
VGP

**BUILDING
TOMORROW
TODAY**



HALF YEAR FINANCIAL RESULTS PRESS RELEASE

For the period from
1 January 2023 – 30 June 2023

Regulated Information - Inside Information
Thursday, 24 August 2023, 07:00 am CET

VGP'S HALF YEAR RESULTS 2023

24 August 2023, 7:00am, Antwerp, Belgium: VGP NV ('VGP' or 'the Group'), a European provider of high-quality logistics and semi-industrial real estate, today announces the results for half-year ended 30 June 2023:

- **€ 36.2 million** worth of signed and renewed lease agreements during 1H'23, bringing total committed annualised rental income to **€ 328.1 million** (+8.2% YTD)¹. On a look through basis, net rental and renewable energy income increased 60% to € 75.6² million year over year.
- Strong net cash recycling of **€ 267.9 million** as a result of two closings with Allianz Joint Ventures and further recycling of + **€ 450 million** expected through seed portfolio closing with new Deka Joint Venture in Q3 '23
- A pre-tax profit of **€ 48.6 million**, reflecting € 33.5 million of net rental and renewable energy income (+96% YoY) and € 45.5 net valuation gains on the portfolio
- As at 30 June 2023, a total of **732,000 m²** under construction through 24 projects representing **€ 50.6 million** in additional annual rent once fully built and let (90.7% pre-let, versus market average of cca 50%³)
 - **236,000 m²** of projects started up in 1H'23 pre-let at 81.5%, representing € 17 million of rental income once fully built and let
 - Delivered 13 projects representing **317,000 m²** during 1H'23, 97.2% let and representing € 18.7 million of rental income once fully let
 - Total completed assets⁴ represent **4.621.000 m²** or 207 buildings, are 98.8% let and have an average age of only 3.7 years
- Repaid € 150 million of bonds in April '23. Additional bond repayments of € 225 million in September '23 will be covered by further Joint Venture cash recycling

VGP's Chief Executive Officer, **Jan Van Geet**, said: *"It has been an eventful and productive first half of the year, marked by a considerable € 36.2 million of annualized committed rental growth. We are pleased to have welcomed numerous new tenants to our portfolio whilst successfully executing multiple transactions with our existing Joint Venture partners. Moreover, we are witnessing a decline in construction prices which allows us to initiate new constructions at favourable margins."*

Jan Van Geet, continued: *"I believe many have been waiting for an update on the broadening of our Joint Venture model and I am convinced that with Deka we have found comparable DNA to sustain a long term 50:50 partnership. By the end of Q3 a first closing comprising over € 700 million of gross asset value will materialize and by Q3 '24 the entire portfolio, totalling over € 1.1 billion, will have transferred into the joint venture allowing VGP to recycle over € 700 million of cash. The joint venture will be managed by VGP in a similar way to our existing Joint Ventures and as I have been told, the transaction forms the largest of Europe in its class year to date. In these times, I believe I can proudly state that this is a testament to the resilient quality of our portfolio."*

Jan Van Geet, concluded: *"As expected, the real estate industry's recent shake-up on the back of rising interest rates has revealed a multitude of opportunities, and we are ready to capitalize on them. As such, VGP has signed exclusivity on a number of iconic industrial sites on absolute top locations. In this respect, our solid balance sheet and transactions with existing and new Joint Ventures facilitates us to recycle cash to sustain continuous growth. A prospect I am indeed very excited about and look forward to report upon as we progress."*

¹ Compared to 31 December 2022 and inclusive of Joint Ventures at 100%

² See note 'income statement, proportionally consolidated'

³ Based on Jones Lang Lasalle market analysis

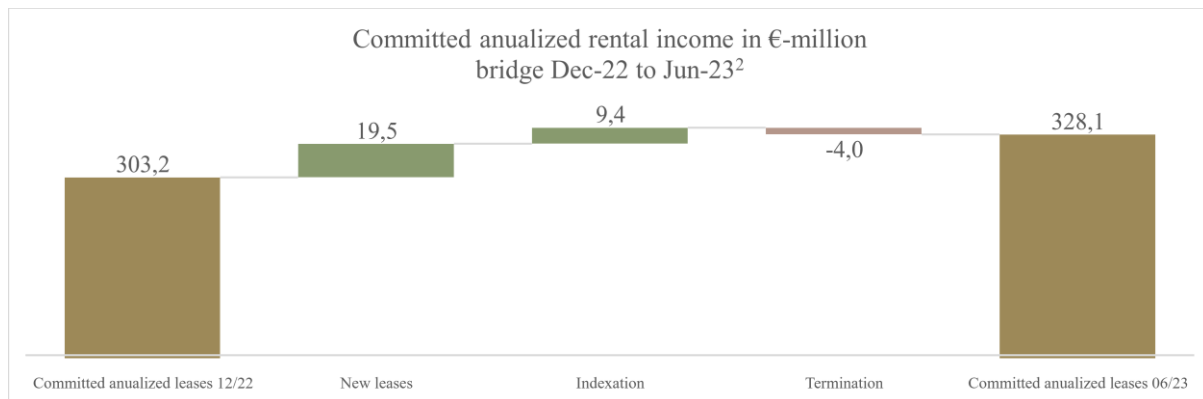
⁴ Of which 3.174.000 m², or 154 buildings in JVs and 1.447.000 m² or 53 buildings in OWN portfolio

FINANCIAL AND OPERATING HIGHLIGHTS – EXECUTIVE SUMMARY

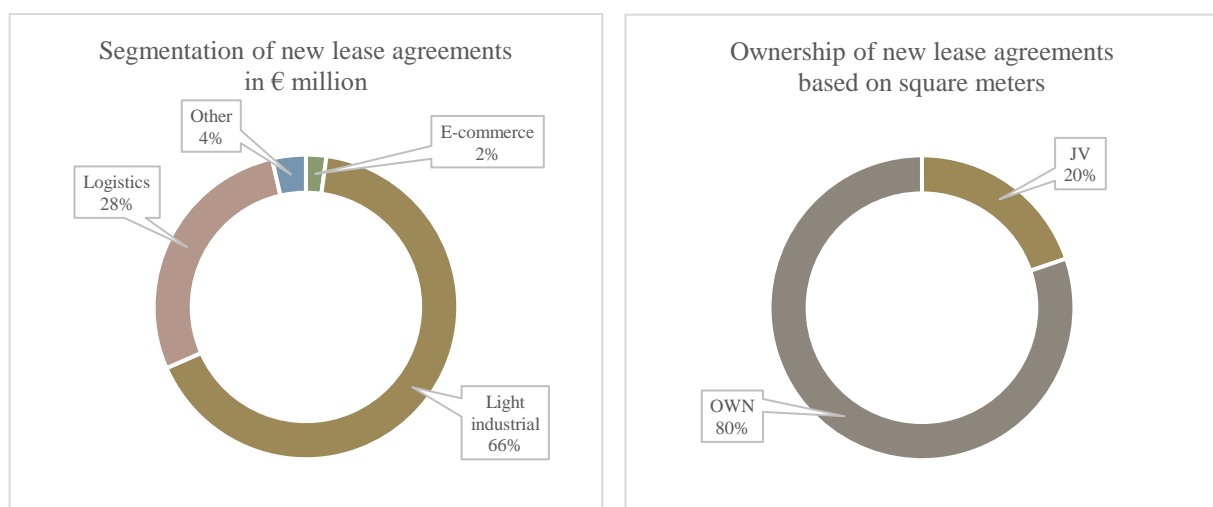
New leases signed

As at 30 June 2023, the signed and renewed rental income amounted to € 36.2¹ million, bringing the total committed annualized rental income to € 328.1 million² (equivalent to 5.4 million m² of lettable area), a 8.2% increase since December 2022.

The increase was driven by 294,000 m² of new lease agreements signed, corresponding to € 19.5 million of new annualised rental income³, whilst during the same period for a total of 118,000 m² of lease agreements were renewed and extended, corresponding to € 7.3 million of annualised rental income (of which € 6.9 million related to the joint ventures⁴). Indexation accounted for € 9.4 million in the first half of 2023 (of which € 5.5 million related to the joint ventures⁴). Terminations represented a total of € 3.9 million or 64,000 m², of which € 2.9 million within the joint ventures' portfolio⁴.



From a geographic perspective, Eastern Europe, mainly Romania, accounted for 68.5% of the incremental new lease agreements (€ 13.4 million, of which € 11.1 million in the own portfolio). Within segments, light industrial accounted for 66%⁵ (€ 11.9 million, of which € 10.2 million in the own portfolio) of all new lease agreements.



¹ Of which € 16.3 million in JV's and € 19.9 million in the own portfolio

² Including Joint Ventures at 100%

³ Of which 236,000 m² (€ 15.6 million) related to the own portfolio

⁴ "Joint ventures" refers to VGP European Logistics, VGP European Logistics 2 and VGP Park München, all three 50:50 joint ventures with Allianz Real Estate

⁵ Based on square meters

The weighted average term¹ of the leases stands at 8.1 years for the full portfolio, 9.7 years in the own portfolio and 7.0 years in the Joint Venture portfolio. Over the first half of 2023, VGP has successfully renewed € 7.3 million² of annualized rental income.

At the end of June 2023, € 285.4 million, or 87% of the annualized rental income has become cash generative as the underlying space has been handed over to the respective tenants. Over the next twelve months another € 31.4 million will become effective as summarized in the below table.

in € mln	Annualized rental income effective before 30/6/2023	Annualized rental income to start within 1 year	Annualized rental income to start between 1- 5 years	Annualized rental income to start between 5 -10 years
Joint Ventures	190.3	1.1	-	-
Own	95.1	30.2	9.5	1.9
Total	285.4	31.4	9.5	1.9

Construction activity

A total of 24 projects are under construction which will create 732,000 m² of future lettable area, representing € 50.6 million of annualised leases once built and fully let – the portfolio under construction is 90.7% pre-let as at 30 June 2023. All projects are earmarked for at least ‘Breeam Very Good’ or ‘DGNB excellent’.

During the first half of 2023, we have seen, in various countries, declining construction prices and we expect this favourable trend to continue in the second half of the year.

Projects under construction		
Own portfolio	VGP Park	sqm
Austria	VGP Park Graz 2	14,000
Austria	VGP Park Laxenburg	26,000
Czech Republic	VGP Park České Budějovice	14,000
Czech Republic	VGP Park Prostějov	10,000
Czech Republic	VGP Park Ústí nad Labem City	23,000
Germany	VGP Park Erfurt 2	42,000
Germany	VGP Park Erfurt 3	29,000
Germany	VGP Park Hochheim	12,000
Germany	VGP Park Koblenz	32,000
Germany	VGP Park Wiesloch-Walldorf	55,000
Germany	VGP Park Berlin Oberkrämer	11,000
Germany	VGP Park Gießen am Flughafen	192,000
Germany	VGP Park Magdeburg	74,000
Hungary	VGP Park Budapest Aerozone	30,000
Hungary	VGP Park Győr Beta	37,000
Hungary	VGP Park Kecskemét	38,000
Portugal	VGP Park Loures	13,000
Romania	VGP Park Braşov	21,000
Serbia	VGP Park Belgrade - Dobanovci	42,000
Slovak Republic	VGP Park Zvolen	8,000
Total own portfolio		723,000

¹ Until final maturity. The weighted average term of the leases until first break stands at 7.8 years for the full portfolio, 9.3 years for OWN and 6.6 years for Joint Ventures portfolio

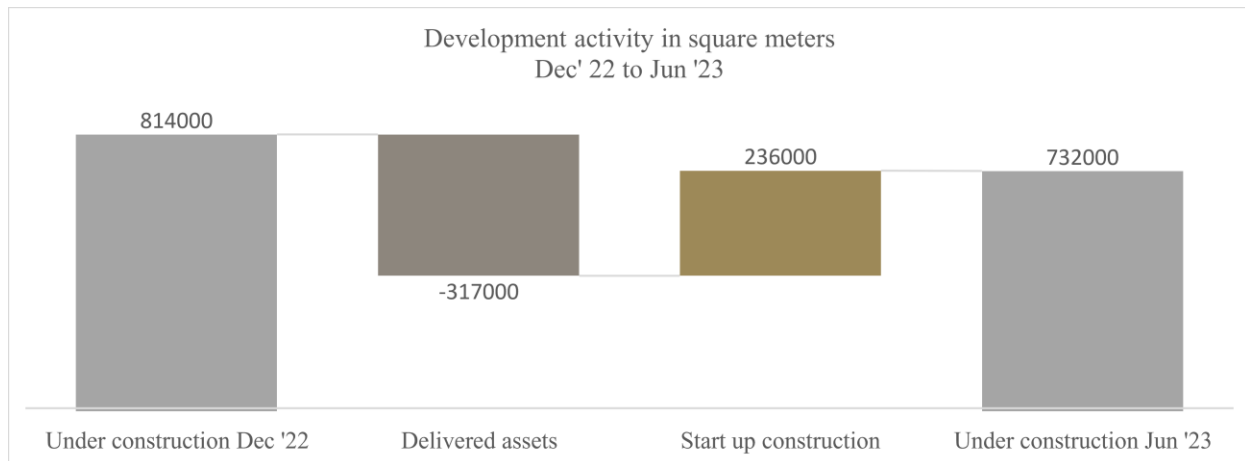
² €7 million on behalf of Joint Ventures

On behalf of JVs	VGP Park	sqm
Czech Republic	VGP Park Olomouc 3	9,000
Total under construction		732,000

During the first 6 months of 2023 a total of 13 projects were completed delivering 317,000 m² of lettable area, representing € 18.3 million of annualised committed leases, 97.2% let. Within the own portfolio it concerns 11 buildings for a total surface of 279,700 square meters, 96.8% let and two buildings on behalf of the Second Joint Venture totalling 37,300 square meters and which are 100% let. Both these assets transferred economically to the Second Joint Venture as part of the fourth closing which materialized in Q2 '23.

Projects delivered during 1H 2023		
Own portfolio	VGP Park	sqm
Germany	VGP Park Halle 2	15,000
Germany	VGP Park Gießen Am alten Flughafen	59,200
Germany	VGP Park Magdeburg	45,100
Hungary	VGP Park Budapest Aerozone	13,000
Latvia	VGP Park Tiraines	29,000
Portugal	VGP Park Loures	7,000
Romania	VGP Park Braşov	46,400
Romania	VGP Park Bucharest	46,000
Slovak Republic	VGP Park Bratislava	19,000
Total own portfolio		279,700
On behalf of JVs	VGP Park	sqm
Netherlands	VGP Park Roosendaal	9,300
Spain	VGP Park San Fernando de Henares	28,000
Total on behalf of JVs		37,300
Total delivered		317,000

Several other projects currently under construction are scheduled for delivery in the coming months resulting in a delivery pipeline of >400,000m² expected for H2 2023.



In summary, the total portfolio now contains 231 buildings (24 buildings under construction and 207 completed buildings) for a total surface of 5.4 million sqm, spread over 12 countries and is 97.7% let.

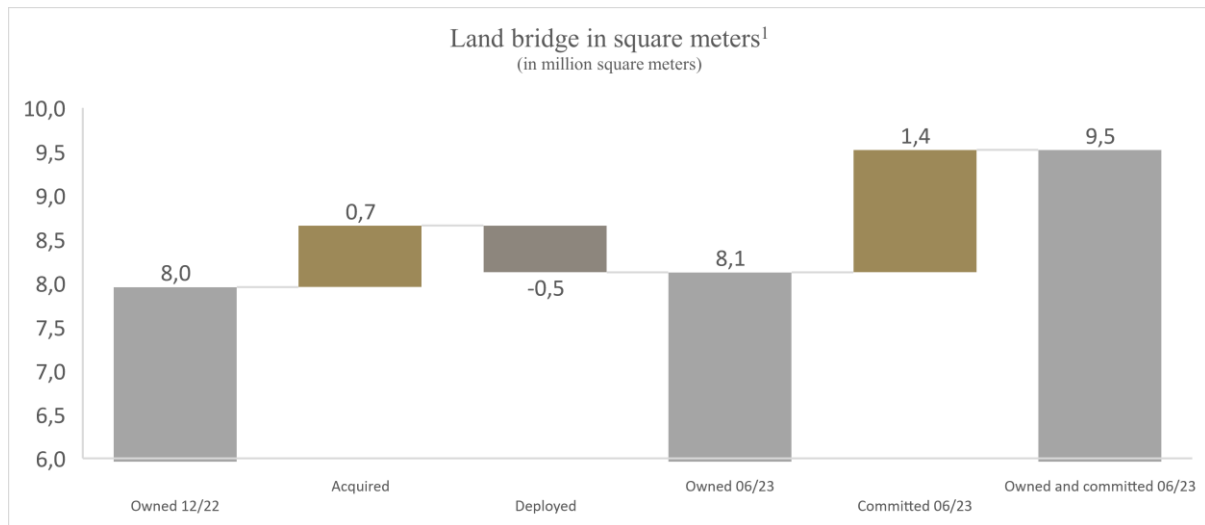
Country	Completed buildings		Buildings under construction		Total buildings	
	Rentable space	Number of buildings	Rentable space	Number of buildings	Rentable space	Number of buildings
Austria	25,000	2	40,000	2	65,000	4
Czech Republic	731,000	47	56,000	4	787,000	51
Germany	2,261,000	84	447,000	10	2,708,000	94
Hungary	177,000	11	105,000	4	282,000	15
Italy	86,000	7	-	-	86,000	7
Latvia	133,000	4	-	-	133,000	4
Netherlands	259,000	6	-	-	259,000	6
Portugal	37,000	2	13,000	1	50,000	3
Romania	295,000	14	21,000	1	316,000	15
Serbia	-	-	42,000	1	42,000	1
Slovak Republic	227,000	9	8,000	1	235,000	10
Spain	389,000	21	-	-	389,000	21
Total	4,621,000	207	732,000	24	5,353,000	231

Ownership	Completed buildings		Buildings under construction		Total buildings	
	Rentable space	Number of buildings	Rentable space	Number of buildings	Rentable space	Number of buildings
Own	1,447,000	53	732,000	24	2,179,000	77
JVs	3,174,000	154	-	-	3,174,000	154
Total	4,621,000	207	732,000	24	5,353,000	231

Land bank

VGP acquired 701,000 m² of development land and a further 1.4 million m² has been committed, subject to permits, which brings the remaining total owned and committed land bank for development to 9.5 million m², which supports more than 4.4 million m² of future lettable area¹.

¹ Including Joint Ventures @100%

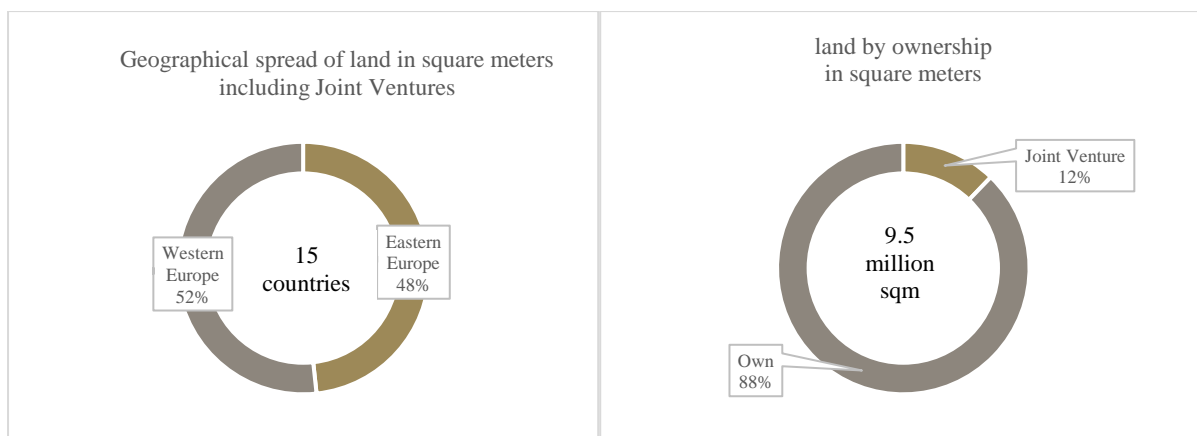


Main acquisitions are located in Germany, France and Spain, with the three largest acquisitions being:

- VGP Park Leipzig Flughafen, Germany, with a total land size of 448,000 square meters, allowing for over 200,000 square meters of development.
- VGP Park Wiesloch-Walldorf, Germany, with a total land size of 81,000 square meters, allowing for over 40,000 square meters of development. Given its location, VGP intends to explore also alternative developments such as smaller and more flexible units.
- VGP Park Rouen, France, with a total land size of 78,000 square meters. This acquisition completes the VGP Park Rouen, following earlier acquisitions of 243,000 square meters at the same location. The complete park allows for minimum 150,000 square meters of development and first lease contracts are under negotiation. Development is expected to start in Q4 '23.

The land bank¹ is equally geographically spread between Eastern (48%) and Western Europe (52%) in square meters. The largest land positions are held in the Netherlands (12.7%), Germany (12.0%), Romania (11.4%), Serbia (11.3%) and Slovakia (10.3%).

In total 88% of the land bank is owned or committed by VGP for its own portfolio, whereas 12% is in co-ownership with various Joint Venture partners. It concerns mainly LPM (929,000 sqm) in the Netherlands, Grekon (34,000 sqm) in Germany, Belartza (145,215 sqm) in Spain and Ymir (52,719 sqm) remaining development land in VGP Park München (building D).



¹ Including land held by the Third and Development Joint Ventures in amount of 1.2 million square meters

Renewable Energy

Operational solar capacity as of June 2023 increased to 66.6MWp, up 46% year-over-year. Including 86.5 MWp of projects under construction the total solar power generation capacity increased to 153.1 MWp spread over 105 roof-projects in eight countries. As at 30 June 2023 this represents a total aggregate investment amount of € 93 million (incl. commitments).

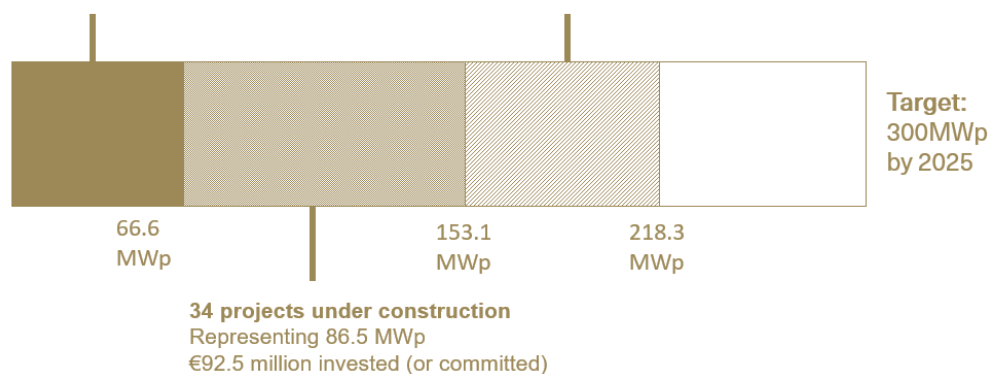
In addition, 58 solar power projects have been identified (including in five additional countries) which equates to an additional power generation capacity of 65.2 MWp. For these projects we expect the installation works to commence in the coming months. The current total solar portfolio, including pipeline projects totals 218.3 MWp.

71 operational PV installations

Representing 66.6 MWp
(15.1 MWp 3rd-party operated)
+18% compared to Dec 2022

58 projects in the pipeline

Representing 65.2 MWp
contracted power



Update on Joint Ventures

Rheingold – the First Joint Venture

On 17th of January 2023, VGP concluded a tenth transaction with its 50:50 joint venture, VGP European Logistics (‘First Joint Venture’). The transaction comprised 3 logistic buildings, which are located in Germany (one) and in the Czech Republic (two). The gross asset value of the completed assets amounted to € 114.6 million and the net proceeds from this transaction amounted to € 73.5 million. Following the completion of this tenth closing, the First Joint Venture’s property portfolio consist of 104 completed buildings representing around 1,971,000 m² of lettable area, with an 99.14% occupancy rate.

VGP and Allianz Real Estate also agreed, in Q4 ’22, to extend the term of the First Joint Venture agreement by 10 years to 2036.

Aurora – The Second Joint Venture

On 1st of June 2023, VGP and its 50:50 joint venture, VGP European Logistics 2 (The ‘Second Joint Venture’ also called ‘Aurora’) concluded upon a transaction comprising 11 logistic buildings, including 5 buildings in 4 new VGP parks and another 6 newly completed logistic buildings which were developed in parks which were already transferred to the joint venture in a prior closing.

The 11 buildings are located in Spain (7), the Netherlands (3) and Italy (1).

The transaction with VGP European Logistics 2 formed the 4th closing between VGP and this joint venture. The gross asset value of the assets amounted to a value of € 253 million with net proceeds of € 194.4 million.

Following the completion of fourth closing, the Second Joint Venture's property portfolio consist of 43 completed buildings representing around 927,000 m² of lettable area, with an 99% occupancy rate.

Ymir – The Third Joint Venture

Ymir is the third 50:50 joint venture between VGP and Allianz Real Estate, which was established in June 2020 with an objective to develop VGP Park München.

As communicated earlier, VGP has now handed over all of its constructed assets in VGP Park München. KraussMaffei is relocating its head offices to the new business park, which is marked as the largest relocation project in Greater Munich since the relocation of Munich Airport in 1992. Together, KraussMaffei – with 212,000 m² gross lettable area – and BMW –with 64,000 m² gross lettable area – occupy the existing park. Building D, which is not yet developed, will provide 38,000 m² gross lettable area and is an extension option for KraussMaffei. Once fully developed, VGP Park München will consist of five logistics buildings, two stand-alone parking houses and one office building for a total gross lettable area of ca. 314,000 m².

As a result of the successful completion of the project in the Third Joint Venture, VGP and Allianz Real Estate have executed a final closing pertaining the respective assets in Q4 '22. As some refurbishment works have been completed in VGP Park München, a residual amount of € 7 million, has now also been settled in July '23.

In July 2023, VGP Park Munich drew its available credit facility of € 65.5 million. Following the refinancing, the entity initiated a distribution of excess cash available to their shareholders, amounting to € 86 million. Out of this amount, € 43 million was allocated to VGP.

The new joint venture with Deka (the “Fifth Joint Venture”)

VGP has signed July 21st 2023 a new joint venture agreement with Deka Immobilien, a prominent real estate investment company. The joint venture will see two of Deka Immobilien's public funds, Deka Westinvest InterSelect and Deka Immobilien Europa, acquire a 50% stake in five project companies owned by VGP.

The project companies own and operate five strategically located parks in Germany, namely Gießen – Am alten Flughafen, Laatzen, Göttingen 2, Magdeburg and Berlin Oberkrämer. These parks boast a portfolio of 20 buildings, generating a total annualized rental income of €52.9 million.

The agreed gross asset value of all assets stands at over €1.1 billion. The transaction is foreseen to be executed in three closings, with the first closing anticipated in Q3 2023. However, the successful completion of the transaction is subject to the approval of the relevant antitrust regulatory bodies, which to date have been received. Pricing has been agreed for the full joint venture.

To facilitate the joint venture, parties have agreed to refinance the joint venture with an approximative LTV of 30%. Consequently, VGP is set to recycle over €700 million of cash from the deal. The first closing, expected to materialize in Q3 '23 and encompassing 17 of the 20 buildings, is projected to yield over €450 million in cash. The remaining closings are set for Q1 (two buildings) and Q3 2024 (one building), once the construction of the respective assets are completed.

This joint venture has been established with a long-term horizon. VGP retains asset management services in a similar scope to its existing partnerships with Allianz Real Estate.

In conclusion, the partnership between VGP and Deka Immobilien marks a significant milestone in the European real estate market. Through this joint venture, both companies are well-positioned to capitalize on the strong performance of the German property sector, fostering growth and maximizing returns for their stakeholders over the long term and recycling cash for VGP in the short term.

LPM – a development Joint Venture

The LPM Joint Venture was established in November 2020 with an objective to develop Logistics Park Moerdijk (Netherlands) together with the Port Authority Moerdijk on a 50:50 basis. Logistics Park Moerdijk is situated in between the Port of Rotterdam (the Netherlands) and the Port of Antwerp (Belgium) and is one of the few locations in the Netherlands where large-scale value-added logistics and value-added services distribution centres can be developed and built.

During 2023, the preparatory works, pre-loading of the land, to initiate the first developments are ongoing. The first project on behalf of the LPM Joint Venture is currently expected to be started up in 2024.

VGP Park Belartza Joint Venture

The VGP Park Belartza Joint Venture (Spain) is set up as a 50:50 joint venture with VUSA, the Bilbao-based construction company. The objective of this joint venture is to provide an additional regional source of land to the Group for land plots which would otherwise not be accessible. The VGP Park Belartza Joint Venture aims to develop ca. 35,000 m² of logistics lettable area.

The project is currently proceeding with obtaining the necessary zoning permits.

VGP Park Siegen Joint Venture

The VGP Park Siegen Joint Venture is set up as a 50:50 joint venture with Revikon and focuses on the development of a land plot located in Siegen, Germany. During 2023, following the successful partial sale of its project last year, an equity distribution of € 3.4 million has been paid to VGP NV.

Further broadening of Joint Venture model

As communicated earlier, VGP is working on broadening its Joint Venture model further. At this stage various workstreams are ongoing. We will communicate along the way on our progress.

Capital and liquidity position

Total cash balance as at 30 June 2023 stood at € 357.5 million¹ and increased further in July 2023 with € 7 million following a settlement with Allianz Real Estate on the constructed assets in VGP Park München and with € 43 million following a cash distribution by VGP Park München.

During 1H '23 VGP was able to recycle net € 267.9 million from two closings with respectively the First and Second Joint venture. A bond that came to maturity in April amounting to € 150 million has been fully repaid. This has lowered the average cost of debt to 2.3%. The average term of the credit facilities amounts to 4.27 years. A dividend of € 75 million has been paid out in May '23.

Given the cash recycling to date, the rental and renewable income, as well as the upcoming closing with the Fifth Joint Venture (Deka), VGP does currently not envisage to refinance the upcoming bond repayment of € 225 million in September '23.

¹ Including € 22.6 million classified as disposal group held for sale

To date, VGP has € 400 million of undrawn revolving credit facilities available. The pro forma proportional on a look through basis LTV amounts to 49.2% and the pro forma gearing ratio amounts to 31.3% (see note 16).

Progress towards our Sustainable Development Goals

During the period the standard green lease clause has been reviewed and it now includes green electricity procurement requirements for tenants' new leases as a standard (the Group's own energy procurement switched already to green electricity for FY2022). This initiative will, in addition to the photovoltaic roll-out as discussed above, provide an important lever on achieving our CO₂ emissions reduction targets for Scope 3 (confirmed by the Science Based Target initiative).

As of the 20th of March 2023, VGP was included in the BEL ESG index by Euronext. This index was designed to meet sustainable investment needs and tracks the twenty Brussels-listed companies demonstrating the best Environmental, Social and Governance (ESG) practices. On the same date VGP was excluded from the BEL20 index.

VGP aims to have new developments certified with BREEAM Excellent or DGNB Gold certification.

The Group published its Biodiversity 2030 Strategy and next steps for the EU Taxonomy review are well underway following the eligibility review last year. Two buildings having received an EU Taxonomy 'certification' and several further EU Taxonomy building 'certifications' are currently ongoing.

Outlook

As we look ahead, we are encouraged by our results over the first half of the year. During this period, we achieved two significant joint venture closings, resulting in the successful net recycling of €267.9 million in cash, delivered healthy rental growth and kept track on high occupancy rates along the portfolio, while we see construction prices in decline.

Moreover, our upcoming joint venture with Deka will provide us with the opportunity to recycle over €700 million of cash at closing, with an initial closing of over €700 million gross asset value scheduled for Q3 '23. In parallel, VGP continues in various workstreams to broaden its Joint Venture model.

This will not only enhance our financial capabilities but also allow us to materialize and accelerate a number of iconic prospects we currently are negotiating under exclusivity upon.

These strategic land acquisitions will significantly contribute to expanding our – already substantial – development pipeline, positioning VGP for continuous substantial growth in the future.

KEY FINANCIAL METRICS

	1H 2023	1H 2022	Change (%)
Operations and results			
Committed annualised rental income (€mm)	328.1	281.1	16.72%
IFRS Operating profit (€mm)	56.7	190.5	(70.24%)
IFRS net profit (€mm)	34.7	153.1	(77.34%)
IFRS earnings per share (€ per share)	1.27	7.01	(81.88%)
Portfolio and balance sheet			
	30 Jun 23	31 Dec 22	Change (%)
Portfolio value, including joint venture at 100% (€mm)	6,759	6,443	4.90%
Portfolio value, including joint venture at share (€mm)	4,773	4,605	3.65%
Occupancy ratio of standing portfolio (%)	98.8	98.9	-
EPRA NTA per share (€ per share) ¹	82.05	84.35	(2.72%)
IFRS NAV per share (€ per share)	79.21	80.69	(1.83%)
Net financial debt (€mm)	1,852	1,669	10.96%
Gearing ² (%)	40.1%	34.4	-

WEBCAST FOR INVESTORS AND ANALYSTS

VGP will host a webcast at 10:30 (CET) on 24 August 2023

Webcast link:

https://channel.royalcast.com/landingpage/vgp/20230824_1/

Click on the link above to attend the presentation from your laptop, tablet or mobile device. The webcast will stream through your selected device.

Please join the event webcast 5-10 minutes prior to the start time

A presentation will be available on VGP website:

<https://www.vgpparks.eu/en/investors/publications/>

CONTACT DETAILS FOR INVESTORS AND MEDIA ENQUIRIES

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Karen Huybrechts (Head of Marketing)	Tel: +32 (0)3 289 1432

¹ See note 9.2

² Calculated as Net debt / Total equity and liabilities

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 11.31 million m² 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 371 FTEs today and operates in 17 European countries directly and through several 50:50 joint ventures. As of June 2023, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 6.76 billion and the company had a Net Asset Value (EPRA NTA) of € 2.2 billion. VGP is listed on Euronext Brussels. (ISIN: BE0003878957).

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

Forward-looking statements: This press release may contain forward-looking statements. Such statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. VGP is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements contained in this press release considering new information, future events or otherwise. The information in this announcement does not constitute an offer to sell or an invitation to buy securities in VGP or an invitation or inducement to engage in any other investment activities. VGP disclaims any liability for statements made or published by third parties and does not undertake any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other press release issued by VGP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS¹

CONDENSED CONSOLIDATED INCOME STATEMENT For the six months ended 30 June

INCOME STATEMENT <i>(in thousand of €)</i>	NOTE	30.6.2023	30.6.2022
Revenue²	5	59,740	35,128
Gross rental and renewables income³	5	38,047	20,435
Property operating expenses ³		(4,560)	(3,334)
Net rent and renewable energy income³		33,487	17,101
Joint venture management fee income	5	11,685	9,931
Net valuation gains / (losses) on investment properties ⁴	6	45,540	155,914
Administration expenses		(21,218)	(20,801)
Share in result of Joint Ventures	7	(12,772)	31,383
Other expenses		-	(3,000)
Operating result		56,722	190,528
Financial income	8	11,370	8,056
Financial expenses	8	(19,457)	(22,322)
Net financial result		(8,087)	(14,266)
Result before taxes		48,635	176,262
Taxes		(13,973)	(23,124)
Result for the period		34,662	153,138
Attributable to:			
Shareholders of VGP NV	9	34,662	153,138
Non-controlling interests		-	-
EARNINGS PER SHARE	NOTE	30.6.2023	30.6.2022
Basic earnings per share (in €)	9	1.27	7.01
Diluted earnings per share (in €)	9	1.27	7.01

¹ The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

² Revenue is composed of gross rental and renewables income, service charge income, property and facility management income and property development income

³ Given the exponential growth of renewables income and its operating expenses, the consolidated income statement has been updated by renaming gross and net rental income into gross rental and renewables income and 'net rent and renewable energy income, this entailed some reclasses of renewable energy income between gross rental income and property operating expenses of € 1.4 million in 1H 2022. Property operating expenses include recharges to customers.

⁴ Includes realized gains on disposals of subsidiaries

Net rental income

The net rental income, VGP's own portfolio, increased to € 31 million for the first half of 2023 compared to € 16.2 million¹ for the first half of 2022 primarily due to full impact of income generating assets delivered during the second half of 2022 and the first half of 2023.

Including VGP's share of the joint ventures on a "look-through" basis net rental income increased by € 27.1 million, or 59% compared to 1H 2022 (from € 46 million¹ for the period ending 30 June 2022 to € 73.1 million for the period ending 30 June 2023)².

As per 1H 2023, total net rental income (JV's at 100%) increased with 51.58% to € 113.6 million versus € 74.8 million for the period ending 30 June 2022¹.

Net renewable energy income

Gross renewable energy income increased from € 1.4 million to € 2.9 million. Operational solar capacity as of June 2023 increased to 66.6MWp, up 46% year-over-year. Including 86.5 MWp of projects under construction the total solar power generation capacity increased to 153.1 MWp spread over 105 roof-projects in eight countries. As at 30 June 2023 this represents a total aggregate investment amount of € 93 million (incl. commitments).

In addition, 58 solar power projects have been identified (including in five additional countries) which equates to an additional power generation capacity of 65.2 MWp. For these projects we expect the installation works to commence in the coming months. The current total solar portfolio, including pipeline projects totals 218.3 MWp.

Income from joint ventures

The joint venture management fee income increased by € 1.7 million to € 11.7 million. The increase was mainly due to the growth of the joint ventures' portfolio.

Property and facility management fee income increased from € 8.1 million for the period ending 30 June 2022 to € 9.9 million for the period ending 30 June 2023. The development management fee income generated during the period was € 1.8 million, similar for the period ending 30 June 2022.

Net valuation gains on the property portfolio

As at 30 June 2023 the net valuation gains on the property portfolio reached € 45.5 million compared to a net valuation gain of € 155.9 million for the period ended 30 June 2022.

The net valuation gain was mainly driven by: (i) € 22.4 million unrealised valuation gain on the own and disposal group held for sale portfolio, and (ii) € 23.2 million realised valuation gain on assets transferred as part of the fourth close with the Second Joint Venture and the tenth close with the First Joint Venture.

The own property portfolio, excluding development land but including the buildings being constructed on behalf of the Joint Ventures, is valued by the valuation expert at 30 June 2023 based on a weighted average yield of 5.56 % (compared to 5.29% as at 31 December 2022) applied to the contractual rents increased by the estimated rental value on unlet space.

¹ Restated versus previous reporting due to split in rental and renewable energy income

² See attached section 'Supplementary notes not part of the condensed interim financial information' for further details

The real estate valuations were adversely impacted by the rising interest rate which resulted in increasing yields. However, VGP's portfolio surpassed this effect by the impact on the valuations by rental growth, its development margin on newly constructed assets as well as realized gains on transactions with the Joint Ventures. Finally, the assets earmarked for the Fifth Joint Venture have been aligned on the agreed fair market valuation, net of ancillary corrections as part of the purchase price calculation between both parties.

The (re)valuation of the own portfolio was based on the appraisal report of the property expert Jones Lang LaSalle.

Administrative costs

The administrative costs for the period were stable with € 21.2 million compared to € 20.8 million for the period ended 30 June 2022.

As at 30 June 2023, the group had a headcount of over 370 FTE's in 17 different countries (compared to over 385 FTE as at 30 June 2022).

Share in net profit of the joint ventures

VGP's share of the joint ventures' loss for the period came in at € 12.8 million from € 31.4 million of profit for the period ending 30 June 2022, the decrease is mainly reflecting a lower net valuation gain contribution of the joint ventures' portfolio due to yield compression.

Net rental income at share increased to € 42.1 million for the period ending 30 June 2023 compared to € 30.3 million for the period ended 30 June 2022. The increase reflects the underlying growth of the joint ventures' portfolio resulting from the different closings made between the VGP European Logistics and VGP European Logistics 2 joint ventures since May 2016, as well as rental growth within the portfolio.

At the end of June 2023, the joint ventures (100% share) had € 191.4 million of annualised committed leases representing 3,156,500 m² of lettable area compared to € 173.3 million of annualised committed leases representing 2,946,000 m² at the end of December 2022.

The net valuation gains on investment properties at share decreased from € 15 million for the period ending 30 June 2022 to a loss of € 40.7 million for the period ending 30 June 2023. The portfolio of the joint ventures, excluding development and the buildings being constructed by VGP on behalf of the Joint Ventures, was valued at a weighted average yield of 4.98% as at 30 June 2023 (compared to 4.35% as at 31 June 2022).

The (re)valuation of the First, Second and Third Joint Ventures' portfolios was based on the appraisal report of the property expert Jones Lang LaSalle.

The net financial expenses of the joint ventures at share for the period ending 30 June 2023 increased to € 13.3 million (compared to 7.8 million as per 30 June 2022).

Other expenses

Other expenses included € 3.0 million contribution to the UNHCR as per 30 June 2022. VGP has not made any contribution to its VGP Foundation in the first half of 2022.

Net financial result

For the period ending 30 June 2023, the financial income was € 11.3 million (€ 8.1 million for the period ending 30 June 2022) driven by € 8.9 million interest income on loans granted to the joint ventures (€ 8.1 million for the period ending 30 June 2022) and € 2.4 million bank interest income from depositary accounts.

The reported financial expenses as at 30 June 2023 of € 19.5 million (€ 22.3 million as at 30 June 2022) are mainly made up of € 26.1 million expenses related to financial debt (€ 27.9 million as at 30 June 2022) and other financial expenses of € 2.9 million (compared to € 2.4 million as at 30 June 2022), partially offset by € 9.6 million of capitalised interests (€ 8.8 million as at 30 June 2022).

As a result, the net financial costs reached € 8.1 million for the period ending 30 June 2023 compared to € 14.3 million at the end of June 2022. A bond of € 150 million, carrying 2.75% interest, has been repaid in April 2023. The average cost of the credit facilities currently amounts to 2.3% with an average term of 4.27 years.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS¹

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June

STATEMENT OF COMPREHENSIVE INCOME <i>(in thousand of €)</i>	30.6.2023	30.6.2022
Profit for the year	34,662	153,138
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>	-	-
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) of the period	34,662	153,138
Attributable to:		
Shareholders of VGP NV	34,662	153,138
Non-controlling interest	-	-

¹ The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

CONDENSED CONSOLIDATED BALANCE SHEET
For the period ended 30 June

ASSETS (in thousand of €)	NOTE	30.6.2023	31.12.2022
Intangible assets		1,095	1,200
Investment properties	10	1,654,946	2,395,702
Property, plant and equipment		91,261	73,280
Investments in joint venture and associates	7.2, 7.4	939,512	891,201
Other non-current receivables	7.3	405,075	359,644
Deferred tax assets		5,247	3,839
Total non-current assets		3,097,136	3,724,866
Trade and other receivables	11	78,408	122,113
Cash and cash equivalents		334,870	699,168
Disposal group held for sale	14	1,113,293	299,906
Total current assets		1,526,571	1,121,187
TOTAL ASSETS		4,623,707	4,846,053

SHAREHOLDERS' EQUITY AND LIABILITIES (in thousands of €)	NOTE	30.6.2023	31.12.2022
Share capital	12	105,676	105,676
Share premium	12	845,579	845,579
Retained earnings		1,210,532	1,250,920
Shareholders' equity		2,161,787	2,202,175
Non-current financial debt	13	1,961,768	1,960,464
Other non-current liabilities		34,750	46,419
Deferred tax liabilities		40,800	79,671
Total non-current liabilities		2,037,318	2,086,554
Current financial debt	13	247,752	413,704
Trade debts and other current liabilities		79,415	110,676
Liabilities related to disposal group held for sale	14	97,435	32,944
Total current liabilities		424,602	557,324
Total liabilities		2,461,920	2,643,878
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,623,707	4,846,053

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June

STATEMENT OF CHANGES IN EQUITY <i>(in thousands of €)</i>	Statutory share capital	Capital reserve	IFRS share capital	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2022	108,874	(30,416)	78,458	574,088	1,523,019	2,175,565
Other comprehensive income / (loss)	-	-	-	-	-	-
Result of the period	-	-	-	-	153,138	153,138
Effect of disposals	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	-	-	153,138	153,138
Capital and share premium increase net of transaction costs		-	-		-	-
Share capital distribution to shareholders	-	-	-	-	-	-
Dividends	-	-	-	-	(149,557)	(149,557)
Balance as at 30 June 2022	108,874	(30,416)	78,458	574,088	1,526,600	2,179,146
Balance as at 1 January 2023	136,092	(30,416)	105,676	845,579	1,250,920	2,202,175
Other comprehensive income / (loss)	-	-	-	-	-	-
Result of the period	-	-	-	-	34,662	34,662
Effect of disposals	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	-	-	34,662	34,662
Capital and share premium increase net of transaction costs (see note 16)		-	-		-	-
Share capital distribution to shareholders	-	-	-	-	-	-
Dividends	-	-	-	-	(75,050)	(75,050)
Balance as at 30 June 2023	136,092	(30,416)	105,676	845,579	1,210,532	2,161,787

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June

CASH FLOW STATEMENT (in thousand of €)	Note	30.6.2023	30.6.2022
<i>Cash flows from operating activities</i>			
Profit before taxes		48,635	176,262
<i>Adjustments for:</i>			
Depreciation		2,426	1,831
Unrealised (gains) / losses on investment properties	6	(22,355)	(108,266)
Realised (gains) / losses on disposal of subsidiaries and investment properties	6	(23,185)	(47,648)
Unrealised (gains) / losses on financial instruments and foreign exchange		(74)	811
Interest (income)		(11,297)	(8,056)
Interest expense		19,458	21,511
Share in (profit) / loss of Joint Venture and associates	7	12,772	(31,383)
Operating profit before changes in working capital and provisions		26,380	5,062
Decrease/(Increase) in trade and other receivables ¹		(2,356)	(37,080)
(Decrease)/Increase in trade and other payables		3,233	(2,189)
Cash generated from the operations		27,257	(34,207)
Interest received		2,398	0
Interest paid		(43,700)	(25,498)
Income taxes paid		(8,735)	(1,164)
Net cash generated from operating activities		(22,780)	(60,869)
<i>Cash flows from investing activities</i>			
Proceeds from disposal of tangible assets and other		540	17
Proceeds from disposal of subsidiaries and investment properties	15	267,677	215,457
Investment property and investment property under construction		(333,673)	(472,238)
Distribution by / (investment in) Joint Venture and associates		3,407	(8,485)
Loans provided to Joint Venture and associates		(37,399)	(73,035)
Loans repaid by Joint Venture and associates		0	0
Net cash used in investing activities		(99,449)	(338,284)
<i>Cash flows from financing activities</i>			
Dividends paid		(75,050)	(149,557)
Proceeds from loans	13	0	991,149
Loan repayments	13	(150,000)	(19,000)
Net cash used in financing activities		(225,050)	822,592
Net increase / (decrease) in cash and cash equivalents		(347,279)	423,439
Cash and cash equivalents at the beginning of the period		699,168	222,160
Effect of exchange rate fluctuations		(570)	(49)
Reclassification to (-) / from held for sale		(16,449)	2,949
Cash and cash equivalents at the end of the period		334,870	648,499

¹ Includes reclassification of € 46.1 million, of which mainly as a result of asset disposals to Joint Ventures, reclassifications of receivables and payables for assets reported as held for sale

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the period ended 30 June

1. Basis of preparation

The condensed interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the European Union. The consolidated financial information was approved for issue on 24 August 2023 by the Board of Directors.

2. Significant accounting policies

The condensed interim financial statements are prepared on a historic cost basis, with the exception of investment properties and investment property under construction as well as financial derivatives which are stated at fair value. All figures are in thousands of Euros (*EUR '000*).

The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022 except for following new standards, amendments to standards and interpretations and the accounting policy re share based payments, which became effective during the first half year of 2023:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately but not yet endorsed in the EU – disclosures are required for annual periods beginning on or after 1 January 2023)

The initial recognition of the above new standards did not have a material impact on the financial position and performance of the Group.

New standards, amendments to standards and interpretations not yet effective during the first half year of 2023:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)

3. Critical accounting estimates and judgements and key sources of estimation uncertainty

The critical accounting judgements and key sources of estimation uncertainty are consistent with those outlined in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022 (*See Annual Report 2022 – Note 3*).

4. Segment reporting

The chief operating decision maker is the person that allocates resources to and assesses the performance of the operating segments. The Group has determined that its chief operating decision-maker is the chief executive officer (CEO) of the Company. He allocates resources to and assesses the performance at business line and country level.

The segmentation for segment reporting within VGP is primarily by business line and secondly by geographical region.

4.1 Business lines

For management purpose, the Group also presents financial information according to management breakdowns, based on these functional allocations of revenues and costs. These amounts are based on a number of assumptions, and accordingly are not prepared in accordance with IFRS audited consolidated financial statements of VGP NV for the period ended 30 June 2023 and 2022. Given the growth of the renewables segment, the Group has updated its segment reporting¹ and as such consolidated its Investment business and property and asset management segments into one segment and reports Renewable Energy as a new segment. The segment Development has remained unchanged.

Investment

The Group's investment or so-called rental business consists of operating profit generated by the completed and leased out projects of the Group's portfolio and the proportional share of the operating profit (excluding net valuation gains) of the completed and leased out projects of the Joint Ventures' portfolio and as part of the segment reporting update, now consolidates as well property and asset management revenue, which include asset management, property management and facility management income..

Revenues and expenses allocated to the rental business unit include 10% of the Group's property operating expenses; other income; other expenses, after deduction of expenses allocated to property development; and share in result of the joint ventures, excluding any revaluation result.

Associated operating, administration and other expenses include directly allocated expenses from the respective asset management, property management and facility management service companies.

The Renewable Energy segment leases roofs from other VGP entities. To the extent these are not eliminated in the consolidation perimeter, these have been added back as cost, in favour of a revenue recognition in the Investment segment.

Property development

The Group's property development business consists of the net development result on the Group's development activities. Valuation gains (losses) on investment properties outside the First, Second and Fourth Joint Venture perimeter i.e. Latvia, Croatia, France, Denmark and Serbia are excluded, as they are assumed to be non-cash generating, on the basis that these assets are assumed to be kept in the Group's own portfolio for the foreseeable future. In addition, 80% of total property operating expenses are allocated to the property development business, as are administration expenses after rental business and property management expenses.

Renewable Energy

The Group's Renewable Energy segment includes gross renewables income and its direct attributable operating expenses. The Renewables income is generated through sale of electricity, government grants and/or leasing activities. In addition, 10% of administration expenses are allocated to the Renewable Energy segment.

The Renewable Energy segment leases roofs from other VGP entities. To the extent these are not eliminated in the consolidation perimeter, these have been added back as cost, in favour of a revenue recognition in the Investment segment.

¹ The restatement has been done as of FY '22 financials before, in this report the 1H '22 financials have therefore also been restated

Breakdown summary of the business lines

<i>In thousands of €</i>	30.6.2023	30.6.2022
Investment & Property and Asset Management EBITDA	83,895	54,985
Property development EBITDA	18,077	146,126
Renewable energy EBITDA	1,489	(282)
Total operational EBITDA	103,461	200,829

<i>In thousands of €</i>	For the year ended 30 June 2023				
	Investment	Development	Renewable energy	Inter-segment eliminations	Total
Gross rental and renewable energy income	35,225	-	2,885	(63)	38,047
Property operating expenses	(417)	(3,745)	(461)	63	(4,560)
Net rent and renewable energy income	34,808	(3,745)	2,424	-	33,487
Joint venture management fee income	11,685	-	-	-	11,685
Net valuation gains / (losses) on investment properties destined to the Joint Ventures	-	35,670	-	-	35,670
Administration expenses	(4,009)	(13,848)	(935)	-	(18,792)
Share of joint ventures' Adjusted profit after tax ¹	41,411	-	-	-	41,411
EBITDA	83,895	18,077	1,489	-	103,461
Other expense	-	-	-	-	-
Depreciation and amortisation	(296)	(1,186)	(944)	-	(2,426)
Earnings before interest and tax	83,599	16,891	545	-	101,035
Net financial cost - Own	-	-	-	-	(8,087)
Net financial cost - Joint venture and associates	-	-	-	-	(13,099)
Result before tax	-	-	-	-	79,849
Current income taxes - own	-	-	-	-	(8,735)
Current income taxes - Joint venture and associates	-	-	-	-	(2,157)
Recurrent net income	-	-	-	-	68,957
Net valuation gains / (losses) on investment properties - other countries ²	-	-	-	-	9,870
Net valuation gains / (losses) on investment properties - Joint venture and associates	-	-	-	-	(40,718)
Net fair value gain/(loss) on interest rate swaps and other derivatives	-	-	-	-	-
Net fair value gain/(loss) on interest rate swaps and other derivatives - Joint ventures and associates	-	-	-	-	(200)
Deferred taxes - own	-	-	-	-	(5,238)
Deferred taxes - Joint venture and associates	-	-	-	-	1,992
Reported result for the period	-	-	-	-	34,662

¹ The share of Joint Ventures adjusted profit after tax reflects the net rental income and administration expenses of the Joint Ventures at share, excluding thus any valuation gain or financial and tax expenses

² Relates to developments in countries outside of the JV perimeters i.e. Latvia, Croatia, France, Denmark and Serbia.

<i>In thousands of €</i>	For the year ended 30 June 2022 ¹				
	Investment	Development	Renewable energy	Inter-segment eliminations	Total
Gross rental and renewable energy income	19,041	-	1,422	-	20,463
Property operating expenses	(202)	(3,019)	(113)	-	(3,334)
Net rent and renewable energy income	18,839	(3,019)	1,309	-	17,129
Joint venture management fee income	9,931	-	-	-	9,931
Net valuation gains / (losses) on investment properties destined to the Joint Ventures	-	163,101	-	-	163,101
Administration expenses	(3,423)	(13,956)	(1,591)	-	(18,970)
Share of joint ventures' Adjusted profit after tax ²	29,638	-	-	-	29,638
EBITDA	54,985	146,126	(282)	-	200,829
Other expense	-	-	-	-	(3,000)
Depreciation and amortisation	(305)	(1,220)	(306)	-	(1,831)
Earnings before interest and tax	54,680	144,906	(588)	-	195,998
Net financial cost - Own	-	-	-	-	(14,266)
Net financial cost - Joint venture and associates	-	-	-	-	(8,907)
Result before tax	-	-	-	-	172,797
Current income taxes - own	-	-	-	-	(1,165)
Current income taxes - Joint venture and associates	-	-	-	-	(1,505)
Recurrent net income	-	-	-	-	170,127
Net valuation gains / (losses) on investment properties - other countries ³	-	-	-	-	(7,187)
Net valuation gains / (losses) on investment properties - Joint venture and associates	-	-	-	-	15,012
Net fair value gain/(loss) on interest rate swaps and other derivatives	-	-	-	-	-
Net fair value gain/(loss) on interest rate swaps and other derivatives - Joint ventures and associates	-	-	-	-	1,128
Deferred taxes - own	-	-	-	-	(21,959)
Deferred taxes - Joint venture and associates	-	-	-	-	(3,983)
Reported result for the period	-	-	-	-	153,138

¹ The segment report of 30 June 2022 has been restated in view of the new division into Investment, Development and Renewable Energy segments

² The share of Joint Ventures adjusted profit after tax reflects the net rental income and administration expenses of the Joint Ventures at share, excluding thus any valuation gain or financial and tax expenses

³ Relates to developments in countries outside of the JV perimeters i.e. Latvia, Croatia, France, Denmark and Serbia.

4.2 Geographical information

This basic segmentation reflects the geographical markets in Europe in which VGP operates, VGP's operations are split into the individual countries where it is active. This segmentation is important for VGP as the nature of the activities and the customers have similar economic characteristics within those segments.

30 June 2023 <i>In thousands of €</i>	Gross rental income (Incl. JV at share)	Net rental income (Incl. JV at share)	Operating EBITDA (Incl. JV at share)	Investment properties (Incl. JV at share)	Renewables property, plant and equipment	Total assets (Incl. JV at share)	Capital expenditure ¹
Western Europe							
Germany	47,372	44,879	58,815	2,644,303	64,275	2,921,699	206,181
Spain	6,024	4,661	48,540	331,799	-	415,420	11,118
Austria	659	(45)	(3,311)	152,437	-	159,562	24,844
Netherlands	4,933	4,230	(7,746)	247,858	15,405	276,028	17,367
Italy	1,520	394	(950)	82,269	3,110	102,078	16
France	-	(23)	(816)	27,771	-	29,713	6,628
Portugal	311	234	(4,735)	51,760	-	59,187	7,068
Luxembourg	-	-	-	-	-	210,157	-
Belgium	-	-	-	-	-	409,540	-
	60,819	54,330	89,797	3,538,197	82,790	4,583,384	273,223
Central and Eastern Europe							
Czech Republic	11,269	10,898	10,566	489,372	1,616	506,779	7,613
Slovakia	3,126	2,585	(5,433)	220,433	-	228,979	12,382
Hungary	3,513	2,636	4,281	197,471	-	212,000	25,023
Romania	4,282	4,035	(352)	179,174	545	209,956	15,643
Croatia	-	(1)	(103)	5,822	-	6,174	80
	22,190	20,153	8,959	1,092,272	2,161	1,163,888	60,741
Baltics and Balkan							
Latvia	1,931	2,099	1,711	101,050	-	104,987	6,385
Serbia	-	(200)	(621)	40,621	5	45,125	6,735
	1,931	1,899	1,090	141,671	5	150,112	13,120
Other²	-	(802)	3,615	579	-	3,613	504
Total	84,940	75,580	103,461	4,772,719	84,956	5,900,997	347,588

¹ Includes Joint Venture at share. Capital expenditures includes additions and acquisition of investment properties and development land but does not include tenant incentives, letting fees, and capitalised interest. Capital expenditure directly incurred for the own portfolio amounts to € 322.7 million (of which € 64 million relates to land acquisition) and amounts to € 25.3 million on development properties of the First and Second Joint Venture.

² Other includes the Group central costs and costs relating to the operational business which are not specifically geographically allocated.

31 December 2022 <i>In thousands of €</i>	Gross rental income (Incl. JV at share) ¹	Net rental income (Incl. JV at share)	Operating EBITDA (Incl. JV at share)	Investment properties (Incl. JV at share)	Renewables property, plant and equipment	Total assets (Incl. JV at share)	Capital expenditure ²
Western Europe							
Germany	68,258	61,276	(60,528)	2,439,013	49,175	2,661,881	464,454
Spain	9,455	7,605	32,252	383,874	-	456,971	39,079
Austria	1,118	964	(12,289)	129,428	-	136,722	54,830
Netherlands	6,320	5,282	(1,044)	297,514	15,285	320,736	13,516
Italy	2,711	1,957	20,621	83,719	703	112,832	18,570
France	-	(72)	(1,074)	21,218	-	22,870	21,437
Portugal	415	565	10,249	48,593	-	52,986	26,018
Luxembourg	-	-	-	-	-	190,145	-
Belgium	-	-	-	-	-	733,144	-
	88,277	77,577	(11,813)	3,403,359	65,163	4,688,287	637,904
Central and Eastern Europe							
Czech Republic	18,889	17,526	26,356	527,852	73	547,589	54,179
Slovakia	4,630	4,942	(10,048)	214,761	-	225,179	35,279
Hungary	5,117	4,774	4,068	169,393	-	181,031	43,637
Romania	4,590	3,366	(6,151)	165,552	531	190,840	858
Croatia	-	(64)	(94)	5,825	-	6,262	5,796
	33,226	30,544	14,131	1,083,383	604	1,150,901	139,748
Baltics and Balkan							
Latvia	2,241	1,014	273	93,530	-	95,973	33,504
Serbia	24	(524)	(1,338)	24,243	-	25,241	46,789
	2,265	490	(1,065)	117,773	-	121,214	80,293
Other³	-	(1,477)	12,735	75	-	2,431	-
Total	123,768	107,134	13,988	4,604,590	65,767	5,962,833	857,945

¹ Includes Joint Ventures at share

² Capital expenditures includes additions and acquisition of investment properties and development land but does not include tenant incentives, letting fees, and capitalised interest. Capital expenditure directly incurred for the own portfolio amounts to € 832.6 million (of which € 202.5 related to land acquisition) and amounts to € 25.3 million on development properties on behalf of the First and Second Joint Venture.

³ Other includes the Group central costs and costs relating to the operational business which are not specifically geographically located

The table below shows the geographic segmentation, excluding the share in the Joint Ventures.

30 June 2023 <i>In thousands of €</i>	Gross rental and renewable energy income	Net rental and renewable energy income	Investment property	Total non-current assets (IP, PPE and Intangibles)
Western Europe				
Germany	23,115	22,685	1,525,185	64,692
Spain	1,280	620	101,265	253
Austria	306	(368)	138,952	84
Netherlands	1,428	1,199	46,508	15,467
Italy	222	(581)	32,398	3,190
France	-	(23)	27,771	8
Portugal	-	(39)	41,435	57
Luxembourg	-	-	-	33
Belgium	-	-	-	5,235
	26,351	23,493	1,913,514	89,019
Central and Eastern Europe				
Czech Republic	2,777	2,563	162,888	2,216
Slovakia	2,135	1,725	184,777	60
Hungary	2,240	1,410	160,026	108
Romania	2,613	2,535	137,849	829
Croatia	-	(1)	5,822	-
	9,765	8,232	651,362	3,213
Baltics and Balkan				
Latvia	1,931	2,099	101,050	9
Serbia	-	(200)	40,621	9
	1,931	1,899	141,671	18
Other				
	-	(137)	501	106
Total	38,047	33,487	2,707,048	92,356

31 December 2022 <i>In thousands of €</i>	Gross rental and renewable energy income	Net rental and renewable energy income	Investment property	Total non-current assets (IP, PPE and Intangibles)
Western Europe				
Germany	30,905	28,353	1,311,996	49,645
Spain	2,675	1,830	215,015	293
Austria	462	399	115,943	38
Netherlands	1,921	1,726	144,835	15,356
Italy	714	360	40,374	791
France	-	(72)	21,218	8
Portugal	104	306	37,998	67
Luxembourg	-	-	-	34
Belgium	-	-	-	6,465
	36,781	32,902	1,887,379	72,697
Central and Eastern Europe				
Czech Republic	5,234	4,251	242,545	670
Slovakia	2,552	2,879	178,605	50
Hungary	2,779	2,547	132,014	114
Romania	1,619	615	124,102	825
Croatia	-	(64)	5,825	-
	12,184	10,228	683,091	1,659
Baltics and Balkan				
Latvia	2,241	1,014	93,530	5
Serbia	24	(524)	24,243	2
	2,265	490	117,773	7
Other	-	(613)	-	117
Total	51,230	43,007	2,688,243	74,480

5. Revenue

<i>In thousands of €</i>	30.6.2023	30.6.2022
Rental income from investment properties ¹	27,835	14,481
Straight lining of lease incentives	7,327	4,532
Total gross rental income	35,162	19,013
Gross renewables income¹	2,885	1,422
Property and facility management income	9,911	8,097
Development management income	1,774	1,834
Joint Venture management fee income	11,685	9,931
Service charge income ¹	10,008	4,762
Total revenue	59,740	35,128

The Group leases out its investment property under operating leases. The operating leases are generally for terms of more than 5 years. The gross rental income reflects the full impact of the income generating assets delivered during the first half year of 2023. During the first half of 2023 rental income included € 1.8 million of rent for the period related to the property portfolio sold during the tenth closing with the First Joint Venture and the fourth closing with Second Joint Venture.

At the end of June 2023, the Group (including the joint ventures) had annualised committed leases of € 328.1 million² compared to € 303.2 million³ as at 31 December 2022.

The breakdown of future lease income⁴ on an annualised basis for the own portfolio was as follows:

<i>In thousands of €</i>	30.6.2023	30.06.2022
Less than one year	133,644	108,119
Between one and five years	501,959	405,706
More than five years	687,600	577,049
Total	1,323,203	1,090,874

6. Net valuation gains / (losses) on investment properties

<i>In thousands of €</i>	30.6.2023	30.6.2022
Unrealised valuation gains / (losses) on investment properties	(6,616)	68,055
Unrealised valuation gains / (losses) on disposal group held for sale	28,971	40,211
Realised valuation gains / (losses) on disposal of subsidiaries and investment properties	23,185	47,648
Total	45,540	155,914

The own property portfolio, excluding development land but including the assets being developed on behalf of the joint ventures, is valued by the valuation expert at 30 June 2023 based on a weighted average yield of 5.56% (compared to 5.29% as at 31 December 2022) applied to the contractual rents increased by the estimated rental value on unlet space. A 0,10% variation of this market rate would give rise to a variation of this portfolio value of € 24.3 million.

¹ Overview has been restated in view of the Renewable Energy segment. The following changes occurred: € 116 k of roof rent income has been reclassified from rental income from investment properties, as well as € 1.4 m from service charge income to gross renewables income.

² € 191.4 million related to the joint ventures' property portfolio and € 136.7 million related to the own property portfolio.

³ € 173.3 million related to the Joint ventures' property portfolio and € 129.9 million related to the own property portfolio.

⁴ Includes lease income that will start after 30 June 2023

7. Investments in Joint Ventures

7.1 Profit from Joint Ventures

The table below presents a summary Income Statement of the Group's joint ventures with (i) Allianz Real Estate (VGP European Logistics, VGP European Logistics 2, VGP Park München) and the associates; (ii) the joint venture with Roozen Landgoederen Beheer (LPM), (iii) the joint venture with VUSA (Belartza) located in San Sebastian, Spain and (iv) the joint venture with Weimer Bau (Siegen) in Germany, all of which are accounted for using the equity method.

VGP European Logistics and VGP European Logistics 2 are incorporated in Luxembourg. VGP European Logistics owns logistics property assets in Germany, the Czech Republic, Slovakia and Hungary. VGP European Logistics 2 owns logistics property assets in Spain, Austria, the Netherlands, Italy and Romania. VGP Park München is incorporated in München (Germany) and owns and develops the VGP park located in München. LPM Joint Venture will develop Logistics Park Moerdijk ("LPM") together with the Port Authority Moerdijk on a 50:50-basis. The objective is to build a platform of new, grade A logistics and industrial properties of which 50% for account of the LPM Joint Venture 50% directly for account of the Port Authority Moerdijk.

The joint ventures with Vusa and Grekon contain land to be developed jointly with its partner. In Grekon (located in Siegen) a part of the land has already been sold in August 2022.

VGP NV holds 50% directly in all joint ventures and holds another 5.1% in the subsidiaries of VGP European Logistics holding assets in Germany and specifically 10.1% in the German subsidiary¹ that has been disposed to the First Joint Venture in Q1 '23.

<i>In thousands of €</i>	First Joint Venture (excl. minorities) at 100%	Second Joint Venture at 100%	Third Joint Venture at 100%	Development Joint Ventures at 100 %	Joint Ventures at 50%	First Joint Venture German Asset Companies minority share	30.06.2023
Gross rental income	53,395	23,763	13,143	8	45,155	1,738	46,893
Property Operating expenses	-	-	-	-	-	-	-
- underlying property operating expenses	1,704	(2,030)	(45)	(89)	(230)	31	(199)
- property management fees	(5,014)	(2,652)	(1,193)	-	(4,430)	(171)	(4,601)
Net rental income	50,085	19,081	11,905	(81)	40,495	1,598	42,093
Net valuation gains / (losses) on investment properties	(39,566)	(11,805)	(25,879)	(1,076)	(39,163)	(1,555)	(40,718)
Administration expenses	(917)	(342)	(38)	(13)	(655)	(29)	(684)
Operating profit	9,602	6,934	(14,012)	(1,170)	677	14	691
Net financial result	(11,833)	(8,258)	(5,580)	(157)	(12,915)	(383)	(13,298)
Taxes	(785)	628	(328)	(7)	(245)	80	(165)
Profit for the period	(3,016)	(696)	(19,920)	(1,334)	(12,483)	(289)	(12,772)

¹ VGP Park Berlin 4

<i>In thousands of €</i>	First Joint Venture (excl. minorities) at 100%	Second Joint Venture at 100%	Third Joint Venture at 100%	Development Joint Ventures at 100 %	Joint Ventures at 50%	First Joint Venture German Asset Companies minority share	30.06.2022
Gross rental income	48,042	15,261	1,574	22	32,450	1,629	34,079
Property Operating expenses	-	-	-	-	-	-	-
- underlying property operating expenses	818	(1,695)	52	318	(253)	6	(247)
- property management fees	(4,313)	(2,189)	(329)	-	(3,416)	(159)	(3,575)
Net rental income	44,547	11,377	1,297	340	28,781	1,476	30,257
Net valuation gains / (losses) on investment properties	43,199	(15,487)	-	-	13,856	1,156	15,012
Administration expenses	(871)	(235)	(52)	(48)	(603)	(19)	(622)
Operating profit	86,875	(4,345)	1,245	292	42,034	2,613	44,647
Net financial result	(9,552)	(4,219)	(1,011)	(7)	(7,395)	(381)	(7,776)
Taxes	(12,677)	2,396	(30)	(5)	(5,157)	(331)	(5,488)
Profit for the period	64,646	(6,168)	204	280	29,482	1,901	31,383

7.2 Summarised balance sheet information in respect of Joint Ventures

<i>In thousands of €</i>	First Joint Venture (excl. minorities) at 100%	Second Joint Venture at 100%	Third Joint Venture at 100%	Development Joint Ventures at 100 %	Joint Ventures at 50%	First Joint Venture's German Asset Companies minority share	30.06.2023
Investment properties	2,246,107	943,494	629,206	154,646	1,986,728	78,943	2,065,671
Other assets	1,466	1,964	3,255	75	3,379	6	3,385
Total non-current assets	2,247,573	945,458	632,461	154,721	1,990,107	78,949	2,069,056
Trade and other receivables	17,034	18,106	26,543	2,167	31,926	447	32,373
Cash and cash equivalents	61,532	46,179	114,942	4,842	113,747	2,165	115,912
Total current assets	78,566	64,285	141,485	7,009	145,673	2,612	148,285
Total assets	2,326,140	1,009,743	773,946	161,730	2,135,780	81,561	2,217,341
Non-current financial debt	981,098	579,064	462,392	85,120	1,053,837	35,014	1,088,851
Other non-current financial liabilities	-	-	-	-	-	-	-
Other non-current liabilities	7,684	6,626	-	3,877	9,093	224	9,317
Deferred tax liabilities	196,312	46,644	-	583	121,770	6,405	128,175
Total non-current liabilities	1,185,093	632,334	462,392	89,580	1,184,700	41,643	1,226,343
Current financial debt	25,685	11,355	-	-	18,520	744	19,264
Trade debts and other current liabilities	19,290	16,461	21,462	6,102	31,658	564	32,222
Total current liabilities	44,975	27,816	21,462	6,102	50,178	1,308	51,486
Total liabilities	1,230,069	660,150	483,854	95,682	1,234,878	42,951	1,277,829
Net assets	1,096,071	349,593	290,092	66,048	900,902	38,610	939,512

<i>In thousands of €</i>	First Joint Venture (excl. minorities) at 100%	Second Joint Venture at 100%	Third Joint Venture at 100%	Development Joint Ventures at 100 %	Joint Ventures at 50%	First Joint Venture's German Asset Companies minority share	31.12.2022
Investment properties	2,168,850	713,723	638,474	155,670	1,838,360	77,987	1,916,347
Other assets	1,825	2,421	3,583	75	3,951	14	3,965
Total non-current assets	2,170,675	716,144	642,057	155,745	1,842,311	78,001	1,920,312
Trade and other receivables	14,675	21,282	35,354	1,072	36,192	270	36,462
Cash and cash equivalents	40,386	17,874	32,274	9,180	49,857	1,350	51,207
Total current assets	55,061	39,156	67,628	10,252	86,049	1,620	87,669
Total assets	2,225,736	755,300	709,685	165,997	1,928,360	79,621	2,007,981
Non-current financial debt	917,863	417,795	367,052	82,048	892,379	34,030	926,409
Other non-current financial liabilities	0	0	0	0	0	0	0
Other non-current liabilities	6,914	5,427	0	3,834	8,087	221	8,308
Deferred tax liabilities	197,983	37,528	0	583	118,047	6,393	124,440
Total non-current liabilities	1,122,759	460,750	367,052	86,465	1,018,513	40,644	1,059,157
Current financial debt	25,627	8,495	0	0	17,061	744	17,805
Trade debts and other current liabilities	17,527	23,425	32,621	5,336	39,456	362	39,818
Total current liabilities	43,154	31,920	32,621	5,336	56,517	1,106	57,623
Total liabilities	1,165,913	492,670	399,673	91,801	1,075,030	41,750	1,116,780
Net assets	1,059,823	262,630	310,012	74,196	853,330	37,871	891,201

On 17th of January 2023, VGP concluded a tenth transaction with its 50:50 joint venture, VGP European Logistics ('First Joint Venture'). The transaction comprised 3 logistic buildings, which are located in Germany (one) and in the Czech Republic (two). The gross asset value of the completed assets amounted to € 114.6 million¹ and the net proceeds from this transaction amounted to € 73.5 million. Following the completion of this tenth closing, the First Joint Venture's property portfolio consist of

¹ The transaction value is composed of the purchase price for the completed income generating buildings and the net book value of the development pipeline which is transferred as part of a closing but not yet paid for by the First Joint Venture.

104 completed buildings representing around 1,971,000 m² of lettable area, with an 99.14% occupancy rate.

VGP and their 50:50 joint venture, VGP European Logistics 2 (The ‘Second Joint Venture’ also called ‘Aurora’) concluded upon a transaction comprising 11 logistic buildings, including 5 buildings in 4 new VGP parks and another 6 newly completed logistic buildings which were developed in parks which were already transferred to the joint venture in a prior closing. The 11 buildings are located in Spain (7), the Netherlands (3) and Italy (1). The transaction with VGP European Logistics 2 formed the 4th closing between VGP and this joint venture. The gross asset value of the assets amounted to a value of € 253 million with net proceeds of € 194.4 million.

Following the completion of fourth closing, the Second Joint Venture’s property portfolio consist of 43 completed buildings representing around 927,000 m² of lettable area, with an 99% occupancy rate.

The Joint Ventures’ property portfolio, excluding development land and buildings being constructed by VGP on behalf of the Joint Ventures, is valued at 30 June 2023 based on a weighted average yield of 4.98%¹ (compared to 4.68% as at 31 December 2022). A 0.10% variation of this market rate would give rise to a variation of the Joint Venture portfolio value (at 100%) of € 41.1 million.

The (re)valuation of the First and Second Joint Ventures’ portfolio was based on the appraisal report of the property expert Jones Lang LaSalle.

VGP provides certain services, including asset-, property- and development advisory and management, for the Joint Ventures and receives fees from the Joint Ventures for doing so. Those services are carried out on an arms-length basis and do not give VGP any control over the relevant Joint Ventures (nor any unilateral material decision-making rights). Significant transactions and decisions within the Joint Ventures require full Board and/or Shareholder approval, in accordance with the terms of the Joint Venture agreement.

7.3 Other non-current receivables

<i>in thousands of €</i>	30.06.2023	31.12.2022
Shareholder loans to First Joint Venture	50,923	38,047
Shareholder loans to Second Joint Venture	45,944	32,614
Shareholder loans to Third Joint Venture	198,746	183,526
Shareholder loans to Development Joint Ventures	82,013	79,350
Shareholder loans to associates (subsidiaries of First Joint Venture)	17,744	16,402
Construction and development loans to subsidiaries of First Joint Venture	7,091	5,280
Construction and development loans to subsidiaries of Second Joint Venture	20,671	96,071
Construction and development loans reclassified as assets held for sale	(27,762)	(101,351)
Other non-current receivables	9,705	9,705
Total	405,075	359,644

¹ The First, Second and Third Joint Venture have been valued by an independent valuation expert. The Development Joint Ventures only hold development land and hence has been excluded from the weighted average yield calculation.

7.4 Investments in joint ventures and associates

<i>in thousands of €</i>	30.06.2023	31.12.2022
As at 1 January	891,201	858,116
Additions	61,083	116,379
Result of the year	(12,772)	(45,927)
Repayment of equity	-	(37,367)
As at the end of the period	939,512	891,201

8. Net financial result

<i>In thousands of €</i>	30.6.2023	30.6.2022
Bank and other interest income	2,393	-
Interest income - loans to joint venture and associates	8,899	8,056
Net foreign exchange gains	74	-
Other financial income	5	-
Financial income	11,371	8,056
Bond interest expense	(25,285)	(25,401)
Bank interest expense	(835)	(2,504)
Interest capitalised into investment properties	9,594	8,834
Net foreign exchange losses	-	(811)
Other financial expenses	(2,932)	(2,440)
Financial expenses	(19,458)	(22,322)
Net financial result	(8,087)	(14,266)

9. Earnings per share

9.1 Earnings per ordinary share (EPS)

<i>In number of shares</i>	30.6.2023	30.6.2022
Weighted average number of ordinary shares (basic)	27,291,312	21,833,050
Dilution	-	-
Weighted average number of ordinary shares (diluted)	27,291,312	21,833,050

<i>In thousands of €</i>	30.6.2023	30.6.2022
Result for the period attributable to the Group and to ordinary shareholders	34,662	153,138
Earnings per share (in €) - basic	1.27	7.01
Earnings per share (in €) - diluted	1.27	7.01

9.2 EPRA NAV's – EPEA NAV's per share

The EPRA NAV metrics make adjustments to the IFRS NAV in order to provide stakeholders with the most relevant information on the fair value of the assets and liabilities. The three different EPRA NAV indicators are calculated on the basis of the following scenarios:

1. *Net Reinstatement Value*: based on the assumption that entities never sell assets and aims to reflect the value needed to build the entity anew. The purpose of this indicator is to reflect what would be required to reconstitute the company through the investment markets based on the current capital and financing structure, including Real Estate Transfer Taxes. EPRA NRV per share refers to the EPRA NRV based on the number of shares in circulation as at the balance sheet date. See www.epra.com.
2. *Net Tangible Assets*: assumes that entities buy and sell assets, thereby realizing certain levels of deferred taxation. This pertains to the NAV adjusted to include property and other investments at fair value and to exclude certain items that are not expected to be firmly established in a business model with long-term investment properties. EPRA NTA per share refers to the EPRA NTA based on the number of shares in circulation as at the balance sheet date. See www.epra.com.
3. *Net Disposal Value*: provides the reader with a scenario of the sale of the company's assets leading to the realization of deferred taxes, financial instruments and certain other adjustments. This NAV should not be considered a liquidation NAV as in many cases the fair value is not equal to the liquidation value. The

EPRA NDV per share refers to the EPRA NDV based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

30 June 2023	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
<i>In thousands of €</i>					
IFRS NAV	2,161,788	2,161,788	2,161,788	2,161,788	2,161,788
IFRS NAV per share (in euros)	79.21	79.21	79.21	79.21	79.21
NAV at fair value (after the exercise of options, convertibles and other equity)	2,161,788	2,161,788	2,161,788	2,161,788	2,161,788
To exclude:					
Deferred tax	78,526	78,526	-	78,526	-
Intangibles as per IFRS balance sheet	-	(1,095)	-	-	-
Subtotal	2,240,314	2,239,219	2,161,788	2,240,314	2,161,788
Fair value of fixed interest rate debt	-	-	440,408	-	440,408
Real estate transfer tax	88,386	-	-	-	-
NAV	2,328,700	2,239,219	2,602,196	2,240,314	2,602,196
Number of shares	27,291,312	27,291,312	27,291,312	27,291,312	27,291,312
NAV / share (in euros)	85.33	82.05	95.35	82.09	95.35

31 December 2022	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
<i>In thousands of €</i>					
IFRS NAV	2,202,175	2,202,175	2,202,175	2,202,175	2,202,175
IFRS NAV per share (in euros)	80.69	80.69	80.69	80.69	80.69
NAV at fair value (after the exercise of options, convertibles and other equity)	2,202,175	2,202,175	2,202,175	2,202,175	2,202,175
To exclude:					
Deferred tax	100,927	100,927	-	100,927	-
Intangibles as per IFRS balance sheet	-	(1,200)	-	-	-
Subtotal	2,303,102	2,301,902	2,202,175	2,303,102	2,202,175
Fair value of fixed interest rate debt	-	-	533,612	-	533,612
Real estate transfer tax	87,431	-	-	-	-
NAV	2,390,533	2,301,902	2,735,787	2,303,102	2,735,787
Number of shares	27,291,312	27,291,312	27,291,312	27,291,312	27,291,312
NAV / share (in euros)	87.59	84.35	100.24	84.39	100.24

10. Investment properties

<i>In thousands of €</i>	30.6.2023			
	Completed	Under Construction	Development land	Total
As at 1 January	1,276,093	561,489	558,120	2,395,702
Reclassification from held for sale	117,120	-	1,400	118,520
Capex	62,613	183,245	12,896	258,754
Acquisitions	35	1,595	62,407	64,037
Capitalised interest	4	7,764	1,826	9,594
Capitalised rent free and agent's fee	6,960	825	-	7,785
Sales and disposal	(187,833)	-	(13,064)	(200,897)
Transfer on start-up of development	-	71,679	(71,679)	-
Transfer on completion of development	170,447	(170,447)	-	-
Net gain from value adjustments in investment properties ¹	9,096	10,645	(528)	19,213
Reclassification to held for sale	(718,000)	(299,762)	-	(1,017,762)
As at June 30	736,535	367,033	551,378	1,654,946

<i>In thousands of €</i>	31.12.2022			
	Completed	Under Construction	Development land	Total
As at 1 January	562,730	855,160	434,624	1,852,514
Reclassification from held for sale	183,100	160,770	3,735	347,605
Capex	306,291	298,459	25,351	630,101
Acquisitions	41,664	29,309	131,541	202,514
Capitalised interest	9,774	5,560	2,810	18,144
Capitalised rent free and agent's fee	10,467	2,576	-	13,043
Sales and disposal	(353,665)	-	(3,757)	(357,422)
Transfer on start-up of development	-	40,178	(40,178)	-
Transfer on completion of development	720,060	(720,060)	-	-
Net gain from value adjustments in investment properties	(87,208)	(110,463)	5,394	(192,277)
Reclassification to (-) / from held for sale	(117,120)	-	(1,400)	(118,520)
As at 31 December	1,276,093	561,489	558,120	2,395,702

¹ Differs from note 6 due to € 2.5 million revaluation of assets under construction as part of held for sale as well as certain one-off ancillary corrections € -0.6 million

10.1 Fair value hierarchy of the Group's investment properties

All of the Group's properties are level 3, as defined by IFRS 13, in the fair value hierarchy as at 30 June 2023 and there were no transfers between levels during the year. Level 3 inputs used in valuing the properties are those which are unobservable, as opposed to level 1 (inputs from quoted prices) and level 2 (observable inputs either directly, i.e. as prices, or indirectly, i.e. derived from prices).

10.2 Property valuation techniques and related quantitative information

(i) Valuation process

The Group's own investment properties and the joint venture's investment properties were valued at 30 June 2023 by Jones Lang LaSalle. The valuation process was unchanged compared to the valuation process described in the 2022 Annual Report (page 300-301), except for the assets destined to the Fifth Joint Venture and currently reported as classified as held for sale. These assets have been recognized at the agreed fair market value with the Joint Venture partner net of ancillary cost and gains such as supplementary rent and construction variation orders, remaining rent incentives and transaction fees.

(ii) Quantitative information about fair value measurements using unobservable inputs

The quantitative information in the following tables is taken from the different reports produced by the independent real estate experts, The figures provide the range of values and the weighted average of the assumptions used in the determination of the fair value of investment properties.

Region	Segment	Fair Value 30 Jun-23 (€ '000)	Valuation technique	Level 3 - Unobservable inputs	Range			
Czech Republic	IP	102,210	Discounted cash flow	ERV per m ² (in €)	51-71			
				Discount rate	5.25%- 6.50%			
				Exit yield	5.25%- 6.00%			
				Weighted average yield	5.14%			
				Cost to completion (in '000)	-			
				Properties valued (aggregate m ²)	105,676			
				WAULT (until maturity) (in years)	5.81			
				WAULT (until first break) (in years)	5.81			
				IPUC	26,380	Discounted cash flow	ERV per m ² (in €)	57-64
							Discount rate	6.00%- 8.00%
Exit yield	6.00%							
Weighted average yield	6.35%							
Cost to completion (in '000)	19,300							
Properties valued (aggregate m ²)	47,158							
DL	29,402	Sales comparison	Price per m ²					
Germany	IP	953,549	Discounted cash flow	ERV per m ² (in €)	54-148			
				Discount rate *	6.00%- 7.90%			
				Exit yield *	4.90%- 5.90%			
				Weighted average yield	4.94%			
				Cost to completion (in '000)	16,160			
				Properties valued (aggregate m ²)	799,215			
				WAULT (until maturity) (in years)	8.99			

				years)	
				WAULT (until first break) (in years)	9.92
	IPUC	472,442	Discounted cash flow	ERV per m ² (in €)	56-83
				Discount rate *	5.80%-6.30%
				Exit yield *	4.25%-5.00%
				Weighted average yield	4.89%
				Cost to completion (in '000)	138,678
				Properties valued (aggregate m ²)	408,095
	DL	94,472	Sales comparison	Price per m ²	
Spain	DL	85,858	Sales comparison	Price per m ²	
Romania	IP	86,560	Discounted cash flow	ERV per m ² (in €)	50-61
				Discount rate	8.50%-10.25%
				Exit yield	7.75%-9.25%
				Weighted average yield	9.39%
				Cost to completion (in '000)	4,400
				Properties valued (aggregate m ²)	148,961
				WAULT (until maturity) (in years)	5.74
				WAULT (until first break) (in years)	5.35
	IPUC	6,970	Discounted cash flow	ERV per m ² (in €)	49
				Discount rate	9.25%
				Exit yield	8.50%
				Weighted average yield	10.66%
				Cost to completion (in '000)	3,500
				Properties valued (aggregate m ²)	20,920
	DL	44,319	Sales comparison	Price per m ²	
Netherlands	DL	39,775	Sales comparison	Price per m ²	
Italy	DL	32,398	Sales comparison	Price per m ²	
Austria	IP	12,290	Discounted cash flow	ERV per m ² (in €)	83
				Discount rate	6.80%
				Exit yield	5.55%
				Weighted average yield	5.54%
				Cost to completion (in '000)	-
				Properties valued (aggregate m ²)	8,210
				WAULT (until maturity) (in years)	7.38
				WAULT (until first break) (in years)	7.38
	IPUC	74,670	Discounted cash flow	ERV per m ² (in €)	82-205
				Discount rate	6.00%-6.25%
				Exit yield	5.00%-6.75%
				Weighted average yield	5.14%

				Cost to completion (in '000)	20,950
				Properties valued (aggregate m ²)	39,512
	DL	51,992	Sales comparison	Price per m ²	
Hungary	IP	77,010	Discounted cash flow	ERV per m ² (in €)	52-59
				Discount rate	6.75%-8.00%
				Exit yield	6.25%-7.00%
				Weighted average yield	7.82%
				Cost to completion (in '000)	-
				Properties valued (aggregate m ²)	93,999
				WAULT (until maturity) (in years)	6.33
				WAULT (until first break) (in years)	5.77
	IPUC	47,520	Discounted cash flow	ERV per m ² (in €)	48-56
				Discount rate	7.25%-7.75%
				Exit yield	6.50%-7.00%
				Weighted average yield	7.71%
				Cost to completion (in '000)	33,400
				Properties valued (aggregate m ²)	104,764
	DL	34,143	Sales comparison	Price per m ²	
Latvia	IP	99,410	Discounted cash flow	ERV per m ² (in €)	53-59
				Discount rate	7.50%-8.25%
				Exit yield	7.50%-7.75%
				Weighted average yield	7.56%
				Cost to completion (in '000)	2,200
				Properties valued (aggregate m ²)	133,281
				WAULT (until maturity) (in years)	8.01
				WAULT (until first break) (in years)	8.01
	DL	1,640	Sales comparison	Price per m ²	
Slovakia	IP	114,350	Discounted cash flow	ERV per m ² (in €)	55-62
				Discount rate	6.35%-6.75%
				Exit yield	6.35%
				Weighted average yield	5.92%
				Cost to completion (in '000)	50
				Properties valued (aggregate m ²)	138,167
				WAULT (until maturity) (in years)	8.05
				WAULT (until first break) (in years)	7.88
	IPUC	3,900	Discounted cash flow	ERV per m ² (in €)	60
				Discount rate	8.50%
				Exit yield	7.00%

				Weighted average yield	8.35%
				Cost to completion (in '000)	2,350
				Properties valued (aggregate m ²)	8,419
	DL	65,295	Sales comparison	Price per m ²	
Portugal	IP	9,155	Discounted cash flow	ERV per m ² (in €)	58
				Discount rate	7.60%
				Exit yield	5.75%
				Weighted average yield	6.04%
				Cost to completion (in '000)	550
				Properties valued (aggregate m ²)	7,096
				WAULT (until maturity) (in years)	15.18
				WAULT (until first break) (in years)	15.18
	IPUC	16,374	Discounted cash flow	ERV per m ² (in €)	66
				Discount rate	7.50%
				Exit yield	5.75%
				Weighted average yield	6.91%
				Cost to completion (in '000)	2,000
				Properties valued (aggregate m ²)	12,707
	DL	15,906	Sales comparison	Price per m ²	
Serbia	IPUC	18,540	Discounted cash flow	ERV per m ² (in €)	77
				Discount rate	9.00%
				Exit yield	8.00%
				Weighted average yield	9.12%
				Cost to completion (in '000)	20,350
				Properties valued (aggregate m ²)	41,805
	DL	22,081	Sales comparison	Price per m ²	
Croatia	DL	5,822	Sales comparison	Price per m ²	
France	DL	27,771	Sales comparison	Price per m ²	
Denmark	DL	504	Sales comparison	Price per m ²	
Total		2,672,708			

* without assets HFS

IP= completed investment property
 IPUC= investment property under construction
 DL= development land

11. Trade and other receivables

<i>In thousands of €</i>	30.6.2023	31.12.2022
Trade receivables	15,067	16,063
Tax receivables - VAT	79,684	87,048
Accrued income and deferred charges	3,759	2,280
Other receivables	18,435	17,882
Reclassification to (-) / from held for sale	(38,537)	(1,160)
Total	78,408	122,113

The reclassification to held for sale pertains mainly to the assets earmarked for the Fifth Joint Venture.

12. Share capital and other reserves

12.1 Share capital

<i>Issued and fully paid</i>	Number of Shares	Par value of Shares (€ 000)
Ordinary Shares issued at 1 January 2023	27,291,312	105,676
issue of new shares	-	-
Ordinary Shares issued at 30 June 2023	27,291,312	105,676

The statutory share capital of the Company amounts to € 136,092 k. The € 30.4 million capital reserve included in the Statement of Changes in Equity, relates to the elimination of the contribution in kind of the shares of a number of Group companies and the deduction of all costs in relation to the issuing of the new shares and the stock exchange listing of the existing shares from the equity of the company, at the time of the initial public offering (“IPO”) in 2007 (see also “*Statement of changes in equity*”).

13. Current and non-current financial debts

The contractual maturities of interest-bearing loans and borrowings (current and non-current) are as follows:

MATURITY <i>In thousands of €</i>	Outstanding balance	30.6.2023		
		< 1 year	> 1-5 year	> 5 year
Non-current				
Bank borrowings	-	-	-	-
Schuldschein Loan	28,630		28,630	-
Bonds				
3.25% bonds Jul - 24	74,879		74,879	-
3.35% bonds Mar - 25	79,906		79,906	-
3.50% bonds Mar - 26	189,404		189,404	-
1.50% bonds Apr - 29	595,778		-	595,778
1.625% bonds Jan - 27	497,266		497,266	-
2.25% bonds Jan - 30	495,905		-	495,905
Total non-current financial debt	1,961,768		870,085	1,091,683
Current				
Bank borrowings	-	-	-	-
Schuldschein Loan	-	-	-	-
Bonds (3.9% Bonds Sep - 23)	224,853	224,853		
Accrued interests	22,899	22,899	-	-
Total current financial debt	247,752	247,752	-	-
Total current and non-current financial debt	2,209,520	247,752	870,085	1,091,683

The accrued interest relates to the 7¹ issued bonds (€ 22.5 million) and the Schuldschein loans (€ 0.4 million).

The coupons of the bonds are payable annually on 21 September for the Sep-23 Bond, 6 July for the Jul-24 Bond, 30 March for the Mar-25 Bond, 19 March for the Mar-26, 8 April for the Apr-29 bond and 17 January for bonds Jan-27 & Jan-30. The interest on the Schuldschein loans are payable on a semi-annual basis on 15 April and 15 October for the variable rate Schuldschein loans and annually on 15 October for the fixed rate Schuldschein loans.

¹ The issued bond as per January 10th 2022 has been considered as two bonds, given their dual tranche maturity as well as different cost.

MATURITY	31.12.2022			
<i>In thousands of €</i>	Outstanding balance	< 1 year	> 1-5 year	> 5 year
Non-current				
Bank borrowings	-	-	-	-
Schuldschein Loan	28,575	-	28,575	-
Bonds				
3.25% bonds Jul - 24	74,820	-	74,820	-
3.35% bonds Mar - 25	79,879	-	79,879	-
3.50% bonds Mar - 26	189,295	-	189,295	-
1.50% bonds Apr - 29	595,416		-	595,416
1.625% bonds Jan - 27	496,884		496,884	-
2.25% bonds Jan - 30	495,595		-	495,595
Total non-current financial debt	1,960,464	-	869,454	1,091,010
Current				
Bank borrowings	-	-	-	-
Schuldschein Loan	-	-	-	-
Bonds				
2.75% bonds Apr - 23	149,897	149,897	-	-
3.90% bonds Sep -23	224,534	224,534	-	-
Accrued interests	20,734	20,734	-	-
Total current financial debt	413,704	413,704	-	-
Total current and non-current financial debt	2,374,168	413,704	869,454	1,091,010

13.1.1 Bank loans

The loans and credit facilities granted to the VGP Group are all denominated in € can be summarised as follows (all figures below are stated excluding capitalised finance costs):

30.6.2023	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 year	> 5 year
<i>In thousands of €</i>						
KBC Bank NV	75,000	31-Dec-26	-	-	-	-
Belfius Bank NV	75,000	31-Dec-26	-	-	-	-
Belfius Bank NV	100,000	31-Jul-27	-	-	-	-
BNP Paribas Fortis	50,000	31-Dec-25	-	-	-	-
BNP Paribas Fortis	50,000	31-Dec-26	-	-	-	-
JP Morgan AG	50,000	12-Dec-25	-	-	-	-
Total bank debt	400,000		-	-	-	-

31.12.2022	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 year	> 5 year
<i>In thousands of €</i>						
KBC Bank NV	75,000	31-Dec-26	-	-	-	-
Belfius Bank NV	75,000	31-Dec-26	-	-	-	-
Belfius Bank NV	100,000	31-Jul-27	-	-	-	-
BNP Paribas Fortis	50,000	31-Dec-25	-	-	-	-
BNP Paribas Fortis	50,000	31-Dec-26	-	-	-	-
JP Morgan AG	50,000	12-Dec-25	-	-	-	-
Total bank debt	400,000		-	-	-	-

13.1.2 Schuldschein loans

The Schuldschein loans represents a combination of fixed and floating notes whereby the variable rates represent a nominal amount of € 21.5 million which is not hedged. The current average interest rate is 2.73 per cent per annum. The loans have a remaining weighted average term of 3.6 years.

30.6.2023	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 year	> 5 year
<i>In thousands of €</i>						
Schuldschein loans	29,000	Oct -24 to Oct-27	29,000	-	29,000	-

31.12.2022	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 year	> 5 year
<i>In thousands of €</i>						
Schuldschein loans	29,000	Oct -24 to Oct-27	29,000	-	29,000	-

13.1.3 Bonds

The following bond has been repaid in April 2023:

- the € 150 million fixed rate bond maturing on 2 April 2023 which carries a coupon of 2.75% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002677582) (“Apr-23 Bond”)

The following seven bonds are outstanding at 30 June 2023:

- € 225 million fixed rate bonds due 21 September 2023 carry a coupon of 3.90% per annum. The bonds have been listed on the regulated market of NYSE Euronext Brussels (ISIN Code: BE0002258276). (“Sep-23 Bond”)
- € 75 million fixed rate bonds due 6 July 2024 which carry a coupon of 3.25% per annum. The bonds have been listed on the regulated market of NYSE Euronext Brussels (ISIN Code: BE0002287564). (“Jul-24 Bond”)
- € 80 million fixed rate bonds due 30 March 2025 carry a coupon of 3.35% per annum. The bonds are not listed (ISIN Code: BE6294349194). (“Mar-25 Bond”)
- € 190 million fixed rate bonds due 19 March 2026 carry a coupon of 3.50% per annum. The bonds have been listed on the regulated market of NYSE Euronext Brussels (ISIN Code: BE0002611896). (“Mar-26 Bond”)
- € 600 million fixed rate bonds due 8 April 2029 carry a coupon of 1.50% per annum. The bonds have been listed on the Luxembourg Stock Exchange (Euro MTF) (ISIN Code: BE6327721237). (“Apr-29 Bond”)
- € 1000 million fixed rate bonds, dual tranche on five and eight years due 17 January 2027 and 17 January 2030, carry a coupon of 1.625% and 2.25% per annum. The bonds have been listed on the Luxembourg Stock Exchange (Euro MTF) (ISIN Code: BE6332786449 and BE6332787454). (“Jan-27 and Jan-30 Bond”)

13.2 Key terms and covenants

Please refer to *Annual Report 2022 - Note 17.2 Key terms and covenants* for further information.

During the first half year of 2023, the Group operated well within its bank loans, schuldschein loans and bond covenants and there were no events of default nor were there any breaches of covenants with respect to loan agreements noted.

14. Assets classified as held for sale and liabilities associated with those assets

<i>In thousands of €</i>	30.6.2023	31.12.2022
Intangible assets	-	-
Investment properties	1,052,102	292,541
Property, plant and equipment	-	-
Deferred tax assets	-	-
Trade and other receivables	38,537	1,160
Cash and cash equivalents	22,654	6,205
Disposal group held for sale	1,113,293	299,906
Non-current financial debt	-	-
Other non-current financial liabilities	-	-
Other non-current liabilities	(13,044)	(1,662)
Deferred tax liabilities	(42,973)	(25,095)
Current financial debt	-	-
Trade debts and other current liabilities	(41,418)	(6,187)
Liabilities associated with assets classified as held for sale	(97,435)	(32,944)
TOTAL NET ASSETS	1,015,858	266,962

In order to sustain its growth over the medium term, VGP entered into three 50/50 joint ventures with Allianz (First, Second and Fourth Joint Venture) in respect of acquiring income generating assets developed by VGP. These Joint Ventures act as an exclusive take-out vehicle of the income generating assets, allowing VGP to partially recycle its initially invested capital when completed projects are acquired by the Joint Ventures. VGP is then able to re-invest the proceeds in the continued expansion of its development pipeline, including the further expansion of its land bank, allowing VGP to concentrate on its core development activities.

Each of these joint ventures have an exclusive right of first refusal in relation to acquiring the following income generating assets of the Group: (i) for the First and Fourth Joint Venture: the assets located in the Czech Republic, Germany, Hungary and the Slovak Republic; and (ii) for the Second Joint Venture: the assets located in Austria, Italy, the Benelux, Portugal, Romania and Spain.

The development pipeline which will be transferred as part of any future acquisition transaction between the Joint Venture and VGP is being developed at VGP's own risk and subsequently acquired and paid for by these joint ventures subject to pre-agreed completion and lease parameters.

Following negotiations with Allianz on the seed portfolio for the Fourth Joint Venture, VGP and Allianz have agreed that for such seed portfolio the exclusivity has been waived. As per 21 July 2023, VGP entered into a new Joint Venture agreement (the Fifth Joint Venture) with Deka to transfer a part of the respective seed portfolio into this Joint Venture. These five parks containing 20 buildings have also been classified as held for sale and these assets have been recognized at the agreed fair market value with the Joint Venture partner net of ancillary cost and gains such as supplementary rent and construction variation orders, remaining rent incentives and transaction fees. The total net assets pertaining to the Fifth Joint Venture amount to € 976 million.

The investment properties correspond to the fair value of the asset under construction which are being developed by VGP on behalf of the First and Second Joint Venture, as well as the assets earmarked for the Fifth Joint Venture (Deka). This balance includes € 27.8 million of interest-bearing development and construction loans (2022: € 101.4 million) granted by VGP to these joint ventures to finance their respective development pipeline.

15. Cash flow from disposal of subsidiaries and investment properties

<i>In thousands of €</i>	30.6.2023	31.12.2022
Investment property	370,004	369,657
Trade and other receivables	4,681	16,019
Cash and cash equivalents	9,525	18,086
Shareholder debt	(242,605)	(191,009)
Other non-current financial liabilities	(2,912)	(2,458)
Deferred tax liabilities	(27,638)	(76,675)
Trade debts and other current liabilities	(8,526)	(13,511)
Total net assets disposed	102,529	120,109
Realized valuation gain on sale	23,185	87,612
Total non-controlling interest retained by VGP	(1,027)	(227)
Additional share price due at completion of buildings	-	63,689
Shareholder loans repaid at closing	215,978	205,491
Equity contribution	(63,463)	(104,190)
Total consideration	277,202	372,484
Consideration to be received	-	(7,026)
Consideration paid in cash	277,202	365,458
Cash disposed	(9,525)	(18,086)
Net cash inflow from divestment of subsidiaries and investment properties	267,677	347,372

On 17th of January 2023, VGP concluded a tenth transaction with its 50:50 joint venture, VGP European Logistics ('First Joint Venture'). The transaction comprised 3 logistic buildings, which are located in Germany (one) and in the Czech Republic (two). The gross asset value of the assets amounted to € 114.6 million and the net proceeds from this transaction amounted to € 73.5 million. Following the completion of this tenth closing, the First Joint Venture's property portfolio consist of 104 completed buildings representing around 1,971,000 m² of lettable area, with an 99.14% occupancy rate.

On 1st of June 2023, VGP and his 50:50 joint venture, VGP European Logistics 2 (The 'Second Joint Venture' also called 'Aurora') concluded upon a transaction comprising 11 logistic buildings, including 5 buildings in 4 new VGP parks and another 6 newly completed logistic buildings which were developed in parks which were already transferred to the joint venture in a prior closing. The 11 buildings are located in Spain (7), the Netherlands (3) and Italy (1).

The transaction with VGP European Logistics 2 formed the 4th closing between VGP and this joint venture. The gross asset value of the assets amounted to a value of € 253 million with net proceeds of € 194.4 million.

16. Capital management

VGP is continuously optimising its capital structure targeting to maximise shareholder value while keeping the desired flexibility to support its growth. The Group operates within and applies a maximum gearing ratio of net debt / total shareholders' equity and liabilities at 65%.

As at 30 June 2023 the Group's gearing was as follows:

<i>In thousands of €</i>	30.6.2023	31.12.2022	30.6.2022
Non-current financial debt	1,961,768	1,960,464	2,183,775
Current financial debt	247,752	413,704	177,977
Total financial debt	2,209,520	2,374,168	2,361,752
Cash and cash equivalents	(334,870)	(699,168)	(648,499)
Cash and cash equivalents classified as disposal group held for sale	(22,654)	(6,205)	(808)
Total net debt (A)	1,851,996	1,668,795	1,712,445
Total shareholders' equity and liabilities (B)	4,623,707	4,846,053	4,869,969
Gearing ratio ((A)/(B))	40.1%	34.4%	35.2%

The pro forma gearing ratio amounts to 31.3%, adjusted for payments received relating to the Third Joint Venture of € 50 million in July '23, as well as the expected proceeds and disposal of respective assets of the first closing with the Fifth Joint Venture in Q3 '23. The reported gearing ratio amounts to 40.1%.

The proportional¹ LTV amounts to 49.2%, likewise adjusted for the payments received from the Third Joint Venture and Allianz Real Estate as well as the expected proceeds and share in refinancing of the third Joint Venture and the first closing with the Fifth Joint Venture in Q3 '23. The reported proportional LTV amounts to 52%.

¹ Reflects all cash and debt of VGP NV, as well as the cash and credit facilities of the Joint Ventures at share. All shareholder loans, by both partners, to the Joint Ventures are excluded in the LTV calculation.

17. Fair value

The following tables list the different classes of financial assets and financial liabilities with their carrying amounts in the balance sheet and their respective fair value and analysed by their measurement category under IFRS 9.

Abbreviations used in accordance with IFRS 9 are:

AC	Financial assets or financial liabilities measured at amortised cost
FVTPL	Financial assets measured at fair value through profit or loss
HFT	Financial liabilities Held for Trading

30.6.2023 <i>In thousands of €</i>	Category in accordance with IFRS 9	Carrying amount	Fair value	Fair value hierarchy
Assets				
Other non-current receivables	AC	405,075	405,075	Level 2
Trade receivables	AC	15,067	15,067	Level 2
Other receivables	AC	18,435	18,435	Level 2
Derivative financial assets	FVTPL	0	0	Level 2
Cash and cash equivalents	AC	352,481	352,481	Level 2
Reclassification to (-) from held for sale		(25,121)	(25,121)	
Total		765,937	765,937	
Liabilities				
Financial debt				
Bank debt	AC	28,630	28,630	Level 2
Bonds	AC	2,157,991	1,727,733	Level 1
Trade payables	AC	100,161	100,161	Level 2
Other liabilities	AC	65,042	65,042	Level 2
Derivative financial liabilities	HFT	0	0	Level 2
Reclassification to liabilities related to disposal group held for sale		(53,677)	(53,677)	
Total		2,298,147	1,867,889	

31.12.2022	Category in accordance with IFRS 9	Carrying amount	Fair value	Fair value hierarchy
<i>In thousands of €</i>				
Assets				
Other non-current receivables	AC	359,644	359,644	Level 2
Trade receivables	AC	16,063	16,063	Level 2
Other receivables	AC	17,882	17,882	Level 2
Derivative financial assets	FVTPL	0	0	Level 2
Cash and cash equivalents	AC	700,066	700,066	Level 2
Reclassification to (-) from held for sale		(6,774)	(6,774)	
Total		1,086,881	1,086,881	
Liabilities				
Financial debt				
Bank debt	AC	28,575	28,575	Level 2
Bonds	AC	2,306,320	1,796,439	Level 1
Trade payables	AC	98,079	98,079	Level 2
Other liabilities	AC	63,533	63,533	Level 2
Derivative financial liabilities	HFT	0	0	Level 2
Reclassification to liabilities related to disposal group held for sale		(7,594)	(7,594)	
Total		2,488,913	1,979,032	

18. Contingencies and commitments

<i>(in thousands of €)</i>	30.06.2023	31.12.2022
Contingent liabilities	8,091	6,230
Commitments to purchase land	86,950	149,266
Commitments to develop new projects	282,828	370,629

Contingent liabilities mainly relate to bank guarantees linked to land plots and built out of infrastructure on development land.

The commitment to purchase land relates to contracts concerning the future purchase of 1.4 million m² of land for which deposits totalling € 5.4 million have been made. The down payment on land was classified under investment properties as at 30 June 2023 (same classification treatment applied for 2022) and is mainly composed of € 3.9 million for the acquisition of a new land plot in Bucharest (Romania). It is expected that this land plot will be fully acquired during the second half of the year.

19. Related parties

On 17th of January 2023, VGP concluded a tenth transaction with its 50:50 joint venture, VGP European Logistics ('First Joint Venture'). The transaction comprised 3 logistic buildings, which are located in Germany (one) and in the Czech Republic (two). The gross asset value of the assets amounted to € 114.6 million and the net proceeds from this transaction amounted to € 73.5 million. Following the completion of this tenth closing, the First Joint Venture's property portfolio consist of 104 completed buildings representing around 1,971,000 m² of lettable area, with an 99.14% occupancy rate.

On 1st of June 2023, VGP and his 50:50 joint venture, VGP European Logistics 2 (The 'Second Joint Venture' also called 'Aurora') concluded upon a transaction comprising 11 logistic buildings, including 5 buildings in 4 new VGP parks and another 6 newly completed logistic buildings which were developed in parks which were already transferred to the joint venture in a prior closing. The 11 buildings are located in Spain (7), the Netherlands (3) and Italy (1).

The transaction with VGP European Logistics 2 formed the 4th closing between VGP and this joint venture. The gross asset value of the assets amounted to a value of € 253 million with net proceeds of € 194.4 million.

20. Events after the balance sheet date

As a result of the successful completion of the project in the Third Joint Venture, VGP and Allianz Real Estate have executed a final closing pertaining the respective assets in Q4 '22. As some refurbishment works have been completed in VGP Park München, a residual amount of € 7 million, has now also been settled in July '23.

In July 2023, VGP Park Munich drew its available credit facility of € 65.5 million. Following the refinancing, the entity initiated a distribution of excess cash available to their shareholders, amounting to € 86 million. Out of this amount, € 43 million was allocated to VGP.

On 21st of July 2023 VGP entered into a Joint Venture agreement with Deka, the Fifth Joint Venture. The joint venture will see two of Deka Immobilien's public funds, Deka Westinvest InterSelect and Deka Immobilien Europa, acquire a 50% stake in five project companies owned by VGP.

The project companies own and operate five strategically located parks in Germany, namely Gießen – Am alten Flughafen, Laatzen, Göttingen 2, Magdeburg and Berlin. These parks boast a portfolio of 20 buildings, generating a total annualized rental income of € 52.9 million. The agreed gross asset value of all assets stands at over € 1.1 billion. The transaction is foreseen to be executed in three closings, with the first closing anticipated in Q3 '23.

**SUPPLEMENTARY NOTES NOT PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION**
For the period ended 30 June

1 INCOME STATEMENT, PROPORTIONALLY CONSOLIDATED

The table below includes the proportional consolidated income statement interest of the Group in the Joint Ventures. The interest held directly by the Group (5.1% and 10.1%) in the German asset companies of the Joint Ventures have been included in the 50% Joint Ventures' figures (share of VGP).

Proportionally consolidated income statement <i>In thousands of €</i>	30.6.2023			30.6.2022		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
Gross rental and renewable energy income	38,047	46,893	84,940	20,435	34,080	54,515
Property operating expenses	(4,560)	(4,800)	(9,360)	(3,334)	(3,822)	(7,156)
Net rental and renewable energy income	33,487	42,093	75,580	17,101	30,258	47,359
Joint venture management fee income	11,685	-	11,685	9,931	-	9,931
Net valuation gains / (losses) on investment properties	45,540	(40,718)	4,822	155,914	15,012	170,926
Administration expenses	(21,218)	(684)	(21,902)	(20,802)	(622)	(21,424)
Other expenses	-	-	-	(3,000)	-	(3,000)
Operating profit / (loss)	69,494	691	70,185	159,144	44,648	203,792
Net financial result	(8,087)	(13,298)	(21,385)	(14,266)	(7,776)	(22,042)
Taxes	(13,973)	(165)	(14,138)	(23,124)	(5,488)	(28,612)
Profit for the period	47,434	(12,772)	34,662	121,754	31,384	153,138

2 BALANCE SHEET, PROPORTIONALLY CONSOLIDATED

The table below includes the proportional consolidated balance sheet interest of the Group in the Joint Ventures. The interest held directly by the Group (5.1% and 10.1%) in the German asset companies of the Joint Ventures have been included in the 50% Joint Ventures' figures (share of VGP).

Proportionally consolidated balance sheet <i>In thousands of €</i>	30.6.2023			31.12.2022		
	Group	Joint Venture	Total	Group	Joint Venture	Total
Investment properties	1,654,946	2,065,671	3,720,617	2,395,702	1,916,347	4,312,049
Investment properties included in assets held for sale	1,052,102	-	1,052,102	292,541	-	292,541
Total investment properties	2,707,048	2,065,671	4,772,719	2,688,243	1,916,347	4,604,590
Other assets	502,678	2,948	505,626	437,963	3,965	441,928
Total non-current assets	3,209,726	2,068,619	5,278,345	3,126,206	1,920,312	5,046,518
Trade and other receivables	78,408	32,271	110,679	122,113	36,462	158,575
Cash and cash equivalents	334,870	115,912	450,782	699,168	51,207	750,375
Disposal group held for sale	61,191	-	61,191	7,365	-	7,365
Total current assets	474,469	148,183	622,652	828,646	87,669	916,315
Total assets	3,684,195	2,216,802	5,900,997	3,954,852	2,007,981	5,962,833
Non-current financial debt	1,961,768	1,088,851	3,050,619	1,960,464	926,409	2,886,873
Other non-current financial liabilities	-	-	-	-	-	-
Other non-current liabilities	34,750	9,317	44,067	46,419	8,308	54,727
Deferred tax liabilities	40,800	127,738	168,538	79,671	124,440	204,111
Total non-current liabilities	2,037,318	1,225,906	3,263,224	2,086,554	1,059,157	3,145,711
Current financial debt	247,752	19,264	267,016	413,704	17,805	431,509
Trade debts and other current liabilities	79,415	32,120	111,535	110,676	39,818	150,494
Liabilities related to disposal group held for sale	97,435	-	97,435	32,944	-	32,944
Total current liabilities	424,602	51,384	475,986	557,324	57,623	614,947
Total liabilities	2,461,920	1,277,290	3,739,210	2,643,878	1,116,780	3,760,658
Net assets	1,222,275	939,512	2,161,787	1,310,974	891,201	2,202,175

AUDITOR'S REPORT

Report on the review of the consolidated interim financial information of VGP NV for the six-month period ended 30 June 2023

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the condensed consolidated balance sheet as at 30 June 2023, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the period of six months then ended, as well as selective notes 1 to 20.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of VGP NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.

The condensed consolidated balance sheet shows total assets of 4 623 707 (000) EUR and the condensed consolidated income statement shows a consolidated profit (group share) for the period then ended of 34 662 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of VGP NV has not been prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Signed at Antwerp.

The statutory auditor

Digitally signed by
Kathleen De Brabander
Signed By: Kathleen De Brabander (Signature)
Signing Time: 23-Aug-2023 | 16:45 CEST

C: BE
Issuer: Citizen CA
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Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL

Represented by Kathleen De Brabander

GLOSSARY

Allianz or Allianz Real Estate

Means, in relation to (i) the First Joint Venture, Allianz AZ Finance VII Luxembourg S.A., SAS Allianz Logistique S.A.S.U. and Allianz Benelux SA (all affiliated companies of Allianz Real Estate GmbH) taken together; (ii) the Second Joint Venture, Allianz AZ Finance VII Luxembourg S.A., and (iii) the Third Joint Venture, Allianz Pensionskasse AG, Allianz Versorgungskasse Versicherungsverein a.G., Allianz Lebensversicherungs-AG and Allianz Lebensversicherungs AG.

Allianz Joint Ventures or AZ JV

Means the First Joint Venture, the Second Joint Venture and the Third Joint Venture taken together.

AZ JVA(s) or Allianz Joint Venture Agreement(s)

Means either and each of (i) the joint venture agreement made between Allianz and VGP NV in relation to the First Joint Venture; (ii) the joint venture agreement made between Allianz and VGP NV in relation to the Second Joint Venture; and (iii) the joint venture agreement made between Allianz and VGP Logistics S.à r.l. (a 100% subsidiary of VGP NV) in relation to the Third Joint Venture.

Annualised committed leases or annualised rent income

The annualised committed leases or the committed annualised rent income represents the annualised rent income generated or to be generated by executed lease – and future lease agreements.

Break

First option to terminate a lease.

Contractual rent

The gross rent as contractually agreed in the lease on the date of signing.

Derivatives

As a borrower, VGP wishes to protect itself from any rise in interest rates. This interest rate risk can be partially hedged by the use of derivatives (such as interest rate swap contracts).

Discounted cash flow

This is a valuation method based on a detailed projected revenue flow that is discounted to a net current value at a given discount rate based on the risk of the assets to be valued.

EPRA

The European Public Real Estate Association, a real estate industry body, which has issued Best Practices Recommendations Guidelines in order to provide consistency and transparency in real estate reporting across Europe.

Equivalent yield (true and nominal)

Is a weighted average of the net initial yield and reversionary yield and represents the return a property will produce based upon the timing of the income received. The true equivalent yield assumes rents are received quarterly in advance. The nominal equivalent assumes rents are received annually in arrears.

Estimated rental value (“ERV”)

Estimated rental value (ERV) is the external valuers’ opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.

Exit yield

Is the capitalisation rate applied to the net income at the end of the discounted cash flow model period to provide a capital value or exit value which an entity expects to obtain for an asset after this period.

Fair value

The fair value is defined in IAS 40 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In addition, market value must reflect current rental agreements, the reasonable assumptions in respect of potential rental income and expected costs.

First Joint Venture

Means VGP European Logistics S.à r.l., the 50:50 joint venture between VGP and Allianz, also referred to as "Rheingold"

Fourth Joint Venture

Means VGP European Logistics 3 S.à r.l., the 50:50 joint venture between VGP and Allianz, also referred to as "Europa"

Fifth Joint Venture

Means the 50:50 joint venture between Deka Immobilien, through their funds "Deka Immobilien Europa" and "Deka Westinvest InterSelect" and VGP.

Grekon Joint Venture or Grekon

Means Grekon 11 GmbH, the 50:50 joint venture between VGP and Revikon GmbH, part of Weimar Gruppe

Gearing ratio

Is a ratio calculated as consolidated net financial debt divided by total equity and liabilities or total assets.

IAS/IFRS

International Accounting Standards / International Financial Reporting Standards. The international accounting standards drawn up by the International Accounting Standards Board (IASB), for the preparation of financial statements.

Joint Ventures

Means either and each of (i) the First Joint Venture; (ii) the Second Joint Venture, (iii) the Third Joint Venture, (iv) the LPM Joint Venture, (v) the Grekon Joint Venture; and (vi) the Fifth Joint Venture .

LPM Joint Venture or LPM

Means LPM Holding B.V., the 50:50 joint venture between VGP and Roozen Landgoederen Beheer.

LPM JVA or LPM Joint Venture Agreement

Means the joint venture agreement made between Roozen Landgoederen Beheer and VGP NV in relation to the LPM Joint Venture.

Lease expiry date

The date on which a lease can be cancelled.

Net asset value

The value of the total assets minus the value of the total liabilities.

Net financial debt

Total financial debt minus cash and cash equivalents.

Net Initial Yield

Is the annualised rents generated by an asset, after the deduction of an estimate of annual recurring irrecoverable property outgoings, expressed as a percentage of the asset valuation (after notional purchaser's costs).

Occupancy rate

The occupancy rate is calculated by dividing the total leased out lettable area (m²) by the total lettable area (m²) including any vacant area (m²).

Prime yield

The ratio between the (initial) contractual rent of a purchased property and the acquisition value at a prime location.

Property portfolio

The property investments, including property for lease, property investments in development for lease, assets held for sale and development land.

Reversionary Yield

Is the anticipated yield, which the initial yield will rise to once the rent reaches the ERV and when the property is fully let. It is calculated by dividing the ERV by the valuation.

Roozen or Roozen Landgoederen Beheer

Means in relation to the LPM Joint Venture, Roozen Landgoederen Beheer B.V.

Second Joint Venture

Means VGP European Logistics 2 S.à r.l., the 50:50 joint venture between VGP and Allianz, also referred to as "Aurora"

Third Joint Venture

Means VGP Park München GmbH, the 50:50 joint venture between VGP and Allianz.

VGP European Logistics or VGP European Logistics joint venture

Means the First Joint Venture.

VGP European Logistics 2 or VGP European Logistics 2 joint venture

Means the Second Joint Venture.

VGP Park Moerdijk

Means the LPM Joint Venture.

VGP Park Belartza Joint Venture

Means Belartza Alto SXXI, S.L., a 50:50 joint venture between VGP en VUSA

VGP Park München or VGP Park München joint venture

Means the Third Joint Venture.

Weighted average term of financial debt

The weighted average term of financial debt is the sum of the current financial debt (loans and bonds) multiplied by the term remaining up to the final maturity of the respective loans and bonds divided by the total outstanding financial debt.

Weighted average term of the leases ("WAULT")

The weighted average term of leases is the sum of the (current rent and committed rent for each lease multiplied by the term remaining up to the final maturity of these leases) divided by the total current rent and committed rent of the portfolio

Weighted average yield

The sum of the contractual rent of a property portfolio to the acquisition price of such property portfolio.

Take-up

Letting of rental spaces to users in the rental market during a specific period.

STATEMENT ON THE INTERIM FINANCIAL REPORT

The undersigned declare that, to the best of their knowledge:

the condensed interim financial statements of VGP NV and its subsidiaries as of 30 June 2023 have been prepared in accordance with the International Financial Reporting Standards, and give a true and fair view of the consolidated assets and liabilities, financial position and consolidated results of the company and of its subsidiaries included in the consolidation for the six month period.

the interim financial management report, in all material respect, gives a true and fair view of all important events and significant transactions with related parties that have occurred in the first six month period and their effects on the interim financial statements, as well as an overview of the most significant risks and uncertainties we are confronted with for the remaining six months of the financial year.

A handwritten signature in blue ink, appearing to read 'Jan Van Geet', with a long horizontal flourish underneath.

Jan Van Geet
as permanent representative of
Jan Van Geet s.r.o.,
CEO

A handwritten signature in blue ink, appearing to read 'Piet Van Geet', with a horizontal line underneath.

Piet Van Geet
as permanent representative of
Urraco BV
CFO