

ANNUAL FINANCIAL RESULTS PRESS RELEASE

For the period
1 January 2023 – 31 December 2023

Regulated Information
Thursday, 22 February 2024, 07:00 am CET

WWW.VGPPARKS.EU



VGP'S FULL YEAR RESULTS 2023

Regulated Information – Inside 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

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%

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.

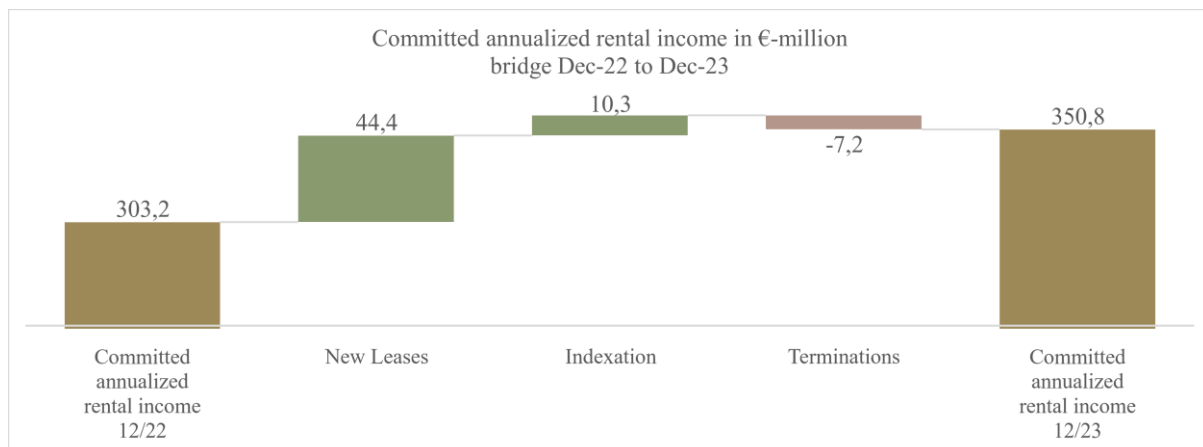
- Solid balance sheet with **€ 400 million undrawn credit facility** availability and lower debts of € 375 million following repayment of two bonds in April and September. Finally, VGP was able to obtain a credit facility of the European Investment Bank of **€ 150 million** to support its renewable energy 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.



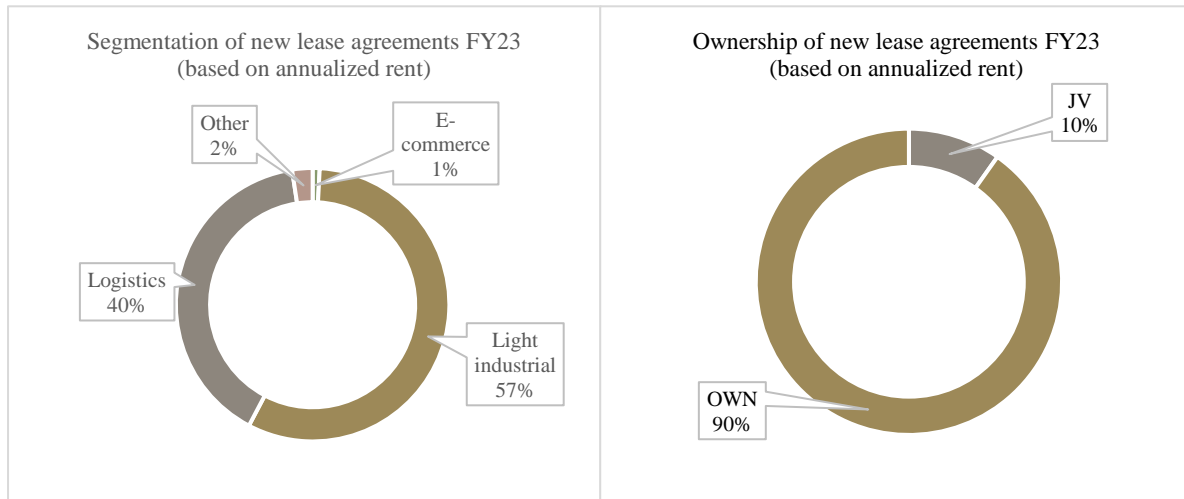
¹ Of which € 24.1 million in JV's and € 45.5 million in the own portfolio

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

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, 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.

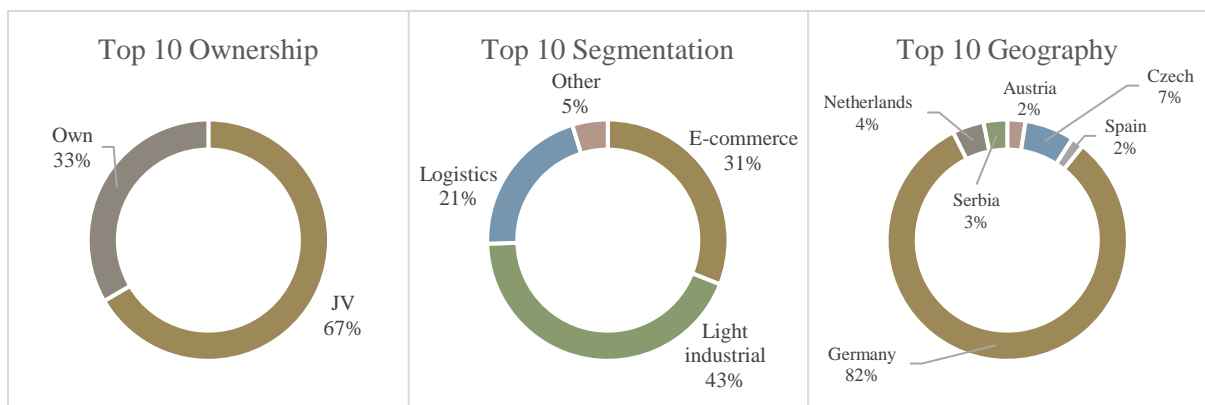
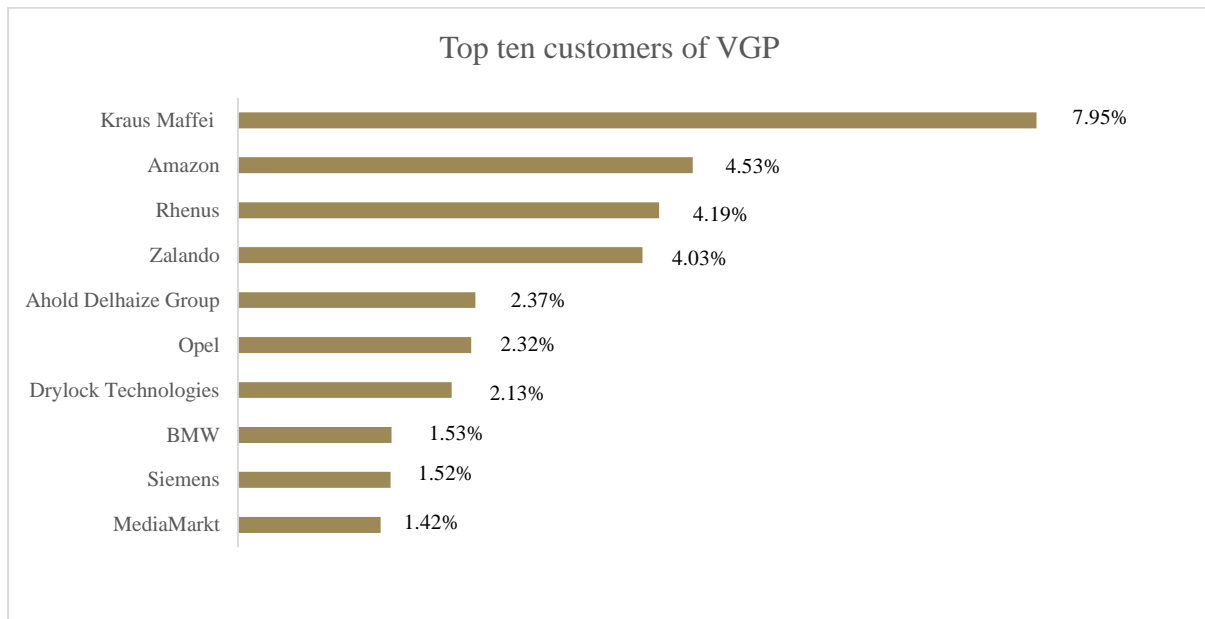
in € mln	Annualized rental income effective before 31/12/2023	Annualized rental income to start within 1 year	Annualized rental income to start between 1- 5 years	Annualized rental income to start between 5 -10 years
Joint Ventures	223.4	1.7	-	-
Own	80.8	39.6	4.1	1
Total	304.3	41.3	4.1	1

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’.

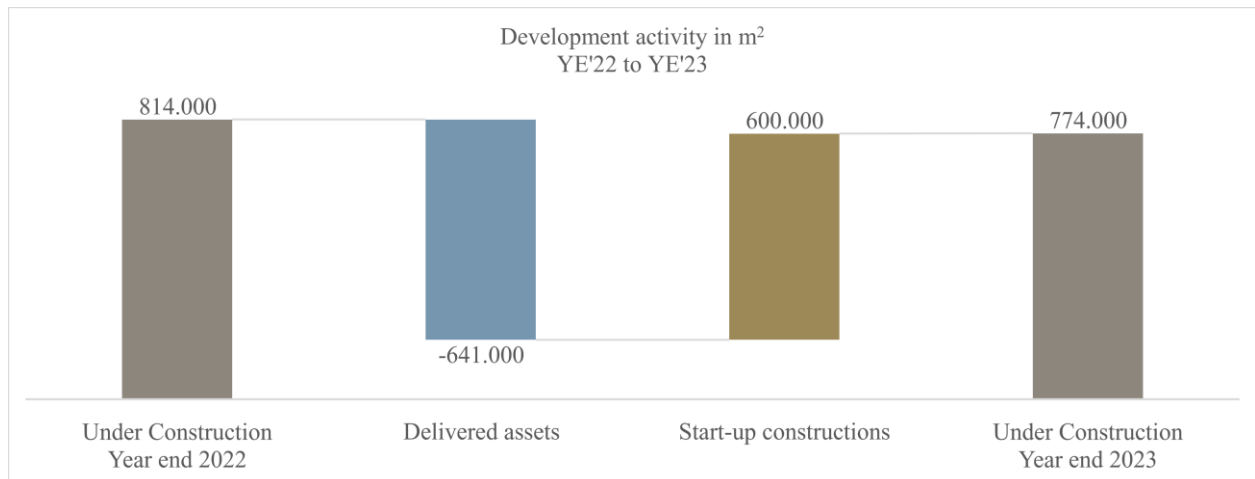
Projects under construction		
Own portfolio	VGP Park	m ²
Austria	VGP Park Ehrenfeld	33,000
Austria	VGP Park Laxenburg	49,500
France	VGP Park Rouen 1	39,000
Germany	VGP Park Koblenz	32,000
Germany	VGP Park Wiesloch-Walldorf	55,000
Hungary	VGP Park Budapest Aerozone	30,000
Hungary	VGP Park Gyor Beta	38,000
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.



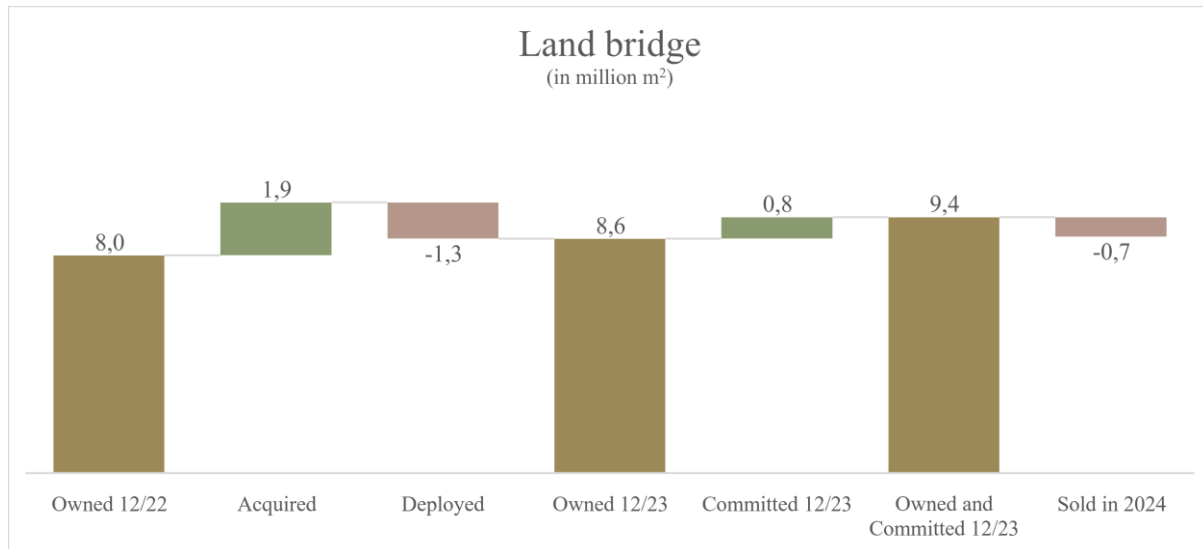
In summary, the total portfolio now contains 248 buildings (26 buildings under construction and 222 completed buildings) for a total surface of 6.1 million m², spread over 13 countries and is 99% let.

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, Belartza (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/>

CONTACT DETAILS FOR INVESTORS AND MEDIA ENQUIRIES

Investor Relations	Tel: +32 (0)3 289 1433 investor.relations@vgpparks.eu
Karen Huybrechts (Head of Marketing)	Tel: +32 (0)3 289 1432

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.

FINANCIAL ACCOUNTS¹

CONSOLIDATED INCOME STATEMENT For the year ended 31 December

Income Statement <i>(in thousand of €)</i>	Note	31.12.2023	31.12.2022
Revenue²	4	113,723	84,784
Gross rental and renewable energy income	4	69,003	51,230
Net property operating expenses		(5,534)	(8,223)
Net rental and renewable energy income		63,469	43,007
Joint venture management fee income	4	26,925	21,537
Net valuation gains / (losses) on investment properties ³	6	87,958	(97,230)
Administration expenses	7	(48,863)	(33,956)
Share in result of Joint Ventures	8	(10,715)	(45,927)
Other expenses		-	(3,000)
Operating result		118,774	(115,569)
Financial income	9	34,076	17,329
Financial expenses	9	(40,107)	(44,337)
Net financial result		(6,031)	(27,008)
Result before taxes		112,743	(142,577)
Taxes		(25,451)	20,035
Result for the period		87,292	(122,542)
Attributable to:			
Shareholders of VGP NV		87,292	(122,542)
Non-controlling interests		-	-
Earnings Per Share⁴	Note	31.12.2023	31.12.2022
Basic earnings per share (in €)	10	3.20	(5.49)
Diluted earnings per share (in €)	10	3.20	(5.49)

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.

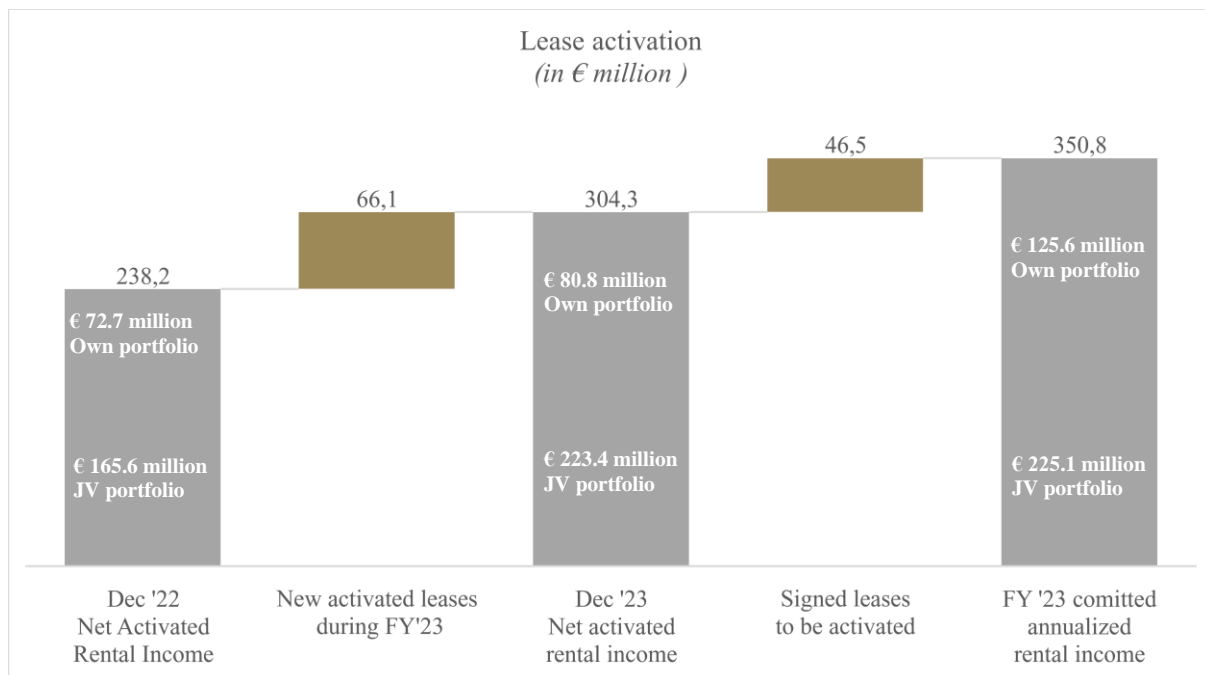
³ Includes realized gains on disposals of subsidiaries of € 59 million in '23 and € 87.2 million in '22

⁴ Calculated based on the weighted average number of shares amounting to 22,311,583 shares as at 31 December 2022. The total issued shares at year-end 2022 and for the full year 2023 were 27,291,312 shares

Net rental income

The net rental income of VGP's own portfolio, increased to € 59.9 million for the full year 2023 compared to € 37.4 million for the full year 2022 primarily due to full impact of income generating assets delivered during 2022 and 2023.

During the year € 66.1 million of annualized rental income including the Joint Ventures at 100%, have been activated. Another € 46.5 million¹ is still to be activated (upon delivery of assets), of which € 41.3 million is expected to become cash generative in the next twelve months.



Including VGP's share of the joint ventures on a "look-through" basis net rental income increased by € 52 million, or 48% compared to full year 2022 (from € 107.4 million for the period ending 31 December 2022 to € 159.1 million for the period ending 31 December 2023)².

Net renewable energy income

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 MWp³, 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 December 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).

¹ Of which € 44.8 million on the own portfolio

² See attached section 'Supplementary notes' for further details

³ Includes 14 MWp of third-party owned systems

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.

Income from joint ventures

The joint venture management fee income increased by € 5.4 million to € 26.9 million. The increase was mainly due to the growth of the joint ventures' portfolio, following an annualized effect of the transactions in '22 and the transactions effectuated in '23.

As part of the joint venture management fee, the property and facility management fee income increased from € 18 million for the period ending 31 December 2022 to € 22.5 million for the period ending 31 December 2023 and the development management fee income during the period amounted to € 4.4 million, an increase of 0.9 million in comparison to the period ending 31 December 2022.

Net valuation gains on the property portfolio

As at 31 December 2023 the net valuation gains on the property portfolio reached € 87.9 million compared to a net valuation loss of € 97.2 million for the period ended 31 December 2022.

The net valuation gain was mainly driven by: (i) € 28.9 million unrealized valuation gain on the own and disposal group held for sale portfolio, and (ii) € 59 million realized valuation gain on assets transferred as part of the first close with the Fifth Joint Venture, the fourth close with the Second Joint Venture and the tenth close with the First Joint Venture. All transactions in '23 have been concluded at a premium value versus the property portfolio fair value as at 31 December 2022.

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 2023 based on a weighted average yield of 6.22 % (compared to 5.29% as at 31 December 2022) applied to the contractual rents increased by the estimated rental value on unlet space.

The real estate valuations were adversely impacted by the rising interest rate which resulted in increasing yields. However, VGP's portfolio surpassed this effect by the impact on the valuations by rental growth, its development margin on newly constructed assets as well as realized gains on transactions with the Joint Ventures. Finally, the remaining assets earmarked for the Fifth Joint Venture and the seed portfolio for the Sixth Joint Venture have been aligned on the agreed fair market valuation, net of ancillary corrections as part of the purchase price calculation between both parties.

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

Administrative expenses

Administrative expenses increased with € 14.9 million to € 48.9 million, of which main variance is related to the LTIP program with an increase of € 9.5 million, noting that in '22 such provision was reversed with € 4 million. As at 31 December 2023 the group employed 367.5 full-time equivalents, a decrease of 15.5 FTE versus '22.

Share in net profit of the joint ventures

VGP's share of the joint ventures' loss for the period came in at € 10.7 million from € 45.9 million of loss for the period ending 31 December 2022, the increase is the result of higher net rental income as well as lower negative valuation adjustments on the Joint Venture portfolio.

Net rental income at share of the Joint Ventures increased to € 91.6 million for the period ending 31 December 2023 compared to € 64.1 million for the period ended 31 December 2022. The increase reflects the underlying

growth of the joint ventures' portfolio net rental income resulting from organic rental growth as well as the different closings made with the First, Second and Fifth Joint Venture and the a full year effect of the deliveries and transactions of assets with the Joint Ventures in '22.

At the 31 December 2023, the joint ventures (100% share) account for € 226.9 million of annualized committed leases representing 3,741,000 m² of lettable area compared to € 173.3 million of annualized committed leases representing 2,946,000 m² at the end of December 2022.

The net valuation losses on investment properties at share decreased from € 106.1 million for the period ending 31 December 2022 to a loss of € 61.2 million for the period ending 31 December 2023. The portfolio of the joint ventures, excluding development and the buildings being constructed by VGP on behalf of the Joint Ventures, was valued at a weighted average yield of 5.01% as at 31 December 2023 (compared to 4.68% as at 31 December 2022).

The (re)valuation of the First, Second, Third and Fifth Joint Ventures' portfolios was based on the appraisal report of the property expert IO Partners, preferred partner of Jones Lang LaSalle.

The net financial expenses of the joint ventures at share for the period ending 31 December 2023 increased to € 35.4 million (compared to 16.8 million as per 31 December 2022).

Other expenses

Other expenses included € 3.0 million contribution to the UNHCR as per 31 December 2022. VGP has not made any contribution to its VGP Foundation in 2023.

Net financial result

For the period ending 31 December 2023, the financial income was € 34.1 million (€ 17.3 million for the period ending 31 December 2022) driven by € 27.5 million interest income on loans granted to the joint ventures (€ 17.3 million for the period ending 31 December 2022) and € 6.5 million bank interest income from depositary accounts.

The reported financial expenses as at 31 December 2023 of € 40.1 million (€ 44.3 million as at 31 December 2022) are mainly made up of € 47.5 million expenses related to financial debt (€ 52.1 million as at 31 December 2022) and other financial expenses of € 5.6 million (compared to € 5.2 million as at 31 December 2022), partially offset by € 15.0 million of capitalized interests (€ 18.1 million as at 31 December 2022).

As a result, the net financial costs amounted to € 6 million for the period ending 31 December 2023 compared to € 27 million at the end of 2022. A bond of € 150 million, carrying 2.75% interest, and a bond of € 225 million, carrying 3.9% interest have been repaid in 2023. The average cost of the credit facilities currently amounts to 2.11% with an average term of 4.23 years.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 December

STATEMENT OF COMPREHENSIVE INCOME <i>(in thousand of €)</i>	31.12.2023	31.12.2022
Profit for the year	87,292	(122,542)
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>	-	-
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) of the period	87,292	(122,542)
Attributable to:		
Shareholders of VGP NV	87,292	(122,542)
Non-controlling interest	-	-

CONSOLIDATED BALANCE SHEET
For the period ended 31 December

<i>Assets (in thousand of €)</i>	Note	31.12.2023	31.12.2022
Intangible assets		1,000	1,200
Investment properties	11	1,508,984	2,395,702
Property, plant and equipment		107,426	73,280
Investments in joint venture and associates	8.2, 8.4	1,037,228	891,201
Other non-current receivables	8.3	565,734	359,644
Deferred tax assets		8,304	3,839
Total non-current assets		3,228,676	3,724,866
Trade and other receivables	12	79,486	122,113
Cash and cash equivalents		209,921	699,168
Disposal group held for sale	17	892,621	299,906
Total current assets		1,182,028	1,121,187
Total Assets		4,410,704	4,846,053

<i>Shareholders' Equity And Liabilities (in thousands of €)</i>	Note	31.12.2023	31.12.2022
Share capital	13	105,676	105,676
Share premium	13	845,579	845,579
Retained earnings		1,263,162	1,250,920
Shareholders' equity		2,214,417	2,202,175
Non-current financial debt	14	1,885,154	1,960,464
Other non-current liabilities	15	38,085	46,419
Deferred tax liabilities		23,939	79,671
Total non-current liabilities		1,947,178	2,086,554
Current financial debt	14	111,750	413,704
Trade debts and other current liabilities	16	84,075	110,676
Liabilities related to disposal group held for sale	17	53,284	32,944
Total current liabilities		249,109	557,324
Total liabilities		2,196,287	2,643,878
Total Shareholders' Equity And Liabilities		4,410,704	4,846,053

Balance sheet

Investment properties

Investment properties relate to completed properties, projects under construction as well as land held for development.

As at 31 December 2023 the investment property portfolio consists of 52 completed buildings representing 1,609,000 m² of lettable area with another 26 buildings under construction representing 774,000 m² of lettable area.

During the year 24 buildings were completed totaling 641,000 m² of lettable area. For its own account VGP delivered 14 buildings representing 259,000 m² of lettable area.

The Investment Property decreased to € 1.5 billion, influenced by transactions executed in '23 and the reclassification of assets designated for the Saga Joint Venture to assets held for sale.

The own Investment Property portfolio, excluding development land is valued at an average weighted yield of 7%.

The total capital expenditure (capex) on investment property, inclusive of assets held for sale, reached € 715.1 million. This expenditure breakdown includes € 480.5 million on assets, € 212.4 million on acquisitions, and € 22.2 million on interests and capitalized rent-free components.

Including assets held for sale, the total investment property accounts for € 1,154 million in completed assets, € 544.1 million assets under construction, and € 686.7 million land.

Property, plant and equipment

Property, plant and equipment increased with € 34.1 million which mainly relates to investments in renewable energy assets (€ 32.9 million) and are accounted for at cost and depreciated over 20 years. Completed installations amount to € 64.3 million, whereas € 31.3 million refers to acquisition costs of renewable installations currently under construction.

Photovoltaic capacity grew 79.9% YoY with operational capacity passing the 100 MWp-mark at 101.8 MWp (compared to 56.6 MWp in Dec-22). Photovoltaic projects under development amount to 69.0 MWp, with a further 99.7 MWp being planned.

Investment in joint ventures and associates

At the end of December 2023, the investments in the joint ventures and associates increased to € 1,037 million from € 891.2 million as at 31 December 2022.

The investments in joint ventures and associates as at the end of 2023 reflect the Allianz Joint Ventures, the Deka Joint Ventures and the Development Joint Ventures, all of which are accounted for using the equity method.

The increase is mainly related to equity contributions of transactions with Joint Ventures in amount of € 166.2 million, a dividend from the First Joint Venture (€ 6 million) and an equity repayment from the development joint venture Grekon (€ 3.4 million), as well as share in the loss of the Joint Ventures of € 10.7 million

Disposal group held for sale

The balance of the Disposal group held for sale increased from € 299.9 million as at 31 December 2022 to € 892.6 million as at 31 December 2023.

This balance relates to (i) the assets under construction and development land (at fair value) which are being / will be developed by VGP, on behalf of the First and Second Joint Venture, (ii) assets held for sale and related to upcoming closings in '24 with the Fifth Joint Venture as well as (iii) the assets and development land destined to the Sixth Joint Venture.

The assets held for sale and destined to the Fifth and Sixth Joint Venture have been valued at the agreed fair market value, taking into account ancillary corrections and transaction costs, with the Joint Venture partners.

Total non-current and current financial debt

The financial debt decreased from € 2,374.2 million as at 31 December 2022 to € 1,997 million as at 31 December 2023.

The decrease was mainly driven by the repayment of two bonds for a total amount of € 375 million.

VGP concluded on a credit facility of the European Investment Bank of € 150 million to support its renewable energy business unit in December '23. 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.

The gearing ratio of the Group as of 31 December 2023 amounted to 40.3 % compared to 34.4 % as at 31 December 2022.

STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December

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 2022	108,874	(30,416)	78,458	574,088	1,523,019	2,175,565
Other comprehensive income / (loss)	-	-	-	-	-	-
Result of the period	-	-	-	-	(122,542)	(122,542)
Effect of disposals	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	-	-	(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
Balance as at 1 January 2023	136,092	(30,416)	105,676	845,579	1,250,920	2,202,175
Other comprehensive result	-	-	-	-	-	-
Result of the period	-	-	-	-	87,292	87,292
Effect of disposals	-	-	-	-	-	-
Total comprehensive result	-	-	-	-	87,292	87,292
Capital and share premium increase net of transaction costs (see note 16)	-	-	-	-	-	-
Share capital distribution to shareholders	-	-	-	-	-	-
Dividends	-	-	-	-	(75,050)	(75,050)
Balance as at 31 December 2023	136,092	(30,416)	105,676	845,579	1,263,162	2,214,417

CONSOLIDATED CASH FLOW STATEMENT

For the period ended 31 December

CASH FLOW STATEMENT (in thousand of €)	Note	31.12.2023	31.12.2022
<i>Cash flows from operating activities</i>	18		
Profit before taxes		112,743	(142,577)
<i>Adjustments for:</i>			
Depreciation		5,920	4,479
Unrealised (gains) / losses on investment properties	6	(28,938)	184,447
Realised (gains) / losses on disposal of subsidiaries and investment properties	6	(59,020)	(87,217)
Unrealised(gains) / losses on financial instruments and foreign exchange		(73)	1,426
Interest (income)		(34,003)	(17,329)
Interest expense		40,107	42,911
Share in (profit) / loss of Joint Venture and associates	8	10,715	45,927
Operating profit before changes in working capital and provisions		47,451	32,067
Decrease/(Increase) in trade and other receivables		(20,773)	(43,215)
(Decrease)/Increase in trade and other payables		12,532	(12,632)
Cash generated from the operations		39,210	(23,780)
Interest received		6,713	24
Interest paid		(57,331)	(39,292)
Income taxes paid		(15,923)	(7,590)
Net cash generated from operating activities		(27,331)	(70,638)
<i>Cash flows from investing activities</i>	18		
Proceeds from disposal of tangible assets and other		-	-
Proceeds from disposal of subsidiaries and investment properties	19	676,245	347,372
Investments in Investment Property and Property Pland and Equipment		(667,015)	(851,792)
Distribution by / (investment in) Joint Venture and associates		12,823	21,382
Loans provided to Joint Venture and associates		(99,371)	(108,443)
Loans repaid by Joint Venture and associates		69,241	25,331
Net cash used in investing activities		(8,078)	(566,150)
<i>Cash flows from financing activities</i>	18		
Dividends paid		(75,050)	(149,557)
Net Proceeds / (cash out) from the issue / (repayment) of share capital		-	298,709
Net Proceeds from sale of own shares		-	-
Proceeds from loans		-	990,749
Loan repayments		(375,000)	(23,500)
Net cash used in financing activities		(450,050)	1,116,401
Net increase / (decrease) in cash and cash equivalents		(485,459)	479,613
Cash and cash equivalents at the beginning of the period		699,168	222,160
Effect of exchange rate fluctuations		(569)	(157)
Reclassification to (-) / from held for sale		(3,219)	(2,448)
Cash and cash equivalents at the end of the period		209,921	699,168

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) which have been adopted by the European Union. The consolidated financial information was approved for issue on 21 February 2024 by the Board of Directors.

2. Significant accounting policies

The financial statements are prepared on a historic cost basis, with the exception of investment properties and investment property under construction as well as financial derivatives which are stated at fair value. All figures are in thousands of Euros (*EUR '000*).

Below is a list of new and amended standards and interpretations that become effective in 2023 for application in the European Union. In addition, the new and revised standards and interpretations which have been published but which are not yet applicable in 2023 in the EU are enclosed as well:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately – disclosures are required for annual periods beginning on or after 1 January 2023)

The initial recognition of the above new standards did not have a material impact on the financial position and performance of the Group.

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2023:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025, but not yet endorsed in the EU)

3. 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.

3.1 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 period ended 2023 and 2022. The Group reports three segments as follows:

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 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.

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 Sixth Joint Venture perimeter i.e. Latvia, Croatia, 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 favor of a revenue recognition in the Investment segment.

Breakdown summary of the business lines

<i>In thousands of €</i>	31.12.2023	31.12.2022
Investment & Property and Asset Management EBITDA	171,388	122,139
Property development EBITDA	42,872	(112,062)
Renewable energy EBITDA	1,603	3,912
Total EBITDA	215,863	13,989

For the year ended 31 December 2023					
Adjusted operating profit	Investment (+Prop. and asset mng)	Develop- ment	Renewable Energy	Inter segment elim- inations	Total
Gross rental and renewable energy income	64,705	-	4,361	(63)	69,003
Property operating expenses	(470)	(4,231)	(896)	63	(5,534)
Net property income	64,235	(4,231)	3,465	-	63,469
Joint venture management fee income	26,925	-	-	-	26,925
Net valuation gains / (losses) on investment properties destined to the Joint Venture	-	78,667	-	-	78,667
Administration expenses	(9,517)	(31,564)	(1,862)	-	(42,943)
Share of joint ventures' Adjusted profit after tax ¹	89,745	-	-	-	89,745
EBITDA	171,388	42,872	1,603	-	215,863
Other expenses	-	-	-	-	-
Depreciation and amortisation	(698)	(2,790)	(2,432)	-	(5,920)
Earnings before interest and tax	170,690	40,082	(829)	-	209,943
Net financial cost - Own	-	-	-	-	(6,032)
Net financial cost - Joint venture and associates	-	-	-	-	(34,199)
Profit before tax	-	-	-	-	169,713
Current income taxes - own	-	-	-	-	(15,923)
Current income taxes - Joint venture and associates	-	-	-	-	(6,297)
Recurrent net income	-	-	-	-	147,493
Net valuation gains / (losses) on investment properties - other countries ²	-	-	-	-	9,291
Net valuation gains / (losses) on investment properties - Joint venture and associates	-	-	-	-	(61,181)
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	-	-	-	-	(1,239)
Deferred taxes - own	-	-	-	-	(9,528)
Deferred taxes - Joint venture and associates	-	-	-	-	2,455
Reported result for the period	-	-	-	-	87,292

¹ The adjustments to the share of profit from the joint ventures (at share) are composed of € 61.1 million of net valuation losses on investment properties, € 1.2 million of net fair value loss on interest rate derivatives and € 2.5 million of reversal deferred taxes in respect of these adjustments.

² Relates to developments in countries outside of the JV perimeters i.e. Latvia, Croatia, Denmark and Serbia.

Adjusted operating profit	For the year ended 31 December 2022				
	Investment (+Prop. and asset mng)	Develop- ment	Renewable Energy	Inter- company eliminations	Total
Gross rental and renewable energy income	45,391	-	5,901	(62)	51,230
Property operating expenses	(792)	(7,136)	(357)	62	(8,223)
Net property 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 Venture 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 expenses	-	-	-	-	(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)
Profit 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.

3.2 Geographical information

This basic segmentation reflects the geographical markets in Europe in which VGP operates, VGP's operations are split into the individual countries where it is active. This segmentation is important for VGP as the nature of the activities and the customers have similar economic characteristics within those segments.

31.12.2023	Gross rental and renewable energy income (Incl. JV at share)	Net rental and renewable energy income (Incl. JV at share)	Operating EBITDA (Incl. JV at share)	Investment properties (Incl. JV at share)	Renewables property, plant and equipment	Total assets (Incl. JV at share)	Capital expenditure ¹
In thousands of €							
Western Europe							
Germany	94,050	88,920	116,823	2,429,295	76,817	2,632,744	344,106
Spain	11,207	8,444	8,233	329,102	-	342,664	15,780
Austria	1,674	730	11,699	190,978	-	200,223	47,283
Netherlands	8,418	7,034	16,784	280,989	15,238	310,394	17,778
Italy	2,885	2,077	(77)	91,886	3,797	108,727	12,476
France	-	1,218	7,872	97,333	-	110,501	67,680
Portugal	974	858	(6,996)	54,826	-	66,757	11,080
Denmark	-	(24)	(830)	2,488	-	3,583	2,488
Luxembourg ²	-	-	-	-	-	168,203	-
Belgium ²	-	-	-	-	-	569,770	-
	119,208	109,257	153,508	3,476,897	95,852	4,513,566	518,671
Central and Eastern Europe							
Czech Republic	22,737	21,501	33,022	513,940	2,287	531,634	23,048
Slovakia	6,669	5,834	(5,546)	227,649	-	233,207	20,708
Hungary	8,020	6,772	14,638	227,256	-	237,937	47,248
Romania	9,001	7,469	1,904	208,060	555	238,516	43,089
Croatia	-	(15)	(248)	6,246	-	7,969	144
	46,427	41,561	43,770	1,183,151	2,842	1,249,263	134,237
Baltics and Balkan							
Latvia	5,418	6,366	5,359	99,460	-	106,008	9,353
Serbia	23	(250)	(1,130)	67,936	5	72,289	30,599
	5,441	6,116	4,229	167,396	5	178,297	39,952
Other³	-	(1,888)	14,357	75	-	2,471	-
Total	171,076	155,046	215,864	4,827,519	98,699	5,943,597	692,859

¹ 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, including assets held for sale, amounts to € 662.5 million (of which € 212.4 relates to acquisitions).

² Balance sheet only

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

31.12.2022	Gross rental and renewable energy income (Incl. JV at share)	Net rent and renewable energy income (Incl. JV at share)	Operating EBITDA (Incl. JV at share)	Investment properties (Incl. JV at share)	Renewable s property, plant and equipment	Total assets (Incl. JV at share)	Capital expenditure ¹
<i>In thousands of €</i>							
Western Europe							
Germany	68,258	61,276	(60,528)	2,439,013	49,175	2,661,881	464,454
Spain	9,455	7,605	32,252	383,874	-	456,971	39,079
Austria	1,118	964	(12,289)	129,428	-	136,722	54,830
Netherlands	6,320	5,282	(1,044)	297,514	15,285	320,736	13,516
Italy	2,711	1,957	20,621	83,719	703	112,832	18,570
France	-	(72)	(1,074)	21,218	-	22,870	21,437
Portugal	415	565	10,249	48,593	-	52,986	26,018
Luxembourg ²	-	-	-	-	-	190,145	-
Belgium ²	-	-	-	-	-	733,144	-
	88,277	77,577	(11,813)	3,403,359	65,163	4,688,287	637,904
Central and Eastern Europe							
Czech Republic	18,889	17,526	26,356	527,852	73	547,589	54,179
Slovakia	4,630	4,942	(10,048)	214,761	-	225,179	35,279
Hungary	5,117	4,774	4,068	169,393	-	181,031	43,637
Romania	4,590	3,366	(6,151)	165,552	531	190,840	858
Croatia	-	(64)	(94)	5,825	-	6,262	5,796
	33,226	30,544	14,131	1,083,383	604	1,150,901	139,748
Baltics and Balkan							
Latvia	2,241	1,014	273	93,530	-	95,973	33,504
Serbia	24	(524)	(1,338)	24,243	-	25,241	46,789
	2,265	490	(1,065)	117,773	-	121,214	80,293
Other³	-	(1,477)	12,735	75	-	2,431	-
Total	123,768	107,134	13,988	4,604,590	65,767	5,962,833	857,945

¹ 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.

² Balance sheet only

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

The table below shows the geographic segmentation, excluding the share in the Joint Ventures.

31.12.2023	Gross rental and renewable energy income (Own)	Net rent and renewable energy income (Own)	Investment properties (Own)	Property plant and equipment and Intangible assets (Own)	Total non-current assets (IP ¹ , PPE and Intangibles)
<i>In thousands of €</i>					
Western Europe					
Germany	38,150	37,638	960,417	77,189	1,037,606
Spain	1,269	146	104,838	214	105,052
Austria	968	113	178,478	71	178,549
Netherlands	1,287	942	47,409	15,290	62,699
Italy	222	72	44,467	3,876	48,343
France	-	1,218	97,333	71	97,404
Portugal	352	322	44,154	54	44,208
Denmark		(24)	2,485	224	-
Luxembourg ¹	-	-	-	37	37
Belgium ¹	-	-	-	7,435	7,435
	42,248	40,427	1,479,581	104,461	1,581,333
Central and Eastern Europe					
Czech Republic	5,551	5,202	180,791	2,947	183,738
Slovakia	4,640	4,190	192,067	58	192,125
Hungary	5,398	4,263	191,600	102	191,702
Romania	5,725	4,460	167,120	838	167,958
Croatia	-	(15)	6,246	2	6,248
	21,314	18,100	737,824	3,947	741,771
Baltics and Balkan					
Latvia	5,418	6,366	99,460	6	99,466
Serbia	23	(250)	67,936	12	67,948
	5,441	6,116	167,396	18	167,414
Other²		(1,174)	-	-	2,709
Total	69,003	63,469	2,384,801	108,426	2,493,227

¹ Balance sheet only

² Other includes the Group central costs and costs relating to the operational business which are not specifically geographically located

31.12.2022					
<i>In thousands of €</i>	Gross rental and renewables income (Own)	Net rent and renewable energy income (Own)	Investment properties (Own)	Property plant and equipment and Intangible assets (Own)	Total non-current assets (IP ¹ , PPE and Intangibles)
Western Europe					
Germany	30,905	28,353	1,311,996	49,645	1,361,641
Spain	2,675	1,830	215,015	293	215,308
Austria	462	399	115,943	38	115,981
Netherlands	1,921	1,726	144,835	15,356	160,191
Italy	714	360	40,374	791	41,165
France	-	(72)	21,218	8	21,226
Portugal	104	306	37,998	67	38,065
Luxembourg ¹	-	-	-	34	34
Belgium ¹	-	-	-	6,465	6,465
	36,781	32,902	1,887,379	72,697	1,960,076
Central and Eastern Europe					
Czech Republic	5,234	4,251	242,545	670	243,215
Slovakia	2,552	2,879	178,605	50	178,655
Hungary	2,779	2,547	132,014	114	132,128
Romania	1,619	615	124,102	825	124,927
Croatia	-	(64)	5,825	-	5,825
	12,184	10,228	683,091	1,659	684,750
Baltics and Balkan					
Latvia	2,241	1,014	93,530	5	93,535
Serbia	24	(524)	24,243	2	24,245
	2,265	490	117,773	7	117,780
Other²	-	(613)	-	117	117
Total	51,230	43,007	2,688,243	74,480	2,762,723

¹ Balance sheet only

² Other includes the Group central costs and costs relating to the operational business which are not specifically geographically located

4. Revenue

<i>In thousands of €</i>	31.12.2023	31.12.2022
Rental income from investment properties	54,298	35,177
Rent incentives	10,344	10,152
Total gross rental income	64,642	45,329
Gross renewable energy income	4,361	5,901
Property and facility management income	22,513	18,016
Development management income	4,412	3,521
Joint Venture management fee income	26,925	21,537
Service charge income	17,794	12,017
Total revenue	113,722	84,784

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 in 2023. During 2023, gross rental income included € 22.8 million of rent for the period related to the property portfolio sold during the tenth closing with the First Joint Venture, the fourth closing with Second Joint Venture and the first closing with the Fifth Joint Venture.

At the end of 2023, the Group (including the joint ventures) had annualized committed leases of € 350.8 million¹ compared to € 303.2 million² as at 31 December 2022.

The breakdown of future lease income for the own portfolio and Joint Ventures at share is as follows:

31.12.2023							
<i>In thousands of €</i>	Lease income in < 1 year	Lease income in < 2 years	Lease income in < 3 years	Lease income in < 4 years	Lease income in < 5 years	Lease income > 5 years	TOTAL
JV at share - Active Leases	113,473	107,853	96,697	86,456	74,573	348,475	827,527
JV at share – Committed Leases	321	339	339	339	339	1,722	3,399
Total – JV at share	113,794	108,192	97,036	86,795	74,912	350,197	830,926
Own - Active Leases	82,136	81,071	78,103	62,153	55,232	287,216	645,911
Own - Committed Leases	19,084	39,625	41,227	41,434	42,058	282,090	465,518
Total - Own	101,220	120,696	119,330	103,587	97,290	569,306	1,111,429
Total - at share	215,014	228,888	216,366	190,382	172,202	919,504	1,942,355

¹ € 225.1 million related to the joint ventures' property portfolio and € 125.6 million related to the own property portfolio.

² € 173.3 million related to the joint ventures' property portfolio and € 129.9 million related to the own property portfolio.

31.12.2022							
<i>In thousands of €</i>	Lease income in < 1 year	Lease income in < 2 years	Lease income in < 3 years	Lease income in < 4 years	Lease income in < 5 years	Lease income > 5 years	TOTAL
JV at share - Active Leases	86,458	82,6210	76,642	67,024	59,461	260,623	632,818
JV at share - Committed Leases	629	742	742	706	437	2,567	5,859
Total – JV at share	87,087	83,352	77,384	67,730	59,934	263,190	638,677
OWN – Active Leases	95,629	112,349	112,848	108,541	98,662	604,581	1,132,610
OWN - Committed Leases	3,004	9,337	10,194	10,194	9,694	90,197	132,620
Total - Own	98,633	121,686	123,042	118,735	108,356	694,778	1,265,230
Total – at share	185,720	205,038	200,426	186,465	168,290	957,968	1,903,907

5. Net property operating expenses

<i>In thousands of €</i>	31.12.2023	31.12.2022
Repairs and maintenance	(796)	(653)
Letting, marketing, legal and professional fees	(766)	(742)
Real estate agents	(1,022)	(1,911)
Service charge income	17,794	12,017
Service charge expenses	(16,890)	(11,891)
Other operating income	6,477	3,505
Other operating expenses	(9,498)	(8,253)
Renewables operating expenses	(833)	(295)
Total	(5,534)	(8,223)

6. Net valuation gains / (losses) on investment properties

<i>In thousands of €</i>	31.12.2023	31.12.2022
Unrealised valuation gains / (losses) on investment properties	22,399	(180,111)
Unrealised valuation gains / (losses) on disposal group held for sale	6,539	(4,336)
Realised valuation gains / (losses) on disposal of subsidiaries and investment properties	59,020	87,217
Total	87,958	(97,230)

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 2023 based on a weighted average yield of 6.22% (compared to 5.29% as at 31 December 2022) 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 this portfolio value of € 31.6 million.

The realized gain comprises gains on the effectuated transactions in '23 with the First, Second and Fifth Joint Venture. Please note that the realized gains include a € 23.8 million gain on the Fifth Joint Venture, such gain was recorded in H1 '23 as unrealized and has been reported as fully realized over the full year '23 in the table above.

7. Administration expenses

<i>In thousands of €</i>	31.12.2023	31.12.2022
Wages and salaries	(26,120)	(14,066)
Audit, legal and other advisors	(7,168)	(6,833)
Other administrative expenses	(9,655)	(8,578)
Depreciation	(5,920)	(4,479)
Total	(48,863)	(33,956)

The administrative costs for the period increased from € 34 million for the period ended 31 December 2022 to € 48.9 million for the period ended 31 December 2023. The increase is mainly due to the increased 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 2022 a reversal of this accrual was booked in an amount of € 4 million, whereas in '23 an additional € 5.5 million has been expensed, which is a variance of € 9.5 million versus previous year.

As at 31 December 2023, the group employed 367.5 full-time equivalents, a decrease of 15.5 FTE versus '22.

8. Investments in Joint Ventures

8.1 Profit from Joint Ventures

The table below presents a summary Income Statement of the Group's Joint Ventures with (i) Allianz Real Estate (VGP European Logistics, VGP European Logistics 2, VGP Park München) and the associates; (ii) the joint venture with Roozen Landgoederen Beheer (LPM), (iii) the joint venture with VUSA (Belartza) located in San Sebastian, Spain and (iv) the joint venture with Weimer Bau (Siegen) in Germany and the joint venture with Deka, all of which are accounted for using the equity method.

VGP European Logistics and VGP European Logistics 2 are incorporated in Luxembourg. VGP European Logistics owns logistics property assets in Germany, the Czech Republic, Slovakia and Hungary. VGP European Logistics 2 owns logistics property assets in Spain, Austria, the Netherlands, Italy and Romania. VGP Park München is incorporated in München (Germany) and owns and develops the VGP park located in München. LPM Joint Venture will develop Logistics Park Moerdijk ("LPM") together with the Port Authority Moerdijk on a 50:50-basis and has been sold in '24. The joint venture with Deka contains five parks located in Germany. The joint ventures with Vusa and Grekon contain land to be developed jointly with its partner.

VGP NV holds 50% directly in all joint ventures and holds another 5.1% in the subsidiaries of VGP European Logistics holding assets in Germany and specifically 10.1% in the German subsidiary¹ that has been disposed to the First Joint Venture in Q1 '23.

¹ VGP Park Berlin 4

INCOME STATEMENT	First Joint Venture (excl. minorities) at 100%	Second Joint Venture at 100%	Third Joint Venture at 100%	Development Joint Ventures at 100%	Fifth Joint Venture at 100%	Joint Ventures at 50%	First Joint Venture Asset Companies minority share	31.12.2023
<i>(in thousand of €)</i>								
Gross rental income	107,748	48,667	27,729	16	12.996	98,578	3.495	102.073
Property Operating expenses	-	-	-	-	-	-	-	-
- underlying property operating expenses	1,969	(2,859)	427	(307)	(457)	(613)	52	(561)
- property management fees	(10,208)	(5,959)	(2,398)	-	(602)	(9,584)	(351)	(9.935)
Net rental income	99,509	39,849	25,758	(291)	11.937	88,381	3.196	91.577
Net valuation gains / (losses) on investment properties	(76,864)	(38,137)	(26,064)	(1,669)	27.986	(57,374)	(3.805)	(61.179)
Administration expenses	(2,239)	(867)	(116)	(29)	(292)	(1,772)	(65)	(1.837)
Operating result	20,406	845	(422)	(1,989)	39.631	29,235	(674)	28.561
Financial income	114	1,063	153	-	101	715	203	512
Financial expense	(25,743)	(20,199)	(12,210)	(573)	(12.027)	(35,376)	(570)	(35,946)
Net financial result	(25,629)	(19,136)	(12,057)	(573)	(11.926)	(34,661)	(773)	(35.434)
Taxes	(3,579)	3,661	(806)	(1,678)	(5.761)	(4,082)	240	(3.842)
Result For The Period	(8,802)	(14,630)	(13,285)	(4,240)	21.944	(9,508)	(1.207)	(10.715)
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive Income / Loss For The Period	(8,802)	(14,630)	(13,285)	(4,240)	21.944	(9,508)	(1.207)	(10.715)

INCOME STATEMENT	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 Asset Companies minority share	31.12.2022
<i>(in thousand of €)</i>							
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)
Financial income	2,118	2,313	-	-	2,216	-	2,216
Financial expenses	(21,535)	(11,984)	(2,502)	(408)	(18,215)	(757)	(18,972)
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
Profit For The Period	(51,508)	(55,805)	21,364	3,073	(41,438)	(4,489)	(45,927)
Other comprehensive income	-	-	-	-	-	-	-
Total Comprehensive Income / Loss For The Period	(51,508)	(55,805)	21,364	3,073	(41,438)	(4,489)	(45,927)

8.2 Summarised balance sheet information in respect of Joint Ventures

BALANCE SHEET	First Joint Venture (excl. minorities) at 100%	Second Joint Venture 2 at 100%	Third Joint Venture at 100%	Development Joint Ventures at 100%	Fifth Joint Venture at 100%	Joint Ventures at 50%	First Joint Venture's German Companies minority share	31.12.2023
<i>(in thousand of €)</i>								
Investment properties	2,215,320	916,912	630,859	226,200	742,658	2,365,975	76,743	2,442,718
Other assets	2,196	(997)	3,392	75	(186)	2,238	-	2,238
Total non-current assets	2,217,516	915,915	634,251	226,275	742,472	2,368,213	76,743	2,444,956
Trade and other receivables	19,282	13,878	20,870	19,333	27,187	50,275	535	50,810
Cash and cash equivalents	46,997	18,078	33,467	4,011	42,813	72,683	1,672	74,355
Total current assets	66,280	31,956	54,337	23,344	70,000	122,958	2,207	125,165
Total assets	2,283,796	947,871	688,588	249,619	812,472	2,491,171	78,950	2,570,121
Non-current financial debt	948,283	545,534	379,245	144,930	534,980	1,276,486	33,767	1,310,253
Other non-current financial liabilities	512	-	-	-	-	256	-	256
Other non-current liabilities	7,257	6,236	-	2,971	10,298	13,381	200	13,581
Deferred tax liabilities	197,363	39,043	-	583	22,006	129,498	6,127	135,625
Total non-current liabilities	1,153,415	590,813	379,245	148,484	567,284	1,419,621	40,094	1,459,715
Current financial debt	27,368	11,355	1,016	-	-	19,869	744	20,613
Trade debts and other current liabilities	19,452	10,037	11,600	37,993	25,060	52,071	494	52,564
Total current liabilities	46,819	21,392	12,616	37,993	25,060	71,940	1,238	73,178
Total liabilities	1,200,234	612,205	391,861	186,477	592,344	1,491,561	41,332	1,532,893
Net assets	1,083,561	335,666	296,727	63,142	220,128	999,610	37,618	1,037,228

BALANCE SHEET							
<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 minority share	31.12.2022
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

On 17th of January 2023, VGP concluded a tenth transaction with its 50:50 joint venture, VGP European Logistics ('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 million¹ and the net proceeds from this transaction amounted to € 73.5 million. Following the completion of this tenth closing, the

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

First Joint Venture's property portfolio consist of 104 completed buildings representing around 1,971,000 m² of lettable area, with an 98.9% occupancy rate.

VGP and their 50:50 joint venture, VGP European Logistics 2 (The 'Second Joint Venture' also called 'Aurora') concluded upon a transaction comprising 11 logistic buildings, including 5 buildings in 4 new VGP parks and another 6 newly completed logistic buildings which were developed in parks which were already transferred to the joint venture in a prior closing. The 11 buildings are located in Spain (7), the Netherlands (3) and Italy (1). The transaction with VGP European Logistics 2 formed the 4th closing between VGP and this joint venture. The gross asset value of the assets amounted to a value of € 253 million with net proceeds of € 194.4 million.

Following the completion of fourth closing, the Second Joint Venture's property portfolio consist of 43 completed buildings representing around 927,000 m² of lettable area, with an 98.2% occupancy rate.

VGP has signed 21 July 2023 a new joint venture agreement with Deka Immobilien, a prominent real estate investment company. The joint venture endeavours 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.

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.

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 2023 based on a weighted average yield of 5.01% (compared to 4.68% as at 31 December 2022). A 0.10% variation of this market rate would give rise to a variation of the Joint Venture portfolio value (at 100%) of € 88.9 million.

The (re)valuation of the First, Second, third and Fifth Joint Ventures' portfolio was based on the appraisal report of the property expert IO Partners, preferred partner of 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.

8.3 Other non-current receivables

<i>in thousands of €</i>	31.12.2023	31.12.2022
Shareholder loans to First Joint Venture	47,619	38,047
Shareholder loans to Second Joint Venture	31,822	32,614
Shareholder loans to Third Joint Venture	158,132	183,526
Shareholder loans to Development Joint Ventures	140,992	79,350
Shareholder loans to Fifth Joint Venture	172,490	79,350
Shareholder loans to associates (subsidiaries of First Joint Venture)	4,977	16,402
Construction and development loans to subsidiaries of the First Joint Venture	8,482	5,280
Construction and development loans to subsidiaries of the Second Joint Venture	22,786	96,071
Construction and development loans to the Fifth Joint Venture	287,813	-
Construction and development loans reclassified as assets held for sale	(319,081)	(101,351)
Other long term receivables	9,702	9,705
Total	565,734	359,644

The other non-current receivables increased by € 206.1 million. Main changes include financing to the Development Joint Ventures (mainly LPM) of € 61.6 million, as well as a new shareholder loan following the transaction with the Fifth Joint Venture of € 172.5 million. Shareholder loans to the First, Second and Third Joint Venture reduced by € 28 million. This includes the set off between the creation of new shareholder loans following the transactions with the First and Second Joint Venture in the first half of '23 and € 57 million net distributions through shareholder loans.

8.4 Investments in joint ventures and associates

<i>in thousands of €</i>	31.12.2023	31.12.2022
As at 1 January	891,201	858,116
Additions	166,211	116,379
Result of the year	(10,715)	(45,927)
Repayment of equity	(3,407)	(14,154)
Dividends	(6,062)	(23,214)
Adjustment from sale of participations	-	-
As at the end of the period	1,037,228	891,201

The investments in joint ventures and associates increased by € 146 million. This change is mainly related to (i) equity contributions of transactions with Joint Ventures in an amount of € 166.2 million; (ii) an equity repayment from the Development Joint Venture Siegen of € 3.4 million; (iii) a dividend received from the First Joint Venture for an amount of € 6 million, (iv) as well as the share in the result of the Joint Ventures, a loss of € 10.7 million.

9. Net financial result

<i>In thousands of €</i>	31.12.2023	31.12.2022
Bank and other interest income	6,488	-
Interest income - loans to joint venture and associates	27,505	17,305
Net foreign exchange gains	73	-
Other financial income	10	24
Financial income	34,076	17,329
Bond interest expense	(47,488)	(52,140)
Bank interest expense – variable debt	(1,971)	(3,708)
Bank interest expense – interest rate swaps - hedging	-	-
Interest capitalised into investment properties	14,960	18,144
Fair value loss on interest rate derivatives	-	-
Net foreign exchange losses	-	(1,426)
Other financial expenses	(5,608)	(5,207)
Financial expenses	(40,107)	(44,337)
Net financial result	(6,031)	(27,008)

10. Earnings per share

10.1 Earnings per ordinary share (EPS)

<i>In number</i>	31.12.2023	31.12.2022
Weighted average number of ordinary shares (basic)	27,291,312	22,311,583
Weighted average number of ordinary shares (diluted)	27,291,312	22,311,583
Weighted average number of ordinary shares (diluted and after correction for reciprocal interest through associates)	27,291,312	22,311,583

<i>In thousands of €</i>	31.12.2023	31.12.2022
Result for the period attributable to the Group and to ordinary shareholders	87,292	(122,542)
Earnings per share (in €) - basic	3.20	(5.49)
Earnings per share (in €) - diluted	3.20	(5.49)
Earnings per share (in €) - after dilution and correction for reciprocal interest through associates	3.20	(5.49)

10.2 EPRA NAV's – EPEA NAV's per share

The EPRA NAV metrics make adjustments to the IFRS NAV in order to provide stakeholders with the most relevant information on the fair value of the assets and liabilities. The three different EPRA NAV indicators are calculated on the basis of the following scenarios:

1. *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.

2. *Net Tangible Assets*: assumes that entities buy and sell assets, thereby realizing 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.
3. *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 2023	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
<i>In thousands of €</i>					
IFRS NAV	2,214,417	2,214,417	2,214,417	2,214,417	2,214,417
IFRS NAV per share (in euros)	81.14	81.14	81.14	81.14	81.14
NAV at fair value (after the exercise of options, convertibles and other equity)	2,214,417	2,214,417	2,214,417	2,214,417	2,214,417
To exclude:					
Deferred tax	54,395	54,395	-	54,395	-
Fair value of financial instruments	-	-	-	-	-
Intangibles as per IFRS balance sheet	-	(1,000)	-	-	-
Subtotal	2,268,812	2,267,812	2,214,417	2,268,812	2,214,417
Fair value of fixed interest rate debt	-	-	327,837	-	327,837
Real estate transfer tax	27,521	-	-	-	-
NAV	2,296,333	2,267,812	2,542,254	2,268,812	2,542,254
Number of shares	27,291,312	27,291,312	27,291,312	27,291,312	27,291,312
NAV / share (in euros)	84.14	83.10	93.15	83.13	93.15

31 December 2022	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
<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	-
Fair value of financial instruments	-	-	-	-	-
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	100.24	84.39	100.24

11. Investment properties

<i>In thousands of €</i>	31.12.2023			
	Completed	Under Construction	Development land	Total
As at January 1	1,276,093	561,489	558,120	2,395,702
Reclassification from held for sale	117,120	-	1,400	118,520
Capex	131,165	161,478	157,408	450,051
Acquisitions	79,407	49,538	83,489	212,434
Capitalised interest	4	12,125	2,660	14,789
Capitalised rent free and agent's fee	5,278	2,004	145	7,427
Sales and disposal	(900,957)	(313,100)	(13,064)	(1,227,121)
Transfer on start-up of development	-	135,893	(135,893)	-
Transfer on completion of development	278,610	(278,610)	-	-
Net gain (loss) from value adjustments in investment properties	(17,696)	46,164	7	28,475
Reclassification to held for sale	(448,579)	(20,750)	(21,964)	(491,293)
As at December 31	520,445	356,231	632,308	1,508,984

<i>In thousands of €</i>	31.12.2022			
	Completed	Under Construction	Development land	Total
As at January 1	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 disposal	(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 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 December 31	1,276,093	561,489	558,120	2,395,702

12. Trade and other receivables

<i>In thousands of €</i>	31.12.2023	31.12.2022
Trade receivables	15,926	16,063
Tax receivables - VAT	58,328	87,048
Accrued income and deferred charges	2,470	2,280
Other receivables	10,142	17,882
Reclassification to (-) / from held for sale	(7,380)	(1,160)
Total	79,486	122,113

The reclassification to held for sale pertains mainly to the assets earmarked for the Fifth and Sixth Joint Venture.

13. Share capital and other reserves

13.1 Share capital

<i>Issued and fully paid</i>	Number of Shares	Par value of Shares (€ 000)
Ordinary Shares issued at 1 January 2023	27,291,312	105,676
issue of new shares	-	-
Ordinary Shares issued at 31 December 2023	27,291,312	105,676

The statutory share capital of the Company amounts to € 136,092 k. The € 30.4 million capital reserve included in the Statement of Changes in Equity, relates to the elimination of the contribution in kind of the shares of a number of Group companies and the deduction of all costs in relation to the issuing of the new shares and the stock exchange listing of the existing shares from the equity of the company, at the time of the initial public offering (“IPO”) in 2007 (see also “*Statement of changes in equity*”).

13.2 Other Reserves

<i>in thousands of €</i>	31.12.2023	31.12.2022
As at 1 January	845,579	574,088
Share premium arising on the issue of new shares	-	271,491
As at 31 December	845,579	845,579

14. Current and non-current financial debts

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

MATURITY <i>In thousands of €</i>	31.12.2023			
	Outstanding balance	< 1 year	> 1-5 year	> 5 year
Non-current				
Bank borrowings	-	-	-	-
Schuldschein Loan	25,686		25,686	-
Bonds				
3.35% bonds Mar - 25	79,933		79,933	-
3.50% bonds Mar - 26	189,514		189,514	-
1.50% bonds Apr - 29	596,147		-	596,147
1.625% bonds Jan - 27	497,654		497,654	-
2.25% bonds Jan - 30	496,220		-	496,220
	1,859,468		767,101	1,092,367
Total non-current financial debt	1,885,154		792,787	1,092,367
Current				
Bank borrowings	-	-	-	-
Schuldschein Loan	3,000	3,000		
Bonds				
3.25% bonds Jul - 24	74,939	74,939		
Accrued interests	33,811	33,811		
Liabilities related to disposal group held for sale	-			
Total current financial debt	111,750	111,750		
Total current and non-current financial debt	1,996,904	111,750	792,787	1,092,367

The accrued interest relates mainly to the 6¹ issued bonds (€ 33.8 million).

The coupons of the bonds are payable annually on 6 July for the Jul-24 Bond, 30 March for the Mar-25 Bond, 19 March for the Mar-26, 8 April for the Apr-29 bond and 17 January for bonds Jan-27 & Jan-30. The interest on the Schuldschein loans are payable on a semi-annual basis on 15 April and 15 October for the variable rate Schuldschein loans and annually on 15 October for the fixed rate Schuldschein loans.

¹ The issued bond as per January 10th 2022 has been considered as two bonds, given their dual tranche maturity as well as different cost.

MATURITY	31.12.2022			
<i>In thousands of €</i>	Outstanding balance	< 1 year	> 1-5 year	> 5 year
Non-current				
Bank borrowings	-	-	-	-
Schuldschein Loan	28,575	-	28,575	-
Bonds				
3.25% bonds Jul - 24	74,820	-	74,820	-
3.35% bonds Mar - 25	79,879	-	79,879	-
3.50% bonds Mar - 26	189,295	-	189,295	-
1.50% bonds Apr - 29	595,416	-	-	595,416
1.625% bonds Jan - 27	496,884	-	496,884	-
2.25% bonds Jan - 30	495,595	-	-	495,595
Total non-current financial debt	1,960,464	-	869,454	1,091,010
Current				
Bank borrowings	-	-	-	-
Schuldschein Loan	-	-	-	-
Bonds				
2.75% bonds Apr - 23	149,897	149,897	-	-
3.90% bonds Sep -23	224,534	224,534	-	-
Accrued interests	39,273	39,273	-	-
Total current financial debt	413,704	413,704	-	-
Total current and non-current financial debt	2,374,168	413,704	869,454	1,091,010

14.1.1 Bank loans

The loans and credit facilities granted to the VGP Group are all denominated in € can be summarised as follows (all figures below are stated excluding capitalised finance costs):

31.12.2023	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 year	> 5 year
<i>In thousands of €</i>						
KBC Bank NV	75,000	31-dec-26	-	-	-	-
Belfius Bank NV	75,000	31-dec-26	-	-	-	-
Belfius Bank NV	100,000	31-jul-27	-	-	-	-
BNP Parisbas Fortis	50,000	31-dec-26	-	-	-	-
BNP Parisbas Fortis	50,000	31-dec-26	-	-	-	-
JP Morgan AG	50,000	12-dec-25	-	-	-	-
European Investment Bank	150,000	05-feb-34	-	-	-	-
Total bank debt	550,000		-	-	-	-

31.12.2022	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 year	> 5 year
<i>In thousands of €</i>						
KBC Bank NV	75,000	31-dec-26	-	-	-	-
Belfius Bank NV	75,000	31-dec-26	-	-	-	-
Belfius Bank NV	100,000	31-jul-27	-	-	-	-
BNP Paribas Fortis	50,000	31-dec-25	-	-	-	-
BNP Paribas Fortis	50,000	31-dec-26	-	-	-	-
JP Morgan AG	50,000	12-dec-25	-	-	-	-
Total bank debt	400,000		-	-	-	-

14.1.2 Schuldschein loans

The Schuldschein loans represents a combination of fixed and floating notes whereby the variable rates represent a nominal amount of € 21 million which is not hedged. The current average interest rate is 3.49 per cent per annum. The loans have a remaining weighted average term of 2.65 years.

31.12.2023	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 year	> 5 year
<i>In thousands of €</i>						
Schuldschein loans	29,000	Oct -24 to Oct-27	29,000	3,000	26,000	-

31.12.2022	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 year	> 5 year
<i>In thousands of €</i>						
Schuldschein loans	29,000	Oct -24 to Oct-27	29,000	-	29,000	-

14.1.3 Bonds

The following bonds have been repaid in 2023:

- 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) (“Apr-23 Bond”)
- € 225 million fixed rate bonds due 21 September 2023 carry a coupon of 3.90% per annum. The bonds have been listed on the regulated market of NYSE Euronext Brussels (ISIN Code: BE0002258276). (“Sep-23 Bond”)

The following five bonds are outstanding at 31 December 2023:

- € 75 million fixed rate bonds due 6 July 2024 which carry a coupon of 3.25% per annum. The bonds have been listed on the regulated market of NYSE Euronext Brussels (ISIN Code: BE0002287564). (“Jul-24 Bond”)
- € 80 million fixed rate bonds due 30 March 2025 carry a coupon of 3.35% per annum. The bonds are not listed (ISIN Code: BE6294349194). (“Mar-25 Bond”)
- € 190 million fixed rate bonds due 19 March 2026 carry a coupon of 3.50% per annum. The bonds have been listed on the regulated market of NYSE Euronext Brussels (ISIN Code: BE0002611896). (“Mar-26 Bond”)
- € 600 million fixed rate bonds due 8 April 2029 carry a coupon of 1.50% per annum. The bonds have been listed on the Luxembourg Stock Exchange (Euro MTF) (ISIN Code: BE6327721237). (“Apr-29 Bond”)
- € 1,000 million fixed rate bonds, dual tranche on five and eight years due 17 January 2027 and 17 January 2030, carry a coupon of 1.625% and 2.25% per annum. The bonds have been listed on the Luxembourg Stock Exchange (Euro MTF) (ISIN Code: BE6332786449 and BE6332787454). (“Jan-27 and Jan-30 Bond”)

15. Other non-current liabilities

<i>In thousands of €</i>	31.12.2023	31.12.2022
Deposits	4,517	8,252
Retentions	9,330	19,057
Other non-current liabilities	27,535	20,772
Reclassification to liabilities related to disposal group held for sale	(3,297)	(1,662)
Total	38,085	46,419

The other non-current liabilities decreased by € 8.3 million which is the result of (i) a decrease in deposits received from tenants (- € 3,7 million) and (ii) long-term retentions (- € 9.7 million). Last year the deposits and retentions were mainly in companies which are sold in 2023 to the Fifth Joint Venture.

The increase in other non-current liabilities is mainly the result of a higher provision for LTIP.

16. Trade debt and other current liabilities

<i>In thousands of €</i>	31.12.2023	31.12.2022
Trade payables	67,023	98,079
Deposits	-	-
Retentions	1,491	4,945
Accrued expenses and deferred income	5,189	3,330
Other payables	21,599	10,507
Reclassification to liabilities related to disposal group held for sale	(11,227)	(6,185)
Total	84,075	110,676

The trade debts and other current liabilities lowered by € 26 million. The trade payables decreased by € 31 million. Other payables increased to € 21.6 million and relates mainly to VAT payables, short-term leasing obligations (mainly in Renewable Energy) and obligations for wages.

17. Assets classified as held for sale and liabilities associated with those assets

<i>In thousands of €</i>	31.12.2023	31.12.2022
Intangible assets	-	-
Investment properties	875,817	292,541
Property, plant and equipment	-	-
Deferred tax assets	-	-
Trade and other receivables	7,380	1,160
Cash and cash equivalents	9,424	6,205
Disposal group held for sale	892,621	299,906
Non-current financial debt	-	-
Other non-current financial liabilities	-	-
Other non-current liabilities	(3,297)	(1,662)
Deferred tax liabilities	(38,760)	(25,095)
Current financial debt	-	-
Trade debts and other current liabilities	(11,227)	(6,187)
Liabilities associated with assets classified as held for sale	(53,284)	(32,944)
TOTAL NET ASSETS	839,337	266,962

In order to sustain its growth over the medium term, VGP entered into three 50/50 joint ventures with Allianz (First, Second and the recently terminated Fourth Joint Venture) in respect of acquiring income generating assets developed by VGP. These Joint Ventures act as an exclusive take-out vehicle of the income generating assets, allowing VGP to partially recycle its initially invested capital when completed projects are acquired by the Joint Ventures. VGP is then able to re-invest the proceeds in the continued expansion of its development pipeline, including the further expansion of its land bank, allowing VGP to concentrate on its core development activities.

Each of these joint ventures have an exclusive right of first refusal in relation to acquiring the following income generating assets of the Group: (i) for the First Joint Venture: the assets located in the Czech Republic, Germany, Hungary and the Slovak Republic; and (ii) for the Second Joint Venture: the assets located in Austria, Italy, the Benelux, Portugal, Romania and Spain.

The development pipeline which will be transferred as part of any future acquisition transaction between the 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 investment properties which are being developed by VGP on behalf of the First and Second Joint Venture have a total net asset value of € 35.9 million.

The Fourth Joint Venture was due to become effective at the moment of its first closing, which was initially expected to occur in November 2022. However, in view of the limited transparency on pricing of the seed portfolio in the current volatile market environment, Allianz decided not to proceed with the first initial pipeline portfolio closing of the Fourth Joint Venture. To this end Allianz formally waived the exclusivity obligation in respect of the initial pipeline portfolio allowing VGP to sell the initial pipeline portfolio to one or multiple third parties, including through the establishment of a new alternative joint venture(s). As no further transaction with the Fourth Joint Venture were envisaged on the short to midterm, the Joint Venture has been terminated.

As per 21 July 2023, VGP entered into a new Joint Venture agreement (the Fifth Joint Venture) with Deka of which a first closing took place in August '23. The remaining assets have been classified as held for sale and these assets have been recognized at the agreed fair market value with the Joint Venture partner net of ancillary cost and gains such as supplementary rent and construction variation orders, remaining rent incentives and transaction fees. The total net assets pertaining to the Fifth Joint Venture amount to € 338.1 million.

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 identified and has been classified as held for sale and these assets have been recognized at the agreed fair market value with the Joint Venture partner net of ancillary cost and gains such as supplementary rent and construction variation orders and remaining rent incentives. The total net assets pertaining to the Sixth Joint Venture amount to € 465 million.

18. Cash flow statement

<i>In thousands of €</i>	31.12.2023	31.12.2022
Cash flow from operating activities	(27,331)	(70,637)
Cash flow from investing activities	(8,078)	(566,150)
Cash flow from financing activities	(450,050)	1,116,401
Net increase/(decrease) in cash and cash equivalents	(485,459)	479,614

19. Cash flow from disposal of subsidiaries and investment properties

<i>In thousands of €</i>	31.12.2023	Second Joint Venture	First Joint Venture	Fifth Joint Venture	Third Joint Venture	Other
Investment property	1,034,382	252,672	117,331	664,379	-	-
Trade and other receivables	46,404	3,678	1,003	41,723	-	-
Cash and cash equivalents	71,515	2,255	7,270	61,990	-	-
Non-current financial debt	-	-	-	-	-	-
Shareholder debt	(755,586)	(167,525)	(75,080)	(512,981)	-	-
Other non-current financial liabilities	(14,933)	(1,244)	(1,668)	(12,021)	-	-
Deferred tax liabilities	(56,057)	(20,430)	(7,210)	(28,417)	-	-
Trade debts and other current liabilities	(62,363)	(2,309)	(6,215)	(53,839)	-	-
Total net assets disposed	263,362	67,097	35,431	160,834	-	-
Realized valuation gain on sale	59,021	18,557	9,928	30,776	-	(240)
Total non controlling interest retained by VGP	(1,027)	-	(1,027)	-	-	-
Additional share price due at completion of buildings	7,025	-	-	-	7,025	-
Shareholder loans repaid at closing	584,407	154,834	67,083	362,490	-	-
Equity contribution	(165,028)	(43,831)	(22,105)	(99,092)	-	-
Total consideration	747,760	196,657	89,310	455,008	7,025	(240)
Consideration to be received	-	-	-	-	-	-
Consideration paid in cash	747,760	196,657	89,310	455,008	7,025	(240)
Cash disposed	(71,515)	(2,255)	(7,270)	(61,990)	-	-
Net cash inflow from divestment of subsidiaries and investment properties	676,245	194,402	82,040	393,018	7,025	(240)

<i>In thousands of €</i>	31.12.2022	Second Joint Venture	First Joint Venture	Fifth Joint Venture	Third Joint Venture	Other
Investment property	369,657	294,209	75,448	-	-	-
-Trade and other receivables	16,019	16,019	-	-	-	-
Cash and cash equivalents	18,086	18,086	-	-	-	-
Non-current financial debt	-	-	-	-	-	-
Shareholder Debt	(191,009)	(191,009)	-	-	-	-
Other non-current financial liabilities	(2,458)	(2,458)	-	-	-	-
Deferred tax liabilities	(76,675)	(25,898)	(50,777)	-	-	-
Trade debts and other current liabilities	(13,511)	(13,511)	-	-	-	-
Total net assets disposed	120,109	95,438	24,671	-	-	-
Realized valuation gain on sale	87,612	49,015	11,321	-	27,163	113
Total non controlling interest retained by VGP	(227)	-	(227)	-	-	-
Additional share price due at completion of buildings	63,689	-	-	-	63,689	-
Shareholder loans repaid at closing	205,491	168,562	36,929	-	-	-
Equity contribution	(104,190)	(72,727)	(17,882)	-	(13,581)	-
Total consideration	372,484	240,288	54,812	-	77,271	113
Consideration to be received	(7,026)	-	-	-	(7,026)	-
Consideration paid in cash	365,458	240,288	54,812	-	70,245	113
Cash disposed	(18,086)	(18,086)	-	-	-	-
Net cash inflow from divestment of subsidiaries and investment properties	347,372	222,202	54,812	-	70,245	113

20. Capital management

VGP is continuously optimising its capital structure targeting to maximise shareholder value while keeping the desired flexibility to support its growth. The Group operates within and applies a maximum gearing ratio of net debt / total shareholders' equity and liabilities at 65%.

As at 31 December 2023 the Group's gearing was as follows:

<i>In thousands of €</i>	31.12.2023	31.12.2022	30.6.2023
Non-current financial debt	1,885,154	1,960,464	1,961,768
Other non-current financial liabilities	-	-	-
Current financial debt	111,750	413,704	247,752
Financial debt classified under liabilities related to disposal group held for sale	-	-	-
Total financial debt	1,996,904	2,374,168	2,209,520
Cash and cash equivalents	(209,921)	(699,168)	(334,870)
Cash and cash equivalents classified as disposal group held for sale	(9,424)	(6,205)	(22,654)
Total net debt (A)	1,777,559	1,668,795	1,851,996
Total shareholders 'equity and liabilities (B)	4,410,704	4,846,053	4,623,707
Gearing ratio ((A)/(B))	40.3%	34.4%	40.1%

21. Contingencies and commitments

<i>(in thousands of €)</i>	31.12.2023	31.12.2022
Contingent liabilities	40,950	6,230
Commitments to purchase land	58,270	149,266
Commitments to develop new projects	296,513	370,629

Contingent liabilities mainly relate to bank guarantees linked to land plots and built out of infrastructure on development land.

The commitment to purchase land relates to contracts concerning the future purchase of 795,000 m² of land for which deposits totalling € 2.9 million have been made. The down payment on land was classified under investment properties as at 31 December 2023 (same classification treatment applied for 2022) and is mainly composed of € 2.2 million for the acquisition of a land plot located in Vejle, Denmark.

It is expected that 30.2 million of the commitments to purchase land and € 284.3 million of the commitments to develop new projects will be payable in '24.

22. Events after the balance sheet date

As per January '24, the group acquired its first site in Denmark, which 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.

As per February '24, the group divested its stake in the LPM Joint Venture for a consideration of ca € 170 million.

SUPPLEMENTARY NOTES

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% and 10.1%) in the German asset companies of the Joint Ventures have been included in the Joint Ventures' figures (share of VGP).

Proportionally consolidated income statement <i>In thousands of €</i>	31.12.2023			31.12.2022		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
Gros rental and renewable energy income	69,003	102,073	171,076	51,230	72,539	123,769
Property operating expenses	(5,534)	(10,496)	(16,030)	(8,223)	(8,412)	(16,635)
Net rental and renewable energy income	63,469	91,577	155,046	43,007	64,127	107,134
Joint venture management fee income	26,925	-	26,925	21,537	-	21,537
Net valuation gains / (losses) on investment properties	87,958	(61,179)	26,779	(97,230)	(106,117)	(203,347)
Administration expenses	(48,863)	(1,837)	(50,700)	(33,956)	(1,333)	(35,289)
Other expenses	-	-	-	(3,000)	-	(3,000)
Operating result	129,489	28,561	158,050	(69,642)	(43,323)	(112,965)
Net financial result	(6,031)	(35,434)	(41,465)	(27,008)	(16,756)	(43,764)
Taxes	(25,451)	(3,842)	(29,293)	20,035	14,152	34,187
Result for the period	98,007	(10,715)	87,292	(76,615)	(45,927)	(122,542)

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% and 10.1%) in the German asset companies of the Joint Ventures have been included in the Joint Ventures' figures (share of VGP).

Proportionally consolidated balance sheet <i>In thousands of €</i>	31.12.2023			31.12.2022		
	Group	Joint Venture	Total	Group	Joint Venture	Total
Investment properties	1,508,984	2,442,718	3,951,702	2,395,702	1,916,347	4,312,049
Investment properties included in assets held for sale	875,817	-	875,817	292,541	-	292,541
Total investment properties	2,384,801	2,442,718	4,827,519	2,688,243	1,916,347	4,604,590
Other assets	682,464	2,238	684,702	437,963	3,965	441,928
Total non-current assets	3,067,265	2,444,956	5,512,221	3,126,206	1,920,312	5,046,518
Trade and other receivables	79,486	50,810	130,296	122,113	36,462	158,575
Cash and cash equivalents	209,921	74,355	284,276	699,168	51,207	750,375
Disposal group held for sale	16,804	-	16,804	7,365	-	7,365
Total current assets	306,211	125,165	431,376	828,646	87,669	916,315
Total assets	3,373,476	2,570,121	5,943,597	3,954,852	2,007,981	5,962,833
Non-current financial debt	1,885,154	1,310,253	3,195,407	1,960,464	926,409	2,886,873
Other non-current financial liabilities	-	256	256	-	-	-
Other non-current liabilities	38,085	13,581	51,666	46,419	8,308	54,727
Deferred tax liabilities	23,939	135,625	159,564	79,671	124,440	204,111
Total non-current liabilities	1,947,178	1,459,715	3,406,893	2,086,554	1,059,157	3,145,711
			-			-
Current financial debt	111,750	20,613	132,363	413,704	17,805	431,509
Trade debts and other current liabilities	84,075	52,564	136,640	110,676	39,818	150,494
Liabilities related to disposal group held for sale	53,284	-	53,284	32,944	-	32,944
Total current liabilities	249,109	73,178	322,287	557,323	57,623	614,946
Total liabilities	2,196,287	1,532,893	3,729,180	2,643,877	1,116,780	3,760,657
Net assets	1,177,189	1,037,298	2,214,417	1,310,975	891,201	2,202,176

PARENT COMPANY INFORMATION
For the year ended 31 December 2023

1 Financial Statement

1.1 Condensed income statement

<i>In thousands of €</i>	2023	2022
Other operating income	21,589	21,630
Operating profit or loss	(6,666)	1,897
Financial result	118,081	36,780
Non-recurring income / (expense) financial assets	175,261	111,688
Current and deferred income taxes	(11,876)	(5,002)
Result for the year	274,800	145,362

1.2 Condensed balance sheet after profit appropriation

<i>In thousands of €</i>	2023	2022
Formation expenses, intangible assets	18,271	23,737
Tangible fixed assets	91	134
Financial fixed assets	3,481,466	3,271,101
Other non-current receivables	9,705	9,705
Total Non-current assets	3,509,533	3,304,677
Trade and other receivables	31,714	24,225
Cash & cash equivalents	48,678	441,162
Total current assets	80,392	465,387
TOTAL ASSETS	3,589,925	3,770,064
Share capital	136,092	136,092
Share Premium	759,509	759,509
Non-distributable reserves	13,609	13,609
Retained earnings	554,779	380,957
Shareholders' equity	1,463,989	1,290,167
Amounts payable after one year	1,903,605	1,980,071
Amounts payable within one year	222,331	499,826
Creditors	2,125,936	2,479,897
TOTAL EQUITY AND LIABILITIES	3,589,925	3,770,064

GLOSSARY

Allianz or Allianz Real Estate

Means, in relation to (i) the First Joint Venture, Allianz AZ Finance VII Luxembourg S.A., SAS Allianz Logistique S.A.S.U. and Allianz Benelux SA (all affiliated companies of Allianz Real Estate GmbH) taken together; (ii) the Second Joint Venture, Allianz AZ Finance VII Luxembourg S.A., and (iii) the Third Joint Venture, Allianz Pensionskasse AG, Allianz Versorgungskasse Versicherungsverein a.G., Allianz Lebensversicherungs-AG and Allianz Lebensversicherungs AG.

Allianz Joint Ventures or AZ JV

Means the First Joint Venture, the Second Joint Venture and the Third Joint Venture taken together.

AZ JVA(s) or Allianz Joint Venture Agreement(s)

Means either and each of (i) the joint venture agreement made between Allianz and VGP NV in relation to the First Joint Venture; (ii) the joint venture agreement made between Allianz and VGP NV in relation to the Second Joint Venture; and (iii) the joint venture agreement made between Allianz and VGP Logistics S.à r.l. (a 100% subsidiary of VGP NV) in relation to the Third Joint Venture.

Annualized committed leases or annualized rent income

The annualized committed leases or the committed annualized rent income represents the annualized rent income generated or to be generated by executed lease – and future lease agreements.

Break

First option to terminate a lease.

Contractual rent

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

Derivatives

As a borrower, VGP wishes to protect itself from any rise in interest rates. This interest rate risk can be partially hedged by the use of derivatives (such as interest rate swap contracts).

Development Joint Ventures

Means LPM, Grekon and the 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

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

First Joint Venture

Means VGP European Logistics S.à r.l., the 50:50 joint venture between VGP and Allianz, also referred to as "Rheingold"

Fourth Joint Venture

Means VGP European Logistics 3 S.à r.l., the 50:50 joint venture between VGP and Allianz, also referred to as "Europa"

Fifth Joint Venture

Means the 50:50 joint venture between Deka Immobilien, through their funds "Deka Immobilien Europa" and "Deka Westinvest InterSelect" and VGP.

Grekon Joint Venture or Grekon

Means Grekon 11 GmbH, the 50:50 joint venture between VGP and Revikon GmbH, part of Weimar Gruppe

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.

Joint Ventures

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

LPM Joint Venture or LPM

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

LPM JVA or LPM Joint Venture Agreement

Means the joint venture agreement made between Roozen Landgoederen Beheer and VGP NV in relation to the LPM Joint Venture.

Lease expiry date

The date on which a lease can be cancelled.

Net asset value

The value of the total assets minus the value of the total liabilities.

Net financial debt

Total financial debt minus cash and cash equivalents.

Net Initial Yield

Is the annualized rents generated by an asset, after the deduction of an estimate of annual recurring irrecoverable property outgoings, expressed as a percentage of the asset valuation (after notional purchaser's costs).

Occupancy rate

The occupancy rate is calculated by dividing the total leased out lettable area (m²) by the total lettable area (m²) including any vacant area (m²).

Prime yield

The ratio between the (initial) contractual rent of a purchased property and the acquisition value at a prime location.

Property portfolio

The property investments, including property for lease, property investments in development for lease, assets held for sale and development land.

Reversionary Yield

Is the anticipated yield, which the initial yield will rise to once the rent reaches the ERV and when the property is fully let. It is calculated by dividing the ERV by the valuation.

Roozen or Roozen Landgoederen Beheer

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

Second Joint Venture

Means VGP European Logistics 2 S.à r.l., the 50:50 joint venture between VGP and Allianz, also referred to as "Aurora"

Sixth Joint Venture

Means 50:50 Joint Venture with AREIM Pan-European Logistics Fund (D) AB, or Areim, also referred to as "Saga"

Third Joint Venture

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

VGP European Logistics or VGP European Logistics joint venture

Means the First Joint Venture.

VGP European Logistics 2 or VGP European Logistics 2 joint venture

Means the Second Joint Venture.

VGP Park Moerdijk

Means the LPM Joint Venture.

VGP Park Belartza Joint Venture

Means Belartza Alto SXXI, S.L., a 50:50 joint venture between VGP en VUSA

VGP Park München or VGP Park München joint venture

Means the Third Joint Venture.

Weighted average term of financial debt

The weighted average term of financial debt is the sum of the current financial debt (loans and bonds) multiplied by the term remaining up to the final maturity of the respective loans and bonds divided by the total outstanding financial debt.

Weighted average term of the leases ("WAULT")

The weighted average term of leases is the sum of the (current rent and committed rent for each lease multiplied by the term remaining up to the final maturity of these leases) divided by the total current rent and committed rent of the portfolio

Weighted average yield

The sum of the contractual rent of a property portfolio to the acquisition price of such property portfolio.

Take-up

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