

## VGP TRADING UPDATE

**13 May 2022, 7:00am, Antwerp, Belgium:** VGP NV ('VGP' or 'the Group'), a European provider of high-quality logistics and semi-industrial real estate, today published a trading update for the first four months of 2022:

- Continued strong operating performance
  - **€ 20.7 million** signed and renewed lease agreements (versus € 12.5 million for 4M '21), bringing total annualized rental income to **€ 273.8 million**
  - **1,402,000 m<sup>2</sup>** under construction (+34.7 y-o-y) representing € 91.7 million in additional annual rent once fully built and let (currently 83.1% pre-let)
  - The completed portfolio grew with 182,000 m<sup>2</sup> to **3.34 million m<sup>2</sup>** (99.6% let)
- **1.04 million m<sup>2</sup>** of new land positions bought and a further **3.49 million m<sup>2</sup>** committed subject to permits bringing the total land bank to **11.28 million m<sup>2</sup>** (+3.1% year-to-date)
- A third closing with the Second Joint Venture with a transaction value of **€ 364 million** (and gross proceeds of **€ 233 million**) was realized in March 2022
  - Three more JV closings anticipated for 2022 representing more than **€ 1.0 billion**
- In January, VGP successfully issued **€ 1.0 billion** in green bonds. Combined with cash proceeds from JV closings this resulted in a liquidity position of over **€ 900 million** and **€ 200 million** of undrawn committed credit facilities at the end of April 2022.
- Further upscaling of the cash generating model through our own and jointly held portfolio
  - **€ 81 million** of committed lease agreements to become effective in the next 12 months resulting in a total aggregate indexed effective rent of **€ 266.8 million** at the end of this period (compared to the current committed leases of **€ 273.8 million**)
- In order to support Ukrainian refugees VGP has made a **€ 3 million** contribution to UNHCR

VGP's Chief Executive Officer, **Jan Van Geet**, said: *"Year to date we have signed € 20.7 million of new or renewed leases, bringing total signed and committed leases to € 273.8 million and we remain optimistic on the demand side, at least for the short term in all of our parks across Europe –with occupation on a historic high in all markets where we are active. At the same time we have seen new developments affected by the rise of construction costs, however until now we have been able to mitigate this effect through higher rental prices but we might expect economic challenges ahead due to increased inflation, supply chain issues and geopolitical challenges."*

Jan Van Geet continued: *"The European energy market is severely impacted by the crisis in Ukraine, with unprecedented volatility and very high prices. In order to support our tenants, VGP is working on diversifying available sources of energy supply, through the roll-out of renewables across our parks and exploring the possibility of installing geo thermic heating systems in all our new developments. Furthermore we have also decided to move away from gas sourced heating systems in our new buildings"*

Jan Van Geet concluded: *"I remain confident that our solid balance sheet, pre-let pipeline and upcoming closings with our JV partner Allianz Real Estate provide us with strong foundations for the future. I want to thank my team for their dedication, whilst our hearts go out to the extreme suffering of the Ukrainian people and to all of those affected by the war."*

## OPERATING HIGHLIGHTS – 4M 2022

### Lease operations

- Signed and renewed rental income of € 20.7 million (+65.6% year-on-year) driven by € 15.3 million of new leases (€ 3.8 million on behalf of the Joint Ventures<sup>1</sup>) and € 2.0 million of renewals (all on behalf of the Joint Ventures) and € 3.4 million of indexation (€3.2 million on behalf of the Joint Ventures). Lease agreements in the amount of € 1.0 million were terminated
- Annualized committed leases as of April 2022 (including Joint Ventures at 100%) of € 273.8 million (vs € 256.1 million at Dec-21) of which € 169.4 million related to the Joint Ventures
- This on the back of a continuous strong demand in all of the countries where VGP has a presence

### Development activities

- Delivery of 9 projects during the first four months of 2022 adding 182,000 m<sup>2</sup> of lettable area representing € 8.2 million of annualized leases; these buildings are 98.3% let
- A total of 45 projects under construction which will create 1,402,000 m<sup>2</sup> of future lettable area representing € 91.7 million of annualised leases once fully built and let (83.1% pre-let)
- Construction costs have trended further upwards due to geopolitical and economic challenges, this is partly offset through higher rental prices and remains to be monitored closely
- Geographical split of parks under construction, based on square meters: 50% are located in Germany, 9% in the Czech Republic, 7% Spain, 7% the Netherlands, 5% Latvia, 6% Slovakia, 7% Romania, 7% Hungary and 2% Austria

### Land bank

- During the first four months of 2022 in total 1,040,000 m<sup>2</sup> of land was acquired representing a development potential of 380,000 m<sup>2</sup> and a further 3,495,000 m<sup>2</sup> of land plots were committed, pending permits, which have a development potential of 1,577,000 m<sup>2</sup> of future lettable area, bringing the total owned and committed land bank to 11,278,000 m<sup>2</sup> (+3.1% year-to-date), supporting 4,573,000 m<sup>2</sup> of future lettable area
- A further 1,512,000 m<sup>2</sup> of new land plots have been identified and secured which are under due diligence and have a development potential of 552,000 m<sup>2</sup> of future lettable area. This brings the land bank of owned, committed and secured to 12,790,000 m<sup>2</sup> supporting 5,125,000 m<sup>2</sup> of future lettable area

### ESG and sustainable energy initiatives

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<sup>1</sup> Joint Ventures means either and each of (i) the First Joint Venture i.e. VGP European Logistics S.à.r.l., the 50:50 joint venture between VGP and Allianz and (ii) the Second Joint Venture i.e. VGP European Logistics 2 S.à.r.l., the 50:50 joint venture between VGP and Allianz, and (iii) the Third Joint Venture i.e. VGP Park München GmbH, the 50:50 joint venture between VGP and Allianz, and (iv) the Fourth Joint Venture i.e. VGP European Logistics 3 S.à.r.l., the 50:50 joint venture between VGP and Allianz and (v) LPM Joint Venture, i.e. LPM Holding B.V., the 50:50 joint venture between VGP and Roozen Landgoederen Beheer

- A total solar power generation capacity of 100.1 MWp is currently installed or under construction through 54 roof-projects. This is being realised through a € 40.7 million investment to date. In addition, the currently identified pipeline equates to an additional power generation capacity of 57.1 MWp
- In order to ensure a more sustainable and robust energy supply in our buildings, all new builds will be designed without gas sourced heating where feasible going forward
- In order to support Ukrainian refugees VGP has made a €3 million contribution to be deployed in the three neighbouring countries where VGP has a long standing presence (Slovakia, Hungary and Romania). The donation is to be allocated in collaboration with the UNHCR

### **Capital and liquidity position**

- On January 10th VGP announced a senior unsecured green bond for an aggregate amount of € 1 billion across two € 500 million tranches of 5-years and 8-years. The 5-year tranche paying a coupon of 1.625 % and maturing 17<sup>th</sup> of January 2027 and the 8-year tranche paying a coupon of 2.250% and maturing the 17<sup>th</sup> of January 2030. Demand exceeded just under 2.5 times the combined volume of the offering
- The outstanding bank loan facility of € 19 m with Swedbank AS in Latvia has been repaid in full at its maturity date at end of March
- These actions have further solidified the balance sheet with a cash position of over € 900 million and unused credit facilities of € 200 million at April 30<sup>th</sup> 2022
- VGP was included in the BEL20 as of the 18<sup>th</sup> of March 2022
- With regards to the Joint Ventures, the third closing in the Second Joint Venture took place in March. The transaction value was € 364 million and the gross proceeds amounted to € 233 million. A final closing in the First Joint Venture is anticipated during Q3 2022. The initial closing of the Fourth Joint Venture and a third closing for the Third Joint Venture are anticipated to occur around year end 2022. The remaining closings are expected to have a combined Gross Asset Value of more than € 1.0 billion
- On the 13th of May, the Board of Directors will propose to the Annual Shareholders Meeting the distribution of a gross dividend of € 6.85 per share corresponding to a total gross dividend amount of € 149.6 million. It is expected that the payment date will be the 25<sup>th</sup> of May 2022 (to be confirmed by a separate press release after the AGM)

## CONTACT DETAILS FOR INVESTORS AND MEDIA ENQUIRIES

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### ABOUT VGP

VGP is a pan-European developer, manager and owner of high-quality logistics and semi-industrial real estate. VGP operates a fully integrated business model with capabilities and longstanding expertise across the value chain. The company has a development land bank (owned or committed) of 11.28 million m<sup>2</sup> and the strategic focus is on the development of business parks. Founded in 1998 as a Belgian family-owned real estate developer in the Czech Republic, VGP with a staff of circa 360 FTE's today owns and operates assets in 14 European countries directly and through several 50:50 joint ventures. As of December 2021, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 5.75 billion and the company had a Net Asset Value (EPRA NTA) of € 2.33 billion. VGP is listed on Euronext Brussels (ISIN: BE0003878957).

For more information, please visit: <http://www.vgpparks.eu>