
VGP

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ANNUAL FINANCIAL RESULTS PRESS RELEASE

For the period from
1 January 2020 – 31 December 2020

Regulated Information
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A TRANSFORMATIVE YEAR AND A SIGNIFICANTLY STRONGER PLATFORM PROVIDES FOUNDATION FOR A GOOD 2021

26 February 2021, 7:00am, Antwerp (Berchem), Belgium: VGP NV ('VGP' or 'the Group'), a European provider of high-quality logistics and semi-industrial real estate, today announces the results for the financial year ended 31 December 2020:

- Record net profit of €370.9 million, an 80.4% YoY increase
- Strong business growth across the portfolio
 - Signed and renewed rental income of €45.2 million, bringing total signed rental income to € 185.2 million, a 19.5% YoY increase
 - A record 33 buildings with 869,000 m² under construction at year-end
 - Land bank expanded to 7.65 million m² – a 23.2% YoY increase
 - A record 27 projects delivered with 531,000 m² of lettable area, representing €29.1 million of annualised committed leases (entire completed portfolio is 98.5% let)
- Limited impact Covid-19: nearly all due payments received on time and very limited reprofiling
- Launched third joint venture for VGP Park München and completed four successful joint venture closings for a total value of €666 million resulting in €405.6 million net cash proceeds
 - First joint venture expanded to a €2 billion net asset value target and discussions with regards to a further expansion through a new joint venture are underway
- Year-end gearing ratio reduced to 25.2%, supported by two successful share placements
- Intention to propose to the Annual Meeting of Shareholders a distribution of a gross dividend of € 75 million which equates to € 3.65 per share – a 24.2% YoY increase

VGP's Chief Executive Officer, **Jan Van Geet**, said: *"The past year was transformative for VGP in many ways. Despite unforeseen challenges, we created an equity base growth from €700 million last year to €1.3 billion today as we outpaced many trends and significantly increased the number of mostly pre-let projects under construction driven by strong lease growth and enabled through cash recycling with four joint venture closings and two successful share placements. Looking ahead at 2021, we are seeing the same strong operating trends continue, leaving us convinced that this can also be a good year."*

Jan Van Geet continued: *"We have kicked off several iconic projects in the past year including our new parks in Laatzen (Hanover) and Bratislava. Furthermore, we have several milestone projects in the pipeline including VGP Park Moerdijk – the largest development project in The Netherlands – and more and more brownfield projects including in Giessen where we acquired a 32-hectare former US military airfield and in Wiesloch, Heidelberg, where 13 hectares will be redeveloped at the historic site of Heidelberger Druckmaschinen AG."*

Jan Van Geet concluded: *"We have strengthened our teams across the board, including Last Mile logistics and renewable energy expertise, which will enhance our product offerings and deepen our engagement with our clients. We have also continued to invest in our communities – for example, through our contribution to the first 16 projects identified by the VGP Foundation. I want to end by thanking our colleagues and partners, who quickly adapted to the pandemic and safely helped our existing tenants, the communities in which we operate and by ensuring construction projects were delivered to our clients on time."*

FINANCIAL AND OPERATING HIGHLIGHTS

Strong new leasing activity continued

- Signed and renewed rental income of € 45.2 million driven by 625,000 m² of new lease agreements signed (corresponding to € 34.0 million of new annualised rental income), combined with 209,000 m² of lease agreements renewed (corresponding to € 11.3 million of annualised rental income)
- The new leases signed are geographically well spread: Germany € 13.3 million (39%), the Netherlands € 5.9 million (17%), Spain € 3.9 million (12%), Slovakia € 3.0 million (9%), Romania € 2.4 million (7%) and the remainder in Italy, Czech Republic and Latvia (each 5%) and Hungary (1%)
- Terminations represented a total of € 3.7 million or 71,000 m² (of which 65,000 m² within the Joint Ventures' portfolio)
- The total signed lease agreements represent € 185.2 million¹ annualised committed rental income (equivalent to 3.22 million m² of lettable area), a 19.5% increase since December 2019

Record level of construction activity

- During 2020 we delivered a record 27 projects representing 531,000 m² of lettable area, which equates to €29.1 million of annualised committed rental income
- At year-end we had a record 33 projects under construction or 869,000 m² of future lettable area, which, once delivered and fully let, will generate €55.2 million of annualised committed rental income; the portfolio under construction at year-end was 79% pre-let²

Implications of Covid-19

- The entire VGP team has been operational throughout the crisis with full access to central systems. None of the VGP workforce has been furloughed and the Group has not taken any government support
- The lockdown measures implemented by governments across Europe to combat the spread of the virus resulted in widespread disruption across many sectors of the economy. In some cases, this has impacted the operations and cash flows of VGP's customers, which has in some limited cases affected the level of rent we were able to collect from such customer. VGP has worked constructively to support customers facing genuine cash flow challenges by offering to reschedule rental payments or reprofiling
- Rental collection has continued to progress well with rent collection since start of the Covid-19 pandemic at 99.7% of total rent billed

¹ For Joint Ventures at 100%

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

Record land bank expansion

- Acquisition of 2.57 million m² of development land and a further 2.2 million m² committed subject to permits which brings the total land bank (owned and committed) to 7.65 million m² (a 23.2% net increase since December 2019), which supports 3.60 million m² of future lettable area
- Included within this land bank is more than 450,000 m² gross lettable area related to VGP Park Moerdijk. On 26 November 2020, VGP entered into a partnership with Roozen Landgoederen Beheer in order to develop Logistics Park Moerdijk (“LPM”) together with the Port Authority Moerdijk on a 50:50-basis. The total development land of LPM amounts to circa 140ha with a total development potential of circa 900,000 m² of lettable area
- In addition to the land owned and committed, negotiations are underway for a further 1.49 million m² of new land plots which have a development potential of 0.66 million m² of lettable area
- More than in prior years, we have acquired several brownfield projects including our new project in Giessen where we acquired a 32-hectare former US military airfield and in Heidelberg where 13 hectares will be redeveloped at the site of Heidelberger Druckmaschinen AG. Brownfield projects are being considered due to their often-strategic location in the vicinity of metropolitan areas and as it helps nature conservation. We are evaluating several other potential brownfield projects

Significant strengthening of the team

- The team expanded to >260 FTE equivalent as we hired 40 additional people across the organization
- We have strengthened our teams across the board, including Last Mile logistics and renewable energy experts, which will enhance our product offerings and deepen our engagement with our clients

Balance sheet significantly strengthened

- In June 2020, VGP and Allianz Real Estate entered into a new 50:50 joint venture for the development of VGP Park München. This is the third joint venture with Allianz Real Estate
- The managerial and governance setup of the new partnership is similar to the first two joint ventures with VGP serving the new joint venture as its sole asset, property and development manager. Contrary to the two existing joint ventures which concentrate on the acquisition of income-generating assets developed by VGP, this new joint venture will initially be focussed on the development of VGP Park München
- Also, four successful closings with the joint ventures were completed for a total gross asset value of €666 million. The first joint venture conducted a closing in October 2020 for €166 million and the second joint venture conducted a closing in November 2020 for €258 million. The third joint venture successfully completed its seed closing in June 2020 for €187 million and closed a first transaction of €55 million in December 2020. These four transactions combined resulted in €405.6 million net cash proceeds
- On 21 April 2020 VGP successfully completed an €200 million offering of new shares (equivalent to 10.8% of shares outstanding) at a discount of 4.6% compared to the last traded price and on 3 September 2020 VGP successfully completed an offering of 929,153 existing shares (equivalent to €109 million or 4.5% of the shares outstanding) at a discount of 4.2% compared to the last traded price

- These combined proceeds and existing unutilised long-term revolver facilities provide VGP with significant headroom to reinvest in its development pipeline and continue to grow the business. Gearing¹ at the end of 2020 stood at 25.2% providing significant leverage headroom

Significant growth in renewable energy power generation

- VGP Renewable Energy N.V. has been setup by the Group in 2020 to broaden the ability of the Group to assist our clients in making their businesses more sustainable in a cost-effective way by offering green energy, smart energy management and facilitate our clients in their transition towards a green truck and car fleet
- A total PV power generation capacity of 42.5MWp is currently installed or under construction through 36 projects. This is being realised through a €16.2 million investment to date. In addition, the pipeline at the moment equates to an additional power generation capacity of 53.3 MWp

Progress towards our Sustainable Development Goals

- We have made significant progress towards our Sustainable Development Goals and have introduced new goals for 2021 including a target to be net carbon neutral on our footprint for scope 1 and scope 2 emissions in compliance with PAS 2060 by 2025 and comply with CDP climate change disclosure

Outlook 2021

- It is with confidence that we look at 2021 and beyond. Development activities should continue to operate at elevated levels during 2021 supported by solid demand from potential tenants as we expect technological changes and e-commerce to continue to be an important driver for demand across our platform. Our existing land bank provides the foundation for growth over the coming years and VGP expects to be able to continue expanding its rental income and property portfolio through the completion and start-up of new building projects in 2021
- Focus on expansion of service offering through VGP Renewable Energy, through increased production of green energy and facilitating our clients in their transitioning towards green energy
- Finally, we expect in the course of 2021 to be able to announce the details of a further expansion of our first joint venture with Allianz Real Estate beyond the €2.0 billion expanded target and we anticipate to be able to conduct several closings with the joint ventures in the course of this year

¹ Calculated as Net debt / Total equity and liabilities

KEY FINANCIAL METRICS

Operations and results	2020	2019	Change (%)
Committed annualised rental income (€mm)	185.2	155.0	19.5%
IFRS Operating Profit before tax (€mm)	419.4	252.4	66.2%
IFRS net profit (€mm)	370.9	205.6	80.4%
IFRS earnings per share (€ per share)	18.58	11.06	68.0%
Dividend per share (€ per share)	3.65 ¹	2.93 ²	24.6%

Portfolio and balance sheet	2020	2019	Change (%)
Portfolio value, including Joint Ventures at 100% (€mm)	3,843	2,771	38.7%
Portfolio value, including Joint Ventures at share (€mm)	2,468	1,897	30.1%
Occupancy ratio of standing portfolio (%)	98.5	99.8	-
EPRA NTA ³ per share (€ per share)	65.78	39.89	64.9%
IFRS NAV per share (€ per share)	63.44	37.66	68.5%
Net financial debt (€mm)	560.9	604.2	(7.2)%
Gearing ⁴ (%)	25.2	37.2	-

CONFERENCE CALL FOR INVESTORS AND ANALYSTS

VGP will host a conference call at 10:30 (CET) on 26 February 2021

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: 888 394 8218 (toll free) / +1 323 701 0225
- Confirmation Code: 1934802

A presentation is available under Financial & Operating Results through VGP's Investor Relations website.:

www.vgpparks.eu/en/investors/publications/

¹ Proposed dividend per share to be approved by the Annual General Meeting of Shareholders of 14 May 2021.

² Proposed dividend per share over FY2019 was €3.25 per share; based on new shares issued this was adjusted to €2.93 per share

³ EPRA Net Tangible Assets. Other metrics, EPRA Net Reinstatement Value and Net Disposal Value can be found in note 12.2

⁴ Calculated as Net debt / Total equity and liabilities

FINANCIAL CALENDAR

Annual Report 2020	13 April 2021
First quarter 2021 trading update	14 May 2021
General meeting of shareholders	14 May 2021
Dividend ex-date	21 May 2021
Dividend payment date	25 May 2021
Half year results 2021	27 August 2021
Third quarter 2021 trading update	19 November 2021

CONTACT DETAILS FOR INVESTORS AND MEDIA ENQUIRIES

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ABOUT VGP

VGP is a 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 7.65 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 over 260 employees today owns and operates assets in 12 European countries directly and through several 50:50 joint ventures. As of December 2020, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 3.84 billion and the company had a Net Asset Value (EPRA NAV) of € 1.35 billion. 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.

BUSINESS REVIEW

During 2020 VGP's business has continued to grow with development activities continuing to perform at record levels driven by strong letting activities, despite the unprecedented disruption caused by Covid-19. Our primary focus is and will remain the health, safety and well-being of our employees and partners. Throughout the period the VGP team has remained operational, mostly working from home, with full access to systems. Where allowed, our construction sites remained operational and the timing impact particularly on pre-let projects has remained minimal and was concentrated during the first half of 2020.

On 23 June 2020, VGP sold 50% of the shares of VGP Park München GmbH to Allianz Real Estate, with a seed closing for €187 million thereby forming the Group's third joint venture. The seed closing was followed by a first closing of €55 million in December 2020. Contrary to the first two joint ventures, this joint venture will first focus on the development of VGP Park München with both joint venture partners funding the remaining development costs proportionally to their respective shareholding. In addition, the first joint venture conducted a closing in October 2020 for €166 million and the second joint venture conducted a closing in November 2020 for €258 million. These four transactions represented a total gross asset value of €666 million and resulted in €405.6 million net cash proceeds.

On 26 November 2020, VGP entered into a partnership with Roozen Landgoederen Beheer in order to develop Logistics Park Moerdijk together with the Port Authority Moerdijk on a 50:50 basis. VGP Park Moerdijk's share equates to more than 450,000 m² of lettable area.

The signed lease agreements represent € 185.2 million¹ of annualised committed rental income at the end of December 2020 represent a total of 3,216,000 m² of lettable area. Of this total space 809,000 m² belong to the own portfolio (749,000 m² as at 31 December 2019) and 2,407,000 m² to the Joint Ventures (1,913,000 m² at 31 December 2019).

During the year 2020 VGP delivered a total of 27 projects representing 531,000 m² of lettable area, with an additional 33 projects under construction representing 869,000 m² of future lettable area.

The Group's completed property portfolio, including own and Joint Ventures portfolio, reached an occupancy rate of 98.5% as of December 2020 compared to 99.8% as of December 2019.

The net valuation of the property portfolio as at 31 December 2020 showed a net valuation gain of € 366.4 million (against a net valuation gain of € 188.2 million per 31 December 2019).

The own investment property portfolio consists of 10 completed buildings representing 205,000 m² of lettable area whereas the Joint Ventures property portfolio consists of 115 completed buildings representing 2,236,000 m² of lettable area.

During the year VGP successfully completed two share offerings for total proceeds of €309 million which, combined with retained earnings and cash proceeds from the joint venture closings has resulted in a significant reduction of the gearing ratio of the Group to 25.2% as at 31 December 2020 (compared to 37.2% at 31 December 2019).

¹ Including joint ventures. As at 31 December 2020 the annualised committed leases for the Joint Ventures combined stood at €143.5 million (2019: € 102.3 million).

OPERATING RESULT

<i>(in thousands of €)</i>	2020	2019
Revenue¹	29,558	26,037
Gross rental income	12,078	11,653
Property operating expenses	(3,784)	(2,556)
Net rental income	8,294	9,097
Joint ventures management fee income	14,699	10,492
Net valuation gains / (losses) on investment properties	366,361	188,165
Administration expenses	(29,296)	(18,100)
Share in result from joint ventures after tax	63,338	65,703
Other expenses	(4,000)	(3,000)
Operating profit / (loss)	419,396	252,357
Net financial costs	(8,592)	(14,238)
Profit before taxes	410,804	238,119
Taxes	(39,865)	(32,506)
Profit for the year	370,939	205,613

Net rental income

The net rental income decreased by € 0.8 million to € 8.3 million, primarily due to the four closings with VGP's Joint Ventures, offset by the income generating assets delivered during 2020.

Including VGP's share of the Joint Ventures and looking at net rental income on a "look-through" basis net rental in total increased by € 8.6 million (from € 46.7 million for the period ending 31 December 2019 to € 55.3 million for the period ending 31 December 2020)²

Annualised committed rent income

Despite the Covid-19 pandemic, during 2020 we saw continued strong leasing growth with letting activities performing strongly across regions.

The increase in demand for lettable area resulted in the signing of new lease contracts in excess of € 45.2 million in total of which € 34.0 million related to new or replacement leases (€ 8.0 million on behalf of Joint Ventures) and € 11.3 million (€ 9.2 million on behalf of Joint Ventures) were related to renewals of existing lease contracts.

During the year lease contracts for a total amount of € 3.7 million (€ 3.4 million on behalf of Joint Ventures) were terminated.

Net, the annualised committed leases therefore increased to € 185.2 million as at the end of December 2020³ (compared to € 155.0 million as at 31 December 2019).

Of the € 34.0 million newly signed and renewed rental income, 39% is generated in Germany with a total of € 13.3 million (€ 4.1 million on behalf of Joint Ventures), in The Netherlands 17% is generated

¹ Revenue is composed of gross rental income, service charge income, property and facility management income and property development income.

² See attached section 'Supplementary notes not part of the condensed financial information' for further details

³ Including joint ventures. As at 31 December 2020 the annualised committed leases for the Joint Ventures combined stood at €143.5 million (2019: € 102.3 million).

equal to € 5.9 million (own portfolio), in Spain 12% equal to € 3.9 million (€ 1.1 million on behalf of Joint Ventures), in Slovakia 9% equal to € 3.0 million (€ 0.3 million on behalf of Joint Ventures), in Romania 7% equal to € 2.4 million (€ 1.3 million on behalf of Joint Ventures), in Latvia 5% equal to € 1.7 million (own portfolio), in Czech Republic 5% equal to € 1.6 million (€ 1.2 million on behalf of Joint Ventures), in Italy 5% equal to € 1.6 million (own portfolio), in Hungary 1% equal to € 0.5 million (€ 0.1 million on behalf of Joint Ventures) and in Austria 0% equal to € 0.1 million (€ 0.1 million on behalf of Joint Ventures).

As at 31 December 2020, the weighted average term of the combined own and Joint Ventures portfolio stood at 8.5 years¹ (compared to 8.9 years at 31 December 2019), the own portfolio stood at 9.9 years² and the Joint Ventures' portfolio stood at 8.0 years³.

The Group's completed property portfolio, including the own and Joint Ventures property portfolio, reached an occupancy rate of 98.5% at the end of December 2020 compared to 99.8% at the end of December 2019.

The signed lease agreements with an annualised committed rental income of € 185.2 million at the end of December 2020 represent a total of 3,216,000 m² of lettable area. Of this total space 809,000 m² belong to the own portfolio (749,000 m² as at 31 December 2019) and 2,407,000 m² to the Joint Ventures (1,913,000 m² at 31 December 2019).

Net valuation gains on the property portfolio

As at 31 December 2020 the net valuation gains on the property portfolio reached € 366.4 million compared to a net valuation gain of € 188.2 million for the period ended 31 December 2019.

The low yields in real estate valuations continued to persist during the year.

The own property portfolio, excluding development land but including the buildings being constructed on behalf of the Joint Ventures, is valued by the valuation expert at 31 December 2020 based on a weighted average yield of 5.51% (compared to 5.76% as at 31 December 2019) applied to the contractual rent income increased by the estimated rental value on unlet space.

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

¹ Combined (own + joint ventures portfolio) – up to the first break: 8.0 years

² Own portfolio – up to the first break: 9.3 years

³ Joint Ventures portfolio – up to the first break: 7.6 years

Income from Joint Ventures

The Joint Ventures management fee income increased by € 4.2 million to € 14.7 million. The increase was mainly due to the growth of the Joint Ventures portfolio and the development activities undertaken on behalf of the Joint Ventures.

Property and facility management fee income increased from € 8.7 million for the period ending 31 December 2019 to € 10.7 million for the period ending 31 December 2020. The development management fee income generated during the period was € 4.0 million compared to € 1.7 million for the period ending 31 December 2019.

Share in result of the Joint Ventures

VGP's share of the Joint Ventures' profit for the period decreased by € 2.5 million from € 65.7 million for the period ending 31 December 2019 to € 63.3 million for the period ending 31 December 2020, primarily reflecting lower unrealised valuation gains on investment properties driven by slower contraction of the yield on the investment portfolio, partially offset by higher net rental income.

Net rental income at share increased to € 47.0 million for the period ending 31 December 2020 compared to €37.6 million for the period ended 31 December 2019. The increase reflects the underlying growth of the Joint Ventures' Portfolio resulting from the different closings made between the Joint Ventures and VGP.

At the end of December 2020, the Joint Ventures (100% share) had € 143.5 million of annualised committed rental income representing 2,407,000 m² of lettable area compared to € 102.3 million of annualised committed rental income representing 1,913,000 m² at the end of December 2019.

The net valuation gains on investment properties at share decreased to € 48.1 million for the year ending 31 December 2020 (compared to € 60.8 million for the year ending 31 December 2019). The Joint Ventures' portfolio, excluding development land and the buildings being constructed by VGP on behalf of the Joint Ventures, was valued at a weighted average yield of 4.76% as at 31 December 2020 (compared to 5.16% as at 31 December 2019) reflecting further contraction of the yields during 2020. The (re)valuation of the Joint Ventures portfolio was based on the appraisal report of the property expert Jones Lang LaSalle.

The net financial expenses of the Joint Ventures at share for the period ending 31 December 2020 increased to € 17.8 million from € 16.2 million for the period ending 31 December 2019. For the period ending 31 December 2020, the financial income at share was € 2.0 million (€ 0.2 million for the period ending 31 December 2019). The financial expenses at share increased from € 16.4 million for the period ending 31 December 2019 to € 19.7 million for the period ending 31 December 2020 and included € 5.9 million interest on shareholder debt (€ 3.5 million as at 31 December 2019), € 8.7 million interest on financial debt (€ 7.6 million as at 31 December 2019), € 5.5 million other financial expenses (€ 5.0 million as at 31 December 2019) and a positive impact of € 0.5 million (€ 0.3 million per 31 December 2019) related to capitalised interests. The prior period included € 0.3 million unrealised losses on interest rate derivatives (nil as at 31 December 2020).

Administrative costs

The administrative costs for the period were € 29.3 million compared to € 18.1 million for the period ended 31 December 2019 reflecting the growth of the organization across the markets in which the Group is active and the costs of the long-term incentive program (reflecting the costs of the introduction of a new LTIP). As at 31 December 2020 the VGP team comprised more than 260 FTE equivalent active in 12 different countries.

Other expenses

The other expenses for the period were € 4 million compared to € 3 million for the period ended 31 December 2019 reflecting the provision for the annual contribution to the VGP Foundation. As at 31 December 2020 the VGP Foundation had approved 16 projects reflecting €1.1 million of commitments.

Net financial costs

For the period ending 31 December 2020, the financial income was € 9.3 million (€ 5.5 million for the period ending 31 December 2019) and included € 9.3 million interest income on loans granted to the Joint Ventures (€ 5.5 million as at 31 December 2019).

The reported financial expenses as at 31 December 2020 of € 17.9 million (€ 19.8 million as at 31 December 2019) are mainly made up of € 26.6 million expenses related to financial debt (€ 22.0 million as at 31 December 2019), € 2.9 million other financial expenses (€ 1.9 million as at 31 December 2019) and a positive impact of € 11.9 million (€ 4.2 million for the period ending 31 December 2019) related to capitalised interests.

As a result, the net financial costs reached € 8.6 million for the period ending 31 December 2020 compared to € 14.2 million at the end of December 2019.

Shareholder loans to the Joint Ventures amounted to € 266.6 million as at 31 December 2020 (compared to € 178.5 million as at 31 December 2019) of which € 69.7 million (€ 114.9 million as at 31 December 2019) was related to financing of the buildings under construction and development land held by Joint Ventures.

Taxes

The Group is subject to tax at the applicable tax rates of the respective countries in which it operates. Additionally, a deferred tax charge is provided for on the fair value adjustment of the property portfolio.

The change in the tax line is mainly due to the variance of the fair value adjustments of the property portfolio and has therefore only residual cash effect.

For the period ending 31 December 2020, the taxes were € 39.9 million (2019: € 32.5 million) and included € 39.0 million deferred taxes (2019: € 32.0 million).

EVOLUTION OF THE DEVELOPMENT ACTIVITIES

The development activities in 2020 can be summarised as follows:

Completed projects

During the year 27 projects were completed totalling 531,000 m² of lettable area and representing €29.1 million of annualised committed rental income (€6.2 million for VGP's own account and €22.9 million for the Joint Ventures).

For its own account VGP delivered 6 buildings totalling 120,000 m² of lettable area:

- Germany: 1 building in VGP Park Halle of 21,000 m², 1 building in VGP Park Giessen-Buseck of 17,000 m², 1 building in VGP Park Giessen-Lutzellinden of 14,000 m² and 1 building in VGP Park Magdeburg of 32,000 m²;
- Spain: 1 building in VGP Park Zaragoza of 18,000 m²;
- Hungary: 1 building in VGP Park Kecskemet of 17,000 m².

For the Joint Ventures 21 buildings were delivered totalling 411,000m² of lettable area.

Of this, for VGP European Logistics 11 buildings were delivered totalling 165,000m² of lettable area:

- Czech Republic: 1 building in VGP Park Olomouc of 18,000 m², 1 building in VGP Park Chomutov of 16,000 m², 1 building in VGP Park Hradec nad Nisou of 18,000 m² and 2 buildings in VGP Park Usti nad Labem of 5,000 m² and 4,000 m²;
- Germany: 3 buildings in VGP Park Berlin of 25,000 m², 12,000 m² and 11,000 m², 1 building in VGP Park Wustermark of 30,000 m² and 1 building in VGP Park Einbeck of 9,000 m²;
- Slovakia: 1 building in VGP Park Malacky of 20,000 m².

And for VGP European Logistics 2 a total of 8 buildings were delivered totalling 185,000m² of lettable area:

- Romania: 1 building in VGP Park Timisoara of 22,000 m²;
- Spain: 3 buildings in VGP Park Lliçà d'Amunt of 21,000 m², 14,000 m² and 7,000 m² and 1 building in VGP Park San Fernando de Henares of 5,000 m²;
- Netherlands: 1 building in VGP Park Nijmegen of 67,000 m² and 1 building in VGP Park Roosendaal of 42,000 m²
- Italy: 1 building in VGP Park Valsamoggia of 7,000 m²;

In addition, 2 buildings were delivered for VGP Park München for a total of 61,000m² of lettable area through 1 building of 38,000 m² and 1 building of 23,000 m².

Projects under construction

At the end of December 2020, VGP had 33 buildings under construction for a total future lettable area of 869,000 m². The new buildings currently under construction, which are pre-let for 79%¹, represent €55.2 million of annualised rental income when fully built and let.

For its own account VGP had 23 buildings under construction totalling 634,000 m² of lettable area representing €34.3 million of annualised rental income:

- Germany: 5 buildings in VGP Park Laatzen, 1 building in VGP Park Göttingen, 2 buildings in VGP Park Halle, 1 building in VGP Park Magdeburg and 1 building in VGP Park Erfurt;

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

- Spain: 2 buildings in VGP Park Valencia, 1 building in VGP Park Fuenlabrada and 1 building in VGP Park Zaragoza;
- Italy: 2 buildings in VGP Park Padova and 1 building in VGP Park Calcio;
- Czech Republic: 1 building in VGP Park Prostějov;
- Netherlands: 1 building in VGP Park Nijmegen;
- Slovakia: 1 building in VGP Park Bratislava;
- Romania: 1 building in VGP Park Sibiu, 1 building in VGP Park Timisoara and 1 building in VGP Park Brasov.

On behalf of the Joint Ventures, VGP is constructing 10 new buildings totalling 235,000 m² of lettable area representing €20.9 million of annualised rental income. For VGP European Logistics, VGP is constructing 3 new buildings totalling 40,000 m² of lettable area representing €2.0 million of annualised rental income:

- Czech Republic: 1 building in VGP Park Olomouc and 1 building in VGP Park Chomutov;
- Germany: 1 building in VGP Park Wustermark.

For VGP European Logistics 2, VGP is constructing 2 new buildings totalling 20,000 m² of lettable area representing €1.2 million of annualised rental income:

- Spain: 2 buildings in VGP Park San Fernando de Henares.

In addition, 5 buildings are under construction for VGP Park München for a total of 176,000m² of lettable, representing €17.7 million of annualised rental income.

Land bank

During the year, VGP managed to replenish and expand the land bank through the acquisition of new land plots in order to support the future development pipeline. A total of 2,570,000 m² of land with a future development potential of 1,170,000 m² has been acquired. Of these land plots, 784,000 m² (31%) is in The Netherlands, 646,000 m² in Germany (25%), 513,000 m² (20%) in Romania, 383,000 m² (15%) in Czech Republic, 102,000 m² (4%) in Slovakia, 77,000 m² (3%) in Italy, 55,000 m² (2%) in Spain and 9,000 m² in Hungary.

As at 31 December 2020, VGP had another 2.18 million m² of secured land plots of which 698,000 m² in Czech Republic, 545,000 m² in Italy, 264,000 m² in Germany, 250,000 m² in Romania, 182,000 m² in Latvia, 120,000 m² in Austria, 79,000 m² in Portugal and 45,000 m² in The Netherlands. These secured land plots are expected to be purchased during the next 6-12 months, subject to obtaining the necessary permits.

This brings the total land bank (owned and committed) to 7.65 million m² which represents a remaining development potential of 3.60 million m². Included in the above is the remaining 1,142,000 m² development land bank held by the Joint Ventures with a development potential of circa 674,000 m² of new lettable area which includes more than 450,000 m² gross lettable area which are related to VGP Park Moerdijk.

On 26 November 2020, VGP entered into a partnership with Roozen Landgoederen Beheer in order to develop Logistics Park Moerdijk (“LPM”) together with the Port Authority Moerdijk on a 50:50-basis. The objective is to build a platform of new, grade A logistics and industrial properties of which 50% for account of VGP Park Moerdijk and the other 50% directly for account of the Port Authority Moerdijk. The total development land of LPM amounts to circa 140ha with a total development potential of circa 900,000 m² of lettable area when fully developed. It is currently foreseen that LPM

will be jointly developed in four different phases. VGP Park Moerdijk has the right to sell and VGP the right to acquire the income generating assets developed for account of VGP Park Moerdijk.

Besides the owned and committed land bank, 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 1,490,000 m² of new land plots with a development potential of 656,000 m² located in Hungary, Italy, Romania, Slovakia, Germany and Portugal. VGP expects that a significant number of these land plots will be contractually locked in during the next 6 – 12 months.

DISPOSAL GROUP HELD FOR SALE

The balance of the Disposal group held for sale decreased from € 169.7 million as at 31 December 2019 to € 102.3 million as at 31 December 2020. The balance as at 31 December 2020 relates to the assets under construction and development land (at fair value) which are being / will be developed by VGP on behalf of VGP European Logistics and VGP European Logistics 2.

Under the joint venture agreements, VGP European Logistics and VGP European Logistics 2 have an exclusive right of first refusal in relation to acquiring the income generating assets developed by VGP that are in Germany, the Czech Republic, Slovakia and Hungary with respect to the first joint venture and in Austria, Italy, the Netherlands, Portugal, Romania and Spain with respect to the second joint venture. The development pipeline which is transferred to either VGP European Logistics or VGP European Logistics 2 as part of the different closings between such joint venture and VGP is being developed at VGP's own risk and subsequently acquired and paid for by such joint venture subject to pre-agreed completion and lease parameters. The fair value of the asset under construction which are being developed by VGP on behalf of VGP European Logistics and VGP European Logistics 2 amounted to € 102.3 million as at 31 December 2020 (compared to € 169.7 million as at 31 December 2019).

FINANCING

On 21 April 2020, VGP successfully completed an offering of new shares for a total consideration of €200.0 million by means of a private placement via an accelerated bookbuild offering to international institutional investors. In the offering a total of 2,000,000 new shares (approximately 10.8% of VGP's outstanding shares at that time) were placed at an issue price of €100.00 per share, representing a discount of 4.58% compared to the last traded price. In line with their pre-commitments, Little Rock SA, controlled by Mr Jan Van Geet, and VM Invest NV, controlled by Mr Bart Van Malderen, have each subscribed for 33.81% and 20.16% of the new shares respectively, and received full allocations.

On 3 September 2020, VGP successfully completed an offering of existing shares for a total consideration of €109 million by means of a private placement via an accelerated bookbuild offering to international institutional investors. The existing shares were held by a Management Incentive Scheme Vehicle ("MISV"). Following the transition in 2019 to a new long-term management incentive plan, the shares held as part of the former scheme within the MISV lost their original purpose. For that reason, these treasury shares have been sold in the market. In the offering a total of 929,153 existing ordinary shares in VGP (corresponding to 4.51% of the outstanding share capital of VGP) were placed at a price of €117.50 per share, representing a discount of 4.16% compared to the last traded price.

The combined net proceeds from the two placements have been used by the Group to further finance the development of current projects under construction and new pre-let projects as well as the selective expansion of the land bank.

The gearing ratio¹ of the Group as of 31 December 2020 decreased to 25.2% from 37.2% as at 31 December 2019.

DIVIDEND

In view the successful evolution of the Group's result during the last year as well as the positive outlook for 2021, the Board of Directors of VGP has decided to propose to the Annual General Meeting a distribution of a gross dividend of € 75.1 million for the year 2020. This equates to €3.65 per share or a gross dividend yield of 2.57%², compared to €2.93 per share distributed over the year 2019.

¹ Calculated as Net debt / Total equity and liabilities

² Based on the closing share price of € 141.80 as at 25 February 2021

FINANCIAL ACCOUNTS¹⁸

1. CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

INCOME STATEMENT <i>(in thousands of €)</i>	Note	2020	2019
Revenue ¹⁹	7	29,558	26,037
Gross rental income	7	12,078	11,653
Property operating expenses		(3,784)	(2,556)
Net rental income		8,294	9,097
Joint ventures' management fee income	7	14,699	10,492
Net valuation gains / (losses) on investment properties	8	366,361	188,165
Administration expenses	9	(29,296)	(18,100)
Share in result of joint ventures and associates	10	63,338	65,703
Other expenses		(4,000)	(3,000)
Operating profit		419,396	252,357
Finance income	11	9,319	5,543
Finance costs	11	(17,911)	(19,781)
Finance costs - net		(8,592)	(14,238)
Profit before taxes		410,804	238,119
Taxes		(39,865)	(32,506)
Profit for the period		370,939	205,613
Attributable to:			
Shareholders of VGP NV		370,939	205,613
Non-controlling interests		-	-

RESULT PER SHARE	Note	2020	2019
Basic earnings per share (in €)	12	18.58	11.06
Diluted earnings per share (in €)	12	18.58	11.06

The consolidated income statement should be read in conjunction with the accompanying notes.

¹⁸ The statutory auditor has confirmed that his audit procedures, which have been substantially completed, have not revealed any material adjustments which would have to be made to the accounting information disclosed in this press release. The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union.

¹⁹ Revenue is composed of gross rental income, service charge income, property and facility management income and property development income.

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

STATEMENT OF COMPREHENSIVE INCOME <i>(in thousands of €)</i>	2020	2019
Profit for the year	370,939	205,613
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>	-	-
Other comprehensive income for the period		
Total comprehensive income / (loss) of the period	370,939	205,613
Attributable to:		
Shareholders of VGP NV	370,939	205,613
Non-controlling interest	--	--

3. CONSOLIDATED BALANCE SHEET

For the year ended 31 December 2020

ASSETS (in thousands of €)	NOTE	2020	2019
Intangible assets		557	46
Investment properties	13	920,151	792,945
Property, plant and equipment		16,944	5,287
Investments in joint ventures and associates	10	654,773	387,246
Other non-current receivables	10	264,038	63,571
Deferred tax assets		1,786	695
Total non-current assets		1,858,249	1,249,790
Trade and other receivables		44,828	28,770
Cash and cash equivalents		222,356	176,148
Disposal group held for sale		102,309	169,655
Total current assets		369,493	374,573
TOTAL ASSETS		2,227,742	1,624,363

SHAREHOLDERS' EQUITY AND LIABILITIES <i>(in thousands of €)</i>	NOTE	2020	2019
Share capital		72,225	62,251
Other reserves		285,420	69
Retained earnings		948,092	637,461
Shareholders' equity		1,305,737	699,781
Non-current financial debt		748,796	767,673
Other non-current liabilities		10,461	12,789
Deferred tax liabilities		43,813	31,647
Total non-current liabilities		803,070	812,109
Current financial debt		34,468	12,673
Trade debts and other current liabilities		77,725	89,325
Liabilities related to disposal group held for sale		6,742	10,475
Total current liabilities		118,935	112,473
Total liabilities		922,005	924,582
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,227,742	1,624,363

The consolidated balance sheet should be read in conjunction with the accompanying notes.

4. STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

STATEMENT OF CHANGES IN EQUITY (in thousands of €)	Statutory share capital	Capital reserve (see note 16)	IFRS share capital	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2019	92,667	(30,416)	62,251	69	481,147	543,467
Other comprehensive income / (loss)	-	-	-	-	-	-
Result of the period	-	-	-	-	205,613	205,613
Total comprehensive income / (loss)	-	-	-	-	205,613	205,613
Dividends to shareholders	-	-	-	-	(40,883)	(40,883)
Remeasurement of VGP Misv management incentive plan	-	-	-	-	(8,416)	(8,416)
Balance as at 31 December 2019	92,667	(30,416)	62,251	69	637,461	699,781
Balance as at 1 January 2020	92,667	(30,416)	62,251	69	637,461	699,781
Other comprehensive income / (loss)	-	-	-	-	-	-
Result of the period	-	-	-	-	370,939	370,939
Total comprehensive income / (loss)	-	-	-	-	370,939	370,939
Capital and share premium increase net of transaction costs	9,974	-	9,974	188,346	-	198,320
Sale of treasury shares	-	-	-	97,005	-	97,005
Dividends	-	-	-	-	(60,308)	(60,308)
Balance as at 31 December 2020	102,641	(30,416)	72,225	285,420	948,092	1,305,737

5. CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2020

CASH FLOW STATEMENT (in thousands of €)	NOTE	2020	2019
<i>Cash flows from operating activities</i>			
Profit before taxes		410,804	238,119
<i>Adjustments for:</i>			
Depreciation		2,076	1,207
Unrealised (gains) / losses on investment properties		(200,221)	(153,273)
Realised (gains) / losses on disposal of subsidiaries and investment properties		(166,140)	(34,892)
Unrealised (gains) / losses on financial instruments and foreign exchange		282	108
Interest (income)		(9,319)	(5,543)
Interest expense		17,629	19,673
Share in (profit)/loss of joint ventures and associates	10	(63,338)	(65,703)
Operating profit before changes in working capital and provisions		(8,227)	(304)
Decrease/(Increase) in trade and other receivables		(28,240)	(12,249)
(Decrease)/Increase in trade and other payables		10,401	2,964
Cash generated from the operations		(26,066)	(9,589)
Interest income		27	27
Interest paid		(25,259)	(19,280)
Income taxes paid		(870)	(484)
Net cash from operating activities		(52,168)	(29,326)
<i>Cash flows from investing activities</i>			
Proceeds from disposal of tangible assets and other		14	22
Proceeds from disposal of subsidiaries and investment properties	14	405,644	339,008
Investment property and investment property under construction		(428,244)	(453,849)
Distribution by / (investment in) joint ventures and associates		(10,759)	(3,000)
Loans provided to joint ventures and associates		(116,506)	(30,271)
Loans repaid by joint ventures and associates		15,321	22,586
Net cash used in investing activities		(134,530)	(125,504)
<i>Cash flows from financing activities</i>			
Dividends paid		(60,308)	(40,883)
Net Proceeds capital and share premium increase		198,320	-
Net proceeds sale of treasury shares		97,005	-
Proceeds from loans		-	204,151
Loan repayments		(1,433)	(981)
Net cash used in financing activities		233,584	162,287
Net increase / (decrease) in cash and cash equivalents		46,886	7,456
Cash and cash equivalents at the beginning of the period		176,148	161,446
Effect of exchange rate fluctuations		(678)	1,116
Reclassification to (-) / from held for sale		-	6,130
Cash and cash equivalents at the end of the period		222,356	176,148

The consolidated cash flow statement should be read in conjunction with the accompanying notes.

6. SEGMENT REPORTING

The chief operating decision maker is the person that allocates resources to and assesses the performance of the operating segments. The Group has determined that its chief operating decision-maker is the chief executive officer (CEO) of the Company. He allocates resources to and assesses the performance at business line and country level.

The segmentation for segment reporting within VGP is primarily by business line and secondly by geographical region.

6.1. Business lines

For management purpose, the Group also presents financial information according to management breakdowns, based on these functional allocations of revenues and costs. These amounts are based on a number of assumptions, and accordingly are not prepared in accordance with IFRS audited consolidated financial statements of VGP NV for the years ended 31 December 2020 and 2019.

In June 2020, the Group entered into a new 50/50 joint venture with Allianz Real Estate -VGP Park München-(the Third Joint Venture) for an initial term of 10 years. Contrary to the two existing joint ventures with Allianz Real Estate which concentrate on the acquisition of income-generating assets developed by VGP, this Third Joint Venture will initially be focused on the development of VGP Park München.

In November 2020, the Group entered into a new 50/50 joint venture with Roozen Landgoederen Beheer (the Fourth Joint Venture) for an indefinite period. The LPM Joint Venture will develop Logistics Park Moerdijk ("LPM") together with the Port Authority Moerdijk on a 50:50-basis. The objective is to build a platform of new, grade A logistics and industrial properties of which 50% for account of the LPM Joint Venture i.e. VGP Park Moerdijk and the other 50% directly for account of the Port Authority Moerdijk.

Consequently, as from 2020 onwards the business lines have been amended to take the new Third and Fourth Joint Venture into consideration.

Investment business

The Group's investment or so-called rental business consists of operating profit generated by the completed and leased out projects of the Group's portfolio and the proportional share of the operating profit (excluding net valuation gains) of the completed and leased out projects of the Joint Ventures' portfolio. Revenues and expenses allocated to the rental business unit include 10% of the Group's property operating expenses; other income; other expenses, after deduction of expenses allocated to property development; and share in result of the joint ventures, excluding any revaluation result.

Property development

The Group's property development business consists of the net development result on the Group's development activities. Valuation gains (losses) on investment properties outside the VGP European Logistics and VGP European Logistics 2 joint venture perimeter i.e. Latvia are excluded, as they are assumed to be non-cash generating, on the basis that these assets are assumed to be kept in the Group's own portfolio for the foreseeable future. In addition, 90% of total property operating expenses are allocated to the property development business, as are administration expenses after rental business and property management expenses.

Property and asset management

Property and asset management revenue includes asset management, property management and facility management income. Associated operating, administration and other expenses include directly allocated expenses from the respective asset management, property management and facility management service companies. The administrative expenses of the Czech and German property

management companies have been allocated on a 50:50 basis between the rental business and the property and asset management business.

Breakdown summary of the business lines

<i>In thousands of €</i>	2020	2019
Investment EBITDA	55,452	46,206
Property development EBITDA	342,536	172,488
Property management and asset management EBITDA	9,342	7,249
Total operating EBITDA	407,330	225,943

<i>In thousands of €</i>	For the year ended 31 December 2020			
	Investment	Development	Property and asset management	Total
Gross rental income	12,078	-	-	12,078
Property operating expenses	(378)	(3,406)	-	(3,784)
Net rental income	11,700	(3,406)	-	8,294
Joint venture management fee income	-	-	14,699	14,699
Net valuation gains / (losses) on investment properties destined to the joint ventures	-	365,682	-	365,682
Administration expenses	(2,123)	(19,740)	(5,357)	(27,220)
Share of joint ventures' adjusted operating profit after tax ¹	45,875	-	-	45,875
Operating EBITDA	55,452	342,536	9,342	407,330
Other expenses				(4,000)
Depreciation and amortisation	-	(1,996)	(85)	(2,081)
Earnings before interest and tax	55,452	340,540	9,257	401,249
Net finance costs - Own				(8,592)
Net finance costs - Joint ventures and associates				(19,613)
Profit before tax				373,044
Current income taxes - Own				(870)
Current income taxes - Joint ventures and associates				(1,792)
Recurrent net income				370,383
Net valuation gains / (losses) on investment properties - other countries ²				679
Net valuation gains / (losses) on investment properties - Joint ventures and associates				48,072
Net fair value gain/(loss) on interest rate swaps and other derivatives - Joint ventures and associates				1,862
Deferred taxes -Own				(38,995)
Deferred taxes -Joint ventures and associates				(11,062)
Reported profit for the period				370,939

¹ The adjustments to the share of profit from the joint ventures (at share) are composed of € 48.1 million of net valuation gains/(losses) on investment properties, € 1.9 million of net fair value loss on interest rate derivatives and € 11.1million of deferred taxes in respect of these adjustments.

² Relates to developments in countries outside of the JV perimeters i.e. Latvia.

<i>In thousands of €</i>	For the year ended 31 December 2019			
	Investment	Development	Property and asset management	Total
Gross rental income	11,653	-	-	11,653
Property operating expenses	(256)	(2,300)	-	(2,556)
Net rental income	11,397	(2,300)	-	9,097
Joint venture management fee income	-	-	10,492	10,492
Net valuation gains / (losses) on investment properties destined to the joint ventures	-	186,757	-	186,757
Administration expenses	(1,681)	(11,969)	(3,243)	(16,893)
Share of joint ventures' adjusted operating profit after tax ¹	36,490	-	-	36,490
Operating EBITDA	46,206	172,488	7,249	225,943
Other expenses				(3,000)
Depreciation and amortisation	-	(1,105)	(102)	(1,207)
Earnings before interest and tax	46,206	171,383	7,147	221,736
Net finance costs - Own				(14,238)
Net finance costs - Joint ventures and associates				(16,049)
Profit before tax				191,449
Current income taxes - Own				(484)
Current income taxes - Joint ventures and associates				(1,464)
Recurrent net income				189,502
Net valuation gains / (losses) on investment properties - other countries ²				1,408
Net valuation gains / (losses) on investment properties - Joint ventures and associates				60,753
Net fair value gain/(loss) on interest rate swaps and other derivatives - Joint ventures and associates				(108)
Deferred taxes -Own				(32,022)
Deferred taxes -Joint ventures and associates				(13,919)
Reported profit for the period				205,613

¹ The adjustments to the share of profit from the joint ventures (at share) are composed of € 60.8 million of net valuation gains/(losses) on investment properties, € 0.1 million of net fair value loss on interest rate derivatives and € 13.9 million of deferred taxes in respect of these adjustments.

² Relates to developments in countries outside of the JV perimeters i.e. Latvia.

6.2. Geographical markets

This basic segmentation reflects the geographical markets in Europe in which VGP operates. VGP's operations are split into the individual countries where it is active. This segmentation is important for VGP as the nature of the activities and the customers have similar economic characteristics within those segments.

31 December 2020							
<i>In thousands of €</i>	Gross rental income ¹	Net rental income ¹	Share of joint ventures' operating EBITDA	Operating EBITDA (Incl. JV at share)	Investment properties Own	Investment properties JV at share	Capital expenditure ²
Western Europe							
Germany	33,501	27,475	27,072	313,131	506,518	935,512	294,362
Spain	3,966	2,352	2,126	21,849	140,472	75,730	44,189
Austria	602	434	504	103	13,009	12,575	755
Netherlands	2,574	1,497	127	42,496	60,414	107,590	30,348
Italy	1,053	1,424	(19)	2,515	31,164	12,415	21,706
Portugal	-	(67)	-	(516)	5,096	-	1,666
	41,695	33,114	29,809	379,576	756,673	1,143,821	393,026
Central and Eastern Europe							
Czech Republic	11,713	10,900	10,729	21,775	91,147	207,745	39,087
Slovakia	1,847	1,360	1,625	5,517	46,422	30,813	13,183
Hungary	3,179	2,779	1,954	1,901	35,026	29,033	9,199
Romania	2,630	1,765	2,273	2,154	52,674	33,650	24,396
	19,368	16,804	16,580	31,346	225,269	301,241	85,865
Baltics							
Latvia	3,109	2,921	-	2,790	40,519	-	931
Other ³	-	2,415	(515)	(6,383)	-	-	-
						-	
Total	64,172	55,253	45,874	407,330	1,022,461	1,445,062	479,823

¹ Includes joint venture at share.

² Capital expenditures includes additions and acquisition of investment properties and development land but does not include tenant incentives, letting fees, and capitalised interest. Capital expenditure directly incurred for the own portfolio amounts to € 416.1 million and amounts to € 63.7 million on development properties of the First and Second Joint Venture.

³ Other includes the Group central costs and costs relating to the operational business which are not specifically geographically allocated.

31 December 2019							
<i>In thousands of €</i>	Gross rental income ¹	Net rental income ¹	Share of joint ventures' operating EBITDA	Operating EBITDA (Incl. JV at share)	Investment properties Own	Investment properties JV at share	Capital expenditure ²
Western Europe							
Germany	28,823	24,534	23,096	119,583	447,176	612,099	301,395
Spain	2,206	819	612	29,086	149,460	33,045	42,618
Austria	905	723	138	2,231	12,236	11,795	12,371
Netherlands	8	(472)	-	20,886	115,612	-	59,125
Italy	-	243	-	5,625	30,764	-	20,357
Portugal	-	(17)	-	(265)	3,255	-	3,181
	31,942	25,829	23,846	177,146	758,503	656,939	439,048
Central and Eastern Europe							
Czech Republic	10,989	10,286	9,172	30,230	58,145	196,444	28,475
Slovakia	1,913	1,983	1,751	2,750	42,984	24,218	29,144
Hungary	2,137	2,430	1,863	1,344	25,522	28,606	16,731
Romania	3,749	3,009	811	12,570	38,511	27,801	22,569
	18,787	17,707	13,596	46,894	165,162	277,068	96,918
Baltics							
Latvia	2,571	2,137	-	2,025	38,935	-	3,486
							-
Other ³	-	997	(953)	(3,123)	-	-	-
Total	53,300	46,669	36,490	222,943	962,600	934,007	539,452

¹ Includes joint venture at share.

² Capital expenditures includes additions and acquisition of investment properties and development land but does not include tenant incentives, letting fees, and capitalised interest. Capital expenditure directly incurred for the own portfolio amounts to € 517.5 million and amounts to € 21.9 million on development properties of the First and Second Joint Venture.

³ Other includes the Group central costs and costs relating to the operational business which are not specifically geographically allocated.

7. REVENUE

<i>In thousands of €</i>	2020	2019
Rental income from investment properties	10,087	10,182
Straight lining of lease incentives	1,991	1,471
Total gross rental income	12,078	11,653
Property and facility management income	10,743	8,748
Development management income	3,956	1,744
Joint ventures' management fee income	14,699	10,492
Service charge income	2,781	3,892
Total revenue	29,558	26,037

The Group leases out its investment property under operating leases. The operating leases are generally for terms of more than 5 years. The gross rental income reflects the full impact of the income generating assets delivered during 2020 and the different closings with the Joint Ventures which occurred during year i.e. the 2020 rental income includes (i) € 0.3 million of rent for the period 1 January 2020 to 15 October 2020 related to the property portfolio sold during the seventh closing with VGP European Logistics joint venture on 15 October 2020 (compared to € 0.8 million of rent for the period 1 January 2019 to 1 April 2019 related to the property portfolio sold during the fifth closing and € 1.4 million of rent for the period 1 January 2019 to 30 November 2019 related to the property portfolio sold during the sixth closing); (ii) € 3.7 million of rent for the period 1 January 2020 to 16 November 2020 related to the property portfolio sold during the second closing with the VGP European Logistics 2 joint venture on 16 November 2020 (compared to € 4.4 million of rent for the period 1 January 2019 to 31 July 2019 related to the property portfolio sold during the first closing with the VGP European Logistics 2 joint venture).

At the end of December 2020, the Group (including the joint ventures) had annualised committed leases of € 185.2 million¹ compared to € 155.0 million² as at 31 December 2019.

The breakdown of future lease income on an annualised basis for the own portfolio was as follows:

<i>In thousands of €</i>	2020	2019
Less than one year	41,713	52,665
Between one and five years	155,977	205,603
More than five years	215,843	399,922
Total	413,533	658,190

¹ € 143.5 million related to the JV Property Portfolio and € 41.7 million related to the Own Property Portfolio.

² € 102.3 million related to the JV Property Portfolio and € 52.7 million related to the Own Property Portfolio.

8. NET VALUATION GAINS / (LOSSES) ON INVESTMENT PROPERTIES

<i>In thousands of €</i>	2020	2019
Unrealised valuation gains / (losses) on investment properties	188,863	117,366
Unrealised valuation gains / (losses) on disposal group held for sale	11,358	35,907
Realised valuation gains / (losses) on disposal of subsidiaries and investment properties	166,140	34,892
Total	366,361	188,165

The own property portfolio, excluding development land but including the assets being developed on behalf of the Joint Venture, is valued by the valuation expert at 31 December 2020 based on a weighted average yield of 5.51% (compared to 5.76% as at 31 December 2019) applied to the contractual rents increased by the estimated rental value on unlet space. A 0.10% variation of this market rate would give rise to a variation of the total portfolio value of € 16.7 million.

9. ADMINISTRATION EXPENSES

<i>In thousands of €</i>	2020	2019
Wages and salaries	(9,876)	(7,943)
Audit, legal and other advisors ¹	(15,593)	(5,931)
Other administrative expenses	(1,751)	(3,019)
Depreciation	(2,076)	(1,207)
Total	(29,296)	(18,100)

¹ The comparative figure as at 31 December 2019 was restated for the amount contributed by the Company to the VGP Foundation. As from 31 December 2020, the amount contributed by the Company to the VGP Foundation has been classified separately under "Other expenses" in the income statement.

10. INVESTMENTS IN JOINT VENTURES

10.1. Profit from Joint Ventures

The table below presents a summary Income Statement of the Group's joint ventures with (i) Allianz Real Estate (VGP European Logistics, VGP European Logistics 2, VGP Park München) and the associates; and (ii) the joint venture with Roozen Landgoederen Beheer (LPM), all of which are accounted for using the equity method.

VGP European Logistics and VGP European Logistics 2 are incorporated in Luxembourg. VGP European Logistics owns logistics property assets in Germany, the Czech Republic, Slovakia and Hungary. VGP European Logistics 2 owns logistics property assets in Spain, Austria, the Netherlands, Italy and Romania. VGP Park München is incorporated in München (Germany) and owns and develops the VGP park located in München. LPM Joint Venture will develop Logistics Park Moerdijk ("LPM") together with the Port Authority Moerdijk on a 50:50-basis. The objective is to build a platform of new, grade A logistics and industrial properties of which 50% for account of the LPM Joint Venture and 50% directly for account of the Port Authority Moerdijk.

VGP NV holds 50% directly in all joint ventures and holds another 5.1% in the subsidiaries of VGP European Logistics holding assets in Germany.

<i>In thousands of €</i>	VGP European Logistics (excl. minorities) at 100%	VGP European Logistics 2 at 100%	VGP Park München at 100%	LPM at 100 %	Joint Ventures at 50%	VGP European Logistics German Asset Companies at 5.1%	2020
Gross rental income	84,896	12,251	1,283	-	49,215	2,880	52,095
Property Operating expenses							
- underlying property operating expenses	(419)	(730)	(154)	(48)	(675)	(11)	(687)
- property management fees	(6,850)	(1,311)	(241)	-	(4,201)	(246)	(4,447)
Net rental income	77,626	10,210	888	(48)	44,338	2,624	46,962
Net valuation gains / (losses) on investment properties	82,403	5,847	-	-	44,125	3,947	48,072
Administration expenses	(1,440)	(327)	(75)	(270)	(1,056)	(36)	(1,092)
Operating profit	158,589	15,730	813	(318)	87,407	6,535	93,942
Net financial result	(24,855)	(6,054)	(2,878)	-	(16,893)	(857)	(17,751)
Taxes	(20,909)	(2,864)	(195)	-	(11,984)	(869)	(12,853)
Profit for the period	112,826	6,812	(2,260)	(318)	58,530	4,808	63,338

<i>In thousands of €</i>	VGP European Logistics (excl. minorities) at 100%	VGP European Logistics 2 at 100%	VGP Park München at 100%	LPM at 100 %	Joint Ventures at 50%	VGP European Logistics German Asset Companies at 5.1%	2019
Gross rental income	74,204	4,121	n.a.	n.a.	39,162	2,482	41,645
Property Operating expenses							
- underlying property operating expenses	(195)	(1,345)	n.a.	n.a.	(770)	(12)	(782)
- property management fees	(5,735)	(451)	n.a.	n.a.	(3,093)	(201)	(3,294)
Net rental income	68,274	2,325	n.a.	n.a.	35,299	2,269	37,569
Net valuation gains / (losses) on investment properties	108,906	3,374	n.a.	n.a.	56,140	4,612	60,752
Administration expenses	(1,902)	(199)	n.a.	n.a.	(1,051)	(28)	(1,078)
Operating profit	175,277	5,500	n.a.	n.a.	90,389	6,854	97,242
Net financial result	(28,731)	(2,046)	n.a.	n.a.	(15,388)	(768)	(16,157)
Taxes	(27,543)	(1,355)	n.a.	n.a.	(14,449)	(934)	(15,383)
Profit for the period	119,003	2,099	n.a.	n.a.	60,551	5,152	65,703

10.2. Summarised balance sheet information in respect of Joint Ventures

<i>In thousands of €</i>	VGP European Logistics (excl. minorities) at 100%	VGP European Logistics 2 at 100%	VGP Park München at 100%	LPM at 100 %	Joint Ventures at 50%	VGP European Logistics German Asset Companies at 5.1%	2020
Investment properties	1,847,545	403,423	418,918	80,496	1,375,191	69,871	1,445,062
Other assets	353	113	0	0	233	19	252
Total non-current assets	1,847,898	403,536	418,918	80,496	1,375,424	69,890	1,445,314
Trade and other receivables	11,372	8,157	8,451	24	14,002	449	14,451
Cash and cash equivalents	56,724	17,284	14,368	15	44,196	1,945	46,140
Total current assets	68,096	25,441	22,819	39	58,198	2,394	60,591
Total assets	1,915,995	428,977	441,737	80,535	1,433,622	72,283	1,505,905
Non-current financial debt	898,911	245,188	165,528	49,779	679,703	34,574	714,277
Other non-current financial liabilities	1,537	108	0	0	823	0	823
Other non-current liabilities	6,819	2,561	1,727	0	5,553	164	5,718
Deferred tax liabilities	143,377	27,749	1,821	0	86,474	5,165	91,638
Total non-current liabilities	1,050,644	275,606	169,076	49,779	772,552	39,903	812,456
Current financial debt	22,509	3,532	0	0	13,020	707	13,728
Trade debts and other current liabilities	17,888	9,370	16,947	4,750	24,477	471	24,949
Total current liabilities	40,396	12,902	16,947	4,750	37,498	1,179	38,676
Total liabilities	1,091,040	288,508	186,023	54,529	810,050	41,082	851,132
Net assets	824,955	140,469	255,714	26,006	623,572	31,201	654,773

<i>In thousands of €</i>	VGP European Logistics (excl. minorities) at 100%	VGP European Logistics 2 at 100%	VGP Park München at 100%	LPM at 100 %	Joint Ventures at 50%	VGP European Logistics German Asset Companies at 5.1%	2019
Investment properties	1,603,926	145,281	n.a.	n.a.	874,603	59,404	934,008
Other assets	838	24	n.a.	n.a.	431	43	474
Total non-current assets	1,604,763	145,305	n.a.	n.a.	875,034	59,448	934,482
Trade and other receivables	12,201	3,351	n.a.	n.a.	7,776	446	8,222
Cash and cash equivalents	51,134	3,198	n.a.	n.a.	27,166	1,636	28,802
Total current assets	63,335	6,549	n.a.	n.a.	34,942	2,082	37,024
Total assets	1,668,098	151,854	n.a.	n.a.	909,976	61,530	971,506
Non-current financial debt	823,106	88,068	n.a.	n.a.	455,587	31,512	487,099
Other non-current financial liabilities	5,337	40	n.a.	n.a.	2,689	-	2,689
Other non-current liabilities	7,208	1,508	n.a.	n.a.	4,358	190	4,548
Deferred tax liabilities	116,130	3,121	n.a.	n.a.	59,626	3,845	63,470
Total non-current liabilities	951,781	92,737	n.a.	n.a.	522,259	35,547	557,806
Current financial debt	20,022	784	n.a.	n.a.	10,403	631	11,034
Trade debts and other current liabilities	25,914	3,443	n.a.	n.a.	14,678	742	15,421
Total current liabilities	45,936	4,227	n.a.	n.a.	25,081	1,373	26,455
Total liabilities	997,717	96,964	n.a.	n.a.	547,341	36,920	584,260
Net assets	670,381	54,890	n.a.	n.a.	362,635	24,610	387,246

In June 2020, the Group entered into a new 50/50 joint venture with Allianz Real Estate -VGP Park München-(the Third Joint Venture) for an initial term of 10 years. Contrary to the two existing joint ventures with Allianz Real Estate which concentrate on the acquisition of income-generating assets developed by VGP, this Third Joint Venture will initially be focused on the development of VGP Park München. On 16 December 2020, the newly established Third Joint Venture (VGP Park München GmbH) completed a first, and currently only, closing with the acquisition of 1 parking house and the first part of the building pre-let to BMW.

The First Joint Venture (VGP European Logistics) recorded one closing during the year. On 15 October 2020, VGP completed a seventh and currently last closing, whereby the First Joint Venture ("VGP European Logistics S.à r.l.") acquired 10 logistic buildings, including 2 buildings in 2 new VGP parks and another 8 newly completed buildings (in parks which were previously transferred to the First Joint Venture).

The Second Joint Venture (VGP European Logistics 2) recorded one closing during the year. On 16 November 2020, VGP completed a second and currently last closing, whereby the Second Joint Venture (“VGP European Logistics 2 S.à r.l.”) acquired 9 logistic buildings, including 7 buildings in 4 new VGP parks and another 2 newly completed buildings (in parks which were previously transferred to the Second Joint Venture).

In November 2020, the Group entered into a new 50/50 joint venture (“LPM Joint Venture”) with Roozen Landgoederen Beheer. This Fourth Joint Venture will develop Logistics Park Moerdijk (“LPM”) together with the Port Authority Moerdijk on a 50:50-basis. The objective is to build a platform of new, grade A logistics and industrial properties of which 50% for account of the Fourth Joint Venture i.e. VGP Park Moerdijk and the other 50% directly for account of the Port Authority Moerdijk.

The Joint Ventures’ property portfolio, excluding development land and buildings being constructed by VGP on behalf of the Joint Ventures, is valued at 31 December 2020 based on a weighted average yield of 4.76 %¹ (compared to 5.16% as at 31 December 2019). A 0.10% variation of this market rate would give rise to a variation of the Joint Venture portfolio value (at 100%) of € 62.5 million.

The (re)valuation of the First and Second Joint Ventures’ portfolio was based on the appraisal report of the property expert Jones Lang LaSalle.

VGP provides certain services, including asset-, property- and development advisory and management, for the Joint Ventures and receives fees from the Joint Ventures for doing so. Those services are carried out on an arms-length basis and do not give VGP any control over the relevant Joint Ventures (nor any unilateral material decision-making rights). Significant transactions and decisions within the Joint Ventures require full Board and/or Shareholder approval, in accordance with the terms of the Joint Venture agreement.

10.3. Other non-current receivables

<i>in thousands of €</i>	2020	2019
Shareholder loans to VGP European Logistics S.à.r.l.	51,672	52,449
Shareholder loans to VGP European Logistics 2 S.à.r.l.	15,351	5,668
Shareholder loans to VGP Park München GmbH	82,911	-
Shareholder loans to LPM Holding BV	29,030	-
Shareholder loans to associates (subsidiaries of VGP European Logistics S.à.r.l.)	17,871	5,454
Construction and development loans to subsidiaries of VGP European Logistics S.à.r.l.	32,507	81,084
Construction and development loans to subsidiaries of VGP European Logistics 2 S.à.r.l.	37,226	33,806
Construction and development loans reclassified as assets held for sale	(69,733)	(114,890)
Other non-current receivables	67,203	-
Total	264,038	63,571

Other non-current receivables relate to the remaining non-current balance due by Allianz Real Estate in respect of the acquisition of VGP Park München and which shall become payable by Allianz Real Estate in different instalments based on the completion dates of the respective buildings.

¹ The First and Second Joint Venture have been valued by an independent valuation expert. The valuation of the Third Joint Venture is based on the agreed proportional purchase price with Allianz Real Estate. The Fourth Joint Venture only holds development land and hence has been excluded from the weighted average yield calculation.

10.4. Investments in joint ventures and associates

<i>in thousands of €</i>	2020	2019
As at 1 January	387,246	241,427
Additions	211,091	80,116
Result of the year	63,338	65,703
Repayment of equity	(6,902)	-
As at the end of the period	654,773	387,246

11. NET FINANCIAL RESULT

<i>In thousands of €</i>	2020	2019
Bank and other interest income	2	27
Interest income - loans to joint venture and associates	9,292	5,516
Other financial income	25	-
Financial income	9,319	5,543
Bond interest expense	(24,706)	(20,840)
Bank interest expense – variable debt	(1,871)	(1,153)
Interest capitalised into investment properties	11,881	4,230
Net foreign exchange expenses	(282)	(108)
Other financial expenses	(2,933)	(1,910)
Financial expenses	(17,911)	(19,781)
Net financial costs	(8,592)	(14,238)

12. EARNINGS PER SHARE

12.1. Earnings per ordinary share (EPS)

<i>In number</i>	2020	2019
Weighted average number of ordinary shares (basic)	19,960,099	18,583,050
Dilution	-	-
Weighted average number of ordinary shares (diluted)	19,960,099	18,583,050

<i>In thousands of €</i>	2020	2019
Result for the period attributable to the Group and to ordinary shareholders	370,939	205,613
Earnings per share (in €) - basic	18.58	11.06
Earnings per share (in €) - diluted	18.58	11.06

12.2. EPRA NAV's - EPRA NAV's per share

In October 2019, the EPRA published its new Best Practice Recommendations which set out the financial indicators listed real estate companies should disclose so as to provide more transparency across the European listed sector. The EPRA NAV and EPRA NNNAV were consequently replaced by three new Net Asset Value indicators: Net Reinstatement Value (NRV), Net Tangible Assets (NTA) and Net Disposal Value (NDV). The EPRA NAV indicators are obtained by adjusting the IFRS NAV in such a way that stakeholders get the most relevant information about the fair value of assets and liabilities. The three different EPRA NAV indicators are calculated on the basis of the following scenarios:

- (i) *Net Reinstatement Value*: based on the assumption that entities never sell assets and aims to reflect the value needed to build the entity anew. The purpose of this indicator is to reflect what would be required to reconstitute the company through the investment markets based on the current capital and financing structure, including Real Estate Transfer Taxes. EPRA NRV per share refers to the EPRA NRV based on the number of shares in circulation as at the balance sheet date. See www.epra.com.
- (ii) *Net Tangible Assets*: assumes that entities buy and sell assets, thereby realising certain levels of deferred taxation. This pertains to the NAV adjusted to include property and other investments at fair value and to exclude certain items that are not expected to be firmly established in a business model with long-term investment properties. EPRA NTA per share refers to the EPRA NTA based on the number of shares in circulation as at the balance sheet date. See www.epra.com.
- (iii) *Net Disposal Value*: provides the reader with a scenario of the sale of the company's assets leading to the realization of deferred taxes, financial instruments and certain other adjustments. This NAV should not be considered a liquidation NAV as in many cases the fair value is not equal to the liquidation value. The EPRA NDV per share refers to the EPRA NDV based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

31 December 2020	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
<i>In thousands of €</i>					
IFRS NAV	1,305,737	1,305,737	1,305,737	1,305,737	1,305,737
IFRS NAV per share (in euros)	63.44	63.44	63.44	63.44	63.44
NAV at fair value (after the exercise of options, convertibles and other equity)	1,305,737	1,305,737	1,305,737	1,305,737	1,305,737
To exclude:					
Deferred tax	48,770	48,770	-	48,770	-
Intangibles as per IFRS balance sheet	-	(557)	-	-	-
Subtotal	1,354,507	1,353,950	1,305,737	1,354,507	1,305,737
Fair value of fixed interest rate debt	-	-	(8,021)	-	(8,021)
Real estate transfer tax	25,019	-	-	-	-
NAV	1,379,526	1,353,950	1,297,716	1,354,507	1,297,716
Number of shares	20,583,050	20,583,050	20,583,050	20,583,050	20,583,050
NAV / share (in euros)	67.02	65.78	63.05	65.81	63.05

31 December 2019	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNAV
<i>In thousands of €</i>					
IFRS NAV	699,781	699,781	699,781	699,781	699,781
IFRS NAV per share (in euros)	37.7	37.7	37.7	37.7	37.7
NAV at fair value (after the exercise of options, convertibles and other equity)	699,781	699,781	699,781	699,781	699,781
To exclude:					
Deferred tax	41,428	41,428		41,428	
Intangibles as per IFRS balance sheet		(46)			
Subtotal	741,209	741,163	699,781	741,209	699,781
Fair value of fixed interest rate debt			(24,808)		(24,808)
Real estate transfer tax	16,246				
NAV	757,455	741,163	674,973	741,209	674,973
Number of shares	18,583,050	18,583,050	18,583,050	18,583,050	18,583,050
NAV / share (in euros)	40.76	39.88	36.32	39.89	36.32

13. INVESTMENT PROPERTIES

<i>In thousands of €</i>	2020			
	Completed	Under Construction	Development land	Total
As at 1 January	94,056	338,266	360,623	792,945
Capex	67,452	201,226	7,353	276,031
Acquisitions	-	9,851	130,256	140,107
Capitalised interest	3,902	7,934	45	11,881
Capitalised rent free and agent's fee	3,245	2,351	32	5,628
Sales and disposals	(191,596)	(292,107)	(10,083)	(493,786)
Transfer on start-up of development	-	193,574	(193,574)	-
Transfer on completion of development	155,018	(155,018)	-	-
Net gain from value adjustments in investment properties	36,477	150,604	2,408	189,489
Reclassification to held for sale	(2,144)	-	-	(2,144)
As at 31 December	166,410	456,681	297,060	920,151

<i>In thousands of €</i>	2019			
	Completed	Under Construction	Development land	Total
As at 1 January	121,454	134,286	212,773	468,513
Reclassification from held for sale ¹	107,630	-	-	107,630
Capex	74,369	133,667	27,717	235,753
Acquisitions	-	-	281,764	281,764
Capitalised interest	2,126	1,789	315	4,230
Capitalised rent free and agent's fee	1,412	9,816	-	11,228
Sales and disposals	(306,308)	(91,134)	(33,119)	(430,561)
Transfer on start-up of development	-	147,698	(147,698)	-
Transfer on completion of development	86,631	(86,631)	-	-
Net gain from value adjustments in investment properties	6,742	88,775	18,871	114,388
Reclassification to held for sale	-	-	-	-
As at 31 December	94,056	338,266	360,623	792,945

¹ Relates to investment properties reclassified as held for sale as at 31 December 2018 and which were sold to the Joint Ventures during 2019. The effects of these sales to the Joint Ventures have been

included under the “Sales and disposals” line.

As at 31 December 2020 investment properties totalling € 30.8 million (same as at 31 December 2019) were pledged in favour the Group’s banks.

14. CASH FLOW FROM DISPOSAL OF SUBSIDIARIES AND INVESTMENT PROPERTIES

<i>In thousands of €</i>	2020	2019
Investment property	608,483	476,345
Trade and other receivables	16,011	6,011
Cash and cash equivalents	24,057	20,425
Non-current financial debt	-	-
Shareholder Debt	(372,515)	(337,305)
Other non-current financial liabilities	(2,229)	(3,431)
Deferred tax liabilities	(31,459)	(23,452)
Trade debts and other current liabilities	(26,637)	(23,153)
Total net assets disposed	215,711	115,440
Realised valuation gain on sale	167,111	34,891
Total non-controlling interest retained by VGP	(1,989)	(3,020)
Shareholder loans repaid at closing	313,415	285,777
Equity contribution	(191,454)	(73,655)
Total consideration	502,794	359,433
Consideration to be received - Third Joint Venture	(73,093)	-
Consideration paid in cash	429,701	-
Cash disposed	(24,057)	(20,425)
Net cash inflow from divestments of subsidiaries and investment properties	405,644	339,008

Consideration to be received - Third Joint Venture relates to the remaining current and non-current balance due by Allianz Real Estate in respect of the acquisition of VGP Park München and which shall become payable by Allianz Real Estate in different instalments based on the completion dates of the respective buildings.

15. SUPPLEMENTARY NOTES

15.1. Income statement, proportionally consolidated

The table below includes the proportional consolidated income statement interest of the Group in the Joint Ventures. The interest held directly by the Group (5.1%) in the German asset companies of the Joint Ventures have been included in the 50% Joint Ventures' figures (share of VGP).

<i>In thousands of €</i>	2020			2019		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
Gross rental income	12,078	52,095	64,173	11,653	41,645	53,298
Property operating expenses	(3,784)	(5,133)	(8,917)	(2,556)	(4,076)	(6,632)
Net rental and related income	8,294	46,962	55,256	9,097	37,569	46,666
Joint venture management fee income	14,699	-	14,699	10,492	-	10,492
Net valuation gains / (losses) on investment properties	366,361	48,072	414,433	188,165	60,752	248,917
Administration expenses	(29,296)	(1,092)	(30,388)	(18,100)	(1,078)	(19,178)
Other expenses	(4,000)	-	(4,000)	(3,000)	-	(3,000)
Operating profit / (loss)	356,058	93,942	450,000	186,654	97,242	283,896
Net financial result	(8,593)	(17,751)	(26,344)	(14,238)	(16,157)	(30,395)
Taxes	(39,865)	(12,853)	(52,718)	(32,506)	(15,383)	(47,889)
Profit for the period	307,600	63,338	370,938	139,910	65,703	205,613

15.2. Balance sheet, proportionally consolidated

The table below includes the proportional consolidated balance sheet interest of the Group in the Joint Ventures. The interest held directly by the Group (5.1%) in the German asset companies of the Joint Ventures have been included in the 50% Joint Ventures' figures (share of VGP).

<i>In thousands of €</i>	2020			2019		
	Group	Joint Venture	Total	Group	Joint Venture	Total
Investment properties	920,151	1,445,062	2,365,213	792,945	934,008	1,726,953
Investment properties included in assets held for sale	102,309	-	102,309	169,655	-	169,655
Total investment properties	1,022,460	1,445,062	2,467,522	962,600	934,008	1,896,608
Other assets	283,325	252	283,575	69,599	474	70,073
Total non-current assets	1,305,785	1,445,314	2,751,097	1,032,199	934,482	1,966,681
Trade and other receivables	44,828	14,451	59,279	28,770	8,222	36,992
Cash and cash equivalents	222,356	46,140	268,496	176,148	28,802	204,950
Disposal group held for sale	-	-	-	-	-	-
Total current assets	267,184	60,591	327,775	204,918	37,024	241,942
Total assets	1,572,969	1,505,905	3,078,872	1,237,117	971,506	2,208,623
Non-current financial debt	748,796	714,277	1,463,073	767,673	487,099	1,254,772
Other non-current financial liabilities	-	823	823	-	2,689	2,689
Other non-current liabilities	10,461	5,718	16,179	12,789	4,548	17,337
Deferred tax liabilities	43,813	91,638	135,451	31,647	63,470	95,117
Total non-current liabilities	803,070	812,456	1,615,526	812,109	557,806	1,369,915
			0			0
Current financial debt	34,468	13,728	48,196	12,673	11,034	23,707
Trade debts and other current liabilities	77,725	24,949	102,677	89,325	15,421	104,746
Liabilities related to disposal group held for sale	6,742	-	6,742	10,475	-	10,475
Total current liabilities	118,935	38,676	157,614	112,473	26,455	138,928
Total liabilities	922,005	851,132	1,773,140	924,582	584,260	1,508,842
Net assets	650,964	654,773	1,305,737	312,535	387,246	699,781

GLOSSARY

Annualised committed rental income

The annualised committed rental income represents the annualised rental income generated or to be generated by signed lease agreements of which the start date is already in effect or will be in effect in the future.

Break

First option to terminate a lease.

Contractual rental income

The gross rental income as contractually agreed in the lease agreement on the date of signing.

Derivatives

As a borrower, VGP wishes to protect itself from any rise in interest rates. This interest rate risk can be partially hedged using derivatives (such as interest rate swap contracts).

Discounted cash flow

This is a valuation method based on a detailed projected revenue flow that is discounted to a net current value at a given discount rate based on the risk of the assets to be valued.

EBITDA

Earnings before interest, taxes, depreciation, and amortization.

EPRA

The European Public Real Estate Association, a real estate industry body, which has issued Best Practices Recommendations Guidelines in order to provide consistency and transparency in real estate reporting across Europe.

Estimated rental value

Estimated rental value (ERV) is the market rental value determined by independent property experts.

Exit yield

Is the capitalisation rate applied to the net income at the end of the discounted cash flow model period to provide a capital value or exit value which an entity expects to obtain for an asset after this period.

Facility Management

Day-to-day maintenance, alteration and improvement work. VGP employs an internal team of facility managers who work for the VGP Group and for third parties

Fair value

The fair value is defined in IAS 40 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In addition, market value must reflect current rental agreements, the reasonable assumptions in respect of potential rental income and expected costs.

First Joint Venture

Means VGP European Logistics S.à r.l., the 50:50 joint venture between VGP and Allianz.

Fourth Joint Venture

Means LPM Holding BV, the 50:50 joint venture between VGP and Roozen Landgoederen Beheer

Gearing ratio

Is a ratio calculated as consolidated net financial debt divided by total equity and liabilities or total assets.

IAS/IFRS

International Accounting Standards / International Financial Reporting Standards. The international accounting standards drawn up by the International Accounting Standards Board (IASB), for the preparation of financial statements.

Interest hedging

The use of derived financial instruments to protect debt positions against interest rate rises.

IRS (Interest Rate Swap)

A transaction in which the parties swap interest rate payments for a given duration. VGP uses interest rate swaps to hedge against interest rate increases by converting current variable interest payments into fixed interest payments.

Joint Ventures

Means either and each of (i) the First Joint Venture; (ii) the Second Joint Venture, (i) the Third Joint Venture; and (ii) the Fourth Joint Venture

Lease expiry date

The date on which a lease can be terminated

Net asset value

The value of the total assets minus the value of the total liabilities.

Net financial debt

Total financial debt minus cash and cash equivalents.

Occupancy Rate

The occupancy rate is calculated by dividing the total leased out lettable area (m²) by the total lettable area (m²) including any vacant area (m²).

Property expert

Independent property expert responsible for appraising the property portfolio.

Property portfolio

The property investments, including property for lease, property investments in development for lease, assets held for sale and development land.

Second Joint Venture

Means VGP European Logistics 2 S.à r.l., the 50:50 joint venture between VGP and Allianz.

Signed lease agreements

Signed lease agreements represent the signed lease agreements that represent certain rental income on an annual basis.

Third Joint Venture

Means VGP Park München GmbH, the 50:50 joint venture between VGP and Allianz.

VGP European Logistics or VGP European Logistics joint venture

Means the First Joint Venture

VGP European Logistics 2 or VGP European Logistics 2 joint venture

Means the Second Joint Venture.

VGP Park Moerdijk or LPM joint venture

Means the Fourth Joint Venture.

VGP Park München or VGP Park München joint venture

Means the Third Joint Venture.

Weighted average term

The weighted average term of leases is the sum of the (current rent and committed rent for each lease multiplied by the term remaining up to the final maturity of these leases) divided by the total current rent and committed rent of the portfolio

Weighted average yield

The sum of the contractual rent of a property portfolio to the acquisition price of such property portfolio.

Result on the portfolio

Realised and non-realised changes in value compared to the most recent valuation of the expert, including the effective or latent capital gain tax payable in the countries where VGP is active.