

**H1 2020**  
**Results Presentation**  
*24 August 2020*



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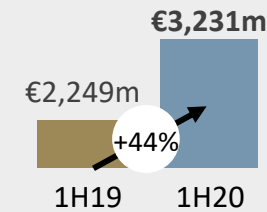
# 1. Highlights H1 2020

## H1 2020 results - Highlights

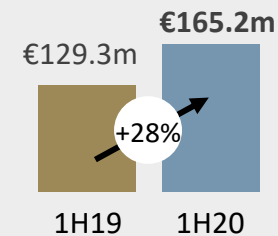
- **Record net profit for the period of €196.9 million**
  - Positively affected by the new 50:50 VGP Park München joint venture
- **Resilient business performance and impact of Covid-19 remains limited so far**
  - Additional signed and renewed rental income of €20.1 million YTD
    - Total signed rental income of € 165.2 million (+6.6% YTD)
  - 33 buildings with 795,000 m<sup>2</sup> under construction
  - Completed the acquisition of a number of trophy land plots during the period
    - Owned and secured land bank of 6.89mm m<sup>2</sup> (+11.0% YTD)
  - Delivered 12 projects with 190,000 m<sup>2</sup> of lettable area
- **Expanded partnership with Allianz Real Estate**
  - Launched third 50:50 joint venture in respect of VGP Park München
- **Permanently focus on opportunities to continue to expand our portfolio pipeline**
  - Reduced gearing to 35.0% as of 30 June 2020, following successful capital raising

## Resilient financial performance

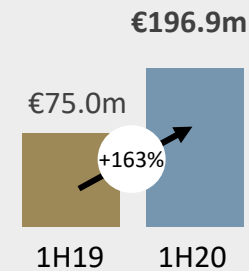
- **Strong growth of total portfolio value<sup>1</sup>**



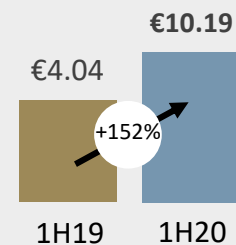
- **Continued growth in committed annualised rental income<sup>1</sup>**



- **Record net profit**  
Positively affected by the new 50:50 VGP Park München joint venture



- **Record earnings per share**  
Despite dilution caused by new share issue



<sup>1</sup> Including JVs portfolio at 100%

## Update on sustainable development goals for 2020 onwards



### Launch of VGP Renewable Energy N.V.

- 18.1MWP of PV installed on roofs<sup>1</sup>
- Further 17.6 MWP under construction



### Target 100% BREEAM Very Good certification for new developments

- All projects launched since start 2020 on track for certification



### Launch of VGP Foundation

- Identified first 12 support projects

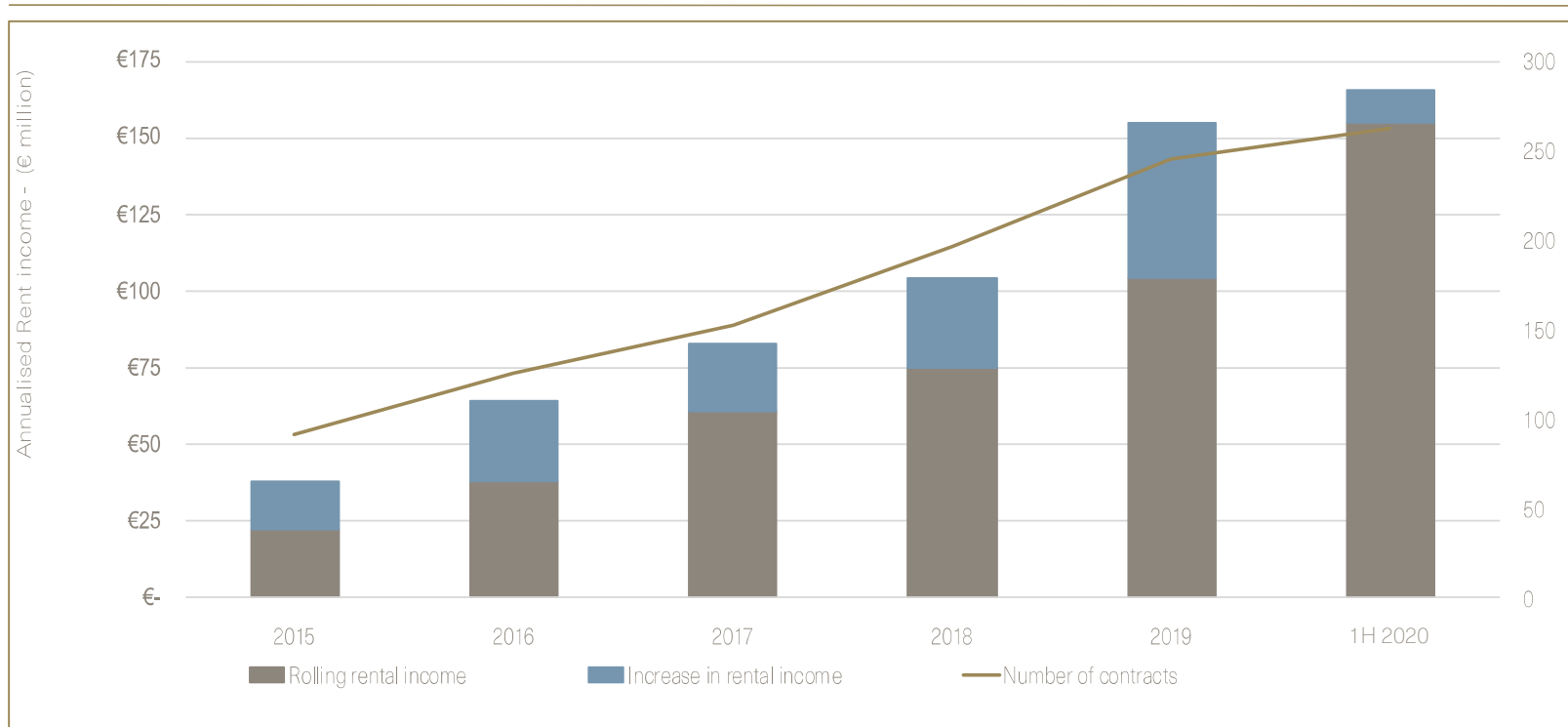
<sup>1</sup> As of year-end 2019 we had 16.5MWP installed on VGP's roofs which are owned and operated by third parties

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## 2. Operational performance

## Despite the challenging market environment, H1 2020 saw resilient leasing growth...

### Committed annualised rental income and number of tenancy contracts<sup>1</sup>



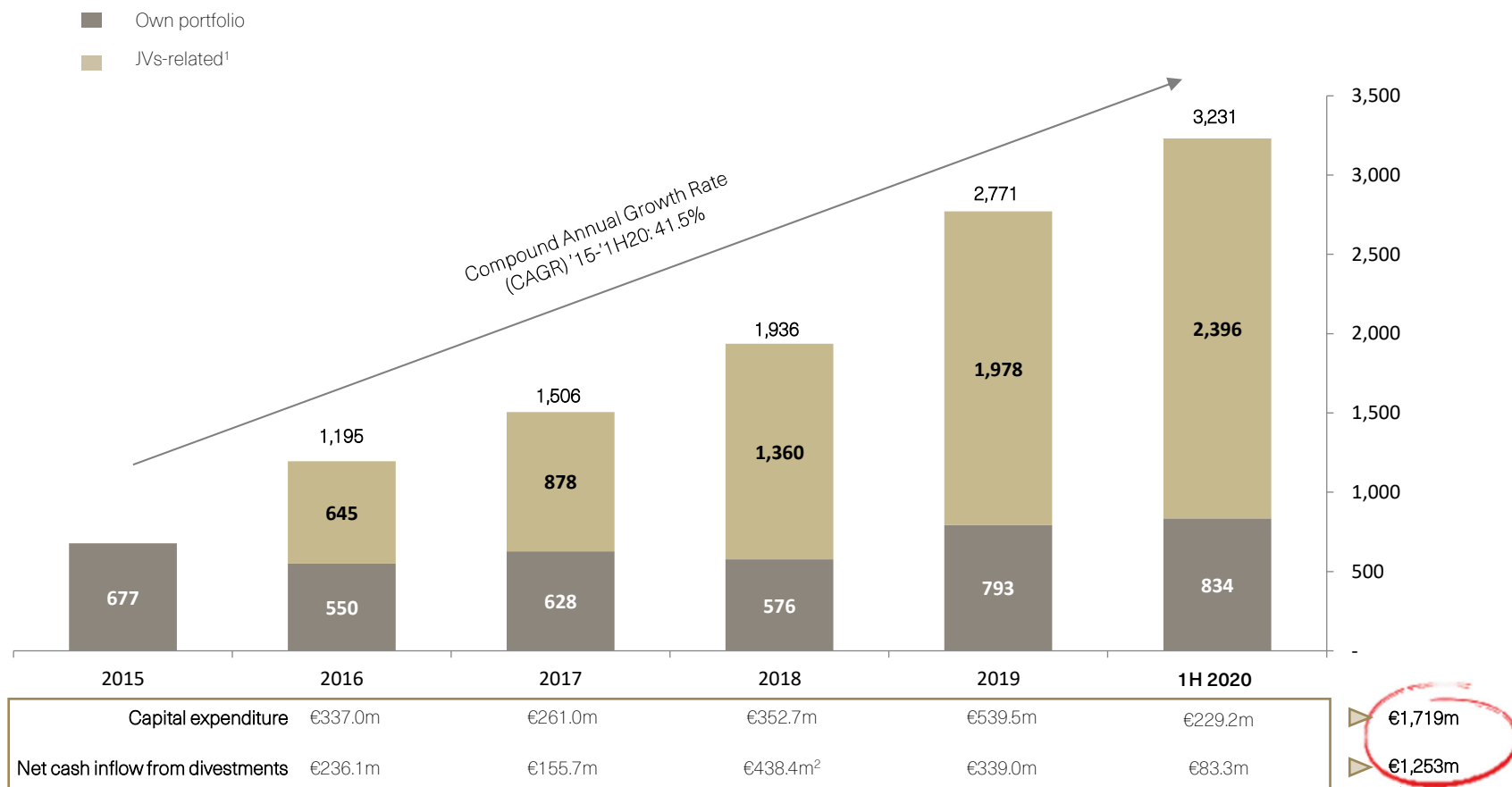
- In total 263 tenant contracts driving committed annualised leases to € 165.2 million (2019: €155.0 million)
  - € 37.0 million through own portfolio and € 128.2 million through the Joint Venture
- Occupancy rate of 99.9% for the completed portfolio<sup>1</sup>

**Signed and renewed rental income of €20.1 million in 2020 YTD  
(of which €11.4 million new leases)**

<sup>1</sup> Including 100% of JVs' assets

## ...driving continued portfolio growth ...

### Total portfolio – including 100% JV (€ million)



**Portfolio growth primarily driven by continued capital expenditure financed mostly by rapid cash recycling**

Two additional closings before YE anticipated

As of June 2020

<sup>1</sup> JVs-related includes German 5.1% stake held directly by VGP and portion of Held-for-Sale being developed on behalf of the JVs

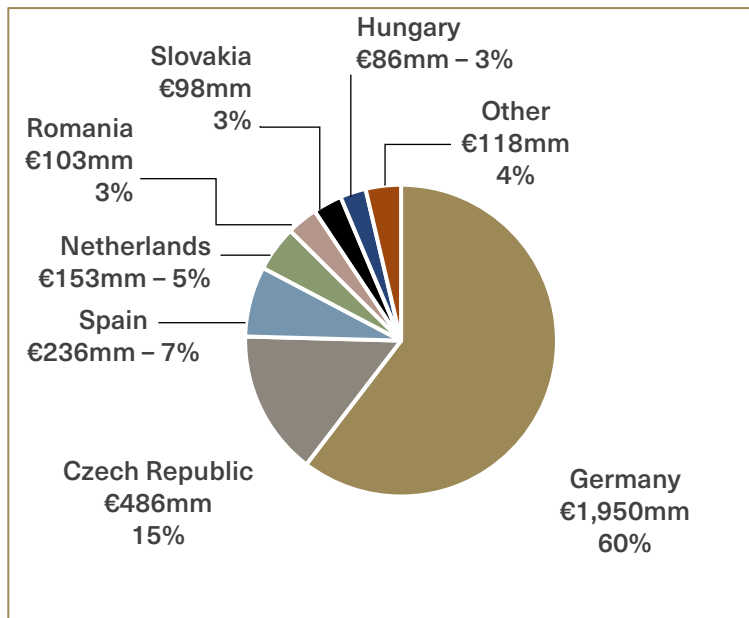
<sup>2</sup> Includes sale of Mango building, Spain (€150m)



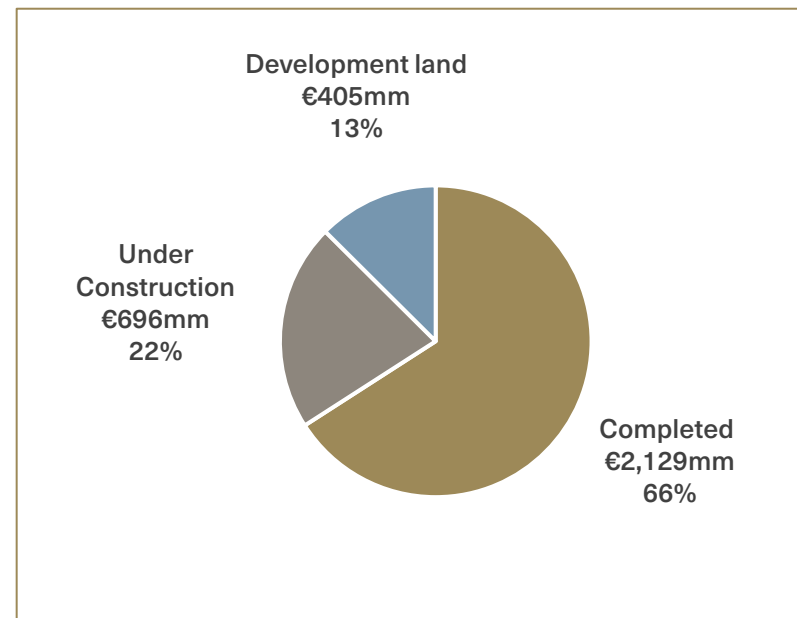
...which has resulted in a diversified investment portfolio

### Investment portfolio breakdown<sup>1</sup>

#### Country breakdown



#### Completed vs Under Construction vs Land Bank



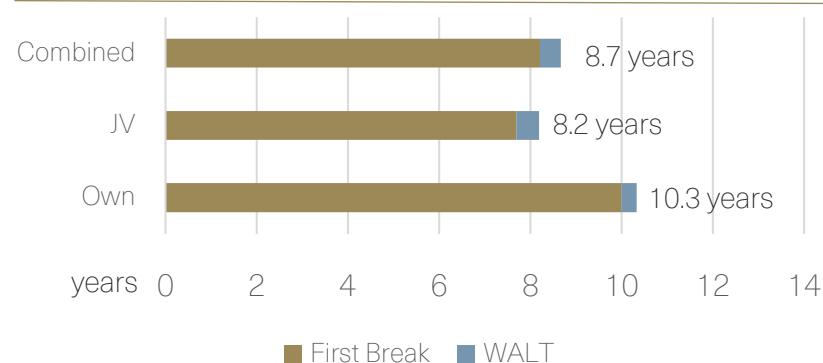
- The Investment portfolio has grown to €3,231 million<sup>1</sup>, up 16.6% YTD
- As of Jun 2020, Western Europe represents 75% of total portfolio<sup>1</sup> (and 94% of operating EBITDA incl. JVs at share)
  - Germany contributed 73% of the combined portfolio growth
  - Netherlands continuing to grow at fastest relative pace (32% YTD)

As of 30 June 2020

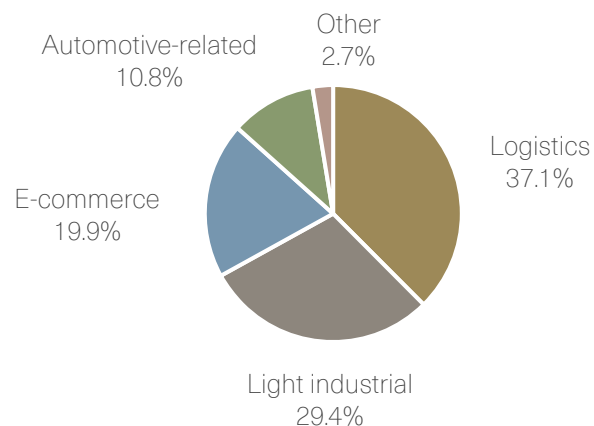
<sup>1</sup> Including 100% of JVs assets

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

## Weighted average term of the portfolio

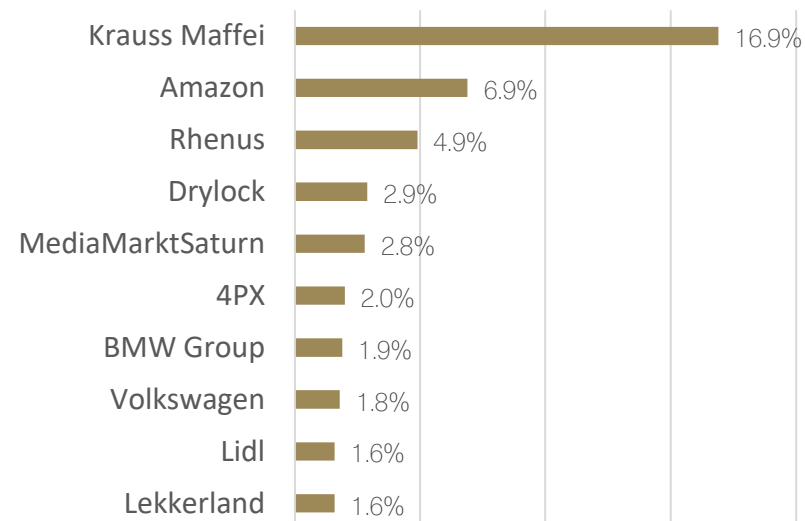


## Tenant portfolio breakdown – by industry segment



Diversified customer base

## Blue-chip top 10 Tenants (JVs at 100%)



Top 10 clients count for 43.4%

# Solid delivery of new developments in first half of 2020

- During 1H 2020 a total of 12 buildings were delivered, representing 190,000 m<sup>2</sup>
  - As of 24 Aug 2020, this has grown to 311,000 m<sup>2</sup>
- Largest share of new developments delivered for tenants active in:
  - e-commerce (38%)
  - light industrial (31%)
  - logistics (20%)



macron



VGP Park Halle, Germany



VGP Park Valsamoggia, Italy



VGP Park Olomouc,  
Czech Republic



VGP Park Berlin Wustermark,  
Germany



VGP Park Timisoara, Romania

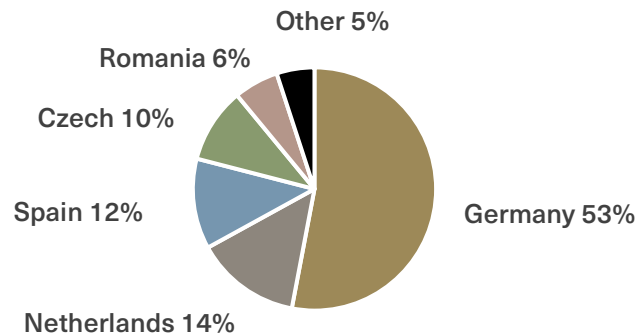


VGP Park Lliçà d'Amunt (Barcelona),  
Spain

## Current development pipeline

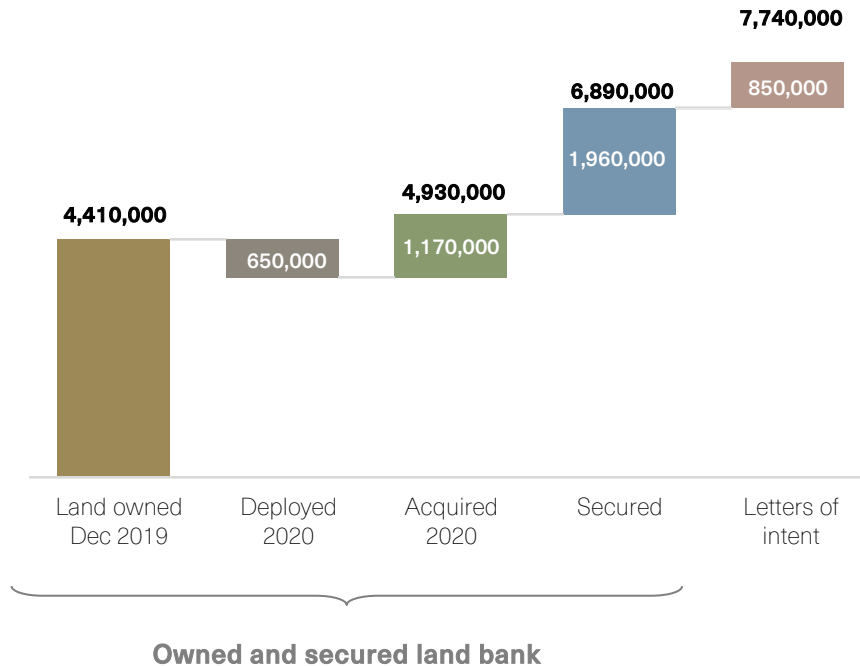
- **At Jun 2020, 33 buildings were under construction, representing 795,000 m<sup>2</sup>**
  - This equates to € 49.5 million of new lease contracts
  - The portfolio Under Construction was 73% pre-let
  - Western Europe reflects 82% of the total development pipeline

### Developments – geographic breakdown (by m<sup>2</sup>)

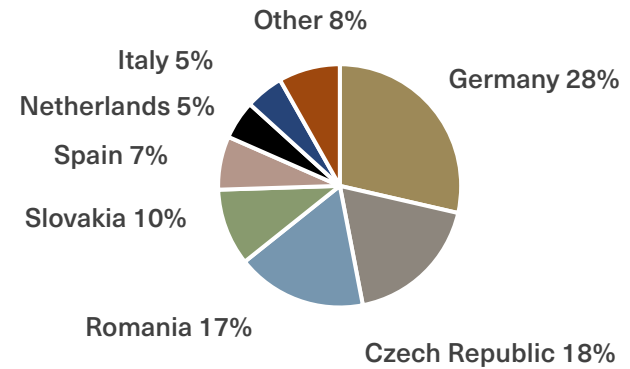


## Well advanced land bank to support future growth

### Build-up of Land bank (m<sup>2</sup>)



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



<sup>1</sup> Geographical breakdown of development potential (m<sup>2</sup>) of the owned and secured land bank

- Total land bank (owned and secured) of 6.89 million m<sup>2</sup> equates to development potential of **3.12 million m<sup>2</sup>**
- In addition, 0.85 million m<sup>2</sup> of land under option, subject to due diligence, with **0.41 million m<sup>2</sup>** of development potential

**3.53 million m<sup>2</sup> of development potential embedded in the Land bank**

As of 30 Jun 2020

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## 2. Financial performance



# Income Statement

- Operating profit up €121.8mm to €217.9mm
  - Increase driven by higher net valuation gain (up €139.3mm), compensating lower share in result of JV (€10.7)mm and higher admin expenses (€5.6mm)
- On a “look-through”- basis<sup>1</sup> net rental is up by € 2.7 mm YoY to € 26.9mm
- Net valuation gains on the property portfolio of € 204.6mm
  - Positively affected by the new 50:50 VGP Park München joint venture
  - The own standing property portfolio is valued on a weighted average yield of 5.81% (vs. 5.76% as at 31 Dec '19)<sup>2</sup> – increase in yield due to mix change following entering of the VGP Park München joint venture in June 2020
- Administrative expenses of € 15.5mm
  - Increase mainly due to additional accrual accounted for in respect of LTIP

## Income statement (€ million)

	1H20	1H19
Revenue	12.4	14.8
Gross rental income	4.7	7.4
Property operating expenses	(0.6)	(0.9)
Net rental income	4.1	6.4
Joint venture management fee income	6.1	4.9
Net valuation gains on investment properties	204.6	65.3
Administration expenses	(15.5)	(9.9)
Share of net profit from JVs and associates	18.6	29.3
Operating profit	217.9	96.1
Financial income	3.9	2.5
Financial expense	(12.0)	(9.7)
Net financial result	(8.2)	(7.1)
Profit before taxes	209.7	89.0
Taxes	(12.8)	(13.9)
Profit for the period	196.9	75.0

<sup>1</sup> Look-through basis includes VGP's share of the JVs net rental income

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

# Income Statement – by segment

Investment			Development			Property and Asset Management		
€ million	1H20	1H19	€ million	1H20	1H19	€ million	1H20	1H19
Gross rental income	4.7	7.4	Gross rental income	-	-	Gross rental income	-	-
Property operating expenses	(0.1)	(0.1)	Property operating expenses	(0.5)	(0.8)	Property operating expenses	-	-
Net rental income	4.6	7.3	Net rental income	(0.5)	(0.8)	Net rental income	-	-
Joint venture management fee income	-	-	Joint venture management fee income	-	-	Joint venture management fee income	6.1	4.9
Net valuation gains on investment properties destined to the JVs	-	-	Net valuation gains on investment properties destined to the JVs	204.6	63.9	Net valuation gains on investment properties destined to the JVs	-	-
Administration expenses	(1.7)	(1.1)	Administration expenses	(9.8)	(7.3)	Administration expenses	(3.2)	(1.3)
Share of JVs' adjusted operating profit after tax	22.4	17.3	Share of JVs' adjusted operating profit after tax	-	-	Share of JVs' adjusted operating profit after tax	-	-
EBITDA	25.3	23.5	EBITDA	194.3	55.8	EBITDA	2.9	3.6
<p>■ Share in result of JVs up €5.1 million YoY corresponds to VGP's share in the result of the JVs <u>excluding any revaluation result</u></p>			<p>■ Valuation gains/(losses) up €140.7 million YoY – Positively affected by the new 50:50 VGP Park München joint venture and further yield contraction</p>			<p>■ Revenues include asset management, property management and facility management income</p>		

**From FY20 results publication onwards we will introduce a fourth pillar which will be based on income generated out of renewable energy**

Please note the segment reporting disclosure in the notes of our H1 2020 condensed consolidated interim financial statements press release for overview of adjustments to operating EBITDA



## Balance sheet - assets

- Investment Properties of €834.4mm (of which €238.5mm reclassified as held for sale)
  - Completed portfolio €173mm ('19: €94mm)
  - Under Construction €344mm ('19: €338mm)
  - Development land €318mm ('19: €361mm)
- Investment in Joint Ventures and associates increased to €534.2 mm by €147.0 mm, reflecting the closing of third joint venture in respect of VGP Park München
- Other non-current receivable increased to €219.6mm from €63.6 mm, mainly reflecting construction loans to VGP Park München (€77.8 mm) and the remaining non-current balance due by Allianz in respect of VGP Park München (€ 66.0 mm)<sup>1</sup>
- Trade and other receivables increased to €50.1 mm from €28.8mm, mainly reflecting current balance due by Allianz Real Estate in respect of VGP Park München (€22.2mm)
- Cash position of €92.5 mm – in addition several multi-year unsecured credit facilities undrawn and available (€150 mm as of Jun '20)

### Balance sheet (€ million)

	30 Jun '20	31 Dec '19
<b>ASSETS</b>		
Investment properties	595.9	792.9
Investment in joint ventures and associates	534.2	387.2
Other non-current receivables	219.6	63.6
Other non-current assets	7.5	6.0
<b>Total non-current assets</b>	<b>1,357.1</b>	<b>1,249.8</b>
Trade and other receivables	50.1	28.8
Cash and cash equivalents	92.5	176.1
Disposal group held for sale	457.0	169.7
<b>Total current assets</b>	<b>599.7</b>	<b>374.6</b>
<b>TOTAL ASSETS</b>	<b>1,956.8</b>	<b>1,624.4</b>

<sup>1</sup> The remaining balance due by Allianz Real Estate in respect of the acquisition of VGP Park München shall become payable by Allianz Real Estate in different instalments based on the completion dates of the respective buildings

## Balance sheet – Shareholders' equity and liabilities

- Shareholders' equity of €1,035mm, up €335mm since Dec '19

- Includes effect of €200 mm equity capital raising

- Total liabilities of €922 mm (2019: €925 mm)

- Financial debt of €782 mm (2019: €780 mm)
  - Trade debt and other current liabilities decreased by €19.6mm mainly due to reclassification to Liabilities related to disposal group HFS in respect of upcoming JV closings
  - Liabilities related to disposal group HFS increased by €36.5mm due to reclassified liabilities related to upcoming JV closings in H2 2020

- Gearing at the end of Jun '20 stood at 35.0%<sup>1</sup>

- The group's target to operate within a maximum consolidated gearing of 65%

Balance sheet (€ million)

	30 Jun '20	31 Dec '19
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity	1,034.8	699.8
Non-current financial debt	767.7	767.7
Other non-current (financial) liabilities	4.3	12.8
Deferred tax liabilities	19.0	31.6
<b>Total non-current liabilities</b>	<b>791.0</b>	<b>812.1</b>
Current financial debt	14.4	12.7
Trade debt and other current liabilities	69.7	89.3
Liabilities related to disposal group HFS	47.0	10.5
<b>Total current liabilities</b>	<b>131.0</b>	<b>112.5</b>
<b>Total liabilities</b>	<b>922.0</b>	<b>924.6</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,956.8</b>	<b>1,624.4</b>

<sup>1</sup> Calculated as Net debt / Total equity and liabilities

## 3. Summary and Outlook

# Summary and Outlook



## Summary

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- Resilient business performance across portfolio; achieved many new milestones
- Third joint venture with Allianz Real Estate has taken cooperation to new level and made VGP balance sheet stronger than ever before
- Formidable land bank expanded with some trophy new positions – already registering early indications of significant tenant appetite

## Outlook

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- Whilst outlook uncertain due to Covid-19, we note accelerating adoption of e-commerce and increasing emphasis on the resiliency of logistics supply chains.
  - These developments play to the prime locations and quality of our portfolio.
- We anticipate two additional JV closings before the end of 2020 with significant cash recycling
  - Expect in coming months to announce expansion of first JV beyond the €1.7 billion original target.
- Our strong capital position will allow us to continue to invest in the expansion of our portfolio pipeline.
- From FY2020 onwards we will introduce a fourth financial reporting pillar which will be based on income generated out of renewable energy

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# Appendix

## Track record of the two joint ventures: in excess of € 1 billion of net cash proceeds

### First JV: VGP European Logistics

Closing I (May '16)	GAV: c.€500mm 15 parks (28 buildings) in Germany, Czech Republic, Slovakia and Hungary	€176mm net cash
Closing II (Oct '16)	GAV: c.€80mm 5 buildings in Germany and Slovakia	€59mm net cash
Closing III (May '17)	GAV: c.€173mm 6 parks (7 buildings) and 4 newly completed buildings in Germany and Czech Republic	€122mm net cash
Closing IV (May '18)	GAV: c.€400mm 6 parks (13 buildings) and 5 newly completed buildings in Germany, Czech Republic and Hungary	€290mm net cash
Closing V (Apr '19)	GAV: c.€203mm 3 parks (3 buildings) and another 6 newly completed buildings in Germany and Czech Republic	€125mm net cash
Closing VI (Nov '19)	GAV: c.€232mm 13 buildings, including 7 in 3 new VGP Parks in Germany and Czech Republic	€123mm net cash

VGP net cash proceeds of €895mm from First JV

### Second JV: VGP European Logistics 2

Closing I (Jul '19)	GAV: c.€175mm 3 parks (8 buildings) in Spain, Austria and Romania	€96mm net cash
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VGP net cash proceeds of €96mm from Second JV

# VGP Park München





## VGP Park München



Building	Land plot (m <sup>2</sup> )	Total GLA (m <sup>2</sup> )	Tenant
GERMUER - A1	95,148	38,380	BMW
GERMUER - A2	37,523	15,136	BMW
GERMUER - PHN	4,615	22,213	KMT
GERMUER - B	202,165	81,548	KMT
GERMUER - E	97,555	39,351	KMT
GERMUER - F	18,559	7,486	KMT
GERMUER - PHS	4,615	19,418	KMT
GERMUER - C	120,162	48,470	KMT
GERMUER - D	93,904	37,878	[KMT]
<b>Total</b>	<b>674,248</b>	<b>309,881</b>	

- Construction works started in September 2019

**Landmark development in München**  
**KraussMaffei – Largest lease agreement signed by VGP**

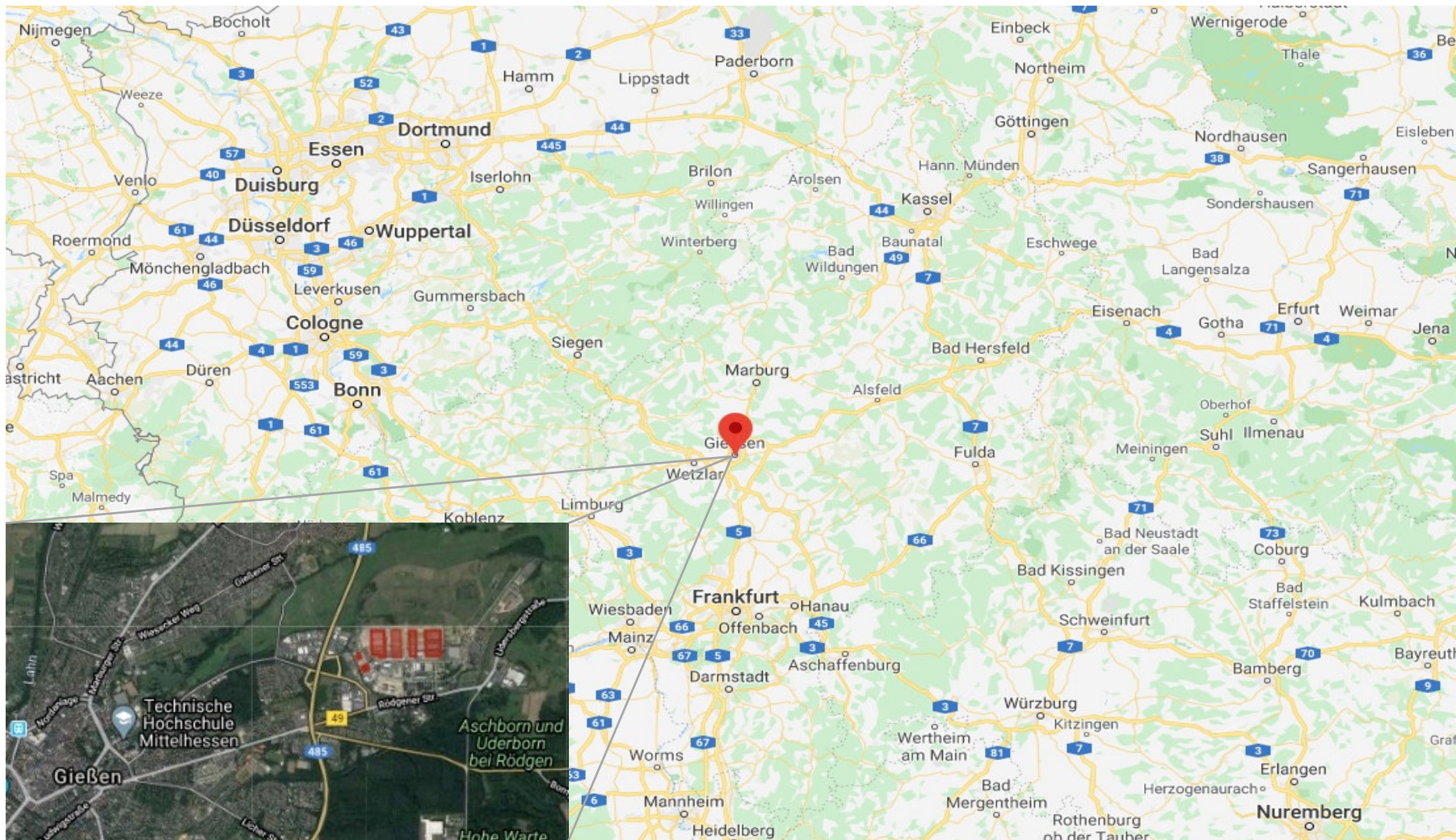


## VGP Park München





## VGP Park Gießen - Am Alten Flughafen



Secured sought after location in 'transport hub' city of Gießen, Hesse



# VGP Park Gießen - Am Alten Flughafen

## LOCATION —Gießen, Hessen

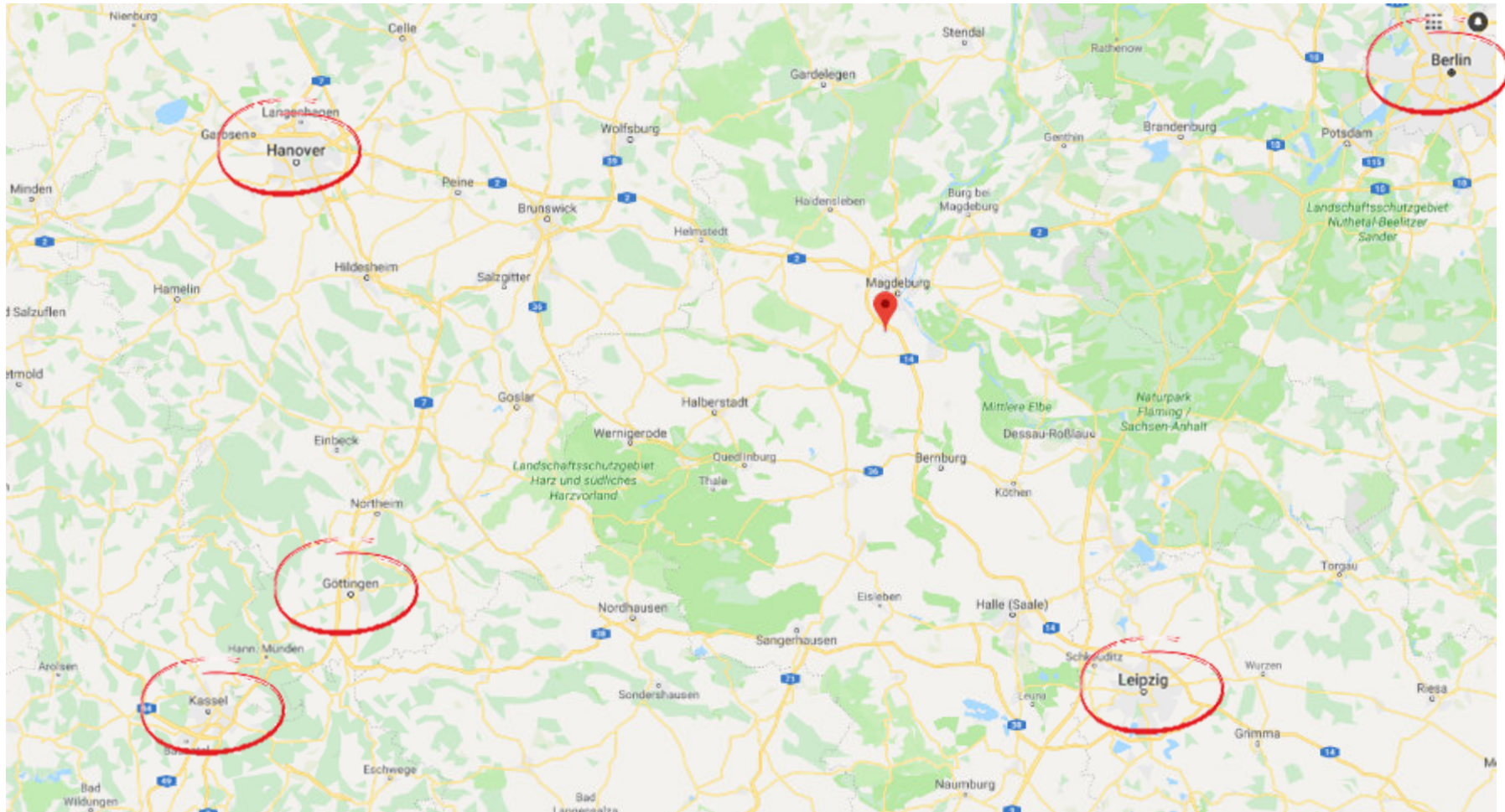
- 316,603 m<sup>2</sup> development land acquired in May '20
- Construction works expected to start early 2021

Building	Land plot (m <sup>2</sup> )	Total GLA (m <sup>2</sup> )
GERGAF - A	81,173	40,508
GERGAF - B	56,423	28,157
GERGAF - C	47,145	23,527
GERGAF - D	112,079	55,931
GERGAF - E1	9,009	4,496
GERGAF - E2	10,773	5,376
Total	316,603	157,995





# VGP Park Magdeburg



# VGP Park Magdeburg

Building	Land Plot	Total GLA
GERMAG - A	54,619 m <sup>2</sup>	26,365 m <sup>2</sup>
GERMAG - B	72,715 m <sup>2</sup>	35,100 m <sup>2</sup>
GERMAG - C	65,522 m <sup>2</sup>	31,628 m <sup>2</sup>
GERMAG - D	65,522 m <sup>2</sup>	31,628 m <sup>2</sup>
GERMAG - E	115,870 m <sup>2</sup>	55,931 m <sup>2</sup>
GERMAG - F	115,870 m <sup>2</sup>	55,931 m <sup>2</sup>
GERMAG - G	60,088 m <sup>2</sup>	29,005 m <sup>2</sup>
GERMAG - H	54,652 m <sup>2</sup>	26,381 m <sup>2</sup>
<b>TOTAL</b>	<b>604,858 m<sup>2</sup></b>	<b>291,969 m<sup>2</sup></b>

## LOCATION —Magdeburg (Osterweddingen)

- Circa 240,000 inhabitants
- Capital city of Saxony-Anhalt
- 604,858 m<sup>2</sup> development land acquired in June 2019
- Construction works started November 2019





## VGP Park Bratislava (Bernolakova)



### LOCATION — Bratislava - Bernolákovo

- Land area: 576 000 m<sup>2</sup> · Exit under construction – expected 4Q 2020
- Infrastructure on our land started in Aug-20

Building	Land Plot	Total GLA
SVKBRA - A	59,463 m <sup>2</sup>	26,209 m <sup>2</sup>
SVKBRA - B	62,474 m <sup>2</sup>	27,605 m <sup>2</sup>
SVKBRA - C	78,307 m <sup>2</sup>	34,601 m <sup>2</sup>
SVKBRA - D	83,579 m <sup>2</sup>	37,825 m <sup>2</sup>
SVKBRA - E	86,166 m <sup>2</sup>	38,996 m <sup>2</sup>
SVKBRA - F	88,712 m <sup>2</sup>	40,148 m <sup>2</sup>
SVKBRA - G	66,034 m <sup>2</sup>	29,885 m <sup>2</sup>
SVKBRA - H	50,890 m <sup>2</sup>	23,031 m <sup>2</sup>
	<b>575,624 m<sup>2</sup></b>	<b>258,300 m<sup>2</sup></b>



# Disclaimer

## ABOUT VGP

VGP is a leading pan-European developer, manager and owner of high-quality logistics and semi-industrial real estate. VGP operates a fully integrated business model with capabilities and longstanding expertise across the value chain. The company has a development land bank (owned or committed) of 6.89 million m<sup>2</sup> 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 over 230 employees today owns and operates assets in 12 European countries directly and through three joint ventures with Allianz Real Estate (VGP European Logistics, VGP European Logistics 2 and VGP Park München). As of June 2020, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to €3.23 billion and the company had a Net Asset Value (EPRA NAV) of €1,079 million. VGP is listed on Euronext Brussels and on the Prague Stock Exchange (ISIN: BE0003878957).

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

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