

## **CONTINUED MOMENTUM FOR 2019**

**10 May 2019, Antwerp (Berchem), Belgium:** VGP NV ('VGP' or 'the Group'), a leading European provider of high-quality logistics and semi-industrial real estate, today published a trading update for the first four months of 2019:

- Strong operating performance
  - Record €18.1 million signed and renewed lease agreements, bringing total annualized rental income to €121.0 million (+16% year-to-date) and increasing the average lease term of the portfolio to 8.2 years (vs. 7.8 at Dec-18)
  - A total of 547,000 m<sup>2</sup> under construction and 62,000 m<sup>2</sup> delivered in 2019 year-to-date. The portfolio under construction represents €28.2 million in additional annual rent once fully built and let
- Continued expansion of land bank to secure future growth
  - Extended pipeline through 940,000 m<sup>2</sup> of new land bought and a further 2.6 million m<sup>2</sup> committed subject to permits
  - Total land bank acquired and secured has grown to 5.8 million m<sup>2</sup> which supports 2.6 million m<sup>2</sup> of future lettable area
- Successful fifth closing with VGP European Logistics joint venture allowed recycling of €130 million of net cash proceeds
- Anticipate first closing for new Joint Venture with Allianz Real Estate in Q2 2019

VGP's Chief Executive Officer, **Jan van Geet**, said: *"We have started the year on a strong footing as we see continued momentum across the markets in which we operate. Market fundamentals are strong, with remaining robust demand, disciplined supply and continued land scarcity."*

Jan van Geet added: *"We have a record €18.1 million of signed and renewed lease agreements in the first four months and we currently have 547,000 m<sup>2</sup> under construction, representing €28.2 million in additional annual rent once fully built and let. We have several projects expected for delivery in the coming months and we expect to initiate construction activities for several large pre-let projects, putting us at pace for another very strong year."*

Jan van Geet concluded: *"Our land bank remains one of our strongest assets and we are pleased that we have been able to replenish and add attractive positions right across Europe so that we can continue to use our growing land bank, capital, people and expertise to drive great outcomes for the communities in which we operate."*

## **OPERATING HIGHLIGHTS**

### **Record new leases**

- Record signed and renewed rental income of € 18.1 million driven by €17.0 million of new leases and €1.1 million of renewals
- New and renewed leases signed in Germany represent over €13 million or over 70% of the total new and renewed leases signed
- Annualized committed leases increased to €121.0 million compared to €104.1 million for year-end 2018
- The signed new leases have a weighted average lease term of 13.0 years which has increased the average term of the portfolio to 8.2 years<sup>1</sup> (7.8 years at Dec-18)

### **Healthy level of construction activity**

- Development of 30 projects under construction totaling 547,000 m<sup>2</sup> of future lettable area and expected to generate € 28.2 million of new rent when fully built and leased (currently 60% pre-let)
- Delivery of 4 projects during the first four months of in total 62,000 m<sup>2</sup> of lettable area representing € 3.2 million of annualized committed leases; these buildings are fully let
- Several projects anticipated for delivery in the coming months

### **Land bank continues to expand**

- Year-to-date 940,000 m<sup>2</sup> of land acquired which has brought total owned and secured land bank to 5.8 million m<sup>2</sup> which supports 2.6 million m<sup>2</sup> of future lettable area
- A further 1.5 million m<sup>2</sup> of new land plots identified which are under exclusive negotiation and have a development potential of 780,000 m<sup>2</sup> of future lettable area

### **Fifth closing with VGP European Logistics**

- On the 1<sup>st</sup> of April, the fifth closing with VGP European Logistics, the 50/50 joint venture with Allianz Real Estate, was successfully completed for a transaction value of €203 million
- The transaction comprised of 9 logistic buildings (5 in Germany and 4 in Czech Republic), including 3 buildings each in a new VGP park and another 6 newly completed logistic buildings which were developed in parks previously transferred to the joint venture
- The net proceeds from this transaction (including disposed cash) amounted to circa € 130 million and are being used for financing of existing projects under construction and for the acquisition of new development land

### **Expected launch of new joint venture with Allianz Real Estate**

- Preparations for the setup of a new joint venture with Allianz Real Estate are well advanced, anticipated to launch in June 2019
- The terms and structure will be mostly similar to the existing joint venture, apart from the geographic remit
- The new joint venture is anticipated to cover the markets of Spain, Benelux, Italy, Austria, Portugal and Romania. These markets are not covered by the existing joint venture<sup>2</sup>
- Once in operation the two joint ventures together will provide additional financial means to support the ongoing development activities

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<sup>1</sup> The weighted average lease term until first break is 7.7 years. The weighted average lease term of our own portfolio stands at 9.3 years (9.0 years until first break) and for the joint venture portfolio at 7.6 years (7.0 years until first break)

<sup>2</sup> The existing joint venture covers Germany, Slovakia, Czech Republic and Hungary

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## FORWARD-LOOKING STATEMENTS

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## ABOUT VGP

VGP is a leading 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 well-advanced development land bank of 7.3 million m<sup>2</sup> and the strategic focus is on the development of business parks. Founded in 1998 as a family-owned real estate developer in the Czech Republic, VGP with a staff of 180 employees today owns and operates assets in 12 European countries directly and through VGP European Logistics, a joint venture with Allianz Real Estate. As of December 2018, the Gross Asset Value of VGP, including the joint venture at 100%, amounted to €1.94 billion and the company had a Net Asset Value (EPRA NAV) of €575 million. VGP is listed on Euronext Brussels and on the Prague Stock Exchange (ISIN: BE0003878957).

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