
VGP

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ANNUAL FINANCIAL RESULTS PRESS RELEASE

For the period
1 January 2022 – 31 December 2022

Regulated Information
Thursday, 23 February 2023, 07:00 am CET

FINANCIAL RESULT FOR FY2022

23 February 2023, 7:00am, Antwerp, Belgium: VGP NV ('VGP' or 'the Group'), today announces the results for the financial year ended 31 December 2022:

- Solid operating performance
 - Strong rental activity with **€ 73.4 million** of signed and renewed leases bringing the annualised committed leases to **€ 303.2 million**¹, a 18.4% YoY increase
 - 44 projects delivered representing a record **1,141,000 m²** and € 71.9 million of annualised rental income.
 - 26 projects under construction at year-end representing **814,000 m²** and € 51.3 million of additional annual rent once fully built and let (**>90% pre-let today**²)
 - €5.9 million gross renewable energy income
- **Operating profit of € 177.5 million** before unrealized valuation losses of € 293 million³, amongst others reflecting a like for like negative revaluation change of 7.33% on VGP's portfolio⁴ due to further increasing of market yields
- Cash recycled for € 347 million through disposals and closings with joint ventures, which have led to € 87.2 million realized gains on a record year of transactions with the joint ventures
- Progress on existing joint ventures:
 - successfully executed the 10th closing as per January 17th with the First Joint Venture generating € 81 million in cash
- Advanced discussions on new JVs' setup and closings in 2023 on various parts of the portfolio
- Year-end gearing ratio amounts to 34.4%, supported by € 1.1 billion of available liquidity
- Intention to propose to the AGM a distribution of a gross dividend of € 2.75 per share

Jan Van Geet, CEO of VGP, said: *"I am proud of our performance in 2022, in terms of leasing activity it is one of our best years ever, and taking into account the economic and geopolitical challenges it is perhaps our best year thus far, having signed and renewed leases in amount of € 73.4 million. Whilst we have booked a devaluation of our portfolio in response to macroeconomic conditions, VGP realized € 87.2 million gains on all disposals to JV's in '22, reflecting high double digit IRRs, in what was a record year of closings with our JV partners."*

Jan Van Geet continued: *"Over the year we delivered a record number of >1.1 million square meters of high quality assets and, as a result, our net rent and renewable energy income increased with 51% at share to €107 million. With a total of € 303 million contracted rental income, our portfolio cash flow will continue to grow at a similar pace in 2023. Likewise, our efforts in building a renewable energy platform sees good momentum with +200 MWp of solar systems either already installed or under construction."*

Jan Van Geet concluded: *"We approach 2023 with confidence as we see continued healthy occupier demand, start to see construction costs coming down, and our technical competence and ESG measures becoming increasingly important factors of distinction. We benefit from a strong cash position and are on the look-out for new opportunities which will become available in the present environment, yet, we remain vigilant due to prevailing uncertainties and are focused on profitable developments against attractive conditions. This was showcased during the delivery of VGP Park München last December, a project fitted to the highest technical standards and a plurality of sustainability measures, delivered significantly within budget. We count on the desirability of our locations and the agility of our teams to further strengthen our pipeline."*

¹ For Joint Ventures at 100%

² Calculated based on the contracted rent and estimated market rent for the vacant space

³ € 394 million including JV's at 100% and excluding realized gains of € 92.3 million

⁴ Including Joint Ventures at 100%

FINANCIAL AND OPERATING HIGHLIGHTS

Strong new leasing activity continued

- Signed and renewed rental income of € 73.4 million driven by 904,812 m² of new lease agreements signed corresponding to € 53.8 million of new annualised rental income
- Germany contributed most new leases (€ 25.4 million; 44%) whilst the remainder was geographically well spread across the markets VGP operates in: Romania € 5.2 million (9%), Spain € 4.4 million (8%), Czech Republic € 4.3 million (8%), Netherlands € 3.9 million (7%), Serbia € 3.5 million (6%), Hungary € 3.2 million (6%), Slovakia € 3.1 million (5%), Austria € 2.4 million (4%), Latvia € 1.2 million (2%), Portugal € 0.8 million (3%), and Italy € 0.1 million (1%).
- Lease agreements renewed for 308,000 m² (corresponding to € 16.0 million of annualised rental income) and € 3.6 million of indexation. € 10.3 million rental contracts terminated, replacement contracts have a 12% average increased pricing.
- The total signed lease agreements represent € 303.2 million¹ annualised committed rental income (equivalent to 5.2 million m² of lettable area), a 18.4% increase versus December 2021 reported at € 256.07 million.
- VGP expects a considerable amount of rental increase in 2023 throughout its entire portfolio as lease agreements are annually indexed against inflation.

Record year in project delivery

- During 2022 we delivered 44 projects representing a record 1,141,000 m² of lettable area, which equates to € 71.9 million of annualised rental income (98.7% let).
- At year-end 26 projects were under construction representing 814,000 m² of future lettable area, which, once delivered and fully let, will generate € 51.3 million of annualised committed rental income; the portfolio under construction is currently +90% pre-let².

Land bank

- Over the last 12 months in total 1,970,000 m² of land was acquired representing a development potential of minimum 792,000 m² and a further 2,405,000 m² of land plots were committed, pending permits, which have a development potential of at least 1,076,000 m² of future lettable area, bringing the total owned and committed land bank to 10,362,000 m², supporting a minimum of 4,664,000 m² of future lettable area
- In addition to the owned and committed land bank, VGP has signed non-binding agreements (“land under option”) and is currently performing due diligence investigations, on an exclusive basis, on the potential acquisitions of in total circa 321,000 m² of new land plots with a development potential of at least 136,000 m². This brings the land bank of owned, committed and under option to 10,683,000 m² supporting circa 5,000,000 m² of future lettable area.
- The land bank is well spread across the countries in which we operate.

¹ For Joint Ventures at 100%

² Calculated based on the contracted rent and estimated market rent for the vacant space

- We remain vigilantly focussed on expanding our landbank, with a priority focus on Germany and the new countries France and Denmark.

Significant strengthening of the team

- At the end of 2022 the VGP team consisted of 383 FTE equivalent, net +61 FTE versus 2021 as we have strengthened our teams across the board and set up a team in France and Denmark. The number of FTE is not expected to grow further in 2023.
- Start of operations in Sweden and Greece has been postponed. The Group will reassess entry into those countries once local logistics markets have stabilized.

Joint Venture closings

- In March 2022 VGP and Allianz Real Estate announced the successful third closing in the Second Joint Venture with a total transaction volume of € 364 million. The gross proceeds from this transaction amounted to circa € 233 million¹. The transaction comprised of 13 logistic buildings, including 9 buildings in 7 new VGP parks and another 4 newly completed logistic buildings which were developed in parks previously transferred to the Joint Venture.
- Two additional closings took place on July 1st, one in the First and one in the Second Joint Venture. The transaction occurred for a total gross asset value of € 105 million and with gross cash proceeds for VGP amounting to € 82 million². The closing in the First Joint Venture, also called Rheingold, contained 8 logistic buildings of which 3 were located in Germany, 4 in the Czech Republic and one in Hungary. The closing in the Second Joint Venture, also called Aurora, consisted of one Portuguese asset.
- In December VGP and Allianz Real Estate executed the closing of the Third Joint Venture upon the completion of VGP Park Munich. The transfer consisted of a total GAV of € 418 million. The remaining payment received upon the closing amounted to € 70 million cash, a remaining € 7 million related to the transaction will be received during H1 '23.
- An additional closing was announced in December for the First Joint Venture; the 10th closing comprised of three new logistic buildings located in Germany (one) and in the Czech Republic (two) representing 113,000 m². The transaction value exceeded € 110 million and the gross proceeds amounted to € 81 million. The closing of the transaction has been effectuated in the course of January. Upon the closing of this transaction the First Joint Venture has reached completion and has entered its holding period.
- VGP and Allianz Real Estate have subsequently agreed to extend the holding term of the First Joint Venture agreement by 10 years to 2036. When the First Joint Venture was set up in 2016 it shaped the ambition for a long term-partnership. The extension announcement has reinforced the cooperation between the partners.
- In addition VGP received a total profit distribution of € 60 million³ from the joint ventures over 2022.
- VGP is currently in discussions with Allianz Real Estate and various other potential joint venture partners about the Europa joint venture and other potential joint ventures. Various alternative

¹ Including a € 5.5 million equity distribution

² Including a € 14.75 million equity distribution

³ Composed of an equity distribution from the Joint Ventures for an amount of € 37.4 million and a partial repayment of shareholders' loan for a total amount of € 22.6 million. Resulting in a total profit distribution by the Joint Ventures of € 60 million.

structures are being assessed and the Group expects to be able to update the broader market once closing term sheets are signed.

- The first upcoming closing will be the anticipated fourth closing for Aurora, the Second Joint Venture, which is expected to occur in H1 2023 comprising of 12 assets (260,000 m²) in Austria, Italy, Spain and the Netherlands.¹

Strengthened capital and financial position

- On the 10th of January 2022, VGP announced the successful issue of its second public benchmark green bonds for an aggregate nominal amount of € 1.0 billion, in two tranches, with a € 500 million 5-year bond paying a coupon of 1.625 per cent p.a. and maturing on 17 January 2027 and a € 500 million 8-year bond paying a coupon of 2.250 per cent p.a. and maturing on 17 January 2030.
- On 25 November, VGP successfully completed a € 303 million rights issue by offering 5,458,262 new shares. The transaction had the highest take-up of issued rights of similar size in Belgium since 2015 and was completed without a discount.
- The Group further benefits from its expanded multi-year € 400 million revolving credit facilities which remain undrawn. The revolving credit facilities mature as follows: € 100 million matures in July 2027; € 50 million in December 2025; € 200 million matures in December 2026; and €50 million matures in December 2024.
- Year-end gearing ratio amounted to 34.4%.

ESG update

- Strong improvement in ESG ratings: The Sustainalytics score improved by 3.3 points to 12.1 – significant progress was made on the management score where we moved from Average to Strong. For CDP the Group achieved a B score (on scale from A to D-, F), part of the 16% highest graded companies globally (48,200 companies graded).
- CO₂ emissions and 2030 target across Scope 1-3 submitted to Science Based Target initiative.
- Already over 40% of portfolio compliant in 2050 on the 1.5°C decarbonization pathway (CRREM analysis).
- The VGP 2027, 2029 and 2030 bonds have been affirmed as aligned with the Climate Bonds Taxonomy.
- 131.6MWp in photovoltaic projects installed or under construction with a further 75.0MWp in pipeline; once fully built, the PV projects will generate more renewable energy than all tenants' energy consumption combined.
- All VGP offices switched to renewable energy since 1 January 2022 through a PPA contract with our own 3.9MWp solar roof at VGP Park Roosendaal providing the energy.
- We introduced further steps to reduce embodied emissions within our developments – first projects completed with wooden load bearing structure and heat pumps included in the VGP building standard (replacing gas powered heating), furthermore we have updated our building standard to implement water saving and retention techniques.

¹ Subject to final agreement between the joint venture partners in terms of the transferred income generating assets and pricing

Renewable Energy

- In total, there are 62 solar panel installations operational across the portfolio. The total installed renewable energy capacity of the Group's assets in 2022 is 56.6 MWp (of which 15.1 MWp is third party operated) (+66% compared to Dec 2021) with a further 28 projects with a power of 75.0 MWp under construction, representing an investment of € 78 million once completed. Looking forward, another 60 projects with a total of 72.7 MWp contracted power are in the pipeline.
- Gross renewable energy income over 2022 was € 5.9 million (net € 5.6 million); compared to € 1.3 million in 2021. Gross renewable energy income over 2022 benefitted from significant increase in production capacity as well as higher energy prices.
- Operational solar production capacity should see exponential growth in the coming year.
- In 2022, new solar panels were installed across the portfolio. One of largest multi-site roof-top photovoltaic systems in the Netherlands is being built in VGP Park Nijmegen (Netherlands): the construction works started in 2020, with the installation of 4.8 MWp; in 2022 an additional 3.1 MWp has been installed and the project will be fully operational in 2023, when the installation will achieve a total output of around 17.61 MWp. The Group's largest multi-site in Germany is at VGP Park München where an 11.55 MWp photovoltaic plant was installed and finished in December 2022, generating an estimated saving of energy purchased from the grid of 9,000,000KWh.
- In Germany, VGP Park München also uses geothermal energy to meet its heating and cooling needs. A solid pipeline of future projects is maintained throughout the Group, such as photovoltaic self-consumption plants. The renewable electricity produced by the Group is either self-consumed to meet our tenant's energy needs or sold to the grid. Once the photovoltaic projects currently under construction are fully operational the solar power production capacity will surpass the total energy consumption of all tenants as measured over FY2021.

Outlook 2023

- Along with our strong balance sheet, healthy treasury position, well positioned portfolio and with a primary focus on the development of our existing and attractive land bank, we remain confident to deliver solid operational performance and further strengthen our cash recycling model.
- With the months of January and February having started well and despite an uncertain geopolitical and economic environment, VGP pursues prudently its margin-focused strategy, underpinned by technical competence and investment as well as a constant quest for high sustainability and quality in our warehouses and their locations.
- Given its annualized contracted rental income of € 303 million and recent deliveries of 1.1 million square meters to lessees, net rental income is expected to further record high double digit growth.

Dividend 2022

- The Board of Directors has decided to propose to the Annual Shareholder's Meeting of 12 May 2023 to distribute a gross dividend of € 2.75 per share, corresponding to a total gross dividend amount of € 75,051,108.

KEY FINANCIAL METRICS

Operations and results	2022	2021	Change (%)
Committed annualised rental income (€mm)	303.2	256.1	18.4%
Gross Renewable Energy income (€mm)	5.9	1.3	353.8%
Operating result before unrealized valuation adjustments (€mm)	177.5	45.4	291.0%
IFRS net profit (€mm)	(122.5)	650.1	n/a
IFRS earnings per share (€ per share)	(5.49)	31.41	n/a
Dividend per share (€ per share)	2.75 ¹	6.85	(59.9)%

Portfolio and balance sheet	2022	2021	Change (%)
Portfolio value, including Joint Ventures at 100% (€mm)	6,443	5,746	12.1%
Portfolio value, including Joint Ventures at share (€mm)	4,605	4,084	12.8%
Occupancy ratio of standing portfolio (%)	98.9	99.4	-
EPRA NTA ² per share (€ per share)	84,35	106.93	(21.1)%
IFRS NAV per share (€ per share)	80,69	99.65	(19.0)%
Net financial debt (€mm)	1,669	1,159	44.0%
Gearing ³ (%)	34.4	29.8	-

AUDIO WEBCAST FOR INVESTORS AND ANALYSTS

VGP will host an audio webcast at 10:30 (CET) on 23 February 2023

The conference call will be available on:

Webcast link:

- https://channel.royalcast.com/landingpage/vgp/20230223_1/
- Click on the link above to attend the presentation from your laptop, tablet or mobile device
- The presentation 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/>

¹ Proposed dividend per share to be approved by the Annual General Meeting of Shareholders of 12 May 2023.

² EPRA Net Tangible Assets. Other metrics, EPRA Net Reinstatement Value and Net Disposal Value can be found in note 12.2

³ Calculated as Net debt / Total equity and liabilities

FINANCIAL CALENDAR

Publication Annual Report 2022	11 April 2023
First quarter 2023 trading update	4 May 2023
General meeting of shareholders	12 May 2023
Dividend ex-date	24 May 2023
Dividend payment date	26 May 2023
Half year results 2023	24 August 2023
Third quarter 2023 trading update	3 November 2023

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ABOUT VGP

VGP is a pan-European owner, manager and developer of high-quality logistics and semi-industrial real estate. VGP operates a fully integrated business model with capabilities and longstanding expertise across the value chain. Founded in 1998 as a Belgian family-owned real estate developer in the Czech Republic, VGP with a staff of circa 383 FTE's today owns and is active in 17 European countries directly and through several 50:50 joint ventures. the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 6.44 billion and the company had a Net Asset Value (EPRA NTA) of € 2.30 billion. VGP is listed on Euronext Brussels (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.

SUMMARY BUSINESS REVIEW

VGP's operating performance remained solid with a record of development deliveries, property income and the renewable energy income both increasing significantly, despite uncertainty in the market due to the war in Ukraine and rising interest rates.

The signed lease agreements representing € 303.2 million¹ of annualised committed rental income at the end of December 2022 (of which € 238.2 million has already become effective²) represent a total of 5,172,000 m² of lettable area. Of this total space 2,226,000 m² belong to the own portfolio (1,699,000 m² as at 31 December 2021) and 2,946,000 m² to the Joint Ventures (2,545,000 m² at 31 December 2021).

During the year 2022 VGP delivered a total of 44 projects representing 1,414,000 m² of lettable area, with an additional 26 projects under construction representing 814,000 m² of future lettable area.

The Group's completed property portfolio, including own and Joint Ventures portfolio, reached an occupancy rate of 98.9% as of December 2022 compared to 99.4% as of December 2021.

The net valuation of the property portfolio as at 31 December 2022 showed a net valuation loss of € 97.2 million (against a net valuation gain of € 610.3 million per 31 December 2021).

The own investment property portfolio consists of 51 completed buildings representing 1,364,000 m² of lettable area whereas the Joint Ventures property portfolio consists of 146 completed buildings representing 2,937,000 m² of lettable area.

In January 2022, VGP successfully completed a second international bond offering for total gross proceeds of € 1 billion.

In November 2022, VGP successfully completed a rights issue with total proceeds of € 303 million.

The gearing ratio of the Group stood at 34.4% as at 31 December 2022 (compared to 29.8% at 31 December 2021).

¹ Including joint ventures at 100%.

² Including Joint Ventures at 100%

OPERATING RESULT

<i>(in thousands of €)</i>	2022	2021
Revenue¹	84,784	44,255
Gross rental and renewable energy income	51,230	18,274
Property operating expenses	(8,223)	(2,875)
Net rental and renewable energy income	43,007	15,399
Joint ventures management fee income	21,537	21,303
Net valuation gains / (losses) on investment properties	(97,230)	610,261
Administration expenses	(33,956)	(52,112)
Share in result of joint ventures and associates	(45,927)	186,703
Other expenses	(3,000)	(5,000)
Operating result	(115,569)	776,554
Net financial costs	(27,008)	(12,654)
Result before taxes	(142,577)	(763,900)
Taxes	20,035	(113,845)
Result for the year	(122,542)	650,055

Net rental income

The net rental income increased by € 22.6 million to € 37.4 million, primarily due to income generating assets delivered during 2022.

Including VGP's share of the Joint Ventures and looking at net rental income on a "look-through" basis net rental income in total increased by € 31.4 million (from € 70.1 million for the period ending 31 December 2021 to € 101.5 million for the period ending 31 December 2022).²

Net renewables income

Net renewables income amounted to €5.6 million, a € 5.0 million increase compared to 2021. This is mainly due to the significant roll-out of our renewables program during the year.

Annualised committed rent income

During 2022, the strong demand for lettable area continued and resulted in the signing and renewal of new lease contracts for an amount of € 73.4 million in total (VGP and Joint Ventures portfolio) (compared to € 79.7 million during 2021), of which € 53.8 million related to new leases and € 16.0 million related to renewals of existing lease contracts and € 3,6 million caused by indexation of the rents. During 2022, lease contracts for a total amount of € 10.4 million were terminated. The Annualised Committed Leases (including the Joint Ventures at 100%) increased from € 256.1 million as at 31 December 2021 to € 303.2 million as at 31 December 2022³, representing 5,172,000 m² of lettable area.

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

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

³ As at 31 December 2022, the Annualised Committed Leases for the Joint Ventures stood at € 173.2 million compared to € 151.2 million as at 31 December 2021.

In thousands of €	Annualised committed Rent income	Total Lettable area (m ²)
East Europe	86,646	1,644,000
Czech Republic	37,878	724,000
Hungary	13,666	249,000
Latvia	7,268	133,000
Romania	13,953	277,000
Slovakia	10,333	218,000
Serbia	3,548	42,000
West Europe	216,524	3,528,000
Austria	6,817	65,000
Spain	21,516	398,000
Germany	164,923	2,660,000
Italy	6,400	97,000
The Netherlands	13,677	258,000
Portugal	3,192	50,000
Total	303,171	5,172,000

The Annualised Committed Leases are composed of € 238.2 million lease agreements which have already become effective as of 31 December 2022 and € 65 million signed lease agreements which will become effective in the future. The breakdown as to when the Annualised Committed Leases will become effective is as follows:

in € million	Current	<1 year	>1- 5 years	>6 -10 years	Total
Own	72.7	43.7	12.4	1.0	129.9
Joint Ventures at 100%	165.6	7.7	0.0	0.0	173.3
Total	238.2	51.4	12.4	1.0	303.2

The weighted average unexpired lease term of the entire portfolio amounts to 9.8 years and can be detailed as follows:

Weighted Average Unexpired Lease term (in years)	2022	2021
Own	9.8	10.2
Joint Ventures	7.2	7.4
Combined	8.3	8.6

Weighted Average lease term until the first break (in years)	2022	2021
Own	9.5	9.6
Joint Ventures	6.7	7.1
Combined	7.9	8.1

As at 31 December 2022, the top 10 tenants by annualized gross rental income of the combined (own and Joint Ventures') portfolio totaled approximately 35.0%.

Net valuation gains on the property portfolio

As at 31 December 2022 the net valuation loss on the property portfolio amounted to € 97.2 million compared to a net valuation gain of € 610.3 million for the period ended 31 December 2021.

The net valuation losses in 2022 include € 184.4 million of unrealized losses (€ 598 million in 2021) versus realized gains of € 87.2 million (€ 11.5 million in 2021). These gains have been predominantly realized on the disposals to the First, Second and Third Joint Venture in 2022 (with the First Joint Venture in 2021).

The Joint Ventures record another € 106.1 million¹ of revaluation losses (€186.7 million revaluation gains in 2021), of which € 2.5 million² realized gains. This results in a total proportional negative revaluation loss of € 293 million³ and a total realized gain of € 89.2 million⁴ in 2022.

The real estate valuations were adversely impacted by the rising interest rate which resulted in increasing yields.

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 31 December 2022 based on a weighted average yield of 5.29% (compared to 4.64% as at 31 December 2021) applied to the contractual rent income 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.

Income from Joint Ventures

The Joint Ventures management fee income remained stable at € 21.5 million from € 21.3 million in 2021. The Joint Venture management fee income consists of two main components; The property and facility management income, which increased from € 14.2 million at year end 2021 to € 17.9 million at 31 December 2022 and on the other hand property development income, which reduced from € 7.1 million for the period ending 31 December 2021 to € 3.6 million at year end 2022.

The 10 year extension of the First Joint Venture has guaranteed the receipt of the management fee for another 15 years (5 + 10 years).

Share in result of the Joint Ventures

VGP's share of the Joint Ventures' loss for the period amounted to € 45.9 million for the period ending 31 December 2022 from a profit € 186.7 million for the period ending 31 December 2021, primarily reflecting the unrealised valuation losses due to rising yields on the investment portfolio. Excluding the unrealised valuation losses the Joint Ventures showed an increase € 14 million in their operational result⁵.

Net rental income at share increased to € 64.1 million for the period ending 31 December 2022 compared to € 55.3 million for the period ended 31 December 2021. The increase reflects the underlying

¹ Proportional amount as indicated in note 15

² € 5 million including the JV's at 100%

³ € 394 million including the JV's at 100%

⁴ € 92.3 million including the JV's at 100%, reflecting the total gain of € 87.2 million on closings with the First, Second and Third Joint Venture in 2022, as well as the gain of € 5 million (€ 2.5 million at share) on the partial sale of the development project within the VGP Park Siegen Joint Venture

⁵ €7 million at share

growth of the Joint Ventures' Portfolio resulting from the various closings between the Allianz Joint Ventures and VGP during the course of 2022.

At the end of December 2022, the Joint Ventures (100% share) had € 173.3 million of annualised committed rental income representing 2,946,000 m² of lettable area compared to € 151.2 million of annualised committed rental income representing 2,545,000 m² at the end of December 2021.

The net valuation losses on investment properties at share amounted to € 106.1 million for the year ending 31 December 2022 (compared to a gain of € 186.7 million for the year ending 31 December 2021). The Joint Ventures' portfolio, excluding development land and the buildings being constructed by VGP on behalf of the Joint Ventures, was valued at a weighted average yield of 4.68% as at 31 December 2022 (compared to 4.28% as at 31 December 2021). The (re)valuation of the Joint Ventures portfolio was based on the appraisal report of the property expert Jones Lang LaSalle.

The net financial expenses of the Joint Ventures at share for the period ending 31 December 2022 increased to € 16.8 million from € 15.3 million for the period ending 31 December 2021. For the period ending 31 December 2022, the financial income at share was € 2.1 million (€ 0.0 million for the period ending 31 December 2021). The financial expenses at share increased from € 15.3 million for the period ending 31 December 2021 to € 18.8 million for the period ending 31 December 2022 and included € 7.5 million interest on shareholder debt (€ 4.4 million as at 31 December 2021), € 11.9 million interest on financial debt (€ 10.2 million as at 31 December 2021), € 1.8 million other financial expenses (€ 2.7 million as at 31 December 2021) and a positive impact of € 2.4 million (€ 1.4 million per 31 December 2021) related to capitalised interests.

Administrative costs

The administrative costs for the period were € 34 million compared to € 52.1 million for the period ended 31 December 2021, reflecting reduced bonus provisions and reversals on LTIP accrued assumptions, which is directly proportionally linked to the net asset value growth of the Group.

The Group had an in-house team of 383 FTE as at 31 December 2022 which manages all the activities of the fully integrated business model: from the identification and acquisition of the land to the conceptualisation and design of the project, the supervision of the construction works, the contacts with potential tenants and the asset- and property management of the real estate portfolio. VGP focuses on top locations which are located in the vicinity of highly concentrated living and/or production centres, with an optimal access to transport infrastructure.

Other expenses

The other expenses for the period were € 3 million as a donation to the UNHCR in support of the Ukrainian refugee crisis compared to € 5 million for the period ended 31 December 2021 reflecting the provision for the annual contribution to the VGP Foundation. As at 31 December 2022, the VGP Foundation supported 36 projects reflecting € 6.6 million committed and spend since inception in 2019.

Net financial costs

For the period ending 31 December 2022, the financial income was € 17.3 million (€ 12.3 million for the period ending 31 December 2021) and included € 17.3 million interest income on loans granted to the Joint Ventures (€ 12.3 million as at 31 December 2021).

The reported financial expenses as at 31 December 2022 of € 44.3 million (€ 25.0 million as at 31 December 2021) are mainly made up of € 55.8 million expenses related to financial debt (€ 34.1 million as at 31 December 2021), € 5.2 million other financial expenses (€ 3.3 million as at 31 December 2021) and a positive impact of € 18.1 million (€ 13.2 million for the period ending 31 December 2021) related to capitalised interests.

As a result, the net financial costs reached € 27 million for the period ending 31 December 2022 compared to € 12.7 million at the end of December 2021.

Shareholder loans to the Joint Ventures amounted to € 451.3 million as at 31 December 2022 (compared to € 346.9 million as at 31 December 2021) of which € 101.4 million (€ 82.9 million as at 31 December 2021) was related to financing of the buildings under construction and development land held by Joint Ventures.

Taxes

The Group is subject to tax at the applicable tax rates of the respective countries in which it operates. Additionally a deferred tax charge is provided for on the fair value adjustment of the property portfolio.

For the year ending 31 December 2022, the taxes balance showed a positive amount of € 20.0 million compared to a tax expense of € 113.8 million for the period ending 31 December 2021.

Income tax increased from € 0.2 million for the period ending 31 December 2021 to € 7.6 million for the period ending 31 December 2022, mainly reflecting the positive profit contribution of the asset and property management activities. Due to the adverse variance of the fair value adjustments of the property portfolio, deferred taxes were positively impacted with an amount of € 27.6 million for the period ending 31 December 2022 compared to a deferred tax expense of € 113.6 million for the period ending 31 December 2021.

EVOLUTION OF THE DEVELOPMENT ACTIVITIES

Completed projects

As at 31 December 2022, the own investment property portfolio consists of 51 completed buildings representing 1,364,000 m² of lettable area. During 2022, 44 buildings were completed totalling 1,141,000 m² of lettable area. The occupancy rate of the own portfolio reached 98.5% as at 31 December 2022 (99.3% as at 31 December 2021).

As at 31 December 2022, the investment property portfolio of the Joint Ventures consists of 146 completed buildings representing 2,937,000 m² of lettable area. The occupancy rate of the Joint Ventures portfolio reached 99.1% as at 31 December 2022, compared to 99.4% as at 31 December 2021).

Projects under construction

As at 31 December 2022, VGP has 26 buildings under construction (2 on behalf of the Joint Ventures). The new buildings under construction, which are already pre-let for +90% as of today, represent € 51.3 million of annualised rental income when fully built and let (€ 1.9 million for the Joint Ventures).

Land bank

In 2022, VGP acquired 1,970,000 m² of new development land, which can be geographically split in accordance with table below:

Country	Landbank (m ²)	Land % of total
Germany	294,000	15%
Czech Republic	58,000	3%
Spain	205,000	10%
Netherlands	175,000	9%
Romania	56,000	3%
Hungary	406,000	20%
Italia	68,000	3%
Austria	189,000	10%
Portugal	181,000	9%
Serbia	6,000	1%
France	243,000	12%
Croatia	89,000	5%
Total	1,970,000	100%

These new land plots have a development potential of 792,000 m² of future lettable area.

On top of the acquired land, VGP had another 2,405,000 m² of committed plots of land as at 31 December 2022, which are located in Germany, the Czech Republic, Slovakia, Romania, Hungary, Italy, France and Portugal. These land plots allow for the development of approx. 1,076,000 m² of new projects. It is currently expected that these remaining land plots will be acquired, subject to permits, during the next 12 to 24 months.

As a result, VGP (own and Joint Ventures' portfolio) has a remaining secured i.e. owned and committed development land bank of 10,362,000 m² as at 31 December 2022, having a development potential of circa 4,664,000 m² of future lettable area, and which is 77% or 7,956,000 m² in full ownership.

The Joint Ventures have a remaining owned land bank of circa 1,331,000 m² as at 31 December 2022 allowing the Joint Ventures to develop – in addition to the current completed projects and projects under construction (totalling 2,561,000 m²) – a further 689,000 m² of lettable area.

In addition to 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 321,000 m² of new land plots.

In total the land bank owned, committed and under option has a development potential of circa 5 million m² of future lettable area.

Expansion of total landbank over 2022 – own and joint ventures at 100%

Landbank	Land (m ²)
Owned Landbank Year End 2021	6,957,000 m²
Land deployed for new developments	(971,000 m ²)
Land Acquired over 2022	1,970,000 m ²
Owned Landbank at Year End 2022	7,956,000 m²
Committed Land at Year End 2022	2,405,000 m ²
Landbank Owned & Committed at Year End 2022	10,362,000 m²
Land under option ‘Letters of Intent’	321,000 m ²
Total landbank (incl under option)	10,683,000 m²

DISPOSAL GROUP HELD FOR SALE

The balance of the Disposal group held for sale decreased from € 501.9 million as at 31 December 2021 to € 299.9 million as at 31 December 2022.

This balance relates to (i) the assets under construction and development land (at fair value) which are being / will be developed by VGP, primarily on behalf of the Second Joint Venture in an amount of € 174.0 million, and (ii) assets reclassified as held for sale and related to the tenth closing with the First Joint Venture in an amount of € 118.5 million investment property, € 1.2 million accounts receivable and € 6.2 million cash and cash equivalents. This tenth closing occurred during the month of January 2023.

The First-, Second- and Fourth Joint Venture have an exclusive right of first refusal in relation to acquiring the income generating assets developed by VGP.

The First Joint Venture and subsequent Fourth Joint Venture has the exclusive right of first refusal in relation to acquiring the income generating assets located in Germany, the Czech Republic, the Slovak Republic and Hungary. The Second Joint Venture has the exclusive right of first refusal in relation to acquiring the income generating assets located in Austria, Italy, the Netherlands, Portugal, Romania and Spain. The development pipeline which is transferred to the Joint Ventures as part of the different closings between First, Second and Fourth 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.

The development pipeline which is being developed by the Development Joint Ventures are being developed at the respective joint venture partners’ risk and consequently not reclassified as ‘Disposal group held for sale’.

FINANCING

On the 10th of January 2022, VGP announced the successful issue of its second public benchmark green bonds for an aggregate nominal amount of € 1.0 billion, in two tranches, with a € 500 million 5-year bond paying a coupon of 1.625 per cent p.a. and maturing on 17 January 2027 and a € 500 million 8-year bond paying a coupon of 2.250 per cent p.a. and maturing on 17 January 2030. Total demand came in just under 2.5 times the combined volume of the offering. With this transaction, VGP joined the very small group of Belgian issuers having printed € 1,000 million in a single deal and is the first Belgian Real Estate player to ever have done so. The proceeds from this issuance will be used to finance and /or

refinance a portfolio of eligible assets in accordance with the VGP Green Finance Framework.

On 25 November 2022, VGP successfully completed a € 303 million rights issue by offering 5,458,262 new shares. Following the successful public offering of new shares to existing shareholders and any holders of a non-statutory preferential right, 100% of the new shares offered in the rights offering had been subscribed (of which 94.43% in the public offering and 5.57% in the private placement). This led to the transaction having the highest take-up of issued rights since 2015, whereby the rump has been placed without a discount.

The Group further benefits from an expanded multi-year aggregate € 400 million revolving credit facilities which are currently undrawn.

These revolving credit facilities were setup in order to bridge temporary funding peaks between the different closings with the Joint Ventures and consists of the following committed revolving credit facilities:

- a € 75 million facility with Belfius Bank SA/NV maturing 31 Dec 2026
- a € 100 million facility with Belfius Bank SA/NV maturing 31 Jul 2027
- a € 75 million facility with KBC Bank NV maturing 31 Dec 2026
- a € 50 million facility with BNP Paribas Fortis SA/NV maturing 31 Dec 2025
- a € 50 million facility with BNP Paribas Fortis SA/NV maturing 31 Dec 2026
- a € 50 million facility with JP Morgan AG maturing 12 Dec 2025

On the 9th of September VGP's Fitch Rating was reconfirmed to be investment grade rating of BBB- with a stable outlook. In 2021 The Group has initiated the financial rating process in order to benefit from an enhanced access to debt capital markets when needed, including a broader investor base and tighter spreads.

The gearing ratio¹ of the Group as of 31 December 2022 increased to 34.4% from 29.8% as at 31 December 2021. On a proportionally consolidated basis LTV amounted to 49.4%.

PARTNERSHIPS

Strategic partnership

VGP entered into four 50:50 joint ventures with Allianz Real Estate which are set up according to a similar structure. The Allianz Joint Ventures allow the Group to partially recycle its initial invested capital when completed projects are acquired by one of the Joint Ventures and allow the Group to re-invest these monies in the continued expansion of the development pipeline, including the further expansion of the land bank, thus allowing VGP to concentrate on its core development activities.

The First Joint Venture (also called Rheingold) was established in May 2016 with an objective to build a platform of new, grade A logistics and industrial properties with a key focus on expansion in core German markets and high growth CEE markets (of Hungary, the Czech Republic and the Slovak Republic). At the end of 2022 VGP and Allianz Real Estate agreed to extend the term of the Rheingold Joint Venture by 10 years to 2036.

The Second Joint Venture (also called Aurora) was established in July 2019 with the objective to build a platform of core, prime logistic assets in Austria, Italy, the Netherlands, Portugal, Romania and Spain.

The Third Joint Venture (also called Ymir) was established in June 2020 with an objective to develop VGP Park München. The works in VGP Park München have been finalized in the course of 2022. The park now consists of four logistic buildings and a fifth to be developed in 2026, two stand-alone parking

¹ Calculated as Net debt / Total equity and liabilities

houses and one office building for a total gross lettable area of approx. 314,000 m². The park is entirely let. A final transaction of for the Joint Venture has taken place in 2022.

As the First Joint Venture reached its investment capacity, Allianz and VGP entered into a new joint venture agreement (called Europa or the Fourth Joint Venture). Given the market dynamics, VGP and Allianz decided to postpone a first closing which was foreseen in H2 2022.

VGP is currently in constructive discussions with Allianz Real Estate and various other potential joint venture partners.

Development Joint Ventures

To allow VGP to acquire land plots on prime locations for future development, the Group has entered into three strategic partnerships, *i.e.* (i) a 50:50 joint venture with Roozen (the **LPM Joint Venture**), (ii) a 50:50 joint venture with VUSA (the **VGP Park Belartza Joint Venture**), and (iii) a 50:50 joint venture with Revikon (the **VGP Park Siegen Joint Venture**) (together, the **Development Joint Ventures**). The Group considers these Development Joint Ventures as an add-on source of land sourcing for land plots which would otherwise not be accessible to the Group.

FINANCIAL ACCOUNTS¹

1. CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2022

INCOME STATEMENT <i>(in thousand of €)</i>	NOTE	2022	2021
Revenue²	7	84,784	44,255
Gros rental and renewable energy income	7	51,230	18,274
Property operating expenses		(8,223)	(2,875)
Net rental and renewable energy income³		43,007	15,399
Joint venture management fee income		21,537	21,303
Net valuation gains / (losses) on investment properties	8	(97,230)	610,261
Administration expenses	9	(33,956)	(52,112)
Share in result of Joint Ventures	10.1	(45,927)	186,703
Other expenses		(3,000)	(5,000)
Operating result		(115,569)	776,554
Financial income	11	17,329	12,322
Financial expenses	11	(44,337)	(24,976)
Net financial result		(27,008)	(12,654)
Result before taxes		(142,577)	763,900
Taxes		20,035	(113,845)
Result of the period		(122,542)	650,055
Attributable to:			
Shareholders of VGP NV		(122,542)	650,055
Non-controlling interests		-	-
EARNINGS PER SHARE	NOTE	2022	2021
Basic earnings per share (in €)	12	(5.49)	31.41
Diluted earnings per share (in €)	12	(5.49)	31.41

The consolidated income statement should be read in conjunction with the accompanying notes.

¹ The statutory auditor has confirmed that his audit procedures, which have been substantially completed, have not revealed any material adjustments which would have to be made to the accounting information disclosed in this press release. The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union.

² Revenue is composed of gross rental and renewables income, service charge income, property and facility management income and property development income

³ Given the exponential growth of renewables income and its operating expenses, the consolidated income statement has been updated by renaming gross and net rental income into gross rental and renewables income and 'net rent and renewable energy income'

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

STATEMENT OF COMPREHENSIVE INCOME <i>(in thousand of €)</i>	2022	2021
Result for the year	(122,542)	650,055
<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 result for the period	-	-
Total comprehensive result of the period	(122,542)	650,055
Attributable to:		
Shareholders of VGP NV	(122,542)	650,055
Non-controlling interest	-	-

3. CONSOLIDATED BALANCE SHEET

For the year ended 31 December 2022

ASSETS <i>(in thousand of €)</i>	NOTE	31.12.2022	31.12.2021
Intangible assets		1,200	1,046
Investment properties	13	2,395,702	1,852,514
Property, plant and equipment		73,280	32,141
Investments in joint venture and associates	10	891,201	858,116
Other non-current receivables	10.3	359,644	264,905
Deferred tax assets		3,839	1,953
Total non-current assets		3,724,866	3,010,675
Trade and other receivables		122,113	148,022
Cash and cash equivalents		699,168	222,160
Disposal group held for sale		299,906	501,882
Total current assets		1,121,187	872,064
TOTAL ASSETS		4,846,053	3,882,739
SHAREHOLDERS' EQUITY AND LIABILITIES <i>(in thousands of €)</i>			
	NOTE	31.12.2022	31.12.2021
Share capital		105,676	78,458
Share premium		845,579	574,088
Retained earnings		1,250,920	1,523,019
Shareholders' equity		2,202,175	2,175,565
Non-current financial debt		1,960,464	1,340,609
Other non-current liabilities		46,419	32,459
Deferred tax liabilities		79,671	112,295
Total non-current liabilities		2,086,554	1,485,363
Current financial debt		413,704	44,147
Trade debts and other current liabilities		110,675	107,510
Liabilities related to disposal group held for sale		32,944	70,154
Total current liabilities		557,323	221,811
Total liabilities		2,643,877	1,707,174
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,846,053	3,882,739

The consolidated balance sheet should be read in conjunction with the accompanying notes.

4. STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2022

STATEMENT OF CHANGES IN EQUITY <i>(in thousands of €)</i>	Statutory share capital	Capital reserve	IFRS share capital	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2021	102,641	(30,416)	72,225	285,420	948,092	1,305,737
Other comprehensive result	-	-	-	-	-	-
Result of the period	-	-	-	-	650,055	650,055
Total comprehensive result	-	-	-	-	650,055	650,055
Capital and share premium increase net of transaction costs	6,233	-	6,233	288,668	-	294,901
Share capital distribution to shareholders	-	-	-	-	-	-
Dividends	-	-	-	-	(75,128)	(75,128)
Balance as at 31 December 2021	108,874	(30,416)	78,458	574,088	1,523,019	2,175,565
Balance as at 1 January 2022	108,874	(30,416)	78,458	574,088	1,523,019	2,175,565
Other comprehensive result	-	-	-	-	-	-
Result of the period	-	-	-	-	(122,542)	(122,542)
Total comprehensive result	-	-	-	-	(122,542)	(122,542)
Capital and share premium increase net of transaction costs	27,218	-	27,218	271,491	-	298,709
Share capital distribution to shareholders	-	-	-	-	-	-
Dividends	-	-	-	-	(149,557)	(149,557)
Balance as at 31 December 2022	136,092	(30,416)	105,676	845,579	1,250,920	2,202,175

5. CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2022

CASH FLOW STATEMENT <i>(in thousand of €)</i>	Note	2022	2021
<i>Cash flows from operating activities</i>			
Profit before taxes		(142,577)	763,900
<i>Adjustments for:</i>			
Depreciation		4,479	2,431
Unrealised (gains) / losses on investment properties	8	184,447	(598,726)
Realised (gains) / losses on disposal of subsidiaries and investment properties	8	(87,217)	(11,535)
Unrealised(gains) / losses on financial instruments and foreign exchange		1,426	786
Interest (income)		(17,329)	(12,322)
Interest expense		42,911	24,190
Share in result of Joint Venture and associates	10	45,927	(186,703)
Operating result before changes in working capital and provisions		32,067	(17,979)
Decrease/(Increase) in trade and other receivables		(43,215)	(51,472)
(Decrease)/Increase in trade and other payables		(12,632)	10,932
Cash generated from the operations		(23,780)	(58,519)
Interest income		24	4
Interest (expense)		(39,292)	(28,726)
Income taxes paid		(7,590)	(232)
Net cash generated from operating activities		(70,638)	(87,473)
<i>Cash flows from investing activities</i>			
Proceeds from disposal of tangible assets and other		-	36
Proceeds from disposal of subsidiaries and investment properties	14	347,372	49,647
Investments in Investment Property and Property, Plant and Equipment		(851,792)	(680,028)
Distribution by / (investment in) Joint Venture and associates		21,382	(4,060)
Loans provided to Joint Venture and associates		(108,443)	(99,511)
Loans repaid by Joint Venture and associates		25,331	13,493
Net cash used in investing activities		(566,150)	(720,423)
<i>Cash flows from financing activities</i>			
Dividends paid		(149,557)	(75,128)
Net Proceeds / (cash out) from the issue / (repayment) of share capital		298,709	294,901
Proceeds from loans		990,749	594,149
Loan repayments		(23,500)	(1,333)
Net cash used in financing activities		1,116,401	812,589
Net increase / (decrease) in cash and cash equivalents		479,613	4,693
Cash and cash equivalents at the beginning of the period		222,160	222,356
Effect of exchange rate fluctuations		(157)	(1,132)
Reclassification to (-) / from held for sale		(2,448)	(3,757)
Cash and cash equivalents at the end of the period		699,168	222,160

The consolidated cash flow statement should be read in conjunction with the accompanying notes.

6. 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.

6.1. 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 years ended 31 December 2022 and 2021. Given the growth of the renewables segment, the Group has updated its segment reporting and as such consolidated its Investment business and property and asset management segments into one segment and reports Renewable Energy as a new segment. The segment Development has remained unchanged.

Investment

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 and as part of the segment reporting update, now consolidates as well property and asset management revenue, which include asset management, property management and facility management income..

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.

Associated operating, administration and other expenses include directly allocated expenses from the respective asset management, property management and facility management service companies.

The Renewable Energy segment leases roofs from other VGP entities. To the extent these are not eliminated in the consolidation perimeter, these have been added back as cost, in favour of a revenue recognition in the Investment segment.

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 First, Second and Fourth Joint Venture perimeter i.e. Latvia, Croatia, France, Denmark and Serbia 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, 80% of total property operating expenses are allocated to the property development business, as are administration expenses after rental business and property management expenses.

Renewable Energy

The Group's Renewable Energy segment includes gross renewables income and its direct attributable operating expenses. The Renewables income is generated through sale of electricity, government grants and/or leasing activities. In addition, 10% of administration expenses are allocated to the Renewable Energy segment.

The Renewable Energy segment leases roofs from other VGP entities. To the extent these are not eliminated in the consolidation perimeter, these have been added back as cost, in favour of a revenue recognition in the Investment segment.

Breakdown summary of the business lines

<i>In thousands of €</i>	2022	2021
Investment & Property and Asset Management EBITDA	122,139	81,743
Property development EBITDA	(112,062)	556,721
Renewable energy EBITDA	3,912	(4,342)
Total operational EBITDA	13,989	634,121

The net valuation losses in 2022 on investment properties destined to the Joint Ventures contains a revaluation loss of € 213.5 million (€ 0 million revaluation loss in 2021) partially offset by a realized valuation gain on transactions with the Joint Ventures and some first time valuation effects, totalling to € 129.6 million.

In thousands of €	For the year ended 31 December 2022				
	Investment	Development	Renewable Energy	Inter segment eliminations	Total
Gros rental and renewable energy income	45,391	-	5,901	(62)	51,230
Property operating expenses	(792)	(7,136)	(357)	62	(8,223)
Net rent and renewable energy income	44,599	(7,136)	5,544	-	43,007
Joint venture management fee income	21,537	-	-	-	21,537
Net valuation gains / (losses) on investment properties destined to the Joint Ventures ¹	-	(83,874)	-	-	(83,874)
Administration expenses	(6,793)	(21,052)	(1,632)	-	(29,477)
Share of joint ventures' Adjusted profit after tax ²	62,796	-	-	-	62,796
EBITDA	122,139	(112,062)	3,912	-	13,989
Other expense	-	-	-	-	(3,000)
Depreciation and amortisation	(633)	(2,530)	(1,316)	-	(4,479)
Earnings before interest and tax	121,506	(114,592)	2,596	-	6,510
Net financial cost - Own	-	-	-	-	(27,009)
Net financial cost - Joint venture and associates	-	-	-	-	(18,852)
Result before tax	-	-	-	-	(39,351)
Current income taxes - own	-	-	-	-	(7,590)
Current income taxes - Joint venture and associates	-	-	-	-	(4,217)
Recurrent net income	-	-	-	-	(51,158)
Net valuation gains / (losses) on investment properties - other countries ³	-	-	-	-	(13,356)
Net valuation gains / (losses) on investment properties - Joint venture and associates	-	-	-	-	(106,118)
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	-	-	-	-	2,096
Deferred taxes - own	-	-	-	-	27,625
Deferred taxes - Joint venture and associates	-	-	-	-	18,369
Reported result for the period	-	-	-	-	(122,542)

¹ The net valuation losses on investment properties destined to the Joint Ventures contains a revaluation loss of € 213.5 million offset by a realized valuation gain on transactions with the Joint Ventures and some first time valuation effects, totalling to € 129.6 million.

² The adjustments to the share of profit from the joint ventures (at share) are composed of € 106.1 million of net valuation losses on investment properties, € 2.1 million of net fair value gain on interest rate derivatives and € 18.4 million of reversal deferred taxes in respect of these adjustments.

³ Relates to developments in countries outside of the JV perimeters i.e. Latvia, Croatia, France, Denmark and Serbia.

In thousands of €	For the year ended 31 December 2021 ¹				
	Investment	Development	Renewable Energy	Inter-segmental eliminations	Total
Gros rental and renewable energy income	17,581	-	693	-	18,274
Property operating expenses	(222)	(2,586)	(67)	-	(2,875)
Net rent and renewable energy income	17,359	(2,586)	626	-	15,399
Joint venture management fee income	21,303				21,303
Net valuation gains / (losses) on investment properties destined to the Joint Ventures	-	592,772	-		592,772
Administration expenses	(11,247)	(33,466)	(4,968)		(49,681)
Share of joint ventures' Adjusted profit after tax ²	54,328	-	-		54,328
EBITDA	81,743	556,721	(4,342)		634,121
Other expense					(5,000)
Depreciation and amortisation	(102)	(1,812)	(522)		(2,436)
Earnings before interest and tax	81,641	554,909	(4,864)		626,685
Net financial cost - Own					(12,653)
Net financial cost - Joint ventures and associates	-	-			(15,987)
Result before tax					598,045
Current income taxes – own					(232)
Current income taxes - Joint ventures and associates					(2,600)
Recurrent net income					595,213
Net valuation gains / (losses) on investment properties - other countries ³					17,491
Net valuation gains / (losses) on investment properties - Joint ventures and associates					186,668
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					645
Deferred taxes - own					(113,613)
Deferred taxes - Joint ventures and associates					(36,349)
Reported result for the period					650,055

¹ The segment report of FY 2021 has been restated in view of the new division into Investment, Development and Renewable Energy segments

² The adjustments to the share of profit from the joint ventures (at share) are composed of € 186.7 million of net valuation gains/(losses) on investment properties, € 1.0 million of net fair value loss on interest rate derivatives and € 36.4 million of deferred taxes in respect of these adjustments.

³ Relates to developments in countries outside of the JV perimeters i.e. Latvia, Croatia, France, Denmark and Serbia.

6.2 Geographical markets

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.

31 December 2022	Gross rental and renewables income (Incl. JV at share) ¹	Net rent and renewable energy income (Incl. JV at share)	Operating EBITDA (Incl. JV at share)	Investment properties Own	Investment properties JV's at share	Renewables property, plant and equipment ²	Capital expenditure ³
<i>In thousands of €</i>							
Western Europe							
Germany	68,258	61,276	(60,527)	1,311,996	1,127,017	49,175	464,454
Spain	9,455	7,605	32,252	215,015	168,859	-	39,079
Austria	1,118	964	(12,289)	115,943	13,485	-	54,830
Netherlands	6,320	5,282	(1,044)	144,835	152,679	15,285	13,516
Italy	2,711	1,957	20,621	40,374	43,345	703	18,570
France	-	(72)	(1,074)	21,218	-	-	21,437
Portugal	415	565	10,249	37,998	10,595	-	26,018
	88,277	77,577	(11,812)	1,887,379	1,515,980	65,163	637,904
Central and Eastern Europe							
Czech Republic	18,889	17,527	26,356	242,545	285,307	73	54,179
Slovakia	4,630	4,942	(10,048)	178,605	36,156	-	35,279
Hungary	5,117	4,774	4,068	132,014	37,379	-	43,637
Romania	4,590	3,366	(6,151)	124,102	41,450	531	858
Croatia	-	(64)	(94)	5,825	-	-	5,796
	33,226	30,545	14,131	683,091	400,292	604	139,748
Baltics and Balkan							
Latvia	2,241	1,014	273	93,530	-	-	33,504
Serbia	24	(524)	(1,338)	24,243	-	-	46,789
	2,265	490	(1,065)	117,773	-	-	80,293
Other⁴	-	(1,477)	12,735	-	75	-	-
Total	123,768	107,135	13,989	2,688,243	1,916,347	65,767	857,945

¹ Includes Joint Ventures at share

² Given the growth of Renewables equipment, an extra column has been included to highlight the segment

³ 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 € 832.6 million (of which € 202.5 related to land acquisition) and amounts to € 25.3 million on development properties on behalf of the First and Second Joint Venture.

⁴ Other includes the Group central costs and costs relating to the operational business which are not specifically geographically located

31 December 2021	Gross rental and renewables income (Incl. JV at share) ¹	Net rent and renewable energy income (Incl. JV at share)	Operating EBITDA (Incl. JV at share)	Investment properties Own	Investment properties JV's at share	Renewables property, plant and equipment ²	Capital expenditure ³
<i>In thousands of €</i>							
Western Europe							
Germany	42,871	33,297	317,886	1,020,758	1,148,592	19,072	244,805
Spain	6,267	3,979	49,137	293,260	99,535		100,921
Austria	663	280	26,359	47,360	14,465		33,312
Netherlands	3,672	3,072	68,180	190,156	115,987	5,309	61,449
Italy	1,476	744	10,710	78,770	14,300	82	35,252
France	-	(19)	(19)	-	-		-
Portugal	-	(228)	5,150	24,873	-		13,056
	54,293	41,125	477,403	1,655,177	1,392,879	24,463	488,794
Central and Eastern Europe							
Czech Republic	13,507	12,529	97,861	238,596	249,989		65,284
Slovakia	2,056	1,003	40,045	154,426	36,303		68,568
Hungary	4,075	3,548	20,305	93,230	33,476		40,548
Romania	3,227	1,754	3,124	98,655	34,050		41,424
	22,865	18,834	161,335	584,907	353,818	-	215,824
Baltics and Balkan							
Latvia	2,891	2,691	2,558	72,840	-		15,288
Serbia	4	(51)	(213)	23,950	-		23,269
	2,895	2,640	2,345	96,790	-	-	38,557
Other⁴	-	8,119	(6,962)	-	73	-	-
Total	80,053	70,718	634,121	2,336,874	1,746,770	24,463	743,176

¹ Includes Joint Ventures at share.

² The geographical market view of 2021 has been restated as a result of the growth of Renewables equipment. Therefore, an extra column has been included to highlight the segment.

³ 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 € 719.3 million (of which € 299.1 related to land acquisition) and amounts to € 23.9 million on development properties of the First and Second Joint Venture.

⁴ Other includes the Group central costs and costs relating to the operational business which are not specifically geographically located.

7. REVENUE

<i>In thousands of €¹</i>	2022	2021
Rental income from investment properties ¹	35,177	12,441
Straight lining of lease incentives	10,152	5,140
Total gross rental income¹	45,329	17,581
Gross renewables income¹	5,901	693
Property and facility management income	18,016	14,213
Development management income	3,521	7,090
Joint Venture management fee income	21,537	21,303
Service charge income ¹	12,017	4,678
Total revenue	84,784	44,255

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 2022.

During 2022 rental income included € 1.9 million of rent for the period 1 January 2022 to 15 March 2022 related to the property portfolio sold during the third closing with the Second Joint Venture on 15 March 2022, € 0.1 million of rent for the period 1 January 2022 to 1 July 2022 for 1 building in a new VGP Park pertaining to the third closing with the Second Joint Venture.

During 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 the First Joint Venture on 15 June 2021.

At the end of December 2022, the Group (including the joint ventures) had annualised committed leases of € 303.2 million² compared to € 256.1 million³ as at 31 December 2021.

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

<i>In thousands of €</i>	2022	2021
Less than one year	112,851	104,759
Between one and five years	482,083	397,792
More than five years	658,129	563,840
Total	1,253,063	1,066,391

¹ Overview has been restated in view of the Renewable Energy segment. The following changes occurred: 37 k EUR of roof rent income has been reclassified from rental income from investment properties, as well as 656 k EUR from service charge income to gross renewables income.

² € 173.3 million related to the JV Property Portfolio and € 129.9 million related to the Own Property Portfolio.

³ € 151.1 million related to the JV Property Portfolio and € 105.0 million related to the Own Property Portfolio.

8. NET VALUATION GAINS / (LOSSES) ON INVESTMENT PROPERTIES

<i>In thousands of €</i>	2022	2021
Unrealised valuation gains / (losses) on investment properties	(180,111)	464,478
Unrealised valuation gains / (losses) on disposal group held for sale	(4,336)	134,248
Realised valuation gains / (losses) on disposal of subsidiaries and investment properties	87,217	11,535
Total	(97,230)	610,261

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 31 December 2022 based on a weighted average yield of 5.29% (compared to 4.64% as at 31 December 2021) 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 € 46.0 million.

9. ADMINISTRATION EXPENSES

<i>In thousands of €</i>	2022	2021
Wages and salaries	(14,066)	(22,441)
Audit, legal and other advisors	(6,833)	(19,810)
Other administrative expenses	(8,578)	(7,430)
Depreciation	(4,479)	(2,431)
Total	(33,956)	(52,112)

The administrative costs for the period were decreased from € 52.1 million for the period ended 31 December 2021 to € 34 million for the period ended 31 December 2022. The decrease is mainly due to the decreased costs of the long-term incentive plan (LTIP) which is directly proportionally linked to the net asset value growth of the Group. During the year 2021 an additional accrual in an amount of € 16.0 million was booked in respect of the LTIP whereas for 2022 a reversal of this accrual was booked in an amount of € 4.1 million.

As at 31 December 2022 the VGP team comprised more than 383 people (2021: 322 people) active in 17 different countries.

10. INVESTMENTS IN JOINT VENTURES

10.1. Profit from Joint Ventures

The table below presents a summary Income Statement of the Group's joint ventures with (i) Allianz Joint Ventures and the associates; and (ii) the Development Joint Ventures, all of which are accounted for using the equity method.

VGP NV holds 50% in all Joint Ventures and holds another 5.1% in the subsidiaries of the First Joint Venture (10.1% in the subsidiaries of the Fourth Joint Venture) holding assets in Germany. The Fourth Joint Venture – which is intended to replace the investment capacity of the First Joint Venture – will only become effective as from its first closing, currently expected to take place during 2023, and consequently the below mentioned table does not include the Fourth Joint Venture.

<i>In thousands of €</i>	First Joint Venture (excl. minorities) at 100%	Second Joint Venture at 100%	Third Joint Venture at 100%	Development Joint Ventures at 100 %	Joint Ventures at 50%	First Joint Venture's German Asset Companies at 5.1%	2022
Gross rental income	96,754	34,229	7,533	46	69,281	3,257	72,538
Property Operating expenses							
- underlying property operating expenses	81	(1,680)	10	(14)	(802)	(49)	(851)
- property management fees	(8,862)	(4,849)	(766)	-	(7,239)	(321)	(7,560)
Net rental income	87,973	27,700	6,777	32	61,240	2,887	64,127
Net valuation gains / (losses) on investment properties	(126,246)	(92,546)	16,385	5,054	(98,677)	(7,440)	(106,117)
Administration expenses	(1,868)	(502)	(130)	(76)	(1,288)	(45)	(1,333)
Operating result	(40,141)	(65,348)	23,032	5,010	(38,725)	(4,598)	(43,323)
Net financial result	(19,417)	(9,671)	(2,502)	(408)	(15,999)	(757)	(16,756)
Taxes	8,050	19,214	834	(1,529)	13,286	866	14,152
Result for the period	(51,508)	(55,805)	21,364	3,073	(41,438)	(4,489)	(45,927)

<i>In thousands of €</i>	First Joint Venture (excl. minorities) at 100%	Second Joint Venture at 100%	Third Joint Venture at 100%	Development Joint Ventures at 100 %	Joint Ventures at 50%	First Joint Venture's German Asset Companies at 5.1%	2021
Gross rental income	92,432	23,021	3,152	-	59,302	3,132	62,435
Property Operating expenses							
- underlying property operating expenses	(1,157)	(1,064)	(56)	45	(1,116)	(34)	(1,150)
- property management fees	(7,913)	(2,814)	(626)	-	(5,676)	(289)	(5,966)
Net rental income	83,362	19,143	2,470	45	52,510	2,809	55,319
Net valuation gains / (losses) on investment properties	304,442	46,771	-	-	175,606	11,063	186,670
Administration expenses	(1,474)	(274)	(89)	(73)	(955)	(40)	(995)
Operating Result	386,330	65,640	2,381	(28)	227,161	13,832	240,994
Net financial result	(21,423)	(7,955)	493	(231)	(14,558)	(784)	(15,342)
Taxes	(62,623)	(14,175)	2,944	-	(36,927)	(2,022)	(38,949)
Result for the period	302,283	43,510	5,818	(259)	175,676	11,027	186,703

10.2. Summarised balance sheet information in respect of Joint Ventures

<i>In thousands of €</i>	First Joint Venture (excl. minorities) at 100%	Second Joint Venture at 100%	Third Joint Venture at 100%	Development Joint Ventures at 100 %	Joint Ventures at 50%	First Joint Venture's German Asset Companies at 5.1%	2022
Investment properties	2,168,850	713,723	638,474	155,670	1,838,360	77,987	1,916,347
Other assets	1,825	2,421	3,583	75	3,951	14	3,965
Total non-current assets	2,170,675	716,144	642,057	155,745	1,842,311	78,001	1,920,312
Trade and other receivables	14,675	21,282	35,354	1,072	36,192	270	36,462
Cash and cash equivalents	40,386	17,874	32,274	9,180	49,857	1,350	51,207
Total current assets	55,061	39,156	67,628	10,252	86,049	1,620	87,669
Total assets	2,225,736	755,300	709,685	165,997	1,928,360	79,621	2,007,981
Non-current financial debt	917,863	417,795	367,052	82,048	892,379	34,030	926,409
Other non-current financial liabilities	-	-	-	-	-	-	-
Other non-current liabilities	6,914	5,427	-	3,834	8,087	221	8,308
Deferred tax liabilities	197,983	37,528	-	583	118,047	6,393	124,440
Total non-current liabilities	1,122,759	460,750	367,052	86,465	1,018,513	40,644	1,059,157
Current financial debt	25,627	8,495	-	-	17,061	744	17,805
Trade debts and other current liabilities	17,527	23,425	32,621	5,336	39,456	362	39,818
Total current liabilities	43,154	31,920	32,621	5,336	56,517	1,106	57,623
Total liabilities	1,165,913	492,670	399,673	91,801	1,075,030	41,750	1,116,780
Net assets	1,059,823	262,630	310,012	74,196	853,330	37,871	891,201

<i>In thousands of €</i>	First Joint Venture (excl. minorities) at 100%	Second Joint Venture at 100%	Third Joint Venture at 100%	Development Joint Ventures at 100 %	Joint Ventures at 50%	First Joint Venture's German Asset Companies at 5.1%	2021
Investment properties	2,215,851	451,500	551,441	105,322	1,662,057	84,713	1,746,770
Other assets	41	54	3,531	75	1,850	-	1,851
Total non-current assets	2,215,892	451,554	554,972	105,397	1,663,908	84,713	1,748,620
Trade and other receivables	10,920	8,044	5,257	1,247	12,734	395	13,129
Cash and cash equivalents	59,747	19,192	16,691	421	48,025	1,836	49,862
Total current assets	70,667	27,236	21,948	1,668	60,760	2,231	62,990
Total assets	2,286,560	478,790	576,920	107,065	1,724,667	86,943	1,811,611
Non-current financial debt	892,941	239,304	271,522	53,774	728,771	35,325	764,095
Other non-current financial liabilities	399	(15)	-	-	192	-	192
Other non-current liabilities	6,158	2,709	-	950	4,909	141	5,049
Deferred tax liabilities	207,402	40,578	2,408	583	125,486	7,331	132,816
Total non-current liabilities	1,106,901	282,576	273,930	55,307	859,357	42,796	902,153
Current financial debt	23,588	5,033	-	-	14,310	744	15,055
Trade debts and other current liabilities	18,505	7,203	41,459	4,604	35,885	402	36,288
Total current liabilities	42,093	12,236	41,459	4,604	50,196	1,146	51,342
Total liabilities	1,148,994	294,812	315,389	59,911	909,553	43,942	953,495
Net assets	1,137,566	183,978	261,531	47,154	815,114	43,001	858,116

VGP entered into four 50:50 joint ventures with Allianz which are set up according to a similar structure. The First Joint Venture recorded one closing during the year. On 1 July 2022 the First Joint Venture completed its ninth closing, comprising of 8 completed assets developed on land of the First Joint Venture, for an aggregate transaction value¹ in excess of € 81.2 million and resulting into net cash proceeds of € 69.4 million².

Following the reaching of the expanded investment target in 2021, both VGP and Allianz agreed during the month of December 2022 to amend the current JVA resulting in the following main changes: (i) extension of the current term of the First Joint Venture with 10 years i.e. from May 2026 to May 2036 (ii) implementation of a comprehensive ESG strategy, and (iii) agreeing to an additional tenth closing in respect of 3 newly completed buildings in 3 (partly) new VGP parks.

The tenth closing was subsequently signed on 19 December 2022 with completion on 17 January 2023. The aggregate transaction value¹ of the tenth closing was in excess of € 116.1 million and resulted in net cash proceeds of € 80.8 million.

As the First Joint Venture reached its investment capacity, Allianz and VGP entered into a new joint venture agreement in December 2021 with a view to establish a new Fourth Joint Venture. The Fourth Joint Venture will become effective at the moment of its first closing, currently expected to occur during 2023. The Fourth Joint Venture's objective is to build a platform of new, grade A logistics and industrial properties with a key focus on expansion within the same geographical scope as the First Joint Venture, i.e. core German markets and high growth CEE markets (of Hungary, the Czech Republic and the Slovak Republic), with the aim of delivering stable income-driven returns with potential for capital appreciation.

During 2022, VGP completed a third and currently last closing whereby, the Second Joint Venture ("VGP European Logistics 2 S.à r.l.") acquired, on 15 March 2022, 13 logistic buildings, including 9 buildings in 7 new VGP parks and another 4 newly completed buildings (in parks which were previously transferred to the Second Joint Venture), and on 1 July 2022, 1 building in a new VGP park, for an aggregate transaction value in excess of € 387.4 million and resulting into net aggregate cash proceeds of € 222.2 million. The development pipeline and future development of other new projects within its geographical scope will continue to be developed at VGP's own risk to be subsequently acquired by the Second Joint Venture if the right of first refusal is exercised subject to pre-agreed completion and lease parameters. The acquisition of any building by the Second Joint Venture will always occur on the basis of the prevailing market rates at the moment of such acquisition. VGP carries 100% of the development risk of the Second Joint Venture.

To allow VGP to acquire land plots on prime locations for future development, the Group has entered into three strategic partnerships, i.e. in (i) a 50:50 joint venture with Roozen (the LPM Joint Venture) entered into during 2020, (ii) a 50:50 joint venture with VUSA (the VGP Park Belartza Joint Venture), and a 50:50 joint venture with Revikon (the VGP Park Siegen Joint Venture) both entered into during 2021. The Group considers these Development Joint Ventures as an add-on source of land sourcing for land plots which would otherwise not be accessible to the Group.

The Joint Ventures' property portfolio, excluding development land and buildings being constructed by VGP on behalf of the Joint Ventures, is valued at 31 December 2022 based on a weighted average yield of 4.68 %³ (compared to 4.28% as at 31 December 2021). A 0.10% variation of this market rate would give rise to a variation of the Joint Venture portfolio value (at 100%) of € 74.4 million.

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.

¹ Aggregate transaction value is composed of the purchase price for the completed income generating buildings and the net book value of the development pipeline which is transferred as part of a closing but not yet paid for by the joint venture.

² Total cash obtained after this transaction including simultaneous € 14.8 million profit distribution.

³ The First, Second Joint Venture and Third Joint Venture have been valued by an independent valuation expert. LPM Joint Venture and VGP Park Belartza Joint Venture only hold development land and hence have been excluded from the weighted average yield calculation.

10.3. Other non-current receivables

<i>in thousands of €</i>	2022	2021
Shareholder loans to First Joint Venture	38,047	42,183
Shareholder loans to Second Joint Venture	32,614	15,963
Shareholder loans to Third Joint Venture	183,526	135,908
Shareholder loans to Development Joint Ventures	79,350	52,940
Shareholder loans to associates (subsidiaries of First Joint Venture)	16,402	16,976
Construction and development loans to subsidiaries of First Joint Venture	5,280	36,769
Construction and development loans to subsidiaries of Second Joint Venture	96,071	46,192
Construction and development loans reclassified as assets held for sale	(101,351)	(82,961)
Other non-current receivables	9,705	935
Total	359,644	264,905

Other non-current receivables increased with € 94,7 million. Shareholder loans to the Third Joint Venture increased with € 47.6 million following the further investments into the completion of the Munich park. Shareholder loans to Development Joint Ventures increased following mainly acquisitions in additional land within the respective Development Joint Ventures.

10.4. Investments in joint ventures and associates

<i>in thousands of €</i>	2022	2021
As at 1 January	858,116	654,773
Additions	116,379	23,770
Result of the year	(45,927)	186,703
Repayment of equity ¹	(37,367)	(7,130)
As at the end of the period	891,201	858,116

¹ On top of the equity distribution from the Joint Ventures for an amount of € 37.4 million, VGP group received a partial repayment of shareholders' loan for a total amount of € 22.6 million. Resulting in a total profit distribution by the Joint Ventures of € 60 million.

11. NET FINANCIAL RESULT

<i>In thousands of €</i>	2022	2021
Bank and other interest income	-	-
Interest income - loans to joint venture and associates	17,305	12,318
Other financial income	24	4
Financial income	17,329	12,322
Bond interest expense	(52,140)	(31,251)
Bank interest expense – variable debt	(3,708)	(2,825)
Interest capitalised into investment properties	18,144	13,212
Net foreign exchange expenses	(1,426)	(786)
Other financial expenses	(5,207)	(3,326)
Financial expenses	(44,337)	(24,976)
Net financial costs	(27,008)	(12,654)

12. EARNINGS PER SHARE

12.1. Earnings per ordinary share (EPS)

<i>In number</i>	2022	2021
Weighted average number of ordinary shares (basic)	22,311,583	20,696,064
Dilution	-	-
Weighted average number of ordinary shares (diluted)	22,311,583	20,696,064

<i>In thousands of €</i>	2022	2021
Result for the period attributable to the Group and to ordinary shareholders	(122,542)	650,055
Earnings per share (in €) - basic	(5.49)	31.41
Earnings per share (in €) - diluted	(5.49)	31.41

12.2. EPRA NAV's - EPRA NAV's per share

In October 2019, the EPRA published its new Best Practice Recommendations which set out the financial indicators listed real estate companies should disclose so as to provide more transparency across the European listed sector. The EPRA NAV and EPRA NNAV were consequently replaced by three new Net Asset Value indicators: Net Reinstatement Value (NRV), Net Tangible Assets (NTA) and Net Disposal Value (NDV). The EPRA NAV indicators are obtained by adjusting the IFRS NAV in such a way that stakeholders get the most relevant information about the fair value of 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.

31 December 2022	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNAV
<i>In thousands of €</i>					
IFRS NAV	2,202,175	2,202,175	2,202,175	2,202,175	2,202,175
IFRS NAV per share (in euros)	80.69	80.69	80.69	80.69	80.69
NAV at fair value (after the exercise of options, convertibles and other equity)	2,202,175	2,202,175	2,202,175	2,202,175	2,202,175
To exclude:					
Deferred tax	100,927	100,927	-	100,927	-
Intangibles as per IFRS balance sheet	-	(1,200)	-	-	-
Subtotal	2,303,102	2,301,902	2,202,175	2,303,102	2,202,175
Fair value of fixed interest rate debt	-	-	533,612	-	533,612
Real estate transfer tax	87,431	-	-	-	-
NAV	2,390,533	2,301,902	2,735,787	2,303,102	2,735,787
Number of shares	27,291,312	27,291,312	27,291,312	27,291,312	27,291,312
NAV / share (in euros)	87.59	84.35	100.28	84.39	100.28

31 December 2021	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
<i>In thousands of €</i>					
IFRS NAV	2,175,565	2,175,565	2,175,565	2,175,565	2,175,565
IFRS NAV per share (in euros)	99.65	99.65	99.65	99.65	99.65
NAV at fair value (after the exercise of options, convertibles and other equity)	2,175,565	2,175,565	2,175,565	2,175,565	2,175,565
To exclude:					
Deferred tax	160,176	160,176	-	160,176	-
Intangibles as per IFRS balance sheet	-	(1,051)	-	-	-
Subtotal	2,335,741	2,334,690	2,175,565	2,335,741	2,175,565
Fair value of fixed interest rate debt	-	-	(7,470)	-	(7,470)
Real estate transfer tax	63,285	-	-	-	-
NAV	2,399,026	2,334,690	2,168,095	2,335,741	2,168,095
Number of shares	21,833,050	21,833,050	21,833,050	21,833,050	21,833,050
NAV / share (in euros)	109.88	106.93	99.30	106.98	99.30

13. INVESTMENT PROPERTIES

<i>In thousands of €</i>	2022			
	Completed	Under Construction	Development land	Total
As at 1 January	562,730	855,160	434,624	1,852,514
Reclassification from held for sale	183,100	160,770	3,735	347,605
Capex	306,291	298,459	25,351	630,101
Acquisitions	41,664	29,309	131,541	202,514
Capitalised interest	9,774	5,560	2,810	18,144
Capitalised rent free and agent's fee	10,467	2,576	-	13,043
Sales and disposals	(353,665)	-	(3,757)	(357,422)
Transfer on start-up of development	-	40,178	(40,178)	-
Transfer on completion of development	720,060	(720,060)	-	-
Net gain/losses from value adjustments in investment properties	(87,208)	(110,463)	5,394	(192,277)
Reclassification to held for sale	(117,120)	-	(1,400)	(118,520)
As at 31 December	1,276,093	561,489	558,120	2,395,702

<i>In thousands of €</i>	2021			
	Completed	Under Construction	Development land	Total
As at 1 January	166,410	456,681	297,060	920,151
Capex	163,678	231,983	24,499	420,160
Acquisitions	-	17,935	281,211	299,146
Capitalised interest	777	12,435	-	13,212
Capitalised rent free and agent's fee	7,995	2,045	676	10,716
Sales and disposals	(36,419)	-	-	(36,419)
Transfer on start-up of development	-	177,545	(177,545)	-
Transfer on completion of development	318,947	(318,947)	-	-
Net gain from value adjustments in investment properties	124,443	436,253	12,457	573,153
Reclassification to held for sale	(183,100)	(160,770)	(3,735)	(347,605)

As at 31 December **562,730** **855,160** **434,624** **1,852,514**

As at 31 December 2021 investment properties totalling € 30.8 million were pledged in favour the Group's banks. The respective loan has been repaid during 2022, as such the Group has at 31 December 2022 no investment property pledged.

14. CASH FLOW FROM DISPOSAL OF SUBSIDIARIES AND INVESTMENT PROPERTIES

<i>In thousands of €</i>	2022	2021
Investment property	369,657	54,496
Trade and other receivables	16,019	678
Cash and cash equivalents	18,086	2,172
Non-current financial debt	-	-
Shareholder Debt	(191,009)	(41,658)
Other non-current financial liabilities	(2,458)	(502)
Deferred tax liabilities	(76,675)	(2,192)
Trade debts and other current liabilities	(13,511)	(1,108)
Total net assets disposed	120,109	11,886
Realised valuation gain on sale	87,612	12,136
Total non-controlling interest retained by VGP	(227)	(1,108)
Additional share price due at completion of buildings	63,689	-
Shareholder loans repaid at closing	205,491	40,362
Equity contribution	(104,190)	(11,457)
Total consideration	372,484	51,819
Consideration to be received - Third Joint Venture	(7,026)	-
Consideration paid in cash	365,458	51,819
Cash disposed	(18,086)	(2,172)
Net cash inflow from divestments of subsidiaries and investment properties	347,372	49,647

The cash flow from disposal of subsidiaries and investment properties relate to the different closings with the Allianz Joint Ventures. In 2022, a third closing with the Second Joint Venture; a ninth closing with the First Joint Venture and a third closing with the Third Joint Venture took place.

15. SUPPLEMENTARY NOTES

15.1 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>	2022			2021		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
Gross rental and renewable energy income	51,230	72,539	123,769	18,274	62,435	80,709
Property operating expenses	(8,223)	(8,412)	(16,635)	(2,875)	(7,116)	(9,991)
Net rental and renewable energy income	43,007	64,127	107,134	15,399	55,319	70,718
Joint venture management fee income	21,537	-	21,537	21,303	-	21,303
Net valuation gains / (losses) on investment properties	(97,230)	(106,117)	(203,347)	610,261	186,670	796,931
Administration expenses	(33,956)	(1,333)	(35,289)	(52,112)	(995)	(53,107)
Other expenses	(3,000)	-	(3,000)	(5,000)	-	(5,000)
Operating result	(69,642)	(43,323)	(112,965)	589,851	240,994	830,845
Net financial result	(27,008)	(16,756)	(43,764)	(12,654)	(15,342)	(27,996)
Taxes	20,035	14,152	34,187	(113,845)	(38,949)	(152,794)
Result for the period	(76,615)	(45,927)	(122,542)	463,352	186,703	650,055

15.2 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>	2022			2021		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
Investment properties	2,395,702	1,916,347	4,312,049	1,852,514	1,746,770	3,599,284
Investment properties included in assets held for sale	292,541	-	292,541	484,360	-	484,360
Total investment properties	2,688,243	1,916,347	4,604,590	2,336,874	1,746,770	4,083,644
Other assets	437,963	3,965	441,928	300,050	1,851	301,901
Total non-current assets	3,126,206	1,920,312	5,046,518	2,636,924	1,748,620	4,385,544
Trade and other receivables	122,113	36,462	158,575	148,022	13,129	161,151
Cash and cash equivalents	699,168	51,207	750,375	222,160	49,862	272,022
Disposal group held for sale	7,365	-	7,365	17,517	-	17,517
Total current assets	828,646	87,669	916,315	387,699	62,990	450,689
Total assets	3,954,852	2,007,981	5,962,833	3,024,623	1,811,611	4,836,234
Non-current financial debt	1,960,464	926,409	2,886,873	1,340,609	764,095	2,104,704
Other non-current financial liabilities	-	-	-	-	192	192
Other non-current liabilities	46,419	8,308	54,727	32,459	5,049	37,508
Deferred tax liabilities	79,671	124,440	204,111	112,295	132,816	245,111
Total non-current liabilities	2,086,554	1,059,157	3,145,711	1,485,363	902,153	2,387,516
Current financial debt	413,704	17,805	431,509	44,147	15,055	59,202
Trade debts and other current liabilities	110,675	39,818	150,493	107,510	36,288	143,798
Liabilities related to disposal group held for sale	32,944	-	32,944	70,154	-	70,154
Total current liabilities	557,323	57,623	614,946	221,811	51,342	273,153
Total liabilities	2,643,877	1,116,780	3,760,657	1,707,174	953,495	2,660,669
Net assets	1,310,975	891,201	2,202,176	1,317,449	858,116	2,175,565

GLOSSARY OF TERMS

Allianz or Allianz Real Estate

Means, (i) in relation to 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) in relation to the Second Joint Venture, Allianz AZ Finance VII Luxembourg S.A., (iii) in relation to the Third Joint Venture, Allianz Pensionskasse A.G., Allianz Versorgungskasse Versicherungsverein A.G., Allianz Lebensversicherungs A.G. and Allianz Private Krankenversicherungs A.G., and (iv) in relation to the Fourth Joint Venture, Allianz Finance IX Luxembourg S.A. and YAO NEWREP Investments S.A.;

Allianz Joint Ventures or AZ JV

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

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; (iii) the joint venture agreement made between Allianz and VGP NV in relation to the Third Joint Venture; and (iv) the joint venture agreement made between Allianz and VGP NV in relation to the Fourth 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.

Associates

Means either and each of the subsidiaries of the First Joint Venture or Fourth Joint Venture in which VGP NV holds a direct 5.1% (10.1%) participation,

Apr-23 Bond

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-29 Bond

Means the € 600 million fixed rate bond maturing on 8 April 2029 which carries a coupon of 1.50% per annum (listed on the Euro MFT Market in Luxembourg with ISIN Code: BE6327721237 – Common Code: 232974028).

Belartza Joint Venture

Means Belartza Alto SXXI, S.L., the 50:50 joint venture between VGP and Valeriano Urrutikoetxea S.L.U., galdakarra XXI S.L., Saibigain XXL S.L.U and Belartzagaraia S.L.U.

Belgian Code of Companies and Associations

means the Belgian Code of Companies and Associations dated 23 March 2019 (*Wetboek van vennootschappen en verenigingen/Code des sociétés et associations*), as amended or restated from time to time.

Belgian Corporate Governance Code

Drawn up by the Corporate Governance Commission and including the governance practices and provisions to be met by companies under Belgian Law which shares are listed on a regulated market (the "2020 Code"). The Belgian Corporate Governance Code is available online at www.corporategovernancecommittee.be.

Break

First option to terminate a lease.

Contractual rent

The gross rent as contractually agreed in the lease on the date of signing.

Contribution in kind

The non-cash assets contributed to a company at the time of formation or when the capital is increased.

Dealing Code

The code of conduct containing rules that must be complied with by the members of the Board of Directors, the members of executive management, and all employees of the VGP Group, who by virtue of their position, possess information they know or should know is insider information.

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).

Development Joint Venture(s)

Means either and each of (i) the LPM Joint Venture; (ii) the VGP Park Belartza Joint Venture; and (iii) the VGP Park Siegen Joint Venture.

Development JVA(s)

Means either and each of (i) the joint venture agreement made between Roozen and VGP in relation to the LPM Joint Venture; (ii) the joint venture agreement made between Revikon and VGP in relation to the VGP Park Siegen Joint Venture; and (iii) the joint venture agreement made between VUSA and the VGP in relation to the VGP Park Belartza Joint Venture

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

Means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction, as defined in IAS 40. In addition, market value must reflect current rental agreements, the reasonable assumptions in respect of potential rental income and expected costs;

First Joint Venture

VGP European Logistics S.à r.l., the 50:50 joint venture between VGP and Allianz.

Fourth Joint Venture

VGP European Logistics 3 S.à.r.l. (currently named VGP DEU 44 S.à.r.l.), the future 50:50 joint venture between VGP and Allianz.

FSMA

Means the Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Autorité des services et marchés financiers*).

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.

Indexation

The rent is contractually adjusted annually on the anniversary of the contract effective date on the basis of the inflation rate according to a benchmark index in each specific country.

Insider information

Any information not publicly disclosed that is accurate and directly or indirectly relates to one or more issuers of financial instruments or one or more financial instruments and that, if it were publicly disclosed, could significantly affect the price of those financial instruments (or financial instruments derived from them).

Investment value

The value of the portfolio, including transaction costs, as appraised by independent property experts

Joint Ventures

means either and each of (i) the Allianz Joint Ventures; and (ii) the Development Joint Ventures.

Jul-24 Bond

Means the € 75 million fixed rate bond maturing on 6 July 2024 which carries a coupon of 3.25% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002287564 – Common Code: 163738783).

JVA(s) or Joint Venture Agreement(s)

Means either and each of (i) the Allianz Joint Venture Agreements and; (ii) the Development JVA's.

Lease expiry date

The date on which a lease can be cancelled.

LTV

Means Loan-to-value and is determined by dividing the net financial debt by Investment property

LPM Joint Venture

Means LPM Holding B.V., the 50:50 joint venture between VGP and Roozen.

Mar-25 Bond

Means the € 80 million fixed rate bond maturing on 30 March 2025 which carries a coupon of 3.35% per annum (unlisted with ISIN Code: BE6294349194 – Common Code: 159049558).

Mar-26 Bond

Means the € 190 million fixed rate bond maturing on 19 March 2026 which carries a coupon of 3.50% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002611896 – Common Code: 187793777).

Market capitalisation

Closing stock market price multiplied by the total number of outstanding shares on that date.

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.

Project management

Management of building and renovation projects. VGP employs an internal team of project managers who work exclusively for the company.

Property expert

Independent property expert responsible for appraising the property portfolio.

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.

Revikon

Means Revikon GmbH.

Roozen or Roozen Landgoederen Beheer

Means in relation to the LPM Joint Venture, Roozen Landgoederen Beheer B.V.

Second Joint Venture

VGP European Logistics 2 S.à r.l., the 50:50 joint venture between VGP and Allianz.

Sep-23 Bond

the € 225 million fixed rate bond maturing on 21 September 2023 which carries a coupon of 3.90% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002258276 – Common Code: 148397694).

Take-up

Letting of rental spaces to users in the rental market during a specific period.

Third Joint Venture

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

VGP Park Belartza Joint Venture

Means Belartza Alto SXXI, S.L., the 50:50 joint venture between VGP and VUSA.

VGP Park Moerdijk or LPM joint venture

Means the LPM Joint Venture.

VGP Park München or VGP Park München joint venture

Means the Third Joint Venture.

VGP Park Siegen Joint Venture

Means Grekon 11 GmbH, the 50:50 joint venture between VGP and Revikon.

Vusa

Means Valeriano Urrutikoetxea, S.L.U.; Galdakarra XXI, S.L.; Saibigain XXI, S.L.U.; and Belartza Garaia, S.L.U.;

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.