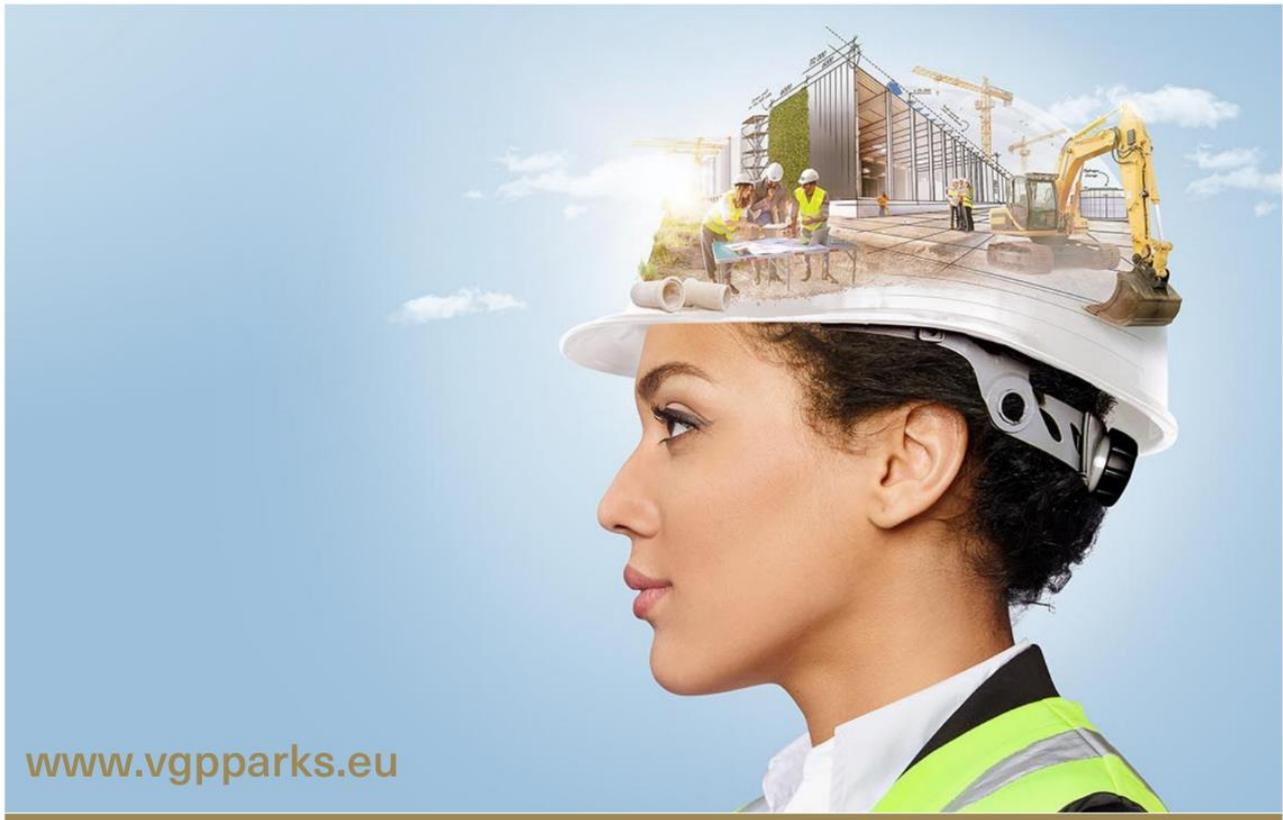

VGP

**BUILDING
TOMORROW
TODAY**



ANNUAL FINANCIAL RESULTS PRESS RELEASE

For the period from
1 January 2021 – 31 December 2021

Regulated Information
Wednesday, 23 February 2022, 07:00 am CET

NEW LEASES SIGNED FOR 1.35 MILLION SQM UNDERPIN STRONG FINANCIAL RESULT FOR FY2021

23 February 2022, 7:00am, Antwerp, 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 2021:

- Record net profit of € 650.1 million, a 75.2% YoY increase
- Strong business growth across the portfolio
 - Signed and renewed rental income of € **79.7** million, bringing total signed rental income as of Dec 2021 to € **256.1** million, a **38.3%** YoY increase
 - Strong letting activity continued into 2022
 - A record **1,478,000 m²** under construction at year-end
 - Land bank expanded to **10.94** million m² – a **43.0%** YoY increase, despite significant consumption due to expansion of construction works
 - A record **652,000 m²** of lettable area delivered, representing € 32.0 million of annualised committed leases (entire completed portfolio is 99.4% let)
- The total capital expenditure for the Group over 2021 (including capital expenditure related to Joint Ventures projects) amounted € 743 million
 - based on the predominantly pre-let construction pipeline CAPEX for 2022 is expected to be well above 2021 level
- Year-end gearing ratio amounts to 29,8%
- Intention to propose to the Annual Meeting of Shareholders a distribution of a gross dividend of € 149.6 million which equates to € 6.85 per share – an 87.7% YoY increase – and gross dividend yield of 2.94% versus last close

VGP's Chief Executive Officer, **Jan Van Geet**, said: *"VGP reported solid results benefiting from elevated leasing activity, rental growth and compression in valuation yields. Like in previous years, we have been able to consistently enlarge our land bank in-line with our growth, yet, with nearly 40% of projects acquired last year being brownfield, we continue to place our clients closer to their clients and customers and help improve their supply chain efficiency and last mile delivery. The demand for new space witnessed into 2022 continues to be healthy and we remain optimistic on the outlook for this year as business sentiment is upbeat and secular shifts point towards elevated demand for the coming period driven by consumer shift towards ecommerce, supply chain optimization strategies and transition towards sustainable operations across industries and logistics."*

Jan Van Geet continued: *"I would like to particularly thank my team for their devotion, enthusiasm and energy. Everybody contributed to our achievements of last year. Our team has grown together with our company and today we can rely on a deep bench of experienced professionals offering technical in-house know-how on design and engineering of advanced semi-industrial and e-commerce facilities, without having to rely on general contractor or external engineers and consultants."*

Jan Van Geet concluded: *"We have managed to significantly strengthen our fortress balance sheet in the course of 2021 and due to the two bond issuances we have our financing needs for 2022 covered, despite a significantly larger capex anticipated in 2022 versus last year due to our predominantly pre-let construction pipeline."*

FINANCIAL AND OPERATING HIGHLIGHTS

Strong new leasing activity continued

- Signed and renewed rental income of € 79.7 million driven by 1,313,000 m² of new lease agreements signed (corresponding to € 74.6 million of new annualised rental income), combined with 102,000 m² of lease agreements renewed (corresponding to € 5.1 million of annualised rental income).
- Germany contributed half of the new leases (€ 37.3 million; 50%) whilst the remainder was geographically well spread across the markets VGP operates: Czech Republic € 10.2 million (14%), Spain € 5.4 million (7%), Hungary € 4.2 million (6%), Romania € 3.5 million (5%), Italy €3.3 million (4%), Austria € 3.2 million (4%), Portugal € 2.4 million (3%), Slovakia € 2.1 million (3%), Latvia € 1.9 million (3%) and Netherlands € 1.1 million (1%).
- Terminations represented a total of € 3.7 million or 70,000 m² (of which 46,000 m² within the Joint Ventures' portfolio).
- The total signed lease agreements represent € 256.1 million¹ annualised committed rental income (equivalent to 4.46 million m² of lettable area), a 38.3% increase versus December 2020 reported at € 185.2 million.
- In addition to the signed lease agreements , VGP has signed a number of Letters of Intent over new future Leases representing € 30 million of annualised committed rent income if and when converted to lease agreements.
- VGP expects a significant amount of rental increase throughout its entire portfolio as virtually all of its lease agreements are annually indexed against inflation.

Record level of construction activity

- During 2021 we delivered 26 projects representing a record 652,000 m² of lettable area, which equates to €32.0 million of annualised committed rental income (99.8% let).
- At year-end 50 projects were under construction representing 1,478,000 m² of future lettable area, which, once delivered and fully let, will generate €93.9 million of annualised committed rental income; the portfolio under construction at year-end was 83.8% pre-let².

Record land bank expansion

- Over the last 12 month in total 4,037,000 m² of land was acquired representing a development potential of 1,776,000 m² and a further 3,981,000 m² of land plots were committed, pending permits, which have a development potential of at least 1,690,000 m² of future lettable area, bringing the total owned and committed land bank to 10,938,000 m² (+43.0% year-over-year), supporting a minimum of 4,983,000 m² of future lettable area
- In addition to the owned and committed land bank, VGP has signed non-binding agreements (“land under option”) and is currently performing due diligence investigations, on an exclusive basis, on the potential acquisitions of in total circa 2,859,000 m² of new land plots with a development

¹ For Joint Ventures at 100%

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

potential of at least 1,304,000 m². This brings the land bank of owned, committed and under option to 13,797,000 m² supporting a minimum of 6,287,000 m² of future lettable area.

- From an asset value perspective, the land bank is predominantly Western European-based but on the bases of square meters the land bank is well spread across the countries in which we operate.
- Our team continues to find additional – increasingly brownfield – sites for future development, and we are working with planning authorities on the most effective and sustainable utilization and regeneration of such sites in order to reduce our impact on the environment.

Significant strengthening of the team

- The team expanded to 322 FTE equivalent as we hired 60 additional people across the organization.
- We have strengthened our teams across the board which will enhance our product offerings and deepen our engagement with our clients.

Expanded relationship with Allianz through fourth joint venture

- In June 2021, VGP and Allianz Real Estate announced the successful eighth and final closing of the first 50/50 joint venture, VGP European Logistics. The transaction comprised of four logistic buildings, including two buildings in a new VGP park and another two newly completed logistic buildings which were developed in parks previously transferred to the joint venture. Following this transaction this joint venture reached its expanded investment target and is fully invested¹. The transaction value was € 68.2 million². The net proceeds from this transaction amounts to circa € 49.6 million. Furthermore, in September 2021 VGP received a € 21.1 million profit distribution from the Joint Ventures.
- In December 2021, VGP and Allianz Real Estate entered into a new 50:50 joint venture with a € 2.8 billion investment target. This is the fourth joint venture with Allianz Real Estate. The ESG setup for the new partnership aims to encompass Carbon Risk Real Estate Monitor and EU Taxonomy compliance, on a best-efforts basis, the use of Sustainable Certification including high BREEAM or DGNB ratings, and EPC criteria, among others. The managerial and governance setup of the new partnership is similar to the first three joint ventures with VGP serving the new joint venture as its sole asset, property and development manager. Similarly, to the first joint venture which reached its investment target, the new joint venture will concentrate on the acquisition of income-generating assets developed by VGP in Germany, Czech Republic, Slovakia and Hungary. A first closing for the new joint venture is anticipated in the second half of 2022.
- A significant cash balance is expected to be recycled from Joint Venture closings in 2022. With firstly, in respect of the expansion of the Second Joint Venture, it is anticipated that a further closing will occur during the first half of 2022. Gross transaction value is estimated to be well above € 300 million³

¹ Barring any top-ups related to assets being completed in parks already owned by the joint venture

² The transaction value is composed of the purchase price for the completed income generating buildings and the net book value of the development pipeline which is transferred as part of a closing but not yet paid for by the First Joint Venture.

³ Subject to final agreement between the joint venture partners in terms of the transferred income generating assets and pricing

Strengthened capital and financial 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, for coupon of 1.500% p.a. and maturing on 8 April 2029.
- On 24 November, VGP successfully completed a € 300 million offering of new shares (equivalent to 6.1% of shares outstanding).
- The Group further benefits from renewed and expanded multi-year¹ € 200 million revolving credit facilities which are currently undrawn.
- Post the balance sheet date, on 10 January 2022, VGP successfully issued its second public benchmark green bonds for an aggregate nominal amount of € 1.0 billion, in two tranches, with a € 500 million 5-year bond paying a coupon of 1.625% p.a. and maturing on 17 January 2027 and a € 500 million 8-year bond paying a coupon of 2.250% p.a. and maturing on 17 January 2030.
- Year-end gearing ratio amounted to 29,8%.
- The Group will report on the progress of eligible investments in-line with the Green Finance Framework as part of the 2021 Corporate Responsibility Report expected to be published by the end of March 2022.

Expansion of the Group's European footprint

- The Group further expanded its European footprint with the acquisition of a first land plot in Serbia, where a 1.1 million m² land position was acquired near Belgrade Airport.
- The Group has opened its first office in France (Lyon). In the coming period the focus will be on identifying suitable development locations.
- A country manager for Greece has been appointed in January 2022 as the Group has entered the Hellenic market.
- Other continental European countries, including Croatia, Sweden and Denmark remain in focus for potential future expansion.

Significant growth in renewable energy power generation

- A total solar power generation capacity of 74.7MWp is currently installed or under construction through 57 roof-projects. This is being realised through a € 38.4 million committed investment to date. In addition, the currently identified pipeline of 37 projects equates to an additional power generation capacity of 74.5 MWp.

Progress towards our Sustainable Development Goals

- We have made significant progress towards our Sustainable Development Goals and are on track to achieve carbon neutrality by 2025 and 50% gross reduction by 2030 under scope 1 and 2.

¹ €150 million matures on 31 December 2026 and €50 million matures on 31 December 2024

- With regards to the sustainable building target, the Group aims for BREEAM Excellent (required minimum BREEAM Very Good) or DGNB Gold for all new constructions started up in 2022.
- As of 1 January 2022, all of VGP's European offices switched to renewable energy as a Virtual Power Purchase Agreement was reached with Scholt Energy B.V., the independent energy supplier, and ACT Commodities B.V., the European energy trading house, to provide solar energy from VGP's existing solar farm on the roofs of VGP Park Nijmegen, Netherlands, to VGP offices across Europe. The agreement covers VGP's 20 offices across 12 countries. Additionally, it is envisaged to include VGP's new offices in France and Serbia this year also.
- ESG disclosure has been further enhanced following the publication of the GRI compliant 2020 Corporate Responsibility Report the Group reported its annual CDP and GRESB submissions and obtained an initial Sustainability score.

Outlook 2022

- Client demand and shortage of supply of grade A logistics and industrial buildings are supporting rent levels and occupancy. The underlying fundamentals for logistics and semi-industrial real estate remain robust with e-commerce continuing to be a big driver for demand of new lettable space.
- Based on the strong leasing activities as reported over the course of 2021 and indications of interest received for the coming period, development activities are expected to continue to operate at elevated levels well into 2022.
- Longer term development activities will continue to be driven by client-led demand and our ability to meet these opportunities with a.o. VGP's readily available prime land bank locations.
- With regards to VGP Renewable Energy, the Group focuses on an expansion of the service offering through increased production of green energy used for self-consumption and facilitating our clients in their transitioning towards green energy.

KEY FINANCIAL METRICS

Operations and results	2021	2020	Change (%)
Committed annualised rental income (€mm)	256.1	185.2	38.3%
IFRS Operating Profit before tax (€mm)	776.6	419.4	85.2%
IFRS net profit (€mm)	650.1	370.9	75.3%
IFRS earnings per share (€ per share)	31.41	18.58	69.1%
Dividend per share (€ per share)	6.85 ¹	3.65	87.7%

Portfolio and balance sheet	2021	2020	Change (%)
Portfolio value, including Joint Ventures at 100% (€mm)	5,746	3,843	49.5%
Portfolio value, including Joint Ventures at share (€mm)	4,084	2,468	65.4%
Occupancy ratio of standing portfolio (%)	99.4	98.5	-
EPRA NTA ² per share (€ per share)	106.93	65.78	62.5%
IFRS NAV per share (€ per share)	99.65	63.44	57.1%
Net financial debt (€mm)	1,159	561	107%
Gearing ³ (%)	29.8	25.2	-

AUDIO WEBCAST FOR INVESTORS AND ANALYSTS

VGP will host an audio webcast at 11:00 (CET) on 23 February 2021

The conference call will be available on:

Webcast link:

- https://event.webcasts.com/starthere.jsp?ei=1527750&tp_key=b3e18d81aa
- Click on the link above to attend the presentation from your laptop, tablet or mobile device
- Audio will stream through your selected device
- Please join the event audio webcast 5-10 minutes prior to the start time

A presentation will be available on VGP website:

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

¹ Proposed dividend per share to be approved by the Annual General Meeting of Shareholders of 13 May 2022.

² EPRA Net Tangible Assets. Other metrics, EPRA Net Reinstatement Value and Net Disposal Value can be found in note 12.2

³ Calculated as Net debt / Total equity and liabilities

FINANCIAL CALENDAR

Publication Annual Report 2021	12 April 2022
First quarter 2022 trading update	13 May 2022
General meeting of shareholders	13 May 2022
Dividend ex-date	24 May 2022
Dividend payment date	26 May 2022
Half year results 2022	26 August 2022
Third quarter 2022 trading update	18 November 2022

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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 10.94 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 circa 350 employees today owns and operates assets in 14 European countries directly and through several 50:50 joint ventures. As of December 2021, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 5.75 billion and the company had a Net Asset Value (EPRA NTA) of € 2.33 billion. VGP is listed on Euronext Brussels (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.

SUMMARY BUSINESS REVIEW

During 2021 VGP's business has continued to grow with development activities continuing to perform at record levels driven by strong letting activities, despite the continued disruption caused by Covid-19.

The signed lease agreements represent € 256.1 million¹ of annualised committed rental income at the end of December 2021 represent a total of 4,244,000 m² of lettable area. Of this total space 1,699,000 m² belong to the own portfolio (809,000 m² as at 31 December 2020) and 2,545,000 m² to the Joint Ventures (2,407,000 m² at 31 December 2020).

During the year 2021 VGP delivered a total of 26 projects representing 652,000 m² of lettable area, with an additional 50 projects under construction representing 1,478,000 m² of future lettable area.

The Group's completed property portfolio, including own and Joint Ventures portfolio, reached an occupancy rate of 99.4% as of December 2021 compared to 98.5% as of December 2020.

The net valuation of the property portfolio as at 31 December 2021 showed a net valuation gain of € 610.3 million (against a net valuation gain of € 366.4 million per 31 December 2020).

The own investment property portfolio consists of 29 completed buildings representing 766,000 m² of lettable area whereas the Joint Ventures property portfolio consists of 122 completed buildings representing 2,326,000 m² of lettable area.

The total capital expenditure for the Group over 2021 (including capital expenditure related to Joint Ventures projects) amounted to € 743 million.

In March 2021, VGP successfully completed a debut international bond offering for total gross proceeds of € 600 million.

In November 2021, VGP successfully completed a share offering for total proceeds of € 300 million which, combined with retained earnings and cash proceeds from the joint venture closing has resulted in a gearing ratio of the Group of 29.8% as at 31 December 2021 (compared to 25.2% at 31 December 2020).

In December 2021, VGP and Allianz Real Estate setup a fourth joint venture for a total investment capacity of € 2.8 billion.

Post the balance sheet date, in January 2022, VGP successfully completed a second, dual-tranche bond offering for total gross proceeds of € 1,000 million.

¹ Including joint ventures.

OPERATING RESULT

<i>(in thousands of €)</i>	2021	2020
Revenue¹	44,255	29,558
Gross rental income	17,618	12,078
Property operating expenses	(2,219)	(3,784)
Net rental income	15,399	8,294
Joint ventures management fee income	21,303	14,699
Net valuation gains / (losses) on investment properties	610,261	366,361
Administration expenses	(52,112)	(29,296)
Share in result from joint ventures after tax	186,703	63,338
Other expenses	(5,000)	(4,000)
Operating profit / (loss)	776,554	419,396
Net financial costs	(12,654)	(8,592)
Profit before taxes	763,900	410,804
Taxes	(113,844)	(39,865)
Profit for the year	650,055	370,939

Net rental income

The net rental income increased with € 7.1 million to € 15.4 million, primarily due to income generating assets delivered during 2021 offset by the closing with VGP's Joint Ventures.

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 € 15.4 million (from € 55.3 million for the period ending 31 December 2020 to € 70.7 million for the period ending 31 December 2021)²

Annualised committed rent income

During 2021, the increase in demand of lettable area resulted in the signing of new lease contracts for an amount of € 79.7 million in total (VGP and Joint Ventures portfolio) (compared to € 45.2 million during 2020), of which € 74.6 million related to new or replacement leases and € 5.1 million related to renewals of existing lease contracts. During 2021, lease contracts for a total amount of € 3.7 million were terminated. The Annualised Committed Leases (including the Joint Ventures at 100%) increased from € 185.2 million as at 31 December 2020 to € 256.1 million as at 31 December 2021³, representing over 4,458,000 m² of lettable area.

The Annualised Committed Leases are composed of € 164.6 million lease agreements which have already become effective as of this date and € 91.5 million signed lease agreements which will become effective in the future. The breakdown as to when the Annualised Committed Leases will become effective is as follows:

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 As at 31 December 2021, the Annualised Committed Leases for the Joint Ventures stood at € 151.2 million compared to € 143.5 million as at 31 December 2020.

In Million €	Current	<1 year	>1 -2 years	>2-3 years	>3 years	Total
Own	37.1	50.6	14.8	0.0	2.5	104.9
Joint Ventures at 100%	127.5	23.2	0.4	0.0	0.0	151.2
Total	164.6	73.8	15.3	0.0	2.5	256.1

As at 31 December 2021, the weighted average term of the combined own and Joint Ventures portfolio stood at 8.6 years¹ (compared to 8.5 years at 31 December 2020), the own portfolio stood at 10.2 years² and the Joint Ventures' portfolio stood at 7.4 years³.

As at 31 December 2021 the top 10 tenants by annualized gross rental income of the combined (own portfolio and Joint Ventures') portfolio totaled 37.0%

Net valuation gains on the property portfolio

As at 31 December 2021 the net valuation gains on the property portfolio reached € 610.3 million compared to a net valuation gain of € 366.4 million for the period ended 31 December 2020.

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 2021 based on a weighted average yield of 4.64% (compared to 5.51% as at 31 December 2020) 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.

Income from Joint Ventures

The Joint Ventures management fee income increased by € 6.6 million to € 21.3 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 € 10.7 million for the period ending 31 December 2020 to € 14.2 million for the period ending 31 December 2021. The development management fee income generated during the period was € 7.1 million compared to € 4.0 million for the period ending 31 December 2020.

Share in result of the Joint Ventures

VGP's share of the Joint Ventures' profit for the period increased by € 123.4 million from € 63.3 million for the period ending 31 December 2020 to € 186.7 million for the period ending 31 December 2021, primarily reflecting higher unrealised valuation gains on investment properties driven by further contraction of the yield on the investment portfolio, and higher net rental income.

Net rental income at share increased to € 55.3 million for the period ending 31 December 2021 compared to € 47.0 million for the period ended 31 December 2020. The increase reflects the underlying growth of the Joint Ventures' Portfolio primarily resulting from the eighth closing made between the First Joint Venture and VGP in June 2021.

At the end of December 2021, the Joint Ventures (100% share) had € 151.2 million of annualised committed rental income representing 2,545,000 m² of lettable area compared to € 143.5 million of annualised committed rental income representing 2,407,000 m² at the end of December 2020.

¹ Combined (own + joint ventures portfolio) – up to the first break: 8.1 years

² Own portfolio – up to the first break: 9.6 years

³ Joint Ventures portfolio – up to the first break: 7.1 years

The net valuation gains on investment properties at share increased to € 186.7 million for the year ending 31 December 2021 (compared to € 48.1 million for the year ending 31 December 2020). 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 4.28% as at 31 December 2021 (compared to 4.76% as at 31 December 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 2021 decreased to € 15.3 million from € 17.8 million for the period ending 31 December 2020. For the period ending 31 December 2021, the financial income at share was € 0.0 million (€ 2.0 million for the period ending 31 December 2020). The financial expenses at share increased from € 19.7 million for the period ending 31 December 2020 to € 15.3 million for the period ending 31 December 2021 and included € 4.4 million interest on shareholder debt (€ 5.9 million as at 31 December 2020), € 10.2 million interest on financial debt (€ 8.7 million as at 31 December 2020), € 2.7 million other financial expenses (€ 5.5 million as at 31 December 2020) and a positive impact of € 1.4 million (€ 0.5 million per 31 December 2020) related to capitalised interests.

Administrative costs

The administrative costs for the period were € 52.1 million compared to € 29.3 million for the period ended 31 December 2020, reflecting the continued growth of the development activities of the Group and its geographic expansion as well as the increased costs of the long-term incentive plan (LTIP) which is directly proportionally linked to the net asset growth of the Group. During the year an additional accrual in an amount of € 16.0 million was booked in respect of the LTIP.

Other administrative expenses include € 3.5 million of travel costs for the year 2021. Such costs were included under property operating in the previous year in an amount of € 1.9 million. These travel costs are directly linked to the development activities such as sourcing of development land.

As at 31 December 2021 the VGP team comprised more than 320 FTE active in 14 different countries.

Other expenses

The other expenses for the period were € 5 million compared to € 4 million for the period ended 31 December 2020 reflecting the provision for the annual contribution to the VGP Foundation. As at 31 December 2021 the VGP Foundation supported 29 projects reflecting € 6.5 million of accumulated commitments since inception in 2019.

Net financial costs

For the period ending 31 December 2021, the financial income was € 12.3 million (€ 9.3 million for the period ending 31 December 2020) and included € 12.3 million interest income on loans granted to the Joint Ventures (€ 9.3 million as at 31 December 2020).

The reported financial expenses as at 31 December 2021 of € 25.0 million (€ 17.9 million as at 31 December 2020) are mainly made up of € 34.1 million expenses related to financial debt (€ 26.6 million as at 31 December 2020), € 3.3 million other financial expenses (€ 2.9 million as at 31 December 2020) and a positive impact of € 13.2 million (€ 11.9 million for the period ending 31 December 2020) related to capitalised interests.

As a result, the net financial costs reached € 12.7 million for the period ending 31 December 2021 compared to € 8.6 million at the end of December 2020.

Shareholder loans to the Joint Ventures amounted to € 346.9 million as at 31 December 2021 (compared to € 266.6 million as at 31 December 2020) of which € 82.9 million (€ 69.7 million as at 31 December 2020) 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 2021, the taxes were € 113.8 million (2020: € 39.9 million) and included € 113.6 million deferred taxes (2020: € 39.0 million).

EVOLUTION OF THE DEVELOPMENT ACTIVITIES

Completed projects

As at 31 December 2021, the own investment Property Portfolio consists of 29 completed buildings representing 766,000 m² of lettable area. During 2021, 26 buildings were completed totalling 652,000 m² of lettable area. The occupancy rate of the own portfolio reached 99.3% as at 31 December 2021 (100% as at 31 December 2020).

As at 31 December 2021, the investment Property Portfolio of the Joint Ventures consists of 122 completed buildings representing 2,326,000 m² of lettable area. The occupancy rate of the Joint Ventures portfolio reached 99.4% as at 31 December 2021, compared to 98.4% as at 31 December 2020).

Projects under construction

As at 31 December 2021, VGP has 50 buildings under construction (10 on behalf of the Joint Ventures). The new buildings under construction, which are already pre-let for 83.8%, represent € 93.9 million of annualised rental income when fully built and let (€ 23.1 million for the Joint Ventures).

Land bank

In 2021, VGP acquired 4,037,000 m² of new development land. Of these land plots, 308,000 m² (8%) are located in Germany, 211,000 m² (5%) are located in the Czech Republic, 537,000 m² (13%) are located in Spain, 221,000 m² (5%) are located in the Netherlands, 182,000 m² (5%) are located in Latvia, 353,000 m² (9%) are located in Slovakia, 250,000 m² (6%) are located in Romania, 468,000 m² (12%) are located in Hungary, 220,000 m² (5%) are located in Italy, 120,000 m² (3%) are located in Austria, 27,000 m² (1%) are located in Portugal and 1,140,000 m² (28%) are located in Serbia. These new land plots have a development potential of at least 1,776,000 m² of future lettable area.

Besides this, VGP had another 3,981,000 m² of new committed plots of land as at 31 December 2021, which are located in Germany, the Czech Republic, the Netherlands, Spain, Slovakia, Romania, Hungary, Italy, Austria and Portugal. These land plots allow for the development of ca. 1,685,000 m²

of new projects. It is expected that these remaining land plots will be acquired, subject to permits, during the next 12 to 24 months.

As a result, VGP (own portfolio) has a remaining secured development land bank of 9,833,000 m² as at 31 December 2021, of which 60% or 5,852,000 m² in full ownership. This secured land bank allows VGP to develop – in addition to the current completed projects and projects under construction (totalling 2,009,000 m²) – at least a further 4,329,000 m² of lettable area of which 894,000 m² (20.7%) in Germany, 303,000 m² (7.0%) in the Czech Republic, 337,000 m² (7.8%) in Spain, 181,000 m² (4.2%) in the Netherlands, 14,000 m² (0.3%) in Latvia, 367,000 m² (8.5%) in Slovakia, 697,000 m² (16.1%) in Romania, 373,000 m² (8.6%) in Hungary, 371,000 m² (8.6%) in Italy, 136,000 m² (3.1%) in Austria, 169,000 m² (3.9%) in Portugal and 487,000 m² (11.2%) in Serbia.

In addition to 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 2,859,000 m² of new land plots with a development potential of at least 1,304,000 m².

The Joint Ventures have a remaining owned land bank of circa 1,105,000 m² as at 31 December 2021, of which 73% is located in the Netherlands. This land bank allows the Joint Ventures to develop – in addition to the current completed projects and projects under construction (totalling 2,561,000 m²) – a further 654,000 m² of lettable area of which 48,000 m² (7.3%) in Germany, 18,000 m² (2.8%) in the Czech Republic, 58,000 m² (8.9%) in Spain, 515,000 m² (78.8%) in the Netherlands, 10,000 m² (1.5%) in Slovakia and 5,000 m² (0.8%) in Hungary.

Based on value of the development potential the geographical breakdown of the land bank – owned and committed – for own portfolio as well as Joint Ventures combined is as follows: Germany 24%, Netherlands 20%, Spain 16%, Slovakia 9%, Czech Republic 8%, Romania 7%, Austria 5%, Hungary 3%, Serbia 3% and other 3%.

DISPOSAL GROUP HELD FOR SALE

The balance of the Disposal group held for sale increased from € 102.3 million as at 31 December 2020 to € 501.9 million as at 31 December 2021. The balance as at 31 December 2021 relates to assets earmarked for the upcoming closing with the Second Joint Venture and to 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 (superseded by the recently announced Fourth Joint Venture with Allianz Real Estate) 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/Fourth 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 joint venture 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 € 501.9 million as at 31 December 2021 (compared to € 102.3 million as at 31 December 2020).

FINANCING

On 26 March 2021, Fitch Ratings announced a first issuer credit rating for VGP assigning a long-term investment grade rating of BBB- with a stable outlook. The Group had engaged in the financial rating process in order to benefit from an enhanced access to debt capital markets when needed, including a broader investor base and tighter spreads.

On 31 March 2021, VGP announced the successful issue of a first benchmark international green bond for an aggregate nominal amount of € 600 million, for coupon of 1.500% p.a. and maturing on 8 April 2029. Demand exceeded 2.7 times the volume of the issue and the Group announced that the proceeds from this issuance will be used to finance and /or refinance a portfolio of eligible assets in accordance with the VGP Green Finance Framework of March 2021 (details available on VGP Investor Relations website).

On 24 November, VGP successfully completed a € 300 million offering of new shares (equivalent to 6.1% of shares outstanding). The capital increase consisted of 1,250,000 new shares at an issue price of € 240 per share, representing a discount of 9.1% compared to the prior close and a premium of 3.0% compared to the last traded price of the Company's share prior to the 10-month trading update as published before market open on 19 November 2021.

The Group further benefits from renewed and expanded multi-year aggregate € 200 million revolving credit facilities which are currently undrawn. These revolving credit facilities were setup in order to bridge temporary funding peaks between the different closings with the Joint Ventures and consists of the following committed revolving credit facilities:

- a € 75 million facility with Belfius Bank SA/NV maturing 31 Dec 2026
- a € 75 million facility with KBC Bank NV maturing 31 Dec 2026
- a € 50 million facility with BNP Paribas Fortis SA/NV maturing 31 Dec 2024.

Post the balance sheet date, on 17 January 2022, VGP successfully issued its second public benchmark green bonds for an aggregate nominal amount of € 1.0 billion, in two tranches, with a € 500 million 5-year bond paying a coupon of 1.625% p.a. and maturing on 17 January 2027 and a € 500 million 8-year bond paying a coupon of 2.250% p.a. and maturing on 17 January 2030. The new issuance has benefitted from a great market reception with total demand just under 2.5 times the combined volume of the offering. The proceeds from this issuance are being used to finance and /or refinance a portfolio of eligible assets in accordance with the VGP Green Finance Framework dated March 2021.

The Group will report on the progress of eligible investments in-line with the Green Finance Framework as part of the 2021 Corporate Responsibility Report expected to be published in March 2022.

The gearing ratio¹ of the Group as of 31 December 2021 increased to 29.8% from 25.2% as at 31 December 2020.

On a proportionally consolidated basis LTV amounted to 46%.

¹ Calculated as Net debt / Total equity and liabilities

STRATEGIC PARTNERSHIPS

Strategic partnership with Allianz

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

The First Joint Venture was established in May 2016 with an objective to build a platform of new, grade A logistics and industrial properties with a key focus on expansion in core German markets and high growth CEE markets (of Hungary, the Czech Republic and the Slovak Republic).

The Second Joint Venture was established in July 2019 with the objective to build a platform of core, prime logistic assets in Austria, Italy, the Netherlands, Portugal, Romania and Spain.

The Third Joint Venture was established in June 2020 with an objective to develop VGP Park München. Once fully developed, VGP Park München will consist of five logistic buildings, two stand-alone parking houses and one office building for a total gross lettable area of approx. 314,000 m². The park is entirely pre-let.

As the First Joint Venture reached its investment capacity, Allianz and VGP entered into a new joint venture agreement in December 2021 with a view to establish a new Fourth Joint Venture. The Fourth Joint Venture will become effective at the moment of its first closing, currently expected to occur during the second half of 2022.

The Fourth Joint Venture aims to increase its portfolio size (i.e. the gross asset value of the acquired income generating assets) to circa € 2.8 billion by 2027 at the latest.

Strategic partnership in respect of Development Joint Ventures

To allow VGP to acquire land plots on prime locations for future development, the Group has entered into three strategic partnerships, *i.e.* (i) a 50:50 joint venture with Roozen (the **LPM Joint Venture**), (ii) a 50:50 joint venture with VUSA (the **VGP Park Belartza Joint Venture**), and (iii) a 50:50 joint venture with Revikon (the **VGP Park Siegen Joint Venture**) (together, the **Development Joint Ventures**). The Group considers these Development Joint Ventures as an add-on source of land sourcing for land plots which would otherwise not be accessible to the Group.

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 € 149.6 million for the year 2021. This equates to € 6.85 per share or a gross dividend yield of 2.94%¹, compared to € 3.65 per share distributed over the year 2020.

¹ Based on the closing share price of € 233.00 as at 22 February 2022

FINANCIAL ACCOUNTS¹

1. CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021

INCOME STATEMENT <i>(in thousand of €)</i>	NOTE	31.12.2021	31/12/2020
Revenue	7	44,255	29,558
Gross rental income		17,618	12,078
Property operating expenses		(2,219)	(3,784)
Net rental income		15,399	8,294
Joint venture management fee income		21,303	14,699
Net valuation gains / (losses) on investment properties	8	610,261	366,361
Administration expenses	9	(52,112)	(29,296)
Share in result of Joint Ventures	10.1	186,703	63,338
Other expenses		(5,000)	(4,000)
Operating profit / (loss)		776,554	419,396
Financial income	11	12,322	9,319
Financial expenses	11	(24,976)	(17,911)
Net financial result		(12,654)	(8,592)
Profit before taxes		763,900	410,804
Taxes		(113,845)	(39,865)
Profit for the period		650,055	370,939
Attributable to:			
Shareholders of VGP NV		650,055	370,939
Non-controlling interests		-	-
EARNINGS PER SHARE	NOTE	31.12.2021	31/12/2020
Basic earnings per share (in €)	12	31.41	18.58
Diluted earnings per share (in €)	12	31.41	18.58

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

¹ 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.

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

STATEMENT OF COMPREHENSIVE INCOME <i>(in thousand of €)</i>	31.12.2021	31/12/2020
Profit for the year	650,055	370,939
<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	650,055	370,939
Attributable to:		
Shareholders of VGP NV	650,055	370,939
Non-controlling interest	-	-

3. CONSOLIDATED BALANCE SHEET

For the year ended 31 December 2021

ASSETS (in thousand of €)	NOTE	31.12.2021	31.12.2020
Goodwill		0	0
Intangible assets		1,046	557
Investment properties	13	1,852,514	920,151
Property, plant and equipment		32,141	16,944
Non-current financial assets		0	0
Investments in joint venture and associates	10.2	858,116	654,773
Other non-current receivables	10.3	264,905	264,038
Deferred tax assets		1,953	1,786
Total non-current assets		3,010,675	1,858,249
Trade and other receivables		148,022	44,828
Cash and cash equivalents		222,160	222,356
Disposal group held for sale		501,882	102,309
Total current assets		872,064	369,493
TOTAL ASSETS		3,882,739	2,227,742
SHAREHOLDERS' EQUITY AND LIABILITIES			
(in thousands of €)	NOTE	31.12.2021	31.12.2020
Share capital		78,458	72,225
Share premium		574,088	285,420
Retained earnings		1,523,019	948,092
Shareholders' equity		2,175,565	1,305,737
Non-current financial debt		1,340,609	748,796
Other non-current financial liabilities		0	0
Other non-current liabilities		32,459	10,461
Deferred tax liabilities		112,295	43,813
Total non-current liabilities		1,485,363	803,070
Current financial debt		44,147	34,468
Trade debts and other current liabilities		107,509	77,725
Liabilities related to disposal group held for sale		70,155	6,742
Total current liabilities		221,811	118,935
Total liabilities		1,707,174	922,005
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,882,739	2,227,742

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

4. STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2021

STATEMENT OF CHANGES IN EQUITY <i>(in thousands of €)</i>	Statutory share capital	Capital reserve	IFRS share capital	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2020	92,667	(30,416)	62,251	69	637,461	699,781
Other comprehensive income / (loss)	-	-	-	-	-	0
Result of the period	-	-	-	-	370,939	370,939
Effect of disposals	-	-	-	-	-	0
Total comprehensive income / (loss)	0	0	0	0	370,939	370,939
Capital and share premium increase net of transaction costs	9,974	-	9,974	188,346	-	198,320
Share capital distribution to shareholders	-	-	-	-	-	0
Sale of treasury shares	-	-	-	97,005	-	97,005
Hybrid securities	-	-	-	-	-	0
Dividends	-	-	-	-	(60,308)	(60,308)
Balance as at 31 December 2020	102,641	(30,416)	72,225	285,420	948,092	1,305,737
Balance as at 1 January 2021	102,641	(30,416)	72,225	285,420	948,092	1,305,737
Other comprehensive income / (loss)	-	-	-	-	-	0
Result of the period	-	-	-	-	650,055	650,055
Effect of disposals	-	-	-	-	-	0
Total comprehensive income / (loss)	0	0	0	0	650,055	650,055
Capital and share premium increase net of transaction costs	6,233	-	6,233	288,668	-	294,901
Share capital distribution to shareholders	-	-	-	-	-	0
Sale of treasury shares	-	-	-	-	-	0
Hybrid securities	-	-	-	-	-	0
Dividends	-	-	-	-	(75,128)	(75,128)
Balance as at 31 December 2021	108,874	(30,416)	78,458	574,088	1,523,019	2,175,565

5. CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2021

CASH FLOW STATEMENT (in thousand of €)	Note	31.12.2021	31/12/2020
<i>Cash flows from operating activities</i>			
Profit before taxes		763,900	410,804
<i>Adjustments for:</i>			
Depreciation		2,431	2,076
Unrealised (gains) / losses on investment properties		(598,726)	(200,221)
Realised (gains) / losses on disposal of subsidiaries and investment properties		(11,535)	(166,140)
Unrealised (gains) / losses on financial instruments and foreign exchange		786	282
Interest (income)		(12,322)	(9,319)
Interest expense		24,190	17,629
Share in (profit) / loss of Joint Venture and associates (see note 10.1)		(186,703)	(63,338)
Operating profit before changes in working capital and provisions		(17,979)	(8,227)
Decrease/(Increase) in trade and other receivables		(51,472)	(28,240)
(Decrease)/Increase in trade and other payables		10,932	10,401
Cash generated from the operations		(58,519)	(26,066)
Interest income		4	27
Interest (expense)		(28,726)	(25,259)
Income taxes paid		(232)	(870)
Net cash generated from operating activities		(87,473)	(52,168)
<i>Cash flows from investing activities</i>			
Proceeds from disposal of tangible assets and other		36	14
Proceeds from disposal of subsidiaries and investment properties	14	49,647	405,644
Investment property and investment property under construction		(680,028)	(428,244)
Distribution by / (investment in) Joint Venture and associates		(4,060)	(10,759)
Loans provided to Joint Venture and associates		(99,511)	(116,506)
Loans repaid by Joint Venture and associates		13,493	15,321
Net cash used in investing activities		(720,423)	(134,530)
<i>Cash flows from financing activities</i>			
Dividends paid		(75,128)	(60,308)
Net Proceeds / (cash out) from the issue / (repayment) of share capital		294,901	198,320
Net Proceeds from sale of own shares		0	97,005
Proceeds from loans		594,149	0
Loan repayments		(1,333)	(1,433)
Net cash used in financing activities		812,589	233,584
Net increase / (decrease) in cash and cash equivalents		4,693	46,886
Cash and cash equivalents at the beginning of the period		222,356	176,148
Effect of exchange rate fluctuations		(1,132)	(678)
Reclassification to (-) / from held for sale		(3,757)	0
Cash and cash equivalents at the end of the period		222,160	222,356

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 2021 and 2020.

As the First Joint Venture reached its investment capacity, Allianz and VGP entered into a new joint venture agreement in December 2021 with a view to establish a new Fourth Joint Venture. The Fourth Joint Venture will become effective at the moment of its first closing, currently expected to occur during the second half of 2022. Consequently, such Fourth Joint Venture was not reflected in the business lines at year-end.

To allow VGP to acquire land plots on prime locations for future development, the Group entered into two additional strategic partnerships during 2021, i.e. in (i) a 50:50 joint venture with VUSA (the VGP Park Belartza Joint Venture), and (ii) a 50:50 joint venture with Revikon (the VGP Park Siegen Joint Venture).

Consequently, as from 2021 onwards the business lines have been amended to take these two new development joint ventures 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 First, Second and Fourth Joint Venture perimeter i.e. Latvia and Serbia 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>	2021	2020
Investment EBITDA	67,454	55,452
Property development EBITDA	552,341	342,536
Property management and asset management EBITDA	14,326	9,342
Total operating EBITDA	634,121	407,330

<i>In thousands of €</i>	For the year ended 31 December 2021			
	Investment	Development	Property and asset management	Total
Gross rental income	17,618	-	-	17,618
Property operating expenses	(222)	(1,997)	-	(2,219)
Net rental income	17,396	(1,997)	-	15,399
Joint venture management fee income	-	-	21,303	21,303
Net valuation gains / (losses) on investment properties destined to the joint ventures	-	592,772	-	592,772
Administration expenses	(4,270)	(38,434)	(6,977)	(49,681)
Share of joint ventures' adjusted operating profit after tax ¹	54,328	-	-	54,328
Operating EBITDA	67,454	552,341	14,326	634,121
Other expenses				(5,000)
Depreciation and amortisation	(28)	(2,334)	(74)	(2,436)
Earnings before interest and tax	67,426	550,007	14,252	626,685
Net finance costs - Own				(12,653)
Net finance costs - Joint ventures and associates	0	0	0	(15,987)
Profit before tax				598,045
Current income taxes - Own				(232)
Current income taxes - Joint ventures and associates				(2,600)
Recurrent net income				595,213
Net valuation gains / (losses) on investment properties - other countries ²				17,491
Net valuation gains / (losses) on investment properties - Joint ventures and associates				186,668
Net fair value gain/(loss) on interest rate swaps and other derivatives - Joint ventures and associates				645
Deferred taxes -Own				(113,613)
Deferred taxes -Joint ventures and associates				(36,349)
Reported profit for the period				650,055

¹ The adjustments to the share of profit from the joint ventures (at share) are composed of € 186.7 million of net valuation gains/(losses) on investment properties, € 1.0 million of net fair value loss on interest rate derivatives and € 36.4million of deferred taxes in respect of these adjustments.

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

	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.

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.

<i>In thousands of €</i>	Gross rental income ¹	Net rental income ¹	Share of joint venture's operating profit	Operating EBITDA	Investment properties Own	Investment properties JV's at share	Capital expenditure ²
Western Europe							
Germany	42,442	33,297	29,721	317,886	1,020,758	1,148,592	244,805
Spain	6,267	3,979	3,836	49,137	293,260	99,535	100,921
Austria	663	280	506	26,359	47,360	14,465	33,312
Netherland	3,445	3,072	2,426	68,180	190,156	115,987	61,449
Italy	1,476	744	598	10,710	78,770	14,300	35,252
France	-	(19)	-	(19)	-	-	-
Portugal	-	(228)	-	5,150	24,873	-	13,056
	54,293	41,125	37,087	477,403	1,655,177	1,392,879	488,794
Central and Eastern Europe							
Czech Republic	13,507	12,529	11,765	97,861	238,596	249,989	65,284
Slovakia	2,056	1,003	1,795	40,045	154,426	36,303	68,568
Hungary	4,075	3,548	2,012	20,305	93,230	33,476	40,548
Romania	3,227	1,754	2,316	3,124	98,655	34,050	41,424
	22,865	18,834	17,888	161,335	584,907	353,818	215,824
Baltics and Balkans							
Estonia	-	-	-	-	-	-	-
Latvia	2,891	2,691	-	2,558	72,840	-	15,288
Serbia	4	(51)	-	(213)	23,950	-	23,269
Croatia	-	-	-	-	-	-	-
	2,895	2,640	-	2,345	96,790	-	38,557
Other³	-	8,119	(647)	(6,962)	-	73	-
Total	80,053	70,718	54,328	634,121	2,336,874	1,746,770	743,176

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 € 719.3 million (of which € 299.1 related to land acquisition) and amounts to € 23.9 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.

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	-	21,706
Portugal	-	(67)	-	(516)	5,096	12,415	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 (of which € 299.1 related to land acquisition) 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.

7. REVENUE

<i>In thousands of €</i>	2021	2020
Rental income from investment properties	12,478	10,087
Straight lining of lease incentives	5,140	1,991
Total gross rental income	17,618	12,078
Property and facility management income	14,213	10,743
Development management income	7,090	3,956
Joint ventures' management fee income	21,303	14,699
Service charge income	5,334	2,781
Total revenue	44,255	29,558

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 t 2021. During 2021 rental income included € 0.4 million of rent for the period 1 January 2021 to 15 June 2021 related to the property portfolio sold during the eighth closing with the First Joint Venture on 15 June 2021. During the year 2020 the gross rental income included (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 the First Joint Venture on 15 October 2020, and (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 Second Joint Venture 2 joint venture on 16 November 2020

At the end of December 2021, the Group (including the joint ventures) had annualised committed leases of € 256.1 million¹ compared to € 185.2 million² as at 31 December 2020.

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

<i>In thousands of €</i>	2021	2020
Less than one year	104,759	41,713
Between one and five years	397,792	155,977
More than five years	563,840	215,843
Total	1,066,391	413,533

¹ € 151.1 million related to the JV Property Portfolio and € 105.0 million related to the Own Property Portfolio.

² € 143.5 million related to the JV Property Portfolio and € 41.7 million related to the Own Property Portfolio..

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

<i>In thousands of €</i>	2021	2020
Unrealised valuation gains / (losses) on investment properties	464,478	188,863
Unrealised valuation gains / (losses) on disposal group held for sale	134,248	11,358
Realised valuation gains / (losses) on disposal of subsidiaries and investment properties	11,535	166,140
Total	610,261	366,361

The own property portfolio, excluding development land but including the assets being developed on behalf of the Joint Ventures, is valued by the valuation expert at 31 December 2021 based on a weighted average yield of 4.64% (compared to 5.51% as at 31 December 2020) 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 € 52.3 million.

9. ADMINISTRATION EXPENSES

<i>In thousands of €</i>	2021	2020
Wages and salaries	(22,441)	(9,876)
Audit, legal and other advisors	(19,810)	(15,593)
Other administrative expenses	(7,430)	(1,751)
Depreciation	(2,431)	(2,076)
Total	(52,112)	(29,296)

Increase in wages, salaries and other advisors mainly relate additional set up of variable remuneration and LTIP accruals in an amount of € 16.0 million for the year ended 31 December 2021.

The other administrative expenses include € 3.5 million of travel costs. Such costs were included under property operating expenses in the previous year in an amount of € 1.9 million.

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 Joint Ventures and the associates; and (ii) the Development Joint Ventures, all of which are accounted for using the equity method. For a detailed overview of the Joint Ventures, please refer to section *Strategy – Strategic partnerships* included in the first part of this annual report.

VGP NV holds 50% directly in all Joint Ventures and holds another 5.1% in the subsidiaries of the First Joint Venture (10.1% in the subsidiaries of the Fourth Joint Venture) holding assets in Germany. The Fourth Joint Venture – which is intended to replace the investment capacity of the First Joint Venture – will only become effective as from its first closing, currently expected to take place during the second half of 2022, and consequently the below mentioned table does not include the Fourth Joint Venture.

<i>In thousands of €</i>	VGP European Logistics (excl. minorities) at 100%	VGP European Logistics 2 at 100%	VGP Park München at 100%	Development Joint Ventures at 100 %	Joint Ventures at 50%	VGP European Logistics German Asset Companies at 5.1%	2021
Gross rental income	92,432	23,021	3,152	-	59,302	3,132	62,435
Property Operating expenses							
- underlying property operating expenses	(1,157)	(1,064)	(56)	45	(1,116)	(34)	(1,150)
- property management fees	(7,913)	(2,814)	(626)	-	(5,676)	(289)	(5,966)
Net rental income	83,362	19,143	2,470	45	52,510	2,809	55,319
Net valuation gains / (losses) on investment properties	304,442	46,771	-	-	175,606	11,063	186,670
Administration expenses	(1,474)	(274)	(89)	(73)	(955)	(40)	(995)
Operating profit	386,330	65,640	2,381	(28)	227,161	13,832	240,994
Net financial result	(21,423)	(7,955)	493	(231)	(14,558)	(784)	(15,342)
Taxes	(62,623)	(14,175)	2,944	-	(36,927)	(2,022)	(38,949)
Profit for the period	302,283	43,510	5,818	(259)	175,676	11,027	186,703

<i>In thousands of €</i>	VGP European Logistics (excl. minorities) at 100%	VGP European Logistics 2 at 100%	VGP Park München at 100%	Development Joint Ventures 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

10.2. Summarised balance sheet information in respect of Joint Ventures

<i>In thousands of €</i>	First Joint Venture (excl. minorities) at 100%	Second Joint Venture at 100%	Third Joint Venture at 100%	Development Joint Ventures at 100 %	Joint Ventures at 50%	First Joint Venture's German Asset Companies at 5.1%	2021
Investment properties	2,215,851	451,500	551,441	105,322	1,662,057	84,713	1,746,770
Other assets	41	54	3,531	75	1,850	-	1,851
Total non-current assets	2,215,892	451,554	554,972	105,397	1,663,908	84,713	1,748,620
Trade and other receivables	10,920	8,044	5,257	1,247	12,734	395	13,129
Cash and cash equivalents	59,747	19,192	16,691	421	48,025	1,836	49,862
Total current assets	70,667	27,236	21,948	1,668	60,760	2,231	62,990
Total assets	2,286,560	478,790	576,920	107,065	1,724,667	86,943	1,811,611
Non-current financial debt	892,941	239,304	271,522	53,774	728,771	35,325	764,095
Other non-current financial liabilities	399	(15)	-	-	192	-	192
Other non-current liabilities	6,158	2,709	-	950	4,909	141	5,049
Deferred tax liabilities	207,402	40,578	2,408	583	125,486	7,331	132,816
Total non-current liabilities	1,106,901	282,576	273,930	55,307	859,357	42,796	902,153
Current financial debt	23,588	5,033	-	-	14,310	744	15,055
Trade debts and other current liabilities	18,505	7,203	41,459	4,604	35,885	402	36,288
Total current liabilities	42,093	12,236	41,459	4,604	50,196	1,146	51,342
				0			
Total liabilities	1,148,994	294,812	315,389	59,911	909,553	43,942	953,495
Net assets	1,137,566	183,978	261,531	47,154	815,114	43,001	858,116

<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	-	-	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	-	-	823	-	823
Other non-current liabilities	6,819	2,561	1,727	-	5,553	164	5,718
Deferred tax liabilities	143,377	27,749	1,821	-	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	-	-	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

VGP entered into four 50:50 joint ventures with Allianz which are set up according to a similar structure. The First Joint Venture recorded one closing during the year. On 15 June 2021, the First Joint Venture completed its eighth and final closing, whereby the First Joint Venture acquired 4 logistic buildings, including 2 buildings in a new VGP parks and another 2 newly completed buildings (in parks which were previously transferred to the First Joint Venture). Following this closing the First Joint Venture reached its expanded investment target. The First Joint Venture will maintain its existing portfolio with VGP, continuing to act as property, facility and asset manager.

As the First Joint Venture reached its investment capacity, Allianz and VGP entered into a new joint venture agreement in December 2021 with a view to establish a new Fourth Joint Venture. The Fourth Joint Venture will become effective at the moment of its first closing, currently expected to occur during the second half of 2022. The Fourth Joint Venture's objective is to build a platform of new, grade A logistics and industrial properties with a key focus on expansion within the same geographical scope as the First Joint Venture, i.e. core German markets and high growth CEE markets (of Hungary, the Czech Republic and the Slovak Republic), with the aim of delivering stable income-driven returns with potential for capital appreciation.

To allow VGP to acquire land plots on prime locations for future development, the Group has entered into three strategic partnerships, *i.e.* in (i) a 50:50 joint venture with Roozen (the LPM Joint Venture) entered into during 2020, (ii) a 50:50 joint venture with VUSA (the VGP Park Belartza Joint Venture), and a 50:50 joint venture with Revikon (the VGP Park Siegen Joint Venture) both entered into during 2021. The Group considers these Development Joint Ventures as an add-on source of land sourcing for land plots which would otherwise not be accessible to the Group.

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 2021 based on a weighted average yield of 4.28 %¹ (compared to 4.76% as at 31 December 2020). A 0.10% variation of this market rate would give rise to a variation of the Joint Venture portfolio value (at 100%) of € 79.2 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.

10.3. Other non-current receivables

<i>in thousands of €</i>	2021	2020
Shareholder loans to First Joint Venture	42,183	51,672
Shareholder loans to Second Joint Venture	15,963	15,351
Shareholder loans to Third Joint Venture	135,908	82,911
Shareholder loans to Development Joint Ventures	52,940	29,030
Shareholder loans to associates (subsidiaries of First Joint Venture)	16,976	17,871
Construction and development loans to subsidiaries of First Joint Venture	36,769	32,507
Construction and development loans to subsidiaries of Second Joint Venture	46,192	37,226
Construction and development loans reclassified as assets held for sale	(82,961)	(69,733)
Other non-current receivables	935	67,203
Total	264,905	264,038

Other non-current receivables relate to non-current balance due by the shareholder of the LPM Joint Venture. The 2020 balance related to the 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. As it is expected that these buildings will be completed during the second half of 2022 the this balance balance was reclassified as Other current receivables in 2021.

10.4. Investments in joint ventures and associates

<i>in thousands of €</i>	2021	2020
As at 1 January	654,773	387,246
Additions	23,770	211,091
Result of the year	186,703	63,338
Repayment of equity	(7,130)	(6,902)
As at the end of the period	858,116	654,773

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 LPM Joint Venture and VGP Park Belartza Joint Venture only hold development land and hence have been excluded from the weighted average yield calculation.

11. NET FINANCIAL RESULT

<i>In thousands of €</i>	2021	2020
Bank and other interest income	-	2
Interest income - loans to joint venture and associates	12,318	9,292
Other financial income	4	25
Financial income	12,322	9,319
Bond interest expense	(31,251)	(24,706)
Bank interest expense - variable debt	(2,825)	(1,871)
Interest capitalised into investment properties	13,212	11,881
Net foreign exchange expenses	(786)	(282)
Other financial expenses	(3,326)	(2,933)
Financial expenses	(24,976)	(17,911)
Net financial costs	(12,654)	(8,592)

12. EARNINGS PER SHARE

12.1. Earnings per ordinary share (EPS)

<i>In number</i>	2021	2020
Weighted average number of ordinary shares (basic)	20,696,064	19,960,099
Dilution	-	-
Weighted average number of ordinary shares (diluted)	20,696,064	19,960,099

<i>In thousands of €</i>	2021	2020
Result for the period attributable to the Group and to ordinary shareholders	650,055	370,939
Earnings per share (in €) - basic	31.41	18.58
Earnings per share (in €) - diluted	31.41	18.58

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 NNAV 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 2021	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNAV
<i>In thousands of €</i>					
IFRS NAV	2,175,565	2,175,565	2,175,565	2,175,565	2,175,565
IFRS NAV per share (in euros)	99.65	99.65	99.65	99.65	99.65
NAV at fair value (after the exercise of options, convertibles and other equity)	2,175,565	2,175,565	2,175,565	2,175,565	2,175,565
To exclude:					
Deferred tax	160,176	160,176	-	160,176	-
Intangibles as per IFRS balance sheet	-	(1,051)	-	-	-
Subtotal	2,335,741	2,334,690	2,175,565	2,335,741	2,175,565
Fair value of fixed interest rate debt	-	-	(7,470)	-	(7,470)
Real estate transfer tax	63,285	-	-	-	-
NAV	2,399,026	2,334,690	2,168,095	2,335,741	2,168,095
Number of shares	21,833,050	21,833,050	21,833,050	21,833,050	21,833,050
NAV / share (in euros)	109.88	106.93	99.30	106.98	99.30

31 December 2020	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNAV
<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

13. INVESTMENT PROPERTIES

<i>In thousands of €</i>	2021			
	Completed	Under Construction	Development land	Total
As at 1 January	166,410	456,681	297,060	920,151
Capex	163,678	231,983	24,499	420,160
Acquisitions	-	17,935	281,211	299,146
Capitalised interest	777	12,435	-	13,212
Capitalised rent free and agent's fee	7,995	2,045	676	10,716
Sales and disposals	(36,419)	-	-	(36,419)
Transfer on start-up of development	-	177,545	(177,545)	-
Transfer on completion of development	318,947	(318,947)	-	-
Net gain from value adjustments in investment properties	124,443	436,253	12,457	573,153
Reclassification to held for sale	(183,100)	(160,770)	(3,735)	(347,605)
As at 31 December	562,730	855,160	434,624	1,852,514

<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

As at 31 December 2021 investment properties totalling € 30.8 million (same as at 31 December 2020) were pledged in favour the Group's banks.

14. CASH FLOW FROM DISPOSAL OF SUBSIDIARIES AND INVESTMENT PROPERTIES

<i>In thousands of €</i>	2021	2020
Investment property	54,496	608,483
Trade and other receivables	678	16,011
Cash and cash equivalents	2,172	24,057
Non-current financial debt	0	-
Shareholder Debt	(41,658)	(372,515)
Other non-current financial liabilities	(502)	(2,229)
Deferred tax liabilities	(2,192)	(31,459)
Trade debts and other current liabilities	(1,108)	(26,637)
Total net assets disposed	11,886	215,711
Realised valuation gain on sale	12,136	167,111
Total non-controlling interest retained by VGP	(1,108)	(1,989)
Shareholder loans repaid at closing	40,362	313,415
Equity contribution	(11,457)	(191,454)
Total consideration	51,819	502,794
Consideration to be received - Third Joint Venture		(73,093)
Consideration paid in cash	51,819	429,701
Cash disposed	(2,172)	(24,057)
Net cash inflow from divestments of subsidiaries and investment properties	49,647	405,644

The cash flow from disposal of subsidiaries and investment properties relate to the different closings with the Allianz Joint Ventures. In 2021 an eight closing of the First Joint Venture took place.

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>	2021			2020		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
Gross rental income	17,618	62,435	80,053	12,078	52,095	64,173
Property operating expenses	(2,219)	(7,116)	(9,335)	(3,784)	(5,133)	(8,917)
Net rental and related income	15,399	55,319	70,718	8,294	46,962	55,256
Joint venture management fee income	21,303	0	21,303	14,699	-	14,699
Net valuation gains / (losses) on investment properties	610,261	186,670	796,931	366,361	48,072	414,433
Administration expenses	(52,112)	(995)	(53,107)	(29,296)	(1,092)	(30,388)
Other expenses	(5,000)	0	(5,000)	(4,000)	-	(4,000)
Operating profit / (loss)	589,851	240,994	830,845	356,058	93,942	450,000
Net financial result	(12,654)	(15,342)	(27,996)	(8,593)	(17,751)	(26,344)
Taxes	(113,845)	(38,949)	(152,794)	(39,865)	(12,853)	(52,718)
Profit for the period	463,352	186,703	650,055	307,600	63,338	370,938

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>	2021			2020		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
Investment properties	1,852,514	1,746,770	3,599,284	920,151	1,445,062	2,365,213
Investment properties included in assets held for sale	484,360	-	484,360	102,309	-	102,309
Total investment properties	2,336,874	1,746,770	4,083,644	1,022,460	1,445,062	2,467,522
Other assets	300,050	1,851	301,901	283,325	252	283,575
Total non-current assets	2,636,924	1,748,620	4,385,544	1,305,785	1,445,314	2,751,097
Trade and other receivables	148,022	13,129	161,151	44,828	14,451	59,279
Cash and cash equivalents	222,160	49,862	272,022	222,356	46,140	268,496
Disposal group held for sale	17,517	-	17,517	-	-	-
Total current assets	387,699	62,990	450,689	267,184	60,591	327,775
Total assets	3,024,623	1,811,611	4,836,234	1,572,969	1,505,905	3,078,872
Non-current financial debt	1,340,609	764,095	2,104,704	748,796	714,277	1,463,073
Other non-current financial liabilities	-	192	192	-	823	823
Other non-current liabilities	32,459	5,049	37,508	10,461	5,718	16,179
Deferred tax liabilities	112,295	132,816	245,111	43,813	91,638	135,451
Total non-current liabilities	1,485,363	902,153	2,387,516	803,070	812,456	1,615,526
Current financial debt	44,147	15,055	59,202	34,468	13,728	48,196
Trade debts and other current liabilities	107,510	36,288	143,798	77,725	24,949	102,677
Liabilities related to disposal group held for sale	70,154	-	70,154	6,742	-	6,742
Total current liabilities	221,811	51,342	273,153	118,935	38,676	157,614
Total liabilities	1,707,174	953,495	2,660,669	922,005	851,132	1,773,140
Net assets	1,317,449	858,116	2,175,565	650,964	654,773	1,305,737

GLOSSARY OF TERMS

Allianz or Allianz Real Estate

Means, (i) in relation to the First Joint Venture, Allianz AZ Finance VII Luxembourg S.A., SAS Allianz Logistique S.A.S.U. and Allianz Benelux SA (all affiliated companies of Allianz Real Estate GmbH) taken together; (ii) in relation to the Second Joint Venture, Allianz AZ Finance VII Luxembourg S.A., (iii) in relation to the Third Joint Venture, Allianz Pensionskasse A.G., Allianz Versorgungskasse Versicherungsverein A.G., Allianz Lebensversicherungs A.G. and Allianz Private Krankenversicherungs A.G., and (iv) in relation to the Fourth Joint Venture, Allianz Finance IX Luxembourg S.A. and YAO NEWREP Investments S.A.;

Allianz Joint Ventures or AZ JV

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

AZ JVA(s) or Allianz Joint Venture Agreement(s)

Means either and each of (i) the joint venture agreement made between Allianz and the VGP NV in relation to the First Joint Venture; (ii) the joint venture agreement made between Allianz and the VGP NV in relation to the Second Joint Venture; (iii) the joint venture agreement made between Allianz and the VGP NV in relation to the Third Joint Venture; and (iv) the joint venture agreement made between Allianz and the VGP NV in relation to the Fourth Joint Venture;

Annualised committed leases or annualised rent income

The annualised committed leases or the committed annualised rent income represents the annualised rent income generated or to be generated by executed lease – and future lease agreements.

Associates

Means either and each of the subsidiaries of the First Joint Venture or Fourth Joint Venture in which VGP NV holds a direct 5.1% (10.1%) participation,

Apr-23 Bond

the € 150 million fixed rate bond maturing on 2 April 2023 which carries a coupon of 2.75% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002677582 – Common Code: 208152149).

Apr-29 Bond

Means the € 600 million fixed rate bond maturing on 8 April 2029 which carries a coupon of 1.50% per annum (listed on the Euro MFT Market in Luxembourg with ISIN Code: BE6327721237 – Common Code: 232974028).

Belgian Code of Companies and Associations

means the Belgian Code of Companies and Associations dated 23 March 2019 (*Wetboek van vennootschappen en verenigingen/Code des sociétés et associations*), as amended or restated from time to time.

Belgian Corporate Governance Code

Drawn up by the Corporate Governance Commission and including the governance practices and provisions to be met by companies under Belgian Law which shares are listed on a regulated market (the "2020 Code"). The Belgian Corporate Governance Code is available online at www.corporategovernancecommittee.be.

Break

First option to terminate a lease.

Contractual rent

The gross rent as contractually agreed in the lease on the date of signing.

Contribution in kind

The non-cash assets contributed to a company at the time of formation or when the capital is increased.

Dealing Code

The code of conduct containing rules that must be complied with by the members of the Board of Directors, the members of executive management, and all employees of the VGP Group, who by virtue of their position, possess information they know or should know is insider information.

Derivatives

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

Development Joint Venture(s)

Means either and each of (i) the LPM Joint Venture; (ii) the VGP Park Belartza Joint Venture; and (iii) the VGP Park Siegen Joint Venture.

Development JVA(s)

Means either and each of (i) the joint venture agreement made between Roozen and VGP in relation to the LPM Joint Venture; (ii) the joint venture agreement made between Revikon and VGP in relation to the VGP Park Siegen Joint Venture; and (iii) the joint venture agreement made between VUSA and the VGP in relation to the VGP Park Belartza Joint Venture

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.

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.

Equivalent yield (true and nominal)

Is a weighted average of the net initial yield and reversionary yield and represents the return a property will produce based upon the timing of the income received. The true equivalent yield assumes rents are received quarterly in advance. The nominal equivalent assumes rents are received annually in arrears.

Estimated rental value ("ERV")

Estimated rental value (ERV) is the external valuers' opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.

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.

Fair value

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

First Joint Venture

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

Fourth Joint Venture

VGP European Logistics 3 S.à.r.l. (currently named VGP DEU 44 S.à.r.l.), the future 50:50 joint venture between the Issuer and Allianz.

FSMA

Means the Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Autorité des services et marchés financiers*).

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.

Indexation

The rent is contractually adjusted annually on the anniversary of the contract effective date on the basis of the inflation rate according to a benchmark index in each specific country.

Insider information

Any information not publicly disclosed that is accurate and directly or indirectly relates to one or more issuers of financial instruments or one or more financial instruments and that, if it were publicly disclosed, could significantly affect the price of those financial instruments (or financial instruments derived from them).

Investment value

The value of the portfolio, including transaction costs, as appraised by independent property experts

Joint Ventures

means either and each of (i) the Allianz Joint Ventures; and (ii) the Development Joint Ventures.

Jul-24 Bond

Means the € 75 million fixed rated bond maturing on 6 July 2024 which carries a coupon of 3.25% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002287564 – Common Code: 163738783).

JVA(s) or Joint Venture Agreement(s)

Means either and each of (i) the Allianz Joint Venture Agreements and; (ii) the Development JVA's.

Lease expiry date

The date on which a lease can be cancelled.

LPM Joint Venture

Means LPM Holding B.V., the 50:50 joint venture between the Company and Roozen.

Mar-25 Bond

Means the € 80 million fixed rate bond maturing on 30 March 2025 which carries a coupon of 3.35% per annum (unlisted with ISIN Code: BE6294349194 – Common Code: 159049558).

Mar-26 Bond

Means the € 190 million fixed rate bond maturing on 19 March 2026 which carries a coupon of 3.50% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002611896 – Common Code: 187793777).

Market capitalisation

Closing stock market price multiplied by the total number of outstanding shares on that date.

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.

Net Initial Yield

Is the annualised rents generated by an asset, after the deduction of an estimate of annual recurring irrecoverable property outgoings, expressed as a percentage of the asset valuation (after notional purchaser's costs).

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).

Prime yield

The ratio between the (initial) contractual rent of a purchased property and the acquisition value at a prime location.

Project management

Management of building and renovation projects. VGP employs an internal team of project managers who work exclusively for the company.

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.

Reversionary Yield

Is the anticipated yield, which the initial yield will rise to once the rent reaches the ERV and when the property is fully let. It is calculated by dividing the ERV by the valuation.

Revikon

Means Revikon GmbH.

Roozen or Roozen Landgoederen Beheer

Means in relation to the LPM Joint Venture, Roozen Landgoederen Beheer B.V.

Second Joint Venture

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

Take-up

Letting of rental spaces to users in the rental market during a specific period.

Third Joint Venture

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

VGP Park Belartza Joint Venture

Means Belartza Alto SXXI, S.L., the 50:50 joint venture between the Company and VUSA.

VGP Park Moerdijk or LPM joint venture

Means the LPM Joint Venture.

VGP Park München or VGP Park München joint venture

Means the Third Joint Venture.

VGP Park Siegen Joint Venture

Means Grekon 11 GmbH, the 50:50 joint venture between the Company and Revikon.

Vusa

Means Valeriano Urrutikoetxea, S.L.U.; Galdakarra XXI, S.L.; Saibigain XXI, S.L.U.; and Belartza Garaia, S.L.U.;

Weighted average term of financial debt

The weighted average term of financial debt is the sum of the current financial debt (loans and bonds) multiplied by the term remaining up to the final maturity of the respective loans and bonds divided by the total outstanding financial debt.

Weighted average term of the leases (“WAULT”)

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.