

## **FITCH RECONFIRMS VGP'S CREDIT RATING**

**4 October 2022, 7:00am, Antwerp, Belgium:** The Rating Agency Fitch Ratings ('Fitch') has reaffirmed the credit rating for VGP NV ('VGP' or 'the Group') with its Long-Term Issuer Default Rating (IDR) and senior unsecured rating reaffirmed at 'BBB-'. The Outlook on the rating is Stable.

Fitch sees the statement by VGP and Allianz, as issued last Friday, in relation to the postponement of the seed portfolio closing for the Europa joint venture as a market-induced pause, not cessation of JV transfers.

VGP has adequate liquidity to fund 2H22 and FY23 committed capex (much of it pre-let) even if monetisation of assets to JVs are postponed. The pro forma €730 million end-1H22 cash includes the €1 billion of bond proceeds raised in January 2022 (at a blended 2% fixed coupon) and the completed JV closures in 1H22 and July 2022. Additionally, VGP is expected to receive the Munich JV minimum proceeds of €73 million in 2H22 and other sources. This compares to committed capex of around €500 million to be spent and €150 million of debt maturing until end-June 2023.

In its rating affirmation of September 2022, Fitch had calculated that despite an assumed 12% decline in valuations of VGP's development programme assets, when they are transferred to the JVs, the disposal proceeds would adequately cover VGP's build-to-cost capital outlay. Furthermore, those assets are income-producing (around 90% pre-let) which supports values.

Fitch's analytical approach of 'VGP as HoldCo' simulates a scenario of no further transfers to the JVs, effectively leading to VGP funding development and completed assets on its balance sheet. If we assume no further transfers in 2023 and 2024 in Fitch's updated rating case, 'VGP as HoldCo' metrics remain consistent within Fitch's rating sensitivities for upgrade and downgrade. This is because the size of the current land bank is not an onerous capital outlay and, as per company policy, completed assets are substantially income-producing.

For further details please refer to the Fitch corresponding press release on the rating agency website: <https://www.fitchratings.com/research/corporate-finance/vgp-announcement-reflects-property-valuation-uncertainties-03-10-2022> .

### **CONTACT DETAILS FOR INVESTORS AND MEDIA ENQUIRIES**

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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.

## **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 m<sup>2</sup> and the strategic focus is on the development of business parks. Founded in 1998 as a Belgian family-owned real estate developer in the Czech Republic, VGP with a staff of circa 380 FTEs today and operates in 19 European countries directly and through several 50:50 joint ventures. As of June 2022, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 6.53 billion and the company had a Net Asset Value (EPRA NTA) of € 2.34 billion. VGP is listed on Euronext Brussels. (ISIN: BE0003878957).

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