VGP NV

public limited liability company (*naamloze vennootschap* / *société anonyme*)
under Belgian law

Public Offer in Belgium
2.75 per cent. fixed rate bonds due 2 April 2023

Nominal amount: EUR 1,000
Minimum subscription amount: EUR 1,000
Issue Price: 100.75%
ISIN Code: BE0002677582 – Common Code: 208152149 (the **Bonds**)
Yield (gross actuarial return): 2.515 per cent. (on an annual basis)
Net yield (net actuarial return): 1.693 per cent. (on an annual basis)
The yield is calculated on the basis of the issue of the Bonds on the Issue Date, the Issue Price, the Interest Rate of 2.75 *per cent. per annum and is based on the assumption that the Bonds will be held until 2 April 2023 when they will be repaid at 100% of their principal amount in accordance with the Conditions. It is not an indication of future yield if the Bonds are not held until their Maturity Date. The net yield reflects a deduction of Belgian WHT at the rate of 30% (Investors should consult Part XII:* Taxation *of this Prospectus for further information about Belgian taxation).*

for a minimum amount of EUR 100 million and a maximum amount of EUR 150 million

Issue Date: 2 December 2019
Subscription Period: from 22 November 2019 until 26 November 2019 included (subject to early closing)

Application has been made for the Bonds to be listed on the regulated market of Euronext Brussels and to be admitted to trading on the regulated market of Euronext Brussels

Global Coordinator and Bookrunner

KBC Bank NV

Joint Lead Managers

Belfius Bank SA/NV KBC Bank NV

The date of this Prospectus is 19 November 2019

This Prospectus has been approved as a prospectus by the Belgian Financial Services and Markets Authority (the "**FSMA**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The FSMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FSMA should not be considered as an endorsement of the Issuer or of the quality of the Bonds. Investors should make their own assessment as to the suitability of investing in the Bonds.

This Prospectus will be valid until 19 November 2020. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

These Bonds constitute debt instruments. An investment in the Bonds involves risks. By subscribing to the Bonds, investors lend money to the Issuer who undertakes to pay interest on an annual basis and to reimburse the principal on the Maturity Date. In case of bankruptcy or default by the Issuer, however, investors may not recover the amounts they are entitled to and risk losing all or a part of their investment. These Bonds are intended for investors who are capable of evaluating the interest rates in light of their knowledge and financial experience. An investment decision must solely be based on the information contained in this Prospectus. Before making any investment decision, the investors must read the Prospectus in its entirety (and, in particular, Part II: *Risk factors* on pages 10-25 of the Prospectus). Investors should in particular note that the Issuer's solvability and liquidity (repayment capacity of the increasing debt to finance its growth) depends on the sustainability of its development activities, its ability to execute new lease agreements and its sales cycles of completed projects to the Joint Ventures and that the Bonds are effectively subordinated to the secured indebtedness of the Issuer and structurally subordinated to the substantial indebtedness of the Joint Ventures on which the Issuer is highly dependent. Each potential investor must investigate carefully whether it is appropriate for this type of investor to invest in the Bonds, taking into account his or her knowledge and experience and must, if needed, obtain professional advice.

Table of Contents

PART I: SUMMARY.....3

PART II: RISK FACTORS.....10

PART III: IMPORTANT INFORMATION.....26

PART IV: DOCUMENTS INCORPORATED BY REFERENCE.....33

PART V: TERMS AND CONDITIONS OF THE BONDS.....37

PART VI: CLEARING.....59

PART VII: DESCRIPTION OF THE ISSUER.....60

PART VIII: MANAGEMENT AND CORPORATE GOVERNANCE.....123

PART IX: MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS.....133

PART X: FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES.....137

PART XI: USE OF PROCEEDS.....142

PART XII: TAXATION.....143

PART XIII: SUBSCRIPTION AND SALE.....151

PART XIV: GENERAL INFORMATION.....161

PART XV: DEFINITIONS.....162

PART I: SUMMARY

The below summary has been prepared in accordance with the content and format requirements of the Prospectus Regulation. The summary has been prepared in English and translated into Dutch and French. The Issuer is responsible for the consistency of the English, French and Dutch versions of the summary. In case of inconsistency between the different language versions of the summary, the investors will have the right to refer to either language version of the summary.

The summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole, including any documents incorporated by reference. The investor could lose all or part of the invested capital. In case a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. The Issuer can only be held liable on the basis of the summary, including any translation thereof, where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

The bonds are 2.75 per cent. fixed rate bonds due 2 April 2023 and will be issued for an expected minimum amount of EUR 100 million and a maximum amount of EUR 150 million with ISIN BE0002677582 (the **Bonds**), issued by VGP NV, having its registered office at Uitbreidingstraat 72, box 7, 2600 Antwerp, Belgium, registered with the Crossroads Bank for Enterprises under number 0887.216.042, enterprise court of Antwerp, division Antwerp (the **Responsible Person** or the **Issuer** or the **Company**) with Legal Entity Identifier code: 315700NENYPIXFR94T49. The Issuer may be contacted on +32 3 289 14 30.

The Prospectus has been approved by the Belgian Financial Services and Markets Authority, Congresstraat 12-14, 1000 Brussels, Belgium (the **FSMA**) on 19 November 2019.

Key information on the Issuer

Who is the Issuer of the securities?

The Issuer is VGP NV, having its registered office at Uitbreidingstraat 72, box 7, 2600 Antwerp, Belgium, registered with the Crossroads Bank for Enterprises under number 0887.216.042, enterprise court of Antwerp, division Antwerp with LEI code: 315700NENYPIXFR94T49.

The Issuer is the holding company of a group which is specialised in the acquisition, development and management of logistic real estate, i.e. buildings suitable for logistical purposes and light industrial activities and which is active in Germany, Spain, Italy, the Netherlands, Austria, Portugal, the Czech Republic and certain other Central European countries.

In order to sustain its growth over the medium term, VGP entered into two 50/50 joint ventures with Allianz:

- The 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 Joint Venture has 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 income generating assets that are transferred to the Joint Ventures are being developed at VGP's own risk and subsequently acquired and paid for by the Joint Ventures.

As at 30 June 2019, the property portfolio of the Group (including the Joint Ventures) was mainly located in Germany (gross asset value of EUR 1.277,1 million (57%)) and the Czech Republic (gross asset value of EUR 418.4 million (19%)). As at 31 October 2019, the current own investment property portfolio consists of 12 completed buildings representing 207,000 m² of lettable area. The property portfolio of the Joint Ventures consists of 84 completed buildings representing 1,670,000 m² of lettable area. As at 31 October 2019, there were 34 buildings under construction representing 705,000 m² of lettable area of which 6 buildings (75,000 m²) are being developed on behalf of the Joint Ventures.

The two main ultimate reference shareholders of the Issuer are (i) Mr Jan Van Geet who (directly or indirectly) holds 33.81% of the voting rights of VGP NV, and (ii) Mr Bart Van Malderen (directly or indirectly) who holds 25.16% of the voting rights of VGP NV and who is chairman and a non-executive director. The Issuer is not directly or indirectly controlled by another party.

The Issuer's board of directors is currently composed out of the following 5 members: Jan Van Geet (as permanent representative of Jan Van Geet s.r.o.), Bart Van Malderen (as permanent representative of VM Invest NV), Ann Gaeremynck, Katherina Reiche and Vera Gäde-Butzlaff. The Issuer's Statutory Auditor is DELOITTE Bedrijfsrevisoren CVBA, with registered office at Gateway Building, Luchthaven Nationaal 1J, 1930 Zaventem, Belgium, represented by Mrs Kathleen De Brabander.

What is the key financial information regarding the Issuer?

Given the interdependencies between the Issuer and the Joint Ventures (which are accounted for on an equity basis), the key financial information is provided separately for the Issuer and the Joint Ventures.

	Year Ended		Six-Months Ended	
In millions of EUR	**31 Dec-17**	**31 Dec-18**	**30 Jun-18**	**30 Jun-19**
KEY CONSOLIDATED FINANCIAL STATEMENT INFORMATION				
The Issuer				
Net rental and related income	15.1	15.5	8.3	6.4
Joint Ventures' management fee income	8.1	10.0	4.6	4.9
Net valuation gains / (losses) on investment property	94.6	98.6	61.7	65.3
Administration expenses	(19.4)	(18.2)	(8.4)	(9.9)
Share in result of joint ventures and associates	29.2	45.2	24.8	29.3
Operating result	127.7	151.1	91.1	96.1
Investment properties (incl. disposal group held for sale)	822.6	730.7	631.0	821.6
Total financial debt	473.4	586.9	480.3	591.3
Cash and cash equivalents (incl. disposal group held for sale)	36.8	167.6	127.5	80.4
Cash flow from operating activities	(6.8)	(51.0)	(14.0)	(5.9)
Cash flow from investing activities	(90.3)	104.7	135.0	(40.7)
Cash flows from financing activities	57.6	77.3	(35.7)	(41.2)
Joint Ventures and associates (at 100%)[1]				
Net rental and related income	32.9	52.3	23.1	33.3
Net valuation gains / (losses) on investment property	45.0	74.5	43.7	53.7
Administration expenses	(1.7)	(2.0)	(1.1)	(0.9)
Operating result	76.3	124.8	65.7	86.1
Investment properties[2]	715.1	1,162.9	1,134.5	1,377.2
Total financial debt[2]	400.3	655.2	673.0	765.2
Cash and cash equivalents (incl. disposal group held for sale)	22.2	42.3	42.9	57.7
KEY ALTERNATIVE PERFORMANCE MEASURES ("APMs")				
The Issuer				
Net debt[3]	436.6	419.3	352.8	510.9
Gearing ratio (net debt on shareholder's equity and liabilities)[3]	42.3%	34.6%	33.8%	39.8%
Annualised Committed Leases[4]	30.2	33.3	27.9	49.7

Occupancy rate %[4]	100.0%	99.4%	99.2%	98.7%
Joint Ventures and associates (at 100%)				
Net debt[3]	378.2	613.0	630.0	707.5
Aggregate Loan to Value[(4)(5)]	56.0%	55.9%	59.1%	54.9%
Annualised Committed Leases[4]	52.5	70.9	68.9	79.6
Occupancy rate %[4]	100.0%	99.3%	99.4%	99.6%

KEY PROPORTIONALLY CONSOLIDATED FINANCIAL STATEMENT INFORMATION (not audited)				
Net rental and related income	32.6	43.4	20.7	24.2
Joint Ventures' management fee income	8.1	10.0	4.6	4.9
Net valuation gains / (losses) on investment property	119.1	138.5	85.1	94.2
Administration expenses	(20.2)	(19.2)	(9.0)	(10.3)
Operating result	139.5	172.6	101.4	113.0
Investment properties[2]	1,205.7	1,355.0	1,239.9	1,560.1
Total financial debt	688.1	938.9	842.2	987.4
Cash and cash equivalents	42.1	183.9	150.5	103.6

[1] Excludes the 5.1% direct interest of the Group in the German asset companies of the Joint Ventures.

[2] Excludes the development and construction loans provided by VGP in respect of development land and assets under constructions transferred to the Joint Ventures during previous closings for an amount of EUR 137.2 million as at 31 December 2017, EUR 101.9 million as at 31 December 2018, EUR 71.9 million as at 30 June 2018 and EUR 72.5 million as at 30 June 2019.

[3] Audited figures.

[4] Non-audited figures.

[5] Aggregate Loan to Value is the ratio calculated as the total outstanding financial debt including the shareholders loans granted by Allianz and VGP to the Joint Ventures and the 5.1% direct interest of the Group in the German asset companies of the Joint Ventures but excluding the development and construction loans granted by VGP to the Joint Ventures divided by the fair market value of the investment properties acquired by the Joint Ventures (including the 5.1% direct interest of the Group in the German asset companies of the Joint Ventures) as at the respective reporting dates.

Post balance sheet date events

There has been no significant change in the financial or trading position of the Issuer since 30 June 2019. The following events took place since 30 June 2019:

- launch of 14 new projects, representing 306,000 m² of future lettable area;
- increase in the Annualised Committed Leases (including the Joint Ventures at 100%) to EUR 143.6 million (of which EUR 90.5 million related to the Joint Ventures) at the end of October 2019;
- first closing of the Second Joint Venture with cash proceeds amounting to circa EUR 96 million, financed in part by an initial drawdown of EUR 79.9 million under the Second Joint Venture's existing credit facilities;
- expansion of the land bank through acquisition of new land plots for a total amount of EUR 145 million, of which EUR 116 million related to the acquisition of land for VGP Park Munich and VGP Park Laatzen. The development of VGP Park Munich was initiated in September 2019; and
- issue of a EUR 33.5 million *Schuldschein* loan and a EUR 22 million secured bank loan for VGP Latvia.

What are the key risks that are specific to the Issuer?

In purchasing the Bonds, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Bonds. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of factors which could materially adversely affect its business and ability to make payments due. The key risks specific to the Issuer are:

- the Group may not be able to continue its development activities in a sustained and profitable way, for which it depends on its ability to execute new lease agreements and dispose of its real estate assets to the Joint Ventures;

- the Issuer's development projects may experience delays and other difficulties, especially in respect of receiving the necessary permits;
- the Group's development projects require large initial investments while they start generating income only after a period in time;
- the business, operations and financial conditions of the Group are significantly affected by the Joint Ventures;
- the Issuer is a holding company with no operating income and is solely dependent on distributions made by (and thus the financial performance of) the Joint Ventures and the members of the Group;
- the Issuer's debt levels have substantially increased over the last years and the Issuer is exposed to a (re)financing risk; and
- the Group is exposed to risk of financing from its Joint Ventures.

Key information on the securities

What are the main features of the securities?

The bonds are 2.75 per cent. fixed rate bonds due 2 April 2023 and will be issued for an expected minimum amount of EUR 100 million and a maximum amount of EUR 150 million with ISIN BE0002677582.

The currency of the Bonds is Euro (€). The denomination of the Bonds is EUR 1,000. The maturity date of the Bonds is 2 April 2023 (the **Maturity Date**). There are no restrictions on the free transferability of the Bonds, other than the restrictions in all jurisdictions in relation to offers, sales or transfers.

The Bonds will be issued in dematerialised form (*gedematerialiseerd / dématérialisé*) under the Belgian Company Code and cannot be physically delivered.

Status – The Bonds constitute direct, unconditional, unsubordinated and (subject to the below *Negative Pledge* provision) unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such obligations that may be preferred by provisions of law that are both mandatory and of general application. The right of the holders of Bonds to receive payment on the Bonds is not secured or guaranteed and will effectively be subordinated to any secured indebtedness of the Issuer and structurally subordinated to any indebtedness of the Joint Ventures, the Joint Ventures' subsidiaries and the Subsidiaries. As at the date of this Prospectus (i) the Issuer has no secured indebtedness, (ii) the Group (other than the Issuer) has in total EUR 22 million of secured debt outstanding, and (iii) the Joint Ventures have aggregate secured indebtedness of EUR 391.5 million (on a proportional basis).

Taxation – All payments in respect of the Bonds will be made without deduction for or on account of withholding taxes imposed by the Kingdom of Belgium, unless such withholding or deduction is required by law. In the event that any such deduction is made, the Issuer will not be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge – The terms of the Bonds contain a negative pledge provision which limits, in certain circumstances, the Issuer's right to create or permit to subsist any security interest over any of its assets or business.

Interest – Each Bond bears interest from the Issue Date at the rate of 2.75 per cent. per annum (calculated by reference to its denomination). Interest is payable annually in arrears on 2 April of each year, and for the first time on 2 April 2020. The gross actuarial yield of the Bonds is 2.515 per cent. The net actuarial yield of the Bonds is 1.693 per cent. The net yield reflects a deduction of Belgian withholding tax at the current rate of 30%.

Events of default – Events of default under the Bonds include (i) non-payment, (ii) breach of ratios, (iii) breach of other covenants, agreements or undertakings, (iv) cross-default of the Issuer or a subsidiary, (v) enforcement proceedings, (vi) security enforced, (vii) unsatisfied judgment, (viii) insolvency and insolvency proceedings, (ix) reorganisation, change of or transfer of business or transfer of assets, (x) winding-up, (xi) failure to take action, (xii) unlawfulness and (xiii) delisting of the Bonds. If an event of default occurs and is continuing then any Bond may, by notice in writing given by any Bondholder to the Issuer at its statutory seat with a copy to the agent under the Bonds (the **Agent**) at its specified office, be declared immediately due and repayable at its principal amount together with accrued interest (if any) to the date of payment, without further formality.

Redemption – Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed at their principal amount (together with interest accrued to the Maturity Date) on the Maturity Date. Early redemption of the Bonds may occur (i) following an event of default (at 100% of the nominal amount together with accrued interest), or (ii) at the option of the Bondholders in case of a change of control at the Put Redemption Amount (as specified in the Conditions). The Put Redemption Amount applicable in the case of, or following, a change of control will be equal to the amount which is the lowest of the following two possibilities: (i) 101% of the principal amount of each Bond or (ii) such percentage (higher than 100%) of the principal amount of each Bond, which results in the actuarial yield of an investor between the Issue Date and the date of redemption not being higher than the actuarial yield of the Bonds from the Issue Date up to the maturity date plus 0.75 points.

Meeting of Bondholders – The Conditions of the Bonds contain certain provisions for calling of meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. The Agent and the Issuer may agree, without the consent of the Bondholders, to any modification of the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement (i) which in the Agent's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, or (ii) which is, in the opinion of the Agent, not materially prejudicial to the interests of the Bondholders.

Governing law – Belgian law.

Where will the securities be traded?

Application has been made to Euronext Brussels for the Bonds to be listed on the regulated market of Euronext Brussels. References in this Prospectus to the Bonds as being listed (and all related references) shall mean that the Bonds have been listed on the official list of Euronext Brussels and admitted to trading on the regulated market of Euronext Brussels.

Is there a guarantee attached to the securities?

Not applicable – there is no guarantee attached to the Bonds.

What are the key risks that are specific to the securities?

The key risks associated with the Bonds, including a range of market risks, are:

- the Bonds are unsecured obligations of the Issuer which do not benefit from any guarantee, and which are effectively subordinated to the secured indebtedness of the Issuer and structurally subordinated to the substantial indebtedness of the Joint Ventures;
- the Issuer may not have the ability to repay the Bonds;
- the Bonds are exposed to market interest rate risk which will affect the value of the Bonds as they bear interest at a fixed rate;
- the Bonds may be redeemed prior to maturity in the event of an Event of Default or a Change of Control;

- modification to the Conditions of the Bonds can be imposed under certain conditions;
- the Bonds may be illiquid as there is no guarantee of an active trading market for the Bonds; and
- the Issue Price of the Bonds includes certain additional fees and costs which may not be taken into account for the purpose of determining the price of the Bonds on the secondary market.

Key information on the offering and the admission to trading

Under which conditions and timetable can I invest in this security?

This issue of Bonds is being offered in a Public Offer in Belgium. The Issuer authorises that this Prospectus may be used for the purposes of a public offer until the last day of the subscription period, which runs from 22 November 2019 at 9h00 (CET) until, subject to early closure, 26 November 2019 at 17h30 (CET) (the **Subscription Period**) in Belgium, by any credit institution authorised pursuant to Directive 2013/36/EU or any investment firm authorised pursuant to MIFID II to conduct such offers (an **Authorised Offeror**).

Any Authorised Offeror envisaging to use this Prospectus in connection with a permitted Public Offer is obliged to state on its website, during the Subscription Period, that this Prospectus is used for a permitted Public Offer with the authorisation of the Issuer and in accordance with the relevant applicable conditions.

AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY BONDS IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH BONDS TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.

The Bonds will be issued on 2 December 2019. The Public Offer and the issue of the Bonds is subject to a limited number of conditions set out in the Placement Agreement, which are customary for this type of transaction.

The date of early closure of the Subscription Period, if any, may be determined by the Issuer in agreement with the Bookrunner and the Joint Lead Managers and will intervene at the earliest on 22 November 2019 at 17h30 (CET). In this case, the closing date will be announced by or on behalf of the Issuer on its website (within the section addressed to investors as "Bonds") (www.vgpparks.eu), and on the Joint Lead Managers' websites (www.belfius.be/vgp2019 and www.kbc.be/vgp).

Except in case of oversubscription, a prospective retail subscriber will receive 100% of the amount of the Bonds validly subscribed to it during the Subscription Period. The nominal amount of Bonds reserved for Retail Investors is EUR 80,000,000 if the maximum amount of EUR 150,000,000 is issued. The amount reserved for Retail Investors is allocated between the Joint Lead Managers pursuant to an allotment mechanism, following which the remainder of such amount, if any, is offered to Qualified Investors. Given the possibility of early closure of the Subscription Period, Retail Investors are encouraged to subscribe to the Bonds on the first business day of the Subscription Period, i.e. 22 November 2019 before 17h30 (CET) to ensure that their subscription is taken into account when the Bonds are awarded, subject, as the case may be, to a proportional reduction of their subscription.

Application has been or will be made to Euronext Brussels for the Bonds to be listed and admitted to trading on the regulated market of Euronext Brussels. References in this Prospectus to the Bonds as being "listed" (and all related references) shall mean that the Bonds have been listed on Euronext Brussels and admitted to trading on the regulated market of Euronext Brussels. The regulated market of Euronext Brussels is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended ("**MiFID II**"). Prior to the Public Offer, there has been no public market for the Bonds.

All the costs incurred by the Issuer with respect to the issue of the Bonds (including the costs of legal fees, the auditor, Euronext Brussels, the Agent, the FSMA and costs related to marketing) are to be borne by the Issuer and are estimated to be approximately EUR 1,356,000.

The Issue Price will be 100.75% of the nominal amount for each of the Bonds. Part of this Issue Price paid by Retail Investors and Independent Intermediaries, i.e. 0.75% of the aggregate principal amount of the Bonds effectively placed with Retail Investors and Independent Intermediaries (which is expected to amount to EUR 80,000,000 in the aggregate), shall be part of the fees payable to the Joint Lead Managers and the Bookrunner and shall be paid directly to the Joint Lead Managers and the Bookrunner. Part of the price paid by the Qualified Investors other than the Independent Intermediaries, i.e. the amount by which the Issue Price less a discount of up to 0.75% paid by the Qualified Investors other than the Independent Intermediaries exceeds the aggregate principal amount of the Bonds effectively placed with Qualified Investors other than the Independent Intermediaries, shall be part of the fees payable to the Bookrunner and shall be paid directly to the Bookrunner.

The financial services in relation to the Bonds will be provided free of charge by the Joint Lead Managers. Investors must inform themselves about the costs that their financial institutions might charge them.

Why is this Prospectus being produced?

Use of proceeds

The net proceeds (after deduction of the costs, fees and charges related to the Bonds) of the issue of the Bonds, which are expected to amount to approximately EUR 148.8 million for a nominal amount of EUR 150 million, will be used to further finance the development of new projects on development land in the existing and new markets. The Group expects that the application of the funds towards the aforementioned development and expansion plans will be made within a period of 12 to 18 months following the issuance of the Bonds, provided there are no adverse market conditions.

These new projects include the development of a new site business park for BMW and KraussMaffei Group near Munich which will offer more than 250,000 m2 of future lettable area. This project will have a timeframe of several years and involve an investment of around EUR 500 million (including the land). Another project, VGP Park Laatzen, will offer circa 121,000 m2 of future lettable area with KraussMaffei Berstorf as anchor tenant (representing 63% of the anticipated future rent income). The development phase of this park will have a timeframe of circa 2.5 years and involves an investment of around EUR 150 million (including the land).

Placement agreement

The Joint Lead Managers have agreed with the Issuer in a placement agreement, subject to certain terms and conditions, to use best efforts to place the Bonds in an aggregate maximum amount of EUR 150,000,000 with third parties.

Conflicts of interest

The Joint Lead Managers might have conflicts of interests which could have an adverse effect on the interests of the Bondholders. Potential investors should be aware that the Issuer is involved in a general business relationship or/and in specific transactions with the Joint Lead Managers and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. As at 31 October 2019, the outstanding financial indebtedness of the Issuer towards the Bookrunner amounted to EUR 50,000,000. As of the date of this Prospectus, Belfius Bank SA/NV has granted no credit facilities to the Issuer. However, it is possible that following the date of this Prospectus, Belfius Bank SA/NV will grant certain credit facilities to the Issuer as part of its commercial banking activities, and such credit facilities may be for a significant amount.

PART II: RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur. The risk factors may relate to the Issuer or any of its Subsidiaries (together, the **Group**) or to the Joint Ventures or any of the Joint Ventures' subsidiaries. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below.*

Prospective investors should note that the risks relating to the Issuer and the Bonds summarised in the Prospectus summary are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Bonds. However, as the risks that the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the Prospectus summary but also, among other things, the risks and uncertainties described below.

The risk factors are presented in categories, depending on their nature. In each category, the risk factors which in the assessment of the Issuer are most material, taking into account the negative impact on the Issuer and the probability of their occurrence, are mentioned first. The remaining risk factors within each category are not ranked in order of their materiality.

Before investing in the Bonds, prospective investors should carefully consider all of the information in this Prospectus, including the following specific risks and uncertainties. If any of the following risks materialises, the Issuer's business, results of operations, financial condition and prospects could be materially adversely affected. In that event, the value of the Bonds could decline and an investor might lose part or all of its investment due to an inability of the Issuer to fulfil its obligations under the Bonds. Although the Issuer believes that the risks and uncertainties described below represent all material risks and uncertainties considered relevant on the date of publication of this Prospectus for the Issuer's business, the Issuer may face additional risks and uncertainties not presently known to the Issuer or that the Issuer currently deems to be immaterial. The latter may also have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects, and could negatively affect the value of the Bonds and/or the ability of the Issuer to fulfil its obligations under the Bonds.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and should reach their own views before making an investment decision with respect to any Bonds. Furthermore, before making an investment decision with respect to any Bonds, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Bonds and consider such an investment decision in light of the prospective investor's own circumstances.

Terms defined in Part V: Terms and Conditions of the Bonds *shall have the same meaning when used below.*

RISK FACTORS SPECIFIC TO THE ISSUER

1 Risks related to the Issuer's growth strategy

1.1 The Group may not be able to continue its development activities in a sustained and profitable way, for which it depends on its ability to execute new lease agreements and dispose of its real estate assets to the Joint Ventures

The Group's revenues are determined by the ability to sign new lease contracts and by the disposal of real estate assets, in particular to the Joint Ventures. The Group's short term cash flow may be affected if it is unable to continue successfully signing new lease contracts and successfully dispose of real estate assets, which could have an adverse effect on the Group's business, financial condition and results of operations.

As a result, the Issuer's solvability depends on its ability to create a healthy financial structure in the long term with (i) a sufficiently large recurring income stream from leasing agreements for the developed logistic property (at both the Group's and the Joint Ventures' level) vis-à-vis the debt that is issued for financing the acquisition and the development of that logistic property, and (ii) the Group's ability to continue its development activities in a sustained and profitable way in order to produce income generating properties which once they have reached a mature stage can be sold to the Joint Ventures or eventually to a third party.

The Group is largely dependent on the income stream from the Joint Ventures to which the majority of the mature assets are sold. As a result, the Group receives fee and dividend income from the Joint Ventures instead of leasing income from mature assets. Hence it is important that a sufficiently large recurrent income at the Joint Ventures' level is created in order to upstream cash to the Issuer. Those dividend streams are important for the liquidity and the solvability of the Issuer for the purpose of cash recycling and repayment of shareholders loans.

The Group's current income stream from the Joint Ventures as well as fee income from the Joint Ventures is rapidly increasing but still relatively limited compared to the considerable amount of debt (at both the Group's as well as Joint Ventures' level), as both Joint Ventures are still in their initial 5-year investment phase.

Please also refer to the following risk factors, which are related hereto and which deal with certain aspects in more detail: risk factor 2.2 "*The Group's development projects require large initial investments while they will start generating income only after a period in time*", risk factor 3.1 "*The Group's business, operations and financial conditions are significantly affected by the Joint Ventures*", risk factor 4.1 "*The Issuer's debt levels have substantially increased over the last years and the Issuer is exposed to a (re)financing risk*" and risk factor 4.2 "*The Group is exposed to risk of financing from its Joint Ventures*".

1.2 The Group may not have the required human and other resources to manage growth or may not continue to adequately and efficiently monitor its portfolio

The Group's success depends in part on its ability to manage future expansion and to identify attractive investment opportunities. Such expansion is expected to place significant demands on management, support functions, accounting and financial control, sales and marketing and other resources and involves a number of risks, including: the difficulty of assimilating operations and personnel in the Group's operations, the potential disruption of ongoing business and distraction of management.

As at 30 June 2019, the Group had over 200 employees. The Group's aim is to have a sufficiently large team to support the current growth rate of the Group.

2 Risks related to the Issuer's business activities and industry

2.1 The Issuer's development projects may experience delays and other difficulties, especially in respect of receiving necessary permits

The strategy of the Group is focussed on the development of income generating logistic property and on the potential disposal of such property once it has reached a mature stage.

Development projects tend to be subject to a variety of risks, each of which could cause late delivery of a project and, consequently, increase the development period leading up to its contemplated sale to the Joint Ventures, trigger a budget overrun, cause a loss or decrease of expected income from a project or even, in some cases, its actual termination.

The Group adopts a "first mover" strategy in respect of securing or acquiring land plots on strategic locations without necessarily having already identified a specific future tenant. The Group typically contractually secures land plots to develop its projects prior to the granting of the required permits. The secured land plots are only acquired once the necessary permits have been obtained. The Group's projects are therefore subject to the risk of changes in the relevant urban planning regulations and environmental, zoning and construction permits being obtained in a form consistent with the project plan and concept. The realisation of any project may, therefore, be adversely affected by (i) the failure to obtain, maintain or renew necessary permits, (ii) delays in obtaining, maintaining or renewing relevant permits and (iii) the failure to comply with the terms and conditions of the permits. Furthermore, a permit may be subject to an appeal by an interested party. Any such procedure could further delay the development and, ultimately, the sale of a project to the Joint Ventures and negatively impact the financial condition of the Group.

Over the past 12 to 16 months, the Group has experienced a significant lengthening of the period required for receiving zoning permits. This is due to strong construction activity in all asset classes and local authorities which are unable to timely process all the permit requests. It can currently take between 24 to 36 months in order to receive the necessary permits.

Other factors which may have an adverse effect on the development activities of the Group are, amongst others, unfamiliarity with local regulations, contract and labour disputes with construction contractors or subcontractors, unforeseen site conditions which may require additional work and construction delays or destruction of projects during the construction phase (e.g. due to fire or flooding).

In addition, when considering property development investments, the Group makes certain estimates as to the economic, market and other conditions, including estimates relating to the value or potential value of a property and the potential return on investment. These estimates may prove to be incorrect, rendering the Group's strategy inappropriate with consequent negative effects on the Group's business, results of operations, financial conditions and prospects.

Taking into account all the aforementioned risks, the Issuer does not have the full assurance that all of its development projects can be completed in the expected time frame or within the expected budgets. If any of the risks highlighted above materialise and adversely impact the successful development of the development projects, this could have a material adverse effect on the Group's future business, financial condition, operating results and cash flows.

At the end of October 2019, the Group has a remaining development land bank in full ownership of 4,050,000 m² which allows the Group to develop 1,833,000 m² of future lettable area. This includes the remaining 222,000 m² development land bank held by the Joint Ventures with a development potential of circa 104,000 m² of new lettable area. In addition, the Group has another 2,132,000 m² of secured land plots which are expected to be purchased during the next 6 to 18 months, subject to obtaining the necessary permits. This brings the remaining total owned and secured land bank for development to 6,182,000 m² which represents a remaining development potential of 2,762,000 m². For an overview of the current status of the development activities of the Group, please see section 1.2 of Part VII (*Description of the Issuer*).

2.2 The Group's development projects require large initial investments while they will start generating income only after a period of time

During the first phase of the development of a new project, no income will be generated by the new development until such project is completed and delivered to a tenant. During such phase, the Group already makes significant investments in relation to the development of such project. The development phase of a VGP park typically takes between 12 to 36 months and depends on the size of the park and its development potential. Once the construction of a building is initiated, it takes about 6 to 9 months to complete. The size of the park will also impact the timing of a future sale to the Joint Ventures as in general a park needs to be 75% developed prior to being offered to the Joint Ventures.

As at 30 June 2019, the Group had contractual obligations to develop new projects which were not yet rent income generating for a total amount of EUR 168.8 million (compared to EUR 75.5 million as at 31 December 2018). Any delay in the development of such projects or the lease thereof could have an adverse effect on the Group's business, financial condition and results of operations.

2.3 The Issuer could experience a lower demand for logistic space due to fluctuating economic conditions in certain markets

The Group's revenues depend to a large extent on the volume of development projects. Hence the results and cash flows of the Group may fluctuate significantly depending on the number of projects that can be developed and sold to the Joint Ventures.

The volume of the Group's development projects depends largely on national and regional economic conditions and other events and occurrences that affect the markets in which the Group's property portfolio and development activities are located. The Group is currently active in: Germany, Austria, the Netherlands, Spain, Portugal, Italy, the Czech Republic, the Slovak Republic, Hungary, Romania and Latvia. For an overview of recent developments in the markets in which the Group is active, please refer to section 4.2 of Part VII (*Description of the Issuer).*

A change in the general economic conditions of the countries where the Group is present could result in lower demand for logistic space, rising vacancy rates and higher risks of default by tenants and other counterparties. The Group's main country exposure is Germany, with 51% of the Group's property portfolio and projects under construction(own and Joint Ventures at 100% combined) located there as at 31 October 2019 (compared to 51% as at 30 June 2019 and 54% as at 31 December 2018). For an overview of recent developments in the Group's portfolio, please refer to section 1.2 of Part VII (*Description of the Issuer*).

2.4 The fair market value of the property portfolio might not be realised and is subject to competition

The Group's revenues depend on the fair market value of its real estate projects. The results and cash flows of the Group may fluctuate significantly depending on the number of projects that can be developed and sold to the Joint Ventures and their respective fair market values.

The own property portfolio, excluding development land but including the assets being developed on behalf of the First Joint Venture, is valued by a valuation expert at 30 June 2019 based on a weighted average yield of 6.40 per cent. (compared to 6.29 per cent. as at 31 December 2018) applied to the contractual rents increased by the estimated rental value of unlet space. A 0.10 per cent. variation of this market rate would give rise to a variation of the total portfolio value of EUR 10.4 million.

The markets in which the Group operates are also exposed to local and international competition (for more information on the Group's main competitors, please refer to section 4.2 of Part VII (*Description of the Issuer*)). Competition among property developers and operators may result in, amongst others, increased costs for the acquisitions of land for development, increased costs for raw material, shortages of skilled contractors, oversupply of properties and/or saturation of certain market segments, reduced rental rates, decrease in property prices and a slowdown in the rate at which new property developments are approved, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.5 The Group may lose key management and personnel or fail to attract and retain skilled personnel

The Group continues to depend to a large degree on the expertise and commercial qualities of its management, commercial and technical team and in particular on its Chief Executive Officer, Jan Van Geet.

In particular, if Jan Van Geet, as Chief Executive Officer of the Group, would no longer devote sufficient time to the development of the portfolio of the Joint Ventures, Allianz can stop the acquisition process of income-generating assets until he has been replaced to the satisfaction of Allianz. Please refer to section 3.2.2 (*Joint Venture Agreements*) of Part VII (*Description of the Issuer*) for further details.

Experienced technical, marketing and support personnel in the real estate development industry are in high demand and competition for their talent is intense. In order to retain personnel, a long-term incentive plan is in place through a separate vehicle, VGP Misv. Comm. VA. This plan is being phased out over the next two years and is being replaced by a new long-term incentive scheme which will take effect as from 2019. Please refer to section 3.3 of Part VII (*Description of the Issuer*) for further details.

The loss of services of any members of the management or failure to attract and retain sufficiently qualified personnel may have a material adverse effect on the Group's business, financial condition, operating results and cash flows.

3 Risks related to the Issuer's Joint Ventures

3.1 The Group's business, operations and financial conditions are significantly affected by the Joint Ventures

In order to enable the Group to continue to invest in its development pipeline whilst at the same time being adequately financed, the Group has entered into two 50:50 joint ventures with Allianz. These Joint Ventures allow the Group to partially recycle its initial invested capital when completed projects are acquired by the Joint Ventures and allow the Group to re-invest these monies in the continued expansion of the development pipeline, including the further expansion of the land bank, thus allowing VGP to

concentrate on its core development activities. Please refer to sections 1.1 (*Strategic partnership with Allianz*) and 3.2 (*Relationship with the Joint Ventures*) of Part VII (*Description of the Issuer*) for further information.

The Issuer may therefore be significantly affected by the Joint Ventures, which are subject to additional risks such as:

- the Joint Ventures may discontinue acquiring the completed assets from the Group as the Joint Ventures have no contractual or legal binding obligation to acquire the income generating assets offered by the Group;
- the Issuer has recognised that it has a constructive obligation towards the Joint Ventures (please refer to section 3.2.7 of Part VII (*Description of the Issuer*) for further information.
- the sale of properties to the Joint Ventures could result in a decrease of the reported gross rental income of the Group as some of the sold properties may make a significant contribution to the income of the Group prior to their sale and their respective deconsolidation;
- Allianz may stop the acquisition process of proposed income-generating assets and the Joint Venture Agreements may be amended or terminated in accordance with the provisions thereof;
- the Issuer may incur additional liabilities as a result of cost overrun on developments made on behalf of the Joint Ventures;
- the Issuer may be unable to provide funds to the Joint Ventures which were previously committed under the terms of the relevant Joint Venture Agreement, which may result in the dilution of the Issuer;
- changes in consolidation rules and regulations may trigger a consolidation obligation at the level of Allianz which may result in the dilution of the Issuer;
- in case of a material breach by the Issuer or in case the participation that Jan Van Geet holds in the Company would fall below 25%, Allianz may terminate the Joint Venture Agreements or may exercise a call option on the Issuer's shares in the Joint Ventures at a discounted purchase price; and
- the Joint Ventures or any of their subsidiaries may be in default under the development and construction loans granted by the Group which may have a negative impact on the Issuer.

3.2 Any or all such risks could have a material adverse effect on the Joint Ventures' business, financial condition and results of operations, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, the Joint Ventures are exposed to many of the risks to which the Group is exposed, including amongst others the risks for the Group as described in the following sections: risk factor 1.1 "*The Group may not be able to continue its development activities in a sustained and profitable way, for which it depends on its ability to execute new lease agreements and dispose of its real estate assets to the Joint Ventures*" (but only in relation to the ability to execute new lease agreements, not the ability to dispose of assets), risk factor 2.3 "*The Issuer could experience a lower demand for logistic space due to fluctuating economic conditions in certain markets*", and risk factor 2.1 "*The Issuer's development projects may experience delays and other difficulties, especially in respect of receiving necessary permits*", all as in this Part II.

3.3 The Issuer is a holding company with no operating income and is hence solely dependent on distributions made by, and the financial performance of, the Joint Ventures and the members of the Group

The Issuer is a holding company of which the sole activity is the holding and managing of its only asset, i.e. its participations in the Subsidiaries and in the Joint Ventures. The real estate portfolios of the Group are owned through specific asset companies which are 100% subsidiaries of the Issuer or which are subsidiaries of the Joint Ventures.

Accordingly, the Issuer's ability to meet its financial obligations under the Bonds will largely depend on the cash flows from the members of the Group and the distributions paid to it by members of the Group or the Joint Ventures. The ability of the Subsidiaries and the Joint Ventures to make distributions to the Issuer depends on the rental income generated by their respective portfolios.

The net rental and related income generated by the Joint Ventures as at 30 June 2019 amounted to 60% of the net rental and related income of the Group (compared to 64% as at 31 December 2018). The share in result of the Joint Ventures amounted to 30% of the Group's operating result as at 30 June 2019 (compared to 27.2% as at 30 June 2018 and 29.9% as at 31 December 2019).

The financing arrangements of the Joint Ventures, and to a lesser extent the Subsidiaries, are subject to a number of covenants and restrictions which could restrict the ability to upstream cash to the Issuer. The bank facilities require the Joint Ventures and the Subsidiaries to maintain specified financial ratios and meet specific financial tests. A failure to comply with these covenants could result in an event of default that, if not remedied or waived, could result in a Joint Venture or the members of the Group being required to repay these borrowings before their due date.

3.4 The Issuer and the Group may be unable to recover their loans granted to the Joint Ventures and their subsidiaries

The Issuer and the Group have granted significant loans to the Joint Ventures and to the Joint Ventures' subsidiaries. These outstanding loans carry the risk of late, partial or non-repayment in the event of underperformance by any of the Joint Ventures or their subsidiaries.

For further details on the outstanding shareholder loans towards the Joint Ventures, please refer to section 3.2.9 in Part VII (*Description of the Issuer*). For more details on the effects of the performance of the Joint Ventures, please also refer to risk factors "*The Group's business, operations and financial conditions are significantly affected by the Joint Ventures*" and "*The Issuer is a holding company with no operating income and is hence solely dependent on distributions made by, and the financial performance of, the Joint Ventures and the members of the Group*" in this Part II.

4 Risks related to the Issuer's financial situation

4.1 The Issuer's debt levels have substantially increased over the last years and the Issuer is exposed to a (re)financing risk

In view of the geographic expansion, accelerated growth of the Group and more generally, the sustained growth of the demand for logistic warehouse space, the Group has incurred significant borrowings in recent years. With the start of a number of significant new prime developments, i.e. VGP Park Munich and VGP Park Laatzen, VGP expects that debt levels in (nominal terms) will continue to increase, but is convinced that it will be able to execute its growth strategy within a Gearing Ratio of 65%.

VGP is continuously optimising its capital structure with an aim to maximise shareholder value while keeping the desired flexibility to support its growth. The Group operates within and applies a maximum Gearing Ratio of 65%.

As of 30 June 2019, the net debt amounted to EUR 510,937,000 (compared to EUR 419,338,000 at 31 December 2018). The Gearing Ratio was 39.8% (compared to 34.6% as at 31 December 2018).

On 30 June 2019, the Group had bonds outstanding for a total amount of EUR 564,899,000[1] (all being unsecured bonds), and had an outstanding financial debt of EUR 26,353,000[2], of which EUR 14,629,000 was related to secured bank debt which was repaid at the end of July 2019.

Considering the model of the Joint Ventures, additional short-term bank debt might occasionally be needed to cover temporary cash shortfalls due to timing of recycling of shareholder loans granted to the Joint Ventures. These shareholder loans are repaid when projects are acquired by the Joint Ventures.

The Issuer is currently constructing substantially more than previously anticipated and has a number of large developments which have recently been or will shortly be initiated and which will require some time before being able to be sold to a Joint Venture. As a result, higher peak funding needs may arise between the various Joint Venture closings. In order to allow the Group to comfortably bridge these periods the Issuer is currently arranging for additional revolving credit facilities.

For a detailed overview of the evolution of the Issuer's debt ratios and the current financing arrangements, please refer to section 6 in Part VII (*Description of the Issuer*).

Given its accelerated growth strategy, the Group may not be able to refinance its financial debt or may be unable to attract new financing or to negotiate and enter into new financing agreements on terms which are commercially desirable. If the Group is unable to receive financing or financing against favourable terms, this may have an impact on the Issuer's cash flow and results and, thus, the Group may be unable to proceed with or to execute certain developments and may have to delay the initiation of certain projects.

4.2 The Group is exposed to risk of financing from its Joint Ventures

Considering the model of the Joint Ventures, VGP depends on the ability of the Joint Ventures to have sufficient long-term financing in place to allow these Joint Ventures to acquire income generating assets developed by VGP.

The First Joint Venture has been able to secure 10-year committed credit facilities (all maturing at the end of May 2026), in Germany, the Czech Republic, the Slovak Republic and Hungary. As at 30 June 2019, the aggregate outstanding credit facilities amounted to EUR 941.2 million which were drawn for an amount of EUR 685.2 million. The undrawn amount of EUR 256.0 million will be applied towards the financing of the acquisition of additional income generating assets developed by VGP over the remaining investment period of the next 2 years. The Aggregate Loan to Value ratio as at 30 June 2019 stood at 54.9%.

The Second Joint Venture has been able to secure a 10-year EUR 340.0 million committed credit facility (maturing at the end of July 2029), in respect of the assets to be acquired in Spain, Austria, Italy and the Netherlands and a 5-year EUR 34.0 million committed credit facility (maturing June 2024) in respect of the assets to be acquired in Romania. As at the first closing date of the Second Joint Venture an aggregate

[1] Including EUR 5,101,000 of capitalised finance costs.
[2] Including EUR 21,000 of capitalised finance costs.

amount of EUR 79.9 million was drawn to finance the acquisition of the Spanish, Austrian and Romanian income generating assets.

For a detailed overview of the evolution of the Joint Ventures' debt ratios and the current financing arrangements, please refer to section 3.2.8 of Part VII (*Description of the Issuer*).

The Joint Ventures may not be able to refinance their financial debt or may be unable to attract new financing or to negotiate and enter into new financing agreements on terms which are commercially desirable. If the Joint Ventures are unable to receive financing or financing against favourable terms, this may have an impact on the Issuer's cash flow and results and, thus, the Group may be unable to proceed with or to execute certain developments and may have to delay the initiation of certain projects.

5 Legal and regulatory risks

5.1 The Issuer has to comply with a broad and diverse regulatory framework

As the Group is active and intends to further develop business in the mid-European countries (whereby the Group's current focus is on Latvia, the Czech Republic, the Slovak Republic, Hungary and Romania), Germany, Austria, Spain, Portugal, the Netherlands and Italy, the Group is subject to a wide range of EU, national and local laws and regulations. These include requirements in terms of building and occupancy permits (which must be obtained in order for projects to be developed and let), as well as zoning, health and safety, environmental, monument protection, tax, planning, foreign ownership limitations and other laws and regulations.

Because of the complexities involved in procuring and maintaining numerous licenses and permits, there can be no assurance that the Group will at all times be in compliance with all of the requirements imposed on properties and the Group's business. Any failure to, or delay in, complying with applicable laws and regulations or failure to obtain and maintain the requisite approvals and permits could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In this respect, please also refer to risk factor "*The Issuer's development projects may experience delays and other difficulties, especially in respect of receiving necessary permits*" in this Part II.

Furthermore, changes in laws and governmental regulations, or their interpretation by agencies or the courts, could occur. Such regulatory changes and other economic and political factors, including civil unrest, governmental changes and restrictions on the ability to transfer capital in the foreign countries in which the Group has invested, could have a materially adverse effect on the Group's business, financial condition, operating results and cash flows.

5.2 The Group may be subject to litigation and other disputes

The Group may face contractual disputes which may or may not lead to legal proceedings as the result of a wide range of events, especially during the construction and development phase. The most likely disputes include: (i) actual or alleged deficiencies in its execution of construction projects (including relating to the design, installation or repair of works); (ii) defects in the building materials; and (iii) deficiencies in the goods and services provided by suppliers, contractors, and sub-contractors.

In addition, after the development phase, the Group may become subject to disputes with tenants, commercial contractors or other parties in relation to the leasing.

As a result, disputes, accidents, injuries or damages at or relating to one of the Group's ongoing or completed projects resulting from the Group's actual or alleged deficient actions could result in

significant liability, warranty or other civil and criminal claims, as well as reputational harm. These liabilities may not be insurable or could exceed the Group's insurance coverage limit.

At the date of this Prospectus, no governmental, legal or arbitration proceedings have been started or are threatened against the Issuer which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

RISK FACTORS SPECIFIC TO THE BONDS

1 Risks related to the nature and conditions of the Bonds

1.1 The Bonds are unsecured obligations of the Issuer which do not benefit from any guarantee, and which are effectively subordinated to the secured indebtedness of the Issuer and structurally subordinated to the substantial indebtedness of the Joint Ventures

The Issuer is subject to applicable Belgian or other countries' bankruptcy and insolvency laws. The application of these bankruptcy and insolvency laws may substantially affect the Bondholders' claims to obtain repayment in full of the Bonds, e.g. through a suspension of payments, a stay on enforcement measures or an order providing for partial repayment of the Bonds only.

The right of the Bondholders to receive payment on the Bonds is not secured or guaranteed. In the event of liquidation, dissolution, reorganisation, bankruptcy or similar procedure affecting the Issuer, the holders of secured indebtedness will be repaid first with the proceeds of the enforcement of such security. The Bondholders will therefore effectively be subordinated to any secured indebtedness of the Issuer, and to any secured or unsecured indebtedness of the members of the Group (other than the Issuer).

In addition, the right of the Bondholders to receive payment on the Bonds is structurally subordinated to all Financial Indebtedness of the Joint Ventures, as the Bondholders need to rely on distributions made by the Joint Ventures and repayments on the shareholder loans granted by the Issuer (see also risk factor "*The Issuer is a holding company with no operating income and is hence solely dependent on distributions made by, and the financial performance of, the Joint Ventures and the members of the Group*"). In the event of liquidation, dissolution, reorganisation, bankruptcy or a similar procedure affecting a Joint Venture, the holders of secured indebtedness of the Joint Ventures will be repaid first with the proceeds of the enforcement of such security, and further repayment of shareholder loans will only take place *pro rata* to the total amount of Financial Indebtedness of that Joint Venture.

As at the date of this Prospectus (i) the Issuer has no secured indebtedness, (ii) the Group (other than the Issuer) has in total EUR 22 million of secured debt outstanding, and (iii) the Joint Ventures have aggregate secured indebtedness of EUR 391.5 million (on a proportional basis).

Moreover, the Issuer and certain members of the Group have provided and may in the future provide guarantees and security interests for the benefit of holders of other indebtedness incurred by certain Subsidiaries (subject to Condition 3 (*Negative Pledge*), as provided in more detail in the Conditions). Currently, some assets of the members of the Group are encumbered with security interests for the benefit of indebtedness incurred by the members of the Group. For more information on the encumbrances on the Group's assets, see section 6 (*Funding Sources*) of Part VII (*Description of the Issuer*) of this Prospectus.

1.2 The Issuer may not have the ability to repay the Bonds

The Issuer may not be able to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds upon the occurrence of an Event of Default. If the Bondholders were to ask the Issuer to repay their Bonds upon the occurrence of an Event of Default, the Issuer cannot be certain that it will be able to pay the required amount in full. The Issuer's ability to repay the Bonds will depend on the Issuer's financial condition (including its cash position resulting from its ability to receive income and dividends from its Subsidiaries and from the Joint Ventures) at the time of the requested repayment, and may be limited by law, by the terms of its indebtedness and by the agreements that it may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness. The Issuer's failure to repay the Bonds may result in an event of default under the terms of other outstanding indebtedness.

1.3 The Bonds may be redeemed prior to maturity

If an Event of Default or a Change of Control occurs, the holder of any Bond may give written notice to the Issuer that such Bond is immediately due and repayable in accordance with the Conditions. Please also see risk factor 1.6 (*The effects of, and rights related to, the occurrence of a Change of Control*). In the event of an early repayment of the Bonds, an investor may not be able to reinvest the repayment proceeds (if any) at a yield comparable to that of the Bonds.

1.4 Modification to the Conditions of the Bonds can be imposed on all Bondholders upon approval by defined majorities of Bondholders

The Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

1.5 The Joint Ventures do not qualify as a Subsidiary of the Issuer and therefore an event of default in respect of the Joint Ventures will not trigger an Event of Default under the Bonds

The Joint Ventures do not qualify as a Subsidiary of the Issuer. Consequently, any event occurring in respect of a Joint Venture shall not trigger the application of Condition 9(d) (Cross-Default of the Issuer or a Subsidiary) nor the application of any of the other Events of Default that also relate to a Subsidiary of the Issuer such as Condition 9(e) (Enforcement Proceedings), Condition 9(f) (Security Enforced), Condition 9(g) (Unsatisfied Judgment), Condition 9(h) (Insolvency and insolvency proceedings), Condition 9(i) (Reorganisation, change or transfer of business or transfer of assets) or Condition 9(j) (Winding-up) and shall therefore not result in an Event of Default under the Bonds.

As the Bondholders have no direct rights or claims towards the Joint Ventures, all Bondholders are structurally subordinated to the Joint Ventures' creditors. Please refer to risk factor "*The Issuer is subject to Insolvency laws – Structural Subordination*" regarding the subordinated status of the Bondholders generally.

1.6 The Issuer may incur additional indebtedness which could prejudice the ability of the Issuer to repay the Bonds

In the future, the Issuer or any other member of the Group could decide to incur additional indebtedness or further increase their indebtedness. This could have an impact on its ability to meet its obligations under the Bonds or could cause the value of the Bonds to decrease. The Conditions do not limit the amount of unsecured or secured debts that the Issuer can incur.

The Group targets to operate within and applies a maximum Gearing Ratio of 65%. Taking into consideration (i) the issued 2023 Bond, 2024 Bond, 2025 Bond and 2026 Bond, (ii) the current additional drawn financial debt for an aggregate amount of EUR 105.5 million (of which a EUR 33.5 million *Schuldschein* loan, a EUR 50 million short term loan with KBC Bank NV and a EUR 22 million secured bank loan for VGP Latvia), and assuming that (a) the current Bonds will be issued for the maximum aggregate amount of EUR 150 million, and (b) all cash and cash equivalents will have been invested but no other changes, such as cash recycling closings with the Joint Ventures, would occur, the Gearing Ratio which stood at 39.8% as of 30 June 2019 would increase to 55.0%.

1.7 The effects of, and rights related to, the occurrence of a Change of Control

Each Bondholder will have the right to require the Issuer to repurchase all or any part of such holder's Bonds at the Put Redemption Amount upon the occurrence of a Change of Control, as such terms are defined herein, and in accordance with the Conditions of the Bonds (the **Change of Control Put**).

Potential investors should be aware that, in the event that holders of a significant proportion of the aggregate principal amount of the Bonds exercise their option under Condition 6.2 (*Redemption at the Option of Bondholders*), Bonds in respect of which the Change of Control Put is not exercised may be illiquid and difficult to trade.

Furthermore, potential investors should be aware that the Change of Control Put can only be exercised upon the occurrence of a Change of Control event, which may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer.

The exercise by any of the Bondholders of the option to demand an early redemption in the event of a Change of Control as set out in Condition 6.2 (*Redemption at the Option of the Bondholders*) may only be effective against the Issuer under Belgian law if and when the terms of Condition 6.2 (*Redemption at the Option of the Bondholders*) have been approved by the shareholders of the Issuer, and if such resolution has been filed with the clerk of the competent enterprise court (*griffie van de ondernemingsrechtbank* / *greffe du tribunal de l'entreprise*).

An extraordinary shareholders' meeting of the Issuer to take place before 30 June 2020 will be requested to approve the terms of Condition 6.2 (*Redemption at the Option of the Bondholders*) of the Bonds in accordance with Belgian law. The resolution to approve these terms requires an approval of more than 50% of the votes cast at the shareholders' meeting and does not have a quorum requirement. There can be no assurance that such approval will be granted at such meeting.

If a Change of Control occurs prior to such approval and filing, Bondholders may not be entitled to exercise the option set out in the terms of Condition 6.2 (*Redemption at the Option of the Bondholders*).

1.8 The market value of the Bonds may be affected by the creditworthiness of the Issuer

The value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors, such as market interest rates, exchange rates and yield rates and the time remaining to the Maturity Date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the Issue Price or the purchase price paid by such investor.

2 Risks related to the listing of and the market in the Bonds

2.1 The Bonds are exposed to market interest rate risk

The Bonds provide a fixed interest rate until the Maturity Date. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. The longer the maturity of bonds, the more exposed bonds are to fluctuations in market interest rates. An increase in the market interest rates can result in the Bonds trading at prices lower than the nominal amount of such Bonds.

2.2 There is no guarantee of an active trading market for the Bonds; the Bonds may be illiquid

The only manner for a Bondholder to convert its investment in the Bonds into cash before their Maturity Date is to sell them at the applicable market price at that moment. The price can be less than the nominal value of the Bonds. The Bonds are new securities which may not be widely traded and for which there is currently no active trading market. The Issuer has filed an application to have the Bonds listed on and admitted to trading on the regulated market of Euronext Brussels. If the Bonds are admitted to trading after their issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds. Therefore, investors may not be able to sell their Bonds easily or at all, or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds. In the event that put options are exercised in accordance with Condition 6.2 (*Redemption at the Option of Bondholders*), liquidity will be reduced for the remaining Bonds. Furthermore, it cannot be guaranteed that the admission to listing and trading once approved will be maintained.

Potential investors should be aware of the turbulence in the global credit markets which has led to a general lack of liquidity in the secondary market for instruments similar to the Bonds. The Issuer cannot predict when these circumstances will change and if and when they do there can be no assurance that conditions of general market illiquidity for the Bonds and instruments similar to the Bonds will not return in the future.

3 Risks related to the subscription of the Bonds and their settlement

3.1 Impact of fees, commissions and/or inducements on the Issue Price

Potential Investors should note that the Issue Price of the Bonds will include certain fees and costs, in particular:

(a) Retail Investors and Independent Intermediaries will pay a selling and distribution commission of 0.75%; and

(b) Qualified Investors other than the Independent Intermediaries will pay a fee ranging between 0% and 0.75%;

each in accordance with Section 3 of Part XIII (*Subscription and sale*).

Any such fees and commissions may not be taken into account for the purposes of determining the price of the Bonds on the secondary market and could result in a difference between the Issue Price, and the actual bid or offer price quoted by any intermediary on the secondary market.

Any such difference may have an adverse effect on the value of Bonds, particularly immediately following the Public Offer and the issue date of the Bonds, where any such fees and/or costs may be deducted from the price at which such Bonds can be sold by the initial investor in the secondary market. An initial investor selling the Bonds in the secondary market may hence receive an amount that is less than the amount it paid when subscribing for the Bonds.

3.2 Risk of withdrawal or cancellation of the Public Offer / issue of a lower amount than the expected minimum amount

As from the date of this Prospectus and at any time prior to the Issue Date of the Bonds, the Public Offer may be wholly or partially retracted or cancelled in accordance with the provisions of the Placement Agreement. In this case, investors who paid the Issue Price for the Bonds prior to the notification of retraction or cancellation of the offer shall receive the total amounts of funds already paid by them as Issue Price for the Bonds. However, such investor may not receive the interest on such amount they otherwise could have earned if they had not paid the Issue Price for the Bonds. Investors should also note that the Issuer with the consent of the Bookrunner and the Joint Lead Managers may decide to issue a lower amount than the expected minimum amount. In such case, a supplement to the Prospectus will be published (and investors will have a withdrawal right as described in this Prospectus – please refer to Part III: *Important Information*). If Bonds are issued for a lower amount than the expected minimum amount, the Issuer may need to obtain additional financing in relation to the projects mentioned in the use of proceeds.

3.3 The transfer of the Bonds, any payments made in respect of the Bonds and all communications with the Issuer will occur through the NBB-SSS

The Bonds will be issued in dematerialised form under the Belgian Company Code and cannot be physically delivered. As of 1 January 2020, the 2019 Belgian Code of Companies and Associations will apply with respect to the Issuer. The Bonds will be represented exclusively by book entries in the records of the NBB-SSS. Access to the NBB-SSS is available through its NBB-SSS participants whose membership extends to securities such as the Bonds.

Transfers of interests in the Bonds will be effected between the NBB-SSS participants in accordance with the rules and operating procedures of the NBB-SSS. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the NBB-SSS participants through which they hold their Bonds. The Issuer and the Agent will have no responsibility for the proper performance by the NBB-SSS or the NBB-SSS participants of their obligations under their respective rules and operating procedures.

A Bondholder must rely on the procedures of the NBB-SSS to receive payments under the Bonds and communications from the Issuer. Any default in this Clearing system might prejudice the rights of a Bondholder, while not having a claim against the Issuer.

3.4 The Agent is not required to segregate amounts received by it in respect of Bonds cleared through the NBB-SSS

The Conditions of the Bonds and the Agency Agreement provide that the Agent will debit the relevant account of the Issuer and use such funds to make payment to the Bondholders. The Agency Agreement provides that the Agent will, simultaneously with the receipt by it of the relevant amounts, pay to the Bondholders, directly or through the NBB, any amounts due in respect of the relevant Bonds. However, the Agent is not required to segregate any such amounts received by it in respect of the Bonds. The

Conditions provide that the payment obligations of the Issuer will be discharged by payment to the NBB-SSS in respect of each amount so paid.

4 Risks related to the relationship with the Agent, the Joint Lead Managers and the Bookrunner

4.1 The Agent does not assume any fiduciary duties or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect their interests

KBC Bank NV will act as the Issuer's calculation, paying and listing agent (the **Agent**). In its capacity as Agent, it will act in accordance with the Conditions of the Bonds in good faith and endeavour at all times to make its determinations in a commercially reasonable manner. However, Bondholders should be aware that the Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further the interests of the Bondholders.

The Agent may rely on any information that is reasonably believed by it to be genuine and to have been originated by the proper parties. The Agent shall not be liable for the consequences to any person (including Bondholders) of any errors or omissions in (i) the calculation by the Agent of any amount due in respect of the Bonds or (ii) any determination made by the Agent in relation to the Bonds or interests, in each case in the absence of bad faith or wilful default. Without prejudice to the generality of the foregoing, the Agent shall not be liable for the consequences to any person (including Bondholders) of any such errors or omissions arising as a result of (i) any information provided to the Agent proving to have been incorrect or incomplete or (ii) any relevant information not being provided to the Agent on a timely basis.

4.2 The Issuer, the Agent, the Bookrunner and the Joint Lead Managers may engage in transactions adversely affecting the interests of the Bondholders

The Bookrunner, the Joint Lead Managers and the Agent might have conflicts of interests which could have an adverse effect on the interests of the Bondholders. Potential investors should be aware that the Issuer is involved in a general business relationship or/and in specific transactions with the Bookrunner, the Joint Lead Managers and the Agent and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders.

Within the framework of normal business relationships with its banks, the Issuer, any Subsidiary or any of the Joint Ventures may have has entered into or may enter into loans and other facilities with the Bookrunner, the Joint Lead Managers and the Agent (or its affiliates) via bilateral transactions or/and syndicated loans together with other banks. The terms and conditions of these debt financings may differ from the terms and conditions of the proposed Bonds. In addition, as part of these debt financings, the lenders may have the benefit of guarantees, whereas the Bondholders will not have the benefit of similar guarantees. This results in the Bondholders being subordinated to the lenders under such debt financings. As a consequence, the Bookrunner, the Joint Lead Managers and the Agent may have interests that are different than and/or adverse to the interests of the Bondholders during the term of the Bonds.

The Bondholders should be aware of the fact that the Bookrunner, the Joint Lead Managers and the Agent, when they act as lender to the Issuer or another company within the Group (or when they act in any other capacity whatsoever), have no fiduciary duties or other duties of any nature whatsoever vis-à-vis the Bondholders and that it is under no obligation to take into account the interests of the Bondholders.

As at 31 October 2019, the outstanding financial indebtedness of the Issuer towards the Bookrunner amounted to EUR 50,000,000. As of the date of this Prospectus, Belfius Bank SA/NV has granted no credit facilities to the Issuer. However, it is possible that following the date of this Prospectus, Belfius Bank SA/NV will grant certain credit facilities to the Issuer as part of its commercial banking activities, and such credit facilities may be for a significant amount.

5 Risks related to the status of the Investor

5.1 Taxation Risks

Potential investors should be aware that the relevant Bondholders will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Bonds. Please see part XI (*Taxation*) for more information on the subject. Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers.

Belgian withholding tax, currently at a rate of 30%, will in principle be applicable to the interest on the Bonds held in a non-exempt securities account (an **N Account**) in the X/N System, as further described in Part XII: *Taxation*.

If the Issuer, the NBB, the Agent or any other person is required by law to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of the Bonds, the Issuer, the NBB, the Agent or that other person shall make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

Potential investors should also be aware that the Conditions do not require the Issuer to gross up the net payments received by a Bondholder in relation to the Bonds with the amounts withheld or deducted for Belgian tax purposes. In case the Belgian tax rules would be amended such that Bondholders holding their Bonds in an exempt securities account in the NBB-SSS are no longer exempt from Belgian withholding tax, such Bondholders will bear the risk that Belgian withholding tax will be applied to and withheld from the payments to be received in relation to the Bonds.

The Bondholders (and no other person) will be liable for, and be obliged to pay, any tax, duty, charge, withholding or other payment whatsoever as may arise as a result of, or in connection with, the ownership, transfer or payment in respect of the Bonds.

5.2 Risks relating to financing of purchase of the Bonds

If an investor obtains financing to purchase the Bonds and an Event of Default occurs with respect to the Bonds or the price at which the Bonds are valued decreases significantly, then the Bondholder will possibly not only be confronted with a loss on its investment, but it will also be required to repay the loan obtained by it as well as the interest in respect of such a loan. Such a credit facility can therefore lead to a significant increase in the loss on the investment for the investor. Potential investors in the Bonds should therefore not assume that they will be in a position to repay a loan (principal as well as interests on the loan) solely based on a transaction involving the Bonds. On the contrary, potential investors must make a careful assessment of their financial situation and in particular assess whether they would be capable to pay interest and to repay the loans and they must also take into account that they will possible incur a loss instead of a gain in respect of their investment in the Bonds.

PART III: IMPORTANT INFORMATION

VGP NV, a public limited liability company (*naamloze vennootschap* / *société anonyme*) incorporated under Belgian law, having its registered office at Uitbreidingstraat 72, box 7, 2600 Antwerp, registered with the Crossroads Bank for Enterprises under number 0887.216.042, enterprise court of Antwerp, division Antwerp (the **Issuer** or the **Company**) intends to issue the Bonds for an expected minimum amount of EUR 100 million and a maximum amount of EUR 150 million. The Bonds will bear interest at the rate of 2.75 per cent. per annum, subject to Condition 5 (*Interest*). Interest on the Bonds is payable annually in arrears on the Interest Payment Dates falling on, or nearest to 2 April in each year. The first payment on the Bonds will occur on 2 April 2020, and the last payment on 2 April 2023. The Bonds will mature on 2 April 2023.

KBC Bank NV (having its registered office at Havenlaan 2, 1080 Brussels, Belgium) (**KBC**) is acting as global coordinator, exclusive bookrunner and joint lead manager and as calculation, paying and listing agent (the **Global Coordinator, Bookrunner**, **Joint Lead Manager**, or **Agent**) and Belfius Bank SA/NV (having its registered office at Karel Rogierplein 11, 1210 Brussels, Belgium) (**Belfius**) is acting as joint lead manager (together with KBC, the **Joint Lead Managers** and each a **Joint Lead Manager**) for the purpose of the offer of the Bonds to the public in Belgium (the **Public Offer**).

The denomination of the Bonds shall be EUR 1,000.

This listing and offering prospectus dated 19 November 2019 (the **Prospectus**) was approved on 19 November 2019 by the Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten* / *Autorité des services et marchés financiers*) (the **FSMA**), as competent authority under Regulation (EU) 2017/1129, as amended from time to time (the **Prospectus Regulation**). The FSMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FSMA should not be considered as an endorsement of the Issuer or of the quality of the Bonds. Investors should make their own assessment as to the suitability of investing in the Bonds. This Prospectus is valid for 12 months from its date. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

Application has been made to Euronext Brussels for the Bonds to be listed on the regulated market of Euronext Brussels. References in this Prospectus to the Bonds as being listed (and all related references) shall mean that the Bonds have been listed on the official list of Euronext Brussels and admitted to trading on the regulated market of Euronext Brussels. The regulated market of Euronext Brussels is a regulated market for the purposes of Directive 2014/65/EU, as amended from time to time (**MIFID II**). Prior to the offering of the Bonds referred to in this Prospectus, there has been no public market for the Bonds. This Prospectus will be published on the website of Euronext Brussels (www.euronext.com). The Prospectus, the Dutch translation of the Prospectus and the French translation of the summary of the Prospectus will also be available on the website of the Issuer in the section addressed to investors as "Bonds" (www.vgpparks.eu), on the website of Belfius at www.belfius.be/vgp2019 and on the website of KBC at www.kbc.be/vgp.

This Prospectus has been prepared in accordance with the Prospectus Regulation and Commission Delegated Regulation (EU) 2019/980 (the **Implementing Prospectus Regulation**) and in accordance with Annex 6 and Annex 14 of the Implementing Prospectus Regulation. It intends to give the information with regard to the Issuer and the Bonds, which according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the rights attaching to the Bonds and of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Part IV: Documents Incorporated by Reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FSMA.

The Bonds will be issued in dematerialised form (*gedematerialiseerd / dématérialisé*) under the Belgian Company Code dated 7 May 1999 (*Wetboek van Vennootschappen / Code des Sociétés*) (the **1999 Belgian Company Code**), as amended or restated from time to time, including with effect from its applicable date by the Belgian Code of Companies and Associations dated 23 March 2019 (*Wetboek van vennootschappen en verenigingen / Code des sociétés et associations*) (the **2019 Belgian Code of Companies and Associations**), as amended or restated from time to time (the **Belgian Company Code**) and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the securities settlement system operated by the National Bank of Belgium (the **NBB**) or any successor thereto (the **NBB-SSS**). Access to the NBB-SSS is available through those of its NBB-SSS participants whose membership extends to securities such as the Bonds. NBB-SSS participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), Euroclear Bank SA/NV (**Euroclear**), Euroclear France SA (**Euroclear France**) Clearstream Banking A.G., Germany (**Clearstream, Frankfurt**), SIX SIS AG (**SIX SIS**), Monte Titoli S.p.A. (**Monte Titoli**) and Interbolsa (**Interbolsa**). Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear, Euroclear France, Monte Titoli, Interbolsa, SIX SIS and Clearstream, Frankfurt and investors can hold their Bonds within securities accounts in Euroclear, Euroclear France, Monte Titoli, Interbolsa, SIX SIS and Clearstream, Frankfurt. For a list of all NBB-SSS participants, refer to: www.nbbsss.be.

Unless otherwise stated, capitalised terms used in this Prospectus have the meanings set forth in this Prospectus. Where reference is made to the Conditions of the Bonds or to the Conditions, reference is made to the Terms and Conditions of the Bonds (see Part V: *Terms and Conditions of the Bonds*). Capitalised terms used in the summary and not defined in the summary, shall have the meaning given to it in Part XV: *Definitions* of this Prospectus.

In this Prospectus, references to **we**, **VGP** or the **Group** shall be construed as reference to the Issuer and its Subsidiaries.

An investment in the Bonds involves certain risks. Prospective investors should refer to Part II: *Risk Factors* on page 10 and following for an explanation of certain risks of investing in the Bonds.

The Bookrunner, the Joint Lead Managers and the Agent have engaged in, or may engage in the future in, a general business relationship and/or specific business transactions with, and may offer certain services to, the Issuer and other companies of the Group in their capacity as dealer or in another capacity. Within the framework of normal business relationships with its banks, the Issuer, any Subsidiary, the Joint Ventures or any other joint venture the Issuer or any of its Subsidiaries may from time to time enter into, has entered into or may enter into loans and other facilities with the Bookrunner, the Joint Lead Managers and the Agent (or its affiliates) via bilateral transactions or/and syndicated loans together with other banks. As at 31 October 2019, the outstanding financial indebtedness of the Issuer towards the Bookrunner amounted to EUR 50,000,000. As of the date of this Prospectus, Belfius Bank SA/NV has granted no credit facilities to the Issuer. However, it is possible that following the date of this Prospectus, Belfius Bank SA/NV will grant certain credit facilities to the Issuer as part of its commercial banking activities, and such credit facilities may be for a significant amount. Furthermore, the Bookrunner, the Joint Lead Managers and the Agent receive customary commissions in relation to the Public Offer. Please also refer to risk factors "*The Issuer, the Agent, the Bookrunner and the Joint Lead Managers may engage in transactions adversely affecting the interests of the Bondholders*" and "*Impact of fees, commissions and/or inducements on the Issue Price*" in Part II: *Risk factors*.

RESPONSIBLE PERSON

The Issuer (the **Responsible Person**), having its registered office at Uitbreidingstraat 72, box 7, 2600 Antwerp, Belgium, accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Market data and other statistical information used in this Prospectus have been extracted from a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications (each an **Independent Source**). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant Independent Source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus has been prepared in English and translated into Dutch. The summary of the Prospectus has also been translated into French. The Issuer is responsible for the consistency between the English and Dutch version of the Prospectus and the consistency between the English, Dutch and French version of the summary of the Prospectus. The investors will have the right, in case of inconsistencies between the English and Dutch version of the Prospectus, to refer either to the English or to the Dutch version of the Prospectus.

PUBLIC OFFER IN BELGIUM

This Prospectus has been prepared in connection with the Public Offer and with the listing of the Bonds on the regulated market of Euronext Brussels. Pursuant to article 1 of the Prospectus Regulation, this Prospectus has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area (each, a **Relevant Member State**) other than offers in Belgium (the **Permitted Public Offer**), will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Bonds. Accordingly, any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus, other than the Permitted Public Offer, may only do so in circumstances in which no obligation arises for the Issuer, the Bookrunner or the Joint Lead Managers to publish a prospectus pursuant to article 3 of the Prospectus Regulation or supplement a prospectus pursuant to article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer, the Bookrunner nor the Joint Lead Managers have authorised, nor do they authorise, the making of any offer (other than the Permitted Public Offer) of Bonds in circumstances in which an obligation arises for the Issuer, the Bookrunner or the Joint Lead Managers to publish or supplement a prospectus for such offer.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see Part IV: *Documents Incorporated by Reference*). This Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of the Prospectus.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer, the Bookrunner and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Bookrunner or the Joint Lead Managers which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering

material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds.

The Issuer authorises that this Prospectus may be used for the purposes of a public offer until the last day of the subscription period, which runs from 22 November 2019 at 9h00 (CET) until, subject to early closure, 26 November 2019 at 17h30 (CET) (the **Subscription Period**) in Belgium, by any credit institution authorised pursuant to Directive 2013/36/EU or any investment firm authorised pursuant to MIFID II to conduct such offers (an **Authorised Offeror**).

Any Authorised Offeror envisaging to use this Prospectus in connection with a permitted Public Offer is obliged to state on its website, during the Subscription Period, that this Prospectus is used for a permitted Public Offer with the authorisation of the Issuer and in accordance with the relevant applicable conditions.

If, during the period for which the Issuer authorised the use of this Prospectus, a public offer was made in Belgium, the Issuer accepts responsibility for the content of this Prospectus as set out below. Neither the Issuer, the Bookrunner nor the Joint Lead Managers can be held responsible or liable for any act or omission from any Authorised Offeror, including compliance with any rules of conduct or other legal or regulatory requirements under or in connection with such public offer.

Neither the Issuer, the Bookrunner, nor the Joint Lead Managers have authorised any public offer of the Bonds by any person in any circumstance and such person is under no circumstance authorised to use this Prospectus in connection with a public offer of the Bonds, unless (i) the public offer is made by an Authorised Offeror during the Subscription Period, or (ii) the public offer is made in a Relevant Member State within an exemption from the requirement to publish a prospectus under the Prospectus Regulation. Any such unauthorised public offer is not made by or on behalf of the Issuer, the Bookrunner or the Joint Lead Managers and neither the Issuer, the Bookrunner nor the Joint Lead Managers can be held responsible or liable for the actions of any such person engaging in such unauthorised public offers.

Each offer and each sale of the Bonds by an Authorised Offeror will be made in accordance with the terms and conditions agreed between an Authorised Offeror and the investor, including in relation to the price, the allocation and the costs and/or taxes to be borne by an investor. The Issuer is not a party to any arrangements or terms and conditions in connection with the offer and sale of the Bonds between the Authorised Offeror and an investor. This Prospectus does not contain the terms and conditions of any Authorised Offeror. The terms and conditions of the Public Offer of the Bonds by the Bookrunner and the Joint Lead Managers are however included in this Prospectus (see Part XIII: *Subscription and Sale*). The terms and conditions in connection with the offer and sale of the Bonds will be provided to any investor by an Authorised Offeror during the Subscription Period. Neither the Issuer, the Bookrunner nor the Joint Lead Managers can be held responsible or liable for any such information. The foregoing is without prejudice to the Issuer's responsibility for the content of the Prospectus also with respect to the subsequent resale or final placement of the Bonds by an Authorised Offeror. This Prospectus may be used for the purposes of a public offer in Belgium by an Authorised Offeror until the last day of the Subscription Period (without prejudice to a possible early termination as specified in Part XIII: *Subscription and Sale* below).

For a description of further restrictions on offers and sales of Bonds and distribution of this Prospectus see Part XIII: *Subscription and Sale* below.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus and any information or representation not so contained or inconsistent with this Prospectus or any other information supplied in connection with the Bonds and, if given or made, such

information must not be relied upon as having been authorised by or on behalf of the Issuer, the Bookrunner or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or otherwise that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date hereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Bookrunner, the Joint Lead Managers and the Issuer expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Bookrunner or the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating a purchase of the Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Save for the Issuer, no other party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Bookrunner, or the Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information in connection with the Issuer or the offering of the Bonds. The Bookrunner and the Joint Lead Managers do not accept any liability, whether arising in tort or in contract or in any other event, in relation to the information contained or incorporated by reference in this Prospectus or any other information in connection with the Issuer, the offering of the Bonds or the distribution of the Bonds.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States. The Bonds are being offered and sold solely outside the United States to non U.S. persons in reliance on Regulation S under the Securities Act (**Regulation S**). The Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) unless they have been so registered or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a further description of certain restrictions on the offering and sale of the Bonds and on the distribution of this document, see Part XIII: *Subscription and Sale* below.

All references in this document to **euro, EUR** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

This Prospectus contains various amounts and percentages which are rounded and, as a result, when these amounts and percentages are added up, the totals may not be an arithmetic aggregation of these amounts and percentages.

FORWARD-LOOKING STATEMENTS

Some statements in this Prospectus may be deemed to be forward-looking statements. Forward-looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and

performance and the assumptions underlying these forward-looking statements. When used in this Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuer has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer has otherwise identified in this Prospectus, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary materially from those expected, estimated or predicted.

Any forward-looking statements contained in this Prospectus speak only as at the date of the Prospectus. Without prejudice to any requirement under applicable laws and regulations (in particular, article 23 of the Prospectus Regulation), the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of the Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

WARNING

The Prospectus has been prepared to provide information on the Public Offer. When potential investors make a decision to invest in the Bonds, they should base this decision on the information set forth in this Prospectus. and on their own assessment of the information on the Issuer contained in this Prospectus and the conditions of the Bonds, including, but not limited to, the associated benefits and risks, as well as the conditions of the Public Offer itself. The investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, considering their personal income and financial situation. In case of any doubt about the risk involved in purchasing the Bonds, investors should abstain from investing in the Bonds.

The summaries and descriptions of legal provisions, taxation, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Prospectus may in no circumstances be interpreted as investment, legal or tax advice for potential investors. Potential investors are urged to consult their own advisor, bookkeeper, accountant or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.

SUPPLEMENTS TO THE PROSPECTUS

Every significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the Bonds and which arises or is noted between the time when the Prospectus is approved and the final closing of the Public Offer or, as the case may be, the time when trading on the regulated market of Euronext Brussels begins, if this is later than the final closing of the Public Offer, shall be mentioned in a supplement to the Prospectus to be prepared by the Issuer in accordance with article 23 of the Prospectus Regulation.

The supplement to the Prospectus will be approved within maximum 5 working days in the same manner as this Prospectus. To the extent required, the summary and translations thereof will also be supplemented, allowing the new information, included in the supplement to the Prospectus, to be taken into account. The supplement will be published in compliance with at least the same regulations as the Prospectus and applicable law, and will be published on the websites of the Issuer (within the section addressed to investors as "Bonds" (www.vgpparks.eu), and the Joint Lead Managers, Belfius (www.belfius.be/vgp2019) and KBC

(www.kbc.be/vgp). The Issuer must ensure that any such supplement is published after the occurrence of such new significant factor without undue delay.

Investors who have already agreed to purchase or subscribe to securities before the publication of the supplement to the Prospectus, have the right to withdraw their agreement during a period of two working days commencing on the day after the publication of the supplement, provided that the abovementioned significant new factor, material mistake or material inaccuracy arose or was noted before the closing of the Public Offer or the delivery of the securities, whichever occurs first. This term can be extended by the Issuer. The ultimate date for the withdrawal right is mentioned in the supplement to the Prospectus.

FURTHER INFORMATION

For more information about the Issuer, please contact:

VGP NV
Uitbreidingstraat 72, box 7
2600 Antwerp
Tel.: +32 3 289 14 30
Email: info@vgpparks.eu

PART IV: DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the below sections of the following documents:

(i) the annual report and audited financial statements of the Issuer for the financial years ended 31 December 2018 and 31 December 2017 (statutory in accordance with Belgian GAAP as well as consolidated in accordance with IFRS), together with the audit reports thereon:

https://www.vgpparks.eu/media/1496/vgp_ar-2018_eng_web.pdf
https://www.vgpparks.eu/media/1498/vgp-ar-2017-eng.pdf?ver=14
https://www.vgpparks.eu/media/2091/vgp-nv_enkelvoudige-jaarrekening_311218-incl-jaarverslag-en-deloitte-opinie.pdf
https://www.vgpparks.eu/media/2090/vgp-nv_enkelvoudige-jaarrekening_311217-incl-jaarverslag-en-deloitte-opinie.pdf

(ii) the half year results 2019 and 2018, together with the report relating to the limited review of the 2019 and 2018 half year results, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the FSMA:

http://investors.vgpparks.eu/en/reports-and-presentations/semi-annual-reports:VGP Half Year Results 2019 Interim Financials
http://investors.vgpparks.eu/en/reports-and-presentations/semi-annual-reports:VGP Press Release EN 23.08.18

(iii) the press release of the Issuer of 1 July 2019 on the new European logistics joint venture:

https://www.vgpparks.eu/en/newsroom/press-releases/allianz-and-vgp-announce-new-eur17bn-european-logistics-joint-venture/

(iv) the press release of the Issuer of 18 July 2019 on the development of the business park for BMW and KraussMaffei Group:

https://www.vgpparks.eu/en/newsroom/press-releases/vgp-develops-new-business-park-for-bmw-and-kraussmaffei-group-near-munich/

(v) the press release of the Issuer of 31 July 2019 on the transaction with the second joint venture:

https://www.vgpparks.eu/en/newsroom/press-releases/vgp-successfully-closes-initial-transaction-of-175-million-with-second-joint-venture/

(vi) the press release of the Issuer of 28 August 2019 on the launch of a *Schuldschein* loan for a nominal amount of EUR 100 million:

https://www.vgpparks.eu/en/newsroom/investor-news/launch-of-schuldschein-loan-for-a-nominal-amount-of-100-million/

(vii) the press release of the Issuer of 5 November 2019 on the convocation of a special shareholders' meeting:

https://www.vgpparks.eu/en/newsroom/investor-news/convocation-special-shareholders-meeting-6122019/

(viii) the press release of the Issuer of 14 November 2019 on the trading update for the first ten months of 2019:

https://www.vgpparks.eu/en/newsroom/press-releases/trading-update-14112019/

(ix) the articles of association are available on the Issuer's website:

http://investors.vgpparks.eu/images/Articles_of_Associations/VGP_NV_Articles_of_Association_NL_10.05.2019.pdf

Such documents or, as applicable, such sections of documents shall, be incorporated in, and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered office of the Issuer or on the website of the Issuer in the section for investors (www.vgpparks.eu), it being understood that the statutory annual accounts of the Issuer are available on the website of the Belgian National Bank (www.nbb.be).

The Issuer confirms that it has obtained the approval from the Auditor to incorporate by reference in this Prospectus the Auditor's reports for the financial years ended 31 December 2018 and 31 December 2017, as well as the report relating to the limited review of the 2019 and 2018 half year results. The 2019 and 2018 half year results have been subject to a limited review, but have not been audited.

The tables below include references to the sections of the above documents that are incorporated by reference. Information contained in the documents incorporated by reference other than the sections listed in the tables below is for information purposes only and does not form part of this Prospectus. This information is either not relevant for the investors or covered elsewhere in the Prospectus.

Annual report and audited IFRS consolidated accounts of the Issuer, audit report and explanatory notes of the Issuer for the financial year ended 31 December 2018

VGP NV Consolidated Annual Accounts 2018 (IFRS)	
Consolidated balance sheet	Page 124
Consolidated income statement	Page 122
Consolidated cash flow statement	Page 126
Explanatory notes	Pages 127-172
Summary of principal accounting policies	Pages 127-132
Key proportionally consolidated financial statement information (non-audited)	Pages 173-176
Statutory Auditor's report on the consolidated annual accounts 2018	Pages 177-185

Annual report and audited IFRS consolidated accounts of the Issuer, audit report and explanatory notes of the Issuer for the financial year ended 31 December 2017

VGP NV Consolidated Annual Accounts 2017 (IFRS)	
Consolidated balance sheet	Page 122
Consolidated income statement	Page 120
Consolidated cash flow statement	Page 124
Explanatory notes	Pages 125-169
Summary of principal accounting policies	Pages 125-130

Key proportionally consolidated financial statement information (non-audited)	Pages 170-172
Statutory Auditor's report on the consolidated annual accounts 2017	Page 175-185

Annual report and audited statutory Belgian GAAP accounts of the Issuer, audit report and explanatory notes of the Issuer for the financial year ended 31 December 2018

VGP NV Annual Accounts 2018 (Belgian GAAP)	
Statutory balance sheet	Pages 5-6
Statutory income statement	Page 7
Explanatory notes	Pages 9-45
Accounting policies	Page 46
Statutory annual report	Pages 48-61
Statutory Auditor's report on the annual accounts 2018	Pages 62-67

Annual report and audited statutory Belgian GAAP accounts of the Issuer, audit report and explanatory notes of the Issuer for the financial year ended 31 December 2017

VGP NV Annual Accounts 2017 (Belgian GAAP)	
Statutory balance sheet	Pages 5-6
Statutory income statement	Page 7
Explanatory notes	Pages 9-41
Accounting policies	Page 40
Statutory annual report	Pages 42-56
Statutory Auditor's report on the annual accounts 2017	Pages 57-62

Half year results 2019 and report relating to the limited review of the 2019 half year results

VGP NV Half year results 2019	
Half year results 2019	Pages 1-14
Condensed consolidated interim financial accounts	Pages 15-21
Key proportionally consolidated financial statement information	Page 48
Auditor's report regarding limited review of the Issuer's half year results 2019	Page 49

Half year results 2018 and report relating to the limited review of the 2018 half year results

VGP NV Half year results 2018	
Half year results 2018	Pages 1-11
Condensed consolidated interim financial accounts	Pages 12-46

Key proportionally consolidated financial statement information	Pages 47-49
Auditor's report regarding limited review of the Issuer's half year results 2018	Page 50

The terms on financial performance related information used in this Prospectus shall have the same meaning as in the Annual Report 2018 of VGP.

The Press Releases, mentioned under items (iii) until (viii) above, are incorporated in their entirety into the Prospectus.

For the avoidance of any doubt any profit forecast or estimate contained in any of the documents above, is not incorporated by reference into this Prospectus.

PART V: TERMS AND CONDITIONS OF THE BONDS

The following is the text of the Conditions of the Bonds save for the paragraphs in italics that shall be read as complementary information.

The issue of the 2.75 per cent. fixed rate Bonds due 2 April 2023, for an expected aggregate amount of minimum EUR 100 million and a maximum aggregate amount of EUR 150 million (the **Bonds**) was authorised by a resolution of the Board of Directors of VGP NV, a limited liability company (*naamloze vennootschap / société anonyme*) organised and existing under the laws of Belgium, having its registered office at Uitbreidingstraat 72, box 7, 2600 Antwerp, registered with the Crossroads Bank for Enterprises under number 0887.216.042, enterprise court of Antwerp, division Antwerp, (the **Issuer**), passed on 15 November 2019. The Bonds are issued subject to and with the benefit of an agency agreement dated 19 November 2019 entered into between the Issuer and KBC Bank NV acting as calculation, paying and listing agent (the **Agent**, which expression includes any successor as Agent under the Agency Agreement) (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the Clearing Agreement. The Agency Agreement contains, amongst other things, provisions dealing with the appointment, changes in Agents and the respective obligations and duties of the Issuer and the Agent in respect of (i) the issue, payment and delivery of the Bonds; (ii) the payment of principal and interest on the Bonds; (iii) the redemption of the Bonds; (iv) the calculation of the Put Redemption Amount; and (v) the application for the listing of the Bonds. The Agency Agreement also contains detailed provisions in relation to the meetings of Bondholders, which are set out in full in Schedule 1 to the Conditions. Summaries of the provisions of the Agency Agreement and of the Clearing Agreement that are relevant to the Bondholders are reflected in the Prospectus. Copies of the Agency Agreement and the Clearing Agreement are available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at Havenlaan 2, 1080 Brussels, Belgium. The Bondholders are bound by, and deemed to have notice of, all the provisions of the Agency Agreement applicable to them.

References herein to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

The capitalized terms used in this *Part V: Terms and Conditions* are defined in *Part XV: Definitions* of this Prospectus. As a consequence *Part XV: Definitions* should be read together with the Conditions and form together with the Conditions an integral part of this *Part V: Terms and Conditions* for any and all purposes. A reference to the Conditions shall include a reference to *Part XV: Definitions* and vice versa.

1 Form, Denomination and Title

The Bonds are issued in dematerialised form in accordance with the Belgian Company Code (article 468 *et seq.* of the 1999 Belgian Company Code; article 7:35 *et seq.* of the 2019 Belgian Code of Companies and Associations) and cannot be physically delivered. The Bonds will be exclusively represented by book entry in the records of the clearing system operated by the National Bank of Belgium (the **NBB**) or any successor thereto (the **NBB-SSS**). The Bonds can be held by their holders through participants in the NBB-SSS, including Euroclear, Euroclear France, Monte Titoli, Interbolsa, SIX SIS and Clearstream, Frankfurt and through other financial intermediaries which in turn hold the Bonds through Euroclear, Monte Titoli, SIX SIS and Clearstream, Frankfurt, or other participants in the NBB-SSS. The Bonds are accepted for clearance through the NBB-SSS, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB-SSS and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned

in this Condition being referred to herein as the **NBB-SSS Regulations**). Title to the Bonds will pass by account transfer. The Bonds may not be exchanged for bonds in bearer form or in registered form.

If at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply *mutatis mutandis* to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator (any such clearing system, an **Alternative NBB-SSS**).

Bondholders are entitled to exercise the rights they have, including voting rights, making requests, giving consents, and other associative rights (as defined for the purposes of article 474 of the 1999 Belgian Company Code; article 7:41 of the 2019 Belgian Code of Companies and Associations) upon submission of an affidavit drawn up by the NBB, Euroclear, Euroclear France, Monte Titoli, Interbolsa, SIX SIS, Clearstream, Frankfurt or any other participant duly licensed in Belgium to keep dematerialised securities accounts showing such holder's position in the Bonds (or the position held by the financial institution through which such holder's Bonds are held with the NBB, Euroclear, Euroclear France, Monte Titoli, Interbolsa, SIX SIS, Clearstream, Frankfurt or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

The Bonds are in principal amounts of EUR 1,000 each (the **Specified Denomination**).

2 Status of the Bonds

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such obligations that may be preferred by provisions of law that are both mandatory and of general application.

3 Negative Pledge

3.1 So long as any Bond remains outstanding, the Issuer:

(a) will not create or permit to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Financial Indebtedness of the Issuer or a Subsidiary or any other person or to secure any Personal Security, guarantee or indemnity in respect of any Financial Indebtedness of the Issuer or a Subsidiary or any other person;

(b) will procure that no Subsidiary creates or permits to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Financial Indebtedness of the Issuer or a Subsidiary or any other person or to secure any Personal Security, guarantee or indemnity in respect of a Financial Indebtedness of the Issuer or a Subsidiary or any other person;

(c) will not give any Personal Security, guarantee or indemnity in respect of any of the Financial Indebtedness of a member of the Group or any other person; and

(d) will procure that no Subsidiary gives any Personal Security, guarantee or indemnity in respect of any of the Financial Indebtedness of the Issuer or a member of the Group or any other person;

unless, other than with respect to (c) above where there will be no exception to the negative pledge undertaking contained in such paragraph (c) except as set forth in Condition 3.2 below, at the same time

or prior thereto, the Issuer's obligations under the Bonds (i) are secured equally and rateably therewith or benefit from a Personal Security, guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by a general meeting of the Bondholders in accordance with Condition 13 (*Meeting of Bondholders, Modification and Waiver*).

The Issuer shall be deemed to have satisfied the obligation under (i) above if the benefit of such Security, Personal Security, guarantee or indemnity is equally granted to an agent or trustee on behalf of the creditors of the relevant Financial Indebtedness (provided that the Bonds are also secured by such Security, Personal Security, guarantee or indemnity and on the understanding that any creation, change, release or exercise of the Security, Personal Security, guarantee or indemnity, as the case may be, can only be decided by such agent, the creditors and/or a majority of the creditors of the relevant Financial Indebtedness) or through any other structure which is customary in the debt capital markets (whether by way of supplement, guarantee agreement, deed, intercreditor agreement or otherwise). In particular, but without limitation, such Security, Personal Security, guarantee or indemnity can be granted in accordance with, and each Bondholder agrees with the provisions set forth in, Condition 15 (*Security*).

3.2 The prohibition contained in this Condition 3 (*Negative Pledge*) does not apply to

(a) Security existing prior to any entity becoming a Subsidiary (provided that such Security was not created or assumed in contemplation of such company or other entity becoming a Subsidiary of the Issuer and that the principal amount of such Financial Indebtedness is not subsequently increased);

(b) Security arising by operation of law in the ordinary course of business of the Issuer or a Subsidiary and not resulting from any default or omission of the Issuer or a Subsidiary;

(c) Personal Security given by the Issuer to guarantee (i) the Financial Indebtedness of a Subsidiary incurred in order to finance Project Land or Project Buildings of such relevant Subsidiary or (ii) the performance of Projects by a Subsidiary including the payment of any indemnities or penalties under performance guarantees in relation to Projects of such Subsidiary;

(d) Personal Security given by a Subsidiary in respect of a Financial Indebtedness of another Subsidiary;

(e) Security granted by the Issuer on a part or all of the shares of a Subsidiary in order to secure the Financial Indebtedness of that Subsidiary in order to finance Project Land or Project Buildings of such relevant Subsidiary; or

(f) Security granted by a Subsidiary to secure its own Financial Indebtedness incurred in order to finance Project Land or Project Buildings of such relevant Subsidiary.

4 Interpretation

A "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

A reference to any act, law, statute or any provision of any act, law or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

5 Interest

5.1 Interest Rate and Interest Payment Dates

Subject to an increase as described in Condition 6.2(c), each Bond bears interest from (and including) the Issue Date at the rate of 2.75 per cent. per annum (the **Interest Rate**) calculated by reference to its Specified Denomination and such interest amount is payable annually in arrears on 2 April of each year (each an **Interest Payment Date**), commencing with the Interest Payment Date falling on 2 April 2020.

When interest is required to be calculated in respect of any period which is shorter than an Interest Period, it shall be calculated by multiplying the product of the Interest Rate and the Specified Denomination with (i) the actual number of days in the relevant period from (and including) the first day of such period to (but excluding) the date on which it falls due divided by (ii) the actual number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next following Interest Payment Date.

5.2 Accrual of Interest

Each Bond will cease to bear interest from and including its due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which case interest will continue to accrue at the rate specified in Condition 5.1 (*Interest Rate and Payment Dates*) (both before and after judgment and if necessary to be increased with judicial interest) until the earlier of:

(a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder; or

(b) the day falling two TARGET Business Days after the NBB-SSS has received all amounts then due under the Bonds (except to the extent that any subsequent default would exist).

6 Redemption and Purchase

6.1 Redemption at maturity

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed at their principal amount (together with interest accrued to the Maturity Date) on the Maturity Date.

6.2 Redemption at the Option of Bondholders

(a) Upon a Change of Control

In the event that a Change of Control occurs, then each Bondholder will have the right to require the Issuer to redeem all or any part of its Bonds on the Change of Control Put Date at the Put Redemption Amount.

For the purpose of this Condition, a **Change of Control** shall be deemed to have occurred if (a) any person other than the Reference Shareholders or (b) a group of persons other than the Reference Shareholders, Acting in Concert, gain(s) Control of the Issuer;

whereby:

Control means (A) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to (i) cast, or control the casting of more than 50% of the maximum number of votes that might be cast at a general meeting of Shareholders of the Issuer; or (ii) exercise a

decisive influence on the appointment or removal of all or a majority of the directors of the Issuer (including, but not limited to the right to nominate, pursuant to the articles of association or pursuant to agreements known by the Issuer, the majority of the directors of the Issuer); or (iii) exercise a decisive influence on the operating or financial policies of the Issuer with which the directors or other equivalent officers of the Issuer are to comply or (B) the acquisition or the holding of a number of voting rights, even if such number is less than 50% of the outstanding voting rights in the Issuer, if such acquisition or holding has resulted in a mandatory public offer over the whole of the outstanding shares of the Issuer; and

Acting in Concert means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them to obtain or consolidate control over the Issuer.

To exercise such right, the relevant Bondholder must complete and deposit with the bank or other financial intermediary through which the Bondholder holds Bonds (the **Financial Intermediary**) for further delivery by the Financial Intermediary to the Issuer (with a copy to the specified office of the Agent) a duly completed and signed notice of exercise in the form attached as Schedule 2 to the Conditions (*Part V of the Prospectus*) (a **Change of Control Put Exercise Notice**), at any time during the Change of Control Put Exercise Period, provided that the Bondholders must check with their Financial Intermediary, as applicable, when such Financial Intermediary would require to receive instructions and Change of Control Put Exercise Notices in order to meet the deadlines for such exercise to be effective, as well as the costs or fees that such exercise may entail. By delivering a Change of Control Put Exercise Notice, the Bondholder shall undertake to hold the Bonds through a Financial Intermediary up to the date of effective redemption of the Bonds.

Payment in respect of any such Bond shall be made by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

*Bondholders should note that the exercise by any of them of the option set out in this Condition 6.2 will only be effective under Belgian law if, prior to the earliest of (a) the Issuer being notified by the FSMA of a formal filing of a proposed offer to the shareholders of the Issuer or (b) the occurrence of a Change of Control, (i) the Change of Control Resolutions have been approved by the Shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the clerk of the competent enterprise court (*greffe du tribunal de l'entreprise / griffie van de ondernemingsrechtbank*). Pursuant to Condition 10.8, the Issuer has undertaken to file a copy of the Change of Control Resolutions by the Long Stop Date. If a Change of Control occurs prior to such approval and filing, the Bondholders will not be entitled to exercise the option set out in this Condition 6.2. There can be no assurance that such approval will be granted at such shareholders' meeting. Reference is however made to the increase of Interest Rate included in Condition 6.2(c).*

The Put Redemption Amount applicable in the case of, or following, a Change of Control referred to under Condition 6.2(a), will be equal to the amount which is the lowest of the following two possibilities: (i) 101% of the principal amount of each Bond or (ii) such percentage (higher than

100%) of the principal amount of each Bond, which results in the actuarial yield of an investor between the Issue Date and the date of redemption in accordance with Condition 6.2(a) not being higher than the actuarial yield of the Bonds from the Issue Date up to the Maturity Date plus 0.75 points. This reflects a maximum yield of 0.75 points above the yield of the Bonds on the Issue Date up to the Maturity Date in accordance with the "Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*" (Royal decree of 26 May 1994 on the deduction of withholding tax) (the* ***Royal Decree****). It follows from the Royal Decree that, because the Bonds can be traded on N accounts, the actuarial return cannot exceed the actuarial return of the Bonds upon the issue up to the final maturity by more than 0.75 points if investors exercise a right to have the Bonds redeemed early. This is to safeguard the exemption of Belgian withholding tax for the Bonds held on X accounts.*

(b) Change of Control Notice

Within 5 Business Days following a Change of Control, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 14 (*Notices*) (a **Change of Control Notice**). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 6.2 (*Redemption at the Option of Bondholders*). Such notice shall be irrevocable.

The Change of Control Notice shall also specify:

(i) to the fullest extent permitted by applicable law, all information material to Bondholders concerning the Change of Control;

(ii) the last day of the Change of Control Put Exercise Period;

(iii) the Change of Control Put Date; and

(iv) the Put Redemption Amount.

The Agent shall not be required to monitor or take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

(c) Change of Control Resolutions

If by not later than the Long Stop Date:

(i) the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the Shareholders of the Issuer; or

(ii) the Change of Control Resolutions have not been duly filed with the clerk of the competent enterprise court ,

then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the then prevailing Interest Rate shall be increased by 0.50% per annum until the last day of the Interest Period during which the Change of Control Resolutions were approved by a general meeting of the Shareholders of the Issuer and filed with the clerk of the competent enterprise court.

6.3 Purchase

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.

6.4 Cancellation

All Bonds which are redeemed will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be held, reissued or resold at the option of the Issuer or relevant Subsidiary, or surrendered to the Agent for cancellation.

6.5 Multiple Notices

If more than one notice of redemption is given pursuant to this Condition 6 (*Redemption and Purchase*), the first of such notices to be given shall prevail.

6.6 Relation to Events of Default

This Condition 6 (*Redemption and Purchase*) is without prejudice to the right of any Bondholder to give notice to the Issuer declaring its Bonds immediately due and payable if an Event of Default occurs and is continuing, in accordance with and subject to Condition 9 (*Events of Default*), even if such notice is served between the date on which the relevant Bondholder has deposited a Change of Control Put Exercise Notice and the Change of Control Put Date, in which case the notice in relation to the Event of Default will prevail.

7 Payments

7.1 Principal, Premium and Interest

Without prejudice to the provisions of the Belgian Company Code, all payments of principal, premium or interest in respect of the Bonds shall be made through the Agent and the NBB-SSS in accordance with the NBB-SSS Regulations. The payment obligations of the Issuer under the Bonds will be discharged by payment to the NBB-SSS in respect of each amount so paid.

7.2 Payments

Each payment in respect of the Bonds pursuant to Condition 7.1 (*Principal, Premium and Interest*) will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

7.3 Payments subject to fiscal and other applicable laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, without prejudice to the provisions of Condition 8 (*Taxation*). No commission or expenses shall be charged to the Bondholders in respect of such payments.

7.4 Agents, etc.

The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Agent, to vary or terminate the appointment of the Agent and appoint additional or other agents, provided that it will (i) maintain a principal paying agent and (ii) maintain an agent and the agent will at

all times be a Participant in the NBB-SSS. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 14 (*Notices*).

7.5 No Charges

The Agent shall not make or impose on a Bondholder any charge or commission in relation to any payment in respect of the Bonds.

7.6 Fractions

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

7.7 Non-TARGET Business Days

If any date for payment in respect of the Bonds is not a TARGET Business Day, the Bondholder shall not be entitled to payment until the next following TARGET Business Day, nor to any interest or other sum in respect of such postponed or anticipated payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

8 Taxation

All payments of principal and/or interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of Belgium, or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction of the Taxes is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

(a) **Other connection**: to, or to a third party on behalf of, a Bondholder who is liable to such Taxes in respect of such Bond by reason of his having some connection with Belgium other than the mere holding of the Bond; or

(b) **Non-Eligible Investor**: to a Bondholder, who at the time of issue of the Bonds, was not an eligible investor within the meaning of article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax or to a Bondholder who was such an eligible investor at the time of issue of the Bonds but, for reasons within the Bondholder's control, either ceased to be an eligible investor or, at any relevant time on or after the issue of the Bonds, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to transactions in certain securities; or

(c) **Conversion into registered securities**: to a Bondholder who is liable to such Taxes because the Bonds were upon his/her request converted into registered Bonds and could no longer be cleared through the NBB-SSS; or

(d) **Lawful avoidance of withholding**: to, or to a third party on behalf of, a Bondholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that

any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Bond is presented for payment.

Every reference in these Conditions to principal payments and interest contains any additional amounts in respect of principal payments and interest which would be payable pursuant to this Condition 8 (*Taxation*).

9 Events of Default

If any of the following events (each an **Event of Default**) occurs and is continuing then any Bond may, by notice in writing given to the Issuer at its registered office with a copy to the Agent at its specified office by the Bondholder, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further formality unless such Event of Default shall have been remedied prior to the receipt of such notice by the Agent:

(a) **Non-payment**: the Issuer fails to pay the principal of or interest on any of the Bonds when due and such failure continues for a period of 10 Business Days;

(b) **Breach of ratios**: any of the Consolidated Gearing, the Interest Cover Ratio or the Debt Service Cover Ratio does not comply with the applicable ratios and thresholds as set out in Condition 10 (*Undertakings*);

(c) **Breach of other covenants, agreements or undertakings**: the failure on the part of the Issuer to observe or perform (i) any provision (other than those referred to under (a) and (b) above) set out in the Conditions, the Agency Agreement or the Clearing Agreement or (ii) any other provision, covenant, agreement, undertaking or obligation relating to the Bonds, which default is incapable of remedy, or if capable of remedy, is not remedied within 10 Business Days after notice of such default has been given to the Issuer by any Bondholder or the Agent;

(d) **Cross-Default of the Issuer or a Subsidiary**: at any time, (i) any Financial Indebtedness of the Issuer or any Subsidiary is not paid when due or, as the case may be, within any originally applicable grace period; (ii) any Financial Indebtedness of the Issuer or any Subsidiary is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); (iii) any commitment for any Financial Indebtedness of the Issuer or any Subsidiary is cancelled or suspended by any creditor as a result of an event of default (however described); or (iv) any creditor of the Issuer or any Subsidiary becomes entitled to declare any Financial Indebtedness of the Issuer or any Subsidiary due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default under this paragraph (d) will occur if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within this paragraph (d) (i) through (iv) is less than EUR 20,000 (or its equivalent in any other currency);

(e) **Enforcement Proceedings**: a distress, attachment, execution or other process is levied or enforced upon or against all or any part of the property, assets or revenues of the Issuer or any Subsidiary and is not discharged or stayed within 30 Business Days after their commencement;

(f) **Security Enforced**: any Security created or assumed by the Issuer or any of its Subsidiaries in respect of any of its property or assets or any Personal Security granted or assumed by the Issuer or any of its Subsidiaries for an amount at the relevant time of at least EUR 250,000 or its equivalent becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person);

(g) **Unsatisfied judgment**: one or more judgment(s) or order(s) for the payment of an amount in excess of EUR 250,000 (or its equivalent in any other currency or currencies, whether individually or in aggregate) is rendered against the Issuer or any of its respective Subsidiaries, and it is no longer possible for the relevant entity to lodge an appeal or other legal remedy against such judgment(s) or order(s) that would suspend the payment obligation thereunder, and continue(s) unsatisfied and unstayed for a period of 15 Business Days after the date(s) thereof or, if later, the date therein specified for payment;

(h) **Insolvency and insolvency proceedings**:

(i) the Issuer or any of its Subsidiaries becomes insolvent or bankrupt (*est déclaré en faillite* / *wordt failliet verklaard*) or is unable to pay its debts as they fall due;

(ii) the Issuer or any Subsidiary initiates a bankruptcy proceeding or another insolvency proceeding (or such proceedings are initiated against the Issuer or any Subsidiary), under applicable Belgian or foreign bankruptcy laws, insolvency laws or similar laws (including Book XX of the Belgian Code of Economic Law),

(iii) a petition has been filed with a court for the bankruptcy, impending insolvency, a protection period, moratorium or settlement or reorganisation or any other insolvency petition has been filed in respect thereof, provided that no Event of Default under this paragraph will occur if the Issuer or the relevant Subsidiary (acting reasonably and in good faith) promptly disputes any such petition, proceedings or actions before a court as being unsubstantiated or vexatious and the proceedings initiated on the basis of such petition are dismissed within 45 days after their commencement,

(iv) the Issuer or any Subsidiary are declared bankrupt by a competent court or if a bankruptcy trustee, liquidator, administrator (or any similar official under any applicable law) is appointed with respect to the Issuer or any Subsidiary, or a bankruptcy trustee, liquidator, administrator (or any similar official under any applicable law) takes possession of all or a substantial part of the assets of the Issuer or any Subsidiary,

(v) the Issuer or any Subsidiary stops, suspends or announces its intention to stop or suspend payment of all, or a material part of (or a particular type of) its debts; or

(vi) the Issuer or any of its Subsidiaries (in each case by reason of actual or anticipated financial difficulties) commences negotiations with one or more of its creditors with the view of deferring, rescheduling or otherwise readjusting any of its debts or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) the debts of the Issuer or any of Subsidiary (including judicial reorganisation (*gerechtelijke reorganisatie / réorganisation judiciaire*), as applicable);

(i) **Reorganisation, change of or transfer of business or transfer of assets**: (a) a material change of the nature of the activities of the Issuer or the Group, as compared to the activities as these are carried out on the Issue Date, occurs or (b) a reorganisation or transfer of the assets of the Issuer or the Group occurs resulting in (i) a material change of the nature of the activities of the Issuer or the Group or (ii) a transfer of all or substantially all of the assets of the Issuer or the

Group, whereby (ii) will not give rise to an Event of Default if the proceeds from such transfer of assets are reinvested by the Issuer or the relevant member of the Group in line with the current business model of the Group or are used to repay existing Financial Indebtedness, or (c) the Issuer or the Group (taken as a whole) ceases to carry on all or substantially all of its business, other than for (a), (b) and (c) on terms approved by the general meeting of Bondholders.

(j) **Winding-Up**: a court order or an effective resolution passed for the winding-up or the liquidation of the Issuer or any of its Subsidiaries (except for (in the case of any of the Subsidiaries) a solvent winding-up or liquidation procedure), or the Issuer or any of its Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on a solvent basis;

(k) **Failure to take action**: any action, condition or thing at any time required to be taken, fulfilled or done in order:

(i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds;

(ii) to ensure that those obligations are legal, valid, binding and enforceable; or

(iii) to make the Bonds admissible in evidence in the courts of Belgium,

is not taken, fulfilled or done;

(l) **Unlawfulness**: it is or becomes unlawful for the Issuer to perform or comply with its obligations under or in respect of the Bonds;

(m) **Delisting of the Bonds**: the listing of the Bonds on the regulated market of Euronext Brussels is withdrawn or suspended for a period of at least 7 subsequent Business Days as a result of a failure of the Issuer, unless the Issuer obtains the listing of the Bonds on another regulated market of the European Union at the latest on the last day of this period of 7 Business Days.

10 Undertakings

10.1 Consolidated Gearing

The Issuer shall, as long as any Bond remains outstanding, ensure that the Consolidated Gearing on each testing date is equal to or below 65%.

10.2 Interest Cover Ratio

The Issuer shall, as long as any Bond remains outstanding, ensure that the Interest Cover Ratio on each testing date shall be equal to or shall exceed 1.2.

For the avoidance of doubt, the Interest Cover Ratio will not be considered to be breached on a testing date, if in relation to the Annual Relevant Period immediately preceding such testing date the Finance Charges are negative or equal to zero.

10.3 Debt Service Cover Ratio

The Issuer shall, as long as any Bond remains outstanding, ensure that the Debt Service Cover Ratio on each testing date shall be equal to or shall exceed 1.2.

For the avoidance of doubt, the Debt Service Cover Ratio will not be considered to be breached on a testing date, if in relation to the Annual Relevant Period immediately preceding such testing date the Net Debt Service is negative or equal to zero.

10.4 Financial testing

The Consolidated Gearing, the Interest Cover Ratio and the Debt Service Cover Ratio shall be calculated and tested semi-annually on a rolling annual basis in relation to the relevant Annual Relevant Period as at the last day of each calendar half-year, for the first time as of 31 December 2019.

10.5 Representation by the Issuer

The Issuer represents and confirms that as of 30 June 2019 the Consolidated Gearing, the Interest Cover Ratio or the Debt Service Cover Ratio comply with the applicable ratios and thresholds as set out in Conditions 10.1 through 10.3.

10.6 Domiciliation of the Issuer

The Issuer will procure that the Issuer shall not become domiciled or resident in or subject generally to the taxing authority of any jurisdiction other than Belgium.

10.7 Listing of the Bonds on a regulated market

Upon the Bonds becoming listed on the regulated market of Euronext Brussels on or prior to the Issue Date (subject to admission), the Issuer undertakes to furnish to the relevant stock exchange all documents, information and undertakings and publish all advertisement or other material that may be necessary in order to effect and maintain such listing, and to cause such listing to be continued so long as any of the Bonds remain outstanding. If the Bonds are not or cease to be listed on Euronext Brussels, the Issuer undertakes to ensure admission of the Bonds to trading on another regulated market in the European Union.

10.8 Change of Control Resolutions

The Issuer undertakes to (i) use its best endeavours to procure that the Change of Control Resolutions be passed at the general meeting of Shareholders of the Issuer scheduled to be held prior to the Long Stop Date and (ii) file a copy of the resolutions as aforesaid promptly thereafter with the clerk of the competent enterprise court (*greffe du tribunal de l'entreprise* / *griffie van de ondernemingsrechtbank*) by the Long Stop Date.

11 Compliance Certificate

On the date falling no later than (i) 120 days after the end of each of its financial years, starting from the financial year 2019 or on the date of the publication of its financial statements for the relevant financial year, starting from the financial year 2019, whichever is earlier and (ii) 60 days after the end of the first half of each of its financial years, starting from the financial year 2020, the Issuer shall publish on its website a copy of the Compliance Certificate and a statement that indicates whether the applicable ratios set out in Condition 10 have or have not been breached.

For the purpose hereof, **Compliance Certificate** means a certificate from the Issuer, signed by two directors of the Issuer (one of which must be its executive director) or alternatively by the executive director and the chief financial officer and approved by the Auditors, setting out in detail computations, indicating and confirming whether the Consolidated Gearing, the Interest Cover Ratio and the Debt

Service Cover Ratio comply with the applicable ratios and thresholds as set out in Condition 10, as at the date of the relevant financial statements to which such Compliance Certificate relates.

12 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of such payment.

Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

13 Meeting of Bondholders, Modification and Waiver

13.1 Meetings of Bondholders

The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions.

All meetings of Bondholders will be held in accordance with the Belgian Company Code with respect to bondholders' meetings; provided however that the Issuer shall, at its own expense, promptly convene a meeting of Bondholders upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. Subject to the quorum and majority requirements set out in the Belgian Company Code, and if required thereunder subject to validation by the court of appeal, the meeting of Bondholders shall be entitled to exercise the powers set out in article 568 of the 1999 Belgian Company Code (articles 7:162 and 7:163 of the 2019 Belgian Code of Companies and Associations) and, upon proposal of the Board of Directors, to modify or waive any provision of these Conditions, provided however that the following matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum: (i) proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds or to alter the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity or the date for any such payment; (ii) proposal to effect the exchange, conversion or substitution of the Bonds for, or the conversion of the Bonds into, Ordinary Shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iii) proposal to change the currency in which amounts due in respect of the Bonds are payable; (iv) proposal to change the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution.

Resolutions duly passed in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

The Agency Agreement provides that a resolution in writing signed by or on behalf of all Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

For so long as the relevant provisions relating to meetings of Bondholders of the 1999 Belgian Company Code cannot be derogated from, where any of the provisions in relation to the meetings of Bondholders, which are set out in full in Schedule 1 to the Conditions, would conflict with the relevant provisions of the 1999 Belgian Company Code, the mandatory provisions of the 1999 Belgian Company Code will apply.

13.2 Modification and Waiver

The Agent may agree, without the consent of the Bondholders, to any modification of the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement either (i) which in the Agent's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement, which is, in the opinion of the Agent, not materially prejudicial to the interests of the Bondholders. In addition, the Issuer shall only permit any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders.

14 Notices

Notices to the Bondholders shall be valid (i) if delivered by or on behalf of the Issuer to the NBB-SSS for communication by it to the NBB-SSS participants and (ii) if published on the website of the Issuer (on the Issue Date: www.vgpparks.eu), and (iii) if published through the usual newswires agency (or any of the usual newswires agencies) used by the Issuer to discharge its ongoing information duties pursuant to the Royal Decree of 14 November 2007. Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the NBB-SSS and (ii) the date of first publication. The Issuer shall bear all fees, costs and expenses in relation to the drafting, delivery and publication of such notices.

The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

15 Security

If pursuant to Condition 3 (*Negative Pledge*) any Security, Personal Security, guarantee or indemnity would be provided or granted in connection with the Bonds, then each Bondholder shall be deemed to have agreed with each of the following:

(a) The relevant Security, Personal Security, guarantee or indemnity may be provided or granted to a security agent appointed in the context of the relevant Financial Indebtedness (the **Security Agent**) on the basis of the Parallel Debt or in any other manner that is customary or prescribed by law.

(b) Each Bondholder hereby grants a power to any Security Agent to enter into all documents relating to such Security, Personal Security, guarantee or indemnity (the **Security Documents**) (as well as any communication thereunder or any intercreditor agreement or other agreement or document related thereto) and to hold this, or to be the beneficiary thereof, for the account

of the Bondholders and the creditors of the relevant Financial Indebtedness (the **Relevant Creditors**).

(c) Provided that the equal and *pari passu* sharing of such Security, Personal Security, guarantee or indemnity (i.e. the proceeds of any enforcement of the Security, Personal Security, guarantee or indemnity are shared *pro rata* among the different liabilities secured by the Security, Personal Security, guarantee or indemnity) is not prejudiced, the provider of the Security, Personal Security, guarantee or indemnity and the Relevant Creditors may agree on, or amend, the terms and conditions of the relevant Security Document or any other agreement related thereto (including, without limitation, any intercreditor agreement). The Security Document or, if applicable, any intercreditor agreement, can provide that in certain circumstances the Security, Personal Security, guarantee or indemnity can only be enforced by the Security Agent, at its own initiative or acting upon the instructions of the Relevant Creditors or a majority thereof (as defined in the relevant finance document) or, if the Relevant Creditors would agree with this at the time of the creation of the Security, Personal Security, guarantee or indemnity or the entry into the intercreditor agreement (if any), upon the instruction of the general meeting of the Bondholders (decided with absolute majority).

(d) The Security Agent is authorised to release the Security, Personal Security, guarantee or indemnity in accordance with the applicable provisions set forth in the Security Document, without the express consent or any other intervention of the Bondholders. In particular, the Security Agent may release the relevant Security, Personal Security, guarantee or indemnity upon full discharge of the relevant Financial Indebtedness of the Relevant Creditors or in all other circumstances the Relevant Creditors may agree with the security provider (regardless of whether the obligations under the Bonds remain outstanding).

(e) The Security Agent cannot be held liable for the holding of a Security or for being the beneficiary of a Personal Security, guarantee or indemnity, the release or the execution thereof or for (not) taking any action with respect to a Security Document or the relevant Security, Personal Security, guarantee or indemnity, except in case of fraud or wilful misconduct.

(f) Parallel Debt

To the extent that any debt of the Issuer or any of its Subsidiaries (including any debt under the Bonds) is guaranteed by any Security, Personal Security, guarantee or indemnity that also secures the Bonds in accordance with these terms and conditions (together, the **Corresponding Debt**), the Issuer and its relevant Subsidiaries shall pay to the Security Agent an amount equal to the amount of the Corresponding Debt provided that any amounts are outstanding under the Corresponding Debt (the **Parallel Debt**).

The Parallel Debt is a separate debt independent from the Corresponding Debt, except that in case of a payment under the Corresponding Debt or the Parallel Debt, as applicable, the Parallel Debt or the Corresponding Debt will decrease for the same amount (so that at any time the amount under the Corresponding Debt and the Parallel Debt will be equal).

In case the Security Agent receives any payment under the Parallel Debt or as a consequence of the enforcement of any Security, Personal Security, guarantee or indemnity, such amount (after deduction of any costs or taxes) shall be applied in accordance with the provisions of the relevant Security Document (it being understood that the amount that is due to the Bondholders in accordance with the Conditions will only be reduced with the amount the

Security Agent would pay to the Bondholders under the Parallel Debt or the enforcement of any Security, Personal Security, guarantee or indemnity).

16 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further notes, bonds or debentures either (i) having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) or (ii) having the same terms and conditions in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, premium, redemption and otherwise as the Issuer may determine at the time of their issue. The Agency Agreement contains provisions for convening a single meeting of the Bondholders.

17 Governing Law and Jurisdiction

17.1 Governing Law

The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.

17.2 Jurisdiction

The Dutch-speaking courts of Brussels, Belgium are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Agency Agreement or the Bonds may be brought in such courts.

Schedule 1 to the Conditions
Provisions for Meetings of Bondholders

The capitalized terms used in this *Part V: Terms and Conditions* are defined in *Part XV: Definitions* of this Prospectus. As a consequence *Part XV: Definitions* should be read together with the Conditions and form together with the Conditions an integral part of this *Part V: Terms and Conditions* for any and all purposes. A reference to the Conditions shall include a reference to *Part XV: Definitions* and vice versa.

1 CALLING OF THE GENERAL MEETING

(a) The Board of Directors or the Auditors for the time being may at any time convene a meeting of Bondholders. The Issuer shall, at its own expense, promptly convene a meeting of Bondholders upon the request in writing of Bondholders holding not less than 10% of the aggregate principal amount of the outstanding Bonds.

(b) At least 15 days' notice (exclusive of the day on which the notice is given and the day on which the general meeting is held) specifying the day, time and place of general meeting shall be given to the Bondholders in the manner provided by Condition 14 (*Notices*). Such notice shall include the agenda of the meeting. The agenda shall state the nature of the business to be transacted at the general meeting thereby convened and specify the terms of any resolution to be proposed. Such notice shall include a statement to the effect that Bonds must be held with or under the control of and blocked by a Recognised Accountholder for the purpose of obtaining Voting Certificates or appointing proxies, until three Business Days before the time fixed for the general meeting but not thereafter.

2 ACCESS TO THE GENERAL MEETING

(a) Save as expressly provided otherwise herein, no person shall be entitled to attend or vote at any general meeting of the Bondholders unless he produces a Voting Certificate or is a proxy.

(b) The Issuer (through its respective officers, employees, advisers, agents or other representatives) and its financial and legal advisers shall be entitled to attend and speak at any general meeting of the Bondholders.

(c) Proxies (as defined below) need not to be Bondholders.

(d) If foreseen by the articles of association of the Issuer, the Bondholders may participate at the meeting by electronic means in accordance with the Belgian Company Code (article 571bis of the 1999 Belgian Company Code; article 7:167 of the 2019 Belgian Code of Companies and Associations). In that case, these Bondholders are deemed to be present at the place where the meeting of the Bondholders is held for quorum and majorities purposes.

3 QUORUM AND MAJORITIES

(a) All meetings of Bondholders will be held in accordance with the Belgian Company Code. For so long as the relevant provisions relating to meetings of bondholders of the 1999 Belgian Company Code cannot be derogated from, where any provision of this Schedule would conflict with the relevant provisions of the 1999 Belgian Company Code, the mandatory provisions of the 1999 Belgian Company Code will apply.

(b) The quorum at any such meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing not less than 75% of the aggregate principal amount of Bonds then outstanding. If within half an hour from the time appointed for such general meeting a quorum is not present, the general meeting shall, if convened upon the requisition of the Bondholders, be dissolved. In any other case, it shall be adjourned for such period being not less than 14 days nor more than 42 days, and at such place as may be decided by the chairman. At any adjourned meeting after publication of a new convening notice pursuant to Condition 13 (*Meeting of Bondholders, Modification and Waiver*), two or more persons holding or representing not less than 25% of the aggregate principal amount of Bonds then outstanding shall form the quorum.

(c) No Extraordinary Resolution shall be adopted if not approved by members voting in their own name or as proxy, representing at least 75% of the amounts of Bonds having participated in the vote.

(d) The matters in respect of which an Extraordinary Resolution may be adopted, upon proposal of the Board of Directors, include modifying or suspending the date of maturity of Bonds, postponing any day for payment of interest thereon, reducing the rate of interest applicable in respect of such Bonds, altering the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity or the date for any such payment, deciding urgent interim actions in the common interest of Bondholders, accepting a security in favour of the Bondholders, effecting the exchange, conversion or substitution of the Bonds for, or the conversion of the Bonds into, Ordinary Shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed, changing the currency in which amounts due in respect of the Bonds are payable, changing the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution.

(e) The term Extraordinary Resolution when used herein means a resolution passed at a meeting of Bondholders duly convened in accordance with the provisions contained herein.

4 MANAGEMENT OF THE GENERAL MEETINGS

(a) The Issuer may appoint a chairman. Failing such choice, the Bondholders may appoint a chairman.

(b) The Issuer will make a list of the outstanding Bonds available to the Bondholders at the start of the meeting.

(c) The chairman may with the consent of (and shall if directed by) any general meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned general meeting except business which could have been transacted at the general meeting from which the adjournment took place.

(d) Notice of any adjourned general meeting shall be given in the same manner as for an original general meeting, and such notice shall state the quorum required at the adjourned general meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned general meeting.

5 VOTING

(a) Every question submitted to a general meeting shall be decided in the first instance by a show of hands, then (subject to paragraph 5(b)) by a poll.

(b) At any general meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, the Issuer, one or more persons holding Voting Certificates in respect of the Bonds or proxies holding or representing in the aggregate not less than 2% of the aggregate principal amount of the outstanding Bonds, a declaration by the chairman that a resolution has passed or not passed, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

(c) If at any general meeting a poll is so demanded, it shall be taken in such manner and (subject as hereinafter provided) either at once or after such an adjournment as the chairman directs. The result of such poll shall be deemed to be the resolution of the general meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the general meeting for the transaction of any business other than the question on which the poll has been demanded.

(d) Any poll demanded at any general meeting on the election of a chairman or on any question of adjournment shall be taken at the general meeting without adjournment.

(e) Any vote given in accordance with the terms of a Block Voting Instruction shall be valid notwithstanding the previous revocation or amendment of the Block Voting Instruction or of any Bondholder's instructions pursuant to which it was executed, provided that no confirmation in writing of such revocation or amendment shall have been received from the Recognised Accountholder by the Issuer at its headquarters (Uitbreidingstraat 72, box 7, 2600 Antwerp, Belgium), or such other address as notified to the Bondholders in accordance with the Conditions of the Bonds) by the time being 24 hours before the commencement of the general meeting or adjourned general meeting at which the Block Voting Instruction is intended to be used.

6 BINDING RESOLUTIONS

Any resolution passed at a meeting of the Bondholders duly convened and held in accordance with the Belgian Company Code and the provisions contained herein shall be binding upon all the Bondholders whether or not they are present at the meeting and whether or not they vote in favour of such resolution.

7 RESOLUTIONS IN WRITING

A resolution in writing signed by on or behalf of all Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held in accordance with the provisions herein contained. Such resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

8 MINUTES

Minutes of all resolutions and proceedings at every such general meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and signed by the chairman, the Bondholders so requesting and the members of the "bureau" if a bureau is formed at the meeting, and any such minutes as aforesaid shall be conclusive evidence of the matters therein contained, and until the contrary is proved each such general meeting in respect of the proceedings of which minutes have been made and signed as aforesaid shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted. An attendance list will be attached to the minutes. Certified copies or extracts of the minutes shall be signed by two directors of the Issuer.

9 VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

(a) Voting Certificates and Block Voting Instructions will only be issued in respect of Bonds (to the satisfaction of such Recognised Accountholder) held to the order or under the control and blocked by a Recognised Accountholder not less than three Business Days before the time for which the meeting or the poll to which the same relate has been convened or called and shall be valid for so long as the relevant Bonds continue to be so held and blocked and during the validity thereof the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting of the Bondholders, be deemed to be the holder of the Bonds to which such Voting Certificate or Block Voting Instruction relates and the Recognised Accountholder with which such Bonds have been deposited or to whose order or under whose control they are held or the person holding them blocked as aforesaid shall be deemed for such purpose not to be the holder of those Bonds.

(b) Each Block Voting Instruction shall be deposited at the registered office of the Issuer not less than three Business Days before the time appointed for holding the general meeting or adjourned general meeting at which the proxies named in the Block Voting Instruction propose to vote and in default of such deposit the Block Voting Instruction shall not be treated as valid unless the chairman of the general meeting decides otherwise before such general meeting or adjourned general meeting proceeds to business.

(c) articles 578 and 579 of the 1999 Belgian Company Code (articles 7:175 and 7:176 of the 2019 Belgian Code of Companies and Associations) shall apply.

10 COMPLIANCE WITH BELGIAN LAW

Subject to all other provisions contained in this Schedule, the Issuer may prescribe such further regulations regarding the holding of general meetings of Bondholders and attendance and voting thereat as are necessary to comply with Belgian law.

Article 575 of the 1999 Belgian Company Code (article 7:171 of the 2019 Belgian Code of Companies and Associations) shall apply.

Schedule 2 to the Conditions
Form of Change of Control Put Exercise Notice

Bondholders wishing to exercise the put option following a Change of Control pursuant to Condition 6.2 (Redemption at the Option of Bondholders) will be required to deposit during the Change of Control Put Exercise Period a duly completed and signed Change of Control Put Exercise Notice with the relevant Financial Intermediary.

Such Financial Intermediary is the bank or other financial intermediary, whether in Belgium, Luxembourg or any other jurisdiction, through which the Bondholder holds the Bonds.

When depositing the Change of Control Put Exercise Notice, the Bondholder requests that such Financial Intermediary (i) delivers the Change of Control Put Exercise Notice to the Issuer and to the Agent, (ii) liaises with the Agent to organise the early redemption of the relevant Bonds pursuant to Condition 6.2 and (iii) transfers the relevant Bond(s) to the account of the Agent. Any fees and/or costs charged by the Financial Intermediary in relation to the deposit of the Change of Control Put Exercise Notice or the transfer of the relevant Bonds will be borne by the relevant Bondholder.

To: [*Details of the Financial Intermediary through which the Bondholder holds the Bonds*]

Issuer
VGP NV
Uitbreidingstraat 72, box 7, 2600 Antwerp
Public limited liability company (naamloze vennootschap/société anonyme) under Belgian law

2.75 per cent. fixed rate bonds due 2 April 2023
ISIN: BE0002677582
Common Code: 208152149
(the **Bonds**)

CHANGE OF CONTROL PUT EXERCISE NOTICE

By sending this duly completed Change of Control Put Exercise Notice to the Agent in accordance with Condition 6.2 (*Redemption at the Option of Bondholders*) of the Bonds, the undersigned Bondholder specified below irrevocably exercises its option to have such Bonds redeemed early in accordance with Condition 6.2 on the Change of Control Put Date falling on ....* The undersigned holder of such Bonds hereby confirms to the Issuer that (i) he/she holds the amount of Bonds specified in this Change of Control Put Exercise Notice and (ii) he/she undertakes not to sell or transfer such Bonds until the Change of Control Put Date specified above.

Aggregate nominal amount of Bonds held:

EUR.. ([*amount in figures*] euro)

Bondholder contact details:

Name and first name or Company: ....

Address: ....

Telephone number:..

Payment instructions:

Please make payment in respect of the Bonds redeemed early pursuant to Condition 6.2 by euro transfer to the following bank account:

Name of Bank: ....

Branch Address: ....

Account Number: ....

* Complete as appropriate.

The undersigned holder of the Bonds confirms that payment in respect of the redeemed Bonds shall be made against debit of his/her securities account number .... [*account number*] with ………………………………………………………………………………………..[*name and address of bank*] for the above-mentioned nominal amount of the Bonds.

All notices and communications relating to this Change of Control Put Exercise Notice should be sent to the address specified above.

Terms used and not otherwise defined in this Change of Control Put Exercise Notice have the meanings given to them in the terms and conditions of the Bonds.

Signature of the holder: .... Date:.................................

THIS CHANGE OF CONTROL PUT EXERCISE NOTICE WILL NOT BE VALID UNLESS (I) ALL OF THE PARAGRAPHS REQUIRING COMPLETION ARE DULY COMPLETED AND (II) IT IS DULY SIGNED AND DATED AND SENT TO THE RELEVANT FINANCIAL INTERMEDIARY.

BONDHOLDERS ARE ADVISED TO CHECK WITH THE RELEVANT FINANCIAL INTERMEDIARY WHEN SUCH FINANCIAL INTERMEDIARY WOULD REQUIRE TO RECEIVE THE COMPLETED CHANGE OF CONTROL PUT EXERCISE NOTICE TO ARRANGE TO DELIVER THE CHANGE OF CONTROL PUT EXERCISE NOTICE AND THE BONDS TO BE REDEEMED TO THE ACCOUNT OF THE AGENT FOR THE ACCOUNT OF THE ISSUER BY THE RELEVANT CHANGE OF CONTROL PUT DATE.

ONCE VALIDLY GIVEN THIS CHANGE OF CONTROL PUT EXERCISE NOTICE IS IRREVOCABLE.

PART VI: CLEARING

The Bonds will be accepted for clearance through the NBB-SSS under the ISIN number BE0002677582 and Common Code 208152149 with respect to the Bonds and will accordingly be subject to the NBB-SSS Regulations.

The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB (National Bank of Belgium, Boulevard de Berlaimont 14, 1000 Brussels).

Access to the NBB-SSS is available through those of its NBB-SSS participants whose membership extends to securities such as the Bonds.

NBB-SSS participants include certain banks, stockbrokers (*beursvennootschappen* / *sociétés de bourse*), and Euroclear, Euroclear France, Monte Titoli, Interbolsa, SIX SIS and Clearstream, Frankfurt. Accordingly, the Bonds will be eligible to clear through, and therefore accepted by Euroclear, Euroclear France, Monte Titoli, Interbolsa, SIX SIS and Clearstream, Frankfurt and investors can hold their Bonds within securities accounts in Euroclear, Euroclear France, Monte Titoli, Interbolsa, SIX SIS and Clearstream, Frankfurt.

Transfers of interests in the Bonds will be effected between NBB-SSS participants in accordance with the rules and operating procedures of the NBB-SSS. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the NBB-SSS participants through which they hold their Bonds.

The Agent will perform the obligations of paying, calculation and listing agent included in the service contract for the issuance of fixed income securities that will be entered into on or about 2 December 2019 by the NBB, the Issuer and KBC Bank NV as Agent (the **Clearing Agreement**) and the Agency Agreement. The Issuer and the Agent will not have any responsibility for the proper performance by the NBB-SSS or its NBB-SSS participants of their obligations under their respective rules and operating procedures.

PART VII: DESCRIPTION OF THE ISSUER

1 General information

VGP NV is a limited liability company that was incorporated under Belgian law on 6 February 2007 for an indefinite period of time with its registered office located at Uitbreidingstraat 72, box 7, 2600 Antwerp, with telephone number +32 3 289 14 30. VGP is registered with the Crossroads Bank for Enterprises under number 0887.216.042 (enterprise court of Antwerp, division Antwerp) and with Legal Entity Identifier (LEI) code: 315700NENYPIXFR94T49.

VGP NV, being a holding company falling within the exception set forth in article 7 °1 of the Belgian law on alternative investment funds of 19 April 2014 (*wet betreffende de alternatieve Instellingen voor collectieve belegging en hun beheerders* / *loi relative aux organismes de placement collectif alternatifs et à leurs gestionnaires*), has not been set up as a Belgian regulated real estate investment company within the meaning of the law of 12 May 2014 on regulated real estate investment companies (*wet betreffende de gereglementeerde vastgoedvennootschappen/ loi relative aux sociétés immobilières réglementées*) nor as a UCITS undertaking under the law of 3 August 2012 (*wet betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles / loi relative à certaines forms de gestion collective de portefeuilles d'investissement*).

As a consequence, the Company does not benefit from the fiscal advantages of a Belgian real estate investment trust and is not subject to the regulatory framework applicable to these real estate investment trusts.

The Company, together with its Subsidiaries (collectively, **VGP**, the **VGP Group** or the **Group**), is a pan-European real estate group specialised in the acquisition, development, and management of logistic real estate, i.e. buildings suitable for logistical purposes and light industrial activities. The Group focuses on strategically located plots of land in Germany, Spain, the Netherlands, Italy, certain Central European countries and the Baltic countries, suitable for development of logistic business parks of a certain size, so as to build up an extensive and well-diversified land bank on top locations. The Group has recently expanded into Italy, Austria, the Netherlands and Portugal and aims to expand further into other European markets in the future.

The Group constructs and develops high-end logistic real estate and ancillary offices for its own account and for its Joint Ventures, which are subsequently rented out to reputable clients by means of long term commercial lease contracts. The Group has an in-house team which manages all the activities of the fully integrated business model: from the identification and acquisition of the land, to the conceptualisation and design of the project, the supervision of the construction works, the contacts with potential tenants and the Facility Management of its own real estate portfolio.

VGP focuses on top locations which are located in the vicinity of highly concentrated living and/or production centres, with an optimal access to transport infrastructure.

1.1 Strategic partnership with Allianz

VGP's management performed a strategic exercise reviewing different alternatives in order to enable the Group to continue to invest in its development pipeline whilst at the same time being adequately financed. These strategic exercises have occurred over the recent years on various occasions and are currently on-going as the Group enters into a new phase of accelerated growth.

Following one of these strategic exercises, the Group came to a view that entering into a joint venture with a long term partner would represent the best alternative to achieve the aforementioned objectives and at the same time maximise shareholder value.

As a result, VGP entered into two 50:50 joint ventures with Allianz which are set up according to a similar structure. These joint venture structures allow VGP to partially recycle its initial invested capital when completed projects are acquired by the Joint Ventures and allow VGP to re-invest these monies in the continued expansion of the development pipeline, including the further expansion of the land bank, thus allowing VGP to concentrate on its core development activities.

Within the relevant geographical scope of each Joint Venture, VGP can at its discretion decide whether an asset is offered to the relevant Joint Venture. None of the Joint Ventures can request or require that VGP sells an asset to it. Each Joint Venture ultimately decides whether or not to purchase an asset offered by VGP, taking into account the location of the asset, the rent agreement and technical requirements.

VGP continues to service the Joint Ventures as asset-, property- and development manager which should see a significant increase in the fee income from these activities in the future years.

Finally, VGP retains a 50% share in each Joint Venture holding a growing rent income generating logistic real estate portfolio which over time will generate a recurrent cash flow stream which can support a sustained dividend policy.

1.1.1 First Joint Venture

VGP entered into the first 50:50 joint venture with Allianz in May 2016. The First Joint Venture's objective is 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 with the aim of delivering stable income-driven returns with potential for capital appreciation. The First Joint Venture aims to increase its portfolio size to circa EUR 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 primarily a hold strategy and its territorial scope and target size could be expanded, to support the accelerated growth in the existing First Joint Venture markets and to support the further geographic expansion of the Group, subject to a mutual agreement thereto between VGP and Allianz.

The First Joint Venture has the exclusive right of first refusal (in accordance with the conditions as set forth in the relevant JVA) in relation to acquiring the income generating assets located in Germany, the Czech Republic, the Slovak Republic and Hungary.

On 31 May 2016 the then newly established First Joint Venture ("VGP European Logistics S.à r.l.") completed its first closing with the acquisition of the first 15 parks (**Seed Portfolio**) of VGP.

Since the entry into of the First Joint Venture with Allianz and the closing of the initial Seed Portfolio in May 2016 (with net proceeds from the sale of the Seed Portfolio amounting to EUR 176.4 million), four additional closings with the First Joint Venture occurred.

The second closing (with net proceeds from such sale amounting to EUR 59.7 million) occurred in October 2016. The third closing (with net proceeds from such sale amounting to EUR 122.1 million) occurred in May 2017. The fourth closing (with net proceeds from such sale amounting to EUR 289.7 million) occurred in April 2018.

On 1 April 2019, VGP announced the completion of a fifth, and currently last, closing whereby the First Joint Venture acquired 9 logistic buildings, including 3 buildings each in a new VGP park and another 6 newly completed buildings (in parks which were previously transferred to the First Joint Venture), for an aggregate transaction value[1] of EUR 203.0 million and resulting into net cash proceeds of EUR 125.4 million. Following this fifth closing, the First Joint Venture's property portfolio consists of 77 completed buildings representing a total lettable area of over 1,500,000 m².

A sixth closing is expected to occur at the end of November 2019, which is expected to result into gross cash proceeds of circa EUR 130 million.

The development pipeline and future development of other new projects in Germany, the Czech Republic, the Slovak Republic and Hungary will continue to be developed at VGP's own risk to be subsequently acquired by the First Joint Venture if the right of first refusal is exercised subject to pre-agreed completion and lease parameters. The acquisition of any building by the First Joint Venture will always occur on the basis of the prevailing market rates at the moment of such acquisition. There are no strategic differences between VGP's development for the First Joint Venture and VGP's development for the 100% Subsidiaries. VGP carries 100% of the development risk of the First Joint Venture.

The proceeds received from the closings with the First Joint Venture having occurred in, respectively, 2016, 2017, 2018 and the first half of 2019, can be summarized as follows:

In thousands of EUR	**31 Dec-2016**	**31 Dec-2017**	**31 Dec-2018**	**30 Jun-2019**
Investment property	534,035	174,125	272,295	174,531
Trade and other receivables	7,613	7,056	5,285	2,242
Cash and cash equivalents	10,288	3,417	11,252	6,094
Non-current financial debt	(128,678)	-	-	-
Shareholder Debt*	(222,572)	(112,737)	(168,775)	(115,768)
Other non-current financial liabilities	(888)	0	(923)	(1,047)
Deferred tax liabilities	(32,064)	(7,993)	(15,404)	(10,307)
Trade debts and other current liabilities	(11,782)	(13,578)	(15,883)	(5,751)
Total net assets disposed	**155,952**	**50,290**	**87,897**	**49,994**
Realised valuation gain on sale	21,184	58	15,132	4,390
Total non-controlling interest retained by VGP	(4,940)	(1,884)	(3,832)	(1,575)
Shareholder loans repaid at closing**	150,612	100,909	251,358	105,041
Equity contribution	(76,460)	(23,903)	(49,599)	(26,405)
Consideration paid in cash	**246,348**	**125,470**	**300,957**	**131,445**
Cash disposed	(10,288)	(3,417)	(11,252)	(6,093)
Net cash inflow from Joint Venture closing(s)	**236,060**	**122,053**	**289,704**	**125,352**

* "Shareholder Debt" refers to the shareholder loans before the refinancing in the framework of the respective closing with the First Joint Venture.

** "Shareholder loans repaid at closing" refers to the portion of the previously existing shareholder loans granted by VGP and repaid to VGP on the respective closing with the First Joint Venture.

The table above reflects only the net sales proceeds of the completed assets included in the first closing, the second closing, the third closing, the fourth closing and the fifth closing with the First Joint Venture. VGP is required to pre-finance the remaining development pipeline of the First Joint Venture. This includes the pre-financing of development land which has not yet been developed as well as buildings under construction through development and construction

[1] Aggregate 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 Joint Venture.

loans. Upon the acquisition or settlement of the buildings under construction and new developed assets by the First Joint Venture these VGP development and construction loans will be repaid from the additional bank debt drawn by the First Joint Venture under committed credit facilities allowing VGP to recycle these proceeds towards the financing of the Group's development pipeline. VGP is entitled to an additional top-up payment corresponding to the difference between the agreed market value at completion of these buildings under construction or new developed buildings and the respective repaid development or construction loan.

1.1.2 Second Joint Venture

VGP announced the entering into of the second 50:50 joint venture with Allianz on 1 July 2019. The Second Joint Venture exclusively targets 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 EUR 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. The Second Joint Venture's strategy is therefore primarily a hold strategy.

The Second Joint Venture has the exclusive right of first refusal (in accordance with the conditions as set forth in the relevant JVA) in relation to acquiring the income generating assets located in Austria, Italy, the Netherlands, Portugal, Romania and Spain.

On 31 July 2019, the then newly established Second Joint Venture ("VGP European Logistics 2 S.à r.l.") completed its first, and currently only, closing with the acquisition of 3 business parks from VGP, including 8 prime logistic buildings, for an initial transaction value of EUR 175 million and resulting into gross cash proceeds of circa EUR 96 million.

The development pipeline and future development of other new projects in Austria, Italy, the Netherlands, Portugal, Romania and Spain will continue to be developed at VGP's own risk to be subsequently acquired by the Second Joint Venture if the right of first refusal is exercised subject to pre-agreed completion and lease parameters. The acquisition of any building by the Second Joint Venture will always occur on the basis of the prevailing market rates at the moment of such acquisition. There are no strategic differences between VGP's development for the Second Joint Venture and VGP's development for the 100% Subsidiaries. VGP carries 100% of the development risk of the Second Joint Venture.

1.2 Portfolio

The total consolidated assets of VGP Group as at 30 June 2019 stood at EUR 1,283.2 million (compared to EUR 1,212.4 million as at 31 December 2018).

The strategic joint venture transactions with Allianz allowed VGP to realize its historic fair value gains on the respective Property Portfolios. The first six closings with the Joint Ventures allowed the Group to realize EUR 409.3 million of historically built up valuation gains. In the future VGP will be able to continue realising its development profits at the moment of each delivery of the buildings to the Joint Ventures. Although the Joint Ventures represent exclusivity agreements between VGP and Allianz, VGP will be able to solely decide on the timing of proposing rent income generating assets to the Joint Ventures for acquisition, thus providing operational flexibility and retaining full control over the development cycle of the assets to be developed.

The properties that were sold generated a significant contribution to the income and result of the Group, prior to their sale, and their deconsolidation resulted and will further result in a decrease of the reported gross rental income of the Group. As at 31 December 2017, the Group's total gross rental income of EUR 17.0 million (EUR 16.8 million as at 31 December 2016) included the gross rental income of: (i) the portfolio sold to the First Joint Venture in the third closing (at the end of May 2017), for an aggregate amount of EUR 1.7 million; and (ii) the sale of the VGP Park Nehatu (Estonia) (mid-September 2017), for an aggregate amount of EUR 2.2 million. As at 31 December 2018, the Group's total gross rental income of EUR 16.6 million included the gross rental income of: (i) the portfolio sold to the First Joint Venture in the fourth closing (at the end of April 2018), for an aggregate amount of EUR 3.2 million; and (ii) the sale of the Mango building in September 2018 for an amount of EUR 5.6 million.

As at 30 June 2019, the Group's total gross rental income of EUR 7.4 million (EUR 9.0 million as at 30 June 2018) included the gross rental income of the portfolio sold to the First Joint Venture in the fifth closing (in April 2019), for an aggregate amount of EUR 2.1 million.

The gross rental income will show a cyclical pattern during the years to come whereby the growth of the rent income will initially accelerate and increase once buildings are delivered to tenants and showing a significant decrease once buildings are sold to the Joint Ventures. This loss of revenue will be mitigated by the increased profit contribution of the Joint Ventures as the portfolio of the Joint Ventures is expected to grow substantially over the next years.

During 2018, the increase in demand of lettable area resulted in the signing of new lease contracts in excess of EUR 38.7 million (VGP and Joint Venture portfolio) of which EUR 32.6 million related to new or replacement leases (EUR 7.9 million on behalf of the First Joint Venture) and EUR 6.1 million (EUR 5.4 million on behalf of the First Joint Venture) related to renewals of existing lease contracts. During the year 2018, lease contracts for a total amount of EUR 3.7 million were terminated (EUR 3.1 million on behalf of the First Joint Venture). The Annualised Committed Leases (on an aggregate own and 100% Joint Venture portfolio basis) therefore increased to EUR 104.1 million[1] as at the end of December 2018 (compared to EUR 75.2 million at the end of December 2017 on a like for like basis[2]).

The increase in demand of lettable area continued during 2019 and resulted in the signing of new lease contracts during the first half of 2019 for an amount of EUR 27.0 million in total (VGP and Joint Venture portfolio) of which EUR 25.9 million related to new or replacement leases (EUR 2.5 million on behalf of the First Joint Venture) and EUR 1.1 million (EUR 1.0 million on behalf of the First Joint Venture) were related to renewals of existing lease contracts. During the first six months of 2019, lease contracts for a total amount of EUR 0.7 million were terminated (EUR 0.1 million on behalf of the First Joint Venture). The Annualised Committed Leases (including the First Joint Venture at 100%) increased from EUR 104.1 million as at the end of December 2018 to EUR 129.3 million at 30 June 2019.[3]

The Annualised Committed Leases (including the Joint Ventures at 100%) continued to increase during the second half of 2019 to EUR 143.6 million (of which EUR 90.5 million related to the Joint Ventures) as at the end of October 2019, representing over 2,460,000 m² of lettable area. The Annualised Committed Leases are composed of EUR 103.4 million lease agreements which have already become effective as of

[1] As at 31 December 2018, the Annualised Committed Leases for the First Joint Venture stood at EUR 70.9 million compared to EUR 52.5 million as at 31 December 2017.

[2] Excluding the EUR 7.6 million committed leases outstanding as at 31 December 2017 related to the Mango building, which was divested during September 2018.

[3] As at 30 June 2019, the Annualised Committed Leases for the First Joint Venture stood at EUR 79.6 million compared to EUR 70.9 million as at 31 December 2018.

the date of this Prospectus and EUR 40.2 million signed lease agreements which will become effective in the future.

The breakdown as to when the Annualised Committed Leases will become effective is as follows:

In Million EUR	**Current**	**<1 year**	**>1 -2 years**	**>2-3 years**	**>3 years**	**Total**
Own	13.4	13.2	0.0	26.2	0.4	53.2
Joint Ventures at 100%	90.1	0.4	0.0	0.0	0.0	90.5
Total	**103.4**	**13.6**	**0.0**	**26.2**	**0.4**	**143.6**

Finally, the Group generates income from its relationship with the Joint Ventures through interest income and additional operational fee income as manager and operator of the Joint Ventures' portfolio.

In view of this growth, VGP, as asset manager and property manager, and to a lesser extent development manager, will continue to benefit from increasing fee income from these services granted to the Joint Ventures. For the first half of 2019, the fees generated by the services provided to the Joint Ventures amounted to EUR 4.9 million (compared to EUR 10.0 million for the financial year ending 31 December 2018 and EUR 4.6 million for the first half of 2018). These fees were composed of EUR 3.7 million property and facility management fees (compared to EUR 6.7 million for the financial year ending 31 December 2018 and EUR 2.7 million for the first half of 2018) and of EUR 1.2 million development management fees (compared to EUR 3.3 million for the financial year ending 31 December 2018 and EUR 1.9 million for the first half of 2018).

The EUR 289.7 million net cash proceeds from the fourth closing of the First Joint Venture have been applied to repay short term bank debt of circa EUR 73.0 million which was incurred in the run-up to this closing and to pay the EUR 35.3 million dividend which took place on 16 May 2018. The remaining proceeds of the fourth closing and the EUR 125.4 million net cash proceeds of the fifth closing of the First Joint Venture were applied towards the further expansion of the development pipeline, i.e. acquisition of new development land and financing of existing projects under construction and new projects which were started-up or will be started-up shortly.

During the first six months of 2019, VGP continued to acquire new land plots to support the future development pipeline. As at 30 June 2019, VGP had acquired 1,700,000 m² of land with a future development potential of 850,000 m², located in Germany (795,000 m²), the Slovak Republic (575,000 m²), the Netherlands (87,000 m²), Spain (84,000 m²), Hungary (81,000 m²) and the remainder in Italy and Romania.

As at 30 June 2019, VGP had another 2,240,000 m² of secured land plots. These land plots have a development potential of approximately 960,000 m². The bulk of the remaining land plots are expected to be purchased during the next 6 to 18 months, subject to obtaining the necessary permits.

During the second half of 2019, VGP expanded its land bank further and at the end of October 2019, the Group has a remaining development land bank in full ownership of 4,050,000 m² which will allow the Group to develop 1,833,000 m² of future lettable area. In addition, the Group has another 2,132,000 m² of secured land plots which are expected to be purchased during the next 6-18 months, subject to obtaining the necessary permits. This brings the remaining total owned and secured land bank for development to 6,182,000 m² which represents a remaining development potential of 2,762,000 m² of which 940,000 m² (34%) in Germany, 533,000 m² (19%) in the Czech Republic, 385,000 m² (14%) in Romania, 320,000 m² (12%) in the Slovak Republic, 206,000 m² (7%) in Spain, 132,000 m² (5%) in Hungary, 98,000 m² (4%) in the Netherlands, 78,000 m² (3%) in Italy, 41,000 m² (1%) in Austria and 29,000 m² (1%) in Portugal. Included in the above is the remaining 222,000 m² development land bank held by the Joint Ventures with a development potential of circa 104,000 m² of new lettable area.

Besides the abovementioned owned and secured land bank, as at 31 October 2019, VGP has signed non-binding agreements and is currently performing due diligence investigations, on an exclusive basis, on the potential acquisitions of in total circa 832,000 m² of new land plots located in Germany, Italy, the Netherlands and Portugal. These land plots have a development potential of approximately 397,000 m². The majority of these land plots are expected to be secured during the next 12 months.

The Group's assets are currently geographically concentrated mainly in Germany, Spain, the Czech Republic, and to a lesser extent in the Netherlands, Latvia, the Slovak Republic, Hungary and Romania. During 2018 initial steps were taken to enter into the Dutch and Italian markets with the opening of a Benelux office in Antwerp (Belgium) and the opening of an office in Milan (Italy). The Group has acquired its first land plots in the Netherlands (a 267,013 m² land plot in the region of Nijmegen) and in Italy (a 48,593 m² land plot located in the region of Bergamo). On 11 April 2019, VGP acquired its second plot of land in the Netherlands (a 87,000 m² plot of development land in Borchwerf (Roosendaal)).

On 26 September 2018, VGP announced the sale of the Mango building located in Barcelona (Spain). The gross proceeds of the sale amounted to EUR 150 million, resulting in a significant capital gain. The net proceeds were reinvested in the further expansion of VGP's development pipeline.

During 2018, 21 buildings were completed totalling 505,539 m² of lettable area. During the first half of 2019, 11 buildings were completed totalling 175,000 m² of lettable area.

As at 30 June 2019, the current own investment property portfolio consists of 17 completed buildings representing 305,000 m² of lettable area whereas the Joint Ventures property portfolio consists of 74 completed buildings representing 1,493,000 m² of lettable area. As at 30 June 2019, there were 24 buildings under construction representing 480,000 m² of lettable area of which 3 buildings (39,000 m²) are being developed on behalf of the First Joint Venture.

As at 31 October 2019, i.e. after the first closing of the Second Joint Venture, the current own investment property portfolio consists of 12 completed buildings representing 207,000 m² of lettable area whereas the Joint Ventures property portfolio consists of 84 completed buildings representing 1,670,000 m² of lettable area. As at 31 October 2019, there were 34 buildings under construction representing 705,000 m² of lettable area of which 6 buildings (75,000 m²) are being developed on behalf of the Joint Ventures.

The new buildings under construction, on which 57%[1] pre-leases have already been signed, represent an estimated annualised rent income of EUR 37.3 million when fully built and let. Taking into account the 234,000 m² of new projects which will be started up within the next 6 months, the pre-leases will increase to 75%[2] and the total estimated annualised rent income will increase to EUR 59.0 million. This has been included in the EUR 143.6 million number for an amount of EUR 24.6 million.

As at 31 October 2019, VGP had a remaining owned and secured land bank of circa 6,182,000 m² of which 4,050,000 m² (66%) in full ownership. This land bank allows VGP to develop approximately 2,762,000 m² of new lettable area. Included in the above is the 222,000 m² remaining development land held by the Joint Ventures.

For an overview of VGP's real estate portfolios as at 31 December 2018, reference is made to pages 86-117 of the Issuer's Annual Report for 2018.

[1] Calculated based on the contracted rent and estimated market rent for the vacant space.
[2] Calculated based on the contracted rent and estimated market rent for the vacant space.

1.3 Going green

VGP is focused on continuously optimizing its buildings in accordance with the demands of the market and the latest technical developments. This means that energy efficiency and sustainability are among the Group's top priorities.

Therefore, a high quality and sustainable building standard is included in the Group's building protocol, which also applies to the Joint Ventures. The current building standard, which will remain in place until December 2019, aims to develop new property on at least a BREEAM "Very Good" (three stars) or equivalent building standard rating level, whereby the actual post-construction building standard certification is only obtained in case the tenant requires this. However, as from January 2020, all new buildings will obtain an official BREEAM "Very Good" or equivalent certification. This updated policy emphasizes the increasing sustainability commitment of VGP and contributes to increasing the share of sustainable certified buildings in the VGP portfolio.

Until October 2019, VGP has enabled the development of 165,000 m² of rooftop solar panels with a generation capacity of 12,500 kWp. The Group intends to change its strategy from an enabler to a direct investor into renewable energy and will therefore step up its direct investments into renewable energy as from 2020 onwards. The photovoltaic panels in which VGP will invest in VGP Park Munich represent already 12,500 kWp on their own.

2 Corporate purpose

Article 3 of the articles of association (see www.vgpparks.eu) sets forth that the Company has as its purpose, in Belgium and abroad, exclusively in its own name and for its own account:

(i) the acquisition through purchase or otherwise, the sale, exchange, improvement, equipment, renovation, encumbering, disposal of, making productive, rent, lease and management of all real estate, and, in general, all real estate transactions;

(i) the acquisition of participations in whatever form in commercial, industrial and financial undertakings and companies, Belgian as well as foreign, the management and sale of these participations and the acquisition through participation, subscription, purchase, option or by whatever means of all parts, shares, bonds, values and titles;

(ii) the representation, management, supervision and liquidation of all companies and undertakings of whatever nature;

(iii) engineering, development, commercialisation, representation and providing services with regard to movable assets, material, machines and equipment;

(iv) providing services, giving advice, research, preparing and setting up organisation systems, setting up systems for data management and all techniques with regard to technical, administrative, economic and general management of companies.

(v) acquiring, commercialising or disposing of all patents, trademarks, licenses and intellectual property rights.

In general, it can take all actions to protect its rights and it will perform all transactions that are directly or indirectly in connection with or contribute to the realisation of its purpose.

It can also hold participations, by means of contribution, subscription or otherwise, in all companies, associations or undertakings that have a similar, analogue or related purpose, or whose own purpose it is to promote the Company's purpose. It can provide facilities or guarantee third parties' obligations.

The Company can work together with and participate in, directly or indirectly, companies of whatever nature, make any undertakings, grant facilities and loans, guarantee third parties' obligations, mortgage or pledge its assets, including its own commerce. It can do all that is in relation to abovementioned purpose or can be beneficial to the realisation of it.

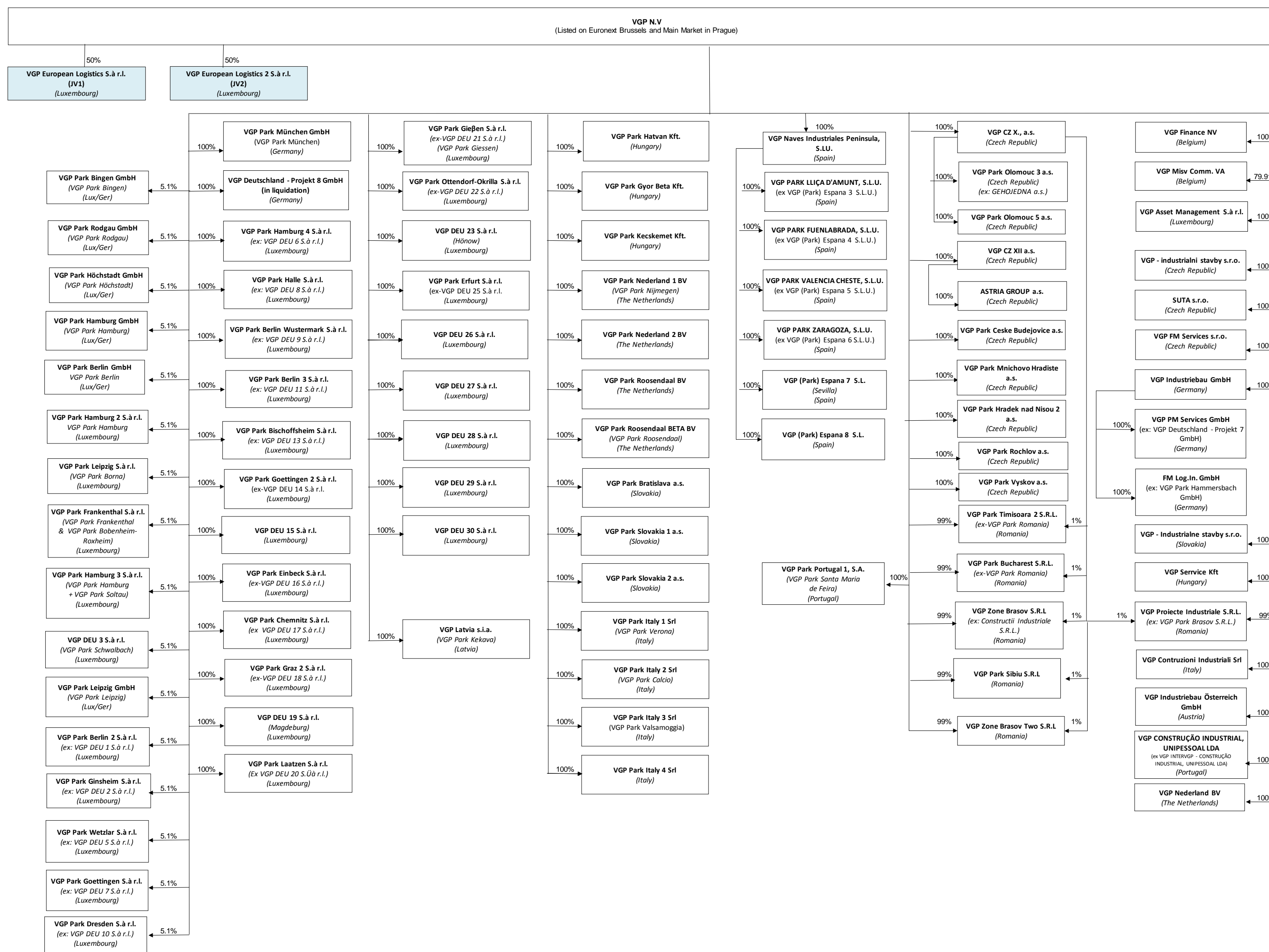
3 VGP Group

3.1 Organisational structure

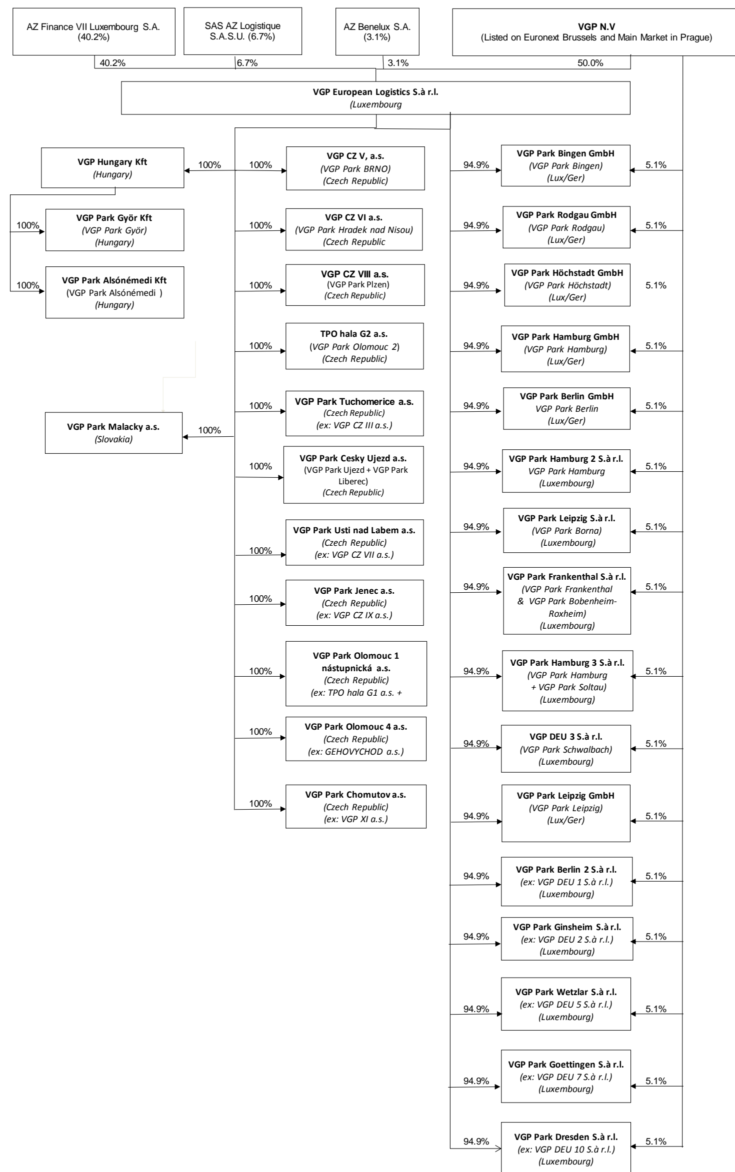
A structure chart of the VGP Group is included on the next page.

The entities included in the Group structure below, with the exception of (i) VGP European Logistics S.à r.l. (the First Joint Venture) and its respective subsidiaries, (ii) VGP MISV Comm. VA, (iii) VGP European Logistics 2 S.à r.l. (the Second Joint Venture) and its respective subsidiaries, and (iv) the Company, are the Company's **Subsidiaries**. The Company (directly or indirectly) holds 100% of the shares in 76 subsidiaries. VGP European Logistics S.à r.l. and its respective subsidiaries, i.e. the entities in which the Company (directly or indirectly) holds a 50% participation (52.55% participation for German asset companies) are the Company's **First Joint Venture**. VGP European Logistics 2 S.à r.l. and its respective subsidiaries, i.e. the entities in which the Company (directly or indirectly) holds a 50% participation are the Company's **Second Joint Venture**. VGP MISV Comm. VA in which the Company holds 79.91% is the Company's **Associate**. The First Joint Venture holds 31 subsidiaries. The Second Joint Venture holds 4 subsidiaries.

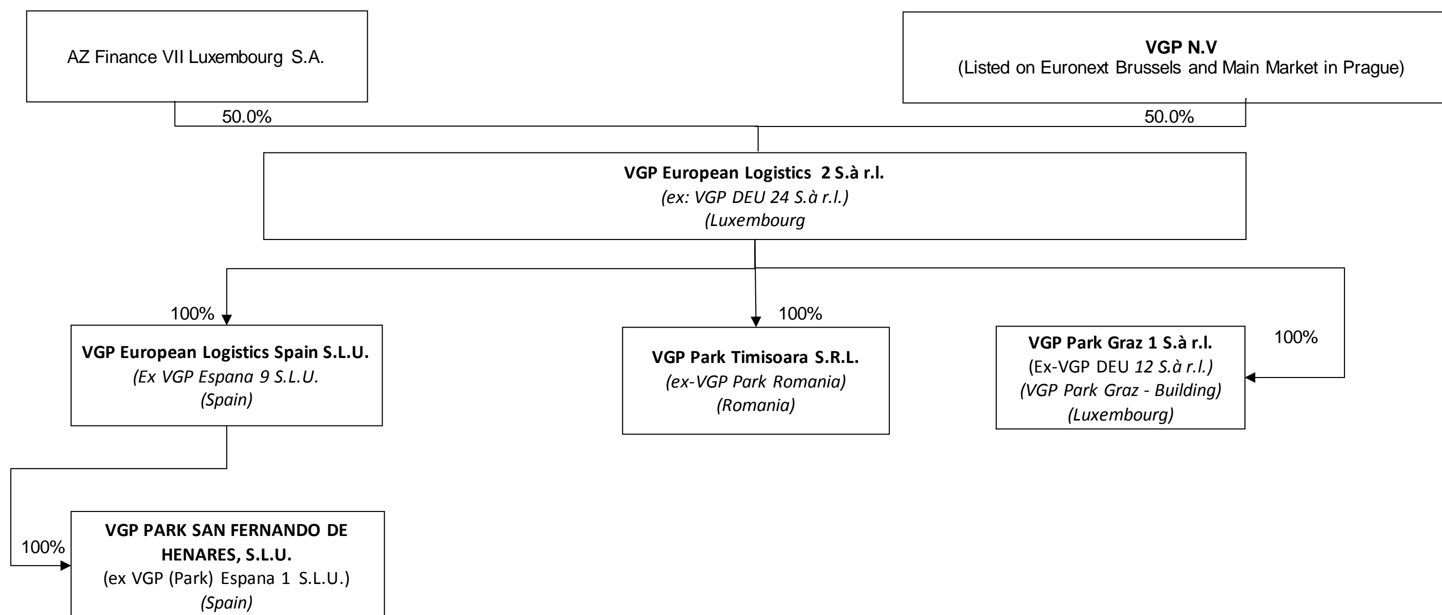
VGP NV - Organigram



FIRST JOINT VENTURE - ORGANIGRAM



SECOND JOINT VENTURE - ORGANIGRAM



3.2 Relationship with the Joint Ventures

The Joint Ventures are the result of a strategic cooperation with the well-known Allianz SE Group, a worldwide leading insurance group, which applies a strong corporate governance policy towards the management of the Joint Ventures.

With Allianz, VGP has attracted a long-term investor in logistic real estate that looks beyond the economic cycles and has the necessary financial resources to co-invest in the expansion of the logistic real estate portfolio and which significantly mitigates the liquidity risk for VGP.

The Joint Ventures allow VGP to partially recycle its initial invested capital when such developments are acquired by the Joint Ventures and to re-invest these monies in the continued expansion of the development pipeline, including further expansion of the land bank, thus allowing VGP to concentrate on its core development activities.

The Joint Ventures are set up as a 50:50 partnership whereby the Group, in addition to being a co-owner, provides development management services and acts as asset, property and facility manager (including leasing services) in respect of the portfolios. Each Joint Venture is entered into for a period of ten years with possible extensions. The relevant JVA provides for the relevant mechanisms for an organised exit should a Joint Venture not be extended, whereby the assets of such Joint Venture will be sold via an auction sale.

VGP NV and Allianz have contractually agreed to share control and made arrangements whereby both parties have agreed that when decisions about the relevant activities are required such decisions are made with unanimous consent of both parties (it being understood that Allianz, at its own discretion, is entitled to decide whether a Joint Venture will acquire new assets pursuant to the right of first refusal).

The real estate assets of the Joint Ventures are periodically evaluated by third-party experts. This includes amongst others semi-annual valuations of the assets of the Group and the Joint Ventures by Jones Lang LaSalle and annual valuations by CBRE. In addition, at the moment of each closing with a Joint Venture, the respective Joint Venture generally requires a separate valuation from an external valuation expert on all the assets which are being acquired as part of such closing. In respect of each closing with the First Joint Venture which includes German assets, one of the financing banks of the First Joint Venture, i.e. Aareal Bank, requires a valuation report from Knight Frank of such German assets.

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 aims to increase its portfolio size (i.e. the gross asset value of the acquired income generating assets) to circa EUR 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 primarily a hold strategy and, given that its portfolio size has reached EUR 1.4bn as of 30 June 2019, its target size may be expanded to support the accelerated growth of the Group in the existing First Joint Venture markets and to support the further geographic expansion of the Group, subject to a mutual agreement thereto between VGP and Allianz.

The First Joint Venture comprises a number of interrelated transactions and contractual documents, among which the most important are:

- a joint venture agreement from March 2016 among the Issuer, Allianz AZ Finance VII Luxembourg S.A., SAS Allianz Logistique S.A.S.U. and Allianz Benelux SA (further only **Allianz**) and VGP European Logistics S.à r.l. related to the establishment of the First Joint Venture (the **First JVA**);
- a share purchase agreement from March 2016 relating to the sale of 50% of the shares in VGP European Logistics S.à r.l. related also to the transfer of the 50% interest in the properties of VGP Park Györ and VGP Park Alsonemedi already held by the First Joint Venture (the **First JV Company SPA**);
- a share purchase agreement from March 2016 related to a sale of (i) the 100% participation in the Czech companies VGP CZ V a.s. (owning VGP Park BRNO), VGP CZ VI a.s. (owning VGP Park Hradek nad Nisou), VGP CZ VIII a.s. (owning VGP Park Plzen) and TPO hala G2 a.s. (owning partially VGP Park Olomouc), (ii) the 100% participation in the Slovak company VGP Park Malacky a.s. (formerly named VGP Slovakia a.s.) (owning VGP Park Malacky), (iii) the 94.9% participation in the German companies VGP Park Bingen GmbH (owning VGP Park Bingen), VGP Park Berlin GmbH (owning VGP Park Berlin), VGP Park Höchstadt GmbH (owning VGP Park Höchstadt), VGP Park Hamburg GmbH (owning VGP Park Hamburg) and VGP Park Rodgau GmbH (owning VGP Park Rodgau), and (iv) the 94.9% participation in the Luxembourg companies VGP Park Hamburg 2 S.à r.l. (VGP park Hamburg 2), VGP Park Frankenthal S.à r.l. (owning VGP Park Frankenthal and VGP Park Bobenheim-Roxheim) and VGP Park Leipzig S.à r.l. (owning VGP Park Borna) (the **First JV Seed Portfolio SPA**).

VGP European Logistics S.à r.l. is a holding company that was incorporated specifically for the purpose of entering into the First Joint Venture with Allianz.

The transactions contemplated by the First JVA, the First JV Company SPA and the First JV Seed Portfolio SPA were completed on 31 May 2016.

Further to the initial seed portfolio closing, the Group has entered with the First Joint Venture into the following further documentation:

- a share purchase agreement from May 2017 (the **First JV Closing III SPA**) related to the sale of (i) the 100% participation in the Czech companies VGP Park Tuchomerice a.s. (owning VGP Park Tuchomerice), VGP Park Cesky Ujezd a.s. (owning VGP Český Újezd), and (ii) the 94.9% participation in the German company VGP Park Leipzig GmbH (owning VGP Park Leipzig) and (iii) the 94.9% participation in the Luxembourg companies VGP Park DEU 3 S.à r.l. (VGP Park Schwallbach), VGP Park Hamburg 3 S.à r.l. (owning VGP Park Soltau and a part of VGP Park Hamburg);
- a share purchase agreement from April 2018 (the **First JV Closing IV SPA**) related to the sale of (i) the 100% participation in the Czech companies VGP Park Olomouc 1 nástupnická a.s. (owning a part of VGP Park Olomouc), VGP Park Olomouc 4 a.s. (owning a part of VGP Park Olomouc), VGP Park Usti nad Labem a.s. (owning VGP Park Přestanov) and VGP Park Jenec a.s. (owning VGP Park Jeneč) and (ii) the 94.9% participation in the Luxembourg companies VGP Park Berlin 2 S.à r.l. (owning a part of VGP Park Berlin Ludwigsfelde), VGP Park Ginsheim S.à r.l. (owning VGP Park Ginsheim) and VGP Park Wetzlar S. à r.l. (owning VGP Park Wetzlar);
- a share purchase agreement from April 2019 (the **First JV Closing V SPA**) related to the sale of (i) the 100% participation in the Czech company VGP Park Chomutov a.s. (owning VGP Park

Chomutov) and (ii) the 94.9% participation in the Luxembourg companies VGP Park Goettingen S. à r.l. (owning VGP Park Goettingen) and VGP Park Dresden S. à r.l. (owning VGP Park Dresden).

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 EUR 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. The Second Joint Venture's strategy is therefore primarily a hold strategy.

The Second Joint Venture comprises a number of interrelated transactions and contractual documents, among which the most important are:

- a joint venture agreement from June 2019 among the Issuer, Allianz AZ Finance VII Luxembourg S.A. (further only as Allianz in relation to the Second Joint Venture) and VGP European Logistics 2 S.à r.l. related to the establishment of the Second Joint Venture (**the Second JVA**);
- a share purchase agreement from June 2019 among the Issuer as seller and Allianz as purchaser relating to the sale of 50% of the shares in VGP European Logistics 2 S.à r.l. which included the 100% participation in the Spanish company VGP European Logistics Spain S.L.U. (**the Second JV Company SPA**)
- a share purchase agreement from June 2019 among the Issuer and VGP Naves Industriales Península S.L.U. as sellers and VGP European Logistics Spain S.L.U. and VGP European Logistics 2 S.à r.l. (as purchasers) related to the sale of (i) the 100% participation in the Spanish company VGP Park San Fernando de Hernares S.L.U.; (ii) the 100% participation in the Luxembourg company VGP Park Graz S.à r.l. (owning VGP Park Graz), and (iii) the 100% participation in the Romanian company VGP Park Timisoara S.R.L. (the **Second JV Seed Portfolio SPA**).

VGP European Logistics 2 S.à r.l. is a holding company that was incorporated specifically for the purpose of entering into the Second Joint Venture with Allianz.

The transactions contemplated by the Second JVA, the Second JV Company SPA and the Second JV Seed Portfolio SPA were completed on 31 July 2019.

3.2.1 Share purchase agreements

First Joint Venture

Each of the Company SPA, the Seed Portfolio SPA, the First JV Closing III SPA, the First JV Closing IV SPA and the First JV Closing V SPA contains a set of representations and warranties which were granted by the Issuer to the respective purchasers and which were in accordance with market practice. The maximum liability of the Issuer for breaches of the representations and warranties granted in the share purchase agreements amounts to approximately EUR 22.3 million in respect of the Company SPA, to EUR 276 million in respect of the First JV Seed Portfolio SPA, to EUR 46.7 million in respect of the First JV Closing III SPA, to EUR 72 million in respect of the First JV Closing IV SPA and to EUR 22.2 million in respect of the First JV Closing V SPA, which limits apply only to key representations and warranties with most other warranties being subject to a cap of 20% of these amounts. As at the date of this Prospectus, the Issuer has not received any claims under these share purchase agreements. The liability for most of the

warranties under the First JV Seed Portfolio SPA and the First JV Closing III SPA have already expired.

Second Joint Venture

The Second JV Seed Portfolio SPA contains a set of representations and warranties which were granted by the Issuer to the respective purchasers and which were in accordance with market practice. The maximum liability of the Issuer for breaches of the representations and warranties amounts to approximately EUR 63 million in respect of the Second JV Seed Portfolio SPA, which limits apply only to key representations and warranties with most other warranties being subject to a cap of 20% of these amounts. As at the date of this Prospectus, the Issuer has not received any claims in relation to the Second JV Seed Portfolio SPA.

3.2.2 Joint Venture Agreements (JVAs)

Under the JVAs, the Issuer and Allianz each have the right to appoint two representatives in the management body of each Joint Venture and one or two representatives in the management and supervisory bodies of each of the Joint Ventures' subsidiaries, depending on the local regulations. The directors appointed by VGP and by Allianz always have to act jointly, whereas most important matters always require prior consent by both shareholder parties. These matters include (i) commencing the winding-up or liquidation of a Joint Venture or any of its subsidiaries or filing any of these companies as bankrupt (except if otherwise provided under mandatory legal provisions), (ii) initiating capital calls to the shareholders of a Joint Venture, which are not contemplated by the business plan of such company, (iii) sale or disposition of any properties of project companies, (iv) making any distributions to the shareholders of a Joint Venture that are not in proportion to their shareholdings in such Joint Venture, (v) any amendment to the articles of association of a Joint Venture or any of its subsidiaries not in line with the relevant Joint Venture Agreement, (vi) the acquisition of additional immovable properties or formation of a subsidiary by a Joint Venture or any of its subsidiaries, and (vii) the entering into by a Joint Venture or any of its subsidiaries of any joint venture, partnership or similar agreement.

Each Joint Venture has an exclusive right of first refusal (in accordance with the conditions as set forth in the relevant JVA) 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 Netherlands Portugal, Romania and Spain. The Joint Ventures do not have a contractual or legal obligation to acquire the income generating assets proposed by VGP. There is therefore a risk that the Joint Ventures would discontinue acquiring the completed assets from the Group. This risk is, however, mitigated by the fact that specific investment criteria have been agreed for an investment period of several years, which ensure that when such criteria are met the Joint Ventures are in principle required to acquire the proposed income generating assets. In case the Joint Ventures do not acquire the assets, a number of chronological actions have been agreed between the joint venture partners, which ultimately allow VGP to market the proposed assets on the open market, allowing it to generate sales proceeds from another source than the Joint Ventures. This risk is further mitigated by the strong historic track record of VGP in developing high-end logistic buildings and leasing out these buildings at attractive rent rates and the fact that the Issuer has a good negotiating position as the operator and manager of the portfolio. It should however be noted in this respect that if Jan Van Geet, as CEO of the Group, would no longer devote sufficient time to the development of the portfolio of a Joint

Venture, Allianz can, upon notice thereof, stop the acquisition process of the proposed income-generating assets, until Jan Van Geet has been replaced to the satisfaction of Allianz. Such temporary standstill of Allianz's investment obligation might negatively impact the short-term cash position of the Group.

The main potential liability that the Group has towards the Joint Ventures relates to the development management activities undertaken by the Group for and on behalf of the Joint Ventures. VGP is required to pre-finance the remaining development pipeline of each Joint Venture. This includes the pre-financing of development land which has not yet been developed as well as buildings under construction through development and construction loans. Upon the acquisition of the developed assets by a Joint Venture these VGP loans will be repaid from the additional bank debt drawn by such Joint Venture allowing VGP to recycle and apply these proceeds towards the financing of the development pipeline. Besides the proceeds from the repayment of the respective development and construction loans, VGP is also entitled to a top-up payment corresponding to the agreed market value of the acquired assets by the Joint Ventures at completion less the respective repaid development or construction loan. The First Joint Venture has adequate committed credit facilities available for the next 18 months to refinance such development and construction loans upon completion and purchase settlement of the respective assets, and assuming an investment portfolio of circa EUR 1.7 billion. The Second Joint Venture has adequate committed credit facilities available for the next 36 months to refinance such development and construction loans upon completion and purchase settlement of the respective assets, and assuming an investment portfolio of circa EUR 1.7 billion.

As the Group is appointed as development manager vis-à-vis the Joint Ventures, the Group is responsible for ensuring that any development is being made within the initially agreed construction price/budget. In case the actual construction cost would be higher than the initial construction budget, the aforementioned top-up payment will be adversely affected and in case the actual construction costs would be higher than the market value of the completed building, then such difference would need to be fully borne by the Group. At the date of this Prospectus, there is no outstanding quantifiable potential liability in this respect.

(iv) Current status of the First Joint Venture

After its first closing in May 2016, its second closing in October 2016, its third closing in May 2017 and its fourth closing at the end of April 2018, in April 2019 the First Joint Venture acquired in its fifth closing 9 logistic buildings, including 3 buildings each in a new VGP park and another 6 newly completed buildings (in parks which were previously transferred to the Joint Venture), for an aggregate transaction value of EUR 203 million and resulting in net cash proceeds of EUR 125.4 million. This acquisition was financed by the First Joint Venture by drawing under its existing credit facilities for an aggregate amount of EUR 95.3 million and the remaining balance was financed with shareholder equity (EUR 54.4 million of which EUR 28.0 million from VGP) and shareholder loans (EUR 20.4 million of which EUR 10.7 million from VGP). Following the settlement of its fifth closing, the First Joint Venture had undrawn committed credit facilities totalling EUR 256 million. The total outstanding development and construction loans made by VGP to the First Joint Venture following the fifth closing in April 2019 amounted to EUR 72.5 million as at 30 June 2019 compared to EUR 101.9 million as at 31 December 2018.

As at the end of June 2019, VGP had contractual obligations to develop new projects for the First Joint Venture for a total amount of EUR 5.6 million. The total remaining investment cost to complete the development pipeline of the First Joint Venture and for which at the date of this Prospectus no contractual commitments have been taken, is estimated to amount to EUR 25.5 million, subject to further specifications and requirements from future tenants. Given the strong growth of the First Joint Venture, the Group and the First Joint Venture aim to realize two closings during each financial year. A sixth closing is expected to occur at the end of November 2019, which is expected to result into gross cash proceeds of circa EUR 130 million.

(v) Current status of the Second Joint Venture

On 31 July 2019, the Second Joint Venture completed its first closing with the acquisition of 3 business parks from VGP, including 8 prime logistic buildings, for an initial transaction value of EUR 175 million and resulting into gross cash proceeds of circa EUR 96 million.

This acquisition was financed by the Second Joint Venture by drawing under its existing credit facilities for an aggregate amount of EUR 79.9 million and the remaining balance was financed with shareholder equity (EUR 51.9 million of which EUR 25.9 million from VGP) and shareholder loans (EUR 11.2 million of which EUR 5.6 million from VGP). Following the settlement of its first closing the Second Joint Venture had undrawn committed credit facilities totalling EUR 294.1 million. The total outstanding development and construction loans made by VGP to the Second Joint Venture immediately following the first closing in July 2019 amounted to EUR 28.9 million.

As at the end of June 2019, VGP had contractual obligations to develop new projects for the Second Joint Venture for a total amount of EUR 2.0 million (increased to EUR 7.2 million as at the end of October 2019). The total remaining investment cost to complete the development pipeline of the Second Joint Venture and for which at the date of this Prospectus no contractual commitments have been taken, is estimated to amount to EUR 15.6 million, subject to further specifications and requirements from future tenants. The Group and the Second Joint Venture aim to realize on average one closing during each financial year. It is currently expected that a second closing will occur at the end of July 2020.

Under the JVAs, both parties agreed to significant limitations on their ability to transfer the shares in the Joint Ventures to third parties. In case a shareholder wishes to transfer its shares, the other shareholder has a pre-emption right to purchase such shares under the relevant JVA. The Joint Venture Agreements also provide for a lock-up period of five years as from the initial (seed portfolio) closing date of each Joint Venture, during which VGP is not allowed to transfer its shares in the Joint Ventures other than to one of its affiliates. The JVAs further contain elaborate provisions on transfers of the shares, which may lead to the transfer by VGP and by Allianz of all of their shares to a third party. The JVAs apply the principle of market price value ensuring that if any party wants to dispose of part or all of its shares, such disposal is made at prevailing market conditions provided the disposal is not triggered by an event of default under the JVAs which has not been cured within the agreed cure period.

Although the Joint Ventures are structured as a joint venture under IFRS 11 (and not as a joint operation), the Joint Venture Agreements cater for situations where the joint control may come

to an end, such as for example a penalty in case of a failure to fund by VGP and in case of a change in rules or regulations.

If the Issuer fails to provide funds to a Joint Venture that were committed under the terms of the relevant Joint Venture Agreement towards Allianz (i.e. for financing of the relevant top-up payment (if any), the repayment of construction and development loans to the Group upon the acquisition by such Joint Venture of completed assets, capital expenditures in relation to repairs and maintenance of such assets and the purchase price for any future completed assets which such Joint Venture would acquire or any other financing required by Allianz or VGP under the terms of the relevant JVA (such as replacement of bank debt) and acknowledged by an appointed third-party financial expert), then Allianz is entitled to either exclusively subscribe to three times the number of shares that represents the amount of the funds not provided by the Issuer or alternatively to provide itself funding to the Joint Venture on preferential interest terms and repayment conditions. For instance: If there are five hundred (500) issued shares, and if the default amount (the amount which would have otherwise been financed by VGP for example) is equal to 2% of the fair market value of the Joint Venture, Allianz shall be entitled to subscribe for and acquire, following payment therefore in cash, thirty (three times ten) newly issued shares of the Joint Venture, which is equal to three times 2% of the outstanding shares of the Joint Venture on a pre-dilution basis. The occurrence of the aforementioned event might impact the Issuer's ability to retain joint control over the Joint Ventures and the occurrence of the Issuer's failure to fund might materially impact the Issuer's ability to generate sufficient dividend income out of the Joint Ventures.

In the event that Allianz would be subject to an obligation to consolidate a Joint Venture (for instance after a change in accounting rules or other regulations) within its companies' group, it has been agreed under each Joint Venture Agreement that Allianz has the right to replace the existing debt financing in such Joint Venture by equity, which might result in a dilution of the Issuer if the Issuer is unable to fund its commensurate part of the equity. However, as the debt position of such Joint Venture would be replaced by equity financing by Allianz on a 1:1 basis, in such case, the Net Asset Value of the Issuer's stake in the relevant Joint Venture would not be affected. The occurrence of the aforementioned event might impact the Issuer's ability to retain joint control over the Joint Ventures and the occurrence of the Issuer's failure to fund might materially impact the Issuer's ability to generate sufficient dividend income out of the Joint Ventures.

Since VGP acts as asset manager, development manager, as well as property and leasing manager of the Joint Ventures, these activities generate recurrent income for VGP. Should a member of the Group materially breach its obligations under a management agreement which is not remedied within a certain period of time following a notification thereof, or should the Issuer breach its exclusivity obligations under the Joint Venture Agreements in relation to the offering of income-generating assets, then Allianz is entitled to terminate all the management agreements in relation to that Joint Venture with immediate effect, to terminate the relevant Joint Venture Agreement and/or to exercise a call option on all the shares the Issuer holds in such Joint Venture against payment of a discounted purchase price of 90% of the fair market value of these shares. The occurrence of the aforementioned event might materially impact VGP's ability to generate sufficient dividend income out of the Joint Venture and/or to retain joint control over the Joint Ventures. Pursuant to the Joint Venture Agreements, in consideration of VGP acting as exclusive asset manager, development manager and property and leasing manager to the Joint Ventures, VGP shall not during the term of the relevant Joint

Venture Agreement enter into a similar and competing joint venture comparable to such Joint Venture and/or competing with such Joint Venture in any country where that Joint Venture or any of that Joint Venture's affiliates is active.

Any default of a Joint Venture or of any of its subsidiaries under the development and construction loans or shareholder loans granted by the Group may have a negative impact on the Issuer's ability to fulfil its obligations under the Bonds, but would in itself not result in an Event of Default under the Bonds since the Joint Ventures do not qualify as Subsidiaries of the Issuer for purposes of the Conditions. The repayment of other shareholder loans will be made from excess cash generated by the different project companies of the Joint Ventures.

Prospective investors should furthermore note that the Joint Venture Agreements between the Issuer and Allianz are subject to further amendments, or may be terminated, during the lifetime of the Bonds. This may have a negative impact on the Issuer's financial position and income and therefore on its ability to fulfil its obligations under the Bonds.

For further details on the investments in the Joint Ventures we refer to note 9 of the Annual Report 2018 and note 6 of the half year results 2019.

3.2.3 Promote

VGP will be entitled to a one-time promote payment at the end of the initial 10-year term of each Joint Venture. This promote is based on all the pre-tax cash flows received from the relevant Joint Venture between the closing date and the expiry of the 10-year term of the venture and is structured in a similar way that is usually applicable for similar transactions in the market.

3.2.4 Asset management agreements

VGP acts as the asset manager of the Joint Ventures and their respective subsidiaries. As part of these services, VGP ensures standard corporate administration, administration of financing, business planning, reporting, budgeting, management of tax and legal affairs, controlling, etc. VGP is entitled to an asset management fee calculated based on the invested equity in the First Joint Venture adjusted for any future capital contribution / distribution, and on gross asset value in the Second Joint Venture. The asset management services are delivered by a subsidiary of VGP, VGP Asset Management S.à r.l., which operates from Luxembourg.

3.2.5 Development management agreements

The Joint Ventures have appointed VGP as an advisor to provide the development management services in respect of specific development projects and on specific terms. VGP as advisor has accepted to perform the services and carry out the works as described in the development management agreements according to the applicable law, the generally accepted rules of technology and with all due care, attention and diligence as is expected of a competent advisor experienced in carrying out services and works similar to the services and works on projects of size, scope, type and complexity comparable with the development project. The services performed by VGP include all and any services and actions (excluding however in any event performing itself the works) required to procure the design, building of and completion of the development project, even if such services or actions are not expressly mentioned in the development agreements.

The advisor shall use its reasonable best efforts to procure that the development project completion is achieved by the estimated project completion date.

In consideration of the advisor providing the services pursuant to the development agreements, the owner shall pay to the advisor a development management fee which will be based on an agreed arm's length hourly rate.

3.2.6 Property management agreements

The property management agreements that have been entered into with respect to the Joint Ventures' subsidiaries detail the services to be provided by VGP in respect of Facility Management services, Project Management services (which covers additional smaller building improvements to existing buildings), lease management services, budgeting, accounting and reporting.

The fees received for VGP's services are composed of a property management fee, which corresponds to the administration fee included in each respective lease contract and varies between 0%-3% of the monthly rent. The Project Management fee is based on the respective improvement costs to the building and consists of a scaling fee structure with a larger percentage of the project costs for smaller improvements and a smaller percentage for larger improvements. Finally, VGP is entitled to a leasing fee for each new / renewed lease contract which is the result of the direct marketing of VGP. The leasing fee is based on what a third party real estate broker would usually receive, i.e. between 12.5% and 25% of the annual rent of the respective lease contract. VGP will only be liable for the qualitative performance of its services and no specific quantifiable liability clause has been included in these agreements.

3.2.7 Constructive Obligation

The Board of Directors has taken a conservative view in respect of the financial support of the Issuer towards the Joint Ventures. Although the Issuer does not have any other contractual obligations outside the JVAs, the First JV Company SPA, the First JV Seed Portfolio SPA, the First JV Closing III SPA, the First JV Closing IV SPA, the First JV Closing V SPA, the Second JV Company SPA, the Second JV Seed Portfolio SPA, the asset management agreements, development management agreements and the property management agreements, the Board of Directors has taken a conservative approach vis-à-vis the Joint Ventures and has therefore recognised that the Issuer has a constructive obligation towards the Joint Venture since the proper functioning of the Joint Ventures is material for the Group in realizing its expected capital gains. Given the importance of the Joint Ventures' portfolio, VGP will take all necessary measures to ensure that for its proportional share in the Joint Ventures it will ensure that the Joint Ventures will always be in a position to fulfil all its obligations, including in relation to the committed credit facilities made available to each Joint Venture from time to time. This entails that ultimately any payment due by a Joint Venture to the Group will either be borne by such Joint Venture's shareholders, i.e. VGP and Allianz pro rata their shareholding, or will lead to VGP being diluted by Allianz in accordance with the provisions of the relevant JVA or alternatively Allianz providing funding to the Joint Venture on preferential interest terms and repayment conditions. At 30 June 2019, the "Investments in joint ventures and associates" showed a positive balance of EUR 298.7 million.

3.2.8 Bank financing

The assets of the Joint Ventures are financed through equity, shareholder loans and bank financing.

There are no specific rules set in respect of the percentage of total loans to be provided by the Joint Ventures' shareholders. The Joint Ventures are primarily funded by bank debt. Any funding

shortfall thereafter is funded by the Joint Ventures' shareholders through additional equity or additional shareholders loans in proportion to their respective shareholding (as set out in section 3.2.9 of this Part VII (*Description of the Issuer*)).

First Joint Venture

EUR '000	**30-Jun-19**	**31-Dec-18**
Shareholders' equity (1)	577,084	466,415
Shareholder loans from VGP	53,133	41,460
Shareholder loans from AZ	48,335	37,739
Construction and Development Loans from VGP NV (2)	72,467	101,887
Bank debt and non-current financial liabilities (3)	691,857	600,376
Other liabilities	127,726	116,800
Total shareholders' equity and liabilities (4)	**1,570,602**	**1,364,677**
Cash and cash equivalents (5)	(59,758)	(43,628)
Net financial debt (including construction and development loans from VGP) (6) = (2) + (3) + (5)	**704,566**	**658,635**
Gearing Ratio 'Net debt / Total shareholders' equity and liabilities) (7)= (6):(4)	**44.9%**	**48.3%**

Note: (i) The "other liabilities" relate to liabilities in respect of deferred taxes, deposits from tenants, retentions related to constructor's invoices, trade payables, VAT payables, accrued expenses and deferred income and some other payables.

(ii) "Shareholders' equity" includes minority interests in an amount of EUR 20.3 million as at 30 June 2019 and EUR 16.4 million as at 31 December 2018.

For the Czech and Slovak assets, an initial EUR 146.4 million facility was arranged in May 2016 by Československá obchodní banka, as. (**CSOB**). CSOB is the agent, arranger and sole lending bank of the facility. This facility was supplemented with an additional EUR 158.3 million facility arranged on 27 April 2018 by CSOB. CSOB is the agent, arranger and sole lending bank of the facility which relates solely to the financing of Czech assets. As at 30 June 2019, the aggregated committed credit facilities amounted to EUR 293.1 million. The outstanding amounts drawn under the facilities as at 30 June 2019 were EUR 197.1 million (EUR 162.6 million as at 31 December 2018). The available undrawn amount under the facilities was therefore EUR 96.0 million at the end of June 2019. The maturity date of both facilities is 26 May 2026.

For the German assets, an initial EUR 368.2 million facility was arranged by Aareal Bank AG. Aareal Bank AG is the agent and arranger of the facility. This facility was increased during the month of April 2018 and as at 30 June 2019 the committed credit facility amounted to EUR 617.0 million. The outstanding amounts drawn under the facility as at 30 June 2019 were EUR 461.1 million (EUR 408.0 million as at 31 December 2018). The available undrawn amount under the facility was therefore EUR 156.0 million at the end of June 2019. The maturity date of the facility is 31 May 2026.

For the Hungarian assets, an initial EUR 35.1 million facility was arranged by UniCredit Bank Hungary. UniCredit Bank Hungary is the agent, arranger and sole lending bank of the facility. This facility was increased during the month of April 2018 and as at 30 June 2019 the committed credit facility amounted to EUR 31.1 million. The outstanding amounts drawn under the facility as at 30 June 2019 were EUR 27.0 million (EUR 27.9 million as at 31 December 2018). The available undrawn amount under the facility was therefore EUR 4.1 million at the end of June 2019. The maturity date of the facility is 26 May 2026.

All credit facilities are secured on a geographic basis mainly through a mortgage taken out by each lending bank on the respective financed assets.

As at 30 June 2019, the balance sheet (IFRS) of the First Joint Venture's portfolio records investment properties (comprising the completed projects, projects under construction and development land) of EUR 1,466.2 million which were pledged to the banks.

The covenants applied are as follows:

(i) German assets

The respective project companies, which are borrowers under the Aareal Bank credit facility, must ensure that they comply with following covenants:

- Projected Debt Service Cover Ratio to be equal or above 110 per cent. tested on a quarterly basis (31 March, 30 June, 30 September and 31 December); and
- Loan to value to be equal or below 72.5 per cent. tested on an annual period (31 December).

The covenants are calculated on a portfolio basis. The loan to value covenant will be progressively reduced to 70 per cent. over the course of first four years of the facility.

As at 31 December 2017, 31 March 2018, 30 June 2018, 30 September 2018, 31 December 2018, 31 March 2019, 30 June 2019 and 30 September 2019, there were no breaches of covenants. As at 30 September 2019, the Loan to Value (based on completed buildings only) stood at 57.5 per cent. (versus the covenant limit of 72.5 per cent.) compared to 58.3 per cent. as at 31 December 2018.

(ii) Czech and Slovak assets

The respective project companies which are borrowers under the CSOB credit facility must ensure that they comply with following covenants:

- Debt Service Cover Ratio to be equal or above 110 per cent. tested on a semi-annual period (30 June and 31 December); and
- Loan to value to be equal or below 70 per cent./75 per cent. tested on an annual period (31 December).

The covenants are calculated on a portfolio basis. The loan to value covenant will be progressively reduced to 65 per cent. over the course of first six years of the facility.

As at 31 December 2017, 30 June 2018, 31 December 2018 and 30 June 2019, there were no breaches of covenants. As at 30 September 2019, the Loan to Value (based on completed buildings only) stood at 52.7 per cent. for the first facility covering the Czech and Slovak completed assets (compared to 52.6 per cent. as at 31 December 2018) (versus the covenant limit of 70 per cent.) and at 56.9 per cent. for the second facility covering completed Czech assets (compared to 58.4 per cent. as at 31 December 2018) (versus the covenant limit of 75 per cent.).

(iii) Hungarian assets

The respective project companies which are borrowers under the UniCredit Bank Hungary credit facility must ensure that they comply with following covenants:

- Projected Debt Service Cover Ratio to be equal or above 115 per cent. tested on a quarterly basis (31 March, 30 June, 30 September and 31 December);
- Debt Service Cover Ratio to be equal or above 115 per cent. tested on a quarterly basis (31 March, 30 June, 30 September and 31 December); and
- Loan to value to be equal or below 75 per cent. tested on an annual period (31 December).

The covenants are calculated on a portfolio basis. As at 31 December 2017, 31 March 2018, 30 June 2018, 30 September 2018, 31 December 2018, 31 March 2019, 30 June 2019 and 30 September 2019, there were no breaches of covenants. As at 30 September 2019, the Loan to Value (based on completed buildings only) stood at 53.7 per cent. (versus the covenant limit of 75 per cent.) compared to 59.9 per cent. as at 31 December 2018.

The above-mentioned ratios are calculated as follows:

- Projected Debt Service Cover Ratio means the 12 month forward looking passing rent as a percentage of the debt service whereby debt service means the aggregate amount of financial expenses due and payable together with any loan principal due and payable on the respective bank debt during any calculation period in respect of which passing rental has been calculated.
- Debt Service Cover Ratio means the Cash Available for Debt Service (or net operating income) 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 on the respective bank debt.
- Loan to value ratio means the aggregate loans outstanding divided by the open market value as valued by an independent valuator.

The following distributions by the First Joint Venture's Czech and Slovak subsidiaries are permitted under the CSOB credit facility:

- distribution in the form of payment of interest or principal under any shareholder loan;
- distribution in the form of payment of any management fees to the Group under the Property Management Agreements, the Development Management Agreements or the Asset Management Agreements; and
- distribution in the form of dividends to the First Joint Venture;

in each case, provided that such distribution is made from the balance of a specified account and that no event of default is continuing at the time of such distribution or would occur as a consequence of making such distribution. In addition, principal and interest on the development and construction loans made by VGP to the First Joint Venture's respective subsidiaries for the purpose of financing the development and/or construction of new buildings by such First Joint Venture's subsidiary may be paid without any limitations before such new buildings are refinanced by CSOB.

The First Joint Venture's subsidiaries holding assets in Germany are permitted under the Aareal credit facility to distribute any funds that remain free after fulfilling all their contractual

obligations towards the finance parties and provided that no default is continuing or would result from the payment and provided that the loan to value ratio is at least five percentage points lower than the contractually agreed minimum.

The following distributions by the First Joint Venture's Hungarian subsidiaries are permitted under the UniCredit Bank Hungary credit facility:

- distribution in the form of payment of interest or principal under any shareholder loan, subject to a prior approval by the lender, such approval not to be unreasonably withheld;
- distribution in the form of payment of any management fees to the Group under the Property Management Agreements, the Development Management Agreements or the Asset Management Agreements; and
- distribution in the form of dividends to the interim holding company (VGP Hungary Kft), a subsidiary of the First Joint Venture;

in each case, provided that such distribution is made from excess cash and that no default is continuing or would occur as a consequence of making such distribution. In addition, principal and interest in respect of the development and construction loans made by VGP to the respective subsidiaries of the First Joint Venture for the purpose of financing the development and/or construction of new buildings by such First Joint Venture's subsidiary may be paid without any limitations.

Second Joint Venture

For the Spanish, Austrian, Italian an Dutch assets, an initial EUR 340.0 million facility was arranged in July 2019 by Aareal Bank AG. Aareal Bank AG is the agent, arranger and sole lending bank of the facility. As at 30 September 2019, the committed credit facility amounted to EUR 339.7 million. The outstanding amounts drawn under the facility as at 30 September 2019 were EUR 51.6 million. The available undrawn amount under the facility was therefore EUR 288.1 million at the end of September 2019. The maturity date of the facility is 31 May 2029.

For the Romanian assets, an initial EUR 34.0 million facility was arranged by Raiffeisen Bank International AG. Raiffeisen Bank International AG is the agent, and Raiffeisen Bank International AG and Raiffeisen Bank S.A. (Romania) are the lending banks of the facility. The outstanding amounts drawn under the facility as at 30 September 2019 were EUR 27.8 million. The available undrawn amount under the facility was therefore EUR 6.0 million at the end of September 2019. The maturity date of the facility is 30 June 2024.

The credit facilities granted by Aareal Bank are secured on a portfolio basis and mainly through a mortgage on all the assets. The credit facility of Raiffeisen Bank is secured on a geographic basis, i.e. only Romanian financed assets are secured in favour of Raiffeisen Bank.

The covenants applied are as follows:

(i) Austrian and Spanish assets

The respective project companies, which are borrowers under the Aareal Bank credit facility, must ensure that they comply with following covenants:

- Yield on Debt to be equal or above 6.00 per cent. tested on a quarterly basis (31 March, 30 June, 30 September and 31 December); and
- Loan to value to be equal or below 75.0 per cent. tested on a quarterly basis (31 March, 30 June, 30 September and 31 December).

The covenants are calculated on a portfolio basis. As from the fourth anniversary of the credit facility the Yield on Debt ratio will increase to 6.50 per cent. and the loan to value ratio will decrease to 70 per cent. As at 30 September 2019, the Yield on Debt stood at 7.3 per cent. (versus the covenant limit of 6.00%) and the loan to value (based on completed buildings only) stood at 59.2 per cent. (versus the covenant limit of 75.0 per cent.).

(ii) Romanian assets

The respective project companies, which are borrowers under the Raiffeisen Bank credit facility, must ensure that they comply with following covenants:

- Debt Service Cover ratio to be equal or above 120 per cent. tested on a semi-annual basis (30 June and 31 December); and
- Loan to value to be equal or below 60 per cent. tested on an annual period on a semi-annual basis (30 June and 31 December).

The covenants are calculated on a portfolio basis. As at 30 September 2019 the Debt Service Cover ratio stood at 146.9 per cent. (versus the covenant limit of 120.0 per cent.) and the loan to value (based on completed buildings only) stood at 57.1 per cent. (versus the covenant limit of 60.0 per cent.).

The above-mentioned ratios are calculated as follows:

(i) For the Austrian and Spanish assets:

- Yield on Debt means, (A) the net operating income of the Portfolio Properties as a percentage of (B) the aggregate of (i) all Portfolio Loans less (ii) the deduction amount being any amount under a deposit reserve or trapped cash account.
- Loan to value means the aggregate of all Portfolio Loans, less the deduction amount being any amount under a deposit reserve or trapped cash account, divided by the open market value as valued by an independent valuator.

(ii) For the Romanian assets:

- Debt Service Cover means, in respect of any given calculation period, the amount of EBIDTA less income tax actually paid and less Capital expenses (except for Capital Expenses using Equity), as a percentage of the sum of Debt Service during such calculation period.
- Loan to value ratio means the aggregate loans outstanding divided by the open market value as valued by an independent valuator.

The Second Joint Venture's subsidiaries holding assets in Austria and Spain are permitted under the Aareal Bank credit facility to distribute any funds that remain after fulfilling all their contractual obligations towards the financing parties and provided that (i) no default is

continuing or would result from the payment, and (ii) the loan to value ratio is at least five percentage points lower than the contractually agreed minimum.

The Second Joint Venture's subsidiaries holding assets in Romania are permitted under the Raiffeisen Bank credit facility to distribute any funds provided that the proposed payment shall be made from Excess Cash, determined in accordance with the credit facility and that (i) no Default has occurred and is continuing at the time of the proposed payment, (ii) the Debt Service Reserve Account is fully funded, and (iii) the Debt Service Cover is not less than 120 per cent.

3.2.9 Shareholder loans

The Shareholders have provided the shareholder loans in proportion to their aggregate interest in the Joint Ventures.

The shareholder loans have a term of 120 months and can be prepaid at first demand. The development and construction loans can only be prepaid at the moment of delivery of the completed building financed by such loan.

The interest rates applied on the shareholder loans are between 3.875 per cent. and 4.000 per cent. p.a. All shareholder loans are unsecured and subordinated to the bank debt.

First Joint Venture

For project companies of the First Joint Venture holding German assets VGP will provide 52.55% of shareholder loans and Allianz will grant their respective 47.45% shareholder loans. For all other project companies of the First Joint Venture VGP will provide 50% of shareholder loans and Allianz will grant their respective 50% shareholder loans.

Besides the usual shareholder loans, VGP provides 100% of the development and construction loans to the First Joint Venture.

As at 30 September 2019, the outstanding shareholder loans provided by VGP to the First Joint Venture amount to EUR 126.5 million (EUR 125.6 million as at the end of June 2019) of which (i) EUR 48.8 million provided to VGP European Logistics S.à.r.l. (EUR 25.6 million as at 30 June 2019), (ii) EUR 4.8 million provided to the asset companies which are 5.1% directly held by VGP (unchanged compared to 30 June 2019), and (iii) EUR 72.8 million development and construction loans to finance the development projects (EUR 72.5 million as at 30 June 2019).

Second Joint Venture

VGP and Allianz each provide 50% of the shareholder loans required by the Second Joint Venture to finance its assets.

Besides the usual shareholder loans, VGP provides 100% of the development and construction loans to the Second Joint Venture.

As at 30 September 2019, the outstanding shareholder loans provided by VGP to the Second Joint Venture amount to EUR 35.9 million (EUR 34.9 million immediately after the first closing on 31 July 2019) of which (i) EUR 5.6 million provided to VGP European Logistics 2 S.à.r.l. (EUR 5.6 million as at 31 July 2019), and (ii) EUR 30.3 million development and construction loans to finance the development projects (EUR 28.9 million as at 31 July 2019).

3.3 Relationship with the Associate

VGP MISV Comm. VA was incorporated at the Issuer's initial public offering to be used as a structure for a long term management incentive plan ("**VGP MISV incentive plan**") whereby the existing shareholders VM Invest NV and Little Rock SA initially transferred a number of VGP Ordinary Shares representing 5 per cent. of the aggregate number of Ordinary Shares in VGP into VGP MISV, a limited partnership controlled by Mr Bart Van Malderen as managing partner ("*beherend vennoot*" / "*associé commandité*"). During the second half of 2018 and following the expiration of a 5-year lock-up period, certain members of the VGP team sold their respective VGP MISV shares to VGP NV. As at 30 June 2019, the Company held 79.91% of the VGP MISV shares. As from 2019, the remaining VGP MISV incentive plan has been considered a cash-settled share based plan for which a EUR 8.4 million opening equity adjustment has been recognised, reflecting the total cash lay-out of VGP NV if the latter were to acquire the remaining 20.09% VGP MISV shares. It is foreseen that this plan will gradually phase out over the next 3 years.

The Board of Directors, based on the recommendation of the remuneration committee, has agreed to set up a new long-term incentive plan based on the same principles of the VGP MISV incentive structure. The new plan allocates profit sharing units (**Units**), to the respective VGP team members (including the executive management team). One Unit represents the equivalent of one VGP share on a net asset value basis. After an initial lock-up period of 5 years each participant will be able to return the Units against the payment of the proportional net asset value growth of such Units. At any single point in time, the number of Units outstanding (i.e. awarded and not yet vested) cannot exceed 5% of the total equivalent shares of the Company. The new incentive scheme applies as from 2018 and will gradually build up as and when the VGP MISV incentive plan phases out, thereby ensuring that at no point in a time more than 5% of the total equivalent shares of the Company is allocated under both the old and new incentive plans.

4 Profile of the VGP Group

4.1 Activities

Fully integrated business model

The Group has an in-house team which manages all activities of the fully integrated business model: from identification and acquisition of the land, to conceptualisation and design of the project, supervision of the construction works, contacts with potential tenants and Facility Management of its own real estate portfolio.

4.1.1 Plots of land

The first phase of the business model is the identification of top locations for logistic projects. The Group focuses on the acquisition of land plots with a size between 15 and 25 hectares, which are zoned for logistic or light industrial use. Larger land plots enable creation of VGP parks, thus providing economies of scale and also more flexibility in case of future vacancies. For particular projects, smaller land plots (circa 5 hectares) can also be interesting, and in good locations, the Group is ready to acquire significantly larger plots as well.

The Group seeks to ensure that all land plots are in accordance with its investment criteria (e.g. proximity to highways and ring roads, important logistic access, the vicinity of important city

centres with living concentration and production hubs, public transportation, etc.). For this activity, the Group works in close cooperation with several local real estate brokers, some of which have an exclusive agreement with the Group. Moreover, the Group has a core team which has an intensive proprietary prospection function. Generally, the Group communicates with local authorities and seeks to ensure that its projects are supported by the relevant communities. As a result, members of the management team are regularly in contact with the municipalities and are aware of the local sensitivities, which are key to successful permitting.

The management and the team gather on a regular basis to evaluate potential projects. Once a project is approved, a technical due diligence is performed. As a general rule, any acquisition of land is subject to first obtaining the zoning and/or building permit for logistic activities and the absence of any other obstacles such as environmental issues, infrastructure works, etc. Each decision to acquire new land plot is subject to CEO approval.

For legal assistance, drafting of contracts as well as legal due diligence of acquisition targets, the Group relies on reputable local or international law firms, as well as on its in-house legal counsel.

The Group's policy is to acquire plots of land which are directly connectable to existing infrastructure. Within the boundaries of the land plots, VGP undertakes infrastructure works if necessary. This infrastructure work is directly linked to the developed properties.

4.1.2 Concept and design

VGP applies strict guidelines to the design of its buildings. The Group uses a facility brief describing in detail the minimum requirements the building should respond to. This design ensures multi-purpose utilisation throughout the life cycle of the building.

For architectural and design matters, the Group works with its internal team supported where necessary by several local dedicated external offices of architects and designers.

In addition to the Group's standard building requirements, some adaptation (such as lay-out, finishing) can be done according to the tenants' requirements. The design as well as the technical description of the necessary infrastructure for the tenants' operations are generally made by VGP itself, in close co-operation with the tenant's technical advisers, ensuring a thorough understanding of the customers' needs.

4.1.3 Construction

High quality logistic projects are constructed mainly on a pre-let basis (in such case, in close co-operation with future tenants) and partly at own risk, without the buildings being pre-let. The buildings are finished taking into account the future tenants' requirements and specifications but always in accordance with the Group's prevailing technical and quality standards.

The Group centralizes the purchasing of materials and construction components for its buildings at each of its local offices. The enhanced purchase power strengthens the Group's negotiation power allowing to realise economies of scale. In Germany, the Czech Republic, the Slovak Republic and Hungary, the Group mainly acts as a general contractor and organizes the construction by directly engaging particular contractors for specific parts of each building, thus avoiding the need to have a general contractor. In other countries, the Group currently cooperates with local general contractors for the coordination of the individual building sites. The Group's cost controllers are responsible for the daily follow up of the actual costs versus the budgeted costs of the respective projects.

4.1.4 Rent out and marketing

The buildings are generally leased under long term lease agreements to tenants which are active in the logistics sector, e-commerce and/or light manufacturing sector, such as assembling, re-conditioning and final treatment of the goods before they go to the industrial clients or the retailers.

The Group attaches great importance to its direct client relations. The Group's commercial officers are responsible for the contacts with the existing and potential tenants, the proposals and monitoring of the tenants' requirements during the building process until the handover of the premises.

4.1.5 Portfolio: ancillary services provided

(i) Property management and asset management services

Property management services are exclusively provided to the Group's own portfolio and the Joint Ventures whereby the respective Group property management company is responsible for managing the proper and undisturbed operation of the buildings. In addition, the property manager identifies, supervises and manages, on behalf of the Group or the Joint Ventures, the relationship with third party suppliers.

As part of its offered services the VGP property management companies also provide Project Management services. These services cover the performance of capital improvements and any other construction works as may be requested by the owner of the buildings. This scope covers the full range of Project Management services (such as the supervision and coordination of the contractors for design, advising on obtaining permits, advising on the works and any tenders relating thereto).

As part of the property management services VGP also provides leasing services. The Group's commercial department is responsible for all aspects of the performance and enforcement of the leases and the lease agreements, also on behalf of the Joint Ventures and their subsidiaries, as well as for day-to-day co-operation with the tenants

The asset management services entail giving advice and recommendations to the Joint Ventures and their subsidiaries on the Joint Ventures' asset management and strategy, thereby optimising the value of the Joint Ventures' assets. Further advice and recommendations are given by the asset manager in respect of appropriate tenant mix, execution of a leasing strategy that aligns cash flows with portfolio needs and management of both capital and operating expenses. As part of the provided services, VGP is responsible for standard corporate administration of financing, business planning, reporting, budgeting, management of tax and legal affairs, controlling, etc. The asset management services are provided by the subsidiary VGP Asset Management S.à r.l. which operates from Luxembourg. As a consideration for the asset management services, VGP is entitled to an asset management fee, the calculation of which is based on invested equity in the relevant Joint Venture, adjusted for any future capital contribution / distribution.

(ii) Facility Management services

Facility Management services are carried out in the Czech Republic and Germany by specific dedicated teams which are focused on managing the proper and undisturbed operation of the buildings and performing all actions such as maintenance services,

waste management services, maintenance greenery that may be necessary in this respect.

In other countries where no local facility management team is in place, the Group uses third party facility management services companies to perform these activities.

4.2 Main markets

The main market overview describes the geographical and real estate markets in which VGP is active and provides an update on current market circumstances. Logistic real estate is an important element of modern supply chain processes. These include the value stream of raw materials and finished goods from suppliers, the storage and handling of products, distribution to industrial and trade customers, and associated services, e.g. picking, return management, packaging and commercial activities. As a result of globalisation, supply chain processes have become more complex and, due to customer requirements, even faster. This is accompanied by increasing data transparency. Mega-trends such as 'Big Data' and the 'Internet of Things' will impact on logistic real estate and occupier demand for flexible, modern appointed 'networked' and modular space will continue to grow.

Structural demand drivers including e-commerce and the restructuring of supply chains continue to support global logistics markets, with elevated take-up holding vacancy rates near record lows. Leasing momentum is expected to remain strong, albeit decelerating from recent record levels, which should continue to propel rents higher for the rest of 2019. *(Source: Global Market Perspective – August 2019, Jones Lang LaSalle)*

Despite some quarterly variances, occupational demand for logistics space across Europe has been on a broadly rising trajectory since 2013. However, in Q1 2019 the level of take-up recorded was 28% down on the previous quarter and 15% lower than the same quarter in 2018 - but it is not clear at this stage whether this is a one-off or the start of a general slowdown in demand. While some deceleration in demand should not be a surprise given the moderation in economic growth across many of Europe's major economies, structural drivers remain strongly supportive of warehouse demand including e-commerce. *(Source: Global Market Perspective – August 2019, Jones Lang LaSalle)*

On the supply side, the aggregate logistics vacancy rate for Europe is still at an historically low level, at circa 4.5%, which reflects both robust take-up and relatively limited speculative development over recent years. Most new warehouse space completed over recent years has been built-to-suit rather than speculative development. *(Source: Global Market Perspective – August 2019, Jones Lang LaSalle)*

VGP is active in Germany, Spain, Italy, the Netherlands, Portugal and a number of mid-European countries with main focus on the Czech Republic. Besides the Czech Republic, VGP is also active in the following periphery countries: the Slovak Republic, Hungary, Romania and Latvia. Given the small size of the activities in the Baltic countries it is the intention of VGP that once the Latvian park will have reached a mature stage, i.e. fully developed, this park could be put up for sale subject to attractive market pricing. This is in line with the sale of VGP Park Nehatu (Estonia) which was completed during September 2017 and which covered the sale of 5 modern logistics buildings with a total of more than 77,000 m^2 of lettable area. During 2019, the Group became active in Portugal.

Investment in German commercial real estate (i.e. offices, retail, logistics, hotels and alternatives/others) reached a volume of just over EUR 55 billion in 2018. Investment in Spanish commercial real estate peaked in 2017 at EUR 11.5 billion. Total transaction volumes softened in 2018, down by 9.5% year-on-year. Investment in Italian commercial real estate reached EUR 8.7 billion in 2018. Investment in Portuguese commercial real estate reached a volume of close to EUR 3.3 billion, marking the highest

volume on record. Investment in the Netherlands commercial real peaked in 2017 at nearly EUR 18.4 billion and total investment volumes were down nearly 30% in 2018. *(Source: 2018 Industrial Report CEE & Western Europe – February 2019, Jones Lang LaSalle)*

The markets in which the Group operates are exposed to local and international competition. Basically, there are 4 types of competitors i.e. small local players, large established real estate players, occasional new real estate players, and lease companies.

Overall, ProLogis, Segro, Goodman and Pannatoni are some of the largest market players in the European markets in which the Group operates. None of the above-mentioned developers, however, occupies a dominant position in the European market as a whole.

The competition in the Czech Republic comes mainly from large established real estate developers. These developers have land bank positions and established projects and business parks in the Czech Republic. The biggest competitors amongst them are: CTP Invest, P3, ProLogis, Goodman and Pannatoni. Besides these there are a number of investment funds who have bought existing stock from developers which may from time to time lose a tenant and promote the resulting vacancy in the market. The biggest competitors amongst them are Segro and Heitman.

In Germany, the largest VGP market, a number of regional local developers are active, typically developing in their respective Länder.

The different real estate companies usually have different business models. Whereas the large real estate players will usually concentrate on "big box" logistic warehouses i.e. large buildings >50,000 m², VGP operates in a niche market concentrating on smaller buildings 5,000 m² - 20,000 m² (up to around 50,000 m² in Germany) which attract more interest from end users. VGP experienced this model to be more resilient to the economic downturn of the past few years.

4.2.1 The logistic property market in Germany[1]

(i) Economic overview

The upturn on the German investment market continued throughout 2018 and has now entered its tenth year in 2019. In view of the market's buoyancy during the last three months of the year and the realisation of some large-volume transactions, it is fair to say that 2018 stood out as an exceptional investment year. Apart from the mega-transactions, some other noteworthy activities also contributed towards this development. The transaction volume has been rising steadily since 2010, and 2018 proved to be another record year at least in the commercial real estate market. This market segment accounted for a transaction volume of EUR 60.3 billion, which has tripled since 2010 and increased by 6% compared to 2017.

Despite current geopolitical uncertainties, demand for real estate remains high in 2019. The trend towards a moderate decline in yields for top products in prime locations of asset classes with the highest transaction volumes appears to continue during the fourth quarter of 2019. The average prime office yield for the seven strongholds stood at 3.11 per cent., which was slightly down compared to the previous quarter and 16 basis points lower in a 12-month comparison. In 2019, yields are expected to settle at this level. However, the strongest momentum in terms of yield development is still evident in the logistics real estate segment. The thriving online retail sector and its

[1] *Source: Jones Lang LaSalle, 2018 Industrial Report CEE & Western Europe – February 2019.*

positive future prospects attract foreign investors to this asset class. At the end of 2018, the prime yield stood at 4.1 per cent., which is 60 basis points lower than at the end of 2017. However, a further decline to well below 4.00 per cent. is expected over the course of 2019.

In combination with rental growth, office properties again registered a double-digit increase in capital appreciation during 2018. Aggregated across the seven property strongholds, the capital value growth was 12%, which compares to an average growth rate of 15.5% for the previous three years. The rate of growth is expected to weaken to around 4% in 2019 owing to the more stable yields.

With regard to retail high street in city centres, the strong increase in value seen in past years is already over. Growth of only 3% was registered for 2018. For the most part, stagnating rents and effectively no appreciation in value are expected to be evident in 2019. Demand will focus more than ever on specialist store products with discounters or food retailers as anchor tenants. Since demand here will be significantly higher than the available supply, prime yields in this segment could still fall slightly in 2019 – they stood at 4.50 per cent. at the end of 2018. Shopping centres represent the first segment in which the prime yield has risen again for the first time since the end of 2010. At the end of 2018, the yield was 4.10 per cent., which is 20 basis points above the lowest value of the last four quarters.

(ii) Leading logistics areas

Germany is the largest economy in Europe and the world's second largest exporter. It is also ranked number one globally in terms of its overall 'logistic performance' according to the World Bank's Logistics Performance Index (2018). With the eastwards expansion of the EU, Germany became even more centrally positioned within Europe and benefits from its geographical location as well as its excellent global connectivity.

Germany's logistics locations are highly fragmented. Traditionally, the principal markets are located around: (i) Hamburg, largely driven by the port, Europe's second largest container seaport, (ii) Frankfurt-Rhein Main, driven by freight activities surrounding the airport as well as the large customer base in the metropolitan area, (iii) the Ruhr area & Düsseldorf-Cologne corridor, which are still largely manufacturing based, (iv) Munich, focused on the high-tech sector, and (v) Berlin, the national capital. There are also several smaller logistics locations which have emerged only over the last few years such as the Kassel/Bad Hersfeld area (the most centrally located area in Europe) and Leipzig/Halle (benefitting from airport development) - offering a higher availability of development sites in combination with lower land prices and lower rental values. Other smaller regional markets are the Rhein-Neckar area, Hanover/Brunswick, Stuttgart/Heilbronn, Osnabrück/Münster, Nuremberg, Erfurt, Bremen and Mönchengladbach. Over the next few years, JadeWeserPort container port could also see an acceleration in local activity, provided the area can overcome limitations in transport infrastructure and initial occupier caution.

(iii) Take-up of logistics space

In 2018 the German warehousing market saw a new record take-up level at over 6,600,000 m² including units of 5,000 m² and over. This is 9% above the previous record year (2016) and 13% up on a slightly lower 2017. It is also still 24% ahead on the five-

year average. The share of total take-up attributable to lettings was 64% (+ 7% year-on-year). Take-up by owner occupiers increased by 18%.

Take-up in the Big 5 conurbations (Berlin, Düsseldorf, Frankfurt, Hamburg and Munich) was around 1,500,000 m² in 2018, which is 4% ahead on the previous record in 2016 and 20% on the 5-year average.

The highest take-up in 2018 amongst the Big 5 was recorded in the Frankfurt region at around 500,000 m². This was followed by the Hamburg region with 315,000 m². Both regions were at a similar level compared to the previous year. The strongest growth was seen in the Munich region (49%), followed by Berlin and Düsseldorf (13% respectively). Berlin was also home to the three largest deals within the Big 5 conurbations: Chef Culinar, DHL and sports retailer Decathlon each leased around 40,000 m² in project developments in Ludwigsfelde on the southern periphery of Berlin.

Take-up of around 5,100,000 m² was recorded in areas outside the Big 5 conurbations (further referred to as regional take-up), exceeding the 5 million m² mark for the first time on record. This was 14% above the previous year's total and 26% on the 5-year average.

Take-up attributable to lettings rose 9% year-on-year and take- up by owner-occupiers rose by 21%. Around 80% of all take-up was in new-build properties and project developments, and 95% of take-up was in the ≥50,000 m² size category. Three of the four largest deals of the year were registered in the first quarter: XXXLutz laid the foundation stone for its new e-commerce logistics centre at Erfurter Kreuz, where around 200,000 m² of logistics space will be completed by 2022. A large logistics centre with around 114,000 m² is under construction for Amazon in Oelde and over 100,000 m² is under construction for the logistics company Hammer in Inden close to Eschweiler. At the end of 2018, work commenced on the construction of an approx. 100,000 m² logistics centre for Amazon in Sülzetal, close to the city of Magdeburg.

The highest regional take-up was in the Ruhr region with around 574,000 m², followed in second and third place by the Leipzig/Halle region (around 300,000 m²) and the RheinNeckar region (275,000 m²) respectively. The take-up statistics outside the Big 5 conurbations were dominated by the distribution/logistics sector with 1,900,000 m² (38%), followed by manufacturing companies with around 1,600,000 m² (31%) and retail companies with around 1,300,000 m² (of which approx. 615,000 m² were in the e-commerce sector).

(iv) Evolution of rental levels

The short-term supply of modern logistics space continued to decline in the Big 5 conurbations. Around 905,000 m² of logistics space was completed in 2018 but just 23% was still available at the time of completion. Around 580,000 m² is currently under construction in the Big 5, of which just under one third is still unlet. The majority of space currently under construction (46%) is located in the Frankfurt region.

Prime rents in Germany had been fairly resilient during the recession of 2009 and the following Eurozone financial crisis. That said, following some growth in 2011, further rental growth has remained patchy.

Within the Big 5 conurbations, rents in Düsseldorf and Frankfurt had remained unchanged since 2011. Elsewhere, prime rents in Berlin were up 6.4% in 2016 and increased a significant 10% in 2018. Hamburg recorded a 3.6% rental increase in 2018, the first after 2011. Germany's most expansive market, Munich, meanwhile had recorded various years of rental growth since 2011 and in 2018 rose another 5.2%.

Rental levels are forecast to continue to trend upwards across all Big 5 conurbations with estimated annual growth over the next four years strongest in Hamburg at 1.4%, followed by Frankfurt (1.3%), Munich (1.0%), Düsseldorf (0.9%) and Berlin (0.6%).

(v) Immediate and future logistics offer

Estimations of logistics vacancy rates in Germany are historically low. Prolonged strong occupier demand over recent years pushed the estimated vacancy rate as low as around the 4% mark in 2016, and it has remained around this level since.

Continued low vacancy rates are clearly reflected in the high level of take-up taking being build-to-suit driven.

At the start of 2019, nearly 4,000,000 m² of new space was under development across Germany of which less than 200,000 m² were speculative. As a result, vacancy levels in Germany are expected to remain at current low levels.

Considering expectations of continued robust take-up in combination with low vacancy Jones Lang LaSalle expects strong development activity. However, land availability for new warehouse developments both in brownfield and green field locations, continues to decline across Germany. Increasingly, this is encouraging project developers to build land banks at long-term strategic locations. However, many municipalities require the disclosure of end user details, including expected trade tax revenues and planned number of employees, even before the land is sold. The developer must typically guarantee the creation of at least 25 new jobs per hectare of land. Add to the increasing shortage of space and rising property and building costs, this poses greater challenges for the development of new logistics space. *(Source: Jones Lang LaSalle)*

4.2.2 The logistic property market in Spain[1]

(i) Economic overview

The Spanish economy continues to perform above the Eurozone average and appears to have accelerated in the final quarter of 2018. Domestic demand remains the key driver of growth, but an improvement in the external sector is also seen to have taken place at the end of 2018. Oxford Economics forecasts GDP growth in 2018 to reach 2.5%, but it expects a marginally slower 2.3% in 2019.

Inflation fell to 1.7% in November, a result of the sharp plunge in oil prices. Despite a gradual rise in prices of basic goods, it is expected that lower energy costs will keep headline inflation weak in 2019, averaging 1.3% in 2019, according to Oxford Economics (after an estimated 1.3% in 2018). The Consumer Confidence Index (CCI) stood at 90.8 points in December, 0.5 points below the figure for the previous month. The CCI

[1] *Source: Jones Lang LaSalle, 2018 Industrial Report CEE & Western Europe – February 2019.*

end 2018 in the second lowest point of the year and the lowest value registered in the last two years.

Investment in the Spanish commercial real estate (offices, retail, logistics, hotels and alternatives/others) peaked in 2017 at EUR 11.5 billion. Total transaction volumes softened in 2018, down by 9.5% year-on-year. This was driven by a significant over 50% drop in hotel investment whilst office, retail and industrial/logistics assets all saw further growth in 2018 year-on-year, albeit on a small scale.

Following five years of continued yield compression, over 2018 yields compressed another 25 bps in the office segment and 50 bps for logistics assets. Meanwhile, looking at retail assets, yield levels remained unchanged in the retail unit shop segment and made their first outward movement since 2009 in the shopping centre segment, up 25 bps compared to one year earlier.

Total industrial and logistics investment volumes reached EUR 1.7 billion in 2018. This marked another significant 48% year-on-year increase on the previous record achieved in 2017. Indeed, Spain was one of only four of the major European markets to record continued growth in investment volumes last year.

Total transaction volumes were driven by a number of portfolio deals, which accounted for one third of the total annual investment volume. The two largest both accounted for more than EUR 100 million each and both were purchased by globally sourced capital.

Prime logistics yields continued to compress over the course of the year. Yields compressed 60 bps to 5.25 per cent. in Barcelona, marking the strongest yield compression across all European logistics markets. They still compressed a strong 50 bps in Madrid compared to a year earlier, ending 2018 at 5.00 per cent.

(ii) Leading logistics areas

The logistics markets in both Madrid and Barcelona are laid out in three concentric rings, each of which reflects a different type of activity or product managed by logistics platforms.

Operators are concentrated along the primary logistics routes. These include the A-2, A-3, A-4 and A-42 roads heading out of Madrid and the A-2 and AP-7 in Barcelona. These roads in both cities pass through all three rings. Operators are located along various stretches depending on the type of freight traffic and whether they are focused on local, regional or national/international transport.

(iii) Take-up of logistics space

Continued strong occupier activity in Spain in 2018 was driven by sound economic growth and more and more occupiers seeking to future-proof their supply chain operations by moving into appropriate logistics facilities. In total, 2,200,000 m² of logistics space was taken-up in 2018. This was 25% higher than the previous year and the first time that the two million m² threshold has been exceeded.

Madrid continued to lead market activity, accounting for over 40% of total take-up (more than 900,000 m²) in 2018. However, the strongest year-on-year growth was

achieved in Barcelona where total take-up rose to over 650,000 m² in 2018, up 43% year-on-year, compared to only 15% growth in Madrid.

Unsurprisingly, 3PLs and logistics companies led total take-up last year, accounting for nearly 50% of total take-up. Retail companies followed at 18% of the total whilst manufacturing companies achieved a limited 9%; however, it was the latter marking the steepest year-on-year growth nearly doubling the amount of space take-up in 2018 compared to the previous year. Meanwhile, units taken up specifically for e-fulfilment (including all occupier segments) accounted for 8% of the total. Albeit total take-up of e-fulfilment space more than halved in 2018 compared to a strong 2017 when this segment accounted for 21% of total annual take-up, it was only marginally below the European average (10%), highlighting continued active demand for such space.

(iv) Evolution of rental levels

Prime logistics rents recorded a 5% increase in 2018 year-on-year in Madrid, following stable levels in 2017 and a 5.3% increase in 2016. Meanwhile rents have been unchanged in Barcelona since 2015 when they grew by 3.8% year-on-year. As a result, prime rents at the end of 2018 stood at EUR 81.00/m²/year in Barcelona and at EUR 63.00/m²/year in Madrid. Looking ahead, prime logistics rents are projected to show further growth in 2019, led by Madrid where rents in 2019 could potentially grow above 4% year-on-year whilst prime logistics rents in Barcelona are expected to grow by less than 1% this year.

(v) Immediate and future logistics offer

At the end of 2018, immediately available functional logistics space across Spain reached a historic low. The aggregate vacancy rate for Spain had dropped to 3.5%, down from nearly 14% in 2013. Vacant logistics space was lowest in Barcelona at the end of 2018, at 3.1% whilst reaching a still limited 3.8% in Madrid.

Looking at future supply, nearly 1,700,000 m² of new logistics space was under construction at the start of 2019. Nearly 60% of total space under construction was attributable to space being built speculatively. In fact, the Spanish market is currently recording the highest level of speculative development across all major European markets both in actual square meters and the share of speculative space developed compared to total space under construction nationally; albeit it is slightly down on the previous year.

Most speculative build units that came onto the market throughout 2018 were taken up quickly thanks to continued strong occupier demand. Whilst we expect occupier demand to remain on robust levels in 2019, driven by continued supply chain alignment to e-commerce, the general global economic slowdown and downside risks stemming from geopolitical uncertainty (in particular the risk of rising trade tariffs plus strong speculative development activity might lead to an uptick in vacancy rates throughout 2019.

4.2.3 The logistic property market in the Netherlands[1]

(i) Economic overview

The Dutch economy continues to perform above the Eurozone average. According to Oxford Economics, annual GDP growth should come in at a strong 2.6% in 2018. Whilst Oxford Economics has raised its 2019 forecast, GDP growth this year is nevertheless expected to slow to around 1.8%.

Overall, however, the domestic pillars of expansion should remain broadly intact. Following a strong 2.5% rise in 2018, private consumption is expected to slow but should still record a robust 1.6% year-on-year growth this year. Wage growth should also remain strong, supporting further rises in purchasing power, albeit this will be slightly off set by a rise in VAT and energy taxes. Export growth should also recover from a difficult 2018, rising by around 3.5% in 2019.

Investment in the Netherlands commercial real estate (offices, retail, logistics, hotels and alternatives/others) peaked in 2017 at nearly EUR 18.4 billion and over 80% year-on-year increase driven by a significant hike in office and retail investment. Total investment volumes were down nearly 30% in 2018 as both the office and retail segments saw significantly lower volumes last year whilst hotel investments were also lower year-on-year. Industrial and logistics investment on the other hand continued to increase in 2018 year-on-year.

Prime yields in the Netherlands continued to compress across nearly all market segments in 2018 except for retail unit shops which remained unchanged. Prime logistics yields have compressed 40 bps in 2018 YoY and at 4.50 per cent. are now below prime shopping centre yields (4.75 per cent.) in the Netherlands, The Netherlands is the only major European market where we currently observe logistics yields below the level of any other real estate sector. *(Source: Jones Lang LaSalle)*

(ii) Leading logistics areas

The Netherlands logistics market is characterized by its two major global gateway sites: Rotterdam harbour is Europe's leading container port whilst Schiphol airport ranks as 3rd largest European cargo airport. As such the country is regarded as one of the major European freight forwarding markets.

The Dutch logistics market is divided into six different clusters, comprising the two major distribution hubs Amsterdam and Rotterdam as well as the for regional areas West-Noord Brabant, Mid-Noord Brabant, Southeast-Noord Brabant and North Limburg. *(Source: Jones Lang LaSalle)*

(iii) Take-up of logistics space

Total logistics take-up in the Netherlands in 2018 exceeded the three million m² threshold for the first time on record. It was up another 10% if compared to 2017 and nearly double its 5-year average. Strong growth was driven by a combination of continued economic growth and structural change, in particular strongly rising e-commerce activity in the market.

[1] *Source: Jones Lang LaSalle, 2018 Industrial Report CEE & Western Europe – February 2019.*

Units taken specifically for e-commerce activity in 2018 continued to increase 17% year-on-year. That said, take-up growth last year was driven by manufacturing companies, up 300% YoY, albeit this marked a recovery on a slow 2017 and was still below activity levels seen in 2015 and 2016. Overall, take-up was led by 3PLs, accounting for 60% of the total in 2018 and up 44% YoY.

Occupier activity was highest in North-Limburg, driven by the larger Venlo area, accounting for nearly 20% of the 2018 total. The West-Noord Brabant area (12%) and the wider Rotterdam area (11%) followed as the second and third strongest logistics markets last year.

(iv) Evolution of rental levels

Prime logistics rents in the Netherlands are highest in Schiphol (Amsterdam) at EUR 85.00/m²/year where they have remained stable since 2013. Meanwhile, following a 4% year-on-year growth in 2017, prime rents increased another 3.8% year-on-year in 2018 in Rotterdam where they stood at EUR 67.50/m²/ year at the end of last year. Prime rents are still significantly lower across the southern Dutch submarkets. They stood at EUR 50.00/m²/year in the wider Venlo area (North-Limburg), the most dynamic regional Dutch market. With a significant 8.7% year-on-year increase in 2018, the wider Venlo market also saw the highest rental growth across the Netherlands last year.

Looking ahead, prime rents are expected to remain stable in 2019 in Amsterdam while growing at over 3.0% p.a. in 2020 to 2022. Meanwhile, rental growth in Rotterdam is expected to come in at over 2.0% p.a. in 2019 and should continue in this range during the following three years.

(v) Immediate and future logistics offer

Over the past 10 years, vacancy of logistics space in the Netherlands remained relatively limited, peaking at nearly 8% in 2014. At the end of 2018, the overall Dutch vacancy rate stood at 4.1%, slightly up on a 3.7% rate recorded a year earlier. Nevertheless, immediately available logistics space related to total stock marks one of the lowest levels across the major European logistics markets.

Vacancy rates at the end of 2018 were lowest in the Venlo/North-Limburg market at below 2%. It stood at a still moderate 3.3% in the wider Amsterdam market and at 5.5% in the wider Rotterdam market.

Looking at future supply, more than 1,900,000 m² of new logistics space was under construction at the start of 2019, up 9% on the previous year. This was the third highest construction pipeline across Europe, only behind Germany and the UK. A total of 46% of this space (nearly 900,000 m²) were under construction speculatively, which was 70% higher if compared to speculative space under construction one year earlier. The Netherlands currently recorded the highest volume of speculative logistics space under construction after Spain.

Development activity is led by the wider Rotterdam market, where 65% of the total space under construction (260,000 m²) are speculative. The wider Amsterdam market follows in terms of total new space under construction and a 47% share of speculative units.

Most space speculatively under construction throughout 2018 had been taken up relatively quickly, as reflected in the low overall vacancy rate. Expectations of continued economic growth in 2019 and further supply chain alignment in the logistics real estate market should support further robust take-up levels in the Netherlands in 2019. However, a general global economic slowdown and downside risks stemming from geopolitical uncertainty and the risk of rising trade tariffs, could mean that strong speculative development activity might lead to an uptick in vacancy rates throughout 2019.

4.2.4 The logistic property market in Italy[1]

(i) Economic overview

Recent Oxford Economics data seems to confirm that Italy entered into a recession in the second half of 2018. A slightly better outcome during the first half of 2018 means that annual GDP growth in 2018 should be around 0.8%.

Investment in the Italian commercial real estate (offices, retail, logistics, hotels and alternatives/others) reached EUR 8.7 billion in 2018. This was down 18% on the record 2017 result and still 5% lower if compared to 2016. Slower investment activity in 2018 was largely due to a significant drop in the alternatives/other segment (-52% YoY) and investment in hotels declining 46% YoY. Meanwhile, investment in logistics assets was down by 24% whilst office investments were nearly unchanged YoY and retail investments were a marginal 2% up.

Prime yields in Italy had been on a general downward trend since 2013 across all real estate segments. They continued to compress in 2018 albeit the pace of compression slowed across the board; and shopping centre yields reversed, moving out 10 bps YoY to 5.00 per cent. Logistics prime yields saw the strongest compression since 2009 across all segments, down 210 bps whilst at the end of 2018 still maintaining a significant gap of 210 bps to unit shops and 180 bps to office properties. Meanwhile, they remain a narrower 40 bps above shopping centres.

(ii) Leading logistics areas

The Italian logistics market historically remains a less open market if compared to other Western European countries as it is predominantly driven by domestic consumption and has limited links to external economies.

The Milan/Lombardy area, as Italy's economic and industrial powerhouse, is historically the most dynamic logistics market across Italy. Meanwhile, Rome accounting for a similar population size also accounts for a sizable logistics stock whilst the market remains significantly less dynamic and even more locally driven if compared to Milan. Among the smaller markets, Bologna is benefitting from its strategic location at the crossroads of northern and southern Italy whilst the Veneto market remains a relatively dynamically growing area as well.

(iii) Take-up of logistics space

The Italian warehousing market in 2018 reached nearly 1,500,000 m² in 2018. Whilst this was 16% less than in the 2017 record year it was still the second strongest result

[1] *Source: Jones Lang LaSalle, 2018 Industrial Report CEE & Western Europe – February 2019.*

on record. The Italian warehousing market is driven by significant supply chain alignment supporting further strong growth in online sales. As a result, take-up in smaller units located in closer proximity to the end customer to support final mile delivery has increased. In 2018, this segment accounted for nearly 80% of total take-up, up from around 70% in 2017. On the other hand, take-up in units of 10,000 m² and above weakened in 2018, leading to the overall slight decline in annual take-up.

Unsurprisingly, take-up was led by the wider Milan area, accounting for more than half of the 2018 total. Bologna followed at 10% whilst Rome and the Veneto area achieved 8% and 7% respectively. 3PLs remained the leading occupier group in 2018, accounting for over 40% of total take-up. Manufacturing companies followed at nearly one quarter of the total thanks to a strong 70% year-on-year growth of space taken-up by this group after several years of subdued occupational activity. Retail companies accounted of 13% of total take-up whilst space taken-up specifically for e-commerce reached 12%.

(iv) Evolution of rental levels

Prime rents in the wider Milan area started to recover from 2015 onwards, growing an average of 4.7% p.a. between 2015 and 2017. They continued to edge up in 2018 albeit at a more moderate 1.8% to EUR 56.00/m²/year. Prime rents in the wider Rome market started to recover in 2017, growing a solid 5.8% that year. This was followed by a slower 1.8% in 2018 with prime rents in Rome now standing at the same level than Milan at EUR 56.00/m²/year.

Meanwhile, rents also continued to rise in the smaller markets during 2018, growing a strong 5.9% YoY in Bologna to EUR 54.00/m²/year and 2.1% in the Veneto region to EUR 49.00/m²/year. Looking ahead, moderate rental growth should continue during 2019 - 2021 across the major markets albeit growth should remain below the 2% market in Milan and Rome.

(v) Immediate and future logistics offer

Vacancy rates in the Italian warehousing market have been historically low. At the end of 2018, they stood at 3.6% for Italy as a whole, marginally down from 3.9% a year earlier. Meanwhile, looking at the most dynamic Italian warehousing market, Milan, vacancy rates have been almost static over the past 5 years, hovering at around 2%.

At the start of 2019, just over 900,000 m² of new logistics space was under construction across Italy, increasing more than two-fold if compared to one year earlier. Roughly one quarter of the space under construction was speculative. Considering that speculative constructions continues to be fairly moderate and occupier demand still driven by strong growth in online sales, vacancy in warehousing assets in Italy should remain fairly contained in 2019.

4.2.5 The logistics property markets in Central and Eastern Europe

At circa EUR 13.23 billion, the year 2018 recorded an 11% increase over 2017 (EUR 11.92 billion) in total and for the third year running set a new record transaction volume for the CEE region by over EUR 1.3 billion. The full year breakdown saw Poland crush its previous record volume set in 2006 (EUR 5.05 billion) and secured a massive regional share of 54%. This result was followed by the Czech Republic (19%), Hungary (14%), Romania (7%) and the Slovak Republic (6%).

For 2019, Jones Lang LaSalle expects continued, strong interest for product in the CEE markets although perhaps not to quite to levels seen in 2018. Jones Lang LaSalle forecast for the full year suggests that CEE regional volumes will reach circa EUR 11.0 billion. *(Source: 2018 Industrial Report CEE & Western Europe – February 2019, Jones Lang LaSalle)*

(i) The logistics property market in the Czech Republic[1]

The Czech Republic still reports strong macro-economic performance and continues to be considered as the most stable country with the lowest investment risk rating within the CEE region. Retail sales continue to grow with an increasing importance and share of e-commerce sales. Office, industrial as well as retail occupational markets have registered strong performance, leading to record low vacancies across the sectors, supporting the strong fundamentals of the real estate investment market.

On the basis of positive macro-economic results, the Czech Republic continues to be highly popular amongst both international and domestic capital, bringing investment volumes to circa EUR 1.41 billion in the second half of 2018, up by approximately 28% compared to the first half of 2018 (circa EUR 1.1 billion). Unlike most other CEE countries, Czech domestic investors dominated the market with a 50% share of volumes, followed by a 40% share of capital coming from Germany, mainly due to the acquisition of a CTP portfolio by Deka Immobilien.

The most significant office investment transactions in the second half of 2018 were Trimaran and Element in Prague 4, sold by Austrian developer S+B Gruppe to Allianz Real Estate, followed by Forum Karlin, sold by Mr. Zdeněk Bakala's company, BMM, to Amundi Czech Republic and Florenc Office Center in Prague 8 sold by IAD Investments to Korean investor, Shinhan Financial. The last transaction resulted in the compression of the prime office yield which as of Q4 2018 stands at the historically lowest level of 4.50 per cent. The total office investment volume recorded for the second half of 2018 reached EUR 502 million, accounting for approximately 36% of the total investment volume in the second half of 2018.

The most significant retail transaction in the second half of 2018 was the acquisition of Forum Nova Karolina by Reico for EUR 208 million, having bought the asset from Meyer Bergman & HOOPP. The remaining retail transactions were regional shopping centres, supermarkets and retail parks, typically acquired by Czech domestic investors.

With the largest transaction of the year being the acquisition of a CTP portfolio by Deka Immobilien worth EUR 458 million, the industrial and logistics sector volume totalled EUR 488 million in the second half of 2018. This sector usually suffers from a lack of available A-class product and the transaction activity is concentrated around big ticket portfolio deals as evidenced by the second half of 2018.

Investor activity and appetite for investment product continues to be strong, however, it is limited by a lack of supply of prime assets and high price expectations of sellers. This has resulted in lower 2018 investment volumes on the Czech real estate market by approximately 29% compared to 2017.

[1] *Source: Jones Lang LaSalle, 2018 Industrial Report CEE & Western Europe – February 2019.*

In the second half of 2018, Jones Lang LaSalle recorded further yield compression with their view on prime yields as follows: prime offices compressed by 35 bps to 4.50 per cent. on the basis of Florence Office Centre and on-going transactions, prime shopping centres remain at 4.85 per cent. The industrial and logistics prime yield is down by 25 bps, now standing at 5.50 per cent., evidenced by the acquisition of CTP parks by Deka. Prime retail parks are at 6.00 per cent. while prime high-street assets would trade at 3.50 per cent.

(ii) The logistics property market in Hungary[1]

Although the first half of 2018 started weak, the second half of the year proved to be especially strong, reaching a level of circa EUR 1.3 billion, the highest second half of the year volume since 2007.

The strong volume was the result of four large transactions (the disposal of Mammut Shopping Centre, Corvin Offices, MOM Park Shopping Centre and MillPark office building), which generated nearly 60% of the total volume. As a result, the most active sectors were offices (45%) and retail (41%), followed by hotels (6%), industrial (4%) and assets for development purposes (4%).

The most significant office transaction was the disposal of Corvin Offices by Futureal. This sale is the largest office deal on record in Hungary. The 6 existing assets were purchased by OTP RE Fund. Furthermore, ERSTE RE Fund purchased Mill Park Offices (the latest development of Skanska) and Diófa RE Fund acquired Alkotás Point from Heitman.

The main retail transactions include the sale of Mammut Shopping Centre by LoneStar to NEPI Rockcastle and the disposal of MOM Park Shopping Centre by a JV of Morgan Stanley, WING and CC Real to OTP RE Fund. A landmark high street retail unit was also transacted at the end of the year.

In the logistics asset class, Prologis sold two of its logistics parks, located in Százhalombatta (39,000 m²) and Üllő (37,000 m²) to Mapletree as part of its global portfolio including assets in Poland, France, Hungary and the US.

As a result of the strong second half of 2018, the annual investment volume exceeded the 2017 level and reached more than EUR 1.85 billion, marking the third consecutive year of stable and strong investor appetite and the highest annual transaction volume since 2007. Prime yields compressed in every asset class during the year and evolved to 5.25 per cent. for high street, 5.75 per cent. for offices and shopping centres and 7.25 per cent. for industrial.

Looking ahead investor appetite is expected to remain strong in 2019 with liquidity in all asset classes and segments.

(iii) The logistics property market in Romania[2]

In 2018, the property investment volume for Romania is estimated at circa EUR 900 million, a value slightly below the one registered in 2017 (EUR 963 million).

[1] *Source: Jones Lang LaSalle, 2018 Industrial Report CEE & Western Europe – February 2019.*
[2] *Source: Jones Lang LaSalle, 2018 Industrial Report CEE & Western Europe – February 2019.*

The overall number of transactions decreased, although, the average deal size increased, standing at approximately EUR 31 million.

Bucharest accounted for over 78% of the total investment volume, mainly due to two very large office transactions in the city which were closed in the second and third quarter of 2018, respectively. Market volumes were dominated by office transactions (50%), while retail accounted for circa 35%.

The largest transaction registered in 2018 was the acquisition of the first two phases of The Bridge, a 58,000 m² office park in Centre-West sub-market of Bucharest by Romanian Group Dedeman. Another notable office transaction was the acquisition of the first two phases of Oregon Park, a 68,500 m² office park in the Floreasca Barbu Vacarescu sub-market in the north of Bucharest, by Lion's Head Investment.

The largest retail transaction of 2018 was the acquisition by Sonae Sierra of a 50% stake owned by Irish real estate developer Caelum Development in the Park Lake Shopping Centre, a dominant asset in the east of Bucharest. Other significant transactions were the acquisition of Militari Shopping Centre owned by Atrium European Real Estate by MAS Real Estate for EUR 95 million and the acquisition of the Festival Shopping Centre project of Primavera Development in Sibiu by NEPI Rockcastle for EUR 21 million.

In the industrial sector, the largest transactions in 2018 included the acquisitions of CTP Cluj for EUR 22 million and the purchase of Dunca Timisoara for EUR 21 million, both by the Belgian group WDP.

The macro-economic forecast for Romania continues to be positive, despite recent concerns. The country was one of the EU's top performers in the first 9 months of 2018 (with GDP growth estimated at 4.2%) and is expected to hold this position for 2019 as well. On the financing side, terms and conditions are getting closer to what can be expected in the core CEE markets. Consequently, sentiment is strong, and confidence is at one of the highest ever levels, with a total volume for 2019 estimated to surpass the EUR 1 billion mark.

Retail, office and industrial yields have all compressed by 25 bps over the year with prime retail yields standing at 7.00 per cent., prime office yields at 7.25 per cent. and prime industrial yields are at 8.25 per cent.

(iv) The logistics property market in Latvia[1]

The Latvian economy expanded more than expected in 2018 with GDP rising around 4.9% (the most rapid growth among Baltic States). This expansion in mainly driven by the construction and IT sectors, private consumption and EU investments.

By the end of 2018, total professional leasable industrial space surpassed the one million m² barrier for the first time. After several years when development activity was largely driven by small- and medium-scale projects, in 2018 a large-scale project was commissioned by VGP in Kekava. Total development volume of new industrial projects in 2018 exceeded total numbers compared to 2017 and 2016.

The largest part of the professional industrial properties and circa 50% of total space is located within the Riga city, while fewer properties and the other 50% of industrial

[1] *Source: Colliers International, Real Estate Market Overview Baltics – 2019.*

space are located around the Riga Ring Road (near Kekava, Olaine, Marupe, Salaspils and Jelgava).

In 2018, demand for industrial premises continued to be active, resulting in total take-up exceeding 70,000 m². Greatest demand remained for industrial premises with area 1,000 to 2,000 m² in Riga city.

At the end of 2018, the vacancy level decreased even more compared to the previous year and stood at 11%. Low vacancy of industrial premises in Riga and the Riga region continues, mainly due to a lack of new developments during previous years with consequent rapid absorption of new industrial space.

In 2018, the rent rates remained stable with a minor increase in the upper bound caused by new industrial projects, alongside rising construction costs.

In 2019, industrial stock is expected to be increase by circa one third compared to 2018. However, no significant increase in vacancy is expected as industrial areas are in demand.

(v) The logistics property market in the Slovak Republic[1]

Following robust investment activity in 2016 and 2017, the Slovak investment market has experienced yet another strong year resulting in a 2018 transactional volume of circa EUR 820 million. The total investment volume recorded in the second half of 2018 was circa EUR 326 million, complementing the circa EUR 492 million achieved in the first half of 2018.

The sector split of income producing assets comprised circa EUR 340 million in retail, circa EUR 265 million in office space, circa EUR 170 million in industrial space and EUR 9 million in hotels.

Positive macro-economic and market conditions, such as low vacancy levels and stable occupier demand, pertaining to all market segments, remain robust. Economic and political stability and exceptional GDP growth, underpinned by a major CEE investment from Jaguar Land Rover commencing its production facility in the final quarter of 2018 is further strengthening the confidence of investors towards the Slovak Republic in all asset classes.

The second half of 2018 witnessed increased exposure of local and regional (CEE based) capital, having a significant share of more than 90%, compared to 68% in the first half of 2018. We expect this trend to continue throughout 2019.

The industrial sector recorded the most activity in the second half of 2018. Four deals took place, with one new investor entry, compared to two deals in the first half of 2018. The sale of Trencin Industrial Park to Redside, a fund management company, became the largest industrial transaction of the year, both by investment volume and leasable area (120,000 m²). The second major transaction involved Palmira's acquisition of the 37,000 m² warehouse facility Falcon Hall in Senec, a major warehouse hub in Western Slovakia. Other notable transactions were the buyback of the DHL Logistics Facility, a modern built-to-suit facility developed and acquired by P3 and the acquisition of ZF TRW, a light industrial facility by CTP. Several deals slipped into 2019 and closed in the first half of 2018. Further activity in the industrial sector is expected throughout 2019

[1] *Source: Jones Lang LaSalle, 2018 Industrial Report CEE & Western Europe – February 2019.*

as high liquidity and a healthy leasing market fosters readiness of investors to acquire industrial assets in the Slovak Republic. This appetite is, however, offset by a lack of available A-class products.

The investment market is expected to remain buoyant throughout 2019, with a predicted investment volume reaching a level of circa EUR 750 million, reflecting market liquidity, a rise in transparency and competitive yield levels. Depending on available product parameters, slight yield compression and new investor entries are possible.

Prime yields are expected to be as follows: offices at 6.00 per cent., retail warehouses at 7.00 per cent., shopping centres at 5.50 per cent., high street at 7.00 per cent., industrial and logistics with a standard weighted average unexpired lease term of 3-5 years at 6.85 per cent. and prime hotels (operations) in the capital at 7.25 per cent.

4.2.6 The logistics property market in Portugal[1]

(i) Economic overview

The Portuguese economy remained on a solid growth path despite a general slowdown in Eurozone GDP growth. According to Oxford Economics, GDP grew an estimated 2.1% year-on-year in 2018, which is 30 basis points higher if compared to latest estimations of Eurozone GDP growth (1.8%). The pace of activity is expected to remain above the Eurozone average throughout 2019, albeit some of the economy's main growth engines of the past few years are facing increasing headwinds. As a result, GDP growth in 2019 is expected to moderate to 1.7%.

(ii) Leading logistics areas

The main Portuguese logistics market is located around the capital city of Lisbon where most of international-type occupiers are located.

(iii) Take-up of logistics space

The Portuguese warehousing market is not as developed and transparent as other European warehousing markets. Furthermore, accounting for less than 5 million m^2 of existing warehousing stock in the wider Lisbon area, occupier activity in the area unsurprisingly shows a high volatility.

Warehousing take-up in Lisbon peaked in 2017, driven by a combination of strong economic growth and rising e-commerce activity. Take-up declined 33% in 2018 YoY, which was largely down to typical market volatility. It nevertheless remained in line with the 5-year average.

(iv) Evolution of rental levels

Logistics prime rents in the Lisbon area, following declining rental levels in the aftermath of the global market downturn in 2008 and 2009 and prolonged Portuguese economic woes reached their lowest point in 2013 at EUR 39 / m^2 / year. They started to slightly pick up afterwards and at the end of 2018 stood at EUR 48 / m^2 / year. Nevertheless, this is still significantly below their previous peak (EUR 60 / m^2 / year) in 2008.

[1] *Source: Jones Lang LaSalle, 2018 Industrial Report CEE & Western Europe – February 2019.*

4.2.7 The logistics property markets in Austria[1]

(i) Modular units on the rise

Due to the needs of Industry 4.0, modular units at locations that offer sufficiently skilled workers, modern data lines and energy supply will experience a decisive increase in demand. Strong industrial modularization requires both higher network awareness and standardized buildings in order to meet this demand. A significant amount of industrial value creation is expected to take place in flexible networks by 2030 at the latest.

(ii) Austrian locations rule

Advantages and disadvantages of decentralized locations aside, this trend may turn out to be very positive for regionally oriented, medium-sized companies in Austria. At their core, Austrian commercial and industrial companies are extremely competitive – because the availability of trained specialists (one of the essential foundations for industrial and commercial operation) still exists in this country. The professionally trained workforce is greater in rural areas than in urban core areas.

(iii) Increasing pressure

Pressure on investors to find suitable investment opportunities will continue to increase despite warnings of a possible bubble, also as a result of the ECB's interest rate policy. State restrictions such as the "rent brake" for residential construction in German cities, which is currently being discussed, are increasing the pressure to find alternative investment opportunities on the Austrian real estate market as well. Depending on the situation, size, flexibility, secured rental period, creditworthiness of the tenant and the possibility of subsequent use (third-party usability), yields for industrial and logistics real estate in Austria range between 5.25 per cent. and 7.5 per cent.

(iv) Higher valuation

Higher structural requirements and the increase in land prices (due to reallocations of land previously earmarked for industrial and logistic purposes to residential constructions, thereby reducing the former in size) may result in higher rents.

4.3 Brief history of VGP

Period	Description
1998	• Start-up of the Group. • Start of the coordination and construction of commercial and logistic buildings on behalf of third parties.
2002	• Start of the development of a proprietary portfolio with first developments Blue Park, Green Park and Green Tower.
2005-2006	• Acquisition of a large plot of land in Prague (Horní Počernice - 73ha).
2006	• Start of the construction of VGP Park Horní Počernice.

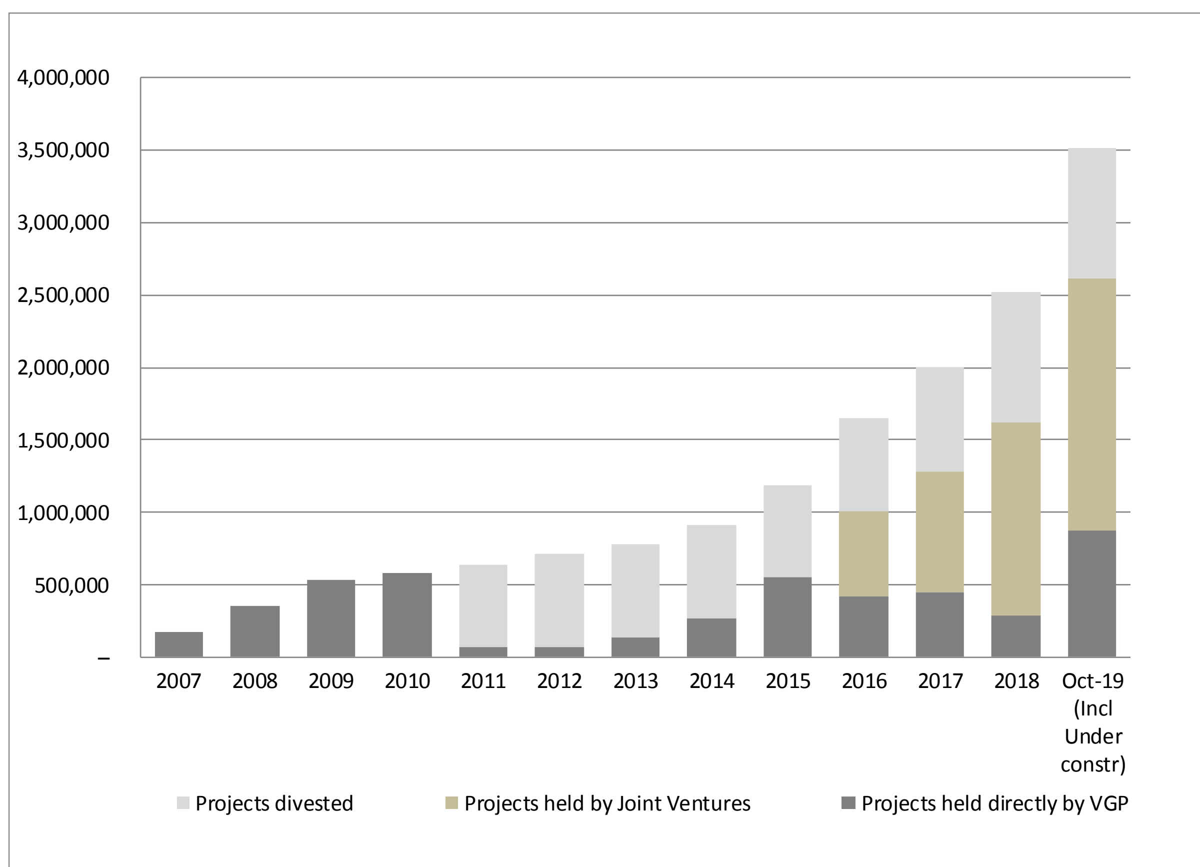
[1] *Source: Colliers International, 2019 Real Estate Market Report Austria.*

	• Regional expansion in the Czech Republic with the acquisition of several other strategic plots of land in Olomouc, Nýřany, Lovosice, Hradec Králové, Liberec and Turnov. • EUR 3 million of committed leases signed.
2007	• Expansion throughout the mid-European region with the acquisition of plots of land in Latvia (Riga), the Slovak Republic (Bratislava) and Hungary (Györ). • Initial Public Offering. • Listing on Euronext Brussels and Main Market in Prague (Czech Republic). • EUR 15 million of committed leases signed.
2009	• First realisations outside the Czech Republic with construction works started in the Slovak Republic, Hungary and Estonia. • EUR 29 million of committed leases signed.
2011	• VGP steps into a 20:80 joint venture (Snow Crystal S.à.r.l.) with EPISO fund (AEW) on its VGP CZ I portfolio. • VGP steps into a 20:80 joint venture (SUN S.à.r.l.) with CCP III fund (Tristan Capital Partners) on its VGP CZ II portfolio. • EUR 40 million of committed leases signed.
2012	• VGP steps into a 20:80 joint venture with EPISO fund (AEW) on its VGP CZ IV portfolio. • VGP sells the Estonian assets of VGP Estonia to East Capital Baltic Property Fund II (East Capital). • EUR 5 million of committed leases signed.
2012-2013	• Expansion of land bank in the Czech Republic and securing substantial land positions in Germany.
2013	• First lease contract and development in Germany and acquisition of >500,000 m² land plot in Hamburg (Germany). • Issuance by VGP NV of bonds with a 4-year maturity, listed on the regulated market of Euronext Brussels, for a total nominal amount of EUR 75 million. • Issuance by VGP NV of bonds with a 5-year maturity, listed on the regulated market of Euronext Brussels, for a total nominal amount of EUR 75 million. • Decrease of VGP NV's capital in an amount equal to EUR 7,619,050.50, without cancelling any shares, as a result of which the Issuer's registered capital is equal to EUR 112,736,509. • EUR 10.4 million of committed leases signed.

2014	• Sale of the remaining 20% interest in the VGP CZ I, VGP CZ II and VGP CZ IV portfolios, termination of the joint venture with AEW and Tristan. • EUR 22.6 million of committed leases signed.
2015	• Establishment of presence in Spanish market and securing of the first plot in Madrid (San Fernando)(Spain) • VGP becomes one of top tier developers in Germany • EUR 38 million of committed leases signed.
2016	• Entry into the First Joint Venture with Allianz and completion of the acquisition of the initial Seed Portfolio (consisting of 15 VGP Parks) for a transaction value > EUR 500 million. • Second closing of the First Joint Venture whereby 5 newly completed buildings (4 buildings in Germany and 1 in the Slovak Republic) were transferred by VGP to the First Joint Venture on 31 October 2016, the net proceeds of which amounted to EUR 59.7 million. • Acquisition of a landmark logistics property in Barcelona (Spain) from Mango group. • Issuance by VGP NV of the 2023 Bonds, with a 7-year maturity, listed on the regulated market of Euronext Brussels, for a total nominal amount of EUR 225 million. • EUR 64.3 million of committed leases signed at the end of December 2016, of which EUR 38.6 million held by the First Joint Venture.
2017	• Issuance by VGP NV of the 2025 Bonds, with an 8-year maturity, to institutional investors (private placement), for a total nominal amount of EUR 80 million. • Approval in May 2017 to decrease of VGP NV's capital in an amount equal to EUR 20,069,694.00, without cancelling any shares, as a result of which the Issuer's registered capital is equal to EUR 92,666,815.00. • Issuance by VGP of the 2024 Bonds, with a 7-year maturity, listed on the regulated market of Euronext Brussels, for a total nominal amount of EUR 75 million. • Third closing of the First Joint Venture whereby 6 new parks (7 buildings) and another 4 newly completed buildings (in parks which were previously transferred to the First Joint Venture) were transferred by VGP to the First Joint Venture on 31 May 2017, the net proceeds of which amounted to EUR 122.1 million. • Offering of 5,086,559 existing Ordinary Shares by VM Invest, Bart Van Malderen and Little Rock SA, increasing the free float of VGP to 37.1%. • Sale of VGP Park Nehatu located in Tallinn (Estonia) for EUR 54 million (being gross proceeds). • EUR 82.8 million of committed leases signed at the end of December 2017, of which EUR 52.5 million held by the First Joint Venture.

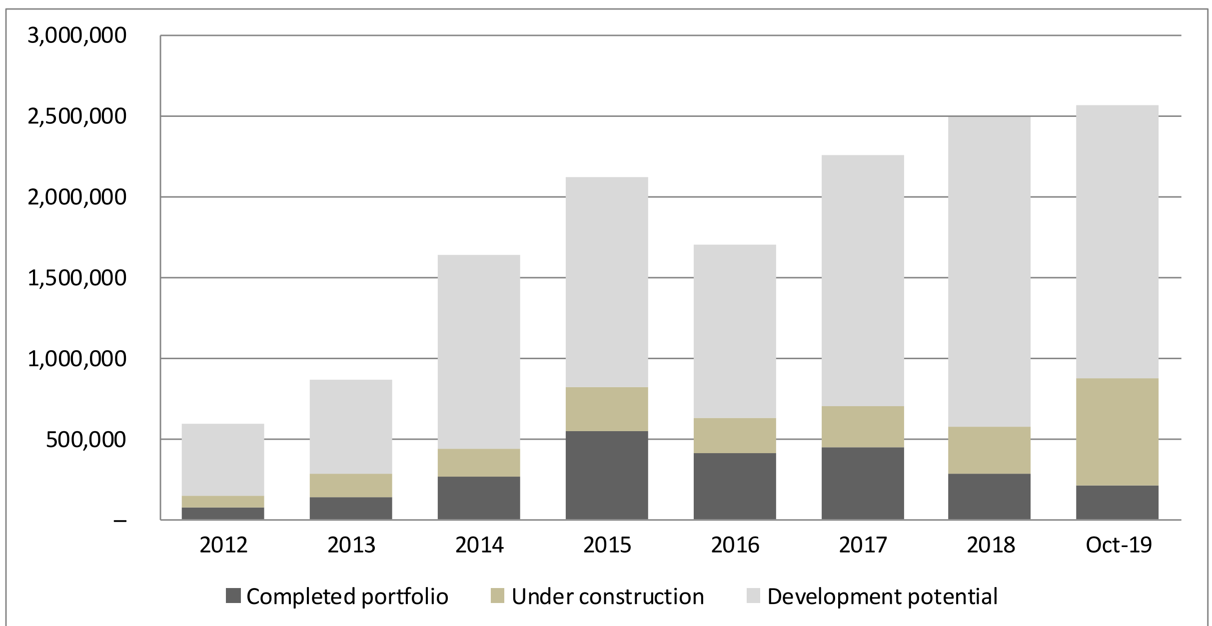
2018	• Establishment of presence in Italian market with the opening of an office in Milan and in the Netherlands where first plot of land was acquired in the region of Nijmegen. New Benelux offices opened in Antwerp (Belgium). • Fourth closing of the First Joint Venture whereby 6 new parks (13 buildings) and another 5 newly completed buildings (in parks which were previously transferred to the First Joint Venture) were transferred by VGP to the First Joint Venture on 30 April 2018, the net proceeds of which amounted to EUR 289.7 million. • Sale of the Mango building (Barcelona) for EUR 150 million (gross proceeds). • Issuance by VGP NV of the 2026 Bonds, with a 7-year maturity, listed on the regulated market of Euronext Brussels, for a total nominal amount of EUR 190 million. • EUR 104.1 million of committed leases signed at the end of December 2018, of which EUR 70.9 million held by the First Joint Venture.
2019	• Establishment of presence in the Portuguese market with the opening of an office in Porto and acquiring the first land plot in Santa Maria de Feira in October 2019. • Fifth closing of the First Joint Venture, whereby 9 logistic buildings (including 3 buildings each in a new VGP park and another 6 newly completed buildings(in parks which were previously transferred to the First Joint Venture) were transferred by VGP to the First Joint Venture on 1 April 2019, the net proceeds of which amounted to EUR 125.4 million. • Start of development of VGP Park Munich (Parsdorf, Germany) for BMW and KraussMaffei Group. • Entry into the Second Joint Venture with Allianz, targeting core logistic assets in Austria, Italy, the Netherlands, Portugal, Romania and Spain • First closing of the Second Joint Venture whereby 3 parks (including 8 logistic buildings) were transferred by VGP to the Second Joint Venture on 31 July 2019, the gross cash proceeds of which amounted to circa EUR 96 million.

Total developed lettable area by the Group since 2007:

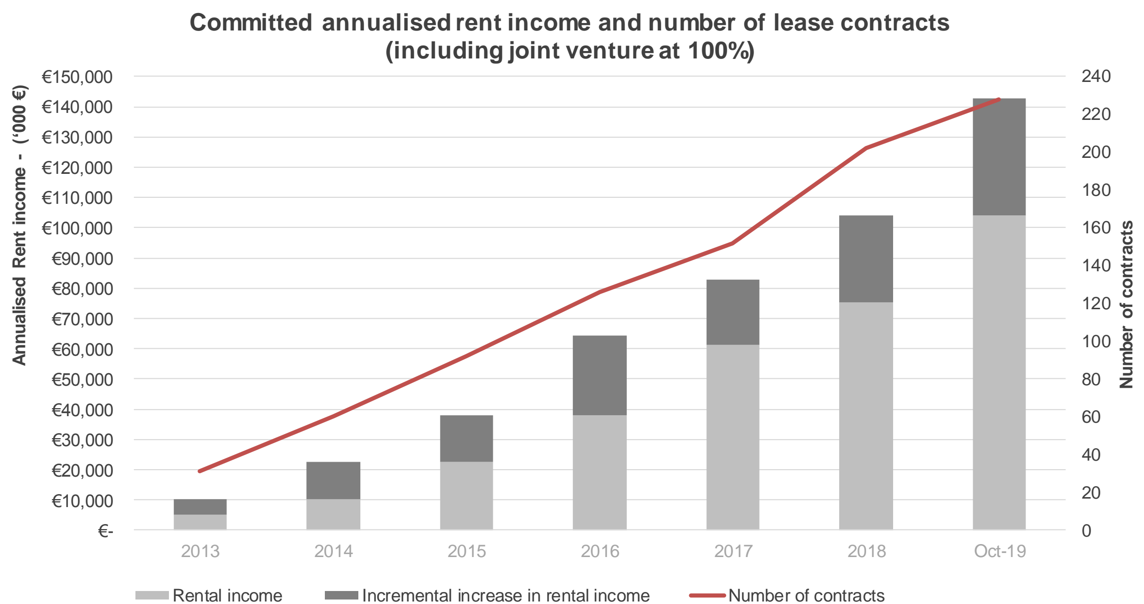


Note: The chart shows the total lettable area developed by the Group since 2007. While some of such areas have been sold in 2014 (and previously transferred to the Snow Crystal S.à r.l., SUN S.à r.l. or the Associate) and the Group does not retain any ownership to such areas, the Issuer considers that the chart shows a true picture of the actual development activity of the Group over the relevant period. For the avoidance of doubt, the areas shown in light grey colour are, as of the date of this Prospectus, no longer owned in any way by the Group. Similarly, the areas shown in green colour are owned by the Joint Venture and thus indirectly for 50% by the Group.

Total development potential own secured land bank



Evolution of committed leases (own portfolio and Joint Ventures)



5 Strategy

5.1 General

The Group constructs and develops high-end logistic real estate and ancillary offices for its own account and for its Joint Ventures, which are subsequently rented out to reputable clients by means of long term commercial lease contracts. The Group has an in-house team which manages all the activities of the fully integrated business model: from the identification and acquisition of the land, to the conceptualisation and design of the project, the supervision of the construction works, the contacts with potential tenants and the Facility Management of its own real estate portfolio.

VGP focuses on top locations which are located in the vicinity of highly concentrated living and/or production centres, with an optimal access to transport infrastructure.

With the entering of the Netherlands, Italy and Austria in 2018, followed by Portugal at the beginning of 2019, VGP has transformed itself as a truly pan-European specialised developer, owner and manager of high-quality logistic and light industrial property. The Group focuses on (i) strategically located plots of land suitable for development of logistic business parks of a certain size, so as to build up an extensive and well-diversified land bank and property portfolio on top locations; (ii) striving to optimise the operational performance of the portfolio and the activities of its tenants through dedicated teams which provide asset-, property and development services; and (iii) growing the 50:50 Joint Ventures with Allianz.

The objective of the First Joint Venture is to build a platform of new, grade A logistics and industrial properties with a key focus on expansion in the Group's core German market and high growth CEE markets with the aim of delivering stable income-driven returns with potential for capital appreciation. The First Joint Venture aims to increase its portfolio size to circa EUR 1.7 billion, exclusively via the contribution to the First Joint Venture of new logistics developments carried out by VGP.

VGP announced the entering into of the second 50:50 joint venture with Allianz on 1 July 2019. The Second Joint Venture exclusively targets 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 EUR 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.

All the aforementioned elements should have a positive effect on the Group's capabilities to realise valuation gains and will over time have a significant impact on the fee income generating capabilities of the Group as VGP will benefit from fee income generated from asset management, property management and development management services. On the other hand, the recurrent rent income for the Group will be adversely impacted as the income generating assets are sold to realize capital gains, such rent income will grow again in the short and medium term once new developments are constructed on the land bank that has been acquired, among others, with proceeds from these transactions and that will subsequently be let to tenants and which are not transferred to the Joint Ventures. In addition, the Group will indirectly benefit from the underlying increase in rent income of the Joint Ventures as it will be entitled to 50% of its profits.

The Group's investment strategy is based on the following principles:

- strategically located plots of land;
- focus on business parks with a view to realising economies of scale;
- high quality standardised logistic real estate;
- in-house competences enabling a fully integrated business model; and
- primary focus on development activities and asset- and property management activities.

5.2 Development activities

Greenfield developments are the core activity of the VGP Group. Developments are undertaken primarily for the Group's own account and to a lesser extent for the Joint Ventures.

The Group pursues a growth strategy in terms of development of a strategic land bank which is suitable for the development of turnkey and ready-to-be-let logistic projects. The plots are zoned for logistic activities. The management of VGP is convinced that the top location of the land and the high-quality standards of its real estate projects contribute to the long-term value of its portfolio.

The Group concentrates on the sector of logistic and light industrial accommodation projects situated across Continental Europe. The Group is active in 12 countries and aims to expand into other European markets in the near future.

High quality projects are always developed on the basis of VGP building standards, with adaptations to meet specific requirements of future tenants but always ensuring multiple purpose use and easy future re-leasability. In their initial phase of development, some projects are being developed at the Group's own risk (i.e., without being pre-let). The development pipeline which was transferred to the First Joint Venture as part of the Seed portfolio in May 2016 or which has been transferred as part of any subsequent acquisition transaction between the Joint Ventures and VGP is also being developed at VGP's own risk and subsequently acquired and paid for by the Joint Ventures subject to pre-agreed completion and lease parameters. Given the strong demands for lettable area recorded in most of VGP's parks, the advanced stages of negotiations with potential tenants in these parks as well as to allow VGP to offer lettable area without long lead times, a number of projects have currently been started up on an own risk basis. The percentage of projects started up on an own risk basis compared to the total number of projects under construction amounts to 31% at the end of June 2019 which are spread over four countries i.e. Spain, Italy, the Netherlands and the Czech Republic. VGP is already in final negotiation on a number of these projects and has recorded strong interest from potential tenants. VGP aims not to start up more than 50% of the projects under construction on an own risk basis. Delaying the start-up of these buildings would have put the Group at a competitive disadvantage as it would have no immediate available or on a short notice available lettable area to offer to potential tenants. At the end of October 2019 there are 34 buildings under construction[1] representing 705,000 m² of lettable area[2]. The new buildings under construction, on which 56%[3] pre-leases have already been signed, represent an estimated annualised rent income of EUR 37.3 million[4] when fully built and let.

The constructions, which respond to the latest modern quality standards, are leased under long term lease agreements to tenants which are active in the logistic sector, including storing but also assembling, reconditioning, final treatment of the goods before they go to industrial clients or retailers. The land positions are located in the vicinity of highly concentrated living and/or production centres, with an optimal access to transport infrastructure.

The Group relies on the in-house competences of its team to execute its fully integrated business model, consisting of the identification and acquisition of land and development of the infrastructure, the design of the buildings, the coordination of architectural and engineering aspects, the administration to obtain the necessary permits, the tendering and coordination of the construction works including site management, and upon completion the asset- and property management of the real estate portfolio.

The Group's team often negotiates and contracts building subcontractors and building material deliveries directly and monitors the follow up and coordination of the building activities itself.

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[1] 6 buildings being developed on behalf of the Joint Ventures.

[2] 75,000 m² being developed on behalf of the Joint Ventures.

[3] Calculated based on the contracted rent and estimated market rent for the vacant space.

[4] EUR 39.8 million related to the buildings being developed for VGP's own portfolio and EUR 3.7 million related to buildings being developed on behalf of the Joint Ventures.

5.3 Asset and property management services

Property management services are exclusively provided to the Group's own portfolio and the Joint Ventures whereby the respective VGP property management company is responsible for managing the proper and undisturbed operation of the buildings. In addition, the property manager will, on behalf of the Group or the Joint Ventures, identify, supervise and manage the relationship with third party suppliers.

As part of its offered services the VGP property management companies will also perform project management services. These services cover the performance of capital improvements and any other construction works as may be requested by the owner of the buildings. This scope covers the full range of project management services (supervision and coordination of the contractors for design, advising on obtaining permits, advising on the works and any tenders relating thereto).

As part of the property management services VGP will also provide leasing services. The commercial department is responsible for all aspects of the performance and enforcement of the leases and the lease agreements, also on behalf of the Joint Ventures' portfolios, as well as for day-to-day co-operation with the tenants.

The asset management services entails giving advice and recommendations to the joint venture companies on the joint venture's asset management and strategy, thereby optimising the value of the joint venture assets. Further advice and recommendations will be given by the asset manager in respect of appropriate tenant mix, execution of leasing strategy that aligns cash flows with portfolio needs and manage both capital and operating expenses.

5.4 Facility Management services

Facility management services are carried out in the Czech Republic and Germany by specific dedicated teams which are focussed on managing the proper and undisturbed operation of the buildings and performing all actions such as maintenance services, waste management services, maintenance greenery etc that may be necessary in this respect.

In other countries where no local facility management team is in place, the Group uses third party facility management services companies to perform these activities.

6 Funding Sources

The main source of funding comes from the issuance of bonds. Previously, the Group has used a considerable amount of bank financing for the development of its projects. However, with the entering of the First Joint Venture with Allianz and the completion of the first two closings with the First Joint Venture during 2016, VGP has been able to substantially reduce its bank financing. As at 30 June 2019 the bank debt outstanding is a credit facility with Raiffeisen (Romania) amounting to EUR 14.6 million.

6.1 Issuer's Funding Sources

6.1.1 Overview

On 21 September 2016, the Issuer issued 3.90 per cent. fixed rate bonds (listed on the regulated market of Euronext Brussels) for an aggregate amount of EUR 225,000,000 (**the 2023 Bond**). The net proceeds of the 2023 Bond were used to acquire a logistics building in Barcelona, as well as development land in Spain and to further finance the development of new projects on development land.

On 30 March 2017, the Issuer issued 3.35 per cent. fixed rate bonds (not listed) for an aggregate amount of EUR 80,000,000 (**the 2025 Bond**). The net proceeds of the 2025 Bond were used for the expansion of the Group's land bank and in order to finance its development pipeline.

On 6 July 2017, the Issuer issued 3.25 per cent. fixed rate bonds (listed on the regulated market of Euronext Brussels) for an aggregate amount of EUR 75,000,000 (**the 2024 Bond**). The net proceeds of the 2024 Bond were used for the repayment of all outstanding debt of VGP under the 2017 Bond.

On 19 September 2018, the Issuer issued 3.50 per cent. fixed rate bonds (listed on the regulated market of Euronext Brussels) for an aggregate amount of EUR 190,000,000 (**the 2026 Bond**). The net proceeds of the 2026 Bond were used for the repayment of all of the outstanding debt of VGP under the 2018 Bond with the remaining balance to be used for the acquisition of development land in the existing and new markets i.e. the Netherlands and Italy and to further finance the development of new projects on development land.

The net proceeds of the current Bonds are intended to be used to further finance the development of new projects on development land in the existing and new markets. The Group expects that the application of the funds towards the aforementioned development and expansion plans will be made within a period of 12 to 18 months following the issuance of the Bonds, provided there are no adverse market conditions.

As at 30 June 2019, the Issuer disposed of a corporate credit line with KBC Bank of EUR 100 million which was unused and is due on 31 December 2019. During the month of October 2019, the Issuer drew down a straight loan of EUR 50 million under this facility for a short-term period, i.e. until 28 November 2019. This draw down will be repaid with the expected proceeds from the sixth closing of the First Joint Venture due to occur at the end of November 2019.

On 10 October 2019, the Issuer completed a *Schuldscheindarlehen* transaction (the "**Schuldschein Loans**") for an aggregate amount of EUR 33.5 million which was used to finance the current development pipeline of the Group. The Schuldschein Loans have maturities of 3, 5, 7 and 8 years and have fixed and variable interest rates which were expected to range between 2.10 per cent. and 3.00 per cent. per annum and have a weighted average interest margin of 2.73 per cent. As indicated in the related press release of 28 August 2019, the initial target of the Schuldschein Loans was EUR 100 million. This amount was not reached because some lenders wanted to introduce more onerous covenants than the current Bond covenants. As the Issuer wanted to ensure that all its unsecured lenders would continue to rank *pari passu* to the Bondholders, the Issuer decided to accept only those lenders who would accept the same covenant as the Bond covenants, therefore resulting in a lower aggregate amount.

On 8 November 2019, the Issuer entered into a 3-year revolving credit facility for an amount of EUR 25,000,000 with JP Morgan Securities plc as arranger, JP Morgan AG as lender and JP Morgan Europe Limited as agent. This facility will be used as a bridge loan to fund peak financing requirements between the different closings with the Joint Ventures.

6.1.2 Key terms

All the above financing arrangements are unsecured and subject to the same covenants as the current Bonds.

All bonds are at fixed interest rate.

The Schuldschein Loans represents a combination of fixed and floating notes whereby the variable rates represent a nominal amount of EUR 21.5 million which is not hedged. The current average interest rate is 2.73 per cent. per annum.

The interest rate on the credit facilities granted by KBC Bank and JP Morgan are at floating interest rate plus a margin.

The JP Morgan credit facility contains an undertaking pursuant to which the Issuer is not allowed to pay out dividends in case of non-compliance with the unencumbered asset ratios and provided that there are any amounts drawn under the credit facility at the moment of payment of such dividend. The ratios which apply are as follows:

- Unencumbered asset coverage ratio is below or at 0.75x; or
- Asset coverage ratio is below or at 1.0x.

The unencumbered ratios are calculated as follows:

- Unencumbered asset coverage ratio means the unencumbered investment real estate properties plus unrestricted cash on balance sheet divided by the gross value of the drawn unsecured debt plus contingent liabilities.
- Asset coverage ratio means the unencumbered investment real estate properties plus unrestricted cash on balance sheet plus 50% of VGP's Joint Ventures' equity stake divided by the gross value of the drawn unsecured debt plus contingent liabilities.

6.2 Subsidiaries' Funding Sources

As at 30 June 2019, the Subsidiaries had a committed credit facility of EUR 14.6 million which was utilised for 100% or EUR 14.6 million. This credit facility with Raifeissen (Romania) relates to the financing of certain completed assets in VGP Park Timisoara. This loan was prepaid at the moment of the first closing with the Second Joint Venture which occurred on 31 July 2019.

On 22 October 2019, VGP Latvia sia (owner of the VGP Park Kekava) entered into a two year EUR 22 million investment loan with Swedbank AS (Latvia). These funds were used to partially repay the invested equity made available by the Issuer. The investment loan is subject to certain covenants i.e.:

- Equity of VGP Latvia sia to remain at above 20% of its balance sheet;
- Debt service cover ratio of at least 1.20; and
- Loan to value not to exceed 70%.

VGP Latvia sia pledged its asset in favour of Swedbank AS. At the moment of the initial drawdown, the loan to value ratio stood at 58.4%.

There were no other credit facilities outstanding at the level of the Subsidiaries at the end of October 2019.

Given the fact the Group adopts as much as possible a standardised approach in respect of financial bank covenants, in general a Loan to Value of 65% will apply in respect of borrowings in case the Group decides to fund projects with bank financing. This effectively means that the Group would only be able to leverage its assets base for a maximum amount corresponding to 65% of the value of the investment properties.

Besides the bank financing the Subsidiaries benefit from intra-group loans provided by the Issuer. These loans are used to finance the development pipeline.

As at 30 September 2019, the Issuer had granted EUR 535.2 million intragroup loans to its Subsidiaries (compared to EUR 540.8 million as at 30 June 2019 and EUR 444.3 million as at 31 December 2018).

The intragroup loans are granted by the Issuer to the Group members on an arm's length basis, are unsecured and are on first demand.

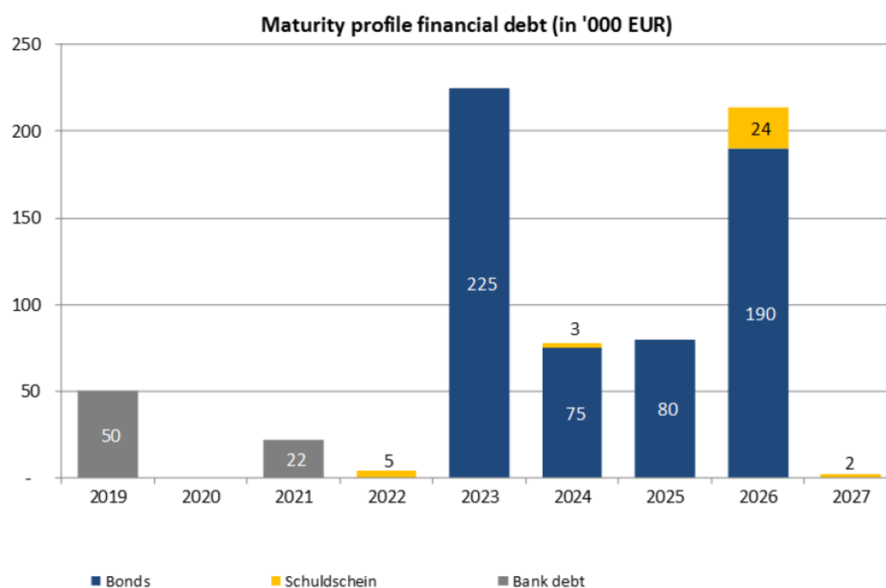
Of these intragroup loans, as at 31 December 2018, EUR 31.8 million were subordinated to bank financing. As at 30 June 2019, EUR 25.9 million were intragroup loans subordinated to bank financing.

The intragroup loans are usually used to finance the land and the initial stages of the development. Once a building becomes income generating and provided adequate bank financing is in place, the respective intragroup loan will be repaid by the bank financing and the proceeds received by the Issuer will be recycled and re-lent to finance other / new developments.

For more information on these loans, reference is made to Part X (*Financial Information concerning the Issuer's assets and liabilities, financial position and profit and losses*).

6.3 Maturity profile

The maturity profile of the Group's debt at the date of this Prospectus is as follows:



Note: The figures shown in the chart exclude capitalised finance costs on bank borrowings and bonds.

6.4 Funding Sources of the Joint Ventures

The primary sources of financing of the Joint Ventures have been, and are expected to be, equity provided by its respective shareholders, bank financing and shareholder loans.

As at 30 June 2019, three major committed secured credit facilities (totalling EUR 941.2 million) are in place at the level of the First Joint Venture and its respective German, Hungarian and Czech/Slovak portfolios. Two major committed secured credit facilities (totalling EUR 373.5 million) have been arranged at the level of the Second Joint Venture and its respective Spanish and Romanian portfolio. For

more information on these loans, reference is made to section 3.2 (*Relationship with the Joint Ventures and the Associates*) of this Part VII, in particular section 3.2.8 of this Part VII.

As at 30 June 2019, the Gearing Ratio of the First Joint Venture stood at 48.3% (compared to 44.9% as at 31 December 2018). The Aggregate Loan to Value Ratio stood at 54.9% at the end of June 2019 (compared to 55.9% as at 31 December 2018).

7 Recent Developments, Investments and Trends

7.1 Development pipeline

7.1.1 Completed projects

Own Portfolio

During the first half of 2019, VGP delivered for its own account 7 buildings, i.e. 2 buildings of 20,000 m² and 12,000 m² respectively in VGP Park San Fernando de Henares (Spain), 1 building of 32,000 m² in VGP Park Mango (Spain), 1 building pf 12,000 m² in VGP Park Wustermark (Germany), 1 building of 6,000 m² in VGP Park Gottingen 2 (Germany), 1 building of 6,000 m² in VGP Park Bischofsheim (Germany) and 1 building of 27,000 m² in VGP Park Kekava (Latvia).

As at 30 June 2019, the own investment property portfolio consists of 17 completed buildings representing 305,000 m² of lettable area. The occupancy rate of the own portfolio was 98.7% at the end of June 2019 (compared to 99.4% as at 31 December 2018).

During the second half of 2019, VGP delivered 5 buildings, i.e. 2 buildings of each 14,000 m²in VGP Park Olomouc (Czech Republic), 1 building of 17,000 m² in VGP Park Hatvan (Hungary), 1 building of 23,000 m² in VGP Park Berlin (Germany) and 1 building of 12, 000 m² in VGP Park San Fernando de Henares (Spain) which was subsequently transferred to the Second Joint Venture at the occasion of its first closing.

At the end of October 2019, the own investment property portfolio consists of 12 completed buildings representing 207,000 m² of lettable area. The occupancy rate of the own portfolio stands at 100.0%.

Joint Ventures' portfolio

During the first half of 2019, VGP completed for the First Joint Venture 4 buildings, i.e. 1 building of 39,000 m² in VGP Park Gottingen (Germany), 2 buildings of 10,000 m² and 7,000 m² respectively in VGP Park Leipzig (Germany) and 1 building of 4,000 m² in VGP Park Jenec (Czech Republic).

After the fifth closing with the First Joint Venture, the investment property portfolio of the First Joint Venture currently consists of 74 completed buildings representing 1,493,000 m² of lettable area. The occupancy rate of the First Joint Venture portfolio was 99.6% at the end of June 2019 (compared to 99.3% as at 31 December 2018).

After the first closing with the Second Joint Venture, the investment property portfolio of the Joint Ventures currently consists of 84 completed buildings representing 1,670,000 m² of lettable area.

7.1.2 Projects under construction

End of June 2019

As at 30 June 2019, VGP had 24 buildings under construction.

Own Portfolio

For its own account VGP had the following 21 buildings under construction:

- Germany: 4 buildings in VGP Park Berlin 3, 1 building in VGP Park Halle, 1 building in VGP Park Wustermark, 1 building in VGP Park Chemnitz and 1 building in VGP Park Giessen-Buseck;
- Czech Republic: 3 building in VGP Park Olomouc;
- Spain: 1 building in VGP Park San Fernando de Henares;
- Romania: 1 building in VGP Park Timisoara and 1 building in VGP Park Sibiu;
- Hungary: 1 building in VGP Park Kecskemet and 1 building in VGP Park Hatvan;
- Italy: 1 building in VGP Park Calcio and 2 buildings in VGP Park Valsamoggia; and
- Netherlands: 1 building in VGP Park Nijmegen and 1 building in VGP Park Roosendaal.

The new buildings under construction, on which 57%[1] pre-leases had already been signed, represented a total future lettable area of 441,000 m² which corresponds to an estimated annualised rent income of EUR 22.8 million.

VGP European Logistics portfolio

On behalf of the First Joint Venture VGP was constructing the following 3 buildings:

- Czech Republic: 1 building in VGP Park Olomouc and 1 building in VGP Park Chomutov; and
- Slovak Republic: 1 building in VGP Park Malacky.

The new buildings under construction, on which 66%[2] pre-leases had already been signed, represented a total future lettable area of 39,000 m², which corresponds to an estimated annualised rent income of EUR 1.9 million when fully built and let.

End of October 2019

As at the end of October 2019, VGP had 34 buildings under construction.

Own Portfolio

For its own account VGP has the following 27 buildings under construction:

- Germany: 1 building in VGP Park Halle, 4 buildings in VGP Park Munich, 1 building in VGP Park Goettingen, 1 building in VGP Park Wustermark, 3 buildings in VGP Park Berlin, 1 building in VGP Park Giessen-Buseck, 1 building in VGP Park Chemnitz and 1 building in VGP Park Einbeck;
- Czech Republic: 2 buildings in VGP Park Olomouc and 1 building in VGP Park Prostejov
- Spain: 1 building in VGP Park Llica d'Amunt, 2 buildings in VGP Park Valencia Cheste and 1 building in VGP Park Zaragoza;
- Netherlands: 1 building in VGP Park Nijmegen and 1 building in VGP Park Roosendaal;
- Romania: 1 building in VGP Park Sibiu;
- Hungary: 1 building in VGP Park Kecskemet; and

[1] Calculated based on the contracted rent and estimated market rent for the vacant space.
[2] Calculated based on the contracted rent and estimated market rent for the vacant space.

- Italy: 1 building in VGP Park Calcio and 2 buildings in VGP Park Valsamoggia.

The new buildings under construction, on which 57%[1] pre-leases have already been signed, represent a total future lettable area of 630,000 m², which corresponds to an estimated annualised rent income of EUR 30.7 million when fully built and let. Taking into account the 234,000 m² of new projects which will be started up within the next 6 months, the pre-leases of the own portfolio will increase to 76%[2] and the total estimated annualised rent income will increase to EUR 55.3 million.

Joint Ventures' Portfolio

On behalf of the Joint Ventures VGP is constructing the following 6 buildings:

- Czech Republic: 1 building in VGP Park Olomouc and 1 building in VGP Park Chomotov;
- Spain: 2 buildings in VGP Park San Fernando de Henares;
- Slovak Republic: 1 building in VGP Park Malacky; and
- Romania: 1 building in VGP Park Timisoara.

The new buildings under construction, on which 55%[3] pre-leases have already been signed, represent a total future lettable area of 75,000 m², which corresponds to an estimated annualised rent income of EUR 3.7 million when fully built and let.

7.2 Land bank

During the first half of 2019, VGP continued to acquire new land plots to support the future development pipeline. As at 30 June 2019, VGP had already acquired 1,700,000 m² of land with a future development potential of 850,000 m². Of these land plots, 795,000 m² (47%) is in Germany, 575,000 m² in the Slovak Republic (34%), 87,000 m² (5%) in the Netherlands, 84,000 m² (5%) in Spain and 81,000 m² (5%) in in Hungary and the remainder in Italy and Romania.

As at 30 June 2019, VGP had another 2,240,000 m² of secured land plots which are expected to be purchased during the next 6 to 18 months, subject to obtaining the necessary permits. This brings the remaining total owned and secured land bank for development to 6,100,000 m² which represents a remaining development potential of 2,800,000 m² of which 950,000 m² in Germany, 565,000 m² in the Czech Republic, 320,000 m² in the Slovak Republic, 315,000 m² in Romania, 245,000 m² in Spain, 130,000 m² in Hungary and 100,000 m² in the Netherlands, 78,000 m² in Italy, 45,000 m² in Austria and 30,000 m² in Portugal. Included in the above is the remaining 155,000 m² development land bank held by the First Joint Venture with a development potential of circa 60,000 m² of new lettable area.

During the second half of 2019, VGP expanded its land bank further and at the end of October 2019, the Group has a remaining development land bank in full ownership of 4,050,000 m² which allows the Group to develop 1,833,000 m² of future lettable area. In addition, the Group has another 2,132,000 m² of secured land plots which are expected to be purchased during the next 6 to 18 months, subject to obtaining the necessary permits. This brings the remaining total owned and secured land bank for development to 6,182,000 m² which represents a remaining development potential of 2,762,000 m² of which 940,000 m² (54%) in Germany, 533,000 m² (31%) in the Czech Republic, 320,000 m² (19%) in the Slovak Republic, 385,000 m² (23%) in Romania, 206,000 m² (12%) in Spain, 132,000 m² (8%) in Hungary, 98,000 m² (6%) in the Netherlands, 78,000 m² (5%) in Italy, 41,000 m² (2%) in Austria and 29,000 m²

[1] Calculated based on the contracted rent and estimated market rent for the vacant space.
[2] Calculated based on the contracted rent and estimated market rent for the vacant space.
[3] Calculated based on the contracted rent and estimated market rent for the vacant space.

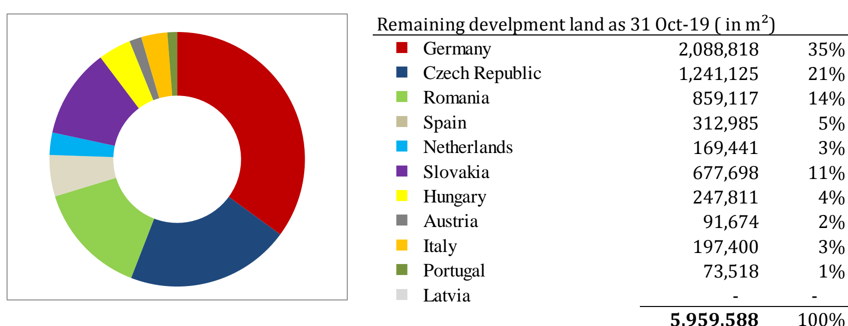
(2%) in Portugal. Included in the above is the remaining 222,000 m² development land bank held by the Joint Ventures with a development potential of circa 104,000 m² of new lettable area.

Besides the abovementioned owned and secured land bank, as at 31 October 2019, VGP has signed non-binding agreements and is currently performing due diligence investigations, on an exclusive basis, on the potential acquisitions of in total circa 832,000 m² of new land plots located in Germany, Italy, the Netherlands and Portugal. These land plots have a development potential of approximately 397,000 m². The majority of these land plots are expected to be secured during the next 12 months.

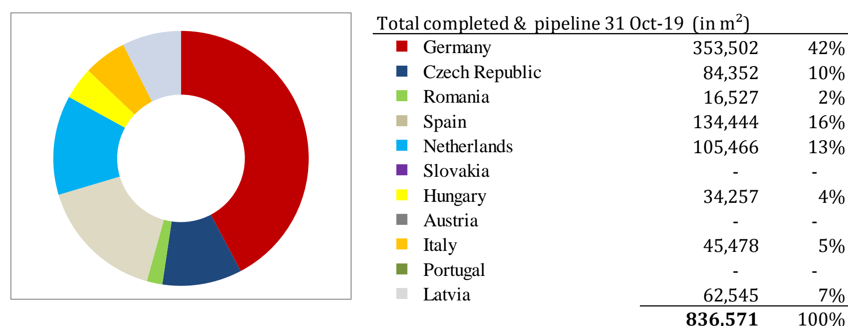
7.3 Summary of development potential of own portfolio and Joint Ventures portfolio

The following charts contain a summary of the development potential of the Group's and the Joint Ventures' current secured land bank as at 30 June 2019. The assessment of the development potential is based on the development of similar projects.

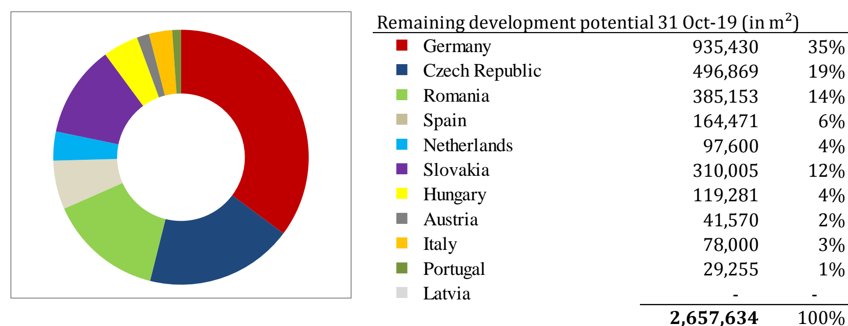
Development potential of own portfolio



Remaining development land as 31 Oct-19 (in m²)		
Germany	2,088,818	35%
Czech Republic	1,241,125	21%
Romania	859,117	14%
Spain	312,985	5%
Netherlands	169,441	3%
Slovakia	677,698	11%
Hungary	247,811	4%
Austria	91,674	2%
Italy	197,400	3%
Portugal	73,518	1%
Latvia	-	-
	5,959,588	100%

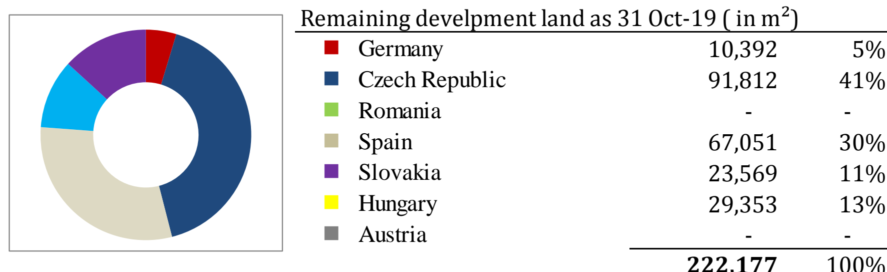


Total completed & pipeline 31 Oct-19 (in m²)		
Germany	353,502	42%
Czech Republic	84,352	10%
Romania	16,527	2%
Spain	134,444	16%
Netherlands	105,466	13%
Slovakia	-	-
Hungary	34,257	4%
Austria	-	-
Italy	45,478	5%
Portugal	-	-
Latvia	62,545	7%
	836,571	100%

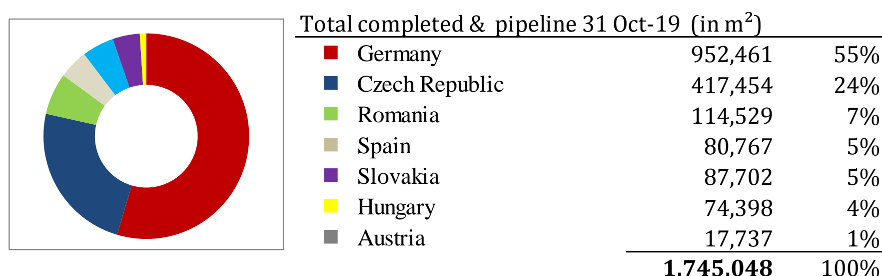


Remaining development potential 31 Oct-19 (in m²)		
Germany	935,430	35%
Czech Republic	496,869	19%
Romania	385,153	14%
Spain	164,471	6%
Netherlands	97,600	4%
Slovakia	310,005	12%
Hungary	119,281	4%
Austria	41,570	2%
Italy	78,000	3%
Portugal	29,255	1%
Latvia	-	-
	2,657,634	100%

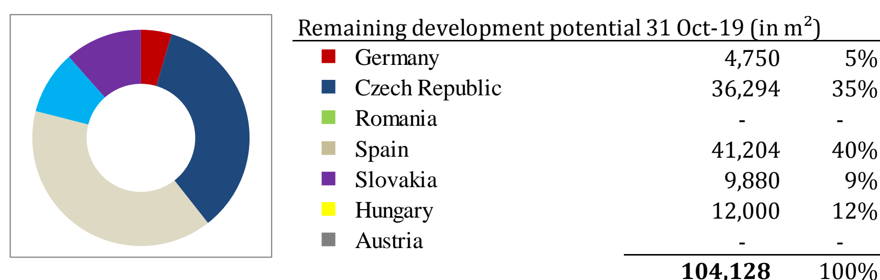
Development potential of Joint Venture



Remaining develpment land as 31 Oct-19 (in m^2)		
Germany	10,392	5%
Czech Republic	91,812	41%
Romania	-	-
Spain	67,051	30%
Slovakia	23,569	11%
Hungary	29,353	13%
Austria	-	-
	222,177	100%



Total completed & pipeline 31 Oct-19 (in m^2)		
Germany	952,461	55%
Czech Republic	417,454	24%
Romania	114,529	7%
Spain	80,767	5%
Slovakia	87,702	5%
Hungary	74,398	4%
Austria	17,737	1%
	1,745,048	100%



Remaining development potential 31 Oct-19 (in m^2)		
Germany	4,750	5%
Czech Republic	36,294	35%
Romania	-	-
Spain	41,204	40%
Slovakia	9,880	9%
Hungary	12,000	12%
Austria	-	-
	104,128	100%

8 Material Adverse Change

There has been no material adverse change in the prospects of the Issuer since 31 December 2018.

9 No Significant Change in Financial or Trading Position

There has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2019.

10 Material Contracts

Neither the Issuer nor any other company of the Group has entered into any material contracts outside the ordinary course of its business which could result in any company of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation in respect of the Bonds, except for those elsewhere stated or referred to in this Part VII, such as the agreements governing the relationship with the Joint Ventures and/or the JVAs.

11 Governmental, Legal and Arbitration Proceedings

There were no governmental, legal or arbitration proceedings (including any such proceedings which were pending or threatened of which the Company was aware) during the 12 months preceding the date of this Prospectus, which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability.

PART VIII: MANAGEMENT AND CORPORATE GOVERNANCE

1 Board of Directors

1.1 General

In accordance with article 15 of the articles of association of the Company and paragraph 2 of annex 1 to the VGP Charter, the board of directors of the Company (the **Board of Directors** or the **Board**) is composed of at least three (3) members, who need not be Shareholders. The actual number of directors may vary depending on the needs of the Issuer. At least half of the directors must be non-executive directors and at least three of them must be independent based on the criteria of independence drawn up by the Board of Directors and set forth in paragraph 3 of annex 1 to the VGP Charter.

The directors are appointed for a term of no more than four years by the shareholders' meeting and may be re-elected.

The Board of Directors must draw up nomination procedures and selection criteria for board members, including specific rules for executive and non-executive directors where appropriate. Based on these nomination procedures and selection criteria, the Board of Directors recommends one or more candidates for nomination, taking into account the needs of the Issuer.

Any proposal for the appointment of a director by the shareholders' meeting is accompanied by a recommendation from the Board of Directors.

Whenever a legal entity is appointed as a director, it must specifically appoint an individual as its permanent representative, chosen from among its shareholders, managers, directors or employees, and who will carry out the office of director in the name and on behalf of such legal entity. The legal entity may not revoke its permanent representative without simultaneously appointing a successor. The appointment and termination of the office of the permanent representative are governed by the same disclosure rules as if he/she were exercising the office on his/her own behalf.

The directors may be re-elected for a new term subject to the provisions regarding independent directors. The duties of directors who are not appointed for a new term terminate immediately after the shareholders' meeting which decided on any re-election.

Gender diversity and diversity in general, as well as complementary skills, experience and knowledge must be given due consideration in the composition of the Board of Directors. The Board of Directors is aware of the importance of diversity in the composition of the Board of Directors in general and of gender diversity in particular. The composition of the Board of Directors is currently in compliance with the gender diversity rules as set forth in article 518bis of the 1999 Belgian Company Code.

Adequacy of size and composition will be regularly assessed by the Board of Directors upon the initiative of the chairman.

The Board of Directors does not intend to appoint a company secretary. By doing so the Company deviates from the recommendation in the provisions 2.9 of the Corporate Governance Code. The small size of the Company and its Board of Directors make such appointment not necessary.

1.2 Current composition

On 10 May 2019, Mr Marek Sebest'ak, Mr. Alexander Saverys and Mr Jos Thys retired from the Board of Directors after 12 years of exemplary service. On that same date, Mrs Ann Gaeremynck, Mrs Katherina

Reiche and Mrs Vera Gäde-Butzlaff were appointed as new independent members of the Board of Directors.

Following these changes, the Issuer's Board of Directors is currently composed of the following 5 members:

Name	Function	Date of first appointment	Executive / Non-executive	Independent	Next due for re-election
Bart Van Malderen[1]	Chairman	2007	Non-executive and reference shareholder		2021
Jan Van Geet[2]	CEO	2007	Executive and reference shareholder		2021
Ann Gaeremynck	Director	2019	Non-executive	Independent	2023
Katherina Reiche	Director	2019	Non-executive	Independent	2023
Vera Gäde-Butzlaff	Director	2019	Non-executive	Independent	2023

Bart Van Malderen founded Drylock Technologies in 2012. Drylock Technologies is an hygienic disposable products manufacturer which introduced the revolutionary flufless diaper in 2013. Prior to this, Bart Van Malderen held different management positions at Ontex, a leading European manufacturer of hygienic disposable products where he became CEO in 1996 and Chairman of the Board in 2003, a mandate which he occupied until mid-July 2007

Jan Van Geet is the founder of VGP. He has overall daily as well as strategic management responsibilities of the Group. He started in the Czech Republic in 1993 and was manager of Ontex in Turnov, a producer of hygienic disposables. Until 2005, he was also managing director of WDP Czech Republic. WDP is a Belgian real estate investment trust.

Ann Gaeremynck is currently Professor of Accounting and Audit at the KU Leuven, Faculty of Economics and Business Administration. Her main research area is in the field of audit and governance. She also holds the Deloitte Chair in Governance.

Katherina Reiche has chaired the board of the Association of Municipal Enterprises (VKU) in Germany since September 2015 and chaired the European Association of Public Employers and Enterprises (CEEP) since June 2016. She was a member of the German Bundestag from 1998 to 2015 and Deputy Chairwoman of the CDU/CSU Parliamentary Group from 2005 to 2009.

Vera Gäde-Butzlaff was Deputy State Secretary for Environment and Agriculture at the Ministry of Regional Planning, Agriculture and Environment of Saxony-Anhalt from 2001 to 2002. From 2003 to 2014, she was a member of the Board of Directors and since 2007 CEO of Berlin's city cleaning and waste management companies (BSR). From 2015 to 2018 she was CEO of GASAG AG, one of Germany's largest regional energy suppliers. Since April 2018, she has chaired the Supervisory Board of Vivantes, the hospital group.

[1] As permanent representative of VM Invest NV.
[2] As permanent representative of Jan Van Geet s.r.o.

None of the directors has a potential conflict of interest between his duties to the Company and his private interests and/or any other duties he may have, except for the (potential) conflicts of interest set out in section 6 of this Part VIII, or under Part IX ("*Major Shareholders and Related Party Transactions*"), or the sections of the annual report referred to in Part IX.

The directors or their permanent representatives currently hold the following directorships in other companies:

Name	Company
Bart Van Malderen[(1)]	Director Bart Van Malderen BVBA, VGP MISV Comm. VA, Drylock Technologies NV, Vynka Plus Comm. VA, Vynka Plus Ru Comm. VA, Vadebo France NV, PVM Invest Lux SA, VM Invest Arras S. à r.l., VM Invest Peninsular SL, VM Invest CZ s.r.o., Hastal Apartments s.r.o., Lillydoo GmbH, managing director VM Invest NV, deputy chairman Family PVM VZW
Jan Van Geet[(2)]	Director Little Rock SA, Director Alsgard SA
Ann Gaeremynck	Director Informatiecentrum voor het bedrijfsrevisoraat, Director Katholieke Hogeschool Vives Noord, Director Katholieke Hogeschool Vives Zuid
Katherina Reiche	None
Vera Gäde Butzlaff	Chairman of the Supervisory Board of Vivantes (a hospital group)

(1) Either directly or as permanent representative of VM Invest NV.
(2) Either directly or as permanent representative of Jan Van Geet s.r.o.

2 Board's Committees

2.1 Audit Committee

The audit committee of the Company (the **Audit Committee**) supervises the integrity of the financial information provided by the Company, and is more in particular responsible for, as set forth in paragraph 2 of annex 3 to the VGP Charter:

- ensuring that financial reporting gives a truthful, honest and clear picture of the situation and prospects of the Company, on both an individual and a consolidated basis, as the case may be;
- checking the accuracy, completeness and consistency of financial information, including the verification of the periodical information before it is announced; and
- assessing the relevance and consistency of the Accounting Standards.

The composition of the Audit Committee is determined by paragraph 3 of annex 3 of the VGP Charter. The members of the Audit Committee are appointed by the Board of Directors. They may be dismissed by the Board of Directors at any time.

The Audit Committee consists out of at least three directors. The members of the Audit Committee must be non-executive directors, with a majority of independent directors. At least one of them must have accounting and auditing experience.

The members of the Audit Committee have sufficient relevant expertise, especially in accounting, auditing and financial matters, to effectively perform their functions.

The duration of the appointment of a member of the Audit Committee may not exceed the duration of his/her directorship.

Current composition

Name	Expiration of mandate
Ann Gaeremynck (Chairman)	2023
Bart Van Malderen[1]	2021
Vera Gäde-Butzlaff	2023

In accordance with paragraph 5 of annex 3 to the VGP Charter, the Audit Committee meets at least twice a year. By doing so the Company deviates from the recommendation in the provisions 5.2/28 of the Corporate Governance Code that requires the Audit Committee to convene at least four times a year. The deviation is justified considering the smaller size of the Company.

Given the size of the Group no internal audit function has currently been created.

The Statutory Auditor has direct and unlimited access to the chairman of the Audit Committee and the chairman of the Board of Directors.

The Chief Executive Officer and the Chief Financial Officer attend all the meetings.

The Audit Committee can, at its discretion, request any of the Company's executives, employees, external legal advisors, or the Statutory Auditor, the CEO or the head of internal audit of the Company (if and when appointed) to attend a meeting of the Audit Committee or request such persons to confer with the members or advisors of the Audit Committee.

2.2 Remuneration Committee

In accordance with paragraph 2 of annex 2 to the VGP Charter, the remuneration committee of the Company (the **Remuneration Committee**) is responsible for the following tasks with respect to the remuneration:

- drawing up and evaluating proposals to the Board of Directors concerning the remuneration policy to be pursued for directors, members of the management committee, other leaders (*andere leiders* / *autres dirigeants*) and the executive managers and, where appropriate, on the resulting proposals to be submitted by the Board to the general shareholders' meeting;
- drawing up and evaluating proposals to the Board regarding the individual remuneration of directors, members of the management committee, other leaders (*andere leiders / autres dirigeants*) and the executive managers, including variable remuneration and long-term incentives, whether or not stock-related, in the form of stock options or other financial instruments, and regarding the arrangements on early termination, and where applicable, on the resulting proposals to be submitted by the Board to the general shareholders' meeting;
- drawing up and submitting of a remuneration report to the Board of Directors, to be included in the corporate governance statement of the annual report;
- explaining the remuneration report at the general shareholders' meeting; and
- giving a motivated advice to the Board of Directors, every time when a severance payment equal to or in excess of 18 months is proposed in an agreement with an executive director, a member of the management committee, another leader (*andere leider / autre dirigeant*) or an executive manager.

[1] As permanent representative of VM Invest NV.

The Remuneration Committee comprises at least three directors, in accordance with paragraph 3 of annex 2 to the VGP Charter. All members of the Remuneration Committee must be non-executive directors, a majority of whom are independent.

The members of the Remuneration Committee are appointed and may be dismissed at any time by the Board of Directors. The duration of the appointment of a member of the Remuneration Committee must not exceed the duration of his/her directorship.

The Remuneration Committee meets at least two times per year, as well as whenever the committee needs to address imminent topics within the scope of its responsibilities. The Remuneration Committee met two times in 2017, two times in 2018 and one time in 2019 (up to the date of this Prospectus).

The Chief Executive Officer and Chief Financial Officer participate in the meetings when the remuneration plan proposed by the Chief Executive Officer for members of the management team is discussed, but not when their own remunerations are being decided.

In fulfilling its responsibilities, the Remuneration Committee has access to all resources that it deems appropriate, including external advice or benchmarking as appropriate.

Current composition

Name	Expiration of mandate
Bart Van Malderen[1] (Chairman)	2021
Ann Gaeremynck	2023
Katherina Reiche	2023

2.3 Nomination Committee

The Company has not set up a nomination committee. By doing so the Company deviates from the recommendation in provision 5.3 of the Corporate Governance Code. The deviation is justified considering the smaller size of the Company.

2.4 Executive Management

Management Committee

Since no management committee in the meaning of article 524*bis et seq.* of the 1999 Belgian Company Code has been established, the Company has not included specific terms of reference of the executive management. The tasks, responsibilities and powers of the CEO and the executive management are set out in the terms of reference of the Board of Directors, as set forth in paragraph 19 of annex 1 to the VGP Charter. By doing so, the Company as a smaller listed company deviates from the recommendation in provision 6.1 of the Corporate Governance Code.

Executive Management

The executive management is composed of the following members:

Jan Van Geet[2] - Chief Executive Officer (**CEO**);
Jan Procházka - Chief Operating Officer;
Dirk Stoop[3] - Chief Financial Officer (**CFO**);
Tomas Van Geet[4] - Chief Commercial Officer;

[1] As permanent representative of VM Invest NV.
[2] As permanent representative of Jan Van Geet s.r.o.
[3] As permanent representative of Dirk Stoop BVBA.
[4] As permanent representative of Tomas Van Geet s.r.o.

Miquel-David Martinez	-	Chief Operating Officer – outside CZ; and
Matthias Sander[1]	-	Chief Investment Officer
Martijn Vlutters[2]	-	Vice President
Jonathan Watkins	-	Chief Business Development Manager (as from December 2019)

The curriculum vitae of the members of the executive management (except for the CEO – cf. supra) may be summarised as follows:

Mr Jan Procházka (b. 1964), is civil engineer and architect and joined VGP's team in 2002. He takes responsibility for technical concepts and contract execution. Prior to this position, Jan was the managing director of Dvořák, a civil contracting company, at his time one of the major players in the Czech market. Well known projects realised under his management are the airport terminal Sever 1 in Prague, the cargo terminal, as well as the headquarters of Česká Spořitelna.

Mr Dirk Stoop (b. 1961), joined VGP in 2007. He is responsible for all finance matters, i.e. financial planning, control, forecasting, treasury, tax and insurance for all the countries where VGP is / will be active, as well as investor relations. Dirk worked at Ontex for 5 years as Group Treasurer where he was also responsible for tax and insurance matters. Prior to this he worked at Chep Europe based in London as Treasurer Europe, South America & Asia. Dirk Stoop holds a Masters Degree in Financial and Commercial Sciences from VLEKHO (HUB) in Belgium.

Mr Tomas Van Geet (b. 1976) joined VGP in 2005. He takes responsibility for all commercial strategic matters and commercial co-ordination of VGP's key accounts. Prior to joining VGP, Tomas held several positions in the planning and logistics departments of Domo in Germany, Spain, Czech Republic and South Africa, Associated Weavers and Ontex.

Mr Miquel-David Martinez (b. 1978) is civil engineer and joined VGP's team in 2016. He takes responsibility for technical concepts and contract execution. Prior to this position, Miquel-David was the technical director and partner in Inel Group, a construction management and engineering company mainly focused on building projects for the tertiary sector.

Mr Matthias Sander (b. 1970) is a mechanical and economic bachelor and joined VGP's team in 2018. He takes responsibility for the expansion into new countries, sourcing land plots across Europe and coordinating of the development pipeline. Matthias spent the last 11 years in several leading roles with Knorr Bremse (a leading German industrial Group) and was its Managing Director in the Czech Republic.

None of the members of executive management has a potential conflict of interest between his duties to the Company and his private interests and/or any other duties he may have, except for any matters in relation to his management or employment agreement with the Company or any of the Subsidiaries (if any) or with any (indirect) shareholder of the Company (and, with respect to the CEO, except for the (potential) conflicts of interest set out in section 6 of this Part VIII, or under Part IX ("*Major Shareholders and Related Party Transactions*"), or the sections of the annual report referred to in Part IX).

Mr Martijn Vlutters (b. 1979) joined VGP in 2018. He takes responsibility for business development and investor relations. Prior to joining VGP, Martijn worked 13 years at J.P. Morgan based in London and New York in various roles in Capital Markets and Corporate Finance. Within this period he spent 2 years in New York as Investor Relations for J.P. Morgan Chase. Martijn holds a Master degree in Civil Engineering from Delft University and in Business Administration from Erasmus/ Rotterdam School of Management.

[1] As permanent representative of Matthias Sander s.r.o.
[2] As permanent representative of MB Vlutters BVBA.

Mr Jonathan Watkins will join VGP in December 2019. Mr Watkins was previously head of UK and German Ops Real Estate at Amazon, and will assume the role of Chief Business Development Manager of the Group.

3 Evaluation of the Board of Directors and its Committees

In accordance with its rules of procedure as set forth in paragraph 6 of annex 1 to the VGP Charter, every three years, the Board of Directors conducts an evaluation of its size, composition and performance, and the size, composition and performance of its committees, as well as the interaction with executive management.

The Board of Directors and its committees carried out a self-assessment in February 2018 with satisfactory result.

4 Statutory Auditor

The Issuer's Statutory Auditor is DELOITTE Bedrijfsrevisoren CVBA, with registered office at Gateway Building, Luchthaven Nationaal 1 J, 1930 Zaventem, Belgium, represented by Mrs Kathleen De Brabander. The Statutory Auditor is registered with the Belgian *Instituut van Bedrijfsrevisoren*.

It has been re-appointed at the general meeting of shareholders on 12 May 2017 for a period of three years.

The audit fees at the consolidated level have been set at EUR 123,500 per year by the general meeting of shareholders. This fee will be subject to an annual review reflecting the changes in audit scope which might be required in order to ensure that such audit scope is kept in line with the evolution of the Group.

5 Corporate Governance

The Company has adopted the principles of corporate governance contained in the Belgian Code on Corporate Governance published on 12 March 2009 (the **Corporate Governance Code**) which can be consulted on https://www.corporategovernancecommittee.be/en/about-2009-code/2009-belgian-code-corporate-governance.

In accordance with the recommendations set out by the Corporate Governance Code, the Board of Directors adopted a corporate governance charter (the VGP Charter) which is available on the Issuer's website:

http://investors.vgpparks.eu/images/Corporate_Governance_Charter/VGP_Corporate_Governance_Charter_EN_Update_09.10.2017.pdf

Except as stated otherwise in sections 1, 2.1, 2.3 and 2.4 of this Part VIII: *Management and Corporate Governance*, the Issuer complies with the obligations of the Corporate Governance Code.

6 Conflicts of Interests

In accordance with article 523 of the Belgian Company Code, a member of the Board of Directors should give the other members prior notice of any agenda item in respect of which he has a direct or indirect conflict of interest of a financial nature with the Company and may not participate in the deliberation or vote on such agenda item.

One conflict of interest arose in 2016

During 2016, one conflict of interest arose:

Excerpt from the minutes of the Board of Directors meeting of 30 May 2016.

"Agenda

1. Conditional decision to redeem the Securities; and

2. The granting of special powers of attorney.

1 Introduction

1.1 Description of the Transaction

The Company has issued a hybrid form of security instruments (that qualify as debt instruments under Belgian GAAP, but for IAS/IFRS purposes, as equity) on 29 July 2015, 16 September 2015 and 25 November 2015 (a "Security" or the "Securities"), as follows:

(i) 45 Securities were issued to VM Invest NV, of which 15 on 29 July 2015, 20 on 16 September 2015 and 10 on 25 November 2015; and

(ii) 15 Securities were issued to Little Rock SA, of which 5 on 29 July 2015, 5 on 16 September 2015 and 5 on 25 November 2015.

Pursuant to Article 5 "Redemption" of the Terms and Conditions of the Securities, the Company wishes to redeem all Securities against a price equal to the issue price plus the interest accrued from the issue date of each Security until the date of actual payment to the Securities Holder, such redemption being subject to the closing of the transaction entered into with Allianz, being the sale of 50% of the shares in the joint-venture vehicle VGP European Logistics S.à r.l. by the Company to Allianz Finance VII Luxembourg S.A., SAS Allianz Logistique S.A.S.U. and Allianz Benelux S.A. (the "Closing") in accordance with the terms of the SPA signed on 14 March 2016 (the "Transaction").

1.2 Conflicts of interest

1.2.1 Declaration of the conflict of interest

Jan Van Geet s.r.o. and VM Invest NV have notified the board of directors that they have a conflict of interest of a patrimonial nature with respect to the decision to approve the Transaction, because they (or persons affiliated with them) are Securities Holders. The conflicted directors have indicated that their conflict of interest lies in the fact that if and when the board decides to redeem the Securities, they have a conflict of patrimonial nature, because they could, given the interest payments due in respect of the Securities compared to the current market interest rate, have an interest not to approve the redemption of the Securities. Therefore, Jan Van Geet s.r.o. and VM Invest NV will, in accordance with article 523 of the Belgian Company Code and article 16 of the articles of association of the Company, not participate in the deliberations and decisions of the board of directors on these items on the agenda.

1.2.2 Justification

The board of directors is of the opinion that the redemption of the Securities is desirable as the Company will have sufficient cash resources available at Closing to allow the redemption of the Securities to take place. Taking into account these new cash resources and the strengthened equity base of the Company as a result thereof, it is no longer necessary to further maintain an alternative funding resource such as the Securities.

2 Resolutions

After deliberation on all of the items on the agenda the board of directors, with respect to the procedure set forth in article 523 of the Belgian Company Code and article 16 of the articles of association of the Company,

DECIDES to approve the Transaction.

DECIDES to appoint Mr Jan Van Geet and Mr Dirk Stoop as its special attorney(s), (acting alone or jointly and with the right of substitution), with the power to in general, do all that is necessary or useful to implement the resolutions adopted during this meeting and to realise the Transaction within a period of 12 months as from the date hereof, including the negotiation, amending and execution of all documents connected to the Transaction.

Since there are no further items on the agenda, the meeting is adjourned."

No conflicts of interest arose in 2017

One conflict of interest arose in 2018

During 2018, one conflict of interest arose:

Excerpt from the minutes of the Board of Directors meeting of 22 February 2018.

"The agenda calls for

(a) deliberation and approval of the waiver by Little Rock SA of the variable fee existing of 5% of the consolidated gross profit for the financial years 2018 and 2019 of the VGP Group;

(b) confirmation and approval of the mid-term variable fee of Little Rock for 2017; and (c) granting of a proxy.

1. Preliminary explanation

Before the deliberation and decision making begins, Mr Jan Van Geet (acting as permanent representative of Jan Van Geet s.r.o.) informs the meeting that Jan Van Geet s.r.o. has a conflict of interest within the meaning set forth in article 523 of the Belgian Company Code in respect of the aforementioned agenda points.

2. Conflict of interest

2.1 Declaration of the conflict of interest

Jan Van Geet s.r.o. (permanently represented by Mr. Jan Van Geet) notifies an (indirect) conflict of interest relating to the approval of the unilateral decision by Little Rock SA of the waiver of the variable fee existing of 5% consolidated gross profit for the financial years 2018 and 2019 of the VGP group in accordance with the service agreement and profit allocation agreement concluded between Little Rock SA and the Company.

The conflict of interest in accordance with article 523 of the Belgian Company Code exists given the fact that Little Rock SA is a company controlled by Mr. Jan Van Geet. Jan Van Geet s.r.o. (permanently represented by Mr Jan Van Geet) leaves the meeting and does not take part in the deliberations and decision making process of the agenda items. This conflict of interest will also be notified to the auditor of the Company.

2.2 Justification

The approval of the waiver by Little Rock SA of the variable fee existing of 5% of the consolidated gross profit for the financial years 2018 and 2019 of the VGP group and the notified conflict of interest are discussed by the board of directors.

The board of directors agrees and approves that the approval of the waiver by Little Rock SA of the aforementioned variable fee is in the interest of the Company and its shareholders. The effect of the waiver will be that the 5% of the consolidated gross profit of the financial years 2018 and 2019 must not be retained for Little Rock SA. This advantage for the Company outweighs the immediate payment of the amounts provisioned relating to the gross profit of the group for the financial years 2015, 2016 and 2017, which has also been agreed with Little Rock SA.

3. Deliberation and resolutions

After deliberation on all items of the agenda the meeting, with respect to the procedure set forth in article 523 of the Belgian Company Code and article 16 of the articles of association of the Company,

DECIDES to approve that the entire outstanding balance towards Little Rock SA can be paid out in one lump sum after the next Joint Venture closing currently scheduled to occur at the end of April 2018.

DECIDES to approve the 2017 Little Rock mid-term variable remuneration which amounts to € 6,189,984.

DECIDES to appoint each director, as well as Jan Van Geet and Dirk Stoop, as special proxy holders, each acting alone and with the right of substitution, with the authority to perform all acts and sign all documents in the name of and for the account of the Company in order to execute the abovementioned resolution.

Since there are no further items on the agenda, the meeting is adjourned."

During 2019, prior to the date of this Prospectus, no conflicts of interest arose.

In addition, no conflict of interest arose in relation to the directors and members of the executive management of the Issuer between their duties to the Issuer and their private interests and or other duties.

7 Upcoming legislation

As of 1 January 2020, the 2019 Belgian Code of Companies and Associations and the 2020 Corporate Governance Code will enter into force in respect to the Issuer. The Issuer has decided not to early apply ("opt-in") the provisions of the 2019 Belgian Code of Companies and Associations and the 2020 Corporate Governance Code and will, therefore, until 31 December 2019 remain subject to the provisions of the 1999 Belgian Company Code and the 2009 Corporate Governance Code, respectively.

The Issuer expects to align its Articles of Associations with the 2019 Belgian Code of Companies and Associations and the VGP Charter with the 2020 Corporate Governance Code, respectively, in the first half of 2020, most likely at the occasion of its Annual General Meeting of Shareholders.

The Issuer is currently reviewing the impact of the 2019 Belgian Code of Companies and Associations and the 2020 Corporate Governance Code, but has not made a final decision as to what it will propose to its shareholders. At this stage it is therefore impossible to assess the impact of this upcoming legislation on the Issuer.

PART IX: MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

1 Major Shareholders

The Company's Ordinary Shares are listed on Euronext Brussels and on the Main Market of the Prague Stock Exchange. Pursuant to article 6 of the Law of 2 May 2007 on the disclosure of important participations in listed companies and article 14 of the Company's articles of association, the identity of the Shareholders acquiring a participation of 3%, 5% or a multiple of 5% in the Company has to be made public.

The Company is not controlled in the sense of the Belgian Company Code (article 5 of the 1999 Belgian Company Code; article 1:14 of the 2019 Belgian Code of Companies and Associations). The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

As the date of this Prospectus, the share capital of VGP is represented by 18,583,050 Ordinary Shares.

The table below sets out the ownership of the Company's Ordinary Shares, as indicated on the Company website at the date of this Prospectus:

Shareholders	Number of shares	% of shares issued
Little Rock SA	3,872,103	20.84%
Alsgard SA	2,409,914	12.97%
Sub-total Jan Van Geet Group	***6,282,017***	**33.81%**
VM Invest NV	3,746,008	20.16%
VGP MISV Comm. VA	929,153	5.00%
Sub-total Bart Van Malderen Group	***4,675,161***	**25.16%**
Vadebo France NV	655,738	3.53%
Griet Van Malderen	118,000	0.63%
Sub-total Griet Van Malderen	***773,738***	**4.16%**
Public	6,852,134	36.87%
Total	**18,583,050**	**100.00%**

Little Rock SA and Alsgard SA are companies controlled by Mr Jan Van Geet.

VM Invest NV and VGP MISV Comm. VA are companies controlled by Mr Bart Van Malderen.

Vadebo France NV is a company controlled by Mrs Griet Van Malderen.

The two main ultimate reference shareholders of the company are therefore (i) Mr Jan Van Geet who holds 33.81% of the voting rights of VGP NV and who is CEO and an executive director, and (ii) Mr Bart Van Malderen who holds 25.16% of the voting rights of VGP NV and who is chairman and a non-executive director.

VGP MISV Comm. VA was incorporated at the Issuer's initial public offering to be used as a structure for a long term management incentive plan ("**VGP MISV incentive plan**") whereby the existing shareholders VM Invest NV and Little Rock SA initially transferred a number of VGP Ordinary Shares representing 5 % of the aggregate number of Ordinary Shares in VGP into VGP MISV, a limited partnership controlled by Mr Bart Van Malderen as managing partner ("*beherend vennoot*" / "*associé commandité*"). During the second half of 2018 and following the expiration of a 5-year lock-up period, certain members of the VGP team sold their respective VGP MISV shares to VGP NV. As at 30 June 2019, the Company held 79.91% of the VGP MISV shares. As from 2019, the remaining VGP MISV incentive plan has been considered a cash-settled share based plan for which a EUR 8.4 million opening equity adjustment has been

recognised, reflecting the total cash lay-out of VGP NV if the latter were to acquire the remaining 20.09% VGP MISV shares.

The Board of Directors, based on the recommendation of the remuneration committee, has agreed to set up a new long-term incentive plan based on the same principles of the VGP MISV incentive structure. The new plan allocates profit sharing units (**Units**), to the respective VGP team members (including the executive management team). One Unit represents the equivalent of one VGP share on a net asset value basis. After an initial lock-up period of 5 year each participant will be able to return the Units against the payment of the proportional net asset value growth of such Units. At any single point in time, the number of Units outstanding (i.e. awarded and not yet vested) cannot exceed 5% of the total equivalent shares of the Company. The new incentive scheme applies as from 2018 and will gradually build up as and when the VGP MISV incentive plan phases out, thereby ensuring that at no point in a time more than 5% of the total equivalent shares of the Company is allocated under both the old and new incentive plans.

VGP MISV Comm. VA is an independent company from the VGP Group companies. This structure does not have any dilutive effect on any existing or new shareholders. Similarly, the new scheme will have no dilutive effect for the existing or new shareholders.

2 Share Capital

2.1 Share Capital

On the date of this Prospectus, the share capital of VGP NV amounts to EUR 92,666,815.00 and is fully paid-up. It is divided into 18,583,050 Ordinary Shares without nominal value.

There are no specific categories of shares. Each share gives the right to one vote.

All shares are freely transferable.

2.2 Authorised Capital

Pursuant to article 44 of the articles of association, the Board of Directors is authorised, for a period of five years from the publication in the Belgian Official Gazette of the deed of amendment to the articles of association dated 10 May 2019, to increase the authorised capital on one or more occasions, without the cumulative amount of these increases exceeding a total amount of EUR 100,000,000.00. This authority of the Board of Directors may be renewed.

The articles of association of the Issuer also authorise the Board of Directors to use the technique of the authorised capital as a defence mechanism in case of a public takeover bid on the securities of the Company, if the receipt of the FSMA's notification of the public takeover bid falls within the three-year period as from 10 May 2019, and provided that (i) the shares issued in the context of the capital increase are fully paid-up as from issuance, (ii) the issue price of the shares issued in the context of the capital increase is not lower than the offer price, and (iii) the number of shares issued in the context of the capital increase is 10% or less of the number of shares representing the Issuer’s share capital which have been issued by the Issuer prior to the capital increase.

2.3 Other Securities with Voting Rights or Giving Access to Voting Rights

On the date of this Prospectus, the Issuer has not issued any securities with voting rights or giving access to voting rights, other than the Ordinary Shares referred to in this section of the Prospectus.

2.4 Acquisition of Own Shares

The Issuer does not hold any treasury shares.

According to article 45 of the Issuer's articles of association, the Issuer may acquire its own shares, by purchasing or exchanging them, directly or through a person acting in its own name but on behalf of the Issuer, in accordance with articles 620 until 625 of the 1999 Belgian Company Code.

The Board of Directors is authorised to acquire and sell the Company's own shares, in accordance with article 620 of the 1999 Belgian Company Code, in case such acquisition is required in order to avoid serious and imminent harm to the Company. This authorisation is valid for a period of three years, starting from the publication in the Belgian Official Gazette of the deed of amendment of the articles of association of 10 May 2019.

The Board of Directors is authorised, in accordance with article 620 of the 1999 Belgian Company Code, to acquire shares representing a maximum 20% of the share capital of the Issuer against a price which must be more than 90% and less than 115% of the shares' listing price on the day preceding the acquisition or exchange. This authorisation is valid for a period of five years, starting from the publication in the Belgian Official Gazette of the deed of amendment of the articles of association of 10 May 2019.

The Board of Directors is authorized to dispose of all shares held by the Company at a price determined by the Board of Directors, on a regulated market or in the context of the remuneration policy to employees, directors or consultants of the Company. This authorization is valid for an indefinite period of time. This authorization also applies to the disposal of the shares by any of the direct Subsidiaries of the Company as provided in article 627 of the 1999 Belgian Company Code.

3 Related Party Transactions

3.1 Lease activities

Drylock Technologies s.r.o., a company controlled by Bart Van Malderen, leases a warehouse from VGP European Logistics under a long term lease contract. This lease contract was entered into during the month of May 2012. The rent received over the first half year of 2019 amounts to EUR 1,838,000.00 (compared to EUR 1,052,000.00 for the period ending on 30 June 2018). The warehouse is owned by the First Joint Venture.

Jan Van Geet s.r.o. leases out office space to the VGP Group in the Czech Republic used by the VGP operational team. The leases run until 2021 and 2023 respectively. During the first half year of 2019 the aggregate amount paid under these leases was EUR 48,000.00 equivalent which was similar as for the corresponding period in 2018. All lease agreements have been concluded on an arm's length basis.

3.2 Other services

The table below provides the outstanding balances with Jan Van Geet s.r.o. The payable balance relates to unsettled invoices. The receivable balances relate to cash advances made to cover representation costs.

In thousands of EUR	30 June 2019	31 December 2018
Trade receivable/(payable)	-	(31)

VGP also provides real estate support services to Jan Van Geet s.r.o. During the first half of 2019, VGP recorded a EUR 13,000.00 revenue for these activities (same as for the first half of 2018).

PART X: FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

Selected consolidated financial information (in thousands of EUR) as at 31 December 2017, 31 December 2018, 30 June 2018 and 30 June 2019 is included below. The 2018 and 2019 half year results have been subject to a limited review, but have not been audited. For more detailed information, please refer to the annual reports on the financial years ended on 31 December 2017 and 31 December 2018 and the press releases regarding the half year results for the period ending on 30 June 2018 and 30 June 2019.

Given the interdependencies between the Issuer and the Joint Ventures (which are accounted for on an equity basis), the selected financial information is provided separately for VGP Group and the Joint Ventures. For key proportionally consolidated financial statement information, please refer to the summary of this Prospectus, the annual reports on the financial years ended on 31 December 2017 and 31 December 2018 and the press releases regarding the half year results for the period ending on 30 June 2018 and 30 June 2019.

	Year Ended		Six-Months Ended	
(in '000 EUR)	**31 Dec-17**	**31 Dec-18**	**30 Jun-18**	**30 Jun-19**
KEY CONSOLIDATED FINANCIAL STATEMENT INFORMATION				
The Issuer				
INCOME STATEMENT				
Gross rental Income	17,046	16,627	8,970	7,354
Property operating expenses	(1,941)	(1,123)	(622)	(922)
Net rental and related income	**15,105**	**15,504**	**8,348**	**6,432**
Joint Ventures' management fee income	8,057	9,965	4,585	4,943
Net valuation gains / (losses) on investment property	94,628	98,552	61,734	65,296
Administration expenses	(19,353)	(18,167)	(8,384)	(9,853)
Share in result of associates and joint ventures	29,229	45,220	24,777	29,301
Operating result	**127,666**	**151,074**	**91,060**	**96,119**
Net financial result	(10,466)	(13,970)	(6,083)	(7,138)
Profit before taxes	**117,200**	**137,104**	**84,977**	**88,981**
Taxes	(21,205)	(15,998)	(10,188)	(13,949)
Profit for the period	**95,995**	**121,106**	**74,789**	**75,032**
BALANCE SHEET				
Investment properties	392,291	468,513	515,932	540,968
Investments in joint ventures and associates	143,312	241,427	220,984	298,708
Other non-current receivables	12,757	41,461	48,334	53,132
Other non-current assets	897	1,568	830	4,030
Total non-current assets	**549,257**	**752,969**	**786,080**	**896,838**
Trade and other receivables	11,074	23,064	14,895	22,665
Cash and cash equivalents	30,269	161,446	127,529	72,726
Disposal group held for sale	441,953	274,939	115,052	290,963
Total current assets	**483,296**	**459,449**	**257,476**	**386,354**
Total Assets	**1,032,553**	**1,212,418**	**1,043,556**	**1,283,192**
Total shareholders' equity	**466,230**	**543,467**	**505,711**	**569,199**
Total non-current liabilities	405,463	582,342	415,786	620,737
Total Current Liabilities	160,860	86,609	122,059	93,256
Total Liabilities	**566,323**	**668,951**	**537,845**	**713,993**
Total shareholders' equity and liabilities	**1,032,553**	**1,212,418**	**1,043,556**	**1,283,192**
CASH FLOW STATEMENT				
Cash flow from operating activities	(6,786)	(51,035)	(13,970)	(5,873)
Cash flow from investing activities	(90,274)	104,724	134,989	(40,685)
Cash flows from financing activities	57,625	77,299	(35,683)	(41,233)

Joint Ventures and associates (at 100%)				
INCOME STATEMENT				
Gross rental Income	36,328	57,746	24,950	36,100
Property operating expenses	(3,387)	(5,400)	(1,874)	(2,787)
Net rental and related income	**32,941**	**52,346**	**23,076**	**33,313**
Net valuation gains / (losses) on investment property	45,049	74,475	43,729	53,664
Administration expenses	(1,672)	(2,038)	(1,095)	(896)
Operating result	**76,318**	**124,784**	**65,710**	**86,081**
Net financial result	(10,218)	(23,537)	(10,202)	(18,156)
Profit before taxes	**66,100**	**101,247**	**55,509**	**67,925**
Taxes	(11,942)	(17,233)	(9,248)	(13,956)
Profit for the period	**54,158**	**84,014**	**46,260**	**53,969**
BALANCE SHEET				
Investment properties[5]	715,067	1,162,881	1,134,540	1,377,162
Other non-current assets	269	815	3,538	870
Total non-current assets	**715,336**	**1,163,696**	**1,138,078**	**1,378,032**
Trade and other receivables	11,843	12,315	15,675	10,103
Cash and cash equivalents	22,151	42,255	42,935	57,737
Total current assets	**33,994**	**54,570**	**58,610**	**67,840**
Total Assets	**749,330**	**1,218,266**	**1,196,688**	**1,445,872**
Total non-current liabilities[5]	446,988	720,309	735,384	849,136
Total Current Liabilities	34,503	47,982	49,084	39,986
Total Liabilities	**481,491**	**768,291**	**784,468**	**889,122**
Net assets	**267,839**	**449,975**	**412,220**	**556,750**
CASH FLOW STATEMENT				
Cash flow from operating activities	27,448	55,059	23,010	36,466
Cash flow from investing activities	(85,336)	(78,868)	(48,824)	(14,311)
Cash flows from financing activities	62,886	44,504	47,291	(6,025)

KEY ALTERNATIVE PERFORMANCE MEASURES ("APMS")

The Issuer				
Net debt[1]	436,552	419,338	352,818	510,937
Gearing ratio (net debt on shareholder's equity and liabilities)[(1)(3)]	42.3%	34.6%	33.8%	39.8%
Annualised Committed Leases[(2)(4)]	30,267	33,258	27,910	49,712
Total lettable area (m²)[2]	445,958[5]	288,372[6]	320,122[6]	305,000[7]
Occupancy rate %[2]	100.0%	99.4%	99.2%	98.7%
Fair value of property portfolio[(1)(8)]	627,737	576,143	515,932	713,020

Joint Ventures and associates (at 100%)				
Net debt[1]	378,192	612,958	630,046	707,456
Aggregate Loan to Value[(2)(9)]	56.0%	55.9%	59.1%	54.9%
Annualised Committed Leases[(2)(4)]	52,527	70,854	68,925	79,571
Total lettable area (m²)[2]	830,905[5]	1,333,476[6]	1,269,614[6]	1,493,000[7]
Occupancy rate %[2]	100.0%	99.3%	99.4%	99.6%
Fair value of property portfolio[(2)(8)]	935,435	1,360,263	1,291,243	1,535,682

[1] Audited figures.

[2] Non-audited figures.

[3] In relation to 2017 and 2018, the calculation of net debt is set out in note 23.6 (*Capital Management*) to the consolidated annual accounts relating to financial year 2018. In relation to the six months' periods ended on 30 June 2018 and 30 June 2019, the calculation of net debt is set out in note 14 (*Capital Management*) of the press release relating to the half year results as at 30 June 2019.

[4] This includes all annualised rent income generated or to be generated by executed lease agreements and future lease agreements (i.e. lease agreements that have been executed for a building which has not yet been executed; once the building is delivered, the future lease agreement is replaced with an ordinary lease agreement).

[5] During 2017, VGP sold 11 buildings, spread over 7 parks, to the First Joint Venture. During the second half of 2017, VGP also sold its VGP Park Nehatu (Estonia), which represented 77,040 m² of lettable area.

[6] During 2018, VGP sold 13 buildings to the First Joint Venture, spread over 6 parks, and another 5 newly completed logistic buildings which were developed in parks previously transferred to the First Joint Venture. During the second half of 2018, VGP also sold its Mango building located in Barcelona (Spain), which represented 181,000 m² of lettable area.

[7] During the first half of 2019, VGP sold 3 buildings, spread over 3 parks, and another 6 newly completed logistic buildings which were developed in parks previously transferred to the First Joint Venture.

[8] The fair value of the own portfolio excludes the development land and assets under constructions which were transferred to the First Joint Venture during the previous closings. The fair value of the First Joint Venture portfolio includes the development land and assets under constructions which were transferred to the First Joint Venture during previous closings, at their respective fair value. As the full development risk in respect of this transferred development land and assets under construction remains with VGP these assets are included in VGP's own balance sheet under Disposal group held for sale for an amount of EUR 194.9 million (as at 31 December 2017), EUR 154.5 million (as at 30 December 2018), EUR 115.1 million (as at 30 June 2018) and EUR 108.6 million (as at 30 June 2019).

[9] Aggregate Loan to Value is the ratio calculated as the total outstanding financial debt including the shareholders loans granted by Allianz and VGP to the Joint Ventures and the 5.1% direct interest of the Group in the German asset companies of the Joint Ventures but excluding the development and construction loans granted by VGP to the Joint Ventures divided by the fair market value of the investment properties acquired by the Joint Ventures (including the 5.1% direct interest of the Group in the German asset companies of the Joint Ventures) as at the respective reporting dates.

AGGREGATE LOAN TO VALUE – RECONCILIATION

	Year Ended		Six-Months Ended	
(in '000 EUR)	**31 Dec-17**	**31 Dec-18**	**30 Jun-18**	**30 Jun-19**
Aggregate Loan to Value[1]				
Investment properties at 100%	715,067	1,162,881	1,134,540	1,377,162
Investment properties at 5.1% (minorities)[2]	25,544	42,840	41,651	49,909
Total investment properties (incl. 5.1% minorities) (1)	740,611	1,205,721	1,176,191	1,427,071
Non-current and current financial debt at 100%	400,343	650,066	669,993	755,508
Non-current and current financial debt at 5.1% (minorities)[2]	14,527	24,362	25,355	28,133
Total financial debt (incl. minorities) (2)	414,870	674,428	695,348	783,641
Aggregate Loan to Value (= (2):(1)	56.0%	55.9%	59.1%	54.9%

[1] Audited figures.

[2] Non-audited figures; relates to the 5.1% direct interest of the Group in the German asset companies of the Joint Ventures.

Information on the Issuer's Interest Cover Ratio and Debt Service Cover Ratio is included in the compliance certificates of the 2023 Bond, the 2024 Bond, the 2025 Bond and the 2026 Bond, as available on the Issuer's website: http://www.vgpparks.eu/investors/en/bonds.

JOINT VENTURES AND ASSOCIATES (PROPORTIONAL SHARE) (not audited)

The table below includes the (not audited) proportional consolidated income statement interest of the Group in the joint ventures and associates. The interest held directly by the Group (5.1%) in the German asset companies of the First Joint Venture has been included (share of VGP).

	Year Ended		Six-Months Ended	
(in '000 EUR)	**31 Dec-17**	**31 Dec-18**	**30 Jun-18**	**30 Jun-19**
INCOME STATEMENT				
Gross rental Income	19,328	30,803	13,300	19,253

Property operating expenses	(1,795)	(2,890)	(989)	(1,499)
Net rental and related income	**17,534**	**27,913**	**12,311**	**17,754**
Joint Ventures' management fee income	-	-	-	-
Net valuation gains / (losses) on investment property	24,427	39,938	23,356	28,879
Administration expenses	(871)	(1,056)	(575)	(468)
Operating result	**41,089**	**66,795**	**35,091**	**46,165**
Net financial result	(5,500)	(12,382)	(5,373)	(9,464)
Taxes	(6,360)	(9,194)	(4,941)	(7,400)
Profit for the period (Share in result of associates and joint ventures)	**29,229**	**45,220**	**24,777**	**29,301**
BALANCE SHEET				
Investment properties	383,078	624,281	608,921	738,490
Other non-current assets	135	408	1,927	435
Total non-current assets	**383,213**	**624,689**	**610,848**	**738,925**
Trade and other receivables	6,462	6,469	8,557	5,383
Cash and cash equivalents	11,858	22,501	22,943	30,889
Total current assets	**18,319**	**28,970**	**31,500**	**36,272**
Total Assets	**401,532**	**653,659**	**642,348**	**775,197**
Total current and non-current financial liabilities	214,699	351,969	361,846	410,729
Total non-current liabilities	30,613	43,278	41,257	55,062
Total Current Liabilities	12,909	16,985	18,261	10,697
Total Liabilities	258,221	412,232	421,364	476,489
Total net assets (Investments in joint ventures and associates)	**143,311**	**241,427**	**220,984**	**298,708**

POST BALANCE SHEET DATE EVENTS

There has been no significant change in the financial or trading position of the Issuer since 30 June 2019. The following events took place since 30 June 2019:

- launch of 14 new projects, representing 306,000 m² of future lettable area;
- increase in the Annualised Committed Leases (including the Joint Ventures at 100%) to EUR 143.6 million (of which EUR 90.5 million related to the Joint Ventures) at the end of October 2019;
- first closing of the Second Joint Venture with cash proceeds amounting to circa EUR 96 million, financed in part by an initial drawdown of EUR 79.9 million under the Second Joint Venture's existing credit facilities;
- expansion of the land bank through acquisition of new land plots for a total amount of EUR 145 million, of which EUR 116 million related to the acquisition of land for VGP Park Munich and VGP Park Laatzen. The development of VGP Park Munich was initiated in September 2019; and
- issue of a EUR 33.5 million *Schuldschein* loan and a EUR 22 million secured bank loan for VGP Latvia.

PART XI: USE OF PROCEEDS

The net proceeds of the issue of the Bonds, expected to amount to approximately EUR 148.8 million for a nominal amount of EUR 150 million, will be used to further finance the development of new projects on development land in the existing and new markets. The Group expects that the application of the funds towards the aforementioned development and expansion plans will be made within a period of 12 to 18 months following the issuance of the Bonds, provided there are no adverse market conditions.

These new projects include the development of a new site business park for BMW and KraussMaffei Group near Munich which will offer more than 250,000 m^2 of future lettable area. The construction phase was initiated during the month of September 2019. This project will have a timeframe of several years and involve an investment of around EUR 500 million. Another project, VGP Park Laatzen, will offer circa 121,000 m^2 of future lettable area with KraussMaffei Berstorf as anchor tenant (representing 63% of the anticipated future rent income). The development phase of this park will have a timeframe of circa 2.5 years and involve an investment of around EUR 150 million. The land and infrastructure works were initiated in September 2019 and the construction of the first building will be initiated during the first quarter of 2020.

The existing financial debt together with the proceeds of the Bonds should suffice to finance the realization of the total current development pipeline and geographic expansion over the next 12 to 18 months, expected to reach on average an investment amount of circa EUR 400 million per annum. Additional short-term bank debt might occasionally be needed to cover temporary cash shortfalls due to timing of recycling of shareholder loans. VGP expects that the additional credit facilities needed to cover such shortfalls should not exceed EUR 200 million.

The development business (like many businesses) is subject to a series of regulatory and commercial uncertainties (e.g. obtaining zoning and building permits and avoiding environmental issues and the possibility to acquire suitable plots of land) as a result of which VGP's development pipeline is a dynamic, continuously evolving set of projects. Therefore, VGP can only provide estimates relating to the use of proceeds of the Bonds for its acquisition and development plans based on its current pipeline. It cannot be guaranteed that the projects currently contemplated will effectively come to completion. Considering the current development market in the countries in which VGP is active (or looking to expand), VGP is confident that, if the current projects would be aborted, sufficient equally attractive replacement projects are available in the market.

The expenses in connection with the issue of the Bonds, including the Placement Fee and the Arrangement Fee, are expected to amount to EUR 1,356,000 in the aggregate which consists of EUR 1,211,000 related to the Arrangement-, Placement– and Agency Fees, and the remaining EUR 145,000 for costs, incurred for advisory services. The Placement Fee will amount to 0.75% of the Aggregate Nominal Amount or EUR 1,125,000 if the maximum amount of EUR 150 million is issued.

Part of the Issue Price paid by Retail Investors and Independent Intermediaries, i.e. 0.75% of the aggregate principal amount of the Bonds effectively placed with Retail Investors and Independent Intermediaries (which is expected to amount to EUR 80,000,000 in the aggregate), shall be part of the fees payable to the Bookrunner and the Joint Lead Managers and shall be paid directly to the Bookrunner and the Joint Lead Managers. Part of the price paid by the Qualified Investors other than the Independent Intermediaries, i.e. the amount by which the Issue Price less discount paid by the Qualified Investors other than the Independent Intermediaries exceeds the aggregate principal amount of the Bonds effectively placed with Qualified Investors other than the Independent Intermediaries, shall be part of the fees payable to the Bookrunner and shall be paid directly to the Bookrunner.

PART XII: TAXATION

1 General

The tax legislation in force in any relevant jurisdiction, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Bonds.

2 Belgian Taxation on the Bonds

The following is a general description of the main Belgian tax consequences of acquiring, holding, redeeming and/or disposing of the Bonds. It is restricted to the matters of Belgian taxation stated herein and is intended neither as tax advice nor as a comprehensive description of all Belgian tax consequences associated with or resulting from any of the aforementioned transactions. Prospective investors are urged to consult their own tax advisors concerning the detailed and overall tax consequences of acquiring, holding, redeeming and/or disposing of the Bonds, including under the laws of their countries of citizenship, residence, ordinary residence or domicile.

The summary provided below is based on the information provided in this Prospectus and on Belgium's tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Prospectus and with the exception of subsequent amendments with retroactive effect.

2.1 Belgian Withholding Tax

All payments by or on behalf of the Issuer of interest on the Bonds are in principle subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 30%. Tax treaties may provide for lower rates subject to certain conditions and formalities.

In this regard, "interest" means (i) the periodic interest income, (ii) any amount paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not on the maturity date, or upon purchase by the Issuer) and, (iii) in case of a disposal of Bonds between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However, payments of interest and principal under the Bonds by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Bonds if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the **Tax Eligible Investors**, see hereinafter) in an exempt securities account (an **X Account**) that has been opened with a financial institution that is a direct or indirect participant (a **Participant**) in the NBB System. Euroclear, Euroclear France, Monte Titoli, Interbolsa, SIX SIS and Clearstream, Frankfurt are directly or indirectly participants for this purpose.

Holding the Bonds through the NBB System enables Tax Eligible Investors to receive the gross interest income on their Bonds and to transfer Bonds on a gross basis.

Participants to the NBB system must enter the Bonds which they hold on behalf of Tax Eligible Investors in an X Account.

Tax Eligible Investors are those listed in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier / koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*) (as amended from time to time) which include, inter alia:

(i) Belgian corporations subject to Belgian corporate income tax;

(ii) institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in (i) and (iii) subject to the application of article 262, 1° and 5° of the Belgian code on income tax of 1992 (*code des impôts sur les revenus 1992* / *wetboek van de inkomstenbelastingen 1992*, the **BITC 1992**);

(iii) state regulated institutions (*institutions parastatales* / *parastatalen*) for social security, or institutions which are assimilated therewith, provided for in article 105, 2º of the royal decree implementing the BITC 1992 (*arrêté royal d'execution du code des impôts sur les revenus 1992* / *koninklijk besluit tot invoering van het wetboek inkomstenbelastingen 1992*, the **RD/BITC 1992**);

(iv) non-resident investors provided for in article 105, 5º of the RD/BITC 1992;

(v) investment funds, recognised in the framework of pension savings, provided for in article 115 of the RD/BITC 1992;

(vi) investors provided for in article 227, 2º of the BITC 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to article 233 of the BITC 1992;

(vii) the Belgian State in respect of investments which are exempt from withholding tax in accordance with article 265 of the BITC 1992;

(viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and

(ix) Belgian resident corporations, not provided for under (i) above, when their activities exclusively or principally consist of the granting of credits and loans.

Tax Eligible Investors do not include, inter alia, Belgian resident investors who are individuals or non-profit making organisations, other than those mentioned under (ii) and (iii) above.

Participants to the NBB System must keep the Bonds which they hold on behalf of the non-Tax Eligible Investors in a non-exempt securities account (an **N Account**). In such instance, all payments of interest are subject to withholding tax (currently at the rate of 30%), which is withheld by the NBB and paid to the Belgian Treasury.

Transfers of Bonds between an X Account and an N Account give rise to certain adjustment payments on account of withholding tax:

– A transfer from an N Account (to an X Account or N Account) gives rise to the payment by the transferor non-Tax Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.

– A transfer (from an X Account or N Account) to an N Account gives rise to the refund by the NBB to the transferee non-Tax Eligible Investor of an amount equal to the withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.

– Transfers of Bonds between two X Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening of an X Account for the holding of Bonds, the Tax Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Belgian Minister of Finance. There are no ongoing declaration requirements for Tax Eligible Investors save that they need to inform the participants of any changes to the information contained in the statement of their tax eligible status. Participants are required to annually provide the NBB with listings of investors who have held an X Account during the preceding calendar year.

An X Account may be opened with a Participant by an intermediary (an **Intermediary**) in respect of Bonds that the Intermediary holds for the account of its clients (the **Beneficial Owners**), provided that each Beneficial Owner is a Tax Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that: (i) the Intermediary is itself a Tax Eligible Investor; and (ii) the Beneficial Owners holding their Bonds through it are also Tax Eligible Investors. The Beneficial Owner is also required to deliver a statement of its eligible status to the Intermediary.

These identification requirements do not apply to Bonds held in Euroclear, or Clearstream, Frankfurt or any other central securities depository (as defined in Article 2, 1, 1) of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories (a **CSD**)) as participants to the NBB System (each a **NBB-CSD**), provided that the relevant NBB-CSD (i) only holds an X Account and (ii) is able to identify the Bondholders for whom they hold Bonds in such account. For the identification requirements not to apply, it is furthermore required that the contracts which were concluded by the relevant NBB-CSD as participants include the commitment that all their clients, holder of an account, are Tax Eligible Investors.

2.2 Belgian Income Tax

2.2.1 Belgian resident individuals

Belgian resident individuals, i.e., natural persons who are subject to the Belgian personal income tax (*impôt des personnes physiques* / *personenbelasting*) and who hold the Bonds as a private investment, do not have to declare interest in respect of the Bonds in their personal income tax return, provided that Belgian withholding tax has effectively been levied on the interest.

Nevertheless, Belgian resident individuals may elect to declare interest in respect of the Bonds in their personal income tax return. Interest income which is declared in this way will in principle be taxed at a flat rate of 30% (or at the relevant progressive personal income tax rate(s) taking into account the tax payer's other declared income, whichever is more beneficial). The Belgian withholding tax levied may be credited.

Capital gains realised on the sale of the Bonds are in principle tax exempt, except to the extent the capital gains are realised outside the scope of the management of one’s private estate or except to the extent they qualify as interest (as described in *Belgian Withholding Tax* above). Capital losses are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

2.2.2 Belgian resident companies

Interest attributed or paid to corporations which are Belgian residents for tax purposes, i.e. which are subject to Belgian corporate income tax (*impôt des sociétés* /

vennootschapsbelasting), as well as capital gains realised upon the disposal of Bonds are taxable at the ordinary corporate income tax rate of in principle 29.58% as of assessment year 2019 linked to a taxable period starting at the earliest on 1 January 2018. Furthermore small and medium-sized companies (as defined in article 15, §§1-6 of the 1999 Belgian Company Code; article 1:24, §§ 1-6 of the 2019 Belgian Code of Companies and Associations) are taxable at the reduced corporate income tax rate of 20.40% for the first EUR 100,000 of their taxable base. As of assessment year 2021 linked to a taxable period starting at the earliest on 1 January 2020, the corporate income tax rate will be 25% and the reduced corporate income tax rate will be 20%.

Capital losses realised upon the disposal of the Bonds are in principle tax deductible.

Different tax rules apply to companies subject to a special tax regime, such as investment companies within the meaning of article 185*bis* of the BITC 1992.

2.2.3 Belgian resident legal entities

Belgian legal entities subject to Belgian legal entities tax (*impôts des personnes morales / rechtspersonenbelasting*) and which do not qualify as Tax Eligible Investors will generally be subject to the Belgian withholding tax at a rate of 30%. This tax constitutes the final levy for them and, in principle, fully discharges their income tax liability.

Belgian legal entities which qualify as Tax Eligible Investors and which consequently have received gross interest income are required to declare and pay the 30% withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the Bonds are in principle tax exempt, unless the capital gains qualify as interest (as described in *Belgian Withholding Tax* above). Capital losses are in principle not tax deductible.

2.2.4 Organisations for Financing Pensions

Interest and capital gains derived by Organisations for Financing Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

2.2.5 Belgian non-residents

Bondholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Bonds through a permanent establishment in Belgium will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Bonds, provided that they qualify as Tax Eligible Investors and that they hold their Bonds in an X Account.

2.3 Tax on securities accounts

Pursuant to the Law of 7 February 2018 introducing a tax on securities accounts, a tax of 0.15% will be levied on Belgian resident and non-resident individuals on their share in the average value of the qualifying financial instruments (including but not limited to shares, bonds, notes and units of undertakings for collective investment) held on one or more securities accounts during a reference

period of twelve consecutive months starting on 1 October and ending on 30 September of the subsequent year (the **Tax on Securities Accounts**). The first reference period started on the day of entry into effect of the law (i.e., 10 March 2018) and ended on 30 September 2018.

No Tax on Securities Accounts will be due provided the holder's share in the average value of the qualifying financial instruments on those accounts amounts to less than EUR 500,000. If, however, the holder's share in the average value of the qualifying financial instruments on those accounts amounts to EUR 500,000 or more, the Tax on Securities Accounts will be due on the entire share of the holder in the average value of the qualifying financial instruments on those accounts (and, hence, not only on the part which exceeds the EUR 500,000 threshold).

Qualifying financial instruments held by non-resident individuals only fall within the scope of the Tax on Securities Accounts provided they are held on securities accounts with a financial intermediary established or located in Belgium. Note that pursuant to certain double tax treaties, Belgium has no right to tax capital. Hence, to the extent the Tax on Securities Accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty protection may, subject to certain conditions, be claimed.

For the purpose of the Tax on Securities Accounts, a financial intermediary is defined as (i) a credit institution or a stockbroking firm as defined by Article 1, §2 and §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and investment companies and (ii) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

The Tax on Securities Accounts is in principle due by the financial intermediary established or located in Belgium if (i) the holder's share in the average value of the qualifying financial instruments held on one or more securities accounts with said intermediary amounts to EUR 500,000 or more or (ii) the holder instructed the financial intermediary to levy the Tax on Securities Accounts due (e.g. in case such holder holds qualifying financial instruments on several securities accounts held with multiple intermediaries of which the average value does not amount to EUR 500,000 or more, but of which the holder's share in the total average value of these accounts amounts to at least EUR 500,000). The Tax on Securities Accounts would otherwise have to be declared and would be due by the holder itself unless the holder provides evidence that the Tax on Securities Accounts has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint a Tax on the Securities Accounts representative in Belgium, subject to certain conditions and formalities (the **Tax on the Securities Accounts Representative**). Such Tax on the Securities Accounts Representative will then be liable towards the Belgian Treasury for the Tax on the Securities Accounts due and for complying with certain reporting obligations in that respect.

Belgian resident individuals will have to report in their annual income tax return various securities accounts held with one or more financial intermediaries of which they are considered as a holder within the meaning of the Tax on Securities Accounts. Non-resident individuals have to report in their annual Belgian non-resident income tax return various securities accounts held with one or more financial intermediaries established or located in Belgium of which they are considered as a holder within the meaning of the Tax on Securities Accounts.

However, on 17 October 2019 the Belgian Constitutional Court ruled that the Tax on Securities Accounts is unconstitutional. The Belgian Constitutional Court annuls the Tax on Securities Accounts with effect

as of 1 October 2019. The annulment of the Tax on Securities Accounts is binding beginning on the date on which the judgment of the Belgian Constitutional Court is published in the Belgian Official Gazette. So far, the judgment of the Belgian Constitutional Court has not been published in the Belgian Official Gazette.

Prospective investors are urged to consult their own tax advisors as to the tax consequences of the application of this new tax on their investment in Bonds.

2.4 Tax on stock exchange transactions and tax on repurchase transactions

A tax on stock exchange transactions (*taks op de beursverrichtingen/taxe sur les opérations de bourse*) will be levied on the acquisition and disposal of Bonds on the secondary market if (i) carried out in Belgium through a professional intermediary or (ii) deemed to be carried out in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence ("*residence habituelle*"/"*gewone verblijfplaats*") in Belgium, or legal entities for the account of their seat or establishment in Belgium (both referred to as a **Belgian Investor**).

The tax is due at a rate of 0.12% on each acquisition and disposal separately, with a maximum amount of EUR 1,300 per transaction and per party.

The acquisition of Bonds upon their issuance (on the primary market) is not subject to the tax on stock exchange transactions.

A separate tax is due by each party to the transaction, and both taxes are collected by the professional intermediary. However, if the intermediary is established outside of Belgium tax on the stock exchange transactions will in principle be due by the Belgian Investor, unless the Belgian Investor can demonstrate that the tax on the stock exchange transactions has already been paid by the professional intermediary established outside Belgium. Professional intermediaries established outside Belgium could however appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (the **Stock Exchange Tax Representative**). In such case the Stock Exchange Tax Representative would then be liable towards the Belgian Treasury to pay the tax on stock exchange transactions and to comply with the reporting obligations in that respect. If such a Stock Exchange Tax Representative has paid the tax on stock exchange transactions, the Belgian Investor will, as per the above, no longer be required to pay the tax on stock exchange transactions.

A tax on repurchase transactions (*taks op de reporten/taxe sur les reports*) at the rate of 0.085% will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of EUR 1,300 per transaction and per party).

However neither of the taxes referred to above will be payable by exempt persons acting for their own account including investors who are not Belgian residents, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status, and certain Belgian institutional investors as defined in Article 126.1 2° of the code of miscellaneous duties and taxes (*Wetboek diverse rechten en taksen/Code des droits et taxes divers*) for the tax on stock exchange transactions and Article 139, second paragraph, of the same code for the tax on repurchase transactions.

As stated below, the European Commission has published a proposal for a Directive for a common financial transactions tax (the **FTT**). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions and the tax on

repurchase transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

3 The Proposed Financial Transaction Tax (FTT)

On 14 February 2013 the EU Commission published a proposal for a Council Directive (the **Draft Directive**) on a common financial transaction tax (the **FTT**). Earlier negotiations for a common transaction tax among all 28 EU Member States had failed. The current negotiations between Austria, Belgium, France, Germany, Greece, Italy, Portugal, the Slovak Republic, Slovenia and Spain (the **Participating Member States**) are seeking a compromise under “enhanced cooperation” rules, which require consensus from at least nine nations. Earlier Estonia dropped out of the negotiations by declaring it would not introduce the FTT.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of bonds should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in bonds where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The Draft Directive currently stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions and the tax on repurchase transactions should thus be abolished once the FTT enters into force.

However, the Draft Directive on the FTT remains subject to negotiations between the Participating Member States. It may therefore be altered prior to any implementation, of which the eventual timing and outcome remains unclear. Additional EU Member States may decide to participate or drop out of the negotiations. If the number of Participating Member States would fall below nine, it would put an end to the legislative project.

In June 2016, the Participating Member States declared that they would continue their efforts in the second half of the year but since then the negotiating parties have not been successful in reaching an agreement. The FTT was at a standstill but renewed discussions between the Participating Member States took place in May and June 2019.

Prospective investors should consult their own professional advisors in relation to the FTT.

4 Exchange of Information – Common Reporting Standard (CRS)

Council Directive 2011/16/EU on administrative cooperation in the field of taxation, as amended by the Directive on Administrative Cooperation (2014/107/EU) of 9 December 2014 (**DAC2**), implemented the exchange of information based on the Common Reporting Standard (**CRS**) within the EU. The CRS has been transposed in Belgium by the law of 16 December 2015.

Under CRS, financial institutions resident in a CRS country (as at 20 June 2018, 102 jurisdictions have committed) are required to identify their customers and report, according to a due diligence standard, personal data and financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes e.g. trusts) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

Under DAC2 (and the Belgian law of 16 December 2015), Belgian financial institutions holding the Bonds for tax residents in another CRS contracting state, shall report financial information regarding the Bonds (income, gross proceeds, etc.) to the Belgian competent authority, who shall communicate the information to the competent authority of the CRS state of the tax residence of the beneficial owner.

On 25 June 2019, 106 jurisdictions signed the multilateral competent authority agreement (**MCAA**), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

As a result of the Belgian law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of income year 2014 (first information exchange in 2016) towards the US and (iii) with respect to any other non-EU States that have signed the MCAA, as of the respective date to be further determined by Royal Decree. In a Royal Decree of 14 June 2017, it has been determined that the automatic provision of information must be provided as from 2017 (for financial year 2016) for a first list of 18 jurisdictions, as from 2018 (for financial year 2017) for a second list of 44 jurisdictions, and as from 2019 (for financial year 2018) for Nigeria.

Investors who are in any doubt as to their position should consult their professional advisors.

PART XIII: SUBSCRIPTION AND SALE

KBC Bank NV (having its registered office at Havenlaan 2, 1080 Brussels, Belgium) (**KBC**) is acting as global coordinator, exclusive bookrunner and joint lead manager (the **Global Coordinator, Bookrunner** or **Joint Lead Manager**), and Belfius Bank SA/NV (having its registered office at Karel Rogierplein 11, 1210 Brussels, Belgium) (**Belfius**) is acting as joint lead manager (together with KBC, the **Joint Lead Managers** and each a **Joint Lead Manager**). The Bookrunner and the Joint Lead Managers have, pursuant to a placement agreement dated on or around 19 November 2019 (the **Placement Agreement**), agreed with the Issuer, subject to certain terms and conditions, to use best efforts to place the Bonds in a minimum amount of EUR 100 million and a maximum amount of EUR 150 million with third parties at the Issue Price and at the conditions specified below. KBC has also been appointed as calculation, paying and listing agent for the purposes of the Public Offer in Belgium (the **Agent**).

This section contains the terms and conditions of the Public Offer of the Bonds by the Bookrunner and the Joint Lead Managers. Each offer and sale of the Bonds by an Authorised Offeror will be made in accordance with the terms and conditions as agreed between an Authorised Offeror and an investor, including in relation to the price, the allocation and the costs and/or taxes to be borne by an investor. The Issuer is not a party to any arrangements or terms and conditions in connection with the offer and sale of the Bonds between the Authorised Offeror and an investor. This Prospectus does not contain the terms and conditions of any Authorised Offeror. The terms and conditions in connection with the offer and sale of the Bonds will be provided to any investor by an Authorised Offeror during the Subscription Period. Neither the Issuer, the Bookrunner nor the Joint Lead Managers can be held responsible or liable for any such information. The foregoing is without prejudice to the Issuer's responsibility for the content of the Prospectus also with respect to the subsequent resale or final placement of the Bonds by an Authorised Offeror.

1 Subscription Period

The Bonds will be offered to the public in Belgium (the **Public Offer**). Presently the Bookrunner and the Joint Lead Managers expect to offer the Bonds to qualified investors (as defined in the Prospectus Law, the **Qualified Investors**) and to investors who are not Qualified Investors (the **Retail Investors**). The Bonds will be issued on 2 December 2019 (the **Issue Date**). However, in case a supplement to the Prospectus gives rise to withdrawal rights exercisable on or after the Issue Date of the Bonds in accordance with article 23 of the Prospectus Regulation, the Issue Date will be postponed until the first Business Day following the last day on which the withdrawal rights may be exercised. Investors who have already agreed to purchase or subscribe to securities before the publication of the supplement to the Prospectus, have the right to withdraw their agreement during a period of two working days commencing on the day after the publication of the supplement.

The Public Offer will start on 22 November 2019 at 9h00 (CET) and end on 26 November 2019 at 17h30 (CET), or in case of early closure, such earlier date as the Issuer may determine in agreement with the Bookrunner and the Joint Lead Managers (and the earliest on 22 November 2019 at 17h30 (CET)) (the **Subscription Period**). In this case, such closing date will be announced by or on behalf of the Issuer, on its website (within the section addressed to investors as "Bonds") (www.vgpparks.eu), and on the Joint Lead Managers' websites (www.belfius.be/vgp2019 and www.kbc.be/vgp).

Except in case of oversubscription as set out below under *Early closure and reduction* and *Allotment and over-subscription in the Bonds*, a prospective subscriber will receive 100% of the amount of the Bonds validly subscribed to by it during the Subscription Period. The nominal amount of Bonds reserved for Retail Investors is EUR 80 million if the maximum amount of EUR 150 million is issued. The amount

reserved for Retail Investors is allocated between the Joint Lead Managers pursuant to an allotment mechanism set out in the section *Allotment and over-subscription of the Bonds*, following which the remainder of such amount, if any, is offered to Qualified Investors. Retail Investors are therefore encouraged to subscribe to the Bonds on the first business day of the Subscription Period before 17h30 (CET) to ensure that their subscription is taken into account when the Bonds are awarded, subject, as the case may be, to a proportional reduction of their subscription.

Prospective subscribers will be notified of their allocations of Bonds by the applicable Financial Intermediary in accordance with the arrangements in place between such Financial Intermediary and the prospective subscriber.

No dealings in the Bonds on a regulated market for the purposes of MIFID II may take place prior to the Issue Date.

After having read the entire Prospectus, the investors can subscribe to the Bonds via the branches of the Joint Lead Managers appointed by the Issuer, using the subscription form provided by the Joint Lead Manager (if any): Belfius Bank SA/NV or KBC Bank NV (including CBC Banque SA). Such subscription will come at a cost of 0.75% of the principal amount of the Bonds (included in the Issue Price) for the Retail Investors and Independent Intermediaries only.

The applications can also be submitted via agents or any other financial intermediaries in Belgium. In this case, the investors must obtain information concerning the commission fees that the financial intermediaries can charge. These commission fees are charged to the investors.

Each subscription is irrevocable as from closing of the Subscription Period and no subscription may occur prior to the commencement of the Subscription Period.

2 Conditions to which the Public Offer is subject

The Public Offer and the issue of the Bonds is subject to a limited number of conditions set out in the Placement Agreement, which are customary for this type of transaction, and which include, amongst others: (i) the correctness of the representations and warranties made by the Issuer in the Placement Agreement, (ii) the Placement Agreement, the Clearing Agreement and the Agency Agreement having been executed by all parties thereto prior to the Issue Date, (iii) Euronext Brussels having agreed to list the Bonds on or prior to the Issue Date or the Bookrunner and the Joint Lead Managers being satisfied (at their sole discretion) that such listing will be granted promptly after the Issue Date, (iv) there having been, as at the Issue Date, no material adverse change in the financial condition, business affairs, results or operations of the Issuer or the Group taken as a whole since the date of the Placement Agreement or the date of the Prospectus ("**Material Adverse Change**"), (v) the Issuer having performed all the obligations to be performed by it under the Placement Agreement on or before the Issue Date, (vi) the market conditions being satisfactory in the Bookrunner and the Joint Lead Managers's reasonable opinion and with the agreement of the Issuer, (vii) no force majeure having been invoked by the Bookrunner or a Joint Lead Manager as determined at their discretion and (viii) at the latest on the Issue Date, the Bookrunner and the Joint Lead Managers having received customary confirmations as to certain legal and financial matters pertaining to the Issuer and the Group. The Placement Agreement does not entitle the Bookrunner or a Joint Lead Manager to terminate its obligations prior to payment being made to the Issuer, except in certain limited circumstances. If the conditions are not fulfilled, the Bonds will not be issued and the total amount of funds already paid by investors for the Bonds will be reimbursed.

As from the date of the Prospectus and at any time prior to the Issue Date of the Bonds, the Public Offer of the Bonds may be wholly or partially retracted or cancelled in accordance with the provisions of the placement agreement entered into between the Issuer, the Bookrunner and the Joint Lead Managers in connection with the Public Offer. In this case, investors who paid the Issue Price for the Bonds prior to the notification of the retraction or cancellation of the Public Offer shall receive the total amount of funds already paid by them as Issue Price for the Bonds. However, the investors will not receive the interest on such amount they otherwise could have earned if they had not paid the Issue Price for the Bonds. In case of a cancellation of the Public Offer, a notification will be published on the website of the Issuer (www.vgpparks.eu) and the websites of the Joint Lead Managers (www.kbc.be/vgp) for KBC Bank NV (and CBC Banque SA included) and www.belfius.be/vgp2019 for Belfius Bank SA/NV) and the Issuer shall publish a supplement to the Prospectus.

3 Issue Price

The issue price for the Bonds will be 100.75% (the **Issue Price**). The Retail Investors and Qualified Investors acting as intermediary for a further placement to Retail Investors in the framework of the provision of independent investment advice or portfolio management in the sense of MIFID II (the **Independent Intermediaries**) will pay the Issue Price. Part of the Issue Price, i.e. 0.75% of the aggregate principal amount of the Bonds effectively placed with Retail Investors and Independent Intermediaries, which is borne and paid by the Retail Investors and Independent Intermediaries only, will be paid as a fee to the Bookrunner and the Joint Lead Managers.

The Qualified Investors other than the Independent Intermediaries will pay the Issue Price less a discount, such resulting price being subject to among others (i) the evolution of the credit quality of the Issuer (credit spread), (ii) the evolution of interest rates, (iii) the success (or lack of success) of the placement of the Bonds, and (iv) the amount of Bonds purchased by an investor, each as determined by the Bookrunner in its sole discretion. The discount applicable to Qualified Investors other than the Independent Intermediaries shall be in the range of 0 to 0.75%. Part of the price paid by the Qualified Investors other than the Independent Intermediaries, i.e. the amount by which the Issue Price less discount paid by the Qualified Investors other than the Independent Intermediaries exceeds the aggregate principal amount of the Bonds effectively placed with Qualified Investors other than the Independent Intermediaries, which is borne and paid by the Qualified Investors other than the Independent Intermediaries only, will be paid as a fee to the Bookrunner.

The yield of the Bonds is 2.515 per cent. on an annual basis. The yield is calculated on the basis of the issue of the Bonds on the Issue Date, the Issue Price, the Interest Rate of 2.75 per cent. per annum and is based on the assumption that the Bonds will be held until 2 April 2023 when they will be repaid at 100% of their principal amount in accordance with the Conditions. It is not an indication of future yield if the Bonds are not held until their Maturity Date. The net yield reflects a deduction of Belgian WHT at the rate of 30% (Investors should consult the Part XII: *Taxation* of this Prospectus for further information about Belgian taxation).

The minimum amount of application for the Bonds is EUR 1,000. The maximum amount of application is the Aggregate Nominal Amount.

4 Aggregate Nominal Amount

The expected minimum nominal amount of the issue amounts to EUR 100 million and the maximum nominal amount amounts to EUR 150 million.

As the case may be, upon the decision of the Issuer in consultation with the Bookrunner and the Joint Lead Managers (taking into account the demand from investors), the final Aggregate Nominal Amount may be increased at the end (or upon the early closure) of the Subscription Period. In such case, a supplement to the Prospectus shall be published.

The criteria in accordance with which the final Aggregate Nominal Amount will be determined by the Issuer are the following: (i) the funding needs of the Issuer, which could evolve during the Subscription Period for the Bonds, (ii) the levels of the interest rates and the credit spread of the Issuer on a daily basis, (iii) the level of demand from investors for the Bonds as observed by the Bookrunner and the Joint Lead Managers on a daily basis, (iv) the occurrence or not of certain events during the Subscription Period of the Bonds giving the possibility to the Issuer, the Bookrunner and/or the Joint Lead Managers to terminate the Subscription Period early or not to proceed with the offer and the issue in accordance with section "Conditions to which the Public Offer is subject" and (v) the fact that the Bonds, if issued, will have a minimum aggregate amount of EUR 100 million and a maximum aggregate amount of EUR 150 million.

The Issuer has reserved the right not to proceed with the issue of the Bonds if at the end of the Subscription Period, the aggregate principal amount of the Bonds that have been subscribed for is lower than EUR 100 million. If the Issuer proceeds with the issue of the Bonds and the Aggregate Nominal Amount is lower than the expected minimum amount of EUR 100 million, a supplement to the Prospectus shall be published.

The final Aggregate Nominal Amount shall be published as soon as possible after the end (or the early closing) of the Subscription Period by the Issuer, on its website (within the section addressed to investors as "Bonds", (www.vgpparks.eu)), and on the Joint Lead Managers' websites (www.belfius.be/vgp2019 and www.kbc.be/vgp).

5 Payment date and details

The payment date is 2 December 2019. The payment for the Bonds can only occur by means of debiting from a deposit account.

On the date that the subscriptions are settled, the NBB-SSS will credit the custody account of the Agent according to the details specified in the rules of the NBB-SSS.

Subsequently, the Agent, at the latest on the payment date, will credit the subscribed Bonds to the account of the participants for onward distribution to the subscribers, in accordance with the usual operating rules of the NBB-SSS.

6 Financial services

The costs for the custody fee for the Bonds are charged to the subscribers. Investors must inform themselves about the costs their financial institutions might charge them.

Bondholders should be aware that additional costs and expenses may be due to the relevant Financial Intermediary upon exercising the put option referred to in Condition 6.2 (*Redemption at the option of Bondholders following a Change of Control*) through a Financial Intermediary (other than the Agent).

The agency fee for the performance by the Agent of the agency services in relation to the Bonds will be borne by the Issuer.

7 Early closure and reduction

Early closure of the Subscription Period will intervene at the earliest on 22 November 2019 at 17h30 (CET) (the minimum Subscription Period is referred to as the **Minimum Sales Period**). This means that the Subscription Period will remain open at least one Business Day until 17h30 (CET). Thereafter, early closure can take place at any moment (including in the course of a Business Day). In case of early closure of the Subscription Period, a notice will be published as soon as possible on the websites of the Issuer and the Joint Lead Managers. This notice will specify the date and hour of the early closure.

The Subscription Period may be shortened by the Issuer during the Subscription Period with the consent of the Bookrunner and the Joint Lead Managers (i) as soon as the total amount of the Bonds reaches the minimum amount of EUR 100 million, subject to the Minimum Sales Period (as the Issuer may finance its contemplated investments also through other means as described under Part XI (*Use of Proceeds*)), (ii) in the event that a major change in market conditions occurs, or (iii) in case a Material Adverse Change occurs with respect to the Issuer. In case the Subscription Period is closed early as a result of the occurrence described under (ii) and (iii) in the preceding sentence, then the Issuer will publish a supplement to the Prospectus (see page 31 of the Prospectus, for further information with respect to the publication of supplements to the Prospectus).

The Issuer may, with the consent of the Bookrunner and the Joint Lead Managers, decide to limit the Aggregate Nominal Amount of the Bonds in case market conditions do not allow to place the Bonds as expected. Thus the Aggregate Nominal Amount of the Bonds may be lower than expected minimum nominal amount of EUR 100 million.

The Issuer has reserved the right not to proceed with the issue of the Bonds if at the end of the Subscription Period, the Aggregate Nominal Amount that have been subscribed for is lower than EUR 100 million.

In addition, the offer is subject to specific conditions negotiated between the Bookrunner, the Joint Lead Managers and the Issuer that are included in the Placement Agreement, and in particular, the obligations of the Bookrunner and each of the Joint Lead Managers under the Placement Agreement could terminate, inter alia, as set out above.

8 Allotment and over-subscription of the Bonds

The Joint Lead Managers, acting on a several (and not joint) basis, agree to place the Bonds on a best efforts basis.

The Issuer agreed that the targeted allocation structure between the Joint Lead Managers for the placement of the Bonds will be the following (percentages constituting rounded figures):

(a) 26.67% of the Aggregate Nominal Amount of the Bonds will initially be placed on a best efforts basis and allocated towards Retail Investors of KBC of its own retail and private banking network (including CBC Banque SA), at a price equal to 100 per cent. of the nominal amount of Bonds plus the Retail Fee (i.e. at the Issue Price) (the "**KBC Retail Bonds**"),

(b) 26.67% of the Aggregate Nominal Amount of the Bonds will initially be placed on a best efforts basis and allocated towards Retail Investors of Belfius of its own retail and private banking network, at a price equal to 100 per cent. of the nominal amount of Bonds plus the Retail Fee (i.e. at the Issue Price) (the "**Belfius Retail Bonds**"),

it being understood that each Joint Lead Manager shall receive the Retail Fee for the Bonds placed by it under (a) or (b); and

(c) 46.66% of the Aggregate Nominal Amount of the Bonds will initially be placed on a best effort basis by KBC and allocated towards Qualified Investors, at a price equal to 100 per cent. of the nominal amount of the Bonds plus either (i) the QI Fee for Qualified Investors other than Independent Intermediaries, or (ii) the Retail Fee for Independent Intermediaries, as the case may be (the "**QI Bonds**"), it being understood that KBC will receive the total amount of such Retail Fees and QI Fees earned in relation to the QI Bonds.

Upon the closing of the Subscription Period (as the case may be, upon an early closure as described in the section *Early closure and reduction*), the Aggregate Nominal Amount of the Bonds will be determined by the Issuer (upon consultation with the Joint Lead Managers), on the basis of the criteria set out in the section *Aggregate Nominal Amount*.

If, as observed at 17h30 (CET) on the first Business Day of the Subscription Period and taking into account the Issuer's determination of the Aggregate Nominal Amount (upon consultation with the Joint Lead Managers):

(i) For Belfius Retail Bonds: Belfius has not been able to place all or part of the nominal amount of the Belfius Retail Bonds towards Retail Investors, KBC will have the right (but not the obligation) to place and distribute such nominal amount of Belfius Retail Bonds to (a) Retail Investors in its own retail and private banking network and subsequently (b) Qualified Investors from whom orders have been received.

(ii) For KBC Retail Bonds: KBC has not been able to place all or part of the nominal amount of the KBC Retail Bonds towards Retail Investors, KBC will have the right (but not the obligation) to place and distribute such nominal amount of KBC Retail Bonds to Qualified Investors from whom orders have been received.

(iii) For QI Bonds: KBC has not been able to place all or part of the nominal amount of the QI Bonds towards Qualified Investors, KBC will have the right (but not the obligation) to place and distribute such nominal amount of QI Bonds to Retail Investors in its own retail and private banking network from whom orders have been received.

(iv) In the event that all or part of the nominal amount of the Bonds remains unplaced by KBC pursuant to the mechanisms described in the preceding paragraphs (ii) through (iii), Belfius will have the right (but not the obligation) to place and distribute such nominal amount of Bonds to Retail Investors in its own retail and private banking network from whom orders have been received.

All subscriptions that have been validly introduced by the Retail Investors with the Joint Lead Managers before the end of the Subscription Period will be taken into account when the Bonds are allotted, it being understood that in case of oversubscription, a reduction may apply, i.e. the subscriptions will be scaled back proportionally, per Joint Lead Manager and per Retail Investor who has subscribed for the Bonds, with an allocation of a multiple of EUR 1,000, and to the extent possible (i.e. to the extent there are not more investors than bonds), a minimum nominal amount of EUR 1,000, which is the minimum subscription amount for investors. In case of such reduction, a notice thereto with the reduction percentage will be published as soon as possible on the website of the Issuer and the Joint Lead Managers. Given the possibility of early closure, Retail Investors are therefore encouraged to subscribe to the Bonds on the first business day of the Subscription Period, i.e. 22 November 2019 before 17h30

(CET) to ensure that their subscription is taken into account when the Bonds are awarded, subject, as the case may be, to a proportional reduction of their subscription.

In case of over-subscription by Qualified Investors, an allocation shall be made taking into account general allocation principles such as size, timing and diversification, all in view of organizing an orderly secondary market for the Bonds.

In accordance with article 7 of the Royal Decree dated 17 May 2007 concerning primary market practices, in case of full subscription or over-subscription in the Bonds, the Joint Lead Managers may not, neither directly nor indirectly, acquire Bonds for their own account.

At the end of the Minimum Sales Period, the Joint Lead Managers may publish a notice on its website to inform its clients that it will stop collecting subscriptions and will then send the same notice to the Issuer that will publish it on its website as soon as practicable.

Subscribers may have different reduction percentages applicable to them depending on the Joint Lead Manager or Authorised Offeror through which they have subscribed to the Bonds. The branches of each of the Joint Lead Managers all apply the same reduction percentages. Other financial intermediaries may apply different allocation criteria, which may be less beneficial to the investors.

The Bookrunner shall in no manner whatsoever be responsible for the allotment criteria that will be applied by other financial intermediaries.

In case of early closure of the Subscription Period, the investors will be informed regarding the number of Bonds that have been allotted to them as soon as possible after the date of the early closure of the Subscription Period.

Any payment made by a subscriber to the Bonds in connection with the subscription of Bonds which are not allotted will be refunded within 7 Business Days after the date of payment in accordance with the arrangements in place between such relevant subscriber and the relevant Financial Intermediary, and the relevant subscriber shall not be entitled to any interest in respect of such payments.

9 Results of the Public Offer

The results of the offer of the Bonds (including its net proceeds and percentage allocated to Retail and Qualified Investors) shall be published as soon as possible after the end of the Subscription Period and on or before the Issue Date by the Issuer, on its website (within the section addressed to investors as “Bonds”) (www.vgpparks.eu), by KBC (www.kbc.be/vgp) and by Belfius at www.belfius.be/vgp2019. The same method of publication will be used to inform the investors in case of early closure of the Subscription Period. Furthermore, the amount of Bonds will be notified to the FSMA as soon as possible at the earlier of the end of the Subscription Period and the date of the early closure of the Subscription Period.

In the event of the Public Offer being completed, the Bookrunner and each of the Joint Lead Managers shall have the right, at its own expenses, to disclose its participation in the Public Offer in investor presentations, reports or/and by way of placement of "tombstone" advertisements in financial or other newspapers or via any other communication means after prior approval of the Issuer.

10 Expected timetable of the Public Offer

The main steps of the timetable of the Public Offer can be summarised as follows:

- 20 November 2019, before 9h00: publication of the Prospectus on the website of the Issuer and the Joint Lead Managers;
- 22 November 2019, 9h00 (CET): opening date of the Subscription Period;
- 22 November 2019, 17h30 (CET): earliest possible closing of the Subscription Period;
- 26 November] 2019: closing date of the Subscription Period (subject to early closure);
- between 26 November 2019 and 29 November 2019: expected publication date of the results of the offer of the Bonds (including its net proceeds) on the websites of the Joint Lead Managers, unless published earlier in case of early closing;
- 2 December 2019: Issue Date and listing of the Bonds on the regulated market of Euronext Brussels.

The dates and times of the Public Offer and periods indicated in the above timetable and throughout this Prospectus may change. Should the Issuer decide to amend such dates, times or periods, it will inform investors through a publication in the financial press. Any material alterations to this Prospectus are to be approved by the FSMA, and will be, in each case as and when required by applicable law, published in a press release, an advertisement in the financial press, and/or a supplement to this Prospectus.

11 Costs and fees

Each subscriber shall make his own enquiries with his financial intermediaries on the related or incidental costs (transfer fees, custody charges, etc.), which the latter may charge him with.

The net proceeds (after deduction of expenses) will be the Aggregate Nominal Amount multiplied by the Issue Price expressed as a percentage, minus the Placement Fee and the Arrangement Fee and minus (i) a fee equal to 0.75% of the aggregate principal amount of the Bonds effectively placed with Retail Investors and Independent Intermediaries, paid by the Retail Investors and Independent Intermediaries only (the "**Retail Fee**"), and (ii) a fee equal to the amount by which the Issue Price less discount paid by the Qualified Investors other than the Independent Intermediaries exceeds the aggregate principal amount of the Bonds effectively placed with Qualified Investors other than the Independent Intermediaries (the "**QI Fee**"). All such expenses (including legal fees) will be borne by the Issuer, except for the Retail Fee, which is borne and paid by the Retail Investors and Independent Intermediaries only (which is included in the Issue Price), and the QI Fee, which is borne and paid by the Qualified Investors other than the Independent Intermediaries only. The discount applicable to Qualified Investors other than the Independent Intermediaries shall be in the range of 0 to 0.75%.

For more information on the details of such expenses (including the tax impact), please see the section entitled *Issue Price* in this Part XII.

The Agent (or any other Financial Intermediary) will charge a holding fee to the investor for the holding of the Bonds for the benefit of the investor on a securities account of the Agent (or the relevant Financial Intermediary).

For more information on the tax impact of the exercise of the Change of Control Put, please see condition 6.2 (*Redemption at the option of the Bondholders*) of Part V (*Terms and conditions of the Bonds*).

12 Transfer of the Bonds

Subject to compliance with any applicable selling restrictions, the Bonds are freely transferable. See also *Selling Restrictions* below.

13 Selling Restrictions

13.1 Countries in which the Public Offer is open

The Bonds are being offered only to investors to whom such offer can be lawfully made under any law applicable to those investors. The Issuer has taken necessary actions to ensure that Bonds may lawfully be offered to the public in Belgium. The Issuer has not taken any action to permit any offering of the Bonds in any other jurisdiction outside of Belgium.

The distribution of this Prospectus and the subscription for and acquisition of the Bonds may, under the laws of certain countries other than Belgium, be governed by specific regulations or legal and regulatory restrictions. Individuals in possession of this Prospectus, or considering the subscription for, or acquisition of, the Bonds, must inquire about those regulations and about possible restrictions resulting from them, and comply with those restrictions. Intermediaries cannot permit the subscription for, or acquisition of, the Bonds for clients whose addresses are in a country where such restrictions apply. No person receiving this Prospectus (including trustees and nominees) may distribute it in, or send it to, such countries, except in conformity with applicable law.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, or an offer to sell or the solicitation of an offer to buy the Bonds in any circumstances in which such offer or solicitation is unlawful. Neither the Issuer, the Bookrunner nor the Joint Lead Managers have authorised, nor do they authorise, the making of any offer of the Bonds (other than in the Public Offer in Belgium) in circumstances in which an obligation arises for the Issuer, the Bookrunner or the Joint Lead Managers to publish a prospectus for such offer.

The following sections set out specific notices in relation to certain countries that, if stricter, shall prevail over the foregoing general notice.

13.2 Selling restriction in the EEA

The Issuer has not authorised any offer to the public of the Bonds in any Member State of the European Economic Area, other than Belgium. In relation to each Member State of the European Economic Area (each, a **Relevant Member State**), an offer to the public of any Bonds may not be made in that Relevant Member State, other than the offer in Belgium contemplated in this Prospectus once this Prospectus has been approved by the FSMA and published in Belgium in accordance with the Prospectus Regulation, except that an offer to the public in that Relevant Member State of any Bonds may be made at any time under the following exemptions under the Prospectus Regulation during the Subscription Period:

- to legal entities which are qualified investors as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Issuer for any such offer; or
- in any other circumstances falling within article 1(4) of the Prospectus Regulation, provided that no such offer of Bonds referred to above shall require the Issuer or any Dealer to publish a

prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of the provisions above, the expression an offer to the public in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Public Offer and the Bonds to be offered so as to enable an investor to decide to purchase any Bonds.

13.3 United Kingdom

The Bookrunner and the Joint Lead Managers have represented and agreed that:

- they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **Financial Services and Markets Act**)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the Financial Services and Markets Act does not apply to the Issuer; and
- they have complied and will comply with all applicable provisions of the Financial Services and Markets Act with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

13.4 United States

The Bonds have not been, and will not be, registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), unless they have been so registered or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold solely outside the United States to non-U.S. persons in reliance on Regulation S. Terms used in this paragraph have the meaning given to them in Regulation S.

The Bookrunner and the Joint Lead Managers have agreed that they will not offer, sell or deliver the Bonds (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Public Offer and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons, and that they will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration (if any) to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them in Regulation S.

In addition, until 40 days after the commencement of the Public Offer, an offer or sale of the Bonds within the United States by a dealer (whether or not participating in the Public Offer) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

PART XIV: GENERAL INFORMATION

1. Application has been made for the Bonds to be listed as from the Issue Date on the regulated market of Euronext Brussels. KBC has been appointed as Listing Agent for that purpose.

2. The issue of the Bonds was authorised by resolutions passed by the Board of Directors of the Issuer on 15 November 2019.

3. The Bonds have been accepted for clearance through the NBB-SSS of the National Bank of Belgium. The currency of the Bonds is Euro (€). The Common Code of the Bonds is 208152149. The International Securities Identification Number (ISIN) of the Bonds is BE0002677582. The address of the National Bank of Belgium is Boulevard de Berlaimont 14, 1000 Brussels.

4. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain, to its reasonable knowledge, from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respect. The source of third party information is identified where used. Other than in relation to the documents which are deemed to be incorporated by reference (see "*Part IV: Documents Incorporated by Reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FSMA.

5. During the Subscription Period and during the life of the Bonds, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer, Uitbreidingstraat 72, box 7, 2600 Antwerp, and/or on the Issuer's website (www.vgpparks.eu):

   - the articles of association (*statuts* / *statuten*) of the Issuer, in Dutch;
   - the annual report and audited financial statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2018 (statutory in accordance with Belgian GAAP) and the annual report and audited financial statements of the financial years ended 31 December 2017 and 31 December 2018 (consolidated in accordance with IFRS) together with the audit reports thereon, as well as the half year results 2018 and 2019, together with the Auditor's report relating to the limited review of the Issuer's half year results 2018 and 2019;
   - a copy of this Prospectus together with any supplement to this Prospectus; and
   - all reports, letters and other documents, balance sheets, valuations and statements by any expert at the Issuer's request any part of which is included or referred to in this Prospectus.

6. The Statutory Auditor Deloitte Bedrijfsrevisoren CVBA, now represented by Mrs Kathleen De Brabander (previously represented by Rick Neckebroeck) (member of the *Institut des Réviseurs d'Entreprises / Instituut der Bedrijfsrevisoren*) has audited, and rendered unqualified audit reports on, the annual financial statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2018 and the consolidated IFRS financial statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2018, and has conducted a limited review of the consolidated interim financial information for the six-month period ended 30 June 2018 and 30 June 2019.

PART XV: DEFINITIONS

1999 Belgian Company Code	means the Belgian Company Code dated 7 May 1999 (*Wetboek van Vennootschappen* / *Code des Sociétés*), as amended or restated from time to time;
2019 Belgian Code of Companies and Associations	means the Belgian Code of Companies and Associations dated 23 March 2019 (*Wetboek van vennootschappen en verenigingen* / *Code des sociétés et associations*), as amended or restated from time to time;
2017 Bond	means the EUR 75 million fixed rate bond which has matured on 12 July 2017 which carried a coupon of 5.15% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002201672 – Common Code: 094682118);
2018 Bond	means the EUR 75 million fixed rate bond maturing on 6 December 2018 which carries a coupon of 5.10% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002208743 – Common Code: 099582871);
2023 Bond	means the EUR 225 million fixed rate bond maturing on 21 September 2023 which carries a coupon of 3.90% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002258276 – Common Code: 148397694);
2024 Bond	means the EUR 75 million fixed rate bond maturing on 6 July 2024 which carries a coupon of 3.25% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002287564 – Common Code: 163738783)
2025 Bond	means the EUR 80 million fixed rate bond maturing on 30 March 2025 which carries a coupon of 3.35% per annum (unlisted with ISIN Code: BE6294349194 – Common Code: 159049558);
2026 Bond	means the EUR 190 million fixed rate bond maturing on 19 March 2026 which carries a coupon of 3.50% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002611896 – Common Code: 187793777);
Accounting Standards	means the accounting standards that are generally accepted in Belgium, including IFRS, to the extent applicable to the relevant financial statements;
Agency Agreement	means the agency agreement dated 19 November 2019 entered into between the Issuer and the Agent (which expression includes any successor as Agent under the Agency Agreement) as amended and/or supplemented and/or restated from time to time;
Agent	means KBC acting as calculation, paying and listing agent for the purpose of the Public Offer;

Aggregate Net Rental Income	means the sum of any and all income of any member of the Group related to rent of its respective Project Buildings less the Rental Expenses;
Aggregate Nominal Amount	means the aggregate nominal amount of the Bonds issued;
Allianz	means, in relation to 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, and, in relation to the Second Joint Venture, Allianz AZ Finance VII Luxembourg S.A.;
Alternative NBB-SSS	means the successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator if at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB;
Annual Relevant Period	means each period of 12 months ending on the last day of a financial year of the Issuer and each period of 12 months ending on the last day of the first half of the financial year of the Issuer;
Annualised Committed Leases or Annualised Rent Income	means the annualised rent income generated or to be generated by executed lease – and future lease agreements;
Arrangement Fee	means the arrangement fee agreed between the Issuer and the Global Coordinator in relation to the structuring of the issuance of the Bonds;
Associate	means VGP MISV Comm. VA in which the Company holds 79.91%;
Audit Committee	means the audit committee of the Company supervising among others the integrity of the financial information provided by the Company;
Auditor	means DELOITTE Bedrijfsrevisoren CVBA, with registered office at Gateway Building, Luchthaven Nationaal 1 J, 1930 Zaventem, Belgium, represented by Mrs Kathleen De Brabander (or such auditor or statutory auditor of the Issuer as may be appointed from time to time);
Authorised Offeror	means any credit institution authorised pursuant to Directive 2013/36/EU or any investment firm authorised pursuant to MIFID II to conduct a public offer as contemplated in this Prospectus;
Belfius	means Belfius Bank SA/NV, having its registered office at Karel Rogierplein 11, 1210 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0403.201.185, enterprise court of Brussels;
Belfius Retail Bonds	means the Bonds placed by Belfius to its own private and retail banking network;

Belgian Company Code means the 1999 Belgian Company Code, as amended or restated from time to time, including by the 2019 Belgian Code of Companies and Associations;

Beneficial Owners means the clients for which the Intermediary holds the Bonds;

BITC 1992 means the Belgian code on income tax of 1992 (*code des impôts sur les revenus 1992 / wetboek van de inkomstenbelastingen 1992);*

Block Voting Instruction means a document in Dutch or French (with a translation in English) issued by the Recognised Accountholder and dated in which:

(i) it is certified that Bonds (not being Bonds in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder) held to its order or under its control and blocked by it and that no such Bonds will cease to be so held and blocked until the first to occur of:

A. the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and

B. the giving of notice by the Recognised Accountholder to the Issuer in accordance with paragraph 5(e) of Schedule 1 to the Conditions (provisions for meetings of Bondholders), stating that certain of such Bonds cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;

(ii) it is certified that each holder of such Bonds has instructed such Recognised Accountholder, that the vote(s) attributable to the Bond(s) so held and blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any such adjourned meeting and that all such instructions are during the period commencing three Business Days prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;

(iii) the nominal amount of the Bonds so held and blocked is stated, distinguishing with regard to each resolution

between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

(iv) one or more persons named in such document (each hereinafter called a proxy) is or are authorised and instructed by such Recognised Accountholder to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in paragraph (ii) above as set out in such document;

Board or **Board of Directors** means the board of directors of the Issuer or any committee thereof duly authorised to act on behalf of the board of directors;

Bondholder means, in respect of any Bond, the person entitled thereto in accordance with the Belgian Company Code and the NBB-SSS Regulations;

Bonds means the 2.75% fixed rate bonds due 2 April 2023, for an expected aggregate amount of minimum EUR 100 million and a maximum aggregate amount of EUR 150 million;

Bookrunner means KBC;

Business Day means (i) a day other than a Saturday or Sunday on which the NBB is operating, (ii) a day on which banks and foreign exchange markets are open for general business in Belgium, and (iii) (if a payment in euro is to be made on that day), a day which is a business day for the TARGET2 System;

Calculation Agent means KBC or such other leading investment, merchant or commercial bank as may be appointed from time to time by the Issuer for purposes of calculating the Put Redemption Amount, and notified to the Bondholders in accordance with Condition 14 (*Notices*) of Part V of the Prospectus (*Terms and Conditions of the Bonds*);

Cash or **Cash Equivalents** means

(a) any cash at hand or on a deposit that is callable on first demand; and

(b) highly liquid financial instruments that are easily convertible into cash, for which a recognised trading market exists, and which are not issued or guaranteed by any member of the Group or subject to any Security,

which in both cases (a) and (b) are freely available for the repayment of any Financial Indebtedness and are held by any

member of the Group, and shall exclude restricted or unavailable cash;

Cash Available for Debt Service means, for any Annual Relevant Period:

(a) after tax profit of the Issuer earned in the relevant Annual Relevant Period;

(b) **plus** any interest (i) accounted for but unpaid or (ii) accounted for and paid by all members of the Group under the subordinated Financial Indebtedness provided for by the Issuer during the relevant Annual Relevant Period;

(c) **plus** any amount accounted for by all members of the Group in respect of depreciation and amortisation during the relevant Annual Relevant Period;

(d) **plus** any expenses accounted for and payable by all members of the Group on non-realised foreign exchange losses in respect of such relevant Annual Relevant Period;

(e) **plus** the aggregate amount of interest, commissions and other finance charges (including any Interest Rate Hedging costs) due and payable by all the members of the Group under any Financial Indebtedness in such relevant Annual Relevant Period;

(f) **less** any revenue resulting from re-evaluation (accounted for but unpaid) of any derivatives, options, futures or hedging or other similar financial instruments or contracts;

(g) **plus** any expense resulting from re-evaluation (accounted for but unpaid) of any derivatives, options, futures or hedging or other similar financial instruments or contracts; and

(h) **plus** any available Cash and Cash Equivalents on the last day of the Annual Relevant Period;

CEE means Central and Eastern Europe;

Change of Control means the situation whereby (i) any person other than the Reference Shareholders or (ii) a group of persons other than the Reference Shareholders, Acting in Concert, gain(s) Control of the Issuer;

whereby;

(a) **Control** means (A) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to (i) cast, or control the casting of more than 50% of the maximum number of votes that might be cast at a general meeting of Shareholders of the Issuer; or, (ii) exercise a decisive influence on the appointment or removal of all or a majority of the directors of the Issuer (including, but not limited to the right to nominate, pursuant to the articles of association or pursuant to agreements known by the Issuer, the majority of the directors of the Issuer); or (iii) exercise a decisive influence on the operating or financial policies of the Issuer with which the directors or other equivalent officers of the Issuer are to comply or (B) the acquisition or the holding of a number of voting rights, even if such number is less than 50% of the outstanding voting rights in the Issuer, if such acquisition or holding has resulted in a mandatory public offer over the whole of the outstanding shares of the Issuer; and

(b) **Acting in Concert** means a group of persons who, pursuant to an agreement or understanding (**whether** formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them to obtain or consolidate control over the Issuer;

Change of Control Notice means the notice whereby the Issuer notifies the Bondholders of the occurring of a Change of Control in accordance with Condition 14 (*Notices*) of Part V of the Prospectus (*Terms and Conditions of the Bonds*);

Change of Control Put means the right of the Bondholder to require the Issuer to repurchase all or any part of such holder's Bonds at the Put Redemption Amount upon the occurrence of a Change of Control;

Change of Control Put Date means the fourteenth TARGET Business Day after the expiry of the Change of Control Put Exercise Period;

Change of Control Put Exercise Notice means the duly completed and signed notice of the Bondholder of exercise of the Change of Control Put, in the form attached as schedule 2 to Part V of the Prospectus (*Terms and Conditions of the Bonds*);

Change of Control Put Exercise Period means the period commencing on the date of a Change of Control and ending 90 calendar days following such Change of Control, or, if later, 90 calendar days following the date on which a Change of

Control Notice is given to Bondholders as required by Condition 6.2 (*Redemption at the Option of Bondholders*) of Part V of the Prospectus (*Terms and Conditions of the Bonds*);

Change of Control Resolutions means one or more decisions validly taken by the general meeting of shareholders of the Issuer approving Condition 6.2 (*Redemption at the Option of Bondholders*) of Part V of the Prospectus (*Terms and Conditions of the Bonds*);

Clearing Agreement means the service contract for the issuance of a fixed income securities to be dated on or about the Issue Date between the Issuer, the Agent and the NBB;

Clearstream, Frankfurt means Clearstream Banking A.G., Mergenthaleralle, 65760 Eschborn, Germany;

Company means VGP NV, a public limited liability company (*naamloze vennootschap* / *société anonyme*) incorporated under Belgian law, having its registered office at Uitbreidingstraat 72, box 7, 2600 Berchem, Belgium (registered with the Crossroads Bank for Enterprises under number 0887.216.042, enterprise court of Antwerp, division Antwerp;

Compliance Certificate means a certificate from the Issuer, signed by two directors of the Issuer (one of which must be its executive director) or alternatively by the executive director and the chief financial officer and approved by the Auditors, setting out in detail computations, indicating and confirming whether the Consolidated Gearing, the Interest Cover Ratio and the Debt Service Cover Ratio comply with the applicable ratios and thresholds as set out in Condition 10 (*Undertakings*) of Part V of the Prospectus (*Terms and Conditions of the Bonds*), as at the date of the relevant financial statements to which such compliance certificate relates;

Consolidated Financial Indebtedness means, at any time, the aggregate amount of all obligations of the Group for or in respect of Financial Indebtedness but:

(a) excluding any such obligation to any other member of the Group; and

(b) deducting the aggregate amount of Cash and Cash Equivalents held by any member of the Group at such time

and so that no amount shall be included or excluded more than once;

Consolidated Gearing means, in respect of any Annual Relevant Period, the ratio of Consolidated Total Net Debt on the last day of that Annual Relevant Period to the sum of the equity and the total liabilities

(including off-balance sheet liabilities) at Group level in respect of that Annual Relevant Period;

Consolidated Total Net Debt means, at any time, Total Net Debt calculated at Group level;

Corporate Governance Code means the principles of corporate governance contained in the Belgian Code on Corporate Governance published on 12 March 2009, as adopted by the Company;

Corresponding Debt means any debt of the Issuer or any of its Subsidiaries (including any debt under the Bonds) that is guaranteed by any Security, Personal Security, guarantee or indemnity that also secures the Bonds in accordance with the Terms and Conditions (*Part V of the Prospectus*);

Debt Service Cover Ratio means:

(a) the Cash Available for Debt Service,

divided by

(b) the Net Debt Service;

Distributor any person offering, selling or recommending the Bonds;

EUR, **euro** or **€** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended;

Euroclear means Euroclear Bank SA/NV;

Event of Default means one of the following events which are described in detail in Condition 9 (*Events of Default*) of Part V of the Prospectus (*Terms and Conditions of the Bonds*):

(a) Non-payment;

(b) Breach of ratios;

(c) Breach of other covenants, agreements or undertakings;

(d) Cross-Default of the Issuer or a Subsidiary;

(e) Enforcement Proceedings;

(f) Security Enforced;

(g) Unsatisfied judgment;

(h) Insolvency and insolvency proceedings;

(i) Reorganisation, change of or transfer of business or transfer of assets;

(j) Winding-Up;

(k) Failure to take action;

(l) Unlawfulness; and

(m) Delisting of the Bonds;

Extraordinary Resolution means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these Conditions and the Belgian Company Code by a majority of at least 75% of the votes cast;

Facility Management means the day-to-day maintenance, alteration and improvement work of buildings;

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

Finance Charges means, for any Annual Relevant Period, the difference between on the one hand the interest charges (being the sum of the aggregate amount of interest, commissions and other finance charges (including any Interest Rate Hedging costs but excluding the Arrangement Fee and the Placement Fee paid by the Issuer to the Bookrunner and the Joint Lead Managers for the first 12 months Testing Period) due and payable by all the members of the Group under any Financial Indebtedness in such relevant Annual Relevant Period and on the other hand the interest received (being the sum of the aggregate amount of interest, commissions and other finance income (including any Interest Rate Hedging income) and remuneration on finance leases and related products) in each case calculated on a consolidated basis on the last day of a financial year of the Issuer and on the last day of the first half of the financial year of the Issuer;

Financial Indebtedness means any indebtedness for or in respect of:

(a) moneys borrowed (on the basis of any credit agreement, loan agreement or any similar agreement);

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including without limitation the Bonds;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in

accordance with the relevant Accounting Standards, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis) and any assumed debt;

(f) any Treasury Transaction and, when calculating the value of any Treasury Transaction, only the marked to market value shall be taken into account;

(g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(h) any amount of any liability under any advance or deferred purchase agreement if one of the primary reasons behind entering into the agreement is to raise finance for a purchase of assets and payment is due after more than 90 (ninety) days;

(i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and

(j) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (i) above;

Financial Intermediary means a bank or other financial intermediary through which the Bondholder holds the Bonds;

Financial Services and Markets Act means the Financial Services and Markets Act 2000 of the United Kingdom;

First Joint Venture VGP European Logistics S.à r.l., the 50:50 joint venture between the Issuer and Allianz;

First JVA means the joint venture agreement in relation to the establishment of the First Joint Venture;

First JV Closing III SPA means the share and purchase agreement entered into in relation to the third closing of the First Joint Venture;

First JV Closing IV SPA means the share and purchase agreement entered into in relation to the fourth closing of the First Joint Venture;

First JV Closing V SPA means the share and purchase agreement entered into in relation to the fifth closing of the First Joint Venture;

First JV Company SPA means the share purchase agreement between the Issuer as seller and Allianz as purchaser relating to the sale of 50% of the shares in VGP European Logistics S.à r.l.;

First JV Seed Portfolio SPA means the share purchase agreement between the Issuer and VGP CZ X a.s. (as sellers) and VGP European Logistics S.à r.l. (as purchaser) related to a sale of (i) 100% participation in the Czech companies VGP CZ V a.s. (owning VGP Park BRNO), VGP CZ VI a.s. (owning VGP Park Hradek nad Nisou), VGP CZ VIII a.s. (owning VGP Park Plzen) and TPO hala G2 a.s. (owning partially VGP Park Olomouc), (ii) 100% participation in the Slovak company VGP Park Malacky a.s. (formerly named VGP Slovakia a.s.) (owning VGP Park Malacky), (iii) 94.9% participation in the German companies VGP Park Bingen GmbH (owning VGP Park Bingen), VGP Park Berlin GmbH (owning VGP Park Berlin), VGP Park Höchstadt GmbH (owning VGP Park Höchstadt), VGP Park Hamburg GmbH (owning VGP Park Hamburg) and VGP Park Rodgau GmbH (owning VGP Park Rodgau), and (iv) 94.9% participation in the Luxembourg companies VGP Park Hamburg 2 S.à r.l. (VGP park Hamburg 2), VGP Park Frankenthal S.à r.l. (owning VGP Park Frankenthal and VGP Park Bobenheim-Roxheim) and VGP Park Leipzig S.à r.l. (owning VGP Park Borna);

Fourth JV Closing SPA means the share and purchase agreement entered into in relation to the fourth closing of the First Joint Venture;

FSMA means the Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten* / *Autorité des services et marchés financiers*);

FTT means the proposed financial transactions tax by the EU Commission;

GDP means the gross domestic product (*bruto nationaal product / produit national brut*) of a country;

Gearing Ratio means the ratio calculated as consolidated Total Net Debt divided by the sum of the equity and total liabilities;

Global Coordinator means KBC;

Group means the Issuer and its Subsidiaries;

IAS means the International Accounting Standards, the international accounting standards drawn up by the International Accounting Standards Board (IASB), for the preparation of financial statements;

IFRS means the International Financial Reporting Standards (see also IAS);

Implementing Prospectus Regulation means the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004;

Independent Intermediaries means Qualified Investors acting as intermediary for a further placement to Retail Investors in the framework of the provision of independent investment advice or portfolio management in the sense of MIFID II;

Independent Source means any market data and other statistical information used in this Prospectus which has been extracted from a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications;

Indexation means the contractual annual adjustment of the rent on the anniversary of the contract effective date on the basis of the inflation rate according to a benchmark index in each specific country;

Interest Cover Ratio means the ratio of Aggregate Net Rental Income (increased with the available Cash and Cash Equivalents on the last day of an Annual Relevant Period) to Finance Charges in respect of any Annual Relevant Period;

Interest Payment Date means the date on which the interest will be payable annually in arrears on 2 April of each year, commencing with the Interest Payment Date falling on 2 April 2020;

Interest Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

Interest Rate means 2.75% per annum;

Interest Rate Hedging means the use of derived financial instruments to protect debt positions against interest rate rises;

Intermediary see Financial Intermediary;

Investor's Currency means the currency or currency unit in which the investor's financial activities are denominated;

Issuer see Company;

Issue Date	means 2 December 2019;
Issue Price	means the issue price for the Bonds, which will be 100.75%;
Joint Ventures	means either and each of (i) the First Joint Venture; and (ii) the Second Joint Venture;
JVA(s) or Joint Venture Agreement(s)	means either and each of (i) the joint venture agreement made between Allianz and the Issuer in relation to the First Joint Venture and; (ii) the joint venture agreement made between Allianz and the Issuer in relation to the Second Joint Venture;
KBC	means KBC Bank NV, having its registered office at Havenlaan 2, 1080 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0462.920.226, enterprise court of Brussels;
KBC Retail Bonds	means the Bonds placed by KBC to its own private and retail banking network;
Joint Lead Managers	means Belfius and KBC;
Listing Agent	means KBC;
Little Rock SA	means a limited liability company (*société anonyme*) organised and existing under the laws of Luxembourg, having its registered office at 25, Boulevard Prince Henri, L 1724 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B156902;
Long Stop Date	means 30 June 2020;
Material Adverse Change	means a material adverse change in the financial condition, business affairs, results or operations of the Issuer or the Group taken as a whole since the date of the Placement Agreement or the date of the Prospectus;
Maturity Date	means 2 April 2023;
MIFID II	means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended;
Minimum Sales Period	means the minimum Subscription Period, i.e. a period of one Business Day starting on the third Business Day in Belgium following the day on which the Prospectus has been made available on the websites of the Issuer and the Joint Lead Managers (including the day on which the Prospectus was made available);
Monte Titoli	means Monte Titoli S.p.A., Piazza degli Affari, 6, Milan, MI 20123, Italy;

N Account means a non-exempt securities account in the X/N System that has been opened with a Participant in the NBB System;

NBB means the National Bank of Belgium;

NBB-SSS means the system by which the Bonds will be represented exclusively by book entries in the records of the securities settlement system operated by the NBB or any successor thereto;

NBB-SSS Regulations means the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB-SSS and its annexes, as issued or modified by the NBB from time to time;

Net Asset Value means the value of the Joint Venture's assets minus the value of its liabilities;

Net Current Result means the operating result plus net financial result (financial income less financial charges) less income and deferred taxes;

Net Debt Service means, in respect of any Annual Relevant Period, the sum of:

(a) the Finance Charges; and

(b) any principal due and payable by all members of the Group under any Financial Indebtedness in respect of such relevant Annual Relevant Period;

Occupancy Rate means the occupancy rate which is calculated by dividing the total leased out lettable area (m^2) by the total lettable area (m^2) including any vacant area (m^2);

Ordinary Shares means fully paid ordinary shares in the capital of the Issuer currently with no-par value;

Parallel Debt means an amount equal to the amount of the Corresponding Debt provided that any amounts are outstanding under the Corresponding Debt;

Participant means a financial institution that is a direct or indirect participant in the NBB System;

Paying Agent means KBC;

Permitted Public Offer means any offer of the Bonds in any Relevant Member State other than offers in Belgium;

Personal Security means in relation to any Financial Indebtedness of any person, any obligation of another person to pay such Financial Indebtedness including (without limitation): (a) any obligation to purchase such Financial Indebtedness; (b) any obligation to lend money or to provide funds for the payment of such Financial Indebtedness; (c) any indemnity against the consequences of a default in the

	payment of such Financial Indebtedness; and (d) any other agreement to be responsible for such Financial Indebtedness;
Placement Agreement	means the placement agreement dated on or around 19 November 2019 between the Bookrunner, the Joint Lead Managers and the Issuer;
Placement Fee	means a placement fee of 0.75% calculated on the aggregate principal amount of Bonds effectively placed with investors (borne by the Issuer);
Project Buildings	means any buildings the construction and development of which are carried out by any member of the Group;
Project Land	means plots of land owned by any member of the Group on which any Project Buildings are to be constructed and developed;
Project Management	means the management of building and renovation projects;
Projects	means the predevelopment of Project Land and the development, construction and operation of Project Buildings;
Property Portfolio	means the property investments, including property for lease, property investments in development for lease, assets held for sale and development land;
Prospectus	means this listing and offering prospectus dated 19 November 2019;
Prospectus Regulation	means Regulation (EU) 2017/112 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;
Public Offer	means the Bonds offered to the public in Belgium;
Put Redemption Amount	means an amount per Bond calculated by the Calculation Agent by multiplying the Redemption Rate by the Specified Denomination of such Bond and rounding, if necessary, the resultant figure to nearest minimum sub-unit of euro (half of such unit being rounded downwards), and by adding any accrued but unpaid interest of such Bond to (but excluding) the relevant repayment date; the Put Redemption Amount applicable in the case of, or following, a Change of Control will be equal to the amount which is the lowest of the following two possibilities: (i) 101% of the principal amount of each Bond or (ii) such percentage (higher than 100%) of the principal amount of each Bond, which results in the actuarial yield of an investor between the Issue Date and the date of redemption not being higher than the actuarial yield of the Bonds from the Issue Date up to the maturity date plus 0.75 points.

Schuldschein Loans means the Schuldschein Loan Agreements ("Schuldscheindarlehensvertrag") dated 10 October 2019, entered into between, amongst others, the Issuer as borrower and Norddeutsche Landesbank as arranger, for a total aggregate amount of EUR 33.5 million, having maturities of 3, 5, 7 and 8 years, bearing an average interest margin (either fixed or floating) of 2.73%.

Second Joint Venture VGP European Logistics 2 S.à r.l., the 50:50 joint venture between the Issuer and Allianz;

Second JVA means the joint venture agreement in relation to the establishment of the Second Joint Venture;

Second JV Company SPA means the share purchase agreement between the Issuer as seller and Allianz as purchaser relating to the sale of 50% of the shares in VGP European Logistics 2 S.à r.l.;

Second JV Seed Portfolio SPA means the share purchase agreement between the Issuer and VGP Naves Industriales Península S.L.U. as sellers and VGP European Logistics Spain S.L.U. and VGP European Logistics 2 S.à r.l. (as purchasers) related to the sale of (i) the 100% participation in the Spanish company VGP Park San Fernando de Hernares S.L.U.; (ii) the 100% participation in the Luxembourg company VGP Park Graz S.à r.l. (owning VGP Park Graz), and (iii) the 100% participation in the Romanian company VGP Park Timisoara S.R.L.;

QI Bonds means the Bonds placed by KBC to Independent Intermediaries and/or Qualified Investors

QI Fee means a fee equal to the amount by which the Issue Price less discount paid by the Qualified Investors other than the Independent Intermediaries exceeds the aggregate principal amount of the Bonds effectively placed with Qualified Investors other than the Independent Intermediaries;

Qualified Investors means qualified investors as defined in the Prospectus Law;

RD/BITC 1992 means the royal decree implementing the BITC 1992 (*arrêté royal d'execution du code des impôts sur les revenus 1992* / *koninklijk besluit tot invoering van het wetboek inkomstenbelastingen 1992);*

Recognised Accountholder means, in relation to one or more Bonds, the recognised accountholder (*erkende rekeninghouder* / *teneur de compte agréé* within the meaning of the Belgian Company Code (article 468 of the 1999 Belgian Company Code; article 7:35 of the 2019 Belgian Code of Companies and Associations) with which the Bondholder holds such Bonds on a securities account;

Redemption Rate means MIN (100.75%; 100% x Exp (T x 0,74720148386%)), rounded down to the 9th decimal, whereby:

T means the time, expressed in decimals of a year, elapsed from (and including) the Issue Date until (and including) the relevant redemption date; and

Exp means the exponential function meaning the function ex, where e is the number (approximately 2.718) such that the function ex equals its own derivative;

Reference Shareholders means (i) VM Invest NV, (ii) Van Malderen Bart, (iii) Little Rock SA, (iv) Van Geet Jan, (v) Alsgard SA, and (vi) Comm. VA VGP MISV;

Regulation S means the Regulation S under the Securities Act;

Relevant Creditor means the creditors of the relevant Financial Indebtedness;

Relevant Date means, in respect of any Bond, whichever is the later of:

(a) the date on which payment in respect of it first becomes due; and

(b) if any amount of the money payable is improperly withheld or refused, the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 14 (*Notices*) that such payment will be made, provided that such payment is in fact made as provided in these Conditions;

Relevant Member State means each Member State of the European Economic Area which has implemented the Prospectus Directive;

Remuneration Committee means the remuneration committee of the Company established in accordance with paragraph 2 of annex 2 of the VGP Charter;

Rental Expenses means the sum of any and all expenses incurred in relation to the operation, administration, maintenance and repairs by any member of the Group in relation to its Projects;

Responsible Person means the Issuer;

Retail Fee means a fee payable to the Bookrunner and the Joint Lead Managers equal to 0.75% of the aggregate principal amount of Bonds effectively placed with Retail Investors and Independent Intermediaries, paid by the Retail Investors and Independent Intermediaries only (which is included in the Issue Price);

Retail Investors means investors who are not Qualified Investors;

Royal Decree	means the *"Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier", Royal decree of 26 May 1994 on the deduction of withholding tax;*
Second JV Closing	the closing of the transaction pursuant to which the Joint Venture acquired 5 newly completed buildings (4 buildings in Germany and 1 in Slovak Republic) from VGP at the end of October 2016. The net proceeds received from such sale by VGP was EUR 59.7 million;
Securities Act	means the United States Securities Act of 1933, as amended;
Security	means any mortgage, charge, pledge, lien or any other form of encumbrance or security interest or any mandate to create the same, including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;
Security Agent	means a security agent appointed in the context of the relevant Financial Indebtedness;
Security Documents	mean all documents relating to a Security, Personal Security, guarantee or indemnity;
SEE	means South East Europe;
Seed Portfolio	means the first 15 VGP parks acquired by the Joint Venture at the end of May 2016;
Shareholders	means the holders of Ordinary Shares;
SIX SIS	means SIX SIS AG, Baslerstrasse 100, P.O. Box, Olten 4600, Switzerland;
Specified Denomination	means EUR 1,000 per Bond;
Spring Portfolio SPA	means the share purchase agreement entered into in relation to the Third JV Closing;
Statutory Auditor	see Auditor;
Subscription Period	means the period from 22 November 2019 at 9h00 (CET) until 26 November 2019 at 17h30 (CET) included, or until such earlier date as the Issuer may determine in agreement with the Bookrunner and the Joint Lead Managers (and the earliest on 22 November 2019 at 17h30 (CET));
Subsidiary	means a subsidiary of the Issuer within the meaning of articles 6, 2° and 8 of the 1999 Belgian Company Code (articles 1:15, 2° and 1:17 of the 2019 Belgian Code of Companies and Associations);
SUTA	means SUTA s.r.o., having its registered office at Rozšířená 2159/15, Libeň, 182 00 Praha 8 and registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Entry No. 201835;

Take-up means the letting of rental spaces to users in the rental market during a specific period;

TARGET Business Day means a day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro;

TARGET System means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system, or any successor thereto;

Tax Eligible Investors means the investors listed in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier / koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*);

Taxes any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Belgium, or any political subdivision or any authority therein or thereof having power to tax;

Third JV Closing the closing of the transaction pursuant to which the Joint Venture acquired 6 new parks (7 buildings) and another 4 newly completed buildings (in parks which were previously transferred to the Joint Venture) from VGP on 31 May 2017. The net proceeds received from such sale by VGP was EUR 122.1 million;

Total Debt means at any time (but so that no amount shall be included or excluded more than once), the Consolidated Financial Indebtedness of the Group, excluding however all intra-Group Financial Indebtedness. For the avoidance of doubt, such intra-Group Financial Indebtedness shall include Financial Indebtedness incurred pursuant to any Financial Indebtedness of a member of the Group owed to another member of the Group which is senior, junior or *pari passu* with the Bonds;

Total Net Debt means the Total Debt less Cash and Cash Equivalents;

Treasury Transaction means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price;

VGP or VGP Group see Group;

VGP Charter means the corporate governance charter of the Company adopted by the Board in accordance with the recommendations set out by the Corporate Governance Code and available on the Company's website;

VGP MISV Comm. VA means a company (*commanditaire vennootschap op aandelen / société en commandite par actions*), organised and existing under the laws of Belgium, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium, registered with the Crossroads Bank for

Enterprises under number 0894.442.740, *RPR / RPM* Gent, division Dendermonde;

VM Invest NV means a limited liability company (*naamloze vennootschap / société anonyme*) organised and existing under the laws of Belgium, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium, registered with the Crossroads Bank for Enterprises under number 0418.701.587, enterprise court Ghent, division Dendermonde;

Voting Certificate means a certificate in Dutch or French (with a translation in English) issued by the Recognised Accountholder and dated in which it is stated:

(i) that on the date thereof Bonds (not being Bonds in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder) held to its order or under its control and blocked by it and that no such Bonds will cease to be so held and blocked until the first to occur of:

A. the conclusion of the meeting specified in such certification or, if applicable, any adjourned such meeting; and

B. the surrender of the certificate to the Recognised Accountholder who issued the same; and

(ii) that until the release of the Bonds represented thereby the bearer thereof is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Bonds represented by such certificate;

WHT means Belgian withholding tax;

X Account means an exempt securities account in the X/N System that has been opened with a Participant in the NBB System;

YoY means year-on-year

Registered Office of the Issuer

VGP NV

Uitbreidingstraat 72, box 7

2600 Antwerp

Belgium

Global Coordinator and Bookrunner

KBC Bank NV

Havenlaan 2

1080 Brussels

Belgium

Joint Lead Managers

KBC Bank NV

Havenlaan 2

1080 Brussels

Belgium

Belfius Bank SA/NV

Place Charles Rogier 11

1210 Brussels

Belgium

Calculation, paying and listing agent

KBC Bank NV

Havenlaan 2

1080 Brussels

Belgium

Transaction counsel

Argo CVBA

Posthofbrug 12

2600 Antwerp

Belgium