

ANNUAL FINANCIAL RESULTS PRESS RELEASE

For the period
1 January 2023 – 31 December 2023

Regulated Information
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VGP'S FULL YEAR RESULTS 2023

Regulated Information – Insider Information

22 February 2024, 7:00am, Antwerp, Belgium: VGP NV ('VGP' or 'the Group'), a European provider of high-quality logistics and semi-industrial real estate, today announces the results for the year ended 31 December 2023:

- A net profit of **€ 87.3 million**, an increase of € 209.8 million versus FY '22.
- Executed **three joint venture closings** resulting in a strong net cash recycling of **€ 676.2 million**. All transactions, including those that are committed to close in '24 have been **realized or agreed at a premium** versus the recognized fair value at year-end '22, resulting in a realized gain of € 59 million in '23 on the effectuated transactions.
- Established two new joint ventures with **Deka** and **Areim** for a total gross asset value of over **€ 2.6 billion**. Together with two closings with Allianz in H1 '23, VGP has transacted and/or secured a future pipeline of transactions of **€ 3 billion gross asset value**. Upcoming closings in '24 expect to recycle minimum € 525 million of gross proceeds at pre-agreed pricing.
- **€ 69.5 million of new and renewed leases** signed year-to-date bringing the **annualized committed leases** at year-end to **€ 350.8 million¹** (+ € 47.6 million compared to 31 December 2022, which is **+16% y-o-y**).
- **1,933,000 m² of new development land acquired²** and 1,324,000 m² of development land deployed to support the developments started up during the year. Total secured land bank stands at **9.4 million³ m²** at the end of 2023 representing a development potential of over 4.3 million m². Pro forma today's announced sale of LPM in '24, the total secured land bank lowers to 8.6 million m². Total acquisitions represent a **capex of € 212.4 million** and include the purchase of some iconic land plots in the vicinity of Paris and Frankfurt.
- **24 projects delivered** during the year representing 641,000 m², or € 42.3 million in additional annual rent (of which 12 projects totalling 330,000 m² delivered during the 2H 2023), currently 100% let. As a result, **net rental income**, on a look through basis⁴, grew **48%**, from € 107.4 million to € 159.1 million, knowing that at year-end € 304 million (€ +66 million y.o.y), or € 194.3 million on a proportional look through basis, has become cash generative.
- **26 projects under construction** representing 774,000 m² (of which 23 projects totalling 600,000 m² started up during the year) and **€ 51.9 million in additional annual rent** once fully built and let. The pipeline under construction is 77.3% pre-let. Pre-let ratio lowered as a result of certain speculative assets that initiated construction in Q4 '23 following amongst others a decline in construction costs.
- Property portfolio⁵ virtually fully let with **occupancy at 99%** (compared to 99 % as at 31 December 2022). 75.9 % of the completed portfolio is certified, amongst other a DGNB Platinum has been awarded for VGP Park Laatzten, the first German property developed and owned by a developer.
- **Photovoltaic (PV) capacity grew 79.9% YoY** with operational capacity passing the 100 MWp-mark at 101.8 MWp (vs. 56.6MWp in Dec-22). **69.0 MWp PV projects under development** and a further 99.7 MWp being planned. The ongoing transition to green energy consumption in our buildings, as well as other eco-efficiency measures contributed to the four-star GRESB developer rating, the **second highest** among peers in the European logistics segment.

¹ Including Joint Ventures at 100%. As at 31 December 2023 the annualized committed leases of the Joint Ventures stood at € 225.1 million.

² Including Development Joint Ventures at 100%

³ Includes 720,000 m² of land sold in LPM Joint Venture

⁴ Refer to "supplementary notes", income statement proportionally consolidated

⁵ Including Joint Ventures at 100%

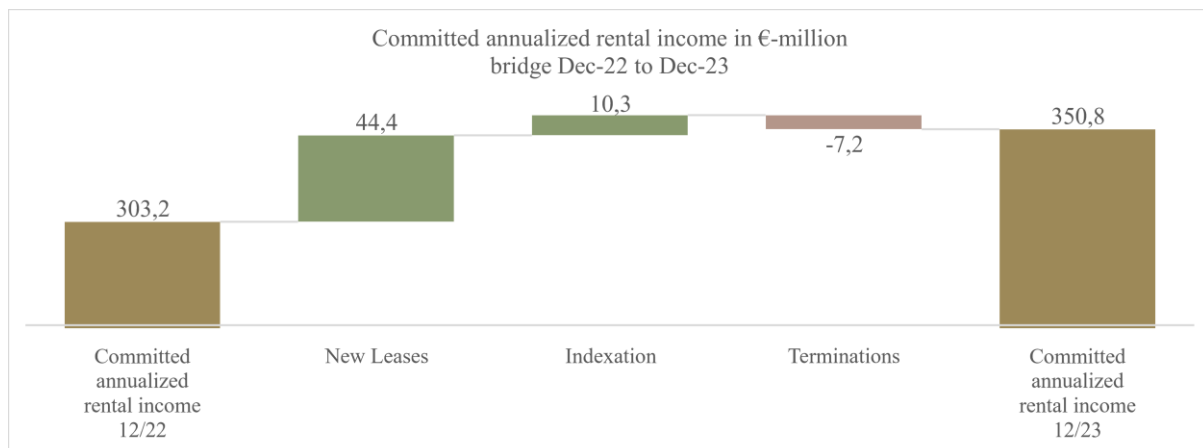
- Solid balance sheet with **€ 400 million undrawn credit facility** availability and lower debts of € 375 million following repayment of two bonds in April and September. Finally, VGP was able to obtain a credit facility of the European Investment Bank of **€ 150 million** to support its renewable energy business unit. As per 5 February 2024, VGP has drawn € 135 million of the facility at an interest rate of 4.15% on a ten-year period.
- Certain important events occurred after the balance sheet date. It concerns the sale of VGP's stake in the LPM Joint Venture in Q1 '24, whereby VGP recycled approximately **€ 170 million of gross proceeds**. VGP also acquired its First Danish land plot located in Vejle.
- The board of directors proposes an ordinary dividend of € 80.5 million (+ 7.3% versus last year), as well as an extraordinary € 20.5 million top-up following the record net cash recycling with the existing and new Joint Ventures in '23. This brings the total annual gross dividend to € 101 million, or € 3.70 per share.

FINANCIAL AND OPERATING HIGHLIGHTS – EXECUTIVE SUMMARY

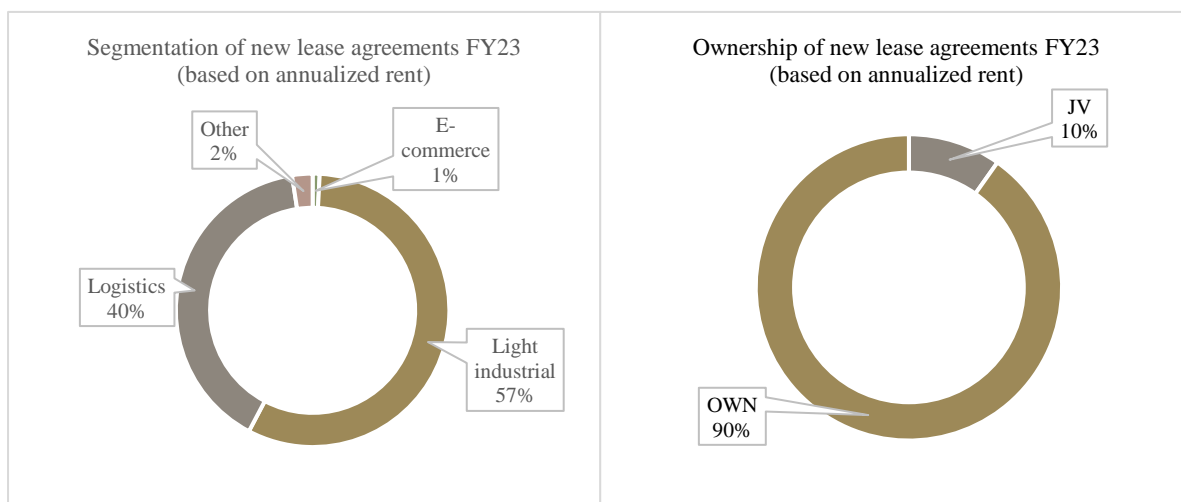
Rental activity

As at 31 December 2023, the signed and renewed rental income amounted to € 69.5¹ million, bringing the total committed annualized rental income to € 350.8 million² (equivalent to 6.0 million m² of lettable area), a 16% increase since December 2022. On a proportional look through basis, the total committed annualized rental income amounts to € 240 million, an increase of € 21.8 million, or 10% since 31 December 2022.

The increase was driven by 962,000 m² of new lease agreements signed, corresponding to € 44.4 million of new annualized rental income³, whilst during the same period for a total of 257,000 m² of lease agreements were renewed and extended, corresponding to € 14.8 million of annualized rental income (of which € 13.4 million related to the joint ventures⁴). Indexation accounted for € 10.3 million in 2023 (of which € 6.3 million related to the joint ventures⁴). Terminations represented a total of € 7.2 million or 122,000 m², of which € 4.7 million within the joint ventures' portfolio⁴.



From a geographic perspective, Eastern Europe, mainly driven by Romania, Slovakia, the Czech Republic and Hungary, accounted for 54% of the incremental new lease agreements. Within segments,



¹ Of which € 24.1 million in JV's and € 45.5 million in the own portfolio

² Including Joint Ventures at 100%

³ Of which 895,000 m² (€ 40.1 million) related to the own portfolio

⁴ "Joint ventures" refers to VGP European Logistics, VGP European Logistics 2 and VGP Park München, all three 50:50 joint ventures with Allianz Real Estate and the Fifth Joint Venture with Deka

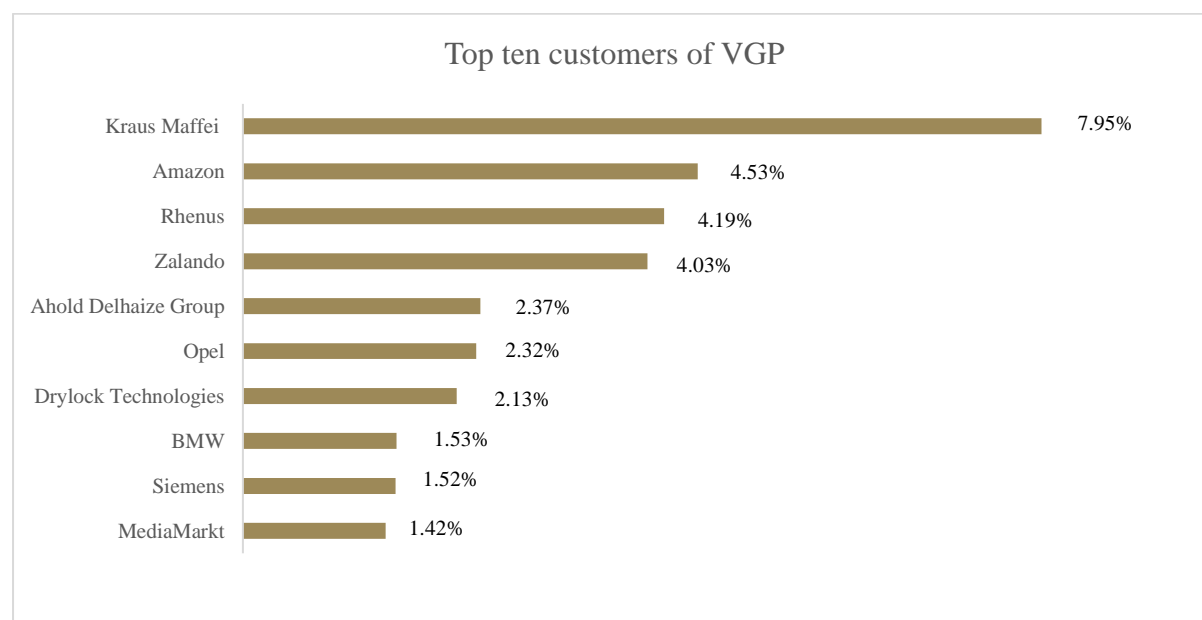
light industrial remained the biggest driver and accounted for 57%¹ (€ 25.3 million, of which € 24.4 million in the own portfolio) of all new lease agreements.

The weighted average term² of the leases stands at 7.9 years for the full portfolio, 8.9 years in the own portfolio and 7.3 years in the Joint Venture portfolio. Over 2023, VGP has successfully renewed € 14.8 million³ of annualized rental income.

At year-end 2023, € 304.3 million, or 87% of the annualized rental income has become cash generative as the leased space has been handed over to the respective tenants. Over the next twelve months another € 41.3 million will become effective as summarized in the table below.

in € mln	Annualized rental income effective before 31/12/2023	Annualized rental income to start within 1 year	Annualized rental income to start between 1- 5 years	Annualized rental income to start between 5 -10 years
Joint Ventures	223.4	1.7	-	-
Own	80.8	39.6	4.1	1
Total	304.3	41.3	4.1	1

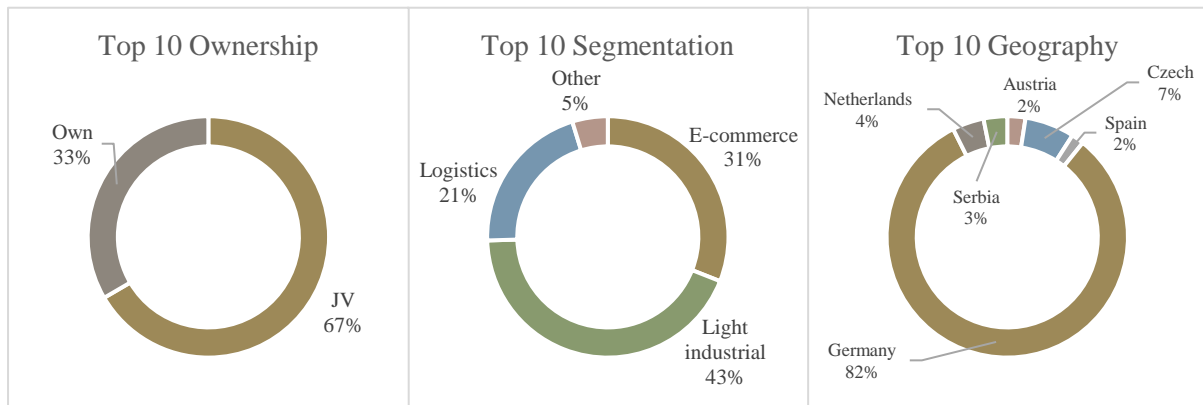
The top ten customers of VGP, including those of the Joint Ventures, represent € 112.2 million of annualized rental income, or 32% of the total annualized rental income. They consist of a mix of our three segments, but the largest are represented by the light industrial and e-commerce category. The weighted average lease term of the top ten customers stands at 10.27 years. Opel and Siemens are tenants currently occupying a brownfield site, which will, in time, be reconverted into a newly state of the art industrial park.



¹ Based on square meters

² Until final maturity. The weighted average term of the leases until first break stands at 7.5 years for the full portfolio, 8.5 years for own and 7.0 years for Joint Ventures portfolio

³ € 13.4 million on behalf of Joint Ventures



Construction activity

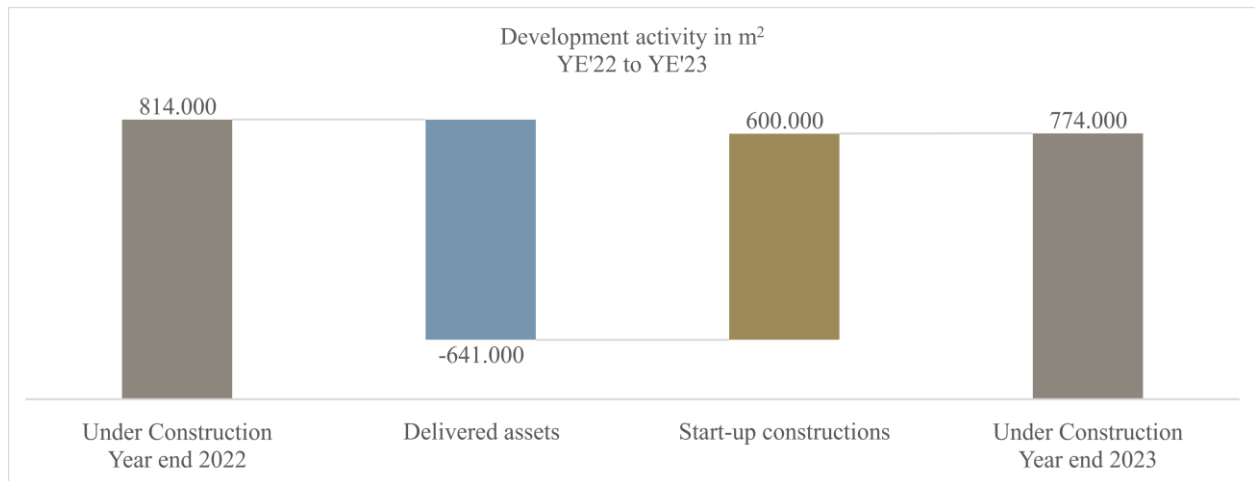
A total of 26 projects, located in 21 different VGP parks, are under construction which will create 774,000 m² of future lettable area, representing € 51.9 million of annualized leases once built and fully let – the portfolio under construction is 77.3% pre-let as of the 31st of December 2023. This is lower than previous reporting periods but is affected by a number of developments initiated in the second half of 2023 whom are at year-end 69% pre-let, the assets that have been under construction longer than 6 months (for a total of 410,000 m²) have a pre-let ratio of 84.3%. The group, after a period of low speculative development, felt comfortable to increase such developments on the back of decreasing construction costs allowing for attractive yield on cost returns. All projects are earmarked for at least ‘BREEAM Very Good’ or ‘DGNB Gold’.

Projects under construction		
Own portfolio	VGP Park	m ²
Austria	VGP Park Ehrenfeld	33,000
Austria	VGP Park Laxenburg	49,500
France	VGP Park Rouen 1	39,000
Germany	VGP Park Koblenz	32,000
Germany	VGP Park Wiesloch-Walldorf	55,000
Hungary	VGP Park Budapest Aerozone	30,000
Hungary	VGP Park Győr Beta	38,000
Hungary	VGP Park Kecskemét	38,000
Italy	VGP Park Valsamoggia 2 (Lunga)	19,000
Portugal	VGP Park Montijo	32,000
Romania	VGP Park Braşov	53,000
Romania	VGP Park Timisoara 3	33,000
Serbia	VGP Park Belgrade - Dobanovci	77,000
Slovakia	VGP Park Bratislava*	40,000
Slovakia	VGP Park Zvolen	8,000
Spain	VGP Park Córdoba	7,000
Czech Republic	VGP Park Prostějov*	10,000
Czech Republic	VGP Park Ústí nad Labem City	29,500
Total own portfolio		623,000
*Destined for the Sixth Joint Venture (Saga) and reported as held for sale as per 31 December '23		
On behalf of JV	VGP Park	m ²
Czech Republic	VGP Park Olomouc 3	9,000
Germany	VGP Park Gießen Am alten Flughafen	68,000
Germany	VGP Park Magdeburg	74,000
Total JV		151,000
Total under construction		774,000

During 2023 a total of 24 projects, in 19 different VGP Parks, were completed delivering 641,000 m² of lettable area, representing € 42.3 million of annualized committed leases, 100% let. Within the own portfolio it concerns 18 buildings for a total surface of 364,000 m², fully let (of which 4 buildings or 105,000 m² are destined for the Saga Joint Venture and reported as held for sale) and 6 buildings on behalf of the Joint Ventures totalling 277,000 m² and which are also fully let.

Projects delivered during FY2023		
Own portfolio	VGP Park	m ²
Austria	VGP Park Graz 2	14,000
Czech Republic	VGP Park České Budějovice	14,000
Czech Republic	VGP Park Ústí nad Labem City	23,000
Germany	VGP Park Hochheim	12,000
Hungary	VGP Park Budapest Aerozone	14,000
Hungary	VGP Park Kecskemét	20,000
Latvia	VGP Park Tiraines	29,000
Portugal	VGP Park Loures	20,000
Romania	VGP Park Braşov	67,000
Romania	VGP Park Bucharest	46,000
Germany	VGP Park Erfurt 2*	42,000
Germany	VGP Park Erfurt 3*	29,000
Germany	VGP Park Halle 2*	15,000
Slovakia	VGP Park Bratislava*	19,000
Total own portfolio		364,000
* assets destined for Saga Joint Venture, reported as held for sale		
On behalf of JV	VGP Park	m ²
Netherlands	VGP Park Roosendaal	9,000
Spain	VGP Park San Fernando de Henares	28,000
Germany	VGP Park Gießen Am alten Flughafen	184,000
Germany	VGP Park Magdeburg	45,000
Germany	VGP Park Berlin Oberkrämer	11,000
Total on behalf of JV		277,000
Total delivered assets		641,000

It's expected that the assets under construction at year-end '23 will be delivered during '24.



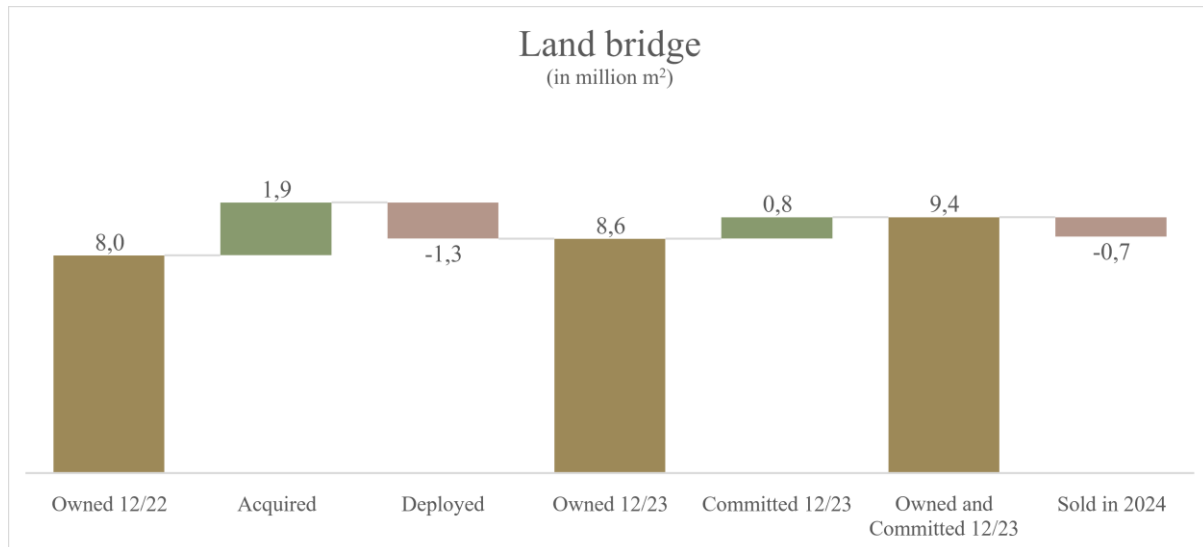
In summary, the total portfolio now contains 248 buildings (26 buildings under construction and 222 completed buildings) for a total surface of 6.1 million m², spread over 13 countries and is 99% let.

Country	Completed assets		Assets under construction		Total	
	Rentable space (m ²)	Number of buildings(#)	Rentable space (m ²)	Number of buildings (#)	Rentable space (m ²)	Number of buildings (#)
Austria	39,000	3	83,000	3	122,000	6
France	-	-	39,000	1	39,000	1
Germany	2,901,000	93	229,000	6	3,130,000	99
Hungary	197,000	12	106,000	5	303,000	16
Italy	86,000	7	19,000	1	105,000	8
Latvia	134,000	4	-	-	134,000	4
Netherlands	259,000	6	-	-	259,000	6
Portugal	50,000	3	32,000	1	81,000	4
Romania	315,000	15	86,000	2	401,000	17
Serbia	-	-	77,000	2	77,000	2
Spain	389,000	21	7,000	1	397,000	22
Czechia	768,000	49	48,000	3	816,000	52
Slovakia	227,000	9	48,000	2	275,000	11
Total	5,365,000	222	774,000	26	6,139,000	248

Ownership	Completed assets		Assets under construction		Total	
	Rentable space (m ²)	number of buildings (#)	Rentable space (m ²)	number of buildings (#)	Rentable space (m ²)	number of buildings (#)
Own (including on behalf of JV)	1,609,000	52	774,000	26	2,383,000	78
JV	3,756,000	170	-	-	3,756,000	170
Total	5,365,000	222	774,000	26	6,139,000	248

Land bank

VGP acquired 1,933,000 m² of development land and a further 795,000 m² has been committed, subject to permits, which brings the remaining total owned and committed land bank for development to 9.4 million m², which supports more than 4.3 million m² of future lettable area¹. In February '24, VGP sold its stake in the LPM Joint Venture, which holds 720,000 m² of development land.



Total acquisitions amounted to € 212.4 million in '23. Main acquisitions are located in Germany and France, as anticipated in VGP's equity raise in Q4 '22, a number of such opportunities were expected to come on the market in established economies in Europe. VGP has been able to secure main sites such as:

- VGP Park Rüsselsheim, Germany, with a total surface of 703,000 m² being the biggest acquisition of the year and an unique brownfield redevelopment opportunity. The project, acquired from the Stellantis group, represents one of the largest and most central industrial property developments in Germany. VGP's vision for this acquisition involves the creation of a business park spanning approximately 350,000 m² tailored for industrial companies and small and medium-sized value-added businesses. In line with its commitment to responsible development, VGP will operate with care to optimize the benefits of the development for the local community in close coordination with the responsible authorities. The Stellantis group will lease the main part of the site for three years and a schooling center for 10 years. The annual rent amounts to € 8.1 million. During this period VGP will prepare all permitting and ancillary formalities in order to redevelop the site. The purchase price of Rüsselsheim has been fully paid for in '23.

- VGP Park Vélizy, France, a brownfield of 194,000 m², an iconic plot in the Paris region. This was acquired from the Stellantis group and is located 8 km from the inner city of Paris, boasting an exceptional location with direct access to the outer ring road of Paris (A86). VGP plans to develop a business park of around 80,000 m² for industrial companies and small and medium-sized value-added businesses. Construction work is due to start in the second half of 2025, with the first buildings due for delivery in 2026. As with all the Group's projects, an ambitious environmental approach will be applied to this park and all buildings will achieve a BREEAM Excellent certification as a minimum.

- VGP Park Mulhouse, France, a 21 ha brownfield, acquired from the Stellantis group and is located on part of the Stellantis site in Mulhouse, France. The Group plans to rapidly develop a modern business

¹ Including Joint Ventures at 100%

park of around 100,000 m² for industrial and logistics companies. All future buildings will aim for at least BREEAM Excellent certification.

- VGP Park Leipzig Flughafen, Germany, with a total land size of 449,000 m², allowing for over 200,000 m² of development.

- VGP Park Wiesloch-Walldorf, Germany, with a total land size of 81,000 m², allowing for over 40,000 m² of development. Given its location, VGP intends to explore also alternative developments such as smaller and more flexible units.

- VGP Park Rouen, France, with a total land size of 78,000 m². This acquisition completes the VGP Park Rouen, following earlier acquisitions of 243,000 m² at the same location. The complete park allows for minimum 150,000 m² of development. This was VGP's first project in France and in the meantime with a first building, fully pre-let, of 39,000 m² under construction.

In January '24, VGP has also acquired its first site in Vejle, Denmark. The site is located in the northern part of the Triangle Region, a commercially important region in the centre of Denmark. On an area of more than 175,000 m² will be developed more than 80,000 m² of semi-industrial premises which are suitable for light industry and logistics services. The site is adjacent to the highway E45, exit 61b Vejle Syd. The park will offer full-scale services including photovoltaics, on-site electric car charging and high-quality technical and sustainable features.

Finally, in February '24, VGP sold its stake for a consideration of approximately € 170 million in the LPM Joint Venture, which envisages to develop a site of 720,000 m² in the vicinity of the Port of Moerdijk in The Netherlands.

The land bank¹ is equally geographically spread between Eastern (45%) and Western Europe (55%) in m². The largest land positions are held in Germany (20%), the Netherlands (11%)², Romania (11%), Serbia (10%) and Spain (9%).

In total 90% of the land bank is owned or committed by VGP for its own portfolio, whereas 10% is in co-ownership with various Joint Venture partners. It concerns mainly LPM (720,000 m²) in the Netherlands (sold in February '24), Grekon (34,000 m²) in Germany, Belartz (145,215 m²) in Spain and Ymir (52,719 m²) remaining development land in VGP Park München (building D).



¹ Including land held by the First, Second, Third and Development Joint Ventures in amount of 1.2 million m².

² Includes LPM with 720,000 m² and has been sold in '24

Renewable Energy

The gross renewable energy income over 2023 was € 4.36 million compared to € 5.90 million over FY2022. This was driven by an increase of 70.6% in the effective production sold in FY 2023 to 44 GWh, at a lower average energy price of € 94/MWh (vs € 230/MWh in 2022).

The operational solar capacity increased significantly to 101.8 MWp¹, up 80% year-over-year which should equate to a marketable production potential of circa 85 GWh.

As of January 2024, the Group possesses a licence to use the grid and trade energy on behalf of our tenants in Germany, which will facilitate distribution of produced renewable energy across our German parks. The Group has applied for a similar licence in Romania.

As of Dec 2023, a total of 32 projects representing 69.0 MWp are under construction (of which circa half is expected to go into production during first 4 months of 2024 pending grid connection approval).

Including projects under construction the total solar power generation capacity will increase to 170.8 MWp spread over 116 roof-projects in eight countries. As at the 31st of December 2023 this represents a total aggregate investment amount of € 108 million (incl. current commitments for projects under construction).

With regards to the pipeline, an additional 93 solar power projects are in contractual/design phase (including in five additional countries) which equates to an added power generation capacity of 99.7 MWp. The current total solar portfolio, including pipeline projects, totals 270.5 MWp and is well underway towards the 300 MWp target by 2025.

¹ Includes 14MWp of third-party owned systems

Update on Joint Ventures

Partnership with Allianz

Rheingold – the First Joint Venture

The First Joint Venture 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) with the aim of delivering stable income-driven returns with potential for capital appreciation. The First Joint Venture aimed to increase its portfolio size (i.e. the gross asset value of the acquired income generating assets) to circa € 1.7 billion by May 2021 at the latest, via the contribution to the First Joint Venture of new logistics developments carried out by VGP. The First Joint Venture's strategy is therefore now primarily a hold strategy.

On 17th of January 2023, VGP concluded a tenth transaction with the First Joint Venture. The transaction comprised 3 logistic buildings, which are located in Germany (one) and in the Czech Republic (two). The gross asset value of the completed assets amounted to € 114.6 million and the net proceeds from this transaction amounted to € 73.5 million.

As at 31 December 2023, the First Joint Venture's property portfolio consists of 104 completed buildings representing a total lettable area of over 1,971,000 m². Although the First Joint Venture reached its expanded investment target, some add-on closings related to existing tenant extension options may still occur in the future. The First Joint Venture will maintain its existing portfolio with VGP, continuing to act as property, facility and asset manager.

Aurora – The Second Joint Venture

The Second Joint Venture 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 with the aim of delivering stable income-driven returns with potential for capital appreciation. The Second Joint Venture aims to increase its portfolio size to circa € 1.7 billion by July 2024 at the latest, via the contribution to the Second Joint Venture of new or recently built logistics developments carried out by VGP.

During 2023, VGP completed a fourth closing whereby, the Second Joint Venture ("VGP European Logistics 2 S.à r.l.") acquired, on 1 June 2023, 11 logistic buildings, including 5 buildings in 4 new VGP parks and another 6 newly completed buildings (in parks which were previously transferred to the Second Joint Venture), for an aggregate transaction value in excess of € 253 million and resulting into net aggregate cash proceeds of € 194.4 million.

As at 31 December 2023, the Second Joint Venture's property portfolio consists of 43 completed buildings representing a total lettable area of over 927,000 m².

Ymir – The Third Joint Venture

The Third Joint Venture was established in June 2020 with an objective to develop VGP Park München. Together, KraussMaffei – with 212,000 m² gross lettable area – and BMW –with 64,000 m² gross lettable area – occupy the existing park. The last remaining building, which is to be completed by 2026 will provide 38,000 m² gross lettable area and is an extension option for KraussMaffei until end of 2024. Once fully developed, VGP Park München will consist of five logistics buildings, two stand-alone parking houses and one office building for a total gross lettable area of ca. 314,000 m².

Since its establishment, three closings with the Third Joint Venture have occurred.

VGP received an outstanding cash consideration in an amount of € 69.1 million from Allianz in Q4 '22, with a remaining consideration of € 7.0 million (in respect of the office building) to be received, subject to the fulfilment of some closing conditions. These have been fulfilled and the remaining amount of € 7.0 million has been received in July '23.

Finally, VGP Park Munich drew its available credit facility of € 65.5 million. Following the refinancing, the entity initiated a distribution of excess cash available to their shareholders, amounting to € 86 million. Out of this amount, € 43 million was allocated to VGP in July '23. The entity expects to draw another € 84.5 million on an available credit facility within the first half of 2024.

As at 31 December 2023, the Third Joint Venture's property portfolio consists of 7 completed buildings representing a total lettable area of over 276,000 m².

Partnership with Deka

RED - the "Fifth Joint Venture"

VGP has signed 21 July 2023 a new joint venture agreement with Deka Immobilien, a prominent real estate investment company. The joint venture endeavoured that two of Deka Immobilien's public funds, Deka Westinvest InterSelect and Deka Immobilien Europa, acquire a 50% stake in five project companies owned by VGP.

The project companies own and operate five strategically located parks in Germany, namely Gießen – Am alten Flughafen, Laatzen, Göttingen 2, Magdeburg and Berlin Oberkrämer. These parks boast a portfolio of 20 buildings, generating a total annualized rental income of € 52.9 million at the time of the transaction.

The agreed gross asset value of all assets stands at over € 1.1 billion. The transaction was foreseen to be executed in three closings, with the first closing effectuated in Q3 2023. Pricing has been agreed for the full portfolio, thus including the remaining two closings which are set to materialize in H1 and H2 of '24.

To facilitate the joint venture, parties have agreed to refinance the joint venture with an approximative LTV of 30%. Consequently, VGP is set to recycle over € 700 million of cash from all closings. The first closing, encompassing 17 of the 20 buildings, generated € 393 million in net proceeds (€ 455 million gross). The remaining closings are set for H1 (two buildings) and Q3 2024 (one building), once the construction of the respective assets are completed. These closings expect to generate minimum € 250 million of gross cash proceeds.

This joint venture has been established with a long-term horizon. VGP retains asset management services in a similar scope to its existing partnerships with Allianz Real Estate.

In conclusion, the partnership between VGP and Deka Immobilien marks a significant milestone in the European real estate market. Through this joint venture, both companies are well-positioned to capitalize on the strong performance of the German property sector, fostering growth and maximizing returns for their stakeholders over the long term and recycling cash for VGP in the short term.

Partnership with Areim

Saga – The “Sixth Joint Venture”

As per 15 December 2023 VGP entered into a new Joint Venture agreement with AREIM Pan-European Logistics Fund (D) AB, or Areim, on a 50:50 basis, with the purpose of investing into VGP developed assets in Germany, Czech Republic, France, Slovakia and Hungary. The venture will utilize debt up to a loan-to-value of 35%. The investor, Areim, has committed a € 500 million equity investment. The investment period lasts until 15 December 2028, with possibilities to extend the Joint Venture by mutual agreement.

A seed portfolio has been defined and is set to transition in H1 2024, comprising of developed properties in Germany, Czech Republic and Slovakia for a total gross asset value of more than € 400 million, resulting in expected gross cash proceeds of more than € 275 million. In many ways the Joint Venture is similar to the Allianz Joint Ventures, being that the Sixth Joint Venture has a right of first refusal, but limited to all buildings of a specific development pipeline within the target countries over the investment period.

The joint venture targets a comprehensive ESG strategy, with criteria defined around EU taxonomy compliance, EPC, BREEAM standards, and more. As is the case with similar Joint Ventures, VGP will act as the asset, property and development manager of the Joint Venture.

Along with the Fifth Joint Venture, VGP has as such replaced the investment commitment of the terminated Fourth Joint Venture with Allianz.

The Development Joint Ventures

LPM – Logistics Park Moerdijk

The LPM Joint Venture was established in November 2020 with an objective to develop Logistics Park Moerdijk (Netherlands) together with the Port Authority Moerdijk on a 50:50 basis. Logistics Park Moerdijk is situated in between the Port of Rotterdam (the Netherlands) and the Port of Antwerp (Belgium) and is one of the few locations in the Netherlands where large-scale value-added logistics and value-added services distribution centres can be developed and built.

During 2023, the preparatory works, pre-loading of the land and necessary legal steps in ownership to initiate the first developments have been on-going.

In February 2024, VGP agreed on selling the project in its current status and recycled gross proceeds of ca € 170 million.

VGP Park Belartza Joint Venture

The VGP Park Belartza Joint Venture (Spain) is set up as a 50:50 joint venture with VUSA, the Bilbao-based construction company. The objective of this joint venture is to provide an additional regional source of land to the Group for land plots which would otherwise not be accessible. The VGP Park Belartza Joint Venture aims to develop ca. 35,000 m² of logistics lettable area.

The project is currently proceeding well with obtaining the necessary zoning permits.

VGP Park Siegen Joint Venture

The VGP Park Siegen Joint Venture is set up as a 50:50 joint venture with Revikon and focuses on the development of a land plot located in Siegen, Germany. During 2023, following the successful partial sale of its project last year, an equity distribution of € 3.4 million has been paid to VGP NV. The brownfield has been undergoing further demolition works in 2023, which will continue in 2024.

Capital and liquidity position

Total cash balance as at 31 December 2023 stood at € 219.3 million¹ and increased further in February 2024 with € 135 million drawdown on the new credit facility from the European Investment Bank. The gearing ratio amounts to 40.3%. The Allianz and Deka Joint Ventures, with stabilized assets, have an LTV of 34.4%, or 32.7% when taking the Development Joint Ventures also into account, who have only development land and no credit facilities in place. Pro Forma proportional LTV amounts to 47.3%²

During '23 VGP was able to recycle net € 676.2 (gross € 747.8) million from two closings with respectively the First and Second Joint venture as well as a first closing with the Fifth Joint Venture (Deka). Following the new joint venture agreements with the Fifth and Sixth Joint Venture, VGP is currently preparing three transfers in '24, two of which are set to materialize in the first half of '24 and a third closing with the Fifth Joint Venture is planned to materialize in the second half of '24. These transactions are expected to generate more than € 525 million of gross cash proceeds.

Two bonds that came to maturity, respectively in April '23 (€ 150 million) and September '23 (€ 225 million) have been fully repaid. This has lowered the average cost of debt to 2.1% at year-end. The average term of the credit facilities amounts to 4.23 years. A dividend of € 75 million has been paid out in May '23 as well.

Within '24 and '25, VGP will see two bonds of respectively € 75 million and € 80 million coming to maturity. It is currently envisaged to not refinance these and repay the bonds from available liquidity.

To date, VGP has also € 400 million of undrawn revolving credit facilities available and as per 15 December 2023, VGP Renewable Energy NV, a wholly owned subsidiary of VGP NV concluded a credit facility agreement with the European Investment Bank (“EIB”) for a total amount of € 150 million. The facility will be made available along VGP’s progress in its renewable energy roll out. As per 5 February 2024, VGP has drawn as such a first tranche of € 135 million. This drawdown will be repaid semi-annually as of February 2027 in 15 equal instalments. The interest rate has been fixed at 4.15%. The covenants of the facility are aligned on the conditions of the outstanding bonds.

Finally, Fitch, the credit rating agency, affirmed a BBB- rating with a stable outlook for VGP NV on 4 September '23. According to Fitch: *“The rating reflects VGP's disciplined approach to property development risk from land purchase price, location and quality of product, pre-lets, development profit headroom, to building completion and when assets are monetised into pre-funded, identified joint ventures (JV). Under VGP's financial template, depending on the development profit headroom, it gets its cost-to-build outlay back in cash proceeds from monetisations. These front-end factors support a scenario of successfully attracting other JV partners as the historical Allianz JV exclusivity has changed.”*

Dividend

The board of directors proposes to the annual shareholders meeting an ordinary gross dividend distribution of € 3.70 per share, or € 101 million, which is composed of an ordinary gross dividend of € 2.95 per share, or € 80.5 million (an increase of 7.3% versus last year) and an extraordinary gross dividend of € 0.75 per share, or € 20.5 million as a result of the record net cash recycled with the existing and new Joint Ventures in '23.

¹ Including € 9.4 million classified as disposal group held for sale

² Adjusted for transactions with Deka, Areim, LPM and the new credit facility of EIB. Proportional LTV at 31 December 2023 amounts to 53.4%

Progress towards our Sustainable Development Goals

In the fiscal year 2023, VGP has made significant strides in both sustainability initiatives and operational achievements. Here are some highlights:

Promoting Green Energy Adoption and Expansion of Renewable Energy Initiatives

VGP has obtained registered utility status in Germany and is anticipating to achieve the same in Romania. This milestone enables the Group to leverage the existing photovoltaic projects more effectively, facilitating the distribution of green energy across VGP Parks. Furthermore, VGP has surpassed the 100 MWp-mark in operational solar capacity. With all projects in the pipeline, the Group will be able to produce more green energy than the tenants' total annual electricity consumption.

The 2023 new lease contract template requires tenants to procure green energy and building standard is based on air heat pumps (as opposed to gas-powered heating). Additionally, the implementation of a group-wide smart meter management system enhances our ability to monitor consumption patterns and identify areas for improvement.

Carbon Pricing, Supplier Engagement and CRREM¹ pathway

In 2023 the Group has introduced in-house carbon pricing for project evaluation purposes whilst supplier engagement regarding embodied carbon improvements has further expanded, reinforcing our dedication to embodied carbon reduction efforts. Several initiatives have been identified to facilitate bringing our entire portfolio CRREM performance into compliance with the 1.5°C pathway, reflecting our proactive approach to addressing climate change risks.

Employee Development Initiatives

The launch of VGP Academy is to support the development and training of the Group's employees, ensuring our workforce is equipped with the necessary skills and knowledge to drive our sustainability agenda forward.

EU Taxonomy and Enhanced Green Bonds Allocation

In 2023 VGP has published a biodiversity strategy and implemented additional actions in accordance with EU Taxonomy standards, reaffirming our commitment to environmental stewardship. Furthermore, thanks to significant solar investments and certification improvements, the allocation of Green bonds for all € 1.6 billion worth of outstanding VGP Green bonds are now allocated to investments in renewables, eco-efficiency measures, and projects meeting at least BREEAM Excellent/DGNB Gold standards (previously the allocation included BREEAM Very Good).

Recognition

Building A in VGP Park Laatzen has achieved Platinum certification, marking a significant milestone as it is the first developer-led industrial property project to receive such recognition from DGNB. At the same time, the Group as a whole achieved a 4-star developer ranking in GRESB, the second-highest score for a European developer, underscoring our commitment to sustainability performance and transparency.

As of the 20th of March 2023, VGP was included in the BEL ESG index by Euronext. This index was designed to meet sustainable investment needs and tracks the twenty Brussels-listed companies demonstrating the best Environmental, Social and Governance (ESG) practices.

¹ Carbon Risk Real Estate Monitor

Outlook

VGP believes to have set several milestones in 2023 that will enable solid growth in '24 and beyond. The acquisition of some very iconic land plots, on top of already a prime land bank across the regions in which VGP operates, allows to offer attractive propositions to our clients.

VGP expects to activate another € 41.3 million of annualized rental income in '24, supporting substantial growth in net rental income.

The two new Joint Ventures will ensure continuous cash recycling to finance the development pipeline and will grow our joint venture asset management services further. A minimum of € 525 million of gross cash proceeds are expected based on commitments from our new Joint Venture partners in the Fifth and Sixth Joint Venture. In '23 VGP repaid € 375 million of debts, but has only one bond of € 75 million that comes to maturity in '24. Moreover, VGP has come to an agreement in February '24 to divest its LPM Joint Venture, which generated ca € 170 million of cash proceeds. This brings the total minimum expected gross cash proceeds for '24 already to € 830 million, including the € 135 million drawdown on the new credit facility of the European Investment Bank. This covers all outstanding commitments in our property and renewable energy developments, land acquisitions, debt repayments and dividend for '24.

As always, we look forward to updating you on our progress along the way.

KEY FINANCIAL METRICS

	FY 2023	FY 2022	Change (%)
Operations and results			
Committed annualized rental income (€mm)	350.8	303.2	+15.7%
IFRS Operating profit (€mm)	118.8	(115.6)	n.a.
IFRS net profit (€mm)	87.3	(122.5)	n.a.
IFRS earnings per share (€ per share)	3.20	(5.49)	n.a.
Portfolio and balance sheet			
	31 Dec 23	31 Dec 22	Change (%)
Portfolio value, including joint venture at 100% (€mm)	7,194	6,443	+11.7%
Portfolio value, including joint venture at share (€mm)	4,828	4,605	+4.8%
Occupancy ratio of standing portfolio (%)	98.9	98.9	0.0%
EPRA NTA per share (€ per share) ¹	83.10	84.35	-1.5%
IFRS NAV per share (€ per share)	81.14	80.69	+0.6%
Net financial debt (€mm)	1,778	1,669	+6.5%
Gearing ² (%)	40.3%	34.4%	+17.2%

WEBCAST FOR INVESTORS AND ANALYSTS

VGP will host a webcast at 10:30 (CET) on 22 February 2024

Webcast link:

https://channel.royalcast.com/landingpage/vgp/20240222_1/

Click on the link above to attend the presentation from your laptop, tablet or mobile device. The webcast will stream through your selected device.

Please join the event webcast 5-10 minutes prior to the start time

A presentation will be available on VGP website:

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

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¹ See note 10.2

² Calculated as Net debt / Total equity and liabilities

ABOUT VGP

VGP is a pan-European owner, manager and developer of high-quality logistics and semi-industrial properties as well as a provider of renewable energy solutions. VGP has a fully integrated business model with extensive expertise and many years of experience along the entire value chain. VGP was founded in 1998 as a family-owned Belgian property developer in the Czech Republic and today operates with around 368 full-time employees in 17 European countries directly and through several 50:50 joint ventures. In December 2023, the gross asset value of VGP, including the 100% joint ventures, amounted to € 7.19 billion and the company had a net asset value (EPRA NTA) of € 2.3 billion. VGP is listed on Euronext Brussels (ISIN: BE0003878957).

For more information, please visit: <https://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.