Written questions following the Annual General Meeting held on 24 April 2024

The written questions we received (originally in Dutch) are reproduced below and answered. Please note that the Dutch Association of Stockholders asked all questions.

Agenda item II 1-5: Executive Board report

1. WDP's share price is substantially higher than the book value of WDP's real estate per share. So, the decision last year to issue shares instead of debt seems a logical choice.

   a. WDP's share price has been higher than the book value of its assets for years, so why was this not done previously?

   For years now, WDP's financing policy utilises the option to issue new shares to finance its growth ambitions. WDP always makes this trade-off based on its primary objective of creating sustainable earnings growth per share and not price versus book value. When raising capital, trading at a premium should not be the key objective. Rather, it should be balanced against profitable investment opportunities. Depending on the financing climate and taking into account value creation for the shareholder, WDP will always balance between equity and debt financing.

   Is WDP once again considering moving away from an equal debt-to-equity ratio in any subsequent investment rounds as was the previous practice?

   For many years and through the cycle, WDP has applied a financing strategy involving a healthy ratio of equity (at least 50%) and debt (maximum 50%) and aims to keep it that way. Even though its balance sheet is robust and liquid, the current climate of higher interest rates recently motivated WDP to position its capital structure at the lower end of the range. This lays a strong foundation for future growth. Thus, in 2023, all growth was financed by equity. Moreover, the average equity ratio over the period 2010-2023 is 58%.

WAREHOUSES WITH BRAINS

WDP NV/SA | Public regulated real estate company under Belgian law | Blakebergen 15 | 1861 Wolvertem | Belgium | +32 (0)52 338 400
info@wdp.eu | www.wdp.eu | enterprise no.: 0417.199.869 | VAT BE 0417.199.869 | RPR Brussels, Dutch-language division

2. WDP is targeting 6% annual profit growth with its new 2024-27 growth plan. Achieving this growth requires investments totalling 1.5 billion euros.
   - In line with sensitivity analysis information in the annual report, EPRA Earnings have already increased by 7.5 million euros a year due to indexation at an inflation rate of (only) 2%. So by the end of 2026, we will already have reached 22.5 million euros.

   - Current projects have an investment budget of 402 million euros. However, 287 million euros of this remains to be invested as of 31 December. The yield is fairly certain given that almost all of these projects are pre-let. Based on the reported initial yield of 6.4%, this contributes 25.7 million euros per year to gross profit. Note that a cost percentage will still need to be deducted.

     WDP expects to generate an annualised gross rental income of approximately 26 million euros from the total development pipeline with an investment volume of approximately 402 million euros. As mentioned in the annual report, these projects will be delivered in phases through 2024, 2025 and 2026.

   - This alone increases gross profit in 2027 by more than 40 million euros or more than 20 cents per share. Total earnings per share will then probably already exceed 1.70 euros.
     a. This plan requires virtually no yield from the remaining investment volume of 1.2 billion euros. Why is the level of ambition in the new plan so low?

     WDP's growth plans and earnings per share ambitions have always been very ambitious with WDP being one of the few listed companies to set and pursue such ambitious and substantiated long-term earnings targets. The new growth plan #Blend2024-27 is based on a balanced mix of drivers, such as external growth through pre-let developments, with a total investment volume of 1.5 billion euros being targeted. However, we note that there is a material deviation between our assumptions, more specifically the incremental cost of marginal debt. These financing costs are not adequately reflected in the above-mentioned assumptions where the marginal cost of debt currently hovers between 4% and 5%. Moreover, you should also take into account operating expenses and taxes, among other things.

     b. Why did WDP not opt for some other use for the capital of this 1.2 billion euros? For instance, increasing the dividend to shareholders (one-off) or through share buybacks?

        See point a.

3. We are accelerating investments in WDP Energy. In the next two years, we expect to invest 150 million euros in solar panels at a target return of approximately 8%. The activities WDP plans for the coming years are increasingly different from purely developing and pledging logistics property. These include green mobility hubs, sustainability of existing real estate and solar panels.

a. Is the internal organisation sufficiently equipped to adequately handle these supplementary activities?
   WDP considers these projects from a business relevant perspective, and as such, has grown the activity internally and fully integrated it into the country teams as a real business line that will contribute to the aforementioned earnings targets. To this end, WDP has established an entire WDP Energy & Sustainability team with sustainability engineers and business developers. These project managers provide the necessary expertise, innovation and resources to exploit sustainability challenges and opportunities.
b. How has WDP ensured that these types of projects are completely implemented within the agreed time and budget? How does WDP assess the risk of cost overruns?
   Before making a final decision on implementation, all factors are tendered with all costs identified before the project begins. WDP sees no higher risks in this than in regular property developments. We also work with general contractors on a turnkey basis.
   Can WDP find enough talent to run these new operations?
   Yes, WDP can do this. See point a.

4. WDP took a 9% stake in Swedish company Catena for 206.7 million euros in early 2022. The explanation for the transaction was:
   "With this strategic partnership, Catena and WDP are focused on a wider geographical distribution for their customers so they can offer customer service in the areas between the regions where both companies are currently active. This is how they intend to optimise the flow of their customers' goods between regions."

   The 2023 annual report reported little on the (preliminary) results of this strategic cooperation. Can WDP provide an explanation of the progression made here and how it compares with projections at the start of the transaction?
   Catena and WDP will combine and share experiences and mutual expertise in the field of sustainability, operations, and development. We anticipate a 10% participation and see further potential from a wider coverage for our customers. Looking at our customers, we increasingly see consolidation at the pan-European level and an increasing exchange of opportunities that is creating mutual growth opportunities.

Agenda item II 14. Approval of the remuneration policy

5. In the short-term incentive plan, the target for earnings per share was 1.35 euros per share.

   That target implies an increase of 10 cents per share. Much of this increase in earnings could already be expected because WDP can pass on inflation to its customers. Indeed, WDP indicated last year that most inflation could be passed on from the leases.

   a. To what extent does the remuneration committee believe the level of ambition towards the EPS target is sufficient?
      The remuneration committee assesses that the ambition levels are sufficiently high. This is also confirmed by WDP's track record and outperformance within the listed real estate sector. We note that EPRA Earnings per share have increased by an average of 7% per year since the IPO in 1999. This sometimes varied a bit depending on the challenges at the time, such as market conditions including cost of capital and market volatility.
   b. Is the remuneration committee considering adjusting the benchmarks for inflation in the future to provide a purer picture of what is within the directors' sphere of influence?
      To correctly assess criteria, such as the adjustment for inflation, we must properly account for both our assets and liabilities by means of an active hedging policy on Group level. WDP's proactive approach in early 2022 allowed it to hedge against rising inflation by hedging the interest component of our future debt. This proactive management allows us to be confident about our cash flow and profitability in the current market. Indeed, managing interest affects about 2.5 billion of debt in contrast to the indexation on an annualised rental income of approximately 375 million euros. In other words, we achieve an inflation-resistant cash flow profile using a combination of indexation clauses in the leases combined with sound hedging of debt costs.