WDP
WAREHOUSES
WITH BRAINS

Contribution in kind

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01

Introduction

The selling of real estate can be structured via what's called a contribution in kind. The property is transferred and exchanged for a payment in new WDP shares (to be issued), based on a pre-determined total value, instead of a cash payment. This type of transaction structure is beneficial in:

→ Helping you to sell your real estate efficiently (especially if the property is in an operating entity)

→ Enabling you to maximise the net sale price of your real estate through favourable tax conditions

→ Having similar timing compared to a traditional sale of real estate

In this document, we provide you with an overview of the key considerations of a contribution in kind deal structure.

02

Transfer of the real estate

The transfer of ownership is realised by the contribution in kind of the property to the acquiring company, i.e. WDP. This will imply a capital increase with the issuance of new WDP shares.

This is a simple property transfer, without any other assets nor liabilities from the transferring party. It is important that the property is free of any encumbrances, easements, mortgages, or any other type of securities.

Standard conditions in line with market practice will apply for this type of transaction, for example:

→ Due diligence on the property and the results thereof.

→ The state of the property: free from asbestos, soil certificate, no knowledge of hidden defects, valid permits, etc. (representations and warranties to be given by the seller).

→ Certain condition precedents will have to be fulfilled before the transfer can take place, such as.:

→ Confirmation of the non-exercise of certain pre-emption rights on the asset: crucial for the transaction taking place (condition precedent for the transfer),

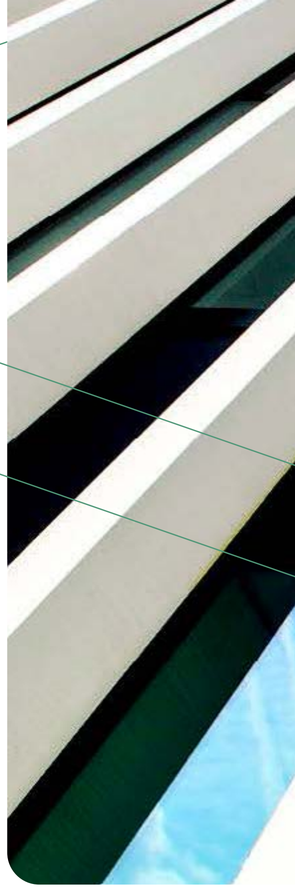
→ Specific approvals to be obtained by government agencies and/or regulators,

→ Valid soil certificate to be obtained.

The valuation of the transaction is based on the market value of the property, see more on the pricing in 4.a. Pricing.

03

Taxation



A transaction through a contribution in kind has certain benefits regarding taxation. The following analysis assumes that the property currently has a corporate owner.

A significant advantage of a contribution in kind over a simple sale of property is that no transfer tax is due.

Another important element of taxation is related to the realized capital gains, i.e., the market value minus the book value of the property. As WDP holds the fiscal statute of a public Regulated Real Estate Company ("openbare gereglementeerde vastgoedvennootschap"), an exit tax of 15% is applicable to the realized capital gain, rather than the corporate income tax of 25%.

15%

04

Transaction

A. PRICING

The property is contributed at its agreed market value in exchange for newly issued WDP shares. While the transferring party [seller] must retain a portion of these shares and remain an active WDP shareholder during that time, the balance can be sold and traded shortly after issuance.

The number of shares to be issued by WDP is determined by the agreed upon valuation of the property and the actual share price of the WDP stock. The issue price is calculated by the volume weighted average price (VWAP) of the WDP share on the stock exchange of Euronext Brussels over the two trading days immediately preceding the closing date.

Following the contribution in kind, the newly issued shares can be sold on the stock exchange. The transferring party has multiple options to sell their shares, e.g., through direct sales in the market, through block trades towards institutional investors or through the so-called book building procedure.

B. KEY DOCUMENTS

In general, the following documents are required for the transfer of the property to take place via the contribution in kind:

FRAMEWORK AGREEMENT RELATED TO CONTRIBUTION IN KIND

In this agreement, the parties will agree to the general framework within which the transaction will take place as well as specific arrangements for its practical, legal and financial completion.

→ See more on the specific conditions in 2. Transfer of the real estate.

RENTAL AGREEMENT

In the event the transferring party remains (or becomes) a tenant of the building, a rental agreement is to be agreed upon.

CORPORATE (BOARD) APPROVALS

Corporate (Board) approvals will need to be prepared by WDP as well as the owner of the property.

AUDITOR'S REPORT

The contribution in kind must be audited by a registered statutory auditor, as stipulated by Belgian company law. This auditor, also referred to as the statutory auditor, assesses in a report whether the financial and accounting information provided by the management body is, in all respects, true and accurate.

NOTARIAL DEED

The execution of a notarial deed is required to effectuate the capital increase in kind.

SOIL CERTIFICATE

A valid soil certificate is legally required for every transfer of real estate.

C. TIMING

Following the signing of a letter of intent, in which the key business terms of the transaction are agreed upon between parties, three phases can be identified:

I. Due diligence: examination of the technical aspects of the property and all related (legal) documents.

II. Transaction documentation: drafting of the documents regarding this transaction, in close collaboration between both parties and (external) advisors.

III. FSMA approval: the transaction needs to be approved by the FSMA (the Belgian stock market regulator). This approval must be taken into account for the planning, as it requires in principle a lead time of six weeks.

In general, the process takes a similar amount of time as a traditional sale of real estate.

D. CLOSING

WDP can execute the capital increase within the limits of the mandate granted to the Board of Directors regarding the authorised capital. As such, only a Board of Director's approval is needed and there is no need to organise a general shareholder's meeting at WDP level. This offers the flexibility and speed required in these types of transactions.

The capital increase through the contribution in kind of the asset takes place before a notary, at which point the property is transferred against payment in newly issued WDP shares, usually before opening of the stock market.

Shortly following the notarial deed, a press release is sent out and the shares are formally admitted to trading on the stock exchange of Euronext at the latest two trading days after the closing date.

05

Proven track record

WDP has a strong, long-standing record of raising capital through the stock market. With a market capitalization exceeding 5 billion euros, a high free float of 80%, and robust daily liquidity of roughly 10–20 million euros, the company can comfortably accommodate transactions of any size.

WDP is seasoned at execution transactions through a contribution in kind structure. Over the last five years, WDP completed over 350 million euros in these transactions, averaging around 70 million euros per year. Noteworthy deals include the sale-and-leaseback with DPG Media Services in 2021 (26 million euros), the Sedimmo transaction in 2022 (120 million euros), and more recent 2025 contributions such as with LCV Real Esate (30 million euros) and Kris De Leeneer (40 million euros).

More infos ?

WDP NV/SA

Blakebergen 15
1861 Wolvertem

+32 52 338 400
marketing@wdp.eu