



# Company Presentation 4M 2023



# Introduction to VGP



# Fully integrated pure-play logistics real-estate company

## Portfolio KPI's

as of 31 Dec '22	as of 30 April '23			
€6.44bn <sup>1</sup> Total GAV	17 Countries	109 Parks	178 Number of completed buildings	2.9 years Average building age
5.29% <sup>4</sup> Yield	99.2% <sup>2</sup> Occupancy	8.1 years <sup>3</sup> WALT	€320.7 mm Committed annualised rental income	499 Tenants

## Financial KPI's as of 31 Dec '22

€177.5 mm Operating Profit	34.4% <sup>5</sup> Gearing ratio	€2.2bn Shareholders' Equity
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**FitchRatings** BBB-

## Company at a glance

- Pan-European operator, owner and developer of prime logistics and light industrial parks
- Fully integrated business model with expertise across value chain: c.383 FTE's in 17 countries
- High quality standardised logistic and semi-industrial real estate asset base
- All new buildings delivered at certified Bream Excellent or DGNB Gold<sup>7</sup>
- Fully let standing portfolio and significantly pre-let development pipeline: Completed portfolio is 98.9%<sup>2</sup> let and portfolio under construction is 93.4% pre-let
- VGP well financed and strongly capitalized: shares listed on Euronext Brussels since 2007
- Successful and long-term partnership with Allianz Real Estate since 2016: 3 joint ventures since inception

Source: company information as of 30 April 2023

<sup>1</sup>Gross Asset Value of VGP, including Owned Portfolio and joint ventures at 100% as of 31 Dec 2022; <sup>2</sup>Including JV portfolio at 100%;

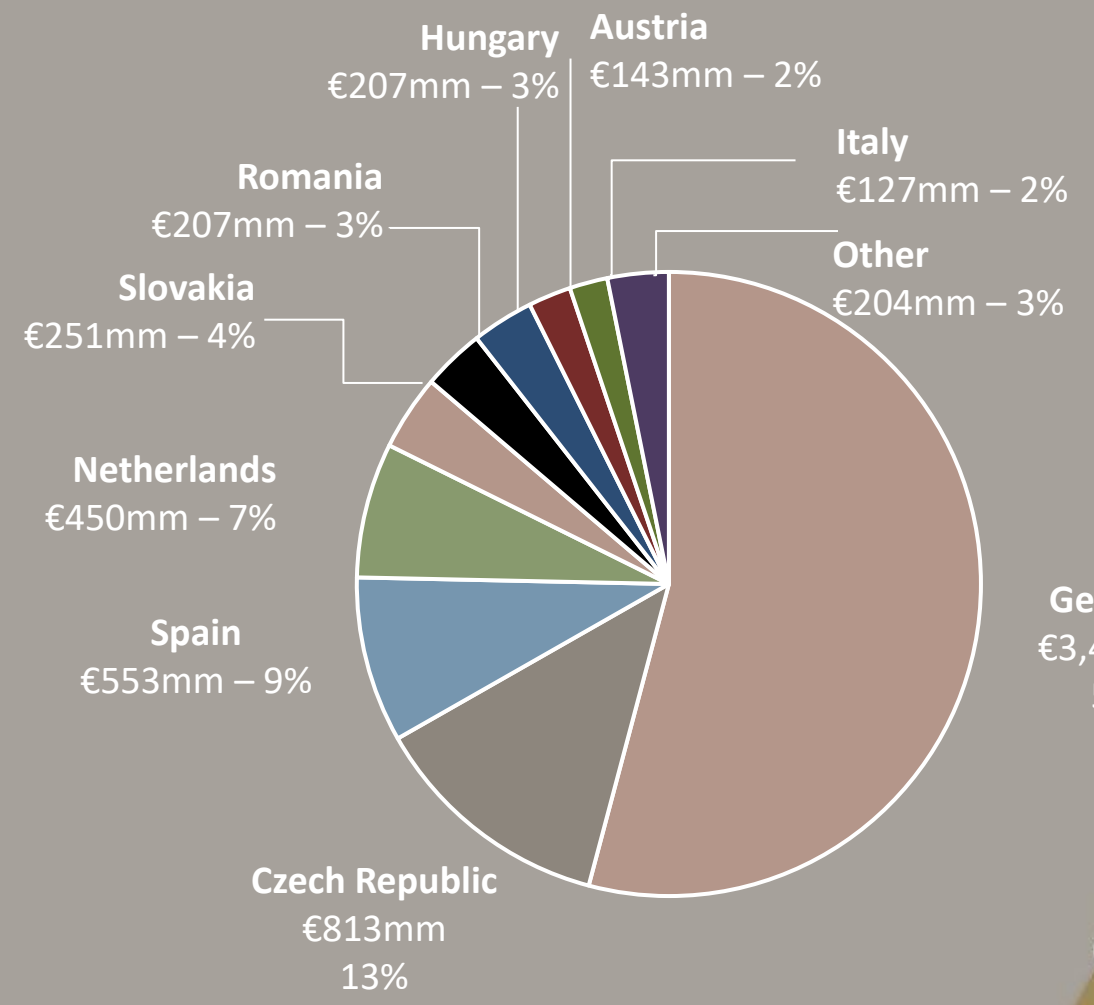
<sup>3</sup>Refers to WALT of JV and Owned Portfolio combined; <sup>4</sup>Weighted average yield of owned standing property portfolio as of 31 Dec 2023;

<sup>5</sup>Calculated as Net debt / Total equity and liabilities <sup>7</sup>Started after January 2022.



# Excellent locations spread across Continental Europe

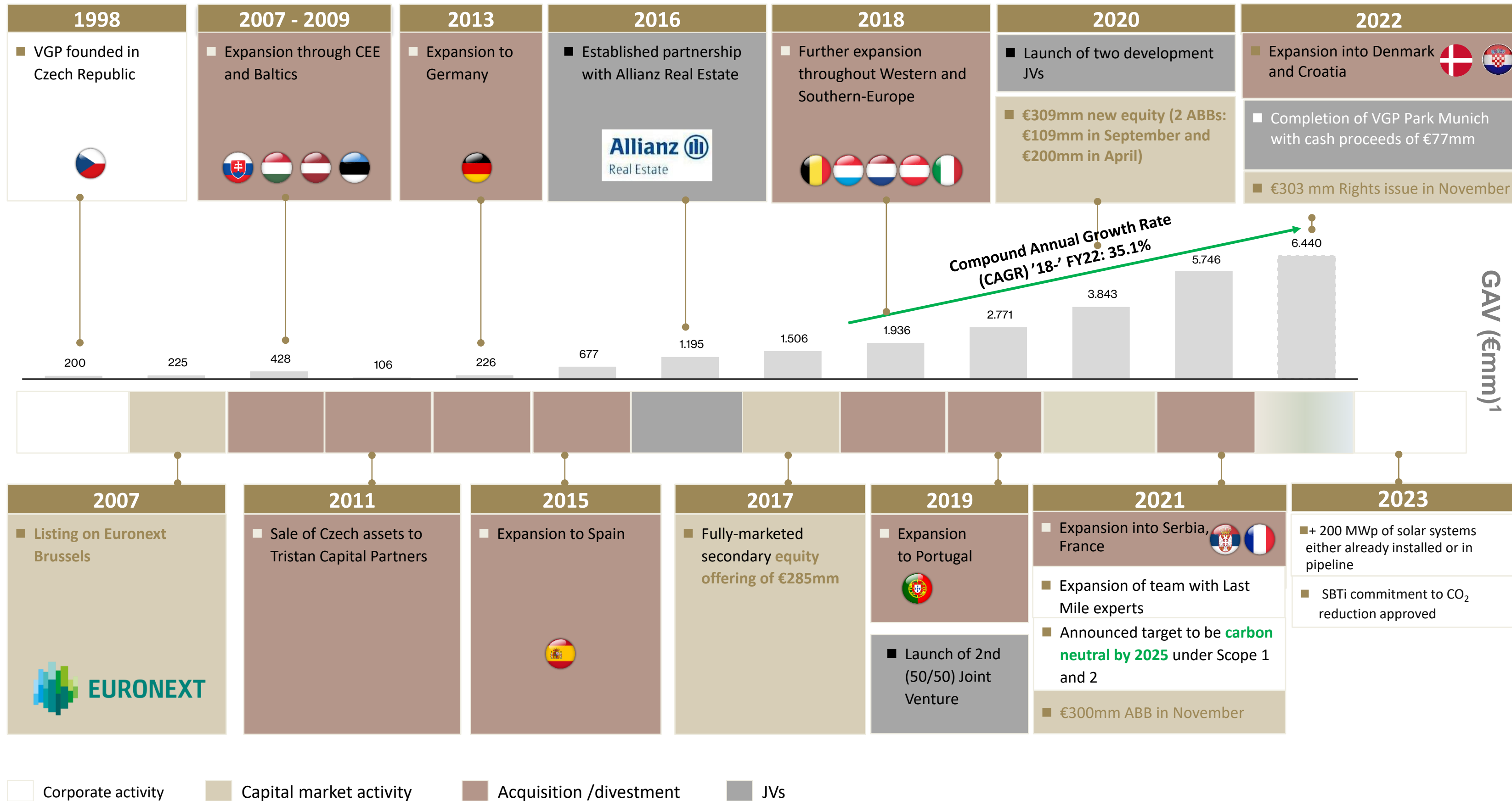
DIVERSIFIED INVESTMENT PORTFOLIO  
(BREAKDOWN BY COUNTRY<sup>1</sup>)



As of 31 December 2022  
<sup>1</sup>Including 100% of JVs assets



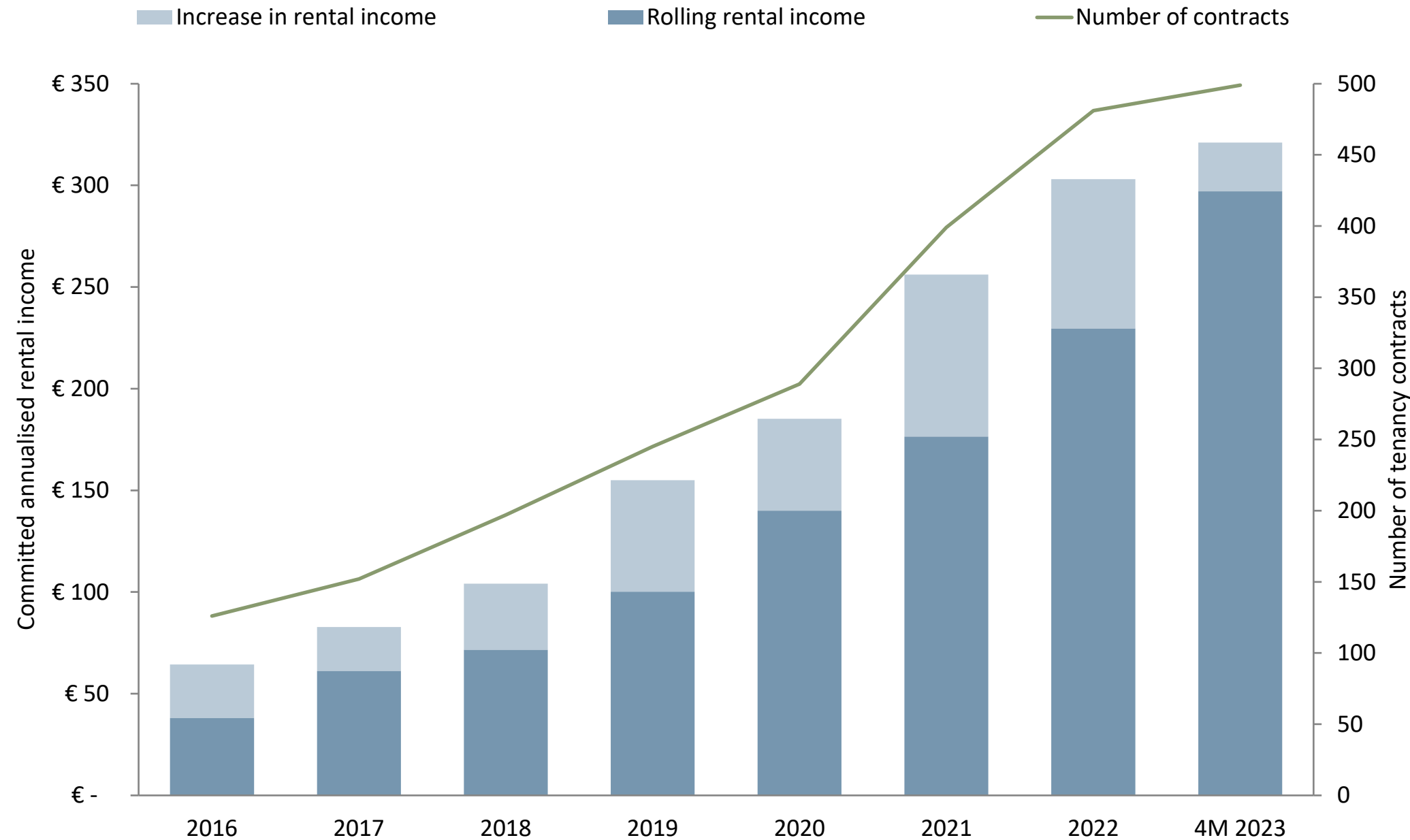
# Successful and long-standing track record of geographic expansion and continued delivery across markets...



GAV (€mm)<sup>1</sup>

# Committed rental income – including JVs at 100% – increased by 5.8% over ‘4M

## COMMITTED ANNUALISED RENTAL INCOME AND NUMBER OF TENANCY CONTRACTS



- In total 499 tenant contracts
- Committed annualised leases of € 320.7 million<sup>1</sup>
- Occupancy rate of 99% for the completed portfolio<sup>2</sup>



**Signed and renewed rental income of €24.3 million in 2023 (of which €15.2 million new or renewed leases)<sup>2</sup>**

<sup>1</sup>Including € 169.2 million through the Joint Ventures

<sup>2</sup>Including 100% of JVs' assets

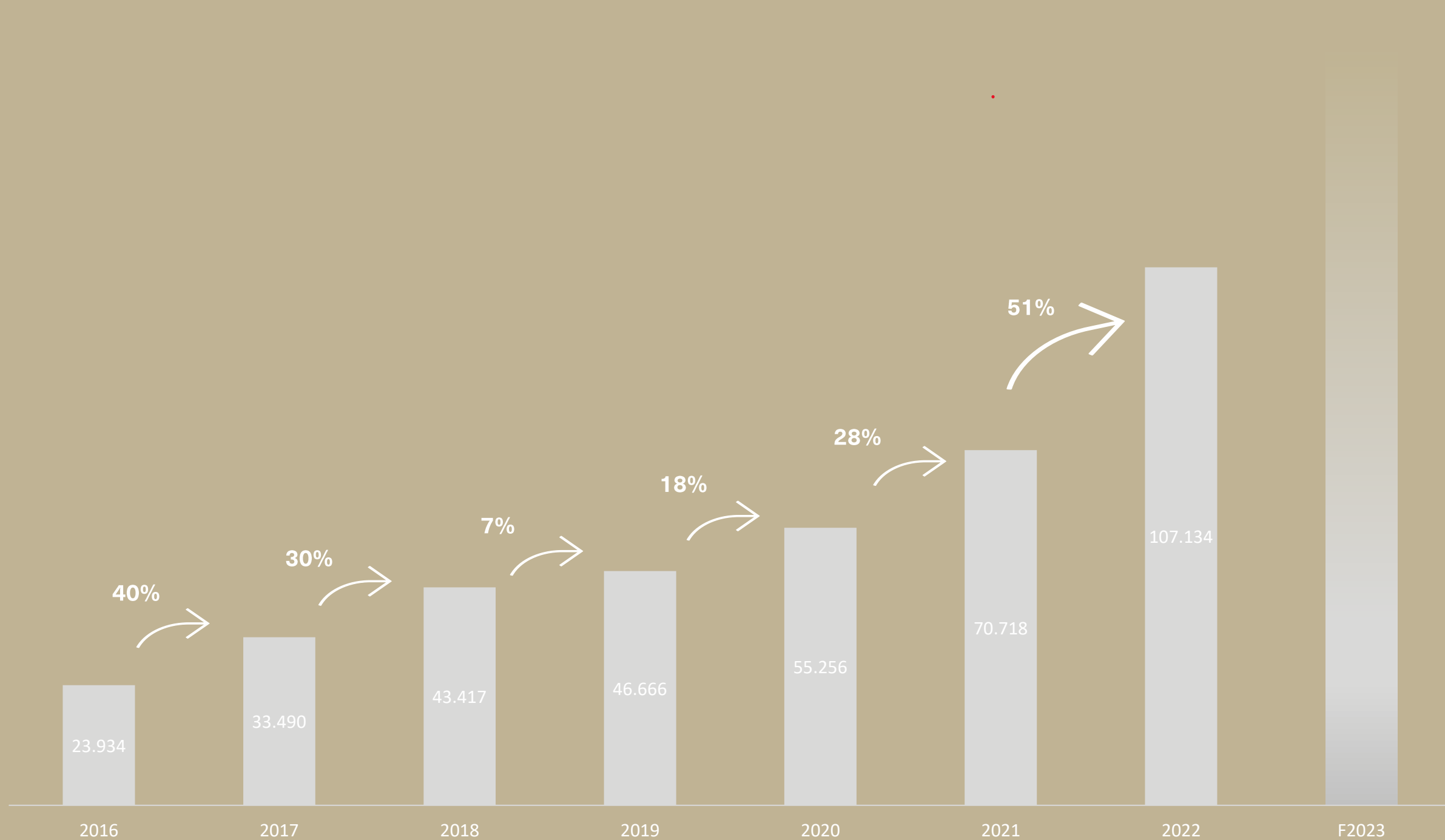
# Reflection of committed rental growth on the effective rental income





# Net rental and renewable energy income has grown y-o-y with 51%

Total net rental and renewable energy income at share  
('000 €)



- Total net rental and renewable energy income at share increased y-o-y by 51% to € 107.1 million in 2022
- Similar growth rate expected in 2023

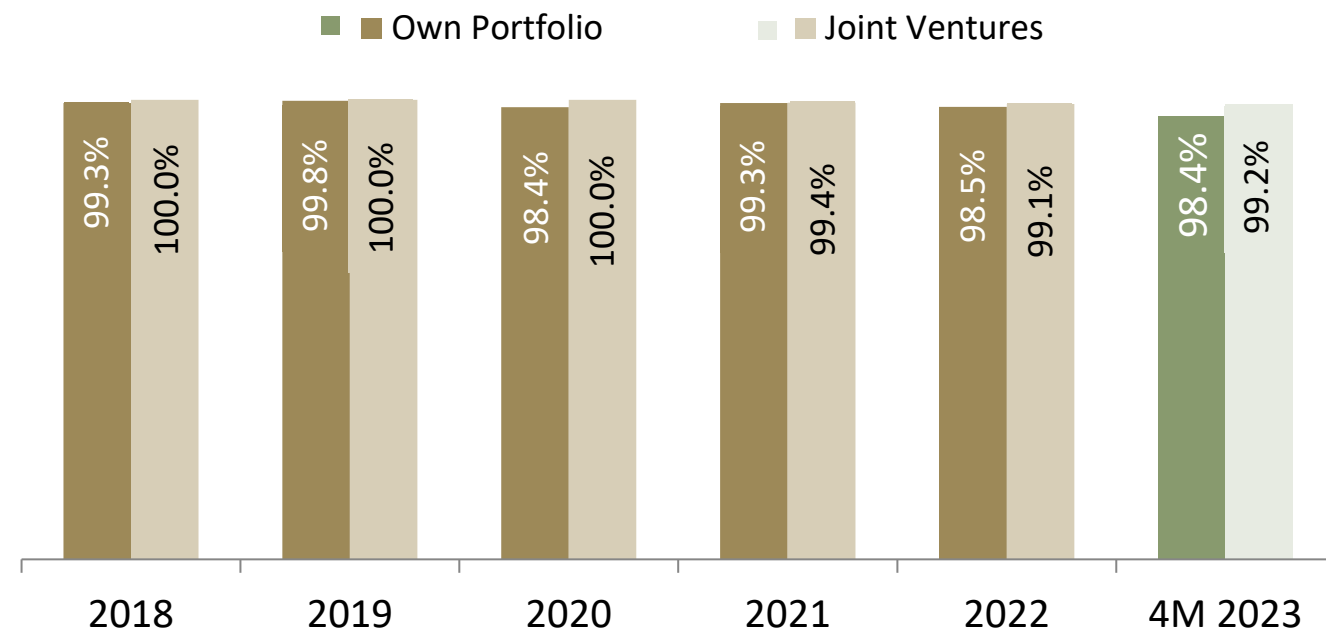




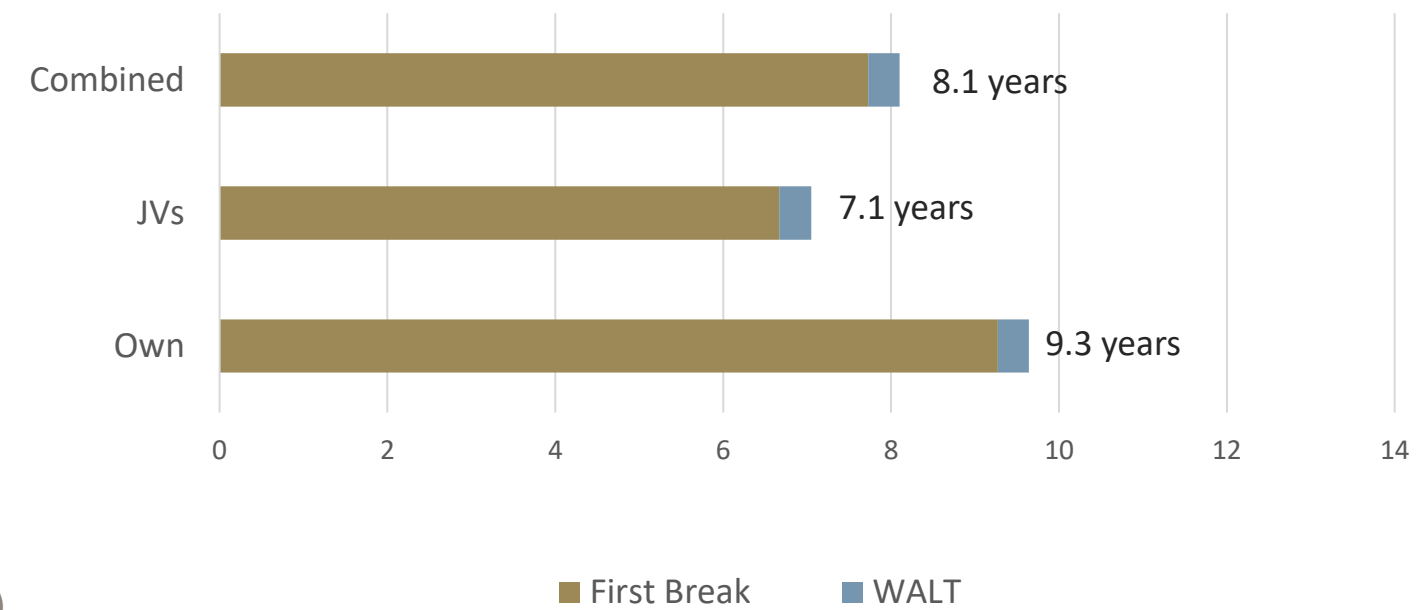
# ...fully let on a long-term basis

## Portfolio virtually fully-let on a long-term basis<sup>1</sup>

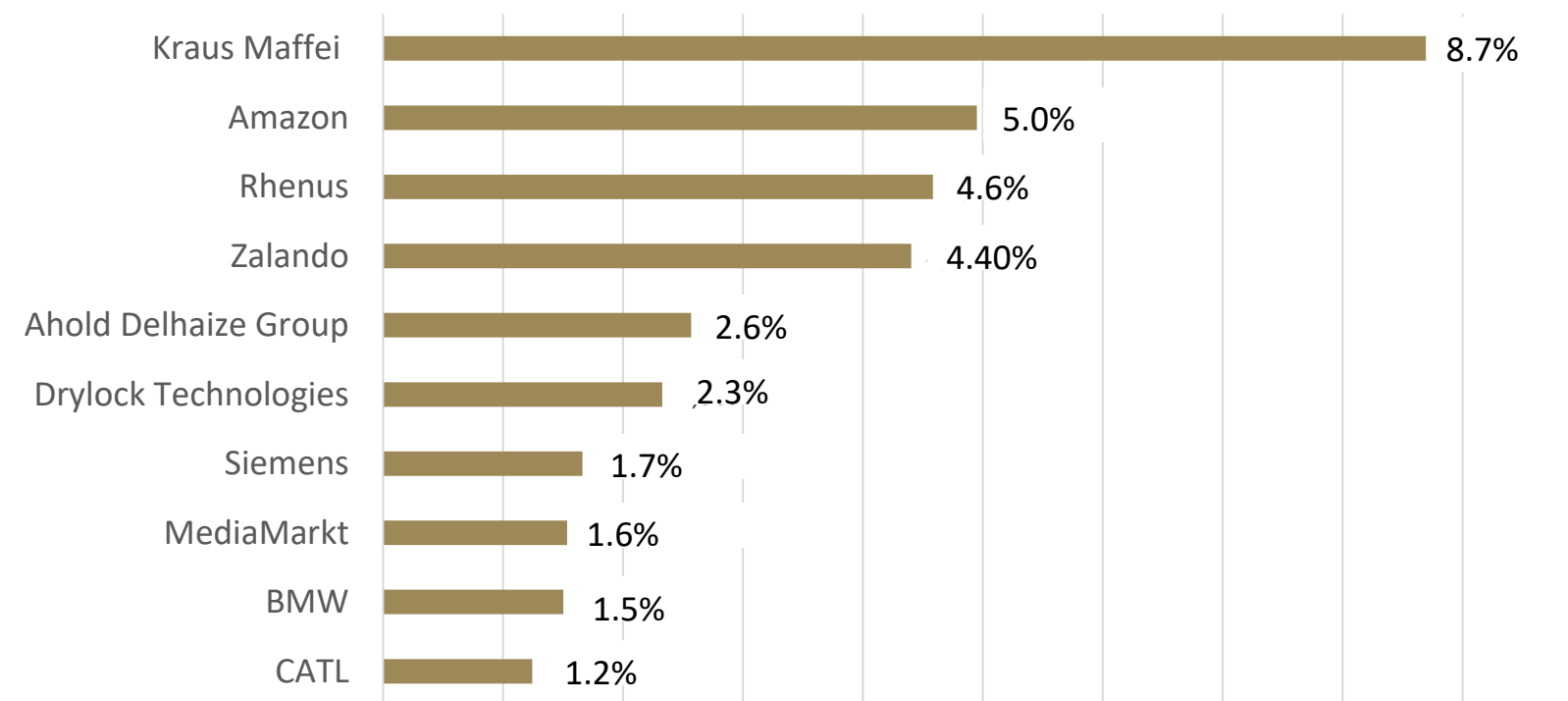
Occupancy evolution (%)



Weighted average lease term (WALT) of the portfolio



Top 10 clients by lease contract with JVs at 100% (% of total committed leases)



- The combined occupancy of the portfolio stood at 98%
- The WALT stands at 8.1 years
- The WALB stands at 7.7 years
- Top ten customers represent 33% of total portfolio and have a combined WALT of 11.2 years

Source: Company information  
 1 As of 30 April 2023  
 2 Based on square metres, with JV's at 100%

# Portfolio leased to a diversified and blue-chip tenant base



- Weighted average lease term of 8.1 years<sup>1</sup>
- Top 10 tenants represents 33% of committed leases

## Light industrial



## Logistics



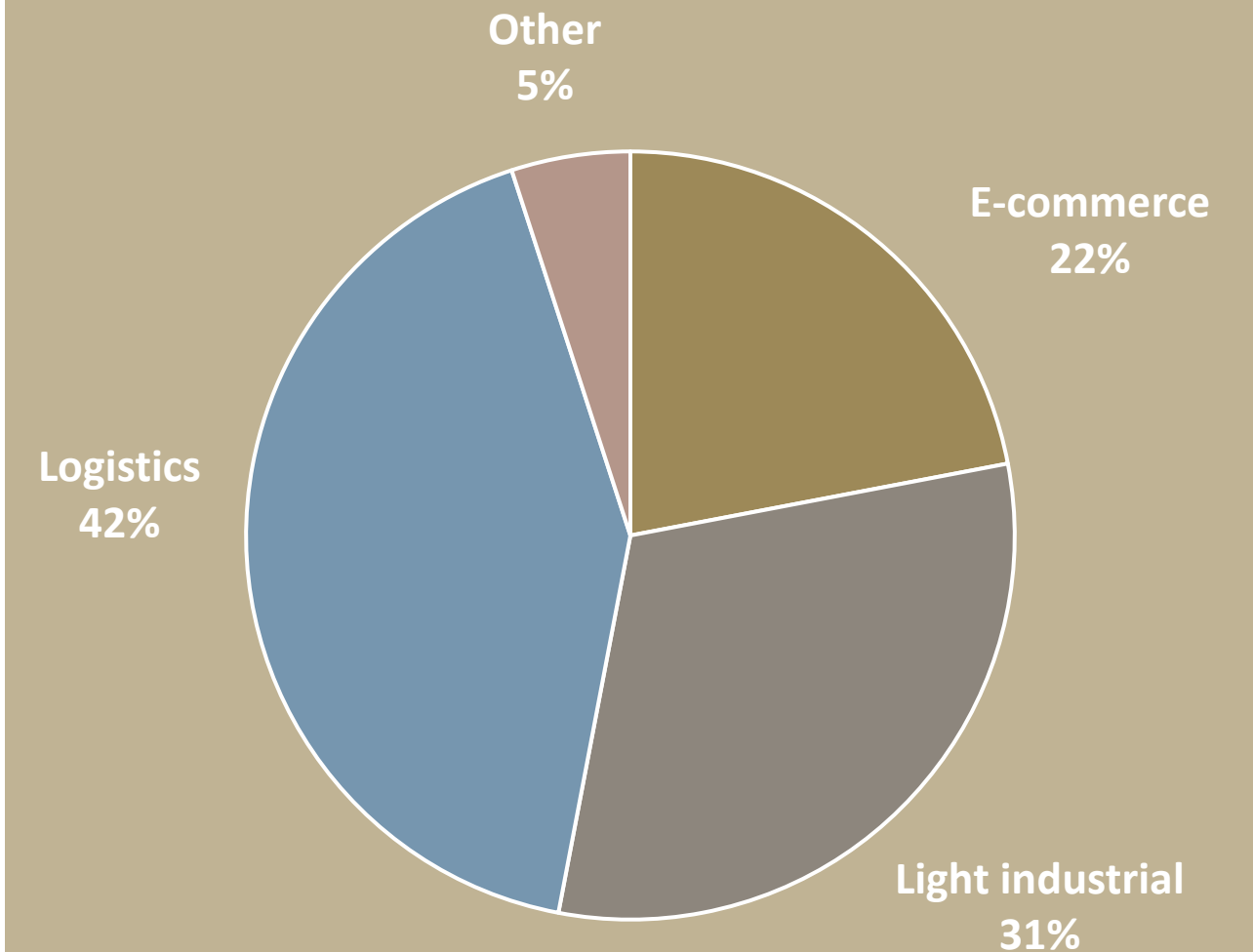
## E-commerce



## Other



Tenant portfolio breakdown – by industry segment<sup>1</sup>



<sup>1</sup>As of 30 Apr 2023; including 100% of JVs' assets



# The predominantly pre-let portfolio under construction represents € 47 million once fully let

- At 4M 2023, 23 buildings were under construction, representing 664,000 m<sup>2</sup>
  - This equates to € 46.5 million once fully let
  - The portfolio under construction is 91.3% pre-let today
  - Western Europe represents 65.5%
  - 100% of new developments are rated BREEAM Very Good equivalent or better



VGP Park Giessen Am Alten Flughafen, Germany



VGP Park Wiesloch-Walldorf, Germany



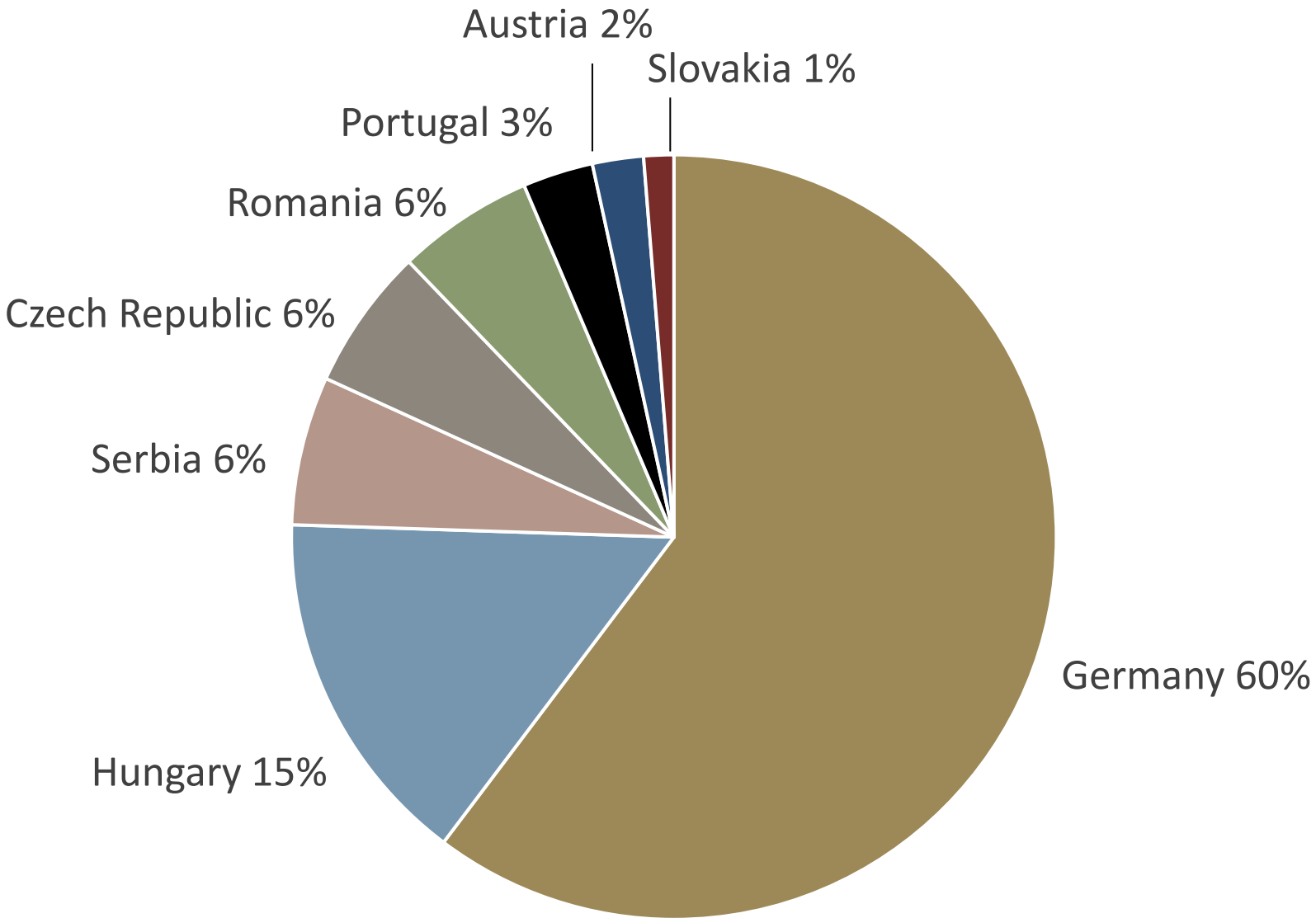
VGP Park Graz, Austria



# ...and is well spread across our geographical footprint



Developments – geographic breakdown (by lettable area in m<sup>2</sup>)



VGP Park Erfurt 2, Germany



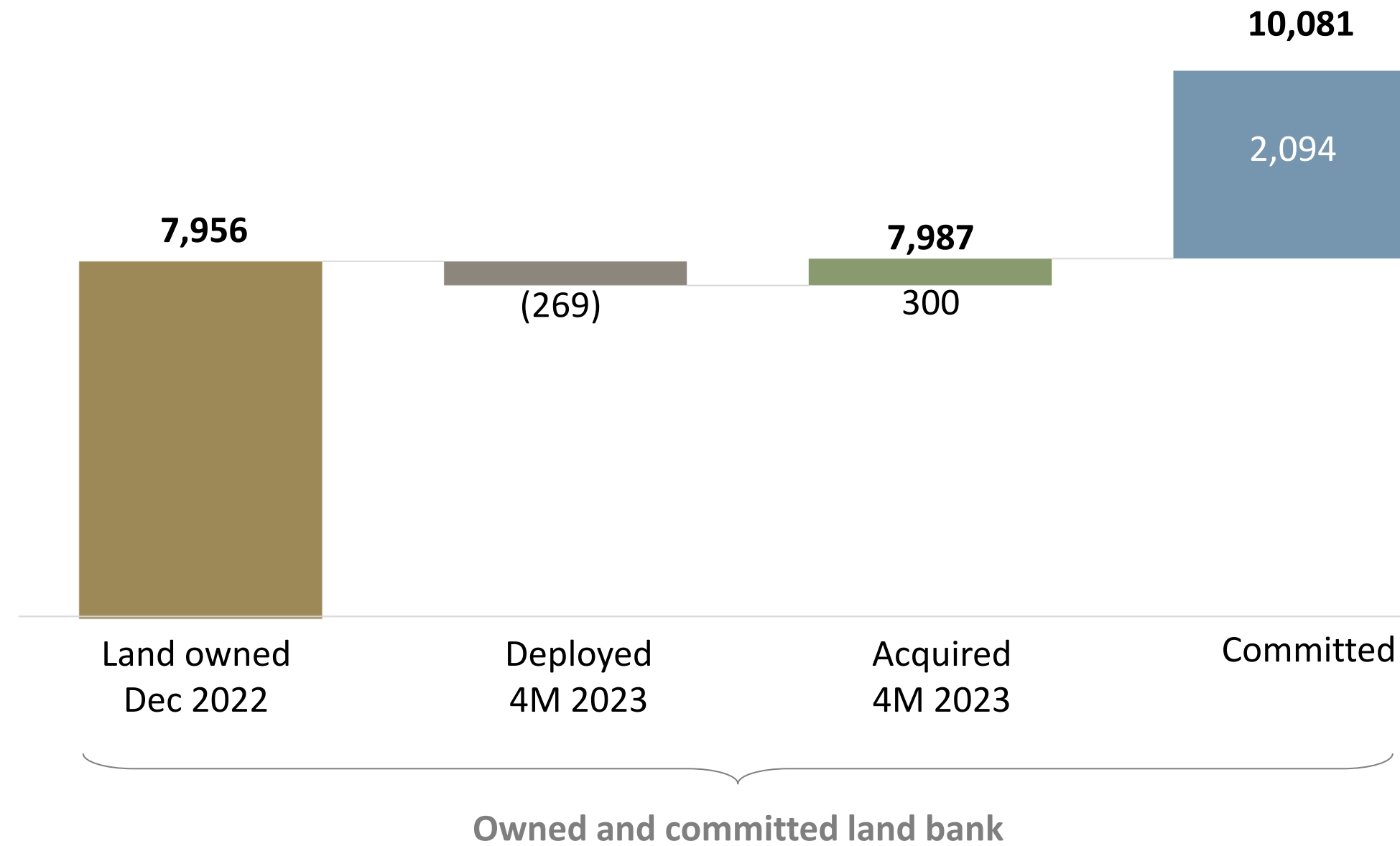
VGP Park Graz, Austria





# Overview of owned and committed landbank

Build-up of Land bank ('000 m<sup>2</sup>) incl JV's at 100%



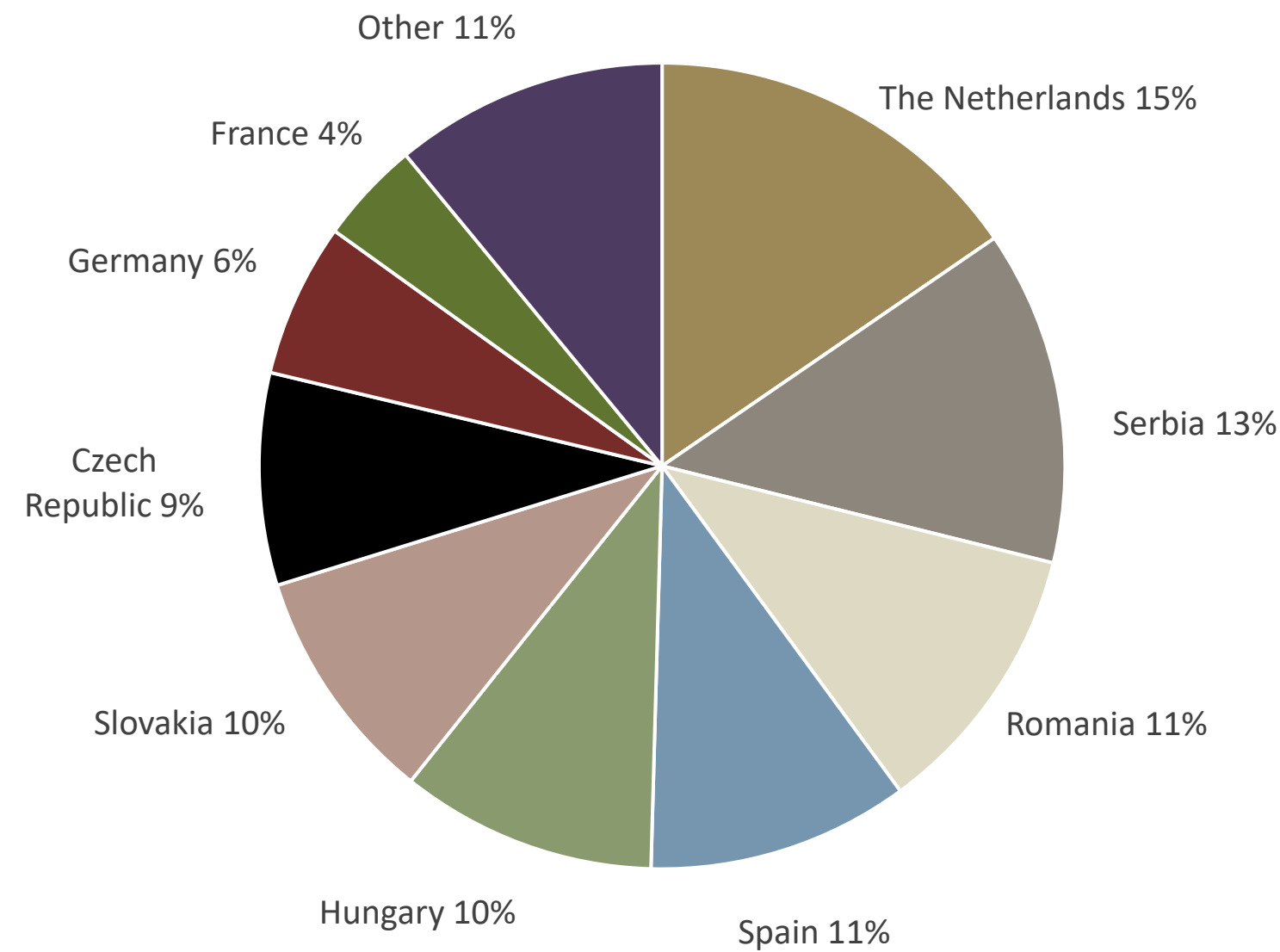
5

- Land bank (owned and committed) of 10.1 million m<sup>2</sup>
- ca. 4.6 million m<sup>2</sup> of development potential embedded in the total land bank



# Landbank geographically well diversified across countries of operations

Land bank<sup>1</sup> – geographic breakdown



- We remain vigilantly focused on expanding our landbank
- Priority focus on Germany and new countries France and Denmark



An aerial photograph of a large-scale solar farm. The solar panels are arranged in neat, rectangular rows across a flat, light-colored landscape. A multi-lane road runs vertically along the right side of the image. The sky is clear and blue. The text 'VGP Renewables' is overlaid in white on the lower-left portion of the solar panel array.

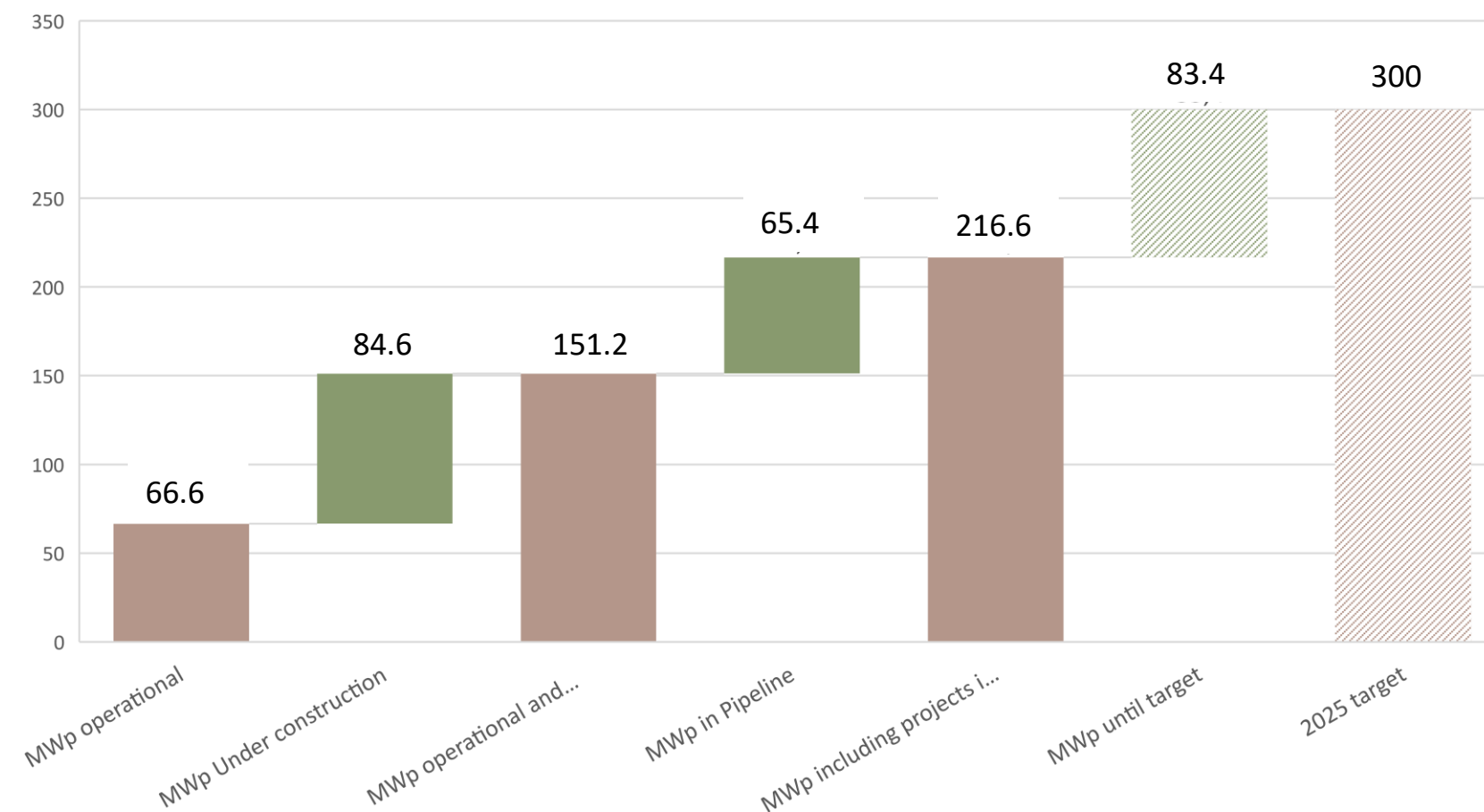
# VGP Renewables



# Solar power roll out on track for 2025

- Operational solar producing capacity increased to 66.6 MWp
  - 84.6 MWp under construction and
  - Further 65.4 MWp in the pipeline
- Gross renewable income over 2022 was €5.9 million

Photovoltaic roll-out (MWp)



VGP Park Magdeburg - Sülzetal

- 4.8 MWp PV capacity installed in December 2022
- 21.1 MWp in under construction & in the pipeline



VGP Park Nijmegen

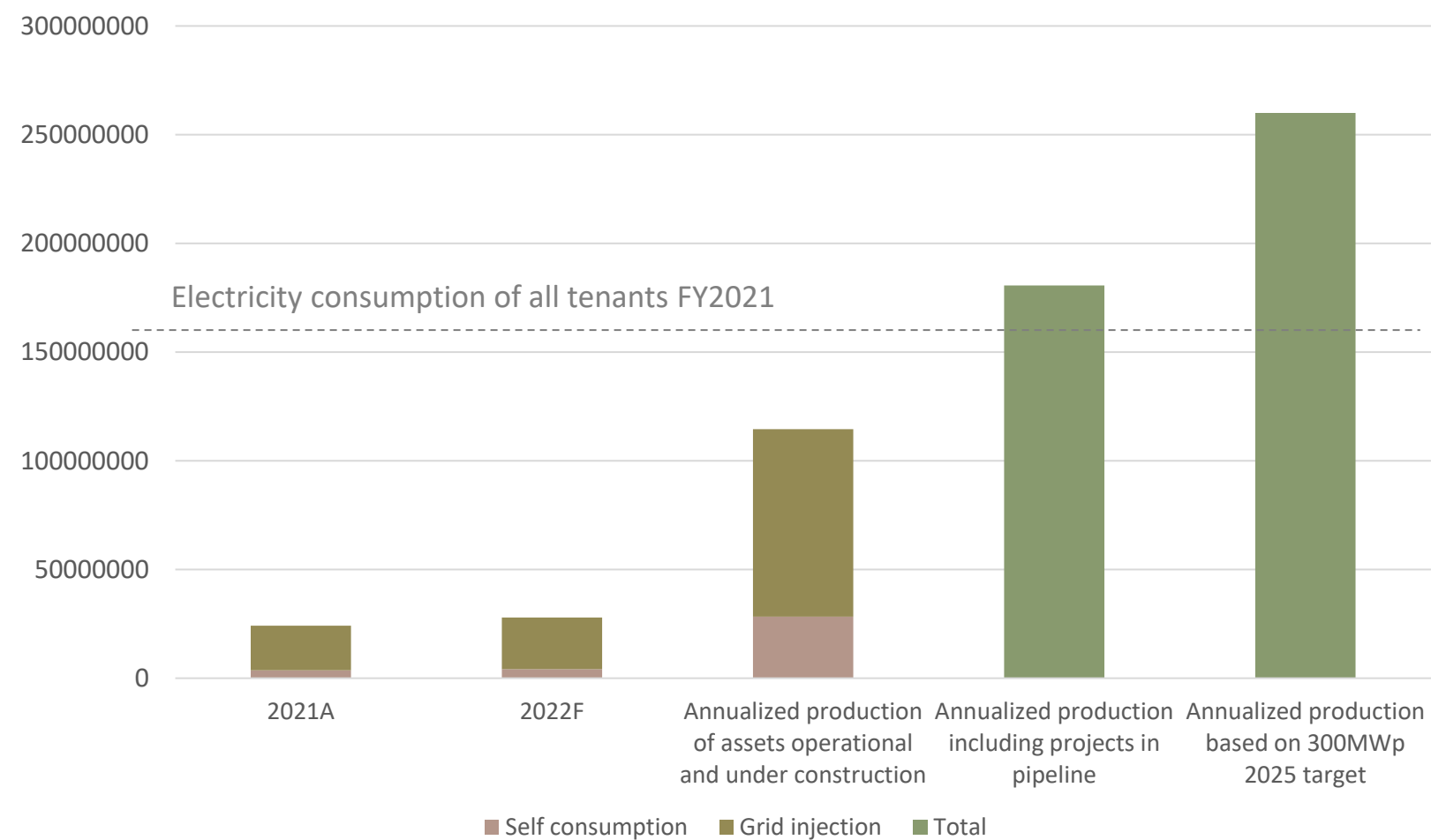
- 17.61 MWp PV plant
- 4.8 MWp in use since 2021
- Final part connected in 2023



# Solar power roll out on track for 2025

- Operational solar production capacity should see exponential growth in 2023
- Once all photovoltaic projects are fully operational the solar power production capacity will surpass the total tenant energy consumption

Renewable energy production (KWh)



VGP Park Valsamoggia

- 1.3 MWp PV plant operational and under construction
- Works envisaged to finish summer 2023



VGP Park Laatzen

- 7.2 MWp PV plant under construction
- To be connected in 2023





# Appendix





# Financial update

# Income statement



## Net rental and renewable energy income is up by 179% YoY to € 43 mm

- Gross rental income increases 158% to € 45.3 mm due to high number of delivered assets
- Gross renewable income of € 5.9 mm

## Net valuation result on the property portfolio of € (97.2) mm

- € 87.2 mm realized valuation gain on disposals to JV
- € 184.4 mm unrealized valuation losses
- Weighted average yield on own portfolio of 5.29% (vs. 4.64% as at 31 Dec '21)<sup>2</sup>

## Share of profit from JV's and associates € (45.9) mm

- Excluding revaluations, the Joint Venture operating result increased YoY by €8.5 mm at share
- The Joint Ventures booked an unrealized valuation loss of € 106.1 mm at share
- Weighted average yield on JVs portfolio of 4.68% (vs. 4.28% as at 31 Dec '21)<sup>3</sup>

## Administration expenses

- Lower administration expenses due to reduced bonus provisions and reversals on LTIP

## Operating result of € (115.6) mm, € 177.5 million before unrealized valuation losses

- Strong performance growth of the operational portfolio more than offset by revaluation loss on standing assets of 7.3%<sup>1</sup>

## Income Statement (€mm)

	FY2022	FY 2021
Revenue	84.8	44.3
Gross rental and renewable energy income	51.2	18.3
Property operating expenses	(8.2)	(2.9)
Net rental and renewable energy income	43.0	15.4
Joint venture management fee income	21.5	21.3
Net valuation gains on investment properties	(97.2)	610.3
Administration expenses	(34.0)	(52.1)
Share of net profit from JV's and associates	(45.9)	186.7
Other expenses	(3.0)	(5.0)
Operating result	(115.6)	776.6
Financial income	17.3	12.3
Financial expense	(44.3)	(25.0)
Net financial result	(27.0)	(12.7)
Profit before taxes	(142.6)	763.9
Taxes	20.0	(113.8)
Profit for the period	(122.5)	650.1

1 includes JV's assets

2 Reflects the yield on the own standing property portfolio (excluding JV) . The (re)valuation of the own portfolio was based on the appraisal report of the property expert Jones Lang LaSalle

3 Reflects the yield on the Joint Ventures' standing property portfolio (excluding own) . The (re)valuation of the own portfolio was based on the appraisal report of the property expert Jones Lang LaSalle



# Operating EBITDA – by segment



## Investment

(€mm)	FY22	FY21
Gross rental and renewable energy income	45.3	17.6
Property operating expenses	(0.8)	(0.2)
<b>Net rental and renewable energy income</b>	<b>44.6</b>	17.4
Joint venture management fee income	21.5	21.3
Net valuation gains on investment properties destined to the JVs	–	–
Administration expenses	(6.8)	(11.2)
Share of JVs' adjusted operating profit after tax	62.8	54.3
<b>EBITDA</b>	<b>122.1</b>	<b>81.7</b>

- Share in result of JVs up € 8.5 mm YoY, which corresponds to VGP's share in the result of the JVs excluding any revaluation result
- VGP received a € 60 million cash profit distribution in 2022

## Development

(€mm)	FY22	FY21
Gross rental and renewable energy income	–	–
Property operating expenses	(7.1)	(2.6)
<b>Net rental and renewable energy income</b>	<b>(7.1)</b>	(2.6)
Joint venture management fee income	–	–
Net valuation gains on investment properties destined to the JVs	(83.9)	592.8
Administration expenses	(21.1)	(33.5)
Share of JVs' adjusted operating profit after tax	–	–
<b>EBITDA</b>	<b>(112.1)</b>	<b>556.7</b>

- FY 2022 includes € 129.6 million of first-time valuation effects and realized valuation gains
- FY 2022 capital expenditure in development activities amounted to € 858 mm (including Cap Ex related to assets held for sale)

## Renewable Energy

(€mm)	FY22	FY21
Gross rental and renewable energy income	5.9	0.7
Property operating expenses	(0.4)	(0.1)
<b>Net rental and renewable energy income</b>	<b>5.5</b>	<b>0.6</b>
Joint venture management fee income	–	–
Net valuation gains on investment properties destined to the JVs	–	–
Administration expenses	(1.6)	(5.0)
Share of JVs' adjusted operating profit after tax	–	–
<b>EBITDA</b>	<b>3.9</b>	<b>(4.3)</b>

- The renewable energy business line is stated as a separate segment as of '22
- Revenues reflect sale of energy (subject to market price) and income from PV-installation leases
- FY 2022 capital expenditure of € 38 million



# Balance sheet - assets



## Investment Properties (own portfolio) incl. Disposal group held for sale total € 2,688 mm

- Completed portfolio € 1,482 mm ('21: €563mm)
- Under Construction € 632 mm ('21 : €855mm)
- Development land € 573 mm ('21 : €435mm)

## Investment in Joint Ventures and associates increased to € 891.2 mm (up by € 33.1 mm) reflecting:

- JV1: € 568 mm (DE,CZ,SK,HU)
- JV2: € 131 mm (ES,RO,IT, NL,AT,PT)
- JV3: € 155 mm (München)
- Other development JVs: € 37 mm (incl. Moerdijk)

## Other non-current receivables increased to € 359.6 mm from € 264.9 mm, mainly reflecting shareholder loans to

- VGP Park München (€ 184 mm)
- VGP Park Moerdijk (€ 73 mm)
- Other JVs (€ 93 mm)
- Other receivables: € 10 mm

## Increase of the cash position to € 699.2 mm

- Several multi-year unsecured revolving credit facilities undrawn and available, increased to € 400 mm in 2022

## Consolidated Balance Sheet – Assets (€mm)

(€mm)	31 Dec '22	31 Dec '21
ASSETS		
Intangible assets	1.2	1.0
Investment properties	2,396	1,853
Property, plant and equipment	73.3	32.1
Investment in joint ventures and associates	891.2	858.1
Other non-current receivables	359.6	264.9
Deferred tax assets	3.8	2.0
<b>Total non-current assets</b>	<b>3,725.9</b>	<b>3,010.7</b>
Trade and other receivables	122.1	148.0
Cash and cash equivalents	699.2	222.2
Disposal group held for sale	299.9	501.9
<b>Total current assets</b>	<b>1,121.2</b>	<b>872.1</b>
<b>TOTAL ASSETS</b>	<b>4,846.1</b>	<b>3,882.7</b>



# Balance sheet – Shareholders' equity and liabilities



## Shareholders' equity of € 2,202 mm

- Following a rights issue of € 300 mm, VGP issued 5,458,262 new shares
- IFRS NAV of 80.7

## Total liabilities of € 2,644 mm (2021: € 1,707 mm)

- Increase of non-current financial debt € 620 mm
  - Bond issue of € 1 billion, dual tranche of 5 and 8 years
  - Reclass bond Apr-23 of € 150 mm and Sept – 23 of € 225 to current financial debt
  - Fitch confirmed VGP's average cost of debt remains stable – even with severely stressed interest rates

## Consolidated gearing ratio of 34.4%<sup>1</sup>

- Proportionally consolidated Loan-To-Value stood at 49.4%

### Consolidated Balance Sheet – Shareholders equity and liability (€mm)

(€mm)	31 Dec '22	31 Dec '21
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	2,202.2	2,175.6
Non-current financial debt	1,960.5	1,340.6
Other non-current (financial) liabilities	46.4	32.5
Deferred tax liabilities	79.7	112.3
Total non-current liabilities	2,086.6	1,485.4
Current financial debt	413.7	44.1
Trade debt and other current liabilities	110.7	107.5
Liabilities related to disposal group HFS	32.9	70.2
Total current liabilities	557.3	221.8
Total liabilities	2,643.9	1,707.2
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>4,846.1</b>	<b>3,882.7</b>

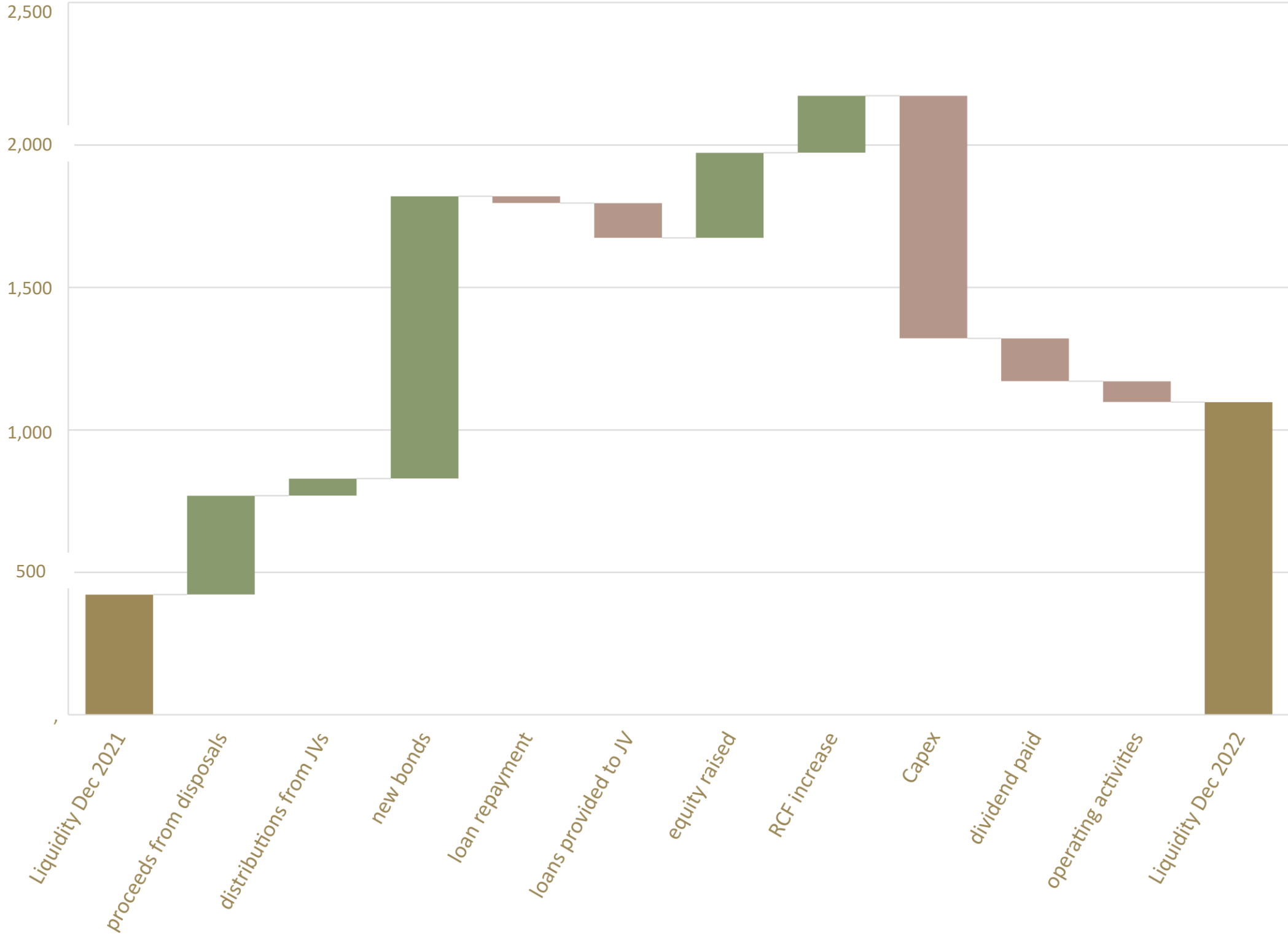
<sup>1</sup> Calculated as Net debt / Total equity and liabilities; Pro-forma as includes €82 mm cash received as of 1-Jul as part of two JV closings (30 Jun: cash balance €648 million; 35.2% gearing)



# Update on 2022 financing activities: available liquidity more than doubled

- Issued €1 billion in euro bonds
  - € 500 million 5-year tranche 1.625%
  - € 500 million 8-year tranche 2.250%
- € 300 million rights issue
- € 200 million increase in RCF, total of €400 million untapped
- Available liquidity Dec '22 € 1.1 billion

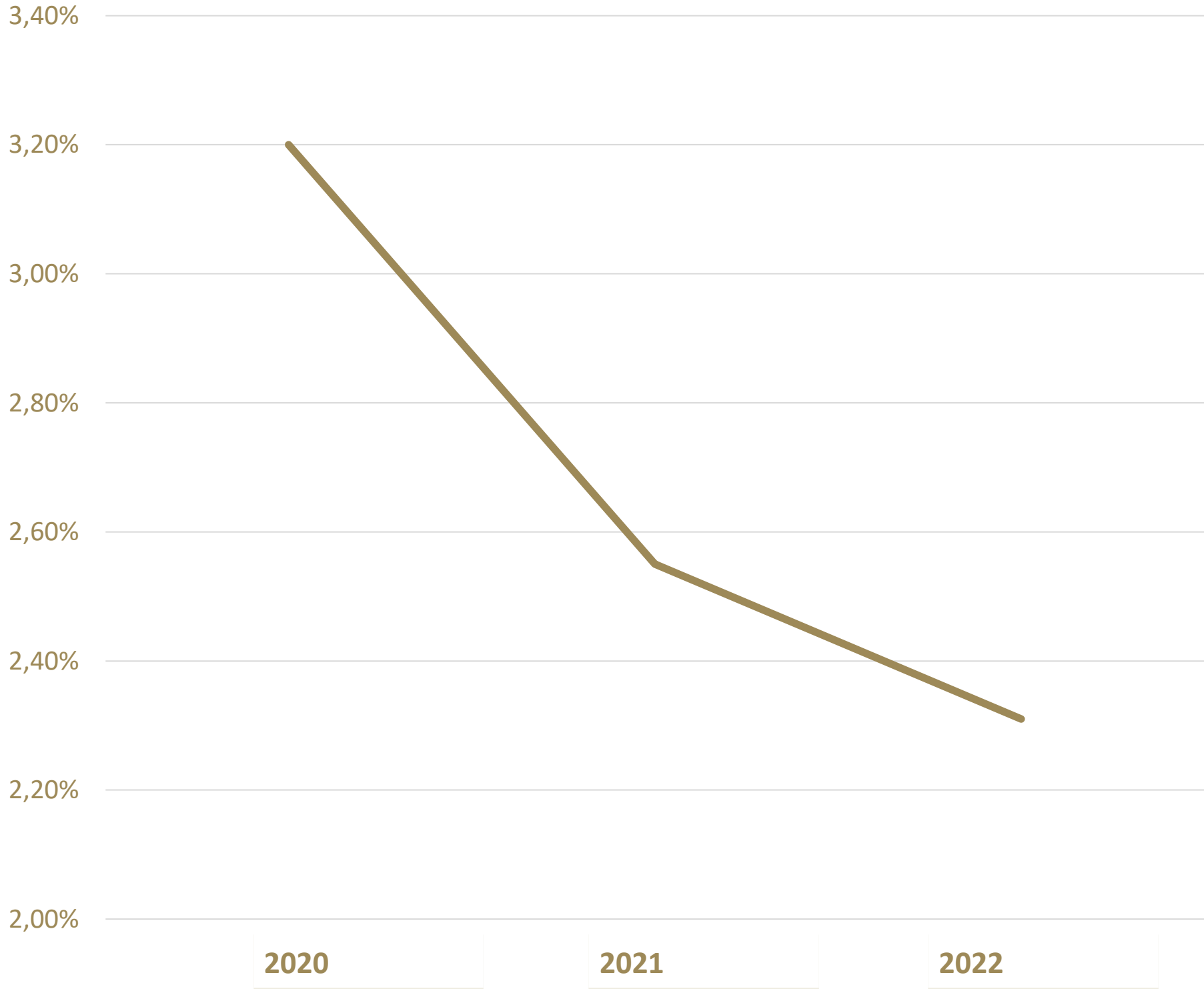
Significantly increased available liquidity (€ million)





# Low average cost of debt and significant liquidity

Average cost of debt



- € 2,374mm Total Debt
- **2.3% Average Cost of Debt**
- **Significant liquidity**
  - € 699mm Cash (+€ 6 mm in HFS)
  - € 400mm Unutilised Credit Facility
- Bond maturities in 2023
  - 2.75% for € 150 million Apr-23
  - 3.90% for € 225 million Sep-23

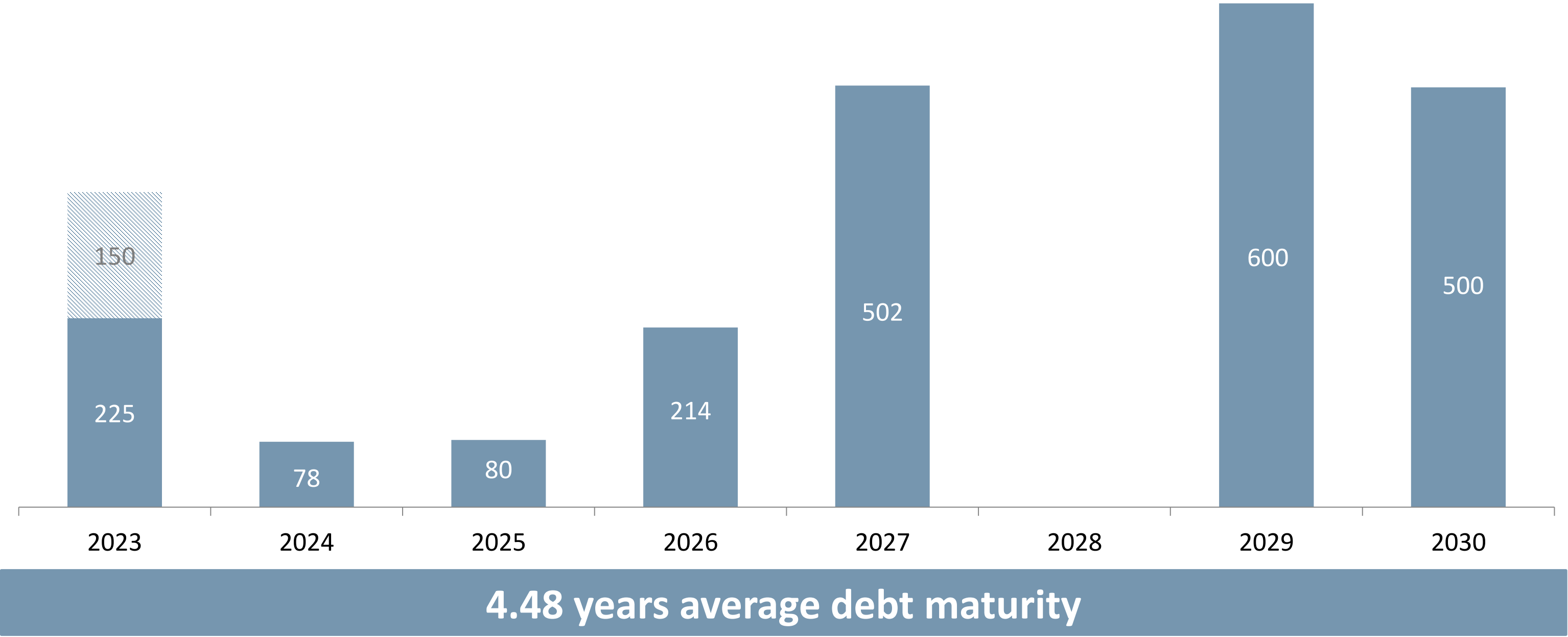
Source: Company information as of Dec 2022



# Near term refinancing covered through available cash and cash recycling



Maturity profile financial debt (€mm)

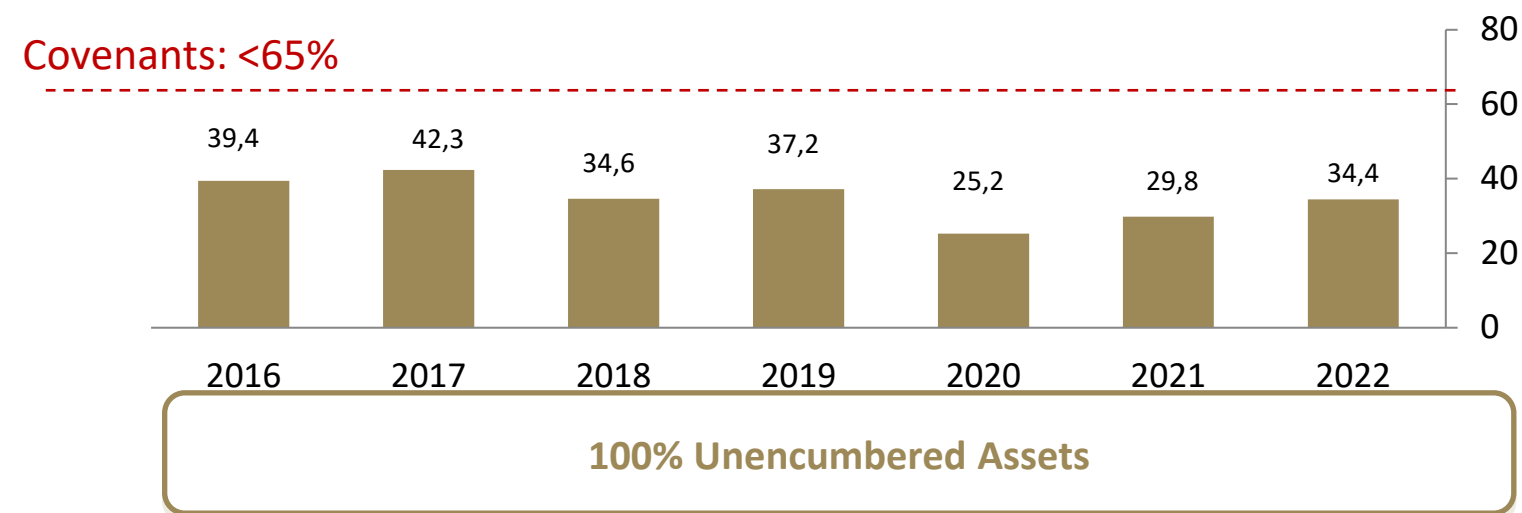


Source: Company information as of Dec 2022

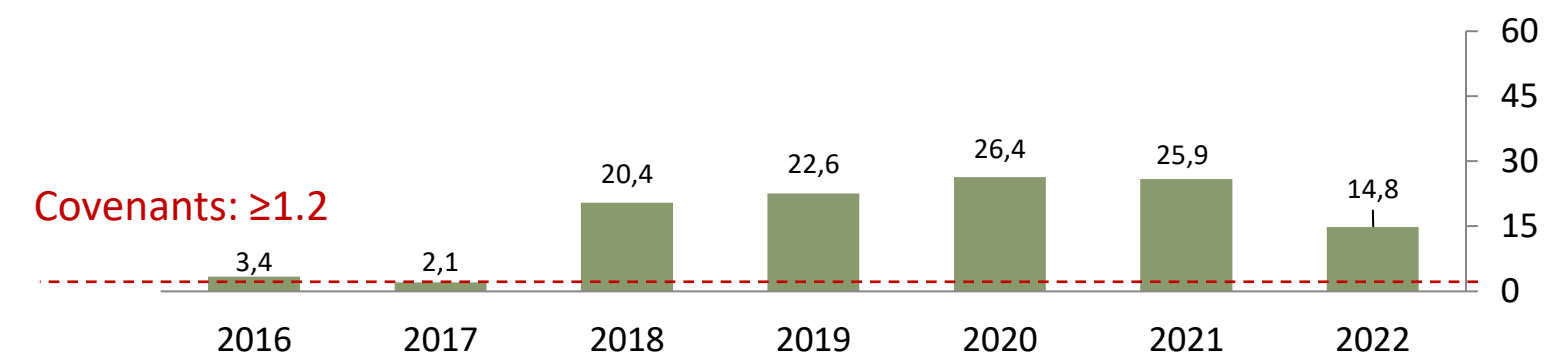


# Significant headroom to key covenants

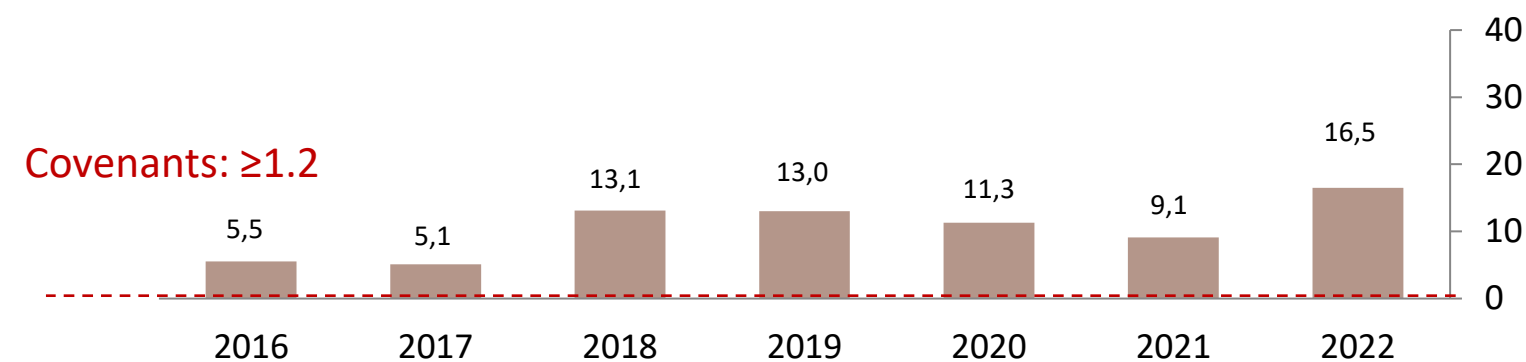
Gearing ratio (%)<sup>1</sup>



Debt service cover ratio (x)<sup>2</sup>



Interest cover ratio (x)<sup>3</sup>



Joint Ventures financing and covenants

Joint Venture	LTV	Covenant
Rheingold (JV1)	37.4%	> 65% <sup>4</sup>
Aurora (JV2)	42.4%	75% <sup>5</sup>
Proportional LTV	49.4%	n/a

Source: Company information as of Dec 2022

<sup>1</sup>Consolidated Gearing means consolidated Total Net Debt divided by the sum of the equity and total liabilities; <sup>2</sup>Debt service cover ratio means cash available for debt service divided by debt service whereby debt service means the aggregate amount of financial expenses due and payable together with any loan principal due and payable; <sup>3</sup>Interest Cover Ratio means the aggregate net rental income (increased with the available cash and cash equivalents) divided by the net Finance Charges; <sup>4</sup>Covenant stands at 70% for Germany <sup>5</sup> with the exception of Romania (60%)





# VGP ESG Update

# ESG Strategy: Building Tomorrow Today *Together*



Protect ecosystem and address climate change



Integrated ESG risk management and governance



# ESG Achievements 2022



- 45% of portfolio on a Paris-aligned 1.5°C pathway in 2050
- Science based targets affirmed
- External CO<sub>2</sub> assurance

- 55,000 tonnes of CO<sub>2</sub>-e p.a. will be avoided through solar power<sup>1</sup>
- Photovoltaic projects pipeline significant



- 100% certified Green Power for all VGP offices

- All VGP parks to be equipped with EV charging
- Public transport access



- Working on reducing embodied emissions within our developments
- Heat pumps instead of gas-powered heating

<sup>1</sup> Based on current operational and pipeline PV projects (204.4MWp)

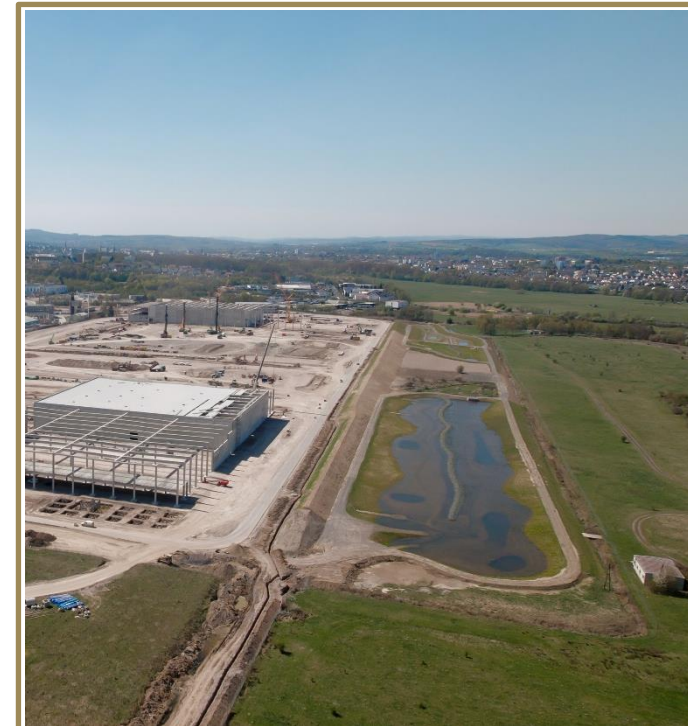


# ESG Achievements 2022

- Improve eco-efficiency:
  - Refurbishment program
- Portfolio EU Taxonomy compliance review



- Biodiversity:
  - 4,201 trees planted in VGP Parks
  - 488,284 m<sup>2</sup> of biotopes in our parks



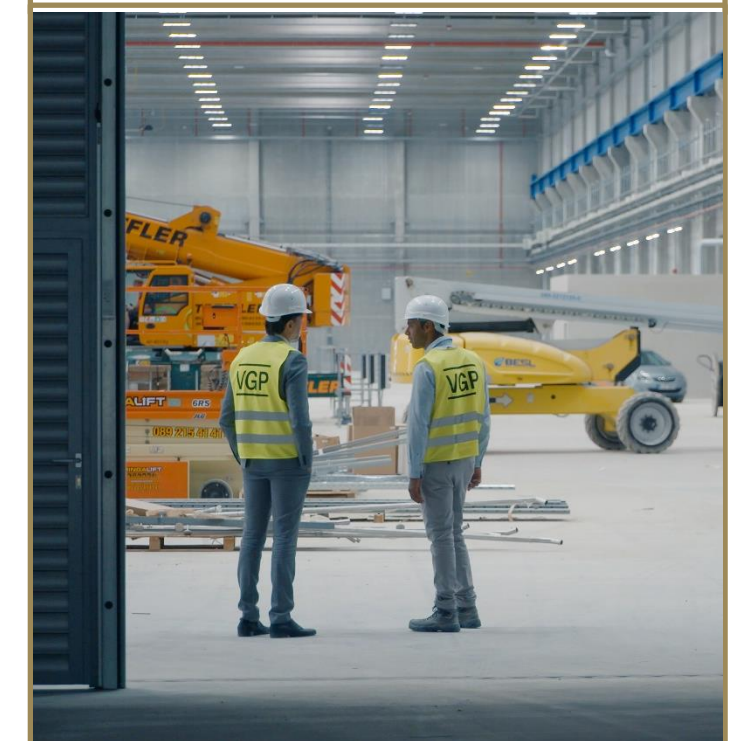
- Aiming for carbon improvements within supply chain
- Supply chain ethics



- €3 million UNHCR donation
- 650 community support hours
- 36 VGP Foundation projects, incl. 70,000 trees planted



- Implemented water saving and retention techniques
- 105,000 m<sup>3</sup> of rainwater reused





# Summary of the Group's ESG performance indicators

	Target	2022 achievements
	<b>Sustainable properties</b> <ul style="list-style-type: none"> <li>For all parks to perform a climate change risk plan</li> </ul>	<ul style="list-style-type: none"> <li>Based on risk assessment of long-term climate change risks, the Group will work on adaptation plans for its standing assets</li> </ul>
	<ul style="list-style-type: none"> <li>100% of projects to be connected by public transport</li> </ul>	<ul style="list-style-type: none"> <li>91.7% of VGP Parks connected by public transport. For one of the remaining projects a bus stop building permit request has been submitted</li> </ul>
	<ul style="list-style-type: none"> <li>100% of VGP Parks to offer EV charging</li> </ul>	<ul style="list-style-type: none"> <li>46% of VGP Parks offering EV charging in 2022</li> </ul>
	<ul style="list-style-type: none"> <li>Reduce embodied carbon in development projects by 20% in 2030</li> </ul>	<ul style="list-style-type: none"> <li>An environmental program policy for development projects is being drafted and Group is engaged in discussions with suppliers to explore implementable steps</li> </ul>
	<ul style="list-style-type: none"> <li>Increase portfolio 1.5°C pathway compliance in 2050 to 50% by 2025</li> </ul>	<ul style="list-style-type: none"> <li>Share of portfolio compliance 40%+ in 2050 as of Dec 2022</li> </ul>
	<ul style="list-style-type: none"> <li>Certification of 100% of new developments</li> </ul>	<ul style="list-style-type: none"> <li>100% of projects started in 2022 have sustainability rate pending, 61.0% of the total standing portfolio certified</li> </ul>
	<b>Strengthen communities</b> <ul style="list-style-type: none"> <li>100% of VGP employees to participate in volunteering for local community day</li> </ul>	<ul style="list-style-type: none"> <li>A total of 24% of Group employees delivered more than 650 volunteering hours in 2022</li> </ul>
	<ul style="list-style-type: none"> <li>Support annually social community projects</li> </ul>	<ul style="list-style-type: none"> <li>7 social support projects setup through VGP Foundation, with €760,000 spent to date; 14 local high school students received a VGP logistics masterclass with various tenant visits</li> </ul>
	<b>Empowering our workforce</b> <ul style="list-style-type: none"> <li>100% of staff to be trained on ESG topics</li> </ul>	<ul style="list-style-type: none"> <li>96.4% of new joiners and 41.1% of all staff received ESG training in 2022</li> </ul>
	<ul style="list-style-type: none"> <li>Achieve a diverse and inclusive workforce</li> </ul>	<ul style="list-style-type: none"> <li>60% of board female, 23% of management functions and 35% of overall staff; 23 nationalities working for VGP</li> </ul>

# Summary of the Group's ESG performance indicators



## Target

## 2022 achievements

### Protect and improve biodiversity

- 100% of development projects to implement an ecology plan
- 100% of standing assets with high biodiversity stakes to implement a biodiversity action plan by 2023
- Develop a Group biodiversity Strategy by 2023
- Support annually biodiversity community projects

- 100% of development projects started up in 2022 have an ecology plan
- 88% of projects with high biodiversity stakes have implemented a biodiversity plan
- 4,201 trees were planted in existing parks in 2022
- A first Group biodiversity action plan has been implemented in 2021. Strategy document to be prepared in 2023
- 24 nature support projects setup through VGP Foundation, with €1.55 million spent to date



### Improve eco-efficiency

- Reduce absolute emissions from tenant energy consumption by 55% by 2030
- 100% of new leases to contain green lease clause
- Install heatpumps to replace/instead of gas-powered heating
- Install 300MWp of solar power on VGP Parks' roofs

- Absolute emissions reduced by 7.5% in 2021 vs 2020. Relative emissions reduced by 27% YoY and announcing for 2023 a €2 million refurbishment program for existing portfolio to enhance eco-efficiency
- 97.2% of leases signed in 2022 contained a green lease clause
- 17 buildings with heat pumps installed in VGP Parks to date
- Installed renewable energy capacity is 56.6 MWp (compared to 34.0 MWp at Dec 2021) with a further 28 projects with a power of 75.0 MWp under construction and 60 projects with 72.7 MWp in pipeline



### Work with responsible partners

- 100% of Development projects to implement Considerate Construction Charter
- Engage with suppliers to explore carbon reduction initiatives
- Offer sustainable services

- 100% of Development projects implemented Considerate Construction Charter in 2022
- 4 suppliers engaged in 2022 to discuss lean materials construction and new solutions and optimised low-carbon materials
- Supporting our clients in improving ESG aspects of their operations



# Disclaimer

## **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 operates assets 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>

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