VGP

Annual report 2022

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Company Report

VGP Park Nijmegen

Key figures

VGP Park Hrádek nad Nisou

Investment properties	**2022**	**2021**	**2020**	**2019**	**2018**
Own portfolio					
Total lettable area *(m²)*	1,363,900	765,800	205,100	146,100	288,400
Occupancy rate *(%)*	98.5%	99.3%	100.0%	100.0%	99.2%
Fair value of property portfolio	2,514,222	2,200,119	920,151	792,944	576,143
Joint Ventures' portfolio (100%)					
Total lettable area *(m²)*	2,937,100	2,326,100	2,236,300	1,764,600	1,333,500
Occupancy rate *(%)*	99.1%	99.4%	98.4%	99.8%	99.4%
Fair value of property portfolio[1]	3,928,725	3,545,582	2,922,563	1,978,266	1,360,263

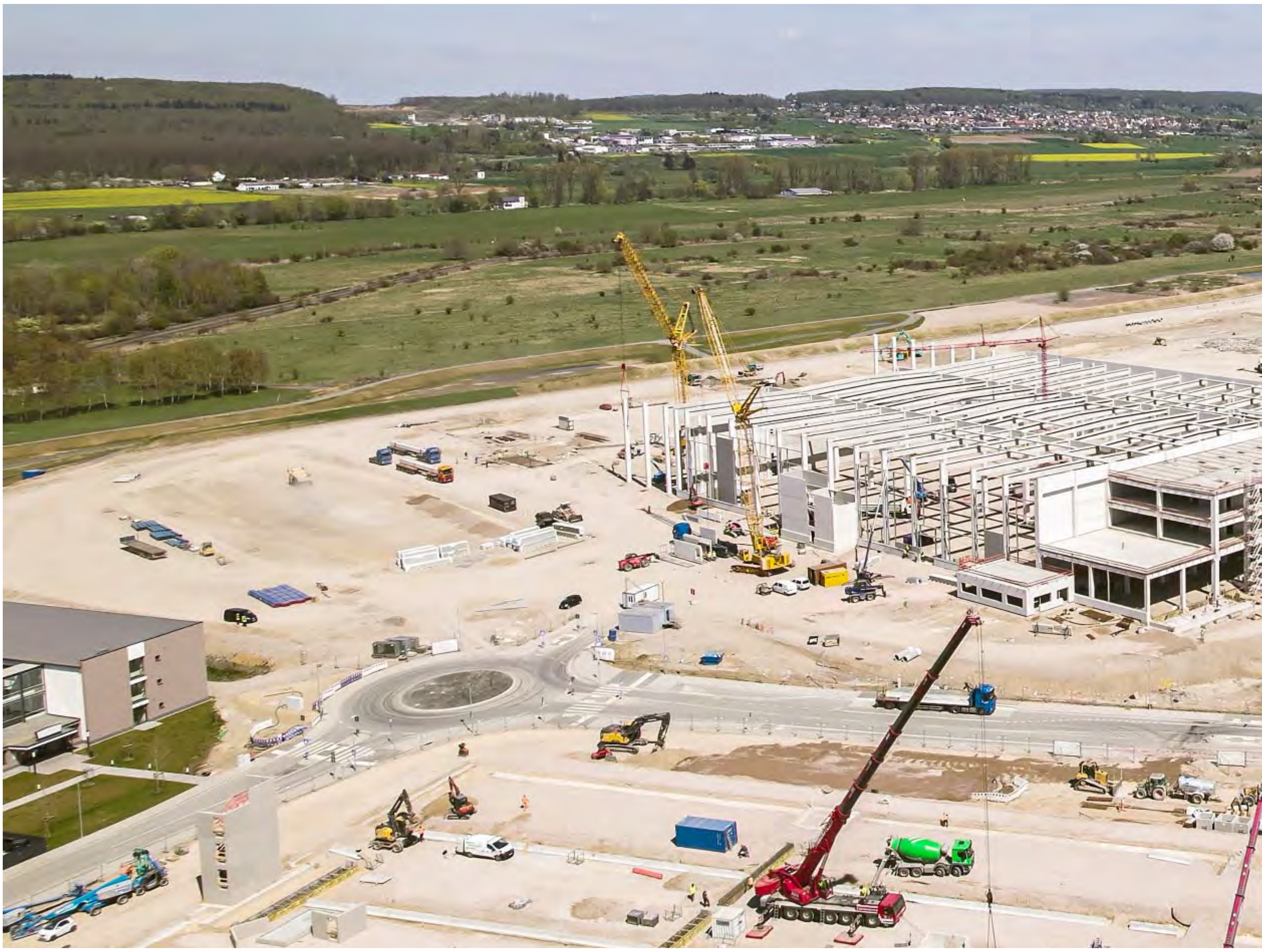
Balance sheet	**2022**	**2021**	**2020**	**2019**	**2018**
Shareholders' equity	2,202,175	2,175,565	1,305,736	699,781	543,467
Gearing					
Net debt/total assets	34.4%	29.8%	25.2%	37.2%	34.6%

Income statement	**2022**	**2021**	**2020**	**2019**	**2018**
Gross rental and renewable energy income	51,230	17,618	12,078	11,653	16,627
Property operating expenses	(8,223)	(2,219)	(3,784)	(2,556)	(1,123)
Net rental and renewable energy property income	**43,007**	**15,399**	**8,294**	**9,097**	**15,504**
Property and facility management/ development income	21,537	21,303	14,699	10,492	9,965
Net valuation gains/(losses) on investment property	(97,230)	610,261	366,361	188,165	98,552
Administrative costs	(33,956)	(52,112)	(29,296)	(18,100)	(18,167)
Share in the results of joint ventures and associates	(45,927)	186,703	63,338	65,703	45,220
Other expenses	(3,000)	(5,000)	(4,000)	(3,000)	—
Operating result	**(115,569)**	**776,554**	**419,396**	**252,357**	**151,074**
Net financial result	(27,008)	(12,654)	(8,592)	(14,238)	(13,970)
Taxes	20,035	(113,845)	(39,865)	(32,506)	(15,998)
Result for the year	**(122,542)**	**650,055**	**370,939**	**205,613**	**121,106**

Result per share	**2022**	**2021**	**2020**	**2019**	**2018**
Net result per share *(in €)* – Basic[2]	(5.49)	31.41	18.58	6.52	5.17
Net result per share *(in €)* – Diluted[2]	(5.49)	31.41	18.58	6.52	5.17

1 Includes buildings under construction and development land which are/will be developed by VGP on behalf of the First and Second Joint Venture.

2 Calculated based on the weighted average number of shares amounting to 22,311,583 shares as at 31 December 2022 (see note 12.1). The total issued shares at year-end were 27,291,312 shares.



Letter to the share– and bondholders

VGP Park Giessen-Am Alten Flughafen

Dear fellow share– and bondholders of VGP,

During the last few months of 2021, a year in which we signed a record number of new leases and started up a record number of new constructions, we saw inflationary pressures rising quickly in the construction sector as markets opened after COVID, while many supply chains were still not functioning in an optimal way.

Strengthening of financial and capital position
Based on the early signs of increasing inflation, we took the decision at the beginning of 2022, to further strengthen our long term financial position by issuing our 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 a € 500 million 8-year bond paying a coupon of 2.250% p.a. With hindsight this proved to be a very well-timed transaction, securing a.o. the CAPEX of circa € 1 billion in 2022 at an attractive cost of debt level.

During the year, we continued to expand our sound financial base by further increasing our committed credit facilities with an another € 200 million, and finally in November we successfully completed a rights offering of new shares further strengthening our equity by € 298.7 million (net).

With the start of the war in Ukraine, the looming energy crisis and climbing inflation, we entered a period of high volatility in 2022, significantly changing the interest rate environment. Rising interest rates had an adverse impact on our portfolio valuation on which a substantial unrealised valuation loss was recorded resulting in the first ever loss for the Group. Despite this loss for the year, VGP demonstrated resilience of its business model with a strong operational performance over the year 2022.

Operational
With inflationary pressures rising, our development activities mainly focussed on our existing projects under construction. We signed € 73.4 million of rental agreements and delivered 44 projects, representing 1,141,000 m^2 of gross lettable area, to our customers whilst still having a further 26 projects under construction, representing

814,000 m² at year-end. These projects under construction are now more than 90% pre-let.

Our total contracted rental income exceeded € 303 million at year-end representing more than 5 million square meters of rentable area.

Due to these significant deliveries and the further roll-out of our renewable energy business line, our net rental and renewable energy income increased with 51% to € 107 million. We expect that this income line will continue to grow at a similar pace in 2023.

Despite all the turmoil around Allianz's decision to postpone a new, fourth, joint venture with us, we still had record deliveries to the existing joint ventures with the closings in 2022 representing € 887 million of gross asset value through which € 347 million of net cash was recycled and € 87 million realized valuation gains were booked.

Last year VGP and Allianz Real Estate also signed an agreement to extend the holding term of the First Joint Venture with an additional 10 years i.e. until 2036 and, as I write this letter, we are working on the closing of a large new transaction for the Second Joint Venture.

As I mentioned earlier, 2022 saw a tremendous climb in inflation in our industry, especially after the start of the war in Ukraine.

The whole logistic supply and production chain was strongly disturbed and were impacted by several effects. Demand was fuelled by the lifting of the COVID restrictions in most Western markets, which saw people wanting to spend their savings, and support programs put in place by governments. However, supply of certain goods was adversely affected by the lock downs in China, as main producer of these goods. Due to supply back-log and demand surge, the transportation of container freight ten-folded in price and the war in Ukraine caused a huge rise in energy and raw material prices, both fuelled by scarcity and speculation. Meanwhile most of the bottle necks are starting to be solved, with some effects still spilling over but I guess it will still take some time for the worldwide logistic chain to return to normality. The result of this is that all our warehouses are at full capacity today and there has never been so little vacancy in the market as now.

During 2022 we remained cautious. Cautious not to buy things that, in our opinion, are highly likely to see value deterioration in the future. We withdrew in early stages from several tenders on land plots as these rapidly turned into insane bidding contests. Although we were unable to acquire hardly any of these tendered new land plots, we have recently seen a number of these land plots return to the market with more realistic price expectations.

We have also been careful in managing our development pipeline which is now more than 90% pre-let. A reflection of our prudent approach on speculative developments at times when building costs are double of what is normal.

ESG achievements and targets

Good progress was made with the implementation of our ESG strategy. Whilst full details on the ESG targets and achievements are made available through the Corporate Responsibility Report included in this annual report, I just highlight some of these achievements.

We were able to report a strong improvement in ESG ratings: our CDP rating improved to a B score and the Sustainalytics score improved by 3.3 points to 12.1 – part of the 5% highest rated companies in their universe.

The decarbonization pathway of the portfolio improved significantly in 2022 resulting in, over 40% of portfolio being compliant in 2050 on the 1.5°C decarbonization pathway (CRREM analysis).

VGP Park San Fernando De Henares, Paack

VGP Park Nijmegen

The renewable energy roll-our continued during the year and at year-end the roofs of VGP's building portfolio enabled a photovoltaic power generation capacity of 131.6 MWp installed or under construction. A further 72.7 MWp is currently in pipeline and expected to be developed in the coming period; once fully built the PV projects will generate more renewable energy than all tenants' energy consumption combined.

At the end of 2022, 61% of the total portfolio, was certified (at least BREEAM "Very Good" or equivalent) or having its certificate pending.

Different income streams

The fundamentals of our markets are very strong and VGP has always been and will strive to always remain, a growth story. Yet, we have also since inception focused on the differentiation of our income streams.

Where in first instance our Group has been concentrating on the income stream from realising valuation gains on the sale of new developments to our joint ventures, the other income streams are gaining importance and momentum. This is illustrated by the increasing share of asset and property management fees on the portfolio management and now increasingly also the renewable energy income which are becoming major income streams as the Group continues to deliver income generating assets at a high pace to its customers. The overall income stream has therefore become more balanced.

New opportunities

I am a strong believer in the fundamentals of our business and when some of the other real estate players are currently forced to switch to a lower gear in respect of the acquisition of real estate assets, due to the volatile market conditions, I see this as an opportunity for VGP. We can focus on different scenarios, with potentially new joint venture partners if the DNA fits well and if it results in more rental income on our own balance sheet.

Whilst we will remain careful, for the first time in more than a year, and despite challenging market conditions, I start to see possibilities around us for new value adding investments. As we pursue the opportunities ahead, we feel assured by our significant liquidity position and robust balance sheet, with € 1.1 billion of liquidity at year-end and a gearing ratio at 34.4% below our target of 35-45%.

In closing

Finally, I would like to thank you all, in the first place our team, who serve every day our clients and communities, build our VGP parks, manage the risks and drive our innovation. But secondly, also you whom I address this letter to, our shareholders, for the vote of confidence you did when 95% of you subscribed with their rights in our capital increase last November, thus ensuring its success and our bondholders for making the bond placement of last January also a success.

Finally, a thank you, to the people we work with, our suppliers, advisors and the deal teams which have been able to deliver what nobody expected in difficult times. It is in times like these when true partnerships are put to the test that one recognizes true respect.

Looking forward to seeing you all in 2023,

Yours sincerely,
Jan Van Geet.

Profile

VGP Park Laatzen

VGP (**www.vgpparks.eu**) is a pan-European pure-play logistics real estate group specialised in the acquisition, development, and management of logistic real estate, i.e. buildings suitable for logistical purposes and light industrial activities. The Group focuses on strategically located plots of land in Germany, the Czech Republic, Spain, the Netherlands, Slovakia, Hungary, Romania, Austria, Italy, Latvia, Portugal, Serbia, France and Croatia, suitable for development of logistic business parks of a certain size, so as to build up an extensive and well-diversified land bank on top locations. The Group is currently expanding into Denmark and aims to expand further into other European markets in the future.

The Group has a track record of successful land acquisitions being converted into fully operational business parks consisting of high-end logistic real estate and ancillary offices. The Group constructs and develops such parks for its own account and for its Joint Ventures, which are subsequently rented out to reputable clients by means of long-term commercial lease contracts.

The Group had an in-house team of 383 people[1] as at 31 December 2022 which manages all the activities of the fully integrated business model: from the identification and acquisition of the land to the conceptualisation and design of the project, the supervision of the construction works, the contacts with potential tenants and the asset- and property management of the real estate portfolio. VGP focuses on top locations which are located in the vicinity of highly concentrated living and/or production centres, with an optimal access to transport infrastructure.

In addition to its real estate activities, VGP has launched a renewable energy business line to provide renewable energy solutions to its tenants or other stakeholders. For more information, please refer to section *Strategy – Sustainability and renewable energy*.

VGP owns a property portfolio of € 2,514.2 million (in full ownership) as at 31 December 2022 which consists of 50 completed buildings with a total lettable area of over 1,364,000 m² (€ 1,393.2 million), 24 buildings under construction representing 777,300 m² of lettable area (€ 561.5 million) and remaining development land in the amount of € 559.5 million.

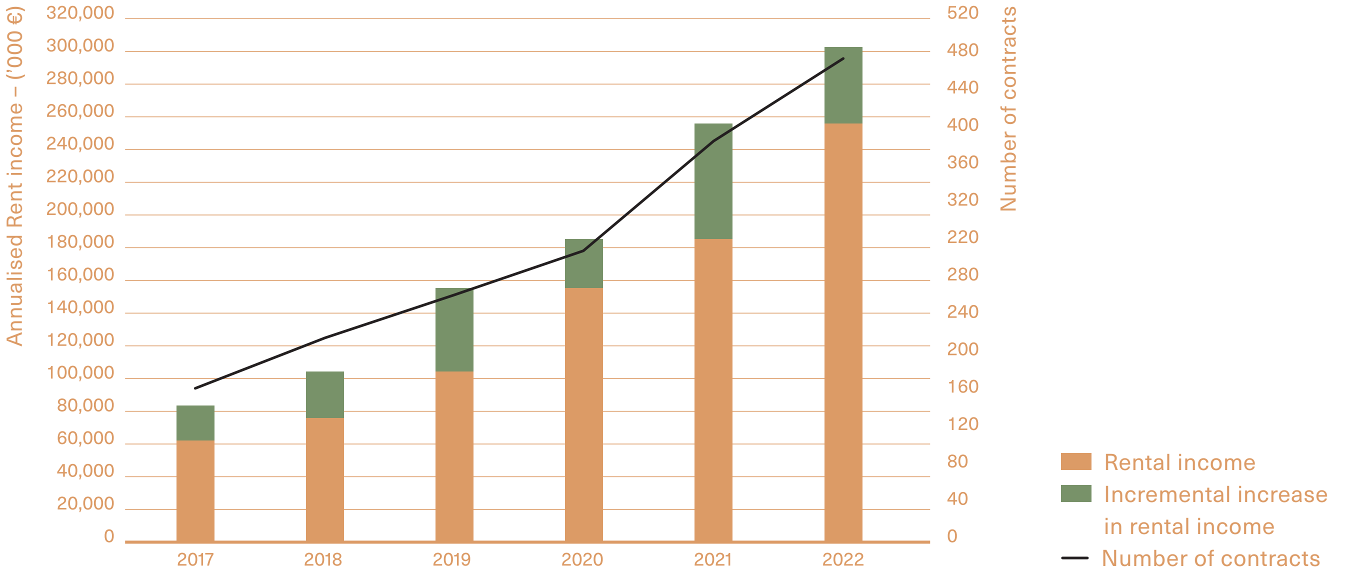
The Joint Ventures own a property portfolio of € 3,928.7 million as at 31 December 2022 which consists of 146 completed buildings with a total lettable area of over 2,937,000 m² (€ 3,633.2 million), 2 buildings being developed by VGP representing 36,700 m² of lettable area (€ 76.5 million) and development land in the amount of € 219.0 million.

As at 31 December 2022, VGP (own and Joint Ventures'portfolio) has a remaining secured i.e. owned and committed development land bank of 10,362,000 m², having a development potential of circa 4,664,000 m² of future lettable area, and which is 77% or 7,956,000 m² in full ownership. For further details please refer to section Business review – Land bank evolution.

1 On a Full Time Equivalent (FTE) basis.

Sustained growth in committed annualised leases ...

Evolution of the Group's committed annualised rent income and number of lease contracts (Including Joint Ventures at 100%) over the past five years



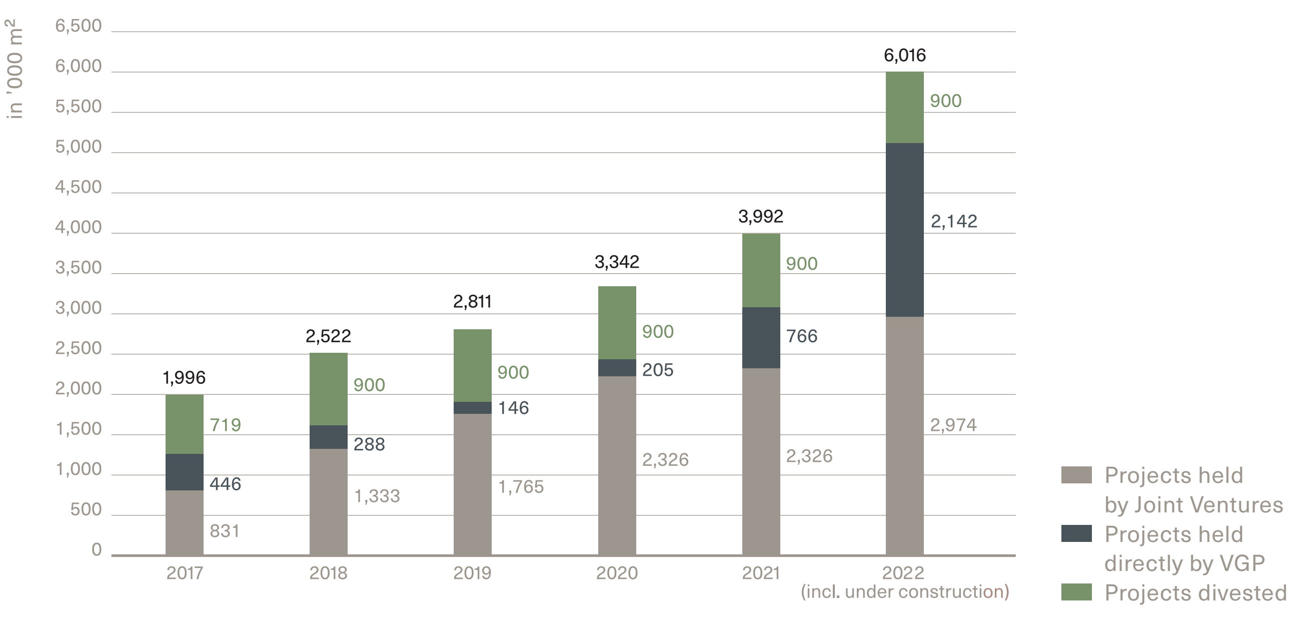
As at 31 December 2022

€ 303.2 million

of committed annualised leases

... driving resilient portfolio growth ...

The historical evolution of the Group's completed gross leasable area (including assets divested and sold into the Joint Ventures a 100%) during the past five years has been as follows:



Since 2017

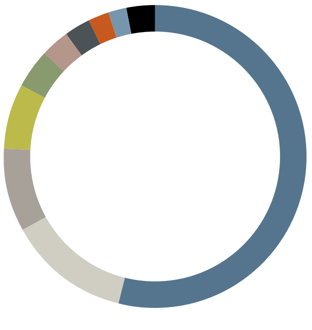
4.0 million m²

of new lettable area developed

VGP Park Bucharest

... resulting in diversified investment portfolio.

INVESTMENT PORTFOLIO BREAKDOWN BY COUNTRY (INCL. JV AT 100%)
31 December 2022



- Germany € 3,488 mm – 54%
- Czech Republic € 813 mm – 13%
- Spain € 553 mm – 9%
- Netherlands € 450 mm – 7%
- Slovakia € 251 mm – 4%
- Hungary € 207 mm – 3%
- Romania € 207 mm – 3%
- Austria € 143 mm – 2%
- Italy € 127 mm – 2%
- Other countries € 204 mm – 3%

INVESTMENT PORTFOLIO BREAKDOWN BY STATUS (INCL. JV AT 100%)
31 December 2022

- Completed € 5,026 mm – 78%
- Under construction € 638 mm – 10%
- Development land € 779 mm – 12%

Strategy

VGP's goal is to be a leading pan-European logistics real estate group specialised in the acquisition, development, and management of logistic real estate, i.e. buildings suitable for logistical purposes and light industrial activities.

The Group focuses on (i) strategically located plots of land suitable for development of logistic business parks of a certain size, so as to build up an extensive and well-diversified land bank and property portfolio on top locations; (ii) striving to optimise the operational performance of the portfolio and the activities of our tenants through dedicated teams which provide asset- property and development management services; (iii) growing the different strategic partnerships entered into with Allianz Real Estate or with other local partners (see below) and (iv) implementation of its ESG strategy, by amongst others, offering solutions and acting as an enabler to help the Group's tenants and other stakeholders in their green energy transition through the roll-out of the renewable energy business line.

These elements should allow the Group to provide attractive return for our shareholders through progressive dividend and net asset value growth over time.

Strategic partnerships

Strategic partnership with Allianz

In order to sustain its growth over the medium term, VGP entered into four 50:50 joint ventures with the well-known Allianz SE Group, a worldwide leading insurance group. These joint venture structures allow VGP to partially recycle its initial invested capital when completed projects are acquired by the respective joint ventures and allow VGP to re-invest the sales proceeds 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.

First Joint Venture

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) with the aim of delivering stable income-driven returns with potential for capital appreciation. The First Joint Venture aimed to increase its portfolio size (i.e. the gross asset value of the acquired income generating assets) to circa € 1.7 billion by May 2021 at the latest, via the contribution to the First Joint Venture of new logistics developments carried out by VGP. The First Joint Venture's strategy is therefore primarily a hold strategy.

On 1 July 2022 the First Joint Venture completed its ninth closing, comprising of 8 completed assets developed on land of the First Joint Venture, for an aggregate transaction value in excess of €81.2 million and resulting into net cash proceeds of € 54.8 million.

Following the reaching of the expanded investment target in 2021, both VGP and Allianz agreed during the month of December 2022 to amend the current JVA resulting in the following main changes: (i) extension of the current term of the First Joint Venture with 10 years i.e. from May 2026 to May 2036 (ii) implementation of a comprehensive ESG strategy, and (iii) agreeing to an additional tenth closing in respect of 3 newly completed buildings in 3 (partly) new VGP parks.

The tenth closing was subsequently signed on 19 December 2022 with completion on 17 January 2023. The aggregate transaction value[1] of the tenth closing was in excess of €116.1 million and resulted in net cash proceeds of € 80.8 million. As at 31 December 2022, the First Joint Venture's property portfolio consists of 102 completed buildings representing a total lettable area of over 1,855,000 m² which increased to 105 buildings (1,968,000 m²) following the tenth closing in January 2023. Although the First Joint Venture reached its expanded investment target, some add-on closings related to existing tenant extension options may still occur in the future. The First Joint Venture will maintain its existing portfolio with VGP, continuing to act as property, facility and asset manager.

Following the end of the investment period of the First Joint Venture, VGP and Allianz have established a new joint venture with the same geographical scope as the First Joint Venture (see below – *Fourth Joint Venture*).

Second Joint Venture

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 with the aim of delivering stable income-driven returns with potential for capital appreciation. The Second Joint Venture aims to increase its portfolio size to circa € 1.7 billion by July 2024 at the latest, via the contribution to the Second Joint Venture of new or recently built logistics developments carried out by VGP. The Second Joint Venture's strategy is therefore primarily a hold strategy.

The Second Joint Venture has the exclusive right of first refusal in relation to acquiring the income generating assets located in Austria, Italy, the Netherlands, Portugal, Romania, and Spain.

During 2022, VGP completed a third and currently last closing whereby, the Second Joint Venture ("VGP European Logistics 2 S.à r.l.") acquired, on 15 March 2022, 13 logistic buildings, including 9 buildings in new VGP parks and another 4 newly completed buildings (in parks which were previously transferred to the Second Joint Venture), and on 1 July 2022, 1 building in a new VGP park, for an aggregate transaction value in excess of € 387.4 million and resulting into net aggregate cash proceeds of €222.2 million. The development pipeline and future development of other new projects within its geographical scope will continue to be developed at VGP's own risk to be subsequently acquired by the Second Joint Venture if the right of first refusal is exercised subject to pre-agreed completion and lease parameters. The acquisition of any building by the Second Joint Venture will always occur on the basis of the prevailing market rates at the moment of such acquisition. VGP carries 100% of the development risk of the Second Joint Venture.

Third Joint Venture

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.

Since its establishment, two closings with the Third Joint Venture have occurred.

The financing of the development capex of the Third Joint Venture occurs through shareholder loans and/or capital contributions by the shareholders in proportion to their respective shareholding.

Upon completion of the respective building(s), a closing with the Third Joint Venture occurs which allows the Group to receive the proportional share price allocated to the building(s) from Allianz and to partially/totally recycle its initially invested capital in respect of the building(s) included in such closing through the refinancing of such invested capital by external bank debt.

On 15 December 2022, the Third Joint Venture completed its second and currently last closing with the completion and delivery by VGP of 3 buildings, 1 office building and 1 parking house to KraussMaffei and one building to BMW (of which the first part was already handed over to BMW in December 2020).

1 Aggregate 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 joint venture.

VGP Park München

KraussMaffei will be gradually relocating its head offices, during the first half of 2023, to the new business park. This relocation is marked as the largest relocation project in Greater Munich since the relocation of Munich Airport in 1992. The move by KraussMaffei follows the announcement by BMW of the opening of a Battery Competence Centre in the same park last May 2022.

Together, KraussMaffei – with 212,000 m^2 gross lettable area – and BMW –with 64,000 m^2 gross lettable area – occupy the existing park. The last remaining building, which is to be completed by 2026 will provide 38,000 m^2 gross lettable area and is an extension option for KraussMaffei. Once fully developed, VGP Park München will consist of five logistics buildings, two stand-alone parking houses and one office building for a total gross lettable area of ca. 314,000 m^2.

Following the second closing, VGP received an outstanding cash consideration in an amount of €69.1 million from Allianz, with a remaining consideration of €7.0 million (in respect of the office building) to be received, subject to the fulfilment of some closing conditions, which are currently expected to be fulfilled during Q2-2023.

Fourth Joint Venture

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'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. The Fourth Joint Venture will target the implementation of a comprehensive ESG strategy on a best-efforts basis. Criteria have been defined around the Carbon Risk Real Estate Monitor ("CCREM") Assessment Tool, the EU Sustainable Finance Taxonomy, achieving most efficient EPC or similar rating, sustainable certification of buildings, photovoltaic systems, green lease and ESG portfolio data and reporting.

The Fourth Joint Venture aims to increase its portfolio size (i.e. the gross asset value of the acquired income generating assets) to ca. €2.8 billion by 2027 at the latest, via the contribution to the Fourth Joint Venture of new logistics developments carried out by VGP. The Fourth Joint Venture's strategy will therefore be primarily a hold strategy.

The Fourth Joint Venture is governed by the Fourth JVA. The Fourth Joint Venture has the exclusive right of first refusal (in accordance with the conditions of the Fourth JVA) in relation to acquiring the income generating assets located in Germany, the Czech Republic, the Slovak Republic and Hungary.

The Fourth Joint Venture is due to become effective at the moment of its first closing, which was initially expected to occur in November 2022. However, in view of the limited transparency on pricing of the seed portfolio in the current volatile market environment, Allianz decided not to proceed with the first initial pipeline portfolio closing of the Fourth Joint Venture. To this end Allianz formally waived the exclusivity obligation in respect of the initial pipeline portfolio allowing VGP to sell the initial pipeline portfolio to one or multiple third parties, including through the establishment of a new alternative joint venture(s).

VGP Park Bucharest

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.

Similar to the Third Joint Venture, the Development Joint Ventures allow the Group to partially recycle its initial invested capital when buildings are completed by the Development Joint Ventures through refinancing of the invested capital by external bank debt and allows 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.

Currently, the development of the buildings within the Development Joint Ventures has not yet started.

LPM Joint Venture

The LPM Joint Venture is set up as a 50:50 partnership between VGP and Roozen Landgoederen Beheer, whereby both partners, in addition to being co-owners, provide development management services and acts as asset, property and facility manager (including leasing services) in respect of the portfolio.

The LPM Joint Venture was established in November 2020 with an objective to develop Logistics Park Moerdijk together with the Port Authority Moerdijk on a 50:50 basis. Logistics Park Moerdijk is situated in between the Port of Rotterdam (the Netherlands) and the Port of Antwerp (Belgium) and is one of the few locations in the Netherlands where large-scale value-added logistics and value-added services distribution centres can be developed and built.

The total development land of this park amounts to circa 140 ha with total development potential of ca. 900,000 m^2 of lettable area. The objective is to build a platform of new, grade A logistics and industrial properties of which 50% (VGP Park Moerdijk) for account of the LPM Joint Venture (i.e. LPM Holding B.V. and its subsidiaries) with the other 50% being developed by the Port Authority Moerdijk.

The LPM Joint Venture has the right to sell and VGP the right to acquire the income generating assets developed by the LPM Joint Venture.

During 2022 the preparatory works to initiate the first developments were on-going, with the pre-loading activities of the land, typically for land plots in the Netherlands, which will run in different phases, and well into 2023 and beyond. The first project on behalf of the LPM Joint Venture is currently expected to be started up during the second half of 2023.

VGP Park Bucharest

VGP Park Belartza Joint Venture

The VGP Park Belartza Joint Venture is set up as a 50:50 joint venture with VUSA. The objective of this joint venture is to provide an additional source of land to the Group for land plots which would otherwise not be accessible to it. The VGP Park Belartza Joint Venture aims to develop ca. 35,000 m² of logistics lettable area.

The VGP Park Belartza Joint Venture focuses on the development of a mixed (logistics/commercial) park whereby VGP will lead the logistic development and VUSA will lead the commercial development. The VGP Park Belartza Joint Venture has the right to sell and VGP the right to acquire the logistics income generating assets developed by VGP Park Belartza Joint Venture. VUSA has the right to acquire the commercial income generating assets developed by VGP Park Belartza Joint Venture.

VGP Park Siegen Joint Venture

The VGP Park Siegen Joint Venture is set up as a 50:50 joint venture with Revikon. The objective of this joint venture is to provide an additional source of land to the Group for land plots which would otherwise not be accessible to it. The VGP Park Siegen Joint Venture aims to develop ca. 27,000 m² of lettable space.

The VGP Park Siegen Joint Venture focuses on the development of a land plot located in Siegen, Germany. The VGP Park Siegen Joint Venture has the right to sell and VGP the right to acquire the income generating assets developed by the VGP Park Siegen Joint Venture.

Sustainability and renewable energy

VGP's ESG strategy aims at transforming and future-proofing its portfolio, giving purpose to the relevant VGP teams and driving transition to its tenants and value sharing to the community. VGP's ESG strategy rests on four pillars:

(i) environment: ensuring that VGP's business path (including VGP's operations and asset portfolio) is on track to achieve full circularity and net zero carbon emissions by 2050;
(ii) biodiversity: stimulating biodiversity by investing and protecting the natural environment in and around the VGP parks and elsewhere;
(iii) social: promoting social cohesion, reducing inequality and protecting vulnerable communities and individuals through business conduct and specific support initiatives;
(iv) governance: integrating adequate ESG considerations into VGP's policies and principles and reflecting VGP's commitment to inclusive, sustainable growth.

In particular with regards to its building portfolio, VGP is focused on continuously optimizing its buildings in accordance with the demands of the market and the latest technical developments. This means that energy efficiency, sustainability and renewable energy are among the Group's top priorities.

Therefore, a high quality and sustainable building standard is included in the Group's building protocol, which also applies to the Joint Ventures. As part of a comprehensive strategy to advance environmentally sustainable solutions for VGP's tenants and its own operations, VGP has enhanced its building standard in order to obtain BREEAM (Building Research Establishment Environmental Assessment Method) "Very Good" certificates (or equivalent) for all the construction projects since 2020 onwards.

Its multi-criteria approach distinguishes BREEAM from other methods. The building certification process evaluates land use, environmental aspects, the building process, water consumption, waste, contaminations, transport, equipment and materials, health and comfort, alongside energy consumption. Whilst all new-build projects in the past were already completed as energy efficient as possible, separately from the certification process, since January 2020 VGP has ensured that a certification for BREEAM "Very Good" or equivalent is obtained for every new building. As from 1 January 2022, VGP strives to improve the certification of its newly built projects to DNGB "Gold" for its development projects in Germany and Austria, and for the other countries BREEAM "Excellent", but with due consideration of any other reasonable elements.

In previous years, whilst certification was not standard procedure, the VGP building standard was to build to a certifiable level, and selective projects received certification in case such certification was desired by the tenant. For example, during 2019 four BREEAM certified buildings were delivered. The Group is currently assessing the EU Taxonomy compliance of its non-certified portfolio. For example, VGP Park Frankenthal – which was delivered in 2018 without DGNB or BREEAM certification – received EU Taxonomy compliance certification in September 2022 without requirements to make further changes or investments to the 2018 standard.

When combined with buildings previously certified, this has resulted in 3,121,000 m² total lettable area, or 61.0% of the total portfolio, being certified or having its certificate pending as at 31 December 2022.

VGP has accomplished an occupancy rate benchmark above 98.5% across its portfolio since 2017 (measured at the end of the respective year). For VGP a high occupancy rate represents good business and sustainable use of the buildings created, as it suggests our properties are well-located, adaptable to a variety of uses and meeting the needs of our customers (including sustainability criteria).

VGP has assessed different target setting options, using the Carbon Risk Real Estate Monitor ("CRREM"). Although further work remains to be done, particularly in order to reflect the subsector specifics, VGP believes that CRREM provides a good reference framework for setting emission reduction targets for its real estate portfolio.

The VGP renewable energy business line (acting through its wholly owned subsidiary VGP Renewable Energy NV and its respective subsidiaries) has been setup by the Group in 2020 to broaden the ability of the Group to assist VGP's tenants or other stakeholders in making their businesses more sustainable in a cost-effective way. The objective of the VGP renewable energy business line is to serve the Group's tenant base and other stakeholders, by offering such tenants and other stakeholders an ability to assist with their green energy transition including (i) an ability to offer green energy (produced on or off site), (ii) smart energy management (including use of batteries and smart local grids), and (iii) offering green electric and hydrogen charging facilities and infrastructure at VGP parks.

As of 31 December 2022, the roofs of VGP's building portfolio enabled a photovoltaic power generation capacity of 56.6 MWp (compared to 34.0 MWp at Dec 2021) with a further 28 projects with a power of 75.0 MWp under construction and 60 projects, with 72.7 MWp power, in pipeline projects.

For further information, reference is made to the *VGP Corporate Responsibility Report* and the *Risk Factors – Environmental sustainability and climate change risks* included in this annual report.

VGP Park Halle

Development activities and portfolio ancillary services

Development activities

Greenfield developments are the core activity of the VGP Group with brown field developments gradually becoming more important as greenfield developments in some targeted prime locations become increasingly scarce. Developments are undertaken primarily for the Group's own account and to a lesser extent for the Joint Ventures.

The Group pursues a growth strategy in terms of development of a strategic land bank which is suitable for the development of turnkey and ready-to-be-let logistic projects. The plots are zoned for logistic activities. The management of VGP is convinced that the top location of the land and the high-quality standards of its real estate projects contribute to the long-term value of its portfolio.

The Group concentrates on the sector of logistics and light industrial accommodation projects situated across Continental Europe. The Group operates in 17 European countries, 14 of which the Group already carries out development activities or holds a development pipeline for future development activities.

High quality projects are always developed on the basis of VGP building standards, with adaptations to meet specific requirements of future tenants but always ensuring multiple purpose use and easy future re-leasability. In their initial phase of development, some projects are being developed at the Group's own risk (i.e., without being pre-let).

The constructions, which respond to the latest modern quality standards, are leased under long-term lease agreements to tenants which are active in the logistic sector, including storing but also assembling, reconditioning, final treatment of the goods before they go to industrial clients or retailers. The land positions are located in the vicinity of highly concentrated living and/or production centres, with an optimal access to transport infrastructure.

Portfolio ancillary services

The Group provides property management, asset management and facility management services to its portfolio and the Joint Ventures.

Property management services are exclusively provided to the Group's own portfolio and the Joint Ventures whereby the respective Group property management company is responsible for managing the proper and undisturbed operation of the buildings. As part of its offered services the VGP property management companies also provide project management services and leasing services.

The asset management services entail giving advice and recommendations to the Joint Ventures on the Joint Ventures' asset management and strategy, thereby optimising the value of the Joint Ventures' assets. As part of the provided services, VGP is responsible for standard corporate administration, financing, business planning, reporting, budgeting, management of tax and legal affairs, controlling, etc.

Facility management services are carried out in the Czech Republic and Germany by specific dedicated teams which are focused on managing the proper and undisturbed operation of the buildings and performing all actions such as maintenance services, waste management services, maintenance greenery that may be necessary in this respect.

Other services include providing green energy generated through roof-fixed solar panels, smart energy management and green electric or hydrogen charging facilities and infrastructure.

Key principles of VGP's investment strategy

Strategically located plots of land

Focus on business parks with a view to realising economies of scale

High quality standardised and sustainable logistic real estate

In-house competences enabling a fully integrated business model

Primary focus on development activities and asset- and property management activities

VGP Park Bratislava

VGP in 2022

VGP Park Granollers

Summary

2022 proved to be a year of increased volatility and resilience. Volatility was driven by continuing geopolitical upheaval, a looming energy crisis, challenges in construction price increases and supply chains which are still not functioning in an optimal way. Global inflation continued to climb with central banks continuing to act aggressively with rate increases significantly changing the interest rate environment.

Despite the protracted challenges posed by the current economy, monetary policy, and geopolitics environment, VGP continued to demonstrate the resilience of its business model with a strong operational performance over the year 2022 which saw development and leasing activities close to or above previous record levels.

VGP Park München

Lease activities

During the year, the demand of lettable area resulted in the signing and renewal of lease contracts in excess of € 73.4 million (own and Joint Ventures' portfolio) in total (compared to € 79.7 million during 2021), of which € 53.8 million related to new or replacement leases, € 16.0 million related to renewals of existing lease contracts and € 3.6 million related to indexation of existing contracts. During the year lease contracts for a total amount of € 10.4 million were terminated.

The growth was recorded in almost all markets where the Group is active with Germany continuing to remain the strongest contributor accounting for 44% the total signed leases.

The signed annualised committed leases increased to € 303.2 million[1] at the end of December 2022 (compared to € 256.1 million[1] at the end of 2021) representing a total of 5,172,000 m² of lettable area. Of this total space 2,226,000 m² belong to the own portfolio (913,000 m² as at 31 December 2021) and 2,946,000 m² to the Joint Ventures (2,545,000 m² at 31 December 2021).

During the year 2022

€ 53.8 million

of new leases signed

1 Including the Joint Ventures at 100%. As at 31 December 2022 the annualised committed leases for the Joint Ventures stood at € 173.3 million (2021: € 151.1 million).

Development activities

During 2022, 44 buildings were completed totalling 1,141,000 m² of lettable area which represent an annualised rent income of €71.9 million. These buildings were for 98.7% let.

At year-end, 26 projects were under construction representing 814,000 m² of future lettable area, which, once delivered and fully let, will generate €51.3 million of annualised committed rental income; the portfolio under construction at year-end was 89.3% pre-let[1].

During the year 2022 VGP delivered

€ 1,141,000 m²

of new lettable area

At the end of December 2022

814,000 m²

of lettable area under construction

Land bank evolution

VGP acquired 1,970,000 m² of new development land representing a development potential of circa 792,000 m² and a further 2,405,000 m² of land plots were committed, pending permits, which have a development potential of circa 1,076,000 m² of future lettable area, bringing the total owned and committed land bank to 10,362,000 m², having a development potential of circa 4,664,000 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 321,000 m² of new land plots with a development potential of circa 136,000 m².

At the end of December 2022

10,362,000 m²

secured land bank with 4,664,000 m²
development potential

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

VGP Park Giessen-
Am Alten Flughafen

VGP team expansion

The in-house team expanded to 383 people[1] (2021: 322 people) during the year. VGP is of the opinion that the current number of employees is adequate to support its current development pipeline.

Strategic partnerships through Joint Ventures

Following the reaching of the expanded investment target in 2021, both VGP and Allianz agreed during the month of December 2022 to extend the current term of the First Joint Venture, implementation a comprehensive ESG strategy, and agreed to an additional tenth closing in respect of 3 newly completed buildings in 3 (partly) new VGP parks, which was completed on 17 January 2023.

During 2022, a third closing was made with the Second Joint Venture in which the Second Joint Venture acquired (in 2 phases) 14 logistic buildings, including 10 buildings in 8 new VGP parks and another 4 newly completed buildings (in parks which were previously transferred to the Second Joint Venture).

On 15 December 2022, the Third Joint Venture completed its second closing with the completion and delivery of 3 buildings, 1 office building and 1 parking house to KraussMaffei and one building to BMW (of which the first part was already handed over to BMW in December 2020).

Strengthening of capital and financial position

VGP continued to expand its sound financial foundations to support its current and anticipated future growth through a mix of strengthening its capital base and attracting some long-term bond financing.

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.

VGP also managed to increase and extend the existing committed credit facilities to an aggregate amount of € 400 million (2021: € 200 million). As at 31 December 2022 these credit facilities were undrawn.

Finally, at the end of November 2022, VGP successfully completed a rights offering of new shares (in total 5,458,262 of new shares) for a total gross consideration of € 302.9 million (net proceeds: €298.7 million).

Expansion of the Group's European footprint

The Group further expanded its European footprint with the acquisition of a first land plot in France, where a 243,000 m^2 land position was acquired near Rouen. In Zagreb (Croatia) a first land plot of 89,000 m^2 was acquired.

The Group has opened its first office in Denmark (Copenhagen). In the coming period the focus will be on identifying suitable development locations. Given the uncertain economic environment, potential expansion to other European countries, including Sweden, and Greece, have been put on hold for now.

Significant growth in renewable energy generation

The installed photovoltaic capacity of the Group's systems has continued to increase. In total, there are 62 solar panel installations operational across the portfolio and

1 On a Full Time Equivalent (FTE) basis.

a solid pipeline of future projects is maintained throughout the Group, such as photovoltaic self-consumption plants. The total installed renewable energy capacity of the Group's assets in 2022 is 56.6 MWp (compared to 34.0 MWp at Dec 2021) with a further 28 projects with a power of 75.0 MWp under construction and 60 projects, with 72.7 MWp power, in pipeline projects. The renewable electricity produced by the Group is either self-consumed to meet our tenant's energy needs or sold to the grid. Once the photovoltaic projects currently under construction are fully operational the solar power production capacity will pass the total energy consumption of all tenants as measured over FY2021.

Progress towards VGP's sustainable development goals

Significant improvement was recorded in various non-financial ESG ratings. For example, at the Carbon Disclosure Project (CDP), the Group achieved a B-score (on scale from A to D-, F), and ranked part of the 16% highest graded companies globally (48,200 companies graded).

In order to further solidify the carbon commitments made, VGP submitted to Science Based Target initiative (SBTi) the CO_2 emissions and 2030 targets across Scope 1–3.

As the photovoltaic investments enhance the eco-efficiency of the portfolio, the decarbonization pathway of the portfolio has significantly improved in 2022. As a result, over 40% of portfolio is compliant in 2050 on the 1.5°C decarbonization pathway (CRREM analysis).

With regards to green financing, the VGP 2027, 2029 and 2030 bonds have been affirmed as aligned with the Climate Bonds Taxonomy.

Significant progress on the renewable energy roll-our resulted in 131.6 MWp projects installed or under construction, representing an investment (including commitments) of € 78 million once completed. A further 72.7 MWp is currently in pipeline and expected to be developed in the coming period; once fully built the PV projects will generate more renewable energy than all tenants' energy consumption combined. The Group generated € 5.9 million of gross revenues through the sale of renewable energy to tenants or to the grid or by leasing installations to its tenants.

With regards to the Group's own operations all VGP offices switched to renewable energy since 1 Jan 2022 through a PPA contract with the 3.9 MWp solar roof at VGP Park Roosendaal providing the energy. Please also refer to the section – *Corporate Responsibility Report* for additional details.

COVID-19 and other major events

The impacts of the COVID-19 pandemic, which have been largely abated, the heightened global macroeconomic volatility including high inflation and supply chain bottlenecks, and the the conflict in the Ukraine, did not have any material impact on the Group's operations including rent collection. (See also section Risk factors – 2.6 *Risks and uncertainties linked to major events or business disruption*)

VGP Park Giessen-Am Alten Flughafen

Business review

Commercial activities

During the year, the demand of lettable area resulted in the signing and renewal of lease contracts in excess of € 73.4 million (own and Joint Ventures' portfolio) in total (compared to € 79.7 million during 2021), of which € 53.8 million related to new or replacement leases, € 16.0 million related to renewals of existing lease contracts and € 3.6 million related to indexation of existing contracts. During the year lease contracts for a total amount of € 10.4 million were terminated. Germany continued to be the main driver of the growth in annualised committed rent with € 25.4 million (44%) of new leases[1] signed during the year. The other countries also performed very well with new leases being signed in: Romania + € 5.2 million (9%) (€ 0.6 million on behalf of JV portfolio), Spain + €4.4 million (8%) (€ 2.7 million on behalf of JV portfolio), Czech Republic + € 4.3 million (8%) (€ 2.5 million on behalf of JV portfolio), Netherlands + €3.9 million (7%) (€ 3.4 million on behalf of the JV portfolio), Hungary + € 3.2 million (6%) (€ 0.1 million on behalf of JV portfolio), Serbia + € 3.5 million (6%) (own portfolio), Slovakia + € 3.1 million (5 %) (€ 0.3 million on behalf of JV portfolio), Austria + € 2.4 million (4%) (€ 0.1 million on behalf of JV portfolio), Latvia + € 1.2 million (2%) (own portfolio) and Portugal + €0.8 million (1%) (own portfolio).

The annualised committed leases (on an aggregate own and Joint Ventures' portfolio basis) therefore increased to € 303.2 million[1] at the end of December 2022 (compared to € 256.1 million[1] as at the end of December 2021).

The Annualised Committed Leases are composed of € 238.2 million lease agreements which have already become effective as of 31 December 2022 and € 64.9 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:

The signed lease agreements as at 31 December 2022 represent a total of 5,172,000 m^2 of lettable area and correspond to 481 different tenants' lease or future lease agreements (on an aggregate own and Joint Ventures' portfolio basis).

VGP has been able to attract a diversified reputable and loyal customer base with several multi-location projects. The customers represent a healthy mix of logistic tenants and end users. The top 10 tenants (by annualised rent income) are all blue-chip clients. As at 31 December 2022, the top ten tenants take up approximately 35.0% of the total (own and Joint Ventures) Annualised Committed Leases.

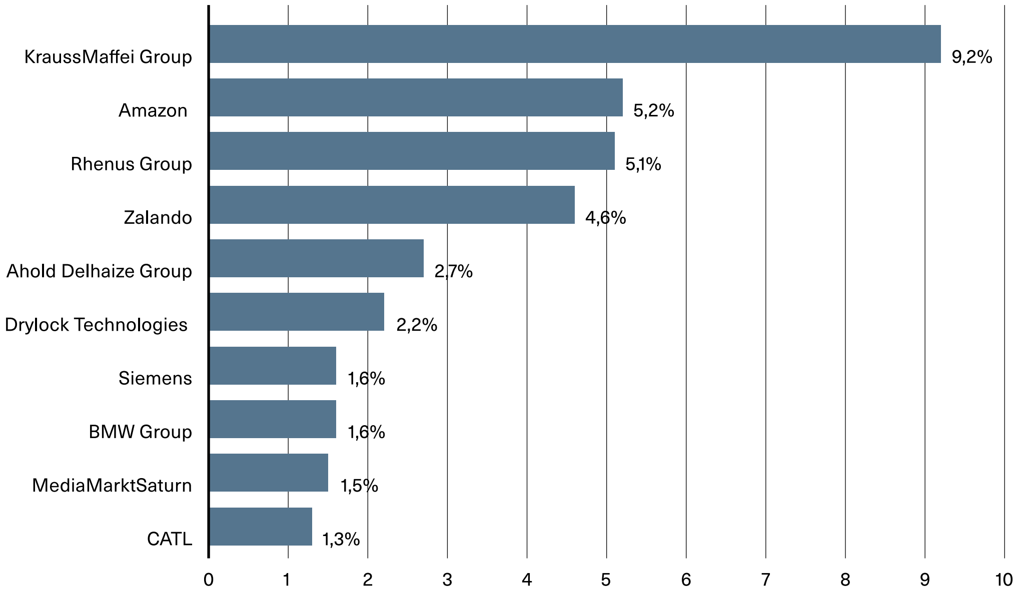
The weighted average term of the annualised committed leases of the combined own and Joint Ventures' portfolio stood at 8.3 years at the year-end (7.9 years to first break) compared to 8.6 years (8.1 years to first break) as at 31 December 2021. The occupancy rate (own and Joint Ventures' portfolio) reached 98.9 % at year-end (compared to 99.4% at the end of 2021).

In million €	**Current**	**<1 year**	**>1–2 years**	**>2–3 years**	**>3 years**	**Total**
Own	72.7	43.7	11.0	0.6	1.9	129.9
Joint Ventures at 100%	165.6	7.7	—	—	—	173.3
Total	**238.2**	**51.4**	**11.0**	**0.6**	**1.9**	**303.2**

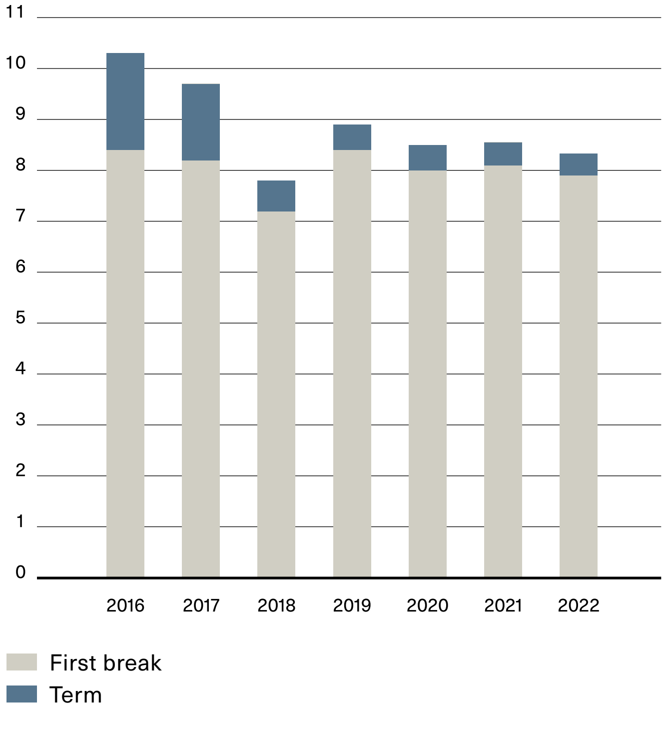
1 Including the Joint Ventures at 100%. As at 31 December 2022 the annualised committed leases for the Joint Ventures stood at € 173.3 million (2021: € 151.1 million).

2 Including rent indexation effects.

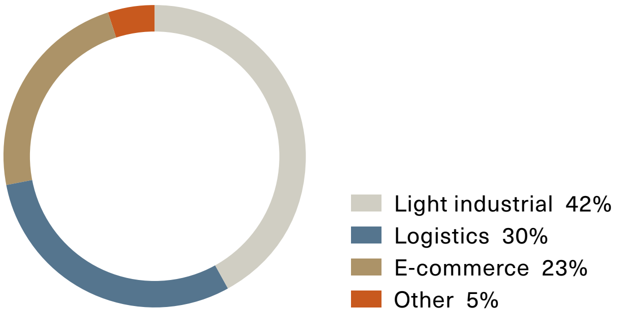
TOP 10 TENANTS BY ANNUALISED GROSS RENTAL INCOME WITH JV AT 100%
31 December 2022



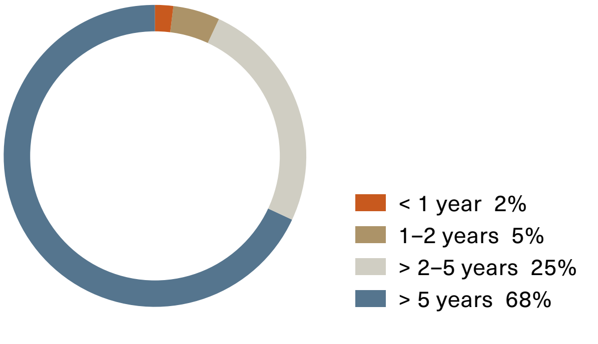
WEIGHETED AVERAGE LEASE TERM COMMITTED LEASES (Own & Joint Ventures at 100%)
(in years)



TENANT PORTFOLIO BREAKDOWN BY INDUSTRY (INCL. JV AT 100%) 31 December 2022 *(in m²)*



COMMITTED LEASE MATURITY (INCL. JV AT 100%)
31 December 2022 *(in m²)*



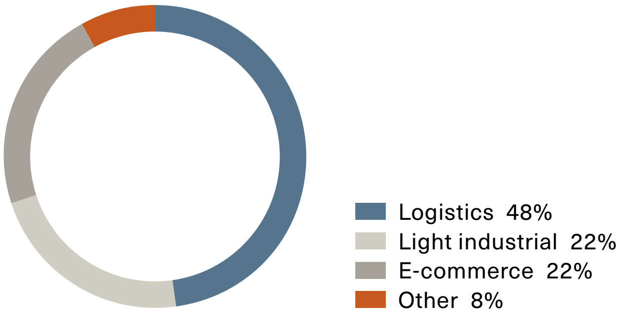
Own portfolio

During the year 2022 VGP negotiated for its own portfolio new annualised committed leases in excess of € 44.1 million in total of which € 41.2 million related to new or replacement leases, € 2.7 million to the renewal of existing leases and € 0.2 million related to indexation of existing contracts. During the year lease contracts for a total amount of € 2.7 million were terminated.

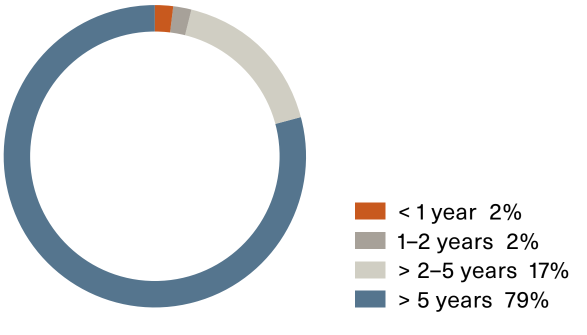
Germany was the main driver of the increases in annualised committed leases[1] with more than € 19.2 million of new leases signed during the year. The other countries also performed very well with new leases being signed in Romania + € 4.5 million, Serbia + € 3.5 million, Hungary + € 3.1 million, Slovakia + € 2.8 million, Austria + € 2.3 million, the Czech Republic + € 1.8 million, Spain + € 1.7 million, Latvia + € 1.2 million, Portugal + € 0.8 million and the Netherlands + € 0.5 million. This brings the annualised committed leases of the own portfolio to € 129.9 million as at 31 December 2022.

The signed lease agreements represent a total of 2,226,000 m² of lettable area and correspond to 167 different tenants' lease or future lease agreements. The weighted average term of the annualised committed leases stood at 9.8 years at the year-end (9.5 years to first break).

TENANT PORTFOLIO BREAKDOWN BY INDUSTRY
31 December 2022 *(in m²)*



COMMITTED LEASE MATURITY
31 December 2022 *(in m²)*



1 Including rent indexation effects

VGP Park München

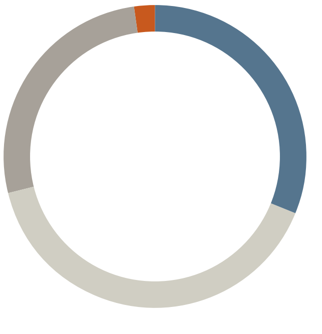
Joint Ventures' portfolio

During the year 2022 VGP negotiated for its Joint Ventures' portfolio new annualised committed leases in excess of € 29.4 million in total of which € 12.6 million related to new or replacement leases, € 13.3 million to the renewal of existing leases and € 3.5 million related to indexation of existing contracts. During the year lease contracts for a total amount of € 7.7 million were terminated.

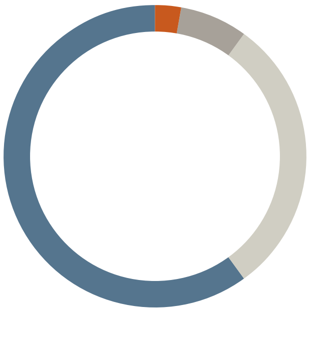
Germany was also the main driver of the increases in annualised committed leases[1] with more than € 6.2 million of new leases signed during the year. In the other countries, new leases were signed in the Netherlands + € 3.4 million, Spain + € 2.7 million, the Czech Republic + € 2.5 million, Romania + € 0.6 million, Slovakia + € 0.3 million, Hungary + € 0.1 million, Austria + € 0.1 million and finally Italy + € 0.1 million. This brings the annualised committed leases of the Joint Ventures' portfolio to € 173.3 million as at 31 December 2022.

The signed lease agreements represent a total of 2,946,000 m² of lettable area and correspond to 314 different tenants' lease or future lease agreements. The weighted average term of the annualised committed leases stood at 7.2 years at the year-end (6.7 years to first break).

TENANT PORTFOLIO BREAKDOWN BY INDUSTRY
31 December 2022 *(in m²)*



COMMITTED LEASE MATURITY
31 December 2022 *(in m²)*



1 Including rent indexation effects

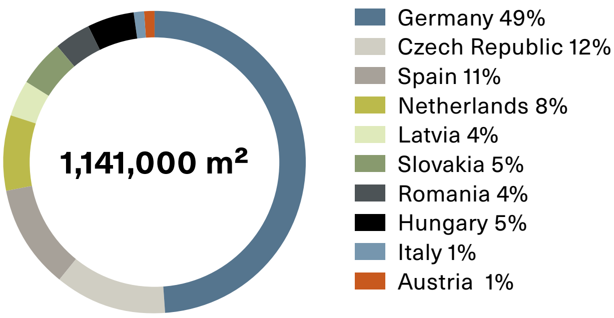
Development activities

During 2022, 44 buildings were completed totalling 1,141,000 m² of lettable area which represent an annualised rent income of € 71.9 million. These buildings were for 98.7% let.

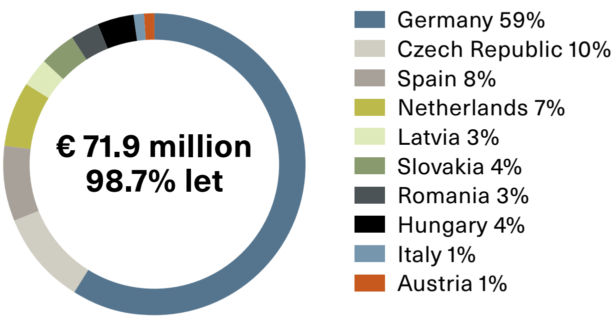
At year-end 26 projects were under construction representing 814,000 m² of future lettable area, which, once delivered and fully let, will generate € 51.3 million of annualised committed rental income. The buildings under construction at year-end were for 89.3% pre-let[1].

Completed during the year 2022 Incl. Joint Ventures at 100%

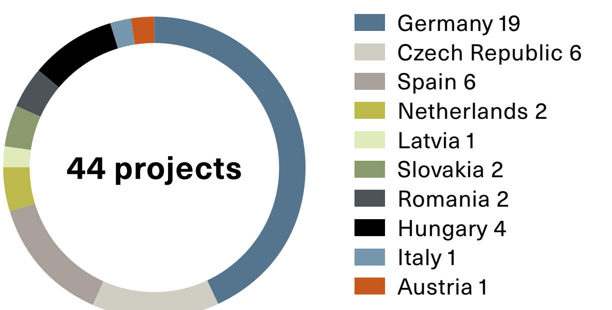
COMPLETED
31 December 2022 *(in m²)*



RENT POTENTIAL
31 December 2022 *(in €)*

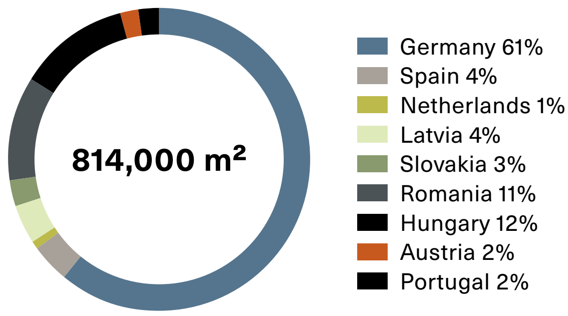


NUMBER OF PROJECTS COMPLETED
31 December 2022

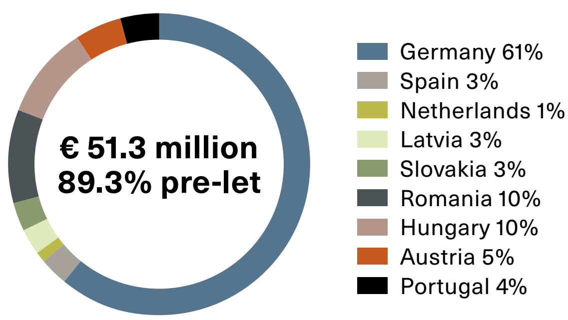


Under construction as at 31 December 2022 Incl. Joint Ventures at 100%

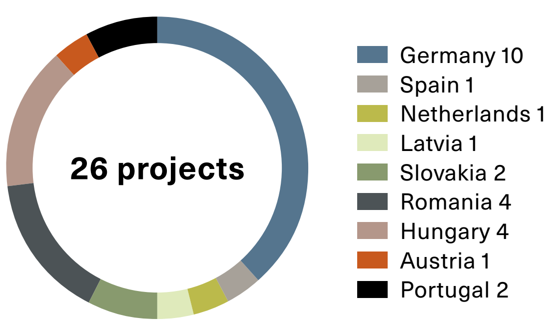
UNDER CONSTRUCTION
31 December 2022 *(in m²)*



RENT POTENTIAL
31 December 2022 *(in €)*



NUMBER OF PROJECTS UNDER CONSTRUCTION
31 December 2022



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

VGP Park Graz

Own portfolio

As at 31 December 2022, the investment property portfolio consists of 50 completed buildings representing 1,364,000 m² of lettable area[1].

During the year 44 buildings were completed totalling 1,141,000 m² of lettable area (of which 15 buildings – 409,000 m² for account of the Joint Ventures).

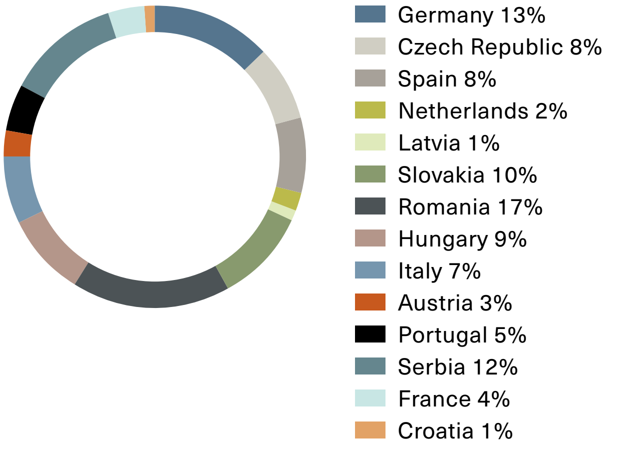
For its own account VGP delivered 29 buildings (in total 732,000 m²). In Germany: 1 building of 37,900 m² in VGP Park Halle, 2 buildings in VGP Park Magdeburg totalling 119,300 m², 1 building of 67,200 m² in VGP Park Laatzen, 4 buildings in VGP Park Berlin Oberkrämer totalling 58,400 m², 1 building of 20,600 m² in VGP Park Rostock, 1 building of 16,300 m² in VGP Park Leipzig Flughafen and 1 building of 17,300 m² in VGP Park Berlin. In Spain: 1 building of 14,200 m² in VGP Park Valencia Cheste, 1 building of 28,900 m² in VGP Park Sevilla Dos Hermanas and 1 building of 8,900 m² in VGP Park Granollers. In the Czech Republic: 1 building of 65,900 m² in VGP Park Olomouc, 1 building of 30,200 m² in VGP Park Hradek nad Nisou 2, 1 building of 9,400 m² in VGP Park Ceske Budejovice and 2 buildings in VGP Park Kladno totalling 27,000 m². In Romania: 1 building of 17,200 m² in VGP Park Sibiu and 1 building of 29,200 m² in VGP Park Arad. In Hungary: 1 building of 21,900 m² in VGP Park Kecskemet, 1 building of 13,900 m² in VGP Park Győr Beta and 1 building of 10,800 m² in VGP Park Budapest Aerozone. In Slovakia: 2 buildings in VGP Park Bratislava totalling 61,800 m². In the other countries: 1 building of 5,700 m² in VGP Park Parma 2 (Italy), 1 building of 8,200 m² in VGP Park Graz (Austria), and finally 1 building of 41,800 m² in VGP Park Riga (Latvia).

The occupancy rate of the own portfolio reached 98.5% at the end of 2022 (compared to 99.3% at the end of 2021).

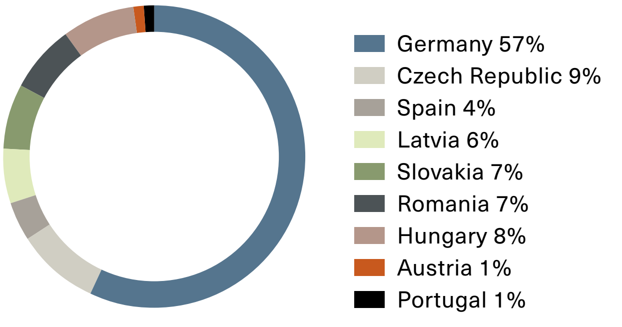
At the end of December 2022, VGP has 26 buildings (of which 2 buildings on behalf of the Joint Ventures) under construction. The new buildings under construction, which are already pre-let for 89.3%[2], represent € 51.3 million of annualised rental income when fully built and let.

For its own account VGP had therefore 24 buildings under construction totalling 777,300 m² of lettable area representing € 49.3 million annualised rental income when fully built and let. These projects under construction are located in In Germany: 1 building in VGP Park Halle 2, 3 buildings in VGP Park Gießen Am Alten Flughafen, 2 buildings in VGP Park Magdeburg, 1 building in VGP Park Erfurt 2, 1 building in VGP Park Erfurt 3, 1 building in VGP Park Oberkrämer and 1 building in VGP Park Wiesloch-Walldorf. In Austria: 1 building in VGP Park Graz 2. In Portugal: 2 buildings in VGP Park Loures. In Slovakia: 1 building in VGP Park Bratislava and 1 building in VGP Park Zvolen. In Hungary: 1 building in VGP Park Kecskemet, 1 building in VGP Park Győr Beta and 2 buildings in VGP Park Budapest Aerozone. Romania: 2 buildings in VGP Park Brasov and 2 buildings in VGP Park Bucharest, and finally in Latvia: 1 building in VGP Park Tiraines.

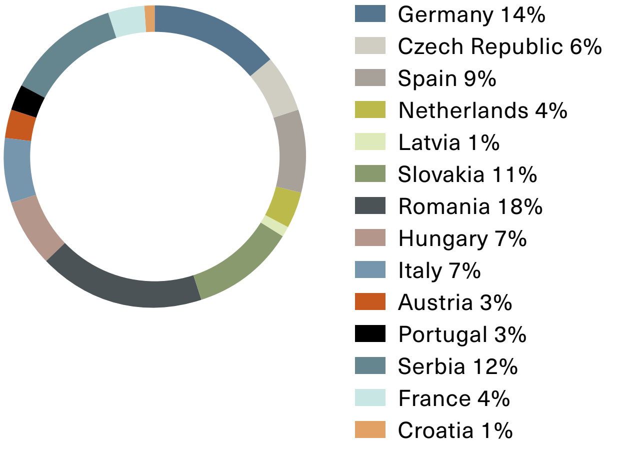
REMAINING DEVELOPMENT LAND – OWN
31 December 2022 *(in m²)*



TOTAL COMPLETED AND PIPELINE – OWN
31 December 2022 *(in m²)*



REMAINING DEVELOPMENT POTENTIAL – OWN
31 December 2022 *(in m²)*



Source: Company information.
Note: The above figures relate to the current secured land bank. The development potential has been calculated by reference to existing or similar developed logistic projects.

1 Of which 3 buildings, totalling 113,400 m² of lettable area were acquired by the First Joint Venture in January 2023 as part of the tenth closing.
2 Calculated based on the contracted rent and estimated market rent for the vacant space.

VGP Park San Fernando
De Henares

Joint Venturess

As at 31 December 2022, the investment property portfolio consists of 146 completed buildings representing 2,937,000 m² of lettable area.

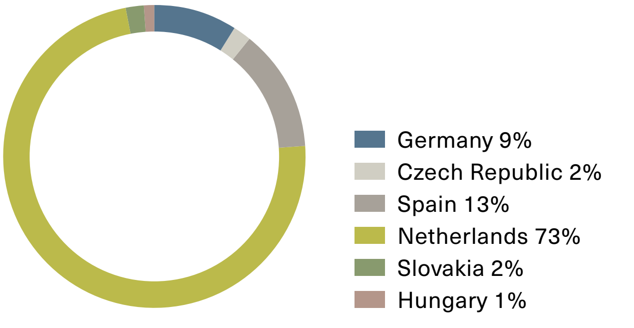
During the year, VGP completed 15 buildings (in total 409,000 m²) for the Joint Ventures. In Germany: 2 buildings in VGP Park Leipzig totalling 4,900 m² and 6 buildings in VGP Park München totalling 215,500 m². In the Netherlands: 2 buildings in VGP Park Nijmegen totalling 97,500 m². In Spain: 1 building of 41,800 m² in VGP Park Fuenlabrada and 2 buildings in VGP Park Zaragoza totalling 35,000 m². In the other countries: 1 building of 5,500 m² in VGP Park Chomutov (Czech Republic) and 1 building of 8,800 m² in VGP Park Alsónémedi (Hungary).

The occupancy rate of the own portfolio reached 99.1% at the end of 2022 (compared to 99.4% at the end of 2021).

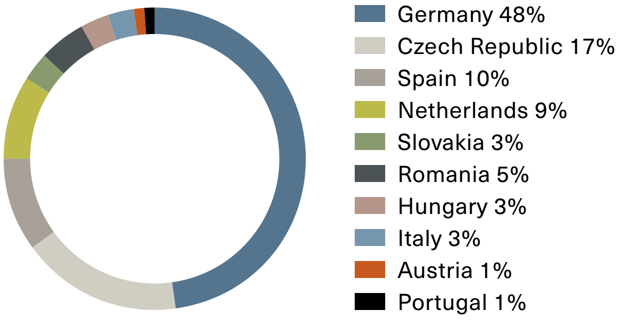
At the end of December 2022 VGP is constructing 2 new buildings on behalf of the Joint Ventures, totalling 36,700 m² of lettable area. These new buildings under construction, which are fully pre-let, represent € 1.9 million of annualised rental income when fully built and let.

The buildings under construction are located in Spain: 1 building in VGP Park San Fernando de Henares and in the Netherlands: 1 building in VGP Park Roosendaal.

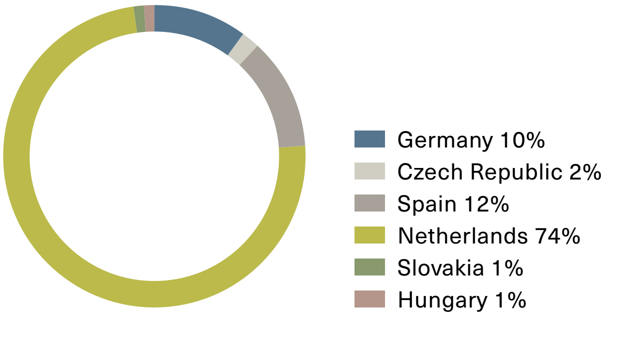
REMAINING DEVELOPMENT LAND – JV
31 December 2022 *(in m²)*



TOTAL COMPLETED AND PIPELINE – JV
31 December 2022 *(in m²)*



REMAINING DEVELOPMENT POTENTIAL – JV
31 December 2022 *(in m²)*



Source: Company information.
Note: The above figures relate to the current secured land bank. The development potential has been calculated by reference to existing or similar developed logistic projects.

Land bank evolution

In 2022, VGP acquired 1,970,000 m² of new development land. Of these land plots, 294,000 m² (15%) are located in Germany, 243,000 m² (12%) are located in France, 205,000 m² (10%) are located in Spain, 189,000 m² (10%) are located in Austria, 181,000 m² (9%) are located in Portugal, 175,000 m² (9%) are located in the Netherlands, 68,000 m² (3%) are located in Italy, , 406,000 m² (20%) are located in Hungary, 56,000 m² (3%) are located in Romania, 58,000 m² (3%) are located in the Czech Republic, 89,000 m² (5%) are located in Croatia, and 6,000 m² (1%) are located in Serbia. These new land plots have a development potential of 792,000 m² of future lettable area.

Besides this, VGP had another 2,405,000 m² of committed plots of land as at 31 December 2022, which are located in Germany, the Czech Republic, Slovakia, Romania, Hungary, Italy, France and Portugal. These land plots allow for the development of approx. 1,076,000 m² of new projects. It is currently expected that these remaining land plots will be acquired, subject to permits, during the next 12 to 24 months.

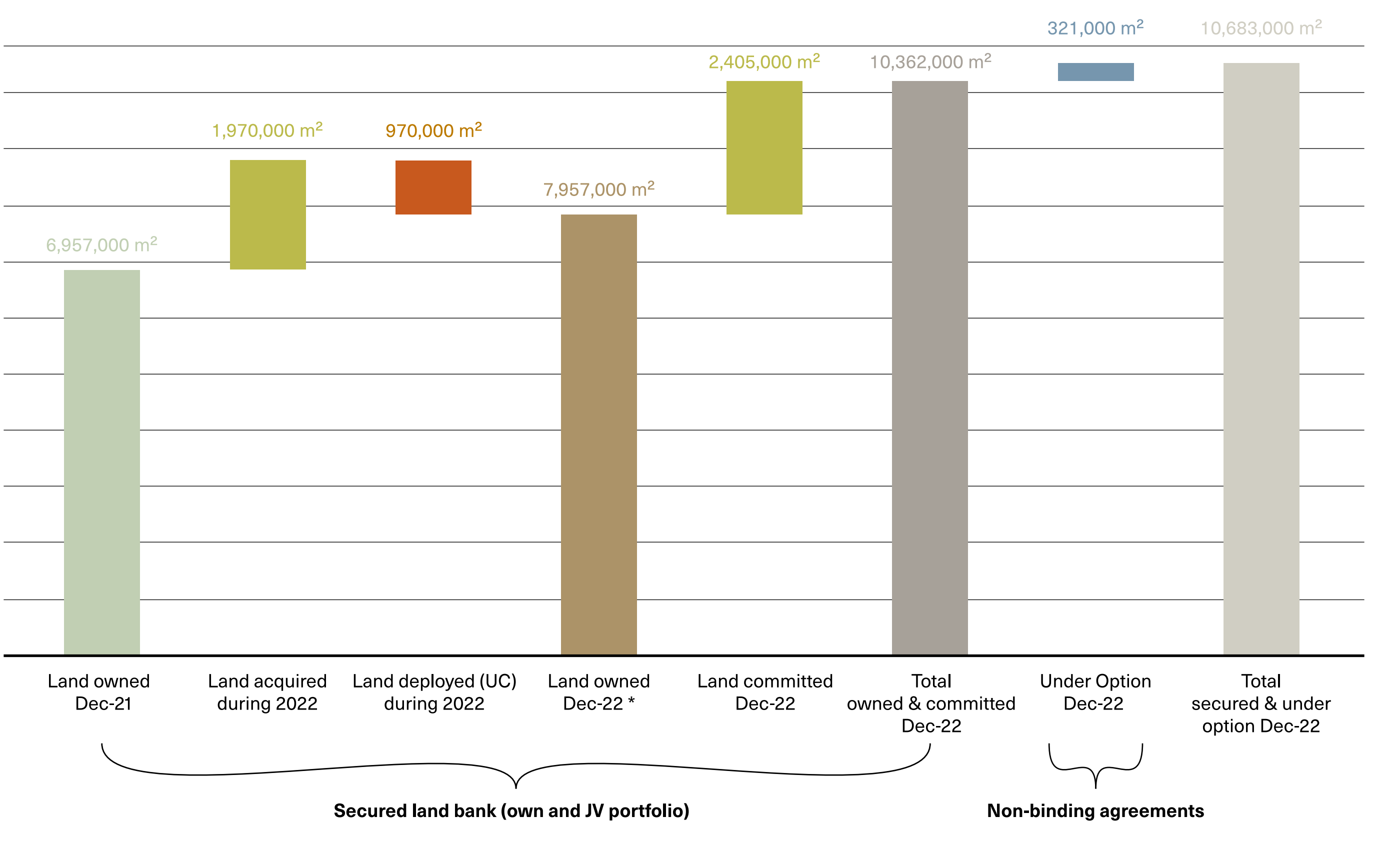
As a result, VGP (own and Joint Ventures'portfolio) has a remaining secured i.e. owned and committed development land bank of 10,362,000 m² as at 31 December 2022, having a development potential of circa 4,664,000 m² of future lettable area, and which is 77% or 7,956,000 m² in full ownership.

The own portfolio has a remaining secured development land bank of 9,031,000 m² as at 31 December 2022, of which 73% or 6,625,000 m² in full ownership. This secured land bank allows VGP to develop – in addition to the current completed projects and projects under construction (totalling 2,142,000 m²) – a further 3,975,000 m² of lettable area of which 550,000 m² (14%) in Germany, 237,000 m² (6%) in the Czech Republic, 364,000 m² (9%) in Spain, 139,000 m² (4%) in the Netherlands, 14,000 m² (1%) in Latvia, 441,000 m² (11%) in Slovakia, 735,000 m² (18%) in Romania, 291,000 m² (7%) in Hungary, 267,000 m² (7%) in Italy, 134,000 m² (3%) in Austria, 117,000 m² (3%) in Portugal, 495,000 m² (12%) in Serbia, 154,000 m² (4%) in France and 37,000 m² (1%) in Croatia.

The Joint Ventures have a remaining owned land bank (all fully owned) of 1,331,000 m² as at 31 December 2022, 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 2,974,000 m²) – a further 689,000 m² of lettable area of which 69,000 m² (10%) in Germany, 16,000 m² (2%) in the Czech Republic, 83,000 m² (12%) in Spain, 506,000 m² (73%) in the Netherlands, 10,000 m² (2%) in Slovakia and 5,000 m² (1%) in Hungary.

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 321,000 m² of new land plots with a development potential of 136,000 m².

REMAINING LAND BANK EVOLUTION
31 December 2022 *(in m²)*



* *Joint Ventures hold 1,331,000 m² in full ownership as at 31 Dec-22 (73 % located in the Netherlands)*

Capital and financial position

During 2022, VGP took advantage of favourable capital markets environment and financing conditions to continue improving its capital structure.

Further strengthening of capital

In November 2022, VGP increased its capital by successfully completing a rights offering of new shares for a total gross consideration of € 302.9 million (net proceeds: € 298.7 million).

The capital increase consisted of the issuance of 5,458,262 of new shares at an issue price of € 55.5 per share, on the basis of 1 new share for 4 preferential rights. Following this issuance VGP has now in total 27,291,312 of issued shares.

Financing

Financing during the year

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.

In July 2022, a new 5-year revolving credit facility with Belfius Bank was entered into for an amount of € 100 million. In December 2022, the existing € 50 million BNP Paribas Fortis revolving credit facility was extended to 31 December 2025. During December 2022 VGP also entered into 2 new additional revolving credit facilities i.e. an additional new 4-year € 50 million credit facility with BNP Paribas Fortis and a new 3-year € 50 million credit facility with JP Morgan SE.

In March 2022, the Swedbank AS (Latvia) loan, with an outstanding balance of € 19 million was repaid in full on its maturity date. As a result VGP had € 400 million committed credit facilities as at 31 December 2022. All these credit facilities are unsecured and remained undrawn at year-end.

The Group's main source of funding as at 31 December 2022 is therefore composed of bonds (€ 2,320.0 million)[1]. Besides bonds, the Group is financed by the Schuldschein Loans (€ 29.0 million[1]) In addition, and as previously mentioned, VGP has undrawn committed facilities totalling € 400 million as at 31 December 2022.

At 31 December 2022, the debt maturity falling due within 12 months are the € 150 million Apr-23 Bond and the € 225 million Sep-23 Bond. It is expected that the repayment of these bonds will be made through the utilisation of the Groups available cash resources.

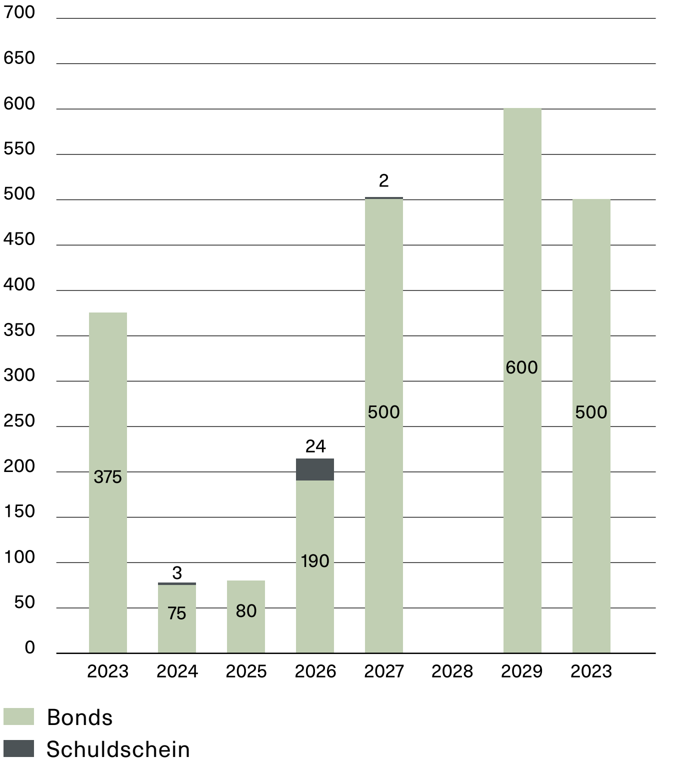
The weighted average maturity of the gross borrowings of the Group was 4.5 years (31 December 2021: 4.6 years) and average cost of debt (excluding commitment fees) was 2.31% per annum (31 December 2021: 2.55% per annum).

Refinancing of bonds – interest rate sensitivity

In case the Apr-23 Bond and Sep-23 Bond would be refinanced through existing available cash the average cost of debt (excluding commitment fees) would decrease to € 2.10% per annum. The weighted average maturity of the financial debt would in such case increase to 5.2 years.

In case the Apr-23 Bond and Sep-23 Bond would be refinanced through bank debt the average cost of debt (excluding commitment fees) would increase to € 2.52% per annum. The weighted average maturity of the financial debt would in such case increase to 5.0 years.

MATURITY PROFILE FINANCIAL DEBT
31 December 2022 *(in € million)*



1 Excluding capitalised finance costs.

2 Calculated based on a 12-month EURIOR as at 26 January 2023 of 3.352%.

General market overview[1]

CEE + France, Germany, Italy, Netherlands, Portugal, France and Spain – Key market indicators

		Warehousing			
		Prime rent *m² per annum*	**Rental Change** *y-o-y (%)*	**Prime Yield** *(%)*	**Yield Change** *y-o-y (bp)*
Amsterdam	€	93.0	3.3	4.25	115.0
Barcelona	€	88.2	5.0	4.75	100.0
Berlin	€	90.0	36.4	3.95	95.0
Bratislava	€	84.0	16.7	5.75	50.0
Budapest	€	66.0	15.8	6.25	50.0
Bucharest	€	51.0	6.3	7.50	-25.0
Frankfurt/M	€	87.6	12.3	3.90	90.0
Lisbon	€	75.0	4.2	5.25	-50.0
Madrid	€	75.0	5.0	4.75	100.0
Milan	€	60.0	5.3	4.70	110.0
Munich	€	126.0	40.0	3.90	90.0
Paris	€	66	8.2	4.15	90.0
Prague	€	90	30.4	4.50	25.0
Warsaw	€	60	31.6	5.25	75.0

1 Source: Jones Lang LaSalle – 2022 Industrial Investment Report CEE & Western Europe – February 2023

The breakdown of volumes for 2022 is as follows:

Country	2022 Volume *€ million*	2021 Volume *€ million*	2020 Volume *€ million*	2019 Volume *€ million*
Poland	6,000	6,400	5,370	7,750
Czech Republic	1,700	1,640	1,500	3,100
Romania	1,290	900	900	680
Slovakia	1,100	760	520	720
Hungary	900	1,300	1,240	1,740
Total CEE	**10,990**	**11,000**	**9,530**	**13,990**
France	25,500	25,800	28,200	39,160
Germany	66,000	111,100	81,600	91,900
Spain	14,900	11,850	9,290	15,200
Portugal	3,400	2,020	2,730	3,290
The Netherlands	17,240	16,990	17,060	16,410
Italy	11,640	9,640	7,910	11,420
Grand Total	**138,680**	**177,400**	**146,790**	**177,380**

Source: JLL Research, January 2023

VGP Park Magdeburg

Western Europe

Focus on Germany

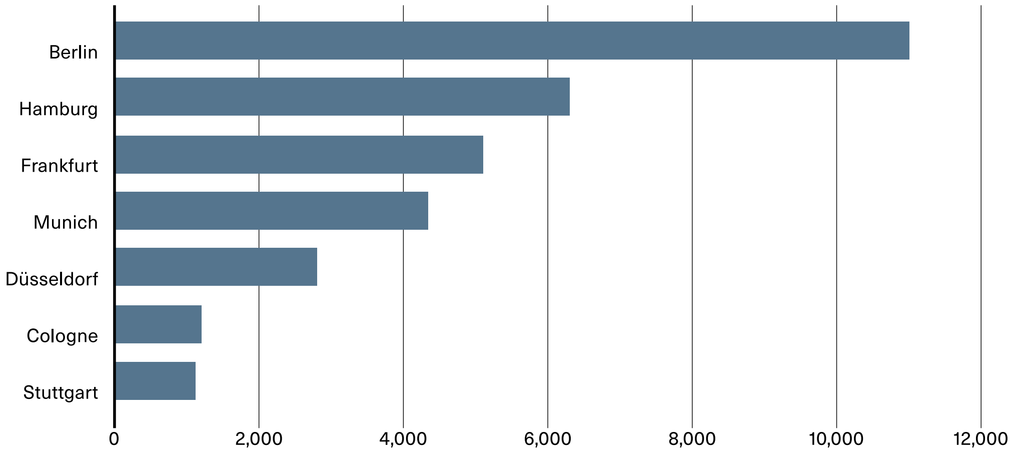
The German investment market ended 2022 with a total transaction volume of € 66 billion, including the "living" segment.This result is around 41 per cent down on the record year of 2021. On the other hand, it only fell some 8 per cent short of the 10-year average. The fact that the comparison with the long-term is not so dramatic is due to the strong first half of 2022, whilst the second six months of the year were increasingly characterised by restraint and market observation on the part of investors. We expect that this trend will initially continue into the first half of 2023, but will then gradually ease.

With the return of interest rates, traditional financial investments have once again shifted into the focus of institutional investors. From a nominal perspective, German government bonds in particular have become more attractive than real estate, stemming the flow of capital into the real estate market, especially in the second half of the year. As a result, the gap between real estate yields and 10-year government bonds narrowed to around 0.5 percentage points during 2022; such a low yield differential has not been seen since 2008. By the end of December, this spread had widened again to almost 1 percentage point, mainly due to the rise in real estate yields. Nevertheless, it is clear from the 2022 result that significantly less fresh capital was available for real estate investments overall.

As a result, the investment focus is no longer on the flight towards zero and negative interest rates, but on inflation proofing and hedging real estate yields. The longer the inflationary conditions persist, the more insurers, pension funds and private investors will have to deal with the loss of purchasing power and assets, and focus on investments that offer the best possible protection against inflation. This orientation phase should continue for a few more weeks, but as soon as price levels have been recalibrated, more capital should flow back into real estate. Both private investors and foreign funds have built up a lot of money in 2022 and are ready to invest, but they are still waiting to see if further corrections follow. Nonetheless, these increased yield expectations do not always materialize. As soon as interest rates and economic expectations improve and long-term interest rates fall, we will see a swift rebound in yields. Waiting too long can also be a mistake. The only way out of the original core capital is into a style drift, to buy in to higher expected returns with higher risks. Style drift occurs when the stated investment strategy and the actual implementation no longer coincide.

Nevertheless, overall the cautious behaviour of investors and lenders and the resulting lack of larger transactions is particularly evident in Germany's Big 7 markets. The approximately € 32 billion traded during 2022 is equivalent to an above-average decline of 55 per cent compared to the previous year and, when aggregated, the Big 7 markets accounted for just 48 per cent of the nationwide transaction volume. The good news, however, is that the transactions which have so far failed to materialise have not been completely abandoned and the sales processes may resume relatively quickly in 2023 if market factors consolidate.

Transaction volume 2022 *(€ million)*



Source: JLL, January 2023

The volume of single-asset transactions reached € 38.6 billion at the end of the year, 27 per cent down on 2021. However, the decline in the volume of portfolio transactions was significantly greater: they generated just under € 27.4 billion, 53 per cent below the previous year's figure.

Transaction Volume in Germany *(€mn)*	**2019**	**2020**	**2021**	**2022**	**19–22 %**	**21–22 %**
Single assets	56,800	44,000	52,600	38,600	-32%	-27%
Portfolios	35,000	37,600	58,500	27,400	-22%	-53%
Total	91,800	81,600	111,100	66,000	-28%	-41%

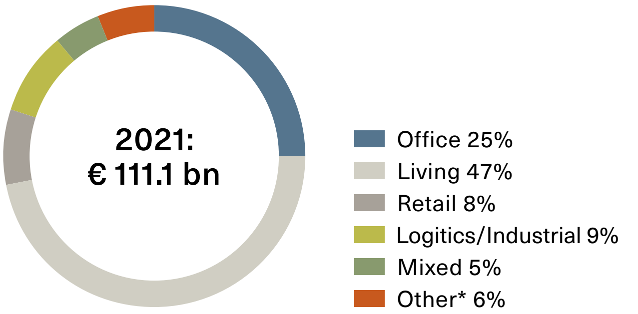
Source: JLL, January 2023

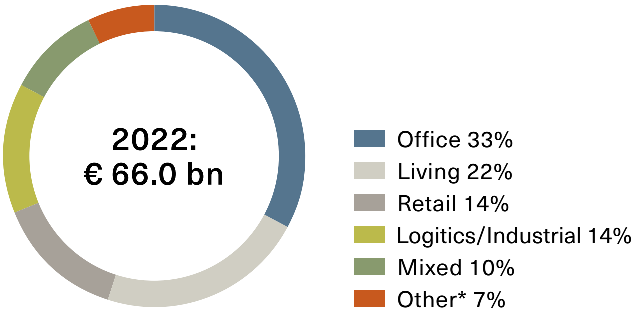
At almost € 22 billion, most capital was invested in office properties (33 per cent of the total transaction volume), followed by the "living" segment with € 14.4 billion (22 per cent). Transactions in logistics properties totalled € 9.6 billion, increasing their relative share to almost 15 per cent. The revival of retail properties that took place at the end of the third quarter was confirmed in the year's overall result, bringing the annual total to € 9.4 billion (14 per cent) and positioning this real estate segment just behind logistics properties; food-anchored retail warehouses and supermarkets, in particular, were able to maintain their reputation as anchors of stability.

Yields rise significantly

With central banks' zero interest rate policies coming to an end, not only did alternative investment assets become more attractive again in 2022, but interest rates on borrowings also increased. A snapshot comparison between 3rd January 2022 and 30th December 2022 shows an increase in 5-year swap rates of 319 basis points to a level not recorded since 2008. It was therefore only a matter of time before property yields also showed a corresponding shift. Over the year, prime yields in the individual real estate segments rose between 15 basis points for shopping centres and 90 basis points for logistics properties. In between, they are prime yields for office properties which rose by an average of 67 basis points in the real estate strongholds, and retail warehouse products and high-street retail properties which rose by an average of 40 and 30 basis points, respectively. For offices, an average of 3.31 per cent means that a "3" has appeared in front of the decimal point for the first time since the second quarter of 2019; for properties of only average quality in prime locations, initial yields have even risen to 4.22 per cent; and for older office properties in secondary locations with short unexpired lease terms, there is a "5" in front of the decimal point for the first time since 2018.

TRANSACTION VOLUME BY MAIN ASSET CLASS





*Other: Hotels, Sites, Special Properties
Source: JLL, January 2023

VGP Park Leipzig

Prime yields Germany

Prime yields *(aggregated net initial yield in Big 7 in %)*	**Q4 2021**	**Q1 2022**	**Q2 2022**	**Q3 2022**	**Q4 2022**
Office	2.64	2.62	2.72	2.84	3.31
Retail: Shopping center	4.85	4.85	4.85	4.85	5.00
Retail: Warehousing parks	3.50	3.50	3.50	3.65	3.90
Retail: Warehousing solus units	4.50	4.50	4.50	4.70	4.90
Retail: High street	2.91	2.91	2.91	2.91	3.21
Logistics-Industrial	3.03	2.96	3.11	3.43	3.93

Source: JLL, January 2023

The yield level also affects the behaviour of players in the market. The sometimes very low yields in the Core segment in the past have also severely limited buyers' appetite for risk. With somewhat higher yields, risks can be priced in again; in itself, this is not bad for a market and it helps to create sufficient liquidity. The current developments could therefore encourage a speedier completion of some transactions once again. The current price level also reflects the behaviour of investors and the financing banks, which have significantly increased their risk aversion. The outlook for 2023 will depend on coming to terms with the new underlying conditions. The fact is that there will not be a return to the zero interest rates of previous years and the correction process cannot take place without leaving traces when lending conditions quadruple. It will be essential to find a corridor into which margins and capital market interest rates can settle and with which investors and developers can reliably calculate. The central banks have the reins in their hands. For investors, there are currently good selective entry opportunities in the wake of rising yields, before a consolidation or even a new yield compression could set in during the second half of this year.

Focus on Spain

The Spanish economy grew by 5.3% in 2022, according to data from Oxford Economics, a better result than expected a few months ago. Similarly, the growth forecast for 2023 improves, although it remains limited (1.1%), with signs of economic slowdown from the end of 2022.

Headline inflation continues to moderate, reaching 5.9% in December, the lowest level of the year, thanks to the drop in energy prices. However, core inflation is intensifying and remains above 6%. Headline inflation is expected to continue to moderate, although it will remain elevated through 2023, above 2% by the end of the year.

E-commerce will continue to rise in Spain, although at a slower pace than after the initial impact of the pandemic (when its penetration rate doubled). For the next five years, it is estimated that the penetration rate (online sales over total retail sales) will be around 8.9%. In this way, e-commerce will continue to be a key driver of growth and will continue to drive the demand for logistics space in the long term.

The logistics market was one of the major beneficiaries during the pandemic due to the boost of e-commerce, whose penetration (online sales over total retail sales) doubled in Spain. During 2022, the Spanish logistics investment market has continued to grow, driven by the strong market momentum generated in 2021, despite economic uncertainty and pressure on yields and prices.

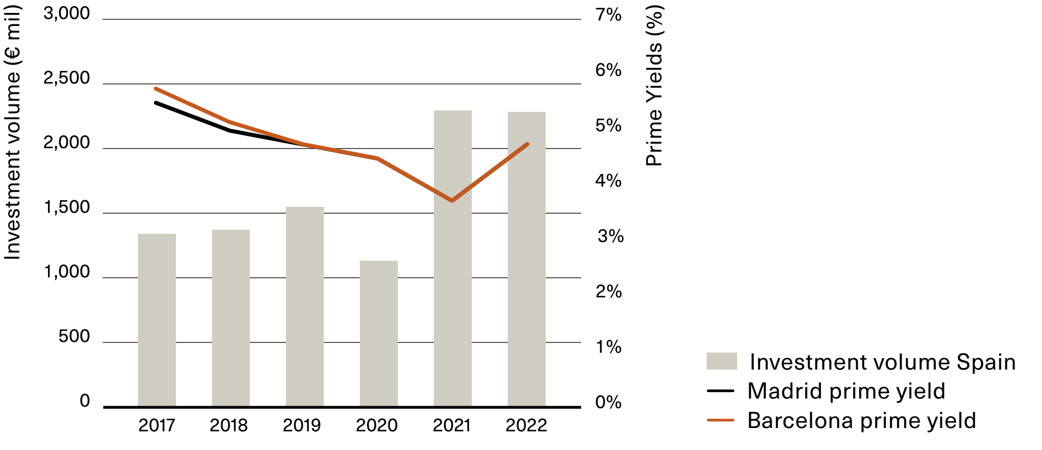
Logistics investment during 2022 reached around € 2.3 billion, a decrease of 2% compared to 2021. Despite this slight decrease, record levels have been reached in 2022.In turn, compared to the average volume transacted in the last five years (2017–2021), 2022 volume increases by around 40%. During 2022, logistics investment has been driven by large portfolio transactions, which accumulate 60% of total volume, notably eight large portfolios (between € 60 million and € 350 million).

Prices peaked at the end of 2021 and yields reached historic lows in the sector at 3.75%. In the second quarter of 2022, the long phase of yield compression reversed as a result of rising interest rates, their consequent impact on financing costs and the gradual increase in 10-year bond yield, continuing to rise during the second half of the year.

The upward pressure on yields is expected to continue, in line with the continued rise in interest rates and bond yields. By 2023 and despite the economic uncertainty, we expect logistics investment to remain solid in Spain.

The most resilient or future-proof buildings will be in higher demand and will offer higher rents and lower yields. In this sense, they will be those buildings that meet the following current and future tenant requirements and, therefore, investor standards: a secure income stream (strong tenant covenant and/or relatively long term to lease expiry), tenants in strong business sectors (e.g. supermarkets, discount shops or car parts), modern, energy efficient and sustainable buildings with access to good transport infrastructure, buildings in locations characterized by limited supply and strong competition for land, accessible sites for urban logistics (B2B, B2C and light industrial uses), buildings that can serve a wide range of tenants and generate cost efficiencies through design and energy use.

LOGISTICS INVESTMENT VOLUME AND PRIME YIELDS IN SPAIN



Note: volumes exclude transactions < € 5 mil, land, development and entity deals/M&A. Logistics and industrial warehouses are included
Source: JLL EMEA, January 2023

Focus on the Netherlands

Instead of loosening the anti-pandemic measures, the Netherlands headed into another hard lockdown in November 2021, which lasted until almost the end of January 2022. However, the recently released fourth-quarter economic growth results produced a surprising 0.9% quarter-on-quarter growth. This was better than expected, as investment expanded significantly, household consumption barely fell, and imports dropped. Specialised business services and manufacturing provided most of the expansion. Obviously, risks concerning possible new Covid variants are still present, but for now, there are plenty of reasons to stay optimistic. Even though the Netherlands ended its lockdown on 26 January, it is expected that the Dutch government will reduce Covid containment measures even more on 28 February. This may boost household consumption further, up to the point that it may surpass its pre-pandemic peak soon. GDP is forecast to grow by 3.3% in 2022 and 2.6% in 2023, which is supported by the fiscal policy of the new government that will keep elevated inflation from falling back to pre-pandemic levels. Headline inflation surged further to 6.4% y/y in January 2022, which was the highest in 40 years, primarily due to gas prices pushing energy price inflation to over 58%. The reason is that the Dutch economy is heavily dependent on natural gas and has a high pass-through of prices to consumers. The ongoing pandemic and the geopolitical crisis in Ukraine mean that energy price inflation will remain at a high level for some time. To offset the impact on real disposable incomes, the government cut household energy taxes on 1 January 2022.

The Netherlands entered a shallow technical recession in Q3, which will last through Q1 2023 according to the forecast of the Oxford Economic. Weak consumer spending, slowing global demand, and a hesitant investment recovery are the main drivers of the downturn. But latest monthly data have been more resilient than expected, so that the risks are now tilted to the upside.

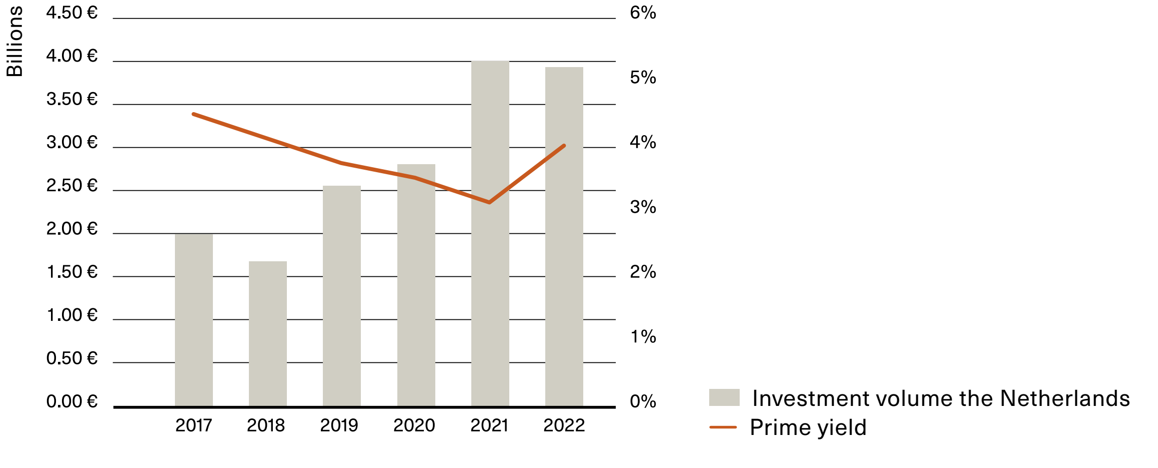
Inflation slowed only moderately to 9.6% y/y in December from 9.9% in November as another steep drop in energy inflation was partly offset by higher core and food inflation.

Due to higher interest rates and economic uncertainty, there has been a significant increase in yields during Q4 2022 and the net prime initial yield (NIY) for the Netherlands now stands at circa 4.25% (as of January 2023). Investors are waiting for yields to stabilize at a new market equilibrium and because of this there has been a slowdown in investment activity in Q4 2022.

The investment market is currently still in transition as wider economic conditions are changing in response to the high inflation. The increasing cost of financing will have an impact on the expected return of investors and could have a further impact on investment activity. But unlike other periods of uncertainty, lenders are still open for business, with a focus on asset quality. Prime yields are expected to move up further this year as the market continues its transition towards the new normal.

The logistics sector will continue to be tight as supply continues to be challenged. Furthermore, the sector is backed by strong demand drivers. The expected slowdown in economic activity in combination with newly completed stock may provide some breathing room. Occupiers are currently facing higher occupational and energy-related costs in the wake of high inflation. Simultaneously, investors are faced by higher financing costs. Hence, a new market balance must be found.

INDUSTIAL INVESTMENT VOLUME AND PRIME YIELDS IN THE NETHERLANDS



Source: JLL EMEA, January 2023

VGP Park Parma

Focus on Italy

The Italian economy posted a GDP growth of +0.5% in Q3 2022, mainly driven by domestic demand with consumption and investments in expansion. Foreign demand (net exports), on the other hand, was a negative driver. The carry-over annual GDP growth for 2022 now stands at + 3.9%.

Private investments played a key role so far, mainly due to tax incentives in the residential construction sector and the execution of the National Recovery and Resilience Plan.

Industrial production data in November highlights another negative expansion of -0.3% m-o-m (– 3.7% on a calendar adjusted y-o-y basis) – the third consecutive contraction – albeit at a slower rate – since last summer. The change of the average industrial production over the last three months versus the previous three months remains in negative territory around -1.0 %.

Annualized headline inflation (HICP) reached 11.6% in December (down from 11.8% in November). Looking ahead, headline inflation may start to decline following the recent reduction in gas prices since the summer peak, however the pass-through to the core inflation component should take longer to materialize.

From a capital markets standpoint, the first three quarters of 2022 have confirmed the strong interest of Investors in the Italian logistics sector, driven by strong demand and a tight supply-demand dynamic. As a result, annual grew to an all-time high of € 2.7 bn (+ 53% y-o-y), although rising inflation, interest rates and tighter monetary policy have hindered activity in Q4 in Italy as in other EMEA markets.

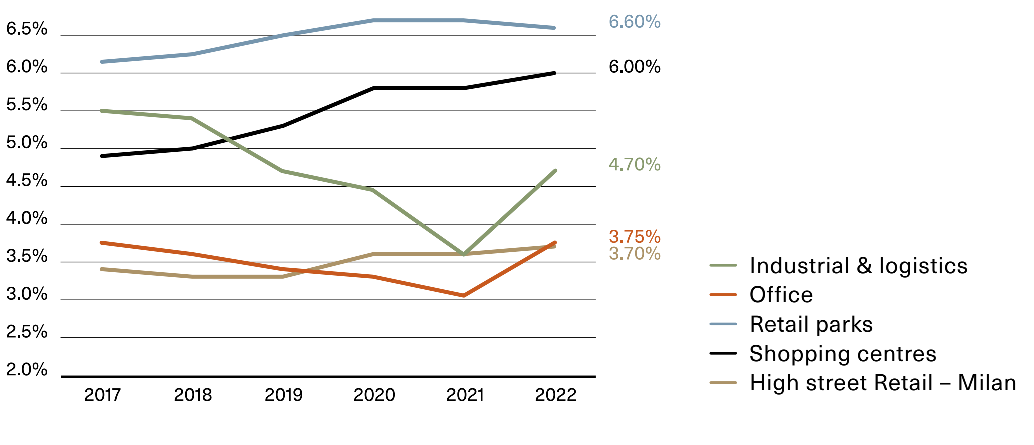
Total investments in the logistic sector in 2022 reached € 3 bn, the highest level ever recorded within the country and a 5% increase on a year-on-year (y-o-y) basis. Several lands and development projects were transacted within the market: both by investors with a long-standing presence and also by major global players who are looking with increasing interest at key geographies with high growth potential.

The steady institutionalisation and internationalisation of the Italian logistics market since 2015 has helped to deepen market liquidity conditions and widen the investor pool, as demonstrated by growing investment volumes and the dramatic yield compression recorded until 2021. 2022, on the other hand, has seen prime yields being affected by the broader upward movement in real estate yields, mainly as global central banks continue to tighten monetary policy to fight inflation.

Prime yields have been rising in other key EMEA markets too, reflecting the broader global geopolitical uncertainty and rising financing costs. As it stands, markets do not expect financing costs to cool down before H2 2023. On the other hand, early signs that inflation may peak sooner than later generate moderately positive sentiment in relation to future ECB actions.

As a more mature market, Italy has enjoyed growing activity in big-size single and portfolio deals over the last 5 years, but market uncertainty has recently driven investors towards smaller transactions. In terms of deal type, the number of portfolio deals as a percentage of total deals transacted remains well above the level reached last year.

PRIME YIELDS IN ITALY *(in %)*



Source: JLL EMEA, January 2023

Focus on Portugal

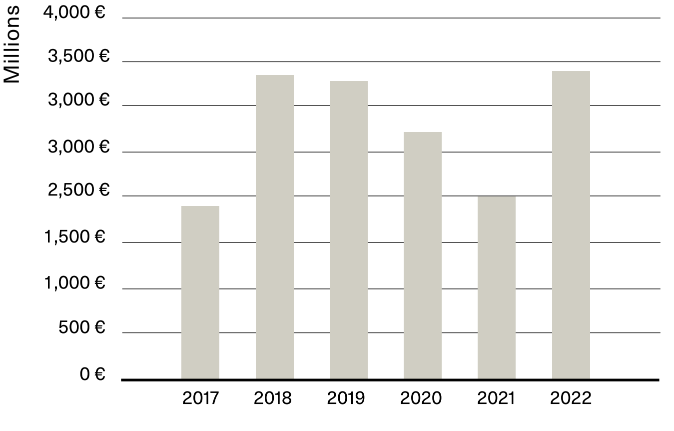
Economic growth rose substantially in the first half of 2022, due to a strong rebound in the tourism industry. Consequently, exports of services moved above pre-pandemic levels with a substantially annualized rise of around 70% turned into a major growth contributor. However, in quarter-on-quarter terms, GDP growth slowed abruptly from 2.4% in Q1 2022 to 0.1% in Q2 2022 reflecting a substantial disruption in global supply chains, particularly in energy and food markets due mainly to the Ukraine/Russia conflict.

Inflation increased to 9.5% (y-o-y) in Q3 2022 reflecting high energy prices, which triggered pass-through effects to other goods and services.

Inflation is forecast to average 8.0% in 2022 and to gradually moderate to 5.8% in 2023 and 2.3% in 2024 amid the assumed decrease in prices of energy and food commodities while service prices are expected to remain high, paced by wage adjustments.

At this point, albeit with a contraction in GDP in Q1 2023, a recession is likely to be avoided. Nevertheless consumer outlook is dampened by the European Central Bank's aggressive monetary policy tightening due to the high proportion of borrowers with variable rents.

INVESTMENT VOLUME EVOLUTION

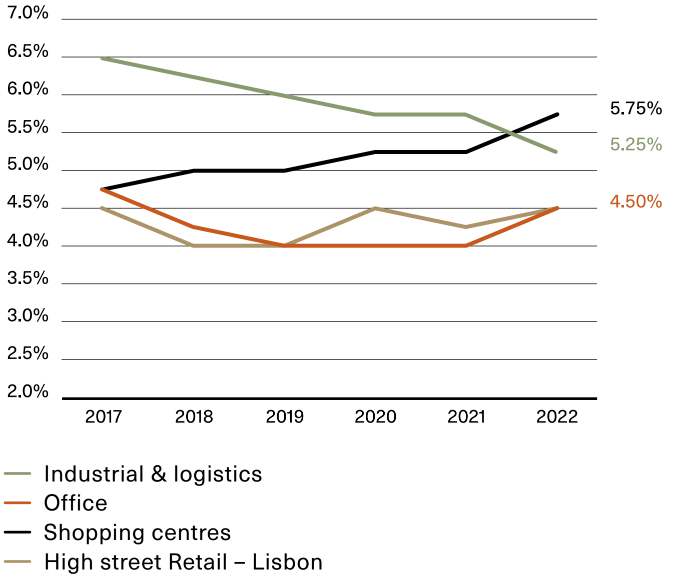


Despite the headwinds resulting from the geopolitical conflict, due to the existing liquidity in the market and its fundamentals, the 2022 turnover volume has reached € 3.4 billion. It is the highest volume ever recorded in the Portuguese market, with 2018 and 2019 at similar levels.

Nearly 95% of the invested volume was applied to office spaces located in the Lisbon district. Invested volume in the hotels sector accounted for € 1.15 billion, anchored on the disposal of Portfolio Crow by aproximately € 850 million. Regarding Industrial & Logistics, the sector reached a volume of € 600 million, with three transactions above € 95 million. Alternatives and retail represent together 23% of the total volume with approx. € 400 million each.

Source: JLL EMEA, January 2023

PRIME YIELDS IN PORTUGAL *(in %)*



A challenging macro-economic environment with inflation rise and subsequent increase in interest rates, has led to yield adjustments throughout the last quarters of the year. With exception of the Industrial & Logistics sector, which had a compression of 25 bps y-o-y, the remaining asset groups have witnessed prime yields increasing by 15 to 50 bps y-o-y. Office prime yields have expanded for the first time since 2012, a movement that is expected to continue during 2023. At the end of 2022, prime yields stand at 4.50% for Office, 5.75% for Shopping Centers Prime, 4.50% for High Street Retail, and 5.25% for Industrial & Logistics.

Natural contraction of the market is anticipated for 2023. The macroeconomic environment and geopolitical uncertainty remain the main challenges. Repricing is likely to continue in early 2023 and 2023 will be a year of alignment between buyers and sellers regarding price expectations.

Source: JLL EMEA, January 2023

Focus on France

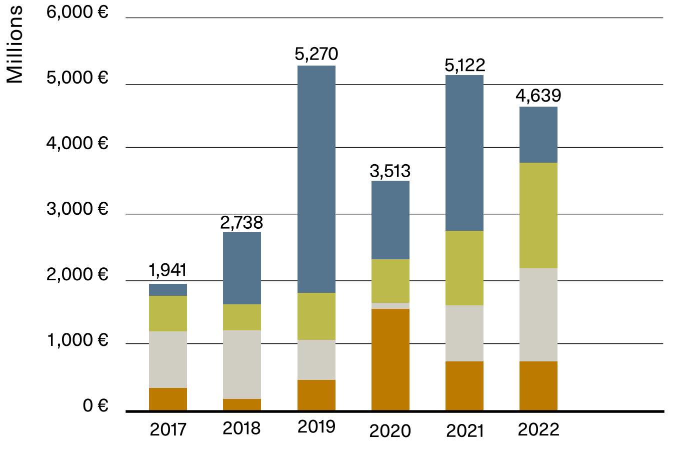
GDP is estimated to have grown by 2.6% in 2022 on the back of a substantial carry-over effect from 2021. The economy slowed down in the second half of 2022 in a context of significant supply bottlenecks and increasing energy and commodity prices. Economic activity is expected to remain subdued over the first half of 2023, with a stable first quarter. Investment, in particular, is set to fall on the back of higher production costs, tighter financial conditions and heightened uncertainty. However, the projected deceleration of inflation is expected to allow for a gradual recovery in the second half of the year, with private consumption gaining momentum and investment growth rebounding as domestic demand and international trade bounce back. For the whole of 2023, GDP is forecast to expand only moderately in annual terms, by 0.6%.

Inflation has been continuously accelerating since the last quarter of 2021. It averaged 5.9% over the whole year 2022 and reached 7.0% in the fourth quarter of 2022, mainly driven by energy and commodity prices.In 2023, inflation is expected to peak in the first quarter before progressively slowing down as wholesale prices of energy and commodities decelerate. Inflation is forecast to decrease only gradually through the end of the forecast horizon, as wage increases are set to feed into core inflation while the effect of lower energy prices on non-energy industrial goods comes with a delay. Overall, HICP inflation is projected to increase by 5.2% in 2023 and 2.5% in 2024.

In France, the investment volume in commercial real estate over the year 2022 reached € 25.5 billion, down by 1% compared to 2021. Q4 2022 is down by 52% year-on-year and represents € 5.4 billion.

In Q4 2022, over 880 million was invested in the French logistics property market, a lower volume than in the previous quarter (€ 1.6 billion). This result brings the total amount invested over the whole year to nearly € 4.6 billion, a result that is down 11% on the previous year but which constitutes the third best performance in the last ten years. Portfolio transactions accounted for the largest volumes invested, with notably the sales of the TRIO portfolio (€ 350 mil., acquired by GLP from Blackstone) and Crossbay (€ 185 mil., acquired by Prologis from Crossbay). Some significant individual transactions were also registered, as the acquisition by Goodman of a 59,000 m² warehouse for € 203 mil. from Signify in Villeneuve-Sain-Georges.

LOGISTICS INVESTMENT VOLUME

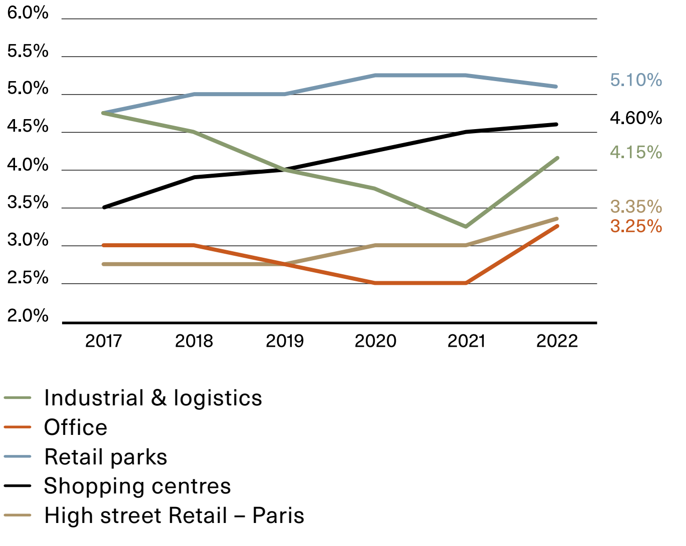


Source: JLL EMEA, January 2023

In the current context of rising key interest rates and rising bond yields, the prime rate in logistics was further corrected by 40 basis points to 4.15% at year-end.

The sharp rise in the 10-year French government bonds, which peaked at 3.10% at the and of 2022, compressed the risk premium for real estate assets. Almost all prime yields (except the yields for retail parks) were up at the end of 2022. In offices, there was an increase of 75 basis points to 3.25%. In shopping centres the yield increased from 4.50% to 4.60% and in logistics, there was a significant widening in the prime yield of 90 basis points to 4.15%.

PRIME YIELDS IN FRANCE *(in %)*



Source: JLL EMEA, January 2023

VGP Park Olomouc

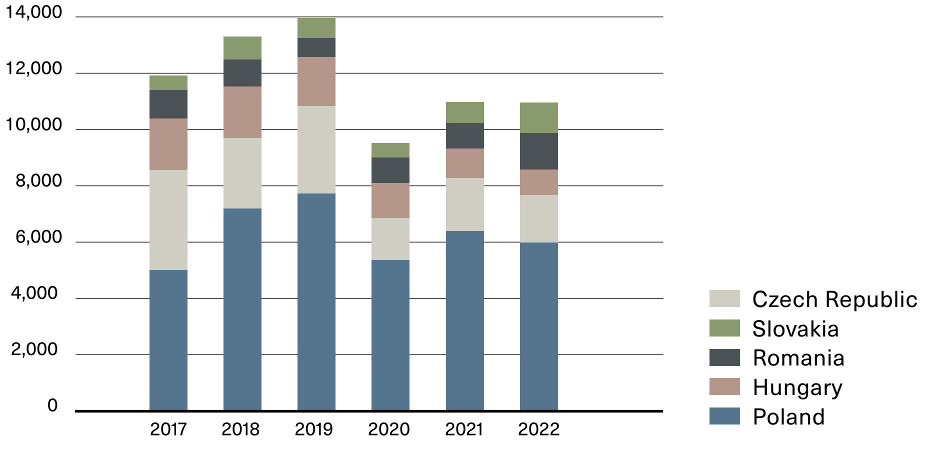
CEE Real estate investment – Market overview 2022

During 2022, the CEE investment market saw a number of transactions totalling over € 10.9 billion. Poland secured its position among CEE countries, covering 55% of total investment transactions, followed by the Czech Republic (16%) and Romania (12%). Office sector secured 39% of the total transaction volume, followed by Industrial and Logistics sector (24%).

At the CEE markets, Investors are currently adapting to an environment of higher interest rates and the threat of recession, and we expect activity to decline until the economic climate becomes more stable and transparent.

The market has witnessed a clear upward trend in rents in 2022, especially in new developments, which have faced unprecedented growth in construction costs. The financing costs are, however, rising too. As a result, cap rates for prime assets have stopped to harden and the market has seen the yield decompression. This trend is expected to continue throughout the following months.

CEE INVESTMENT VOLUMES BY COUNTRIES
(in millions €)

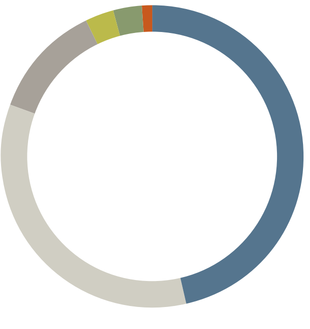


Source: JLL EMEA, January 2023

VGP Park Arad

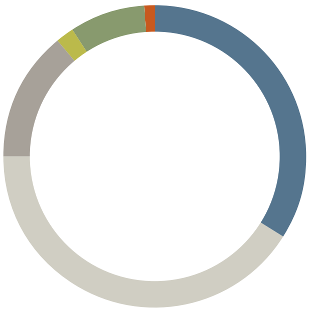
CEE investment volumes by sector

CEE SECTOR SPLIT 2020



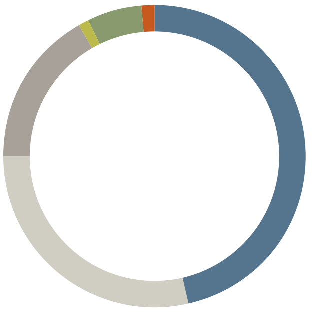
- Office 46%
- Industrial 34%
- Retail 12%
- Hotel 3%
- Living 3%
- Other 1%

CEE SECTOR SPLIT 20201



- Office 34%
- Industrial 41%
- Retail 14%
- Hotel 2%
- Living 8%
- Other 1%

CEE SECTOR SPLIT 2022



- Office 39%
- Industrial 24%
- Retail 14%
- Hotel 1%
- Living 5%
- Other 1%

Source: JLL, February 2023

Focus on the Czech Republic

In the second half of 2022, extremely high inflation and the ongoing energy crisis have negatively impacted the performance of the Czech economy, which is visible in weak household consumption. Private consumption dropped in Q3 2022 by 3.2% compared to the previous quarter, a fourth consecutive quarterly fall.

The Czech Republic is technically in an economic recession, with a quarter-on-quarter drop in GDP of 0.2% in Q3 2022 expected to continue in Q4 2022. In summary, overall GDP growth of 2.4–2.5% can be expected for 2022. For 2023, a decline of 0.5% is forecasted based on Oxford Economics' recent prediction.

The year-on-year growth of Czech consumer prices amounted to 15.8% in December, which was 40 basis points down from the November results. The average inflation rate for 2022 stood at 15.1%, representing the second-highest level since the establishment of the independent Czech Republic.

According to preliminary estimates of Eurostat, the Monetary Union Index of Consumer Prices (MUICP) increased by 9.2% year-on-year in December 2022.

Continued high inflation significantly impacts retail sales, which were down 9.7% year-on-year in real terms in November 2022. Month-on-month, retail sales decreased by 0.3% despite a significant monthly drop of 1.8% in October 2022.

The Czech National Bank kept the policy rate unchanged at 7.00% at its last meeting in December 2022. Given the fundamentals, stable interest rates are expected in H1 2023.

In the second half of 2022, the inflationary pressures, higher external financing costs, rising construction prices, and the energy crisis took their toll on the Czech Republic. This unprecedented situation lowered total investment volumes and the number of transactions concluded in the Czech Republic.

The second half of 2022 provided transactional volumes of € 456 million. This represents a decrease of 56% compared to the same period last year and a 64% decrease against H1 2022. The total investment volume for the whole of 2022 reached € 1.7 billion, equaling 2021 results. Most of this volume was generated by activity in the first quarter of 2022, with decreasing volumes towards the end of the year.

The average transaction size in H2 2022 was € 30 million (an 18% decrease compared to H1 2022) across 15 transactions. Volume-wise, in H2 2022, the industrial & logistics sector dominated with 44% of total investments, followed by the office (40%) and retail (13%) sectors. Domestic capital was traditionally very active, accounting for 54% of the total investment volumes.

In H2 2022, the industrial & logistics sector was the most dominant and represented 44% of the investment volume. The total industrial & logistics investment volume amounted to € 199 million in H2 2022.

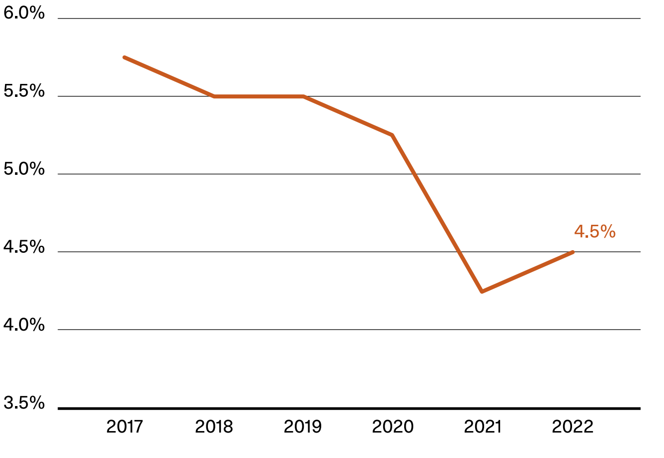
The office sector had the second-largest share with 41%. In H2 2022, the office sector experienced six transactions. Total office investment volume recorded in H2 2022 reached € 184 million.

The retail sector was the third most active during H2 2022, with a 12% share of the total volumes. Altogether, there were four transactions during the half year. Total retail investment volume recorded in H2 2022 reached € 60 million.

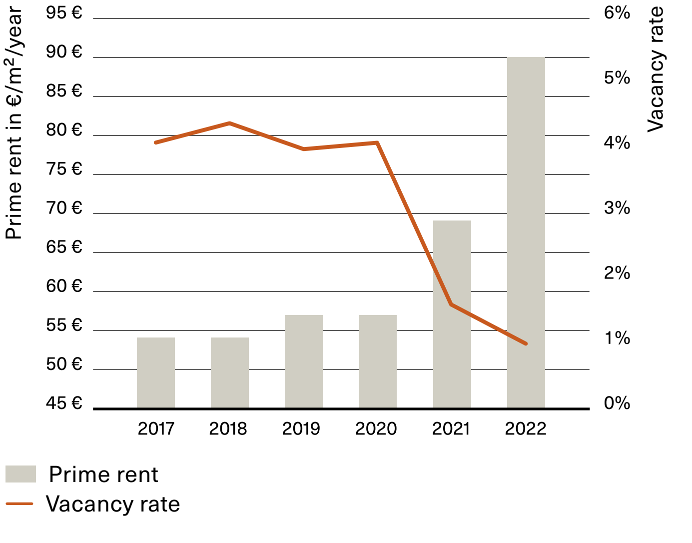
There was only one residential transaction recorded in H2 2022.

A limited supply of available modern space and strong demand have pushed rents up in 2022. Rental growth was driven mainly by the limited availability of vacant industrial space, high construction costs and higher financing costs. During Q4 2022, rents for prime space in Greater Prague remained stable at € 7.50 per m^2 per month. In the last 12 months, prime rents in Prague have registered a growth of 30%. The South Moravian region stood at € 5.50 – 6.75 per m^2 per month. Prime rents in the Moravia-Silesian region reached € 5.25 – 6.00 per m^2 per month, whilst the Pilsen region stood at € 5.00 – 6.50 per m^2 per month. (*source: JLL, Czech Industrial Market Q4 2022*)

CZECH REPUBLIC PRIME INDUSTRIAL YIELD



CZECH REPUBLIC PRIME INDUSTRIAL RENT & VACANCY RATE



Source: JLL EMEA, January 2023

Focus on Hungary

The global economy turned for the worse during the second half of 2022. The protracted challenges posed by the economic sentiment, monetary policy and geopolitics impacted investor sentiment and underwritings significantly. The uncertain outlook triggered a more cautious and delayed decision-making by purchasers, which resulted in a very modest activity during the second half of 2022 in Hungary. H2 investment volume amounted to less than € 200 million, the lowest H2 volume of the past 9 years. This weak activity resulted in a similarly weak annual activity of just above € 900 million, marking the lowest annual activity since 2015 in the country.

Approximately 80% of the annual volume included income-generating transactions, while the remaining 20% was made up by assets suitable for redevelopment purposes, development sites and owner occupation.

The strongest activity was recorded in the office asset class, which generated approx. 35% of the annual investment volume. It was closely followed by retail (30%), due to the Tesco disposals. The logistics sector generated 17% of the volumes whereas the remaining 18% was made up by hotels, re-development opportunities and development sites.

Over 2022, debt market became more cautious amid increased scrutiny on underwriting assumptions and more stress-based calculations. Credit spread increases limited purchasers to price aggressively, and investor appetite decreased.

Over 2022, yields have shifted in every asset class, and a visible repricing happened. According to our views, prime yields stand at 5.75% for offices, 6.25% for logistics and 6.50% for shopping centres.

We expect investment activity to remain subdued over the first quarter of 2023 and to start strengthening from mid-2023.

Although office transactions generated a record high volume in 2021 (just shy of € 1 billion), the performance of the sector was significantly below expectations. As a result of the increased uncertainties regarding market fundamentals and significant pricing differences, most investors decided to halt on their office acquisitions after mid-2022 and wait until the market sentiment clears out and yield softening ends. Therefore the annual investment volume generated by offices was a mere € 300 million, the lowest annual volume over the past 10 years.

The logistics/industrial sector remained a very sought-after asset class, but due to the lack of available products in the sector, the 2022 annual volume remained in the range of € 150 million, similarly to the past 3 years annual volumes. The second half of 2022 was especially quiet in terms of transactions, as only two smaller deals were recorded. As availability in the Greater Budapest market is limited, investors have started to explore opportunities in the countryside as well. Accordingly, out of the 10 registered sales 4 included assets situated in the countryside.

Although logistics assets can generate a strong bidding competition among purchasers, the overall negative market sentiment has impacted pricing in this sector as well. We have recorded a prime yield decompression of 75 bps during 2022 and consider logistics prime yield to stand at 6.25% as at Q4 2022.

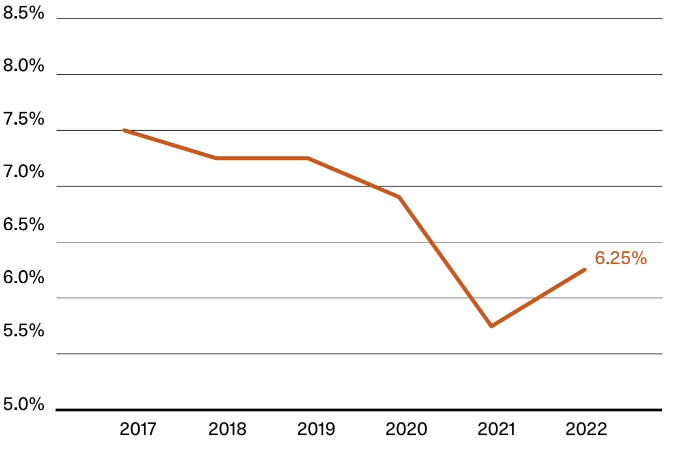
Looking ahead, we foresee strong activity in the asset class in 2023. We expect a core city logistics portfolio and a large logistics park to transact in H1.

Due to the fundamental shift in consumer habits and the impacts of the pandemic, the retail sector has been underperforming over the past years; however, activity in the sector was relatively strong in 2022. The annual investment activity amounted to € 270 million, which marks the highest annual volume of the past 3 years. The exceptional performance was due to a single deal: the acquisition of Tesco's 14 stores by Adventum.

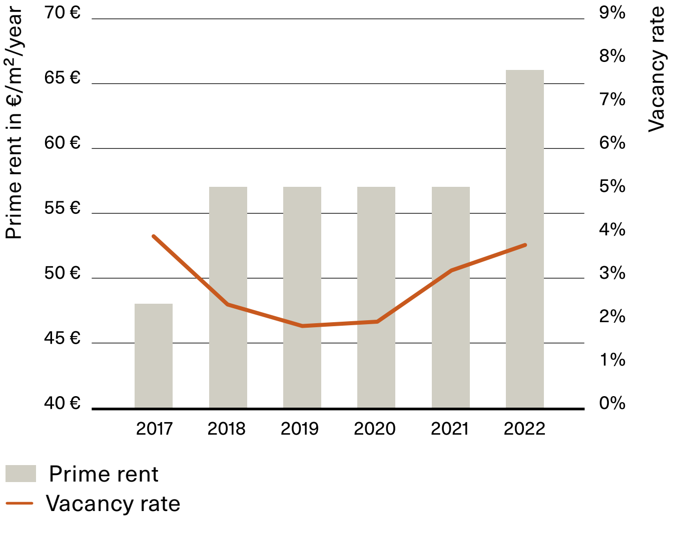
At the moment, assets anchored by food retailers are the most popular properties within the retail asset class. We recorded three acquisitions of such properties situated in secondary Hungarian cities. All three assets were purchased by the same Hungarian private investor.

Similarly to the other asset classes, the prime shopping centre yield has also shifted and now stands at 6.50%.

HUNGARY PRIME INDUSTRIAL YIELD



HUNGARY PRIME INDUSTRIAL RENT & VACANCY RATE



Source: JLL EMEA, January 2023

Focus on Romania

The property investment volume for Romania in 2022 is estimated at approx. € 1.29 billion, a value 40% higher than the one registered in 2021. The figure, however, was heavily influenced by one very large portfolio transaction signed in Q4.

The real estate investment market managed to have 2022, the best year since 2014, despite the Covid-19 outbreak and the ongoing Ukraine War. Contrary to initial expectations, the latter had a limited impact on the Romanian macroeconomic environment and the overall market activity.

Investors are still showing strong signs that they are interested in commercial properties, especially offices, as Romania maintained over the past 3–4 years a defensive position from a risk–prices perspective, when compared with the rest of Europe.

Compared to 2021, the number of transactions increased, with the average deal size remaining relatively stable at € 27 million.

Bucharest kept its status as the preferred investment destination in Romania and accounted for over 70% of the total transaction volume in 2022, followed by Cluj, Ploiesti and Oradea.

The investment volumes were dominated by office transactions, with approx. 61% of the total, followed by retail (24%), industrial (9%) and hotels & residential (6%).

The largest industrial transaction concluded in 2022 was the acquisition of Metav, a 75,000 m² in-city industrial asset in the north of Bucharest. The property owned by Meteor Investitii was sold to Alinso Group.

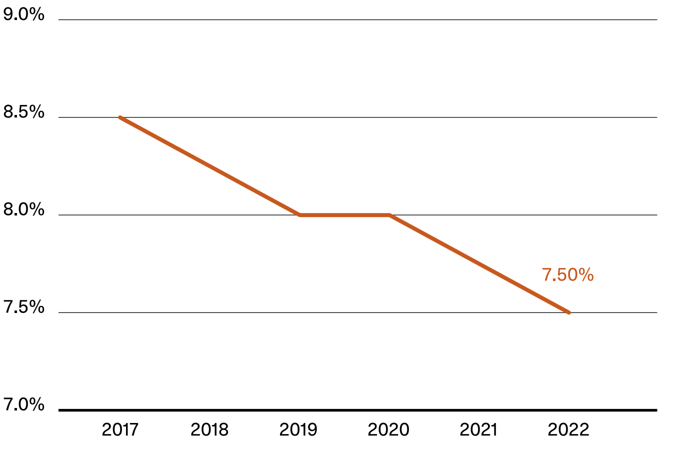
Prime office yields are at 7.00%, prime retail yields at 7.25%, while prime industrial yields are at 7.5%. Prime yields for offices increased by 25 bps over the past 12 months, while yields for industrial and retail properties remained stable over the same period.

We expect that investment volumes in 2023 will be around € 900 million, although in this period accurate predictions continue to be difficult to make. Nevertheless, considering the significant amount of side-lined capital targeting real estate, these forecasts might improve.

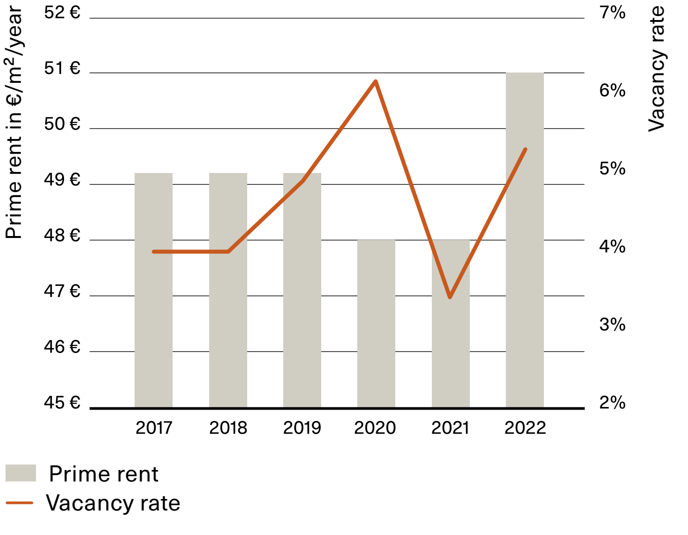
There is upward pressure on yields, that we expect will materialize in the first half of 2023, followed by a more stable second half. Nevertheless, rent indexation and the increase of prime rents will limit the impact of the yield increases on capital values.

Despite of the external factors, the appetite for financing the real estate sector remains in place, especially for prime, income-generating assets. However, hedging requirements and related costs are making financing more expensive.

ROMANIA PRIME INDUSTRIAL YIELD



ROMANIA PRIME INDUSTRIAL RENT & VACANCY RATE



Source: JLL EMEA, January 2023

Focus on Slovakia

The last year became a record-breaking year, with the annual investment volume into commercial real estate exceeding € 1 billion, more precisely € 1.1 billion. This figure excludes land deals worth almost € 200 million.

The annual volume is 59% higher than the five years average. Although the record-breaking numbers were positively influenced by the settlement between private equity Penta and the newly established Alto Real Estate, the results are still impressive. Even excluding this settlement, the volumes would still be on par with last year result of € 760 million.

Considering all the uncertainties, increased cost of financing and turbulent economic environment, real estate market proved resiliency and strength; however, slowdown in investment activity was obvious towards the end of the year. This trend is likely to continue in the first half of 2023, when we expect a bid-ask spread and price discovery period, favouring private capital and cash buyers.

Eleven deals were closed in H2, compared to twenty-six in H1. Slower H2 contributed to the annual volumes by ca. 30% (€ 350 million).

The average transaction size is at € 29 million, an equal number for both halves (ca. 17% decrease compared to the entire 2021).

The office sector was the dominant one with 44% share in H2 (54% annually); followed by retail: 38% share in H2 (31% annually); and industrial & logistics: 14% share in H2 (13% annually).The trend, when institutions and companies reevaluate their owner-occupied portfolios and usually decide to downsize, continues. Tatra Bank finalized the sale of the office building at Cernysevskeho 50. The building was acquired by local private capital. The total annual office investment volume reached approximately € 620 million.

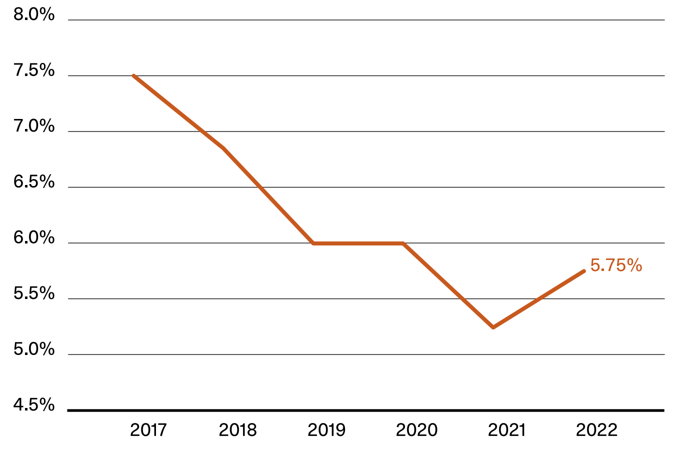
The total annual retail investment volume reached approximately € 350 million.

The industrial & logistics sector, after quarters of fierce bidding for prime products and very high liquidity, goes through the same curve as other real estate sectors – slowdown, which is further impacted by the lack of prime products.

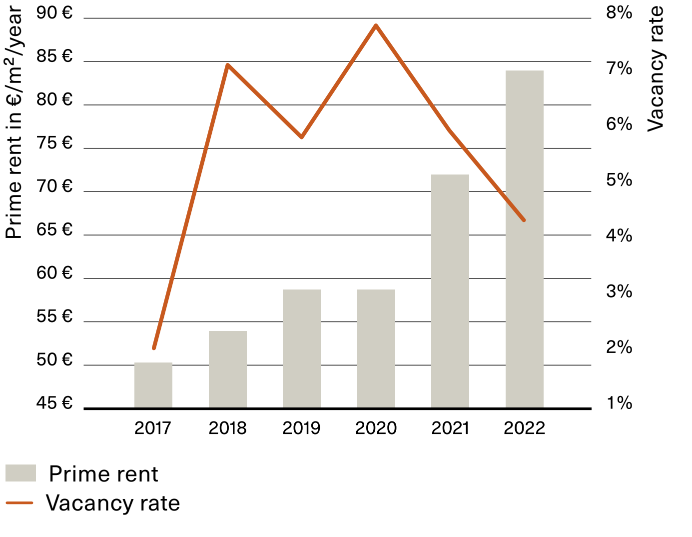
Our view on prime yields as of Q4 2022 is as follows:

— Offices:	5.50% – 5.75%
— Logistics/ warehouses:	5.75% – 6.00%
— Light industrial:	6.25% – 6.50%
— Shopping malls:	6.50% – 6.75%
— Retail parks	7.00% – 7.25%

SLOVAKIA PRIME INDUSTRIAL YIELD



SLOVAKIA PRIME INDUSTRIAL RENT & VACANCY RATE



Source: JLL EMEA, January 2023

German market[1]

Leading Logistics area

Germany is the largest economy in Europe and the world's second largest exporter. It is also ranked number one globally in terms of its overall "logistic performance" according to the World Bank's Logistics Performance Index (2018). With the eastwards expansion of the EU, Germany became even more centrally positioned within Europe and benefits from its geographical location as well as its excellent global connectivity.

Germany's logistics locations are highly fragmented with 17 established logistics locations of various sizes. Traditionally, the principal markets are located around:

— Hamburg, largely driven by the port, Europe's second largest container seaport;
— Frankfurt-Rhein Main, driven by freight activities surrounding the airport as well as the large customer base in the metropolitan area;
— Ruhr area & Düsseldorf-Cologne corridor, which are still largely manufacturing based;
— Munich, focused on the high-tech sector;
— Berlin, the national capital.

There are also several smaller logistics locations which have emerged only over the last few years such as the Kassel / Bad Hersfeld area (the most centrally located area in Europe) and Leipzig/Halle (benefitting from airport development) – offering a higher availability of development sites in combination with lower land prices and lower rental values. Other smaller regional markets are the Rhein-Neckar area, Hanover/Brunswick, Stuttgart/Heilbronn, Osnabrück/Münster, Nuremberg, Erfurt, Bremen and Mönchengladbach.

Over the next few years, JadeWeserPort container port could also see an acceleration in local activity, provided the area can overcome limitations in transport infrastructure and initial occupier caution.

Demand for space remains high

The German market for warehousing and logistics space recorded a total take-up result of around 8.5 million m² in 2022. However, despite falling just short of the previous year's record result (8.67 million m²), it still exceeded the five-year average by 19%.

Most demand for space came from distribution/logistics companies with 34%, followed by retailers with 29%. Manufacturers assumed third place, increasing their share of total take-up from 19% in 2021 to 27% in 2022, with two transactions of more than 100,000 m² contributing to this result: the securing of planning permission by Tesla for the construction of its new 327,000 m² plant in Grünheide (registered in the first quarter); and the start of construction of a factory by NOKERA AG for the production of timber construction residential buildings in Möckern, Saxony-Anhalt.

Demand for space remains high with many companies expanding their production, storage and distribution capacities in Germany to achieve greater independence from global developments. However, the shortage of space is still a major challenge, with a distinct lack of modern logistics space and land available at short notice in many regions.

1 Source: Jones Lang LaSalle – 2022 Industrial Investment Report CEE & Western Europe – February 2023

VGP Park Giessen-Am Alten Flughafen

VGP Park Berlin Wüstermark

Take-up in the Big 5 exceeds the five-year average by 16%

Around 2.36 million m² of space was taken up in the Big 5 regions (Berlin, Düsseldorf, Frankfurt, Hamburg and Munich) in 2022, just 3% below the previous year's record result and yet 16% above the five-year average. This can be attributed mainly to the exceptional performance of the Berlin region which recorded the highest take-up, almost doubling the record result of the previous year (616,000 m²). The year-end figure of 1.12 million m² in the take-up statistics has never been achieved in any of the major regions. In fact, take-up has only exceeded one million m² once before when 1.05 million m² of take-up was registered in 2016 in the Ruhr region.

After Berlin, the regions with the highest take-up in 2022 were Hamburg and Frankfurt which followed at a considerable distance with 475,000 m² and 322,000 m² (respectively), both with a significant year-on-year decline. Only Düsseldorf, which ranks fourth ahead of Munich in the ranking of the Big 5 regions, joined Berlin in surpassing its previous year's result.

After registering a high completion volume of 835,000 m² in the first six months of 2022, a further 530,000 m² was added to the market in the second half of the year. The volume of new construction has therefore more than doubled year-on-year. The largest number of completions was in the Berlin region, followed by Hamburg. Almost another million square metres of space is currently under construction in the Big 5, with 60% of this space already let or being built for owner-occupiers. Here too, most of the cranes are turning in Berlin and Hamburg, each with around 300,000 m² under construction.

The largest transactions outside the Big 5 are concluded by ecommerce companies

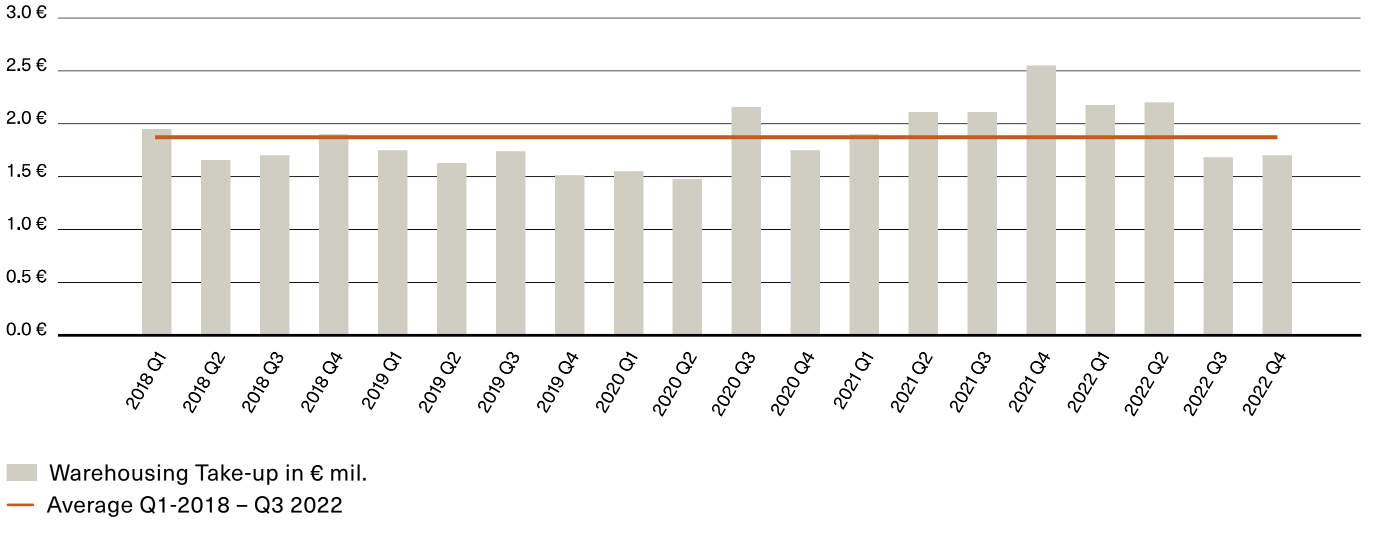
In 2022, around 6.18 million m² was leased or secured by owner-occupiers outside the Big 5 regions*. This means that the 6 million m² mark was exceeded for the second successive year and the final figure almost matched the previous year's result of 6.25 million m². The five-year average was also exceeded by 20%.

The analysis of take-up by sector shows a relatively balanced picture, with logistics/distribution companies responsible for almost 38% of the take-up result, followed by retailers with 28% and manufacturers with 26%.

The four largest transactions of 2022 took place in the first six months and included the two largest deals of the year, in which the online retailer Amazon leased around 225,000 m² for a new fulfilment centre in Erfurt and commenced construction on an around 189,000 m² fulfilment centre in Kaiserslautern. The largest deal in the second half of the year, the letting by a retailer of 76,000 m² in a logistics park in Hainichen, Saxony, ranks fifth in the annual review.

72% of the space was secured in new buildings or development projects. This figure has not changed significantly over the last few years (five-year average: 74%).

WAREHOUSING TAKE-UP GERMANY* *(millions m²)*

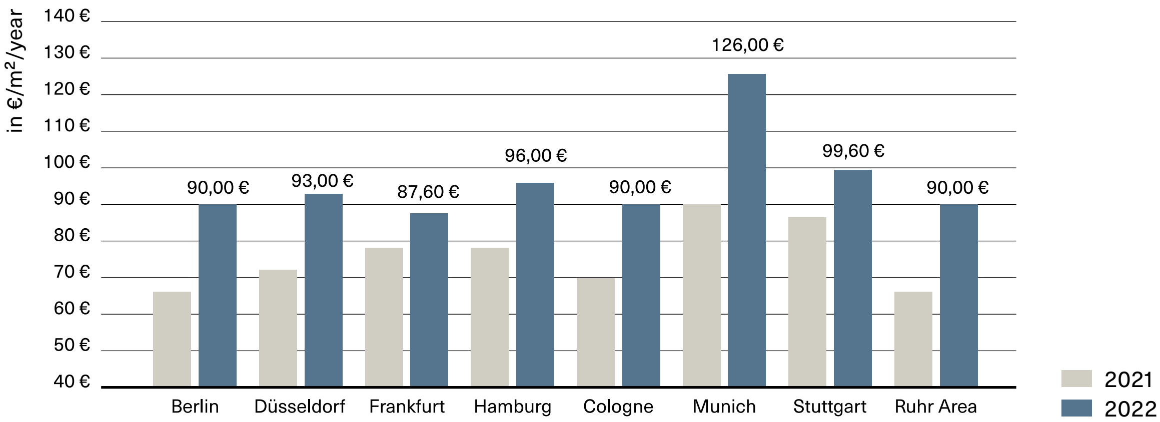


* Outside the Big 5 only deals = 5,000 m², in the Big 5 (Berlin, Düsseldorf, Hamburg, Frankfurt and Munich) deals = and < 5,000 m²
Status: February 2023, Source: JLL

Upswing in prime rents

Besides the shortage of space, increased construction costs have been a major factor behind the rise in prime rents for warehousing space larger than 5,000 m² in all Big 5 regions over the last twelve months. The prime rent has now exceeded € 7.00/m² p.m. in all Big 5 markets, with the strongest rises recorded in Munich (by 40% to € 10.50/m² p.m.), Berlin (by 36% to € 7.50/m² p.m.) and Düsseldorf (by 29% to € 7.75/m² p.m.). In Hamburg, it has risen by 23% to € 8.00/m² p.m. over the past twelve months and in Frankfurt, by 12% to € 7.30/m² p.m. We also expect prime rents to continue to rise in 2023.

PRIME RENT IN GERMANY



Source: JLL EMEA, January 2023

VGP Park Berlin Wüstermark

Warehouse Take-up total *(m²)*		**2021**	**2022**
Berlin		615,900	1,119,300
Düsseldorf		239,100	242,200
Frankfurt		694,800	321,500
Hamburg		630,300	474,500
Cologne	only space ≥ 5,000 m^2	211,300	286,300
Munich		242,600	198,300
Stuttgart	only space ≥ 5,000 m^2	141,900	271,700
Ruhr area	only space ≥ 5,000 m^2	787,900	640,400

Warehouse Take-up total *(≥ 5,000 m²)*	**2021**	**2022**
Berlin	404,900	939,800
Düsseldorf	122,400	188,100
Frankfurt	534,500	150,300
Hamburg	498,100	387,800
Cologne	211,300	286,300
Munich	102,400	67,900
Stuttgart	141,900	271,700
Ruhr area	787,900	640,400

Prime Rents for Warehousing Space *(≥ 5,000 m²) (€/m²/month)*	**2021 Q4**	**2022 Q4**
Berlin	5.50	7.50
Düsseldorf	6.00	7.75
Frankfurt	6.50	7.30
Hamburg	6.50	8.00
Cologne	5.80	7.50
Munich	7.50	10.50
Stuttgart	7.20	8.30
Ruhr area	5.25	7.50

Completions *(m²)*	**2021**	**2022**
Berlin	203,000	580,600
Düsseldorf	52,300	37,800
Frankfurt	170,700	171,900
Hamburg	161,500	426,200
Cologne	82,600	154,800
Munich	31,000	147,500
Stuttgart	48,900	78,500
Ruhr area	491,800	419,000

Source: JLL – Logistics and Industrial Market Overview / Germany / H2 2022 / February 2023

Spanish market[1]

Leading logistics areas

The logistics markets in both Madrid and Barcelona are laid out in three concentric rings, each of which reflects a different type of activity or product managed by logistics platforms.

Operators are concentrated along the primary logistics routes. These include the A-2, A-3, A-4 and A-42 roads heading out of Madrid and the A-2 and AP-7 in Barcelona. These roads in both cities pass through all three rings. Operators are located along various stretches depending on the type of freight traffic and whether they are focused on local, regional or national/international transport.

Take-up

Take-up in the Madrid market during 2022 was around 1,300,000 m^2, similar to that of 2021. In both years, take-up has reached the highest levels of the last five years. Take-up represented around 450,000 m^2 in the fourth quarter, with a 56% increase in the quarterly comparison and rising by 14% in the annual comparison.

Take-up in the Barcelona market during 2022 was around 765,000 m^2, which represents a decrease of 14% compared to 2021, although it represents the highest figure in the last five years, behind the year 2021. In the fourth quarter, take-up was around 240,000 m^2 (43% higher than the previous quarter, and very similar to that of the fourth quarter of 2021).

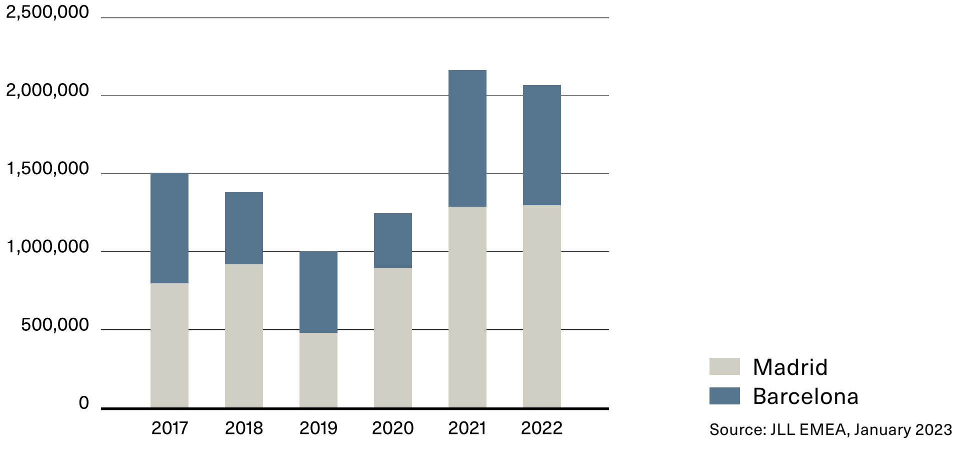
Completions and availability

By 2023 it is expected that around 1.1 million m^2 of the new logistic product under construction will enter the Madrid market and 273,000 m^2 in Barcelona. In Madrid, warehouses that are still available lead (94%), where land availability made possible for many developments to start at the beginning of the year, while in Barcelona, warehouses that are already committed (60%) continue to dominate. Thus, they will not add availability to the market.

Completions in Madrid during 2022 reached 515,000 m^2 representing 35% decrease compared to 2021. In the fourth quarter, completions in the capital added 125,500 m^2, 35% less than in the fourth quarter of 2021. For its part, completions in Barcelona totalled 325,000 m^2 in 2022 (similar figure to that of 2021) and 87,500 m^2 in the fourth quarter (-30% in the annual comparison).Logistics demand remains strong, although soaring construction costs and raw material shortages continue to delay many ongoing projects. In turn, the demand for logistics warehouses by e-commerce operators has moderated compared to two years ago with a greater role now by 3PL operators.

Given the rising demand and low volumes of new completions, the vacancy rate fell slightly compared to the previous quarter in both Madrid and Barcelona, reaching 6.45% and 3.14%, respectively. Vacancy continues to be limited to respond to strong demand, especially for quality warehouses.

INDUSTRIAL TAKE-UP *(m^2)*



Source: JLL EMEA, January 2023

1 Source: Jones Lang LaSalle – 2022 Industrial Investment Report CEE & Western Europe – February 2023

VGP Park Fuenlabrada

Prime Rent

In the fourth quarter of 2022, prime rent in Madrid stood at € 6.25/m²/month, with an increase of 2.5% compared to the previous quarter and 5% yearly. This level of rent continues to be the highest since 2009.

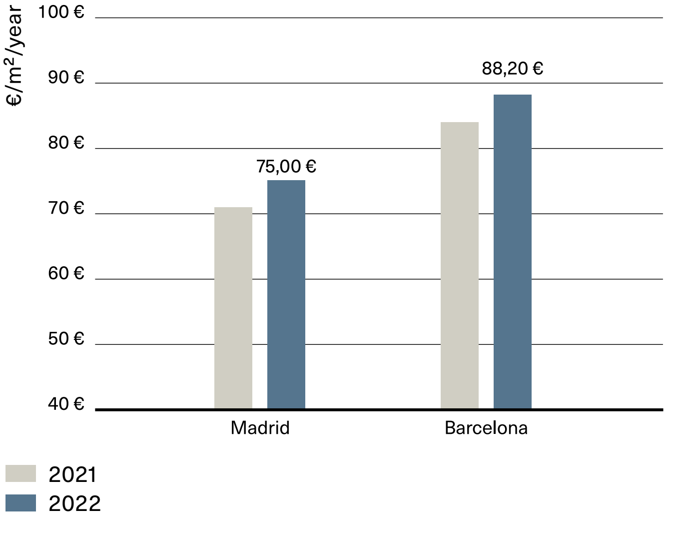
Prime rent in Catalonia increased by 3% in the quarterly comparison and by 5% in year-on-year terms, standing at 7.35/m²/month. Thus, it exceeds rent level of the third quarter of 2022, the highest since 2011.

Prime rents in the second ring of Madrid and Barcelona stood at € 4.50 and € 6.30/m²/month at the end of 2022. This represents a year-on-year increase of 16% and 17%, respectively, registering the highest year-on-year growth in the last five years. Likewise, it stands out annual rental growth (9%) in the third ring of Barcelona.

Demand strength, especially for quality product, continues to drive rental growth, also influenced by the scarcity of available built product, which is why the logistics sector continues to face imbalances between supply and demand. The increase in financing costs and construction costs have also driven the increase in rents during the fourth quarter.

Supply constraints, intensified by slower construction and rising construction and material costs and inflation are expected to maintain upward pressure on prime rents. However, rents are expected to grow at a slower pace as leasing activity slows.

PRIME RENT IN SPAIN



Source: JLL EMEA, January 2023

Dutch market[1]

The Netherlands warehousing market

The Dutch logistics real estate market continues to be a tight market in the face of its strong growth over the past few years, spurred by the growth in e-commerce. The immediate availability of logistics facilities has been declining over time and became even more scarce last year, with vacancy rates now approaching 1%. This resulted in limited occupier choice and will make it even harder to meet occupier demand.

In the medium-term, the market is expected to remain tight as future supply is currently also being challenged by the fierce competition for land and tightening of government policy to fight “boxification”. Furthermore, the majority (61%) of the anticipated new logistics space for 2023 (approx. 1.8 million m^2) has already been pre-committed (pre-let or owner-occupied).

Leading logistics areas

The Netherlands logistics market is characterized by its two major global gateway sites: Rotterdam harbour is Europe’s leading container port whilst Schiphol airport ranks as 3rd largest European cargo airport. As such the country is regarded as one of the major European freight forwarding markets.

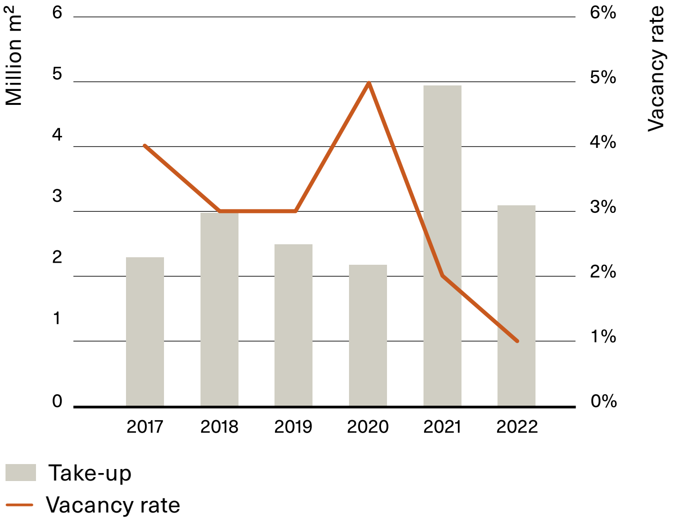
The Dutch logistics market is divided into six different clusters, comprising the two major distribution hubs Amsterdam and Rotterdam as well as the four regional areas including West-Noord Brabant, Mid-Noord Brabant, Southeast-Noord Brabant and North Limburg.

Take-up

The market conditions have led to a decrease in leasing activity last year. In 2022, a total of 3.1 million m^2 was leased, which is a 32% decrease y-o-y.

The market is holding up well despite restrictions for new developments. As a result, the market for new warehouses is becoming tighter and tenants turn to good quality second hand properties. Robust demand and low availability are still putting pressure upward on rents.

INDUSTRIAL TAKE-UP AND VACANCY RATE *(millions m^2)*



Source: JLL EMEA, January 2023

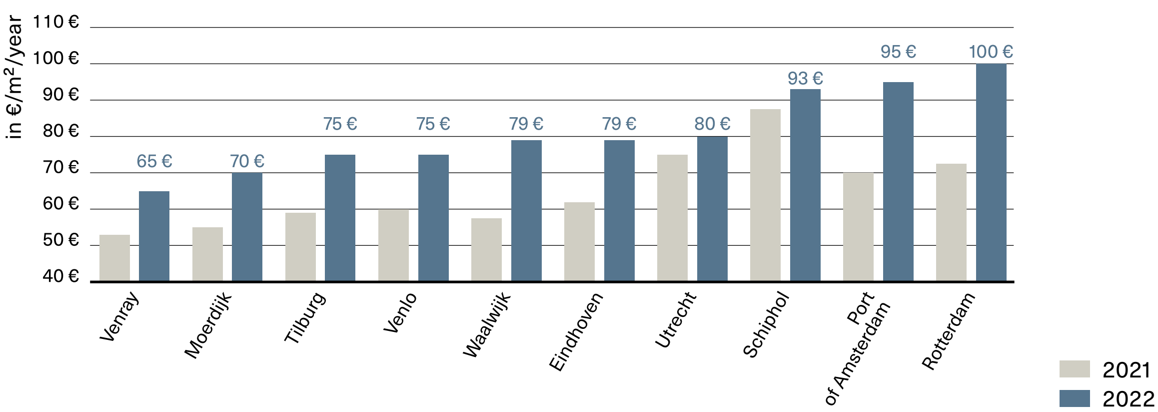
1 Source: Jones Lang LaSalle – 2022 Industrial Investment Report CEE & Western Europe – February 2023

VGP Park Nijmegen

Prime rent

Landlord favourable conditions have led to unprecedented increases in asking rents over the past year. Prime rents in the port of Rotterdam reached € 100 per m^2 per annum last year (+33%), exceeding rents in Amsterdam (around the port and Distribution Hub Schiphol) for the first time. Current market circumstances justify future rental growth. However, this is expected to become more moderate in the future as the economy and consumer spending slows down.

PRIME INDUSTRIAL RENT



Source: JLL EMEA, January 2023

Italian market[1]

New supply

The constant take-up increase over the year has been accompanied by a fervid development activity: almost 2 million m² were added to the market in 2022. Most new assets were developed on a speculative basis (53%) reflecting a strong conviction in demand fundamentals, followed by pre-let (35%) and owner occupation ones (12%).

By the end of 2023, 1.5 million m² under construction are expected to be completed and available on the market; of these, 53% are speculative projects, 36% are available for prelet, while the remaining amount is occupied by the owner.

Take-up

In 2022, logistics take-up in Italy totalled around 2.8 million m², +14% y-o-y and +73% on the 10-years average. The market was particularly dynamic, recording 150 deals, with few changes in the size brackets distribution since last year: assets below 10,000 m² surface (31%) have seen a -20% y-o-y contraction on total take up weight, while assets in the 10,000–15,000 m² range rose to 23% (+5% y-o-y) and those in the 25,000–50,000 m² bracket went up to 22% (+14% y-o-y).

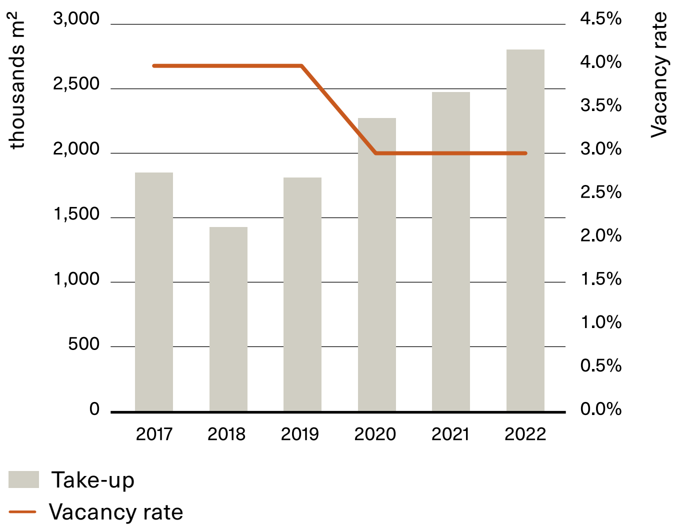
However, 8 big deals (>= 50,000 m²) were closed, most of them in Northern and Central Italy, with only one in the South of the Country.

While consolidated markets continue to represent the largest share of the overall gross absorption, the importance of other markets remains significant compared to before 2020.

This is reflective of a growing trend with tenants looking beyond established logistics hubs and markets as they on one hand streamline and on the other expand their supply chains to serve their growing business and consumer customer base.

Such trend has already started to have an interesting impact on investors and developers acquisition strategies, by opening up new markets with a segmented approach to client type and price point.

Industrial Take-up and Vacancy rate



Source: JLL EMEA, January 2023

From a tenant-type point of view, 3PLs operators (60% of deals) affected more than half of the demand.

After four years of strong pure e-commerce take up, driven by a growth in online retail penetration from historically low levels compared to core EMEA markets, 2022 has witnessed a reduction of pure e-commerce take up. This is consistent with a wider trend across mature EMEA markets, reflecting catch-up dynamics in new industries lifecycle.

Activity by traditional retailers, on the other hand, has gained momentum, as they continue their supply chain restructuring to reflect the radical shift to omnichannel retail. Retail players have increased their presence in the market, absorbing 23% of the overall space in 2022, up 53% more on 2021 and +166% on 2020, recording the highest share since 2011.

Indeed, the biggest transactions of the year were both related to retail operators which secured around 90,000 m² and 70,000 m² in Lombardy and Calabria.

Tenants are increasingly more focused on new Built-to-Suit assets already available or with close completion dates. Location-focused tenants are oriented towards less performing assets, discounted in comparison with new assets, that display a raise in rents with demand growing. Those with a broader market area in mind look for a newly built asset with a close completion date, and are willing to

1 Source: Jones Lang LaSalle – 2022 Industrial Investment Report CEE & Western Europe – February 2023

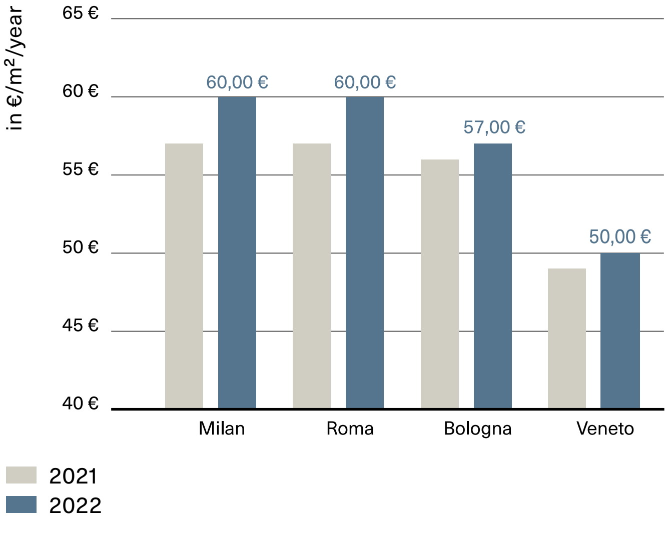
VGP Park Parma

move away from prime locations for a reduction in rents. Less performing assets with lower rents than prime are still appealing on the market.

Prime rents

Rents have steadily increased across markets, pushing prime rents in Milan and Rome to 60 €/m²/pa (+1.7% up last quarter and +5.2% y-o-y for both cities), and to 50 €/m²/pa in Veneto (+2% up from last quarter and y-o-y), while they are stable in Bologna and Turin. Prime rents for last mile assets are also rising in both Milan and Rome (110 €/m²/pa), both +22% up from 2021 and stable on last quarter. Rental growth has been driven by tight supply across locations and asset quality, as tenants struggle to find available space for their clients.

Prime Rent in Italy



Source: JLL EMEA, January 2023

Portuguese market[1]

Industrial & Logistics market has grown in transparency and sophistication in recent years. The increase in the number of companies offering both physical and digital customer experiences and the ongoing disruptions in locations traditionally competitive for the main industrial operators, lead many international companies expand or relocate their operations in and to Portugal.

In the coming future, due to global supply chain disruptions,reshoring and nearshoring strategies is on the equation of many suppliers. Therefore, the trend to regionalize production and supply networks is expected to speed up, and Portugal is in a favourable position.

Take-up

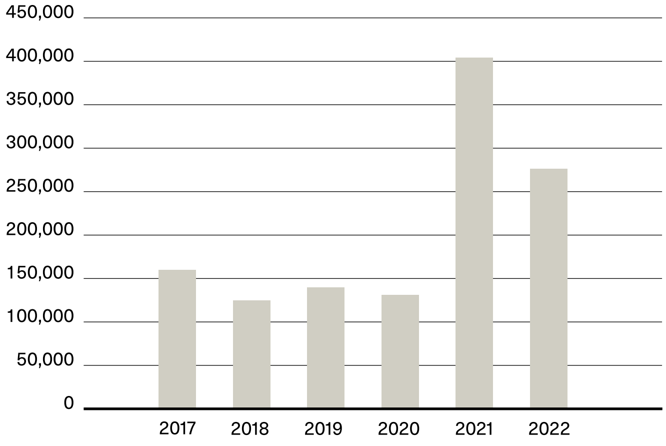
According to the Industrial Prime Index (IPI), about 560,000 m² were leased in 2022. Together with 2021, approx. 1 million m² of I&L area were recorded, which is a substantial volume for a period of only two years. As in the year before, occupation was strongly shaped by operations involving area expansions with the majority concentrated in Lisbon area. Among the recorded deals, logistic platforms and warehouses were the main asset types to be occupied.

The demand is active and is represented by businesses operating in a variety of areas such as 3PL's, transport, and consumer goods. Absorption levels are currently limited by the availability of new and adequate supply, and supply in turn is constrained by land scarcity and competition for it, construction costs, and lengthy and unpredictable licensing processes.

Lisbon registered approx. 50% of the annual industrial & logistics space take-up. Although the volume is significantly higher than the one in 2018 to 2020, it remained 30% below last year figures. Among the 8 registered zones, Alverca-Azambuja (Z1) and Palmela-Setúbal (Z5) dominated the share with area expansion deals and the entrance of a new cold logistics company in the area (NewCold, 40,000 m²). Occupied areas were mainly for warehousing or logistics activities. From Q4 2021 to Q4 2022, prime rents have increased in zones 1, 3, 4, 6 and 7. Montijo-Alcochete (Z4), located in the south bank of river Tagus, recorded the highest jump due to the saturation of the most consolidated areas and the relocation of consumers to the outskirts.

In Porto, take-up volume is aligned with the past two years figures reaching 96,900 m². The 5-year average stands at 72,100 m². Among the five registered zones for this region, Porto East recorded a substantial occupational area (90%). Absorbed areas were mainly in new premises and used by occupiers for logistics purposes.

Take up in Lisbon



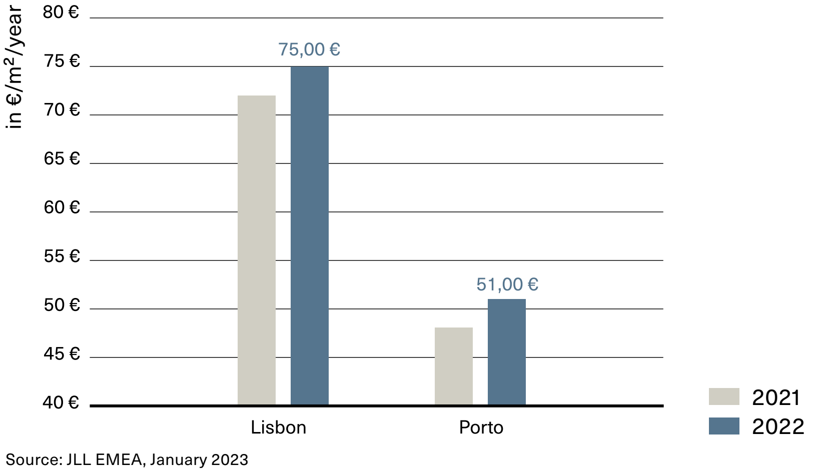
Source: JLL EMEA, January 2023

1 Source: Jones Lang LaSalle – 2022 Industrial Investment Report CEE & Western Europe – February 2023

Prime rents

Prime rents remained stable in Q4 2022, after increases in the previous quarter due to the market evolution. The city centre in Lisbon and the north of Porto records the highest prime rent values for each of those regions. Rising construction costs and adaptation to sustainability criteria that increase the quality of supply will have an impact on the final rental price, therefore the increase of the rents is expected over the following months.

Prime Rent in Portugal



Source: JLL EMEA, January 2023

The maintenance of supply chain disruptions due to geopolitical and natural events is expected to keep cost pressures to some extent, thus, reshoring opportunities are on the rise. Due to its geographical position, safety and qualified labor, Portugal has potential to become a reshoring hub in Europe.

Nevertheless, the market potential can be restricted by land availability. As scarcity of available assets persists, pressure on rents remains and further pre-leases are expected to take place.

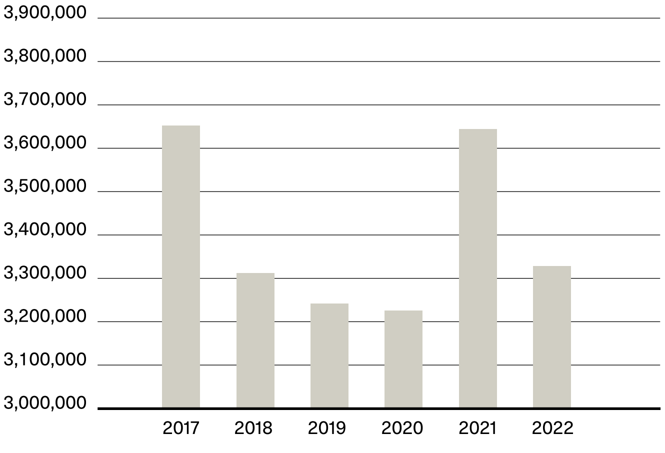
French market[1]

The main logistics activities in France are situated in the corridor running from Lille in the North, through the Paris region and Lyon to Marseille on the South coast. The E-commerce players are actively and increasingly participating at a very high level of demand for warehouses in France. The excellent shape of the French rental market is reflected in the number of signed transactions, more than 141 transactions were recorded over the whole of 2022, which was, 8% less than last year, but 19.5% higher than 10-years average.

Take-up

In 2022, 3,391,700 m² was let in the French logistics rental market (>10,000 m²). This level was 10% lower than last year's volume (3,767,000 m²) but 17% higher than the 10-year average. Structural changes, such as relocations and e-commerce activity, are driving activity in the logistics sector. The occupier demand was strongest in the medium-sized warehouse segment (10,000–20,000 m²) with 82 deals for a total of 1,166,500 m², representing 59% of transactions. The 20,000–40,000 m² segment was down, with 40 transactions compared to 43 last year. In the XXL warehouse segment (>40,000 m²), 19 transactions were recorded. Three transactions exceeded 70,000 m², including Zalando in Montereau-sur-le-Jard with 140,400 m², or SED Logistique in Nanteuil-le-Haudouin with 93,500 m². The main markets along the logistics corridor (Paris, Lille, Lyon and Marseille) have accounted for 54% of the transaction volume in 2022. The Paris region recorded one of its best performances with 917,300 m² taken up (compared with 792,000 m² on average). Paris and Lille accounted for 27% and 11% of activity respectively. The Lyon market came just behind the Lille market and accounted for less than 11%. The Marseilles market was further behind with 5%.

Take up in France*



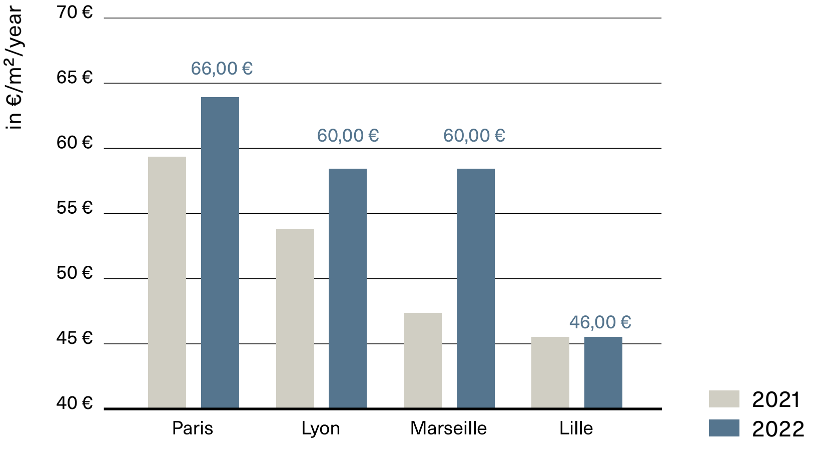
Source: JLL EMEA, January 2023
*Warehouse > 10,000 m²

1 Source: Jones Lang LaSalle – 2022 Industrial Investment Report CEE & Western Europe – February 2023

Prime rents

The prime rent in the Paris region stood at € 66 per m²/year, the highest in the country. Elsewhere, rents stood at € 60 in the Lyon region, € 60 in the Marseille region and € 46 in the Lille market.

Prime Rent in France



Source: JLL EMEA, January 2023

Report of the Board of Directors

VGP Park La Naval


DIQUE N2

Report of the Board of Directors

Corporate governance statement

Principles

VGP adopts the Belgian Code on Corporate Governance (hereinafter the "Belgian Corporate Governance Code" or the "Code 2020") as its reference code on corporate governance. The Code 2020 is available on the website of the Belgian Corporate Governance Committee (www.corporategovernancecommittee.be).

As required by the Code 2020, the Board of Directors has drawn up the VGP Corporate Governance Charter according to the recommendations of the Code 2020 published on 9 May 2019 and taking into account the provisions of the Code on Companies and Associations ("CCA") introduced by the law of 23 March 2019.

As required by the Code 2020, the Company's Corporate Governance Charter describes the main aspects of its corporate governance policy. The Corporate Governance Charter was last updated on 5 January 2022 and is available on the Company's website: https://www.vgpparks.eu/en/investors/corporate-governance/.

However, the Board of Directors is of the opinion that the Company is justified in not adhering to certain principles of the Code 2020, considering the Company's particular situation. These deviations are explained below:

i. The Company does not intend to set up a nomination committee. By doing so, the Company, as a smaller listed company (in terms of employees), deviates from the principles 4.19 and further of the Code 2020. Given its relatively small size and the small size of the Company's Board of Directors, the Company believes setting up a nomination committee would at this stage overly complicate its decision-making processes.
ii. The Company deviates from principle 7.12 of the Code 2020 by not including contractual provisions to delay payment or clawback provisions in relation to the variable remuneration of the Executive Management Team. The Board of Directors is of the opinion that its remuneration policy and practices sufficiently address the underlying objective of this principle, as any payment of variable remuneration is only made following the finalisation of the financial results. In addition, the Board of Directors can reduce the amount of short-term variable remuneration of an Executive Management Team member based on its individual performance. With regards to long term variable remuneration, the LTIP also includes certain malus provisions. Finally, the Company may in certain events use legal remedies that may be available to it under applicable law to withhold payment or reclaim variable remuneration.
iii. The Company deviates from principle 7.6 of the Code 2020 by not requiring its non-executive directors to receive part of their remuneration in the form of shares in the Company and by not setting a minimum holding period for shares in the Company held by such persons. Considering that the Chairman of the Board of Directors and the CEO are reference shareholders, the Board of Directors is of the opinion that the long-term perspective of shareholders is adequately represented. Not requiring the other three (independent) directors to receive remuneration in shares in the Company allows for an outside perspective during the deliberations of the Board of Directors. The Board of Directors is of the opinion that this balanced composition contributes to long term value creation and is beneficial to the Company.
iv. The Company deviates from principle 7.9 of the Code 2020 by not requiring a minimum threshold of shares to be held by the executive management. The Company believes that its current operational structure and remuneration policy sufficiently incentivises its Executive Management Team to focus on long term value creation, given that: (i) the CEO is the main shareholder of the Company, (ii) the Board of Directors avoids setting performance criteria that could encourage the Executive Management Team to give preference to short-term goals that influence their variable remuneration but would have an adverse impact on VGP in the medium and long-term, and (iii) the members of the Executive Management Team (other than the CEO) participate in the LTIP, which is based on the net asset value growth of the Company spread over several years and includes a lock-up of 5 years.

VGP Park Giessen-Am Alten Flughafen

Governance structure

The Company has opted for a monistic governance model with a Board of Directors in accordance with article 7:85 and further of the CCA. The Company deems this model to be best suited for the needs and functioning of the Company and its business.

The Board of Directors is authorised to perform all operations that are considered necessary or useful to achieve the Company's purpose, except those reserved to the shareholders' meeting by law or as set out in the articles of association.

Board of Directors

The Board of Directors consists of five members, who are appointed by the General Meeting of Shareholders. The Chairman and the Chief Executive Officer are never the same individual. The Chief Executive Officer is the only Board member with an executive function. All other members are non-executive Directors.

Three of the Directors are independent: Mrs Katherina Reiche (first appointed in 2019), Mrs Vera Gäde-Butzlaff (first appointed in 2019) and Mrs Ann Gaeremynck[1] (first appointed in 2019).

The biographies for each of the current directors (see *Board of Directors and Management*), indicate the breadth of their business, financial and international experience. This gives the directors the range of skills, knowledge and experience essential to govern VGP.

For a detailed description of the operation and responsibilities of the Board of Directors we refer to the VGP Corporate Governance Charter, which is published on the company's website: *https://www.vgpparks.eu/en/investors/corporate-governance/*.

1 The mandate of Mrs Ann Gaeremynck was initially held in her own name before the annual shareholders' meeting of 8 May 2020 appointed GAEVAN BV, represented by Mrs Ann Gaeremynck, as independent director for a term of three years, expiring at the end of the annual shareholders meeting of 2023, in replacement of Mrs Ann Gaeremynck.

The Board of Directors held 9 board meetings in 2022. The most important points on the agenda were:

- approval of the appointment of a Company secretary and new CFO;
- approval of the 2021 annual accounts and 2022 semi-annual accounts;
- approval of budgets;
- review and discussion of the COVID-19 pandemic's impact and the Ukraine conflict on the activities of the Group;
- review and discussion on the Group's ESG strategy;
- review, discussion and approval of the ninth and tenth closing with the First Joint Venture, the third closing with the Second Joint Venture and the second closing with the Third Joint Venture;
- Review and discussion of the Development Joint Ventures;
- review and discussion of the Allianz Joint Ventures and approval to extend the investment period of the First Joint Venture until May 2036;
- approval to enter into new credit facilities with Belfius Bank, BNP Paribas Fortis and JP Morgan SE;
- review and discussion on related party transaction procedure of Article 7:97 CCA;
- review and discussion on the VGP foundation and approval to make a further contribution to the VGP foundation in the light of the Ukraine humanitarian crisis;
- review, discussion and approval to issue a second public benchmark green bond for an aggregate nominal amount of € 1.0 billion, in two tranches,
- review and discussion of the property portfolio (i.e. investments, tenant issues etc.);
- review, discussion and approval of the investments and expansion of the land bank;
- approval of allocations and delegated authorities in respect of the Long-Term Incentive Plan;
- review and approval of an € 302 million capital increase through a rights issue

Name	Year appointed	Next due for re-election	Meetings attended
Executive director and Chief Executive Officer			
Jan Van Geet s.r.o. represented by Jan Van Geet	2021	2025	9
Non-executive director			
VM Invest NV represented by Bart Van Malderen	2021	2025	9
Independent, non-executive directors			
GAEVAN BV represented by Ann Gaeremynck[1]	2019[2]	2023	9
Katherina Reiche	2019	2023	8
Vera Gäde-Butzlaff	2019	2023	9

Mrs Katherina Reiche, Mrs Vera Gäde-Butzlaff and Mrs Ann Gaeremynck are independent directors, in accordance with article 7:87 of the CCA.

The composition of the Board of Directors meets the gender diversity requirement laid down in article 7:86 of the CCA.

Proposals for re-appointments at the 2023 annual shareholders' meeting

Immediately after the annual shareholders' meeting of 12 May 2023 the mandates of the three independent directors will expire. The proposal for renewal of the directorships for a new term of 4 years will be submitted to the next annual shareholders' meeting of 12 May 2023 for approval.

1 Until the Annual General Meeting of May 2020 Mrs Ann Gaeremynck office was in personal name.

Committees of the Board of Directors

The Board of Directors has also established two advisory committees: an Audit Committee and a Remuneration Committee.

Audit Committee

The members of the Audit Committee are appointed by the Board of Directors.

The Audit Committee is composed of three members who are all non-executive Directors. Two members, Mrs Ann Gaeremynck and Mrs Vera Gäde-Butzlaff, are independent directors.
The members of the committee have sufficient relevant expertise, especially in accounting, auditing and financial matters, to effectively perform their functions.

The duration of the appointment of a member of the Audit Committee may not exceed the duration of his/her directorship. Committee members' terms of office may be renewed at the same time as their directorships.
The Audit Committee is chaired by one of its members. The chairman of the board of directors may not chair the Audit Committee.

For a detailed description of the operation and responsibilities of the Audit Committee we refer to the VGP Corporate Governance Charter, which is published on the company's website: https://www.vgpparks.eu/en/investors/corporate-governance/.
The Audit Committee meets at least four times a year and whenever circumstances require, at the request of its chairman, one of its members, the chairman of the Board of Directors, the CEO or the CFO. It decides if and when the CEO, CFO, the Statutory Auditor(s) or other people should attend its meetings.

The Audit Committee meets at least twice a year with the statutory auditor to consult on matters falling under the power of the Audit Committee and on any matters arising from the audit. The CEO and CFO also attend the meetings of the Audit Committee.
Given the size of the Group no internal audit function has currently been created.

Name	**Year appointed**	**Executive or non-executive**	**Independent**	**Next due for re-election**	**Meetings attended**
GAEVAN BV represented by Ann Gaeremynck (Chairwoman)	2019	Non-executive	Independent	2023	4
Vera Gäde-Butzlaff	2019	Non-executive	Independent	2023	4
VM Invest NV represented by Bart Van Malderen	2021	Non-executive	—	2025	4

The Audit Committee met four times in 2022. The Chairwoman of the Audit Committee reported the outcome of each meeting to the Board of Directors. The most important points on the agenda were:
— discussion on the 2021 annual accounts and 2022 semi-annual accounts and business updates;
— analysis of the recommendations made by the statutory auditor;
— the different closings with the Allianz joint ventures;
— financing structure of the Group;
— the capital increase through a rights issue;
— assessment and discussion on the need to create an internal audit function;
— discussion, review and approval of proposed scope and fees for audit and non-audit work carried out by Deloitte.

Remuneration Committee

The members of the Remuneration Committee are appointed by the Board of Directors.

The Remuneration Committee is composed of three members who are all non-executive Directors. Two members, Mrs Ann Gaeremynck and Mrs Katherina Reiche are independent directors.

The members of the Remuneration Committee possess the necessary independence, skills, knowledge, experience, and capacity to execute their duties effectively.

The duration of the appointment of a member of the Remuneration Committee may not exceed the duration of his/her directorship. Committee members' terms of office may be renewed at the same time as their directorships.

The Remuneration Committee is chaired by the Chairman of the Board of Directors or by another non-executive director.

For a detailed description of the operation and responsibilities of the Remuneration Committee we refer to the VGP Corporate Governance Charter, which is published on the company's website: https://www.vgpparks.eu/en/investors/corporate-governance/.

The Remuneration Committee meets at least two times per year, as well as whenever the committee needs to address imminent topics within the scope of its responsibilities.

The CEO and CFO participate in the meetings when the remuneration plan proposed by the CEO for members of the management team is discussed, but not when their own remunerations are being decided.

In fulfilling its responsibilities, the Remuneration Committee has access to all resources that it deems appropriate, including external advice or benchmarking as appropriate.

Name	**Year appointed**	**Executive or non-executive**	**Independent**	**Next due for re-election**	**Meetings attended**
VM Invest NV, represented by Bart Van Malderen (Chairman)	2021	Non-executive	—	2025	3
Katherina Reiche	2019	Non-executive	Independent	2023	3
GAEVAN BV represented by Ann Gaeremynck	2019	Non-executive	Independent	2023	3

The Remuneration Committee met three times in 2022.
The most important points on the agenda were:

- reviewing, assessing, and making recommendations to the Board of Directors in respect of the appointment of a Company Secretary and a new Chief Financial Officer;
- assessment and determination of the achievement of the 2021 performance criteria and making recommendations to the Board of Directors in respect of the performance targets and criteria for the CEO, other members of the Executive Committee and senior managers for the financial year 2022;
- allocation of variable remuneration;
- allocations under the long-term incentive plan;
- assessing changes in the remuneration of board and committee members.

In order to maintain a flexible remuneration policy that enables it to attract, reward, incentivize and retain the necessary talent, the Company departs from the following principles of the Code 2020 in the framework of its remuneration policy:

- by not requiring its non-executive directors to receive part of their remuneration in the form of shares in the Company and by not setting a minimum holding period for shares in the Company held by such persons, if any, the Company departs from principle 7.6 of the Code 2020;
- by not setting a minimum threshold of shares to be held by the executive management as part of their remuneration, the Company departs from principle 7.9 of the Code 2020.

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Nomination Committee

The company has not set up a Nomination Committee. The Company does not intend to set up a nomination committee. By doing so, the Company, as a smaller listed company, departs from the principles 4.19 and further of the Code 2020. Given its relatively small size and the small size of the Company's Board of Directors, the Company believes setting up a nomination committee would at this stage overly complicate its decision-making processes.

Evaluation of the Board of Directors and its committees

In accordance with the VGP Corporate Governance Charter, the Board of Directors shall, every three years, conduct an evaluation of its size, composition and performance, and the size, composition and performance of its Committees, as well as the interaction with the executive management.

The Board of Directors and its Committees carried out a self-assessment in February 2022 with satisfactory result.

Remuneration report

Introduction

This remuneration report has been drafted in accordance with the provisions of article 3:6, §3 of the Code of Companies and Associations and the VGP Corporate Governance Charter (Annex 5), and takes into account the VGP Remuneration Policy, which is available at the Company's website: https://www.vgpparks.eu/en/investors/corporate-governance/.

The VGP Remuneration Policy was submitted to and approved by the annual shareholders' meeting of 14 May 2021 with a large majority (93.13% of the votes present gave their approval). This new remuneration policy took effect on 1 January 2021. This remuneration report must be read together with the VGP Remuneration Policy which, to the extent necessary, should be regarded as forming part of this remuneration report. The remuneration granted to the directors, the CEO and the other members of the Executive Management Team with respect to financial year 2022 is in line with the VGP Remuneration Policy.

The remuneration report for the performance year 2021 was also approved by a large majority of 97.58% of the votes present at the Annual Shareholders' Meeting held on 13 May 2022, and there were no specific comments to be taken into account in the remuneration for performance year 2022.

VGP 2022 highlights

In 2022, VGP recorded a solid business growth across its property portfolio with signed and renewed rental income of € 73.4 million bringing total signed annualised committed leases increased to € 303.2 million[1] at the end of December 2022 (compared to € 256.1 million[1] at the end of 2021) (+ € 47.1 million).

During 2022, 44 buildings were completed totalling 1,141,000 m^2 of lettable area which represent an annualised rent income of € 71.9 million. These buildings were for 98.7% let. At year-end 26 projects were under construction representing 814,000 m^2 of future lettable area, which, once delivered and fully let, will generate € 51.3 million of annualised committed rental income; the portfolio under construction at year-end was 89.3% pre-let[2].

The weighted average term of the annualised committed leases of the combined own and Joint Ventures' portfolio stood at 8.3 years at the year-end (7.9 years as at 31 December 2021) and the occupancy rate (own and Joint Ventures' portfolio) reached 98.9 % at year-end (compared to 99.4% at the end of 2021).

The land further expanded with the acquisition of 1,970,000 m^2 of new development land with a further 2,405,000 m^2 of committed land plots, pending permits, bringing the total secured (own and committed) land bank to 10,362,000 m^2 having a 4,664,000 m^2 development potential.

Operations were started in Denmark.

In respect of the Joint Ventures, the holding period of the First Joint Venture was extended for a further 10 years i.e. until May 2036. During 2022 there were 3 closing with the Allianz Joint Ventures resulting in net cash proceeds totalling € 347.4 million.

As of 31 December 2022, the roofs of VGP's building portfolio enabled a photovoltaic power generation capacity of 131.6MWp installed or under construction (compared to 74.4MWp as at the end of December 2021).

At the end of the year 3,121,000 m^2 total lettable area, or 61% of the total portfolio, was certified (at least BREEAM "Very Good" or equivalent) or having its certificate pending.

Finally, global inflation continued to climb during the year, with central banks continuing to act aggressively with rate increases significantly changing the interest rate environment and thus adversely affecting the valuation of the property portfolio. The net valuation of the property portfolio as at 31 December 2022 showed a net valuation loss of € 97.2 million against a net valuation gain of € 610.3 million per 31 December 2021 offsetting the strong operating performance and resulting in a reported net loss of € 122.5 million for the financial year ending 31 December 2022 compared to a net profit of € 650.1 million for the financial year ended 31 December 2021.

1 Including the Joint Ventures at 100%. As at 31 December 2022 the annualised committed leases for the Joint Ventures stood at € 173.3 million (2021: € 151.1 million).

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

Total remuneration

Total remuneration of the directors

The remuneration paid to non-executive directors consists solely of an annual fixed component plus the fee received for each meeting attended. These fees were approved by the annual shareholders' meeting of 8 May 2020 and remained unchanged for 2022. The non-executive directors receive an annual fixed remuneration of € 75,000. The chairman does not receive any additional fixed remuneration for its chair. The non-executive directors also receive an attendance fee of € 2,000 for each meeting of the board of directors and € 2,000 for each meeting of the Audit Committee or the Remuneration Committee they attend.

Non-executive directors do not receive any variable compensation linked to results or other performance criteria. They are not entitled to stock options or shares (see *Corporate Governance Statement – Principles* regarding the deviation from Principle 7 6 of the 2020 Belgian Corporate Governance Code), nor to any supplementary pension scheme.

Table A – Remuneration of the Board of Directors for the reported financial year 2022

2022 remuneration *(in €)*	**Fixed remuneration**			**Variable remuneration**		**Extra-ordinary items**	**Pension**	**Total remune-ration**	**Proportion of fixed and variable remuneration**	
	Base salary	**Attendan-ce fees**	**Other benefits**	**One-year variable**	**Multi-year variable**				**Fixed**	**Vari-able**
Non-executive directors										
VM Invest NV represented by Bart Van Malderen *Chair of the Board of Directors and Remuneration Committee*	75,000	32,000	n.a.	n.a.	n.a.	n.a.	n.a.	107,000	100%	0%
GAEVAN BV represented by Ann Gaeremynck *Independent director and chair of the Audit Committee*	75,000	32,000	n.a.	n.a.	n.a.	n.a.	n.a.	107,000	100%	0%
Katherina Reiche *Independent director*	75,000	22,000	n.a.	n.a.	n.a.	n.a.	n.a.	97,000	100%	0%
Vera Gäde-Butzlaff *Independent director*	75,000	26,000	n.a.	n.a.	n.a.	n.a.	n.a.	101,000	100%	0%
Executive directors										
Jan Van Geet s.r.o. represented by Jan Van Geet *Executive director*[1]	75,000	18,000	n.a.	n.a.	n.a.	n.a.	n.a.	93,000	100%	0%
Total	**375,000**	**130,000**	n.a.	n.a.	n.a.	n.a.	n.a.	**505,000**	100%	0%

1 The remuneration that Jan Van Geet s.r.o. receives in his capacity of CEO is reflected in tables B and C below.

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Total remuneration of the Executive Management Team

General[1]

The Executive Management Team consists of Jan Van Geet (Chief Executive Officer), Piet Van Geet (Chief Financial Officer)[2], Dirk Stoop (Company Secretary)[3], Tomas Van Geet (Chief Commercial Officer), Miquel-David Martinez (Chief Technical Officer), Matthias Sander (Chief Operating Officer – Eastern Europe), Jonathan Watkins (Chief Operating Officer – Western Europe) and Martijn Vlutters (Vice President – Business Development & Investor Relations).

The remuneration for the Executive Management Team consists of:

— A *fixed remuneration*: the base salary is determined in function of the individual responsibilities and skills of each member of the Executive Management Team. The CEO receives a base salary in his capacity as CEO as well as in his capacity as executive director.

— A *short-term variable remuneration*: linked to the performance criteria as described below. The criteria for the bonus of he CEO and their weights are the same as those for the Executive Management Team whereby specific targets for the CEO relate to the VGP Group. In case there is a deviation in performance criteria and payment level between the CEO and the other members of the Executive Management Team then this is separately disclosed in the below Performance Criteria table.

— A *long-term variable remuneration*: through participation to the long-term incentive plan (the "LTIP"). The CEO does not participate in the LTIP.

— A *contribution for retirement benefits*: although the members of the Executive Management Team are, in principle, responsible for their own pension arrangements, some members (depending on status and function) benefit from a pension allowance. The CEO does not benefit from any pension contribution.

— *Other benefits in kind* (such as, amongst others, car allowance and related expenses)

1 The natural persons listed here are the respective permanent representatives of (i) Jan Van Geet s.r.o., (ii) Urraco BV, (iii) Dirk Stoop BV, (iii) Tomas Van Geet s.r.o., (iv) Matthias Sander s.r.o., (v) Havbo Consulting Ltd. and (vi) MB Vlutters BV.

2 As from 10 January 2022. For further information reference is made to the remuneration report included in the Annual Report 2021.

3 As from 10 January 2022. Until 10 January 2022 CFO. For further information reference is made to the remuneration report included in the Annual Report 2021.

Performance criteria short-term variable remuneration
For financial year 2022, the performance of the Executive Management Team was appraised on the basis of the following performance criteria:

Performance criteria	Relative weighting of the performance criteria	a) Minimum performance target b) corresponding award payment level[1]	a) Maximum performance target b) corresponding award payment level[1]	a) Measured performance b) corresponding award payment level[1]
Net profit of the Group	20%	a) 75% b) 0.15	a) 125% b) 0.20	a) below target b) —
Growth in committed annualised lease agreements	30%	a) 75% b) 0.26	a) 125% b) 0.70	a) 86% b) 0.44
— Cash flow from operations and divestments to joint ventures — Occupancy rate — Buildings completed and started-up — Pre-lets under construction — Land acquisition — Other	30%	a) 75% b) 0.20	a) 125% b) 0.55	a) 112% b) 0.44
ESG	15%	a) 75% b) 0.07	a) 125% b) 0.22	a) 125% b) 0.22
Other non-financial and organisational objectives	5%	a) 75% b) 0.03	a) 125% b) 0.07	a) 125% b) 0.07
Total bonus payment level		**0.71**	**1.74**	**1.17**

The Company does not disclose the actual targets per criterion, as this would require the disclosure of commercially sensitive information.

The CEO has, on a voluntary basis, waived his entitlement to the bonus for 2022.

Reported financial year 2022

Taking into account the achievement of the abovementioned performance criteria in respect of the short-term variable remuneration, as well as the other aspects of the total remuneration package, the Board of Directors awarded the Executive Management Team with the following total remuneration for the financial year 2022:

Table b – Remuneration of the Executive Management Team for the reported financial year 2022

2022 remuneration *(in €)*	Fixed remuneration			Variable remuneration		Extra-ordinary items	Pension	Total remune-ration	Proportion of fixed and variable remuneration	
	Base salary	Fees	Other benefits	One-year variable	Multi-year variable[2]				Fixed	Vari-able
Executive Management Team										
Jan Van Geet s.r.o., represented by Jan Van Geet, CEO[3]	600,000	n.a.	36,933	—	n.a.	n.a.	n.a.	636,933	100%	0%
Other members of Executive Management Team	1,809,183	n.a.	233,250	1,485,000	n.a.	n.a.	47,651	3,575,084	58%	42%
Total	**2,409,183**	**n.a.**	**270,183**	**1,485,000**	**n.a.**	**n.a.**	**47,651**	**4,212,017**	**65%**	**35%**

1 Pay-out level expressed as a multiple of the “target” bonus.

2 Relates to the LTIP variable remuneration vested during the financial year. During 2022 no LTIP variable remuneration was vested for the EMT.

3 The remuneration that Jan Van Geet s.r.o. receives in his capacity of executive director is reflected in table A above

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Conclusion

The total amount of remuneration as set out above is in line with the VGP Remuneration Policy. More in particular, the remuneration package allows the Group to attract, retain and motivate selected profiles, taking account of the Group's characteristics and challenges, while maintaining coherence between the remuneration of the members of the Board of Directors, the Executive Management Team and of all staff, properly and effectively managing risk and keeping the costs of the various remunerations under control.

The total amount of remuneration, and more in particular, the variable fraction of the total remuneration package, contributes to the long-term performance of the Group by setting performance criteria that focus on the long-term objectives of the Group.

Share-based remuneration

For the financial year 2022, no share-based remuneration was granted.

Severance payments

For the financial year 2022, no severance payments were made in relation to the termination of management or employment agreements of any members of the Executive Management Team.

Claw-back

The Company deviates from principle 7.12 of the Code 2020 by not including contractual provisions to delay payment or clawback provisions in relation to the variable remuneration of the Executive Management Team. The Board of Directors is of the opinion that its remuneration policy and practices sufficiently address the underlying objective of this principle, as any payment of variable remuneration is only made following the finalisation of the financial results. In addition, the Board of Directors can reduce the amount of short-term variable remuneration of an Executive Management Team member based on its individual performance. With regards to long term variable remuneration, the LTIP also includes certain malus provisions. Finally, the Company may in certain events use legal remedies that may be available to it under applicable law to withhold payment or reclaim variable remuneration.

Derogations from the remuneration policy

For the remuneration in respect of financial year 2022, VGP did not derogate from its existing remuneration practices

Comparative information on the change of remuneration and company performance

With a view to increasing transparency of past, current and future remuneration programs and in alignment with investor interest and the legislative framework, the following table demonstrates the annual change, over a period of 5 years, in (i) the remuneration of members of the Board of Directors and the Executive Management Team, (ii) the performance of the Group on a consolidated basis and (iii) the average remuneration of the employees of VGP NV.

Table C – Comparative information on the change of remuneration and company performance

	2017	2018	2019	2020	2021	2022
Remuneration of non-executive directors						
Total annual remuneration	82,500	182,000[1]	396,500[2]	412,000	396,000	412,000
Year-on-year difference *(%)*	-4%	121%	118%	4%	-4%	4%
Number of non-executive directors under review	4	4	4	4	4	4
Remuneration of CEO and executive director						
Total annual remuneration as executive director	15,000	16,000	93,000	91,000	91,000	93,000
Year-on-year difference *(%)*	-6%	7%	481%	-2%	0%	2%
Total annual remuneration as CEO	336,562[3]	336,380	837,212	1,234,936	1,235,987	636,933
Year-on-year difference *(%)*	0%	0%	149%	48%	0%	-48%
Remuneration of the Executive Management Team						
Total annual remuneration	1,218,679	1,621,658	5,739,044[4]	4,467,293	3,275,630	3,575,084
Year-on-year difference *(%)*	-11%	33%	254%	-22%	-27%	9%
Number of non-executive directors under review	4	6	7	7	7	7
Company performance						
Net profit attributable to shareholders *('000 €)*	95,995	121,106	205,613	370,939	650,055	(122,542)
Year-on-year difference *(%)*	5%	26%	70%	80%	75%	-119%
Average remuneration per employee						
Average salary per employee[5]	59,160	72,715	76,065	74,512	79,565	72,871
Year-on-year difference *(%)*		23%	5%	-2%	7%	-8%

As requested by the Belgian Code of Companies and Associations, VGP reports the pay ratio of the CEO remuneration versus the lowest FTE employee remuneration (in its legal entity VGP NV. The 2022 pay ratio is 13.1.

1 The annual shareholders' meeting of 11 May 2018 approved the payment of an extraordinary fee of €33,000 to all independent directors to reflect to reflect their contribution to the further growth of the Group.

2 The increase in financial year 2019 is due to (i) the increase in base salary from €10,000 to €40,000 and (ii) a one-off extraordinary fee, granted to all members of the board of directors to reflect the contribution of the directors to the further growth of the Group and to ensure that their total remuneration for financial year 2019 was aligned to a more market-based remuneration. This increase and additional remuneration was approved by the annual shareholders meeting of 10 May 2019.

3 This overview of annual change in remuneration for the financial year 2017 of the CEO does not take into account the exceptional termination benefits received by Little Rock SA, a company controlled by Jan Van Geet, in view of the termination of the agreement entered into in the course of April 2015 for the rendering of services relating to the Group's daily, financial and commercial management. For more detailed information, please see Remuneration Report included in the Annual Report of 2017 – page 47.

4 The increase was mainly due to the early termination of the VGP Misv incentive plan which resulted in the early vesting of the long-term incentives under this plan. The early termination of the VGP Misv plan had also some spill over effects on 2020 as for certain managers new allocations were granted under the new LTIP for a corresponding number of Units and with a lock-up period reflecting the remaining initial lock up period as applicable under the initial VGP MISV Plan. This resulted in a further vesting at the end of 2020. For more detailed information, please see table B included in the Annual Report of 2020 – page 69.

5 The average remuneration of employees is calculated on the basis of the "total annual gross wages" excluding company cars, divided by the number of employees of VGP NV on year over year bases for continues operations. These numbers do not take into account the remuneration of employees of the other Group companies.

Policies of conduct

Code of Conduct

During 2019 a formal Code of Conduct was introduced. This Code of Conduct describes the key principles of conduct for the business environment, in which the Group operates. At the same time, a training program has been rolled out throughout the countries in which the Group operates in order to preserve the compliance culture across the Group.

The Code of Conduct sets out the shared values of integrity, compliance with local and international law, respect for employees and customers, the willingness to accept social responsibility, environmental awareness and an unequivocal stand against bribery and corruption. The Code of Conduct describes in clear terms the principles which the VGP Group must adhere to and provides a number of examples of potential violations as well as good practice.

The Code of Conduct is made available to all VGP staff. VGP uses in-person training to familiarise employees with its contents and application in everyday scenarios. This training is mandatory for all employees having managerial responsibilities and is carried out progressively throughout the countries, in which VGP operates.

There are a number of channels for reporting possible violations of the Code of Conduct, including a compliance hotline, which allows anonymous reports.

Transparency of transactions involving shares of VGP

The Board of Directors has adopted a Dealing Code on 17 January 2007 which has been updated by the Board of Directors of the Company on 8 December 2016 to prevent the illegal use of inside information by VGP staff members and connected persons, and further updated on 8 May 2020 to implement changes following the adoption of the new Code on Companies and Associations.

The purpose of this Dealing Code is to ensure that such persons do not abuse, nor place themselves under suspicion of abusing, and maintain the confidentiality of information that may be considered as Inside Information, especially in periods leading up to an announcement of financial results or of price sensitive events or decisions.

Reference is also made to *Annex 4 Rules preventing market abuse (Dealing Code)* of the VGP Corporate Governance Charter on https://www.vgpparks.eu/en/investors/corporate-governance/.

Duty to report effective dealings

VGP staff members[1] must inform the Compliance Officer immediately within three (3) business days after they or a connected person have dealt in any of the Company's financial instruments, mentioning the date of the transaction, the nature of the dealing (purchase, sale, etc), the amount of financial instrument and the total price of the dealing.

Simultaneously, a notification has to be made to the FSMA by an executive staff member or connected person thereof by way of a form that is available on the website of the FSMA (www.fsma.be) and that can also be requested from the Compliance Officer.

Closed dealing periods

During so-called "closed" periods (being 30 calendar days before the announcement of an interim financial report or a year-end report which the Company is obliged to make public), directors, members of the Executive Management Team and employees may not trade in VGP financial instruments.

Insider transactions during 2022

During 2022 following insider transactions were reported by category on an aggregate basis:

— Associated persons: In Q1-2022, 7,010 shares were acquired, and 7,010 shares were sold. In Q4-2022, 1,767,751 shares were acquired.
— Board of Directors: In Q4-2022, 1,037,292 were acquired.

These transactions were made public on the website of the FSMA (www.fsma.be)

Transparency notifications 2022

Due to the application of the double voting rights and the capital increase of November 2022, a number of transparency declarations were received and published by the Company during 2022. For further details we refer the Company's website: https://www.vgpparks.eu/en/investors/shareholding/.

For further details on the Company's shareholder structure as at 31 December 2022 as well as the description of authorisation in respect of authorised capital, delegated to the Board of Directors, we refer to the section *Information about the Share*.

Conflict of interest

In accordance with Article 7:96 of the new Code on Companies and Associations, a member of the Board of Directors should give the other members prior notice of any agenda items in respect of which he has a direct or indirect conflict of interest of a financial nature with the Company.

One conflict of interest arose in early January 2022 which was already reported on in the *Remuneration Report included in the Annual Report 2021*.

Risk management and internal controls

VGP is exposed to a wide variety of risks within the context of its business operations that can result in the objectives being affected or not achieved. Controlling those risks is a core task of the Board of Directors, the Executive Management and all other employees with managerial responsibilities.

The risk management and control systems have been set up to achieve the following objectives:

— achievement of operational and strategy;
— operational excellence;
— reliability of and timely financial reporting, and;
— compliance with applicable laws and regulations.

The principles of the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") reference framework has served as a basis in the set-up of VGP's risk management and control system.

CONTROL ENVIRONMENT

VGP strives for an overall compliance and a risk-awareness attitude by defining clear roles and responsibilities in all relevant domains. This way, the company fosters an environment in which its business objectives and strategies are pursued in a controlled manner. This environment

1 As defined in Annex 4 – Rules preventing market abuse (Dealing code) of the Company's Corporate Governance Charter

is created through the implementation of different policies and procedures, such as:

- Adoption of a Corporate Governance Charter and Code of Conduct;
- Decision and signatory authority limits;
- Quality management and financial reporting system

Given the size of the company and required flexibility these policies and procedures are not always formally documented.

The Executive Management ensures that all VGP team members are fully aware of the policies and procedures and ensures that all VGP team members have sufficient understanding or are adequately informed in order to develop sufficient risk management and control at all levels and in all areas of the Group.

RISK MANAGEMENT SYSTEM

Risk management and process and methodology

All employees are accountable for the timely identification and qualitative assessment of the risks (and significant changes to them) within their area of responsibility.

Within the different key, management, assurance, and supporting processes, the risks associated with the business are identified, analysed, pre-evaluated and challenged by internal and occasionally by external assessments.

In addition to these integrated risk reviews, periodic assessments are performed to check whether proper risk review and control measures are in place and to discover unidentified or unreported risks. These processes are driven by the CEO, COO's and CFO which monitor and analyse on an on-going basis the various levels of risk and develop any action plan as appropriate. In addition, control activities are embedded in all key processes and systems in order to assure proper achievement of the company objectives.

Any identified risks, which could have a material impact on the financial or operational performance of the Group are reported to the Board of Directors for further discussion and assessment and to allow the Board to decide whether such risks are acceptable from a level of risk exposure.

Most important risk factors

VGP has identified and analysed all its key corporate risks as disclosed in the "Risk Factors" section in this annual report. These corporate risks are communicated throughout VGP's organisation.

Statutory auditor

DELOITTE Bedrijfsrevisoren BV having its offices at Gateway Building, Luchthaven Nationaal 1 J, 1930 Zaventem, Belgium represented by Mrs. Kathleen De Brabander has been appointed as Statutory Auditor.

The Statutory Auditor's term of office expires immediately after the annual shareholders' meeting to be held in 2023 and at which the decision will be taken to approve the annual accounts closed on 31 December 2022.

The Board of Directors proposes (i) that Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL be reappointed as the Statutory Auditor for a period of three years taking effect after the conclusion of the annual shareholders' meeting of 12 May 2023 and until the the closing of the annual shareholders' meeting which will be held in the year 2026 and at which the decision will be taken to approve the annual accounts closed at 31 December 2025. Since the maximum statutory term of Deloitte's tenure as statutory auditor of the company as provided in Article 3:61 of the Companies and Associations Code will have been reached at that time, the Company expects Deloitte to tender its resignation as statutory auditor of the Company at the annual shareholders' meeting which will be held in the year 2025 and at which the decision will be taken to approve the annual accounts closed at 31 December 2024; and (ii) to determine the annual remuneration of the statutory auditor at € 151,830 for the audit of the statutory and the consolidated annual accounts. This amount is exclusive of expenses and VAT, is subject to an annual indexation, and to an annual review reflecting any changes in the audit scope which would be required to ensure that such audit scope remains aligned with the evolution of the VGP Group.

For further details we refer the section *Financial Review – note 28* included in this annual report.

Risk factors

The following risk factors that could influence the Group's activities, its financial status, its results and further development, have been identified by the Group.
The Group takes and will continue to take the necessary measures to manage those risks as effectively as possible.
The Group is amongst others exposed to:

1 Risks related to the Group's growth strategy

1.1 The Group may not be able to continue its development activities in a sustained and profitable way, for which it depends on its ability to execute new lease agreements and dispose its real estate assets to the Second Joint Venture and Fourth Joint Venture

The Group's revenues are determined by the ability to sign new lease contracts and by the disposal of real estate assets, in particular to the Second Joint Venture and Fourth Joint Venture. The Group's short-term cash flow may be affected if it is unable to continue successfully signing new lease contracts and successfully disposing real estate assets, which could have an adverse effect on the Group's business, financial condition and results of operations.

As a result, the Group's solvency depends on its ability to create a healthy financial structure in the long term with (i) a sufficiently large recurring income stream from leasing agreements for the developed logistic property (at both the Group's and the Joint Ventures' level) vis-à-vis the debt that is issued for financing the acquisition and the development of that logistic property, and (ii) the Group's ability to continue its development activities in a sustained and profitable way in order to produce income generating properties which once they have reached a mature stage can be sold to the Joint Ventures or eventually to a third party.

The Group is largely dependent on the income stream from the Joint Ventures, as the majority of the mature assets are sold to the Second Joint Venture, Fourth Joint Venture and potentially to any other joint venture prior to the Fourth Joint Venture becoming effective, or being developed by the Third and Development Joint Ventures. As a result, the Group receives fee and dividend income from the Joint Ventures instead of leasing income from mature assets. Hence it is important that a sufficiently large recurrent income at the Joint Ventures' level is created in order to upstream cash to the Group. Those dividend streams are important for the liquidity and the solvability of the Group for the purpose of cash recycling and repayment of shareholders loans.

The Group's current income stream from the Joint Ventures as well as fee income from the Joint Ventures is rapidly increasing but still relatively limited compared to the considerable amount of debt (at both the Group's as well as Joint Ventures' level), as (i) the First Joint Venture has reached its investment capacity, (ii) the Second Joint Venture is still in its initial 5-year investment phase, (iii) 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, (iv) the Third Joint Venture has for a large part completed its initial investment phase of VGP Park München in December 2022 and (v) the Development Joint Ventures are in the initial phases of their development planning.

Please also refer to the following risk factors, which are related hereto and which deal with certain aspects in more detail: risk factor 2.2 *"The Group's development projects require large initial investments and will only start to generate income after a period of time"*, risk factor 3.1 *"The Group's business, operations and financial conditions are significantly affected by (i) the underlying operational, financial and organisational risks of the Joint Ventures and (ii) with regards to the Second Joint Venture and Fourth Joint Venture, the continuation of the acquisition of the completed assets from the Group"*, risk factor 4.1 *"The Group's debt levels have substantially increased over the last years and the Group is exposed to a (re)financing risk"* and risk factor 4.2 *"The Group is exposed to risk of (re) financing from its Joint Ventures"*.

For more information on the relationship with the Joint Ventures, please see section Strategy – *Strategic partnerships*.

1.2 The Group may not have the required human and other resources to manage growth or to adequately and efficiently monitor its portfolio

The Group's success depends in part on its ability to manage future expansion and to identify attractive investment opportunities, and to manage and monitor its portfolio. These requirements can place significant demands on management, support functions, accounting and financial control, sales and marketing and other resources, which involves a number of risks, including: the difficulty of assimilating operations and personnel in the Group's operations, the potential disruption of ongoing business and distraction of management.

As at 31 December 2022, the Group has 383 employees[1] (322 employees as at 31 December 2021). The Group aims to have a sufficiently large team to support the current growth rate of the Group.

1 On a Full Time Equivalents basis.

2 Risks related to the Group's business activities and industry

2.1 The Group's development projects may experience delays and other difficulties, especially in respect of receiving necessary permits and increases in construction costs

The strategy of the Group is focused on the development of income generating logistic property and on the potential disposal of such property once it has reached a mature stage.

Development projects tend to be subject to a variety of risks, each of which could cause late delivery of a project and, consequently, increase the development period leading up to its contemplated sale to or completion by the Joint Ventures, trigger a budget overrun, cause a loss or decrease of expected income from a project or even, in some cases, its actual termination.

The Group adopts a "first mover" strategy in respect of securing or acquiring land plots on strategic locations without necessarily having already identified a specific future tenant. The Group typically contractually secures land plots to develop its projects prior to the granting of the required permits. The secured land plots are only acquired once the necessary permits have been obtained. The Group's projects are therefore subject to the risk of changes in the relevant urban planning regulations and environmental, zoning and construction permits being obtained in a form consistent with the project plan and concept. The realisation of any project may, therefore, be adversely affected by (i) the failure to obtain, maintain or renew necessary permits, (ii) delays in obtaining, maintaining or renewing relevant permits and (iii) the failure to comply with the terms and conditions of the permits. Furthermore, a permit may be subject to an appeal by an interested party. Any such procedure could further delay the development and, ultimately, the sale of a project to or completion by the Joint Ventures and negatively impact the financial condition of the Group.

Over the past 24 months, the Group has experienced a significant lengthening of the period required for receiving zoning permits. This is due to strong construction activity in all asset classes and local authorities which are unable to timely process all the permit requests. It can currently take between 24 to 36 months in order to receive the necessary permits.

Other factors which may have an adverse effect on the development activities of the Group are, amongst others, unfamiliarity with local regulations, contract and labour disputes with construction contractors or subcontractors, unforeseen site conditions which may require additional work and construction delays or destruction of projects during the construction phase (e.g. due to fire or flooding).

In addition, when considering property development investments, the Group makes certain estimates as to the economic, market and other conditions, including estimates relating to the value or potential value of a property and the potential return on investment. These estimates may prove to be incorrect, rendering the Group's strategy inappropriate with consequent negative effects on the Group's business, results of operations, financial conditions and prospects.

Finally, the Group is exposed to an increase in construction costs and organisational problems in the supply of the necessary raw materials or materials. In this

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respect, VGP is to a large extent subject to macro-economic developments, such as the volatility of raw material pricing (which is affected by the volatility in energy prices) – which after a period of significant increases has recently seen a declining trend (also on the back of recent decreasing energy prices) – and building materials and disruptions in the supply chain.

Taking into account all the aforementioned risks, the Group may not be able to complete all of its development projects can be completed in the expected time frame or within the expected budgets. If any of the risks highlighted above materialise and adversely impact the successful development of the development projects, this could have a material adverse effect on the Group's future business, financial condition, operating results and cash flows.

As at 31 December 2022, the Group has a remaining development land bank in full ownership of 7,956,000 m^2 which allows the Group to develop ca. 3,588,000 m^2 of future lettable area. This includes the remaining 1,331,000 m^2 development land bank held by the Joint Ventures[1] with a development potential of circa 689,000 m^2 of new lettable area. In addition, the Group has another 2,405,000 m^2 of committed land plots which allow for the development of ca. 1,076,000 m^2 of new projects. It is expected that these remaining land plots will be purchased during the next 6 to 18 months, subject to obtaining the necessary permits.

The total owned and committed land bank (including Joint Ventures at 100%) for development is therefore 10,362,000 m^2 which represents a remaining development potential of ca. 4,664,000 m^2.

Completion of plot acquisitions and leases may also be subject to certain conditions, including public law approvals, waivers and consents. Plots acquired by the Group may be subject to delays in registration of transfers and other formalities. Plots may also be subject to rights and encumbrances, including easements, repurchase and preemptive rights in certain circumstances, special rights of use by third parties, protection orders and expropriation proceedings, as well as minor defects, remediation works and requirements to obtain use exemptions and permits, all of which could impact development, lease or transfer plans and result in unforeseen delays and costs for the Group. In addition, in certain cases, properties may be subject to complex division and transfer proceedings or the Group may only own a portion of a site. In these circumstances, the ability of the Group to develop, lease or transfer the property may be adversely affected, for example, if registration of the Group's ownership is delayed or if the Group does not have sufficient access or if the allocation of properties or rights is imprecise or subject to challenge.

2.2 The Group's development projects require large initial investments and will only start to generate income after a period of time

During the first phase of the development of a new project, no income will be generated by the new development until such project is completed and delivered to a tenant. During such phase, the Group already makes significant investments in relation to the development of such project. The development phase of a VGP park typically takes between 12 to 36 months and depends on the size of the park and its development potential. Once the construction of a building is initiated, it takes about 6 to 9 months to complete, with longer periods applying to large (>50,000 m^2) and more complex buildings in terms of fit-out. The size of the park will also impact the timing of a future sale to the Second Joint Venture as in general a park needs to be 75% developed prior to being offered to the Second Joint Venture. The timing of a future sale to the Fourth Joint Venture depends on the pre-let status of the income generating assets: 75% of the completed assets within a park need to be pre-let prior to such park being offered to the Fourth Joint Venture, irrespective of the development status of the park. Given the scale of the developments undertaken by the Third Joint Venture and the anticipated developments by the Development Joint Ventures, the buildings being constructed by these Joint Ventures will take between 9 to 24 months to complete, once the necessary permits are obtained.

Any delay in the development of such projects or the lease thereof could have an adverse effect on the Group's business, financial condition and results of operations.

As at 31 December 2022, the Group had contractual obligations to develop new projects which were not yet rent income generating for a total amount of € 373.0 million (compared to € 685.6 million as at 31 December 2021).

2.3 The fair market value of the Property Portfolio might not be realised and is subject to competition

The Group's revenues depend on the fair market value of its real estate projects. The results and cash flows of the Group may fluctuate significantly depending on the number of projects that can be developed and sold to the Joint Ventures and their respective fair market values.

The own Property Portfolio, excluding development land but including the assets being developed on behalf of the Second Joint Venture and Fourth Joint Venture, is valued by a valuation expert at 31 December 2022 based on a weighted average yield of 5.29% (compared to 4.64% as at 31 December 2021) applied to the contractual rents increased by the estimated rental value of unlet space. A 0.10% variation of this market rate would give rise to a variation of the total portfolio value of € 46.0 million.

The markets in which the Group operates are also exposed to local and international competition. Competition among property developers and operators may result in, amongst others, increased costs for the acquisitions of land for development, increased costs for raw material, shortages of skilled contractors, oversupply of properties and/or saturation of certain market segments, reduced rental rates, decrease in property prices and a slowdown in the rate at which new property developments are approved, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.4 The Group could experience a lower demand for logistic space due to fluctuating economic conditions in regional and global markets

The Group's revenues depend to a large extent on the volume of development projects. Hence the results and cash flows of the Group may fluctuate significantly depending on the number of projects that can be developed and sold to the Second or Fourth Joint Ventures or developed by the Third Joint Venture and the Development Joint Ventures.

The volume of the Group's development projects depends largely on national and regional economic conditions and other events and occurrences that affect the markets in which the Group's Property Portfolio and development activities are located. The Group is currently active in Germany, the Czech Republic, Spain, the Netherlands, Slovakia, Hungary, Romania, Austria,

1 Of which 73% is located in the Netherlands through the LPM Joint Venture.

Italy, Latvia, Portugal, Serbia, France and Croatia, and is also currently expanding to Denmark.

A change in the general economic conditions of the countries where the Group is present or will be present in the near future could result in lower demand for logistics space, rising vacancy rates and higher risks of default by tenants and other counterparties. For further information on the potential impact of such changes on the Group's portfolio, please refer to the sensitivity analysis included in notes 7, 9.2 and 13.2 (v) of the 2022 Annual Report. The Group's main country exposure is Germany, with 52% of the Group's Property Portfolio[1] and projects under construction (own and Joint Ventures at 100% combined) located there as at 31 December 2022 (compared to 50% as at 31 December 2021).

2.5 The Group may lose key management and personnel or fail to attract and retain skilled personnel

The Group continues to depend to a large degree on the expertise and commercial qualities of its management, commercial and technical team and in particular on its Chief Executive Officer, Jan Van Geet.

In particular, if Jan Van Geet, as Chief Executive Officer of the Group, would no longer devote sufficient time to the development of the portfolio of the Allianz Joint Ventures, Allianz can stop the acquisition process of income-generating assets (in relation to the Second Joint Venture) and/or suspend the delivery period (in relation to the Third Joint Venture) until he has been replaced to the satisfaction of Allianz. Similarly, if any person other than the Reference Shareholders gains control of the Group, this may constitute an event of default under certain of the Group's financing arrangements.

Experienced technical, marketing and support personnel in the real estate development industry are in high demand and competition for their talent is intense. In order to attract and retain personnel, a long-term incentive plan is in place for selected VGP Group executives and key managers. Further details regarding the long-term incentive plan are available in the Group's remuneration policy (Annex 7 of the Group's corporate governance charter, as available on the Group's website) as well as note 24 in the 2022 Annual Report.

The loss of services of any members of the management or failure to attract and retain sufficiently qualified personnel may have a material adverse effect on the Group's business, financial condition, operating results and cash flows.

2.6 Risks and uncertainties linked to major events or business disruption

Unexpected global, regional or national events could result in severe adverse disruption to VGP Group, such as sustained asset value or revenue impairment, solvency or covenant stress, liquidity or business continuity challenges, in particular through the impact such events may have on the Group's tenants. A global event or business disruption may include but is not limited to a financial crisis, health pandemic, civil unrest, war, act of terrorism, cyberattack or other IT disruption. Events may be singular or cumulative, and lead to acute/systemic issues in the business and/or operating environment. In cases where the Group obtains specialist services from certain third parties, the inability to obtain such services could result in unforeseen delays and costs for the Group.

Given the nature and location of its operations and the fact that VGP Group does not currently have activities in Russia nor in Ukraine or commercial relationships with Russian companies, the Group does not foresee a direct impact of the conflict in the Ukraine on its business. The Group is active in certain neighbouring countries (Slovakia, Romania and Hungary), but the activities in these countries have not experienced significant specific negative effects due to the ongoing conflict in Ukraine to date. VGP sees a strong demand for lettable space in these countries, with new lease contracts signed for an amount of € 11.1 million during 2022. However, the global package of sanctions which have been enacted in relation to commercial relationships with Russia and Russian companies which are subject to such sanctions could adversely impact the tenants of the Group. Additionally, there is a strong push at the European level to become less dependent on Russian gas and fossil fuels, leading to the current volatility in energy prices. This volatility in energy prices may adversely impact the income stream from leasing agreements or the successful development of projects, any of which may have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, this volatility in energy prices could adversely impact the tenants of the Group and therefore indirectly impact the Group.

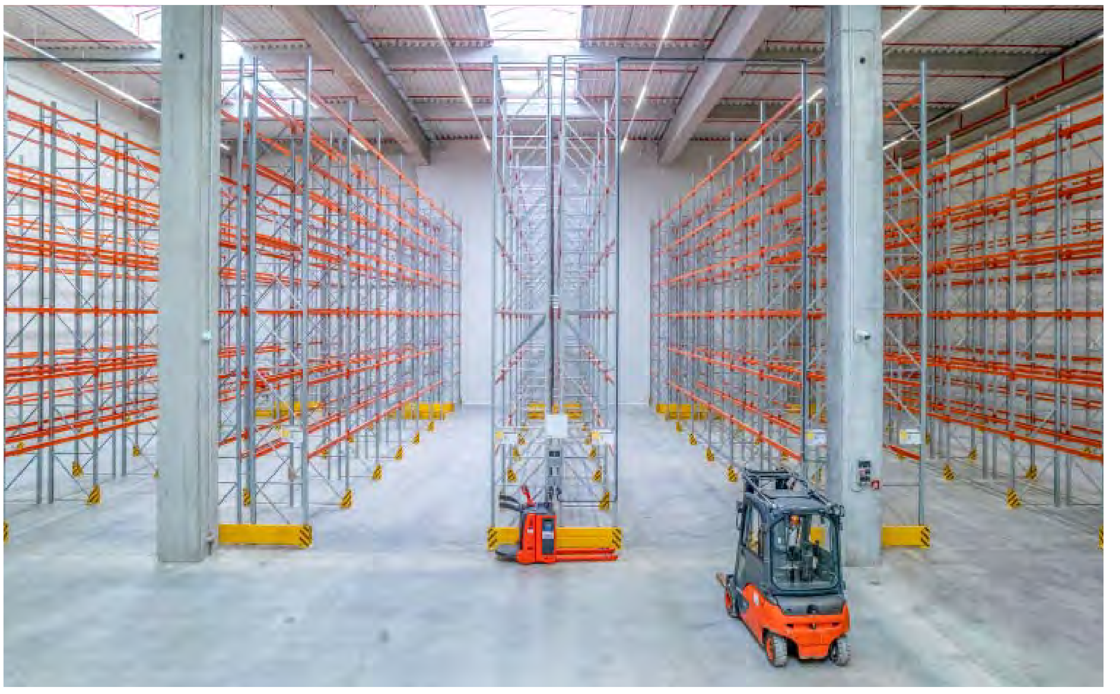
Whilst the direct impacts of the COVID-19 pandemic have largely abated, the heightened global macroeconomic volatility including high inflation and supply chain bottlenecks, exacerbated by the conflict in the Ukraine, is expected to continue to cause increased uncertainty to the Group's operations and stakeholders. As a result, the economic and financial situation of certain tenants may deteriorate and they may be in default of paying their rent in due time. In addition, the COVID-19 pandemic may have an impact on the projects in progress of the Group due to, amongst other things, delays or third-party defaults. These consequences of the COVID-19 pandemic may have a material adverse effect on the Group's business, financial condition and results of operations.

3 Risks related to the Group's Joint Ventures

3.1 The Group's business, operations and financial conditions are significantly affected by (i) the underlying operational, financial and organisational risks of the Joint Ventures and (ii) with regards to the Second Joint Venture and Fourth Joint Venture, the continuation of the acquisition of completed assets from the Group

In order to enable the Group to continue to invest in its development pipeline whilst at the same time being adequately financed, the Group has currently entered into four 50:50 joint ventures with Allianz (the Allianz Joint Ventures) and three 50:50 joint ventures with other partners (the Development Joint Ventures). The first two Allianz Joint Ventures and the most recent Allianz Joint Venture (the First Joint Venture, the Second Joint Venture and the Fourth Joint Venture) are mainly focused on acquiring income generating assets which are being developed by the Group. The Fourth Joint Venture is intended to replace the First Joint Venture, which reached its investment capacity of € 2,000 million in the beginning of 2022. The

1 Based on m².



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third Allianz Joint Venture (the Third Joint Venture) relates to the development of VGP Park München. The Development Joint Ventures consist of (i) the 50:50 joint venture with Roozen (the **"LPM Joint Venture"**), which relates to the development of VGP Park Moerdijk, (ii) the 50:50 joint venture with VUSA (the **"VGP Park Belartza Joint Venture"**), which relates to VGP Park Belartza, and (iii) the 50:50 joint venture with Revikon (the **"VGP Park Siegen Joint Venture"**), which relates to VGP Park Siegen.

These Joint Ventures allow the Group to recycle in part its initial invested capital when completed projects are acquired by the Second or Fourth Joint Venture or when buildings are completed by the Third Joint Venture or the Development Joint Ventures through refinancing of the invested capital by external bank debt 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 Group may be significantly affected by the Joint Ventures, which are subject to additional risks such as:

- the Second Joint Venture and Fourth Joint Venture may discontinue acquiring the completed assets from the Group as these Joint Ventures have no contractual or legal binding obligation to acquire the income generating assets offered by the Group;
- the sale of properties to the Second Joint Venture and Fourth Joint Venture could result in a decrease of the reported gross rental income of the Group as some of the sold properties may make a significant contribution to the income of the Group prior to their sale and their respective deconsolidation;
- Allianz may stop the acquisition process of proposed income-generating assets or suspend the delivery period of assets being developed, and the Allianz Joint Venture Agreements may be amended or terminated in accordance with the provisions thereof;
- the Group may incur additional liabilities as a result of cost overrun on developments made on behalf of the Allianz Joint Ventures;
- the Group may be unable to provide funds to the Allianz Joint Ventures which were previously committed under the terms of the relevant Allianz Joint Venture Agreements, which may result in the dilution of the Group;
- changes in consolidation rules and regulations may trigger a consolidation obligation at the level of Allianz which may result in the dilution of the Group;
- in case of a material breach by the Group or in case the participation that Jan Van Geet holds in the Group would fall below 25%, Allianz may terminate the Allianz Joint Venture Agreements in respect of the First Joint Venture, Second Joint Venture and Third Joint Venture, or may exercise a call option on the Group's shares in the First Joint Venture, Second Joint Venture and Third Joint Venture, at a discounted purchase price; and
- the Joint Ventures or any of their subsidiaries may be in default under the development and construction loans granted by the Group which may have a negative impact on the Group.

For example, the Fourth Joint Venture was scheduled to become effective at the moment of its first closing, which was initially expected to occur in November 2022. However, in view of the limited transparency on pricing of the seed portfolio and in the current volatile market environment, Allianz and VGP announced on 30 September 2022 that they were postponing the seed portfolio closing of the Fourth Joint Venture until such time both partners expect that a calmer environment will have returned. To this end Allianz has formally waived the exclusivity obligation in respect of the initial pipeline portfolio allowing VGP to sell the initial pipeline portfolio to one or multiple third parties, including through the establishment of a new alternative joint venture(s). In accordance with the Fourth JVA, Allianz has a final matching right to acquire the assets at the price offered by the third-party investor.

The occurrence of any or all such risks could have a material adverse effect on the Joint Ventures' business, financial condition and results of operations, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, the Joint Ventures are exposed to many of the risks to which the Group is exposed, including amongst others the risks for the Group as described in the following sections: risk factor 1.1 "*The Group may not be able to continue its development activities in a sustained and profitable way, for which it depends on its ability to execute new lease agreements and dispose of its real estate assets to the Second Joint Venture and Fourth Joint Venture*" (but only in relation to the ability to execute new lease agreements, not the ability to dispose of assets), risk factor 2.1 "*The*

Group's development projects may experience delays and other difficulties, especially in respect of receiving necessary permits and increases in construction costs" and risk factor 2.4 *"The Group could experience a lower demand for logistics space due to fluctuating economic conditions in regional and global markets*", all as in this section *Risk Factors*.

3.2 The Group is a holding company with no operating income and is hence solely dependent on distributions made by, and the financial performance of, the Joint Ventures and the members of the Group
The Group is a holding company of which the sole activity is the holding and management of its assets, i.e. its participations in the Subsidiaries and in the Joint Ventures. The real estate portfolios of the Group are owned through specific asset companies which are subsidiaries of the Group or which are subsidiaries of the Joint Ventures.

Accordingly, the Group depends on the cash flows from the members of the Group and the distributions paid to it by members of the Group or the Joint Ventures. The ability of the Subsidiaries and the Joint Ventures to make distributions to the Group depends on the rental income generated by their respective portfolios.

The Joint Ventures generated € 21.5 million in management fee income for the year ending 31 December 2022, compared to € 21.3 million for the year ending 31 December 2021. Profit distributions by the Joint Ventures for the period ending 31 December 2022 amounted to € 59.9 million (compared to € 20.6 million for the year ending 31 December 2021).

The financing arrangements of the Joint Ventures and the Subsidiaries are subject to a number of covenants and restrictions which could restrict the ability to upstream cash to the Group. The bank facilities require the Joint Ventures and the Subsidiaries to maintain specified financial ratios and meet specific financial tests. A failure to comply with these covenants could result in an event of default that, if not remedied or waived, could result in a Joint Venture or the members of the Group being required to repay these borrowings before their due date, which would adversely impact their capacity to upstream cash to the Group.

3.3 The Group may be unable to recover the loans granted to the Joint Ventures and their subsidiaries
The Group has granted significant loans to the Joint Ventures and to the Joint Ventures' subsidiaries, amounting to € 451.3. million as at 31 December 2022 (compared to € 346.9 million as at 31 December 2021). These outstanding loans carry the risk of late, partial or non-repayment in the event of underperformance by any of the Joint Ventures or their subsidiaries.

For more details on the effects of the performance of the Joint Ventures, please also refer to risk factor 3.1 *"The Group's business, operations and financial conditions are significantly affected by (i) the underlying operational, financial and organisational risks of the Joint Ventures and (ii) with regards to the Second Joint Venture and Fourth Joint Venture, the continuation of the acquisition of completed assets from the Group"* and risk factor 3.2 *"The Group is a holding company with no operating income and is hence solely dependent on distributions made by, and the financial performance of, the Joint Ventures and the members of the Group"*.

3.4 The Group has recognised that it has a constructive obligation towards the Joint Ventures
Although the Issuer does not have any other contractual obligations outside the JVAs, the share purchase agreements entered into in relation to or with the Joint Ventures, the asset management agreements, development management agreements and the property management agreements, the Board of Directors has taken a conservative approach vis-à-vis the Joint Ventures and has therefore recognised that the Issuer has a constructive obligation towards the Joint Ventures since the proper functioning of the Joint Ventures is material for the Group in realizing its expected capital gains. Given the importance of the Joint Ventures' portfolio, VGP will, for its proportional share in the Joint Ventures, take all necessary measures to ensure that the Joint Ventures will always be in a position to fulfil all its obligations, including in relation to the committed credit facilities made available to each Joint Venture from time to time. This entails that ultimately any payment due by a Joint Venture to the Group will either be borne by such Joint Venture's shareholders, i.e. (i) VGP and Allianz, pro rata their shareholding, or will lead to VGP being diluted by Allianz in accordance with the provisions of the relevant Allianz JVA or alternatively Allianz providing funding to the Allianz Joint Venture on preferential interest terms and repayment conditions; and (ii) VGP and the shareholders of the Development Joint Ventures, pro rata their shareholding, or in the event that a shareholder of a Development Joint Venture does not comply with its aforementioned funding obligations under the respective Development JVA, will lead to VGP providing funding to the Development Joint Venture on preferential interest terms and repayment conditions.

As at 31 December 2022, the "Investments in joint ventures and associates" accounted for using the equity method amounted showed a positive balance of € 891.2 million.

4 Risks related to the Group's financial situation

4.1 The Group's debt levels have substantially increased over the last years and the Group is exposed to a (re)financing risk
In view of the geographic expansion, accelerated growth of the Group and more generally, the sustained growth of the demand for logistics warehouse space, the Group has incurred significant borrowings in recent years. VGP expects that debt levels in (nominal terms) will continue to increase but is convinced that it will be able to execute its growth strategy within a Gearing Ratio of 65%.

VGP is continuously optimising its capital structure with an aim to maximise shareholder value while keeping the desired flexibility to support its growth. During the last 3 years VGP successfully completed four share placements resulting in a net increase of the Group's equity with € 888.9 million resulting in the issuance of 8,708,262 of new shares. In 2020, VGP successfully completed two share placements resulting in a net increase of the Group's equity with € 295.4 million. In November 2021, VGP successfully completed share placement resulting in a net increase of the Group's equity with € 294.9 million.

1 Including € 13.7 million of capitalised finance costs.

2 Including € 0.4 million of capitalised finance costs.

In November 2022 successfully completed another share placement, through a rights issue, resulting in a net increase of the Group's equity with € 298.7 million.

As at 31 December 2022, the net debt of the Group amounted to € 1,668.8 million (compared to € 1,158.8 million as at 31 December 2021). The Gearing Ratio was 34.4% (compared to 29.8% as at 31 December 2021).

As at 31 December 2022, the Group had bonds outstanding for a total amount of € 2,306 million[1] (all being unsecured bonds) and had a remaining financial debt of € 67.8 million[2], of which € 28.6 million related to *Schuldschein* Loans and € 39.2 million related to accrued interest. The weighted average maturity of the debt stands at 4.5 years as at 31 December 2022, with a weighted average interest rate of 2.31% per annum. Please also refer to the maturity profile financial debt which can be found in section *"Business Review: Capital and financial position"*

Considering the model of the Joint Ventures, additional short-term bank debt might occasionally be needed to cover temporary cash shortfalls due to timing of recycling of shareholder loans granted to the Joint Ventures. These shareholder loans are repaid when projects are acquired by the Second or Fourth Joint Venture or when adequate bank credit facilities are available to allow partial refinancing of invested equity in respect of the Third Joint Venture or the Development Joint Ventures.

The Group is currently constructing substantially more than previously anticipated and has a number of large developments which have recently been or will shortly be initiated and which will require some time before being sold to the Second or Fourth Joint Venture or being eligible for refinancing through bank debt in respect of the Third Joint Venture or the Development Joint Ventures. As a result, higher peak funding needs may arise between the various Joint Venture closings. In order to allow the Group to comfortably bridge these periods the Group has arranged additional revolving credit facilities.

For a detailed overview of the evolution of the Group's current financing arrangements, please refer to section *"Business Review: Capital and financial position"*.

Given its accelerated growth strategy, the Group may not be able to refinance its financial debt or may be unable to attract new financing or to negotiate and enter into new financing agreements on terms which are commercially desirable. If the Group is unable to receive financing or financing against favourable terms, this may have an impact on the Group's cash flow and results and, thus, the Group may be unable to proceed with or to execute certain developments and may have to delay the initiation of certain projects.

4.2 The Group is exposed to risk of (re)financing from its Joint Ventures

VGP depends on the ability of each of the Joint Ventures to have sufficient long-term financing in place to allow the Second Joint Venture and Fourth Joint Venture to acquire income generating assets developed by VGP and to allow the Third Joint Venture and the Development Joint Ventures to refinance the development costs incurred when developing the respective parks of these Joint Ventures.

The First Joint Venture has 10-year committed credit facilities (all maturing at the end of May 2026), in Germany, the Czech Republic, the Slovak Republic and Hungary. As at 31 December 2022, the aggregate outstanding credit facilities amounted to € 887.9 million which were fully drawn. The investment period of the First Joint Venture has ended in May 2021. The Gearing Ratio of the First Joint Venture stood at 37.3% and the Loan to Value Ratio stood at 37.4% as at 31 December 2022.

The Second Joint Venture has a 10-year € 327.1 million committed credit facility (maturing at the end of July 2029), in respect of the assets to be acquired in Spain, Austria, Italy and the Netherlands and a 10-year € 38.2 million committed credit facility (maturing in June 2029) in respect of the assets to be acquired in Romania. As at 31 December 2022, the aggregate outstanding credit facilities were fully drawn.

The Gearing Ratio of the Second Joint Venture stood at 51.6% and the Loan to Value Ratio stood at 42.4% as at 31 December 2022.

The Third Joint Venture has a € 65.5 million committed credit facility (maturing on 22 June 2029) in respect of the financing of the first two completed buildings in VGP Park München. As at 31 December 2022, there were no drawings outstanding under this facility. Additional bank financing in an amount of € 84.5 million is being sought to support to re-financing of the buildings which were completed in December 2022. It is currently expected that both credit facilities will be fully drawn during 2023.

Finally, as at 31 December 2022, no bank debt or credit facilities were outstanding in respect of the Fourth Joint Venture and the Development Joint Ventures.

The Joint Ventures may not be able to refinance their financial debt or may be unable to attract new financing or to negotiate and enter into new financing agreements on terms which are commercially desirable. If the Joint Ventures are unable to receive financing or financing against favourable terms, which in turn may have an impact on the Group's cash flow and results. In such circumstances, the Group may be unable to proceed with or to execute certain developments and may have to delay the initiation of certain projects.

4.3 The Group's borrowings are subject to certain restrictive covenants

Under the terms of the bonds, *Schuldschein* Loans and bank credit facilities, the Group needs to ensure that it complies at all times with the respective covenants set forth therein. Failing to do so will result in the Group being in default under several (if not all) of the outstanding bonds, *Schuldschein* Loans and/or bank credit facilities. This may lead to an obligation of the Group to repay in full all outstanding financial indebtedness thereunder, which might have a material adverse effect on the Group's business, financial condition, operating results and cash flows.

While the Group monitors its covenants on an on-going basis in order to ensure compliance and to identify any potential problems of non-compliance for action, there can be no assurances that the Group will at all times be able to comply with these covenants. During 2022, the Group remained well within its covenants.

The terms and conditions of the Apr-23 Bond, the Sep-23 Bond, the Jul-24 Bond, the Mar-25 Bond, the Mar-26 Bond, the Apr-29 Bond, the Jan-27 Bond, the Jan-30-Bond and the Schuldschein Loans all have the same financial covenants.

As at 31 December 2022, the Consolidated Gearing[1] stood at 34.6% (compared to 30.3% as at 31 December 2021) against a maximum covenant ratio of 65%. The Interest Cover Ratio was 16.60 as at 31 December 2022 (compared to 9.08 as at 31 December 2021) against a minimum covenant ratio of 1.20. The Debt Service Cover Ratio was

1 Calculated by reference to the terms and conditions of the bonds and *Schuldschein* Loan documentation.

VGP Park Graz

14.89 as at 31 December 2022 (compared to 12.53 as at 31 December 2021) against a against a minimum covenant ratio of 1.20.

4.4 The Company's's public financial rating may be suspended, reduced or withdrawn

The Group has a public financial rating determined by an independent rating agency. On 26 March 2021, Fitch gave the Company a long-term investment grade rating of "BBB-" (stable outlook). This rating was affirmed by Fitch on 8 September 2022, however, it may be suspended, reduced or withdrawn at any time. Following the announcement of the postponement of the initial closing of the Fourth Joint Venture through a press release by the Group dated 30 September 2022, Fitch issued a press release on 3 October 2022, in which it reaffirmed the Company's credit rating of "BBB-" on 4 October 2022, commenting that it considered the postponement of the seed portfolio closing of the Fourth Joint Venture as a market induced pause, not a cessation of transfers to the Joint Ventures.

A rating downgrade would have a direct effect on the Group's cost of financing. A rating downgrade could also have an indirect effect on the appetite of credit providers to deal with the Group or an indirect effect on its financing cost or on its ability to finance its growth and activities. If the Group is unable to receive financing or financing against favourable terms, this may have an impact on the Group's cash flow and results and, thus, the Group may be unable to proceed with or to execute certain developments and may have to delay the initiation of certain projects.

5 Legal and regulatory risks

5.1 The Group has to comply with a broad and diverse regulatory framework

As the Group is active and intends to further develop business in the mid-European countries (whereby the Group's current focus is on Germany, the Czech Republic, Spain, the Netherlands, Slovakia, Hungary, Romania, Austria, Italy, Latvia, Portugal, Serbia, France, Croatia and Denmark), the Group is subject to a wide range of EU, national and local laws and regulations. These include requirements in terms of building and occupancy permits (which must be obtained in order for projects to be developed and let), as well as zoning, health and safety, environmental, monument protection, tax, planning, foreign ownership limitations and other laws and regulations.

Because of the complexities involved in procuring and maintaining numerous licenses and permits, there can be no assurance that the Group will at all times be in compliance with all of the requirements imposed on properties and the Group's business. Any failure to, or delay in, complying with applicable laws and regulations or failure to obtain and maintain the requisite approvals and permits could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In this respect, please also refer to risk factor 2.1 *"The Group's development projects may experience delays and other difficulties, especially in respect of receiving necessary permits and increases in construction costs"*.

Furthermore, changes in laws and governmental regulations, or their interpretation by agencies or the courts, could occur. Such regulatory changes and other economic and political factors, including civil unrest, governmental changes and restrictions on the ability to transfer capital in the foreign countries in which the Group has invested, could have a materially adverse effect on the Group's business, financial condition, operating results and cash flows.

5.2 The Group may be subject to litigation and other disputes

The Group may face contractual disputes which may or may not lead to legal proceedings as the result of a wide range of events, especially during the construction and development phase. The most likely disputes include: (i) actual or alleged deficiencies in its execution of construction projects (including relating to the design, installation or repair of works); (ii) defects in the building materials; and (iii) deficiencies in the goods and services provided by suppliers, contractors, and sub-contractors.

In addition, after the development phase, the Group may become subject to disputes with tenants, commercial contractors or other parties in relation to the leasing, for example, in ensuring such parties comply with obligations, regulations and restrictions to which the Group may be subject.

As a result, disputes, accidents, injuries or damages at or relating to one of the Group's ongoing or completed projects resulting from the Group's actual or alleged deficient actions could result in significant liability, warranty or other civil and criminal claims, as well as reputational harm. These liabilities may not be insurable or could exceed the Group's insurance coverage limit.

At the 31 December 2022, no governmental, legal or arbitration proceedings have been started or are threatened against the Group which may have, or have had in the recent past, significant effects on the Group and/or the Group's financial position or profitability.

6 Environmental sustainability and climate change risks

6.1 The Group is subject to certain transitional climate risks and may not be able to meet all ESG related requirements or expectations of investors in this regard

The Group seeks to optimise its portfolio in accordance with the demands of the market, the latest technological innovations and environmental, social and governance ("ESG") considerations. Energy efficiency and sustainability are among the Group's top priorities. In this regard, the Group has drawn up several policies relating to, amongst others, renewable energy, green finance and the EU taxonomy framework.

In this regard, it should be noted that there is currently no clear single definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or to receive such other equivalent label. A basis for the determination of such a definition has been established in the EU with the publication on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the **"Taxonomy Regulation"**) on the establishment of a framework to facilitate sustainable investment (the **"EU Sustainable Finance Taxonomy"**). The EU Sustainable Finance Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the Taxonomy Regulation. On 9 December 2021, the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing the Taxonomy Regulation (the **"Taxonomy Climate Delegated Act"**) was published in the Official Journal of the EU. The Taxonomy Climate Delegated Act sets out criteria for economic activities in the sectors that are most relevant for achieving climate neutrality and delivering on climate change adaption. This includes sectors such as energy, forestry, manufacturing, transport and buildings. Criteria for other environmental objectives will follow in a later delegated act, in line with mandates in the Taxonomy Regulation. Until all criteria for such objectives have been developed and disclosed, it is not clear which assets satisfy those criteria. Moreover, the EU Commission has referred to the Taxonomy Climate Delegated Act as a living document that will continue to evolve over time with more activities being added to its scope by means of amendments.

The Group is currently assessing the implications of the compliance requirements with the Taxonomy Climate Delegated Act and commits to aim to be compliant on a portfolio and best-efforts basis. In addition, the Group commits to be compliant with the Carbon Risk Real Estate Monitor ("CRREM") on a best-efforts basis, targeting a minimum of 50% of non-stranded assets during the upcoming 10-year period based on the 1.5oC GHG pathway. When the target at portfolio level is not achieved, a remediation plan for specific stranded assets will be developed if deemed necessary in order to evaluate and identify optimal technical adjustments in order to achieve portfolio compliance. Based on the portfolio's energy consumption profile for 2021, the stranding based on CRREM analysis will not take place before 2037. However, energy performance will improve further if the compensatory effect of the pipeline of solar panel installations expected to be built in the coming years is taken into account. As a result, the stranding will shift to 2040. To achieve this goal, the current investments in solar panels (131.6MWp and € 78 million invested or in the design and construction phase) and projects in the pipeline (another approx. 72.7 MWp or c. € 55 million investment) must be completed.

Non-compliance with laws and regulations, reporting requirements, or customer or investor expectations, both in respect of the Group and the Group's service providers, suppliers, subcontractors and tenants, could cause loss of value to the Group. Not keeping pace with social attitudes and customer behaviours and preferences could additionally cause reputational damage and reduce the attractiveness and value of the Group's assets. A lack of strong environmental credentials may reduce access to capital or increase cost as these are increasingly important criteria to investors and lenders.

Furthermore, laws, regulations, policies, taxation, obligations, customer preferences and social attitudes relating to climate change continue to evolve. Given the fast-evolving technological and regulatory requirements and environment, as well as the uncertainties in relation to the interpretation of some of the new ESG rules and regulations (including, for example under the Taxonomy Climate Delegated Act), no assurance can be given that the Group will be able to meet all such requirements or expectations or requirements of investors, shareholders or other stakeholders. The evolving environment, as well as the likelihood of the physical effects of climate change increasing in frequency and severity over time, could lead to interrupted supply chains, declines in asset values or significant shifts in demand for certain products or services, and the Group could be subject to increased costs and liabilities as a result.

Summary of the accounts and comments

Income statement

Income statement *(in thousands of €)*	**2022**	**2021**
Revenue[1]	84,784	44,255
Gross rental and renewable energy income	51,230	18,274
Property operating expenses	(8,223)	(2,875)
Net rental and renewable energy income	**43,007**	**15,399**
Joint ventures' management fee income	21,537	21,303
Net valuation gains/(losses) on investment properties	(97,230)	610,261
Administration expenses	(33,956)	(52,112)
Share in result of joint ventures and associates	(45,927)	186,703
Other expenses	(3,000)	(5,000)
Operating profit	**(115,569)**	**776,554**
Finance income	17,329	12,322
Finance costs	(44,337)	(24,976)
Net financial result	**(27,008)**	**(12,654)**
Result before taxes	**(142,577)**	**763,900**
Taxes	20,035	(113,845)
Result for the period	**(122,542)**	**650,055**
Attributable to:		
Shareholders of VGP NV	(122,542)	650,055
Non-controlling interests	—	—

RESULT PER SHARE *(in €)*	**2022**	**2021**
Basic earnings per share	(5.49)	31.41
Diluted earnings per share	(5.49)	31.41

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

Balance sheet

Assets *(in thousands of €)*	**2022**	**2021**
Intangible assets	1,200	1,046
Investment properties	2,395,702	1,852,514
Property, plant and equipment	73,280	32,141
Investments in joint ventures and associates	891,201	858,116
Other non-current receivables	359,644	264,905
Deferred tax assets	3,839	1,953
Total non-current assets	**3,724,866**	**3,010,675**
Trade and other receivables	122,113	148,022
Cash and cash equivalents	699,168	222,160
Disposal group held for sale	299,906	501,882
Total current assets	**1,121,187**	**872,064**
Total assets	**4,846,053**	**3,882,739**

Shareholders' equity and liabilities *(in thousands of €)*	**2022**	**2021**
Share capital	105,676	78,458
Other reserves	845,579	574,088
Retained earnings	1,250,920	1,523,019
Shareholders' equity	**2,202,175**	**2,175,565**
Non-current financial debt	1,960,464	1,340,609
Other non-current liabilities	46,419	32,459
Deferred tax liabilities	79,671	112,295
Total non-current liabilities	**2,086,554**	**1,485,363**
Current financial debt	413,704	44,147
Trade debts and other current liabilities	110,676	107,510
Liabilities related to disposal group held for sale	32,944	70,154
Total current liabilities	**557,324**	**221,811**
Total liabilities	**2,643,878**	**1,707,174**
Total shareholders' equity and liabilities	**4,846,053**	**3,882,739**

Comments on the accounts

Income statement

Net rental and renewable energy income

The net rental and renewable energy income increased with € 27.6 million to € 43.0 million after taking into effect the income generating assets delivered during 2022 offset with the impact of the third closing with the Second Joint Venture in March 2022. The renewables net income increased with € 5.0 million to € 5.6 million.

Including VGP's share of the Joint Ventures and looking at net rental and renewable energy income on a "look-through" basis net rental and renewable energy income increased by € 36.4 million (from € 70.7 million for the period ending 31 December 2021 to € 107.1 million for the period ending 31 December 2022)[1].

Property operating expenses include € 0.4 million of operating costs of renewable energy for the year 2022. Such costs were included under other administrative expenses in the previous year in an amount of € 0.5 million.

Income from Joint Ventures

The Joint Ventures' management fee income remained stable at € 21.5 million (2021: € 21.3 million). The property and facility management recorded a solid growth from € 14.2 million for the period ending 31 December 2021 to € 18.0 million for the period ending 31 December 2022. The development management fee decreased by € 3.6 million to € 3.5 million, reflecting the lower development activity level undertaken on behalf of the Joint Ventures during the year.

Net valuation gain on investment properties

As at 31 December 2022 the property portfolio showed a net valuation loss of € 97.2 million compared to a net valuation gain of € 610.3 million for the period ended 31 December 2021.

The real estate valuations were adversely impacted by the rising interest rate which resulted in increasing yields. 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 2022 based on a weighted average yield of 5.29% (compared to 4.64% as at 31 December 2021) applied to the contractual rents 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.

Administrative costs

The administrative costs for the period decreased from € 52.1 million for the period ended 31 December 2021 to € 34.0 million for the period ended 31 December 2022. The decrease is mainly due to the decreased costs of the long-term incentive plan (LTIP) which is directly proportionally linked to the net asset value growth of the Group. During the year 2021 an additional accrual in an amount of € 16.0 million was booked in respect of the LTIP whereas for 2022 a reversal of this accrual was booked in an amount of € 4.1 million.

As at 31 December 2022 the VGP team comprised more than 383 people[2] (2021: 322 people) active in 17 different countries.

Share in result of joint ventures and associates

VGP's share of the Joint Ventures' profit for the period decreased significantly from € 186.7 million for the period ending 31 December 2021 to a negative contribution of € 45.9 million for the period ending 31 December 2022, primarily reflecting recorded unrealised valuation losses on investment properties driven by further increasing of the yields on the investment portfolio, partly offset by the continued increase of the net rental and renewable energy income.

Net rental and renewable energy income at share increased to € 64.1 million for the period ending 31 December 2022 compared to € 55.3 million for the period ended 31 December 2021. The increase reflects the underlying income growth of the Joint Ventures' portfolio resulting from the full year contribution of rents following the different closings made between the Joint Ventures and VGP.

At the end of December 2022, the Joint Ventures (100% share) had € 173.3 million of annualised committed leases representing 2,946,000 m² of lettable area compared to € 151.1 million of annualised committed leases representing 2,545,000 m² at the end of December 2021.

The net valuation on investment properties at share recorded a loss of € 106.1 million for the period ending 31 December 2022 (compared to € 186.7 million net valuation gain for the period ending 31 December 2021). 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 4.68% as at 31 December 2022 (compared to 4.28% as at 31 December 2021) mainly reflecting the further decontraction of the yields during 2022. The (re)valuation of the Joint Venture portfolio was based on the appraisal report of the property expert Jones Lang LaSalle Review section *'3.2 Critical judgements in applying accounting policies'*).

The net financial expenses of the Joint Ventures at share for the period ending 31 December 2022 increased to € 16.8 million from € 15.3 million for the period ending 31 December 2021. For the period ending 31 December 2022, the financial income at share was € 2.1 million (€ 0.7 million for the period ending 31 December 2021) and included € 2.1 million unrealised gains on interest rate derivatives (compared to € 0.6 million for the period ending 31 December 2021).

The financial expenses at share increased from € 16.0 million for the period ending 31 December 2021 to € 18.8 million for the period ending 31 December 2022 and included € 7.5 million interest on shareholder debt (€ 4.4 million as at 31 December 2021), € 11.9 million interest on bank debt (€ 10.2 million as at 31 December 2021), € 1.8 million other financial expenses (€ 2.7 million as at 31 December 2021) and a positive impact of € 2.4 million (€ 1.4 million per 31 December 2021) related to capitalised interests.

Other expenses

The other expenses relate to the 2022 contribution to the VGP Foundation which was applied to alleviate the humanitarian crisis resulting from the conflict in Ukraine. The amount of € 3 million was deployed in the three

1 See Financial Review section 'Supplementary notes not part of the audited financial statements' for further details.

2 On a Full Time Equivalent (FTE) basis.

neighbouring countries where VGP has a long-standing presence (Slovakia, Hungary and Romania). The donation was allocated in collaboration with the UNHCR. For further information on the VGP Foundation, reference is made to the *Corporate Responsibility Report* included in this annual report.

Net financial result

For the period ending 31 December 2022, the financial income was € 17.3 million (€ 12.3 million for the period ending 31 December 2021) and included € 17.3 million interest income on loans granted to the Joint Ventures (€ 12.3 million as at 31 December 2021) and some residual other financial income.

The reported financial expenses as at 31 December 2022 of € 44.3 million (€ 25.0 million as at 31 December 2021) are mainly made up of € 55.8 million expenses related to financial debt (€ 34.1 million as at 31 December 2021), € 5.2 million other financial expenses (€ 3.3 million as at 31 December 2021), € 1.4 million of net foreign exchange losses (€ 0.1 million as at 31 December 2021) and a positive impact of € 18.1 million (€ 13.2 million for the period ending 31 December 2021) related to capitalised interests.

As a result, the net financial costs reached € 27.0 million for the period ending 31 December 2022 compared to € 12.7 million at the end of December 2021.

Shareholder loans to the Joint Ventures amounted to € 451.3 million as at 31 December 2022 (compared to € 346.9 million as at 31 December 2021) of which € 188.2 million (€ 250.9 million as at 31 December 2021) was related to financing of the buildings under construction and development land held by the 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.

For the year ending 31 December 2022, the taxes balance showed a positive amount of € 20.0 million compared to a tax expense of € 113.8 million for the period ending 31 December 2021.

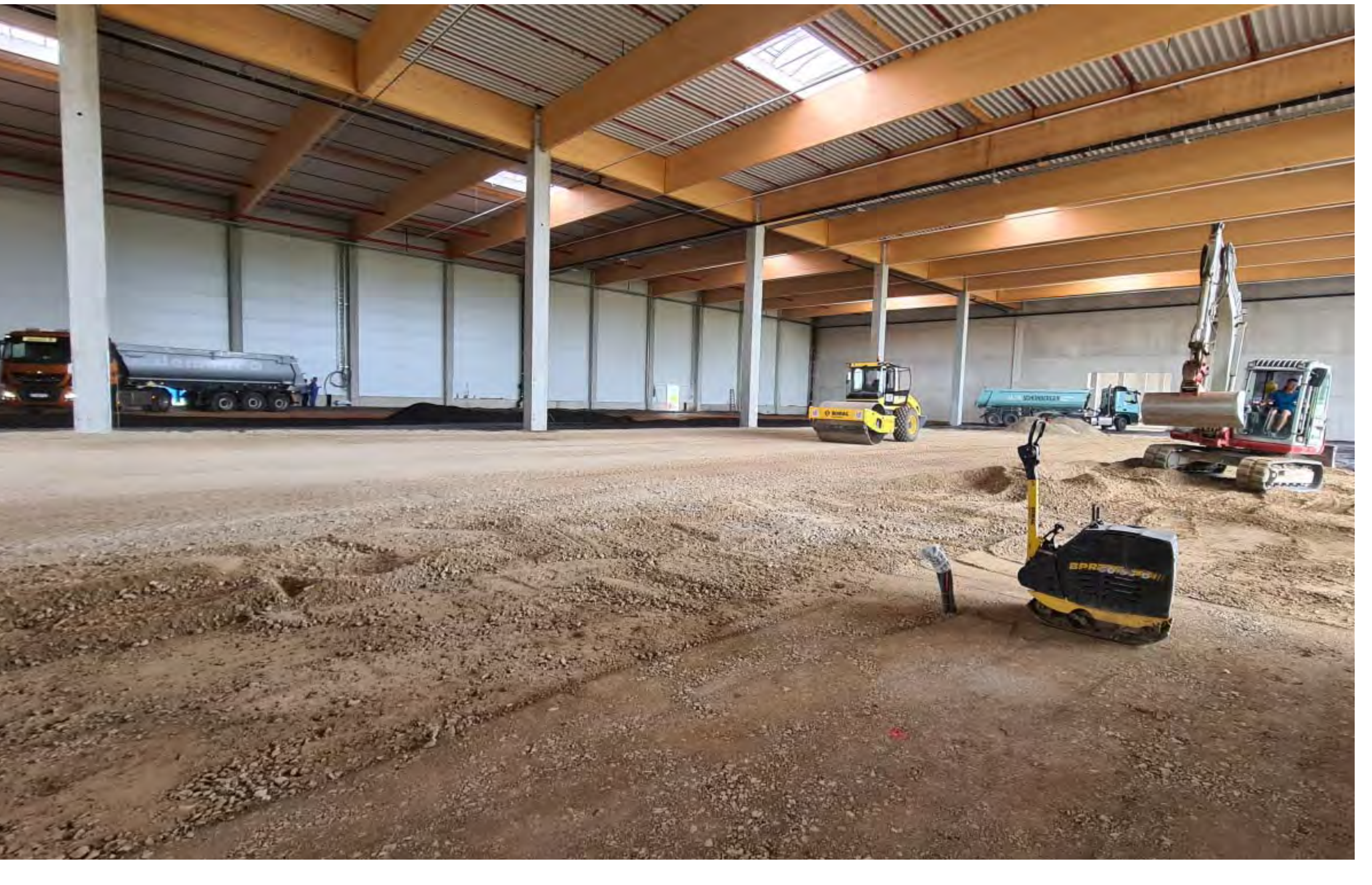
Income tax increased from € 0.2 million for the period ending 31 December 2021 to € 7.6 million for the period ending 31 December 2022, mainly reflecting the positive profit contribution of the asset and property management activities.

Due to the adverse variance of the fair value adjustments of the property portfolio, deferred taxes were positively impacted with an amount of € 27.6 million for the period ending 31 December 2022 compared to a deferred tax expense of € 113.6 million for the period ending 31 December 2021.

Result for the year

For the year ending 31 December 2022 a loss for the year was recorded in an amount of € 122.5 million (-€5.49 per share) compared to a profit of the year 2021of € 650.1 million (€ 31.41 per share) for the financial year ended 31 December 2021.

VGP Park Graz



VGP Park Braşov

Balance sheet

Investment properties

Investment properties relate to completed properties, projects under construction as well as land held for development. The fluctuations from one year to the other reflect the timing of the completion and delivery as well as the divestments or acquisitions of such assets.

As at 31 December 2022 the investment property portfolio consists of 50 completed buildings representing 1,364,000 m² of lettable area[1] with another 26 buildings under construction representing 814,000 m² of lettable area, of which 2 buildings (36,700 m²) are being developed for the Joint Ventures.

During the year 44 buildings were completed totalling 1,141,000 m² of lettable area. For its own account VGP delivered 29 buildings representing 732,000 m² of lettable area and 15 buildings (409,000 m²) were delivered on behalf of the Joint Ventures.

Investment in joint ventures and associates

At the end of December 2022, the investments in the joint ventures and associates increased to € 891.2 million from € 858.1 million as at 31 December 2021.

The investments in joint ventures and associates as at the end of 2022 reflect the Allianz Joint Ventures and the Development Joint Ventures, all of which are accounted for using the equity method. For further information see section *Strategy – Strategic partnerships*.

Disposal group held for sale

The balance of the Disposal group held for sale decreased from € 501.9 million as at 31 December 2021 to € 299.9 million as at 31 December 2022.

This balance relates to (i) the assets under construction and development land (at fair value) which are being / will be developed by VGP, primarily on behalf of the Second Joint Venture in an amount of € 174.0 million, and (ii) assets reclassified as held for sale and related to the tenth closing with the First Joint Venture in an amount of € 125.9 million. This tenth closing occurred during the month of January 2023.

The First-, Second- and Fourth Joint Venture have an exclusive right of first refusal in relation to acquiring the income generating assets developed by VGP.

The First Joint Venture and subsequent Fourth Joint Venture has the exclusive right of first refusal in relation to acquiring the income generating assets located in Germany, the Czech Republic, the Slovak Republic and Hungary. The Second Joint Venture has the exclusive right of first refusal in relation to acquiring the income generating assets located in Austria, Italy, the Netherlands, Portugal, Romania and Spain. The development pipeline which is transferred to the Joint Ventures as part of the different closings between First, Second and Fourth Joint Venture and VGP is being developed at VGP's own risk and subsequently acquired and paid for by these joint ventures subject to pre-agreed completion and lease parameters.

The development pipeline which is being developed by the Development Joint Ventures are being developed at the respective joint venture partners' risk and consequently not reclassified as "Disposal group held for sale".

1 Of which 3 buildings, totalling 113,400 m²of lettable area were acquired by the First Joint Venture in January 2023 as part of the tenth closing and hence, classified as held for sale at the end of 31 December 2022.

2 Calculated as Net debt / Total equity and liabilities.

VGP Park Olomouc

Total non-current and current financial debt

The financial debt increased from € 1,384.8 million as at 31 December 2021 to € 2,374.2 million as at 31 December 2022.

The increase was mainly driven by (i) increase in non-current financial debt through the issuance of a second public benchmark green bonds for an aggregate nominal amount of € 1.0 billion, in two tranches, of €500 million, (ii) an increase of the accrued interest on bonds and Schuldschein loans (+ € 18.5 million) and (iii) amortisation of capitalised finance costs (+ € 3.6 million), off-set by the repayment of bank debt in an amount of € 23.5 million and € 9.3 million paid finance costs.

The gearing ratio[2] of the Group as of 31 December 2022 amounted to 34.4% compared to 29.8% as at 31 December 2021.

Cash flow statement

Summary *(in thousands of €)*	**2022**	**2021**
Cash flow from operating activities	(70,637)	(87,473)
Cash flow from investing activities	(566,150)	(720,423)
Cash flow from financing activities	1,116,401	812,589
Net increase/(decrease) in cash and cash equivalents	**479,614**	**4,693**

The changes in the cash flow from investing activities was mainly due to: (i) € 851.8 million (2021: € 680.1 million) of expenditure incurred for the development activities and land acquisition; (ii) € 347.4 million cash resulting from the third closing with the Second Joint Venture (€ 222.2 million), the ninth closing with the First Joint Venture (€ 54.8 million), the second closing with the Third Joint Venture (€ 70.2 million) and some final settlements of previous closings (€ 0.2million) (compared to eighth closing with the First Joint Venture in 2021 totalling € 49.6 million).

The changes in the cash flow from financing activities were driven by: (i) € 149.6 million dividend paid out in May 2022 (2021: € 75.1 million); (ii) €298.7 million net proceeds from the capital increase in November 2022 (2021: € 294.9), (iii) € 990.7 million net proceeds from the issuance of the Jan-27 Bond and Jan-30 Bond and (iv) the repayment of the Schuldschein loans in an amount of € 4.5 million and the Swedbank Latvia bank loan in an amount of € 19.0 million.

Events after the balance sheet date

On 17 January 2023, the tenth closing, in respect of 3 newly completed buildings in 3 (partly) new VGP parks, was completed with the First Joint Venture. The aggregate transaction value[1] of the tenth closing was in excess of € 116.1 million and resulted in net cash proceeds of € 80.8 million.

Information about the share

Listing of shares

Euronext Brussels

VGP share VGP ISIN BE0003878957

Market capitalisation 31 Dec-22 .... 2,123,264,074 €
Highest capitalisation .... 6,563,519,326 €
Lowest capitalisation .... 1,710,104,476 €
Share price 31 Dec-21 .... 240.50 €
Share price 31 Dec-22 .... 77.80 €

Shareholder structure

As at 31 December 2022 the share capital of VGP was represented by 27,291,312 shares.
Ownership of the Company's shares is as follows:

Shareholders[1]	Number of shares	% of total shares	Number of voting rights[1]	% of total voting rights
Little Rock SA	5,079,998	18.61%	9,143,997	23.08%
Alsgard SA	3,012,392	11.04%	5,422,306	13.69%
Tomanvi SCA	629,714	2.31%	1,113,919	2.81%
Sub-total Jan Van Geet Group	**8,722,104**	**31.96%**	**15,680,222**	**39.58%**
VM Invest NV	5,186,463	19.00%	9,335,634	23.57%
Public	13,382,745	49.04%	14,595,926	36.85%
Total	**27,291,312**	**100.00%**	**39,611,782**	**100.00%**

Little Rock SA, Alsgard SA and Tomanvi SCA are companies controlled by Mr. Jan Van Geet.
VM Invest NV is a company controlled by Mr. Bart Van Malderen.

1 As at 31 December 2022, on the basis of transparency declarations, information received from the shareholders or press releases issued by the Company in respect of Voting rights and denominator published on the Company's website.

The Extraordinary General Shareholders' Meeting of 8 May 2020 approved the introduction of the double voting right. A double voting right is therefore granted to each VGP share that has been registered for at least two years without interruption under the name of the same shareholder in the register of shares in registered form, in accordance with the procedures detailed in article 29 of the Articles of Association. In accordance with Belgian law, dematerialised shares do not benefit from the double voting right.
VGP has not issued any other class of shares, such as non-voting or preferential shares. In accordance with Article 15 of the law of 2 May 2007 regarding the publication of major shareholdings ("transparency law") VGP must publish, its (i) total share capital, (ii) the total number of securities granting voting rights and (iii) the total number of voting rights, at the latest by the end of each month during which these numbers have increased or decreased.

Authorised capital

The Board of Directors has been authorized by the Extraordinary Shareholders' Meeting held on 13 May 2022 to increase the Company's subscribed capital in one or more times by an aggregate maximum amount of € 108,873,366.06 (before any issue premium). The authority is valid for five years from 23 May 2022 and can be renewed in accordance with the applicable statutory provisions. Pursuant to this authorization, the Board of Directors may, among others, effect a capital increase under the authorized capital by means of issuing ordinary shares, subscription rights or convertible bonds and may limit or disapply the preferential subscription right of the Company's shareholders.

Furthermore, the Board of Directors has been authorized, for a period of three years from 23 May 2022, to make use of the authorized capital upon receipt by the Company of a notice from the FSMA of a public takeover bid for the Company's securities.

Liquidity of the shares

To improve the liquidity of its shares VGP NV concluded a liquidity agreement with KBC Bank. This agreement ensures that there is increased liquidity of the shares which should be to the benefit of the Group in the future as more liquidity allows new shares to be more easily issued in case of capital increases.

Financial calendar

2023 first quarter trading update	4 May 2023
Annual shareholders' meeting	12 May 2023
Ex-date dividend 2022	24 May 23
Record date dividend 2022	25 May 23
Payment date dividend 2022	26 May 23
2023 half year results	24 August 2023
2023 third quarter trading update	3 November 2023

VGP Park Roosendaal

Outlook 2023

VGP has a unique business model based on a develop, hold and sell strategy, allowing to maximize shareholder value and optimize capital allocation.

Our business model is fully integrated and managed with in-house capabilities. The vertical integration increases the operational efficiency and creates a flexible and scalable platform: it allows VGP to maximise the value creation by developing assets itself and rapidly converting assets under construction into rental income (as evidenced by the more than 90% of the current pipeline that was already pre-let as at 23 February 2023). VGP believes that its construction and project management expertise provides it with an advantage over its competitors.

VGP has built out a well-diversified pan-European portfolio, through which it can offer attractive solutions to its customers on a regional as well as local basis. With the recent deliveries of 1.1 million square meters and the additional 0.8 million m^2 new lettable area under construction VGP will own and or manage a portfolio of circa 5.1 million m^2 of lettable area which are quasi fully let under long term lease agreements to a diversified reputable and loyal customer base.

With its “first mover” strategy VGP has been able to secure and or acquire land plots on strategic locations allowing it to fuel its future development pipeline.

During 2023 VGP will (i) primarily focus on the development the existing land bank (acquired at attractive conditions) in a profitable way, and (ii) continue to focus on new land opportunities in some select markets such as France, Denmark and Germany with the aim to further enlarge our footprint.

During 2022 VGP has considerably strengthened its financial foundations and along with its strong balance sheet, healthy treasury position, well positioned portfolio and with a primary focus on the development of our existing and attractive land bank, we remain confident to deliver solid operational performance and further strengthen our cash recycling model.

With the months of January and February having started well and despite an uncertain geopolitical and economic environment, VGP pursues prudently its margin-focused strategy, underpinned by technical competence and investment as well as a constant quest for high sustainability and quality in our warehouses and their locations.

Given its annualized contracted rental income of €303 million and recent deliveries of 1.1 million square meters to lessees, net rental income is expected to further record high double-digit growth.

Board of Directors

VGP Office Budapest

and Management

Board of Directors and Management

Board of Directors

Composition on 31 December 2022					
Name		**Year appointed**	**Executive or non-executive**	**Independent**	**Next due for re-election**
Chairman	VM Invest NV represented by Bart Van Malderen	2021	Non-executive and reference shareholder	—	2025
CEO	Jan Van Geet s.r.o. represented by Jan van Geet	2021	Executive and reference shareholder	—	2025
Directors	GAEVAN BV represented by Ann Gaeremynck	2019[1]	Non-executive	Independent	2023
	Katherina Reiche	2019	Non-executive	Independent	2023
	Vera Gäde-Butzlaff	2019	Non-executive	Independent	2023

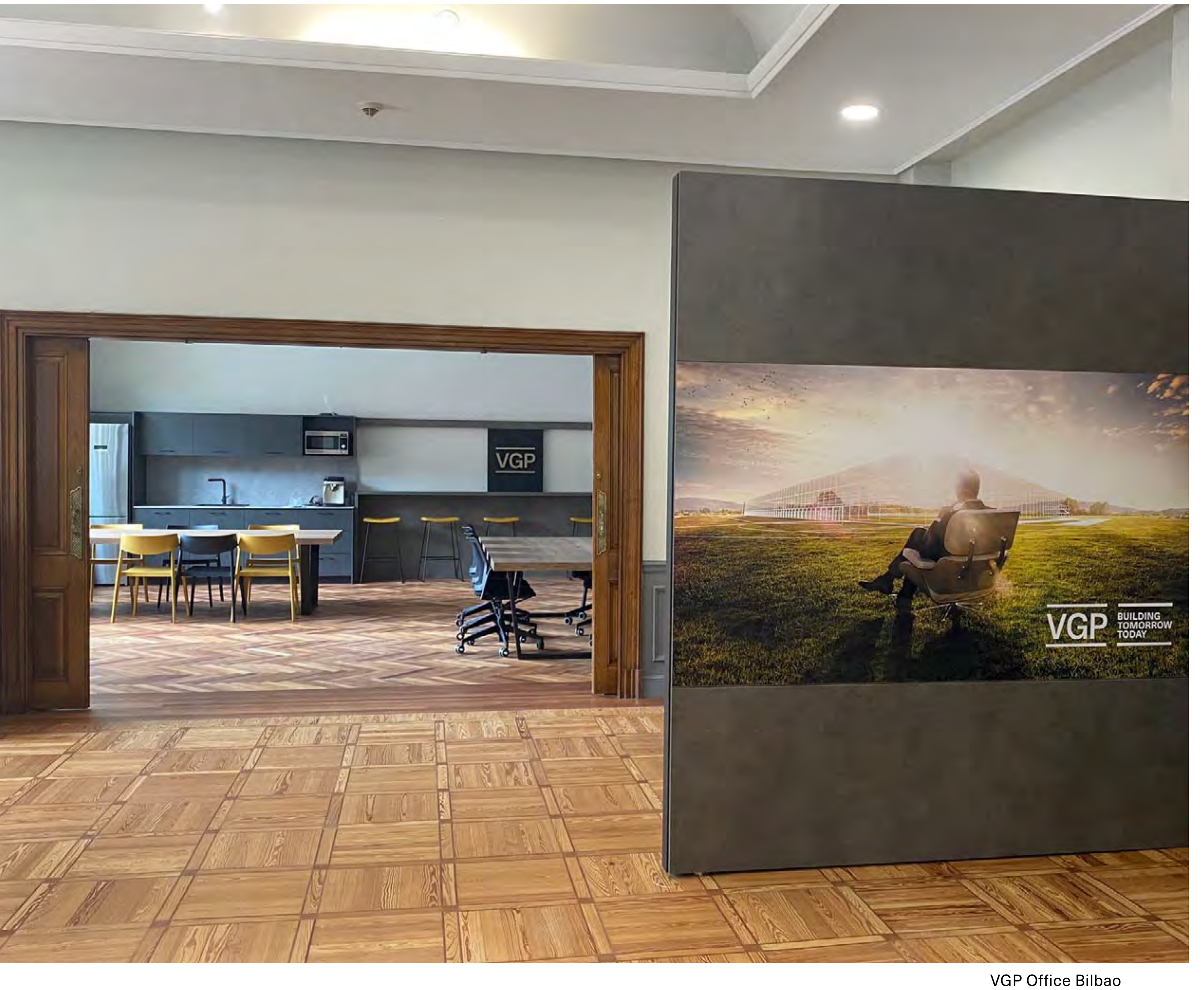
Bart Van Malderen

***1966** Bart Van Malderen founded Drylock Technologies in 2012. It is an hygienic disposable products manufacturer which introduced the revolutionary flufless diaper in 2013. Prior to this, Bart Van Malderen held different management positions at Ontex, a leading European manufacturer of hygienic disposable products where he became CEO in 1996 and Chairman of the Board in 2003, a mandate which he occupied until mid-July 2007.

Jan Van Geet

***1971** Jan Van Geet is the founder and CEO of VGP. He has overall daily as well as strategic management responsibilities of the Group. He started in the Czech Republic in 1993 and was manager of Ontex in Turnov, a producer of hygienic disposables. Until 2005, he was also managing director of WDP Czech Republic.

1 Until the Annual General Meeting of May 2020 Mrs Ann Gaeremynck office was in personal name.



VGP Office Bilbao

Ann Gaeremynck

***1966** Ann Gaeremynck is full professor of Accounting and Governance at the KULeuven, Faculty of Economics and Business Administration. Since April 2017 she is member of the board and the audit committee of Retail Estates, a Belgian listed company which invests mainly in retail properties located in the periphery of residential areas or along access roads to urban centres. She currently is also a member of the board of directors and chair of the audit committee of Vives, a university college of the Association KULeuven. In the past she fulfilled a position as an external member of the Audit Committee at the hospital AZ Delta.

Katherina Reiche

***1973** Katherina Reiche is Chairwomen of the Management Board of Westenergie AG, Germany's leading energy infrastructure company, since 2020. Prior to this Katherina Reiche chaired the board of the Association of Municipal Enterprises (VKU) in Germany from 2015 to 2019 and chaired the European Association of Public Employers and Enterprises (CEEP) since June 2016. She was a member of the German Bundestag from 1998 to 2015. She served as State Secretary in the German Federal Ministry of Environment from 2009 to 2013 and as State Secretary in the Federal Ministry of Transport and Digital Infrastructure from 2013 to 2015. In 2020 she was appointed by the German federal cabinet as Chairwoman of the National Hydrogen Council.

Vera Gäde-Butzlaff

***1954** Vera Gäde-Butzlaff is currently member of several boards a.o. Supervisory board member of Berliner Volksbank, Supervisory board member Gröner Group AG, Chairwoman of the Bürgerstiftung Berlin. Prior to this Vera Gäde-Butzlaff was Deputy State Secretary for Environment and Agriculture at the Ministry of Regional Planning, Agriculture and Environment of Saxony-Anhalt from 2001 to 2002. From 2003 to 2014, she was a member of the Board of Directors and since 2007 CEO of Berlin's city cleaning and waste management companies (BSR). From 2015 to 2018 she was CEO of GASAG AG, one of Germany's largest regional energy suppliers. From 2018 to 2020, she has chaired the Supervisory Board of Vivantes, the hospital group.

Executive Management Team

Composition on 31 December 2022	
Jan Van Geet[1]	Chief Executive Officer
Piet Van Geet[2]	Chief Financial Officer
Dirk Stoop[3]	Company Secretary
Tomas Van Geet[4]	Chief Commercial Officer
Miquel-David Martinez	Chief Technical Officer
Matthias Sander[5]	Chief Operating Officer – Eastern Europe
Jonathan Watkins[6]	Chief Operating Officer – Western Europe
Martijn Vlutters[7]	Vice President – Business Development & Investor Relations

1 As permanent representative of Jan Van Geet s.r.o.
2 As permanent representative of Urraco BV as from 10 January 2022.
3 As permanent representative of Dirk Stoop BV as from 10 January 2022.
4 As permanent representative of Tomas Van Geet s.r.o.
5 As permanent representative of Matthias Sander s.r.o.
6 As permanent representative of Havbo Consulting Ltd.
7 As permanent representative of MB Vlutters BV.

Mr. Piet Van Geet

***1985** Joined VGP in 2021 and was appointed CFO in January 2022. He is responsible for all finance matters of the VGP Group. Prior to joining VGP, Piet Van Geet has been 8 years the CFO of Drylock Technologies, a leading disposable hygiene manufacturer with operations in Europe, Russia, USA and Brazil. After his studies he joined VGP as a project manager in the Baltics and Romania and continued his career at VGD in auditing and finance consulting prior to joining Drylock Technologies. Piet holds degrees at the University of Antwerp of Applied economical sciences and a Master of Tax law.

Mr. Dirk Stoop

***1961** Joined VGP in 2007 and held the position of CFO until January 2022 whereafter he was appointed Company Secretary. Prior to joining VGP Dirk worked at Ontex for 5 years as Group Treasurer where he was also responsible for tax and insurance matters. Prior to this he worked at CHEP Europe based in London as Treasurer Europe, South America & Asia. Dirk holds a Master's Degree in Financial and Commercial Sciences from VLEKHO (HUB) in Belgium.

Mr. Tomas Van Geet

***1976** Joined VGP in 2005. He takes responsibility for all commercial strategic matters and commercial co-ordination of VGP's key accounts. Prior to joining VGP, Tomas held several positions in the planning and logistics departments of Domo in Germany, Spain, Czech Republic and South Africa, Associated Weavers and Ontex.

Mr. Miquel-David Martinez

***1978** He is civil engineer and joined VGP's team in 2016. He takes responsibility for technical concepts and contract execution. Prior to this position, Miquel-David was the technical director and partner in Inel Group, a construction management and engineering company mainly focused on building projects for the tertiary sector.

Mr. Matthias Sander

***1970** He is a mechanical and economic bachelor and joined VGP in 2018. He takes responsibility for the expansion into new countries, sourcing land plots across Europe and coordinating of the development pipeline. Matthias spent the last 11 years in several leading roles with Knorr Bremse (a leading German industrial Group) and was its Managing Director in the Czech Republic.

Mr. Jonathan Watkins

***1975** Joined VGP in December 2019. Mr Watkins was previously head of UK and German Ops Real Estate at Amazon. Prior to this he held several leading roles in acquisition and construction of new stores and warehouses at Lidl Denmark, UK and Germany. Jon holds a Master's Degree, Surveying of the University College of Estate Management and a BSc Surveying from Sheffield Hallam University.

Mr. Martijn Vlutters

***1979** Joined VGP in 2018. He takes responsibility for business development and investor relations. Prior to joining VGP, Martijn worked 13 years at J.P. Morgan based in London and New York in various roles in Capital Markets and Corporate Finance. Within this period, he spent 2 years in New York as Investor Relations for J.P. Morgan Chase. Martijn holds a Master degree in Civil Engineering from Delft University and Business Administration from Erasmus/Rotterdam School of Management

Corporate Responsibility Report

Content

VGP Park Hamburg

Introduction

1.1 Letter from the CEO

This past year has shown again that sustainability is no longer optional. It's an imperative! From energy price volatility due to the geopolitical events, student 'strikes' over climate change to protests over plastic packaging, it's clear that everyone is looking for better solutions.

We are leveraging our capital and technical expertise across the countries in which we operate to support a greener future. A responsible approach to energy and climate, especially during a time of war, is to immediately help provide energy security to our clients and remain focused on accelerating the development of reliable and lower-carbon energy solutions. We have significantly accelerated our photovoltaic roll-out with now 204.3 MWp either installed or in the pipeline which means that we will now be able to generate more electricity than that our tenants consume. And, as a result, in the annual CRREM review of our building portfolio, compliance for the 1.5˚C global warming pathway increased to 45.5% in 2050.

Our Scope 1 and 2 GHG reduction targets have been confirmed by the Science Based Targets initiative (SBTi) as aligned with keeping global warming below the 1.5°C. Yet, we are ready to go further, and we have set ourselves the target to challenge the materials choice and reduce the embodied carbon in our development projects by 20% by 2030. Meeting these goals, particularly our SBTi confirmed Scope 3 goals, will require collaboration with our stakeholders including both suppliers and clients.

Over 2022, the Group has been working to expand its innovation strategy. We aim to facilitate and invest in products that provide sustainable solutions to clients across property technology, supply chain, transport, construction and manufacturing. Examples include heat pumps and carbon neutral building materials. Our focus is on evaluating how these can be applied to our wider portfolio to improve sustainable outcomes for all.

The VGP Foundation has made a tangible and sustainable difference for various communities, with 7 additional projects approved and initiated in the course of 2022 bringing the total to 36 projects, with €6.6 million committed or spent. We also extended €3 million beyond our established pillars, for the UNHCR responding to emergency of the humanitarian crisis in the Ukraine and the neighbouring countries in Europe.

We are pleased that the Group's ESG performance has been recognized by Euronext, by including VGP among the 20 Belgian companies leading on ESG efforts, by CDP with recognition on the global Supplier Engagement Leadership board and by Cicero, part of S&P Global, in their attestation of our Green Finance Framework, for demonstrating a holistic approach to climate and environmental performance of our building portfolio.

Finally, as I have mentioned in my annual letter to share- and bondholders, I am proud of our team, who serve every day our clients and communities, build our VGP parks, manage the risks and drive our innovation. Here you will be able to read of the continued steps we've taken to cultivate a workplace where everyone can thrive – diverse and inclusive.

There is no doubt we – both as a company and society – have a long way to go. Yet, moments of crisis are also moments of opportunity. In this year's ESG report, I invite you to read about the work we do every day to drive lasting change.

Jan Van Geet
CEO

1.2 Summary of the Group's ESG achievements

1.2.1 Key ESG achievements and highlights 2022

01 We installed 57 MWp of solar on our rooftops with a 75 MWp under construction, avoiding approximately 35,000 tonnes of CO_2-e per year with more large installations in pipeline for FY23. Photo VGP Park München.

02 Portfolio GHG compliance on a Paris-aligned 1.5°C pathway increased to 2040 once photovoltaic pipeline projects are completed – Science based targets agreed for full scope 1, 2 and 3 and external assurance obtained on carbon reporting of own operations. Photo VGP Park Giessen Am Alten Flughafen.

03 Developing connectivity and sustainable mobility with new target set for all VGP parks to be equipped with EV charging and public transport access. Photo E-charging at VGP Park Nijmegen.

04 We finalised our transition to 100% certified Green Power for all VGP offices as of 1 January 2022. Photo VGP Office Budapest, Hungary.

05 We introduced further steps to reduce embodied emissions within our developments – working closely with suppliers to enhance innovation and first projects completed with wooden load bearing structure and heat pumps included in the VGP building standard (replacing gas powered heating). Photo VGP Park Graz.

06 Improve eco-efficiency of the existing building portfolio through a refurbishment program and conducting a portfolio review on EU Taxonomy compliance. Photo VGP Park Giessen Am Alten Flughafen.

07 We contributed € 3 million to community and philanthropic causes and our employees delivered 650 community support hours to local philanthropic causes. Photo VGP Czech Republic: Planting Tree Day.

08 We implemented various biodiversity initiatives – planted 4,201 trees within our parks in 2022 and increased land designated as biotopes within our parks to 488,284 m^2. Photo beehives at VGP Park Llica d'Amunt.

09 We have updated our building standard to implement water saving and retention techniques – 4 warehouses collected 105,000 m^3 of rainwater on site, which was partially used for cleaning and for watering green spaces. Photo Biotope at VGP Park Kladno.

10 We focused on carbon improvements within our supply chain as well as supply chain ethics, developed a supplier code of conduct protecting human rights. Photo VGP Park München.

1.2.2 Summary of the Group's ESG performance indicators

Sustainable properties

Target	Performance
For all parks to perform a climate change risk plan	Based on risk assessment of long-term climate change risks, the Group will work on adaptation plans for its standing assets
100% of projects to be connected by public transport	95.8% of VGP Parks connected by public transport. For one of the remaining projects a bus stop building permit request has been submitted
100% of VGP Parks to offer EV charging	46.9% of VGP Parks offering EV charging in 2022
Reduce embodied carbon in development projects by 20% in 2030	An environmental program policy for development projects is being drafted and Group is engaged in discussions with suppliers to explore implementable steps
Achieve portfolio compliance on 1.5°C pathway on GHG basis until 2050 and increase asset level compliance in 2050 to 50% by 2025	Overall CRREM portfolio compliance on 1.5°C pathway until 2040; share of portfolio compliance increased to 45.5% in 2050 as of Dec 2022

Strengthen communities

Target	Performance
100% of VGP employees to participate in volunteering for local community day	A total of 24% of Group employees delivered more than 650 volunteering hours in 2022
Support annually social community projects	7 social support projects setup through VGP Foundation, with € 760,000 spent to date; 14 local high school students received a VGP logistics masterclass with various tenant visits

Empowering our workforce

Target	Performance
100% of staff to be trained on ESG topics	96.4% of new joiners and 41.1% of all staff received ESG training in 2022
Achieve a diverse and inclusive workforce	60% of board female, 23% of management functions and 35% of overall staff; 23 nationalities working for VGP

Protect and improve biodiversity

Target	Performance
100% of development projects to implement an ecology plan	100% of development projects started up in 2022 have an ecology plan
100% of standing assets with high biodiversity stakes to implement a biodiversity action plan by 2023	85.7% of projects with high biodiversity stakes have implemented a biodiversity plan 4,201 trees were planted in existing parks in 2022
Develop a Group biodiversity Strategy by 2023	A first Group biodiversity action plan has been implemented in 2021. Strategy document to be prepared in 2023
Support annually biodiversity community projects	24 nature support projects setup through VGP Foundation, with € 1.55 million spent to date

VGP Park Nijmegen

Improve eco-efficiency

Target	Performance
Reduce absolute emissions from tenant energy consumption by 55% by 2030	Absolute emissions increased by 1.2% in 2021 vs 2020. Relative emissions reduced by 20% YoY. € 27 million eco-efficiency investments completed and for 2023 a € 2 million refurbishment program for existing portfolio to enhance eco-efficiency
100% of new leases to contain green lease clause	97.2% of leases signed in 2022 contained a green lease clause
Install heat pumps to replace/ instead of gas-powered heating	21 buildings with heat pumps installed in VGP Parks to date
Install 300 MWp of solar power on VGP Parks' roofs	Installed renewable energy capacity is 56.6 MWp (compared to 34.0 MWp at Dec 2021) with a further 28 projects with a power of 75.0 MWp under construction and 60 projects with 72.7 MWp in pipeline

Work with responsible partners

Target	Performance
100% of development projects to implement Considerate Construction Charter	100% of development projects implemented Considerate Construction Charter in 2022
Engage with suppliers to explore carbon reduction initiatives	4 suppliers engaged in 2022 to discuss lean materials construction and new solutions and optimised low-carbon materials
Offer sustainable services	Supporting our clients in improving ESG aspects of their operations

1.2.3 Results of non-financial ratings and indices

The Group's ESG assessments by extra-financial rating agencies were updated in 2022:

— CDP: VGP achieved a B score in 2022 (on scale from A to D-, F) part of the 16% highest graded companies globally (48,200 companies graded). CDP also recognized VGP among the 2022 Supplier Engagement Leaderboard, as among the top 8% of companies assessed for supplier engagement on climate change;

— Sustainalytics: In 2022, VGP received an ESG Risk Rating of 12.1 and was assessed by Sustainalytics to be at Low risk of experiencing material financial impacts from ESG factors. VGP's ESG Risk Rating by Sustainalytics places the Group at the 14th percentile of the Real Estate Industry group assessed by Sustainalytics, as well as at the 578rd rank (5th percentile) in the global rated universe (15,000+ companies). VGP's management score of ESG issues assessed by Sustainalytics is strong (64.4/100);

— GRESB (Global Real Estate Sustainability Benchmark): Over its 2021 operating performance the Group received a "2 Star" rating for the standing assets and a "3 Star" rating for its development activities

— S&P CSA: Over its 2021 operating performance the Group received from S&P CSA an ESG score of 46/100 – this is an 29 points improvement since last year

The VGP 2027, 2029 and 2030 bonds have been approved for inclusion in the Green Bond Database that includes all green (and other labelled) bonds which are aligned with the Climate Bonds Taxonomy. Climate Bonds is a non-profit organization which screens green bonds coming to the market by scrutinising frameworks and third-party reviews based on the Green Bond Database Methodology.

On 8 March 2023, it was announced that VGP will be included in Euronext's BEL ESG Index, an index of 20 Belgian listed companies demonstrating the best ESG practices.

1.2.4 Alignment with ESG reporting standards and frameworks

In 2022, in compliance with the European "Taxonomy" regulation, VGP has published the share of its eligible activities. The European Taxonomy aims to establish a unified classification system for economic activities to determine whether these activities can be considered "environmentally sustainable" (or "green"). The eligible share of revenues, CAPEX and OPEX from VGP activities are presented in chapter 5.1 Taxonomy regulation.

The 2022 VGP Corporate Responsibility Report has been prepared in line with the Best Practices Recommendations on Sustainability Reporting ("sBPR") established by the European Public Real Estate Association ("EPRA").

Since 2019, VGP follows the Global Reporting Initiative ("GRI") guidelines. The 2022 Corporate Responsibility Report has been prepared in accordance with the GRI Standards: Core option.

The 2022 Group's non-financial statement is also in line with the recommendations of the TCFD. VGP is an official supporter of the Financial Stability Board's ("FSB") TCFD since June 2022, recognising the importance of increasing transparency of climate-related risks and opportunities, promoting more informed financial decision-making and building a more resilient financial system.

Cross-reference tables of the Group's 2022 ESG reporting with EPRA and GRI indicators, as well as with the TCFD's core elements of climate-related financial disclosures, are available in the ESG section of the Group's website (*https://vgpparks.eu/en/sustainability/*).

The Group's ESG strategy is furthermore aligned with the United Nations Sustainable Development Goals. Its contributions to the SDGs are detailed in Chapter 2.1 ESG Strategy.

1.2.5 External assurance

In compliance with the applicable frameworks on the disclosure of non- financial information (*see Section 1.2.3 Alignment with ESG reporting standards and frameworks*), the Scope 1 and Scope 2 key performance indicators of the Group's non-financial statement are audited by an independent third- party verifier; see the assurance report in Section 5.2 Independent third-party's assurance report.

A third-party verifier was also commissioned to carry out an audit on the annual reporting for the Green Bonds issued by the Group. This review consists of verifying the compliance of funded assets with the set of eligibility criteria, concerning both their development and operation phases, which are defined in the Green Bonds Use of Proceeds (*see Section 4.2. Green Bonds*). The detailed reporting and assurance report are disclosed in Section 4.2. Green Bonds.

All the portfolio operating data (energy and water consumption, waste production), as well as the related carbon emission calculations used in this report have been third-party validated by CO_2logic (*https://www.co2logic.com/*) based on PAS 2060 and the GHG protocol.

1.3 About this report

VGP communicates regularly about how we manage and conduct our business. We share information about our ESG performance through a number of channels — including our Annual Corporate Responsibility Report, various other reports and presentations, regulatory filings, press releases and direct conversations with stakeholders. We maintain a dedicated sustainability page on our website to facilitate access to information that we publish on these topics (see *https://www.vgpparks.eu/en/sustainability/*).

This annual Corporate Responsibility Report is designed to consolidate and summarize our work on key topics that are important to our business and stakeholders, and guide readers to where they can access more detailed information about specific topics of interest. All data in this report are as of Dec. 31, 2022, unless otherwise noted. For the CO_2 emissions and energy consumption data of our tenants within our portfolio last available full-year data has been used (as referenced in the respective tables).

1.4 Company at a glance

VGP is a pan-European owner, manager and developer 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. Founded in 1998 as a Belgian family-owned real estate developer in the Czech Republic, VGP has a staff of circa 380 FTEs today and operates in 17 European countries directly and through several 50:50 joint ventures. As of December 2022, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 6.44 billion and the company had a Net Asset Value (EPRA NTA) of € 2.30 billion. VGP is listed on Euronext Brussels. (ISIN: BE0003878957).

1.4.1 Asset Management

VGP is a long-term real estate investor with its own rental portfolio owned and managed. Part of the portfolio is held in joint ventures for which VGP is responsible for the portfolio and asset management.

1.4.2 Development activities

Through the acquisition of a strategic land bank and with an in-house team with capabilities across the value chain VGP develops new business parks. In most developments VGP acts as general contractor and imposes strict pre-letting requirements. VGP safeguards continuous site supervision and developments to a high standard of environmental and health and safety policies.

1.4.3 Renewable Energy

Predominantly by engaging with tenants on self-consumption of renewable energy the Group has developed a third business line offering renewable energy solutions based on renewable energy generation in and around business parks.

1.4.4 Key figures 2022

Financial	
Operating result	€ (115.6) million
Earnings per share	€ (5.49)
Equity base	€ 2.20 billion
Gearing ratio	34.4%
Cash available	€ 0.7 billion

Operational	
Total AuM	€ 6.44 billion
Net property income	€ 43.0 million
Leases committed	€ 303.2 million
Renewable energy income	€ 5.9 million
Capital expenditure	€ 858 million
Occupancy ratio	98.9%

Sustainability	
Science-based targets	Confirmed
Portfolio stranding (CRREM)[1]	2040
Green bonds	€ 1.6 billion
Solar installed and committed	204.6 MWp
Community support	650 hours
Charitable contributions	€ 3 million

1 Location-based approach; taking into account anticipated annual green power production of photovoltaic projects currently in pipeline

Group ESG Strategy

2.1 ESG Strategy: Building Tomorrow Today *Together*

The VGP business model is presented in the sections Strategy and VGP in 2022 of the Annual Report 2022

Since 2021, VGP has redefined its ESG strategy. Between 2019 and 2021, VGP had already achieved a cumulative reduction of 49.9% of its carbon intensity of own operations per employee and with regards to the portfolio a 20.1% reduction in energy intensity per square meter leased since 2021. In doing so, the Group incorporated ESG in its entire value chain and aims to address the wide scope of indirect carbon emissions resulting from development activities, tenants' energy consumption and employees' transport and office use. While VGP's agenda on fighting climate change remains central, the ESG strategy also onboards environmental and societal challenges like the circular economy and environmentally friendly transport, but also critical social responsibilities on diversity and inclusion and employee well-being. VGP's ESG strategy relies on an efficient ESG governance structure allowing decision making at the appropriate level within the organisation and covering all countries (presented in Section 2.2 Governance of ESG), and ESG-related risks are included into the Group's risk management framework. Our ESG strategy builds on the conclusions of the materiality analysis and the analysis of ESG risks. It addresses the main challenges facing semi-industrial and logistics real estate: moving towards a low-carbon economy and sustainable mobility, fully integrating the Group's business activities within local communities, and empowering teams on sustainability and diversity. VGP's ESG strategy rests on five main pillars as outlined below and as used as the ESG challenges and opportunities.

VGP's current approach to Environmental, Social and Governance ("ESG") has been structured on solid grounds, going way beyond regulation. In order to define its ESG strategy, the Group has identified key areas of work, representing challenges and opportunities related to its activities.

Two complementary approaches were used to that end:
— A materiality analysis, which is a mapping tool used to identify and order the important ESG issues for the Group from an internal as well as an external stakeholder perspective; and
— A risk analysis, which is a framework used to highlight the ESG issues likely to negatively impact the Group.

Protect ecosystem and address climate change

Integrated ESG risk management and governance

2.1.1 Materiality matrix

In 2022, VGP updated its materiality matrix to identify its ESG-related priorities. This work was done on the basis of a detailed analysis of the main ESG reporting standards (taking into account Global Reporting Initiative Construction and Real Estate Disclosure recommendations), investor expectations (including GRESB questionnaire), underlying market trends, best practices observed in the real estate industry and beyond.

Subsequently, ESG topics were ranked according to their level of expectation and the impact on the VGP business model. The main priorities identified, in line with market trends up to 2030 and the parallel work done on risks (see Section 2.1.2 ESG risks and opportunities), resulted in ESG focus areas for the Group (see introduction of Section 2.1 ESG Strategy: Building Tomorrow Today *Together*).

1. Safety and security
2. Workforce well-being and engagement
3. Inclusive and innovative culture
4. Talent attraction and retention
5. Community engagement and development
6. Operational eco-efficiency
7. Sustainable building design/certification
8. Construction materials & waste
9. Green financing
10. Corporate governance
11. Resilience
12 Ethics and compliance
13. Sustainable procurement practices
14. Nature and biodiversity
15. Climate change
16. Facilitating sustainable mobility
17. Philanthropy and volunteering

2.1.2 ESG risks and opportunities

In 2021, in response to the TCFD, VGP identified and assessed its main ESG risks, using the Group risk assessment methodology taking into account three impact criteria: financial, legal and reputational. In line with the spirit of the regulation, the analysis provided below presents gross risks (before the implementation of management measures).

The Group ESG risk universe was defined on the basis of both the ESG priorities highlighted by the Group's materiality analysis (see Section 2.1.1 Materiality matrix) and the sector-based ESG risk universe established by the work done in 2021.

In total, 22 risks were identified and classified into 10 categories, among which 6 were identified as main ESG risks due to their level of impact.

The risk analysis and ranking work was undertaken jointly by the Group's ESG team and Group Finance Department, with the involvement of the local teams. The results were shared with the members of the Group Management Board overseeing Group resources and ESG.

The following sections summarise the main ESG risks, and the policies, action plans, performance indicators and opportunities associated with their management.

Climate change risks for the Group (physical and transitional) form a core part of the ESG risks analysis and are integrated in the following summary of main ESG risks and their management policies. A more detailed overview of climate risk management and, in particular, of the resilience of assets to physical climate risks is provided in Section 3.2.2.4 Climate risk management and adaptation to climate change. Climate change and ESG risks are integrated in the Group's risk management framework, which provides a specific risk governance and control framework (see Section Risk Factors in the Annual Report for more details).

This risk analysis remains relevant and applicable in the current macro environment resulting amongst others from the after-effects of the COVID-19 pandemic and geopolitical events in Ukraine, which confirmed the relevance of integrating these non-financial risks in the global Group risk management approach. Related policies and action plans described reflect the latest updates made by the Group to mitigate these risks, as do all associated performance indicators disclosed.

2.1.2.1 Managing Environmental Risks: Environmental Management System

The Group's Environmental Management System (EMS), aims at reducing the environmental impact of our assets at every stage of their life cycle, from initial design to daily operation.

The Group has defined and monitors several indicators to manage the environmental performance of its standing assets and development projects, in line with the objectives of our ESG strategy. Some of these indicators are incorporated into the budget review processes for standing assets and development projects to ensure alignment between ESG objectives and business decisions.

Environmental Management System (EMS) compliance	**2022**
Number of assets subject to EMS	221
Number of reported EMS compliance issues	—

For more information on the Group's Environmental Management System (EMS) please refer to section 3.3.1. Environmental management system in the Sustainable Properties chapter or to the online policy document.

2.1.2.2 Business ethics

2.1.2.2.1 Bribery and corruption risk, money laundering and financing of terrorism or non-compliance with anti-trust regulations

The VGP Code of Conduct describes the key principles of conduct for the business environment, in which the Group operates, including the zero tolerance of bribery.

The VGP anti-bribery and anti-corruption policy further details the principles as outlined in the VGP Code of Conduct and sets out the practices and VGP's firm commitment in fighting against and preventing corruption and bribery conduct.

The Group Code of Conduct includes a compulsory yearly e-learning module and code attestation. The Group has clear insider trading rules. Risks are further managed through clear procedures for screening business partners. Whistleblowing procedures are accessible 24/7 to all employees and contractors with a guarantee against retaliation.

	2022
Number of sanctions imposed by regulators in 2022 linked to corruption incidents	—
Percentage of new joiners trained on corruption prevention	c. 100%

Furthermore, when an incident occurs we conduct bribery risk assessment on an if and when – required basis.

2.1.2.2.2 Non-transparency in reporting of lobbying activities

As outlined in our Political Activity Policy, VGP has a principal policy of no political engagement and participating in political activities. Whilst lobbying with local counsels with regards to building permits and zoning occurs the Group did not engage in any lobbying in relation to legislation. If any activities would occur they require CEO approval and have to be reported. Management is not aware of any political donations and lobbying expenditures.

	2022
Number of reported lobbying actions (#)	—
Political donations and lobbying expenditures (€)	—

2.1.2.2.3 Breach of personal data and cyber security

VGP has a Data Privacy Protection programme compliant with EU regulations. In addition, VGP has a data protection governance framework at corporate level in place to ensure internal alerts.

The main Management Information System and operating system which we use for email and file exchange is compliant with ISO 27001. We are currently in the roll-out of a new ERP, operating metrics, billing and payment system which is fully compliant to ISO 27001 and ISO 27018. We only use reputable service providers for network maintenance.

	2022
Percentage of employees trained on cyber security and data protection	100%

2.1.2.2.4 Threats or attacks at project sites or parks

The Group positions itself to withstand a global event and business disruption through its financing strategy (see risk section); portfolio strategy, including holding a diverse set of property assets, stay close with local stakeholders and our clients to understand their changing needs, property insurance and strong client base. The Group has a dedicated organization for crisis management. See also section 2.1.2.3 Health, safety, security and well-being of people in our properties.

2.1.2.3 Health, safety, security and well-being of people in our properties

The Environmental Management System (EMS) elaborates how Health and Safety risks are addressed in both development projects and standing assets portfolio.

The Group makes use of dedicated Health & Safety management frameworks at development projects, where the work site is always monitored by a Health & Safety Coordinator, supplemented with procedures that comply with local regulations. Contractual requirements for contractors are overseen by the construction management contractor to make the necessary provisions for site safety and comply with the relevant Health & Safety legislation.

Furthermore, maintenance and inspection is conducted for all relevant equipment subject to regulation and third-party audits of Health & Safety risks are conducted at asset level and associated action plans. Routine property tours are organized to identify hazardous conditions and implement corrective actions. Health & Safety audits are conducted on a continuous basis. The number of incidents (see section Occupational Health and Safety) is monitored as well as sanctions for non-compliance related to building health and safety.

Works at VGP Park Bratislava

2.1.2.4 Human Capital

2.1.2.4.1 Non-engagement of employees

The turnover rate of employees may increase as employees are not engaged on VGP's ESG agenda in general and at their place of work specifically. In addition to employing strict policies on inclusion, diversity and human rights, the Group is implementing people-oriented policies designed to make VGP a great place to work, including in order to promote work-life balance. A sustainable work environment is implemented as part of initiatives related to managing scope 1 and scope 2 carbon footprint, as well as a pilot ergonomics policy in the main office in Germany. Throughout the last year, the Group has improved its policy to allow cross-border learning and development opportunities. To encourage a healthy lifestyle, use of bicycles is encouraged, gym and sport memberships are sponsored and healthy food alternatives are offered in office canteens and kitchens.

Participation in the Group's local volunteering programs is encouraged (see also "VGP Community Day") as well as participation in the annual employee satisfaction survey.

2.1.2.4.2 Lack of attractiveness for employees

A lack of attractiveness for employees or a loss of key competences could form a risk for the execution of the Group's strategy. This risk is addressed through the Group's recruitment, retention and succession planning included in formalised HR policies relating to recruitment, compensation and benefits, talent review and learning and development. The Group's Diversity policy and Human Rights policy is a commitment to improve employee engagement on diversity and inclusion. The development of the international group culture is further supported by a matrix reporting structure with strong international ties across local organizations, cross-border cooperation, and mobility.

The Group has a strong partnership with reputable head-hunting firms to map and target best external talent.

The Group is working on setting up a new graduate recruitment program with a pilot program being setup in Romania.

2.1.2.4.3 Lack of profile diversity

A lack of profile diversity could result in the Group becoming less innovative, though the board of the Group – with 60% female members – sends a strong signal throughout the organization. The Human Rights policy sets the commitment to improve employee engagement on diversity and inclusion, the awareness throughout the organization is to continue to be encouraged further. The Group Code of Conduct and whistleblowing procedure are in-line with zero tolerance principle for discrimination or harassment.

2.1.2.4.4 Identifying and managing human rights risks

VGP supports fundamental principles of human rights across all our lines of business and in each country in which we operate. As outlined in our Human Rights Statement as included in our Code of Conduct, and in our Human Rights policy, our approach to protecting and preserving human rights is guided by the United Nations Universal Declaration of Human Rights. We also acknowledge the Guiding Principles on Business and Human Rights as the recognized framework for corporations to respect human rights in their own operations and through their business relationships. We have a range of policies, procedures and trainings that pertain to human rights issues, including modern slavery, across our business and supply chain. Please see our Group Code of Conduct and Human Rights Policy for more detail.

Works at VGP Park Giessen Am Alten Flughafen

2.1.2.5 Local municipal acceptability

With regards to new developments extensive public consultations are held for all development projects. By building long-term partnerships with local stakeholders (residents, public authorities and associations) an enhancement of the socio-economic impact of the Group's assets can be accomplished, by supporting business creation (e.g. provision of land plots) for specific locally anchored tenancies, often focused on creating employment in manufacturing and technical jobs and which support local taxes and social contributions paid. The increasing emphasis on brownfield developments also leads towards more environmentally friendly and visually attractive sites that often benefit the broader community as well.

Anchored in the local areas where it operates, each of the Group's existing parks has built a network of local partnerships, working closely together to identify and tackle issues which are crucial for the local population and businesses. By building these strong and long-term relationships with local stakeholders, the Group can coordinate common answers, use its technical competence to connect people, commerce and the build environment. See also chapter 3.8 VGP in the community.

2.1.2.6 Environmental pollution

2.1.2.6.1 Water, soil and air pollution linked with development projects

Brownfield projects may contain contaminated soil for which soil decontamination during works on development is required. In order to minimize pollution for the contractors working on-site, the neighbouring area, and the natural environment, the Group's Considerate Construction Charter is applicable to all new development projects. Furthermore, inspections are regularly conducted, as well as continuous maintenance and improvement of existing buildings and technical equipment liable, to have an impact on the environment or on personal safety (including air and water quality, soil and air pollution). For development projects, third-party audits of Health, Safety and Environmental risks are conducted on a continuous basis in order to monitor and update the associated action plans as required.

2.1.2.6.2 Not identifying existing pollution in acquired development projects

To avoid pollution risks a due diligence process is conducted which includes environmental risks and soil pollution analysis. If identified as a risk, soil decontamination activities are budgeted (so expenses can be taken into account pre-acquisition) and executed.

The expenses in site controlling decontamination (€) and volumes of soil concerned (m^3) are included in section 3.3.1.1.1 Pollution prevention.

2.1.2.7 Responsible Supply chain

2.1.2.7.1 Controversies linked with service providers, suppliers or subcontractors

VGP screens its business partners in order to minimize the risk that the Group contracts with service providers, suppliers or subcontractors do not comply with regulations or standards of their profession (e.g. fundamental human and labour rights) or having a negative ESG image/performance. Business partners are subject to the Group Code of Conduct and the inhouse whistleblowing procedure has been made accessible to all contractors. The Group's purchasing conditions, and standard contracts include environmental and social terms, such as complying with the ILO conventions and local labour laws in Europe.

E-charging stations at VGP Park Nijmegen

The Group's Considerate Construction Charter and 10 Golden Rules for circular development are applicable for all development projects describing the Group's requirements and recommendations to optimize the environmental quality of worksites.

With regards to the development of projects, compliance of providers to professional standards is ensured through the tender process, the contract documents, and the monitoring of compliance by the operations supervisor, with sanctions in case of non-compliance according to severity (formal notice, penalties, dismissal).

The Group engages with its main suppliers to explore product innovations in order to enhance building circularity and sustainable performance.

In addition, the Group has a policy to use 100% timber from certified, sustainably managed forests with FSC or PEFC certification in development and refurbishment projects, for both finishings and building structure.

2.1.2.7.2 Controversies linked with tenant activity

The Group aims to strengthen communication with tenants (e.g. sustainability meetings with tenants, satisfaction surveys including ESG satisfaction related questions to improve their sustainability perception, etc.). VGP screens its tenants in order to minimize the risk that the Group leases premises to a corporation active in a controversial industry or not complying with regulations or standards of their profession (e.g. fundamental human and labour rights).

Since two years the Group is signing voluntary and contractual agreements on sustainability issues with its tenants and the group is also pro-actively reaching out to tenants to support transition towards renewable energy consumption as part of green lease concept and as such the Group monitors the percentage of green leases signed among new and active leases.

2.1.2.8 Energy and greenhouse gases

2.1.2.8.1 Price volatility and limited availability of fossil fuels

Energy efficiency targets and energy management action plans are increasingly being rolled out in standing assets, involving energy consumption optimisation actions as well as investments in energy efficient equipment in new construction projects. The Environmental Management System of the Group supports the objective to improve environmental performance of all standing and development assets of the Group. This is also supported by a shift towards sourcing electricity from renewable energy sources for all assets, driven by the development of on-site renewable energy production capacity. For several development projects a life-cycle assessment is being conducted which will help the Group to identify opportunities to reduce the amount of materials used and their carbon footprint. This assessment will also provide lessons learned for the entire Group portfolio. The Group is actively engaging with stakeholders to improve energy efficiency and source renewable energy, including tenants and suppliers (e.g. green leases, PPA contracts, and energy performance contracts with maintenance providers).

A main performance indicator is to monitor the energy intensity per square meter of use (kWh/m^2), as well as the carbon intensity linked with energy consumption of standing assets (Scope 3 "portfolio in use": Category 13: downstream leased assets) is explained in the section 3.3 Sustainable Properties. The refurbishment program which aims to enhance the eco-efficiency of the existing portfolio is explained in section 1.2.2 Summary of the Group's ESG performance indicators.

2.1.2.8.2 Increased regulation on building energy efficiency

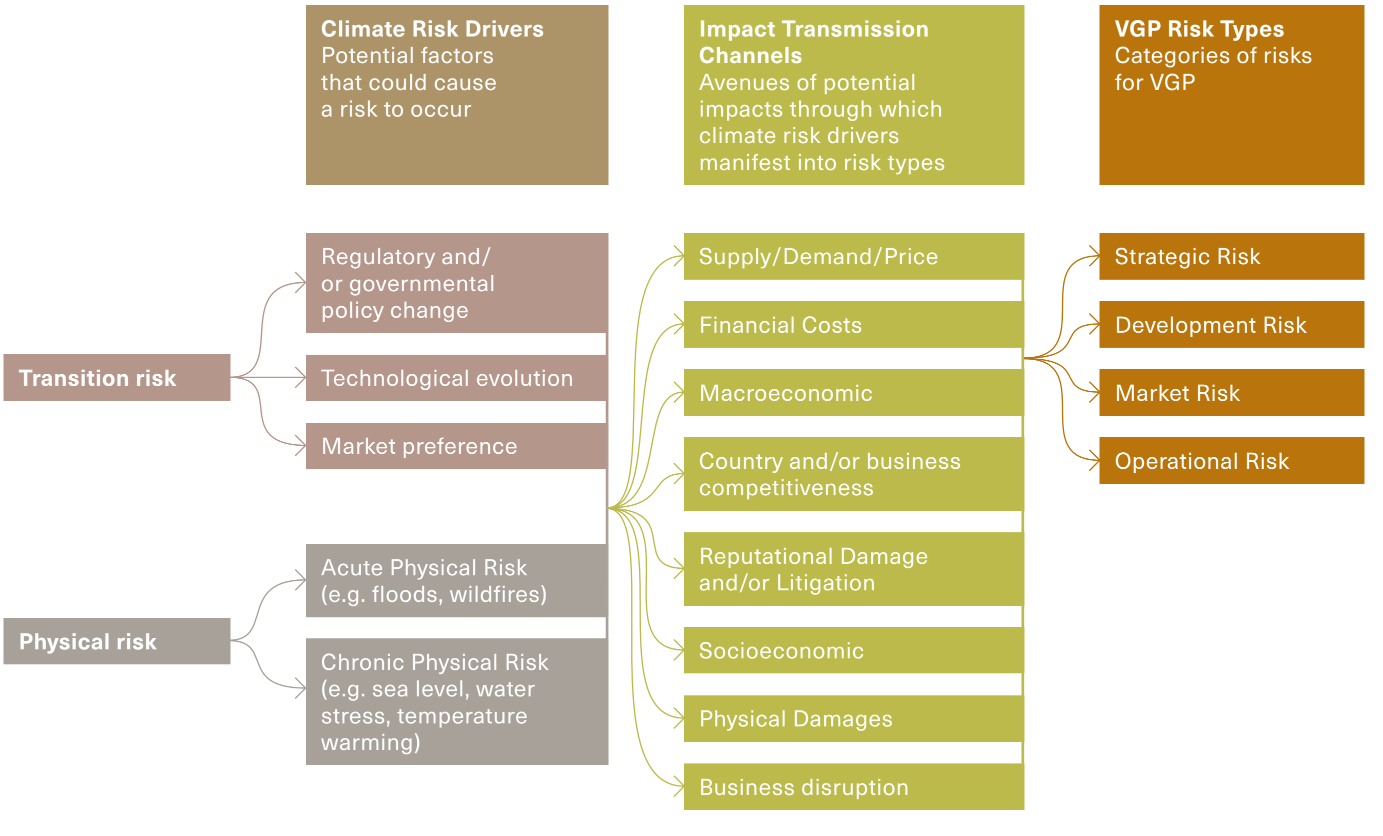
The Group has invested in energy efficiency measures in the majority of the standing portfolio and makes such investments standardized in development projects. Energy management action plans are being rolled out in all standing assets, involving energy optimisation actions as well as investments in renewable energy production. The Group's Environmental Management System aims to improve the environmental performance of assets and the Group engages with stakeholders to improve energy efficiency, including with tenants and service providers (e.g. green leases, and energy performance contracts with maintenance providers). Main performance indicators which will help us manage this risk include the management of the energy intensity per area.

2.1.2.9 Climate-related risks and opportunities

Climate change is among the most critical challenges facing society today and the Group has conducted a climate change risk assessment covering all standing assets and development pipeline, in line with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, covering both transitional and physical risks.

As illustrated in the chart below, we have developed an internal classification system that describes how climate-related risks can translate into potential impacts for our clients, the communities in which we operate and the Group itself — such as changes in supply or demand, financial costs and/or business disruptions, among others — and how those impacts could manifest as risks to our Group. We also assess these impacts against considerations such as time horizon, industry segment and geography as a means of better understanding how these risks emerge within our Group. This classification framework informs our risk identification process, which will continue to evolve as we deepen our understanding of how climate-related drivers could manifest as risks to the Group.

Climate risk



Transition risks cover a range of potential impacts that stem from how society responds to climate change. These include volatility in energy and carbon pricing and possible changes in energy and climate policy as well as regulation, which could lead to economic impacts or drive other changes, such as the restriction of certain land use for developments and the development of low-carbon technologies. Transition risks also include shifts in consumer preferences toward low-carbon goods and services, and clients' shift towards a need for zero carbon emissions production and logistics facilities. All of these risks could impact our clients. Transition risks could also be further accelerated by changes in the physical climate.

Physical risks include both acute weather events and chronic shifts in the climate, such as altered distribution and intensity of rainfall, prolonged droughts or flooding, increased frequency of wildfires, rising sea levels or extreme heat. These physical risks could have an impact on the Group's own operations and our clients' operations (e.g., interruptions to business operations or supply chains). The physical effects of climate change are likely to increase in frequency and severity over time.

In the absence of significant global action to curtail the effects of climate change, risk drivers such as extreme heat, sea level rise and increased frequency of extreme weather events are expected to impact and exacerbate existing risks to infrastructure, ecosystems and social systems. Transition and physical climate-related risks could also lead to financial impacts such as interruptions to supply chains, declines in asset values or significant shifts in demand for certain products or services.

As noted above, the key drivers of transition risk and physical risk can manifest themselves in a variety of ways. The table below provides selected examples of different types of climate-related transition and physical risks and how they could materialize across the four major risk types we manage: strategic risk, development risk, market risk and operational risk.

	Transition Risk	Physical Risk
Strategic Risk Risk to earnings, liquidity, reputation associated with poorly designed or failed business plans or inadequate response to change in the operating environment	Stakeholder perceptions of business (e.g. clients, communities, partners) of inadequate response could result in reputational impacts	Parks in areas susceptible to climate-related events face valuation risk, inability to obtain appropriate insurance for property and ultimately business continuity risk
Development Risk Risks associated with the development activities, risks with the default of a supplier, health and safety related risks amplified by climate change	Shift in client preference for more sustainable building practices, requirements (for example smart and sub--meterings) and certification levels	Temporary disruption in development activities leads to delayed deliveries and loss in profitability
Market Risk Risks associated with the effect of changes in market factors, such as appraisal value market yields, renewable energy and carbon-offset prices	Changes in demand for renewable energy and carbon offsets leads to price volatility and with respect to property valuations, forward-looking climate risk analysis and assessment increasingly impacting asset values	Certain events can lead to a long-lasting decline in property prices in geographies that have heretofore been relatively unexposed to extreme weather or climate events, or where intensity and frequency have appreciably increased.
Operational Risk Risk associated with an adverse outcome resulting from inadequate or failed internal processes or systems; human factors; or external events impacting the Group's processes or systems.	New legislation and/or regulatory requirements lead to significant changes in operational processes and costs	Extreme weather causes direct damage to existing buildings and or infrastructure

2.1.2.9.1 Climate Scenario Analysis

Scenario analysis is a useful tool for understanding risks across a variety of economic, market and other conditions. Scenarios can be designed to monitor a wide range of stress events to give our management insight into the drivers behind risk factors or potential losses. An effective scenario analysis framework creates transparency into the scale and source of hypothetical losses, in order to make business decisions and compare risk appetite with business opportunities. The Group uses a set of scenarios that are relevant to our development and portfolio management business, risk positions, funding and capital management practices. They represent a wide range of severities as well as both broad drivers (e.g., general economic downturn) and specific events (e.g., acute weather events or a credit squeeze).

Leveraging scenario analysis to better understand climate-related risks is a relatively new and rapidly evolving area. We are continuing to consider comprehensive climate-based scenarios as we build our knowledge of climate-related drivers, impacts and potential losses, and we plan to evolve our approach to climate scenario analysis over time, especially as data availability and modelling techniques progress.

We recognize our business is exposed to both transition and physical climate risks, and we are working to understand how climate-driven impacts may emerge. The financial impacts of climate-related risks can differ across clients and geographies due to numerous factors including but not limited to:

- A client's strategy for developing low-carbon transition plans
- Time horizon associated with the transition and physical risks
- Impacts on the specific markets where clients have business activity
- Susceptibility to price fluctuations of construction materials (e.g. steel, concrete, FSC certified wood)
- Geographical concentrations of operations
- Availability of low-carbon technologies
- Changes in European policies

The target for the Group to integrate for development projects and standing assets the long-term climate risks and make a periodic assessment of assets most exposed to natural disasters and of their prevention/protection plan.

2.1.2.9.2 Transition risks

Over the past year we have further improved our building standard to ensure all current and anticipated climate change requirements are embedded in the design. We are conducting a consultancy study into enhancing circularity of construction materials working closely with suppliers to reduce embodied carbon. The results of these studies will allow us to implement and improve best practices within our Group-wide building standard.

The roll-out of the renewable energy availability across our existing portfolio and the offer to our tenants to switch to renewable energy will answer to the anticipated changing demand for green energy. Our renewable energy roll-out over the coming years should allow the reduction of our gross Scope 3 in-use emissions. More details on the renewable energy roll-out can be found in the section on Sustainable Properties.

It will be important for the Group to continue to showcase improvement and demonstrate environmental qualities of assets (environmental certification, carbon footprint, etc) and maintain or improve our ESG ratings in order to maintain access to green financing.

With increasing regulatory requirements, market expectations and the need to be able to tap green financing in the future, our asset base will have to comply with EU Taxonomy requirements and the required energy performance certificates for our existing asset base will have to improve. The estimated costs to upgrade each asset within our portfolio to at least an EPC B rating is estimated at € 23.4 million. Given a vast majority of these investments will be covered through photovoltaic investments, the Group will recoup the investments through return on the sale of renewable energy to tenants. The switch to LED lighting will facilitate this switch (for further details on the planned eco-efficiency capex see also section 3.4.2 Green leases and tenant commitments). Based on this CAPEX, the CRREM compliance will indicatively improve from 45.5% in 2050 to 47.4% (see section 3.4.4 Decarbonisation scenarios (CRREM) for further details)

VGP Park Braşov

VGP Park Hamburg

2.1.2.9.3 Physical risks: non-resilience of assets facing physical phenomena (acute and chronic climate events)

The Group has conducted a climate change risk assessment covering all standing assets and development pipeline, in line with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, covering both transitional and physical risks. The plan is to map completely the future risks of climate change for the Group portfolio and to design relevant climate change adaption plans.

For climate scenarios we are using RCP 8.5, business as usual and RCP 4.5. For example, in all of our land purchasing studies we typically include 100-year probability heavy rainfall models. Also we have analysed the effects of sea-level rise on our portfolio. With regards to sea level rises our work to this point has used RCP 8.5 scenarios, to assess property level impacts and inform our approach to understanding potential losses if rising sea levels were deemed imminent and were accelerating.

The Group has adequate insurance cover for natural disasters for all its assets and is in compliance with regulatory requirements in each country or region with regards to flooding risk, water management and drainage systems for exceptionally heavy rains.

The due diligence process for land acquisitions and new development projects covers the risks associated with climate change. Furthermore, the environmental certification policy for all assets (BREEAM or DGNB) provides cover among others for physical resilience and energy aspects.

Group and local teams are kept up to date with new laws and regulations as they become relevant through regular presentations and training.

2.1.2.9.4 Loss of access to green financing

In order to ensure the Group remains able to access green financing the Group is answering to the most recognised non-financial rating agencies, is monitoring questionnaire evolutions and conducts benchmarking of scores. During investor meetings there is an emphasis on ESG topics in order to maintain direct dialogue on sustainability issues with investors. The Group has a formalised Use of Proceeds for Green Bond allocation procedure, and a formalised procedure for analysing, selecting and monitoring assets under the Green Bond instruments. The Group has indicated to keep the framework up to date amongst others with EU Taxonomy eligibility and conducts back-testing of asset eligibility to Green Bond criteria. Monitoring of green bond KPIs' performance levels is part of this and future Corporate Responsibility Reports. The various ESG scores achieved in 2022 (CDP, GRESB, Sustainalytics, S&P CSA) are listed in section 1.2.3 Results of non-financial ratings and indices.

2.1.2.10 Governance

2.1.2.10.1 Lack of resources or ownership for managing ESG risks

The Group ESG agenda has been defined and overviewed at the highest governance levels: Group CEO, Management Team, and the Board.

The Group has integrated the ESG agenda into the core business processes both for standing assets as well as development projects: due diligence process, environmental management system for both development projects and existing assets, ESG information integrated in asset budget reviews, ESG objectives set for all country teams in the assessment process of individual performance and ESG training module rolled-out to all employees.

The Group setup a dedicated ESG team responsible for overseeing and supporting the implementation of the Group ESG strategy. The Group is aligning initiatives, action plans and targets with the ESG program in all countries and departments (sales, development/technical, etc.), with the dedicated ESG team responsible for overseeing and supporting the implementation of the Group ESG strategy with a specific governance involving top management and operational managers in all country teams. (see also section 2.2 Governance of ESG). This will also allow the Group to enhance its reputation as a trusted and responsible partner and be able to seize ESG opportunities.

2.2 Governance of ESG

2.2.1 Ethics and integrity

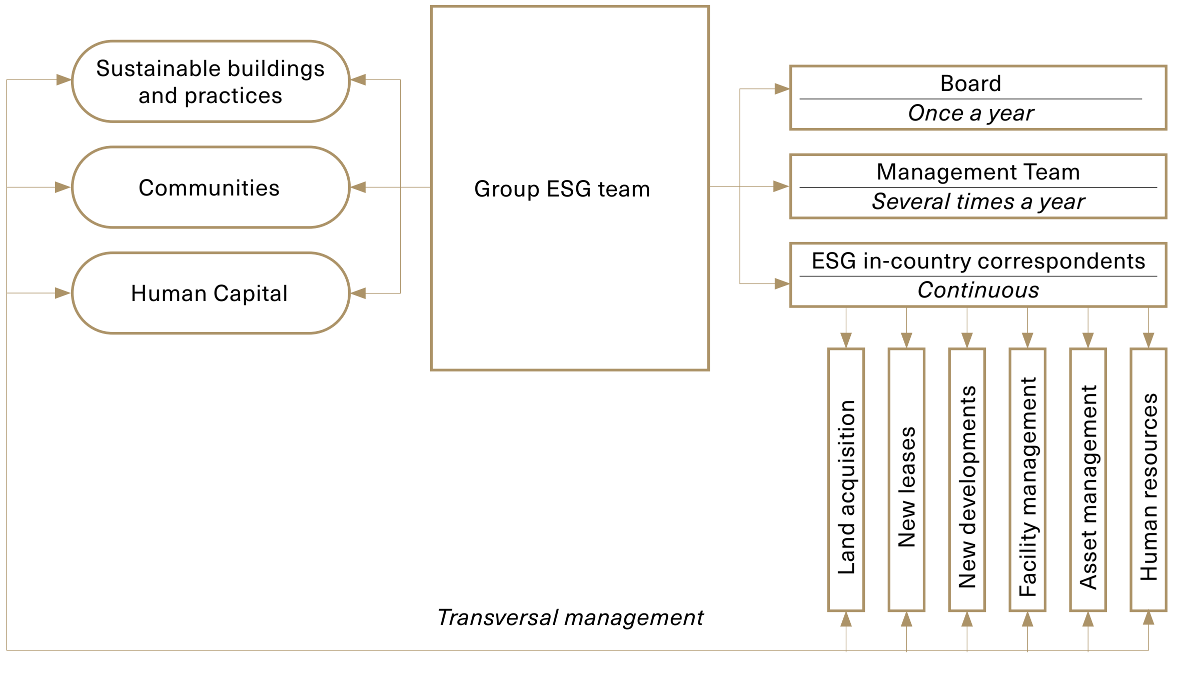
VGP's corporate governance, ethical conduct and risk management policies provide the necessary stability and reliability required for sustainable growth and performance. As a signatory to the UN Global Compact since 2022, the goal of which is to promote ESG, the Group is committed to adopting, upholding and enacting within its sphere of influence the ten universally recognised principles relating to human rights, labour laws, environmental protection and anti-corruption. VGP's governance structure is presented in the Report of the Board of Directors section under Corporate Governance Statement of this annual report.

2.2.2 ESG team/governance

The Group ESG team, which is cross-functional and includes members from key departments including technical, innovation, sustainable buildings and finance, reports directly to the CEO and is built around two priorities:

Monitoring ESG performance by ensuring that the Group's ESG objectives are fully integrated into the Group's business and decision-making processes; and

Engaging all stakeholders and employees of the Group in order to collectively achieve the objectives of the ESG strategy. As a key topic of ESG program, climate change is fully integrated in the ESG governance (as described below).



The ESG team leverages several key components of the Group organisation:

— The Chief Operating Officers (COOs) of each region support the implementation of the ESG strategy at country level

— The Group relies on ESG local correspondents in each country to help following country ESG performance and coordinate with the Group ESG team; and

— Key transversal functions, in charge of providing relevant guidelines and functional support to countries to implement areas of the ESG program, like the Legal and Compliance team and Finance and Risk

2.2.3 Integration within core processes

The ESG approach is fully embedded into the key processes of VGP, in line with the Group's strategic priorities and operational concerns. Relevant management processes have been set up at each stage of the business cycle, along with appropriate key performance indicators. For example:

- The VGP due diligence process for new land acquisitions includes a complete audit of regulatory, climate change and environmental and Health and Safety risks, including soil contamination;
- The Group's risk management framework includes climate change and ESG risks: identified among the main risk factors, they are integrated in the risk management programme overviewed by management team, which reports regularly to the Board (See section Risk Factors under Report of the Board of Directors in the annual report for more details);
- Development projects are regularly reviewed in light of ESG targets;
- Managed assets have an environmental action plan, with annual performance reviews;
- The internal compliance team conducts regular assessments of the management and compliance processes in accordance with the rules set by VGP;
- HR processes ensure the promotion of diversity and inclusion and consider employee well-being as well as employee learning and development opportunities;
- The training path of new joiners as well as specific functions includes relevant ESG content;
- The annual incentive plan of management and of all eligible Group employees specifically integrate ESG-related performance criteria (see the remuneration section of this annual report for more details); and
- Standing assets and development projects integrate ESG components to ensure alignment with ESG targets.

Works at VGP Park Giessen Am Alten Flughafen

2.2.4 Stakeholder engagement

We maintain an open dialogue with our stakeholders, including our investors, customers, employees, suppliers and the communities in which we operate.

VGP reports to investors on its ESG strategy and achievements via regular publications (annual and corporate responsibility reports, semi-annual report, trading updates and news), answers to information requests, interaction with ESG rating and ranking providers, and through dedicated meetings. These meetings also enable VGP to learn more on key areas of interest for investors on ESG topics. The Group's position in the various ESG ratings and evaluations is outlined in Section 1.2.3 Results of non-financial ratings and indices.

As a listed commercial real estate company, VGP is a member of the European Public Real Estate Association ("EPRA"). VGP has also in the past participated in UNEP FI sessions at invitation from CRREM. At country level, VGP is a member of professional organisations such as Bundesvereinigung Logistik (BVL) in Germany.

VGP IN DIALOGUE

Dialogue, conferences, meetings and calls with investors and analysts	**Capital markets**
Dialogue in context of joint projects, supplier due diligence, forums & conferences	**Suppliers**
Dialogue through meetings and conferences as member of local and pan-European associations	**Networks and associations**
Dialogue in the context of press releases, information events on new parks, trade fairs	**Media**
Dialogue in context of new initiatives and existing partnerships	**Business and joint venture partners**
Personal meetings, park visits, neighborhood conversations	**Local stakeholders**
One-on-one meetings/dialogue, answering questions	**Civil society and NGOs**
Dialogue with employees, driving forces, idea management, internal media	**Employees**
Dialogue (including in context of park/ building design), social media, trade fairs	**Clients**


photo © Trilux

Commitments

VGP Park Valsamoggia

3.1 The 2030 Sustainable Development Goals

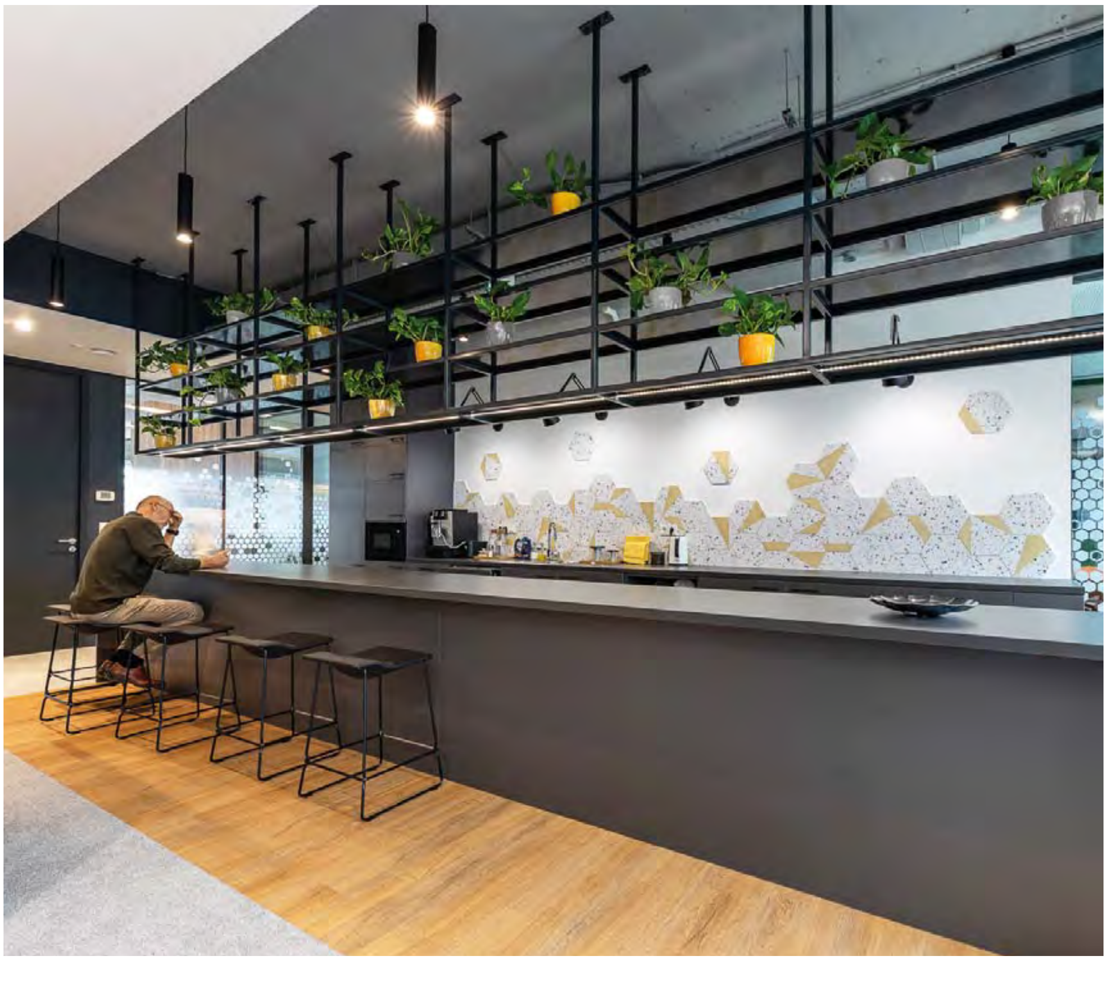
The Sustainable Development Goals (SDGs) were adopted in 2015 by the 193 United Nations (UN) member states. They have helped to inform our thinking about where VGP can play a role. VGP contributes in different ways and to different degrees to all the SDGs. In line with UN Global Compact guidance, we have identified which goals are particularly relevant to us: where expectations, risks and opportunities for VGP are greatest, and where we can make the most significant contribution.

We list these priority SDGs in the table below, vis-à-vis last year significant changes were conducted in order to group various initiatives and reflect a holistic approach to the various sustainable targets. Instead of reporting separately on various bottom-up initiatives (such as investments in photovoltaic) these have been grouped together into four main categories:
— **Improve eco-efficiency of our buildings** (capturing: green leases, switch to heat pumps, photovoltaic investments)
— **Design sustainable buildings** (make use of sustainable building materials, sustainable certification, agreed targets with SBTi with regards to embodied carbon)
— **Promote responsible own business conduct** (switch to green energy, green car fleet, health and well-being initiatives at VGP offices)
— **Offer connectivity and sustainable mobility alternatives at VGP Parks** (connectivity to public transport, EV charging and bicycle facilities)

The remainder of the SDGs are unchanged.

The progress for each target has been updated to reflect steps taken in 2022:

Target	Progress
Promote responsible own business conduct	— All VGP offices having switched to 100% renewable energy as of 1 January 2022 and vehicle fleet switching to PHEV/BEV vehicles only — All VGP offices to offer good health and well-being resources and promotions — Achieve carbon neutrality under scope 1 and 2 by 2025 and reduce gross emissions by 50% by 2030: The Group's reduction targets have been approved by the Science Based Targets initiative (SBTi)
Improve eco-efficiency of our buildings	— To reduce gas dependency in total 21 buildings with heat pumps were installed and now standard considered for new developments (instead of gas-powered heating) — Switch to green leases: 97.2% of leases signed in 2022 contain green clause — Significant step-up photovoltaic (pv) investment plan – including pv-projects in pipeline VGP Renewable Energy is generating as much electricity as tenants consumed in 2021 — Set a target of 55% reduction of "tenant use" scope 3 carbon emissions by 2030 (agreed by SBTi)
Design sustainable buildings	— Minimise the environmental impact through innovative design and construction: first warehouses with wooden roof bearing structures realised — Aim for DGNB Gold or BREEAM Excellent sustainability certification for all newly constructed buildings: 100% of new construction projects are being environmentally certified. Combined with buildings previously certified this has resulted in 61.0% of the total portfolio certified or with certificate pending as of December 2022 — Set a target to reduce the embodied carbon footprint of our development activities by 20% by 2030 (agreed by SBTi)



VGP Office in
Budapest, Hungary

Target	Progress
Offer connectivity and sustainable mobility alternatives at VGP Parks	— Aim for VGP Parks to be connected to public transport solutions: 95.8% of parks connected; for one of the four remaining parks a bus stop building permit is submitted — All VGP Parks to offer EV charging facilities: 46.9% achieved in Dec 2022
Safe working environment: targeting zero workforce fatalities	— Zero employee workforce fatalities in 2022; one contractor fatality — We request employees, contracted workforce as well as suppliers of VGP to adhere to our VGP Health and Safety Policy
Supply chain ethics	— We conduct a supplier due diligence and request to adhere to Code of Conduct
Gender equality, diversity and inclusiveness	— Our board consists of 60% female members, management 23% and overall gender ratio of the group is 35% female
100% of new employees follow sustainable development training	— In addition to Code of Conduct training, 96.4% of new employees completed sustainable development training
100% of employees involved in a culture of trust, evolution and sharing	— Create an environment encouraging the development of each individual's talent and in which each employee can find himself or herself, by promoting diversity, ethics, well-being and parity
Charitable contributions	— The VGP Foundation received € 7 million capital support from VGP up to 2022 with projects supported (€ 6.6 million has been committed in projects thus far) in the field of environmental protection, social projects and European cultural heritage. — In 2022, VGP donated € 3 million for Ukrainian refugee support in neighbouring countries. The donation is to be deployed in collaboration with relief organisations recognized by the UNHCR.

3.2 Address climate change

3.2.1 Climate Change Strategy

As a long-term property owner, we need to ensure that our buildings are fit for purpose, now and in the future. One of the ways we do this is to build relatively generic buildings conform "the VGP Standard", suited to more than one type of client. This ensures a longer lifespan for the building as well as reducing the risk of vacancy and future refurbishment costs.

In order to ensure that our buildings are fit for purpose and meet the requirements of our clients for the long term we have integrated climate change adaptation and mitigation into our standard building design. With the potential for a changing climate across Europe, we ensure that EU Taxonomy aspects such as limited water supply, sustainable heating sources, waste management and circular building design are assessed as part of the land acquisition and design. Although these adaptations involve additional costs, we believe that buildings with enhanced sustainability aspects will increasingly be valued more highly than those without.

As part of its ESG strategy, the Group commits to cutting carbon emissions across its value chain between 2020 and 2030. This commitment includes, in addition to its Scopes 1 and 2 emissions, the Group's Scope 3 emissions:

- Our own operating carbon emissions cover our own operations under Scope 1 and 2 and our own emissions under Scope 3
  - Within our agreed Science Base Targets, we are committed to reducing the absolute carbon emissions of our own operations by 50% by 2030 (compared to a 2020 baseline of 946 tCO_2e), in line with a 1.5°C scenario
- Carbon emissions from our portfolio includes the carbon emissions generated from heating and cooling of warehouses and offices, energy consumed for tenants' business operations and electricity consumed for EV charging at our park locations
  - Within our agreed Science Base Targets, we are committed to reducing the absolute carbon emissions of our portfolio by 55% by 2030 (compared to a 2020 baseline of 67,456 tCO_2), in line with a 1.5°C
  - By 2025 we aim to bring the portfolio in compliance on a Paris-aligned 1.5°C pathway until 2050 based on the CRREM-tool, taking into account contracted photovoltaic pipeline projects
- In 2021 and 2022, VGP undertook an embodied carbon assessment of completed developments. We are working to have embodied carbon data for all development deliveries.
  - Within our submitted Science Base Targets, we are committed to reduce the absolute embodied carbon of new developments by 20% by 2030, against a 2020 baseline based on a strategy to reduce carbon intensity per m^2 delivered. The 2020 baseline and the embodied carbon intensity figure has been recalculated in 2022 to encompass the carbon embodied within our development pipeline.

3.2.1.1 Reduce emissions from construction by 20%

In 2022 VGP committed to significantly reducing its carbon emissions from construction on a broad scope. In specific terms, reducing its absolute carbon emissions from construction by -20% between 2020 and 2030 means dropping from an average of 517.0 kg CO_2 eq/m^2 constructed in 2020 to 413.6 kg CO_2 eq/m^2 on average by the end of 2030.

The main levers to achieve the Group's low-carbon target on construction are the following:

- A "lean building" approach from the design phase using fewer materials, through optimised design choices: structure, fixtures and fittings, façades, ceilings, smart design of parking spaces, etc.;
- The Group in 2022 conducted a comprehensive embodied carbon study supported by ARUP, the consultancy firm, in order to map potential carbon reduction initiatives in its existing building practices and to create an initial embodied carbon reduction roadmap towards 2030. The plan is for the roadmap to be continuously adjusted as techniques get implemented in the existing building standard and new improvements are assessed
- Using new solutions for construction and choosing alternative and low-carbon materials, such as low-carbon concrete and cement, wood and recycled products, as well as selecting suppliers and products based on their location and place of manufacture, respectively; and
- Developing targeted partnerships with construction firms and manufacturers of building materials for the implementation of innovative solutions in order to secure the 2030 commitments regarding construction activities.

In order to secure the ESG Strategy commitments regarding development activities, the Group has created the ESG Guidelines for development projects, to guide the development teams from the very beginning of the design phase to the delivery of their development projects. The document is split into two parts:

- The Group Considerate Construction Charter, with guidance for development projects (brownfield, greenfield and refurbishments) to be in line with the Group's ESG Strategy
- The Ten Golden Rules for sustainable construction, which give the right mindset to the development teams to integrate ESG topics in their projects.

The ESG performance of the development projects is closely monitored during key project reviews by our Sustainable Building team, based on the requirements of the Sustainability Brief.

VGP's carbon performance with regards to the development target is presented in Section 1.2.2 Summary of the Group's ESG performance indicators.

Water retention basin and works in Giessen Am Alten Flughafen

3.2.1.2 Reduce emissions from tenant operations by 55%

When it comes to standing assets, the carbon footprint consists mainly of GHG emissions from energy consumed as part of the operation of the buildings. Achieving its ambitious target of reducing carbon emissions from operations by 55% between 2020 and 2030 draws on two levers simultaneously:

— Improving energy efficiency of the Group's buildings. The Group pursues the objective of improving the energy efficiency of its assets by implementing an energy efficiency action plan (see Section 3.4.3 Energy management); and

— Completing a fast transition to renewable energies. VGP is committed to using 100% electricity from renewable energy sources ("green electricity") for the consumption of its own operations and offices and push for an equivalent transition for the private electricity consumption of its tenants.

Achieving this target, which has been been agreed by the SBTi, requires strong involvement of tenants. To accomplish this, the two levers of improving energy efficiency and transitioning to low-carbon energy sources are also implemented in the private areas of the assets, in cooperation with the tenants: specific green terms are added in lease contracts and sustainability committees are organised at asset level (see Section 3.4.2 Green leases and tenant commitments). VGP's carbon performance with regard to the operations target is presented in Section 1.2.2 Summary of the Group's ESG performance.

3.2.1.3 Reduce emissions from own operations by 50%

The confirmation by the SBTi also included the Group's earliest carbon reduction target covering GHG emissions from the operations under the Group's direct control (Scopes 1 and 2 and related Scope 3 – category 3, 5, 6 and 7). In addition to its carbon reduction targets concerning the portfolio and development activities, the Group commits to reduce absolute emissions from Scopes 1 and 2 by 50% between 2020 and 2030. This target has been confirmed by the SBTi, as aligned with a 1.5°C pathway, the most ambitious goal of the Paris Agreement. The levers identified to reach the Group's carbon reduction target from operations (reduce emissions from operations by 50% by 2030) include planned switch from the entire car fleet to EV vehicles and 100% usage of renewable energy at VGP offices. VGP's carbon performance with regard to the Scopes 1 and 2 target is presented in Section 3.2.2 Carbon assessment.

3.2.2 Carbon assessment

3.2.2.1 Methodology

The method used for quantifying Group emissions is in line with the ISO 14064 standard, the GHG protocol guidelines and the Bilan Carbone® methodology of ADEME (Agence de l'Environnement et de la Maîtrise de l'Énergie, or French Environment and Energy Management Agency). The sources of emissions included in the Group's total carbon footprint are broken down per Scope and influence level in the table hereafter. The Group calculates its carbon footprint on an extended Scope 3 basis, which is outlined in this table, measuring the major indirect emissions across its entire value chain. To reflect the Group's business activities in the most accurate manner, including the interactions between the company and its stakeholders, Scope 3 has been further broken down into three categories:
— Scope 3 own offices and employees (under VGP's operational control);
— Scope 3 related to portfolio "in use": Responsibility of tenants that VGP can influence but does not control directly
— Scope 3 related to development activities through embodied carbon

Scope 1	— Direct emissions from gas and fuel consumption in VGP offices — Direct emissions from mobile combustion: fuel used for company vehicles — Direct fugitive emissions including leaks of refrigerant gas
Scope 2	— Indirect emissions linked to electricity and gas consumption in VGP offices (linked to energy production only)
Scope 3 – Own offices and employees	
Scope 3: Category 1 (office supplies)	— Indirect emissions from VGP offices
Scope 3: Category 3 (indirect energy)	— Upstream emissions of purchased fuels and energy (extraction, production and transport of fuel, electricity)
Scope 3: Category 5 (waste)	— Indirect emissions from waste at offices
Scope 3: Category 6 (business travel)	— Indirect emissions from employees' business travel
Scope 3: Category 7 (employee commuting)	— Indirect emissions from employees' commute from home to work
Scope 3 – Portfolio "in use" (tenant activities)	
Scope 3: Category 13: downstream leased assets	— Indirect emissions from energy consumption and fugitive emissions due to leaks of refrigerant gas/fluid in tenant's operations in VGP's standing portfolio
Scope 3 – embodied carbon in development activities (life cycle analysis)	
Scope 3: Category 1 (developments)	— Emissions caused by development activities, including materials used and indirect emissions caused by transport to site

GHG emissions are expressed according to the "Market based" and "Location-Based" method.

3.2.2.2 Results: Group carbon footprint

GHG emissions are preferably expressed according to the "Market-Based" method (suppliers' emissions factors) in order to highlight the efforts made in selecting the Group's energy suppliers. However, to take into account the expectations of various stakeholders, results are also expressed according to the "Location-Based" approach (countries' emissions factors) in this section. Further in the document, all results related to GHG emissions are presented according to the "Market-Based" method, unless explicitly stated otherwise. The carbon footprint for 2020 is the baseline for tracking the carbon-related objectives of the Group's own operations and the carbon-related objectives of the tenant operations and development activities. The 2020 Group carbon footprint baseline and the Group carbon footprint evolution in 2021 are presented hereafter. Measured results for 2021 continue to reflect the impact of the COVID-19 health crisis, which resulted in restrictions affecting mostly the beginning of the year. The results for 2022 are currently being prepared and are expected to be made available on VGP website at the time of the publication of the Group's H1 2023 results.

Emissions: market/location based

tCO_2	FY 2019	FY 2020	FY 2021
Scope 1 – $tnCO_2e$	788	841	*852
tn CO_2e/FTE	*3.9*	*3.5*	*2.7*
Scope 2 – Market based – $tnCO_2e$	152	105	**127
tn CO_2e/FTE	*0.8*	*0.4*	*0.4*
Scope 2 – Location based – $tnCO_2e$		127	**107
tn CO_2e/FTE		*0.5*	*0.3*
Total Scope 1 and 2 (tCO_2)	**940**	**946**	**979**
Scope 3: Category 1 (paper use)	28	5	3
Scope 3: Category 3 (indirect energy)	260	235	236
Scope 3: Category 5 (waste)	5	5	2
Scope 3: Category 6 (business travel)	952	647	542
Scope 3: Category 7 (employee commuting)	189	147	159
Scope 3 – Total Own offices and employees (tCO_2)	**1,434**	**1,039**	**939**
tn CO_2e/FTE	*7.2*	*4.3*	*3.1*
Scope 3 – portfolio 'in use' (category 13: downstream leased assets)* **		**67,456**	**68,251**
kg CO_2/m^2		*27.6*	*22.1*
Total Building LCA			
Scope 3: Category 1 (developments)	*55,358*	*102,423*	*123,880*
Scope 3: Category 5 (development waste materials)			
Scope 3: Category 11 (use of sold products – life time maintenance)	*27,667*	*51,188*	*62,853*
Scope 3: Category 11 (use of sold products – energy)	*65,306*	*120,828*	*148,361*
Scope 3: Category 12 (end of life)			
Scope 3 – embodied carbon developments	**148,331**	**274,439**	**335,094**
kg CO_2/m^2	*516.8*	*516.8*	*513.9*
Total Scope 3 (tCO_2)		**342,934**	**404,284**
Total GHG emissions (tCO_2)		**343,879**	**405,263**
Total Scope 4 (tCO_2)		**–4,305**	**–6,314**

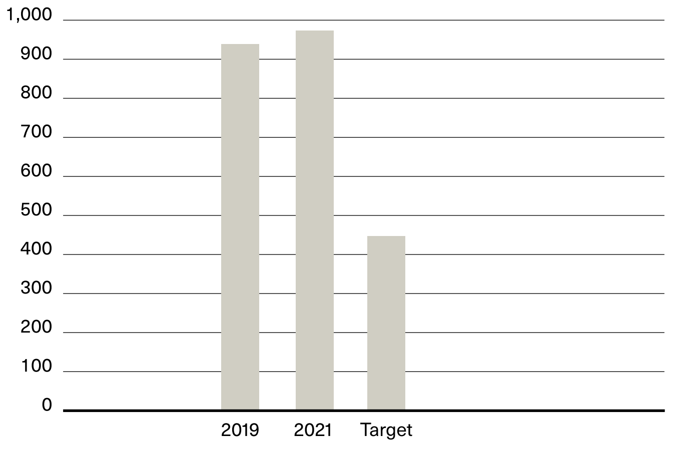
Underlined values have been assured by Deloitte.

* Considerations for the evaluation of the scope 1 emissions:
Part of the Scope 1 emissions are fuels used for heating. For Austria, Hungary, Latvia, The Netherlands, Serbia and France the fuel use has been based on extrapolation. Explain how the extrapolation was made The extrapolations were made by making an average between Belgium's and Luxembourg's VGP office surface and natural gas consumption. Part of the Scope 1 emissions are the emissions of company cars. To calculate the emissions from company cars the KM's driven (estimates derived from lease contracts or employee statements) and the used Liters of fuel consumed were used. Extrapolations have been made to come to the fuel use of Rome (Italy), Slovakia, Serbia and France. The extrapolation was made by multiplying an average of other sites that have evidence, and the number of employees of the respective site.

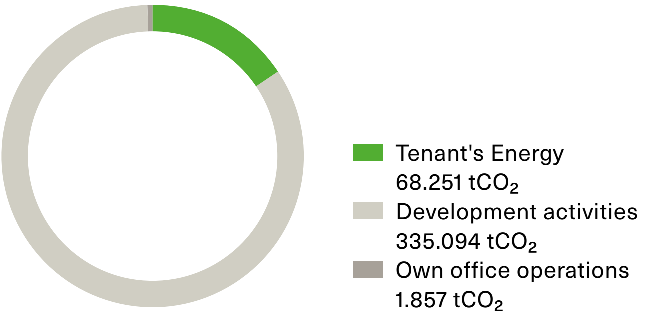
** Considerations for the evaluation of the scope 2 emissions:
Part of the Scope 2 emissions is the energy consumption of offices - for the calculation of the total, extrapolations were made for the offices in Rome (Italy), Austria, Hungary, Latvia, The Netherlands, Madrid (Spain), Serbia and France. The extrapolation was made based on surface area of the offices multiplied by an average that was calculated based on all the other offices that have evidence for their consumption. Part of the Scope 2 emissions is the electricity used for electric vehicles - the data for Serbia and France in the calculation of the total have been based on extrapolation. The extrapolation was based on multiplying an average of other sites that do report values backed by evidence and the number of employees for Serbia and France.
For the calculation of the Austrian market based emissions a production mix was used instead of the residual mix (recommended by the GHG Protocol).
The difference observed in market based and location based emissions scope 2 from 2020 to 2021 is related to a change in the methodology of calculation for emissions in 2021 (updated factors of emissions).

*** The CO_2 performance of the portfolio in use (Category 13: downstream leased assets) has been updated from previously reported due to improved gross-up calculation (taking into account tenant industry segment)

SCOPE 1 AND 2 (tCO_2 PER ANNUM)



BREAKDOWN OF THE 2021 GROUP CARBON FOOTPRINT BY ACTIVITY



3.2.2.3 Focus on emissions from tenant operations

As part of its proactive policy on efficient building operation and in line with its ESG strategy, the Group is monitoring GHG emissions from the energy consumption by its tenants' operations at its owned and joint venture buildings. This contributes to the Group target of reducing GHG emissions from its operations by 55% between 2020 and 2030. To manage the carbon performance of its operational activities, the Group has set indicators to measure the intensity of GHG emissions per area (m^2) for each of its operated VGP Parks. The Group has been able to collect 58% and 35% of the relevant electricity and fuel consumption data from its tenants respectively, and for the remainder of the areas the data has been grossed-up, taking into account the type of occupation/tenant activity for its warehouse. This makes it possible to analyse a building's overall carbon efficiency on a comparable basis, depending on its purpose and scope.

The Group policy regarding photovoltaic investments as well as renewable electricity purchase enables it to reduce its operations' carbon footprint year on year. It also allows the Group to encourage producers to invest in the development of clean technologies by increasing market demand for these energy sources.

In 2021, the carbon intensity linked to the energy consumption (Scope 3) of the Group's standing portfolio (CO_2 eq/m^2) decreased by 20.1% compared with 2020. This was mainly due to COVID-19 disruptions and changes in tenant occupation. The anticipated transition towards electricity between renewable sources under the photovoltaic investment plan, is expected to start largely contributing to a reduction from 2022 onwards, with newly delivered warehouses typically at least partially powered by electricity from renewable energy generated on site (see Section 3.4.3 Energy management).

3.2.2.4 Climate risk management and adaptation to climate change

The Group's Risk Management framework is presented in the Chapter Risk factors under the Report of the Board of Directors of the annual report. ESG risks were analysed at Group level (see Section 2.1.2 ESG risks and opportunities); this section presents a detailed analysis of the climate change risks for the Group. On top of addressing climate change mitigation (see Section 3.2.1 Climate change strategy), the ESG strategy also addresses climate change adaptation through the resilience of its assets to climate change. The Group targets for 100% of its development projects to include long-term climate risks, while minimising resource use and maintaining user comfort by 2025, and for 100% of its standing assets to include a climate change risk plan by 2023. The effects of climate change on VGP's portfolio will vary depending on the region and the asset. The scale and severity of changes will determine the extent of the impact, as will factors such as age, location, construction methods, asset operational efficiency, local infrastructure quality and capacity. In 2023, the Group is planning to conduct a climate change risk assessment study covering all standing assets as well as the development pipeline. In line with TCFD (Task Force on Climate-Related Financial Disclosures) recommendations, the Group provides disclosure in line with those required by the Task Force on Climate-Related Financial Disclosures (TCFD) framework recommendations in section 3.2.2.5.

We are undertaking a climate resilience study to assess the medium-term and long-term physical risks to our portfolio by geography. For this study, the impact of Representative Concentration Pathway (RCP) 4.5 (3°C warming by 2100) and RCP 8.5 (4-5°C warming by 2100) were modelled on our portfolio countries at high level to assess different threats from climate change. These climate change risk assessments enable VGP to have a clear view on the future risks of climate change for its portfolio, which will help the Group to design relevant climate change adaptation plans for standing assets.

In addition, in order to inform the Group's adaptation scenarios, VGP performs annually a CRREM study (Carbon Risk Real Estate Monitor) to analyse stranding risks across its portfolio. Further details on the CRREM analysis can be found in the section 3.4.4.

Decarbonisation scenarios

Furthermore, and on a shorter time horizon, the Group complies with regulatory requirements in each region with regard to flooding risks, water management, and drainage systems for exceptionally heavy rainfall. Regarding development projects, specific requirements including the realisation of a study on adaptation to climate change covering physical risks, comfort and energy efficiency topics are already integrated in the sustainability brief for each new project (see Section 3.3.1 Environmental Management System (EMS)). VGP's due diligence process for acquisitions and greenfield/brownfield development projects covers the analysis of risks and opportunities related to financial and operational issues. For example, the process includes a complete audit of technical, regulatory, environmental and health and safety performance. The potential financial impact of identified risks is taken into account during the due diligence phase. Issues covered include risks associated with climate change, soil pollution, protection of wetlands and asbestos.

The Czech Republic is within our portfolio one of the countries with the highest carbon electricity factor at 0.637. In order to address this significant portion within our Scope 3 Category 13 emissions the Group has set a target to build 10MWp in Czech Republic in the coming period.

3.2.2.5 Climate-related financial disclosures

To enable our stakeholders to consider and compare our reporting, we contribute to a number of externally-recognised initiatives including GRESB and CDP, and we also disclose metrics in line with externally-recognised frameworks including Global Reporting Initiative (GRI) and the EPRA Best Practices Recommendations on Sustainability Reporting (see section 1.2.4 Alignment with ESG reporting standards and frameworks for further details).

In order to ensure that we also report on those issues that we can have a direct impact upon, we use our materiality assessment to identify the key metrics that are material to the business (the materiality assessment is explained in section 2.1.1 Materiality assessment). Below are the climate-related metrics and targets which we monitor.

Climate related financial disclosures

Financial item	Climate-related	Metric	2022	Narrative	Section ref.
Assets	Physical – operational	Portfolio at risk of 1 in 100 year flood (% of GAV with JVs at 100%)	11%[1]	New metric based on analysis conducted in 2023	2.1.2.9.3
	Transition – operational	EPCs rated below E (based on number of assets)	0.50%	One older portfolio asset	4.1.4, 2.1.2.9.2
		EPCs un-rated (based on number of assets)	20.4%	Un-rated space does not necesarily mean low rating; various have PV roof (will require new EPC rating)	
		EPCs rated B or better (based on number of assets)	26.4%	Indicative anticipated CAPEX investment of € 23.4 million required to upgrade portfolio to B rating	
Assets	Transition – development & market risk	Portfolio with high environmental certification (BREEAM Very Good or better (or equivalent)) ("Green portfolio") – € amount	€ 1.97 billion	Comprises the building portfolio which is eligible for the Green Financing Framework	4.2.3
Liabilities	Transition – development & market risk	Percentage of net borrowings (incl JVs at share) classed as Green Financing under the Green Finance Framework	54.1%	VGP issued € 1.6 billion in green bonds under the Green Finance Framework	4.2.3
		Green finance instruments as % of the green portfolio (including joint venture assets at share)	128.5%	Green finance instruments should not exceed the total green portfolio	
CAPEX	Strategic risk/GHG emissions	Visibility: % of portfolio for which energy data is avalable	58%	New lease template since 2021 includes green clause for data sharing; many existing clients have no obligation to share data	3.4.3.1, 3.2.2.3
		Visibility: % of completed developments for which LCA analysis is available	63%	Growing use of Life Cycle Assessment within the business ensure that we have good visibility of embodied carbon in development and we can target areas for reduction	3.2.1.1, 3.2.2.2
		Embodied carbon intensity ($kgCO_2e$ per m^2 of development space)	514	Based on limited sample of completed developments for which we have Life Cycle Assessments.	3.2.1.1, 3.2.2.2
		Photovoltaic investments – spent or committed on projects completed or under construction	€ 77.8 million	A further € 55 million to be spent on pipeline projects – total 204 MWp	3.4.3.2.2, 3.4.4
Revenues	Transition – market risk	Solar power generation – FY2022	27.4 GWh		3.4.3.2
		Solar power generation – annualised incl pipeline	180.7 GWh		
		Solar power generation as percentage of tenant energy consumption	16%	Including PV pipeline projects the coverage increases to 106%	
		Gross revenues from renewable energy	€ 5.9 million	This metric reflects cases where VGP owns PV panels and sells the energy to the client, client leases the panels from VGP or VGP sells energy into the grid. In other cases, PV-generated energy is provided to customers as part of their rent. This revenue is not recorded here as it is not possible to disaggregate it from underlying rent.	

1 Based on preliminary analysis and not taking into account mitigation measures.

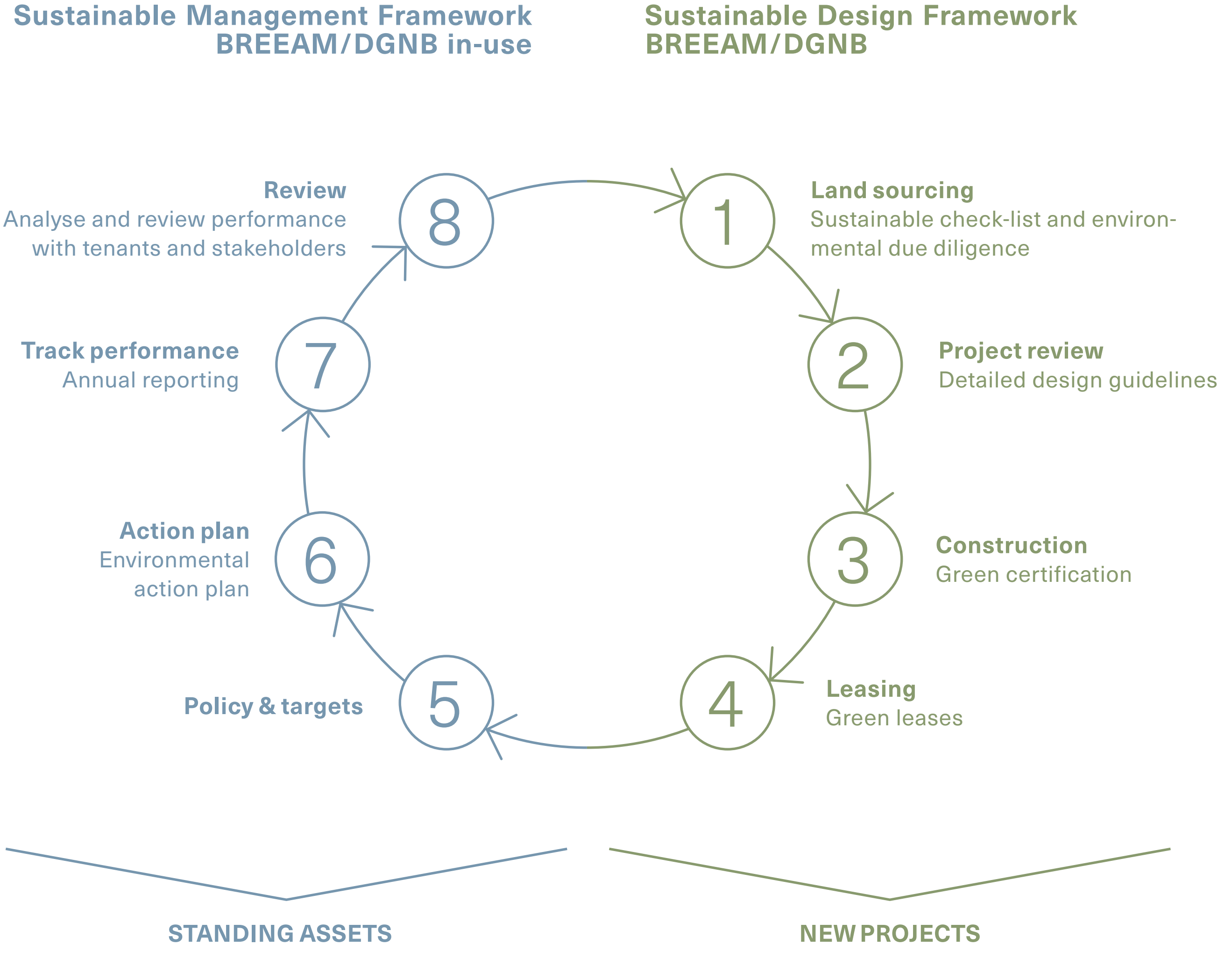
3.3 Sustainable Properties

3.3.1 Environmental management system

The Group's environmental Management System (EMS), aims at reducing the environmental impact of our assets at every stage of their life cycle, from initial design to daily operation.

The Group has defined and monitors several indicators to manage the environmental performance of its standing assets and development projects, in line with the objectives of our ESG strategy. Some of these indicators are incorporated into the budget review processes for standing assets and development projects to ensure alignment between ESG objectives and business decisions.

For more information on the Group's Environmental Management System (EMS) please follow the link to VGP ESG policies and guidelines on: *https://www.vgpparks.eu/en/sustainability/*



3.3.1.1 Sustainable construction

In 2022 the Group's Considerate Construction Charter is applied to all greenfield/brownfield construction projects. It describes the Group's requirements and recommendations intended to optimise its worksites' environmental quality while minimising pollution for the contractors working on site, the neighbouring area and the natural environment. The Considerate Construction Charter includes the following requirements:

— Using 100% of timber for development, extension and renovation projects from certified, sustainably managed forests with FSC or PEFC certification, including for works;
— Providing information to people living nearby and limiting traffic disruptions;
— Informing employees of construction companies;
— Ensuring proper management of risk and hazardous product handling;
— Aim to ensure at least 70% of waste recycling (material recovery) by weight, and clear traceability of all waste managed;
— Managing and limiting noise and visual pollution, as well as the risk of soil, water and air pollution; and
— Monitoring resources in order to reduce resource consumption.

	2022
Number of development projects that implement a Considerate Construction Charter	27
Share of development projects that implement a Considerate Construction Charter	100%

3.3.1.1.1 Pollution prevention

Moreover, the Group ensures that the action plans and preventative measures are implemented by contractors during construction. The table below lists the annual monetary expenses for soil decontamination/site remediation and volumes that have been detoxified.

Soil pollution and site remediation	**2022**
Monetary expenses for soil decontamination/site remediation	€ 5.1 million
Volume has been detoxified/handled	14,900 metric tons

3.3.1.1.2 Health and safety on work sites

The construction contractors are contractually required to make the necessary provisions for site safety and comply with the relevant Health and Safety legislation. The contractor's teams develop the technical requirements provided to contractors within the tendering process. These include specific safety requirements, as well as the applicable Health and Safety standard a successful bidder must comply with. Tender submissions that do not comply with the technical requirements and the applicable Health and Safety standards are disqualified from the tendering process. During the construction phase, site health, safety and security is continuously monitored by the construction contractor's teams. Health and Safety Coordinators are appointed in all countries where the Group is active. They are employed by the contractor, with a principal function to coordinate health and safety matters between the various stakeholders. Health, Safety and Environment (HSE) audits are conducted on a continuous basis.

VGP Park Olomouc

3.3.2 Environmental certifications

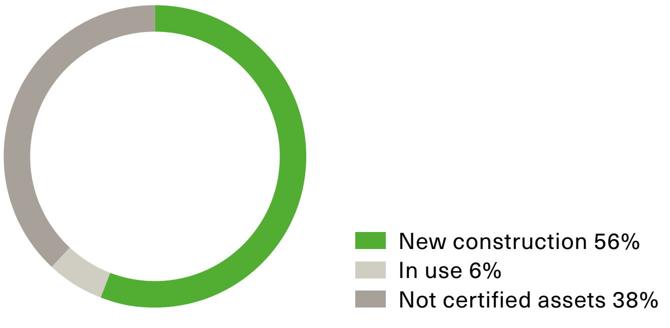
VGP, as part of its strategy for development projects, targets an environmental certification for all of its new greenfield/brownfield construction projects: DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen) in Germany and Austria and BREEAM for the other countries. VGP aims to achieve a minimum level of “Gold” (DGNB) for its development projects in Germany and Austria, and for the other countries “Excellent” (BREEAM) versus minimum required BREEAM Very Good. Higher environmental certifications are obtained, when relevant to the tenant. In addition to securing the “Excellent”/“Gold” level under BREEAM/ DGNB respectively, all projects need to undertake a technical and economic feasibility study to reach the BREEAM “Excellent” or DGNB “Gold” level respectively.

Coverage of BREEAM and DGNB environmental certification of standing assets and assets under construction in number of assets and gross lettable area:

2022	number of assets certified	number of assets in process of obtaining certificate	Certification coverage	
			% *(in number)*	% *(in m² GLA)*
Total certified warehouses	43	72	51.3%	61.0%
of which Excellent/Gold	*14*	*30*	*19.6%*	*24.7%*

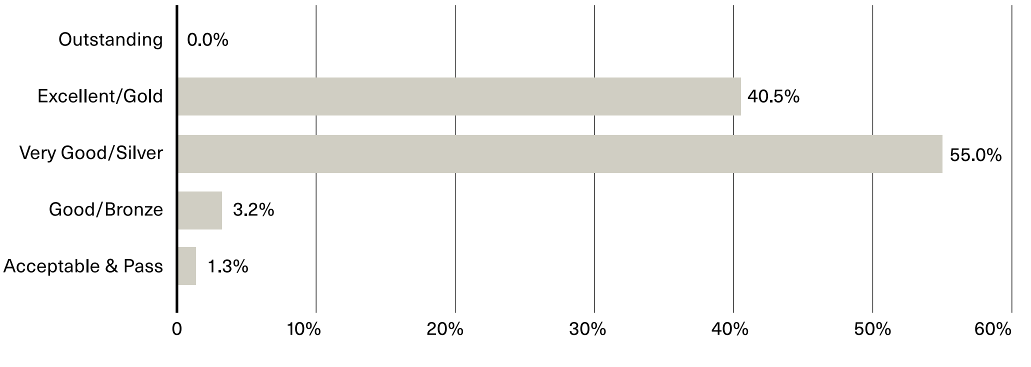
Coverage of environmental certifications in operation and development within the Group’s total standing assets and assets under construction (in m² of gross lettable area):

COVERAGE OF CERTIFICATION *% (in m² GLA)*



Breakdown of the Group assets by environmental certification level (in square meters of gross lettable area)

BREAKDOWN BY CERTIFICATION LEVEL



Wooden roof baring structure in VGP Park Graz

3.3.3 Construction materials

3.3.3.1 Reducing carbon impact of construction materials

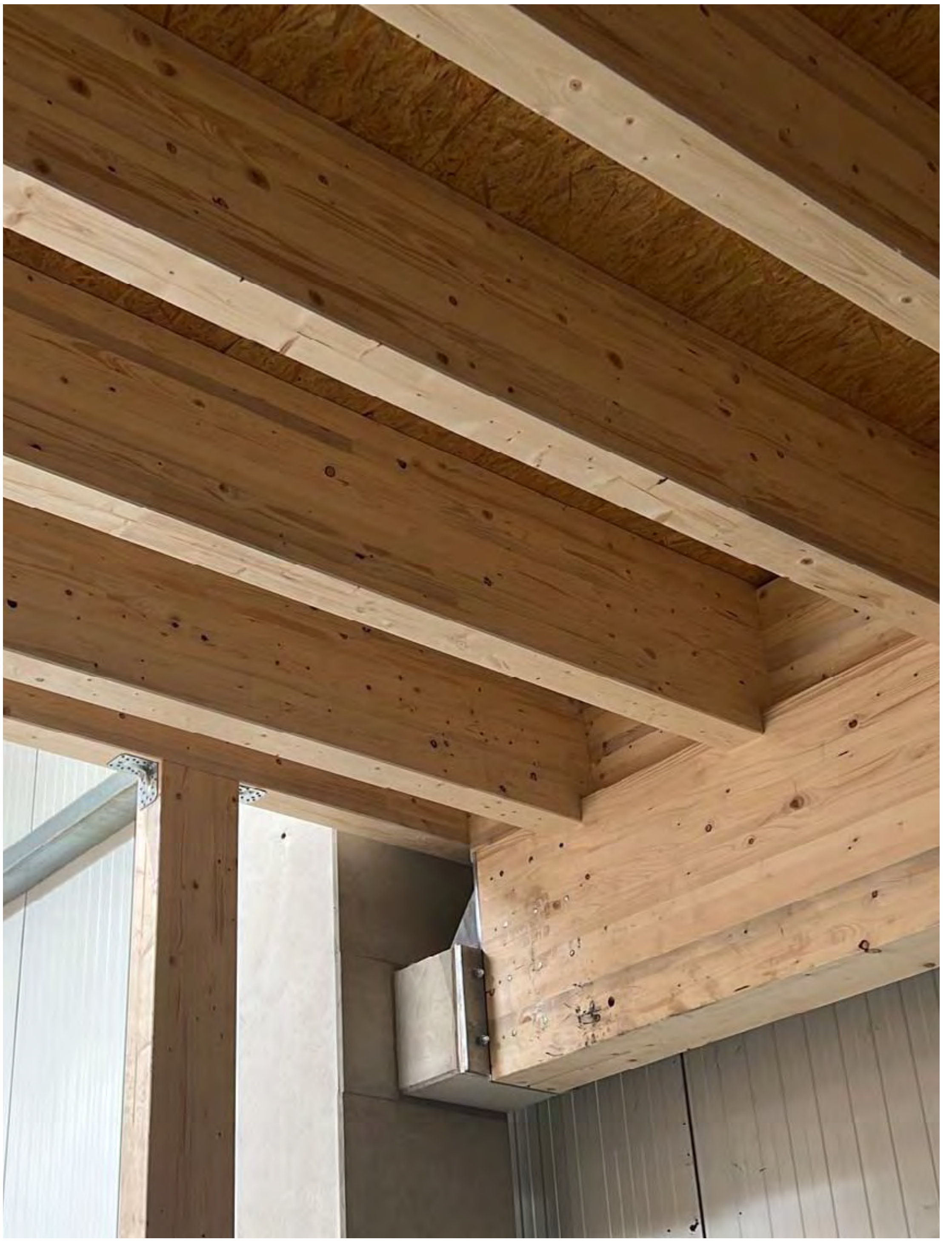
As part of its commitment to reducing its construction carbon footprint by 20% between 2020 and 2030, the Group focusses on the choice and use of the materials for its development projects.

Specifically, it involves:
— Adopting a "lean material construction" approach right from the design phase (structure, façade, false ceilings, fixtures and fittings, etc.);
— Using new solutions and optimised low-carbon materials (low-carbon cement and concrete, bio-sourced materials, recycled materials, etc.);
— Asking subcontractors to put forward alternative solutions with low carbon content; and
— Adopting a purchasing policy that includes criteria for the carbon content of products and construction materials (requiring environmental and Health and Safety certification – Environmental Product Declarations).

In 2022, the Group conducted a comprehensive study of improvement alternatives to the embodied carbon footprint of its development activities. Discussions with suppliers to better understand their products' carbon performance and alternative solutions were conducted. These studies will provide a building block for future additional studies taking into account new developments which will allow the Group to further improve the carbon performance of the construction materials.

The Group is also conducting development projects using timber construction materials to reduce indirect construction-related emissions. For example at VGP Park Graz, VGP is using 162 Glulam timber beams with a span of 12 to 17 metres for the roof, allowing for an 11,000 m^2 building. This choice guarantees a reduction in material transport costs by assembling the beams on site and a more sustainable building.

Circular economy solutions can also lead to carbon savings, through material reuse for example as defined in the VGP Ten Golden Rules for circular building practices which is, together with the Considerate Construction Charter, part of the VGP Building White Book and shared our contractors.



Wooden interior structures realised in VGP Park Magdeburg

3.3.3.2 Responsible supply chain

Further to the research project as described in the previous section for which discussions were held with various suppliers to better understand and reduce the embodied carbon footprint of materials used, VGP is committed to ensuring responsibility in its upstream supply chain (development activities). The Considerate Construction Charter specify that 100% of timber used in development, extension and renovation projects must be from certified, sustainably managed forests with FSC or PEFC certification. Besides, as part of the certification process (prerequisite for BREEAM and optional for DGNB), the sourcing of wood used during construction is verified and validated. The Group aims to obtain "post-construction" final certification according to the BREEAM or DGNB standards for all projects.

All contractors are asked to abide by the terms of the Considerate Construction Charter. Also, in all its contracts, the Group requires from the contractors to do their best efforts to reduce the carbon footprint of the project and the design project managers are asked to pay closer attention to this contractual requirement.

3.3.4 Comfort, health, well-being and productivity for users of buildings

Comfort and well-being issues are a determining factor in our technical and architectural choices for development of the office as well as warehouse spaces (e.g., façades, sky lights, interior finishes of offices, canteens and other amenities, heating, ventilation and air-conditioning equipment, lighting, occupant control methods, etc.). The VGP Environmental Management System (https://www.vgp-parks.eu/en/investors/corporate-governance/) and VGP Building White Book provide steps on how to achieve comfortable and safe spaces, based on thermal comfort, visual comfort, acoustic comfort and interior air quality.

3.4 Improve eco-efficiency

3.4.1 Environmental management system for existing assets

The EMS is implemented across the whole owned and joint venture portfolio. This pragmatic and dynamic EMS, based on an environmental continuous improvement approach (ISO 14001), ensures that the Group is able to meet its annual and long-term targets and supports VGP's continuous improvement for each area covered by the Group's ESG policy. This includes climate change adaptation and sustainable resource use. It completes the development projects' EMS, as part of the overall policy of managing the environmental quality of the Group's assets throughout their life cycle. For more information on the Group's EMS see section 3.3.1 Environmental Management System.

3.4.2 Green leases and tenant commitments

Since 2021, the Group has been committed to an active policy of promoting "Green leases". Green leases aim at improving tenants' ESG performance during the operation phase through a set of requirements, including fit-out, operation and reporting requirements. This approach, based on dialogue, information, and sharing of best practices, encourages the tenants to play a role in the environmental performance of the assets which they occupy. As well as contributing to lower operating costs through decreasing energy and utilities consumption and improving waste management, this change in behaviour is helping the Group and its stakeholders to prepare for increased constraints on resource management (regulation, availability, etc.).

In that respect, since 2021 and ahead of all existing regulations, all new leases and renewals signed with tenants have had environmental clauses. These first versions of Green leases cover those aspects that are most relevant to improve tenants' environmental behaviours and performances, such as commitment to sharing energy consumption data, commitment to reviewing ways to improve energy efficiency and reduce net dependency through photovoltaic developments, and intention to discuss measures to save energy and water and sort waste. As part of the Group's ESG strategy, this environmental section in lease contracts was strengthened in 2022 to reflect the Group's ambitions in terms of environmental performance and contributions to the community. Indeed, meeting the Group's reduction target of its carbon footprint from operations requires strong involvement of tenants, given the scale of their electricity use (see Section 3.2.2 Carbon assessment). To accomplish this, the two Group levers of improving energy efficiency and transitioning to renewable energy sources are implemented across the portfolio, in cooperation with the tenants. With regards to existing building portfolio, the Group invested nearly € 15 million in energy saving LED lighting, and over € 4 million in moving detectors and sun protection for offices. For buildings for which LED lighting was not installed or refurbished previously, the Group is preparing a further € 2 million refurbishment program in order to replace lighting with LED solutions and place smart meters. The table hereafter show the penetration rates of the latest applicable green lease version across the Group assets, both for standing assets and pipeline projects. The penetration rate of green leases signed in 2022 is 97.2% Group-wide.

	2022
Number of new lease contracts signed with green lease clause	85
% of total new leases signed	97.2%

Tenants are also being onboarded on the topic of responsible resource consumption through the organisation of periodic on-site reviews, during which environmental performances of an asset are presented and discussed with the tenants, in order to raise awareness and encourage behavioural changes as well as the implementation of operational improvements.

3.4.3 Energy management

The Group targets, in its ESG strategy, to improve the carbon emissions caused by the tenants' usage of its warehouses by 55% by 2030, compared with a 2020 baseline.

As part of its operational management process of environmental performance, the Group measures improvements in its energy efficiency by tenant industry segment against these targets: progress and results are disclosed in Section 1.2.2 Summary of the Group's ESG performance indicators.

To reach its targets in terms of energy efficiency, the Group has formalised a dedicated energy management policy, whereby assets are required to define their energy management action plan, setting the operational path towards reaching the objective, with levers identified at asset level to improve energy efficiency and their gradual implementation schedule. This policy also underlines energy optimisation best practices and sets the approach to define renewable energies action plans as well as sets requirements on green electricity purchasing.

Starting in 2022, the energy action plans are integrated in the CRREM Group portfolio analysis. This new process has allowed the Group to easily benchmark and compare energy actions proposed by the Group's countries and to allocate resources efficiently on the most impactful actions to reduce the energy impact and optimize the CRREM score of the portfolio. The actions implemented include a target to offer 10 MWp to our Czech clients as Czech assets with the CRREM portfolio score below benchmark compared to other countries. Comprehensive energy efficiency action plans at asset level will be rolled out in 2023, in order to identify appropriate levers to achieve the Group's energy efficiency objectives.

3.4.3.1 Energy consumption

The energy consumption optimisation strategy is built upon our green leases and energy management and renewable energy policies based on the following pillars:
— Daily optimization of operations
— Technical improvement of the equipment, including installing LED lighting at refurbishment
— Offering renewable energy solutions to our tenants, including tailor-made roof-fitted photovoltaic installations for self-consumption
— Improving the intrinsic quality of our new developments, including the installation of heat pumps instead of gas-powered heating where feasible

Green lease contracts – annual consumption and efficiency improvement review

Installing heatpumps instead of gas-powered heating

Offer renewable energy through roof-fitted photovoltaic installations

VGP extrapolates known data for the reporting year to ensure completeness and provide a more accurate carbon intensity figure. Due to current data collection processes, it is not always possible to collect a full 12 months of data from all the tenants and estimation is required using extrapolation techniques. The 2020 and 2021 datasets do not contain the same properties. The 2021 intensity has decreased due to the data gathering process capturing new buildings based on occupation use (with manufacturing and cooling (retail) warehouses being reported as a separate category). Data coverage is 58% for electricity, 35% for fuel and 77% for water.

Energy consumption data has been quality reviewed as well as carbon emissions calculations presented below have been third-party validated by CO_2logic based on GHG protocol and compliant ISO 14064.

Energy consumption

Property occupational use (GRESB)	**Standing portfolio (Own&Joint Ventures)**		**Under Construction[1] (Own&Joint Ventures)**		**Completed during reporting period (own&Joint Ventures)**		**Electricity consumption per Area** *(KWh/m²)*		**Fuel consumption per Area** *(KWh/m²)*[2]		**Water consumption per Area** *(m³/m²)*	
	No. of Assets	**Gross Floor Area** *(m²)*	**No. of Assets**	**Gross Floor Area** *(m²)*	**No. of Assets**	**Gross Floor Area** *(m²)*	**Average**	**Median**	**Average**	**Median**	**Average**	**Median**
Industrial: Distribution Warehouse	104	2,253,115			24	631,000	31.2	20.3	27.3	20.0		
Industrial: Manufacturing	31	480,887					159.9	96.8	113.1	43.1		
Retail: Retail Centers: Warehouse	13	315,923			1	8,500	76.6	65.7	19.1	23.2		
Office: Corporate: Low-Rise Office	1	6,679					76.6	65.7	—	—		
Other: Parking (Indoors)	2	35,328			1	12,500	—	—	—	—		
Total	**151**	**3,091,932**	**50**	**1,478,000**	**26**	**652,000**	**69.0**	**27.0**	**52.8**	**28.0**	**0.109**	**0.06**

1 To be allocated upon completion based on tenant occupational use

2 All new builds (as of March 2022) will be realized without gas sourced heating systems where feasible

The relative energy consumption in FY2021 has increased compared to FY2020 predominantly due to significant growth of the portfolio combined with higher levels of activity in our buildings by our tenants due to lifting of COVID-19 restrictions. An important factor is also mix-shift in the tenant composition, with semi-industrial tenants on average using 159.9 KWh/m^2 compared to 31.2 KWh/m^2 for standard distribution warehouse.

Total energy consumption – portfolio (KWh)	FY 2020	FY 2021	FY 2022 (including anticipated annualised green energy production of PV projects in pipeline)	Target	% change YoY
Total renewable energy produced on-site	**14,894,000**	**24,155,872**	**182,680,325**	**260,000,000**	*62.2%*
Of which renewable energy consumed on-site	911,000	3,646,351			
Green energy purchased from grid	—	4,168,817			
Total green energy consumed	**911,000**	**7,815,168**			*757.9%*
Total grey electricity purchased from grid	**137,501,142**	**161,903,879**			
Total electric energy consumed	**138,412,142**	**169,719,047**			*22.6%*
KWh/m^2	56.7	54.9			
Kilo CO_2/KWh	0.37	0.31			
tCO_2	**50,871**	**53,435**			*5.0%*
Gas					
Total fuel consumed from grid (KWh)	83,694,645	73,642,807			*-12.0%*
Fuel emissions (tCO_2)	**15,499**	**13,624**			*-12.1%*
Renewable Energy: produced and sold to grid (KWh)	13,983,000	20,509,520			*46.7%*
kilo CO_2/KWh	0.37	0.31			
tCO_2 “elsewhere avoided” (scope 4)	5,139	6,457			

Like for like energy consumption (2020 base year)	FY 2020	FY 2021	Change
Electricity	110,638,126	118,137,794	6.8%
Gas	37,465,023	37,585,975	0.3%

Looking at the like-for-like consumption, excluding buildings for which energy consumption has been estimated and only comparing assets for which a full year 2020 and 2021 of data is available the relative electricity consumption increased by 6.8% and the relative gas consumption stayed flat. This can be explained, in addition to COVID-19 disruptions by the fact that, whilst buildings may have been rented for full year 2020 particularly semi-industrial buildings and fulfilment centres take typically some time before full production/capacity is running at 100%. As the portfolio has grown significantly over the last few years this effect is expected to remain present.

Initiatives to reduce energy consumption

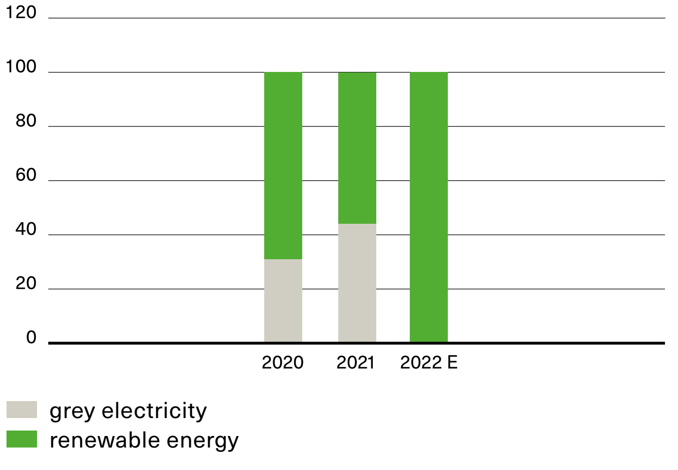
The initiatives to invest in moving sensors in tenants offices, refurbish existing portfolio through a switch towards LED-lighting and smart metering investments are well underway and are expected to help reduce like-for-like electricity consumption (*see section 3.4.2. Green leases and tenant commitments for additional details and section 4.2.3 Current allocation of green bond proceeds for further financial information on this initiative*).

Whilst VGP's initiatives to reduce the gas consumption in our portfolio, most notably the switch to heat pumps instead of gas-powered heating, is well underway, the reduction in the gas consumption within the VGP portfolio is mostly due to a select number of semi-industrial clients. High wholesale gas prices might have had a negative impact on gas demand in energy intensive businesses in H2 2021. In 2022 this volatility stayed at elevated levels and is likely to continue to impact demand levels.

3.4.3.2 Energy mix

VGP has made significant progress in switching the energy mix of the VGP office portfolio. As of 1 January 2022, the new energy delivery contract through a power purchase agreement with Scholt Energy and ACT Commodities went into effect allowing the entire VGP office portfolio to switch to renewable energy as of that date for its electricity supplies.

ELECTRICITY MIX OF VGP OWN OFFICES (VGP ENERGY CONTRACT CONTROLLED)

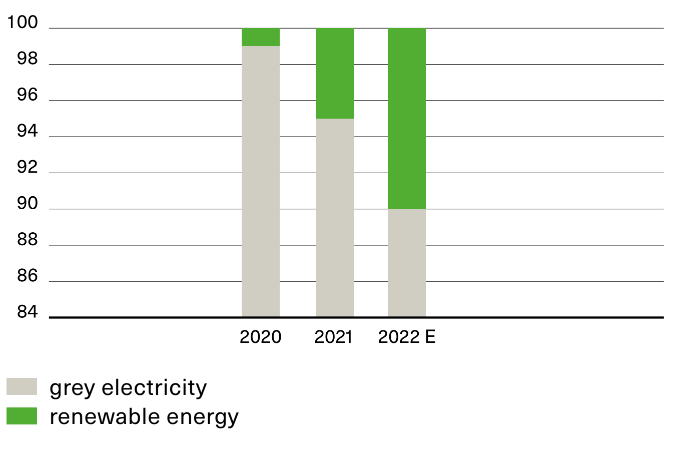


VGP also works at reducing the environmental impact of the energy consumed by its tenants by aiming to switch to the purchase of renewable energy from utilities and generating low-carbon or renewable energy on site. Note that the ultimate energy consumption is in most cases at the discretion of the tenant and as such VGP can only influence the decision indirectly through (i) providing insight into CO_2 footprint, (ii) providing energy saving options which are economically viable and (iii) offering renewable energy generated through own facilities at economically attractive terms.

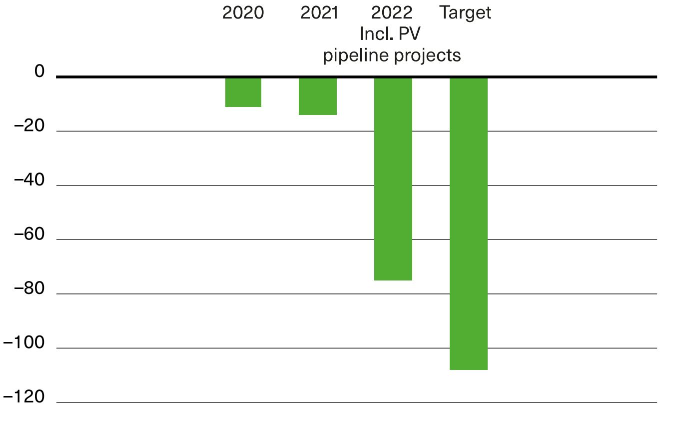
As such, the Group targets, as part of its ESG strategy, to:

— Multiply its installed capacity of on-site renewable energy by 2025, compared to 2020 and offer the energy generated to tenants at attractive terms;
— Source 100% electricity from renewable sources for those assets the Group is in control; and
— Intensify the green lease campaign with older lease contracts being adjusted.

ELECTRICITY MIX OF BUILDING PORTFOLIO (PREDOMINANTLY TENANT CONTROLLED)



RENEWABLE ENERGY PRODUCED AS % OF TOTAL ENERGY CONSUMPTION



3.4.3.2.1 Purchasing of renewable energy

Following the transition of the Group's own offices to 100% renewable energy as of 1 January 2022, the Group is aiming to accelerate the transition of its tenant-controlled energy contracts towards sourcing electricity derived from renewable sources ("green electricity"). In Germany, the Group started to sign green electricity contracts with energy suppliers since 2021, and all German assets for which VGP is (temporarily) in contractual control of energy delivery have been running entirely on green electricity since 2021. This green electricity is covered by mechanisms of Guarantee of Origin as defined by the 2009/28/EC European Directive. In the rest of Europe, VGP is committed to rolling out an equivalent green electricity certificate mechanism for its portfolio with 100% of the annual electricity consumption covered by Renewable Energy Certificates where the Group is in contractual control. As such, the Group will be able to reach its objective of sourcing 100% of its portfolio's electricity consumption of assets under contractual control (from a utility perspective) from renewable sources in 2025.

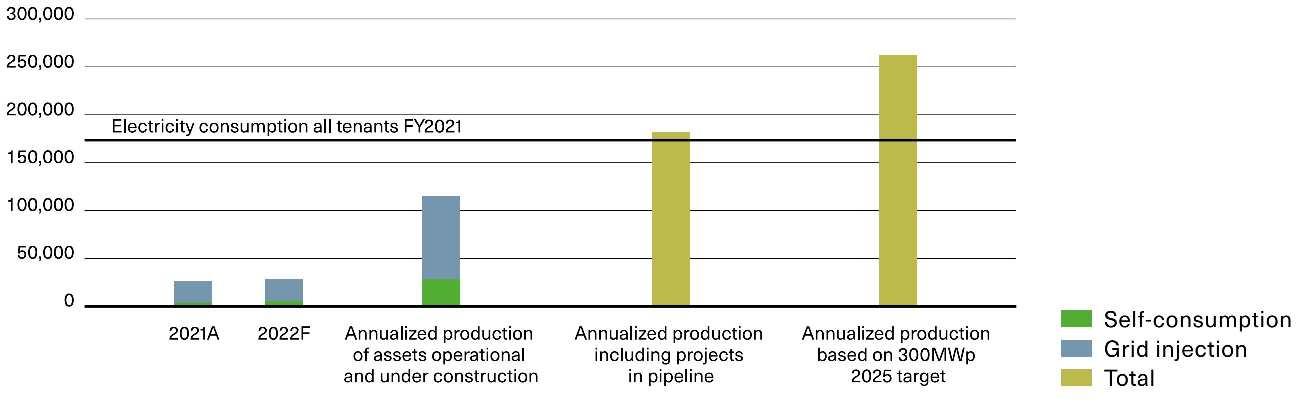
3.4.3.2.2 Production of renewable energy

Since 2019, the Group has been rolling out a solar photovoltaic installation program across its portfolio to generate electricity on site. The installed capacity of the Group's systems has continued to increase. In 2022, new solar panels were installed across the portfolio. One of largest multi-site roof-top photovoltaic systems in the Netherlands is being built in VGP Park Nijmegen: the construction works started in 2020, with the installation of 4.8 MWp; in 2022 3.1 MWp has been installed and the project will finish by mid-2023, when the installation will achieve a total output of around 17.61 MWp. The Group's largest multi-site in Germany is at VGP Park München where an 11.55 MWp photovoltaic plant was installed and finished in December 2022, generating an estimated saving of energy purchased from the grid of 9,000,000 KWh. In total, there are 62 solar panel installations operational across the portfolio. In Germany, VGP Park München also uses geothermal energy to meet its heating and cooling needs. A solid pipeline of future projects is maintained throughout the Group, such as photovoltaic self-consumption plants. The total installed renewable energy capacity of the Group's assets in 2022 is 56.6 MWp (compared to 34.0 MWp at Dec 2021) with a further 28 projects with a power of 75.0 MWp under construction and 60 projects, with 72.7 MWp power, in pipeline projects.

The renewable electricity produced by the Group is either self-consumed to meet our tenant's energy needs or sold to the grid. Once the photovoltaic projects currently under construction are fully operational the solar power production capacity will pass the total energy consumption of all tenants as measured over FY2021. Once the target of PV projects is considered the additional renewable energy generated should also cover the additional energy consumption anticipated as additional warehouses are being delivered. This would in theory mean that VGP should be able to allow to operate all tenants at 100% renewable energy however due to discrepancy in time (when solar power is generated vs when tenants consume energy) and location (some parks have more photovoltaic installation than needed for their tenant consumption, others less) the dependency on external renewable energy delivery contracts will remain imperative. Furthermore, due to contractual obligations (some tenants may prefer to continue to use an existing grey-energy providing utility) the Group within its portfolio is expected to continue to consume grey energy with on-site produced renewable energy sold into the grid instead.

The total on site production of renewable electricity at the Group's assets and breakdown between energy sold and self-consumed is as follows:

RENEWABLE ENERGY PRODUCTION *(KWh)*



Renewable energy production (KWh)	Self-consumption	Grid injection	Total
2021A	3,646,351	20,509,520	24,155,871
2022F	4,145,859	23,750,012	27,895,871
Annualized production of assets operational and under construction	28,272,026	86,273,731	114,545,757
Annualized production including projects in pipeline			180,688,655
Annualized production based on 300MWp 2025 target			260,000,000

Photovoltaic projects operational, under construction or in pipeline *(KWp)*

	Operational	Under Construction	Pipeline	# projects
Germany	43,841	60,153	55,380	99
The Netherlands	11,790	9,719	300	9
Italy	390	5,108	2,879	11
Spain	594	—	2,151	17
Hungary	28	—	1,436	3
Romania	—	—	2,800	3
Czech Republic	—	—	2,812	1
Austria	—	—	850	1
Slovakia	—	—	1,422	3
Portugal	—	—	200	2
France	—	—	2,500	1
Total	56,644	74,980	72,730	150

3.4.4 Decarbonisation scenarios (CRREM)

The Carbon Risk Real Estate Monitor (CRREM), an EU-funded research project established in 2018, is helping real estate owners like VGP understand the financial risks to our portfolio in relation to various decarbonisation scenarios.

Over the last two years, VGP has conducted CRREM analysis of its entire portfolio in order to understand stranding profile of the various sub-portfolios across countries and analyse improvements scenarios, including optimisation of the investments into renewable energy.

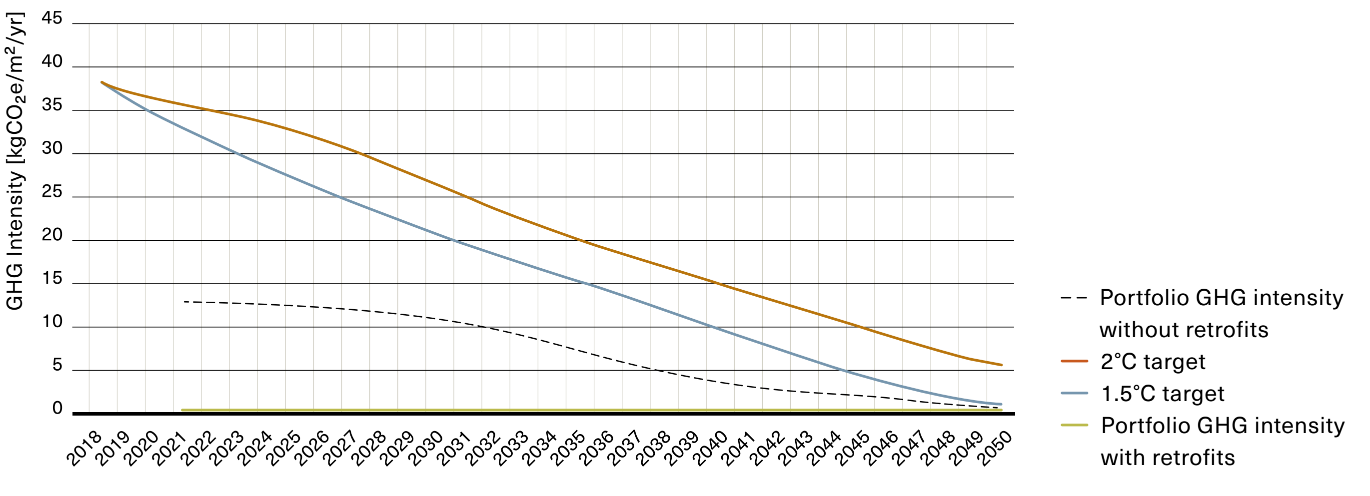
VGP performed its second CRREM study in 2022. The analysis was done on the entire portfolio (based on the 2022 GRESB submission which is based on the VGP portfolio as of December 2021, including JVs at 100%). The results are encouraging as the portfolio remains compliant on a 1.5°C decarbonization pathway until 2037 which is a 10-year improvement versus last year's results. Based on a location-based approach and taking into account the expected annual energy production of current photovoltaic projects in the pipeline, the portfolio compliance will be extended until 2040 and over 45.5% still compliant in 2050. Considering the target photovoltaic roll-out, 50%+ portfolio compliance until 2050 is anticipated.

Once contracted renewable energy projects are developed, the VGP portfolio stranding year is expected to extend to 2040.

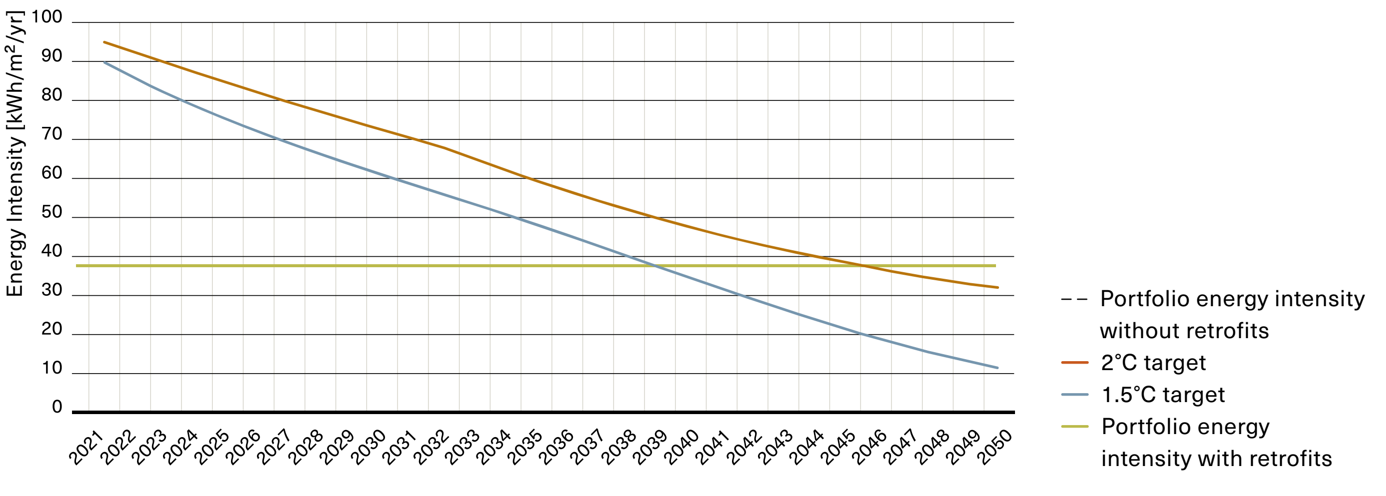
CRREM – stranding year	**2020**	**2021**
GRESB submission (based on actual renewable energy production in reporting year)	2027	2037
Based on renewable energy contracted projects		2040
Share of portfolio compliance in 2050		45.5%

Whilst improvements to the pathway can be realised through various measures, based, amongst others, on the results of the CRREM analysis, additional priority self-consumption projects have been identified including in Czech Republic, Slovakia and Austria. The roll-out of the heat-pump instead of gas-powered heating is expected to have a positive effect on the CRREM scoring in 2023 onwards.

AVERAGE PORTFOLIO GHG INTENSITY VS. PARIS TARGETS



AVERAGE PORTFOLIO ENERGY INTENSITY VS. PARIS TARGETS



3.4.5 Water management

The non-financial risk assessment pointed out that water is not a key environmental issue for VGP. Indeed, the tenants within the Group's portfolio are not considered as being significant water consumers. Moreover, the exposure of the Group's portfolio to the water scarcity risk has been assessed on a preliminary basis in 2021, based on asset location and climate scenarios and is deemed very low. Water consumption within the portfolio is concentrated to a number of large consumers with the top 10 tenants accounting for 40% of total water consumption. Nevertheless, to keep improving the Group's sustainability performance and water management, reducing water consumption is an operational target at all sites as part of the Group's resource efficiency policy and is managed at asset and Group levels. Based on environmental best practice, the Group is taking active steps to limit water consumption, reduce water waste and maintain water quality. Water consumption at the Group's assets is mostly driven by the tenant activities and predominantly driven by the number of employees. Special efforts are made to install water-efficient equipment, optimise operating practices, and ensure that leaks are detected and repaired on a timely basis. In 2022 circa € 700,000 was invested in water-saving measures in existing buildings. For new developments and refurbishments, the following standards are used across the portfolio:

- hand wash basin taps and kitchen taps have a maximum water flow of 6 litres/min;
- showers have a maximum waterflow of 8 litres/min;
- WCs have a full flush volume of a maximum average flush volume of 3.5 litres;
- Urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre

To optimise water-use and leverage associated cost savings, the Group also prioritises the use of non-drinkable or reused water over drinkable water wherever possible. In 2022, 4 warehouses collected 105,000 m^3 of rainwater or of greywater on site, which were partially used for cleaning and for watering green spaces. Projects are also planned in the environmental actions plans of some of the Group's assets.

At existing assets, the Group relies on cooperation with tenants to reduce water consumption. Green leases (see Section 3.4.2 Green leases and tenant commitments) and discussions with tenants are used to help raise awareness among tenants about water use and to get them on board with water management.

In 2021, water consumption at owned and managed warehouses increased by 15% compared with 2020 on an absolute and 4.4% a like-for-like basis. This evolution is most likely mainly due to the activity recovery following the impact of the COVID-19 health crisis on 2020 consumption due to business activity closures. The average water consumption in our buildings is 0.107 m^3/m^2 but this is mainly concentrated in a number of semi-industrial and retail related warehouses (top 10 accounting for 40% of total), median water usage across all warehouse space was 0.060 m^3/m^2 gross lettable area. Total reported water consumption in 2021 was 222,856 m^3.

Average water consumption	0.11 m^3/m^2
Median water consumption	0.06 m^3/m^2
Like-for-like increase(decrease) 2021 vs 2020	4.4%
Like-for-like comparison base in 2020	156,831 m^3 (1,910,000 m^2 GLA)

Bicycle sheds at VGP Park Olomouc

3.4.6 Waste management

While waste generated across our own offices (where we have control) is monitored, tracked and reported (see table below), the majority of our waste is created as a result of our construction and demolition projects. We aim by 2025 for 70% of non-hazardous construction and demolition waste generated on construction site to be prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. As such, for demolition waste, which makes up the bulk of our total waste, we re-use as much as possible on-site to avoid the carbon emissions related to transportation of waste off-site and the import of new materials from elsewhere. We undertake pre-demolition audits to identify waste materials taking into consideration the quantity and quality of waste to be re-used on site as aggregate. We also re-use on site where materials are non-hazardous and will not have a detrimental effect on the environment. Hazardous waste is treated differently and is not included within these figures. Hazardous waste is dealt with in the appropriate manner, fully in line with relevant regulation.

Waste – scope 1 and 2

Waste *(metric tonnes)*	**FY 2019**	**FY 2020**	**FY 2021**	**Comment**
Total waste recycled/reused	22.9	23.8	17.9	(1)
Total waste disposed	10.5	10.8	5.2	(2)
Total waste	**33.4**	**34.6**	**23.0**	
Like-for-like increase (decrease) in residual waste 2021 vs 2020				
Like-for-like growth			(53)%	
Like-for-like comparison base		10.02		

1 Waste emissions for FY2021 are mainly calculated based on an extrapolation of data from offices with known data
2 Total waste emissions are 2 tCO_2e, or 0,1% of total emissions. 56% of waste emissions result from residual waste, paper waste caused 35% of waste emissions and 64% of waste generation

The like-for-like reduction of 53% is predominantly driven by reduction in waste generation at German offices through better paper waste separation. The Green Office policy is assisting our offices to enforce local improvements and enhance disclosure.

E-charging facility at VGP Park Berlin

3.4.7 Develop connectivity and sustainable mobility

As part of its ESG strategy, VGP aims at ensuring access to public transport and sustainable mobility for the tenants and their visitors of our buildings. In addition, the Group only allows the use of battery-powered vehicles or plug-in hybrid vehicles for its own staff with respect to car portfolio leased and own. This is a cornerstone of the plan to reduce Scope 1 and 2 emissions by 50% by 2030 from a 2020 baseline (see Section 3.2 Address climate change). To further raise awareness of our tenants with respect to the green transition, the Group has introduced a new target of having 100% of parks equipped with EV charger units and to achieve the target of having 100% of Group assets offering sustainable means of transport. This engagement cascades down through the Group's development pipeline, in which the Group in addition to the 100% public transport connectivity target (see section 3.4.7.1 for further details) aims for parks to offer facilities for pedestrian (sidewalks where applicable) and bicycle usage promotion (bicycle lanes and racks). See Section 1.2 Summary of the Group's ESG performance for a summary of the Group results against these strategic targets. By making these commitments, the Group is setting a long-term view on the evolution of mobility trends by working both on asset attractivity and actively encouraging new sustainable transport solutions and behaviours by the employees of our tenants. The Group aims to facilitate our tenants in their transition towards green (forklift-) truck/van fleet by offering green electric and hydrogen charging facilities and infrastructure at our park.

In 2022, a pilot project was launched to offer EV charging facilities at the home of all VGP employees. This is being implemented in Germany in 2023 the other countries within the Group will be added.

% of VGP parks with EV charging facilities available	46%
Target % of parks with EV charging facilities available	100%

3.4.7.1 Connectivity to public transport

With regards to land selection criteria the Group is focusing on opportunities that are or will be well connected to public transport networks and are located close to major cities.

% of VGP parks with access to public transport available	95.8%
Target % of parks with access to public transport	100%

In addition, the design team usually consults with the local authority on the state of the local cycling network and how the new park development could improve bicycle usage of the park users. When appropriate, the design team consults with the local community in selecting and implementing additional solutions to enhance the access to the local bicycle network. At 2022 year-end, 95.8% of the Group's projects are connected to public transport solutions and one of the remaining four parks is currently being connected (in Sibiu, Romania, building permit for bus stop has been submitted).

Water tributary at VGP Park Laatzen

3.5 Protect and improve biodiversity

In order to ensure compliance with EU Taxonomy for land acquisition the Group has enhanced its due diligence requirements. As a result, the Group predominantly focuses on brownfield development opportunities and aims to avoid new developments to be built on:

- greenfield land of recognized high biodiversity value and land that serves as habitat for endangered species (flora and fauna) as listed on the European Red List or IUCN Red List
- land matching the definition of protected forest as set out in the national law and used in the national greenhouse gas inventory

As well as minimize:

- the use of arable land and crop land with moderate to high level of soil fertility and moderate to high below ground biodiversity as referred to in the EU LUCAS survey

In addition to enhancement of green areas existing in VGP Parks (last years 4,201 trees were planted in existing VGP Parks, new beehives were placed and initiatives undertaken to protect biodiversity), seven biotope areas have been created within our parks to enhance or protect specific species and enhance overall local biodiversity. The total size of these biotopes, created within VGP Parks measure 488,284 m^2. Examples of projects completed in 2022 include VGP Park České Budějovice – a complex project which included a revitalisation of the water tributary, biotope, and new retention and VGP Park Kladno in the Czech Republic – a 150 m^2 water biotope with unreclaimed sites with shallow warm pools, can be inhabited by the population of the toad – *bufo calamita.*

3.5.1 100% of development projects to implement a biodiversity action plan

In addition to the biodiversity due diligence as part of the land acquisition, all development projects need to implement a biodiversity action plan. This action plan is always prepared by a qualified ecologist after the assessment of the characteristics of the local biodiversity. The purpose of this document is to first avoid and reduce all impacts of the project on the local nature, and second to implement on each project a list of Group recommendations like the use of environmentally certified materials or bird-friendly designs for the façades and biodiversity compensation zones and initiatives. The new commitments and recommendations for the integration of biodiversity in development projects were integrated in the Group's design process through the Sustainability Brief (see Section Project design and review stage in 2.2.2 Design sustainable

Bufo Camalita

buildings). Some projects also do an Environmental Impact Assessment, which includes an environmental/biodiversity component, as it is a prerequisite for obtaining a building permit and commercial planning permission in some countries. A public consultation may also be carried out as part of this process. Biodiversity is also addressed by the development projects through the "Land Use and Ecology" section in the BREEAM certification and for all DGNB projects a biodiversity strategy is conducted. For example, the project VGP Park Laatzen, building A in Germany inaugurated in 2022 achieved 100% of the 10 credits of that section, through a number of biodiversity initiatives including for example through the support of habitats for birds and insects, and a rainwater retention basin providing biotope for toads and other reptiles.

% of VGP development projects started up in 2022 with an ecology plan	100%
% of VGP development projects to have an ecology plan	100%

Water biotope at VGP Park Kladno

3.5.2 100% of standing assets with high biodiversity stakes to implement a biodiversity action plan

The Group applies a pragmatic approach towards biodiversity at its standing assets. Even though the locations of most assets – mostly within cities' semi-industrial and logistics parks – severely limit the potential to enhance biodiversity, the Group's sites are committed to retaining and improving local biodiversity. This translates in the new biodiversity strategy for standing assets with initiatives taken to enhance and diversify the local flora and fauna. The aim is to increasingly focus on creating "green" spaces, such as green roofs, green walls and green parking lots. For example, at VGP Park Llica d'Amunt 5 beehives were installed on the rooftop and filled with 250,000 native bees (Apis Mellifera Iberiensis, the Spanish bee). A native species of the region and a species currently facing the danger of extinction, producing 40 kilograms of honey each year.

In 2022, in existing VGP Parks 4,201 trees were planted to enhance biodiversity.

The Group also works across its regions to raise awareness among its stakeholders and communities about the importance of biodiversity. For example, in 2022, through the VGP Foundation, the NABU campaign "Become an Insect Scout" during which nature enthusiasts and insect fans can apply for training in identification and ambassador role for insect care projects in the community.

% of project high biodiversity stakes implemented a biodivesity action plan	85.7%
target % of project with high biodiversity stakes implemented	100%

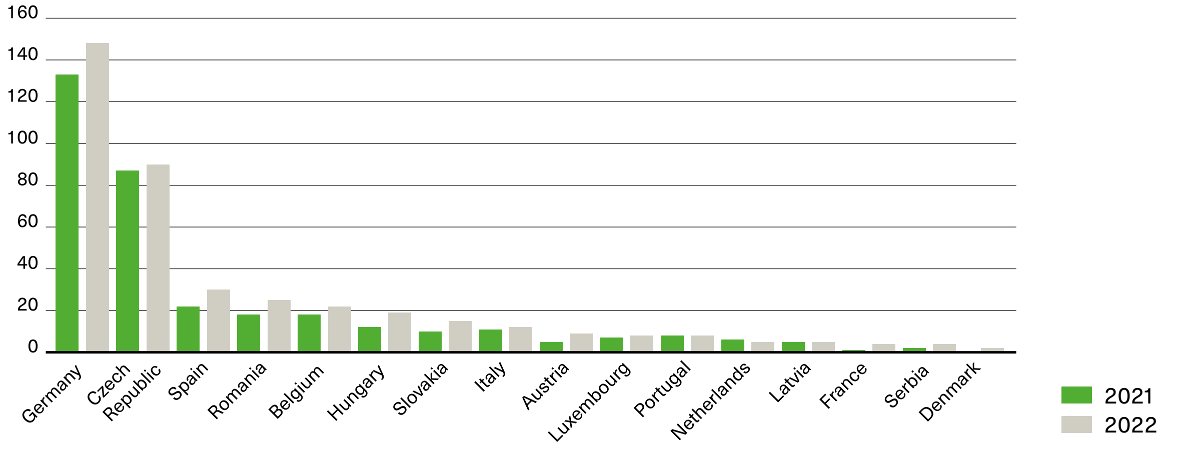
The Group's BREEAM In-Use certification process (see Section *3.3.2. Environmental Certifications* for more information on buildings' certification during the operation phase) ensures that biodiversity issues are well addressed and promoted to achieve high standards. Once a project has been built and delivered, the Group's facility management team is responsible for maintaining and monitoring biodiversity. The ESG team monitors the application of the Group's biodiversity policy and provides operating teams with the necessary support.

VGP Park Llica d'Amunt: 5 beehives were installed combined with green and floral arrangements on the rooftop in order to give 250,000 native Iberian bees a home

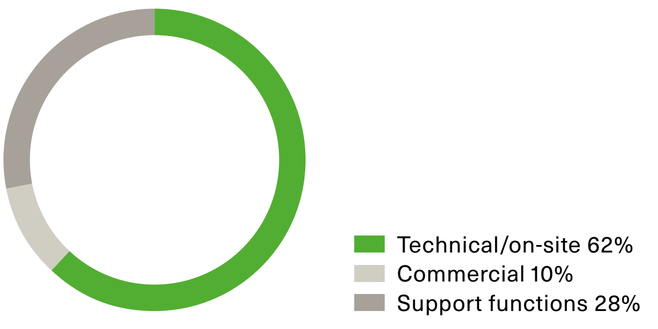
3.6 Empowering our workforce

Key figures

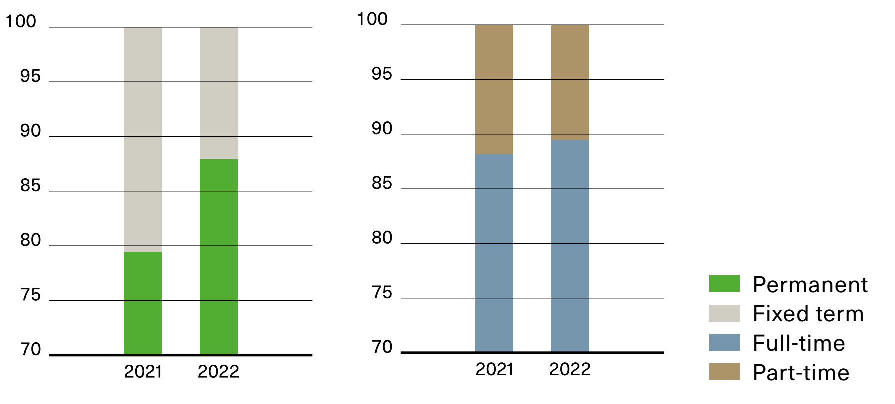
EMPLOYMENT BY COUNTRY *(People)*



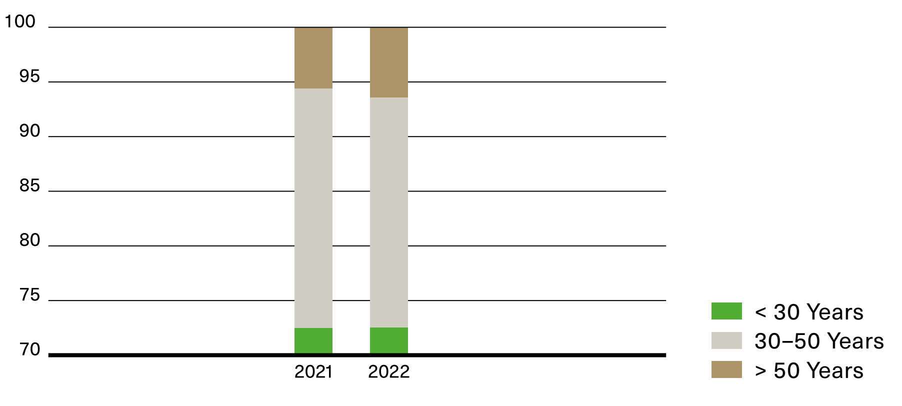
EMPLOYMENT BY ACTIVITY



EMPLOYMENT BY CONTRACT



EMPLOYMENT BY AGE



3.6.1 Attracting the best talent

VGP is committed to attracting the best talent by fostering professional development, promoting cross-functional and international mobility opportunities and offering exciting career opportunities at all levels. As we continue to focus on recruiting the best candidates we have also intensified our efforts in recruiting experienced profiles. Bringing new sets of capabilities and diversifying our leadership and management styles are key success factors for the Group.

The VGP Corporate LinkedIn page allows us to maintain our strong digital presence. Its audience grew by nearly 3,000 in 2022 to reach close to 13,000 followers by December 2022. Besides stories on our business activities and our people, among others, here the Group showcases content labelled #BuildingTomorrowToday and #TechnicalCompetence to promote our technical expertise and to highlight our ESG initiatives and initiatives to support the communities we are a part of.

3.6.2 Talent management

The Group is committed to offering employees a working environment that fosters diversity and equal opportunities to offer to each employee the experience needed to build an exciting career that creates value for the Company.

Employees meet with their managers once a year for year-end evaluations, have the opportunity to provide and receive ongoing feedback throughout the year, which gives them the opportunity to discuss their performance, objectives, career advancement and training needs.

Career evolution in the Company is strongly linked with the Group's competency model (see Section *2.1 ESG Strategy: Building Tomorrow Today Together*). The Group aims to recognise the experience and expertise employees are developing in their position. Internal mobility between functions is encouraged and is conceived as a collaborative process involving employees, country management and Group functions. It gives employees a more in-depth understanding of the Group's various activities and priorities. International mobility also helps employees to build and consolidate networks and share best practices among the various countries.

Employment by contract	**2021**	**2022**
Permanent	79.42%	87.93%
Fixed term	20.58%	12.07%

Turnover	**2018**	**2019**	**2020**	**2021**	**2022**
Turnover rate	7%	14%	10%	12%	13%
Voluntary turnover					8%
Unvoluntary Turnover					5%

New hires	**2022**
New hire ratio	31.0%

The new hire and employee turnover rates are calculated based on the total employee numbers at the end of the reporting period and expressed as a percentage or ratio.

In 2022 we had a regrettable voluntary turnover, as measured by voluntary departures during the reporting period as percentage of the number of permanent employees at the end of 2022, of 8%. Our strong employee engagement survey results validate that our employees are motivated and engaged – see also section *3.6.4 Diversity* for a further explanation on the employee survey results.

3.6.3 Training

Groupwide and regional trainings are organised to embed the Group's ESG strategy, ESG processes and to empower and encourage employees to deliver sustainable actions.

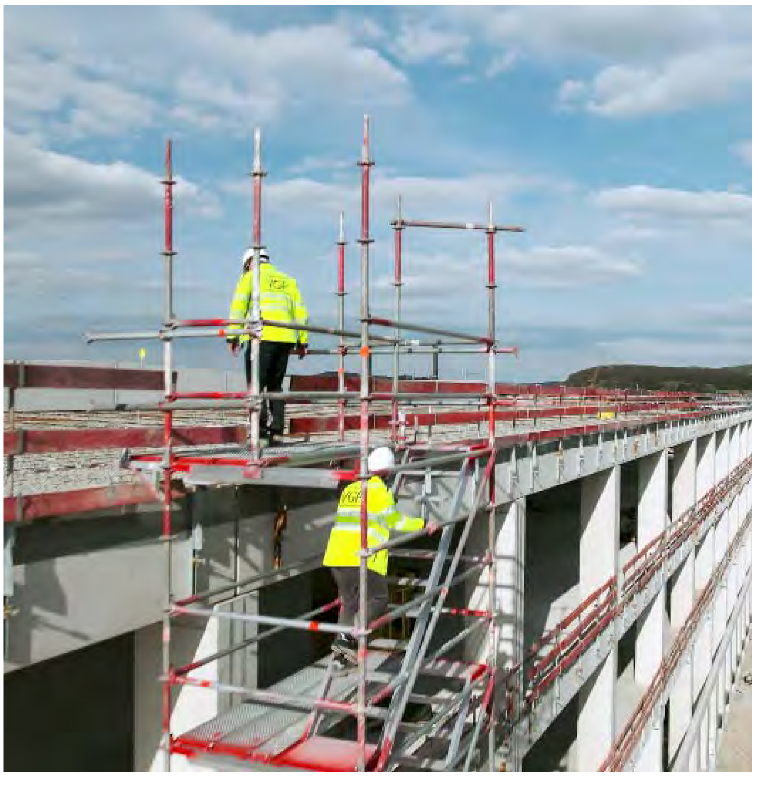
The ESG ambition and related action plans are systematically introduced to newcomers in the "VGP new joiners" training. Dedicated technical training is offered to relevant staff members as required, covering topics such as sustainable consumption and the carbon footprint assessment methodology for development projects. Training materials related to new ESG topics are also drafted regularly, shared with the relevant teams, and made accessible on the Group's training platform (for example "EU Taxonomy" and "Renewable Energy and Green Leases" guidelines).

Also, for all technical managers across the Group, a symposium was held in October 2022 discussing potential improvements to our building standard in order to enhance circularity, ways to enhance the energy transition (including less usage of gas for heating and offering EV chargers) and the implications of EU Taxonomy.

Although significant steps have been taken, the Group also realizes that further enhancements to the training program are to be reviewed and accessibility to be broadened. Whilst in 2021, 81.6% of the Group's employees expressed to be neutral or satisfied with the Group's training platform on offer, in 2022 the ratio was 75.3%.

The Group's employees are a critical pillar of the Group's ESG strategy as it focuses on people topics including Diversity and Inclusion, and Employee Wellbeing. To embed the Group's Diversity and Inclusion policy in the day to day operations, VGP has committed to 100% of Group employees to have participated in ESG training, in 2022 41.1% of staff participated in such training.

ESG training	**2022**
% of staff trained on ESG topics in 2022	41%
% target of staff to be trained on ESG topics	100%



Works at VGP Park Laatzen

3.6.4 Diversity

Employment by gender	**2021**	**2022**
male	61%	65%
female	39%	35%
Employment by Age		
<30	8.3%	8.5%
30–50	72.9%	70.1%
>50	18.8%	21.4%

Diversity (gender)	**2021**	**2022**
Board	60%	60%
Management	16%	23%
Company	39%	35%
EU Women on Boards guideline	33%	33%

Diversity (nationality)	
Nationalities working for VGP	23

Diversity (parental leave)	
% of VGP employees entitled to parental leave	100%

Diversity and inclusion forms a key part of the Group's ESG strategy. With a representation in 17 countries, VGP welcomes employees from diverse cultures and backgrounds to build successful and inclusive teams.

VGP commits to ensuring full equal opportunities (e.g. gender, nationality, sexual orientation) in HR practices and processes Group- wide. This target has been achieved as 100% of VGP countries ensure full equal opportunities in their HR practices and processes by having the VGP Equal Opportunity statement included in formalised HR policies relating to recruitment practices, compensation & benefits, talent review and learning & development. The VGP Equal Opportunities statement ensures that HR policy and processes are applied without discrimination on the basis of race, colour, religion, sex, sexual orientation, gender identity, marital status, age, disability, national or ethnic origin, military service status, citizenship, or other protected characteristics.

In order to measure employee perception of the diversity and inclusivity policy in 2021 a new Group Employee Survey was introduced including questions with a focus on Diversity and Inclusion. In 2022, over 230 employees participated in the survey, representing 60% of the workforce, with 96.9% of respondents stating that VGP is a socially responsible company. The survey will be rolled out each year to check in with the employee community and help shape effective plans to create an even more inclusive working culture.

VGP Diversity, Equality and Inclusion Strategy framework:

Our purpose	Building Tomorrow Today *Together*				
Our people	A diverse and inclusive workplace where people can achieve their full potential				
Our DEI strategy	Make a positive difference to colleagues, communities, our suppliers and clients by taking action to promote equality – considering all areas of diversity				
Our actions	1. People and culture	2. Recruitment and career progression	3. Our leadership	4. Our suppliers	5. Our communities

In addition to the VGP Diversity Policy the Group introduced a Diversity, Equality and Inclusion Strategy to drive change within the organization and define actions across 5 key focus areas. The Strategy document is available on VGP corporate governance web portal and the plan is for the actions to be further detailed over the coming period.

3.6.4.1 Gender Pay Gap

We believe that analysing diversity data and being transparent is an important step towards creating meaningful change. This is why we have decided to voluntarily publish our Gender Pay Gap. In 2022, our Gender Pay Gap for all employees at VGP was 42%.

Gender Pay Gap	2022
Pay Gap for VGP Group	42%

Like many other organizations, particularly in the property sector, the reason for our Gender Pay Gap is the fact that we have more men than women in senior roles. In VGP, our employees are paid equally for doing equivalent jobs across our business and our reported Pay Gaps are a direct result of our employee profile and do not represent pay discrimination. A core element of our ESG strategy is to improve the diversity of our business. The new Diversity Strategy document as published this year will further help amplify the importance within our organisation at all levels of seniority. This is crucial for the enduring success of our business but should also be reflected in reducing the Pay Gap over time.

3.6.5 Employee commitments and ESG

3.6.5.1 Individual ESG objectives

The Group has committed to 100% of employees having yearly individual ESG objectives to help make all employees accountable for the collective success of the ESG ambition. Appropriate initiatives and targets aligned with the Group's ESG Strategy are being identified in close cooperation with each country within the Group and functional departments: Technical, Commercial, Land Acquisition, Facility Management, Property and Asset Management, Finance, Marketing, Legal and Compliance. A toolkit with key examples of general and functional ESG targets is shared with VGP employees Group-wide.

Quantifiable ESG targets are included in the incentives of members of the Group's management team. Further details are presented in the Group's Corporate Remuneration Report. The 2022 incentive awards also include 15% of ESG-related performance conditions, for all eligible Group employees.

Volunteering program
The VGP Volunteering Program offers all employees the opportunity to dedicate at least one workday to support social initiatives developed by the Group including support for local people facing barriers to the job market or supporting local non-profits through VGP Community Days and local partnership activities. The Group has committed to 100% of Group employees taking part in the VGP Volunteering Program from 2022 onwards.

The Group's community-oriented activities in 2022 were focused on supporting the needs of local communities and events to support and enhance local biodiversity. More information on the results of these initiatives is included in Section 3.8 VGP in the community.

3.6.5.2 Business travel

The Group travel policy aims to reduce its associated carbon footprint. Employees are encouraged to travel by train when possible and give preference to videoconferencing rather than physical meetings involving travel.

The table below shows the CO_2 emissions from employees business travel by train, plane and car journey. The indicator is given both as an absolute value and as the ratio between CO_2 emissions from business travel and the average number of employees in 2021. Data and methodology are verified by CO_2Logic/Southpole and provided by referenced travel agencies for each country.

	Total 2021
Total emissions (tCO_2eq)	304.6
kg CO_2eq/employee	1.04

In 2021, the Group carbon emissions related to business travels continued to decrease, predominantly due to travel restrictions linked with the COVID-19 pandemic and the reorganisation of Group ways of working.

In addition, since 2021, all new company vehicles must either be hybrid or electric. At the end of 2022, 35.3% of the Group's vehicle fleet was replaced by plug-in hybrid or fully-electric. We anticipate the percentage to grow significantly in 2023 as more cars come to their lease-end period.

VGP office in
Budapest, Hungary

3.6.5.3 Green offices and working

The Group has committed to 100% of VGP's countries implementing work greener program captured in the VGP Green Offices and working guidelines. The VGP Green offices and working guidelines offer employees the work environment and tools to reduce the environmental impact of their day-to-day work. The program enables employees to make VGP offices more sustainable and environmentally friendly, implementing eco-friendly initiatives such as tackling waste management, promoting responsible consumption, or sustainable mobility.

Since 2022, 100% of our countries delivered at least one Work Greener initiative. Initiatives from the program should help the Group with:

- An improved waste management:
  - Improved waste sorting infrastructure in office kitchens;
  - Getting rid of single use plastic with the installation of filter taps, glass bottles or other options;
  - Replacing "waste producing" fittings like paper towels with hand dryers;
- More eco-friendly mobility:
  - New electrical vehicle charging points in our car parks;
  - A bicycle allowance;
  - Electric bicycle sharing programs;
  - High quality bicycle facilities
- Towards better energy and water efficiency in our offices:
  - Lighting equipment is being progressively replaced by LED lighting and intelligent detectors
- Reducing paper:
  - Digitisation and e-invoicing continued in 2022 following the group-wide rollout of DocuSign as well as other processes and acceleration of e-signature programs;
- Sustainability awareness programs:
  - "Work Greener" ambassadors actively champion eco-friendly practices in our offices;
  - The Portuguese team set up a 'Green Week' aiming to drive awareness of environmental issues and encourage sustainable day-to-day commuting actions across the workforce.

3.6.5.4 Well-being

Employee well-being is a key part of the ESG strategy and Group HR strategy. VGP works to support a healthy working environment with a structured focus on health & well-being to help employees thrive.

The Group's Well-being framework is based on the WorldGBC's Health and Wellbeing Framework.

3.6.5.5 Healthy culture

- Work-life balance: home/flexi working practices are in place in all countries, in addition to continued family-friendly policies. The topic of work-life balance is typically included in performance reviews to encourage conversations with managers;
- Over 230 employees participated in a new Employee Survey, which allowed all employees to easily give feedback on topics such as well-being support and improving ways of working. The survey will be conducted each year to help shape effective plans to create an even better working culture;
- The Group is preparing the organization of a family day which did not go ahead in in the last two years due to COVID-19 restrictions.

3.6.5.6 Healthy bodies

- To encourage a healthy lifestyle, use of bicycles is encouraged, gym and sport memberships are sponsored and healthy food alternatives are offered in office canteen and kitchens (fruit free of charge)
- Healthcare benefits: health insurance is offered to all employees
- Green challenge week took place for the team in Portugal encouraging colleagues to take bicycle or walk to the office for the daily commute

3.6.6 Occupational health and safety

The Group pursued its compliance and HSE risk prevention training strategy in 2022, including a focus on “HR toolbox” training.

— Absenteeism is monitored in each country;
— Causes of work-related accidents are analysed and measures are taken to prevent them recurring. No loss time due to injuries was reported for VGP employees in 2022. The Total Recordable Lost Time Injury Frequency Rate for contractors in 2022 was 0.40.

Health and Safety — VGP Employees	**2020**	**2021**	**2022**
Employees in VGP premises covered by VGP H&S policy	100%	100%	100%
Employee loss-time injury frequency rate[1]	0	0	0
Employee total recordable injury frequency[1]	0	0	0
Total number of hours worked	c. 500,000	c. 600,000	c. 700,000

Development projects — contractor controlled Health	**2020**	**2021**	**2022**
Number of contractor fatalities	0	0	1 contractor
Contractor loss-time injury frequency rate[1]	0.46	0.37	0.40
Total number of contractor hours worked	c. 4.4 million	c. 5.4 million	c. 5.0 million

In 2022, sick leave has been monitored at country level and due to aftermath of Covid-19 and a significant influenza season showed higher numbers than for a typical year of operations. For 2023 the Group aims to report the data on a consolidated basis.

3.6.7 Human rights and labour conditions

VGP complies with the labour standards set by the International Labour Organization (“ILO”). The Group only operates in countries where social regulations are well developed through democratic frameworks. Internally, specific frameworks set up by the Group define and manage additional regulations that reinforce employee rights and strongly endorse respect and ethical conduct in business dealings (Code of Conduct, Anti-corruption program, etc.).

Since 2022, VGP has been a member of the UN’s Global Compact, which promotes ethical conduct and fundamental moral values in business. VGP strives to adopt, support and apply in its sphere of influence the ten principles of the Global Compact concerning human rights, labour, environment and anti-corruption. VGP’s commitment to adhere to the principles is laid down in the Group’s Code of Conduct.

As of December 31, 2022, 0% of employees were covered by a collective agreement.

1 LTIFR: Lost-time injury frequency rate calibrated to one million hours.

3.7 Sustainable Supply Chain Management

The ESG strategy of the Group encompasses a much wider footprint than the Group itself. Being a substantial buyer, VGP is aware of the importance of driving industry standards and our ability to support by pushing for an evolution on the way we can drive suppliers and service providers toward more sustainable operations.
Given the size and the geographical spread of the portfolio, the Group works with a large number of suppliers and contractors, and ensures it is not exposed to the risk of depending on only a few strategic suppliers. In 2021, the Group designed its Supplier Code of Conduct, followed by a mapping of ESG risks in its supply chain in 2022. VGP became a signatory to the UN Global Compact in 2022, thus committing to adopting, upholding and enacting within its sphere of influence the ten universally recognised principles relating to human rights, labour laws, environmental protection and anti-corruption.

3.7.1 Purchasing mapping

Purchases at VGP can be split into three categories:
— Corporate overheads, including office management, business travel, consultancy and audit fees, corporate communication and public relations costs, ICT and other administrative costs. This covers all Group staff and country offices;
— Facility Management costs, services provided to properties for operations, such as maintenance, greening, energy and fluid provision, and marketing expenses (OPEX paid by the property owner and mostly passed onto tenants as service charges); and
— Capitalised construction works invested in properties for three main purposes: new development or enhancement works, maintenance works or reletting works (CAPEX paid by the property owner); these include mainly purchases from contractors, fees for architects, designers and engineering firms, and insurance premiums.

The varied nature of procurements and the diverse locations of the Group's properties result in having most of the supply chain being local companies or subsidiaries that support the local economy. In addition, wherever possible, the purchasing policy favours local purchases in the catchment area of the Group's assets in order to contribute to employment and local economic development.
Purchases consist principally of OPEX and CAPEX for the operation and development of properties (overheads being a small part of the overall expenses). Facility management expenses are predominantly spent locally. OPEX and CAPEX costs mostly comprise labour-intensive services and to that extent are purchases that cannot be relocated. Capitalised construction works are non-recurring expenses depending on development activity.

3.7.2 Mapping of ESG risks in the supply chain

VGP is committed to protect human rights, health, safety and the environment in its value chain. To strengthen its approach to responsible procurement, VGP established a mapping of ESG-related risks mapping in its supply chain in 2021 as reported in the Corporate Responsibility Report 2021. This mapping allows VGP to understand and identify key risks related to sustainability in its upstream value chain and will allow the Group to define and implement action plans to manage these risks. The mapping covers approximately ten key procurement categories under 11 risk categories (resources consumption, pollution, waste generation, climate change, biodiversity, illegal/forced work, discrimination/harassment, working time/salary, health and safety, data protection and corruption), with distinction between countries. This mapping includes mapping of the main existing risk management measures already in place within the Group.

Works at VGP Park Giessen
Am Alten Flughafen

Works at VGP Park Soltau

3.7.3 Sustainable procurement

VGP's procurement strategy is designed to comply with the following rules: fairness, focus on quality, long-term partnerships, reduced risk and the respect for applicable regulations. Moreover, the Group must honour the trust placed in it through property management contracts which aim to be transparent and cost-efficient.
In addition to the principles and rules detailed in the Group procedures (and specifically in the Code of Conduct and the Anti Bribery and Anti-Corruption policy), all purchases must comply with the applicable local laws and regulations, especially labour and environmental laws.

To secure the proper application of these rules, in the case of a tender process and over the term of a contract, the supplier can contact the VGP Compliance Officer at any time to raise and submit a complaint, in accordance with the Group's whistleblowing procedure. The VGP internal audit team can carry out regular audits across the Group to validate the thorough application of the Group's procurement policy.

The ESG approach is fully integrated at each step of the supplier procurement and referencing process of VGP.

Over 2021, VGP received a B score for its supplier engagement from CDP, which is higher than the Europe regional average and higher than the real estate sector average.

3.7.3.1 Selection of suppliers

VGP chooses its contractors with great care and ensures they comply with its procurement policy. The Group-wide purchasing procedure guarantees an optimised price for the best level of service while securing an equal treatment among providers/suppliers. It states that the suppliers of all goods and services must be selected fairly on the basis of objective, comparable criteria and, when relevant, according to procedures relating to invitations to tender.

Prospective business partners are screened in line with the onboarding procedure of the Group. These due diligences aim to assess the partner exposure to corruption risk, and identifying past international labour law or human rights breaches.

Before a new service provider joins the approved list, a substantial amount of information is required, including an overview of its ESG strategy and practices. These environmental and social factors are of particular importance to the Group's information in its choice of suppliers and form part of the criteria considered in tender processes.

Each purchasing step is duly documented for traceability. Built around NetSuite, a web-based solution for purchasing management was launched in 2021. It makes the procedures of VGP more robust, ensures the transparency required for all purchasing decisions, helps operational teams to select providers, and facilitates the sharing of best practices and risks mitigation. This solution secures the administrative management for the whole purchasing cycle.

3.7.3.2 Inclusion of ESG criteria in contractual clauses

General purchasing conditions apply for all the countries in which VGP operates, although they vary, according to local requirements. A clause is also automatically included in these conditions, requiring suppliers to abide by the Group's Code of Conduct provisions, including complying with applicable laws and regulation, prevention of all forms of corruption and discrimination, respect for human dignity and for employees' work including a commitment to comply with the conventions of the International Labour Organisation ("ILO") and with local employment legislation, preservation of the environment and reporting practices that are in breach of these principles using the contact procedure provided by the Group.

Suppliers are required to comply with all relevant safety (we generally expect our general contractors and health-and-safety coordination partners to comply with ISO 45001), labour and environment (including but not restricted to waste and water management) legislation. We expect our general contractors and engineering partners to have a site environmental management accreditation (ISO 14001), including operating with best practices. Suppliers are required not to engage in any direct or indirect form of human trafficking, slavery, forced or involuntary labour.

For projects under construction, the contracts signed with suppliers state that the Group and the companies it controls are committed to reducing the carbon footprint of their projects, particularly during the development phase of the assets.

A clause indicates that the construction companies involved in the Group's projects must take the carbon impact into account when selecting construction techniques, materials and technical solutions. After each project review and at all project stages, an arbitration regarding the carbon footprint impact is to be taken for the proposed solution to be submitted to the Group. The principles and action plans used to select the most sustainable materials with a reduced carbon content are specified in Section *3.3.3 Construction materials.*

3.7.3.3 Raising awareness among existing suppliers

To encourage existing suppliers and contractors to improve sustainable operating practices and use environmentally sustainable materials, the Group is sharing its ESG policy and related environmental and social targets with all its main service providers Group-wide through official communication letters. These included contents and ambitions of the Group ESG strategy and the announcement of further supplier engagement on ESG topics. With significant material suppliers in 2022 a dialogue has been initiated to better understand the carbon footprint of materials usage and ways to further improve such footprint. The Group confirmed its willingness to work together with its supply chain also in its SBTi submission.

The Group has also introduced initiatives concerning incentives for energy savings and waste segregation performance. These site-by-site practices challenge contractors and suppliers and serve as a basis to involve them in a process of continuous improvement for all assets.

3.7.3.4 Assessing the ESG performance of suppliers

Increasingly supplier assessment of compliance with environmental clauses, management modes and service quality are performed on key services.

The supplier assessment process allows for the evaluation of supplier compliance with contractual requirements and to anticipate tender needs. Data collected through these assessments, once consolidated, are also shared with contractors through project steering meetings.

In addition, our procurement team supported by our head of product innovation reaches out to high-impact suppliers to discuss potential improvements to their ESG product footprint. Suppliers that we have reached out in 2022 include several renowned heat pumps and hydrogen suppliers and producers, a large pan-European steel mill operator for embodied carbon in steel reduction strategies, an AC manufacturer for geothermal solutions, and smart metering and e-mobility solution providers.

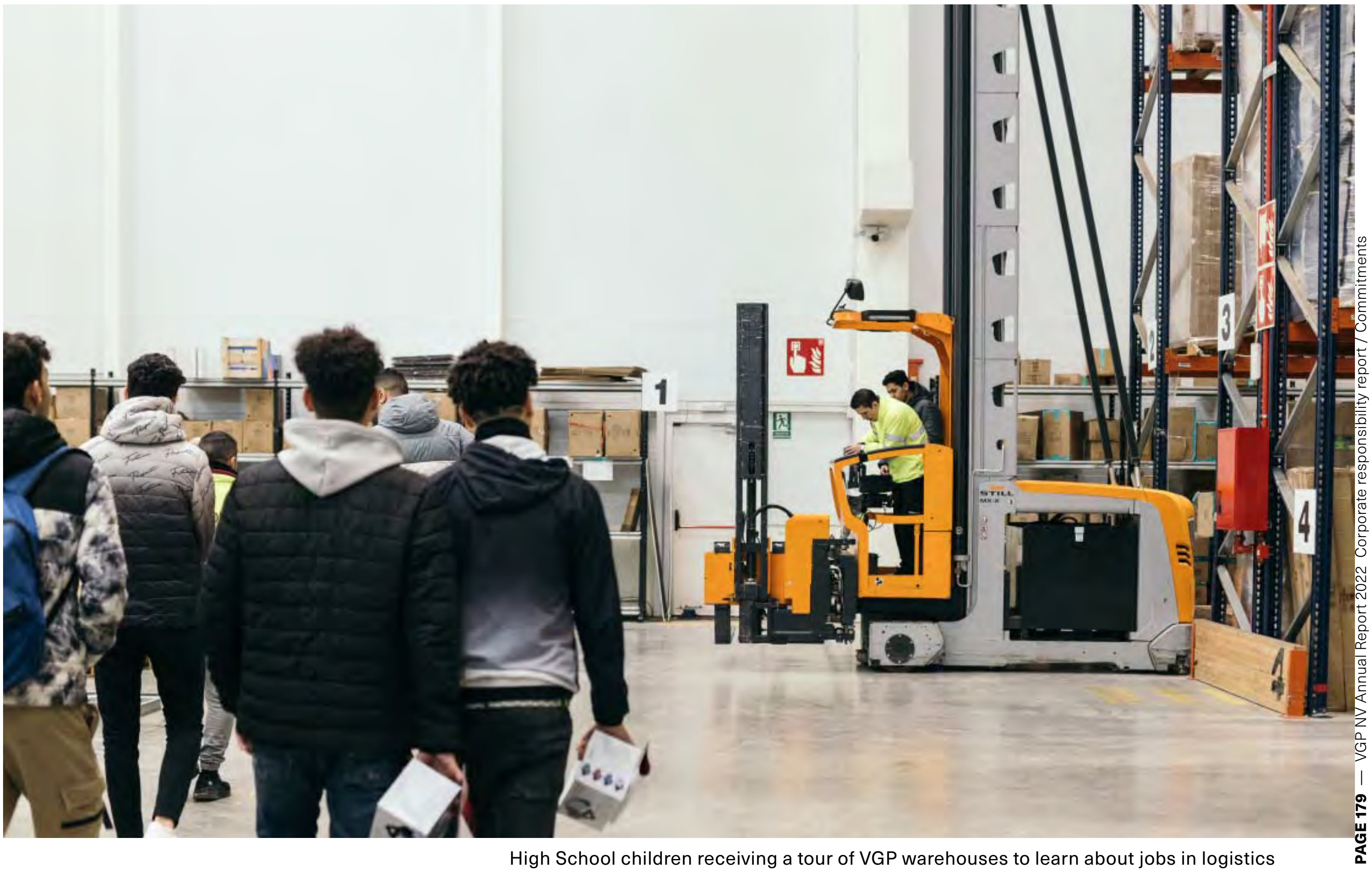
3.8 VGP in the community

A VGP Park can act as a catalyst for growth within the communities in which it operates. The Group's economic success is based on a strong relationship with its stakeholders: tenants, customers, investors, local communities, suppliers and contractors, as well as employees. These strong relationships are critical to develop and operate Parks meeting stakeholders' expectations in all respects. VGP is aware of the economic importance of its real estate properties: in addition to being a contributor to urban planning for logistics and semi-industrial zones within cities, providing public facilities and developing technically advanced and sustainable buildings and well connected places, VGP plays a key role in the local ecosystem as an economic driver: offering direct employment through construction and operational spending, indirect employment by tenants' operations and network activities, suppliers' activities and local taxes.

For development projects, a community engagement program is typically setup at the start of the design phase in order to collect feedback from council, neighbours or other local stakeholders. When construction activities begin the aim is for neighbours to be informed about the anticipated project and provide contact details in case of questions. In 2022, 100% of development projects had a community engagement program.

An example of a project completed in 2022 includes VGP Park Hrádek nad Nisou which was developed taking into account a broad range of community initiatives and feedback. As a result, the park includes an underground transport and communication corridor under the I/35 road in order to reduce traffic congestion in the vicinity of the park, a 500-meter long pedestrian side walk from the park towards the town centre, LED public lighting along the road, a new sewage system as part of the support for local infrastructure, cultivation of the park surroundings, including fruit trees planted along the road to the nearby town of Oldřichov. Additional trees were planted also on the earth mound that was created as a sound barrier to reduce noise emissions in the direction of Oldřichov, and finally a fully fitted public rest area to serve local residents.

In 2023, VGP started analysing ways how to generate additional social value through each VGP Park, defining opportunities to strengthen the community and prepare actions which are achievable taking also into account climate and economic challenges and opportunities. This work will be conducted based on Urban Europe guidance *(https://jpi-urbaneurope.eu/)*, the knowledge hub for urban transition, in consultation with local stakeholders.



High School children receiving a tour of VGP warehouses to learn about jobs in logistics

Transport and communication corridor at VGP Park Hrádek nad Nisou

In Romania and Germany, local internship programs are being setup and in Barcelona the local team educated 14 high school children from local communities, in collaboration with the Joves Futur+ of the BARÇA FOUNDATION and Fundació "La Caixa", about work in logistics and semi-industrial real estate, including a visit to VGP offices and various VGP tenants

Local partners are also supported through locally tailored initiatives or events, examples include: local products market organized in VGP Parks for tenants' employees, local food trucks invited to visit VGP Parks, food and toy collection and organized blood donations.

This attractiveness for local food producers gives VGP a unique opportunity to support more responsible consumption patterns and going forward the Group will increasingly emphasize the development of desirable sustainable consumption alternatives for tenants' employees' lunch options. Therefore, the Group is committed to support and promote such sustainable consumption initiatives in each country as the initiatives are broadened across the portfolio.

A summary of the results achieved against these Group strategic targets is presented in the 2022 performance dashboard (see Section *1.2 Summary of the Group's ESG achievements*).

Food truck which visited VGP Park San Fernando de Henares

Toys and books collection initiatives at Spanish VGP Parks for local children associations

3.8.1 Expand local economies

Be it at a regional or country level, having a clear understanding of the economic and social impacts of its activities is key for the Group.

VGP assesses the social and economic impact of each development project, which includes both the temporary impacts of the construction phase, as well as the long-term contribution of the asset's operations to the prosperity of local communities. Throughout the development, the Group not only generates construction-related jobs, but often also contributes to the development of transportation infrastructure, dynamising the communities in which it operates. Once completed, projects serve as catalysers of local employment (directly and indirectly), economic activity and tax income. The Group's developments play a key role in revitalising and regenerating areas, attracting additional investment and projects, and unlocking their growth potential. The assessment and enhancement of the socio- economic impact of development projects supports a constructive dialogue and collaboration with the local authorities.

Once parks are in operation, the consideration of the socio-economic impact is fully integrated as part of the decision-making procedures; local companies are typically favoured for new space requirements; social and economic criteria are systematically considered and addressed when entering in relationships with stakeholders, particularly with the supply chain during the purchasing process.

3.8.2 VGP community day

The VGP Community Day is designed to engage a large number of employees in volunteering for a local charity, involving each of the 17 countries where the Group operates. The Group's community-oriented activities in 2022 continued to focus on supporting the needs of local communities and activities to improve the environment and biodiversity of areas near to VGP Parks. A total of 24% of Group employees delivered more than 650 volunteering hours in 2022.

VGP Czech Republic: Planting Tree Day

VGP Czech Republic:
Planting Tree Day

Some of the volunteering initiatives:

— In Benelux, twenty-six motivated volunteers from VGP The Netherlands, VGP Asset Management in Luxembourg and VGP head offices in Antwerp visited the Capelderij for volunteering work. The Capelderij is a multifunctional centre for young people with behavioural and emotional problems. The VGP team lend a helping hand by painting the interior of one of the community houses used by the young people, by gardening around the main building (cutting, cleaning) and moving materials

— In Portugal, a team of eight VGP volunteers supported the collection of clothes and toys and went to deliver and get to know Casa do Caminho, a support home for children in need based in Matosinhos, Portugal

— In Czech Republic, a team of 20 volunteers assembled again from the Czech branch, determined to join their forces to help enrich the forests in Rychnov u Jablonce nad Nisou with young seedlings of beech and larch trees. On 20th October 2022, the volunteers planted 320 seedlings in just a few hours, professionally guided by specialists in sustainable forest management.

3.8.3 VGP for jobs

Logistics real estate can have a significant positive impact on the surrounding community.

VGP's business strategy is to build, own and operate logistics facilities close to urban centers. This shortens delivery routes, reduces delivery times and reduces related emissions. VGP's clients and our clients' customers (both business and residential) benefit from next-day or even same-day delivery of the goods and services they need. Additional benefits include plentiful logistics jobs, shorter commute times for logistics workers, reclamation and remediation of abandoned or brownfield sites and even enhancement of local parks and transportation. Based on our understanding of employment generated in our parks as of December 2022 circa 25,000 people go to work under VGP roofs each day (versus 20,000 a year earlier). Based on Oxford Economics peer reports the likely direct and indirect impact is closer to 85,000 jobs.

3.9 VGP Foundation

The VGP Foundation strives to encourage nature conservation, have an impact on local communities through social projects, and conserve and protect European cultural heritage. During 2022, 6 additional projects were approved and initiated bringing the total to 36 projects of which 26 are currently in execution and 10 completed, with € 6.6 million in total committed or spent.

Some examples of projects currently under execution include: Finding new networks for the Eastern Imperial Eagle, Katra valley biodiversity project in South Lithuania, restoration of Transcarpathian Peatlands 'Chorne Bagno', Ukraine, Ukrainian Center in Brno, Czech Republic. In addition, in order to support Ukrainian refugees VGP has made, through the UNHCR, a € 3 million donation to the effort to support refugees in the three neighbouring countries of the Ukraine where VGP has a long standing presence (Slovakia, Hungary and Romania).

Insect scouts flyer from the VGP Foundation

VGP Foundation

The VGP Foundation has three focus areas:

Nature conservation —
engaging in projects encouraging nature conservation, such as saving and creating permanent biotopes, protecting animals and their natural habitats, or educational programmes raising public awareness about respective issues

Social projects —
persuaded that access to education and fundamental care are crucial ingredients for their positive development, the VGP Foundation supports social projects around children from disadvantaged environments

Cultural heritage —
the VGP Foundation supports projects which define local regional cultural heritage through various cultural domains such as architecture, music, fine art and other forums of cultural heritage

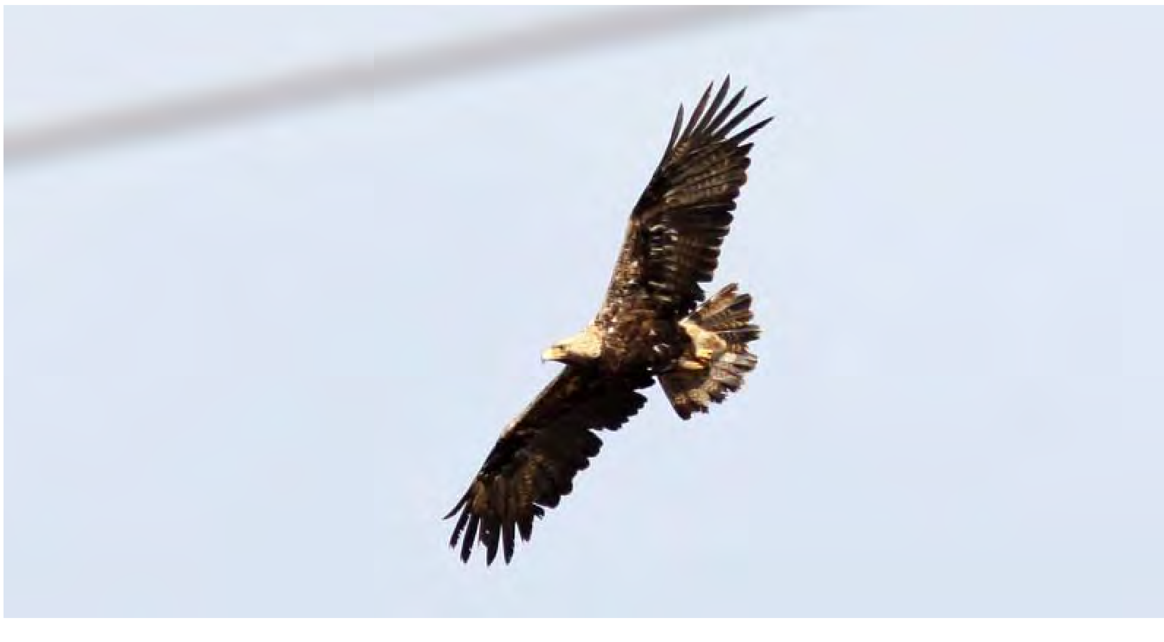
Highlighted projects of the VGP Foundation

photo © Marius Karlonas

Katra valley biodiversity project in South Lithuania

In 2022 a biodiversity project for the Katra valley in South Lithuania was setup. This VGP Foundation project is operated by NABU, Nature Conservation Foundation. During this one-year long project the plan is to extend suitable and good condition open habitat for up to 35 hectares, which would be one third of the valley (the Katra river botanical zoological reserve) – to mow reeds and shrubs, thus giving rare birds a suitable habitat to breed and prosper again. Another important goal of this project – to show importance of this area to wider nature friendly public, which would increase the attention on this valley by people who could help to take further actions needed to take care and to cover the expenses needed for annual maintenance of this unique wild place in South Lithuania.

photo © VGP © NABU – Kavkaz



Finding new networks for the Eastern Imperial Eagle

This VGP Foundation project operated by our partners at NABU will enable a transfer of knowledge and cooperation between international experts in different regions to improve the conservation of the species in its entire range. The focus lies on the investigation of relevant factors for the recolonization of former habitats and the investigation of potential threat factors in the wintering areas of the Eastern Imperial Eagle.

photo © Niklas Hamann / Unsplash

Restoration of Transcarpathian Peatlands "Chorne Bagno", Ukraine

Peatland restoration is one of the most pressing activities on the global agenda. Ukraine is ranked among the top emitters of greenhouse gases from drained peatlands to the atmosphere. The main goal of this new VGP Foundation project, which was brought to the Foundation by NABU International, is to help maintain and restore the natural hydrological regime of the internationally important bog "Chorne Bagno", as well as related wetlands in the same catchment area on the territory of National Park "Zacharovanyj Kraj" (the Enchanted Valley) in the Transcarpathian region in war-struck Ukraine. The project is implemented by Ukrainian Society for the Protection of Birds (USPB) in partnership with NABU International and the authorities of the Ukrainian National Park "Zacharovanyj Kraj". The project was finished in 2022

photo © VGP Foundation

Ukrainian Center in Brno, Czech Republic

Setup following the start of the war in Ukraine, this Ukrainian initiative creates the basis for future work with migrants, minorities and people in need and generally vulnerable people. The organisations involved in the project cooperate with the local government on activities for other minorities and socially excluded people in Brno and the region. The VGP Foundation project supports the creation of a centre in Brno where various initiatives will offer their services in the field of education, social, pregnancy support, or psychological assistance for seniors and women with children fleeing war.

Astrid van Genderen Stort is UNHCR's Chief of Service Emergency Coordination and Communication, based in Geneva, Switzerland.

Insights from UNHCR, the UN Refugee Agency

The start of the 21st century has seen UNHCR help with major refugee crises and emergencies in Africa, the Middle East and Asia. Most recently, the ongoing humanitarian crisis in Ukraine. UNHCR is working with authorities, UN agencies, displaced community groups and partners to provide desperately needed humanitarian assistance. VGP provided financial support in March 2022 to the UNHCR.

Astrid van Genderen Stort
UNHCR's Chief of Service Emergency Coordination and Communication, answers questions about the situation, and how essential funds from the private sector are funds to be able to do the work.

UNHCR is on the ground supporting the war-affected communities in Ukraine, as well as the refugees from Ukraine in neighbouring countries (including Hungary, Romania, and Slovakia). What are the projects that currently require the most attention?
ASTRID — The devastation and destruction in Ukraine have been staggering, uprooting a third of the population. Close to *8 million people have so far been forced to flee the country* as refugees and more than *5 million people are now displaced inside Ukraine*.

The war shows no signs of abating, and sadly the worst appears far from over. An estimated 17.6 million people in Ukraine will continue to urgently need support. The *protection of civilians* must remain our top priority. Attacks on civilians and civilian infrastructure, resulting in the needless loss of life, fear and trauma, must stop.

The war has generated an extraordinary outpouring of solidarity and support across Europe to welcome refugees from Ukraine. There are currently some 8 million refugees from Ukraine recorded in countries across Europe, of which an overwhelming majority are women and children. Our major priority is to work with the governments hosting refugees to make sure they can be *better included into national systems* that are supporting them.

All refugees, irrespective of their origins, bring skills, expertise and experiences that can enrich the socio-economic fabric of host communities—refugees from Ukraine are no exception. Refugees want to be able to work and contribute to the societies they live in and make sure their children can keep going to school.

UNHCR has numerous so-called Blue Dot hubs in those countries – what is their role?
ASTRID — The Blue Dot hubs were jointly established by UNHCR and UNICEF, in collaboration with local authorities and partners. They are safe spaces in countries near Ukraine that *provide particularly vulnerable refugees, such as unaccompanied children, families, those at risk of gender-based violence or people from the LGBTQI+ community, with critical information and services.*

Blue Dots are currently up and running across the region in countries hosting refugees from Ukraine. They have been set up in locations where refugees arrive or are hosted such as at border crossings, major urban areas, and transport hubs such as bus or train stations. Some are also embedded into registration sites and reception facilities.

How can companies and organizations best support UNHCR in your efforts, and why is this so important for your organization?
ASTRID — Obviously, we need funds to be able to do our work and we're hugely grateful to private sector companies such as VGP that donate to UNHCR. However, our partnerships can have a much greater positive impact for people forced to flee.

The private sector increasingly plays a pivotal role in helping UNHCR not only through funding but also by sharing their expertise, advocating for the cause, mobilizing their networks and influence government and development organisations.

Companies work with UNHCR to create sustainable, high impact and highly visible partnerships that deliver critical funding for our work to support refugees, whilst also delivering business and brand results that engage their company stakeholders.

The war in Ukraine has illustrated to us all that it is possible to mobilize support rapidly and extensively from the private sector for refugees and respond to humanitarian needs. This heartfelt generosity must be extended, equally, to refugees and people forced to flee conflict and insecurity around the world.

UNHCR and its partners provide support to people in the areas recently retaken by the Government of Ukraine
Local people in Chasiv Yar are provided with much-needed humanitarian assistance from UNHCR
16 December, 2022
© Humanitarian Mission Proliska/UNHCR/Artur Ulianytskyi

What are the next steps for UNHCR in the region?
ASTRID — Although it is now more than a year since the war began, sadly, the emergency continues, and the worst is far from over. Moving forward, massive collective efforts will be needed to work towards the *reconstruction* of the country – a whole-of-society approach will be essential, and UNHCR will continue to be there to support.

Outside of the country, refugees from Ukraine will continue to need support to access services and lead a dignified life in exile. Many have skills and expertise that can be an asset to their host communities. Therefore, we must cooperate to *remove barriers for them to access employment* and enable them to work and to contribute. Ensuring the *uninterrupted education of refugee children* is also an important part of our work.

A heartfelt Thank You from UNHCR for the support in 2022. UNHCR, partners – like VGP – and the public must continue to work together and to support host countries such as Hungary, Romania, and Slovakia to ensure refugees from Ukraine are integrated in the communities so generously hosting them. The emergency continues – and your support and solidarity must, too*.

Romania. UNHCR prepares emergency relief items in the warehouse
UNHCR colleagues check items in the emergency warehouse. Thousands of humanitarian items, including kitchen sets, bedding, tarpaulin, hygiene kits and winter clothing are stored at the warehouse near Bucharest, Romania. The items will be distributed to refugees from Ukraine, in different locations in Romania.
02 August, 2022
© UNHCR/Showvik Das Tamal

The office of the United Nations High Commissioner for Refugees (UNHCR)

was created in 1950, during the aftermath of the Second World War, to help millions of Europeans who had fled or lost their homes. UNHCR is a global organization dedicated to saving lives, protecting rights, and building a better future for people forced to flee their homes because of conflict and persecution. Today, over 70 years later, the organization is still hard at work, protecting and assisting refugees around the world. the organization has more than 18,879 personnel working in 137 countries. The start of the 21st century has seen UNHCR help with major refugee crises and emergencies in Africa, the Middle East and Asia. Considering the ongoing humanitarian crisis in Ukraine, UNHCR is working with authorities, UN agencies, displaced community groups and partners to provide desperately needed humanitarian assistance. For more information, please visit ***www.unhcr.org***

Green financing

of the Group activities

4.1 EU Taxonomy

4.1.1 Context

In 2021 the European Green Deal was enacted and largest European companies became subject to EU Taxonomy Regulation 2020/852 (the "Taxonomy"). Published in the Official Journal of the European Union on 22 June 2020, the regulation came into force on 12 July 2020 and applies from 1 January 2021. The Taxonomy Regulation introduces a unified classification system to determine the sustainability level of investments, in order to drive capitals towards financing the EU environmental transition: the sustainability of a financial vehicle is determined by the share of sustainable economic activities it finances in its portfolio. Consequently, all economic activities listed in the scope of the Taxonomy Regulation (i.e. "eligible" activities) are to be screened for their environmental impacts, based on the environmental criteria ("Technical Screening Criteria") defined in the Taxonomy Delegated Acts.

To be considered environmentally sustainable, an economic activity has to substantially contribute to at least one out of the six following "environmental objectives", while not causing harm to the others and complying with "minimal safeguards" related to human and labour rights:
— Climate change mitigation;
— Climate change adaptation;
— The sustainable use and protection of water and marine resources;
— The transition to a circular economy;
— Pollution prevention and control; and
— The protection and restoration of biodiversity and ecosystems.

Delegated acts have been established so far for the environmental objectives of climate change mitigation and climate change adaptation. The Taxonomy Regulation represents an important step towards the EU's objective of becoming a climate neutral by 2050. The real estate sector is considered eligible to the Taxonomy for both of these environmental objectives, and especially the following activities performed by VGP: Construction of new buildings (7.1), Renovation of existing buildings (7.2) and Acquisition & ownership of buildings (7.7).

Not only closely linked to the finance sector and its investors, but also a vital part of the economy, the real estate sector has a key role to play in the transition towards more sustainability. VGP is committed to meeting the requirements set by this new regulation and improving its performances in the coming years to contribute to the broader EU environmental transition.

4.1.2 VGP share of eligible activities

In order to initiate Taxonomy application, VGP determined which of the performed activities are "eligible", i.e. covered by the Taxonomy Delegated Acts. Three KPIs are expected to that end: the shares of eligible activities in the company's Revenues, Capital expenditures ("CAPEX") and Operational expenditures ("OPEX").

Taxonomy share of eligible activities

Revenues (€'000)	Eligible activities	Non-eligible activities	Total
Gross rental income	45,329	—	45,329
Service charge income	12,017	—	12,017
Property and facility management income	18,016	—	18,016
Property development income	3,521	—	3,521
Renewable Energy income	5,901	—	5,901
Total revenue	84,784	—	84,784
CAPEX (€'000)	**Eligible activities**	**Non-eligible activities**	**Total**
CAPEX on investment properties	857,945	—	857,945
Investments in PPE (tangible assets)	37,715	580	38,295
CAPEX on intangible assets	—	—	—
Total Capital Expenditure	895,660	—	895,660

OPEX (€'000)	Eligible activities	Non-eligible activities	Total
% OPEX	100%	0%	100%

4.1.3 Methodology of KPI calculation

The Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing the Taxonomy Regulation specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities. The preliminary work done by VGP to establish its eligibility KPIs was based on this regulation, the methodology is presented in this section.

Allocation rules to the denominators:

— As defined in the aforementioned Delegated Regulation, total revenues and total CAPEX have been determined in accordance with IFRS accounting standards applied to VGP activities and in line with financial statements:
  - Total revenues = gross rental income + service charge income + property and facility management income + property development income + renewable energy income;
  - Total CAPEX = CAPEX on investment properties + CAPEX on tangible assets + CAPEX on intangible assets; and
  - Only fully consolidated companies are included in the scope, and KPIs are reported on IFRS bases (not under proportionate consolidation)

— The Delegated Regulation requires reported OPEX in the denominator to be limited to costs related to building renovation, maintenance and repair, short-term lease, and research and development. VGP's OPEX are consolidated in different categories than the ones defined in the scope of this Regulation. For this reason, calculating total OPEX was not based on consolidated financial statements

Allocation rules to the numerators: determining eligible activities

— To determine the eligible share of Revenues (numerator), a screening of VGP revenue categories was performed according to the Delegated Acts' qualitative definitions of activities covered: among the revenue categories listed above, only GRI (revenues from Acquisition & ownership of buildings) and Revenues from property development and project management (revenues from construction of new buildings) are considered eligible to the Taxonomy.

— To determine the eligible share of CAPEX (numerator), a screening of VGP's investment categories was performed according to the Delegated Acts' qualitative definitions of activities covered: among the investment categories listed above, only CAPEX on investment properties are considered eligible for the Taxonomy. CAPEX on renewable energy technical installations are considered eligible. Other equipment, furniture and intangible assets are excluded from the eligibility scope.

— The eligible share of OPEX (numerator) is considered to cover the same scope of OPEX categories as for the OPEX denominator, these being specifically listed in the Delegated Regulation scoping the expenses to consider.

— The last step for calculating the Revenues, CAPEX and OPEX numerators was to identify, among all VGP activities, asset types or legal entities that would not be considered in the Delegated Acts' scopes. A preliminary screening of all VGP entities based on NACE codes, an analysis of specific business lines has been performed. As a conclusion of this analysis, a conservative approach was taken, deciding to include all of VGP activities in the eligibility numerators.

4.1.4 EU Taxonomy Strategy

VGP aims to be compliant with EU Taxonomy on a portfolio basis once the rules are implemented at the country level, on the following basis:

1. VGP will update the Green Finance Framework with EU Taxonomy once finally implemented (current uncertainty resides for example around the required level of EPC energy certificates in various countries in order to classify as "10% better than a local near-zero energy building")
2. Plan to monitor asset compliance within the "Use of Proceeds"-table which will be made available as part of the annual Corporate Responsibility Reporting
3. Aim to be compliant with EU Taxonomy for new and existing buildings on a best-efforts basis

Existing portfolio: Thus far a first asset (VGP Park Frankenthal, building A) has been analysed in detail on EU Taxonomy compliance and received EU Taxonomy in-use compliance confirmation from the DGNB according to the ESG verification services conducted collaboratively with the CPEA, the Climate Positive Europe Alliance. A further two existing buildings are currently being analysed for EU Taxonomy compliance in Germany and new development projects in Germany and in various other countries are currently under review for EU Taxonomy compliance. The Group is also conducting a portfolio wide analysis of the climate physical risks, including for land acquisitions as part of the Climate Risk Analysis.

CPEA
Climate Positive Europe Alliance

Important disclaimer: Taxonomy eligible activities thus cover a very broad scope of VGP activities, but this does not presume the relevance of the Technical Screening Criteria ("TSC") to be applied to all of these eligible VGP assets in the next years to define the share of sustainable or "Aligned" activities in VGP's portfolio. Indeed, although they are considered today as eligible activities by the Taxonomy, assets may not be able to be screened based on the current published TSC. An example of this situation can be given such as for the assets that VGP manages but does not fully own (e.g. held in one of the joint ventures), the investment levers to improve asset sustainability may be limited.

4.2 Green bonds

4.2.1 Green bond issuances

The VGP Green finance framework was introduced in 2019 as part of our strategy to diversify financing sources. The Group has decided to develop a Green Bond framework to finance new development projects, and/or standing assets which meet the environmental criteria for the construction and operational phases as defined in the "Use of Proceeds" procedure, and specified hereafter. Green Bonds are only used to finance resilient eligible assets, in line with a clear procedure for allocating funds.

VGP issued its first Green Bond on the Euro market in March 2021. In January 2022, the Group issued its second Green Bond (split into two tranches) on the Euro market. These issuances are testament to the success of the Group's integral focus on ESG as part of the organization, investments, and financing. In total, the two issuances raised € 1.60 billion.

4.2.2 Green bond criteria

The ESG criteria associated with the Green Bonds were approved by S&P Global/CICERO. They are (i) aligned with the "Green Bond Principles" (GBP) updated in March 2015 and (ii) fit in with the Group's ESG strategy. Proceeds from Green Bonds issued under this framework will be used exclusively to finance and/or refinance, in whole or in part, "Eligible Assets", described in the Green Finance Framework.

Proceeds can be allocated to refinance existing projects as well as finance new developments.

Eligible projects include:

— renewable energy projects (i.e., onshore and off shore renewable energy facilities, including primarily solar and wind projects, but also hydrogen and geothermal energy projects)
— Category of green buildings (i.e., real estate assets with BREAAM "Very Good" certification or equivalent DGNB/LEED rating)
— Other eligible project categories include energy efficiency (i.e., for existing or new (logistics) buildings, warehouses and technologies-related services and products), waste management (i.e., projects, investments and expenditures which promote better recycling rates), clean transportation (i.e., electric vehicle charging stations, bike facilities), and sustainable water management (i.e., reduce freshwater consumption, capturing and recycling rainwater, green roofing)

Additional criteria and indicators to be monitored for eligible assets – including EU Taxonomy and CRREM, also referring to section *4.1 on EU Taxonomy* and section *3.4.4 on CRREM* respectively – are published on the Investor Relations' website under the following link: *https://www.vgpparks.eu/en/investors/financial-debt/*

4.2.3 Current allocation of green bond proceeds

In line with the Group's internal Green Bond analysis, selection and monitoring procedure, the funds generated by Green Bonds issuances are allocated to the selected assets based on a previously defined list of "eligible assets". The criteria are presented above and explained in detail in the Green Finance Framework as available on the Group website.

In the case of an asset disposal (both in full or partially) to one of the Group's Joint Ventures during the funding period (i.e. prior to the bond issue maturity), the proceeds initially allocated to the disposed asset shall be reallocated to another "eligible asset" held by the Group, based on the same process. In case of a full disposal the equivalent asset base shall be reallocated and in case of a disposal to one of the Joint Ventures the remaining equity interest shall be reflected in the pro-rata asset allocation.

The allocation of the proceeds from the outstanding Green Bonds as at 31 December 2022 is illustrated below:

Use of categories	**Green Bond – April 2029**		**Green Bond – Jan 2027**		**Green Bond – Jan 2030**	
	Net bond proceeds allocation *(€)*	**% of total net bond proceeds**	**Net bond proceeds allocation** *(€)*	**% of total net bond proceeds**	**Net bond proceeds allocation** *(€)*	**% of total net bond proceeds**
Renewable Energy	62,689,369	10.4%	—	0.0%	—	0.0%
Green buildings	593,582,864	98.9%	694,954,891	139.0%	682,307,252	136.5%
o/w excellent or gold-rated	*327,219,265*	*54.5%*	*452,353,861*	*90.5%*	*390,282,435*	*78.1%*
Energy Efficiency	18,241,613	3.0%	—	0.0%	—	0.0%
Waste Management	—	0.0%	—	0.0%	—	0.0%
Clean Transportation	112,500	0.0%	—	0.0%	—	0.0%
Sustainable Water Management	3,932,054	0.7%	—	0.0%	—	0.0%
(over)/unallocated	(78,558,400)	–13.1%	(194,954,891)	–39.0%	(182,307,252)	–36.5%
Total gross proceeds	**600,000,000**	**100.0%**	**500,000,000**	**100.0%**	**500,000,000**	**100.0%**

The allocation of the proceeds between CAPEX and refinancing:

Type of financing	**Grand Total** *(€)*	**%**
CAPEX financing 2021	656,853,160	41%
CAPEX financing 2022	789,015,636	49%
Refinancing	609,951,747	38%
Total	**2,055,820,543**	**128%**
Over/(under) allocation	(455,820,543)	–28%
Total gross proceeds	**1,600,000,000**	**100%**

A significant portion is allocated to the Green buildings category which has predominantly been built in 2021 and 2022 or is currently under construction. Given this is such a new portfolio it benefits from the latest ESG features of our building standard and green energy sourcing. The allocated green buildings portfolio has been analysed by CRREM (version 1.19 of the tool; as published September 2022) and is compliant on a 1.5°C pathway both on an GHG Intensity and Energy Intensity basis until 2050. Further details are included in section 4.2.5.2 Green Buildings.

Use of proceeds – € proceeds allocation per EU Taxonomy		
Type of financing	**Grand Total *(€)***	**%**
Use of proceeds aligned with EU Taxonomy	146,188,993	9%
Use of proceeds to be confirmed for alignment	1,909,631,550	119%
Use of proceeds not aligned with EU Taxonomy	—	0%
Total	**2,055,820,543**	**128%**
Over/(under) allocation	(455,820,543)	–28%
Total gross proceeds	**1,600,000,000**	**100%**

With regards to EU Taxonomy compliance, the first complete standing single asset review has been finalised and the Group is conducting a review of several more assets in its portfolio for alignment with EU Taxonomy, as a consequence the aligned portion of the portfolio with EU Taxonomy is expected to grow substantially in the coming period.

4.2.3.1 Green bond – April 2029

Green buildings allocation by certification type (€-proceeds allocation)

Country	BREEAM Excellent	BREEAM Very Good	DGNB Gold	DGNB Silver	LEED Silver	Grand Total	%
Austria	—	—	36,339,143	—	—	**36,339,143**	2
Croatia	—	—	—	—	—	**—**	0
Czech Republic	—	8,578,046	—	—	—	**8,578,046**	0
France	—	—	—	—	—	**—**	0
Germany	—	—	285,977,759	25,591,206	—	**311,568,965**	16
Hungary	—	30,618,669	—	—	—	**30,618,669**	2
Italy	3,008,033	24,855,586	—	—	—	**27,863,619**	1
Latvia	—	18,724,584	—	—	—	**18,724,584**	1
Netherlands	—	—	—	—	—	**—**	0
Portugal	—	—	—	—	—	**—**	0
Romania	1,894,329	58,486,324	—	—	—	**60,380,564**	3
Serbia	—	—	—	—	—	**—**	0
Slovakia	—	87,991,063	—	—	—	**87,991,063**	4
Spain		11,518,122	—	—	—	**11,518,122**	1
Grand Total	**4,902,362**	**240,772,393**	**322,316,903**	**25,591,206**	**—**	**593,582,864**	
% of total	**0%**	**12%**	**16%**	**1%**	**0%**		

Renewable energy specification *(€ proceeds allocation)*	**2021**	**2022**	**Total**
Netherlands	5,309,425	6,644,132	11,953,557
Italy	1,744	702,604	704,348
Hungary	84,909	—	84,909
Germany	19,072,084	30,270,609	49,342,693
Romania	—	530,824	530,824
Czech Republic	—	73,038	73,038
Total	**24,468,162**	**38,221,207**	**62,689,369**

Sustainable Water Management *(€ proceeds allocation)*	
Czech Republic	185,354
Netherlands	175,000
Germany	3,571,700
Total	**3,932,054**

4.2.3.2 Green bond – January 2027

Green buildings allocation by certification type in euros invested

Country	BREEAM Excellent	BREEAM Very Good	DGNB Gold	DGNB Silver	LEED Silver	Grand Total	%
Austria	—	—	—	—	—	**—**	0
Croatia	—	5,574,442	—	—	—	**5,574,442**	0
Czech Republic	—	102,245,916	—	—	—	**102,245,916**	5
France	—	—	—	—	—	**—**	0
Germany	—	—	424,862,674	93,507,693	—	**518,370,368**	26
Hungary	6,490,662	—	—	—	—	**6,490,662**	0
Italy	—	7,089,849	—	—	—	**7,089,849**	0
Latvia	—	—	—	—	—	**—**	0
Netherlands	—	—	—	—	—	**—**	0
Portugal	12,596,041	7,721,070	—	—	—	**20,290,111**	1
Romania	8,431,483	5,249,673	—	—	—	**13,681,157**	1
Serbia	—	—	—	—	—	**—**	0
Slovakia	—	2,041,985	—	—	—	**2,041,985**	0
Spain	—	19,170,402	—	—	—	**19,170,402**	1
Grand Total	**27,491,187**	**149,093,336**	**424,862,674**	**93,507,693**	**—**	**694,954,891**	
% of total	**1%**	**8%**	**21%**	**5%**	**0%**		

4.2.3.3 Green bond – January 2030

Green buildings allocation by certification type in euros invested

Country	BREEAM Excellent	BREEAM Very Good	DGNB Gold	DGNB Silver	LEED Silver	Grand Total	%
Austria	—	—	74,720,992	—	—	**74,720,992**	4
Croatia	—	—	—	—	—	**—**	0
Czech Republic	17,646,975	24,964,164	—	—	7,048,214	**49,659,353**	3
France	—	—	—	—	—	**—**	0
Germany	—	60,416,966	217,756,753	17,719,311	—	**295,893,029**	15
Hungary	11,892,878	6,830,411	—	—	—	**18,723,289**	1
Italy	—	5,303,496	—	—	—	**5,303,496**	0
Latvia	—	1,365,716	—	—	—	**1,365,716**	0
Netherlands	—	83,452,883	—	—	—	**83,452,883**	4
Portugal	10,360,735	—	—	—	—	**10,360,735**	1
Romania	25,309,777	—	—	—	—	**25,309,777**	1
Serbia	—	—	—	—	—	**—**	0
Slovakia	—	—	—	—	—	**—**	0
Spain	32,594,326	84,923,656	—	—	—	**117,517,982**	6
Grand Total	**97,804,690**	**267,257,292**	**292,477,745**	**17,719,311**	**7,048,214**	**682,307,252**	
% of total	**5%**	**13%**	**15%**	**1%**	**0%**		

4.2.4 Audited criteria

VGP engaged an independent auditor to verify that the assets financed meet the eligibility criteria. The reporting on these criteria and the independent auditor's attestation on the information related to the allocation of funds are presented in the following section.

4.2.5 Annual Reporting on green bonds in compliance with framework

4.2.5.1 Renewable energy

This category includes the financing and/or refinancing of projects, investments and expenditures in products, technologies and services ranging from the generation and transmission of energy to the manufacturing of related equipment including among others onshore and offshore renewable energy facilities. This includes among others solar, wind, hydro and geothermal energy projects.

Of the 90 photovoltaic projects on VGP Parks' roofs 78 are owned and operated by VGP and included in the Green Finance Framework allocation. Of these 78 systems 50 were operational by December 2022, representing 42.4MWp and a further 28 were under construction representing 75.0 MWp

VGP Park	**Building**	**PV production** *(KWp)*			**Bond allocation**		
		existing	**awarded**	**KWH p.a.**	**Apr. 2029**	**Jan. 2027**	**Jan. 2030**
Germany							
VGP Park München	GERMUE – A1	748		739,000	x		
	GERMUE – A2/A3	1,696		1,677,000	x		
	GERMUE – B		3,791	3,749,000	x		
	GERMUE – C		3,003	2,970,000	x		
	GERMUE – E		1,895	1,874,000	x		
	GERMUE – F		97	96,000	x		
	GERMUE – PHS		316	312,000	x		
VGP Park Göttingen	GERGOE – A	750		625,000	x		
	GERGOE – A	747		623,000	x		
VGP Park Göttingen 2	GERGOE2 – C	3,870		3,227,000	x		
	GERGOE2 – C	497		409,000	x		
	GERGOE2 – C	2,244		1,871,000	x		
VGP Park Halle	GERHAL – A		1,900	1,725,000	x		
	GERHAL – B		2,300	2,088,000	x		
	GERHAL – C		3,300	2,996,000	x		
VGP Park Wustermark	GERWUS – A1		745	683,000	x		
VGP Park Berlin	GERBER – A	745		627,000	x		
VGP Park Berlin 2	GERBER2 – B	746		628,000	x		
	GERBER2 – C	750		631,000	x		
	GERBER4 – M		1,591	1,341,000	x		
VGP Park Giessen – Buseck	GERBUS – A	749		643,000	x		
VGP Park Lutzellinden	GERLUE – A	748		654,000	x		
VGP Park Laatzen	GERLAA – A/B		3,624	2,917,000	x		
	GERLAA – C		3,570	2,873,000	x		
VGP Park Chemnitz	GERCHE – A	746		693,000	x		

VGP Park	Building	PV production *(KWp)*			Bond allocation		
		existing	awarded	KWH p.a.	Apr. 2029	Jan. 2027	Jan. 2030
VGP Park Magdeburg	GERMAG – A (ph I)	750		643,000	x		
	GERMAG – A (ausschreibung)	1,798		1,542,000	x		
	GERMAG – B	2,244		1,925,000	x		
	GERMAG – C		10,260	8,803,000	x		
	GERMAG – F		4,095	3,513,000	x		
VGP Park Erfurt	GERERF – A	750		622,000	x		
	GERERF – A		1,537	1,275,000	x		
VGP Park Hamburg	GERHAM – A1	748		586,000	x		
	GERHAM – A2	750		586,000	x		
VGP Park Hamburg 2	GERHAM2 – B1		2,544	1,991,000	x		
	GERHAM2 – B2	750		586,000	x		
VGP Park Hamburg 3	GERHAM3 – C	750		586,000	x		
VGP Park Rodgau	GERROD – C	746		707,000	x		
VGP Park Borna	GERBOR – A	748		642,000	x		
VGP Park Wetzlar	GERWET – B	747		644,000	x		
VGP Park Ginsheim	GERGIN – A	748		672,000	x		
VGP Park Schwalbach	GERSCH – A	645		568,000	x		
VGP Park Soltau	GERSOL – A	749		593,000	x		
	GERSOL – A		2,399	1,902,000	x		
VGP Park Berlin Oberkraemer	GEROBK – A		299	243,000	x		
	GEROBK – A		849	691,000	x		
	GEROBK – D		639	520,000	x		
VGP Park Höchstadt	GERHOE – A	748		662,000	x		
VGP Park Leipzig Flughafen	GERLFH – A	299		271,000	x		
VGP Park Leipzig Flughafen	GERLFH – A	899		817,000	x		
VGP Park Leipzig Flughafen	GERLFH – B						
VGP Park Giessen am alten Flughafen	GERGAF – A		7,999	7,279,000	x		
	GERGAF – B		1,000	910,000	x		
	GERGAF – B		2,400	2,184,000	x		
Italy							
VGP Park Valsamoggia	ITAVAL – B		992	1,278,000	x		
VGP Park Calcio	ITACAL – A	16		18,000	x		
	ITACAL – A		3,176	3,636,000	x		
VGP Park Sordio	ITASOR – A	25		28,000	x		
	ITASOR – A		940	1,068,000	x		
Netherlands							
VGP Park Nijmegen	NLDNIJ – A	2,279		2,096,000	x		
	NLDNIJ – A	1,518		1,396,000	x		
	NLDNIJ – A	1,012		930,000	x		
	NLDNIJ – B1	869		799,000	x		
	NLDNIJ – B2	2,213		2,036,000	x		
	NLDNIJ – B3/B4		5,940	5,464,000	x		
	NLDNIJ – C1/2		3,779	3,476,000	x		

VGP Park	Building	PV production *(KWp)*			Bond allocation		
		existing	awarded	KWH p.a.	Apr. 2029	Jan. 2027	Jan. 2030
Netherlands							
VGP Park Roosendaal	NLDROO1 – A	3 899		3 579 000	x		
Spain							
VGP Park Lliçà d'Amunt	ESPLLI – A	46		63,000	x		
	ESPLLI – D	83		116,000	x		
	ESPLLI – C	78		108,000	x		
VGP Park San Fernando de Henares	ESPSFH – A	53		73,000	x		
	ESPSFH – B1	63		87,000	x		
	ESPSFH – C1	36		49,000	x		
	ESPSFH – D1	20		28,000	x		
	ESPSFH – E	18		25,000	x		
VGP Park Valencia	ESPVAL – A	33		46,000	x		
	ESPVAL – B	66		92,000	x		
VGP Park Fuenlabrada	ESPFUE – A	100		140,000	x		
Hungary							
VGP Park Kecskemét	HUNKEC – B	28		38,000			
Total		**42,356**	**74,981**	**105,303,000**			

HVAC (Heatpumps) CAPEX				
		Green Bond		
	Geothermal heatpump	Apr. 2029	Jan. 2027	Jan. 2030
GERMUE-C	×	×		

The eligible photovoltaic investments have generated green energy in 2022 for in total 27,446MWh, equivalent to 8,449 tCO_2e. For calculating the equivalent CO_2 emissions the average grid factor of the VGP Parks portfolio of 0.308 tCO_2/MWh has been used:

Renewable energy production (KWh)	Self-consumption	Grid injection	Total
2022F renewable energy production	3,695,740	23,750,012	27,445,752
emissions factor (tCO_2/kWh)	*0.000308*	*0.000308*	*0.000308*
avoided emissions (tCO_2)	*1,138*	*7,311*	*8,449*
Annualized production of Green Finance assets operational and under construction	28,272,026	77,030,974	105,303,000
emissions factor (tCO_2/kWh)	*0.000308*	*0.000308*	*0.000308*
avoided emissions (tCO_2)	*8,703*	*23,714*	*32,417*

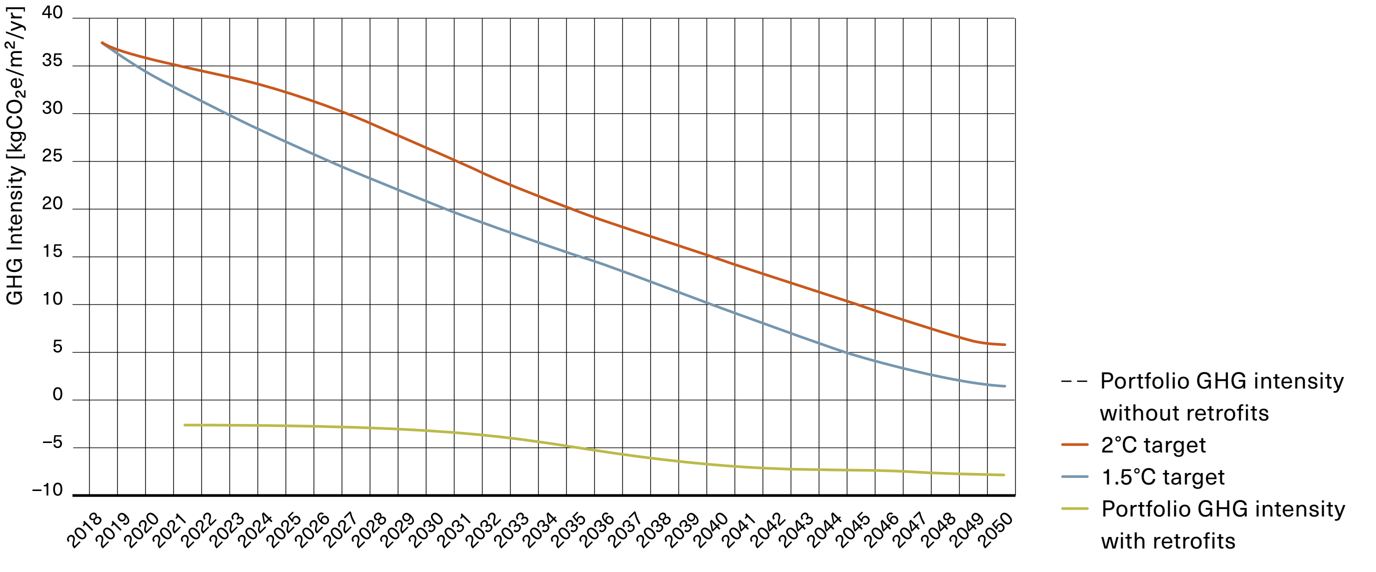
Please refer to section *3.4.3 Energy Management* and specifically *3.4.3.2.2 Production of Renewable Energy* for further information on the Group's initiatives and KPIs with respect to renewable energy production.

4.2.5.2 Green buildings

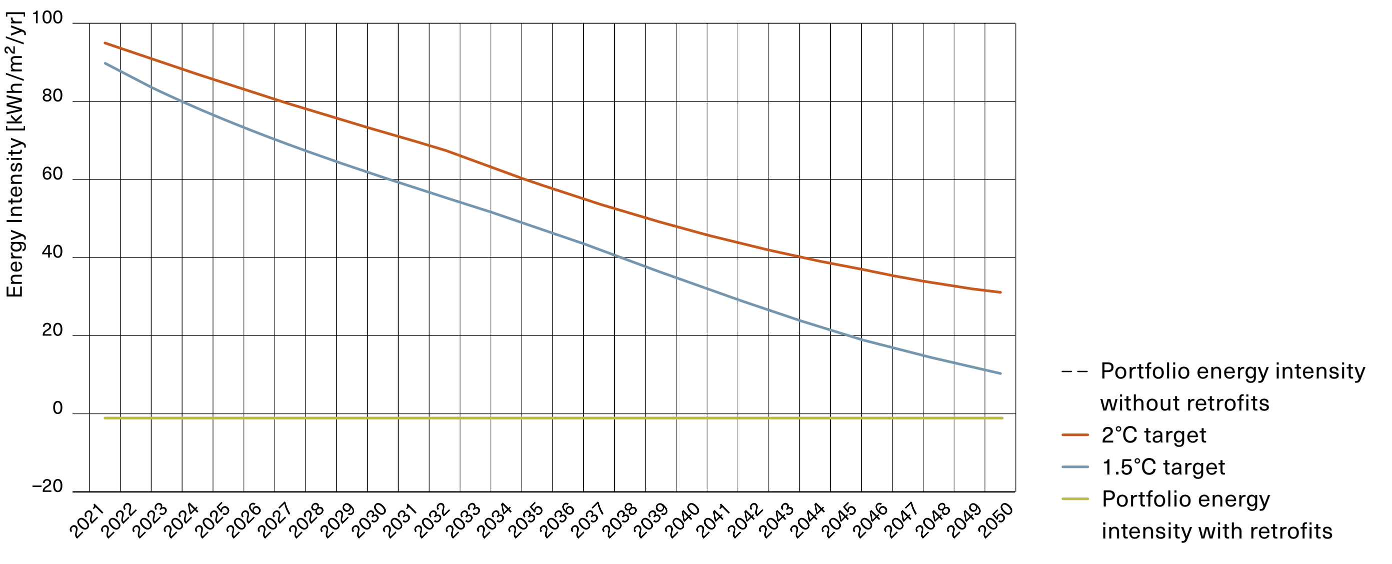
The financing and/or refinancing of projects, investments and expenditures in relation to real estate assets which have received, or are designed and intended to receive, BREAAM “Very Good” certification (or equivalent DGNB Silver/LEED Silver rating)

In total 131 eligible building projects have been identified and allocated under the Green Financing framework. This Green building portfolio has predominantly been built in 2021 and 2022 or is currently under construction. Given this is such a new portfolio it benefits from the latest ESG features of our building standard and green energy sourcing. The allocated green buildings portfolio has been analysed by CRREM (version 1.19 of the tool; as published September 2022) and is compliant on a 1.5°C pathway both on an GHG Intensity and Energy Intensity basis until 2050.

GREEN BONDS: AVERAGE PORTFOLIO GHG INTENSITY VS. PARIS TARGETS



GREEN BONDS: AVERAGE PORTFOLIO ENERGY INTENSITY VS. PARIS TARGETS



The 131 eligible building projects have been identified and allocated to the three outstanding green bonds according to which is shown in the following split between the bonds, highlighted in the table on the next page. The table also shows the certification level as well as status of the certification process (see table on the next page). The Excellent or Gold rated buildings have been stated in bold, of the 131 certified buildings 63 are either Excellent or Gold rated.

Due to employed certification pre-checks and uniform VGP building standard being employed for all construction projects across Europe a very high degree of confidence can be expressed for expected realisation of the targeted certification level in case this is not yet completed. In case a project would not achieve the required certification level it will be removed from the eligible green buildings investments portfolio.

Whilst EPC ratings are to be updated to reflect the investment in photovoltaic (which is not always reflected in the EPC calculation at time of the building permit) of the completed building portfolio which has obtained an EPC rating as at 31 December 2022 and which is part of the net proceeds allocation of the green bonds, 48% has received an energy EPC B score or better. Apart from one certificate dating 2014, one from 2017, one from 2018 and three 2019, all other certifications have been issued 2020 or later. A review of existing buildings, taking into account photovoltaic investments since EPC certification was granted is expected to improve the overall EPC score.

With regards to EU Taxonomy compliance, the first complete standing single asset review has been finalised and the Group is conducting a review of several more assets in its portfolio for alignment with EU Taxonomy, as a consequence the aligned portion of the portfolio with EU Taxonomy is expected to grow substantially in the coming period.

VGP Park	**name**	**Rentable space – Total** *(in m²)*	**Certification level**	**Certification status**	**Green bond**		
					Apr. 2029	**Jan. 2027**	**Jan. 2030**
VGP Park Ehrenfeld	**AUTEHR – A**	**44,291**	**DGNB – Gold**	**ongoing**			**×**
VGP Park Graz	**AUTGRA – A**	**16,537**	**DGNB – Gold**	**realized**			**×**
	AUTGRA2 – B	**8,212**	**DGNB – Gold**	**realized**	**×**		
	AUTGRA2 – C	**14,330**	**DGNB – Gold**	**ongoing**	**×**		
VGP Park Laxenburg	**AUTLAX – A**	**26,076**	**DGNB – Gold**	**ongoing**			**×**
	AUTLAX – B	**24,036**	**DGNB – Gold**	**ongoing**			**×**
VGP Park České Budějovice	**CZECEB – A**	**5,917**	**BREEAM – Excellent**	**ongoing**			**×**
	CZECEB – B	**8,749**	**BREEAM – Excellent**	**ongoing**			**×**
	CZECEB – C	9,424	BREEAM – Very Good	ongoing		×	
	CZECEB – D	**14,065**	**BREEAM – Excellent**	**ongoing**			**×**
	CZECEB – E	**48,313**	**BREEAM – Excellent**	**ongoing**			**×**
VGP Park Hrádek nad Nisou	CZEHNN – H1	40,361	Leed Silver	realized			×
	CZEHNN2 – H6.1	30,215	BREEAM – Very Good	ongoing		×	
VGP Park Kladno	CZEKLA – A	15,814	BREEAM – Very Good	ongoing			×
	CZEKLA – B	11,193	BREEAM – Very Good	ongoing	×		
VGP Park Olomouc	**CZEOLO3 – M**	**8,545**	**BREEAM – Excellent**	**ongoing**			**×**
	CZEOLO4 – E	**3,814**	**BREEAM – Excellent**	**ongoing**			**×**
	CZEOLO5 – F	65,864	BREEAM – Very Good	ongoing		×	
VGP Park Plzeň	CZEPIL – E	5,790	BREEAM – Very Good	realized		×	
VGP Park Prostějov	CZEPRO – A	15,330	BREEAM – Very Good	realized		×	
	CZEPRO – B	25,055	BREEAM – Very Good	ongoing		×	
	CZEPRO – C	10,351	BREEAM – Very Good	ongoing			×
VGP Park Ústí nad Labem City	CZEUST2 – A	23,445	BREEAM – Very Good	ongoing			×
	CZEUST2 – B	17,569	BREEAM – Very Good	ongoing			×
	CZEUST2 – C	11,740	BREEAM – Very Good	ongoing			×
VGP Park Vyškov	CZEVYS – A	28,868	BREEAM – Very Good	ongoing		×	
VGP Park Cordoba	**ESPCOR – A**	**15,419**	**BREEAM – Excellent**	**ongoing**			**×**
	ESPCOR – B	**6,905**	**BREEAM – Excellent**	**ongoing**			**×**
VGP Park Dos Hermanas	ESPDOH – B	28,933	BREEAM – Very Good	realized			×
VGP Park Fuenlabrada	ESPFUE – A	41,752	BREEAM – Very Good	realized			×
VGP Park Granollers	ESPGRA – A	8,920	BREEAM – Very Good	realized		×	
VGP Park Lliçà d'Amunt	ESPLLI – A	13,639	BREEAM – Very Good	realized		×	
	ESPLLI – D	7,205	BREEAM – Very Good	realized			×
	ESPLLI – E	22,194	BREEAM – Very Good	realized	×		

VGP Park	name	Rentable space – Total *(in m²)*	Certification level	Certification status	Green bond		
					Apr. 2029	Jan. 2027	Jan. 2030
VGP Park Martorell	**ESPMAR – A**	**10,272**	**BREEAM – Excellent**	**ongoing**			**×**
VGP Park Sevilla Ciudad de la Imagen	**ESPSEV – A**	**15,057**	**BREEAM – Excellent**	**ongoing**			**×**
VGP Park San Fernando de Henares	ESPSFH – C1	7,947	BREEAM – Very Good	realized			×
	ESPSFH – C2	5,165	BREEAM – Very Good	realized	×		
	ESPSFH – D1	11,453	BREEAM – Very Good	realized			×
	ESPSFH – D2	**27,579**	**BREEAM – Excellent**	**ongoing**			**×**
VGP Park Valencia Cheste	ESPVAL – A	14,177	BREEAM – Very Good	ongoing			×
	ESPVAL – B	25,409	BREEAM – Very Good	ongoing			×
	ESPVAL – C	**26,696**	**BREEAM – Excellent**	**ongoing**			**×**
VGP Park Zaragoza	ESPZAR – A	18,074	BREEAM – Very Good	realized			×
	ESPZAR – B	21,373	BREEAM – Very Good	ongoing		×	
	ESPZAR – C1	22,556	BREEAM – Very Good	realized			×
	ESPZAR – C2	13,616	BREEAM – Very Good	ongoing			×
	ESPZAR – D	**19,146**	**BREEAM – Excellent**	**ongoing**			**×**
VGP Park Berlin	GERBER4 – M	17,328	DGNB – Silver	ongoing		×	
VGP Park Erfurt	**GERERF – A**	**26,214**	**DGNB – Gold**	**partially realized**			**×**
	GERERF2 – B	**41,815**	**DGNB – Gold**	**ongoing**			**×**
	GERERF3 – A	**29,182**	**DGNB – Gold**	**ongoing**			**×**
VGP Park Frankenthal	GERFRA – A	146,898	BREEAM – Very Good	ongoing			×
VGP Park Gießen Am alten Flughafen	**GERGAF – A**	**153,274**	**DGNB – Gold**	**ongoing**		**×**	
	GERGAF – B	**59,150**	**DGNB – Gold**	**ongoing**			**×**
VGP Park Göttingen	GERGOE2 – C	80,157	DGNB – Silver	realized		×	
VGP Park Halle	**GERHAL – B**	**26,847**	**DGNB – Gold**	**realized**		**×**	
	GERHAL – C	**37,932**	**DGNB – Gold**	**realized**		**×**	
	GERHAL2 – A	**15,245**	**DGNB – Gold**	**ongoing**		**×**	
VGP Park Wiesloch-Walldorf	**GERHDW – A**	**20,465**	**DGNB – Gold**	**ongoing**		**×**	
	GERHDW – C	**25,850**	**DGNB – Gold**	**ongoing**			**×**
VGP Park Hochheim	**GERHOH – A**	**12,024**	**DGNB – Gold**	**ongoing**		**×**	
VGP Park Laatzen	**GERLAA – A**	**55,401**	**DGNB – Gold**	**ongoing**		**×**	
	GERLAA – C	**51,261**	**DGNB – Gold**	**realized**			**×**
	GERLAA – D	**8,519**	**DGNB – Gold**	**realized**			**×**
VGP Park Leipzig	**GERLEI – C1**	**2,519**	**DGNB – Gold**	**realized**		**×**	
	GERLEI – C2	**2,379**	**DGNB – Gold**	**realized**			**×**
VGP Park Leipzig Flughafen	GERLFH – A	16,298	DGNB – Silver	ongoing		×	
VGP Park Lützellinden	**GERLUE – A**	**14,156**	**DGNB – Gold**	**realized**	**×**		
VGP Park Magdeburg	GERMAG – A	31,869	DGNB – Silver	realized	×		
	GERMAG – B	**42,368**	**DGNB – Gold**	**ongoing**	**×**		
	GERMAG – C1	**67,277**	**DGNB – Gold**	**ongoing**	**×**		
	GERMAG – F	**51,994**	**DGNB – Gold**	**ongoing**	**×**		

VGP Park	name	Rentable space – Total *(in m²)*	Certification level	Certification status	Green bond		
					Apr. 2029	Jan. 2027	Jan. 2030
VGP Park München	**GERMUE – A**	**56,874**	**DGNB – Gold**	**realized**	×		
	GERMUE – B	**81,549**	**DGNB – Gold**	**ongoing**	×		
	GERMUE – C	**48,471**	**DGNB – Gold**	**ongoing**		×	
	GERMUE – E	**39,352**	**DGNB – Gold**	**ongoing**			×
	GERMUE – F	**7,487**	**DGNB – Gold**	**ongoing**	×		
VGP Park Berlin Oberkrämer	**GEROBK – A**	**13,717**	**DGNB – Gold**	**realized**	×		
	GEROBK – B	**11,380**	**DGNB – Gold**	**ongoing**	×		
	GEROBK – C	**9,152**	**DGNB – Gold**	**ongoing**	×		
	GEROBK – D	**24,099**	**DGNB – Gold**	**ongoing**		×	
	GEROBK – E1	**6,554**	**DGNB – Gold**	**ongoing**			
VGP Park Rostock	GERROS – A	20,447	DGNB – Silver	ongoing			×
VGP Park Soltau	GERSOL – A	55,812	DGNB – Silver	realized	×		
VGP Park Berlin Wustermark	**GERWUS – A1**	**10,997**	**DGNB – Gold**	**realized**	×		
VGP Park Zagreb Lucko	HRVLUC – A	36,867	BREEAM – Very Good	ongoing		×	
VGP Park Budapest Aerozone	HUNBUD – A	29,853	BREEAM – Excellent	ongoing			×
	HUNBUD – B.1	10,787	BREEAM – Very Good	ongoing	×		
	HUNBUD – C1.1	**13,421**	**BREEAM – Excellent**	**ongoing**		×	
VGP Park Győr	HUNGYO2 – A	37,744	BREEAM – Very Good	ongoing			×
	HUNGYO2 – B	13,915	BREEAM – Very Good	ongoing	×		
VGP Park Kecskemét	HUNKEC – A	21,937	BREEAM – Very Good	ongoing	×		
	HUNKEC – C	**20,132**	**BREEAM – Excellent**	**ongoing**			×
VGP Park Calcio	ITACAL – A	23,303	BREEAM – Very Good	realized	×		
VGP Park Padova	ITAPAD – A	15,301	BREEAM – Very Good	realized	×		
	ITAPAD – B	7,246	BREEAM – Very Good	realized	×		
VGP Park Parma Lumiere	ITAPAR2 – A	5,710	BREEAM – Very Good	ongoing		×	
VGP Park Sordio	ITASOR – A	12,034	BREEAM – Very Good	ongoing			×
VGP Park Valsamoggia	**ITAVAL – A**	**6,679**	**BREEAM – Excellent**	**realized**	×		
	ITAVAL – B	16,106	BREEAM – Very Good	realized	×		
VGP Park Riga	LVARIG – A1	7,030	BREEAM – Very Good	ongoing			×
VGP Park Tiraines	LVATIR – A	28,816	BREEAM – Very Good	ongoing	×		
VGP Park Nijmegen	NLDNIJ – A	67,352	BREEAM – Very Good	realized			×
	NLDNIJ2 – B1B2	42,505	BREEAM – Very Good	ongoing			×
	NLDNIJ2 – B3B4	62,359	BREEAM – Very Good	ongoing			×
	NLDNIJ2 – C	35,052	BREEAM – Very Good	ongoing			×
VGP Park Roosendaal	NLDROO – A	41,960	BREEAM – Very Good	ongoing			×
	NLDROO – B	9,247	BREEAM – Very Good	ongoing			×
VGP Park Loures	**PRTLOU – A**	**12,785**	**BREEAM – Excellent**	**ongoing**			×
	PRTLOU – B	**7,096**	**BREEAM – Excellent**	**ongoing**		×	
VGP Park Montijo	**PRTMON – A**	**31,406**	**BREEAM – Excellent**	**ongoing**		×	
VGP Park Sintra	**PRTSIN – A**	**15,989**	**BREEAM – Excellent**	**ongoing**		×	
VGP Park Santa Maria da Feira	PRTSMF – A	29,813	BREEAM – Very Good	ongoing		×	

VGP Park	name	Rentable space – Total *(in m²)*	Certification level	Certification status	Green bond		
					Apr. 2029	**Jan. 2027**	**Jan. 2030**
VGP Park Arad	ROMARA – A	29,190	BREEAM – Very Good	realized	×		
	ROMARA – B	**40,081**	**BREEAM – Excellent**	**ongoing**			**×**
VGP Park Brașov	ROMBRA – A	29,496	BREEAM – Very Good	ongoing	×		
	ROMBRA – B	33,886	BREEAM – Excellent	ongoing			×
	ROMBRA – E	9,556	BREEAM – Very Good	ongoing	×		
	ROMBRA – I	**17,477**	**BREEAM – Excellent**	**ongoing**			**×**
VGP Park Bucharest	ROMBUC – C	30,072	BREEAM – Very Good	ongoing	×		
	ROMBUC – D	**15,699**	**BREEAM – Excellent**	**ongoing**		**×**	
VGP Park Timisoara	ROMTIM2 – D	30,775	BREEAM – Very Good	ongoing		×	
	ROMTIM3 – E	**32,768**	**BREEAM – Excellent**	**ongoing**	**×**		
VGP Park Bratislava	SVKBRA – A	43,361	BREEAM – Very Good	ongoing	×		
	SVKBRA – F	57,328	BREEAM – Very Good	realized	×		
	SVKBRA – G	19,223	BREEAM – Very Good	ongoing	×		
	SVKBRA – H	18,365	BREEAM – Very Good	ongoing	×		
	SVKBRA2 – B	25,220	BREEAM – Very Good	ongoing		×	

Please refer to section *3.3 Sustainable Properties* and more specifically *3.3.2 Environmental certifications* for additional details on the Group's certification initiatives. The Group has also expressed an interest in updating its Green Finance Framework once the EU Taxonomy building classification is crystallised. An update on the EU Taxonomy progress, specifically also with regards to building certification can be found in section *4.1 EU Taxonomy*.

VGP Park Arad

4.2.5.3 Energy efficiency

The financing and/or refinancing of projects, investments and expenditures focusing on Energy Efficiency measures in existing or new (logistics) buildings, warehouses and technologies (insulation, LED relighting, motion detectors, energy monitoring tools etc.) and related services and products.

Properly sized heatpump installations instead of gas-powered heating help reduce the gas consumption of our buildings. Furthermore, such HVAC installations allow more easily to heat of cool different areas of the warehouse separately depending on occupancy and use. Automated controls further help optimize the operation of HVAC systems based on occupancy schedules and temperature settings in offices.

HVAC (Heatpumps) CAPEX

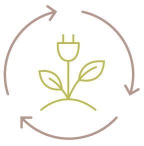
	Heatpumps (gas replacement)	Green Bond		
		Apr. 2029	Jan. 2027	Jan. 2030
GERBER3 – EF	×	×		
GERBER3 – H	×	×		
GERBIN	×	×		
GERBIS	×	×		
GERBOB	×	×		
GERGIN	×	×		
GERHOE	×	×		
GERLAA – A	×	×		
GERLAA – C	×	×		
GEROBK – C	×	×		
GEROBK – D	×	×		
GERROD – B	×	×		
GERSCH	×	×		
LVAKEK – A	×	×		
LVAKEK – B	×	×		
LVATIR – A	×	×		

For 2023 the Group is preparing further eco-efficiency improvements of the existing building portfolio, amongst others through a € 2 million refurbishment program which will be reflected in the green bond allocations in coming reporting periods. Details on the energy efficiency measures and related KPIs are discussed in more detail in section *3.4 improving eco-efficiency*.

4.2.5.4 Waste management

The financing and/or refinancing of projects, investments and expenditures which promote better recycling rates. The Group did not isolate any investments made specifically related to waste management. Please refer to section *3.4.6 Waste Management* for further information on the Group's water management user data and KPIs and water management improvement initiatives.

4.2.5.5 Clean transportation

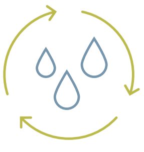


The financing and/or refinancing of projects, investments and expenditures which promote clean transportation (electric vehicle charging stations, bike facilities, etc.). The Group has set the target to developing connectivity and sustainable mobility for each VGP Park to be equipped with EV charging and public transport access.

The reported investments in electric charging facilities in the VGP Parks in 2022 amounts to € 0.175 million in 4 VGP Parks locations. The Group is currently preparing reporting on the user/charging-data.

Developing connectivity and sustainable mobility within VGP Parks is one of the key ESG targets of the Group. Further details can be found in section *3.4.7 Develop connectivity and sustainable mobility*.

4.2.5.6 Sustainable Water Management



The financing and/or refinancing of projects, investments and expenditures which promote a sustainable water management (reduce freshwater consumption, capturing and recycling rain water, green roofing etc.). Selected eligible projects:

VGP Park	Project	Green Bond		
		Apr. 2029	**Jan. 2027**	**Jan. 2030**
VGP Park München	Infiltration basin south incl. plants/vegetation	×		
VGP Park Göttingen	Rainwater channels with rainwater retention basin	×		
VGP Park Giessen-Buseck	Use of rainwater for toilet facilities (cistern, piping, separation systems, technology) and Infiltration of rainwater in the rainwater retention basin	×		
VGP Park Magdeburg	Rainwater channels with large rainwater retention basin combined and connected (through transport trenches) with several smaller basins with overflow and throttling system	×		
VGP Park Roosendaal	Infiltration crates, installation built under building for water overflow and retention (independent of public sewerage)	×		
VGP Park Berlin	Entire green Roof for water retention and bio-diversity stimulation	×		
VGP Park Kladno	Rainwater channels with rainwater retention basin	×		
VGP Park České Budějovice	Rainwater channels with rainwater retention basin			

In 2022, the water management projects at Buseck, Magdeburg, Roosendaal and Berlin combined collected 105,000 m^3 of rainwater or of greywater on site, which were partially used for cleaning and for watering green spaces. The other projects were completed in 2022 and water management data will be reported over 2023.

Please refer to section *3.4.5 Water Management* for further information on the Group's water management user data and KPIs and water management improvement initiatives.

4.2.6 Independent third party's report on green bond criteria and indicators

VGP has commissioned Cicero Shades of Green, part of S&P Global, as a third-party reviewer to check the allocation against the Green Finance Framework criteria and impact metrics for relevance and transparency. The attestation on the information related to the allocation of funds from Cicero Shades of Green is available hereafter. The original document is also available on VGP's website.

VGP Park Laatzen

VGP
External Review of Green Finance Reporting 2022

15 March 2023

CICERO Shades of Green has reviewed the elements of VGP's Corporate Responsibility Report 2022 ("Report") relating to its green financing activities. We review allocation against VGP's Green Finance Framework (dated March 2021, the "Framework") criteria, and impact metrics for relevance and transparency.

CICERO Shades of Green considers the allocations align with the Framework criteria. According to the Report, around 95% of assets in VGP's green portfolio are green buildings. The green buildings project category received a Light Green in our Second Party Opinion. On the basis of the Shades of Green allocated to the project categories, the investments in VGP's green portfolio are not, on the whole, representative of the Medium Green shading awarded to the Framework in our Second Party Opinion. Nonetheless, we note that, generally speaking, VGP demonstrates a more holistic approach to the climactic and environmental performance of the green buildings portfolio, for example, according to VGP, the green buildings produce more renewable energy than energy consumed and its analysis using the CRREM tool shows the green buildings portfolio aligns with CREMM's 1.5 degrees decarbonization pathway to 2050.

VGP provides transparent and relevant impacts for green buildings and renewable energy investments. It does not, however, report on impacts for allocations under the energy efficiency and clean transportation project categories, though it provides descriptions of such investments. While these are a very small share of overall allocations, this is considered a weakness of the Report.

Save that VGP does not report on impacts for all project categories, we consider the Report aligns with the core principles and recommendations contained in ICMA's Handbook – Harmonized Framework for Impact Reporting (June 2022).[1]

1 ICMA Handbook

Allocation

VGP has issued two green bonds under the Framework, totaling € 1.6 billion. The first, issued in March 2021, raised € 600 million, and the second, issued in January 2022, raised € 1 billion in two, € 500 million tranches. Allocation is reported as at 31 December 2022 with eligible assets in VGP's green portfolio totaling around € 2.05 billion.

CICERO Shades of Green considers the allocations aligned with the Framework criteria; for a more detailed review, please see Appendix 1.

The Framework was assigned an overall Medium Green in our Second Party Opinion, reflecting that, during the Second Party Opinion process, VGP noted that the main share of proceeds would be used for renewable energy projects and that proceeds would be used in a 'balanced' way.[1] Project categories were shaded Dark Green (renewable energy, waste management, clean transportation, and sustainable water and wastewater management projects), Light to Medium Green (energy efficiency) and Light Green (green buildings). Figure 1 sets out the allocations by Shade of Green, showing that around 95% of assets in VGP's green portfolio are green buildings. On the basis of the Shades of Green allocated to the project categories, the investments in VGP's green portfolio are not, on the whole, representative of the Medium Green shading awarded to the Framework. Nonetheless, we note that, generally speaking, VGP demonstrates a more holistic approach to the climactic and environmental performance of its green buildings portfolio. For example: i) the majority of VGP's green building investments exceed the minimum Framework criteria,[2] ii) according to VGP, the portfolio of green buildings produces more renewable energy than energy consumed, iii) VGP expects a substantial growth in these assets that align with the EU Taxonomy as a result of ongoing alignment reviews, and iv) according to VGP's analysis using the CRREM tool, the portfolio of green buildings aligns with CREMM's 1.5 degrees decarbonization pathway to 2050.

ALLOCATION BY SHADE OF GREEN

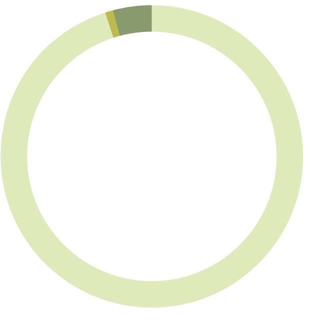


Figure 1: Allocation by SPO Shade of Green. Shading is based on evaluation at time of issuance and does not reflect ex-post project verification.

Impact metrics

VGP reports impacts as of 31 December 2022.

VGP provides transparent and relevant impact reporting for green building and renewable energy investments. It does not, however, report on impacts for allocations under the energy efficiency and clean transportation projects categories, though it provides descriptions of such investments. While these are a very small share of overall allocations, this is considered a weakness of the Report. For a more detailed review, please see Appendix 1.

For renewable energy investments, VGP reports impacts of for its 90 solar projects. More specifically, it reports i) installed capacity, ii) output, and iii) avoided emissions. For avoided emissions, VGP is transparent on the grid factor used, namely the average grid factor of the 14 European countries in which it operates. No impacts are reported for its one geothermal investment.

For green buildings, VGP lists the environmental certification for each financed building. While reporting on environmental certifications is a fair way to report impacts of green building investments, they are best reported alongside other metrics such as energy performance.

Terms

CICERO Shades of Green provides a review of VGP's reporting based on documentation provided by VGP and information gathered during teleconferences and e-mail correspondence with VGP. VGP is solely responsible for providing accurate information. All financial aspects of the sustainable finance reporting – including the financial performance of the bond and the value of any investments in the bond – are outside of our scope, as are general governance issues such as corruption and misuse of funds. CICERO Shades of Green does not validate nor certify the existence of the projects financed and does not validate nor certify the climate effects of the projects. Our objective has been to provide an assessment of the extent to which the bond has met the allocation and reporting criteria established in the Framework. The review is intended to inform VGP, investors and other interested stakeholders and has been made based on the information provided to us. CICERO Shades of Green cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Our review does not follow verification or assurance standards and we can therefore not provide assurance that the information presented does not contain material discrepancies.

1 VGP – SPO

2 Around 54.5% of green buildings under the first bond, 90.5% of the first tranche of the second bond, and 78.1% of the second tranche of the second bond are (or expect to be) rated BREEAM Excellent, DGNB Gold or LEED Gold.

Appendix 1 – Detailed Review

Category	Description	Review against framework criteria	
Renewable Energy	• Projects, investments and expenditures in products, technologies and services ranging from the generation and transmission of energy to the manufacturing of related equipment including among others onshore and offshore renewable energy facilities. This includes among others solar, wind, hydro, and geothermal energy projects.	**No discrepancies identified** The projects financed under the renewable energy project category are solar panels and one geothermal heating project.	
Green Buildings	• Projects, investments, and expenditures in relation to real estate assets which have received, or are designed and intended to receive, BREAAM "Very Good" certification (or equivalent DGNB/LEED rating).	**No discrepancies identified** • VGP selected DGNB Silver and LEED Silver as equivalent to BREEAM Very Good. Investors should note there is no consensus about the equivalence of different certification schemes. • In any case, the Report states that 54.5% of green buildings under the first bond, 90.5% of the first tranche of the second bond, and 78.1% of the second tranche of the second bond are (or expect to be) rated BREEAM Excellent, DGNB Gold or LEED Gold. We welcome that the majority of VGP's green building investments exceed the Framework criteria.	
Energy Efficiency	• Projects, investments and expenditures focusing on energy efficiency measures in existing or new (logistics) buildings, warehouses. • Technologies (insulation, LED relighting, motion detectors, energy monitoring tools etc.) and related services and products, including installation	**No discrepancies identified** • According to the Report, investments under the energy efficiency category are LED investments, sun protection, and moving sensors to reduce energy consumption. VGP has also invested in 16 heat pumps which replace gas heating.	
Clean Transportation	• Electric vehicle charging stations. • Bike facilities.	**No discrepancies identified** • According to the Report, investments under the clean transportation category are electric vehicle charging facilities across four locations.	
Sustainable water and wastewater management	• Reduction of freshwater consumption. • Capturing and recycling rainwater. • Green roofing.	**No discrepancies identified** • The Report mentions different projects financed in this project category, such as the construction of rainwater channels with rainwater retention basin, the utilization of rainwater for toilet facilities, and the development of green roofs for water retention.	

Impact Metrics	Relevance of metrics	Transparency considerations
• Annual production capacity (KWp). • Total energy generated (MWh). • Avoided CO_2 emissions (tCO_2e).	✓ Metrics are relevant and production, capacity, and avoided emissions are listed as core indicators in the ICMA Handbook – Harmonized Framework for Impact Reporting.	✓ Production and avoided emissions are reported on a portfolio basis, while capacity is reported on a project basis. ✓ For avoided emissions, VGP uses the average grid factor of the 14 European countries in which it operates. Transparency on this is welcome. ✓ No quantitative impacts are provided for the geothermal heating project.
• Environmental certification achieved or expected to be achieved.	✓ Certification standard is listed as a core indicator in the ICMA Handbook – Harmonized Framework for Impact Reporting.	✓ VGP reports environmental certification on a project basis. ✓ Given that environmental certifications do not guarantee, for example, a certain energy use, VGP could consider reporting on additional metrics such as energy use on an absolute and intensity basis.
• N/A	✓ N/A	✓ VGP does not include qualitative impacts from its energy efficiency investments. We encourage VGP to report impacts for this project category, which should ideally align with the ICMA Handbook – Harmonized Framework for Impact Reporting (e.g., annual energy savings).
• N/A	✓ N/A	✓ VGP does not include impacts from its clean transportation. While the Report includes general information about the number of VGP sites with electric vehicle charging, some more information about the precise investments under the Framework could be helpful.
• Collected and reused rainwater/greywater (m^3)	✓ Water reuse is listed as a core indicator in the ICMA Handbook – Harmonized Framework for Impact Reporting.	✓ VGP reports on completed projects for this project category. Impacts for projects currently under construction will be reported following completion.

Additional information

5.1 VGP Reporting methodology

VGP uses a variety of tools, processes and indicators to monitor the performance of the assets owned and managed by the Group. These methods are used to structure an environmental, social and societal management approach, track results and to inform its stakeholders about performance. The Group continuously improves its reporting tools and processes in order to fine-tune the quality and accuracy of its consolidated data. This enables the Group to manage its data collection processes more efficiently, track and analyse performance at all levels (park, country, group) on a regular basis, assess results against targets, and implement suitable corrective measures. The Group ESG reporting framework, which was fully updated in 2021 to cover the new scope of the Group operations against each of its ESG Strategy commitments.

5.1.1 Definitions, reporting values and scope

Indicators are expressed in absolute value or in the form of ratios to express efficiency and comparable trends. Intensity ratios are calculated using different types of denominators, depending on the type of information:

— Denominators related to floor area (m^2):
  - Square metres operated served with energy: the area of space supplied with asset-level managed energy (all tenant space). This denominator is used to calculate the energy efficiency of assets in operation (see Section *3.4.3 Energy management*) and the energy-related carbon intensity of operations in Scope 3 Downstream leased assets (category 13) (see Section *3.2.2 Carbon assessment*);
  - Total delivered area: total standing asset floor area delivered in a given year, including both warehouse, offices and parking-house areas. This denominator is used to calculate energy-related Scopes 3 carbon intensity of development operations – Category 1, Purchased Goods and Services

The information presented in Section *1.2.2 Summary of the Group's ESG achievements* cover VGP's consolidated scope – unless explicitly stated otherwise. 2022 is the second year that a complete report on ESG performance is being released. Exclusions from the reporting scope are specified in the description of each indicator or in footnotes where applicable.

All data is based on full-year 2022 performance with the exception of carbon calculations which are based on last reported carbon disclosure which is full-year 2021. The 2022 carbon calculations are currently being processed and expected to be released in the summer of 2023.

5.1.2 Identifying uncertainty with regard to the Group's carbon footprint

5.1.2.1 Scopes 1 and 2 emissions

Regarding Scope 1 and 2 emissions, the reporting methodology developed by the Group, the sources of the data used for calculation (invoices for energy consumption and published supplier data and country data for emissions factors) as well as the history track of Group data published (since 2019) ensure a certain level of reliability of the presented results. Margins of error may remain, linked to:

— The estimation of energy consumption in some invoices from energy suppliers, which may result in under or over-estimations. These are usually resolved during the following year; and

— The carbon emission factors provided by energy providers based on their energy mix: these factors are usually verified and made public, but may be released after VGP reporting closure date. In that case, the emission factor from the previous year is used, which ensures data consistency in the long-term.

Scope 3 emissions

Regarding Scope 3 emissions, processed information can only be partially managed. A qualitative analysis of margins of error is therefore presented hereunder for the two main areas of assets in operation and assets under construction.

Operation

Margins of error for energy sources non-managed by the Group (energy directly purchased and managed by the tenants) may be linked to energy consumption or to the carbon emission factors:

— Tenant energy consumptions for those assets that direct information is not available are calculated by using ratios from the Group's portfolio using segment benchmarking; and

— The exact energy mix each tenant is using is not known by the Group. To address this issue, the carbon emission factors are calculated based on conservative assumptions (residual emissions factors)

Construction

Margins of error may be related to:

— The assumption that a gross-up based on limited number of projects can be applied across the entire development portfolio. Although the VGP building standard is relatively uniform across all countries with a sustainable briefing as part of the VGP Building White Book is applicable to all development projects, differences per project remain which can influence overall embodied carbon calculations

— The quality of the environmental data used (Environmental Product Declaration);

— The quantities of materials used for each new development project; and

— The tracking of construction cost trends over time (economic ratios) based on a like-for-like approach.

5.2 Independent third-party's ESG assurance report

Independent assurance report on selected environmental, social and governance performance indicators published in the Annual Report of VGP NV/SA for the year ended 31 December 2021

To the board of directors
We have been engaged to conduct a limited assurance engagement on selected environmental, social and governance performance indicators ("Selected Information") published in the Annual report of VGP NV/SA ("the Company") for the year ending 31 December 2021. In preparing the Selected Information, VGP NV/SA applied the criteria of the GHG Protocol. The Selected Information needs to be read and understood together with the Applicable Criteria.

The Selected Information in scope of our engagement is identified via underlining of the values in chapter 3.2.2.2 *Results: Group carbon footprint* of the Annual Report 2022 and is included in below table:

Selected Information	Applicable Criteria
Scope 1 – in $tnCO_2e$	GHG Protocol
Scope 2 – in $tnCO_2e$ (market & location based)	GHG Protocol

Based on our work as described in this report, nothing has come to our attention that causes us to believe that the abovementioned Selected Information identified via underlining of the values in chapter 3.2.2.2 *Results: Group carbon footprint* of the Annual Report of VGP NV/SA, has not been prepared, in all material respects, in accordance with the Appliable Criteria.

Responsibility of the board of directors
The board of directors of VGP NV/SA is responsible for the preparation of the Selected Information and the references made to it presented in the Annual Report as well as for the declaration that its reporting meets the requirements of Applicable Criteria.

The board of directors is also responsible for:
- Selecting and establishing the Applicable Criteria;
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria;
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error;
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services;
- Confirming to us through written representations that you have provided us with all information relevant to our Services of which you are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria, including that all relevant matters, are reflected in the Selected Information.

Our responsibilities
Our responsibility is to express a conclusion on the Selected Information based on our procedures. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB), in order to state whether anything had come to our attention that causes us to believe that the Selected Information have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the Selected Information do not contain material misstatements. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our work was performed on the data gathered and retained in the reporting scope by VGP NV/SA as mentioned above. Our conclusion covers therefore only the abovementioned Selected Information identified via underlining of the values in chapter 3.2.2.2 *Results: Group carbon footprint* of the Annual Report and not all information included in the Annual Report. The limited assurance on the Selected Information was only performed on the Selected Information covering the year ending 31 December 2021.

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following key procedures:

- Obtaining an understanding of the Company's business, including internal controls relevant to collection of the Selected Information. This included inquiry with VGP NV/SA's management responsible for operational performance in the areas responsible for the data underlying the Selected Information;
- Considering the risk of material misstatement of the Selected Information;
- Performing analytical procedures;
- Recalculation of relevant formula's used in manual calculations and assessment whether the data has been appropriately consolidated;
- Assessing management's assumptions and estimates;
- Examining, on a sample basis, internal and external supporting evidence and performing consistency checks on the consolidation of the Selected Information.

We apply International Standard on Quality Control 1 and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In conducting our engagement, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. This includes the verification that there are no conflicts of interest with this assurance engagement.

Inherent limitations of the Selected Information
We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organizations and from year to year within an organization as methodologies develop.

Use of our report
This report is made solely to the board of directors of VGP NV/SA in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the board of directors those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Company and its board of directors, we acknowledge that the board of directors may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than VGP NV/SA and its board of directors as a body, for our work, for this report, or for the conclusions we have formed.

Signed in Zaventem, 31 March 2023
The auditor
Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Sofian Milad

Corporate directory

VGP NV

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Enterprise number: 0887.216.042

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Lyon, Paris, **France**
Düsseldorf, **Germany**
Győr, Budapest, **Hungary**
Segrate (Milan), **Italy**
Riga, **Latvia**
Luxembourg, **Luxembourg**
's-Hertogenbosch, **The Netherlands**
Porto, Lisbon, **Portugal**
Bucharest, **Romania**
Belgrade, **Serbia**
Bratislava, **Slovakia**
Barcelona, Madrid, Zaragoza, Sevilla, Bilbao, **Spain**
Fredericia, **Denmark**

Directors

VM INVEST NV, represented by
Bart Van Malderen
Chairman; Non-Executive and Reference Shareholder

Jan Van Geet s. r. o., represented by
Jan Van Geet
CEO; Executive and Reference Shareholder

GAEVAN BV, represented by
Ann Gaeremynck
Non-Executive (Independent) Director
Katherina Reiche
Non-Executive (Independent) Director
Vera Gade-Butzlaff
Non-Executive (Independent) Director

Financial Auditor

Deloitte

Share code
VGP is listed on Euronext Brussels
ISIN: BE0003878957

VGP NV is a member of
the FTSE EPRA Nareit Global
Developed Index and the
Euronext ESG index

Bloomberg: VGP BB
Refinitiv (ThomsonReuters): VGP:BRU

Portfolio

Germany

01 VGP Park Hamburg
02 VGP Park Soltau
03 VGP Park Leipzig
04 VGP Park Leipzig Flughafen
05 VGP Park Berlin
06 VGP Park Berlin Oberkrämer
07 VGP Park Ginsheim
08 VGP Park Schwalbach
09 VGP Park München
10 VGP Park Bingen
11 VGP Park Rodgau
12 VGP Park Höchstadt
13 VGP Park Borna
14 VGP Park Bobenheim-Roxheim
15 VGP Park Frankenthal
16 VGP Park Wustermark
17 VGP Park Göttingen
18 VGP Park Göttingen 2
19 VGP Park Wetzlar
20 VGP Park Halle
21 VGP Park Halle 2
22 VGP Park Dresden - Radeburg
23 VGP Park Bischofsheim
24 VGP Park Giessen-Buseck
25 VGP Park Giessen-Lützellinden
26 VGP Park Gießen Am alten Flughafen
27 VGP Park Chemnitz
28 VGP Park Magdeburg
29 VGP Park Laatzen
30 VGP Park Einbeck
31 VGP Park Erfurt
32 VGP Park Erfurt 2
33 VGP Park Erfurt 3
34 VGP Park Rostock
35 VGP Park Wiesloch-Walldorf
36 VGP Park Nürnberg
37 VGP Park Hochheim
38 VGP Park Siegen

Czech Republic

39 VGP Park Tuchoměřice
40 VGP Park Ústí nad Labem
41 VGP Park Český Újezd
42 VGP Park Liberec
43 VGP Park Olomouc
44 VGP Park Jeneč
45 VGP Park Chomutov
46 VGP Park Brno
47 VGP Park Hrádek nad Nisou
48 VGP Park Hrádek nad Nisou 2
49 VGP Park Plzeň
50 VGP Park Prostějov
51 VGP Park Vyškov
52 VGP Park České Budějovice
53 VGP Park Kladno
54 VGP Park Ústí nad Labem City

Spain

55 VGP Park San Fernado de Henares
56 VGP Park Lliçà d'Amunt
57 VGP Park Fuenlabrada
58 VGP Park Fuenlabrada 2
59 VGP Park Valencia Cheste
60 VGP Park Zaragoza
61 VGP Park Dos Hermanas
62 VGP Park Sevilla Ciudad de la Imagen
63 VGP Park Granollers
64 VGP Park Martorell
65 VGP Park La Naval
66 VGP Park Burgos
67 VGP Park Alicante
68 VGP Park Cordoba
69 VGP Park Belartza

Latvia

70 VGP Park Kekava
71 VGP Park Riga
72 VGP Park Tiraines

Romania

73 VGP Park Timișoara
74 VGP Park Sibiu
75 VGP Park Brașov
76 VGP Park Arad
77 VGP Park Bucharest

Hungary

78 VGP Park Győr
79 VGP Park Győr Béta
80 VGP Park Alsónémedi
81 VGP Park Hatvan
82 VGP Park Kecskemét
83 VGP Park Budapest Aerozone

Slovakia

84 VGP Park Malacky
85 VGP Park Bratislava
86 VGP Park Zvolen

Austria

87 VGP Park Graz
88 VGP Park Laxenburg
89 VGP Park Ehrenfeld

The Netherlands

90 VGP Park Nijmegen
91 VGP Park Roosendaal
92 VGP Park Moerdijk

Italy

93 VGP Park Calcio
94 VGP Park Valsamoggia
95 VGP Park Valsamoggia 2
96 VGP Park Sordio
97 VGP Park Padova
98 VGP Park Paderno Dugnano
99 VGP Park Legnano
100 VGP Park Parma Lumiere

Portugal

101 VGP Park Santa Maria da Feira
102 VGP Park Sintra
103 VGP Park Loures
104 VGP Park Montijo

Serbia

105 VGP Park Belgrade Dobanovice

Croatia

106 VGP Park Lucko Zagreb

France

107 VGP Park Rouen

107 VGP Parks all-over Europe


KraussMaffei
Pioneering Plastics

Germany

01 VGP Park Hamburg
02 VGP Park Soltau
03 VGP Park Leipzig
04 VGP Park Leipzig Flughafen
05 VGP Park Berlin
06 VGP Park Berlin Oberkrämer
07 VGP Park Ginsheim
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29 VGP Park Laatzen
30 VGP Park Einbeck
31 VGP Park Erfurt
32 VGP Park Erfurt 2
33 VGP Park Erfurt 3
34 VGP Park Rostock
35 VGP Park Wiesloch-Walldorf
36 VGP Park Nürnberg
37 VGP Park Hochheim
38 VGP Park Siegen

Germany

VGP Park Berlin

BUILDING A

TENANT	Emons Logistik GmbH; Barsan Global Logistik GmbH; Emsland-Stärke GmbH; Isringhausen GmbH & Co. KG, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	23,853 m²	**BUILT**	2015

Germany

VGP Park Berlin

BUILDING B

TENANT	Lillydoo Services GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	9,717 m²	**BUILT**	2018

Germany

VGP Park Berlin

BUILDING C

TENANT	SSW Stolze Stahl Waren GmbH; DefShop GmbH; Pets Deli Tonius GmbH, VGP PM Services GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	26,062 m²	**BUILT**	2018

Germany

VGP Park Berlin

BUILDING D

TENANT	Lidl Digital FC GmbH & Co. KG; Solardach LLG GmbH		
LETTABLE AREA	53,675 m²	**BUILT**	2017

Germany

VGP Park Berlin

BUILDING E

TENANT	DD Logistik Vertriebs GmbH / Picnic GmbH		
LETTABLE AREA	10,585 m² + extension 9.950 m²	**BUILT**	2020

Germany

VGP Park Berlin

BUILDING F

TENANT	DD Logistik Vertriebs GmbH / Picnic GmbH		
LETTABLE AREA	24,872 m²	**BUILT**	2020

Germany

VGP Park Berlin

BUILDING G

TENANT	Logit Services GmbH; Pietsch GmbH; Alfred Kärcher Vertriebs-GmbH; Messenger Fullfillment GmbH		
LETTABLE AREA	11,725 m²	**BUILT**	2020

Germany

VGP Park Berlin

BUILDING H

TENANT	Zalando Lounge Logistics SE & Co. KG		
LETTABLE AREA	23,094 m²	**BUILT**	2019

Germany

VGP Park Berlin

BUILDING M

TENANT	Malindo GmbH		
LETTABLE AREA	17,328 m²	**BUILT**	2022

Germany

VGP Park Bingen

BUILDING A

TENANT	Custom Chrome Europe GmbH		
LETTABLE AREA	6,400 m²	**BUILT**	2014

Germany

VGP Park Bobenheim-Roxheim

BUILDING A

TENANT	Lekkerland SE; Energie Südwest – Grüne Energie GmbH		
LETTABLE AREA	23,270 m²	**BUILT**	2016

Germany

VGP Park Borna

BUILDING A

TENANT	Lekkerland SE; VGP Renewable Energy S.à.r.l.		
LETTABLE AREA	13,618 m²	**BUILT**	2016

Germany

VGP Park Frankenthal

BUILDING A

TENANT	Amazon Logistik Frankenthal GmbH; PV Frankenthal GmbH & Co KG		
LETTABLE AREA	146,898 m²	**BUILT**	2018

Germany

VGP Park Ginsheim

BUILDING A

TENANT	INDAT Robotics GmbH; Greenyard Fresh Germany GmbH; 4PX Express GmbH; Vicampo.de GmbH; VGP Renewable Energy S.à.r.l., Crane Worldwide Germany GmbH		
LETTABLE AREA	35,696 m²	**BUILT**	2017

Germany

VGP Park Hamburg

BUILDING A0

TENANT	GEODIS CL Germany GmbH; Nippon Express (Deutschland) GmbH; EGC Energie- und Gebäudetechnik Control GmbH & Co. KG; MH Handel GmbH		
LETTABLE AREA	30,167 m²	**BUILT**	2013

Germany

VGP Park Hamburg

BUILDING A1

TENANT	Hausmann Logistik GmbH; Drive Medical GmbH & Co. KG; CHEP Deutschland GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	24,750 m²	**BUILT**	2014–2016

Germany

VGP Park Hamburg

BUILDING A2

TENANT	MH Handel GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	20,170 m²	**BUILT**	2015

Germany

VGP Park Hamburg

BUILDING A3

TENANT	Zebco Europe GmbH; Hausmann Logistik GmbH		
LETTABLE AREA	9,471 m²	**BUILT**	2015

Germany

VGP Park Hamburg

BUILDING A4

TENANT	LZ Logistik GmbH; Energie Südwest-Grüne Energie GmbH		
LETTABLE AREA	14,471 m^2	**BUILT**	2016

Germany

VGP Park Hamburg

BUILDING A5

TENANT	Landgard eG; Kohivo Green-Investment GmbH & Co. KG		
LETTABLE AREA	13,167 m^2	**BUILT**	2018

Germany

VGP Park Hamburg

BUILDING B1

TENANT	Rhenus Warehousing Solution SE & Co.KG, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	57,472 m^2	**BUILT**	2015–2017

Germany

VGP Park Hamburg

BUILDING B2

TENANT	Geis Industrie-Service GmbH; Karl Heinz Dietrich GmbH & Co KG; Lagerei und Spedition Dirk Vollmer GmbH; VGP Renewable Energy S.à.r.l.		
LETTABLE AREA	40,587 m^2	**BUILT**	2017

Germany

VGP Park Hamburg

BUILDING B3

TENANT	CARGO-PARTNER GmbH; Lagerei und Spedition Dirk Vollmer GmbH, VGP PM Services GmbH		
LETTABLE AREA	9,456 m^2	**BUILT**	2017

Germany

VGP Park Hamburg

BUILDING C

TENANT	Rieck Projekt Kontrakt Logistik Hamburg GmbH & Co. KG, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	23,680 m^2	**BUILT**	2017

Germany

VGP Park Hamburg

BUILDING D1

TENANT	Lagerei und Spedition Dirk Vollmer GmbH		
LETTABLE AREA	2,567 m^2	**BUILT**	2015

Germany

VGP Park Höchstadt

BUILDING A

TENANT	C&A Mode GmbH & Co. KG; VGP Renewable Energy S.à.r.l.		
LETTABLE AREA	15,002 m^2	**BUILT**	2015

Germany

VGP Park Leipzig

BUILDING A1

TENANT	Deine Tür GmbH; Kohivo Green-Investment GmbH & Co. KG		
LETTABLE AREA	7,231 m^2	**BUILT**	2019

Germany

VGP Park Leipzig

BUILDING A2

TENANT	Flaschenpost Leipzig GmbH; Energie Südwest – Grüne Energie GmbH		
LETTABLE AREA	9,630 m^2	**BUILT**	2019

Germany

VGP Park Leipzig

BUILDING B1

TENANT	USM operations GmbH; Solardach LLG GmbH		
LETTABLE AREA	24,630 m^2	**BUILT**	2017

Germany

VGP Park Leipzig

BUILDING C1

TENANT	fms field marketing + sales services GmbH		
LETTABLE AREA	2,519 m^2	**BUILT**	2022

Germany

VGP Park Leipzig

BUILDING C2

TENANT	Deine Tür GmbH		
LETTABLE AREA	2,379 m^2	**BUILT**	2022

Germany

VGP Park Rodgau

BUILDING A

TENANT	A & O GmbH, Rhenus Warehousing Solutions SE & Co. KG, PTG Lohnabfüllung GmbH; toom Baumarkt GmbH		
LETTABLE AREA	24,890 m^2	**BUILT**	2016

Germany

VGP Park Rodgau

BUILDING B

TENANT	Rhenus Warehousing Solution SE & Co.KG		
LETTABLE AREA	43,375 m^2	**BUILT**	2016

Germany

VGP Park Rodgau

BUILDING C

TENANT	toom Baumarkt GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	19,783 m^2	**BUILT**	2015

Germany

VGP Park Rodgau

BUILDING D

TENANT	EBARA Pumps Europe S.p.A.; Asendia Germany GmbH		
LETTABLE AREA	7,062 m^2	**BUILT**	2016

Germany

VGP Park Rodgau

BUILDING E

TENANT	PTG Lohnabfüllung GmbH		
LETTABLE AREA	8,763 m^2	**BUILT**	2015

Germany

VGP Park Schwalbach

BUILDING A

TENANT	Stronghold Germany GmbH; VGP Renewable Energy S.à.r.l.		
LETTABLE AREA	8,387 m^2	**BUILT**	2017

Germany

VGP Park Soltau

BUILDING A

TENANT	AUDI AG; VGP Renewable Energy S.à r.l.		
LETTABLE AREA	55,812 m^2	**BUILT**	2016

Germany

VGP Park Wetzlar

BUILDING A

TENANT	Ancla Logistik GmbH		
LETTABLE AREA	19,016 m^2	**BUILT**	2018–2019

Germany

VGP Park Wetzlar

BUILDING B

TENANT	POCO Einrichtungsmärkte GmbH; Global Cargo Service GmbH; Strieder Transport Logistik GmbH; VGP Renewable Energy S.à r.l., Ancla Logistik GmbH		
LETTABLE AREA	19,265 m^2	**BUILT**	2018

Germany

VGP Park Göttingen

BUILDING A

TENANT	Friedrich ZUFALL GmbH & Co. KG; Amazon EU S.a.r.l.; Niederlassung Deutschland; VGP Renewable Energy S.à.r.l.		
LETTABLE AREA	43,001 m^2	**BUILT**	2018

Germany

VGP Park Göttingen

BUILDING B

TENANT	Amazon EU S.a.r.l.; Niederlassung Deutschland		
LETTABLE AREA	38,381 m^2	**BUILT**	2019

Germany

VGP Park Göttingen

BUILDING C

TENANT	MediaMarktSaturn Beschaffung und Logistik GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	80,157 m²	**BUILT**	2021

Germany

VGP Park Göttingen

BUILDING E

TENANT	Van Waveren Saaten GmbH		
LETTABLE AREA	6,046 m²	**BUILT**	2019

Germany

VGP Park Wustermark

BUILDING A1

TENANT	Colossus Logistics GmbH & Co. KG, L&B leit- und Sicherungstechnische Dienstleistungs, SEREDA GmbH, VGP PM Services GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	10,997 m²	**BUILT**	2021

Germany

VGP Park Wustermark

BUILDING A2

TENANT	Wardow GmbH		
LETTABLE AREA	11,916 m²	**BUILT**	2019

Germany

VGP Park Wustermark

BUILDING B1

TENANT	Schulze Logistik Berlin GmbH; Gläser und Flaschen GmbH; Box at Work GmbH; Teppich Tetik GmbH		
LETTABLE AREA	29,624 m²	**BUILT**	2020

Germany

VGP Park Wustermark

BUILDING C1

TENANT	Wepoba Wellpappenfabrik GmbH & Co. KG		
LETTABLE AREA	12,800 m²	**BUILT**	2018

Germany

VGP Park Wustermark

BUILDING C2

TENANT	TA Technix GmbH		
LETTABLE AREA	6,382 m^2	**BUILT**	2018

Germany

VGP Park Dresden

BUILDING A

TENANT	Schenker Deutschland AG; Kohivo Green-Investment GmbH & Co. KG		
LETTABLE AREA	20,285 m^2	**BUILT**	2018

Germany

VGP Park Bischofsheim

BUILDING A

TENANT	Bettmer GmbH; Wendel Energie UG		
LETTABLE AREA	6,659 m^2	**BUILT**	2019

Germany

VGP Park Halle

BUILDING A

TENANT	L'ISOLANTE K-FLEX GmbH; TTM GmbH Internationale Spedition, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	21,262 m^2	**BUILT**	2019, 2020

Germany

VGP Park Halle

BUILDING B

TENANT	Landgard eG; Ceha Deutschland GmbH; Schenker Deutschland AG, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	26,847 m^2	**BUILT**	2020–2021

Germany

VGP Park Halle

BUILDING C

TENANT	Trek Bicycle GmbH, VGP PM Services GmbH, Seifert Logistik Dienstleistung GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	37,932 m^2	**BUILT**	2022

Germany
VGP Park Einbeck
BUILDING A

TENANT	Burgsmüller GmbH		
LETTABLE AREA	8,883 m^2	**BUILT**	2020

Germany
VGP Park Chemnitz
BUILDING A

TENANT	ThyssenKrupp Automation Engineering GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	12,591 m^2	**BUILT**	2019

Germany
VGP Park Giessen-Buseck
BUILDING A

TENANT	PROLIT Verlagsauslieferung GmbH; JingDong Development Deutschland GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	17,357 m^2	**BUILT**	2020

Germany
VGP Park Giessen-Lützellinden
BUILDING A

TENANT	Pharmaserv GmbH; VGP Renewable Energy S.a.r.l.		
LETTABLE AREA	14,156 m^2	**BUILT**	2020

Germany
VGP Park Magdeburg
BUILDING A

TENANT	REWE Markt GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	31,869 m^2	**BUILT**	2020

Germany
VGP Park Magdeburg
BUILDING B

TENANT	Imperial Logistics & Services GmbH, Hörmann Logistic Solutions GmbH, Wheels Logistics GmbH & Co. KG, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	42,368 m^2	**BUILT**	2021

Germany

VGP Park Magdeburg

BUILDING C1

TENANT	Contemporary Amperex Technology Thuringia GmbH		
LETTABLE AREA	67,277 m²	**BUILT**	2022

Germany

VGP Park Magdeburg

BUILDING F

TENANT	APM Autoteile GmbH, Contemporary Amperex Technology Thuringia GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	51,994 m²	**BUILT**	2022

Germany

VGP Park München

BUILDING A1

TENANT	Bayerische Motoren Werke Aktiengesellschaft, VGP Renewable Energy S.à r.l.,		
LETTABLE AREA	37,626 m²	**BUILT**	2020

Germany

VGP Park München

BUILDING A2

TENANT	Bayerische Motoren Werke Aktiengesellschaft		
LETTABLE AREA	19,248 m²	**BUILT**	2022

Germany

VGP Park München

BUILDING B

TENANT	KraussMaffei Technologies GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	81,549 m²	**BUILT**	partly delivered 2022

Germany

VGP Park München

BUILDING C

TENANT	KraussMaffei Technologies GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	48,471 m²	**BUILT**	2022

Germany

VGP Park München

BUILDING E

TENANT	KraussMaffei Technologies GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	39,352 m^2	**BUILT**	2022

Germany

VGP Park München

BUILDING F

TENANT	KraussMaffei Technologies GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	7,487 m^2	**BUILT**	2022

Germany

VGP Park München

BUILDING PH NORD

TENANT	Bayerische Motoren Werke Aktiengesellschaft; Krauss Maffei Technologies GmbH		
LETTABLE AREA	22,850 m^2	**BUILT**	2020

Germany

VGP Park München

BUILDING PH SUD

TENANT	KraussMaffei Technologies GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	19,419 m^2	**BUILT**	2022

Germany

VGP Park Laatzen

BUILDING A

TENANT	KraussMaffei Extrusion GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	67,211 m^2	**BUILT**	2022

Germany

VGP Park Laatzen

BUILDING C

TENANT	Connox GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	51,261 m^2	**BUILT**	2021

Germany

VGP Park Laatzen

BUILDING D

TENANT	EDEKA Einkaufskontor GmbH		
LETTABLE AREA	8,519 m^2	**BUILT**	2021

Germany

VGP Park Laatzen

BUILDING PH OST

TENANT	Krauss Maffei Extrusion GmbH, EDEKA Einkaufskontor GmbH		
LETTABLE AREA	12,854 m^2	**BUILT**	2021

Germany

VGP Park Erfurt

BUILDING A

TENANT	Emons Logistik GmbH, JOST-Werke Logistics GmbH, KOMSA AG, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	26,214 m^2	**BUILT**	2021

Germany

VGP Park Berlin Oberkrämer

BUILDING A

TENANT	GLX Global Logistic Services GmbH, Neolymp GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	13,717 m^2	**BUILT**	2022

Germany

VGP Park Berlin Oberkrämer

BUILDING B

TENANT	BDSK Handels GmbH & Co. KG, VGP PM Services GmbH		
LETTABLE AREA	11,380 m^2	**BUILT**	2022

Germany

VGP Park Berlin Oberkrämer

BUILDING C

TENANT	Amazon Deutschland E14 Transport GmbH		
LETTABLE AREA	9,152 m^2	**BUILT**	2022

Germany

VGP Park Berlin Oberkrämer

BUILDING D

TENANT	Rieck Berlin Nord GmbH & Co. KG i.G., Rieck Fulfillment Solution Berlin Nord GmbH & Co. KG, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	24,099 m^2	**BUILT**	2022

Germany

VGP Park Leipzig Flughafen

BUILDING A

TENANT	Meesenburg Großhandel KG, VGP Renewable Energy S.à r.l., BDSK Handels GmbH & Co. KG		
LETTABLE AREA	16,298 m^2	**BUILT**	2022

Germany

VGP Park Rostock

BUILDING A

TENANT	Schenker Deutschland AG		
LETTABLE AREA	20,447 m^2	**BUILT**	2022

Germany

VGP Park Nürnberg

BUILDING H1-9

TENANT	Siemens Aktiengesellschaft Real Estate GS SRE DE NBY 2		
LETTABLE AREA	66,853 m^2	**BUILT**	acquired 2022

VGP Park	Owner	Land area *(m²)*	Lettable area *(m²)*				Contracted annual rent *(in million €)*
			Completed	Under construction	Potential	Total	
VGP Park Göttingen 2	VGP	173,400	86,200	—	—	86,200	4.9
VGP Park Halle	VGP	165,900	86,000	—	—	86,000	3.8
VGP Park Halle 2	VGP	50,800	—	15,200	11,500	26,700	—
VGP Park Gießen Am alten Flughafen	VGP	316,600	—	251,500	—	251,500	16.3
VGP Park Magdeburg	VGP	604,900	193,500	118,900	—	312,400	15.6
VGP Park Laatzen	VGP	284,800	139,800	—	—	139,800	10.2
VGP Park Erfurt	VGP	50,300	26,200	—	—	26,200	1.3
VGP Park Erfurt 2	VGP	76,400	—	41,800	—	41,800	2.2
VGP Park Erfurt 3	VGP	46,800	—	29,200	—	29,200	1.7
VGP Park Berlin Oberkrämer	VGP	204,400	58,300	10,500	—	68,800	5.1
VGP Park Rostock	VGP	105,200	20,400	—	28,000	48,400	0.9
VGP Park Leipzig Flughafen	VGP	47,400	16,300	—	—	16,300	0.9
VGP Park Wiesloch-Walldorf	VGP	129,900	—	25,800	49,600	75,400	2.1
VGP Park Berlin	VGP	54,800	17,300	—	4,900	22,200	1.1
VGP Park Nürnberg	VGP	383,400	66,900	—	91,700	158,600	5.0
VGP Park Hochheim	VGP	25,300	—	—	12,000	12,000	0.8
Total VGP		**2,720,300**	**710,900**	**492,900**	**197,700**	**1,401,500**	**71.8**

VGP Park	Owner	Land area *(m²)*	Lettable area *(m²)*				Contracted annual rent *(in million €)*
			Completed	Under construction	Potential	Total	
VGP Park Bingen	JV1	15,000	6,400	—	—	6,400	0.4
VGP Park Hamburg	JV1	537,100	246,000	—	—	246,000	14.4
VGP Park Soltau	JV1	119,900	55,800	—	—	55,800	1.9
VGP Park Rodgau	JV1	212,700	103,800	—	—	103,800	6.4
VGP Park Höchstadt	JV1	45,700	15,000	—	—	15,000	0.9
VGP Park Berlin	JV1	460,000	183,500	—	10,000	193,500	9.5
VGP Park Frankenthal	JV1	174,300	146,900	—	—	146,900	9.3
VGP Park Bobenheim-Roxheim	JV1	56,700	23,300	—	—	23,300	1.8
VGP Park Borna	JV1	42,500	13,600	—	—	13,600	0.9
VGP Park Leipzig	JV1	105,900	46,400	—	—	46,400	2.5
VGP Park Schwalbach	JV1	19,600	8,400	—	—	8,400	0.5
VGP Park Wetzlar	JV1	67,300	38,300	—	—	38,300	2.1
VGP Park Ginsheim	JV1	59,800	35,700	—	—	35,700	2.5
VGP Park Dresden-Radeburg	JV1	32,400	20,300	—	—	20,300	0.9
VGP Park Göttingen	JV1	138,300	81,400	—	—	81,400	3.3
VGP Park Wustermark	JV1	132,700	71,700	—	—	71,700	3.6
VGP Park Bischofsheim	JV1	13,500	6,700	—	—	6,700	0.5
VGP Park Chemnitz	JV1	40,400	12,600	—	—	12,600	1.1
VGP Park Einbeck	JV1	20,300	8,900	—	—	8,900	0.7
VGP Park Giessen-Buseck	JV1	36,500	17,400	—	—	17,400	0.9
VGP Park Giessen-Lützellinden	JV1	23,400	14,200	—	—	14,200	1.1
VGP Park München	JV3	644,200	276,000	—	37,900	313,900	25.7
VGP Park Siegen	JV6	34,000	—	—	21,000	21,000	—
Total JV's		**3,032,200**	**1,432,300**	**—**	**68,900**	**1,501,200**	**91.1**

Total Germany[1]		**5,752,500**	**2,143,200**	**492,900**	**266,600**	**2,902,700**	**162.8**

1 Excluding 1 new park for which € 2.1 million of contracted annualised rent has already been signed. The land plots of this parks have been secured and are expected to be acquired during the course of 2023.

Czech Republic

39 VGP Park Tuchoměřice
40 VGP Park Ústí nad Labem
41 VGP Park Český Újezd
42 VGP Park Liberec
43 VGP Park Olomouc
44 VGP Park Jeneč
45 VGP Park Chomutov
46 VGP Park Brno
47 VGP Park Hrádek nad Nisou
48 VGP Park Hrádek nad Nisou 2
49 VGP Park Plzeň
50 VGP Park Prostějov
51 VGP Park Vyškov
52 VGP Park České Budějovice
53 VGP Park Kladno
54 VGP Park Ústí nad Labem City

Czech Republic

VGP Park Brno

BUILDING I.

TENANT	KARTON P+P, spol. s r.o.; Igepa CZ s.r.o.
LETTABLE AREA	12,226 m^2
BUILT	2017

Czech Republic

VGP Park Brno

BUILDING II.

TENANT	NOTINO, s.r.o.; SUTA s.r.o.
LETTABLE AREA	14,639 m^2
BUILT	2013–2016

Czech Republic

VGP Park Brno

BUILDING III.

TENANT	HARTMANN – RICO a.s.
LETTABLE AREA	8,621 m^2
BUILT	2013

Czech Republic

VGP Park Český Újezd

BUILDING I.

TENANT	Yusen Logistics (Czech) s.r.o.; Spedice Kudrová s.r.o.
LETTABLE AREA	12,789 m^2
BUILT	2018

Czech Republic

VGP Park Český Újezd

BUILDING II.

TENANT	FIA ProTeam s.r.o.
LETTABLE AREA	2,753 m^2
BUILT	2016

Czech Republic

VGP Park Hrádek nad Nisou

BUILDING H1

TENANT	Drylock Technologies s.r.o.
LETTABLE AREA	40,361 m^2
BUILT	2012–2014

Czech Republic

VGP Park Hrádek nad Nisou

BUILDING H4

TENANT	Drylock Technologies s.r.o.		
LETTABLE AREA	17,848 m²	**BUILT**	2020

Czech Republic

VGP Park Hrádek nad Nisou

BUILDING H5

TENANT	Drylock Technologies s.r.o.		
LETTABLE AREA	27,218 m²	**BUILT**	2018

Czech Republic

VGP Park Hrádek nad Nisou

BUILDING H6.1

TENANT	Drylock Technologies s.r.o.		
LETTABLE AREA	30,215 m²	**BUILT**	2022

Czech Republic

VGP Park Liberec

BUILDING L1

TENANT	KNORR-BREMSE Systémy pro užitková vozidla ČR, s.r.o.		
LETTABLE AREA	11,436 m²	**BUILT**	2016

Czech Republic

VGP Park Olomouc

BUILDING A

TENANT	Nagel Česko s.r.o.		
LETTABLE AREA	7,807 m²	**BUILT**	2017

Czech Republic

VGP Park Olomouc

BUILDING B

TENANT	John Crane a.s.		
LETTABLE AREA	12,029 m²	**BUILT**	2017

Czech Republic

VGP Park Olomouc

BUILDING C

TENANT	SGB Czech Trafo s.r.o.; Edwards, s.r.o.		
LETTABLE AREA	11,142 m^2	**BUILT**	2018

Czech Republic

VGP Park Olomouc

BUILDING D

TENANT	MedicProgress, a.s.		
LETTABLE AREA	2,600 m^2	**BUILT**	2019

Czech Republic

VGP Park Olomouc

BUILDING G1

TENANT	Benteler Automotive Rumburk s.r.o.; Gerflor CZ s.r.o; PROZK s.r.o.; SUTA s.r.o.		
LETTABLE AREA	12,117 m^2	**BUILT**	2017

Czech Republic

VGP Park Olomouc

BUILDING G2

TENANT	Euro Pool System CZ s.r.o.; FENIX solutions s.r.o.		
LETTABLE AREA	19,859 m^2	**BUILT**	2015

Czech Republic

VGP Park Olomouc

BUILDING H

TENANT	Mürdter Dvořák, lisovna, spol. s r.o., Nissens Cooling Solutions Czech, s.r.o.		
LETTABLE AREA	14,254 m^2	**BUILT**	2019

Czech Republic

VGP Park Olomouc

BUILDING I

TENANT	RTR - TRANSPORT A LOGISTIKA s.r.o, HELLA AUTOTECHNIK NOVA, s.r.o., Pilulka Lékárny a.s		
LETTABLE AREA	23,283 m^2	**BUILT**	2021

Czech Republic

VGP Park Olomouc

BUILDING J

TENANT	GBC Solino s.r.o.		
LETTABLE AREA	14,043 m^2	**BUILT**	2019

Czech Republic

VGP Park Olomouc

BUILDING L

TENANT	Nissens Cooling Solutions Czech s.r.o.		
LETTABLE AREA	18,235 m^2	**BUILT**	2020

Czech Republic

VGP Park Olomouc

BUILDING F

TENANT	ARDON SAFETY s.r.o., HELLA AUTOTECHNIK NOVA, s.r.o.		
LETTABLE AREA	65,864 m^2	**BUILT**	2022

Czech Republic

VGP Park Pilsen

BUILDING A

TENANT	ASSA ABLOY ES Production s.r.o.		
LETTABLE AREA	8,711 m^2	**BUILT**	2014

Czech Republic

VGP Park Pilsen

BUILDING B

TENANT	FAIVELEY TRANSPORT CZECH a.s.		
LETTABLE AREA	21,918 m^2	**BUILT**	2015

Czech Republic

VGP Park Pilsen

BUILDING C

TENANT	Excell Czech s.r.o.; FAIVELEY TRANSPORT CZECH a.s.		
LETTABLE AREA	9,868 m^2	**BUILT**	2014–2015

Czech Republic

VGP Park Pilsen

BUILDING D

TENANT	COPO CENTRAL EUROPE s.r.o.; TRANSTECHNIK CS, spol. s r.o.		
LETTABLE AREA	3,640 m^2	**BUILT**	2015–2016

Czech Republic

VGP Park Pilsen

BUILDING E

TENANT	Verhoek Europe s.r.o., DHL Express (Czech Republic) s.r.o.		
LETTABLE AREA	5,790 m^2	**BUILT**	2021

Czech Republic

VGP Park Tuchoměřice

BUILDING A

TENANT	CAAMANO CZ INTERNATIONAL GLASS CORPORATION, s.r.o.; Invelt – s.r.o.; FC MORELO CZ s.r.o.; EFACEC PRAHA s.r.o.		
LETTABLE AREA	6,577 m^2	**BUILT**	2013

Czech Republic

VGP Park Tuchoměřice

BUILDING B

TENANT	HARTMANN – RICO a.s.; ESA s.r.o.; Lidl Česká republika v.o.s., CETIN a.s.		
LETTABLE AREA	18,604 m^2	**BUILT**	2014–2017

Czech Republic

VGP Park Ústí nad Labem

BUILDING P1

TENANT	JOTUN CZECH a.s.		
LETTABLE AREA	5,351 m^2	**BUILT**	2014

Czech Republic

VGP Park Ústí nad Labem

BUILDING P2

TENANT	Ligman Europe s.r.o.		
LETTABLE AREA	6,368 m^2	**BUILT**	2018

Czech Republic

VGP Park Ústí nad Labem

BUILDING P3

TENANT	Treves CZ s.r.o.		
LETTABLE AREA	8,725 m^2	**BUILT**	2017

Czech Republic

VGP Park Ústí nad Labem

BUILDING P4

TENANT	Treves CZ s.r.o.		
LETTABLE AREA	6,134 m^2	**BUILT**	2018

Czech Republic

VGP Park Ústí nad Labem

BUILDING P5

TENANT	JOTUN CZECH a.s.; SUTA s.r.o.		
LETTABLE AREA	3,503 m^2	**BUILT**	2020

Czech Republic

VGP Park Ústí nad Labem

BUILDING P6.1

TENANT	SSI Technologies s.r.o.		
LETTABLE AREA	6,080 m^2	**BUILT**	2015

Czech Republic

VGP Park Ústí nad Labem

BUILDING P6.2

TENANT	SSI Technologies s.r.o.		
LETTABLE AREA	4,803 m^2	**BUILT**	2020

Czech Republic

VGP Park Jeneč

BUILDING AB

TENANT	4PX Express CZ s.r.o.		
LETTABLE AREA	52,582 m^2	**BUILT**	2017

Czech Republic

VGP Park Jeneč

BUILDING C

TENANT	4PX Express CZ s.r.o., SUTA s.r.o.		
LETTABLE AREA	11,698 m²	**BUILT**	2018

Czech Republic

VGP Park Jeneč

BUILDING D1

TENANT	4PX Express CZ s.r.o.		
LETTABLE AREA	1,885 m²	**BUILT**	2017

Czech Republic

VGP Park Jeneč

BUILDING D2

TENANT	4PX Express CZ s.r.o.		
LETTABLE AREA	3,725 m²	**BUILT**	2019

Czech Republic

VGP Park Chomutov

BUILDING A

TENANT	Geis Solutions CZ s.r.o., Beinbauer Automotive CZ s.r.o., SUTA s.r.o.		
LETTABLE AREA	15,550 m²	**BUILT**	2018

Czech Republic

VGP Park Chomutov

BUILDING BC

TENANT	Magna Automotive (CZ) s.r.o.; Geis Solutions CZ s.r.o.		
LETTABLE AREA	36,095 m²	**BUILT**	2018

Czech Republic

VGP Park Chomutov

BUILDING D

TENANT	Magna Automotive (CZ) s.r.o.		
LETTABLE AREA	5,544 m²	**BUILT**	2022

Czech Republic

VGP Park Prostějov

BUILDING A

TENANT	ITAB Shop Concept CZ, a.s., twd CZ, s.r.o.		
LETTABLE AREA	15,330 m^2	**BUILT**	2021

Czech Republic

VGP Park Prostějov

BUILDING B

TENANT	ALFA – RENT PENTE s.r.o.		
LETTABLE AREA	25,055 m^2	**BUILT**	2021

Czech Republic

VGP Park Vyškov

BUILDING A

TENANT	ALFA – RENT PENTE s.r.o.		
LETTABLE AREA	28,868 m^2	**BUILT**	2021

Czech Republic

VGP Park Kladno

BUILDING A

TENANT	CARGO CARE s.r.o., Damco Czech Republic, s.r.o.		
LETTABLE AREA	15,814 m^2	**BUILT**	2022

Czech Republic

VGP Park Kladno

BUILDING B

TENANT	Kvadrat Czech Republic s.r.o.		
LETTABLE AREA	11,193 m^2	**BUILT**	2022

Czech Republic

VGP Park České Budějovice

BUILDING C

TENANT	DACHSER Czech Republic a.s.		
LETTABLE AREA	9,424 m^2	**BUILT**	2022


B A

VGP Park	Owner	Land area *(m²)*	Lettable area *(m²)*				Contracted annual rent *(in million €)*
			Completed	Under construction	Potential	Total	
VGP Park Olomouc	VGP	132,600	65,900	—	—	65,900	3.3
VGP Park Hrádek nad Nisou 2	VGP	105,100	30,200	—	—	30,200	1.7
VGP Park Prostějov	VGP	139,700	40,400	—	10,400	50,700	1.8
VGP Park Vyškov	VGP	54,400	28,900	—	—	28,900	1.1
VGP Park České Budějovice	VGP	438,600	9,400	—	121,400	130,800	0.5
VGP Park Kladno	VGP	68,700	27,000	—	—	27,000	1.6
VGP Park Ústí nad Labem City	VGP	108,000	—	—	52,800	52,800	0.6
Total VGP		**1,047,100**	**201,800**	**—**	**184,600**	**386,300**	**10.6**
VGP Park Tuchoměřice	JV1	58,700	25,200	—	—	25,200	1.2
VGP Park Český Újezd	JV1	45,400	15,500	—	—	15,500	0.8
VGP Park Liberec	JV1	36,100	11,400	—	2,300	13,700	0.6
VGP Park Brno	JV1	64,000	35,500	—	—	35,500	2.1
VGP Park Hrádek nad Nisou	JV1	180,600	85,400	—	—	85,400	5.1
VGP Park Plzeň	JV1	102,000	49,900	—	—	49,900	2.8
VGP Park Ústí nad Labem	JV1	133,200	41,000	—	—	41,000	2.1
VGP Park Olomouc	JV1	347,200	135,400	—	14,100	149,500	7.0
VGP Park Jeneč	JV1	173,900	69,900	—	—	69,900	2.8
VGP Park Chomutov	JV1	106,800	57,200	—	—	57,200	2.9
Total JV		**1,247,900**	**526,400**	**—**	**16,400**	**542,800**	**27.3**
Total Czech Republic		**2,295,000**	**728,200**	**—**	**201,000**	**929,100**	**37.9**


KUEHNE
T.T.E.S.
MONZA

Spain

55 VGP Park San Fernado de Henares
56 VGP Park Lliçà d'Amunt
57 VGP Park Fuenlabrada
58 VGP Park Fuenlabrada 2
59 VGP Park Valencia Cheste
60 VGP Park Zaragoza
61 VGP Park Dos Hermanas
62 VGP Park Sevilla Ciudad de la Imagen
63 VGP Park Granollers
64 VGP Park Martorell
65 VGP Park La Naval
66 VGP Park Burgos
67 VGP Park Alicante
68 VGP Park Córdoba
69 VGP Park Belartza

Spain

VGP Park Lliça d’Amunt

BUILDING A

TENANT	Picking Farma S.A.		
LETTABLE AREA	13,639 m^2	**BUILT**	2020

Spain

VGP Park Lliça d’Amunt

BUILDING C

TENANT	Noatum logistics Spain, S.A.U.; DistriCenter, S.A.U.; Vivace Logística, S.A.; Luís Simões Logística Integrada, S.A.; Gepanetrans Operador Logistico, S.L.		
LETTABLE AREA	32,170 m^2	**BUILT**	2019

Spain

VGP Park Lliça d’Amunt

BUILDING D

TENANT	Moldstock, S.L.		
LETTABLE AREA	7,205 m^2	**BUILT**	2020

Spain

VGP Park Lliça d’Amunt

BUILDING E

TENANT	Maskokotas, S.L., Gotex, S.A.U.		
LETTABLE AREA	22,194 m^2	**BUILT**	2020

Spain

VGP Park San Fernando de Henares

BUILDING A

TENANT	ThyssenKrupp Elevadores, S.L.U.; Rhenus Logistics S.A.U.		
LETTABLE AREA	22,962 m^2	**BUILT**	2018

Spain

VGP Park San Fernando de Henares

BUILDING B1

TENANT	Rhenus Logistics, S.A.U.; Noatum Logistics Spain, S.A.U.; Logwin Solutions Spain, S.A.		
LETTABLE AREA	19,671 m^2	**BUILT**	2019

Spain

VGP Park San Fernando de Henares

BUILDING B2

TENANT	Rhenus Logistics, S.A.U.		
LETTABLE AREA	12,267 m^2	**BUILT**	2019

Spain

VGP Park San Fernando de Henares

BUILDING C1

TENANT	Huawei Technologies Espana, S.L.		
LETTABLE AREA	7,947 m^2	**BUILT**	2021

Spain

VGP Park San Fernando de Henares

BUILDING C2

TENANT	Digi Spain Telecom, S.L.		
LETTABLE AREA	5,165 m^2	**BUILT**	2020

Spain

VGP Park San Fernando de Henares

BUILDING D1

TENANT	Paack Logistics Iberia, S.L.U.		
LETTABLE AREA	11,453 m^2	**BUILT**	2021

Spain

VGP Park San Fernando de Henares

BUILDING E

TENANT	DSV Road Spain, S.A.U.		
LETTABLE AREA	12,176 m^2	**BUILT**	2019

Spain

VGP Park Zaragoza

BUILDING A

TENANT	Cotrali Zaragoza, S.L.		
LETTABLE AREA	18,074 m^2	**BUILT**	2020

Spain

VGP Park Zaragoza

BUILDING B

TENANT	Thinktextil, S.L.		
LETTABLE AREA	21,373 m²	**BUILT**	2022

Spain

VGP Park Zaragoza

BUILDING C1

TENANT	Kuehne & Nagel, S.A.		
LETTABLE AREA	22,556 m²	**BUILT**	2021

Spain

VGP Park Zaragoza

BUILDING C2

TENANT	Kuehne & Nagel, S.A		
LETTABLE AREA	13,616 m²	**BUILT**	2022

Spain

VGP Park Valencia Cheste

BUILDING A

TENANT	Eurojuguetes, S.L.U.		
LETTABLE AREA	14,177 m²	**BUILT**	2022

Spain

VGP Park Valencia Cheste

BUILDING B

TENANT	Dia Retail España, S.A.U., Aza Logistics, S.L.U., Furnilogik, S.L.U.		
LETTABLE AREA	25,409 m²	**BUILT**	2021

Spain

VGP Park Fuenlabrada

BUILDING A

TENANT	Futurbaño, S.L., Logista Pharma, S.A.U.		
LETTABLE AREA	41,752 m²	**BUILT**	2022

Spain

VGP Park Granollers

BUILDING A

TENANT	Grupo Transaher, S.L.
LETTABLE AREA	8,920 m²	**BUILT**	2022

Spain

VGP Park Sevilla Dos Hermanas

BUILDING B

TENANT	Lamaignere Cargo, S.L., Almacenaje y Total Distribución Logística, S.L., Gardenstore, S.L., Vapores Suardiaz Sur-Atlántico, S.L., H2B2 Electrolysis Technologies, S.L.		
LETTABLE AREA	28,933 m²	**BUILT**	2022

VGP Park	Owner	Land area *(m²)*	Lettable area *(m²)*				Contracted annual rent *(in million €)*
			Completed	Under construction	Potential	Total	
VGP Park Fuenlabrada 2	VGP	50,600	—	—	23,700	23,700	—
VGP Park Valencia Cheste	VGP	113,100	39,600	—	26,700	66,300	1.8
VGP Park Dos Hermanas	VGP	103,000	28,900	—	25,700	54,700	1.2
VGP Park Sevilla Ciudad de la Imagen	VGP	55,000	—	—	28,700	28,700	—
VGP Park Granollers	VGP	14,400	8,900	—	—	8,900	0.6
VGP Park Martorell	VGP	18,200	—	—	10,300	10,300	0.1
VGP Park La Naval	VGP	279,000	—	—	112,900	112,900	—
VGP Park Burgos	VGP	128,200	—	—	88,500	88,500	—
VGP Park Alicante	VGP	41,800	—	—	25,300	25,300	—
VGP Park Cordoba	VGP	36,000	—	—	22,300	22,300	—
Total VGP		**839,300**	**77,400**	**—**	**364,100**	**441,600**	**3.6**
VGP Park San Fernando de Henares	JV2	222,700	91,600	27,600	—	119,200	7.7
VGP Park Lliçà d'Amunt	JV2	149,600	75,200	—	—	75,200	4.6
VGP Park Fuenlabrada	JV2	80,200	41,800	—	—	41,800	2.0
VGP Park Zaragoza	JV2	147,500	75,600	—	19,100	94,800	3.6
VGP Park Belartza	JV5	145,200	—	—	63,600	63,600	—
Total JV's		**745,200**	**284,200**	**27,600**	**82,700**	**394,600**	**17.9**
Total Spain		**1,584,500**	**361,600**	**27,600**	**446,800**	**836,200**	**21.5**


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Other countries in Europe

Latvia

70 VGP Park Kekava
71 VGP Park Riga
72 VGP Park Tiraines

Romania

73 VGP Park Timișoara
74 VGP Park Sibiu
75 VGP Park Brașov
76 VGP Park Arad
77 VGP Park Bucharest

Hungary

78 VGP Park Győr
79 VGP Park Győr Béta
80 VGP Park Alsónémedi
81 VGP Park Hatvan
82 VGP Park Kecskemét
83 VGP Park Budapest Aerozone

Slovakia

84 VGP Park Malacky
85 VGP Park Bratislava
86 VGP Park Zvolen

Austria

87 VGP Park Graz
88 VGP Park Laxenburg
89 VGP Park Ehrenfeld

The Netherlands

90 VGP Park Nijmegen
91 VGP Park Roosendaal
92 VGP Park Moerdijk

Italy

93 VGP Park Calcio
94 VGP Park Valsamoggia
95 VGP Park Valsamoggia 2
96 VGP Park Sordio
97 VGP Park Padova
98 VGP Park Paderno Dugnano
99 VGP Park Legnano
100 VGP Park Parma Lumiere

Portugal

101 VGP Park Santa Maria da Feira
102 VGP Park Sintra
103 VGP Park Loures
104 VGP Park Montijo


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Riga
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Amsterdam
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Bratislava
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Vienna
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Győr
Budapest
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Graz
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Timişoara
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Verona
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Milan
106
Zagreb
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95
100
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Belgrade
Bucharest
Rome

Hungary

VGP Park Alsónémedi

BUILDING A1.1

TENANT	Nagel Hungária Logisztikai Korlátolt Felelösségü Társaság
LETTABLE AREA	22,905 m^2 — **BUILT** 2016

Hungary

VGP Park Alsónémedi

BUILDING A2

TENANT	Magyar Lapterjesztö ZRT
LETTABLE AREA	8,774 m^2 — **BUILT** 2022

Hungary

VGP Park Győr

BUILDING A

TENANT	SKINY Gyártó Korlátolt Felelösségü Társaság; Waberer's-Szemerey Kft.; Gebrüder Weiss Szállítmányozási Kft.
LETTABLE AREA	24,742 m^2 — **BUILT** 2009

Hungary

VGP Park Győr

BUILDING B

TENANT	Lear Corporation Hungary Kft.; TI Automotive (Hungary) Kft.
LETTABLE AREA	24,741 m^2 — **BUILT** 2012, 2017

Hungary

VGP Park Győr

BUILDING C

TENANT	Dana Hungary Kft.
LETTABLE AREA	6,463 m^2 — **BUILT** 2011

Hungary

VGP Park Győr Béta

BUILDING B

TENANT	Raben Trans European Hungary Kft., Transdanubia Logisztikai Kft.
LETTABLE AREA	13,915 m^2 — **BUILT** 2022

Hungary

VGP Park Kecskemét

BUILDING A

TENANT	Andreas Schmid Kontrakt Logistik GmbH & Co. KG, Bohnenkamp Korlátolt Felelösségü Társaság, P-Development Vagyonkezelő Kft., Mercedes-Benz Manufacturing Hungary Kft.		
LETTABLE AREA	21,937 m^2	**BUILT**	2022

Hungary

VGP Park Kecskemét

BUILDING B

TENANT	Flisom Hungary kft.; HunTex Recycling Kft.		
LETTABLE AREA	17,046 m^2	**BUILT**	2020

Hungary

VGP Park Hatvan

BUILDING A1

TENANT	LKH LEONI Kft.		
LETTABLE AREA	16,664 m^2	**BUILT**	2019

Hungary

VGP Park Budapest Aerozone

BUILDING B.1

TENANT	BOXY Logisztikai Zrt.		
LETTABLE AREA	10,787 m^2	**BUILT**	2022

Slovakia

VGP Park Malacky

BUILDING A

TENANT	Benteler Automotive SK s.r.o.; SPP – distribuce, a.s.		
LETTABLE AREA	14,863 m^2	**BUILT**	2009

Slovakia

VGP Park Malacky

BUILDING B

TENANT	Benteler Automotive SK s.r.o.; Cipher Europe s.r.o.; PLP Facility, a.s., ASSA ABLOY Opening Solutions Slovakia s. r. o., Forbo Siegling s.r.o.		
LETTABLE AREA	20,049 m^2	**BUILT**	2016

Slovakia

VGP Park Malacky

BUILDING C

TENANT	FROMM SLOVAKIA, a.s.; Tajco Slovakia s. r. o.		
LETTABLE AREA	15,356 m^2	**BUILT**	2015

Slovakia

VGP Park Malacky

BUILDING D

TENANT	Volkswagen Konzernlogistik GmbH & Co. OHG		
LETTABLE AREA	25,692 m^2	**BUILT**	2015

Slovakia

VGP Park Malacky

BUILDING E1

TENANT	IDEAL Automotive Slovakia, s.r.o.		
LETTABLE AREA	12,756 m^2	**BUILT**	2016

Slovakia

VGP Park Bratislava

BUILDING A

TENANT	Dirks Consumer Slovakia GmbH, org. zložka		
LETTABLE AREA	43,361 m^2	**BUILT**	2022

Slovakia

VGP Park Bratislava

BUILDING F

TENANT	Continental Barum s.r.o.		
LETTABLE AREA	57,328 m^2	**BUILT**	2021

Slovakia

VGP Park Bratislava

BUILDING H

TENANT	Geis SK s.r.o.		
LETTABLE AREA	18,365 m^2	**BUILT**	2022

Latvia

VGP Park Kekava

BUILDING A

TENANT	SIA "BMJ Latvia", Hanzas Maiznīca AS, SIA "CONSTRUCTION TRADE", Maxservice SIA, MDL Terminal SIA
LETTABLE AREA	35,600 m^2
BUILT	2018

Latvia

VGP Park Kekava

BUILDING B

TENANT	MMD Serviss SIA
LETTABLE AREA	26,988 m^2
BUILT	2019

Latvia

VGP Park Riga

BUILDING B

TENANT	DO IT SIA
LETTABLE AREA	41,789 m^2
BUILT	2022

Romania

VGP Park Timişoara

BUILDING A1

TENANT	QUEHENBERGER LOGISTICS ROU SRL
LETTABLE AREA	17,613 m^2
BUILT	2016

Romania

VGP Park Timişoara

BUILDING A2

TENANT	SC FAN COURIER EXPRESS SRL; ITC LOGISTIC ROMANIA S.R.L.; KLG Europe Logistics SRL; INTER CARS ROMANIA SRL
LETTABLE AREA	18,085 m^2
BUILT	2016

Romania

VGP Park Timişoara

BUILDING B1

TENANT	QUEHENBERGER LOGISTICS ROU SRL; UPS Romania SRL; World Media Trans SRL; Acila SRL; Arhivatorul Plus SRL; Ericsson Antenna Technology Romania SRL; VGP Proiecte Industriale SRL, ITC LOGISTIC ROMANIA S.R.L., DUMERA SRL
LETTABLE AREA	18,008 m^2
BUILT	2014

Romania

VGP Park Timişoara

BUILDING B2

TENANT	DHL International Romania SRL; RESET EMS srl; S.C.; NEFAB PACKAGING ROMANIA SRL; HELBAKO ELECTRONICA SRL; LOSAN DEPOT SRL, SZW AUTOMOTIVE S.R.L., D.B. GROUP ROMANIA S.R.L., World Media Trans S.R.L.		
LETTABLE AREA	18,176 m^2	**BUILT**	2015, 2019

Romania

VGP Park Timişoara

BUILDING C1

TENANT	cargo-partner Expeditii s.r.l.; EUROCCOPER SRL; DELIVERY SOLUTIONS S.A.; DYNAMIC PARCEL DISTRIBUTION S.A.		
LETTABLE AREA	21,879 m^2	**BUILT**	2018

Romania

VGP Park Timişoara

BUILDING C2

TENANT	Hafele Romania SRL; ROFAM TECHNOLOGY S.R.L.; KATHREIN BROADCAST SRL; CONTINENTAL AUTOMOTIVE PRODUCTS SRL; Ericsson Anteena Technology Romania SRL; ITC LOGISTIC ROMANIA S.R.L., DHL International Romania SRL		
LETTABLE AREA	21,581 m^2	**BUILT**	2018

Romania

VGP Park Timişoara

BUILDING D

TENANT	RPW LOGISTICS SRL, World Media Trans S.R.L., RUS-SAVITAR S.A.		
LETTABLE AREA	30,775 m^2	**BUILT**	2021

Romania

VGP Park Braşov

BUILDING E

TENANT	FILDAS TRADING SRL, ITC LOGISTIC ROMANIA S.R.L.		
LETTABLE AREA	9,556 m^2	**BUILT**	2021

Romania

VGP Park Arad

BUILDING A

TENANT	KUEHNE + NAGEL S.R.L., SC Fan Courier Express SRL, NDB LOGISTICA ROMANIA SRL, DYNAMIC PARCEL DISTRIBUTION SA, DRIM DANIEL DISTRIBUTIE FMCG SRL		
LETTABLE AREA	29,190 m^2	**BUILT**	2022

Romania

VGP Park Sibiu

BUILDING B

TENANT	Englmayer Romania SRL, IKEA ROMANIA S.A., SOMAREST SRL		
LETTABLE AREA	17,182 m^2	**BUILT**	2022

Austria

VGP Park Graz

BUILDING A

TENANT	MAGNA Steyr Fahrzeugtechnik AG & Co KG		
LETTABLE AREA	16,537 m^2	**BUILT**	2018

Austria

VGP Park Graz

BUILDING B

TENANT	WeShip Fulfillment GmbH, LEVL GmbH, Johann Weiss GmbH		
LETTABLE AREA	8,212 m^2	**BUILT**	2022

Netherlands

VGP Park Nijmegen

BUILDING A

TENANT	Conpax Beheer B.V.; ESTG B.V.; Ahold Europe Real Estate & Construction B.V.; Nippon Express (Nederland) B.V.; OTC Medical B.V.; VGP Renewable Energy Netherlands BV		
LETTABLE AREA	67,352 m^2	**BUILT**	2019–2020

Netherlands

VGP Park Nijmegen

BUILDING B1, B2

TENANT	Holding Geurtsen Thomassen B.V.		
LETTABLE AREA	42,505 m^2	**BUILT**	2022

Netherlands

VGP Park Nijmegen

BUILDING B3, B4

TENANT	VGP Renewable Energy Netherlands BV, Bol.com B.V.		
LETTABLE AREA	62,359 m^2	**BUILT**	2022

Netherlands

VGP Park Nijmegen

BUILDING C

TENANT	Mantel Arnhem B.V., Holding Geurtsen Thomassen B.V., VGP Renewable Energy Netherlands BV		
LETTABLE AREA	35,052 m^2	**BUILT**	2022

Netherlands

VGP Park Roosendaal

BUILDING A

TENANT	Active Ants B.V.; Raben Netherlands B.V. VGP Renewable Energy Netherlands BV		
LETTABLE AREA	41,960 m^2	**BUILT**	2020

Italy

VGP Park Valsamoggia

BUILDING A

TENANT	Macron S.p.a., VGP Renewable Energy Italy SRL		
LETTABLE AREA	6,679 m^2	**BUILT**	2020

Italy

VGP Park Valsamoggia

BUILDING B

TENANT	Macron S.p.a.		
LETTABLE AREA	16,106 m^2	**BUILT**	2019

Italy

VGP Park Calcio

BUILDING A

TENANT	FGC S.r.l., General Light, S.L., Skill, S.P.A.		
LETTABLE AREA	23,303 m^2	**BUILT**	2021

Italy

VGP Park Sordio

BUILDING A

TENANT	General Logistics Systems Italy SRL		
LETTABLE AREA	12,034 m^2	**BUILT**	2021

Italy

VGP Park Padova

BUILDING A

TENANT	Carlini Gomme s.r.l., Gruber Logistics S.p.A.
LETTABLE AREA	15,301 m² — **BUILT** 2021

Italy

VGP Park Padova

BUILDING B

TENANT	Gruppo Executive Societa Consortile a r.l.
LETTABLE AREA	7,246 m² — **BUILT** 2021

Italy

VGP Park Parma

BUILDING A

TENANT	GLS Enterprise s.r.l.
LETTABLE AREA	5,710 m² — **BUILT** 2022

Portugal

VGP Santa Maria da Feira

BUILDING A

TENANT	Rádio Popular – Electrodomésticos, S.A.
LETTABLE AREA	29,813 m² — **BUILT** 2021

VGP Park	Owner	Land area *(m²)*	Lettable area *(m²)*				Contracted annual rent *(in million €)*
			Completed	Under construction	Potential	Total	
Romania							
VGP Park Sibiu	VGP	217,200	17,200	—	77,300	94,500	0.5
VGP Park Brașov	VGP	361,500	9,600	47,000	122,800	179,400	3.4
VGP Park Arad	VGP	389,900	29,200	—	167,300	196,500	0.9
VGP Park Bucharest (A3)	VGP	248,300	—	45,800	70,000	115,800	2.6
VGP Park Timisoara 3	VGP	59,900	—	—	32,800	32,800	—
		1,276,800	**56,000**	**92,800**	**470,200**	**619,000**	**7.3**
Hungary							
VGP Park Hatvan	VGP	57,600	16,700	—	9,300	26,000	1.0
VGP Park Győr Beta	VGP	139,200	13,900	37,700	19,200	70,800	0.7
VGP Park Kecskemét	VGP	255,000	39,000	20,100	55,200	114,300	3.2
VGP Park Budapest Aerozone	VGP	378,900	10,800	43,300	70,700	124,800	3.8
VGP Park Budapest Aerozone 2	VGP	372,800	—	—	136,300	136,300	—
		1,203,500	**80,400**	**101,100**	**290,700**	**472,200**	**8.7**
Slovakia							
VGP Park Bratislava	VGP	575,600	119,100	19,200	120,900	259,200	6.3
VGP Park Bratislava 2	VGP	353,100	—	—	124,700	124,700	—
VGP Park Zvolen	VGP	102,100	—	8,400	44,200	52,600	0.2
		1,030,800	**119,100**	**27,600**	**289,800**	**436,500**	**6.4**
Netherlands							
VGP Park Nijmegen	VGP	237,200	—	—	139,300	139,300	—
		237,200	**—**	**—**	**139,300**	**139,300**	**—**
Italy[1]							
VGP Park Paderno Dugnano	VGP	94,200	—	—	43,700	43,700	—
VGP Park Valsamoggia 2	VGP	125,200	—	—	32,600	32,600	—
VGP Park Legnano	VGP	49,400	—	—	25,000	25,000	—
VGP Park Parma Lumiere	VGP	18,900	5,700	—	—	5,700	0.5
		287,700	**5,700**	**—**	**101,300**	**107,000**	**0.5**
Austria							
VGP Park Graz	VGP	91,700	8,200	14,300	—	22,500	3.4
VGP Park Laxenburg	VGP	120,200	—	—	50,100	50,100	2.1
VGP Park Ehrenfeld	VGP	189,400	—	—	84,500	84,500	—
		401,300	**8,200**	**14,300**	**134,600**	**157,100**	**5.5**
Latvia							
VGP Park Kekava	VGP	148,400	62,600	—	—	62,600	3.3
VGP Park Riga	VGP	119,000	41,800	—	14,100	55,900	2.3
VGP Park Tiraines	VGP	63,100	—	28,800	—	28,800	1.7
		330,500	**104,400**	**28,800**	**14,100**	**147,300**	**7.3**

1 Excluding 1 new park for which € 0.8 million of contracted annualised rent has already been signed. The land plots of this parks have been secured and are expected to be acquired during the course of 2023.

VGP Park	Owner	Land area *(m²)*	Lettable area *(m²)*				Contracted annual rent *(in million €)*
			Completed	Under construction	Potential	Total	
Portugal							
VGP Park Sintra	VGP	61,200	—	—	30,000	30,000	—
VGP Park Loures	VGP	51,500	—	19,900	—	19,900	1.9
VGP Park Montijo	VGP	98,200	—	—	31,400	31,400	—
		210,900	**—**	**19,900**	**61,400**	**81,300**	**1.9**
France							
VGP Park Rouen	VGP	243,200	—	—	119,500	119,500	—
		243,200	**—**	**—**	**119,500**	**119,500**	**—**
Serbia							
VGP Park Belgrade Dobanovice	VGP	1,152,900	—	—	494,800	494,800	3.5
		1,152,900	**—**	**—**	**494,800**	**494,800**	**3.5**
Croatia							
VGP Park Lucko Zagreb	VGP	89,700	—	—	36,900	36,900	—
		89,700	**—**	**—**	**36,900**	**36,900**	**—**
Total VGP		**6,464,500**	**373,800**	**284,500**	**2,152,600**	**2,810,900**	**41.1**

VGP Park	Owner	Land area *(m²)*	Lettable area *(m²)*				Contracted annual rent *(in million €)*
			Completed	Under construction	Potential	Total	
Romania							
VGP Park Timisoara	JV2	252,400	115,300	—	—	115,300	5.5
VGP Park Timișoara 2	JV2	40,300	30,800	—	—	30,800	1.2
		292,700	**146,100**	**—**	**—**	**146,100**	**6.7**
Hungary							
VGP Park Győr	JV1	121,800	51,500	—	—	51,500	3.0
VGP Park Alsónémedi	JV1	85,300	31,700	—	4,900	36,600	2.0
		207,100	**83,200**	**—**	**4,900**	**88,100**	**4.9**
Slovakia							
VGP Park Malacky	JV1	220,500	88,700	—	9,900	98,600	3.9
		220,500	**88,700**	**—**	**9,900**	**98,600**	**3.9**
Netherlands							
VGP Park Nijmegen	JV2	362,500	207,300	—	19,200	226,500	11.0
VGP Park Roosendaal	JV2	86,500	42,000	9,200	—	51,200	2.7
VGP Park Moerdijk	JV4	928,900	—	—	486,700	486,700	—
		1,377,900	**249,300**	**9,200**	**505,900**	**764,400**	**13.7**
Italy							
VGP Park Valsamoggia	JV2	52,800	22,800	—	—	22,800	1.5
VGP Park Calcio	JV2	48,600	23,300	—	—	23,300	1.1
VGP Park Sordio	JV2	26,800	12,000	—	—	12,000	1.0
VGP Park Padova	JV2	50,100	22,500	—	—	22,500	1.5
		178,300	**80,600**	**—**	**—**	**80,600**	**5.1**
Austria							
VGP Park Graz	JV2	38,200	16,500	—	—	16,500	1.3
		38,200	**16,500**	**—**	**—**	**16,500**	**1.3**
Portugal							
VGP Park Santa Maria Da Feira	JV2	73,600	29,800	—	—	29,800	1.3
		73,600	**29,800**	**—**	**—**	**29,800**	**1.3**
Total JV's		**2,388,300**	**694,200**	**9,200**	**520,700**	**1,224,100**	**36.9**
Total Other Countries		**8,852,800**	**1,068,000**	**293,700**	**2,673,300**	**4,035,000**	**78.0**

Financial review

Consolidated income statement

For the year ended 31 December 2022

Income statement *(in thousands of €)*	**Note**	**2022**	**2021**
Revenue[1]	5	84,784	44,255
Gross rental and renewable energy income	5	**51,230**	**18,274**
Property operating expenses	6	**(8,223)**	**(2,875)**
Net rental and renewable energy income[2]		**43,007**	**15,399**
Joint venture management fee income	5	21,537	21,303
Net valuation gains/(losses) on investment properties	7	(97,230)	610,261
Administration expenses	8	(33,956)	(52,112)
Share in result of joint ventures and associates	9	(45,927)	186,703
Other expenses		(3,000)	(5,000)
Operating result		**(115,569)**	**776,554**
Financial income	10	17,329	12,322
Financial expenses	10	(44,337)	(24,976)
Net financial result		**(27,008)**	**(12,654)**
Result before taxes		**(142,577)**	**763,900**
Taxes	11	20,035	(113,845)
Result for the period		**(122,542)**	**650,055**
Attributable to:			
Shareholders of VGP NV	12	(122,542)	650,055
Non-controlling interests		—	—

Result per share *(in €)*	**Note**	**2022**	**2021**
Basic earnings per share	12	(5.49)	31.41
Diluted earnings per share	12	(5.49)	31.41

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

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

2 Given the exponential growth of renewable energy income and its operating expenses, the consolidated income statement has been updated by renaming "gross and net rental income" to "gross rental and renewable energy income".

Consolidated statement of comprehensive income

For the year ended 31 December 2022

Statement of comprehensive income *(in thousands of €)*	**2022**	**2021**
Result for the year	**(122,542)**	**650,055**
Other comprehensive income to be reclassified to profit or loss in subsequent periods	—	—
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	—	—
Other comprehensive result for the period	—	—
Total comprehensive result of the period	**(122,542)**	**650,055**
Attributable to:		
Shareholders of VGP NV	(122,542)	650,055
Non-controlling interest	—	—

Consolidated balance sheet

For the year ended 31 December 2022

Assets *(in thousands of €)*	**Note**	**2022**	**2021**
Intangible assets		1,200	1,046
Investment properties	13	2,395,702	1,852,514
Property, plant and equipment		73,280	32,141
Investments in joint ventures and associates	9.2, 9.4	891,201	858,116
Other non-current receivables	9.3	359,644	264,905
Deferred tax assets	11	3,839	1,953
Total non-current assets		**3,724,866**	**3,010,675**
Trade and other receivables	14	122,113	148,022
Cash and cash equivalents	15	699,168	222,160
Disposal group held for sale	20	299,906	501,882
Total current assets		**1,121,187**	**872,064**
Total assets		**4,846,053**	**3,882,739**

Shareholders' equity and liabilities *(in thousands of €)*	**Note**	**2022**	**2021**
Share capital	16	105,676	78,458
Other reserves	16	845,579	574,088
Retained earnings		1,250,920	1,523,019
Shareholders' equity		**2,202,175**	**2,175,565**
Non-current financial debt	17	1,960,464	1,340,609
Other non-current liabilities	18	46,419	32,459
Deferred tax liabilities	11	79,671	112,295
Total non-current liabilities		**2,086,554**	**1,485,363**
Current financial debt	17	413,704	44,147
Trade debts and other current liabilities	19	110,676	107,510
Liabilities related to disposal group held for sale	20	32,944	70,154
Total current liabilities		**557,324**	**221,811**
Total liabilities		**2,643,878**	**1,707,174**
Total shareholders' equity and liabilities		**4,846,053**	**3,882,739**

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

Statement of changes in equity

For the year ended 31 December 2022

Statement of changes in equity *(in thousands of €)*	**Statutory share capital**	**Capital reserve** *(see note 16)*	**IFRS share capital**	**Other reserves**	**Retained earnings**	**Total equity**
Balance as at 1 January 2021	**102,641**	**(30,416)**	**72,225**	**285,420**	**948,092**	**1,305,737**
Other comprehensive result	—	—	—	—	—	—
Result of the period	—	—	—	—	650,055	650,055
Total comprehensive result	—	—	—	—	**650,055**	**650,055**
Capital and share premium increase net of transaction costs *(see note 16)*	6,233	—	**6,233**	288,668	—	294,901
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**
Balance as at 1 January 2022	**108,874**	**(30,416)**	**78,458**	**574,088**	**1,523,019**	**2,175,565**
Other comprehensive result	—	—	—	—	—	—
Result of the period	—	—	—	—	(122,542)	(122,542)
Total comprehensive result	—	—	—	—	**(122,542)**	**(122,542)**
Capital and share premium increase net of transaction costs *(see note 16)*	27,218	—	**27,218**	271,491	—	298,709
Dividends	—	—	—	—	(149,557)	(149,557)
Balance as at 31 December 2022	**136,092**	**(30,416)**	**105,676**	**845,579**	**1,250,920**	**2,202,175**

Consolidated cash flow statement

For the year ended 31 December 2022

Cash flow statement *(in thousands of €)*	**Note**	**2022**	**2021**
Cash flows from operating activities			
Profit before taxes		(142,577)	763,900
Adjustments for:			
Depreciation		4,479	2,431
Unrealised (gains)/losses on investment properties	7	184,447	(598,726)
Realised (gains)/losses on disposal of subsidiaries and investment properties	7	(87,217)	(11,535)
Unrealised (gains)/losses on financial instruments and foreign exchange		1,426	786
Interest (income)		(17,329)	(12,322)
Interest expense		42,911	24,190
Share in result of joint ventures and associates	9	45,927	(186,703)
Operating result before changes in working capital and provisions		**32,067**	**(17,979)**
Decrease/(Increase) in trade and other receivables		(43,215)[1]	(51,472)
(Decrease)/Increase in trade and other payables		(12,632)	10,932
Cash generated from the operations		**(23,780)**	**(58,519)**
Interest received		24	4
Interest paid		(39,292)	(28,726)
Income taxes paid		(7,590)	(232)
Net cash generated from operating activities		**(70,638)**	**(87,473)**
Cash flows from investing activities	21		
Proceeds from disposal of tangible assets and other		—	36
Proceeds from disposal of subsidiaries and investment properties	22	347,372	49,647
Investments in Investment Property and Property, Plant and Equipment		(851,792)	(680,028)
Distribution by/(Investment in) Joint Venture and associates		21,382	(4,060)
Loans provided to joint ventures and associates		(108,443)	(99,511)
Loans repaid by joint ventures and associates		25,331	13,493
Net cash used in investing activities		**(566,150)**	**(720,423)**
Cash flows from financing activities	21		
Dividends paid		(149,557)	(75,128)
Net Proceeds/(cash out) from the issue/(repayment) of share capital	16	298,709	294,901
Proceeds from loans	17	990,749	594,149
Loan repayments	17	(23,500)	(1,333)
Net cash used in financing activities		**1,116,401**	**812,589**
Net increase/(decrease) in cash and cash equivalents		**479,613**	**4,693**
Cash and cash equivalents at the beginning of the period		**222,160**	**222,356**
Effect of exchange rate fluctuations		(157)	(1,132)
Reclassification to (-)/from held for sale		(2,448)	(3,757)
Cash and cash equivalents at the end of the period		**699,168**	**222,160**

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

1 Some reclassifications occur mainly with respect to receivable from Allianz which is shown as proceeds from disposal of subsidiaries and investment properties for an amount of € 56.7 million (See note 22).

Notes to and forming part of the financial statements

For the year ended 31 December 2022

1. General information

VGP NV (the "Company") is a limited liability company and was incorporated under Belgian law on 6 February 2007 for an indefinite period of time with its registered office located at Generaal Lemanstraat 55 box 4, 2018 Antwerp, Belgium and the Company is registered under enterprise number 0887.216.042 (Register of Legal Entities of Antwerp – Division Antwerp).

The Group is a pure-play real estate group specialised in the acquisition, development, and management of logistic real estate, i.e. buildings suitable for logistical purposes and light industrial activities. The Group focuses on strategically located plots of land or brownfields suitable for development of logistic business parks of a certain size, so as to build up an extensive and well-diversified land bank on top locations, i.e. locations in the vicinity of highly concentrated living and/or production centres, with an optimal access to transport infrastructure.

The aim of the Group is to become a leading pan-European owner, manager and developer of high-quality logistics and semi-industrial real estate.

The Group is currently active in Germany, Austria, the Netherlands, Spain, Portugal, Italy, the Czech Republic, the Slovak Republic, Hungary, Romania, Latvia, Croatia, France, Denmark and Serbia.

The Company's consolidated financial statements include those of the Company and its subsidiaries (together referred to as "Group"). The consolidated financial statements were approved for issue by the board of directors on 6 April 2023.

2. Summary of principal accounting policies

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) which have been adopted by the European Union.

These standards comprise all new and revised standards and interpretations published by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Interpretations Committee of the IASB, as far as applicable to the activities of the Group and effective as from 1 January 2022.

Standards and interpretations applicable for the annual period beginning on or after 1 January 2022

— Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1 April 2021)
— Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022)
— Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022)
— Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022)
— Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022)

The above new standards, amendments to standards and interpretations did not give rise to any material changes in the presentation and preparation of the consolidated financial statements of the year.

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2022

— IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023)
— Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (applicable for annual periods beginning on or after 1 January 2023)

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024 or later, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)

The initial application of the above standards, amendments to standards and interpretation is estimated not to give rise to any material changes in the presentation and preparation of the consolidated financial statements.

2.2 Basis of preparation

The consolidated financial statements are prepared on a historic cost basis, with the exception of investment properties and financial derivatives which are stated at fair value. All figures are in thousands of Euros (in thousands of €), unless stated otherwise. Minor rounding differences might occur.

2.3 Principles of consolidation

Subsidiaries

Subsidiaries are entities over which VGP NV exercises control, which is the case when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Joint ventures and associates

A joint venture exists when VGP NV has contractually agreed to share control with one or more other parties, which is the case only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Associates are companies in which VGP NV, directly or indirectly, has a significant influence and which are neither subsidiaries nor joint ventures. This is presumed if the Group holds at least 20% of the voting rights attaching to the shares. The financial information included for these companies is prepared using the accounting policies of the Group. When the Group has acquired joint control in a joint venture or significant influence in an associate, the share in the acquired assets, liabilities and contingent liabilities is initially re-measured to fair value at the acquisition date and accounted for using the equity method. Any excess of the purchase price over the fair value of the share in the assets, liabilities and contingent liabilities acquired is recognized as goodwill. When the goodwill is negative, it is immediately recognized in profit or loss. Subsequently, the consolidated financial statements include the Group's share of the results of joint ventures and associates accounted for using the equity method until the date when joint control or significant influence ceases. If the Group's share of the losses of a joint venture or associate exceeds the carrying amount of the investment, the investment is carried at nil value and recognition of additional losses is limited except to the extent that VGP has incurred constructive or contractual obligations in respect of the associate.

Unrealized gains arising from transactions with joint ventures and associates are set against the investment in the joint venture or associate concerned to the extent of the Group's interest. The carrying amounts of investments in joint ventures and associates are reassessed if there are indications that the asset has been impaired or that impairment losses recognized in prior years have ceased to apply. The investments in joint ventures and associates in the balance sheet include the carrying amount of any related goodwill.

IAS 28.28 only permits recognition of the gain or loss from downstream transactions "to the extent of unrelated investors' interests in the associate or joint venture". However, the standard does not specifically address the treatment of revenue derived from transactions with equity-method investees (e.g. revenue from the sale of goods, or interest revenue) and whether that revenue should be eliminated from the consolidated financial statements. In respect of the treatment of revenues derived from transactions with joint ventures and associates (e.g. sales services, interest revenue, …), the Group has opted not to eliminate its interest in these transactions. As a matter of example, VGP receives € 100 interest income on a loan provided to a 50/50 joint venture. Under the accounting policy adopted by VGP this interest income would be accounted for as € 100 interest income of the Group. The cost incurred by the joint venture would be accounted for on a proportional (50%) basis through "results in joint ventures and associates" without making any adjustment for the proportional interest held by VGP. By doing so the Group will only recognise its proportional profit or loss in its consolidated figures and ensure that it does not recognise a higher profit or loss than its share in the "results in joint ventures and associates".

In contrast, according to IFRS 10.25 upon loss of control of a subsidiary, a parent de-recognises the assets and liabilities of the subsidiary (including non-controlling interests) in full and measures any investment retained in the former subsidiary at its fair value. In the absence of any other relevant guidance, entities have, in effect, an accounting policy choice of applying either the approach in IFRS 10 or the approach in IAS 28. VGP has made the accounting policy choice to recognize the gain or loss on the disposal of a subsidiary to a joint venture or associate in full in profit or loss.

2.4 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euros (€), which is the Company's functional currency and the Group's presentation currency.

Transactions in foreign currencies are translated to Euro at the foreign exchange rate ruling at the date of the transaction. Consequently, non-monetary assets and liabilities are presented at Euro using the historic foreign exchange rate. Monetary assets and liabilities denominated in a currency other than Euro at the balance sheet date are translated to Euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated income statement.

2.5 Goodwill

When VGP acquires the control over an integrated set of activities and assets, as defined in IFRS 3 Business Combinations, the identifiable assets, obligations and conditional obligations of the acquired company will be booked to their fair value on the purchase date. The goodwill represents the positive difference between the acquisition cost and the part of the group in the fair value of the acquired net assets. If this difference is negative (negative goodwill) it is immediately booked in the result after a re-evaluation of the values.

After the initial take-up the goodwill is not written down, but subject to an impairment test, which is carried out each year on the cash flow generating units to which the goodwill is allocated. If the book value of a cash flow generating unit exceeds the operating value, the loss of value following from this will be booked in the result and in the first instance included in the reduction of the possible goodwill and then subsequently to the other assets of the unit, in proportion to their book value. A write-down on the goodwill cannot be reversed in a subsequent financial year.

2.6 Intangible assets

Intangible assets are measured at cost or fair value less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives. The amortization period and method are reviewed at each financial year-end.

2.7 Investment properties

Completed projects

Completed properties are initially measured at cost (including transaction costs). After initial recognition, investment property is carried at fair value. An external independent valuation expert with recognised professional qualifications and experience in the location and category of the property being valued, values the portfolio at least annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in the consolidated income statement.

Property under construction

Property that is being constructed or developed is also stated at fair value. The properties under construction are also valued by an external independent valuation expert using the same valuation methodology as used for the valuations of the completed projects but deducting the remaining construction costs from the calculated market value of the respective projects.

Any gain or loss arising from a change in fair value is recognised in the consolidated income statement.

All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure qualifying as acquisition costs are capitalised.

Development land

Land of which the Group has the full ownership i.e. registered in the respective land registry as owner and on which the Group intends to start construction (so called 'development land') is immediately valued at fair value. The development land is valued by an external independent valuation expert using the valuation sales comparative approach.

Any gain or loss arising from a change in fair value is recognised in the consolidated income statement.

All costs directly associated with the purchase of the development land are capitalised.

Land which is not yet in full ownership but which is secured by a future purchase agreement or purchase option is not recognised as investment property until the Group has become full owner of this land.

The Group will be required to make from time to time down payments when entering into such future purchase agreements or purchase options. The down payments of the land will be recorded as other receivables unless such amounts are immaterial, in which case the Board of Directors may elect to classify such amounts under investment properties.

Infrastructure works are not included in the fair value of the development land but are recognised as investment property and valued at cost.

In case the Board of Directors is of the opinion that the fair value of the development land cannot be reliable determined the Board may elect to value the development land at cost less impairment until the fair value becomes reliably determinable.

2.8 Capitalisation of borrowing costs

Interest and other financial expenses relating to the acquisition of fixed assets incurred until the asset is put in use are capitalised. Subsequently, they are recorded as financial expenses.

2.9 Leases

VGP as lessee

At the start of the lease period, the leases (except for leases with a maximum term of twelve months and leases whose underlying assets are of low value) are recognised on the balance sheet as rights of use and lease liabilities at the present value of the future lease payments. Next, all rights of use that qualify as investment properties are valuated at fair value, in accordance with the valuation rules detailed under 2.7 Investment properties. The minimum lease payments are recognised in part as financing costs and in part as settlement of the outstanding liability, in a manner resulting in a constant periodic interest rate on the remaining balance of the liability. The cost of financing is offset directly against the result. Conditional lease payments are incorporated as costs in the periods in which they were made.

VGP as lessor

If a lease meets the conditions of a financial lease (according to IFRS 16), VGP as the lessor will recognise the lease from its start date as a receivable in the balance sheet at an amount equal to the net investment in the lease. The difference between this latter amount and the book value of the leased property (exclusive of the value of the residual right held by VGP) at the start of the lease will be recognised in the profit and loss account for that period. Each periodic payment made by the lessee will be partly recognised by VGP as a repayment of the capital and partly as financial income based on a constant periodic return for VGP. The residual right held by VGP will be recognised at its fair value on each balance sheet date. This value will increase every year and will correspond to the market value of the full right of ownership at the end of the lease. These increases will be recognised in Net valuation gains/(losses) on investment properties in the profit and loss account.

Group company is the lessor – fees paid in connection with arranging leases and lease incentives

The Group makes payments to agents for services in connection with negotiating lease contracts with the Group's lessees. The letting fees are capitalised within the carrying amount of the related investment property and amortised over the lease term. Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

2.10 Property, plant and equipment

Property, plant and equipment are valued at their cost price less the accumulated depreciations and write-downs. The cost price includes all directly attributable costs and the relevant part of the indirect costs incurred to make the asset ready for use. Future disbursements for repairs are immediately recorded in the result unless they increase the future financial profits of the asset. The straight-line depreciation method is applied over the estimated lifetime of the assets. The useful life and the depreciation method are revised at least annually at the end of each financial year. The tangible fixed assets are depreciated in accordance with the following percentages:

— software:	33%;
— IT equipment:	10–33%;
— office furniture and fittings:	7–20%;
— cars:	25%;
— photovoltaic panels:	5%

2.11 Financial assets at amortised cost

Financial assets at amortized cost include trade receivables, other receivables and cash and cash equivalents and represent non-derivative financial instruments which are held within a business model with the purpose to receive contractual cashflows (held to collect) and the contractual terms of the financial asset give rise to cashflows at fixed dates which represent solely payments of principal and interest (SPPI). Such financial assets are stated at amortised cost with any difference between cost and redemption value being recognised in the consolidated income statement over the period of the borrowings on an effective interest basis.

Trade receivables do not carry any interest and are stated at amortised cost as reduced by appropriate bad debt allowances. Such allowances are based on the expected credit losses, calculated in accordance with IFRS 9. The group has not developed a provision matrix based on historical credit loss experience as historical credit losses are insignificant. In case there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime expected credit losses. This is the case when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the default risk has significantly increased. An impairment loss is recognized in the statement of income, as are subsequent recoveries of previous impairments.

Other financial assets at amortized cost include mainly loan to joint ventures and associates. These financial assets are accounted for at amortized cost and the Group recognizes a loss allowance for expected credit losses in accordance with IFRS 9. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Cash and cash equivalents comprise cash balances and call deposits. Such cash balances are only held with banks with high credit ratings, as such expected credit losses are not deemed significant. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated cashflow statement.

2.12 Non-current assets held for sale and discontinued operations

A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. A discontinued operation is a component of an entity which the entity has disposed of or which is classified as held for sale, which represents a separate major line of business or geographical area of operations and which can be distinguished operationally and for financial reporting purposes. For a sale to be highly probable, the entity should be committed to a plan to sell the asset (or disposal group), an active program to locate a buyer and complete the plan should be initiated, and the asset (or disposal group) should be actively marketed at a price which is reasonable in relation to its current fair value, and the sale should be expected to be completed within one year from the date of classification. Assets (or disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs necessary to make the sale. Any excess of the carrying amount over the fair value less costs to sell is included as an impairment loss. Depreciation of such assets is discontinued as from their classification as held for sale.

Comparative balance sheet information for prior periods is not restated to reflect the new classification in the balance sheet.

2.13 Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the consolidated income statement over the period of the borrowings on an effective interest basis. The Group classifies as a current portion any part of long-term loans that is due to be settled within one year from the balance sheet date.

2.14 Trade and other payables

Trade and other payables are stated at amortised cost.

2.15 Derivative financial instruments

The Group does not apply hedge accounting in accordance with IFRS 9. Derivative financial assets and liabilities are classified as financial assets or liabilities at Fair Value through Profit or Loss (FVPL). Derivative financial assets and liabilities comprise mainly interest rate swap and forward foreign exchange contracts for hedging purposes (economic hedge). Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered into. They are measured initially and subsequently at fair value; transaction costs are included directly in finance costs. Gains or losses on derivatives are recognised in profit or loss in net change in fair value of financial instruments at FVPL.

2.16 Impairment on property, plant and equipment and intangible assets

The carrying amounts of the Group's property, plant and equipment and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Impairment losses recognised in respect of cash-generating units reduce the carrying amount of the assets in the unit (group of units) on a pro-rata basis.

2.17 Reversal of impairment

An impairment loss is reversed in the consolidated income statement if there has been a change in the estimates used to determine the recoverable amount to the extent it reverses an impairment loss of the same asset that was recognised previously as an expense.

2.18 Provisions

A provision is recognised in the consolidated balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.19 Revenue recognition

Revenue includes rental income, renewable energy income, property and facility management income, development management income and service charge income.

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Renewable energy income includes multiple streams, such as sale of energy, leasing of installations and government grants. The accounting treatment for solar revenue depends on the specific contractual terms of the agreement between VGP's renewable energy company and its customers (e.g. tenants or green energy suppliers). If VGP's renewable energy company has entered into a power purchase agreement (PPA) with its customers, revenue recognition is based on the delivery of electricity. VGP's renewable energy company recognizes revenue when electricity is delivered, based on the contractual price per kilowatt-hour (kWh). The revenue recognized is based on the amount of electricity delivered, and any adjustments to the contract price or revenue recognition will be made based on the terms of the PPA.

If VGP's renewable energy company has entered into a leasing agreement with its customers, i.e. renting out the solar equipment, the revenue recognition is based on the lease payments due under the lease agreement. VGP's renewable energy company recognizes revenue based on the lease payments due over the term of the lease agreement, and any adjustments to the lease payments or revenue recognition will be made based on the terms of the lease agreement. Government grants are recognized the year the government grant applies to.

Revenue from service and property, facility and development management is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Some property management contracts may include multiple elements of service, which are provided to tenants. The Group assesses whether the individual elements of service in contracts are separate performance obligations. Where the contracts include multiple performance obligations, and/or lease and non-lease components, the transaction price will be allocated to each performance obligation (lease and non-lease component) based on the stand-alone selling prices. Where these selling prices are not directly observable, they are estimated based on an expected cost, plus margin. In the case of fixed price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers, which are not for distinct services, this consideration may include discounts, trade allowances, rebates and amounts collected on behalf of third parties.

A receivable is recognised when services are provided as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

2.20 Expenses

Service costs and property operating expenses

Service costs for service contracts entered into and property operating expenses are expensed as incurred.

Net financial result

Net financial result comprises interest payable on borrowings and interest rate swaps calculated using the effective interest rate method net of interest capitalised, interest receivable on funds invested and interest rate swaps, foreign exchange and interest rate swap gains and losses that are recognised in the consolidated income statement.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets and deferred tax liabilities have been offset, pursuant to the fulfilment of the criteria of IAS 12 §74. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. Critical accounting estimates and judgements and key sources of estimation uncertainty

3.1 General business risk

We refer to the chapter 'Risk factors' for an overview of the risks affecting the businesses of the VGP Group.

3.2 Critical judgements in applying accounting policies

The following are the critical judgments made by management, apart from those involving estimations (see note 3.3. below), that have a significant effect on the amounts reported in the consolidated financial statements:

— Determining whether control, joint control or a significant influence is exercised over investments. In this respect management concluded that it has joint control over the Joint Ventures and hence these Joint Ventures and the related associates are accounted for using the equity method;

— VGP has made the accounting policy choice to recognize the gain or loss on the disposal of a subsidiary to a joint venture or associate in full in profit or loss. In respect of the treatment of revenues derived from transactions with joint ventures and associates (e.g. sales services, interest revenue, …), the Group has opted not to eliminate its interest in these transactions nor to make any adjustment for the proportional adjustment to the joint venture corresponding figures. By doing so the Group will only recognise its proportional profit or loss in its consolidated figures and ensure that it does not recognise a higher profit or loss than its share in the "results in joint ventures and associates". (See note 2.3 for further information).

3.3 Key sources of estimation uncertainty

VGP's portfolio is valued at least annually by independent real estate experts. This valuation by real estate experts is intended to determine the market value of a property at a certain date, as a function of the market evolution and the characteristics of the property concerned.

The property portfolio is recorded at the fair value established by the real estate experts in the Group's consolidated accounts. (see note 13)

4. 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.

4.1 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 2022 and 2021. Given the growth of the Renewable Energy segment, the Group has updated its segment reporting and as such consolidated its Investment business and Property and asset management segments into one segment and reports Renewable Energy as a new segment.

Investment

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 and as part of the segment reporting update, now consolidates as well property and asset management revenue, which include asset management, property management and facility management income.
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.

Associated operating, administration and other expenses include directly allocated expenses from the respective asset management, property management and facility management service companies.

The Renewable Energy segment leases roofs from other VGP entities. To the extent these are not eliminated in the consolidation perimeter, the lease agreements will be added back as cost in the Renewable energy segment, in favour of rental income for the roof in the Investment segment.

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, Croatia, France, Denmark 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, 80% of total property operating expenses are allocated to the property development business, as are administration expenses after rental business and property management expenses.

Renewable Energy

The Group's Renewable Energy segment includes gross Renewable Energy income and its direct attributable operating expenses. The Renewable Energy income is generated through sale of electricity, government grants and/or leasing activities. In addition, 10% of administration expenses are allocated to the Renewable Energy segment.

The Renewable Energy segment leases roofs from other VGP entities. To the extent these are not eliminated in the consolidation perimeter, these have been added back as cost, in favour of a revenue recognition in the Investment segment.

Breakdown summary of the business lines

in thousands of €	2022	2021
Investment, property and asset management EBITDA	122,139	81,743
Property development EBITDA	(112,062)	556,721
Renewable Energy EBITDA	3,912	(4,342)
Total operating EBITDA	**13,989**	**634,121**

The net valuation losses in 2022 on investment properties destined to the Joint Ventures contains a revaluation loss of € 213.5 million (€ 0 million revaluation loss in 2021) partially offset by a realized valuation gain on transactions with the Joint Ventures and some first-time valuation effects, totaling to € 129.6 million.

in thousands of €	For the year ended 31 December 2022				
	Investment	**Development**	**Renewable Energy**	**Intersegment eliminations**	**Total**
Gross rental and renewable energy income	**45,391**	**—**	**5,901**	**(62)**	**51,230**
Property operating expenses	(792)	(7,136)	(357)	62	(8,223)
Net rental and renewable energy income	**44,599**	**(7,136)**	**5,544**	**—**	**43,007**
Joint venture management fee income	21,537	—	—	—	21,537
Net valuation gains/(losses) on investment properties destined to the Joint Ventures[1]	—	(83,874)	—	—	(83,874)
Administration expenses	(6,793)	(21,052)	(1,632)	—	(29,477)
Share of joint ventures' adjusted operating profit after tax[2]	62,796	—	—	—	62,796
Operating EBITDA	**122,139**	**(112,062)**	**3,912**	**—**	**13,989**
Other expense					(3,000)
Depreciation and amortisation	(633)	(2,530)	(1,316)	—	(4,479)
Earnings before interest and tax	**121,506**	**(114,592)**	**2,596**	**—**	**6,510**
Net financial cost – Own					(27,009)
Net financial cost – Joint ventures and associates					(18,852)
Result before tax					**(39,351)**
Current income taxes – own					(7,590)
Current income taxes – Joint ventures and associates					(4,217)
Recurrent net income					**(51,158)**
Net valuation gains/(losses) on investment properties – other countries[3]					(13,356)
Net valuation gains/(losses) on investment properties – Joint ventures and associates					(106,118)
Net fair value gain/(loss) on interest rate swaps and other derivatives					—
Net fair value gain/(loss) on interest rate swaps and other derivatives – Joint ventures and associates					2,096
Deferred taxes – own					27,625
Deferred taxes – Joint ventures and associates					18,369
Reported result for the period					**(122,542)**

1 The net valuation losses on investment properties destined to the Joint Ventures contains a revaluation loss of € 213.5 million offset by a realized valuation gain on transactions with the Joint Ventures and some first time valuation effects, totalling to € 129.6 milion.

2 The adjustments to the share of profit from the joint ventures (at share) are composed of € 106.1 million of net valuation losses on investment properties, € 2.1 million of net fair value gain on interest rate derivatives and € 18.4 million of reversal deferred taxes in respect of these adjustments.

3 Relates to developments in countries outside of the JV perimeters i.e. Latvia, Croatia, France, Denmark and Serbia.

in thousands of €	For the year ended 31 December 2021[1]				
	Investment	**Development**	**Renewable Energy**	**Intersegmental eliminations**	**Total**
Gross rental and renewable energy income	**17,581**	**—**	**693**	**—**	**18,274**
Property operating expenses	(222)	(2,586)	(67)	—	(2,875)
Net rental and renewable energy income	**17,359**	**(2,586)**	**626**	**—**	**15,399**
Joint venture management fee income	21,303		—	—	21,303
Net valuation gains/(losses) on investment properties destined to the Joint Ventures[2]	—	592,772	—	—	592,772
Administration expenses	(11,247)	(33,466)	(4,968)	—	(49,681)
Share of joint ventures' adjusted operating profit after tax[3]	54,328	—	—	—	54,328
Operating EBITDA	**81,743**	**556,721**	**(4,342)**	**—**	**634,121**
Other expense					(5,000)
Depreciation and amortisation	(102)	(1,812)	(522)	—	(2,436)
Earnings before interest and tax	**81,641**	**554,909**	**(4,864)**	**—**	**626,685**
Net financial cost – Own					(12,653)
Net financial cost – Joint venture and associates					(15,987)
Result before tax					**598,045**
Current income taxes – own					(232)
Current income taxes – Joint venture and associates					(2,600)
Recurrent net income					**595,213**
Net valuation gains/(losses) on investment properties – other countries[4]					17,491
Net valuation gains/(losses) on investment properties – Joint venture and associates					186,668
Net fair value gain/(loss) on interest rate swaps and other derivatives					—
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 result for the period					**650,055**

For further insights in the Group's landbank we refer to the paragraph "Land bank evolution" in the first part of this annual report.

1 The segment report of FY 2021 has been restated in view of the new division into Investment, Development and Renewable energy segments.

2 The net valuation gains on investment properties destined to the Joint Ventures contains a unrealised valuation gain of € 581.3 million and a realized valuation gain on transactions with the Joint Ventures, totalling to € 11.5 million.

3 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 € 36.4 million of deferred taxes in respect of these adjustments.

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

4.2 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.

in thousands of €	31 December 2022						
	Gross rental and renewable energy income (Incl. JV at share)[1]	**Net rental and renewable energy income (Incl. JV at share)**	**Operating EBITDA (Incl. JV at share)**	**Investment properties (Incl. JV at share)**	**Renewables property, plant and equipment[2]**	**Total assets (Incl. JV at share)**	**Capital expenditure[3]**
Western Europe							
Germany	68,258	61,276	(60,527)	2,439,013	49,175	2,661,881	464,454
Spain	9,455	7,605	32,252	383,874	—	456,971	39,079
Austria	1,118	964	(12,289)	129,428	—	136,722	54,830
Netherlands	6,320	5,282	(1,044)	297,514	15,285	320,736	13,516
Italy	2,711	1,957	20,621	83,719	703	112,832	18,570
France	—	(72)	(1,074)	21,218	—	22,870	21,437
Portugal	415	565	10,249	48,593	—	52,986	26,018
Luxembourg	—	—	—	—	—	190,145	—
Belgium	—	—	—	—	—	733,144	—
	88,277	**77,577**	**(11,812)**	**3,403,359**	**65,163**	**4,688,287**	**637,904**
Central and Eastern Europe							
Czech Republic	18,889	17,527	26,356	527,852	73	547,589	54,179
Slovakia	4,630	4,942	(10,048)	214,761	—	225,179	35,279
Hungary	5,117	4,774	4,068	169,393	—	181,031	43,637
Romania	4,590	3,366	(6,151)	165,552	531	190,840	858
Croatia	—	(64)	(94)	5,825	—	6,262	5,796
	33,226	**30,544**	**14,131**	**1,083,383**	**604**	**1,150,901**	**139,748**
Baltics and Balkan							
Latvia	2,241	1,014	273	93,530	—	95,973	33,504
Serbia	24	(524)	(1,338)	24,243	—	25,241	46,789
	2,265	**490**	**(1,065)**	**117,773**	**—**	**121,214**	**80,293**
Other[4]	**—**	**(1,477)**	**12,735**	**75**	**—**	**2,431**	**—**
Total	**123,768**	**107,134**	**13,989**	**4,604,590**	**65,767**	**5,962,833**	**857,945**

For further insights in the Group's landbank we refer to the paragraph "Land bank evolution" in the first part of this annual report.

1 Includes Joint Ventures at share.

2 Given the growth of Renewables equipment, an extra column has been included to highlight the segment.

3 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 € 832.6 million (of which € 202.5 related to land acquisition) and amounts to € 25.3 million on development properties on behalf of the First and Second Joint Venture.

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

in thousands of €	31 December 2021						
	Gross rental and renewable energy income (Incl. JV at share)[1]	**Net rental and renewable energy income (Incl. JV at share)**	**Operating EBITDA (Incl. JV at share)**	**Investment properties (Incl. JV at share)**	**Renewables property, plant and equipment[2]**	**Total assets (Incl. JV at share)**	**Capital expenditure[3]**
Western Europe							
Germany	42,871	33,297	317,886	2,169,350	19,072	2,249,782	244,805
Spain	6,267	3,979	49,137	392,795	—	409,536	100,921
Austria	663	280	26,359	61,825	—	66,709	33,312
Netherlands	3,672	3,072	68,180	306,143	5,309	326,511	61,449
Italy	1,476	744	10,710	93,070	82	110,591	35,252
France	—	(19)	(19)	—	—	100	—
Portugal	—	(228)	5,150	24,873	—	29,754	13,056
Luxembourg	—	—	—	—	—	160,676	—
Belgium	—	—	—	—	—	381,379	—
	54,293	**41,125**	**477,403**	**3,048,056**	**24,463**	**3,735,037**	**488,794**
Central and Eastern Europe							
Czech Republic	13,507	12,529	97,861	488,585	—	504,922	65,284
Slovakia	2,056	1,003	40,045	190,729	—	197,004	68,568
Hungary	4,075	3,548	20,305	126,706	—	140,346	40,548
Romania	3,227	1,754	3,124	132,705	—	156,090	41,424
	22,865	**18,834**	**161,335**	**938,725**	—	**998,361**	**215,824**
Baltics							
Latvia	2,891	2,691	2,558	72,840	—	76,796	15,288
Serbia	4	(51)	(213)	23,950	—	25,176	23,269
	2,895	**2,640**	**2,345**	**96,790**	—	**101,972**	**38,557**
Other[4]	—	**8,119**	**(6,962)**	**73**	—	**864**	—
Total	**80,053**	**70,718**	**634,121**	**4,083,644**	**24,463**	**4,836,234**	**743,176**

1 Includes Joint Ventures at share.

2 The geographical market view of 2021 has been restated to provide comparable reporting with 2022, where because of the growth of Renewables equipment an extra column has been included to highlight the segment.

3 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.

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

31 December 2022 *in thousands of €*	**Gross rental and renewable energy income**	**Net rental and renewable energy income**	**Investment properties[1]**	**Total non-current assets (IP[1], PPE and Intangibles)**
Western Europe				
Germany	30.905	28.353	1.311.996	1.361.641
Spain	2.675	1.830	215.015	215.308
Austria	462	399	115.943	115.981
Netherlands	1.921	1.726	144.835	160.191
Italy	714	360	40.374	41.165
France	—	(72)	21.218	21.226
Portugal	104	306	37.998	38.065
Luxembourg	—	—	—	34
Belgium	—	—	—	6.465
	36.781	**32.902**	**1.887.379**	**1.960.076**
Central and Eastern Europe				
Czech Republic	5.234	4.251	242.545	243.215
Slovakia	2.552	2.879	178.605	178.655
Hungary	2.779	2.547	132.014	132.128
Romania	1.619	615	124.102	124.927
Croatia	—	(64)	5.825	5.825
	12.184	**10.228**	**683.091**	**684.750**
Baltics and Balkan				
Latvia	2.241	1.014	93.530	93.535
Serbia	24	(524)	24.243	24.245
	2.265	**490**	**117.773**	**117.780**
Other[2]	**—**	**(613)**	**—**	**117**
Total	**51.230**	**43.007**	**2.688.243**	**2.762.723**

1 Including investment properties included in assets held for sale for an amount of € 292,541k.

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

31 December 2021 *in thousands of €*	**Gross rental and renewable energy income**	**Net rental and renewable energy income**	**Investment properties[1]**	**Total non-current assets (IP[1], PPE and Intangibles)**
Western Europe				
Germany	9.022	3.120	1.020.758	1.021.180
Spain	1.698	98	293.260	293.609
Austria	61	(249)	47.360	47.394
Netherlands	691	601	190.156	195.543
Italy	746	141	78.770	78.862
France	—	(19)	—	—
Portugal	—	(228)	24.873	24.948
Luxembourg	—	—	—	19.113
Belgium	—	—	—	6.868
	11.562	**3.464**	**1.655.177**	**1.687.517**
Central and Eastern Europe				
Czech Republic	625	534	238.596	239.267
Slovakia	—	(827)	154.426	154.485
Hungary	1.939	1.509	93.230	93.241
Romania	597	(576)	98.655	98.753
Croatia	—	—	—	—
	3.161	**640**	**584.907**	**585.746**
Baltics and Balkan				
Latvia	2.891	2.691	72.840	72.844
Serbia	4	(51)	23.950	23.954
	2.895	**2.640**	**96.790**	**96.798**
Other[2]	**—**	**8.655**	**—**	**—**
Total	**18.274**	**15.399**	**2.336.874**	**2.370.061**

1 Including investment properties included in assets held for sale for an amount of € 484,360k.

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

5. Revenue

in thousands of €[1]	2022	2021
Rental income from investment properties[1]	35,177	12,441
Straight lining of lease incentives	10,152	5,140
Total gross rental income[1]	**45,329**	**17,581**
Gross renewable energy income[1]	**5,901**	**693**
Property and facility management income	18,016	14,213
Development management income	3,521	7,090
Joint Venture management fee income	**21,537**	**21,303**
Service charge income[1]	12,017	4,678
Total revenue	**84,784**	**44,255**

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 2022.

During 2022 rental income included € 1.9 million of rent for the period 1 January 2022 to 15 March 2022 related to the property portfolio sold during the third closing with the Second Joint Venture on 15 March 2022 and € 0.1 million of rent for the period 1 January 2022 to 1 July 2022 for 1 building in a new VGP Park pertaining to the third closing with the Second Joint Venture.

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. The Joint Venture management, Property and facility management and Development management fee income relate mainly to services provided to the Allianz Joint Ventures.

At the end of December 2022, the Group (including the joint ventures) had annualised committed leases of € 303.2 million[2] compared to € 256.1 million[3] as at 31 December 2021. The weighted average term of the annualised committed leases stood at 9.8 years at the year-end for own portfolio, and 7.2 years for Joint Ventures' portfolio.
The customers represent a healthy mix of logistic tenants and end users. The top 10 tenants (by annualised rent income) are all blue-chip clients. As at 31 December 2022, the top ten tenants take up approximately 35.0% of the total (own and Joint Ventures) Annualised Committed Leases.

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

in thousands of €	2022	2021
Less than one year	112,851	104,759
Between one and five years	482,083	397,792
More than five years	658,129	563,840
Total	**1,253,063**	**1,066,391**

1 Overview has been restated in view of the Renewable Energy segment. The following changes occurred: € 37 k of roof rent income has been reclassified from rental income from investment properties, as well as € 656 k from service charge income to gross renewable energy income.

2 € 173.3 million related to the JV Property Portfolio and € 129.9 million related to the Own Property Portfolio.

3 € 151.1 million related to the JV Property Portfolio and € 105.0 million related to the Own Property Portfolio.

6. Property operating expenses

in thousands of €	2022	2021
Repairs and maintenance	(653)	178
Letting, marketing, legal and professional fees	(742)	(487)
Real estate agents	(1,911)	(861)
Service charge income	12,017	4,678[1]
Service charge expenses	(11,891)	(5,431)
Other operating income	3,505	2,150
Other operating expenses	(8,253)	(3,035)[2]
Renewable Energy operating expenses	(295)	(67)[2]
Total	**(8,223)**	**(2,875)**

7. Net valuation gains/(losses) on investment properties

in thousands of €	2022	2021
Unrealised valuation gains/(losses) on investment properties	(180,111)	464,478
Unrealised valuation gains/(losses) on disposal group held for sale	(4,336)	134,248
Realised valuation gains/(losses) on disposal of subsidiaries and investment properties	87,217	11,535
Total	**(97,230)**	**610,261**

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 2022 based on a weighted average yield of 5.29% (compared to 4.64% as at 31 December 2021) 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 € 46.0 million.

8. Administration expenses

in thousands of €	2022	2021
Wages and salaries	(14,066)	(22,441)
Audit, legal and other advisors	(6,833)	(19,810)
Other administrative expenses	(8,578)	(7,430)
Depreciation	(4,479)	(2,431)
Total	**(33,956)**	**(52,112)**

The administrative costs for the period decreased from € 52.1 million for the period ended 31 December 2021 to € 34 million for the period ended 31 December 2022. The decrease is mainly due to the decreased costs of the long-term incentive plan (LTIP) which is directly proportionally linked to the net asset value growth of the Group. During the year 2021 an additional accrual in an amount of € 16.0 million was booked in respect of the LTIP whereas for 2022 a reversal of this accrual was booked in an amount of € 4.1 million.
As at 31 December 2022 the VGP team comprised more than 383 people (2021: 322 people) active in 17 different countries.

1 € 656 k has been reclassified to gross renewable energy income in FY 2021

2 € 67 k has been reclassified from other operating expenses to Renewable Energy operating expenses.

9. Investments in Joint Ventures

9.1 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% 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 and consequently the below mentioned table does not include the Fourth Joint Venture.

in thousands of €	**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%**	**2022**
Gross rental income	96,754	34,229	7,533	46	69,281	3,257	72,538
Property Operating expenses							
— underlying property operating expenses	81	(1,680)	10	(14)	(802)	(49)	(851)
— property management fees	(8,862)	(4,849)	(766)	—	(7,239)	(321)	(7,560)
Net rental income	**87,973**	**27,700**	**6,777**	**32**	**61,240**	**2,887**	**64,127**
Net valuation gains/ (losses) on investment properties	(126,246)	(92,546)	16,385	5,054	(98,677)	(7,440)	(106,117)
Administration expenses	(1,868)	(502)	(130)	(76)	(1,288)	(45)	(1,333)
Operating result	**(40,141)**	**(65,348)**	**23,032**	**5,010**	**(38,725)**	**(4,598)**	**(43,323)**
Net financial result	(19,417)	(9,671)	(2,502)	(408)	(15,999)	(757)	(16,756)
Taxes	8,050	19,214	834	(1,529)	13,286	866	14,152
Result for the period	**(51,508)**	**(55,805)**	**21,364**	**3,073**	**(41,438)**	**(4,489)**	**(45,927)**

in thousands of €	**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**
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 result	**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)
Result for the period	**302,283**	**43,510**	**5,818**	**(259)**	**175,676**	**11,027**	**186,703**

9.2 Summarised balance sheet information in respect of Joint Ventures

in thousands of €	**First Joint Venture (excl. minorities) at 100%**	**Second Joint Venture**	**Third Joint Venture at 100%**	**Development Joint Ventures at 100%**	**Joint Ventures at 50%**	**First Joint Venture's German Asset Companies at 5.1%**	**2022**
Investment properties	2,168,850	713,723	638,474	155,670	1,838,360	77,987	1,916,347
Other assets	1,825	2,421	3,583	75	3,951	14	3,965
Total non-current assets	**2,170,675**	**716,144**	**642,057**	**155,745**	**1,842,311**	**78,001**	**1,920,312**
Trade and other receivables	14,675	21,282	35,354	1,072	36,192	270	36,462
Cash and cash equivalents	40,386	17,874	32,274	9,180	49,857	1,350	51,207
Total current assets	**55,061**	**39,156**	**67,628**	**10,252**	**86,049**	**1,620**	**87,669**
Total assets	**2,225,736**	**755,300**	**709,685**	**165,997**	**1,928,360**	**79,621**	**2,007,981**
Non-current financial debt	917,863	417,795	367,052	82,048	892,379	34,030	926,409
Other non-current financial liabilities	—	—	—	—	—	—	—
Other non-current liabilities	6,914	5,427	—	3,834	8,087	221	8,308
Deferred tax liabilities	197,983	37,528	—	583	118,047	6,393	124,440
Total non-current liabilities	**1,122,759**	**460,750**	**367,052**	**86,465**	**1,018,513**	**40,644**	**1,059,157**
Current financial debt	25,627	8,495	—	—	17,061	744	17,805
Trade debts and other current liabilities	17,527	23,425	32,621	5,336	39,456	362	39,818
Total current liabilities	**43,154**	**31,920**	**32,621**	**5,336**	**56,517**	**1,106**	**57,623**
Total liabilities	**1,165,913**	**492,670**	**399,673**	**91,801**	**1,075,030**	**41,750**	**1,116,780**
Net assets	**1,059,823**	**262,630**	**310,012**	**74,196**	**853,330**	**37,871**	**891,201**

in thousands of €	**First Joint Venture (excl. minorities) at 100%**	**Second Joint Venture**	**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**
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**

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 1 July 2022 the First Joint Venture completed its ninth closing, comprising of 8 completed assets developed on land of the First Joint Venture, for an aggregate transaction value[1] in excess of € 81.2 million and resulting into net cash proceeds of € 69.4 million[2].

Following the reaching of the expanded investment target in 2021, both VGP and Allianz agreed during the month of December 2022 to amend the current JVA resulting in the following main changes: (i) extension of the current term of the First Joint Venture with 10 years i.e. from May 2026 to May 2036 (ii) implementation of a comprehensive ESG strategy, and (iii) agreeing to an additional tenth closing in respect of 3 newly completed buildings in 3 (partly) new VGP parks.

The tenth closing was subsequently signed on 19 December 2022 with completion on 17 January 2023. The aggregate transaction value[1] of the tenth closing was in excess of € 116.1 million and resulted in net cash proceeds of € 80.8 million.

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. 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.

1 Aggregate 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 joint venture.

2 Total cash obtained after this transaction including simultaneous € 14.8 million profit distribution.

During 2022, VGP completed a third and currently last closing whereby, the Second Joint Venture ("VGP European Logistics 2 S.à r.l.") acquired, on 15 March 2022, 13 logistic buildings, including 9 buildings in 7 new VGP parks and another 4 newly completed buildings (in parks which were previously transferred to the Second Joint Venture), and on 1 July 2022, 1 building in a new VGP park, for an aggregate transaction value in excess of € 387.4 million and resulting into net aggregate cash proceeds of € 222.2 million. The development pipeline and future development of other new projects within its geographical scope will continue to be developed at VGP's own risk to be subsequently acquired by the Second Joint Venture if the right of first refusal is exercised subject to pre-agreed completion and lease parameters. The acquisition of any building by the Second Joint Venture will always occur on the basis of the prevailing market rates at the moment of such acquisition. VGP carries 100% of the development risk of the Second Joint Venture.

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 2022 based on a weighted average yield of 4.68%[1] (compared to 4.28% as at 31 December 2021). A 0.10% variation of this market rate would give rise to a variation of the Joint Venture portfolio value (at 100%) of € 74.4 million.

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

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

9.3 Other non-current receivables

in thousands of €	**2022**	**2021**
Shareholder loans to First Joint Venture	38,047	42,183
Shareholder loans to Second Joint Venture	32,614	15,963
Shareholder loans to Third Joint Venture	183,526	135,908
Shareholder loans to Development Joint Ventures	79,350	52,940
Shareholder loans to associates (subsidiaries of First Joint Venture)	16,402	16,976
Construction and development loans to subsidiaries of First Joint Venture	5,280	36,769
Construction and development loans to subsidiaries of Second Joint Venture	96,071	46,192
Construction and development loans reclassified as assets held for sale	(101,351)	(82,961)
Other non-current receivables	9,705	935
Total	**359,644**	**264,905**

Other non-current receivables increased with € 94.7 million. Shareholder loans to the Third Joint Venture increased following the further investments into the completion of the Münich park. Shareholder loans to Development Joint Ventures increased following mainly acquisitions in additional land within the respective Development Joint Ventures.

9.4 Investments in joint ventures and associates

in thousands of €	**2022**	**2021**
As at 1 January	**858,116**	**654,773**
Additions	116,379	23,770
Result of the year	(45,927)	186,703
Repayment of equity[2]	(37,367)	(7,130)
As at the end of the period	**891,201**	**858,116**

1 The First, Second Joint Venture and Third Joint Venture have been valued by an independent valuation expert. LPM Joint Venture and VGP Park Belartza Joint Venture only hold development land and hence have been excluded from the weighted average yield calculation.

2 On top of the equity distribution from the joint ventures for an amount of € 37.4 million, VGP group received a partial repayment of shareholders loan for a total amount of € 22.6 million. Resulting in a total profit distribution by the Joint Ventures of € 60 million.

10. Net financial result

in thousands of €	2022	2021
Bank and other interest income	—	—
Interest income – loans to joint ventures and associates	17,305	12,318
Other financial income	24	4
Financial income	**17,329**	**12,322**
Bond interest expense	(52,140)	(31,251)
Bank interest expense – variable debt	(3,708)	(2,825)
Interest capitalised into investment properties	18,144	13,212
Net foreign exchange expenses	(1,426)	(786)
Other financial expenses	(5,207)	(3,326)
Financial expenses	**(44,337)**	**(24,976)**
Net financial result	**(27,008)**	**(12,654)**

11. Taxation

11.1 Income tax expense recognised in the consolidated income statement

in thousands of €	2022	2021
Current tax	(7,590)	(232)
Deferred tax	27,625	(113,613)
Total	**20,035**	**(113,845)**

11.2 Reconciliation of effective tax rate

in thousands of €		2022		2021
Profit before taxes		(142,577)		763,903
Adjustment for share in result of joint ventures and associates		45,927		(186,703)
Result before taxes and share in result of joint ventures and associates		**(96,650)**		**577,200**
Income tax using the German corporate tax rate	15.825%	15,295	15.8%	(91,342)
Difference in tax rate non-German companies		14,329		(15,892)
Non-tax-deductible expenditure		(1,253)		(2,305)
Compensation fiscal losses		(6,968)		(5,326)
Other		(1,368)		1,020
Total	**20.7%**	**20,035**	**19.7%**	**(113,845)**

The majority of the Group's result before taxes is earned in Germany. Hence the effective corporate tax rate in Germany is applied for the reconciliation. The expiry of the tax loss carry-forward of the Group can be summarised as follows:

2022 — *in thousands of €*	< 1 year	2–5 years	> 5 years
Tax loss carry forward	1,178	15,299	96,200

2021 — *in thousands of €*	< 1 year	2–5 years	> 5 years
Tax loss carry forward	488	8,928	69,655

11.3 Deferred tax assets and liabilities

The deferred tax assets and liabilities are attributable to the following:

in thousands of €	Assets		Liabilities		Net	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Investment properties	—	—	(101,427)	(160,893)	(101,427)	(160,893)
Currency hedge accounting/Derivatives	—	—	(1,260)	(473)	(1,260)	(473)
Tax losses carried-forward	3,026	2,144	—	—	3,026	2,144
Capitalised interest	—	—	(1,429)	(1,266)	(1,429)	(1,266)
Capitalised cost	—	—	(103)	(37)	(103)	(37)
Other	266	348	—	—	266	348
Tax assets/liabilities	**3,292**	**2,492**	**(104,219)**	**(162,668)**	**(100,927)**	**(160,175)**
Set-off of assets and liabilities	547	(539)	(547)	539	—	—
Reclassification to liabilities related to disposal group held for sale	—	—	25,095	49,834	25,095	49,834
Net tax assets/liabilities	**3,839**	**1,953**	**(79,671)**	**(112,295)**	**(75,832)**	**(110,341)**

A total deferred tax asset of € 17,325k (€ 12,962k in 2021) was not recognised.

12. Earnings per share

12.1 Earnings per ordinary share (EPS)

in number	**2022**	**2021**
Weighted average number of ordinary shares (basic)	22,311,583	20,696,064
Dilution	—	—
Weighted average number of ordinary shares (diluted)	22,311,583	20,696,064

in thousands of €	**2022**	**2021**
Result for the period attributable to the Group and to ordinary shareholders	(122,542)	650,055
Earnings per share *(in €)* – basic	(5.49)	31.41
Earnings per share *(in €)* – diluted	(5.49)	31.41

12.2 EPRA NAV's – EPRA NAV's per share

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

(i) *Net Reinstatement Value:* based on the assumption that entities never sell assets and aims to reflect the value needed to build the entity anew. The purpose of this indicator is to reflect what would be required to reconstitute the company through the investment markets based on the current capital and financing structure, including Real Estate Transfer Taxes. EPRA NRV per share refers to the EPRA NRV based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

(ii) *Net Tangible Assets:* assumes that entities buy and sell assets, thereby realising certain levels of deferred taxation. This pertains to the NAV adjusted to include property and other investments at fair value and to exclude certain items that are not expected to be firmly established in a business model with long-term investment properties. EPRA NTA per share refers to the EPRA NTA based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

(iii) *Net Disposal Value:* provides the reader with a scenario of the sale of the company's assets leading to the realization of deferred taxes, financial instruments and certain other adjustments. This NAV should not be considered a liquidation NAV as in many cases the fair value is not equal to the liquidation value. The EPRA NDV per share refers to the EPRA NDV based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

in thousands of €	31 December 2022				
	EPRA NRV	**EPRA NTA**	**EPRA NDV**	**EPRA NAV**	**EPRA NNNAV**
IFRS NAV	2,202,175	2,202,175	2,202,175	2,202,175	2,202,175
IFRS NAV per share (in euros)	80.69	80.69	80.69	80.69	80.69
NAV at fair value (after the exercise of options, convertibles and other equity)	**2,202,175**	**2,202,175**	**2,202,175**	**2,202,175**	**2,202,175**
To exclude:					
Deferred tax	100,927	100,927	—	100,927	—
Intangibles as per IFRS balance sheet	—	(1,200)	—	—	—
Subtotal	**2,303,102**	**2,301,902**	**2,202,175**	**2,303,102**	**2,202,175**
Fair value of fixed interest rate debt	—	—	533,612	—	533,612
Real estate transfer tax	87,431	—	—	—	—
NAV	**2,390,533**	**2,301,902**	**2,735,787**	**2,303,102**	**2,735,787**
Number of shares	27,291,312	27,291,312	27,291,312	27,291,312	27,291,312
NAV/share (in euros)	**87.59**	**84.35**	**100.28**	**84.39**	**100.28**

in thousands of €	31 December 2021				
	EPRA NRV	**EPRA NTA**	**EPRA NDV**	**EPRA NAV**	**EPRA NNNAV**
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**

13. Investment properties

in thousands of €	2022			
	Completed	**Under Construction**	**Development land**	**Total**
As at 1 January	562,730	855,160	434,624	**1,852,514**
Reclassification from held for sale	183,100	160,770	3,735	**347,605**
Capex	306,291	298,459	25,351	**630,101**
Acquisitions	41,664	29,309	131,541	**202,514**
Capitalised interest	9,774	5,560	2,810	**18,144**
Capitalised rent free and agent's fee	10,467	2,576	—	**13,043**
Sales and disposals	(353,665)	—	(3,757)	**(357,422)**
Transfer on start-up of development	—	40,178	(40,178)	—
Transfer on completion of development	720,060	(720,060)	—	—
Net gain from value adjustments in investment properties	(87,208)	(110,463)	5,394	**(192,277)**
Reclassification to held for sale	(117,120)	—	(1,400)	**(118,520)**
As at 31 December	**1,276,093**	**561,489**	**558,120**	**2,395,702**

in thousands of €	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**

As at 31 December 2021 investment properties totalling € 30.8 million were pledged in favour the Group's banks. The respective loan has been repaid during 2022, as such the Group has at 31 December 2022 no investment property pledged.

13.1 Fair value hierarchy of the Group's investment properties

All of the Group's properties are level 3, as defined by IFRS 13, in the fair value hierarchy as at 31 December 2022 and there were no transfers between levels during the year. Level 3 inputs used in valuing the properties are those which are unobservable, as opposed to level 1 (inputs from quoted prices) and level 2 (observable inputs either directly, i.e. as prices, or indirectly, i.e. derived from prices).

13.2 Property valuation techniques and related quantitative information

(i) Valuation process

The Group's investment property is initially carried at cost plus transaction cost. It is subsequently measured at fair value and is valued at least once per year. In view of the rapid growth of the portfolio the Group has opted to perform the valuations twice per year i.e. as at 30 June and 31 December. Valuations are performed by independent external property appraisers. The Group ordinarily uses Jones Lang LaSalle as the Group's valuator. From time to time, at the discretion of the Company, a small part of the portfolio may be valued by another external independent valuator. For the 31 December 2022 valuations, all valuations were carried out by Jones Lang LaSalle. As a result, the value of the Group's assets depends on developments in the local real estate market in each of the Group's countries of operations and is subject to change. Gains and losses from changes in fair value are recognized in the Group's income statement as valuation results and are also a component of the Group's indirect result.

The Group's valuation contracts are typically entered into for a term of one year and the fees of the property experts are fixed for the term of their appointment and are not related to the value of the properties for which a valuation is made. The valuations are prepared in accordance with the RICS Valuation – Professional Standards (incorporating the International Valuation Standards) Global edition July 2017 (same approach as for the previous period end valuations). The basis of valuation is the market value of the property, as at the date of valuation, defined by the RICS as: *"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

(ii) Valuation methodology

Discounted cash flow approach

In view of the nature of the portfolio and the bases of valuation Jones Lang LaSalle has adopted the income approach, discounted cash flow technique, analysed over a 10- or 15-year period for each property. The cash flow assumes a ten/fifteen-year hold period with the exit value calculated on ERV or contracted income. To calculate the exit value Jones Lang Lasalle has used the exit yield which represents their assumption of the possible yield in the 10/15th year.

The cash flow is based upon the rents payable under existing lease agreements until the agreed lease end. In case of early break option, the valuator has assumed that the break will be exercised only if the penalty is low.

After the lease termination the valuator has assumed a certain expiry void period and a 5 year new lease contract. For currently vacant premises the valuator has assumed a certain initial void period and 5 year lease contract. For the properties that are under construction, the valuator has adopted an initial void starting as of the valuation date. The assumed rental income was calculated on the basis of estimated rental value (ERV).

The assumed voids are used to cover the time and the relocated cost of marketing, re-letting and possible reconstruction. The voids were adopted to each of the buildings within the portfolio.

In order to calculate the net rental income the valuators have deducted capital expenditures (contribution to the sinking fund) from the gross rental income.

Term & Reversion Valuation Approach

This is the traditional method of valuing investment properties. The market value is derived by capitalising the estimated net income from the property on a term and reversion basis. It involves the capitalisation of the present income over the period of its duration together with the valuation of each subsequent different rent likely to be received following market rent reviews or following re-letting for their separate estimated durations, each discounted to a present value.

The yield or yields applied to the different income categories reflect all the prospects and risks attached to the income flow and the investment. The yields are derived from a combination of analysis of completed comparable investment transactions and general experience and market knowledge. The most important yield is the equivalent yield, although regard must be had to the yield profile of the investment over time, particularly the initial yield at the valuation date.

Equivalent yield approach

For the properties in Spain, the valuator has adopted the equivalent yield approach.

The equivalent yield approach calculates the gross market value by applying a capitalisation rate (equivalent yield) to the net rental income as of the valuation date and capitalising the income into perpetuity.

The abovementioned assumptions are more thoroughly specified in the below section of the valuation assumptions.

Valuation assumptions

The following main assumptions, together with the quantitative information included in section *"(iv) Quantitative information about fair value measurements using unobservable inputs"*; were made by the valuator.

- Jones Lang LaSalle's analyses adopts a 10- or 15-years cash flow approach to reflect the initial income and any agreed rent indexation reverting to the estimated rental value after expiry of the current leases. For the purpose of the valuation the valuator has assumed that the current tenants will stay in the premises until the agreed lease end. In case of early break option, the valuator has assumed that the break will be exercised only if the penalty is low.
- The valuator has assumed that after termination (first possible break) of the current lease contracts new 5-year leases will be signed and the valuator's ERV will be applied and the rent will be indexed each lease anniversary in line with EU CPI, if not mentioned otherwise in the lease agreements.
- The range of used estimated rental values has been detailed in below section *"(iv) Quantitative information about fair value measurements using unobservable inputs".*

— After the termination of existing leases (first break option) the valuator has adopted an expiry void of 2 –12 months. The assumed voids are used to cover the time and the cost of marketing, re-letting and possible reconstruction. The voids were adopted to each of the building within the portfolio.
— For properties that are vacant and under construction, the valuator has adopted an initial void starting at the valuation date.
— From the gross income the valuator has deducted a contribution to a sinking fund at 0.50% – 2.00%. (for JV, it is however 0.5%-6.48%)
— The rents were indexed in line with the indexation that was agreed in the lease agreements. Therefore, the rents are subject to the indexation according to German, Spanish, Spanish, Italian, Austrian CPI, EU CPI, EICP or HICP. Some of the rents are indexed in line with the fixed indexation and some of the rents are not subject of indexation at all. Please note that several tenants have agreed to the maximum caps in indexation. The EICP indexation was assumed at the level of 2.76%.
— The rents after reversion have been indexed on an annual basis each lease anniversary in line with the EU CPI indexation, which is assumed to be at 2.76%.
— The exit value was calculated on ERV or contracted income .
— The cash flow that was used for the calculation was discounted either quarterly or monthly depending on the frequency of the rent payments.
— Based on the location, projected achievable rental income stream and position in the market the valuator has applied exit yields and discount rates (see below section *"(iv) Quantitative information about fair value measurements using unobservable inputs"*; for further details).

Property that is being constructed or developed for future use as investment property is also stated at fair market value, and investment properties under construction are also valued by an independent valuation expert. For the properties under construction the valuation expert has used the same approach as applicable for the completed properties but deducting the remaining construction costs from the calculated market value, whereby *"remaining construction costs"* means overall pending development cost, which include all hard costs, soft costs, financing costs and developer profit. Developer profit takes into account the level of risk connected with individual property and is mainly dependent on development stage and pre-letting status.

Land held for development is valued using the valuation sales comparison approach. The sales comparison approach produces a value indication by comparing the subject property to similar properties and applying adjustments to reflect advantages and disadvantages to the subject property. This is most appropriate when a number of similar properties have recently been sold or are currently for sale in the market.

In June 2020 VGP sold 50% of the shares of VGP Park München GmbH to Allianz Real Estate, thereby losing control over VGP Park München in 2020 (the "Transaction"). The completion of the development of VGP Park München has taken several years. As a result of the loss of control over VGP Park München, VGP has deconsolidated all assets and liabilities of VGP Park München and has recognized a gain on the disposal which has been calculated as the difference between: (i) the carrying value (=equity value) of all assets and liabilities of VGP Park München at the Transaction Date, and (ii) the fair market value of 100% of the shares of VGP Park München (the "Fair Value"). The gain on the Transaction has been recognized in full (100%), consistent with the accounting policies of VGP and IFRS 10 (See note 2.3 – Principles of consolidation – Joint venture and associates – in this section further information). Until the completion of the majority of the buildings such buildings have been measured at their proportional agreed purchase price with Allianz Real Estate, as this was considered to be the best reflection of their fair value. Following the completion of the majority of the buildings in the second half of 2022 such buildings have now been revalued by an external independent valuation expert in accordance with the Group's valuation rules (See note 2.7 – Investment properties – in this section further information), which going forward will be done at least annually.

In November 2020, VGP entered into a 50:50 joint venture ("LPM Joint Venture") with Roozen Landgoederen Beheer in respect of the development of the Logistics Park Moerdijk. The land which is currently in ownership of this joint venture will be exchanged for a perpetual leasehold in the future. The exact timing and impact of this exchange is expected in the course of 2023. The Board of Directors has therefore concluded that the acquisition cost is therefore the best approximation of the fair value of the development land.

In October 2021 VGP entered into a 50:50 joint venture with Vusa. The VGP Park Belartza Joint Venture focuses on the development of a mixed (logistics/commercial) park whereby VGP will lead the logistics development and its joint venture partner (Vusa) will lead the commercial development. The VGP Park Belartza Joint Venture has the right to sell and VGP the right to acquire the logistics income generating assets developed by the VGP Park Belartza Joint Venture. Vusa has the right to acquire the commercial income generating assets developed by the VGP Park Belartza Joint Venture. The land which is currently in ownership of this joint venture is still subject to receiving its final rezoning permits. The Board of Directors has therefore concluded that the acquisition cost is therefore the best approximation of the fair value of the development land.

In February 2022 The VGP Park Siegen Joint Venture purchased a brownfield site located in Siegen, Germany. The VGP Park Siegen Joint Venture has the right to sell and VGP the right to acquire the income generating assets developed by the VGP Park Siegen Joint Venture. VGP's joint venture partner leads the commercial development. In the second half of 2022 part of the brownfield has been sold to a third party. The remainder of the site could be further redeveloped or sold. The Board of Directors has therefore concluded that the acquisition cost is therefore the best approximation of the fair value of the development land.

Valuation review

The valuations made are reviewed internally by the CEO, CFO and Financial Controller and discussed with the independent valuator as appropriate. The CFO and CEO report on the outcome of the valuation processes and results to the audit committee and take any comments or decision in consideration when performing the subsequent valuations.

At each semi-annual period end, the financial controller together with the CFO: (i) verify all major inputs to the independent valuation report; (ii) assess property valuation movements when compared to the prior semi-annual and annual period; (iii) holds discussions with the independent valuer.

(iii) Climate risk legislation

The EU is currently producing legislation on the transition to net zero emissions which is likely to include an update to the Minimum Energy Efficiency Standards and also the intention to introduce an operational rating. Whilst the nature of the legislation is not yet clear it could have a potential impact to future asset value. The introduction of mandatory climate related disclosures in the EU (including 'Sustainable Finance Disclosure Regulations' (SFDR) and 'Corporate Sustainability Reporting Directive' (CSRD) in the EU), including the assessment of physical and transition climate risks, may potentially have an impact on how the market views such risks and incorporates them into the sale and letting of assets. Sustainability and climate risk legislation has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where the valuers recognise the value impacts of sustainability and legislation, they are reflecting their understanding of how market participants include sustainability and legislation requirements in their bids and the impact on market valuations. For further actions being taken by the VGP Group in respect of climate transition and environmental footprint in general we reference is made to the "Corporate Responsibility Report" included in this Annual Report 2022.

(iv) Quantitative information about fair value measurements using unobservable inputs

The quantitative information in the following tables is taken from the different reports produced by the independent real estate experts. The figures provide the range of values and the weighted average of the assumptions used in the determination of the fair value of investment properties.

Region	Segment	Fair value 31 Dec-22 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
Czech Republic	IP	202,580	Discounted cash flow	ERV per m² *(in €)*	38 – 60
				Discount rate	4.75% – 6.00%
				Exit yield	4.75% – 5.50%
				Weighted average yield	4.94%
				Cost to completion *(in '000)*	220
				Properties valued *(aggregate m²)*	201,762
				WAULT (until maturity) *(in years)*	7.99
				WAULT (until first break) *(in years)*	7.60
	DL	37,666	Sales comparison	Price per m² *(in €)*	
Germany	IP	845,250	Discounted cash flow	ERV per m² *(in €)*	41 – 144
				Discount rate	4.50% – 7.00%
				Exit yield	4.00% – 5.75%
				Weighted average yield	4.88%
				Cost to completion *(in '000)*	38,535
				Properties valued *(aggregate m²)*	744,066
				WAULT (until maturity) *(in years)*	9.35
				WAULT (until first break) *(in years)*	9.18
	IPUC	378,180	Discounted cash flow	ERV per m² *(in €)*	51 – 85
				Discount rate	5.30% – 7.15%
				Exit yield	4.30% – 5.40%
				Weighted average yield	4.84%
				Cost to completion *(in '000)*	214,720
				Properties valued *(aggregate m²)*	408,825
	DL	85,318	Sales comparison	Price per m² *(in €)*	
Spain	IP	61,670	Equivalent yield	ERV per m² *(in €)*	42 – 64
				Equivalent yield	4.95% – 5.80%
				Reversionary yield	5.28% – 6.19%
				Weighted average yield	5.63%
				Cost to completion *(in '000)*	—
				Properties valued *(aggregate m²)*	77,440
				WAULT (until maturity) *(in years)*	4.10
				WAULT (until first break) *(in years)*	3.50
	DL	93,500	Sales comparison	Price per m² *(in €)*	
Romania	IP	27,503	Discounted cash flow	ERV per m² *(in €)*	49 – 54
				Discount rate	8.70% – 9.70%
				Exit yield	8.00% – 8.75%
				Weighted average yield	9.52%
				Cost to completion *(in '000)*	1,550
				Properties valued *(aggregate m²)*	55,928
				WAULT (until maturity) *(in years)*	5.18
				WAULT (until first break) *(in years)*	5.82
	IPUC	53,110	Discounted cash flow	ERV per m² *(in €)*	48 – 66
				Discount rate	8.30% – 8.95%

Region	Segment	Fair value 31 Dec-22 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
				Exit yield	7.50% – 8.15%
				Weighted average yield	8.88%
				Cost to completion *(in '000)*	5,750
				Properties valued *(aggregate m^2)*	92,743
	DL	43,489	Sales comparison	Price per m^2 *(in €)*	
Netherlands	DL	38,606	Sales comparison	Price per m^2 *(in €)*	
Italy	IP	8,350	Discounted cash flow	ERV per m^2 *(in €)*	88
				Discount rate	6.65%
				Exit yield	5.30%
				Weighted average yield	5.88%
				Cost to completion *(in '000)*	200
				Properties valued *(aggregate m^2)*	5,710
				WAULT (until maturity) *(in years)*	8.90
				WAULT (until first break) *(in years)*	8.90
	DL	32,024	Sales comparison	Price per m^2 *(in €)*	
Austria		13,400	Discounted cash flow	ERV per m^2 *(in €)*	78
				Discount rate	6.20%
				Exit yield	4.95%
				Weighted average yield	4.75%
				Cost to completion *(in '000)*	20
				Properties valued *(aggregate m^2)*	8,210
				WAULT (until maturity) *(in years)*	7.81
				WAULT (until first break) *(in years)*	7.81
	IPUC	37,180	Discounted cash flow	ERV per m^2 *(in €)*	196
				Discount rate	5.90%
				Exit yield	4.40%
				Weighted average yield	4.65%
				Cost to completion *(in '000)*	23,200
				Properties valued *(aggregate m^2)*	14,330
	DL	65,363	Sales comparison	Price per m^2 *(in €)*	
Hungary	IP	65,150	Discounted cash flow	ERV per m^2 *(in €)*	50 – 66
				Discount rate	6.50% – 7.50%
				Exit yield	6.00% – 6.75%
				Weighted average yield	7.05%
				Cost to completion *(in '000)*	—
				Properties valued *(aggregate m^2)*	80,350
				WAULT (until maturity) *(in years)*	6.15
				WAULT (until first break) *(in years)*	5.49
	IPUC	32,480	Discounted cash flow	ERV per m^2 *(in €)*	50 – 61
				Discount rate	6.50% – 7.50%
				Exit yield	6.00% – 6.75%
				Weighted average yield	7.06%
				Cost to completion *(in '000)*	41,350

Region	Segment	Fair value 31 Dec-22 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
				Properties valued *(aggregate m²)*	101,150
	DL	33,205	Sales comparison	Price per m² *(in €)*	
Latvia	IP	71,420	Discounted cash flow	ERV per m² *(in €)*	47 – 61
				Discount rate	7.35% – 8.00%
				Exit yield	7.35% – 7.50%
				Weighted average yield	7.54%
				Cost to completion *(in '000)*	5,750
				Properties valued *(aggregate m²)*	104,377
				WAULT (until maturity) *(in years)*	7.69
				WAULT (until first break) *(in years)*	7.69
	IPUC	20,470	Discounted cash flow	ERV per m² *(in €)*	58
				Discount rate	7.35%
				Exit yield	7.35%
				Weighted average yield	7.12%
				Cost to completion *(in '000)*	3,200
				Properties valued *(aggregate m²)*	28,816
	DL	1,640	Sales comparison	Price per m² *(in €)*	
Slovakia	IP	97,890	Discounted cash flow	ERV per m² *(in €)*	40 – 55
				Discount rate	5.85% – 6.25%
				Exit yield	5.85% – 6.00%
				Weighted average yield	5.45%
				Cost to completion *(in '000)*	—
				Properties valued *(aggregate m²)*	119,019
				WAULT (until maturity) *(in years)*	8.51
				WAULT (until first break) *(in years)*	8.51
	IPUC	16,360	Discounted cash flow	ERV per m² *(in €)*	49 – 66
				Discount rate	6.00% – 8.00%
				Exit yield	6.00% – 6.50%
				Weighted average yield	6.37%
				Cost to completion *(in '000)*	6,350
				Properties valued *(aggregate m²)*	27,642
	DL	63,132	Sales comparison	Price per m² *(in €)*	
Portugal	IPUC	21,740	Discounted cash flow	ERV per m² *(in €)*	83 – 99
				Discount rate	7.94% – 8.20%
				Exit yield	5.50%
				Weighted average yield	5.78%
				Cost to completion *(in '000)*	10,350
				Properties valued *(aggregate m²)*	19,881
	DL	16,258	Sales comparison	Price per m² *(in €)*	
Serbia	DL	24,243	Sales comparison	Price per m² *(in €)*	
Croatia	DL	5,825	Sales comparison	Price per m² *(in €)*	
France	DL	21,220	Sales comparison	Price per m² *(in €)*	
Total		**2,514,222[1]**			

1 This includes the investment property reclassified to held for sale for an amount of € 118,520 k (see table note 13).

Region	Segment	Fair value 31 Dec-21 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
Czech Republic	IP	58,900	Discounted cash flow	ERV per m^2 *(in €)*	38 – 51
				Discount rate	5.00% – 5.50%
				Exit yield	5.00%
				Weighted average yield	4.82%
				Cost to completion *(in '000 €)*	1,050
				Properties valued *(aggregate m^2)*	69,064
				WAULT (until maturity) *(in years)*	6.27
				WAULT (until first break) *(in years)*	6.27
	IPUC	88,900	Discounted cash flow	ERV per m^2 *(in €)*	48 – 56
				Discount rate	4.25% – 6.00%
				Exit yield	4.25% – 5.00%
				Weighted average yield	4.96%
				Cost to completion *(in '000 €)*	46,200
				Properties valued *(aggregate m^2)*	132,216
	DL	35,530	Sales comparison	Price per m^2 *(in €)*	
Germany	IP	358,330	Discounted cash flow	ERV per m^2 *(in €)*	39 – 62
				Discount rate	4.70% – 5.75%
				Exit yield	3.30% – 4.35%
				Weighted average yield	4.07%
				Cost to completion *(in '000 €)*	20,350
				Properties valued *(aggregate m^2)*	294,554
				WAULT (until maturity) *(in years)*	7.27
				WAULT (until first break) *(in years)*	6.77
	IPUC	536,030	Discounted cash flow	ERV per m^2 *(in €)*	41 – 144
				Discount rate	4.50% – 7.00%
				Exit yield	3.15% – 4.40%
				Weighted average yield	3.78%
				Cost to completion *(in '000 €)*	359,600
				Properties valued *(aggregate m^2)*	517,285
	DL	93,625	Sales comparison	Price per m^2 *(in €)*	
Spain		61,450	Equivalent yield	ERV per m^2 *(in €)*	44 – 50
				Equivalent yield	4.90% – 5.10%
				Reversionary yield	5.15% – 5.40%
				Weighted average yield	4.96%
				Cost to completion *(in '000 €)*	—
				Properties valued *(aggregate m^2)*	66,039
				WAULT (until maturity) *(in years)*	7.50
				WAULT (until first break) *(in years)*	3.48
	IPUC	105,530	Equivalent yield	ERV per m^2 *(in €)*	43 – 56
				Exit yield	4.20% – 5.40%
				Weighted average yield	4.91%
				Cost to completion *(in '000 €)*	19,600

Region	Segment	Fair value 31 Dec-21 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
				Properties valued *(aggregate m²)*	127,638
	DL	68,094	Sales comparison	Price per m² *(in €)*	
Romania	IP	20,700	Discounted cash flow	ERV per m² *(in €)*	38 – 50
				Discount rate	8.25% – 8.50%
				Exit yield	7.75% – 8.50%
				Weighted average yield	7.83%
				Cost to completion *(in '000)*	550
				Properties valued *(aggregate m²)*	40,330
				WAULT (until maturity) *(in years)*	3.59
				WAULT (until first break) *(in years)*	3.59
	IPUC	36,900	Discounted cash flow	ERV per m² *(in €)*	44 – 58
				Discount rate	8.75% – 9.90%
				Exit yield	7.75% – 9.00%
				Weighted average yield	9.68%
				Cost to completion *(in '000)*	15,650
				Properties valued *(aggregate m²)*	103,122
	DL	41,055	Sales comparison	Price per m² *(in €)*	
Netherlands	IP	51,700	Discounted cash flow	ERV per m² *(in €)*	45
				Discount rate	3.95%
				Exit yield	4.80%
				Weighted average yield	3.69%
				Cost to completion *(in '000)*	—
				Properties valued *(aggregate m²)*	42,157
				WAULT (until maturity) *(in years)*	9.75
				WAULT (until first break) *(in years)*	9.75
	IPUC	92,000	Discounted cash flow	ERV per m² *(in €)*	49 – 53
				Discount rate	4.00% – 4.80%
				Exit yield	4.50% – 5.30%
				Weighted average yield	4.22%
				Cost to completion *(in '000)*	21,500
				Properties valued *(aggregate m²)*	93,260
	DL	37,720	Sales comparison	Price per m² *(in €)*	
Italy	IP	56,610	Discounted cash flow	ERV per m² *(in €)*	47 – 87
				Discount rate	6.25% – 6.85%
				Exit yield	5.00% – 5.75%
				Weighted average yield	5.73%
				Cost to completion *(in '000)*	5,200
				Properties valued *(aggregate m²)*	56,578
				WAULT (until maturity) *(in years)*	6.92
				WAULT (until first break) *(in years)*	6.25
	DL	22,160	Sales comparison	Price per m² *(in €)*	
Austria	IPUC	47,360	Discounted cash flow	ERV per m² *(in €)*	76 – 193
				Discount rate	5.00% – 5.50%

Region	Segment	Fair value 31 Dec-21 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
				Exit yield	3.50% – 4.25%
				Weighted average yield	3.89%
				Cost to completion *(in '000 €)*	40,700
				Properties valued *(aggregate m²)*	22,706
	DL	25,324	Sales comparison	Price per m² *(in €)*	
Hungary	IP	28,790	Discounted cash flow	ERV per m² *(in €)*	58 – 64
				Discount rate	7%
				Exit yield	6.50%
				Weighted average yield	7.16%
				Cost to completion *(in '000 €)*	—
				Properties valued *(aggregate m²)*	33,713
				WAULT (until maturity) *(in years)*	7.80
				WAULT (until first break) *(in years)*	6.87
	IPUC	33,080	Discounted cash flow	ERV per m² *(in €)*	50 – 53
				Discount rate	6.50% – 7.00%
				Exit yield	6.00% – 6.50%
				Weighted average yield	6.83%
				Cost to completion *(in '000 €)*	5,500
				Properties valued *(aggregate m²)*	51,066
	DL	25,447	Sales comparison	Price per m² *(in €)*	
Latvia	IP	43,300	Discounted cash flow	ERV per m² *(in €)*	51 – 59
				Discount rate	7.25% – 7.35%
				Exit yield	7.15% – 7.25%
				Weighted average yield	7.35%
				Cost to completion *(in '000)*	3,700
				Properties valued *(aggregate m²)*	62,500
				WAULT (until maturity) *(in years)*	7.36
				WAULT (until first break) *(in years)*	7.36
	IPUC	27,900	Discounted cash flow	ERV per m² *(in €)*	58 – 61
				Discount rate	7.00%
				Exit yield	7.00%
				Weighted average yield	7.54%
				Cost to completion *(in '000)*	28,100
				Properties valued *(aggregate m²)*	70,605
	DL	1,640	Sales comparison	Price per m² *(in €)*	
Slovakia	IP	45,310	Discounted cash flow	ERV per m² *(in €)*	40
				Discount rate	5.35%
				Exit yield	5.35%
				Weighted average yield	4.90%
				Cost to completion *(in '000 €)*	1,400
				Properties valued *(aggregate m²)*	57,329
				WAULT (until maturity) *(in years)*	10.04

Region	Segment	Fair value 31 Dec-21 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
				WAULT (until first break) *(in years)*	10.04
	IPUC	48,230	Discounted cash flow	ERV per m² *(in €)*	47 – 54
				Discount rate	5.35% – 7.50%
				Exit yield	5.35% – 5.50%
				Weighted average yield	5.94%
				Cost to completion *(in '000)*	22,900
				Properties valued *(aggregate m²)*	85,660
	DL	59,682	Sales comparison	Price per m² *(in €)*	
Portugal	IP	20,740	Discounted cash flow	ERV per m² *(in €)*	45
				Discount rate	7.22%
				Exit yield	5.75%
				Weighted average yield	6.08%
				Cost to completion *(in '000)*	1,250
				Properties valued *(aggregate m²)*	29,813
				WAULT (until maturity) *(in years)*	14.83
				WAULT (until first break) *(in years)*	9.83
	DL	4,132	Sales comparison	Price per m² *(in €)*	
Serbia	DL	23,950	Sales comparison	Price per m² *(in €)*	
Total		**2,200,119**			

IP = completed investment property
IPUC = investment property under construction
DL = development land

(v) Sensitivity of valuations

The sensitivity of the fair value based on changes to the significant non-observable inputs used to determine the fair value of the properties classified in level 3 in accordance with the IFRS fair value hierarchy is as follows (all variables remaining constant):

non observable input	Impact on fair value in case of	
	Fall	**Rise**
ERV (in €/m²)	Negative	Positive
Discount rate	Positive	Negative
Exit yield	Positive	Negative
Remaining lease term (until first break)	Negative	Positive
Remaining lease term (until final expiry)	Negative	Positive
Occupancy rate	Negative	Positive
Inflation	Negative	Positive

A decrease in the estimated annual rent will decrease the fair value.

An increase in the discount rates and the capitalisation rates used for the terminal value i.e. the exit yield of the discounted cash flow method will decrease the fair value.

There are interrelationships between these rates as they are partially determined by market rate conditions.

For investment properties under construction, the cost to completion and the time to complete will reduce the fair values whereas the consumption of such cost over the period to completion will increase the fair value.

In addition, the sensitivity of the fair value of the portfolio can be estimated as follows: the effect of a rise (fall) of 1% in rental income results in a rise (fall) in the fair value of the portfolio of approximately € 24.8 million[1] (all variables remaining constant). The effect of a rise (fall) in the weighted average yield (see note 7) of 25 basis points results in a fall (rise) in the fair value of the portfolio of approximately € 111.9 million[1] (all variables remaining constant).

1 Determined on the yield and rental income of the own and held for sale portfolio

14. Trade and other receivables

in thousands of €	2022	2021
Trade receivables	16,063	9,283
Tax receivables – VAT	87,048	64,417
Accrued income and deferred charges	2,280	1,592
Other receivables	17,882	86,490
Reclassification to (-)/from held for sale	(1,160)	(13,760)
Total	**122,113**	**148,022**

The increase in VAT receivables is due to the development activities of the Group. As at 31 December 2022 there were 26 buildings under construction (814,000 m²).

Other receivables decreased as a result of the second closing with the Third Joint Venture. € 7 million remains to receive from Allianz during 2023. € 9.7 million has been reclassified to non-current receivables as it is expected that the remaining development potential (building D) in the Third Joint Venture remains dependent on the extension option of a tenant in the respective Third Joint Venture. See also note *9 Investments in Joint Ventures* – 9.3 *Other non-current receivables.*

15. Cash and cash equivalents

The Group's cash and cash equivalents comprise only cash deposits of which 76% held at Belgian banks.

16. Share capital and other reserves

16.1 Share capital

Issued and fully paid	Number of shares	Par value of shares (€ '000)
Ordinary shares issued at 1 January 2021	**20,583,050**	**72,225**
Issue of new shares	1,250,000	6,233
Ordinary shares issued at 31 December 2021	**21,833,050**	**78,458**
Issue of new shares	5,458,262	27,218
Ordinary shares issued at 31 December 2022	**27,291,312**	**105,676**

In November 2022, VGP increased its capital by successfully completing a rights offering of new shares for a total gross consideration of €302.9 million (net proceeds: € 298.7 million).

The capital increase consisted of the issuance of 5,458,262 of new shares at an issue price of € 55.5 per share, on the basis of 1 new share for 4 preferential rights. Following this issuance VGP has now in total 27,291,312 of issued shares.

The statutory share capital of the Company after the capital increase amounts to € 136,092 k. The € 30.4 million capital reserve included in the Statement of Changes in Equity, relates to the elimination of the contribution in kind of the shares of a number of Group companies and the deduction of all costs in relation to the issuing of the new shares and the stock exchange listing of the existing shares from the equity of the company, at the time of the initial public offering ("IPO") in 2007 (see also *"Statement of changes in equity"*).

16.2 Other reserves

in thousands of €	2022	2021
As at 1 January	**574,088**	**285,420**
Share premium arising on the issue of new shares	271,491	288,668
As at 31 December	**845,579**	**574,088**

In November 2022, VGP increased its capital by successfully completing a rights offering of new shares for a total gross consideration of € 302.9 million (net proceeds: € 298.7 million). As a result the share premium arising on the issue of 5,482,262 new shares amounted to € 271,491 k. As at 31 December 2022, the Group did not hold any treasury shares.

17. Current and non-current financial debt

The contractual maturities of interest-bearing loans and borrowings (current and non-current) are as follows:

Maturity *in thousands of €*	**2022**			
	Outstanding balance	**< 1 year**	**> 1–5 year**	**> 5 year**
Non-Current				
Bank borrowings	—	—	—	—
Schuldschein loans	28,575	—	28,575	—
Bonds				
3.25% bonds Jul – 24	74,820	—	74,820	—
3.35% bonds Mar – 25	79,879	—	79,879	—
3.50% bonds Mar – 26	189,295	—	189,295	—
1.50% bonds Apr – 29	595,416	—	—	595,416
1.625% bonds Jan – 27	496,884	—	496,884	—
2.25% bonds Jan – 30	495,595	—	—	495,595
	1,931,889	—	**840,879**	**1,091,010**
Total non-current financial debt	**1,960,464**	—	**869,454**	**1,091,010**
Current				
Bank borrowings	—	—	—	—
Schuldschein loans	—	—	—	—
Bonds				
2.75% bonds Apr – 23	149,897	149,897	—	—
3.90% bonds Sep – 23	224,534	224,534	—	—
Accrued interest	39,273	39,273	—	—
Total current financial debt	**413,704**	**413,704**	—	—
Total current and non-current financial debt	**2,374,168**	**413,704**	**869,454**	**1,091,010**

Maturity *in thousands of €*	**2021**			
	Outstanding balance	**< 1 year**	**> 1–5 year**	**> 5 year**
Non-current				
Bank borrowings	—	—	—	—
Schuldschein loans	28,939	—	26,940	1,999
Bonds				
2.75% bonds Apr-23	149,492	—	149,492	—
3.90% bonds Sep-23	223,890	—	223,890	—
3.25% bonds Jul-24	74,702	—	74,702	—
3.35% bonds Mar-25	79,825	—	79,825	—
3.50% bonds Mar-26	189,076	—	189,076	—
1.50% bonds Apr-29	594,684	—	—	594,684
	1,311,669	**—**	**716,985**	**594,684**
Total non-current financial debt	**1,340,609**	**—**	**743,925**	**596,684**
Current				
Bank borrowings	18,918	18,918	—	—
Schuldschein loans	4,496	4,496	—	—
Accrued interest	20,733	20,733	—	—
Total current financial debt	**44,147**	**44,147**	**—**	**—**
Total current and non-current financial debt	**1,384,756**	**44,147**	**743,925**	**596,684**

The above 31 December 2022 balances include capitalised finance costs of (i) € 425k on bank borrowings and schuldschein loans (2021: € 147k) and (ii) € 13,680k on bonds (2021: € 8,331k).

The accrued interest relates to the 8 issued bonds (€ 39 million) and the Schuldschein loans (€ 0.3 million). The coupons of the bonds are payable annually on 2 April for the Apr-23 Bond, 21 September for the Sep-23 Bond, 6 July for the Jul-24 Bond, 30 March for the Mar-25 Bond, 19 September for the Mar-26 Bond, 8 April for the Apr-29 Bond and 17 January for both the Jan-27 and Jan-30 bonds.

The interests on the Schuldschein loans are payable on a semi-annual basis on 15 April and 15 October for the variable rate Schuldschein loans and annually on 15 October for the fixed rate Schuldschein loans.

17.1 Overview

17.1.1 Bank loans

The loans and credit facilities granted to the VGP Group are all denominated in € can be summarised as follows (all figures below are stated excluding capitalised finance costs):

2022 *in thousands of €*	**Facility amount**	**Facility expiry date**	**Outstanding balance**	**< 1 year**	**> 1–5 years**	**> 5 years**
KBC Bank NV	75,000	31-Dec-26	—	—	—	—
Belfius Bank NV	75,000	31-Dec-26	—	—	—	—
Belfius Bank NV	100,000	31-Jul-27	—	—	—	—
BNP Paribas Fortis NV	50,000	31-Dec-25	—	—	—	—
BNP Paribas Fortis NV	50,000	31-Dec-26	—	—	—	—
JP Morgan SE	50,000	12-Dec-25	—	—	—	—
Total bank debt	**400,000**		**—**	**—**	**—**	**—**

2021 *in thousands of €*	**Facility amount**	**Facility expiry date**	**Outstanding balance**	**< 1 year**	**> 1–5 years**	**> 5 years**
Swedbank AS – Latvia	19,000	31-Mar-22	19,000	19,000	—	—
KBC Bank NV	75,000	31-Dec-26	—	—	—	—
Belfius Bank NV	75,000	31-Dec-26	—	—	—	—
BNP Paribas Fortis NV	50,000	31-Dec-24	—	—	—	—
Total bank debt	**219,000**		**19,000**	**19,000**	**—**	**—**

17.1.2 Schuldschein loans

On 10 October 2019, VGP completed a *Schuldscheindarlehen* private placement ("Schuldschein loans") for an aggregate amount of € 33.5 million (excluding capitalised finance costs) which was used to finance the current development pipeline of the Group.

The Schuldschein loans represents a combination of fixed and floating notes whereby the variable rates represent a nominal amount of € 21 million which is not hedged. The current average interest rate is 3.01 per cent per annum. The loans have a maturity of 3,5,7 and 8 years (for more information on covenants see note 17.2.2.).

2022 *in thousands of €*	**Loan amount**	**Loan expiry date**	**Outstanding balance**	**< 1 year**	**> 1–5 years**	**> 5 years**
Schuldschein loans	29,000	Oct-24 to Oct-27	29,000	—	29,000	—

2021 *in thousands of €*	**Loan amount**	**Loan expiry date**	**Outstanding balance**	**< 1 year**	**> 1–5 years**	**> 5 years**
Schuldschein loans	33,500	Oct-22 to Oct-27	33,500	4,500	27,000	2,000

17.1.3 Bonds

As at 31 December 2022 VGP has following 8 bonds outstanding:

- 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-23 Bond");
- € 225 million fixed rate bonds due 21 September 2023 carry a coupon of 3.90% per annum. The bonds have been listed on the regulated market of NYSE Euronext Brussels (ISIN Code: BE0002258276 – Common Code: 148397694). ("Sep-23 Bond");
- € 75 million fixed rate bonds due 6 July 2024 which carry a coupon of 3.25% per annum. The bonds have been listed on the regulated market of NYSE Euronext Brussels (ISIN Code: BE0002287564 – Common Code: 163738783). ("Jul-24 Bond");
- € 80 million fixed rate bonds due 30 March 2025 carry a coupon of 3.35% per annum. The bonds are not listed (ISIN Code: BE6294349194 – Common Code: 159049558). ("Mar-25 Bond");
- € 190 million fixed rate bonds due 19 March 2026 carry a coupon of 3.50% per annum. The bonds have been listed on the regulated market of NYSE Euronext Brussels (ISIN Code: BE0002611896 – Common Code: 187793777). ("Mar-26 Bond");
- € 600 million fixed rate bonds due 8 April 2029 carry a coupon of 1.50% per annum. The bonds have been listed on the Euro MFT Market Luxemburg (ISIN Code: BE6327721237 – Common Code: 232974028). ("Apr-29 Bond");
- € 500 million fixed rate bonds due 17 January 2027 carry a coupon of 1.625% per annum. The bonds have been listed on the Euro MFT Market Luxemburg (ISIN Code: BE6332786449 – Common Code: 243311268). ("Jan-27 Bond");
- € 500 million fixed rate bonds due 17 January 2030 carry a coupon of 2.25% per annum. The bonds have been listed on the Euro MFT Market Luxemburg (ISIN Code: BE6332787454 – Common Code: 243311314). ("Jan-30 Bond").

17.2 Key terms and covenants

17.2.1 Bank loans

As a general principle, loans are entered into by the Group in € at a floating rate, converting to a fixed rate through interest rate swaps in compliance with the respective loan agreements.
For further information on financial instruments we refer to note 23.

VGP Park Latvia SIA repaid the bank loan with Swedbank AS on 31 March 2022 for a total amount of € 19 million. As a result, there are no bank credit facilities outstanding at the level of the subsidiaries as at 31 December 2022.

In order to bridge temporary funding peaks between the different closings with the Joint Ventures, the Company has arranged following committed credit facilities:

- On 2 November 2021, the Company entered into a 5-year revolving credit facility with Belfius Bank SA/NV for an amount of € 75 million which will mature on 31 December 2026.
- On 10 November 2021, the Company entered into a 5-year revolving credit facility for an amount of € 75 million with KBC Bank NV which will mature on 31 December 2026.
- On 21 December 2021, the Company entered into a 3-year revolving credit facility with BNP Paribas Fortis SA/NV for an amount of € 50 million. The maturity date of this credit facility was extended until 31 December 2025.
- On 28 December 2022, the Company entered into a 4-year revolving credit facility with BNP Parisbas Fortis SA/NV for an amount of € 50 million which will mature on 31 December 2026.

— On 29 July 2022, the Company entered into a 5-year revolving credit facility with Belfius Bank SA/NV for an amount of € 100 million which will mature on 31 July 2027
— On 13 December 2022, the Company entered into a 3-year revolving credit facility with JP Morgan SE for an amount of € 50 million which will mature on 12 December 2025.

All of the above revolving credit facilities are unsecured.

The interest rate on the credit facilities granted by Belfius Bank SA/NV, KBC Bank NV, JP Morgan SE and BNP Paribas Fortis SA/NV are at floating interest rate plus a margin.

All aforementioned revolving credit facilities are subject to the same covenants as the current issued bond except for the Consolidated gearing which is limited to 55% with the possibility of going up to 60% on two test dates ("gearing spike") provided these two test dates do not follow each other.

During the year the Group operated well within its loan covenants and there were no events of default nor were there any breaches of covenants with respect to loan agreements noted.

17.2.2 Schuldschein loans

The Schuldschein Loans represents a combination of fixed and floating notes whereby the variable rates represent a nominal amount of € 21 million which is not hedged. The current average interest rate is 3.01 per cent. per annum.

The Schuldschein loans are unsecured and are subject to the same covenants as the bonds (see note 17.2.3.).

During the year the Group operated well within its Schuldschein loan covenants and there were no events of default nor were there any breaches of covenants with respect to Schuldschein loans noted.

17.2.3 Bonds

All bonds are unsecured and at fixed interest rate.

The terms and conditions of the bonds include following financial covenants:
— Consolidated gearing to equal or to be below 65%
— Interest cover ratio to equal or to be above 1.2
— Debt service cover ratio to equal or to be above 1.2

The abovementioned ratios are tested semi-annually based on a 12-month period and are calculated as follows:
— Consolidated Gearing means consolidated total Net debt divided by the sum of the equity and total liabilities;
— Interest cover ratio means the aggregate net rental income (increased with the available cash and cash equivalents) divided by the Net finance charges;
— Debt service cover ratio means Cash available for debt service divided by Net debt service.

During the year the Group operated well within its bond covenants and there were no events of default nor were there any breaches of covenants with respect to the bonds noted.

17.3 Reconciliation debt movement to cash flows

2022 *in thousands of €*	**01-Jan-22**	**Cash Flows**	**Non-cash movement**				**31-Dec-22**
			Acquisitions/ (Divestments)	**Foreign exchange movement**	**Fair value changes**	**Other**	
Non-current financial debt	1,340,609	990,749	—	—	—	(371,463)	1,959,895
Other non-current financial liabilities	—	—	—	—	—	—	—
Current financial debt	44,147	(23,500)	—	—	—	393,626	414,273
	1,384,756	**967,249**	**—**	**—**	**—**	**22,163**	**2,374,168**
Non-current financial assets	—	—	—	—	—	—	—
Total liabilities from financing activities	**1,384,756**	**967,249**	**—**	**—**	**—**	**22,163**	**2,374,168**

The cash movements relate to: (i) net proceeds from the issuance of the new Jan-27 and Jan-30 Bonds and (ii) repayment of bank debt in the amount of € 23.5 million.

The non-cash movements relate to: (i) € 375 million of transfer of Apr-23 and Sep-23 bonds from non-current financial to current financial debt, (ii) € 18.5 million relating to changes in accrued interest on bonds and schuldschein loans; and (iii) € 3.6 million relating to amortisation of capitalised finance costs.

2021 *in thousands of €*	01-Jan-21	Cash Flows	Non-cash movement				31-Dec-21
			Acquisitions/ (Divestments)	Foreign exchange movement	Fair value changes	Other	
Non-current financial debt	748,797	594,149	—	—	—	(2,337)	**1,340,609**
Other non-current financial liabilities	—	—	—	—	—	—	**—**
Current financial debt	34,467	(1,333)	—	—	—	11,013	**44,147**
	783,264	**592,816**	**—**	**—**	**—**	**8,676**	**1,384,756**
Non-current financial assets	—	—	—	—	—	—	**—**
Total liabilities from financing activities	**783,264**	**592,816**	**—**	**—**	**—**	**8,676**	**1,384,756**

The cash movements relate to: (i) net proceeds from the issuance of the new Apr-29 Bond and (ii) repayment of bank debt in the amount of € 1.3 million.

The non-cash movements relate to: (i) € 4.5 million of transfer of Schuldschein loan debt from non-current financial to current financial debt, (ii) € 6.6 million relating to changes in accrued interest on bonds and schuldschein loans; and (iii) € 2.1 million relating to amortisation of capitalised finance costs.

18. Other non-current liabilities

in thousands of €	2022	2021
Deposits	8,252	5,072
Retentions	19,057	4,775
Other non-current liabilities	20,772	24,908
Reclassification to liabilities related to disposal group held for sale	(1,662)	(2,296)
Total	**46,419**	**32,459**

Deposits are received from tenants. Retentions are amounts withheld from constructors' invoices. It is common to pay only 90 % of the total amount due. 5 % is due upon final delivery of the building; the remaining part is paid, based on individual agreements, most commonly after 3 or 5 years.

The decrease in other non-current liabilities is mainly due to decrease in LTIP liabilities € 4.1 million *(see note 24)*.

19. Trade debts and other current liabilities

in thousands of €	2022	2021
Trade payables	98,079	95,185
Deposits	—	—
Retentions	4,945	12,053
Accrued expenses and deferred income	3,330	7,861
Other payables	10,507	10,435
Reclassification to liabilities related to disposal group held for sale	(6,185)	(18,025)
Total	**110,676**	**107,509**

20. Assets classified as held for sale and liabilities associated with those assets

in thousands of €	**2022**	**2021**
Intangible assets	—	5
Investment properties	292,541	484,360
Property, plant and equipment	—	—
Deferred tax assets	—	—
Trade and other receivables	1,160	13,760
Cash and cash equivalents	6,205	3,757
Disposal group held for sale	**299,906**	**501,882**
Non-current financial debt	—	—
Other non-current financial liabilities	—	—
Other non-current liabilities	(1,662)	(2,296)
Deferred tax liabilities	(25,095)	(49,834)
Current financial debt	—	—
Trade debts and other current liabilities	(6,187)	(18,025)
Liabilities associated with assets classified as held for sale	**(32,944)**	**(70,155)**
Total net assets	**266,962**	**431,727**

In order to sustain its growth over the medium term, VGP entered into four 50:50 joint ventures with Allianz. The First, Second and Fourth Joint Venture act as an exclusive take-out vehicle of the income generating assets developed by VGP, allowing VGP to partially recycle its initially invested capital when completed projects are acquired by these joint ventures. VGP is then able to re-invest the proceeds in the continued expansion of its development pipeline, including the further expansion of its land bank, allowing VGP to concentrate on its core development activities.

Each of these joint ventures have an exclusive right of first refusal in relation to acquiring the following income generating assets of the Group: (i) for the First Joint Venture: the assets located in the Czech Republic, Germany, Hungary and the Slovak Republic; and (ii) for the Second Joint Venture: the assets located in Austria, Italy, the Benelux, Portugal, Romania and Spain. 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. 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).

The development pipeline which will be transferred as part of any future acquisition transaction between the First, Second or Fourth Joint Venture and VGP is being developed at VGP's own risk and subsequently acquired and paid for by these joint ventures subject to pre-agreed completion and lease parameters.

As at 31 December 2022 the assets of the respective project companies which were earmarked to be transferred to the First and Second Joint Venture in the future, including the next January 2023 closing were therefore reclassified as disposal group held for sale.

The investment properties correspond to the fair value of the asset under construction which are being developed by VGP on behalf of these joint ventures. This balance includes € 101.4 million of interest-bearing development and construction loans (2021: € 83.0 million) granted by VGP to the First and/or Second Joint Venture to finance the development pipeline of the First and/or Second Joint Venture. *(See also note 9.3)*

21. Cash flow statement

Summary *in thousands of €*	2022	2021
Cash flow from operating activities	(70,637)	(87,473)
Cash flow from investing activities	(566,150)	(720,423)
Cash flow from financing activities	1,116,401	812,589
Net increase/(decrease) in cash and cash equivalents	**479,614**	**4,693**

The changes in the cash flow from investing activities was mainly due to: (i) € 851.8 million (2021: € 680.1 million) of expenditure incurred for the development activities and land acquisition; (ii) € 347.4 million cash in from the third closing with the Second Joint Venture; the ninth closing with the First Joint Venture and the third closing with the Third Joint Venture (compared to one closing in 2021 totalling € 49.6 million).

The changes in the cash flow from financing activities were driven by: (i) € 149.6 million dividend paid out in May 2022 (2021: € 75.1 million); (ii) € 298.7 million net proceeds from the capital increase in November 2022 (2021: € 294.9) and (iii) € 990.7 million net proceeds from the issuance of the Jan-27 and Jan-30 Bonds (2021: € 594.1); (iv) repayment of bank financing € 23.5 million (2021: € 1.3).

22. Cash flow from disposal of subsidiaries and investment properties

in thousands of €	2022	2021
Investment property	369,657	54,496
Trade and other receivables	16,019	678
Cash and cash equivalents	18,086	2,172
Non-current financial debt	—	—
Shareholder Debt	(191,009)	(41,658)
Other non-current financial liabilities	(2,458)	(502)
Deferred tax liabilities	(76,675)	(2,192)
Trade debts and other current liabilities	(13,511)	(1,108)
Total net assets disposed	**120,109**	**11,886**
Realised valuation gain on sale	87,612	12,136
Total non-controlling interest retained by VGP	(227)	(1,108)
Additional share price due at completion of buildings	63,689	—
Shareholder loans repaid at closing	205,491	40,362
Equity contribution	(104,190)	(11,457)
Total consideration	**372,484**	**51,819**
Consideration to be received – Third Joint Venture	(7,026)	—
Consideration paid in cash	**365,458**	**51,819**
Cash disposed	(18,086)	(2,172)
Net cash inflow from divestments of subsidiaries and investment properties	**347,372**	**49,647**

The cash flow from disposal of subsidiaries and investment properties relate to the different closings with the Allianz Joint Ventures. In 2022, a third closing with the Second Joint Venture; a ninth closing with the First Joint Venture and a second closing with the Third Joint Venture took place.

23. Financial risk management and financial derivatives

23.1 Terms, conditions and risk management

Exposures to foreign currency, interest rate, liquidity and credit risk arise in the normal course of business of VGP.

The company analyses and reviews each of these risks and defines strategies to manage the economic impact on the company's performance. The results of these risk assessments and proposed risk strategies are reviewed and approved by the Board of Directors on regular basis.

Some of the risk management strategies include the use of derivative financial instruments which mainly consists of forward exchange contracts and interest rate swaps. The company holds no derivative instruments nor would it issue any for speculative purposes.

As at 31 December 2022 there were no derivative financial instruments outstanding (same as for 31 December 2021).

23.2 Foreign currency risk

VGP incurs principally foreign currency risk on its capital expenditure as well as some of its borrowings and net interest expense/income.

VGP's policy is to economically hedge its capital expenditure as soon as a firm commitment arises, to the extent that the cost to hedge outweighs the benefit and in the absence of special features which require a different view to be taken.

The table below summarises the Group's main net foreign currency positions at the reporting date. Since the Group has elected not to apply hedge accounting, the following table does not include the forecasted transactions. However, the derivatives the Group has entered into, to economically hedge the forecasted transactions are included. As at 31 December 2022 there were no foreign currency derivatives outstanding (same as for 2021).

in thousands	2022			
	CZK	HUF	RON	RSD
Trade & other receivables	32,461	1,933,338	110,221	10,212
Non-current liabilities and trade & other payables	(244,235)	(2,484,759)	(37,078)	(6,744)
Gross balance sheet exposure	**(211,774)**	**(551,421)**	**73,144**	**3,467**
Forward foreign exchange	—	—	—	—
Net exposure	**(211,774)**	**(551,421)**	**73,144**	**3,467**

in thousands	2021			
	CZK	HUF	RON	RSD
Trade & other receivables	68,958	2,042,276	77,477	72,129
Non-current liabilities and trade & other payables	(470,932)	(2,718,017)	(22,964)	(3,254)
Gross balance sheet exposure	**(401,974)**	**(675,741)**	**54,513**	**68,875**
Forward foreign exchange	—	—	—	—
Net exposure	**(401,974)**	**(675,741)**	**54,513**	**68,875**

The following significant exchange rates applied during the year:

1 € =	2022	2021
	Closing rate	Closing rate
CZK	24.11500	24.86000
HUF	400.87000	369.19000
RON	4.94740	4.94810
RSD	117.32240	117.58210

Sensitivity

A 10 % strengthening of the euro against the following currencies at 31 December 2022 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021.

Effects *in thousands of €*	**2022**	
	Equity	**Profit or (Loss)**
CZK	—	798
HUF	—	125
RON	—	(1,344)
RSD	—	(3)
Total	**—**	**(423)**

Effects *in thousands of €*	**2021**	
	Equity	**Profit or (Loss)**
CZK	—	1,470
HUF	—	166
RON	—	(1,002)
RSD	**—**	**(53)**
Total	**—**	**582**

A 10 % weakening of the euro against the above currencies at 31 December 2022 would have had the equal but opposite effect on the above currencies to amounts shown above, on the basis that all other variables remain constant.

23.3 Interest rate risk

The Group applies a dynamic interest rate hedging approach whereby the target mix between fixed and floating rate debt is reviewed periodically. These reviews are carried out within the confines of the existing loan agreements should such loan agreements require that interest rate exposure is to be hedged when certain conditions are met.

Where possible the Group will apply IFRS 9 to reduce income volatility whereby some of the interest rate swaps may be classified as cash flow hedges. Changes in the value of a hedging instrument that qualifies as highly effective cash flow hedges are recognised directly in shareholders' equity (hedging reserve).

The Group also uses interest rate swaps that do not satisfy the hedge accounting criteria under IFRS 9 but provide effective economic hedges. Changes in fair value of such interest rate swaps are recognised immediately in the income statement. (Interest rate swaps held for trading).

At the reporting date the Group interest rate profile of the Group's (net of any capitalised financing costs) was as follows:

in thousands of € – nominal amounts	**2022**	**2021**
Financial debt		
Fixed rate		
Schuldschein loans	8,000	12,000
Bonds	2,320,000	1,320,000
Variable rate		
Bank debt	—	19,000
Schuldschein loans	21,000	21,500
Interest rate hedging		
Interest rate swaps		
Held for trading	n.a.	n.a.
Financial debt after hedging		
Variable rate		
Bank debt	—	19,000
Schuldschein loans	21,000	21,500
Total variable debt (A)	**21,000**	**40,500**
Fixed rate		
Bonds	2,320,000	1,320,000
Bank debt	—	—
Schuldschein loans	8,000	12,000
Total fixed rate debt (B)	**2,328,000**	**1,332,000**
Total financial debt (C) = (A) + (B)	**2,349,000**	**1,372,500**
Fixed rate/total financial debt (B)/(C)	**99.1%**	**97.0%**

The effective interest rate on financial debt (bank debt, schuldschein loans and bonds), including all bank margins and cost of interest rate hedging instruments was 2.31 % for the year 2022 (2.69 % in 2021).

Sensitivity analysis for change in interest rates or profit

In case of an increase/decrease of 100 basis points in the interest rates, profit before taxes would have been € 210 k lower/higher (2021: € 405k). This impact comes from a change in the floating rate debt, with all variables held constant.

Sensitivity analysis for changes in interest rate of other comprehensive income

For 2022 there is no impact given the fact that there are no interest rate swaps outstanding classified as cash flow hedges as at the reporting date. The same situation applied at the 31 December 2021 reporting date.

23.4 Credit risk

Credit risk is the risk of financial loss to VGP if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from VGP's receivables from customers and bank deposits.

The management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Each new tenant is analysed individually for creditworthiness before VGP offers a lease agreement. In addition, the Group applies a strict policy of rent guarantee whereby, in general, each tenant is required to provide a rent guarantee for 6 months. This period will vary in function of the creditworthiness of the tenant.

For the credit risk in respect of other non-current receivables please refer to the section 'Risk Factors' in this annual report.

At the balance sheet date there were no significant concentrations of credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The maximum exposure to credit risk at the reporting date was:

in thousands of €	2022	20201
	Carrying amount	**Carrying amount**
Other non-current receivables	359,644	264,905
Trade & other receivables	33,945	95,773
Cash and cash equivalents	705,373	225,917
Reclassification to liabilities related to disposal group held for sale	(6,774)	(5,293)
Total	**1,092,188**	**581,302**

As at 31 December 2022 there was € 5.3 million of restricted cash held in a bank account (2021: € 3.0 million). The group's cash and cash equivalents comprise primarily cash deposits of which 76% held at Belgian Banks (See note 15).

The aging of trade receivables as at the reporting date was:

in thousands of €	2022	2021
	Carrying amount	**Carrying amount**
Gross trade receivables		
Gross trade receivables not past due	15,371	8,827
Gross trade receivables past due	692	456
Bad debt and doubtful receivables	—	—
Provision for impairment of receivables (–)	—	—
Total	**16,063**	**9,283**

23.5 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its obligations as they come due because of an inability to liquidate assets or obtain adequate funding. The company manages its liquidity risk by ensuring that it has sufficient cash available and that it has sufficient available credit facilities and by matching as much as possible its receipts and payments. As at 31 December 2022 the Group, in addition to its available cash, has several committed credit lines at its disposal up to a maximum equivalent of € 400 million (2021: € 200 million) at floating interest rates with fixed margins.

The following are contractual maturities of financial assets and liabilities, including interest payments. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position, as the impact of discounting is not significant.

in thousands of €	2022					
	Carrying amount	**Contractual Cash flow**	**< 1 year**	**1–2 years**	**2–5 years**	**More than 5 years**
Assets						
Cash and cash equivalents	705,373	705,373	705,373	—	—	—
Trade and other receivables	33,945	33,945	33,945	—	—	—
Reclassified to (–)/ from held for sale	(6,774)	(6,774)	(6,774)	—	—	—
	732,544	**732,544**	**732,544**	**—**	**—**	**—**
Liabilities						
Secured bank loans	—	—	—	—	—	—
Unsecured Schuldschein loans	28,575	32,218	830	3,833	27,555	—
Unsecured bonds	2,306,320	2,566,040	428,043	115,143	871,105	1,151,750
Trade and other payables	161,614	157,243	109,263	24,680	13,885	9,416
Reclassification to liabilities related to disposal group held for sale	(7,593)	(7,593)	(5,967)	(60)	(1,346)	(221)
	2,488,916	**2,747,908**	**532,168**	**143,595**	**911,199**	**1,160,945**

in thousands of €	2021					
	Carrying amount	**Contractual Cash flow**	**< 1 year**	**1–2 years**	**2–5 years**	**More than 5 years**
Assets						
Cash and cash equivalents	225,917	225,917	225,917	—	—	—
Trade and other receivables	95,773	95,773	95,773	—	—	—
Reclassified to (–)/ from held for sale	(5,293)	(5,293)	(5,293)	—	—	—
	316,397	**316,397**	**316,397**	**—**	**—**	**—**
Liabilities						
Secured bank loans	18,917	19,000	19,000	—	—	—
Unsecured Schuldschein loans	33,436	37,645	5,426	830	29,329	2,059
Unsecured bonds	1,311,669	1,469,083	33,668	408,668	399,748	627,000
Trade and other payables	148,661	148,661	114,110	8,069	21,141	5,340
Reclassification to liabilities related to disposal group held for sale	(19,601)	(19,601)	(17,162)	—	(132)	(2,307)
	1,493,082	**1,654,787**	**155,042**	**417,567**	**450,085**	**632,092**

23.6 Capital management

VGP is continuously optimising its capital structure targeting to maximise shareholder value while keeping the desired flexibility to support its growth. The Group targets to operate within maximum gearing ratio of net debt/total shareholders' equity and liabilities at 65%. As at 31 December 2022 the Group's gearing was as follows:

in thousands of €	**2022**	**2021**
Non-current financial debt	1,960,464	1,340,609
Current financial debt	413,704	44,147
Financial debt classified under liabilities related to disposal group held for sale	—	—
Total financial debt	**2,374,168**	**1,384,756**
Cash and cash equivalents	(699,168)	(222,160)
Cash and cash equivalents classified as disposal group held for sale	(6,205)	(3,757)
Total net debt (A)	**1,668,795**	**1,158,839**
Total shareholders' equity and liabilities (B)	**4,846,052**	**3,882,739**
Gearing ratio (A)/(B)	**34.4%**	**29.8%**

23.7 Fair value

The following tables list the different classes of financial assets and financial liabilities with their carrying amounts in the balance sheet and their respective fair value and analyzed by their measurement category under IFRS 9.

Abbreviations used in accordance with IFRS 9 are:
AC Financial assets or financial liabilities measured at amortised cost
FVTPL Financial assets measured at fair value through profit or loss
HFT Financial liabilities Held for Trading

31 December 2022 *in thousands of €*	**Category in accordance with IFRS 9**	**Carrying amount**	**Fair value**	**Fair value hierarchy**
Assets				
Other non-current receivables	AC	359,644	359,644	Level 2
Trade receivables	AC	16,063	16,063	Level 2
Other receivables	AC	17,881	17,881	Level 2
Derivative financial assets	FVTPL	—	—	Level 2
Cash and cash equivalents	AC	700,066	700,066	Level 2
Reclassification to (–) from held for sale		(6,774)	(6,774)	
Total		**1,086,880**	**1,086,880**	
Liabilities				
Financial debt				
Bank debt	AC	28,575	28,575	Level 2
Bonds	AC	2,306,320	1,797,451	Level 1
Trade payables	AC	98,079	98,079	Level 2
Other liabilities	AC	63,532	63,532	Level 2
Derivative financial liabilities	HFT	—	—	Level 2
Reclassification to (–) from held for sale		(7,594)	(7,594)	
Total		**2,488,912**	**1,980,044**	

31 December 2021 *in thousands of €*	**Category in accordance with IFRS 9**	**Carrying amount**	**Fair value**	**Fair value hierarchy**
Assets				
Other non-current receivables	AC	264,905	264,905	Level 2
Trade receivables	AC	9,283	9,283	Level 2
Other receivables	AC	86,490	86,490	Level 2
Derivative financial assets	FVTPL	—	—	Level 2
Cash and cash equivalents	AC	222,935	222,935	Level 2
Reclassification to (–) from held for sale		(5,295)	(5,295)	
Total		**578,318**	**578,318**	
Liabilities				
Financial debt				
Bank debt	AC	52,353	52,353	Level 2
Bonds	AC	1,311,669	1,331,248	Level 1
Trade payables	AC	95,185	95,185	Level 2
Other liabilities	AC	57,244	57,244	Level 2
Derivative financial liabilities	HFT	—	—	Level 2
Reclassification to (–) from held for sale		(19,646)	(19,646)	
Total		**1,496,805**	**1,516,384**	

The following methods and assumptions were used to estimate the fair values:
- Cash and cash equivalents and trade and other receivables, primarily have short terms to maturity; hence, their carrying amounts at the reporting date approximate the fair values;
- The Other non-current receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the counterparty and the risk characteristics of the financed project. As at 31 December 2022, the carrying amounts of these receivables, are assumed not to be materially different from their calculated fair values.
- Trade and other payables also generally have short times to maturity and, hence, their carrying amounts also approximate their fair values.
- The fair value of financial instruments is determined based on quoted prices in active markets. When quoted prices in active markets are not available, valuation techniques are used. Valuation techniques make maximum use of market inputs but are affected by the assumptions used, including discount rates and estimates of future cash flows. Such techniques include amongst others market prices of comparable investments and discounted cash flows. The principal methods and assumptions used by VGP in determining the fair value of financial instruments are obtained from active markets or determined using, as appropriate, discounted cash flow models and option pricing models.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period ending 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As a result of the repayment of the bank financing in March 2022 (€ 19m), there are no financial assets pledged (in 2021 € 30.8 million).

24. Personnel

Long-term incentive plan ("LTIP") for VGP team
The board of directors has set up a long-term incentive plan. The LTIP allocates profit sharing units ("Units") to the respective VGP team members (the other members of the Executive Management Team and designated senior managers). One Unit represents an amount equal to the net asset value of VGP divided by the total amount of issued VGP shares. After an initial lock-up period of 5 years (from the respective award date), each participant may return the Units against cash payment of the proportional net asset value growth of such Units. This LTIP is therefore directly and solely based on the net asset value growth of the Group and has no direct nor indirect link to the evolution of the share price of the VGP shares. At any single point in time, the number of Units outstanding (i.e. awarded and not yet vested) cannot exceed 5% of the total amount of shares issued by the Company.

During the financial year 2022 there were 118,583 Units allocated to the VGP team and 28,583 Units were vested. The vested Units did not have a pay-out.

Consequently, the total aggregate Units allocated as at 31 December 2022 (after vesting) amount to 710,911 Units. Based on the 31 December 2022 financial figures these Units represent an aggregate net asset value of € 18.1 million (2021: € 20.7 million) which was provided for in the 2022 accounts. (see *Remuneration Report* for further details).

25. Contingencies and commitments

As at 31 December 2022, the important contingencies and commitments were:

in thousands of €	**2022**	**2021**
Contingent liabilities	6,230	6,266
Commitments to purchase land	149,266	402,094
Commitments to develop new projects	370,629	685,574

Contingent liabilities mainly relate to bank guarantees linked to land plots and built out of infrastructure on development land.

The commitment to purchase land relates to contracts concerning the future purchase of 2,405,305 m^2 of land for which deposits totalling € 34.9million (2021: 3,981,000 m^2 with deposits amounting to € 13.0 million). The € 34.9 million down payment on land was classified under investment properties as at 31 December 2022 (same classification treatment applied for 2021). The deposits made mainly relate to land plots in Germany (€ 30.3 million) of which most of them are expected to be acquired during the course of 2023. We refer to the paragraph "Risk factors" in this annual report for explanation about the constructive obligation of the Group towards the Joint Ventures.

26. Related parties

Unless otherwise mentioned below, the settlement of related party transactions occurs in cash, there are no other outstanding balances which require disclosure, the outstanding balances are not subject to any interest unless specified below, no guarantees or collaterals provided and no provisions or expenses for doubtful debtors were recorded.

26.1 Shareholders

Shareholding
As at 31 December 2022 the main shareholders of the company are:
— Little Rock SA (18.61%): a company controlled by Mr. Jan Van Geet;
— Alsgard SA (11.04%): a company controlled by Mr. Jan Van Geet;
— Tomanvi SCA (2.31%): a company controlled by Mr. Jan Van Geet;
— VM Invest NV (19.00%): a company controlled by Mr. Bart Van Malderen

The Extraordinary General Shareholders' Meeting of 8 May 2020 approved the introduction of the double voting right. A double voting right is therefore granted to each VGP share that has been registered for at least two years without interruption under the name of the same shareholder in the register of shares in registered form, in accordance with the procedures detailed in article 29 of the Articles of Association. In accordance with Belgian law, dematerialised shares do not benefit from the double voting right.

The two main ultimate reference shareholders of the company are therefore (i) Mr Jan Van Geet who holds 39.58% of the voting rights of VGP NV and who is CEO and an executive director and (ii) Mr Bart Van Malderen who holds 23.57% of the voting rights of VGP NV and who is a non-executive director.

The full details of the shareholding of VGP can be found in the section "Information about the share" of this annual report.

Lease activities

Drylock Technologies s.r.o, a company controlled by Bart Van Malderen, leases warehouses from VGP and the First Joint Venture under long term lease contracts. The rent received over the year 2022 amounts to € 5.1 million (2021: € 4.4 million).

Jan Van Geet s.r.o. leases out office spaces to the VGP Group in the Czech Republic used by the VGP operational team. The leases run until 2026 and 2023 respectively. During 2022 aggregate amount paid under these leases was € 123 k equivalent (2021: € 104 k). All lease agreements have been concluded on an arm's length basis.

Other services

The table below provides the outstanding balances with Jan Van Geet s.r.o.. The payable balance relates to unsettled invoices. The receivable balances relate to cash advances made to cover representation costs.

in thousands of €	**2022**	**2021**
Trade receivable/(payable)	—	—

VGP occasionally also provides real estate support services to Jan Van Geet s.r.o. (and vice versa). During 2022 VGP recorded a € 12k revenue for these activities (2021: € 13k).

26.2 Subsidiaries

The consolidated financial statements include the financial statements of VGP NV and the subsidiaries listed in note 29.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated in the consolidation and are accordingly not disclosed in this note.

26.3 Joint Ventures

The table below presents a summary of the related transactions with the Group's Joint Ventures with Allianz.

in thousands of €	**2022**	**2021**
Loans outstanding at year end	451,289	346,931
Investments in Joint Ventures	116,379	23,770
Equity distributions received	14,154	(7,130)
Dividends received	23,214	—
Net proceeds from sales to Joint Ventures	347,372	49,647
Other receivables from/(payables) to the Joint Ventures at year-end	55	—
Management fee income	18,017	14,213
Interest and similar income from joint ventures and associates	17,305	12,318

26.4 Key Management

Key Management includes the Board of Directors and the executive management. The details of these persons can be found in the section Board of Directors and Management of this Annual Report. Key management personnel compensation is shown in the table below:

in thousands of €	**2022**	**2021**
Basic remuneration and short-term incentives and benefits	4,717	4,999
Long term variable remuneration	—	—
Total gross remuneration	**4,717**	**4,999**

The disclosures relating to the Belgian Corporate Governance Code are included in the Corporate Governance Statement of this annual report.

For 2022 no post-employment benefits were granted.

27. Events after the balance sheet date

On 17 January 2023, the tenth closing, in respect of 3 newly completed buildings in 3 (partly) new VGP parks, was completed with the First Joint Venture. The aggregate transaction value of the tenth closing was in excess of € 116.1 million and resulted in net cash proceeds of € 80.8 million.

28. Services provided by the statutory auditor and related persons

The audit fees for VGP NV and its fully controlled subsidiaries amounted to € 247.7k and additional non-audit services were performed during the year by Deloitte for which a total fee of € 148.5k was incurred. Audit fees for jointly controlled entities amounted to € 243.3k. No additional non-audit services for jointly controlled entities were performed.

29. Subsidiaries, joint ventures and associates

29.1 Full consolidation

The following companies were included in the consolidation perimeter of the VGP Group as at 31 December 2022 and were fully consolidated:

Subsidiaries	Registered seat address	%	
VGP NV	Antwerpen, Belgium	Parent	(1)
VGP Belgium NV	Antwerpen, Belgium	100	(5)
VGP Renewable Energy NV	Antwerpen, Belgium	100	(1)
VGP CZ X a.s..	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(1)
VGP Park Olomouc 5 a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Prostejov a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Ceske Budejovice a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Usti nad Labem City a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Hradek nad Nisou 2 a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Rochlov a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Vyskov a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Kladno a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Zone Mnichovo Hradiste s.r.o.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park CZ 1 s.r.o.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP – industrialni stavby s.r.o.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(3)
SUTA s.r.o.	Prague, Czech Republic	100	(3)
VGP FM Services s.r.o.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(3)
VGP Renewable Energy s.r.o.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Industriebau GmbH	Düsseldorf, Germany	100	(3)
VGP PM Services GmbH	Düsseldorf, Germany	100	(3)
FM Log.In. GmbH	Düsseldorf, Germany	100	(3)
VGP Renewable Energy Deutschland GmbH	Düsseldorf, Germany	100	(3)
VGP Park Hamburg 4 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Halle S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Rostock S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Goettingen 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Magdeburg S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)

Subsidiaries	Registered seat address	%	
VGP Park Laatzen S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Ottendorf-Okrilla S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Berlin Oberkraemer S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Erfurt S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Berlin Bernau S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Erfurt 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Gießen Am alten Flughafen S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Leipzig Flughafen S.à r.l	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Berlin 4 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 32 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Berlin-Hönow S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Wiesloch-Walldorf S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Frankenthal 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Hochheim S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Erfurt 3 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Halle 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Nürnberg S.à r.l..	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Koblenz S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 47 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Leipzig Flughafen 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 49 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 50 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 51 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 52 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 53 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 54 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 55 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Logistics S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(1)
VGP Asset Management S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(3)
VGP Renewable Energy S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Graz 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Laxenburg S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Ehrenfeld S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 38 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 42 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP European Logistics 3 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(1)
VGP Industriebau Österreich GmbH	Vienna, Austria	100	(3)
VGP Latvija ,SIA	Riga, Latvia	100	(2)
VGP Park Riga ,SIA	Riga, Latvia	100	(2)
VGP Park Tiraines ,SIA	Riga, Latvia	100	(2)
VGP Industrial Development Latvia ,SIA	Riga, Latvia	100	(3)
VGP Zone Brasov S.R.L.	Bucharest, Romania	100	(2)
VGP Park Sibiu S.R.L.	Bucharest, Romania	100	(2)
VGP Park Arad S.R.L.	Bucharest, Romania	100	(2)
VGP Park Bucharest S.R.L.	Bucharest, Romania	100	(2)

Subsidiaries	Registered seat address	%	
VGP Park Bucharest Two S.R.L.	Bucharest, Romania	100	(2)
VGP Park Timisoara Three S.R.L.	Bucharest, Romania	100	(2)
VGP Park Timisoara Four S.R.L.	Bucharest, Romania	100	(2)
VGP Proiecte Industriale S.R.L.	Bucharest, Romania	100	(3)
VGP Renewable Energy S.R.L.	Bucharest, Romania	100	(2)
VGP Park Bratislava a.s.	Bratislava, Slovakia	100	(2)
VGP Park Zvolen s.r.o.	Bratislava, Slovakia	100	(2)
VGP Park Slovakia 2, s.r.o.	Bratislava, Slovakia	100	(2)
VGP Park Slovakia 3, s.r.o.	Bratislava, Slovakia	100	(2)
VGP Park Bratislava 2 a.s.	Bratislava, Slovakia	100	(2)
VGP – industriálne stavby, s.r.o.	Bratislava, Slovakia	100	(3)
VGP Service Kft.	Győr, Hungary	100	(3)
VGP Park Hatvan Kft.	Győr, Hungary	100	(2)
VGP Park Győr Beta Kft.	Győr, Hungary	100	(2)
VGP Park Kecskemét Kft.	Győr, Hungary	100	(2)
VGP Park BUD Aerozone Kft.	Győr, Hungary	100	(2)
VGP Park BUD Aerozone 2 Kft.	Budapest, Hungary	100	(2)
VGP Park HU 1 Kft.	Budapest, Hungary	100	(2)
VGP Park HU Two Kft.	Budapest, Hungary	100	(2)
VGP Park HU Three Kft.	Budapest, Hungary	100	(2)
VGP Hungary 2 Kft.	Budapest, Hungary	100	(3)
VGP Renewable Energy Kft.	Budapest, Hungary	100	(2)
VGP Nederland BV	Tilburg, The Netherlands	100	(3)
VGP Renewable Energy Netherlands BV	Tilburg, The Netherlands	100	(2)
VGP Park Nederland 3 BV	Tilburg, The Netherlands	100	(2)
VGP Park Nederland 4 BV	Tilburg, The Netherlands	100	(2)
VGP Park Nederland 5 BV	Tilburg, The Netherlands	100	(2)
VGP Park Nederland 6 BV	Tilburg, The Netherlands	100	(2)
VGP Park Nederland 7 BV	Tilburg, The Netherlands	100	(2)
VGP Naves Industriales Peninsula, S.L.U.	Barcelona, Spain	100	(1)
VGP Park Valencia Cheste S.L.U.	Barcelona, Spain	100	(2)
VGP Park Dos Hermanes S.L.U.	Barcelona, Spain	100	(2)
VGP Park Sevilla Ciudad de la Imagen S.L.U.	Barcelona, Spain	100	(2)
VGP Park Granollers S.L.U.	Barcelona, Spain	100	(2)
VGP Park Martorell S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 12 S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 13 S.L.U.	Barcelona, Spain	100	(2)
Daisen Investments 2020, S.L.U	Barcelona, Spain	100	(2)
Maliset Investments 2020, S.L.U.	Barcelona, Spain	100	(2)
Urlau Proyectos y Servicios, S.L.U.	Bilbao, Spain	100	(2)
VGP (Park) Espana 17 S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 18 S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 19 S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 20 S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 21 S.L.U.	Barcelona, Spain	100	(2)

Subsidiaries	Registered seat address	%	
VGP (Park) Espana 22 S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 23 S.L.U.	Bilbao, Spain	100	(2)
VGP (Park) Espana 24 S.L.U.	Bilbao, Spain	100	(2)
VGP Italy SRL	Milan, Italy	100	(3)
VGP Park Verona SRL	Milan, Italy	100	(2)
VGP Park Italy 5 SRL	Milan, Italy	100	(2)
VGP Park Parma 2 SRL	Milan, Italy	100	(2)
VGP Park Italy 8 SRL	Milan, Italy	100	(2)
VGP Park Valsamoggia 2 SRL	Milan, Italy	100	(2)
VGP Park Italy 10 SRL	Milan, Italy	100	(2)
VGP Park Milano Paderno Dugnano SRL	Milan, Italy	100	(2)
VGP Park Italy 12 SRL	Milan, Italy	100	(2)
VGP Park Legnano SRL	Milan, Italy	100	(2)
VGP Park Italy 14 SRL	Milan, Italy	100	(2)
VGP Park Italy 15 SRL	Milan, Italy	100	(2)
VGP Park Italy 16 SRL	Milan, Italy	100	(2)
VGP Park Italy 17 SRL	Milan, Italy	100	(2)
VGP Park Italy 18 SRL	Milan, Italy	100	(2)
VGP Renewable Energy Italy SRL	Milan, Italy	100	(2)
VGP Construção Industrial, Unipessoal Lda	Porto, Portugal	100	(3)
VGP Park Sintra, S.A.	Sintra, Portugal	100	(2)
VGP Park Loures, S.A.	Loures, Portugal	100	(2)
VGP Park Portugal 4, S.A.	Porto, Portugal	100	(2)
VGP Park Portugal 5, S.A.	Porto, Portugal	100	(2)
VGP Park Portugal 6, S.A.	Porto, Portugal	100	(2)
VGP Park Portugal 7, S.A.	Porto, Portugal	100	(2)
VGP Park Portugal 8, S.A.	Porto, Portugal	100	(2)
VGP Constructions Industrielles SAS	Lyon, France	100	(3)
VGP France SAS	Lyon, France	100	(1)
VGP Park Rouen 1 SCI	Lyon, France	100	(2)
VGP Park Rouen 2 SCI	Lyon, France	100	(2)
VGP Park Rouen 3 SCI	Lyon, France	100	(2)
VGP Industrial Development d.o.o. Beograd	Belgrade, Serbia	100	(3)
VGP Park One d.o.o. Beograd	Belgrade, Serbia	100	(2)
VGP Park Two d.o.o. Beograd	Belgrade, Serbia	100	(2)
VGP Industrial Development Croatia d.o.o.	Zagreb, Croatia	100	(3)
VGP Park Lučko d.o.o.	Zagreb, Croatia	100	(2)
VGP GREECE ΜΟΝΟΠΡΟΣΩΠΗ Α.Ε.	Athens, Greece	100	(3)
VGP PARK GREECE 1 ΜΟΝΟΠΡΟΣΩΠΗ Α.Ε.	Athens, Greece	100	(2)
VGP Denmark ApS	Fredericia, Denmark	100	(3)
VGP Park Denmark 1 ApS	Fredericia, Denmark	100	(2)
VGP Sweden AB	Bromma, Sweden	100	(3)
VGP Park Sweden 1 AB	Bromma, Sweden	100	(2)

29.2 Companies to which the equity method is applied

Joint Venture	Registered seat address	%	
VGP European Logistics S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	50.00	(4)
VGP European Logistics 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	50.00	(4)
VGP Park München GmbH	Baldham, Germany	50.00	(4)
LPM Holding BV	Tilburg, The Netherlands	50.00	(4)
Belartza Alto SXXI SL	Bilbao, Spain	50.00	(4)
Grekon 11 GmbH	Lahau, Germany	50.00	(4)

Associates	Registered seat address	%	
VGP Park Bingen GmbH	Düsseldorf, Germany	5.1	(6)
VGP Park Hamburg GmbH	Düsseldorf, Germany	5.1	(6)
VGP Park Hamburg 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Hamburg 3 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Rodgau GmbH	Düsseldorf, Germany	5.1	(6)
VGP Park Höchstadt GmbH	Düsseldorf, Germany	5.1	(6)
VGP Park Berlin GmbH	Düsseldorf, Germany	5.1	(6)
VGP Park Berlin 2 S.à r.l	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Berlin 3 S.à r.l	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Frankenthal S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Leipzig S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Leipzig GmbH	Düsseldorf, Germany	5.1	(6)
VGP DEU 3 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Wetzlar S.à r.l	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Ginsheim S.à r.l	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Dresden S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Goettingen S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Berlin Wustermark S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Bischofsheim S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Einbeck S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Chemnitz S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Gießen S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)

(1) Holding and service company
(2) Existing or future asset company and renewable energy companies.
(3) Services company
(4) Holding company (including its respective subsidiaries as applicable)
(5) Dormant
(6) The remaining 94.9% are held directly by VGP European Logistics S.a r.l.

29.3 Changes in 2022

(i) New Investments

Subsidiaries	Registered seat address	%
VGP Zone Mnichovo Hradiste s.r.o.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP Park CZ 1 s.r.o.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP GREECE ΜΟΝΟΠΡΟΣΩΠΗ A.E.	Athens, Greece	100
VGP PARK GREECE 1 ΜΟΝΟΠΡΟΣΩΠΗ A.E.	Athens, Greece	100
VGP Park Italy 15 SRL	Milan, Italy	100
VGP Park Italy 16 SRL	Milan, Italy	100
VGP Park Italy 17 SRL	Milan, Italy	100
VGP Park Italy 18 SRL	Milan, Italy	100
VGP Park Slovakia 3, s.r.o.	Bratislava, Slovakia	100
VGP Park Two d.o.o. Beograd	Belgrade, Serbia	100
VGP Park BUD Aerozone 2 Kft.	Budapest, Hungary	100
VGP Park Portugal 8, S.A.	Porto, Portugal	100
VGP Renewable Energy S.R.L.	Bucharest, Romania	100
VGP Hungary 2 Kft.	Budapest, Hungary	100
VGP Park HU 1 Kft.	Budapest, Hungary	100
VGP Park HU Two Kft.	Budapest, Hungary	100
VGP Park HU Three Kft.	Budapest, Hungary	100
VGP Renewable Energy Kft.	Budapest, Hungary	100
VGP Park France 2 SCI	Lyon, France	100
VGP Park France 3 SCI	Lyon, France	100
VGP Park Petit-Couronne SCI	Lyon, France	100
VGP (Park) Espana 24 S.L.U.	Bilbao, Spain	100
VGP Denmark ApS	Copenhagen, Denmark	100
VGP Park Denmark 1 ApS	Copenhagen, Denmark	100
Goldcup 31484 AB (to become: VGP Sweden AB)	Bromma, Sweden	50
Goldcup 31485 AB (to become: VGP Park Sweden 1 AB)	Bromma, Sweden	100
VGP DEU 51 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP DEU 52 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP DEU 53 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP DEU 54 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP DEU 55 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100

(ii) Name change

New Name	Former Name
VGP Park Usti nad Labem City a.s.	VGP Park Mnichovo Hradiste a.s.
VGP Park Santa Maria da Feira, S.A.	VGP Park Portugal 1, S.A.
VGP Park Sintra, SA	VGP Park Portugal 2, S.A.
VGP Park Bratislava 2 a.s.	D61 Logistics a.s.
VGP Park Valsamoggia 2 SRL	VGP Park Italy 9 SRL
VGP Park Legnano SRL	VGP Park Italy 13 SRL
VGP Park Nürnberg S.à r.l..	VGP DEU 45 S.à r.l.
VGP Park Koblenz S.à r.l..	VGP DEU 46 S.à r.l.
VGP Park Leipzig Flughafen 2 S.à r.l.	VGP DEU 48 S.à r.l.
VGP Park Laxenburg S.à r.l.	VGP DEU 27 S.à r.l.
VGP Park Ehrenfeld S.à r.l.	VGP DEU 39 S.à r.l.
VGP Park Parma 2 SRL	VGP Park Italy 6 Srl
VGP Sweden AB	Goldcup 31484 AB
VGP Park Sweden 1 AB	Goldcup 31485 AB
VGP Park Rouen 3 SCI	VGP Park Petit-Couronne SCI
VGP Park Rouen 2 SCI	VGP Park France 2 SCI
VGP Park Rouen 1 SCI	VGP Park France 3 SCI

(iii) Subsidiaries sold to the Second Joint Venture

Subsidiaries	Registered seat address	%
VGP Park Calcio SRL	Milan, Italy	100
VGP Park Padova SRL	Milan, Italy	100
VGP Park Sordio SRL	Milan, Italy	100
VGP Park Timisoara 2 S.R.L.	Bucharest, Romania	100
VGP Park Nederland 2 BV	Tilburg, The Netherlands	100
VGP Park Fuenlabrada S.L.U.	Barcelona, Spain	100
VGP Park Zaragoza S.L.U.	Barcelona, Spain	100
VGP Park Santa Maria Da Feira, S.A.	Lisbon, Portugal	100

(iv) Registered numbers of the Belgian companies

Companies	Company number
VGP NV	BTW BE 0887.216.042 RPR – Antwerp (Division Antwerp)
VGP Renewable Energy NV	BTW BE 0894.188.263 RPR – Antwerp (Division Antwerp)
VGP Belgium NV	BTW BE 0894.442.740 RPR – Antwerp (Division Antwerp)

Supplementary notes not part of the audited financial statements

For the year ended 31 December 2022

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).

in thousands of €	2022			2021		
	Group	**Joint Ventures**	**Total**	**Group**	**Joint Ventures**	**Total**
Gross rental and renewable energy income	51,230	72,539	123,769	18,274	62,435	80,709
Property operating expenses	(8,223)	(8,412)	(16,635)	(2,875)	(7,116)	(9,991)
Net rental and renewable energy income	**43,007**	**64,127**	**107,134**	**15,399**	**55,319**	**70,718**
Joint venture management fee income	21,537	—	21,537	21,303	—	21,303
Net valuation gains/(losses) on investment properties	(97,230)	(106,117)	(203,347)	610,261	186,670	796,931
Administration expenses	(33,956)	(1,333)	(35,289)	(52,112)	(995)	(53,107)
Other expenses	(3,000)	—	(3,000)	(5,000)	—	(5,000)
Operating Result	**(69,642)**	**(43,323)**	**(112,965)**	**589,851**	**240,994**	**830,845**
Net financial result	(27,008)	(16,756)	(43,764)	(12,654)	(15,342)	(27,996)
Taxes	20,035	14,152	34,187	(113,845)	(38,949)	(152,794)
Result for the period	**(76,615)**	**(45,927)**	**(122,542)**	**463,352**	**186,703**	**650,055**

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).

in thousands of €	2022			2021		
	Group	**Joint Ventures**	**Total**	**Group**	**Joint Ventures**	**Total**
Investment properties	2,395,702	1,916,347	4,312,049	1,852,514	1,746,770	3,599,284
Investment properties included in assets held for sale	292,541	—	292,541	484,360	—	484,360
Total investment properties	**2,688,243**	**1,916,347**	**4,604,590**	**2,336,874**	**1,746,770**	**4,083,644**
Other assets	437,963	3,965	441,928	300,050	1,851	301,901
Total non-current assets	**3,126,206**	**1,920,312**	**5,046,518**	**2,636,924**	**1,748,620**	**4,385,544**
Trade and other receivables	122,113	36,462	158,575	148,022	13,129	161,151
Cash and cash equivalents	699,168	51,207	750,375	222,160	49,862	272,022
Disposal group held for sale	7,365	—	7,365	17,517	—	17,517
Total current assets	**828,646**	**87,669**	**916,315**	**387,699**	**62,990**	**450,689**
Total assets	**3,954,852**	**2,007,981**	**5,962,833**	**3,024,623**	**1,811,611**	**4,836,234**
Non-current financial debt	1,960,464	926,409	2,886,873	1,340,609	764,095	2,104,704
Other non-current financial liabilities	—	—	—	—	192	192
Other non-current liabilities	46,419	8,308	54,727	32,459	5,049	37,508
Deferred tax liabilities	79,671	124,440	204,111	112,295	132,816	245,111
Total non-current liabilities	**2,086,554**	**1,059,157**	**3,145,711**	**1,485,363**	**902,153**	**2,387,516**
Current financial debt	413,704	17,805	431,509	44,147	15,055	59,202
Trade debts and other current liabilities	110,675	39,818	150,493	107,510	36,288	143,798
Liabilities related to disposal group held for sale	32,944	—	32,944	70,154	—	70,154
Total current liabilities	**557,323**	**57,623**	**614,946**	**221,811**	**51,342**	**273,153**
Total liabilities	**2,643,877**	**1,116,780**	**3,760,657**	**1,707,174**	**953,495**	**2,660,669**
Net assets	**1,310,975**	**891,201**	**2,202,176**	**1,317,449**	**858,116**	**2,175,565**

Parent company information

1. Financial statements VGP NV

1.1 Parent company accounts

The financial statements of the parent company VGP NV, are presented below in a condensed form.
In accordance with Belgian company law, the directors' report and financial statements of the parent company VGP NV, together with the auditor's report, have been deposited at the National Bank of Belgium.

They are available on request from:

VGP NV
Generaal Lemanstraat 55 bus 4
B-2018 Antwerpen (Berchem)
Belgium
www.vgpparks.eu

The statutory auditor issued an unqualified opinion on the financial statements of VGP NV.

1.2 Condensed income statement

in thousands of €	**2022**	**2021**
Other operating income	21,630	9,729
Operating profit or loss	1,896	(18,555)
Financial result	36,780	20,984
Non-recurrent income financial assets	111,688	19,659
Current and deferred income taxes	(5,002)	(55)
Result for the year	**145,362**	**22,033**

1.3 Condensed balance sheet after profit appropriation

in thousands of €	**2022**	**2021**
Formation expenses, intangible assets	23,737	15,446
Tangible fixed assets	134	184
Financial fixed assets	3,271,101	2,296,328
Other non-current receivables	9,705	934
Total non-current assets	**3,304,677**	**2,312,892**
Trade and other receivables	24,225	88,329
Cash & cash equivalents	441,162	66,528
Total current assets	**465,387**	**154,857**
Total assets	**3,770,064**	**2,467,749**
Share capital	136,092	108,873
Share premium	759,509	483,793
Non-distributable reserves	13,609	10,877
Retained earnings	380,957	313,368
Shareholders' equity	**1,290,167**	**916,922**
Amounts payable after one year	1,980,071	1,352,926
Amounts payable within one year	499,826	197,901
Creditors	**2,479,897**	**1,550,827**
Total equity and liabilities	**3,770,064**	**2,467,749**

Valuation principles

Valuation and foreign currency translation principles applied in the parent company's financial statements are based on Belgian accounting legislation.

2. Proposed appropriation of VGP NV 2022 result

in thousands of €	**2022**	**2021**
Result for the year for appropriation	145,362	22,033
Result brought forward	313,368	441,515
Result to be appropriated	**458,730**	**463,548**
Transfer to statutory reserves	2,722	623
Result to be carried forward	380,957	313,369
Gross dividends	75,051	149,556
Total	**458,730**	**463,548**

The Board of Directors of VGP NV will propose to the Annual Shareholders' Meeting to distribute a gross dividend of € 2.75 per share corresponding to a total gross dividend amount of € 75,051,108.

Auditor’s report

Statutory auditor’s report to the shareholders’ meeting for the year ended 31 December 2022 – Consolidated financial statements

The original text of this report is in Dutch

In the context of the statutory audit of the consolidated financial statements of VGP NV (“the company”) and its subsidiaries (jointly “the group”), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders’ meeting of 8 May 2020, in accordance with the proposal of the board of directors (“bestuursorgaan”/“organe d’administration”) issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders’ meeting deliberating on the financial statements for the year ending 31 December 2022. We have performed the statutory audit of the consolidated financial statements of VGP NV for 16 consecutive periods.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 4,846,053 (000) EUR and the consolidated statement of comprehensive income shows a loss for the year then ended of 122,542 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group’s net equity and financial position as of 31 December 2022 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with *International Financial Reporting Standards* (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the “Responsibilities of the statutory auditor for the audit of the consolidated financial statements” section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company’s officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties VGP develops, owns and manages a portfolio of logistic and industrial warehousing properties, located mainly across Europe. The property portfolio is valued at 2,395,702 (000) EUR as at 31 December 2022, 1,916,347 (000) EUR is held by joint ventures at share and 292,541 (000) EUR is presented under "disposal group held for sale". The portfolio includes completed investments and properties under construction ("development properties") and is valued using the income approach in accordance with IAS 40 which is based on expected future cash flows. Development properties are valued using the same methodology with a deduction for all costs necessary to complete the development. Key inputs into the valuation exercise are yields and estimated rental values, which are influenced by prevailing market forces, comparable transactions and the specific characteristics of each property in the portfolio. The Group uses professionally qualified external valuers to fair value the Group's portfolio at six-monthly intervals. The valuation of the portfolio is a significant judgement area, underpinned by a number of assumptions which can involve judgements and the existence of estimation uncertainty. Coupled with the fact that only a small percentage difference in individual property valuations, when aggregated, could result in a material misstatement on the income statement and balance sheet, warrants specific audit focus in this area. **Reference to disclosures** The methodology applied in determining the valuation is set out in note 2.7 of the consolidated financial statements. In addition we refer to note 13 of the consolidated financial statements containing the investment property roll-forward, note 20 in relation to the disposal group held for sale and note 9 in relation to investments in joint ventures and associates.	**Assessing the valuer's expertise and objectivity** — We assessed the competence, independence and integrity of the external valuers. — We assessed management's process for reviewing and challenging the work of the external valuers. **Testing the valuations** — We compared the amounts per the valuation reports to the accounting records and from there we agreed the related balances through to the financial statements. — We involved internal valuation specialists to assist the financial audit team to discuss and challenge the significant assumptions and critical judgement areas for specific properties, including yields and estimated rental values and compared to other data we have knowledge of. — We obtained the external valuation reports and confirmed that the valuation approach is in accordance with RICS in determining the carrying value in the balance sheet. — For development properties we also confirmed that the supporting information for construction contracts and budgets was consistent with the cost to complete deducted from the valuation of development properties. — Capitalized expenditure was tested on a sample basis to invoices, and budgeted costs to complete were compared to supporting evidence (for example by inspecting original construction contracts). **Information and standing data** — We tested the standing data the Group provided to the valuers for use in the performance of the valuation, relating to rental income, key rent contract characteristics and occupancy. — We considered the internal controls implemented by management and we tested the design and implementation of controls over investment properties.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with *International Financial Reporting Standards* (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

— obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;

— conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;

— evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements, i.e.:

— the required components of the VGP annual report in accordance with Articles 3:6 and 3:32 of the Code of companies and associations, which appear in the chapter "Report of the Board of Directors".

are free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement.

Statements regarding independence

— Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.

— The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Single European Electronic Format (ESEF)

In accordance with the draft standard on the audit of the compliance of the financial statements with the Single European Electronic Format ("ESEF"), we have also performed the audit of the compliance of the ESEF format and of the tagging with the technical regulatory standards as defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 ("Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format ("digital consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient and appropriate evidence to conclude that the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements as stipulated by the Delegated Regulation.

Based on our work, in our opinion, the format and the tagging of information in the official version of the digital consolidated financial statements included in the annual financial report of VGP NV as of 31 December 2022 are, in all material respects, prepared in accordance with the ESEF requirements as stipulated by the Delegated Regulation.

Other statements

— This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Signed in Antwerp, 11 April 2023

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL

Represented by Kathleen De Brabander

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 JVs
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 VGP NV in relation to the First Joint Venture; (ii) the joint venture agreement made between Allianz and VGP NV in relation to the Second Joint Venture; (iii) the joint venture agreement made between Allianz and VGP NV in relation to the Third Joint Venture; and (iv) the joint venture agreement made between Allianz and 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
Means 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 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.

Cash available for debt service
Means for the covenant calculation of the Net debt service ratio, the available cash and cash equivalents of the group (i.e. excluding restricted cash) increased by the earnings before interests and depreciations and amortizations of VGP NV.

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 VGP and Allianz.

Fourth Joint Venture Agreement or Fourth JVA
Means the joint venture agreement from December 2021 among VGP, Allianz Finance IX Luxembourg S.A. (for 41.9%) and YAO NEWREP Investments S.A. (for 8.1%) and VGP European Logistics 3 S.à r.l.

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.

Jan-27 Bond
Means the € 500 million fixed rated bond maturing on 17 January 2027 which carries a coupon of 1.625% per annum (listed on the Euro MFT Market in Luxembourg with ISIN Code: BE6332786449 – Common Code: 243311268.

Jan-30 Bond
Means the € 500 million fixed rated bond maturing on 17 January 2030 which carries a coupon of 2.250% per annum (listed on the Euro MFT Market in Luxembourg with ISIN Code: BE6332787454 – Common Code: 243311314.

Joint Ventures
Means either and each of (i) the Allianz Joint Ventures;(ii) the Development Joint Ventures.; and (iii) any other joint venture entered into by VGP for the purpose of recycling (partially or totally) its invested equity.

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.

LTV
Means Loan-to-value and is determined by dividing the net financial debt by Investment property

LPM Joint Venture
Means LPM Holding B.V., the 50:50 joint venture between VGP 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 debt service
Means for the covenant calculation of the Net debt service ratio, the sum of the Net finance charges and capital repayments on financial debt of the year.

Net finance charges
Means for the covenant calculation of the Interest cover ratio, net financial result of the group corrected for the capitalized interests.

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 (m^2) by the total lettable area (m^2) including any vacant area (m^2).

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.

Sep-23 Bond
Means the € 225 million fixed rate bond maturing on 21 September 2023 which carries a coupon of 3.90% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002258276 – Common Code: 148397694).

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 VGP 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 VGP 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.

Statement of responsible persons

The undersigned declare that, to the best of their knowledge:

— The annual accounts, which are in line with the standards applicable for annual accounts, give a true and fair view of the capital, the financial situation and the results of the Company and the consolidated subsidiaries;

— The annual report gives a true and fair view of the development and the results of the Company and of the position of the Company and the consolidated companies, as well as a description of the main risks and uncertainties they are faced with.

Jan Van Geet
as permanent representative of
Jan Van Geet s.r.o.
CEO

Piet Van Geet
as permanent representative of
Urraco BV
CFO

Disclaimer

This report 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 report as of this date and does not undertake any obligation to update any forward-looking statements contained in this report in light of new information, future events or otherwise. The information in this report 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 report or press release issued by VGP.

Notes

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