

RECORD AMOUNT OF NEW LEASE CONTRACTS SOLIDIFIES PATH OF CONTINUED FUTURE GROWTH

23 August 2019, 7:00am, Antwerp (Berchem), Belgium: VGP NV ('VGP' or 'the Group'), a leading European provider of high-quality logistics and semi-industrial real estate, today announces the results for half-year ended 30 June 2019:

- Solid operating performance resulting in a net profit of € 75.0 million
 - Signed and renewed lease agreements corresponding to € 27.0 million of annualised rent income bringing the total annualised rental income to € 129.3 million (+24% YTD)¹
 - Delivered 175,000 m² of lettable area in first half of 2019
 - 480,000 m² under construction as of 30 June 2019
 - After the reporting period end a milestone project near Munich was announced with the development of a new park which is completely pre-let with 250,000 m² of lettable space
- Significant strengthening of platform for future growth
 - VGP invested in its future pipeline with 1.7 million m² of new land bought
 - A further 2.24 million m² committed subject to permits
- Announced broadened partnership with Allianz through the launch of second 50:50 Joint Venture on 1 July 2019
 - VGP European Logistics 2 is an investment vehicle targeting core logistics assets in Austria, Italy, the Netherlands, Portugal, Romania and Spain²

VGP's Chief Executive Officer, **Jan van Geet**, said: *"The last few months have been very exciting as we have presented two milestone projects in Germany on which VGP has worked intensively over the past few years: a new Munich business park for around 40 hectares and a new land site in Laatzen near the Hannover fair for the construction of a 28 hectare industrial park. Both parks together are already for 88% pre-let."*

Jan Van Geet added: *"In addition to these two parks we have acquired highly attractive land positions across Europe and a record amount of new lease contracts secured thereby setting our course for continued future growth. Last but not least, our ability to finance our growth has been significantly enhanced through the announced second 50/50 joint venture with Allianz Real Estate. This proven partnership will help us to grow further in already developed markets such as Spain and Italy but also in fast growing markets such as Romania."*

Jan van Geet concluded: *"Driven by structural demand drivers like urbanization and supply chain reconfigurations as well as rising ecommerce adoption rates we see continued momentum for European Logistics real estate into the second half of 2019. We are very positive about our immediate and medium term outlook driven by our significant and mostly pre-let construction pipeline with multiple large projects kicking-off over the next 12 months."*

¹ Compared to 31 December 2018 inclusive of Joint Venture at 100%

² First 50:50 JV (VGP European Logistics) covers the markets of Germany, Slovakia, Czech Republic and Hungary

FINANCIAL AND OPERATING HIGHLIGHTS

Record new signed leases

- Record signed and renewed rental income of € 27.0 million driven by 306,000 m² of new lease agreements signed, corresponding to € 25.9 million of new annualised rental income¹ combined with 19,000 m² of lease agreements renewed corresponding to € 1.1 million of annualised rental income².
- The signed annualised committed leases represent € 129.3 million³ (equivalent to 2.28 million m² of lettable area), a 24% increase since December 2018.

Healthy level of construction activity

- A total of 11 projects completed delivering 175,000 m² of lettable area, representing €9.2 million of annualised committed leases.
- Additional 24 projects under construction which will create 480,000 m² of future lettable area, representing €24.7 million of annualised committed leases once built and fully let.

Land bank has continued to expand

- Acquisition of 1.7 million m² of development land and a further 2.24 million m² committed subject to permits which brings the remaining total owned and secured land bank for development to 6.1 million m², which supports 2.8 million m² of future lettable area.
- A further 2.0 million m² of new land plots identified which are under negotiation and having a development potential of 1.0 million m² of future lettable area.

Announcement of two new milestone projects in Germany

- On 18 July 2019, VGP announced the development of a new 40 ha site business park for BMW and KraussMaffei Group near Munich which will offer 250,000m² of future lettable area whilst the construction phase is anticipated to start in October 2019, this project will have a timeframe of several years and involve an investment of more than € 500 million.
- The other project, VGP Park Laatzen, is a 28 ha land site near the Hannover Fair, which will offer 121,000 m² of future lettable area with KraussMaffei Berstorf as anchor tenant, with the construction kicking off in November 2019 and opening planned for the second half of 2020.
- The two new parks together are already 88% pre-let to-date.

Strengthened and diversified board

- Our board has been strengthened as three new highly commendable independent members were elected to our board in May 2019: Mrs. Katherina Reiche, Mrs. Vera Gäde-Butzlaff and Mrs. Ann Gaeremynck.

¹ Of which 287,000 m² (€ 23.5 million) related to the own portfolio

² Of which 19,000 m² (€ 1.0 million) related to the VGP European Logistics portfolio

³ For Joint Venture at 100%

- The new members replaced the former three independent directors, following the expiry of their statutory terms of independence qualification. As a result, the board maintained a ratio of 60 percent independent and the gender makeup now comprises 60 percent women.

Expansion of partnership with Allianz Real Estate through launch of second joint venture

- On 1 July 2019, VGP and Allianz announced the expansion of their strategic partnership with a new 50:50 joint venture “VGP European Logistics 2”, which is an investment vehicle targeting the acquisition of logistics assets from VGP in Austria, Italy, the Netherlands, Portugal, Romania and Spain.
- VGP and Allianz are targeting to grow the joint venture to a gross asset value of €1.7 billion within five years by exclusively acquiring prime assets developed by VGP in these countries.
- Allianz initial equity commitment into the new joint venture amounts to €350 million, which is similar to the first joint venture, VGP will service the new joint venture as its asset, property and development manager.

Balance sheet strengthened by a successful joint venture closing, with another closing just after the end of the reporting period and third closing envisaged before the end of the year

- VGP European Logistics joint venture saw one closing during the first half of 2019 for €203 million (net cash proceeds of €125.4 million)
- Gearing¹ on 30 June 2019 stood at 39.8%, (versus 34.6% at year-end 2018), well below the Company’s maximum consolidated gearing of 65%.
- After reporting period end, VGP European Logistics 2 saw the initial transaction closing on 31 July 2019 for an initial transaction value of € 175 million with gross proceeds of circa € 96 million. A further closing with VGP European Logistics (first joint venture) is expected to occur before the end of 2019. We current estimate the transaction value of this closing to be > € 150 million.

KEY FINANCIAL METRICS

Operations and results	H1 2019	H1 2018	Change (%)
Signed committed annualised rental income (€mm)	27.0	18.5	45.9%
IFRS Operating profit (€mm)	96.1	91.1	5.6%
IFRS net profit (€mm)	75.0	74.8	0.3%
IFRS earnings per share (€ per share)	4.04	4.02	0.5%

Portfolio and balance sheet	30 Jun 19	31 Dec 18	Change (%)
Portfolio value, including joint venture at 100% (€mm)	2,249	1,936	16.2%
Portfolio value, including joint venture at share (€mm)	1,560	1,355	15.1%
EPRA NAV per share (€ per share)	32.51	30.94	5.1%
IFRS NAV per share (€ per share)	30.63	29.25	4.7%
Net financial debt (€mm)	510.9	419.3	21.8%
Gearing ¹ (%)	39.8	34.6	-

¹ Calculated as Net debt / Total equity and liabilities

CONFERENCE CALL FOR INVESTORS AND ANALYSTS

VGP will host a conference call at 10:30 (CEST) on 23 August 2019

The conference call will be available on:

- Belgium: 0800 58228 (toll free) / +32 (0)2 404 0659
- UK: 0800 358 6377 (toll free) / +44 (0)330 336 9105
- US: 800-239-9838 (toll free) / +1 323-794-2551
- Confirmation Code: 5567733

A presentation is available on VGP website:

<http://www.vgpparks.eu/investors/en/reports-and-presentations/presentations>

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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 development land bank of 8.1 million m² 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 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 at 100%, 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>

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

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