WDP

WAREHOUSES WITH BRAINS

ANNUAL FINANCIAL REPORT

CONTENTS

The Company is incorporated and domiciled in Belgium, Flemish Region.

WDP

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1861 Wolvertem – Belgium
+32 52 338 400
info@wdp.eu

The annual financial report is available at the registered office of the Company and is available online at www.wdp.eu in three languages (Dutch, French and English).

Only the printed Dutch version of the annual financial report is legally valid. The electronic versions of the annual financial reports may not be copied or made available anywhere. It is also prohibited to print the text for further distribution.

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WDP

WAREHOUSES WITH BRAINS

Universal Registration Document

WDP declares that:

a) on 27 March 2020, the 2019 Annual financial report was filed as a Universal Registration Document with the FSMA, as the competent authority in accordance with Regulation (EU) 2017/1129 without prior approval in accordance with Article 9 of Regulation (EU) 2017/1129;
b) the Universal Registration Document may be used with a view to offering securities to the public or the admission of securities to trading on a regulated market, provided that it is approved by the FSMA, where applicable, along with any amendments and a securities note and summary approved in accordance with Regulation (EU) 2017/1129.

The information made available via the website does not form part of this Universal Registration Document unless such information is included as a reference.

Persons responsible for the content of the annual financial report

The members of the Board of Directors of WDP NV/SA the composition of which is described in Chapter 5, *Corporate Governance Statement*, are responsible for the information provided in this annual financial report.

Declarations

Tony De Pauw and Joost Uwents, both Managing Directors and co-CEOs, hereby declare, on behalf of the Board of Directors, the composition of which is described in Chapter *5. Corporate Governance Statement*, after taking all measures to guarantee the same, that to their knowledge, the data in this annual financial report are a fair presentation of reality, and that no information has been omitted which would, if reported, alter the effect of this annual report, and that as far as they are aware:

- the financial statements, which have been drawn up in accordance with the applicable standards for financial statements, give a true and fair view of the group's equity, financial position and of 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 development and results of the company and of the issuer's position and of the companies included in the consolidation along with a description of the main risks and uncertainties they face (including the crisis associated with COVID-19);
- no significant changes have occurred in the financial po-

sition or financial performance of the Group since 31 December 2019; and

- subject to what has been publicised with regard to the Dutch REIT status, no government interventions, lawsuits or arbitrations exist – or have recently occurred – that could influence WDP's financial position or its results. They also declare that, to their knowledge, no circumstances or facts exist that could lead to such government interventions, lawsuits or arbitrations.

Available documents

WDP hereby declares that, at least during the period of validity of the Universal Registration Document, the following documents are available for viewing on its website at www.wdp.eu:

c) The latest deed of incorporation and Articles of Association of WDP
d) The annual financial reports
e) The reports of the statutory auditor and conclusions of the property experts
f) Press releases and mandatory financial information. The company's financial reporting is published in the financial press where required by law.
g) The Corporate Governance Charter
h) 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 be available on the Company website for a period of at least five years starting from the date of the General Meeting to which it pertains.

In accordance with the relevant provisions of the law, the separate and consolidated financial statements of the Company are deposited with the National Bank of Belgium.

Decisions related to the appointment and dismissal of members of the Board of Directors are published in the Annexes to the Belgian Official Gazette.

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 also confirms that the statutory auditor and property experts have given their approval for the content of their report and conclusions respectively to be included in the annual financial report.

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

Required components of the annual report

In accordance with Articles 3:6 and 3:32 of the Belgian Companies Code, the required components of the WDP annual report appear in the following chapters:

3. 2019, an excellent start to the 2019-23 growth plan:
   3.2.1 Consolidated key figures;
   3.2.2 Notes on the consolidated results;
   3.2.3 Management of financial resources;
   3.4 Outlook; and

in chapters:

5. Corporate Governance Statement;
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 2019.

WDP share split

With a view to increasing marketability, accessibility and attractiveness of WDP shares, the WDP share was split by a factor of 7 with effect from 2 January 2020. All tables and historical figures included in this annual financial report have been adapted accordingly.

20 years of WDP as a listed company crowned by inclusion in BEL 20

After our IPO as the 'Growing Bevak', our inclusion in the BEL 20 is a fantastic reward for the hard work of the entire WDP team over the past 20 years.

Joost Uwents

WDP CEO

This is a major milestone in the history of WDP. As a family member and Reference Shareholder, this is a tribute to our father, the man who founded WDP and on whose foundation Joost and I built this great project, together with a strong team.

Tony De Pauw
WDP CEO

Scan the QR code to watch the video

1 CHAIRMAN'S LETTER TO THE SHAREHOLDERS

As the new chairman of the Board of Directors, I take pride in another fantastic year for our company. First of all, I'd like to thank #TeamWDP. That said, I'd also like to thank our customers, partners, suppliers and all other stakeholders for the trust they place in our company.

2019 was the year in which WDP celebrated twenty years on the stock market. This milestone was crowned by our inclusion in the BEL 20 – as a capital-intensive growth company, this presents a favourable evolution to reach a broader investor audience and to increase the liquidity of our share. The WDP share was also split by a factor of 7, instantly giving shareholders 7 new shares for each share in their portfolio at a price of around 23 euros, the price at our IPO twenty years ago.

In light of the new company legislation and the current phase in the life cycle and growth of our company, our legal form and governance structure was changed from a limited partnership with share capital (commandataire vennootschap) to a public limited company (naamloze vennootschap) with a monistic Board of Directors. This way, our legal form and corporate governance match the industry's best practice for listed companies and our family character and entrepreneurship can be safeguarded through the continued presence of the Reference Shareholder, the Jos De Pauw family, which has delivered profitable growth and professionalisation through its openness and by inviting others to participate via the stock market.

In addition, WDP has embarked on its new 2019-23 growth plan with gusto. This is best illustrated through a selection of remarkable figures: our commercial teams, for example, have managed to lease 1 million m² in logistics real estate. A third of this came from the existing portfolio, with the dynamic on the logistics market translating into a consistently high occupancy rate of 98% as at 31 December 2019. Two thirds — or around 700,000 m² — of the leased space is new real estate, namely a volume of 550 million euros in new investment within the context of the new growth plan.

During its twenty years on the stock exchange, WDP has made a quantum leap from a Belgian small cap in a niche segment to a specialised blue chip market leader in various European countries. Our pure player strategy and growth ambitions are supported by the confidence we enjoy from our stakeholders.

> The WDP DNA is inherent to the growth of our company: the hands-on mentality at our nimble, flexible organisation guarantees relevant, high-quality service centred on our customers.

This strong start has once again resulted in an impressive increase in our EPRA Earnings per share of +8% to 0.93 euros. In 2020, WDP intends to build on this momentum by targeting EPRA Earnings per share of 1.00 euro. Thus, we are on track for the objectives defined in the five-year growth plan: 10% portfolio growth to support our customers and an EPRA Earnings per share of at least 1.15 euros in 2023.

With over 4 billion euros on the balance sheet and a loan-to-value of 45%, combined with strong liquidity and ample access to capital, WDP enjoys a robust financial position. This is illustrated by the success of the first ABB capital increase by a Belgian REIT, a further testament to shareholder confidence – the order book was filled at least four times over. WDP remains committed to consistent management of its capital structure by striving for a 50/50 balance between debt and shareholder's equity to finance its growth, in line with its investment rhythm to safeguard the consistent growth of its EPRA Earnings per share.

Based on long-term growth, WDP examined an expansion of its activities in the regions around the Benelux, now having added Germany as a sixth country where it wants to build a structural presence over time, along with its joint venture partner and listed firm VIB Vermögen. WDP hopes to make its mark as soon as possible – we have already started commercialising an initial plot of land in Gelsenkirchen.

Fundamental long-term trends such as continuously changing consumer behaviour and the ever-increasing added value of the supply chain have led to ongoing demand for modern, sustainable warehouses. In addition, not only are these warehouses becoming more intelligent thanks to technological advances, they are also increasing in importance, as seen in the higher volumes of activities such as personalisation, postponed manufacturing, etc. As a result, WDP can see further opportunities to realise its business plan, despite the continuing downward pressure on profits, the increasing shortage of land and everlonger planning permit procedures. On a market that is becoming more and more standardised and that is subjected to a stricter approach in terms of zoning and planning permission, the company envisages an evolution towards more complex deals such as clustering through puzzles and redevelopment. More than ever before, this will require specialist knowledge and a customer-oriented approach.

The pure player strategy, which we have consistently applied for decades and in which our customers are central, has resulted in a strong commercial franchise and network that reaches far and wide. In addition, the expertise of our teams and our true entrepreneurial spirit has ensured that we have gained the trust of so many top customers in our core countries — after all, this approach encourages cross-selling, which is quickly emerging alongside repeat business with existing customers. Based on this momentum, we look forward to further growth – together with our partners – along the planned trajectory.

We remain confident in the future, and we believe that the Group is robust and well-positioned to effectively absorb shocks caused by the crisis triggered by the COVID-19 global virus, which has created a more volatile macroeconomic and financing climate. This also includes focusing our attention first and foremost on the health of all our teams and our stakeholders.

Rik Vandenberghe

chairman of the Board of Directors

2 THIS IS WDP

2.1 2019 SUMMARY

Governance:
from **Comm. VA**
to **NV/SA**

RENTED

Occupancy rate
98.1%

EPRA EPS
0.93 euros
+8% y/y

DPS
0.74 euros
+8% y/y

20 years listed
on **Euronext**

Surface area of property portfolio
5
million m²

Cost of debt
2.2%

~4.2
billion euros of
property value in portfolio.
Development pipeline
of ~500 million euros.

EPRA Net Initial Yield
5.6 %

Loan-to-value
45.0 %

Lease contract
duration
6.0
years

New
growth plan
2019-23

Inclusion in
BEL20
index

First
ABB for a
GVV/SIR
#1

Solar panels
80 MWp

2.2

20 YEARS ON THE STOCK EXCHANGE

A SOUND REAL ESTATE PARTNER FOR DECADES

1977-1997

Rederij De Pauw NV/SA: development ofproperty portfolio of the Jos De Pauw family in Belgium.

1999

IPO of Warehousing & Distribution De Pauw Comm. VA. Activities expand to Italy and Czech Republic.

2000

Expansion of property portfolio in France.

2001

Company name changes to Warehouses De Pauw. The Netherlands added as a new region.

2004

Free float increases to 70%.

2006

2006-09 strategic growth plan: doubling portfolio value to 700 million euros.

2007

Entry into the Romanian market.

2008

Launch of solar energy project (30 MWp). Ambition to develop a CO_2-neutral property portfolio. 1 million m² in lettable area in the property portfolio.

2011

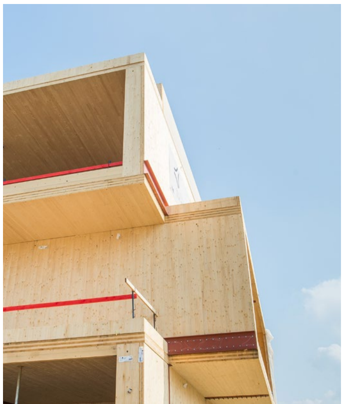
2011-13 strategic growth plan: Three pillars of growth: leases, CO_2-neutral portfolio and acquisitions.

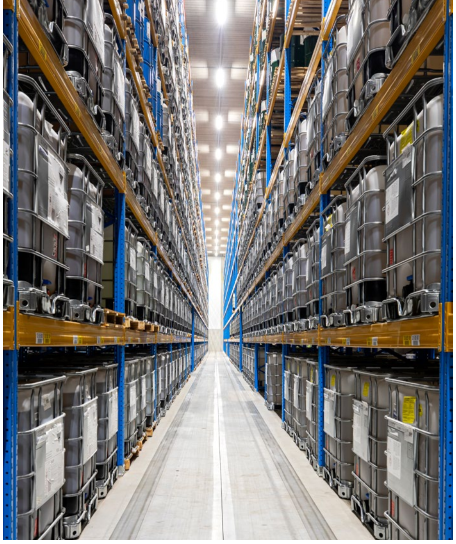
VALUE OF THE PORTFOLIO

160m euro | **280m euros** | **450m euros** | **990m euros**

2006-09 GROWTH PLAN

2011-13 GROWTH PLAN





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%.

2014

Regulated Real Estate Company (GVV/SIR) status. Market capitalisation exceeds 1 billion euros.

2015

WDP shares also listed on Euronext Amsterdam. Targets of 2013-16 growth plan achieved one year early: portfolio of approx. 2 billion euros and EPRA Earnings per share of 5.00 euros (i.e. 0.71 euros after the WDP share split).

2016

2016-20 strategic growth plan: target portfolio growth by 1 billion to 3 billion euros and cumulative increase of 25% in earnings per share. WDP included in the AMX index on Euronext Amsterdam. Luxembourg as a new core market.

2017

WDP named 2017 Entrepreneur of the Year®. Investment volume target raised within the framework of the 2016-20 growth plan to 1.25 billion euros through further growth within existing geographical core markets.

2018

First Green Bond issue and further rollout of solar panel programme.

2019

2019-23 strategic growth plan: Planned annual portfolio growth of 10% to 5 billion euros and annual increase in EPRA Earnings by 6% to 1.15 euros by 2023. WDP included in BEL 20. Regional expansion to Germany. First ABB for a GVV/SIR. Legal form converted to NV/SA. Implementation of 2019-23 ESG Roadmap. Split of WDP share by a factor of 7.

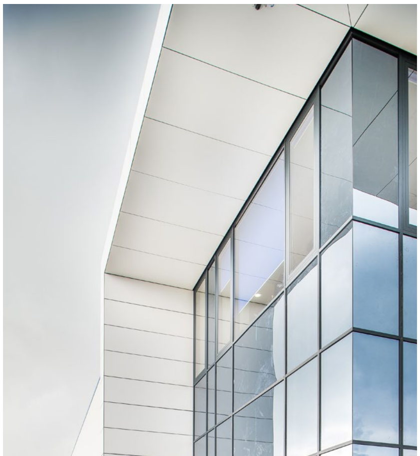
2013-16 GROWTH PLAN

1.2bn euros | 2.0bn euros | 2.1bn euros | 3.5bn euros | 4.2bn euros

2016-20 GROWTH PLAN

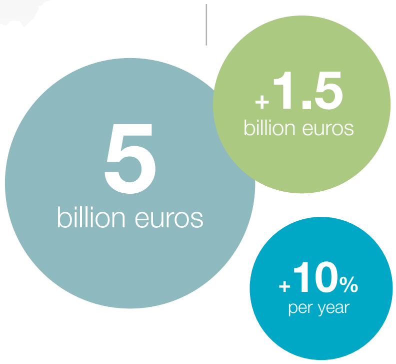
2019-23 GROWTH PLAN

2019

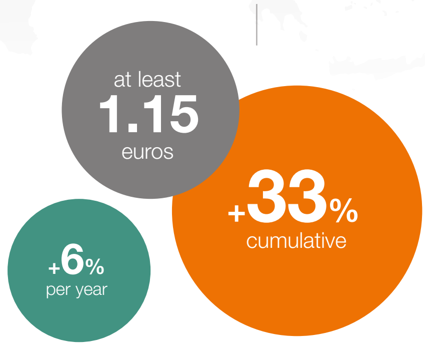


2.3 GROWTH PLAN AMBITION 2019-23

Property portfolio



EPRA EPS growth



1. 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.

2.4 OUR STRATEGY

Client-centric pure player

WDP develops and lets storage and distribution facilities for own account, on demand and tailored to the client's requirements, bearing in mind the current needs in the sector. In addition, WDP also invests directly in existing quality sites, always with a view to long-term letting. This allows WDP to gain a strategic advantage from the entire property value chain.

The long-term vision WDP applies to each property decision also underpins its relationship with all clients. WDP first of all wants to be a partner of its clients, while developing a successful long-term relationship with them and supporting them in their activities. That is how we work together on a forward-looking growth story.

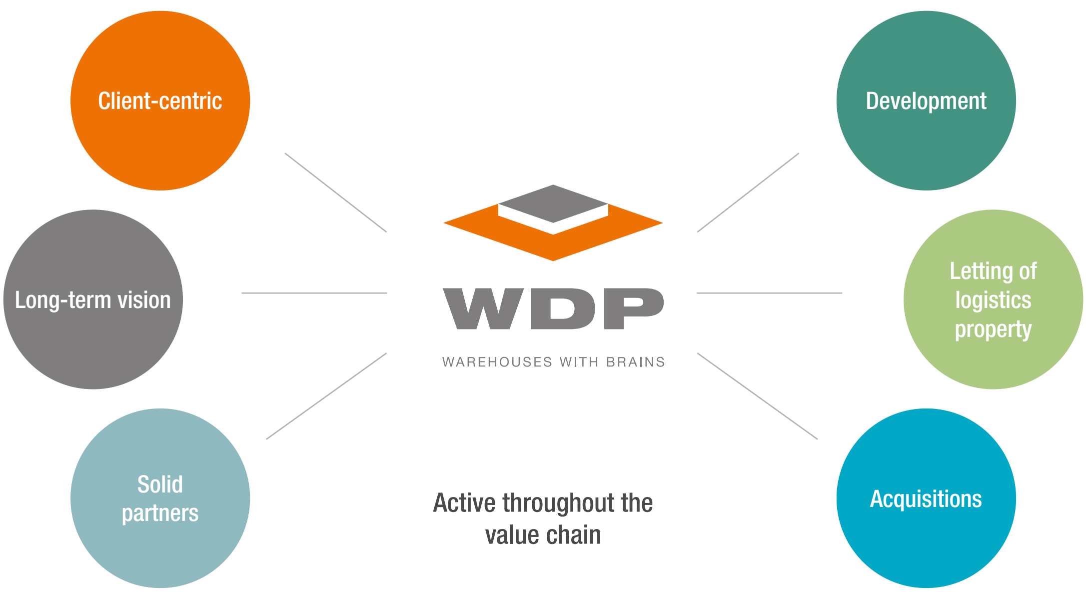
WDP is the market leader in the Benelux[1] and a respected property partner, active in Belgium, the Netherlands, Luxembourg, France, Germany and Romania.

At WDP we believe it is important to be close to the client. That means I am automatically closely involved in their property strategy and I can look for the best solution with them and help them optimise their logistics flow.

Thomas Bosmans
WDP Portfolio Manager, BELUX & FR

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

WAREHOUSES WITH BRAINS



Commercial and self-managed

The backbone of WDP's policy is its consistently high occupancy rate thanks to long-term partnerships with clients.

WDP is not a passive fund, but a commercial business that offers logistics property solutions to companies and their supply chain, keeping a finger on the pulse of the sector. The world of logistics and distribution is constantly changing. Staying at the forefront of these developments allows WDP to consistently offer its clients the latest in facilities and the most suitable solutions.

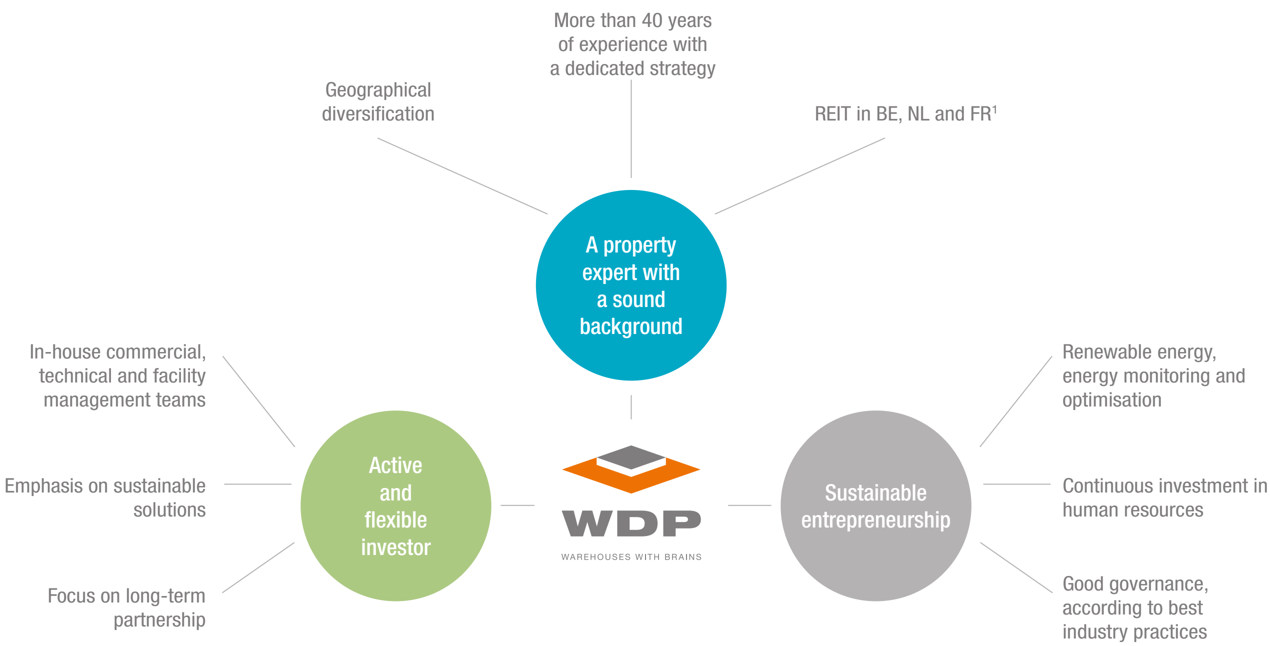
Furthermore, WDP is a self-managed company, with management taking place within the company and entirely at the service of the shareholders, the clients and other stakeholders. By maintaining projects in the portfolio following completion or acquisition, any additional profits achieved at WDP remain in the company.

Flexible and in-house expertise

WDP is a flexible real estate player. Thanks to our thorough knowledge of our client and its area of activity, combined with a diversified portfolio, we can quickly respond to our client's evolving needs. By working with a relatively small but dedicated team, WDP also guarantees its clients fast, flexible and high-quality solutions, while the high operating margin also benefits shareholders.

This brings us to another key concept in WDP's strategy: in-house knowhow. Not only does WDP have its own sales team focused on maximising occupancy, with attention to both existing and prospective clients; the buildings are also developed and managed under the supervision of or own, experienced project and facility managers. The development projects are under the control of the project managers under the lead of the technical director. The facility managers take care of the management of the existing warehouses, in terms of maintenance, modification and refurbishment 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

A PURE PLAYER FOCUSED ON THE WAREHOUSE SECTOR



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

As facility manager, we are involved in a new developmentprojects from the start. Together, we have a look at the requirements for the property and the desires of the new client. That way, we can serve our clients flawlessly after delivery.

Remco van Iersel
Facility manager
WDP The Netherlands

possible and safeguard the long-term health of the company. WDP also maintains firm control over its financial, accounting and legal affairs.

The combination of entrepreneurial spirit, short and fast decision lines and a flat structure with room for innovation makes for a dynamic organisation.

Social responsibility

As a long-term investor in logistics properties, WDP is aware of the key role it plays for the environment, and of its social responsibility.

Sustainable business practices imply sustainable employment practices, with special emphasis on the staff. It is important that they feel good and appreciated and get the opportunity to develop their talents. At the same time, WDP adheres to sustainable business practices with regard to all stakeholders involved in the company's activities.

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.

A property expert 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 yield and positive results from a thorough screening for possible risks, primarily real estate risks, such as location, technology, sustainability and rentability, as well as legal, financial and taxation risks.

WDP invests in a new or existing property only when it is convinced of the re-letting potential after the current tenant has left. The buildings must also have a high residual value: a lasting high value of the sites, even at the end of the commercial lifespan of the buildings.

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 fit within the network WDP wishes to develop in the logistics market.

Financial policy

Our financial policy is also based on a number of fixed focal points. Strict cost control, combined with a justified debt structure and interest rate hedging, must benefit all stakeholders (shareholders, clients, financiers, the WDP team and suppliers).

With regard to financing, efforts are made to match property investments closely to the synchronous issue of new equity and contracting external financing. This provides for a healthy mix of equity and external funding. The consistent application of the matching principle (in which capital increases always go hand in hand with immediately profitable assets) also contributes to profit growth per share, one of the company's key principles and goals.

Appropriate financing is a sine qua non for a solid, profitable business model, given the capital-intensive nature of the property sector. This is based on a balanced capital structure and a good hedging percentage of the debt. By continuously upscaling, WDP aims to achieve a competitive debt and capital cost.

By setting aside a portion of the profits, we also create 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 low payout rate of approx. 80%, in line with the statutory minimum for a GVV/SIR (see below). WDP's policy is geared towards having the dividend track the EPRA Earnings per share.

Finally, WDP envisions a strategy with clearly defined company growth. Growth should also create added value for both the client and the shareholder, to make sure it is controlled and sustainable.

Advantages of the GVV/SIR structure

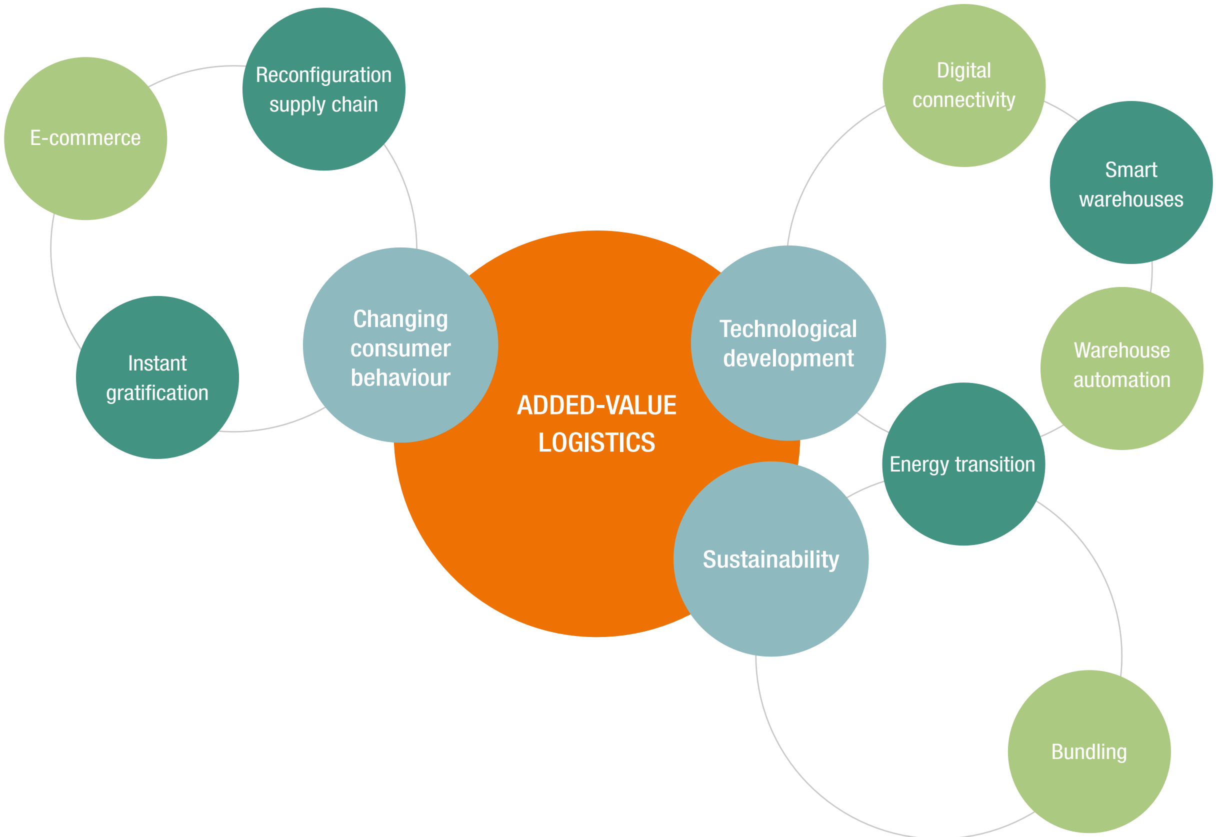
In Belgium, WDP is structured as a public regulated real estate company (GVV/SIR), also subject to the prudential supervision of FSMA. In the Netherlands and France WDP has the status of a Fiscale Beleggingsinstelling (FBI) and a Société d'Investissement Immobilier Côtée (SIIC), respectively. This enables 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. The GVV/SIR status gives investors the opportunity to access a diversified property portfolio in a balanced, cost-effective and tax-transparent way.

By emphasising the creation of long-term cash flows, in combination with the high earnings distribution obligation, a GVV/SIR provides a full-fledged, profitable, liquid alternative to direct property. Due to the scale of the portfolio, WDP provides investors with immediate substantial economies of scale in specific regions as well as healthy diversification.

Operating as a GVV/SIR, FBI and SIIC in Belgium, the Netherlands and France respectively, internationally WDP can position itself consistently with clients, suppliers, financiers and investors.

FROM COMMODITY TO GAME CHANGER



WDP: your partner for further growth

Added-value logistics

Today's logistics property sector plays a crucial part in the supply chain. The traditional storage and distribution facilities have developed from a purely basic requirement to the pivot of the supply chain. A structural demand for modern, smart storage facilities is the logical consequence of this.

The new role of consumers, plays a decisive factor. When visiting the supermarket, he expects fresh food products that are ready for consumption. He also increasingly enjoys the services offered by e-commerce and expects his orders to be delivered instantly. Instant gratification has become something that is taken for granted, made possible by technological developments.

Smart storage facilities - whether or not with the relevant production facilities - are built in line with the new technological trends. Digital connectivity, energy transition and warehouse automation optimise the supply chain and engage with the tenant's client satisfaction and therefore also, again, that of the consumer.

Logistics property also has to be sustainable. The client wants to have the availability of a building that is energy efficient (and therefore cost reducing), but it also has to be strategically located. The client wants to bundle its goods flow as much as possible and improve efficiency and speed of delivery in that respect as well.

WDP helps its clients maximise added value precisely in the area of logistics. WDP joins its clients in the deliberation process and offers them a diversified portfolio of sustainable, state-of-the-arts buildings, which are always adapted to the sector's needs.

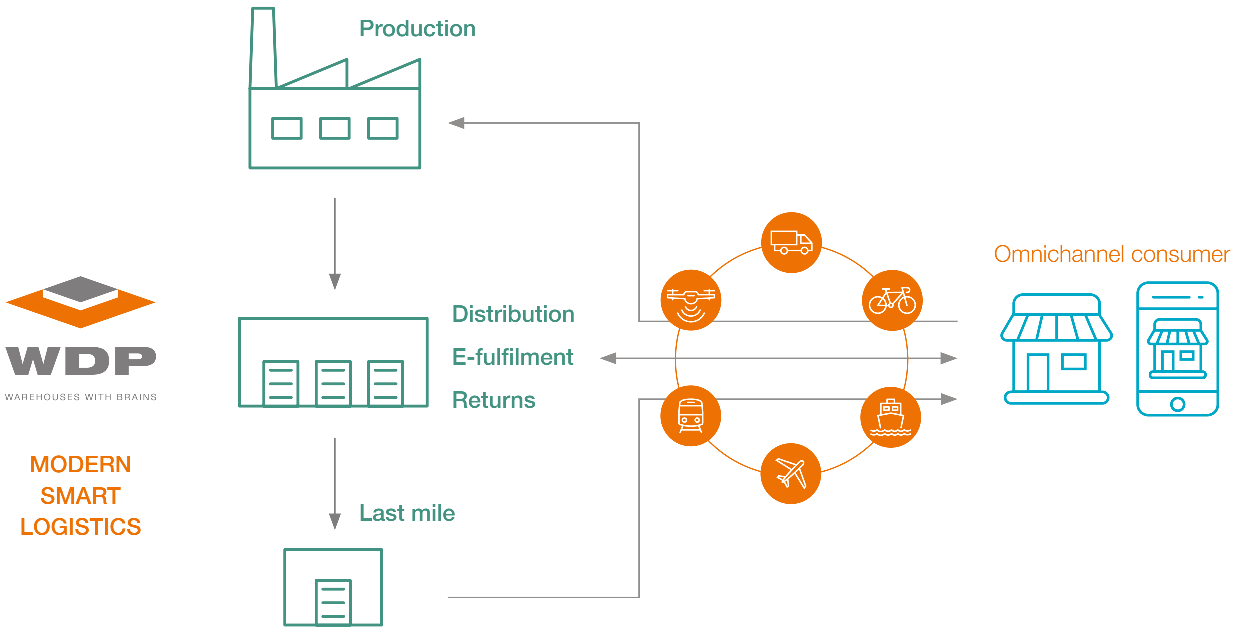
A geographically well-considered portfolio

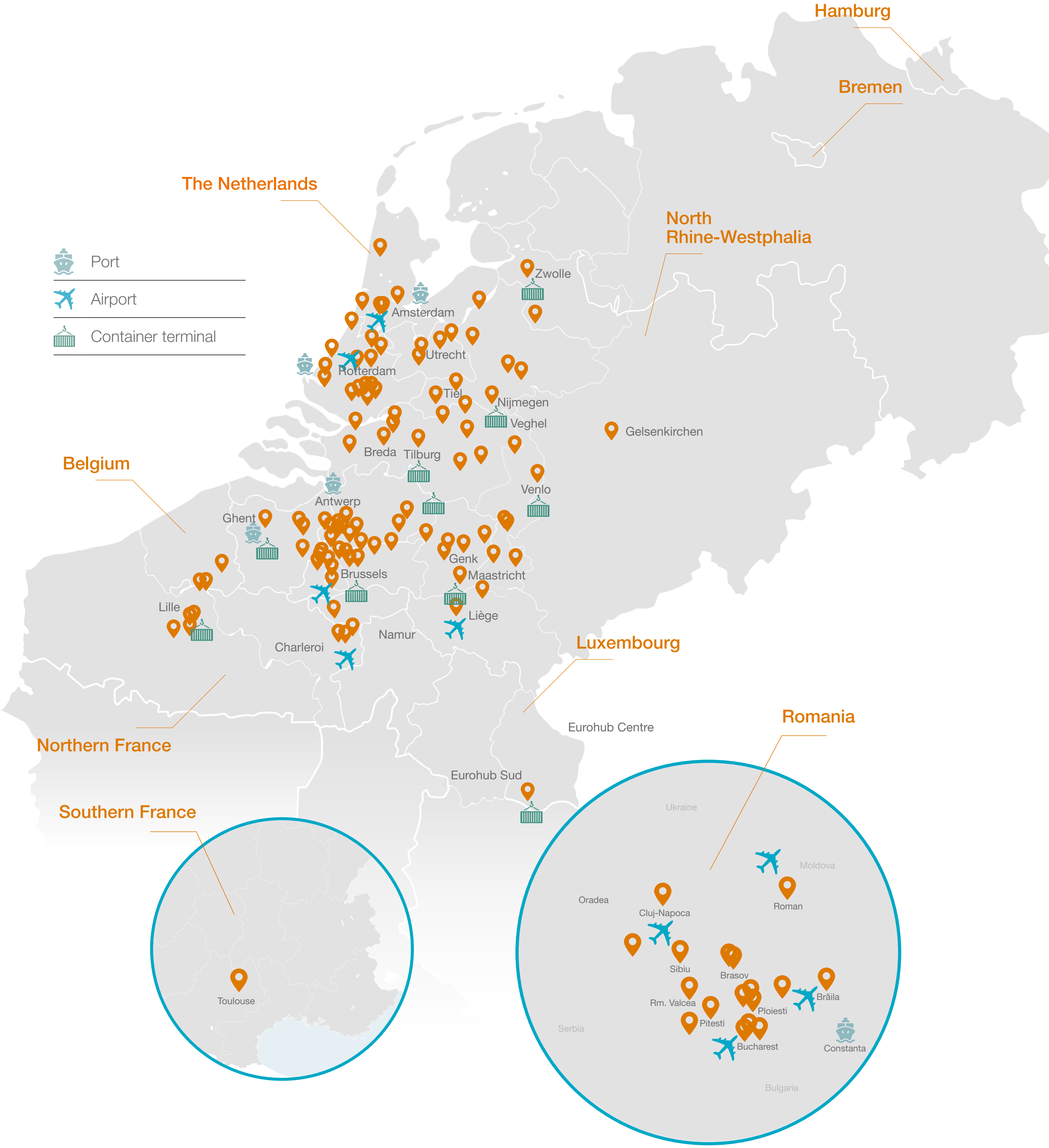
WDP locations are always chosen on the basis of their strategic location, for example in the immediate vicinity of storage and distribution hubs. Special emphasis is put on multimodal locations, with maximum access via road, waterway and rail infrastructure.

In concrete terms, WDP focuses on two important logistics corridors: the majority of the buildings in the WDP portfolio are situated at top locations in the logistics axis of Amsterdam-Rotterdam-Breda-Antwerp-Brussels-Lille. This part of the portfolio is mainly located in the economic heart of Northwestern Europe, which is home to a large concentration of consumers with buying power. They are also situated in the strategic hinterland of the ports of Antwerp and Rotterdam, which serve as import and export gateways for Europe. In the future, WDP wants to further expand its activities in Germany, in the North Rhine-Westphalia, Bremen and Hamburg regions. That will enable WDP to offer a broader geographical spread of its existing clients.

At the same time, WDP is focusing on Romania as a complementary growth market. On the basis of its historical importance as a production market, in combination with a fast-growing consumer market, the share of logistics has increased enormously, with the emphasis on increased added value and a corresponding demand for modern storage and distribution facilities. Moreover, Romania - as the point of access for Southeastern Europe - can be used as a basis for supplying a whole region.

KEY ROLE IN SUPPLY CHAIN




Hamburg
Bremen
The Netherlands
North Rhine-Westphalia
Port
Airport
Container terminal
Zwolle
Amsterdam
Utrecht
Rotterdam
Tiel
Nijmegen
Veghel
Gelsenkirchen
Breda
Tilburg
Belgium
Venlo
Antwerp
Ghent
Genk
Maastricht
Brussels
Lille
Liège
Namur
Charleroi
Luxembourg
Eurohub Centre
Northern France
Eurohub Sud
Romania
Southern France
Ukraine
Moldova
Oradea
Cluj-Napoca
Roman
Sibiu
Brasov
Rm. Valcea
Brăila
Ploiesti
Pitesti
Serbia
Bucharest
Constanta
Toulouse
Bulgaria

2.5 FINANCIAL CALENDAR

15 APRIL 2020 - MIDNIGHT
Deadline for registering shares for participation in the Annual General Meeting on 29 April 2020

22 APRIL 2020
Publication of Q1 2020 results

23 APRIL 2020
Deadline to confirm participation in Annual General Meeting on 29 April 2020

29 APRIL 2020
Annual General Meeting on the 2019 financial year

04 MAY 2020
2019 ex-dividend date

05 MAY 2020
2019 dividend record date

27 MAY 2020
2019 dividend payment date

31 JULY 2020
Publication of 2020 interim results and publication of 2020 interim financial report

21 OCTOBER 2020
Publication of Q3 2020 results

29 JANUARY 2021
Publication of 2020 annual results

28 APRIL 2021
Annual General Meeting on the 2020 financial year

The Board of Directors will set the dates for the registration period for the optional dividend and for trading of new shares at its meeting on 29 April 2020.

Please check www.wdp.eu for any changes to the financial calendar.

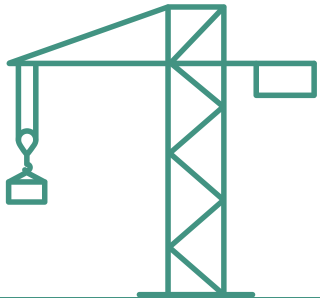
03

2019, AN EXCELLENT START TO THE 2019-23 GROWTH PLAN

Our customers are looking for ever-more modern logistics property, partly driven by changing consumer habits and the acceleration in sustainability and new technologies. Due to a scarcity of available land, brownfield developments and more complex property puzzles are the locations of the future.

Martijn Sleutjes
WDP Business Development Manager The Nederlands

3.1 TRANSACTIONS AND REALISATIONS



PROJECTS

COMPLETED

SURFACE AREA: 361,000 m²
INVESTMENT: 216 million euros
INITIAL GROSS RENTAL YIELD: 7.2%
6.3% in Benelux
8.7% in Romania
AVERAGE LEASE TERM: 10 years

IN PROGRESS

SURFACE AREA: 637,000 m²
INVESTMENT: 480 million euros
262 million euros of which is yet to be invested
INITIAL GROSS RENTAL YIELD: 6.8%
6.1% in Benelux
8.2% in Romania
AVERAGE LEASE TERM: 10 years

100%
PRE-LEASED

OCCUPANCY RATE

98.1%

LEASES THAT EXPIRED IN 2019

- Almost all renewed (99%)
- **80%** extended to existing clients
- Affirmation of confidence

ACQUISITIONS

124 million euros

5.7% Initial gross rental yield

FURTHER POTENTIAL

>1,000,000 m²

107 million euros

SOLAR PANELS

COMPLETED
IN 2019

20 MWp

15 MWp
The Netherlands

5 MWp
Flanders

SUSTAINABILITY SOCIAL AND GOVERNANCE (ESG)

- 2019-23 ESG Roadmap
- Energy monitoring
- HSES awareness
- New legal form: from Comm. VA to NV/SA
- Structured and clear ESG reporting
- Additional solar panels

The expected delivery dates have been estimated on the basis of information available on 31 December 2019. Later in this chapter, under *Significant events after the balance sheet date*, more information is provided regarding the crisis related to COVID-19.

Belgium

PROJECT UNDER DEVELOPMENT

HEPPIGNIES

A new-built warehouse is to be expanded with approximately 2,000 m² (scheduled completion: Q1 2021). The investment budget for this expansion stands at approximately 5 million euros for WDP.

SOLD

LEUVEN, VAART 25-35

Responding to the demand for more accommodations in this part of the city, the existing Hungaria building will be converted into a residential tower block under a partnership agreement with project developer L.I.F.E. As part of this project, WDP is selling this site in phases, in collaboration with LIIFE[1] 73% of the surface area has already been sold. The phased delivery of I Love Hungaria started in the autumn of 2019.

COMPLETED PROJECT

TONGEREN, HEERSTERVELDWEG 17

A new cross-dock warehouse with direct access to the E313 motorway of approximately 5,000 m² for logistics service provider GLS under a fifteen-year lease. The investment budget for WDP is approx. 8 million euros.

COMPLETED PROJECT

WDPORT OF GHENT

The existing Distrilog Group site in the Port of Ghent will be expanded with a surface area of approx. 10,000 m² by the end of 2019. The lease term for the expansion is in line with the lease for the overall site. The investment budget amounts to approx. 4 million euros.

PROJECT UNDER DEVELOPMENT

COURCELLES, RUE DE LIÉGE 25

The existing premises will be expanded with a surface area of approx. 2,200 m² (completion scheduled for the fourth quarter of 2020) The entire site will then be leased to Conway, which already leases the WDP warehouse site at Jumet. Conway was looking for larger warehouse to facilitate the growth of its activities and will move to the Courcelles site on the basis of a nine-year lease. The investment budget for this expansion amounts to approx. 2 million euros.

PROJECT UNDER DEVELOPMENT

NIJVEL, RUE DE L'INDUSTRIE 30

Following a request from tenant WEG EUROPE, this warehouse site will be expanded with approx. 2,000 m². The investment budget for WDP comes to approx. 1 million euros. This development will be completed during the second quarter of 2020. WEG EUROPE will be signing a four-year lease for this expansion, in line with the lease for the existing building.

1. See the press release of 30 April 2015.

PROJECT UNDER DEVELOPMENT

HEPPIGNIES, RUE DE CAPILÔNE 6C

WDP is building a new distribution centre for Belgian hypermarket chain Cora on its existing site in Heppignies. After delivery, slated for the first quarter of 2020, the Cora warehouse will have a total area of around 32,000 m^2, to be leased for a six-year term. The investment budget for this project amounts to approx. 16 million euros.

PROJECT UNDER DEVELOPMENT

LOKEREN, INDUSTRIAL PARK E17/4

WDP will build a unique logistics warehouse site for Barry Callebaut on this new industrial park. This site will accommodate the new Global Distribution Centre (GDC) for Barry Callebaut. The warehouse site will consist of a new logistics low bay and a fully automated high bay (together totalling over 60,000 m^2). Delivery is slated for the third quarter of 2021. For this project, WDP projects an investment budget of approx. 100 million euros (including the automation investments) and returns in line with market rates for this kind of high-end project. Barry Callebaut will lease this new GDC under a long-term agreement.

SOLD

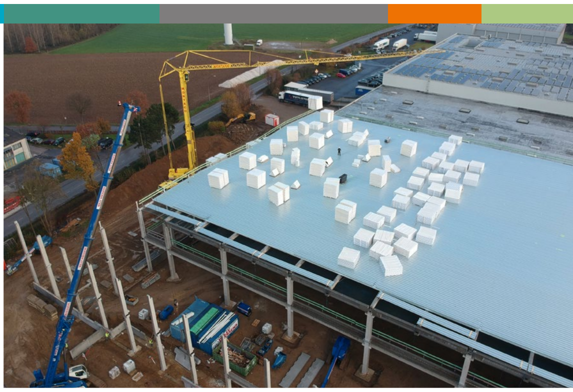
In addition, over the course of 2019, the sites in **Sint-Niklaas**, **Boortmeerbeek (Leuvensesteenweg 238), Leuven – Wilsele** and part of the site in **Anderlecht** were sold. An amount of 5.8 million euros is currently recognised on the balance sheet as Assets held for sale. This relates to the remaining part of the site in **Anderlecht** and a small site in **Puurs** in Belgium and the site in **Drunen** in The Netherlands.

PROJECT UNDER DEVELOPMENT

GEEL, HAGELBERG 12

The existing distribution centre of Distrilog, situated in the industrial zone Geel-ENA23[2] , is being provided with an additional surface area of approximately 8,000 m^2 and will be able to be handed over by the end of 2020. The term for this new area is to be aligned with the existing lease contract for the site as a whole, which has a term of six years. The investment budget amounts to around 4 million euros.

2. Economisch Netwerk Albertkanaal (ENA [Economic Network Albert Canal]).



PROJECT UNDER DEVELOPMENT

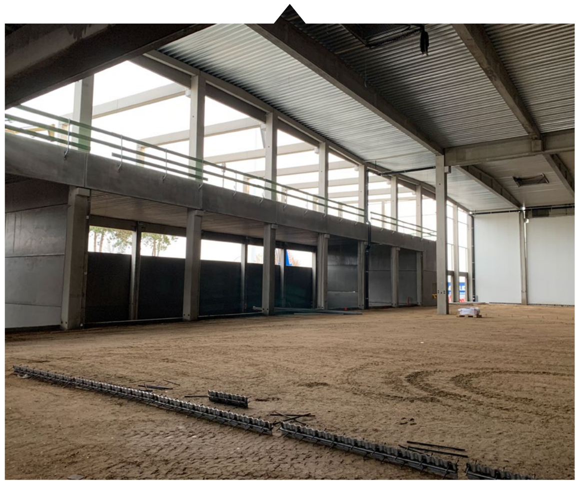
ASSE - MOLLEM, Z.5 191, 192, 320, 321

Redevelopment and expansion of the distribution centre for press distributor AMP. The project, which covers a total surface area of approx. 9,000 m², will be completed in the first quarter of 2020. The investment budget for WDP amounts to more than 4 million euros. AMP will rent the renovated premises based on a four-year lease.

PROJECT UNDER DEVELOPMENT

LONDERZEEL, WEVERSSTRAAT 27-29

A state-of-the-art, sustainable and innovative new construction project will be erected on the existing WDP site to be redeveloped at Weversstraat 27-29 (Londerzeel) for the distribution activities of Colruyt. Thanks to its strategic location on the A12 motorway that connects Brussels and Antwerp, the new distribution centre will further optimise efficiency when it comes to the flow of goods. WDP will develop this new-built warehouse, boasting approximately 20,000 m², with completion scheduled for the end of 2020. The investment budget is approx. 9 million euros[3].



3. This excludes an investment amount of 6 million euros for the land already under ownership.

Luxembourg

PROJECT UNDER DEVELOPMENT

BETTEMBOURG (EUROHUB SUD)

The third WDP distribution centre in the logistics zone Eurohub Sud in Bettembourg-Dudelange in Luxembourg, which will be handed over in early 2020. The building of approximately 25,000 m² will operate as a multi-tenant location for Sobolux – which is part of the logistics group Ziegler – (10,000 m²), retail service provider Trendy Foods (10,000 m²) and parcel delivery company FedEx (5,000 m²). Both Ziegler and FedEx are already tenants of WDP in other regions. Trendy Foods will be added to the WDP client portfolio as a new tenant. The building will be let on the basis of a long-term lease. The investment for this project is around 12 million euros for WDP[4].

4.This is the investment amount equal to WDP's proportional share in WDP Luxembourg, ie 55%.

The Netherlands

PROJECT UNDER DEVELOPMENT

RIDDERKERK, NIEUW REIJERWAARD

A new 26,000 m² distribution centre is under development for Kivits Groep Holding, a full-service logistics service provider for the PFV sector, which Kivits will rent under a 15-year lease. The site expands WDP's existing PFV portfolio in the Barendrecht region. The new-built warehouse is expected to be completed at the end of 2020. In anticipation of this project being completed, Kivits' activities have been moved to WDP's property located on Ziedewij in Barendrecht. The investment budget for WDP amounts to approximately 28 million euros.

PROJECT UNDER DEVELOPMENT

NIEUWEGEIN, BRIGADEDOK

WDP started the construction of a brand-new, state-of-the-art distribution centre of approx. 15,000 m² for Caldic Ingredients, an international distributor and producer of ingredients for the food industry. Delivery of this new building is scheduled for the first quarter of 2020. The projected investment budget amounts to approx. 12 million euros. Caldic will lease the site under a ten-year lease.

ACQUISITION

DEVENTER AND BREDA

WDP is expanding its existing partnership with food service wholesaler Sligro with a leaseback of the Sligro warehouses in Deventer and Breda[5]. This transaction fits in well with Sligro's roll-out of a new distribution network in the Netherlands. It concerns the take-over and leasing of two high-value warehouses with freezer and refrigeration facilities that are certified as BREEAM Outstanding[6], for an investment amount of approx. 20 million euros and approx. 22 million euros respectively. Both properties have a surface area of approximately 25,000 m². Sligro will rent the properties under a 15-year triple net lease.

ACQUISITION

DE LIER, JOGCHEM VAN DER HOUTWEG 84

Purchase of new premises of approx. 7,700 m² for de Jong, enabling the tenant to expand its current surface area (de Jong already leases the adjoining WDP premises). The purchase price is approx. 10 million euros. De Jong will conclude a long-term lease for these additional premises. This purchase ties in with WDP's ambition to expand its location in De Lier and to explore further development opportunities.

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5. The final transfer of this building is scheduled for the second quarter of 2020.

6. BREEAM (Building Research Establishment Environmental Assessment Method) 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, Pass, Good, Very Good, Excellent or Outstanding.

COMPLETED PROJECT

BARENDRECHT, DIERENSTEIN-WEG 30

In line with the purchase of building C-D, this site was redeveloped with a gross surface area of approx. 23,700 m², customised for tenant The Greenery, which rents these premises for a term of at least 15 years. The investment budget amounts to around 10 million euros.

PROJECT UNDER DEVELOPMENT

EINDHOVEN, PARK FORUM

To accommodate further growth, the existing Brocacef site will be doubled in size, with construction of a new-built warehouse of approx. 10,000 m². Delivery is slated for during the first quarter of 2020. Brocacef is signing on to a ten-year lease for this. The investment budget for this project amounts to approx. 10 million euros.

PROJECT UNDER DEVELOPMENT

BLEISWIJK, CLUSTER III

During the first quarter of 2021, Boland, a specialist in party supplies, is expected to move into a newly built warehouse of over 16,000 m² under a ten-and-a-half-year lease. The budget for this new construction project amounts to approx. 18 million euros.

COMPLETED PROJECT

HEINENOORD, BEDRIJVENPARK HOEKSE WAARD

New storage spaces for trading house Van Claem Klerks Group and international transport firm New Corp Logistics of 11,025 m² and 11,050 m², respectively, under five-year leases. The investment budget amounts to approx. 18 million euros.

COMPLETED PROJECT

BLEISWIJK, PRISMALAAN WEST 43

New construction project with a surface area of approx. 8,000 m². This building is leased by fruit and vegetable specialist Hoogsteder, a subsidiary of The Greenery, under a ten-year lease. This project has an investment budget of approx. 7 million euros.

COMPLETED PROJECT

ZWOLLE, MINDENSTRAAT 7

The existing site for Altrex was expanded with a surface area of approx. 3,885 m². The investment budget amounts to around 2 million euros. Altrex has signed up for a ten-year lease, and simultaneously renewed its lease for the existing site for the same term.

PROJECT UNDER DEVELOPMENT

BLEISWIJK, SNELLIUSLAAN 13

For logistics service provider Drake & Farrell, a new-built warehouse with a total surface area of approx. 17,000 m² will be built, with delivery scheduled for the third quarter of 2020. Drake & Farrell will lease this new site for a term of five and a half years. The investment budget amounts to around 16 million euros.

COMPLETED PROJECT

BLEISWIJK, SNELLIUSLAAN 15

Project completed for Konings-Zuivel, a distributor specialising in dairy products. WDP has built a distribution centre of approx. 8,000 m² on the site under a ten-year lease. The investment budget amounts to around 6 million euros.

PROJECT UNDER DEVELOPMENT

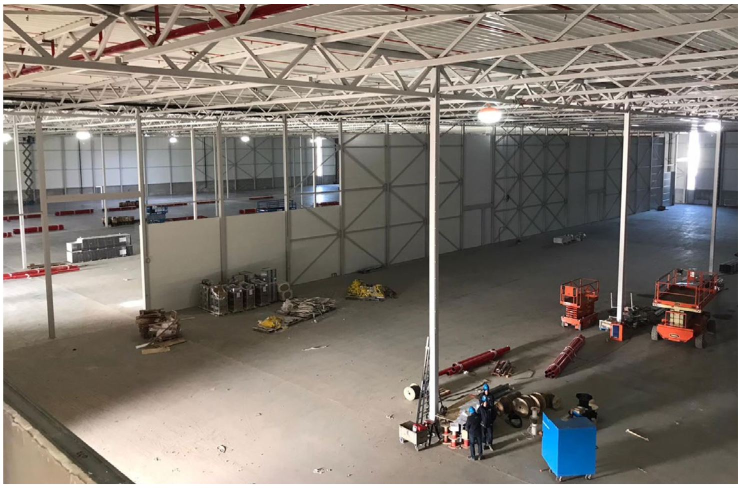
NIEUWEGEIN, DIVISIEDOK 1

The existing building of approx. 37,500 m² is leased and expanded with a surface area of 12,500 m² for Bol.com, with completion planned for the third quarter of 2021. The investment budget for this expansion is 15 million euros for WDP. The premises will be leased under a five-year contract.

COMPLETED PROJECT

ZWOLLE, POMMERENSTRAAT 2

A second distribution centre for wehkamp of approx. 25,000 m², to expand its existing fully automated e-commerce centre on this site. Wehkamp leases this new building under a long-term, ten-year lease. The investment budget for WDP comes to approx. 24 million euros.



PROJECT UNDER DEVELOPMENT

KERKRADE, STEENBERGSTRAAT

Construction of a new turn-key European distribution centre for Berner Produkten, a tools and materials wholesaler that will use this site for distribution in the Benelux and Rhine-Ruhr regions. After delivery, scheduled for the first quarter of 2020, the new premises will have a surface area of approx. 28,000 m² and will be leased by Berner Produkten under a fifteen-year agreement. The investment amount for WDP comes to 25 million euros.

COMPLETED PROJECT

BREDA, HEILAARSTRAAT 263

After demolition of the existing warehouse (formerly owned by The Greenery), a new-built warehouse of approx. 55,000 m² was built and rented by Lidl under a long-term ten-year lease. Lidl consolidates its food activities in this building. The investment budget for WDP amounts to approx. 27 million euros.

ACQUISITION

SCHIPHOL LOGISTICS PARK

The existing WDP site on Pudongweg/ Incheonweg in Schiphol, located next to the DSV and Kuehne + Nagel sites, is being expanded with land resources for the future of more than 30,000 m². The investment budget for this acquisition amounts to approx. 10 million euros.

ACQUISITION

HEERLEN

Purchase of a land resource to expand the existing pharma cluster developed by WDP in Heerlen. The commercialisation of this future new location is in full swing. The investment budget for WDP is approx. 8 million euros.

COMPLETED PROJECT

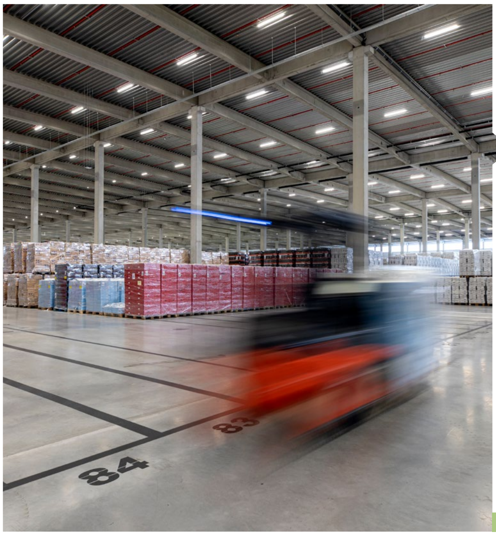
ARNHEM, BEDRIJVENPARK IJSSELOORD 2

Construction of a new-built warehouse of 20,250 m² for Bunzl, a supplier of packaging, disposables and hygiene products, which rents these premises under a long-term, ten-year lease. The investment budget for this project amounts to approx. 18 million euros.

PROJECT UNDER DEVELOPMENT

ROZENBURG, INCHEONWEG 11-13

The existing WDP site will feature a multistorey car park with approx. 390 parking places, for various clients. Delivery is scheduled for the end of the first quarter of 2020. The investment budget for this project comes to 4 million euros.



PROJECT UNDER DEVELOPMENT

BREDA, HEILAARSTRAAT 263

The final part of this site is currently being redeveloped and will be directly connected to the newly built warehouse for Lidl, which will rent this expansion of approx. 5,000 m² under a nine-year lease. The investment budget for this redevelopment amounts to approx. 3 million euros. Delivery is slated for the third quarter of 2020.

PROJECT UNDER DEVELOPMENT

THE HAGUE, WESTVLIETWEG

Redevelopment of the existing premises for CEVA Logistics into a brand-new distribution centre of approx. 26,000 m². During the works, CEVA Logistics will temporarily accommodate its activities in a new-built warehouse to be built in Bleiswijk. Completion of the premises in The Hague is scheduled for the second quarter of 2021. The investment budget for WDP amounts to more than 19 million euros. CEVA Logistics will lease the site under a five-year lease.

ACQUISITION

ZWOLLE, GALVANIWEG

WDP acquired this logistics site with a surface area of 52,000 m² in June 2019. The duration of the lease with the existing user is fifteen years. The investment budget amounts to approx. 38 million euros.

PROJECT UNDER DEVELOPMENT

'S-HERTOGENBOSCH, KETELAARSKAMPWEG/ ZANDZUIGERSTRAAT

WDP will build a distribution centre on its own land in 's-Hertogenbosch. The site, which was once home to Total Fina and metal trader Huiskens-van Erp depots and an Essent combined heat and power plant, has been fully cleaned and will be redeveloped in a sustainable manner. This site will be leased in the long term to three parties: Sanitairwinkel.nl, an (online) distributor of sanitary products; Spierings Smart Logistics, a local logistics service provider; and international logistics service provider ID Logistics. The proximity to the BCT container terminal offers opportunities for sustainable transport between road and sea. Once completed (scheduled for the end of the third quarter of 2020), this site will have a total surface area of approx. 55,000 m². The three clients will each rent part of the site on long-term leases. The investment budget for WDP amounts to more than 33 million euros[7].

PROJECT UNDER DEVELOPMENT

BLEISWIJK, PRISMALAAN 17-19

Construction of a new-built warehouse of approx. 22,000 m² in which CEVA Logistics will accommodate its activities for one year during the redevelopment of its current site in The Hague. Completion of this flexible and modular standard warehouse is scheduled for the second quarter of 2020, and the investment budget stands at approx. 13 million euros.

7. Excluding an investment of 15 million euros for the land, which is already owned.

Romania

COMPLETED PROJECT

BUCHAREST – STEFANESTII DE JOS

A newly built warehouse for food logistics of approx. 58,000 m² for Metro. The building 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. The investment budget for this project is approx. 33 million euros.

COMPLETED PROJECT

BUCHAREST – STEFANESTII DE JOS

Completion of approx. 2,500 m² for Kitchen Shop. This new construction project concerns an investment budget of approx. 2 million euros. Kitchen Shop rents the site under a ten-year lease.

PROJECT UNDER DEVELOPMENT

BUCHAREST – STEFANESTII DE JOS

Construction of a distribution centre for office equipment specialist Lecom has started at the same site. Delivery of this project is scheduled for the second quarter of 2020. The investment budget amounts to approx. 1 million euros. Lecom will lease the building for a ten-year period.

COMPLETED PROJECT

BUCHAREST – STEFANESTII DE JOS

Telecom supplier Toya has moved into a new distribution centre of approx. 8,600 m² under a long-tmer, ten-year lease. The investment budget for this project for WDP amounts to approx. 4 million euros.

COMPLETED PROJECT

PAULESTI

A new distribution centre of approx. 10,500 m² has been completed for Iron Mountain. Iron Mountain will lease this property for a twelve-year term. The investment budget for WDP comes to approx. 5 million euros.

ACQUISITION

CLUJ - APAHIDA

Acquisition of a multi-tenant site of approx. 17,000 m² for packaging specialist Ulma and logistics service provider Aquila. The investment budget amounts to approx. 11 million euros.

COMPLETED PROJECT

ORADEA

In Oradea, in western Romania, WDP built a new-built warehouse of approx. 34,000 m² for automotive supplier Sogefi, which will rent this site for a period of 15 years. The investment budget for WDP is approx. 16 million euros.

COMPLETED PROJECT

BRAZI

The Carrefour warehouse was expanded with a surface area of 11,000 m². Part of the building is fitted out as a conditioned zone. Carrefour leases this expansion for a ten-year period. The investment budget amounts to approx. 5 million euros.

We currently have a record volume of approx. 650,000 m² of projects in development, distributed among the different countries. More than a third of this is being built in Romania. WDP wants to make a difference by involving the customers in the design of the sites, without losing sight of the multifunctionality and prospects of reletting of the new building in the long term.

George Balaci
Technical Manager WDP Romania

PROJECT UNDER DEVELOPMENT

BUCHAREST – STEFANESTII DE JOS

Construction of a new-built warehouse of approx. 10,000 m² for wheel manufacturer Alcar, with delivery scheduled for the third quarter of 2020. The investment budget amounts to approx. 5 million euros. Alcar has signed up for a five-year lease.

ACQUISITION

CLUJ - NAPOCA

Acquisition of land of approx. 80,000 m² for future development. The investment budget amounts to approx. 6 million euros.

PROJECT UNDER DEVELOPMENT

BUCHAREST – STEFANESTII DE JOS

The existing location for Decathlon will be expanded with a surface area of approx. 10,000 m² in warehouse storage, with completion scheduled for the fourth quarter of 2020. The investment budget for this expansion amounts to approx. 5 million euros. Decathlon has signed up for a ten-year lease.

PROJECT UNDER DEVELOPMENT

SIBIU

A newly built warehouse of approx. 4,000 m² for Aeronamic Eastern Europe SRL, a supplier for the wind energy sector, which is signing on to a long-term ten-year lease. The investment budget amounts to approx. 4 million euros. Scheduled delivery in the course of the second quarter of 2020.

PROJECT UNDER DEVELOPMENT

SLATINA

WDP will expand the existing production facility of automotive tyre producer Pirelli, with a newly built state-of-the-art warehouse spanning approx. 62,000 m². Following completion of the project — which is scheduled for the third quarter of 2020 — Pirelli will lease the new logistics facility for a fixed term of fifteen years. The investment budget amounts to around 40 million euros.

PROJECT UNDER DEVELOPMENT

BOEKAREST – STEFANESTII DE JOS

New state-of-the-art logistics site for Auchan. The new buildings, totalling approx. 77,000 m², will include a part fitted out as 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.

COMPLETED PROJECT

BUCHAREST - DRAGOMIRESTI

Development of a logistics warehouse of approx. 3,800 m² for existing WDP client Arcese, which will lease this space for a period of seven years. The investment budget for WDP amounts to approximately 2 million euros.

PROJECT UNDER DEVELOPMENT

BOEKAREST – STEFANESTII DE JOS

Construction of a new-built warehouse with a surface area of 2,000 m² for Aggreko, world leader in the field of equipment for temporary power generation, heating, cooling and dehumidifying. After completion (scheduled for Q1 2020), Aggreko will rent the site on a ten-year lease. The investment budget for this project amounts to approx. 2 million euros for WDP.

The close cooperation with my colleagues in the other WDP countries often leads to cross-border relationships with customers. Some customers even lease a WDP building in every region where we are active.

Dana Bordei
Commercial Director WDP Romania

PROJECT UNDER DEVELOPMENT

BUZAU

A new-built warehouse for Ursus Breweries, one of the largest breweries in Romania. Ursus Breweries will use the site in Buzau, located to 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 2020 – it will be leased for a period of ten years. The investment budget for WDP comes to approx. 13 million euros.

COMPLETED PROJECT

BUCHAREST - DRAGOMIRESTI

Also at this location, work has commenced on a new-built warehouse with a surface area of approx. 10,000 m² for Mediapost, under a five-year lease. WDP forecasts an investment of approx. 5 million euros for this development.

PROJECT UNDER DEVELOPMENT

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 third quarter of 2020. The site is located at the junction of the A1 and E79 motorways between Bucharest and Timisoara. The new-built 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.

ACQUISITIONS

Location		Tenant	Lettable area (in m²)	Investment budget (in millions euros)
	2019-23			
NL	Schiphol Logistics Park	land reserve	30,200	10
NL	Zwolle, Galvaniweg	Food retailer	52,000	38
NL	De Lier, Jogchem van der Houtweg 84	De Jong	7,700	10
NL	Heerlen	land reserve	80,000	7
NL	Breda, Kapittelweg	Sligro	25,900	22
NL	Deventer, Nering Bögelweg 40	Sligro	25,250	20
NL			**221,050**	**107**
	2019-23			
RO	Cluj - Napoca	land reserve	80,000	6
RO	Cluj - Apahida	Ulma / Aquila	17,000	11
RO			**97,000**	**17**
Total			**318,050**	**124**

COMPLETED PROJECTS

Location		Tenant	Delivery date	Lettable area (in m²)	Investment budget (in millions euros)
	2016-20				
BE	Tongeren, Heersterveldweg 17	GLS	4Q19	5,000	8
	2019-23				
BE	WDPort of Ghent	Distrilog	4Q19	10,000	4
BE				**15,000**	**12**
	2016-20				
NL	Arnhem, Bedrijvenpark Ijsseloord 2	Bunzl	2Q19	20,250	18
NL	Barendrecht, Dierensteinweg 30 (C-D)	The Greenery	1Q19	23,700	10
NL	Bleiswijk, Prismalaan West 43	Hoogsteder	2Q19	8,000	7
NL	Bleiswijk, Snelliuslaan 15	Konings-Zuivel	2Q19	8,000	6
NL	Breda, Heilaarstraat 263	Lidl	3Q19	55,000	27
NL	Heinenoord, Bedrijvenpark Hoekse Waard	VCKG Holding / New Corp Logistics	1Q19	22,075	18
NL	Zwolle, Mindenstraat 7	Altrex	2Q19	3,885	2
NL	Zwolle, Pommerenstraat 2	wehkamp	1Q19	25,000	24
NL				**165,910**	**112**
	2016-20				
RO	Brazi	Carrefour	3Q19	11,000	5
RO	Bucharest - Stefanestii de Jos	Kitchen Shop	3Q19	2,500	2
RO	Bucharest - Stefanestii de Jos	Metro	4Q19	58,000	33
RO	Bucharest - Stefanestii de Jos	LPP	3Q19	22,000	10
	2019-23				
RO	Bucharest - Dragomiresti	Arcese	3Q19	3,800	2
RO	Bucharest - Dragomiresti	Mediapost	3Q19	10,000	5
RO	Bucharest - Dragomiresti	In commercialisation	4Q19	20,000	11
RO	Bucharest - Stefanestii de Jos	Toya	4Q19	8,600	4
RO	Oradea	Sogefi	4Q19	34,000	16
RO	Paulesti	Iron Mountain	4Q19	10,500	5
RO				**180,400**	**92**
Total				**361,310**	**216**

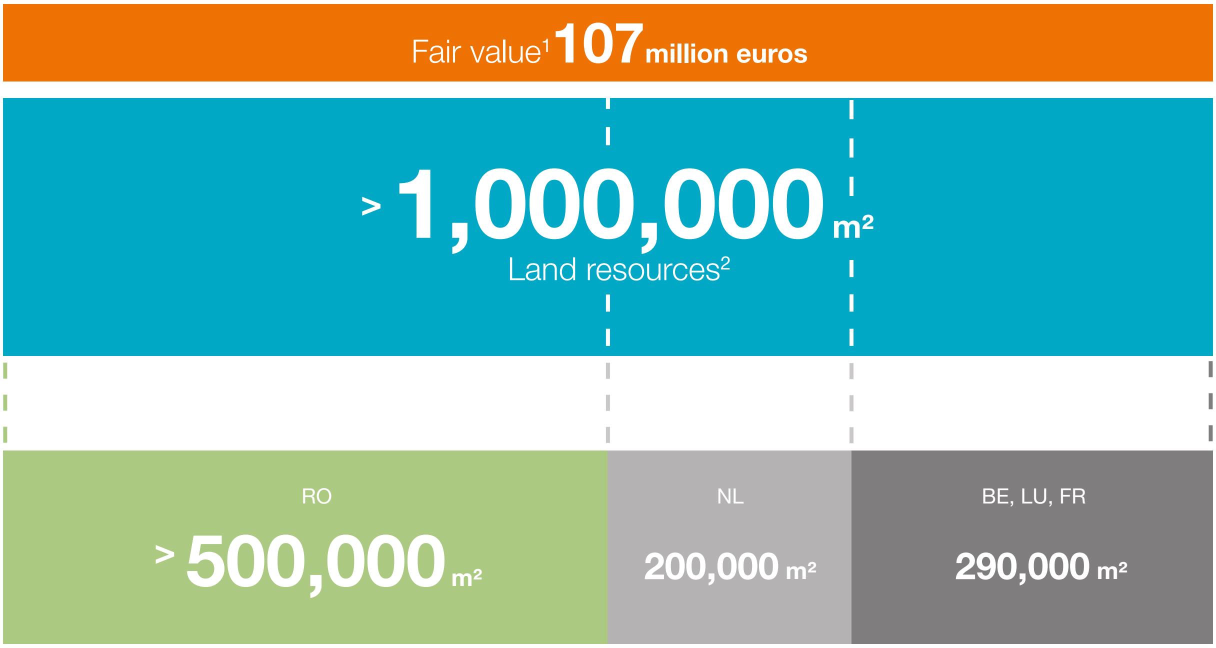
PROJECTS UNDER DEVELOPMENT

Location		Tenant	Delivery date[1]	Lettable area (in m²)	Investment budget (in millions euros)
	2019-23				
BE	Asse - Mollem, Z.5 191, 192, 320, 321	AMP	1Q20	9,000	4
BE	Courcelles, rue de Liège 25	Conway	4Q20	2,190	2
BE	Geel, Hagelberg 12	Distrilog	4Q20	8,000	4
BE	Heppignies	fully let	1Q21	2,000	5
BE	Heppignies, rue de Capilône 6C	Cora	1Q20	32,000	16
BE	Lokeren, Industrial Park E17/4	Barry Callebaut	3Q21	60,000	92
BE	Londerzeel, Weversstraat 27-29	Colruyt	4Q20	20,000	9
BE	Nijvel, rue de l'industrie 30	WEG EUROPE	2Q20	2,000	1
BE				**135,190**	**133**
	2016-20				
LU	Bettembourg (Eurohub Sud)	Trendy Foods / Sobolux / FedEx	1Q20	25,000	12
LU				**25,000**	**12**
	2019-23				
NL	Bleiswijk, Prismalaan 17-19	CEVA Logistics	2Q20	22,000	13
NL	Bleiswijk, Snelliuslaan 13	Drake & Farrell	3Q20	17,000	16
NL	Bleiswijk, cluster III	Boland	1Q21	16,400	18
NL	Breda, Heilaarstraat 263	Lidl	3Q20	5,000	3
NL	The Hague, Westvlietweg	CEVA Logistics	2Q21	26,000	19
NL	Eindhoven, Park Forum	Brocacef	1Q20	10,000	10
NL	Kerkrade, Steenbergstraat	Berner Produkten	1Q20	28,000	25
NL	Nieuwegein, Brigadedok	Caldic	1Q20	15,000	12
NL	Nieuwegein, Divisiedok 1	Bol.com	3Q21	12,500	15
NL	Ridderkerk, Nieuw Reijerwaard	Kivits Groep Holding	4Q20	26,000	28
NL	Rozenburg, Incheonweg 11-13	Various	1Q20	10,000	4
NL	's-Hertogenbosch, Ketelaarskampweg - Zandzuigerstraat	Sanitairwinkel.nl / Spierings Smart Logistics / ID Logistics	3Q20	55,000	33
NL				**242,900**	**197**
	2016-20				
RO	Bucharest - Stefanestii de Jos	Auchan	1Q20	77,000	45
RO	Buzau	Ursus Breweries	3Q20	21,000	13
RO	Deva	Carrefour	3Q20	45,000	24
RO	Sibiu	Aeronamic Eastern Europe	2Q20	4,000	4
	2019-23				
RO	Bucharest - Stefanestii de Jos	Decathlon	4Q20	10,000	5
RO	Bucharest - Stefanestii de Jos	Alcar	3Q20	10,000	5
RO	Bucharest - Stefanestii de Jos	Lecom	2Q20	2,600	1
RO	Bucharest - Stefanestii de Jos	Aggreko	1Q20	2,000	2
RO	Slatina	Pirelli	3Q20	62,000	40
RO				**233,600**	**138**
Total				**636,690**	**480**

Based on 100% of the investment in the fully consolidated entities (including WDP Romania) and prorated for the joint ventures (in particular, 55% for WDP Luxembourg).

1. The expected delivery dates have been estimated on the basis of information available on 31 December 2019. Later in this chapter, under *Significant events after the balance sheet date,* more information is provided regarding the crisis related to COVID-19.

Future potential



CONTINUOUS ADDITION OF NEW LAND RESOURCES (IN MILLIONS EUROS)[3]

1. Unleased land resources. The 107 million euros is the fair value of the land resources in ownership, which is on the balance sheet.
2. Subject to pre-leasing, financing and permits. These resources of areas that can be built on also include the development resources of land via concession (BE: WDPort of Ghent and Trilogiport, NL: Amsterdam, LU: Eurohub Sud), for which WDP holds an exclusive option.
3. Excluding land resources for pre-let projects (such as the project in Lokeren for Barry Callebaut).

Ambition of a total PV portfolio of 100 MWp over the medium term

WDP currently holds a total installed capacity of 80 MWp spread across 85 sites, implying that approximately one third of the buildings have access to locally produced green electricity. Over the medium-term, WDP will strive for a total PV portfolio of 100 MWp.

Completions in the course of 2019

- Solar panel project in the Netherlands
  The second phase of the solar panel project in the Netherlands is under development and offers additional capacity of 25 MWp in total, 15 MWp of which was installed in the course of 2019, in line with the planned schedule.
- Solar panel project in Flanders
  Following the past installation of solar panels in Flanders, with a total capacity of around 20 MWp between 2008 and 2012, WDP has launched a new initiative to install solar panels on the roofs of its Flemish warehouses. Additional capacity of 5 MWp was installed in 2019 in the first phase. Installation of another 5 MWp is scheduled.

ESG

Announced in early 2019, the WDP ESG Framework wishes to deepen the existing sustainability strategy, within the framework of the United Nations' Sustainable Development Goals (SDGs).

In the course of 2019, a multi-year ESG Roadmap was drawn up and implemented for the 2019-23 period in addition to the operating and financial objectives that were set out in the strategic 2019-23 growth plan. It contains a number of specific actions in the Environmental, Social and Governance sphere.

To this end, a number of different workshops were organised within the company and objectives were defined as a result. In this way, the Company hopes to further integrate this into its business culture.

Various projects were realised during 2019, including:

- With regard to energy efficiency and reducing CO_2 emissions, an energy monitoring tool has been rolled out across the portfolio, which measures the basic consumption of electricity, gas and water for each building. The aim of this tool is to aggregate the data after a period of one year in an overall footprint calculation and to further analyse the data in order to optimise clients' consumption. Furthermore, this is also compatible with the solar panels programme, the capacity of which was increased by a third in 2019 to 80 MWp. A third of WDP sites are now equipped with a PV installation.
- In the context of its own growth, the Company is fully committed to the personal development of its employees, adopting a formal development programme throughout the Group for implementation over the course of 2020. In addition to development of a training plan, this includes support for sport initiatives: for instance, a third of WDP employees took part in the annual Immorun. The HSES team launched an awareness-raising campaign on safety and well-being at work, while the DWWWDP team once again raised money for charity. Both teams will further roll out their activities throughout 2020.
- In terms of governance, a new structure was put in place as a result of the new corporate legislation. The new structure is in line with the best industry practices.

In terms of ESG reporting, WDP wishes to report to all its stakeholders in a structured and clear manner. In light of the scale of the organisation and the sector in which it operates, WDP prepares ESG reporting in line with the ever-increasing requirements on this reporting, driven primarily by the investment community. This prompted selection of provisional reporting standards (EPRA sBPR and GRI) and ratings (MSCI and ISS) to apply to WDP's ESG reporting. WDP is also investigating the option of being admitted to the Dow Jones Sustainability Index in the medium term.

WDP ESG FRAMEWORK

Expansion of regional activities

WDP & VIB joint venture

WDP and VIB Vermögen have signed a joint venture partnership for the expansion of their respective logistics property portfolios in Germany in the regions of North Rhine-Westphalia, Bremen and Hamburg. This expansion complements each of their existing activities; thanks to this partnership, they can offer their clients broader geographic coverage. In line with their core business, the investments are primarily "develop and hold" and selective acquisitions of industrial, semi-industrial and logistics buildings. Both companies hold a 50% stake in this joint venture.

North Rhine-Westphalia is the most densely populated region in Germany, characterised by strong, rapidly growing logistics activity, equipped with one of Europe's biggest transport hubs, with direct access to the major North Sea ports, and located at the crossroads of the main motorways in this heavily industrialised region. Moreover, the port of Hamburg is a leader in foreign trade, with direct links to destinations such as China.

Land resources in Gelsenkirchen

The joint venture WDP & VIB has signed an agreement for the acquisition of a plot of land of approximately 80,000 m² for the future development of a logistics site in Gelsenkirchen (Germany). The newly acquired plot of land is part of an industrial zone and will offer space for two logistics buildings to be developed, each with a surface area of approximately 20,000 m². The start of the works depends is subject to pre-leasing and will take place after remediation of the site by the municipality (not before Q4 2020). The commercialisation of this brownfield development is in full swing.

Gelsenkirchen is situated at the heart of North Rhine-Westphalia (Germany). Given its direct connections to various national motorways, this region boasts an excellent supra-regional and European infrastructure. The region is located in the middle of the Ruhr valley and is served by several airports. The public port offers connections to three modes of transport (rail, road and water) and has the highest turnover along the Rhine-Herne Canal.

Ten years after the establishment of the office in the Netherlands, I was given the chance to help lay the foundations for the regional expansion to Germany. This expansion is a natural and complementary continuation of the existing activities of WDP in the Benelux and ensures we can continue to develop with our clients regionally.

Rien van Ast
WDP Development Director The Netherlands

Extraordinary General Meeting of 11 September 2019

At the Extraordinary General Meeting of 11 September 2019, the following agenda points were approved:

- The conversion of WDP's legal status of a Belgian partnership limited by shares ("Comm. VA") with a statutory manager, to a Belgian public limited company ("NV/SA") with a one-tier Board of Directors under the recently adopted Belgian Code of Companies and Associations, which no longer includes the Comm. VA as a legal form. VA. WDP has chosen the "early opt-in" option. The conversion took effect on 1 October 2019.
- Renewal of the mandate for authorised capital, taking into account the option recently introduced by the Belgian GVV/SIR Act to realise a capital increase via accelerated book building (ABB), subject to certain legal restrictions,[8] as well as the renewal of the mandate of purchase of own shares.
- WDP share split by a factor of 7, with effect from 2 January 2020, with a view to increasing the marketability, accessibility and attractiveness of the shares.

Significant events after the balance sheet date

Status regarding Dutch REIT status

History

Since 1 November 2010, WDP has held FBI (Fiscale Beleggingsinstelling) status via its subsidiary, WDP Nederland N.V. (WDP NL). The conditions for FBI qualification depend, among other things, on the activities of the subsidiary as well as its shareholder structure; for example, at least 75% of a non-listed FBI such as WDP NL must be owned by natural persons, tax-exempt entities or a listed FBI. At the time, the Dutch tax authorities confirmed in a fiscal ruling that WDP NL's parent entity, WDP as a GVV/SIR (regulated real estate company) and formerly as a BEVAK (real estate investment company with fixed capital) is an entity that is exempt from income tax. This is because the corporate tax payable by WDP is as good as zero in both absolute and relative terms, as its activities are de facto exempt from corporate tax[9].

Over the past few years, WDP NL was in talks — at the request of the Dutch tax administration — regarding a different approach to the shareholder test. Even though WDP was and remains of the opinion that the relevant policies, regulations and jurisprudence has not changed, it has constructively cooperated in examining whether WDP itself — in relation to the shareholder test — could qualify as an FBI. Hence, WDP is of the opinion — aside from the fact that is it not subject to corporate tax — that as a GVV/SIR, it is operating under a regime that is objectively comparable to that of an FBI and that it should thus be able to pass this shareholder test. Negotiations between WDP and the Dutch tax administration to investigate how this could be implemented in concrete terms to ensure the continued application of WDP NL's FBI status have always been held in a constructive atmosphere.

These negotiations were subsequently suspended when the Dutch coalition agreement of October 2017 included a resolution to no longer permit direct investment in Dutch property through FBIs — including WDP, via its subsidiary, WDP Nederland N.V. — from 2020 in relation to the planned abolition of dividend tax. At the start of October 2018, the Dutch government announced that it would retain the dividend tax and also keep the current FBI system intact.

8. See the press release from the BE-REIT Association dated 26 April 2019.
9. The limited amount of corporate tax paid is related to non-deductible expenditures.

Recent developments

Recently, the Dutch tax administration indicated that, for now, it will not provide specific details on the shareholder test, partly because this depends on the outcome of thousands of appeals between the Dutch authorities and foreign investment funds concerning the reclaim of the dividend tax. A ruling from the European Court of Justice and then the Dutch Supreme Court is expected during the course of 2020.

Furthermore, the Dutch government is currently investigating whether specific adjustments to the property FBI regime are possible and feasible by means of an evaluation, and possibly through policy and/or regulation amendments in 2021.

New development

In a new letter to WDP, the Dutch tax authorities have indicated that they will withdraw the previously granted tax ruling with effect from 1 January 2021, and that from that moment onward, *"WDP NL must comply with all requirements applicable in the Netherlands for FBI status, including the shareholder tests"*.

WDP vision

WDP is of the opinion that the facts and circumstances and the legal framework in which the tax ruling was granted have not changed, and that — in the absence of any material changes to the policies and/or regulations on FBIs — WDP NL continues to be entitled to FBI status. WDP wishes to maintain constructive and open dialogue with the Dutch tax authorities, but will also contemplate about next steps. In addition, WDP, its advisors and the other companies in its sector will closely monitor all developments in relation to the FBI regime, for which the strategy and policy of the Dutch government is currently unclear.

WDP would like to point out that the business environment facilitated by the FBI regime has resulted in WDP investing around 2 billion euros in the Netherlands over the past ten years, and would like to draw attention to a selection of notable figures: i) around 1 billion euros of this total has found its way towards liquidity on the Dutch property market, largely via sale-and-lease-back agreements with Dutch companies in the aftermath of the financial crisis, when bank financing was unavailable in the Netherlands but WDP was able to attract international capital through its FBI status, ii) over 1 billion euros made its way directly into the construction sector with an immediate impact on the real economy, and iii) solar panels were installed on nearly half of the sites, resulting in a total capacity of 40 MWp — a development supporting the Netherlands in the realisation of its climate objectives.

WDP favours a simple and transparent solution, focusing on maintaining — with a few adjustments — the property FBI for stock-listed companies as is the case in other EU member states in which a REIT regime applies. This way, a competitive business environment can be created for the property sector, in which the necessary investments are made in infrastructure and in which that infrastructure is made more sustainable. One example of such an environment is the thriving Belgian REIT sector and its contribution to society.

Over time and via the EPRA (European Public Real Estate Association), WDP believes that steps can be taken towards an EU REIT, which may be able to strike the right balance between facilitating cross-border investments and protecting national interests such as safeguarding the tax base.

Financial impact

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 expected EPRA Earnings per share (1.00 euros for 2020)[10].

In relation to its 2019-23 growth plan, WDP confirms its stated target of EPRA Earnings per share of at least 1.15 euros in 2023 on the basis of further portfolio growth at a rate of 10% per year to over 5 billion euros in 2023[10].

10. These profit forecasts are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate and/or the demand for logistics real estate), and a normal number of hours of sunshine.

COVID-19 (coronavirus) update

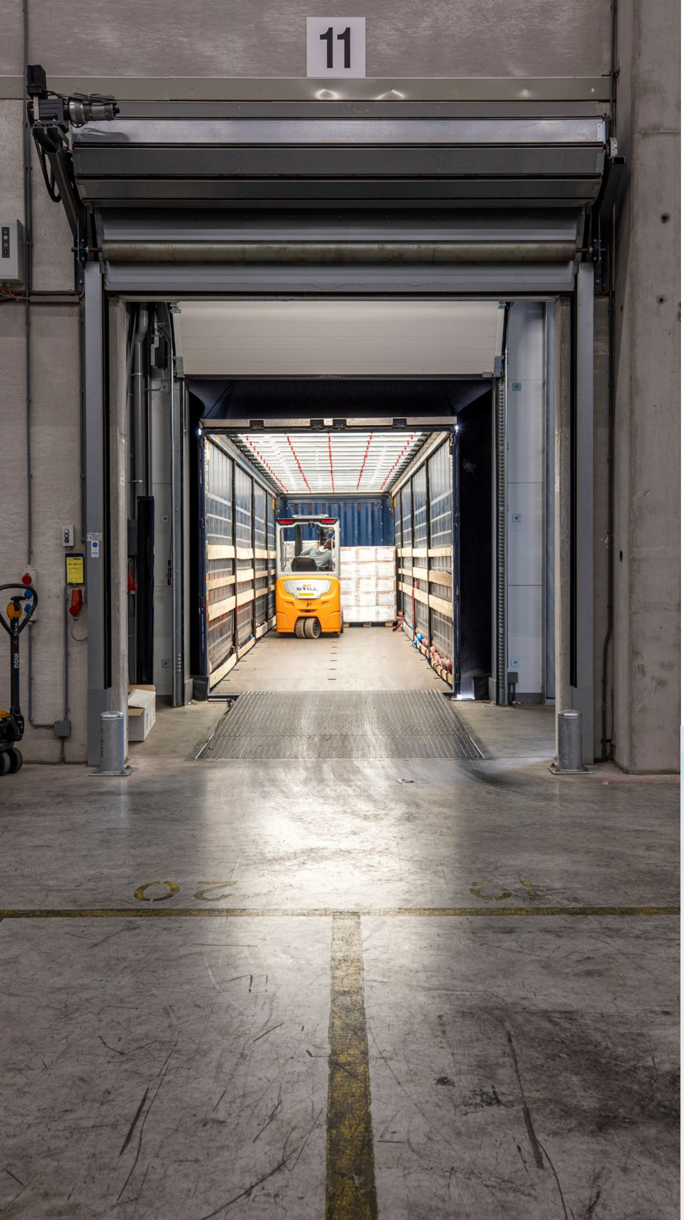
The accelerated spread of COVID-19 (coronavirus) has prompted governments to take measures to protect citizens' health and slow down the spread of the virus. WDP's attention is focused first and foremost on the health of its teams and all of its stakeholders.

This crisis is having a significant impact on public life, economic activity and global supply chains. The exact impact of the crisis will depend on the duration and evolution of the epidemic, and the accompanying government measures. At present, WDP is assessing the risks and its position as follows:

- With regard to financing, WDP has a robust balance sheet and sufficient liquidity available – all loans maturing in 2020 have been refinanced and all commitments within the investment programme have been fully financed.
- Concerning the existing property portfolio, WDP can fall back on a diversified and qualitative client base in terms of exposure per country, sector and site, which ensures risk spread. WDP is conscious of the challenges faced by its clients and is monitoring the situation on a daily basis during this unprecedented crisis.
- At present, WDP has 480 million euros in projects under development (approx. 650,000 m², 100% pre-leased, and of which 262 million euros were still to be invested as at 31 December 2019) with expected completion in the course of 2020-21. At this time, some construction sites are already closed and it is unclear whether the rest of the construction sites will remain operational (this will depend on each country and construction company in view of safety measures), and WDP expects a delay in this area that cannot currently be quantified. Each month of delay in completion has an impact of approximately 1.5 million euros on the EPRA Earnings (about 1%). Alongside all of its stakeholders, WDP will endeavour to manage this to the best of its ability, giving priority to people's health and safety.

Within this framework, it is currently not possible to estimate the exact impact on the 2020 EPRA Earnings. In the meantime, WDP confirms its planned dividend for 2019, payable in May 2020, of 0.74 euros per share, in the form of an optional dividend.

In the longer term, WDP believes that structural trends – such as changes in consumer behaviour (for example e-commerce), technological developments and the demand for sustainability, which lead to adapted consumption and distribution networks, and as such, a demand for logistics space – will remain intact, and that these will be strengthened by this crisis due to an increased share in food e-commerce and a return to local production closer to consumers. The implications for the implementation of the 2019-23 business plan cannot yetbe estimated at this time, since the economic recession triggered by this crisis could delay business decision-making.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3.2 FINANCIAL RESULTS

0.74 euros
Gross dividend per share

0.93 euros
EPRA Earnings per share

45.0%
Loan-to-value

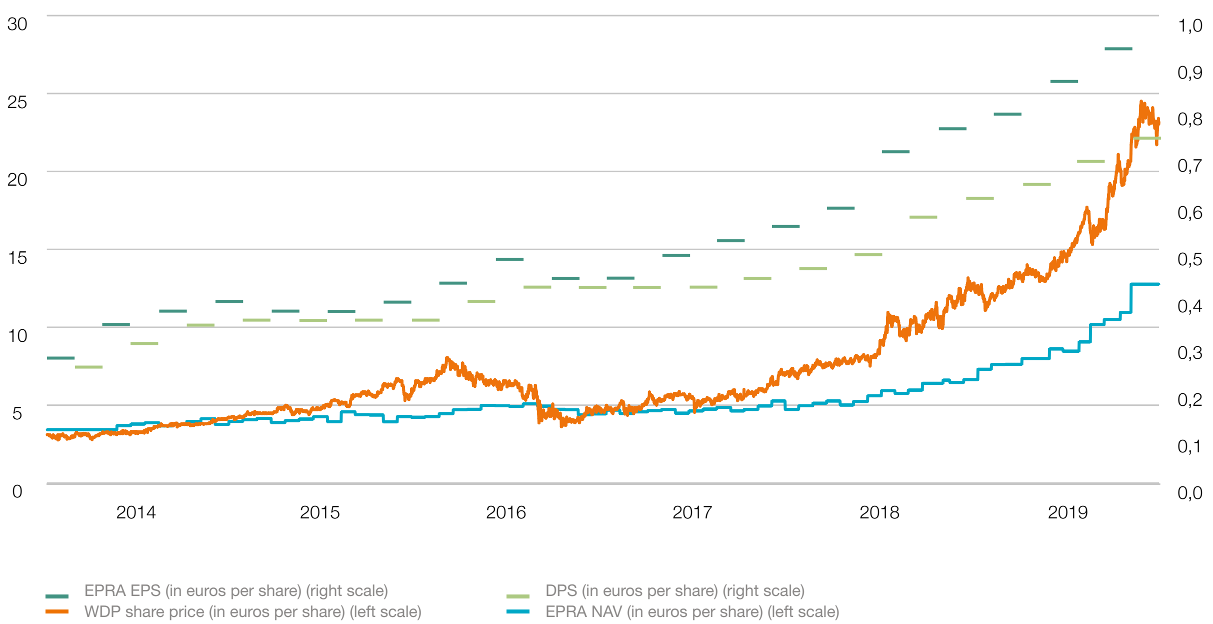
2.2%
Average cost of debt

6.0 years
Average lease contract term

>4 billion euros
Fair value of the property portfolio

98.1%
Occupancy rate

12.8 euros
EPRA NAV per share



EPRA metrics

EPRA KEY PERFORMANCE INDICATORS[1]

	31.12.2019	31.12.2018
EPRA Earnings (in euros per share)[2]	0.93	0.86
EPRA NAV (in euros per share)[3]	12.8	10.2
EPRA NNNAV (in euros per share)[4]	12.2	9.7
EPRA Net Initial Yield (in %)	5.6	6.0
EPRA Topped-up Net Initial Yield (in %)	5.6	6.0
EPRA vacancy rate (in %)	2.1	2.7
EPRA cost ratio (including direct vacancy costs) (in %)[5]	9.5	9.4
EPRA cost ratio (excluding direct vacancy costs) (in %)[5]	9.1	9.0

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 over the long term. See also www.epra.com.
4. . ◤EPRA NNNAV: this is the EPRA NAV that is adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred tax as well. See also www.epra.com.
5. ◤EPRA cost ratio: this concerns the administrative and operating costs (including and excluding direct vacancy costs), divided by the gross rental income. See also www.epra.com.

Consolidated key figures

KEY FIGURES

	2010	2011	2012	2013	2014
Operational					
Fair value of property portfolio (including solar panels) (in million euros)	889.2	989.4	1,163.1	1,273.1	1,567.3
Total surface area (in m²) (including land in concession)	3,969,000	4,281,504	4,793,766	4,849,454	5,701,562
Lettable area (in m²)	1,356,407	1,659,621	2,018,150	2,137,602	2,432,230
Gross initial yield (incl. vacancies)[1] (in %)	8.3	8.3	8.0	8.2	8.0
Average lease term (until first break)[2] (in years)	6.1	7.2	7.2	7.3	7.1
Occupancy rate[3] (in %)	95.7	96.7	97.3	97.4	97.6
Operating margin[4] (in %)	91.8	91.7	91.3	91.8	91.8
Results (in million euros)					
Property result	62.7	69.1	81.3	89.0	101.8
Operating result (before the result on the portfolio)	57.5	63.3	74.3	81.8	93.5
Financial result (excluding change in the fair value of the financial instruments)[5]	-18.5	-18.9	-21.3	-21.4	-25.4
EPRA Earnings[6]	39.0	44.3	52.1	59.6	67.3
Result on the portfolio (including share joint ventures) - Group share[7]	-4.2	2.7	1.7	-0.7	19.7
Change in the fair value of financial instruments - Group share	-2.3	-17.3	-18.5	20.8	-19.4
Depreciation and write-down on solar panels (including share joint ventures) - Group share	n.r.	n.r.	n.r.	n.r.	-2.9
Net result (IFRS) - Group share	32.6	29.7	35.3	79.7	64.7
Financial					
Balance sheet total (in million euros)	922.4	1,018.9	1,181.1	1,283.1	1,570.3
Shareholders' equity (in million euros)	406.0	453.3	520.6	576.7	682.5
Net financial debt (in million euros)	499.2	547.0	644.1	686.8	863.6
Loan-to-value[8] (in %)	55.4	54.7	55.6	54.4	56.0
Gearing ratio (proportionate) (in accordance with GVV/SIR Royal Decree) (in %)	55.2	55.1	56.1	55.5	56.7
Net debt / EBITDA (adjusted)[9] (in x)	8.0	8.1	8.1	8.1	8.8
Average cost of debt[10] (in %)	4.3	4.0	3.6	3.6	3.5
Interest Coverage Ratio[11] (in x)	2.9	3.1	3.4	3.6	3.3
Figures per share (in euros)					
Gross dividend	0.42	0.42	0.44	0.46	0.49
EPRA Earnings[12]	0.44	0.49	0.52	0.55	0.59
Result on the portfolio (including share joint ventures) - Group share[13]	-0.05	0.03	0.02	-0.01	0.17
Change in the fair value of financial instruments - Group share	-0.03	-0.19	-0.19	0.19	-0.17
Depreciation and write-down for solar panels - Group share	n.r.	n.r.	n.r.	n.r.	-0.03
Net result (IFRS) - Group share	0.37	0.33	0.36	0.74	0.56
EPRA NAV[14]	4.6	4.8	4.9	5.1	5.6
IFRS NAV[15]	4.2	4.2	4.3	4.7	5.0
Share price	5.2	5.4	6.8	7.5	9.0

2015	2016	2017	2018	2019
1,930.0	2,203.8	2,669.8	3,449.6	4,175.8
6,613,567	7,309,128	8,767,182	11,843,174	12,475,388
3,081,943	3,375,482	3,756,983	4,485,050	5,038,303
7.6	7.5	7.1	6.7	6.3
6.5	6.3	6.2	5.8	6.0
97.5	97.0	97.4	97.5	98.1
92.1	93.3	92.5	91.3	91.6
129.1	139.7	154.5	187.9	216.6
119.0	130.2	142.8	171.6	198.3
-27.1	-30.3	-25.7	-33.0	-40.2
90.9	100.8	121.4	134.4	152.4
47.4	31.2	101.5	208.3	277.4
7.8	1.8	16.5	-9.0	-29.9
-3.4	-3.5	-4.2	-4.8	-6.2
142.7	130.2	235.2	328.8	393.7
1,907.3	2,182.6	2,675.3	3,483.3	4,222.8
829.4	1,091.7	1,238.4	1,580.5	2,103.9
1,041.8	1,045.6	1,348.6	1,696.0	1,851.2
55.2	48.4	51.3	50.0	45.0
56.8	50.5	53.1	51.8	46.7
8.5	7.9	8.6	9.0	8.0
2.9	2.8	2.6	2.4	2.2
4.2	4.1	5.2	4.6	4.5
0.57	0.61	0.64	0.69	0.74
0.71	0.76	0.80	0.86	0.93
0.37	0.23	0.67	1.33	1.69
0.06	0.01	0.11	-0.06	-0.18
-0.03	-0.03	-0.03	-0.03	-0.04
1.12	0.98	1.55	2.10	2.40
6.4	7.3	8.3	10.2	12.8
5.9	6.9	8.0	9.8	12.2
11.6	12.1	13.4	16.4	23.2

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

1. Calculated by dividing the annualised contractual gross (cash) rents by 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 taken into account at the remaining weighted average duration of green energy certificates.
3. Calculated based on the rental values of leased properties and the unleased surface areas, including the income from solar panels. This does not include projects under development 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 (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.
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 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.
8. ◤The loan-to-value is obtained from the IFRS statements by dividing the net financial debts by the sum of the fair value of the property portfolio, the fair value of the solar panels and financing for and holdings in affiliated companies and joint ventures.
9. ◤The net debt/EBITDA (adjusted) is calculated as follows based on the proportionate accounts: in the denominator, the EBITDA over the past twelve months, adjusted to reflect the annualised impact of external growth; and in the numerator, the net financial debt corrected for the projects under construction multiplied by the loan-to-value of the Group (given that these projects are not yet generating rental income, but are already financed, in whole or in part, on the balance sheet).
10. ◤The average cost of debt is the weighted average annual interest rate for the reporting period, taking into account the average outstanding debts over this period.
11. Defined as operating result(before resulton the portfolio) divided by interest changes, minus interest and dividends collection, minus compensation for financial leasing and others.
12. ◤The EPRA Earnings per share are the EPRA Earnings based on the weighted average number of shares. See also www.epra.com.
13. ◤Result on the portfolio (including share joint ventures) - Group share per share is the result on the portfolio based on the weighted average number of shares.
14. ◤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.
15. 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.

Notes on the 2019 consolidated results (analytical schedule)

Property result

The property result for 2019 amounts to 216.6 million euros, an increase of 15.2% compared to last year (187.9 million euros). This increase is driven by continued portfolio growth in 2018-19, primarily through new pre-leased projects in the growth markets of the Netherlands and Romania. With an unchanged portfolio, the rental income rose by +1.4%,[11] mainly driven by the indexing of lease contracts. The property result also includes 14.7 million euros in income from solar panels, compared to 14.5 million euros. Underlying, there is an increase based on a larger installed capacity, compensated by a like-for-like decrease from an unfavourable comparison base (namely the exceptionally high level of solar irradiance during the course of 2018).

Operating result (before the result on the portfolio)

The operating result (before the result on the portfolio) amounts to 198.3 million euros for 2019, an increase of 15.6% compared to the same period last year (171.6 million euros). Property and other general company expenses amounted to 18.3 million euros for 2019, an increase of 1.9 million euros compared to the costs for the same period in 2018. The overhead trend for the Company is in line with the underlying portfolio growth. WDP succeeded in controlling costs, with the operating margin for 2019 coming to 91.6% – in line with the average in recent years.

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

The financial result (excluding change in the fair value of financial instruments)[12] amounts to -40.2 million euros for 2019, an increase over last year (-33.0 million euros) due to higher outstanding financial debt on the one hand, and on the other hand the recurring cost of -2.4 million euros for the concession land, which in accordance with IFRS 16, as from the 2019 financial year, is accounted for in the *Financial result* instead of in the *Rental income, net of rental-related expenses*.

The total financial debt (as per IFRS) amounted to 1,854.8 million euros on 31 December 2019, compared to 1,697.8 million euros in the same period last year. The average cost of debt comes to 2.2% for 2019, compared to 2.4% in 2018.

Share in the result of associated companies and joint ventures

The result of 0.6 million euros for 2019 primarily stems from the underlying result of the core activities of the Luxembourg joint venture.

EPRA Earnings

The EPRA Earnings of WDP for 2019 amount to 152.4 million euros. This result marks an increase of 13.4% over the result of 134.4 million euros in 2018. The EPRA Earnings per share are up 8.3% year-on-year, to 0.93 euros, including an increase of 4.7% in the weighted average number of outstanding shares.

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 mention in this press release. This definition will also be accompanied by a symbol (◤) so the reader can easily recognise it as an APM definition.

11. ◤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.

12. ◤Financial result (exclusive of change in the fair value of 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 2019	FY 2018	Δ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	201,971	173,791	28,180	16.2%
Indemnification related to early lease terminations	961	215	745	n.r.
Income from solar energy	14,689	14,537	152	1.0%
Other operating income/costs	-1,055	-619	-436	n.r.
Property result	**216,566**	**187,923**	**28,642**	**15.2%**
Property charges	-7,245	-6,271	-973	15.5%
General company expenses	-11,034	-10,097	-936	9.3%
Operating result (before the result on the portfolio)	**198,287**	**171,555**	**26,733**	**15.6%**
Financial result (excluding changes in the fair value of financial instruments)	-40,216	-33,012	-7,204	21.8%
Taxes on EPRA Earnings	-1,724	-1,587	-137	n.r.
Deferred taxes on EPRA Earnings	-975	-511	-464	n.r.
Share in the result of associated companies and joint ventures	610	256	353	n.r.
Minority interests	-3,607	-2,342	-1,266	54.0%
EPRA Earnings	152,374	134,359	18,015	13.4%
Change in the fair value of investment properties (+/-)	285,353	213,811	71,542	n.r.
Result on disposal of investment property (+/-)	10	787	-777	n.r.
Deferred taxes on the result on the portfolio (+/-)	-7,972	-3,698	-4,274	n.r.
Share in the result of associated companies and joint ventures	2,507	209	2,298	n.r.
Result on the portfolio	**279,897**	**211,109**	**68,788**	**n.r.**
Minority interests	-2,475	-2,853	378	n.r.
Result on the portfolio - Group share	277,423	208,257	69,166	n.r.
Changes in the fair value of the financial instruments	-29,883	-9,027	-20,856	n.r.
Changes in the fair value of the financial instruments	**-29,883**	**-9,027**	**-20,856**	**n.r.**
Minority interests	0	0	0	n.r.
Change in the fair value of financial instruments - Group share	-29,883	-9,027	-20,856	n.r.
Depreciation and write-down on solar panels	-6,526	-4,937	-1,589	n.r.
Share in the result of associated companies and joint ventures	0	0	0	n.r.
Depreciation and write-down on solar panels	**-6,526**	**-4,937**	**-1,589**	**n.r.**
Minority interests	344	132	212	n.r.
Depreciation and write-down for solar panels - Group share	-6,183	-4,805	-1,377	n.r.
Net result (IFRS)	**399,470**	**333,846**	**65,624**	**n.r.**
Minority interests	-5,738	-5,063	-675	n.r.
Net result (IFRS) - Group share	**393,732**	**328,784**	**64,948**	**n.r.**

KEY RATIOS

(in euros per share)	FY 2019	FY 2018	Δ y/y (abs.)	Δ y/y (%)
EPRA Earnings[1]	0.93	0.86	0.07	8.3%
Result on the portfolio - Group share[1]	1.69	1.33	0.36	n.r.
Change in the fair value of financial instruments - Group share[1]	-0.18	-0.06	-0.12	n.r.
Depreciation and write-down for solar panels - Group share[1]	-0.04	-0.03	-0.01	n.r.
Net result (IFRS) - Group share[1]	2.40	2.10	0.30	n.r.
EPRA Earnings[2]	0.88	0.83	0.05	6.1%
Proposed payment	127,642,012	110,694,672	16,947,339	15.3%
Payout ratio (to EPRA Earnings)[3]	83.8%	82.4%	1.4%	n.r.
Gross dividend	0.74	0.69	0.05	7.9%
Net dividend	0.52	0.48	0.04	8.3%
Weighted average number of shares	164,047,016	156,655,989	7,391,027	4.7%
Number of outstanding shares at the end of the period	172,489,205	161,429,730	11,059,475	6.9%

1. Calculation based on the weighted average number of shares.
2. Calculation based on the number of shares entitled to dividend.
3. The dividend payout ratio is calculated in absolute terms based on the consolidated result. Dividend is distributed on a statutory basis by WDP NV/SA.

COMPARISON TABLE FOLLOWING THE SHARE SPLIT

Consolidated results - Key ratios (in euros per share)	FY 2019 after share split	FY 2018 after share split	FY 2019 before share split	FY 2018 before share split
EPRA Earnings[1]	0.93	0.86	6.50	6.00
Result on the portfolio - Group share[1]	1.69	1.33	11.84	9.31
Change in the fair value of financial instruments - Group share[1]	-0.18	-0.06	-1.28	-0.40
Depreciation and write-down for solar panels - Group share[1]	-0.04	-0.03	-0.26	-0.21
Net result (IFRS) - Group share[1]	2.40	2.10	16.80	14.69
EPRA Earnings[2]	0.88	0.83	6.18	5.83
Proposed payment	127,642,012	110,694,672	127,642,012	110,694,672
Payout ratio (to EPRA Earnings)[3]	83.8%	82.4%	83.8%	82.4%
Gross dividend	0.74	0.69	5.18	4.80
Net dividend	0.52	0.48	3.64	3.36
Weighted average number of shares	164,047,016	156,655,989	23,435,288	22,379,427
Number of outstanding shares at the end of the period	172,489,205	161,429,730	24,641,315	23,061,390

1. Calculated on the weighted average number of shares.
2. Calculation based on the number of shares entitled to dividend.
3. The dividend payout ratio is calculated in absolute terms based on the consolidated result. Dividend is distributed on a statutory basis by WDP NV/SA.

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

The result on the portfolio (including share joint ventures and after taxes) – Group share[13] for 2019 amounts to +277.4 million euros, or +1.69 euros per share.[14] For the same period last year, this result amounted to +208.3 million euros or +1.33 euros per share. This breaks down as follows by country for 2019: Belgium (+125.0 million euros), the Netherlands (+134.5 million euros), France (+5.6 million euros), Romania (+9.9 million euros) and Luxembourg (+2.5 million euros).

The revaluation of the portfolio (excluding deferred taxes on the portfolio result and the result on disposal of investment property) amounts to 287.9 million euros. This revaluation is mainly driven by the revaluation of the existing portfolio by 7.3% (based on the yields that were adjusted by 30 basis points, driven by sustained investor interest in logistics properties) and the latent capital gains on project developments.

Change in the fair value of financial instruments – Group share

The change in the fair value of financial assets and liabilities – Group share[15] amounts to -29.9 million euros or -0.18 euros per share over 2019 (compared to -9.0 million euros or -0.06 euros per share in 2018). This negative impact stems from the change in fair value of the interest rate hedges concluded (Interest Rate Swaps) as at 31 December 2019, as a result of a decrease in long-term interest rates during 2019.

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 valuated on the balance sheet at fair value based on the revaluation model in accordance with IAS 16 *Tangible fixed assets*. 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 -6.2 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 on solar panels result in a net result (IFRS) – Group share of 393.7 million euros in 2019 (compared to the same period last year, when this figure was 328.8 million euros).

The difference between the net result (IFRS) - Group share of 393.7 million euros and the EPRA Earnings of 152.4 million euros is mainly attributable to the positive fluctuation in the value of the portfolio.

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13. ◤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.

14. ◤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.

15. 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.

Notes on the consolidated balance sheet 2019

Property portfolio[16]

According to independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate, the fair value[17] of the WDP property portfolio according to IAS 40 amounted to 4,054.8 million euros on 31 December 2019, compared to 3,332.3 million euros at the start of the financial year (including the *Assets held for sale*). Together with the valuation at fair value of the investments in solar panels,[18] the total portfolio value grew to 4,175.8 million euros compared to 3,449.6 million euros at 2018 year-end.

This value of 4,175.8 million euros includes 3,682.6 million euros in completed properties (standing portfolio).[19] The projects under development represent a value of 265.3 million euros. In addition, WDP also holds land reserves in places such as Heppignies, Bleiswijk, Breda, Heerlen and Schiphol as well as the land bank in Romania, at a fair value of 106.9 million euros.

The investments made in solar panels were valued at a fair value of 121.0 million euros as at 31 December 2019.

The overall portfolio is valuated at a gross rental yield of 6.3%.[20] The gross rental yield after deduction of the estimated market rental value for the unleased parts is 6.2%.

Shareholders' equity

The group's shareholders' equity (IFRS) amounted to 2,103.9 million euros on 31 December 2019, compared to 1,580.5 million euros at the end of 2018. 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 2,185.7 million euros on 31 December 2019, compared to 1,632.5 million euros at 2018 year-end. This increase is a consequence of the capital base growth thanks to profit generation during 2019, the payment of the dividend for the 2018 financial year and the capital increase following the optional dividend and the ABB. In addition, the property portfolio also saw value growth, as estimated by the independent property experts.

NAV per share

The EPRA NAV per share amounted to 12.8 euros on 31 December 2019. This marks an increase of 2.6 euros compared to an EPRA NAV per share of 10.2 euros on 31 December 2018 as a consequence of the profit generation, dividend payout and revaluation of the portfolio. The IFRS NAV per share[21] came to 12.2 euros on 31 December 2019, compared to 9.8 euros on 31 December 2018.

Financial position

The total (long-term and short-term) financial debt has increased to 1,854.8 million euros as at 31 December 2019, compared to 1,697.8 million euros at the end of December 2018, mainly due to the realisation of the pre-leased project development pipeline. The short-term financial debt of 286.6 million euros includes primarily the commercial paper programme (199 million euros) as well as the long-term debt that matures within the year (around 70 million euros – this concerns the bond of 50 million euros with a maturity date in March 2020 and a small loan of 20 million euros that expires in May 2020, which will both be refinanced from the existing unused credit facilities as foreseen).

The balance sheet total rose from 3,483.3 million euros on 31 December 2018 to 4,222.8 million euros by the end of December 2019. The gearing ratio (proportionate) decreased to 46.7% as at 31 December 2019, compared to 51.8% on 31 December 2018. 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 45.0% as at 31 December 2019.

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16. 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.
17. For the precise valuation method used, please refer to the BE-REIT press release dated 10 November 2016.
18. Investments in solar panels are valued in compliance with IAS 16 by applying the revaluation model.
19. Including a right of use of 46 million euros in relation to concession land in accordance with IFRS 16.
20. 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).
21. 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.

CONSOLIDATED BALANCE SHEET

(in euros x 1,000)	31.12.2019	31.12.2018	Δ y/y (abs.)	Δ y/y (%)
Intangible fixed assets	422	252	171	n.r.
Investment properties	4,002,340	3,299,864	702,477	21.3%
Other tangible fixed assets (including solar panels)	125,244	120,426	4,818	4.0%
Financial fixed assets	4,743	7,877	-3,134	-39.8%
Trade receivables and other fixed assets	4,162	4,972	-810	-16.3%
Participations in associated companies and joint ventures	19,707	10,636	9,072	85.3%
Fixed assets	4,156,619	3,444,026	712,593	20.7%
Assets held for sale	5,779	739	5,040	n.r.
Trade receivables	15,364	9,987	5,377	n.r.
Tax receivables and other current assets	34,249	18,990	15,259	n.r.
Cash and cash equivalents	3,604	1,724	1,881	n.r.
Accruals and deferrals	7,175	7,867	-692	n.r.
Current assets	66,171	39,307	26,864	n.r.
Total assets	**4,222,790**	**3,483,333**	**739,458**	**n.r.**
Capital	185,746	176,684	9,062	5.1%
Issue premiums	876,849	646,286	230,562	35.7%
Reserves	647,590	428,767	218,823	51.0%
Net result for the financial year	393,732	328,784	64,948	19.8%
Shareholders' equity attributable to Group shareholders	**2,103,917**	**1,580,521**	**523,395**	**33.1%**
Minority interests	45,944	29,994	15,950	53.2%
Shareholders' equity	2,149,861	1,610,516	539,346	33.5%
Non-current liabilities	**1,707,475**	**1,577,336**	**130,139**	**8.3%**
Non-current financial liabilities	1,568,199	1,476,586	91,613	6.2%
Other non-current liabilities	139,276	100,750	38,526	38.2%
Non-current liabilities	**365,454**	**295,481**	**69,973**	**23.7%**
Non-current financial debt	286,629	221,165	65,464	29.6%
Other non-current liabilities	78,826	74,316	4,510	6.1%
Liabilities	2,072,929	1,872,817	200,112	10.7%
Total liabilities	**4,222,790**	**3,483,333**	**739,458**	**21.2%**

KEY RATIOS

(in euros per share)	31.12.2019	31.12.2018	Δ y/y (abs.)	Δ y/y (%)
IFRS NAV	12.2	9.8	2.4	24.6%
EPRA NAV	12.8	10.2	2.6	25.6%
Share price	23.2	16.5	6.7	40.8%
Premium/Discount with respect to EPRA NAV	81.5%	61.8%	19.6%	n.r.
(in euros × million)				
Fair value of the portfolio (including solar panels)[1]	4,175.8	3,449.6	726.1	21.0%
Loan-to-value	45.0%	50.0%	-5.0%	n.r.
Gearing ratio (proportionate)[2]	46.7%	51.8%	-5.1%	n.r.
Net debt/EBITDA (adjusted)	8.0	9.0	-1.0	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, refer to the RD of 13 July 2014 on the GVV/SIR.

The weighted average term of WDP's outstanding financial debt on 31 December 2019 was 4.2 years.[22] If only the total drawn and undrawn long-term loans are taken into account, the weighted average term amounts to 4.8 years.[23] On 31 December 2019, the total amount of undrawn and confirmed long-term credit facilities amounted to approx. 350 million euros.[24]

The average cost of debt was 2.2% in 2019. The Interest Coverage Ratio[25] is equal to 4.5x for the same period, compared to 4.6x for the entire 2018 financial year. The hedge ratio[26], 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 84.9%, with a weighted average hedged term of 7.1 years.

Contribution to the treasury

In 2019 WDP and its subsidiaries together paid 45.0 million euros in social, fiscal and sector-specific taxes to the treasury.

CONTRIBUTION TO THE TREASURY

(in euros x 1,000)	FY 2019	FY 2018
Corporate tax	472	262
Exit tax	408	0
Advance levy	33,405	28,762
Subscription fee	1,952	1,495
Social security contribution (employers' contribution)	868	727
Non-recoverable VAT	840	696
Property tax and other taxes related to immovable goods borne by the owner	3,862	3,780
Transfer taxes	2,876	123
Other taxes	344	76
Total	**45,027**	**35,921**

22. Including the short-term debts: these mainly consist of the commercial paper programme, which is fully hedged with backup facilities.
23. 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 5.1 years.
24. Excluding the credit facilities to hedge the commercial paper programme.
25. 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.
26. ◤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 GVV/SIR Act.


GUNCO

Management of financial resources

Financing policy

The financing policy of the WDP Group is geared towards optimal financing of the company with an ideal mix of debt and shareholders' equity, and the availability of adequate resources to complete ongoing projects and capitalise on any opportunities that arise.

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.

The scale on which WDP practices its business activities, in combination with strict regulations which, as GVV/SIR, is subject to compliance and the high degree of visibility on the rental flows, gives WDP a competitive edge in the search for appropriate sources of financing. This is extremely important in the continuously changing financing environment where key words are high creditworthiness and diversification.

FINANCIAL KEY FIGURES

	31.12.2019	31.12.2018
Loan-to-value[1]	45.0	50.0
Gearing ratio (proportionate) (as per the GVV/SIR Royal Decree)[2]	46.7	51.8
Net debt/EBITDA (adjusted)[3](in x)	8.0	9.0
Interest Coverage Ratio[4] (in x)	4.5	4.6
Average cost of debt (in %)	2.2	2.4
Average remaining term of outstanding debts (in year)	4.2	4.4
Average remaining term of long-term credit facilities (in year)	4.8	5.3
Hedge ratio[5] (in %)	85	91
Average remaining term of interest rate hedges[6] (in years)	7.1	7.3

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, refer to the RD of 13 July 2014 on the GVV/SIR.
3. ◤The net debt/EBITDA (adjusted) is calculated as follows based on the proportionate accounts: in the denominator, the EBITDA over the past twelve months, adjusted to reflect the annualised impact of external growth; and in the numerator, the net financial debt corrected for the projects under development multiplied by the loan-to-value of the Group (given that these projects are not generating any more rental income, but are already financed, in whole or in part, on the balance sheet).
4. 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. This ratio indicates the extent to which the company is able to meet its annual interest payments.
5. ◤The hedge ratio refers to the percentage of fixed-rate and floating-rate debt hedged against interest rate fluctuations by means of derivatives. This economic parameter is not an obligatory parameter under the Belgian GVV/SIR Act.
6. Remaining duration of fixed-rate debt and interest rate hedges entered into to hedge the debt against interest rate fluctuations

Debt structure

As far as possible WDP endeavours to guarantee a matching of its assets and liabilities throughout the cycle. From that point of view the portfolio generates a gross return of approx. 6%, based on very high visibility with an average lease duration (including solar panels) of 6.0 years (until the first maturity date, and 7.3 years until the expiry date). These are then financed by debt that today carries an average cost of approx. 2%, based on a high hedging ratio with long-term hedging instruments (7.1 years on average).

This wide margin between yields and costs ensures adequate support to cover the costs of financing, resulting in an interest coverage ratio of 4.5x. Moreover, the visibility on both the income and expenses results in a robust revenue flow.

Gearing ratio

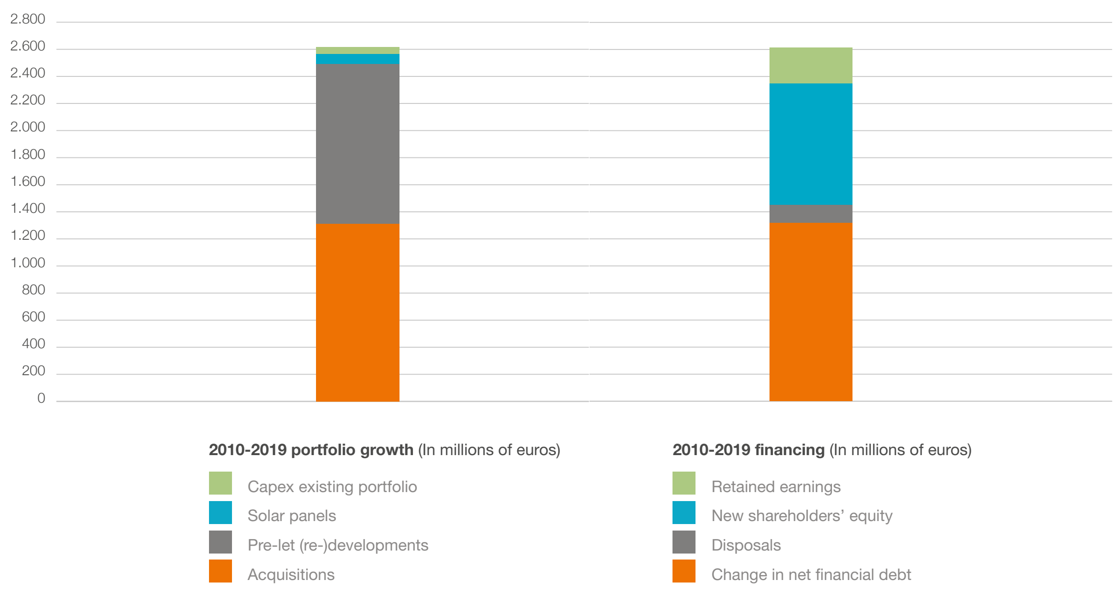
The use of debt is legally limited via the Belgian GVV/SIR Royal Decree. For instance, the gearing ratio cannot exceed 65% (both on a consolidated and statutory level) and moreover, dividenddistributions to the shareholders are only permitted if the defined limit is not exceeded – given that they must 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 remains below 50%.

As at 2019 year-end, the loan-to-value came to 45% and the gearing ratio (proportionate) to 46.7%, compared to 50.0% and 51.8%, respectively, as at 31 December 2018.

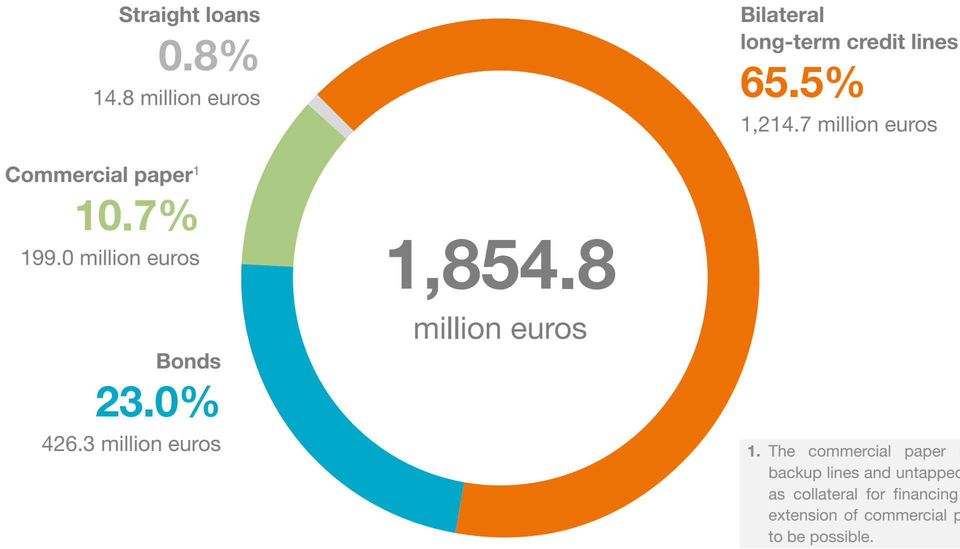
Maturity dates

The majority 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. 16% of the debts involve short-term liabilities (mainly straight loans and commercial paper), the other 48% have a maturity of more than one year and 36% expire after more than five years. As far as the expiry dates of the long-term liabilities in 2020 are concerned, these respective credit facilities have all been extended, except for the obligation of 50 million euros with an expiry date in March 2020 and a small loan of 20 million euros which expires in May 2020, which will both be refinanced from the existing unused credit facilities as foreseen.

FINANCING SOURCES FROM 2010 TO 2019: MATCHING THE ASSETS AND LIABILITIES OF WDP



TOTAL OUTSTANDING CONSOLIDATED FINANCIAL DEBT AS AT 31 DECEMBER 2019



1. The commercial paper is fully hedged with backup lines and untapped credit lines that serve as collateral for financing if full subscription or extension of commercial paper does not appear to be possible.

The weighted average term of WDP's outstanding financial debt on 31 December 2019 was 4.2 years.[27] If only the total drawn and undrawn long-term credit facilities are included, the weighted average term is 4.8 years.[28] At 2018 year-end, this was 4.4 and 5.3 years, respectively.

On 31 December 2019, the total amount of undrawn and confirmed long-term credit facilities amounted to approx. 350 million euros.[29]

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 2020, 294 million euro of debts mature, of which 199 million euro are related to commercial paper which, by definition, has a term of up to one year. This commercial paper or trade paper, as mentioned previously, is fully covered by available unused credit lines should its replacement not or only partially appear to be possible.

Hedges

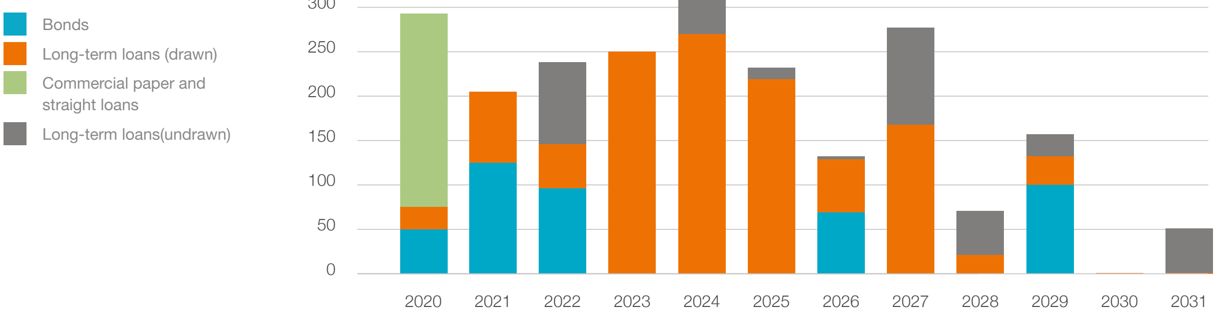
WDP's risk policy regarding interest rates, aims to overcome the fluctuations in interest rates as far as possible and to optimise the cost of the debt. This is done through a centrally managed macro-hedging policy, in which interest derivatives are used solely for the hedging of financial debts.

WDP used the continuing low interest rates in 2019 to extend its hedges and fixed-rate debts with an expiry date in 2020-2025 to 2029-2031 at a lower interest rate, in a cash-neutral manner. The effect of these extensions is an annual saving of around 4 million euros from 2020 – the equivalent of an organic reduction in the cost of debt of -20 bp.

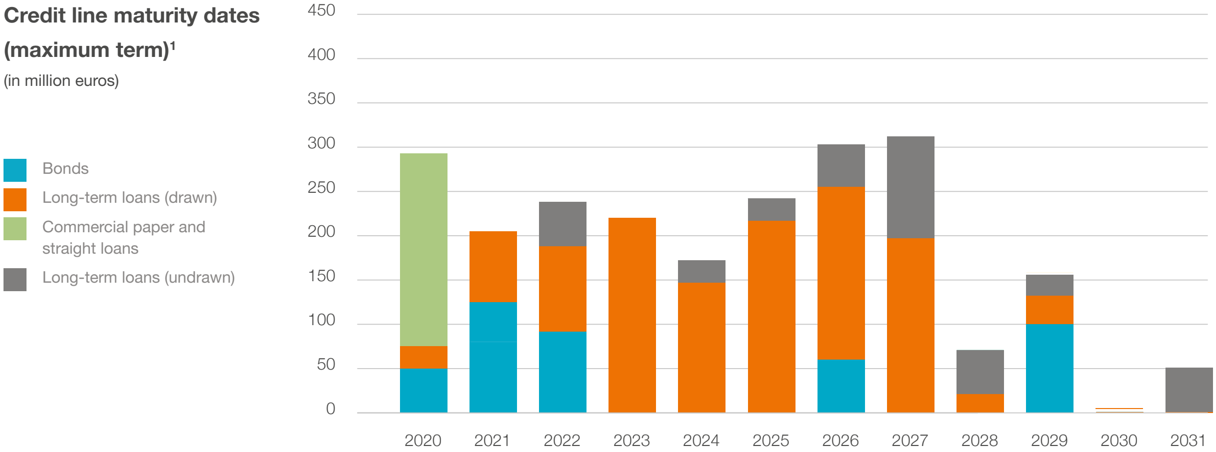
The hedge ratio, which measures the percentage of financial debt with a fixed or floating interest rate and subsequently

27. Including the short-term debts, consisting mainly of the commercial paper programme, which is fully covered by backup facilities.
28. 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 5.1 years.
29. Excluding the credit facilities to hedge the commercial paper programme.

Credit line maturity dates (minimum term)[1]
(in million euros)



Credit line maturity dates (maximum term)[1]
(in million euros)



1. 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.

hedges this by means of Interest Rate Swaps (IRS), came to 85% as at 31 December 2019.[30] For a consistent debt position this hedging ratio changes into 82% in 2020 and 75% in 2021. However, WDP's result is still subject to fluctuations (see page 88 for a sensitivity analysis with respect to the short-term interest rates).

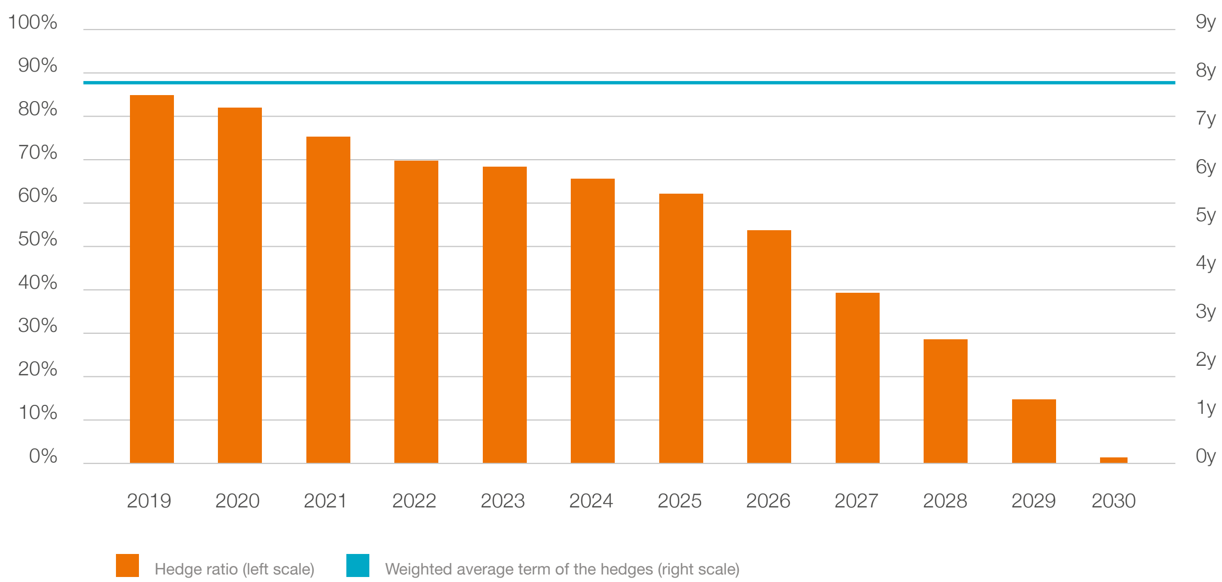
Covenants and securities

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 2019 financial year. The Interest Coverage Ratio came to 4.5x and the percentage of speculative developments came to 0% at 2019 year-end.

WDP's financing policy is also aimed at not providing any mortgages or any other collateral to creditors, with the exception of those stated on page 239.

30. 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*.

EVOLUTION HEDGE RATIO



Implementation of the financing strategy during 2019

Financing policy in 2019

2019 saw the achievement of a considerable net investment volume of approx. 445 million euros. In advance, 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, the net capital expenditures were financed with new shareholders' equity in an amount of approx. 285 million euros (by means of the optional dividend, the retained earnings and the ABB capital increase) and the balance by means of new borrowings, which could also be used to maintain a buffer of unused lines of credit of approx. 350 million euros. In addition, this also anticipated the maturity dates for loans in 2020. The loan-to-value is 45% and the gearing ratio (proportionate) is 46.7% as at 31 December 2019.

We strive to manage our capital structure in a proactive manner and to attract capital in innovative ways. WDP was the first GVV/SIR able to quickly and efficiently generate capital through ABB.

Mickaël Van den Hauwe
WDP CFO

The company boosted its financial resources over 2019 as follows:

- New credit facility:
  Over the course of 2019, WDP secured additional credit facilities of around 200 million euros with various Belgian and foreign banks.
- Credit line extension:
  As usual, WDP extended its long-term credit lines maturing in 2020 proactively, for a total of 70 million euros.
- Optional dividend of approx. 43 million euros[31]:
  WDP's shareholders opted to contribute their dividend rights for 56% of their shares in exchange for new shares instead of cash dividend payments. This resulted in a capital increase for WDP of about 43 million euros through the creation of 329,925 new shares, taking into account the issue price of 131.04 euros (i.e. 18.72 euros after the share split).
- In November 2019, WDP launched a capital increase in cash within the authorised capital with cancellation of the statutory preferential rights of existing shareholders (partly in favour of WDP's current Reference Shareholder, the management body RTKA, the family company owned by the Jos De Pauw family) and without granting an irreducible allocation right to existing shareholders. The gross amount of this capital increase amounted to 200 million euros via the issue of 1,250,000 new shares at an issue price of 160.00 euros per share (i.e. 22.86 euros after the share split). The capital increase was achieved through an exempt accelerated private placement with international institutional investors with the composition of an order book (ABB or an accelerated bookbuild).[32]
- Extension of hedges and fixed-rate debts
  In 2019, WDP extended hedges and fixed-rate debt for a total notional amount of 385 million euros maturing in 2020-25 at a lower interest rate towards 2029-31. These extensions were achieved in a cash-neutral manner; in other words, without severance payments or other costs. The effect of these extensions is an annual saving of around 4 million euros from 2020 – the equivalent of an organic reduction in the cost of debts of -20 bp.
- WDP received the Green Bond Pioneer Certificate of Recognition, awarded by the Climate Bonds Initiative, for its issue of a Green Bond.

Financial risks

In 2019, WDP has again continuously monitored the potential impact of financial risks and has taken the necessary measures to manage these risks. These risks include the counterparty risk (insolvency or credit risk affecting financial partners), liquidity risk (non-availability of financing or very expensive financing options) and risks related to interest, budget, agreements and exchange rates.

31. See the press release dated 17 May 2019.
32. See the press releases dated 6 and 12 November 2019.

3.3 PROPERTY REPORT

Our internal and external reporting is prepared based on a reliable and qualitative valuation of the property portfolio. In addition to regular consultation with property experts, we are also making major efforts in digitisation and data management to increase the quality and efficiency of our processes.

Koen Van Baelen
WDP Head of Controlling and Reporting

Review of the consolidated property portfolio

Description of the portfolio as at 31 December 2019

Independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate valuated the WDP property portfolio (including *Assets held for sale* and excluding solar panels) in accordance with IAS 40 at a fair value[33] of 4,054.8 million euros on 31 December 2019. The fair value at the end of 2018 amounted to 3,332.3 million euros.

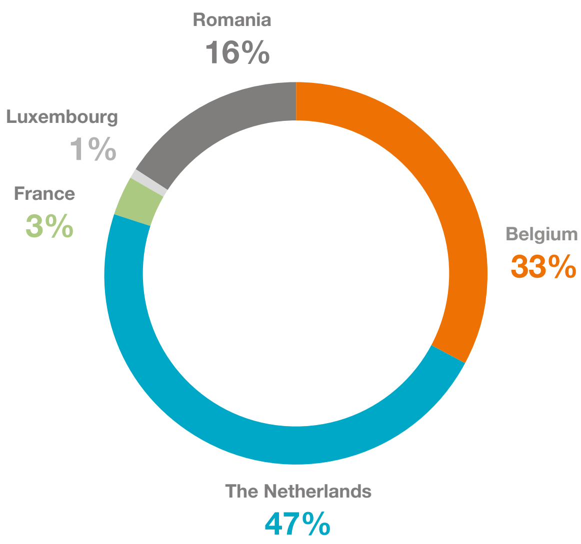
The portfolio breaks down as follows:

FAIR VALUE

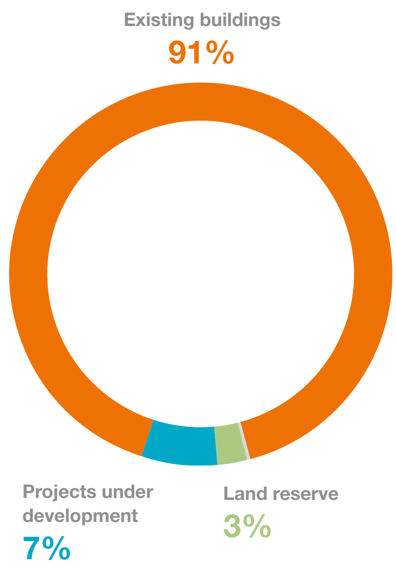
(in million euros)	Belgium	The Netherlands	France	Luxembourg	Romania	Total
Existing buildings	1,249,0	1,762.0	125.1	30.0	511.0	3,676.2
Projects under development	61.0	112.0	-	11.0	81.0	265.3
Land reserve	15.0	48.0	0.5	-	43.0	106.9
Assets held for sale	5.0	1.0	-	-	-	6.3
Total	**1,329.9**	**1,923.9**	**125.6**	**40.7**	**634.7**	**4,054.8**

33. The fair value at which the investment properties are valuated consists of the investment value minus the transaction costs. The average theoretical local transaction costs 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%.

Geographical breakdown of the fair value of the portfolio



Breakdown of the fair value of the portfolio by intended use

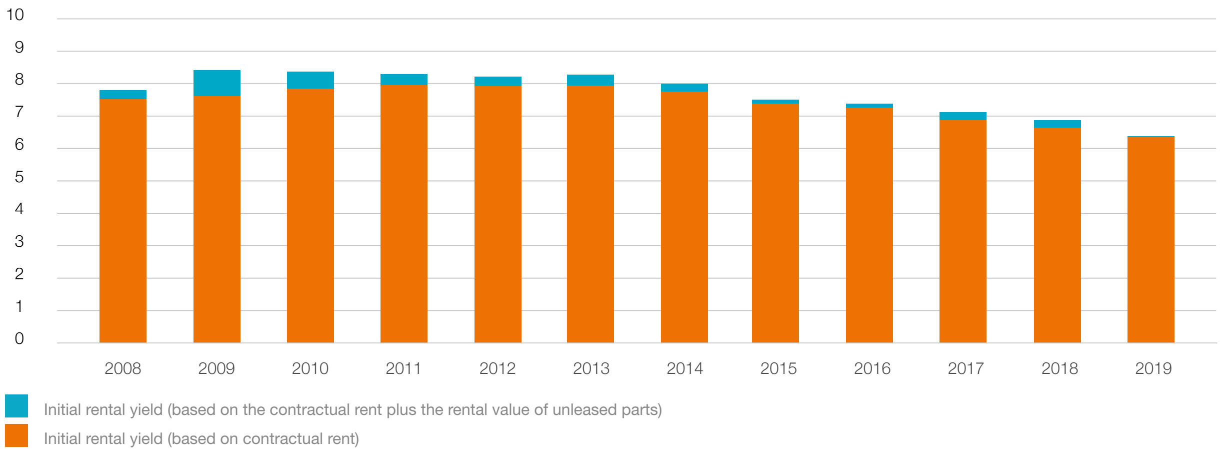


PORTFOLIO STATISTICS BY COUNTRY

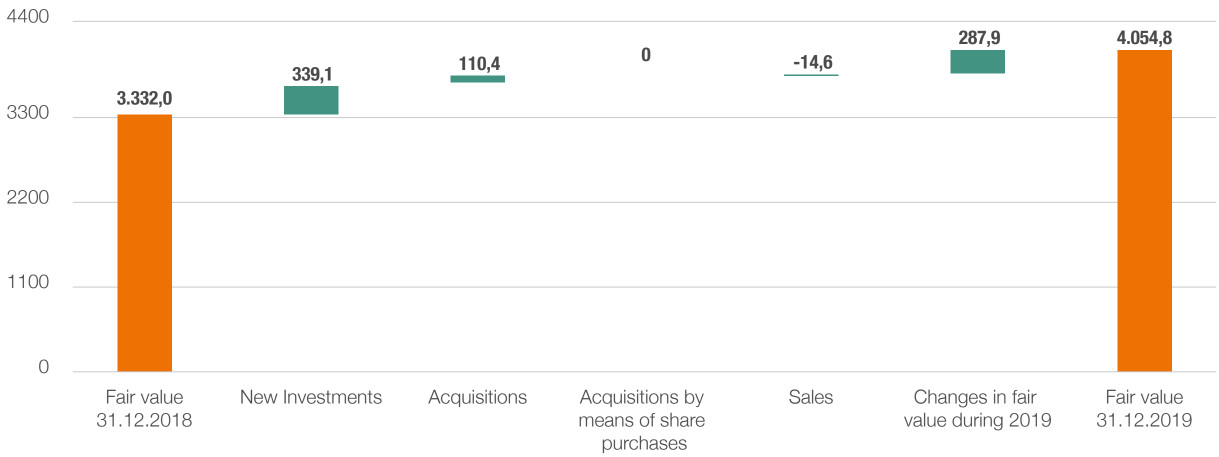
	Belgium	The Netherlands	France	Luxembourg	Romania	Total
Number of lettable sites[1]	84	96	7	2	57	246
Gross lettable area (in m^2)	1,813,774	2,108,773	192,675	33,007	890,074	5,038,303
Land (in m^2)	3,635,284	4,032,283	428,461	56,007	4,323,353	12,475,388
Fair value (in million euros)	1,329,9	1,923.9	125.6	40.7	634.7	4,054.8
% of total fair value	33%	47%	3%	1%	16%	100%
% change in fair value	9.3%	7.0%	4.6%	8.9%	3.2%	7.1%
Vacancy rate (EPRA)[2,3]	4.2%	0.3%	2.2%	2.2%	2.5%	2.1%
Average lease length till first break (in years)[3]	4.3	6.3	4.0	9.0	6.7	5.6
WDP gross initial yield[4]	6.1%	5.9%	6.1%	6.5%	7.9%	6.3%
Effect of vacancies	-0.3%	0.0%	-0.1%	-0.2%	-0.2%	-0.1%
Adjustments from gross to net rental income (EPRA)	-0.3%	-0.3%	-0.1%	-0.7%	-0.2%	-0.3%
Adjustments for transfer taxes	-0.1%	-0.3%	-0.3%	-0.4%	-0.1%	-0.2%
EPRA net initial rental yield[2]	5.4%	5.2%	5.5%	5.3%	7.3%	5.6%

1. Henceforth, the number of leasable sites will also be shown for Romania. Previously, the number of logistics parks was shown for Romania.
2. Financial performance indicator calculated according to the EPRA (European Public Real Estate Association) Best Practices Recommendations. See also www.epra.com.
3. Excluding solar panels.
4. 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



CHANGE IN THE PROPERTY PORTFOLIO DURING 2019 (IN MILLIONS EUROS)



Changes in fair value during 2019

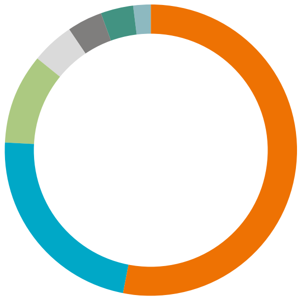
In 2019, WDP invested a total amount of 110.4 million euros in new investments. An additional 339.1 million euros were invested for the completion of pre-leased projects for own account and investment in the existing portfolio. At the same time, the locations in Sint-Niklaas, Boortmeerbeek (Leuvensesteenweg 238), Leuven-Wilsele and part of the site in Anderlecht were sold for 14.6 million euros.

The change in the valuation of the investment properties amounted to an additional +287.9 million euros during 2019 on a portfolio of approximately 4.1 billion euros. The gross rental yield based on the contractual rents, after the addition of the estimated market rental value of the unleased parts, is 6.2% as at 31 December 2019, down from 6.7% at the end of 2018, due to downward pressure on yields in the investment market.

Value and composition of the rental portfolio

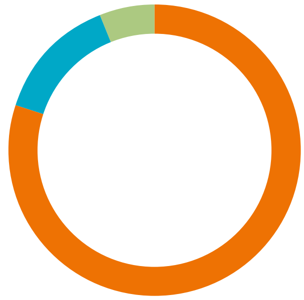
The total surface area comprises 1,247.5 hectares, including 92.5 hectares granted in concession. The balance of 1,155 hectares has a fair value of 1,167.7 million euros or 29.1% of the total fair value. This gives an average land value of 101 euros/m², excluding transaction costs. This area also includes the land reserves, particularly in Belgium, the Netherlands and Romania.

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



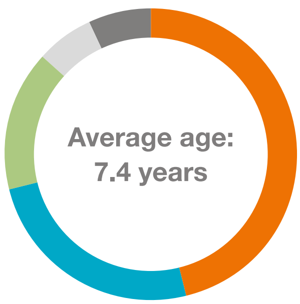
53% General warehouse
23% Big box/XXL (> 50,000 m²)
10% Manufacturing
5% Cross-dock
4% Future redevelopment
3% High bay/Multiple floor
2% Other

Breakdown of total rental value by intended use



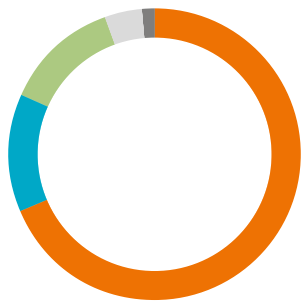
80% Warehouses
14% Offices at warehouses
6% Miscellaneous (mixed-use, parking and archive spaces)

Breakdown of fair value by age[1]



46% 0 to 5 years
25% 5 to 10 years
15% 10 to 15 years
7% 15 to 20 years
7% older than 20 years

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



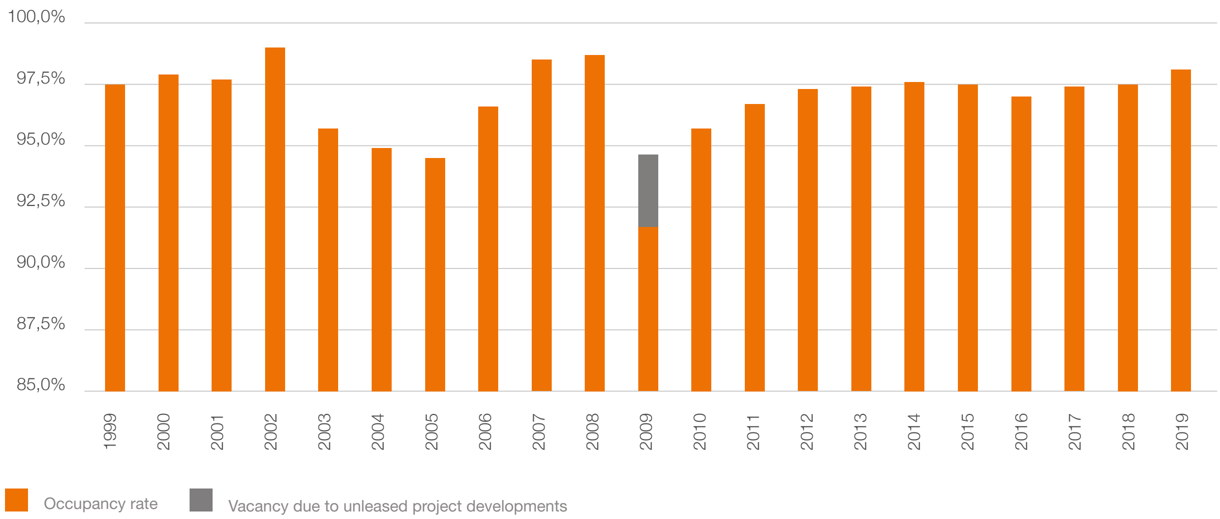
69% Class A warehouse
13% Class A BREEAM warehouse
13% Class B warehouse
4% Class C warehouse
1% Other

1. Buildings that have undergone significant renovations are considered new once their renovations are complete.

DESIGNATED USE AS AT 31.12.2019

	Built surface (in m²)	Estimated rental value (in million euros)	Estimated average rental value per m² (in euros)	% of total rental value
Warehouses	4,017,929	184.2	45.9	80%
Offices at warehouses	350,534	32.4	92.4	14%
Commercial space	-	-	-	0%
Miscellaneous (mixed-use, parking and archive spaces)	669,840	13.5	20.2	6%
Total	**5,038,303**	**230.2**	**45.7**	**100%**

HISTORICAL OCCUPANCY RATE OF THE WDP PORTFOLIO (INCLUDING SOLAR PANELS)



Rental situation of the available buildings

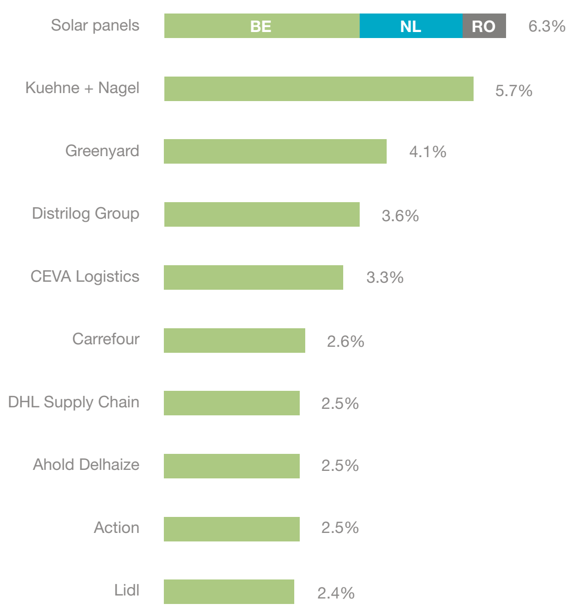
The occupancy rate of the WDP portfolio came to 98.1% at 2019 year-end (including solar panels).[34] This represents the outcome of WDP's commercial strategy, which is aimed at developing long-term relationships with clients and supports the company's performance with a high operating margin.

WDP's practice of building long-term partnerships together with its clients is also reflected in the fact that the average remaining term to the expiry date of a lease is 7.1 years. When the next termination date is taken into account, the average remaining term is 5.6 years.

If income from solar panels[35] is taken into account, the average remaining term to the final expiry date is 7.3 years. When the first termination date is taken into account, the average remaining duration is 6.0 years.

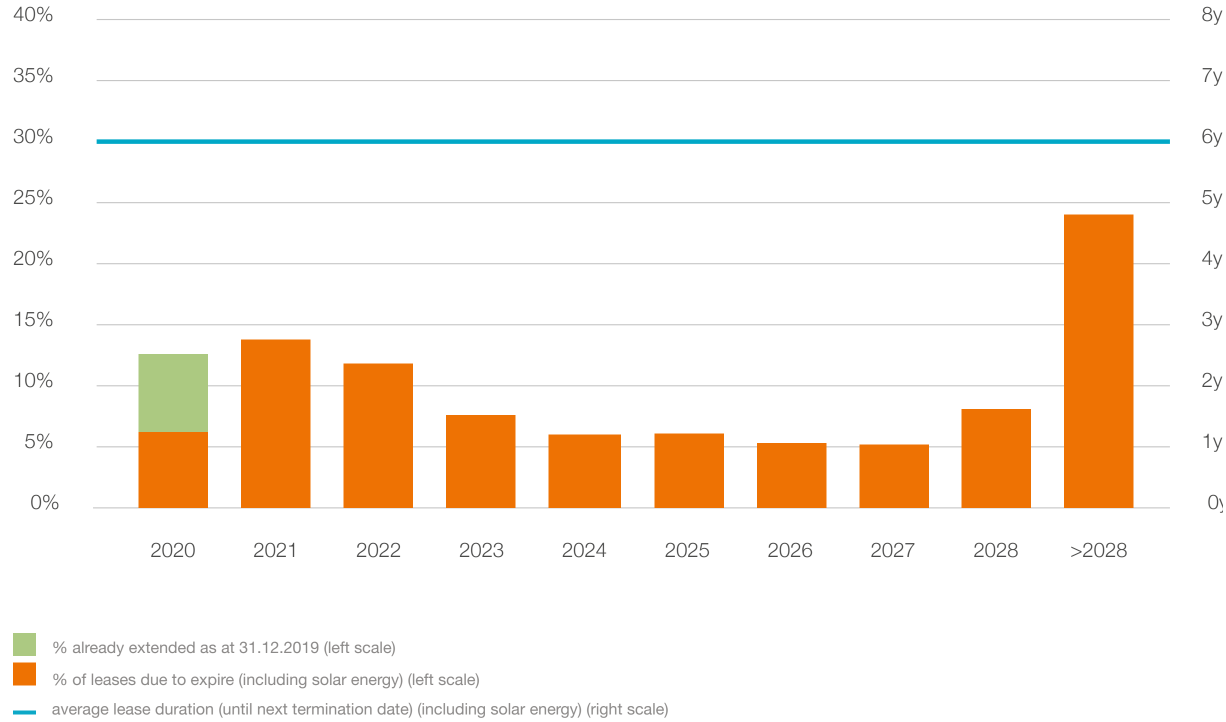
The share of the ten biggest tenants is 35%. The top 20 make up a share of 52%.

TOP-10 TENANTS

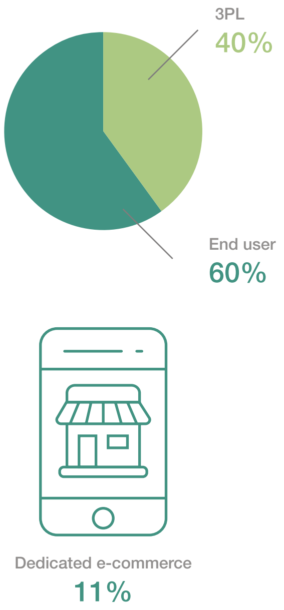


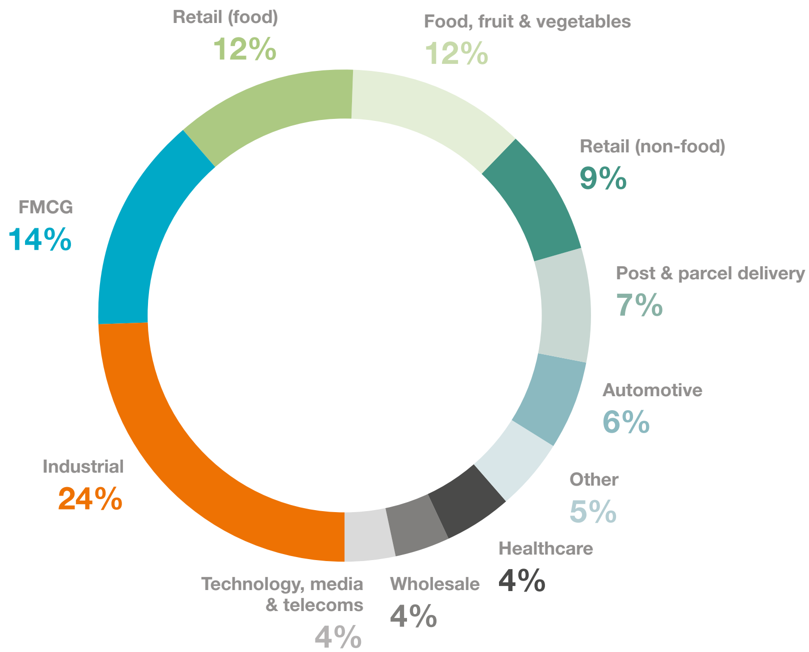
34. Excluding solar panels, the occupancy rate is 97.9%.
35. See explanatory note *XIII. Other tangible fixed assets*.

RENTAL INCOME EXPIRY DATES (TILL NEXT TERMINATION DATE)



2019 RENTAL INCOME BY TENANT CATEGORY





Overview of projects under development[36]

The projected out-of-pocket cost for completion of these projects is estimated at approx. 480 million euros, approx. 262 million euros of which still remains to be invested. WDP expects to achieve a total return on investment of 6.8% (an initial gross rental yield of approx. 6.1% in Western Europe and 8.2% in Romania).

	Country	Type	Lettable area (in m²)	Projected delivery	Pre-leased	Tenant	Investment budget (in millions euros)[1]	Projected yield
Asse - Mollem, Z.5 191, 192, 320, 321	BE	Redevelopment	9,000	1Q20	100%	AMP	4	
Courcelles, rue de Liège 25	BE	Development	2,190	4Q20	100%	Conway	2	
Geel, Hagelberg 12	BE	Development	8,000	4Q20	100%	Distrilog	4	
Heppignies	BE	Development	2,000	1Q21	100%	fully let	5	
Heppignies, rue de Capilône 6C	BE	Development	32,000	1Q20	100%	Cora	16	
Lokeren, Industrial Park E17/4	BE	Development	60,000	3Q21	100%	Barry Callebaut	92	
Londerzeel, Weversstraat 27-29	BE	Redevelopment	20,000	4Q20	100%	Colruyt	9	
Nijvel, rue de l'industrie 30	BE	Development	2,000	2Q20	100%	WEG EUROPE	1	
BE			**135,190**				**133**	
Bettembourg (Eurohub Sud)	LU	Development	25,000	1Q20	100%	Trendy Foods / Sobolux / Fedex	12	
LU			**25,000**				**12**	
Bleiswijk, Prismalaan 17-19	NL	Development	22,000	2Q20	100%	CEVA Logistics	13	
Bleiswijk, Snelliuslaan 13	NL	Development	17,000	3Q20	100%	Drake & Farrell	16	
Bleiswijk, cluster III	NL	Development	16,400	1Q21	100%	Boland	18	
Breda, Heilaarstraat 263	NL	Redevelopment	5,000	3Q20	100%	Lidl	3	
The Hague, Westvlietweg	NL	Redevelopment	26,000	2Q21	100%	CEVA Logistics	19	
Eindhoven, Park Forum	NL	Development	10,000	1Q20	100%	Brocacef	10	
Kerkrade, Steenbergstraat	NL	Development	28,000	1Q20	100%	Berner Produkten	25	
Nieuwegein, Brigadedok	NL	Development	15,000	1Q20	100%	Caldic	12	
Nieuwegein, Divisiedok 1	NL	Development	12,500	3Q21	100%	Bol.com	15	
Ridderkerk, Nieuw Reijerwaard	NL	Development	26,000	4Q20	100%	Kivits Groep Holding	28	
Rozenburg, Incheonweg	NL	Development	10,000	1Q20	100%	Multi-tenant	4	
's-Hertogenbosch, Ketelaarskampweg - Zandzuigerstraat	NL	Development	55,000	3Q20	100%	Sanitairwinkel.nl / Spierings Smart Logistics / ID Logistics	33	
NL			**242,900**				**197**	
Bucharest - Stefanestii de Jos	RO	Development	77,000	1Q20	100%	Auchan	45	
Buzau	RO	Development	21,000	3Q20	100%	Ursus Breweries	13	
Deva	RO	Development	45,000	3Q20	100%	Carrefour	24	
Sibiu	RO	Development	4,000	2Q20	100%	Aeronamic Eastern Europe	4	
Bucharest - Stefanestii de Jos	RO	Development	10,000	4Q20	100%	Decathlon	5	
Bucharest - Stefanestii de Jos	RO	Development	10,000	3Q20	100%	Alcar	5	
Bucharest - Stefanestii de Jos	RO	Development	2,600	2Q20	100%	Lecom	1	
Bucharest - Stefanestii de Jos	RO	Development	2,000	1Q20	100%	Aggreko	2	
Slatina	RO	Development	62,000	3Q20	100%	Pirelli	40	
RO			**233,600**				**138**	
Total			**636,690**		**100%**		**480**	**6.8%**

1. With regard to the redevelopment projects, this does not factor in the value of the redevelopment projects before the start of the renovation. Taking into account the proportionate share of WDP in the portfolio of WDP Luxembourg (55%).

36. See also *3.1 2019, an excellent start to the 2019-23 growth plan – Transactions and realisations – Projects under development*.

Key data of the properties

The sites listed in this overview were all inspected during 2019 by the independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate.

	Year of construction (last renovation/ expansion)	Lettable area (in m²)	Rental income 2019	Occupancy rate[1] 31.12.2019
Belgium (fully owned by WDP)		**1,813,774**	**71,345,805**	**95.8%**
WDP SA				
Aalst, Tragel 47	1998-1999 (2013)	24,990	1,241,366	100%
Aalst, Wijngaardveld 3B	1992 (2005)	17,998	439,588	100%
Aalst, Wijngaardveld 3A	2005 (2015)	4,584	292,559	100%
Aarschot, Nieuwlandlaan B19	2009	8,603	429,179	98%
Anderlecht, Frans Van Kalkenlaan 9	1969 (2007)	21,499	981,445	97%
Asse - Kobbegem, Broekooi 280	1989	12,100	453,907	100%
Asse - Mollem, Z.5 191, 192, 320, 321	1967 (2012)	24,780	1,387,604	95%
Asse - Zellik, Z.4 Broekooi 180	1975 (1993)	30,364	364,745	100%
Asse - Zellik, Z.4 Broekooi 290 (gebouw 2)	1995	7,862	449,597	100%
Asse - Zellik, Z.4 Broekooi 295 (gebouw 1)	2017	30,383	1,698,682	100%
Asse - Mollem, Z.5 200	2011	3,287	338,253	100%
Asse - Mollem, Z.5 340	1989 (2005)	5,993	288,507	100%
Asse - Zellik, Z.4 Broekooi 170	2004	13,271	357,928	100%
Asse - Kobbegem, Brusselsesteenweg 347	1993 (2003)	16,483	259,228	100%
Beersel - Lot, Heideveld 64	2001	7,275	306,893	100%
Beersel, Stationsstraat 230	2005	5,149	237,968	100%
Beringen - Paal, Industrieweg 135	2002 (2008)	10,626	397,353	100%
Boom, Industrieweg 1C	2000-2001	36,626	1,484,846	91%
Boortmeerbeek, Industrieweg 16	1991 (2011)	26,493	612,122	83%
Bornem, Oude sluisweg 32	2011	108,275	4,361,888	73%
Bornem, Rijksweg 17	1996 (2004)	11,911	142,548	78%
Bornem, Rijksweg 19	2004 (2013)	22,325	1,161,750	97%
Courcelles, rue de Liège 25	2007 (2013)	53,752	1,382,916	97%
Geel, Hagelberg 12	2012	13,465	606,899	100%
Geel, Hagelberg 14	2009	24,064	1,006,572	100%
Genk, Brikkenovenstraat 48	2008 (2010)	35,056	1,493,174	98%
Genk, Brikkenovenstraat 50	2009	19,180	823,129	100%
Ghent - Evergem, Amerigo Vespuccistraat 2	2016 (2019)	34,420	1,222,713	100%
Ghent - Evergem, Amerigo Vespuccistraat 2B	2017	9,210	412,387	100%
Grimbergen, Eppegemsesteenweg 31[2]	1978 (2013)	66,346	1,234,622	97%
Grimbergen, Industrieweg 16	2008	15,409	610,572	100%
Heppignies - Fleurus, rue de Capilône 6	2016	62,672	1,313,223	95%
Heppignies - Fleurus, rue de Capilône 6C	(in execution)	n.r.	n.r.	n.r.
Jumet, Zoning Industriel 2ième rue	1995 (2005)	6,386	246,104	100%
Kontich, Satenrozen 11-13	1985 (2006)	56,725	2,919,818	100%

	Year of construction (last renovation/ expansion)	Lettable area (in m²)	Rental income 2019	Occupancy rate[1] 31.12.2019
Kortenberg, A. De Conincklaan 2-4	1997 (2012)	6,182	271,127	100%
Lokeren, Industrial Park E17/4	(in execution)	n.r.	n.r.	n.r.
Londerzeel, Nijverheidsstraat 13	2015	11,506	1,243,661	100%
Londerzeel, Nijverheidsstraat 15	1989 (2013)	18,329	497,144	93%
Londerzeel, Weversstraat 15	2007	11,075	704,782	100%
Londerzeel, Weversstraat 17	2010	7,640	339,581	100%
Londerzeel, Weversstraat 2	2014	16,311	719,477	100%
Londerzeel, Weversstraat 21	1996	6,765	257,434	100%
Londerzeel, Weverstraat 27-29	(in execution)	n.r.	n.r.	n.r.
Liège - Flémalle, rue de l'Arbre Saint-Michel 99	2011 (2014)	7,877	427,214	100%
Luik - Hermalle-sous-Argenteau, rue de Trilogiport 27	2016	30,012	648,278	100%
Machelen, Rittwegerlaan 91-93	2001 (2006)	17,282	1,421,008	100%
Mechelen, Zandvoortstraat 3	2005	32,817	1,213,078	97%
Nivelles, chaussée de Namur 66	1974 (2011)	11,201	438,893	98%
Nivelles, rue Buisson aux loups 8	2013	14,557	352,041	100%
Nivelles, rue de l'Industrie 30	1990 (2004)	27,535	1,206,422	100%
Nivelles, rue du Bosquet 12	2007	11,592	435,358	81%
Puurs, Schoonmansveld 1	1994 (2018)	43,895	1,271,893	97%
Rumst - Terhagen, Polder 5	1950s (2007)	30,606	479,435	85%
Sint-Katelijne-Waver, Drevendaal 1	1991 (2007)	20,957	1,024,142	100%
Sint-Katelijne-Waver, Drevendaal 3	1996 (1997)	22,575	1,546,607	100%
Sint-Katelijne-Waver, Fortsesteenweg 19 and 27	2016	27,223	885,999	100%
Sint-Katelijne-Waver, Strijbroek 10	1989 (2007)	2,103	367,406	100%
Ternat, Industrielaan 24	1977 (2010)	26,126	641,214	91%
Tongeren, Heersterveldweg 17	2019	6,152	0	79%
Vilvoorde, Havendoklaan 10	2015	8,200	364,954	94%
Vilvoorde, Havendoklaan 12	1977 (2001)	13,863	892,512	100%
Vilvoorde, Havendoklaan 13	2006	10,606	368,802	89%
Vilvoorde, Havendoklaan 18	1994 (2001)	76,399	4,030,596	100%
Vilvoorde, Havendoklaan 19	2002 (2010)	11,649	573,340	97%
Vilvoorde, Jan Frans Willemsstraat 95	2004 (2006)	11,243	357,466	100%
Vilvoorde, Willem Elsschotstraat 5	1995 (2016)	21,207	902,147	91%
Westerlo-Oevel, Nijverheidsstraat 13	2018	41,150	1,639,187	100%
Willebroek, Koningin Astridlaan 14	2015	1,770	191,743	100%
Willebroek, Koningin Astridlaan 16	2008 (2015)	56,208	2,834,405	100%
Willebroek, Victor Dumonlaan 32	2015	31,195	1,606,426	100%
Willebroek, Victor Dumonlaan 4	1991 (2018)	32,215	928,532	98%
Zaventem, Fabriekstraat 13	1984 (1993)	7,854	408,284	100%
Zaventem, Leuvensesteenweg 573	2001	19,140	1,090,260	90%
Zele, Lindestraat 7	2003 (2008)	41,246	1,433,837	99%
Zonhoven, Vogelsancklaan 250	1977	45,735	1,533,038	100%
Zwevegem-Harelbeke, Blokkestraat 101	1980	74,382	1,413,333	100%
Zwijndrecht, Vitshoekstraat 12	2006 (2013)	49,696	1,879,217	100%

	Year of construction (last renovation/ expansion)	Lettable area (in m²)	Rental income 2019	Occupancy rate[1] 31.12.2019
One property generating rental income in 2019 has a fair value of less than 2.5 million euros. This is the property in Puurs - Breendonk, at Koning Leopoldlaan 9. In addition, rental income was still coming in from properties sold in 2019.	n.r.	n.r.	1,545,451	n.r.
Netherlands (fully owned by WDP)		2,108,773	96,204,263	99.7%
WDP Nederland N.V.				
Alblasserdam, Nieuwland Parc 121	2015	8,707	858,474	100%
Alkmaar, Berenkoog 48	1990	7,872	433,458	100%
Alphen aan den Rijn, Antonie Van Leeuwenhoekweg 35	2007 (2012)	13,837	607,442	75%
Alphen aan den Rijn, Eikenlaan 32-34	2012	21,741	645,777	89%
Alphen aan den Rijn, H. Kamerlingh Onnesweg 3	1996 (2015)	4,048	207,898	100%
Alphen aan den Rijn, J. Keplerweg 2	2005	16,048	948,065	100%
Amersfoort, Basicweg 1-3	1992	11,679	776,419	100%
Amsterdam, Kaapstadweg 25	2018	15,112	1,274,298	100%
Amsterdam, Maroastraat 81	2008	2,597	868,369	100%
Arnhem, Delta 57	2019	20,687	467,376	100%
Barendrecht, Dierensteinweg 30/A	2017	26,034	1,504,745	100%
Barendrecht, Dierensteinweg 30/B	2016	21,293	1,161,774	100%
Barendrecht, Dierensteinweg 30/C1+C2	2018	31,751	1,698,292	100%
Barendrecht, Spoorwegemplacement 1	1995	27,720	791,717	100%
Barneveld, Nijverheidsweg 50-52	1981 (2013)	34,883	2,273,074	100%
Bleiswijk, Brandpuntlaan Zuid 12	2018	12,354	803,983	100%
Bleiswijk, Brandpuntlaan Zuid 14	2018	32,374	1,371,128	100%
Bleiswijk, Prismalaan West 43	2019	10,505	396,559	100%
Bleiswijk, Snelliuslaan 15	2019	9,063	0	100%
Bleiswijk, Spectrumlaan 29-31	2018	6,144	404,248	100%
Bleiswijk, Spectrumlaan 31	2018	7,537	175,664	100%
Bleiswijk, Spectrumlaan 7-9	2014	10,678	679,861	100%
Bodegraven, Schumanweg 4	1970 (2003)	6,379	213,748	100%
Breda, Hazeldonk 6462 and 6464	1994 (2006)	37,913	1,101,546	100%
Breda, Heilaartstraat 263	2019	59,420	1,135,333	100%
Breda, IABC 5301	1995	12,664	427,256	100%
Breda, Leursebaan 260	2016	16,778	825,588	100%
Breda, Prinsenhil 1-3	1989	16,955	691,939	100%
De Lier, Jogchem van der Houtweg 20	1979	22,160	647,018	100%
Deventer, Nering Bögelweg 40	2019	25,283	69,390	100%
Duiven, Innovatie 1	1997 (2006)	27,556	1,880,962	100%
Duiven, Typograaf 2	2008	3,558	559,928	100%
Echt - Susteren, Fahrenheitweg 1	2014	131,807	4,130,477	100%
Echt, Fahrenheitweg 24	2018	14,707	623,693	100%
Eindhoven, Achtseweg Noord 20	1994 (2017)	31,381	1,551,459	100%
Eindhoven, Park Forum 1129	2014	10,612	651,915	100%
Harderwijk, Archimedesstraat 9	2015	35,019	1,403,769	100%

	Year of construction (last renovation/ expansion)	Lettable area (in m²)	Rental income 2019	Occupancy rate[1] 31.12.2019
Hasselt, Hanzeweg 18-22	2018	26,318	629,806	100%
Hasselt, Hanzeweg 21	2015	20,502	851,846	100%
Hasselt, Hanzeweg 29	2015	20,340	208,447	100%
Hasselt, Hanzeweg 31	2015	11,392	684,606	100%
Heerlen, Earl Bakkenstraat 7-15	2017	51,927	2,159,642	100%
Heinenoord, Sikkel 11-13	2019	22,126	490,475	100%
Helmond, Sojadijk 2	2011	13,025	808,639	100%
Klundert, Energieweg 4	2018	18,682	912,905	100%
Maastricht-Aachen-Beek, Engelandlaan 30	2011 (2012)	25,004	1,030,762	100%
Moerdijk, Transitoweg 5	2000	42,370	1,598,015	100%
Nieuwegein, Inundatiedok 34	2010 (2012)	38,508	1,566,672	100%
Oosterhout, Denariusstraat 15d	2017	11,522	521,983	100%
Oss, Keltenweg 70	2012	17,141	1,178,577	100%
Oss, Menhirweg 15	2010 (2012)	11,074	585,737	100%
Papendrecht, Nieuwland Parc 140	2015	16,866	1,088,474	100%
Raamsdonksveer, Zalmweg 27	1980 (2011)	9,745	318,421	100%
Ridderkerk, Handelsweg 20 en 25	2005 (2008)	43,194	5,775,532	100%
Roosendaal, Aanwas 9	2012	9,551	935,048	100%
Roosendaal, Borchwerf 23	1994	16,780	792,457	100%
Rozenburg, Incheonweg 11-13	2018	22,547	1,994,607	100%
Schiphol Logistics Park, Incheonweg 7	2012	12,574	1,246,136	100%
Schiphol Logistics Park, Pudongweg 3	2015	16,814	1,461,781	100%
Schiphol, Folkstoneweg 65	2000	8,845	470,916	100%
Soesterberg, Centurionbaan	2015	7,419	563,030	100%
The Hague, Westvlietweg 7-8	1968	46,174	1,532,451	100%
Tiel, Medel 1A	2014	72,937	3,151,909	100%
Tilburg, Hermesstraat 1	2007	47,962	2,490,399	100%
Tilburg, Marga Klompeweg 11	2000 (2011)	20,717	879,884	100%
Tilburg, Siriusstraat 7-9	2009	17,762	1,235,474	100%
Utrecht, Ruimteweg 1-5	1980 (1998)	15,770	614,827	100%
Utrecht, Rutherfordweg 1	1992 (2011)	12,139	792,392	100%
Veghel, Doornhoek 3765	2006 (2011)	9,820	601,565	100%
Veghel, Eisenhowegweg 15	2017	19,417	1,060,932	100%
Veghel, Kennedylaan 19	2002 (2013)	21,020	995,031	100%
Veghel, Kennedylaan 20	2018	12,377	697,357	100%
Veghel, Marshallweg 1	1990 (2017)	46,163	1,407,393	100%
Veghel, Marshallweg 2	2018	16,362	868,740	100%
Venlo, Ampèrestraat 7-9	2008 (2012)	32,550	1,176,228	100%
Venlo, Edisonstraat 9	1990	26,135	723,369	100%
Venlo, Logistiekweg 1-3	2017	53,061	2,025,758	100%
Venray, Newtonstraat 8	2013	17,746	725,193	100%
Venray, Wattstraat 2-6	2013	43,226	1,982,861	100%
Voorhout, Loosterweg 33	1987 (2007)	38,578	618,181	100%

	Year of construction (last renovation/ expansion)	Lettable area (in m²)	Rental income 2019	Occupancy rate[1] 31.12.2019
Wijchen, Bijsterhuizen 2404	2010	16,260	1,475,845	100%
Zaltbommel, Heksenkamp 7-9	2012	10,620	706,714	100%
Zwolle, Galvaniweg 1	1984	52,634	1,359,833	100%
Zwolle, Lippestraat 15	2009 (2014)	20,109	1,430,504	100%
Zwolle, Mindenstraat 7	2002 (2012)	26,601	1,235,187	100%
Zwolle, Paderbornstraat 21	2015	47,996	2,562,086	100%
Zwolle, Pommerenstraat 2	2019	36,775	909,727	100%
Four properties generating rental income in 2019 have a fair value of less than 2.5 million euros. These are the properties in Bodegraven at Schumanweg 1C, in Meppel at Oeverlandenweg 8, in Drunen at Albert Einsteinweg 20 and in Zwolle on Hessenpoort.	n.r.	28,740	807,261	n.r.
WDP Development NL N.V.				
Bleiswijk, Cluster III	(in execution)	n.r.	n.r.	n.r.
Bleiswijk, Prismalaan 17-19	(in execution)	n.r.	n.r.	n.r.
Bleiswijk, Snelliuslaan 13	(in execution)	n.r.	n.r.	n.r.
Breda, Heilaarstraat 263	(in execution)	n.r.	n.r.	n.r.
Den Bosch, Ketelaarskampweg - Zandzuigerstraat	(in execution)	n.r.	n.r.	n.r.
The Hague, Westvlietweg 7-8	(in execution)	n.r.	n.r.	n.r.
Eindhoven, Park Forum 1129	(in execution)	n.r.	n.r.	n.r.
Nieuwegein, Brigadedok	(in execution)	n.r.	n.r.	n.r.
Nieuwegein, Divisiedok 1	(in execution)	n.r.	n.r.	n.r.
Rozenburg, Incheonweg	(in execution)	n.r.	n.r.	n.r.
France (fully owned by WDP)		192,675	6,929,210	97.8%
WDP France SARL				
Lille - Roncq, avenue de l'Europe 17	2003 (2006)	13,251	451,694	95%
Neuville-en-Ferrain, rue de Reckem 33	2006	13,434	510,872	100%
Vendin-le-Vieil, rue Calmette - rue des frères Lumière	2004	29,216	1,004,162	91%
Lille - Seclin, rue Marcel Dassault 16B	2008	13,224	534,480	100%
Lille - Libercourt, Zone Industrielle - le Parc à stock	2008 (2016)	60,393	2,456,828	98%
Labastide-Saint-Pierre, Zac du Grand Sud	2017	43,975	1,301,556	100%
WDP SA				
Lille - Templemars, route d'Ennetières 40	1989 (2008)	19,182	669,618	100%
Romania (80% owned by WDP)		890,074	28,268,992	97.5%
WDP Romania SRL				
Apahida (Cluj), Constructorilor 26, Logistic Parc 1 Building 1	2017	5,121	223,767	100%
Apahida (Cluj), Constructorilor 33-35, Logistic Parc 2 Building 1	2018	43,424	-	100%
Apahida (Cluj), Industriilor 1A, Logistic Parc 1 Building 4	2018	41,647	1,717,794	100%
Apahida (Cluj), Industriilor 1b-c, Logistic Parc 1 Building 2	2017 (2018)	9,693	482,794	100%
Apahida (Cluj), Industriilor 1c, Logistic Parc 1 Building 3	2018 (2019)	29,633	1,779,003	100%
Aricestii Rahtivani (Prahova), Aricestii Rathivani Village 874, Building 1	2015	7,856	348,529	100%
Aricestii Rahtivani (Prahova), Aricestii Rathivani Village 874, Building 2	2015	12,397	731,297	100%
Aricestii Rahtivani (Prahova), Aricestii Rathivani Village 874, Building 3	2018	4,383	310,607	100%

	Year of construction (last renovation/ expansion)	Lettable area (in m²)	Rental income 2019	Occupancy rate[1] 31.12.2019
Braila, Zona libera Braila II, Building 1	2015 (2016)	43,987	2,806,602	100%
Brazi-sat Negoiesti (Prahova), Basarab 2, Building 1	2018 (2019)	33,283	993,952	100%
Budesti (Racovita - Valcea), Drumul Faurecia 1, Building 1	2016 (2018)	17,320	1,214,626	100%
Budesti (Racovita - Valcea), Drumul Faurecia 1, Building 2W	2017	8,034	483,644	100%
Buzau	(in execution)	n.r.	n.r.	n.r.
Clinceni (Ilfov), Transalkim street 3, Building 1	2015	12,086	522,969	100%
Codlea (Brasov), Vulcanului 33, Building 1	2016 (2018)	25,496	795,747	100%
Deva-sat Santuhalm (Hunedoara), Santuhalm Village	(in execution)	n.r.	n.r.	n.r.
Dragomiresti Vale (Ilfov), Piersicului/D116 1, Logistic Parc 1 Building 1	2017 (2018)	19,229	835,622	100%
Dragomiresti Vale (Ilfov), Piersicului/D116 1, Logistic Parc 4 Building 1	2019	33,645	140,254	43%
Dragomiresti Vale (Ilfov), Tarla /DE116 63, Logistic Parc 2 Building 1	2018	33,217	1,680,879	100%
Dumbravita (Timis), DJ 691, km 7-142 DJ 691, km, Logistic Parc 1 Building 1	2017	6,025	279,313	100%
Dumbravita (Timis), DJ 691, km 7-142 DJ 691, km, Logistic Parc 1 Building 2	2018	5,987	100,962	100%
Dumbravita (Timis), DJ 691, km 7-142 DJ 691, km, Logistic Parc 1 Building 4	2017	8,273	452,683	100%
Dumbravita (Timis), DJ 691, km 7-142 DJ 691, km, Logistic Parc 2 Building 1	2018	16,165	736,272	100%
Dumbravita (Timis), DJ 691, km 7-142 DJ 691, km, Logistic Parc 3 Building 1	2009	30,655	1,149,898	100%
Dumbravita (Timis), DJ 691, km 7-142 DJ 691, km, Logistic Parc 3 Building 3	2008 (2015)	8,927	225,748	100%
Ghimbav (Brasov), DE 301/305, KM 0+500 , Building 1	2018	19,526	424,738	100%
Oarja (Arges), Autostrada A1 KM 102-10, Building 1	2011 (2017)	16,147	604,065	100%
Oarja (Arges), Autostrada A1 KM 102-10, Building 2	2011 (2018)	8,762	462,185	100%
Oarja (Arges), Autostrada A1 KM 102-10, Building 3	2017 (2018)	57,998	2,062,964	100%
Oradea (Bihor), Anghel Saligny 15, Logistic Parc 1 Building 1	2018 (2019)	7,852	179,808	100%
Oradea (Bihor), Ogorului 214, Logistic Parc 1 Building 2	2018	15,742	1,025,403	100%
Oradea (Bihor), Petre P. Carp 20, Logistic Parc 3 Building 1	2019	33,821	-	100%
Paulesti (Prahova), Buda 22, Building 1	2018	4,870	247,782	100%
Paulesti (Prahova), Buda 22, Building 2	2019	10,879	-	100%
Roman (Neamt), Magurei 2, Building 1	2017 (2018)	44,389	1,823,696	100%
Sibiu, Barcelona fn, Building 1	2016	8,247	510,573	100%
Sibiu, Barcelona fn, Building 2	2016	17,457	252,000	100%
Sibiu, Barcelona fn, Building 4	(in execution)	n.r.	n.r.	n.r.
Slatina (Olt), Draganesti 35A, Building 1	2019	32,581	-	100%
Stefanestii de Jos (Ilfov), Sinaia 50, Logistic Parc 1 Building 1	2017	29,788	1,071,232	100%
Stefanestii de Jos (Ilfov), Sinaia 50B, Logistic Parc 1 Building 2	2017 (2019)	17,981	790,135	100%
Stefanestii de Jos (Ilfov), Sinaia 50B, Logistic Parc 2 Building 1	2019	80,876	34,499	100%
Stefanestii de Jost (Illfov), Sinaia 50B, Logistic Parc 2 Building 2	2019	8,612	-	100%
Stefanestii de Jos (Ilfov)	(in execution)	n.r.	n.r.	n.r.

	Year of construction (last renovation/ expansion)	Lettable area (in m²)	Rental income 2019	Occupancy rate[1] 31.12.2019
Five properties generating rental income in 2019 have a fair value of less than 2.5 million euros. These are the properties in Codlea (Brasov), at Vulcanului 33, Building 2; in Dumbravita (Timis), at DJ 691, km 7-142 DJ 691, km, Logistic Parc 1 Building 3; in Dumbravita (Timis), at DJ 691, km 7-142 DJ 691, km, Logistic Parc 3 Building 2; in Mihail Kogalniceanu (Constanta), at DN 2A, KM 181, Building 1 and in Sibiu, at Theodor Mihaly 3-5, Building 3.	n.r.	18,063	766,949	n.r.
Luxembourg (55% owned by WDP)[3]		33,007	1,480,552	97.8%
WDP Luxembourg SA				
Dudelange, Parc Logistic Eurohub Sud (building 1)	2014	14,794	786,273	96%
Dudelange, Parc Logistic Eurohub Sud (building 2)	2018	18,213	694,280	100%
Total		**5,038,303**	**204,228,822**	**97.9%**

1. The occupancy rate is calculated based on the rental values of the leased properties and the unleased space. This does not include projects under development or renovations.
2. The site in Grimbergen is held in joint ownership with another GVV/SIR, Montea Comm. VA, in a 50-50 split. WDP NV/SA is therefore a co-owner of this site.
3. The figures from WDP Luxembourg SA indicate the proportionate share of WDP in the portfolio (55%).

Review of the logistics property market in Belgium, Luxembourg, The Netherlands, France and Romania

Belgium and Luxembourg

2019 saw the second highest take-up in the past ten years. Given the fact that the majority of transactions involved existing locations, over 60% of the premises were taken up via leasing. The main focus in this region continues to be the Antwerp-Brussels corridor. The Antwerp-Ghent corridor, the E313 motorway corridor and Wallonia also account for 1/5 of the take-up each. The vacancy rate remains historically low (around 3%) given the scarcity of available buildings. Developers are continuing to take a risk-aversive approach, but available land for logistics development also remains scarce. As such, the development volume also remained below the ten-year average and concerned non-speculative projects in all cases. It is clear, however, that developers are continuing to look for suitable land resources for the future. Top rent prices have remained stable (between 45 and 55 euros per m² in Belgium and between 60 and 70 euros per m² in Luxembourg). This assumes a slight increase in the future, driven again by limited availability and higher cost of land and construction due to demand for more sustainable real estate. Belgium and Luxembourg remain attractive regions for logistics property, as their multimodal nature is supported by the ports and the available inland terminals and cargo airports. On top of that, there is a clear trend towards more sustainable and energy-neutral buildings. The efficiency of the supply chain is also considered in property decisions, meaning specific warehouses such as cross-dock warehouses, urban logistics, e-fulfilment centres etc. are continuing to gain in importance, as is the use of new technologies and digitisation. The imbalance in supply and demand hampers the transaction volume and continues to put pressures on yields: prime yields are at around 4.75%.

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. Uptake continues to increase, and mainly involves new custom-built warehouses. This entails rapid growth of logistics hubs. The vacancy rate for existing sites continues to decrease, fluctuating around 4% at the end of 2019. On the investment market as well, we see a year-on-year increase in investments in industrial and logistics properties. The high demand for distribution centres has boosted prime initial returns to 4.00%. The commissioning of new logistics properties in the Netherlands has been on the upswing for years now, and shows no signs of abating. Technological developments have had a huge impact on the logistics sector. Companies are looking to adapt their logistical networks to the changing supply chain, with a specific focus on the end of the chain (the last mile). E-commerce and e-fulfilment are creating demand for special distribution centres. The more limited availability of land and the increasingly strict approach from the authorities regarding zoning and permits presents one big challenge. Higher construction costs are having an effect on rent levels: top rent prices are fluctuating around 85 euros per m² per year, while average rent prices remain around 50-60 euros. Persistent investor demand is placing sustained downwards pressure across the board (i.e. across all sites and types of logistic buildings) on yields, resulting in higher prices for secondary properties as well.

France

The recently noted uptake remains highly regionalised in France: mainly the regions of Lille and Lyon are enjoying an increase, unlike areas such as Paris and Marseille. There has been a slight increase in the supply of existing buildings, dominated by Class A buildings. A fall has occurred in the volume of developments. Thus, the number of sites with areas of +40,000 m² is on the rise again. Rents fluctuated around 56 euros per square metre per year in the high-end region of Paris, around 45 euros in the Lyon region, and 38-41 euros around Lille. The logistics sector is enjoying increased interest from investors opting for investments in property portfolios. In general, the prime yield for logistics properties lies at around 4.00%.

Romania

The trend identified at the end of 2018 continues: the industrial and logistics sector in Romania and the number of property developments continue to grow, driven by economic growth and the expansion of roadways and infrastructure. Most new transactions are built-to-suit projects. When looking at industrial property in general, one thing that stands out is that modern, Class A warehouses make us 84% of this category. The capital, Bucharest, remains the main focal point for activities, followed by large regional cities such as Oradea, Timisoara, Cluj, Deva and Sibiu. The leased buildings are mainly used for distribution and production by manufacturers, retailers and logistical service providers. Only 6% of premises are immediately available. Depending on the region, rents for logistics parks fluctuate around 40-45 euros per m² per year. It is expected that this rent level will be maintained over the course of 2020. 40% of leases are in the region around Bucharest, and the other 60% are distributed across the main regional cities. Prime top returns are around 7.25% and are subject to continuing downward pressure.

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

3.4 OUTLOOK

The forecasts described below contain the expectations for the 2020 financial year with regard to the consolidated EPRA earnings and WDP's consolidated balance sheet. The basis for their drafting and preparation is similar to that of the outlook for the 2019 and 2018 financial years and is in accordance with the WDP's accounting policy.

These forecasts were drawn up on the basis of information available on 31 December 2019. In Chapter *3.1 2019, an excellent start to the 2019-23 growth plan – Transactions and realisations – Significant events after the balance sheet date*, more clarification is given regarding the crisis associated with COVID-19.

The forecasts with regard to the consolidated balance sheet and the EPRA Earnings are predictions that will depend 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.

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 2019 in compliance with IFRS as applied by the European Union and implemented by the Belgian GVV/SIR Royal Decree.

Assumptions concerning elements that WDP cannot influence directly

- In the changes in the rental income, account is kept of a weighted average inflation level of 1.4% which relates to the indexation of lease agreements in 2020, based on the economic consensus expectations as at 31 December 2019.
- The calculation of interest rates assumes an average Euribor rate of -0.44% for one month, -0.39% for three months and -0.32% for six months.
- The financial hedging instruments (Interest Rate Swaps) are valuated in accordance with IFRS (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, no predictions are made regarding variations in the fair value relating to the property portfolio and 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 a material 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 that are 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 2020, 13% of the contracts will reach their next maturity date, of which 50% already have been extended at the time of publication of the 2019 results and of which, accordingly, the current rent is known. For the 50% that has not yet been renewed, account is kept of lease extensions/lease renewals: an analysis was drawn up on an individual basis of the vacancy period, increased expenses and taxes normally payable by the tenant, any renovation costs, marketing expenses and a new rent level on reletting which is comparable to the current level. Based on information currently available and the existing rental market situation, WDP projects a minimum average occupancy rate of 97% for 2020, in line with 98% at the end of 2019.

The net investment volume of over 400 million euros achieved in 2019 will largely contribute to the result during the 2020 financial year. In addition, as announced, various pre-leased new construction projects are in execution with gradual delivery over 2020. 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 around 16 million euros,[37] an increase driven by the planned solar panel projects in the Netherlands and the new solar panel projects in Belgium completed in the fourth quarter of 2019.

In addition, this item includes the net effect of costs recharged 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 2020 on the basis of the current portfolio, the expected investments, and the evolution of the figures from previous financial years.

General Company expenses

Underlying this, the trend for the general 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 over 91%.

These costs include WDP's internal operating costs, i.e. the remuneration for the 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 a heading consisting of 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 2019 and with an estimate of the additional debts to fund the investment programme being implemented in 2020. A debt ratio below 50% is projected here.

Taking into account the short-term interest rate changes and a hedge ratio of 85% based on the situation as at 31 December 2019, overall financing costs of 2.1% are assumed for 2020. 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.[38] 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 2.5 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*.

37. Indemnification related to also explanatory note *IV. Significant accounting reviews and key uncertainties affecting estimates* for the prediction of cash flows of the PV installations.
38. See also Chapter *3.1 2019, an excellent start to the 2019-23 growth plan – Transactions and realisations – Projects under development* and Chapter *3.3.1 2019, an excellent start to the 2019-23 growth plan – Property report – Review of the consolidated property portfolio – Overview of projects under development*.

Taxes

This includes the annual corporate tax and withholding tax 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 associated companies and joint ventures

This result includes the result from Luxembourg joint venture WDP Luxembourg.

CONSOLIDATED RESULTS

(in euros x 1,000)	Actual FY 2019	Budget FY 2020
Rental income, net of rental-related expenses	201,971	227,943
Indemnification related to early lease terminations	961	280
Income from solar energy	14,689	16,108
Other operating income/costs	-1,055	-1,214
Property result	**216,566**	**243,118**
Property charges	-7,245	-8,326
General company expenses	-11,034	-13,003
Operating result (before the result on the portfolio)	**198,287**	**221,789**
Financial result (excluding changes in the fair value of financial instruments)	-40,216	-39,498
Taxes on EPRA Earnings	-1,724	-3,088
Deferred taxes on EPRA Earnings	-975	-1,442
Share in the result of associated companies and joint ventures	610	1,723
Minority interests	-3,607	-5,675
EPRA Earnings	**152,374**	**173,809**
Weighted average number of shares	164,047,016	173,884,451
EPRA Earnings (per share)	**0.93**	**1.00**

Projected consolidated profit and loss account (analytical schedule)

Based on the current outlook and the above assumptions, WDP projects an EPRA Earnings per share of 1.00 euros (approx. 174 million euros) for 2020,[39] an increase of 8% over the figure of 0.93 euros in 2019. The main driving force behind this is the strong portfolio growth in 2019 thanks to pre-leased new construction projects and solar power projects, which will yield full returns in 2020. In addition, WDP currently holds a strong project development pipeline of approx. 637,000 m² and a total projected investment of 480 million euros,[40] which will also contribute to the 2020 result.

Expected dividend

The dividend distribution policy is determined by the Board of Directors of WDP and proposed to the Annual General Meeting after the end of each financial year. For 2020, WDP expects a further increase in EPRA Earnings (under the current circumstances) to 1.00 euros per share. Based on these expectations, and barring unforeseen circumstances, for the 2020 financial year (payable in 2021) WDP expects to pay a gross dividend per share of 0.80 euros, marking an increase of 8% and based on a low payout rate of 80%, in line with the statutory minimum.

CONSOLIDATED BALANCE SHEET

(in euros x 1,000)	Actual 31.12.2019	Budget 31.12.2020
Fixed assets	4,156,619	4,527,274
Investment properties	4,002,340	4,365,377
Other tangible fixed assets (including solar panels)	125,244	126,055
Financial fixed assets	4,743	4,743
Other fixed assets	4,584	3,694
Share in the result of associated companies and joint ventures	19,707	27,405
Current assets	66,171	62,139
Assets held for sale	5,779	0
Cash and cash equivalents	3,604	3,604
Other current assets	56,788	58,534
Total assets	**4,222,790**	**4,589,414**
Shareholder's equity	2,149,861	2,256,489
Shareholders' equity - Group share	2,103,917	2,190,001
Minority interests	45,944	66,488
Liabilities	2,072,929	2,332,925
Non-current liabilities	**1,707,475**	**1,921,892**
Non-current financial liabilities	1,568,199	1,782,797
Other non-current liabilities	139,276	139,095
Current liabilities	**365,454**	**411,032**
Current financial liabilities	286,629	332,197
Other current liabilities	78,826	78,835
Total liabilities	**4,222,790**	**4,589,414**
Gearing ratio (proportionate)	46.7%	48.6%

39. These profit forecasts are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate and/or the demand for logistics real estate), and a normal number of hours of sunshine. The figures displayed take into account the WDP share split by a factor of 7, which came into effect on 2 January 2020.
40. 262 million euros of which is yet to be invested.

Projected consolidated balance sheet

In drawing up the , 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 reflected at fair value using the same assumptions that were maintained as at 31 December 2019, subject to a roll-over of the valuation model by one year.[41] 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 2019 in the form of an optional dividend assuming 50% taken in shares, the profit trend during the 2020 financial year and the depreciation of 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) - a debt ratio below 50% as at 31 December is projected here. As at 31 December 2019 WDP has a buffer of 350 million euros of unused long-term credit facilities, from which all existing investment commitments can be met.

2019-23 growth plan

As part of the current 2019-23 growth plan, WDP as of the end of 2019 has identified a total investment package of 550 million euros, roughly 37% of the planned cumulative volume of 1.5 billion euros. This is an excellent start to the new five-year plan, which is necessary taking into account the increased complexity and the longer lead times of some projects.

There remains a sustained demand for modern logistics sites and therefore sufficient growth potential for WDP to realise its business plan, despite the increased pressure on returns (due to greater interest in the sector from investors and the continuing negative interest rate climate), a growing shortfall in available land and extended permit processes:

- first and foremost, a number of fundamental trends have continued, such as changes in consumer behaviour (such as e-commerce), technological developments and the demand for sustainability, which lead to adapted consumption and distribution networks;
- as a result of the standardising of the market and the stricter approach towards zoning and permits, WDP envisages a move towards more brownfield projects and increasingly complex deals in which expertise and customer focus will be key.

Within this context, WDP believes it is ready to execute its growth plan based on its client franchise, the increasingly large portion of cross-selling within the portfolio, its extensive network of partners and a highly experienced and motivated team of employees.

On this basis, WDP expects to be able to sustain further portfolio growth at a rate of 10% per year, to over 5 billion euros in 2023, on the basis of which EPRA Earnings per share of at least 1.15 euros in 2023 (as opposed to 1.15 euros at the launch of the growth plan) is aspired.

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

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 31.12.2019

Δ Inflation (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 Occupancy rate (in %)	**-1.0%**	**-0.5%**	**0.0%**	**0.5%**	**1.0%**
Δ EPRA Earnings (in million euros)	-2.6	-1.3	—	1.3	2.6
Δ Euribor (in %)	**-1.0%**	**-0.5%**	**0.0%**	**0.5%**	**1.0%**
Δ EPRA Earnings (in million euros)	—	—	—	-1.4	-2.8
Δ Fair value of investment properties (in %)	**-5.0%**	**-2.5%**	**0.0%**	**2.5%**	**5.0%**
Δ Gearing ratio (in %)	2.3%	1.1%	—	-1.1%	-2.1%
Δ Investments (in million euros)	**-50.0**	**-25.0**	**—**	**25.0**	**50.0**
Δ Gearing ratio (in %)	-0.6%	-0.3%	0.0%	0.3%	0.6%
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 millions euros)	-202.7	-101.4	—	101.4	202.7
Δ Interest rates (in %)	**-0.5%**	**-0.25%**	**0.0%**	**0.25%**	**0.5%**
Δ Fair value of hedging instruments and shareholders' equity (in millions euros)	-49.1	-24.3	—	23.7	46.8

Report of the statutory auditor

25 March 2020

Dear Ladies and Gentlemen
Warehouses De Pauw NV/SA

We report on the forecasted EPRA earnings (as defined in August 2011 (and amended in November 2016) in the report "Best Practices Recommendations Guidelines" of the European Public Real Estate Association) of Warehouses De Pauw NV/SA ("WDP", "the Company") and its subsidiaries (together "the Group") for the 12 months period ending 31 December 2020 (the "Profit Forecast"). The Profit Forecast, and the material assumptions upon which it is based are set out Chapter *3.4 2019, an excellent start to the 2019 growth plan – Projected consolidated profit and loss account (analytical schedule)* of the 2019 annual report of the WDP Group ("the 2019 Annual Report") issued by the Company dated 25 March 2020. We do not report on the other elements of the net result nor on the EPRA earnings per share, the projected dividend or the projected balance sheet.

This report is voluntarily required upon request by the Board of Directors of the Company for the purpose to confirm the Profit Forecast has been compiled and prepared in accordance with the requirements under Section 11 of Annex 1 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Commission Regulation (EC) No 809/2004 (the "Commission Delegated Regulation") and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Profit Forecast in accordance with Annex 1 section 11 of the Commission Delegated Regulation.

It is our responsibility to form an opinion as to the proper compilation of the Profit Forecast and to report that opinion to you.

Save for any responsibility arising under art. 26 of the Law of 11 July 2018 to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex 1 item 1.3 of the Commission Delated Regulation, consenting to its inclusion in the Universal Registration document.

Basis of Preparation of the Profit Forecast

The Profit Forecast has been prepared on the basis stated in Chapter *3.4 2019, an excellent start to the 2019-23 growth plan – Projected consolidated profit and loss account (analytical schedule)* of the Annual Report and is based on a forecast for the 12 months to 31 December 2019. The Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Group.

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 Profit Forecast has been prepared and considering whether the Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Profit 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 Profit 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 Profit Forecast has been properly compiled on the basis stated.

Since the Profit 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 Profit 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 Profit Forecast has been properly compiled on the basis stated which is comparable with the historical financial information and is consistent with the accounting policies of the Group.

Declaration

For the purposes of art. 26 of the Law of 11 July 2018 we are responsible for this report as part of the Universal Registration document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Universal Registration document in compliance with Annex 1 item 1.2 of the Commission Delegated Regulation.

The Statutory Auditor
Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by Rik Neckebroeck

04 SHARES AND BONDS

> The recent 7:1 share split brought the WDP share to a price that was the same as the introduction price exactly twenty years ago. Together with an increase in market capitalisation and our inclusion in the BEL 20, this has delivered a boost to the liquidity of our share.
>
> ***Joke Cordeels***
> *WDP Investor relations*

31 %
share return

Market capitalisation
~ 4
billion euros

Dividend
+ 8 % y/y

Euronext Brussels and Amsterdam
IPO: 28/06/1999
listing: continuous
ISIN code: BE0974349814
Liquidity provider: Kempen & Co and KBC Securities

WDP LISTED EURONEXT

BEL20 by EURONEXT

4.1 THE SHARE

FIGURES PER SHARE

	31.12.2019	31.12.2018	31.12.2017
Number of shares in circulation at closing date	172,489,205	161,429,730	154,064,939
Free float	75%	75%	75%
Market capitalisation (in euros)	3,996,821,367	2,656,672,128	2,056,326,750
Traded volume in shares per year	65,984,303	41,646,577	34,932,786
Average daily volume (in euros)	5,533,360	2,543,078	1,776,938
Free float velocity[1]	50.7%	34.4%	30.4%
Stock exchange price			
highest	23.1	17.7	14.0
lowest	16.3	13.3	11.7
closing	23.2	16.5	13.3
IFRS NAV[2] (in euros)	12.2	9.8	8.0
EPRA NAV[3] (in euros)	12.8	10.2	8.3
Dividend payout ratio	84%	82%	82%
EPRA Earnings/share[4] (in euros)	0.93	0.86	0.80
EPRA Earnings/share[5] (in euros)	0.88	0.83	0.79
Gross dividend/share (in euros)	0.74	0.69	0.64
Net dividend/share (in euros)	0.52	0.48	0.45
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 (164,047,016).
5. Based on the number of shares entitled to dividend.

Share price

In the first few months of 2019, the value of WDP shares went from 16.46 euros on 31 December 2018 to around 20 euros in May 2019 on payout of the dividend, then rose further to a closing price of 23.17 euros on 31 December 2019.

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 and the high degree of stability in generated earnings, combined with the growth plan. Added to this is the fact that WDP is a self-managed company, with management performed in-house for the sole benefit of its shareholders and other stakeholders. In addition, the size of its property portfolio at once offers investors the benefit of scale in well defined regions, not to mention attractive dividends.

Long-term price trend and return

The total return[1] on WDP shares in 2019 was +30.9%.

Data provided by EPRA further show that WDP — with a total annualised return of +11.8% since the initial public offer at the end of June 1999 — continues to outperform European property indexes (+8.5%), investment properties in the eurozone (+9.7%) and Belgian property investments (+8.8%).

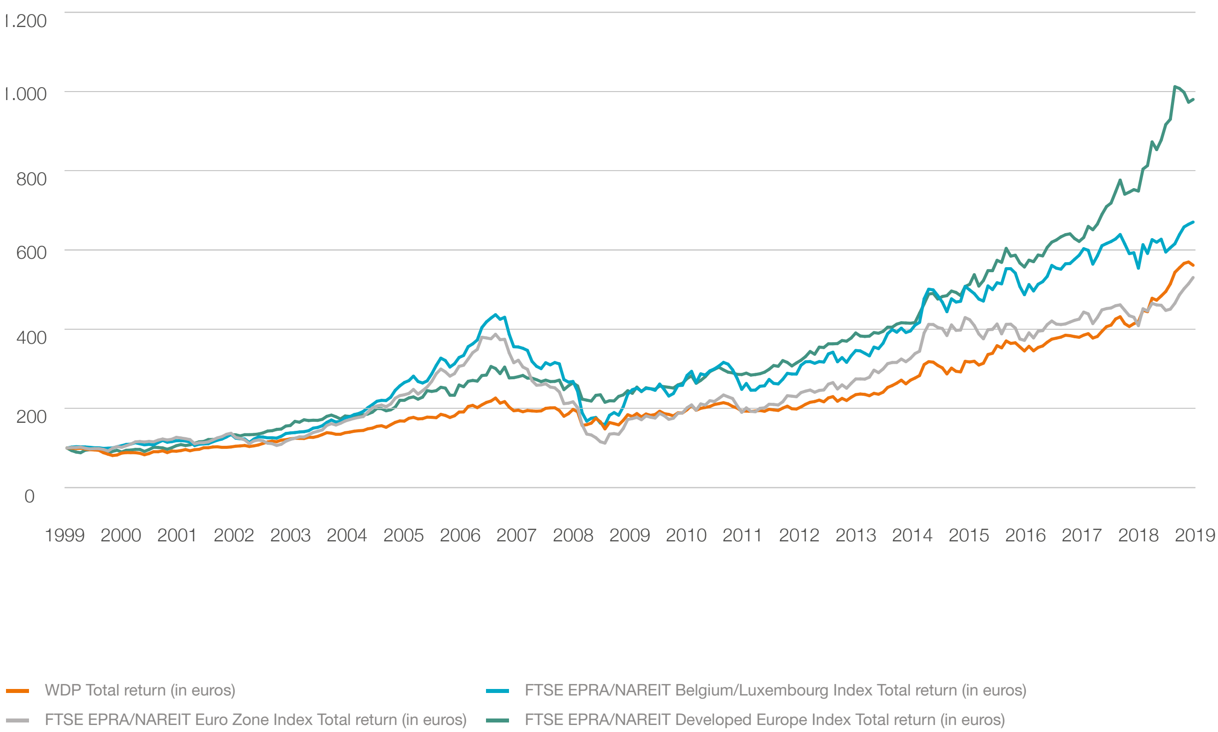
WDP remains committed to generating strong cash flow in order to create a basis for a high dividend. The company also firmly believes that the quality of the property portfolio and the tenants, plus the fact that a high dividend is paid every year, continues to point towards a strong future.

Split of the WDP share

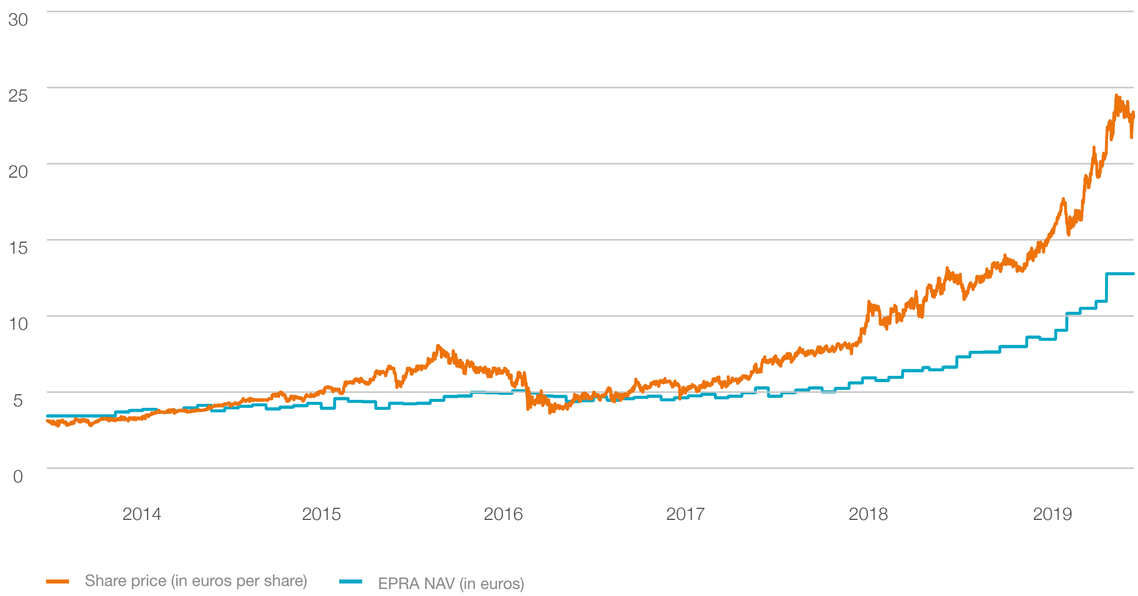
With a view to increasing marketability, accessibility and attractiveness of WDP shares, the WDP share was split by a factor of 7 with effect from 2 January 2020. This share split was approved by WDP's shareholders at the Extraordinary General Meeting of 11 September 2019.[2]

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 reinvested in the same share.
2. See the press release of 11 September 2019.

WDP SHARE RETURN VERSUS EPRA INDEXES



SHARE PRICE VERSUS EPRA NAV



4.2 SHAREHOLDING

SHAREHOLDINGS

		Number of shares (declared)	Date of the statement	(in %)
Free float		130,033,785		75.39%
	BlackRock-related companies[1]	4,618,929	29.12.2016	2.68%
	AXA Investment Managers S.A.[1]	4,738,986	02.11.2018	2.75%
	Other shareholders under the statutory treshold of 3%[2]	120,675,870		69.96%
Jos De Pauw family (Reference Shareholder)[3]		42,455,420	12.11.2019	24.61%
Total number of shares		**172,489,205**		**100.00%**

This summary reflects the situation on the date of the Universal Registration Document.

1. The percentage is determined under the assumption that the 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.
2. The number of publicly held shares was determined under the assumption that since the declarations of transparency, nothing has changed with regard to the composition of the share portfolio of the shareholders obligated to report major holdings by virtue of the Belgian Law 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.
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 RTKA, namely Robert, Tony, Kathleen and Anne De Pauw, to the exclusion of all other right holders in respect to the participation. The number of shares takes into account the most resent transaction in which they took part, being the ABB in November 2019..

4.3 BONDS

WDP also relies on the debt capital market to finance its investment projects. The table below shows the outstanding listed bonds as of 31 December 2019.

BONDS

Issuer	ISIN-code	Nominal amount (in million euros)	Term (in years)	Maturity date	Coupon	Issue Price	Indicative price on 31.12.2019
Listed bonds							
WDP SA	BE0002248178	37.1	10	1 April 2026	2.50%	100.0%	103.3%
WDP SA	BE0002249184	22.9	10	1 April 2026	Euribor 3M + 2.00%	100.0%	100.9%
WDP SA	BE0002234038	54.4	7	02 July 2022	2.50%	99.4%	102.1%
WDP SA	BE0002235043	37.8	7	02 July 2022	Euribor 6M + 1.75%	100.0%	99.8%
WDP SA	BE0002216829	125	7	13 June 2021	3.38%	101.9%	103.8%
WDP SA	BE0002192582	50	7	18 March 2020	3.80%	99.9%	105.6%
Unlisted bonds							
WDP SA	n.r.	100	11	29 March 2029	2.62%	100.0%	n.r.


GUBBELS

Proper corporate governance is the starting point for any successful organisation. One vital part of this is a transparent corporate structure. We firmly believe that our shareholders' decision in 2019 to become an NV/SA with a one-tier board will contribute to the long-term success of WDP.

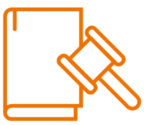
Johanna Vermeeren
WDP General Counsel

05 CORPORATE GOVERNANCE STATEMENT

New governance structure for WDP since 1 October 2019.

Due to a resolution of the Extraordinary General Meeting of WDP on 11 September 2019[1], WDP was converted **on 1 October 2019** from a partnership limited by shares with a statutory manager **into a public limited company ("NV/SA") with a one-tier Board of Directors (one-tier board)**.

- a Board of Directors with 7 members and a non-executive chair



- is subject to the provisions of the new Belgian Code of Companies and Associations (the "CCA") and the 2020 Corporate Governance Code

- new WDP Corporate Governance Charter

- installation of a Management Committee

1. See the press release of 11 September 2019.

This chapter of the annual financial report includes the contents of the Corporate Governance Statement of WDP and describes the situation as at 31 December 2019, unless otherwise specified.

Governance principles

Since its foundation, WDP has prioritised honest and proper business practices, always based on our core values. WDP strives to meet the highest of standards in the area of corporate governance, out of a firm belief that this contributes to the long-term success of the Company and to protecting the interests of all stakeholders. The Board of Directors monitors to ensure that the corporate governance principles and processes developed for this purpose are suitable for the Company and meet the applicable corporate governance rules or standards at all times.

Our governance principles and processes are reflected in our Corporate Governance Charter, our Code of Ethics and the Dealing Code. They are available on our website.

External regulations

- Code of Companies and Associations
- GVV/SIR legislation
- Euronext Rulebook
- 2020 Corporate Governance Code
- IFRS
- EU accounting regulations
- EU Market Abuse Regulation

Internal policies

- Articles of Association
- Corporate Governance Charter
- Dealing Code
- Code of Conduct
- Remuneration Policy
- Code of Ethics
- Internal procedure for reporting irregularities

Reference Code | 2020 Corporate Governance Code

In accordance with Article 3:6 (§2) CCA and the Royal Decree of 12 May 2019 indicating the mandatory corporate governance code for listed companies, WDP applies the 2020 Belgian Corporate Governance Code **("2020 Code")**, taking into account the special circumstances related to the GVV/SIR legislation. The 2020 Code is available online at www.corporategovernancecomittee.be.

The 2020 Code applies the comply or explain principle, meaning that any deviations from the recommendations must be justified. As at the date of this annual financial report, WDP is in compliance with the provisions of the 2020 Code, except for the following principles:

Principles 3.19 to 3.21 of the 2020 Code cover the appointment of secretaries in the company.

EXPLAIN | Given the rather small size of the Board of Directors, and to use of the strengths within the Company with maximum efficiency, for the time being the Board of Directors has opted not to assign the position of secretary to one specific person. At WDP, the functions of the secretary are performed by the CFO, who is also present at the Board of Directors meetings, and the General Counsel, both of whom have the necessary skills and knowledge with regard to management issues:

- supporting the Board of Directors and its committees in all governance matters;
- preparing the Corporate Governance Charter and Corporate Governance Statement;
- ensuring a proper flow of information within the Board of Directors and its committees and between the executive management and the non-executive directors;
- accurately recording the essence of the discussions and decisions in the board meetings in the minutes; and
- facilitating initial training and supporting professional development where necessary.

Each director may contact the CFO or General Council individually.

Principle 7.6 of the 2020 Code states that non-executive directors should receive part of their remuneration in the form of shares in the Company.

EXPLAIN | WDP deviates from this principle and does not provide remuneration in shares to non-executive directors. Taking into account the current remuneration amounts and the independent nature of the non-executive directors, WDP is currently of the view that providing part of the remuneration in shares would not necessarily contribute to the objective of the 2020 Code to have these directors act with the perspective of a long-term shareholder. As a GVV/REIT, WDP strives for a robust profit and dividend per share, in line with the perspective of a long-term shareholder. Since its listing in 1999, WDP has focused on creating stable cashflows over the long term which, in combination with its high disbursement obligation as a GVV/REIT, makes WDP a fully fledged, profitable and liquid alternative to direct investments in properties based on rental income. This is the basis of its strategy, as determined by the Board of Directors, which is also clearly reflected in its strategic operational and ESG growth plan.
The remuneration report included in this Corporate Governance Statement gives a summary of the total remuneration for the non-executive directors.

Principle 7.9 of the 2020 Code states that the Board of Directors must set a minimum threshold for shareholdings of members of the Management Committee.

EXPLAIN | WDP deviates from this principle and does not set any explicit minimum threshold for WDP shareholdings for Management Committee members. As a GVV/REIT, WDP strives for a robust profit and dividend per share, in line with the perspective of a long-term shareholder. Since its listing in 1999, WDP has focused on creating stable cashflows over the long term which, in combination with its high disbursement obligation as a GVV/SIR, makes WDP a fully fledged, profitable and liquid alternative to direct investments in properties based on rental income. This is the basis of its strategy, as determined by the Board of Directors, which is also clearly reflected in its strategic operational and ESG growth plan. It is this strategy that Management Committee members must roll out operationally. WDP therefore believes that its remuneration policy establishes a clear link with the creation of stable long-term cashflows and thus ensures that Management Committee members act from the perspective of a long-term shareholder. WDP does in fact encourage Management Committee members to accrue and hold shares in WDP. Both CEOs have now accrued shareholdings of this kind themselves.
The remuneration report in this Corporate Governance Statement gives a summary of the shareholdings that the Management Committee members have in their own portfolios. Thus, this is a self-accrued stake in the Company.

Board of Directors

Changes in the course of the 2019 financial year

WDP Comm. VA

Until 1 October 2019, the company form was that of a partnership limited by shares managed by a statutory manager, which was a legal entity.

In the period from 1 January 2019 to 24 April 2019, Mark Duyck was the executive chair of the Board of Directors of the former statutory manager. The annual General Meeting of 24 April 2019 appointed Rik Vandenberghe as independent non-executive director. Immediately after this, Rik Vandenberghe was appointed chair of the Board of Directors of the former statutory manager.

WDP SA

On 1 October 2019, after the conversion of WDP into a public limited company, the directors were appointed for the first time in WDP NV/SA, which is legally a different entity.

However, this appointment took into account the terms of these directors on the Board of Directors of the former statutory manager of WDP, in the sense that:

- they were appointed for the remaining period of their term with the former statutory manager;
- and for drawing up their status as an independent director (Section 7:87 CAA) they also took into account the terms they had as independent and/or non-executive director with the former statutory manager.

Composition

Principles

The WDP Articles of Association state that the Company must be run by a Board of Directors consisting of at least 3 directors appointed by the General Meeting for up to four years, and must also include at least 3 independent members within the meaning of Section 7:87 CCA.

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

Members of the Board of Directors must meet the requirements set on the GVV/SIR under the applicable law, including membership exclusively comprising natural persons that meet the requirements of Articles 14 and 15 of the GVV/SIR Act (fit-and-proper test for directors).

The membership of the Board of Directors as a whole must provide a combination of experience, knowledge and skills from individual members that enables optimal fulfilment of the role of the Board of Directors. Thus, on the whole, the Board of Directors must offer at least the following characteristics:

- A proper balance in terms of knowledge, competencies and experience, beginning with the requirements for doing business efficiently in the markets where the company operates.
- Its members must ensure that it functions as an agile and effective body at all times, driven by an entrepreneurial spirit.
- In decisions regarding its membership, the Board of Directors also strives to achieve diversity (in terms of gender, age and nationality) as well as to minimise present or future conflicts of interest between members and the WDP Group (legal, business, economic and ethical conflicts of interest).

The Corporate Governance Charter also sets out the specific qualitative requirements on individual members, including an independent and enterprising personality, an impeccable reputation and proper business ethics.

Moreover, the following principles must also be applied:

- conformity with diversity requirements (Article 3:6 CCA);
- conformity with specific gender diversity requirements (Article 7:86 CCA);
- application of the defined age limit of 70 years, in that the term of a director shall end on conclusion of the annual meeting in the year in which the director turns 70 years of age, unless the Board of Directors resolves otherwise at the proposal of the Nomination Committee;
- for the non-executive directors: up to 5 appointments as director of a listed company, subject to approval from the Board of Directors (with application of the comply or explain” principle).

Binding nomination right

The articles of association of WDP provide for a binding nomination right for any natural person, legal entity or company (with or without legal personality) that individually and directly holds at least 10% of the shares in the Company, under specific conditions as described in Article 15 of the Articles of Association of WDP NV/SA.

By virtue of this binding nomination right, Tony De Pauw was appointed by the Extraordinary General Meeting of WDP of 11 September 2019 as a director of WDP, effective as at 1 October 2019 at the proposal of the current Eeference Shareholder of the company, the management body RTKA. As at the date of this annual financial report, Tony De Pauw is the only director appointed based on this binding nomination.

Membership of the Board of Directors as at 31 December 2019

The Board of Directors comprises seven members (natural persons) as at 31 December 2019:

- 2 executive directors, one of which has been nominated by the Reference Shareholder (the management body RTKA): Tony De Pauw;
- five non-executive directors, four of which are independent directors in the sense of Article 7:87 (§1) CCA.

DIRECTORS

Name	Capacity	Independent	First appointment at WDP Comm. VA	First appointment at WDP NV/SA	End of term	Board of Directors Attendance
Rik Vandenberghe[1]	Non-executive director	•	April 2019	October 2019	April 2023	14/14
Frank Meysman	Non-executive director		April 2006	October 2019	April 2021	17/17
Anne Leclercq	Non-executive director	•	April 2015	October 2019	April 2022	17/17
Cynthia Van Hulle	Non-executive director	•	February 2015	October 2019	April 2022	17/17
Jürgen Ingels	Non-executive director	•	April 2018	October 2019	April 2022	17/17
Tony De Pauw	Executive director		May 1999	October 2019	April 2023	17/17
Joost Uwents	Executive director		April 2002	October 2019	April 2022	17/17

1. Member since 24 April 2019.

RIK VANDENBERGHE

Born in 1961

Kipdorpvest 60,
B-2000 Antwerp

has been the independent, non-executive chair of the Board of Directors of WDP since April 2019. He holds a Commercial Engineering diploma from the Catholic University of Leuven. He has been the CEO of Besix since April 2017. The Besix Group is a leading, multidisciplinary construction and property company with operations in twenty-five countries, spanning five continents. Rik Vandenberghe started his career in the banking sector, working at ING for thirty years, where he held numerous leadership roles and, as CEO of ING Luxembourg and ING Belgium, enjoyed close working relationships with key actors in the real estate market and garnered extensive international experience. As CEO, he also formed part of the Risk Committee of ING Luxembourg (2007-13) and the Market Risk Committee of ING Belgium (2013-17). His experience as president of companies like Febelfin and Besix Group and ING subsidiaries and his knowledge of real estate, finance and securities markets, coupled with his entrepreneurial spirit and keen eye for innovation support the management of WDP and the further growth of the company.

Other active terms on 31 December 2019

Listed companies

–

Non-listed companies

Besix Group
BESIX Infra
BESIX Park
BESIX Real Estate Development
BESIX
Besix Stay (president)
Entreprises Jacques Delens
Établissements Jean Wust
Les News 24
Olympic Invest
Van den Berg
Vanhout
Watpac
Compagnie Belge de Bâtiment (president)
Six Construct

Terms ending by 31 December 2019, but held in the period from 2014 onwards

ING Bank Belgium
ING Luxembourg
Febelfin
Franki Foundations Belgium
LUX TP
Olympiades Brussels Hotel
Socogetra

WDP shareholdings

7,175

FRANK MEYSMAN

Born in 1952

Drielindenbaan 66,
B-1785 Merchtem

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. BV, 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.

Other active terms on 31 December 2019

Listed companies

Spadel (president)

Non-listed companies

–

Terms ending by 31 December 2019, but held in the period from 2014 onwards

Grontmij (president)
Betafence (president)
JBC (president)
Thomas Cook Group (president)
Picanol

WDP shareholdings

23,821

ANNE LECLERCQ

Born in 1956

Herhout 62,
B-1570 Tollembeek

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 was affiliated with the Belgian Debt Agency from 1998 onwards, where she was Director of Treasury and Capital Markets. In addition to her general management experience, in this role she also gained key insights and expertise in efficient financial management (debt capital markets), which provides substantial added value to 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.

Other active terms on 31 December 2019

Listed companies

–

Non-listed companies

Argenta Bank- en Verzekeringsgroep
Argenta Assuranties
Argenta Spaarbank
Fluxys Belgium
Catholic University of Leuven (audit committee chair)
University Hospital of Leuven (audit committee chair)
LRD (audit committee chair)
Plexus
Z.org Leuven (audit committee chair)

Terms ending by 31 December 2019, but held in the period from 2014 onwards

–

WDP shareholdings

0

CYNTHIA VAN HULLE

Born in 1956

Heikant 22,
B-9190 Stekene

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.

Other active terms on 31 December 2019

Listed companies

Miko

Non-listed companies

Argen-Co
Argenta Bank- en Verzekeringsgroep
Argenta Assuranties
Argenta Spaarbank

Terms ending by 31 December 2019, but held in the period from 2014 onwards

–

WDP shareholdings

0

JÜRGEN INGELS

Born in 1971

Clemenceaustraat 177A,
B-2860 Sint Katelijne Waver

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.

Other active terms on 31 December 2019

Listed companies
Materialise

Non-exchange-listed companies
SmartFin Capital
Willemen Groep
Ghelamco
Guardsquare
Itineris
Itiviti AB
Bright Analytics
Finsight Solutions
Innovis
NG Data
Projective
Unified Post
Pay-Nxt
The Glue
Vavato

Terms ending by 31 December 2019, but held in the period from 2014 onwards

B_Hive Europe
Trendminer
Option
Clear2Pay
NG Data Europe
Startups.be
Newtec
Silverfin
Excellys

WDP shareholdings
0

TONY DE PAUW

Born in 1954

Ganzenbos 5,
B-1730 Asse

has been executive director and CEO since 1999 and represents the Reference Shareholder, the Jos De Pauw family (via the family company structure RTKA).

His ample experience in logistics properties and other real estate goes hand-in-hand with his entrepreneurship.

Other active terms on 31 December 2019

Listed companies
–

Non-listed companies
VBO (strategy committee member)
Concert Olympique

Terms ending by 31 December 2019, but held in the period from 2014 onwards

Ensemble Leporello.

WDP shareholdings
70,266

JOOST UWENTS

Born in 1969

Hillarestraat 4A,
B-9160 Lokeren

has been a director since 2002 and executive director and CEO since 2010. 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.

Other active terms on 31 December 2019

Listed companies

Xior Student Housing

Non-exchange-listed companies

Logistics in Wallonia

EPRA (Advisory Board member)

Terms ending by 31 December 2019, but held in the period from 2014 onwards

–

WDP shareholdings

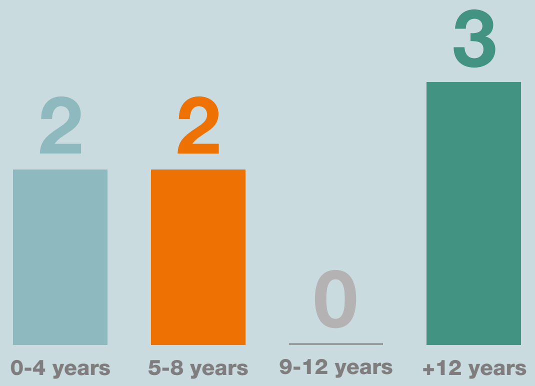
161,000

BOARD OF DIRECTORS AND COMMITTEES

Name	Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee
Rik Vandenberghe	chair	member	chair	member
Frank Meysman	member	member	member	chair
Anne Leclercq	member	member	member	member
Cynthia Van Hulle	member	chair	member	member
Jürgen Ingels	member	member	member	member
Tony De Pauw	member	member		
Joost Uwents	member	member		

= chair = member

TERMS OF APPOINTMENT

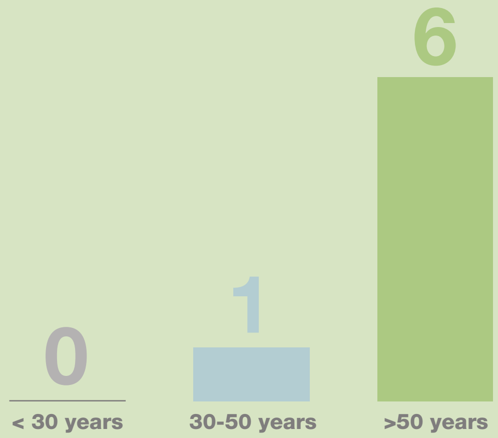


BOARD GENDER DIVERSITY

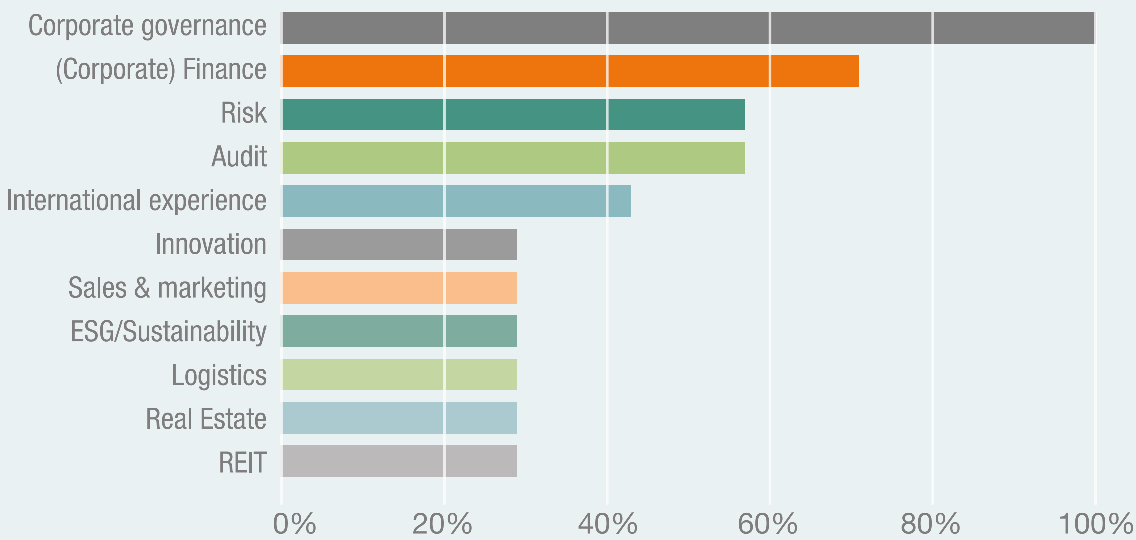
ATTENDANCE RATE OF BOARDS OF DIRECTORS

100%

AGE



EXPERTISE OF BOARD OF DIRECTORS



Roles and responsibilities of the Board of Directors

The WDP Board of Directors is authorised to perform all activities that are necessary or useful for achieving the object of the Company, with the exception of activities legally falling to the General Meeting.

The Board of Directors sets the strategy and core values of WDP, decides on investments and the financing strategy and monitors the quality of the management.

He prepares the WDP financial statements as well as the annual financial report (including Corporate Governance Statement and remuneration report) and convenes the General Meetings of the Company. The Board of Directors decides on the use of the authorised capital.

Moreover, it is the Board of Directors that decides on the structure of the management of WDP and the powers individually or collectively conferred on the CEOs and/or other Management Committee members.

Finally, the Board of Directors is the body responsible for facilitating effective dialogue with shareholders by means of, for example, transparent communication in press releases, the annual financial report and other channels.

The Board of Directors, acting as a collegial body, represents the Company in all judicial and extra-judicial acts. The Company is legally represented by two directors acting jointly in all judicial and extra-judicial acts.

The Board of Directors has delegated the day-to-day management to both CEOs, each of whom may act alone, within the meaning of Article 7:121 CCA. The Company may also be represented by a special proxy.

Functioning of the Board of Directors

The Board of Directors meets at least six times a year at the invitation of the chair. The meeting times are set in advance for the entire year to minimise absences. Additional meetings will also be called whenever the interests of the Company so require or when at least two directors so request.

At least once every 3 years, the Board of Directors will evaluate the governance structure it has chosen to determine whether it is still suitable, and if not, it will propose a new governance structure to the General Meeting.

In addition, the non-executive directors meet at least once a year in the absence of the CEOs and the other members of the Management Committee.

The CEOs inform the chairman of the Board of Directors of the progress of all matters and files that fall under the competence of the Board of Directors. The chairman sets the agenda of the meetings in consultation with both CEOs. The agenda contains a fixed list of items to be discussed, which are thoroughly prepared and documented so that all directors have the same information in good time.

With regard to decision-taking, the WDP Articles of Association specify the following:

- Deliberations and decisions of the Board of Directors are only valid if the majority of the members are present or represented.
- Decisions are made by a simple majority of votes.
- Any director who is unable to attend or is absent may designate another member of the Board of Directors to represent him or her at a specific meeting of the Board of Directors and to legally vote on his or her behalf.
- Decisions by the Board of Directors can be made upon unanimous written agreement from the directors.

The decisions made by the Board of Directors are minuted and the minutes are incorporated in a specially designated register, which is maintained at the Company's registered office. The minutes of the meetings of the Board of Directors are signed by the chair and members of the Board of Directors that request such.

Activity report of the Board of Directors

The Board of Directors met 17 times during the 2019 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 2020 budget;
- analysis and approval of the new 2019-23 growth plan;
- analysis and approval of the ESG strategy of WDP and the ESG Roadmap developed for this purpose;
- analysis and approval of investment, divestment and development dossiers;
- analysis and approval of the new governance model, in particular the conversion into an NV/SA, the decision to

opt-in into the regime of the new CCA and the resulting proposals for conversion and amendment of the Articles of Association that must be submitted to the General Meeting for that purpose;

- due to the decision to propose the conversion and opt-in, the approval of the new Corporate Governance Charter and the creation of the advisory committees, appointment of the chair, creation of the Management Committee and appointment of its members, appointment of the co-CEOs (as well as the managing directors), appointment of effective leaders and of the risk manager, compliance officer and the person responsible for the internal audit;
- analysis and approval of a proposal to split the shares by a factor of 1:7;
- approval of the capital increase by way of an accelerated bookbuild (ABB) within the authorised capital;
- drafting of special reports of the Board of Directors related to contributions in kind for a claim (in the context of the optional dividend);
- completion of the aforementioned transactions and calculation of the resulting capital increase within the authorised capital;
- analysis and approval of entry into the joint venture between WDP & VIB (Germany); and
- drafting and approval of the 2018 Universal Registration Document.

Nomination procedure

The General Meeting nominates the directors, which it selects from the candidates proposed by the Board of Directors, on the recommendation of the Nomination Committee and with prior approval of the nomination(s) by the FSMA as required under GVV/SIR legislation. Where applicable, the binding nomination right of the Reference Shareholder shall be applied in the nomination (as per Article 15 of the WDP Articles of Association).

The selection of a new director is based on a professional, objective selection process.

For each nomination to the Board of Directors, an evaluation is made of the competencies, knowledge and experience already present or required. This evaluation is initiated by the Nomination Committee in collaboration with the chairman of the Board of Directors and the Remuneration Committee.

In light of this evaluation, a description of the required role, competencies, knowledge and experience is drawn up. Based on this profile, the Nomination Committee searches for candidates who have the required competencies. The Nomination Committee then checks the curriculum vitae and references of the candidates. The final list of candidates is drawn up taking into account the relevance of their references, and for those candidates who are already directors, an evaluation of their performance. For non-executive directors, the number and importance of their other commitments is also taken into account. After the candidates have been identified, they meet individually with the chairman of the Board of Directors as well as one or more members of the Nomination Committee, if necessary. In any case, the candidates on the final list are screened by an independent recruitment agency (head-hunter) and, if necessary, an assessment is organised to provide additional screening of the competencies of the candidates.

After the aforementioned procedure, and based on the recommendations of the Nomination Committee, the chairman of the Board of Directors presents a list of candidates for the position of WDP director to the Board of Directors for analysis and approval.

Following the decision of the Board of Directors, the nomination of the selected candidate is submitted for the approval of the General Meeting. This proposal is accompanied by a recommendation by the Board of Directors and mentions the proposed duration of the term as well as the relevant information concerning the professional qualifications of the candidate, together with a list of the positions that the candidate already holds.

For the sake of clarity, the foregoing procedure also applies in the event of a reappointment of a director.

As soon as a director vacancy arises, a new director is co-opted as soon as possible and/or desired. The next General Meeting must confirm the appointment of the co-opted director.

Chair of the Board of Directors

The chairman is appointed from the members of the Board of Directors. He is a person recognised for his professionalism, independence of mind, coaching skills, ability to reach consensus, and communication and meeting management skills.

The chairman is responsible for running and monitoring the progress of the meeting of the Board of Directors. The role of chairman of the Board of Directors and of CEO cannot be performed by the same person.

The chairman is responsible for the quality and continuity of the Board of Directors, ensures effective communication with shareholders and acts as an intermediary between the Board of Directors and the members of the Management Committee, while accomplishing professional and constructive interaction between the Board of Directors and the Management Committee.

Evaluation

At least once every three years, the Board of Directors evaluates its own performance, its interaction with the Management Committee and its members, as well as its size, membership and operation, as well as that of its committees.

The evaluation process is led by the chairman and is also monitored by the Nomination Committee. Its objectives include:

- Assessing the operation of the Board of Directors or of the relevant committee.
- Verifying whether important matters are properly prepared for and discussed.
- Assessing the effective contribution of each director on the basis of his/her attendance at the Board of Directors meetings or the relevant committee and his/her constructive involvement in the discussions and decision-making.
- Verifying whether the actual composition of the Board of Directors and committees is appropriate.

The evaluation is conducted through a formal procedure that may or may not be facilitated externally, in keeping with a methodology approved by the Board of Directors.

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 of the Board of Directors. 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 Nomination Committee, taking into account factors such as their attendance rate at the Board of Directors and relevant committee meetings, level of participation in meetings, commitment, suggestions brought forward outside of meetings, provision of innovative ideas based on their experience on other boards or committees, constructive involvement in discussions and decision-making and their sense for risk identification and mitigation.

The Nomination Committee also assesses whether the contribution of each director adapts to changing circumstances.

The Board of Directors takes action based on the results of this performance evaluation. Where applicable, this means nominating new members for appointment, proposing that existing members not be reappointed, or taking measures that are considered useful for the effective operation of the Board.

IN 2019 | In terms of the functioning of the Board of Directors in 2019, the Nomination Committee arrived at the joint conclusion that current cooperation among the directors in the new governance structure is satisfactory and proactive. The Committee also believes that the interaction between the Board of Directors (through its chair) and the Management Committee (such as through its CEOs and the CFO) is working extremely well, and that there is a steady flow of information. The Board of Directors, at the recommendation of the Nomination Committee, has concluded that each director individually has fulfilled the role of director in a proper and constructive manner. Discussions and decisions show a high level of commitment, with adequate interest in risk identification and management. Moreover, thanks to their mutually complementary skills, the directors form a formidable collective whole.

Declarations

Based on the information at its disposal, the Board of Directors of WDP states that:

- the members of the Board of Directors and the Management Committee do not share any kind of familial connections;
- none of the directors or Management Committee members have been convicted of any fraud-related offences, at least during the past 5 years;
- none of the directors or Management Committee members, at least for the last five years, 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;
- at least in the 5 past years, none of the directors or Management Committee members, have held a supervisory role as a senior manager or member of a managerial, supervisory or oversight body of a company, at the time of a bankruptcy, moratorium of payment or liquidation, with the exception of Frank Meysman, who was chair of the

Board of Directors of the Thomas Cook Group when it was dissolved on 22 September 2019 and Christoffel De Witte who (acting in his capacity as permanent representative of REAL ISTIC) was director and liquidator in the voluntary liquidation of SFELK-IMMO, concluded on 31 October 2016; and that none of the directors or Management Committee members have concluded any management or employment agreement that provides for a severance payment at the end of the contract, with the exception of what is stated on this subject in Chapter*5. Corporate Governance Statement - Remuneration Report.*

Committees of the Board of Directors

The Board of Directors has formed specialised committees to advise it regarding decisions to be taken, to ensure that certain matters are adequately addressed, and if necessary, to bring specific matters to the attention of the Board of Directors.

However, decision-taking remains the collective responsibility of the Board of Directors.

The Board of Directors has formed three specialised committees within WDP, each with its own internal regulations: Audit Committee, Nomination Committee, Remuneration Committee.

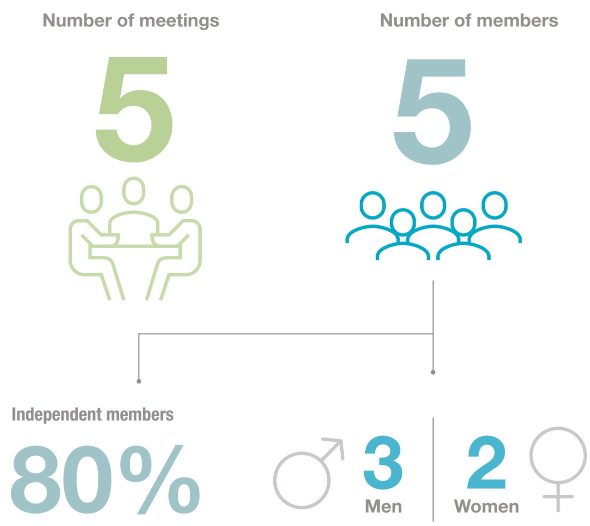
All Committees may decide to invite members of the Management Committee as well as executive and management personnel to attend committee meetings and to provide them with relevant information and insights relating to their areas of responsibility. Furthermore, each Committee may speak with any relevant person without a member of the Management Committee present.

Each committee may also gather external professional advice, at the expense of the Company, on topics falling under the specific competencies of the committee. The chair of the Board of Directors must in fact be informed of this in advance, taking into consideration the financial impact on the Company.

After each committee meeting, the Board of Directors receives a report on the findings and recommendations of the committee in question as well as oral feedback at a future Board meeting.

Audit Committee

Membership



Members as at 31 December 2019	Attendance
Cynthia Van Hulle | chair	5/5
Frank Meysman	5/5
Anne Leclercq	5/5
Rik Vandenberghe[1]	4/4
Jürgen Ingels	5/5

100 %
Attendance rate

1. Member since 24 April 2019

Role and responsibilities of the Audit Committee

The Audit Committee supports the Board of Directors in the fulfilment of its monitoring responsibilities, ensuring control in the broadest sense, including risk control.

The main responsibilities of the Audit Committee are:

- 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.

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 annual financial statements, the consolidated annual financial statements and the condensed financial summary intended for the public. Prior to all half-yearly meetings of the Board of Directors, the statutory auditor must prepare and present an interim report to the Audit Committee.

Functioning of the Audit Committee

The Audit Committee meets at least five times a year and whenever it deems such necessary for proper performance of its duties, at the request of its chair, one of its members, the chair of the Board of Directors or one of the co-CEOs. The chair of the Audit Committee prepares the agenda for each meeting, where applicable in consultation with the chair of the Board of Directors or supplemented with points requested by Management Committee members. The advice and recommendations are taken by majority. The chairman of the Audit Committee does not have a casting vote.

At least one member of the Audit Committee must possess the necessary expertise in the field of accounting and auditing and, as an independent director, must meet Section 7:87 CCA. At this time, Cynthia Van Hulle meets these conditions.

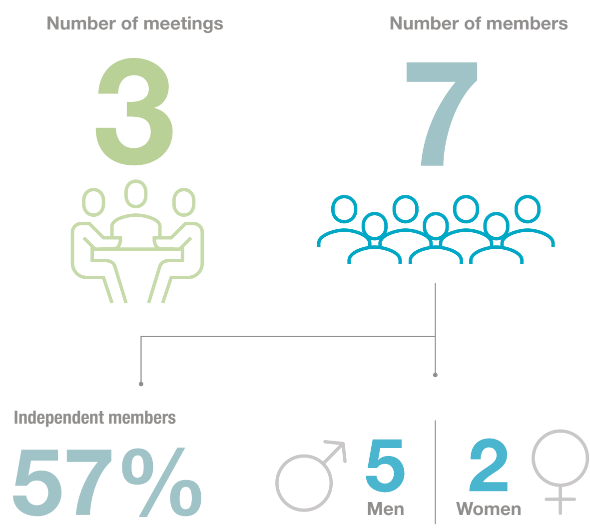
2019 Activities

In 2019, the Audit Committee 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 and independent control duties 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

Membership



Members as at 31 December 2019	Attendance
Rik Vandenberghe[1] | chair	2/2
Frank Meysman	3/3
Anne Leclercq	3/3
Cynthia Van Hulle	3/3
Jürgen Ingels	3/3
Joost Uwents	3/3
Tony De Pauw	3/3

100 %
Attendance rate

1. Member since 24 April 2019

Role and responsibilities of the Nomination Committee

The task of the Nomination Committee is to advise the Board of Directors on appointments of directors, CEOs and other members of the Management Committee (on the proposal of the CEO).

The main responsibilities of the Nomination Committee are:

- Periodically evaluating the optimal size and composition of the Board of Directors and, if necessary, advising the Board of Directors on this topic.
- leading the (re)appointment process for directors;
- evaluating candidates for a position on the Management Committee.
- Drawing up plans for the orderly succession of the directors, together with the chair of the Board of Directors.
- Assisting the chair with the performance evaluations of the Board of Directors, the committees and the Management Committee.
- Providing appropriate programmes for talent development and for promoting diversity in leadership.

Functioning of the Nomination Committee

The Nomination Committee meets often enough to enable it to carry out its duties effectively, and at least twice a year. The chairman of the Nomination Committee may convene a meeting whenever necessary, or at the request of one of its members.

The chairman of the Nomination Committee draws up the agenda for each meeting, if necessary in consultation with the chairman of the Board of Directors or supplemented with items requested by members of the Nomination Committee or Management Committee.

The Nomination Committee aims for consensus. If the Nomination Committee cannot reach a consensus on a specific topic, the chairman of the Nomination Committee will refer it to the Board of Directors, explaining the different positions of the members of the Nomination Committee.

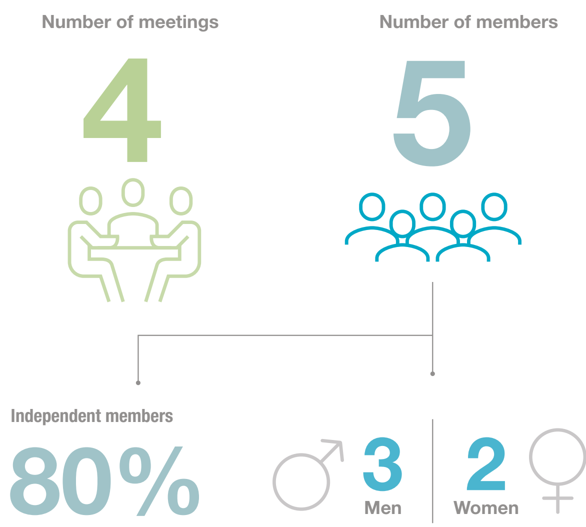
2019 Activities

In 2019, the Nomination Committee mainly discussed the following items in the performance of its duties:

- the proposal to nominate Rik Vandenberghe as independent and non-executive director and as chair, and the proposal to renominate Tony De Pauw as non-executive director at the General Meeting of 24 April 2019;
- due to the decision to propose the conversion into a public limited company and opt-in: proposal to nominate the chair, creation of the Management Committee and nomination of its members, proposal to nominate the co-CEOs (as well as the deputy director), proposal to nominate the effective leaders and the risk manager, compliance officer and person responsible for the internal audit;

Remuneration committee

Composition



Members as at 31 December 2019	Attendance
Cynthia Van Hulle	4/4 ✓
Frank Meysman | chair	4/4 ✓
Anne Leclercq	4/4 ✓
Rik Vandenberghe[1]	3/3 ✓
Jürgen Ingels	4/4 ✓

100 %

Attendance rate

1. Member since 24 April 2019

Role and responsibilities of the Remuneration Committee

The role of the Remuneration Committee consists of assisting and advising the Board of Directors on all issues concerning the remuneration policy and remuneration techniques for the directors and members of the Management Committee.

The main responsibilities of the Remuneration Committee are:

- It submits proposals to the Board of Directors on the remuneration policy of the directors, CEOs and other members of the Management Committee.
- It submits proposals to the Board of Directors on the individual remuneration of the directors and members of the Management Committee, including variable remuneration and long-term performance bonuses, possibly linked to shares in the form of share options or other financial instruments, and severance payments, and on the resulting proposals to be submitted to the shareholders by the Board of Directors.
- it evaluates the performance of the CEO and other members of the Management Committee compared to the agreed performance targets and submits proposals on this to the Board of Directors;

    - In the case of the CEOs, this is done on the basis of a reasoned proposal by the chairman of the Board of Directors;
    - In the case of other members of the Management Committee, this is done on the basis of a reasoned proposal by the CEOs in consultation with the chairman of the Board of Directors.

- it prepares the remuneration report that the Board of Directors attaches to the Corporate Governance Statement included in the annual financial report and explains it at the annual General Meeting.

Functioning of the Remuneration Committee

The Remuneration Committee meets often enough to enable it to carry out its duties effectively, and at least twice a year. The chairman of the Remuneration Committee may convene a meeting whenever necessary, or at the request of one of its members. The chairman of the Remuneration Committee draws up the agenda for each meeting, if necessary in consultation with the chairman of the Board of Directors or supplemented with items requested by members of the Remuneration Committee and/or the Management Committee.

The Remuneration Committee aims for consensus. If the Remuneration Committee cannot reach a consensus on a specific topic, the chairman of the Remuneration Committee will refer it to the Board of Directors, explaining the different positions of the members of the Remuneration Committee.

2019 Activities

In 2019, the Remuneration Committee mainly discussed the following items in the performance of its duties:

- preparation of the remuneration report of 31 December 2018;
- proposal of the targets for the members of the executive management according to their variable remuneration for 2019;
- proposal of the individual remuneration for the directors and members of the executive management for the 2019 financial year;
- proposals in the context of the conversion into an NV/SA and the opt-in for (i) prorated settlement of remuneration from the former statutory manager, (ii) the remuneration of the non-executive directors and the chair and (iii) the remuneration of the co-CEOs and the other members of the Management Committee.

Management Committee

By a decision of the Board of Directors, a Management Committee was created on 1 October 2019 to act as an advisory body to the Board of Directors.

Membership

Principles

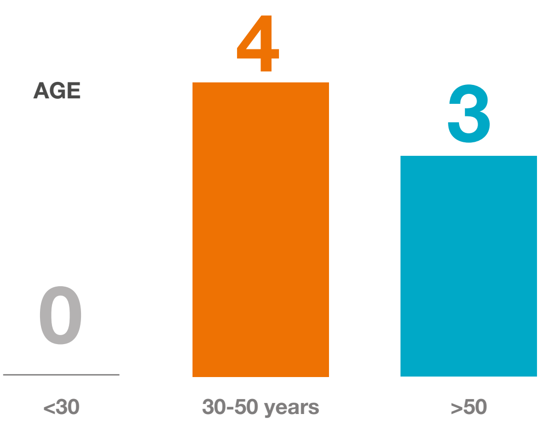
The Management Committee is composed of both CEOs and the other members of the Management Committee.

The members are appointed by the Board of Directors on the recommendation of the Nomination Committee. Members of the Management Committee may be either natural persons or legal entities. In the case of a legal entity, it must appoint a single permanent representative who will represent it at Management Committee meetings.

The Board of Directors decides the length of the term of each member of the Management Committee at the time of his appointment.

The remuneration, term and conditions for dismissal of a member of the Management Committee are governed by an agreement between each Management Committee member and the Company (with approvals by the Board of Directors and on the recommendation of the Nomination Committee and Remuneration Committee).

The Management Committee members have selected the address of the registered office of WDP NV/SA as their office address, with a view to their role in WDP NV/SA.



Composition

Name	Capacity
Tony De Pauw	Co-CEO
Joost Uwents	Co-CEO
Mickaël Van den Hauwe	Chief Financial Officer
Christoffel De Witte	Country Manager BE-LU-FR
Michiel Assink	Country Manager NL
Jeroen Biermans	Country Manager RO
Marc De Bosscher	Chief Technical Officer

TONY DE PAUW

Born in 1954

We refer to the description above under Board of Directors.

JOOST UWENTS

Born in 1969

We refer to the description above under Board of Directors.

MICKAËL VAN DEN HAUWE

Born in 1981

Has been CFO of WDP since 2011 and is responsible for Finance, Investor relations and IT. He studied at the Solvay Business School at the Free University of Brussels and is a business engineer specialising in Finance. He started his career as a controller at Unilever Bestfoods Belgium before moving on to Delta Lloyd – Bank Nagelmackers, where he gained experience as a buy-side specialist. In 2005, he accepted a position as a sell-side analyst of property shares for Dexia. Four years later, he became a sell-side analyst for KBC Securities.

Other active terms on 31 December 2019

BE-REIT Association

Terms ending by 31 December 2019, but held in the period from 2014 onwards

–

WDP shareholdings

0

MICHIEL ASSINK

Born in 1977

became Country Manager Netherlands for WDP in 2017 and is heading the WDP office in Breda. Before this, he worked at real estate broker CBRE for 13 years, serving in multiple roles, such as Business Unit Director/ Senior Industrial & Logistics Director and Associate Capital Markets Director. He holds a BSC in Economics Marketing.

Other active terms on 31 December 2019

–

Terms ending by 31 December 2019, but held in the period from 2014 onwards

CBRE (Senior Director)

WDP shareholdings

0

CHRISTOFFEL DE WITTE[1]

Born in 1967

is WDP's Country Manager Belgium, Luxembourg and France and in that role coordinates the sales team and the facility managers. He holds a Master in Business Economics and a Master in Real Estate Management. He is also a member of the Royal Institute of Chartered Surveyors.

Christoffel has over 25 years of experience in corporate real estate. He started his career as a real estate broker before joining UK logistics REIT Segro, serving in several commercial roles in Belgium over a ten-year period. From 2007 to 2008, he was the Europe Development Director and Belgium Country Manager at US REIT First Industrial. After this, he worked as the Managing Director of Belgian real estate developer MG Real Estate for five years.

Other active terms on 31 December 2019

REAL ISTIC
BM De Witte
Comaan (joint shareholder)

Terms ending by 31 December 2019, but held in the period from 2014 onwards

SFELK-IMMO

WDP shareholdings

0

1. For REAL ISTIC.

JEROEN BIERMANS

Born in 1971

After his law studies, Jeroen specialised in export management and logistics. He first spent two years working at the Bar of Antwerp before taking a position as an international legal and financial controller at Den Braven Sealants. In 2001, Jeroen became an international entrepreneur through joint ventures with Romanian, Dutch and Belgian partners. Since 2007, he has been responsible for expanding the WDP property portfolio in Romania as the Country Manager and co-shareholder.

Other active terms on 31 December 2019

JB Top Pro Invest
Vuurkruisenbizz
Antonino Invest
Apartementele Trandafirul
Asta Pro Invest
Beltech
Brabuild Invest
Joca Invest
NBR Pro Invest SRL
Paulina Invest
San Carlo Invest
Mills Invest
Lamast Invest

Terms ending by 31 December 2019, but held in the period from 2014 onwards

–

WDP shareholdings

0

MARC DE BOSSCHER

Born in 1963

as CTO, is responsible for project development in WDP. He draws from years of experience in project management and development in numerous roles at renowned companies. For instance, he was Technical Director at Armonea, Project Manager at Besix, and Project Coordinator at the University Hospital of Leuven. He also spent over 14 years working internationally as a Project Coordinator for DEME.

After his studies in Applied Science (Civil Engineer, Architect), he was an assistant at the University of Ghent.

Other active terms on 31 December 2019

–

Terms ending by 31 December 2019, but held in the period from 2014 onwards

–

WDP shareholdings

0

Role and responsibilities of the Management Committee

The role of the Management Committee is to consult with the Board of Directors and advise them on the day-to-day management of WDP, and always in accordance with the values, strategy, general policy and business plan determined by the Board of Directors.

The role of the CEOs is to work with the other members of the Management Committee on the following:

- implementing the WDP mission, policy plan and strategic objectives as determined by the Board of Directors;
- implementing the decisions of the Board of Directors and following up on the performance and results;
- reporting to the Board of Directors on the progress of all matters and files that fall under the competence of the Board of Directors.

The Board of Directors has delegated the day-to-day management to both CEOs, each of whom may act alone, within the meaning of Article 7:121 CCA. The day-to-day management comprises all actions and decisions that do not extend beyond the needs of the company's day-to-day proceedings as well as the actions and decisions which, due to their lesser importance or urgency, do not justify the intervention of the Board of Directors.

ACTION 2020 | In addition, WDP is currently working on a delegation matrix clarifying the individual powers of decision and representation the and responsibilities of the CEOs. The allocation of individual and special decision-making and representational powers to the other members of the Management Committee is done through sub-delegation by the two CEOs.

This is because each member of the Management Committee is individually responsible for certain aspects of the day-to-day management of the Company and its business:

- To this end, the Board of Directors delegates special powers of decision and representation to the two CEOs.
- The allocation of individual and special decision-making and representational powers to the other members of the Management Committee is done through sub-delegation by the two CEOs.

These delegations will be published in an update to the Corporate Governance Charter. In the meantime, the civil and corporate laws will apply to the responsibilities and decision-making and representational powers of the Board of Directors, the CEOs and the members of the Management Committee. In this context, we refer to Articles 17, 21 and 22 of WDP's Articles of Association.

Operation of the Management Committee

The Management Committee meets when convened by its chairman, in principle once a month. When necessary, the Committee can be convened at any time by the chairman, or at the request of at least two members.

One of the two CEOs acts as the chairman of the Management Committee. The chairman of the Management Committee may elect to invite members of the internal organisation of WDP or other specialists in a certain field to Management Committee meetings on an ad hoc basis. If the chairman is not present, those present appoint an ad hoc chairman after joint consultation.

Any member may add items to the agenda and in any case, each member is required to ensure that any decision to be taken by him/her under the powers delegated to him/her and which are essential to the day-to-day management of the Company, must be proposed and discussed prior to taking such a decision either at a meeting of the Management Committee or directly with one of the two CEOs.

Valid deliberation can only take place if all members of the Management Committee have been invited and the majority is present. The members of the Management Committee who were not present are informed by the chairman of the discussions that took place in their absence.

Even though the decision-making powers are attributed to each member of the Management Committee acting individually or together with another member of the Management Committee, the Management Committee strives to reach a consent on the envisaged decisions.

In any case, the Management Committee decides unanimously on the report addressed to the Board of Directors. If unanimity cannot be reached (e.g. regarding which items should be included in the report to the Board of Directors, or regarding the scope of reporting on a specific topic), then that item will be reported separately to the Board of Directors, with a summary of each of the positions within the Management Committee.

The minutes of the meeting are drawn up by the chairman, or a secretary designated during the meeting. The minutes are signed by the chairman and any member who so requests.

The Management Committee is represented at the Board of Directors by one of the two CEOs, who submit comments through the unanimously approved report of the Management Committee.

As such, the Management Committee has no authority to represent the Company.

Diversity policy

Diversity in all of its facets (culture, gender, language, professional experience, etc.), equal opportunity and respect for human capital and human rights are intrinsic to the WDP business culture. The Company firmly believes that these values contribute towards balanced interaction, enrichment of vision and thinking, innovation and an optimal working environment.

WDP has set some diversity guidelines for members of the Board of Directors and the Management Committee. These guidelines are reflected in the internal rules of the Board of Directors and the Nomination Committee, describing the procedure for nomination and evaluation of directors and members of the Management Committee. The selection process for members of the Board of Directors and Management Committee strives to ensure complementary skills, knowledge and experience and for diversity in terms of education, knowledge, gender, age, experience, nationality, etc.

This results in a Board of Directors that is highly balanced in its skills, knowledge and experience. The members of the Management Committee also represent a balanced team, each with its own required expertise. This is clearly evident from the CV of each of these members in this Corporate Governance Statement.

The membership of the Board of Directors (two women and five men) also meets the legal provisions on gender diversity (Article 7:86 CCA).

The WDP Code of Conduct further highlights the importance of these values with respect to all employees:

“Each employee is indispensable to the success of the company. Every individual is valuable. Together we are one team. Each with their own talents, culture and personality. Each employee is valued and respected for who they are and for their skills, knowledge and experience.”

Remuneration report

2019, an excellent start of the 2019-23 growth plan

EPRA EPS
0.93 euros
+8% y/y

20 years listed on Euronext

Inclusion in BEL20 index

Solar panels
80 MWp

Occupancy rate
98.1 %

New 2019-23
2019-23

ESG Roadmap

New remuneration policy

For approval by the General Meeting on 29 April 2020

Transparent

Simple

In line with WDP's corporate strategy

Highlights

Contribution to the sustainable corporate strategy of WDP by means of a remuneration policy intended to attract, remunerate and retain the right profiles.

No share or share option schemes for directors, Management Committee members or staff of WDP.

Quantitative and qualitative performance targets for the variable pay for members of the Management Committee, which follow directly from the targets in WDP's 2019-23 growth plan, including the ESG targets.

A mechanism for **allocation over time and deferred payment** of the variable pay, fully geared towards achievement of the 2019-23 growth plan

Introduction

This remuneration report was drafted according to the provisions of 3:6 (§3) CCA and is a special part of the WDP Corporate Governance Statement.

It covers the period from 1 January 2019 to 31 December 2019. Please note that during the period from 1 January 2019 to 30 September 2019, WDP was still managed as a partnership limited by shares via the Board of Directors of former statutory manager De Pauw NV/SA. On 1 October, WDP became a public limited company managed by a one-tier Board of Directors.

In this remuneration report, we therefore report on the remuneration of the former statutory manager (De Pauw NV/SA), the non-executive directors (Rik Vandenberghe, Jürgen Ingels, Cynthia Van Hulle, Anne Leclercq and Frank Meysman), the co-CEOs (Joost Uwents and Tony De Pauw) and the former executive chair (Mark Duyck), based on the remuneration policy applicable during the 2019 financial year. We will refer to this as the *remuneration policy until the end of 2019*, and its principles will be repeated where necessary in this remuneration report.

The Board of Directors therefore anticipates applying some significant changes to the remuneration policy for at least the next two financial years via its *new remuneration policy as of 2020*.

The annual financial report for the financial year 2020 will be based on the *new remuneration policy as of 2020* (subject to the approval of the General Meeting) and the reporting will cover the non-executive directors and all Management Committee members. The full text of the new remuneration policy is available in the WDP Corporate Governance Charter.

Remuneration of the former statutory manager De Pauw NV/SA

The remuneration amount for former manager De Pauw NV/SA corresponds to the total cost for the Board of Directors (including the bonus scheme for the co-CEOs), and for management of the GVV/SIR (including the costs of a director's liability insurance policy) and administrative costs.

The remuneration for the former manager for the 2019 financial year, as approved by the General Meeting of 24 April 2019, was 1,650,000 euros. The Extraordinary General Meeting of 11 September 2019 decided to remove the former manager as of 1 October 2019 and further decided to approve the prorated settlement of remuneration due to the removal, for the amount of 1,237,500 euros (including expenses).

Remuneration of non-executive directors

The pay for 2019 for the non-executive directors was also settled pro rata due to removal of the statutory manager as of 1 October 2019 and the appointment of the individual members of the Board of Directors of WDP NV/SA as of the same date.

As stated in the *remuneration policy until the end of 2019*, the non-executive directors receive:

- no performance-based remuneration (such as bonuses or long-term share-related incentive programmes);
- no additional attendance fees;
- no benefits associated with pension schemes, and
- no benefits in kind.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

	Period	Fixed remuneration (in euros)[1]	Variable remuneration (in euros)	Total remuneration	Ratio of fixed to variable remuneration
Rik Vandenberghe **Chair of the Board of Directors** **Start date: 24.04.2019**	2019	75,000	N/A	75,000	100% fixed, 0% variable
	2018	N/A	N/A	N/A	N/A
Frank Meysman **Chair of the Remuneration Committee**	2019	30,000	N/A	30,000	100% fixed, 0% variable
	2018	30,000	N/A	30,000	100% fixed, 0% variable
Cynthia Van Hulle **Chair of the Audit Committee**	2019	30,000	N/A	30,000	100% fixed, 0% variable
	2018	30,000	N/A	30,000	100% fixed, 0% variable
Anne Leclercq	2019	30,000	N/A	30,000	100% fixed, 0% variable
	2018	30,000	N/A	30,000	100% fixed, 0% variable
Jürgen Ingels **Start date: 25.04.2018**	2019	30,000	N/A	30,000	100% fixed, 0% variable
	2018	20,000	N/A	20,000	100% fixed, 0% variable

1. The fixed remuneration for non-executive directors consists of fixed expense reimbursements of 3,500 euros per year and a director's fee and was paid out in cash.

Remuneration of the co-CEOs and former chair

Until 24 April 2019, 3 executive directors sat on the Board of Directors of the former statutory manager of WDP:

- Mark Duyck, executive chair
- Joost Uwents, executive director
- Tony De Pauw, executive director

Until 1 October 2019, the co-CEOs constituted the executive management van WDP. The co-CEOs were only remunerated in that capacity, not in their capacity as executive directors. Moreover, executive directors were not awarded any special pay in their role as member or chair of specific committees.

Remuneration of the former chair

The fixed remuneration for the 2019 financial year for the former executive chair was kept at 275,000 euros, but given that the term of Mark Duyck ended on 24 April 2019, it was prorated for the fixed remuneration for 4 months.

REMUNERATION OF EXECUTIVE CHAIR UNTIL 24 APRIL 2019

Name		Fixed remuneration (in euros)[1]	Variable remuneration (in euros)	Other benefits (in euros)	Total remuneration (in euros)	Ratio of fixed to variable remuneration
Mark Duyck	2019	90,000	N/A	N/A	90,000	100% fixed 0% variable
	2018	275,000	N/A	N/A	275,000	100% fixed 0% variable

1. The fixed remuneration consists of a fixed expense reimbursement of 3,500 euros a year and a director's fee that takes into account the additional duties for WDP in the executive role.

Remuneration of co-CEOs

The *remuneration policy until the end of 2019* provided for a total remuneration for the co-CEOs consisting of:

- a fixed expense reimbursement;
- a fixed remuneration, where this basic salary was determined as a function of the individual responsibilities and skills of each CEO, is independent of any results and is not indexed, and
- a variable remuneration, where the co-CEOs have the option to finance their group insurance via the cafeteria principle.

On 29 July 2019, the Board of Directors decided, on a proposal from the Remuneration Committee - under the suspensive condition of approval of the conversion into an NV/SA by the General Meeting - to increase the fixed remuneration of the co-CEOs from 300,000 euros to 350,000 euros for Tony de Pauw and from 400,000 euros to 535,000 euros for Joost Uwents as of 1 October 2019. This decision of the Board of Directors took into account the current phase in the life cycle and growth of WDP, as well as the scope of the powers and responsibilities of the co-CEOs, coupled with the choice for a one-tier Board of Directors in an NV/SA and the direct delegation of powers to the co-CEOs.

On 27 January 2020, the Board of Directors concluded that all proposed targets were met, based on an analysis and recommendation from the Remuneration Committee. With a target variable pay of 320,000 euros, an overall score of 100% was achieved.

REMUNERATION OF CO-CEOS - PERFORMANCE TARGETS

2019 Financial year	Relative weighting	Achievement
The EPRA Earnings per share and the occupancy rate (for the one-year targets)	50%	An EPRA Earnings per share of 0.93 euros (an increase of 8%), in accordance with expectations An occupancy rate of 98.1%
Further rollout of the solar panel project to 100 MWp (for the two-year targets)	25%	In 2019, WDP achieved a total installed capacity of 80 MWp distributed over 85 sites, which means WDP is on track for the solar panel project rollout to 100 MWp.
Some qualitative and organisation-building objectives (for multi-year criteria), including drafting of a multi-year roadmap to implement the sustainability strategy.	25%	Formulation and implementation of a 2019-23 ESG Roadmap

The Board of Directors also decided to pay out this variable remuneration of 320,000 euros in one lump sum rather than in instalments to the CEOs, in order to start from scratch under the *new remuneration policy from 2020*. This takes into account the fact that (i) the aforementioned targets were still following on from the 2016-20 strategic growth plan, a plan that was concluded prematurely and was followed by the current 2019-23 growth plan and (ii) the Board of Directors is launching a new remuneration policy as of 1 January 2020, which follows on perfectly from the current 2019-23 growth plan.

Finally, to conclude WDP's unique and successful period of 20 years on the stock exchange, the Board of Directors decided to award a one-off bonus to the co-CEOs, also paid immediately.

REMUNERATION OF CO-CEOS

Name		Fixed remuneration until 1 October 2019 (in euros)[1]	Variable remuneration (in euros)	One-off bonus (in euros)	Total remuneration (in euros)	Ratio of fixed to variable remuneration
Joost Uwents CEO	Until 01 October 2019	300,000 (400,000 * 0.75 = prorated for the fixed remuneration for 9 months)	320,000	102,500	856,250	51% fixed 49% variable
	As at 01 October 2019	133,750 (535,000 * 0.25 = prorated for the fixed remuneration for 3 months)				
	2018	400,000	280,000	N/A	680,000	59% fixed 41% variable
Tony De Pauw CEO	Until 01 October 2019	225,000 (300.000 * 0.75 = prorated for the fixed remuneration for 9 months)	320,000	102,500	735,000	43% fixed 57% variable
	as at 01 October 2019	87,500 (350,000 * 0.25 = prorated for the fixed remuneration for 3 months)				
	2018	300,000	280,000	N/A	580,000	52% fixed 48% variable

1. This consists of a fixed expense reimbursement of 3,500 euros per year and a fixed director's fee.

Pension schemes

The co-CEOs financed the group insurance with their variable remuneration, as stated below (for the sake of clarity: these amounts are therefore part of the variable remunerationas mentioned above). This group insurance makes provision for a defined contribution plan.

Name		Contribution to the pension plan (in euros)
Joost Uwents CEO	2019	283,950
	2018	143,748
Tony De Pauw CEO	2019	283,950
	2018	143,748

Benefits in kind

Both co-CEOs enjoy the following benefits in kind: a laptop, a company vehicle and a smartphone. A taxable benefit in kind is attributed to these benefits. This is shown in the summary below.

Name		Amount of taxable benefit in kind (in euros)
Joost Uwents CEO	2019	2,750
	2018	3,000
Tony De Pauw CEO	2019	16,250
	2018	17,450

As determined in the *remuneration policy until the end of 2019*:

- there were **no share or share option schemes** for the co-CEOs or the executive directors;
- there were **no** employment agreements or service agreements with the co-CEOs at the time that provided for a well-defined **payment at the end of the employment period**, and
- a **right to recovery/clawback was not available for variable pay** awarded to the CEOs based on incorrect financial data.

Main changes for 2020 | non-executive directors

Fixed remuneration

Based on Company growth and taking into account the increased complexity and technical nature of the files under the authority of the Board of Directors, the Board of Directors proposes an increase in the pay of non-executive directors from 30,000 euros to 35,000 euros (including expense reimbursements) on an annual basis, starting on 1 January 2020.

To be clear, the fixed remuneration of the chair remains 75,000 euros (including expense reimbursements) on an annual basis. This was only determined in April 2019, at the time of the chair's appointment, and took into account the current phase in the life cycle of the Company.

Shareholdings

WDP has stuck with its decision not to provide share or share option plans to its directors (or to Management Committee members or its employees).

Principle 7.6 of the 2020 Code recommends that non-executive directors receive part of their remuneration in the form of shares in the company, to make sure they act from the perspective of a long-term shareholder.

EXPLAIN | WDP deviates from this principle and does not provide remuneration in shares to non-executive directors. Taking into account the current remuneration amounts and the independent nature of the non-executive directors, WDP is currently of the view that providing part of the remuneration in shares would not necessarily contribute to the objective of the 2020 Code to make sure these directors act from the perspective of a long-term shareholder. As a GVV/REIT, WDP strives for a robust profit and dividend per share, in line with the perspective of a long-term shareholder. Since its listing in 1999, WDP has focused on creating stable cashflows over the long term which, in combination with its high disbursement obligation as a GVV/REIT, makes WDP a fully fledged, profitable and liquid alternative to direct investments in properties based on rental income. This is the basis of its strategy, as determined by the Board of Directors, which is also clearly reflected in its strategic operational and ESG growth plan.

Here, we give a summary of the shareholdings of the non-executive directors:

WDP shareholdings (held in personal name)

Jürgen Ingels	0
Anne Leclercq	0
Frank Meysman	23,821
Rik Vandenberghe	7,175
Cynthia Van Hulle	0

Main changes for 2020 | Management Committee

FIXED REMUNERATION

The Board of Directors sets the fixed remuneration annually, taking into account factors such as:

- position and corresponding responsibilities
- social security status, experience, competencies
- local regulations
- benchmark provided by the Remuneration Committee

The annual remuneration may be reviewed based on changes in the preceding parameters.

VARIABLE REMUNERATION

Target 100 %

90% of the annual fixed remuneration co-CEOs

80% of the annual fixed remuneration Other members ManCom

125% cap

SHORT TERM | ANNUAL

Quantitative
At least each of the criteria
–
EPS
Portfolio growth
Occupancy rate

&

Qualitative
(Individual)
organisationconstructive objectives
–
Min. 1 ESG KPI
Min. 1 Risk management policy KPI

Target distribution

	Quantitative	Qualitative
co-CEO's	40%	20%
Other members ManCom	50%	25%

Annual cash payment on meeting targets

LONG TERM | 2020-23

Quantitative
At least each of the criteria
–
EPS 1.15 euros
Portfolio value
5 billion euros
ESG rating in 2023:
ISS Corporate: Prime
MSCI: A.

&

Qualitative
(Individual)
organisationconstructive objectives
–
Contribution to the long-term development of WDP

	Quantitative	Qualitative
co-CEO's	30%	10%
Other members ManCom	15%	10%

Cash payment
66% on meeting targets
33% in year +1

✓ Encouragement of balanced and sustainable year-on-year performance of the Management Committee

✓ In support of the realisation of the strategic 2019-23 growth plan

✓ **Sustainable business practices by the Management Committee with a view to long-term value creation**

✓ **Retaining talent in the company**

Shareholdings

WDP has stuck with its decision not to provide share or share option plans to its directors (nor to Management Committee members or to employees).

Principle 7.9 of the 2020 Code recommends that the Board of Directors sets a minimum threshold for WDP shareholdings for Management Committee members, to make sure they act from the perspective of a long-term shareholder.

EXPLAIN | WDP deviates from this principle and does not formally set any explicit minimum threshold for WDP shareholdings for Management Committee members. As a GVV/REIT, WDP strives for a robust profit and dividend per share, in line with the perspective of a long-term shareholder. Since its listing in 1999, WDP has focused on creating stable cashflows over the long term which, in combination with its high disbursement obligation as a GVV/REIT, makes WDP a fully fledged, profitable and liquid alternative to direct investments in properties based on rental income. This is the basis of its strategy, as determined by the Board of Directors, which is also clearly reflected in its strategic operational and ESG growth plan. It is this strategy that Management Committee members must roll out operationally. WDP therefore believes that its remuneration policy establishes a clear link with the creation of stable long-term cashflows and thus ensures that Management Committee members act from the perspective of a long-term shareholder. WDP does in fact encourage Management Committee members to accrue and hold shares in WDP.

Below we give a summary of the shareholdings of the executive directors:

WDP shareholdings (held in personal name)	
Tony De Pauw	70,266
Joost Uwents	161,000

Cap

Both the amount of short-term variable pay and that of the long-term variable pay cannot exceed 125% of the set target amount (the amount associated with 100% target achievement).

Severance pay

The customary departure times and severance pay are provided in the agreements with Management Committee members, taking into account factors such as the position and experience of the manager in question, and always within the applicable legal framework (depending on the applicable social security status and the region of activity). The agreements concluded with the co-CEOs and the CFO provide for a specific severance payment in the event of the termination of the management agreements following a public takeover bid, subject to the suspensive condition of approval by the General Meeting of 29 April 2020.

Clawback

The agreements with the effective leaders (i.e. the co-CEOs and the CFO) contractually provide for a clawback mechanism, in which the Company is entitled to reclaim a variable remuneration from the beneficiary in full or in part, until 1 year after its payment, if it turns out during that period that the payment took place on the basis of incorrect information about meeting the performance targets on which the variable remuneration is based, or about the circumstances on which the variable remuneration was made dependent, while such incorrect information was also due to fraud on the part of the beneficiary.

Conflicts of interest

Principle

The Company is subject to the provisions of the CCA the special provisions of the GVV/SIR legislation regarding an integrity policy, and certain transactions referred to in Section 37 of the GVV/SIR Act.

The directors have a duty to protect the interests of all shareholders equally. Each director acts according to the principles of reasonableness and fairness.

When the Board of Directors or the members of the Management Committee take a decision, the members do not pursue their personal interests. Furthermore, they do not use business opportunities that are intended for the Company for their own benefit.

Directors nominated by a Reference Shareholder (who has a binding nomination right) must ensure that the interests and intentions of said shareholder are sufficiently clear and are made known to the Board of Directors in a timely manner.

The directors and members of the Management Committee must adhere to all statutory and customary principles relating to conflicts of interest and comply with the prevention policy for conflicts of interest. In any case, WDP imposes on every member of the Board of Directors and Management Committee that the occurrence of conflicts of interest, or the perception of such conflicts, must be avoided as much as possible.

Conflicts of interest involving directors

The statutory regulation relating to conflicts of interest for directors (Article 7:96 CCA) applies to decisions or actions falling under the competence of the Board of Directors when:

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

In accordance with this regulation, directors are obliged to point out such an interest to the other directors before a decision is taken. During discussion of the agenda item in question, they must leave the meeting. They cannot participate in the consultation or vote on this agenda item. A statement and explanation by the director concerned of the nature of the conflicting interest is set out in the minutes. In addition, the nature of the decision or action and the financial consequences for the Company are described, and an account is made of the decision taken.

IN 2019 | In view of a possible proprietary conflict of interest, Tony De Pauw did not participate in the Board of Directors meetings held in the context of the capital increase by way of an exempt accelerated private placement, dated. 6 November 2019, within the authorised capital with cancellation of the preferential right, partially benefiting the Jos De Pauw family and without application of the irreducible allocation right (the Capital increase). This was because he had a proprietary conflict of interest in this respect: after all, the Jos De Pauw family would have had the certainty that they would be able to subscribe for 20% of the new shares, unlike the other WDP shareholders. Consequently, the Jos De Pauw family, of which Tony De Pauw is a member, could have (at least) limited the dilution of its stake due to the Capital increase. The Board of Directors approved the granting of the pre-allocation and resulting cancellation of the statutory preferential rights of existing shareholders, partly to the benefit of the Jos De Pauw family (and in the continuation of the pre-allocation, the determination of the issue price) in the context of the Capital increase, in particular in view of the following circumstances: (i) the fixed subscription obligation underlying the pre-allocation will support the success and pricing of the capital increase, (ii) the fixed subscription obligation underlying the pre-allocation offers WDP certainty (if it opts to proceed with the capital increase) of subscription for 20% of the new shares at the final issue price, (iii) the Jos De Pauw family, as the historical Reference Shareholder of WDP, again shows its confidence in WDP and its future prospects with its fixed subscription obligation, (iv) the pre-allocation does not itself result in any additional dilution of the rights of the existing shareholders (other than the Jos De Pauw family). Moreover, it does not result in any additional financial dilution, given that the Jos De Pauw family has committed itself, as part of the fixed subscription obligation, to subscribe for new shares at the final issue price.

Furthermore, Tony De Pauw and Joost Uwents, given their proprietary conflict of interest, have not participated in the Board of Directors meeting which took place on 29 July 2019 to discuss the preparations for the conversion of WDP into a public limited company. On that occasion, Tony De Pauw and Joost

Uwents were reappointed as co-CEOs of the company with effect from the entry into force of the Opt-in and the conversion into a public limited company (the Conversion) and their remuneration was discussed. The proposal of the Remuneration Committee to increase the fixed payment of the co-CEOs with immediate effect on the entry into force of the Conversion led to the following proprietary consequences for WDP as a result of the appointment of the co-CEOs:

- Tony de Pauw: fixed payment of 350,000 euros and a variable payment of 320,000 euros (linked to 100% target achievement);
- Joost Uwents: fixed payment of 535,000 euros and a variable payment of 320,000 euros (linked to 100% target achievement);

Following consultation, the members of the Board of Directors decided that the appointment of Tony De Pauw and Joost Uwents as co-CEOs and fixing the remuneration is in WDP's interest, partly because of the special skills and expertise they both have.

Conflicts of interest involving transactions with affiliates

WDP must also comply with the procedure set out in Article 7:97 CCA if it makes a decision or performs an action related to: (a) relations between WDP and an affiliated company, with the exception of its subsidiaries, and (b) relations between a subsidiary of WDP and an affiliated company, with the exception of subsidiaries of that subsidiary.

Where appropriate, such a decision or transaction must be reviewed in advance by a committee of independent directors, assisted by one or more independent experts of their choice. Only after reviewing the recommendation of this committee will the Board of Directors deliberate on the proposed decision or transaction.

IN 2019 | This procedure did not have to be applied in 2019.

Functional conflicts of interest within the framework of the GVV/SIR Act

The provisions of Articles 37 and 38 of the Belgian GVV/SIR Act apply to WDP. Article 37 of the GVV/SIR Act includes a functional conflict of interest regulation that holds that the GVV/SIR must inform the FSMA whenever certain persons affiliated with the public GVV/SIR act directly or indirectly as a counterparty in, or obtain any material gain from a transaction with, the public GVV/SIR or one of its subsidiaries.

The persons specified therein are:

1. persons auditing the public GVV/SIR or holding a stake in it;
2. persons who are affiliated with or have a participating interest in (a) the public GVV/SIR, (b) a perimeter company of the public GVV/SIR, (c) the other shareholders of a perimeter company of the public GVV/SIR;
3. the other shareholders of all perimeter companies of the public GVV/SIR; and
4. the directors, statutory managers, members of the executive committee, persons in charge of the day-to-day management, effective leaders or trustees of the public GVV/SIR or one of its perimeter companies, of the other shareholders of any perimeter company of the public GVV/SIR, and one of the persons referred to in the provision under item 1).

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 interest exists must be completed under normal market conditions. If such a transaction concerns property, the valuation of the independent property expert is binding as a minimum price (in the event of the sale of its subsidiaries by the public GVV/SIR) or a maximum price (in the event of acquisition of subsidiaries by the public GVV/SIR).

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 2019 | Potential functional 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 offered on 24 April 2019 to the shareholders and from which the former statutory manager of WDP (when it was still a Comm. VA), i.e. De Pauw NV/SA, certain directors of the statutory 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.

Other conflict of interest situations

WDP applies a stricter definition of functional conflict of interest for matters falling under the competence of the Board of Directors or (a member of) the Management Committee.

Specifically, a member of the Board of Directors or the Management Committee has a functional conflict of interest if:

- the member or any of his or her close relations has a proprietary interest that conflicts with a decision or action 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 a proprietary interest that is in conflict with a decision or action of the Company.

If such a functional conflict of interest arises, the member in question will notify his or her colleagues. They will then decide whether or not the affected member can vote on the matter to which the conflict of interest pertains and whether or not the member can attend discussions on the matter.

IN 2019 | There were no such conflicts of interest in 2019.

Recent potential situations of conflicts of interest

Aside from the aforementioned conflicts of interest, no further potential conflicts of interest arose between WDP and any member of the Board of Directors or the Management Committee.

Rules in the area of confidentiality

The WDP Corporate Governance Charter states very clearly that the members of the Board of Directors, as well as the members of the Management Committee, must exercise the required discretion and, in cases of insider information, the required confidentiality with regard to all information and documentation obtained in the context of their role as a member of the Management Committee.

Rules to prevent market abuse

In 2016, WDP laid down its code of conduct for financial transactions in a separate business code: the Dealing Code.

The 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. By means of this policy, WDP strives to prevent market abuse by the persons in question.

Each employee, director or member of the Management Committee who fulfils a role in or on behalf of WDP receives an explanation of this Dealing Code from the compliance officer, as part of the onboarding procedure, and is also asked to sign this Dealing Code as read and agreed.

It is also the compliance officer who must ensure compliance with these rules to limit the risk of market abuse with insider information. For this purpose, the officer maintains insider lists as specified in European regulations and follows the procedures for reporting transactions by supervisors or the questions for trading during blocked or closed periods. The officer does this in consultation with the Market Disclosure Committee. The Corporate Governance Charter also provides for a reporting procedure in case someone would like to report an actual or potential breach of the Dealing Code or other regulations.

IN 2019 | Application of these rules did not result in any kind of difficulties.

Internal control

Framework

WDP organises its internal control and risk management on the basis of the principles of the Enterprise Risk Management (ERM) model developed by COSO (Committee of Sponsoring Organisations of the Treadway Commission). This involves mapping out a control environment, conducting an analysis of the risks to which WDP is exposed, estimating their impact on WDP and determining the degree to which WDP has control over these risks and the actions the company is taking to mitigate these risks. Finally, internal control is assessed annually.

Methodology

WDP also uses the *Three Lines of Defence Model.* This model determines how specific responsibilities can be assigned within WDP's organisation with view to achieving WDP's goals (such as under its strategic financial and ESG growth plan) and control of the associated risks.

This method of working contributes to reinforcing the risk culture, taking responsibility for managing risks and internal control and continued optimisation and integration of independent control functions as also implemented by the GVV/SIR legislation (risk management, compliance, internal audit).

First line – ownership and management of risks and control

Business itself is responsible for all risks of its own processes and must ensure their identification and effective controls. Here, business ensures that the right controls are conducted properly, that self-assessment by business is of adequate quality, that risk awareness is sufficient and that adequate capacity is allocated to risk matters.

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.

Second line – continuous monitoring of risks and control

These functions offer support to business and management by applying expertise and formulating an opinion independently of business with regard to the risks facing WDP: *risk management function, compliance function, financial control function, IT security function.*

These functions offer proper certainty that business itself (via first-line management) has its risks under control. The primary responsibility naturally still lies with the first line. For this, the second line functions serve to identify, measure and report risks.

Third line – provision of an independent control system

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

Company organisation

The Board of Directors set up an Audit Committee, Remuneration Committee and Nomination Committee under its purview. A Management Committee was also created in October 2019.

WDP currently has three operational platforms: Belgium/Luxembourg/France, the Netherlands and Romania. Each platform performs the following functions: Sales & Business Development, Facility Management, Contracting, Back Office. These teams can count on the support of the following services: Development Projects, Finance, IT, Investor relations, Legal, Marketing, Human Resources and Administration. This structure is explained in an organisational chart and features a clear internal segregation of duties.

Notwithstanding the further professionalisation and considerable reinforcement of the teams in recent years - because of the growth of the Company - the size of the team remains limited, where an overbearing structure and excessive formalism must be avoided, in view of factors such as the nature of the activities of the company. 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.

The independent control functions, as also implemented by the GVV/SIR legislation, are fulfilled in a suitable and proportionate manner, and always in accordance with the nature, scope and complexity of WDP's activities.

- The independent compliance function is performed by WDP General Counsel Johanna Vermeeren, appointed for an indefinite term. The compliance officer reports directly to the CEO, Joost Uwents.
- 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.
- WDP has entrusted the internal audit function to an external legal entity through the appointment of an independent consultant, namely BDO Risk & Assurance Services CVBA (which acquired Quiévreux Audit Services SPRL in 2018), permanently represented by a single natural person, Mr Christophe Quiévreux. In his role as manager bearing final responsibility for the internal audit, Rik Vandenberghe is responsible, on behalf of WDP, for supervision of the internal audit function assigned to the external internal auditor.

The effective leaders (Joost Uwents, Tony De Pauw and Mickaël Van den Hauwe) are responsible for the organisation of internal control under the supervision of the Board of Directors of WDP.

Ethics

WDP uses a Code of Ethics, through which WDP wishes to emphasise the importance of ethical, responsible and sustainable enterprise. This sets out various principles of conduct concerning conflicts of interest, professional secrecy, transactions in financial instruments, misappropriation of company assets, corruption, competition, business gifts and human dignity.

Organisation of internal control – Audit Committee

Aside from general organisation of the internal control structures, the Audit Committee has a special task with regard to internal control. It supports the Board of Directors in the fulfilment of its monitoring responsibilities, ensuring control in the broadest sense, including risk control. The responsibilities, membership, powers and functioning of this Audit Committee are described in the Internal Rules of the Audit Committee, available in the Corporate Governance Charter.

Risk analysis and control activities

In collaboration with the external internal auditor, the Management has identified a list of risks that was divided into different categories.

On a quarterly basis, the CFO, acting as risk manager, conducts an analysis and evaluation of these risks through the various departments and countries, with attention to the potential negative impact, the expected value in terms of materialisation of the risk, as well as the degree of control of the risk. This is done in collaboration with the compliance officer.

The result of the quarterly analysis and evaluation of the risks is formalised in a “key risk reporting” document under the supervision of the risk manager, which is discussed in detail in the Management Committee. Where necessary, the evaluation is adjusted for subsequent submission to the Audit Committee and Board of Directors for information and advice.

Taking into account the input of the risk manager, the Audit Committee and all members of the Board of Directors conduct quarterly evaluations of 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 rate hedging strategy, evaluation of tenant risks, etc.).

The analysis of the risks is also communicated transparently to shareholders (and other stakeholders) on an ad hoc basis and through the periodic reporting. The annual financial report also includes a list of specific and material risk factors with their description and an estimate of the potential impact of these risks.

Control activities

The various departments of the Company perform checks in response to the identified risks, as shown in Chapter *8. Risk factors.*

Operational control activities

- Lease: constant monitoring of the lease vacancy rate, end dates of lease agreements and the risks and opportunities related to rental income, constant monitoring of the client portfolio and regular analysis of client solvency. Monthly screening of the amounts and validity of the lease deposits of all tenants.

- Property portfolio: maintenance of a healthy portfolio diversity in various dimensions, such as clients, building types, locations and also continuous monitoring of portfolio quality and sustainability. This is managed based on frequent internal reporting as well as collaboration with renowned construction partners, architects and engineering firms.
- For each commitment of the Company towards third parties, the double signature principle (the four-eyes principle) is applied within the limits of the delegation of powers, for the purchase of property, leases, all types of orders and approvals of invoices and payments.
- Operational processes, both for the existing portfolio and for new investments, are based on workflows that are harmonised within the WDP Group and are audited regularly.

Financial control activities

- Budget: conducting an extensive quarterly variation analysis (actual versus the preceding period) and updating of this by the Audit Committee and Board of Directors.
- Purchasing policy: all orders must be preceded by a purchase order and must then be approved by validation of the invoice via a digital approval flow with audit log and application of the four-eyes principle.
- ERP package: WDP uses SAP Real Estate for accounting, controlling and reporting. SAP contains all accounting and financial aspects and all aspects related to WDP property activities (such as follow-up on lease agreements, settlement of charges, orders, purchases, budget follow-up for new construction projects, etc.).
- Financing cost: follow-up on the sensitivity of the cost of debts associated with the interest rates based on internal models and using software;

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 (individually for each entity and consolidated for the Group). 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.

This checklist is built around the following dimensions:

- The activity types are divided up as follows: pre-closing, closing, consolidation, internal and external reporting and audit.
- Subsequently, for the actual closing and consolidation process, a specific task is linked to each account of the balance sheet and profit and loss account, with a SAP transaction code and a description.
- Wherever possible, the tasks are deduplicated and linked to specific deadlines with a responsible person (as well as a backup) in the Financial department for each task. Moreover, every attempt is made to move tasks forward wherever possible, i.e. before the actual balance sheet date, to guarantee process speed and especially process quality.
- All of the above is also linked to standardised templates that serve for control and as a basis for the audit files.
- WDP and its subsidiaries follow the above procedure.

For efficient performance of the audit process, before the balance sheet date a pre-audit meeting is always held with the statutory auditor, with discussion of all significant trends and special points for attention over the past period.

Once all bookkeeping tasks are complete and have been processed in the consolidation and reporting set, the figures are checked by the CFO.

This control 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, and
- an ad hoc analysis of all material amounts and entries.

Once these checks are complete, the figures are submitted to the CEOs of WDP and adopted in mutual consultation with the CFO. The quarterly, semi-annual and annual reports, including corresponding press releases, are submitted to and analysed by the Audit Committee and Board of Directors, which approve them for publication.

The financial reporting is drawn up in accordance with the IFRS (International Financial Reporting Standards) as adopted in the European Union and with 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). Regular discussions are scheduled with the statutory auditor and the required training is arranged for the responsible persons in the organisation in order to meet the accounting standards in their latest versions.

The statutory auditor audits the annual figures (full scope) and semi-annual figures (limited scope). The statutory auditor does not audit quarterly figures.

Stakeholders in the evaluation of internal control

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 2019 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 (see Chapter *11.2 Annexes - Report of the statutory auditor on the annual financial statements*). The internal control systems for the key audit matters, i.e. the valuation of the property investments, have been analysed. 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. The Board of Directors supervises the performance of the tasks of the Audit Committee, using tools such as reports from the Audit Committee to the complete Board of Directors, and
- internal audit: the company has hired an external internal auditor as a third-line function in the internal control structure. In the context of a three-year cycle, all critical business processes are audited, along with the compliance and risk management functions. In addition, one or more specific processes undergo an internal audit annually. In 2019, an internal audit was conducted on the Human Resources process.

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 2019, the capital of WDP comes to 197,622,641.10 euros, represented by 172,489,205 ordinary shares, each representing 1/172,489,205 of the capital. All shares are fully paid up and are either registered or dematerialised. None of these shares provides special voting or other rights. Each share confers the right to one vote at the General Meeting.

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 members of the Board of Directors, please refer to the explanatory note in Chapter *5, Corporate Governance Statement*, as well as to Article 14 of the Articles of Association of the company, which states that directors are appointed by the General Meeting for a period of four years in principle and that the General Meeting may remove them at any time. Where applicable, the binding nomination right of the Reference Shareholder(s) must be applied in the nomination, as per Article 15 of the Articles of Association.

With regard to the amendment of the Articles of Association of the Company, please refer to the GVV/SIR legislation, which provides that any draft amendment of the Articles of Association must be submitted to the FSMA for approval in advance. Moreover, Article 31 of the Articles of Association and the provisions of the Code of Companies and Associations apply.

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

In accordance with Article 8 of the Articles of Association of the Company, the Board of Directors is authorised, within the constraints of the mandatory provisions contained in the applicable company law, to increase the share capital on the dates and subject to the conditions that it specifies, in one or more increments, up to a maximum amount of:

- I. 93,798,838.43 euros if this capital increase is performed by a contribution in cash with the option for company shareholders to exercise their preferential rights or irreducible allocation rights (as referred to in the GVV/SIR legislation); and
- II. 93,798,838.43 euros if this capital increase is performed in the context of paying an optional dividend; and
- III. 18,759,767.68 euros if this capital increase is (a) performed by a contribution in kind or (b) performed by a contribution in cash without the option for Company shareholders to exercise their preferential rights or irreducible allocation rights (as referred to in the GVV/SIR legislation) or (c) any other form of a capital increase;

with the understanding that within the context of this authorisation, the capital cannot be increased by an amount that exceeds the amount of the capital on the date of the Extraordinary General Meeting that grants the authorisation, i.e. 11 September 2019.

This authorisation is renewable.

The Board of Directors has thus far used its capital increase authorisation on one occasion. Today, the available balance of authorised capital amounts to:

- 93,798,838.43 euros if this capital increase is performed by contribution in cash with the option for company shareholders to exercise their statutory preferential rights or irreducible allocation rights (as referred to in the GVV/SIR legislation);
- II. 93,798,838.43 euros if this capital increase is performed in the context of paying an optional dividend;
- III. 8,734,803.45 euros if the capital increase is performed (a) by a contribution in kind, (b) a contribution in cash without the option for company shareholders to exercise their statutory preferential rights or irreducible allocation rights (as referred to in the GVV/SIR legislation) or (c) any other form of capital increase,

with the understanding that during the five-year authorisation period, in the context of the authorised capital, it will never be possible to increase the capital by an amount greater than 187,597,676.87 euros.

In accordance with Article 11 of the Articles of Association, WDP may acquire, accept in pledge and sell its own shares and associated depository receipts in accordance with the applicable company legislation.

In addition, the Board of Directors is authorised to perform the following actions for five years starting on 11 September 2019:

- acquire shares in the Company and associated depository receipts and accept these in pledge, at a minimum price or countervalue equal to 0.01 euros and at a maximum price or countervalue equal to 125% of the closing price on the trading day before the date of the transaction, where the company shall not be permitted to possess shares in the company or associated depository receipts that represent more than 10% of the total number of shares;
- transfer shares in the Company and associated depository receipts, such as to one or more specific persons who are not employees, at a minimum price or countervalue equal to 75% of the closing price of the trading day before the date of the transaction.

As at 31 December 2019, WDP does not possess any of its own shares.

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 24 April 2019 adopted the clause for the change in control within the framework of (i) the loan agreement that the company concluded with ABN AMRO BANK NV on 20 December 2018, (ii) the loan agreement that the company concluded with ARGENTA SPAARBANK NV on 1 February 2019, (iii) the loan agreement that the company concluded with ARGENTA ASSURANTIES NV on 1 February 2019 and (iv) the financing agreement that the company concluded with the European Investment Bank on 18 December 2018.

Agreements concluded between WDP and its directors or employees that provide for remuneration 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 co-CEOs and the CFO include a clause stating that if the management agreement with the person in question is terminated by either party within six months after a public acquisition bid, in the absence of a serious error, the person in question is entitled to a severance payment of 18 months for co-CEOs and 12 months for the CFO.

The agreements concluded with other Management Committee members and the employees of WDP do not include any contractual clauses of this kind.

WDP shareholder structure

Group structure

BE

WDP NV/SA

100%

NL

The Netherlands

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

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

100%

FR

France

WDP France SARL
Rue Cantrelle 28
38000 Châteauroux

55%

LU

Luxembourg

WDP Luxembourg SA
Parc Logistique
Eurohub Sud
L-3434 Dudelange

A 55–45% joint venture with the Luxembourg government

80%

RO

Romania

WDP Romania SRL
Office Center Equilibrium
- Strada Gara Herstrau 2,
Etaj 10 - 077190 Bucharest
- Romania

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

50%

DE

Germany

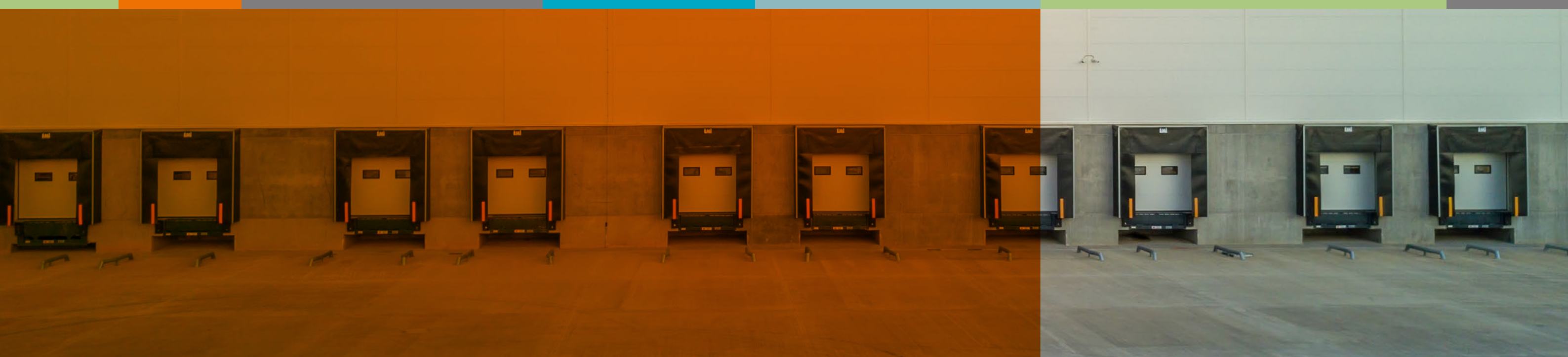
WVI GmbH
Neuburg an der Donau

A 50–50% joint venture with VIB Vermögen AG

06 ESG

The WDP team spirit fuelled my love of sport and inspired me to pick up running again, together with my colleagues. It's wonderful to run in the green surroundings of our offices. The Move Team now has a dozen or so regular runners, and every year one third of our colleagues participates in the Immorun.

Kelly De Waegeneer
Office Manager WDP



WDP ESG Framework

WDP has made sustainable enterprise a key pillar of its strategy, and implemented this in its day-to-day work. Taking the United Nations Sustainable Development Goals as a guide, a special working framework was created, focusing on specific societal issues relevant to the organisation and to the sector. This ESG Framework consists of seven areas of focus that are relevant to WDP and provide the basis for the multi-year ESG Roadmap for the period 2019-23, which sets out clear actions in the Environmental, Social and Governance sphere. In this chapter, we report on the actions carried out in the course of 2019 and our objectives for 2020 within the framework of these seven areas of focus.

CONTRIBUTION TO THE UNITED NATIONS SDGS

4 QUALITY EDUCATION

WDP seeks to improve the personal and professional development of its staff by means of general and individual training and personalised development plans.

7 AFFORDABLE AND CLEAN ENERGY

Implementation of an Energy Monitoring System is intended to map out and optimise the energy consumption of WDP and its clients. WDP is also tapping renewable energy by installing solar panels on the roofs of its warehouse sites.

11 SUSTAINABLE CITIES AND COMMUNITIES

As a long-term investor, WDP can play a role in further sustainable deployment of infrastructure in the regions where we operate. WDP firmly believes that good governance leads to a good balance between the interests of the different stakeholders and the community.

8 DECENT WORK AND ECONOMIC GROWTH

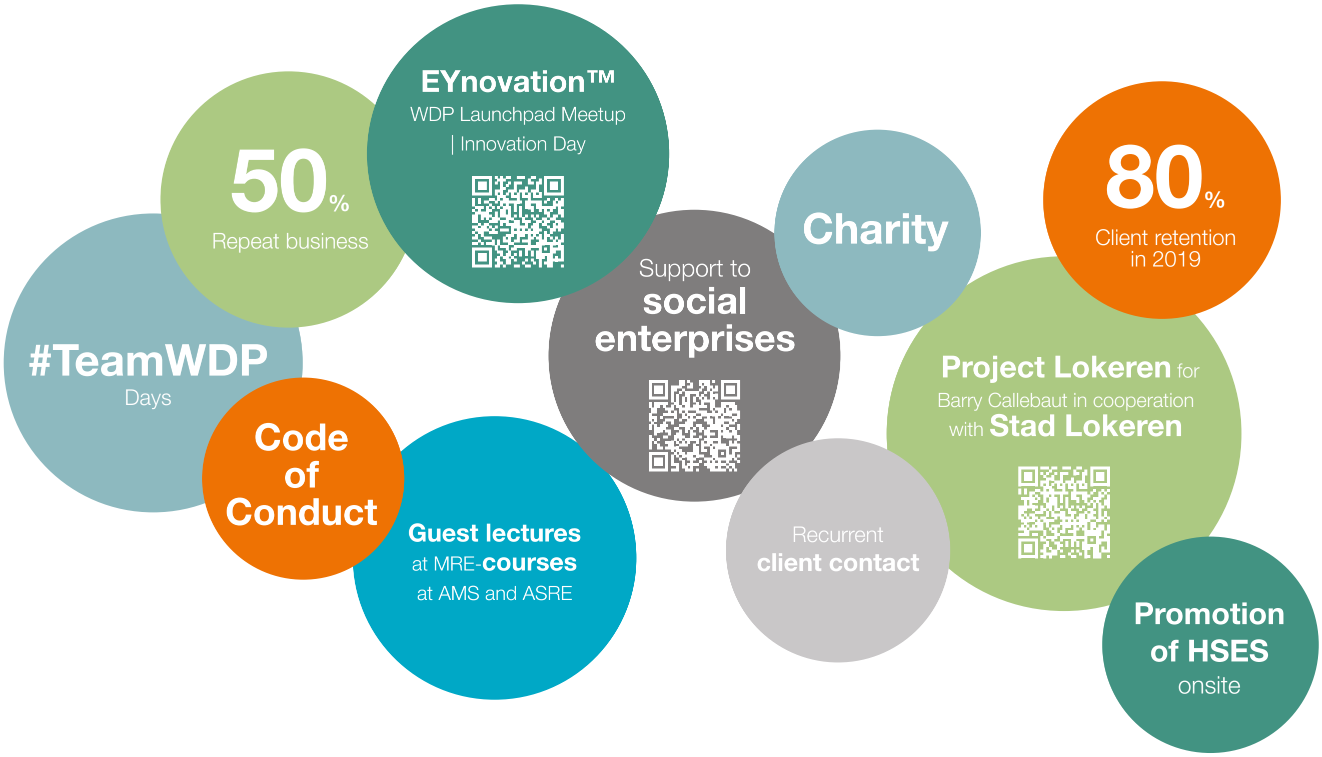
A safe and healthy working environment is a vital aspect of WDP's operational management. A good mix of different talents, cultures and personalities is critical to the recruitment policy. In order to retain talent within the company, WDP strives for continuous development and engagement with the company and its projects.

STAKEHOLDER ENGAGEMENT

Stakeholder	Expectation	Engagement	
Customers	• Strategic location • Sustainable property with a view to well-being, safety and ecology • Optimisation of supply chain and operating activities • Reliable partnership with WDP	• Warehouses with brains • 2019-23 ESG Roadmap • In-house knowhow: continuous interaction between the facility, project and commercial managers of WDP and current and future clients	• Fast and flexible response to client demands • Creation of long-term partnerships
#TeamWDP	• Work-life balance • Personal and professional development • Attractive salary package • Health & safety • Ethical conduct • Corporate social responsibility	• Pleasant working framework to support creativity, well-being and motivation • Code of Conduct • Corporate engagement activities	• Annual and semi-annual feedback moments • Training and coaching programmes • Annual analysis of the remuneration policy
Investors **Financiers** **Shareholders**	• Value creation and profit generation • Long-term business model with clear targets and strategy with a view to further growth • Stable partnership with WDP • ESG as part of the business plan • Transparency	• Long-term investments and creation of long-term cash flows • Defined growth plan with quantified targets • 2019-23 ESG Roadmap • Transparent communication and financial information	• Expansion of strong long-term relationships through continuous and intensive dialogue, such as annual roadshows and investor fairs, recurring moments of consultation and Investor Day • Annual General Meeting
Suppliers	• Reliable and long-term partnership • Doing business correctly • Safe working environment	• Collaboration based on clear agreements and interaction • Payment deadline compliance • Creation of a long-term relationship • Continuous brainstorming with partners on innovation and sustainable solutions	• HSES Team - HSES Corporate Action plan • Code of Conduct
Policymakers	• Compliance with applicable regulations	• Continuous monitoring and compliance with current regulations • Open dialogue via professional associations	• Open and proactive dialogue with local and national regulating associations during the project development cycle
Community	• Minimal impact of activities on the immediate environment • Measures to reduce ecological impact • Economic growth • Employment • Sustainable management	• 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 • 2019-23 ESG Roadmap • Contribution to the infrastructure

More information on the ESG Framework is available in the annex *11.3 Annexes – Background information on ESG reporting* in this annual financial report:

- Development of WDP ESG Framework
- Decision-making process



Corporate culture

Based on the spirit of a family business, a flexible, flat corporate structure and hands-on and can-do entrepreneurship are inherent to WDP's DNA. We stay on the ball and support long-term partnerships with all stakeholders. This corporate culture requires enterprising people with like-minded motivation. Every employee in #TeamWDP makes their own valuable contribution to the success of the organisation.

Promoting this corporate culture starts with the onboarding process for new staff, providing space to get to know WDP's values. A visit to a construction site or an existing property immerses them in the day-to-day operation of the company.

A united corporate culture is further conveyed through team spirit, synergies in the organisation and streamlined processes across national boundaries and business units. The linking communication platform WDP Connect! ensures that #TeamWDP continues to be informed of all news, internal communications and practical info. The company strives for continuous and ad hoc multidisciplinary and interdisciplinary reflection. That means each person is introduced to everyone else's job content, which automatically increases the engagement of each employee and the mutual respect for each other's work. New initiatives or tools are also 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 of the WDP ESG Framework.

ACCOMPLISHMENTS IN 2019

ESG ROADMAP

- Formulation and implementation of a multi-annual ESG Roadmap
- Concrete actions and targets for 2019-23
- KPIs for the whole company

CHARITY BY #TEAMWDP

- Shelter Aalst vzw, 5,000 euros
- Support to several charity programmes in Romania, 27,500 euros: Asociatia Spontania supports children with autism, Fundataia Comunitara Bucuresti is responsible for scientific projects for the development of children and Hospice Casa Sperantei cares for incurably sick children.

WDP 20Y TEAM DAY

- Workshops for all WDP platforms
- Working towards growth together
- Getting to know each other better

EYNOVATION™ WDP LAUNCHPAD MEETUP | INNOVATION DAY

- Innovation
- New opportunities in the market
- Forum for startups en scale-ups

2020 OBJECTIVES

WDP Team Day

3 platforms
Team building
Workshops

Charity by #TeamWDP

Charity campaigns in all WDP platforms

ESG Roadmap

Annual update as part of the updated environment

Attraction and retention of talent

8 DECENT WORK AND ECONOMIC GROWTH

Warehouse 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. WDP is looking for staff with the best skills, with the best match with the corporate culture and activities, 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. It is vital that everyone on the team feels good and valued and has space to deploy their talents. WDP employees receive leeway for their own initiative, and 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 a continuous dynamic and fosters involvement, responsibility and ownership. Ongoing education and continuous involvement in the company and its projects stimulate the professional and personal development of employees.

New talent

- A brief but thorough selection process, clear information and attention for the right match are of fundamental importance.
- The onboarding procedure wishes to provide close understanding to the business of WDP:

- an extensive onboarding procedure, a well-equipped workplace and the right tools
- allocation of a mentor who will show the new employee around the company informally
- personal introductory talks with colleagues from all departments accross country borders, including a talk with the compliance officer for a further explanation and a formal introduction to the WDP policies (e.g. the Dealing Code and the Code of Conduct)
- a visit to building sites and/or a visit to the clients accompanied by one of the project managers or the facility manager
- feedback interviews with the HR person responsible after one month and after six months

Ownership | diversity of thoughts

- Interdisciplinary and multidisciplinary project groups
- a project leader, who works with a number of staff in order to complete a project, is allocated to each project group

Fair and balanced remuneration

WDP applies a remuneration policy that is based on 3 principles: it is straightforward, transparent and in keeping with the corporate strategy.

As is the case with the remuneration of the members of the Management Committee, the remuneration of staff consists of a fixed and a variable remuneration, where relevant supplemented with non-statutory benefits such as a company car, a smartphone and group insurance (defined contribution).

The concrete details of these three components always depends, of course, on aspects such as the job and social insurance regime of the person in question, as well as the local regulations to which the employee is subjected.

On an annual basis, WDP compares its remuneration policy with that of other listed and non-listed property companies and other non-property companies with a similar scope and interest. We are currently using the services of the internationally recognised payment consultant Willis Towers Watson for this purpose. This way, WDP can be assured that it is offering its employees compensation packages in line with market conditions.

Variable remuneration for employees consists of:

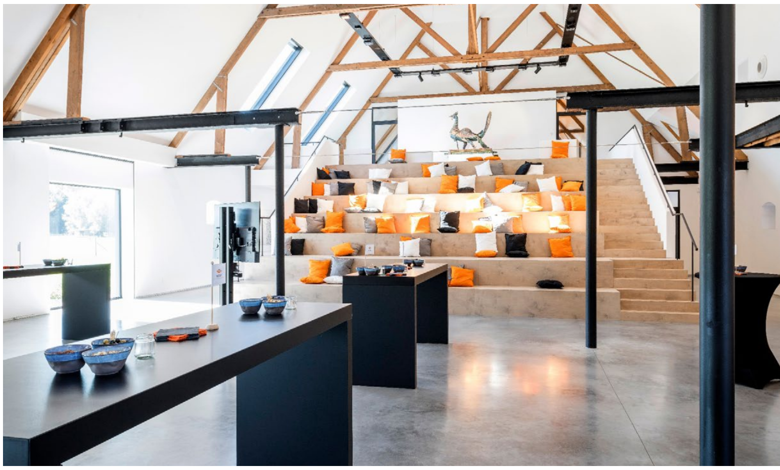
- a payment linked to **individual performance goals**, and
- a payment linked to **collective performance goals**, resulting directly from WDP's 2019-23 growth plan. The EPRA EPS and the occupancy rate, among other things, determine to what degree the collective variable remuneration is awarded and paid to staff.

The payment of the variable remuneration takes place depending on the place of employment, bearing in mind local legislation and the job and social insurance regime of the employee, in cash, via the assignment of warrants in the context of a warrant plan, via a non-recurrent result-based benefit and/or via a contribution to the group insurance.

As is the case with regard to the directors and the members of the Management Committee, there is currently no share or share option scheme for the staff of WDP.

Obviously, the remuneration is based on the "equal pay for equal work" principle.

In principle, all our staff are employed on the basis of a permanent employment contract; we can provide a fixed-term contract for temporary replacement in exceptional cases.



What does the **#TeamWDP** say about

Team

- Motivation
- Open doors
- Good atmosphere at work
- Proud
- Support
- Enjoyment
- Dynamic
- Autonomy
- Open communication

20Y WDP

- Great track record
- Wonderful time
- Growth company

JOB

- Challenging
- Professional cooperation
- Interesting projects
- Knowledge sharing
- Scope for growth
- Innovative ideas
- Leadership

Don't wait for the perfect moment. Seize the moment and make it perfect!

Willy De Pauw
WDP Facility manager

DIVERSITY BEYOND GENDER

#TeamWDP[1]

84
Employees

57% 43%

<30	30-50 years	>50
6	57	21

Educational background

83% university or college

17% secondary education

WDP Management Committee

7 Number of members

100% 0%

<30	30-50 years	>50
0	4	3

Seniority

<5 years	29%
5-10 years	29%
10-15 years	14%
15-20 years	14%
20-25 years	14%

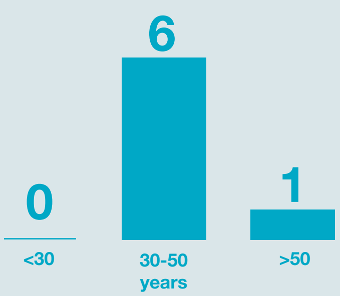
1. On the basis of a permanent employment contract or as an independent manager or an independent service provider.

In-House Group Shared Services

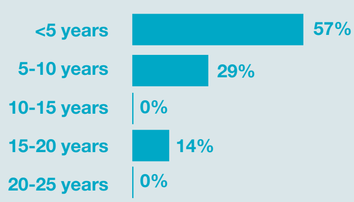
7

Project development
Finance
HR
Investor relations
Special Projects
Marketing
Legal

♂ 43% 57% ♀



Seniority



#TeamWDP[1]

Nationality

55% Belgium
26% Romania
18% Netherlands
1% Ukraine

100% mentorship

100% of employees fall under Collective Bargaining Agreements

Administrative staff – Joint Committee 200
Labourers – Joint Committee 124

New staff

16 new employees

♂ 11 | 5 ♀

7 Belgium
2 Netherlands
7 Romania

4 <30 years of age
11 >30 years of age and <50 years of age
1 >50 years of age

Average processing time of vacancies: 2 months

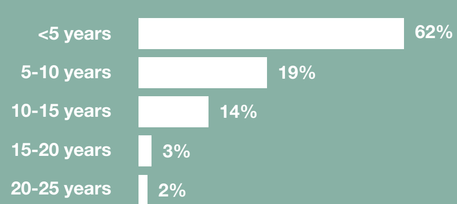
Employees on the move

10 employees left WDP

1 has retired
4 employees whose contract came to an end
3 dismissals by WDP
2 employees decided to take on a new challenge

Seniority

Retaining talent #TeamWDP



ACCOMPLISHMENTS IN 2019

PROJECT GROUPS
Sharing knowledge and cooperation in order to achieve the predefined goal

- Brains
- HSES
- ESG
- ABB

TEAM BUILDING

- WDP 20Y Team Day
- EYnovation™ WDP Launchpad Meetup | Innovation Day

2020 OBJECTIVES

Talent retention

Rollout of employee satisfaction survey
Maintaining gender balance

Attracting talent

Dedicated HR job website

8 DECENT WORK AND ECONOMIC GROWTH

Health and safety

A **safe and healthy living and working environment** is essential to the management of WDP. We strive for continuous improvement in this area, for the well-being of all stakeholders (employees, visitors, clientele, contractors, 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.

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 (at least one from each platform), a representative of the project managers, the prevention officer and the CTO, and rolls out an annual HSES Action Plan step by step.

WORK/LIFE BALANCE

FLEXIBLE WORK

- Launching of a formal guideline for flexible working at WDP and its application to #TeamWDP in 2019.
- Principle: Flexible working is organised at WDP on the basis of common sense, mutual trust and consultation. A recurring fixed teleworking day is not permitted. However, flexible working is possible on an ad hoc basis and occasionally, for example due to private reasons, weather conditions, etc., or because this contributes to a more efficient schedule for the day (e.g. teleworking in combination with appointments or training outside the office).

PART-TIME WORKING ON THEME-BASED LEAVE OR CONTRACTUALLY

25% OF THE STAFF

Maternity leave

Provided by law per child:
- Belgium: 15 weeks
- Netherlands: 16 weeks
- Romania: 18 weeks to 2 years

Adoption leave

Provided by law per child:
- Belgium: 15 weeks
- Netherlands: 16 weeks
- Romania: 18 weeks to 2 years

Paternity leave

Provided by law per child:
- Belgium: 10 days
- Netherlands: 5 days
- Romania: 5 days

Parental leave

Provided by law per child:
- Belgium: 4 months for each child aged up to 12
- Netherlands: 26 weeks for each child aged up to 8
- Romania: 1 month

Care leave

Provided by law per child:
- Belgium: 1 to 3 months
- Netherlands: maximum of 2 weeks
- Romania: 6 weeks for each child aged up to 7

Time credit

Provided by law in Belgium

ACCOMPLISHMENTS IN 2019

0.002% WORK-RELATED ACCIDENTS	• 0 deaths
100% HEALTH AND SAFETY EVALUATION	• 0 Incidents of non-compliance with regulations concerning health and safety impacts
1 PREVENTION ADVISER	
1 FIRST AIDER	
OFFICE WELL-BEING	• Daily fresh fruit • Daily fresh soup
NEW CORPORATE OFFICES FOR WDP ROMANIA	• Flexible and open workplace • Natural light • Adapted ergonomics • Adequate informatics and tools
HSES TEAM **HSES CORPORATE ACTION PLAN**	• Electricity course BA4/BA5 at recognised training centre Electrotest • 12 employees with a certificate of competence • #TeamWDP was provided with personal protective equipment • HSES Audit by SECO (technical supervisory board for the building sector) of the new WDP corporate offices in Wolvertem
ABSENCE DUE TO ILLNESS	• 0.1% long absence • 0.1% short absence
# FLU VACCINES	• 21 flu vaccinations for Team BE
MOVE TEAM	• Jump • Walking • Run – Immorun: 27 participants • Spinning

2020 OBJECTIVES

HSES Corporate **Action plan**

Onsite promotion: a safe working environment for everyone

At least 1 audit for one of the 3 pillars (in particular existing buildings, developments or offices of WDP)

0 workplace accidents

Absence due to **illness**

<1% long absence

<1% short absence

0 deaths

4 QUALITY EDUCATION

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 strives to promote the skills of its employees to facilitate a sustainable team and continuously build capacity. However, employee development should not be focused purely on the required job-related skills, but also on the development of soft skills.

Personalised development plans and opportunities for internal mobility promote strong performance and development for both employees and the company. **Individual or group trainings** help build and share expertise, such as through in-house Learn@lunch sessions. Moreover, WDP also provides individual **coaching projects**, such as to develop specific competencies, both technical and soft skills or adapted employment plans for its older employees (Werkbaar Werk).

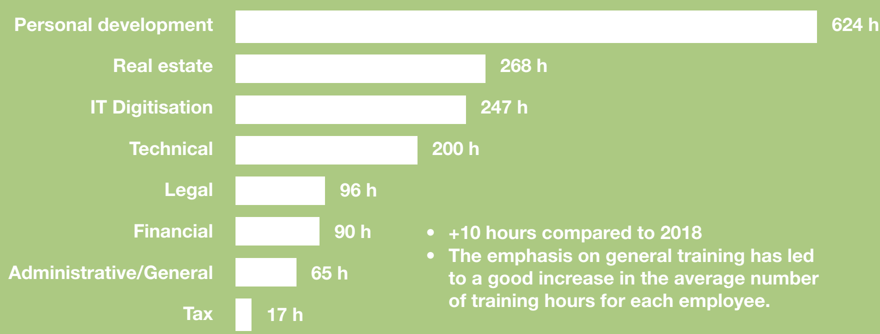
All employees have annual formal **feedback moments** with direct supervisors. In addition to the evaluation and assessment of individualised performance targets, these also give extensive attention to job performance, team atmosphere, work resources, training and further personal development. Regular informal chats give everyone an opportunity to offer or receive additional feedback.

Accomplishments in 2019[1]

100 %
of employees evaluated annually

19.7 hours
of training per employee on average

690 euros
for training per employee on average



- +10 hours compared to 2018
- The emphasis on general training has led to a good increase in the average number of training hours for each employee.

Training plan

Launching of a formal training plan for #TeamWDP, with a selection of general training, team training and individual training.

#TeamWDP general training

- DISC
- Office 365
- Governance
- ESG
- WDP annual and semi-annual results
- HR

> *I gained more insight into my personality and into that of my colleagues. This way we can interact more smoothly and tackle certain issues better together.*

DISC

- Personality analysis that provides insight into behaviour and communication, expressed in four colours

On-the-job mentoring

1. On the basis of a permanent employment contract or as an independent manager or an independent service provider.

2020 OBJECTIVES

# of training hours per employee

At least 20 hours per employee on average

General training

Office 365 package – OneNote – Sharepoint - Excel

Performance targets #TeamWDP

Individual ESG target for each member #TeamWDP

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. Each project is logically based on the most efficient approach, supported by (new) innovative, digital tools that offer added value for both employees and clients.

ACCOMPLISHMENTS IN 2019

PROJECT BRAINS	Analysis and architectural model for digitisation of the corporate processes Focus: • changeover from documents to data • Integration of existing source systems to increase efficiency and security
OPTIMISATION OF SERVER ENVIRONMENT	Virtualisation of existing IT infrastructure Focus: • increase efficiency of the IT server park • Business Continuity, Security and Performance

2020 OBJECTIVES

Project Brains

Optimisation of WDP data flows

Business Continuity

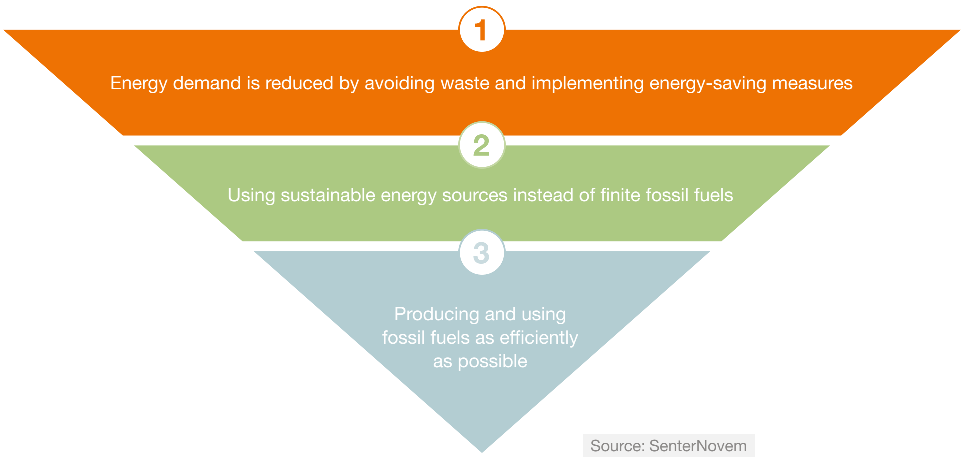
Further rollout of planning and tooling

Energy efficiency

7 AFFORDABLE AND CLEAN ENERGY

It is WDP's ambition to evolve to CO_2 neutrality, 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.

The Trias Energetica concept: the most sustainable energy is the energy you save



Source: SenterNovem

Green finance framework

Option to issue Green Bonds, Green Private Placements or Green Loans based on clear and transparent criteria on investments in renewable energy, measures to optimise energy efficiency or other energy-friendly projects.

Eligible assets under Green finance framework
430 million euros

Financial debt via green financing
9%
175 million euros

ACCOMPLISHMENTS IN 2019

Relighting with LEDs at existing locations	236,600 m²
Energy Monitoring System	70 % roll-out Monitoring of grey and green power, gas and water
Solar energy 80 MWp at 85 sites 1/3 of the WDP property portfolio is fitted with a PV installation **Ambition: 100 MWp**	**in 2019** **+20 MWp** 20 buildings 3,268 tCO_2 prevented
Green electricity 34 %	**Heat pump** 4 buildings
Energy-efficient WDP corporate offices	**WDP HQ:** geothermal heat pump **WDP Nederland:** municipal DH&C (District Heating and Cooling) – tap water instead of bottled water – Energy class A **WDP Romania:** newly built offices fitted with LEED Gold certification, charging stations for electric vehicles and modern sustainable materials
Paper consumption at WDP corporate offices	Staff are encouraged to use the printer less often and more efficiently, and so reduce the use of paper at the office. • Optimisation of existing printer settings • New printer policies • Secure printing via PaperCut • Automatic monitoring of paper use
Charging points for electric vehicles	The WDP corporate offices were equipped with charging points with a higher capacity.
BREEAM® **Certification**	13 WDP sites **1 Excellent, 7 Very Good, 5 Good**

2020 OBJECTIVES

WDP CLIMATE PLAN	WDP will draft a climate plan with specific actions and targets, also taking into account the 2030 climate goals for the European Union and the European Green Deal.
ENERGY MONITORING SYSTEM	Make data available to clients and engage in dialogue to optimise energy consumption
SOLAR ENERGY	Ambition: 100 MWp by 2021 year-end
CERTIFIED EPC VALUE	Offices WDP HQ
PAPER CONSUMPTION AT WDP CORPORATE OFFICES	• Number of colour prints < 40% of the total number of prints • Total number of prints -10%
RESEARCH INTO OTHER RELEVANT CERTIFICATION OPTIONS FOR THE WDP PROPERTY PORTFOLIO	

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.

An improved and high-quality report on good governance is only possible if WDP develops a long-term vision that safeguards sustainable employment practices and sustainable business practices, as has been formulated and described in the specific focus themes.

ACCOMPLISHMENTS IN 2019

NEW GOVERNANCE MODEL	Conversion of Comm. VA to NV/SA
CORPORATE GOVERNANCE CHARTER	New charter that takes into account the structure of a one-tier Board of Directors
CODE OF ETHICS	Ethical, responsible and sustainable enterprise
EMPLOYEE CODE OF CONDUCT	WDP values and policies
2019-23 ESG ROADMAP	Multi-annual roadmap with concrete actions and targets at the level of the 7 focus themes of the ESG framework #TeamWDP learned about these in a variety of workshops.
COMPLIANCE TRAINING	Various Learn@lunch sessions by the compliance officer to the full #TeamWDP about the following themes: • GDPR@WDP • Impact of the conversion of WDP into a public limited company • Dealing Code • Code of Ethics
BREACHES AND/OR CONVICTIONS FOR BREACHES OF COMPETITION LAW OR DUE TO CORRUPT OR FRAUDULENT CONDUCT	• No breaches • No fines

WDP ESG Reporting - future ambition

Reporting standards

	Previous	2019	2023
EPRA sBPR	EPRA sBPR GOLD	EPRA sBPR GOLD	Gold
GRI		Core ▲	Core

Corporate ratings

	Previous	2019	2023
MSCI	BB Dec 2018	BBB ▲ Dec 2019	A.
ISS ESG		Not Prime D+ Feb 2019	Prime C

Index

Dow Jones Sustainability Indexes	Ambition: Inclusion

Live score

	Previous	2019
ISS CORPORATE SOLUTIONS	E 3 S 3 G 7 Dec 2018	E 3 S 3 ▲ G 1 ▲ Dec 2019

2020 OBJECTIVES

COMPLIANCE TRAINING	Development of a training course that can be repeated on a recurrent basis, about the behavioural principles and values set out in the Code of Ethics, the Code of Conduct, the Corporate Governance Charter and also in terms of HSES and risk management.
DELEGATION MATRIX	Development of a delegation matrix that determines the specific powers of decision and representation granted to the co-CEOs and Management Committee members.
SUPPLIERS' CODE OF CONDUCT	Kick-off of a two-year project to implement a WDP Suppliers' Code of Conduct
DATA DISASTER RECOVERY PLAN	Further rollout
WDP INFORMATION SECURITY TOOLS & POLICIES	Further rollout

Reporting and recognition

	EPRA	GRI	MSCI[1]	ISS ESG	ISS CORPORATE SOLUTIONS	BVFA ABAF	Green Bond Awards
2019	EPRA BPR GOLD EPRA sBPR GOLD	Core	MSCI ESG RATINGS BBB	Not Prime D+	E 3 S 3 G 1	Best Press Release	Green Bond Awards 2019 Climate Bonds
2018	EPRA BPR GOLD EPRA sBPR GOLD					Best Mid & Small Caps	
2017	EPRA BPR GOLD EPRA sBPR GOLD					Best Press Release	
2016	EPRA BPR GOLD					ABAF-BVFA AWARD FOR THE BEST FINANCIAL COMMUNICATION 2016	
2015	EPRA BPR GOLD						
2014	EPRA BPR GOLD						
2013	EPRA BPR GOLD						
2012	EPRA BPR GOLD						

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07
REPORTING ACCORDING TO RECOGNISED STANDARDS

7.1 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.

Table	EPRA key performance indicator	Definition	Purpose	in euros (x 1,000)	in euro/ 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.	152,374	0.93
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.	2,203,505	12.8
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.	2,095,820	12.2

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 around Europe for portfolio valuations. In the past, there has been debate about portfolio valuations across Europe. This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.		5.6%
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).	WDP provides detail on the calculation of the measure and reconciliation between the EPRA NIY and EPRA TOPPED-UP NIY.		5.6%
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.		2.1%
V.	**EPRA cost ratio**	Administrative/operating costs including or minus the direct vacancy costs, divided by gross rental income.	A key indicator to enable meaningful measurement of the changes in operating costs of a real estate company	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 2019	FY 2018
Earnings per IFRS income statement		393,732	328,784
Adjustments to calculate the EPRA Earnings, exclude:			
I.	changes in value of investment properties, development properties held for investment	-278,827	-208,874
	- changes in the value of the real estate portfolio	-285,353	-213,811
	- depreciation and write-down on solar panels	6,526	4,937
II.	profit or losses on disposal of investment properties, development properties held for investment and other interests	-10	-787
VI.	changes in fair value of financial instruments and associated close-out costs	29,883	9,027
VIII.	deferred tax in respect of EPRA adjustments	7,972	3,698
IX.	adjustments (I) to (VIII) to the above in respect of joint ventures	-2,507	-209
X.	minority interests in respect of the above	2,131	2,721
EPRA Earnings		**152,374**	**134,359**
Weighted average number of shares		164,047,016	156,655,989
EPRA Earnings per share (EPS) (in euros)		**0.93**	**0.86**

II. EPRA NAV

in euros (x 1,000)	31.12.2019	31.12.2018
IFRS NAV	2,103,917	1,580,521
IFRS NAV/share (in euros)	12.2	9.8
Diluted NAV, after the exercise of options, convertibles and other equity interests	2,103,917	1,580,521
Includes (+/-):		
IV. fair value of financial instruments	81,819	51,936
V. deferred tax	17,769	8,710
EPRA NAV	**2,203,505**	**1,641,168**
Number of shares	172,489,205	161,429,730
EPRA NAV/share (in euros)	**12.8**	**10.2**
EPRA NAV	2,203,505	1,641,168
Include:		
I. fair value of financial instruments	-81,819	-51,936
II. fair value of financial debts	-8,097	-8,066
III. deferred tax	-17,769	-8,710
EPRA NNNAV	**2,095,820**	**1,572,455**
Number of shares	172,489,205	161,429,730
EPRA NAV/share (in euros)	**12.2**	**9.7**

III. EPRA NIY

in euros (x 1 000)		31.12.2019	31.12.2018
Investment property - wholly owned		4,002,340	3,299,864
Investment property - share of joint ventures		46,099	29,796
Less developments, land reserves and the right of use of consessions		-436,664	-318,257
Completed property portfolio		**3,611,775**	**3,011,402**
Allowance for estimated purchasers' costs		152,819	128,903
Gross up completed property portfolio	A	3,764,594	3,140,305
Annualised cash passing rental income		220,990	195,387
Property outgoings		-10,644	-6,271
Annualised net rent	B	210,346	189,116
Notional rent expiration of rent-free period or other lease incentives		0	0
Topped-up net annualised rent	C	210,346	189,116
EPRA NIY	**B/A**	**5.6%**	**6.0%**
EPRA TOPPED-UP NIY	**C/A**	**5.6%**	**6.0%**

IV. INVESTMENT PROPERTIES - RENTAL DATES AND VACANCY RATE (EPRA)

Segment	2019 gross rental income in euros (x 1,000)	2019 net rental income (in euros x 1,000)	Leasable space as at 31.12.2019 (in m²)	Annualised gross rental income (in euros x 1,000)	Expected rental value for vacant space as at 31.12.2019 (in euros x 1,000)	Total projected rental value (in euros x 1,000)	Vacancy rate (in %)
Belgium	69,638	67,922	1,813,774	71,121	3,189	75,507	4.2%
The Netherlands	96,075	91,642	2,108,773	102,288	321	103,590	0.3%
France	6,839	6,853	192,675	7,437	175	7,863	2.2%
Luxembourg	1,481	1,429	33,007	1,758	43	1,960	2.2%
Romania	28,269	27,249	890,074	38,386	1,044	40,990	2.5%
Total	**202,301**	**195,094**	**5,038,303**	**220,990**	**4,772**	**229,911**	**2.1%**
Reconciliation to the consolidated IFRS profit and loss account							
Rental income related to:							
- assets held for sale	281	281					
- investment properties already sold	686	686					
- income from solar panels	0	14,689					
- other adjustments: joint ventures:							
- Luxembourg	-1,481	-1,429					
Total	**201,788**	**209,321**					

The EPRA vacancy rate was 2.1% on 31 December 2019, compared to 2.7% on 31 December 2018. Based on information currently available and the current rental market situation, WDP projects a maximum average EPRA vacancy rate of 3% for 2020.

V. EPRA COST RATIO

in euros (x 1 000)			FY 2019	FY 2018[1]
Include				
I.	Administrative/operating expenses (IFRS)[2]		-21,546	-18,939
	I-1. Impairments of trade receivables		-256	-427
	I-2. Recovery of property charges		0	0
	I-3. Recovery of rental charges and taxes normally paid by the tenant on let properties		-3,012	-2,197
	I-4. Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease		0	54
	I-5. Property charges		-7,245	-6,271
	I-6. General company expenses		-11,034	-10,097
III.	Management fees less actual/estimated profit element		954	963
V.	Administrative/operating expenses of joint ventures expense		-451	-424
Exclude (if part of the above):				
VI.	Investment property depreciation		303	304
	Administrative/operating expenses related to solar panels		1,567	1,578
EPRA costs (including direct vacancy costs)		A	**-19,173**	**-16,519**
IX.	Direct vacancy costs		871	787
EPRA costs (excluding direct vacancy costs)		B	**-18,302**	**-15,732**
X.	Gross rental income (IFRS)		201,788	175,607
	Less net ground rent costs		-1,633	-1,389
XII.	Gross rental income of joint ventures		1,481	947
	Less net ground rent costs		-112	-60
Gross rental income		C	201,523	175,105
EPRA cost ratio (including direct vacancy costs)		**A/C**	**9.5%**	**9.4%**
EPRA cost ratio (excluding direct vacancy costs)		**B/C**	**9.1%**	**9.0%**

1. Limited changes were made to the method of calculating the EPRA cost ratio, which slightly changed the EPRA cost ratio for 2018.
2. Administrative/operating expenses are net of administrative and operating expenses capitalised according to IFRS for an amount of 3,2 million euros. Costs capitalised primarily relate to internal employee staff costs of employees directly involved in developing the property portfolio.

VI. INVESTMENT PROPERTIES - CHANGES IN NET RENTAL INCOME ON A CONSTANT BASELINE

in euros (x 1,000)					31.12.2019	31.12.2018	
	Properties held for two years	Acquisitions	Disposals	Projects	Total net rental income	Properties held for two years	Organic growth in net rental income in 2019 (in %)
Belgium	64,513	982	686	2,578	68,759	67,688	1.6%
The Netherlands	68,850	2,256	0	20,665	91,771	91,019	0.8%
France	5,552	0	0	1,302	6,853	6,342	8.1%
Luxembourg	734	0	0	694	1,429	1,689	-15.4%
Romania	8,502	588	0	18,158	27,249	26,555	2.6%
Property available for lease	148,151	3,826	686	43,398	196,061	193,293	1.4%

Reconciliation to the consolidated IFRS profit and loss account

Income from solar energy	13,698	0	0	991	14,689
Luxembourg	-734	0	0	-694	-1,429
Operating result for the property on a consolidated IFRS profit and loss account	161,115	3,826	686	43,694	209,321

VII. INVESTMENT PROPERTIES - VALUATION DATA

in euros (x 1,000)	Fair value	Changes in fair value during the year	EPRA net initial yield (in %)
Belgium	1,219,680	124,965	5.4%
The Netherlands	1,739,147	134,488	5.2%
France	125,079	5,719	5.5%
Luxembourg	27,622	3,860	5.3%
Romania	500,248	20,181	7.3%
Investment properties available for lease	**3,611,775**	**289,213**	**5.6%**
Reconciliation to the consolidated IFRS balance sheet			
- Investment properties under construction for own account for the purpose of being rented out	265,303		
- Land reserves	106,925		
- Rights of use to concessions	46,048		
- Assets held for sale	6,342		
- Other adjustments: joint ventures			
- Investment properties available for lease	-27,762		
- Investment properties under construction for own account for the purpose of being rented out	-16,589		
- Land reserves	0		
- Rights of use to concessions	-1,748		
- Assets held for sale	-563		
Other adjustments	18,389		
Investment properties in the consolidated IFRS balance sheet	**4,008,119**		

VIII. INVESTMENT PROPERTIES - DATA RELATED TO RENTAL CONTRACTS

	Average term		Details on next expiry dates of leases Passing rent of leases coming to their next expiry date in euros (x 1,000)[1]			Details of final expiry date of lease agreements Passing rent of leases coming to their final 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	6.8	9,506	23,949	18,016	4,634	14,360	16,619
The Netherlands	6.2	6.7	10,265	5,284	29,112	7,744	4,256	25,644
France	4.0	6.4	0	2,870	2,838	0	0	2,432
Luxembourg	8.9	10.6	134	0	686	134	0	0
Romania	6.7	8.6	1,079	2,766	7,215	501	1,701	6,331
Total	**5.6**	**7.1**	**20,984**	**34,870**	**57,867**	**13,013**	**20,317**	**51,026**

1. The passing rent indicated for Luxembourg is 55%.

IX. EPRA CAPITAL EXPENDITURE ANALYSIS[1]

in euros (x 1,000)	Group (excluding joint ventures)	Joint ventures (proportionate share)	Group total
Acquisitions[2]	95,796	0	95,796
Development	313,016	9,318	322,334
Like-for-Like portfolio[3]	10,090	0	10,090
Capitalised interest[4]	3,471	16	3,487
Total CapEx	**422,373**	**9,334**	**431,707**

1. The overview below shows which investments were included in the balance sheet in the course of 2019. For an overview of all transactions and realisations that were identified in 2019, see chapter *3.1 2019, an excellent start to the 2019-23 growth plan - Transactions and realisations*.
2. This is the net investment for all purchases and disposals executed.
3. This concerns improvements to existing properties.
4. This concerns the capitalised interests activated for the project developments.

7.2 EPRA SUSTAINABLE PERFORMANCE INDICATORS

METHODOLOGY CONCERNING THE WDP PROPERTY PORTFOLIO

The warehouses that are included within the reporting scope represent an area of around 1,200,000 m² (less for fossil fuels) and concern these properties where WDP has direct access to the data due thanks to the Energy Monitoring System nanoGrid which is data recording. As a coverage this represents 13% (natural gas), 18% (water) and 26% (electricity) of the total warehouse portfolio. The methodology for the portfolia has changed completely with the nanoGrid system: now all consumption data is available for an entire year, while previously missing months had to be estimated. Note however that since 2019 was a transition year, the increase in data coverage isn't as large as might be expected, due to installation of some nanoGrid equipment during the year 2019, and thus not leading to data coverage for all sites or or no full-year data was available yet. This is mostly notable in the Netherlands, were data coverage dropped compared to last year. Note however that for other countries, data coverage has increased significantly and that this coverage will continue to increase in 2020. Apart from the nanoGrid coverage, the data was complemented with invoices and reports of PV production and injection. Only sites were considered with a full-year data coverage.

Indicator	Performance measurement	Measuring unit	Description	Coverage	Comments
Total surface		m²		100% WDP-property-portfolio	
Electricity	Absolute	MWh	Gross total	26%	Coverage of sites with 100% nanoGrid coverage (suplemented with some invoice data) and 100% coverage of PV installations.
	Like-for-like	MWh	Constant perimeter		The same scope as 2018 was considered, excluding some sites where the deviation of consumption was deemed too high. No data had to be extrapolated, however for some PV installations no exact injection data was available. For these cases average injected power was assumed. Note that due to sale and/ or redevelopment of some sites in the Netherlands no corresponding sites were available to calculate a LFL indicator in the Netherlands.
Fuels	Absolute gross	MWh	Gross total	13%	Coverage of sites with 100% nanoGrid coverage, suplemented with some invoice data.
	Absolute normalised	nMWh	Standardised degree/day		
	Like-for-like normalised	nMWh	Constant perimeter		The same scope as 2018 was used, excluding some sites where the deviation of consumption was deemed too high. No data had to be extrapolated. Note that due to sale and/or redevelopment of some sites in the Netherlands no corresponding sites were available to calculate a LFL indicator in the Netherlands.
Direct green-house gas emissions	Absolute	tCO2e	Gross total	13%	n.a.
	Like-for-Like	tCO2e	Constant perimeter		n.a.

Indirect green-house gas emissions	Absolute	tCO2e	Gross total	26%	n.a.
	Like-for-like	tCO2e	Constant perimeter		n.a.
Water	Absolute	m³	Gross total blue water	18%	Coverage of sites with 100% nanoGrid coverage, suplemented with some invoice data.
	Like-for-like	m³	Constant perimeter		Coverage of sites with 100% nanoGrid coverage, suplemented with some invoice data.

METHODOLOGY CONCERNING WDP CORPORATE OFFICES

The boundary for the WDP coporate offices reporting represents all our corporate offices. Data was available for the entire year, except for the Netherlands, were data was available from January until end of September. No new data for the Romania office was available. This site was in a transition year because the activities moved to another site, which explains the missing data. Same data as previous year were considered here. Finally, the like-for-like analysis takes into account FY 2018 as base-year. There were no changes in scope between the two reporting years.

Indicator Total surface	Performance measurement	Measuring unit m²	Description	Coverage 100% WDP corporate offices (BE, NL, RO)	Comment
Electricity	Absolute	MWh	Gross total	100%	Romania: no new data available
	Like-for-Like	MWh	Constant perimeter		Netherlands: extrapolation last quarter
Fuel	Absolute gross	MWh	Gross total	100%	Romania: no new data available
	Absolute normalised	nMWh	Normalised degree/day		Netherlands: no fuel consumption, DH&C only
	Like-for-Like normalised	nMWh	Constant perimeter		
Direct green-house gas emissions	Absolute	tCO2e	Gross total	100%	Based on the above extrapolated consumption (fuels and electricity) to have a full view on 2019
	Like-for-Like	tCO2e	Constant perimeter		Based on the above extrapolated consumption (fuels and electricity) to have a full view on 2019
Indirect green-house gas emissions	Absolute	tCO2e	Gross total	100%	Based on the above extrapolated consumption (fuels and electricity) to have a full view on 2019
	Like-for-Like	tCO2e	Constant perimeter		
Water	Absolute	m³	Gross total water	100%	Romania: no new data available
	Like-for-Like	m³	Constant perimeter		Netherlands: due to a lack of information in FY 2019, the 2018 data was used, extrapolated based on the surface.
Waste	Absolute	tonnes	Gross total	100%	Data of previous year is extrapolated for increased/decreased FTE's in the different offices.

EPRA SUSTAINABLE KEY PERFORMANCE INDICATORS

EPRA sustainable performance indicator	GRI Standards (CRESSD) indicators	Measuring unit	WDP property portfolio 2018	2019
Sustainability – Environmental indicators				
Elec-Abs	302-1	annual kWh	21,734,194	56,324,248
Elec-LfL 2018	302-1	annual kWh	16,168,190	15,531,893
DH&C-Abs (normalised)	302-1	annual kWh	n.r.	n.r.
DH&C-LfL (normalised)	302-1	annual kWh	n.r.	n.r.
Fuels-Abs (normalised)	302-1	annual kWh	25,420,448	21,179,919
Fuels-LfL 2018 (normalised)	302-1	annual kWh	18,026,314	19,086,494
Energy-Int	302-3, CRE1	kWh/m^2	57	77
GHG-Dir-Abs	305-1	annual t CO_2e	4,736	3,917
GHG-Indir-Abs	305-2	annual t CO_2e	0	7,076
GHG-Dir-LfL 2018	305-1	annual t CO_2e	3,695	3,913
GHG-Indir-LfL 2018	305-2	annual t CO_2e	0	3,250
GHG-Int	305-4, CRE3	kg CO_2e/m2	6.5	12.1
Water-Abs	303-1	annual m^3	46,340	47,205
Water-LfL 2018	303-1	annual m^3	10,538	10,429
Water-Int	CRE2	m^3/m^2	0.08	0.06
Waste-Abs	306-2	annual tonnes of residual waste	n.r.	n.r.
		annual tonnes of PMD waste	n.r.	n.r.
		annual tonnes of paper waste	n.r.	n.r.
		annual tonnes of organic waste	n.r.	n.r.
Cert-Tot	CRE8	total number of BREEAM certificates	13	13

EPRA sustainable performance indicator	GRI Standards (CRESSD) indicators	Description
Sustainability – Social indicators		
Diversity-Emp	405-1	Employee gender diversity (%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 employees (abs/%)
Emp-Turnover	401-1	Employee turnover (abs/%)
H&S-Emp / Injury rate	403-2	Workplace accidents (number of employees involved/total number of hours)
H&S-Emp / Lost day rate	403-2	Incapacity for work (number of days when incapable of working/total number of hours)
H&S-Emp / Absentee rate (long-term)	403-2	Incapacity for work due to long-term illness (number of days incapacitated/ total number of hours)
H&S-Emp / Absentee rate (short-term)	403-2	Incapacity for work due to short-term illness (number of days incapacitated/ 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. All EPRA indicators marked with a ✓ were checked by certified Deloitte auditors in the context of a limited assurance with regard to the WDP property portfolio and the WDP corporate offices in scope for 2019.

WDP corporate offices 2018	WDP corporate offices 2019	Scope for statutory auditor[1]
296,571	280,927	✓
296,571	280,927	✓
39,666	40,851	✓
16,281	16,767	✓
319,045	286,733	✓
319,045	258,695	✓
366	340	✓
68	60	✓
2.9	47.8	✓
68	60	✓
12	48	✓
42	79	✓
1,197	1,090	✓
1,197	1,090	✓
0.7	0.6	✓
31.5	34.2	✓
0.3	0.3	✓
47.2	44.9	✓
1.8	2.0	✓
-	-	✓

Changes during 2018-19:

- Increase for the indicators 'Absolute' following the increased coverage due to the energy monitoring system nanoGrid.
- Increase for the Energy Intensity indicators following a change of building type in scope. The initital scope was mainly focused on multitenant buildings where utility invoices were managed by WDP. The extended scope of the energy monitoring system covers more cooled warehouses which are more energy intensive.
- Change for the GHG indicators due to the fact that - from an economic point of view - it was no longer acceptable to purchase green electricity for the Belgian properties (for the renewal of the energy contract at the end of 2018, electricity prices rose firmly in combination with the orginal guarantees of which the price was multiplied as opposed to its market price). For 2020, this electricity contract for the Belgian property portfolio is again switched to green electricity.

WDP corporate offices 2018	WDP corporate offices 2019	Scope statutory auditor[1]
55/45	58/42	✓
100/0	100/0	✓
0.56	0.62	✓
9.72	19.09	✓
100%	100%	✓
12/15%	16/21%	✓
4/5.5%	8/9%	✓
0.000%	0.002%	✓
0.000%	0.019%	✓
-	0.113%	✓
-	0.139%	✓
0	0	✓
100%	100%	✓
0	0	✓
See *6. Corporate social responsibility - Sustainable employment practices - Corporate culture*	See *6. ESG - Stakeholder engagement* and *11.3 Annexes - Background information on ESG reporting*	✓
See *4.7.4 Management report – Corporate governance – The Board of Directors of statutory manager De Pauw NV – Appointment of the director*	See 5. *Corporate Governance Statement - Board of Directors - Composition*	✓
See *4.7.4 Management report – Corporate governance – The Board of Directors of statutory manager De Pauw NV – Appointment of the director*	See *Corporate Governance Statement - Board of Directors - Composition*	✓
See *4.7.9. Management report – Corporate governance – Conflicts of interest*	See *Corporate Governance Statement - Conflicts of interest*	✓

7.3 GRI STANDARDS INDEX

GRI standard		Page, URL or comment
GRI 102: General information		
102-1	Name of the organisation	255
102-2	Activities, brands, products and services	13-19, 22-49
102-3	Location of headquarters	2, 256
102-4	Location of operations	138
102-5	Ownership and legal form	94, 255
102-6	Markets served	13-19, 19, 68-82
102-7	Scale of the organisation	68-82, 94, 188-197, 238
102-8	Information on employees and other workers	151-152, 172-173, 238
102-9	Supply chain	17-18
102-10	Significant changes to the organisation and its supply chain	22-49
102-11	Precautionary principle or approach	13-19, 140, 277-279
102-12	External initiatives	142, 277
102-13	Membership of associations	281
102-14	Statement from senior decision-maker	WDP website
102-15	Key impacts, risks and opportunities	13-19, 177-184, 277-279, WDP website
102-16	Values, principles, standards and norms of behaviour	13-19, 131-134, 140, WDP website
102-17	Mechanisms for advice and concerns about ethics	128-130, 132
102-18	Governance structure	97-118, 279
102-19	Delegating authority	279
102-20	Executive-level responsibility for economic, environmental, and social topics	101-108, 114-118, 279
102-21	Consulting stakeholders on economic, environmental, and social topics	13-19, 277-278
102-22	Composition of the highest governance body and its committees	97-113
102-23	Chair of the highest governance body	102, 108
102-24	Nominating and selecting the highest governance body	108
102-25	Conflicts of interest	128-130
102-26	Role of highest governance body in setting purpose, values and strategy	107, 279
102-27	Collective knowledge of highest governance body	102-106, 279
102-28	Evaluating the highest governance body's performance	109
102-29	Identifying and managing economic, environmental, and social impacts	131-134, 139-143, 277-279
102-30	Effectiveness of risk management processes	107-108, 131-135
102-31	Review of economic, environmental and social topics	131-135
102-32	Highest governance body's role in sustainability reporting	279
102-33	Communicating critical concerns	128-130, 132, 142, 279
102-35	Remuneration policies	119-127
102-36	Process for determining remuneration	119-127
102-37	Stakeholders' involvement in remuneration	119-127
102-40	List of stakeholder groups	13-19, 142, 277-278

102-41	Collective bargaining agreements	149
102-42	Identifying and selecting stakeholders	13-19, 142, 277-278
102-43	Approach to stakeholder engagement	13-19, 142, 277-278
102-44	Key topics and concerns raised	278
102-45	Entities included in the consolidated financial statements	54-61
102-46	Defining report content and topic boundaries	277-278, 280
102-47	List of material topics	140
102-48	Restatements of information	n.r.
102-49	Changes in reporting	n.r.
102-50	Reporting period	280 Financial year from 01.01.2019 to 31.12.2019.
102-51	Date of most recent report	This report explains the activities for the 2019 financial year. This follows the Annual financial report 2018, published on 22 March 2019.
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 in line with GRI standards - Option: Core.
102-55	GRI content index	174-176
102-56	External assurance	89-90, 269-276 Deloitte Bedrijfsrevisoren issues a report on the EPRA Earnings forecast, the consolidated financial statements and a selection of environmental, social and governance indicators, published in this annual financial report.

Materiality	GRI Standard	Page, URL or comment
Corporate culture		
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	143-145, 280
	103-2 The management approach and its components	143-145
	103-3 Evaluation of the management approach	143-145
GRI 102 General information	102-16 Values, principles, standards and norms of behaviour	13-19, 140, 171-173, WDP website
Attracting and retaining talent		
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	145-150, 280
	103-2 The management approach and its components	145-150
	103-3 Evaluation of the management approach	145-150
GRI 401 Employment	401-1 Average hours of training per year per employee	154-155, 172-173
GRI 405 Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	106, 118, 172-173, WDP website
	405-2 Ratio of basic salary and remuneration of women to men	172-173
Digitisation		
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	155, 280
	103-2 The management approach and its components	155
	103-3 Evaluation of the management approach	155
GRI 203 Indirect economic impacts	203-1 Infrastructure investments and services supported	155
Employee development		
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	153-155, 280
	103-2 The management approach and its components	153-155
	103-3 Evaluation of the management approach	153-155
GRI 404 Training and education	404-1 Average hours of training per year per employee	154-155, 172-173
	404-3 Percentage of employees receiving regular performance and career development reviews	154
Energy efficiency		
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	156-157, 280
	103-2 The management approach and its components	156-157
	103-3 Evaluation of the management approach	156-157
GRI 302 Energy	302-1 Energy consumption within the organisation	172-173
	302-2 Energy consumption outside of the organisation	172-173
	302-3 Energy intensity	172-173
	302-4 Reduction of energy consumption	172-173
	302-5 Reductions in energy requirements of products and services	172-173
Health and safety		
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	151-153, 280
	103-2 The management approach and its components	151-153
	103-3 Evaluation of the management approach	151-153
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.	152, 172-173
GRI 416 Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories	172-173
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	172-173
Good governance		
GRI 103 Management approach	103-1 Explanation of the material topic and its boundary	158, 280
	103-2 The management approach and its components	158
	103-3 Evaluation of the management approach	158
GRI 102 General information	102-22 Composition of the highest governance body and its committees	100-113
	102-24 Nominating and selecting the highest governance body	100-113
	102-25 Conflicts of interest	128-130
GRI 307 Environmental compliance	307-1 Non-compliance with environmental laws and regulations	158, 182
GRI 419 Socioeconomic compliance	419-1 Non-compliance with laws and regulations in the social and economic area	177-185

08 RISK FACTORS

Due to entry into force of the Prospectus Regulation on 21 July 2019, only the risk factors identified by the Company as specific and material to WDP are described below. Thus, this summary does not cover non-specific risks, in particular risks that do not apply solely to businesses like WDP, but which are associated with matters such as general economic downturns or trading in the broader sense. For each risk, the description addresses its adverse impact on the Company and its likelihood of materialisation. The most significant risk factors are indicated first within each category or subcategory.

WDP's risk management policy is further detailed in Chapter *5. Corporate Governance Statement*, and is also reflected in the Company's strategy (Chapter *2.4 This is WDP – Our strategy*) and affirmed throughout this annual financial report.

BUSINESS ACTIVITY AND MARKET

1. CONJUNCTURE

RENTAL MARKET FOR LOGISTICS AND SEMI-INDUSTRIAL PROPERTIES

The rental market may face flagging demand for logistics and semi-industrial properties, oversupply or a deterioration in the financial position of clients.

Potential impact

- Rental incomes and cash flows affected by an increase in vacancy rates and costs related to re-letting. An increase of 1% in the vacancy rate would result in a decrease of -1.5% in EPRA Earnings.
- Decrease in solvency of client portfolio and increase in the number of dubious debts, causing a decline in the rental income collection rate.
- Decline in fair value of property portfolio, and thus also in the NAV.
- Inability to pre-lease projects, and to further develop and monetise land resources in the portfolio.

INVESTMENT MARKET FOR LOGISTICS AND SEMI-INDUSTRIAL PROPERTIES

The investment market for logistics and semi-industrial properties may be negatively impacted by reduced investor demand for real estate.

Potential impact

- Decrease in fair value of property portfolio.
- As a result: decrease in NAV and increase in gearing ratio. Each decrease of 1% in the property portfolio value would result in a decrease of 0.2 euros (2.0%) in NAV and an increase of 0.4% in the gearing ratio.

INTEREST RATE VOLATILITY

International financial markets may be subject to wide fluctuations in leading short-term and long-term interest rates.

Potential impact

- Negative impact on the cost of financing and consequences on cash flow in the event of an interest rate increase.
- Severe fluctuations in value of the financial instruments that serve to hedge debts.
- Possible negative impact on NAV. An increase of 100 basis points in Euribor rates has an adverse impact of -2.8 million euros (-1.6%) on EPRA Earnings.

2. PROPERTY PORTFOLIO

PROJECTS UNDER DEVELOPMENT

In recent years, WDP has mainly expanded its property portfolio by means of development projects, rather than acquisitions.

On the date of this annual financial report, the development volume stood at 480 million euros in projects (100% pre-leased), or 12% of the total completed property portfolio of WDP as at 31 December 2019. Development projects may entail risks related to contractor solvency, ability to obtain required permits and licences, works management, etc.

Potential impact

- Inability to obtain the required permits.
- Significant delays resulting in loss of potential income.
- Substantial overrun of investment budgets.
- In the event of speculative developments: long-term vacancy.
- Failure to achieve projected returns on developments.

NEGATIVE CHANGE IN THE FAIR VALUE OF BUILDINGS

The fair value of WDP Group investment properties is subject to change and depends on a variety of factors, some of which are exogenous and may therefore be beyond the Group's control, such as decreasing demand or occupancy rates in the submarkets where the Group is active, changes in expected returns on investment or increases in transaction costs for property acquisitions or transfers.

In addition, the valuation of a property may also be affected by a number of qualitative factors, such as but not limited to its technical condition, commercial positioning and capital expenditure requirements for refurbishment, location and zoning. Whenever new factors should be considered or new assumptions made with regard to valuation of investment properties held by the WDP Group, updated valuations may result in a decrease in the fair value ascribed to these properties.

If these valuations result in significant decreases in fair value compared to prior valuations, the WDP Group could incur significant losses on the property, which could have a material adverse impact on the Group's results and financial situation.

Potential impact

- Negative impact on the net result and NAV. A decrease of 1% in the occupancy rate would result in a decrease of -1.5% in EPRA Earnings.
- Negative change in debt ratio. A decrease of 5.0% in the fair value of property investments would result in an increase of 2.3% in the gearing ratio.
- Total or partial inability to dividend distribution if the cumulative negative change in fair value should exceed the distributable reserves.

BUILDING SUSTAINABILITY

Buildings do not adequately meet standards for sustainability of required energy and CO_2-intensity.

Potential impact

- High rate of departure of clients and negative impact on rent.
- Limitations on rentability and/or re-rentability.

3. CUSTOMERS

CONCENTRATION RISK

Risk of concentration of the client portfolio, concentration of customers or concentration of investments in one or more buildings or sites.

In WDP's portfolio, each of the top-10 clients' accounts for between 2 and 6% of total rental income, and all are present on multiple sites. The biggest site accounts for less than 3% of the portfolio and the yield from solar panels makes up 6% of the revenue flow.

Potential impact

- Sharp decline in income and cash flows in the event of departure of a client.
- 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.
- Dependence on green energy certificates for solar energy, taking into account the fact that the yield from solar panels is the biggest revenue flow for WDP.

VACANCY

Leases that are not extended or that are terminated prematurely, or unexpected circumstances such as bankruptcies or relocations, resulting in vacancies.

Potential impact

- Higher vacancy rate, absorption of costs normally passed on to tenants (withholding tax, management costs, etc.) and commercial costs related to re-letting and/or downward adjustment of rents. Every year 10 to 15% of leases reach their maturity date.
- Decrease in revenue and cash flows.

FINANCIAL RISKS

LIQUIDITY RISKS

WDP's strategy is highly dependent on its ability to access financial resources, in the form of either debt or equity capital, in order to finance its activities and investments. A variety of unfavourable scenarios may arise, each of which may result in a lack of available financing or financing options (such as disruptions in international financial debt and equity markets, a reduction in bank lending capacities, a deterioration in the creditworthiness of the WDP Group, or negative investor perceptions of real estate companies).

Any of these events could cause the WDP Group to experience difficulties in accessing funding under its existing or new credit facilities or in the capital markets.

Potential impact

- Inability to finance acquisitions or projects (both from shareholder's equity and from borrowing) or increased costs, resulting in a decrease in target profitability.
- 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.
- Increased cost of debt due to higher bank margins, resulting in an impact on result and cash flows.
- Increased financing risk for part of the short-term debts (15% of the total liabilities), primarily commercial paper.

CONTRACTUAL AGREEMENTS AND LEGAL PARAMETERS

In the context of its relationships with financial counterparties, the WDP Group must meet specific financial parameters under certain credit agreements and/or the statutory regimes applicable to some or all WDP Group entities. Failure to meet these requirements entails certain risks.

Potential impact

- 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 GVV/SIR Royal Decree).
- Possible cancellation of credit facilities and diminished confidence amongst investors and banks in the event of non-compliance with contractual covenants.
- Some or all of these defaults could allow creditors to (i) accelerate repayment of these debts as well as any other debts to which a cross-default or cross-acceleration provision applies, (ii) declare all borrowings outstanding under these to be due and payable and/or (iii) cancel undrawn commitments.

LEGAL AND REGULATORY RISKS

REGULATORY FRAMEWORK FOR FBI[1]

Non-compliance or amendment of the rules required by the fiscally transparent regime used for the Dutch operations.

Since 1 November 2010, WDP has held FBI (Fiscale Beleggingsinstelling) status via its subsidiary, WDP Nederland N.V. (WDP NL). The conditions for FBI qualification depend, among other things, on the activities of the subsidiary as well as its shareholder structure; for example, at least 75% of a non-listed FBI such as WDP NL must be owned by natural persons, tax-exempt entities or a listed FBI. At the time, the Dutch tax authorities confirmed in a fiscal ruling that WDP NL's parent entity, WDP as a GVV/SIR (regulated real estate company) and formerly as a BEVAK (real estate investment company with fixed capital) is an entity that is exempt from income tax. This is because the corporate tax payable by WDP is as good as zero in both absolute and relative terms, as its activities are de facto exempt from corporate tax.[2].

Over the past few years, WDP NL was in talks — at the request of the Dutch tax administration — regarding a different approach to the shareholder test. Even though WDP was and remains of the opinion that the relevant policies, regulations and jurisprudence has not changed, it has constructively cooperated in examining whether WDP itself — in relation to the shareholder test — could qualify as an FBI. Hence, WDP is of the opinion — aside from the fact that is it not subject to corporate tax — that as a GVV/SIR, it is operating under a regime that is objectively comparable to that of an FBI and that it should thus be able to pass this shareholder test. Negotiations between WDP and the Dutch tax administration to investigate how this could be implemented in concrete terms to ensure the continued application of WDP NL's FBI status have always been held in a constructive atmosphere.
These negotiations were subsequently suspended when the Dutch coalition agreement of October 2017 included a resolution to no longer permit direct investment in Dutch property through FBIs — including WDP, via its subsidiary, WDP Nederland N.V. — from 2020 in relation to the planned abolition of dividend tax. At the start of October 2018, the Dutch government announced that it would retain the dividend tax and also keep the current FBI system intact.

Recently, the Dutch tax administration indicated that, for now, it will not provide specific details on the shareholder test, partly because this depends on the outcome of thousands of appeals between the Dutch authorities and foreign investment funds concerning the reclaim of the dividend tax. A ruling from the European Court of Justice and then the Dutch Supreme Court is expected during the course of 2020.
Furthermore, the Dutch government is currently investigating whether specific adjustments to the property FBI regime are possible and feasible by means of an evaluation, and possibly through policy and/or regulation amendments in 2021.

In a new letter to WDP, the Dutch tax authorities have indicated that they will withdraw the previously granted tax ruling with effect from 1 January 2021, and that from that moment onward, "*WDP NL must comply with all requirements applicable in the Netherlands for FBI status, including the shareholder tests*".

Potential impact

- Loss of tax status and associated mandatory repayment of certain loans (150 million euros, less than 10% of the outstanding debt), loss of fiscally transparent status in the Netherlands.
- Negative impact on the results or the NAV in the event of changes in the regime.
- 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 (1.00 euros for 2020).

REGULATORY FRAMEWORK FOR GVV/SIR REGULATORY FRAMEWORK FOR GVV/SIR[3]

Non-compliance or amendment of the rules required by the tax-transparent regime used for the Belgian operations.

To maintain its GVV/SIR status, the Company must take into account a number of activity restrictions, diversification requirements, restrictions on the level of its subsidiaries, restrictions on its gearing ratio, requirements on profit disbursement, requirements on its shareholding structure, procedures for conflicts of interest, requirements related to corporate governance and other special requirements as set out in the Belgian GVV/SIR Act and the Royal Decree of 13 July 2014 on GVV/SIRs. The ability of the Company to meet the required conditions depends on factors such as its ability to successfully manage its assets and debt burden as well as on rigorous internal control procedures.

Potential impact

- Loss of fiscal status and associated compulsory repayment of certain loans and/or bonds.
- Negative impact on the results or the NAV in the event of changes in the regime.

1. See Chapter *3.1 2019, an excellent start to the 2019-23 growth plan – Transactions and realisations – Significant events after the balance sheet date.*
2. The limited amount of corporate tax paid is related to non-deductible expenditures.
3. For further information, please see Chapter *11.1 Annexes – General information on REIT status.*

REGULATORY FRAMEWORK FOR SIIC[3]

Non-compliance or amendment of the rules required by the tax-transparent regime used for the French operations.

The Company holds the status of a listed real estate investment company ("Société d'Investissement Immobilier Cotée" or "SIIC") through its permanent establishment in France, as well as the Company's French subsidiary, WDP France SARL. The ability to meet the conditions required for SIIC status depends on factors such as the Company's ability to successfully manage its ancillary activities and the assets allocated to such activities.

Changes may occur at any time in the legal framework or in the policy on SIICs (or in the interpretation of these by the competent authorities, including the tax authority), resulting in a risk that the Company's permanent establishment in France will no longer be able to meet all of the statutory requirements, such as the shareholder diversification rules. Changes beyond the Company's control may also occur in its shareholder structure, resulting in the Company no longer meeting the conditions for the SIIC regime.

Potential impact

- Loss of financial status after failure to meet the rules.
- Negative impact on the results or the NAV in the event of changes in the regime.

CHANGES IN THE LEGAL FRAMEWORK WITHIN WHICH THE COMPANY OPERATES

- **Changes in urban planning law**
  Public and/or administrative authorities may enact regulatory changes in the area of spatial planning, which in turn could have an adverse impact on building lease options.
- **Changes in environmental law**
  The operations and properties of the WDP Group are subject to various laws and regulations relating to the protection of the environment, including but not limited to regulations on soil, water and air quality, testing for hazardous or toxic substances and guidelines regarding health and safety. Laws and regulations of this kind may also require the WDP Group or its clients to hold certain permits or licences to conduct their activities.
- **Expropriation risk**
  The WDP Group may be exposed to expropriation by public and/or administrative authorities. In such cases, the compensation may be well below the actual value of the assets.

Potential impact

- Negative impact on business, results, profitability, financial condition and prospects and negative impact on the current operating model.
- Potential impact on reporting, capital requirements, use of derivatives and organisation of the company. Consequential impact on transparency, returns on investment and possibly also valuation.
- Negative impact on usability of the buildings, affecting rental income and reletting potential and increased costs for maintaining operational condition. Decline in fair value of property portfolio, and consequently in the NAV. Delay of development and/or renovation projects.
- Loss in investment value and compulsory sale at a loss.
- Loss of income due to lack of reinvestment opportunities

RISKS ASSOCIATED WITH VARIOUS POLITICAL DECISIONS RELATED TO TAXATION OR SUBSIDY LEGISLATION

Various decisions made by regional, national or European political authorities, such as related to taxation or subsidy legislation and regulations (e.g. alternative energy investments), could have a significant adverse impact on activities.

Potential impact

- 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.
- Changes in the regulatory framework for solar energy subsidies and/or new levies on renewable energy.
- Potential impact of Brexit on clients of WDP and on their demand for warehouse space.

3. For further information, please see Chapter *11.1 Annexes – General information on REIT status.*

TAX REGIME

New or amended laws and regulations could come into force (including existing administrative tax practices, such as those detailed in Circular Ci.RH.423/567.729 of 23 December 2004 of the Belgian Minister of Finance on the exit tax calculation method, stipulating that the actual value of the immovable assets for the exit tax basis shall be determined using the transfer taxes or VAT that would have applied in case of a sale of the assets in question, the value of which may differ from (and even be less than) the "fair value" of these assets recorded in the annual financial statements for IFRS purposes) or their interpretation and application by authorities (including the tax authority) or the courts.

Potential impact

- Potential need for considerable additional expenses related to one or more or its properties, or for other reasons.
- Adverse impact on WDP Group activities, results, profitability, financial condition and prospects.

INTERNAL CONTROL RISKS

INADEQUATE INTERNAL CONTROL SYSTEM

An inadequate internal control system may prevent stakeholders (Audit Committee, Compliance Officer, Risk Manager, Internal Auditor) performing their duties, resulting in failure to complete procedures to safeguard internal control.

Potential impact

- Operational management is not performed in an orderly and careful manner with well-defined objectives, resulting in uneconomic and inefficient use of resources.
- Having no concept of the risks entails inadequate protection of Company assets.
- Lack of integrity and reliability of financial and management information.
- Failure to meet the relevant laws and regulations, as well as the general policy lines, plans and internal rules.

RISKS RELATED TO CORPORATE SOCIAL RESPONSIBILITY

TRANSPARENCY AROUND ESG AND SUSTAINABLE ENTERPRISE

Risk of inadequate transparency in WDP's decisions and activities that affect society, the environment, its policy and/or employees (ESG) or limited relevant reporting. The broader capital market exhibits a clear and persistent demand for WDP's sustainable strategy and reporting on this.

Potential impact

- Negative impact on the future-proofness of the company and its activities.
- More difficult access to the share and debt capital market due to negative ratings from ratings agencies and other parties.
- Higher premiums by investors if poor or restricted disclosure regarding environmental performance and the CO_2 footprint of the portfolio and the company in its totality.

TRANSPARENCY ON ESG AND SUSTAINABLE ENTERPRISE

Risk of departure of key personnel.

Potential impact

- Negative impact on existing business partnerships.
- Reputational damage in relation to stakeholders.
- Loss of decisiveness and efficiency in the management decision process.

09

FINANCIAL STATEMENTS

CONTENTS

9.1 ANNUAL CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2019 FINANCIAL YEAR

PROFIT AND LOSS ACCOUNT

in euros (x 1,000)		Note	FY 2019	FY 2018
I.	**Rental income**		**202,748**	**175,822**
Rents		VIII	201,788	175,607
Indemnification related to early lease terminations			961	215
III.	**Costs related to leases**		**184**	**-1,816**
Rent to be paid for leased premises			440	-1,389
Impairments of trade receivables		XVI	-783	-679
Reversals of impairments of trade receivables		XVI	527	252
Net rental result			202,932	174,006
IV.	**Recovery of property costs**		**0**	**0**
V.	**Recovery of rental charges and taxes normally paid by the tenant on let properties**		**18,226**	**10,978**
Re-invoicing rental charges paid out by the owner			8,940	3,132
Re-invoicing advance property levy and taxes on let buildings			9,286	7,846
VI.	**Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease**		**0**	**54**
VII.	**Rental charges and taxes normally paid by the tenant on let properties**		**-21,238**	**-13,175**
Rental charges paid out by the owner			-9,127	-3,287
Withholding levies and other taxes on leased buildings			-12,111	-9,888
VIII.	**Other income and charges related to leases**		**16,646**	**16,061**
Property management fees			954	963
Other operating income/costs			1,003	561
Income from solar energy		XIII	14,689	14,537
Property result		V	216,566	187,923
IX.	**Technical costs**		**-4,552**	**-4,059**
Recurrent technical costs			-4,487	-4,309
	- Repairs		-3,424	-3,246
	- Insurance premiums		-1,064	-1,064
Non-recurrent technical costs			-64	250
	- Accidents		-64	250
X.	**Commercial costs**		**-656**	**-831**
Agency commissions			-162	-313
Advertising			-318	-352
Lawyers' fees and legal charges			-176	-167
XII.	**Property management costs**		**-2,037**	**-1,381**
Fees paid to external managers			-382	-249
(Internal) property management costs			-1,655	-1,132
Property charges		V	-7,245	-6,271
Property operating results		V	209,321	181,652

XIV.	**General company expenses**		**-11,034**	**-10,097**
XV.	**Other operating income and expenses (depreciation and write-downs on solar panels)**		**-6,526**	**-4,937**
Operating result (before the result on the portfolio)		V	191,761	166,618
XVI.	**Result on disposals of investment properties**	**IX**	**10**	**787**
Net property sales (sales price – transaction costs)			14,570	33,718
Book value of properties sold			-14,560	-32,931
XVIII.	**Changes in the fair value of investment properties**	**XII**	**285,353**	**213,811**
Positive changes in the fair value of investment properties			301,891	246,366
Negative changes in the fair value of investment properties			-16,539	-32,556
Operating result			477,124	381,215
XX.	**Financial income**		**453**	**324**
Interests and dividends received			246	173
Other financial income			207	151
XXI.	**Net interest charges**		**-39,411**	**-32,517**
Interests on loans			-23,486	-20,933
Interest capitalised during construction			3,471	4,417
Cost of permitted hedging instruments			-16,380	-14,787
Other interest charges			-3,016	-1,214
XXII.	**Other financial charges**		**-1,257**	**-819**
Bank charges and other commissions			-52	-48
Other financial charges			-1,206	-771
XXIII.	**Changes in the fair value of financial assets and liabilities**	**XIV**	**-29,883**	**-9,027**
Financial result		X	-70,099	-42,039
XXIV.	**Share in the result of associated companies and joint ventures**		**3,117**	**466**
Result before taxes			410,142	339,642
XXV.	**Corporate tax**		**-10,672**	**-5,796**
XXVI.	**Exit tax**		**0**	**0**
Taxes		XI	-10,672	-5,796
Net result			**399,470**	**333,846**
Attributable to:				
	Minority interests		5,738	5,063
	Shareholders of the Group		393,732	328,784

CONSOLIDATED STATEMENT OF THE OVERALL RESULT

in euros (x 1,000)	FY 2019	FY 2018
I. Net result	399,470	333,846
II. Other components of the overall result	983	3,876
G. Other components of the overall result, after tax	983	3,876
Revaluation of solar panels	983	3,876
Revaluation of the solar panels in joint ventures	0	0
Overall result	**400,453**	**337,722**
Attributable to:		
Minority interests	5,961	4,847
Shareholders of the Group	394,492	332,875

COMPONENTS OF THE NET RESULT

in euros (x 1,000)	FY 2019	FY 2018
EPRA Earnings	152,374	134,359
Result on the portfolio (including share in the result of joint ventures) - Group share[1]	277,423	208,257
Changes in the fair value of financial assets and liabilities - Group share	-29,883	-9,027
Depreciation and write-down on solar panels (including share in the result of joint ventures) - Group share	-6,183	-4,805
Net result (IFRS) - Group share	393,732	328,784

in euros (per share)[2]	FY 2019	FY 2018
EPRA Earnings	0.93	0.86
Result on the portfolio (including share in the result of joint ventures) - Group share[1]	1.69	1.33
Changes in the fair value of financial assets and liabilities - Group share	-0.18	-0.06
Depreciation and write-down on solar panels (including share in the result of joint ventures) - Group share	-0.04	-0.03
Net result (IFRS) - Group share	2.40	2.10

in euros (per share) (diluted)[2]	FY 2019	FY 2018
EPRA Earnings	0.93	0.86
Result on the portfolio (including share in the result of joint ventures) - Group share[1]	1.69	1.33
Changes in the fair value of financial assets and liabilities - Group share	-0.18	-0.06
Depreciation and write-down on solar panels (including share in the result of joint ventures) - Group share	-0.04	-0.03
Net result (IFRS) - Group share	2.40	2.10

1. Including deferred taxes on portfolio result.
2. Calculated on the weighted average number of shares.

BALANCE SHEET – ASSETS

in euros (x 1,000)		Note	31.12.2019	31.12.2018
I. Fixed assets			4,156,619	3,444,026
B.	**Intangible fixed assets**		**422**	**252**
C.	**Investment property**	**XII**	**4,002,340**	**3,299,864**
	Property available for lease		3,646,702	3,036,204
	Property developments		248,713	158,202
	Other: land reserves		106,925	105,457
D.	**Other tangible fixed assets**	**XIII**	**125,244**	**120,426**
	Tangible fixed assets for own use		4,234	3,060
	Other: solar panels		121,010	117,366
E.	**Financial fixed assets**	**XIV**	**4,743**	**7,877**
	Assets at fair value through result		0	3,252
	Permitted hedging instruments		0	3,252
	Financial assets at amortised cost		4,743	4,625
	Other	XXV	4,743	4,625
G.	**Trade receivables and other fixed assets**	**XIV**	**4,162**	**4,972**
I.	**Participations in associated companies and joint ventures**	**XVII**	**19,707**	**10,636**
II. Current assets			66,171	39,307
A.	**Assets held for sale**		**5,779**	**739**
	Investment properties	XV	5,779	739
D.	**Trade receivables**	**XIV, XVI**	**15,364**	**9,987**
E.	**Tax receivables and other current assets**	**XVIII**	**34,249**	**18,990**
	Taxes		25,181	17,477
	Other		9,068	1,513
F.	**Cash and cash equivalents**	**XIV**	**3,604**	**1,724**
G.	**Accruals and deferrals**	**XIV**	**7,175**	**7,867**
Total assets			**4,222,790**	**3,483,333**

BALANCE SHEET - LIABILITIES

in euros (x 1,000)		Note	31.12.2019	31.12.2018
Stakeholder's equity			2,149,861	1,610,516
I.	**Shareholders' equity attributable to parent company shareholders**		**2,103,917**	**1,580,521**
A.	Capital	XIX	185,746	176,684
	Subscribed capital		197,623	184,952
	Costs of capital increase		-11,877	-8,268
B.	Issue premiums		876,849	646,286
C.	Reserves		647,590	428,767
D.	Net result for the financial year		393,732	328,784
II.	**Minority interests**		**45,944**	**29,994**
Liabilities			2,072,929	1,872,817
I.	**Non-current liabilities**		**1,707,475**	**1,577,336**
A.	Provisions	XX	357	359
	Other		357	359
B.	Non-current financial liabilities	XIV, XXI, XXII	1,568,199	1,476,586
	Credit institutions		1,190,709	1,046,974
	Other		377,490	429,613
C.	Other non-current financial liabilities	XIV	122,501	96,184
	Permitted hedging instruments		81,819	55,188
	Other non-current financial liabilities	XXIII	40,682	40,996
D.	Trade payables and other non-current liabilities		3,061	0
F.	Deferred taxes - Liabilities		13,357	4,207
II.	**Current liabilities**		**365,454**	**295,481**
B.	Current financial liabilities	XIV, XXI, XXII	286,629	221,165
	Credit institutions		234,485	219,123
	Other		52,143	2,042
C.	Other current financial liabilities	XIV	168	168
	Permitted hedging instruments		0	0
	Other current financial liabilities	XXIII	168	168
D.	Trade payables and other current debts	XIV	51,944	47,314
	Exit tax		0	0
	Other		51,944	47,314
	Suppliers		46,920	43,421
	Tax, salary and social security		5,024	3,893
E.	Other current liabilities		8,300	7,724
	Other		8,300	7,724
F.	Accrued charges and deferred income	XIV	18,413	19,110
Total liabilities			**4,222,790**	**3,483,333**

CASH FLOW STATEMENT

in euros (x 1,000)	Note	FY 2019	FY 2018
Cash and cash equivalents, opening balance sheet		1,724	1,231
Net cash flows concerning operational activities		151,945	141,951
Net result		399,470	333,846
Taxes[1]	XI	10,672	5,796
Net interest charges (excluding interest charges related to IFRS 16)	X	37,111	32,517
Financial income	X	-453	-324
Gain (+)/loss (-) on disposals	IX	10	787
Cash flows from operating activities before adjustment of non-monetary items, working capital and interest paid		**446,810**	**372,622**
Changes in fair value of financial derivatives	XIV	29,883	9,027
Interest capitalised during construction	X	3,471	4,417
Changes in the fair value of investment properties	XII	-285,353	-213,811
Depreciations and write-downs on fixed assets		7,573	5,823
Share in the result of associated companies and joint ventures		-3,117	-466
Other adjustments to non-cash items		-885	-1,043
Adjustments to non-monetary items		**-248,428**	**-196,053**
Increase (+)/decrease (-) in working capital requirements		**-6,069**	**1,107**
Interests paid		**-40,368**	**-35,725**
Net cash flows concerning investment activities		-446,072	-289,125
Investments		**-454,568**	**-387,718**
Payments regarding acquisitions of real estate investments		-443,865	-299,045
Payments regarding acquisitions of shares of real estate companies	XII	0	-79,756
Purchase of other tangible and intangible fixed assets		-10,703	-8,917
Disposals		**14,570**	**33,718**
Receipts from the disposal of investment properties		14,570	33,718
Receipts from sale of shares in real estate companies		0	0
Debt financing provided to real estate companies not fully controlled		**-6,074**	**64,874**
Financing provided to real estate companies not fully controlled	XXV	-6,074	-8,126
Repayment of financing for real estate companies not fully controlled		0	73,000
Net cash flows concerning financing activities		296,007	147,667
Loan acquisition	XXI, XXII	**488,073**	**473,964**
Loan repayment	XXI, XXII	**-330,997**	**-274,034**
Dividends paid[2]		**-67,580**	**-52,263**
Capital increase		**196,510**	**0**
Capital increase of minority interests		**10,001**	**0**
Net increase (+)/decrease (-) in cash and cash equivalents		1,880	493
Cash and cash equivalents, closing balance		3,604	1,724

1. Including the deferred taxes on portfolio as well as the deferred income tax.
2. This is only the cash-out: after all, in 2019 and 2018, an optional dividend was offered, with 56% and 68% of the shareholders, respectively, opting forpayout of the dividend in shares instead of cash.

2019 CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

in euros (x 1,000)	01.01.2019	Allocation of results from the 2018 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	**176,684**	0	0	0
Subscribed capital	184,952			
Costs of capital increase	-8,268			
B. Share premiums	**646,286**			
C. Reserves	**428,767**	328,784	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 (+/-)	412,622		283,723	
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment properties (-)	-110,805		-69,912	
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 (+/-)	-42,909			-9,027
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	25,522			
Result carried forward from previous financial years	144,906	328,784	-213,811	9,027
D. Net result of the financial year	**328,784**	-328,784	0	0
Total shareholders' equity attributable to parent company shareholders	**1,580,521**	**0**	**0**	**0**
Minority interests	29,994			
Total shareholders' equity	**1,610,516**	**0**	**0**	**0**

Other elements of the overall result		Other				31.12.2019
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	Minority interests	Other	
0	0	6,535	2,527	0	0	185,746
		10,025	2,646			197,623
		-3,490	-119			-11,877
		189,975	40,587			876,849
0	760	0	-110,695	0	-28	647,589
					34,396	730,741
						-180,717
						-51,936
						-184
						249
						-634
	760				881	27,163
			-110,695		-35,304	122,907
393,732						393,732
393,732	**760**	**196,510**	**-67,580**	**0**	**-28**	**2,103,917**
5,738	223			10,001	-12	45,944
399,470	**983**	**196,510**	**-67,580**	**10,001**	**-39**	**2,149,861**

2018 CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

in euros (x 1,000)	01.01.2018	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	**168,873**	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
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 the correction of the shareholders' equity due to early application of IFRS 16.

Other elements of the overall result		Other				31.12.2018
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	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**

9.2 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 an NV/SA. 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 2019 include the company and its subsidiaries. The financial statements were prepared and released for publication by the Board of Directors on 25 March 2020.

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 2019.

The consolidated financial statements are presented in thousands of euros, rounded to the nearest thousand. The 2019 and 2018 financial years are presented here. For the historical financial information for the 2017 financial year, please refer to the annual reports for 2018 and 2017.

Accounting methods were consistently applied for the financial years presented.

Standards and interpretations applicable to the financial year starting on 1 January 2019 (only applicable to financial years starting on or after 1 January 2019)

- IFRIC 23 *Uncertainty over Income Tax Treatments*
- Amendments to IAS 19 *Plan Amendment, Curtailment or Settlement*
- Amendments to IAS 28 *Long term interests in Associates and Joint Ventures*
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation*
- Annual improvements to IFRS Standards 2015-2017 Cycle

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 2019, 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 2020 and beyond.

- Amendments to IAS 1 and IAS 8 *Definition of Material* (applicable for annual periods beginning on or after 1 January 2020)
- Amendments to IFRS 3 *Business Combinations* (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- Amendments to IFRS 9, IAS 39 and IFRS 7 *Interest Rate Benchmark Reform* (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- Amendments to references to the Conceptual Framework in IFRS standards (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- IFRS 17 *Insurance Contracts* (applicable for annual periods beginning on or after 1 January 2021[1], but not yet endorsed in the EU)

1. Exposure Draft 2019/4 of June 2019 proposes to postpone the EU effective date to 1 January 2022.

III. Accounting policies

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), WDP Luxembourg (in which WDP holds a 55% stake) and WVI (in which WDP holds as 50% 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, WDP Luxembourg and WVI 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.

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.

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.

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 (including an estimation of unforeseen costs) 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.

The profit/loss realised on the sale is included in the profit and loss account under *Result on disposal of investment property*. 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.

Other tangible fixed assets

General

Other tangible fixed assets are valued at their cost price less the cumulative depreciations and writedowns. 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.

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 *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*.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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

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*).

Determining the fair value of investment property

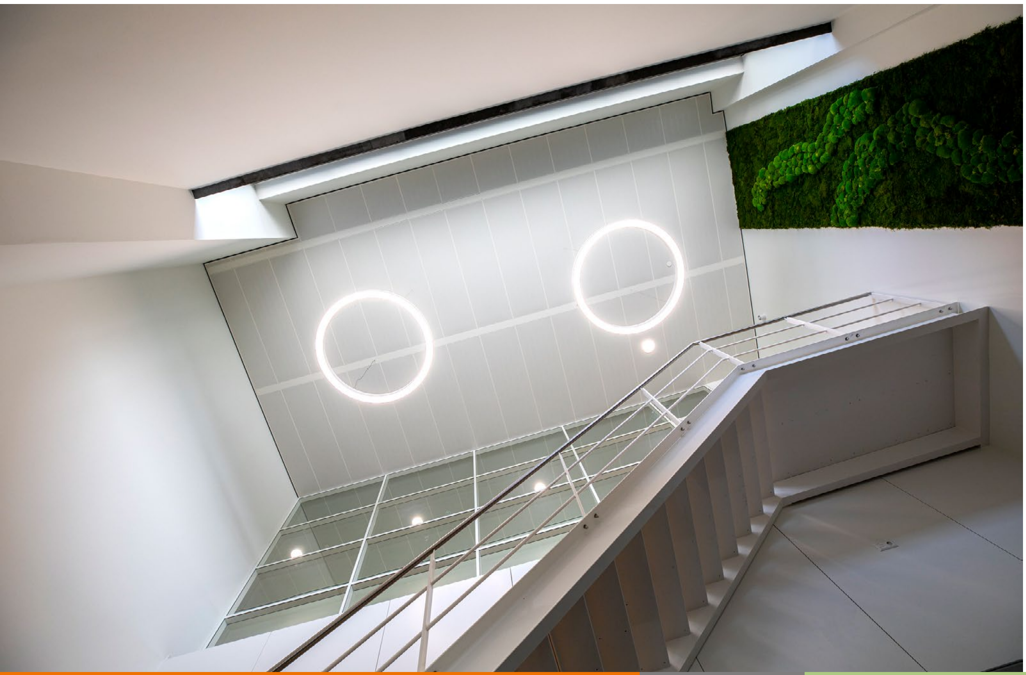
The fair value of the investment properties is determined by independent property experts according to the GVV/SIR regulations (see explanatory note *XII. Investment properties*).

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*).

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*.

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V. Segmented information – Operating result

in euros (x 1,000)		Belgium	The Netherlands	France	Romania	Unallocated amounts	FY 2019 Total IFRS
I.	Rental income[1]	71,346	96,204	6,929	28,269	0	202,748
III.	Costs related to leases	-85	356	84	-171	0	184
	Net rental result	**71,261**	**96,560**	**7,013**	**28,098**	**0**	**202,932**
IV.	Recovery of property costs	0	0	0	0	0	0
V.	Recovery of rental charges normally paid by the tenant on let properties	8,154	1,577	1,344	7,152	0	18,226
VI.	Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease	0	0	0	0	0	0
VII.	Rental charges and taxes normally paid by the tenant on let properties	-8,367	-3,711	-1,414	-7,746	0	-21,238
VIII.	Other income and charges related to leases[2]	9,957	3,808	143	2,737	0	16,646
	Property result	**81,004**	**98,234**	**7,086**	**30,241**	**0**	**216,566**
IX.	Technical costs	-1,767	-2,444	-133	-207	0	-4,552
X.	Commercial costs	-528	85	-68	-146	0	-656
XII.	Property management costs	-1,413	-315	-32	-277	0	-2,037
	Property charges	**-3,708**	**-2,674**	**-232**	**-630**	**0**	**-7,245**
	Property operating results	**77,296**	**95,560**	**6,853**	**29,611**	**0**	**209,321**
XIV.	General company expenses	0	0	0	0	-11,034	-11,034
XV.	Other operating income and expenses (depreciation and write-downs on solar panels)	-3,382	-1,425	0	-1,719	0	-6,526
	Operational result (before result on the portfolio)	**73,914**	**94,135**	**6,853**	**27,892**	**-11,034**	**191,761**
XVI.	Result on disposals of investment properties	13	0	0	-3	0	10
XVIII.	Change in the fair value of investment properties	124,965	134,488	5,719	20,181	0	285,353
	Operating result	**198,891**	**228,623**	**12,573**	**48,070**	**-11,034**	**477,124**

1. The maximum rental risk within the WDP portfolio is no more than 6%, while the maximum risk per site is less than 3%. See also *3.3.1 2019, an excellent start to the 2019-23 growth plan - Property report - Review of the consolidated property portfolio*.
2. Revenues from solar energy came to 14,689 million euros in 2019 and 14,537 million euros in 2018. These revenues were realised in Belgium (8,537 million euros in 2019 and 8,710 million euros in 2018), the Netherlands (3,789 million euros in 2019 and 3,440 million euros in 2018) and Romania (2,362 million euros in 2019 and 2,387 million euros in 2018). 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.

		FY 2018							
Luxembourg[3]	Other joint ventures[3]	Belgium	The Netherlands	France	Romania	Unallocated amounts	Total IFRS	Luxembourg[3]	Other joint ventures[3]
1,481	0	68,411	81,833	6,946	18,632	0	175,822	947	0
-4	0	-1,281	101	-135	-500	0	-1,816	-91	0
1,476	0	67,129	81,934	6,810	18,132	0	174,006	855	0
0	0	0	0	0	0	0	0	0	0
62	0	6,932	1,813	1,388	845	0	10,978	15	0
0	0	0	0	54	0	0	54	0	0
-63	0	-7,438	-2,992	-1,461	-1,285	0	-13,175	-15	-2
25	0	10,083	3,463	127	2,387	0	16,061	15	0
25	0	76,707	84,219	6,919	20,079	0	187,923	870	-2
-66	-1	-1,564	-1,762	-224	-509	0	-4,059	-45	0
-4	-1	-578	-122	-147	16	0	-831	-5	-2
-2	0	-1,396	43	-12	-15	0	-1,381	-1	0
-72	-1	-3,538	-1,841	-384	-508	0	-6,271	-51	-2
1,429	-1	73,169	82,377	6,535	19,571	0	181,652	819	-4
-388	-14	0	0	0	0	-10,097	-10,097	-340	-12
0	0	-2,680	-1,599	0	-658	0	-4,937	0	0
1,041	-16	70,489	80,778	6,535	18,913	-10,097	166,618	479	-16
0	0	-248	0	1,039	-4	0	787	0	0
3,860	0	76,969	110,191	8,839	17,811	0	213,811	512	0
4,901	-16	147,210	190,969	16,414	36,720	-10,097	381,215	991	-16

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]

31.12.2019

in euros (x 1,000)	Belgium	The Netherlands	France	Romania	Total IFRS	Luxembourg	Other joint ventures
Investment properties	**1,319,613**	**1,922,433**	**125,553**	**634,742**	**4,002,340**	**40,676**	**5,423**
Existing buildings	1,248,711	1,762,102	125,079	510,809	3,646,702	29,510	0
Projects under development for own account	55,882	111,868	0	80,963	248,713	11,166	5,423
Land reserve	15,020	48,462	474	42,969	106,925	0	0
Assets held for sale	**4,293**	**1,486**	**0**	**0**	**5,779**	**0**	**563**
Other tangible fixed assets	**63,023**	**45,528**	**0**	**16,694**	**125,244**	**0**	**0**
Tangible fixed assets for own use	1,939	135	0	2,159	4,233	0	0
Other: solar panels	61,083	45,393	0	14,534	121,010	0	0

31.12.2018

in euros (x 1,000)	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
Projects under development for own account	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**
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

1. Includes property developments in compliance with the IAS 40 standard.

VII. Information on subsidiaries

Share of capital	31.12.2019	31.12.2018
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 - The Netherlands		100%
with participation in WDP Development NL S.A. - Hoge Mosten 2 - 4822 NH Breda - the Netherlands[1]	100%	100%
WDP Romania SRL - Office Center Equilibrium - Strada Gara Herstrau 2, Etaj 10 - 077190 Bucharest - Romania	80%	80%
Eurologistik 1 Freehold BV - Blakebergen 15 - 1861 Wolvertem - Belgium[2]	100%	100%
BST-Logistics NV/SA - Blakebergen 15 - 1861 Wolvertem - Belgium[3]	100%	100%
WDP Invest NV/SA - Blakebergen 15 - 1861 Wolvertem - Belgium[4]	100%	
Joint ventures		
I Love Hungaria NV/SA - Mechelsesteenweg 64, Bus 401 - 2018 Antwerp - Belgium[5]	50%	50%
WDP Luxembourg SA – Parc Logistique Eurohub Sud – 3434 Dudelange – Luxembourg[6]	55%	55%
WVI GmbH - Tillypark 1 - 86633 Neuburg an der Donau - Germany[7]	50%	

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 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.
3. This is a joint venture founded in April of 2017 between WDP NV 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. On 5 August 2019, WDP merged with its full subsidiary BST-Logistics NV.
4. WDP Invest NV is created on the 19th of July 2019 and is a full subsidiary of WDP NV.
5. This is a joint venture founded in May of 2015 between WDP NV and project developer L.I.F.E. NV with a view to redevelopment of the Hungaria building in Leuven.
6. 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.
7. On the 18th of December 2019 WDP bought, through its fully subsidary WDP Invest NV, a participation in of 50% in WVI Gmbh, a joint venture with VIB Vermögen.

I love Hungaria NV/SA, WDP Luxembourg SA and WVI GmbH 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.

WDP NV/SA also became full owner of BST-Logistics NV/SA and starting in early July 2018, fully consolidated it. Formerly, this entity was incorporated using the equity accounting method.

In December 2019, through its 100% subsidiary WDP Invest NV/SA, WDP acquired 50% of the shares in WVI GmbH, a joint venture with VIB Vermögen.

In the segmented information, WDP Luxembourg is shown separately, given its geographic distance. I Love Hungaria and WVI are shown under *Other joint ventures*.

VIII. Overview of future income

in euros (x 1,000)	FY 2019	FY 2018
Future rental income (including income from solar power) with final expiry date within		
one year	215,379	189,251
more than one but less than five years	581,765	486,037
more than five years	675,361	602,475
Total	**1,472,505**	**1,277,763**

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 1.7% and 1.4% for the 2019 and 2018 financial years, respectively.

The income with respect to the previous year rose by 15.2%. This mainly stems from the strong portfolio growth (see also *3.1 2019, an excellent start to the 2019-23 growth plan – Transactions and realisations*).

Type lease agreement

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)	FY 2019	FY 2018
Net property sales (sales price – transaction costs)	14,570	33,718
Book value of properties sold	-14,560	-32,931
Result on disposal of investment properties	**10**	**787**

A capital gain of 0.01 million euros was achieved.

2019 saw the sale of the sites at Sint-Niklaas, Boortmeerbeek (Leuvensesteenweg 238), Leuven-Wilsele, part of the site in Anderlecht and part of the site in Leuven (Vaart 25-35).

X. Financial result

in euros (x 1,000)	FY 2019	FY 2018
Financial income	**453**	**324**
Interests and dividends received	246	173
Other financial income	207	151
Net interest charges	**-39,411**	**-32,517**
Interests on loans	-23,486	-20,933
Interest capitalised during construction	3,471	4,417
Cost of permitted hedging instruments	-16,380	-14,787
Interest cost related to leasing debts booked in accordance with IFRS 16	-2,300	0
Other interest charges	-716	-1,214
Other financial charges	**-1,257**	**-819**
Bank charges and other commissions	-52	-48
Other financial charges	-1,206	-771
Changes in the fair value of financial assets and liabilities	**-29,883**	**-9,027**
Financial result	**-70,099**	**-42,039**

The comments on the *Financial result are available under 3.2.1 2019, an excellent start to the 2019-23 growth plan - Financial results - Notes on the consolidated 2019 profit and loss account (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)	FY 2019	FY 2018
Corporate tax and exit tax	-1,724	-1,589
Deferred taxes	-7,972	-3,695
Advance levy on mandatory dividends from subsidiaries	-975	-511
Total	**-10,672**	**-5,796**

XII. Investment properties[1]

CHANGES DURING THE FINANCIAL YEAR

in euros (x 1,000)				31.12.2019		
	Belgium	The Netherlands	France	Romania	Total IFRS	Luxembourg
Level according to IFRS	3	3	3	3		3
Fair value as at previous financial year-end	1,150,603	1,582,434	119,547	447,279	3,299,864	27,498
Investments	55,792	122,951	287	147,562	326,593	9,318
New acquisitions	6,600	84,047	0	19,719	110,366	0
Acquisition of investment properties by means of share-based payment transactions[2]	0	0	0	0	0	0
Transfers to fixed assets held for sale	-18,348	-1,487	0	0	-19,835	0
Disposals	0	0	0	0	0	0
Changes in the fair value	124,964	134,488	5,719	20,181	285,353	3,860
Latent changes in existing premises (+/-)	118,556	126,838	5,719	16,798	267,911	2,981
Latent changes in assets under construction (+/-)	6,409	7,650	0	3,383	17,442	879
Fair value as at financial year-end	1,319,613	1,922,433	125,553	634,742	4,002,340	40,676
Acquisition price	922,005	1,560,014	106,693	592,724	3,181,435	37,209
Insured value[3]	855,764	1,129,696	94,800	433,680	2,513,940	23,687
Rental income during 2019	71,346	96,204	6,929	28,269	202,748	1,481

in euros (x 1,000)				31.12.2018			
	Belgium	The Netherlands	France	Romania	Total IFRS	Luxembourg	Romania
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**	**12,324**	**134,772**
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	1,964	
New acquisitions	3,495	11,206	0	72,142	86,843	0	
Acquisition of investment properties by means of share-based payment transactions[2]	38,796	0	0	264,259	303,055	0	-134,772
Transfers to fixed assets held for sale	-14,633	0	-10,910	0	-25,543	0	
Disposals	0	-35	0	0	-35	0	
Changes in the fair value	76,969	110,191	8,839	17,811	213,811	513	0
Changes in existing premises (+/-)	76,844	101,055	8,839	17,898	204,636	669	
Deferred 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**	**3,299,864**	**27,498**	**0**
Acquisition price	877,960	1,354,503	106,406	425,443	2,764,312	27,891	
Insured value[3]	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. Including project developments as per 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.
3. The insured value is the new construction value for which 100% of the property portfolio is insured. This is exclusive of the land.

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 *3.1 2019, an excellent start to the 2019-23 growth plan - 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. 2019$ 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 6.3% as at 31 December 2019, compared to 6.7% at the end of 2018.

In 2019, WDP identified a net investment volume of approx. 550 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 construction, please see *3.1 2019, an excellent start to the 2019-23 growth plan - 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 2019 (in particular the year of purchase of these properties). In 2019, it was also decided to sell some non-strategic sites in Leuven and Boortmeerbeek. These sites generated rents in an amount of 686,400 euros in 2019.

ACQUIRED PROPERTIES

in euros (x 1,000)	Country	Annual rental income	Actual rental income
Zwolle, Galvaniweg	NL	2,460	1,360
Hasselt, Hanzeweg 18-22	NL	630	630
Deventer, Nering Bögelweg 40	NL	912	69
Cluj-Apahida	RO	936	0
Total		**4,938**	**2,059**

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 transaction costs or VAT, if the purchase 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 transaction costs and/or the VAT from the investment value. To calculate the changes in the fair value, the hypothetical local transaction costs 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 THE DETERMINATION OF FAIR VALUE[1]

Level according to IFRS	Classification according to geographic area	Fair value 31.12.2019 in euros (x 1,000)	Valuation method	Input on 31.12.2019	Range (min./max.) (weighted average) 31.12.2019
3	Belgium	1,329,891	Discounted cash flow & income capitalisation	ERV (euros/m²)[2]	21-115 euros/m² (43 euros/m²)
				Discount rate	3.8% - 7.6% (5.5%)
				Projected growth in rent (inflation)	1.25%-1.25% (1.25%)
				Capitalisation factor (required return)	4.2% – 8.3% (6.0%)
				Remaining lease duration (until first maturity date)	2 months - 27.3 years (4.3 years)
				Remaining lease duration (until expiry date)	6 months - 27.3 years (6.4 years)
3	The Netherlands	1,923,918	Income capitalisation	ERV (euros/m²)[2]	25-85 euros/m² (48 euros/m²)
				Projected growth in rent (inflation)	1.85%-1.85% (1.85%)
				Capitalisation factor (required return)	4.0%-8.9% (5.0%)
				Remaining lease duration (until first maturity date)	5 months - 15.5 years (6.2 years)
				Remaining lease duration (until expiry date)	3 months - 15.5 years (6.7 years)
3	France	125,553	Income capitalisation	ERV (euros/m²)[2]	38-40 euros/m² (39 euros/m²)
				Capitalisation factor (required return)	5.2% – 7.3% (5.8%)
				Remaining lease duration (until first maturity date)	1 year - 10 years (4.0 years)
				Remaining lease duration (until expiry date)	3.3 year - 10 years (6.4 years)
3	Romania	634,742	Income capitalisation	ERV (euros/m²)[2]	24-72 euros/m² (47 euros/m²)
				Capitalisation factor (required return)	7.2%-9% (7.5%)
				Remaining lease duration (until first maturity date)	9 months - 12 years (6.7 years)
				Remaining lease duration (until expiry date)	9 months - 27.6 years (8.6 years)
3	Luxembourg	40,676	Income capitalisation	ERV (euros/m²)[2]	58-58 euros/m² (58 euros/m²)
				Capitalisation factor (required return)	5.5%-6.0% (5.7%)
				Remaining lease duration (until first maturity date)	4 year - 13 years (9 years)
				Remaining lease duration (until expiry date)	5 year - 15 years (10.6 years)

1. For other non-observable inputs not shown in the above table, please refer to Chapter *7.1 Reporting according to recognised standards - EPRA key performance indicators - IV. Rental dates and vacancy rate* (difference between projected rental value and passing rent), *3.3.1 2019, an excellent start to the 2019-23 growth plan - Property report - Overview of projects under construction* (projected out-of-pocket cost for the project developments) and *3.3.1 2019, an excellent start to the 2019-23 growth plan. Property report - Key figures on properties* (year of construction and lettable area in m²).
The summary above shows non-observable inputs for determining the fair value of the existing property portfolio and for the projects under construction.
2. The ERV only takes into account the rent for available spaces. 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 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
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% of rental income leads to an increase (decrease) in the fair value of the portfolio of approximately 35 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. 180 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 valuation method is determined by the external expert and is 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. In addition, estimates determined in this way are compared to the initial yield and available points of comparison via recent market transactions for comparable objects (including those 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 euros x 1,000)	Share of the portfolio
Stadim	Belgium[1]	795,453	20%
Jones Lang LaSalle	Belgium	534,438	13%
Cushman & Wakefield	The Netherlands	1,308,169	32%
CBRE	The Netherlands	615,749	15%
BNP Paribas Real Estate	France	125,553	3%
CBRE	Romania	634,742	16%
Jones Lang LaSalle	Luxembourg	40,676	1%
Total		**4,054,781**	**100%**

1. Including the 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. When estimate reports are handed in on a quarterly basis, all material differences (positive and negative) are compared in absolute and relative terms with the previous four quarters and analysed by the group controller and the CFO. 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)	31.12.2019				31.12.2018			
	Solar panels	Other[1]	Total IFRS	n.r.	Solar panels	Other[1]	Total IFRS	Romania
Level according to IFRS	3	N/R		N/R	3	N/R		3
At the end of the previous financial year	117,366	3,060	120,426	0	93,799	2,077	95,876	8,885
Investments	9,187	1,862	11,049	0	7,754	975	8,729	0
New acquisitions	0	0	0	0	0	0	0	0
Acquisitions via share transactions	0	0	0	0	16,874	548	17,422	-8,885
Disposals	0	0	0	0	0	-28	-28	0
Changes in the fair value	-5,543	-688	-6,232	0	-1,061	-512	-1,573	0
Revaluation on solar panels	983	0	983	0	3,876	0	3,876	0
Depreciations and write-downs	-6,526	-688	-7,215	0	-4,937	-512	-5,449	0
At the end of the financial year	121,010	4,234	125,244	0	117,366	3,060	120,426	0
Acquisition price	115,575	7,367	122,942	0	101,058	6,246	107,304	0

1. *Other* means: *Systems, machines and equipment*, *Furniture and rolling stock* and *Other tangible fixed assets*.

INSURED VALUE - SOLAR PANELS

Classification according to geographic area	Belgium	The Netherlands	Romania
Insured value (in euros x 1,000)	17,363	28,639	12,365

VALUATION METHOD – SOLAR PANELS

Classification according to geographic area	Belgium	The Netherlands	Romania
Level (IFRS)	3	3	3
Fair value as at 31.12.2019 (in euros x 1,000)	61,083	45,393	14,534
Income 2019[1] (in euros x 1,000)	8,537	3,789	2,362
including Green Energy Certificates	7,595	2,061	1,912
including green energy (minus associated costs)	942	1,728	450

Valuation method	Belgium Discounted cash flow	The Netherlands Discounted cash flow	Romania 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. On 31 December 2019, the solar park consisted of 39 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. On 31 December 2019, the solar park consisted of 41 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 2019, 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 vary between 93-450 euros per MWh. Green energy certificates in Wallonia are issued to each project by the Wallonia Energy Commission (the "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 of 29 euros per certificate. With regard to solar parks, WDP has a 10-year purchasing agreement with Enel (a global leader in the energy market).
Energy price	The energy price in real terms increases by 1.5% per year. This increase is applied to the Endex basis. 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 2019 year end was based on the average of Q2 20, Q3 20, Q4 20 and Q1 21 published on 31 December 2019, as well as CAL 21 and 22.	The energy price in real terms increases by 1.5% per year. This increase is applied to the Endex basis. As a starting point, an average Endex price (see www.apxendex.com) (NL-power) of CAL t + 1, 2, 3 was chosen. The valuation at 2019 year end was based on the average of Q2 20, Q3 20, Q4 20 and Q1 21 published on 31 December 2019, as well as CAL 21 and 22.	The energy price in real terms increases by 1.5% per year. This increase is applied to the actual prices received for green energy sold.
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 revenues consist 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) of the required yield of 25 base points leads to a decrease (increase) in the fair value of the solar panels of approximately 2 million euros.

Valuation process

There is no standardised valuation model for investments in solar panels. The fair value of these assets is calculated by WDP according to a discounted cash flow model based on future cash flows.

The valuation cycle within a financial year consists of a fully detailed estimate update per year end of all assumptions and the expected cash flows as well as three desktop reviews in which a roll-forward of the model is done and the most important assumptions with regard to significant non-observable inputs are recognised.

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 Audit Committee validates the definitive fair value calculations on a quarterly basis.

XIV. Financial instruments

31.12.2019

(in euros x 1,000)	IFRS 13 balance sheet section	Level (IFRS 13)
Financial assets		
Assets at fair value through result – Permitted hedging instruments	I. E.	
Interest Rate Swap		2
Financial assets at amortised cost	I. E.	2
Long-term receivables		
Trade receivables and other non-current assets	I. G.	2
Short-term receivables		
Trade receivables	II. D.	2
Cash and cash equivalents	II. F.	2
Accruals and deferrals on the assets: interest charges on loans and permitted hedging instruments		
Interest on loans		2
Interest on permitted hedging instruments		2
Total		
Financial liabilities		
Non-current financial liabilities		
Bond loan: private placement	I. B.	2
Bond loan: retail	I. B.	1
Bank debt	I. B.	2
Other non-current financial liabilities	I. B.	2
Other non-current financial liabilities	I.C.	
Permitted hedging instruments: Interest Rate Swaps		2
Permitted hedging instruments: Interest Rate Swaps (forward start)		2
Other non-current financial liabilities		3
Current financial liabilities		
Bond loan: retail	I. B.	1
Commercial paper	II. B.	2
Bank debt	II. B.	2
Other current financial liabilities	I. B. and II. B.	2
Other current financial liabilities	II.C.	
Permitted hedging instruments: Interest Rate Swaps		2
Permitted hedging instruments: Interest Rate Swaps (forward start)		2
Other current financial liabilities		3
Trade payables and other current debts	II. D.	2
Accruals and deferrals on the liabilities: interest charges on loans and permitted hedging instruments		
Interest on loans		2
Interest on permitted hedging instruments		2
Total		

Financial assets/liabilities valuated at fair value through profit or loss	Financial assets/liabilities at amortised cost	Book value	Fair value
0		0	0
	4,743	4,743	4,743
	4,162	4,162	4,162
	15,364	15,364	15,364
	3,604	3,604	3,604
	63	63	63
0	**27,937**	**27,937**	**27,937**
	251,289	251,289	254,275
	124,964	124,964	129,781
	1,190,709	1,190,709	1,190,709
	1,238	1,238	1,238
64,743		64,743	64,743
17,076		17,076	17,076
	40,656	40,656	40,656
	50,000	50,000	50,293
	199,000	199,000	199,000
	35,485	35,485	35,485
	2,143	2,143	2,143
0		0	0
0		0	0
	168	168	168
	51,944	51,944	51,944
	8,114	8,114	8,114
526		526	526
82,344	**1,955,709**	**2,038,053**	**2,046,150**

31.12.2018

(in euros x 1,000)	IFRS 13 balance sheet section	Level (IFRS 13)
Financial assets		
Assets at fair value through result – Permitted hedging instruments	I. E.	2
Interest Rate Swap		2
Financial assets at amortised cost	I. E.	
Long-term receivables		2
Trade receivables and other fixed assets	I. G.	
Short-term receivables		2
Trade receivables	II. D.	2
Cash and cash equivalents	II. F.	
Accruals and deferrals on the assets: interest charges on loans and permitted hedging instruments		2
Interest on loans		2
Interest on permitted hedging instruments		
Total		
Financial liabilities		
Non-current financial liabilities		2
Bond loan: private placement	I. B.	1
Bond loan: retail	I. B.	2
Bank debt	I. B.	2
Other non-current financial liabilities	I. B.	
Other non-current financial liabilities	I.C.	2
Permitted hedging instruments: Interest Rate Swaps		2
Permitted hedging instruments: Interest Rate Swaps (forward start)		3
Other non-current financial liabilities		
Current financial liabilities		2
Commercial paper	II. B.	2
Bank debt	II. B.	2
Other current financial liabilities	I. B. and II. B.	
Other current financial liabilities	II.C.	2
Permitted hedging instruments: Interest Rate Swaps		2
Permitted hedging instruments: Interest Rate Swaps (forward start)		3
Other current financial liabilities		2
Trade payables and other current debts	II. D.	
Accruals and deferrals on the liabilities: interest charges on loans and permitted hedging instruments		2
Interest on loans		2
Interest on permitted hedging instruments		2
Total		

Financial assets/liabilities valuated at fair value through profit or loss	Financial assets/liabilities at amortised cost	Book value	Fair value
3,252		3,252	3,252
	4,625	4,625	4,625
	4,972	4,972	4,972
	9,987	9,987	9,987
	1,724	1,724	1,724
	77	77	77
3,252	**21,384**	**24,636**	**24,636**
	301,038	301,038	0
	124,932	124,932	131,148
	1,046,993	1,046,993	1,046,993
	3,623	3,623	3,623
54,225		54,225	54,225
963		963	963
	40,996	40,996	40,996
	150,950	150,950	150,950
	68,173	68,173	68,173
	2,042	2,042	2,042
0		0	0
0		0	0
	168	168	168
	47,314	47,314	47,314
	8,509	8,509	8,509
502		502	502
55,690	**1,794,739**	**1,850,429**	**1,555,606**

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.

Level 2 in the hierarchy of the fair values concerns the other financial assets and liabilities of which the fair value is based on observable inputs and other data that can be determined, directly or indirectly, for the assets or liabilities concerned. The valuation techniques concerning the fair value of the financial instruments at level 2 are the following: the fair value of the above financial assets and liabilities are valued at the book value except for bond loans where fair value is determined on the basis of a discounted cash flow model based on market interest rates since they are not traded frequently (level 2). Because the other financial liabilities are incurred at a floating interest rate, the fair value is very 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 25 basis points would give rise to 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)	31.12.2019
Between one and two years	315,482
Between two and five years	742,997
More than five years	704,224
Total	**1,762,703**

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 valued 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, and as such, the IRS contracts fall under level 2 in the fair value hierarchy as defined in 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 2019. During this period, no hedging instruments were arranged prior to the expiry date. A number of existing hedging instruments were extended by flattening these over time in a cash-neutral manner.

31.12.2019

Classification according to IFRS	Level (IFRS)	Notional amount (in euros x 1,000)	Interest rate (in %)	Duration (in years)
Interest Rate Swap	2	972,364	0.88	7.7
Interest Rate Swap (forward start)	2	200,000	0.91	9.6
Total		**1,172,364**	**0.90**	**8.0**

31.12.2018

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**

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)	31.12.2019	31.12.2018
Fair value on balance sheet date	-81,819	-51,936
Financial fixed assets	0	3,252
Financial instruments at fair value through the profit and loss account	0	3,252
Other non-current financial liabilities	81,819	55,188
Permitted hedging instruments	81,819	55,188
Other current financial liabilities	0	0
Permitted hedging instruments	0	0
Changes in the fair value of financial assets and liabilities	-29,883	-9,027
Revenue	28,237	1,422
Costs	-58,119	-10,449

The table below gives an overview of the impact of the fair value of the IRSs 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 IRSs as at 31.12.2019 (in euros x 1,000,000)
-0.50%	-49.1
-0.25%	-24.3
0.00%	0.0
+0.25%	23.7
+0.50%	46.8

For the impact of interest rate changes on the EPRA Earnings, please refer to *3.4 2019, an excellent start to the 2019-23 growth plan - Outlook*.

LIQUIDITY REQUIREMENT ON THE MATURITY DATES LINKED TO THE DERIVATIVES

in euros (x 1,000)	31.12.2019
Between one and two years	21,362
Between two and five years	25,352
More than five years	9,264
Total	**55,977**

For a detailed overview of financial and other risks, their limiting factors and control, see Chapter *8. Risk factors*. For a discussion of management of financial risks (including credit risk, liquidity risk, interest risk, counterparty risk), see Chapter *3.2.3 2019, an excellent start to the 2019-23 growth plan - Financial results - Management of financial resources*. Please also refer to the sensitivity analysis in Chapter *3.4 2019, an excellent start to the 2019-23 growth plan - Outlook* as well as to note *XXI. Statement of financial debt*.

XV. Assets held for sale

in euros (x 1,000)		31.12.2019	31.12.2018
Belgium			
	Assets held for sale at as 2018 year end		739
	Assets held for sale at as 2019 year end	4,292	
The Netherlands			
	Assets held for sale at as 2018 year end		0
	Assets held for sale at as 2019 year end	1,486	
Total		**5,779**	**739**

XVI. Trade receivables and doubtful debtors

Trade receivables

in euros (x 1,000)	31.12.2019	31.12.2018
Customers	15,310	11,339
Write downs booked for doubtful debtors	-2,765	-3,275
Invoices to be prepared/credit notes to be received	2,819	1,923
Trade receivables	**15,364**	**9,987**

Trade receivables are payable prior to the regular lease period.
The table below shows the past due trade receivables.

in euros (x 1,000)		31.12.2019		31.12.2018
Non-expired and expired < 30 days	10,803		7,271	
of which provisioned for as doubtful debtors		0		-24
Expired 30-60 days	533		82	
of which provisioned for as doubtful debtors		0		0
Expired 60-90 days	297		115	
of which provisioned for as doubtful debtors		0		0
Expired > 90 days	3,678		3,872	
of which provisioned for as doubtful debtors		-2,765		-3,251
Total clients	**15,310**		**11,339**	
of which provisioned for as doubtful debtors		**-2,765**		**-3,275**

Doubtful debtors – mutation table

in euros (x 1,000)	31.12.2019	31.12.2018
At the end of the previous financial year	**-3,275**	**-3,352**
Additions	-783	-679
Reversals	527	252
Other	766	504
At the end of the financial year	**-2,765**	**-3,275**

The provision for doubtful debts is 2.8 million euros and has decreased compared to 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. Besides the legal standard of 20%, an in-house goal has been set that no more than 10% of the rental income (including from solar energy) may come from one customer. For the main tenants, please see *3.3 2019, an excellent start to the 2019-23 growth plan - 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)	31.12.2019	31.12.2018
Opening balance	**10,636**	**31,626**
Creation of new joint ventures	400	0
Capital increases in joint ventures	5,555	4,433
Purchase of shares in a joint venture resulting in their full consolidation in the IFRS statements (formerly consolidated using equity method)	0	-25,689
Share in the result of associated companies and joint ventures	3,116	466
Other	0	-200
Closing balance	**19,707**	**10,636**

XVIII. Tax receivables and other current assets

in euros (x 1,000)	31.12.2019	31.12.2018
Tax receivables	25,181	17,477
Other current assets	9,068	1,513
Total	**34,249**	**18,990**

XIX. Capital

		Changes in subscribed capital as at 31.12.2019 (in euros x 1,000)	Number of shares[1]
	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**	**46,480,000**
2001	Capital increase following merger through Caresta takeover	2,429	1,817,151
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	6,899,592
2006	Capital increase partial demerger of Partners in Lighting International	29,415	4,952,304
2006	Capital increase associated with creation of available reserves	-40,000	0
2009	Capital increase DHL transaction	6,478	5,654,131
2009	Capital increase	25,130	21,934,388
2011	Capital increase through contribution of claim as a result of an optional dividend	5,216	4,553,059
2011	Capital increase Betafence transaction	3,642	3,179,022
2012	Capital increase through contribution of claim as a result of an optional dividend	4,988	4,354,091
2012	Capital increase partial demerger Immo Weversstraat	675	589,582
2012	Capital increase Lake Side bis transaction	5,910	5,158,524
2013	Capital increase through contribution of claim as a result of an optional dividend	4,600	4,015,172
2013	Capital increase as a result of the direct merger with three companies in Geel	3,400	2,967,713
2014	Capital increase through contribution of claim as a result of an optional dividend	3,693	3,222,219
2014	Capital increase Tiel transaction	7,213	6,293,560
2015	Capital increase as a result of the MLB transaction	5,468	4,772,796
2015	Capital increase through contribution of claim as a result of an optional dividend	3,102	2,707,516
2016	Capital increase through contribution of claim as a result of an optional dividend	3,603	3,144,561
2016	Capital increase in cash with irreducible allocation right	19,004	16,586,920
2017	Capital increase through contribution of claim as a result of an optional dividend	3,933	3,432,527
2017	Capital increase via a partial demerger and contribution in kind	1,547	1,350,111
2018	Capital increase through contribution of claim as a result of an optional dividend	3,989	3,481,275
2018	Capital increase, transaction, Asse-Zellik (1)	360	314,020
2018	Capital increase, transaction, Asse-Zellik (2)	956	834,582
2018	Capital increase, transaction, Tiel, Veghel and Bleiswijk	3,133	2,734,914
2019	Capital increase through contribution of claim as a result of an optional dividend	2,646	2,309,475
2019	Capital increase by ABB (accelerated bookbuild)[2]	10,025	8,750,000
Total		**197,623**	**172,489,205**

1. With a view to increasing marketability, accessibility and attractiveness of WDP shares, the WDP share was split by a factor of 7 on 2 January 2020. The figures displayed already take into account the WDP share split.
2. An exempt accelerated private placement with international institutional investors with the composition of an order book.

	31.12.2019	31.12.2018
Number of shares entitled to dividend[1]	**161,429,730**	**154,064,939**
Capital increase through contribution of claim as a result of an optional dividend	2,309,475	3,481,275
Capital increase by contribution in kind	0	3,883,516
Capital increase via an accelerated bookbuild (ABB)	8,750,000	0
Number of shares entitled to a dividend at the end of the financial year	**172,489,205**	**161,429,730**
Net result (IFRS) - Group share (in euros x 1,000)	393,732	328,784
Net result (IFRS) - Group share per share (in euros)[2]	2.40	2.10

1. With a view to increasing marketability, accessibility and attractiveness of WDP shares, the WDP share was split by a factor of 7 on 2 January 2020. The figures displayed already take into account the WDP share split.
2. 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 board of directors is authorised, within the constraints of the mandatory provisions contained in the applicable company law, to increase the share capital on the dates and subject to the conditions that it specifies, in one or more increments, up to a maximum amount of:

I. 93,798,838.43 euros , if the capital increase to be realised is a capital increase in cash with the option of the company's shareholders to exercise their preferential right or irreducible allocation right (as referred to in the RREC Legislation); and

II. 93,798,838.43 euros, if the capital increase to be realised involves the distribution of an optional dividend; and

III. 8,734,803.45 euros, if the capital increase to be realised (a) is a capital increase in kind, or (b) a capital increase in cash without the option of the company's shareholders to exercise their preferential right or irreducible allocation right (as referred to in the RREC Act), or (c) any other kind of capital increase;

with the understanding that the capital will not be allowed to increase within the context of this mandate by an amount that exceeds the amount of the capital on the date of the extraordinary general meeting that approves the mandate (being 187.597.676,87 euros).

This mandate is valid for a period of five years from publication of the minutes of the extraordinary general meeting of 11 September 2019 (i.e. until 25 September 2024).

This mandate is renewable.

As at 31 December 2019, the available balance of the authorised capital was:

- I. 93,798,838.43 euros, if the capital increase to be realised is a capital increase in cash with the option of the company's shareholders to exercise their preferential right or irreducible allocation right (as referred to in the RREC Legislation); and
- II. 93,798,838.43 euros, if the capital increase to be realised involves the distribution of an optional dividend; and
- III. 18,759,767.68 euros, if the capital increase to be realised (a) is a capital increase in kind, or (b) a capital increase in cash without the option of the company's shareholders to exercise their preferential right or irreducible allocation right (as referred to in the RREC Act), or (c) any other kind of capital increase; with the understanding that the capital will not be allowed to increase within the context of this mandate by an amount that exceeds the amount of 187.597.676,87 euros during the remaining term of the proxy.

XX. Provisions

in euros (x 1,000)	31.12.2019	31.12.2018
Opening balance	359	655
Used amounts	-2	-530
Additions	0	234
Closing balance	**357**	**359**
Time of expected outflow of economic resources	< 5 years	< 5 years

In the course of the 2019 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 2019 still amounted to 0.4 million euros.

The *provisions* are mainly allocated to potential remediation of land in Heppignies (rue de Capilône), Londerzeel (Weverstraat 2), Vilvoorde (Havendoklaan 10), Aalst (Tragel 47) and Anderlecht (Frans Van Kalkenstraat 9).

XXI. Statement of financial debt

	Included as of		< 1 year		1-5 years		< 5 years	
in euros (x 1,000)	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Commercial paper	199,000	150,950	199,000	150,950				
Straight loans	14,832	67,539	14,832	67,539				
Roll over loans	20,654	634	20,654	634				
Bond loan	50,000	—	50,000	—				
Other	2,143	2,042	2,143	2,042				
Current financial liabilities	286,629	221,165	286,629	221,165		—		—
Roll over loans	1,190,709	1,046,993	—	—	688,157	530,988	502,551	516,005
Bond loan	376,253	425,970	—	—	217,200	266,658	159,053	159,312
Other	1,238	3,623	—	—	1,021	3,274	217	349
Non-current financial liabilities	1,568,199	1,476,586	—	—	906,378	800,920	661,821	675,666
Total	**1,854,828**	**1,697,751**	**286,629**	**221,165**	**906,378**	**800,920**	**661,821**	**675,666**

For further background information on the financial debts, please refer to Chapter *3.2.3 2019, an excellent start to the 2019-23 growth plan - Financial results - Management of financial resources.*

For further information on the applicable banking agreements, see Note *XXVI. Rights and obligations not recognised on the balance sheet*. For a complete overview of the sensitivity, please refer to the relevant table in Chapter *3.4 2019, an excellent start to the 2019-23 growth plan - Outlook*.

The change in debts from 1,697.8 million euros to 1,854.8 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 excluded this immaterial amount of non-cash movements. See *9.1 Financial statements - Annual consolidated financial statements for the 2019 financial year - Cash flow statement*.

XXII. Gearing ratio

in euros (x 1,000)		31.12.2019 (IFRS)	31.12.2019 (proportionate)	31.12.2018 (IFRS)	31.12.2018 (proportionate)
Non-current and current liabilities		2,072,929	2,100,285	1,872,817	1,893,778
To be excluded:					
I. Non-current liabilities - A. Provisions		357	357	359	359
I. Non-current liabilities - C. Other non-current financial liabilities – Permitted hedging instruments		81,819	81,819	55,188	55,188
I. Non-current liabilities – F. Deferred taxes – Liabilities		13,357	15,908	4,207	5,405
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 deferred income		18,413	18,418	19,110	19,062
Total debt	A	**1,958,984**	**1,983,784**	**1,793,954**	**1,813,764**
Total assets		4,222,790	4,250,146	3,483,333	3,504,293
To be excluded:					
E. Financial fixed assets – Financial instruments at fair value through profit and loss – Permitted hedging instruments		0	0	3,252	3,252
Total assets taken into account for the calculation of the gearing ratio	B	4,222,790	4,250,146	3,480,081	3,501,041
Gearing ratio	**A/B**	**46.4%**	**46.7%**	**51.5%**	**51.8%**

XXIII. Other current and non-current financial liabilities

in euros (x 1,000)	31.12.2019	31.12.2018
Non-current financial liabilities	**40,682**	**40,996**
Financial liability in accordance with IFRS 16	40,682	40,996
Current financial liabilities	**168**	**168**
Financial liability in accordance with IFRS 16	168	168
Total	**40,851**	**41,164**

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. The table below shows the maturity dates for this liability.

	Included as of		< 1 year		1-5 years		< 5 years	
in euros (x 1,000)	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Financial liability in accordance with IFRS 16	40,851	41,165	168	168	1,155	915	39,527	40,082

XXIV. Average workforce and breakdown of employee costs

in euros (x 1,000)	31.12.2019	31.12.2018
At fully consolidated enterprises		
Average workforce (in FTEs[1])	63.8	54.5
a) Blue-collar workers	4.8	4.4
b) White-collar workers	59.1	50.1
Administrative staff	38.1	31.7
Technical staff	21.0	18.4
Geographic locations of workforce (in FTEs[1])	63.8	54.5
Western Europe	48.8	43.7
Central and Eastern Europe	15.1	10.8
Personnel costs (in euros x 1,000)	6,594	5,003
a) Salaries and direct social benefits	5,046	3,772
b) Employer contributions to social security	842	700
c) Employer premiums for non-statutory insurances	286	221
d) Other personnel costs	420	310

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. The group insurance contract applies the Vandenbroucke Law on pensions. The insurance company confirmed on 31 December 2019 that the shortfall for guaranteeing the statutory minimum yield is not substantial.

XXV. Transactions between affiliates

Until 1 October 2019, a director's fee was allotted to De Pauw NV/SA as the former manager of WDP Comm. VA. The amount of the director's fee was set at 1,650,000 euros for the year 2019. This amount corresponds to the total cost, in line with market rates, for the Board of Directors of the former manager in 2019, including the bonus scheme for the co-CEOs and management of the GVV/SIR and administrative costs. Effective as at 1 October 2019, the Extraordinary General Meeting of 11 September 2019 decided to convert WDP from a partnership limited by shares into a public limited company. Thus, in this, they also decided to discharge the former statutory manager and approve prorated settlement of the remuneration in an amount of 1,237,500 euros (including expenses). Please also refer to the note in the remuneration report in Chapter 5. *Corporate Governance Statement*.

In addition to the management fee, 2019 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 management fee charged and the financial revenues booked in WDP and received from I Love Hungaria and WDP Luxembourg.

in euros (x 1,000)	31.12.2019	31.12.2018
Receivables	**6,767**	**6,038**
At more than one year	4,743	4,625
At up to one year (interest and outstanding customer balance)	2,024	1,413
Operating result (before the result on the portfolio)	**391**	**589**
Management fee and other	391	589
Financial result	**191**	**118**
Income from financial fixed assets	191	118

XXVI. Rights and obligations not recognised in the balance sheet

WDP NV/SA and its subsidiaries had bank guarantees in place for a total of 3,378,578 euros as at 31 December 2019, the beneficiaries of which fall under the following categories for the following amounts:

in euros	31.12.2019
Environmental	1,412,211
Rent and concession	842,369
Services	7,979
Execution of works	1,116,019

WDP Nederland N.V. has committed to purchasing two industrial buildings located in Breda and De Lier (at an agreed total price of 32 million euros). The industrial buildings will be purchased during the first half of 2020.

Moreover, WDP Nederland N.V. has committed to purchasing land intended for construction of an industrial building in Zwolle, to be purchased at a pre-agreed price of 6 million euros. This land must be purchased by no later than 2023.

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.

Parent company WDP NV/SA has extended the following sureties for its various 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, 8 million euros of which has been drawn).
- A security for the commitments of WDP Romania SRL amounting to 44 million euros for EIB.
- A surety for the commitments of WDP Luxembourg SA amounting to 21 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 2019, 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. For the conditions on this, please see the Belgian Act of 12 May 2014 and the Royal Decree of 13 July 2014. For more information, see *11. Annexes - 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 Fiscale Beleggingsinstelling (an 'FBI').
- For some financial institutions, WDP undertakes to maintain a minimum Interest Coverage Ratio[2]. For WDP, this level is usually at least 1.5x. For 2019, this figure comes to 4.5x.
- 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 undertakes to limit projects still not pre-leased (speculative developments) to 15% of the book value of the portfolio. As at 31 December 2019, this ratio is 0%.

As at 31 December 2019, all agreements have been met, with both credit institutions and bondholders.

XXVII. Financial relations with third parties

in euros	31.12.2019	31.12.2018
Statutory auditor		
The statutory auditor(s) and the people with whom they are associated		
Statutory auditor's pay	135,280	129,810
Pay for special work or special assignments that the statutory auditor(s) perform within Company		
Other auditing assignments	29,815	16,850
Other non-auditing assignments	12,700	56,500
Pay for special work or special assignments that persons associated with the statutory auditor(s) perform within Company		
Tax consulting assignments	70,188	34,115

2. The term "financiers" means the credit institutions as well as financiers through debt capital markets, such as bondholders or investors in the commercial paper programme.

Pursuant to Article 3:64(§§1 to 5) CCA: without prejudice to the prohibitions following from Article 3:63 CCA, 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 70 per cent of the sum total of the fees referred to in Article 3:65(§2) CCA. 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 CVBA, with the exception of fees for statutory tasks ascribed to the statutory auditor of the company. WDP NV/SA was not in breach of the 70% rule as at 31 December 2019.

in euros	31.12.2019	31.12.2018
Financial service fees paid	**88,148**	**346,446**

in euros	31.12.2019	31.12.2018
Property expert fees	**446,532**	**417,664**
Stadim	99,692	99,628
Cushman & Wakefield - The Netherlands	129,076	114,836
BNP Paribas Real Estate	9,400	14,800
CBRE - The Netherlands	73,959	69,275
Jones Lang LaSalle - Belgium	47,500	46,700
CBRE - Romania	81,205	63,125
Jones Lang LaSalle - Luxembourg	5,700	9,300

in euros (x 1,000)	31.12.2019	31.12.2018
Insurance premiums	**2,127**	**1,844**
Belgium	750	702
The Netherlands	905	750
France	95	98
Luxembourg	18	7
Romania	265	167
Solar panels, Belgium	37	46
Solar panels, the Netherlands	31	37
Solar panels, Romania	26	37

XXVIII. Significant events after the balance sheet date

For a description of significant events occurring after 31 December 2019, please refer to *3.1 2019, an excellent start to the 2019-23 growth plan - Transactions and realisations - Significant events after the balance sheet date*.

9.3 CONDENSED VERSION OF THE STATUTORY FINANCIAL STATEMENTS FOR THE 2019 FINANCIAL YEAR

The statutory auditor has issued an unqualified opinion on the statutory annual financial statements of WDP NV/SA. 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 had not yet been submitted at the time of publication of this annual financial report.

PROFIT AND LOSS ACCOUNT[1]

in euros (x 1,000)	FY 2019	FY 2018
I. Rental income	**71,055**	**68,109**
Rents	70,095	67,895
Indemnification related to early lease terminations	961	214
III. Costs related to leases	**-85**	**-1,282**
Rent to be paid for leased premises	82	-1,222
Impairments of trade receivables	-334	-297
Reversals of impairments of trade receivables	167	237
Net rental result	70,970	66,827
IV. Recovery of property costs	**0**	**0**
V. Recovery of rental charges normally paid by the tenant on let properties	**8,308**	**7,090**
Re-invoicing rental charges paid out by the owner	2,277	2,064
Re-invoicing advance property levy and taxes on let buildings	6,031	5,026
VI. Costs payable by the tenant and paid out by the owner for rental damage and refurbishment at end of lease	**0**	**54**
VII. Rental charges and taxes normally paid by the tenant on let properties	**-8,527**	**-7,565**
Rental charges paid out by the owner	-2,327	-2,085
Withholding levies and other taxes on let buildings	-6,199	-5,480
VIII. Other income and charges related to leases	**9,981**	**9,879**
Property management fees	816	828
Other operating income/costs	628	342
Income from solar energy	8,537	8,710
Property result	80,732	76,286
IX. Technical costs	**-1,796**	**-1,594**
Recurrent technical costs	-1,771	-1,842
Repairs	-1,729	-1,698
Insurance premiums	-42	-145
Non-recurrent technical costs	-25	249
Accidents	-25	249
X. Commercial costs	**-551**	**-631**
Agency commissions	-93	-125
Advertising	-471	-467
Lawyers' fees and legal charges	13	-40
XII. Property management costs	**-1,439**	**-1,432**
(Internal) property management costs	-1,439	-1,432
Property charges	-3,786	-3,657
Property operating results	76,945	72,630

XIV.	**General company expenses**	**7,945**	**18,307**
XV.	**Other operating income and expenses (depreciation and write-downs on solar panels)**	**-3,382**	**-2,680**
Operating result (before the result on the portfolio)		81,509	88,257
XVI.	**Result on disposals of investment properties**	**13**	**-248**
Net property sales (sales price – transaction costs)		14,570	21,638
Book value of properties sold		-14,557	-21,886
XVIII.	**Changes in the fair value of investment properties**[2]	**124,478**	**78,043**
Positive changes in the fair value of investment properties		146,765	82,210
Negative changes in the fair value of investment properties		-22,287	-4,167
Operating result		206,000	166,052
XX.	**Financial income**	**41,388**	**22,762**
Interests and dividends received		41,253	22,625
Income from financial leases and similar		0	0
Other financial income		135	137
XXI.	**Net interest charges**	**-41,459**	**-35,804**
Interests on loans		-23,095	-19,854
Interest capitalised during construction		154	50
Cost of permitted hedging instruments		-16,380	-14,787
Income from permitted hedging instruments		0	0
Other interest charges		-2,137	-1,214
XXII.	**Other financial charges**	**-1,072**	**-505**
Bank charges and other commissions		-43	-39
Other financial charges		-1,029	-466
XXIII.	**Changes in the fair value of financial assets and liabilities**	**-29,883**	**-9,027**
Permitted hedging instruments that are not subject to hedging accounting as defined in IFRS		-29,883	-9,027
Financial result		-31,026	-22,574
Share in the result of holdings incorporated using the equity method		**219,968**	**185,828**
Result before taxes		394,942	329,306
XXIV.	**Corporate tax**	**-1,211**	**-525**
XXV.	**Exit tax**	**0**	**2**
Taxes		-1,211	-522
Net result		**393,732**	**328,784**

1. Until 31 December 2018, the holdings of the subsidiaries were valuated as financial instruments as per IFRS 9. Since 1 January 2019, the holdings have been valuated using the equity method as per IAS 28. Due to this change in the valuation rules, the dividend paid out from the holdings is recognised as a reduction in the book value of the holding, other changes in shareholders' equity (revaluation of solar panels, IFRS 16 impact) of the holdings are also recognised as an increase/decrease in the book value and the result of the affiliated companies is recognised under the section *"Share in the result of holdings incorporated using the equity method"*. The WDP Nederland dividend of 10.222 million euros that was paid out to the parent company in 2018 is now incorporated in the section *"Share in the result of holdings incorporated using the equity method"*, instead of under section *XX. Financial income - Interest and dividend collection*. The impact of revaluation of the solar panels of the holdings (2.5 million euros) and IFRS 16 impact (1.5 million euros) were booked directly in shareholders' equity instead of under Section *XXIII. Changes in the fair value of financial assets and liabilities*. The share in the result of holdings incorporated using the equity method is now given in a separate section. Consequently, the net result for 2018 was decreased to 328,784,000 euros, instead of 332,623,000 euros.
2. This only pertains to fluctuations in the fair value of investment properties. Fluctuations in the fair value of solar panels are booked directly to equity capital, under *Reserves* in accordance with IAS 16.

CONSOLIDATED STATEMENT OF THE OVERALL RESULT

in euros (x 1,000)	FY 2019	FY 2018
I. Net result	393,732	328,784
II. Other components of the overall result	760	4,091
G. Other components of the overall result after tax	760	4,091
Revaluation of solar panels in Belgium	-1,898	1,605
Revaluation of solar panels of the holdings accounted using the equity method[1]	2,658	2,486
Overall income	**394,492**	**332,875**

1. Due to application of IAS 28, *Other components in the overall result* now also includes the revaluation of the solar panels of the holdings included according to the equity method.

COMPONENTS OF THE NET RESULT

in euros (x 1,000)	31.12.2019	31.12.2018
EPRA Earnings	82,538	76,868
Result on the portfolio	124,491	77,795
Share in the results of participations incorporated using the equity accounting method	219,968	185,828
Revaluation of financial instruments	-29,883	-9,027
Depreciation and write-down on solar panels	-3,382	-2,680
Net result (IFRS)	**393,732**	**328,784**

in euros (per share)[1]	31.12.2019	31.12.2018
EPRA Earnings	0.50	0.49
Result on the portfolio	0.76	0.50
Share in the results of participations incorporated using the equity accounting method	1.34	1.19
Revaluation of financial instruments	-0.18	-0.06
Depreciation and write-down on solar panels	-0.02	-0.02
Net result (IFRS)	**2.40**	**2.10**

in euros (per share) (diluted)[1]	31.12.2019	31.12.2018
EPRA Earnings	0.50	0.49
Result on the portfolio	0.76	0.50
Share in the results of participations incorporated using the equity accounting method	1.34	1.19
Revaluation of financial instruments	-0.18	-0.06
Depreciation and write-down on solar panels	-0.02	-0.02
Net result (IFRS)	**2.40**	**2.10**

1. Calculated on the weighted average number of shares.

BALANCE SHEET – ASSETS[1]

in euros (x 1,000)		31.12.2019	31.12.2018	31.12.2017
Fixed assets		4,006,312	3,300,233	2,611,236
B.	**Intangible fixed assets**	**393**	**216**	**146**
C.	**Investment properties**	**1,327,508**	**1,132,650**	**1,008,286**
	Property available for lease	1,256,512	1,103,491	982,853
	Property developments	55,882	11,550	6,121
	Other: land reserves	15,114	17,609	19,311
D.	**Other tangible fixed assets**	**63,080**	**66,018**	**66,566**
	Tangible fixed assets for own use	1,996	2,293	1,876
	Solar panels	61,083	63,725	64,690
E.	**Financial fixed assets**[1]	**1,130,961**	**966,423**	**776,740**
	Assets at fair value through result	0	3,252	5,764
	Permitted hedging instruments	0	3,252	5,764
	Financial assets at amortised cost	1,130,961	963,171	770,976
	Other	1,130,961	963,171	770,976
H.	**Trade receivables and other fixed assets**	**1,011**	**1,004**	**822**
J.	**Proportionate share in participations incorporated using the equity accounting method**[1]	**1,483,359**	**1,133,922**	**758,676**
Current assets		42,367	30,026	34,250
A.	**Assets held for sale**	**4,292**	**739**	**7,525**
	Investment properties	4,292	739	7,525
D.	**Trade receivables**	**4,163**	**2,685**	**3,972**
E.	**Tax receivables and other current assets**	**31,242**	**24,451**	**20,921**
	Tax receivables	165	60	1,285
	Other current assets	31,077	24,390	19,636
F.	**Cash and cash equivalents**	**1,151**	**662**	**1,138**
G.	**Accruals and deferrals**	**1,518**	**1,489**	**694**
	Property yields not yet due	0	0	6
	Prepaid property costs	385	286	132
	Prepaid interests and other financial costs	63	77	70
	Other	1,069	1,126	486
Total assets		**4,048,679**	**3,330,259**	**2,645,486**

1. Until 31 December 2018, the holdings of the subsidiaries were valuated as financial instruments as per IFRS 9. Since 1 January 2019, the holdings have been valuated using the equity method as per IAS 28. Due to this change in the valuation rules, the dividend paid out from the holdings is recognised as a reduction in the book value of the holding, other changes in shareholders' equity (revaluation of solar panels, IFRS 16 impact) of the holdings are also recognised as an increase/decrease in the book value and the result of the affiliated companies is recognised under the section *"Share in the result of holdings incorporated using the equity method"*. The WDP Nederland dividend of 10.222 million euros that was paid out to the parent company in 2018 is now incorporated in the section *"Share in the result of holdings incorporated using the equity method"*, instead of under section *XX. Financial income - interest and dividend collection*. The impact of revaluation of the solar panels of the holdings (2.5 million euros) and IFRS 16 impact (1.5 million euros) were booked directly in shareholders' equity instead of under Section *XXIII. Changes in the fair value of financial assets and liabilities*. The share in the result of holdings incorporated using the equity method is now given in a separate section. Consequently, the net result for 2018 was decreased to 328,784,000 euros, instead of 332,623,000 euros.

BALANCE SHEET – LIABILITIES

in euros (x 1,000)		31.12.2019	31.12.2018	31.12.2017
Shareholder's equity		2,103,917	1,580,786	1,238,023
I.	**Shareholders' equity attributable to parent company shareholders**	**2,103,917**	**1,580,786**	**1,238,023**
A.	Capital	185,746	176,751	168,939
	Subscribed capital	197,623	184,952	176,514
	Costs of capital increase	-11,877	-8,201	-7,575
B.	Issue premiums	876,849	646,286	545,154
C.	Reserves	647,590	428.965	288,774
D.	Net result for the financial year	393,732	328.784	235,156
Liabilities		1,944,762	1,749,473	1,407,463
I.	**Non-current liabilities**	**1,631,628**	**1,513,355**	**1,158,293**
A.	Provisions	357	357	655
	Other	357	357	655
B.	Non-current financial liabilities	1,524,199	1,432,567	1,108,966
	Credit institutions	1,147,946	1,002,974	782,779
	Other	376,253	429,593	326,187
C	Other non-current financial liabilities	106,940	80,432	48,673
	Hedging instruments	81,819	55,188	48,673
	Other non-current financial liabilities	25,121	25,244	0
D.	Trade payables and other non-current liabilities	132	0	0
II.	**Current liabilities**	**313,134**	**236,117**	**249,170**
B.	Short-term financial debt	280,003	207,168	227,730
	Credit institutions	227,860	205,126	225,784
	Other	52,143	2,042	1,946
C.	Other current financial liabilities	123	123	0
	Permitted hedging instruments	0	0	0
	Other current financial liabilities	123	123	0
D.	Trade payables and other current debts	18,505	13,573	9,321
	Suppliers	14,222	10,656	6,730
	Tax, salary and social security	4,283	2,917	2,591
E.	Other current liabilities	140	498	474
	Other	140	498	474
F.	Accrued charges and deferred income	14,363	14,755	11,646
	Property revenue received in advance	4,281	4,125	3,638
	Non-expired interest and other costs	8,689	8,728	6,735
	Other	1,393	1,902	1,273
Total liabilities		**4,048,679**	**3,330,259**	**2,645,486**

STATUTORY APPROPRIATION OF RESULTS

in euros (x 1,000)		31.12.2019	31.12.2018
A.	Net result	393,732	328,784
B.	Addition to/withdrawal from reserves	249,695	199,149
1.	Deposit to/withdrawal from the reserve for the (positive or negative) balance of the changes in the fair value of properties[1]	283,939	211,997
	financial year	289,539	214,582
	construction of property	-5,599	-2,585
2.	Addition to/withdrawal from the reserve of estimated transaction costs and fees for the hypothetical sale of investment properties	-4,362	-3,821
	financial year	-4,362	-3,821
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 in 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 in 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	-29,883	-9,027
	financial year	-29,883	-9,027
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 foreign 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	0	0
	financial year	0	0
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) GVV/SIR Royal Decree**	**77,927**	**70,129**
D.	**Compensation for capital other than C**	**49,715**	**40,566**
E.	**Result to be carried forward**	**16,395**	**18,940**

1. Based on the investment value of property. This item also includes the result on the portfolio of the holdings.

DISTRIBUTION OBLIGATION IN ACCORDANCE WITH THE GVV/SIR ROYAL DECREE OF 13 JULY 2014

in euros (x 1,000)	FY 2019	FY 2018
Net result	**393,732**	**328,784**
Depreciation and amortization (+)	3,553	3,192
Write-downs (+)	731	297
Reversals of write-downs (-)	-167	-237
Reversals of transferred and incorporated rents (-)	0	0
Other non-monetary components (+/-)[1]	-175,949	-166,579
Result from property sales (+/-)	-13	248
Changes in the fair value of property (+/-)	-124,478	-78,043
Adjusted result (A)	**97,409**	**87,661**
Capital gains/losses on property realised during the financial year (+/-)	5,599	2,585
Capital gains realised during the financial year that are exempt from the mandatory disbursement provided they are reinvested within a period of four years (-)	-5,599	-2,585
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)	**0**	**0**
Total (A+B) x 80%	**77,927**	**70,129**
Debt in liabilities (-)	**0**	**0**
Distribution obligation	**77,927**	**70,129**

1. This concerns the share in the result of participations incorporated using the equity method (adjusted for the dividends received from the participations) plus variations of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS.

NON-DISTRIBUTABLE SHAREHOLDERS' EQUITY AS PER ARTICLE 7:121 OF THE BELGIAN CODE OF COMPANIES AND ASSOCIATIONS

in euros (x 1,000)	31.12.2019	31.12.2018
Paid out capital or, if it is more, called-up capital	197,623	184,952
Issue premiums not available according to the Articles of Association[1]	686,874	646,286
Reserve for the positive balance of the changes in the fair value of properties[2]	847,393	578,843
Reserves for the impact on the fair value of estimated transaction costs and fees for the hypothetical sale of investment properties	-31,248	-28,819
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	-81,819	-51,936
Other reserves declared unavailable by the General Meeting[3]	27,163	26,095
Non-distributable shareholders' equity as per Article 7:121 of the CCA	**1,645,986**	**1,355,421**
Net asset	2,103,917	1,580,786
Proposed dividend payment	-127,642	-110,695
Net asset after distribution	**1,976,275**	**1,470,091**
Remaining margin after distribution	**330,289**	**114,670**

1. The issue premium as a result of the ABB ('accelerated bookbuild') amounting to EUR 189,975,035.77 was not included in as it is booked on an availabel account.
2. 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 – Operating result*), given that the latter is a non-distributable reserve. This pertains to a non-cash item.
3. 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 2019

in euros (x 1,000)	01.01.2019	Allocation of results from the 2018 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	176,751	0	0	0
Subscribed capital	184,952			
Costs of capital increase	-8,201			
B. Share premiums	646,286	0	0	0
C. Reserves	428,965	328,784	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 (+/-)	369,921		208,922	
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment properties (-)	-24,998		-3,821	
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 (+/-)	-42,908			-9,027
Other reserves	26,010			
Result carried forward from previous financial years	100,940	328,784	-205,101	9,027
D. Net result of the financial year	328,784	-328,784	0	0
Total shareholders' equity	**1,580,786**	**0**	**0**	**0**

Other elements of the overall result		Other			31.12.2019
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	6,535	2,527	-67	185,746
		10,025	2,646		197,623
		-3,490	-119	-67	-11,877
0	0	189,975	40,587	0	876,849
0	760	0	-110,695	-224	647,590
					578,843
					-28,819
					-51,936
	760			393	27,163
			-110,695	-617	122,338
393,732	0	0	0	0	393,732
393,732	**760**	**196,530**	**-67,600**	**-290**	**2,103,917**

STATEMENT OF CHANGES OF THE STATUTORY SHAREHOLDERS' EQUITY 2018

in euros (x 1,000)	01.01.2018	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	**288,774**	**235,156**	**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	87,948	235,156	-106,638	-16,470
D. Net result of the financial year	**235,156**	**-235,156**	**0**	**0**
Total shareholders' equity	**1,238,023**	**0**	**0**	**0**

Other elements of the overall result		Other			31.12.2018
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	4,091	0	-99,042	-14	428,965
					369,921
					-24,998
					-42,908
	4,091				26,010
			-99,042	-14	100,940
328.784	0	0	0	0	328,784
328.784	**4,091**	**62,165**	**-52,263**	**-14**	**1,580,786**

10 PERMANENT DOCUMENT

Basic information

Company name (Article 1 of the coordinated Articles of Association)

Warehouses De Pauw, or WDP for short.

Registration, company number, identification code for legal entities

The Company is registered in the Central Enterprise Databank, in the district of Brussels, Dutch language division, under legal entity registration number 0417.199.869. Its identification code for legal entities (LEI – legal entity identifier) is 549300HWDY-C5JXC85138.

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 before civil-law notary Paul De Ruyver in Liedekerke on 27 May 1977, published in the Annexes to the Belgian Official Gazette 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 ("Comm. VA). The associated amendments to the Articles of Association were provisionally enacted by a deed executed by civil-law-notary Siegfried Defrancq in

1. For this, see also *Chapter 2.2 This is WDP - 20 years on the stock exchange*.

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 before the aforementioned Civil-Law Notary Siegfried Defrancq, on behalf of the aforementioned Civil-Law Notary Jean-Jacques Boel due to his statutory incapacity, subsequently published in the Annexes to the Belgian Official Gazette of 18 May under number 20010518-652.

The Extraordinary General Meeting of 11 September 2019 converted the legal form of WDP to a public limited company ("naamloze vennootschap") effective as at 1 October 2019, as set down in the deed executed before Civil-Law Notary Tim Carnewal, promulgated in the Annexes to the Belgian Official Gazette of the following 25 September, under number 19127672.

The Articles of Association of WDP have been amended multiple times since then, most recently on 6 January 2020 in a declaration deed by virtue of the resolution of the Extraordinary General Meeting of 11 September 2019 to split the share by a factor of 7. This declaration deed was executed before Civil-Law Notary Eric Spruyt in Brussels and was promulgated in the Annexes to the Belgian Official Gazette of 5 February 2020 under number 20020249.

Regulated Real Estate Company (GVV/SIR) status (Article 1 of the coordinated Articles of Association)

Since 28 June 1999, WDP 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 (public "GVV/SIR"). 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 GVV/SIR legislation.

Registered office (Article 3 of the coordinated Articles of Association)

The Company's registered offices are in the Flemish Region. The registered offices can be relocated in Belgium by a decision of the Board of Directors, provided the relocation does not require a change in the language of the Articles of Association to comply with applicable language legislation.

Duration (Article 2 of the coordinated Articles of Association)

The duration of the Company is unlimited.

Company object (Article 5 of the coordinated Articles of Association)

Article 5 of the Articles of Association states that the sole object of the Company is to:

a) make real estate available to users, directly or through a company in which it holds an interest in accordance with the provisions of the GVV/SIR legislation and its implementing decrees and regulations; and
b) possess real estate as referred to in Article 2(5°)(i to xi) of the GVV/SIR Act, within the limits of the GVV/SIR legislation.

Property shall mean:

i) real estate as defined in articles 517 and thereafter of the Civil Code and rights in rem to the said real estate, excluding the real estate of forestry, agricultural or mining nature;
ii) voting shares issued by real estate companies, in which the company holds over 25% of the share capital, directly or indirectly;
iii) option rights to properties;
iv) shares in public or institutional GVV/SIRs, provided in the latter case that the company holds over 25% of the share capital, directly or indirectly;
v) rights arising from contracts giving the company leasehold of one or more assets, or other analogous rights of use;
vi) participation rights in public and institutional real estate investment trusts;
vii) participation rights in foreign institutions for collective investment in real estate registered in the list referred to in Article 260 of the Act of 19 April 2014;
viii) participation rights in institutions for collective investment in real estate established in another Member State of the European Economic Area and not registered in the list referred to in Article 260 of the Act of 19 April 2014, provided they are subject to supervision equivalent to that applicable to the public real estate investment trusts;
ix) shares or participation rights issued by companies (i) that are legal entities; (ii) that are governed by the law of another Member State in the European Economic Area; (iii) whose shares have or have not been admitted for trading on a regulated market and/or are or are not subject to a prudential supervision regime; (iv) whose main activity consists in the acquisition or construction of real estate with a view to making it available to users, or direct or indirect ownership of share capital in companies with similar activities; and (v) that are exempt from income tax on the profits from the activities referred to in clause iv above, assuming compliance with certain legal obligations, and that are at least required to distribute part of their revenue to their shareholders (Real Estate Investment Trusts – REITs);
x) mortgage debentures as referred to in Article 5(§4) of the Act of 16 June 2006;
xi) participation rights in an FIIS/GVBF;
xii) as well as all other goods, shares or rights defined as real estate in the GVV/SIR legislation.

Real estate as referred to in (vi), (vii), (viii), (ix) and (xi) above that constitute participation rights in alternative investment funds within the meaning of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on managers of alternative investment funds and amending Directives 2003/41/EC and 2009/65/EC and of the Regulations (EC) no.

1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies and (EU) no. 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European supervisory authority (European Securities and Markets Authority) amending Decision no. 716/2009/EC and repealing Commission Decision 2009/77/EC cannot be qualified as voting shares issued by real estate companies regardless of the amount of the shareholding held directly or indirectly by the company.

c) the long-term conclusion of or accession to one or more of the following, 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 GVV/SIR legislation, where applicable in collaboration with third parties:

   i) DBF contracts ("Design, Build, Finance");
   ii) DB(F)M contracts ("Design, Build, (Finance) and Maintain");
   iii) DBF(M)O contracts ("Design, Build, Finance, (Maintain) and Operate"); and/or
   iv) contracts for public works concessions relating to buildings and/or other real estate infrastructure and associates services, and on the basis of which:
      i) the company is responsible for provision, maintenance and/or operation for a public entity and/or citizens as end-users, in order to satisfy a social need and/or to allow the provision of a public service; and
      ii) the company, without necessarily having rights in rem, can assume, in whole or in part, the associated financing risks, availability risks, demand risks and/or operating risks, in addition to any construction risk; and

d) the long-term development, incorporation, management and operation, possibly by means of third parties, and provision of the following, either directly or by means of a company in which it holds a stake in accordance with the provisions of the GVV/SIR legislation, where applicable in collaboration with third parties:

   i) utilities and storage facilities for the transport, distribution or storage of electricity, gas, fossil or non-fossil fuels and energy in general and associated assets;
   ii) utilities for transport, distribution, storage or purification of water and associated assets;
   iii) installations for the generation, storage and transport of renewable or non-renewable energy and associated assets; or
   iv) waste facilities, incinerators and associated assets.

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.

In accordance with the GVV/SIR legislation, the Company may also:

- rent immovable goods with or without a purchase option;
- let immovable goods, with or without a purchase option, with the understanding that it is only permitted to let immovable goods with a purchase option as a secondary activity;
- invest in securities other than properties within the meaning of the GVV/SIR legislation, on an occasional or temporary basis. These investments are 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;
- offer mortgages or any other securities or guarantees for the financing of the real estate activities of the Company or its Group;
- grant loans;
- perform transactions on permitted hedging instruments (as defined in the GVV/SIR 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 moveable or immovable goods, materials and necessities, and in general perform 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 GVV/SIR legislation into account, the Company may obtain a share by contribution in cash or in kind, merger, demerger or other restructuring under company law, subscription, participation, financial intervention or by any other means, in all existing companies and enterprises, or those yet to be formed, in Belgium or abroad, whose company object is similar to its own or which, by its nature, seeks to accomplish or facilitates the accomplishment of its own object.

Amendments to the Articles of Association of the company shall require the prior approval of the FSMA.

Share capital

Capital (Article 7 of the coordinated Articles of Association)

The capital of WDP NV/SA comes to 197,622,641.10 euros, represented by 172,489,205 ordinary shares, each representing 1/172,489,205 of the capital. None of these shares provides special voting or other rights.

Authorised capital (Article 8 of the coordinated Articles of Association)

The Board of Directors shall be authorised, within the constraints of the mandatory provisions contained in the applicable company law, to increase the share capital on the dates and subject to the conditions that it specifies, in one or more increments, up to a maximum amount of:

i) 93,798,838.43 euros if this capital increase is performed by a contribution in cash with the option for company shareholders to exercise their preferential rights or irreducible allocation rights (as referred to in the GVV/SIR legislation); and
ii) 93,798,838.43 euros if this capital increase is performed in the context of paying an optional dividend; and
iii) 18,759,767.68 euros if this capital increase is (a) performed by a contribution in kind or (b) performed by a contribution in cash without the option for company shareholders to exercise their preferential rights or irreducible allocation rights (as referred to in the GVV/SIR legislation) or (c) any other form of a capital increase;

with the understanding that within the context of this authorisation, the capital cannot be increased by an amount that exceeds the amount of the capital on the date of the Extraordinary General Meeting that grants the authorisation, i.e. 11 September 2019.

This authorisation is renewable.

The Board of Directors has thus far used its capital increase authorisation on one occasion. Today, the available balance of authorised capital amounts to:

i) 93,798,838.43 euros if this capital increase is performed by contribution in cash with the option for Company shareholders to exercise their statutory preferential rights or irreducible allocation rights (as referred to in the GVV/SIR legislation);
ii) 93,798,838.43 euros if this capital increase is performed in the context of paying an optional dividend;
iii) 8,734,803.45 euros if this capital increase is (a) performed by a contribution in kind or (b) performed by a contribution in cash without the option for Company shareholders to exercise their statutory preferential rights or irreducible allocation rights (as referred to in the GVV/SIR legislation) or (c) any other form of a capital increase;

with the understanding that in the context of the authorised capital, for the five-year authorisation period, the capital can never be increased beyond an amount of 187,597,676.87 euros.

Capital increase(s) may be performed by contributions in cash or in kind 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 annual financial statements (prepared based on the GVV/SIR legislation) which are convertible into capital, possibly with issuance or creation of shares or other securities (of any existing kind), in accordance with the mandatory provisions set out in the applicable company law and the GVV/SIR legislation.

Eventual issue premiums will be shown in one or more separate accounts under equity in the liabilities on the balance sheet. The Board of Directors shall be free to decide to place any issue premiums – possibly after deduction of an amount not exceeding the cost of the capital increase in the meaning of the applicable IFRS rules – into an unavailable account, which shall constitute the third-party guarantee on the same basis as the capital and cannot under any circumstances be reduced or eliminated except by a resolution of the General Meeting voting as for an amendment to the Articles of Association, except in cases of conversion into capital.

Under the conditions and within the limits set out in paragraphs 1 to 5 of this article, the Board of Directors can create or issue not only shares, but also subscription rights (possibly attached to another security), convertible bonds, bonds repayable in shares, or other securities (of any existing kind), in compliance at all times with the mandatory provisions set out in the applicable company law and the GVV/SIR legislation.

Without prejudice to application of the mandatory provisions of the applicable company law and the GVV/SIR legislation, the Board of Directors may limit or cancel preferential rights here, even if this benefits one or more particular persons other than employees of the company.

The Board of Directors shall have the power to amend the Articles of Association of the company in accordance with capital increase(s) performed in the context of the authorised capital.

Share repurchases (Article 10 of the coordinated Articles of Association)

The Company may acquire, accept in pledge and sell its own shares and associated depository receipts in accordance with the applicable company law.

In addition, the Board of Directors is authorised to perform the following actions for five years starting on 11 September 2019:

- acquire shares in the Company and associated depository receipts and accept these in pledge, at a minimum price or countervalue equal to 0.01 euros and at a maximum price or counter value equal to 125% of the closing price on the trading day before the date of the transaction, where the Company shall not be permitted to possess shares in the Company or associated depository receipts that represent more than 10% of the total number of shares;
- transfer shares in the Company and associated depository receipts, such as to one or more specific persons who are not employees, at a minimum price or countervalue equal to 75% of the closing price of the trading day before the date of the transaction.

As at 31 December 2019, WDP NV/SA does possess any of its own shares.

Changes in capital (Article 12 of the coordinated Articles of Association)

Except for the option to use authorised capital by a decision of the Board of Directors, and taking into account the mandatory provisions in the applicable company law and the GVV/SIR legislation, only an Extraordinary General Meeting can decide to increase or decrease the capital, in the presence of a civil-law notary.

- Capital increase in cash

Where the capital is increased by a cash contribution and without prejudice to the application of the mandatory provisions of the applicable company law, the preferential right can be restricted or cancelled.

In such cases, if the mandatory provisions of GVV/SIR legislation require the granting of an irreducible allocation right to existing shareholders when new securities are allocated, this irreducible allocation right must meet at least with the following conditions:

1° it applies to all new securities issued;
2° it is granted to the shareholders in proportion to the share of capital that their shares represent at the time of the transaction;
3° a maximum share price shall be announced by no later than the evening prior to the opening of the public subscription period; and

4° in such cases, the public subscription period must be at least three trading days.

- Capital increase in kind

When issuing securities against contributions in kind, the following conditions must be met without prejudice to the mandatory provisions contained in the applicable company law:

1) the identity of the parties making the contribution must be stated in the special report of the Board of Directors on the capital increase by contribution in kind, and also, where applicable, in the invitations to the general meeting that will decide on the contribution in kind;
2) 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 calendar days before this date;
3) 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; and
4) the report provided for under point 1 above must also explain the impact of the proposed contribution on the position of the earlier shareholders and more particularly on their share in the profits, in the net value per share and in the capital as well as the impact on voting rights.

For the application of point 2 above, an amount may be deducted from the sum specified in clause 2(b) above, that is equal to the part of the undistributed gross dividend to which the new shares may not grant a right. Where applicable, the Board of Directors shall specifically justify the dividend amount deducted, as described above, in its special report, and explain the financial conditions of the transaction in its annual financial report.

The special rules for capital increases in kind, explained above, do not apply to the contribution of a right to a dividend in the context of payment of an optional dividend, where this is effectively open for payment to all shareholders.

- Mergers, demergers and equivalent operations

The special rules for capital increases in kind, explained above, apply *mutatis mutandis* to mergers, demergers and similar operations to which the GVV/SIR legislation refers in this specific context. In this case, the "date of the contribution agreement" refers to the date on which the merger or demerger proposal was deposited.

Control over the Company

Special rights of control are not granted to any categories of shareholders. WDP currently has only one reference shareholder, who has one representative on the Board of Directors by virtue of the binding right of appointment as set out in Article 15 of the coordinated Articles of Association, an excerpt of which is provided below:

"Notwithstanding the mandatory provisions in the applicable company law and notwithstanding the GVV/SIR legislation, and subject to the conditions and terms of this article, every natural person, legal entity or company (with or without legal personality) that individually and directly holds at least 10% of the shares in the Company (a **"Reference Shareholder"**), shall have a binding right to appoint one director at the annual meeting. A Reference Shareholder shall have a binding right, subject to the terms and conditions contained in this article, to appoint one additional director for each block of 10% of the shares that the Reference Shareholder owns individually and directly in the company..."

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 at Gateway building Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, was appointed as the statutory auditor for WDP.

On 27 April 2016, the statutory auditor, represented by its permanent representative, Kathleen De Brabander, was reappointed until the annual meeting of 2019.

On 6 December 2016, WDP launched an open call for tenders for this term of appointment as statutory auditor in accordance with the European Audit Directive 537/2014/EU. Due to this legislation, the term of Deloitte Bedrijfsrevisoren will already come to an end at the Annual General Meeting of 26 April 2017. This meeting concerned the reappointment of Deloitte Bedrijfsrevisoren, represented by its permanent representative, Kathleen De Brabander, until the annual meeting of 2020.

The Annual General Meeting of 24 April 2019 conducted an internal rotation of the permanent representatives of the statutory auditor in the context of Article 22(§3) of the Act of 7 December 2016 organising the profession and public supervision of statutory auditors. Kathleen De Brabander was succeeded by Mr Rik Neckebroeck for the remainder of her term, i.e. until the annual meeting of 2020.

At its Annual General Meeting of 29 April 2020, the Board of Directors will propose the reappointment of Deloitte Bedrijfsrevisoren, with permanent representative Mr Rik Neckebroeck, for a period of three years.

The duties of the statutory auditor consist in auditing the consolidated and separate financial statements of WDP NV/SA and 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 Martijn Heerschop, with offices at 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 Ronan Richard, with offices at Boulevard de Kockelscheuer 20, 1821 Luxembourg, was appointed as statutory auditor of the WDP Luxembourg S.A. subsidiary.

In Romania, Deloitte Audit SRL, represented by Elena-Irina Dobre, with offices at Building The Mark, Calea Griviței nr. 84-98 și 100-102, etajul 8 și etajul 9, Sector 1, Bucharest, Romania, 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 Code of companies and associations.

For further information on statutory auditor fees, please see explanatory note *XXVII. Financial relations with third parties* in Chapter *9. Financial statements statements*.

Financial service (paying agent)

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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.

For further information on financial service fees, please see explanatory note *XXVII. Financial relations with third parties* in Chapter *9. Financial statements*.

Property expert

In accordance with the GVV/SIR legislation, 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 appearing on the balance sheet is 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 immovables goods that the GVV/SIR or its subsidiaries want to acquire or transfer are valuated by the independent property expert prior to the transaction. The valuation of the expert shall apply as a minimum price (in cases of disposal), or maximum price (in cases of acquisitions) for the GVV/SIR when the counter party is a person that is closely involved with the GVV/SIR (as determined in the applicable regulations for GVVs/SIRs) or if such persons receive any benefits from the transaction in question.

The GVV/SIR 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 GVV/SIR to ensure replacement of the expert(s) that it appoints under a double rotation requirement. Thus, the GVV/

SIR 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 GVV/SIR or its subsidiaries. Special rules apply if the expert is a legal entity.

The property experts appointed by WDP NV/SA are:

- Stadim CVBA, Mechelsesteenweg 180, in 2018 Antwerp, Belgium, represented by Mr Philippe Janssens;
- Jones Lang LaSalle BV, 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 Walter de Geus;
- BNP Paribas Real Estate, 167 quai de la Bataille de Stalingrad, in 92867 Issy-Les-Moulineaux Cedex - France, represented by Mr Jean-Claude Dubois;
- CBRE REAL ESTATE CONSULTANCY SRL, Aviatorilor Blvd 8A, 1st district, Bucharest, Romania represented by Mr Ovidiu Ion;
- Jones Lang laSalle Luxembourg SECS, rue du Puits Romain 37, L-8070 Bertrange, Luxembourg, represented by Ms Angélique Sabron.

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 relevant regulations.

For further information on the division of the property portfolio or on property expert fees, please see explanatory note *XII. Investment property* in Chapter *9. Financial statements* and explanatory note *XXVII. Financial relations with third parties* in Chapter *9. Financial statements.*

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.

For further information on the insured value and the premiums paid for insurance cover, please see explanatory note *XII. Investment property* in Chapter *9. Financial statements* and explanatory note *XXVII. Financial relations with third parties* in Chapter *9. Financial statements.*

Structures abroad

To ensure optimal management of the property portfolio abroad, WDP NV/SA has subsidiaries in various European countries (these subsidiaries do not have the status of institutional GVV/SIR).

- The companies in the Group have a number of features in common.
- The corporate structure is also the local equivalent of a private company (“BV”) or a public limited company (“NV/SA”).
- WDP owns 100% of the shares in all foreign subsidiaries except for WDP Romania (80%), WDP Luxembourg (55%) and WVI (Germany) (50%).

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. For further information on FBI status and SIIC status, please see Chapter *11.1 Annexes - General information on REIT status* and Chapter *3.4 2019, an excellent start to the 2019-23 growth plan - Transactions and realisations*.

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 Property 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 the thin capitalisation[2] obligation 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 NV/SA is represented in France by its permanent establishment at rue Cantrelle 28, 36000 Châteauroux, France.

WDP Nederland N.V. also has its own wholly owned subsidiary: WDP Development NL N.V., Hoge Mosten 2, 4822 NH Breda, the Netherlands.

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 ANNEXES

11.1 GENERAL INFORMATION ON REIT STATUS

A public regulated real estate company under Belgian law (public GVV/SIR)

General

A public regulated real estate company under Belgian law:

- 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 REITs (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) within the legal limits, may also invest in the infrastructure sector (including through PPPs) 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 man-

agement 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;
- for performance of the aforementioned activities, has its own management structure, administrative, accounting, financial and technical organisation and suitable internal control;
- is subject to the provisions of the GVV/SIR Act and of the Royal Decree on GVVs/SIRs;
- must be incorporated in the form of a public limited company ("NV/SA");
- is exchange-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 owns, directly or indirectly, over 25% of the shares ("perimeter" companies), which may or may not take the status of an institutional GVV/SIR;
- 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 7:96 (conflicts of interest of directors) and 7:97 (conflicts of interest of affiliated companies) of the Belgian Code of companies and associations, which apply to all listed companies, special rules apply to GVVs/SIRs regarding functional conflicts of interest (by virtue of Article 37 of the GVV/SIR Act).

For further information on each of these procedures, please refer to Chapter *5. Corporate Governance Statement - Conflicts of interest*.

Special regulations applicable to public GVV/SIR

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 GVV/SIR demonstrates that the deviation is in the interests of the shareholders, or (c) if the GVV/SIR 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 GVV/SIR 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 GVV/SIR owns over 25% of the shares, directly or indirectly. However, participations in perimeter companies over which the public GVV/SIR does not exercise exclusive or joint control or in which it does not possess, directly or indirectly, 50% of the capital, shall not exceed the threshold of 50% of the fair value of the consolidated assets of the public GVV/SIR.

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 GVVs/SIRs, like all other exchange-listed companies, must draw up their consolidated financial statements according to the international reference IAS/IFRS. In addition, by virtue of the GVV/SIR 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; and
- 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 the applicable company law.

Debts and securities

The consolidated and separate gearing ratios of the public Regulated Property 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 GVV/SIR 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 GVV/SIR

In addition to the (traditional) property company, perimeter companies of a public GVV/SIR may also take the status of an institutional GVV/SIR (that only attracts funding from eligible investors or from natural persons (under the condition that the minimum amount of the subscription, price or compensation for the acquirer is greater than or equal to 100,000 euros, and insofar as the subscription or transfer is 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 GVV/SIR.

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 entity, 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 GVV/SIR licence, merge with a GVV/SIR or demerge part of their immovable assets and transfer them to a GVV/SIR are subject to a capital gains tax (known as the “exit tax”) of 15%. 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 of the Belgian Income Tax Code. 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 15%.

Fiscale Beleggingsinstelling (FBI)

Since 1 November 2010, WDP Nederland N.V. has fallen under the FBI (fiscal investment institution) regime, which means a corporate tax rate of 0% applies. 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.
- For further information on the evolution of the FBI status, please see Chapter *3.4 2019, an excellent start to the 2019-23 growth plan - Transaction and realisations*.

Société d'Investissement Immobilier Cotée (SIIC)

Since 2005, WDP has been 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% applies. The company must meet the following conditions in order to enjoy this regime:

- The parent company must have the structure of an NV/SA 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.

11.2 EXTERNAL VERIFICATION

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 NV/SA as at 31 December 2019.

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 in standard IAS 40 as the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. IVSC deems these conditions to be met if the above-mentioned 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 rental agreements and all rights and obligations arising from these agreements. 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 valuing the part of the portfolio that was contractually assigned to him or her.

Based on the above statements, we can confirm that on 31 December 2019, the fair value of the property portfolio of WDP (excluding solar panels but including *Assets held for sale*) amounted to 4,054,781,128 euros (four billion, fifty-four million, seven hundred and eighty-one thousand, one hundred and twenty-eight euros)[1].

Yours faithfully,

Philippe Janssens
Managing Director
Stadim
Rod Scrivener
National Director, Valuation & Advisory
Jones Lang LaSalle Belgium
Walter de Geus
Director
CBRE Netherlands
Frank Adema
International Partner
Head of Valuation & Advisory - The Netherlands
Cushman & Wakefield
Jean-Claude Dubois
Director of the International department
BNP Paribas Real Estates
Frank Weyers
Director
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 *Investment property* in Chapter *9.2 Financial statements – Notes*.

Report of the statutory auditor on the annual financial statements

In the context of the statutory audit of the consolidated financial statements of Warehouses De Pauw NV/SA ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 26 April 2017, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2019. We have performed the statutory audit of the consolidated financial statements of Warehouses De Pauw NV/SA for 13 consecutive periods.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated balance sheet as at 31 December 2019, the consolidated profit and loss account the consolidated statement of overall result, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 4 222 790 (000) EUR and the consolidated statement of overall result shows a profit for the year then ended of 400 453 (000) EUR.
In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2019 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), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding 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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of the board of directors for the preparation of 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, 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 group or to cease operations, or has no other realistic alternative but to do so.

Key audit matter

Valuation of investment properties

- Investment properties measured at fair value (4 002 340 (000) EUR) represent 95 per cent of the consolidated balance sheet total as at 31 December 2019. Changes in the fair value of the investment properties have a significant impact on the consolidated net result for the period and equity.
- The portfolio includes completed investments and properties under construction. Acquisitions and divestments of investment properties are individually significant transactions.
- The Group uses professionally qualified external valuers to fair value the Group's portfolio at three-monthly intervals. The valuers are engaged by the Directors and they perform their work in accordance with the International Valuation Standards issued by the 'IVSC'. The valuers used by the Group have considerable experience in the markets in which the Group operates.
- The portfolio is valued based on a discounted cash flow model, or income capitalisation model and / or based on comparative market transactions. Development properties are valued by the same methodology with a deduction for all costs necessary to complete the development together with a remaining allowance for risk. The key inputs into the valuation exercise are yields and current market rent, which are influenced by prevailing market forces, comparable transactions and the specific characteristics of each property in the portfolio.
- Therefore, the audit risk relates to the assumptions and critical judgments linked to those key inputs.

Reference to disclosures

We refer to the Financial Statements, including notes to the Financial Statements: Note III, Accounting policies and Note XII, Investment properties.

How the matter was addressed?

- We considered the internal control implemented by management and we tested the design and implementation of controls over investment properties.
- We assessed the competence, independence and integrity of the external valuers.
- We analysed and challenged the valuation process, performance of the portfolio and significant assumptions and critical judgement areas, including yields and estimated 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 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 development properties, we also confirmed that the supporting information for construction contracts and budgets was consistent with the cost to complete deducted from the valuation of development properties. Capitalized expenditure was tested on a sample basis to invoices, and budgeted costs to complete were compared to supporting evidence (for example by inspecting original construction contracts).
- Furthermore, we assessed the appropriateness of the disclosures provided on the fair values of investment properties.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory 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 sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.
In the context of our statutory audit of the consolidated financial statements we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements, i.e.:

- the required components of the WDP annual report in accordance with Articles 3:6 and 3:32 of the Code of companies and associations, which appear in the following chapters: *8. Risk factors, 3.2.1. Management report – consolidated key figures, 3.2.2. Management report – Notes on the consolidated results 2019, 3.1. Management report – Transactions and realisations, 3.2.3. Management report – Management of financial resources, 3.4. Management report – Outlook, 5. Management – Corporate Governance Statement and 9. Financial statements*

are 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 audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.

- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

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.

Zaventem, 25 March 2020
The statutory auditor

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Deloitte Bedrijfsrevisoren /
Réviseurs d'Entreprises CVBA / SCRL

Represented by Rik Neckebroeck

Report of the statutory auditor on environmental, social and governance performance indicators

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 NV/SA for the year ended 31 December 2019

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 published in the document "Annual report" of Warehouses De Pauw NV for the year ended 31 December 2019 (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 2019 and includes only the environmental performance indicators of the buildings and the social and governance indicators retained within the reporting scope defined by Warehouses De Pauw NV/SA.

As shown in the Annual Report *(7.2 EPRA sustainable key performance indicators)*, the reporting scope for environmental performance indicators runs from 13% for gas to 26% for electricity for Warehouses De Pauw NV's property portfolio (in m²). The reporting scope for social and governance performance indicators covers the entire organisation of Warehouses De Pauw NV/SA.

The limited review was performed on the data gathered and retained in the reporting scope by Warehouses De Pauw NV/SA. 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 NV/SA 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).

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the CSR data does not contain any material deviations. 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 for the methods used for calculating and estimating the 2019 CSR Data identified with the symbol ✓ in the table on pages 172-173 as mentioned in the Document;
- 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 NV/SA, 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, 25 March 2020
The statutory auditor

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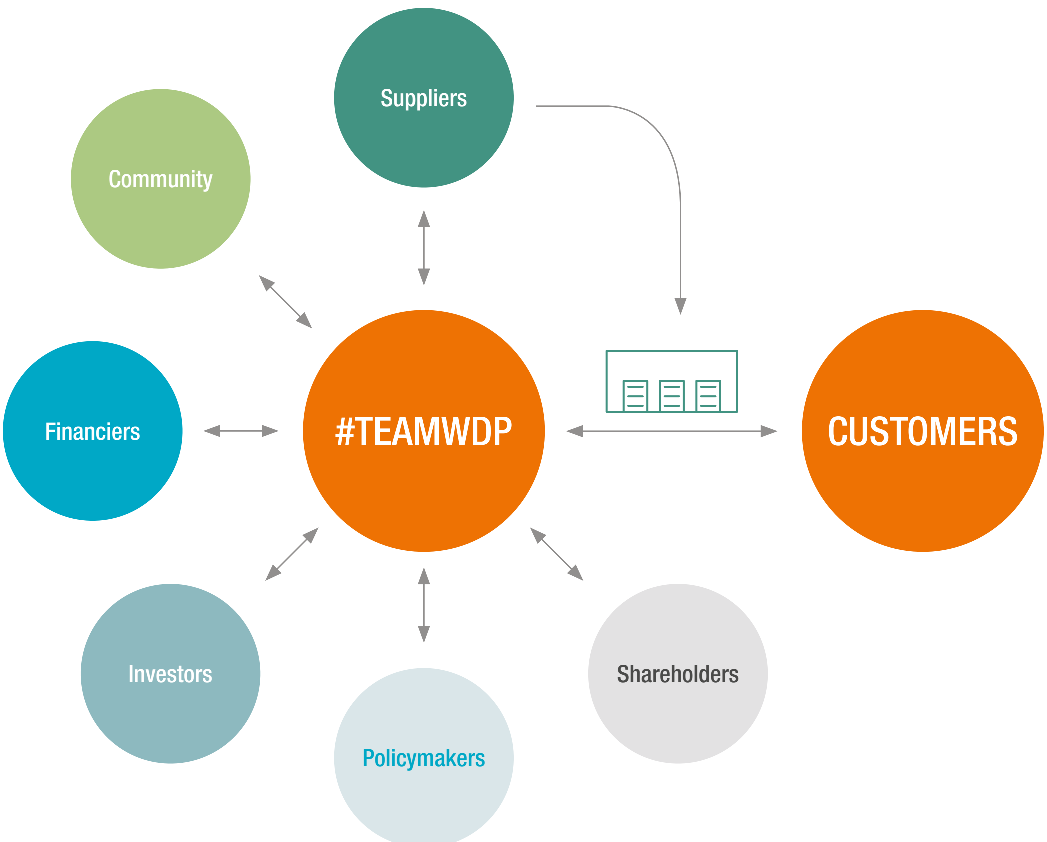
Deloitte Bedrijfsrevisoren CVBA/SCRL
Represented by Rik Neckebroeck

11.3 BACKGROUND INFORMATION ON ESG REPORTING

Development of WDP ESG Framework

Analysis

The ESG Framework was determined based on the United Nations Sustainable Development Goals (SDGs) and the trends and developments in the sector. In addition, various ESG-frameworks and benchmarks were analysed, taking into account the specific areas of focus for each industry under the requirements of these frameworks and benchmarks: the European Public Real Estate Association (EPRA), Global Reporting Initiative (GRI) and 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 real estate 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 associated risks?

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.

The areas of focus relevant to WDP can be categorised into two pillars:

- *Sustainable employment practices*
  Sustainable employment practices contribute to the future-proofing and operational success of our organisation with #TeamWDP as our cornerstone. This lets us create an optimal framework for each employee. After all, it is vital that everyone feels good and valued and that their skills and talents are developed optimally and put to optimal use.

- *Sustainable management*
  Sustainable operational management is intended to contribute to the optimal functioning of the organisation, with a view to efficiency and transparency. In this way, WDP intends to create added value for all stakeholders, with special attention to client satisfaction and a positive impact on people and the environment.

DECISION-MAKING PROCESS

Board of Directors

- Drafts a sustainability policy and incorporates this into its company strategy
- Includes the proposals formulated by the ESG Committee in its company strategy
- Meets at least six times and discusses ESG at least once a year

ESG Committee

- Members of the Management Committee
- Presents a proposal for a sustainability strategy and associated KPIs
- Continuous evaluation of the sustainability strategy
- Submits proposals on sustainable development and reports at regular intervals on the progress of implementation of the sustainability strategy of the WDP Group to the Board of Directors
- Reports annually based on the ESG report included in the annual financial report
- Meets at least quarterly to discuss ESG

Sustainability engineer	HSES Team	ESG Team

Scope and perimeter of the reporting

The ESG report of WDP is part of the annual financial report and is therefore intended to interpret the ESG policy of the organisation based on comparable indicators and parameters.

The period covered by this report equals that of the annual financial report, namely the financial year 2019. WDP publishes an annual update on its ESG 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.

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	Gov-Board	102-22	Economic	Governance	WDP Group	All stakeholders
	Gov-Selec	102-24	Economic	Governance	WDP Group	All stakeholders
	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

Associations and corporate memberships

WDP has opted for membership in various associations and societies relevant to its activities and sector. These strategic partnerships support the organisation by means of R&D and networking. The various memberships are evaluated regularly to ensure that they are in line with the values and objectives of the organisation.

WDP does not make any monetary contributions to political parties or campaigns.

EPRA

The European Public Real Estate Association is a non-profit organisation that represents exchange-listed real estate companies in Europe. This association strives for optimal transparency for investors and stakeholders, including with best practice recommendations, such as the EPRA performance indicators.

epra.com

IJE IBJ

The Belgian Institute for Corporate Attorneys ("IBJ") is the national professional association of and for corporate attorneys and supports its members in the exercise of their profession with training and the exchange of knowledge. The Institute represents and protects the interests of the profession in general and of corporate attorneys in particular.

ije.be

BEL IR

The Belgian Investor Relations Association supports Belgian Investor Relations and provides a platform for the exchange of knowledge and experience by means of networking events and workshops.

belgian-ir.be

VIL EMPOWERING LOGISTICS

VIL is an innovation platform for the logistics sector in Flanders that helps Flemish companies carry out innovative logistics projects to boost their competitiveness. As a member organisation, VIL brings together companies and organisations from different sectors, both shippers and logistics service providers, as well as research institutions, government bodies and companies from the IT, engineering, temporary staffing, construction and real estate sectors.

vil.be

VBFV

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

VFB Vlaamse Federatie van Beleggers

The Flemish Federation of Investors ("Vlaamse Federatie van Beleggers vzw") is a non-profit organisation intended to provide independent information and training in financial asset management to individual investors and investment clubs.

vfb.be

BVBV

The Belgian Association of Exchange-listed Companies is a platform within the VBO that protects the interests of Belgian exchange-listed companies. It offers them a platform for questions or regulations and strives to provides support with outside authorities.

BE-REIT ASSOCIATION

The Belgian REIT Association represents 17 Belgian regulated real estate companies. These companies are active in the major real estate segments (office space, logistics, healthcare, residential, retail, etc.).

be-reit.be

voka Vlaams netwerk van ondernemingen

VOKA is a Flemish employers' organisation representing over 18,000 companies in Flanders and Brussels.

voka.be

Global property research — Solutions for customized property indices

Global Property Research (GPR) supports financial institutions by means of high-end benchmarking, based on an extensive worldwide database of exchange-listed real estate and infrastructure companies.

globalpropertyresearch.com

VBO FEB

The Federation of Belgian Enterprises (VBO/FEB) is the Belgian interprofessional employers' organisation made up of various sector associations representing the leading sectors in the Belgian economy.

vbo-feb.be

11.4 ALTERNATIVE PERFORMANCE MEASURES

Description of the Alternative Performance Measures used, excluding the EPRA metrics, some of which are considered APMs and are reconciled under Chapter *7.1 Reporting according to recognised standards - EPRA performance indicators.*

RESULT ON THE PORTFOLIO (INCLUDING PORTION FOR JOINT VENTURES) - GROUP SHARE

in euros (x 1 000)	FY 2019	FY 2018
Changes in the fair value of investment properties	285,353	213,811
Result on disposal of investment properties	10	787
Deferred tax on portfolio result	-7,972	-3,698
Participation in the portfolio of associated companies and joint ventures	2,507	209
Result on the portfolio	**279,897**	**211,109**
Minority interests	-2,475	-2,853
Result on the portfolio - Group share	**277,423**	**208,257**

CHANGES IN THE GROSS RENTAL INCOME BASED ON AN UNCHANGED PORTFOLIO

in euros (x 1 000)	FY 2019	FY 2018
Properties held for two years	155,358	153,214
Projects	43,397	20,281
Acquisitions	3,826	667
Disposals	686	2,393
Total	**203,268**	**176,554**
To be excluded:		
Rental income of joint ventures	-1,481	-947
Fee for early termination of lease	961	215
Rental income (IFRS)	**202,748**	**175,822**

OPERATING MARGIN

in euros (x 1 000)	FY 2019	FY 2018
Property income (IFRS)	216,566	187,923
Operating result (before the result on the portfolio) excluding depreciation and write-down of solar panels	198,287	171,555
Operating margin	**91.6%**	**91.3%**

AVERAGE COST OF DEBT

in euros (x 1 000)	FY 2019	FY 2018
Financial result	-70,099	-42,039
To be excluded:		
Changes in the fair value of financial assets and liabilities	29,883	9,027
Interest capitalised during construction	-3,471	-4,417
Interest on lease debt entered as per IFRS 16	2,300	0
Other financial expenses and revenues	-246	-324
To be included:		
Interest expenses of joint ventures	-146	-87
Effective financial expenses (A)	**-41,778**	**-37,840**
Average outstanding financial debts (IFRS)	1,835,658	1,571,037
Average outstanding financial debts of joint ventures	21,189	19,389
Average outstanding financial debts (proportional) (B)	**1,856,847**	**1,590,425**
Annualised average cost of debt (A/B)	**2.2%**	**2.4%**

FINANCIAL RESULT (EXCLUDING CHANGE IN THE FAIR VALUE OF THE FINANCIAL INSTRUMENTS)

in euros (x 1 000)	FY 2019	FY 2018
Financial result	-70,099	-42,039
To be excluded:		
Changes in the fair value of financial assets and liabilities	29,883	9,027
Financial result (excluding change in the fair value of the financial instruments)	**-40,216**	**-33,012**

HEDGE RATIO

in euros (x 1 000)	31.12.2019	31.12.2018
Notional amount of Interest Rate Swaps	1,172,364	1,174,618
Financial debts at a fixed interest rate	51,252	7,072
Fixed-interest bonds	366,500	366,500
Financial liabilities at balance sheet date with respect to fixed interest rate and hedging instruments (A)	**1,590,116**	**1,548,190**
Current and non-current financial liabilities (IFRS)	1,854,828	1,697,751
Proportionate share of current and non-current financial liabilities in joint ventures	17,346	12,637
Financial liabilities at balance sheet date (B)	**1,872,174**	**1,710,389**
Hedge ratio (A/B)	**85%**	**91%**

GEARING RATIO

in euros (x 1 000)		31.12.2019 (IFRS)	31.12.2019 (proportionate)	31.12.2018 (IFRS)	31.12.2018 (proportionate)
Non-current and current financial liabilities		2,072,929	2,100,285	1,872,817	1,893,778
To be excluded:					
— I. Non-current liabilities - A. Provisions		357	357	359	359
— I. Non-current liabilities - C. Other non-current financial liabilities -					
Permitted hedging instruments		81,819	81,819	55,188	55,188
— I. Non-current liabilities - F. Deferred taxes - Liabilities		13,357	15,908	4,207	5,405
— II. Current liabilities - A. Provisions		0	0	0	0
— II. Current liabilities - E. Current financial debts - Other:		0	0	0	0
Hedging instruments					
— II. Current liabilities – F. Deferrals and accruals		18,413	18,418	19,110	19,062
Total debt	**A.**	**1,958,984**	**1,983,784**	**1,793,954**	**1,813,764**
Total assets on the balance sheet		4,222,790	4,250,146	3,483,333	3,504,293
To be excluded:					
— E. Financial fixed assets - Financial instruments at fair value					
through profit and loss account - Permitted hedging instruments		0	0	3,252	3,252
Total assets	**B**	**4,222,790**	**4,250,146**	**3,480,081**	**3,501,041**
Gearing ratio	**A/B**	**46.4%**	**46.7%**	**51.5%**	**51.8%**

LOAN-TO-VALUE

in euros (x 1 000)		31.12.2019 (IFRS)	31.12.2018 (IFRS)
Current and non-current financial liabilities		1,854,828	1,697,751
Cash and cash equivalents		3,604	1,724
Net financial debt	**A.**	**1,851,223**	**1,696,027**
Fair value of the property portfolio (excluding rights of use to concessions)		3,963,820	3,259,152
Fair value of the solar panels		121,010	117,366
Financing for and shareholdings in affiliated companies and joint ventures		24,450	15,460
Total portfolio	**B**	**4,109,280**	**3,391,978**
Loan-to-value	**A/B**	**45.0%**	**50.0%**

NET DEBT/EBITDA (ADJUSTED)

in euros (x 1 000)		FY 2019	FY 2018
Current and non-current financial liabilities (IFRS)		1,854,828	1,697,751
- Cash and cash equivalents (IFRS)		-3,604	-1,724
Net debt (IFRS)	**A.**	**1,851,223**	**1,696,027**
Operating result (before result on the portfolio) (IFRS) (TTM)[1]	**B**	**191,761**	**166,618**
+ Depreciation and write-down on solar panels		6,526	4,937
+ Participation in the EPRA Earnings of joint ventures		610	256
EBITDA (IFRS)	**C**	**198,897**	**171,811**
Net debt/EBITDA	**A/C**	**9.3x**	**9.9x**

in euros (x 1 000)		FY 2019	FY 2018
Current and non-current financial liabilities (proportionate)		1,872,174	1,710,389
- Cash and cash equivalents (proportionate)		-4,433	-2,720
Net debt (proportionate)	**A.**	**1,867,741**	**1,707,668**
- Projects under development x Loan-to-value		-119,917	-80,725
- Financing for joint ventures x Loan-to-value		-1,065	-1,151
Net debt (proportionate) (adjusted)	**B**	**1,746,759**	**1,625,793**
Operating result (before result on the portfolio) (IFRS) (TTM)[1]	**C**	**191,761**	**166,618**
+ Depreciation and write-down on solar panels		6,526	4,937
+ Operating result (before result on the portfolio) of joint ventures (TTM)[1]		1,026	462
Operating result (before result on the portfolio) (proportionate) (TTM)[1]	**D**	**199,313**	**172,017**
Bridge to normalised EBITDA[2]		18,193	7,611
EBITDA (proportionate) (adjusted)	**E**	**217,506**	**179,628**
Net debt/EBITDA (adjusted)	**B/E**	**8.0x**	**9.1x**

1. Calculation of this APM assumes that the operating result (before the result on the portfolio) is a proxy for EBITDA. TTM stands for Trailing Twelve Months and means that the calculation is based on financial figures from the past twelve months.
2. On a normalised basis, i.e. including the annualised impact of external growth as a function of the realised sales, acquisitions and projects.

11.5 HISTORICAL FINANCIAL INFORMATION INCLUDED BY WAY OF REFERENCE

Information included by way of reference	Document	
Business activities	**2018 Annual financial report**	2. Strategy (pages 12-20)
		4.3 Management report – Transactions and realisations (pages 38-46)
		5.1 Property report – Review of consolidated property portfolio (pages 100-112)
	2017 Annual financial report	5. Strategy (pages 24-32)
		6.3 Management report – Transactions and realisations (pages 46-59)
		8.1 Property report – Review of consolidated property portfolio (pages 121-134)
Main markets	**2018 Annual financial report**	5.1 Property report – Review of consolidated property portfolio (pages 100-112)
		5.2 Property report – Review of logistics property market (pages 113-114)
		9.2 Financial statements – Notes – V. Segmented information – Operating result (pages 198-199)
		9.2 Financial statements – Notes – VI. Segmented information – Assets (page 200)
		9.2 Financial statements – Notes – XII. Investment properties (pages 204-210)
	2017 Annual financial report	8.1 Property report – Review of consolidated property portfolio (pages 121-134)
		8.2 Property report – Review of logistics property market (pages 135-136)
		10.2 Financial statements – Notes – V. Segmented information – Operating result (pages 192-193)
		10.2 Financial statements – Notes – VI. Segmented information – Assets (page 194)
		10.2 Financial statements – Notes – XII. Investment properties (pages 201-206)
Investments	**2018 Annual financial report**	4.3 Management report – Transactions and realisations (pages 38-46)
	2017 Annual financial report	6.3 Management report – Transactions and realisations (pages 46-59)
Financial condition	**2018 Annual financial report**	4. Management report (pages 25-69)
		5. Property report (pages 99-116)
		9. Financial statements (pages 171-262)
	2017 Annual financial report	6. Management report (pages 33-84)
		5. Property report (pages 120-138)
		10. Financial statements (pages 165-250)

Historical financial information	**2018 Annual financial report**	9.1 Financial statements – Consolidated annual financial statements for the 2018 financial year – Profit and loss account (page 174)
		9.1 Consolidated annual financial statements for the 2018 financial year – Balance sheet (pages 177-178)
		9.1 Consolidated annual financial statements for the 2018 financial year – Cash flow statement (page 179)
		9.1 Notes (pages 184-234)
	2017 Annual financial report	10.1 Consolidated annual financial statements for the 2017 financial year – Profit and loss account (page 169)
		10.1 Consolidated annual financial statements for the 2017 financial year – Balance sheet (pages 171-172)
		10.1 Consolidated annual financial statements for the 2017 financial year – Cash flow statement (page 173)
		10.1 Notes (pages 178-227)
Statement of the statutory auditor	**2018 Annual financial report**	9.3 Financial statements Report of the statutory auditor (pages 235-247)
	2017 Annual financial report	10.3 Financial statements – Report of the statutory auditor (pages 228-235)
Dividend	**2018 Annual financial report**	4.6 Management report – Outlook – Dividend forecast (page 64)
	2017 Annual financial report	6.6 Management report – Outlook – Dividend forecast (page 78)
Transactions with affiliated parties	**2018 Annual financial report**	9.2 Financial statements – Notes – XXV. Transactions between affiliates (page 232)
	2017 Annual financial report	9.2 Financial statements – Notes – XXIV. Transactions between affiliates (page 224)
Information on the workforce	**2018 Annual financial report**	9.2 Financial statements – Notes – XXIV. Average workforce and breakdown of personnel costs (page 231)
	2017 Annual financial report	10.2 Financial statements – Notes – XXIII. Average workforce and breakdown of personnel costs (page 223)

11.6 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
Advance levy that a bank or financial intermediary deducts with the payment of a dividend. The standard rate of the advance levy on the dividends is set at 30%.

APM (Alternative Performance Measure)
Financial measure of historic or future financial performance, financial position or cashflow 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 mention in this annual financial report. This definition is always accompanied by a symbol (◤) so the reader can easily recognise it as an APM definition.

Average cost of debt
◤Thisrefersto the weighted average yearly interestrate for the reporting period, taking into account the average outstanding debt and the hedging instrumentsduring thatsame period. (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,[2] Pass, Good, Very Good, Excellent or Outstanding.

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
The varieties in the fair value of financial assets and liabilities (non-cash item) are calculated based on the mark-to-market (M-t-M) value of the interest rate hedges concluded.

Compliance Officer
The compliance officer is tasked with monitoring for compliance of the laws, regulations and codes of conduct applicable to the Company and, in particular, the rules related to the integrity of the activities of the Company.

Contractual rent
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 2020
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 members of the Board of Directors and the persons designated there who would like to trade in financial instruments issued by the company.

Derivatives
As a borrower, WDP would like 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 current net value at a specific discount rate according to the risk of the asset to be valuated.

2. This rating only applies to BREEAM In-Use.

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 real estate, 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 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 (including direct vacancy costs)
◤Administrative and operating costs (including direct vacancy costs), divided by the gross rental income. (APM)

EPRA cost ratio (excluding 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 real estate expert.

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 15%.

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 in IAS 40 as the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. 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.

FBI (Fiscale Beleggingsinstelling)
Special fiscal status in the Netherlands available if specific requirements are met. See also *11.1 Annexes – 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 (the NBB), the FSMA supervises the Belgian financial sector. The powers of the FSMA fall into 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)
◤Statutory ratio is calculated based on the regulations on GVVs/SIRs by dividing the financial and other liabilities by the total assets. (APM)

Gearing ratio (IFRS)
◤The gearing ratio (IFRS) is calculated in the same manner as the gearing ratio (proportionate) in accordance with the GVV/SIR Royal Decree, but based on a consolidated balance sheet in accordance with IFRS that incorporates joint ventures using the equity method. (APM)

Gearing ratio (proportionate)
Statutory ratio calculated based on the GVV/SIR legislation by dividing the financial and other liabilities by the total assets. For the method used in the calculation of the gearing ratio, refer to the RD on Regulated real Estate Companies.

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 power, with a minimum price per certificate.

Gross dividend
The gross dividend per share is the dividend before deduction of the advance levy. Also see *Advance levy*.

GVV/SIR Act
Act of 12 May 2014 on GVVs/SIRs, amended by the Act of 22 October 2017, which together with the GVV/SIR Royal Decree, constitutes the GVV/SIR legislation. See also the *GVV/SIR Royal Decree* and the *GVV/SIR legislation*.

GVV/SIR legislation
The Belgian Law of 12 May 2014 (the GVV/SIR Act) and the Belgian Royal Decree of 13 July 2014 (GVV/SIR Royal Decree).

GVV/SIR Royal Decree
Belgian Royal Decree of 13 July 2014 on Regulated Real Estate Companies. Along with the Belgian GVV/SIR Act, this constitutes the GVV/SIR legislation. See also the *GVV/SIR Act*, *the GVV/SIR legislation* and *REIT*.

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 GVV/SIR Act. (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: recognition and measurement***
IFRS 9 is a standard that determines how an undertaking must classify and measure the financial instruments on its balance sheet. Among other things, this standard provides for the obligation that all derivatives must be booked in 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.).

Indexing

The rent is contractually adjusted for inflation annually on the anniversary of the contract start date based on the benchmark in each individual country.

Initial yield

The ratio of the (initial) contractual rent of a purchased immovable good to the purchase price. See also *Acquisition price*.

Inside information

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 from interest rate increases.

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.

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.

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.

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 debts by the sum of the fair value of the property portfolio, the fair value of the solar panels and financing for and holdings in affiliated companies and joint ventures. (APM)

Market capitalisation

Closing price on the exchange multiplied by the number of shares in circulation on that date.

Maturity date of a lease

Date on which an option of termination is included within a lease.

Net asset value

The value of the portfolio including transaction costs, as determined by the independent property experts. The fair value (also see *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 debt/EBITDA (adjusted)

◤The net debt/EBITDA (adjusted) is calculated proportionally as follows: the denominator factors in the trailing-twelve-months EBITDA adjusted for the annualised impact of the purchases/projects/sales; the numerator therefore factors in the net financial debt adjusted for the projects under development, multiplied by the loan-to-value of the Group (after all, these projects do not yet contribute to the result, but are already included (in whole or in part) as financed on the balance sheet). (APM)

Net dividend

This is equal to the gross dividend after deduction of the 30% advance levy. Also see *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 contribution in kind within the framework of the distribution of an optional dividend, a contribution in cash is also provided, the special provisions of Article 26(§1) of the GVV/SIR Act with regard to capital increases in cash cannot be declared applicable by the Articles of Association, to the extent that this optional dividend is made effectively payable for all shareholders. The special rules on contributions in kind in a GVV/SIR, as provided for in Article 26(§2) of the GVV/SIR Act, do not apply either, provided certain conditions are met.

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.

Payout rate

Percentage of the EPRA Earnings that are distributed as a dividend over a given financial year.

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 leasing, 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 in 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, also known as the ex-date for short.

Reference Shareholder

Any natural person, legal entity or company (possibly with legal personality) that holds at least 10% of the shares in the Company individually and directly, in accordance with Article 15 of the Articles of Association of the Company.

Regulated Property Companies (GVVs/SIRs)

A GVV/SIR is an exchange-listed operational property company that specialises in making immovable goods available to users and that meets the statutory conditions set out in the GVV/SIR legislation. It positions itself in an international context as an REIT, characterised by a regime of fiscal transparency. GVVs/SIRs are subject to the prudential supervision of the FSMA. Also see *Regulated property company legislation*.

REIT (Real Estate Investment Trust)

International term for listed real estate investment funds with a special fiscal status (such as in Belgium, the Netherlands and France).

Result on the portfolio (including share joint ventures)

◤Realised and unrealised capital gains/loss with respect to the latest valuation by the 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. (APM)

Result on the portfolio (including share joint ventures) per share

◤This is the result on the portfolio (including share 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.

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.

Transaction costs

The transfer of the ownership of an immovable property is, in principle, subject to the collection by the state of transaction costs that make up the largest part of the transaction costs. The amount of these costs depends on the method of transfer, the capacity of the purchaser and the geographic location of the immovable property.

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 debt 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.

Trailing-twelve-months

This describes financial figures calculated based on the last twelve months.

Velocity

The number of shares traded per year divided by the total number of shares at the end of the year.

WVV

Code of Companies and Associations, adopted under Section 2 of the Act on 23 March 2019 (Belgian Gazette 4 April 2019), with effect from 1 Many 2019 (Section 38).

NOTES

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