

H1 2019 Results Presentation

23 August 2019

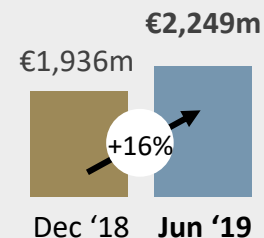
1. Highlights H1 2019

H1 2019: Record amount of new lease contracts solidifies path of continued future growth

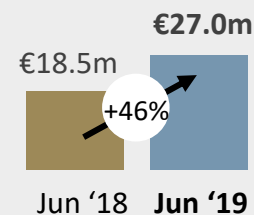
- **New lease agreements corresponding to € 27.0 million of annualised rent income**
 - **Bringing the total annualised rental income to € 129.3 million (+24% YTD)**
- **Significant development pipeline**
 - **Delivered 175,000 m² of lettable area in first half of 2019, representing €9.2 million of annualized committed leases**
 - **24 buildings with 480,000 m² under construction as of 30 June 2019**
 - **In addition, on 17th of July, announced milestone project near Munich which is completely pre-let with 250,000 m² of lettable space**
- **Occupancy of the standing portfolio of 99.4%; weighted average term of 8.6 years**
- **Significant strengthening of platform for future growth**
 - **Total owned and secured land bank of 6.1 million m²**
 - **Broadened partnership with Allianz through the launch of second 50:50 JV**

Ongoing solid financial performance

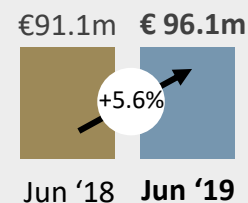
- **Strong growth of total portfolio value¹ driven by strong development activities and further contraction of yields**



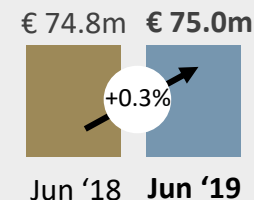
- **Record new leases signed during H1 2019, driving committed annualised rental income to € 129.3 million (+24% YTD)¹**



- **Record operating profit realised for H1 2019**



- **Solid net profit in line with expectations**



¹ Including JV portfolio at 100%. VGP's own portfolio, including JV at share, grew 15% to € 1.56 billion

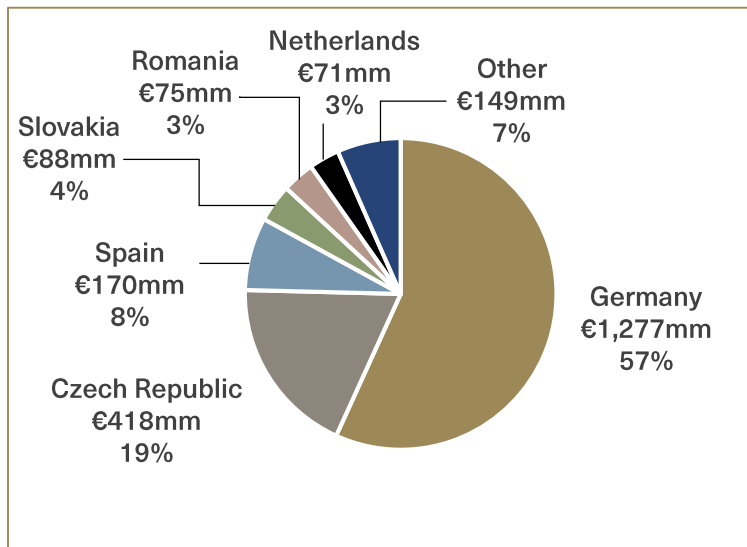
2. Operational performance

Investment portfolio

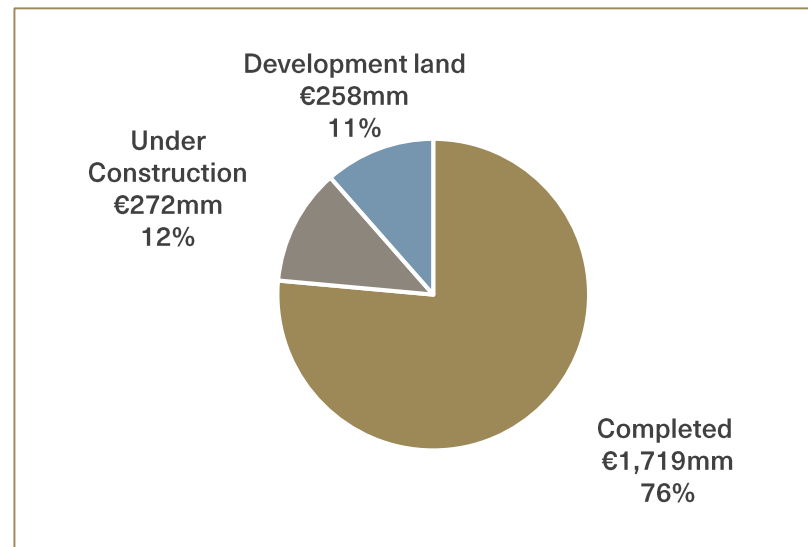
- The Investment portfolio has grown from €1,936 million at YE2018 to **€2,249 million at H1 2019, up 16%¹**
- Geographical split is becoming increasingly diversified as we have entered into new markets over the last 18 months
- As of H1 2019, Western Europe represents 69% of total portfolio¹ and 76% of operating EBITDA (incl JV at share)

Investment portfolio breakdown¹

Country breakdown



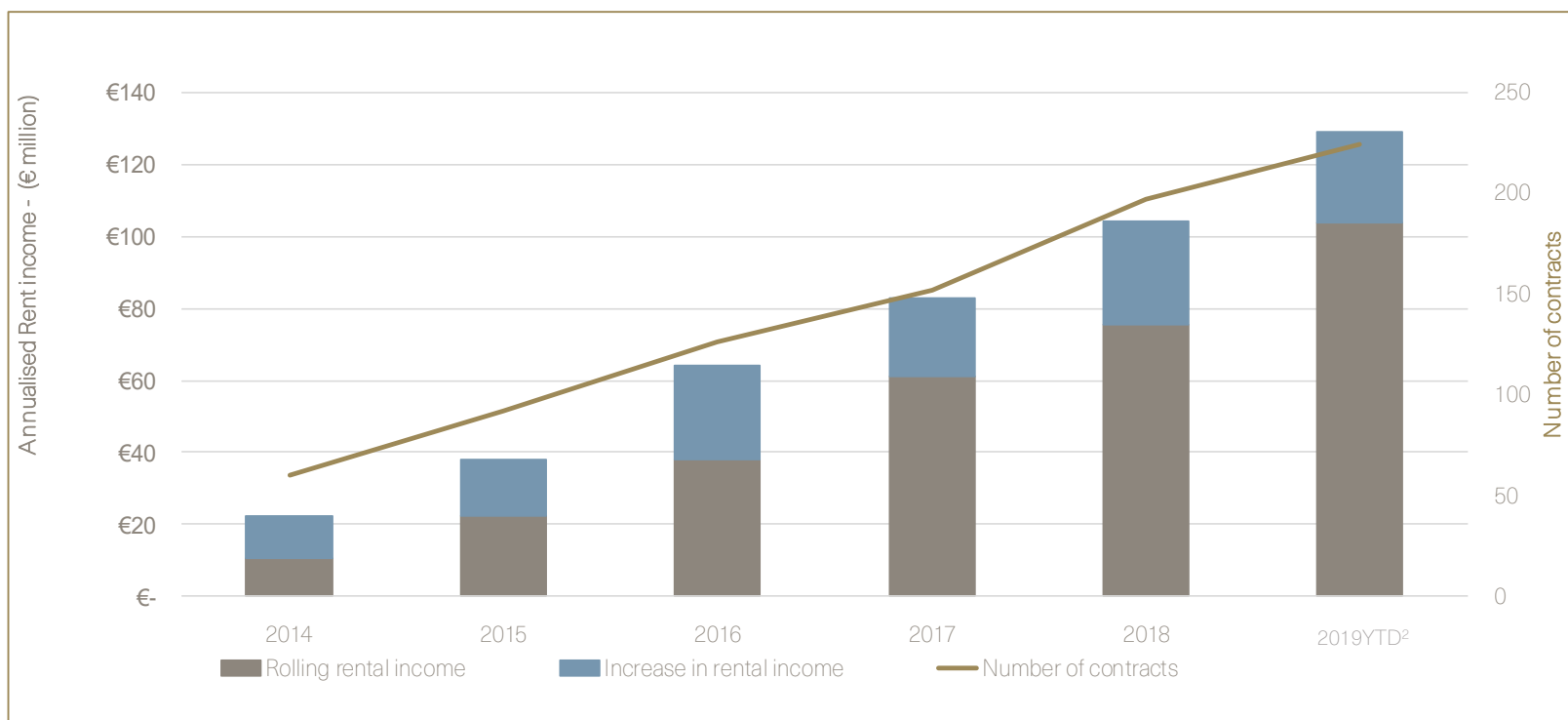
Completed vs Under Construction vs Land Bank



¹ Including 100% of JV assets

Record leasing growth in H1 2019 driven by enduring strong momentum

Committed annualised rental income and number of tenancy contracts¹



- Over 220 tenant contracts driving committed annualised leases to € 129.3 million², an increase of 24% YTD
 - € 49.7 million through own portfolio and € 79.6 million through the Joint Venture
- Occupancy rate of 99.4% for the completed portfolio¹

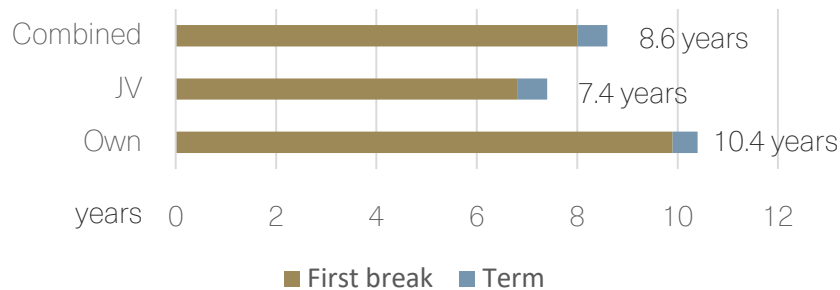
Record signed and renewed rental income of €27 million in 2019 YTD²

¹ Including 100% of JV assets

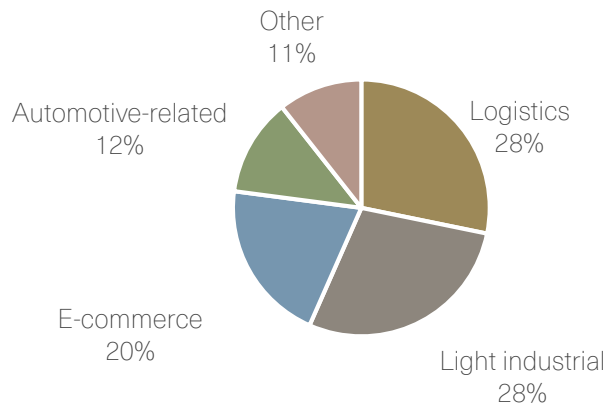
² As of 30 June 2019

Portfolio leased on a long-term basis to a diversified and blue-chip customer base

Weighted average term of the portfolio

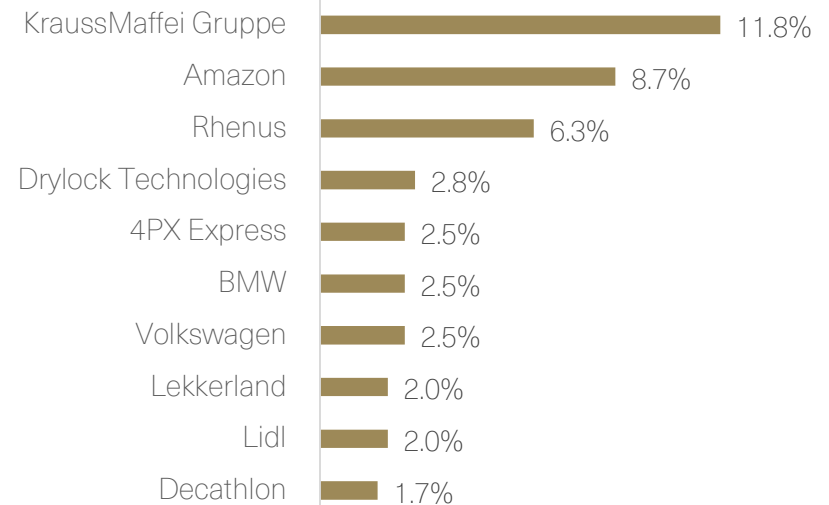


Tenant portfolio breakdown – by industry segment



Diversified customer base

Blue-chip top 10 Tenants (JV at 100%)

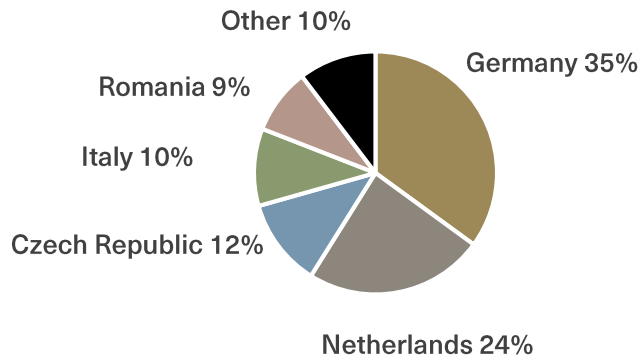


Top 10 clients count for 42.9%

Healthy level of construction activity

- During H1 2019 a total of **11 buildings were delivered**, representing **175,000 m²**
- At Jun 2019 a total of **24 buildings under construction**, representing **480,000 m²**
 - Equates to € 24.7 million of new lease contracts
 - Number of large pipeline projects (incl. Laatzen and Munich) not yet reflected in the figures as of Jun '19
 - Portfolio under construction was 57% pre-let at Jun '19; including these two additional pipeline projects¹ combined pipeline portfolio is 75% pre-let

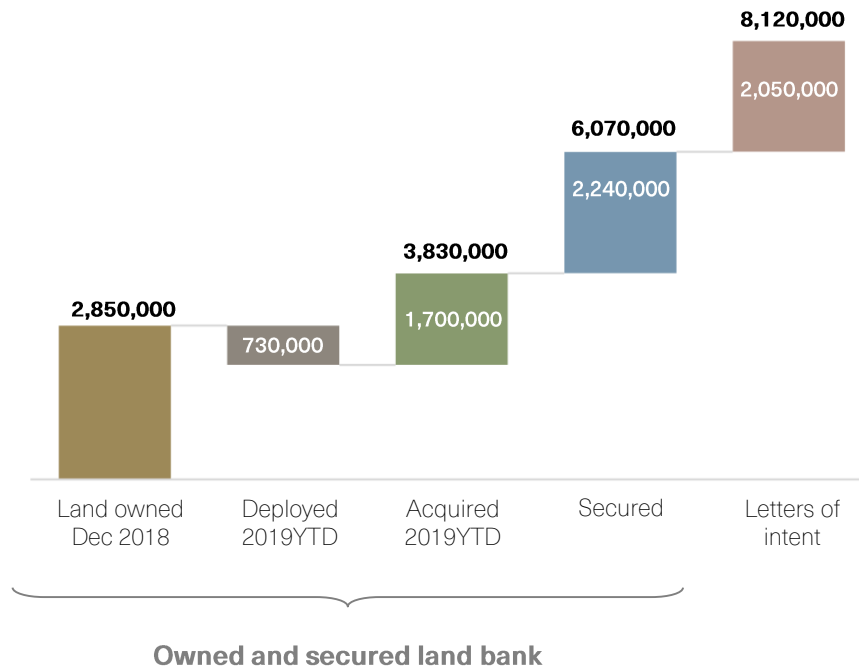
Developments – geographic breakdown (by m²)



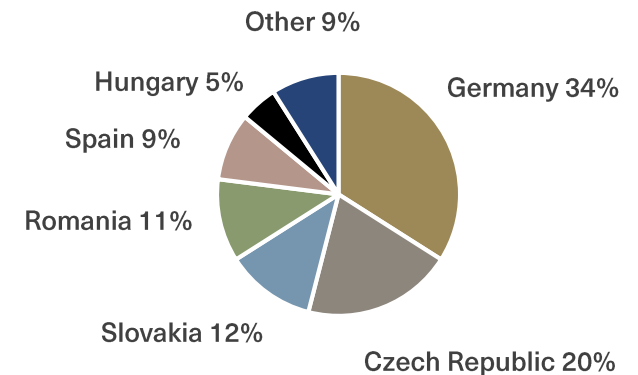
¹ VGP Park Munich and VGP Park Laatzen are combined 88% pre-let

Well advanced land bank to support future growth

Build-up of Land bank (m²)



Land bank¹ – geographic breakdown



¹ Geographical breakdown of development potential (m²) of the owned and secured land bank

- Total owned and secured land bank of 6.07 million m² equates to development potential of 2.8 million m²
- In addition, 2.05 million m² of land under option, subject to due diligence, with 1.0 million m² of development potential

3.8 million m² of development potential embedded in the Land bank

Expanded strategic partnership with Allianz Real Estate through launch of second joint venture – VGP European Logistics 2



- In Q1 2016 VGP entered into a 50/50 JV with Allianz Real Estate (VGP European Logistics) for a period of ten years with possible extensions
- This JV has a right of first refusal at market value for income generating assets developed by VGP in Germany, Czech Republic, Hungary and Slovakia
- In July 2019 VGP entered into a second 50/50 JV with Allianz Real Estate ("VGP European Logistics 2") also for a period of ten years with possible extensions
- This JV has a right of first refusal at market value for income generating assets developed by VGP in Austria, Italy, Netherlands, Portugal, Romania and Spain
- Two joint ventures, each with an investment target of €1.7 billion gross asset value (first JV already reached c. € 1.5 billion)

3. Financial performance

Income Statement

■ Operating profit up €5 million to €96.1 million

- Increased profit share from JV (+ €4.5 million) and net valuation gains (+ €3.6 million) more than offsetting lower net rental income (- €1.9 million) and higher admin expenses (€1.5 million)

■ On a “look-through”- basis ¹ net rental is up € 3.5 million (17%) to € 24.2 million, despite the sale of Mango

■ Net valuation gains on the property portfolio of € 65.3 million

- The own standing property portfolio is valued on a weighted average yield of 6.40% (vs. 6.29% as at 31 Dec '18)²

■ Administrative expenses of € 9.9 million

- Higher admin running costs YoY reflects expansion of VGP organisation over last 12 months

■ Taxes increased to € 13.9 million from €10.2 million, reflecting change in country mix

Income statement (€ million)

	Jun '19	Jun '18
Revenue	14.8	15.7
Gross rental income	7.4	9.0
Property operating expenses	(0.9)	(0.6)
Net rental income	6.4	8.3
Joint venture management fee income	4.9	4.6
Net valuation gains on investment properties	65.3	61.7
Administration expenses	(9.9)	(8.4)
Share in result of JV	29.3	24.8
Operating profit	96.1	91.1
Financial income	2.5	3.5
Financial expense	(9.7)	(9.6)
Net financial result	(7.1)	(6.1)
Profit before taxes	89.0	85.0
Taxes	(13.9)	(10.2)
Profit for the period	75.0	74.8

¹ Look-through basis includes VGP's share of the JV net rental income

² The (re)valuation of the own portfolio was based on the appraisal report of the property expert Jones Lang LaSalle

Income Statement – by segment

Investment

	H1 '19	H1 '18
Gross rental income	7.4	9.0
Property operating expenses	(0.1)	(0.1)
Net rental income	7.3	8.9
Joint venture management fee income	-	-
Net valuation gains on investment properties destined to the JV	-	-
Administration expenses	(1.1)	-
Share of JV's adjusted operating profit after tax	17.3	11.7
EBITDA	23.5	20.6

- Share in result of JV up €5.6 million corresponds to VGP's share in the result of the JV excluding any revaluation result

Development

	H1 '19	H1 '18
Gross rental income	-	-
Property operating expenses	(0.8)	(0.6)
Net rental income	(0.8)	(0.6)
Joint venture management fee income	-	-
Net valuation gains on investment properties destined to the JV	63.9	40.3
Administration expenses	(7.3)	(8.3)
Share of JV's adjusted operating profit after tax	-	-
EBITDA	55.7	31.4

- Valuation gains/(losses) on investment properties related to countries outside the JV perimeter have been excluded, i.e. Latvia

Property and Asset Management

	H1 '19	H1 '18
Gross rental income	-	-
Property operating expenses	-	-
Net rental income	-	-
Joint venture management fee income	4.9	4.6
Net valuation gains on investment properties destined to the JV	-	-
Administration expenses	(1.3)	0.0
Share of JV's adjusted operating profit after tax	-	-
EBITDA	3.6	4.6

- Revenues includes joint venture property and asset management income and development management income

Balance sheet - assets

- Investment Properties of €541 million, up €73 million since Dec '18, despite €203 million closing with JV
 - Completed portfolio has decreased by €20 million to €102 million
 - *HFS has increased €16 million to €291 million*
 - Under Construction has increased by €70 million to €205 million
 - Development land has increased by €22 million to €235 million
- Investment in Joint Venture and associates increased by €57 million to €299 million reflecting the fifth closing with the first JV and property appreciation
- Cash position of €73 million

	30 Jun '19	31 Dec '18
ASSETS		
Investment properties	541.0	468.5
Investment in joint venture and associates	298.7	241.4
Other non-current receivables	53.1	41.5
Other non-current assets	4.0	1.6
Total non-current assets	896.8	753.0
Trade and other receivables	22.7	23.1
Cash and cash equivalents	72.7	161.4
Disposal group held for sale	291.0	274.9
Total current assets	386.4	459.4
TOTAL ASSETS	1,283.2	1,212.4

Balance sheet – Shareholders' equity and liabilities

- Shareholders' equity of €569 million, up €26 million since Dec '18
- Total liabilities of €714 million, up €45 million since Dec '18
 - Increase in non-current financial liabilities mainly due to remaining balance due in respect of acquired development land of VGP Park Bratislava (€ 26.4 million)
- Gearing at the end of 2018 stood at 39.8%¹
 - Company's target maximum consolidated gearing of 65%

	30 Jun '19	31 Dec '18
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	569.2	543.5
Non-current financial debt	564.9	564.4
Other non-current (financial) liabilities	37.8	3.5
Deferred tax liabilities	18.0	22.9
Total non-current liabilities	620.7	590.7
Current financial debt	11.7	22.5
Trade debt and other current liabilities	45.0	46.4
Liabilities related to disposal group HFS	36.5	9.3
Total current liabilities	93.3	78.2
Total liabilities	714.0	669.0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,283.2	1,212.4

¹ Calculated as Net debt / Total equity and liabilities

4. Outlook and Summary

Summary and Outlook

- Solid financial performance driven by record operating result
- Broadened partnership with Allianz Real Estate through launch of second 50:50 joint venture
- Several, largely pre-let milestone projects in pipeline, including VGP Park Laatzen and VGP Park Munich
- Land bank significantly strengthened – securing platform for future growth

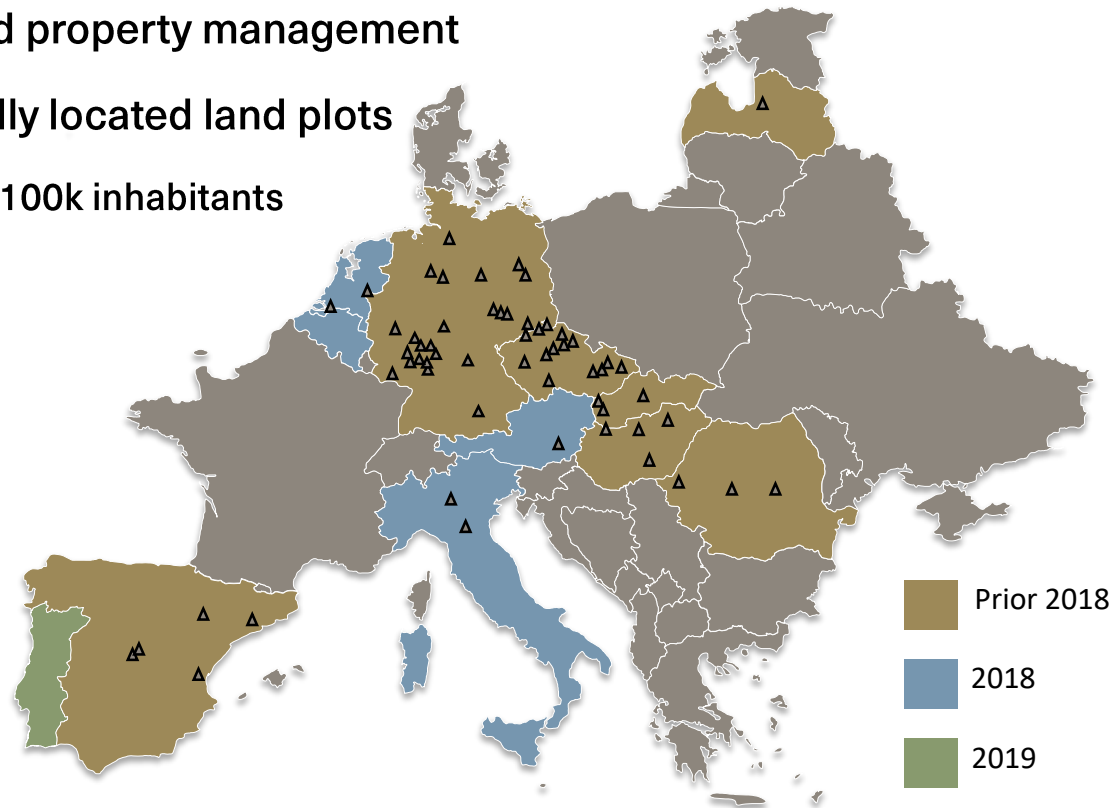
- Continued supportive fundamental market drivers
- E-commerce to continuously fuel demand for lettable space
- JV is expected to conduct >€150 million closing before end 2019

VGP well positioned to capture future growth

Appendix

The Continental European pure-play logistics real-estate group

- Fully integrated business model – from land identification and acquisition to development and asset and property management
- Focus on securing strategically located land plots
 - Major European cities with >100k inhabitants
 - Public transport links
 - 24/7-operations
- Focus on developing large multi-tenant business parks
- High-quality standardised logistic and semi industrial real estate



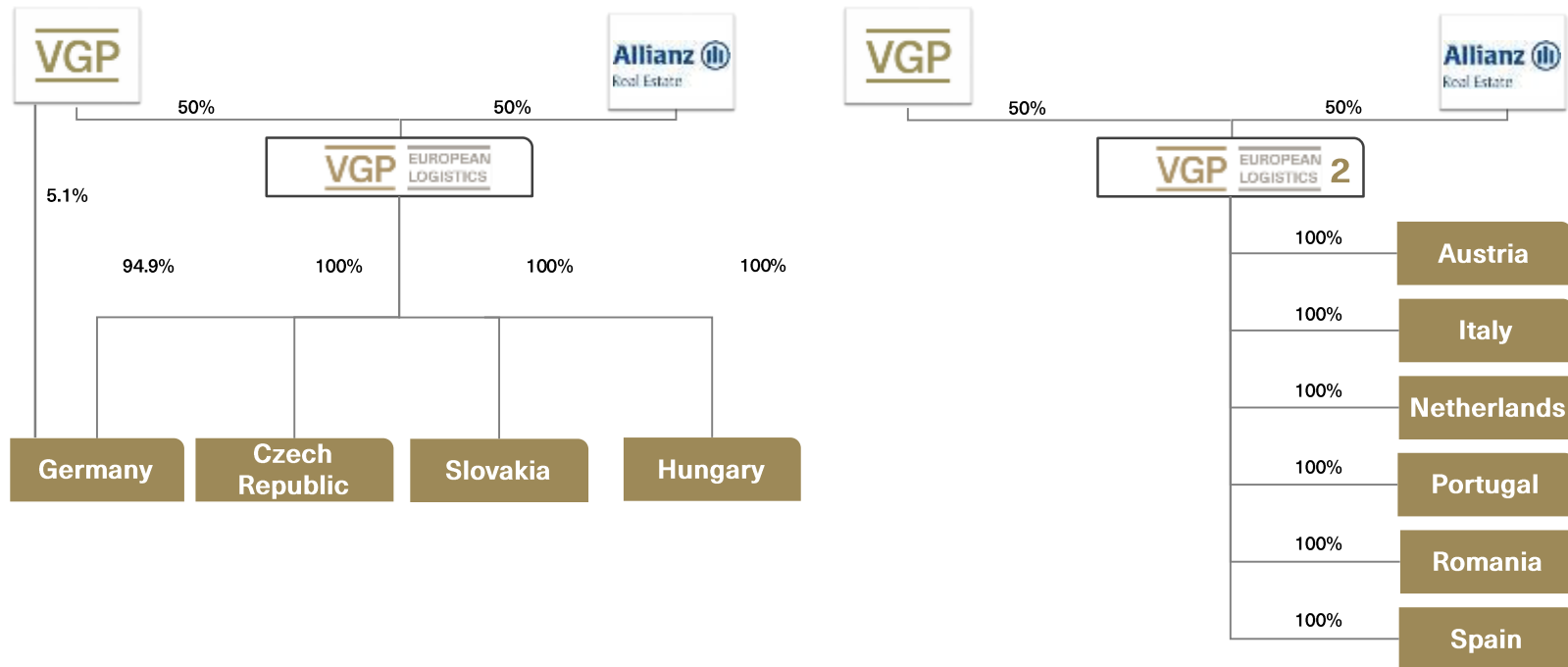
>200 real estate and development experts

12 European countries

61 logistics parks

Value creation crystallisation through strategic partnership with Allianz enabling capital recycling for all new projects

Simplified structure of the two joint ventures VGP European Logistics and VGP European Logistics 2



Highlights

- Two joint ventures, each with an investment target of €1.7 billion gross asset value (first JV already reached c. € 1.5 billion)
- Exclusive Right of First Refusal for the respective JV to acquire assets in designated countries
- VGP to continue to service both portfolios as asset, property and development manager
- Joint Ventures act as long term capital buyer at market value

Driving sustainable growth through develop and hold strategy with long term partner whilst maximizing shareholder value through optimal capital allocation

Proven ability to replenish and add to the land bank with additional top locations secured in 2019 YTD right across Europe

Land plots bought or secured in 2019 or Letter of Intent signed



 Location of land plots bought or secured in 2019 or land plots for which a Letter of Intent is signed as of 30 June 2019

Disclaimer

ABOUT VGP

VGP is a leading 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 well-advanced land bank of 8.1 million sqm and the strategic focus is on the development of business parks. Founded in 1998 as a family-owned real estate developer in the Czech Republic, VGP with a staff of around 190 employees today owns and operates assets in 12 European countries directly and through VGP European Logistics, a joint venture with Allianz Real Estate. As of June 2019, the Gross Asset Value of VGP, including the joint venture, amounted to €2.2 billion and the company had a Net Asset Value (EPRA NAV) of €604 million. VGP is listed on Euronext Brussels and on the Prague Stock Exchange (ISIN: BE0003878957).

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

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