

VGP TRADING UPDATE

14 May 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 published a trading update for the first four months of 2021:

- Continued strong operating performance
 - €12.5 million signed and renewed lease agreements, bringing total annualized rental income to €196.8 million (+6% year-to-date)
 - A record 1,041,000 m² under construction representing €64.8 million in additional annual rent once fully built and let (currently 80.1% pre-let)
 - Completed portfolio grown with 58k m² to 2.50 million m² which is 99.6% let
- Expansion of land bank to secure future growth
 - Extended pipeline through 471,000 m² of new land bought and a further 3.1 million m² committed subject to permits
 - Total land bank acquired and secured has grown to 8.54 million m² (+11.6% year-to-date) which supports 4.0 million m² of future lettable area
- Joint Venture closing anticipated for end of May with expected net cash proceeds of €52 million
 - Advanced discussions with Allianz regarding expansion of first Joint Venture ongoing

VGP's Chief Executive Officer, **Jan Van Geet**, said: *"The year 2021 has started on a strong footing as demand for premium locations remains at elevated levels due to changing consumer behaviour and technological advancements in industry. Year-to-date we have signed €12.5 million of lease agreements and we expect this number to grow in the coming weeks as several signed prelim agreements representing >€10 million are expected to be finalized."*

Jan Van Geet continued: *"As a result, our predominantly pre-let construction portfolio is topping for the first time 1 million m², of which over half is situated in Germany (with 215k in VGP Park München) and the other projects well spread across the other European markets. These strong market fundamentals and our resilient delivery put us at pace for another very strong year."*

Jan Van Geet concluded: *"Our recent inaugural €600 million international green bond offering has allowed us to diversify our funding mix and provides enhanced flexibility for future capital allocation decisions. Whilst maintaining a disciplined and fortress balance sheet, we remain committed to using our resources to drive inclusive and sustainable solutions for the communities we serve as we support our customers in solving their logistics needs or manufacturing real estate requirements. This has enabled us, despite scarcity of permittable land, to continue to make significant investments in the future pipeline, by replenishing and growing our secured land bank with net 900,000 m² year to date, including several trophy locations which will drive leasing growth in the coming years."*

OPERATING HIGHLIGHTS – 4M 2021

Lease operations

- Signed and renewed rental income of € 12.5 million driven by €11.8 million of new leases (€2.6 million on behalf of the Joint Ventures¹) and €0.7 million of renewals (all on behalf of the Joint Ventures). Lease agreements in the amount of € 0.2 million were terminated
- Annualized committed leases at April 2021 (including Joint Ventures at 100%) of €196.8 million (vs €185.2 million at Dec-20) of which €145.9 million related to the Joint Ventures
- Several leasing contracts are in the pipeline and expected to be signed in the coming weeks
- The impact of COVID-19 on leasing operations and customer payment behaviour has been minimal with virtually all rent payments received on time

Development activities

- Development of 39 projects under construction totalling 1,041,000 m² of future lettable area and expected to generate € 64.8 million of new rent when fully built and leased (80.1% pre-let)
- Geographical split of parks under construction: 53% is located in Germany, 11% Spain, 7% in each Czech Republic and Slovakia, 5% Romania, 4% in each Italy and Netherlands, 3% in each Hungary and Portugal and 1% in Austria
- Delivery of 4 projects during the first four months of 2021 of in total 58,000 m² of lettable area representing € 1.2 million of annualized committed leases; these buildings are 100% let
- All construction activities currently run on schedule whilst taking into account the applicable Health and Safety guidance and regulations for all our operations in relation to COVID-19

Land bank

- During the first four months of 2021 in total 0.47 million m² of land was acquired representing a development potential of 0.20 million m²
- A further 3.09 million m² of land plots are committed, pending permits, and have a development potential of 1.31 million m² of future lettable area, bringing the total owned and secured land bank to 8.54 million m² supporting 3.97 million m² of future lettable area
- In addition 3.83 million m² of land has been identified and is under exclusive negotiation (representing 1.58 million m² of future lettable area)

Renewable Energy

- A total solar power generation capacity of 48.8MWp is currently installed or under construction through 45 roof-projects. This is being realised through a €21 million investment to date. In addition, the pipeline identified at the moment equates to an additional power generation capacity of 64 MWp

¹ Joint Ventures means either and each of (i) the First Joint Venture i.e. VGP European Logistics S.à.r.l., the 50:50 joint venture between VGP and Allianz and (ii) the Second Joint Venture i.e. VGP European Logistics 2 S.à.r.l., the 50:50 joint venture between VGP and Allianz, and (iii) the Third Joint Venture i.e. VGP Park München GmbH, the 50:50 joint venture between VGP and Allianz, and (iv) LPM Joint Venture, i.e. LPM Holding B.V., the 50:50 joint venture between VGP and Roozen Landgoederen Beheer

Capital and liquidity position

- On 31 March 2021, VGP announced the successful issue of a first benchmark international green bond for an aggregate nominal amount of € 600 million, paying a coupon of 1.50 per cent. p.a. and maturing on 8 April 2029. Demand exceeded 2.7 times the volume of the issue. The proceeds from this issuance are being used to fund the majority pre-let development pipeline, the build out of renewable energy assets and the design and development of new green logistics and semi-industrial parks
- Before the end of May, we anticipate the eighth closing with VGP European Logistics, the First Joint Venture with Allianz Real Estate. The expected transaction value is €70 million and the expected net cash proceeds amount to €52 million. As the First Joint Venture has reached its expanded investment target, this will be the last closing with the First Joint Venture to include new parks.
- Advanced discussion with Allianz Real Estate with regards to the expansion of the First Joint Venture are progressing well and expected to be finalized in the coming weeks
- On 14 May 2021, the Board of Directors will propose to the Annual Shareholders Meeting to distribute a gross dividend of €3.65 per share corresponding to a total gross dividend amount of €75.1 million, with payment date proposed for 25 May 2021 (to be confirmed by shareholders at the AGM)

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FORWARD-LOOKING STATEMENTS

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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 8.54 million m² and the strategic focus is on the development of business parks. Founded in 1998 as a Belgian family-owned real estate developer in the Czech Republic, VGP with a staff of c. 300 employees today owns and operates assets in 11 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>