VGP BUILDING TOMORROW TODAY

HALF YEAR FINANCIAL RESULTS PRESS RELEASE

For the period from

1 January 2022 – 30 June 2022

Regulated Information

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VGP'S HALF YEAR RESULTS 2022

26 August 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 half-year ended 30 June 2022:

- Strong operating performance resulting in a net profit of **€ 153.1 million**
- € 35.4 million worth of signed and renewed lease agreements during H1'22, bringing total annualised rental income to € 281.1 million (+9.7% YTD)[1]
- As at 30 June 2022, a total of **1,346,000 m²** under construction through 40 projects representing **€ 88.1 million** in additional annual rent once fully built and let (87.4% pre-let)
    - **206,000 m²** of projects started up in H1'22 pre-let at 81.7%, representing € 11.1 million of rental income once fully built and let
    - Delivered 17 projects representing **334,000 m²** during H1'22, 99.3% let and representing € 17.1 million of rental income
- Strong liquidity position of **€730 million**[2] expected to be further positively impacted through seed portfolio closing of Fourth JV and completion of works in VGP Park Munich in H2'22
    - Cash balance supported by third closing with Second JV with net proceeds of € 215 million in Q1'22 and includes gross proceeds of € 82 million of two additional JV transactions as per July 1st '22
    - Expected minimum gross proceeds of € 73 million for completion of works in VGP Park Munich expected in Q4'22
    - Fourth Joint Venture seed portfolio closing planned for Q4'22
    - Revolving credit facility increased by 50% to € 300 million (all remaining undrawn)
- Gearing ratio of 35.2% (33.5% on a pro forma basis[2])

VGP's Chief Executive Officer, **Jan Van Geet**, said: *"In the first half year we have seen robust growth with € 35 million of new or renewed lease agreements signed and supported by significant rental growth in most countries. This growth was realised despite a more prudent approach by e-commerce sector of which a number of major players have shifted their take-up focus towards 2024 and beyond."*

Jan Van Geet continued: *"The unstable energy markets have not only given a significant boost to our renewable energy revenue potential, it has also served as an accelerator in our tenants' desire to switch to renewable energy consumption. Beyond the traditional stronghold countries of Germany and the Netherlands we are now initiating solar projects in almost all regions based on direct tenant demand."*

Jan Van Geet added: *"Although we have taken a more cautious approach to our land acquisitions during the first half of the year, an important side effect of these unstable energy markets is that it creates tremendous growth opportunities for us. After all, it accelerates the need for energy-inefficient industries to reinvent themselves and move to more sustainable and energy-efficient housing and operations. One of the side effects of this is that they are putting their old factories, mostly in prime locations, up for sale which consequently offers interesting brownfield redevelopment opportunities for VGP."*

Jan Van Geet concluded: *"A strong capital position is important, particularly as such highly attractive brownfield opportunities start to increasingly arise. The significant cash recycling through the completed and anticipated joint venture closings enhances our balance sheet and allows us the flexibility to best serve our customers whilst enabling us to create significant value for all stakeholders involved."*

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[1] Compared to 31 December 2021 and inclusive of Joint Ventures at 100%.

[2] Includes €82 million cash received on 1-Jul-22 as part of two JV closings. Cash balance as at 30 Jun-22 amounts to €648 million

FINANCIAL AND OPERATING HIGHLIGHTS

New leases signed

As at 30 June 2022, the signed and renewed rental income amounted to € 35.4 million (up 9.7% YTD).

Leasing activity year-to-date has been strong across the board with increased demand from a broad range of tenants. From a geographical perspective, Germany contributed circa a third of new leases and particular strong activity was noted in Spain, The Netherlands and Slovakia.

The increase was driven by 416,000 m² of new lease agreements signed, corresponding to € 22.4 million of new annualised rental income[1], whilst during same period for a total of 173,500 m² of lease agreements were renewed and extended corresponding to € 9.3 million of annualised rental income (of which € 8.2 million related to the joint ventures[2]). Indexation accounted for € 3.6 million in the first half of 2022 (of which € 3.2 million related to the joint ventures[2]). Terminations represented a total of €1.0 million or 19,000 m², of which € 0.8 million within the joint ventures' portfolio.

The signed annualised committed leases total € 281.1 million[3] (equivalent to 4.9 million m² of lettable area), a 9.7% increase since December 2021.

The leasing activity after 30 June 2022 has resulted in an additional € 6.1 million of new contracts being signed bringing the total annualised committed rental income to € 287.8 million (+12.4% YTD).

Construction activity

A total of 40 projects under construction which will create 1,346,000 m² of future lettable area, representing € 88.1 million of annualised leases once built and fully let – the portfolio under construction is 87.4% pre-let as at 30 June 2022.

During the first 6 months of 2022 a total of 17 projects were completed delivering 334,000 m² of lettable area, representing € 17.1 million of annualised committed leases. Several other projects currently under construction are scheduled for delivery in the coming months resulting in a delivery pipeline of >700,000m² expected for H2 2022.

During H1 we experienced additional increases of construction costs. First signs of stabilization have been noted towards the end of H1. The resulting effects on the development margins of the projects under construction were mitigated through a mix of higher rental income and yield changes.

Land bank

Acquisition of 1,55 million m² of development land and a further 3.25 million m² committed subject to permits which brings the remaining total owned and committed land bank for development to 11.31 million m², which supports more than 5.12 million m² of future lettable area.

A further 601,000 m² of new land plots have been identified and are under negotiation and have a development potential of at least 254,000 m² of future lettable area. This brings the land bank of owned, committed, secured and/or under option to 11.91 million m².

[1] Of which 250,000 m² (€ 14.1 million) related to the own portfolio

[2] Joint ventures refer to VGP European Logistics, VGP European Logistics 2 and VGP Park München, All three 50:50 joint ventures with Allianz Real Estate

[3] Including Joint Ventures at 100%

The land bank includes an agreement to purchase 32 hectares of land in Petit-Couronne, near Rouen, the capital of Normandy (of which 50% was already acquired during the 1H 2022), the first project of VGP in France. This brownfield project is expected to offer circa 150,000 m² of total gross lettable area, with construction works due to begin in 2023.

Renewable Energy

A total solar power generation capacity of 120.9 MWp is currently installed or under construction through 89 roof-projects in 4 countries. As at 30 June 2022 this represents a total aggregate investment amount of € 48 million.

In addition, 40 solar power projects have been identified in four additional countries which equates to an additional power generation capacity of 53.7 MWp. For these projects we expect the installation works to commence in the coming months. The current total solar portfolio, including pipeline projects totals 174 MWp.

Completion of the 3rd closing with the Second Joint Venture with Allianz Real Estate

On 16th of March 2022, VGP announced the successful third closing with its 50:50 joint venture, VGP European Logistics 2 (‘Second Joint Venture’). The transaction comprised 13 logistic buildings, including 9 buildings in 7 new VGP parks and another 4 newly completed logistic buildings which were developed in parks previously transferred to the Joint Second Venture. The transaction value was € 364 million[1] and net proceeds from this transaction amounted to circa € 215.5 million. Following the completion of this third closing, the Second’s Joint Venture’s property portfolio consist of 32 completed buildings representing around 642,000 m² of lettable area, with an 99.8% occupancy rate.

On 1 July 2022, two additional closings, one of each with the First and Second Joint Venture occurred for a total gross asset value of € 105 million and with gross cash proceeds for VGP in amount of € 82 million.

A final closing with the Third Joint Venture is anticipated during Q4 2022 upon completion of the Munich construction site, which is within its original time frame. The expected minimum gross proceeds of the transaction totals € 73 million.

Finally, during Q4 ’22 VGP expects to sell a seed portfolio of completed projects to the Fourth Joint Venture.

Capital and liquidity position

On the 10th of January 2022, VGP announced the successful issuance of its second public benchmark green bond for an aggregate nominal amount of € 1.0 billion, in two tranches i.e., a € 500 million 5-year bond tranche paying a coupon of 1.625% p.a. and maturing on 17 January 2027 and a € 500 million 8-year bond tranche paying a coupon of 2.250% p.a. and maturing on 17 January 2030. The proceeds from this issuance are being used to fund the majority pre-let development pipeline, the build out of renewable energy assets and the design and development of new green logistics and semi-industrial parks.

Total cash balance as at 30 June 2022 stood at € 648.5 million and increased further on 1 July 2022 with € 82 million following the closings with the First and Second Joint Venture.

[1] 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.

In August 2022, VGP further strengthened its liquidity position by increasing its committed credit facilities with an additional € 100 million granted under similar terms as the existing credit facilities. As a result, the current committed credit facilities amount to € 300 million, all of which currently remain undrawn.

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 under scope 1 and 2 and 55% reduction in 'in use' scope 3 emissions by 2030.

With regards to the sustainable building target, the Group targets BREEAM Excellent or DGNB Gold for all new constructions started up in 2022. Currently 61.2% of our portfolio has been certified.

In order to allow transparent reporting on the progress on our ESG initiatives we will, in addition to our annual CDP disclosure, 2022 GRESB (Global Real Estate Sustainability Benchmark) participation and publication of our Corporate Responsibility Reporting in accordance with GRI Standards, participate in the S&P Global CSA 2022 and Sustainalytics 2022 analysis.

Outlook

As a result of the strong rental and asset growth and +1 million m^2 to be delivered in 2022, VGP's (along with the JV's) recurring rental income basis will increase to € 280 million within the next twelve months. This significantly increases the recurring cash generation and delivers an attractive return on the funds invested.

VGP has currently been able to mostly mitigate the increased construction costs through a mix of higher rental income and yield compression. Any adverse change in any of the aforementioned components might not be fully offset and hence might have adverse effect on the development margins. We remain prudent and selective on any start-up of new projects to ensure that our development margins remain attractive.

The Group opened its first office in Scandinavia with appointment of Kristoffer Kaae Stimpel as country manager for Denmark. The Group anticipates to be able to announce the opening of first office in Sweden in 2H 2022.

Based on the combination of our increasing recurring cash flow, our inflation protected portfolio, our strategic land bank and partnership with Allianz Real Estate, in combination with attractive land acquisition opportunities in the markets along with renewable energy dynamics is expected to result in further – solid - NAV growth for VGP.

Finally, the expected sale of the seed portfolio to the Fourth Joint Venture during Q4 '22 should further strengthen the Group's balance sheet.

KEY FINANCIAL METRICS

Operations and results	H1 2022	H1 2021	Change (%)
Committed annualised rental income (€mm)	281.1	205.7	36.7%
IFRS Operating profit (€mm)	190.5	240.0	(20.6)%
IFRS net profit (€mm)	153.1	203.8	(24.9)%
IFRS earnings per share (€ per share)	7.01	9.90	(29.2)%

Portfolio and balance sheet	30 Jun 22	31 Dec 21	Change (%)
Portfolio value, including joint venture at 100% (€mm)	6,534	5,746	13.7%
Portfolio value, including joint venture at share (€mm)	4,656	4,084	14.0%
Occupancy ratio of standing portfolio (%)	99	99	-
EPRA NTA per share (€ per share)	106.97	106.93	0.0%
IFRS NAV per share (€ per share)	99.81	99.65	0.2%
Net financial debt (€mm)	1,713	1,159	47.8%
Gearing[1](%)	35.2	29.8	-

AUDIO WEBCAST FOR INVESTORS AND ANALYSTS

VGP will host an audio webcast at 11:00 (CEST) on 26 August 2022

Webcast link:

https://event.webcasts.com/starthere.jsp?ei=1563403&tp_key=c71da089b6

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/

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[1] Calculated as Net debt / Total equity and liabilities

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 11.31 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 380 FTEs today and operates in 19 European countries directly and through several 50:50 joint ventures. As of June 2022, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 6.53 billion and the company had a Net Asset Value (EPRA NTA) of € 2.34 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.