



VGP

BUILDING  
TOMORROW  
TODAY

# Company Presentation

September 2023

# Fully integrated pure-play logistics real-estate company



## Portfolio KPI's

as of  
30 June '23

€6.76bn <sup>1</sup> Total GAV	17 Countries	110 Parks	207 Number of completed buildings	3.7 years Average building age
5.56% <sup>4</sup> Yield	98.8% <sup>2</sup> Occupancy	8.1 years <sup>3</sup> WALT	€328.1 mm Committed annualised rental income	>500 Tenants

## Financial KPI's as of 30 June '23

€ 48.6 mm Pre-tax Profit	31.3% <sup>5</sup> Gearing ratio	€2.2bn Shareholders' Equity
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**FitchRatings** : BBB-

## Company at a glance

- All new buildings required to be delivered at certified **BREEAM Very Good** (aim **Excellent**) or **DGNB Gold** level
- Fully let standing portfolio and significantly pre-let development pipeline: **Completed portfolio is 98.8%<sup>2</sup> let and portfolio under construction is >90% pre-let**
- VGP well financed and strongly capitalized: shares listed on **Euronext Brussels since 2007** and included in the **EPRA Nareit Developed Europe Index since 2022** and the **BEL ESG Index since 2023**
- Successful and long-term partnership with Allianz Real Estate since 2016 and a new joint venture was set up with **Deka Immobilien** this year

Source: company information as of 30 June 2023

<sup>1</sup>Gross Asset Value of VGP, including Owned Portfolio and joint ventures at 100% as of 30 June 2023; <sup>2</sup>Including JV portfolio at 100%; <sup>3</sup>Refers to WALT of JV and Owned Portfolio combined; <sup>4</sup>Weighted average yield of own standing property portfolio as of 30 June 2023; <sup>5</sup>Pro forma gearing ratio adjusted for payments received relating to the Third Joint Venture of € 50 million in July '23, as well as the expected proceeds and disposal of respective assets of the first closing with the Fifth Joint Venture in Q3 '23. The reported gearing ratio amounts to 40.1%. The gearing ratio is calculated as Net debt / Total equity and liabilities <sup>6</sup>Started after January 2022.



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

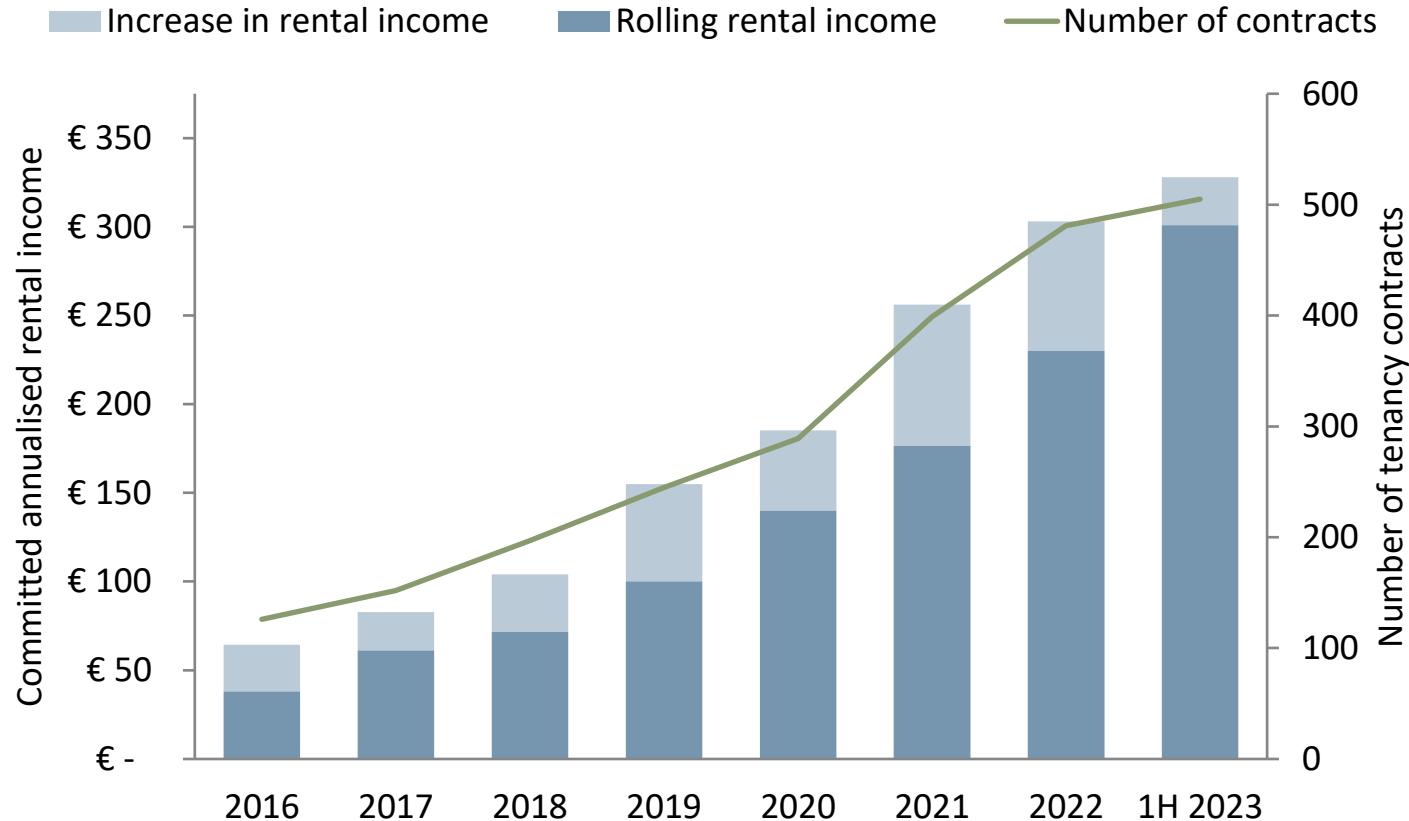


- 1998**: VGP founded in Czech Republic
- 2007**: Listing on Euronext Brussels
- 2007-2009**: Expansion through CEE and Baltics
- 2011**: Sale of Czech assets to Tristan Capital Partners
- 2013**: Expansion to Spain
- 2013**: Expansion to Germany
- 2016**: Established partnership with Allianz Real Estate
- 2017**: Fully-marketed secondary equity offering of €285mm
- 2017**: Further expansion throughout Western and Southern-Europe
- 2019**: Expansion to Portugal; Launch of 2nd (50/50) Joint Venture
- 2020**: Launch of two development JVs; €309mm new equity (2 ABBs: €109mm in September and €200mm in April)
- 2020**: Expansion into Serbia, France; Expansion of team with Last Mile experts; Announced target to be carbon neutral by 2025 under Scope 1 and 2; €300mm ABB in November
- 2022**: Expansion into Denmark and Croatia; Completion of VGP Park Munich with cash proceeds of €77mm; €303 mm Rights issue in November
- 2023**: +200 MWp of solar systems either already installed or in pipeline; concluded on largest portfolio transactions year to date with Allianz and new JV partner Deka



# 1H 2023 committed rental income – including JVs at 100% – increased by 8.2% YTD

## COMMITTED ANNUALISED RENTAL INCOME AND NUMBER OF TENANCY CONTRACTS



- In total 505 tenant contracts
- Committed annualised leases of € 328 million<sup>1</sup> (FY22 303 million)
- Occupancy rate of 99% for the completed portfolio<sup>2</sup>

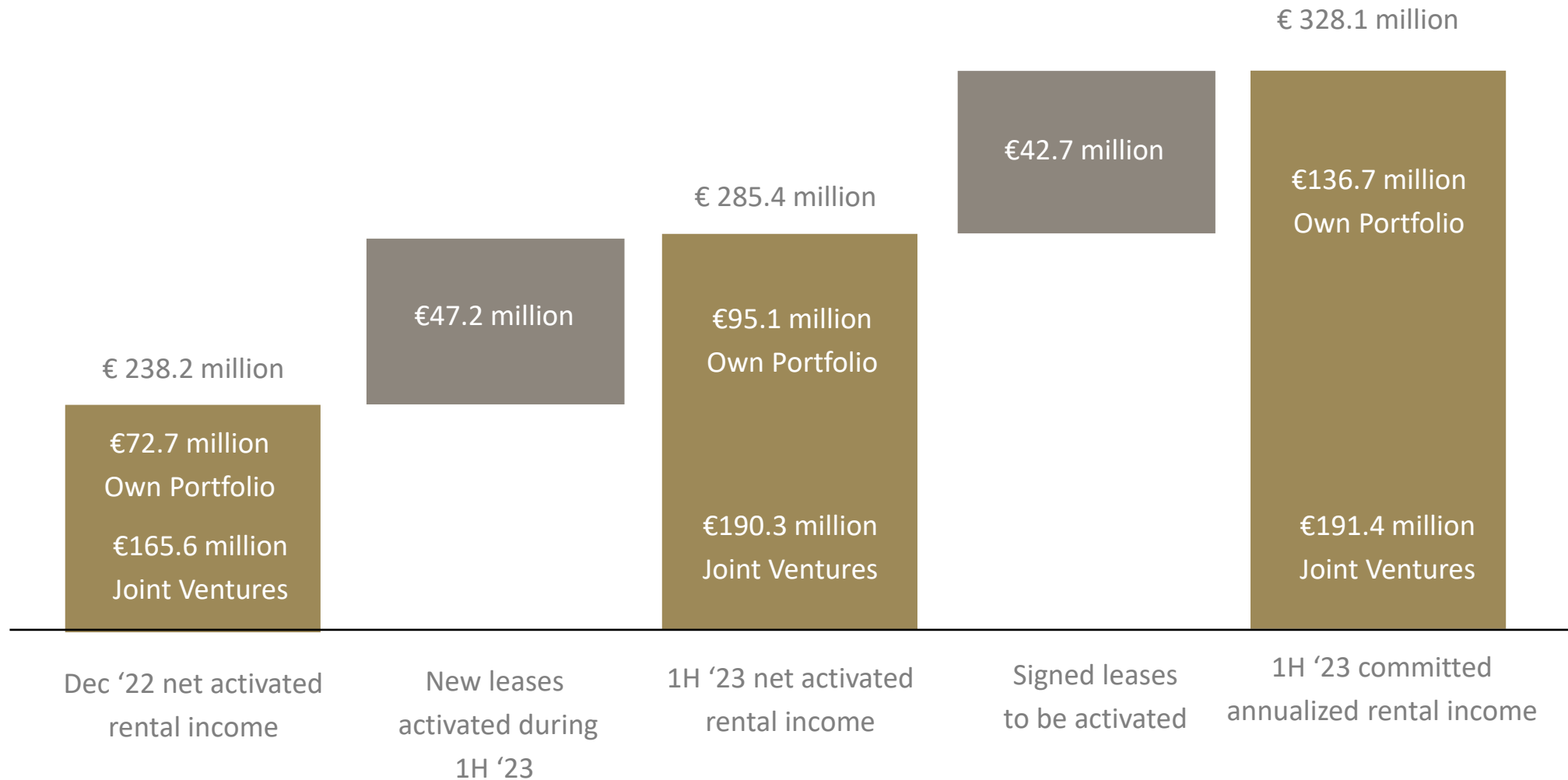


Signed and renewed rental income of €36.2 million in 1H '23

<sup>1</sup>Including € 191.4 million through the Joint Ventures

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

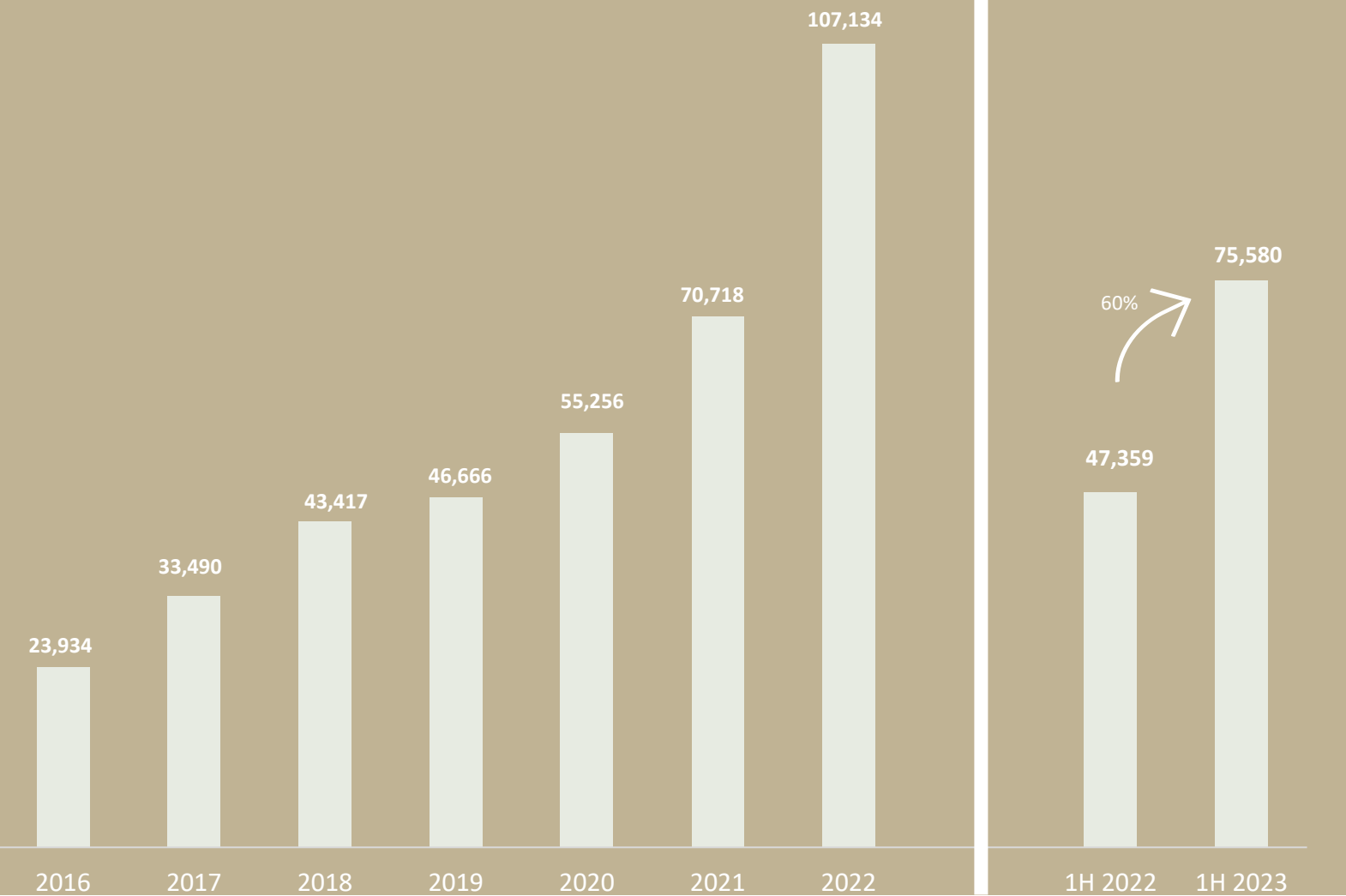
# Active annualized rental income growth incl. JV's at 100%



# Net rental and renewable energy income at share has grown y-o-y with 60%



Net rental and renewable energy income ( '000 €)



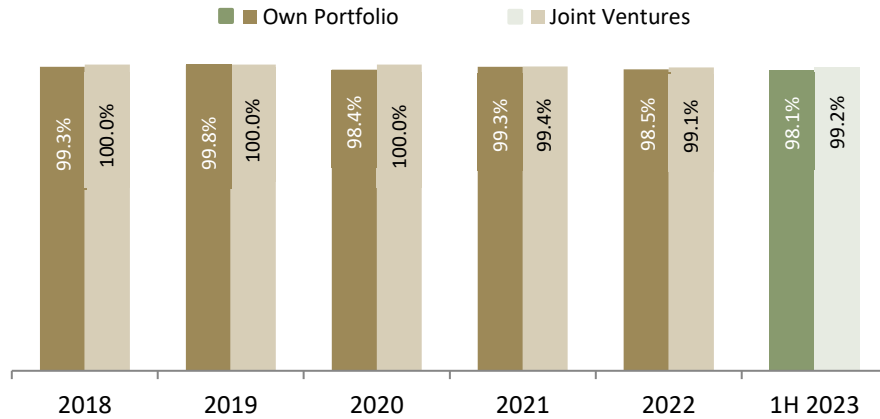
- Total net rental and renewable energy income at share on track to match '22 growth rate



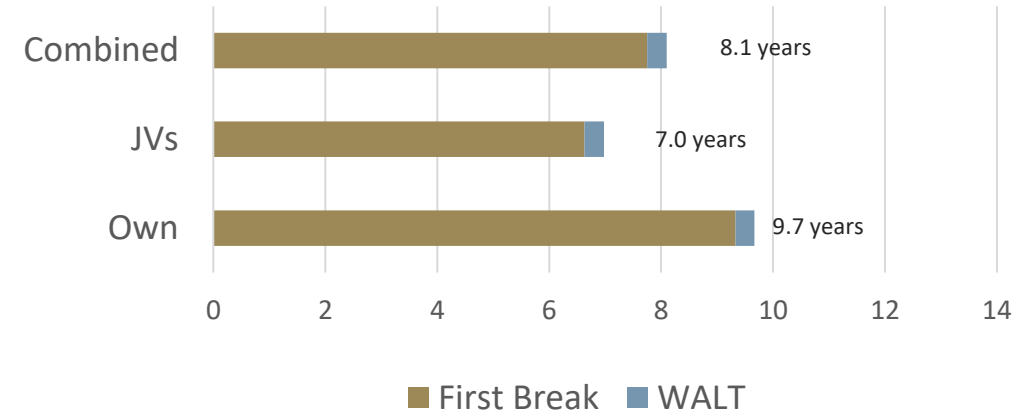
# ...fully let on a long-term basis

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

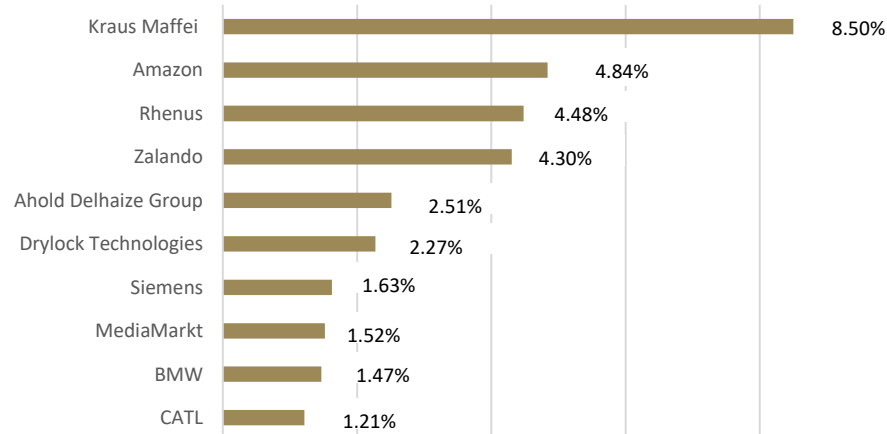
Occupancy evolution (%)



Weighted average lease term (WALT) of the portfolio



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



- The combined occupancy of the portfolio stood at 98.8%
- The WALT stands at 8.1 years
- The WAULB stands at 7.8 years
- Top ten customers represent 32% of total portfolio and have a combined WAULT of 11 years

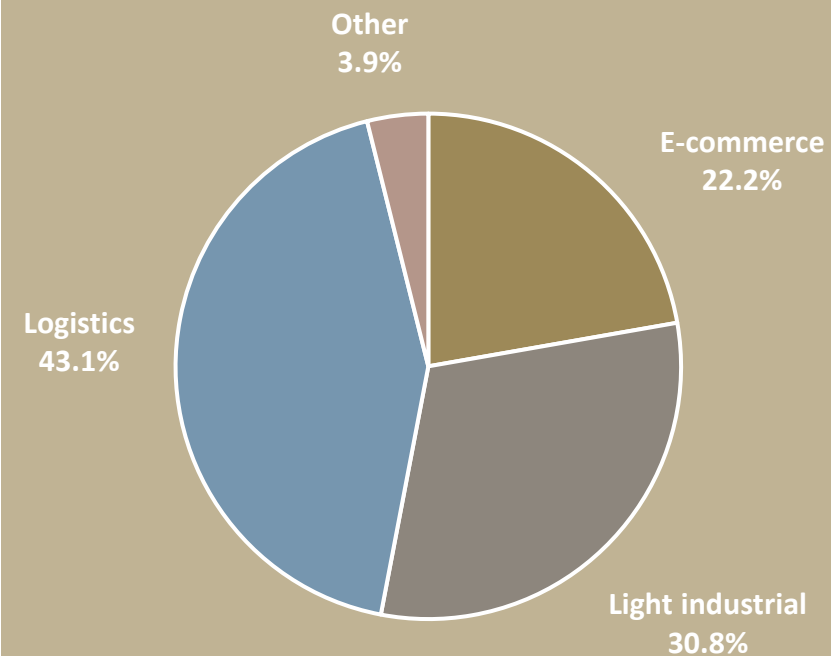
Source: Company information  
<sup>1</sup> As of 30 June 2023  
<sup>2</sup> Based on square metres, with JV's at 100%

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

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



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



<sup>1</sup>As of 30 June 2023; including 100% of JVs' assets per lettable m<sup>2</sup>

# Deliveries

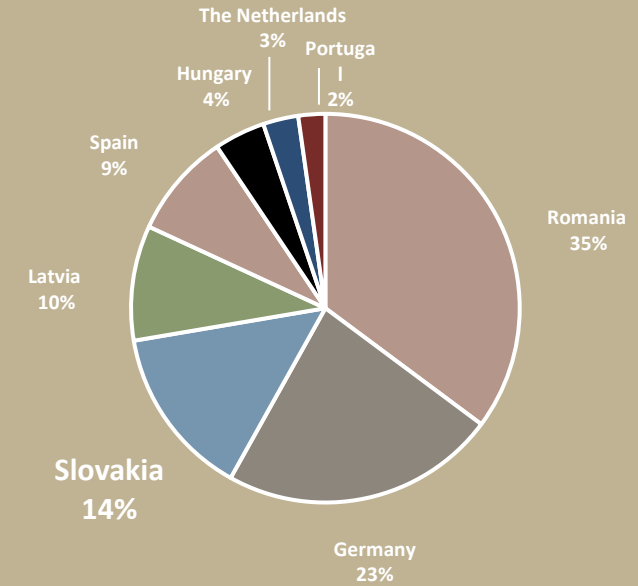


# Delivery of new developments in 1H 2023

- 13 buildings representing 317,000 m<sup>2</sup> GLA
- € 18.3 million rental income by 35 new contracts, 97.2% let
- 100% will be rated BREEAM 'Very Good' (or equivalent) or better

## Deliveries

### Geographical breakdown<sup>1</sup>



VGP Park Bratislava, Slovakia



VGP Park Budapest, Hungary



VGP Park Giessen am Alten Flughafen, Germany

<sup>1</sup> Based on delivered lettable m<sup>2</sup>

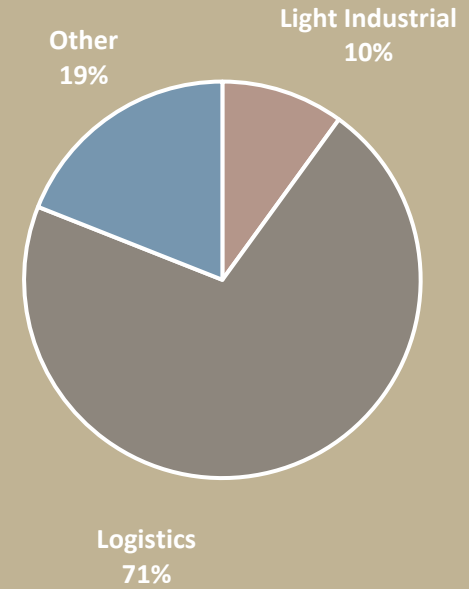
# Largest share of new developments delivered for tenants active in logistics

Deliveries

Tenant segmentation<sup>1</sup>



Examples of deliveries 1H '23



VGP Park San Fernando de Henares, Spain



VGP Park Giessen am alten Flughafen, Germany



VGP Park Roosendaal, Netherlands



VGP Park Brasov, Romania



<sup>1</sup> Based on lettable m<sup>2</sup>

An aerial photograph showing a large-scale industrial development. In the foreground, there is a large, rectangular plot of land that has been cleared and graded, with some construction equipment visible. This plot is surrounded by paved roads and parking areas. In the background, several large, modern industrial buildings with light-colored roofs are visible, along with more developed areas and greenery. The overall scene depicts a major infrastructure or manufacturing project in progress.

# Developments

# > 90% pre-let portfolio under construction represents € 46 million of new leases

- At 1H 2023, 24 buildings were under construction, representing 732,000 m<sup>2</sup>
  - This equates to € 50.6 million of annualized leases<sup>1</sup>
  - The portfolio under construction is >90% pre-let today
  - Western Europe represents 70.8%<sup>2</sup>
  - 100% of new developments started in 2023 rated BREEAM Very Good equivalent or better



VGP Park Magdeburg, Germany



VGP Park Wiesloch-Walldorf, Germany

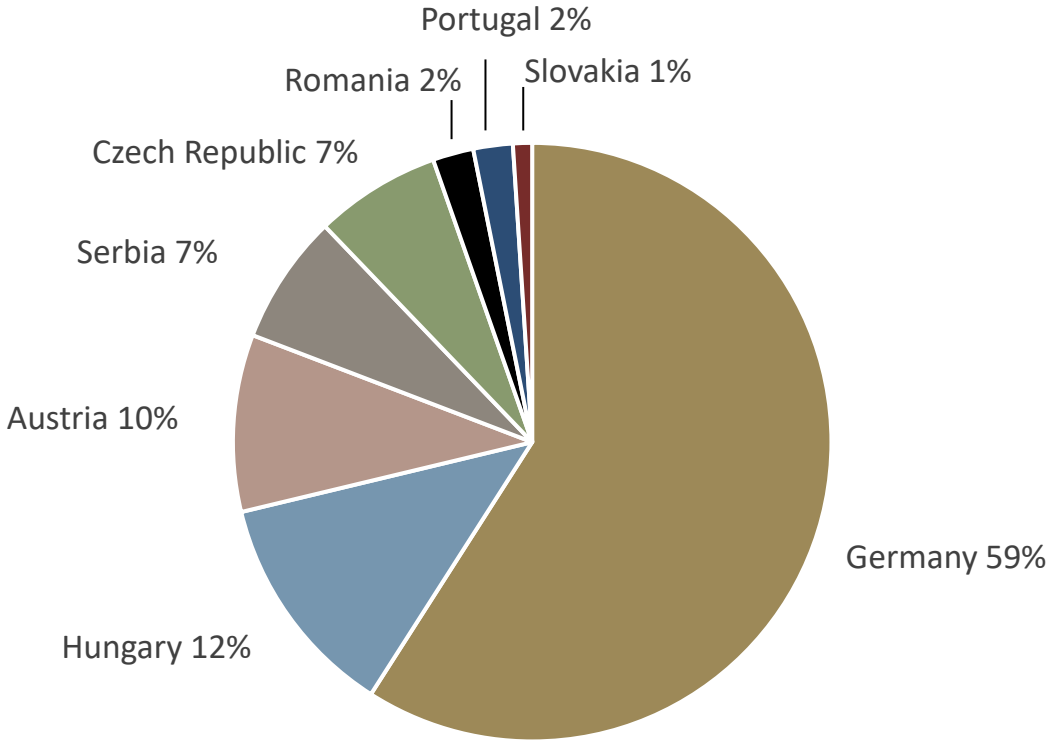


VGP Park Brasov, Romania

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



### Developments – geographic breakdown (by rental value)



VGP Park Belgrade - Dobanovci, Serbia

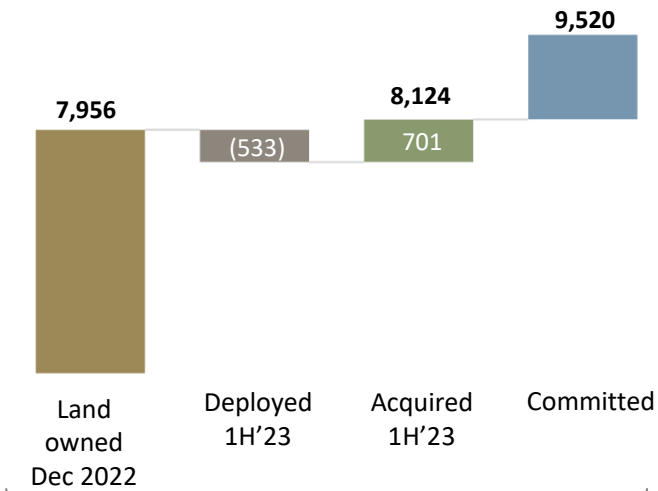


VGP Park Laxenburg, Austria

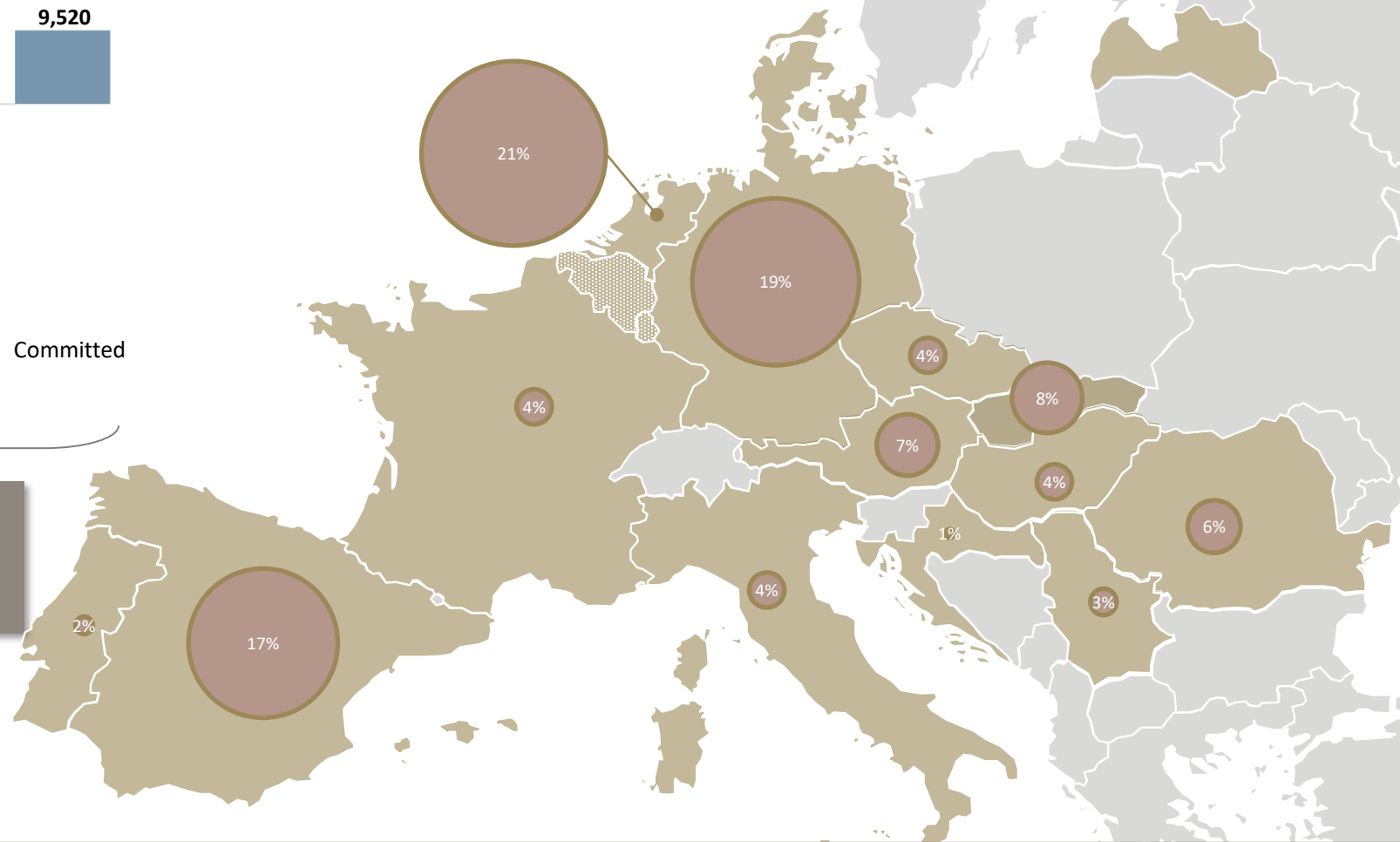
# VGP's owned and secured landbank – Embedded potential to double current standing portfolio



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



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



Over 4.4 million m<sup>2</sup> of development potential embedded in the owned & committed land bank

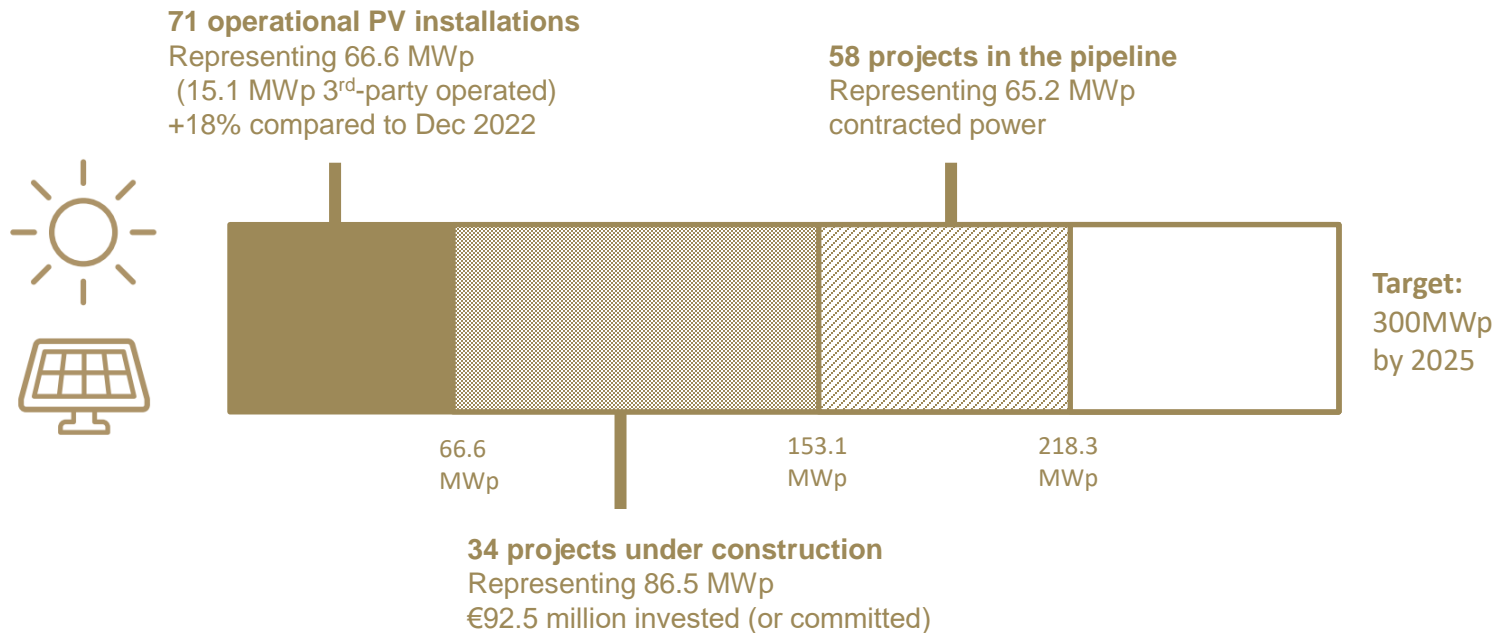
**Strategic opportunities currently under exclusive negotiation**

<sup>1</sup> Geographical breakdown of development land bank (based on €-value) of the owned land bank (own and JV)

# Renewables

# Installed solar power increased by 46% YoY

- Operational roof solar capacity increased to 66.6MWp<sup>1</sup> (+18% YTD; +46% YoY), whilst effective production in 1H 2023 doubled to 24GWh YoY
  - 86.5 MWp under construction and further 65.2 MWp in the pipeline
- Gross renewable income over 1H23 was €2.9 million
- Once all photovoltaic projects are fully operational the solar power production capacity will surpass the total tenant energy consumption



<sup>1</sup> Includes 14.3MWp of third-party owned systems.



## VGP Park München

- 11.55 MWp PV plant
- Finished in December 2022
- Saving c. 9,000,000KWh grid-consumption p.a.



## VGP Park Nijmegen

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

# Appendix



# Financial Performance



# Income statement



Net rental and renewable energy income is up by 96% YoY to € 33.5 mm

- Gross rental income increases 84% to € 35 mm. This follows a steep increase of newly delivered assets in '22 and '23. Gross renewable income landed at € 2.9 mm and continues its exponential growth in '23
- On a look through basis, net rental and renewable energy income increased 60% to € 75.6 million year over year

## Joint Venture management fee + € 1.8 mm

- Increase of recurring property and facility management fee to € 9.9 mm, development management fee stable at € 1.8 mm

## Positive net valuation gains

- € 58 mm negative yield impact, offset by contribution of development margin, realized gains on effectuated Joint Venture transactions and valuation alignment to the agreed fair market value on assets destined to the Deka Joint Venture
- Weighted average yield on own portfolio of 5.56% (vs. 5.29% as at 31 Dec '22)<sup>2</sup>

## Share of profit from JV's and associates € (12.8) mm

- JV portfolio growth reflected in € 42.1 mm (+39%) net rental income at share (€30.3 mm 1H'22)
- The Joint Ventures booked an unrealized valuation loss of € 40.7 mm at share
- Weighted average yield on JVs portfolio of 4.98% (vs. 4.35% as at 30 June '22)<sup>3</sup>

## Net financial result

- Net financial result lowered to € 8.1 mm and benefitted from interests on depository accounts, less debts and favorable exchange gains

## Income Statement (€mm)

	1H2023	1H2022
Revenue	59.7	35.1
Gross rental and renewable energy income	38.0	20.4
Property operating expenses	(4.6)	(3.3)
Net rental and renewable energy income	33.5	17.1
Joint venture management fee income	11.7	9.9
Net valuation gains on investment properties	45.5	155.9
Administration expenses	(21.2)	(20.8)
Share of net profit from JV's and associates	(12.8)	31.4
Other expenses	-	(3.0)
Operating result	56.7	190.5
Financial income	11.4	8.1
Financial expense	(19.5)	(22.3)
Net financial result	(8.1)	(14.3)
Profit before taxes	48.6	176.3
Taxes	(14.0)	(23.1)
Profit for the period	34.7	153.1

1 includes JV's assets

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

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

# Operating EBITDA grows 53% yoy – by segment

## Investment

(€mm)	1H23	1H22
Gross rental income	35.2	19.0
Property operating expenses	(0.4)	(0.2)
<b>Net rental income</b>	<b>34.8</b>	<b>18.8</b>
Joint venture management fee income	11.7	9.9
Net valuation gains on investment properties destined to the JVs	–	–
Administration expenses	(4.0)	(3.4)
Share of JVs' adjusted operating profit after tax	41.4	29.6
<b>EBITDA</b>	<b>83.9</b>	<b>55.0</b>

- Increase in rental income due to completed non-transferred assets to the JV
- Share in result of JVs up € 11.8 mm YoY, which corresponds to VGP's share in the result of the JVs excluding any revaluation result

## Development

(€mm)	1H23	1H22
Gross rental income	–	–
Property operating expenses	(3.7)	(3.0)
<b>Net rental income</b>	<b>(3.7)</b>	<b>(3.0)</b>
Joint venture management fee income	–	–
Net valuation gains on investment properties destined to the JVs	35.7	163.1
Administration expenses	(13.8)	(14.0)
Share of JVs' adjusted operating profit after tax	–	–
<b>EBITDA</b>	<b>18.1</b>	<b>146.1</b>

- Valuation gains of € 35.7 million in 1H 2023 on assets destined to JV's
- 1H 2023 capital expenditure in development activities amounted to € 347,6 mm (incl. JV's)

## Renewable Energy

(€mm)	1H23	1H22
Gross renewable energy income	2.9	1.4
Property operating expenses	(0.5)	(0.1)
<b>Net renewable energy income</b>	<b>2.4</b>	<b>1.3</b>
Joint venture management fee income	–	–
Net valuation gains on investment properties destined to the JVs	–	–
Administration expenses	(0.9)	(1.6)
Share of JVs' adjusted operating profit after tax	–	–
<b>EBITDA</b>	<b>1.5</b>	<b>(0.3)</b>

- Revenues reflect sale of energy (subject to market price) and income from PV-installation leases
- Gross renewable energy income up 1H 2023 with 107% due to significant increase of operational solar panels
- 1H '23 capex expenditures in renewables of € 20 mm

# Balance sheet - assets



## Investment Properties (own portfolio) incl. Disposal group held for sale total € 2,768 mm

- Total capex of € 347,6 mm
- Reclassification of assets destined to Deka JV to Held for sale at agreed fair value

## Investment in Joint Ventures and associates increased to € 939.5 mm (up by € 48.3 mm) reflecting:

- JV1: € 587 mm (DE,CZ,SK,HU)
- JV2: € 175 mm (ES,RO,IT, NL,AT,PT)
- JV3: € 145 mm (München)
- Other development JVs: € 33 mm (incl. Moerdijk)

## Other non-current receivables increased to € 405.1 mm from € 359.6 mm, mainly reflecting shareholder loans to

- VGP Park München (€ 199 mm)
- VGP Park Moerdijk (€ 76 mm)
- Other JVs (€ 121 mm)
- Other receivables: € 10 mm

## Cash position of € 334.9 mm (€ 358 mm including group held for sale)

- Several multi-year unsecured revolving credit facilities undrawn and available, increased to € 400 mm in 2022
- Significant gross cash recycling planned with upcoming JV closing of Deka of + € 450 mm

## Consolidated Balance Sheet – Assets (€mm)

(€mm)	30 June '23	31 Dec '22
<b>ASSETS</b>		
Intangible assets	1.1	1.2
Investment properties	1,655	2,396
Property, plant and equipment	91.3	73.3
Investment in joint ventures and associates	939.5	891.2
Other non-current receivables	405.1	359.6
Deferred tax assets	5.2	3.8
<b>Total non-current assets</b>	<b>3,097.1</b>	<b>3,724.9</b>
Trade and other receivables	78.4	122.1
Cash and cash equivalents	334.9	699.2
Disposal group held for sale	1,113.3	299.9
<b>Total current assets</b>	<b>1,526.6</b>	<b>1,121.2</b>
<b>TOTAL ASSETS</b>	<b>4,623.7</b>	<b>4,846.1</b>

# Balance sheet – Shareholders’ equity and liabilities

## Shareholders’ equity of € 2,162 mm

- Following an equity raise of € 300 mm in Q4 ‘22
- A net profit of € 34.7 mm
- Dividend of € 75 mm

## Total liabilities of € 2,462 mm (Dec 2022: € 2,643 mm)

- Decrease of current financial debt to € 248 mm, due to pay-off of Apr-23 of € 150 mm bond
- Additional € 225 mm bond repayment foreseen in September ‘23

## Consolidated gearing ratio of 40.1%<sup>1</sup>

- Pro-forma gearing stood at 31.3%
- Proportionally consolidated Pro-forma Loan-To-Value stood at 49.2%<sup>2</sup>

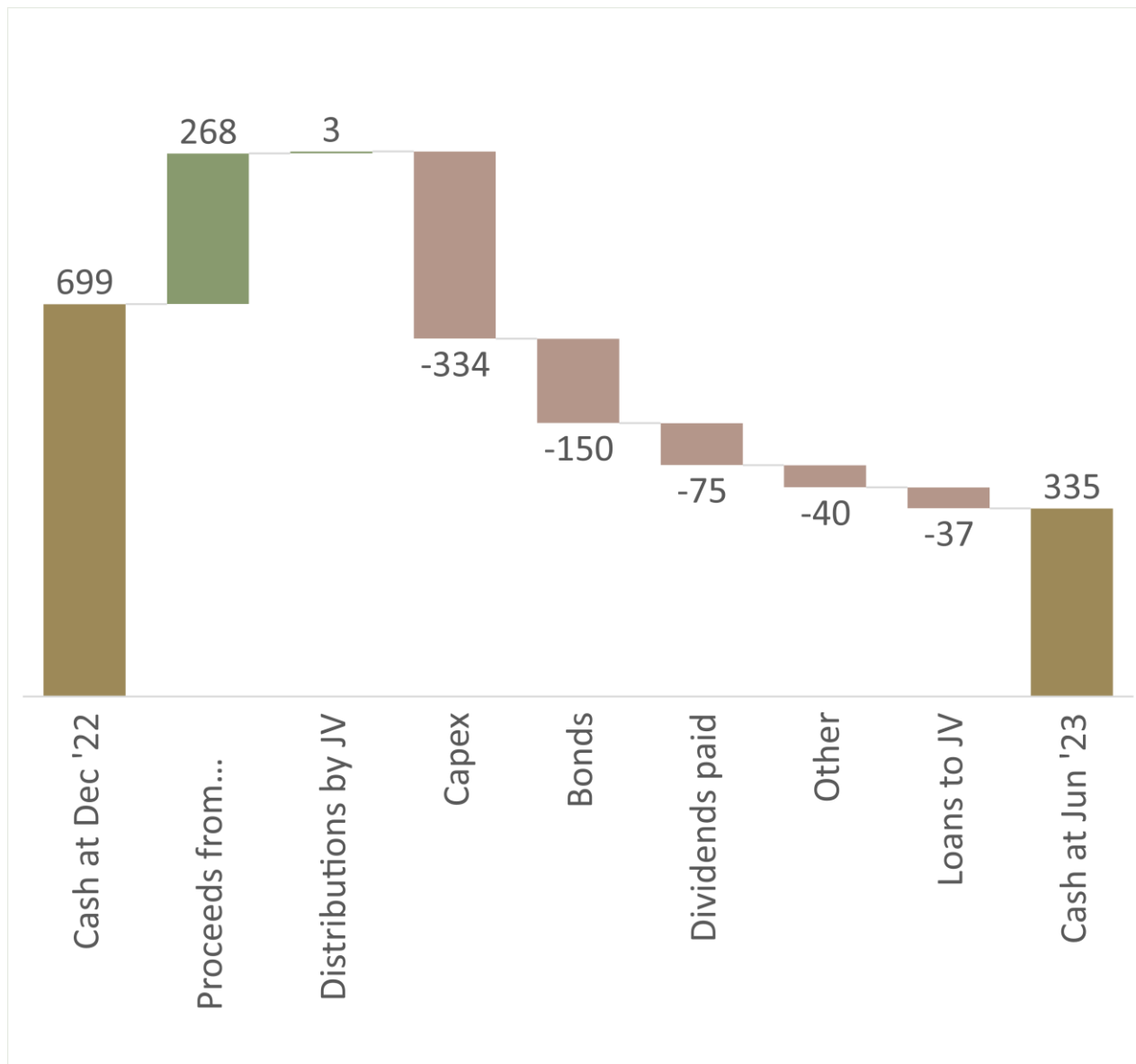
### Consolidated Balance Sheet – Shareholders equity and liability (€mm)

(€mm)	30 June ‘23	31 Dec ‘22
SHAREHOLDERS’ EQUITY AND LIABILITIES		
Shareholders’ equity	2,161.8	2,202.2
Non-current financial debt	1,961.8	1,960.5
Other non-current (financial) liabilities	34.8	46.4
Deferred tax liabilities	40.8	79.7
Total non-current liabilities	2,037.3	2,086.6
Current financial debt	247.8	413.7
Trade debt and other current liabilities	79.4	110.7
Liabilities related to disposal group HFS	97.4	32.9
Total current liabilities	424.6	557.3
Total liabilities	2,461.9	2,643.9
<b>TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES</b>	<b>4,623.7</b>	<b>4,846.1</b>

1 Calculated as Net debt / Total equity and liabilities; Reported gearing ratio amounts to 40.1%. Pro-forma is adjusted for the payments received in July ‘23 from the Third Joint Venture and Allianz Real Estate and as well as the expected proceeds from the first closing with the Fifth Joint Venture in Q3 ‘23

2 The reported proportional LTV amounts to 52%, pro forma LTV is adjusted for the payments received in July ‘23 from the Third Joint Venture and Allianz Real Estate and as well as the expected proceeds from the first closing with the Fifth Joint Venture in Q3 ‘23

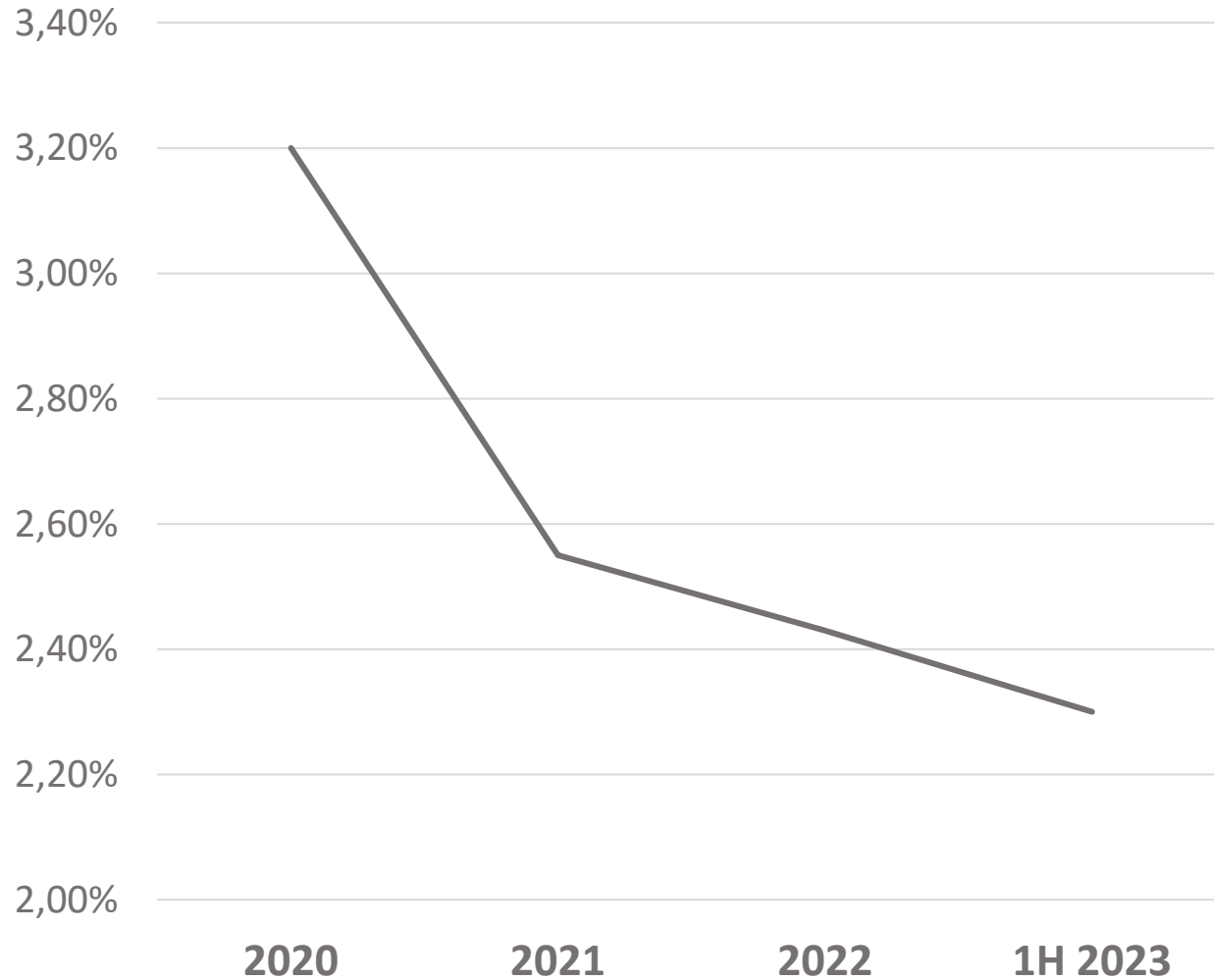
# Proceeds from disposals compensated bond and dividend payments, additional € 500 million of gross proceeds expected in Q3 '23



Cash flow statement	30 June '23	30 June '22
Cash at beginning of period	699,168	222,160
<b>Net cash generated from operating activities</b>	<b>(22,780)</b>	<b>(60,869)</b>
<b>Net cash used in investing activities</b>	<b>(99,449)</b>	<b>(338,284)</b>
Proceeds from disposal	268,217	215,474
Capex	(333,673)	(472,238)
Loans to JV	(37,399)	(73,035)
Distributions by JV	3,407	(8,485)
<b>Net cash used in financing activities</b>	<b>(225,050)</b>	<b>812,589</b>
Dividends paid	(75,050)	(149,557)
Bonds	(150,000)	991,149
Loan repayments	-	(19,000)
Equity raised	-	-
<b>FX and transfer to held for sale</b>	<b>(17,019)</b>	<b>2,900</b>
<b>Cash at end of period</b>	<b>334,870</b>	<b>648,499</b>
<b>Total Cash flow of period</b>	<b>(347,279)</b>	<b>423,438</b>

# Low average cost of debt and significant liquidity

Average cost of debt



- € 2,210 mm Total Debt
- **2.3% Average Cost of Debt**
- **Significant liquidity**
  - € 357.5 mm Cash<sup>1</sup>
  - € 400 mm non-utilised Credit Facility
- Bond maturities in 2023
  - 3.90% for € 225 million Sep-23
  - The € 150 million April-23 bond was paid in cash on the maturity date

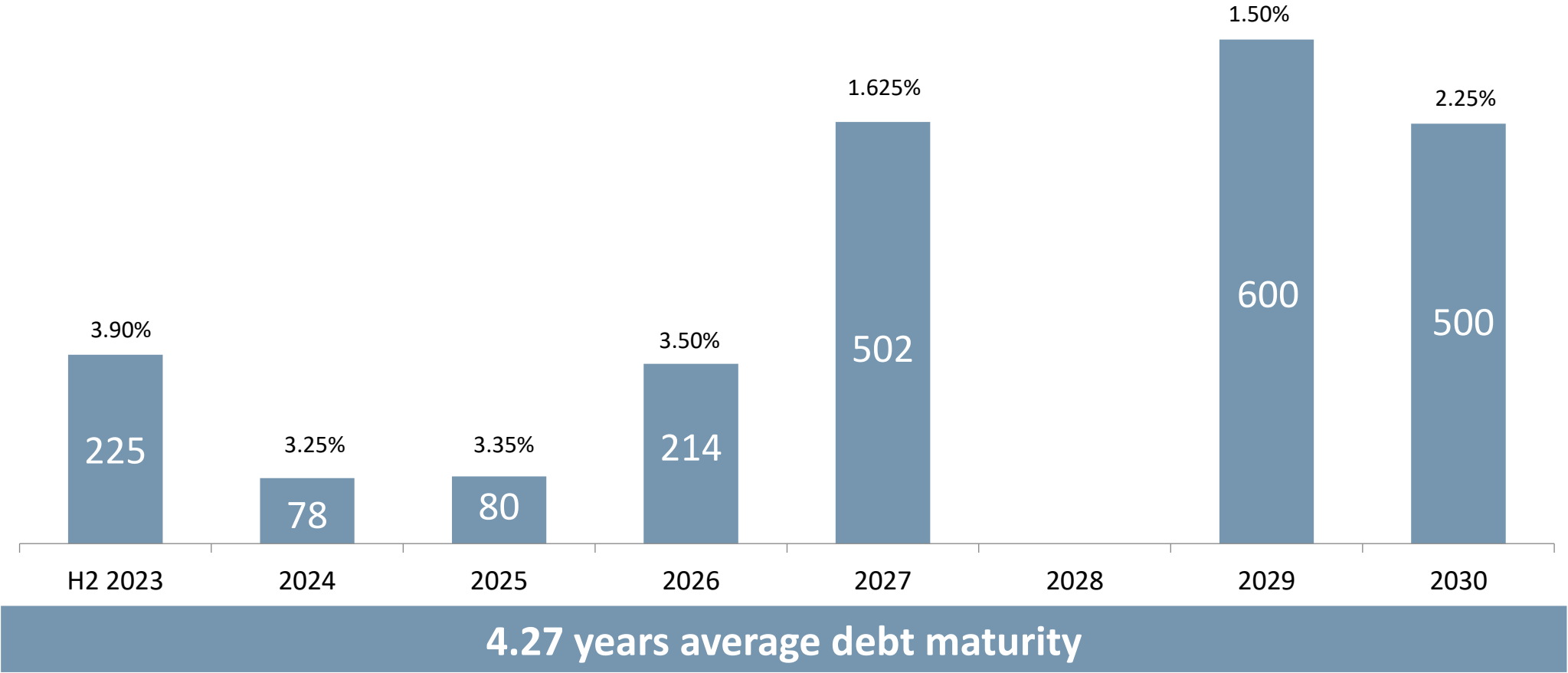
Source: Company information as of Jun 2023

<sup>1</sup> Including € 22.7 million classified as disposal group held for sale

# Near term refinancing covered through available cash and cash recycling



Maturity profile financial debt (€mm)

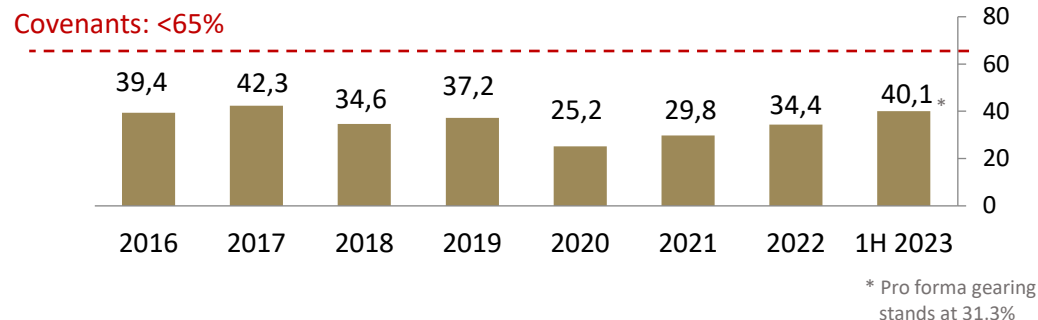


Source: Company information as of June 2023

# Significant headroom to key covenants

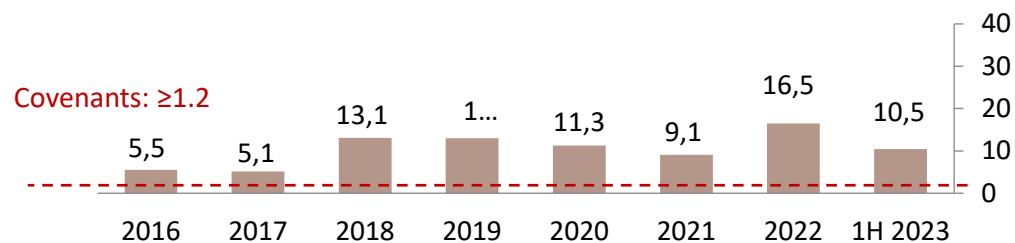


## Gearing ratio (%)<sup>1</sup>

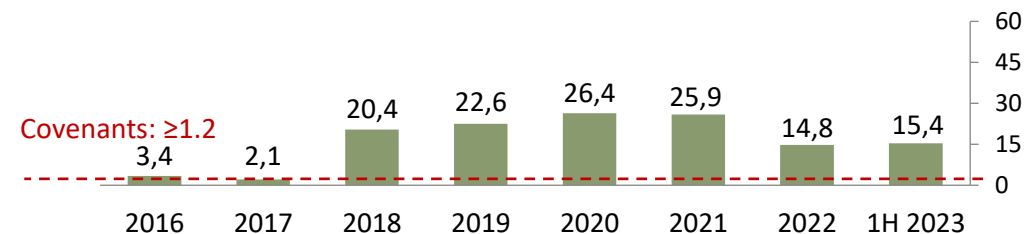


100% Unencumbered Assets

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



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



## Joint Ventures financing and covenants

Joint Venture	LTV	Convenant
Rheingold (JV1)	38.2%	> 65% <sup>4</sup>
Aurora (JV2)	48.5%	75% <sup>5</sup>
Pro forma proportional LTV *	49.2%	n/a

Source: Company information as of June 2023

<sup>1</sup>Consolidated Gearing means consolidated Total Net Debt divided by the sum of the equity and total liabilities; <sup>2</sup>Debt service cover ratio means cash available for debt service divided by debt service whereby debt service means the aggregate amount of financial expenses due and payable together with any loan principal due and payable; <sup>3</sup>Interest Cover Ratio means the aggregate net rental income (increased with the available cash and cash equivalents) divided by the net Finance Charges; <sup>4</sup>Covenant stands at 70% for Germany, 65%-67,5% for Czech Republic and Slovakia, 75% for Hungary <sup>5</sup> with the exception of Romania (60%)

\* pro forma LTV is adjusted for the payments received in July '23 from the Third Joint Venture and Allianz Real Estate and as well as the expected proceeds from the first closing with the Fifth Joint Venture in Q3 '23

# Update Joint Ventures

# Strategic joint venture partnerships

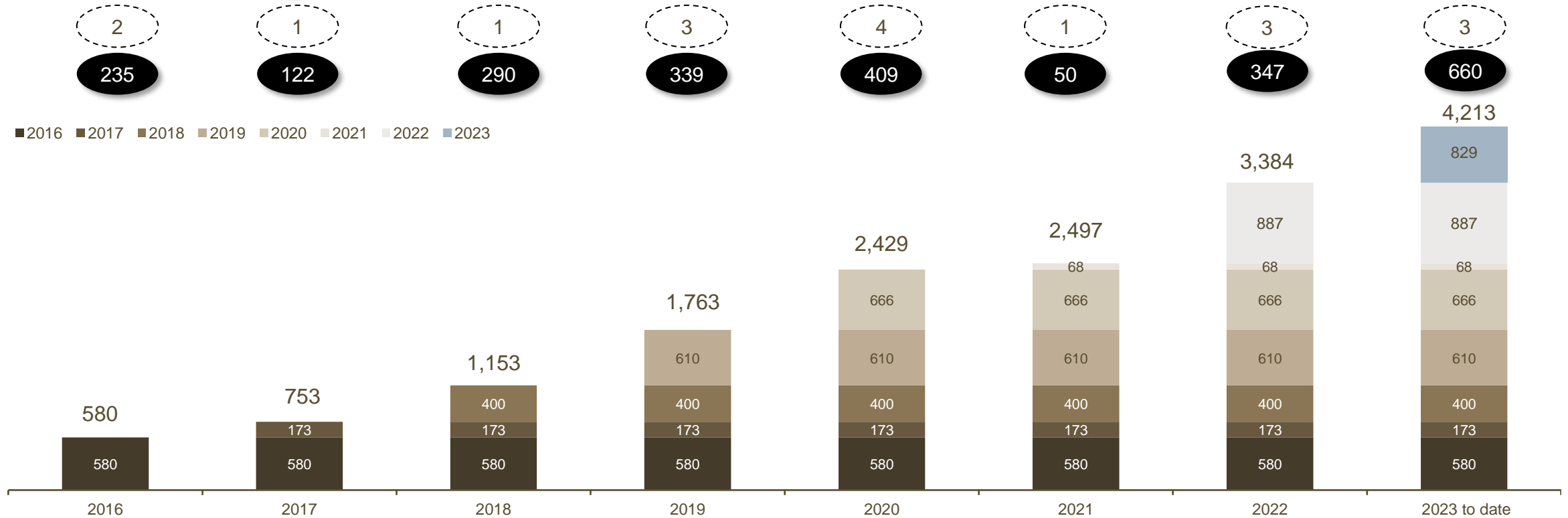
- **VGP remains point contact partner** for tenants and municipalities throughout the process and beyond
- Allianz Real Estate and Deka Immobilien are "**silent partners**"
- The partnership structure provides **additional stability and flexibility** for our development activities
- Completed and leased buildings are transferred to one of the **joint ventures** owned 50% by VGP
- **VGP decides and implements independently of its joint venture partners on new locations and development activities** across all countries



# Closings with JV's at pace in 2023 with a record €660 million recycled YTD

Gross Asset Value from closings per year with JV Partners (€m)

○ Number of closings ● Net cash proceeds (€m)



Closings '23: Rheingold X – Aurora IV and Deka closing I

Realised over €1 billion historical built-up valuation gains through Joint Venture closings

An aerial photograph of an industrial or utility site. In the foreground, there is a large, dark, rectangular pond surrounded by lush green trees. In the middle ground, a long, low-profile building with a grey facade and a series of vertical panels is visible. To the right, another building with a yellow sign that says 'UNICUS' is partially obscured by trees. The background shows a flat landscape with more trees and a clear sky.

# VGP ESG Update

# Update on ESG Achievements and developments



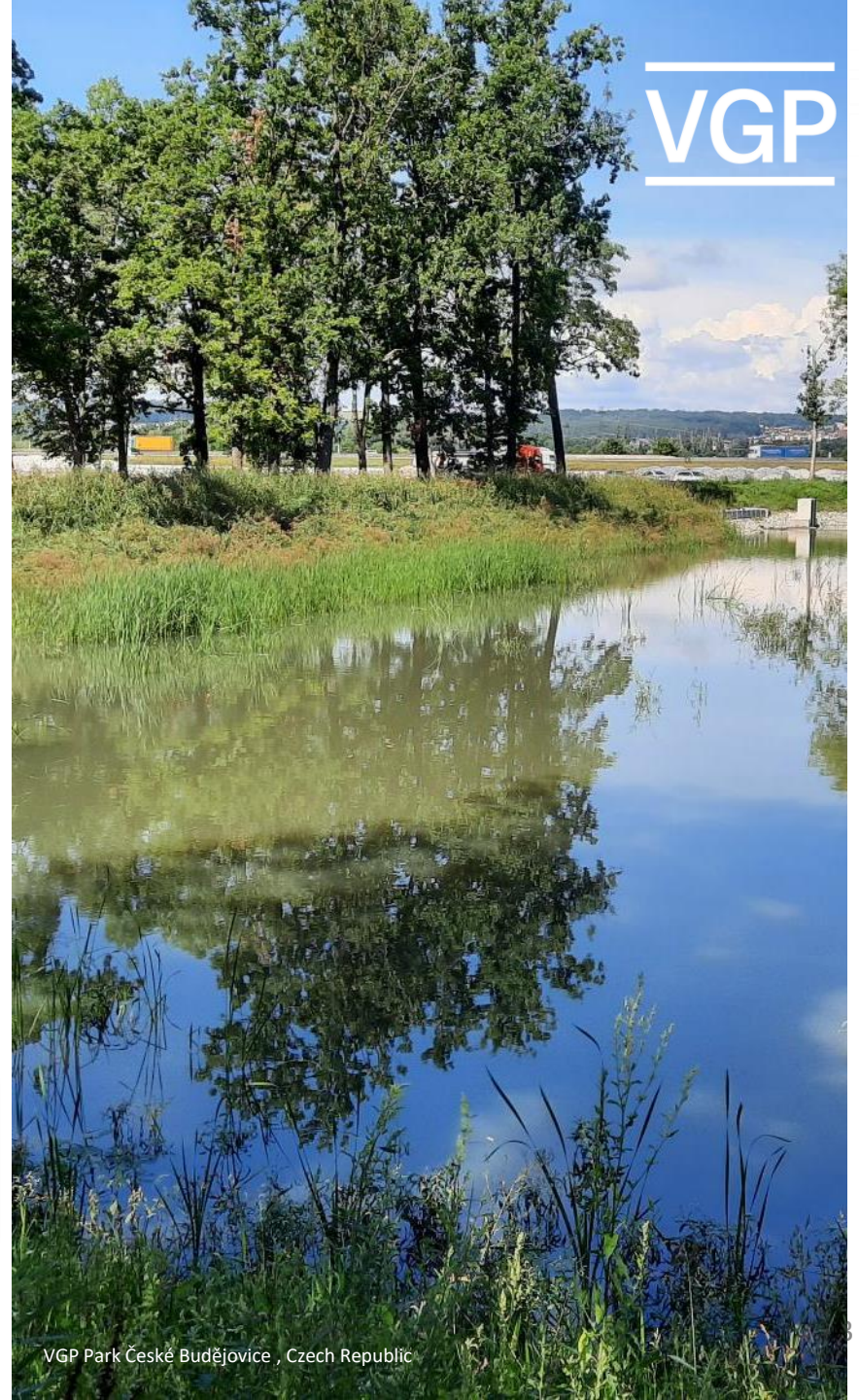
- Standing portfolio carbon intensity (scope 3, category 13) reduced by c. 7.5% YoY; on-track for Group 2030 reduction target (confirmed by the Science Based Target initiative)
- Auditor limited assurance being obtained on scope 1+2 as well as portfolio emissions
- New lease contracts include green lease clause requiring green electricity procurement as standard
  - Roof solar electricity production expected to be a major contributor
- An internal carbon pricing mechanism has been established



- The Group published its Biodiversity 2030 Strategy
- Next steps for the EU Taxonomy review are well underway
  - Two buildings having received an EU Taxonomy compliance 'certification'
  - Several further EU Taxonomy building 'certifications' are currently ongoing
- VGP aims to have all new developments certified with BREEM Excellent or DGNB Gold certification



- VGP was included in the BEL ESG index by Euronext, an index tracking the 20 Brussels-listed companies demonstrating the best ESG practices



# Disclaimer

## **ABOUT VGP**

VGP is a pan-European developer, manager and owner of high-quality logistics and semi-industrial real estate. VGP operates a fully integrated business model with capabilities and longstanding expertise across the value chain. The company has a strategic focus on the development of business parks. Founded in 1998 as a Belgian family-owned real estate developer in the Czech Republic, VGP with a staff of circa 371 FTEs today and operates in 17 European countries directly and through several 50:50 joint ventures. As of June 2023, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 6.76 billion and the company had a Net Asset Value (EPRA NTA) of € 2.2 billion. VGP is listed on Euronext Brussels. (ISIN: BE0003878957).

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

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