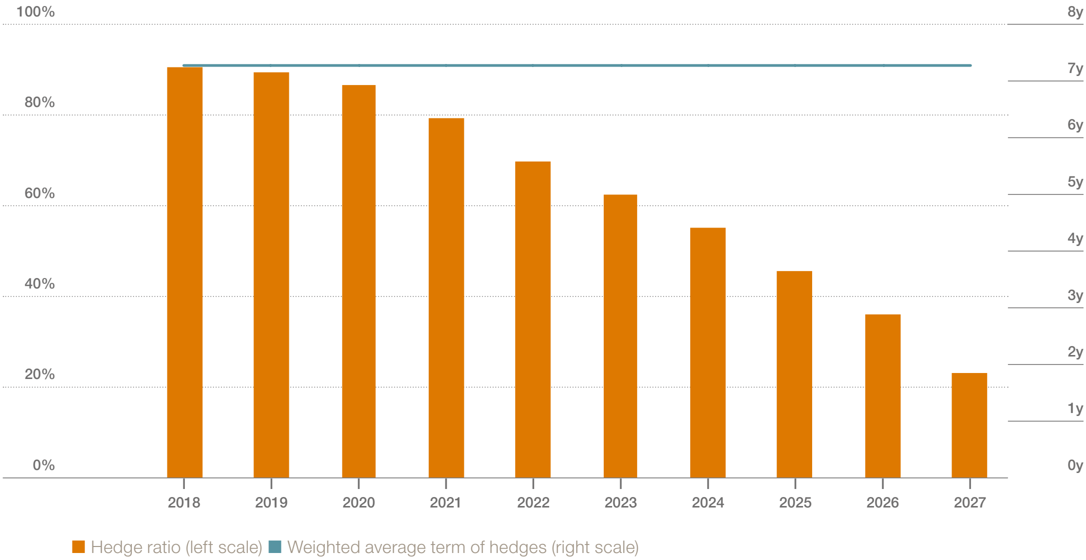


Debt maturity dates (maximum term)[5]



5 For some credits, at the request of the company, the lender may decide to extend the credit by means of an extension option. In the case of a minimum term, it is assumed that these extension options would not be exercised; in the case of a maximum term, it is assumed that they would be exercised each time.

Changes in hedge ratio



Hedges

WDP's risk policy regarding interest rates, aims to hedge the fluctuations in interest rates as much as possible and to optimise the cost of debt. This is done through a centrally managed macro-hedging policy, in which interest derivatives are used solely for the hedging of financial debts.

WDP took advantage of continued low interest rates in 2018 to expand its hedge portfolio by 150 million euros in new Interest Rate Swaps maturing in 2027 and 2029.

The hedge ratio, which measures the percentage of financial debt with a fixed or floating interest rate and subsequently hedges this by means of Interest Rate Swaps, came to 91% as at 31 December 2018[6]. In case of a consistent debt position, the hedge ratio evolves towards 90% in 2019 and 87% in 2021. The WDP result, however, remains subject to fluctuations (refer also to page 222 for a detailed overview of the financial derivatives, and page 65 for a sensitivity analysis relating to short-term interest rates).

6 In the GVV/SIR's hedging policy, the long term of the existing interest rate hedges is implicitly based on the condition that the absolute level of outstanding debts is sustained. See also *8. Risk factors* and explanatory note *XIV. Financial instruments*.

3. Convenants and securities

The contractual provisions of the credit facilities generally stipulate that WDP will retain its status as a Regulated Real Estate Company under Belgian law (GVV/SIR) in Belgium, including a maximum gearing ratio of 65%, that the minimum Interest Coverage Ratio is 1.5x and that the value of speculative development projects cannot exceed 15% of the book value of the portfolio. WDP confirms that all of these conditions were met throughout the entire 2018 financial year. The Interest Coverage Ratio came to 4.6x and the percentage of speculative developments came to 0% at 2018 year-end.

WDP’s financing policy is also aimed at not providing any mortgages or any other real securities to creditors, with the exception of those stated on page 226.

4. Implementation of the financing strategy during 2018

Financing policy in 2018

2018 saw the achievement of a considerable net investment volume of approx. 480 million euros. Beforehand, an appropriate financing strategy was outlined in order to meet the investment requirements, and to safeguard the solid capital structure of the company.

For instance, net capital expenditures were financed with new shareholders' equity for an amount of approx. 171 million euros (by means of the optional dividend, the retained earnings and contributions in kind) and the balance by means of new borrowings and the private placement of bonds, which could also be used to maintain a buffer of unused credit facilities of approx. 300 million euros. In addition, this also anticipated the maturity dates for loans in 2019-20. The loan-to-value came to 50.0% and the gearing ratio (proportional) to 51.8% as at 31 December 2018.

The company boosted its financial resources over 2018 as follows:

- **Issue of 100 million euros in green bonds in a US private placement**

In late March 2018, WDP concluded an agreement with a single US investor (MetLife Inc.) to issue a US private placement with an eleven-year term for a total of 100 million euros (with expansion option), with a coupon of 2.62%. The issue took the form of green bonds that will only be used to finance or refinance WDP's eligible sustainable assets.

- **Capital increase by contribution in kind for 5 million euros**

In mid-September 2018, WDP realised the acquisition of an industrial site in Asse-Zellik[7] by way of a contribution in kind, in exchange for 44,860 new WDP shares. This transaction resulted in an increase of 5.2 million euros in shareholders' equity.

- **Capital increase by contribution in kind for 12 million euros**

In mid-October 2018, WDP realised the acquisition of an additional site in Asse-Zellik[8] by way of a contribution in kind, in exchange for 119,226 new WDP shares. This transaction resulted in an increase of 12.4 million euros in shareholders' equity.

- **Capital increase by (indirect) contribution in kind for 45 million euros**

WDP realised an indirect contribution in kind of a receivable related to the pre-leased projects in Veghel, Tiel and Bleiswijk, resulting in a capital increase of 44.9 million euros and the issue of 390,702 new shares.

- **New EIB financing package of 150 million euros**

After an initial collaboration in 2010, WDP and the European Investment Bank (EIB) have agreed on a new financing package for a total of 150 million euros. This will take the form of term loans to provide the capital needed for the projects completed in 2018 as well as for future projects in the EU convergence regions in Romania.

- **New credit facility**

In addition, over the course of 2018, WDP secured additional credit lines of around 130 million euros.

- **Credit line extension**

As usual, WDP has already proactively extended its long-term credit lines maturing in 2019, for a sum total of 160 million euros.

Financial risks

In 2018, WDP has again continuously monitored the potential impact of financial risks and has taken the necessary measures to manage these risks. These involve the counterparty risk (insolvency or credit risks with financial partners), liquidity risk (the non-availability of financing or very costly financing options) and risks relating to interest rates, budget, contractual agreements and exchange rates.

For a detailed overview of financial and other risks, their limiting factors and control, refer to Chapter *8. Risk factors*.

7 See the press release of 17 September 2018.

8 See the press release of 17 October 2018.

5. EPRA stats

1. EPRA key performance indicators

The statutory auditor confirms that the EPRA Earnings, the EPRA NAV and the EPRA NNNAV indicators were calculated according to the definitions of the EPRA Best Practices Recommendations and/or that the financial data used to calculate these ratios matches the bookkeeping data from the consolidated financial statements.

Publication of this information is not mandatory according to the rules governing the GVV/SIRs.

Tablel	EPRA key performance indicator	Definition	Purpose	in euros (x 1,000)	in euros/ share
I.	EPRA Earnings	Recurring earnings from the core operational activities.	A key measure of a company's underlying operating results from its property rental business and an indicator of the extent to which current dividend payments are supported by earnings.	134,359	6.00
II.	EPRA NAV[1]	NAV adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the current fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.	1,641,168	71.2
II.	EPRA NNNAV[2]	EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred taxes.	Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all assets and liabilities within a real estate entity.	1,572,455	68.2

Table	EPRA key performance indicator	Definition	Purpose		in %
III.	EPRA NIY[3]	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.	A comparable measure for portfolio valuations within Europe. In the past, discussions were held on portfolio valuations in Europe. This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.		6.0
III.	EPRA TOPPED-UP NIY[3]	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	Providing detail on the calculation that reconciles the difference between EPRA NIY and EPRA TOPPED-UP NIY.		6.0
IV.	EPRA vacancy rate	Estimated Market Rental Value (ERV) of vacant spaces, divided by ERV of the whole portfolio.	A pure (in %) measure of investment property space that is vacant, based on ERV.		2.7
V.	EPRA cost ratio	Administrative/operating costs including or reduced by the immediate vacancy costs, divided by gross rental income.	An important criterion to make a meaningful measurement of changes in the operating costs of a property company possible.	Including direct vacancy costs	9.5
				Excluding direct vacancy costs	9.1

1 NAV = Net Asset Value.
2 NNNAV = Triple Net Asset Value.
3 NIY = Net Initial Yield.

I. ## EPRA Earnings

in euros (x 1,000)		FY 2018	FY 2017
Earnings per IFRS profit and loss account		**328,784**	**235,156**
These adjustments for calculation of the EPRA Earnings do not include any:			
I.	changes in the value of the investment properties and development properties held for investment and other interests	-208,874	-90,859
	- changes in the value of the property portfolio	-213,811	-94,763
	- depreciation and write-down on solar panels	4,937	3,904
II.	profit or loss on the sale of investment properties and project developments that are maintained as an investment and other interests	-787	-929
VI.	changes in fair value of financial instruments and associated close-out costs	9,027	-16,470
VIII.	deferred taxes in respect of EPRA adjustments	3,698	79
IX.	adjustments to (i) to (viii) above for joint ventures	-209	-5,556
X.	minority interests in respect of the above	2,721	0
EPRA Earnings		**134,359**	**121,421**
Weighted average number of shares		22,379,427	21,687,261
EPRA Earnings per share (EPS) (in euros)		**6.00**	**5.60**

II. ## EPRA NAV

in euros (x 1,000)	31.12.2018	31.12.2017
IFRS NAV	**1,580,521**	**1,238,439**
IFRS NAV/share (in euros)	68.5	56.3
Diluted NAV, after exercising options, convertibles and other equity participations	**1,580,521**	**1,238,439**
(Does not) contain:		
(iv) fair value of the financial instruments	51,936	42,909
(v.a) deferred taxes	8,710	2,631
EPRA NAV	**1,641,168**	**1,283,979**
Number of shares	23,061,390	22,009,277
EPRA NAV per share (in euros)	**71.2**	**58.3**
EPRA NAV	1,641,168	1,283,979
contains:		
i. fair value of financial instruments	-51,936	-42,909
ii. fair value of financial debts	-8,066	-9,039
iii. deferred taxes	-8,710	-2,631
EPRA NNNAV	**1,572,455**	**1,229,400**
Number of shares	23,061,390	22,009,277
EPRA NNNAV per share (in euros)	**68.2**	**55.9**

III. EPRA NIY and EPRA TOPPED-UP NIY

in euros (x 1,000)		31.12.2018	31.12.2017
Investment properties – wholly owned		3,299,864	2,412,794
Investment properties – share of joint ventures		29,796	147,096
Assets held for sale		2,620	7,525
reduced by project developments, land reserves and rights of use to concessions		-318,257	-232,209
Completed property portfolio		3,014,022	2,335,206
Allowance for estimated acquisition costs		128,903	98,054
Gross-up of the completed property portfolio	**B**	**3,142,926**	**2,433,260**
Annualised cash passing rental income		195,387	161,366
Property charges		-6,271	-5,621
Annualised net rental income	**A.**	**189,116**	**155,745**
Notional amount at the end of a rent-free period or other lease incentives		0	0
Topped-up annualised net rent	**C**	**189,116**	**155,745**
EPRA NIY	**A/B**	**6.0%**	**6.4%**
EPRA TOPPED-UP NIY	**C/B**	**6.0%**	**6.4%**

IV. Investment properties – Rental dates and vacancy rate (EPRA)

	Gross rental income 2018	Net rental income 2018	Leasable space as at 31 DEC. 18	Annualised gross rental income	Projected rental value for vacant spaces as at 31 DEC. 18	Total expected rental value	Vacancy
	in euros (x 1,000)	in euros (x 1,000)	(in m²)	in euros (x 1,000)	in euros (x 1,000)	in euros (x 1,000)	(in %)
Belgium	67,871	64,154	1,780,965	69,854	3,467	73,321	4.8
The Netherlands	81,832	78,976	1,855,789	88,715	1,533	90,248	1.7
France	6,324	5,932	192,574	7,215	316	7,531	4.0
Luxembourg	947	819	32,574	1,844	0	1,844	0.0
Romania	18,632	17,184	623,149	27,760	0	27,760	0.0
Total number of owned properties available for renting out	**175,606**	**167,065**	**4,485,051**	**195,387**	**5,316**	**200,703**	**2.7**
Reconciliation to the consolidated IFRS profit and loss account							
Rental income related to:							
– assets held for sale	8	0					
– investment properties already sold	939	864					
– investment properties under development for own account with the purpose of being rented out	0	1					
– income from solar panels	0	14,537					
– Luxembourg	-947	-819	-32,574	-1,844	–	-1,844	
– other adjustments: joint ventures		4					
Total	**175,607**	**181,652**	**4,452,477**	**193,544**	**5,316**	**198,860**	

v. EPRA cost ratio

in euros (x 1,000)			FY 2018	FY 2017
Including:				
I.	Operating costs (IFRS)		18,279	14,119
III.	Management fees excluding actual/estimated profit element		-963	-976
IV.	Other operating income/recharges intended to cover the general costs, excluding profit margin		-73	229
V.	Operating costs of joint ventures		66	688
Excluding (if contained in the above):				
VI.	Depreciation		-886	-719
EPRA costs (including direct vacancy costs)		**A.**	**16,423**	**13,342**
IX.	Direct vacancy costs		-787	-806
EPRA costs (excluding direct vacancy costs)		**B**	**15,637**	**12,536**
X.	Gross rental income less rent payable on leased land (IFRS)		171,306	142,918
XII.	Gross rental income less rent payable on leased land of joint ventures		887	5,140
Gross rental income		**C**	**172,193**	**148,058**
EPRA cost ratio (excluding direct vacancy costs)		**A/C**	**9.5%**	**9.0%**
EPRA cost ratio (including direct vacancy costs)		**B/C**	**9.1%**	**8.5%**

VI. Investment properties – Changes in net rental income on a constant baseline

					31 DEC. 2018	31 DEC. 2017	2018
	Properties held for two years	Acquisitions	Sales	Projects	Total net rental income	Properties held for two years	Organic growth in net rental income
	in euros (x 1,000)	in euros (x 1,000)	in euros (x 1,000)	in euros (x 1,000)	in euros (x 1,000)	in euros (x 1,000)	(in %)
Belgium	58,378	1,513	556	4,008	64,455	57,462	1.6%
The Netherlands	59,760	3,323	0	15,894	78,977	58,453	2.2%
France	4,144	1,085	603	704	6,535	4,306	-3.8%
Luxembourg	0	811	0	7	819	0	0.0%
Romania	13,491	1,847	0	1,846	17,184	13,198	2.2%
Property available for lease	**135,773**	**8,580**	**1,159**	**22,458**	**167,970**	**133,419**	**1.7%**
Reconciliation to the consolidated IFRS profit and loss account							
Net rental income from investment properties sold previously			-40		-40		
Income from solar energy	12,694			1,843	14,537		
Luxembourg		-811		-7	-819		
Other adjustments: joint ventures	4				4		
Operating result for the property on a consolidated IFRS profit and loss account	**148,471**	**7,768**	**1,119**	**24,293**	**181,652**		

VII. Investment properties – Valuation data

	Fair value	Changes in the fair value during the year	EPRA net initial yield
	in euros (x 1,000)	in euros (x 1,000)	(in %)
Belgium	1,095,196	76,969	6.0
The Netherlands	1,427,739	110,191	5.7
France	119,073	8,839	5.6
Luxembourg	24,906	512	6.3
Romania	347,108	17,811	7.7
Investment properties available for lease	**3,014,022**	**214,322**	**6.0**
Reconciliation to the consolidated IFRS balance sheet			
- Investment properties under development for own account with the purpose of being rented out	162,825		
- Land reserves	107,277		
- Rights of use to concessions	41,451		
- Assets held for sale	-2,620		
- Other adjustments: joint ventures			
Properties	-24,613		
Investment properties under development for own account with the purpose of being rented out	-627		
Land reserves	0		
Rights of use of concession	-1,964		
Other adjustments	4,113		
Investment properties in the consolidated IFRS balance sheet	**3,299,864**		

VIII. Investment properties – Data related to rental contracts

	Average term		Details on next expiry dates of leases			Details on final expiry dates of leases		
			Passing rent of leases coming to their next expiry date in euros (x 1,000)[1]			Passing rent of leases coming to their expiry date in euros (x 1,000)[1]		
Segment	until first break (in years)	until expiry date (in years)	year 1	year 2	years 3-5	year 1	year 2	years 3-5
Belgium	4.3	6.7	13,746	7,328	29,226	3,878	7,909	19,509
The Netherlands	6.0	6.7	5,961	15,761	22,723	5,957	9,870	20,431
France	4.0	6.9	365	2,006	3,144	365	0	2,216
Luxembourg	5.4	10.4	756	165	0	756	165	0
Romania	7.2	8.2	513	2,918	6,312	352	1,857	6,707
Total	**5.4**	**7.0**	**21,342**	**28,177**	**61,406**	**11,308**	**19,801**	**48,862**

1 The passing rent indicated for Luxembourg was 55%.

6. Outlook

The forecasts detailed below contain the expectations for the 2019 financial year with respect to the consolidated EPRA Earnings and the consolidated balance sheet of WDP.

These forecasts were drawn up on the basis of information available on 31 December 2018.

The projections with regard to the consolidated balance sheet and the EPRA Earnings represent a forecast of which the actual realisation depends on changes in the economy, the financial markets and property markets. This prospective information and these forecasts, opinions and estimates prepared by WDP relating to its currently expected future performance and the market in which WDP operates do not constitute a commitment for the company. By their very nature, 'forward-looking statements' imply inherent risks, uncertainties and assumptions (both general and specific), including a risk that these statements will not prove to be accurate.

1. Assumptions

Accounting methods

The accounting basis used for these forecasts is in conformity with the accounting methods used by WDP in the context of preparations of its consolidated accounts as at 31 December 2018 in compliance with IFRS as applied by the European Union and implemented by the Belgian Royal Decree on GVV/SIR. Since 1 January 2019, IFRS 16 *Leases* came into force. WDP incorporated the balance sheet impact of this early, as at 31 December 2018, and starting in 2019, the impact on the profit and loss account will be visible by means of a shift.

Assumptions regarding elements that are beyond WDP's direct control

- In the changes in the rental income, account is kept of a weighted average inflation level of 1.7% which relates to the indexation of lease agreements in 2019, based on the economic consensus expectations as at 31 December 2018.
- The calculation of interest rates assumes an average Euribor rate of -0.35% for one month, -0.29% for three months and -0.22% for six months.
- The financial hedging instruments (IRSs) are valued according to IFRS 9 at market value in the consolidated financial statements. In view of the volatility in international financial markets, no account was kept of variations in these market values. These variations are also not relevant for prospects in connection with the EPRA Earnings on which the dividend is based.
- The property portfolio (IAS 40) and solar panels (IAS 16) are valued at fair value in line with the IFRS standards. However, forecasts have not been issued for changes in the fair value of the property portfolio and the solar panels, because this would be unreliable and subject to a variety of external factors beyond the company's control. These changes are also irrelevant to the forecasts associated with the EPRA Earnings.
- It is assumed that no material changes will occur in the (geo)political and/or economic climate which could have an effective impact on the Group.
- It is assumed that no effective changes will occur in tax laws or regulatory requirements that would affect the results of the Group or its bookkeeping methods.
- Forecasts may also be influenced by factors such as market, operating, financial or regulatory risks as detailed in Chapter *8. Risk factors*.

Assumptions regarding elements within WDP's direct control

Net rental result

- This result was estimated on the basis of current contracts, keeping account of the assumptions maintained for indexation of the leasing agreements (see supra), in which the indexation was applied on an individual contract basis, according to the maturity date of the lease agreement.
- In 2019, 15% of the contracts will reach their next maturity date, of which 70% already have been extended at the time of publication of the 2018 results and of which, accordingly, the current rent is known. For the 30% not yet extended, lease extensions/renewals are taken into account: on an individual basis, an analysis has been conducted of vacancy periods, increased costs and taxes normally covered by the tenant, any restoration costs, costs for commercialisation and a new rent price on releasing comparable to the current price. Based on information currently available and the existing rental market situation, WDP projects a minimum average occupancy rate of 96% for 2019, in line with 97.5% at the end of 2018.
- The net investment volume of approx. 480 million euros achieved in 2018 will largely contribute to the result during the 2019 financial year. In addition, as announced, various pre-leased new construction projects are under development with gradual delivery over 2019. The increase in rental income is mainly driven by this external growth.

Other operating income/costs

- This item consists mainly of income related to the solar panels. These are estimated at approx. 14 million euros,[1] marking an organic decrease in view of the higher than normal hours of sunshine in 2018, amply absorbed by an underlying increase driven by planned PV projects in the Netherlands and Belgium.

1 See also explanatory note *IV. Significant accounting assessments and main sources of uncertainty in estimates* for the outlook on cash flows from PV systems.

- In addition, this item includes the net effect of costs passed on to clients, including the management fee for the property that WDP charges.

Property charges

- These costs consist mainly of net costs (i.e. after any charges passed on to clients) for maintenance and repairs, insurance policies and commissions. They have been estimated for 2019 based on the current portfolio, the expected investments, and the changes of figures from previous financial years.

General company expenses

- Underlying this, the trend for the overhead expenses of the company is in line with the growth in the portfolio, building further on the operational platform in a cost-effective manner, i.e. retaining the high operating margin at around 92%.
- These costs include WDP's internal operating costs, i.e. the remuneration of WDP's manager (particularly the remuneration for executive management and the non-executive directors) and the costs of administrative staff. This also includes the contractual rents payable for the offices in Wolvertem, Breda and Bucharest.
- The overhead costs also include estimated fees payable to external advisers or experts, such as property experts, lawyers, tax experts, accounting and computing costs, consultancy contracts and remuneration of the auditor for statutory audits.
- As a listed company, WDP's overhead costs also include the annual tax on GVVs/SIRs, fees payable to the financial agent and the liquidity provider, fees for the Euronext listing, costs for prudential supervision of GVVs/SIRs and the company's budget for financial and commercial communications.

Financial result

- The estimate of interest liabilities is based on changes in the financial debts, starting from the current situation as at 31 December 2018 and with an estimate of the additional debts to fund the investment programme being implemented in 2019. A debt ratio of approx. 53% is projected here.

- Taking into account the short-term interest rate changes and a hedge ratio of 91% based on the situation as at 31 December 2018, overall financing costs of 2.2% are assumed for 2019. This overall funding cost includes a weighted average credit margin, as well as the cost for non-utilisation of existing credit lines, and the cost of interest rate hedging instruments. The assumptions were based on no loans being repaid prematurely, nor that current IRS contracts will be terminated prematurely.
- The total financial costs are then reduced by an estimated amount of capitalised interest on the basis of existing project developments and the opportunity to capitalise interest amounts.[2]. In this way, the intercalary interest is neutralised in the income statement and included in the investment cost of the projects. The capitalisation rate used for the intercalary interest is an equivalent of the estimated overall finance cost.
- In accordance with IFRS 16, the financial charges include the recurring cost of concessions of 2.6 million euros (for the sites on which WDP does not have bare ownership but does retain usufruct), instead of the previous method (until the 2018 financial year) where these costs fell under *Rental income, net of rental-related expenses*.

Taxes

- This includes the annual corporate tax and advance levy on dividends that are due. In Belgium, the Netherlands and France, the tax burden is limited due to WDP's fiscally transparent status in these countries.
- For the other companies that are part of the WDP group, an estimate was made based on estimated local results – mainly WDP Romania.

Share in the result of joint ventures

This result includes the result of the Luxembourg joint venture WDP Luxembourg, in which WDP acquired a 55% shareholding in October 2017.

2. Projected consolidated profit and loss account (analytical schedule)

Based on the current outlook and the above assumptions, WDP projects an EPRA Earning per share of 6.50 euros (approx. 152 million euros)[3] for 2019 an increase of 8% compared to 6.00 euros in 2018. The main driving force behind this is the strong portfolio growth in 2018 thanks to pre-leased new construction projects and solar power projects, which will yield full returns in 2019. In addition, WDP currently holds a strong project development pipeline of approx. 445,000 m² and a projected investment of 273 million euros[4] which will also partially contribute to the 2019 result.

3. Expected dividend

The dividend distribution policy is determined by the Board of Directors of the statutory manager of WDP and proposed to the Annual General Meeting of Shareholders after the end of each financial year. For 2019, WDP expects a further increase in EPRA Earnings (under the current circumstances) to 6.50 euros per share. On the basis of these expectations, and barring unforeseen circumstances, for the 2019 financial year (payable in 2020) WDP expects to pay a dividend per share of 5.20 euros gross, marking an increase of 8% over the figure of 4.80 euros for 2018.

2 See also Chapter *4.3.4. Management report – Transactions and realisations – Projects under development* and Chapter *5.1.5. Property report – Review of the consolidated property portfolio – Overview of projects under development*.

3 This profit forecast is based on the current situation, barring presently unforeseen circumstances (such as a material deterioration of the economic and financial climate), and a normal number of hours of sunshine.

4 Investment as at 31 December 2018: 116 million euros.

Consolidated results in euros (x 1,000)	2018 Actual	2019 Budget
Rental income, net of rental-related expenses	173,772	199,681
Indemnification related to early lease terminations	215	280
Income from solar energy	14,537	15,583
Other operating income/costs	-605	-1,204
Property result	**187,920**	**214,340**
Property charges	-6,267	-7,052
General company expenses	-10,097	-10,696
Operating result (before the result on the portfolio)	**171,555**	**196,591**
Financial result (excluding change in the fair value of financial instruments)	-33,012	-38,355
Taxes on EPRA Earnings	-1,587	-2,693
Deferred taxes on EPRA Earnings	-511	-1,293
Share in the result of associated companies and joint ventures	256	1,173
Minority interests	-2,342	-3,745
EPRA Earnings	**134,359**	**151,678**
Number of shares (weighted average)	22,379,427	23,319,678
EPRA Earnings (per share)	**6.00**	**6.50**

4. Projected consolidated balance sheet

In drawing up the projected balance sheet, account was kept of factors that could reasonably be estimated. The following assumptions were taken into account:

- The changes in the property portfolio factor in the investments mentioned above, i.e. the execution of the new construction projects currently carried out.
- The solar panels are valued at fair value using the same assumptions that were maintained as at 31 December 2018, subject to a roll-over of the valuation model by one year[5]. This adjustment will be incorporated directly in the shareholders' equity in accordance with IAS 16.
- The changes in shareholders' equity take into account the boost in shareholders' equity from the dividend payment for 2018 in the form of an optional dividend assuming 50% taken in shares, the profit trend during the 2019 financial year and the depreciation on the solar panels. Profit generation only factors in the EPRA Earnings and, as mentioned above, not the revaluation of financial instruments or the impact of market fluctuations on the portfolio.
- The forecast for the financial debts was drawn up based on the expected investment volume and the portion expected to be financed through shareholders' equity (such as by means of the retained earnings and the optional dividend). As at 31 December 2018 WDP has a buffer of 300 million euro of unused long-term credit facilities, from which all existing investment commitments can be met.

5. Implementation of the new 2019-23 growth plan[6]

2016-20 Growth plan objectives within reach

As part of the current 2016-20 growth plan, WDP identified a total investment package of 1.1 billion euros at 2018 year-end, roughly 90% of the planned cumulative volume of 1.25 billion euros. While the ambition of an EPRA Earnings

5 See also explanatory note *XIII. Other tangible fixed assets*.

6 These ambitions are based on retention of current operating and financial metrics and a stable operating environment in a context of persistent structural demand for modern logistics space. These growth and profit targets are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate), and a normal number of hours of sunshine.

Consolidated balance sheet in euros (x 1,000)	2018	2019
	Actual	Budget
Investment properties	3,299,864	3,489,382
Other fixed assets (including solar panels)	120,426	140,943
Other fixed assets	5,224	4,524
Financial fixed assets	7,877	7,877
Participation in associated companies and joint ventures	10,636	16,734
Fixed assets	**3,444,026**	**3,659,459**
Assets held for sale	739	-
Cash and cash equivalents	1,724	1,724
Other current assets	36,844	41,380
Current assets	**39,307**	**43,104**
Total assets	**3,483,333**	**3,702,563**
Shareholders' equity - Group share	1,580,521	1,655,811
Minority interests	29,994	33,608
Shareholders' equity	**1,610,516**	**1,689,419**
Long-term liabilities	1,577,336	1,716,892
Long-term financial liabilities	1,476,586	1,616,320
Other long-term liabilities	100,750	100,572
Short-term liabilities	295,481	296,252
Short-term financial liabilities	221,165	220,643
Other short-term liabilities	74,316	75,609
Liabilities	**1,872,817**	**2,013,144**
Total liabilities	**3,483,333**	**3,702,563**
Gearing ratio (proportional)	51.8%	52.6%

per share of 7.00 euros in 2020 has not yet been fully realized, it is now within reach.

Growth opportunities in the logistics market through structural drivers

In recent years, the logistics sector has become more critical to the value chain due to several underlying trends, such as changes in consumer behaviour (e.g. e-commerce), technological developments and demand for sustainability. Consumption and distribution networks are adjusting to this, creating a persistent demand for modern logistics properties.

WDP intends to leverage its commercial platforms and positioning as both developer and end-investor to further reap benefits from this expected market demand, which should enable continued growth and provision of services to the customers. Moreover, WDP's market share in existing markets is still relatively low (estimated at approx. 9% in the Benelux region, low in France and approx. 14% in Romania).[7]

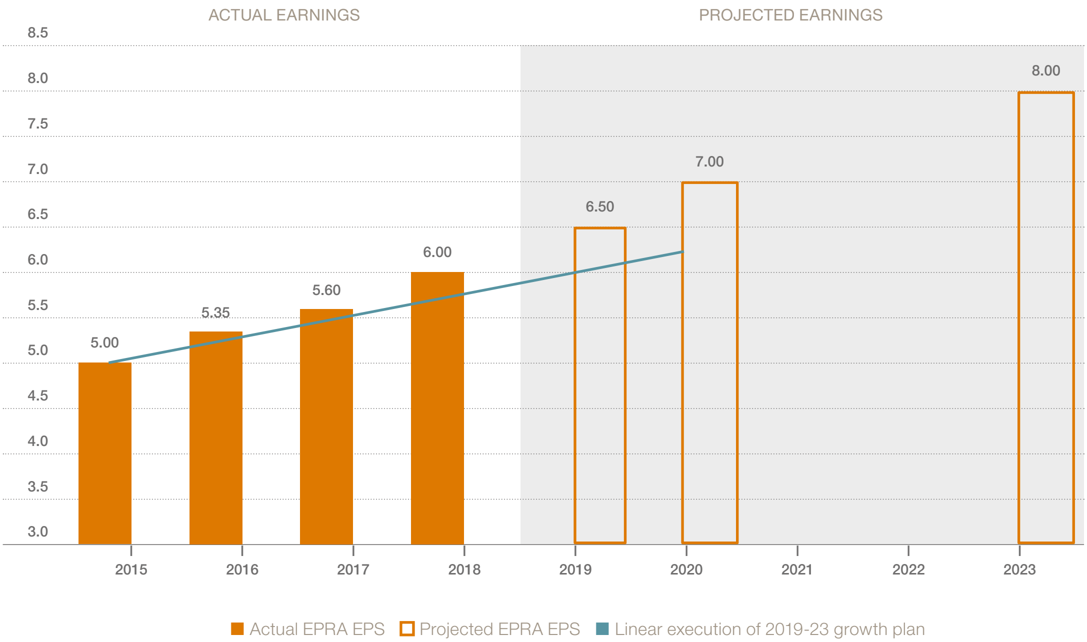
Planned profitable portfolio growth towards 5 billion euros

Considering the fact that WDP wishes to further pursue its strategy of steady and profitable growth beyond 2020, the company is planning to write a new chapter to measure future performance by implementing a new five-year plan for 2019-23.

After all, WDP wishes to continue to grow in size and profitability by keeping up the current pace of around 10% portfolio growth per year. This sets a course for a cumulative portfolio expansion with 1.5 billion towards 5 billion euros over the next five years. This growth should be spread evenly across WDP's three commercial platforms (BE-LU-FR, NL and RO).

7 Figures based on CBRE market reports and WDP research.

EPRA EPS growth (in euros)



This growth will be based on:

- further reinforcement of activities in the existing geographic markets of BE-NL-LU-FR-RO (RO < 20%);
- completion of pre-leased projects on existing and/or new land (by a combination of repeat business or by new partners);
- in light of high prices for existing real estate, opportunities for acquisitions that add long-term value to the portfolio (including high residual value and the option to create partnerships with the customer);
- WDP is currently examining a broadening of its activities in the Benelux' neighbouring regions;
- further investments in alternative energy sources and projects to reduce energy consumption in the existing portfolio.

The focus within this growth will be on long-term profitability. The new strategic growth plan for 2019-23 aims for a cumulative growth in EPRA Earnings per share of 33%, to 8.00 euros, over this five-year period. This will also generate future dividend growth.

With respect to the financing of the growth plan, a balanced capital structure is taken into account with a targeted gearing ratio of 50-55% and the existing strategy of combining property investments with synchronised issue of new equity and debt. In principle, reinforcement of equity takes into account the retained earnings, optional dividend and contributions in kind. The debt component factors in traditional credit facilities and bond issues.

WDP believes this growth can be achieved in part based on the current strong fundamentals of the company, such as the high occupancy rate, long terms of lease contracts, sustainable average rent levels, an experienced and motivated team of employees, and an excellent client portfolio that can generate new business continuously.

6. Sensitivity

The following table provides a non-exhaustive overview of external and internal factors which have an influence on the key parameters of the company, namely the EPRA Earnings, the gearing ratio and shareholders' equity.

Sensitivity analysis based on the consolidated figures as at 31 DEC. 18

Δ Inflation (in %)	**-1.0%**	**-0.5%**	**0.0%**	**0.5%**	**1.0%**
Δ EPRA Earnings (in million euros)	-2.0	-1.0	0.0	1.0	2.0
Δ Occupancy rate (in %)	**-1.0%**	**-0.5%**	**0.0%**	**0.5%**	**1.0%**
Δ EPRA Earnings (in million euros)	-2.3	-1.1	–	1.1	2.3
Δ Euribor (in %)	**-1.0%**	**-0.5%**	**0.0%**	**0.5%**	**1.0%**
Δ EPRA Earnings (in million euros)	–	–	–	-0.8	-1.5
Δ Fair value of investment properties (in %)	**-5.0%**	**-2.5%**	**0.0%**	**2.5%**	**5.0%**
Δ Gearing ratio (in %)	2.6%	1.3%	0.0%	-1.2%	-2.4%
Δ Investments (in million euros)	**-50.0**	**-25.0**	**–**	**25.0**	**50.0**
Δ Gearing ratio (in %)	-0.7%	-0.3%	0.0%	0.3%	0.7%
Δ Fair value of investment properties (in %)	**-5.0%**	**-2.5%**	**0.0%**	**2.5%**	**5.0%**
Δ Fair value of investment properties and shareholders' equity (in million euros)	-166.6	-83.3	–	83.3	166.6
Δ Interest rates (in %)	**-0.5%**	**-0.25%**	**0.0%**	**0.25%**	**0.5%**
Δ Fair value of hedging instruments and shareholders' equity (in million euros)	-42.2	-20.8	–	20.4	40.3

7. Report of the statutory auditor

Dear Sirs

We report on the forecasted EPRA earnings (as defined in August 2011 (and amended in November 2016) in the report *Best Practices Recommendations* of the European Public Real Estate Association) of Warehouses De Pauw Comm. VA (the Company) and its subsidiaries (together the Group) for the 12 months period ending 31 December 2019 (the Forecast). The Forecast, and the material assumptions upon which it is based are set out in 4.6.1 and 4.6.2 of the 2018 annual report of the Group, (the Annual Report). We do not report on the other elements of the net result nor on the projected dividend, the projected balance sheet and the implementation of the new growth plan 2019-2023 as mentioned respectively in 4.6.3., 4.6.4. and 4.6.5. of the Annual Report. This report is prepared in accordance with the principles as defined under Annex I item 13.2. of the European Commission Regulation (EC) No 809/2004 (the Prospectus Regulation) and is given for the purpose of complying with that rule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the Directors) to prepare the Forecast in accordance with the Prospectus Regulation.

It is our responsibility to form an opinion, as required by the Prospectus Regulation, as to the proper compilation of the Forecast and to report that opinion to you.

Basis of Preparation of the Forecast

The Forecast has been prepared on the basis of assessments stated in sections 4.6.1. and 4.6.2. of the Annual Report and is based on a projection for the 12 months to 31 December 2019. The basis of preparation of the Forecast should be in accordance with the Group's principles of financial reporting.

Basis of opinion

We conducted our work in accordance with the International Standard on Assurance Engagement 3400 "The Examination of Prospective Financial Information" ("ISAE 3400") issued by the International Auditing and Assurance Standards Board ("IAASB"). Our work included evaluating the basis on which the historical financial information included in the Forecast has been prepared and considering whether the Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Forecast are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Forecast have not been disclosed or if any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Forecast has been properly compiled on the basis stated.

Since the Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Forecast and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside Belgium, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Forecast has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Group.

Yours faithfully

Antwerp, 20 March 2019

The statutory auditor
DELOITTE Bedrijfsrevisoren CVBA
Represented by Kathleen De Brabander

7. Corporate governance

1. Corporate governance

In accordance with Article 96(§2)(1°) of the Belgian Companies Code (as amended by the Belgian Act of 6 April 2010 reinforcing corporate governance at listed companies) and the Belgian Royal Decree of 6 June 2010 setting out the mandatory corporate governance code for listed companies, WDP Comm. VA must meet the Belgian Corporate Governance Code of 12 March 2009. The Belgian Corporate Governance Code is available online.

WDP makes every effort to meet the principles of the Belgian Corporate Governance Code at all times, and uses the code as a reference. Due to the special management structure of WDP – detailed further under *2. Some background: the Comm. VA and the statutory manager* – the corporate governance principles are primarily relevant to this special management structure.

Since its founding, the company has put honesty and fairness in business first. Thus, WDP attaches a great deal of value to striking the right balance between the interests of shareholders (and bondholders) and those of other parties dealing directly or indirectly with the company, also known as stakeholders.

The Corporate Governance Code applies the Comply or Explain principle, meaning that any deviations from the recommendations must be justified. WDP only deviates from the recommendations of the Corporate Governance Code on a few points, which can mostly be explained by the activities of the company and the associated small size of the Board of Directors of the manager of WDP:

- the Corporate Governance Code recommends that the chairman of the Board of Directors be a non-executive director. WDP currently deviates from this rule, as the chairman of the Board of Directors, Mark Duyck, fulfils the role of executive chair, though he is not part of the executive management team. At the time, WDP opted for a special active role for the chairman, who serves as a sounding board for the executive management and offers advice. However, he does not take part in decisions of the management. His executive duties also include preparation of strategic initiatives for discussion (and decision-making) by the Board of Directors. In the opinion of WDP, this role optimises synergy between the other members of the Board of Directors and the executive management and, in general, the functioning of the company. In order to perform these tasks properly, Mark Duyck is present at the company offices three days a week on average. The Corporate Governance Code allows the chair to take on special responsibilities aside from leading the Board of Directors and its meetings.

  The role of the chairman will change in the first half of 2019. For more details, please refer to *4. The Board of Directors of the statutory manager De Pauw NV – Changes in the composition of the Board of Directors during the 2019 financial year*;
- Annex D. 5.3./1 of the Corporate Governance Code recommends that the majority of the nomination committee comprises independent non-executive directors. Given the small size of the Board of Directors, the nomination committee of WDP comprises of all members of the Board of Directors and is chaired by the chairman of the Board of Directors. The nomination committee consists of seven members, three of which – i.e. not a majority, as recommended by the Corporate Governance Code – are independent non-executive directors. The chairman of the Board of Directors (who has certain executive tasks) chairs the nomination committee, whereas the Corporate Governance Code recommends a non-executive director for this. Given that the chairman of the Board of Directors, despite having some executive tasks, is not the CEO, the Board of Directors believes that the chairman of the Board of Directors can take on a specific and typical task of the

chairman, such as chairing the nomination committee.

Taking the changes in the composition of the Board of Directors in the 2019 financial year into account, the Nomination Committee will comprise seven members as from April 2019, four of which, being the majority, are independent directors;

- Principle 2.9 of the Corporate Governance Code recommends that the Board of Directors appoints a secretary to provide advice on all governance matters. Given the small size of the Board of Directors and the efficiency of its decision-making process, formal appointment of a secretary is not necessary for the time being. In principle, the CFO is always present on the Board of Directors and handles these tasks, with necessary support from the Legal Councel.

The Board of Directors must devote a separate section of its annual financial report to corporate governance, detailing the company's practices in this area during the relevant financial year, including the specific information required under the applicable laws and the Corporate Governance Code.

This Chapter of the *Annua financial report 2018* provides the contents of WDP's Corporate Governance Statement and describes the situation as at 31 December 2018.

The Corporate Governance Charter and Dealing Code are also available online.

2. Some background: the Comm. VA and the statutory manager

WDP is a public Regulated Real Estate Company under Belgian law (GVV/SIR) that has taken on the legal form of a partnership limited by shares under Belgian law (Comm. VA). A Comm. VA has two categories of partners. The first category is the managing partner, which bears unlimited and joint and several liability for commitments of the company. The managing partner of WDP Comm. VA is De Pauw NV, with registered office at Blakebergen 15, 1861 Meise (Wolvertem), Belgium. The other category is the limited or silent partners, who are shareholders and only bear liability for the amount of their contribution.

A characteristic feature of a Comm. VA is that the company is managed by a statutory manager, which must have the capacity of a general (managing) partner, which has a power of veto over all major resolutions of the General Meeting and which it is practically impossible to dismiss.

The manager is appointed by an Extraordinary General Meeting taking into account the requirements for amendment of the Articles of Association. The manager can always resign of its own volition. In contrast, it is only possible to withdraw the manager's mandate by a court decision requested by the General Meeting on legal grounds. For this resolution the manager cannot participate in the votes cast by the General Meeting.

The General Meeting is only permitted to deliberate and take decisions in the presence of the manager. The manager must grant assent for any amendments to the Articles of Association and any resolution of the General Meeting related to actions that affect the Company's interests with respect to third parties, such as dividend disbursement and any resolution affecting the capital of the Company.

The Company is represented by its statutory manager, De Pauw NV, represented by its permanent representative. In addition, based on the four-eyes principle, a second director of the manager in principle always takes part in major actions. The company may also be represented by a special proxy.

The manager De Pauw NV, has been appointed for an unlimited term. Since 1 September 2002, Tony De Pauw has been appointed as permanent representative of De Pauw NV within the framework of its appointment as statutory manager.

WDP (and/or WDP's manager De Pauw NV) meets Article 17 of the GVV/SIR Act, and specifically features its own governance structure, an administrative, bookkeeping, financial and technical organisation that enables the organisation to carry out its activities as a GVV, as well as suitable internal control (refer to *10. Internal control*).

3. The shareholders

All other circumstances being equal, the company shall treat all shareholders of WDP the same and shall respect their rights. They have access to the investors section of the website including all useful information to enable trading with knowledge of the current state of affairs. Here, shareholders can also download the documents required in order to vote at the General Meeting.

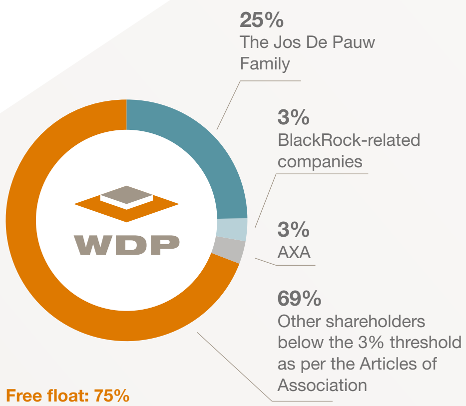
As at 31 December 2018, the capital of WDP amounted to 184,951,687.81 euros and is represented by 23,061,390 fully paid-up ordinary shares without par value. There are no preference shares. Each of these shares bestows the right to one vote at the General Meeting and these shares therefore represent the denominator for the purposes of notification within the framework of transparency regulations (i.e. notification in cases of reaching, exceeding or falling below thresholds as per the law or the Articles of Association).

In accordance with the conditions, terms and modalities stipulated in Articles 6 to 13 of the Belgian Act of 2 May 2007 on the disclosure of major stakes in issuers whose shares are admitted for trading on a regulated market, any natural person or legal entity that, either directly or indirectly, purchases or transfers voting securities in the company, is obligated to inform the company and the FSMA of the number and the percentage of the existing voting rights they hold as a consequence of the purchase/transfer, if the voting rights associated with these voting securities fall above or below the thresholds indicated below. On the one hand, we have the threshold of 3% as per the Articles of Association, and on the other the statutory thresholds in 5%-brackets of the total number of existing voting rights.

Special rights of control are not granted to any categories of shareholders. WDP currently has a single reference shareholder, with a single representative on the Board of Directors (refer to *4. The Board of Directors of statutory manager De Pauw NV – Appointment of the director*).

The obligations of the company and the rights of the shareholders with regard to the General Meeting are published on the investors section of WDP's website from the meeting notice until participation and voting in full. This information will remain accessible there for a period of at least five years, counting from the date of the General Meeting to which it refers.

In such cases, the Extraordinary General Meeting may only pass valid resolutions to amend the Articles of Association if the proposed amendments are expressly indicated in the meeting notice, if meeting attendees represent at least half of the share capital and if the manager is present. If this quorum is not achieved or if the manager is not present, then it will be necessary to convene a new meeting.



The second meeting will deliberate and adopt a valid resolution regardless of the portion of capital present or represented and regardless of whether the manager is present.

An amendment to the Articles of Association will only be adopted if approved in advance by the FSMA and if it passed with three quarters of the votes associated with the shares present or represented and obtained approval of the manager in person or by representation.

4. The Board of Directors of statutory manager De Pauw NV

Duties of the Board of Directors

The Board of Directors has various duties with respect to the GVV/SIR. The Board of Directors:

- outlines the strategy and policy;
- approves all major transactions with a view to achieving the objectives of WDP;
- monitors the quality of the management, such as by a thorough review and in-depth discussion of the financial statements and by an annual evaluation of the operation;
- ensures that management is carried out in accordance with the strategy;
- outlines and evaluates a diversity policy;
- handles the company's financial communications with the media and analysts.

Functioning of the Board of Directors

The Board of Directors of the manager meets at least four times a year at the invitation of the chair. These meetings are also intended to discuss the strategy of the company. The times are set in advance for the entire year to minimise absences. Additional meetings will also be called whenever required in the interests of the GVV/SIR or when two directors request this.

The chair is responsible for running and monitoring the progress of the meeting of the Board of Directors and determines the meeting agenda in consultation with the two CEOs. The agenda consists of a fixed series of items with thorough preparation and documentation, so all directors have the same information at the same time. At least three days before the scheduled date for the meeting of the Board of Directors, these documents must be provided to every member of the Board of Directors, so they can prepare accordingly.

The role of chairman of the Board of Directors and of CEO cannot be performed by the same person.

The person presiding over the meeting may designate a secretary (possibly a director).

Only the members of the Board of Directors may take part in deliberations and voting. In principle, votes of the Board of Directors are only valid if the majority of the members are present or represented. The decisions of the Board of Directors are taken by simple majority. If the vote is tied, the proposal is rejected.

At the invitation of the chair, members of the management who are not directors or specialists in a particular field may attend meetings of the Board of Directors in order to inform or advise the Board of Directors. For matters concerning financial information or accounting procedures, the chairman may call upon the internal organisation and/or statutory auditor of the company directly.

Activity report of the Board of Directors

The Board of Directors met seventeen times during the 2018 financial year, mainly to discuss the following items:

- operating and financial reporting;
- communications policy;
- strategy and investment policy;
- financing policy;
- composition and evaluation of the Board of Directors;
- analysis and approval of the 2019 budget;
- analysis and approval of the 2016-20 growth plan update and outlook;
- update of the Dealing Code;
- analysis and approval of investment, divestment and development dossiers;
- drafting and approval of the 2017 Registration Document;
- drafting of special reports from the Board of Directors on contributions in kind of properties located in Belgium and a claim (as part of the optional dividend and the completion of three projects in the Netherlands);

- completion of the aforementioned transactions and determination of the resulting capital increase within the limits of the authorised capital.

Remit of the director

Composition of the Board of Directors

Principles

The composition of the Board of Directors of the manager enables management of WDP in accordance with its Articles of Association and its permitted activities (as described in Article 4 of the Belgian GVV/SIR Act).

The following provisions apply to the composition of the Board of Directors of the manager:

- members of the Board of Directors must meet the requirements set on the GVV/SIR under the applicable law, including composition exclusively of natural persons that meet the requirements of Articles 14 and 15 of the Belgian GVV/SIR Act (fit-and-proper test for directors);
- the Board of Directors is made up of at least three directors;
- the Board of Directors has at least three independent members in the sense of Article 526ter of the Belgian Companies Code, where for the purposes of assessing compliance with this, the independent member of the Board of Directors of the manager is considered to be a director of WDP;
- one or more directors, up to a maximum of half of the total number of directors, can be executive directors. This means they can also perform an operational role within WDP;
- The Board of Directors strives at all times to strike a proper balance in terms of knowledge, competencies and experience, based on the requirements of efficient business on the markets where the company is active;
- the individual contribution of each director guarantees that no single individual or group of individuals can influence the decision-making;
- the directors must remain focused on the interests of the company and conduct independent assessments and contribute to decision-making;
- the composition of the Board of Directors must meet the diversity requirements (such as Article 96 of the Belgian Companies Code) and the specific requirements on gender diversity (such as those set out in Article 518bis of the Belgian Companies Code).

The composition of the Board of Directors must ensure that it functions as an agile and effective body at all times.

The description below on the composition of the Board of Directors attests to its balance in terms of knowledge, competencies and experience. The current composition of the Board of Directors meets gender-diversity requirements. At this time, the WDP Board of Directors consists of two women and five men, in line with Article 518bis of the Belgian Companies Code. The directors of the manager meet Articles 14 and 15 of the Belgian GVV/SIR Act (fit-and-proper test for directors).

Current composition of the Board of Directors

The Board of Directors of the manager comprises seven members (natural persons) as at 31 December 2018:

- three executive directors, one of which is representative of the reference shareholder (the Jos De Pauw family), namely Tony De Pauw;
- four non-executive directors, three of which are independent directors that meet the criteria of Article 526ter of the Belgian Companies Code.

Mark Duyck

(Lindekensweg 73, 1652 Alsemberg, Belgium)

has been a director since 1999, chairman of the Board of Directors since 2003 and executive chair since 2006. He is an economist and holds an MBA. After serving in various roles in a number of European and US companies, he was with Brussels Airport for fifteen years in various management positions (COO, CFO).

His knowledge in areas such as transport and logistics, combined with his expertise gained in IT companies and equipment manufacturers, offers a diverse background. In addition, he was both directly involved in these companies and served in a more supporting role (HR director, Business Development).

He is the manager for Coconsult and chairman of the Board of Directors at Steylaerts. He was formerly a director at Brussels Airport[1] and Switch[1].

Frank Meysman

(Drielindenbaan 66, 1785 Merchtem, Belgium)

has been a non-executive director since 2006 (until April 2018 he was also an independent director and until 2016 he held this appointment at M.O.S.T. BVBA, of which he himself was the permanent representative). Frank Meysman offers ample knowledge and international experience (such as in the Netherlands). He has expertise in the area of marketing and can support WDP's focus on the customer.

He has held top positions in international enterprises such as Procter & Gamble, Douwe Egberts and Sara Lee. At present, he serves as chairman of the Board of Directors of Spadel and the Thomas Cook Group. For the past five years he was also a director at Picanol[1], Betafence[1], Grontmij[1] and JBC[1].

Anne Leclercq

(Herhout 62, 1570 Tollembeek, Belgium)

has been an independent non-executive director since April 2015. She studied law at the University of Leuven and also attained a diploma from the Kellogg School of Management and an MBA from the Vlerick Business School.

After a career at various banks, she has been affiliated with the Belgian Debt Agency since 1998, where she is currently Director of Treasury and Capital Markets. In addition to her general management experience, in this role she has also acquired key insights and expertise in efficient financial management (debt capital markets), which provides substantial added value for the financing policy of WDP.

In addition, she has served in various roles in supranational institutions such as the IMF, the World Bank and the OECD. For the last five years, she has been a director at Fluxys Belgium, as well as at the University of Leuven, and a member of the audit committee at the University of Leuven and University Hospitals of Leuven.

Cynthia Van Hulle

(Heikant 22, 9190 Stekene, Belgium)

has been an independent non-executive director since February 2015. She earned her doctorate in Applied Economic Sciences at the University of Leuven where she is a professor at the Faculty of Economics and Business Studies. She had previously studied at Yale University and at the University of Chicago and taught at the University of Columbia. In addition, she has held the Francqui chair at the University of Ghent.

Key areas of expertise in her academic work include corporate finance, restructuring and governance issues. She brings thorough knowledge of accounting and auditing to the table.

Over the past five years, she has served in roles such as independent director at Argen-Co and Miko (where she also chairs the audit committee) and as a non-executive director at Argenta Bank- en Verzekeringsgroep, Argenta Assuranties, Argenta Spaarbank and KBC Ancora[1].

Jürgen Ingels

(Clemenceaustraat 177A, 2860 Sint Katelijne Waver, Belgium)

has been an independent non-executive director since April 2018. He holds a Master's in Political and Social Sciences and an MBA from the University of Antwerp.

His expertise in financial technology, digital innovation and technology in the broader sense contributes to the growth and future-proofing of company.

He is the founder and director of private equity fund SmartFin Capital and of start-ups.be. He is

1 This appointment has now ended.

co-founder of B_Hive Europe, an innovative platform for start-ups and scale-ups in fintech, and was also its director[1]. In addition, he is a director of the Willemen Group, Ghelamco, Guardsquare, Itineris, Silverfin, Itiviti AB, Materialise, Bright Analytics, Finsight Solutions, Innovis, Newtec, NG Data, NG Data Europe, Projective, Unified Post, Pay-Nxt, The Glue, and Vavato. In past years, he served as director of Trendminer[1], Option[1] and Clear2Pay[1].

Tony De Pauw

(Ganzenbos 5, 1730 Asse, Belgium)

has been executive director and CEO since 1999 and represents the reference shareholder, the Jos De Pauw family (via the family company structure RTKA[2]) and along with Joost Uwents, handles the executive management of WDP.

For further information on the family company structure, please refer to 7.3.

Since December 2018, he has served as a member of the strategy committee of the Federation of Enterprises in Belgium (the FEB). He is also a director of Concert Olympique.

Joost Uwents

(Hillarestraat 4A, 9160 Lokeren, Belgium)

has been a director since 2002 and executive director and CEO since 2010 and along with Tony De Pauw, handles executive management of WDP. He is a commercial engineer and holds an MBA.

His banking background gives him strong knowledge of real estate and finance. Before his appointment as CEO, he was CFO of WDP for ten years. In addition, he has built up expertise over the years to support and expand WDP's sustainability strategy.

He is an independent non-executive director at public GVV/SIR Xior Student Housing. He is also a member of the advisory board at EPRA.

Changes in the composition of the Board of Directors during the 2019 financial year

Mark Duyck's term as executive director and chairman of the Board of Directors will come to an end at the 2019 General Meeting. In light of this, the nomination committee started a procedure in 2018 to propose a suitable successor to Mark Duyck as chairman of the Board of Directors. In the process, the committee also decided to nominate a non-executive director, contrary to the past situation, in which the chair was assigned an executive role. This position change arises from the internal professionalisation and expansion of WDP as an organisation, realised over the past few years.

Tony De Pauw's term as executive director will also come to an end at the 2019 General Meeting.

In addition, the Board of Directors of the manager is proposing the following to its General Meeting of 24 April 2019:

- the appointment of Rik Vandenberghe as an independent non-executive director as meant in Article 526ter of the Belgian Companies Code. The Board of Directors will also propose Rik Vandenberghe as chairman of the Board of Directors and chairman of the nomination committee, both pending approval of his appointment as director by the General Meeting. If approved, his term will run until 26 April 2023. Rik Vandenberghe holds a Commercial Engineering diploma from the University of Leuven. Since April 2017, he has been the CEO of the Besix Group, a leading, multidisciplinary construction and property company with operations in 25 countries spanning five continents. He is also serving as a director in various subsidiaries in the BESIX Group. Rik Vandenberghe started his career in the banking sector, working at ING for thirty years, where he through his numerous leadership roles and, as CEO of ING Luxembourg and ING Belgium, enjoyed close working relationships with key actors in the property market and garnered extensive international experience. His experience as chair of companies like Febelfin and Besix Group and ING subsidiaries and his knowledge of real estate finance and securities

2 For further information on the family company structure, please refer to *7.3. Shares and bonds – Shareholdings*.

Name	Mandate	Capacity and presence	Number of shares 31 DEC. 18
MARK DUYCK Executive chairman of the Board of Directors	Start: June 1999 Reappointment: April 2017 End: April 2019	Board of Directors: 17/17 Chairman of the strategy committee: 5/5 Chairman of the nomination committee: 4/4	4,733
FRANK MEYSMAN[1] Non-executive director	Start: April 2006 Reappointment: April 2018 End: April 2021	Board of Directors: 16/17 Strategy committee: 5/5 Audit committee: 4/5 Nomination committee: 3/4 Chairman of the remuneration committee: 2/2	3,318
ANNE LECLERCQ Independent non-executive director	Start: April 2015 Reappointment: April 2018 End: April 2022	Board of Directors: 17/17 Strategy committee: 5/5 Audit committee: 5/5 Nomination committee: 4/4 Remuneration committee: 2/2	0
CYNTHIA VAN HULLE Independent non-executive director	Start: February 2015 Reappointment: April 2018 End: April 2022	Board of Directors: 17/17 Strategy committee: 5/5 Chairman of the audit committee: 5/5 Nomination committee: 4/4 Remuneration committee: 2/2	0
JÜRGEN INGELS Independent non-executive director	Start: April 2018 Reappointment: n.r. End: April 2022	Board of Directors: 17/17 Strategy committee: 5/5 Audit committee: 5/5 Nomination committee: 4/4 Remuneration committee: 2/2	0
TONY DE PAUW Executive director	Start: May 1999 Reappointment: April 2015 End: April 2019	Board of Directors: 15/17 Strategy committee: 5/5 Nomination committee: 3/4	9,788
JOOST UWENTS Executive director	Start: April 2002 Reappointment: April 2018 End: April 2022	Board of Directors: 17/17 Strategy committee: 5/5 Nomination committee: 4/4	19,609

1 From 2006 to 2016, Frank Meysman fulfilled his role under M.O.S.T. BVBA, as their permanent representative.

from left to right Cynthia Van Hulle, Frank Meysman, Anne Leclercq, Jürgen Ingels, Joost Uwents, Tony De Pauw and Mark Duyck.

markets, coupled with his entrepreneurial spirit and keen eye for innovation, will support the management of WDP and the further growth of the company;

- the reappointment of Tony De Pauw to a new term as executive director. If approved, his term will run until 26 April 2023. The Board of Directors will also propose Tony De Pauw for managing director, pending approval of his appointment as executive director by the General Meeting of 24 April 2019.

Taking into account the changes in the Board of Directors in 2019, the audit and remuneration committees will be expanded with an additional member each, i.e. the non-executive chair. In addition, the nomination committee will now feature a majority of independent non-executive members.

Appointment, term, dismissal

Appointment of the directors of the manager is handled by the General Meeting of De Pauw NV at the proposal of the nomination committee of the Board of Directors that reviews all candidates. The selection of a new director is based on a professional, objective selection process. Every appointment must be evaluated to ensure complementary capacities and knowledge within the Board of Directors. As soon as a director vacancy arises, a new director is appointed as soon as possible and/or desired.

The General Meeting of De Pauw NV – manager of the company – may dismiss directors at any time.

Directors and the members of the executive management are appointed to four-year terms. Independent directors cannot have served more than three consecutive terms as non-executive directors on the Board of Directors, and this time period shall not exceed twelve years. The terms of non-independent directors may be renewed without restriction.

The above rules apply subject to the defined age limit of seventy years, in that the term of a director shall end on conclusion of the annual meeting in the year in which the director turns seventy years of age, unless the Board of Directors resolves otherwise at the proposal of the nomination committee.

An independent director that no longer meets the independence requirements of Article 526ter of the Belgian Companies Code (and any additional requirements set by the Board of Directors) must report this to the Board of Directors.

Directors are additionally permitted to serve as directors in other listed or non-listed companies. They inform the chairman of the Board of Directors of this. In accordance with the Corporate Governance Code, the non-executive directors cannot serve as directors at more than five listed companies (the current non-executive directors at WDP meet this criterion), in the absence of permission from the Board of Directors (with application of the Comply or Explain principle). Any changes in their other relevant commitments and new commitments outside of the company must be reported to the chairman of the Board of Directors in a timely manner.

Directors must adhere to agreements regarding discretion and mutual trust. They must also strictly comply with all statutory and customary principles relating to conflicts of interest, trading in WDP shares for personal benefit, inside information, etc.

Evaluation

On the one hand, evaluation of the directors (as members of the Board of Directors and as members of a committee) is ongoing, in particular mutual evaluation amongst colleagues. If a director has doubts about the contribution of another director, the former director may raise this as an agenda item for the Board of Directors or in the relevant committee, or discuss the matter with the chairman. The chairman may then take the necessary steps, at the chairman's own discretion.

On the other hand, all directors are evaluated individually once a year, and more often where applicable, by the Board of Directors, taking into account factors such as their attendance rate, level of participation in meetings, suggestions brought forward outside of meetings, contribution of novel ideas based on their experience in other boards or committees and their sense for risk identification and control.

Given the limited composition of the Board of Directors, continuous interaction between members – rather than a formal questionnaire or box-ticking method – is the choice method for WDP for efficient and continuous adjustment and improvement of the governance process.

Statements regarding directors

Based on the information at its disposal, the statutory manager of WDP hereby declares that at least in the past five years, neither it nor its directors (including the executive management) (and if companies act as a director, their permanent representatives):

- have been convicted of fraud-related offences;
- have been the subject of official and public allegations and/or penalties imposed by a statutory or supervisory authority (including a recognised professional association), or have ever been declared by a court to be unfit to act as a member of a managerial, supervisory or oversight body of a company or to act within the framework of the management or performance of the activities of a company;
- have served in a supervisory role as a senior manager or member of the managerial, supervisory or regulatory bodies of a company at a time of bankruptcy, curatorship or liquidation.

Share issue or purchase

The company may acquire its own fully paid-up shares and hold these in pledge pursuant to a resolution of the General Meeting taken in accordance with the provisions of the Belgian Companies Code. The same meeting may decide the conditions for sale of these shares.

In addition to this, for a period of five years after the Extraordinary General Meeting of 8 April 2016, the manager may acquire shares in the company, receive these as pledges and resell them (including outside of the share exchange), at the expense of the company, at a unit price of no less than 0.01 euros per share (acquisition, and holding in pledge) or 75% of the closing price on the trading day prior to the transaction date (resale) and that is no greater than 125% of the closing price on the trading day prior to the transaction date (acquisition, and holding in pledge), respectively, provided that the company does not possess more than 10% of the total number of shares issued.

On 31 December 2018, WDP Comm. VA, nor its subsidiaries, held own shares. As regards the shares held by the statutory manager we refer to Chapter *7.3. Shares and bonds – Shareholding*.

5. Committees of the Board of Directors

In order to implement the Corporate Governance Code, the Board of Directors of De Pauw NV set up four special committees back in the autumn of 2004: a strategy committee, an audit committee, a nomination committee and a remuneration committee. The composition of these committees is in accordance with the Belgian Companies Code and the Corporate Governance Code, with the exception of the deviations indicated at the start of this chapter.

All committees are permitted to invite persons to attend meetings at their discretion. They may also gather external professional advice, at the expense of the company, on topics falling under the specific competencies of the committee. The chairman of the Board of Directors must be informed of this in advance.

After every meeting of a committee, all members of the Board of Directors will receive a written report of the meeting and the conclusions.

Strategy committee

The strategy committee discusses topics that may influence the strategy of the company. In light of the limited pool of directors and the importance of strategic brainstorming, this task is performed continuously by the entire Board of Directors. The chairman of the Board of Directors also chairs the strategy committee.

In 2018, the strategy committee met five times.

Audit committee

The Board of Directors has set up an audit committee within itself. The audit committee is comprised of the non-executive directors of the Board of Directors, and three of its four members are also independent.

At least one member of the audit committee must possess the necessary expertise in the field of accountancy and audits and, as an independent director, must, satisfy the criteria specified in Article 526ter of the Belgian Companies Code. At this time, Cynthia Van Hulle meets the conditions for expertise and the required criteria.

The audit committee is also chaired by Cynthia Van Hulle. She organises the functioning of the audit committee and may ask the members of the executive management, the chairman of the Board of Directors and the statutory auditor to take part in meetings.

The audit committee performs the following duties:

- monitoring of the financial reporting process;
- monitoring the effectiveness of the company's systems for internal control and risk management;
- monitoring the internal audit and its effectiveness;
- monitoring of statutory auditing of the financial statements and the consolidated financial statements, including follow-up on questions and recommendations posed by the statutory auditor;
- assessment and monitoring of the independence of the statutory auditor, with particular regard to provision of additional services to the company.

The audit committee reports regularly to the Board of Directors on the performance of its duties and whenever the Board of Directors draws up the financial statements, the consolidated financial statements and the condensed financial summary intended for the public. Prior to all semi-annual meetings of the Board of Directors, a semi-annual report must be prepared and presented by the statutory auditor to the audit committee.

In 2018, the audit committee met five times and mainly discussed the following items in the performance of its duties:

- quarterly review of accounts, periodic press releases and financial reports;
- analysis of internal management procedures along with effective management (based on the internal audit by the external internal auditor and the audit by the statutory auditor), also with a view to the required reporting to the FSMA;
- monitoring of changes in the law and regulations.

Nomination committee

The nomination committee was created to advise the Board of Directors on appointments to be proposed to the General Meeting of the manager It also gives advice on recruitment for key posts at the manager and the GVV/SIR, even if this does not require approval by the General Meeting of the manager.

Given the small size of the Board of Directors, the nomination committee comprises all members of the Board of Directors and is chaired by the chairman of the Board of Directors. The nomination committee, accordingly, consists of seven members, three of which – i.e. not a majority, as recommended by the Corporate Governance Code – are independent non-executive directors. The chairman of the Board of Directors (who has certain executive tasks) chairs the nomination committee, whereas the Corporate Governance Code recommends a non-executive director for this. Given that the chairman of the Board of Directors, despite having some executive tasks, is not the CEO, the Board of Directors believes that the chairman of the Board of Directors can take on a specific and typical task of the chairman, such as chairing the nomination committee.

However, the chairman of the nomination committee cannot chair the meeting for the choice of his or her successor or for his or her re-appointment.

The nomination committee meets at least twice a year. It also meets at other times if circumstances so require.

During 2018 the nomination committee met four times to discuss the following items:

- the proposal to reappoint Anne Leclercq and Cynthia Van Hulle and to appoint Jürgen Ingels, each as independent and non-executive director, the proposal to appoint Frank Meysman as non-executive director and the proposal to reappoint Joost Uwents as executive director, to the General Meeting of 25 April 2018;
- analysis of the composition and size of the Board of Directors based on the terms ending in 2019;
- the search process for a new chair taking into account the competencies already available in the Board of Directors. The analysis ultimately resulted in the proposal to appoint Rik Vandenberghe as independent non-executive director in the sense of Article 526ter of the Belgian Companies Code and as chairman of the Board of Directors and the nomination committee (refer to *4. Changes in the composition of the Board of Directors during the 2019 financial year*).

Remuneration committee

The remuneration committee comprises non-executive members of the Board of Directors and therefore features a majority of independent directors in the sense of Article 526ter of the Belgian Companies Code and possesses the required expertise in the area of remuneration policy. The chairman of the Board of Directors (if a non-executive director) or another non-executive director is the chairman of this committee. Frank Meysman is the chairman of the remuneration committee.

The chairman of the Board of Directors is invited to all meetings of the remuneration committee, in which the chairman may participate without having membership or a vote in the committee. However, the chairman of the Board of Directors is not invited to meetings of the remuneration committee that will deliberate over the former's remuneration.

The remuneration committee is tasked with the following:

- submission of proposals to the Board of Directors on the remuneration policy for directors and members of the executive management as well as, where applicable, on the resulting proposals to be submitted to the shareholders by the Board of Directors;
- submission of proposals to the Board of Directors on the individual remuneration of the directors and members of the executive management, including variable remuneration and long-term performance bonuses, possibly associated with shares, in the form of share options or other financial instruments, and severance payments and, where applicable, on the resulting proposals to be submitted to the shareholders by the Board of Directors;
- preparation of the remuneration report that the Board of Directors attach to the Corporate Governance Statement, as included in the annual financial report;
- explanation of the remuneration report at the ordinary General Meeting of shareholders.

The remuneration committee meets at least twice a year and whenever it deems such necessary in order to properly perform its duties. It reports regularly to the Board of Directors on the performance of its duties.

In 2018, the remuneration committee met twice to discuss the following items in the performance of its duties:

- preparation of the remuneration report of 31 December 2017;
- proposal of the targets for the members of the executive management according to their variable remuneration;
- proposal of the individual remuneration for the directors and members of the executive management for the 2018 financial year.

6. Executive management

WDP is a self-managed operational and commercial real estate company. This means management of real estate activities is not delegated to third parties, but rather is carried out in-house, in consultation with the manager. This way, the management is not occupied with any other real estate activities. It is at the full and exclusive service of WDP's stakeholders.

The executive management of WDP are the effective leaders in the sense of the Belgian GVV/SIR Act.

Duties of the executive management

The executive management is responsible for:

- preparation, proposal and development of strategic objectives and general policy plan for the Group, as approved by the Board of Directors;
- definition of the standards under which this strategy will be implemented;
- execution of the decisions of the Board of Directors, with follow-up on performance and results;
- reporting to the Board of Directors.

Current membership of the executive management

The executive management tasks are distributed as follows:

Tony De Pauw is an executive director and CEO. First and foremost, he bears final responsibility for:

- the investment policy, i.e. identification, investigation and negotiation of new acquisition projects in the regions where WDP is active, also in consultation with the relevant general director;
- management of the property portfolio, more specifically formulation of the policy for management of existing buildings (maintenance, adjustment and improvement works), in consultation with facility managers;
- project management, i.e. monitoring of current construction sites in collaboration with the project managers, and along with the technical director.

Joost Uwents is an executive director and CEO. First and foremost, he bears the final responsibility for:

- general management, in other words the day-to-day management of the WDP team;
- the financial policy and internal reporting. This includes areas such as cash management, debtor and creditor management, management of loans and interest costs and reporting to the various levels in consultation with the CFO;
- marketing, in particular development of sales campaigns directed at existing and potential clients, in collaboration with the marketing manager;
- the commercial strategy. This involves outlining the approach to maximise occupancy over the long term, with attention to both existing and potential clients. This is carried out in combination with the different sales managers;
- investor relations, i.e. communication to individual and institutional investors via contacts with financial analysts and journalists, as well as directly to investors via road shows and other initiatives, also along with the CFO.

The management team can also count on the support and professional experience of the chairman of the Board of Directors. The chair acts as executive chair part-time (three days per week).

Functioning of the executive management

The executive management works in close collaboration and constant consultation with one another. For day-to-day operation of the company, decisions are taken by a majority of votes. Major decisions on day-to-day management are taken by unanimous consent in accordance with agreements with the Board of Directors. If the executive management does not reach an agreement on a major decision, the decision is left to the Board of Directors.

A management meeting is held twice a month, attended by both the members of the executive management and the chairman of the Board of Directors in the capacity of executive chair.

The Board of Directors may view the agendas for and reports on these meetings. An agenda is drawn up before each meeting and is sent well in advance to all members of the executive management and the executive chairman so they can prepare for the meeting appropriately. This agenda includes items such as operational decisions on day-to-day functioning, the state of affairs of ongoing projects and leases and any new projects under study.

Responsibility to the Board of Directors

Once every three months, the executive management provides the Board of Directors of the manager with all relevant business and financial information. This includes provision of the following data: key figures, analytic presentation of the results compared to the budget, overview of changes of the property portfolio and consolidated management accounts with explanatory notes.

Members of the executive management who are also executive directors are also responsible to their colleagues within the Board of Directors.

Remit of the executive management

Appointments

The CEO (or both CEOs, if two CEOs are appointed) will be selected and appointed by the Board of Directors, also acting as a nomination committee.

The CEO (or both CEOs, if two CEOs are appointed) and the chairman together submit the selection and appointments for the executive management for approval by the Board of Directors, also acting as a nomination committee.

Evaluation

The executive management is evaluated by the Board of Directors, based on performance and objectives. The Board of Directors determines the objectives on which the evaluation is based, at the proposal of the remuneration committee.

7. Diversity policy

Vision

The Board of Directors of WDP upholds the value of diversity in the company and has therefore adopted a number of guidelines that apply not only to the members of the Board of Directors, the members of the executive management and the persons tasked with day-to-day management of the company (as provided for in the Belgian Act of 3 September 2017 amending Article 96 of the Belgian Companies Code), but to all other employees in the company as well. The members of the Board of Directors are also subject to the provisions of Article 518bis of the Belgian Companies Code regarding gender diversity.

The Board of Directors firmly believes that diversity in all its facets (culture, gender, language, etc.), equality of opportunity and respect for human capital and human rights are fundamental to the proper functioning of the company. It is these values that enrich the exchange of ideas and visions and promote employee health and motivation, which is expressed in innovation and growth in the company.

Implementation of the diversity policy

Below is a summary of the guidelines adopted, their objective and implementation with regard to the members of the Board of Directors and the members of the executive management:

Guideline and objective	Implementation	Additional information	Fulfilment
Gender diversity			
WDP strives for a healthy balance in the matter of composition in accordance with the relevant legislation (including Article 518bis of the Belgian Companies Code).	Composition of the Board of Directors in 2018: 2/3 male, 1/3 female.	Article 518bis of the Belgian Companies Code states that at least one-third of the members of the Board of Directors must be of a different gender than the other members. To apply this provision, the required minimum number of these members of another gender is rounded off to the nearest whole number. Specifically, this means that for WDP, with a Board of Directors of seven members, at least two directors must be of the other gender.	Continuous implementation process
Age			
For the members of the Board of Directors, an age limit of 70 years at most has been set. In principle, age does not play a role in recruiting directors. The focus lies on competence, knowledge and proper performance of duties.	None of the current directors or members of the executive management will reach the age limit of 70 this year.		Continuous implementation process
Complementary regarding competence and knowledge			
The nomination committee and the Board of Directors ensure that directors and members of the executive management complement one another to a certain degree in terms of education, professional experience and expertise. This includes consideration of the geographic presence of the company, its focus on a sustainable policy, the (technological) developments in the logistics sector, etc.	The composition of the Board of Directors is balanced in terms of knowledge, competencies and experience in different areas. For further information on complementary qualifications of members of the Board of Directors, refer to *4. The Board of Directors of statutory manager De Pauw NV – Current composition of Board of Directors*.	In light of the end of Mark Duyck's term as director and chair, the Board of Directors sought out a director that could help safeguard the continuity of this body and also offer specific expertise in chairing and leading meetings, coaching, and also challenging the executive management and other management. For further information on the proposal to appoint Rik Vandenberghe: *4. The Board of Directors of the statutory manager De Pauw NV – Changes in the composition of the Board of Directors during the 2019 financial year*.	Continuous implementation process
Internal control of the diversity policy			
Compliance with the adopted guidelines.	The Board of Directors and the executive management of WDP ensure that the guidelines are met and that its diversity policy permeates the company.		Continuous implementation process
	The nomination committee of the Board of Directors includes the application of the diversity criteria when appointing new directors.	Mark Duyck's term as director and chair is ending and the vacancy must be filled in line with the diversity criteria. This also includes consideration of possible extension of other terms coming to an end in this regard. For further information on appointments and reappointments, please refer to *4. The Board of Directors of the statutory manager De Pauw NV – Changes in the composition of the Board of Directors during the 2019 financial year*.	April 2019

8. Remuneration report

This remuneration report complies with the provisions of the 2009 Corporate Governance Code and Article 96(§3)(2) of the Belgian Companies Code, as implemented by the Belgian Act of 6 April 2010.

Internal procedures

In the 2011 financial year, the remuneration committee developed a remuneration policy for the directors and members of the executive management. This policy sets remunerations that are adequate to attract, retain and motivate directors and members of the executive management who meet the profile defined by the Board of Directors. This process also ensures that the costs of the various remunerations remain under control.

The remuneration committee annually performs a benchmark against the pay of both non-executive directors and executive directors of comparable listed Belgian companies to ensure that the remuneration remains suitable and in line with market practices, taking into account the company's size, financial situation and position in the Belgian economy, along with the directors' level of responsibility.

In addition to this, the remuneration committee also conducts an annual analyses of the remuneration policy applicable to members of the executive management and examines whether it needs amendment. The analysis covers the general pay level and the distribution of the different components and the conditions for their award. The remuneration committee also examines whether the procedure for determining the objectives that define the level of variable pay over the short term is in line with the risk appetite of the company.

In light of future changes to the composition of the Board of Directors (refer to *4. Changes in the composition of the Board of Directors during the 2019 financial year*), as part of which a non-executive director will take up the chair from April 2019, subject to approval by the General Meeting, the Remuneration Committee proposed a change to the remuneration policy in January 2019 under which the remuneration of non-executive directors would be maintained, but would be supplemented by a policy on the remuneration of a non-executive director who also serves as chairman of the Board of Directors. The remuneration committee proposed granting a lump-sum remuneration to the chair consisting of a fixed expense reimbursement and a fixed management fee. This fixed management fee will be determined taking into account all of the responsibilities of the chair, both in the Board of Directors and in the various committees of the Board of Directors.

Aside from the aforementioned changes, the Board of Directors, at the proposal of the remuneration committee, does not plan any significant changes to the remuneration policy applicable to both directors and executive management for the next two financial years.

The General Meeting that decides on the annual financial report of the Board of Directors will also decide on the remuneration report in a separate annual vote.

Statutory manager pay

The amount of the remuneration for the manager corresponds to the total cost for the Board of Directors (including the bonus scheme for members of the executive management), and for management of the GVV/SIR (including the costs of a director's liability insurance policy) and administrative costs.

The remuneration for the manager for the 2018 financial year comes to 1,675,000 euros.

Taking into account the change in roles for the chair, as explained below, the remuneration for the manager for the 2019 financial year will be 1,650,000 euros.

Non-executive director pay

The total remuneration for non-executive directors consists of:

- a fixed expense reimbursement; and
- a fixed management fee where the directors have the option to use this to finance their group insurance according to the cafeteria principle.

The non-executive directors do not receive performance-based pay (such as bonuses or shares related to long-term incentive programmes) or any benefits in kind or benefits associated with pension schemes. Given the limited size of the Board of Directors and its committees, no special remuneration is granted to the non-executive directors in their roles as members and/or chairs of particular committees, with the exception of the chairman of the Board of Directors himself.

Summary of pay for non-executive directors for the 2018 financial year	Fixed[1] (in euros)		Variable (in euros)
	Remuneration	Other benefits	
Frank Meysman	30,000	-	-
Cynthia Van Hulle	30,000	-	-
Anne Leclercq	30,000	-	-
Jürgen Ingels	20,000[2]	-	-

1 The fixed remuneration for non-executive directors is made up of compensation consisting of items such as fixed expense reimbursements of 3,500 euros per year and the management fee.

2 Considering that the appointment of Jürgen Ingels started at the Annual General Meeting of 2018, the Board of Directors has decided to grant a remuneration in proportion to the basic salary for eight months.

The fixed management fee for the non-executive managers is left unchanged for the 2019 financial year, at 30,000 euros (inclusive of expense reimbursements).

The fixed management fee for the non-executive director who is also chairman of the Board of Directors, totals 75,000 euros (inclusive of expense reimbursements) for the 2019 financial year. This remuneration takes into account all of the responsibilities of the chair, both in the Board of Directors and in the various committees of the Board of Directors.

Pay for executive directors and executive management

Remuneration

The executive directors of WDP are (i) the chairman of the Board of Directors and (ii) the two CEOs of WDP. The CEOs make up the executive management and are only remunerated in that capacity, not in their capacity as executive directors. Given the limited size of the Board of Directors and its committees, no special remuneration is granted to the executive directors in their roles as members and/or chairs of particular committees.

The total remuneration for the **chair** consists of:

- a fixed expense reimbursement; and
- a fixed management fee, where:
  - the Board of Directors has the option to increase this fixed management fee for additional duties, such as a part-time executive task;
  - the fixed remuneration for the chairman can be used to finance the chairman's group insurance according to the cafeteria principle.

The current chairman of the Board of Directors has the role of executive chairman (refer also to the explanatory note above in this chapter), without him also being part of the executive management.

The total remuneration for the members of the **executive management** consists of:

- a fixed expense reimbursement; and
- a fixed remuneration, where this basic salary is determined as a function of the individual responsibilities and skills of each member of the executive management, is independent of any results and is not indexed; and
- a variable remuneration where the members of the executive management have the option to use this to finance their group insurance according to the cafeteria principle.

The company provides members of the executive management with a laptop as well as a company vehicle and mobile phone, which are accounted for as benefits in kind.

Share (option) schemes are not available to the members of the executive management or to the executive directors. For the sake of completeness, the overview of the shareholdings of the executive directors as at 31 December 2018 is shown. In the opinion of the Board of Directors, the interests of the executive directors and the executive management are sufficiently aligned with those of the shareholders and this also supports the long-term vision of the executive directors and the executive management.

Number of shares as at 31 DEC. 2018	
Tony De Pauw	9,788[1]
Joost Uwents	19,609
Mark Duyck	4,733

1 This is a personal shareholding and is independent of the shareholding of RTKA.

The criteria and objectives applied in awarding variable pay to executive management are expressly defined at the start of the financial year by the Board of Directors at the proposal of the remuneration committee.

After the end of the financial year, an audit is conducted to determine the extent to which the financial criteria are met based on the bookkeeping and financial data analysed in the audit committee. The meeting of the remuneration committee discusses financial performance and other criteria evaluated over a three-year horizon. Based on the result achieved, the Board of Directors awards the variable remuneration to the members of the executive management, Tony De Pauw and Joost Uwents.

In accordance with Article 35(§1) of the Belgian GVV/SIR Act, these criteria for awarding the variable remuneration or for the part of the variable remuneration dependent on results only apply to the consolidated net result of WDP, excluding any fluctuations in the fair value of the assets and the hedging instruments, and remuneration cannot be awarded based on a specific operation or transaction by WDP or its subsidiaries.

The variable remuneration can only be paid out if the criteria for payment defined between a member of the executive management and WDP are met for the reference period. In addition, the following applies: at least 25% of the variable remuneration for a member of the executive management must be based on performance criteria that are measured over a period of at least two years, and another 25% based on performance criteria that must be measured over a period of at least three years. WDP meets these statutory rules pertaining to distribution of variable remuneration over time, part of which is paid out after the end of the financial year in question and another part after the end of the subsequent financial year (i.e. after three years).

For the 2018 financial year, the following criteria are used to award variable remuneration to the members of the executive management in descending order of importance:

- the EPRA Earnings per share and the occupancy rate (for the one-year targets), which account for 50% of the variable remuneration;
- the speed of portfolio growth under the strategic growth plan (for the two-year targets), amounting to 25% of the variable remuneration;
- some qualitative and organisation-building objectives (for multi-year criteria), also amounting to 25% of the variable remuneration.

During the meeting of the remuneration committee of 28 January 2019, the committee came to the conclusion that targets had been fully achieved. With a target variable pay of 280,000 euros (for achieving 100% of the targets), an overall score of 100% was achieved.

Summary of remuneration for executive chairman of the Board of Directors for the 2018 financial year[1]	Fixed[1] (in euros)		Variable (in euros)
	Remuneration	Other benefits	
Mark Duyck	275,000	-	-

1 The remuneration for the executive chair consists of a fixed expense reimbursement of 3,500 euros a year and a management fee, which was increased for the additional duties for WDP in his partially executive duties.

Overview of remuneration for executive management for the 2018 financial year[1]	Fixed[2] (in euros)		Variable (in euros)
	Remuneration	Other benefits[3]	
Tony De Pauw	300,000	17,450	280,000[4]
Joost Uwents	400,000	3,000	280,000[4]

1 The basic salary is determined as a function of the individual responsibilities and skills of each member of the executive management, is independent of any results and is not indexed.

2 The fixed remuneration is the fixed part of their salary package and is made up of compensation consisting of items such as fixed expense reimbursements of 3,500 euros per year and a fixed fee.

3 The other benefits consists of a company car and a mobile phone for members of the executive management.

4 Payment of the variable remuneration is spread over a three-year period, in accordance with the rules set out in the remuneration policy.

The total remuneration for the executive management (excluding other benefits) in the 2018 financial year comes to 1,260,000 euros (including 44.5% in variable remuneration).

For the 2019 financial year, variable remuneration will be awarded based on achieving the following targets:

- the EPRA Earnings per share and the occupancy rate (for the one-year targets) (50%);
- the further roll-out of the solar panel project up to 100 MWp (with regard to the two-year objectives) (25%);
- some qualitative and organisation-building objectives (for multi-year criteria) (25%), including the formulation of a multi-year roadmap to implement the sustainability strategy (refer also to Chapter 6. *Corporate social responsibility*).

The target amount of the variable remuneration for the 2019 financial year was set at 320,000 euros (for achieving 100% of the targets), with a maximum of 400,000 euros.

The fixed remuneration for the 2019 financial year remained unchanged at 300,000 euros for Tony De Pauw (including expense reimbursements), at 400,000 euros for Joost Uwents (including expense reimbursements). The fixed management fee for the 2019 financial year for the executive chairman remained unchanged at 275,000 euros, however, having regard to Mark Duyck's appointment ending at the General Meeting of 2019, a proportional remuneration will be awarded with the fixed management fee for four months, being 90,000 euros.

Shares

Shares, share options and other rights to acquire shares are not awarded to the executive directors or members of the executive management.

Severance pay

At this time, no employment contracts or service agreements have been concluded with the executive directors or members of the executive management (i.e. all persons as per Article 96 of the Belgian Companies Code for whom the information must be submitted) that provide for specific payments on termination of employment.

Right of recovery or clawback formulas

The company has not provided any right to recovery for any variable remuneration awarded to CEOs based on incorrect financial data.

9. Conflicts of interest

Conflicts of interest involving directors

The statutory regulation relating to conflicts of interest for directors (Article 523 of the Belgian Companies Code) applies to decisions or actions covered by the competence of the Board of Directors when:

- a director has a direct or indirect property interest, i.e. an interest with financial implications;
- this interest conflicts with the interest of the company in the decision or operation in question.

In accordance with this regulation, directors are obliged to point out any potential conflicting property interest to the Board of Directors before the decision is taken. During discussion of the agenda item in question, they must leave the meeting. They shall not participate in the consultation and the vote on this agenda item.

As far as the company is aware, the directors do not currently have any conflicts of interest in the sense of Article 523 of the Belgian Companies Code. Aside from potential conflicts with regard to remuneration opportunities, the company does not foresee any other potential conflicts of interest over the short term.

Due to a potential conflict of interest of a proprietary nature, Mr Tony De Pauw did not participate in the Board of Directors meeting of 12 November 2018 for agenda items 6 and 8. This potential conflict of interest involved the agreements between the De Pauw family and WDP (1) related to the placement of shares by the De Pauw family at the request of WDP and the commitment to take on the new shares that would be issued due to the indirect contribution in kind of Dutch property, and (2) related to WDP covering the commissions and expenses associated with the order placed with ING Belgium NV and Kempen & Co N.V. to place the De Pauw family's package of shares. The Board of Directors approved the aforementioned agreements, given that the placement comes at the request of WDP and that it made the full transaction possible in the interest of WDP and its shareholders. The sale of shares of the De Pauw family and payment of the associated placement commission were performed under normal market conditions, and the agreements made in this regard with the De Pauw family were in the interest of WDP, given that this allowed WDP to successfully acquire logistics property, with concurrent reinforcement and control of its capital structure and gearing ratio.

Conflicts of interest involving transactions with affiliates

The GVV/SIR must also meet the procedure in Article 524 of the Belgian Companies Code when taking a decision or performing an operation related to: (a) relations between the GVV/SIR and an affiliated company, with the exception of its subsidiaries and (b) relations between a subsidiary of the GVV/SIR and an affiliated company, with the exception of subsidiaries of that subsidiary.

It was not necessary to apply this procedure over the course of 2018. If a conflict of this kind arises, it shall be communicated in due course.

Functional conflicts of interest

The provisions of Articles 37 and 38 of the Belgian GVV/SIR Act apply to WDP. Article 37 of the Belgian GVV/SIR Act includes a functional conflict of interests clause that entails that the GVV/SIR must inform the FSMA whenever certain persons affiliated with the public GVV/SIR (listed in the same article, including the manager, the directors of the manager, the persons auditing the GVV/SIR, affiliated with it or holding a stake in it, the promoter and the other shareholders of all subsidiaries of the public GVV/SIR) act directly or indirectly as a counterparty in, or obtain any material gain from an operation with the public GVV/SIR or one of its subsidiaries. The notification to the FSMA must indicate WDP's interest in the planned transaction and that it falls within its strategy. Article 38 of the Belgian GVV/SIR Act defines when the provisions of Article 37 of the Belgian GVV/SIR Act do not apply.

Actions for which a functional conflict of interests exists must be completed under normal market conditions. When an operation of this kind involves property, the valuation of the independent property expert is binding as a minimum price (for disposal by the public GVV/SIR or its subsidiaries) or as a maximum price (for acquisition by the public GVV/SIR or its subsidiaries).

Operations of this kind, and the details to be reported, are published immediately. They are explained in the annual financial report and in the statutory auditor's report.

In addition to these provisions of the Belgian GVV/SIR Act, WDP also requires all members of the Board of Directors and the executive management to report any arising conflicts of interests as soon as possible. Moreover, WDP applies a stricter definition of functional conflict of interests for matters falling under the competence of the Board of Directors or the executive management.

Specifically, a member of the Board of Directors or the executive management has a functional conflict of interests if:

- the member or any of his or her close relations has an interest of a proprietary nature that conflicts with a decision or transaction of the company;
- a company that does not belong to the group but in which the member or a close relative of the member fulfils a management or administrative role has an interest of a proprietary nature that is in conflict with a decision or transaction of the company.

If a functional conflict of interest of this kind arises, the affected member must notify his or her colleagues. They will then decide whether the affected member can or cannot vote on the matter to which the conflict of interests pertains and whether the member can or cannot attend discussions on the matter.

Over the course of 2018, some potential conflicts of interests arose (both under the Belgian GVV/SIR Act and under the stricter definition applied by WDP), particularly within the framework of the optional dividend that was offered on 25 April 2018 to the shareholders and from which the manager of WDP, certain directors of the manager and the reference shareholder obtained some material gain, due to their capacity as shareholders of WDP.

The Board of Directors approved the optional dividend, given that this transaction was in the interest of WDP (the capital increase accompanying the transaction boosted WDP shareholders' equity and, consequently, reduced its gearing ratio, which is limited by law). This transaction was also carried out under normal market conditions, with all shareholders treated equally.

10. Internal control

General

Internal control comprises three specific pillars: the internal audit (internal audit procedures and internal audit function), risk management (risk management policy and risk management function) and compliance (integrity policy and compliance function), where the internal audit should be regarded not only as a stand-alone third pillar, but also as playing a transversal role with regard to the other two pillars. The persons tasked with the internal audit function, the risk management function and the compliance function (the independent control functions) oversee these three pillars, respectively. These functions are filled in a suitable and proportionate manner, and always in accordance with the nature, scope and complexity of WDP's activities. Performance of all these functions, combined with the responsibilities of the operational services, forms a line of defence against the risks faced by the GVV/SIR. Below is a description of the main characteristics of the objectives, principles, structure, organisation and responsibilities of the internal control and risk management systems at WDP.

The effective leaders, Joost Uwents and Tony De Pauw, in their roles as co-CEO of WDP and executive director of the manager of WDP, are responsible for the organisation of the internal audit under the supervision of the Board of Directors of the manager of WDP.

Internal audit and risk management systems

Company organisation

The internal organisation of WDP has enjoyed considerable reinforcement in recent years thanks to the company's growth. Not only has the workforce grown substantially, the internal division of tasks has also been further expanded for better separation of duties.

Thus, for instance, WDP has now been organised into different operational and support departments. The three operational country teams (Belgium/Luxembourg/France, the Netherlands and Romania) consist of Sales & Business Development, Facilities Management, Contracting and the Back Office. These teams can rely on support from the following services: Development Projects, Finance, IT, Investor Relations, Legal, Marketing, Human Resources and Administration.

Notwithstanding this further professionalisation, the size of the team remains small because an excessive structure and level of formalisation would be rather limiting, in light of factors such as the nature of the company's activities. A certain degree of flexibility is still indispensable, with people on-call to step in for others for specified tasks, according to urgency of the case at hand. The responsibilities are however strictly defined and current issues are monitored by means of ongoing daily consultations.

Organisation of the internal control – audit committee

Aside from general organisation of the internal control structures, the audit committee has a special task with regard to the internal control. The composition and activities of the audit committee are detailed above (refer to Audit committee under *5. Committees of the Board of Directors*).

Risk analysis and audits

This Audit committee and all members of the Board of Directors conduct evaluations at regular intervals on the risks to which the company is exposed and take the necessary decisions based on these evaluations (such as with regard to setting the interest hedging strategy, evaluation of tenant risks, etc.).

The risk analysis is detailed (in the form of an extensive list) in Chapter *8. Risk factors* of this Annual financial report. This section also describes the measures WDP is implementing and the strategy it pursues to avert these risks and minimise and control any impact from these risks should they materialise.

Financial information and communications

The process for preparing the financial information is structured based on predefined tasks to perform and schedules to meet. WDP uses a detailed checklist of all tasks and subtasks to perform for closure of the annual, semi-annual and quarterly accounts of WDP (on both the separate and Group accounts). Each task is assigned to a manager in the finance department and a mandatory timeframe. Based on this checklist, everyone at the finance department knows what tasks to perform and by when. Once all bookkeeping tasks are complete, the CFO checks the figures. This audit mainly consists of:

- a variance analysis between the actual and budgeted figures (the budgeted figures are prepared once a year and updated quarterly based on a forecast);
- a variance analysis between the actual and historical figures;
- an ad hoc analysis of all material amounts and entries.

Once these audits are complete, the figures are submitted to the executive management of WDP and adopted in mutual consultation with the CFO.

Stakeholders in the evaluation of internal auditing

Over the course of the financial year, the quality of the internal control is assessed by:

- the statutory auditor: on the one hand within the framework of the audit of the semi-annual and annual figures, and on the other hand within the framework of the annual review of underlying processes and procedures. Thus, for instance, an IT audit was conducted during 2018 using a data analytics tool (DFACT). This tool enables better insight into internal control systems and business processes. Please refer to the statutory auditor's report (refer to Chapter *9.3. Financial Statements – Statutory auditor's report*). An analysis was conducted on the internal control system of the key audit matters, which are valuation of investment properties, entry into force of IFRS 16 *Leases* and large and/or complex transactions. Based on the recommendations of the statutory auditor, the process is adjusted as needed;

- the audit committee: as indicated above, the audit committee performs a special task with regard to internal control and risk management for WDP (refer to *8. Risk factors*). The Board of Directors of the manager supervises performance of the tasks of the audit committee, using tools such as reporting from the audit committee to the complete Board of Directors;
- internal audit: the company has hired an external internal auditor as a third-line function in the internal control structure (refer to *Appropriate independent internal audit function* at *10. Internal control*).

Pillars of internal control

Suitable independent compliance function and suitable integrity policy

The independent compliance function is filled as an independent function within an organisation, geared towards the company investigating, promoting and meeting the laws, regulations and codes of conduct applicable to it, in particular the rules related to the integrity of the company's activities. In other words, this is part of the company culture that emphasises honesty and integrity, and meeting the highest of ethical standards in business and the regulations applicable to the company.

The compliance function is performed by WDP Legal Counsel Johanna Vermeeren, appointed for an indefinite term. The compliance officer reports directly to the CEO, Joost Uwents. The main aspects of the integration policy are listed below (non-exhaustive).

Code of conduct for financial transactions

The code of conduct for financial transactions was cast into a separate business code in 2016 (known as the Dealing Code). This provides and explains the main rules on market abuse, taking into account documents such as Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (along with its implementing regulations). This Dealing Code is intended to inform its readers of the regulations on market abuse and the resulting obligations on (i) WDP in its capacity as issuer of financial instruments and (ii) all persons carrying out activities within or for the WDP group who have access to sensitive information. With this policy, WDP strives to prevent market abuse by the persons in question.

The Dealing Code is updated regularly (last updated in March of 2018) and is made available to and signed by every employee on acceptance of a position within or for WDP.

Conflicts of interest

Please refer to the above description under *9. Conflicts of interest*.

Misappropriation of company assets and bribery

As indicated in Article 492bis of the Belgian Criminal Code, it is prohibited for the directors, the executive management or employees to use WDP assets or credit for direct or indirect personal ends. This is only permitted where authorised by law. Directors, executive managers or employees who have doubts as to whether a particular action falls under the concept of misappropriation of company assets and bribery must request prior consent from the chairman of the Board of Directors. Naturally, any consent granted shall not indemnify them against any criminal liability.

Ethics

WDP directors, executive management and employees pledge not to accept any gifts or entertainment from clients or suppliers unless this is compatible with normal and accepted business ethics.

Suitable risk management function and suitable risk management policy

The person tasked with the risk management function is responsible for tasks such as drafting, development, monitoring, updating and implementation of the risk management policy and procedures. At WDP, CFO Mickaël Van den Hauwe serves in the role of risk manager, appointed for an undetermined period. The risk manager reports directly to the audit committee.

The risk manager performs this role by conducting an analysis of the identified risks facing the company, both at regular intervals and additionally as needed (refer also to Chapter *8. Risk factors*). Next, the risks are evaluated and, based on the results of this, risk control is implemented.

Risk management is an integral part of running the company. It ranges from day-to-day financial and operational management – including the four-eyes principle – analysis of new investment files and formulation of strategy and objectives, to strict and firmly established decision-making procedures. For this reason, risk management is the responsibility of the entire WDP group, i.e. across all layers of the organisation, with different responsibilities at each level.

Appropriate independent internal audit function

The internal audit can be understood as an independent assessment function embedded into the organisation, focusing on examination and evaluation of proper functioning, effectiveness and efficiency of company processes, procedures and activities. This may involve areas such as operating opportunities (quality and suitability of systems and procedures, organisation structures, policy lines and methods and resources used to meet objectives), financial opportunities (reliability of bookkeeping, annual accounts and the financial reporting process), and compliance with applicable bookkeeping and other regulations, management opportunities (quality of the management function and staff services with respect to company objectives), as well as the compliance function and risk management function.

WDP has entrusted the internal audit function to an outside legal entity by appointment of an independent consultant, BDO Risk & Assurance Services CVB (who acquired VMB during 2018), represented by Christophe Quiévreux for a period of three years. In his role as manager bearing final responsibility for the internal audit, Mark Duyck is responsible, on behalf of WDP, for supervision of the internal audit function assigned to the outside auditor.

11. Information as per Article 34 of the Belgian Royal Decree of 14 November 2007

In accordance with Article 34 of the Belgian Royal Decree of 14 November 2007 on obligations on issuers of financial instruments admitted for trading on a regulated market, WDP gives a summary and, if applicable, explanation of the following items, to the extent that these items, due to their nature, will have an impact in cases of a public acquisition bid.

The capital structure

As at 31 December 2018, WDP's capital amounted to 184,951,687.81 euros, represented by 23,061,390 ordinary shares without nominal value. All shares are fully paid up and are either registered or dematerialised. There are no preference shares. Each share confers the right to one vote at the General Meeting.

Please also refer to relevant provisions included in the WDP Articles of Association (refer to Chapter *10.2. Permanent document – Share capital*).

Share transfer provisions under the law, the Articles of Association or by convention

The transfer of shares in WDP is not subject to any provisions under the law or the Articles of Association. All WDP shares are listed on Euronext Brussels and Amsterdam.

Special rights of control

Special rights of control are not granted to any (categories) of shareholders.

Mechanism for auditing a share scheme for employees when rights of control are not exercised directly by employees

WDP does not have a share scheme for employees.

Voting restrictions under the law or the Articles of Association

The law and the Articles of Association do not set any restrictions on voting rights.

Shareholder agreements known to WDP that may give rise to restrictions on share transfers and/or voting rights

As far as WDP is aware, no shareholder agreements exist which could result in restrictions on share transfers or voting rights.

Rules for appointment and replacement of members of the management body and for amendment of the Articles of Association of WDP

For rules on appointment and replacement of the manager and members of the management body, please refer to the explanatory note in *2. Some background: the Partnership limited by shares and the statutory manager and 4. The Board of Directors of statutory manager De Pauw NV – Appointment of the director,* as well as the Articles of Association of the company.

In accordance with GVV/SIR legislation, all draft amendments to the Articles of Association must be submitted to the FSMA in advance for approval. Moreover, the Articles of Association (refer to Chapter *10.2. Permanent document – Share capital – Changes in capital*) and the provisions of the Belgian Companies Code apply, bearing in mind that the manager must approve amendments to the Articles of Association.

The powers of the management body, particularly with regard to the option to issue or purchase shares

According to Article 7 of the Articles of Association of the company (refer to Chapter *10.2. Permanent document – Share capital – Authorised capital*) the manager is authorised to increase the share capital in one or more increments, up to a maximum amount of:

- I. 148,427,695.51 euros (a) if the capital increase to be achieved is a capital increase by contribution in cash with an option to exercise the preferential right for company shareholders, and (b) if the capital increase to be achieved is a capital increase by contribution in cash with an option to exercise the irreducible allocation right (as referred to in the Belgian GVV/SIR Act) of the company shareholders,
- II. 29,685,539.10 euros for any form of capital increase other than that described in point I above, with the understanding that the share capital, within the framework of the authorised capital, will not be increased by a total amount greater than 148,427,695.51 euros.

This authorisation applies for a period of five years starting from 3 May 2016. It is renewable.

On 31 December 2018, the balance of the authorised capital amounted to (i) 129,423,892.12 euros if the capital increase to be achieved is a capital increase with an option to exercise the pre-emptive right or the irreducible allocation right by the shareholders of the company, and (ii) 17,314,941.75 euros for any other form of capital increase; with the understanding that the share capital, within the framework of the authorised capital, shall not be increased by a total amount greater than 148,427,695.51 euros over a five-year period.

According to Article 10 of the Articles of Association of the company (refer to Chapter *10.2. Permanent document – Share capital – Share repurchase*) the manager is authorised to acquire, receive under pledge and acquire shares in the company, receive these as pledges and resell them, for a period of five years starting from 8 April 2016 (within the limits under the Articles of Association). On 31 December 2018, the company did not hold any treasury shares, including under pledge.

Major agreements to which WDP is party that come into force, undergo amendments or expire in cases of a change of control over WDP after a public acquisition bid

The General Meeting of 25 April 2018 adopted the clause for the change in auditing within the framework of (i) the credit agreement that the company concluded with Banque européenne

Crédit Mutuel S.A.S. on 31 January 2018, (ii) the credit agreement that the company concluded with ABN AMRO Bank N.V. on 20 December 2017, (iii) the shareholder agreement that the company concluded with the government of Luxembourg on 13 October 2017 and, accordingly, the Articles of Association with regard to WDP Luxembourg S.A. and (iv) the US private placement (Green Bond) completed on 29 March 2018.

Agreements concluded between WDP and its directors or employees that provide for remunerations if a public acquisition bid results in the resignation of directors or their forced departure without a valid reason or the end of employment of an employee

The agreements concluded with the directors, the executive management and the employees of WDP do not include any contractual clauses of this kind.

5.
Property report

1. Review of the consolidated property portfolio

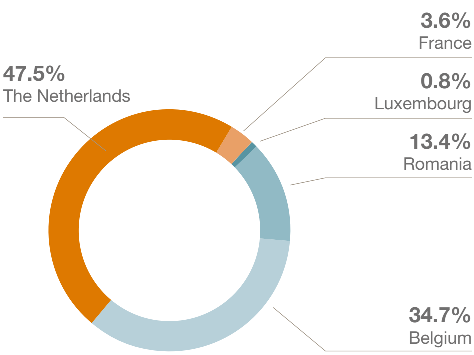
1. Description of the portfolio as at 31 December 2018

The independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate, value WDP's property portfolio (including the *Assets held for sale* and excluding solar panels) according to IAS 40 at a fair value[1] of 3,332.3 million euros as at 31 December 2018. The same figure at 2017 year end came to 2,567.4 million euros.

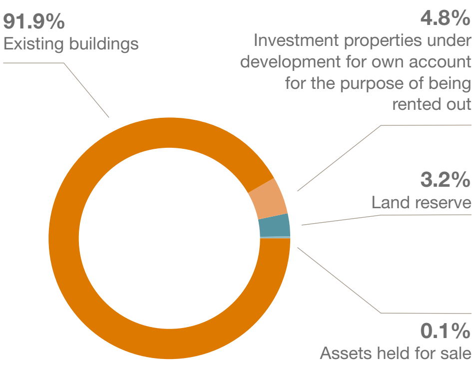
The portfolio breaks down as follows:

Fair value (in million euros)	Belgium	The Netherlands	France	Luxembourg	Romania	Total
Existing buildings	1,119.2	1,443.9	119.1	26.9	354.0	3,063.1
Investment properties under development for own account for the purpose of being rented out	15.7	92.8	–	0.6	52.1	161.1
Land reserve	18.0	45.7	0.5	–	41.2	105.5
Assets held for sale	2.6	–	–	–	–	2.6
Total	**1,155.5**	**1,582.4**	**119.5**	**27.5**	**447.3**	**3,332.3**

Geographical breakdown of the fair value of the portfolio



Breakdown of the fair value of the portfolio by intended use



1 Impact on fair value of estimated transaction costs for hypothetical disposal of investment properties (-): these are the transfer costs to be paid in the event of a hypothetical disposal of the investment properties. The fair value at which the investment properties are valuated consists of the investment value minus the transaction costs. The average theoretical local registration rights deducted from the investment value are as follows, by country: Belgium: 2.5%, Netherlands: 6.2%, France: 4.9%, Luxembourg: 7.0% and Romania: 1.5%.

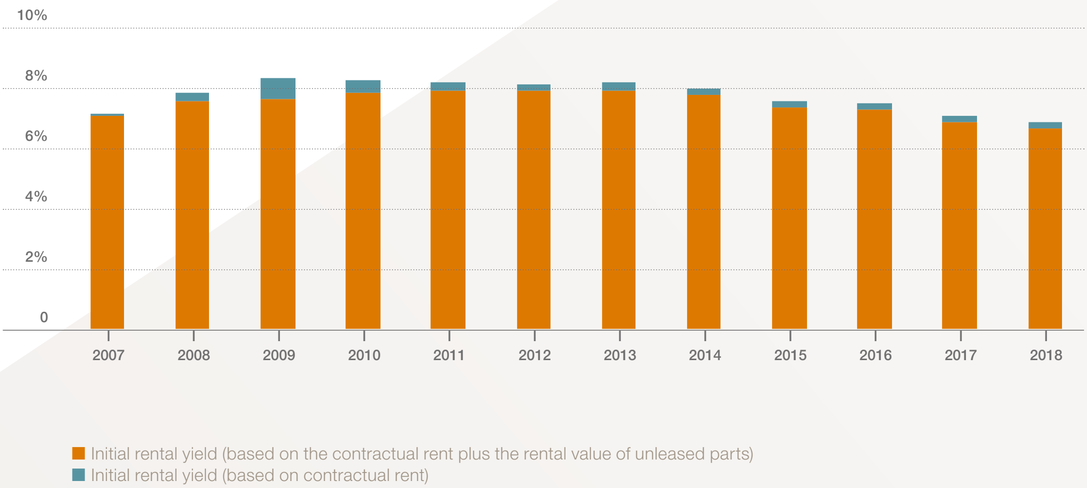
Portfolio statistics by country	Belgium	The Netherlands	France	Luxembourg	Romania	Total
Number of lettable sites	79	88	7	2	25	201
Gross lettable area (in m²)	1,780,965	1,855,789	192,574	32,574	623,149	4,485,050
Land (in m²)	3,517,138	3,573,876	428,461	56,007	3,980,640	11,556,121
Fair value (in million euros)	1,155.5	1,582.4	119.5	27.5	447.3	3,332.3
% of total fair value	35%	47%	4%	1%	13%	100%
% change in fair value	6.7%	7.0%	8.3%	1.9%	3.8%	6.4%
Vacancy rate (EPRA)[1,2]	4.8%	1.7%	4.0%	0.0%	0.0%	2.7%
Average duration until next maturity date (in years)[2]	4.3	6.0	4.0	5.4	7.2	5.4
WDP gross rental yield[3]	6.7%	6.3%	6.3%	7.4%	8.0%	6.7%
Effect of vacancies	-0.3%	-0.1%	-0.3%	0.0%	0.0%	-0.2%
Adjustments from gross to net rental income (EPRA)	-0.2%	-0.2%	-0.2%	-0.7%	-0.2%	-0.2%
Adjustments for transfer costs	-0.2%	-0.4%	-0.3%	-0.4%	-0.1%	-0.3%
EPRA net initial rental yield[1]	6.0%	5.7%	5.6%	6.3%	7.7%	6.0%

1 Financial performance indicator calculated using the Best Practices Recommendations by EPRA (European Public Real Estate Association). Refer also to www.epra.com.ic Real Estate Association). Zie ook www.epra.com.

2 Excluding solar panels

3 Calculated by dividing the annualised contractual gross (cash) rents and the rental value of the unleased parts by the fair value. The fair value is the value of the investment properties after deduction of transaction costs (mainly transfer tax).

Historic gross rental yield of the WDP portfolio



2. Changes in fair value during 2018

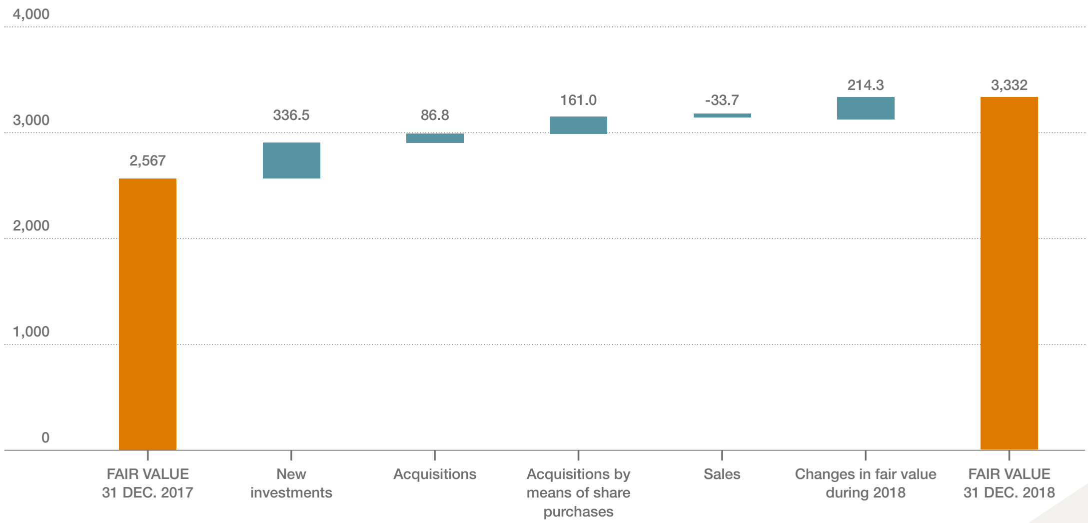
In 2018, WDP invested in new acquisitions for a sum total of 247.8 million euros (including the increase in the holding of WDP Romania), including 161.0 million euros in property acquisitions through the acquisition of shares. An additional 336.5 million euros were invested for the completion of pre-leased projects for own account and investment in the existing portfolio. In addition, the sites in Meer, Ternat (Industrielaan 23), Aix-en-Provence, Puurs, Lille-Templemars (rue de l'Épinois) and part of the site in Anderlecht were sold for 33.7 million euros.

The change in the valuation of investment properties came to +214.3 million euros over 2018 on a portfolio of some 3.3 billion euros. The gross rental yield based on contractual rents, after addition of the estimated market rental value for unleased parts, is 6.7% as at 31 December 2018, down from 7.1% at 2017 year end, due to downward pressure on yields in the investment market.

3. Value and composition of the rental portfolio

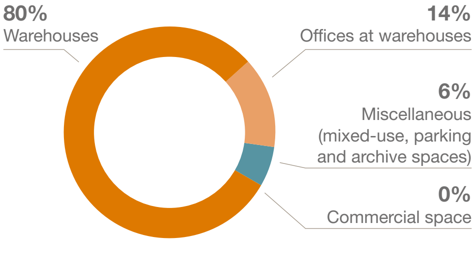
The total surface area comprises 1,155.6 hectares, including 92.9 hectares granted in concession. The balance of 1,062.7 hectares has an estimated sale value of 998.4 million euros, or 30% of the total fair value. This comes to an average land value of 93.9 euros/m², excluding transaction costs. This area also includes the land reserves, particularly in Belgium, the Netherlands and Romania.

Development of the property portfolio during 2018

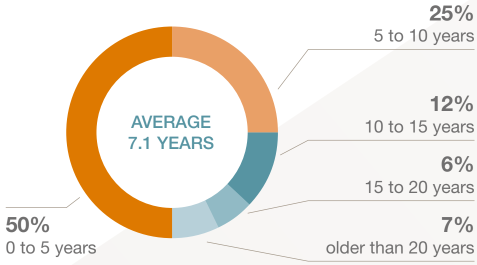


Designated use as at 31 DEC. 18	Built-up area (in m²)	Estimated rental value (in million euros)	Estimated average rental value per m² (in euros)	% of total rental value
Warehouses	3,535,055	159.3	45.1	80%
Offices at warehouses	303,365	27.8	91.8	14%
Commercial space	14,092	0.5	36.5	0%
Miscellaneous (mixed-use, parking and archive spaces)	632,539	11.2	17.7	6%
Total	**4,485,050**	**198.9**	**44.3**	**100%**

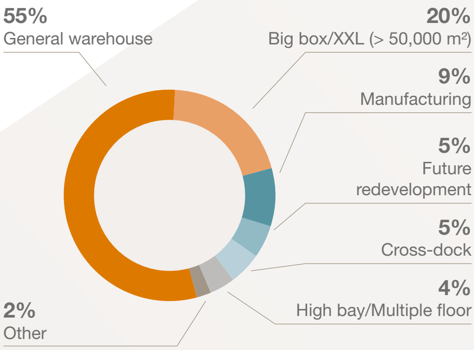
Breakdown of total rental value by intended use



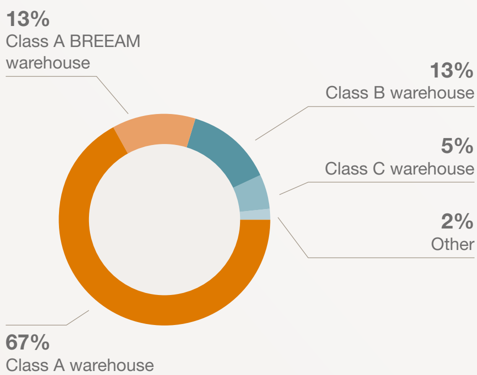
Breakdown of fair value by age[2]



Breakdown of property portfolio by property type (based on fair value)

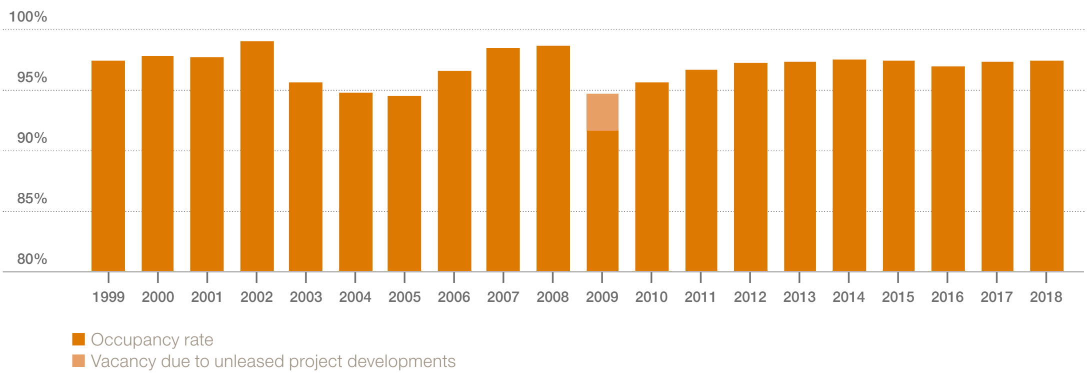


Breakdown of property portfolio by property quality type (based on fair value)



2 Buildings undergoing significant renovations are considered new once their renovations are complete.

Historical occupancy rate of WDP portfolio
(including solar panels)



4. Rental situation of the available buildings

The occupancy rate of the WDP portfolio came to 97.5% at 2018 year-end, (including solar panels)[1]. This is the outcome of WDP's commercial strategy, which is aimed at developing long-term relationships with clients and supports the company's performance with a high operating margin.

WDP's practice of building long-term partnerships together with its clients is also reflected in the fact that the average remaining lease duration to the expiry date is 6.9 years. When the first termination date is taken into account, the average remaining duration is 5.4 years.

If income from solar panels[2] is taken into account, the average remaining duration to maturity is 7.2 years. When the first termination date is taken into account, the average remaining duration is 5.8 years.

Top-10 tenants

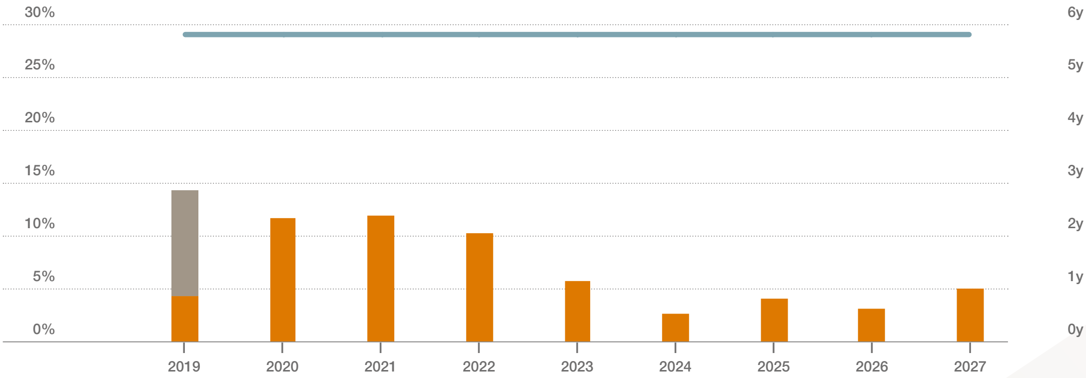
Solar panels	BE NL RO	6.5%
Kuehne + Nagel		5.4%
Greenyard		4.6%
Distrilog Group		3.9%
CEVA Logistics		3.7%
DHL Supply Chain		2.8%
Carrefour		2.8%
Action		2.8%
DHL Express		2.8%
The Greenery		2.6%

The top-ten tenants collectively account for 38% of the total. The top 20 make up a share of 52%.

1 Excluding solar panels, the occupancy rate is 97.3%.

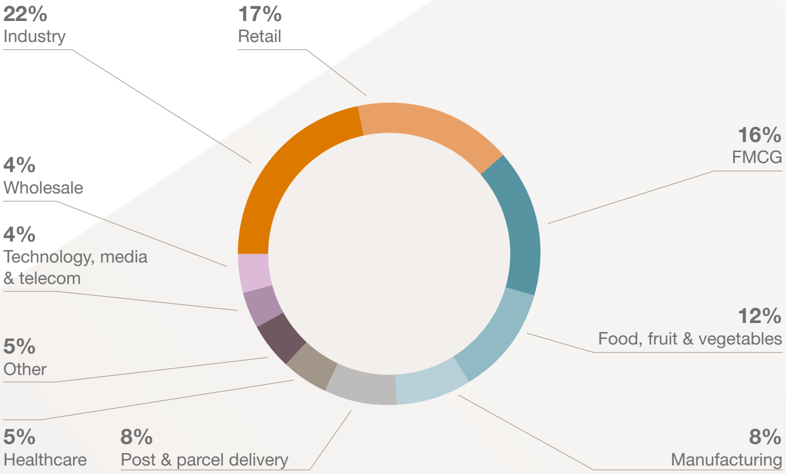
2 See explanatory note *XIII. Other tangible fixed assets*.

Rental income expiry dates (until next termination date)



% of rental income falling due (including solar power) (left scale)
% already extended as at 31 DEC. 18 (left scale)
Average lease duration (until next termination date) (including solar energy) (right scale)

Rental income 2018 by tenant category



5. Overview of projects under development[3]

	Country	Type	Lettable area (in m²)	Projected delivery	Pre-leased	Tenant	Investment budget (in million euros)[1]	Projected yield
Tongeren, Heersterveldweg 17	BE	New development	5,000	Q4 19	100%	GLS	8	
BE			**5,000**				**8**	
Bettembourg (Eurohub Sud)	LU	New development	25,000	Q4 19	60%	End user	12	
LU			**25,000**				**12**	
Arnhem, Bedrijvenpark Ijsseloord 2	NL	New development	20,250	Q2 19	100%	Bunzl	18	
Barendrecht, Dierensteinweg 30 (C-D)	NL	New development	23,700	Q1 19	100%	The Greenery	10	
Bleiswijk, Maansteenweg/ Spectrumlaan (4)	NL	New development	8,000	Q1 19	100%	Konings-Zuivel	6	
Bleiswijk, Maansteenweg/ Spectrumlaan (5)	NL	New development	8,000	Q2 19	100%	Hoogsteder	7	
Breda	NL	New development	55,000	Q3 19	100%	Lidl	27	
Heinenoord, Bedrijvenpark Hoekse Waard	NL	New development	22,075	Q1 19	100%	VCKG Holding / Newcorp Logistics	18	
Zwolle (1)	NL	New development	25,000	Q1 19	100%	wehkamp	24	
Zwolle (2)	NL	New development	3,885	Q3 19	100%	Altrex	2	
NL			**165,910**				**112**	
Brazi	RO	New development	11,000	Q3 19	100%	Carrefour	5	
Bucharest – Stefanestii de Jos (4)	RO	New development	58,000	Q1 20	100%	Metro	33	
Bucharest – Stefanestii de Jos (5)	RO	New development	22,000	Q2 19	100%	LPP	10	
Bucharest – Stefanestii de Jos (6)	RO	New development	2,500	Q2 19	100%	Kitchen Shop	2	
Bucharest – Stefanestii de Jos (7)	RO	New development	77,000	Q1 20	100%	Auchan	45	
Buzau	RO	New development	21,000	Q3 19	100%	Ursus Breweries	10	
Deva	RO	New development	45,000	Q4 19	100%	Carrefour	24	
Paulesti (2)	RO	New development	8,800	Q2 19	100%	End user	7	
Sibiu (3)	RO	New development	4,000	Q2 19	100%	Aeronamic Eastern Europe	4	
RO			**249,300**				**141**	
Total			**445,210**		**100%**		**273**	**7.5%**

1 With regard to the redevelopment projects, this does not factor in the value of the redevelopment projects before the start of the renovation. Based on 100% of the investment in the fully consolidated entities (including WDP Romania) and taking into account the proporationate share of joint ventures (in particular, 55% for WDP Luxembourg).

The anticipated out-of-pocket cost for completion of these projects is estimated at approx. 273 million euros, of which approx. 116 million euros[4] had already been issued as at 31 December 2018. WDP expects to achieve a return of 7.5% on the total investment.

3 See also *4.3.4 Management report – Transactions and realisations – Projects under development*.

4 The indicated amount differs from the previously reported amount of 168 million euros due to a number of projects that will be sold and the value of the existing sites before the start of their redevelopment.

6. Key figures of the properties

The sites listed in this overview were all inspected during 2018 by the independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate.

	Year of construction (last renovation/ extension)	Lettable area (in m²)	Rental income in 2018	Occupancy rate[2] 31 DEC. 18
Belgium (fully owned by WDP)		**1,780,964**	**68,410,636**	**95.2%**
WDP Comm. VA				
Aalst, Tragel 47	1998-1999 (2013)	24,990	1,221,766	100%
Aalst, Wijngaardveld 3-5 – Dijkstraat 7	1992 (2005)	17,998	433,391	94%
Aalst, Wijngaardveld 5	2005	4,584	286,930	100%
Aarschot, Nieuwlandlaan B19	2009	8,603	420,695	100%
Anderlecht, Frans Van Kalkenlaan 9	1969 (2007)	21,499	971,821	97%
Asse – Kobbegem, Breker 41	1989	12,100	443,636	100%
Asse – Mollem, Zone 5 No. 191, 192, 320, 321	1967 (2012)	31,026	1,628,905	99%
Asse – Mollem, Zone 5 No. 200	2011	3,287	332,407	100%
Asse – Mollem, Zone 5 No. 340	1989 (2005)	5,993	281,978	100%
Asse – Zellik, Z4 Broekooi 295 (building 1)	2017	30,383	1,696,536	100%
Asse – Zellik, Z4 Broekooi 290 (building 2)	1995	7,862	442,634	100%
Asse, Brusselsesteenweg 347	1993 (2003)	n.r.	67,059	100%
Beersel – Lot, Heideveld 64	2001	7,275	301,589	100%
Beersel, Stationsstraat 230	2005	5,149	234,104	100%
Beringen – Paal, Industrieweg 135	2002 (2008)	10,190	393,131	100%
Boom, Langelei 114-116	2000-2001	36,626	1,259,360	68%
Boortmeerbeek, Industrieweg 16	1991 (2011)	26,487	544,765	80%
Boortmeerbeek, Leuvensesteenweg 238	2004	11,284	184,952	100%
Bornem, Rijksweg 17	1996 (2004)	11,911	220,283	100%
Bornem, Rijksweg 19	2004 (2013)	22,325	1,137,981	93%
Bornem, Oude Sluisweg 32	2011	95,538	4,810,382	92%
Courcelles, rue de Liège 25	2007 (2009)	53,752	1,113,156	100%
Geel, Hagelberg 12	2012	13,465	594,029	100%
Geel, Hagelberg 14	2009	24,064	985,226	100%
Genk, Brikkenovenstraat 48	2008 (2010)	35,056	1,519,617	98%
Genk, Brikkenovenstraat 50	2009	19,180	804,531	100%
Ghent – Evergem, Amerigo Vespuccistraat 2	2016	24,397	1,092,892	100%
Ghent – Evergem, Amergio Vespuccistraat 2B	2017	9,210	405,691	100%
Grimbergen, Eppegemsesteenweg 31	1978 (2013)	66,346	1,222,398	97%
Grimbergen, Industrieweg 16	2008	15,406	606,177	99%
Heppignies – Fleurus, rue de Capilône 6 (building 1)	2016	21,314	853,885	100%
Heppignies – Fleurus, rue de Capilône 6 (building 2)	2018	17,988	0	100%
Jumet, Zoning Industriel 2e rue	1995 (2005)	6,386	241,503	100%
Kontich, Satenrozen 11-13	1985 (2006)	56,725	2,872,407	100%
Kortenberg, A. De Conincklaan 2-4	1997 (2012)	6,182	265,995	100%
Leuven – Wilsele, Kolonel Begaultlaan 19	1935 (1985)	21,006	775,804	89%
Londerzeel, Nijverheidsstraat 13	2015	11,506	1,201,683	100%
Londerzeel, Nijverheidsstraat 15	1989 (2013)	18,329	407,956	70%
Londerzeel, Weversstraat 15	2007	11,075	693,362	100%
Londerzeel, Weversstraat 17	2010	7,640	334,163	100%
Londerzeel, Weversstraat 2	2014	16,311	708,303	100%

	Year of construction (last renovation/ extension)	Lettable area (in m²)	Rental income in 2018	Occupancy rate[2] 31 DEC. 18
Londerzeel, Weversstraat 21	1996	6,765	253,367	100%
Londerzeel, Weversstraat 27-29	2018	42,150	149,796	100%
Liège – Flémalle, rue de l'Arbre Saint-Michel 99	2011 (2014)	7,877	421,019	100%
Liège – Hermalle-sous-Argenteau, rue de Trilogiport 27	2016	30,012	463,015	100%
Machelen, Rittwegerlaan 91-93	2001 (2006)	17,282	1,390,873	100%
Mechelen, Zandvoortstraat 3	2005	32,817	1,190,293	100%
Nivelles, chaussée de Namur 66	1974 (2011)	11,201	255,721	57%
Nivelles, rue Buisson aux loups 8	2013	14,557	345,138	100%
Nivelles, rue de l'Industrie 30	1990 (2004)	27,692	1,128,552	93%
Nivelles, rue du Bosquet 12	2007	11,592	431,534	75%
Puurs, Lichterstraat 31	(sold during 2018)	n.r.	394,413	n.r.
Puurs, Schoonmansveld 1	1994	56,402	962,599	68%
Rumst – Terhagen, Polder 5	1950s (2007)	30,248	474,807	85%
Sint-Katelijne-Waver, Drevendaal 1	1991 (2007)	20,957	1,000,966	100%
Sint-Katelijne-Waver, Drevendaal 3	1996 (1997)	22,575	1,514,520	100%
Sint-Katelijne-Waver, Fortsesteenweg 19 and 27	2016	11,589	868,522	100%
Sint-Katelijne-Waver, Strijbroek 10	1989 (2007)	2,103	361,440	100%
Ternat, Industrielaan 23	(sold during 2018)	n.r.	277,304	n.r.
Ternat, Industrielaan 24	1977 (2010)	26,126	730,681	85%
Vilvoorde, Havendoklaan 10	2015	8,200	359,383	94%
Vilvoorde, Havendoklaan 12	1977 (2001)	13,863	886,762	98%
Vilvoorde, Havendoklaan 13	2006	10,606	361,765	89%
Vilvoorde, Havendoklaan 18	1994 (2001)	76,399	3,945,121	100%
Vilvoorde, Havendoklaan 19	2002	11,649	561,336	98%
Vilvoorde, Jan Frans Willemsstraat 95	2004 (2006)	11,243	350,558	100%
Vilvoorde, Willem Elsschotstraat 5	1995 (2016)	21,207	893,844	100%
Willebroek, Koningin Astridlaan 14	2015	1,770	188,037	100%
Willebroek, Koningin Astridlaan 16	2008 (2015)	56,208	2,780,804	100%
Willebroek, Victor Dumonlaan 32	2015	31,195	1,575,907	100%
Willebroek, Victor Dumonlaan 4	1991	33,871	1,413,633	57%
Zaventem, Fabriekstraat 13	1984 (1993)	7,854	368,549	100%
Zaventem, Leuvensesteenweg 573	2001	19,929	972,598	83%
Zele, Lindestraat 7	2003 (2008)	41,246	1,463,498	92%
Zonhoven, Vogelsancklaan 250	1977	45,735	1,507,968	100%
Zwevegem, Deerlijkstraat 58A	1980	74,382	1,368,380	100%
Zwijndrecht, Vitshoekstraat 12	2006 (2013)	49,696	1,842,379	100%
One property that has rental income, has a fair value of less than 2.5 million euros. This concerns the property at Puurs – Breendonk, Koning Leopoldlaan. In addition, there were still some small rent corrections concerning premises sold in previous years.	n.r.	n.r.	116,514	n.r.
BST Logistics NV				
Westerlo, Nijverheidsstraat 13	2018	41,156	825,961	100%

	Year of construction (last renovation/ extension)	Lettable area (in m²)	Rental income in 2018	Occupancy rate[2] 31 DEC. 18
Netherlands (fully owned by WDP)		**1,845,460**	**81,833,423**	**98.3%**
WDP Nederland N.V.				
Alblasserdam, Nieuwland Parc 121	2015	8,707	842,608	100%
Alkmaar, Berenkoog 48	1990	7,872	440,059	100%
Alphen aan den Rijn, Antonie Van Leeuwenhoekweg 35	2007 (2012)	13,837	594,047	75%
Alphen aan den Rijn, Eikenlaan 32-34	2012	21,741	595,845	88%
Alphen aan den Rijn, H. Kamerlingh Onnesweg 3	1996 (2015)	4,048	203,428	100%
Alphen aan den Rijn, J. Keplerweg 2	2005	16,048	954,204	100%
Amersfoort, Basicweg 1-3	1992	11,679	764,872	100%
Amsterdam, Hornweg 64	1992	12,518	789,538	100%
Amsterdam, Kaapstadweg 25	2018	15,112	316,513	100%
Amsterdam, Maroastraat 81	2008	2,597	884,980	100%
Arnhem, Bedrijvenpark Ijsseloord 2	(under development)	n.r.	n.r.	n.r.
Barendrecht, Dierensteinweg 30/A	2017	26,034	1,476,934	100%
Barendrecht, Dierensteinweg 30/B	2016	18,859	1,104,686	100%
Barendrecht, Dierensteinweg 30/C1	2018	16,235	791,135	100%
Barendrecht, Dierensteinweg 30/C2	1999	10,600	284,901	100%
Barendrecht, Spoorwegemplacement 1	1995	27,720	784,967	100%
Barneveld, Nijverheidsweg 50-52	1981 (2013)	34,883	2,228,025	100%
Bleiswijk, Brandpuntlaan Zuid 12	2018	11,900	0	100%
Bleiswijk, Brandpuntlaan Zuid 14	2018	32,374	296,781	100%
Bleiswijk, Spectrumlaan 29-31	2018	6,144	346,162	100%
Bleiswijk, Spectrumlaan 31	2018	7,503	0	100%
Bleiswijk, Spectrumlaan 7-9	2014	10,678	666,940	100%
Bodegraven, Schumanweg 4	1970 (2003)	6,379	209,708	100%
Breda, Hazeldonk 6462 and 6464	1994 (2006)	37,913	1,082,167	100%
Breda, IABC 5301	1995	13,420	516,397	100%
Breda, Leursebaan 260	2016	16,778	807,838	100%
Breda, Prinsenhil 1-3	1989	16,955	701,862	100%
De Lier, Jogchem van der Houtweg 20	1979	22,160	634,847	100%
The Hague, Westvlietweg 7-8	1968	46,345	1,501,421	100%
Duiven, Innovatie 1	2006	27,556	1,846,198	100%
Duiven, Typograaf 2	2008	3,558	550,078	100%
Echt – Susteren, Fahrenheitweg 1	2014	131,807	4,062,594	100%
Echt, Fahrenheitweg 24	2018	14,707	307,560	100%
Eindhoven, Achtseweg Noord 20	1994 (2017)	31,381	1,522,785	100%
Eindhoven, Park Forum 1129	2014	10,612	639,291	100%
Harderwijk, Archimedesstraat 9	2015	35,019	1,378,270	100%
Hasselt, Hanzeweg 21	2015	20,502	835,634	100%
Hasselt, Hanzeweg 29	2015	20,340	204,507	100%
Hasselt, Hanzeweg 31	2015	11,392	669,895	100%
Heerlen, Earl Bakkenstraat 7-15	2017	51,669	1,655,696	100%
Heinenoord, Bedrijvenpark Hoekse Waard	(under development)	n.r.	n.r.	n.r.
Helmond, Sojadijk 2	2011	13,025	780,378	100%
Klundert, Energieweg 4	2018	18,682	398,537	100%
Maastricht-Aachen-Beek, Engelandlaan 30	2011 (2012)	25,004	1,009,044	100%
Moerdijk, Transitoweg 5	2000	42,370	1,574,400	100%
Nieuwegein, Inundatiedok 34	2010 (2012)	38,508	1,764,110	100%
Oosterhout, Denariusstraat 15	2017	11,522	512,800	100%
Oss, Keltenweg 70	2012	17,141	980,144	100%

	Year of construction (last renovation/ extension)	Lettable area (in m²)	Rental income in 2018	Occupancy rate[2] 31 DEC. 18
Oss, Menhirweg 15	2010 (2012)	11,074	572,042	100%
Papendrecht, Nieuwland Parc 140	2015	16,866	1,071,601	100%
Raamsdonksveer, Zalmweg 27	1980 (2011)	9,745	475,311	100%
Ridderkerk, Handelsweg 20 en 25	2005 (2008)	43,194	5,667,843	100%
Roosendaal, Aanwas 9	2012	9,551	917,228	100%
Roosendaal, Borchwerf 23	1994	16,780	777,811	100%
Rozenburg, Incheonweg 11-13	2018	20,846	0	100%
Schiphol Logistics Park, Incheonweg 7	2012	12,574	1,224,336	100%
Schiphol Logistics Park, Pudongweg 3	2015	16,814	1,433,222	100%
Schiphol, Folkstoneweg 65	2000	8,845	461,907	100%
Soesterberg, Centurionbaan	2015	7,419	553,347	100%
Tiel, Medel 1A	2014	73,461	2,329,113	68%
Tilburg, Hermesstraat 1	2007	47,962	2,444,619	100%
Tilburg, Marga Klompeweg 11	2000 (2011)	20,717	863,052	100%
Tilburg, Siriusstraat 7-9	2009	17,762	1,213,739	100%
Utrecht, Ruimteweg 1-5	1980 (1998)	15,770	603,076	100%
Utrecht, Rutherfordweg 1	1992 (2011)	12,139	777,480	100%
Veghel, Doornhoek 3765	2006 (2011)	9,820	590,447	100%
Veghel, Eisenhowegweg 15	2017	19,417	1,043,688	100%
Veghel, Kennedylaan 19	2002 (2013)	21,020	976,653	100%
Veghel, Kennedylaan 20	2018	12,138	481,666	100%
Veghel, Marshallweg 1	1990 (2017)	46,163	1,524,333	100%
Veghel, Marshallweg 2	2018	15,544	0	100%
Venlo, Ampèrestraat 7-9	2008 (2012)	32,539	1,485,241	100%
Venlo, Edisonstraat 9	1990	26,135	710,000	100%
Venlo, Logistiekweg 1-3	2017	53,061	2,002,397	100%
Venray, Newtonstraat 8	2013	17,746	712,021	100%
Venray, Wattstraat 2-6	2013	43,226	1,943,563	100%
Voorhout, Loosterweg 33	1987 (2007)	38,578	612,060	100%
Wijchen, Bijsterhuizen 2404	2010	16,260	1,455,298	100%
Zaltbommel, Heksenkamp 7-9	2012	10,620	693,358	100%
Zwolle, Lippestraat 15	2009 (2014)	20,109	1,395,795	100%
Zwolle, Mindenstraat 7	2002 (2012)	22,663	1,177,830	100%
Zwolle, Paderbornstraat 21	2015	47,996	2,518,230	100%
Six properties which have a rental income,have a fair value of less than 2.5 million euros. This is the property at Bodegraven, Schumanweg 1C; Meppel, Oeverlandenweg 8; Drunen, Albert Einsteinweg 20; Breda, IABC 5375-5377; Barendrecht, Dierensteinweg 30/D, and Zwolle, Hessenpoort.	n.r.	29,072	612,331	n.r.
WDP Development NL N.V.				
Barendrecht, Dierensteinweg 30/C2	(under development)	n.r.	n.r.	n.r..
Bleiswijk, Snelliuslaan 15	(under development)	n.r.	n.r.	n.r.
Bleiswijk, Prismalaan West 43	(under development)	n.r.	n.r.	n.r.
Breda, IABC 5301	(under development)	n.r.	n.r.	n.r.
Zwolle, Mindenstraat 7	(under development)	n.r.	n.r.	n.r.
Zwolle, Pommerenstraat 2	(under development)	n.r.	n.r.	n.r.

	Year of construction (last renovation/ extension)	Lettable area (in m²)	Rental income in 2018	Occupancy rate[2] 31 DEC. 18
France (fully owned by WDP)		192,574	6,945,652	96.0%
WDP France SARL				
Aix-en-Provence, rue Gustave Eiffel 205	(sold during 2018)	n.r.	621,284	n.r.
Labastide-Saint-Pierre, Zac du Grand Sud	2017	43,975	1,216,734	100%
Lille – Libercourt, Zone Industrielle – le Parc à stock	2008 (2016)	60,393	2,126,566	100%
Lille – Roncq, avenue de l'Europe 17	2003 (2006)	13,251	463,369	95%
Lille – Seclin, rue Marcel Dassault 16B	2008	13,224	507,806	100%
Lille-Templemars, rue de l'Épinoy 16B	(sold during 2018)	n.r.	0	n.r.
Neuville-en-Ferrain, rue de Reckem 33	2006	13,408	510,872	100%
Vendin-le-Vieil, rue Calmette – rue des frères Lumière	2004	29,141	975,080	86%
WDP Comm. VA				
Lille – Templemars, route d'Ennetières 40	1989 (2008)	19,182	523,941	85%

Romania (80% owned by WDP)		623,149	18,632,153	100%
WDP Romania SRL				
Apahida (Cluj), Constructoril 1a+1b	2017	39,325	0	100%
Apahida (Cluj), Constructorilor 26	2017	5,121	975,438	100%
Apahida (Cluj), Industriilor 1A	2016 (2018)	41,647	470,113	100%
Braila, Zona Libera Braila II	2015	43,987	2,877,871	100%
Brazi (Prahova), Basarab 2	2008	21,660	0	100%
Bucharest – Stefanestii de Jos (4)	(under development)	n.r.	n.r.	n.r.
Bucharest – Stefanestii de Jos (5)	(under development)	n.r.	n.r.	n.r.
Bucharest – Stefanestii de Jos (6)	(under development)	n.r.	n.r.	n.r.
Bucharest – Stefanetii de Jos (7)	(under development)	n.r.	n.r.	n.r..
Budesti (Racovita – Valcea), Faurecia 1	2016	25,354	1,490,905	100%
Clinceni (Ilfov), Transalkim Street 3	2015	12,086	512,760	100%
Codlea (Brasov), Vulcanului 33	2013	28,606	752,019	100%
Deva	(under development)	n.r.	n.r.	n.r.
Dragomiresti Vale (Ilfov), DE115 1	2017	19,229	710,462	100%
Dragomiresti Vale (Ilfov), DE115 1	2018	33,222	66,353	100%
Dumbravita (Timis), DJ 691 KM 7-142	2017	24,244	913,305	100%
Dumbravita (Timis), DJ 691 KM 7-142	2018	16,165	0	100%
Dumbravita (Timis), DJ 691 KM 7-142	2006	43,038	1,350,397	100%
Ghimbav (Brasov), DE305 DE301	2018	19,526	323,242	100%
Oarja (Arges), Autostrada A1 KM 102-103	2012	82,062	2,449,009	100%
Oradea (Bihor), Orgolului 214	2018	15,992	0	100%
Paulesti (Prahova), Buda 22	2018	4,870	150,131	100%
Paulesti (2)	(under development)	n.r.	n.r.	n.r.
Prahova, Aricestii Rahtivani Vilage 874	2014	24,749	1,235,787	100%
Roman (Neamt), Magurei 2	2018	44,389	1,352,033	100%
Sibiu, Barcelona FN	2016	25,704	914,902	100%
Stefanestii de Jos (Ilfov), Sinaia 50+50B	2017	40,857	1,902,723	100%
Two properties that have rental income have a fair value of less than 2.5 million euros. This concerns the properties in Constanta – Mihail Kogalniceanu, DN 2A, KM 181 and Oradea (Bihor), Anghel Saligny 15. In addition, there are three projects under development with a fair value of less than 2.5 million euros, being Brazi, Buzau and Sibiu (3).	n.r.	11,316	184,701	n.r.

	Year of construction (last renovation/ extension)	Lettable area (in m²)	Rental income in 2018	Occupancy rate[2] 31 DEC. 18
Luxembourg (55% owned by WDP)		**32,574**	**946,605**	**100%**
WDP Luxembourg SA				
Dudelange, Parc Logisic Eurohub Sud (building 1)	2014	14,794	929,634	100%
Dudelange, Parc Logisic Eurohub Sud (building 2)	2018	17,780	16,971	100%
Total		**4,474,721**	**176,768,468**	**97.3%**

1 The estimated rental value is the rental value determined by the independent property experts. For the report by the independent property experts and the method of valuation, reference is made to Chapter *5.3. Property Report – Conclusions by property experts*.

2 The occupancy rate is calculated for the rental values for the leased properties and the non-leased areas. Projects under construction and/or renovation are not taken into considerationen.

3 The site in Grimbergen is held in joint ownership with another GVV/SIR, Montea Comm. VA, based on a 50-50 split. This makes WDP Comm. VA co-owner of this site.

2. Review of the logistics property market in Belgium, Luxembourg, the Netherlands, France and Romania[1]

1. Belgium and Luxembourg

The logistics property market got off to a slow start in 2018, but enjoyed a strong second half of the year. The uptake rate at year end came out even higher than at 2017 year end. The transactions completed mainly involved existing buildings that were re-leased due to centralisation or optimisation of the property portfolios, resulting in a lower vacancy rate. The number of turnkey projects may also increase again in the future. Speculative developments are practically non-existent. The Antwerp-Brussels corridor remains the main logistics property location, followed by the Wallonia region, e.g. Trilogiport in Liège, driven primarily by e-commerce activities. Yields for 2018 experienced a slight downward trend (approx. 5.25%). Rents remained stable at approx. 40 to 45 euros/m²/year.

2. The Netherlands

The Dutch logistics sector is one of the most active, mature and extensive in Europe, supported by the region's role as a logistics access point to Europe, and offers high-quality infrastructure and highly dynamic user markets. The investment volume in the logistics and industrial property segment reached record levels in 2018. Uptake grew by 19% compared to 2017, and has quadrupled over the past decade. E-commerce and e-fulfilment are boosting demand for distribution centres with special requirements (e.g. climate control, parking, separation of inbound and outbound flows, personnel and trucks). In addition to modern distribution space that meets the special requirements, different economies of scale are now required as well. This has given rise to XXL warehouses, typically used for e-commerce. However, part of the existing space has been occupied and the available supply has fallen sharply in recent years, especially in the logistics hubs around Amsterdam and Schiphol. Thanks to its location, the region around towns like Bleiswijk and Waddinxveen is prized for what is known as agglomeration logistics. Considering its direct accessibility, the Randstad region can be supplied quickly and efficiently from here. The high demand for distribution space provided a boost in the prime yield up to 4.25%, a trend that is expected to continue into the future.

3. France

The logistics sector is becoming more and more solid. Class-A buildings along the north-south corridor are particularly popular. New properties are mostly occupied by logistics service providers and retailers (e-commerce). E-commerce is also expected to play a more prominent role in 2019 and beyond. The sharp uptick in XXL platforms stagnated last year, though it is still in line with the historical average. It is mainly sites measuring between 20,000 and 40,000 m² that are being occupied. The investment volume booked last year was the highest since 2007, driven primarily by transactions in property portfolios and larger funds. Prime yields are around 4.75%. However, a slight decrease is expected over 2019.

4. Romania

Growth in the industrial and logistics sector in Romania and the increase in the number of property developments come on the heels

1 Sources: CBRE, BNP Paribas Real Estate, Cushman & Wakefield and JLL

of sustained economic growth and roads and infrastructure expansion. In 2018, the retail sector was the main driver for property projects, followed by logistics service providers and producers. Vacancies in existing buildings remain low, and dropped even further compared to 2017 levels. After all, the transactions largely consisted in built-to-suit projects, although speculative projects were not entirely absent. Rents held steady (approx. 3.5 euro/m²/month), a trend that is expected to continue into the future. Prime yields dropped to below 8%. The industrial parks are mainly located around the capital of Bucharest, but also in nearby cities such as Timisoara, Brasov, Sibiu and Cluj.

3. Conclusions of the property experts

Dear Sirs,

We are pleased to present you with our estimate of the value of the property portfolio of WDP Comm. VA as at 31 December 2018.

WDP appointed us as independent property experts to determine the investment value and fair value of its property portfolio. Estimates were made taking into account both the observations and definitions mentioned in the reports, and the guidelines of the International Valuation Standards issued by the IVSC.

The fair value is defined by the IAS 40 standard as the amount for which the assets could be exchanged between two well-informed parties without mutual special interests on a voluntary basis. IVSC deems these conditions to be met if the aforementioned definition of market value is respected. The market value must reflect the current lease contracts, the current gross margin of self-financing (or cash flow), the reasonable assumptions relating to potential rental income and the expected costs.

In this context, the transaction costs must be adjusted to the actual situation on the market. The fair value is calculated by adjusting the investment value based on customary transaction costs.

As property experts, we possess relevant and recognised credentials as well as up-to-date experience with properties of a type and location similar to those of the properties in WDP's property portfolio.

In giving an estimate of the properties, we took into account both the current leases and all rights and obligations arising from these lease. Each property was valuated separately. The estimates do not account for any potential capital gain that might be realised by offering the portfolio on the market in its entirety. Our estimates also do not account for marketing costs specific to a transaction, such as estate agents' fees or publicity costs. In addition to an annual inspection of these properties, our estimates are also based on the information provided by WDP regarding the rental situation, surface areas, sketches or plans, rental charges and taxes associated with each property concerned, compliance and environmental pollution. The information provided was deemed accurate and complete. Our estimates assume that undisclosed items are not such that they would affect the value of the property.

Each independent property expert is responsible for valuating the part of the portfolio that was contractually assigned to him or her.

Based on comments made in previous paragraphs, we can confirm that the fair value of the property portfolio (excluding solar panels and including *assets held for sale*) of WDP as at 31 December 2018 amounts to 3,332,279,592 euros (three billion three hundred and thirty-two million two hundred and seventy-nine thousand five hundred and ninety-two)[1].

Yours faithfully,

Philippe Janssens
Managing Director
Stadim

Rob Vaes
National Director, Valuation & Advisory
Jones Lang LaSalle Belgium

Hero Knol
Director
CBRE Netherlands

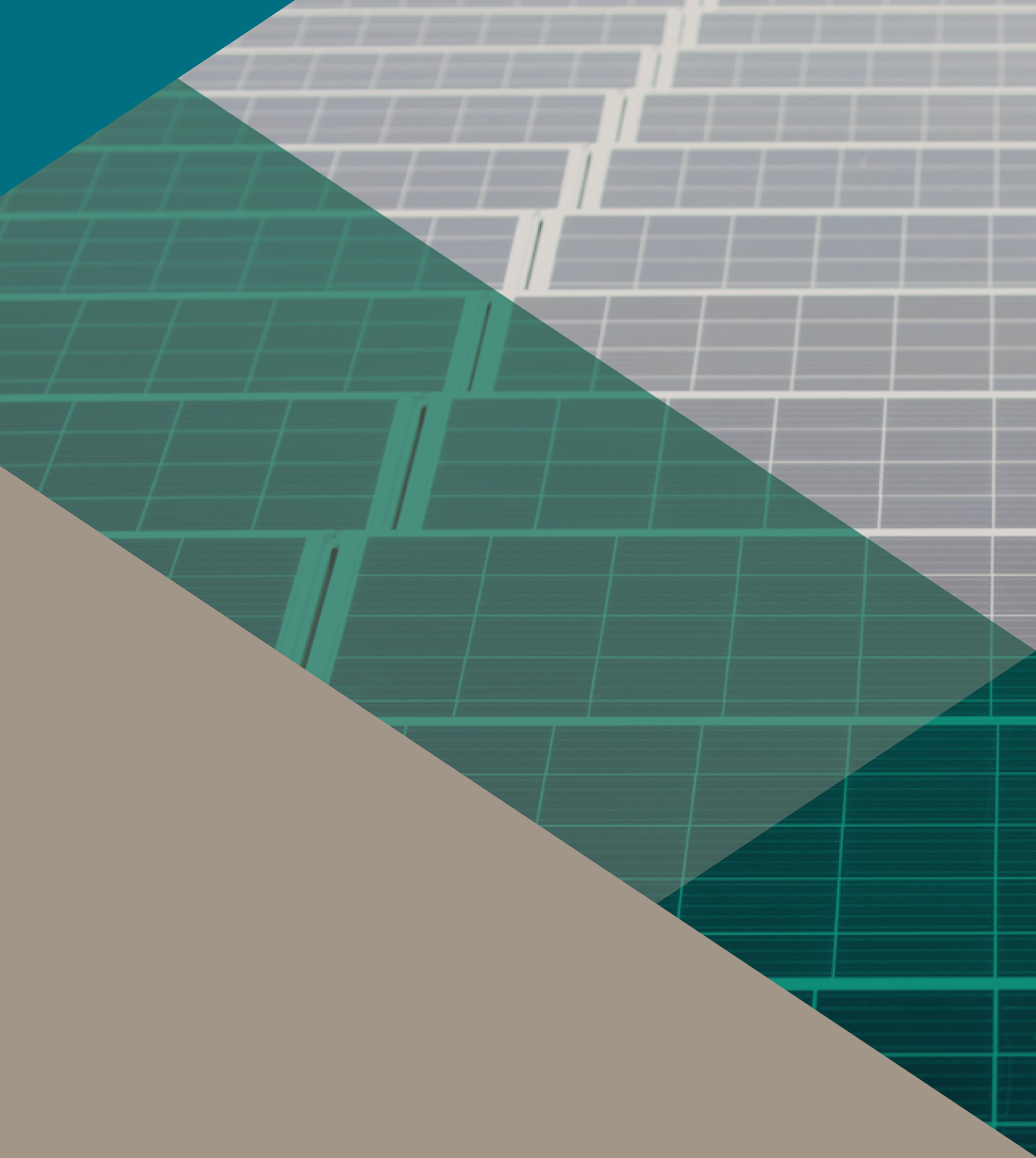
Frank Adema
International Partner
Head of Valuation & Advisory, Netherlands
Cushman & Wakefield

Jean-Claude Dubois
Director of the International department
BNP Paribas Real Estate

Frank Weyers
Associate Director, Valuation & Advisory
Jones Lang LaSalle Luxembourg

Ovidiu Ion
Head of Valuation
CBRE Romania

1 This value is arrived at by totalling up the values confirmed by the individual property experts, as detailed in explanatory note *XII. Investment properties* in Chapter *9.2. Financial statements – Notes.*



6.

Corporate social responsibility

"Like any other company, WDP has a social obligation. As a leading property partner for the logistics sector, which has a major impact on prosperity and the environment, we are fully aware of our responsibility. That is why sustainable entrepreneurship has been a key pillar in the WDP strategy for many years.

The United Nations has drawn up Sustainable Development Goals for the period 2016-30. They are promoted as the global goals for sustainable development. WDP has used these goals as a guideline to create a concrete working framework in which seven focus themes have been defined that will help our company maintain sustainable employment practices and sustainable management in the future. This analysis will form the basis for a long-term roadmap that will be formulated in the near future. In our opinion, we are able to make a contribution to several of these goals: the use of sustainable energy, employment and economic growth, the battle against climate change, etc. These are all aspects on which WDP can have a direct or indirect influence.

WDP also has social responsibility at corporate level. These two levels – global and local – cannot be separated. A corporate strategy based on sustainable development implies future-proofing our company and its stakeholders.

Contributing to a more sustainable and better world is of course only possible when everyone within the company believes in this vision, and is supported in this respect by the management and the Board of Directors. Only then sustainability remains embedded in WDP's DNA."

TONY DE PAUW

JOOST UWENTS

Our values

CUSTOMER SERVICE	VALUE CREATION	SHAREHOLDERS
SUSTAINABLE GROWTH	#TEAMWDP	INNOVATION
HANDS-ON	SUSTAINABILITY	NO-NONSENSE

1. Sustainability strategy

1. Vision

As a leading property partner for the logistics sector, WDP strives to continue to improve its position as a responsible enterprise. That is why WDP has made sustainable entrepreneurship a key pillar of its strategy, and implemented this in its day-to-day work. WDP shall continue to prioritise actions that balance the benefits for people, the planet and future prosperity. The company believes that incorporating the principles of sustainable development into its strategy is the best way to improve financial performance, strengthen its relationship with stakeholders, manage risks and maximise corporate opportunities as well as create value and guarantee future-proofing.

In the course of 2018, WDP's executive committee for sustainability subjected the existing sustainability approach to a critical analysis. This showed that the current sustainability strategy does not require any changes, but should be intensified.

Using the Sustainable Development Goals of the United Nations (SDGs) as a guideline, a concrete working framework has been created, with regard to the specific social issues that are relevant to the company and the sector. On that basis seven focus themes have been formulated, which will help WDP to maintain **sustainable employment practices** and **sustainable management** in the future.

It was clear from the start of the analysis that WDP opts for focus themes in which the company can make a clear difference and create value rather than working on a broader range of SDGs with less impact. In that way a genuine contribution is made to sustainability, rather than simply meeting the requirements for reporting.

The importance of these focus themes for all WDP's stakeholders has been investigated in great detail. The result of this materiality exercise is a schematic representation of the sustainability priorities and their relative importance: the materiality matrix on which a sustainability framework was founded.

On the basis of this analysis, WDP will formulate a long-term roadmap, which will set out the goals for WDP's corporate social responsibility, in the course of 2019.

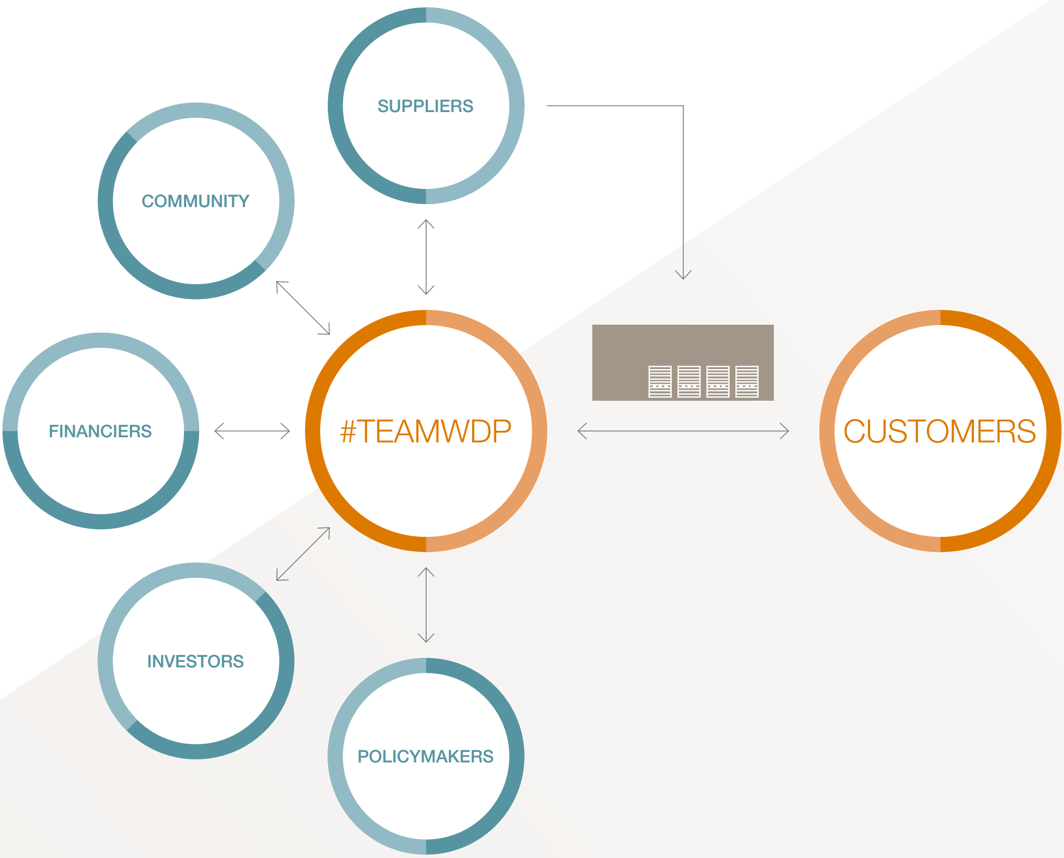
2. Development of sustainability framework

Analysis

The Sustainable Development Goals (SDGs) of the United Nations and the trends and developments within the sector provided the basis for the determination of the sustainability framework. Furthermore, a number of ESG frameworks and benchmarks were analysed, bearing in mind the specific focus themes of each industry within the requirements of these frameworks and benchmarks: the European Public Real Estate Association (EPRA), the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). The priorities and findings of several leading rating and research agencies, such as Vigeo, MSCI, ISS and the Dow Jones Sustainability Index (DJSI) were also taken into consideration.

Selection of stakeholders

The stakeholders relevant to WDP are those parties with whom and on whose behalf our company offers property solutions as a commercial property company.



Materialities

Based on the findings of the aforementioned analysis, thirteen materialities were taken into account, which in the first phase were graded according to stakeholder relevance: *What degree of importance do our stakeholders attach to each of these materialities?*

In the second phase, these materialities were graded according to business impact on the basis of an internal workshop: *What is the potential impact of a specific materiality on WDP, bearing in mind the resulting opportunities or the risks involved?*

Relevant focus themes

The result of this analysis is a matrix that shows a clear divide and leads us to the seven focus themes that are currently most relevant.

3. Sustainability framework

4. Decision-making process

Board of Directors

- Drafts a sustainability policy and incorporates this in its corporate strategy
- Includes proposals as formulated by the executive committee for sustainability in its corporate strategy
- Meets at least once every quarter

Executive Committee for Sustainability

- Members of the management committee
- Presents a proposal for a sustainability strategy and the relevant KPIs to the management committee
- Continuous evaluation of the sustainability strategy
- Presents proposals for sustainable development and reports on the progress of the implementation of the sustainability strategy of the WDP group to the Board of Directors at set times
- Reports annually throughout the corporate social responsibility report
- Meets at least once every quarter

Sustainability engineer

HSES[1]

Team
OFFICE WELL-BEING
MOVE
DWWWDP

1 Health, Safety, Environment and Securit.

5. Interaction with the stakeholders

Customers	▸ Creation of a long-term partnership ▸ Continuous interaction between the facility, project and commercial managers of WDP and current and future clients ▸ Fast and flexible response to client demands
#TeamWDP	▸ A pleasant working framework that supports and promotes the creativity, well-being and motivation of #TeamWDP ▸ At least six-monthly or annual feedback moments for staff ▸ Training and coaching programmes
Investors Financiers	▸ Defined growth plan with quantified targets ▸ Transparent communication and financial information ▸ Development of a solid long-term relationship through constant and intensive dialogue, for example by means of annual roadshows and investors' fairs or recurrent consultations
Suppliers	▸ Doing business correctly ▸ Creation of a long-term relationship ▸ Constantly thinking together about innovative and sustainable solutions
Policymakers	▸ Continuous monitoring and compliance with current regulations ▸ Open dialogue via professional bodies ▸ Constant monitoring and compliance with current regulations
Community	▸ Continuous dialogue between client, community and WDP ▸ Direct and transparent contact with the community (e.g. via an information evening) ▸ Support to campaigns for charity

6. Associations and corporate memberships

EPRA European Public Real Estate Association

VIL Empowering Logistics

BE-REIT Association

IJE IBJ Institut des Juristes d'Entreprise / Instituut voor Bedrijfsjuristen – legal insight, inside

VBFV[2]

voka Vlaams netwerk van ondernemingen

Global property research – Solutions for customized property indices

BEL IR Belgian Investor Relations Association

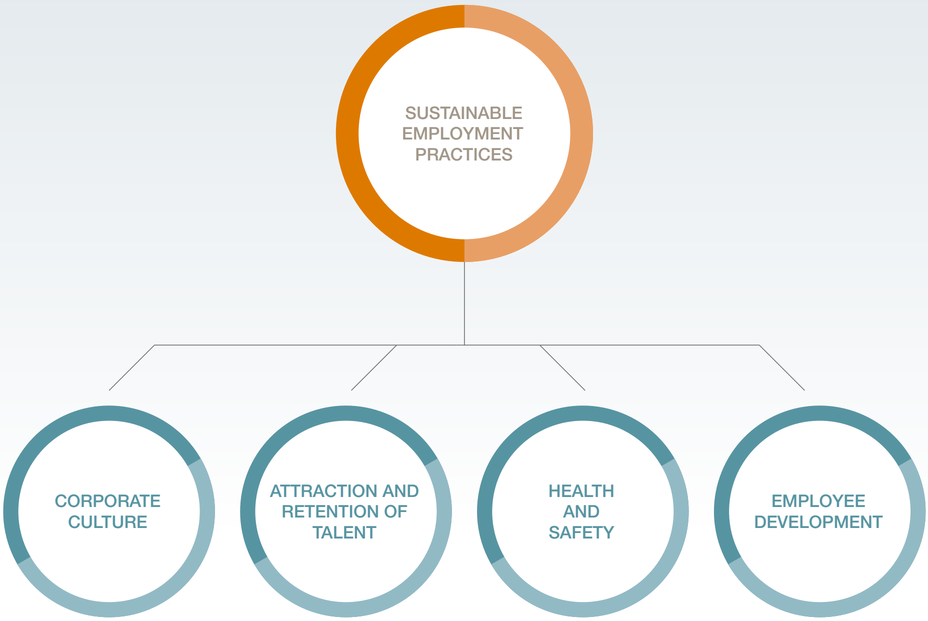
VFB Vlaamse Federatie van Beleggingsclubs en Beleggers vzw

BVBV[3]

2 Dutch REIT. Association for promotion of common interests for listed fiscal property investment institutions.

3 Belgian Association of Exchange-Listed Companies

2. Sustainable employment practices



THIS IS HOW WDP SUPPORTS THE UN'S SDGS

WDP is convinced that sustainable employment practices contribute to the company's future-proofing and operational success. #TeamWDP is considered the most important link in striving for and achieving the sustainable growth of the company. Good employment practices imply for WDP the creation of an optimum framework for each employee, so that they feel good and valued and their competencies and talents are optimally developed and used. The focus is on participation, dialogue, autonomy, training opportunities, etc., which contribute to positive dynamics within the company.

1. Corporate culture

Based on the spirit of a **family business**, a **flexible, flat corporate structure** and a **hands-on and can-do mentality** are inherent to WDP's DNA. The **entrepreneurship** combined with the short, fast decision lines and flat structure with scope for innovation ensure a quick response to specific opportunities which makes WDP a very dynamic company.

This corporate culture requires enterprising people with **like-minded motivation**. It is our conviction that each member of #TeamWDP makes its own valuable contribution to the company's success. This guarantees the **close, long-term contact of WDP** with clients, suppliers and investors as well as all the other stakeholders, supports further national and international sustainable growth and WDP's partnership with them.

Promoting this corporate culture starts with the onboarding process for new staff, providing time for introduction of WDP's values and standards. The knowledge concerning the company and its activities is also broadened on the basis of smaller, as it were, obvious projects: new staff can, for example, shadow their co-project manager for a day and so experience a real building site. Or, they visit a number of existing buildings together with a facility manager. A buddy who promotes the corporate culture is allocated to each new employee.

It is important to encourage the awareness about this corporate culture increasingly among all staff: promotion of **team spirit**, creation of **synergies** within the company and streamlined processes **beyond national borders and business units**, more direct and improved **internal communication** and close involvement of staff by the management in different reflection exercises. The company strives for continuous and ad hoc multidisciplinary and interdisciplinary reflection. That means everyone is introduced to everyone else's job content, which inherently increases the engagement of each employee

and the mutual respect for each other's work. New initiatives or tools will be integrated into the corporate processes more quickly when they are mutually promoted by staff rather than imposed by the management.

Of course, this characteristic process filters through in each of the focus themes.

Achievements in 2018

- **WDP Connect!**, the new intranet site, gives WDP a connecting, trans-border communication platform, which staff can use for news, internal communication and useful documents.
- **ESG Project Team**: this team has focused on the completion of the sustainability framework and will be working on its further intensification. The members of this team represent all WDP teams and all the levels of the company.
- All WDP offices have modern **video-conferencing** equipment, which means consultation can take place on a flexible basis from different locations, fostering close and efficient cooperation.
- Following *De Warmste Week*, the annual fundraising campaign for charity of radio station Brussels, the working group **DWWWDP** was set up with and by the staff. This team organises several campaigns for charity throughout the year. In 2018 it was decided to give material support – through a toy collection campaign – and financial support to the foster care charity vzw Pleegzorg Vlaams-Brabant en Brussel.

2. Attraction and retention of talent

As a growing organisation, WDP has to attract the right talent and integrate this into the company and the corporate culture in order to guarantee the **future-proofing** of the WDP group, increase the company's resilience and in doing so facilitate its continual growth.

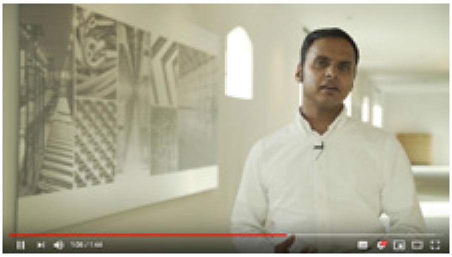
A good **mixture of different talents, cultures and personalities** is of the utmost importance. Crucial to WDP's recruitment policy is that the candidates with the best skills and those who best match the WDP corporate culture and activities are retained, with due regard to objective selection procedures and diversity.

The **family atmosphere** within the company ensures that staff are regarded as individuals and are not purely seen in terms of their professional performance. WDP believes all members of the team should feel valued and be given room to develop their talents. WDP staff are given room for their **own initiative** and the management does its utmost to feed and stimulate the ideas of its people rather than pushing through top-down decisions. The innovative, flat organisational structure ensures constant dynamics.

In order to retain talent within the company, WDP strives for **continuous development and engagement** with the company and its projects. Stimulating both the professional and personal development of staff leads to engagement, responsibility and ownership.

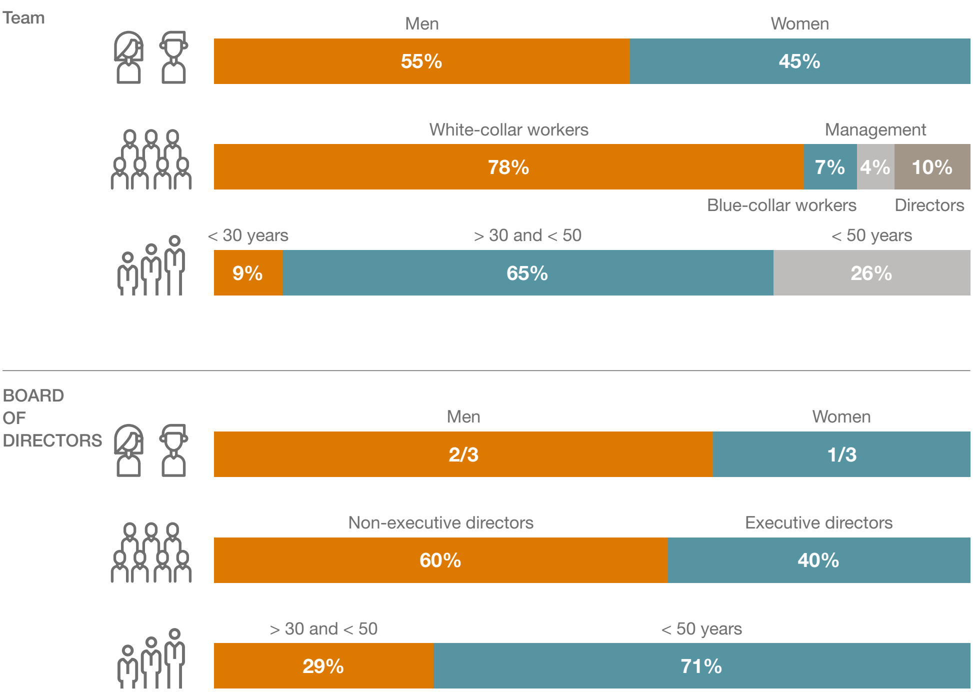
Achievements in 2018

- WDP has grown strongly in 2018. The team was expanded with twelve extra employees, which corresponds to 15% of the total workforce. Four employees decided to take on a new challenge elsewhere in 2018.



- A social media campaign focusing on **people and employer branding** was started up in 2018 to provide a clearer picture of a job at WDP with its typical corporate culture, and to frame its vacancies. Short videos provided an insider's look at the work and daily life of some employees.
- WDP attaches the utmost importance to sustainable employment, and this starts as early as the selection procedure: a **short but thorough selection process**, clear information and focussing on the correct match are essential.
- The induction and smooth integration of new staff is based on a detailed **onboarding** procedure. The start of each new employee is prepared optimally with a detailed induction, a furnished workplace and the correct tools. Moreover, a **mentor** is allocated, who will show the new employee around the company informally. By means of personal **introductory talks** with colleagues from all departments and from beyond the national borders and a visit to sites and/or a visit to the clients together with one of the project managers or facility managers, new staff get a good feel for WDP's **business**. At specific times (after one and six months), a feedback interview with the HR manager is organised.
- Ownership is achieved by means of, among other things, the creation of both internal and

EPRA key performance indicators



multidisciplinary **project groups**. A project leader, who works with a number of staff in order to complete a specific project, is allocated for each project group. In 2018 this was the case, for example, for themes such as GDPR, M&A transactions, facility management, HSES (Health, Safety, Environment and Security), ESG, etc.

- **Team-building events** are organised annually to promote the interpersonal dynamics among staff and to give them the opportunity to get to know each other. Examples of such events in 2018 were the annual team event, the summer drinks event and the Christmas lunch.

WDP offers its staff a **competitive salary package** with no distinction between male and female. In addition to the monthly salary, the salary package is supplemented with non-statutory benefits (including a favourable group insurance with defined contribution, a life insurance policy and a premium waiver). The Flex Income Plan, which aims to diversify and individualise the employment conditions, is available as of 2019. All staff are permanently employed with an employment contract for an indefinite period.

Nevertheless, a difference exists in salary between men and women that is primarily related to the position held. The ratio woman/man of 0.56 can therefore be explained by the inclusion of the salaries of management and executive directors in the calculation. The fact that salary for positions of this kind is considerably higher, and that no women are represented in this category, distorts the picture somewhat.

WDP falls within Joint Committee 200 for white-collar workers and within Joint Committee 124 for blue-collar workers. All current employees (100%) fall under Collective Labour Agreements.

3. Health and safety

A sustainable entrepreneurship implies a safe business. WDP therefore protects the safety of its stakeholders in all its activities. To the management of WDP, a **safe and healthy living and working environment** is an essential factor in its operations. It therefore continually strives to improve this, and so protect all stakeholders (staff, visitors, clients, contractors and subcontractors, etc.).

The staff constitute the company's foundations. **Their physical and mental health** are extremely important. Everyone, irrespective of their position, is expected to help recognise and prevent health and safety risks. WDP is open to stimuli suggested by staff that contribute to this at both group and individual level.

The values and objectives have been defined in the **Policy Statement *Welfare at Work*** by the HSES team. This team consists of several facility managers, project managers, the CTO and the CEOs, and will roll out an annual HSES Action Plan in stages.

This Policy Statement is available online.

Achievements in 2018

- The new **offices in Meise (Wolvertem)** were occupied at the beginning of 2018. These offices were equipped with the purpose to offer a flexible, open working framework, which encourages creativity and interaction among colleagues. Important aspects of the design and completion were benefiting from a great deal of natural light, open-plan workspaces, adapted ergonomics and adequate IT facilities and tools. Regarding safety, the offices are tested regularly and WDP meets its legal obligations.
- The WDP team features a **prevention advisor** and a **first aid officer**, who regularly take the required continuing training.

- In 2018 the first WDP **HSES Corporate Action Plan** was published, which was prepared on the basis of three pillars: (i) developments, (ii) existing premises and (iii) the offices and staff of WDP, whereby the focus was on the awareness of and communication about HSES. This plan was explained to all staff at a learn@lunch and is also available online. In 2019 the focus will be on a number of concrete items, such as training in electricity (BA4/BA5) PPE (Personal Protective Equipment), etc.
- The importance of **healthy food and sufficient exercise** is also highlighted. Fresh fruit and fresh soup are available daily, and staff are encouraged to get more exercise.

- That is how the **Move Team** started in 2018: fifteen employees took part in the Immorun. This annual charity event wants to contribute to staff team-building and health, linked to networking in the property sector.

EPRA key performance indicators

0%
workplace accidents

0
deceased

100%
health and safety review

0
Incidents of non-compliance with regulations concerning health and safety impacts

4. Employee development

The continuous development, growth and motivation of all employees ensures that they **feel good** within the company and that they can continue to expand their **competencies**. WDP wishes to promote the skills of its staff in order to facilitate a long-term team and develop capacity and continuity with a view to the future. However, employee development should not be focused purely on the required job-related skills, but also on the development of soft skills.

It is important that **individual development plans** for promoting performance and development of both employee and company are implemented. This concerns, for example, the exchange of both internal and external expertise, by means of individual or collective training.

Within the context of **Werkbaar Werk** and the regulations regarding Employment Plans for older employees, WDP considers together with staff whose professional career is nearing its end, whether and how adjustment of the job content is necessary and possible.

Achievements in 2018

- After being recruited, **feedback moments** with both the HR department and the supervisor are organised for all employees, with attention being paid to job performance, the atmosphere within the team, operating resources, training and personal development. These feedback moments are organised formally once a year, but naturally everyone is given the opportunity to provide and receive feedback during regular informal consultations.
- **Individual training courses** (both internal and external) are provided according to the needs of the employee and the team, with each person being stimulated to share their knowledge within the framework of personal development but also with succession in mind.
- **Collective training courses** (both internal and external) are organised to share broad and interesting topics collectively on the one hand, and promote team spirit on the other. This is often done during a **learn@lunch.** In the past year the topics discussed included HSES in the workplace, a discussion of the annual and semi-annual figures and WDP's growth plan by the CEO and the CFO, and a discussion of the new flexible salary plan, which becomes effective in 2019, by SD Worx.
- The company also regularly provides **individual coaching programmes**, for example to develop specific competencies relating to technical or soft skills. In 2018 there were two such programmes.
- If necessary, an **on-the-job mentoring project** can be set up for a specific employee. This is always done on an ad hoc basis. Mentoring a new employee, for example, ensures that the employee is guided and becomes familiarised with regard to all aspects of the job by one or more colleagues who will look after them for a specific induction period.

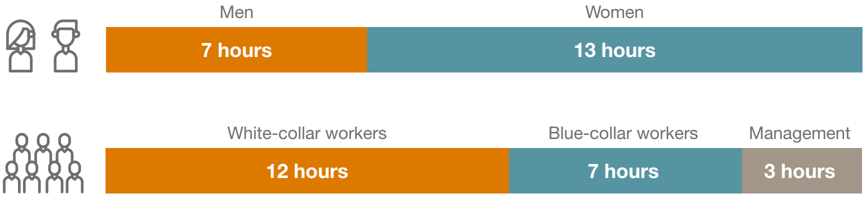
"This mentoring project allowed me to start my new job off with ease, making me feel really good in my new position. Employee well-being is a real priority at WDP!"

NICOLA PIACENTINO
PROJECT MANAGER WDP

- A programme was drafted within the context of **Werkbaar Werk** and the regulations regarding **Employment plans for older staff**.

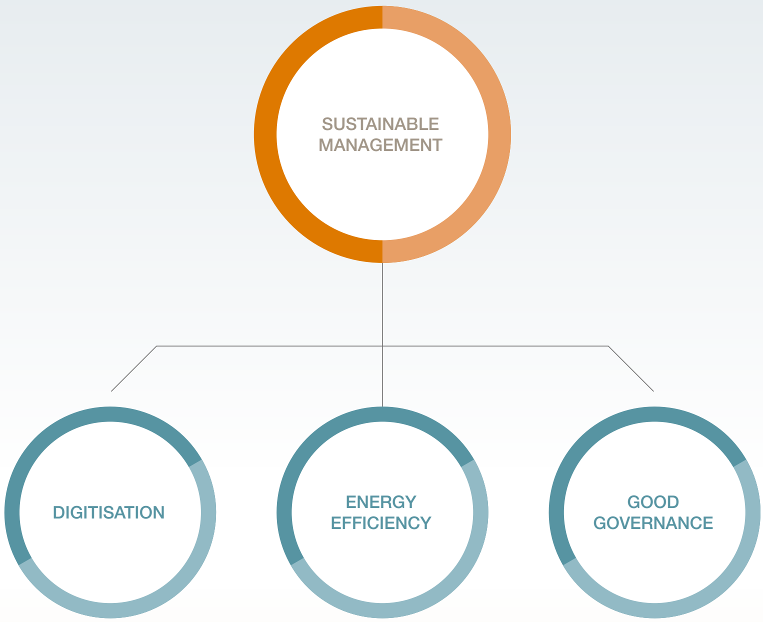
EPRA key performance indicators

Average number of hours of training



100%
Feedback moments

3. Sustainable management



THIS IS HOW WDP SUPPORTS THE UN'S SDGS

WDP's sustainable management aims for added value for all its stakeholders. Sustainable management makes the company more efficient, innovative and transparent, contributes to greater client satisfaction and has a more positive impact on people and the environment.

1. Digitisation

The integration of new digital technologies should lead to an improvement of the **corporate processes**, the optimisation of the cooperation between the different teams across the different countries, as well as the quality and service for all stakeholders. It is important that each project is consistently based on the most efficient approach, supported by new or existing **innovative digital tools** that offer added value to both employee and client.

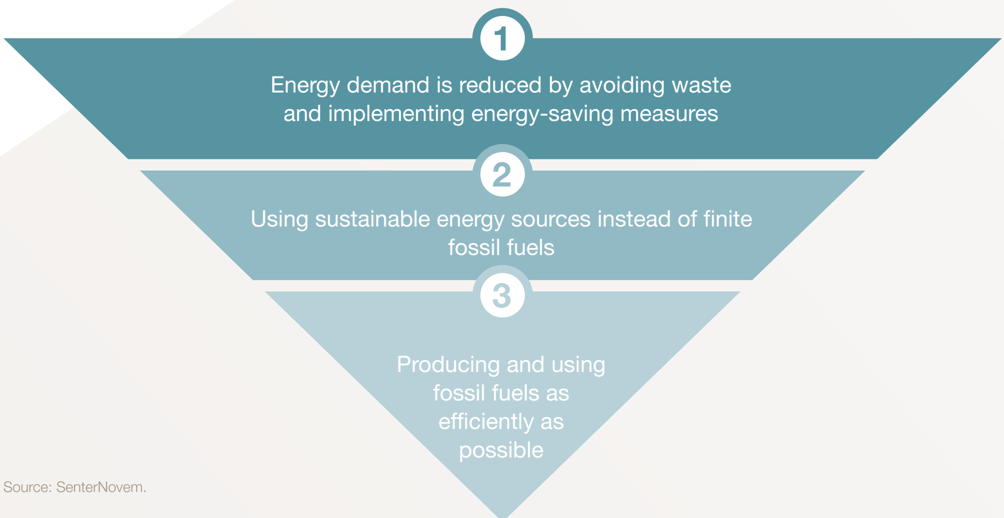
Achievements in 2018

- SAP: given the recent full consolidation and growth of the Romanian entity, these activities were also prepared for **integration into the SAP platform** in the course of 2018. This integration was completed at the beginning of 2019.
- Intranet: in order to streamline internal communication and centralise all information and documents that are available to and useful for all staff, an internal WDP website was set up: **WDP Connect!**.
- Optimisation of IT park: in 2018 efforts were made to optimise the **security of the IT systems** within the entire WDP group, in order to be protected against phishing and other forms of hacking. Furthermore, an action plan was drawn up to promote **data integrity and data security**. This has increased the security of data of clients and other stakeholders and data confidentiality within the company. Moreover, IT support was centralised and streamlined across the national borders.

2. Energy efficiency

It is WDP's ambition to evolve to **CO_2 neutrality** in the medium term, on the basis of a strategy of reduction and compensation of energy consumption. WDP refers to the recognised Trias Energetica model for this purpose. In addition to measures for the reduction of its CO_2 emissions, WDP has opted for offsetting the CO_2 emissions that nevertheless still take place by investing in renewable energy sources that generate an equivalent amount of energy, and thereby compensate for these emissions.

TRIAS ENERGETICA:
THE MOST SUSTAINABLE ENERGY IS THE ENERGY YOU SAVE



Source: SenterNovem.

Achievements in 2018

New solar panels in 2018

8 buildings

6.13 MWp

1,762 families per year

1,002 tCO_2 prevented

Green electricity

6,619 tCO_2 prevented

Innovation

Charging points for electric vehicles

Relighting

Multimodal locations

Optimisation of sustainability

Energy monitoring

Achievements in 2018

Reducing demand

I. Energy-efficient design and construction

Energy-efficient design and construction of a building is vital to reducing energy demands within the building. The key challenge in this matter is reconciling energy efficiency with stakeholders' financial interests. A low investment cost for building projects inevitably leads to compromises when choosing a design and technical facilities. Such choices also have an impact on the energy efficiency and comfort of users.

The concept of Total Cost of Ownership (TCO) is a powerful approach to stimulate long-term thinking and sustainable development. If the costs of natural resource consumption and building user comfort are added to the equation, the apparent optimum of low investment cost buildings often turns out to have less value for stakeholders: clients are confronted with higher utility costs and therefore a higher TCO. Reletting a low-standard building in the future can also be much more difficult. As the end-investor – and developer for its own account – WDP therefore invests in sustainable buildings. This emphasises the company's long-term vision.

The programme of requirements for a standard WDP new-build warehouse is discussed, tested and updated in accordance with new standards annually. This programme applies to all WDP entities, always with due regard to local regulations. In 2018 the following additional measures were included:

- The new-build warehouses that are developed are equipped as standard with **energy-efficient LED lighting**. When the lighting is linked to motion detectors via a dimmer, energy is used even more efficiently.
- From now on, a new-build warehouse environment will be fitted as standard for the implementation of **charging points for electric vehicles**.
- The design of a new-build warehouse will take into account the option of fitting solar panels in the calculation of the **roof stability**.

II. Efficient energy use

Energy monitoring system for the entire property portfolio

WDP and nanoGrid, a specialist in energy control, have signed an agreement for equipping all WDP warehouses with an energy management system. This energy monitoring system can optimise client consumption, providing savings on energy bills and thus also contributing towards a more sustainable property portfolio.

The **implementation of this energy system** takes place in phases. In 2018 the **first phase**, the installation of the hardware in all buildings in the portfolio, was completed. This means that as of 2019, data on the energy consumption of the clients in all warehouses can be collected, which followed by the possible optimisation of energy consumption on that basis, in cooperation with the client and on the basis of further monitoring. The results of the measurements later in this chapter therefore should be interpreted within the context of this transition year.

Technologies for optimisation

WDP considers along with the client how the existing technologies in the building can optimise energy consumption. This can lead, for example, to ad hoc air-conditioning systems being upgraded and existing office spaces being renovated to aim for a better EPC value.

Renewable energy

I. Solar energy

Logistics warehouses are perfectly suited for the installation of solar panels, as they are equipped with large flat roofs upon which solar panels can easily be installed without imposing aesthetic damage to local communities. This reduces the "not in my backyard" (NIMBY) effect and even encourages local support where communities can have access to locally produced green energy.

Thanks to their scale, solar panels are perfectly in line with decentralised energy production. This decentralised approach ensures more continuity and availability of energy in a specific region without burdening the network. Moreover, clients can consume locally produced green energy.

Installed capacity as at 31 DEC. 2018

WDP aspires to an installed capacity of approximately **100 MWp in solar panels** in the medium term. It has installed solar panels on the roofs of its warehouses and on available land since 2008. In the Netherlands, WDP is currently installing an additional capacity of 25 MWp. WDP also has the ambition to double the existing capacity in Flanders and has started the initial installation of 10 MWp of extra capacity. The total solar installation already completed (installed capacity of 60 MWp as at 31 December 2018) prevented 12,121 tCO_2 in emissions in 2018.

II. Green electricity

All WDP electricity contracts are green electricity contracts. This implies the **avoidance in the total CO_2 emissions** for WDP in 2018 of an estimated 6,619 tCO_2 in comparison with grey power.

III. Heat pumps

Heat pumps are a technology that heats or cools buildings by extracting energy from the air (air source heat pumps) or the ground (geothermal heat pumps). Along with the development of a new-build warehouse, the relevance of installing a heat pump is investigated. Geothermal heat pumps have been installed in the buildings in Nieuwegein, Zwolle and Helmond in the Netherlands and the WDP offices in Meise (Wolvertem).

IV. Heating network

The WDP offices in Breda are heated by the municipal DH&C (District Heating and Cooling) heating network.

Use of fossil fuels

In case the consumption of fossil fuels is necessary, WDP ensures that it does so as efficiently as possible. As mentioned earlier, WDP strives to keep energy consumption of its corporate offices and clients to a minimum. Technological progress in the field is monitored closely so that the company can install contemporary technology in its warehouses.

Waste recycling

- WDP encourages its clients to sort and reduce their waste.
- When building new warehouses, WDP takes waste processing into account: waste is separated into different streams that are processed by certified waste management companies. WDP also strives to reuse the waste at the building site as much as possible (circular breakdown). The use of prefab structures also ensures a reduction in the volume of waste on construction sites.

Certification

I. BREEAM

13 WDP buildings are now BREEAM-certified. BREEAM (Building Research Establishment Environmental Assessment Method) is a method for certifying the sustainability of buildings throughout their life-cycle. Its multi-criteria approach distinguishes BREEAM from other methods. The building certification process evaluates land use, environmental aspects, the building process, water consumption, waste, contaminations, transport, equipment and materials, health and comfort, alongside energy consumption. However, WDP has found that it is becoming increasingly difficult to convince clients to participate in this certification process. It is not so much that they are no longer convinced of the usefulness of the implementation of sustainable measures – to the contrary. Clients, however, are reluctant because of the costs of the effective certification of the property and would rather invest in an additional sustainable measure in the building itself. Only one new building was therefore BREEAM certified in 2018. Naturally, all new-build projects are completed as energy efficient as possible, separately from the certification process.

II. Energy class of WDP's corporate offices

The WDP office in the Netherlands has **Energy Label A**, the highest classification.

Multimodal solution for logistics

The environmental impact through natural resource consumption of buildings is only a small portion of supply chain and logistics environmental impact. With 3 billion new middle-class consumers by 2050, products will increasingly need to be transported. Logistics can be a powerful tool to reduce this burden on the planet as much as possible.

WDP is convinced of the fact that the future of logistics is multimodal. The company wishes to generate added value by creating synergies between clients, regions, cities, ports, public services and others to achieve smart logistics (including tri-modality and bundling). WDP positions its warehouses strategically where a connection between road, ship, rail and air transport can be and already have been established. Modes can compete or complement one another in terms of cost, speed, accessibility, frequency, safety and comfort.

In September 2018 WDA committed to participating in **R!SULT (Responsive Sustainable Urban Logistics),** a project in cooperation with the Flanders Institute for Logistics and Flanders Innovation & Entrepreneurship. The objective of this project is to prepare and validate a multi-use generic logistics concept for an optimum city supply system. This is achieved by means of the smart use and combination of means of transport and providing and using stockage and cross-dock capacity (micro-warehouses) in the city. The aim is to arrive at a model for both sustainable and economical city logistics, which is advantageous for all stakeholders (producer, city, logistics service provider, trader and citizen).

Charging points for electric vehicles

WDP's corporate offices in Meise (Wolvertem) in Belgium and Breda in the Netherlands have been fitted with charging points for electric vehicles. Moreover, WDP examines, together with the client, the implementation of such charging points at the buildings in its property portfolio. As of 2018, WDP's new-build warehouse environment will be prepared standard for the implementation of charging points for electric vehicles.

Optimisation of energy consumption

WDP considers together with the client how the existing technologies in the building can optimise energy consumption. This can lead, for example, to ad hoc air-conditioning systems being upgraded and existing office spaces being renovated to aim for a better EPC value.

New lighting technologies

Energy consumption is also contained by the installation of LED lighting. WDP fits its new-build warehouses with such lighting as standard. For the existing buildings, a relighting programme has been set up, where the existing lighting is replaced with more energy-efficient (LED) lighting.

In the course of 2018, eight WDP sites, with a total surface area of more than 190,000 m^2, were fitted with more energy-efficient lighting.

Overall, almost 17% of the buildings were fitted with LED lighting by the end of 2018. It is anticipated that this will be expanded even further to 25% of the property portfolio throughout the course of 2019.

Green financing

I. Green Finance Framework

In 2018, WDP drew up a **Green Finance Framework** that provides clear, transparent insight into the criteria that facilitate investments in renewable energy projects, energy efficiency and ecologically sound measures for logistics property, in order to reduce CO_2 emissions and achieve a carbon-neutral environment.

This Green Finance Framework offers WDP a general framework for the issue of Green Bonds, Green Private Placements and/or Green (Syndicated) Loans. The independent non-profit research institute Centre for International Climate and Environmental Research (CICERO) has confirmed that this financing programme is in line with the Green Bond Principles. The eligible assets amount to 381 million euros, consisting of the BREEAM-certified buildings with at least a Very Good score and the solar panels. Green financing amounts to 175 million euros.

II. Green bond

In 2018 WDP, in association with MetLiife Investment Management, the institutional asset management company of MetLife Inc. (the investor), realised a successful US private placement for a total amount of 100 million euros. The coupons of 2.62% are green bonds with a maturity of 11 years.

This issue confirms WDP's commitment to sustainable development and strategy. The green bonds are issued under the Green Finance Framework.

The returns from these bonds will be used exclusively to finance or refinance relevant qualifying sustainable assets.

Environmental and energy performance

The data below is based on the data obtained from the sites where WDP has operational control, in particular where it is responsible for the payment of invoices from utilities. The consumption as such, however, is entirely the responsibility of the client. In 2018 the implementation of an energy control system was rolled out, involving in particular the installation of the hardware in all buildings in the property portfolio. This means that as of 2019, the energy consumption of the clients in all warehouses can be collected and monitored. Following this, WDP wishes to enter into a dialogue with the clients about the optimisation of energy consumption. The results below should therefore be interpreted in the context of this transition year.

No like-for-like figures were included for the WDP corporate offices, as these offices, mainly at the headquarters in Meise (Wolvertem), were expanded considerably. WDP is currently preparing a long-term plan for the further optimisation of energy consumption in the renovated and extended offices. For instance, in 2018, a geothermal heating system was commissioned. 2018 will therefore be taken as a benchmark year for the like-for-like analysis of the WDP corporate offices, and thus also may be regarded as a transition year.

Electricity consumption

Elec-Abs and Elec-LfL
on the basis of indicator GRI 302-1

The absolute figures in the graph are related to the electricity purchased from utility companies for leased properties which was charged on to the clients. Although all of this concerns green energy contracts, the aim should, nevertheless, be to reduce electricity consumption by any means.

WDP has found that electricity consumption of the buildings increased in 2018, partly due to the growth of the property portfolio, and partly on a like-for-like basis due to the higher average occupancy rate and increased investment in equipment for the users.

in kWh	2018	2017
WDP property portfolio		
Elec-Abs	24,444,433	21,753,644
Elec-LfL	18,372,132	17,049,091
WDP Corporate offices		
Elec-Abs	296,571	158,713
Elec-LfL	n.r.	139,813

Consumption of heating and cooling

DH&C-Abs (normalised) and DH&C-LfL (normalised)
on the basis of indicator GRI 302-1

This category of energy consumption is only applicable to the corporate offices, as not a single building in the property portfolio is connected to a heating or cooling network.

in kWh	2018	2017
WDP Corporate offices		
DH&C-Abs (normalised)	39,666	26,636
DH&C-LfL (normalised)	n.r.	12,124

Fuel consumption

Fuel-Abs (normalised) and Fuel-LfL (normalised)
on the basis of indicator GRI 302-1

The only fuel used in the buildings is natural gas. Natural gas is far less CO_2 intensive than other fossil fuels, and therefore has a positive impact on the portfolio's CO_2 footprint.

in kWh	2018	2017
WDP property portfolio		
Fuel-Abs (normalised)	25,420,448	25,657,365
Fuel-LfL (normalised)	19,472,272	20,829,444
WDP Corporate offices		
Fuel-Abs (normalised)	319,045	267,056
Fuel-LfL (normalised)	n.r.	267,056

Energy intensity of buildings
Energy-Int
on the basis of indicator GRI 302-3

in kWh/m²	2018	2017
WDP property portfolio		
Energy-Int	63	62
WDP Corporate offices		
Energy-Int	366	261

Direct greenhouse gases
GHG-Dir-Abs and GHG-Dir-LfL
on the basis of indicator GRI 305-1

These CO_2 emissions relate to the consumption of gas for heating purposes.

in tCO_2e	2018	2017
WDP property portfolio		
GHG-Dir-Abs	4,736	4,924
GHG-Dir-LfL	3,590	3,977
WDP Corporate offices		
GHG-Dir-Abs	68	60
GHG-Dir-LfL	n.r.	60

Indirect greenhouse gases
GHG-Indir-Abs and GHG-Indir-LfL
on the basis of indicator GRI 305-2

All buildings only have green energy. WDP therefore does not have any CO_2 emissions related to its power consumption, which implies an avoidance of 6,819 tCO_2in 2018.

in tCO_2e	2018	2017
WDP property portfolio		
GHG-Indir-Abs	0	0
GHG-Indir-LfL	0	0
WDP Corporate offices		
GHG-Indir-Abs	2.9	1.8
GHG-Indir-LfL	n.r.	0.8

Greenhouse gas intensity of buildings
GHG-Int
on the basis of indicator GRI 305-4

in $kgCO_2e/m^2$	2018	2017
WDP property portfolio		
GHG-Int	6.5	7.2
WDP Corporate offices		
GHG-Int	42.0	37.5

Water consumption
Water-Abs, Water-Lfl and Water-Int
on the basis of indicator GRI 303-1

	2018	2017
WDP property portfolio		
Water-Abs (in m³)	46,340	37,145
Water-Lfl (in m³)	22,338	23,715
Water-Int (in m³/m²)	0.08	0.11
WDP Corporate offices		
Water-Abs (in m³)	1,197	1,438
Water-Lfl (in m³)	n.r.	1,216
Water-Int (in m³/m²)	0.7	0.9

Certification
Cert-tot
on the basis of indicator CRE-8

	2018	2017
WDP property portfolio		
Cert-tot	13	12

3. Good governance

Doing business **honestly and correctly**, open communication and **transparent reporting** with regard to good governance guarantee responsible business practices. Therefore, WDP takes into consideration a good balance between the interests of the different stakeholders and the community.

Important in this respect is the development of a long-term vision that ensures sustainable employment practices and sustainable management, as is formulated and described in the defined focus themes. Such a vision guarantees increased, high-quality reporting with regard to good governance.

Achievements in 2018

- WDP applies the Belgian Corporate Governance Code as a reference code and has embedded the principles described in this in its company. The Corporate Governance Charter is available online. WDP reports on its business practices annually[1] in its **Corporate Governance Statement**.
- The code of conduct for financial transactions has been laid down in a separate business code (the **Dealing Code**). It sets out and explains the most important rules about market abuse. WDP's Dealing Code is updated regularly and is available online. In addition, all staff must comply with specific rules of conduct relating to confidentiality and corporate ethics.
- In May 2018, the EU General Data Protection Regulation (**GDPR**) entered into force. With this Regulation, Europe wishes to contribute to a higher level of protection of all individuals whose personal data is processed. WDP took a number of measures in 2018, including the further formalisation of the privacy policy for stakeholders, the amendment of internal procedures and the privacy settings on the website and the formation of an internal privacy

1 See Chapter *6.7. Management report – Corporate governance.*

team. The application of the GDPR must be fully integrated in every process (including process development and rollout), and will therefore be a continuous point for attention.

- In terms of **data security**, an additional investment was made in 2018 in the implementation of extra security systems (including anti-phishing, a malware filter and multi-factor authentication).
- The implementation of the **Sustainability Framework** in 2018 has laid the foundations for a long-term roadmap to be elaborated in 2019, which will set out and report the goals and achievements regarding WDP's corporate social responsibility.

Reporting and recognition

4. Sustainability report

1. Scope of WDP's sustainability report

WDP's report *Corporate Social Responsibility* forms part of the annual financial report and sets out the company's sustainability policy on the basis of comparable indicators and parameters.

The period covered by this report equals that of the annual financial report, in this case the financial year 2018. WDP annually publishes an update of its CSR activities in this report.

When the report states WDP, this refers to the entire group, including its subsidiaries.

This report is in keeping with WDP's strategy of open and transparent communication. In this way, the company wishes to create a clear picture of its sustainable activities in ecological, economic and social terms that are most relevant to the company and its stakeholders. This report gives a clear overview of both the strengths and the weaknesses for each of the defined material aspects, and thereby provides insight into the processes and performance aspects that require improvement.

2. WDP focus themes versus EPRA and GRI

Focus themes	EPRA indicator	GRI/CRESD			Perimeters within the organisation	Perimeters outside the organisation
		Standard disclosure	Category	Aspect		
Attraction and retention of talent	Emp-Turnover	401-1	Social	Employment	WDP group	-
	Emp-New Hires	401-1	Social	Employment	WDP group	-
	Diversity-Emp	405-1	Social	Diversity and equal opportunity	WDP group	-
	Diversity-Pay	405-2	Social	Diversity and equal opportunity	WDP group	-
Corporate culture	-	-	-	-	-	-
Employee development	Emp-Training	404-1	Social	Employment	WDP group	-
	Emp-Dev	404-3	Social	Training and education	WDP group	-
Good governance	EPRA Gov-Board	102-22	Economic	Governance	WDP group	All stakeholders
	EPRA Gov-Selec	102-24	Economic	Governance	WDP group	All stakeholders
	EPRA Gov-Col	102-25	Economic	Governance	WDP group	All stakeholders
	-	307-1	Economic	Environmental Compliance	WDP group	All stakeholders
	-	419-1	Economic	Socio-economic Compliance	WDP group	All stakeholders
Digitisation	-	-	-	-	-	-
Energy efficiency	Cert-Tot	CRE8	Environmental	Energy	WDP group	Customers
	Elec-Abs	302-1	Environmental	Energy	WDP group	Customers
	Elec-LfL	302-1	Environmental	Energy	WDP group	Customers
	DH&C-Abs	302-1	Environmental	Energy	WDP group	Customers
	DH&C-LfL	302-1	Environmental	Energy	WDP group	Customers
	Fuels-Abs	302-1	Environmental	Energy	WDP group	Customers
	Fuels-LfL	302-1	Environmental	Energy	WDP group	Customers
	Energy-Int	CRE1, 302-3	Environmental	Energy	WDP group	Customers
Health and safety	H&S-Emp	403-2	Social	Health and safety	WDP group	-
	H&S-Asset	416-1	Social	Health and safety	WDP group	Clients and suppliers
	H&S-Comp	416-2	Social	Health and safety	WDP group	Clients and suppliers

3. EPRA performance indicators

Methodology and assumptions

I. Methodology concerning the WDP property portfolio

The buildings that are part of the report represent an area of approximately 725,000 m² and are related to the properties where WDP has direct access to the data because of its responsibility for charging energy costs on to clients. This represents a coverage of between 18% and 19% of the total property portfolio. The data for the last quarter of the report year was not yet available at the time of publication of this sustainability report and therefore an extrapolation needed to be made. With regard to the like-for-like analysis, 2016 is considered the base year. The indicators below have been recalculated on the basis of the square metres for which WDP had environmental data in that base year.

Indicator	Performance measurement	Measuring unit	Description	Coverage	Extrapolation
Total surface		**m²**		**100% WDP property portfolio**	**n.a.**
Electricity	Absolute	MWh	Gross total	19%	Estimate of the missing months based on the monthly consumption of the previous year.
	Like-for-like		Constant perimeter		30% of the consumption has been extrapolated.
Fuel	Absolute gross	MWh	Gross total	18%	Estimate of the missing months based on the previous monthly consumption, taking the weather conditions into account (degree day method).
	Absolute normalised	nMWh	Normalised degree/day		34% of the consumption has been extrapolated.
	Like-for-Like normalised	nMWh	Constant perimeter		
Direct greenhouse gas emissions	Absolute	tCO_2e	Gross total	18%	Based on the above extrapolated consumption to have a full view on 2018.
	Like-for-like	tCO_2e	Constant perimeter		
Indirect greenhouse gas emissions	Absolute	tCO_2e	Gross total	22%	Based on the above extrapolated consumption (fuel and electricity) to have full insight into 2018.
	Like-for-like	tCO_2e	Constant perimeter		
Water	Absolute	m³	Gross total water	11%	Extrapolation to a 365-day period.
	Like-for-like	m³	Constant perimeter		

II. Methodology concerning the WDP corporate offices

Within the perimeter of this report, the WDP corporate offices are fully represented (100%). As the data for the final months of the reporting year was not yet available on publication, consumption in keeping with the measurements of the first months was calculated for the full year. The like-for-like analysis, this is not relevant, given that the offices – mainly the headquarters in Meise (Wolvertem) – were expanded considerably.

Indicator	Performance measurement	Measuring unit	Description	Coverage	Extrapolation
Total surface		m^2		**Wolvertem, Breda and Bucharest**	**n.a.**
Electricity	Absolute	MWh	Gross total	100%	Belgium: extrapolation for the month of December
	Like-for-like	MWh	Constant perimeter		n.r.
Fuel	Absolute gross	MWh	Gross total	100%	Belgium: extrapolation for the last two months
	Absolute normalised	nMWh	Normalised degree/day		Netherlands: no fuel consumption
	Absolute	tCO_2e	Gross total	100%	Based on the above extrapolated consumption (fuel and electricity) to have full insight into 2018.
Indirect greenhouse gas emissions	Absolute	tCO_2e	Gross total	100%	Based on the above extrapolated consumption (fuel and electricity) to have full insight into 2018.
	Like-for-like	tCO_2e	Constant perimeter		
Water	Absolute	m^3	Gross total water	100%	Belgium: the 2018 figures are based on consumption data from 2017.
	Like-for-like	m^3	Constant perimeter		The Netherlands: the 2018 figures are based on data from 2017 and extrapolated according to the change in surface area.

EPRA Table

For its report, WDP applies the standards for non-financial reporting as described in EPRA's *Best Practices Recommendations on Sustainability Reporting*. The table below shows an overview of the EPRA indicators used and their results for 2017 and 2018.

EPRA Sustainability Performance measurement	GRI Standards (CRESSD)-indicators	Measuring unit
Sustainability – Environmental indicators		
Elec-Abs	302-1	kWh per year
Elec-LfL	302-1	kWh per year
DH&C-Abs (normalised)	302-1	kWh per year
DH&C-LfL (normalised)	302-1	kWh per year
Fuels-Abs (normalised)	302-1	kWh per year
Fuels-LfL (normalised)	302-1	kWh per year
Energy-Int	302-3, CRE1	kWh/m²
GHG-Dir-Abs	305-1	annual tCO_2e
GHG-Indir-Abs	305-2	annual tCO_2e
GHG-Dir-LfL	305-1	annual tCO_2e
GHG-Indir-LfL	305-2	annual tCO_2e
GHG-Int	305-4, CRE3	$kgCO_2e/m^2$
	305-4, CRE3	tCO2e/FTE
Water-Abs	303-1	annual m³
Water-LfL	303-1	annual m³
Water-Int	CRE2	m³/m²
Waste-Abs	306-2	annual tonnes of residual waste
		annual tonnes of PMD
		annual tonnes of paper
		annual tonnes of organic material
Cert-Tot	CRE8	total number of BREEAM certificates
Sustainability – Social indicators		
Diversity-Emp	405-1	Gender diversity officer (%man/%woman) – entire WDP company
		– WDP management
Diversity-Pay	405-2	Gender pay gap ratio
Emp-Training	404-1	Training and development of employees (average number of hours)
Emp-Dev	404-3	Employee evaluations (%)
Emp-New hires	401-1	New staff (abs/%)
Emp-Turnover	401-1	Employee turnover (abs/%)
H&S-Emp	403-2	Workplace accidents (number of employees involved/total number of hours)
H&S-Emp	403-2	Incapacity for work (number of days when incapable of working/total number of hours)
H&S-Emp	403-2	Work-related deaths
H&S-Asset	416-1	Percentage of health and safety assessments
H&S-Comp	416-2	Incidents of non-compliance with regulations concerning health and safety impacts
Comty-Eng	413-1	Engagement with society
Gov-Board	102-22	Composition of the highest governing body
Gov-Selec	102-24	Procedure for nominating and selecting the highest governing body
Gov-Col	102-25	Procedure for managing conflicts of interest

1 At the time of publication of this report, not all data was available for the calculation of the indicators for the most recent reporting year. In this case, therefore, extrapolation was used. The data of the comparative reporting year has, however, become available. Thus, for that reporting year, the actual use of the buildings is taken into account.
2 All EPRA indicators marked with a ✔ were checked by certified Deloitte auditors in the context of a limited assurance, such in terms of the WDP property portfolio and the WDP corporate offices in scope for 2018.

	WDP property portfolio		WDP corporate offices		Scope for statutory auditor[2]
	2017[1]	2018	2017	2018	
	21,753,644	24,444,433	158,713	296,571	✔
	17,049,091	18,372,132	139,813	n.r.	✔
	n.a.	n.a.	26,636	39,666	✔
	n.a.	n.a.	12,124	n.r.	✔
	25,657,365	25,420,448	267,056	319,045	✔
	20,829,444	19,472,272	267,056	n.r.	✔
	62	63	261	366	✔
	4,924	4,736	60	68	✔
	0	0	1.8	2.9	✔
	3,977	3,590	60	n.r.	✔
	0	0	0.8	n.r.	✔
	7.2	6.5	37.5	42.0	✔
	n.a.	n.a.	0.9		✔
	37,145	46,340	1,438	1,197	✔
	23,715	22,338	1,216	n.r.	✔
	0.11	0.08	0.9	31.5	✔
	n.a.	n.a.	30	30	✔
	n.a.	n.a.	0.3	0.3	✔
	n.a.	n.a.	45	47.2	✔
	n.a.	n.a.	1.7	1.8	✔
	12	13	-	-	✔
			58/42	55/45	✔
			100/0	100/0	✔
			0.58	0.56	✔
			6.74	9.72	✔
			100%	100%	✔
			14/21%	12/15%	✔
			6/9.1%	4/5.5%	✔
			0.002%	0.000%	✔
			0.004%	0.000%	✔
			0	0	✔
			100%	100%	✔
			0	0	✔
			See 9.5. Corporate social responsibility – People	*See 6. Corporate social responsibility - Sustainable employment practices – Corporate culture*	✔
			See 6.7.4 Management report – Corporate governance – The Board of Directors of statutory manager De Pauw NV – Appointment of the director	*See 4.7.4 Management report – Corporate governance – The Board of Directors of statutory manager De Pauw NV – Appointment of the director*	✔
			See 6.7.4 Management report – Corporate governance – The Board of Directors of statutory manager De Pauw NV – Appointment of the director	*See 4.7.4 Management report – Corporate governance – The Board of Directors of statutory manager De Pauw NV – Appointment of the director*	✔
			See 6.7.9 Management report – Corporate governance - Conflicts of interest	*See 4.7.9 Management report – Corporate governance - Conflicts of interest*	✔

4. External verification of the report

Statutory auditor's report on the limited review performed on selected environmental, social and governance performance indicators published in the document *Annual report* of Warehouses De Pauw Comm. VA for the year ended 31 December 2018

To the board of directors

As statutory auditors we have been engaged to perform review procedures to express a limited assurance on selected environmental, social and governance performance indicators (the CSR Data) published in the document Annual report of Warehouses De Pauw Comm. VA for the year ended 31 December 2018 (the Document). The CSR Data have been defined following the Best Practices Recommendations of the *European Public Real Estate Association* (EPRA) regarding sustainable development reporting (*EPRA BPR on Sustainability Reporting, 3rd version*). The CSR Data are identified with the symbol ✔ in the Document.

The scope of our work has been limited to the CSR Data covering the year 2018 and includes only the environmental performance indicators of the buildings, the social and governance indicators retained within the reporting scope defined by Warehouses De Pauw Comm. VA.

As indicated in the annual report (reference to come), the reporting scope for environmental performance indicators covers only 725 000 m² or 18% of Warehouses De Pauw Comm. VA's property portfolio. The reporting scope for social and governance performance indicators covers the entire organisation Warehouses De Pauw Comm. VA.

The limited review was performed on the data gathered and retained in the reporting scope by Warehouses De Pauw Comm. VA. Our conclusion as formulated below covers therefore only these CSR Data and not all information included in the Document.

Responsibility of the board of directors

The board of directors of Warehouses De Pauw Comm. VA is responsible for the CSR Data and the references made to it presented in the Document as well as for the declaration that its reporting meets the requirements of the *EPRA BPR on Sustainability Reporting*.

This responsibility includes the selection and application of appropriate methods for the preparation of the CSR Data, for ensuring the reliability of the underlying information and for the use of assumptions and reasonable estimations. Furthermore, the board of directors is also responsible for the design, implementation and maintenance of systems and procedures relevant for the preparation of the CSR Data.

Nature and scope of work

Our responsibility is to express an independent conclusion on the CSR Data based on our limited review. Our assurance report has been made in accordance with the terms of our engagement letter.

We conducted our work in accordance with the international standard ISAE (International Standard on Assurance Engagements) 3000 (Revised)[1].

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the CSR Data do not contain material misstatements. These procedures are less profound than the procedures of a reasonable assurance engagement.

The scope of our work included, amongst others the following procedures:

- Assessing and testing the design and operating effectiveness of the systems and procedures used for data-gathering, processing, classification, consolidation and validation, and that for the methods used for calculating and estimating the 2018 CSR Data identified with the symbol ✔ in the table as mentioned in the Document;

1 ISAE 3000 (Revised) – Assurance engagements other than audits or reviews of historical information

- Conducting interviews with responsible officers;
- Examining, on a sample basis, internal and external supporting evidence and performing consistency checks on the consolidation of these CSR Data.

Conclusion

Based on our limited review, as described in this report, nothing has come to our attention that causes us to believe that the CSR Data related to Warehouses De Pauw Comm. VA identified with the symbol ✔ in the Document, has not been prepared, in all material respects, in accordance with *EPRA Best Practices Recommendations on Sustainability Reporting (3rd version)*.

Zaventem,

The statutory auditor
DELOITTE Bedrijfsrevisoren CVBA

Represented
by Kathleen De Brabander

7.
Shares and bonds

1. The share

1. Share price

In the first few months of 2018, the value of WDP shares went from 93.43 euros on 31 December 2017 to around 104 euros in May 2018 on payout of the dividend, then rose further to a closing price of 115.20 euros on 31 December 2018.

In this respect, WDP was once again able to build on its reputation and traditional strengths. First of all, it is important that potential investors and shareholders appreciate the added value that WDP offers. This includes our market leadership in logistics and semi-industrial properties in the Benelux region and the high degree of stability in generated earnings, combined with the growth plan. WDP is also a self-managed company, with management performed in-house for the sole benefit of its shareholders and other stakeholders. In addition, the property portfolio offers investors attractive economies of scale in specific regions, under one roof. Of course, the appealing dividend is a factor as well.

2. Velocity and liquidity

As a result of the capital increases for the optional dividend and the indirect contribution in kind in the autumn of 2018, as well as due to the strong share return in 2018, market capitalisation rose to over 2.7 billion euros by 31 December 2018.

The liquidity of WDP shares also continued to increase. In 2018, the average daily volume came to 2,543,078 euros (in 2017: 1,776,938 euros). Thus, the free float velocity – the number of shares traded per year, divided by the total number of free float shares at the end of the year – comes to 34.4%. WDP continues to strive to participate regularly in road shows and events for both institutional and private investors, in order to keep investors up-to-date with transparent information and further expand our investor base.

3. Long-term price trend and return

For 2018, the total return[1] of the WDP share amounted to +18,6%.

Data provided by EPRA further show that with a total annualised return of +10.9% – since the initial public offering at the end of June 1999 – WDP continues to outperform European property shares (+7.5%), eurozone property shares (+9.2%) and Belgian property shares (+7.6%).

WDP continues to strive to generate a robust cash flow as a basis for an attractive dividend. The GVV/SIR also firmly believes that the quality of the property portfolio and the tenants, and the fact that attractive dividends are paid out year after year, continue to present a positive outlook for the future.

4. WDP in BEL 20

Since 18 March 2019, WDP has been part of the BEL 20 index. The BEL 20 index is the leading share index of Euronext Brussels and comprises Belgian companies listed on the Brussels exchange with the largest free float market capitalisation, with shares of adequate liquidity.

1 The return on a share over a specific period is equal to the gross yield. This gross yield is the sum of the following components:
- the difference between the share price at the end and at the start of the period;
- the gross dividend (i.e. the dividend before deduction of the advance levy);
- the gross yield of the dividend obtained when it is reinvested in the same share.

Figures per share	31 DEC. 18	31 DEC. 17	31 DEC. 16
Number of shares in circulation at closing date	23,061,390	22,009,277	21,326,043
Free float	75%	75%	74%
Market capitalisation (in euros)	2,656,672,128	2,056,326,750	1,810,367,790
Traded volume in shares per year	5,949,511	4,990,398	5,456,690
Average daily volume (in euros)	2,543,078	1,776,938	1,749,796
Free float velocity[1]	34.4%	30.4%	34.5%
Share price during the year			
- highest	124.00	98.04	93.87
- lowest	93.30	82.09	69.85
- closing	115.20	93.43	84.89
IFRS NAV[2] (in euros)	68.5	56.3	48.4
EPRA NAV[3] (in euros)	71.2	58.3	51.2
Dividend payout ratio	82%	82%	90%
EPRA Earnings per share[4] (in euros)	6.00	5.60	5.30
EPRA Earnings per share[5] (in euros)	5.83	5.52	4.72
Gross dividend/share (in euros)	4.80	4.50	4.26
Net dividend/share (in euros)	3.36	3.15	2.98
Advance levy	30%	30%	30%

1 The number of shares traded per year, divided by the total number of free float shares at the end of the year.

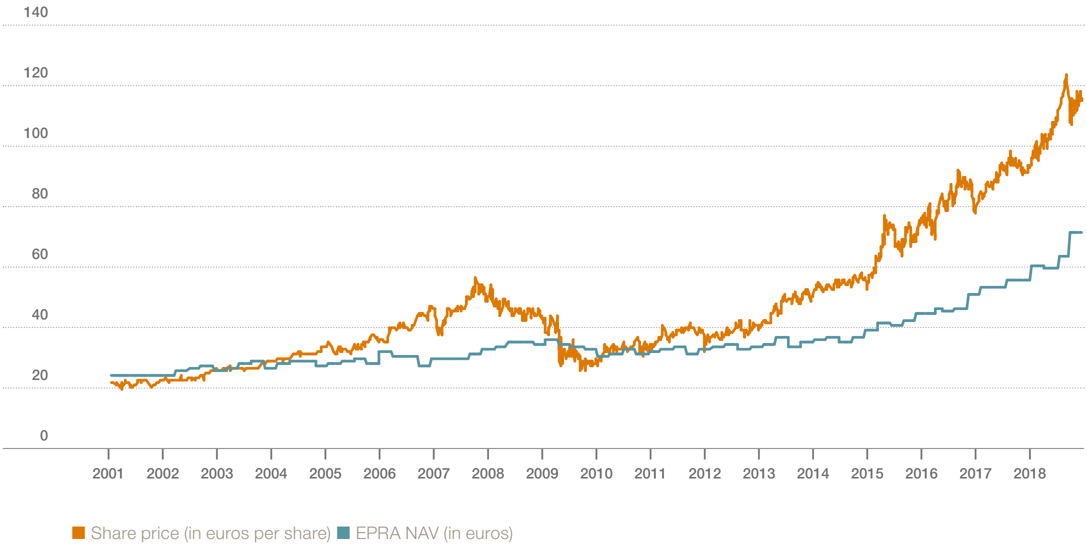
2 IFRS NAV: the IFRS NAV is calculated by dividing the shareholders' equity as per IFRS by the total number of dividend-entitled shares on the balance sheet date. This is the net value per share according to GVV/SIR legislation.

3 ◤EPRA NAV: this is the NAV that was adjusted to include properties and other investments at their fair value and exclude certain line items that are not expected to take shape in a business model with investment properties over the long term. See also www.epra.com.

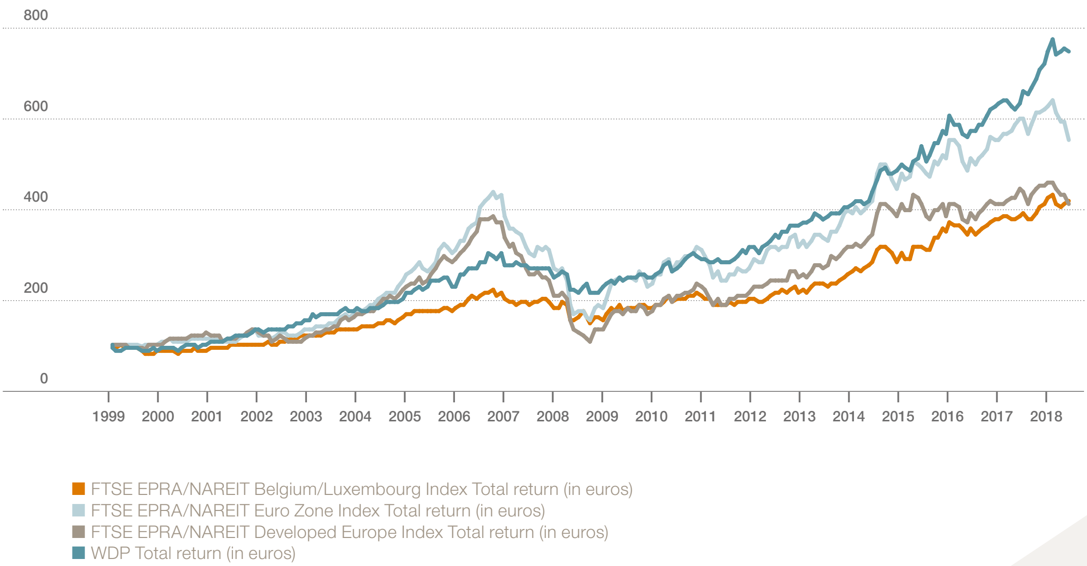
4 Based on the weighted average number of shares (23,061,390).

5 Based on the number of shares entitled to dividend.

Share price versus EPRA NAV



WDP share return versus EPRA indexes



2. Bonds

WDP also makes use of the capital market to finance its investment projects. This financing broke down as follows as at 31 December 2018:

Issuer	ISIN-code	Nominal amount (in million euros)	Duration (in years)	Maturity date	Coupon	Issue price	Indicative price as at 31 DEC. 2018
Listed bonds							
WDP Comm. VA	BE0002248178	37.1	10	01 April 2026	2.50%	100.00%	99.84%
WDP Comm. VA	BE0002249184	22.9	10	01 April 2026	Euribor 3M + 2.00%	100.00%	98.64%
WDP Comm. VA	BE0002234038	54.4	7	02 July 2022	2.50%	99.36%	101.21%
WDP Comm. VA	BE0002235043	37.8	7	02 July 2022	Euribor 6M + 1.75%	100.00%	98.63%
WDP Comm. VA	BE0002216829	125	7	13 June 2021	3.38%	101.88%	104.92%
WDP Comm. VA	BE0002192582	50	7	18 March 2020	3.80%	99.86%	102.75%
Non-listed bonds							
WDP Comm. VA	n.r.	100	11	29 March 2029	2.62%	100.00%	n.r.

3. Shareholding[2]

Shareholdings	Number of shares (declared)	Date of the declaration	(in %)
Free float	17,294,206		74.99%
BlackRock-related companies[1]	659,847	29.12.2016	2.86%
AXA Investment Managers S.A.[1]	676,998	02.11.2018	2.99%
Other shareholders below the threshold as per the Articles of Association[2]	15,957,361	04.12.2018	69.20%
Jos De Pauw family (reference shareholder)[3]	5,767,183	04.12.2018	25.01%
De Pauw NV[3]	1	04.12.2018	0.00%
Total number of shares	**23,061,390**		**100.00%**

1 The percentage is determined under the assumption that the total number of shares has not changed since its most recent declaration of transparency, and taking into account the total number of outstanding shares in WDP on 31 December 2018.

2 The number of publicly held shares was determined under the assumption that the total number of shares held by shareholders obligated to report major holdings by virtue of the Belgian Act of 2 May 2007 on disclosure of major holdings in issuers whose shares are admitted for trading on a regulated market and with various provisions has not changed since their most recent declaration of transparency.

3 On 26 October 2012, the reference shareholder, the Jos De Pauw family, assigned all of its shares, held in mutual concert, in joint ownership under the family company structure RTKA, which institutionalised the existing mutual concert. The holders of voting rights are the members of the Management Body of the management body RTKA, namely Robert, Tony, Kathleen and Anne De Pauw, to the exclusion of all other right holders in respect to the participation. The members of this administrative body act in mutual consultation with De Pauw NV, which is fully controlled by the members of the administrative body of management body RTKA. This table shows the reference shareholder's shareholding at present.

2 Situation based on transparency notifications received by 31 December 2018. Any reported changes may be viewed at www.wdp.eu.

4. Financial calendar

10 April 2019	Deadline for registering shares for participation in the Annual General Meeting on 24 April 2019
18 April 2019	Deadline to confirm participation in Annual General Meeting on 24 April 2019 (bank certificate / power of attorney)
24 April 2019	Annual General Meeting
24 April 2019	Publication of Q1 2019 results
25 April 2019	2018 ex-dividend date
26 April 2019	2018 dividend record date
31 July 2019	Publication of 2019 interim results and publication of 2019 Interim financial report
23 October 2019	Publication of Q3 2019 results
31 January 2020	Publication of 2019 annual results
29 April 2020	Annual General Meeting

The Board of Directors will set the dates for the registration period for the optional dividend, the Payment Date and for trading of new shares at its meeting on 24 April 2019.

For potential changes, please refer to the financial calendar at www.wdp.eu.

WDP
LISTED
EURONEXT

Euronext Brussels and Amsterdam
IPO: 28/06/1999
listing: continuous
ISIN code: BE0003763779

Liquidity provider: Kempen & Co and KBC Securities

8. Risk factors

The strategy of WDP is geared towards maximising stability for investors, both in terms of dividend and in terms of long-term income. The management and Board of Directors of WDP are aware of the specific risks associated with the management of a real estate portfolio, and strive for optimal management and control of these risks.

Below is an overview of the main risks facing the company, their potential impact and the strategy applied to mitigate any impact.[1]

The steps taken and the financial impact of these risks are further described in the separate chapters of the annual financial report.

1 The numbering under *Limiting factors and control* refers to the *Potential impact* in the next column.

Risk management

Market risks			
Description of risk	**Potential impact**	**Limiting factors and control**	
Economic downturn Substantial deterioration in the economic situation.	1. Decrease in demand for storage and distribution space. 2. Higher vacancy rates and/or lower rents on re-leasing. 3. Decrease in fair value of the property and liquidity, and consequently the NAV. 4. Potential tenant bankruptcy.	Long duration: leases of an average of 5.8 years[1] up to the first maturity date.	1/2/3
		Sector diversification of clients and a low average contractual rent.	4
		Quality of the lessee portfolio with primarily reputable national and international companies and a limited annual provision for dubious debt (average of approximately 0.31% of the rent per year over the last ten years).	1
		Excellent location of WDP properties, primarily in the strategic logistics corridor of Amsterdam-Rotterdam-Breda-Antwerp-Brussels-Lille, offering easy accessibility, proximity to consumers and high activity levels of logistics players thanks to its location in the hinterland of the ports serving as import and export gateways for Europe.	2/3
Rental market for logistics and semi-industrial property Lower demand for logistics and semi-industrial property, oversupply, deterioration in tenants' financial situation.	1. Rental income and cash flow affected by an increase in vacancy rates and costs of reletting. 2. Decrease in solvency in tenant portfolio and increase in doubtful debt, causing a decline in the collection rate for rental income. 3. Decline in fair value of property portfolio, and thus also in the NAV. 4. Inability to pre-lease projects, and to further develop and monetise land resources in the portfolio.	Diversified client base with a limit on the maximum exposure to any single tenant and a good spread of tenants across sectors (as well as tenants' clients, especially if they are third-party logistics service providers).	1/2
		Thorough integration in the market thanks to years of experience and in-house sales teams.	1/4
		Only sites in strategic logistics hubs or secondary locations with growth potential.	1/3/4
		High degree of structural quality and durability and compliance with statutory regulations and standards, promoting versatility and mixed use.	1/3
		Flexible real estate player that strives to meet the changing needs of clients.	1
		The land reserves only make up approx. 100 million euros in a portfolio of approx. 3.5 billion euros (including solar panels). This offers potential over the short and medium term to flexibly anticipate the needs of clients. Normally, speculative development is not practised.	4

1 Including solar panels.

Market risks			
Description of risk	**Potential impact**	**Limiting factors and control**	
Investment market for logistics and semi-industrial properties Reduced investor demand for property.	1. Decrease in fair value of property portfolio. 2. As a result: decrease in NAV and increase in gearing ratio.	Investment strategy aimed at high-quality buildings that generate stable long-term income, based on relatively low rents.	1/2
		Prudent management of the capital structure, to cope with any potential decline in the fair value of the property. The gearing ratio (proportional) comes to 51.8%, well below the legal limit of 65%.	2
		Geographic diversification of the portfolio, with over 85% of the portfolio (according to fair value) located in the stable and mature Western European markets.	1
		High percentage of land in the valuation of the property portfolio (30%), which has in the past been able to withstand decreases in value.	1
Interest rate volatility Sharp future fluctuations in the main short-term and/or long-term interest rates in the international financial markets.	1. Negative impact on the cost of financing and consequences on cash flow in the event of an interest rate increase. 2. Severe fluctuations in value of the financial instruments that serve to hedge debts. 3. Possible negative impact on NAV.	High degree of hedging against interest rate fluctuations with 91% of the debt covered by (i) fixed-interest financial debts and (ii) floating rate and subsequently hedged against fluctuations in the interest rate by derivatives (e.g. Interest Rate Swaps).	1
		Day-to-day monitoring of the interest rate trend and its impact on the effectiveness of the hedges.	1
		The fluctuations in fair value of the hedging instruments are a non-realised non-cash item (if the products are held until maturity and not settled prematurely).	2/3
Deflation A decrease in economic activity resulting in a general drop in prices.	1. Decline in rental income, due to, amongst others, downward pressure on market rents and reduced or negative indexing.	Clause in most leases that sets a lower limit on the level of the base rent or that states that no negative indexing can take place.	1
Financial markets Extreme volatility and uncertainty in international markets.	1. More difficult access to share markets to acquire new capital/ shareholders' equity and limited availability of debt financing with regard to existing and/or new loans. 2. Sharp fluctuations in share price. 3. Less liquidity available in the debt capital markets with regard to refinancing of the outstanding commercial paper programme and/or outstanding bond loans.	Extensive and frequent dialogue with capital markets and financial counterparties and transparent communication with clear targets.	1/2/3
		Strict monitoring and control of any risk which could negatively affect perceptions of the company by investors and financiers.	1/3
		Aim to build long-term relationships with financial partners and investors.	1/3
		Availability of unused credit facilities to cover the commercial paper programme.[2]	3

2 For further information, please refer to Chapter *4.4.2. Management Report – Management of financial resources – Debt structure.*

Operational risks			
Description of risk	**Potential impact**	**Limiting factors and control**	
Strategy Unsuitable policy decisions.	1. Failure to achieve revenue targets. 2. Pressure on stability of revenue flow (due to today's visibility due to the long-term lease agreements and interest rate hedges). 3. Property portfolio that is not adapted to market demand for logistics and semi-industrial properties.	Defining a clear investment strategy with a long-term vision and consistent management of the capital structure.	1/2/3
		Continuous monitoring of changes in economic, real estate and regulatory trends (with regard to tax law, company law, GVV/SIR regulations, etc.).	2/3
		Experience of the management and supervision by the Board of Directors.	3
Investments Economic, taxation and legal aspects with respect to acquisitions.	1. Inaccurate estimation of economic, tax and legal consequences of complex transactions, transfer of certain hidden liabilities in acquisitions and inadequately hedged contractual obligations. 2. Acquisition of buildings that do not meet the quality requirements of WDP. 3. Failure to achieve revenue targets.	Extensive economic, strategic and property analysis by the investment committee for every acquisition proposal.	2/3
		Extensive due diligence process covering property, economic, tax, legal, accounting and administrative aspects for every acquisition – combined with the use of specialised external consultants.	1/2/3
		Valuation of properties by an independent property expert, prior to acquisition.	3
Projects under development Risk specifically related to developments such as contractor solvency, obtaining required permits, etc.	1. Inability to obtain the required permits. 2. Significant delays resulting in loss of potential income. 3. Substantial overrun of investment budgets. 4. In the event of speculative developments: long-term vacancy. 5. Failure to achieve projected returns on developments.	Specialised in-house property development team and use of external consultants in order to hedge all risks.	1/2/3/5
		Strict monitoring of projects under development with the implementation of penalty clauses in the event of non-compliance with contracts by third parties.	2/3/5
		Use of well-established contractors with good solvency, who submit the required guarantees.	3/5
		Engagement to maintain a constructive dialogue with local decision-makers.	1
		In principle, no speculative developments are initiated. In other words, save for exceptions, projects are launched only if they are pre-let and fully financed and the required permits have been obtained.	4/5
Non-renewal or early termination of leases Termination of leases earlier than initially expected.	1. Higher vacancy rate, defrayment of costs typically charged to tenants (property tax, management costs, etc.) and commercial costs associated with reletting and/or downward adjustment of rents. 2. Decrease in revenue and cash flows.	Specialised in-house teams responsible for commercial management and facility management.	1
		Very extensive network in the logistics property market.	1
		Contractually required indemnity in the event of early termination of the lease.	1/2
		Preference for realistic rental levels and long-term leases.	1

Operational risks			
Description of risk	**Potential impact**	**Limiting factors and control**	
Vacancy Unexpected circumstances such as bankruptcies, relocations, resulting in vacancies.	1. Higher vacancy rate, defrayment of costs typically charged to tenants (property tax, management costs, etc.) and commercial costs associated with reletting. 2. Decline in fair value of the property, and thus also in the NAV.	Proactive in-house property management and marketing.	1
		Quality and versatility of buildings, which increases reletting potential.	1/2
		Preference for realistic rents and long-term leases with tenants, as reflected by the fact that approx. 90% of the leases up for renewal in the last five years, were renewed by the existing tenant.	1
Negative variations in the fair value of buildings Negative revaluation of the property portfolio.	1. Negative impact on the net result and NAV. 2. Negative change in debt ratio. 3. Total or partial inability to dividend distribution if the cumulative negative change in fair value should exceed the distributable reserves.	Independent experts assess the property portfolio quarterly to identify trends and to take proactive measures in a timely manner.	1/2
		Investment policy that focuses on high-quality property in strategic logistics hubs or secondary locations with growth potential.	1
		Highly diversified portfolio with a maximum risk per building of less than 5%.	1
		Prudent, clearly defined management of capital structures.	2
		Sufficient distributable reserves in the amount of 115 million euros (after payment of the proposed dividend for 2018).	3
Industry-specific risks Concentration of activities in the tenant portfolio.	1. Loss of results if a specific sector is affected by an economic downturn.	Strong sector diversification of the tenant base.[3]	1
Maintenance and repair Unexpected volatility in maintenance costs.	1. Decrease in revenues and cash flows. 2. Unexpected fluctuations in results.	Continuous inspection of the buildings by facility managers and commercial teams in their day-to-day interaction with clients.	1/2
		Stringent periodic maintenance policy that is managed within the company.	1
Building age and quality Risk of structural and technical deterioration in the building life cycles.	1. Building ageing affecting commercial attractiveness. 2. Loss of income and long periods with no returns on invested capital.	Regular update of investment plans for the portfolio, aiming to maintain the highest quality levels.	1/2
		Ad-hoc redevelopment and renovation of obsolete properties in addition to regular investments in quality and sustainability.	1
Destruction of buildings Destruction by fire, natural disasters, accidents, terrorism, etc.	1. Discontinuity in the use of the building. 2. Loss of rental income and potential loss of clients.	The insured value of the portfolio is based on the new build value, i.e. the cost of restoring the building to its original state, including architects' fees and any non-recoverable value-added tax.	1
		Loss of rental income due to temporary full or partial vacancy is also insured (loss of rental income for a maximum period of two years).	2

3 For further information, please refer to Chapter *5.1.4. Property Report – Discussion on the consolidated property portfolio – Rental situation of available buildings*.

Operational risks			
Description of risk	**Potential impact**	**Limiting factors and control**	
Concentration risk Risk of concentration of tenants or concentration of investments in one or more buildings.	1. Sharp decline in income and cash flows in the event of departure of a tenant. 2. Higher impact of decrease in fair value of the property resulting in a decrease in the NAV if investments are concentrated in one or more buildings. 3. Dependence on green energy certificates with respect to solar energy.	Highly diversified tenant base, where 7% of the revenue consists of revenue from solar panels, being distributed over multiple sites and the regulatory regimes of three countries (Belgium, the Netherlands and Romania).	1
		Furthermore, the largest tenants are spread over several buildings, various countries and different activities.	1
		Good property portfolio spread over more than hundred and eighty sites with the largest property representing less than 5% of the fair value of the portfolio.	2
		Constant monitoring of political decisions regarding green energy certificates at various legislative levels with a view to anticipating, reducing or avoiding a possible impact.	3
		Social importance of green energy as a mitigating factor.	3
Tenant solvency Risk of partial default of payment or bankruptcy of clients.	1. Sudden and unexpected decrease in rental income due to a decline in collections or occupancy rates. 2. Commercial costs of reletting for vacancies due to tenant insolvency.	Extensive tenant solvency check by external rating agency prior to inclusion in portfolio.	1
		Target for portfolio development through long-term contracts with first-rate stable, solvent tenants.	1
		Rent is payable in advance on a monthly, quarterly or (in exceptional cases) annual basis.	1
		Standard rent deposit covering at least three months, which is at the disposal of WDP (as owner).	1/2
Sustainability Requirement of energy efficient buildings.	1. High turnover of clients if buildings do not meet energy and CO_2 intensity limits and potential impact on rents. 2. Higher premium by investors due to poor or limited disclosure of energy performance and CO_2 footprint of the portfolio and the company as a whole.	Strong in-house expertise in technology and building development and redevelopment.	1
		Continuous investments in energy efficiency and renewable energy to limit the CO_2 footprint of the WDP Group.	1/2
		Continuous dialogue with investors and other stakeholders and reporting on sustainability through the EPRA sBPR.	2
		Qualitative and quantitative reporting regarding energy performance indicators in Chapter *6. Corporate social responsibility.*	2

Financial risks

Description of risk	Potential impact	Limiting factors and control	
Counterparty risk Insolvency/credit risk for financial partners.	1. Loss of deposits (with WDP as creditor). 2. Cancellation of existing credit lines, costs of restructuring of facilities if these are acquired from a different financier and risk of higher costs for the new loans (WDP as debtor).	Diversification of financing sources among different instruments and counterparties.	1/2
		Optimised financial position, with any cash surplus used to reduce financial liabilities, insofar as this surplus is not used for new investments.	1
Liquidity risk Unavailability of financing or term of financing options.	1. Inability to finance acquisitions or projects (both from shareholder's equity and from borrowing) or increased costs, resulting in a decrease in target profitability. 2. Unavailability of financial resources (via cash flow or available credit facilities) for payment of interest and operating expenses and for repayment of outstanding capital on loans and/or bonds on maturity date. 3. Increased cost of debt due to higher bank margins, resulting in an impact on result and cash flows. 4. Increased financing risk for part of the short-term debts (13% of the total liabilities), primarily commercial paper.	Conservative and prudent financing strategy with a balanced spread of maturity dates for debts maturing between 2019 and 2027, diversification of financing sources (66% through traditional loans and 34% via the capital market) and a large group of stable banking partners, with whom long-standing banking relationships exist.	1/3
		Maintenance of sufficient lines of credit to finance operating costs and planned investments. As at 31 December 2018, the total amount of undrawn and confirmed long-term credit facilities amounted to approx. 300 million euros.	1
		Continuous dialogue with investors and banking partners to build solid long-term relationships.	1/2/3
		The commercial paper is fully covered by the backup lines and unused credit facilities that serve as a guarantee for refinancing if the full placement or extension of the commercial paper proves impossible. Backup lines and unused credit facilities also need to be renewed periodically.	4
Cost of capital Combination of unfavourable changes in interest rate movements, increased risk premium in equity markets and/or increase in the cost of debt.	1. Substantial increase in weighted average cost of capital for the company (shareholders' equity and debt). 2. Impact on profitability of the company as a whole and on new investments.	Protection from interest rate rises through the use of hedging instruments, with 91% of the debt hedged[4]. If the rise in interest rates is the result of higher inflation, the indexation of rental income is also a mitigating factor.	1/2
		Continuous dialogue with investors and banking partners to build solid long-term relationships.	1/2
Budget Risk that financial results will deviate from predefined budget and statutory requirements.	1. Impact on company performance and non-compliance with certain requirements.	Quarterly update of the financial model with testing of assumptions and method of preparation and daily monitoring of parameters (economic, real estate, etc.) which may affect the result.	1

4 For a description of the hedging policy in general and during the relevant period, we refer to *4.4. Management of financial resources* and the explanatory notes *XIV. Financial instruments*.

Financial risks			
Description of risk	**Potential impact**	**Limiting factors and control**	
Use of derivatives Risks of using derivatives to hedge interest rate risk.	1. Complexity and volatility of the fair value of hedging instruments and thus also of the NAV published under IFRS. 2. Counterparty risk with respect to partners with whom derivatives have been concluded.	Fluctuations in the fair value of the hedging instruments relate to a non-realised non-cash item (if the products are held until the maturity date and not terminated prematurely) and are displayed separately in the analytical profit and loss account in order to improve readability.	1
		All derivatives are used solely for hedging purposes. No instruments are held for speculative use.	1
		Collaboration with leading financial institutions.	2
Covenants and statutory financial parameters Risk of non-compliance with requirements to meet specific financial parameters under credit agreements and the statutory regimes to which the company is subject.	1. Penalties and/or increased supervision from the regulator if certain statutory financial parameters are not met (such as compliance with the statutory gearing ratio stipulated in the Belgian Royal Decree on Regulated Real Estate Companies (the GVV/SIR KB)). 2. Possible cancellation of credit facilities and diminished confidence amongst investors and banks in the event of non-compliance with contractual covenants.	Prudent financial policy, including continuous monitoring in order to meet financial parameters such as a maximum gearing ratio of 65% and a minimum Interest Coverage Ratio of 1.5x.	1/2
		Under Article 24 of the GVV/SIR-Royal Decree on of 13 July 2014, WDP draws up a financial plan (with a (proportional) gearing ratio of 51.8% as at 31 December 2018).[5]	1
Exchange rate risk Risk of currency fluctuations with respect to operations conducted outside the euro zone.	1. Decrease in revenues and cash flows. 2. Decrease in value of investments.	WDP operates primarily within the euro zone.	1/2
		For activities deployed outside of the euro zone (Romania), the euro is the functional currency and the impact of exchange rate fluctuations (realised or due to conversion effects) is not substantial.	1/2

5 For further details on the projected changes in the gearing ratio and financial plan, please refer to explanatory note *XXI. Calculation of the gearing ratio and explanatory note regarding changes of the gearing ratio*.

Regulatory risks and other risks			
Description of risk	Potential impact	Limiting factors and control	
Regulatory framework for GVV/SIR[6] Non-compliance or amendment of the rules required by the tax-transparent regime used for the Belgian operations.	1. Loss of fiscal status and associated compulsory repayment of certain loans and/or bonds. 2. Negative impact on the results or the NAV in the event of changes in the regime.	Continuous monitoring of statutory requirements and compliance with these, assisted by specialist external consultants.	1/2
		Intensive dialogue with the regulator as part of the prudential regulation of GVVs/SIRs.	1/2
		Representation of the company in organisations that represent the GVV/SIR industry.	1/2
		Intensive dialogue and further expansion of long-term relationships with financial counterparties for the credit supply.	1/2
Regulatory framework for fiscal investment institution (FBI)[7] Non-compliance or amendment of the rules required by the fiscally transparent regime used for the Dutch operations.	1. Loss of tax status and associated compulsory repayment of certain loans.[7] 2. Negative impact on the results or the NAV in the event of changes in the regime.	Continuous monitoring of statutory requirements and compliance with these, assisted by specialist external consultants.	1/2
		Intensive dialogue and further expansion of long-term relationships with financial counterparties for the credit supply.	1/2
Regulatory framework for SIIC[7] Non-compliance or amendment of the rules required by the tax-transparent regime used for the French operations.	1. Loss of financial status after failure to meet the rules. 2. Negative impact on the results or the NAV in the event of changes in the regime.	Continuous monitoring of statutory requirements and compliance with these, assisted by specialist external consultants.	1/2
		Intensive dialogue and further expansion of long-term relationships with financial counterparties for the credit supply.	1/2
Changes in the regulatory framework within which the company operates Possible negative impact of translating new EU regulations in Belgian law.	1. Negative impact on business, the result, profitability, financial situation and outlook. 2. Negative impact on current operating model.	Continuous monitoring of statutory requirements and compliance with these, assisted by specialist external consultants.	1/2
Changes in international accounting rules Changes to international financial reporting standards (IFRS).	1. Potential impact on reporting, capital requirements, use of derivatives and organisation of the company. 2. Consequential impact on transparency, returns on investment and possibly also valuation.	Continuous assessment of and possible anticipation to changes in statutory requirements and compliance, assisted by specialised external consultants, and gathering of advice from industry organisations.	1/2
Urban planning legislation Regulatory changes implemented by public and/or administrative authorities.	1. Adverse impact on options for profiting from buildings, on rental income and reletting potential and increased costs for maintaining operational condition. 2. Decline in fair value of property portfolio, and consequently the NAV. 3. Delay of development and/or renovation projects.	Continuous assessment of and possible anticipation to changes in statutory requirements and compliance, assisted by specialised external consultants, and gathering of advice from industry organisations.	1/2/3

Regulatory risks and other risks			
Description of risk	**Potential impact**	**Limiting factors and control**	
Environmental law Regulatory changes implemented by public and/or administrative authorities.	1. Negative impact on usability of the buildings, affecting rental income and reletting potential and increased costs for maintaining operational condition. 2. Decline in fair value of property portfolio, and consequently in the NAV. 3. Delay of development and/or renovation projects.	Continuous assessment of and possible anticipation to changes in statutory requirements and compliance, assisted by specialised external consultants, and gathering of advice from industry organisations.	1/2/3
Expropriation risk Expropriation as part of public expropriations by competent government agencies.	1. Loss in investment value and compulsory sale at a loss. 2. Loss of income due to lack of reinvestment opportunities	Continuous evaluation of zoning plans, assisted by specialist external consultants and, in this case, dialogue with the government in order to develop constructive solutions in the interest of all stakeholders.	1/2
Transactions Complexity of acquisitions and divestments.	1. Transaction of certain inaccurately assessed risks, affecting the company's profitability or financial situation.	Extensive due diligence covering property, economic, tax, legal, accounting and administration aspects as part of all acquisitions – together with the use of specialised external consultants.	1
Human resources Turnover of key employees.	1. Negative impact on existing business partners. 2. Reputational damage in relation to stakeholders. 3. Loss of decisiveness and efficiency in the management decision process.	Competitive pay package for employees.	1
		Clear and consistent procedures in order to ensure continuity.	1/2/3
		Working in teams to ensure that individuals are not solely responsible for important and strategic tasks.	1/2/3
Politics Various decisions made by regional, national or European policy authorities, such as on taxation or subsidy legislation.	1. Dependent on the area in which any decision is taken, it can negatively impact the company's results (e.g. its tax situation), planned investments, strategy or targets. 2. Changes in the regulatory framework for solar energy subsidies and/or new levies on renewable energy. 3. Potential impact of Brexit on clients of WDP and on their demand for warehouse space.	Continuous monitoring of the political decisions made at the various regulatory levels, making it possible to anticipate, reduce or avoid a possible impact.	1/2
		Importance of realising climate objectives.	2
		Activities by WDP's clients are mainly geared towards local consumption, national supplies and/or pan-European distribution, with only limited exposure to the UK.	3

6 For more specific information, please refer to Chapter *11. General information on REIT status.*

7 Refer to *4.3.7 Management Report – Transactions and realisations – Changes in policy regarding the Dutch REIT status.*

Regulatory risks and other risks			
Description of risk	Potential impact	Limiting factors and control	
Potential changes to regulations New legislation and regulations could enter into force or possible amendments to existing legislation and regulations[8] or their interpretation and application by agencies (including the tax administration) or courts.	1. Negative impact on business, the result, profitability, financial situation and outlook.	Constant monitoring of existing and future legislation, regulations and requirements and related compliance, assisted by specialised external advisers.	1
Corporate social responsibility Risk of inadequate transparency and ethical conduct in the decisions and activities that affect society, the environment, the policy and/or company employees, or limited relevant reporting.	1. Negative impact on the future-proofness of the company and its activities. 2. More difficult access to the share and debt capital market due to negative ratings from ratings agencies and other parties.	WDP sustainability framework that meets current ESG demands and permeates the entire organisation.	1/2
		Continuous evaluation by the company of its sustainability framework.	1/2
		Transparent and comparable reporting of relevant metrics.	1/2
		Continuous monitoring of existing, potentially amended or future legislation, regulations and requirements and compliance, possibly assisted by specialised external advisers.	1/2

Readers should note that these risks are constantly reassessed and that new risks may be identified. Consequently, this is a non-exhaustive list based on information available on the publication date of this report.

Please also note that risk management within WDP is not performed at a specific frequency, but rather constitutes an integral part of the company's business operations. This ranges from day-to-day financial and operational management, the analysis of new investment cases and the formulation of the strategy and objectives to the implementation of tight decision-making procedures. Understanding and hedging risks ensuing from internal and external factors is vital to achieving stable and long-term return.

8 Such as existing practices of the tax administration, such as those referred to in Circular Ci.RH.423/567.729 of 23 December 2004 of the Belgian Ministry of Finance on calculation of the exit tax, which states that the actual/fair value of immovable goods involved in calculation of the exit tax base is determined by applying the registration rights or VAT that would have applied to the sale of the immovable goods in question. This may differ from (and even be less than) the fair value of these assets as determined for IFRS purposes in the financial statements.

9. Financial statements

Contents

1. 2018 Annual consolidated financial statements

Profit and loss account

in euros (x 1,000)		Note	31 DEC. 18	31 DEC. 17
I.	Rental income		175,822	145,661
Rents		VIII	175,607	144,860
Indemnification related to early lease terminations			215	801
III.	Costs related to leases		-1,816	-1,286
Rent to be paid for leased premises			-1,389	-1,060
Impairments of trade receivables		XVI	-679	-525
Reversals of impairments of trade receivables		XVI	252	299
Net rental result			174,006	144,375
IV.	Recovery of property costs		0	0
V.	Recovery of rental charges and taxes normally paid by the tenant on let properties		10,978	9,239
Re-invoicing rental charges paid out by the owner			3,132	2,900
Re-invoicing advance property levy and taxes on let buildings			7,846	6,339
VI.	Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease		54	0
VII.	Rental charges and taxes normally paid by the tenant on leased properties		-13,175	-11,635
Rental charges paid out by the owner			-3,287	-3,030
Withholding levies and taxes on let buildings			-9,888	-8,605
VIII.	Other income and charges related to leases		16,061	12,513
Property management fees			963	986
Other operating income/costs			561	1,196
Income from solar energy		XIII	14,537	10,331
Property result		V	187,923	154,493
IX.	Technical costs		-4,059	-3,345
Recurrent technical costs			-4,309	-3,590
	- Repairs		-3,246	-2,756
	- Insurance premiums		-1,064	-834
Non-recurrent technical costs			250	245
	- Accidents		250	245
X.	Commercial costs		-831	-683
Agency commissions			-313	-389
Advertising			-352	-169
Lawyers' fees and legal charges			-167	-125
XII.	Property management costs		-1,381	-930
Fees paid to external managers			-249	-36
(Internal) property management costs			-1,132	-894
Property charges		V	-6,271	-4,959
Property operating results		V	181,652	149,534

XIV.	General company expenses		-10,097	-6,695
XV.	Other operating income and expenses (depreciation and write-downs on solar panels)		-4,937	-3,904
Operating result (before the result on the portfolio)		V	166,618	138,935
XVI.	Result on disposals of investment properties	IX	787	929
Net property sales (sales price – transaction costs)			33,718	15,352
Book value of properties sold			-32,931	-14,423
XVIII.	Changes in the fair value of investment properties	XII	213,811	94,763
Positive changes in the fair value of investment properties			246,366	111,030
Negative changes in the fair value of investment properties			-32,556	-16,267
Operating result			381,215	234,627
XX.	Financial income		324	3,268
Interests and dividends received			173	248
Other financial income			151	3,020
XXI.	Net interest charges		-32,517	-28,504
Interests on loans			-20,933	-15,891
Interest capitalised during construction			4,417	1,859
Cost of permitted hedging instruments			-14,787	-12,892
Other interest charges			-1,214	-1,580
XXII.	Other financial charges		-819	-498
Bank charges and other commissions			-48	-30
Other financial charges			-771	-467
XXIII.	Changes in the fair value of financial assets and liabilities	XIV	-9,027	16,470
Financial result		X	-42,039	-9,264
XXIV.	Share in the result of associated companies and joint ventures		466	10,803
Result before taxes			339,642	236,166
XXV.	Corporate tax		-5,796	-931
XXVI.	Exit tax		0	-79
Taxes		XI	-5,796	-1,010
Net result			333,846	235,156
Attributable to:				
	Minority interests		5,063	0
	Shareholders in the parent company		328,784	0

Statement of overall result

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
I. Net result	333,846	235,156
II. Other components in the overall result	3,876	3,734
G. Other components of the overall result, after tax	3,876	3,734
Revaluation of solar panels	3,876	3,305
Revaluation of solar panels in joint ventures	0	429
Overall income	337,722	238,890
Attributable to:		
Minority interests	4,847	0
Shareholders in the Group	332,875	238,890

Other components of comprehensive income

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
EPRA Earnings	134,359	121,421
Result on the portfolio (including share in the result of joint ventures) – Group share[1]	208,257	101,489
Changes in the fair value of financial assets and liabilities – Group share	-9,027	16,470
Depreciation and write-down on solar panels (including share in the result of joint ventures) – Group share	-4,805	-4,224
Net result (IFRS) – Group share	328,784	235,156

in euros (per share)[2]	31 DEC. 18	31 DEC. 17
EPRA Earnings	6.00	5.60
Result on the portfolio (including share in the result of joint ventures) – Group share[1]	9.31	4.68
Changes in the fair value of financial assets and liabilities – Group share	-0.40	0.76
Depreciation and write-down on solar panels (including share in the result of joint ventures) – Group share	-0.21	-0.19
Net result (IFRS) – Group share	14.69	10.84

in euros (per share) (diluted)[2]	31 DEC. 18	31 DEC. 17
EPRA Earnings	6.00	5.60
Result on the portfolio (including share in the result of joint ventures) – Group share[1]	9.31	4.68
Changes in the fair value of financial assets and liabilities – Group share	-0.40	0.76
Depreciation and write-down on solar panels (including share in the result of joint ventures) – Group share	-0.21	-0.19
Net result (IFRS) – Group share	14.69	10.84

1 Including deferred taxes on the portfolio result.

2 Calculated on the weighted average number of shares.

Balance sheet – Assets

in euros (x 1,000)		Note	31 DEC. 18	31 DEC. 17
I. Fixed assets			3,444,026	2,632,554
B.	Intangible fixed assets		252	146
C.	Investment properties	XII	3,299,864	2,404,027
	Property available for lease		3,036,204	2,246,312
	Property developments		158,202	78,821
	Other: land reserves		105,457	78,893
D.	Other tangible fixed assets	XIII	120,426	95,876
	Tangible fixed assets for own use		3,060	2,077
	Other: solar panels		117,366	93,799
E.	Financial fixed assets	XIV	7,877	97,469
	Assets at fair value through result		3,252	5,764
	Permitted hedging instruments		3,252	5,764
	Financial assets at amortised cost		4,625	91,705
	Other	XXV	4,625	91,705
G.	Trade receivables and other non-current assets	XIV	4,972	3,411
I.	Participation in associated companies and joint ventures	XVII	10,636	31,626
II. Current assets			39,307	42,745
A.	Assets held for sale		739	7,525
	Investment properties	XV	739	7,525
D.	Trade receivables	XIV, XVI	9,987	9,042
E.	Tax receivables and other current assets	XVIII	18,990	22,830
	Taxes		17,477	16,228
	Other		1,513	6,602
F.	Cash and cash equivalents	XIV	1,724	1,231
G.	Deferred charges and accrued income	XIV	7,867	2,116
Total assets			3,483,333	2,675,299

Balance sheet – Liabilities

in euros (x 1,000)		Note	31 DEC. 18	31 DEC. 17
Shareholders' equity			**1,610,516**	**1,238,439**
I.	**Shareholders' equity attributable to parent company shareholders**		**1,580,521**	**1,238,439**
A.	Capital	XIX	176,684	168,873
	Subscribed capital		184,952	176,514
	Costs of capital increase		-8,268	-7,641
B.	Issue premiums		646,286	545,154
C.	Reserves		428,767	289,256
D.	Net result for the financial year		328,784	235,156
II.	**Minority interests**		**29,994**	**0**
Liabilities			**1,872,817**	**1,436,860**
I.	**Non-current liabilities**		**1,577,336**	**1,158,293**
A.	Provisions	XX	359	655
	Other		359	655
B.	Non-current financial liabilities	XIV, XXI, XXII	1,476,586	1,108,966
	Credit institutions		1,046,974	776,872
	Other		429,613	332,094
C.	Other non-current financial liabilities	XIV	96,184	48,673
	Permitted hedging instruments		55,188	48,673
	Other non-current financial liabilities	XXIII	40,996	0
D.	Trade payables and other non-current liabilities		0	0
F.	Deferred taxes – Liabilities		4,207	0
II.	**Current liabilities**		**295,481**	**278,566**
B.	Current financial liabilities	XIV, XXI, XXII	221,165	240,849
	Credit institutions		219,123	238,903
	Other		2,042	1,946
C.	Other current financial liabilities	XIV	168	0
	Permitted hedging instruments		0	0
	Other current financial liabilities	XIV	168	0
D.	Trade payables and other current debts		47,314	22,774
	Exit tax		0	0
	Other		47,314	22,774
	Suppliers		43,421	21,508
	Tax, salary and social security		3,893	1,266
E.	Other current liabilities		7,724	1,549
	Other		7,724	1,549
F.	Accrued charges and deferred income	XIV	19,110	13,394
Total liabilities			**3,483,333**	**2,675,299**

Cash flow statement

in euros (x 1,000)		Note	31 DEC. 18	31 DEC. 17
Cash and cash equivalents, opening balance sheet			**1,231**	**340**
Net cash flows concerning operating activities			**177,676**	**129,016**
1.	**Cash flows concerning operations**		**178,398**	**132,262**
	Profit/loss from operating activities		371,835	261,402
	Profit for the financial year		333,846	235,156
	Interest charges	X	32,517	28,504
	Interest received	X	-324	-3,268
	Income tax	XI	5,796	1,010
	Adjustments to non-monetary items		-194,543	-108,956
	Depreciations and write-downs on fixed assets		5,823	4,364
	Impairments of trade receivables	XVI	427	486
	Carried interest charges		-1,209	-101
	Interest capitalised during construction	X	4,417	1,859
	Carried interest income		118	603
	Increase (+)/decrease (-) in provisions	XX	-296	-390
	Changes in the fair value of investment properties	XII	-213,811	-94,763
	Increase (+)/decrease (-) in deferred taxes		639	4,901
	Changes in fair value of financial derivatives	XIV	9,027	-16,470
	Share in the result of associated companies and joint ventures		-466	-10,374
	Increase(+)/decrease (-) in disposals	IX	787	929
	Increase (+)/decrease (-) in working capital requirements		1,107	-20,184
	Increase (+)/decrease (-) in assets		28,815	-20,642
	Increase (+)/decrease (-) in liabilities		-27,421	415
	Other		-287	43
2.	**Cash flows related to other business activities**		**-722**	**-3,246**
	Interest received classified by operating activities		205	2,665
	Tax paid/refunded		-927	-5,911
Net cash flows concerning investment activities			**-289,125**	**-351,553**
1.	**Acquisitions**		**-387,718**	**-289,864**
	Payments regarding acquisitions of real estate investments		-299,045	-278,253
	Payments regarding acquisitions of shares of real estate companies	XII	-79,756	0
	Purchase of other tangible and intangible fixed assets		-8,917	-11,611
2.	**Transfers**		**33,718**	**15,352**
	Receipts from the sale of investment properties		33,718	15,352
	Receipts from sale of shares in real estate companies		0	0
3.	**Debt and equity financing provided to joint ventures**		**64,874**	**-71,088**
	Financing provided to joint ventures	XXV	-8,126	-71,088
	Repayment of financing for joint ventures		73,000	0
4.	**Acquisition of a joint venture**		**0**	**-5,953**
Net cash flows concerning financing activities			**111,942**	**223,428**
1.	**Loan acquisition**	XXI, XXII	**473,964**	**484,604**
2.	**Loan repayment**	XXI, XXII	**-274,034**	**-180,724**
3.	**Interest paid**		**-35,725**	**-30,262**
4.	**Dividends paid**[1]		**-52,263**	**-50,190**
5.	**Capital increase**		**0**	**0**
Net increase (+)/decrease (-) in cash and cash equivalents			**493**	**891**
Cash and cash equivalents, closing balance			**1,724**	**1,231**

1 This is only the cash-out: after all, in 2018 and 2017, an optional dividend was offered, with 68% and 65% of the shareholders, respectively, opting for payout of the dividend in shares instead of cash.

2018 consolidated statement of changes in the shareholders' equity

in euros (x 1,000)	01 JAN. 18	Allocation of results from the 2017 financial year		
		Profit for the previous financial year	Transfer of result on portfolio and revaluation of subsidiaries	Transfer of changes in the fair value of financial instruments
A. Subscribed capital	**168,873**	**0**	**0**	**0**
Subscribed capital	176,514			
Costs of capital increase	-7,641			
B. Share premiums	**545,154**	**0**	**0**	**0**
C. Reserves	**289,256**	**235,156**	**0**	**0**
Statutory reserves (+)				
Reserves for the balance of changes in the fair value of the properties (+/-)				
Reserves for the balance of changes in the investment value of the properties (+/-)	295,099		117,523	
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment properties (-)	-88,045		-22,760	
Reserves for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS (+/-)	-59,379			16,470
Reserves for the balance of exchange rate differences for monetary assets and liabilities (+/-)	-184			
Reserves for conversion differences arising from the conversion of a foreign activity	249			
Reserves for deferred taxes related to property located abroad	-634			
Other reserves	21,918			
Result carried forward from previous financial years	120,232	235,156	-94,763	-16,470
D. Net result of the financial year	**235,156**	**-235,156**	**0**	**0**
Total shareholders' equity attributable to parent company shareholders	**1,238,439**	**0**	**0**	**0**
Minority interests				
Total shareholders' equity	**1,238,439**	**0**	**0**	**0**

1 This pertains to the creation of a minority stake due to full consolidation of WDP Romania SRL.

2 This includes factors such as the corrections to the shareholders' equity due to the early application of IFRS 16 (see Chapter *9.2. Notes – Financial impact of application of IFRS 16* on page 180).

	Other elements of the overall result		Other				31 DEC. 18
	Net result for the current financial year	Changes in the fair value of solar panels	Capital increases	Dividends paid and capital increase due to optional dividend	Minority interests[1]	Other[2]	
	0	0	4,042	3,770	0	0	176,684
			4,449	3,989			184,952
			-407	-219			-8,268
	0	0	58,123	43,009	0	0	646,286
	0	4,091	0	-99,042	-487	-207	428,767
							412,622
							-110,805
							-42,909
							-184
							249
							-634
		4,091			-487		25,522
				-99,042		-207	144,906
	328,784	0	0	0	0	0	328,784
	328,784	4,091	62,165	-52,263	-487	-207	1,580,521
	5,063	-215			25,141	6	29,994
	333,846	3,876	62,165	-52,263	24,654	-201	1,610,516

2017 consolidated statement of changes in the shareholders' equity

in euros (x 1,000)	01 JAN. 17	Allocation of results from the 2016 financial year		
		Profit for the previous financial year	Transfer of result on portfolio and revaluation of subsidiaries	Transfer of changes in the fair value of financial instruments
A. Subscribed capital	**163,752**	**0**	**0**	**0**
Subscribed capital	171,034			
Costs of capital increase	-7,282			
B. Share premiums	**492,330**	**0**	**0**	**0**
C. Reserves	**246,038**	**130,232**	**0**	**0**
Statutory reserves (+)				
Reserves for the balance of changes in the fair value of the properties (+/-)				
Reserves for the balance of changes in the investment value of the properties (+/-)	236,156		58,943	
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment properties (-)	-63,148		-24,897	
Reserves for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS (+/-)	-61,166			1,787
Reserves for the balance of exchange rate differences for monetary assets and liabilities (+/-)	-184			
Reserves for conversion differences arising from the conversion of a foreign activity	249			
Reserves for deferred taxes related to property located abroad	-634			
Other reserves	18,184			
Result carried forward from previous financial years	116,581	130,232	-34,046	-1,787
D. Net result of the financial year	**130,232**	**-130,232**	**0**	**0**
Total shareholders' equity	**1,032,352**	**0**	**0**	**0**

	Other elements of the overall result				Other	31 DEC. 17
	Net result for the current financial year	Changes in the fair value of solar panels	Capital increases	Dividends distributed and capital increase as a result of an optional dividend	Other	
	0	0	1,501	3,620	0	168,873
			1,547	3,933		176,514
			-46	-313		-7,641
	0	0	15,841	36,983	0	545,154
	0	3,734	0	-90,792	44	289,256
						295,099
						-88,045
						-59,379
						-184
						249
						-634
		3,734				21,918
				-90,792	44	120,232
	235,156	0	0	0	0	235,156
	235,156	3,734	17,342	-50,189	44	1,238,439

2. Notes

I. General information on the company

WDP is a public Regulated Real Estate Company under Belgian law (GVV/SIR) and has the form of a partnership limited by shares under Belgian law ("Comm. VA"). Its registered office is at Blakebergen 15, 1861 Wolvertem (Belgium). The telephone number is +32 (0)52 338 400.

The consolidated financial statements of the company of 31 December 2018 include the company and its subsidiaries. The financial statements were prepared and released for publication by the Board of Directors on 20 March 2019.

WDP is listed on Euronext Brussels and Amsterdam.

II. Basis of presentation

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as accepted within the European Union and the legal and administrative regulations applicable in Belgium. These standards include all new and revised standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) insofar as they apply to the activities of the Group and to financial years starting on or after 1 January 2018.

The consolidated financial statements are presented in thousands of euros, rounded to the nearest thousand. The 2017 and 2018 financial years are presented here. For the historical financial information for the 2016 financial year, please refer to the annual reports for 2017 and 2016.

Accounting methods were consistently applied for the financial years presented.

1. Standards and interpretations applicable to the financial year starting on 1 January 2018 (only applicable to financial years starting on or after 1 January 2018)

- Amendments to IAS 40 *Transfers of investment property*
- Amendments to IFRS 2 *Classification and measurement of share-based payments*
- Amendments to IFRS 4 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance contracts*
- Annual Improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 1 and IAS 28
- IFRIC 22 *Foreign currency transactions and advance consideration*
- IFRS 9 *Financial instruments and subsequent amendments*
- IFRS 15 *Revenue from contracts with customers*

The new standards, amendments and interpretations have no effect on the consolidated financial statements for 2018. For the amended standard IFRS 9, please refer to explanatory note *IX. Financial instruments*.

2. New or amended standards and interpretations that are not yet effective

A number of new standards, amendments to standards and interpretations were not yet in force in 2018, but could have been applied earlier. Unless stated otherwise, WDP has not yet adopted these. Below is a description of the potential influence of any new standards, amendments or interpretations relevant to WDP on the consolidated financial statements for 2019 and beyond.

- Amendments to IAS 19 *Plan amendments, curtailments and settlements* (applicable to financial years starting on or after 1 January 2019, but not yet approved within the European Union)
- Amendments to IAS 28 *Long-term investments in associates and joint ventures* (applicable to financial years starting on or after 1 January 2019, but not yet approved within the European Union)
- Amendments to IFRS 9 *Characteristics of early repayment with negative compensation* (applicable to financial years starting on or after 1 January 2019)
- Amendments to IFRS 10 and IAS 28 *Sale or contribution of assets between an investor and the associate or joint venture* (start date deferred for an unspecified period of time, resulting in deferment of the approval within the European Union as well)
- Annual improvements to IFRS 2015-2017 cycle (applicable to financial years starting on or after 1 January 2019, but not yet approved within the European Union)
- IFRIC 23 *Uncertainty around the tax regime* (applicable to financial years starting on or after 1 January 2019, but not yet approved within the European Union)
- IFRS 14 *Deferred accounts due to price regulation* (applicable to financial years starting on or after 1 January 2016, but not yet approved within the European Union)
- IFRS 17 *Insurance contracts* (applicable to financial years starting on or after 1 January 2021, but not yet approved within the European Union)
- IFRS 16 Leases (applicable to financial years starting on or after 1 January 2019, but already applied prematurely by WDP from 31 December 2018)

3. General impact of application of IFRS 16 *Leases*

IFRS 16 introduces new or amended requirements on lease accounting. It mainly includes significant changes in accounting for leases for the lessee, removing the distinction between operational and financial leases and recognising assets and liabilities for all leases (except for short-term leases or low-value assets). Unlike with lease accounting by lessees, IFRS 16 retains almost all standards from IAS 17 *Leases* related to lease accounting by lessors. This means that lessors must continue to classify leases as operational or financial leases. Given that WDP acts almost exclusively in the capacity of landlord, and thus also lessor, this does not entail any changes in this regard, and WDP will continue to valuate its property portfolio at fair value in accordance with IAS 40.

However, for some of its investments, WDP does not hold the freehold ownership, but the usufruct through a concession, leasehold, or similar arrangement in which it acts as a lessee (as also regularly occurs in the logistics property segment, with public authorities retaining ownership of some land at multimodal nodes and near critical infrastructure). Specifically, this will require recognition of a right of use and additional liability in the consolidated balance sheet starting from the 2019 financial year. WDP has decided to apply this new IFRS standard early and has incorporated its impact into the consolidated financial statements of the 2018 financial year, for assets within the fair value of the property portfolio and for liabilities in the line items current and non-current liabilities.

WDP has applied IFRS 16 using the modified retrospective approach, which means that comparative periods are not restated.

Financial impact of application of IFRS 16

The tables below show the amount of the adjustment for each section of the financial statements due to application of IFRS 16.

Balance sheet – impact on assets, liabilities and shareholders' equity as at 1 January 2018

in euros (x 1,000)	As reported previously	IFRS 16 adjustments	Restated
Fixed assets	2,632,554	41,451	2,674,005
Investment properties	2,404,027	41,451	2,445,478
Total assets	**2,675,299**	**41,451**	**2,716,750**
Shareholders' equity	1,238,439	286	1,238,725
Non-current liabilities	1,158,293	40,996	1,199,290
Other non-current financial liabilities	48,673	40,996	89,669
Current liabilities	278,566	168	278,735
Other current financial liabilities	0	168	168
Total liabilities	**2,675,299**	**41,451**	**2,716,750**

Including the proportionate share of the joint ventures, the adjustment comes to 43 million euros for the *Investment properties* section, and the total adjustments to the *current and non-current financial liabilities* sections come to 43 million euros in this case.

Considering that the definition of the debt ratio in the GVV/SIR Royal Decree covers not only financial debts, but also other current and non-current financial liabilities of this kind, this accounting rule has an impact of +0.6% on the gearing ratio.

Profit and loss account – impact

In the 2018 financial year, the cost of the concession or long lease or similar leases was incorporated in *Rental income, net of rental-related expenses*. Starting from the 2019 financial year, the recurring cost of the concession will be incorporated in the *Financial result* instead of in the *Rental income, net of rental-related expenses*.

III. Accounting policies

1. Consolidation principles

Subsidiaries

Subsidiaries are entities over which the company exercises control. A company exercises control over a subsidiary if, and only if, the parent company:

- has power over the shareholding;
- is exposed to, or has rights to variable revenues, by virtue of its involvement in the participation; and
- has the ability to use its power over the participation to influence the amount of investor returns.

The companies in which the Group holds a direct or indirect stake exceeding 50% or in which it has the power to set the financial and operational policy in order to benefit from its activities are included in full in the Group's consolidated financial statements.

This means that the Group's assets, liabilities and results are indicated in full. All intragroup transactions and profits are eliminated.

Minority holdings are holdings in subsidiaries that are not held directly or indirectly by the Group.

Joint ventures

Joint ventures are companies over which the Group has joint control, as specified by contractual agreement.

Such joint control is applicable when the strategic financial and operational decisions with regard to the business require unanimous agreement from the parties that share the control (the shareholders in the joint venture).

As set out in IFRS 11 *Joint arrangements,* the results and balance sheet impact of the joint ventures I Love Hungaria (in which WDP holds a 50% stake) and WDP Luxembourg (in which WDP holds a 55% stake) are recognised using the equity accounting method. With regard to the statistics in relation to the reporting on the portfolio, WDP's proportionate share in the portfolio of I Love Hungaria and WDP Luxembourg is still shown.

The result from transactions with the above joint ventures is not eliminated in the amount of the share of the WDP group, but rather fully recognised in the result (under the headings *Operating result (before the result on the portfolio)* and *Financial result*).

Transactions eliminated from the consolidation

All transactions between Group companies, balances and unrealised profits and losses on transactions between Group companies are eliminated in the preparation of the consolidated financial statements.

2. Business combinations and goodwill

If WDP acquires control over an integrated set of activities and assets, as defined in IFRS 3 *Business combinations*, the identifiable assets, liabilities and contingent liabilities of the acquired company are booked at fair value on the acquisition date. Goodwill is the positive difference between the acquisition costs and the share of the Group in the fair value of the acquired net asset. If this difference is negative (negative goodwill), it is immediately booked in the result after revaluation of the values.

After the initial recognition, goodwill is not written down, but rather subjected to an impairment test conducted once a year on the cash flow generating units to which the goodwill is allocated. If the book value of a cash flow generating unit exceeds the operating value, the loss of value following from this will be booked in the result and initially included in the reduction of any goodwill, and subsequently to the other assets of the unit, in proportion to their book value. An impairment of goodwill cannot be reversed in a subsequent financial year.

3. Foreign currency

The individual financial statements of each Group member are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the preparation of the consolidated financial statements, the results and the financial position of each entity are expressed in euros, which is the functional currency of the parent company, and the currency used for the presentation of the consolidated financial statements.

Foreign currency transactions

Transactions in foreign currency are immediately booked at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are converted at the closing price.

Realised and unrealised exchange rate differences are recognised in the profit and loss account, except when they relate to intra-group borrowing that meets the definition of a net investment in a foreign activity. In that case the exchange rate differences are included in a separate component of shareholders' equity and recognised in profit and loss after disposal of a net investment.

Foreign activities

Assets and liabilities are converted at the closing rate, except for properties, which are converted at the historical rate. The profit and loss account is converted at the average rate over the financial year.

The resulting conversion differences are included in a separate component of shareholders' equity. These conversion differences are included in the profit and loss account when the foreign entity is disposed of, sold or liquidated.

4. Investment properties

Land and buildings held to generate rental income over the long term are included as investment properties. On initial recognition, investment properties are valued at the purchase price, including the transaction costs and directly attributable costs.

Land held for the purposes of initiating property developments with a view to subsequent leasing and long-term increase in value, but for which no specific construction plans or project developments (as referred to in the definition of project development) have been initiated (land reserves), is also deemed to be investment property.

The rights of use recognised in the balance sheet for the concession or long lease or similar leases (due to entry into force of IFRS 16) are also considered investment properties.

The financing costs directly attributable to acquisition of an investment property are capitalised as well. If special funds are borrowed for a specific asset, the actual financing costs for this loan are capitalised during the period, minus any investment returns from temporary investment of this loan.

After initial recognition, the investment properties are valued at fair value, in accordance with IAS 40. From the seller's perspective, the valuation is after deduction of the registration fees. In the opinion of independent property experts that regularly value the properties of Regulated Real Estate Companies, registration fees of 10 to 12.5% should be taken into account for transactions involving buildings in Belgium with an overall value of less than 2.5 million euros. This depends on the Region of Belgium where these properties are located (i.e. 10% in the Flemish Region and 12.5% in the Brussels and the Walloon Regions).

For transactions involving buildings with an overall value of greater than 2.5 million euros, independent property experts have valued the weighted average of the transaction costs at 2.5%. This is because a variety of methods are used to transfer property in Belgium. If necessary, this percentage will be revised and adjusted annually in blocks of 0.5%. The experts will confirm the agreed percentage to be deducted in their regular reports to shareholders. The independent property experts take account of the theoretical local registration fees for property located outside Belgium.

Estimates are made on a quarterly basis at fair value. This entails that the transaction costs of 2.5% are incorporated into the profit and loss account as per IAS 40. According to the GVV/SIR Royal Decree, this must then be included in the designated reserves at the end of the financial year.

Property under construction or development for future use as investment property (project development) is also included in *Investment properties at fair value*.

After initial recognition, the projects are valuated at fair value. The fair value takes substantial development risks into account. In this respect, the following criteria must be met: there must be a clear understanding of the project costs, all permits required for the project development must have been obtained and a substantial part of the project development must be pre-leased (finalised and signed lease). This fair value-measurement is based on the valuation by the independent property expert (in accordance with customary methods and assumptions) and takes into account costs to be incurred before final completion of the project.

All charges directly related to the purchase or construction of immovable goods and all other investment expenditures are included in the cost of the development project. In accordance with IAS 23, financing costs attributable directly to the construction or acquisition of an investment property are also capitalised for the period during which the investment property is prepared for leasing.

Capitalisation of financing costs as part of the cost price of an eligible asset must begin as soon as:

- expenses are incurred for the asset;
- financing costs are incurred;
- activities are in progress to prepare the asset for its intended use.

The activities required to prepare the asset for its intended use include more than just physical construction of the asset. They also encompass the technical and administrative work before the start of actual construction, such as activities related to obtaining permits.

However, such activities do not include holding an asset without carrying out any production or development that changes the condition of the property:

- financing costs that are incurred during preparation of land, for instance, are capitalised during the period in which these activities occur;
- on the other hand, financing costs incurred in the period that the land is held for construction purposes without any development activity are not eligible for capitalisation.

Capitalisation of financing costs is suspended during long periods of interruption in active development. Capitalisation is not suspended during periods of extensive technical and administrative work. Nor is capitalisation suspended if a temporary delay constitutes an essential part of the process to prepare a property for its intended use or sale.

At the end of each quarter, these project developments undergo a test for special impairment (see *7. Special impairments*).

The profit/loss realised on the sale is included in the profit and loss account under *IX. Profit from the sale of investment properties.* The result is determined as per IAS 40 and is the difference between the sale price and the fair value from the most recent valuation. This result achieved is recognised at the time of execution of the notarial deed for the sale.

5. Other tangible fixed assets

General

Other tangible fixed assets are valued at their cost price less the cumulative depreciations and write-downs. The cost includes all directly attributable costs and the relevant part of the indirect costs incurred in preparing the assets for use.

Future disbursements for repairs are immediately recorded in the result unless they increase the future financial profits of the asset.

The straight-line depreciation method is applied over the estimated useful life of the assets. The useful life and depreciation method are reviewed at least once a year at the end of each financial year. The tangible fixed assets are depreciated according to the following depreciation rates:

- plants, machinery and equipment: 10-33%;
- rolling stock: 10-33%;
- office equipment and furniture: 10-33%;
- computers: 10-33%;
- projection installation: 20%;
- other tangible fixed assets: 10-20%.

Solar panels

These are valuated under the revaluation model as per IAS 16 *Tangible fixed assets*. After initial recognition, assets whose fair value can be reliably established must be booked at the revalued value, which is the fair value at the time of the revaluation, less any subsequent accumulated depreciation and special impairments. The fair value is determined based on the discounting method for future revenues.

The useful life of the solar panels is estimated at thirty years, without taking into account any residual value.

The capital gain when starting a new site is recognised in a separate component of shareholders' equity. Capital losses are also recognised in this component, unless they have been realised of or the fair value drops below the original cost less cumulative depreciation. In the latter case, they are included in the result.

6. Lease

WDP as lessee

At the start of the lease period, the leases (except for leases with a maximum term of twelve months and leases whose underlying assets are of low value) are recognised on the balance sheet as rights of use and lease liabilities at the present value of the future lease payments. Next, all rights of use that qualify as investment properties are valuated at fair value, in accordance with the valuation rules detailed under *4. Investment properties*. The minimum lease payments are recognised in part as financing costs and in part as settlement of the outstanding liability, in a manner resulting in a constant periodic interest rate on the remaining balance of the liability. The cost of financing is offset directly against the result. Conditional lease payments are incorporated as costs in the periods in which they were made.

WDP as lessor

If a lease meets the conditions of a financial lease (according to IFRS 16), WDP as the lessor will recognise the lease from its start date as a receivable in the balance sheet at an amount equal to the net investment in the lease. The difference between this latter amount and the book value of the leased property (exclusive of the value of the residual right held by WDP) at the start of the lease will be recognised in the profit and loss account for that period. Each periodic payment made by the lessee will be partly recognised by WDP as a repayment of the capital and partly as financial income based on a constant periodic return for WDP.

The residual right held by WDP will be recognised at its fair value on each balance sheet date. This value will increase every year and will correspond to the market value of the full right of ownership at the end of the lease. These increases will be recognised in Changes in the fair value of investment properties in the profit and loss account.

7. Special impairments

On the balance sheet date, the tangible and intangible fixed assets of the Group are examined for indications that the book value of an asset is greater than the recoverable value.

If such indications are present, the realisable value of the asset must be estimated. Goodwill is subject to an annual test for special impairment, regardless of whether there is an indication of such.

A special impairment is booked if the book value of an asset or the cash flow generating unit to which the asset belongs is higher than the realisable value.

The realisable value is the operating value or the fair value less sales charges, whichever is higher. The operating value is the capitalised value of the expected future cash flows for the continued use of the asset and its disposal at the end of its useful life, on the basis of a discount rate that takes into account the current market evaluations for the time value of the cash and the risks inherent to its assets. The fair value minus sales charges is the amount that may be realised from the sale of an asset in a commercial, objective transaction between well-informed independent parties between whom there is a consensus ad idem, after deduction of the disposal costs.

For an asset that does not generate significant cash income in itself, the realisable value is established for the cash flow generating unit to which the asset belongs.

The recoverable value of project developments is determined every quarter by the property experts.

If the book value of an asset or a cash flow generating unit is higher than the realisable value, the surplus is recorded immediately as a special impairment in the profit and loss account.

Special impairments recognised in previous financial years are reversed if a subsequent increase in the recoverable value can be objectively connected to a circumstance or event that took place after the special impairment was booked. Special impairments on goodwill are not reversed.

8. Financial instruments

Financial assets

All financial assets are recognised or no longer recognised in the balance sheet on the transaction date if the purchase or sale of a financial asset is based on a contract prescribing conditions for delivery of the asset within the term generally prescribed or agreed on the market in question and initially valued at fair value, plus transaction costs, except for financial assets at fair value with changes in value in the profit and loss account, which are initially valued at fair value.

The financial assets are classified in one of the categories provided for in IFRS 9 *Financial instruments* based on both the business model of the entity for management of the financial assets and the properties of the contractual cash flows of the financial assets and are recorded on their initial recognition. This classification determines the valuation of the financial assets on future balance sheet dates: amortised cost or fair value.

Financial assets at fair value through profit or loss

Financial assets are classified at fair value with changes in value through profit or loss if they are held for trading purposes. Financial assets at fair value with changes in value through profit or loss are valued at fair value, with all resulting income and expenditures recognised in the result. A financial asset is included in this category if it is primarily acquired for sale over the short term. Derivatives are also included in the category at fair value with changes in value through profit or loss, unless they are considered to be hedges and are effective.

Financial assets at amortised cost

Financial assets at amortised cost are not derivatives and are retained within a business model geared towards retaining financial assets to receive contractual cash flows (*Held to collect*) and on certain dates, the contractual conditions of the financial asset give rise to cash flows that are exclusively for settlement of and interest payments on the outstanding principle (*Solely Payments of Principal and Interest – SPPI*). This category includes: cash and cash equivalents, non-current receivables and trade receivables. Cash equivalents are short-term, very often liquid investments that can be immediately converted to cash of a known amount, have an original term of no more than three months and entail no significant risks of impairment. The cash equivalents held by WDP consist of bank deposits and are therefore fully valuated at amortised cost.

Financial liabilities

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

Financial liabilities at fair value through profit or loss

Financial liabilities are classified at fair value through profit or loss if they are held for trading purposes. Specifically, for WDP, these are Interest Rate Swaps for which hedge accounting is not applied to the extent that they have a negative fair value. Financial liabilities at fair value through profit or loss are valued at fair value, with all resulting income and expenditures recognised in the result. A financial liability is included in this category if it is primarily acquired for sale in the short term. Derivatives are also included in the category at fair value through profit or loss, unless they are considered to be hedges and are effective.

Financial liabilities valuated at amortised cost

Financial liabilities valuated at amortised cost, including debts, are initially valuated at fair value after deduction of the transaction costs. After initial recognition, they are valuated at amortised cost. The Group's financial liabilities valued at amortised cost include the non-current financial liabilities (bank debts, lease debts, bond loans), other non-current liabilities, current financial liabilities, trade debts and payable dividends in the other current liabilities.

Equity instruments

Equity instruments issued by the Group are classified based on the economic reality of the contractual agreements and the definitions of a an equity instrument. An equity instrument is any contract that includes the remaining interest in the assets of the Group, after deduction of all liabilities. The accounting policies with regard to equity instruments are described below.

Equity instruments issued by the company are recognised for the sum of the amounts received (after deduction of directly attributable issue costs).

Derivatives

The Group uses derivatives to limit risks related to unfavourable interest rates resulting from the operational, financial and investment activities within the framework of its operational management. The Group does not use these instruments for speculative purposes, does not hold any derivatives and does not issue derivatives for trading purposes.

Derivatives are valuated at fair value as per IFRS 9. The derivatives currently used by WDP do not qualify as hedging transactions. As a result, changes in the fair value are immediately included in the result. These derivatives are included in financial assets or liabilities with changes in the fair value through profit or loss.

9. Assets held for sale

Fixed assets and groups of assets to be disposed of are classified as *Assets held for sale* if their book value will mainly be realised in a sale transaction and not by their continued use. This condition is only met if the sale is highly likely and the asset (or Group assets to be disposed of) is immediately available for sale in its current state. The Management must have agreed to a plan for the sale of the asset (or Group assets to be disposed of), which is expected to be eligible for recognition as a completed sale within one year after the date of the classification.

A fixed asset (or group of assets being disposed of) classified as held for sale is recognised at book value or fair value less costs of sale, whichever is lower.

Investment properties intended for sale are valued the same way as other investment properties (at fair value). These investment properties are presented separately in the balance sheet.

10. Provisions

A provision is included when:

- the Group has an existing – legal or constructive – obligation as a result of an event in the past;
- it is likely that an outflow of funds may be required to settle the obligation; and
- the amount of the liability can be reliably estimated.

The recognised provision is the best estimate on the balance sheet date of the funds needed to settle the existing liability, possibly discounted if the time value of the cash is relevant.

11. Employee benefits

The company has a number of defined contribution retirement schemes.

A defined contribution pension scheme is a pension plan under which the company draws fixed contributions from a separate company. The company has no legal or constructive obligation to pay further amounts should the fund not have sufficient assets to pay out the pensions of all employees with regard to services that they have provided in current or past periods of employment. Amounts are recognised as expenses when they are due and will be included under personnel costs at that time.

For permanent personnel, salaries, additional remunerations, retirement compensations, and compensations for dismissal or disruption are included in the profit and loss account in the period to which they pertain.

12. Revenue

Rental income includes rents and revenues directly related to these, such as compensation for early lease termination.

Revenue is valued at the fair value of the received or receivable compensation. Revenue is only recognised if it is likely that the economic benefits will befall the entity and can be determined with sufficient certainty.

Rental income, and other income and expenses, are recognised in the profit and loss account in the period to which they pertain.

The fees for premature lease termination are recognised immediately in the result for the financial year.

The proceeds from the sale of green energy to the tenant, the sale of green energy to the lessor and green energy certificates are recognised when the green energy is generated.

13. Costs

Lease-related costs pertaining to write-downs and decreases in trade receivables that are recognised in the results if the book value is higher than the estimated realisation value and the rent to be paid on leased assets (such as concessions fees).

Rental charges and tax on leased buildings and the recovery of these costs that fall to the tenant or lessee by law or custom. Depending on the contractual agreements, the owner may or may not pass these charges on to the tenant.

Other lease-related income and expenses include the passing management fees on to tenants as well as other revenues that do not fall under rental income (including revenue from solar energy).

The overhead costs of the company are expenses related to the management and general operation of WDP. This includes expenses such as general administrative costs, personnel costs for general management and depreciation of assets used for general management.

Costs related to works performed in the buildings are booked in various ways depending on the type of works:

- maintenance and repair: maintenance and repair costs are booked as property costs for the accounting period, given that these do not increase the expected future economic benefits of the building and do not add any functionality or improve the level of comfort in the building;
- improvement and renovation: these are works carried out occasionally to add features to the property and considerably increase the expected future economic benefits of the building. The costs of these works (materials, contractor remuneration, technical studies, internal expenses, architect remuneration and interest during the construction period) are capitalised. Examples: installation of a new air conditioning system, new roof, thorough renovation of all or part of the building. Work sites for which costs are being capitalised are identified beforehand according to the above-mentioned criteria.

14. Tax on results

GVV/SIR status offers a fiscally transparent status, given that a GVV/SIR is only subject to tax on specific components of the result, such as disallowed expenses and exceptional and gratuitous advantages. No corporate tax is paid on profits from leases or realised capital gains.

Tax on the result for the financial year includes taxes due and deductible taxes for the current and previous reporting periods, the deferred tax and the exit tax due. The tax charge is recognised in the profit and loss account unless it pertains to components recognised directly in the shareholders' equity. This latter case also includes the tax on shareholders' equity.

To calculate the tax on the year's taxable profit, tax rates applicable on the balance sheet date are used.

Exit taxes – tax on capital gains resulting from a merger of a Regulated Real Estate Company with a non-Regulated Real Estate Company – are deducted from the established revaluation surplus at merger and if applicable are recognised as a liability.

In general, deferred income taxes (tax receivables) are recognised for all taxable (deductible) temporary differences. Such claims and liabilities are not recorded if the temporary differences result from the initial recognition of goodwill or the initial recognition (other than in a business combination) of other assets or liabilities. Deferred tax liabilities are recognised to the extent that it is likely that a tax benefit will be available against which the deductible temporary difference can be offset. Deferred tax receivables are reduced when it is no longer likely that the associated tax benefit will be realised.

IV. Significant accounting estimates and key uncertainties affecting estimates

1. Significant estimates in the drawing up of financial statements

- determining whether control, joint control or significant influence is being exercised over investments (see explanatory note *III. Valuation rules*).
- determining whether an entity holding investment property is a business, and thus also determining, in the acquisition of control over an entity of this kind, whether the acquisition is regarded as an IFRS 3 *Business combination*, is a significant assessment. Due to the step acquisition of WDP Romania, with WDP increasing its holding from 51% to 80% since January 2018, WDP gained control over WDP Romania. This has resulted in full consolidation of this subsidiary. Taking into account the current definition of a 'business' under IFRS 3 and the corresponding guidelines, in particular regarding the presence of substantial processes, the Management has concluded that WDP Romania is not a 'business'. This assessment is also consistent with the latest changes expected in the definition of a business, under which, if almost the entire fair value of the asset acquired is contained in a single portfolio of similar assets, these assets will not be considered a 'business'. For the phased acquisition of a subsidiary that is not considered a 'business', revaluation of the existing holding was not booked and the paid remuneration was assigned to the acquired identifiable assets, and thus in full to the acquired investment property.
- determining whether derivatives qualify for hedge accounting. The Group has no hedging instruments that would qualify for this, and thus changes in the fair value of hedging instruments are incorporated through the profit and loss account (see explanatory note *XIV. Financial instruments*).

2. Determining the fair value of investment property

The fair value of the investment properties is determined by independent property experts according to the GVV/SIR regulations (see explanatory note *XII. Investment properties*).

3. Assumptions in determining the fair value of solar panels

WDP has made a significant investment in solar energy. The solar panels or PV systems installed on a number of sites are valuated, after initial recognition, according to the revaluation model as per IAS 16 and booked as fixed assets under *Other tangible fixed assets*. This revaluation is booked directly in shareholders' equity. No best practice is available for the valuation method for this asset class. The fair value of PV systems is calculated according to a valuation model based on future cash flows (see explanatory note *XIII. Other tangible fixed assets*).

4. Assumptions in determining the financial liability in accordance with IFRS 16

For some of its investments, WDP does not have bare ownership, but rather only usufruct through a concession, long lease or similar arrangement. Specifically, a financial liability is recognised for this as per IFRS 16. This financial liability is the present value of all future lease payments. The calculation of the present value of these future lease payments involves a few assessments and estimates, in particular in determining the duration of the concession (depending on concession contract extension options on the one hand, and on the other hand on the economic life of the building that the property appraiser applies in determining the fair value) and in determining the incremental interest rate as the discount rate for the lease payments. The discount rate applied in determining this liability was based on a combination of the interest curve plus a spread according to the WDP credit risk, both in line with the remaining duration of the underlying right of use. (See explanatory note *XIV. Financial instruments*). Here, the interest curve is based on observable market data. The spread is based on recent WDP transactions and then updated based on market trends and extrapolated as a function of the timeframe; consequently, this is a non-observable input. For a sensitivity analysis of this discount rate, please refer to explanatory note XIV. Financial instruments.

V. Segmented information – Operating result

in euros (x 1,000)		31 DEC. 18					
		Belgium	The Netherlands	France	Romania	Unallocated amounts	Total IFRS
I.	Rental income[1]	68,411	81,833	6,946	18,632	0	175,822
III.	Costs related to leases	-1,281	101	-135	-500	0	-1,816
	Rental income, net of rental-related expenses	**67,129**	**81,934**	**6,810**	**18,132**	**0**	**174,006**
IV.	Recovery of property costs	0	0	0	0	0	0
V.	Recovery of rental charges normally paid by the tenant on leased properties	6,932	1,813	1,388	845	0	10,978
VI.	Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease	0	0	54	0	0	54
VII.	Rental charges and taxes normally paid by the tenant on leased properties	-7,438	-2,992	-1,461	-1,285	0	-13,175
VIII.	Other income and charges related to leases[2]	10,083	3,463	127	2,387	0	16,061
	Property result	**76,707**	**84,219**	**6,919**	**20,079**	**0**	**187,923**
IX.	Technical costs	-1,564	-1,762	-224	-509	0	-4,059
X.	Commercial costs	-578	-122	-147	16	0	-831
XII.	Property management costs	-1,396	43	-12	-15	0	-1,381
	Property charges	**-3,538**	**-1,841**	**-384**	**-508**	**0**	**-6,271**
	Property operating results	**73,169**	**82,377**	**6,535**	**19,571**	**0**	**181,652**
XIV.	General company expenses	0	0	0	0	-10,097	-10,097
XV.	Other operating income and expenses (depreciation and write-downs on solar panels)	-2,680	-1,599	0	-658	0	-4,937
	Operating result (before the result on the portfolio)	**70,489**	**80,778**	**6,535**	**18,913**	**-10,097**	**166,618**
XVI.	Result on disposals of investment properties	-248	0	1,039	-4	0	787
XVIII.	Changes in the fair value of investment properties	76,969	110,191	8,839	17,811	0	213,811
Operating result		**147,210**	**190,969**	**16,414**	**36,720**	**-10,097**	**381,215**

1 The maximum rental risk within the WDP portfolio is less than 10%, while the maximum risk per site is less than 5%. See also *5.1. Property report – Review of the consolidated property portfolio.*

2 Revenues from solar energy came to 14.537 million euros in 2018 and 11.607 million euros in 2017. These revenues were realised in Belgium (8.710 million euros in 2018 and 8.024 million euros in 2017), the Netherlands (3.440 million euros in 2018 and 2.307 million euros in 2017) and Romania (2.387 million euros in 2018 and 1.276 million euros in 2017). They are part of *VIII. Other income and charges related to leases.*

3 The joint ventures are incorporated using the equity accounting method, as per IFRS 11 *Joint arrangements.* The table shows the operating result (before overhead expenses and based on the proportionate share of WDP) and then gives the reconciliation with the proportionate share in the results of these entities, as reported under the equity accounting method as per IFRS.

		31 DEC. 17							
Luxembourg[3]	Other joint ventures[3]	Belgium	The Netherlands	France	Unallocated amounts	Total IFRS	Romania[3]	Luxembourg[3]	Other joint ventures[3]
947	0	65,687	73,770	6,203	0	145,661	4,325	920	0
-91	0	-789	-270	-227	0	-1,286	0	-57	0
855	0	64,899	73,500	5,976	0	144,375	4,325	863	0
0	0	0	0	0	0	0	0	0	0
15	0	6,855	1,260	1,124	0	9,239	278	-9	0
0	0	0	0	0	0	0	0	0	0
-15	-2	-7,663	-2,837	-1,134	0	-11,635	-370	6	0
15	0	9,372	2,994	147	0	12,513	1,276	14	0
870	-2	73,462	74,918	6,113	0	154,493	5,510	875	0
-45	0	-1,763	-1,371	-211	0	-3,345	-241	-9	6
-5	-2	-616	49	-116	0	-683	-27	-4	21
-1	0	-1,252	313	8	0	-930	-10	0	0
-51	-2	-3,631	-1,008	-319	0	-4,959	-278	-14	27
819	-4	69,831	73,909	5,794	0	149,534	5,232	861	27
-340	-12	0	0	0	-6,695	-6,695	-953	-123	10
0	0	-3,180	-725	0	0	-3,904	-319	0	0
479	-16	66,651	73,185	5,794	-6,695	138,935	3,960	738	37
0	0	284	645	0	0	929	0	0	0
512	0	29,750	60,682	4,331	0	94,763	8,529	-490	0
991	-16	96,685	134,512	10,125	-6,695	234,627	12,489	248	37

The basis for reporting per segment within WDP is the geographical region. This segmentation basis reflects the geographical markets in Europe in which WDP is active. WDP's business is subdivided in five regions.

This segmentation is vital to WDP given that the nature of its activity, clientele, etc., exhibits comparable economic characteristics within these segments. Business decisions are taken at this level, and different key performance indicators (such as rental income, occupancy rates, etc.) are monitored in this manner.

A second segmenting basis is not considered relevant by WDP as the business mainly focuses on the leasing of logistics sites.

VI. Segmented information – Assets[1]

in euros (x 1,000)	31 DEC. 18						
	Belgium	The Netherlands	France	Romania	Total IFRS	Luxembourg	Other joint ventures
Investment properties	**1,150,603**	**1,582,434**	**119,547**	**447,279**	**3,299,864**	**27,498**	**2,298**
Existing buildings	1,119,197	1,443,905	119,073	354,029	3,036,204	26,870	0
Investment properties under development for own account for the purpose of being rented out	13,369	92,781	0	52,052	158,202	627	2,298
Land reserve	18,038	45,748	474	41,198	105,457	0	0
Assets held for sale	**739**	**0**	**0**	**0**	**739**	**0**	**1,881**
					0		
Other tangible fixed assets	**65,962**	**38,699**	**0**	**15,766**	**120,426**	**0**	**0**
Tangible fixed assets for own use	2,237	196	0	627	3,060	0	0
Other: solar panels	63,725	38,502	0	15,138	117,366	0	0

in euros (x 1,000)	31 DEC. 17						
	Belgium	The Netherlands	France	Total IFRS	Romania	Luxembourg	Other joint ventures
Investment properties	**1,000,694**	**1,282,310**	**121,022**	**2,404,027**	**134,772**	**12,324**	**8,767**
Existing buildings	975,344	1,150,470	120,498	2,246,312	75,668	11,798	0
Investment properties under development for own account for the purpose of being rented out	7,940	70,881	0	78,821	34,389	526	7,815
Land reserve	17,410	60,960	524	78,893	24,715	0	952
Assets held for sale	**7,525**	**0**	**0**	**7,525**	**0**	**0**	**0**
Other tangible fixed assets	**66,509**	**29,366**	**0**	**95,876**	**8,885**	**0**	**0**
Tangible fixed assets for own use	1,820	257	0	2,077	279	0	0
Other: solar panels	64,690	29,109	0	93,799	8,606	0	0

1 Includes project developments in compliance with the IAS 40 standard.

VII. Information on subsidiaries

Share of capital	31 DEC. 18	31 DEC. 17
Name and full address of the registered offices		
Fully consolidated companies		
WDP France SARL – rue Cantrelle 28 – 36000 Châteauroux – France	100%	100%
WDP Nederland N.V. – Hoge Mosten 2 – 4822 NH Breda – Netherlands	100%	100%
with participation in WDP Development NL N.V. – Hoge Mosten 2 – 4822 NH Breda – Netherlands[1]	100%	100%
WDP Romania SRL – Baia de Arama Street 1, building C1, 1st floor, office No. 19, district 2 – Bucharest – Romania[2]	80%	51%
Eurologistik 1 Freehold BVBA – Blakebergen 15 – 1861 Wolvertem – Belgium[3]	100%	100%
Colfridis Real Estate BVBA – Blakebergen 15 – 1861 Wolvertem – Belgium[5]	100%	100%
BST-Logistics NV – Blakebergen 15 – 1861 Wolvertem – Belgium[6]	100%	50%
Joint ventures		
I Love Hungaria NV- Mechelsesteenweg 64, Bus 401 – 2018 Antwerp – Belgium[4]	50%	50%
WDP Luxembourg SA – Parc Logistique Eurohub Sud – 3434 Dudelange – Luxembourg[7]	55%	55%

1 WDP Development NL N.V. was founded in August 2011 as a permanent development company for own account of WDP Nederland N.V.

2 On January 2018, the shareholding structure of WDP Romania SRL for WDP/Jeroen Biermans changed from 51/49 to 80/20. On 1 January 2018, WDP consolidated this activity in full in its IFRS statements, whereas this was formerly incorporated using the equity accounting method. For the impact on the consolidated balance sheet and profit and loss, please refer to the *Summarised financial statements (as per IFRS 12)* in the *2017 Annual financial report.*

3 On 7 June 2013, WDP acquired 100% of the shares in Eurologistik 1 Freehold, that holds the rights to an existing logistics site in Vilvoorde. This transaction is not deemed to be a business combination.

4 This is a joint venture founded in May of 2015 between WDP Comm. VA and project developer L.I.F.E. NV with a view to redevelopment of the Hungaria building in Leuven.

5 On 30 September 2016, WDP acquired 100% of the shares in Colfridis Real Estate BVBA, which held the rights to three sites totalling 35,000 m² in the industrial park in Londerzeel. This transaction is not deemed to be a business combination. On 6 October 2017, WDP merged with its full subsidiary Colfridis Real Estate BVBA.

6 This is a joint venture founded in April of 2017 between WDP Comm. VA and property developer Thys Bouwprojecten for the development of the site on Nijverheidsstraat 13 in Westerlo. In early July 2018, WDP acquired the remaining 50% of the shares in Thys Bouwprojecten, making WDP the full owner of BST-Logistics NV.

7 This is a joint venture that has the rights to the Eurohub Sud site, of which the Luxembourg government owns 45% and of which WDP acquired 55% of the shares on 13 October 2017 with further development of the site in mind. In addition to the investment properties, acquisition of this company also resulted in receipt of external financing totalling 9.9 million euros.

I love Hungaria NV and WDP Luxembourg SA are the joint ventures in the Group and are consolidated under the equity accounting method. In line with internal reporting in the WDP group, this information is always prorated for each company. The Chief Operating Decision-Maker also takes policy decisions based on information in this form. A reconciliation difference does not exist between the value recognised on the balance sheet under the equity accounting method and the proportionate share of the shareholders' equity of these joint ventures, nor were dividends paid out from these joint ventures, nor do any limits apply to cash transfers to other Group companies.

As for WDP Romania SRL, the shareholding structure between shareholders WDP/Jeroen Biermans changed from 51/49 to 80/20 on 1 January 2018. Due to this partnership between the shareholders and the corresponding shareholdings, WDP fully consolidated this activity in its IFRS statements on 1 January 2018, whereas this was formerly incorporated using the equity accounting method.

In addition, WDP Comm. VA also became full owner of BST-Logistics NV and as from early July 2018, fully consolidated it. Formerly, this entity was incorporated using the equity accounting method.

In the segmented information, WDP Luxembourg SA is shown separately, given its geographic distance. I Love Hungaria NV is shown under *Other joint ventures*.

VIII. Overview of future income

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Future rental income (including income from solar power) with final expiry date within		
one year	189,251	161,492
more than one but less than five years	486,037	431,914
more than five years	602,475	530,658
Total	**1,277,763**	**1,124,063**

This table contains an overview of the rental income (including the income from solar energy) under the current agreements. This is based on the indexed rents to be received up to and including the expiry date, as specified in the leases.

The impact of the applied indexing of rents amounts to an average of 1.4% and 1.0% for the 2018 and 2017 financial years, respectively.

The income with respect to the previous year rose by 13.7%. This is mainly due to strong portfolio growth (see also *4.3. Management report – Transactions and realisations*).

Type lease agreement

For its buildings, WDP mainly signs agreements subject to either the regime of supply of storage space which is liable to VAT, or to common rent law.

Rents are normally paid monthly in advance (sometimes quarterly). They are indexed annually on the anniversary date of the lease.

According to the contractual provisions, taxes and charges (including withholding tax), insurance premiums and collective charges are passed on to the tenant. The tenant must pay a monthly charge for this. The tenant receives an annual invoice for the actual expenses.

To ensure compliance with the duties that the contract imposes on the tenant, the latter must provide a deposit, usually in the form of a bank deposit equivalent to six months of rent.

At the start of the lease contract, a joint property survey is conducted between the parties by an independent expert. On expiry of the contract, the tenant must return the leased space in the same condition as described in the move-in inspection report, apart from normal wear and tear. A move-out inspection report is prepared. The tenant must pay for repairing any damage that is determined, and should the premises be unavailable during repair.

The tenant is not permitted to carry out any high-risk activities in the spaces it rents, without the prior written approval of WDP. In such cases, WDP may demand that the tenant take certain precautions. Before the end of the contract, tenants who have performed a risk activity during the lease period must have an exploratory soil inspection carried out, and if soil pollution is established, pay for any clean-up operations and consequential damage.

The tenant is responsible for obtaining operational and environmental authorisation. Refusal or withdrawal of such authorisation will not be cause for dissolution or annulment of the contract.

The tenant may not transfer the contract or sublease the leased premises without prior written authorisation from WDP. If approval is granted to transfer a lease, the original tenant shall remain jointly and severally liable to WDP.

The tenant is obligated to register the agreement at its own expense.

IX. Result on the disposal of investment properties

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Net property sales (sales price – transaction costs)	33,718	15,352
Book value of properties sold	-32,931	-14,423
Result on disposal of investment properties	**787**	**929**

A capital gain of 0.787 million euros, or 2.3%, was achieved.

The capital gain achieved in 2018 is mainly related to the sale of the sites in Ternat (Industrielaan 23), Aix-en-Provence, Puurs and Lille-Templemars (rue de l'Épinoy). The capital gain generated from the sale of the site in Meer was already recognised in 2017.

X. Financial result

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Financial income	**324**	**3,268**
Interests and dividends received	173	248
Other financial income	151	3,020
Net interest charges	**-32,517**	**-28,504**
Interests on loans	-20,933	-15,891
Interest capitalised during construction	4,417	1,859
Cost of permitted hedging instruments	-14,787	-12,892
Other interest charges	-1,214	-1,580
Other financial charges	**-819**	**-498**
Bank charges and other commissions	-48	-30
Other financial charges	-771	-467
Changes in the fair value of financial assets and liabilities	**-9,027**	**16,470**
Financial result	**-42,039**	**-9,264**

The comments on the *Financial result* are available under *4.2. Notes on the consolidated profit and loss account 2018 (analytical schedule)*.

WDP's risk policy with respect to the financial policy is explained in *8. Risk factors*.

The derivatives currently used by WDP do not qualify as hedging transactions. As a result, changes in the fair value are immediately included in the result.

XI. Taxes

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Corporate tax and exit tax	-1,589	-445
Deferred taxes	-3,695	0
Advance levy on mandatory dividends from subsidiaries	-511	-565
Total	**-5,796**	**-1,010**

XII. Investment property[1]

Changes during the financial year

in euros (x 1,000)	31 DEC. 18						
	Belgium	The Netherlands	France	Romania	Total IFRS	Romania	Luxembourg
Level according to IFRS	3	3	3	3			3
Fair value as at previous financial year-end	1,000,694	1,282,310	121,022	0	2,404,027	134,772	12,324
Investments	21 281	162 596	595	91 783	276 256		12 683
Initial recognition of the right of use for leases (IFRS 16)	24 000	16 166	0	1 285	41 451		41 451
New acquisitions	3,495	11,206	0	72,142	86,843		
Acquisition of investment properties by means of share-based payment transactions[2]	38,796	0	0	264,259	303,055	-134,772	
Transfers to fixed assets held for sale	-14,633	0	-10,910		-25,543		
Disposals	0	-35	0		-35		
Changes in the fair value	76,969	110,191	8,839	17,811	213,811	0	513
Latent changes in existing premises (+/-)	76,844	101,055	8,839	17,898	204,636		669
Latent changes in assets under construction (+/-)	126	9,136	0	-87	9,174		-157
Fair value as at financial year-end	1,150,603	1,582,434	119,547	447,279	3,299,863	0	27,498
Acquisition price	978 974	1,455,882	114 919	395,739	2,945,514		27,438
Insured value	810 713	940 675	90,816	312 274	2,154,478		22 607
Rental income during 2018	68,411	81,833	6 946	18,632	175,822		947

1 Includes project developments in compliance with the IAS 40 standard.

2 The difference with the amount in the cash flow statement is due to the fact that on acquisition of the company, the working capital was also acquired.

in euros (x 1,000)	31 DEC. 17						
	Belgium	The Netherlands	France	Romania	Total IFRS	Romania	Luxembourg
Level according to IFRS	**3**	**3**	**3**			**3**	**3**
Fair value as at previous financial year-end	**938,356**	**1,010,231**	**88,136**		**2,036,722**	**70,151**	**0**
Investments	30 319	115 926	2 121		148 366	46 128	0
New acquisitions	0	101,503	26,435		127,937	9,964	12,814
Acquisition of investment properties via share transactions[2]	17,393	0	0		17,393	0	0
Transfers to fixed assets held for sale	-14,029	-6,032	0		-20,061	0	0
Disposals	-1,095	0	0		-1,095	0	0
Changes in the fair value	29,750	60,683	4,331		94,763	8,529	-490
Deferred changes in existing premises (+/-)	29,465	54,249	4,331		88,044	6,101	-453
Deferred changes in assets under construction (+/-)	285	6,433	0		6,719	2,428	-37
Fair value as at financial year-end	**1,000,694**	**1,282,310**	**121,022**		**2,404,027**	**134,772**	**12,324**
Acquisition price	906,034	1,199,508	114,324		2,219,866	143,228	12,814
Insured value	794 494	853 798	99,488		1,747,781	126,721	12,121
Rental income during 2017	64,887	73,770	6,203		144,860	4,325	920

1 Includes project developments in compliance with the IAS 40 standard.

2 The difference with the amount in the cash flow statement is due to the fact that on acquisition of the company, the working capital was also acquired.

Capital expenditures pertain to investments made as part of new acquisitions, in-house project developments and investments within the existing portfolio (for more information, see *4.3 Management report – Transactions and realisations*).

The property portfolio is valued at fair value. Fair value is based on non-observable inputs, which means assets in investment properties fall under level 3 of the fair value hierarchy as defined in IFRS. 2018 did not see any movements between levels in the fair value hierarchy. For information: Level 1 of the fair-value hierarchy specifies that the fair value is based on listed (non-adjusted) prices in an active market for identical assets or liabilities, while level 2 is based on different information from level 1, which can be determined directly or indirectly for the assets or liabilities in question.

No assets are valued according to their highest, optimum use, as no assets are being used for less than their optimum use.

The positive change in the valuation of investment properties is due to the downward trend of yields for logistical properties in the investment market and unrealised gains on project developments. The gross rental yield, after the addition of the estimated market rental value of the non-leased parts, is 6.7% as at 31 December 2018, compared to 7.1% at the end of 2017.

In 2018, WDP realised a net investment volume of approx. 530 million euros (including solar panels). This was achieved in the different core markets: the Benelux region, France and Romania. For a detailed description of the various individual acquisitions and the pre-leased and other projects completed and under development, see *4.3 Management report – Transactions and realisations*.

The following table shows a comparison between the annual rental income for purchased properties and the rental income actually received since the purchase of the properties in the course of 2018 (in particular the year of purchase of these properties). In 2018, a decision was also taken to sell certain non-strategic sites in Meer, Puurs, Ternat, Aix-en-Provence and Templemars. These sites generated rents in an amount of 1,073,433 euros in 2018.

Acquired properties

in euros (x 1,000)	Land	Annual rental income	Actual rental income
Cluj-Napoca (4) | Cluj, Industriilor 1A	RO	1,692	423
Brasov (2) | Ghimbav (Brasov), DE305, DE301	RO	420	350
Timisoara (6) |Dumbravita commune, DJ 691 km 7-142	RO	2,057	1,417
Brazi | Brazi, Basarab 2	RO	1,166	279
Total		**5,335**	**2,469**

1. Valuation method

The estimation of a site consists of determining its value on a specific date, in other words the price at which the site would likely be tradable between well informed buyers and sellers in the absence of information asymmetries who wish to perform a similar transaction, without taking account of any particular agreement between them. This value is the investment value when it corresponds to the total price payable by the buyer, plus any possible registration fees or VAT, if it is a purchase that is subject to VAT. The fair value, in the sense of the IAS/IFRS reference scheme, can be obtained by deducting an adjusted minimum charge for registration fees and/or the VAT from the investment value. To calculate the changes in the fair value, the hypothetical local registration rights are deducted from the investment value. On average, these breakdown as follows by country: Belgium 2.5%, Netherlands: 6.2%, France: 4.9%, Luxembourg: 7% and Romania: 1.5%.

Non-observable inputs in determination of the fair value[1]

Level according to IFRS	Classification according to geographic area	Fair value on 31 DEC. 17 in euros (x 1,000) 18 in euros (x 1,000)	Valuation method	Input 31 DEC. 18	Range (min./max.) (weighted average) 31 DEC. 18
3	Belgium	1,155,522	Discounted cash flow & income capitalisation	– ERV (euros/m²)[2]	21-115 euro/m² (42 euro/m²)
				– Discount rate	5.1% – 8.4% (5.8%)
				– Projected growth in rent (inflation)	1.25%-1.25% (1.25%)
				– Capitalisation factor (required return)	4.8% – 8.9% (6.4%)
				– Remaining lease duration (until first break)	2 months – 17.9 years (4.3 years)
				– Remaining lease duration (until expiry date)	3 months – 28 years (6.7 years)
3	The Netherlands	1,582,435	Discounted cash flow & income capitalisation	– ERV (euros/m²)[2]	26-85 euro/m² (47 euro/m²)
				– Discount rate	
				– Projected growth in rent (inflation)	1.9%-1.9% (1.9%)
				– Capitalisation factor (required return)	4.3%-12.0% (5.3%)
				– Remaining lease duration (until first break)	2 months – 16.5 years (6.0 years)
				– Remaining lease duration (until expiry date)	2 months – 16.5 years (6.7 years)
3	France	119,547	Income capitalisation	– ERV (euros/m²)[2]	30-40 euro/m² (39 euro/m²)
				– Capitalisation factor (required return)	5.4% – 7.5% (6.1%)
				– Remaining lease duration (until first break)	1.3 years – 11 years (4.0 years)
				– Remaining lease duration (until expiry date)	3.5 years – 11 years (6.9 years)
3	Romania	447,279	Income capitalisation	– ERV (euros/m²)[2]	36-59 euro/m² (47 euro/m²)
				– Capitalisation factor (required return)	7.2%-9% (7.6%)
				– Remaining lease duration (until first break)	1.0 years – 11.9 years (7.2 years)
				– Remaining lease duration (until expiry date)	1.4 years – 20.7 years (8.2 years)
3	Luxembourg	27,498	Income capitalisation	– ERV (euros/m²)[2]	59-59 euro/m² (59 euro/m²)
				– Capitalisation factor (required return)	6.0%-6.5% (6.2%)
				– Remaining lease duration (until first break)	11 months – 9.9 years (5.4 years)
				– Remaining lease duration (until expiry date)	11 months – 19.9 years (7.0 years)

1 For other non-observable inputs not shown in the above table, please refer to section *4.5.4. Management report – EPRA stats – IV. Rental dates and vacancy rate* (difference between projected rental value and passing rent), *5.1.5. Property report – Review of the consolidated property portfolio – Overview of projects under development* (projected out-of-pocket cost for the project developments) and *5.1.6. Property report – Key figures of the properties* (year of construction and lettable area in m²). This overview reflects the non-observable inputs for determining the fair value of the existing buildings within the real estate portfolio and the projects under development.

2 For the ERV, only the rents for the available spaces are taken into account. The wide range (min./max.) is due to the different kinds of storage premises (from outdoor storage to refrigerated warehouses).

2. Sensitivity of valuations

The sensitivity of the fair value with regard to changes in significant non-observable inputs used in determining the fair value of property classified as level 3 according to the IFRS fair-value hierarchy, is as follows (ceteris paribus):

Non-observable input

	Impact on fair value at:	
	Decrease	Increase
ERV (in euros/m²)	negative	positive
Discount rate	positive	negative
Required yield	positive	negative
Remaining lease duration (until first break)	negative	positive
Remaining lease duration (until expiry date)	negative	positive
Occupation rate (EPRA)	negative	positive
Projected growth in rent (inflation)	negative	positive

In addition, it is usually the case that an increase (decrease) in the remaining period of a rental contract leads to an increase (decrease) in the discount rate (and required yield). An increase (decrease) in the occupancy rate may result in a decrease (increase) in the discount rate (and required yield).

In addition, the sensitivity of the fair value of the portfolio can be estimated as follows (based on a ceteris paribus approach): the effect of an increase (decrease) of 1% in rental income results in an increase (decrease) in the fair value of the portfolio of approx. 30 million euros (ceteris paribus). The effect of an increase (decrease) of 25 basis points in the required yield results in a decrease (increase) in the fair value of the portfolio of approx. 140 million euros (ceteris paribus).

3. Valuation process

The valuation process at WDP follows a centralised approach where the policy and procedures with regard to property estimates are determined by the CEO and CFO, after approval by the audit committee. In addition, it is determined which independent property expert will be appointed for the various parts of the property portfolio. Contracts will typically be signed for a renewable term of three years subject to a double rotation obligation according to the Law of 12 May 2014 in the scope of a GVV (see *10.6. Permanent document – Property expert*). Some examples of the selection criteria would be local market knowledge, reputation, independence and insurance of the highest professional standards. Property expert fees are set for the period of their appointment and are not related to the value of the objects appraised.

Independent property experts are appointed for each country, to ensure proper consideration for the special characteristics of each geographical region and thus also the diversified, pan-European nature of the property portfolio. The property portfolio is valued externally by independent property experts on a quarterly basis. The property portfolio is valuated externally on a quarterly basis by the independent property experts. The valuation methods are determined by the outside experts and are based on a multi-criteria approach. The independent property expert determines the fair market value based on a discounted cash-flow model, an income capitalisation method and/or comparable market transactions. Moreover, the estimates arrived at in this manner are compared to the initial yield and available comparison points using recent market transactions for comparable objects (including objects purchased by WDP itself during that year). The valuation cycle within one financial year consists of a site visit after which a detailed estimate report is drawn up for each object as well as three desktop reviews in which new information provided by WDP with regard to the lease situation are reflected, and the most important assumptions with regard to significant non-observable inputs are recognised.

Property expert	Location	Fair value (in € x 1,000)	Portion of the portfolio
Stadim	Belgium[1]	682 336	20%
Jones Lang LaSalle Belgium	Belgium	473 185	14%
Cushman & Wakefield	The Netherlands	1,049,244	31%
CBRE Netherlands	The Netherlands	533 191	16%
BNP Paribas Real Estate	France	119,547	4%
CBRE Romania	Romania	447,279	13%
Jones Lang LaSalle Luxembourg	Luxembourg	27,498	1%
Total		**3,332,280**	**100%**

1 Including the proportionate share of the portfolio in I Love Hungaria.

The independent property expert has full access to all quantitative and qualitative information with regard to the property portfolio. The group controller is responsible for continuous contact with and provision of information to the relevant property experts (such as all leases, information on occupancy rate, maturity dates, investments and maintenance and repair costs). Twice a year, the CEO and country manager also discuss the asset management plan for each object in detail with the property expert. On submission of the quarterly estimate reports, the Group Controller and the CFO compare and analyse all material discrepancies (positive and negative) in absolute and relative terms, with respect to the last four quarters. Based on this, the CEO and CFO then conduct a detailed discussion with the respective property experts to ensure that all data with regard to the sites are reflected accurately and exhaustively in the estimate, with specific attention to property development projects. The property experts draw up an independent estimate of the future cash-flow profile and reflect the risks via a combination of cash-flow projections (rental growth, vacancy, incentives, investments, etc.) as well as the applied acquired yields or discount rates. Next, the final property estimates are submitted to the audit committee.

XIII. Other tangible fixed assets

Changes during the financial year

in euros (x 1,000)	31 DEC. 18				31 DEC. 17			
	Solar panels	Other[1]	Total IFRS	Romania	Solar panels	Other[1]	Total IFRS	Romania
Level according to IFRS	3	n.r.		3	3	n.r.		3
At the end of the previous financial year	93,799	2,077	95,876	8,885	85,355	863	86,218	8,763
Investments	7,754	975	8,729	0	9,043	1,631	10,674	13
New acquisitions	0	0	0	0	0	0	0	0
Acquisitions via share transactions	16,874	548	17,422	-8,885	0	0	0	0
Disposals	0	-28	-28	0	0	-14	-14	0
Changes in the fair value	-1,061	-512	-1,573	0	-599	-403	-1,002	109
Gains	3,876	0	3,876	0	3,305	0	3,305	429
Depreciation and write-downs	-4,937	-512	-5,449	0	-3,904	-403	-4,307	-320
At the end of the financial year	117,366	3,060	120,426	0	93,799	2,077	95,876	8,885
Acquisition price	101,058	6,246	107,304	0	76,430	4,751	81,181	10,800

1 *Other* means: *Plants, Machinery and equipment, Furniture and rolling stock* and *Other tangible fixed assets.*

Valuation method – Solar panels

Classification according to geographic area	Belgium	The Netherlands	Romania
Level (IFRS)	3	3	3
Fair value as at 31 DEC. 18 (in euros x 1,000)	63,725	38,502	15,138
Income 2018[1] (in euros x 1,000)	8,710	3,440	2,387
including Green Energy Certificates	7,883	2,277	1,782
including green energy (minus associated costs)	827	1,163	605

	Belgium	The Netherlands	Romania
Valuation technique	**Discounted cash flow**	**Discounted cash flow**	**Discounted cash flow**
Implicit number of sunshine hours	The model assumes an implicit 950 sunshine hours per year. This is based on weather statistics and the available data at the end of the year. As at 31 December 2018, the solar panel installations were spread across 33 sites.	The model assumes an implicit 900 sunshine hours per year. This is based on weather statistics and the available data at the end of the year. As at 31 December 2018, the solar panel installations were spread across 28 sites.	The model assumes an implicit 1,250 sunshine hours per year. This is based on weather statistics and the available data at the end of the year. As at 31 December 2018, the solar panel installations were spread across four sites.
Green Energy Certificates (GECs)	Green Energy Certificates (GECs) in Flanders are issued to each project by the Flemish Electricity and Gas Market Regulator (the VREG) at a fixed price per certificate for a fixed period of twenty years. The price of certificates for operational sites varies between 270 and 450 euros per MWh. Green Energy Certificates (GECs) in Wallonia are issued to each project by the Wallonia Energy Commission (CWaPE) at a guaranteed price per certificate for a fixed period of ten years. The price of certificates for operational sites is 65 euros per certificate.	Each project receives a subsidy from the Netherlands Enterprise Agency (the RVO) for a period of fifteen years. The maximum subsidy amount allocated per MWh produced depends on the time of request and is set so the maximum yield including subsidy is 107 to 147 euros per MWh.	Green Energy Certificates (GEC) are issued to each project by the ANRE (Romanian Energy Regulatory Authority) for a fixed period of fifteen years. The PV projects for WDP in Romania receive 4 GECs per MWh of green energy produced (two of which are deferred in accordance with the regulatory framework). Certificates can subsequently be sold on the regulated market at a price set by law of 29 euros per certificate. As for the solar farms, WDP has a ten-year purchase agreement with Enel (an international leader in the energy market).
Energy price	The energy price in nominal terms increases by 1.5% per year. This increase is applied to the forward prices. As a starting point, an average Endex price (see www.apxendex.com) (BE-power) of CAL t + 1, 2, 3 was chosen. The valuation at 2018 year end was based on the average of Q2 19, Q3 19, Q4 19 and Q1 20 published on 31 December 2018, as well as CAL 20 and 21.	The energy price in nominal terms increases by 1.5% per year. This increase is applied to the forward prices. As a starting point, the Endex price (see www.apxendex.com) (NL-power) of CAL t + 1, 2, 3 was chosen. The valuation at 2018 year end was based on the average of Q2 19, Q3 19, Q4 19 and Q1 20 published on 31 December 2018, as well as CAL 20 and 21.	The energy price in real terms increases by 1.5% per year. This increase is applied to the forward price. As a starting point, the forward price (see www.pwe.cz) (RO-power) of CAL t + 1, 2 was chosen. The valuation at 2018 year end was based on the average of CAL 19 and 20 published on 31 December 2018.
Discount rate	The required yield is calculated as the weighted average cost of the capital according to long-term interest, market risk premium and country-specific risk.	The required yield is calculated as the weighted average cost of the capital according to long-term interest, market risk premium and country-specific risk.	The required yield is calculated as the weighted average cost of the capital according to long-term interest, market risk premium and country-specific risk.
Decrease in yield	The PV installation has seen its yield decrease by 0.6% per year and has been decommissioned after thirty years. No account was taken here of any possible residual value of the installation, nor with the costs of dismantling the installation.	The PV installation has seen its yield decrease by 0.6% per year and has been decommissioned after thirty years. No account was taken here of any possible residual value of the installation, nor with the costs of dismantling the installation.	The PV installation has seen its yield decrease by 0.6% per year and has been decommissioned after thirty years. No account was taken here of any possible residual value of the installation, nor with the costs of dismantling the installation.
Maintenance and capex	Account is taken of the various operational costs related to exploitation as well as a ten-year maintenance cost in order to keep the expected evolution of the operational condition intact.	Account is taken of the various operational costs related to exploitation as well as a ten-year maintenance cost in order to keep the expected evolution of the operational condition intact.	Account is taken of the various operational costs related to exploitation as well as a ten-year maintenance cost in order to keep the expected evolution of the operational condition intact.

1 The income consists of the sale of green energy certificates and of green energy to the tenant and/or energy supplier, minus costs associated with maintenance of solar panels.

Sensitivity of valuations

The sensitivity of the fair value with regard to changes in significant non-observable inputs used in determining the fair value of objects classified as level 3 according to the IFRS fair-value hierarchy, is as follows (ceteris paribus):

Non-observable input	Impact on fair value at:	
	decrease	increase
Implicit number of sunshine hours	negative	positive
Green Energy Certificates (GECs)	negative	positive
Energy price	negative	positive
Discount rate	positive	negative
Decrease in yield	negative	positive
Maintenance and capex	positive	negative

In addition, the sensitivity of the fair value of the solar panels can be estimated as follows (based on a ceteris paribus approach): the effect of an increase (decrease) in the required yield of 25 bps results in a decrease (increase) in the fair value of the solar panels of approx. 2 million euros.

Valuation process

A standardised valuation model is not available for investments in solar panels. WDP calculates the fair value of these assets according to a discounted cash-flow model based on future income and costs.

The valuation cycle within a financial year consists of a complete, detailed update at the end of the year of all assumptions and projected cash flows, and three desktop reviews that include a roll-forward of the model as well as streamlining of the key assumptions with regard to significant non-observable inputs.

The data and input with regard to the expected future cash flows are continuously verified with the available statistics over the totality of the PV systems, whereas a consistent, comparable analysis is made of the financial return requirements of investors. The final fair value determinations are validated by the audit committee on a quarterly basis.

XIV. Financial instruments

(in euros x 1,000)	IFRS 13 balance sheet section
Financial assets	
Assets at fair value through result – Permitted hedging instruments	I. E.
– Interest Rate Swap	
Financial assets at amortised cost	I. E.
Long-term receivables	
– Trade receivables and other non-current assets	I. G.
Short-term receivables	
– Trade receivables	II. D.
Cash and cash equivalents	II. F.
Accruals and deferrals on the assets: interest charges on loans and permitted hedging instruments	
– Interest on loans	
– Interest on permitted hedging instruments	
Total	
Financial liabilities	
Non-current financial liabilities	
– Bond loan: private placement	I. B.
– Bond loan: retail bond	I. B.
– Bank debt	I. B.
– Other non-current financial liabilities	I. B.
Other non-current financial liabilities	I.C.
– Permitted hedging instruments: Interest Rate Swaps	
– Permitted hedging instruments: Interest Rate Swaps (forward start)	
– Other non-current financial liabilities	
Current financial liabilities	
– Commercial paper	II. B.
– Bank debt	II. B.
– Other current financial liabilities	I. B. and II. B.
Other current financial liabilities	II.C.
– Permitted hedging instruments: Interest Rate Swaps	
– Permitted hedging instruments: Interest Rate Swaps (forward start)	
– Other current financial liabilities	
Trade payables and other current debts	II. D.
Accruals and deferrals on the liabilities: interest charges on loans and permitted hedging instruments	
– Interest on loans	
– Interest on permitted hedging instruments	
Total	

					31 DEC. 18
	Level (IFRS 13)	Financial assets/ liabilities valuated at fair value through profit or loss	Financial assets/ liabilities at amortised cost	Book value	Fair value
	2	3,252		3,252	3,252
	2		4,625	4,625	4,625
	2		4,972	4,972	4,972
	2		9,987	9,987	9,987
	2		1,724	1,724	1,724
	2		77	77	77
	2				
		3,252	**21,384**	**24,636**	**24,636**
	2		301,038	301,038	302,889
	1		124,932	124,932	131,148
	2		1,046,993	1,046,993	1,046,993
	2		3,623	3,623	3,623
	2	54,225		54,225	54,225
	2	963		963	963
	3		40,996	40,996	40,996
	2		150,950	150,950	150,950
	2		68,173	68,173	68,173
	2		2,042	2,042	2,042
	2	0		0	0
	2	0		0	0
	3		168	168	168
	2		47,314	47,314	47,314
	2		8,509	8,509	8,509
	2	502		502	502
		55,690	**1,794,739**	**1,850,429**	**1,858,495**

(in euros x 1,000)	IFRS 13 balance sheet section	
Financial assets		
Assets at fair value through result – Permitted hedging instruments	I. E.	
– Interest Rate Swap		
Financial assets at amortised cost	I. E.	
Long-term receivables		
– Trade receivables and other non-current assets	I. G.	
Short-term receivables		
– Trade receivables	II. D.	
– Cash and cash equivalents	II. F.	
Accruals and deferrals on the assets: interest charges on loans and permitted hedging instruments		
– Interest on loans		
– Interest on permitted hedging instruments		
Total		
Financial liabilities		
Non-current financial liabilities		
– Bond loan: private placement	I. B.	
– Bond loan: retail bond	I. B.	
– Bank debt	I. B.	
– Other non-current financial liabilities	I. B.	
Other non-current financial liabilities – Permitted hedging instruments	I.C.	
– Interest Rate Swaps		
– Interest Rate Swaps (forward start)		
Current financial liabilities		
– Commercial paper	II. B.	
– Bank debt	II. B.	
– Other current financial liabilities	I. B. and II. B.	
Other current financial liabilities – Permitted hedging instruments	II.C.	
– Interest Rate Swaps		
– Interest Rate Swaps (forward start)		
Trade payables and other current debts	II. D.	
Accruals and deferrals on the liabilities: interest charges on loans and permitted hedging instruments		
– Interest on loans		
– Interest on permitted hedging instruments		
Total		

					31 DEC. 17
	Level (IFRS 13)	Financial assets/ liabilities valuated at fair value through profit or loss	Financial assets/ liabilities at amortised cost	Book value	Fair value
	2				
		5,764		5,764	5,764
	2		91,705	91,705	91,705
	2		3,411	3,411	3,411
	2		9,042	9,042	9,042
	2		1,231	1,231	1,231
	2		70	70	70
	2	0		0	0
		5,764	105,459	111,223	111,223
	2		201,287	201,287	203,624
	1		124,900	124,900	131,605
	2		776,872	776,872	776,872
	2		5,907	5,907	5,907
		48,279		48,279	48,279
		394		394	394
	2		186,100	186,100	186,100
	2		52,803	52,803	52,803
	2		1,946	1,946	1,946
	2				
		0		0	0
		0		0	0
	2		22,774	22,774	22,774
	2		6,736	6,736	6,736
	2	558		558	558
		49,231	1,379,325	1,428,556	1,437,598

Valuation of financial instruments

The entirety of the financial instruments of the Group corresponds to levels 1 and 2 in the hierarchy of the fair values. The valuation against fair value occurs regularly.

In the event of bankruptcy of one of both contracting parties, the net position of the derivatives shall be considered for the counterparty.

Level 1 in the hierarchy of the fair values prevents money investments, funds and cash equivalents regarding which the fair value is based on the share price.

Fair value level 2 pertains to other financial assets and liabilities whose fair value is based on observable inputs and other information that can be determined directly or indirectly for the assets or liabilities in question. The valuation method for the fair value of financial instruments of level 2 is the following: the fair value of the aforementioned financial assets and liabilities is valuated at book value, except for the bond whose fair value is determined according to a discounted cash-flow model based on market interest rates at the end of the year, as these are not frequently traded (level 2). Because the other financial liabilities are incurred at a floating interest rate, the fair value is close to the book value.

Level 3 in the hierarchy of the fair values shows the property portfolio and the financial liabilities recognised in accordance with IFRS 16, whose fair value is determined based on non-observable inputs.

Determining the financial liability in accordance with IFRS 16

For some of its investments, WDP does not have bare ownership, but rather only usufruct through a concession, long lease or similar arrangement. Specifically, a financial liability is recognised for this in accordance with IFRS 16. This financial liability is included under *Other non-current financial liabilities* and *Other current financial liabilities*. The financial liability is the present value of all future lease payments. The discount rate applied in determining this liability was based on a combination of the interest curve plus a spread according to the WDP credit risk, both in line with the remaining duration of the underlying right of use.

The sensitivity of the calculation of this financial liability can be estimated as follows (based on a ceteris paribus approach): the effect of an increase (decrease) in the discount rate of 100 basis points would give results in a decrease (increase) in the financial liability of approx. 7 million euros, with an impact of 0.2% on the gearing ratio.

Liquidity requirement on maturity dates associated with non-current loans (contractual cash flows and non-updated interest)

in euros (x 1,000)	31 DEC. 18
Between one and two years	185,926
Between two and five years	700,921
More than five years	674,230
Total	**1,561,077**

Initial application of IFRS 9

Based on an analysis of WDP's situation as at 31 December 2018, IFRS 9 does not have any substantive impact on the consolidated financial statements. The table below gives the financial instrument categories as per IFRS 9 and compared to the previous IFRS standard (IAS 39) applicable until 31 December 2017.

in euros (x 1,000)	IFRS 9		IAS 39	
	Book value (including the impact on revaluation due to special impairment, if applicable)	Section	Book value	Section
Financial assets				
Fixed assets				
Financial fixed assets				
Assets at fair value through profit or loss – Permitted hedging instruments	5,764	Financial assets valuated at fair value through profit or loss	5,764	Financial assets held for transaction purposes
Loans and receivables – Other	91,705			Loans and receivables
Financial assets at amortised cost		Financial assets at amortised cost	91,705	
Trade receivables and other non-current assets	3,411	Financial assets at amortised cost	3,411	Loans and receivables
Current assets				
Trade receivables	9,042	Financial assets at amortised cost	9,042	Loans and receivables
Cash and cash equivalents	1,231	Financial assets at amortised cost	1,231	Loans and receivables
Deferrals and accruals: interest on loans and permitted hedging instruments				
Interest on loans	70	Financial assets at amortised cost	70	Loans and receivables
Interest on permitted hedging instruments	0	Financial assets valuated at fair value through profit or loss	0	Financial assets held for transaction purposes
Total	**111,223**		**111,223**	

in euros (x 1,000)	IFRS 9		IAS 39	
	Book value (including the impact on revaluation due to special impairment, if applicable)	Section	Book value	Section
Financial liabilities				
Non-current liabilities				
Non-current financial liabilities				
Bank debt	776,872	Financial liabilities valued at amortised cost	776,872	Financial liabilities at amortised cost
Bond loan: private placement	201,287	Financial liabilities valued at amortised cost	201,287	Financial liabilities at amortised cost
Bond loan: retail	124,900	Financial liabilities valued at amortised cost	124,900	Financial liabilities at amortised cost
Other non-current financial liabilities	5,907	Financial liabilities valued at amortised cost	5,907	Financial liabilities at amortised cost
Other non-current financial liabilities				
Permitted hedging instruments: Interest Rate Swaps	48,279	Financial liabilities held for transaction purposes	48,279	Financial liabilities held for transaction purposes
Permitted hedging instruments: Interest Rate Swaps (forward start)	394	Financial liabilities held for transaction purposes	394	Financial liabilities held for transaction purposes
Other non-current financial liabilities	40,996	Financial liabilities valued at amortised cost	40,996	Financial liabilities at amortised cost
Current liabilities				
Current financial liabilities				
Bank debt	52,803	Financial liabilities valued at amortised cost	52,803	Financial liabilities at amortised cost
Commercial paper	186,100	Financial liabilities valued at amortised cost	186,100	Financial liabilities at amortised cost
Other current financial liabilities	1,946	Financial liabilities valued at amortised cost	1,946	Financial liabilities at amortised cost
Trade payables and other current debts	22,774	Financial liabilities valued at amortised cost	22,774	Financial liabilities at amortised cost
Other current financial liabilities				
Permitted hedging instruments: Interest Rate Swaps	0	Financial liabilities held for transaction purposes	0	Financial liabilities held for transaction purposes
Permitted hedging instruments: Interest Rate Swaps (forward start)	0	Financial liabilities held for transaction purposes	0	Financial liabilities held for transaction purposes
Other current financial liabilities	168	Financial liabilities valued at amortised cost	168	Financial liabilities at amortised cost
Accruals and deferred income of the liabilities: interest on loans and permitted hedging instruments				
Interest on loans	6,736	Financial liabilities valued at amortised cost	6,736	Financial liabilities at amortised cost
Interest on permitted hedging instruments	558	Financial liabilities held for transaction purposes	558	Financial liabilities held for transaction purposes
Total	**1,469,720**		**1,469,720**	

Financial instruments at fair value (as per IFRS 9)

The Group uses derivatives to hedge the interest rate risk on its financial debts in order to reduce volatility in EPRA Earnings (which is the basis for the dividend) while also minimising the cost of debt. These hedges are managed centrally through a macro hedging policy. The Group does not use any derivatives for speculative purposes, nor does it hold any derivatives for trading purposes. The derivatives currently used by WDP do not qualify as hedging transactions. As a result, changes in the fair value are immediately included in the result.

These contracts are valuated at fair value as per IFRS 9 on the balance sheet date. This information is received from the various financial institutions and verified by WDP by discounting the future contractual cash flows based on the corresponding interest rate curves.

Fair value is based on observable inputs, which means the IRS contracts fall under level 2 of the fair value hierarchy as per IFRS. The fair value is calculated based on a discounted cash flow model using the relevant market interest rates indicated in the forward interest curve on the balance sheet date. No changes in the fair-value hierarchy level took place in 2018. No hedging instruments were concluded before the maturity date during this period.

				31 DEC. 18
Classification according to IFRS	**Level (IFRS)**	**Notional amount (in euros x 1,000)**	**Interest rate (in %)**	**Duration (in years)**
Interest Rate Swap	2	1,024,618	1.20	6.8
Interest Rate Swap (forward start)	2	150,000	0.90	10.0
Total		**1,174,618**	**1.16**	**7.2**

				31 DEC. 17
Classification according to IFRS	**Level (IFRS)**	**Notional amount (in euros x 1,000)**	**Interest rate (in %)**	**Duration (in years)**
Interest Rate Swap	2	826,768	1.26	7.2
Interest Rate Swap (forward start)	2	50,000	0.92	10.3
Total		**876,768**	**1.24**	**7.3**

The change in fair value and the valuation of the hedging instruments at fair value on the balance sheet date are as follows:

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Fair value on balance sheet date	**-51,936**	**-42,909**
Financial fixed assets	3,252	5,764
Financial instruments at fair value via the profit and loss account	3,252	5,764
Other non-current financial liabilities	55,188	48,673
Permitted hedging instruments	55,188	48,673
Other current financial liabilities	0	0
Permitted hedging instruments	0	0
Changes in the fair value of financial assets and liabilities	**-9,027**	**16,470**
Revenue	1,422	18,801
Costs	-10,449	-2,331

The following table gives an overview of the impact of the fair value of the IRSes if the interest rate rises or falls by a max. of 0.50%:

Change in the interest rate	Impact on the change in fair value of the IRSes as at 31 DEC. 18 (in euros x 1,000,000)
-0.50%	-42.2
-0.25%	-20.8
0.00%	0.0
+0.25%	20.4
+0.50%	40.3

For the impact of the interest rate changes on the EPRA Earnings, please refer to *4.6. Management report – Outlook*.

Liquidity requirement on the maturity dates linked to the derivatives

in euros (x 1,000)	31 DEC. 18
Between one and two years	27,526
Between two and five years	33,043
More than five years	11,507
Total	**72,076**

For a detailed overview of financial and other risks, their limiting factors and control, see Chapter *8. Risk factors*. For a review of the management of financial risks (including credit risk, liquidity risk, interest risk, counterparty risk), see Chapter *4.4. Management report – Management of financial resources*. See also the sensitivity analysis in Chapter *4.6. Management report – Outlook* as well as explanatory note *XX. Statement of financial debt*.

XV. Assets held for sale

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Belgium		
Assets held for sale at as 2017 year end		7,525
Assets held for sale at as 2018 year end	739	
Total	**739**	**7,525**

The balance sheet currently indicates 0.7 million euros in *Assets held for sale* . This pertains to part of the building in Anderlecht and part of the site in Leuven.

XVI. Trade receivables and doubtful debtors

Trade receivables

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Customers	11,339	10,102
Write downs booked for doubtful debtors	-3,275	-3,352
Invoices to be prepared/credit notes to be received	1,923	2,292
Trade receivables	**9,987**	**9,042**

Trade receivables are payable prior to the regular lease period. The table below shows the past due trade receivables.

in euros (x 1,000)	31 DEC. 18		31 DEC. 17	
Non-expired and expired < 30 days	7,271		4,686	
of which provisioned for as doubtful debtors		-24		-38
Expired 30-60 days	82		416	
of which provisioned for as doubtful debtors		0		-167
Expired 60-90 days	115		83	
of which provisioned for as doubtful debtors		0		0
Expired > 90 days	3,872		4,916	
of which provisioned for as doubtful debtors		-3,251		-3,147
Total clients	**11,339**		**10,102**	
of which provisioned for as doubtful debtors		***-3,275***		***-3,352***

Doubtful debtors – mutation table

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
At the end of the previous financial year	**-3,352**	**-3,407**
Additions	-679	-525
Reversals	252	299
Other	504	281
At the end of the financial year	**-3,275**	**-3,352**

The provision for doubtful debts is 3.3 million euros and is stable compared with last year.

A clear procedure is followed to determine provisions to be created for doubtful debts, with quarterly estimates of the expected losses on outstanding trade receivables and with application of corresponding write-downs. Under this method, the book value of the trade receivables approaches their fair value. With regard to the policy on accounts receivable, WDP ensures a regular screening of the creditworthiness of its tenant portfolio. In addition, outstanding customer balances are reported internally to all sales and technical staff on a monthly basis. They can ensure adequate follow-up on rent in arrears by means of their direct contacts with the customer.

More generally, credit risks are limited by the fact that WDP guarantees an adequate distribution amongst its tenants. In addition to the legal standard of 20%, an internal maximum limit of 10% applies to rental income (including income from solar energy) originating from the same customer. For the major tenants, see *5.1. Property report – Review of the consolidated property portfolio*. Credit risks are moreover limited to a maximum risk of 5% per site.

XVII. Participation in associated companies and joint ventures

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Opening balance	**31,626**	**14,357**
Acquisition of a joint venture	0	5,940
Capital increases in joint ventures	4,433	31
Purchase of shares in a joint venture resulting in their full consolidation in its IFRS statements (formerly under the equity accounting method)	-25,689	0
Share in the result of associated companies and joint ventures	466	10,803
Revaluation of the solar panels of joint ventures	0	429
Other	-200	66
Closing balance	**10,636**	**31,626**

XVIII. Tax receivables and other current assets

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Tax receivables	17,477	16,228
Other current assets	1,513	6,602
Total	**18,990**	**22,830**

The decrease in the *Taxes* section is attributable to the fact that as at 2017 year end, a considerable VAT amount was reclaimable due to acquisition of the site in Toulouse, Industriezone ZAC Grand Sud Logistique, and the acquisition of three new lots in the Netherlands by the end of December 2017.

XIX. Capital

		Changes in subscribed capital as at 31 DEC. 18 (in euros x 1,000)	Number of shares
	Creation Rederij De Pauw	50	
	Capital increase through reserves incorporation	12	
	Capital increase by public issue (including issue premium)	69,558	
	Capital increase through merger and split transactions	53	
	Capital increase through incorporation of reserves to round off to the nearest euro	327	
	Capital increase by discharging losses	-20,575	
1999	**Subscribed capital and number of shares at IPO (June 1999)**	**49,425**	**6,640,000**
2001	Capital increase following merger through Caresta takeover	2,429	259,593
2001	Capital increase through incorporation of reserves to round off to the nearest euro	46	0
2003	Capital increase by public issue (including issue premium)	27,598	985,656
2006	Capital increase partial demerger of Partners in Lighting International	29,415	707,472
2006	Capital increase associated with creation of available reserves	-40,000	0
2009	Capital increase DHL transaction	6,478	807,733
2009	Capital increase	25,130	3,133,484
2011	Capital increase through contribution of claim as a result of an optional dividend	5,216	650,437
2011	Capital increase Betafence transaction	3,642	454,146
2012	Capital increase through contribution of claim as a result of an optional dividend	4,988	622,013
2012	Capital increase partial demerger Immo Weversstraat	675	84,226
2012	Capital increase Lake Side bis transaction	5,910	736,932
2013	Capital increase through contribution of claim as a result of an optional dividend	4,600	573,596
2013	Capital increase as a result of the direct merger with three companies in Geel	3,400	423,959
2014	Capital increase through contribution of claim as a result of an optional dividend	3,693	460,317
2014	Capital increase Tiel transaction	7,213	899,080
2015	Capital increase as a result of the MLB transaction	5,468	681,828
2015	Capital increase through contribution of claim as a result of an optional dividend	3,102	386,788
2016	Capital increase through contribution of claim as a result of an optional dividend	3,603	449,223
2016	Capital increase in cash with irreducible allocation right	19,004	2,369,560
2017	Capital increase through contribution of claim as a result of an optional dividend	3,933	490,361
2017	Capital increase via a partial demerger and contribution in kinf	1,547	192,873
2018	Capital increase through contribution of claim as a result of an optional dividend	3,989	497,325
2018	Capital increase, transaction, Asse-Zellik (1)	360	44,860
2018	Capital increase, transaction, Asse-Zellik (2)	956	119,226
2018	Capital increase, transaction, Tiel, Veghel and Bleiswijk	3,133	390,702
Total		**184,952**	**23,061,390**

	31 DEC. 18	31 DEC. 17
Number of shares entitled to dividend	**22,009,277**	**21,326,043**
Capital increase through contribution of claim as a result of an optional dividend	497,325	490,361
Capital increase via a partial demerger and contribution in kinf	0	192,873
Capital increase by contribution in kind	554,788	0
Number of shares entitled to a dividend at the end of the financial year	**23,061,390**	**22,009,277**
Net result (IFRS) – Group share (in euros x 1,000)	328,784	235,156
Net result (IFRS) – Group share per share (in euros)[1]	14.69	10.84

1 Calculated on the weighted average number of shares.

WDP has only one share category, namely ordinary shares. Holders are entitled to receive the declared dividend and have one vote per share at the Annual General Meeting of Shareholders.

All shares are fully paid up and are either registered or dematerialised.

The statutory manager is authorised to increase the fully paid-up share capital on the dates and under the conditions which he or she shall determine, one or more times to a maximum amount of:

- I. 148,427,695.51 euros (a) If the capital increase to be realised is a capital increase via a contribution in cash with the possibility to exercise preferential rights of the shareholders and (b) if the capital increase to be carried out is a capital increase via contribution in cash with the option to exercise the priority allocation right (as referred to in the Belgian GVV/SIR Law) of the shareholders,
- II. 29,685,539.10 euros for any form of capital increase other than that described in point I above, with the understanding that the share capital, within the framework of the authorised capital, shall not be increased by a total amount greater than 148,427,695.51 euros. The proxy is granted for a renewable period of five years starting from 3 May 2016, which is the date of publication of the minutes of the extraordinary general meeting of 8 April 2016 in the Annexes to the Official Gazette of Belgium (i.e. until 2 May 2021).

As at 31 December 2018, the available balance of the authorised capital was:

- I. 129,423,892.12 euros to the extent that this is a capital increase in cash with an option to exercise the preferential right or, if applicable, the irreducible allocation right;
- II. 17,314,941.75 euros for any form of capital increase other than that described in point I above; with the understanding that the share capital, within the framework of the authorised capital, cannot be increased by a total amount greater than 117,053,294.77 euros during the remaining term of the proxy.

XX. Provisions

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Opening balance	**655**	**1,045**
Used amounts	-530	-390
Additions	234	0
Closing balance	**359**	**655**
Time of expected outflow of economic resources	< 5 years	< 5 years

In the course of the 2018 financial year, ongoing investigations, monitoring activities and remediation continued in order to fulfil local legal obligations regarding soil remediation. The outstanding *Provisions* item at the end of 2018 still amounted to 0.4 million euros.

The provisions are mainly allocated to potential remediation of land in Heppignies (rue de Capilône 6), Londerzeel (Weverstraat 2), Vilvoorde (Havendoklaan 10), Aalst (Tragel 47) and Anderlecht (Frans Van Kalkenstraat 9).

XXI. Statement of financial debt

	Included as of		< 1 years		1-5 years		< 5 years	
in euros (x 1,000)	31 DEC. 18	31 DEC. 17	31 DEC. 18	31 DEC. 17	31 DEC. 18	31 DEC. 17	31 DEC. 18	31 DEC. 17
Commercial paper	150,950	186,100	150,950	186,100	–	–	–	–
Straight loans	67,539	52,190	67,539	52,190	–	–	–	–
Roll over loans	634	613	634	613	–	–	–	–
Other	2,042	1,946	2,042	1,946	–	–	–	–
Current financial liabilities	**221,165**	**240,849**	**221,165**	**240,849**	**–**	**–**	**–**	**–**
Roll over loans	1,046,993	776,871	–	–	530,988	450,649	516,005	326,223
Bond loan	425,970	326,187	–	–	266,658	266,452	159,312	59,735
Other	3,623	5,907	–	–	3,274	5,427	349	480
Non-current financial liabilities	**1,476,586**	**1,108,966**	**-**	**-**	**800,920**	**722,527**	**675,666**	**386,438**
Total	**1,697,751**	**1,349,815**	**221,165**	**240,849**	**800,920**	**722,527**	**675,666**	**386,438**

For further information on financial liabilities, please refer to Chapter *4.4. Management report – Management of financial resources*.

For further information on the applicable banking agreements, please see explanatory note *XXV. Rights and obligations not recognised on the balance sheet*. For a complete overview of the sensitivity, please refer to the relevant table in Chapter *4.6. Management report – Outlook*.

The change in debts from 1,349.8 million euros to 1,697.8 million euros includes an intangible amount in non-cash entries, in particular amortisation of costs associated with these debts over the term of the debts. The cash flow statement does not factor in this intangible amount in non-cash entries either. See *9.1. Consolidated financial statements for the 2018 financial year – Cash flow statement.*

XXII. Calculation of the gearing and notes regarding changes in gearing

in euros (x 1,000)			31 DEC. 18 (IFRS)	31 DEC. 18 (proportional)	31 DEC. 17 (IFRS)	31 DEC. 17 (proportional)
Non-current and current financial liabilities			1,872,817	1,893,778	1,436,860	1,530,038
To be excluded:						
I.	Non-current liabilities – A. Provisions		359	359	655	656
I.	Non-current liabilities – C. Other non-current financial liabilities – Permitted hedging instruments		55,188	55,188	48,673	48,673
I.	Non-current liabilities – F. Deferred taxes – Liabilities		4,207	5,405	0	894
II.	Current liabilities – A. Provisions		0	0	0	0
II.	Current liabilities – E. Other current financial liabilities – Other: Hedging instruments		0	0	0	0
II.	Current liabilities – F. Accruals and deferrals		19,110	19,062	13,394	13,677
Total debt		**A.**	**1,793,954**	**1,813,764**	**1,374,139**	**1,466,138**
Total assets on the balance sheet			3,483,333	3,504,293	2,675,299	2,768,444
To be excluded:						
E.	Financial fixed assets – Financial instruments at fair value through profit and loss account – Permitted hedging instruments		3,252	3,252	5,764	5,764
Total assets included in the calculation of the gearing ratio		**B**	**3,480,081**	**3,501,041**	**2,669,535**	**2,762,681**
Gearing ratio		**A/B**	**51.5%**	**51.8%**	**51.5%**	**53.1%**

Additional notes on changes in the gearing ratio

As stipulated in the GVV/SIR legislation, notably in Article 24 of the Belgian Royal Decree on GVVs/SIRs, when the (proportional) consolidated gearing ratio of a GVV/SIR exceeds 50%, the GVV/SIR should draw up a financial plan with an implementation schedule describing the measures to be taken to prevent the gearing ratio from rising above 65% of consolidated assets. A report is appended to this financial plan by the statutory auditor in which he confirms that he has verified the method of preparation of the plan, particularly with regard to its economic basis, and that the figures contained in this plan agree with those in the accounts of the GVV/SIR. In the interim and annual financial reports, an account should be given of how the financial plan was implemented during the relevant period and how the GVV/SIR will implement the plan in the future.

1. Changes in gearing ratio

As stipulated in the GVV/SIR legislation, notably in Article 24 of the Belgian Royal Decree on GVVs/SIRs, when the (proportional) consolidated gearing ratio of a GVV/SIR exceeds 50%, the GVV/SIR should draw up a financial plan with an implementation schedule describing the measures to be taken to prevent the gearing ratio from rising above 65% of consolidated assets. A report is appended to this financial plan by the statutory auditor in which he confirms that he has verified the method of preparation of the plan, particularly with regard to its economic basis, and that the figures contained in this plan agree with those in the accounts of the GVV/SIR. In the interim and annual financial reports, an account should be given of

how the financial plan was implemented during the relevant period and how the GVV/SIR will implement the plan in the future.

On the basis of the current gearing ratio (proportiona)l of 51.8% as at 31 December 2018, WDP still has an additional investment potential of over 1.3 billion euros, without exceeding the maximum gearing ratio of 65%. The potential for further investment before exceeding a gearing ratio of 60% amounts to over 700 million euros.

On the other hand, portfolio valuations also affect the gearing ratio. In light of the current capital base, only a potential decrease of over 700 million euros in the value of the investment properties – or 21% of the property portfolio value of 3,332 million euros – would cause the gearing ratio to exceed the maximum of 65%. In this respect, WDP is of the opinion that the current gearing ratio is at an acceptable level and provides sufficient margin to absorb any decreases in value of the property. Moreover, the appraisal of the independent property experts in 2011-14 indicates stabilisation in the fair value of the portfolio, and since 2015-18 an upward trend has been identified.

The Regulated Real Estate Companies Act further stipulates that, should the consolidated gearing ratio rise above 65% of its separate or consolidated assets depending on the case, it will no longer be allowed to proceed with an issue to shareholders until the gearing ratio has dropped below 65%. In this case, it is only permitted to allocate the reserves accrued in this manner to repayments that are necessary to bring the consolidated debt ratio or, where applicable, the individual debt ratio of the public GVV/SIR, back down below 65% of the consolidated/individual assets.

A quarterly update is applied to a detailed financial model incorporating forecasts for the profit and loss account and balance sheet, for a period of three years or more if, for example, certain scheduled investments extend beyond that period. This factors in all existing commitments of the company and other parameters, both internal and external (an example of an internal parameter would be lease extensions, and an external parameter would be interest rates). In addition, all of the company's existing commitments as well as other parameters, both internal and external, are taken into account (internal: e.g. extending lease contracts, external: e.g. Interest rates). It is submitted at the same intervals – unless circumstances demand earlier submission – to the Board of Directors, which ensures that the gearing ratio does not exceed 65%.

2. Expected changes in the gearing ratio in 2019

The aim is to keep the gearing ratio in the range of 50% to 55%. In this context, the targets set by WDP are based on a balanced capital structure.

In the course of 2019, WDP's gearing ratio (proportional) is likely to change from 51.8% on 31 December 2018 to approximately 52.6% by 31 December 2019. This takes the following items into account:

- Execution of the current investment programme and the planned divestments[1].
- The retained earnings, accounting for the profit forecast for 2019 of approximately 152 million euros and the dividend pay-out over the financial year 2018.
- An optional dividend in addition to the investment potential freed up by it (through shareholders' equity and shareholders' equity) is being applied for new investments, taking account of a constant capital structure.

1 See also *4.3. Management report – Transactions and realisations* and *Balance sheet – Assets*.

3. Conclusion

WDP therefore believes that the gearing ratio will not exceed 65% and that currently, in the light of prevailing economic and property trends, planned investments and the expected changes in the shareholders' equity of the company, no additional measures need to be taken.

WDP considers the current capital structure adequate, considering the nature of the property in which WDP invests, with a continuous average return of approx. 6 to 7%, leaving an ample margin to cover interests on debt. Moreover, WDP has a strong track record in attracting financing. On the one hand the company has a good relationship with its partner banks, which should enable it to refinance debts on their maturity date or to attract new loans for possible further acquisitions. On the other hand, the recent successful capital increases (including the optional dividend) have shown that WDP has the trust of investors and access to the capital market to partly finance new projects with shareholders’ equity in order to keep the gearing ratio within the intended range.

If certain events require adjustments to WDP’s policy, this will happen without delay and the shareholders will be informed of this by the company in its periodic reports.

XXIII. Other current and non-current financial liabilities

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Non-current financial liabilities	**40,996**	**0**
Financial liability in accordance with IFRS 16	40,996	0
Current financial liabilities	**168**	**0**
Financial liability in accordance with IFRS 16	168	0
Total	**41,165**	**0**

For some of its investments, WDP does not have bare ownership, but rather only usufruct through a concession, long lease or similar arrangement. The financial liability is the present value of all future lease payments (see Chapter *9.2. Notes – General impact of application of IFRS 16 Leases*). The table below shows the maturity dates for this liability.

in euros (x 1,000)	Included as of		< 1 years		1-5 years		< 5 years	
	31 DEC. 18	31 DEC. 17	31 DEC. 18	31 DEC. 17	31 DEC. 18	31 DEC. 17	31 DEC. 18	31 DEC. 17
Financial liability as per IFRS 16	41,165	–	168	–	915	–	40,082	–

XXIV. Average workforce and breakdown of employee costs

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
At fully consolidated enterprises		
Average workforce (in FTEs[1])	54.5	41.2
a) Blue collar workers	4.4	4.2
b) White-collar workers	50.1	36.9
Administrative staff	31.7	25.8
Technical staff	18.4	11.1
Geographic locations of workforce (in FTEs[1])	54.5	41.2
Western Europe	43.7	41.2
Central and Eastern Europe	10.8	0.0
Personnel costs (in euros x 1,000)	5,003	4,439
a) Salaries and direct social benefits	3,772	3,204
b) Employer contributions to social security	700	727
c) Employer premiums for non-statutory insurances	221	248
d) Other personnel costs	310	260

1 *FTE* stands for *Full-Time Equivalents*.

For its permanent personnel, WDP has taken out a group insurance contract with a defined contribution plan with an outside insurance company. The company makes contributions to this fund, which is independent of the company. The company funds the insurance plan contributions. This Group insurance policy is in accordance with the Belgian Supplemental Pensions Act (the WAP). The insurance company confirmed on 31 December 2018 that the shortfall for guaranteeing the statutory minimum yield is not substantial.

XXV. Transactions between affiliates

Before 2018, the manager De Pauw NV, set the management fee for WDP Comm. VA at 1,675,000 euros. This amount corresponds to the total cost in line with market rates for the Board of Directors in 2018, including the bonus scheme for the executive management and the management of the GVV/SIR (see also *4.7. Management report – Corporate governance*).

In addition to the management fee, 2018 also saw other transactions between WDP and its joint ventures I Love Hungaria and WDP Luxembourg. The table below lists the pending receivables that WDP has outstanding for the joint ventures I Love Hungaria and WDP Luxembourg. These are mainly the current and non-current receivables, the outstanding customer balance, the management fee charged and the financial revenues booked in WDP and received from I Love Hungaria and WDP Luxembourg.

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Receivables[1]	**6,038**	**98,355**
At more than one year	4,625	91,705
At up to one year (interest and outstanding customer balance)	1,413	6,650
Operating result (before the result on the portfolio)[1]	**589**	**1,247**
Management fee and others	589	1,247
Financial result[1]	**118**	**1,685**
Income from financial fixed assets	118	1,685

1 In 2017, WDP Romania and BST-Logistics were also joint ventures.

XXVI. Rights and obligations not recognised in the balance sheet

WDP Comm. VA and its subsidiaries had bank guarantees in place for a total of 2,403,559 euros as at 31 December 2018, the beneficiaries of which fall under the following categories for the following amounts:

in euros	31 DEC. 18
Environment	1,412,211
Rent and concession	842,369
Services	7,979
Execution of works	141,000

WDP Nederland N.V. has committed to purchasing land intended for the construction of industrial buildings in Zwolle, Nieuwegein, Schiphol and Bleiswijk, to be purchased at a pre-agreed price (32 million euros in total for all four parcels). The parcels should be purchased by 2019 year end, except for the parcel at Schiphol, which must be purchased by no later than 2 January 2020.

WDP has entered into various commitments within the framework of its ongoing investment programme related to projects and acquisitions, as indicated in the management report.

The parent company WDP Comm. VA has extended the following securities for its different subsidiaries:

- A security for the commitments of WDP Nederland N.V. amounting to 25 million euros for ABN AMRO (for the short-term amounts financed through a straight loan of max. 25 million euros, 16.3 million euros of which has been drawn).
- A security for the commitments of WDP Romania SRL amounting to 44 million euros for EIB.
- A security for the commitments of WDP Luxembourg SA amounting to a maximum of 13.4 million euros for Banque et Caisse d'Epargne de l'Etat.

WDP has entered into the following commitments with financiers[2]:

- A commitment to various financiers to refrain from burdening the assets with collateral such as mortgages (negative pledge). WDP confirms that as at 31 December 2018, no mortgages or other collateral are outstanding in the property portfolio or other assets.
- WDP has committed to various financiers that it will continue to qualify as a GVV/SIR. The conditions are laid down in the Law of 12 May 2014 and the Royal Decree of 13 July 2014. For further information, see *11. General information on REIT status.*
- For the financing of operations in the Netherlands through WDP Nederland N.V., WDP has entered into a commitment to continue to qualify as a Fiscal Investment Institution under Dutch law (an FBI).
- For some financiers, WDP has committed to maintaining a certain minimum Interest Coverage Ratio.[3] For WDP, this minimum level is 1.5x. Voor 2018, this figure comes to 4.6x.
- For some financiers, WDP has agreed repay the credit if a change of control occurs and the financier consequently asks for repayment.
- For some financiers, WDP has committed to limiting projects not yet pre-let (speculative developments) to 15% of the book value of the portfolio. As at 31 December 2018, the ratio is 0%.

As at 31 December 2018, all agreements have been met, with both credit institutions and bondholders.

XXVII. Financial relations with third parties

in euros	31 DEC. 18	31 DEC. 17
Statutory auditor		
The statutory auditor(s) and the people with whom they are associated		
Statutory auditor's pay	129,810	105,800
Pay for special work or special assignments that the statutory auditor(s) perform within company		
Other auditing assignments	16,850	6,000
Other non-auditing assignments	56,500	31,200
Pay for special work or special assignments that persons associated with the statutory auditor(s) perform within company		
Tax consulting assignments	34,115	35,262

2 'Other financiers' means: the credit institutions as well as financiers through debt capital markets, such as bondholders or investors in the commercial paper programme.

3 Defined as operating result (before result on the portfolio), divided by interest charges, minus interest and dividend collection, minus compensation for financial leasing and others.

Pursuant to Article 133(2)(§1-5) of the Belgian Companies Code: without prejudice to the prohibitions following from Article 133(1), the statutory auditor shall not perform any services other than the tasks ascribed to statutory auditors by law or by European Union legislation, if the sum total of the fees for these services exceeds seventy per cent of the sum total of the fees referred to in Article 134(§ 2). The 70% rule shall be calculated as an average over the course of the current appointment. This calculation includes fees for services invoiced by Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, with the exception of fees for statutory tasks ascribed to the statutory auditor of the company. WDP Comm. VA was not in breach of the 70% rule as at 31 December 2018.

in euros	31 DEC. 18	31 DEC. 17
Financial service fees	346,446	210,544

in euros	31 DEC. 18	31 DEC. 17
Property expert fees	417,664	355,424
Stadim	99,628	90,339
Cushman & Wakefield (Belgium)	0	48,392
Cushman & Wakefield (Netherlands)	114,836	151,278
BNP Paribas Real Estate	14,800	20,040
CBRE – Netherlands	69,275	15,475
Jones Lang LaSalle	56,000	29,900
CBRE – Romania	63,125	11,150

Insurance cover	31 DEC. 18	31 DEC. 17
Premiums (in euros x 1,000)	1,844	1,588
Belgium	702	654
The Netherlands	750	660
France	98	87
Luxembourg	7	6
Romania	167	90
Solar panels, Belgium	46	46
Solar panels, Netherlands	37	14
Solar panels, Romania	37	37
Insured value of the property portfolio (in million euros)	2,250	1,977
Belgium	811	794
The Netherlands	941	854
France	90	99
Luxembourg	23	12
Romania	312	127
Solar panels, Belgium	42	42
Solar panels, Netherlands	31	25
Solar panels, Romania	23	23

3. Report of the statutory auditor

Statutory auditor's report to the general meeting of Warehouses De Pauw Comm. VA on the financial year ending on 31 December 2018 – Consolidated financial statements

Within the framework of the statutory audit of the consolidated financial statements of Warehouses De Pauw Comm. VA (the Company) and its subsidiaries (collectively the Group), we hereby submit our statutory auditor's report. This includes our report on the audit of the consolidated financial statements as well as the report on the other requirements under the laws, regulations and standards. These reports are one and indivisible.

We were appointed to our capacity as statutory auditor by the general meeting of 26 April 2017, in accordance with the proposal of the governing body issued at the recommendation of the audit committee. Our term shall end on the date of the general meeting deliberating on the annual financial statements concluded on 31 December 2019. We have performed the statutory audit of the consolidated financial statements of Warehouses De Pauw Comm. VA for twelve consecutive financial years.

Report on the audit of the consolidated financial statements

Unqualified opinion

We have conducted the statutory audit on the consolidated financial statements of the Group, including the consolidated balance sheet of 31 December 2018, as well as the consolidated profit and loss, the consolidated statement of overall income, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the financial year concluded on that date and the explanatory notes, with the main accounting policies applied and the other information provided, with a total consolidated balance sheet of 3,483,333 (000) euros and a consolidated profit and loss statement showing a profit of 333,846 (000) euros for the financial year.

In our opinion, the consolidated financial statements of WDP Comm. VA give a true and fair view of the group's net equity and financial position of the Group as at 31 December 2018 and of its consolidated results and its consolidated cash flow for the financial year ending on that date, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are further detailed in our report, under *Responsibilities of the statutory auditor for the audit in the consolidated financial statements*. We have adhered to all ethical requirements relevant to the auditing of consolidated financial statements in Belgium, including those related to independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key points of the audit

The key points in our audit are the matters that were the most significant, in our professional opinion, in the audit of the consolidated financial statements for the current reporting period. These matters were addressed in the context of our general audit of the consolidated financial statements: we did not conduct any separate evaluations of these matters in forming our opinion.

Key points of the audit	How the matter was addressed?
Valuation of investment properties – Investment properties valuated at fair value (3,299,864 (000) euros) accounted for 94 per cent of the consolidated balance sheet total as at 31 December 2018. Changes in the fair value of the property investments have a significant impact on the consolidated net result for the period and the shareholders' equity. – The property portfolio contains property available for rent and property under construction. Acquisitions and disposals of investment properties are separate significant transactions. – The Group uses professionally qualified independent property experts to valuate the fair value of the property portfolio every quarter. The property experts are appointed by the directors and perform their work in accordance with the reports and guidelines of the International Valuation Standards, issued by the IVSC. The property experts appointed by the Group have considerable experience in the property markets where the Group is active. – The portfolio is valuated based on a discounted cash flow model, the income capitalisation method and/or comparable market transactions. Project developments are valuated using the same method, with deduction of all costs necessary to complete the development, along with a reserve for residual risks. The key inputs in the fair value calculation are the required yields and current market rent, which are influenced by market trends, comparable transactions and the specific characteristics of each property in the portfolio. – Thus, the audit risk stems from the assumptions and main estimates related to these key inputs. **Reference to explanatory notes** Please refer to the consolidated financial statements, including notes: *III. Valuation rules* and *XII. Investment properties*.	– We have reviewed the internal management measures of the Management and tested the design and implementation of internal audits in the area of investment properties. – We have assessed the competence, independence and integrity of the property experts. – We analysed and assessed the valuation process, the portfolio results and significant assumptions and estimates, including required yields and projected rental values. – We benchmarked and challenged the key assumptions that were used in the valuation to external industry data and comparable property transactions, in particular the yield. – We performed audit procedures to assess the integrity and completeness of information provided to the independent valuers relating to rental income, key rent contract characteristics and occupancy. – We check the amounts as per the valuation reports against the accounting records and from there we checked the related balances against the financial statements. – As part of our audit procedures performed on the acquisitions and divestments of investment properties, we examined the most significant contracts and documentation on the accounting treatment applied to these transactions. – For project developments, we also verified that the underlying information related to works agreements and budgeted costs was consistent with the completion costs deducted from the fair value of project developments. We spot-checked the capitalised costs and compared completion costs for project developments with the supporting evidence (such as by inspection of underlying works agreements). – Furthermore, we assessed the appropriateness of the disclosures provided on the fair values of investment properties.

Initial application of IFRS 16 – Leases

– The new IFRS standard related to leases shall apply for financial years starting on or after 1 January 2019. However, the Group opted to apply this standard early on 1 January 2018 with the 'modified retrospective' presentation, as per IFRS 16.C5b, with all cumulative effects (balance sheet impact) incorporated into the shareholders' equity on the initial application date. More specifically, this covers the following accounting steps:
  - recognition of a lease liability for leases formerly incorporated as operational leases as per IAS 17, with the lease liability valuated based on the discounted value of the future lease payments, discounted based on the incremental interest rate of the Group on the initial application date;
  - recognition of an asset for the right of use for leases formerly incorporated as operational leases as per IAS 17, where this asset is an investment property that is valuated at fair value as per IAS 40 using the fair value model;
  - valuation of the assets for the right of use and the lease liability as per IAS 40 and IFRS 16, respectively, as at the initial application date (1 January 2018).
– The impact on the Group from application of this new standard applies specifically to long-term concession agreements in which the Group acts as tenant and that result in the recognition of assets for user rights in an amount of 41,451 (000) euros, leases in an amount of 41,165 (000) euros and a positive impact on shareholders' equity of 286 (000) euros.
– Accounting for these long-term concession agreements as per IFRS 16 and the impact on investment properties held by the Group includes key management assessments, specifically with regard to determining the incremental interest rate used to determine the net current value of the lease payments.
– Adequate explanatory notes on the impact of this new standard and the sensitivity of the assumptions made (discount rate) are of interest to readers of financial statements.
– The key point in the audit is therefore the impact of initial application of IFRS 16 and the management estimates made in calculating the lease liability.

References to explanatory notes
Please refer to the consolidated financial statements, including notes: *II. Basis of presentation, III. Valuation rules* and *IV. Significant accounting assessments and key sources of uncertainty in estimates*.

– We have assessed the process used by Management to identify leases to which IFRS 16 applies and the internal audits on completeness and accuracy in calculating the lease liability.
– For a spot check on leases, we checked the key inputs used in calculation of the lease liability, such as the concession fee and duration, against the underlying concession agreements.
– We assessed the suitability of the principles for recognition and valuation applied for long-term concession agreements, where the Group acts as tenant, as per IFRS 16. We involved Deloitte IFRS experts in the assessment of suitable accounting and suitable explanatory notes regarding initial application of IFRS 16 by the Group.
– We enlisted Deloitte's internal financial experts for an independent review of the discount rate used (incremental interest rate) to calculate the lease liability.
– We assessed the valuation of the assets related to the rights of use in a manner consistent with the procedures detailed above in the preceding key point in our audit.
– We also assessed the suitability of the explanatory notes on initial application of IFRS 16 and the sensitivity analysis of the discount rate applied.

Significant and complex transactions: gradual acquisition of Warehouses De Pauw Romania

- On 12 February 2018, the Group acquired an additional holding of 29% in WDP Romania, thus increasing its stake from 51% to 80%. As at 31 December 2017, WDP Romania was incorporated under the equity accounting method for an amount of 25,660 (000) euros.
- Based on the new shareholder agreements with the minority shareholder, the Group has acquired control over WDP Romania, resulting in consolidation in full.
- The suitable accounting for this gradual acquisition as per IFRS is complex and includes estimates by the Management, specifically with regard to:
  - assessing whether, under the new shareholder agreement, WDP has acquired control over WDP Romania;
  - determining whether the transaction qualifies as a business combination as per IFRS 3;
  - assessment of the accounting of the put options on the minority holdings of the minority shareholder.
- Suitable accounting for the gradual acquisition of WDP Romania is material to the consolidated financial statements of the Group.
- The key point in the audit is therefore the suitable accounting for and explanatory notes on the gradual acquisition of WDP Romania as per IFRS.

References to explanatory notes
- Please refer to the consolidated financial statements, including notes: *III. Valuation rules* and *VII. Information on subsidiaries*.

- We have assessed the process used by the Group to identify and incorporate significant and complex transactions.
- We have read the purchase agreements for the shares and the shareholder agreements and examined other relevant underlying documentation related to the transaction.
- We have assessed the suitability of the position of the Group in relation to:
  - acquisition of control by the Group on 12 February 2018, based on the shareholder agreements concluded;
  - not considering the acquisition to be a business combination as per IFRS 3 because the company did not acquire a 'business activity' as defined in IFRS 3;
  - the accounting for the put options on minority holdings classified as derivatives, booked at fair value.
- We assessed the suitability of the principles for recognition and valuation on the gradual acquisition of WDP Romania. We involved Deloitte IFRS experts in the assessment of suitable accounting and suitable explanatory notes regarding this transaction.

Responsibilities of the governing body for the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, as well as for disclosing any applicable matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the statutory auditor in the audit of the consolidated financial statements

Our objectives are to obtain a reasonable degree of certainty that the consolidated financial statements as a whole do not feature any material misstatements due to fraud or errors and to issue a statutory auditor's report with our opinion. A reasonable degree of certainty is a high level of certainty, but it is no guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement, if present. Misstatements may occur due to fraud or errors and are considered material in nature if they may reasonably be expected to have influenced, individually or collectively, the economic decisions taken by users based on these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and estimate the risks that the consolidated financial statements contain a material misstatement due to fraud or errors, identify and perform auditing activities appropriate to these risks and collect audit information that is adequate and suitable to serve as a basis for our opinion. The risk of failure to detect a material misstatement is greater if the misstatement is due to fraud than if it is due to errors because fraud may involve collusion, forgery, intentional failure to record transactions, intentional misrepresentation of facts or breach 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 Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude that the continuity assumption made by the governing body is acceptable, and conclude, based on the audit information collected, whether material uncertainty exists regarding events or circumstances that may pose a significant doubt over the Group's ability to maintain continuity. If we conclude that material uncertainty exists, we are obligated to give attention, in our statutory auditor's report, to the relevant explanatory notes in the consolidated financial statements, or if these explanatory notes are inadequate, to adjust our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain adequate and suitable audit information regarding financial information on the entities or business activities within the Group geared towards formulation of an opinion on the consolidated financial statements. We are responsible for management, supervision and performance of the Group audit. We bear joint responsibility for our opinion.

We communicate with the audit committee on matters such as the planned scope and timing of the audit and on the significant audit findings, including any significant shortcomings in the internal control that we identify during our audit.

We also provide the audit committee with a statement that we have adhered to the relevant ethical standards for independence, and we communicate with them regarding any and all relationships and other matters that could reasonably affect our independence and on any associated measures to safeguard our independence.

Out of the matters discussed with the audit committee, we determine those that were the most significant in the audit of the consolidated financial statements for the current reporting period, and which therefore make up the key points of our audit. We detail these matters in our report, unless their disclosure is prohibited under laws or regulations.

Report on other requirements imposed by laws, regulations and standards

Responsibilities of the governing body

The governing body is responsible for the preparation and content of the annual report on the consolidation financial statements.

Responsibilities of the statutory auditor

As part of our appointment and in accordance with the additional Belgian standard (Revised in 2018) for the International Standards on Auditing (ISAs), it is our responsibility, in all material regards, to examine the annual report on the consolidated financial statements, and to issue a report on these matters.

Aspects related to the annual report on the consolidated financial statements

After conducting the specific work on the annual report on the consolidated financial statements, we are of the opinion that this annual report is in accordance with the consolidated financial statements for the financial year ending on 31 December 2018 and was prepared in accordance with Article 119 of the Belgian Companies Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering – based in particular on the knowledge obtained in the audit – whether the annual report on the consolidated financial statements and the other information included in the report, i.e.:

- the sections of the annual report of WDP that are required as per Articles 96 and 119 of the Belgian Companies Code, as indicated in the following chapters of the annual financial report: *8. Risk factors, 4.1. Management report – Consolidated key figures, 4.2. Management report – Notes to the consolidated results 2018, 4.3. Management report – Transactions and realisations, 4.4. Management report – Management of financial resources, 4.6. Management report – Outlook, 4.7. Management report – Corporate governance* and *9. Financial statements.*

is free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement.

Statements regarding independence

- Our company auditor office and our network did not perform any services that are incompatible with the statutory audit of the consolidated financial statements and our company auditor office remained independent of the Group during the term of our appointment.
- The fees for the non-audit services compatible with the statutory audit of the consolidated financial statements as defined in article 134 of the Companies Code have been properly disclosed and disaggregated in the disclosures to the consolidated financial stateme

Other statements

- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Antwerp, 20 March 2019

The statutory auditor
Deloitte Bedrijfsrevisoren CVBA

Represented
by Kathleen De Brabander

Statutory auditor’s report to the general meeting of WDP Comm. VA on the financial year ending on 31 December 2017

Within the framework of the statutory audit of the consolidated financial statements of your company (“the Company”) and its subsidiaries (collectively “the Group”), we hereby submit our statutory auditor’s report. This includes our report on the audit of the consolidated financial statements as well as the report on the other requirements under the laws and regulations. These reports are one and indivisible.

We were appointed to our capacity as statutory auditor by the general meeting of 26 April 2017, in accordance with the proposal of the governing body issued at the recommendation of the audit committee. Our term shall end on the date of the general meeting deliberating on the annual financial statements concluded on 31 December 2019. We have performed the statutory audit of the consolidated financial statements of WDP Comm. VA for 11 subsequent years.

Report on the audit of the consolidated financial statements

Unqualified opinion

We have conducted the statutory audit on the consolidate financial statements of the Group, including the consolidated balance sheet of 31 December 2017, as well as the consolidated profit and loss, the consolidate statement of overall income, the consolidated statement of changes in shareholders’ equity and the consolidated cash flow statement for the financial year concluded on that date and the explanatory notes, with the main accounting policies applied and the other information provided, with a total consolidated balance sheet of 2,675,299 (000) euros and a consolidated profit and loss statement showing a profit of 235,156 (000) euros for the financial year.

In our opinion, the consolidated financial statements of WDP Comm. VA give a true and fair view of the group’s net equity and financial position as of 31 December 2017 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further detailed under

Responsibilities of the statutory auditor in the audit of the consolidated financial statements in our report. We have adhered to all ethical requirements relevant to the auditing of consolidated financial statements in Belgium, including those related to independence.

We have obtained from the board of directors and the company’s officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key points of the audit

The key points in our audit are the matters that were the most significant, in our professional judgement, in the audit of the consolidated financial statements for the current reporting period. These matters were addressed in the context of our general audit of the consolidated financial statements: we did not conduct any separate evaluations of these matters in forming our opinion.

Key points of the audit	How the matter was addressed?
Valuation of investment properties	
– Investment properties valuated at fair value (2,404,027 (000) euros) accounted for 90 per cent of the consolidated balance sheet total as at 31 December 2017.) euro) vertegenwoordige t van geconsolideerde balanstotaal op 3 december Changes in the fair value of the property investments have a significant impact on the consolidated net result for the period and the shareholders' equity.aarde va de vastgoedbeleggingen hebben een significante impact op het geconsolideerde nettoresultaat van de periode en het eigen vermogen. – The property portfolio contains property available for rent and property under construction. astgoedportefeuille omvat vastgoed beschikbaar voo verhuu en astgoed in aanbouw. Acquisitions and disposals of investment properties are separate significant transactions.ervien e vervreemdingen van vastgoedbeleggingen zijn afzonderlijk significante transacties. – The Group uses professionally qualified independent property experts to valuate the fair value of the property portfolio every quarter. oep gebruikt professioneel gekwalificeerde onafhankelijke vastgoeddeskundigen om de vastgoedportefeuille elk kwartaal te waarderen aan reële waarde. The property experts are appointed by the directors and perform their work in accordance with the reports and guidelines of the International Valuation Standards, issued by the IVSC. vastgoeddeskundigen worden door de bestuurders aangesteld en voere hun werk uit in overeenstemming met de verslagen en richtlijnen van de International Valuation Standards, uitgegeven door IVSC. The property experts appointed by the Group have considerable experience in the property markets where the Group is active. astgoeddeskundigen die door de Groep worden aangesteld, hebben aanzienlijke ervaring in de vastgoedmarkten waarin de Groep actief is. – The portfolio is valuated based on a discounted cash flow model, the income capitalisation method and/or comparable market transactions.e portefeuille wordt gewaardeerd op basis van een discounted cashflow-model, inkomenskapitalisatiemethodologie en/of op basis van vergelijkbare markttransacties. Project developments are valuated under the same method, minus all costs needed to complete the development, along with a provision for residual risks.ntwikkelingen worden gewaardeerd volgens dezelfde methode, met aftrek van alle kosten die odig zijn om de ontwikkeling af te werken, samen met een voorziening voor resterende risico's. DThe main inputs in determining the fair value are the required returns and the current market rent, which are influenced by the trends on the market, comparable transactions and the specific characteristics of each property in the portfolio.langrijkste inputs in de bepaling van de reële waarde zijn de vereiste rendementen en de huidige markthuur, die worden beïnvloed door de evolutie van de markt, vergelijkbare transacties en de specifieke kenmerken van elk onroerend goed in de portefeuille. – Thus, the audit risk stems from the assumptions and main estimates related to these key inputs. **Reference to explanatory notes** Please refer to the consolidated financial statements, including notes: III. Valuation rules and XII. Investment properties.	– We have reviewed the internal management measures of the Management and tested the design and implementation of internal audits in the area of investment properties. – We have assessed the competence, independence and integrity of the property experts. – We analyzed and challenged the valuation process, performance of the portfolio and significant assumptions and critical judgement areas, including occupancy rates, yields and development milestones. – We benchmarked and challenged the key assumptions that were used in the valuation to external industry data and comparable property transactions, in particular the yield. – We performed audit procedures to assess the integrity and completeness of information provided to the independent valuers relating to rental income, key rent contract characteristics and occupancy. – We agreed the amounts per the valuation reports to the accounting records and from there we agreed the related balances through to the financial statements. – As part of our audit procedures performed on the acquisitions and divestments of investment properties, we examined the most significant contracts and documentation on the accounting treatment applied to these transactions. – For project developments, we also verified that the underlying information related to works agreements and budgeted costs was consistent with the completion costs deducted from the fair value of project developments. We spot-checked the capitalised costs and compared completion costs for project developments with the supporting evidence (such as by inspection of underlying works agreements). – Furthermore, we assessed the appropriateness of the disclosures provided on the fair values of investment properties.

Valuation of financial instruments

- The Group uses derivatives valuated at fair value. ruik van afgeleide financiële instrumenten die aan reële waarde worden gewaardeerd. More specifically, WDP Comm. VA uses derivatives to hedge the interest rate risk on its financial debt.bepaald maakt WDP Comm. VA gebruik van afgeleide financiële instrumenten om het renterisico op haar financiële schulden in te dekken. The fair value of these derivatives came to -42,909 (000) euros as at 31 December 2017.
- Valuations at fair value are performed by WDP Comm. VA on a quarterly basis and compared to the valuations at fair value received from the counterparties in the derivative contract (banks). VA op kwartaalbasis en worden vergeleken met de waarderingen tegen reële waarde zoals ontvangen van de tegenpartijen in het derivatencontract (banken).
- Accurate and complete explanatory notes on the use of derivatives are of interest to readers of the consolidated financial statements.e en volledige toelichtingen over het gebruik van afgeleide financiële instrumenten zijn relevant voor de lezer van de geconsolideerde jaarrekening.
- Derivative transactions may be complex, and their valuation may be influenced by a large number of variables.plex karakteR hebben and hun waardering kan worde beïnvloed door een groot aantal variabelen. De The valuation also includes assessment of the credit risk of the counterparty (credit value adjustment) and the credit risk of WDP Comm. VA (debt value adjustment).ering omvat ook een beoordeling van het kredietrisico van de tegenpartij (aanpassing kredietwaarde) en het kredietrisico van WDP Comm. (aanpassing schuldwaarde).
- Therefore, the key audit matter relates to the valuation of these derivative financial instruments.

References to explanatory notes
Please refer to the consolidated financial statements, including notes: *III. Valuation rules* and *XIV. Financial instruments*.

- We evaluated the appropriateness of the recognition and measurement policies applied to derivative financial instruments in accordance with IFRS.
- We considered the controls relevant to the measurement of financial instruments and we tested the design and implementation of controls over derivatives financial instruments. This includes:
- re-performance of controls over the input used in the valuation of the derivative contracts for a sample of contracts and testing, on a sample basis, the accuracy of the data used such as nominal amounts, duration, interest rates; and
- re-performance of the reconciliation controls in which WDP Comm. VA reconciles the valuations as performed by the counterparties with their own valuations performed.
- We validated the completeness of the derivative financial instruments by obtaining confirmations from all banks with whom WDP Comm. VA has engaged in this type of transactions.
- We reconciled the marked-to-market values as calculated by WDP Comm. VA to the financial statements and compared these values to the marked-to-market values as obtained from the banks.
- We have engaged Deloitte's internal valuation experts to independently test the valuation of a sample of derivative financial instruments, based on their contract terms.

Furthermore, we assessed the appropriateness of the disclosures provided on derivative financial instruments.

Responsibilities of the board of directors for the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements the board of directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain a reasonable degree of certainty that the consolidated financial statements as a whole do not feature any material misstatements due to fraud or errors and to issue a statutory auditor's report with our opinion. A reasonable degree of certainty is a high level of certainty, but it is no guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement, if present. Misstatements may occur due to fraud or errors and are considered material in nature if they may reasonably be expected to have influenced, individually or collectively, the economic decisions taken by users based on these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and estimate the risks that the consolidated financial statements contain a material misstatement due to fraud or errors, identify and perform auditing activities appropriate to these risks and collect audit information that is adequate and suitable to serve as a basis for our opinion. The risk of failure to detect a material misstatement is greater if the misstatement is due to fraud than if it is due to errors because fraud may involve collusion, forgery, intentional failure to record transactions, intentional misrepresentation of facts or breach 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 management;
- conclude that the continuity assumption made by the governing body is acceptable, and conclude, based on the audit information collected, whether material uncertainty exists regarding events or circumstances that may pose a significant doubt over the Group’s ability to maintain continuity. If we conclude that material uncertainty exists, we are obligated to give attention, in our statutory auditor’s report, to the relevant explanatory notes in the consolidated financial statements, or if these explanatory notes are inadequate, to adjust our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain adequate and suitable audit information regarding financial information on the entities or business activities within the Group geared towards formulation of an opinion on the consolidate financial statements. We are responsible for management, supervision and performance of the Group audit. We bear joint responsibility for our opinion.

We communicate with the audit committee on matters such as the planned scope and timing of the audit and on the significant audit findings, including any significant shortcomings in the internal control that we identify during our audit.

We also provide the audit committee with a statement that we have adhered to the relevant ethical standards for independence, and we communicate with them regarding any and all relationships and other matters that could reasonably affect our independence and on any associated measures to safeguard our independence.

Out of the matters discussed with the audit committee, we determine those that were the most significant in the audit of the consolidated financial statements for the current reporting period, and which therefore make up the key points of our audit. We detail these matters in our report, unless their disclosure is prohibited under laws or regulations.

Report on other requirements imposed by laws and regulations

Responsibilities of the governing body

The governing body is responsible for the preparation and contents of the annual report on the consolidated financial statements and the other information included in the annual report.

Responsibilities of the statutory auditor

As part of our appointment and in accordance with the additional Belgian standard (Revised) for the International Standards on Auditing (ISAs) applicable in Belgium, it is our responsibility, in all material regards, to examine the annual report on the consolidated financial statements and the other information included in the annual report, and to issue a report on these matters.

Aspects related to the annual report on the consolidated financial statements and other information included in the annual report

In our opinion, after performance of specific work activities on the annual report on the consolidated financial statements, this annual report on the consolidated financial statements is in line with the consolidated financial statements for the same financial year on the one hand, and on the other hand this annual report on the consolidated financial statements was prepared in accordance with Article 119 of the Belgian Companies Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering – based in particular on the knowledge obtained in the audit – whether the annual report on the consolidated financial statements and the other information included in the report, i.e.:

- the sections of the annual report of WDP that are required as per Articles 96 and 119 of the Belgian Companies Code, as indicated in the following chapters of the 2017 annual financial report: *1. Risk factors*, *6.1. Management report – Consolidated key figures*, *6.2. Management report – Notes on the 2017 consolidated results*, *6.3. Management report – Transactions and realisations*, *6.4. Management report – Management of financial resources*, *6.6. Management report – Outlook*, *6.7. Management report – Corporate governance* and *10. Financial statements*.

is free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement.

Statements regarding independence

We did not perform any services that are incompatible with the statutory audit of the consolidated financial statements and remained independent from the company during the performance of our mandate.

The fees for the non-audit services compatible with the statutory audit of the consolidated financial statements as defined in article 134 of the Companies Code have been properly disclosed and disaggregated in the disclosures to the consolidated financial stateme

Other statements

This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Antwerp, 21 March 2018

The statutory auditor
DELOITTE Bedrijfsrevisoren
BV o.v.v.e. CVBA

Represented
by Kathleen De Brabander

4. Condensed version of the statutory financial statements for the 2018 financial year

The statutory auditor has issued an unqualified opinion on the statutory financial statements of WDP Comm. VA. These are drawn up in accordance with IFRS as adopted within the European Union and as per the Belgian Royal Decree of 7 December 2010. The statutory financial statements were not yet finalised at the time of publication of this annual financial report.

Profit and loss account

in euros (x 1,000)		31 DEC. 18	31 DEC. 17
I.	**Rental income**	**68,109**	**64,663**
Rents		67,895	63,862
Indemnification related to early lease terminations		214	801
III.	**Costs related to leases**	**-1,282**	**-789**
Rent to be paid for leased premises		-1,222	-992
Impairments of trade receivables		-297	-92
Reversals of impairments of trade receivables		237	296
Net rental result		**66,827**	**63,874**
IV.	**Recovery of property costs**	**0**	**0**
V.	**Recovery of rental charges normally paid by the tenant on leased properties**	**7,090**	**6,826**
Re-invoicing rental charges paid out by the owner		2,064	1,882
Re-invoicing advance property levy and taxes on leased buildings		5,026	4,944
VI.	**Costs payable by the tenant and paid out by the owner for rental damage and refurbishment at end of lease**	**54**	**0**
VII.	**Rental charges and taxes normally paid by the tenant on leased properties**	**-7,565**	**-7,634**
Rental charges paid out by the owner		-2,085	-1,963
Withholding levies and other taxes on leased buildings		-5,480	-5,671
VIII.	**Other income and charges related to leases**	**9,879**	**9,360**
Property management fees		828	786
Other operating income/costs		342	549
Income from solar energy		8,710	8,025
Property result		**76,286**	**72,425**
IX.	**Technical costs**	**-1,594**	**-1,797**
Recurrent technical costs		-1,842	-2,053
	Repairs	-1,698	-1,866
	Insurance premiums	-145	-187
Non-recurrent technical costs		249	256
	Accidents	249	256
X.	**Commercial costs**	**-631**	**-573**
Agency commissions		-125	-167
Advertising		-467	-383
Lawyers' fees and legal charges		-40	-23
XII.	**Property management costs**	**-1,432**	**-1,287**
(Internal) property management costs		-1,432	-1,287
Property charges		**-3,657**	**-3,657**
Property operating results		**72,630**	**68,769**

XIV.	General company expenses	18,307	15,074
XV.	Other operating income and expenses (depreciation and write-downs on solar panels)	-2,680	-3,180
Operating result (before the result on the portfolio)		88,257	80,663
XVI.	Result on disposals of investment properties	-248	284
Net property sales (sales price – transaction costs)		21,638	8,909
Book value of properties sold		-21,886	-8,625
XVIII.	Changes in the fair value of investment properties	78,043	30,294
Positive changes in the fair value of investment properties[1]		82,210	32,081
Negative changes in the fair value of investment properties		-4,167	-1,787
Operating result		166,052	111,241
XX.	Financial income	32,984	30,093
Interests and dividends received		32,793	29,945
Income from financial leases and similar		0	0
Other financial income		191	148
XXI.	Net interest charges	-35,804	-29,719
Interests on loans		-19,854	-15,848
Interest capitalised during construction		50	601
Cost of permitted hedging instruments		-14,787	-12,892
Income from permitted hedging instruments		0	0
Other interest charges		-1,214	-1,580
XXII.	Other financial charges	-505	-489
Bank charges and other commissions		-39	-30
Other financial charges		-466	-459
XXIII.	Changes in the fair value of financial assets and liabilities	170,418	129,191
Permitted hedging instruments that are not subject to hedging accounting as defined in IFRS		-9,027	16,470
Other[2]		179,445	112,721
Financial result		167,094	129,077
Result before taxes		333,146	240,318
XXIV.	Corporate tax	-525	-682
XXV.	Exit tax	2	133
Taxes		-522	-549
Net result		332,623	239,768

1 This only concerns fluctuations in the fair value of investment properties. Fluctuations in the fair value of solar panels are booked directly to shareholders' equity under *Reserves* as per IAS 16.

2 This pertains to fluctuations in shareholdings in affiliates and associated companies.

Statement of overall result

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
I. Net result	**332,623**	**239,768**
II. Other components in the overall result	**1,605**	**-549**
G. Other components in the overall result after tax	1,605	-549
Revaluation of solar panels in Belgium	1,605	-549
Overall income	**334,228**	**239,219**

Other components of comprehensive income

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
EPRA Earnings	**87,090**	**83,179**
Result on the portfolio[1]	77,795	30,578
Changes in the fair value of shareholdings	179,445	112,721
Revaluation of financial instruments	-9,027	16,470
Depreciation and write-down on solar panels	-2,680	-3,180
Net result (IFRS)	**332,623**	**239,768**

in euros (per share)[2]	31 DEC. 18	31 DEC. 17
EPRA Earnings	**3.89**	**3.84**
Result on the portfolio[1]	3.48	1.41
Changes in the fair value of shareholdings	8.02	5.20
Revaluation of financial instruments	-0.40	0.76
Depreciation and write-down on solar panels	-0.12	-0.15
Net result (IFRS)	**14.86**	**11.06**

in euros (per share) (diluted)[2]	31 DEC. 18	31 DEC. 17
EPRA Earnings	**3.89**	**3.84**
Result on the portfolio[1]	3.48	1.41
Changes in the fair value of shareholdings	8.02	5.20
Revaluation of financial instruments	-0.40	0.76
Depreciation and write-down on solar panels	-0.12	-0.15
Net result (IFRS)	**14.86**	**11.06**

1 Including deferred taxes on the portfolio result.
2 Calculated on the weighted average number of shares.

Balance sheet – Assets

in euros (x 1,000)		31 DEC. 18	31 DEC. 17
Fixed assets		**3,300,051**	**2,611,236**
B.	**Intangible fixed assets**	**216**	**146**
C.	**Investment properties**	**1,132,650**	**1,008,286**
	Property available for lease	1,103,491	982,853
	Property developments	11,550	6,121
	Other: land reserves	17,609	19,311
D.	**Other tangible fixed assets**	**66,018**	**66,566**
	Tangible fixed assets for own use	2,293	1,876
	Solar panels	63,725	64,690
E.	**Financial fixed assets**	**2,100,345**	**1,535,416**
	Assets at fair value through result	3,252	5,764
	Permitted hedging instruments	3,252	5,764
	Financial assets at amortised cost	963,171	770,976
	Other	963,171	770,976
	Other	1,133,922	758,676
	Shares in affiliated and associated companies	1,133,922	758,676
H.	**Trade receivables and other non-current assets**	**1,004**	**822**
Current assets		**30,026**	**34,251**
A.	**Assets held for sale**	**739**	**7,525**
	Investment properties	739	7,525
D.	**Trade receivables**	**2,685**	**3,972**
E.	**Tax receivables and other current assets**	**24,451**	**20,920**
	Tax receivables	60	1,285
	Other current assets	24,390	19,636
F.	**Cash and cash equivalents**	**662**	**1,138**
G.	**Deferred charges and accrued income**	**1,489**	**694**
	Property yields not yet due	0	6
	Prepaid property costs	286	132
	Prepaid interests and other financial costs	77	70
	Other	1,126	486
Total assets		**3,330,259**	**2,645,486**

Balance sheet – Liabilities

in euros (x 1,000)		31 DEC. 18	31 DEC. 17
Shareholders' equity		**1,580,786**	**1,238,023**
I.	**Shareholders' equity attributable to parent company shareholders**	**1,580,786**	**1,238,023**
A.	Capital	176,751	168,939
	Subscribed capital	184,952	176,514
	Costs of capital increase	-8,201	-7,575
B.	Issue premiums	646,286	545,154
C.	Reserves	425,126	284,162
D.	Net result for the financial year	332,623	239,768
Liabilities		**1,749,473**	**1,407,463**
I.	**Non-current liabilities**	**1,513,355**	**1,158,293**
A.	Provisions	357	655
	Other	357	655
B.	Non-current financial liabilities	1,432,567	1,108,966
	Credit institutions	1,002,974	776,872
	Other	429,593	332,094
C	Other non-current financial liabilities	80,432	48,673
	Hedging instruments	55,188	48,673
	Other non-current financial liabilities	25,244	0
II.	**Current liabilities**	**236,117**	**249,170**
B.	Current financial liabilities	207,168	227,730
	Credit institutions	205,126	225,784
	Other	2,042	1,946
C.	Other current financial liabilities	123	0
	Permitted hedging instruments	0	0
	Other current financial liabilities	123	0
D.	Trade payables and other current debts	13,573	9,321
	Suppliers	10,656	6,730
	Tax, salary and social security	2,917	2,591
E.	Other current liabilities	498	474
	Other	498	474
F.	Accrued charges and deferred income	14,755	11,646
	Property revenue received in advance	4,125	3,638
	Non-expired interest and other costs	8,728	6,735
	Other	1,902	1,273
Total liabilities		**3,330,259**	**2,645,486**

Statutory appropriation of results

in euros (x 1,000)		31 DEC. 18	31 DEC. 17
A.	**Net result**	**332,623**	**239,768**
B.	**Addition to/withdrawal from reserves**	**203,086**	**123,109**
1.	Deposit to/withdrawal from the reserve for the (positive or negative) balance of the changes in the fair value of properties[1]	211,997	104,966
	financial year	214,582	106,057
	disposals of investment properties	-2,585	-1,090
2.	Addition to/withdrawal from the reserve of estimated transaction costs and fees for the hypothetical sale of investment properties	-3,821	-2,611
	financial year	-3,821	-2,611
3.	Addition to the reserve for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined n IFRS	0	0
	financial year	0	0
4.	Withdrawal from the reserve for the balance of changes in the fair value of permitted hedging instruments that are subject to hedging accounting as defined n IFRS	0	0
	financial year	0	0
5.	Addition to the reserve for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS	-9,027	16,470
	financial year	-9,027	16,470
6.	Withdrawal from the reserve for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS	0	0
	financial year	0	0
7.	Addition to/withdrawal from the reserves for the balance of exchange rate differences for monetary assets and liabilities	0	0
8.	Addition to/withdrawal from deferred tax reserves in relation to the property	0	0
9.	Addition to/withdrawal from reserves for the receipt of dividends intended for financial debt repayment	0	0
10.	Deposit to/withdrawal from other reserves[2]	3,973	4,283
	financial year	3,937	4,283
11.	Addition to/withdrawal from results carried forward from previous financial years	0	0
C.	**Compensation for capital in accordance with Article 13(§1)(1)**	**72,197**	**67,536**
D.	**Compensation for capital other than C**	**38,498**	**31,506**
E.	**Result to be carried forward**	**18,842**	**17,618**

1 Based on the investment value of the property.

2 This pertains to changes in the fair value of participations with regard to solar panels of the of participations and the one-time impact of IFRS 16 on the participations.

Distribution obligation in accordance with the GVV/SIR Royal Decree of 13 July 2014

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Net result	**332,623**	**239,768**
Depreciation and amortization (+)	3,192	3,534
Write-downs (+)	297	92
Reversals of write-downs (-)	-237	-296
Reversals of transferred and incorporated rents (-)	0	0
Other non-monetary components (+/-)	-170,418	-129,191
Result from property sales (+/-)	248	-284
Changes in the fair value of property (+/-)	-78,043	-30,294
Adjusted result (A)	**87,661**	**83,329**
Capital gains/losses on property realised during the financial year (+/-)	2,585	1,090
Capital gains realised during the financial year that are exempt from the mandatory disbursement provided they are reinvested within a period of four years (-)	0	0
Capital gains on property previously exempt from mandatory disbursement that is not reinvested within a period of four years (+)	0	0
Net capital gains on completion of properties not exempt from mandatory distribution (B)	**2,585**	**1,090**
Total (A+B) x 80%	**72,197**	**67,536**
Debt in liabilities (-)	**0**	**0**
Distribution obligation	**72,197**	**67,536**

Non-distributable shareholders' equity in accordance with Article 617 of the Belgian Companies Code

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Paid out capital or, if it is more, called-up capital	184,952	176,514
Issue premiums not available according to the Articles of Association	646,286	545,154
Reserve for the positive balance of the changes in the fair value of properties[1]	578,843	366,846
Reserves for the impact on the fair value of estimated transaction costs and fees for the hypothetical sale of investment properties	-28,819	-24,998
Reserves for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS	-51,936	-42,909
Other reserves declared unavailable by the General Meeting[2]	26,095	21,919
Non-distributable shareholders' equity in accordance with Section 617 of the Belgian Companies Code	**1,355,421**	**1,042,526**
Net asset	1,580,786	1,238,023
Proposed dividend payment	-110,695	-99,042
Net asset after distribution	**1,470,091**	**1,138,981**
Remaining margin after distribution	**114,670**	**96,455**

1 Based on the investment value of the properties, including changes in the fair value of subsidiaries with regard to properties (see also explanatory note *V. Segmented information – Result by sector*), given that the latter is a non-distributable reserve. This pertains to a non-cash item.

2 Based on the revaluation reserves for the solar panels (including changes in fair value of subsidiaries with regard to solar panels) and the impact of IFRS 16 on shareholders' equity (including changes in fair value of subsidiaries with regard to IFRS 16) given that this is also a non-distributable reserve. This pertains to a non-cash item.

Statement of changes of the statutory shareholders' equity 2018

in euros (x 1,000)	01 JAN. 18	Allocation of results from the 2017 financial year		
		Profit for the previous financial year	Transfer of result on portfolio and revaluation of subsidiaries	Transfer of changes in the fair value of financial instruments
A. Capital	**168,939**	**0**	**0**	**0**
Subscribed capital	176,514			
Costs of capital increase	-7,575			
B. Share premiums	**545,154**	**0**	**0**	**0**
C. Reserves	**284,162**	**239,768**	**0**	**0**
Reserves for the balance of changes in the fair value of the properties (+/-)				
Reserves for the balance of changes in the investment value of the properties (+/-)	264,955		104,966	
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment properties (-)	-22,387		-2,611	
Reserves for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS (+/-)	-59,378			16,470
Other reserves	17,636		4,283	
Result carried forward from previous financial years	83,336	239,768	-106,638	-16,470
D. Net result of the financial year	**239,768**	**-239,768**	**0**	**0**
Total shareholders' equity	**1,238,023**	**0**	**0**	**0**

	Other elements of the overall result				Other	31 DEC. 18
	Net result for the current financial year	Changes in the fair value of solar panels	Capital increases	Dividends distributed and capital increase as a result of an optional dividend	Other	
	0	0	4,042	3,770	0	176,751
			4,449	3,989		184,952
			-407	-219		-8,201
	0	0	58,123	43,009	0	646,286
	0	1,606	0	-99,042	-1,368	425,126
						369,921
						-24,998
						-42,908
		1,606			-1,367	22,158
				-99,042	-1	100,953
	332,623	0	0	0	0	332,623
	332,623	1,606	62,165	-52,263	-1,368	1,580,786

Statement of changes of the statutory shareholders' equity 2017

in euros (x 1,000)	01 JAN. 17	Allocation of results from the 2016 financial year			
		Profit for the previous financial year	Transfer of result on portfolio and revaluation of subsidiaries	Transfer of changes in the fair value of financial instruments	
A. Capital	**163,818**	**0**	**0**	**0**	
Subscribed capital	171,034				
Costs of capital increase	-7,216				
B. Share premiums	**492,330**				
C. Reserves	**246,386**	**129,110**	**0**	**0**	
Reserves for the balance of changes in the fair value of the properties (+/-)					
Reserves for the balance of changes in the investment value of the properties (+/-)	229,191		35,764		
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment properties (-)	-19,148		-3,239		
Reserves for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS (+/-)	-61,165			1,787	
Other reserves	18,979		-794		
Result carried forward from previous financial years	78,529	129,110	-31,731	-1,787	
D. Net result of the financial year	**129,110**	**-129,110**			
Total shareholders' equity	**1,031,644**	**0**	**0**	**0**	

	Other elements of the overall result				Other	31 DEC. 17
	Net result for the current financial year	Changes in the fair value of solar panels	Capital increases	Dividends distributed and capital increase as a result of an optional dividend	Other	
	0	0	1,501	3,620	0	168,939
			1,547	3,933		176,514
			-46	-313		-7,575
			15,841	36,983		545,154
	0	-549	0	-90,792	7	284,162
						264,955
						-22,387
						-59,378
		-549				17,636
				-90,792	7	83,336
	239,768					239,768
	239,768	-549	17,342	-50,189	7	1,238,023

5. Detailed calculation of the Alternative Performance Measures applied by WDP[4]

Result on the portfolio (including share in joint ventures)

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Changes in the fair value of investment properties	213,811	94,763
Result on disposal of investment properties	787	929
Deferred tax on portfolio result	-3,698	-79
Participation in the portfolio of associated companies and joint ventures	209	5,876
Result on the portfolio	**211,109**	**101,489**
Minority interests	-2,853	0
Result on the portfolio – Group share	**208,257**	**101,489**

Changes in the gross rental income based on an unchanged portfolio

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Properties held for two years	136,142	133,804
Projects	30,174	14,511
Acquisitions	9,164	3,032
Disposals	1,073	2,988
Total	**176,553**	**154,336**
To be excluded:		
Rental income of joint ventures	-947	-9,476
Indemnification related to early lease terminations	215	801
Rental income (IFRS)	**175,822**	**145,661**

Operating margin

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Property income (IFRS)	187,923	154,493
Operational profit (before the portfolio result) excluding depreciation and write-down on solar panels)	171,555	142,839
Operating margin	**91.3%**	**92.5%**

4 Excluding EPRA metrics, some of which are regarded as APMs and reconciled under Chapter *4.5. Management report – EPRA stats.*

Average cost of debt

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Financial result	-42,039	-9,264
To be excluded:		
Financial income	-324	-3,268
Changes in the fair value of financial assets and liabilities	9,027	-16,470
Interest capitalised during construction	-4,417	-1,859
To be included:		
Interest expenses of joint ventures	-87	-857
Effective financial expenses (A)	**-37,840**	**-31,718**
Average outstanding financial debts (IFRS)	1,571,037	1,168,489
Average outstanding financial debts of joint ventures	19,389	64,487
Average outstanding financial debts (proportional) (B)	**1,590,425**	**1,232,976**
Average cost of debt (A/B)	**2.4%**	**2.6%**

Financial result (excluding change in the fair value of the financial instruments)

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Financial result	-42,039	-9,264
To be excluded:		
Changes in the fair value of financial assets and liabilities	9,027	-16,470
Financial result (excluding change in the fair value of the financial instruments)	**-33,012**	**-25,734**

Hedge ratio

in euros (x 1,000)	31 DEC. 18	31 DEC. 17
Notional amount of Interest Rate Swaps	1,174,618	1,026,768
Financial debts at a fixed interest rate	7,072	7,532
Fixed-interest bonds	366,500	266,500
Financial liabilities at balance sheet date with respect to fixed interest rate and hedging instruments (A)	**1,548,190**	**1,300,800**
Current and non-current financial liabilities (IFRS)	1,697,751	1,349,815
Proportionate share of current and non-current financial liabilities in joint ventures	12,637	81,091
Financial liabilities at balance sheet date (B)	**1,710,389**	**1,430,906**
Hedge ratio (A/B)	**91%**	**91%**

Gearing ratio

in euros (x 1,000)			31 DEC. 18 (IFRS)	31 DEC. 18 (proportional)	31 DEC. 17 (IFRS)	31 DEC. 17 (proportional)
Non-current and current financial liabilities			1,872,817	1,893,778	1,436,860	1,530,038
To be excluded:						
I.	Non-current liabilities – A. Provisions		359	359	655	656
I.	Non-current liabilities – C. Other non-current financial liabilities – Permitted hedging instruments		55,188	55,188	48,673	48,673
I.	Non-current liabilities – F. Deferred taxes – Liabilities				0	894
II.	Current liabilities – A. Provisions				0	0
II.	Current liabilities – E. Current financial debts – Other: Hedging instruments					
II.	Current liabilities – F. Accruals and deferrals		19,110	19,062	13,394	13,677
Total debt		**A.**	**1,793,954**	**1,813,764**	**1,374,139**	**1,466,138**
Total assets on the balance sheet			3,483,333	3,504,293	2,675,299	2,768,444
To be excluded:						
C.	Financial fixed assets – Financial instruments at fair value through profit and loss account – Permitted hedging instruments		3,252	3,252	5,764	5,764
Total assets		**B**	**3,480,081**	**3,501,041**	**2,669,535**	**2,762,681**
Debt ratio		**A/B**	**51.5%**	**51.8%**	**51.5%**	**53.1%**

Loan-to-value

in euros (x 1,000)		31 DEC. 18	31 DEC. 17
Current and non-current financial liabilities		1,697,751	1,349,815
Cash and cash equivalents		1,724	1,231
Net financial debt	**A.**	**1,696,027**	**1,348,584**
Fair value of the property portfolio (excluding rights of use for concessions)		3,259,152	2,411,552
Fair value of the solar panels		117,366	93,799
Financing for and shareholdings in affiliated companies and joint ventures		15,460	123,331
Total portfolio	**B**	**3,391,978**	**2,628,682**
Loan-to-value	**A/B**	**50.0%**	**51.3%**

10. Permanent document

1. Basic information

Company name (Article 1 of the coordinated Articles of Association)

Warehouses De Pauw, or WDP abbreviated.

Legal form, incorporation[1]

The company was founded as a public limited company (NV/SA) under the name *Rederij De Pauw* by a deed executed by civil-law notary Paul De Ruyver in Liedekerke on 27 May 1977 and published in the Annexes to the Official Gazette of Belgium of 21 June 1977 under number 2249-1. By means of a general merger and demerger operation, this NV became the holding company bringing together the property portfolios of nine different companies. At the same time, the name of the company was changed to *Warehousing & Distribution De Pauw* and it was converted into a partnership limited by shares under Belgian law (Commanditaire Vennootschap op Aandelen, Comm. VA). The associated amendments to the Articles of Association were provisionally enacted by a deed executed by civil-law-notary Siegfried Defrancq in Asse-Zellik, acting as substitute for civil-law-notary Jean-Jacques Boel in Asse due to his statutory incapacity, on 20 May 1999, subsequently published in the Annexes to the Official Gazette of Belgium of 16 June under number 990616-21, and endorsed in two deeds dated 28 June 1999 by the same civil-law notary, subsequently published in the Annexes to the Official Gazette of Belgium of 20 July under numbers 990720-757 and 758.

At the Extraordinary General Meeting of 25 April 2001, the company name was changed to *Warehouses De Pauw* as set out in the deed executed by the aforementioned civil-law notary Siegfried Defrancq, substituting for the aforementioned civil-law notary Jean-Jacques Boel due to his statutory incapacity, subsequently published in the Annexes to the Official Gazette of Belgium of 18 May under number 20010518-652.

WDP's Articles of Association have been amended repeatedly since then, most recently on 4 December 2018, due to a capital increase from a contribution in kind arising from a receivable in WDP. This deed was executed before civil-law notary Tim Carnewal in Brussels and was published in the Annexes to the Official Gazette of Belgium of 28 December 2018 under number 18185024.

Since 28 June 1999, WDP Comm. VA has been registered with the Belgian Financial Services and Markets Authority, (the FSMA), as a fixed capital Belgian REIT (a Vastgoedbevak/SICAF). On 16 October 2014, in order to better meet economic realities, and due to the changes in the legal framework related to our capacity as an operational and commercial property company, WDP changed its status to that of a public Regulated Real Estate Company under Belgian law. The relevant amendments to the Articles of Association were enacted in a deed executed by the aforementioned civil-law notary Yves De Ruyver substituting for the aforementioned civil-law notary Jean-Jacques Boel due to his statutory incapacity and, subsequently, published in the Annexes to the Official Gazette of Belgium of 31 October 2014 under number 14199666. WDP is therefore subject to the legal system as determined in the Regulated Real Estate Company legislation.

Registered office (Article 3 of the coordinated Articles of Association)

The company is registered at Blakebergen 15, 1861 Meise (Wolvertem), Belgium. The registered office may be relocated within Belgium without amending the Articles of Association by a decision of the statutory manager, in compliance with language legislation.

Company number

The company is registered in the Crossroads Bank for Enterprises in the district of Brussels, Dutch-language section, under legal entity registration number 0417.199.869.

1 See also *3. History and milestones* of this annual financial report.

Duration (Article 2 of the coordinated Articles of Association)

The duration of the company is unlimited.

Object of the company (Article 4 of the coordinated Articles of Association)

Article 4 of the Articles of Association states that the company has the sole purpose of:

- making immovable goods available to users directly or by means of a company in which it holds a stake in accordance with the provisions of the Belgian Regulated Real Estate Companies Act and the decisions and regulations adopted to implement this; and
- possessing property within the limits of the Belgian Regulated Real Estate Companies Act.

  Property shall mean:

  - immovable goods as defined in Article 517 et seq of the Belgian Civil Code and rights in rem to immovable goods;
  - shares with voting rights issued by real estate companies, that are controlled exclusively or in part by the company;
  - option rights to properties;
  - shares in public or institutional Regulated Real Estate Companies, on the condition that in the latter case, joint or exclusive control is exercised over these;
  - rights arising from contracts in which one or more goods are leased to the Regulated Real Estate Company, or other analogous rights of use are granted;
  - shares in a fixed capital Belgian REIT (a Vastgoedbevak/SICAF);
  - units in foreign undertakings for collective investment in property that is registered on the list drafted by the FSMA;
  - units in undertakings for collective investment in real estate based in a different member state of the European Economic Area that are not registered on the list drafted by the FSMA, to the extent that they are subject to equivalent supervision as public Regulated Real Estate Companies;
  - shares issued by companies (i) with legal personhood; (ii) that fall under the law of a different member state in the European Economic Area; (iii) whose shares have been admitted for trading on a regulated market and/or are subject to a prudential supervision regime; (iv) whose main activity consists in the acquisition and construction of immovable goods with a view to making these available to users, or direct or indirect ownership of holdings in companies with similar activities; and (v) that are exempt from income tax on the profits from the activities referred to in the provision under (iv) above, assuming compliance with certain statutory obligations, and that are at least obligated to distribute part of their income to shareholders (Real Estate Investment Trusts (REITs));
  - property certificates as defined in the applicable financial legislation;
  - as well as all other goods, shares or rights defined as property in the applicable regulations on Regulated Real Estate Companies.

- the long-term conclusion of or accession to, with a public contractor and either directly or by means of a company in which it holds a stake in accordance with the provisions of the Belgian Regulated Real Estate Companies Act, one or more:

  (i) DBF agreements, the so-called *Design, Build, Finance* agreements;

  (ii) DB(F)M agreements, the so-called *Design, Build, (Finance) and Maintain* agreements;

  (iii) DBF(M)O agreements, the so-called *Design, Build, Finance, (Maintain)* and Operate agreements; and/or

  (iv) agreements for the concession of public works in relation to buildings and/or other immovable infrastructure and services relating thereto, on the basis of which the company:

  (i) is responsible for provision, maintenance and/or operation on behalf of a public entity and/or the public as an end user for the fulfilment of a social requirement and/or the facilitation of the provision of a public service;

(ii) the finance, availability, demand and/or operational risk associated therewith, in addition to any construction risk, may be fully or partially borne by the company, without necessarily having any rights in rem; and

- the long-term development, incorporation, management, operation (all either directly or indirectly) and provision of, either directly or by means of a company in which it holds a stake in accordance with the provisions of the Belgian Regulated Real Estate Companies Act and in partnership with third parties if applicable:

  (i) utilities and storage spaces for the transport, distribution or storage of electricity, gas, fossil or non-fossil fuel and energy in general, as well as property associated therewith;

  (ii) utilities for the transport, storage or sanitation of water, as well as property associated therewith;

  (iii) installations for the generation, storage and transport of energy (whether or not renewable), as well as property associated therewith; or

  (iv) waste and incineration installations, as well as property associated therewith.

In the context of the provision of real estate, the company may exercise all activities related to the incorporation, construction (without infringing the prohibition on acting as a property developer, except for occasional transactions), alteration, fitting out, renovation, development, acquisition, sale, letting, sub-letting, exchange, inclusion, transfer, sub-division, bringing of real estate assets into a system of co- or joint ownership, as described above, the granting or receipt of the right of superficies, the right to the usufruct, long-term lease or other real or personal rights, management and running of properties.

The company may also do the following in accordance with the applicable regulations on Regulated Real Estate Companies:

- rental of immovable goods with or without a purchase option;
- letting of immovable goods, with or without a purchase option, on the understanding that it is only permitted to lease immovable goods with a purchase option as an ancillary activity;
- ancillary or temporary investment in securities other than properties in the sense of the applicable regulations on Regulated Real Estate Companies. These investments must be made in accordance with the risk management policy adopted by the company and diversified to ensure suitable risk diversification. The company may also possess unallocated liquid assets. The liquid assets may be held in any currency in the form of demand or term deposits or by any money market instrument susceptible to rapid mobilisation;
- provision of mortgages and other securities or guarantees within the framework of financing the company or its group, within the limits defined for this in the applicable regulations on Regulated Real Estate Company;
- provision of loans within the limits defined for this in the applicable regulations on Regulated Real Estate Companies;
- performance of transactions on permitted hedging instruments (as defined in the Regulated Real Estate Company legislation) to the extent that these transactions are part of a policy defined by the company to hedge financial risks, with the exception of speculative transactions.

The company may acquire, lease or rent, transfer or exchange any and all immovable goods, materials and necessities, and in general perform any and all commercial or financial operations directly or indirectly related to its object and the exploitation of all intellectual rights and commercial properties pertaining to these.

Taking into account the applicable regulations on Regulated Real Estate Companies, the company may acquire a stake in any and all existing or future companies or undertakings, in Belgium or abroad, with a company object that is similar it its own, or that works towards or facilitate achievement of its object – by means of contributions in cash or non-monetary contributions, mergers, demergers or other restructuring under corporate law, registration, participation, financial intervention or otherwise.

Amendments to the Articles of Association of the company shall require the prior approval of the FSMA.

Places where documents are available for public inspection

In accordance with the relevant provisions of the law, the separate and consolidated financial statements of the company shall be deposited with the National Bank of Belgium.

The Articles of Association of the company are available for inspection at the clerk of the Commercial Court of Brussels.

The annual financial reports and the Articles of Association of the company are also available at the registered office and may be viewed online. Only the printed Dutch version of the annual financial report is legally valid. Other information on the website of the company or any other website is not part of the annual financial report. The electronic version of the annual financial reports shall not be copied or made available anywhere. It is also prohibited to print the text for further distribution. Every year, all holders of registered shares, and anyone who requests such, shall receive the annual financial report.

The financial reporting is published in the financial press where required by law. All interested parties may view the press releases and the required financial information on the company's website. In this process, WDP applies the relevant provisions of the law and the FSMA guidelines. The most recent version of the Corporate Governance Statement is also available online. Decisions related to the appointment and dismissal of members of the Board of Directors of the statutory manager are published in the Annexes to the Official Gazette of Belgium.

The obligations of the company and the rights of the shareholders with regard to the General Meeting are published in the Investor relations section of WDP's website from the convening notice until participation and voting in full. This information will remain accessible on the company website for a period of at least five years, calculated from the date of the General Meeting to which it refers.

2. Share capital

Subscribed capital (Article 6 of the coordinated Articles of Association)

The subscribed capital of WDP Comm. VA amounts to 184,951,687.81 euros, represented by 23,061,390 ordinary shares, each representing 1/23,061,390 of the capital. None of these shares provides special voting or other rights.

Authorised capital (Article 7 of the coordinated Articles of Association)

The manager is authorised to increase the fully paid-up share capital on the dates and under the conditions that it specifies, in one or more increments, up to a maximum amount of:

- I. 148,427,695.51 euros (a) if the capital increase to be achieved is a capital increase by contribution in cash with an option to exercise the preferential right for company shareholders, and (b) if the capital increase to be achieved is a capital increase by contribution in cash with an option to exercise the irreducible allocation right (as referred to in the Belgian Act concerning Regulated Real Estate Companies of 12 May 2014) of the company shareholders,
- II. 29,685,539.10 euros for all forms of capital increase other than those referred to under point I. above,

  with the understanding that the share capital, within the framework of the authorised capital, shall not be increased by a total amount greater than 148,427,695.51 euros over the five-year period starting on 3 May 2016.

This authorisation is renewable. The manager has thus far used the power granted to it to increase the capital on six occasions. Today, the available balance of the authorised capital amounts to

- 129,423,892.12 euros insofar as it concerns a capital increase in terms of funds concerns the irreducible allocation right;

- 17,314,941.75 euros for all forms of capital increase other than those referred to under point I. above;

  on the understanding that the share capital, within the framework of the authorised capital, shall not be increased by a total amount greater than 148,427,695.51 euros over the five-year period starting on 3 May 2016.

These capital increase(s) can be carried out via contributions in cash, non-monetary contributions or conversion of reserves, including profits carried forward and issue premiums as well as all of the equity components in the company's individual IFRS financial statements (drawn up based on the regulations applicable to Regulated Real Estate Companies) which are convertible into capital, possibly with issuance of new securities, in accordance with the rules set out in the Belgian Companies Code, the regulations applicable to Regulated Real Estate Companies and the current Articles of Association.

Where applicable, in the case of a capital increase by a decision of the manager, the manager places the issue premiums in a blocked account, which serves as surety for third parties on the same basis as the capital, and which shall not under any circumstances be reduced or cancelled except by a resolution of the General Meeting passed in the same manner as an amendment to the Articles of Association, except for conversion into capital as provided for above.

Without prejudice to the application of Articles 592 to 598 and 606 of the Belgian Companies Code, in this process the statutory manager may limit or cancel preferential rights, even if this benefits one or more particular persons other than employees of the company or its subsidiaries, to the extent that existing shareholders are granted an irreducible allocation right on allocation of new securities. Without prejudice to application of Articles 595 to 599 of the Belgian Companies Code, the aforementioned restrictions within the framework of the cancellation or restriction of the preferential right do not apply to contributions in cash with restriction or cancellation of the preferential right in addition to a non-monetary contribution within the framework of the payment of an optional dividend, to the extent that this is made effectively payable for all shareholders.

When issuing securities in exchange for contributions in kind, the special terms and conditions for contributions in kind (see *Changes in capital*) must be met (including the option to deduct an amount corresponding to the share of the non-distributed gross dividend). The special rules on non-monetary capital increases are, however, not applicable to contributions of dividend rights within the framework of payment of an optional dividend, to the extent that this is made effectively payable for all shareholders.

Share repurchases (Article 10 of the coordinated Articles of Association)

The company may acquire its own fully paid-up shares and hold these in pledge pursuant to a resolution of the General Meeting taken in accordance with the provisions of the Belgian Companies Code. The same meeting may decide the conditions for sale of these shares.

In addition to this, for a period of five years after 8 April 2016, the manager may acquire shares in the company, receive these as pledges and resell them (including outside of the stock exchange) at the expense of the company and at a unit price of no less than 0.01 euros per share (acquisition and holding in pledge); or 75% of the closing price on the trading day prior to the transaction date (resale) and that is no greater than 125% of the closing price on the trading day prior to the transaction date (acquisition and holding in pledge), provided that the company does not possess more than 10% of the total number of shares issued.

On 31 December 2018, WDP Comm. VA had no shares in its possession.

Changes in capital (Article 11 of the coordinated Articles of Association)

Barring the option to allocate authorised capital by a decision of the manager, it is only possible to increase or decrease the capital by a resolution of an Extraordinary General Meeting, with the approval of the manager, and in compliance with the applicable regulations on GVVs/SIRs.

In accordance with GVV/SIR legislation, the following conditions must be met when issuing shares in exchange for contributions in kind, without prejudice to Articles 601 and 602 of the Belgian Companies Code:

- the identity of those making the contribution must be indicated in the report from the manager provided for under Article 602 of the Belgian Companies Code, as well as in invitations to the General Meeting that will decide upon the contributions in kind;
- the issue prices shall be no less than the lower value of (a) a net value per share dated no more than four months prior to the date of the contribution agreement or, at the discretion of the company, before the date of the capital increase deed, and (b) the average closing price of the thirty days before this date;
- unless the issue price as well as the method used are determined by the working day after conclusion of the contribution agreement and are announced to the public with indication of the timeframe within which the capital increase will actually be complete, the capital increase deed shall be executed within no more than four months;
- the report of the statutory manager provided for under Article 602 of the Belgian Companies Code shall also indicate the impact of the proposed contribution on the situation for prior shareholders, and more specifically with regard to their share in the profit, in the net value per share and in the capital, as well as the impact in terms of voting rights.

These rules on the non-monetary contribution shall apply, with necessary modifications, to mergers, demergers and transactions deemed equivalent to these.

By virtue of GVV/SIR legislation, in cases of a capital increase by contributions in cash and without prejudice to application of Articles 592 to 598 of the Belgian Companies Code, the preferential right shall be limited or cancelled if existing shareholders are granted an irreducible allocation right on allocation of new securities.

3. Control over the company (Article 14 of the coordinated Articles of Association)

Control over WDP Comm. VA falls to the statutory manager, De Pauw NV, represented by its permanent representative. Since 1 September 2002, this has been Tony De Pauw by virtue of Article 61(§ 2) of the Belgian Companies Code. All shares in De Pauw NV are held by the management body RTKA, represented by Tony De Pauw in the Board of Directors of De Pauw NV.

For clarification of the meaning of control, see *4.7.2 Management report – Corporate governance – Some background: the Comm. VA and its statutory manager*.

4. Statutory auditor (Article 20 of the coordinated Articles of Association)

On 25 April 2007, Deloitte Bedrijfsrevisoren, a company under civil law in the form of a cooperative company with limited liability under Belgian law (CVBA) that is a member of the Belgian Institute of Registered Auditors with offices on Berkenlaan 8b, 1831 Diegem, Belgium, was appointed as the statutory auditor for WDP Comm. VA. On 27 April 2016 the statutory auditor, represented by its permanent representative, Kathleen De Brabander, reappointed until the annual meeting of 2019. In accordance with the European Audit Regulation 537/2014/EU, WDP launched a public tender procedure on 6 December 2016. As a result of this regulation, the mandate of Deloitte Bedrijfsrevisoren was terminated at the Annual General Meeting of 26 April 2017. The General Meeting of 26 April 2017 concerned the reappointment of Deloitte Bedrijfsrevisoren, represented by its permanent representative, Kathleen De Brabander, until the annual meeting of 2020.

The mandate of the statutory auditor consists of auditing the consolidated and the separate financial statements of WDP Comm. VA, as well as the other Belgian subsidiaries.

In France, Deloitte & Associés, represented by Pierre-Marie Martin, with offices at 67, rue de Luxembourg, 59777 Euralille, France, was appointed as statutory auditor for the subsidiary WDP France SARL.

In the Netherlands, Deloitte Accountants BV, represented by Jef Holland with offices on Gustav Mahlerplein 2970, 1081 LA Amsterdam, the Netherlands, was appointed as the statutory auditor for the WDP Nederland N.V. and WDP Development NL N.V. subsidiaries.

In Luxembourg, Deloitte Audit SARL, represented by Harald Thul with offices on rue de Neudorf 560, L-2220 Luxembourg, was appointed as statutory auditor for WDP subsidiary Luxembourg S.A.

In Romania, Deloitte Audit SRL, represented by Alina Mirea, with officed on Str. Nicolae Titulescu, nr. 4-8, etaj 2 – zona Deloitte si etaj 3, sector 1, Bucharest, was appointed as statutory auditor of the Warehouses De Pauw Romania SRL subsidiary.

The fees of the statutory auditor are determined based on prices in line with market conditions and independently of WDP as per the code of conduct and the standards of the Belgian Institute of Registered Auditors and in accordance with the applicable provisions with regard to the independence of statutory auditors set out in the Belgian Companies Code.

5. Financial service (paying agent)

ING België NV
Marc Sanders
Sint-Michielswarande 60, 1040 Brussels
+ 32 2 547 31 40
marc.sanders@ing.be

The fees for financial services are determined based on market conditions as a percentage of the volume of the transactions in question (such as dividend payments, optional dividends, etc.) and are independent of the company.

6. Property expert

In accordance with the applicable regulations on GVVs/SIRs, the expert valuates all buildings of the GVV/SIR and its subsidiaries at the end of each financial year. The book value of the buildings shown on the balance sheet has been adjusted to these values.

In addition, at the end of each of the first three quarters of the financial year, the independent property expert updates the overall valuation prepared at the end of the previous year based on the development of the market and the individual characteristics of the properties in question. The expert also valuates the properties of the GVV/SIR and its subsidiaries if the GVV/SIR wants to perform transactions such as share issues or mergers.

All immovable goods that the Regulated Real Estate Company or its subsidiaries want to acquire or transfer are valued by the independent property expert prior to the transaction. The valuation of the expert shall apply as a minimum price (in cases of disposal) and maximum price (in cases of acquisitions), respectively, for the Regulated Real Estate Company when the counterparty is a person that is closely involved with the Regulated Real Estate Company (as determined in the applicable regulations for Regulated Real Estate Companies) or if such persons receive any benefits from the transaction in question.

The Regulated Real Estate Company legislation formulates statutory obligations on procedures followed by property experts to ensure the necessary degree of independence of property appraisers in the valuation of the property. It is stipulated that the remuneration cannot be related to the value of the property that is the subject matter of the expert's report. An obligation is also imposed on the Regulated Real Estate Company to ensure replacement of the expert(s) that it appoints under a double rotation requirement. Thus, the Regulated Real Estate Company may only appoint the expert for a renewable term of three years. Moreover, an expert may only be entrusted with valuation of a particular property for a maximum period of three years, after which a cooling-off period of three years must be observed.

An expert who has already served a three-year term may therefore only be appointed to a new three-year term if, for this period, the expert is responsible for a different part of the assets in the public Regulated Real Estate Company or its subsidiaries. Special rules apply if the expert is a legal entity.

The property experts appointed by WDP Comm. VA appointed the property experts:

- Stadim CVBA, Uitbreidingstraat 10-16 (Antwerp Gate 2), 2600 Antwerp – Belgium, represented by Mr Philippe Janssens;
- Jones Lang LaSalle BVBA, Marnixlaan 23, 1000 Brussels – Belgium, represented by Mr Jean-Philip Vroninks;
- Cushman & Wakefield VOF, Gustav Mahlerlaan 362-364, 1082 ME Amsterdam – The Netherlands, represented by Mr Frank Adema;
- CBRE Valuation & Advisory Services B.V., Gustav Mahlerlaan 405, 1082 MK Amsterdam – The Netherlands, represented by Mr Hero W.B. Knol;
- BNP Paribas Real Estate, 167 quai de la Bataille de Stalingrad, 92867 Issy-Les-Moulineaux Cedex – France, represented by Mr Jean-Claude Dubois;
- CBRE REAL ESTATE CONSULTANCY SRL, 47-53 Lascar Catargiu Blvd., Europe House, 2nd floor, Sector 1, Bucharest – Romania, represented by Mr Ovidiu Ion;
- Jones Lang LaSalle Luxembourg SECS, rue du Puits Romain 41, L-8070 Bertrange, Luxembourg, represented by Mr Romain Muller.

These natural persons are the authorised representatives of the legal entities with which the contracts have been concluded.

Remuneration for property experts is not connected to the value of the property and is based on a fixed fee per property valuated and/or a variable fee according to the surface area valuated. The agreements with the property experts meet the regulations on this topic.

7. Insurance cover

WDP and its subsidiaries must take out adequate insurance cover for all of their immovable goods. The insurance cover must be in line with customary market conditions.

All WDP buildings are insured for their new construction value. As at 31 December 2018, 68% of the fair value of the portfolio (including land and additional land resources) was covered by insurance. As a proportion of the fair value of the portfolio (excluding land and additional land resources), 102% was covered by insurance as at 31 December 2018.

8. Structures abroad

To ensure optimum management of the property portfolio abroad, WDP Comm. VA has subsidiaries in various European countries (these subsidiaries do not have the status of institutional Regulated Real Estate Company).

- The companies in the Group have a number of features in common.
- The corporate structure is also the local equivalent of a private limited liability company (BVBA) or a public limited company (NV/SA).
- WDP owns 100% of the shares in all foreign subsidiaries except for WDP Romania (80%) and WDP Luxembourg (55%).

The results of the subsidiaries are liable to local corporate tax, except for WDP Nederland which has FBI status (Fiscale Beleggingsinstelling) and WDP France which has SIIC status (Société d'Investissement Immobilier Cotée), with the corresponding fiscal transparency. More information on the FBI and SIIC status is available under *12. General information on REIT status.*

The net profits can be disbursed to WDP, in which case the withholding tax or exemption depends on the EU Parent-Subsidiary Directive, its implementation in the local legislation of the respective countries and the applicable double taxation agreements between Belgium and the various countries where WDP is active. Results from foreign subsidiaries are included in the consolidation, after elimination of the depreciation of immovable goods and offset of deferred tax receivables.

The choice of financing method (group loans versus bank loans) must always take into account the impact of this financing on the consolidated gearing ratio for WDP. (The maximum gearing ratio at the consolidated level comes to 65% as per Regulated Real Estate Company legislation. This same maximum gearing ratio also applies to the separate statements of the Regulated Real Estate Company). At the consolidated level, subordinate group loans do not affect the gearing ratio of the group. In contrast, bank loans do.

For this financing strategy, the main factors to consider (aside from the gearing ratio) is the two key principles of taxation that differ from country to country:

- the rules on thin capitalisation[2] for companies;
- the percentage of the advance levy to be retained on interest on outstanding group loans that is paid out to the country of origin.

WDP Comm. VA is represented in France by its permanent establishment n rue Cantrelle 28, 36000 Châteauroux, France.

WDP Nederland N.V. also has its wholly owned subsidiary: WDP Development NL N.V., Hoge Mosten 2, 4813 DA Breda, PO Box 9770, 4822 NH Breda, The Netherlands.

9. Milestones in the history of WDP

For an overview of key events in the history of WDP, please refer to the first part of this annual financial report in Chapter *3. History and milestones*.

2 Thin capitalisation refers to excessive use of borrowed capital by a company in order to maximise the tax deduction on interest. Local tax regimes typically impose limits on this by restricting the tax deduction on interest on the part of the debt that is considered excessive.

11. General information on REIT status

On 28 September 2018, the Extraordinary General Meeting of WDP approved the proposed amendments to the Articles of Association and company object to bring the Articles of Association in line with the Belgian GVV/SIR Act, as amended by the Belgian Act of 22 October 2017.

1. Public Regulated Real Estate Company

A public Regulated Real Estate Company under Belgian law (public GVV/SIR):

- is a property company that (i) mainly makes immovable goods available to users, (ii) may possess other types of property within the statutory limits (shares in fixed capital Belgian REIT (a Vastgoedbevak/SICAF), units in certain foreign ICBs, shares issued by other REITs and property certificates), and (iii) within the framework of making immovable goods available, may perform any and all activities associated with the erection, conversion, renovation, development (for the company's own portfolio), acquisition, disposal, management and operation of immovable goods and (iv) with the legal limits may also invest in the infrastructure sector (including via PPS) and the energy sector (including renewable energy);
- follows a strategy intended to retain possession of its properties over the long-term;
- prioritises active management in the performance of its activities, which specifically entails that the company itself is responsible for the development and day-to-day management of the immovable goods, and that all other activities that it performs provide added value for these same immovable goods or their users, such as offering services that supplement provision of the immovable goods;
- is subject to the provisions of the Belgian Regulated Real Estate Company Act and the Belgian Royal Decree concerning Regulated Real Estate Companies;
- must be incorporated as a private limited company under Belgian law (NV) or a partnership limited by shares under Belgian law (Comm. VA);
- is listed, and at least 30% of the shares must be distributed in the market;
- cannot act (directly or indirectly) as a construction promoter (other than occasionally);
- may possess companies in which it is the owner, directly or indirectly, of more than 25% of the shares (perimeter companies), which may or may not take the status of an institutional Regulated Real Estate Company;
- must adhere to strict rules regarding conflicts of interest and internal auditing structures.

Public and institutional Regulated Real Estate Companies fall under the supervision of the FSMA.

Aside from Articles 523 (conflicts of interest of directors) and 524 (conflicts of interest of affiliated companies) of the Belgian Companies Code, which apply to all listed companies, special rules apply to GVVs/SIRs regarding functional conflicts of interest (by virtue of Article 37 of the Belgian GVV/SIR Act).

For further information on each of the procedures, please refer to *4.7.9 Management report – Corporate governance – Conflicts of interest* of this Annual financial report.

2. Special regulations applicable to public Regulated Real Estate Companies

Property portfolio

No single transaction shall result in over 20% of the consolidated assets constituting a single property unit in order to ensure an adequate risk spread.

In certain cases, however, the FSMA may allow a deviation from the aforementioned limit, more specifically, (a) for a period of no more than two years from the date of the permit, (b) if the Regulated Real Estate Company demonstrates that the deviation is in the interest of the shareholders, or (c) if the Regulated Real Estate Company proves that the deviation is justified based on the specific characteristics of the investment, in particular, its nature and scope, and always on the condition that the consolidated debt ratio of the public Regulated Real Estate Company and its perimeter companies does not exceed 33% of the consolidated assets (minus the permitted hedging instruments) at the time of the acquisition or transfer in question. The deviation and the associated conditions must be included in detail in the prospectus and in the annual or semi-annual financial reports drafted by the Regulated Real Estate Company, until the deviation no longer has any consequences.

Thus far, no deviations of this kind have been awarded to WDP, given its adequate portfolio distribution.

Perimeter companies

Perimeter companies are companies in which a Regulated Real Estate Company holds, directly or indirectly, more than 25% of the shares, but participations in perimeter companies over which they do not exercise exclusive or joint control or of which they do not possess, directly or indirectly, 50% of the fair value of the capital may not exceed the threshold of 50% of the fair value of the consolidated assets of the public Regulated Real Estate Company.

At this time, WDP only has participations in companies where it exercises exclusive or joint control or where it possesses, directly or indirectly, at least 50% of the capital.

Financial reporting

European legislation states that public Regulated Real Estate Companies, like all other listed companies, must draw up their consolidated financial statements according to the international reference IAS/IFRS. In addition, by virtue of the Regulated Real Estate Company legislation, a public Regulated Real Estate Company (as well as an institutional Regulated Real Estate Company) must also draw up its separate financial statements in accordance with IAS/IFRS standards. Given that investment properties constitute the majority of the assets of a GVV/SIR, GVVs/SIRs must valuate these at fair value in accordance with IAS 40.

Valuation

The fair value of a specific property is valued at the end of every financial year by an independent property expert (the valuation expert). This expert updates this fair value at the end of each of the first three quarters in the financial year based on the development of the market and the characteristics of the asset in question. These valuations are binding on public Regulated Real Estate Companies with regard to the drafting of their separate and consolidated financial statements.

In addition to this, the independent expert must perform ad-hoc valuations of specific assets in a number of special cases. Some examples here would be shares issues, mergers, demergers or transactions deemed equivalent to these.

The property held by the public Regulated Real Estate Company is not depreciated.

Results

As remuneration for the capital, the company must pay out a sum that corresponds to at least the positive difference between the following amounts:

- 80% of the amount equal to the sum of the adjusted result and the net capital gains from the development of real estate that is not exempt from mandatory disbursement;
- the net reduction in the debt burden of the company over the course of the financial year.

Naturally, this obligation only applies if the net result is positive, and to the extent that the company has distribution capacity under corporate law.

Debts and securities

The consolidated and separate gearing ratios of the public Regulated Real Estate Company are limited to 65% of the consolidated and separate assets, respectively (minus the permitted hedging instruments). If the consolidated debt ratio of the public Regulated Real Estate Company and its perimeter companies is greater than 50% of the consolidated assets (minus the permitted financial hedging instruments), the public Regulated Real Estate Company must draw up a financial plan with an execution schedule, which details the measures to be taken to prevent the consolidated debt ratio exceeding 65% of the consolidated assets.

A public Regulated Real Estate Company or its perimeter companies are not permitted to grant any mortgages or other securities or guarantees within the framework of financing the activities of the group. The sum total that is covered by these mortgages, securities or guarantees cannot exceed 50% of the total fair value of the assets of the consolidated whole of (i) the public Regulated Real Estate Company, (ii) the companies that they consolidate with the application of the IFRS standards, and (iii) if they do not consolidate these with the application of the IFRS Foundation's standards, the perimeter companies. In addition, the mortgage, security or guarantee granted cannot be for more than 75% of the value of the encumbered asset.

Institutional Regulated Real Estate Company

In addition to the (traditional) property company, perimeter companies of a public Regulated Real Estate Company may also take the status of an institutional Regulated Real Estate Company (that only attracts funding from eligible investors or from natural persons (under the condition that the minimum amount of the acquisition, price or compensation for the acquirer is equal to or higher than 100,000 euros, and insofar as the acquisition or transfer takes place in accordance with the aforementioned regulations) and whose securities may only be acquired by these investors). This status allows the public GVV/SIR to execute special projects with a third party, for instance.

WDP does not have any subsidiaries with the status of Regulated Real Estate Company.

Tax regime

Public and institutional Regulated Real Estate Companies are subject to corporate tax at the normal rate, but only on a limited taxable base, consisting of the sum of (1) the exceptional and gratuitous advantages it received and (2) expenditures and costs not deductible as professional expenditures, other than write-downs and capital losses on shares. In addition, it may be subject to the special secret commission tax of 103%, or 51.5% if the acquirer is a legal person, on commissions and salaries paid out that are not justified by the individual breakdowns and a summary. In principle, the advance levy on dividends paid out by a public GVV/SIR is equal to 30% (except for shareholders who, on presentation of a certificate, claim a reduced rate).

Companies that apply for a Regulated Real Estate Company licence, merge with a Regulated Real Estate Company or demerge part of their immovable assets and transfer them to a Regulated Real Estate Company are subject to capital gains tax (known as the exit tax) of 12.75% (12.5% plus the crisis contribution of 2%). This exit tax is the fiscal price that companies of this kind must pay in order to exit the general tax regime. In terms of taxation, this transition is treated as a total or partial distribution of share capital by the company to the Regulated Real Estate Company. For distribution of the share capital, a company must treat the positive difference between the distributions in cash, in securities or in any other form, and the re-assessed value of the paid-up capital (in other words, the added value present in the company) as a dividend. The Belgian Income Tax Code states that the sum distributed must be equal to the actual value of the share capital on the date on which the transaction took place (Section 210, § 2 of the Belgian Income Tax Code. 210, § 2 W.I.B. 1992). The difference between the actual value of the share capital and the re-assessed value of the paid-up capital is deemed equal to a paid dividend. The reserves already taxed must be deducted from this difference. Therefore, in principle, the remainder constitutes the taxable base that is subject to the rate of 12.75%.

3. Fiscale Beleggingsinstelling (FBI)

Since 1 November 2010, WDP Nederland N.V. has fallen under the FBI (Fiscale Beleggingsinstelling) regime, which means a corporate tax rate of 0% is applicable. The company must meet the following conditions in order to enjoy this regime:

- WDP Nederland must be a B.V., N.V. or a unit trust.

- The objective as per the Articles of Association and the actual activities of WDP Nederland N.V. are limited to the investment of capital.
- Only 60% of the financing of the funds for investment (fiscal book value) can be debt capital, in the case immovable goods. For other investments (not related to immovable goods), only 20% of the fiscal book value of financing can be debt capital.
- The operating profits of WDP Nederland N.V. must be provided to the shareholder of WDP Nederland N.V. starting from application of the FBI regime within eight months after the end of the financial year.
- The profits distribution must be distributed evenly across all shares.
- 75% of more of the shares in WDP Nederland N.V. must be held by a body that is not subject to a tax based on profit.
- 5% or more of the shares cannot be held directly or indirectly by natural persons.
- 25% or more of the shares cannot be held by funds based abroad for persons residing or legal entities domiciled in the Netherlands.

4. Société d'Investissement Immobilier Cotée (SIIC)

Since 2005, WDP has fallen under the SIIC regime (Société d'Investissement Immobilier Cotée) via its permanent establishment in France and its subsidiary WDP France SARL, which means that a corporate tax rate of 0% is applicable. The company must meet the following conditions in order to enjoy this regime:

- The parent company must have the structure of an NV or any other form of company limited by shares that can be admitted for listing on the exchange. This parent company must be listed on an exchange under EU law.
- The main activity of the SIIC must be limited to leasing immovable goods. Property developments are not permitted to exceed the limit of 20% of the gross book value of the portfolio.
- No more than 60% of the shares in WDP can be held by a single investor or a group of investors acting in mutual consultation.
- The profit originating from the letting of buildings, the capital gains realised on the sale of buildings, the capital gains realised on the sale of securities in the partnerships or subsidiaries that are liable to corporate tax and that have opted for SIIC status, contributions disbursed through their subsidiaries that have opted for SIIC status and shares in the profit in partnerships are exempt from corporate tax.
- A distribution obligation applies to the results for 95% of the exempt profit originating from rental income, 60% of exempt profit originating from the sale of buildings and securities of partnerships and subsidiaries that are subject to SIIC status and 100% of the dividends that are paid to them by their subsidiaries that are liable to corporate tax and that have opted for SIIC status.
- Payment of exit tax at a rate of 19% on the unrealised gains on buildings that are the property of the SIIC or its subsidiaries that are liable to corporate tax and have opted for SIIC status, and on the securities of partnerships that are not subject to the corporate tax.

12.
GRI Standards Index

GRI Standards Table[1]

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1 Further information on the GRI standards is available online.

GRI 102: General disclosures		Page Annual financial report 2018	
102-42	Identifying and selecting stakeholders	12-20, 115, 119	
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102-50	Reporting period	138	Financial year from 01.01.2018 to 31.01.2018
102-51	Date of most recent report		This report explains the activities during the 2018 financial year. This follows the *Annual financial report 2017* published on 23 March 2018.
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report	2	
102-54	Claims of reporting in accordance with the GRI Standards		This report was prepared according to the GRI standards – Option: Core.
102-55	GRI content index	272-276	
102-56	External assurance	66, 144-145, 229-235	Deloitte Bedrijfsrevisoren issues a report on the forecast EPRA Earnings, the consolidated financial statements and a selection of environmental, social and governance indicators published in this annual financial report.

Materiality	GRI Standard	Page Annual financial report 2018	Omission
Corporate culture			
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	121-122, 139	
	103-2 The management approach and its components	121-122	
	103-3 Evaluation of the management approach		WDP currently defines and formulates this in the context of developing its multi-year roadmap (see page 118 and 120). WDP expects to be able to report on this in the annual financial report on the 2019 financial year.
GRI 102 2018 General disclosures	102-16 Values, principles, standards and norms of behaviour	12-20, 97-90, 113, 117	
Attracting and retaining talent			
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	122-124, 139	
	103-2 The management approach and its components	122-124	

Materiality	GRI Standard	Page Annual financial report 2018	Omission
	103-3 Evaluation of the management approach		WDP currently defines and formulates this in the context of developing its multi-year roadmap (see page 118 and 120). WDP expects to be able to report on this in the annual financial report on the 2019 financial year.
GRI 401 Employment	401-1 Average hours of training per year per employee	142-143	
GRI 405 Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	80-81, 142-143	
	405-2 Ratio of basic salary and remuneration of women to men	142-143	
Digitisation			
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	129, 139	
	103-2 The management approach and its components	129	
	103-3 Evaluation of the management approach		WDP currently defines and formulates this in the context of developing its multi-year roadmap (see page 118 and 120). WDP expects to be able to report on this in the annual financial report on the 2019 financial year.
GRI 203 Indirect economic impacts	203-1 Infrastructure investments and services supported	129	
Employee development			
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	126-127, 139	
	103-2 The management approach and its components	126-167	
	103-3 Evaluation of the management approach		WDP currently defines and formulates this in the context of developing its multi-year roadmap (see page 118 and 120). WDP expects to be able to report on this in the annual financial report on the 2019 financial year.
GRI 404 Training and education	404-1 Average hours of training per year per employee	142-143	
	404-3 Percentage of employees receiving regular performance and career development reviews	142-143	
Energy efficiency			
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	129-136, 139	
	103-2 The management approach and its components	129-136	
	103-3 Evaluation of the management approach		WDP currently defines and formulates this in the context of developing its multi-year roadmap (see page 118 and 120). WDP expects to be able to report on this in the Annual Financial Report on the 2019 financial year.

Materiality	GRI Standard	Page Annual financial report 2018	Omission
GRI 302 Energy	302-1 Energy consumption within the organization	142-143	
	302-2 Energy consumption outside of the organization	142-143	
	302-3 Energy intensity	142-143	
	302-4 Reduction of energy consumption	142-143	
	302-5 Reductions in energy requirements of products and services	142-143	
Health and safety			
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	124-125, 139	
	103-2 The management approach and its components	124-125	
	103-3 Evaluation of the management approach		WDP currently defines and formulates this in the context of developing its multi-year roadmap (see page 118 and 120). WDP expects to be able to report on this in the Annual Financial Report on the 2019 financial year.
GRI 403 Occupational health and safety	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities.	142-143	
GRI 416 Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories	142-143	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	142-143	
Good governance			
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	137-138, 139	
	103-2 The management approach and its components	137-138	
	103-3 Evaluation of the management approach		WDP currently defines and formulates this in the context of developing its multi-year roadmap (see page 118 and 120). WDP expects to be able to report on this in the Annual Financial Report on the 2019 financial year.
GRI 102 General information	102-22 Composition of the highest governance body and its committees	67-80	
	102-24 Nominating and selecting the highest governance body	67-80	
	102-25 Conflicts of interest	85-87	
GRI 307 Environmental compliance	307-1 Non-compliance with environmental laws and regulations	137-138, 164	
GRI 419 Socioeconomic compliance	419-1 Non-compliance with laws and regulations in the social and economic area	137-138, 164	

13.
Glossary

Acquisition price
This refers to the value of the property at the time of purchase. Any transfer costs paid are included in the purchase price. See also *Transfer costs*.

Advance levy
The ratio between the (initial) contractual rent of an acquired property and its acquisition price. See also *Acquisition price*.

Advance levy
Advance levy that a bank or financial intermediary deducts with the payment of a dividend. The standard rate of the advance levy on dividends is set at 30%.

APM (Alternative Performance Measure)
This is a financial measure of the historic and future financial performance, financial position or cash flow of an undertaking that has not been defined in the customary reporting guidelines. In accordance with the guidelines issued by ESMA (the European Securities and Markets Authority), the Alternative Performance Measures (APMs) used by WDP must be defined in a footnote on their first entry in this annual financial report. This definition will also be accompanied by a symbol (◤) to clearly inform the reader that the definition concerns an APM.

Average cost of debt
◤See *Operating margin*. (APM)

BREEAM (Building Research Establishment Environmental Assessment Method)
BREEAM is a sustainability certificate related to the performance of a building over its complete life cycle. BREEAM is the main and most used sustainability label for buildings in Europe. Unlike other standards, BREEAM applies a multi-criteria approach. The certification process examines not only the energy consumption of a property, but also land use, ecology, the construction process, water use, waste, pollution, transport, materials, health and comfort. A building can receive an overall rating of Acceptable,[1] Pass, Good, Very Good, Excellent or Outstanding.

1 This score is only applicable to BREEAM In-Use.

Bullet loan
A debt instrument of the bullet type entails that over the term, interest liabilities are due on the principal and repayment in full of the capital is due on the final expiry date.

Changes in the fair value of the financial instruments
Changes in the fair value of financial instruments (non-cash item) are calculated based on the mark-to-market (M-t-M) value of the interest rate hedges entered into.

Compliance Officer
The compliance function is charged with monitoring the observation of the legislation, regulations and codes of conduct applicable in respect of the company and, more particularly, the rules in relation to the integrity of the activities of the company.

Contractual rents
Assets contributed at the time of founding of a company or at the time of an increase in its capital, other than cash deposits.

Corporate Governance Code 2009
Belgian code that was drawn up by the Corporate Governance Committee with practices and provisions on sound governance that must be met by undertakings under Belgian law whose shares are traded on a regulated market.

Dealing Code
Code of conduct with rules to be followed by the members of the Board of Directors and the persons designated thereby who would like to trade in financial instruments issued by the company.

Degree of distribution
Percentage of the EPRA Earnings that are distributed as a dividend over a specific financial year.

Derivatives
As a borrower, WDP seeks to hedge itself against any interest rate increases. The interest rate risk

can be hedged in part by using derivatives (such as interest rate swaps).

Discounted cash flow

This is a valuation method based on a detailed projected revenue flow that is discounted to the net current values based on a specific discount rate according to the risk of the asset being valued.

Dividend yield

Gross dividend divided by the trading price.

Due diligence

Extensive investigation conducted within the framework of all acquisitions and/or financial transactions in the areas of property, economics, taxation, law, bookkeeping and administration, possibly along with specialised outside advisers.

EMIR (European Market Infrastructure Regulation)

This regulation specifies that information on all European derivative transactions must be reported to transaction registers and must be accessible to supervisory authorities, including the European Securities and Markets Authority (ESMA), so policy-makers and supervisors have a clear overview of the markets. This regulation also states that standard derivative contracts must be cleared through a Central Counter-Party (CCP), sets margin requirements on uncleared transactions and subjects these CCPs to strict organisational requirements, codes of conduct and prudential requirements.

EPRA (European Public Real Estate Association)

EPRA is a pan-European association of exchange-listed real estate undertakings that aims to promote the sector, introduce best practices for bookkeeping, reporting and corporate governance, provide qualitative information to investors and serve as a think tank for challenges facing the sector.

EPRA cost ratio (excluding direct vacancy costs)

◤Administrative and operating costs (including direct vacancy costs) divided by the gross rental income. (APM)

EPRA cost ratio (including direct vacancy costs)

◤Administrative and operating costs (excluding direct vacancy costs) divided by the gross rental income. (APM)

EPRA Earnings

◤This is the underlying result of the core activities and indicates the degree to which the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) exclusive of the result on the portfolio, the changes in the fair value of financial instruments and depreciation and write-down on solar panels. (APM)

EPRA earnings per share

◤This is the EPRA Earnings based on the weighted average number of shares. (APM)

EPRA NAV

◤NAV adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model. (APM)

EPRA NNNAV

◤EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred taxes. (APM)

Estimated rental value (ERV)

The estimated rental value is the rental value determined by the independent property experts.

Ex-date

Start date of trading the share on the exchange without entitlement to the next dividend distribution, in other words, the cut-off date of the coupon.

Exit tax

Undertakings that request recognition as Regulated Real Estate Companies or that merge with a Regulated Real Estate Company are subject to what is known as the exit tax. This tax is deemed equal to a liquidation tax on the unrealised net gains and on the tax exempt reserves and amounts to 12.75% (which is the base rate of 12.5% plus the additional crisis tax of 2%).

Facility management
Day-to-day management of the property portfolio, more specifically formulation of the policy for management of existing buildings (maintenance, modification and improvement works). WDP has an internal team of facility managers working exclusively for the undertaking.

Fair value
The fair value is defined by the IAS 40 standard as the amount for which the assets could be exchanged between two well-informed parties without mutual special interests on a voluntary basis. The market value must additionally reflect the current rental incomes, the current gross margin for self-financing (or cash flow), the reasonable assumptions regarding potential rental income and the expected costs.

Fair value
See *Fair value*.

FBI (Fiscale Beleggingsinstelling)
Special fiscal status in the Netherlands available if specific requirements are met. See also *11. General information on REIT status.*

Financial result (excluding change in the fair value of the financial instruments)
◤This is the financial result according to IFRS exclusive of changes in the fair value of financial assets and liabilities and reflects the actual financial expenses of the company. (APM)

Free float
Percentage of the shares in the possession of the public. According to the definition of EPRA and Euronext, this means every individual shareholder that possesses 5% of the total number of shares.

FSMA (Financial Services and Markets Authority)
Along with the National Bank of Belgium (NBB), the FSMA supervises the Belgian financial sector. More specifically, the FSMA's authority relates to the following six areas: supervision of financial markets and listed companies, conduct supervision, product supervision, supervision of financial service providers and intermediaries, supervision of supplementary pensions and facilitation of better financial education.

Gearing ratio (IFRS)
◤This is the weighted average annual interest rate for the reporting period, taking into account the average outstanding debt and hedging instruments during that period. (APM)

Gearing ratio (proportional)
Statutory ratio calculated based on the Regulated Real Estate Company legislation by dividing the financial and other liabilities by the total assets. For the method used in the calculation of the gearing ratio, please refer to the Royal Decree on Regulated Real Estate Companies.

Gearing ratio (IFRS)
◤The gearing ratio (IFRS) is calculated in the same manner as the gearing ratio in accordance with the GVV/SIR KB, but based on a consolidated balance sheet in accordance with IFRS that incorporates joint ventures using the equity method. (APM)

Green Energy Certificates (GECs)
These are granted by the Flemish Electricity and Gas Market Regulator (the VREG) in Flanders, the Wallonia Energy Commission (the CWaPE) in Wallonia and the Romanian Energy Regulatory Authority (the ANRE) in Romania for alternative energy projects, including solar energy, with a minimum price per certificate.

Gross dividend
The gross dividend per share is the dividend before deduction of the advance levy. See also *Advance levy*.

Hedge ratio

Percentage of fixed rate and floating rate debts hedged against interest rate fluctuations using derivatives. This economic parameter is not an obligatory parameter under the Belgian Regulated Real Estate Investment Companies Law (the GVV/SIR Law). (APM)

IAS/IFRS

The IAS (International Accounting Standards) and IFRS (International Financial Reporting Standards) apply to the preparation of financial statements and are drafted by the International Accounting Standards Board (IASB).

IAS 16 *Tangible fixed assets*

IAS 16 is an IAS/IFRS that applies to administrative treatment of *tangible fixed assets* unless a different standard requires or permits different treatment. The main issues arising in the administrative treatment of tangible fixed assets is the recognition of assets, calculation of their book value and depreciation costs and special impairment losses to be recognised in relation to the assets.

IAS 40 *Investment properties*

IAS 40 is an IAS/IFRS that applies to recognition and measurement of and the provision of information on investment properties. This standard therefore provides the treatment method for investment properties and the corresponding disclosure requirements.

IFRS 9 *Financial instruments: inclusion and valuation*

IFRS 9 is a standard that specifies how a company should break down and value financial instruments on its balance sheet. Amongst other things, this standard sets a requirement that all derivates must be included on the balance sheet at their fair value.

IFRS NAV

The IFRS NAV is calculated as equity as per IFRS divided by the number of dividend-entitled shares on the balance sheet date.

Income capitalisation

This is a valuation technique used to calculate the value of a property, in which the revenue flow is discounted in a perpetuity of specific required yields. Next, certain corrections are applied to account for deviations in full occupancy under market conditions (subletting, incentives, vacancy, etc.).

Income capitalisation

This is a valuation technique used to calculate the value of a property, in which the revenue flow is discounted in a perpetuity of specific required yields. Next, certain corrections are applied to account for deviations in full occupancy under market conditions (subletting, incentives, vacancy, etc.).

Indexing

The rent is contractually adjusted based on inflation annually on the anniversary of the contract start date based on the benchmark in each individual country.

Insider information

All information of a precise nature which has not been made public that relates, directly or indirectly, to one or more issuers of financial instruments or to one or more financial instruments and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivatives.

Interest hedging

The use of derivatives to protect current debt positions against an increase in interest rates.

Interest Rate Swap (callable)

These instruments comprise a combination of a traditional interest rate swap, in which the undertaking pays a fixed interest rate and receives a floating interest rate, and an option that WDP sold to the financial counter party to annul this interest rate swap as at a specified date. The sale of this option allows the fixed interest rate of the interest rate swap to decrease over the term of the contract.

Interest Rate Swap (IRS)

An interest rate swap is an instrument in which parties exchange interest payments with one another for a set term. WDP uses Interest Rate

Swaps to convert floating interest payments into fixed interest payments, to hedge against interest rate increases.

IVSC (International Valuation Standards Council)
An independent organ that develops global standards regarding valuations that investors and other third parties or stakeholders should be able to trust.

Lease contract expiry date
The date on which an option to terminate occurs in a lease contract.

Like-for-like growth
◤This is the organic growth in gross rental income year-on-year exclusive of project developments, acquisitions and sales during these two comparison periods. (APM)

Liquidity
This is the average number of shares traded per trading day measured over a specific period of time.

Loan-to-value
◤The loan-to-value is obtained from the IFRS statements by dividing the net financial debt by the sum of the fair value of the property portfolio, the fair value of the solar panels and financing to and holdings in associated companies and joint ventures. (APM)

Market capitalisation
Closing price on the exchange multiplied by the number of shares in circulation on that date.

Net asset value
The value of the portfolio including transaction costs, as determined by the independent property experts. The fair value (see also *Fair value*) in the sense of the IAS/IFRS reference scheme can be obtained by deducting an adjusted minimum charge for registration fees and/or the VAT from the investment value.

Net dividend
This is equal to the gross dividend after deduction of the 30% advance levy. See also *Advance levy*.

Occupancy rate
The occupancy rate is calculated based on the rental values of the leased properties and the unleased space and includes income from solar panels. This does not include projects under development or renovations.

Operating margin
◤The operating margin is obtained by dividing the operating result (before the result on the portfolio) by the property result. (APM)

Optional dividend
With an optional dividend, the dividend receivables linked to a specific number of shares give a right to a new share, at an issue price per share that, if applicable, may entail a discount with respect to the share price (which may or may not be an average share price over a specific period). The share issue within the framework of the optional dividend is subject to the common company law with respect to capital increases. If, in addition to a non-monetary contribution within the framework of the distribution of an optional dividend, there is also a contribution in cash, the special provisions of Article 26 (§1) of the Act of 12 May 2014 with regard to capital increases in cash can be declared not applicable under the Articles of Association, to the extent that this optional dividend is made effectively payable for all shareholders. The special regulations with regard to non-monetary contributions in a Regulated Real Estate Company, as provided for in Article 26(§2) of the Act of 12 May 2014, do not apply either unless a specific provision is fulfilled.

Partial demerger
A partial demerger is a legal transaction in which part of the assets of a company (both rights and obligations) is transferred to an existing or new company without dissolution, in exchange for transfer of shares in the acquiring company to shareholders in the demerging company (Article 677 of the Belgian Companies Code).

Portfolio value
The portfolio value is composed of investment properties, investment properties under construction for own account with the purpose of being rented out, assets held for sale and the fair value of the solar panels.

Project management
Management of building or renovation projects. WDP has an internal team of project managers working exclusively for the undertaking.

Property portfolio
The investment properties including the buildings intended for lease, the investment property in development with the purpose of being leased and the assets held for sale.

PV system
Photovoltaic or solar panel system.

Quality breakdown of the properties within the property portfolio
The quality breakdown of the properties within the property portfolio is based on the classification according to Class A BREEAM warehouse, Class A warehouse, Class B warehouse, Class C warehouse and Cross dock warehouse.

Record date
The date on which the positions are closed for identification of shareholders entitled to dividends, shortly after the ex-date.

Regulated Real Estate Companies (GVV/SIR)
A Regulated Real Estate Company is an listed operational property company that specialises in making immovable goods available to users and meets the statutory conditions set out in the Regulated Real Estate Companies legislation. It positions itself in an international context as an REIT, characterised by a regime of fiscal transparency. Regulated Real Estate Companies are subject to the prudential supervision of the FSMA. See also *Regulated Real Estate Company legislation*.

Regulated Real Estate Company Act
The Belgian Act of 12 May 2014 concerning Regulated *Real Estate Companies*, as amended by the Belgian Act of 22 October 2017, which together with the Royal Decree on Regulated Real Estate Companies constituted the so-called Regulated Real Estate Company legislation. See also *Royal Decree on Regulated Real Estate Companies* and *Regulated Real Estate Company legislation*.

Regulated Real Estate Company legislation
The Belgian Act of 12 May 2014 (Regulated Real Estate Company Act) and the Royal Decree of 13 July 2014 (Royal Decree on Regulated Real Estate Companies).

REIT (Real Estate Investment Trust)
International term for listed investment property funds with a special fiscal status (such as in Belgium, the Netherlands and France).

Result on the portfolio (including share in the result of joint ventures)
◤Realised and unrealised capital gains/loss with respect to the valuation by the property experts at the end of the previous financial year while taking into account the effective or deferred capital gains tax due including WDP's proportionate share in the portfolio of affiliated companies and joint ventures. (APM)

Result on the portfolio (including share in the result of joint ventures) per share
◤This is the result on the portfolio (including share in the result of joint ventures) based on the weighted average number of shares. (APM)

Risk management
Identification of the main risks facing the company, their potential impact and development of a strategy to mitigate any impact.

Royal Decree on Regulated Real Estate Companies
The Royal Decree of 13 July 2014 concerning Regulated Real Estate Companies, which together with the Regulated Real Estate Company Act constitutes the so-called Regulated Real Estate

Company legislation. See also *Regulated Real Estate Company Act, Regulated Real Estate Company legislation* and *REIT*.

Sales value
The fair value for which a specific immovable property was sold.

SIIC (Société d'Investissement Immobiliers Cotée)
Special fiscal status in France for listed property companies is available if specific requirements are met.

Sustainable enterprise
An environmental policy for sustainable warehouses that seeks to minimise the CO_2 emissions of warehouses within the portfolio while significantly reducing the energy bills of their tenants.

Take-up
The total take-up of surface area by users on the rental market over a particular period of time.

Thin capitalisation
Thin capitalisation refers to excessive use of borrowed capital by a company in order to maximise the tax deduction on interest. Local tax regimes typically impose limits on this by restricting the tax deduction on interest on the part of the debt that is considered excessive.

Transfer costs
In principle, the transfer of ownership of real estate is subject to a levy by the state of a transaction fee, which forms the largest share of the transaction costs. The amount of this levy depends on the method of transfer, the capacity of the buyer and the geographic location of the property.

Velocity
The number of shares traded per year divided by the total number of free-float shares at the end of the year.

WAREHOUSES WITH BRAINS

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