
VGP

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HALF-YEAR FINANCIAL RESULTS PRESS RELEASE

For the period from
1 January 2021 – 30 June 2021

Regulated Information
Monday, 30 August 2021, 06:00 pm CET

VGP'S RESULTS FOR FIRST HALF 2021

30 August 2021, 6:00pm, 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 2021:

- Strong operating performance resulting in a record net profit of € **203.8** million
 - As of 30 June 2021, a total of 1,127,000 m² under construction through 42 projects representing €69.4 million in additional annual rent once fully built and let (81.3% pre-let)
 - 426,000 m² of projects started up in 2H21 and a further 386,000 m² are expected to be started up in the coming months (total construction portfolio incl. to be started up 78% pre-let)
 - 8.56 million m² land bank owned or committed (+11.9% YTD)
 - Total portfolio value increased to €4.48 billion¹ (+16.6% YTD)
 - Our total signed rental income grew with 21.9% over the first 8 months of 2021 to € 225.7 million as of 31 August 2021²
 - Strong delivery pipeline of >550,000m² expected for 2H21³
- Anticipated capex roll-forward is expected to be fully covered by net cash proceeds from joint venture closings
- Advanced discussions with Allianz regarding expansion of partnership through launch of fourth joint venture ongoing; first joint venture has reached investment target
- Strong cash position with €469 million available on balance sheet and gearing ratio at 30.4% as of 30 June 2021 following successful €600 million green bond issue

VGP's Chief Executive Officer, **Jan Van Geet**, said: *"The breadth and depth of client engagement witnessed during the first 8 months of 2021 – stronger than any prior year, buoyed by strong market fundamentals on the foundation of our prime and ready-to-build land bank. This has resulted in several iconic very long-term new lease contracts getting signed. The conversion of land bank into yielding assets for this period alone reflects a portfolio growth of well over €1 billion once completed."*

Jan Van Geet added: *"We are continuing to expand our Corporate and Social Responsibility agenda, making each of our countries, assets and over 300 employees active contributors to our CSR objectives. Whilst our photovoltaic roll-out continues above plan – with 133MWp in solar panel installations underway we will soon produce sufficient solar energy to support 37,000 households. On our brownfield sites in Giessen and Wiesloch, Germany, we are now also planning our first large built-to-suit project earmarked to receive the DGNB KlimaPositiv (CO₂ neutral) certification."*

Jan Van Geet concluded: *"Whilst I am very proud of what has been achieved, at the same time we are looking forward to the ambitious journey that lies ahead. We have several more prestigious projects in our pipeline and we are working hard on potentially starting up new countries both in East and Western Europe. The VGP family keeps growing, aiming to be diverse and inclusive, yet adhering to our core house principles of trying hard to deliver exceptional client service in partnership with local authorities and communities, whilst acting with integrity and responsibility."*

¹ Including of Joint Ventures at 100%

² incl. of Joint Ventures at 100%. As of 30 Jun '21: €22.7 million worth of signed and renewed lease agreements with total annualised rental income of € 205.7 million (+11.1% YTD)

³ Delivered 5 projects with 81,000 m² of lettable area during 1H 2021. Several other projects currently under construction are scheduled for delivery in the coming months

FINANCIAL AND OPERATING HIGHLIGHTS

New leases signed

- As of 30 June 2021, the signed and renewed rental income amounted to € 22.7 million driven by 417,000 m² of new lease agreements signed, corresponding to € 21.4 million of new annualised rental income¹, whilst during same period for a total of 27,000 m² of lease agreements were renewed corresponding to € 1.3 million of annualised rental income which all related to the joint ventures². Terminations represented a total of €0.8 million or 15,000 m², all within the joint ventures' portfolio
- The signed annualised committed leases represent € 205.7 million³ (equivalent to 3.6 million m² of lettable area), a 11.1% increase since December 2020
- Leasing activity has continued strongly into H2 2021 with over € 20 million of additional contracts signed in the first few weeks of the new reporting period bringing total annualised rental income to € 225.7 million (+21.9% YTD) as of 31 August 2021
- Leasing activity year-to-date has been strong across the board with increased demand from a broad range of tenants. From a geographical perspective, Germany contributed circa half of new leases and particular strong activity was noted in Czech Republic, Hungary and Spain

Construction activity

- A total of 42 projects under construction which will create 1,127,000 m² of future lettable area, representing €69.4 million of annualised leases once built and fully let – the portfolio under construction is 81.3% pre-let
- During the first 6 months of 2021 a total of 5 projects were completed delivering 81,000 m² of lettable area, representing €4.2 million of annualised committed leases. Several other projects currently under construction are scheduled for delivery in the coming months resulting in a delivery pipeline of >550,000m² expected for H2 2021
- Another 17 construction projects representing 426,000 m² of gross lettable area have since been started up in 2H 2021 and a further 8 construction projects (representing 386,000 m² of gross lettable area) are expected to be started up in the coming months (total construction portfolio incl. to be started up 78% pre-let)
- Whilst construction costs are trending upwards this has been offset through higher rental prices and lower yields

¹ Of which 367,000 m² (€ 18.1 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%

Land bank has continued to expand

- Acquisition of 0.80 million m² of development land and a further 2.99 million m² committed subject to permits which brings the remaining total owned and committed land bank for development to 8.56 million m², which supports 3.93 million m² of future lettable area
- A further 4.01 million m² of new land plots have been identified and secured which are under due diligence and have a development potential of 1.64 million m² of future lettable area. This brings the land bank of owned, committed and secured to **12.58** million m²

Renewable Energy

- A total solar power generation capacity of 61.8MWp is currently installed or under construction through 52 roof-projects. The total anticipated energy production equates to circa 55,000 MWh. This is being realised through a €31.1 million investment to date
- In addition, the pipeline includes 33 solar power projects identified which equates to an additional power generation capacity of 71 MWp. For these projects we expect the installation works to commence in the coming months

Completion of the 8th closing with the first joint venture and expansion of partnership with Allianz anticipated through launch of fourth joint venture with Allianz Real Estate

- On 16 June 2021 VGP announced the successful eighth closing with its 50:50 joint venture, VGP European Logistics ('First Joint Venture'). The transaction comprised of four logistic buildings, including two buildings in two VGP parks and another two newly completed logistic buildings which were developed in parks previously transferred to the Joint Venture. The transaction value was € 68.2 million¹ and net proceeds from this transaction amounted to circa € 49.6 million. This was the last closing with the First Joint Venture to include new parks as, with this eighth closing, the First Joint Venture has reached its expanded investment target. The First Joint Venture will maintain its existing portfolio with VGP continuing to act as property, facility and asset manager
- Advanced discussion between VGP and Allianz Real Estate with regards to the setup of a new joint venture similar in form to the first two joint ventures and with the identical geographical remit as the First Joint Venture are progressing well and expected to be finalized in the coming period. An initial closing for the seed portfolio is expected to follow shortly thereafter
- The First Joint Venture is expected to upstream a circa €20 million amount in September 2021

Capital and liquidity position

- On 31 March 2021, VGP announced the successful issue of a first benchmark international green bond for an aggregate nominal amount of € 600 million, for coupon of 1.50% p.a. and maturing on 8 April 2029. Demand exceeded 2.7 times the volume of the issue. The proceeds from this issuance

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.

are being used to fund the majority pre-let development pipeline, the build out of renewable energy assets and the design and development of new green logistics and semi-industrial parks

- In addition to the net proceeds from the last joint venture closing we have been able to maintain our financial purchasing power and to be able to finance the investment pipeline and to benefit from additional investment opportunities

Progress towards our Sustainable Development Goals

- In addition to the reported successful roll-out of our renewable energy investments we have made significant progress towards our other Sustainable Development Goals in the first half of 2021. In order to allow transparent reporting on the progress on our ESG initiatives we have, in addition to our annual CDP disclosure and our Corporate Responsibility Reporting in accordance with GRI Standards, we participated in the 2021 GRESB (Global Real Estate Sustainability Benchmark) assessment and initiated a Sustainalytics rating process

Outlook

- It is with confidence that we look at the second half of 2021 and beyond. Following the strong leasing activities as reported over the last few months development activities should continue to operate at elevated levels during the upcoming period. We expect technological changes and e-commerce to continue to be an important driver for demand across our platform. Our existing land bank provides the foundation for growth over the coming years and VGP expects to be able to continue expanding its rental income and property portfolio through the completion and start-up of new building projects in the second half of 2021
- Continued focus on expansion of photovoltaic installations and service offering of VGP Renewable Energy, facilitating our clients in managing their carbon footprint
- Finally, we expect to be able to announce the details of a new joint venture with Allianz Real Estate in the coming period

KEY FINANCIAL METRICS

	H1 2021	H1 2020	Change (%)
Operations and results			
Committed annualised rental income (€mm)	205.7	165.2	27.8%
IFRS Operating profit (€mm)	240.0	217.9	10.1%
IFRS net profit (€mm)	203.8	196.9	3.5%
IFRS earnings per share (€ per share)	9.90	10.19	(2.8)%
Portfolio and balance sheet			
	30 Jun 21	31 Dec 20	Change (%)
Portfolio value, including joint venture at 100% (€mm)	4,480	3,843	16.6%
Portfolio value, including joint venture at share (€mm)	2,966	2,468	20.2%
Occupancy ratio of standing portfolio (%)	99.4	98.5	-
EPRA NTA per share (€ per share)	73.37	65.78	11.5%
IFRS NAV per share (€ per share)	69.69	63.44	9.6%
Net financial debt (€mm)	909.5	560.9	62.1%
Gearing ¹ (%)	30.4	25.2	-

AUDIO WEBCAST FOR INVESTORS AND ANALYSTS

VGP will host an audio webcast at 10:30 (CEST) on 31 August 2021

Webcast link:

- https://event.webcasts.com/starthere.jsp?ei=1490414&tp_key=4b56f881dc
- Click on the link above to attend the presentation from your laptop, tablet or mobile device. Audio will stream through your selected device
- Please join the event audio webcast 5-10 minutes prior to the start time

A presentation will be available on VGP website:

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

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¹ 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 8.56 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 c. 300 employees today owns and operates assets in 11 European countries directly and through several 50:50 joint ventures. As of June 2021, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 4.48 billion and the company had a Net Asset Value (EPRA NTA) of € 1.51 billion. VGP is listed on Euronext Brussels and on the Prague Stock Exchange (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.

BUSINESS REVIEW

During the first half of 2021 the strong market fundamentals of robust demand, disciplined supply, land scarcity and historic low vacancy rates continued. VGP benefited showing solid growth with letting activities continue to perform strongly across regions.

An eighth closing was made with VGP European Logistics ('First Joint Venture') in which the joint venture acquired four logistic buildings, including two buildings in two new VGP parks and another two newly completed logistic buildings which were developed in parks previously transferred to the joint venture. The four buildings are located in Germany (three) and in the Czech Republic (one). The transaction value was € 68 million, which included some future development pipeline. The net proceeds from this transaction amounted to € 49.6 million.

As with this eighth closing the First Joint Venture has reached its expanded investment target, this was the last closing with the First Joint Venture to include new parks. Advanced discussion between VGP and Allianz Real Estate with regards to an expansion of the partnership are progressing well and expected to be finalized in the coming period.

The signed annualised committed leases amount to € 205.7 million¹ at the end of June 2021 and represent a total of 3,618,000 m² of lettable area. Of this total space 1,116,000 m² belong to the own portfolio (809,000 m² as at 31 December 2020) and 2,501,000 m² to the joint ventures (2,407,000 m² at 31 December 2020).

During the first half of 2021 VGP delivered a total of 5 projects representing 81,000 m² of lettable area, with an additional 42 projects under construction representing 1,127,000 m² of future lettable area.

The net valuation of the property portfolio as at 30 June 2021 showed a net valuation gain of € 163.2 million (against a net valuation gain of € 204.6 million per 30 June 2020).

The own investment property portfolio consists of 11 completed buildings representing 232,000 m² of lettable area whereas the joint ventures property portfolio consists of 119 completed buildings representing 2,288,000 m² of lettable area.

Gearing level of the Group as at 30 June 2021 was 30.4%, versus 25.2% as at 31 December 2020, primarily due to investments into new construction works financed through the €600 million bond issue, and dividend payment partially offset by proceeds from the joint venture closing.

¹ Including joint ventures. As at 30 June 2021 the annualised committed leases for the joint ventures stood at € 147.8 million (Dec 2020: € 143.5 million).

OPERATING RESULT

<i>(in thousands of €)</i>	June 2021	June 2020
Revenue¹	18,143	12,382
Gross rental income	7,113	4,650
Property operating expenses	(2,714)	(577)
Net rental income	4,399	4,073
Joint venture management fee income	8,547	6,134
Net valuation gains / (losses) on investment properties	163,247	204,619
Administration expenses	(18,647)	(15,517)
Share of net profits of joint ventures and associates	84,414	18,565
Other expenses	(2,000)	-
Operating profit / (loss)	239,960	217,874
Net financial results	(6,162)	(8,164)
Profit before taxes	233,798	209,710
Taxes	(30,001)	(12,770)
Profit for the period	203,797	196,940

Net rental income

The net rental income increased to € 4.4 million for the first half of 2021 compared to € 4.1 million for the first half of 2020 primarily due to full impact of income generating assets delivered during 2020.

Including VGP's share of the joint ventures on a "look-through" basis net rental income increased by € 5.1 million, or 19% compared to H1 2020 (from € 26.9 million for the period ending 30 June 2020 to € 32.0 million for the period ending 30 June 2021)².

Annualised committed rent income

During the first half of 2021 we saw continued leasing growth as the logistics market across Europe maintained strong momentum.

The demand for lettable area resulted in the signing of new lease contracts during the first half of 2021 of € 22.7 million in total of which € 21.4 million related to new or replacement leases (€ 3.3 million on behalf of the joint ventures) and € 1.3 million (€ 1.3 million on behalf of the joint ventures) were related to renewals of existing lease contracts. The renewals within the joint ventures portfolio includes various prolongations by 1-5 years.

During the period lease contracts for a total amount of € 0.8 million (all related to the joint ventures' portfolio) were terminated.

¹ Revenue is composed of gross rental income, service charge income, property and facility management income and property development income.

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

Net, the annualised committed leases increased to € 205.7 million as at the end of June 2021¹ (compared to € 185.2 million as at 31 December 2020).

Germany, the Czech Republic and Hungary were the main drivers of growth in new or replacement leases with € 4.6 million of new leases signed during the year in Germany (€ 0.6 million on behalf of the joint ventures), € 4.3 million in the Czech Republic (€ 0.6 million on behalf of the joint ventures), Hungary for € 4.0 million (€ 0.5 million on behalf of the joint ventures). Other contributing countries include Slovakia for € 2.1 million (own portfolio), Spain for € 1.8 million (€ 0.8 million on behalf of the joint ventures), Italy € 1.5 million (own portfolio), Portugal for € 1.3 million (own portfolio) and remainder split between Romania, Latvia, the Netherlands and Austria.

As at 30 June 2021, the weighted average term of the combined own and joint venture portfolio stood at 8.2 years² (compared to 8.5 years as at 31 December 2020). The own portfolio stood at 9.6 years³ and the joint venture portfolio stood at 7.6 years⁴.

The Group's completed property portfolio, including the own and joint ventures' property portfolio, reached an occupancy rate of 99.4% at the end of June 2021 compared to 98.5% at the end of December 2020.

The signed annualised committed leases of € 205.7 million represent a total of 3,618,000 m² of lettable area. Of this total space 1,116,000 m² belongs to the own portfolio (809,000 m² as at 31 December 2020) and 2,502,000 m² to the joint ventures (2,407,000 m² at 31 December 2020).

Net valuation gains on the property portfolio

As at 30 June 2021 the net valuation gains on the property portfolio reached € 163.2 million compared to a net valuation gain of € 204.6 million for the period ended 30 June 2020.

The net valuation gain was mainly driven by: (i) € 141.3 million unrealised valuation gain on the own portfolio, (ii) € 10.1 million unrealised gain on assets being developed on behalf of the joint ventures, and (iii) € 11.8 million realised valuation gain on assets transferred as part of the eighth joint venture close.

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 2021 based on a weighted average yield of 5.18% (compared to 5.51% as at 31 December 2020) applied to the contractual rents increased by the estimated rental value on unlet space.

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

¹ Including joint ventures. As at 30 June 2021 the annualised committed leases for the joint ventures stood at € 147.8 million compared to € 143.5 million as at 31 Dec '20

² Weighted average term of the combined committed leases up to the first break stands at 7.7 years at 30 Jun '21

³ Weighted average term of the own portfolio committed leases up to the first break stands at 8.8 years at 30 Jun '21

⁴ Weighted average term of the JVs portfolio committed leases up to the first break stands at 7.2 years at 30 Jun '21

Income from joint ventures

The joint venture management fee income increased by € 2.4 million to € 8.5 million. The increase was mainly due to the growth of the joint ventures' portfolio.

Property and facility management fee income increased from € 4.7 million for the period ending 30 June 2020 to € 6.4 million for the period ending 30 June 2021. The development management fee income generated during the period was € 2.1 million compared to € 1.4 million for the period ending 30 June 2020.

Share in net profit of the joint ventures

VGP's share of the joint ventures' profit for the period increased by € 65.8 million from € 18.6 million for the period ending 30 June 2020 to € 84.4 million for the period ending 30 June 2021, mainly reflecting the increased net valuation gain contribution of the joint ventures' portfolio due to the effect of the compression of the market yields on the investment properties.

Net rental income at share increased to € 27.6 million for the period ending 30 June 2021 compared to € 22.8 million for the period ended 30 June 2020. 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.

At the end of June 2021, the joint ventures (100% share) had € 147.8 million of annualised committed leases representing 2,502,000 m² of lettable area compared to € 143.5 million of annualised committed leases representing 2,407,000 m² at the end of December 2020.

The net valuation gains on investment properties at share increased from € 7.1 million for the period ending 30 June 2020 to € 84.2 million for the period ending 30 June 2021. 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 4.53% as at 30 June 2021 (compared to 4.76% as at 31 December 2020). The (re)valuation of the First and Second Joint Ventures' portfolios was based on the appraisal report of the property expert Jones Lang LaSalle. The VGP Park München joint venture continued to be measured at its proportional agreed purchase price with Allianz Real Estate, as this is considered to be the best reflection of its fair value. Following the completion of the majority of the buildings such buildings will be carried at fair value and revalued by an external independent valuation expert at least annually in accordance with the Group's valuation rules. (This is consistent with *note 3.2 - Critical judgements in applying accounting policies* -of the Annual Report 2020).

The net financial expenses of the joint ventures at share for the period ending 30 June 2021 were stable at € 8.1 million. For the period ending 30 June 2021, the financial income at share increased from € 0.1 million for the period ending 30 June 2020 to € 0.5 million 2021 mainly driven by € 462k unrealised gains on interest rate derivatives (€ 0.8 million loss as at 30 June 2020). The financial expenses at share increased from € 8.2 million for the period ending 30 June 2020 to € 8.6 million for the period ending 30 June 2021 and included € 7.1 million interest on financial debt (€ 6.2 million as at 30 June 2020) and € 1.4 million other financial expenses (€ 1.1 million as at 30 June 2020) mainly relating to the amortisation of capitalised finance costs.

Administrative costs

The administrative costs for the period were € 18.6 million compared to € 15.5 million for the period ended 30 June 2020, reflecting the continued growth of the organization in order to support the growth of the development activities. As at 30 June 2021, the group had a headcount of over 300 people in 13 different countries (compared to over 230 people as of 30 June 2020).

Net financial costs

For the period ending 30 June 2021, the financial income was € 5.6 million (€ 3.9 million for the period ending 30 June 2020) driven by € 5.6 million interest income on loans granted to the joint ventures (€ 3.8 million for the period ending 30 June 2020).

The reported financial expenses as at 30 June 2021 of € 11.8 million (€ 12.0 million as at 30 June 2020) are mainly made up of € 15.7 million expenses related to financial debt (€ 13.2 million as at 30 June 2020) and other financial expenses of € 1.4 million (compared to € 1.7 million as at 30 June 2020), partially offset by € 5.6 million of capitalised interests (€ 3.0 million as at 30 June 2020).

As a result, the net financial costs reached € 6.2 million for the period ending 30 June 2021 compared to € 8.2 million at the end of June 2020.

Shareholder loans to the joint ventures amounted to € 329.1 million as at 30 June 2021 (compared to € 292.6 million as at 30 June 2020) of which € 83.2 million (€ 149.8 million as at 30 June 2020) was related to financing of the buildings under construction and development land held by the joint ventures. Other non-current receivable amounted to €68.1 million mainly relating to the remaining balance due by Allianz Real Estate in respect of their acquisition last year of VGP Park München and which shall become payable by Allianz Real Estate in different instalments based on the completion dates of the respective buildings.

EVOLUTION OF THE DEVELOPMENT ACTIVITIES

The development activities in the first half of 2021 can be summarised as follows:

Completed projects

During the first half of the year 5 projects were completed totalling 81,000 m² of lettable area and representing €4.2 million of annualised committed leases (€2.9 million for VGP's own account and €1.3 million for the joint ventures).

For its own account VGP delivered 3 buildings totalling 59,000 m² of lettable area:

- Germany: 1 building in VGP Park Halle of 27,000 m² and 1 building in VGP Park Laatzen of 8,000 m², and
- Italy: 1 building in VGP Park Calcio of 24,000 m².

For the joint ventures 2 buildings were delivered totalling 22,000m² of lettable area:

- Germany: 1 building in VGP Park Wustermark of 11,000 m², and
- Spain: 1 building in VGP Park San Fernando de Henares of 11,000 m².

Projects under construction

At the end of June 2021, VGP had 42 buildings under construction for a total future lettable area of 1,127,000 m². The new buildings under construction, which are pre-let for 81.3%¹, represent €69.4 million of annualised leases when fully built and let.

For its own account VGP had 32 buildings under construction totalling 869,000 m² of lettable area representing €45.2 million of annualised leases:

- Germany: 10 buildings for 342,000m² (4 buildings in VGP Park Laatzen, 2 buildings in VGP Park Oberkramer and 1 building in each VGP Park Göttingen, VGP Park Halle, VGP Park Magdeburg and VGP Park Erfurt);
- Czech Republic: 3 building for 68,000 m² (2 buildings in VGP Park Prostejov and 1 building in VGP Park Vyskov);
- Romania: 3 buildings for 57,000 m² (1 building in each VGP Park Timisoara, VGP Park Sibiu and VGP Park Brasov);
- Hungary: 2 buildings for 36,000 m² (1 building in each VGP Park Kecskemet and VGP Park Gyor Beta);
- Slovakia: 2 buildings for 76,000 m² (both in VGP Park Bratislava);
- Spain: 5 buildings for 141,000 m² (2 buildings in VGP Park Valencia Cheste, 1 building in VGP Park Fuenlabrada, 1 building in VGP Park Zaragoza and 1 building in VGP Park Dos Hermanas);
- Italy: 3 buildings for 34,000 m² (2 buildings in VGP Park Padova and 1 building in VGP Park Sordio);
- Netherlands: 2 buildings for 77,000 m² (both in VGP Park Nijmegen);
- Austria: 1 building for 8,000 m² in (VGP Park Graz 2), and
- Portugal: 1 building for 30,000 m² (in VGP Park Santa Maria da Feira).

On behalf of the joint ventures, VGP is constructing 10 new buildings totalling 258,000 m² of lettable area representing €24.2 million of annualised leases:

- Czech Republic: 3 buildings for 34,000 m² (1 building in each VGP Park Olomouc 3, VGP Park Chomutov and VGP Park Plzen);
- Germany: 6 buildings for 215,000 m² (all in VGP Park Munich);
- Spain: 1 building for 8,000 m² (in VGP Park San Fernando de Henares).

Land bank

During the first half of the year, VGP continued to acquire new land plots to support the future development pipeline. During this period, VGP acquired 800,000 m² of land with a future development potential of 382,000 m².

Of these land plots, 250,000 m² (31%) is in Romania, 206,000 m² (26%) is in Germany, 119,000 m² (15%) is in Latvia, 87,000 m² (11%) is in Hungary, 63,000 m² (8%) in Spain, 27,000 m² (3%) in Portugal, 27,000 m² (3%) in Czech Republic and 17,000 m² (2%) in The Netherlands.

¹ Calculated based on the contracted rent and estimated market rent for the vacant space.

As at 30 June 2021, VGP had another 2.99 million m² of secured land plots which are expected to be purchased during the next 6-18 months, subject to obtaining the necessary permits. This brings the remaining total owned and committed land bank for development to 8.56 million m² which represents a remaining development potential of 3.93 million m² of which 827,000 m² in Germany, 591,000 m² in The Netherlands, 555,000 m² in Romania, 516,000 m² in Czech Republic, 314,000 m² in Slovakia, 300,000 m² in Spain, 282,000 m² in Hungary, 258,000 m² in Italy, 121,000 m² in Portugal, 84,000 m² in Latvia and 82,000 m² in Austria. Included in the above is the remaining 1,068,000 m² development land bank held by the Joint Ventures with a development potential of circa 631,000 m² of new lettable area.

Besides the owned and committed land bank, VGP has signed non-binding agreements and is currently performing due diligence investigations, on an exclusive basis, on the potential acquisitions of in total circa 4.01 million m² of new land plots located in Hungary, Italy, Slovakia, Romania, Spain, Austria, Netherlands, Germany and Czech Republic. This land represents a development potential of circa 1.6 million m² and it is expected that a significant number of these land plots will be contractually locked in during the next 12 months.

DISPOSAL GROUP HELD FOR SALE

The balance of the Disposal group held for sale increased from € 102.3 million as at 31 December 2020 to € 109.0 million as at 30 June 2021 and is composed of assets under construction and development land (at fair value) which are being / will be developed by VGP on behalf of VGP European Logistics and VGP European Logistics 2 joint ventures.

Under the respective joint venture agreements, VGP European Logistics has an exclusive right of first refusal in relation to acquiring the income generating assets developed by VGP that are in Germany, the Czech Republic, Slovakia and Hungary and VGP European Logistics 2 has a similar right for Austria, Italy, the Netherlands, Portugal, Romania and Spain. The development pipeline which is transferred to either of the two joint ventures as part of the different closings between the joint ventures and VGP is being developed at VGP's own risk and subsequently acquired and paid for by the respective joint venture subject to pre-agreed completion and lease parameters.

CAPITAL MANAGEMENT

On 31 March 2021, VGP announced the successful issue of its first public benchmark green bond for an aggregate nominal amount of € 600 million, paying a coupon of 1.50 per cent. p.a. and maturing on 8 April 2029. The market received VGP's issuance well as the demand exceeded 2.7 times the volume of the issue. The proceeds are being used to finance and /or refinance a portfolio of eligible assets in accordance with the VGP Green Finance Framework dated March 2021. The bond has been listed on the Luxembourg Stock Exchange (EuroMTF).

Primarily due to this bond issue the total financial debt increased from € 783.3 million as at 31 December 2020 to € 1,378.7 million as at 30 June 2021 of which € 19.7 million bank debt (2020: € 20.3 million), € 33.3 million schuldschein loans (2020: € 33.3 million), €1,310.6 million of issued bonds (2020: € 715.5 million) and € 15.1 million accrued interest on bonds (2020: € 14.2 million).

The group has access to €150 million revolving credit facilities which as of 30 June 2021 remain entirely undrawn.

The gearing ratio¹ of the Group increased from 25.2% at 31 December 2020 to 30.4% as at 30 June 2021.

DIVIDEND

At the Annual General Meeting held on 14 May 2021 a distribution of a gross dividend of € 75.13 million equal to €3.65 per share for year 2020 was approved and this has since been distributed to shareholders on 27 May 2021.

DELISTING FROM PRAGUE STOCK EXCHANGE

On 27 August 2021, the board of directors of VGP has taken the decision to seek a delisting of the VGP shares on the prime market of the Prague stock exchange (PSE - Burza cenných papírů Praha, a.s., Reuters Ticker: VGP1.PR). In addition to the primary listing on Euronext Brussels, VGP shares were listed on PSE in 2007 at the moment of the initial public offering. Taking into account the fact that neither during the initial listing on the PSE nor after it, no placement of VGP shares was made to local investors, a key prerequisite for liquidity was absent. As a result, the listing on PSE has become more technical in nature. The board of directors is therefore of the opinion that taking into account that all trading of VGP shares takes place on Euronext Brussels and looking at the continued geographical expansion of the Group, maintaining the secondary listing on the Prague stock exchange is no longer justified. The delisting of the Prague stock exchange will not affect in any way the listing on Euronext Brussels and will thus not have an adverse effect on trading volumes and liquidity for its shareholders. Based on the respective decision of the board of directors of VGP, the application for delisting will be submitted to the Prague Stock Exchange and trading of the VGP shares on PSE will be terminated in accordance with its exchange rules.

¹ Calculated as Net debt / Total equity and liabilities

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS¹

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June

INCOME STATEMENT <i>(in thousands of €)</i>	NOTE	30.06.2021	30.06.2020
Revenue ²	5	18,143	12,382
Gross rental income	5	7,113	4,650
Property operating expenses		(2,714)	(577)
Net rental income		4,399	4,073
Joint ventures' management fee income	5	8,547	6,134
Net valuation gains / (losses) on investment properties	6	163,247	204,619
Administration expenses		(18,647)	(15,517)
Share in result of joint ventures and associates	7	84,414	18,565
Other expenses		(2,000)	-
Operating profit		239,960	217,874
Finance income	8	5,623	3,856
Finance costs	8	(11,785)	(12,020)
Finance costs - net		(6,162)	(8,164)
Profit before taxes		233,798	209,710
Taxes		(30,001)	(12,770)
Profit for the period		203,797	196,940
Attributable to:			
Shareholders of VGP NV		203,797	196,940
Non-controlling interests			
RESULT PER SHARE		30.06.2021	30.06.2020
Basic earnings per share (in €)	9	9.90	10.19
Diluted earnings per share (in €)	9	9.90	10.19

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 income, service charge income and joint venture management fee income.

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

STATEMENT OF COMPREHENSIVE INCOME (in thousands of €)	30.06.2021	30.06.2020
Profit for the period	203,797	196,940
<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	203,797	196,940
Attributable to:		
Shareholders of VGP NV	203,797	196,940
Non-controlling interest	-	-

CONDENSED CONSOLIDATED BALANCE SHEET
For the period ended

ASSETS (in thousands of €)	NOTE	30.06.2021	31.12.2020
Intangible assets		661	557
Investment properties	10	1,263,755	920,151
Property, plant and equipment		22,877	16,944
Investments in joint ventures and associates	7	752,253	654,773
Other non-current receivables	7	314,065	264,038
Deferred tax assets		3,051	1,786
Total non-current assets		2,356,662	1,858,249
Trade and other receivables	11	52,278	44,828
Cash and cash equivalents		469,195	222,356
Disposal group held for sale	14	109,003	102,309
Total current assets		630,476	369,493
TOTAL ASSETS		2,987,138	2,227,742

SHAREHOLDERS' EQUITY AND LIABILITIES <i>(in thousands of €)</i>	NOTE	30.06.2021	31.12.2020
Share capital		72,225	72,225
Other reserves		285,420	285,420
Retained earnings		1,076,761	948,092
Shareholders' equity	12	1,434,406	1,305,737
Non-current financial debt	13	1,343,876	748,796
Other non-current liabilities		9,298	10,461
Deferred tax liabilities		71,316	43,813
Total non-current liabilities		1,424,490	803,070
Current financial debt	13	34,791	34,468
Trade debts and other current liabilities		85,264	77,725
Liabilities related to disposal group held for sale	14	8,187	6,742
Total current liabilities		128,242	118,935
Total liabilities		1,552,732	922,005
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,987,138	2,227,742

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

STATEMENT OF CHANGES IN EQUITY (in thousands of €)	Statutory share capital	Capital reserve (see note 12)	IFRS share capital	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2020	92,667	(30,416)	62,251	69	637,461	699,781
Other comprehensive income / (loss)	-	-	-	-	-	-
Result of the period	-	-	-	-	196,940	196,940
Total comprehensive income / (loss)	-	-	-	-	196,940	196,940
Capital and share premium increase net of transaction costs	9,974	-	9,974	188,429	-	198,403
Dividends	-	-	-	-	(60,308)	(60,308)
Balance as at 30 June 2020	102,641	(30,416)	72,225	188,498	774,092	1,034,815
Balance as at 1 January 2021	102,641	(30,416)	72,225	285,420	948,092	1,305,737
Other comprehensive income / (loss)	-	-	-	-	-	-
Result of the period	-	-	-	-	203,797	203,797
Total comprehensive income / (loss)	-	-	-	-	203,797	203,797
Capital and share premium increase net of transaction costs	-	-	-	-	-	-
Dividends	-	-	-	-	(75,128)	(75,128)
Balance as at 30 June 2021	102,641	(30,416)	72,225	285,420	1,076,761	1,434,406

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June

CASH FLOW STATEMENT (in thousands of €)	30.06.2021	30.06.2020
<i>Cash flows from operating activities</i>		
Profit before taxes	233,798	209,710
<i>Adjustments for:</i>		
Depreciation	1,375	751
Unrealised (gains) / losses on investment properties	6 (151,429)	(64,026)
Realised (gains) / losses on disposal of subsidiaries and investment properties	6 (11,818)	(140,593)
Unrealised (gains) / losses on financial instruments and foreign exchange	200	202
Interest (income)	(5,623)	(3,857)
Interest expense	11,585	11,819
Share in (profit)/loss of joint ventures and associates	7 (84,414)	(18,565)
Operating profit before changes in working capital and provisions	(6,326)	(4,559)
Decrease/(Increase) in trade and other receivables	(4,417)	(12,620)
(Decrease)/Increase in trade and other payables	(857)	767
Cash generated from the operations	(11,601)	(16,413)
Interest income	1	26
Interest paid	(15,236)	(12,457)
Income taxes paid	(125)	(541)
Net cash from operating activities	(26,961)	(29,385)
<i>Cash flows from investing activities</i>		
Proceeds from disposal of tangible assets and other	-	-
Proceeds from disposal of subsidiaries and investment properties	15 49,647	83,282
Investment property and investment property under construction	(231,242)	(207,784)
Distribution by / (investment in) joint ventures and associates	(500)	-
Loans provided to joint ventures and associates	(61,717)	(63,017)
Loans repaid by joint ventures and associates	-	-
Net cash used in investing activities	(243,812)	(187,519)
<i>Cash flows from financing activities</i>		
Dividends paid	(75,128)	(60,309)
Net Proceeds capital and share premium increase	-	198,403
Proceeds from loans	594,149	-
Loan repayments	(667)	(667)
Net cash used in financing activities	518,354	137,427
Net increase / (decrease) in cash and cash equivalents	247,581	(79,477)
Cash and cash equivalents at the beginning of the period	222,356	176,148
Effect of exchange rate fluctuations	(742)	(406)
Reclassification to (-) / from held for sale	-	(3,724)
Cash and cash equivalents at the end of the period	469,195	92,541

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 27 August 2021 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 2020 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 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *Interest Rate Benchmark Reform – Phase 2*
- Amendment to IFRS 16 *Leases: COVID-19-Related Rent Concessions beyond 30 June 2021* (applicable for annual periods beginning on or after 1 April 2021 but not yet endorsed in the EU)

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 2021:

- Amendments to IAS 16 *Property, Plant and Equipment: Proceeds before Intended Use* (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract* (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendments to IFRS 3 *Business Combinations: Reference to the Conceptual Framework* (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- *Annual Improvements to IFRS Standards 2018–2020* (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- IFRS 17 *Insurance Contracts* (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IFRS 4 *Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9* (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current* (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2: *Disclosure of Accounting Policies* (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates* (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

- Amendments to IAS 12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023, 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 2020 (*See Annual Report 2020 – 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 periods ended 30 June 2020 and 2021 and year ended 31 December 2020.

In June 2020, the Group entered into a new 50:50 joint venture with Allianz Real Estate -VGP Park München-(the Third Joint Venture) for an initial term of 10 years. Contrary to the two existing joint ventures with Allianz Real Estate which concentrate on the acquisition of income-generating assets developed by VGP, this Third Joint Venture will initially be focused on the development of VGP Park München.

In November 2020, the Group entered into a new 50:50 joint venture with Roozen Landgoederen Beheer (LPM Joint Venture) for an indefinite period. The 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 i.e. VGP Park Moerdijk and the other 50% directly for account of the Port Authority Moerdijk.

Consequently, as from 2020 onwards the business lines have been amended to take the new Third and LPM Joint Venture into consideration.

Investment business

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. 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.

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 VGP European Logistics and VGP European Logistics 2 joint venture perimeter i.e. Latvia 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, 90% of total property operating expenses are allocated to the property development business, as are administration expenses after rental business and property management expenses.

Property and asset management

Property and asset management revenue includes asset management, property management and facility management income. Associated operating, administration and other expenses include directly allocated expenses from the respective asset management, property management and facility management service companies. The administrative expenses of the Czech and German property management companies have been allocated on a 50:50 basis between the rental business and the property and asset management business.

Breakdown summary of the business lines

<i>In thousands of €</i>	30.06.2021	30.06.2020
Investment EBITDA	33,369	25,272
Property development EBITDA	145,891	194,287
Property management and asset management EBITDA	5,009	2,891
Total operating EBITDA	184,269	222,450

<i>In thousands of €</i>	For the year ended 30 June 2021			
	Investment	Development	Property and asset management	Total
Gross rental income	7,113	-	-	7,113
Property operating expenses	(271)	(2,443)	-	(2,714)
Net rental income	6,842	(2,443)	-	4,399
Joint ventures' management fee income	-	-	8,547	8,547
Net valuation gains / (losses) on investment properties destined to the joint ventures	-	161,569	-	161,569
Administration expenses	(500)	(13,234)	(3,538)	(17,272)
Share of joint ventures adjusted operating profit after tax ¹	27,027	-	-	27,027
Operating EBITDA	33,369	145,892	5,009	184,270
Other expenses	-	-	-	(2,000)
Depreciation and amortisation	(5)	(1,335)	(38)	(1,378)
Earnings before interest and tax	33,364	144,557	4,971	180,892
Net finance costs - Own				(6,162)
Net finance costs - joint ventures and associates				(8,551)
Profit before tax				166,179
Current income taxes - Own				(125)
Current income taxes - joint ventures and associates				(1,085)
Recurrent net income				164,969
Net valuation gains / (losses) on investment properties - other countries ²				1,678
Net valuation gains / (losses) on investment properties - joint ventures and associates				84,151
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				462
Deferred taxes -Own				(29,876)
Deferred taxes -joint ventures and associates				(17,587)
Reported profit for the period				203,797

¹ The adjustments to the share of profit from the joint ventures (at share) are composed of € 84.2 million of net valuation gains on investment properties, € 0.5 million of net fair value gain on interest rate derivatives and € 17.6 million of deferred taxes in respect of these adjustments.

² Relates to developments in countries outside of the joint ventures' perimeter i.e. all countries except for Latvia.

<i>In thousands of €</i>	For the year ended 30 June 2020			
	Investment	Development	Property and asset management	Total
Gross rental income	4,650			4,650
Property operating expenses	(58)	(519)	-	(577)
Net rental income	4,592	(519)	-	4,073
Joint ventures' management fee income			6,134	6,134
Net valuation gains / (losses) on investment properties destined to the joint ventures	-	204,648	-	204,648
Administration expenses	(1,681)	(9,842)	(3,243)	(14,766)
Share of joint ventures adjusted operating profit after tax ¹	22,361	-	-	22,361
Operating EBITDA	25,272	194,287	2,891	222,450
Other expenses				-
Depreciation and amortisation	-	(710)	(41)	(751)
Earnings before interest and tax	25,272	193,577	2,850	221,699
Net finance costs - Own				(8,165)
Net finance costs - joint ventures and associates	-	-	-	(7,287)
Profit before tax				206,247
Current income taxes - Own				(541)
Current income taxes - joint ventures and associates				(823)
Recurrent net income				204,883
Net valuation gains / (losses) on investment properties - other countries ²				(29)
Net valuation gains / (losses) on investment properties - joint ventures and associates				7,079
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				(783)
Deferred taxes -Own				(12,229)
Deferred taxes -joint ventures and associates				(1,982)
Reported profit for the period				196,940

¹ The adjustments to the share of profit from the joint ventures (at share) are composed of € 7.1 million of net valuation gains on investment properties, € 0.1 million of net fair value loss on interest rate derivatives and € 2.0 million of deferred taxes in respect of these adjustments.

² Relates to developments in countries outside of the joint ventures' perimeter i.e. all countries except for Latvia.

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 2021							
<i>In thousands of €</i>	Gross rental income ¹	Net rental income ¹	Share of joint venture's operating EBITDA	Operating EBITDA (Incl, JV at share)	Investment properties Own	Investment properties JV at share	Capital expenditure ²
Western Europe							
Germany	20,399	16,260	14,994	60,513	614,553	1,048,616	118,201
Spain	2,712	1,624	1,789	27,289	212,681	80,578	43,895
Austria	301	190	257	3,287	19,610	13,235	3,166
Netherlands	1,520	1,509	1,184	23,816	95,116	110,965	11,020
Italy	608	123	296	5,632	39,703	12,890	1,712
Portugal	-	(112)	-	6,765	16,663	-	4,204
	25,539	19,594	18,520	127,302	998,326	1,266,284	182,199
Central and Eastern Europe							
Czech Republic	6,334	5,811	5,791	28,485	121,530	227,138	13,658
Slovakia	997	595	909	15,250	77,023	34,951	15,733
Hungary	1,872	1,658	1,002	12,503	53,921	30,811	7,804
Romania	1,370	766	1,154	1,440	72,678	34,050	18,217
	10,572	8,830	8,856	57,678	325,152	326,950	55,412
Baltics							
Latvia	1,535	1,494	-	1,400	49,280	-	7,276
Other ³	-	2,054	(349)	(2,110)	-	-	-
Total	37,646	31,972	27,027	184,270	1,372,758	1,593,234	244,888

¹ Includes joint venture 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 € 231.8 million and amounts to € 13.1 million on development properties of the Joint Venture.

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

30 June 2020							
<i>In thousands of €</i>	Gross rental income ¹	Net rental income ¹	Share of joint venture's operating EBITDA	Operating EBITDA (Incl. JV at share)	Investment properties Own	Investment properties JV at share	Capital expenditure ²
Western Europe							
Germany	15,742	14,000	13,004	192,708	402,291	763,205	131,395
Spain	1,937	988	919	(2,544)	170,331	32,657	22,716
Austria	301	237	245	8	12,300	12,545	67
Netherlands	552	48	-	19,263	153,002	-	17,051
Italy	421	492	-	(518)	37,864	-	7,047
Portugal	-	(42)	-	(285)	3,993	-	642
	18,953	15,722	14,167	208,632	779,781	808,407	178,919
Central and Eastern Europe							
Czech Republic	5,855	5,172	5,360	12,144	95,052	196,009	27,837
Slovakia	933	703	826	(244)	49,163	24,209	7,104
Hungary	1,078	964	1,002	1,844	31,619	28,513	6,313
Romania	1,308	799	1,148	1,167	49,228	27,093	8,883
	9,173	7,637	8,336	14,911	225,062	275,823	50,138
Baltics							
Latvia	1,430	1,356	-	1,304	39,071	-	176
Other ³	-	2,170	(140)	(2,392)	-	-	-
Total	29,555	26,885	22,363	222,455	1,043,914	1,084,230	229,233

¹ Includes joint venture 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 € 216.9 million and amounts to € 12.3 million on development properties of the Joint Venture.

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

5 Revenue

<i>In thousands of €</i>	30.06.2021	30.06.2020
Rental income from investment properties	5,907	3,788
Rent incentives	1,206	862
Total gross rental income	7,113	4,650
Property and facility management income	6,416	4,727
Development management income	2,131	1,406
Joint venture management fee income	8,547	6,133
Service charge income	2,483	1,599
Total revenue	18,143	12,382

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 2021. During the first half of 2021 rental income included € 0.4 million of rent for the period 1 January 2021 to 15 June 2021 related to the property portfolio sold during the eighth closing with VGP European Logistics joint venture on 15 June 2021. During the first half of 2020 there were no closings with the joint ventures.

At the end of June 2021, the Group (including the joint ventures) had annualised committed leases of € 205.7 million¹ compared to € 185.2 million² as at 31 December 2020,

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

<i>In thousands of €</i>	30.06.2021	31.12.2020
Less than one year	57,910	41,713
Between one and five years	216,434	155,977
More than five years	280,581	215,843
Total	554,925	413,533

6 Net valuation gains / (losses) on investment properties

<i>In thousands of €</i>	30.06.2021	30.06.2020
Unrealised valuation gains / (losses) on investment properties	141,309	41,085
Unrealised valuation gains / (losses) on disposal group held for sale	10,120	22,941
Realised valuation gains / (losses) on disposal of subsidiaries and investment properties	11,818	140,593
Total	163,247	204,619

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 2021 based on a weighted average yield of 5.18% (compared to 5.51% as at 31 December 2020) 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 the total portfolio value of € 23.0 million.

¹ € 147.8 million related to the joint ventures' property portfolio and € 57.9 million related to the own property portfolio.

² € 143.5 million related to the joint ventures' property portfolio and € 41.7 million related to the own property portfolio.

7 Investments in Joint Ventures

7.1 Share of net profits of 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; and (ii) the joint venture with Roozen Landgoederen Beheer (LPM), 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.

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.

<i>In thousands of €</i>	VGP European Logistics (excl. minorities) at 100%	VGP European Logistics 2 at 100%	VGP Park München at 100%	LPM at 100 %	Joint Ventures at 50%	VGP European Logistics German Asset Companies at 5.1%	30.06.2021
Gross rental income	45,094	11,332	1,578	-	29,002	1,531	30,533
Property Operating expenses							
- underlying property operating expenses	(10)	(536)	(43)	277	(156)	14	(142)
- property management fees	(3,657)	(1,400)	(313)	-	(2,685)	(133)	(2,818)
Net rental income	41,426	9,396	1,222	277	26,161	1,413	27,573
Net valuation gains / (losses) on investment properties	138,733	19,555	-	-	79,144	5,007	84,151
Administration expenses	(611)	(106)	(60)	(293)	(535)	(14)	(549)
Operating profit	179,548	28,845	1,162	(16)	104,770	6,406	111,175
Net financial result	(10,668)	(3,681)	(927)	(110)	(7,693)	(396)	(8,089)
Taxes	(29,133)	(5,815)	(543)	-	(17,746)	(927)	(18,672)
Profit for the period	139,747	19,349	(308)	(126)	79,331	5,083	84,414

<i>In thousands of €</i>	VGP European Logistics (excl. minorities) at 100%	VGP European Logistics 2 at 100%	VGP Park München at 100%	LPM at 100 %	Joint Ventures at 50%	VGP European Logistics German Asset Companies at 5.1%	30.06.2020
Gross rental income	41,602	5,427	-	-	23,515	1,391	24,905
Property Operating expenses				-			
- underlying property operating expenses	59	(147)	21	-	(33)	5	(28)
- property management fees	(3,335)	(561)	-	-	(1,948)	(119)	(2,067)
Net rental income	38,327	4,720	21	-	21,534	1,277	22,811
Net valuation gains / (losses) on investment properties	11,829	914	-	-	6,371	707	7,079
Administration expenses	(737)	(129)	(1)	-	(433)	(16)	(450)
Operating profit	49,419	5,505	20	-	27,472	1,968	29,440
Net financial result	(12,446)	(2,715)	(135)	-	(7,648)	(421)	(8,069)
Taxes	(4,239)	(910)	-	-	(2,574)	(231)	(2,806)
Profit for the period	32,734	1,880	(115)	-	17,249	1,316	18,565

7.2 Summarised balance sheet information in respect of Joint Ventures

<i>In thousands of €</i>	VGP European Logistics (excl. minorities) at 100%	VGP European Logistics 2 at 100%	VGP Park München at 100%	LPM at 100 %	Joint Ventures at 50%	VGP European Logistics German Asset Companies at 5.1%	30.06.2021
Investment properties	2,047,648	422,915	478,262	80,521	1,514,673	78,561	1,593,234
Other assets	187	83	-s	75	172	9	182
Total non-current assets	2,047,835	422,998	478,262	80,596	1,514,845	78,570	1,593,416
Trade and other receivables	9,792	7,547	10,026	1,319	14,342	391	14,733
Cash and cash equivalents	79,893	18,853	12,115	352	55,607	2,861	58,467
Total current assets	89,685	26,400	22,141	1,671	69,949	3,252	73,200
Total assets	2,137,520	449,398	500,403	82,267	1,584,794	81,822	1,666,616
Non-current financial debt	927,854	240,987	214,090	51,344	717,137	36,883	754,021
Other non-current financial liabilities	650	78	-	-	364	-	364
Other non-current liabilities	6,372	2,728	-	950	5,025	144	5,169
Deferred tax liabilities	175,953	33,290	2,364	-	105,804	6,300	112,103
Total non-current liabilities	1,110,828	277,083	216,454	52,294	828,330	43,328	871,657
Current financial debt	23,422	5,805	-	-	14,613	744	15,358
Trade debts and other current liabilities	14,656	6,692	28,544	4,092	26,992	356	27,348
Total current liabilities	38,078	12,497	28,544	4,092	41,606	1,100	42,705
Total liabilities	1,148,907	289,580	244,998	56,386	869,935	44,427	914,363
Net assets	988,613	159,818	255,405	25,881	714,859	37,395	752,253

<i>In thousands of €</i>	VGP European Logistics (excl. minorities) at 100%	VGP European Logistics 2 at 100%	VGP Park München at 100%	LPM at 100 %	Joint Ventures at 50%	VGP European Logistics German Asset Companies at 5.1%	31.12.2020
Investment properties	1,847,545	403,423	418,918	80,496	1,375,191	69,871	1,445,062
Other assets	353	113	-	-	233	19	252
Total non-current assets	1,847,898	403,536	418,918	80,496	1,375,424	69,890	1,445,314
Trade and other receivables	11,372	8,157	8,451	24	14,002	449	14,451
Cash and cash equivalents	56,724	17,284	14,368	15	44,196	1,945	46,140
Total current assets	68,096	25,441	22,819	39	58,198	2,394	60,591
Total assets	1,915,995	428,977	441,737	80,535	1,433,622	72,283	1,505,905
Non-current financial debt	898,911	245,188	165,528	49,779	679,703	34,574	714,277
Other non-current financial liabilities	1,537	108	-	-	823	-	823
Other non-current liabilities	6,819	2,561	1,727	-	5,553	164	5,718
Deferred tax liabilities	143,377	27,749	1,821	-	86,474	5,165	91,638
Total non-current liabilities	1,050,644	275,606	169,076	49,779	772,552	39,903	812,456
Current financial debt	22,509	3,532	-	-	13,020	707	13,728
Trade debts and other current liabilities	17,888	9,370	16,947	4,750	24,477	471	24,949
Total current liabilities	40,396	12,902	16,947	4,750	37,498	1,179	38,676
Total liabilities	1,091,040	288,508	186,023	54,529	810,050	41,082	851,132
Net assets	824,955	140,469	255,714	26,006	623,572	31,201	654,773

The First Joint Venture (VGP European Logistics) recorded one closing during the year. On 15 June 2021, VGP completed an eighth and currently last closing, whereby the First Joint Venture ("VGP European Logistics S.à r.l.") acquired 4 logistic buildings, including 2 buildings in 2 new VGP parks and another 2 newly completed buildings (in parks which were previously transferred to the First Joint Venture).

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 2021 based on a weighted average yield of 4.53%¹ (compared to 4.76% as at 31 December 2020). A 0.10% variation of this market rate would give rise to a variation of the Joint Venture portfolio value (at 100%) of € 70.5 million.

¹ The First and Second Joint Venture have been valued by an independent valuation expert. The valuation of the Third Joint Venture is based on the agreed proportional purchase price with Allianz Real Estate. The LPM Joint Venture only holds development land and hence has been excluded from the weighted average yield calculation.

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>	30.6.2021	31.12.2020
Shareholder loans to VGP European Logistics S.à.r.l.	53,963	51,672
Shareholder loans to VGP European Logistics 2 S.à.r.l.	15,652	15,351
Shareholder loans to VGP Park München GmbH	107,192	82,911
Shareholder loans to LPM Holding BV	50,995	29,030
Shareholder loans to associates (subsidiaries of VGP European Logistics S.à.r.l.)	18,160	17,871
Construction and development loans to subsidiaries of VGP European Logistics S.à.r.l.	38,892	32,507
Construction and development loans to subsidiaries of VGP European Logistics 2 S.à.r.l.	44,277	37,226
Construction and development loans reclassified as assets held for sale	(83,169)	(69,733)
Other non-current receivables	68,103	67,203
Total	314,065	264,038

Other non-current receivables mainly relate to the remaining non-current balance due by Allianz Real Estate in respect of the acquisition of VGP Park München (€ 67.2 million) and which shall become payable by Allianz Real Estate in different instalments based on the completion dates of the respective buildings. (see also note 15 *Cash flow from disposal of subsidiaries and investment properties*).

7.4 Investments in joint ventures and associates

<i>in thousands of €</i>	30.06.2021	31.12.2020
As at 1 January	654,773	387,246
Additions	13,066	211,091
Result of the year	84,414	63,338
Repayment of equity	-	(6,902)
As at the end of the period	752,253	654,773

8 Net financial result

<i>in thousands of €</i>	30.06.2021	30.06.2020
Interest income - loans to joint ventures and associates	5,622	3,831
Other financial income	1	25
Financial income	5,623	3,856
Bond interest expense	(14,279)	(12,276)
Bank interest expense – variable debt	(1,433)	(901)
Interest capitalised into investment properties	5,571	3,044
Net foreign exchange losses	(200)	(202)
Other financial expenses	(1,444)	(1,685)
Financial expenses	(11,785)	(12,020)
Net financial costs	(6,162)	(8,164)

9 Earnings per share

9.1 Earnings per ordinary share (EPS)

<i>In number</i>	30.06.2021	30.06.2020
Weighted average number of ordinary shares (basic)	20,583,050	19,330,303
Dilution	-	-
Weighted average number of ordinary shares (diluted)	20,583,050	19,330,303

<i>In thousands of €</i>	30.06.2021	30.06.2020
Result for the period attributable to the Group and to ordinary shareholders	203,797	196,970
Earnings per share (in €) - basic	9.90	10.19
Earnings per share (in €) - diluted	9.90	10.19

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:

- (i) *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.
- (ii) *Net Tangible Assets*: assumes that entities buy and sell assets, thereby realising 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.
- (iii) *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 2021	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNAV
<i>In thousands of €</i>					
IFRS NAV	1,434,405	1,434,405	1,434,405	1,434,405	1,434,405
IFRS NAV per share (in euros)	69.7	69.7	69.7	69.7	69.7
NAV at fair value (after the exercise of options, convertibles and other equity)	1,434,405	1,434,405	1,434,405	1,434,405	1,434,405
To exclude:					
Deferred tax	76,452	76,452	-	76,452	-
Intangibles as per IFRS balance sheet	-	(661)	-	-	-
Subtotal	1,510,857	1,510,196	1,434,405	1,510,857	1,434,405
Fair value of fixed interest rate debt	-	-	(16,966)	-	(16,966)
Real estate transfer tax	31,422	-	-	-	-
NAV	1,542,279	1,510,196	1,417,439	1,510,857	1,417,439
Number of shares	20,583,050	20,583,050	20,583,050	20,583,050	20,583,050
NAV / share (in euros)	74.93	73.37	68.86	73.40	68.86

31 December 2020	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNAV
<i>In thousands of €</i>					
IFRS NAV	1,305,737	1,305,737	1,305,737	1,305,737	1,305,737
IFRS NAV per share (in euros)	63.44	63.44	63.44	63.44	63.44
NAV at fair value (after the exercise of options, convertibles and other equity)	1,305,737	1,305,737	1,305,737	1,305,737	1,305,737
To exclude:					
Deferred tax	48,770	48,770	-	48,770	-
Intangibles as per IFRS balance sheet	-	(557)	-	-	-
Subtotal	1,354,507	1,353,950	1,305,737	1,354,507	1,305,737
Fair value of fixed interest rate debt	-	-	(8,021)	-	(8,021)
Real estate transfer tax	25,019	-	-	-	-
NAV	1,379,526	1,353,950	1,297,716	1,354,507	1,297,716
Number of shares	20,583,050	20,583,050	20,583,050	20,583,050	20,583,050
NAV / share (in euros)	67.02	65.78	63.05	65.81	63.05

10 Investment properties

<i>In thousands of €</i>	30.06.2021			
	Completed	Under Construction	Development land	Total
As at 1 January	166,410	456,681	297,060	920,151
Capex	5,871	111,716	22,350	139,937
Acquisitions	-	3,385	88,465	91,850
Capitalised interest	118	5,396	61	5,575
Capitalised rent free and agent's fee	609	743	-	1,352
Sales and disposal	(36,419)	-	-	(36,419)
Transfer on start-up of development	-	52,015	(52,015)	-
Transfer on completion of development	48,620	(48,620)	-	-
Net gain from value adjustments in investment properties	10,252	127,731	3,326	141,309
Reclassification to (-) / from held for sale	-	-	-	-
As at 30 June	195,461	709,047	359,247	1,263,755

<i>In thousands of €</i>	31.12.2020			
	Completed	Under Construction	Development land	Total
As at 1 January	94,056	338,266	360,623	792,945
Capex	67,452	201,226	7,353	276,031
Acquisitions	-	9,851	130,256	140,107
Capitalised interest	3,902	7,934	45	11,881
Capitalised rent free and agent's fee	3,245	2,351	32	5,628
Sales and disposals	(191,596)	(292,107)	(10,083)	(493,786)
Transfer on start-up of development	-	193,574	(193,574)	-
Transfer on completion of development	155,018	(155,018)	-	-
Net gain from value adjustments in investment properties	36,477	150,604	2,408	189,489
Reclassification to held for sale	(2,144)	-	-	(2,144)
As at 31 December	166,410	456,681	297,060	920,151

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 2021 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 2021 by Jones Lang LaSalle. The valuation process was unchanged compared to the valuation process described in the 2020 Annual Report (page 219-220).

(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-21 (€ '000)	Valuation technique	Level 3 - Unobservable inputs	Range	
Czech Republic	IPUC	39,100	Discounted cash flow	ERV per m ² (in €)	38-51	
				Discount rate	5.75%-6.00%	
				Exit yield	5.50%	
				Weighted average yield	5.40%	
				Cost to completion (in '000)	13,970	
				Properties valued (aggregate m ²)	68,395	
	DL	40,326	Sales comparison	Price per m ²		
	Germany	IP	96,400	Discounted cash flow	ERV per m ² (in €)	45-79
					Discount rate	5.00%-5.75%
					Exit yield	3.50%-4.50%
Weighted average yield					4.61%	
Cost to completion (in '000)					4,624	
Properties valued (aggregate m ²)					94,694	
WAULT (until maturity) (in years)					4.52	
WAULT (until first break) (in years)					4.02	
IPUC		365,660	Discounted cash flow	ERV per m ² (in €)	42-95	
				Discount rate	4.00%-7.25%	
				Exit yield	3.50%-4.50%	
				Weighted average yield	4.45%	
				Cost to completion (in '000)	86,586	
				Properties valued (aggregate m ²)	330,317	
DL	148,629	Sales comparison	Price per m ²			
Spain	IP	14,750	Equivalent yield	ERV per m ² (in €)	44	
				Equivalent yield	5.40%	
				Reversionary yield	5.65%	
				Weighted average yield	5.39%	
				Cost to completion (in '000)	60	
				Properties valued (aggregate m ²)	18,074	
	IPUC	103,827	Equivalent yield	ERV per m ² (in €)	46-53	
				Exit yield	4.50%-5.60%	
				Weighted average yield	5.27%	
				Cost to completion (in '000)	29,680	

Region	Segment	Fair value 30 Jun-21 (€ '000)	Valuation technique	Level 3 - Unobservable inputs	Range
				Properties valued (aggregate m ²)	140,983
	DL	42,534	Sales comparison	Price per m ²	
Romania	IPUC	25,000	Discounted cash flow	ERV per m ² (in €)	43-50
				Discount rate	8.50%-10.00%
				Exit yield	7.75%-9.00%
				Weighted average yield	9.12%
				Cost to completion (in '000)	2,490
				Properties valued (aggregate m ²)	56,583
	DL	47,678	Sales comparison	Price per m ²	
Netherlands	IPUC	70,650	Discounted cash flow	ERV per m ² (in €)	45-51
				Discount rate	4.25%-4.45%
				Exit yield	4.70%-5.00%
				Weighted average yield	4.07%
				Cost to completion (in '000)	18,000
				Properties valued (aggregate m ²)	75,805
	DL	16,057	Sales comparison	Price per m ²	
Italy	IP	16,400	Discounted cash flow	ERV per m ² (in €)	44
				Discount rate	7.20%
				Exit yield	5.75%
				Weighted average yield	6.02%
				Cost to completion (in '000)	750
				Properties valued (aggregate m ²)	23,461
				WAULT (until maturity) (in years)	11.87
				WAULT (until first break) (in years)	11.87
	IPUC	21,720	Discounted cash flow	ERV per m ² (in €)	57-86
				Discount rate	6.50%-7.10%
				Exit yield	5.50%-5.60%
				Weighted average yield	6.09%
				Cost to completion (in '000)	17,650
				Properties valued (aggregate m ²)	33,465
	DL	1,583	Sales comparison	Price per m ²	
Austria	IPUC	9,260	Discounted cash flow	ERV per m ² (in €)	74
				Discount rate	7.00%
				Exit yield	5.00%
				Weighted average yield	4.45%
				Cost to completion (in '000)	3,050
				Properties valued (aggregate m ²)	8,057
	DL	10,350	Sales comparison	Price per m ²	
Hungary	IP	26,610	Discounted cash flow	ERV per m ² (in €)	58-64
				Discount rate	7.50%
				Exit yield	7.00%
				Weighted average yield	7.72%
				Cost to completion (in '000)	50

Region	Segment	Fair value 30 Jun-21 (€ '000)	Valuation technique	Level 3 - Unobservable inputs	Range
				Properties valued (aggregate m ²)	33,711
				WAULT (until maturity) (in years)	8.13
				WAULT (until first break) (in years)	7.20
	IPUC	16,550	Discounted cash flow	ERV per m ² (in €)	51-53
				Discount rate	7.25%-7.50%
				Exit yield	6.75%-7.00%
				Weighted average yield	7.53%
				Cost to completion (in '000)	8,000
				Properties valued (aggregate m ²)	35,627
	DL	8,879	Sales comparison	Price per m ²	
Latvia	IP	41,300	Discounted cash flow	ERV per m ² (in €)	51-59
				Discount rate	7.50%-8.00%
				Exit yield	7.50%
				Weighted average yield	8.37%
				Cost to completion (in '000)	0
				Properties valued (aggregate m ²)	62,545
				WAULT (until maturity) (in years)	4.13
				WAULT (until first break) (in years)	2.84
	DL	7,980	Sales comparison	Price per m ²	
Slovakia	IPUC	43,700	Discounted cash flow	ERV per m ² (in €)	40-54
				Discount rate	5.60%-6.75%
				Exit yield	5.60%-5.75%
				Weighted average yield	5.59%
				Cost to completion (in '000)	15,200
				Properties valued (aggregate m ²)	75,905
	DL	32,149	Sales comparison	Price per m ²	
Portugal	IPUC	13,580	Discounted cash flow	ERV per m ² (in €)	45
				Discount rate	6.98%
				Exit yield	5.75%
				Weighted average yield	6.33%
				Cost to completion (in '000)	7,540
				Properties valued (aggregate m ²)	29,813
	DL	3,083	Sales comparison	Price per m ²	
Total		1,263,755			

Region	Segment	Fair value 31 Dec-20 (€ '000)	Valuation technique	Level 3 - Unobservable inputs	Range
Czech Republic	IPUC	8,400	Discounted cash flow	ERV per m ² (in €)	49
				Discount rate	7.15%
				Exit yield	5.90%
				Weighted average yield	6.70%
				Cost to completion (in '000 €)	2,567
				Properties valued (aggregate m ²)	14,882
	DL	43,503	Sales comparison	Price per m ² (in €)	

Region	Segment	Fair value 31 Dec-20 (€ '000)	Valuation technique	Level 3 - Unobservable inputs	Range
Germany	IP	88,280	Discounted cash flow	ERV per m ² (in €)	46-74
				Discount rate	5.30%-6.00%
				Exit yield	4.50%-5.00%
				Weighted average yield	5.17%
				Cost to completion (in '000 €)	3,587
				Properties valued (aggregate m ²)	90,737
				WAULT (until maturity) (in years)	5.87
	IPUC	302,740	Discounted cash flow	ERV per m ² (in €)	45-95
				Discount rate	5.00%-7.75%
				Exit yield	3.70%-4.60%
				Weighted average yield	4.80%
				Cost to completion (in '000 €)	132,108
				Properties valued (aggregate m ²)	339,619
DL	103,039	Sales comparison	Price per m ² (in €)		
Spain	IP	13,350	Equivalent yield	ERV per m ² (in €)	44
				Equivalent yield	5.75%
				Reversionary yield (nominal)	5.97%
				Weighted average yield	5.75%
				Cost to completion (in '000 €)	548
				Properties valued (aggregate m ²)	18,074
				WAULT (until maturity) (in years)	5.86
	IPUC	64,431	Equivalent yield	ERV per m ² (in €)	48-50
				Equivalent yield	4.90-5.80%
				Reversionary yield (nominal)	n.a.
				Weighted average yield	5.57%
				Cost to completion (in '000 €)	26,272
				Properties valued (aggregate m ²)	103,779
DL	23,115	Sales comparison	Price per m ² (in €)		
Romania	IPUC	17,300	Discounted cash flow	ERV per m ² (in €)	43-53
				Discount rate	9.25%-10.00%
				Exit yield	7.75%-9.00%
				Weighted average yield	9.96%
				Cost to completion (in '000)	8,251
				Properties valued (aggregate m ²)	56,548
				DL	35,373
Netherlands	IPUC	30,300	Discounted cash flow	ERV per m ² (in €)	45
				Discount rate	4.65%
				Exit yield	5.20%
				Weighted average yield	4.29%
				Cost to completion (in '000)	14,136
				Properties valued (aggregate m ²)	42,157
				DL	21,858
Region	Segment	Fair value 31 Dec-20	Valuation technique	Level 3 - Unobservable inputs	Range

		(€ '000)			
Italy	IPUC	26,710	Discounted cash flow	ERV per m ² (in €)	44-86
				Discount rate	6.30-6.95%
				Exit yield	5.65-6.00%
				Weighted average yield	6.17%
				Cost to completion (in '000)	12,766
				Properties valued (aggregate m ²)	44,660
				DL	4,454
Hungary	IP	24,980	Discounted cash flow	ERV per m ² (in €)	58-63
				Discount rate	7.65%
				Exit yield	7.25%
				Weighted average yield	7.95%
				Cost to completion (in '000 €)	733
				Properties valued (aggregate m ²)	33,711
				DL	8,438
Latvia	IP	39,800	Discounted cash flow	ERV per m ² (in €)	50-58
				Discount rate	7.75-8.25%
				Exit yield	7.75%
				Weighted average yield	8.52%
				Cost to completion (in '000)	500
				Properties valued (aggregate m ²)	62,545
				DL	719
Slovakia	IPUC	6,800	Discounted cash flow	ERV per m ² (in €)	54
				Discount rate	7.50%
				Exit yield	6.50%
				Weighted average yield	7.46%
				Cost to completion (in '000 €)	6,622
				Properties valued (aggregate m ²)	18,576
				DL	38,456
Austria	DL	13,009	Sales comparison	Price per m ² (in €)	
Portugal	DL	5,096	Sales comparison	Price per m ² (in €)	
Total		920,151			

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

11 Trade and other receivables

<i>(in thousands of €)</i>	30.06.2021	31.12.2020
Trade receivables	7,567	7,781
Tax receivables - VAT	28,393	27,865
Accrued income and deferred charges	1,845	1,469
Other receivables	14,473	7,713
Reclassification to (-) / from held for sale	-	-
Total	52,278	44,828

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 2021	20,583,050	72,225
Issue of new shares	-	-
Ordinary shares issued at 30 June 2021	20,583,050	72,225

The statutory share capital of the Company amounts to € 102,641k. 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").

12.2 Other reserves

<i>(in thousands of €)</i>	30.06.2021	31.12.2020
As at 1 January	285,420	69
Share premium arising on the issue of new shares	-	188,346
Gain on the sale of treasury shares (net)	-	97,005
As at 30 June	285,420	285,420

13 Current and non-current financial debts

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

MATURITY		30.06.2021		
<i>In thousands of €</i>	Outstanding balance	< 1 year	> 1-5 year	> 5 year
Non-current				
Bank borrowings	-	-	-	-
Schuldschein Loans	33,302	-	7,306	25,996
Bonds				
2.75% bonds Apr-23	149,288	-	149,288	-
3.90% bonds Sep-23	223,565	-	223,565	-
3.25% bonds Jul-24	74,642	-	74,642	-
3.35% bonds Mar-25	79,798	-	79,798	-
3.50% bonds Mar-26	188,966	-	188,966	-
1.50% bonds Apr-29	594,316	-	-	594,316
	1,310,574	-	716,259	594,316
Total non-current financial debt	1,343,876	-	723,565	620,312
Current				
Bank borrowings	19,664	19,664	-	-
Accrued interest	15,127	15,127	-	-
Total current financial debt	34,791	34,791	-	-
Total current and non-current financial debt	1,378,667	34,791	723,565	620,312
MATURITY		31.12.2020		
<i>In thousands of €</i>	Outstanding balance	< 1 year	> 1-5 year	> 5 year
Non-current				
Bank borrowings	-	-	-	-
Schuldschein loans	33,252	-	7,262	25,990
Bonds				
2.75% bonds Apr-23	149,088	-	149,088	-
3.90% bonds Sep-23	223,246	-	223,246	-
3.25% bonds Jul-24	74,583	-	74,583	-
3.35% bonds Mar-25	79,771	-	79,771	-
3.50% bonds Mar-26	188,857	-	-	188,857
	715,544	-	526,687	188,857
Total non-current financial debt	748,796	-	533,949	214,847
Current				
Bank borrowings	20,318	20,318	-	-
Accrued interest	14,150	14,150	-	-
Total current financial debt	34,468	34,468	-	-
Total current and non-current financial debt	783,264	34,468	533,949	214,847

The above 30 June 2021 balances include capitalised finance costs of (i) € 201k on bank borrowings and schuldschein loans (2020: € 263k) and (ii) € 9,425k on bonds of (2020: € 4,456k).

The accrued interest relates to the 6 issued bonds (€ 14.8 million) and the Schuldschein loans (€ 0.3 million). The coupons of the bonds are payable annually on 2 April for the Apr-23 Bond, 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 and 8 April for the Apr-29 bond. 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.

13.1 Overview

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):

30.06.2021 In thousands of €	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 years	> 5 years
Swedbank AS - Latvia	19,667	31-Aug-21	19,667	19,667	-	-
KBC Bank NV	75,000	31-Dec-22	-	-	-	-
Belfius Bank NV	50,000	31-Dec-22	-	-	-	-
JP Morgan AG	25,000	08-Nov-22	-	-	-	-
Total bank debt	169,667		19,667	19,667	-	-

31.12.2020 In thousands of €	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 years	> 5 years
Swedbank AS - Latvia	20,333	31-Aug-21	20,333	20,333	-	-
KBC Bank NV	75,000	31-Dec-22	-	-	-	-
Belfius Bank NV	50,000	31-Dec-22	-	-	-	-
JP Morgan AG	25,000	08-Nov-22	-	-	-	-
Total bank debt	170,333		20,333	20,333	-	-

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 EUR 21.5 million which is not hedged. The current weighted average interest rate is 2.73 per cent per annum. The loans have a maturity of 3,5,7 and 8 years.

30.06.2021 In thousands of €	Loan amount	Loan expiry date	Outstanding balance	< 1 year	> 1-5 years	> 5 years
Schuldschein loans	33,500	Oct-22 to Oct-27	33,500	-	7,500	26,000

31.12.2020 In thousands of €	Loan amount	Loan expiry date	Outstanding balance	< 1 year	> 1-5 years	> 5 years
Schuldschein loans	33,500	Oct-22 to Oct-27	33,500	-	7,500	26,000

13.1.3 Bonds

On 8 April 2021, VGP successfully issued its first public benchmark green bond for an aggregate nominal amount of € 600 million, paying a coupon of 1.50 per cent. p.a. and maturing on 8 April 2029.

As a result, following six bonds are outstanding at 30 June 2021:

- 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 - Common Code: 208152149) (“Apr-23 Bond”)
- € 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 - Common Code: 148397694). (“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 - Common Code: 163738783). (“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 - Common Code: 159049558). (“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 - Common Code: 187793777). (“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 - Common Code: 232974028). (“Apr-29 Bond”).

13.2 Key terms and covenants

Please refer to *Annual Report 2020 - Note 17.2 Key terms and covenants* for further information.

During the first half year of 2021, 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>	30.06.2021	31.12.2020
Intangible assets	-	-
Investment properties	109,003	102,309
Property, plant and equipment	-	-
Deferred tax assets	-	-
Trade and other receivables	-	-
Cash and cash equivalents	-	-
Disposal group held for sale	109,003	102,309
Non-current financial debt	-	-
Other non-current financial liabilities	-	-
Other non-current liabilities	-	-
Deferred tax liabilities	(8,187)	(6,742)
Current financial debt	-	-
Trade debts and other current liabilities	-	-
Liabilities associated with assets classified as held for sale	(8,187)	(6,742)
Total net assets	100,816	95,567

In order to sustain its growth over the medium term, VGP entered into two 50/50 joint ventures with Allianz (First and Second Joint Venture) in respect of acquiring income generating assets developed by VGP. The First and Second 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 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 First and Second 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.

As at 30 June 2021 the assets of the respective project companies which were earmarked to be transferred to the First and Second Joint Venture in the future, were therefore reclassified as disposal group held for sale.

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. This balance includes € 83.2 million of interest-bearing development and construction loans (2020: € 69.7 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>	30.06.2021	31.12.2020
Investment property	54,496	608,483
Trade and other receivables	678	16,011
Cash and cash equivalents	2,172	24,057
Non-current financial debt	-	-
Shareholder Debt	(41,658)	(372,515)
Other non-current financial liabilities	(502)	(2,229)
Deferred tax liabilities	(2,192)	(31,459)
Trade debts and other current liabilities	(1,108)	(26,637)
Total net assets disposed	11,886	215,711
Realised valuation gain on sale	12,136	167,111
Total non-controlling interest retained by VGP	(1,108)	(1,989)
Shareholder loans repaid at closing	40,362	313,415
Equity contribution	(11,457)	(191,454)
Total consideration	51,819	502,794
Consideration to be received - Third Joint Venture	-	(73,093)
Consideration paid in cash	51,819	429,701
Cash disposed	(2,172)	(24,057)
Net cash inflow from divestments of subsidiaries and investment properties	49,647	405,644

The First Joint Venture (VGP European Logistics) recorded one closing during the year. On 15 June 2021, VGP completed an eighth and currently last closing, whereby the First Joint Venture ("VGP European Logistics S.à r.l.") acquired 4 logistic buildings, including 2 buildings in 2 new VGP parks and another 2 newly completed buildings (in parks which were previously transferred to the First Joint Venture).

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 2021 the Group's gearing was as follows:

<i>In thousands of €</i>	30.06.2021	31.12.2020	30.06.2020
Non-current financial debt	1,343,876	748,796	767,685
Other non-current financial liabilities	-	-	-
Current financial debt	34,791	34,468	14,403
Total financial debt	1,378,667	783,264	782,088
Cash and cash equivalents	(469,195)	(222,356)	(92,541)
Cash and cash equivalents classified as disposal group held for sale	-	-	(3,723)
Total net debt (A)	909,472	560,908	685,824
Total shareholders' equity and liabilities (B)	2,987,138	2,227,742	1,956,822
Gearing ratio (A)/(B)	30.4%	25.2%	35.0%

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 analyzed 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 June 2021 <i>In thousands of €</i>	Category in accordance with IFRS 9	Carrying amount	Fair value	Fair value hierarchy
Assets				
Other non-current receivables	AC	314,065	314,065	Level 2
Trade receivables	AC	7,567	7,567	Level 2
Other receivables	AC	14,473	14,473	Level 2
Derivative financial assets	FVTPL	-	-	Level 2
Cash and cash equivalents	AC	468,086	468,086	Level 2
Reclassification to (-) from held for sale		-	-	
Total		804,191	804,191	
Liabilities				
Financial debt				
Bank debt	AC	52,966	52,966	Level 2
Bonds	AC	1,310,574	1,332,843	Level 1
Trade payables	AC	66,072	66,072	Level 2
Other liabilities	AC	23,389	23,389	Level 2
Derivative financial liabilities	HFT	-	-	Level 2
Reclassification to liabilities related to disposal group held for sale		-	-	
Total		1,453,001	1,475,269	

31 December 2020 <i>In thousands of €</i>	Category in accordance with IFRS 9	Carrying amount	Fair value	Fair value hierarchy
Assets				
Other non-current receivables	AC	264,038	264,038	Level 2
Trade receivables	AC	7,781	7,781	Level 2
Other receivables	AC	7,713	7,713	Level 2
Derivative financial assets	FVTPL	-	-	Level 2
Cash and cash equivalents	AC	222,286	222,286	Level 2
Total		501,818	501,818	
Liabilities				
Financial debt				
Bank debt	AC	53,570	53,570	Level 2
Bonds	AC	715,544	732,763	Level 1
Trade payables	AC	58,102	58,102	Level 2
Other liabilities	AC	24,856	24,856	Level 2
Derivative financial liabilities	HFT	-	-	Level 2
Total		852,072	869,291	

18 Contingencies and commitments

<i>(in thousands of €)</i>	30.06.2021	31.12.2020
Contingent liabilities	1,033	1,391
Commitments to purchase land	237,965	179,567
Commitments to develop new projects	313,708	342,747

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 2,993,000 m² of land for which deposits totalling € 18.3 million have been made (2020: 2,184,000 m² with deposits amounting to € 9.1 million). The € 18.3 million down payment on land was classified under investment properties as at 30 June 2021 (same classification treatment applied for 2020) and is mainly composed of the first paid instalment (€ 12.0 million) in respect of the acquisition of a new land plot in Sestao (Spain). It is expected that this land plot will be fully acquired during the second half of the year.

19 Related parties

There were no related party transactions or changes, except for the eighth closing with the First Joint Venture (see also notes 5, 7.2 and 15), that could materially affect the financial position or results of the Group.

20 Events after the balance sheet date

There were no material events after the balance sheet date that need to be disclosed.

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%) in the German asset companies of the Joint Ventures have been included in the 50% Joint Ventures' figures (share of VGP).

<i>In thousands of €</i>	30.06.2021			30.06.2020		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
Gross rental income	7,113	30,533	37,646	4,650	24,905	29,555
Property operating expenses	(2,714)	(2,960)	(5,674)	(577)	(2,095)	(2,672)
Net rental and related income	4,399	27,573	31,972	4,073	22,811	26,884
Joint venture management fee income	8,547	-	8,547	6,134	-	6,134
Net valuation gains / (losses) on investment properties	163,247	84,151	247,398	204,619	7,079	211,698
Administration expenses	(18,647)	(549)	(19,196)	(15,516)	(450)	(15,966)
Other expenses	(2,000)	-	(2,000)	-	-	-
Operating profit / (loss)	155,546	111,175	266,721	199,310	29,440	228,750
Net financial result	(6,162)	(8,089)	(14,251)	(8,165)	(8,069)	(16,234)
Taxes	(30,001)	(18,672)	(48,673)	(12,770)	(2,806)	(15,576)
Profit for the period	119,383	84,414	203,797	178,375	18,565	196,940

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%) in the German asset companies of the Joint Ventures have been included in the 50% Joint Ventures' figures (share of VGP).

<i>In thousands of €</i>	30.06.2021			31.12.2020		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
Investment properties	1,263,755	1,593,234	2,856,989	920,151	1,445,062	2,365,213
Investment properties included in assets held for sale	109,003	-	109,003	102,309	-	102,309
Total investment properties	1,372,758	1,593,234	2,965,992	1,022,460	1,445,062	2,467,522
Other assets	340,654	182	340,836	283,325	252	283,575
Total non-current assets	1,713,412	1,593,416	3,306,828	1,305,785	1,445,314	2,751,097
Trade and other receivables	52,278	14,733	67,011	44,828	14,451	59,279
Cash and cash equivalents	469,195	58,467	527,662	222,356	46,140	268,496
Disposal group held for sale	-	-	-	-	-	-
Total current assets	521,473	73,200	594,673	267,184	60,591	327,775
Total assets	2,234,885	1,666,616	3,901,501	1,572,969	1,505,905	3,078,872
Non-current financial debt	1,343,876	754,021	2,097,897	748,796	714,277	1,463,073
Other non-current financial liabilities	-	364	364	-	823	823
Other non-current liabilities	9,298	5,169	14,467	10,461	5,718	16,179
Deferred tax liabilities	71,316	112,103	183,419	43,813	91,638	135,451
Total non-current liabilities	1,424,490	871,657	2,296,147	803,070	812,456	1,615,526
Current financial debt	34,791	15,358	50,149	34,468	13,728	48,196
Trade debts and other current liabilities	85,264	27,348	112,612	77,725	24,949	102,677
Liabilities related to disposal group held for sale	8,187	-	8,187	6,742	-	6,742
Total current liabilities	128,242	42,705	170,947	118,935	38,676	157,614
Total liabilities	1,552,732	914,363	2,467,095	922,005	851,132	1,773,140
Net assets	682,153	752,253	1,434,406	650,964	654,773	1,305,737

AUDITOR'S REPORT

Report on the review of the consolidated interim financial information of VGP NV for the six-month period ended 30 June 2021

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 2021, 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 2 987 138 (000) EUR and the condensed consolidated income statement shows a consolidated profit (group share) for the period then ended of 203 797 (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



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.

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.

Second Joint Venture

Means VGP European Logistics 2 S.à r.l., 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 München or VGP Park München joint venture

Means the Third Joint Venture.

Joint Ventures

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

Third Joint Venture

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

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:

- (i) the condensed interim financial statements of VGP NV and its subsidiaries as of 30 June 2021 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.
- (ii) 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 'Dirk Stoop', with a long horizontal flourish underneath.

Dirk Stoop
as permanent representative of
Dirk Stoop BVBA
CFO