19 November 2020, 6:00pm, Antwerp (Berchem), Belgium: VGP NV (‘VGP’ or ‘the Group’), a pan-European provider of high-quality logistics and semi-industrial real estate, today published its trading update for the first 10 months of 2020:

- Robust operating performance
  - Strong leasing growth across the portfolio resulting in €34.6 million new signed and renewed rental income, bringing total annualized signed rental income up 13.5% year-to-date to €176.0 million (including joint ventures at 100%)
  - 31 projects under construction, representing 743,000 m² or €48.1 million in annual rent once fully built and let. The portfolio under construction is today 79.9% pre-let
  - 23 projects delivered in 2020 year-to-date representing 472,000 m², bringing the total completed portfolio (incl JVs) to 2,380,000 m²

- Land bank has continued to expand
  - Acquisition of 1.58 million m² of new land year-to-date and a further 2.59 million m² committed subject to permits
  - Total land bank acquired and secured of 7.48 million m² which supports 3.57 million m² of future lettable area (+28.4% year-to-date)

- Strengthened capital and liquidity position
  - Successful joint venture closings with VGP European Logistics and VGP European Logistics 2 which generated in total €318 million of gross cash proceeds
  - Raised €109 million of gross cash proceeds through a placement of 929,153 treasury shares on 3 September 2020

VGP’s Chief Executive Officer, Jan Van Geet, said: “I believe that over the past months we have considerably reinforced the fundamentals on which we are constructing our future. Not only were we able to attract new talented people to help us with our ambitious growth plans, I am also particularly pleased with the growth and quality of our land bank across the countries in which we are active.

For all our new trophy locations – such as for instance our new park in Giessen, Germany where we acquired 32 ha earlier this year or Moerdijk, Netherlands where, together with a strong local partner we will cooperate with Port of Moerdijk to develop a 140 ha park which has been irrevocably permitted – we already note a lot of tenant interest.”

Jan Van Geet concluded: “Furthermore, we expect a strong last two months of the year based on our current pipeline driven by robust and broad-based leasing activity across sectors, reflecting an acceleration of structural trends, the adoption of e-commerce and the need for higher levels of inventory. As we delivered several projects over the last few months this strong demand already allowed us to replenish our mostly pre-let development pipeline with new projects, including the start of works for a new iconic park in Bratislava and, amongst others, the significant expansion of our parks in Göttlingen, Laatzen and Magdeburg in Germany, Nijmegen in The Netherlands, San Fernando de Henares in Spain and Brašov in Romania.”
OPERATING HIGHLIGHTS

Lease operations

- Signed and renewed rental income of € 34.6 million year-to-date mainly driven by 437,000 m² of new lease agreements signed, corresponding to € 24.6 million of new annualised rental income.1
- During the period for a total of 187,000 m² of lease agreements were renewed corresponding to € 10.1 million of annualised rental income of which 149,000 m² (€ 8.0 million) related to the portfolio of the joint ventures. Renewed contracts included various prolongations by 1-5 years.
- Terminations represented a total of € 3.5 million or 68,000 m², of which 62,000 m² within the joint ventures’ portfolio which has since largely been re-let (joint ventures’ portfolio is 99.4% let).
- The signed annualised leases represent € 176.0 million3 (equivalent to 3.03 million m² of lettable area), a 13.5% increase since December 2019.

Implications of Covid-19

- VGP’s business is progressing well in 2020 despite the Covid-19 pandemic. The entire VGP team has been operational throughout the crisis with full access to central systems. None of the VGP workforce has been furloughed and the Group has not taken any government support.
- The lockdown measures implemented by governments across Europe to combat the spread of the virus resulted in widespread disruption across many sectors of the economy. In some cases, this has impacted the operations and cash flows of VGP's customers, which has in some limited cases affected the level of rent we were able to collect from such customer. VGP has worked constructively to support customers facing genuine cash flow challenges.
- Rental collection has continued to progress well with rent collection since start of the Covid-19 pandemic at 99.6% of total rent billed.
- All construction activities currently run on schedule.

Development activities

- Strong leasing activity has helped us secure further pre-let developments and, as a result, during H2 2020 the construction works for 9 additional projects have been initiated, including the start of works for the first building in VGP Park Bratislava (23,000 m² pre-let) and significant expansions of VGP Park Göttingen (extra 30,000 m² pre-let), VGP Park Laatzen (extra 71,000 m² pre-let), VGP Park Magdeburg (extra 41,000 m² partially pre-let), VGP Park Nijmegen (43,000 m² pre-let) and VGP Park San Fernando de Henares (extra 11,000 m² pre-let).
- In total the group has 31 projects under construction representing 743,000 m² of future lettable area and expected to generate € 48.1 million of annual rent once fully built and leased of which today 79.9% is pre-let (70.3% pre-let as of 31st Oct).

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1 Of which 343,000 m² (€ 18.4 million) related to the own portfolio.
2 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.
3 For joint venture at 100%.
• Geographical split of projects under construction: 61% is located in Germany, 9% Czech Republic, 8% in Spain, 8% in Romania, 6% in The Netherlands, 3% in Italy, 3% in Slovakia and 2% in Hungary

• Delivery of 23 projects during the first ten months of in total 472,000 m² of lettable area representing €25.7 million of annualized committed leases. These buildings are 93.7% let as of 31st October which we expect to be close to 100% by year-end taking into consideration current lease negotiations

• Geographical split of the buildings delivered year to date: 45% is located in Germany, 23% in The Netherlands, 14% in Spain, 8% in Czech Republic, 5% in Romania, 4% in Slovakia and 1% in Italy

Land bank

• We have acquired 1.58 million m² of land during the first ten months of 2020 bringing the total owned and committed land bank to 7.48 million m² supporting 3.57 million m² of future lettable area. This includes VGP Park Gießen Am alten Flughafen where we acquired 317,000 m² earlier this year and includes a commitment to purchase 710,000 m² of land in Moerdijk, Netherlands which we will develop through a joint venture with a local partner, and where we will cooperate with Port of Moerdijk to develop our park as part of a 140 ha park which has been irrevocably permitted

• A further 1.17 million m² of land plots identified which are under exclusive negotiation and have a development potential of 0.52 million m² of future lettable area

Renewable Energy

• First solar roof project delivered (4.8MWp) in VGP Park Nijmegen and a further 20 projects under construction (22.8MWp) representing a committed investment of €17 million year-to-date

• A further 30 projects identified representing >50MWp are in the pipeline which we expect to be able to develop within the coming 2 years

Corporate Responsibility

• As we work towards an update of our Sustainable Development Goals (SDGs) for 2021 onwards we have conducted a scope 1 and 2 emission analysis for FY2019 in compliance with PAS 2060 standard and GHG protocol. Separately, we have completed CDP reporting standards for FY2019

• In parallel we are preparing a strategy to be CO₂-neutral as a Group within 5 years

Capital and liquidity position

• On 16 November 2020, we announced two successful closings between VGP and two of our 50:50 joint ventures with Allianz Real Estate, VGP European Logistics and VGP European Logistics 2. The two closings combined represent a value of €424 million, generated gross cash proceeds of €318 million and comprised 19 logistic buildings including 9 buildings in 5 new VGP parks and another 10 newly completed logistic buildings which were developed in parks previously transferred. The 19 buildings are located in Germany (6), Spain (4), the Czech Republic (3),
Netherlands (2), Italy (2), Romania (1) and Slovakia (1). The transaction with VGP European Logistics was its 7th closing and amounts to a value of €166 million with gross cash proceeds of €127 million. The closing with VGP European Logistics 2 was its 2nd closing and amounts to a value of €258 million\(^4\) with gross cash proceeds of €191 million.

- On 3 September 2020 we announced the successful placement of 929,153 treasury shares (corresponding to 4.51% of the outstanding share capital). The shares were placed at a price of €117.50 per share, resulting in €109.18 million in gross cash proceeds. The transaction saw significant demand, particularly from our long-term institutional shareholders, resulting in an oversubscription of nearly three times at the placement price. The price represented a discount of 4.16% compared to the last traded price.

- The cash proceeds of these transactions are being applied towards the further expansion of the development pipeline i.e. acquisition of new development land and financing of existing projects under construction and new projects which will be started-up in the coming period.

- The Group has long-term revolving credit facilities for a total amount of €150 million, which as of today were undrawn.

**CONTACT DETAILS FOR INVESTORS AND MEDIA ENQUIRIES**

<table>
<thead>
<tr>
<th>Name</th>
<th>Tel:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martijn Vlutters</td>
<td>+32 (0)3 289 1433</td>
</tr>
<tr>
<td>(VP – Business Development &amp; Investor Relations)</td>
<td></td>
</tr>
<tr>
<td>Petra Vanclova</td>
<td>+42 0 602 262 107</td>
</tr>
<tr>
<td>(External Communications)</td>
<td></td>
</tr>
<tr>
<td>Anette Nachbar</td>
<td>+49 152 288 10363</td>
</tr>
<tr>
<td>Brunswick Group</td>
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**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 in light of 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.

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\(^4\) 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 Joint Venture.
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 7.48 million m² and the strategic focus is on the development of business parks. Founded in 1998 as a family-owned real estate developer in the Czech Republic, VGP with a staff of over 230 employees today owns and operates assets in 12 European countries directly and through its joint ventures VGP European Logistics, VGP European Logistics 2 and VGP Park München. As of June 2020, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to €3.23 billion and the company had a Net Asset Value (EPRA NAV) of €1,079 million. VGP is listed on Euronext Brussels and on the Prague Stock Exchange (ISIN: BE0003878957).

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