

VGP TRADING UPDATE

9 November 2023, 7:00 am, Antwerp, Belgium: VGP NV (‘VGP’ or ‘the Group’) today published its trading update for the first ten months of 2023, reporting solid growth, enhanced liquidity and exciting new development prospects.

- **€54.3 million of new and renewed leases** signed year-to-date (of which € 18.1 million during the past 4 months) bringing the **annualised committed leases** for the year to date to **€341.2 million**¹ (+ € 38 million compared to 31 December 2022, which is +13% YTD and +17% y-o-y). Recently we have benefited from a strong rise in demand in our portfolio.
- **24 projects under construction** representing 790,000 m² (of which 16 projects totalling 402,000 m² started up during the year) and **€55.5 million in additional annual rent** once fully built and let. The pipeline under construction is **87.14% pre-let**. Currently VGP expects to start up construction of up to 251,000 m² before year-end. Construction prices remain in decline.
- **18 projects delivered** during the year representing 426,000 m², or € 22.3 million in additional annual rent (of which 5 projects totalling 109,000 m² delivered during the 2H 2023), currently 99% let and a further 292,000 m² estimated for delivery in the remainder of 2023, currently 96,5% let.
- **1,240,000 m² of new development land acquired during** the year (of which 539,000 m² during 2H 2023) and 875,000 m² of development land deployed to support the new developments started up during the year. Total secured development land bank stands at 9 million m² at the end of October 2023 representing a development potential of over 4.2 million m². As anticipated previously, VGP has been able to secure a number of **iconic sites**, amongst others the former R&D site of Stellantis at Vélizy-Villacoublay (14 km from Paris Eiffel tower, with direct ring road access) which has already been acquired.
- Property portfolio² virtually fully let with **occupancy at 99%** as of 31 October 2023 (compared to 99 % as at 30 June 2023). Of the € 341.2 million committed annualized rental income, € 296.6 has become cash generative, an increase of 24% versus December 2022. Another € 33.1 million of rental income is expected to start within the next twelve months.
- Solid liquidity position as evidenced by:
 - (i) Cash distribution relating to **VGP Park München joint venture** with Allianz Real Estate received in Q3 in amount of **€ 50 million**. Additional profit distribution from the First, Second and Third Joint Venture expected in Q4 in amount of **€ 30-40 million**;
 - (ii) Successful first closing of Deka resulting in gross proceeds of **€ 461 million**;
 - (iii) Workstreams well advanced to broaden the Joint Venture model substantially further with existing and new partners;
 - (iv) Repaid bond of **€ 225 million** at maturity in September '23;
 - (v) Reiteration of VGP's investment grade rating by **Fitch** with **stable outlook**.
- **Photovoltaic capacity grew exponentially** to 173MWp operational or under construction and with a further 95MWp being planned. Once built, the renewable energy production will exceed our annual tenant electricity consumption. This contributed to the **four-star GRESB developer rating**, the second highest among peers in the European logistics segment

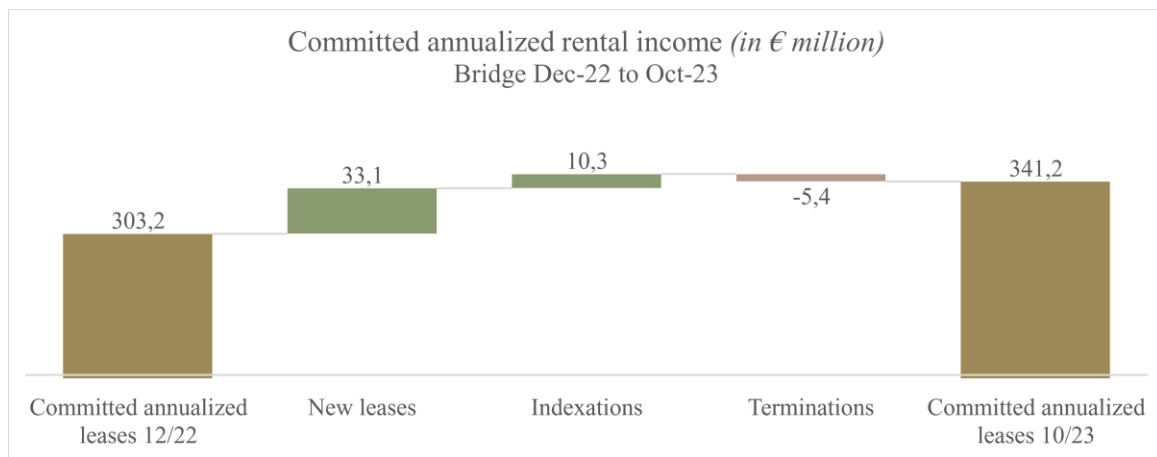
¹ Including Joint Ventures at 100%. As at 31 October 2023 the annualized committed leases of the Joint Ventures stood at €225.9 million.

² Including Joint Ventures at 100%.

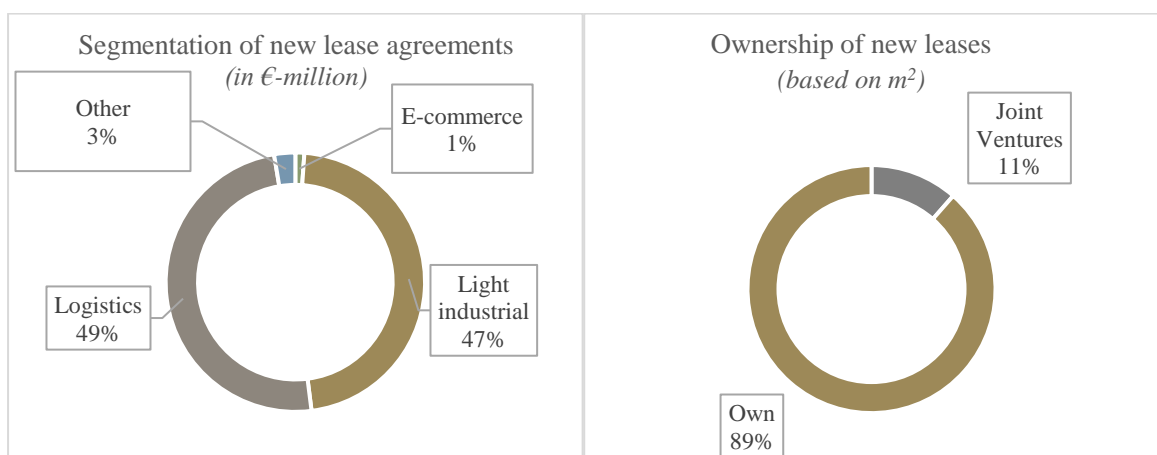
OPERATING HIGHLIGHTS – 10M 2023

Lease activities

- Over the first 10 months the signed and renewed rental income amounted to € 54.3 million bringing the total committed annualized rental income to € 341.2 million¹ (or 5.6 million m² of lettable area), a 13% increase since December 2022.
- The increase was driven by 504,000 m² of new lease agreements signed, corresponding to € 33.1 million of new annualised rental income², whilst during the same period for a total of 180,000 m² of lease agreements were renewed and extended, corresponding to € 10.9 million of annualised rental income (of which € 10.1 million related to the joint ventures³). Indexation accounted for € 10.3 million over the first 10 months of 2023 (of which € 6.3 million related to the joint ventures). Terminations represented a total of € 5.4 million or 92,000 m², of which € 3.5 million within the joint ventures' portfolio.



- From a geographic perspective, Eastern Europe, mainly driven by Hungary, Romania and Slovakia, accounted for 68% of the incremental new lease agreements (€ 22.4 million, of which € 20.6 million in the own portfolio). Within segments, logistics accounted for 49% (€ 16.3 million, of which € 13.7 million in the own portfolio) of all new lease agreements. We signed a **first major Lease** (42,000 m²) in our **VGP park in Rouen, France** and expect before year end to be able to sign several other major leases.



¹ Including JV's at 100%

² Of which 446,000 m² (€ 29.3 million) related to the own portfolio

³ Representing 167,000 m² in the Joint Ventures' portfolio

- The weighted average term¹ of the annualised leases of the combined own and Joint Ventures' portfolio stood at 7.9 years, 9.1 years in the own portfolio and 7.3 years in the Joint Ventures portfolio. Of the annualised committed leases 87% (or € 296.6 million) has already become cash generative as of 31 October 2023. A remaining € 44.6 million signed lease agreements will become effective in the future. The breakdown as to when the annualised committed leases will become effective is as follows:

in € mln	Annualized rental income effective before 31/10/2023	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	225.3	0.6	-	-
Own	71.3	32.7	10.3	1.0
Total	296.6	33.3	10.3	1.0

Construction activity

- 16 projects have started up in the course of 2023 which represent 402,000 m² of future lettable area, or € 27.3 million of annualised lease income once fully built and let.
- This results in a total of 24 projects under construction at the end of October 2023 which will add 790,000 m² of future lettable area representing € 55.5 million of annualised leases once fully built and let (87.1% pre-let).

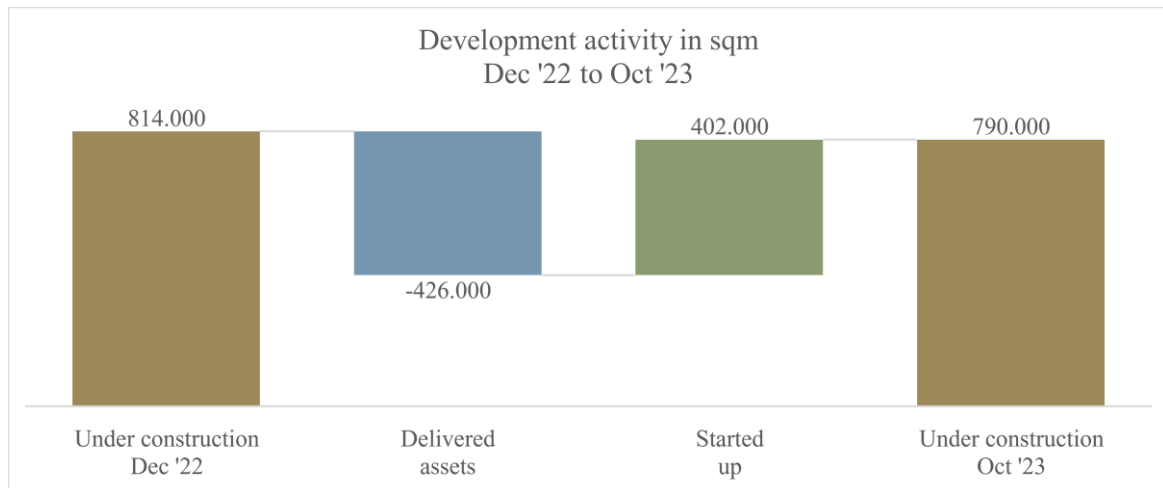
Projects under construction		
Own portfolio	VGP Park	sqm
Austria	VGP Park Graz 2	14,000
Austria	VGP Park Laxenburg	49,000
France	VGP Park Rouen 1	39,000
Germany	VGP Park Erfurt 3	29,000
Germany	VGP Park Koblenz	32,000
Germany	VGP Park Wiesloch-Walldorf	55,000
Hungary	VGP Park Budapest Aerozone	30,000
Hungary	VGP Park Gyor Beta	38,000
Hungary	VGP Park Kecskemet	18,000
Portugal	VGP Park Loures	13,000
Portugal	VGP Park Montijo	32,000
Romania	VGP Park Braşov	53,000
Serbia	VGP Park Belgrade - Dobanovci	60,000
Slovakia	VGP Park Zvolen	9,000
Czechia	VGP Park Prostějov	10,000
Czechia	VGP Park Ústí nad Labem City	23,000
Total own portfolio		504,000
On behalf of JV	VGP Park	sqm
Czechia	VGP Park Olomouc 3	9,000
Germany	VGP Park Berlin Oberkrämer	11,000
Germany	VGP Park Gießen Am alten Flughafen	192,000
Germany	VGP Park Magdeburg	74,000
Total under construction		286,000
Total under construction		790,000

¹ Until the contract end date. The weighted average term until the first break is 7.6 for the portfolio as a whole, 8.7 year for the own portfolio and 7 for the Joint Venture portfolio.

- Since the 30th of June 2023, VGP completed another 5 buildings representing 109,000 m² of lettable area, bringing the total of delivered projects for the first ten months of 2023 to 18 projects, adding 426,000 m² of lettable area representing €24.6 million of annualized leases and which are 99.2% let.

Projects delivered 10M 2023		
Own portfolio	VGP Park	sqm
Czechia	VGP Park České Budějovice	14,000
Germany	VGP Park Erfurt 2	42,000
Germany	VGP Park Halle 2	15,000
Germany	VGP Park Hochheim	12,000
Hungary	VGP Park Budapest Aerozone	14,000
Hungary	VGP Park Kecskemét	20,000
Latvia	VGP Park Tiraines	29,000
Portugal	VGP Park Loures	7,000
Romania	VGP Park Braşov	67,000
Romania	VGP Park Bucharest	46,000
Slovakia	VGP Park Bratislava	19,000
Total own portfolio		285,000
On behalf of JV	VGP Park	sqm
Netherlands	VGP Park Roosendaal	9,000
Spain	VGP Park San Fernando de Henares	28,000
Germany	VGP Park Magdeburg	59,000
Germany	VGP Park Gießen Am alten Flughafen	45,000
Total on behalf of JV		141,000
Total delivered assets		426,000

- Another 292,000 m² of other projects, which are currently under construction, are scheduled for delivery for the final months of 2023.



- In summary, total portfolio as of the end of October contained 236 buildings of which 212 (4.7 million m²) have been completed and 24 (790,000 m²) are under construction.

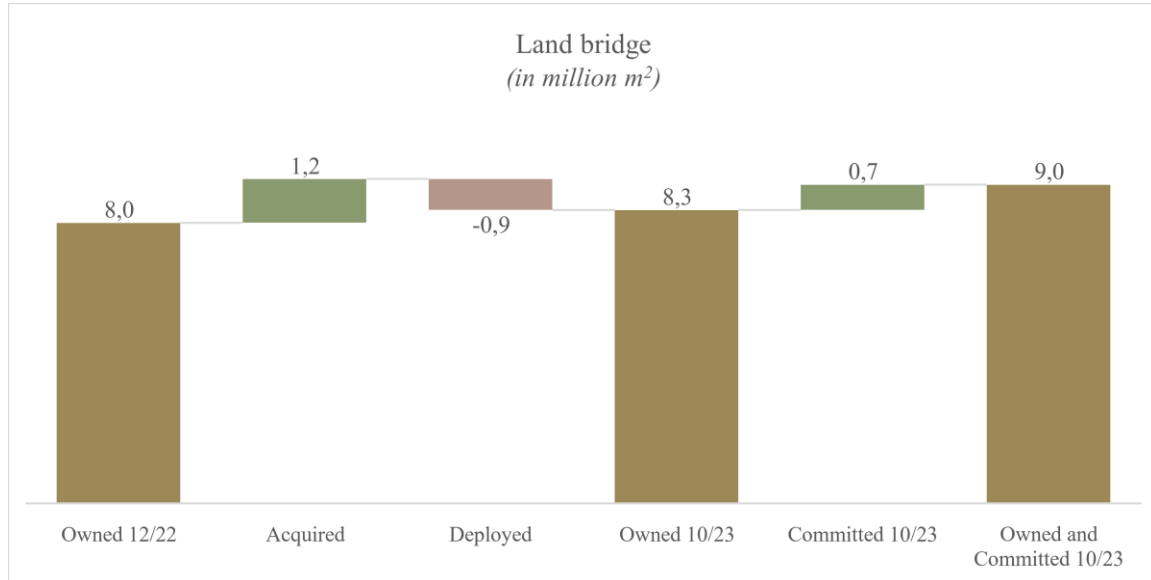
square meters	Completed Buildings		Buildings under construction		Total Buildings	
	Rentable space	Number of buildings	Rentable space	Number of buildings	Rentable space	Number of buildings
Country						
Austria	25,000	2	64,000	3	89,000	5
France	-	-	39,000	1	39,000	1
Germany	2,315,000	86	393,000	8	2,708,000	94
Hungary	197,000	12	86,000	3	283,000	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	44,000	2	81,000	4
Romania	316,000	15	53,000	1	369,000	16
Serbia	-	-	60,000	2	60,000	2
Spain	389,000	21	-	-	389,000	21
Czechia	745,000	48	42,000	3	787,000	51
Slovakia	227,000	9	8,000	1	235,000	10
Total	4,730,000	212	790,000	24	5,520,000	236

square meters	Completed Buildings		Buildings under construction		Total Buildings	
	Rentable space	Number of buildings	Rentable space	Number of buildings	Rentable space	Number of buildings
Ownership						
Own	974,000	42	790,000	24 ¹	1,764,000	66
JV	3,756,000	170	-	-	3,756,000	170
Total	4,730,000	212	790,000	24	5,520,000	236

¹ Contains buildings under construction that are destined for the joint venture but currently fall under the economic ownership of VGP, the assets will be transferred into the JV upon completion.

Land bank

- Year -to-date VGP acquired 1,240,000 m² of land and a further 719,000 m² is currently committed, subject to permits. This brings the current owned and committed landbank to 9.0 million m² which entails a development potential of over 4.2 million m².



- The most important land plots that VGP has been able to acquire in the second half have been in France and Italy:
 - VGP Park Vélizy (former R&D site of Stellantis), Paris region, France. With the acquisition of this 194,000 m² land plot VGP managed to secure its first position in the economical centre of France. Located in Vélizy, south of Paris and east of Versailles, the site has great connectivity, located directly to the outer-ring road of Paris (A86), adjacent to public transport access, at 15 minutes from Orly airport and only 8 km removed from the inner city of Paris. The site has a development potential of 80,000 m². Having been a R&D site of the car manufacturer Stellantis since the 1960's, it will be VGP's goal to rehabilitate this brownfield. The redevelopment of old industrial sites in close collaboration with the local community is a core expertise of VGP.
 - VGP Park Parma Paradigma will consist of 50,000 m² lettable area about 7 km from the city centre of Parma and, immediately adjacent to the A1 motorway exit. The park will boast a strategic position as it is situated on one of the most important road axes in central northern Italy.
- From an asset value perspective, the land bank is predominantly Western European-based but on the bases of square meters the land bank is well spread across the countries in which we operate.
- In total 87% of the land bank is owned or committed by VGP for its own portfolio, whereas 13% is in co-ownership with various Joint Venture partners. It concerns mainly LPM (929,000 m²) in the Netherlands, Grekon (34,000 m²) in Germany, Belartza (145,215 m²) in Spain and Ymir (52,719 m²) for the remaining development land in VGP Park München (building D).



Renewable energy

- 112 roof-solar installations with a total capacity of 172.9 MWp are currently operational or under construction; a 31% increase YTD, of which 83.9 MWp is operational and 89.0 MWp is currently under construction. This is being realised through a € 94.2 million investment to date. In addition, the identified pipeline equates to an additional power generation capacity of 95.1 MWp.
- Despite a significant growth in tenant electricity demand due to the growth of the standing portfolio, as well as a switch to heat pumps, the renewable energy project pipeline has kept pace as the anticipated annual electricity production outpaces total tenant annual electricity demand. The potential current annual energy production, including PV projects under construction and in the pipeline is estimated at 241.275 GWh per year, which is more than the total electricity consumption of all our tenants in VGP buildings in 2022.

ESG initiatives

- The Group was awarded by GRESB with a four green star rating and a second place in their peer comparison group in the Development category. On the Standing Investments the Group has also shown progress and was able to maintain its three green star status.
- For the EPRA's Sustainable Best Practice Reporting VGP has been recognised in the category 'most improved' and was awarded with a bronze medal for the first time.

Update on Joint Ventures

- Ymir, the Third Joint Venture containing VGP Park Munich drew its available credit facility of € 65.5 million in July 2023. 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. Along with a final € 7 million top-up payment for the buildings currently constructed in VGP Park München, VGP as such received € 50 million of cash in July 2023.
- On July 21st 2023 VGP signed a new joint venture agreement with Deka Immobilien. The first closing of this Fifth Joint Venture took place on the 31st of August. In this closing 17 of the total 20 buildings that were earmarked for this Joint Venture, have been transferred. The gross proceeds from this first closing amounted to €461 million.
- VGP has several workstreams running with new and existing partners to broaden the Joint Venture model further.

Outlook

- VGP has been able to exclusively secure a number of iconic sites in the vicinity of major economic hubs in Europe's largest markets. We are very excited on the development potential and long term value of these assets and expect to materialize several transactions in the next months.
- With sharply declining construction costs in most countries, VGP is gradually able to construct again at good value for money, also speculatively, keeping an eye on a prudent pre-let nonetheless. Recently we have seen and benefitted from a strong rise in demand and we expect to initiate up to 251,000 square meters still this year, which will lead to initiated construction of new developments over 2023 at the high end of our estimations.
- As we are broadening our Joint Venture model and are set to recycle cash in 2024 on a number of closings, as well as profiting from our cash generating deliveries, we expect to pay out a dividend at least similar to FY 2023.

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ABOUT VGP

VGP is a pan-European owner, manager and developer of high-quality logistics and semi industrial real estate as well as a provider of renewable energy solutions. VGP operates a fully integrated business model with capabilities and longstanding expertise across the value chain. Founded in 1998 as a Belgian family-owned real estate developer in the Czech Republic, VGP with a staff of circa 371 FTEs today 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/en>