

STRONG DEMAND FOR PREMIUM EUROPEAN LOGISTIC ASSETS DRIVES ANNUAL RESULTS

28 February 2020, 7:00am, Antwerp (Berchem), Belgium: VGP NV ('VGP' or 'the Group'), a leading European provider of high-quality logistics and semi-industrial real estate, today announces the results for financial year ended 31 December 2019:

- Record net profit of €205.6 million, a 69.8% YoY increase
- Solid business growth across European portfolio
 - Record signed and renewed rental income of €54.9 million, bringing total signed rental income to € 155.0 million, a 48.9% YoY increase
 - 34 buildings with 706,000 m² under construction at year-end
 - Owned and secured land bank of 6.21 million m² - a 39.6% YoY increase
 - Delivered 19 projects with 287,000 m² of lettable area, representing €15.8 million of annualised committed leases
 - Start of construction of landmark VGP Park Munich project with several other iconic projects in the pipeline, including Laatzen and Magdeburg
- Launched second joint venture with Allianz Real Estate and completed three successful joint venture transactions for a total transaction value of €610 million
- Successfully completed a € 150 million bond offering and arranged several multi-year bilateral credit facilities
- Intention to propose to the Annual Meeting of Shareholders a distribution of a gross dividend of € 60 million which equates to € 3.25 per share – a 47.7% YoY increase

VGP's Chief Executive Officer, **Jan Van Geet**, said: *"We had a busy year as usual in which our committed rental income grew by nearly 50%, profoundly changing the scale of our operations as we increasingly reap the benefits of the investments made over the last few years in our growing pan-European platform. Particularly we saw very strong growth in Germany – where we are already active since 2013 but mostly under the radar. However, over the last few months our profile in the German market changed significantly as we launched iconic projects in Munich, Laatzen and Göttingen bearing the fruit of intense cooperation with communities and SME clients over the past few years."*

Jan Van Geet continued: *"During the year we made significant investments into our organizational structure as we further aligned our country teams with our pan-European matrix organization and split the COO role – with Jon Watkins joining us from Amazon as COO Western Europe. We reinforced our financial position through a second joint venture with Allianz, a successful €150 million bond offering and new credit facilities. We believe it will be critical to maintain a fortress capital position so we can continue to benefit from investment opportunities as we see land becoming increasingly scarce."*

Jan Van Geet added: *"We are very confident for the outlook for 2020 as we will construct various pre-let trophy projects already in the pipeline which will support the results this year. Furthermore, we will continue the implementation of our pan-European roll-out and, supported by the foundation of our expanded land bank, we have the ambition to add a lot of new and iconic parks and tenants across the markets we are active in."*

FINANCIAL AND OPERATING HIGHLIGHTS

Record new signed lease agreements

- Record signed and renewed rental income of € 54.9 million driven by 727,000 m² of new lease agreements signed (corresponding to € 53.3 million of new annualised rental income), combined with 31,000 m² of lease agreements renewed (corresponding to € 1.6 million of annualised rental income)
- The signed and renewed rental income is generated mostly in Germany € 39.5 million or 74% of which € 24.0 million is contributed by pre-let agreements signed to date for VGP Park Munich
- The total signed lease agreements represent € 155.0 million¹ annualised committed rental income (equivalent to 2.66 million m² of lettable area), a **48.9% increase** since December 2018

Record level of construction activity

- A total of 19 projects delivered representing 287,000 m² of lettable area, representing €15.8 million of annualised committed rental income
- A record 34 projects under construction representing 706,000 m² of future lettable area representing €45.8 million of annualised committed rental income once built and fully let
- In addition, in our pipeline we have 11 pre-let projects to be started up in the coming months, representing 331,000m² of future lettable area representing €30.4 million of pre-let lease agreements

Record land bank expansion

- Acquisition of 2.88 million m² of development land and a further 1.80 million m² committed subject to permits which brings the total land bank (owned and committed) to 6.21 million m² (a 39.6% net increase since December 2018), which supports 2.78 million m² of future lettable area
- A further 1.02 million m² of new land plots identified which are under negotiation which have a development potential of 0.51 million m² of future lettable area. Since the start of 2020 this pipeline has increased by another 1.64 million m² of development land representing another 0.94 million m² of development potential

Significant strengthening of the team

- The team expanded to 220 FTE equivalent as we hired 40 additional people across the organization
- The COO role was split – with Jon Watkins, previously Amazon’s Head of EME Real Estate, joining as of December 2019 as COO Western Europe, and Matthias Sander as COO Eastern Europe – to align with the enlarged organization and create a platform for continued successful land acquisition as a driver for future growth

¹ For Joint Ventures at 100%

Reinforced our financial and capital position

- Expanded the strategic partnership with Allianz with a new 50:50 joint venture “VGP European Logistics 2” – an investment vehicle targeting core logistics assets in Austria, Italy, the Netherlands, Portugal, Romania and Spain. We are targeting to grow the joint venture to a gross asset value of €1.7 billion within five years by exclusively acquiring prime assets developed by VGP
- We conducted three successful closings with the Joint Ventures for a total gross asset value of €610 million. The first joint venture conducted two closings, one in April 2019 for €203 million and one in November 2019 for €232 million. The second joint venture successfully closed a first transaction of €175 million in July 2019
- A €150 million bond offering was completed in November 2019 and, in addition, through several bilateral agreements we secured multi-year credit facilities for a total of €183.5 million
- These combined proceeds and facilities will allow VGP to reinvest in its development pipeline and continue to grow the business. Gearing¹ at the end of 2019 stood at 37.2%, in line with the company’s target maximum consolidated gearing of 65%

Corporate Responsibility as key strategic principle

- During 2019 a number of initiatives were introduced including a new minimum building standard as we seek BREAAAM Very Good certification (or equivalent) for new constructions as of 2020 onwards. In addition, we plan a broader roll-out of sustainable energy production in our parks through photovoltaic and other renewable sources in order to support our tenants with their goal of neutralizing their carbon footprint
- The VGP Foundation was founded in 2019 as a registered Belgian private foundation. VGP has committed to contribute circa 1-2% of its annual profit into the VGP Foundation and this year we will propose to contribute a starting capital of € 3 million. The foundation will focus on three main areas: firstly, supporting education for children and young people in need, secondly, the preservation and creation of biospheres and nature conservation zones and, thirdly, the protection of European cultural assets and heritage
- For 2020 we have set ourselves enhanced sustainability targets as we believe the private sector – and especially the logistics sector – plays an important role in creating solutions that help grow the economy and addressing challenges such as climate change. We will therefore regularly publish our strategy, goals and initiatives in a comprehensive Corporate Responsibility report. The first edition is scheduled for publication in the coming weeks

Outlook 2020

- It is with confidence that we look at 2020 and beyond, as we continue to leverage on the implementation and expansion of our pan-European roll-out. The positive trend in demands for lettable area recorded by VGP during 2019 in combination with the significant increase of our land bank during the last 12 months has laid the foundation for growth over the coming years. VGP expects to be able to continue expanding its rental income and property portfolio through the completion and start-up of additional new buildings in 2020. Development activities should continue to operate at elevated levels during 2020 supported by solid demand from potential

¹ Calculated as Net debt / Total equity and liabilities

tenants. We expect e-commerce to continue to be an important driver for demand across our platform.

- Finally, in respect of partnership with Allianz Real Estate, we expect in the course of 2020 to be able to announce the details of an expansion of our first joint venture beyond the €1.7 billion original target and we anticipate to be able to conduct several closings with the Joint Ventures in the course of this year.

KEY FINANCIAL METRICS

Operations and results	2019	2018	Change (%)
Committed annualised rental income (€mm)	155.0	104.1	48.9%
IFRS Operating Profit before tax (€mm)	252.4	151.1	67.0%
IFRS net profit (€mm)	205.6	121.1	69.8%
IFRS earnings per share (€ per share)	11.06	6.52	69.8%
Dividend per share (€ per share)	3.25	2.20	47.7%

Portfolio and balance sheet	2019	2018	Change (%)
Portfolio value, including Joint Ventures at 100% (€mm)	2,771	1,936	43.1%
Portfolio value, including Joint Ventures at share (€mm)	1,897	1,355	40.0%
Occupancy ratio of standing portfolio (%)	99.8	99.3	-
EPRA NAV per share (€ per share)	39.89	30.94	28.9%
IFRS NAV per share (€ per share)	37.66	29.25	28.8%
Net financial debt (€mm)	604.2	419.3	44.1%
Gearing ¹ (%)	37.2	34.6	-

CONFERENCE CALL FOR INVESTORS AND ANALYSTS

VGP will host a conference call at 10:30 (CET) on 28 February 2020

The conference call will be available on:

- Belgium: 0800 58228 (toll free) / +32 (0)2 404 0659
- UK: 0800 358 6377 (toll free) / +44 (0)330 336 9105
- US: 800-263-0877 (toll free) / +1 646-828-8143
- Confirmation Code: 8533079

A presentation is available under “Reports and Presentations” on VGP website:

<https://www.vgpparks.eu/en/investors/>

¹ Calculated as Net debt / Total equity and liabilities

FINANCIAL CALENDAR

Annual Report 2019	7 April 2020
First quarter 2020 trading update	8 May 2020
General meeting of shareholders	8 May 2020
Dividend ex-date	15 May 2020
Dividend payment date	19 May 2020
Half year results 2020	24 August 2020
Third quarter 2019 trading update	20 November 2020

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ABOUT VGP

VGP is a leading pan-European developer, manager and owner of high-quality logistics and semi-industrial real estate. VGP operates a fully integrated business model with capabilities and longstanding expertise across the value chain. The company has an development land bank (owned or committed) of 6.2 million m² and the strategic focus is on the development of business parks. Founded in 1998 as a family-owned real estate developer in the Czech Republic, VGP with a staff of circa 220 employees today owns and operates assets in 12 European countries directly and through VGP European Logistics and VGP European Logistics 2, both joint ventures with Allianz Real Estate. As of December 2019, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to €2.77 billion and the company had a Net Asset Value (EPRA NAV) of €741 million. VGP is listed on Euronext Brussels and on the Prague Stock Exchange (ISIN: BE0003878957).

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

Forward-looking statements: This press release may contain forward-looking statements. Such statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. VGP is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements contained in this press release considering new information, future events or otherwise. The information in this announcement does not constitute an offer to sell or an invitation to buy securities in VGP or an invitation or inducement to engage in any other investment activities. VGP disclaims any liability for statements made or published by third parties and does not undertake any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other press release issued by VGP.