VGP BUILDING TOMORROW TODAY

Annual report 2023

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Content

VGP Park Nijmegen, The Netherlands

VGP

Company report 2023

VGP Park Laxenbug, Austria

Key figures

Investment properties	2023	2022	2021	2020	2019
Own portfolio					
Total lettable area *(m²)*	1,609,300	1,363,900	765,800	205,100	146,100
Occupancy rate *(%)*	98.8%	98.5%	99.3%	100.0%	100.0%
Fair value of property portfolio	2,000,277	2,514,222	2,200,119	920,151	792,944
Joint Ventures' portfolio (100%)					
Total lettable area *(m²)*	3,756,200	2,937,100	2,326,100	2,236,300	1,764,600
Occupancy rate *(%)*	99.0%	99.1%	99.4%	98.4%	99.8%
Fair value of property portfolio[1]	5,193,215	3,928,725	3,545,582	2,922,563	1,978,266

Balance sheet	2023	2022	2021	2020	2019
Shareholders' equity	2,214,417	2,202,175	2,175,565	1,305,736	699,781
Gearing					
Net debt/total assets	40.3%	34.4%	29.8%	25.2%	37.2%

Income statement	2023	2022	2021	2020	2019
Gross rental and renewable energy income	69,003	51,230	17,618	12,078	11,653
Property operating expenses	(5,534)	(8,223)	(2,219)	(3,784)	(2,556)
Net rental and renewable energy property income	**63,469**	**43,007**	**15,399**	**8,294**	**9,097**
Property and facility management/development income	26,925	21,537	21,303	14,699	10,492
Net valuation gains/(losses) on investment property	87,958	(97,230)	610,261	366,361	188,165
Administrative costs	(48,863)	(33,956)	(52,112)	(29,296)	(18,100)
Share in the results of joint ventures and associates	(10,715)	(45,927)	186,703	63,338	65,703
Other expenses	—	(3,000)	(5,000)	(4,000)	(3,000)
Operating result	**118,774**	**(115,569)**	**776,554**	**419,396**	**252,357**
Net financial result	(6,031)	(27,008)	(12,654)	(8,592)	(14,238)
Taxes	(25,451)	20,035	(113,845)	(39,865)	(32,506)
Result for the year	**87,292**	**(122,542)**	**650,055**	**370,939**	**205,613**

Result per share	2023	2022	2021	2020	2019
Net result per share *(in €)* – Basic[2]	3.20	(5.49)	31.41	18.58	6.52
Net result per share *(in €)* – Diluted[2]	3.20	(5.49)	31.41	18.58	6.52

1 Includes buildings under construction and development land which are/will be developed by VGP on behalf of the First, Second and Fifth Joint Venture.
2 Calculated based on the weighted average number of shares amounting to 22,311,583 shares as at 31 December 2022. The total issued shares at year-end 2022 and for the full year 2023 were 27,291,312 shares

VGP Park Nijmegen, The Netherlands

Letter to the share and bondholders

Dear fellow share and bondholders of VGP,

2023 has been in many ways a remarkable year and before I summarize some of our achievements, I would like to take you back to the first half of 2022. During that time, it became evident that the construction inflation, which had begun already in 2021, would significantly impact the real estate sector. It then culminated further by the measures of the central banks to counter inflation. Real estate, being sensitive to the interest rate environment, did not escape from a strong correction following a period of high liquidity at low cost. It was clear that the sector was up for a significant shake-up, as it turned out to be.

Considering all these factors back then – the prospects of a declining economy, ECB's rate policy, rising input costs, and substantial corrections in the financial markets, including a notable correction in the bond markets – we opted to reduce our speculative developments to nearly zero. Our focus shifted to delivering on excellent asset management performance, safeguarding liquidity and focussing exclusively on land plots and (pre-let) developments with established business cases, aligning with our profit assumptions and disregarding optimistic rental growth scenarios.

Institutional investors in the meantime shifted rather towards debt financing and we observed a similar stance from our JV partner Allianz, choosing not to extend beyond the commitments already made before, albeit that nevertheless it turned out to be a record year in transactions with them anyhow. Simultaneously, we anticipated and still anticipate a restructuring of the European industry which brought and potentially will bring many attractive brown field opportunities to the market. This led us to believe that those with a strong balance sheet and adamant liquidity would be able to execute on interesting opportunities.

In anticipation, we executed a rights issue of € 300 million to position ourselves for 2023 and the opportunities that we saw ahead. Twelve months later, I am pleased to say that this strategy has paid off.

We have been able to secure the strategic Stellantis land plots in Vélizy, Rüsselsheim, and now recently also Mulhouse. These projects mark a crucial milestone in VGP's portfolio and long-term growth strategy. Besides these, we also made first steps in securing a land plot in Vejle, Denmark, our inaugural land plot with plans for further expansion, and the swift commencement of our first, pre-let, construction in France. Additionally, the strong demand in Eastern Europe fuelled by the shift to electric cars and some iconic developments in Western Europe have contributed to the growth of our contracted annual rental income (cara) by 16% to well over € 350 million.


VGP Park Nijmegen, The Netherlands

Over the past year a steep decline in construction prices in almost all of the markets we are active in, combined with a healthy demand, has given us the confidence to increase new start-ups of buildings in our development pipeline. Though we remain prudent on our pre-let levels, but if necessary we can be very aggressive as we are competing mostly with buildings which have been developed at a far higher construction cost. Thanks to all this, we foresee a considerable increase in the yield on cost for our newly started projects.

Our portfolio of standing assets is currently 99% let and has only an average age of 3.7 years. Vacancy remains low in Europe and new supply has reduced now significantly, which favours at least a stable outlook on rental price evolution and occupation for our assets. Our standing assets have a healthy wault of 7.8 years and are inflation protected.

Our ESG targets and ambitions are moving all the time upwards as we are dedicated to contribute to our European Green Deal, understanding that we need to think about future generations and our heritage for them and we want to do our part of the effort to decrease our dependency on energy supply from other regions of this world. Hence we have significantly grown our renewable energy business unit and delivered many Breeam excellent, even one platinum building over the year, our total portfolio is now already for 75.9% certified.

Our JV model has always been tailored around being less dependent on the capital markets, allowing us to recycle our working capital by partly divesting our development projects, once completed, into a long-term Joint Venture with a strong institutional partner. Despite a sluggish investment climate in the sector in ‘23, we have set the pace in the market by executing new Joint venture transactions totalling over € 3 billion.

Our Rheingold X transaction in January '23 and Aurora IV in June '23, both with Allianz, along with two new joint ventures – one with Deka (RED) and another with Areim (SAGA) show that there is demand for our product, high end industrial and logistic assets on top locations.

The SAGA joint venture, similar to the Allianz setup, earmarked a portfolio of assets across five countries for future transaction into the joint venture once completed. The goal is to grow that vehicle to € 1.5 billion gross asset value in the next few years, with an already defined pipeline.

All of these transactions have been executed at an agreed pricing which was above the fair value at year end ’22. This gives me some comfort that the valuations should stabilize.

With robust joint venture partnerships, my optimism for a soft landing in our economy (though there is still some work to do on the inflation), and expectations of a gradual easing in the ECB's interest regime, we look forward to a bright mid to long term future. Even if economic challenges persist, we are confident that VGP is well-positioned to weather any storms that may lure ahead.

I extend my gratitude to all of you for your confidence in VGP. Rest assured, myself, my family and all of our VGP employees are dedicated each day to making a difference by trying to build a better future today.

Jan Van Geet

VGP Park Belgrade, Serbia

Profile

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, Denmark, 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 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 367.5 people[1] as at 31 December 2023 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 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 VGP renewable energy business line to provide renewable energy solutions to its tenants or other stakeholders. For more information, please refer to section *Strategy – Renewable Energy.*

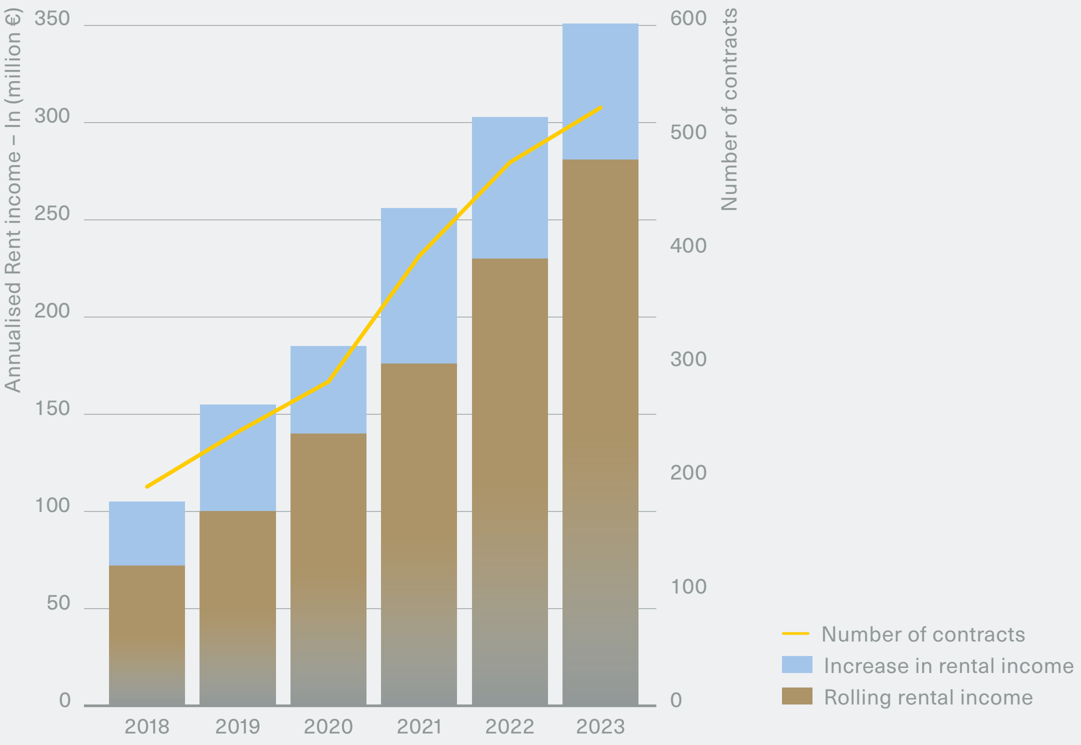
VGP owns a property portfolio of € 2,384.8 million (in full ownership including assets developed on behalf of the Joint Ventures) as at 31 December 2023 which consists of 52 completed buildings with a total lettable area of over 1,609,000 m^2 (€ 1,153.9 million), 26 buildings under construction representing 774,000 m^2 of lettable area (€ 544.2 million) and remaining development land in the amount of € 686.7 million. The Joint Ventures own a property portfolio of € 4,808.7 million as at 31 December 2023 which consists mainly of 170 completed buildings with a total lettable area of over 3,756,000 m^2.

As at 31 December 2023, VGP (own and Joint Ventures' portfolio) has a remaining secured i.e. owned and committed development land bank of 9.4 million m^2, having a development potential of circa 4.3 million m^2 of future lettable area, and which is 90% 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 years



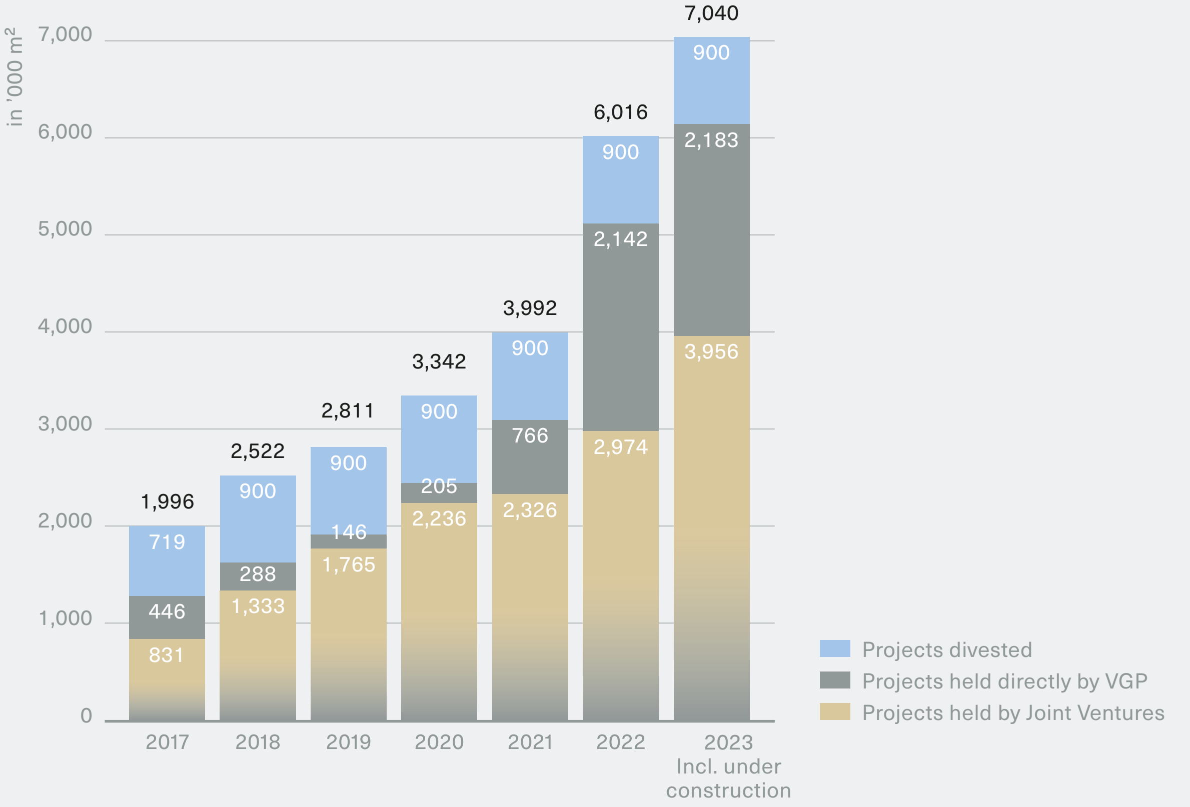
As at 31 December 2023

€ 350.8 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 years has been as follows:



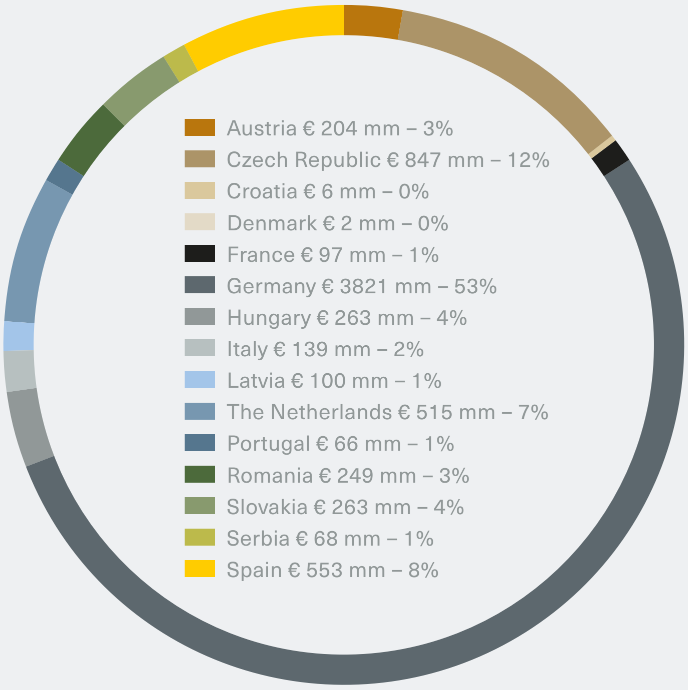
Since 2017

5.0 million m²

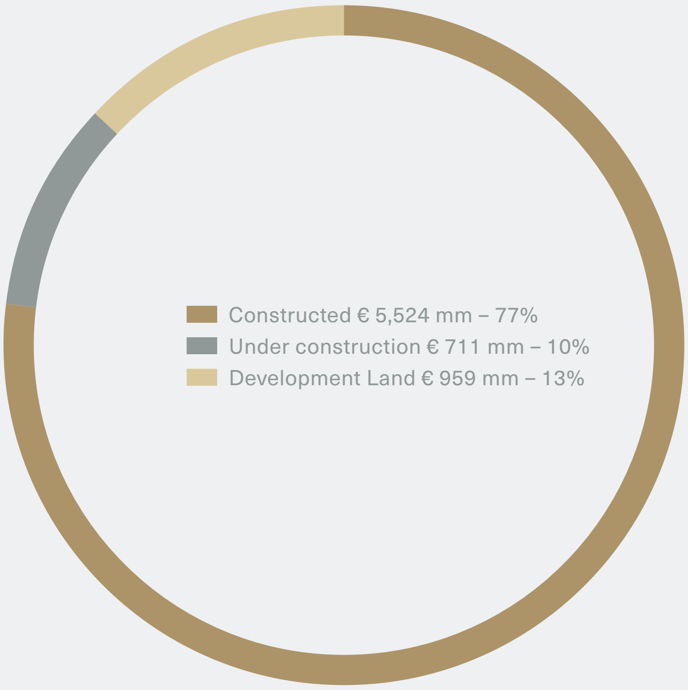
of new lettable area developed

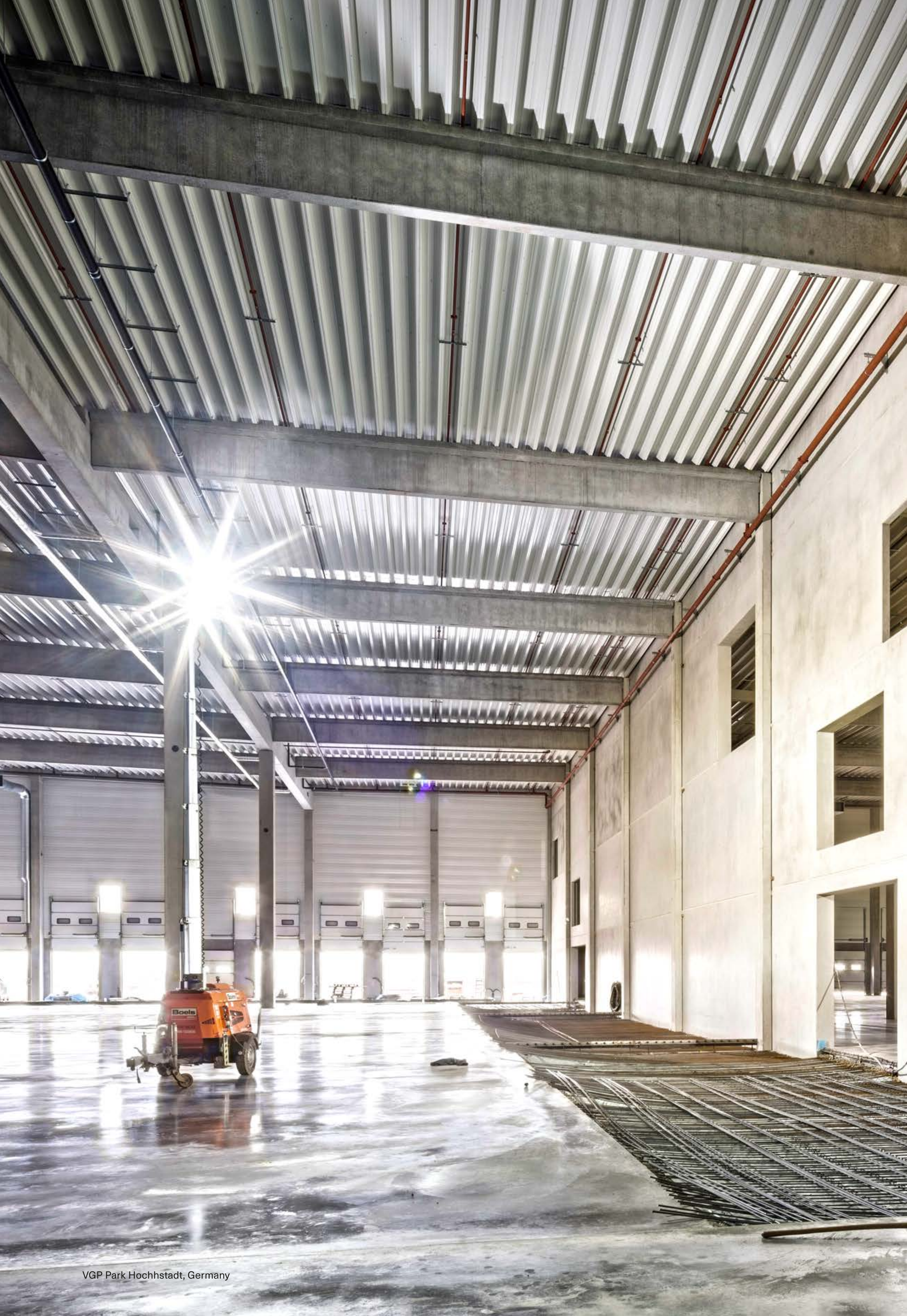
Resulting in diversified investment portfolio …

Investment Portfolio breakdown by Country (incl JV at 100%)
31 December 2023 *(in € mm)*



Investment Portfolio breakdown by status (incl JV at 100%)
31 December 2023 *(in € mm)*





VGP Park Hochhstadt, Germany

VGP Park Magdeburg, Germany

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, Deka, Areim 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.

Development activities and portfolio ancillary services

Development activities

Greenfield and brownfield developments are the core activity of the VGP Group. Brownfield developments are 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 mainly for logistic or semi-industrial 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, semi-industrial or e-commerce 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 (see below).

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 local countries by specific dedicated teams which are focused on managing the proper and undisturbed operation of the buildings and performing or manage 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 charging facilities and infrastructure. (see below)

Renewable Energy

VGP Renewable Energy offers a broad array of renewable energy solutions for warehouses, including solar, wind and thermal, as well as integrators for storage and distribution. We offer green energy to our tenants, produced on site or off site, with our own photovoltaic systems. This is provided via lease or Power Purchase Agreements. We aim to offer our clients a tailormade green energy solution, which is typically offered with photovoltaic systems at our VGP Parks, yet also with the ability to offer green energy which is sourced elsewhere, with green power generation assets near our parks. We are actively exploring these ways of sourcing local tailored opportunities, adapted to local tenant energy needs.

Since January 2024 our energy business in Germany is a registered utility and we will imminently expand this activity into Romania. These endeavors allow us to harness the full potential of our existing photovoltaic projects to distribute clean energy more efficiently to our tenants and beyond. Our commitment to renewable energy has propelled us to surpass a significant milestone – 100MWp in operational solar capacity. With an ambitious pipeline of projects, we will be able to exceed the energy needs of our tenants. Next to photovoltaic systems, we also aim to offer other current technologies of renewable energy production and storage relevant to the clients of VGP, such as wind turbines or geothermal heating.

Next to this, we provide green e-mobility charge facilities for electric trucks and cars, and we are currently exploring qualitative methods for energy storage with battery installation and load management. Furthermore, we support our tenants to identify green energy usage optimization and flexible energy consumption with energy control methods for divers processes to optimize the photovoltaic consumption potential, amongst others.

Key principles of VGP's investment strategy

1 Strategically located plots of land

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

3 High quality standardised and sustainable logistic real estate

4 In-house competences enabling a fully integrated business model

5 Primary focus on long term fundamentals

Fully integrated model with in-house capabilities and competences

Land

Identification of top locations directly connectable to existing infrastructure

Evaluate potential projects, technical due diligence

Obtain the zoning and building permit

Concept and design

In-house design of buildings based on strict guidelines for multi-purpose utilisation

Strategic alliance with architecture firms, in close cooperation with local authorities

Some adaptation according to tenants‘ requirements but within VGPs own standard building parameters

Construction

High quality logistics projects constructed by external contractors in close cooperation with future tenants

Acting as a general contractor on a significant part of the construction pipeline

High technical and quality standards

DEVELOPMENT

Rent

Mainly long term lease agreements

Officers responsible for monitoring of the tenants' requirements until the handover of the premises

Working together with local real estate brokers

Portfolio

Long term developer/ investor (own portfolio or sale to one of the JVs)

Portfolio management

Asset management

Property management

Centralised maintenance of properties

Ancillary services

Assisting clients with transitioning towards sustainable energy usage in a cost-effective way

Offering includes: green energy (produced on or off-site), smart energy management, green electric and hydrogen charging facilities and infrastructure

ASSET MANAGEMENT

RENEWABLE

Strategic partnerships

In order to sustain its growth over the medium term, VGP entered into several 50:50 joint ventures with well-known institutional investors. 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.

Partnership with Allianz

First Joint Venture — Rheingold

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 now primarily a hold strategy.

Following the reaching of the expanded investment target in 2021, both VGP and Allianz agreed during the month of December 2022 to amend the 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.

On 17th of January 2023, VGP concluded a tenth transaction with the First Joint Venture. The transaction comprised 3 logistic buildings, which are located in Germany (one) and in the Czech Republic (two). The gross asset value of the completed assets amounted to € 114.6 million and the net proceeds from this transaction amounted to € 73.5 million.

As at 31 December 2023, the First Joint Venture's property portfolio consists of 104 completed buildings representing a total lettable area of over 1,971,000 m². 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.

Second Joint Venture — Aurora

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 2023, VGP completed a fourth and currently last closing whereby, the Second Joint Venture ("VGP European Logistics 2 S.à r.l.") acquired, on 1 June 2023, 11 logistic buildings, including 5 buildings in 4 new VGP parks and another 6 newly completed buildings (in parks which were previously transferred to the Second Joint Venture), for an aggregate transaction value[1] in excess of € 253 million and resulting into net aggregate cash proceeds of € 194.4 million. As at 31 December 2023, the Second Joint Venture's property portfolio consists of 43 completed buildings representing a total lettable area of over 927,000 m².

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 — Ymir

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, three 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 occurred which allowed the Group to receive the proportional share price allocated to

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 Munich, Germany

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.

The tenant KraussMaffei has been 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 in May 2022. Together, KraussMaffei – with 212,000 m² gross lettable area – and BMW – with 64,000 m² gross lettable area – occupy the existing park. The last remaining building, which is to be completed by 2026 will provide 38,000 m² 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 m². VGP received an outstanding cash consideration in an amount of € 69.1 million from Allianz in Q4 '22, 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. These have been fulfilled and the remaining amount of € 7.0 million has been received in July '23.

Finally, VGP Park Munich drew its available credit facility of € 65.5 million. Following the refinancing, the entity initiated a distribution of excess cash available to their shareholders, amounting to € 86 million. Out of this amount, € 43 million was allocated to VGP in July '23. The entity expects to draw another € 84.5 million on an available credit facility within the first half of 2024.

Fourth Joint Venture — Europa

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. This Joint Venture's objective was 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 targeted 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 aimed 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 and it had 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 was 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). As no further transactions were envisaged on the short to midterm with the Fourth Joint Venture, the Joint Venture has been terminated and replaced by two new joint ventures (see sections "Partnership with Deka" and "Partnership with Areim").

Partnership with Deka

Fifth Joint Venture — RED

VGP has signed 21 July 2023 a new joint venture agreement with Deka Immobilien, a prominent real estate investment company. The joint venture endeavoured that two of Deka Immobilien's public funds, Deka Westinvest InterSelect and Deka Immobilien Europa, acquire a 50% stake in five project companies owned by VGP. The project companies own and operate five strategically located parks in Germany, namely Gießen – Am alten Flughafen, Laatzen, Göttingen 2, Magdeburg and Berlin Oberkrämer. These parks boast a portfolio of 20 buildings, generating a total annualized rental income of € 52.9 million at the time of the transaction.

The agreed gross asset value of all assets stands at over € 1.1 billion. The transaction was foreseen to be executed in three closings, with the first closing effectuated in Q3 2023. Pricing has been agreed for the full portfolio, thus including the remaining two closings which are set to materialize in H1 and H2 of '24.

To facilitate the joint venture, parties have agreed to refinance the joint venture with an approximative LTV of 30%. Consequently, VGP is set to recycle over € 700 million of cash from all closings. The first closing, encompassing 17 of the 20 buildings, generated € 393 million in net proceeds (€ 455 million gross). The remaining closings are set for H1 (two buildings) and Q3 2024 (one building), once the construction of the respective assets are completed. These closings expect to generate minimum € 250 million of gross cash proceeds. This joint venture has been established with a long-term horizon. VGP retains asset management services in a similar scope to its existing partnerships with Allianz Real Estate.

In conclusion, the partnership between VGP and Deka Immobilien marks a significant milestone in the European real estate market. Through this joint venture, both companies are well-positioned to capitalize on the strong performance of the German property sector, fostering growth and maximizing returns for their stakeholders over the long term and recycling cash for VGP in the short term.

Partnership with Areim

Sixth Joint Venture — SAGA

As per 15 December 2023 VGP entered into a new Joint Venture agreement with AREIM Pan-European Logistics Fund (D) AB, or Areim, on a 50:50 basis, with the purpose of investing into VGP developed assets in Germany, Czech Republic, France, Slovakia and Hungary. The venture will utilize debt up to a loan-to-value of 35%. The investor, Areim, has committed a € 500 million equity investment. The investment period lasts until 15 December 2028, with possibilities to extend the Joint Venture by mutual agreement.

A seed portfolio has been defined and is set to transition in H1 2024, comprising of developed properties in Germany, Czech Republic and Slovakia for a total gross asset value of more than € 400 million, resulting in expected gross cash proceeds of more than € 275 million. In many ways the Joint Venture is similar to the Allianz Joint Ventures, being that the Sixth Joint Venture has a right of first refusal, but limited to all buildings of a specific development pipeline within the target countries over the investment period.

The joint venture targets a comprehensive ESG strategy, with criteria defined around EU taxonomy compliance, EPC, BREEAM standards, and more. As is the case with similar Joint Ventures, VGP will act as the asset, property and development manager of the Joint Venture. Along with the Fifth Joint Venture, VGP has as such replaced the investment commitment of the terminated Fourth Joint Venture with Allianz.

VGP Park Bratislava, Slovakia

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 was established in November 2020 with an objective to develop Logistics Park Moerdijk (Netherlands) 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.

During 2023, the preparatory works, pre-loading of the land and necessary legal steps in ownership to initiate the first developments have been on-going. In February 2024, VGP agreed on selling the project in its current status and recycled gross proceeds of ca € 170 million.

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 m^2 of logistics lettable area.

The project is currently proceeding well with obtaining the necessary zoning permits. 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 m^2 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.

During 2023, following the successful partial sale of its project last year, an equity distribution of € 3.4 million has been paid to VGP NV. The brownfield has been undergoing further demolishment works in 2023, which will continue in 2024.

Sustainability

Faced with the urgency of climate change, VGP is a committed partner to both the transformation of business to the efficiency of Industry 4.0, as well as the regeneration of brownfield industrial estates by accelerating their urban environmental transformation. Sustainability is at the very heart of VGP's business strategy. In 2021, the Group launched its updated ESG Strategy which combines both an ambitious objective to reduce VGP's environmental footprint, increase community engagement, and integrating sustainability into the Group's entire value chain. The Group's ambitions are aligned with the objectives of the 2015 Paris Agreement and adapted to the challenges and opportunities of the industry and specific nature of its operations. The Group relies on both the quality of its assets and collective power of its employees and stakeholders to raise awareness, mobilise and provide practical solutions that will facilitate the transition towards a low-carbon economy. The Group is actively involved in the communities in which it operates. The Group's commitment to address climate change across its value chain goes beyond its own direct operations (Scope 1 & 2) and tenant operations (Scope 3) to be reduced in half but also includes a commitment to address the carbon footprint in the entire supply chain through effective ESG management and transparency in carbon pricing. The Group ESG Strategy also tackles challenges like biodiversity, environmentally friendly transport and the circular economy. The ESG Strategy is based on 5 pillars:

— **Sustainable Properties.** Through the Group's Environmental Management System we aim to reduce the environmental impact of our assets at every stage of their life cycle, from their initial design to daily operation as well as future fungibility. *Reference is made to Corporate Responsibility Report – paragraph 3.2 Sustainable properties*
— **Strengthen communities.** Input from and consultation with local stakeholders shapes the design, purpose and tenant occupational mix of VGP Parks. The Group is committed to meeting the distinct interests of each municipality and creating mutually beneficial outcomes including local connectivity, a compelling business mix and direct employment for local residents, and long-term project success. *Reference is made to Corporate Responsibility Report – paragraph 3.7 VGP in the community*
— **Empowering our workforce.** 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 Group. *Reference is made to Corporate Responsibility Report – paragraph 3.5 Empowering our workforce*
— **Protect and improve biodiversity.** VGP actively protects and improves the biodiversity value of its assets by assessing biodiversity impacts and mitigation measures in accordance with BREEAM Excellent/DGNB Gold level standards, and, in addition, by implementing biodiversity action plans based on the Group's own Biodiversity Strategy that accounts for unique local conditions. *Reference is made to Corporate Responsibility Report – paragraph 3.4 Protect and improve biodiversity*
— **Improve eco-efficiency.** The eco-efficiency of our portfolio is improved through daily optimization of operations, by making use of 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 and off-site green energy contracts offered through our own energy trading activities leveraging photovoltaic installations elsewhere in the group and improving the intrinsic quality of our new developments, including the installation of heat pumps instead of gas-powered heating where feasible. *Reference is made to Corporate Responsibility Report – paragraph 3.3 Improve eco-efficiency*

VGP Park Hrádek na Nisou, Czech Republic

Since January 2024 our energy business in Germany is a registered utility and we will imminently expand this activity into Romania. These endeavors allow us to harness the full potential of our existing photovoltaic projects to distribute clean energy more efficiently to our tenants and beyond. Our commitment to renewable energy has propelled us to surpass a significant milestone – 100MWp in operational solar capacity. With an ambitious pipeline of projects, we will be able to exceed the energy needs of our tenants. In September 2023 we have established the VGP Academy – a platform designed to empower our employees with the knowledge and skills needed to drive innovation and sustainability within our organization.

VGP's strategy has been recognized and rewarded: The DGNB Platinum certification for our project in VGP Park Laatzen underscores our dedication to constructing environmentally friendly and resilient structure as the first as such warranted to a developer owned semi-industrial facility. As a Group, we are garnering the second-highest score for European developer ranking according to GRESB. In addition, the Group's climate targets have been recognised by the Science Based Targets initiative, as they are aligned with the 1.5 °C trajectory.

VGP in 2023

VGP Park Prostějov, Czech Republic

Summary

A net profit of € 87.3 million,

an increase of € 209.8 million versus FY '22.

Executed three joint venture closings resulting in a strong

net cash recycling of € 676.2 million.

All transactions, including those that are committed to close in '24 have been realized or agreed at a premium versus the recognized fair value at year-end '22, resulting in a realized gain of € 59 million in '23 on the effectuated transactions.

Established two new joint ventures with Deka and Areim for a total gross asset value of over € 2.6 billion. Together with two closings with Allianz in H1 '23, VGP has transacted and/or secured a future

pipeline of transactions of € 3 billion gross asset value.

Upcoming closings in '24 expect to recycle minimum € 525 million of gross proceeds at pre-agreed pricing.

€ 69.5 million of new and renewed leases signed year-to-date bringing the annualized committed leases at year-end to

€ 350.8 million

(+€ 47.6 million compared to 31 December 2022, which is +16% y-o-y).

1,933,000 m² of new development land acquired

and 1,324,000 m² of development land deployed to support the developments started up during the year. Total secured land bank stands at 9.4 million m² at the end of 2023 representing a development potential of over 4.3 million m². Pro forma announced sale of LPM in '24, the total secured land bank lowers to 8.6 million m². Total acquisitions represent a capex of € 212.4 million and include the purchase of some iconic land plots in the vicinity of Paris and Frankfurt.

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24 projects delivered during the year representing 641,000 m², or € 42.3 million in additional annual rent (of which 12 projects totalling 330,000 m² delivered during the 2H 2023), currently 100% let. As a result,

net rental income, on a look through basis, grew 48%, from € 107.4 million to € 159.1 million,

knowing that at year-end € 304 million (€ +66 million y.o.y), or € 194.3 million on a proportional look through basis, has become cash generative.

26 projects under construction representing 774,000 m²

(of which 23 projects totalling 600,000 m² started up during the year) and € 51.9 million in additional annual rent once fully built and let. The pipeline under construction is 77.3% pre-let. Pre-let ratio lowered as a result of certain speculative assets that initiated construction in Q4 '23 following amongst others a decline in construction costs.

Property portfolio virtually fully let with occupancy at 99%

(compared to 99 % as at 31 December 2022). 75.9 % of the portfolio is certified, amongst other a DGNB Platinum has been awarded for VGP Park Laatzen, the first German property developed and owned by a developer.

Photovoltaic (PV) capacity grew 79.9% YoY

with operational capacity passing the 100 MWp-mark at 101.8 MWp (vs. 56.6 MWp in Dec-22). 69.0 MWp PV projects under development and a further 99.7 MWp being planned. The ongoing transition to green energy consumption in our buildings, as well as other eco-efficiency measures contributed to the four-star GRESB developer rating, the second highest among peers in the European logistics segment.

Solid balance sheet with € 400 million undrawn credit facility availability and lower debts of € 375 million following repayment of two bonds in April and September. Finally, VGP was able to obtain a credit facility of the European Investment Bank of € 150 million to support its renewable energy business unit. As per 5 February 2024,

VGP has drawn € 135 million of the facility at an interest rate of 4.15% on a ten-year period.

Certain important events occurred after the balance sheet date. It concerns the sale of VGP's stake in the LPM Joint Venture in Q1 '24, whereby VGP recycled approximately € 170 million of gross proceeds. VGP also

acquired its First Danish land plot located in Vejle.

The board of directors proposes an ordinary dividend of € 80.5 million (+7.3% versus last year), as well as an extraordinary € 20.5 million top-up following the record net cash recycling with the existing and new Joint Ventures in '23. This brings

the total annual gross dividend to € 101 million, or € 3.70 per share.

VGP Park Arad, Romania

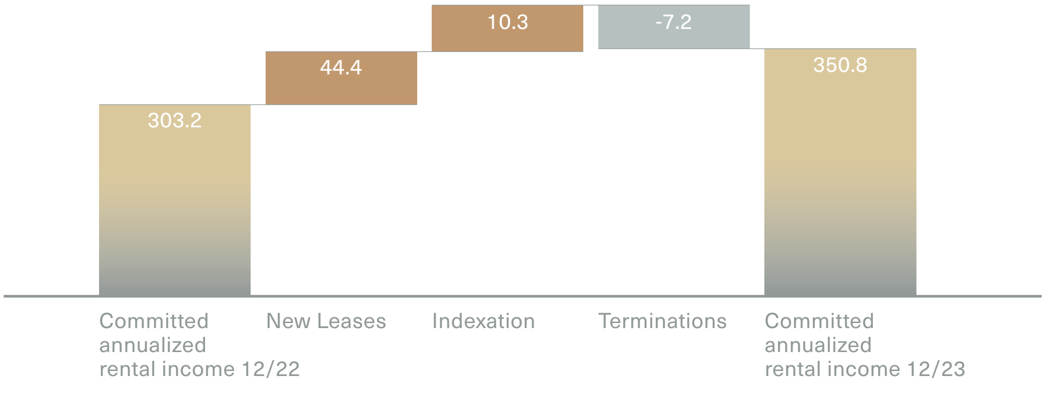
Business review

Rental activity

As at 31 December 2023, the signed and renewed rental income amounted to € 69.5 million[1], bringing the total committed annualized rental income to € 350.8 million[2] (equivalent to 6.0 million m² of lettable area), a 16% increase since December 2022. On a proportional look through basis, the total committed annualized rental income amounts to € 240 million, an increase of € 21.8 million, or 10% since 31 December 2022.

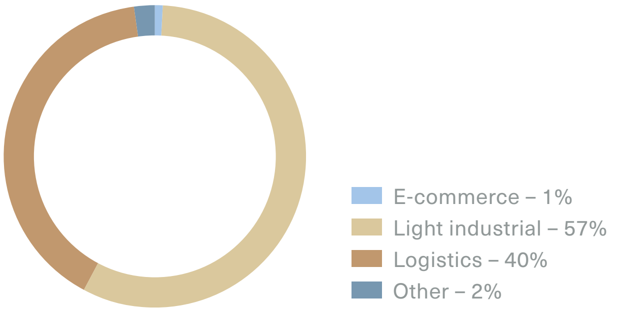
The increase was driven by 962,000 m² of new lease agreements signed, corresponding to € 44.4 million of new annualized rental income[3], whilst during the same period for a total of 257,000 m² of lease agreements were renewed and extended, corresponding to € 14.8 million of annualized rental income (of which € 13.4 million related to the joint ventures[4]). Indexation accounted for € 10.3 million in 2023 (of which € 6.3 million related to the joint ventures[4]). Terminations represented a total of € 7.2 million or 122,000 m², of which € 4.7 million within the joint ventures' portfolio.

Committed annualized rental income *in €-million*
bridge Dec-22 to Dec-23

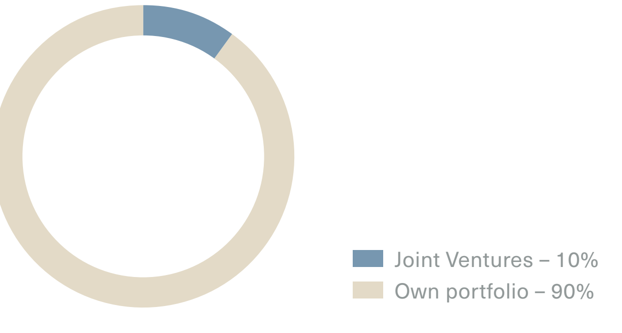


From a geographic perspective, Eastern Europe, mainly driven by Romania, Slovakia, the Czech Republic and Hungary, accounted for 54% of the incremental new lease agreements. Within segments, light industrial remained the biggest driver and accounted for 57%[5] (€ 25.3 million, of which € 24.4 million in the own portfolio) of all new lease agreements.

Segmentation of new lease agreements FY23
(based on annualized rent)



Ownership of new lease agreements FY23
(based on annualized rent)



1 Of which € 24.1 million in JV's and € 45.5 million in the own portfolio
2 Including Joint Ventures at 100%
3 Of which 895,000 m² (€ 40.1 million) related to the own portfolio
4 "Joint ventures" refers to VGP European Logistics, VGP European Logistics 2 and VGP Park München, all three 50:50 joint ventures with Allianz Real Estate and the Fifth Joint Venture with Deka
5 Based on square meters

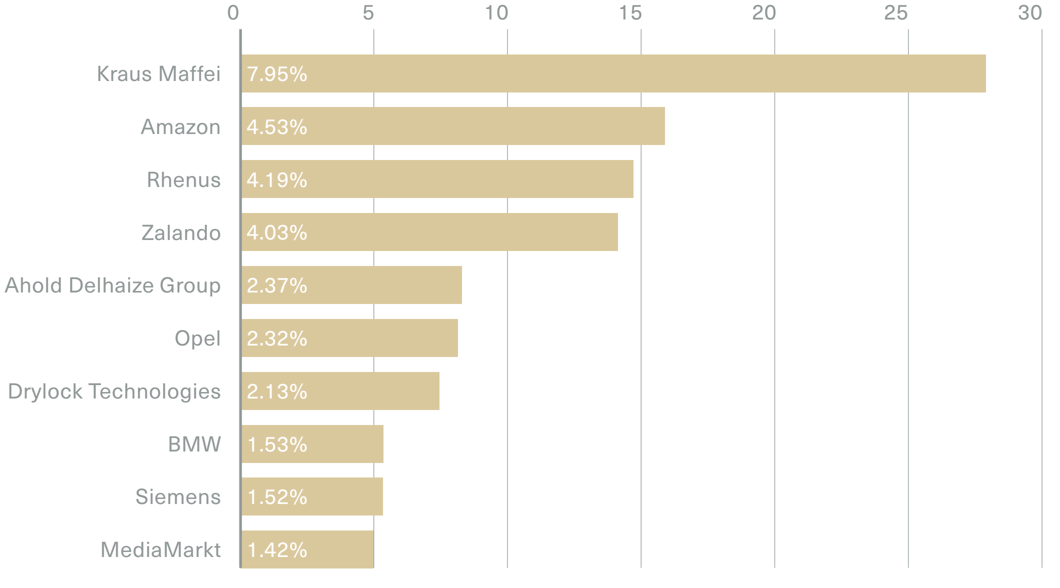
The weighted average term[1] of the leases stands at 7.9 years for the full portfolio, 8.9 years in the own portfolio and 7.3 years in the Joint Venture portfolio. Over 2023, VGP has successfully renewed € 14.8 million[2] of annualized rental income.

At year-end 2023, € 304.3 million, or 87% of the annualized rental income has become cash generative as the leased space has been handed over to the respective tenants. Over the next twelve months another € 41.3 million will become effective as summarized in the table below.

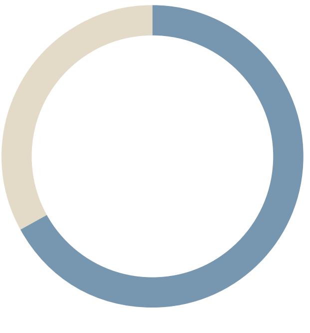
in € mln	**Annualized rental income effective before 31. 12. 2023**	**Annualized rental income to start within 1 year**	**Annualized rental income to start between 1–5 years**	**Annualized rental income to start between 5–10 years**
Joint Ventures	223.4	1.7	—	—
Own	80.8	39.6	4.1	1
Total	**304.3**	**41.3**	**4.1**	**1**

The top ten customers of VGP, including those of the Joint Ventures, represent € 112.2 million of annualized rental income, or 32% of the total annualized rental income. They consist of a mix of our three segments, but the largest are represented by the light industrial and e-commerce category. The weighted average lease term of the top ten customers stands at 10.27 years. Opel and Siemens are tenants currently occupying a brownfield site, which will, in time, be reconverted into a newly state of the art industrial park.

Top ten customers represent 32% of total portfolio and have a combined WAULT of 10.27 years

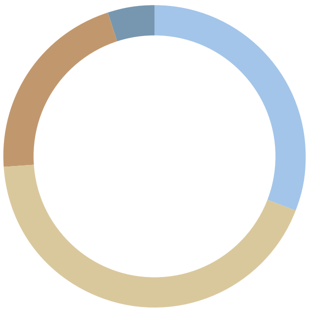


Top 10 Ownership



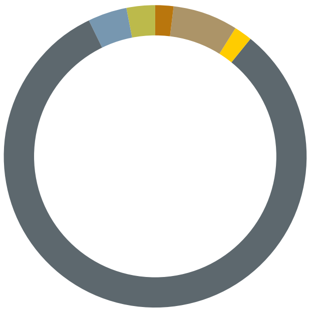
Joint Ventures – 67%
Own portfolio – 33%

Top 10 Segmentation



E-commerce – 31%
Light industrial – 43%
Logistics – 21%
Other – 5%

Top 10 Geography



Austria – 2%
Czech Republic – 7%
Spain – 2%
Germany – 82%
The Netherlands – 4%
Serbia – 3%

1 Until final maturity. The weighted average term of the leases until first break stands at 7.5 years for the full portfolio, 8.5 years for own and 7.0 years for Joint Ventures portfolio
2 € 13.4 million on behalf of Joint Ventures

Construction activity

A total of 26 projects, located in 21 different VGP parks, are under construction which will create 774,000 m² of future lettable area, representing € 51.9 million of annualized leases once built and fully let – the portfolio under construction is 77.3% pre-let as of the 31st of December 2023. This is lower than previous reporting periods but is affected by a number of developments initiated in the second half of 2023 whom are at year-end 69% pre-let, the assets that have been under construction longer than 6 months (for a total of 410,000 m²) have a pre-let ratio of 84.3%. The group, after a period of low speculative development, felt comfortable to increase such developments on the back of decreasing construction costs allowing for attractive yield on cost returns. All projects are earmarked for at least "BREEAM Very Good" or "DGNB Gold".

Projects under construction

Own portfolio	**VGP Park**	*m²*
Austria	VGP Park Ehrenfeld	33,000
Austria	VGP Park Laxenburg	49,500
France	VGP Park Rouen 1	39,000
Germany	VGP Park Koblenz	32,000
Germany	VGP Park Wiesloch-Walldorf	55,000
Hungary	VGP Park Budapest Aerozone	30,000
Hungary	VGP Park Gyor Beta	38,000
Hungary	VGP Park Kecskemét	38,000
Italy	VGP Park Valsamoggia 2 (Lunga)	19,000
Portugal	VGP Park Montijo	32,000
Romania	VGP Park Brașov	53,000
Romania	VGP Park Timisoara 3	33,000
Serbia	VGP Park Belgrade – Dobanovci	77,000
Slovakia	VGP Park Bratislava*	40,000
Slovakia	VGP Park Zvolen	8,000
Spain	VGP Park Córdoba	7,000
Czech Republic	VGP Park Prostějov*	10,000
Czech Republic	VGP Park Ústí nad Labem City	29,500
Total own portfolio		**623,000**

*Destined for the Sixth Joint Venture (Saga) and reported as held for sale as per 31 December '23

On behalf of JV	**VGP Park**	*m²*
Czech Republic	VGP Park Olomouc 3	9,000
Germany	VGP Park Gießen Am alten Flughafen	68,000
Germany	VGP Park Magdeburg	74,000
Total JV		**151,000**
Total under construction		**774,000**

During 2023 a total of 24 projects, in 19 different VGP Parks, were completed delivering 641,000 m² of lettable area, representing € 42.3 million of annualized committed leases, 100% let. Within the own portfolio it concerns 18 buildings for a total surface of 364,000 m², fully let (of which 4 buildings or 105,000 m² are destined for the Saga Joint Venture and reported as held for sale) and 6 buildings on behalf of the Joint Ventures totalling 277,000 m² and which are also fully let.

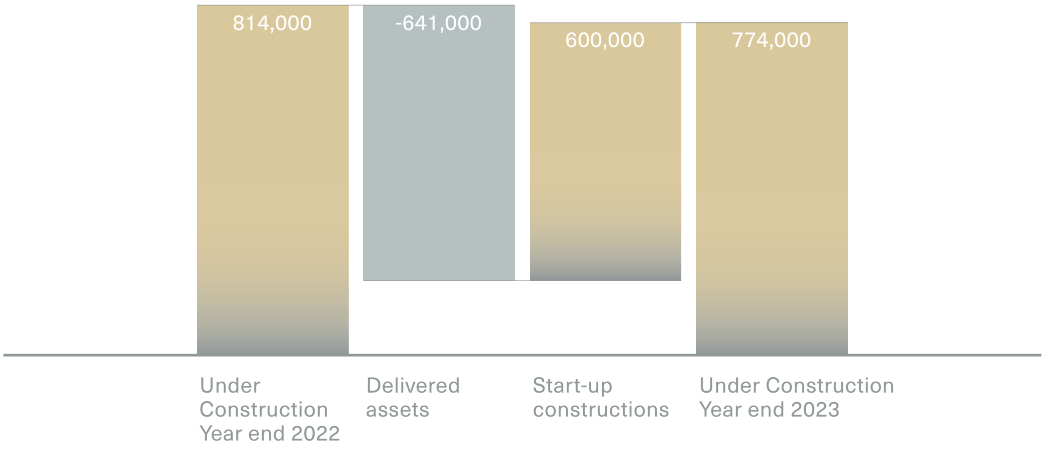
Projects delivered during FY2023		
Own portfolio	**VGP Park**	*m^2*
Austria	VGP Park Graz 2	14,000
Czech Republic	VGP Park České Budějovice	14,000
Czech Republic	VGP Park Ústí nad Labem City	23,000
Germany	VGP Park Hochheim	12,000
Hungary	VGP Park Budapest Aerozone	14,000
Hungary	VGP Park Kecskemét	20,000
Latvia	VGP Park Tiraines	29,000
Portugal	VGP Park Loures	20,000
Romania	VGP Park Brașov	67,000
Romania	VGP Park Bucharest	46,000
Germany	VGP Park Erfurt 2*	42,000
Germany	VGP Park Erfurt 3*	29,000
Germany	VGP Park Halle 2*	15,000
Slovakia	VGP Park Bratislava*	19,000
Total own portfolio		**364,000**

* assets destined for Saga Joint Venture, reported as held for sale

Projects delivered during FY2023		
On behalf of JV	**VGP Park**	*m^2*
Netherlands	VGP Park Roosendaal	9,000
Spain	VGP Park San Fernando de Henares	28,000
Germany	VGP Park Gießen Am alten Flughafen	184,000
Germany	VGP Park Magdeburg	45,000
Germany	VGP Park Berlin Oberkrämer	11,000
Total on behalf of JV		**277,000**
Total delivered assets		**641,000**

It's expected that the assets under construction at year-end '23 will be delivered during '24.

Development activity *(in m^2)*
YE'22 to YE'23



In summary, the total portfolio now contains 248 buildings (26 buildings under construction and 222 completed buildings) for a total surface of 6.1 million m^2, spread over 13 countries and is 99% let.

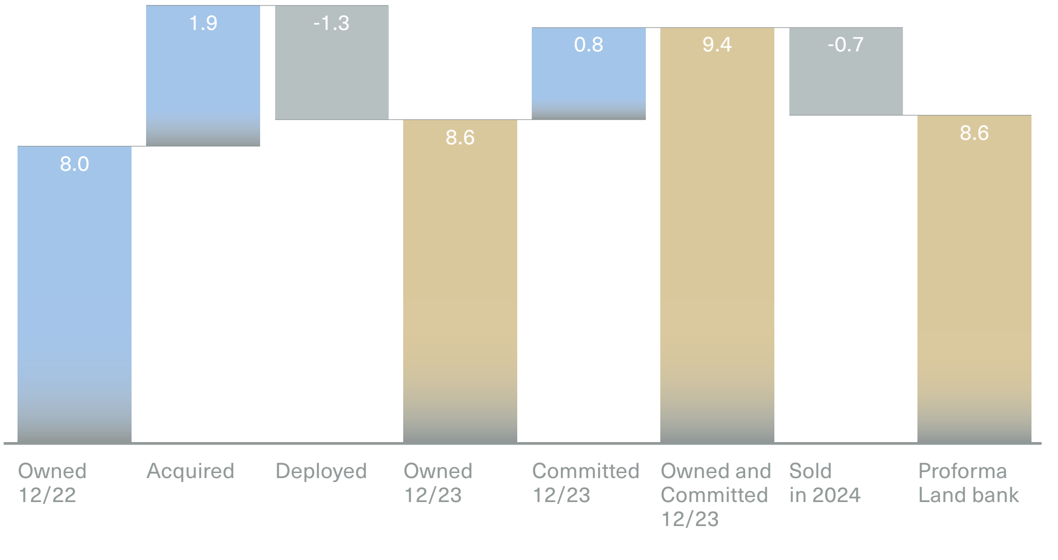
Country	Completed assets		Assets under construction		Total	
	Rentable space *(m²)*	**Number of buildings** *(#)*	**Rentable space** *(m²)*	**Number of buildings** *(#)*	**Rentable space** *(m²)*	**Number of buildings** *(#)*
Austria	39,000	3	83,000	3	122,000	6
France	—	—	39,000	1	39,000	1
Germany	2,901,000	93	229,000	6	3,130,000	99
Hungary	197,000	12	106,000	5	303,000	16
Italy	86,000	7	19,000	1	105,000	8
Latvia	134,000	4	—	—	134,000	4
Netherlands	259,000	6	—	—	259,000	6
Portugal	50,000	3	32,000	1	81,000	4
Romania	315,000	15	86,000	2	401,000	17
Serbia	—	—	77,000	2	77,000	2
Spain	389,000	21	7,000	1	397,000	22
Czechia	768,000	49	48,000	3	816,000	52
Slovakia	227,000	9	48,000	2	275,000	11
Total	**5,365,000**	**222**	**774,000**	**26**	**6,139,000**	**248**

Completed assets			Assets under construction		Total	
Ownership	**Rentable space** *(m²)*	**number of buildings** *(#)*	**Rentable space** *(m²)*	**number of buildings** *(#)*	**Rentable space** *(m²)*	**number of buildings** *(#)*
Own (including on behalf of JV)	1,609,000	52	774,000	26	2,383,000	78
JV	3,756,000	170	—	—	3,756,000	170
Total	**5,365,000**	**222**	**774,000**	**26**	**6,139,000**	**248**

Land bank evolution

VGP acquired 1,933,000 m² of development land and a further 795,000 m² has been committed, subject to permits, which brings the remaining total owned and committed land bank for development to 9.4 million m², which supports more than 4.3 million m² of future lettable area[1]. In February '24, VGP sold its stake in the LPM Joint Venture, which holds 720,000 m² of development land.

Land bridge *(in million m²)*



1 Including Joint Ventures at 100%

Total acquisitions amounted to € 212.4 million in ’23. Main acquisitions are located in Germany and France, as anticipated in VGP’s equity raise in Q4 ’22, a number of such opportunities were expected to come on the market in established economies in Europe. VGP has been able to secure main sites such as:

— VGP Park Rüsselsheim, Germany, with a total surface of 703,000 m^2 being the biggest acquisition of the year and an unique brownfield redevelopment opportunity. The project, acquired from the Stellantis group, represents one of the largest and most central industrial property developments in Germany. VGP’s vision for this acquisition involves the creation of a business park spanning approximately 350,000 m^2 tailored for industrial companies and small and medium-sized value-added businesses. In line with its commitment to responsible development, VGP will operate with care to optimize the benefits of the development for the local community in close coordination with the responsible authorities. The Stellantis group will lease the main part of the site for three years and a schooling center for 10 years. The annual rent amounts to € 8.1 million. During this period VGP will prepare all permitting and ancillary formalities in order to redevelop the site. The purchase price of Rüsselsheim has been fully paid for in ’23.

— VGP Park Vélizy, France, a brownfield of 194,000 m^2, an iconic plot in the Paris region. This was acquired from the Stellantis group and is located 8 km from the inner city of Paris, boasting an exceptional location with direct access to the outer ring road of Paris (A86). VGP plans to develop a business park of around 80,000 m^2 for industrial companies and small and medium-sized value-added businesses. Construction work is due to start in the second half of 2025, with the first buildings due for delivery in 2026. As with all the Group's projects, an ambitious environmental approach will be applied to this park and all buildings will achieve a BREEAM Excellent certification as a minimum.

— VGP Park Mulhouse, France, a 21 ha brownfield, acquired from the Stellantis group and is located on part of the Stellantis site in Mulhouse, France. The Group plans to rapidly develop a modern business park of around 100,000 m^2 for industrial and logistics companies. All future buildings will aim for at least BREEAM Excellent certification.

— VGP Park Leipzig Flughafen, Germany, with a total land size of 449,000 m^2, allowing for over 200,000 m^2 of development.

— VGP Park Wiesloch-Walldorf, Germany, with a total land size of 81,000 m^2, allowing for over 40,000 m^2 of development. Given its location, VGP intends to explore also alternative developments such as smaller and more flexible units.

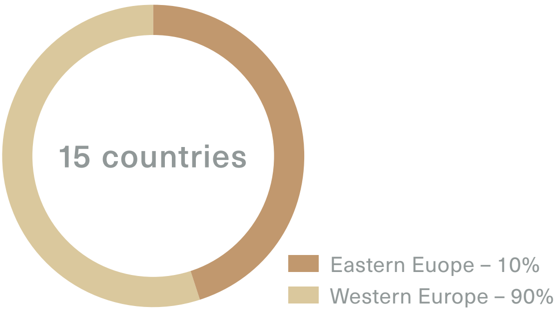
— VGP Park Rouen, France, with a total land size of 78,000 m^2. This acquisition completes the VGP Park Rouen, following earlier acquisitions of 243,000 m^2 at the same location. The complete park allows for minimum 150,000 m^2 of development. This was VGP’s first project in France and in the meantime with a first building, fully pre-let, of 39,000 m^2 under construction.

In January ’24, VGP has also acquired its first site in Vejle, Denmark. The site is located in the northern part of the Triangle Region, a commercially important region in the centre of Denmark. On an area of more than 175,000 m^2 will be developed more than 80,000 m^2 of semi-industrial premises which are suitable for light industry and logistics services. The site is adjacent to the highway E45, exit 61 b Vejle Syd. The park will offer full-scale services including photovoltaics, on-site electric car charging and high-quality technical and sustainable features. Finally, in February ’24, VGP sold its stake for a consideration of approximately € 170 million in the LPM Joint Venture, which envisages to develop a site of 720,000 m^2 in the vicinity of the Port of Moerdijk in The Netherlands.

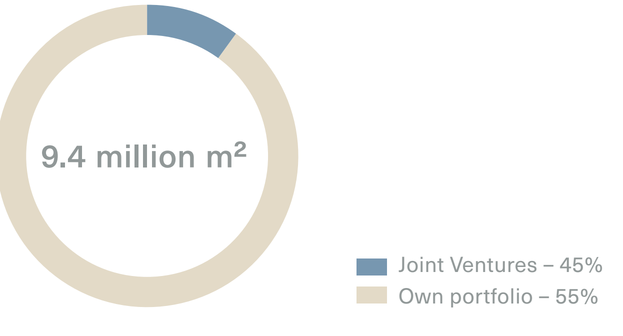
The land bank[1] is equally geographically spread between Eastern (45%) and Western Europe (55%) in m^2. The largest land positions are held in Germany (20%), the Netherlands (11%)[2], Romania (11%), Serbia (10%) and Spain (9%).

In total 90% of the land bank is owned or committed by VGP for its own portfolio, whereas 10% is in co-ownership with various Joint Venture partners. It concerns mainly LPM (720,000 m^2) in the Netherlands (sold in February ’24), Grekon (34,000 m^2) in Germany, Belartza (145,215 m^2) in Spain and Ymir (52,719 m^2) remaining development land in VGP Park Münich (building D).

Geographical spread of land *(in m^2 incl. JV's)*



Land by ownership incl committed land *(in m^2)*



1 Including land held by the First, Second, Third and Development Joint Ventures in amount of 1.2 million m^2.
2 Includes LPM with 720,000 m^2 and has been sold in ‘24

Renewable Energy

The gross renewable energy income over 2023 was € 4.36 million compared to € 5.90 million over FY2022. This was driven by an increase of 70.6% in the effective production sold in FY 2023 to 44 GWh, at a lower average energy price of € 94/MWh (vs € 230/MWh in 2022).

The operational solar capacity increased significantly to 101.8 MWp[1], up 80% year-over-year which should equate to a marketable production potential of circa 85 GWh. As of January 2024, the Group possesses a licence to use the grid and trade energy on behalf of our tenants in Germany, which will facilitate distribution of produced renewable energy across our German parks. The Group has applied for a similar licence in Romania.

As of Dec 2023, a total of 32 projects representing 69.0 MWp are under construction (of which circa half is expected to go into production during first 4 months of 2024 pending grid connection approval). Including projects under construction the total solar power generation capacity will increase to 170.8 MWp spread over 116 roof-projects in eight countries. As at the 31st of December 2023 this represents a total aggregate investment amount of € 108 million (incl. current commitments for projects under construction).

With regards to the pipeline, an additional 93 solar power projects are in contractual/design phase (including in five additional countries) which equates to an added power generation capacity of 99.7 MWp. The current total solar portfolio, including pipeline projects, totals 270.5 MWp and is well underway towards the 300 MWp target by 2025.

Capital and liquidity position

Total cash balance as at 31 December 2023 stood at € 219.3 million[2] and increased further in February 2024 with € 135 million drawdown on the new credit facility from the European Investment Bank. The gearing ratio amounts to 40.3%. The Allianz and Deka Joint Ventures, with stabilized assets, have an LTV of 34.4%, or 32.7% when taking the Development Joint Ventures also into account, who have only development land and no credit facilities in place. Pro Forma proportional LTV amounts to 47.3%[3]

— During ’23 VGP was able to recycle net € 676.2 (gross € 747.8) million from two closings with respectively the First and Second Joint venture as well as a first closing with the Fifth Joint Venture (Deka). Following the new joint venture agreements with the Fifth and Sixth Joint Venture, VGP is currently preparing three transfers in ’24, two of which are set to materialize in the first half of ’24 and a third closing with the Fifth Joint Venture is planned to materialize in the second half of ’24. These transactions are expected to generate more than € 525 million of gross cash proceeds.
— Two bonds that came to maturity, respectively in April ‘23 (€ 150 million) and September ‘23 (€ 225 million) have been fully repaid. This has lowered the average cost of debt to 2.1% at year-end. The average term of the credit facilities amounts to 4.23 years. A dividend of € 75 million has been paid out in May ’23 as well. Within ’24 and ‘25, VGP will see two bonds of respectively € 75 million and € 80 million coming to maturity. It is currently envisaged to not refinance these and repay the bonds from available liquidity.
— To date, VGP has also € 400 million of undrawn revolving credit facilities available and as per 15 December 2023, VGP Renewable Energy NV, a wholly owned subsidiary of VGP NV concluded a credit facility agreement with the European Investment Bank (“EIB”) for a total amount of € 150 million. The facility will be made available along VGP’s progress in its renewable energy roll out. As per 5 February 2024, VGP has drawn as such a first tranche of € 135 million. This drawdown will be repaid semi-annually as of February 2027 in 15 equal instalments. The interest rate has been fixed at 4.15%. The covenants of the facility are aligned on the conditions of the outstanding bonds.
— Finally, Fitch, the credit rating agency, affirmed a BBB- rating with a stable outlook for VGP NV on 4 September ‘23. According to Fitch: *“The rating reflects VGP's disciplined approach to property development risk from land purchase price, location and quality of product, pre-lets, development profit headroom, to building completion and when assets are monetised into pre-funded, identified joint ventures (JV). Under VGP's financial template, depending on the development profit headroom, it gets its cost-to-build outlay back in cash proceeds from monetisations. These front-end factors support a scenario of successfully attracting other JV partners as the historical Allianz JV exclusivity has changed.”*

1 Includes 14MWp of third-party owned systems
2 Including € 9.4 million classified as disposal group held for sale
3 Adjusted for transactions with Deka, Areim, LPM and the new credit facility of EIB. Proportional LTV at 31 December 2023 amounts to 53.4%

Dividend

The board of directors proposes to the annual shareholders meeting an ordinary gross dividend distribution of € 3.70 per share, or € 101 million, which is composed of an ordinary gross dividend of € 2.95 per share, or € 80.5 million (an increase of 7.3% versus last year) and an extraordinary gross dividend of € 0.75 per share, or € 20.5 million as a result of the record net cash recycled with the existing and new Joint Ventures in '23.

Progress towards our Sustainable Development Goals

In the financial year 2023, VGP has made significant strides in both sustainability initiatives and operational achievements. Here are some highlights:

Promoting Green Energy Adoption and Expansion of Renewable Energy Initiatives

VGP has obtained registered utility status in Germany and is anticipating to achieve the same in Romania. This milestone enables the Group to leverage the existing photovoltaic projects more effectively, facilitating the distribution of green energy across VGP Parks. Furthermore, VGP has surpassed the 100 MWp-mark in operational solar capacity. With all projects in the pipeline, the Group will be able to produce more green energy than the tenants' total annual electricity consumption. The 2023 new lease contract template requires tenants to procure green energy and building standard is based on air heat pumps (as opposed to gas-powered heating). Additionally, the implementation of a group-wide smart meter management system enhances our ability to monitor consumption patterns and identify areas for improvement.

Carbon Pricing, Supplier Engagement and CRREM[1] pathway

In 2023 the Group has introduced in-house carbon pricing for project evaluation purposes whilst supplier engagement regarding embodied carbon improvements has further expanded, reinforcing our dedication to embodied carbon reduction efforts. Several initiatives have been identified to facilitate bringing our entire portfolio CRREM performance into compliance with the 1.5°C pathway, reflecting our proactive approach to addressing climate change risks.

Employee Development Initiatives

The launch of VGP Academy is to support the development and training of the Group's employees, ensuring our workforce is equipped with the necessary skills and knowledge to drive our sustainability agenda forward.

EU Taxonomy and Enhanced Green Bonds Allocation

In 2023 VGP has published a biodiversity strategy and implemented additional actions in accordance with EU Taxonomy standards, reaffirming our commitment to environmental stewardship. Furthermore, thanks to significant solar investments and certification improvements, the allocation of Green bonds for all € 1.6 billion worth of outstanding VGP Green bonds are now allocated to investments in renewables, eco-efficiency measures, and projects meeting at least BREEAM Excellent/DGNB Gold standards (previously the allocation included BREEAM Very Good).

Recognition

Building A in VGP Park Laatzen has achieved Platinum certification, marking a significant milestone as it is the first developer-led industrial property project to receive such recognition from DGNB. At the same time, the Group as a whole achieved a 4-star developer ranking in GRESB, the second-highest score for a European developer, underscoring our commitment to sustainability performance and transparency.

As of the 20th of March 2023, VGP was included in the BEL ESG index by Euronext. This index was designed to meet sustainable investment needs and tracks the twenty Brussels-listed companies demonstrating the best Environmental, Social and Governance (ESG) practices.

1 Carbon Risk Real Estate Monitor

VGP Park Munich, Germany

General market overview

VGP Park Sordio, Italy

2023 OCCUPATIONAL LOGISTICS MARKET TRENDS

Five things to know

1 ↘ Demand

Down by 26% YoY in 2023 despite more active leasing during H2 in most markets

2 ↗ Vacancy

4.9% across Europe, with select markets recording vacancy levels above 5%

3 ↑ Rent

Growth drops to 7.8% YoY but still above long-term trend

4 ↘ Supply

New completions down by 4% YoY, starting to reflect falling pipeline figures since Q4 2022

5 ↘ Pipeline

Slowing development starts with space under construction down 14% YoY in Q4

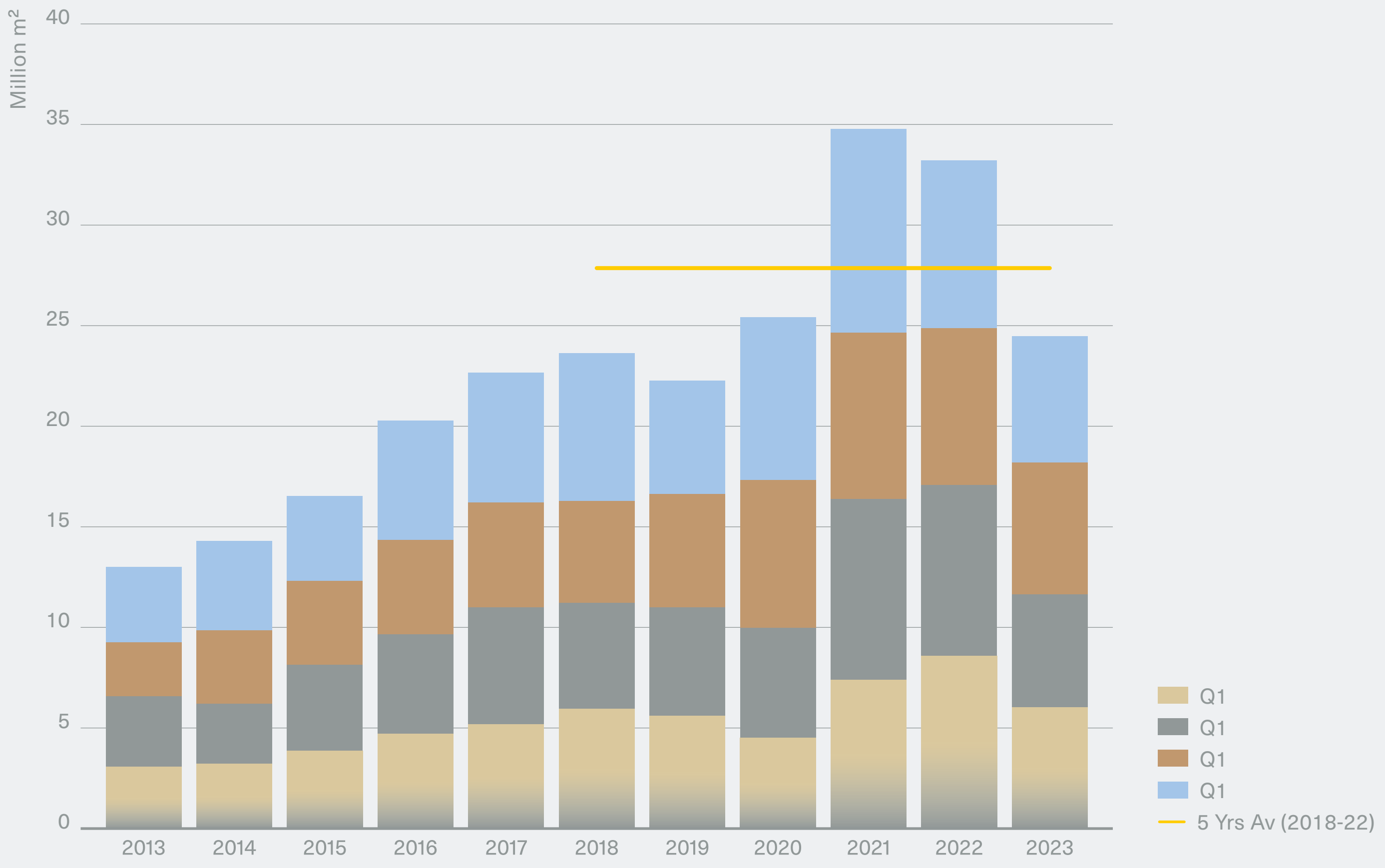
Conclusion

Temporarily higher supply levels but continued lack of modern, energy efficient space in most markets will keep upward pressure on rents

European logistics take-up

2023 take up levels on par with strong pre-pandemic years

European logistics take-up



Weak macro-economic environment and rising geopolitical tensions in Q4 add to occupiers' caution.

Total 2023 take-up volumes down by around 26% YoY and 12% below the 5-year average.

Inquiries still strong for smaller units as occupiers continue to look for both short- and long-term space options.

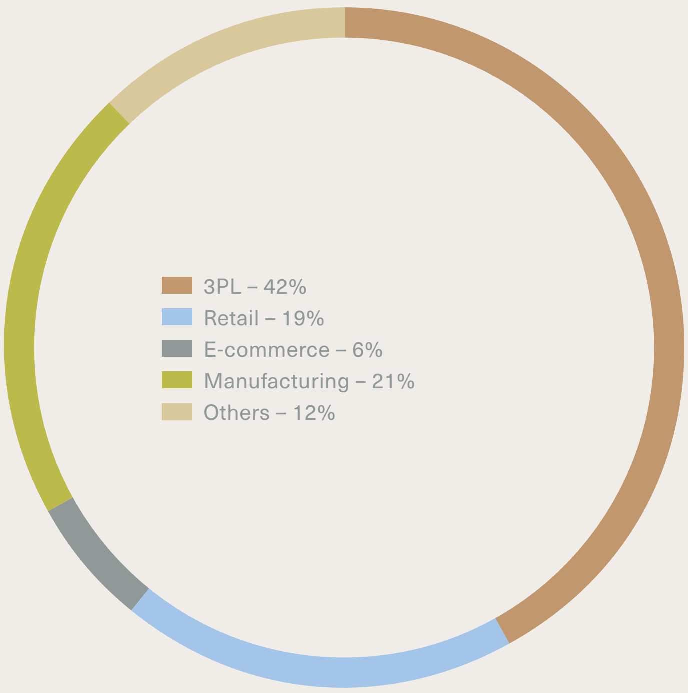
Gradual improving economic and financial conditions this year will not be robust enough to motivate occupiers to be more active.

Source: JLL Research, iO Partners
Including units of 5,000 m² and over in Belgium, Czech Republic, Germany, Hungary, Italy, Netherlands, Poland, Romania, Slovakia, Spain and Sweden; 10,000 m² and over in France and UK

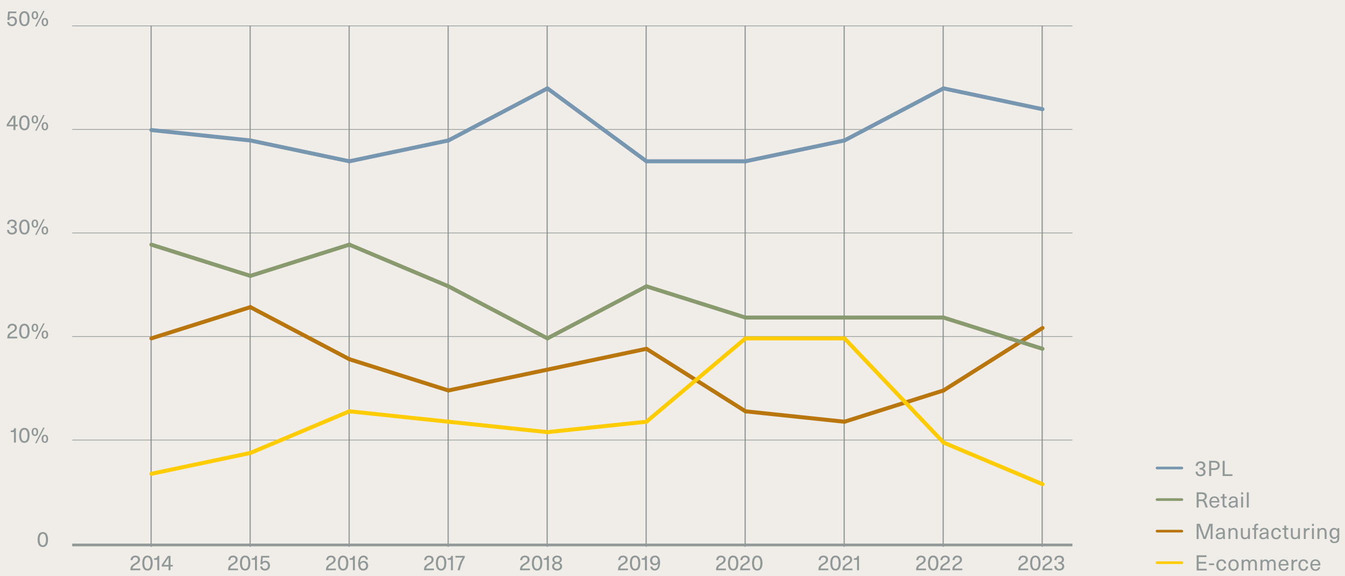
Logistics take-up by sector

Manufacturing led space requirements expanding while e-commerce retailers pause

Take-up share by sector, FY 2023



Rising share of manufacturing driven demand



Including units of 5,000 m² and over in Belgium, Czech Republic, Germany, Hungary, Italy, Netherlands, Poland, Romania and Spain; 10,000 m² and over in France and UK
Source: JLL, iO Partners

Demand Drivers

3PL and manufacturer demand stable during H1 2024 with focus on near-term strategies while positioning for longer-term.

Safeguarding against supply chain disruption

Implementing supplier diversification, nearshoring production strategies, and strengthening regional supply chains.

New manufacturing

Growth of EV and battery production, renewable energy solutions, pharmaceutical development, and advanced manufacturing.

Upgrading through new built/retrofitted stock

Meeting latest sustainability standards including energy-efficiency, renewable energy sources, and EV-charging.

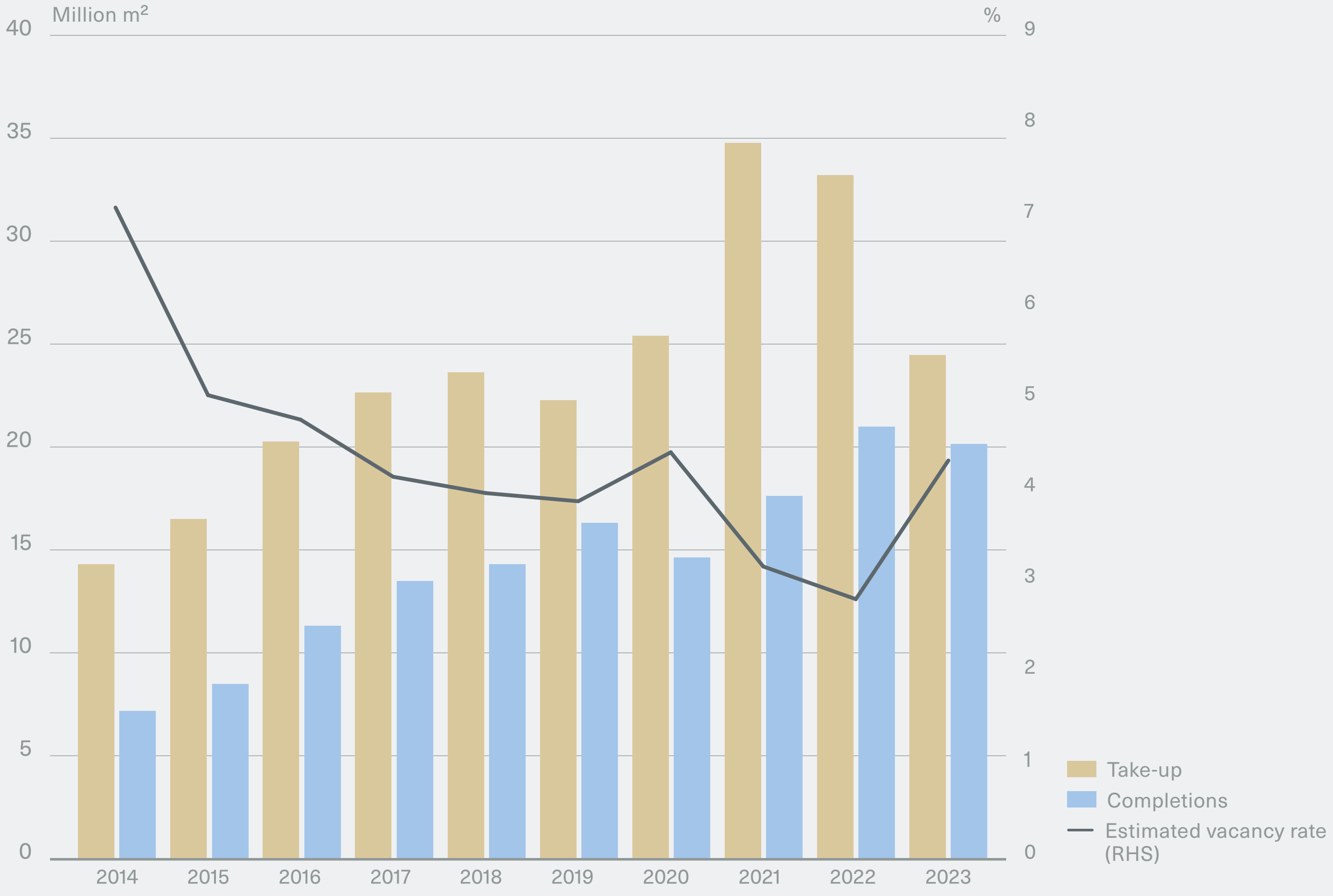
E-commerce expansion to return in 2025

Improving last mile delivery efficiency to respond to evolving customer expectations.

Source: JLL, iO Partners

A persisting supply-demand imbalance

Higher vacancy rates give more flexibility to tenants, but suitable space remains limited



FY 2023

Take-Up
24.5 million m²
-26.0% YoY

Completions
20.2 million m²
-4% YoY

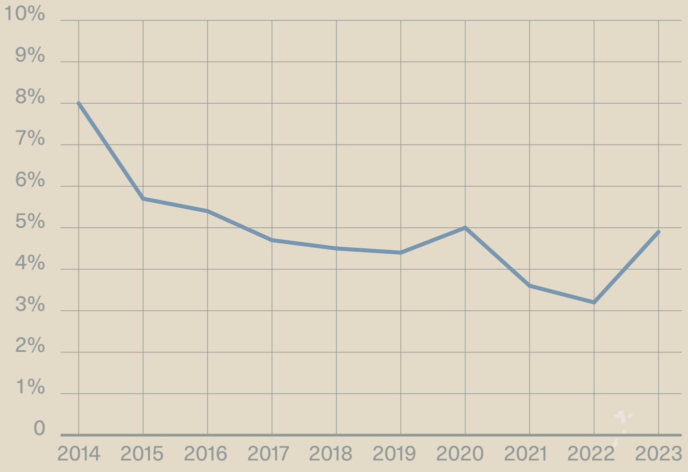
Vacancy rate
4.9%

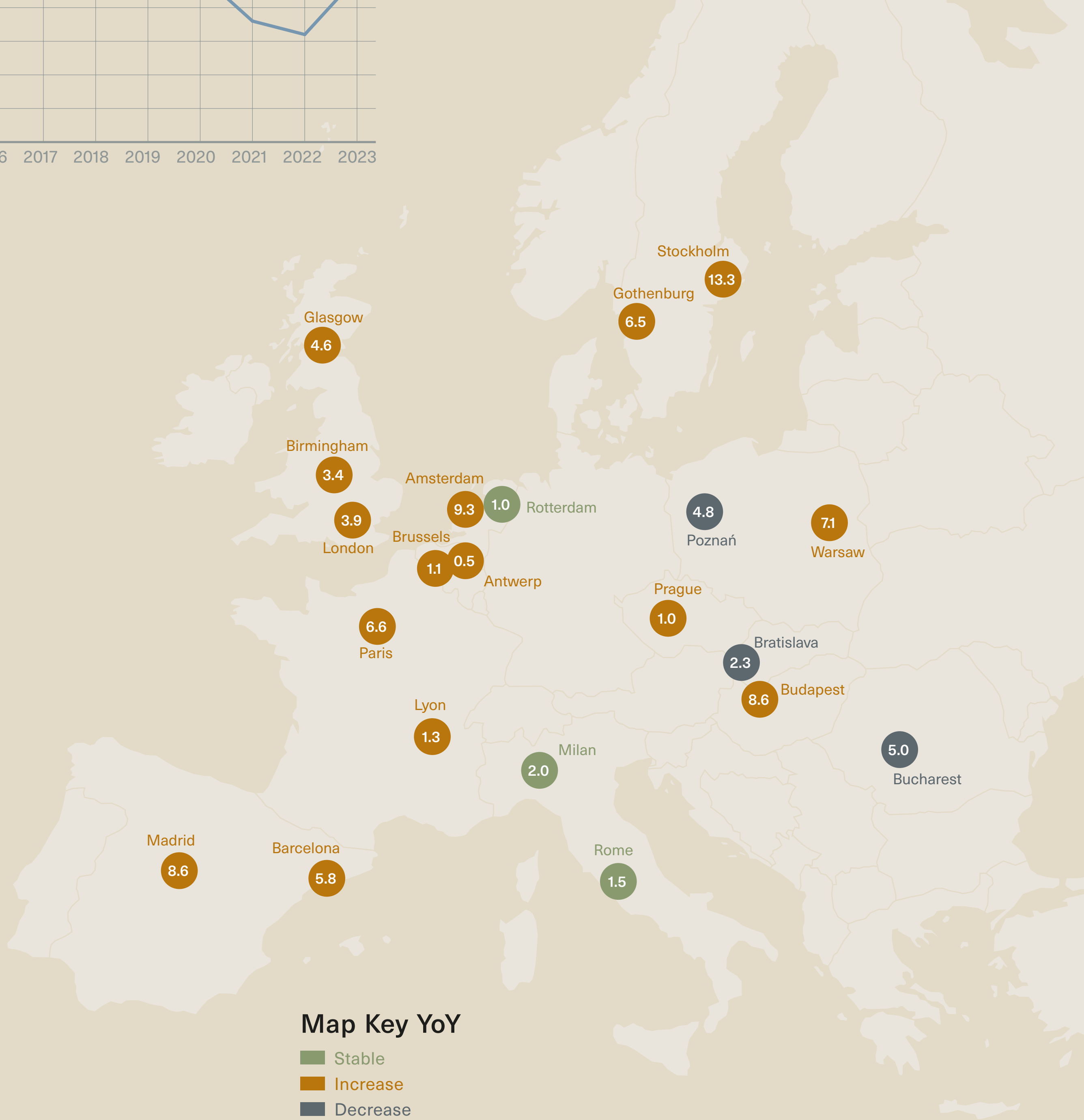
Europe take-up and completion figures based on units of 5,000 m² and over in Belgium, Czech Republic, France, Germany, Hungary, Italy, Netherlands, Poland, Romania, Slovakia, Spain and Sweden & units of 10,000 m² in the UK;
Estimated European vacancy rate comprises Czech Republic, France, Germany, Hungary, Italy, Netherlands, Poland, Romania, Slovakia, Spain, Sweden and UK
Source: JLL, iO Partners

Vacancy rate at the end of Q4 2023

Higher vacancy rates put non-prime space at a disadvantage

European average vacancy rate



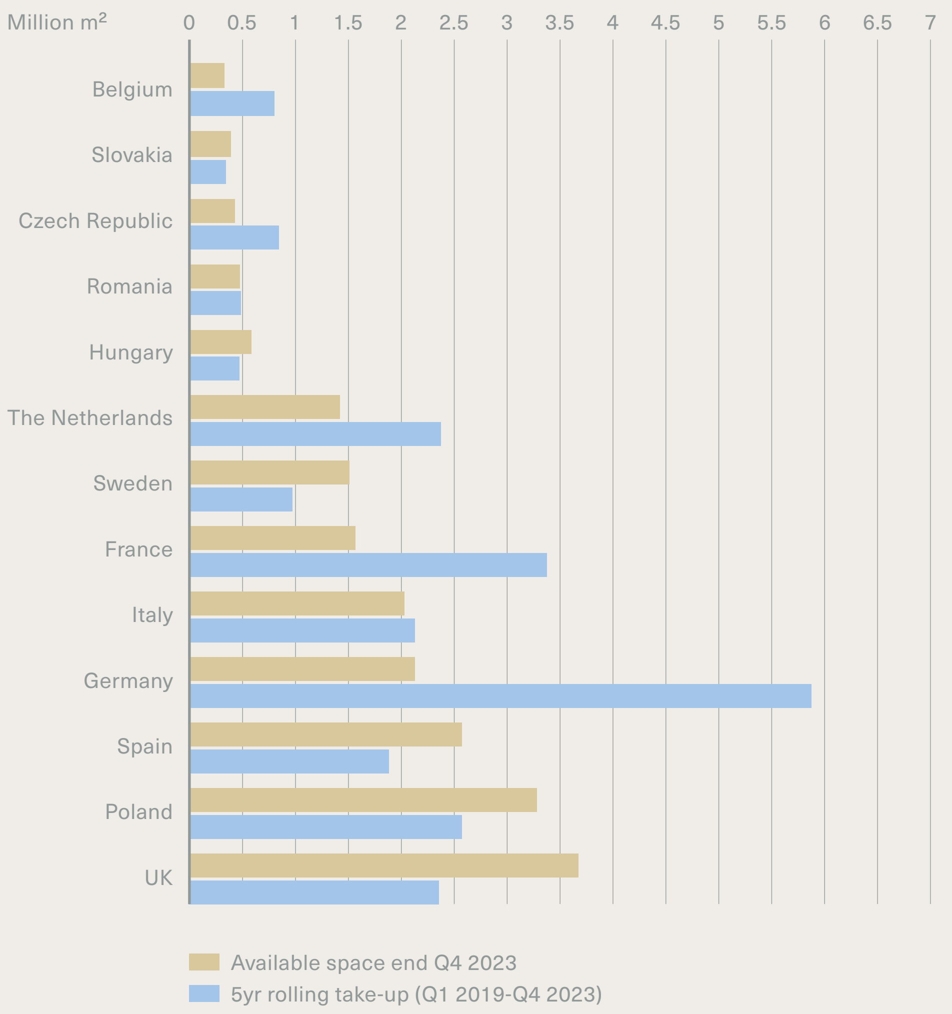


Source: JLL, iO Partners

Supply/demand appears more balanced

Yet mismatch between available supply and demand requirements persists

Available supply* at end Q4 2023 compared with 5yr av. take-up (Q1 '19 – Q4 '23)



Market	Years of available supply
Belgium	0.4
Slovakia	1.1
Czech Republic	0.5
Romania	1.0
Hungary	1.2
The Netherlands	0.6
Sweden	1.6
France	0.5
Italy	1.0
Germany	0.4
Spain	1.4
Poland	1.3
UK	1.6

Including units of 5,000 m² and over in Belgium, Czech Republic, France, Germany, Hungary, Italy, Netherlands, Poland, Romania, Slovakia, Spain and Sweden; 10,000 m² and over in UK

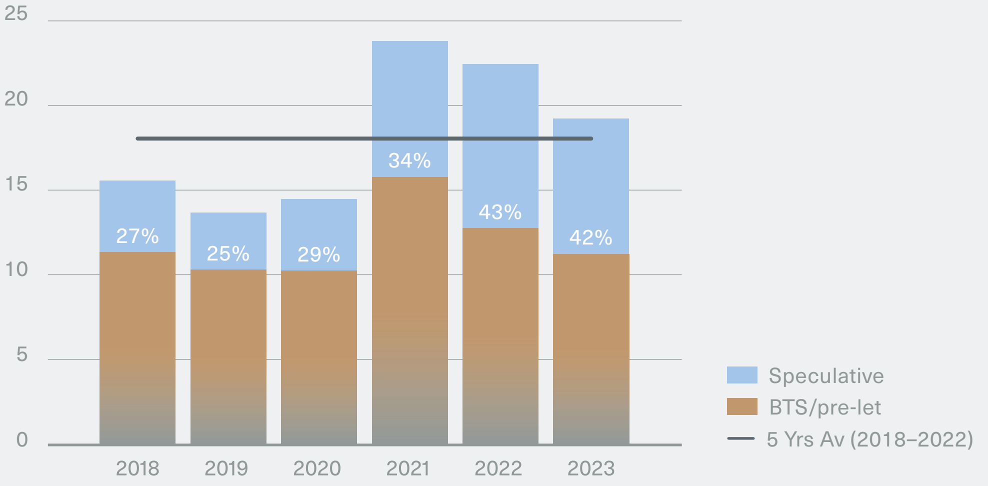
* incl. vacant units and space speculatively under construction

Source: JLL, iO Partners

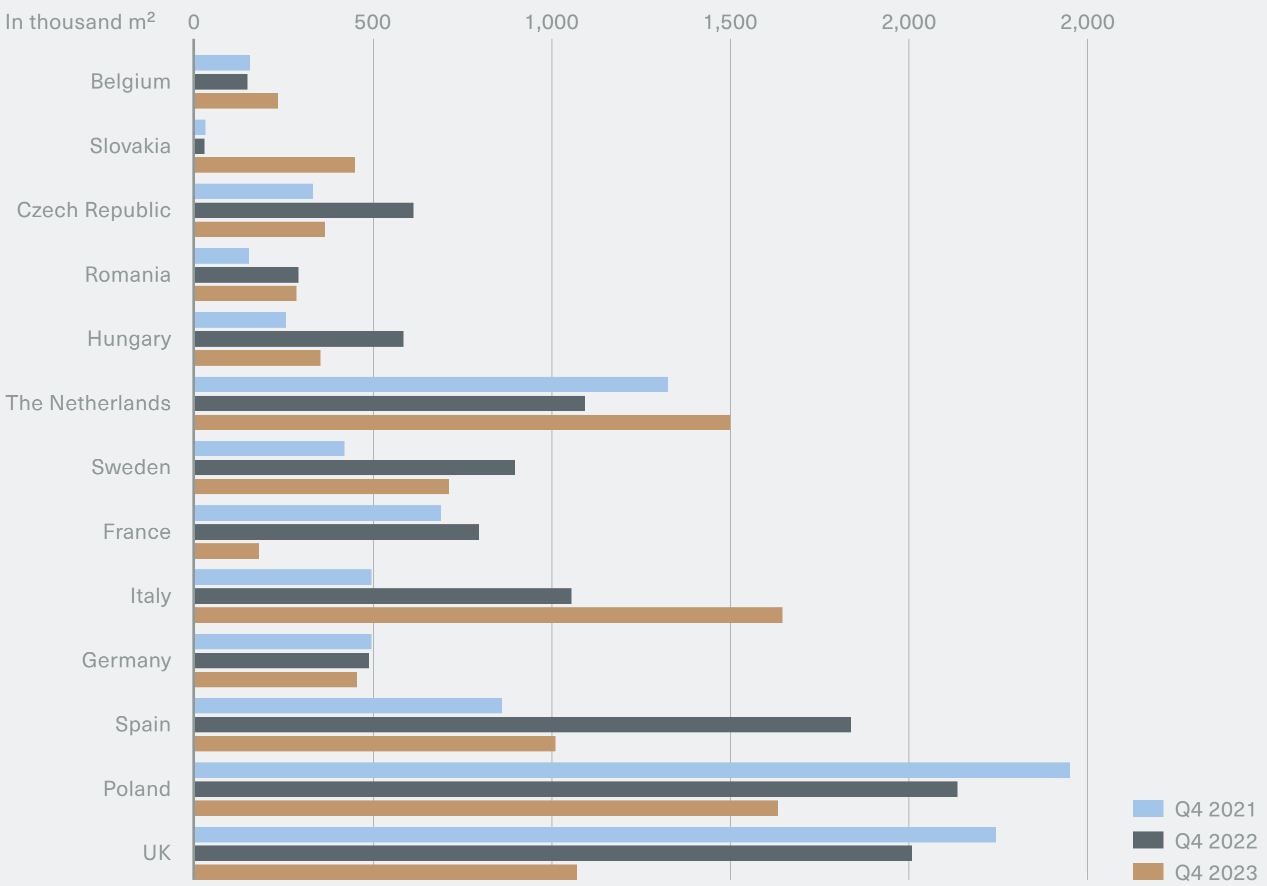
Space under construction across Europe at the end of Q4 2023

A slowdown in speculative developments elevates BTS/pre-let share

European space under construction end Q4 2023



Speculative space under construction at end of Q4 2023



Including units of 5,000 m² and over in Belgium, Czech Republic, France, Germany, Hungary, Italy, Netherlands, Poland, Romania, Slovakia, Spain and Sweden; 10,000 m² and over in UK

Source: JLL, iO Partners

Logistics prime rents* at the end of Q4 2023

Rental growth continues but at a slower rate in some markets

Map Key YoY

Stable

Increase

* € per m²
Source: JLL, iO Partners

VGP Park Bucharest, Romania

INDUSTRIAL & LOGISTICS CAPITAL MARKET TRENDS

Higher swap rates put a break on volumes – strong fundamentals but returns are squeezed

1 ↘

Volume

Investment volumes still low: -50% YoY in 2023

2 ↗

Prime Yields

15–25bps outward shift QoQ in Q4 on par with Q3 with stabilization expected in Q1

3 ↘

Yields/Bonds

Gap between bond and real estate yields narrows further

4 ↔

Financing

Debt cost stable but expected to remain high through H1 2024

5 ↑

ESG

Green liquidity premiums now clear

Outlook

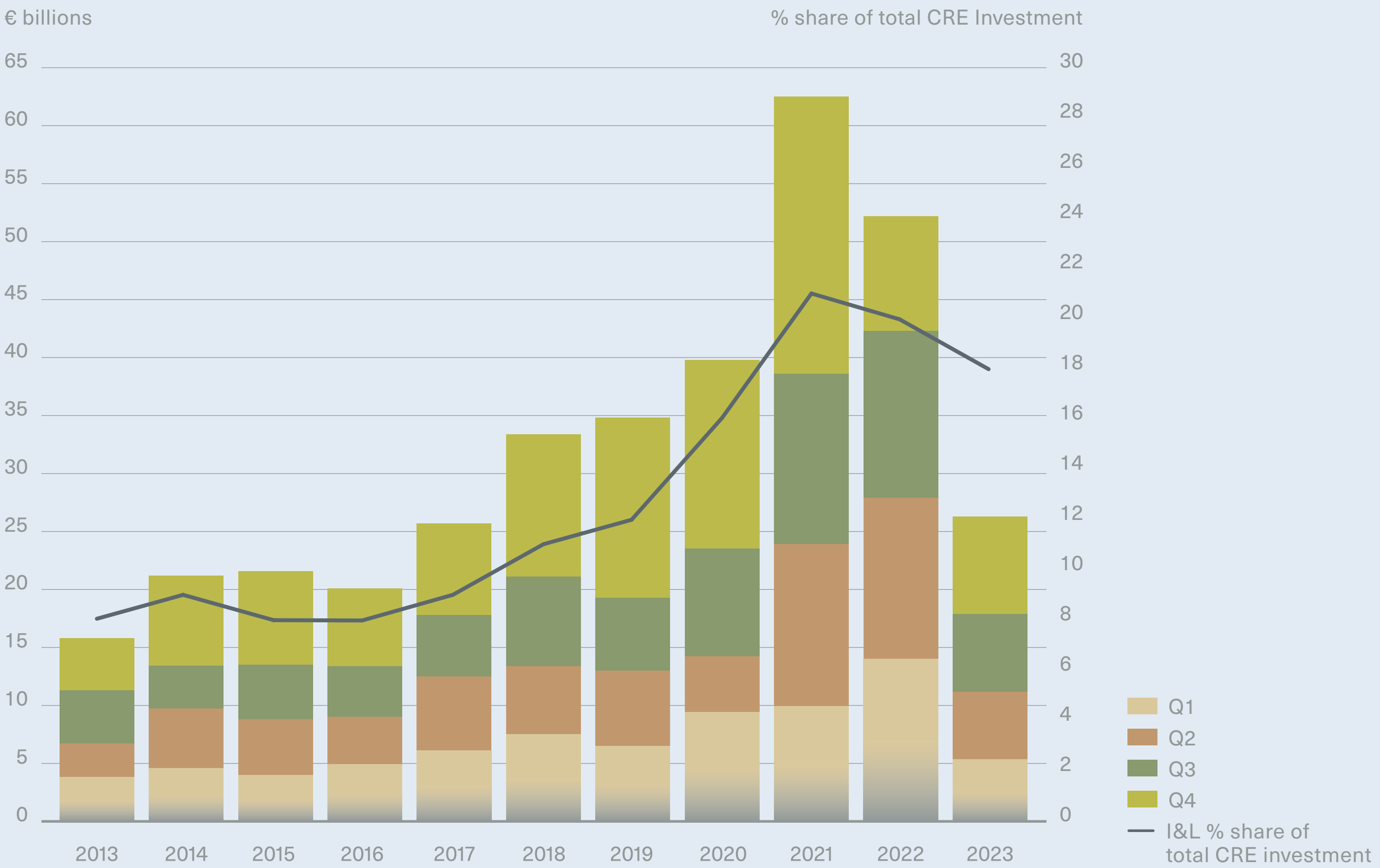
Prime yields stabilizing in most markets throughout 2024

Equity heavy buyers dominate, institutional investors slowly coming back

Industrial investment remains subdued

Lingering economic weakness and high financing costs fuel investor cautiousness

Direct Investment Volumes



Transaction volumes down by 50% YoY in 2023 and 41% if compared to the 5-year (2018–2022) average. Share of total CRE investment remains above pre-Covid levels (18%).

Transaction activity concentrated in major Western European markets. Lower levels in Nordics and Southern Europe, while activity is limited in CEE and emerging markets.

Lack of portfolio deals means majority of transactions are smaller between € 25–75 million.

Despite financial backdrop, investment capital remain attracted to the sector long-term. JLL's bid intensity index shows logistics leading the recovery.

Source: JLL, iO Partners

2023 investment by geography (€ billion)

Geographically diverging investment activity

Country	Investment in Billion		YoY
Germany	6.6	↓	-21%
UK	4.9	↓	-56%
Nordics	4.0	↓	-41%
Southern Europe	3.2	↓	-43%
France	2.6	↓	-60%
Benelux	2.0	↓	-73%
CEE	1.3	↓	-55%

Transaction volumes up 25% QoQ in Q4 supported by increasing deal activity in select markets. Signs point to downward trend slowing in most regions.

Germany attracts strong investor appetite, with H2 2023 volumes 3-times higher compared to H1 2023. Increased H2 volumes due to improving portfolio and larger-sized (€ 100m+) single asset transaction activity.

Strengthening Q4 activity in the Nordics and Southern Europe contributes to slower YoY declines. Marginally improving Q4 volumes in the Benelux and CEE, but still muted compared to 2022.

*Figures exclude Pan-European portfolio transactions volumes not associated with single country markets and Entity Level transactions (indirect deals)
Source: JLL, iO Partners

Investment activity in 2023

Q4 investor activity point to improving confidence in outlook and commitment to sector

Key insight Q4 2023

Top 10 deals represent **23%** of Q4 total volume – down from 36% in Q3

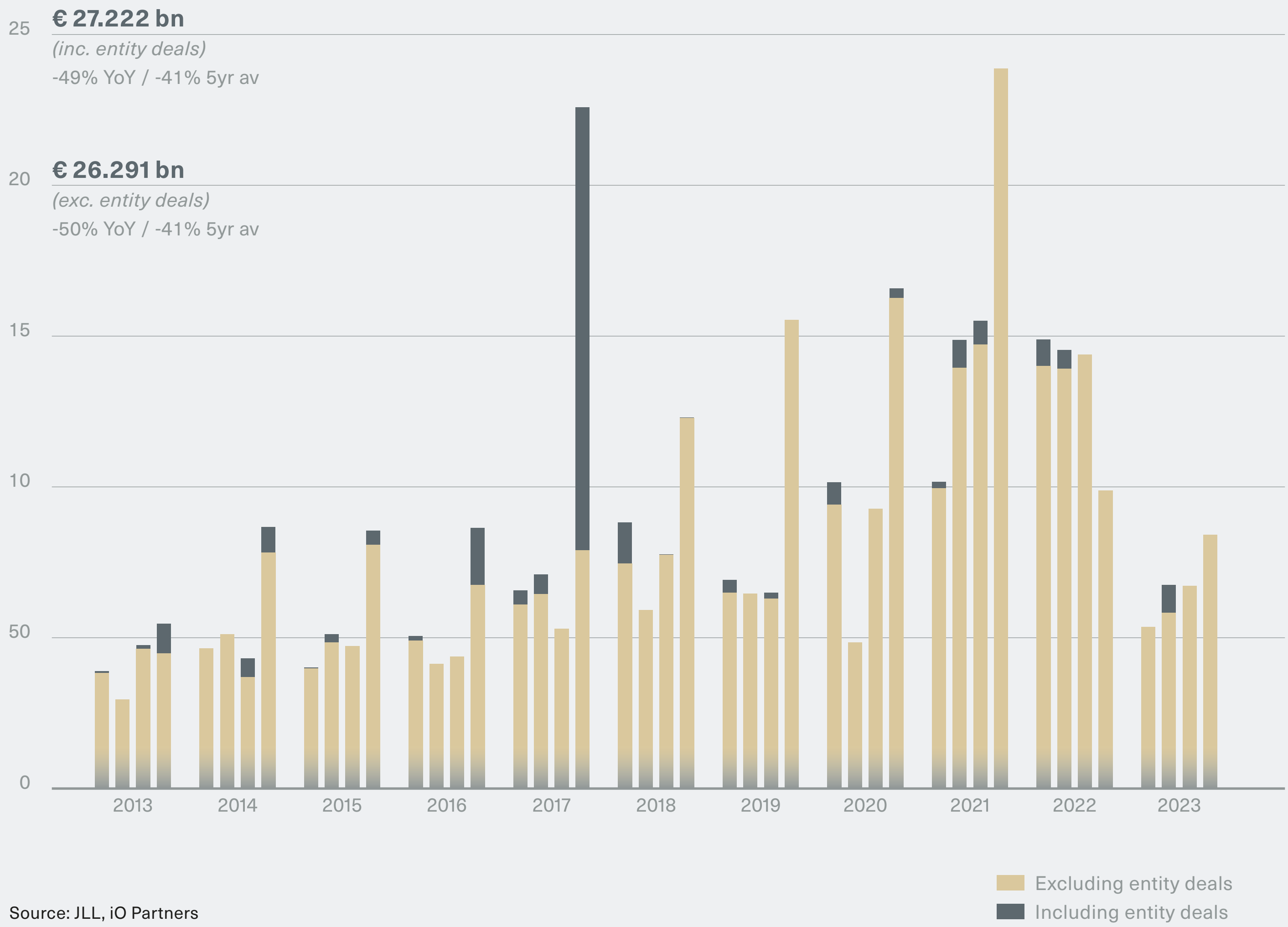
20 transactions exceeded € 100 million mark in Q4 – up from 15 in Q3

36% of total Q4 transaction volume were portfolio deals, down from 44% in Q3.

Capital sourced outside of Europe and globally accounted for **38%** of total Q4 transaction volumes – marginally up from the previous three quarters.

Global investors took the lead in Q4 with over € 1.5 bn, followed by **UK** investors (€ 1.2 bn) and **North American** investors (€ 1.1 bn).

European industrial investment volumes – FY 2023

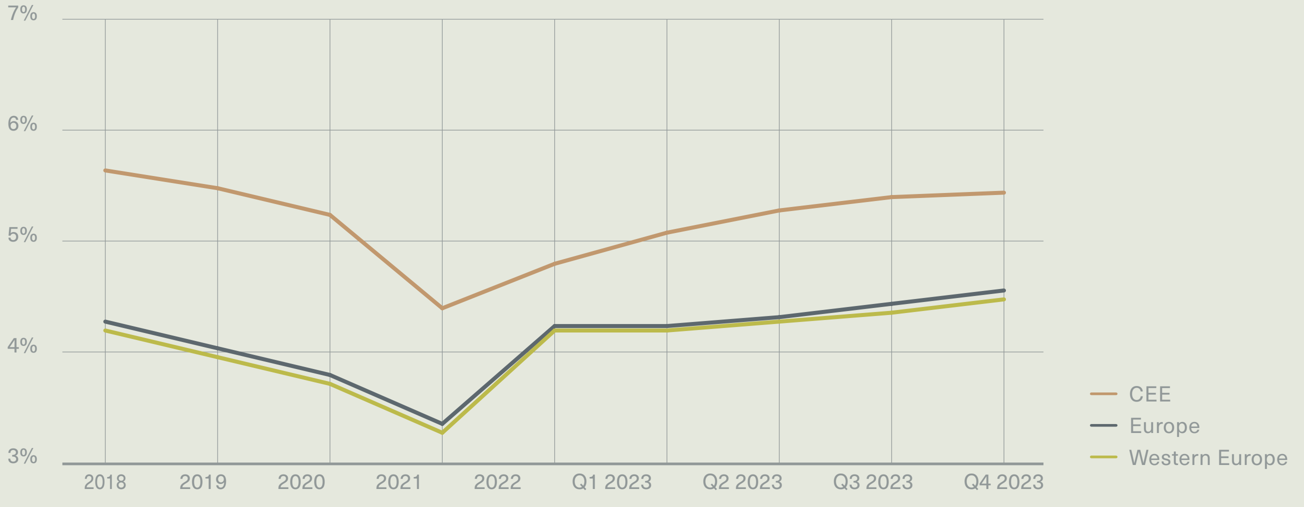


Source: JLL, iO Partners

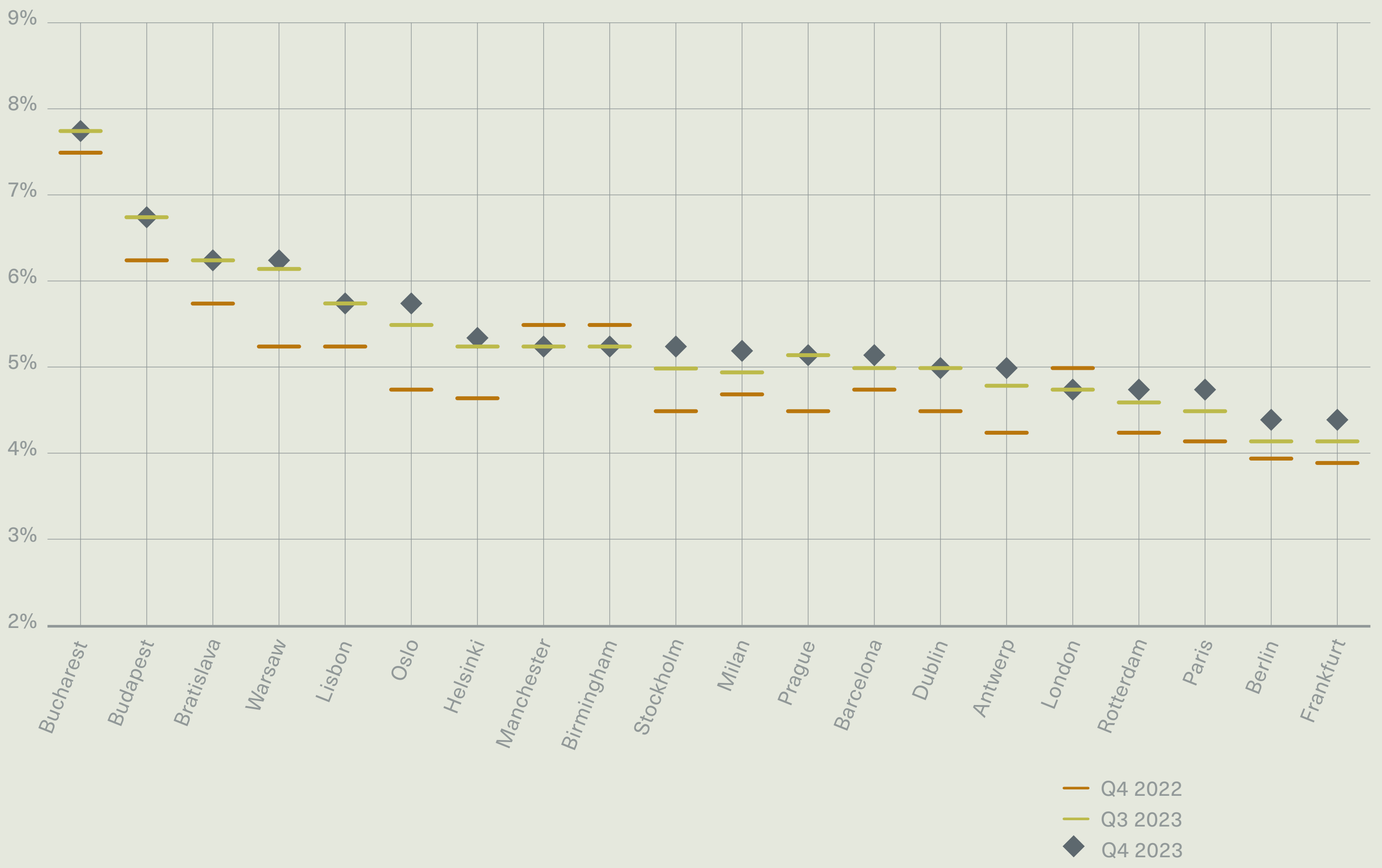
Prime logistics yields at Q4 2023

Prime yields moving slowly towards stabilization, European average up by 40 bps YoY

European yield movements



Q4 2023 yields by market (vs Q3'23 and Q4'22 yields)



Source: JLL, iO Partners

VGP Park Velizy, France

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.corporategovernance-committee.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 (**Corporate – governance – VGP Group vgpparks.eu**)

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.
v. Following the departure of the Company Secretary during 2023, the Board of Directors currently does not intend to appoint a new Company secretary. By doing so, the Company, as a smaller listed company, departs from the principles 3.19 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 appointing a new Company secretary is not necessary at this stage. As long as the Company does not appoint a Company secretary, the functions of secretary will be taken up by the Company's CFO.

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 (first appointed in 2019). All three directors have been reappointed on the annual shareholders meeting in 2023 for a period of four years, i.e., until the closing of the annual shareholders' meeting which will be held in the year 2027 and at which the decision will be taken to approve the annual accounts closed at 31 December 2026.

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 Corporate – overnance – VGP Group (vgpparks.eu).

The Board of Directors held 6 board meetings in 2023. The most important points on the agenda were:

- approval of the 2022 annual accounts and 2023 semi-annual accounts;
- review and discussion on (on multiple occasions) leasing activities, development activities, land acquisitions, ESG initiatives and solar power installations as well as the broader evolutions of the logistics market in Europe
- approval to enter into a new credit facility with the EIB;

— review and discussion on cash flow forecast and available liquidity;
— review, discussion and/or approval of the tenth closing with the First Joint Venture, the fourth closing with the Second Joint Venture, along with approval of signing respective facility documents;
— Review and approval of the set-up of two new Joint Ventures with Deka and Areim;
— review, discussion and approval of the first closing with the Fifth Joint Venture (Deka – RED), along with approval of signing respective facility documents;
— Review and discussion of the Development Joint Ventures;
— Review and proposal to the annual shareholders' meeting to reappoint the three independent directors for a new term of four years;
— Review and reappointment of the members of the audit and remuneration committee;
— Determination of the payment date and all other formalities related to the payment of the dividend;
— review and discussion on related party transaction procedure of Article 7:97 CCA;
— review and approval of press releases on the annual, semi-annual accounts as well as two trading updates;
— 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, as well as extending the term of the existing Long-Term Incentive Plan;
— review and approval of the financial calendar of 2024.

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	6
Non-executive director			
VM Invest NV, represented by Bart Van Malderen	2021	2025	6
Independent, non-executive directors			
GAEVAN BV represented by Ann Gaeremynck	2023	2027	6
Katherina Reiche	2023	2027	5
Vera Gäde-Butzlaff	2023	2027	6

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.

Re-appointments at the 2023 annual shareholders' meeting
The annual shareholders' meeting of 12 May 2023 has reappointed the three independent directors expired for a new term of 4 years, until the closing of the annual shareholders' meeting which will be held in the year 2027 and at which the decision will be taken to approve the annual accounts closed at 31 December 2026.

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: **Corporate – governance – VGP Group (vgpparks.eu)**.

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)	2023	Non-executive	Independent	2027	4
Vera Gäde-Butzlaff	2023	Non-executive	Independent	2027	4
VM Invest NV, represented by Bart Van Malderen	2021	Non-executive	—	2025	4

The Audit Committee met four times in 2023. 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 2022 annual accounts and 2023 semi-annual accounts and business updates;
— analysis of the recommendations made by the statutory auditor;
— the different closings with the Joint Ventures ;
— financing structure of the Group;
— assessment and discussion on the need to create an internal audit function;
— review and approval of accounting policies and procedures in respect of the Fifth Joint Venture;
— 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 **Corporate – governance – VGP Group (vgpparks.eu)**.
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	2023	Non-executive	Independent	2027	2
GAEVAN BV represented by Ann Gaeremynck	2023	Non-executive	Independent	2027	3

The Remuneration Committee met three times in 2023.
The most important points on the agenda were:

— assessment and determination of the achievement of the 2022 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 2023;
— 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.

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 lastly 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://vgpparks.eu/en/investors/corporate-governance*.

VGP Park Berlin, Germany

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 2023 is in line with the VGP Remuneration Policy.

The remuneration report for the performance year 2022 was also approved by a large majority of 98.68% of the votes present at the Annual Shareholders' Meeting held on 12 May 2023, and there were no specific comments to be taken into account in the remuneration for performance year 2023.

VGP 2023 highlights

In 2023, VGP recorded a solid business growth across its property portfolio with signed and renewed rental income of €69.5 million bringing total signed annualised committed leases increased to € 350.8 million[1] at the end of December 2023 (compared to € 303.2 million[2] at the end of 2022) (+€ 47.6 million)

During 2023, 24 buildings were completed totalling 641,000 m^2 of lettable area which represent an annualised rent income of € 42.3 million. These buildings were 100% let. At year-end 26 projects were under construction representing 774,000 m^2 of future lettable area, which, once delivered and fully let, will generate € 51.9 million of annualised committed rental income; the portfolio under construction at year-end was 77% pre-let.

The weighted average term of the annualised committed leases of the combined own and Joint Ventures' portfolio stood at 7.9 years at the year-end (8.3 years as at 31 December 2022) and the occupancy rate (own and Joint Ventures' portfolio) reached 99 % at year-end (compared to 99% at the end of 2022).

The land further expanded with the acquisition of 1,933,000 m^2 of new development land with a further 795,000 m^2 of committed land plots, pending permits, bringing the total secured (own and committed) land bank to 9,361,000 m^2 having circa 4.3 million m^2 development potential.

In respect of the Joint Ventures, there were 3 closings, two with the Allianz Joint Ventures resulting in net cash proceeds totalling € 347.4 million and one with a the Fifth Joint Venture (newly established in 2023) resulting net cash proceeds of € 393 million. A Sixth Joint Venture with Areim has been established, which targets a closing in H1 2024 and has a total equity commitment of € 1,000 million by both Joint Venture partners.

As of 31 December 2023, the roofs of VGP's building portfolio enabled a photovoltaic power generation capacity of 170.8MWp installed or under construction (compared to 131.6 MWp as at the end of December 2022).

At the end of the year 75.9% of the portfolio, was certified (from which 73% at least BREEAM "Very Good" or equivalent) or having its certificate pending.

Finally, The net valuation of the property portfolio as at 31 December 2023 showed a net valuation gain of € 87.9 million against a net valuation loss of € 97.2 million per 31 December 2022. Despite some devaluations on the portfolio, on the back of a turbulent market, the strong operating performance, margins on disposals, management fee income, net rent and renewable energy income and first time valuations resulted in a reported net profit for the year of € 87.3 million for the financial year ended 31 December 2023 compared to a net loss of € 122.5 million for the financial year ended 31 December 2022.

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 2023. 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.

1 Including the Joint Ventures at 100%. As at 31 December 2023 the annualised committed leases for the Joint Ventures stood at € 226.9 million (2022: € 173.3 million).
2 Calculated based on the contracted rent and estimated market rent for the vacant space.

2023 remuneration *(in €)*	Table A – Remuneration of the Board of Directors for the reported financial year 2023									
	Fixed remuneration			**Variable remuneration**		**Extra-ordinary items**	**Pension**	**Total remune-ration**	**Proportion of fixed and variable remuneration**	
	Base salary	**Attendance Fees**	**Other benefits**	**One-year variable**	**Multi-year variable**				**Fixed**	**Variable**
Non-executive directors										
VM Invest NV represented by Bart Van Malderen *Chair of the board of directors and Remuneration Committee*	75,000	26,000	n.a.	n.a.	n.a.	n.a.	n.a.	101,000	100%	0%
GAEVAN BV represented by Ann Gaeremynck *Independent director and chair of the Audit Committee*	75,000	26,000	n.a.	n.a.	n.a.	n.a.	n.a.	101,000	100%	0%
Katherina Reiche *Independent director*	75,000	14,000	n.a.	n.a.	n.a.	n.a.	n.a.	89,000	100%	0%
Vera Gäde-Butzlaff *Independent director*	75,000	20,000	n.a.	n.a.	n.a.	n.a.	n.a.	95,000	100%	0%
Executive directors										
Jan Van Geet s.r.o., represented by Jan Van Geet, *Executive director*[1]	75,000	12,000	n.a.	n.a.	n.a.	n.a.	n.a.	87,000	100%	0%
Total	**375,000**	**98,000**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**473,000**	**100%**	**0%**

Total remuneration of the Executive Management Team

General[2]

The Executive Management Team consists of Jan Van Geet (Chief Executive Officer), Piet Van Geet (Chief Financial Officer), Tomas Van Geet (Chief Commercial Officer), Miquel-David Martinez (Chief Technical Officer – Western Europe), Matthias Sander (Chief Operating Officer – Eastern Europe), Jonathan Watkins (Chief Operating Officer – Western Europe) and Martijn Vlutters (Vice President – Business Development & Investor Relations). Dirk Stoop (former Company Secretary) left the Executive Management Team upon his retirement as of 1 July 2023. Rolf Carls will join the executive management team as of January 2024 in the role of Chief Technical Officer – Eastern Europe.

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 the 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 remuneration that Jan Van Geet s.r.o. receives in his capacity of CEO is reflected in tables B and C below.
2 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.

VGP Park Chomutov, Czech Republic

Performance criteria short-term variable remuneration

For financial year 2023, 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 and b) corresponding award payment level	a) Maximum target performance and b) corresponding award payment level	a) Measured performance and b) corresponding award payment level
Jan Van Geet s.r.o., represented by Jan Van Geet, CEO				
Net profit of the Group	20%	a) 75%	a) 125%	a) 100%
		b) 0.15	b) 0.75	b) 0.40
Growth in committed anualised lease agreements	30%	a) 75%	a) 125%	a) 137%
		b) 0.15	b) 0.25	b) 0.25
— Cash flow from operations and divestments to joint ventures	30%			
— Occupancy rate				
— Buildings completed and started-up		a) 75%	a) 125%	a) 156%
— Pre-lets under construction		b) 0.10	b) 0.20	b) 0.20
— Land acquisition				
— Other				
ESG	15%			
		a) 75%	a) 125%	a) 97%
		b) 0.07	b) 0.20	b) 0.09
Other non-financial and organisational objectives	5%	a) 75%	a) 125%	a) 100%
			b) 0.10	b) 0.06
Total bonus payment level		**0.50**	**1.50**	**1.00**
Total variable remuneration 2023				**€ 600,000**

Performance criteria	Relative weighting of the performance criteria	a) Minimum performance target and b) corresponding award payment level	a) Maximum target performance and b) corresponding award payment level	a) Measured performance and b) corresponding award payment level
Other members of Executive Management Team				
Net profit of the Group	20%	a) 75%	a) 125%	a) 100%
		b) 0.15	b) 0.36	b) 0.20
Growth in committed anualised lease agreements	30%	a) 75%	a) 125%	a) 137%
		b) 0.16	b) 0.55	b) 0.55
— Cash flow from operations and divestments to joint ventures	30%			
— Occupancy rate				
— Buildings completed and started-up		a) 75%	a) 125%	a) 156%
— Pre-lets under construction		b) 0.20	b) 0.55	b) 0.55
— Land acquisition				
— Other				
ESG	15%			
		a) 75%	a) 125%	a) 97%
		b) 0.07	b) 0.20	b) 0.15
Other non-financial and organisational objectives	5%	a) 75%	a) 125%	a) 100%
		b) 0.03	b) 0.08	b) 0.05
Total bonus payment level		**0.61**	**1.74**	**1.45**
Total vaiable remuneration 2023				**€ 1,530,000**

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

Reported financial year 2023
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 2023:

2023 remuneration *(in €)*	**Table B – Remuneration of the Executive Management Team for the reported financial year 2023**									
	Fixed remuneration			**Variable remuneration**		**Extraordinary items**	**Pension**	**Total remuneration**	**Proportion of fixed and variable remuneration**	
	Base salary	**Fees**	**Other benefits**	**One-year variable**	**Multi-year variable**[1]				**Fixed**	**Variable**
Executive Management Team										
Jan Van Geet s.r.o., represented by Jan Van Geet, *CEO*[2]	600,000	n.a.	41,133	600,000	n.a.	n.a.	n.a.	1,241,133	52%	48%
Other members of Executive Management Team	1,655,785	n.a.	225,094	1,530,000	3,565,571	n.a.	38,198	7,014,648	27%	73%
Total	**2,255,785**	**n.a.**	**266,227**	**2,130,000**	**3,565,571**	**n.a.**	**38,198**	**8,255,781**	**31%**	**69%**

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 2023, no share-based remuneration was granted.

Severance payments

For the financial year 2023, 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.

1 Relates to the LTIP variable remuneration vested during the financial year.
2 The remuneration that Jan Van Geet s.r.o. receives in his capacity of executive director is reflected in table A above.

Derogations from the remuneration policy

For the remuneration in respect of financial year 2023, 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

	2018	2019	2020	2021	2022	2023
Remuneration of non-executive directors						
Total annual remuneration	182,000[1]	396,500[2]	412,000	396,000	412,000	386,000
Year-on-year difference *(%)*	—	118%	4%	-4%	4%	-6%
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	16,000	93,000	91,000	91,000	93,000	87,000
Year-on-year difference *(%)*	7%	481%	-2%	0%	2%	-6%
Total annual remuneration as CEO	336,380	837,212	1,234,936	1,235,987	636,933	1,241,133
Year-on-year difference *(%)*	0%	149%	48%	0%	-48%	95%
Remuneration of the Executive Management Team						
Total annual remuneration	1,621,658	5,739,044[3]	4,467,293	3,275,630	3,575,084	7,014,648[4]
Year-on-year difference *(%)*	33%	254%	-22%	-27%	9%	96%
Number of EMT members under review	6	7	7	7	7	6.5[5]
Company performance						
Net profit attributable to shareholders *('000 €)*	121,106	205,613	370,939	650,055	(122,542)	87,292
Year-on-year difference *(%)*	26%	70%	80%	75%	n.m.	n.m.
Average remuneration per employee						
Average salary per employee[6]	72,715	76,065	74,512	79,565	72,871	70,375
Year-on-year difference *(%)*	23%	5%	-2%	7%	-8%	-3%

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 2023 pay ratio is 39.8.

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 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.
4 Includes multi year variable payment of € 3,565,571. During 2023, 134,332 units have vested, of which 87,166 units relate to members of the executive management team. The total pay-out of the 134,332 units amounts to € 6.1 million, which has been paid for € 1.4 million in 2023. The remainder is expected to be paid out in 2024.
5 As of 1 July 2023 only 6 members in EMT
6 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.

VGP Park San Fernando de Henares, Spain

Conduct and Compliance

Code of Conduct

During 2019 a formal Code of Conduct was introduced, which has been updated in July 2022. The 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, protection of human rights, 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 as well as the Group's compliance policies and procedures are 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, see below.

Whistleblowing platform: compliance hotline

All employees and contractors are invited to report cases or suspicions of criminal activities, violations of national and international laws, and any serious threat or harm to the general interest of VGP, or breaches the Group Code of Conduct, by using the Group's whistleblowing platform. The compliance hotline is available 24/7 from any location worldwide in all (18) spoken languages within the Group (*https://vgp.speakup.report/en-GB/compliance/home*). The whistleblowing platform allows anonymous reporting and ensures strict confidentiality of the identity of the reporter. The Group policy is to guarantee to not discipline, discriminate or retaliate against any employee or other person who in good faith reports information related to a violation. The Group head of legal and compliance investigates reported incidents, but the directors are ultimately responsible for taking the appropriate actions.

Anti-corruption

The Group aims at combatting and preventing corruption, bribery and influence peddling and has created various mechanism in order to comply with applicable laws. The Group General Counsel, checks the various operations in the different countries where the Group is active, such as the regulatory landscape, transactions and relationships with business partners. Management strictly enforces the Group's zero tolerance principle regarding violations of the Code with regards to the Anti-corruption principle.

VGP Park Braşov, Romania

Code of Conduct
The code of conduct and commitment to fight against corruption and influence peddling has been included in a dedicated section of the Group's Code of Conduct. The code of conduct stresses on the "zero tolerance" principle for breaches of the anti-corruption principle and any violation will be sanctioned.

Internal Alert System
The Group has an externally based whistleblowing platform (the VGP Compliance Hotline), which enables all staff as well as contractors to confidentially, and anonymously, report incidents to the Group General Counsel. The whistleblowing procedure and platform are accessible at *https://vgp.speakup.report/en-GB/compliance/home*.

Third party due diligence
The Group has a "Know Your Supplier" procedure which consists of tailored due diligence to assess business partners' risk of exposure to corruption before entering into contractual relationships. The due diligence may consist of questionnaires, internal and/or external background checks and investigations. Under certain circumstances the Group General Counsel reports due diligence findings to the relevant country manager or if required to the responsible COO or Group CEO to discuss the risk profile and provide recommendations. As part of the Group's Supplier Code of Conduct, the Group seeks to include anti-corruption provisions in contracts with business partners, to remind the contracting party that corruption and/or unethical behaviour will not be tolerated.

Accounting checks
The Group has a collective decision-making process regarding investment, divestment and procurement. The Group applies a "four eyes" principle when processing invoices and staff expenses reimbursement. There is also a segregation of duties in the payment process. Manual entries in accounting are systematically reviewed by Group finance and accounts are reviewed by statutory auditors.

Training
To raise awareness and entrench the compliance culture within the Group, employees are required to participate to an annual e-training covering ethics and the prevention of corruption and influence peddling. In addition to the online training, new joiners can attend dedicated classroom or online trainings. Several training sessions were held throughout the Group.

Disciplinary sanctions
Disciplinary sanctions may be taken in cases of corruption, bribery or breaches of the Anti-corruption policy based on the Group's zero tolerance principle.

Gift, meals and entertainment
The gift and entertainment policy states that hospitality, promotional or other business expenditure, received as well as given, need to be given or received in other forms than cash or cash equivalent, reasonable in value, infrequent, permitted under local laws, directly related to the promotion of the Group's assets, know-how, products or services, the execution of a contract, or to develop and maintain cordial business

relations out of any tendering phase or in the frame of the Group's ESG policy, approved (as the case may be), properly recorded in accounting and not given for any corrupt purpose or with the intent of receiving anything in return.

Sponsoring and charitable contributions
Donations to charities, non-profit initiatives or social projects comprise a risk of having funds or assets of value being diverted for the personal use or benefit of a public official or a private party. Particular caution needs to be observed if a potential contribution is directed towards a company having an affiliation with a public official. Any contributions must be prior validated by the respective Chief Operating Officer or Chief Executive Officer.

Prevention of money laundering and terrorism financing

The procedure for prevention of money laundering and terrorism financing (AML) requires employees and managers to be vigilant and perform due diligences before entering into certain business relationships. These due diligences include identifying the partner company, evaluating the risk profile of the partner/operation, performing sanctions list screening and identifying potential ultimate beneficial owners and politically exposed persons through background checks via public databases.

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 *www.vgpparks.eu/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.

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

Insider transactions during 2023
There were no insider transactions in 2023
If any, these transactions were made public on the website of the FSMA (*www.fsma.be*)

Transparency notifications 2023
There were no transparency declarations in 2023, however on 3 January 2024, the Company received a transparency notification, by virtue of the merger of Alsgard SA with Little Rock S.a.r.l (formerly Little Rock SA), which occurred on 31 December 2023. For further details we refer the Company's website.

Shareholding – VGP Group (vgpparks.eu).
For further details on the Company's shareholder structure as at 31 December 2023 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. There were no conflicts of interest reported in 2023.

Data protection

The code of conduct and commitment to protect personal data and confidential information has been included in a dedicated section of the Group's Code of Conduct. VGP safeguards the confidential information it receives from its clients as well as any other commercially sensitive information developed by VGP or available to it. Personal data are protected in accordance with VGP Personal Data Protection Policy. VGP establishes IT procedures to protect such information. All team members are required to comply with the policies related to protection of confidential and sensitive information and to ensure that their handling of IT does not lead to any avoidable security risks. As a part of its business, VGP acquires significant amount of confidential information from its suppliers, clients and other business partners, which are often protected by non-disclosure or similar agreements. All team members are required to strictly follow policies put in place to ensure compliance with such agreements.
The Personal Data Protection policy can be found here: *https://www.vgpparks.eu/en/personal-data-protection-policy/.* In addition, significant efforts are made in terms of awareness and training on the management of personal data: each employee receives online GDPR training, and the teams most exposed to data protection issues are provided with additional support.

The Group aims to only use subcontractors that provide guarantees as to their appropriate technical and organizational measures to ensure that processing and processing methods meet GDPR requirements and guarantee the protection of the data subject's rights.

Specific country requirements
Beyond the European Regulation on the Protection of Personal Data, each Member State of the European Union has interpreted the provisions of the GDPR by the enactment of national standards and by the jurisprudence developed by its national authorities (courts and local data protection authorities). For example, the most important legislation governing data protection in Germany is the Federal Data Protection Act (Bundesdatenschutzgesetz, or BDSG), which implements the EU's General Data Protection Regulation (GDPR) in the country. The GDPR sets a high standard for data protection throughout the EU, but Germany has gone further by adding its own additional provisions, such as stricter rules on employee data

protection, the need for explicit consent in certain cases, and additional requirements for data processing by public authorities. In addition to the BDSG, Germany also has several other laws that govern specific areas of data protection.

Compliance awareness

The Group is committed to conducting business in an ethical and fair manner and the Group has a “zero tolerance” mindset against all forms of unethical practices, such as inappropriate, disrespectful or unlawful behaviour, corruption, bribery, influence peddling and human rights violations. The Group’s compliance procedures are based on the principle of allocation of duties and responsibilities as well as promotion of compliance awareness through a “tone from the top” approach and active training programs to ensure accountability and strict and effective compliance within the Group.

Compliance governance framework

Aiming to ensure appropriate sharing of information, right level of accountability, due and effective support and promotion, VGP has set up a compliance organisation matching its footprint.

Board

The Board, with delegated execution to the CEO, is responsible for compliance with all laws and regulations applying to the Group. Promoting compliance awareness from the top on a recurring basis is part of the Group’s compliance target.

Compliance organizational framework

The compliance environment is managed by the CEO, the Group General Counsel, and CFO. The responsibilities include:
— Making recommendations on compliance, due diligences and the business ethics environment
— Participating in the crisis management in case of a material compliance breach; and
— Making recommendations or taking any decision related to any compliance related matters including internal promotion of compliance.

Group General Counsel

The Group General Counsel supervises the Group’s regulatory compliance

Compliance Officer

The Group Compliance Officer function is fulfilled by the Group General Counsel for legal compliance.
The Compliance Officer’s scope of responsibility includes:
— Designing and monitoring the implementation of the Compliance Program (including the Code of Conduct, Anti-Bribery and Anti-Corruption Program, Anti-Money Laundering Procedures and Whistleblowing Policy);
— Promoting compliance awareness for all employees and managers through classroom trainings and information sessions from time to time
— Investigating possible compliance breaches, including breaches reported through the Compliance Hot Line, the Group’s confidential whistleblowing platform;

Group General Counsel and Compliance have support from a Local Legal support functions to fulfill their tasks. They may also request support and/or input from external advisors. A network of local legal and compliance correspondents assist in promoting compliance awareness as well as to monitor and provide support for local implementation of compliance procedures.

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 goals 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 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 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 management, review, 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, COOs 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 ensure proper achievement of the company´s 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 the point of view of the level of risk exposure.

VGP Park Riga, Latvia

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 expired immediately after the annual shareholders' meeting held in 2023 and at which the decision has been taken to approve the annual accounts closed on 31 December 2022.

The Board of Directors approved that Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL was re-appointed as the Statutory Auditor for a new period of three years taking effect after the conclusion of the annual shareholders' meeting of 12 May 2023 and to set the fees at € 151,830 per year. This fee will be subject to an annual review reflecting the changes in audit scope which might be required in order to ensure that such audit scope is kept in line with the evolution of the VGP Group and is subject to indexation. The audit fees for VGP NV and its fully controlled subsidiaries amounted to € 216.8k for the year-end 2023. Additional non-audit services were performed during the year by Deloitte for which a total fee of € 86.8k was incurred. These fees were mainly paid for the obtained ESG limited assurance report.

Audit fees for jointly controlled entities amounted to € 233.6k. Additional non-audit services for jointly controlled entities amounted to € 335.6k

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 General Shareholders' Meeting to be held in the year 2025 at which it will be resolved to approve the financial statements closed as at 31 December 2024. 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 Joint Ventures

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 Sixth 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 properties (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 properties, 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 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, as well as the proceeds of the disposal of the assets to the Joint Ventures, are important for the liquidity and the solvability of the Group for the purpose of cash recycling.

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 was intended to replace the investment capacity of the First Joint Venture has been terminated, (iii) the Fifth Joint Venture has partially acquired the targeted assets in Germany in 2023 and is set to acquire the remaining portfolio in 2024 (iv) the Sixth Joint Venture will become effective as from its first closing – which is planned for the first half of 2024, (v) 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 progressing in 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) 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. *We refer to Corporate Responsibility Report paragraph "ESG risks and opportunities" for further information.*

As at 31 December 2023, the Group has 367.5 employees[1] (383 employees as at 31 December 2022). The Group aims to have a sufficiently large team to support the current growth rate of the Group.

1.3 The Group may not be able to locate, secure and execute new opportunities for land acquisition, which are crucial for the implementation of the Group´s growth strategy

VGP´s growth up to date has been based on the ability to acquire appropriate land plots in strategic locations with sufficient size and other characteristics to allow for the development of the logistic and semi-industrial buildings. Currently, these are mainly old industrial brownfields. Such land plots remain scarce and competition for their acquisition is fierce. If the Group is not able to continue its track record of acquiring strategic land plots, it will have material adverse effect on the Group´s future growth and financial performance.

As at 31 December 2023, the Group has a remaining development land bank in full ownership of 8,566,000 m^2 which allows the Group to develop ca. 3,905,000 m^2 of future lettable area. This includes the remaining 1,206,000 m^2 development land bank held by the Joint Ventures[2] with a development potential of circa 745,000 m^2 of new lettable area on which VGP has the development exclusivity. In addition, the Group has another 795,000 m^2 of committed land plots which allow for the development of ca. 410,000 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 9,361,000 m^2 which represents a remaining development potential of ca. 4,315,000 m^2.

1 On a Full Time Equivalents basis.
2 Of which 73% is located in the Netherlands through the LPM Joint Venture.

VGP Park Hochheim, Germany

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 properties and on the potential disposal of such properties once they 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, accidents and natural hazards, construction and design defects, 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). *We refer to Corporate Responsibility Report paragraph "ESG risks and opportunities" for further information.*

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 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 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.

Completion of plot acquisitions and conclusion of 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 pre-emptive 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 might also impact the timing of a future sale to the Second Joint Venture. The timing of a future sale to the Sixth Joint Venture also depends on the letting and development status of the income generating assets: a building needs to be 80% leased prior to such building being acquired by the Sixth Joint Venture. VGP retains the right to decide when to offer the park to the Sixth Joint Venture, but shall do so no later than upon completion of 80% of the lettable area of the respective park included in the development pipeline of the Sixth Joint Venture. 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 2023, the Group had contractual obligations to develop new projects which were not yet rent income generating for a total amount of € 296.5 million (compared to € 370.6 million as at 31 December 2022). 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.

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 Fifth Joint Venture, is valued by a valuation expert at 31 December 2023 based on a weighted average yield of 6.22% (compared to 5.29% as at 31 December 2022) 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 € 31.6 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 Sixth 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, Denmark, Slovakia, Hungary, Romania, Austria, Italy, Latvia, Portugal, Serbia, France and Croatia.

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(v) of the 2023 Annual Report. The Group's main country exposure is Germany, with 51% of the Group's Property Portfolio[1] and projects under construction (own and Joint Ventures at 100% combined) located there as at 31 December 2023 (compared to 52% as at 31 December 2022).

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 2023 Annual Report and paragraph 3.5 Empowering our workforce of our Corporate Responsibility 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.

Given the fact that VGP Group has activities neither in Russia nor in Ukraine, the Group´s operations have not been materially directly affected by the war in Ukraine. The indirect effects resulting from volatility of energy and raw material prices and the increase in interest rates have been significant, as reflected elsewhere in this report. Should such price volatility return, it may again materially affect the Group´s operations.

The Group is active in certain neighbouring countries (Slovakia, Latvia, Romania and Hungary), but the activities in these countries have not experienced significant specific negative effects due to the ongoing war in Ukraine to date. However, in case that the war continues or proliferates, it may impact the Group´s operation also directly. The war may also directly or indirectly affect the tenants of the Group and thereby also the Group´s financial performance. To date, however, no such material effects have been identified by the Group.

1 Based on m².

The current global and European sanction packages introduced in response to Russia´s aggression have also not had a direct effect on the Group, as it had no significant commercial relationships with companies subject to such sanctions. The Group has introduced policies required to ensure compliance with applicable sanctions and screening of commercial counterparties. Should, however, the sanction policy of the European Union be significantly extended, it may affect some of the suppliers or customers of the Group and thereby materially affect the financial position of the Group. Currently, the Group does not foresee such event taking place.

2.7 Risks related to natural hazards and other events

The Group manages a large portfolio of standing assets. Such assets may be subject to natural hazards or other events, such as fire, explosions, collapse, burglary. While the Group subscribes market standard insurance to cover against such events, which are in the Group´s view reasonable, such insurance policies are subject to limits and exclusions and may not cover all the damages that the Group or a Joint Venture may sustain as a result of such events. *We refer to Corporate Responsibility Report paragraph "ESG risks and opportunities" for further information.*

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) 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 (of which three still active) 50:50 joint ventures with Allianz (the Allianz Joint Ventures), two 50:50 joint ventures with Deka and Areim and three 50:50 joint ventures with other partners (the Development Joint Ventures). The first two Allianz Joint Ventures (the First Joint Venture and the Second Joint Venture) are mainly focused on acquiring income generating assets which are being developed by the Group, knowing that the First Joint Venture has reached the holding stage, but has some equity reserved for remaining development land within the First Joint Venture. The Fourth Joint Venture has been terminated and was intended to replace the First Joint Venture. The third Allianz Joint Venture (the Third Joint Venture) relates to the development of VGP Park München. There is one building left to be developed. 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, which has been sold in February '24 (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 Sixth 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


VGP Park Loures, Portugal

to concentrate on its core development activities. The Fifth Joint Venture still has to acquire three buildings, which are set to transfer in the course of 2024.

The Group may be significantly affected by the Joint Ventures, which are subject to additional risks such as:

- the Second Joint Venture and Sixth 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 Group may be unable to develop assets complying with certain ESG performance metrics, which evolve over time and which may result in a reduced attractiveness of such assets offered to the Joint Ventures. Further insights in such ESG performance metrics can be found *We refer to Corporate Responsibility Report paragraphs"ESG risks and opportunities" and "Group ESG Strategy" for further information;*
- Allianz and VGP have an obligation to develop the remaining development asset of the Third Joint Venture; however, in case of material changes, Allianz can decide not to proceed with the completion of the development;
- the Fifth Joint Venture has an obligation to acquire the economic ownership of the three remaining assets in the course of 2024. In case of material deviations, this obligation may no longer be legally binding;
- the Group recognises the risk to which it is exposed in case of financial difficulties of any of the Joint Ventures, in particular in case of a default under a facility agreement; while the Group has no legal obligation to contribute additional capital to cure any such default, it has recognized, from a pragmatic point of view, a "constructive obligation" to ensure the financial stability of the Joint Ventures ;
- the sale of properties to the Second Joint Venture and Sixth 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 and/or Areim may stop the acquisition process of proposed income-generating assets, and the 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 Joint Ventures;
- the Group may be unable to provide funds to the Allianz Joint Venture which were previously committed under the terms of the relevant Allianz Joint Venture Agreement, 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, the Joint Venture Partner may terminate the Joint Venture Agreement for the respective Joint Venture and VGP may have to sell VGP shares in the Joint Venture at a discounted purchase price (or acquire the partner´s shares with a surcharge);
- in case the participation that Jan Van Geet holds in the Group would fall below 25%, Allianz can terminate the First, Second or the Third Joint Venture; 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). As no transaction pursuant to the agreement on the establishment of the Fourth Joint Venture took place in 2023 and consequently two new Joint Ventures (the Fifth and Sixth) were established, the agreement on the establishment of the Fourth Joint Venture has been terminated.

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 Joint Ventures" (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 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, financing 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, proceeds for the disposal of the Group´s assets to the Joint Ventures 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 € 26.9 million in management fee income for the year ending 31 December 2023, compared to € 21.5 million for the year ending 31 December 2022. Profit distributions by the Joint Ventures for the period ending 31 December 2023 amounted to € 82 million (compared to € 60 million for the year ending 31 December 2022).

VGP Park Hrádek nad Nisou, Czech Republic

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 and 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 € 875.1 million as at 31 December 2023 (compared to € 451.3 million as at 31 December 2022). 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. In addition, in respect of the loans made to the Joint Ventures´ subsidiaries to finance the development of buildings on behalf of the Joint Ventures, the loans may not be repaid in case that the respective Joint Venture partner refuses to acquire the development building.

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) 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".*

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. Between 2020 and 2022, 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. 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 2023, the net debt of the Group amounted to € 1,777.6 million (compared to € 1,668.8 million as at 31 December 2022). The Gearing Ratio was 40.3% (compared to 34.4% as at 31 December 2022).

As at 31 December 2023, the Group had bonds outstanding for a total amount of € 1,934 million[1] (all being unsecured bonds) and had a remaining financial debt of € 67.8 million[2], of which € 28.7 million related to *Schuldschein* Loans and € 33.8 million related to accrued interest. The weighted average maturity of the debt stands at 4.2 years as at 31 December 2023, with a weighted average interest rate of 2.1% 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 development shareholder loans granted to the Joint Ventures or to the subsidiaries developing the Group´s properties. These shareholder loans are repaid when projects are acquired by the Second, Fifth or Sixth Joint Venture or when adequate bank credit facilities (or accumulated operating cash flows) 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 a considerable amount of assets 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 Sixth Joint Venture or being eligible for refinancing through bank debt in respect of the Third, Fifth 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 at all or at 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 Sixth 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 funding required for the re-financing of the assets developed by the Group on behalf of the Fifth Joint Venture is committed subject to appropriate conditions.

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 2023, the aggregate outstanding credit facilities amounted to € 911.5 million which were fully drawn. The investment period of the First Joint Venture has ended in May 2021. The Loan to Value Ratio stood at 38.9% as at 31 December 2023.

The Second Joint Venture has a 10-year € 483 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 € 44.3 million committed credit facility (maturing in June 2029) in respect of the assets to be acquired in Romania. As at 31 December 2023, the aggregate

1 Including € 13.7 million of capitalised finance costs.
2 Including € 0.4 million of capitalised finance costs.

outstanding credit facilities were fully drawn and have an outstanding balance of € 497.6 million.

The Loan to Value Ratio stood at 52.3% as at 31 December 2023. The Third Joint Venture drew 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 during 2023. As at 31 December 2023, additional bank financing in an amount of € 84.5 million is available to re-finance the buildings which were completed in December 2022. It is currently expected that this credit facility will be fully drawn during 2024.

The Fifth Joint Venture, which executed its first closing in 2023, has a committed credit facility of € 330 million maturing at 31 August 2030. These facilities are drawn for € 212 million at 31 December 2023. Its planned that the remainder will be fully drawn in '24. The Loan to Value Ratio stood at 22.8% as at 31 December 2023.

Finally, as at the 31 December 2023, no bank debt or credit facilities were outstanding in respect of the Sixth 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 at all or at 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 2023, the Group remained well within its covenants.

The terms and conditions of the 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 2023, the Consolidated Gearing[1] stood at 40.9% (compared to 34.6% as at 31 December 2022) against a maximum covenant ratio of 65%. The Interest Cover Ratio was 13.4 as at 31 December 2023 compared to 16.6 as at 31 December 2022) against a minimum covenant ratio of 1.20. The Debt Service Cover Ratio was 1.73 as at 31 December 2023 (compared to 14.89 as at 31 December 2022) 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 and on 4 September 2023, 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 Company 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 Company'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.

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

VGP Park Göttingen, Germany

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 2023, 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, material adverse 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

Considering the size of its own and joint ventures' asset portfolios, VGP places sustainability risks at the heart of its strategy with an integrated commitment to make sustainability a core part of the VGP business. The Group has developed a sustainability strategy based on environmental best practices, social fairness and transparent governance. VGP's ESG Strategy (for more information please refer to section *Group ESG Strategy* in the Corporate Responsibility Report) aims to address the main challenges faced by the Group with its operational activities in all geographies. As a developer and operator of semi-industrial and logistics assets, VGP has identified a broad range of sustainability risks and opportunities which are related to several departments and activities within the business such as energy efficiency/ transition, asset resilience to climate change, evolving taxonomy and environmental regulations, supply chain due diligence, green financing and societal risks – all of which are integrated into the Group's risk management framework. The ESG Risks – which are further discussed in section *ESG risks and opportunities* of the Corporate Responsibility Report – are categorised in seven categories: (i) ESG commitments, (ii) business ethics, (iii) Health, safety and well-being of people in our properties, (iv) human capital, (v) local municipal anchoring, (vi) protect environment and (vii) responsible supply chain. Sustainability risks are long term risks, leading to direct or indirect impacts on VGP:

(a) Direct impacts: change in weather patterns impacting our assets, energy efficiency regulations being implemented in our countries of operations, etc.; and
(b) Indirect impacts: municipalities requiring high level of environmental performance in our development projects, regulations impacting our upstream supply chain and the cost of raw materials and energy (e.g. increased price of carbon emissions for energy producers and large emitters such as cement manufacturers and steel manufacturers), financial institutions integrating ESG risks in their portfolio management strategies, etc.

Summary of the accounts and comments

Consolidated Income Statement

For the year ended 31 December

Income Statement *(in thousand of €)*	**31. 12. 2023**	**31. 12. 2022**
Revenue[1]	**113,723**	**84,784**
Gross rental and renewable energy income	**69,003**	**51,230**
Net property operating expenses	(5,534)	(8,223)
Net rental and renewable energy income	**63,469**	**43,007**
Joint venture management fee income	26,925	21,537
Net valuation gains / (losses) on investment properties[2]	87,958	(97,230)
Administration expenses	(48,863)	(33,956)
Share in result of Joint Ventures	(10,715)	(45,927)
Other expenses	—	(3,000)
Operating result	**118,774**	**(115,569)**
Financial income	34,076	17,329
Financial expenses	(40,107)	(44,337)
Net financial result	**(6,031)**	**(27,008)**
Result before taxes	**112,743**	**(142,577)**
Taxes	(25,451)	20,035
Result for the period	**87,292**	**(122,542)**
Attributable to:		
Shareholders of VGP NV	87,292	(122,542)
Non-controlling interests	—	—

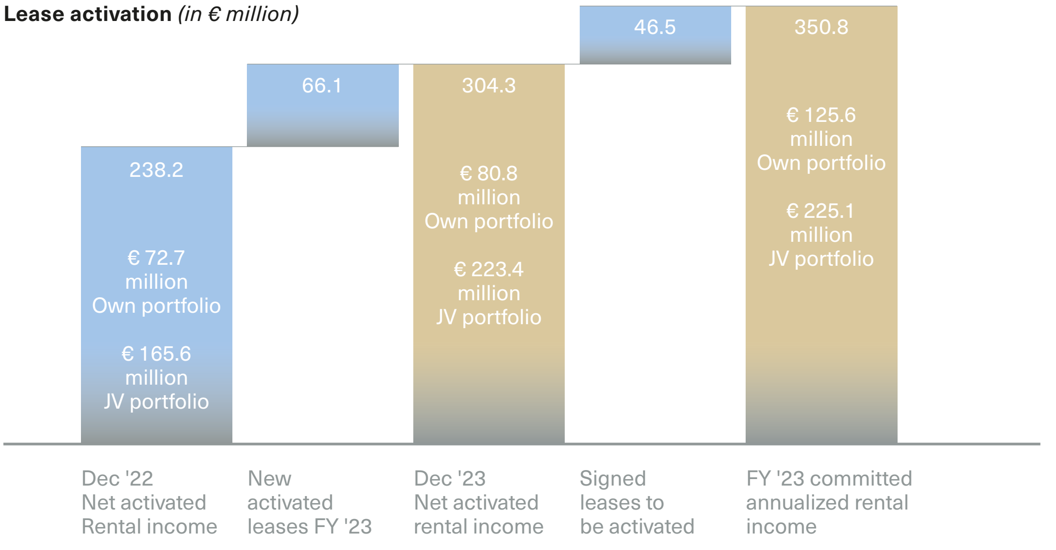
Earnings Per Share[3] *(in €)*	**31. 12. 2023**	**31. 12. 2022**
Basic earnings per share	3.20	(5.49)
Diluted earnings per share	3.20	(5.49)

1 Revenue is composed of gross rental and renewables income, service charge income, property and facility management income and property development income.
2 Includes realized gains on disposals of subsidiaries of € 59 million in '23 and € 87.2 million in '22
3 Calculated based on the weighted average number of shares amounting to 22,311,583 shares as at 31 December 2022. The total issued shares at year-end 2022 and for the full year 2023 were 27,291,312 shares

Net rental income

The net rental income of VGP's own portfolio, increased to € 59.9 million for the full year 2023 compared to € 37.4 million for the full year 2022 primarily due to full impact of income generating assets delivered during 2022 and 2023.
During the year € 66.1 million of annualized rental income including the Joint Ventures at 100%, have been activated. Another € 46.5 million[1] is still to be activated (upon delivery of assets), of which € 41.3 million is expected to become cash generative in the next twelve months.

Lease activation *(in € million)*



Including VGP's share of the joint ventures on a "look-through" basis net rental income increased by € 52 million, or 48% compared to full year 2022 (from € 107.4 million for the period ending 31 December 2022 to € 159.1 million for the period ending 31 December 2023)[2].

Net renewable energy income

— The gross renewable energy income over 2023 was € 4.36 million compared to € 5.90 million over FY2022. This was driven by an increase of 70.6% in the effective production sold in FY 2023 to 44 GWh, at a lower average energy price of €94/MWh (vs € 230/MWh in 2022).
— The operational solar capacity increased significantly to 101.8 MWp[3], up 80% year-over-year which should equate to a marketable production potential of circa 85 GWh.
— As of January 2024, the Group possesses a licence to use the grid and trade energy on behalf of our tenants in Germany, which will facilitate distribution of produced renewable energy across our German parks. The Group has applied for a similar licence in Romania.
— As of December 2023 a total of 32 projects representing 69.0 MWp are under construction (of which circa half is expected to go into production during first 4 months of 2024 pending grid connection approval).
— Including projects under construction the total solar power generation capacity will increase to 170.8 MWp spread over 116 roof-projects in eight countries. As at the 31st of December 2023 this represents a total aggregate investment amount of € 108 million (incl. current commitments for projects under construction).
— With regards to the pipeline, an additional 93 solar power projects are in contractual/design phase (including in five additional countries) which equates to an added power generation capacity of 99.7 MWp. The current total solar portfolio, including pipeline projects, totals 270.5 MWp and is well underway towards the 300 MWp target by 2025.

Income from joint ventures

The joint venture management fee income increased by € 5.4 million to € 26.9 million. The increase was mainly due to the growth of the joint ventures' portfolio, following an annualized effect of the transactions in '22 and the transactions effectuated in '23.

As part of the joint venture management fee, the property and facility management fee income increased from € 18 million for the period ending 31 December 2022 to € 22.5 million for the period ending 31 December 2023 and the development management fee income during the period amounted to € 4.4 million, an increase of 0.9 million in comparison to the period ending 31 December 2022.

1 Of which € 44.8 million on the own portfolio
2 See attached section 'Supplementary notes' for further details
3 Includes 14 MWp of third-party owned systems

Net valuation gains on the property portfolio

As at 31 December 2023 the net valuation gains on the property portfolio reached € 87.9 million compared to a net valuation loss of € 97.2 million for the period ended 31 December 2022.

The net valuation gain was mainly driven by: (i) € 28.9 million unrealized valuation gain on the own and disposal group held for sale portfolio, and (ii) € 59 million realized valuation gain on assets transferred as part of the first close with the Fifth Joint Venture, the fourth close with the Second Joint Venture and the tenth close with the First Joint Venture. All transactions in '23 have been concluded at a premium value versus the property portfolio fair value as at 31 December 2022.

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 2023 based on a weighted average yield of 6.22 % (compared to 5.29% as at 31 December 2022) applied to the contractual rents increased by the estimated rental value on unlet space.

The real estate valuations were adversely impacted by the rising interest rate which resulted in increasing yields. However, VGP's portfolio surpassed this effect by the impact on the valuations by rental growth, its development margin on newly constructed assets as well as realized gains on transactions with the Joint Ventures. Finally, the remaining assets earmarked for the Fifth Joint Venture and the seed portfolio for the Sixth Joint Venture have been aligned on the agreed fair market valuation, net of ancillary corrections as part of the purchase price calculation between both parties.

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

Administrative expenses

Administrative expenses increased with € 14.9 million to € 48.9 million, of which main variance is related to the LTIP program with an increase of € 9.5 million, noting that in '22 such provision was reversed with € 4 million. As at 31 December 2023 the group employed 367.5 full-time equivalents, a decrease of 15.5 FTE versus '22.

Share in net profit of the joint ventures

VGP's share of the joint ventures' loss for the period came in at € 10.7 million from € 45.9 million of loss for the period ending 31 December 2022, the increase is the result of higher net rental income as well as lower negative valuation adjustments on the Joint Venture portfolio.

Net rental income at share of the Joint Ventures increased to € 91.6 million for the period ending 31 December 2023 compared to € 64.1 million for the period ended 31 December 2022. The increase reflects the underlying growth of the joint ventures' portfolio net rental income resulting from organic rental growth as well as the different closings made with the First, Second and Fifth Joint Venture and the a full year effect of the deliveries and transactions of assets with the Joint Ventures in '22.

At the 31 December 2023, the joint ventures (100% share) account for € 226.9 million of annualized committed leases representing 3,741,000 m^2 of lettable area compared to € 173.3 million of annualized committed leases representing 2,946,000 m^2 at the end of December 2022.

The net valuation losses on investment properties at share decreased from € 106.1 million for the period ending 31 December 2022 to a loss of € 61.2 million for the period ending 31 December 2023. The portfolio of the joint ventures, excluding development and the buildings being constructed by VGP on behalf of the Joint Ventures, was valued at a weighted average yield of 5.01% as at 31 December 2023 (compared to 4.68% as at 31 December 2022).

The (re)valuation of the First, Second, Third and Fifth Joint Ventures' portfolios was based on the appraisal report of the property expert IO Partners, preferred partner of Jones Lang LaSalle.

The net financial expenses of the joint ventures at share for the period ending 31 December 2023 increased to € 35.4 million (compared to 16.8 million as per 31 December 2022).

Other expenses

Other expenses included € 3.0 million contribution to the UNHCR as per 31 December 2022. VGP has not made any contribution to its VGP Foundation in 2023.

Net financial result

For the period ending 31 December 2023, the financial income was € 34.1 million (€ 17.3 million for the period ending 31 December 2022) driven by € 27.5 million interest income on loans granted to the joint ventures (€ 17.3 million for the period ending 31 December 2022) and € 6.5 million bank interest income from depositary accounts.

The reported financial expenses as at 31 December 2023 of € 40.1 million (€ 44.3 million as at 31 December 2022) are mainly made up of € 47.5 million expenses related to financial debt (€ 52.1 million as at 31 December 2022) and other financial expenses of € 5.6 million (compared to € 5.2 million as at 31 December 2022), partially offset by € 15.0 million of capitalized interests (€ 18.1 million as at 31 December 2022).

As a result, the net financial costs amounted to € 6 million for the period ending 31 December 2023 compared to € 27 million at the end of 2022. A bond of € 150 million, carrying 2.75% interest, and a bond of € 225 million, carrying 3.9% interest have been repaid in 2023. The average cost of the credit facilities currently amounts to 2.11% with an average term of 4.23 years.

Consolidated Balance Sheet

For the period ended 31 December

Assets *(in thousand of €)*	**31. 12. 2023**	**31. 12. 2022**
Intangible assets	1,000	1,200
Investment properties	1,508,984	2,395,702
Property, plant and equipment	107,426	73,280
Investments in joint venture and associates	1,037,228	891,201
Other non-current receivables	565,734	359,644
Deferred tax assets	8,304	3,839
Total non-current assets	**3,228,676**	**3,724,866**
Trade and other receivables	79,486	122,113
Cash and cash equivalents	209,921	699,168
Disposal group held for sale	892,621	299,906
Total current assets	**1,182,028**	**1,121,187**
Total Assets	**4,410,704**	**4,846,053**

Shareholders' Equity And Liabilities *(in thousands of €)*	**31. 12. 2023**	**31. 12. 2022**
Share capital	105,676	105,676
Share premium	845,579	845,579
Retained earnings	1,263,162	1,250,920
Shareholders' equity	**2,214,417**	**2,202,175**
Non-current financial debt	1,885,154	1,960,464
Other non-current liabilities	38,085	46,419
Deferred tax liabilities	23,939	79,671
Total non-current liabilities	**1,947,178**	**2,086,554**
Current financial debt	111,750	413,704
Trade debts and other current liabilities	84,075	110,676
Liabilities related to disposal group held for sale	53,284	32,944
Total current liabilities	**249,109**	**557,324**
Total liabilities	**2,196,287**	**2,643,878**
Total Shareholders' Equity And Liabilities	**4,410,704**	**4,846,053**

Balance sheet

Investment properties

Investment properties relate to completed properties, projects under construction as well as land held for development. As at 31 December 2023 the investment property portfolio consists of 52 completed buildings representing 1,609,000 m^2 of lettable area with another 26 buildings under construction representing 774,000 m^2 of lettable area.

During the year 24 buildings were completed totaling 641,000 m^2 of lettable area. For its own account VGP delivered 14 buildings representing 259,000 m^2 of lettable area.

The Investment Property decreased to € 1.5 billion, influenced by transactions executed in '23 and the reclassification of assets designated for the Sixth Joint Venture to assets held for sale.

The own Investment Property portfolio, excluding development land is valued at an average weighted yield of 7%.

The total capital expenditure (capex) on investment property, inclusive of assets held for sale, reached € 715.1 million. This expenditure breakdown includes € 480.5 million on assets, € 212.4 million on acquisitions, and € 22.2 million on interests and capitalized rent-free components. Including assets held for sale, the total investment property accounts for € 1,154 million in completed assets, € 544.1 million assets under construction, and € 686.7 million land.

Property, plant and equipment

Property, plant and equipment increased with € 34.1 million which mainly relates to investments in renewable energy assets (€ 32.9 million) and are accounted for at cost and depreciated over 20 years. Completed installations amount to € 64.3 million, whereas € 31.3 million refers to acquisition costs of renewable installations currently under construction.

Photovoltaic capacity grew 79.9% YoY with operational capacity passing the 100 MWp-mark at 101.8 MWp (compared to 56.6 MWp in Dec-22). Photovoltaic projects under development amount to 69.0 MWp, with a further 99.7 MWp being planned.

Investment in joint ventures and associates

At the end of December 2023, the investments in the joint ventures and associates increased to € 1,037 million from € 891.2 million as at 31 December 2022.

The investments in joint ventures and associates as at the end of 2023 reflect the Allianz Joint Ventures, the Deka Joint Ventures and the Development Joint Ventures, all of which are accounted for using the equity method.

The increase is mainly related to equity contributions of transactions with Joint Ventures in amount of € 166.2 million, a dividend from the First Joint Venture (€ 6 million) and an equity repayment from the development joint venture Grekon (€ 3.4 million), as well as share in the loss of the Joint Ventures of € 10.7 million

Disposal group held for sale

The balance of the Disposal group held for sale increased from € 299.9 million as at 31 December 2022 to € 892.6 million as at 31 December 2023. This balance relates to (i) the assets under construction and development land (at fair value) which are being / will be developed by VGP, on behalf of the First and Second Joint Venture, (ii) assets held for sale and related to upcoming closings in '24 with the Fifth Joint Venture as well as (iii) the assets and development land destined to the Sixth Joint Venture.

The assets held for sale and destined to the Fifth and Sixth Joint Venture have been valued at the agreed fair market value, taking into account ancillary corrections and transaction costs, with the Joint Venture partners.

Total non-current and current financial debt

The financial debt decreased from € 2,374.2 million as at 31 December 2022 to € 1,997 million as at 31 December 2023. The decrease was mainly driven by the repayment of two bonds for a total amount of € 375 million.

VGP concluded on a credit facility of the European Investment Bank of € 150 million to support it's renewable energy business unit in December '23. As per 5 February 2024, VGP has drawn € 135 million of the facility at an interest rate of 4.15% on a ten year period.

The gearing ratio of the Group as of 31 December 2023 amounted to 40.3 % compared to 34.4 % as at 31 December 2022.

Cash flow statement

In thousands of €	**31. 12. 2023**	**31. 12. 2022**
Cash flow from operating activities	(27,331)	(70,637)
Cash flow from investing activities	(8,078)	(566,150)
Cash flow from financing activities	(450,050)	1,116,401
Net increase/(decrease) in cash and cash equivalents	**(485,459)**	**479,614**

The changes in the cash flow from investing activities was mainly due to: (i) € 667 million (2022: € 851.8 million) of expenditure incurred for the development activities and land acquisition; (ii) € 676.2 million cash recycled resulting from the fourth closing with the Second Joint Venture (€ 194.4 million), the tenth closing with the First Joint Venture (€ 73.5 million) (iii) the first closing with the Fifth Joint Venture (€ 393 million) and some final settlements of previous closings (€ 15.5 million).

The changes in the cash flow from financing activities were driven by: (i) € 75 million dividend paid out in May 2023 (2022: € 150 million); (ii) € 375 million repayment from the Apr-23 and Sep-23 Bonds.

Events after the balance sheet date

As per January '24, the group acquired its first site in Denmark, which is located in the northern part of the Triangle Region, a commercially important region in the centre of Denmark. On an area of more than 175,000 m^2 will be developed more than 80,000 m^2 of semi-industrial premises which are suitable for light industry and logistics services. The site is adjacent to the highway E45, exit 61 b Vejle Syd. The park will offer full-scale services including photovoltaics, on-site electric car charging and high-quality technical and sustainable features.

As per February '24, the group divested its stake in the LPM Joint Venture for a consideration of ca € 170 million.

VGP Park San Fernando de Henares, Spain

Information about the share

Listing of shares

Euronext Brussels

VGP share	ISIN BE0003878957
Market capitalisation 31 Dec-23	2,865,587,760 €
Highest capitalisation	2,914,712,203 €
Lowest capitalisation	2,018,192,441 €
Share price 31 Dec-22	77.80 €
Share price 31 Dec-23	105 €

Shareholder structure

As at 31 December 2023 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[2]	% of total voting rights
Little Rock S.a.r.l.	8,092,390	29.65%	14,566,303	36.71%
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	39.52%
VM Invest NV	5,186,463	19.00%	9,335,634	23.53%
Public	13,382,745	49.04%	14,661,163	36.95%
Total	**27,291,312**	**100.00%**	**39,677,019**	**100.00%**

Little Rock S.a.r.l. and Tomanvi SCA are companies controlled by Mr. Jan Van Geet.
VM Invest NV is 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.

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.

1 As at 31 December 2023, 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.
2 VGP NV has received a transparency notification dated 2 January 2024 that by virtue of the merger of Alsgard SA with Little Rock S.à.r.l. (formerly Little Rock SA) which occurred on 31 December 2023, that (i) Little Rock S.à r.l. now holds 36.71% of the voting rights of VGP NV

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

2024 first quarter trading update	10 May 2024
Annual shareholders' meeting	10 May 2024
Ex-date dividend 2023	22 May 2024
Record date dividend 2023	23 May 2024
Payment date dividend 2023	24 May 2024
2024 half year results	23 August 2024
2024 third quarter trading update	8 November 2024

VGP Park Nijmegen, The Netherlands

Outlook 2024

VGP believes to have set several milestones in 2023 that will enable solid growth in ’24 and beyond. The acquisition of some very iconic land plots, on top of already a prime land bank across the regions in which VGP operates, allows to offer attractive propositions to our clients.

VGP expects to activate another € 41.3 million of annualized rental income in ’24, supporting substantial growth in net rental income.

The two new Joint Ventures will ensure continuous cash recycling to finance the development pipeline and will grow our joint venture asset management services further. A minimum of € 525 million of gross cash proceeds are expected based on commitments from our new Joint Venture partners in the Fifth and Sixth Joint Venture. In ’23 VGP repaid € 375 million of debts, but has only one bond of € 75 million that comes to maturity in ’24. Moreover, VGP has come to an agreement in February ’24 to divest its LPM Joint Venture, which generated ca € 170 million of cash proceeds. This brings the total minimum expected gross cash proceeds for ’24 already to € 830 million, including the € 135 million drawdown on the new credit facility of the European Investment Bank. This covers all outstanding commitments in our property and renewable energy developments, land acquisitions, debt repayments and dividend for ’24.

As always, we look forward to updating you on our progress along the way.

Board of Directors and

Management

VGP Park Giessen am Alten Flughafen, Germany

Board of Directors

Board of Directors

Composition on 31 December 2023					
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	2023	Non-executive	Independent	2027
	Katherina Reiche	2023	Non-executive	Independent	2027
	Vera Gäde Butzlaff	2023	Non-executive	Independent	2027

VGP Park Nijmegen, The Netherlands

Bart Van Malderen

***1966** Bart Van Malderen founded Drylock Technologies in 2012. Drylock Technologies 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.

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 a member of several boards a.o. Supervisory board member Gröner Group AG, Chairwoman of the Bürgerstiftung Berlin and was a Supervisory board member of Berliner Volksbank until mid-2023. 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 2023	
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 until 30 June 2023.
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.

The curriculum vitae of the members of the executive management (except for the CEO – cf. supra) may be summarised as follows:

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 and holds a number of board seats, amongst other as chairman of Truncus Wealth.

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. Dirk Stoop left VGP as of 1 July 2023.

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 took responsibility for technical concepts and contract execution and has been appointed as technical director for Western Europe in 2023. 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

Mr. Rolf Carls

***1959** He is a civil engineer and joined VGP's team in 2016. He took responsibility for technical concepts, contract execution and for the transfer of expertise to the newly established national VGP companies. He has been appointed as technical director for Eastern Europe as of January 2024. Prior to this position, Rolf Carls was Managing Director of an engineering and consulting company mainly focused on industrial projects for the automotive and chemical sectors.

VGP

Corporate Responsibility Report 2023

Content

Introduction

VGP Park Nijmegen, The Netherlands


BERG TRANS.NL

1.1 CEO letter: Charting a Sustainable Tomorrow – Our Year in Review

Dear stakeholders,
Meeting our goals, and achieving measurable results, for climate and nature will require innovation, working together in partnerships across the value chain, engagement with communities and a science-based approach.

Our ESG Strategy is based on our motto "Building Tomorrow Today *Together*" and is underpinned by a threefold ambition:

We transform ourselves.
By creating more sustainable assets and helping our tenants to shift to better sustainable operating habits.

We empower our stakeholders.
By mobilizing our ecosystem to collectively improve our model and share growth with our communities.

We contribute to solving the challenges of our time.
By supporting initiatives that are developing solutions to climate change, the need for enhanced circularity, protecting biodiversity and social progress.

Address climate change

Among our Group's sustainability highlights for 2023 was our progress on the first pillar of our ESG strategy: address climate change. We reduced our GHG emissions intensity per employee by 34 percent since our base year 2020, and helped our tenants reduce or avoid emissions through our efforts to enhance our building's eco-efficiency, as well as by enabling sustainable transport and the green energy transition. We also refined our embodied carbon reduction efforts, involving our supply chain, covering suppliers that account for nearly 50 percent of our procurement spending. Finally, our photovoltaic roll-out has continued with our renewable energy production surpassing the annual electricity consumption of our tenants once all our PV pipeline projects are completed. This report contains many examples of how we are contributing to a low-carbon society and supporting the Paris Agreement's target of limiting the rise in global temperatures to 1.5 degrees Celsius. One that stands out is a project in Germany, where we

VGP Park München, Germany

have been able to obtain a license to trade energy on the grid for our tenants which will help us distribute our solar power more effectively and thereby reduce annual carbon emissions by 5,400 tons, equivalent to taking 2,400 conventional cars off the road. By taking a closer look at the case studies we have included throughout the report you will see how we are using technology to shrink VGP's environmental footprint while working with our tenants and suppliers to reduce and avoid emissions across our value chain.

Circularity, biodiversity and social progress

While we are particularly proud of our progress on the first pillar of our 2030 ESG strategy, we also continued to advance on the other pillars: build Sustainable Properties which preserve resources, improve eco-efficiency of our existing buildings, supporting communities, promoting biodiversity, and creating a workplace culture of integrity and transparency along the extended value chain. In 2023, we strengthened VGP's circularity approach by defining a new key performance indicator (KPI) for new projects taking into account every stage of the building's life cycle, from design to end-of-life. In the "Sustainable Properties" section, you can find more examples of how we are putting circularity into practice in our buildings and management processes and the interaction with our tenants. One other important initiative was the launch of our enhanced green lease template, which we aim to include in all new leases signed and which provides a framework for transparency into the environmental impact of a building's usage and ensures green electricity procurement.

The report's section on protecting and improving biodiversity details the strides we have made toward our goals of enhancing biodiversity through preserving and enhancing natural ecosystems surrounding our projects. This includes education within the community and training to keep awareness high.

When it comes to social progress, we achieved many concrete gains, including increasing gender diversity across the organization as well as management, and enhancing our human rights in our suppliers due diligence process. At the same time, by setting up the VGP Academy we have established a platform designed to empower our employees with the knowledge and skills needed to drive innovation and sustainability within our organization.

Technical competence

Technical competence cannot solve all of the world's challenges. But our experience at VGP shows that, with clear goals in mind, and engaged and motivated people with the right skills and expertise, we can develop and deploy solutions that will take us a long way toward creating a sustainable society.

I want to thank our people for their contributions to our sustainability goals and for the work they have done, not just as employees but also in a private capacity, to support the shift to a sustainable society. And I want to thank all our stakeholders for your collaboration, support and trust. Together, we are Building Tomorrow Today and thereby leading the way to a sustainable future.

Sincerely,
Jan Van Geet
CEO

1.2 Summary of the Group's ESG achievements

Address climate change

34%

Scope 1 and 2 emissions intensity reduction since 2020

1.5°C

Scope 1 and 2 climate strategy approval by SBTi

5%

Scope 3 - embodied carbon intensity reduction since 2020

23%

Scope 3 - portfolio use intensity reduction since 2020

Sustainable buildings

★★★★

GRESB Developer score

1.5°C

CRREM pathway (including identified improvement measures)

Implemented

Internal carbon reference pricing

80.2%

Circular economy – recycled waste from construction sites

Strengthen communities

1,440

Volunteering hours by VGP employees

41

Charitable projects supported by VGP Foundation

Empowering our workforce

100%

of employees offered to participate in community days

20bps

Increase in women in the Group

82.5%

Employees satisfied with Group training and VGP Academy

+41.8

Net promoter score given by employees

Protect and improve biodiversity

548,000 m²

Total size of biotopes created in or around VGP Parks

4,040

Additional trees planted in 2023 in existing parks

100%

of projects started in 2023 with an ecology plan

95.7%

of projects with meaningful biodiversity stakes implemented a biodiversity action plan

Improve eco-efficiency

23.3%

of green leases among total active leases

109%

Solar power generation (including pipeline) as % of tenant electricity consumption

100%

Renewable energy of VGP offices

96.4%

Parks with public transport access

545

EV chargers placed in VGP Parks

2,054 tCO_2

Annual carbon emissions savings through eco-efficiency measures

1.2.1 Results of non-financial ratings and indices

Non-financial evaluations

The Group's ESG assessments by extra-financial rating agencies were updated in 2023:

GRESB:
in 2023, with a score of 93/100 for its development activities, the Group received a "4 Star" rating and recognises VGP as the second highest performance in its European peer group. The score for Standing Investments improved year over year to a score of 77/100, equivalent to a "3 Star" rating.

GRESB ★★★☆☆ 2023

GRESB ★★★★☆ 2023

CDP (formerly the Carbon Disclosure Project):
VGP was highlighted as a global leader on supplier engagement by global environmental impact non-profit CDP:
— Being awarded a position in the Supplier Engagement Leaderboard in 2023 with an A- ranking recognising the Group as a global leader for engaging with its suppliers on climate change (more details in section 3.6 Sustainable Supply chain management);
— Score 2023 climate change: B

CDP DISCLOSER 2023

Sustainalytics:
VGP received an ESG Risk Rating of 12.1 and was assessed by Sustainalytics to be at "Negligible" risk of experiencing material financial impacts from ESG factors. VGP's ESG Risk Rating by Sustainalytics places the Group at the 44rd rank and in the 28th percentile of the Real Estate Industry group assessed by Sustainalytics, as well as at the 173rd rank in the global rated universe (15,000+ companies). VGP's management score of ESG issues assessed by Sustainalytics is strong (57/100) (last update in February 2023).

S&P's ESG solutions:
As of 19 March 2024, our company performed in the top decile in the Real Estate Management & Development Industry in the S&P Global Corporate Sustainability Assessment 2023. Our company scored 63 (out of 100), reflecting an improvement of 17 points over 2022, with full scores in the following criteria: 78 for Environmental, 53 for Social and 55 for Governance & Economic.

Non-financial indices

On 20 March 2023, VGP was included in the **BEL® ESG Index** (for more details please see Euronext's website). The BEL® ESG Index is a free float market capitalisation weighted index that reflects the performance of the 20 companies with the best ESG risk rating selected among the best in their subindustry from the BEL 20 Index and BEL Mid Index.

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 Report, various other reports and presentations, regulatory filings, press releases and direct conversations with stakeholders. We maintain a dedicated sustainability section on our website to facilitate access to information that we publish on these topics.

This Annual 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, 2023, unless otherwise noted. For the CO_2 emissions and energy consumption data of our tenants within our portfolio 2023 full-year data has been used (as referenced in the respective tables).

1.3.1 Alignment with ESG reporting standards and frameworks

VGP's 2023 non-financial statement consists mainly of the present Chapter "Corporate Responsibility" of the Group's 2023 Annual Report, completed with elements in Chapters "Profile", "Strategy", "the Report of the Board of Directors" and the "Remuneration Report".

In 2023, in compliance with the anticipated EU "Taxonomy" regulation, VGP has published the share of its eligible and aligned activities. The EU 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 and aligned share of turnover, CAPEX and OPEX from VGP activities are presented in section 4.1 EU Taxonomy regulation.

The 2023 VGP Annual Report also complies with the Best Practices Recommendations on Sustainability Reporting ("sBPR") established by the European Public Real Estate Association ("EPRA"). VGP received the EPRA "Most improved" and "Bronze" Awards in 2023 for completing its 2022 reporting in accordance with the EPRA Sustainability BPR. Since 2020, VGP follows the GRI guidelines. The 2023 Annual Report has been prepared in accordance with the GRI Standards: Core option.

The 2023 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 2022, recognising the importance of increasing transparency of climate-related risks and opportunities, promoting more informed financial decision-marking and building a more resilient financial system.

The following table includes cross-referencing between the information published by VGP in this document and the main (European and Global) reporting standards for non-financial information: the Non-Financial Reporting Directive, the GRI standards and TCFD recommendations.

Complete cross-references tables of the Group's 2023 sustainability reporting with EPRA and GRI frameworks, as well as with the TCFD's core elements of climate-related financial disclosures, are available in the sustainability section of the Group's website (*https://www.vgpparks.eu/en/investors/environmental-disclosures/*).

Links between the UN SDGs and ESG risks and opportunities can be identified in the graphics included in section 2.1.3 ESG risks and opportunities.

Cross-reference table of the management report

Topic	Annual Report section
Description of the business model	Page 20–23
Description of the principal non-financial risks relating to the Group's business	Page 78–87
Description of the policies to identify, prevent and mitigate non-financial risks and their outcomes including key performance indicators	Page 78–87
Respect for human rights	Page 73
Anti-corruption measures	Page 73
Climate change (contribution and adjustments)	Page 87
Circular economy	Page 28
Waste	Page 174
Collective bargaining agreements and their impacts	Page 189
Measures taken to combat discrimination and promote diversity	Page 73
Societal commitments	Page 75

1.3.2 External assurance

In compliance with the applicable frameworks on the disclosure of non- financial information (see Section 1.3.1.1. Alignment with ESG reporting standards and frameworks), the Scope 1, Scope 2 and Scope 3 concerning tenant energy consumption data 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 ESG 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 audit 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 4.2.3 Current allocation of green bond proceeds). The detailed reporting and assurance report are disclosed in Section 4.2.6 (Independent third party's report on green bond criteria and indicators).

All the portfolio energy data as well as the related carbon emission calculations used in this report have been audited based on PAS 2060 and the GHG protocol.


VGP Park České Budějovice, Czech Republic

1.3.3 Reporting on the EU Taxonomy

The European Union has established a taxonomy (the **"EU Taxonomy"**) to help direct investments towards sustainable projects and activities. From the viewpoint of companies, the taxonomy is a classification system meant to provide investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable according to the following six environmental objectives:

1. Climate change mitigation;
2. Climate change adaptation;
3. The sustainable use and protection of water and marine resources;
4. The transition to a circular economy;
5. Pollution prevention and control; and
6. The protection and restoration of biodiversity and ecosystems.

As of the publication date of this non-financial statement, the full set of regulations pertaining to the EU Taxonomy had not yet been passed. In accordance with the ones applicable to 2023 disclosures[1], in section 4.1 EU Taxonomy VGP reports only on the proportion of its economic activities that are "taxonomy-eligible" and "taxonomy-aligned" with respect to the first two objectives above.

1 See Regulation (EU) 2020/852 and Article 10.2 of Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021

1.4 Company at a glance

VGP is a pan-European owner, manager and developer of high-quality logistics and semi-industrial properties as well as a provider of renewable energy solutions. VGP has a fully integrated business model with extensive expertise and many years of experience along the entire value chain. VGP was founded in 1998 as a family-owned Belgian property developer in the Czech Republic and today operates with around 368 full-time employees in 17 European countries directly and through several 50:50 joint ventures. In December 2023, the gross asset value of VGP, including the 100% joint ventures, amounted to € 7.19 billion and the company had a net asset value (EPRA NTA) of € 2.3 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 Financial and operational highlights (FY 2023)

Financial	
Revenues	€ 113.7 million
Operating result	€ 118.8 million
Capital Expenditure	€ 858 million
Earnings per share	€ 3.20
Equity base	€ 2.21 billion
Financial debt (of which green bonds)	€ 2.00 billion (€ 1.6 billion)
Gearing ratio	40.3%
Cash available	€ 0.2 billion

Operating metrics	
Total FTE	368
Completed building portfolio[1] *(#/m²)*	219/4,943,537
Buildings under construction *(#/m²)*	26/774,000

Portfolio performance	
Total AuM	€ 7.19 billion
Net property income	€ 63.5 million
Leases committed	€ 350.8 million
Capital expenditure	€ 693 million
Occupancy ratio	98.9%

Renewable Energy business unit	
Renewable energy income	€ 4.4 million
Solar capacity installed	101.8 MWp
Solar capacity under construction	69.0 MWp
Committed solar capacity	99.7 MWp
Number of EV charging stations installed	545 Chargers

1 Rent roll, including Joint Ventures at 100%: 222 buildings (5,365,000 m²); main adjustment is exclusion of existing Russelsheim facilities (brownfield warehouses)

Group ESG Strategy

VGP Park Munich, Germany with new biotope corridor developed along the length of the park

2.1 ESG Strategy: Building Tomorrow Today Together

2.1.1 Priorities of the Group ESG Strategy

Since 2021, VGP has redefined its ESG strategy. Between 2020 and 2023, VGP had already achieved a cumulative reduction of 34% of its carbon intensity of own operations per employee and with regards to the portfolio a 23% reduction in energy intensity per square meter leased since 2020. 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 in the chart 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

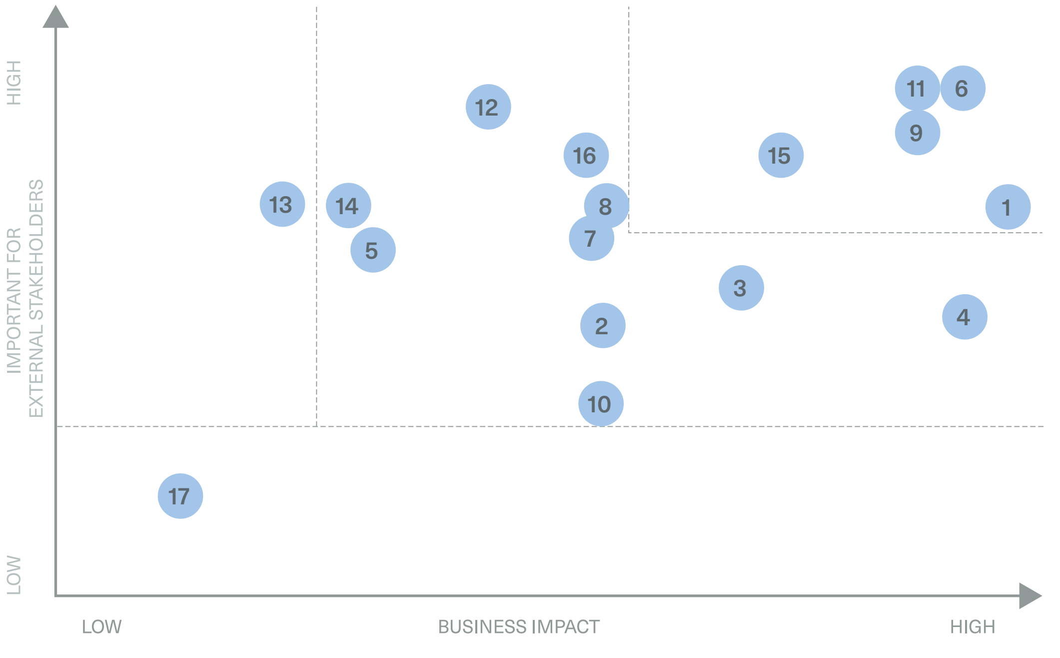
VGP Park Laatzen, Germany

2.1.2 Materiality matrix

In 2023, VGP updated its 2022 materiality matrix in order to align and identify its current ESG-related priorities. This work was done on the basis of an 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.

The business impact of each ESG topic has been assessed across value levers (value protection, revenue increase, cost reductions, improved valuation, preferred financing and new revenue sources) and by appraising the magnitude of the impact. The importance for external stakeholders (regulator, investor, municipality and tenant expectations) takes into account the current or upcoming regulation and the following market trends used as proxies: renewable energy integration, circular economy practices, urban logistics and the electrification of fleet and climate change.

Executive Management validated the updated materiality matrix, which confirmed the main priorities identified through the previous analysis. These priorities, in line with the parallel work done on risks (see section 2.1.3 ESG risks and opportunities), reconfirmed the 5 focus areas for the Group sustainability strategy (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

2.1.3 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 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 2.1.2 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 4 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. Subsequently these climate change and ESG risks have been identified as a risk factor in the Group's risk management framework (see Environmental, sustainability and climate change risks in the Section Risk Factors for more details).

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 3.1.3.1

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.

Key: ↓ **decreasing** ☰ **stable** ↑ **increasing**

ESG COMMITMENT

	Associated risk	Risk level	Change in risk level	Stakeholders
	Failure to take into account stakeholders' growing expectations regarding sustainability	Medium	↑	— employees — tenants — local communities — suppliers — investors — public authorities

BUSINESS ETHICS

	Associated risk	Risk level	Change in risk level	Stakeholders
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	Bribery and corruption risk, money laundering and financing of terrorism or non-compliance with regulations	High	↑	— employees — public authorities — tenants — suppliers
	Non-transparency in reporting of lobbying activities	Low	☰	— employees — public authorities — investors
	Breach of personal data and cyber security	Low	☰	— employees — tenants — local communities — suppliers — investors — public authorities

HEALTH, SAFETY AND WELL-BEING OF PEOPLE IN OUR PROPERTIES

	Associated risk	Risk level	Change in risk level	Stakeholders
3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION	Failure to provide a safe and healthy environment for employees, tenants and contractors	Low	☰	— employees — tenants — local communities — suppliers — public authorities

	Management approach	Key Performance Indicators	Reference section
	— Execute on ESG Strategy: transparency on actions and results — Dialogue with stakeholders — Response to non-financial rating agencies	— ESG performance indicators — Stakeholder engagement survey responses — Ratings from external benchmarks/ agencies — Revenue growth — Employee/tenant satisfaction and retention rate	— ESG chapter 2 — Green financing of the Group activities – section 4

	Management approach	Key Performance Indicators	Reference section
	— The Group Code of Conduct includes a compulsory yearly e-learning module and Code attestation — Code of Conduct includes specific procedures (e.g. gifts and invitations) — Whistleblowing procedures are accessible 24/7 to all employees and contractors with a guarantee against retaliation — Clear procedures for screening business partners — Insider Trading Rules procedure	— Number of sanctions imposed by regulators in 2023 linked to corruption incidents (# 0) — Monetary value of such sanctions imposed (€ 0) — Percentage of new joiners trained on corruption prevention (40%) — Percentage of employees trained in 2023 on the Group Code of Conduct, business ethics and corruption prevention (73%)	— Section Conduct and compliance in the Chapter Report of the Board of Directors
	— Political Activity Policy: VGP has a principal policy of no political engagement and participating in political activities — If any activities would occur they require CEO approval and have to be reported. — The Group is committed to declare applicable lobbying activities annually to ensure these are available on the Belgian register for Transparency in Public Affairs platform (“Lobbyregister” *www.dekamer.be*).	— Number of reported lobbying actions (#: 0) — Political donations and lobbying expenditures (€ 0	— Section Conduct and compliance in the Chapter Report of the Board of Directors
	— Data Privacy Protection programme compliant with EU and relevant member states regulations — VGP has a data protection governance framework at corporate level in place to ensure preventative processes and internal alerts — The main MIS and operating system which the Group uses for email and file exchange is compliant with ISO 27001 — The Group only uses reputable service providers for network maintenance — The Group uses group-wide employee training and specific business people training on data protection awareness and cybersecurity — The Group’s new ERP, operating metrics, billing and payment system is fully compliant to ISO 27001 and ISO 27018	— Percentage of employees trained on cyber security and data protection: 100%	— Section Conduct and compliance in the Chapter Report of the Board of Directors

	Management approach	Key Performance Indicators	Reference section
	— The 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 — Maintenance and inspection is conducted for all relevant equipment subject to regulation — Third-party audits of Health & Safety risks are conducted at asset level. Health & Safety audits are conducted on a continuous basis — Routine property tours are organized to identify hazardous conditions and implement corrective actions	— The number of incidents is monitored as well as sanctions for non-compliance related to building health and safety.	— Section 3.5.6 Occupational Health and Safety

HUMAN CAPITAL

	Associated risk	Risk level	Change in risk level	Stakeholders
	Non-engagement of employees	Medium	≡	— employees — managers
	Lack of key competencies	High	≡	— employees
	Lack of profile diversity	Medium	≡	— employees — managers

LOCAL MUNICIPAL ANCHORING

	Associated risk	Risk level	Change in risk level	Stakeholders
	Inadequate contribution to local social and economic developments	Medium	≡	— local authorities — local communities — tenants
	Risk of local protest and local unacceptability of activities	Low	≡	— local authorities — local communities — tenants

Management approach	Key Performance Indicators	Reference section
— 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 ergonomics policies — The Group aims to provide permanent learning and development opportunities: The setup of the VGP Academy in 2023 will further support these possibilities and the Group continues to foster 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 canteen and kitchens — Participation in the Group's local volunteering programs is encouraged as well as participation in the annual employee satisfaction survey	— Employee turnover rate — Annual employee satisfaction survey — Percentage of VGP countries and offices that implement employee wellbeing and green office programs — The employee engagement in the Group volunteering program	— VGP Community Day Section 3.7.2 — Chapter 3.5 Empowering our workforce
— Group's recruitment, retention and succession planning is 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 improvement of employee engagement on diversity and inclusion — The development of the international group culture and "cross fertilisation of knowledge" 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 headhunting firms to map and target best external talent — VGP Academy (setup in 2023) will further support continuous learning and development — The Group is enhancing its graduate recruitment	— Training rate — Average tenure of key people — Employee recruitment rate	— Chapter 3.5 Empowering our workforce
— VGP's equal opportunity statement is included in HR policies relating to recruitment practices, compensation and benefits, talent review, and learning and development — The Human Rights policy sets the commitment to and improve employee engagement on diversity and inclusion — The Group Code of Conduct and whistleblowing procedure are in-line with zero tolerance principle for discrimination or harassment — The diversity of the members of the board of the Group – with at least 60% women since 2019 – sends a strong signal about the importance of female leadership — International Group culture (e.g. international activities, mobility, cross-functional mobility, group-wide learning programs) — Since 2024, VGP is signatory of a European Diversity Charter to support the fight against all forms of discrimination	— Female representation in management levels — Pay ratio based on gender	— Chapter 3.5 Empowering our workforce

Management approach	Key Performance Indicators	Reference section
— For new developments public consultations are held — 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 together to identify and tackle issues for the local population and businesses	— Proportion of VGP Parks using local service providers for facility management services — Proportion of VGP Parks promoting local employment and generating local tax revenues — Proportion of VGP Parks offering leasing space to locally anchored tenants	— Section 3.7 VGP in the Community
— For new developments public consultations are held — 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	— Proportion of VGP Parks using local service providers for facility management services — Proportion of VGP Parks promoting local employment and generating local tax revenues — Proportion of VGP Parks offering leasing space to locally anchored tenants	— Section 3.7 VGP in the Community

PROTECT ENVIRONMENT

	Associated risk	Risk level	Change in risk level	Stakeholders
3 GOOD HEALTH AND WELL-BEING; 6 CLEAN WATER AND SANITATION; 15 LIFE ON LAND	Water, soil and air pollution linked with development projects and standing assets	Medium	↑	— local authorities — local communities — contractors — tenants — employees
	Not identifying existing pollution in acquired development projects and standing assets	High	↑	— local authorities — local communities — contractors — tenants — employees
	Not addressing opportunities and changing expectations to landscaping and nature-based solutions	Low	↑	— local communities — local authorities — contractors — tenants — employees

RESPONSIBLE SUPPLY CHAIN

	Associated risk	Risk level	Change in risk level	Stakeholders
1 NO POVERTY; 2 ZERO HUNGER; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 17 PARTNERSHIPS FOR THE GOALS	Non-compliance of Group supply chain actors with environmental or social regulations and standards	Medium	≡	— suppliers — employees — tenants — local communities — authorities
	Sustainability-related controversies related to tenant activities	Medium	≡	— tenants — local communities — authorities — employees

Management approach	Key Performance Indicators	Reference section
— 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 — Inspections are regularly conducted — Continuous maintenance and improvement of existing buildings and technical equipment liable to have an impact on the environment or on personal safety — For development projects, third-party HSE audits are conducted on a continuous basis in order to monitor and update the associated action plans as required	— Number of assets subject to EMS (245) — Number of reported EMS compliance issues (0) — Number of non-monetary sanctions imposed by regulators in 2023 linked to environmental breaches (0) — Monetary value of fines for environmental breaches € 0	— Section 3.2.1 Environmental management system
— The Group is specialised in the acquisition of brownfield projects and for many such projects, the historical industrial usage and occupation of the site has resulted in significant soil contamination — To avoid unknown pollution risks an extensive due diligence process is conducted which includes environmental risks and soil pollution analysis — The contamination is analysed in detail to be able to precisely budget the decontamination works required — In addition to budgeted works for known contamination, additional risks can be embedded for which additional soil decontamination activities are budgeted (so unforeseen expenses can also be considered pre-acquisition)	— Site controlling decontamination (€ 2.3 million FY23) — Volumes of soil concerned (3,723 metric-tonnes)	— Section 3.2.1.1.3 Pollution Prevention
— We are reviewing more strategic use of estate landscaping to plant additional trees and shrubs to act as long-term carbon capture while improving the local environment for the benefit of our tenants and communities — Biodiversity Policy has been rolled-out in 2023, providing a framework for assessing opportunities and risks with regards to biodiversity in our parks in operation as well as in new developments — Costs of landscaping are incorporated within development and refurbishment capex and is immaterial compared to overall spend	— % Parks with biodiversity risk and mitigating measures — Square meters of green roof or space in existing parks	— Chapter 3.4 Protect and Improve Biodiversity

Management approach	Key Performance Indicators	Reference section
— VGP screens its business partners in order to minimize the risk that the Group contracts with service providers, suppliers or subcontractors not complying with regulations, 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 Supplier Code of Conduct and comply with the ILO conventions and local labour laws in Europe (with sanctions in case of non-compliance according to severity eg, formal notice, penalties, dismissal) — The Group's Considerate Construction Charter and 10 Golden Rules for circular development are applicable for all development projects — Whistleblowing procedures are accessible 24/7 to all employees and contractors with a guarantee against retaliation — The Group engages with its main suppliers on the Group's sustainability engagement and in order to explore product innovations to enhance building circularity and sustainable performance — The Group has a policy to use 100% timber from certified, sustainably managed forests with FSC or PEFC certification in development and refurbishment projects — Target to develop a supplier responsible purchasing charter	— Number and percentage of assets in compliance with the charter	— Section 3.2.1.1 Sustainable Construction
— 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 three 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	— The percentage of green leases signed among new leases and active leases	— Section 3.3.2 Green leases and tenant commitments

CLIMATE CHANGE					
	Associated risk	**Risk level**	**Change in risk level**	**Stakeholders**	
	Closure or deterioration of VGP Parks due to weather events	Medium	≡	— tenants — local communities — insurance — investors	
	Regulatory tightening in building energy efficiency requirements	Medium	↑	— tenants — public authorities — investors	
	Increase of CapEx & OpEx, including tension on the price of energy	High	↑	— tenants — public authorities — investors (incl joint venture partners)	
	Changing tenant needs towards EV charging infrastructure	Low	↑	— tenants — community — public authorities — investors (incl joint venture partners)	

Management approach	Key Performance Indicators	Reference section
— 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 (acute and chronic) — In land purchasing climate change risk is taken into account as part of the purchasing criteria (full CRA due diligence is conducted, include 100-year probability heavy rainfall models) — 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 Group is certifying its asset portfolio based on EU Taxonomy compliance – as part of the asset compliance requirements additional mitigating measures may be required (also the environmental certification policy for all assets, through BREEAM or DGNB, provides assesments of physical resilience and energy aspects) — The Group and local teams are kept up to date with new insights, laws and regulations as they become relevant through regular presentations and training (VGP Academy)	— % of assets at risk in CRA assessment — % of assets compliant with EU Taxonomy	— Section 3.1.1 Climate Change Strategy
— 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 EMS 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)	— Energy intensity per area of use (KWh/m²) — Financial impact of variations in energy price and energy source alternative scenarios — Asset CRREM stranding year from energy intensity perspective — Percentage of lease contracts with green energy procurement requirement — Percentage of lease contracts with annual energy efficiency and consumption review	— Section 3.3.3 Energy Management — Section 3.3.4 Decarbonisation scenarios (CRREM) — Climate related financial disclosures section 3.1.3.4
— 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 EMS of the Group supports the objective to improve environmental performance of all standing and development assets of the Group — Shift towards sourcing electricity from renewable energy sources for all assets, driven by the development of on-site renewable energy production capacity — The Group is actively engaging with stakeholders to improve energy efficiency and source renewable energy, including tenants and suppliers — The Group's energy unit, VGP Renewable Energy, successfully applied for electricity grid-utility status ("netzbetrieber") in Germany and soon similar status in Romania is anticipated. This will allow the Group to offer green electricity more effectively to our tenants	— Energy intensity per square meter of use (kWh/m²) — Carbon intensity linked with energy consumption of standing assets (Scope 3 "portfolio in use": Category 13: downstream leased assets)	— Section 3.2 Sustainable Properties — The refurbishment program which aims to enhance the eco-efficiency of the existing portfolio is explained in section 3.3.3 Energy Management and 3.3.4. Decarbonization scenarios (CRREM)
— ESG policy requires for all existing parks as well as for new developments EV chargers at tenant parking spaces — The cost of EV chargers (sufficient to comply with VGP's policy) is factored into all new development and refurbishment budgets	— Number of parks with EV chargers — KWh charged at EV chargers	— Section 3.3.7 Develop connectivity and sustainable mobility

NATURAL RESOURCES AND CIRCULAR ECONOMY				
	Associated risk	**Risk level**	**Change in risk level**	**Stakeholders**
6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 15 LIFE ON LAND	Inadequate performance on waste management operations	Low	≡	— tenants — service providers
	Tensions over materials needed for development projects	Medium	↑	— suppliers — contractors — public authorities

GOVERNANCE				
	Associated risk	**Risk level**	**Change in risk level**	**Stakeholders**
6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 15 LIFE ON LAND	Lack of resources to manage ESG risks	Low	≡	— employees — tenants — local communities — suppliers — investors — public authorities

Management approach	Key Performance Indicators	Reference section
— Review with tenants waste services and collection to enhance data collection and waste performance (sorting, recovery, etc.)	— The percentage of assets certified (BREEAM/DGNB) — The percentage of recovered waste — The percentage of tenant contracts engaged in a circular economy approach	— Sections Waste Management section 3.3.6 and 3.2.2 Environmental certifications
— For 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 — For development activities, an internal pricing mechanism for embodied carbon supports calculating and like-for-like comparing the carbon saving versus the investment costs	— BREEAM/DGNB New Construction certification (level: Excellent / Gold) — Carbon intensity linked with development activities per sqm delivered	— Sections 3.2.2 Environmental certifications and section 3.1.2.4 Focus on embodied carbons in development projects

Management approach	Key Performance Indicators	Reference section
— 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 set up 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.	— ESG performance indicators — Stakeholder engagement survey responses — Ratings from external benchmarks/agencies — Revenue growth — Employee/tenant satisfaction and retention rate	— Section 2.2 Governance of ESG

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 Chapter Corporate Governance Statement of this annual report. VGP's Compliance policy, Code of Conduct and Anti-corruption programme are presented in Section 'Conduct and Compliance' in the Chapter 'Report of the Board of Directors'.

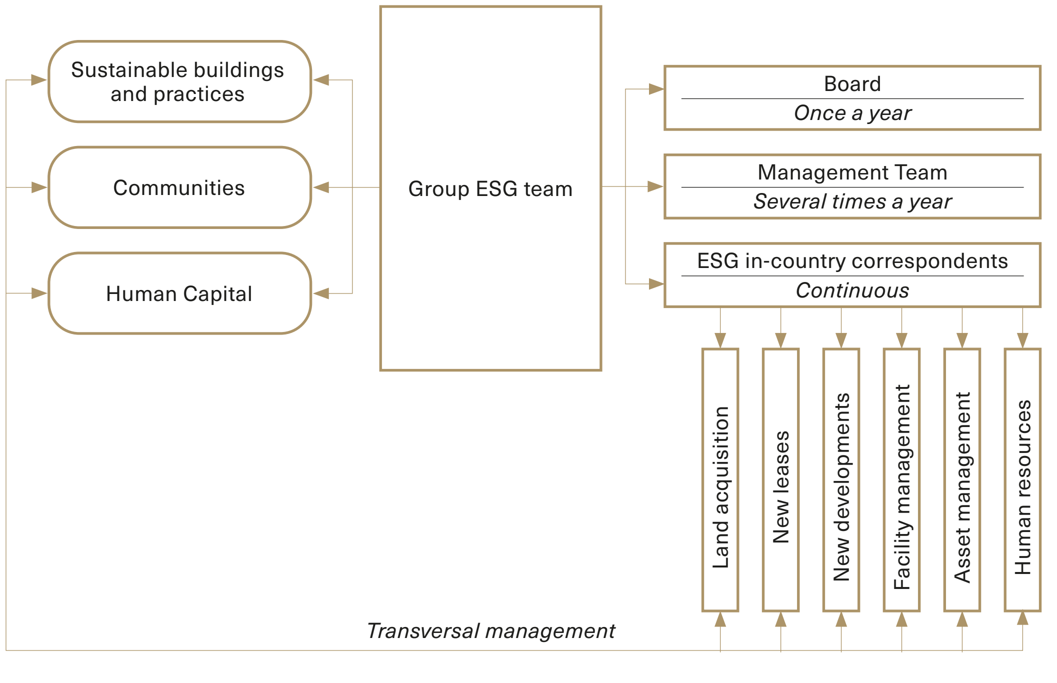
2.2.2 ESG team/governance

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:

(1) Monitoring ESG performance by ensuring that the Group's ESG objectives are fully integrated into the Group's business and decision-making processes; and
(2) 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



VGP Park Laatzen, Germany

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 the management team, which reports regularly to the Board (see Section "Risk management and internal controls" of the Remuneration 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.

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 1.2.1 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"). At country level, VGP is a member of professional organisations such as Bundesvereinigung Logistik (BVL) in Germany.

VGP in dialogue

Capital Markets

Conferences, meetings, calls with investors and analysts

Suppliers

Joint projects, Supplier due diligence, Forums and conferences

Networks and associations

Meetings and conferences as member of local and pan-European associations

Media

Press releases, Information events on new parks, Trade fairs

Business and Joint Venture Partners

New initiatives and Existing partnerships

Local Stakeholders

Personal meetings, Park visits, Neighborhood conversations

Civil Society and NGOs

One-on-one meetings, Answering questions

Employees

Idea Management, Internal Media

Clients

Meetings, Social Media, Trade Fairs

VGP Park Ceske Budejovice, Czech Republic

Commitments

3.1 Address Climate Change

VGP Park Giessen am Alten Flughafen, Germany

3.1.1 Climate Change Strategy

As part of its ESG strategy, the Group commits to cutting carbon emissions across its value chain. This commitment covers, in addition to its Scopes 1 and 2 emissions, the Group's Scope 3 emissions, including:
— Greenhouse gas (GHG) emissions generated in the construction of its development projects; and
— GHG emissions due to the private energy consumption of its tenants.

The Group's carbon reduction target between 2020 and 2030 breaks down into the following 3 complementary objectives:
— Reduce emissions from construction by -20% by 2030;
— Reduce emissions from other own activities by -50% by 2030; and
— Reduce emissions from energy consumption in buildings by -55% by 2030.

The carbon reduction targets of the Group cover all its activities, and all countries where the Group operates. In 2022, the Group's GHG emissions reduction targets have been submitted to the Science Based Targets initiative (SBTi), except the one for construction. SBTi confirmed our targets as consistent with levels required to meet the goals of the Paris Agreements.
— The targets covering GHG emissions from the Group's operations (Scopes 1 and 2) are consistent with reductions required to limit warming to 1.5°C, the most ambitious goal of the Paris Agreement; and
— The targets for the emissions from the Group's value chain (Scope 3) meet the SBTi's criteria for ambitious value chain goals, meaning they are in line with current best practices. Science-based targets are emissions reduction targets in line with what the latest climate science says is needed to meet the goals of the Paris Agreement: to limit global warming to well-below 2°C above preindustrial levels and pursue efforts to limit warming to 1.5°C.

In 2022, the Group introduced a commitment to cutting carbon emissions across its value chain by -20% between 2020 and 2030. Although it may appear a minor reduction, achieving these objectives involves the active participation of all the Group's employees within their areas of responsibility and the contribution of the Group's stakeholders in driving change, mainly tenants, suppliers and contractors. It relies on strong partnerships with established suppliers and start-ups in order to accelerate the pace of transformation, particularly in the fields of low-carbon construction and new sustainable mobility solutions. In 2023, the Group has been working on updating and securing all its carbon reduction trajectories and associated levers to consider, among other topics, both the latest internal methodologies and processes for carbon emissions calculations, and external decarbonation hypotheses (for transport, construction and operations). This work has been supported by external experts. Changes in carbon performance with regard to the targets is presented in section 1.2 Summary of the Group's ESG achievements.

3.1.1.1 Reduce emissions from construction by 20%

VGP is committed to significantly reduce its carbon emissions from construction on a broad scope. In concrete terms, reducing its carbon intensity by 20% between 2020 and 2030 means dropping from an average, of 507 $kgCO_2$ eq/m^2 constructed in 2020 to 405.6 $kgCO_2$ eq/m^2 on average based on a similar volume of square meters delivered by the end of 2030. In order to be better able to track the impact of actions required to deliver progress, the internal tool to calculate carbon emissions has been updated. Comparing the LCA calculations provided as part of BREEAM studies in various countries has shown that the BREEAM LCA guidelines are implemented differently in each country, this makes it difficult to compare achievements. Given the Group has a uniform building standard, in the new approach the weight is put more on specific improvement measures to reduce embodied carbons as opposed to be impacted by idiosyncratic location specifics for a certain project. The framework makes certain improvements for example a bearer structure built from wooden beams or columns (grown from responsible forestry), use of green steel or Ecopact concrete as building materials to reduce impact of construction materials, or specific renewable energy initiatives to reduce the lifetime operating carbons. The new framework is based on the following three principals:
— Carbon Reference Pricing;
— Lean Building approach; and
— Circular economy solutions.

The Carbon reference pricing has been used on a mark-to-market reference price[1] and allows the Group to assess the economic implications or trade-offs for such things as risk impacts, net present value of new projects and the cost-benefit of various design alternatives and initiatives. For more information please refer to section 3.2.3 Construction materials.

3.1.1.2 Reduce emissions from tenant operations by 55%

When it comes to standing assets, VGP's carbon footprint consists mainly of GHG emissions from energy consumed by its tenants as part of the operation of its buildings. Achieving its ambitious target of reducing carbon emissions from operations by 55% between 2020 and 2030 draws on 2 levers simultaneously:
— Improving energy efficiency of the Group's assets. The Group pursues the objective of improving the energy efficiency of its assets by 45% (in kWh/m^2) between 2020 and 2030. To achieve this improvement in efficiency, all of the Group's assets are to design and implement an energy efficiency action plan (see section 3.3.3 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 electricity consumption of its assets and push for this transition of its tenants.

Achieving this target, which has been approved by the SBTi in 2022, requires strong involvement of tenants. To accomplish this, the 2 levers of improving energy efficiency and transitioning to low-carbon energy sources are implemented, in cooperation with the tenants (specific green terms are added in lease contracts – see section 3.3.2 Green leases and tenant commitments). VGP's carbon performance with regard to the operations target is presented in section 1.2 Summary of the Group's ESG achievements.

1 Aligned with EU ETS as per Dec 2022 Eur84.4/tCO_2

VGP Office Prague, Czech Republic

3.1.1.3 Reduce emissions from own operations by 50%

The target to reduce absolute GHG emissions from Scopes 1 and 2 (emissions from operations under the Group's control) by 50% between 2020 and 2030 reflects the Group's ambition to decarbonate its direct operations. This target is approved by the SBTi with a 1.5°C pathway alignment, the most ambitious goal of the Paris Agreement. The levers identified to reach the Group's carbon reduction target from operations are described in section 3.1.2.3 Focus on emissions from tenant operations. VGP's carbon performance with regard to the Scopes 1 and 2 target is presented in section 3.1.2 Carbon assessment.

3.1.1.4 VGP contributes to Global Carbon Neutrality

In addition to the Group's ambitious science-based targets, VGP is committed to contributing towards global carbon neutrality. EU Green Deal has set binding reduction targets for 2050 and announced a recommended 90% reduction target for 2040 as announced in February 2024[1]. The Group is implementing initiatives across its value chain in order to achieve this objective, an integral part of this effort is the path towards carbon neutrality in the standing portfolio which is monitored through the CRREM tool (see section 3.3.4 Decarbonisation scenario's (CRREM)), but the group is also monitoring decarbonisation accross its suppliers' value chain, specifically through quantifying and increasing "avoided emissions" for its partners, including carbon removals as close as possible to the Group's business.

1 Delivering the European Green Deal – European Commission (europa.eu) and Recommendation for 2040 emissions reduction target (europa.eu)

3.1.2 Carbon assessment

3.1.2.1 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 stationary combustion: 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 district heating in VGP offices and used to charge company vehicles (linked to energy production only)
Scope 3 – Own offices and employees	
Scope 3: Category 1 (purchased goods & services)	— Indirect emissions from paper usage in VGP offices (other purchased goods & services not considered)
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 on-site)	— Indirect emissions from waste at offices
Scope 3: Category 6 (business travel)	— Indirect emissions from employees' business travel (excluding company vehicles)
Scope 3: Category 7 (employee commuting)	— Indirect emissions from employees' commute from home to work (excluding company vehicles)
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 over the life-time use of the assets created by the development activities, including materials used and indirect emissions caused by transport to site, as well as future usage of the building
Scope 3: Category 11 (Use of sold products – Life time maintenance)	— Emissions from the use of goods and services sold by the reporting company in the reporting year. A reporting company's scope 3 emissions from use of sold products include the scope 1 and scope 2 emissions of end users. End users include both consumers and business customers that use final products.
Scope 3: Category 11 (Use of sold products – Energy)	— Emissions from the use of goods and services sold by the reporting company in the reporting year. A reporting company's scope 3 emissions from use of sold products include the scope 1 and scope 2 emissions of end users. End users include both consumers and business customers that use final products.
Scope 4 (total avoided emissions elsewhere)	— Emissions avoided elsewhere when renewable energy is injected into the grid and therefore used as a substitute for grey energy elsewhere, fulfilling the same functions but with a lower carbon intensity

GHG emissions are expressed according to the "Market based" and "Location-Based" method.

3.1.2.2 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 as well as tenant operations and development activities.

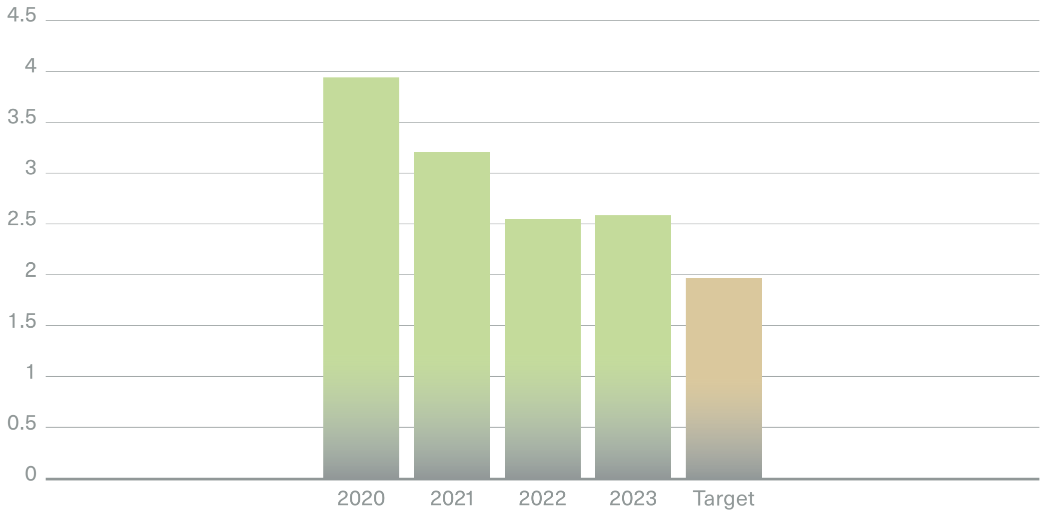
Emissions: market/location based *(in tCO_2)*

	FY 2020	FY 2021	FY 2022	FY2023[1]
Scope 1	841	852	926[2]	924[3]
tCO_2/FTE	3.5	2.7	2.5	2.5
Scope 2 – market-based	**105**	**127**	**8**	**17**[4]
tCO_2/FTE	0.4	0.4	0.0	0.0
Scope 2 – location-based	**127**	**107**	**113**	**144**
tCO_2/FTE		0.4	0.3	0.4
Total Scope 1 and 2	**946**	**979**	**934**	**942**
tCO_2/FTE	3.9	3.2	2.6	2.6
Scope 3 – own offices and employees	**1,039**	**942**	**1,302**	**1,063**
tCO_2/FTE	4.3	3.1	3.6	2.9
Category 1 (paper use)	4.9	2.7	3.0	2.7
Category 3 (indirect energy)	39.4	235.9	230.0	231.3
Category 5 (waste)	4.7	2.0	2.0	0.7
Category 6 (business travel)	210.6	541.9	861.0	682.4
Category 7 (employee commuting)	98.4	159.3	206.0	145.5
Total Own offices and employees	**1,984**	**1,921**	**2,238**	**2,004**
tCO_2/FTE	7.9	6.3	6.1	5.5
Scope 3 – portfolio "in use" (category 13: downstream leased assets)	**67,456**	**68,251**	**87,261**	**104,863**[5]
$kgCO_2/m^2$	27.6	22.1	20.3	21.2
Scope 3 – embodied carbon developments (cat. 1 + cat. 11)	**269,223**	**297,686**	**538,260**	**313,172**
$kgCO_2/m^2$	507	457	472	489
Total Scope 3	**337,718**	**366,879**	**626,823**	**419,097**
Total GHG emissions	**338,663**	**367,858**	**627,757**	**420,039**
Total avoided emissions (so called "Scope 4")	(4,305)	(6,314)	(7,328)	(21,083)

1 The underlined values were subject to limited assurance
2 Change compared to prior reported figure due to entities that had wrongly been allocated a grossed up heating fuel amount.
3 Considerations for the evaluation of the scope 1 emissions: Scope 1 is set up in accordance with the GHG protocol and reflects the fuel use and district heating used for the heating of VGP offices and the fuel use of the company cars. The Scope 1 emissions that come from fuels used for heating and are calculated in accordance with the GHG protocol. For Austria, Denmark, France, Latvia, Luxembourg, Serbia and Slovakia the fuel use has been based on extrapolation. The extrapolations were made by making an average between Romania's, Belgium's and The Netherlands's VGP office surface and natural gas consumption. The remainder of Scope 1 emissions come from 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. One extrapolation was made to come to the fuel use of the company cars in the Seville office in Spain. The extrapolation was made by multiplying an average of other sites that have evidence, and the number of employees of the respective site. The 0,2% decrease y-o-y on the one hand reflects the transition in the car fleet from a fuel based fleet to an electrical or hybrid car fleet. This effect is offset by the increase of emissions that come from office heating, this increase is mainly caused by increase of 15% surface area of the offices.
4 Considerations for the evaluation of the scope 2 emissions (Market based & Location based): Scope 2 is set up in accordance with the GHG protocol and reflect the emissions from the electricity consumption in the offices and the electricity used to charge the electric company cars. The Scope 2 emissions that reflect the energy consumption of offices are calculated in the following manner: For the calculation of the total emissions, extrapolations were made for the offices in Austria, Denmark, France, Latvia, Luxembourg, Portugal (Lisbon) Serbia, and Spain (Madrid, Sarragosse, Seville). 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. The Scope 2 emissions that reflect the electricity used for electric vehicles have been calculated without the use of extrapolations. In 2023 VGP saw a significant increase in the amount of EV's in the company's fleet. As the VGP Offices have a PPA for green energy, the KWh amounts charged at office charging facilities have been included under this arrangement and are considered to use green energy. The 27% y-o-y increase in the location based scope 2 emissions is explained by the 25% increase in energy usage compared to the 2022 period (the 15% increase in office size being a main driver together with office charging of the EV fleet). Another minor driver for the increase in location based emissions are the y-o-y changes in emission factors. The 13% increase in market based scope 2 emissions is caused by the increase electric vehicles and their charging outside of the office facilities. The KWh's charging are considered to be grey energy.
5 Considerations for the evaluation of the Scope 3, Category 13 emissions: The emissions in this category consist of Indirect emissions from energy consumption and fugitive emissions due to leaks of refrigerant gas/fluid in tenant's operations in VGP's standing portfolio. The 20% YoY increase of emissions can be explained due to a ca. 13% growth of the m² in the portfolio combined with part of the portfolio that was delivered at the end of FY22 being taken in full use over FY'23. The total amount of buildings considered in the 2022 sample was 197 and in 2023 there were 222 buildings considered. From this 222, 91 buildings used full or partial extrapolations for the Fuel use and 42 buildings used full or partial extrapolation for the Electricity use. The extrapolations are based on the averages per industry segment that have been determined out of the available data for the applicable year. We have identified the following segments: Industrial: Non-refrigerated warehouse, Industrial: Refrigerated warehouse, Industrial: Manufacturing, Office: Corporate: Low-Rise Office, Other: Parking (Indoors). For further details on the evolution of the tenant in – use emissions please refer to section 3.1.2.3

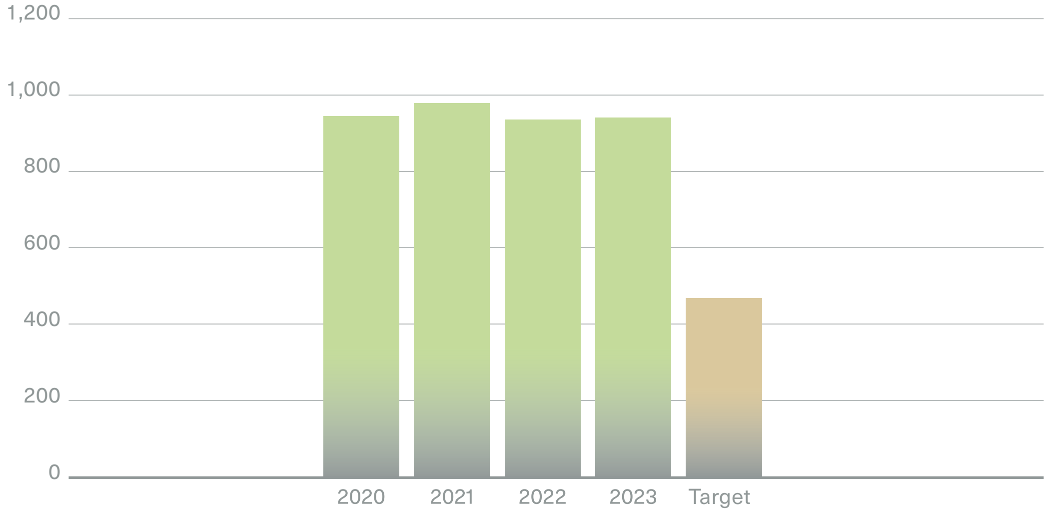
Scope 1 and 2 emissions' intensity has reduced by 34% since 2020:

Scope 1 and 2 emissions per employee *(tCo2/FTE)*

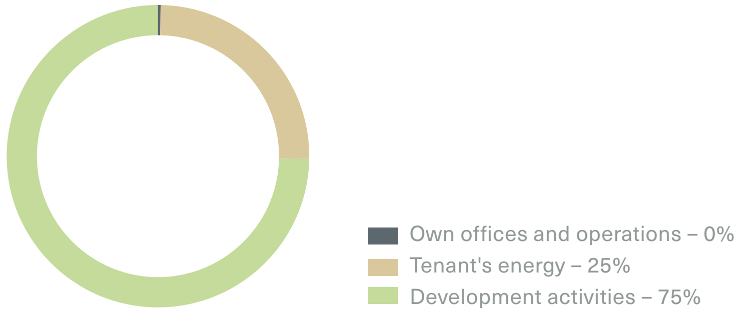


Due to the significant growth of the organisation since 2020 the total emissions have only reduced by 4 tCO_2e despite the intensity reduction of 34%.

Total Scope 1 and 2 emissions *(in tCO_2)*



Breakdown of the Group's carbon footprint by activity



3.1.2.3 Focus on emissions from tenant operations

The Group has a target of reducing GHG emissions from its tenants' operations by 55% between 2020 and 2030. To manage the carbon performance of the operational activities in VGP parks, 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 67% of the relevant electricity and fuel consumption data from its tenants, 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. Due to an acceleration of the data collection process, the percentage of data collected was lower than in previous years (see section 3.3.3 Energy Management for further information).

In 2023, the carbon intensity linked to the energy consumption (Scope 3) of the Group's standing portfolio (CO_2 eq/m^2) decreased by 23% compared with 2020 even though compared to 2022 the carbon intensity increased by 27% on a like-for like basis. This increase was mainly due to a significant increase in the grey electricity intensity factor. The weighted average grey electricity intensity factor across Europe increased by 29% year-over-year (see table below) driven by grey electricity intensity factors for 2023 being based on 2022 spike in coal and fossil fuel use, even though some of this reversed during 2023[1]. For the VGP portfolio, this increase was partially offset by lower gas usage (due to transition to heat pumps) and transition to renewable energy sources.

GHG emissions from energy consumption of standing assets (Tonnes of CO_2 Eq)[2]	
Change vs 2020 base year	(22) %
2023 Total	104,863
Like-for-like change 2023 (72,763 tCO_2 eq)/2022 (54,022 tCO_2 eq)	27 %
For reference: 2023/2022 grid electricity carbon intensity change[3]	*29 %*

The grid factor is expected to adjust downward over the year 2024 and the transition towards electricity between renewable sources under the photovoltaic investment plan is expected to continue contributing to a reduction in grid consumption, with newly delivered warehouses typically at least partially powered by electricity from renewable energy generated on site (see Section 3.3.3 Energy management).

Other than GHG emissions from the energy consumption of its buildings, the main item of the Group's direct GHG emissions related to the operation of its buildings is from the leakage of refrigerants from cooling appliances maintained by the property managers of sites owned and/or managed by the Group.

GHG emissions from energy consumption of standing assets (Tonnes of CO_2 Eq)	
2023 GHG emissions linked with refrigerant losses	1,357

1 Germany's coal power production drops to lowest level in 60 years in 2023 | Clean Energy Wire
2 These emissions are expressed based on emission factors for each source of energy using the "market-based" method of the GHG protocol, according to which these factors depend on the type of energy consumed (electricity, natural gas, etc.), the country, the supplier and the nature of the energy product (energy from fossil fuels or renewable sources). These are specific factors associated with the contractual commitments between the supplier and property manager which do not necessarily reflect emissions from energy delivered by the grid but valorise and focus on the production and purchase of energy that is certified as generated from renewable sources.
3 Based on VGP portfolio weighted variation of estimation factors for grey electricity over the whole portfolio – using grid mix data from IEA and estimation factor from Ecoinvent (source: Southpole).

VGP Park München, Germany

3.1.2.4 Focus on embodied carbons in development projects

In 2023 the embodied carbon calculations have been recalibrated based on a broader sample methodology, where previously the Group reported embodied carbons for 2020 in total of 274,439 tCO_2, this has been recalculated to 269,223 tCO_2. As a result, the intensity reduced from 517 $kgCO_2/m^2$ to 507 $kgCO_2$. Given the base line has been reduced the target for the Group for 2030 has also been reduced accordingly: where previously the Group needed to reduce to 413 $kgCO_2/m^2$ is now a reduction required to 405 $kgCO_2/m^2$, assuming the same level of construction activity.

Since 2020, the Group has achieved a reduction of 5% in terms of intensity. Due to the higher levels of construction completions in 2023 compared to 2020 has resulted in an absolute increase in emissions of 16%. The year 2021 saw the lowest level of carbon intensity which was driven by efficient buildings delivered including buildings delivered in VGP Park Laatzen, VGP Park Magdeburg, VGP Park Göttingen and VGP Park Nijmegen. The year 2022 benefited from efficient carbon projects delivered in VGP Park Graz (part wooden bearer structure), VGP Park Laatzen (including now DGNB Platinum certified building "GERLAA – A"), buildings in VGP Park München and additional buildings in VGP Park Magdeburg. 2023 saw, whilst carbon reduction initiatives get more broadly implemented (example projects in VGP Park Giessen am Alten Flughafen, VGP Park Erfurt and VGP Park Roosendaal) also a mix shift skewed towards Eastern European buildings which on average still have a higher carbon footprint.

	FY 2020	FY 2021	FY 2022	FY2023
Scope 3 – embodied carbon developments (cat. 1 + cat. 11)	**269,223**	**297,686**	**538,260**	**313,172**
$kgCO_2/m^2$	***507***	***457***	***472***	***489***
Category 1	**109,680**	**140,258**	**245,218**	**134,327**
$kgCO_2/m^2$	*207*	*215*	*215*	*210*
Category 11	**159,543**	**157,428**	**293,042**	**178,845**
$kgCO_2/m^2$	*300*	*241*	*257*	*279*

VGP Park Magdeburg-Sülzetal, Germany

3.1.3 Climate risk management and adaptation to climate change

The Group's Risk Management Framework is presented in Chapter "Risk Factors". Sustainability risks were identified at Group level (see section "Risk Factors"); this section presents a detailed analysis of the climate change risks for the Group.

On top of addressing climate change mitigation (see section 3.1.1 Climate change strategy), the Group's ESG Strategy also addresses climate change adaptation through the resilience of VGP's assets to climate change. The Group targets 100% of its development projects to include long-term climate risk assessment and planning, and for 100% of its standing assets to include a climate change risk plan. 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 2022, the Group commissioned its first climate change risk assessment study covering all standing assets as well as the development pipeline. In line with TCFD recommendations, this study covered both transitional (policy and legal, technology, market) and physical risks (chronic ones: precipitation, temperature, drought and sea level rise) and was based upon IPCC scenarios RCP4.5 and RCP8.5, with different time horizons: Short term 2030, Medium term 2050 and Long term 2100. The methodology for physical risks was based on assessing each existing asset with exposure, sensitivity and adaptive capacity grades to end up with a final physical vulnerability score. The methodology for transition risks was based on local surveys and data collection from specific asset locations.

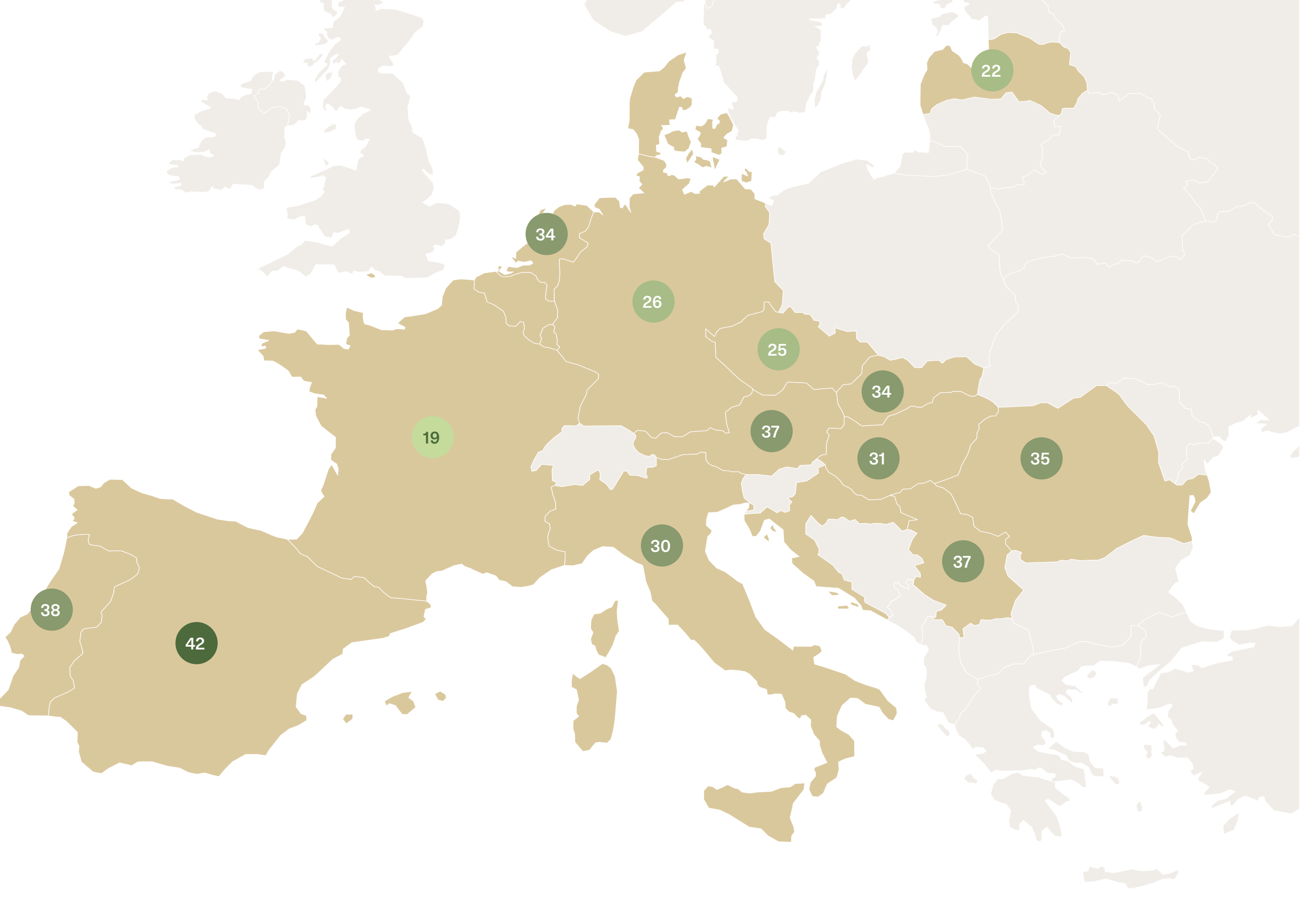
3.1.3.1 Physical risks

In 2023, the Group completed a study of both its standing assets and development projects using the Blue Auditor's Climate Risk tool which is based on Moody´s Real Assets Physical Climate Risk & Corporate Facility Operations Risk product to assess exposure to physical risks. The study is compliant with the EU Taxonomy requirements (see "Adaptation to climate change" paragraph in section 4.1.3 VGP Share of aligned activities) and brought to the Group an updated perspective of the risk level, relying on state-of-the-art climate modelling. In addition, assets' visits have been conducted on the most exposed assets to evaluate more precisely the impact curves of the potential risks considering the details of the asset (topography, localisation of the technical equipment, existing resilience solutions already in place, etc.).

Climate change physical exposure risk at asset level based on RCP 8.5 and RCP 4.5 by 2050

Hazard	Metric	Scenario	# Parks	GLA (JVs at 100%)	GAV (JVs at 100%)	Regions most affected
Fluvial (River) and pluvial (Rainfall) flooding	1 in 100-year return period > 0	8.5, 2050 (undefended)	10	4.6 %	6.6 %	Asset specific, including broader Ruhr/Rhine area, Po river delta
Sea level rise	"High" and "Very High" Risk	8.5, 2050	0	0 %	0 %	Sea level flooding risk low/no risk across regions
Drought Stress	"High" and "Very High" Risk	8.5, 2050	19	9.7 %	9.3 %	Iberia, Romania
Heat Stress	"High" and "Very High" Risk	8.5, 2050	25	15.4 %	12.9 %	Hungary, Italy, Spain, Romania, Croatia, Serbia
Wildfire risk	"High" and "Very High" Risk	8.5, 2050	2	0.7 %	0.7 %	Asset specific

The table above shows the modelled climate change physical exposure risk metrics and outcomes based on percentage of floor area and rental value at risk based on the worst-case scenario (RCP 8.5, 2050). The assessment report and data above do not consider any asset specific development or refurbishment mitigation cycles. As part of our sustainable development objectives, assessments are carried out prior to development and adaptation measures, including but not limited to those listed below, are carried out accordingly. The map below highlights the average climate risk assessment (CRA)-score (0-100/low-high) based on a "desktop" assessment per park with average scores based on the summary findings per hazard category as listed in the table above.



Implemented adaptation measures to address these risks include the incorporation of green spaces, rainwater harvesting and sustainable drainage systems to reduce the risk of flooding, access to natural light in the buildings, and the provision of infrastructure for active mobility and public transport. Additionally, measures to improve the energy efficiency of buildings and the use of renewable energy sources can also help to reduce the risk of heat stress – in Spain and Italy all new buildings are therefore fitted with photovoltaic installations and heat pumps which help to provide additional cooling in summer. The buildings are designed to provide a comfortable and healthy indoor environment, taking into account factors such as ventilation, thermal comfort, and indoor air quality.

It is important to note that climate risk analysis and adaptation measures are an ongoing process, as the impacts of climate change are constantly evolving and new risks may arise over time. Therefore, it is important for companies to regularly review and update their climate risk analysis and adaptation measures to ensure that they are effectively addressing the latest climate-related risks. This includes monitoring the performance of the building, gathering feedback from tenants and evaluating the effectiveness of the adaptation measures, and making adjustments as necessary.

Risk	Adaptation Technique
Drought Stress and Heat Stress	— Rainwater harvesting systems for building use and landscaping — Water efficient fixtures in line with EU Taxonomy regulations — Thermal modelling undertaken and orientation/ window positioning of the building reviewed — Onsite renewable energy generation installed in combination with heat pumps (which can be used for additional cooling) — External planting to provide shade, brise soleil, louvers, window tinting
Fluvial (River) and pluvial (Rainfall) flooding	— Flood risk assessment to be carried out on development or retrospectively — Wadi's, ponds or basins (retention measures)

This update of the climate change risk assessment enabled VGP to have a clear view on the future risks of climate change for its portfolio.

3.1.3.2 Transition risks

We work with our stakeholders (see section 2.2.4 Stakeholder Engagement) to monitor, assess and prioritise emerging climate change transition risks. We judge materiality with reference to two main risks: the environmental and reputational risk of failing to meet our carbon emission reduction targets and the financial risk of building redundancy or being unable to lease our buildings.

We believe that there are three main climate change transition risks with the potential to impact the Group financially:

- **Environmental legislation:** legislation surrounding the sustainability performance of commercial and non-commercial real estate is likely to tighten in the future as the EU pursues its commitments under the European Green Deal and Paris Agreement. We expect this to take the form of regulations but also increasingly some form of carbon tax to encourage the use of lower carbon materials and processes. The primary financial risk relates to our ability to rent out our buildings if they fall below emerging environmental legislation. This drives our determination to improve the energy performance of our portfolio both in new development and through refurbishment, measured primarily by increasing the floorspace rated B or better by Energy Performance Certificates.
- **Client behaviour and preference:** our tenants, particularly our largest, international clients, increasingly expect their premises to display high levels of energy efficiency. Energy efficiency not only reduces the operating costs of the building but also helps them with their own environmental and carbon reduction targets. The primary financial risk relates to the appeal of our buildings to tenants if they are below acceptable levels of energy efficiency and wider environmental sustainability. We are addressing this risk through improving the EPC ratings of our portfolio, increasing the amount of on-site renewable energy generation, offering off-site renewable energy through our regulated renewable energy utility business units, and improving the sustainability credentials of our developments.
- **Access to capital:** investors are increasingly discriminating between investment opportunities based on sustainability credentials. The primary financial risk relates to reduced availability and higher cost of capital for companies which do not show strong performance and/or progress in this area. Through our joint venture model, the Group is continuously "in the market" for selling assets to its own joint ventures. The appeal of our assets rests on an adherence to the latest ESG standards of the entire portfolio. Furthermore, under our Green Finance Framework, we have issued € 1.6 billion of Green "Use of Proceeds" bonds since 2021.

VGP Park Pilsen, Czech Republic

3.1.3.3 Climate change strategic planning and decision making

In terms of decision making, we consider climate-related issues within the following time horizons:

— Short term: up to 12 months, in line with the annual budget setting carried out;
— Medium term: up to 5 years, in line with the Medium-Term Planning carried out by the Group;
— Long term: up to 20 years, in line with capital investment appraisal cash flows. For the LCA calculation we also assume a 20-year life span for our newly developed properties.

VGP performed its update of the CRREM study (Carbon Risk Real Estate Monitor) in 2023 to analyse stranding risks across its portfolio and mitigating measures. The results are presented in section 3.3.4 Decarbonisation scenarios (CRREM). Furthermore, and on the short time horizon, the Group complies with regulatory requirements in each country regarding 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 (see section 3.2.1 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, asbestos, etc.

3.1.3.4 Climate-related financial disclosures

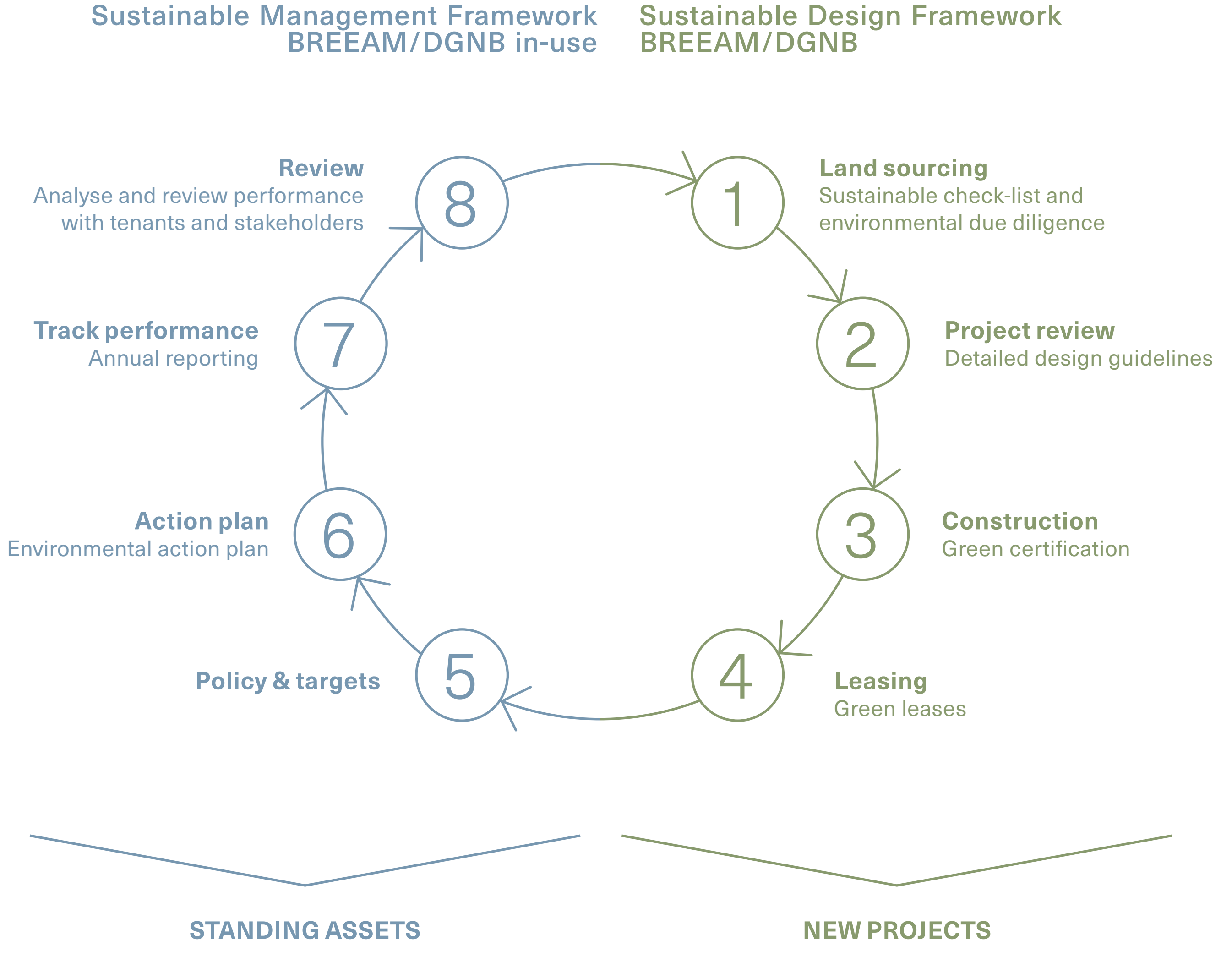
To enable our stakeholders to consider and compare our reporting, we contribute to a number of externally recognised initiatives including GRESB and CDP, and we also disclose metrics in line with externally-recognised frameworks including Global Reporting Initiative (GRI) and the EPRA Best Practices 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. Below are the climate-related metrics and targets which we monitor. Those in **bold** are incorporated into the ESG factor of the annual bonus of all employees.

Financial item	Climate-related	Metric	2023	Narrative	Section reference
Assets	Physical – operational	Portfolio at risk of 1 in 100-year flood (% of GAV with JVs at 100%)	6.6 %	New metric based on analysis conducted in 2023	3.1.3.1 Physical risks
Assets	Transition – operational	EPCs rated below E (based on gross lettable area)	0 %	Since 2023 no asset with EPC score of below E	4.2.5.2 Green buildings
		EPCs un-rated (based on number of assets)	20.6%	Un-rated space does not necessarily mean low rating; various have PV roof (will require new EPC rating); also includes parking houses and buildings in development with EPC certificate pending	
		EPCs rated B or better (based on number of assets)	48.3%	Indicative anticipated CAPEX investment of	
Assets	**Transition – development & market risk**	**Portfolio with high environmental certification (BREEAM Excellent or better (or equivalent)) ("Green portfolio") – € amount**	**€ 1.86 billion**	**Comprises the building portfolio which is allocated to the Green Financing Framework (under Framework eligible portfolio also includes BREEAM Very Good assets and comprises €3.7 billion)**	**3.2.2 Environmental certifications**
Liabilities	Transition – development & market risk	Percentage of net borrowings (incl JVs at share) classed as Green Financing under the Green Finance Framework	56 %	VGP issued € 1.6 billion in green bonds under the Green Finance Framework	4.2 Green bonds
		Green finance instruments as % of the green portfolio (including joint venture assets at share)	41 %	Green finance instruments should not exceed the total green portfolio	
CAPEX	Strategic risk/ GHG emissions	Visibility: % of portfolio for which energy data is available	67 %	New lease template since 2021 includes green clause for data sharing; many existing clients have no obligation to share data	3.3.2 Green leases and tenant commitments, 3.3.3 Energy Management
		Visibility: % of completed developments for which LCA analysis is available	78%	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	3.2.1.1.2 Considerate construction charter
		Embodied carbon intensity (kgCO_2e per sq m of development space)	489	Based on updated embodied carbon assessment – based on life cycle of the buildings	3.1.2 Carbon assessment
		Photovoltaic investments – spent or committed on projects completed or under construction	€ 108 million	A further €63 million to be spent on pipeline projects – total 270.5 MWp	3.3.3.5 Renewable energy procurement and production. 4.2.3 Current allocation of green bond proceeds
Revenues	**Transition – market risk**	**Solar power generation – FY2023 (GWh)**	**46 GWh**	**Includes circa 2 GWh of solar energy not generating income. Production for 2024 is expected to exceed 85GWh**	**3.3.3.5 Renewable energy procurement and production**
		Solar power generation – annualised incl. pipeline (GWh)	**244 MWh**		
		Solar power generation as percentage of tenant electricity consumption	23 %	Including PV pipeline projects the coverage increases to 109%	
		Gross revenues from renewable energy	€ 4.4 million	Revenue generated from selling renewable energy to tenants of VGP Parks, energy sold into the grid or PV installations leased by tenants	

3.2 Sustainable Properties

3.2.1 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 as well as future fungibility.



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.vgp-parks.eu/en/sustainability/*

3.2.1.1 Sustainable Construction

3.2.1.1.1 Transition to a circular economy in construction projects

From the materials sourced to construct the building to the water required for bathroom facilities and greenery, logistics and semi-industrial sites use natural resources. Predominantly, today's logistics real estate sector is designed on the linear "take-make-waste" concept. VGP wants to change this. In order to be compliant with the EU Taxonomy Do No Significant Harm – Transition to Circular Economy criterium the Group is transforming its approach to circular economy concepts defined by 8 principles, see also the following VGP Circular Economy chart.

With regards to the "Continuous Material Cycles", in 2022 the Group introduced a target in-line with the applicable DNSH requirement for Construction of New Buildings under EU Taxonomy of at least 70% (by weight) of the non-hazardous construction and demolition waste generated at site to be processed for reuse or recycled or otherwise recovered. This requires strict waste monitoring at construction sites, as well as an implementation of improvement opportunities and execute best practice activities in order to: eliminate final waste and pollution, keep products and materials in use, and reduce the primary material consumption. The Group is leveraging its relationships with construction materials suppliers to raise their awareness of sustainable construction and influence behaviour change towards circular economy practices. In 2023, the Group reached its target of recovering 70% of waste in 88% of the construction sites monitored. In 2024, VGP will work towards more projects being monitored, more ambitious waste management and continue to engage its suppliers in sustainable practices.

	2023
Share of waste monitored development projects that have at least 70% of waste recycling (material recovery)	88%
Number of development projects that comply with at least 70% of waste recycling material recovery (% of all projects delivered in 2023)	7 (29%)

In addition to limiting the waste generation and facilitating reuse and high-quality recycling during construction works, the Group also aims to ensure the building design and construction technology support the circular economy by making the building resource efficient, adaptable, flexible and dismantlable.

When considering products and materials, VGP applies the BREEAM or DGNB certification standard to promote resource efficiency and lower emissions. The products are easier to maintain, reuse and recycle and must have an eco-label and/or lower environmental impact (such as PEFC™ or FSC®-certified timber). Throughout all stages of the building life cycle, preference is always given to suppliers with certified environmental management systems. See also the section 3.2.1.1.2 Considerate Construction Charter.

3.2.1.1.2 Considerate Construction Charter

Since 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 PEFC™ or FSC® certification, including for works;
— Providing information to people living nearby and limiting traffic disruptions;
— Informing contractors and employees of construction companies of applicable HSE rules;
— Ensuring proper management of risk;
— Managing and limiting noise and visual pollution, as well as the risk of soil, water and air pollution; and
— Monitoring resources to reduce resource consumption.

	2023
Number of development projects that implement a Considerate Construction Charter	100%
Share of development projects that implement a Considerate Construction Charter	100%
Delivered projects completed a life cycle embodied carbon assessment (LCA)	78%

3.2.1.1.3 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	2023
Monetary expenses for soil decontamination/site remediation (€-million)	5.1	2.3
Volume that has been detoxified/handled (metric-tonnes)	14,900	3,723

3.2.1.1.4 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 of coordinating health and safety matters between the various stakeholders. Health, Safety and Environment (HSE) audits are conducted on a continuous basis.

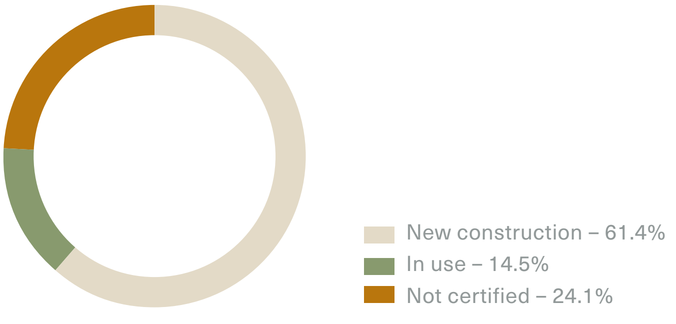

LEVERAGED BY DIGITAL TECHNOLOGY
HOLISTIC URBAN PLANNING
GUIDED BY SYSTEMS THINKING
SUPPORT HUMAN WELL-BEING AND NATURAL SYSTEMS
INTEGRATED INFRASTRUCTURE SYSTEMS
FLEXIBLE PRODUCTIVE BUILDINGS
DESIGN FOR MAINTENANCE AND DECONSTRUCTION
CONTINUOUS MATERIAL CYCLES

3.2.2 Environmental certifications

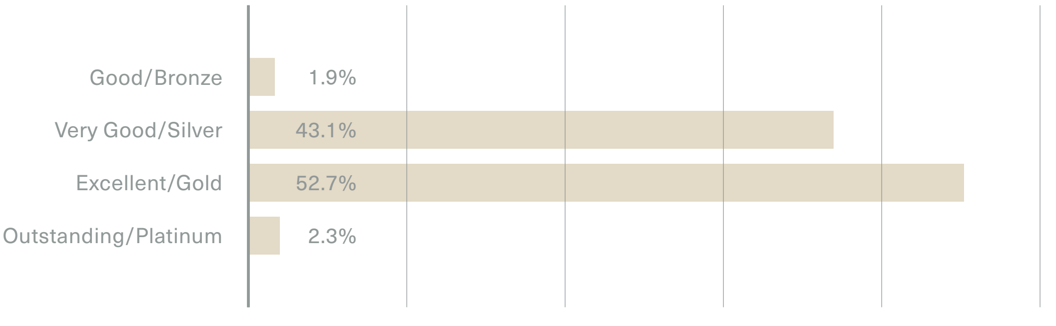
VGP, as part of its strategy for development projects, targets an environmental certification for all of its new greenfield/brownfield construction projects: DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen) in Germany and Austria and BREEAM for the other countries. VGP aims to achieve a minimum level 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:

			Certification coverage[1]	
2023	**Number of assets certified**	**Number of assets in process of obtaining certificate**	*% (in number)*	*% (in m^2 GLA)*
Total certified warehouses	76	88	66.1%	75.9%
of which at least Excellent/Gold	*24*	*42*	*26.9%*	*33.9%*

Coverage of environmental certifications in operation and development within the Group's total standing assets and assets under construction *(in m^2 of gross lettable area)*



Breakdown of the Group assets by environmental certification level
(in m² of gross lettable area)



1 Excludes recently acquired brownfield sites identified for demolition

VGP Park Hochheim, Germany

3.2.3 Construction materials

3.2.3.1 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. In order to be better able to track the impact of actions required to deliver progress, the internal framework to evaluate carbon emission reduction initiatives has been updated. The new framework aims to make certain improvements easier to evaluate from a cost and carbon perspective, for example a bearer structure built from wooden beams or columns (grown from responsible forestry), use of green steel or Ecopact concrete as building materials to reduce impact of construction materials, or specific renewable energy initiatives to reduce the lifetime operating carbons. The new framework is based on the following three principals, Carbon Reference Pricing, Lean Building approach and Circular economy solutions:

Carbon Reference pricing
Carbon reference pricing in new project yield calculations. The Internal Carbon Pricing scheme is a shadow price which allows the Group to apply carbon prices[1] in its strategic and operational decision making around new projects. It enables the Group to assess the economic implications or trade-offs for such things as risk impacts, net present value of new projects and the cost-benefit of various design alternatives and initiatives.

1 In 2023 project evaluations the pricing was aligned with EU ETS as per Dec 2022 € 84.4/tCO_2

VGP Park Laxenburg, Austria

Lean Building approach

To achieve the Group's reduction targets it is critical to provide project management the levers to implement viable low-carbon alternatives through a "lean building" approach from the design phase using fewer materials, through optimised design choices: structure, fixtures and fittings, façades, ceilings, number of parking spaces, etc.

This can be achieved by 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. Our procurement and our innovation team are developing targeted partnerships with construction firms and manufacturers of building materials for the implementation of innovative solutions

To secure the ESG Strategy commitments regarding construction activities, the Group has created a Sustainability briefing package for development projects, to lead the development teams from the very beginning of the design phase to the delivery of development projects. It contains three parts:

- The Group Sustainability Brief, gathering all the specific requirements for development projects (brownfield, greenfield, refurbishments, renovations and extensions) to be in line with the Group's ESG Strategy; and
- The 10 Golden Rules for sustainable construction, which set the right mindset and directions for the development teams to integrate sustainability topics in projects. The Sustainability guidelines for development projects have been approved in 2022 and are rolled out throughout the Group. The sustainability performance of the development projects is closely monitored during key project reviews thanks to a dedicated assessment tool and focuses on the Group's commitments towards low-carbon construction and the compliance with the EU Taxonomy criteria for building development (see section 4.1.3 VGP Share of aligned activities).
- The Group also offers specific trainings for the development and construction managers to help them better understand the technical requirements of the Group's Sustainability guidelines and new regulations around low-carbon buildings. VGP's carbon performance with regard to the construction target is presented in section 1.2 Summary of the Group's ESG performance.

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.). For example, at a building delivered last year in VGP Park Graz, 162 Glulam timber beams were installed with a span of 12 to 17 metres for the roof, allowing for an 11,000 square metre building. This choice guarantees a reduction in material transport costs by assembling the beams on site and a more sustainable building.
- 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).

Circular economy building materials solutions

Circular economy solutions can also lead to carbon savings, through material reuse for example as defined in the VGP 10 Golden Rules for sustainable construction which is, together with the Considerate Construction Charter, part of the VGP Building White Book and shared with our contractors. See also section 3.2.1.1.1 Transition to a circular economy in construction projects.

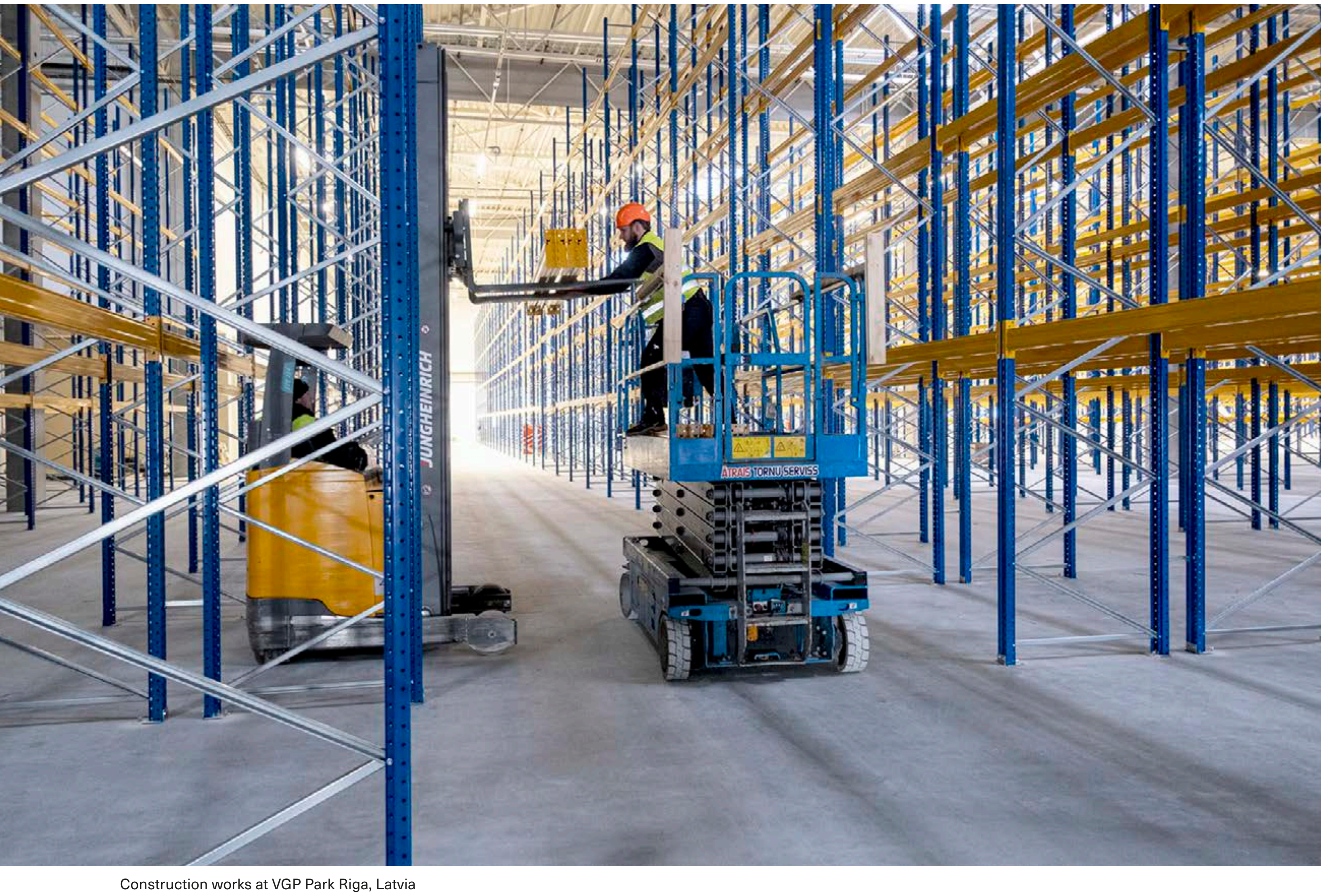
3.2.3.2 Responsible supply chain

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 specifies 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 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.

3.2.4 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 (available on our website) 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.



Construction works at VGP Park Riga, Latvia

3.3 Improve eco-efficiency

VGP Park Hrádek nad Nisou, Czech Republic

3.3.1 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 3.2.1 Environmental Management System.

3.3.2 Green leases and tenant commitments

Since 2023 a clause has been added to the first version of Green leases which includes, in particular, the obligation to sign a supply contract guaranteeing that electricity is procured from renewable sources. This clause was updated from the green lease clause which has been included in all standard new lease contracts since 2021. This initial policy of promoting "Green leases" already aimed at improving tenants' ESG performance during the operation phase through a set of requirements, including fit-out, operation and reporting requirements. The approach continues to be 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 behaviours is helping the Group and its stakeholders to prepare for increased constraints on resource management (regulation, availability, etc.).

In that respect, already 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. 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 3.1.2 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. The table hereafter shows 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 2023 is 90.7% Group-wide.

Green lease clause	2023
Number of new lease contracts signed with green lease clause	48
% of rental income of total new leases signed during the year	90.7%
% of green leases among total active leases at year end	23.3%

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, to raise awareness and encourage behavioural changes as well as the implementation of operational improvements.

3.3.3 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 Summary of the Group's ESG achievements.

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 country as well as 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. As a result, in 2023 the following steps have been taken:

- green clause in new lease contracts has been updated to include a green electricity procurement requirement to tenants (see section 3.3.2 Green leases and tenant commitments),
- implementation of a new group-wide energy consumption and production monitoring system (see section 3.3.3.3. Energy consumption – portfolio),
- advancement of the roll-out of smart meters (see section 3.3.3.3. Energy consumption – portfolio),
- the application of local renewable energy subsidiaries for status as a regulated energy trader to be able to more effectively offer green electricity to our tenants (see section 3.3.4.1 CRREM retrofit and improvement actions), and
- investments in the existing portfolio to improve energy efficiency (see section 3.3.3.3. Energy consumption – portfolio).

3.3.3.1 Energy consumption

Energy consumption data have been quality reviewed as well as carbon emissions calculations presented below have been third-party validated by CO2Logic based on GHG protocol and compliant ISO 14064.

3.3.3.2 Energy consumption – own organisation

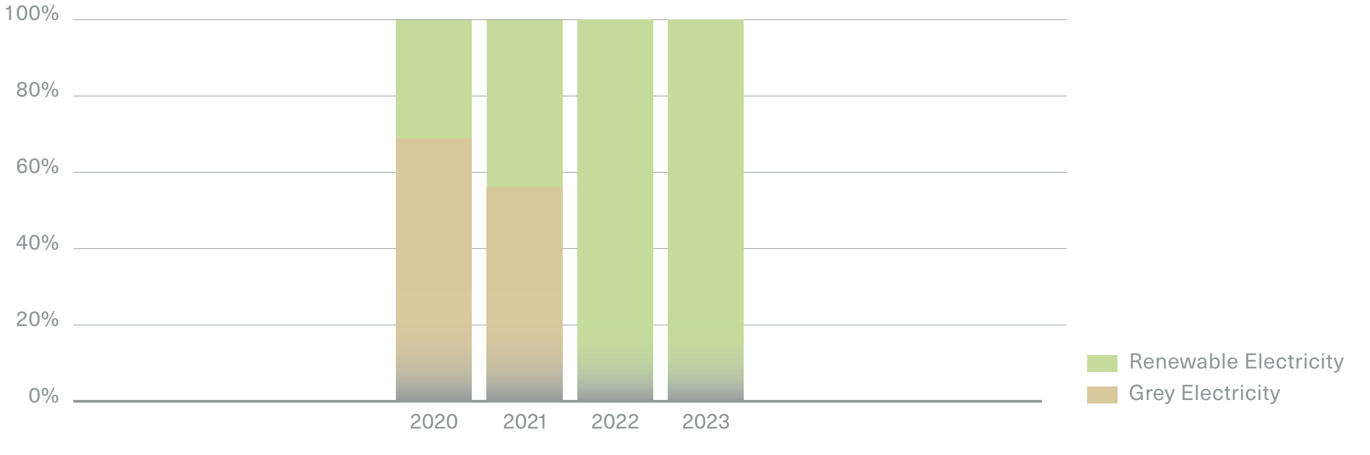
Energy consumption within the own organisation

Energy Data	2019	2020	2021	2022	2023	% change YoY
Gas *(GJ)*	166	187	293	404	462	15%
Grey Electricity *(MWh)*	276	286	244	—	—	—
Renewable Electricity *(MWh)*	135	130	191	380	478	26%
Fuels (diesel and gasoline) *GJ*	23,226	15,164	12,880	13,846	13,508	-2%
E-Charging *(MWh)*	n/a	n/a	13	21	76	264%
Total energy *GJ*	24,386	16,848	13,905	15,693	15,963	2%
Total energy *MWh*	6,774	4,680	3,863	4,359	4,434	2%
Total energy consumption per FTE *(MWh/FTE)*	33.9	19.4	13.2	12.4	11.8	-4%

Energy consumption efficiency of the Group's own operations has undergone significant changes over the course of the last 5 years. Whilst the organisation has grown from 220 employees at the start of 2019 to 368 employees in December 2023, the total energy consumption per employee has decreased over the same period by 65% to an average energy consumption of 11.8 MWh/FTE. This is predominantly driven by a shift to more clean and efficient gasoline powered vehicles and plug-in hybrid vehicles and since 2022 to full battery-powered vehicles. Since FY2022 the Group has switched to renewable electricity for the use of its own offices. The impact of this switch is discussed in the Carbon Assessment (section 3.1.2).

As of 1 January 2022, a pan-European power purchase agreement (PPA) went into effect allowing the entire VGP office portfolio to switch to renewable electricity. The PPA purchases renewable electricity from the 4.8MWp photovoltaic installation on VGP Park Roosendaal and makes this green electricity available to the various entities within the Group across its operations – either by delivering this electricity directly or through the transfer of the green certificates of origin.

Electricity mix of VGP own offices

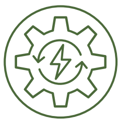


3.3.3.3 Energy consumption – portfolio

Optimisation strategy

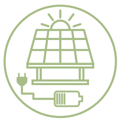
The energy consumption optimisation strategy for the portfolio is built upon selective eco-efficient retrofits, green leases, energy management and renewable energy policies based on the following pillars:

— Daily optimization of operations. Digital technology and changing consumer expectations have set the stage for new solutions. A key development in 2023 has been the deployment of Deepki energy optimization platform across the countries of operations. Deepki facilitates emissions monitoring and management to reduce the carbon footprint of real estate assets
— Technical improvement of the equipment, including retrofit from gas-powered heating to electrical heat pumps, installing smart meters and LED lighting at refurbishment
— Offering renewable energy solutions to our tenants, including tailor-made roof-fitted photovoltaic installations for self-consumption and off-site green energy contracts offered through our own energy trading activities leveraging photovoltaic installations elsewhere in the group
— Improving the intrinsic quality of our new developments, including the installation of heat pumps instead of gas-powered heating as standard 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

Retrofitting of standing portfolio

Annual portfolio energy consumption reporting

In order to be able to more accurately assess energy efficiency improvements as well as compare year-over-year changes in energy consumption it is important to understand the actual tenant activity. The table below reflects the utility data for the VGP portfolio over FY2023. The classification system used is aligned with the GRESB segment reporting. The majority of our buildings have a logistics, non-refrigerated usage with limited to no manufacturing activities (classification *"Industrial non-refrigerated warehouse"*). For assets where manufacturing activities do take place (classification *"Industrial: manufacturing"*) the electricity and water consumption is typically 2.5x as much and gas usage 2x higher. A warehouse for logistics purposes but with cooling facilities typically performs in between these two categories (see table below for details). The classification office (*"Office: Corporate: Low-Rise Office"*) is only used for those buildings which have a dedicated pure office usage. For offices inside warehouses no separate consumption is reported (consumption is included as part of the warehouse data).

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.

Data coverage for 2022 utility data is 81% for electricity, 82% for fuel and 87% for water. For 2023 not all utility bills have yet been collected and at date of publication of this report the data coverage is 67% for electricity, 67% for fuel and 65% for water. Utility consumption in portfolio (split by segmentation according to GRESB[1])

	Standing and Completed portfolio		Electricity consumption *(kWh/m²)*		Fuel consumption *(kWh/m²)*		Water consumption *(litre/m²)*	
Property occupational use (GRESB)	**Number of assets**	**Gross floor area *(m²)***	**Average**	**Median**	**Average**	**Median**	**Average**	**Median**
Industrial: Non-refrigerated Warehouse	133	3,045,188	17.29	14.09	8.40	9.69	50.00	40.79
Industrial: Refrigerated Warehouse	18	394,371	66.00	62.15	15.27	17.39	102.21	87.9
Industrial: Manufacturing	62	1,369,468	102.32	38.01	14.31	21.85	118.14	82.57
Office: Corporate: Low-Rise Office	3	79,387	54.38	46.86	n/a	n/a	395.89	261.34
Other: Parking (Indoors)	3	55,123	6.55	7.93	n/a	n/a	n/a	n/a
Total	**219**	**4,943,537**	**45.20**	**16.97**	**10.36**	**14.71**	**78.03**	**54.52**

1 See Appendix 3a of the GRESB reference guide – The GRESB property type structure follows a three-level hierarchy where a Property Sector is composed of multiple Property Types, further refined into multiple Property Sub-Types. The Property Sub-Type (level 3) is used for benchmarking purposes (*https://documents.gresb.com/generated_files/real_estate/2023/real_estate/reference_guide/complete.html#property_types_classification*)

Average Energy & GHG intensity per country and asset class

Country	AT	CZ	ESP	DE	HU	IT	LAT	NED	PT	RO	SK	Total
Standing and Completed portfolio	3	49	21	90	12	7	4	6	3	15	9	**219**
Data coverage	84%	98%	83%	41%	82%	100%	100%	100%	100%	94%	96%	**68%**
Industrial: Non-refrigerated Warehouse												
Energy intensity (kWh/m²)	19.2	25.6	23.2	21.8	26.5	35.1	40.5	18.5	9.4	50.6	27.5	**25.7**
Carbon intensity (kgCO2 eq/m²)	3.6	10.1	3.2	7.2	5.9	10.1	6.3	5.6	0.0	16.0	4.9	**7.5**
Industrial: Refrigerated Warehouse												
Energy intensity (kWh/m²)	n/a	109.6	78.5	65.6	177.4	n/a	n/a	80.8	n/a	70.8	n/a	**81.3**
Carbon intensity (kgCO2 eq/m²)	n/a	51.7	11.8	26.2	43.4	n/a	n/a	14.3	n/a	17.4	n/a	**26.2**
Industrial: Manufacturing												
Energy intensity (kWh/m²)	36.6	244.1	132.8	34.2	175.3	n/a	67.0	n/a	n/a	86.6	88.7	**116.6**
Carbon intensity (kgCO2 eq/m²)	4.4	123.7	24.1	14.0	42.0	n/a	11.2	n/a	n/a	27.3	15.9	**49.8**
Office: Corporate: Low-Rise Office												
Energy intensity (kWh/m²)	n/a	n/a	n/a	55.9	n/a	38.2	n/a	n/a	n/a	n/a	n/a	**54.4**
Carbon intensity (kgCO2 eq/m²)	n/a	n/a	n/a	26.5	n/a	10.1	n/a	n/a	n/a	n/a	n/a	**25.2**
Total												
***Energy intensity** (kWh/m²)*	26.6	149.0	43.5	29.2	109.7	35.3	47.6	34.7	9.4	56.2	51.4	**55.6**
***Carbon intensity** (kgCO2 eq/m²)*	6.9	185.6	9.0	17.9	59.3	10.9	10.4	10.6	0.0	21.3	15.1	**34**

Energy consumption within the portfolio

Total energy consumption – portfolio *(MWh)*	FY 2020	FY 2021	FY2022	FY 2023	% change YoY
Total renewable energy produced on-site	14,894	24,156	27,662	50,712	83.3%
Of which renewable energy consumed on-site	*1*	*3,646*	*3,858*	*4,539*	
Green energy purchased from grid	—	*4,169*	*9,610*	*4,672*	
Total green energy consumed	**1**	**7,815**	**13,468**	**9,211**	(31.6)%
Total grey electricity purchased from grid	**137,501**	**161,904**	**214,345**	**214,727**	
Total electric energy consumed	**138,412**	**169,719**	**227,814**	**223,938**	**(1.7)%**
KWh/m²	*57*	*55*	*53*	*45*	
Kilo CO2/KWh	*0.37*	*0.31*	*0.33*	*0.42*	
Grey electricity emissions *(tCO2)*	**50,871**	**53,435**	**75,806**	**94,295**	**24.4%**
Gas – Total fuel consumed from grid	**83,695**	**73,643**	**58,281**	**51,805**	**(11.1)%**
KWh/m²	*34*	*24*	*14*	*10*	
Fuel emissions *(tCO2)*	**15,499**	**13,624**	**10,782**	**9,584**	**(11.1)%**
Total energy consumption	**222,107**	**243,362**	**286,095**	**275,743**	
KWh/m²	*91*	*79*	*67*	*56*	
Renewable Energy: produced and sold to grid	13,983	20,510	23,804	46,173	94.0%
tCO2 “elsewhere avoided” (scope 4)[1]	4,305	6,314	7,328	19,442	

1 Assuming the same carbon intensity as the average VGP-weighted carbon intensity for grey electricity for the year

Like for like energy consumption	FY2020	FY2021	FY2022	FY2023	Change YoY
2020 base year					
Electricity	110,638,126	118,137,794			6.8%
Gas	37,465,023	37,585,975			0.3%
2021 base year					
Electricity		146,376,023	158,234,854		8.1%
Gas		52,036,372	43,533,754		(16.3)%
2022 base year[1]					
Electricity			164,547,921	171,132,099	4.0%
Gas			46,258,518	37,300,737	(19.4)%
Energy intensity *(kWh/m²)*			***74.25***	***73.41***	***(1.1)%***

The energy consumption both in absolute level as well as intensity have decreased in FY2023 compared to FY2022. The overall energy intensity of the comparable assets decreased by 1.1% year over year.

Particularly the gas consumption in the portfolio has decreased (19.4% like-for-like YoY). The decrease in the consumption of gas is supported by the implementation of the heat pump instead of gas-powered heating and by a general consciousness and willingness to reduce gas consumption due to price volatility. Electricity consumption remained relatively stable – slight decrease (1.7%) in total consumption and increase in like-for-like consumption (4.0%). The electrification in general and heat pumps particularly are contributing to increasing electricity consumption. Low energy consumption in the buildings delivered in 2023 also contributed, as well as impact of classification of buildings without energy consumption data available – the effect of classification is visible in table "Energy and GHG Intensity per country and asset class".

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 3.3.2 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).

3.3.3.4 Renewable energy procurement and production

Renewable energy procurement

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 provide own produced green electricity or alternatively green electricity purchased from wind farms through PPA contracts since 1 January 2024, as a result for all German assets for which VGP is contractually in control of energy delivery are all transitioning towards green electricity, in first instance this will transition circa 8 GWh, or 3.7% of total electricity consumption, from grey to green electricity. A similar model will be introduced in Romania later this year and other countries will follow. Since 2023 lease contracts signed with tenants include an updated green lease clause requiring tenants to procure green electricity for their operations. For those lease contracts that do not benefit from such clause, VGP can still 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.

1 Gross lettable area available for '22/'23 like-for-like: 2,839,264 m² (65% of total completed portfolio as of Dec-22)

Prof. Dr. Armin Willingmann, Deputy Prime Minister of the state of Saxony-Anhalt and Minister for Science, Energy, Climate Protection and the Environment and VGP CEO Jan Van Geet on the roof of VGP Park Magdeburg-Sülzetal. The single-roof solar system measures 10.27 MWp

VGP recognized as first real estate company in Germany to receive the status of a regulated energy supplier

Magdeburg, Germany / 15 January 2024

At the inauguration of Germany's second largest single-roof solar system at VGP Park Magdeburg-Sülzetal, Prof. Dr. Armin Willingmann, Deputy Prime Minister of the state of Saxony-Anhalt and Minister for Science, Energy, Climate Protection and the Environment and VGP CEO Jan Van Geet came together to recognize the achievement of obtaining a regulated energy supplier status which enables VGP to allocate green energy more efficiently to the needs of its tenants and on a national scale throughout Germany.

The initial implementation of the green electricity contract involves 35 German assets supplied with green PPA for an estimated annual volume of 8 GWh.

As such, the Group targets, as part of its ESG strategy, to:

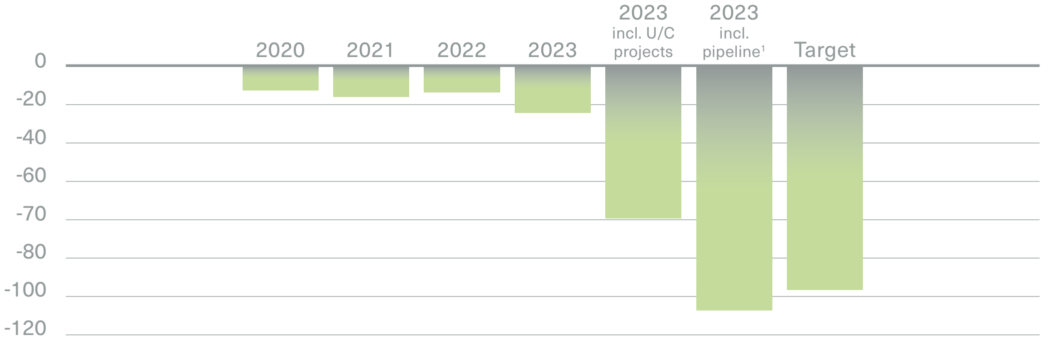
- Multiply its installed capacity of on-site renewable energy by 2025, compared to 2020 and offer the energy generated preferably to tenants at attractive terms;
- Source 100% electricity from renewable sources for those assets the Group is in control; and
- Intensify the green lease campaign with older lease contracts being adjusted to the 2023 version of the green lease contract (requiring green electricity procurement).

The share of renewable electricity in the overall tenant electricity consumption was 6 % in 2022 and 4 % in 2023. Including the self-consumption PV pipeline projects the share of renewable electricity consumption in 2023 would increase to 21%. The tenant portfolio will gradually transition to green electricity procurement at the latest upon the inclusion of the enhanced green lease clause at contract renewal.

Production of renewable energy

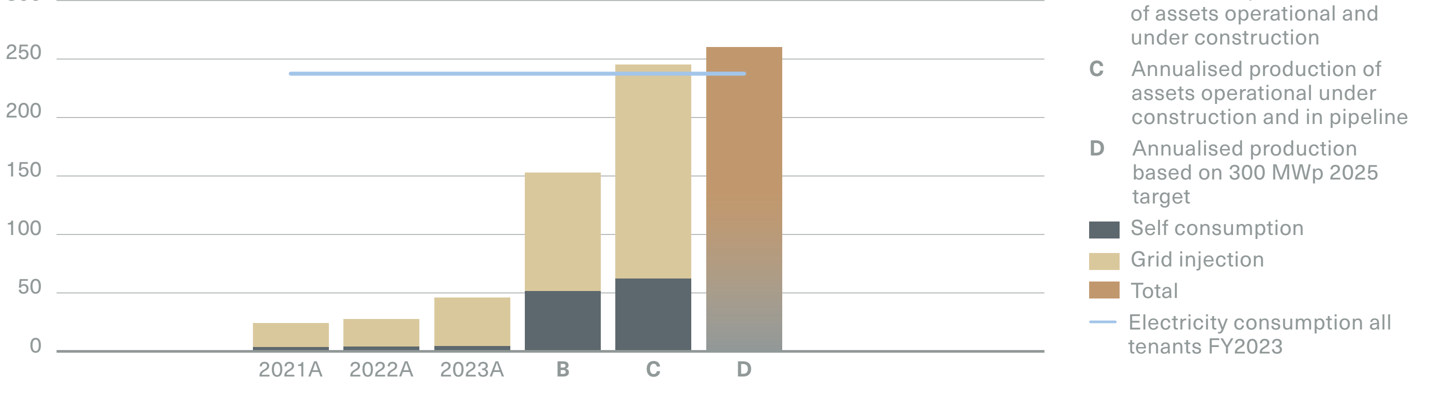
Since 2019, the Group has been rolling out a solar photovoltaic installation program across its portfolio to generate electricity on site. The installed capacity of the Group's systems has continued to increase. In 2023, new solar panels were installed across the portfolio. In total, there are 84 solar panel installations operational across the portfolio. The total installed renewable energy capacity of the Group's assets in 2023 is 101.8 MWp (compared to 56.6 MWp at Dec 2022) with a further 32 projects with a power of 69.0 MWp under construction and 93 projects, with 99.7 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. In FY2023, the total solar energy production equalled 21% of total electricity consumed but once the photovoltaic projects currently under construction are fully operational the solar power production capacity will equal 68% of total electricity consumption. Once the target of PV projects is considered the additional renewable energy generated equals 109% of total electricity consumed. This would in theory mean that VGP should be able to operate all tenants at 100% renewable electricity 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 for the foreseeable future, with on-site produced renewable energy sold into the grid instead.

Renewable energy produced as % of total electricity consumption



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 *(GWh)*



1 Includes the envisaged production of VGP Park Moerdijk which has been sold after YE2023

Renewable energy production *(MWh)*	**Self-consumption**	**Grid injection**	**Total**
2021A	3,646	20,510	24,156
2022A	3,858	23,753	27,611
2023A	4,539	46,173	50,712
Annualized production of assets operational and under construction	51,640	101,016	152,656
Annualized production including projects in pipeline	62,039	183,319	245,358
Annualized production based on 300 MWp 2025 target			*260,000*

PV roll out *(KWp)*				
Country	**Existing**	**UC**	**Pipeline**	**Sub-total**
Austria	0.0	0.0	2.6	2.6
Croatia	0.0	0.0	0.0	0.0
Czech Republic	0.0	3.8	0.4	4.2
France	0.0	0.0	12.1	12.1
Germany	78.1	58.0	55.1	191.3
Hungary	0.0	0.0	0.6	0.6
Italy	0.5	5.1	9.7	15.3
Latvia	0.0	0.0	0.5	0.5
Netherlands	22.5	0.0	9.0	31.5
Portugal	0.0	0.0	0.2	0.2
Romania	0.1	2.0	1.6	3.7
Serbia	0.0	0.0	1.2	1.2
Slovakia	0.0	0.0	1.5	1.5
Spain	0.6	0.0	5.1	5.7
Total	**101.8**	**69.0**	**99.7**	**270.5**

3.3.4 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.

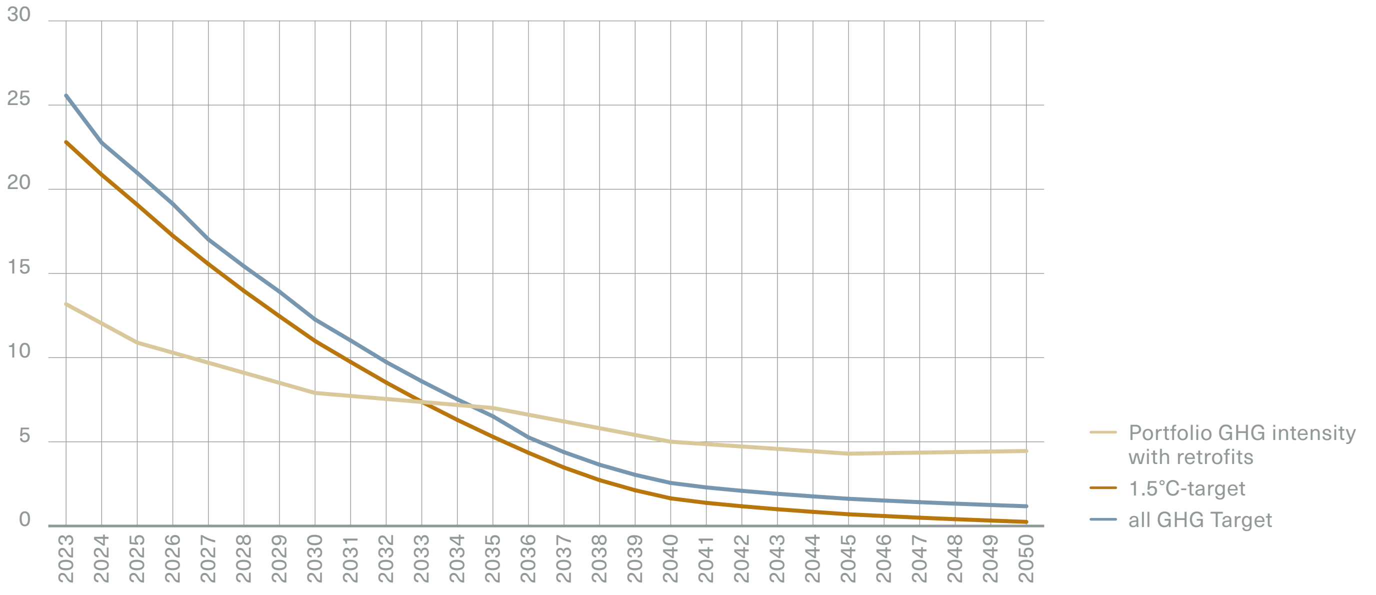
Since 2021, VGP has conducted an annual CRREM analysis of its entire portfolio in order to understand stranding profile of the various sub-portfolios across countries and analyse improvements scenarios, including energy efficiency operations, switch to electric heating (heat pumps) instead of gas-powered heating and optimisation of investments into renewable energy production facilities.

The latest CRREM as conducted in 2023 was completed based on the following assumptions:

— Results based on CRREM Tool v 2.03 (as published 18 April 2023)
— Results are based on actual energy consumption data of VGP portfolio over FY 2022
— For those assets energy consumption data is not available for full year the results are based on extrapolation
— Extrapolations and GHG factors obtained limited assurance from auditor review
— Buildings under construction have been excluded
— Grid consumption and injection has been adjusted for current photovoltaic projects under construction and annualized contractually agreed renewable energy consumption by tenants based on the assumption that only 60% of energy can be provided for by photovoltaic (simultaneity analysis of production vs consumption)

Based on the FY2022 reported utility data only 7% of the portfolio is above the pathway with a projected stranding year of 2029. If the 2023 planned photovoltaic roll-out is completed the portfolio, based on gross asset value, is majority 1.5ºC-compliant until 2040, with a GHG stranding year of 2033.

Average Portfolio GHG Intensity vs. Paris Targets *(GHG Intensity [kgCO2e/m²/yr])*



CRREM performance reflecting current PV projects in pipeline

3.3.4.1 CRREM retrofit and improvement actions

Once contracted renewable energy projects are developed, the VGP portfolio stranding year is expected to extend to 2040.

Several portfolio improvements effect on the stranding year have been analysed further:

- Since 2022 the Group invested significantly in energy saving LED lighting, heat pumps, moving detectors and sun protection for offices and smart meters.
- Since 1 Jan 2024, implementation of the green electricity contract for 35 German assets supplied with green PPA for an estimated annual volume of 8 GWh which is effective.
- No more gas powered heating with effective refit of existing portfolio gas heating installations (replaced with heat pumps): 1.5ºC-pathway stranding year improves to 2034
- Green energy procurement requirement in new or renewed lease contracts: a majority of portfolio assets is 1.5ºC-compliant until 2050 and GHG compliance improves to 2039 (no effect on energy intensity). The portfolio will gradually improve to this score over time as new contracts are signed or existing contracts are being renewed
- Combination of all measures, results in a portfolio which is fully GHG 1.5ºC-compliant

CRREM – stranding year	**2022**	**2023**
GRESB submission (based on actual renewable energy production in reporting year)	2027	2029
Based on renewable energy contracted projects	2040	2033[1]
Implementation of all retrofit and portfolio improvements actions	1.5ºC-compliant	

Improve buildings' energy efficiency

Since 2022 the Group invested significantly in energy saving LED lighting, heat pumps, moving detectors and sun protection for offices and smart meters. These refurbishments and new investments in 102 buildings have amounted to ca. € 41 million in spending. These investments have resulted in energy consumption savings amounting to 35.3 GWh or 2.054 tCO_2.

Avoided energy consumption and emissions	**2023**
Avoided energy consumption *(MWh)*	35,317
Emission factor *(tCO_2/MWh)*	0.058
Avoided emissions *(tCO_2)*	2,054

Since 2022, the energy action plans are also integrated in the CRREM Group portfolio analysis. This allows the Group to 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.

1 Year over year the score has been negatively impacted by a change in the CRREM Tool calculation method. The CRREM Tool version 2.03 (published April 2023; SBTi-aligned) no longer gives GHG stranding benefit to assets for excess renewable energy exported (instead of used for self-consumption)

Heat pumps roll-out and retrofit

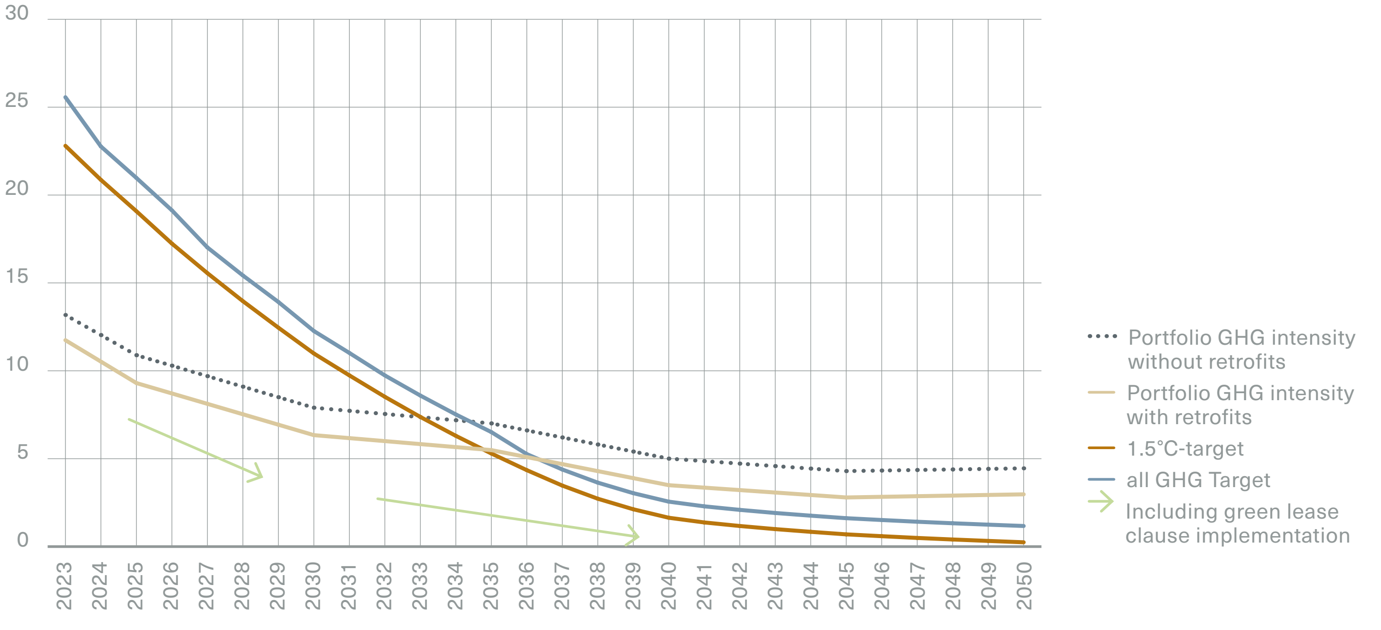
The Group has implemented a new construction policy for heat pumps as standard means for heating (as opposed to gas powered heating) since the beginning of 2022. As of today circa 15 % of assets has heat pumps installed and circa three-quarter of the portfolio still use gas powered heating. For these assets to be converted to air heat pump based heating system a total investment of circa € 80 million would be required.

Green energy procurement and VGP as regulated energy provider

The Group is since 1 January 2024 a regulated energy company in Germany. The Group is soon expected to receive a similar status in Romania. In these markets the Group will be able to use its own photovoltaic installations to supply green electricity to its assets, albeit applicable only for those assets where VGP is controlling the energy procurement or for those assets where tenants decide to participate.

The implemented PPA in Germany results in effected assets becoming 1.5ºC-compliant and the overall portfolio 1.5ºC-pathway stranding year improving by circa 3 years once all German assets (for which VGP delivers energy) are fully electricity provided for through the aforementioned PPA. Furthermore, based on lease contracts expirations with renewals and new leases containing the Group green lease clause the overall portfolio will over time shift to only green energy procurement. The green lease clause and energy provider status have thus far not been required for capex investments although though require ongoing operational support by facility – and renewable energy management.

GHG Intensity *(kgCO2e/m²/yr)*



Improve EPC Class and align with near zero energy building (NZEB) standards

For new construction the Group aims to comply with the EU Taxonomy requirements for energy performance. The EU Taxonomy for the construction, acquisition and ownership of buildings refers to Energy Performance Certificates (EPCs) as per the Energy Performance of Buildings Directive (EPBD). For the reporting of alignment of assets to EU Taxonomy, it is needed to refer to the near zero energy building (NZEB) standards and EPC schemes based on the divergent primate energy demand (PEB) thresholds as determined by each of the country's where those assets are located. For new buildings (or buildings constructed since 1 Jan 2021), the criterium is to build assets with an PEB of NZEB minus 10% and with an EPC in place. For buildings built before 31 Dec 2020 the building needs to have an EPC Class A or 15% top performing building. In case of a substantial contribution to climate change adaptation or a circular economy[1] an asset needs to comply with the Do No Significant Harm to climate change mitigation by PED performance of NZEB and for buildings built before 31 December 2020 with an EPC Class C minimum or 30% top-performing buildings.

With regards to the existing portfolio, based on the Group's pipeline PV projects the majority of the EPC ratings of our portfolio will improve to either EPC A or EPC B. For those assets for which this is not the case further investments in energy efficiency and renewable energy production will be required. Based on portfolio assessment an investment of circa € 20 million will be required to achieve a minimal EPC B rating in all buildings. As for most of these assets the final improvement could be achieved through additional PV investments this could also be economically yielding investments.

For more general information on the implementation of EU Taxonomy and the EPBD please refer to the factsheet available on *www.epra.com*.[2]

1 No substantial contribution criteria for a circular economy for the acquisition and ownership of buildings
2 *https://www.epra.com/application/files/1016/9710/0002/EPRA__WGBC_Factsheets_on_the_EU_Taxonomy.pdf*

3.3.5 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. Nevertheless, VGP acknowledges water as a fundamental resource and upholds the right for everyone to have fair and equitable access to it.

Water consumption at the Group's assets is driven by the occupational tenant usage of the asset and predominantly driven by the number of employees.

For further information on the split of the water consumption per tenant segment type, please refer to table "Utility consumption in portfolio (split by segmentation according to GRESB)" in the section 3.3.3.3 Energy consumption – portfolio of this report.

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, typically related to manufacturing and warehouses using cooling facilities. Whilst focus on water consumption improvement at these sites will be most effective, reducing water consumption is an operational target at all parks as part of the Group's resource efficiency policy and is tracked and 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.

Special efforts are made to install water-efficient equipment. The group is in the process of analysing the implementing of a real-time monitoring tool that allows to detect leaks so to ensure these can be repaired rapidly. Water monitoring is a key focus for the Group, which also started rolling out water connected submeters in new developments. Additionally, aerators and other low-flowrates water features have been implemented in assets in accordance to BREEAM requirements. As a result, water and cost savings were achieved. In addition to this impact, in order to avoid irrigation need as much as possible drought tolerant landscaping is implemented both in terms of flora selection as well as water retention ability. Since 2022 circa €5 million was invested in water-saving measures.

For new developments and refurbishments, the following standards are used across the portfolio:

- wash hand 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 2023, in total 180,800 m³ of rainwater could be collected on site for cleaning and for watering green spaces. At existing parks, the Group relies on a close cooperation with tenants to reduce water consumption. Green leases (see section 3.3.2 Green leases and tenant commitments) and tenants' discussions on site are used to help raise awareness among tenants about water use and to get them on board with water management.

In 2023, water consumption in our parks, including water used for vegetation, increased by 21 % compared with 2022 due to growth of the overall portfolio and more rainwater being retained and used in our parks. On a like-for-like basis grid water usage decreased year-over-year by 13% and grid water usage intensity decreased by 3% year-over-year, reflecting the effect of more water saving measures (in compliance with EU Taxonomy "Do No Significant Harm"– requirements) being deployed at new developments and refurbishments.

Water *(cubic metrics)*	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**Change YoY**
Average grid water consumption (litre/m²)	93.0	82.8	83.6	78.9	(6)%
Total water consumed from water grid	179,917	256,000	365,000	385,766	5%
Total water collected and re-used on site	n/a	n/a	105,000	180,800	72%
Total water consumed/collected	**179,917**	**256,000**	**470,000**	**566,566**	**21%**
Like-for-Like comparison – 2023/2022			255,163	221,793	(13)%

3.3.6 Waste management

VGP's waste management approach is designed to maximise recycling and minimise disposal to landfill. In order to manage waste most effectively the Group has tailored its approach and waste management targets to the three main waste generating activities, own operations and offices, at construction sites and in the standing asset building portfolio.

3.3.6.1 Waste management of own operations

Waste: own organisation			
Waste *(metric tonnes)*	**FY 2022**	**FY 2023**	**Comment**
Total waste recycled/reused	1.4	1.2	(1)
Total waste disposed	0.5	0.6	(2)
Total waste	1.9	1.9	

(1) Waste emissions for FY2023 are mainly calculated based on an extrapolation of data from offices with known data
(2) Total waste emissions are 0.6 tCO_2e, or 0,03% of total emissions. 97% of waste emissions result from residual waste, paper waste caused 2% of waste emissions and 28% of waste generation

Since 2022, the Group has a Green Office Policy in place which is focused on waste reduction opportunities based on the revised EU Waste Framework Directive (Directive 2008/98/EC) which sets out five steps for dealing with waste, ranked according to environmental impact – the "waste hierarchy" – with a first and most important focus on prevention and secondly prepare for re-use. By implementing these strategies the Group is able to reduce waste of its office operations. Since the implementation of the policy the amount of printed documents has significantly reduced, whilst paper was previously predominantly recycled, the overall waste reduction has reduced the waste production intensity significantly in-line with the waste hierarchy.

The amount of waste not recovered is including residual waste for which the incineration or recycling process has not been confirmed, as a result the current number is likely conservative. Furthermore, precise data collection will improve this metric further.

PREVENTION

If you can't prevent it then...

PREPARE FOR RE-USE

If you can't prepare for re-use, then...

RECYCLE

If you can't recycle, then...

RECOVER OTHER VALUE

If you can't recover value (e.g. energy), then...

DISPOSAL

Landfill if no alternative available

Demolition works at VGP Park La Naval, Spain

3.3.6.2 Waste management at construction sites

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 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 generation construction sites *(metric tons)*	**FY 2023**
Reported construction waste	5,519
Hazardous waste	188
Recycled waste	4,428
Recycled waste as percentage of total construction waste	80.2%

For more information on the compliance with the 70% recovery target per construction site per EU Taxonomy requirements please refer to section 3.2.1.1.1 Transition to a circular economy in construction projects.

3.3.6.3 Waste management of standing building portfolio

The Group has a limited impact on the total volume of waste generated in existing parks. Nevertheless, the Group is committed to waste management efficiency measures, such as increasing waste sorting, and raising awareness among tenants, as well as incentivising them to reduce the amount of waste disposed, and implementing innovative waste management solutions.

Improving waste sorting in collaboration with tenants
Suitable waste segregation facilities are in place in all assets and most assets are equipped with specific sorting facilities and treatment solutions for organic waste, which represents a significant share of the total amount of waste generated by the Group. Tenants are informed and made aware of the Group's waste management policies and of the importance of sorting waste. This is via, for example, tenants' on-site discussions and guidelines reminding tenants of what to do with different types of waste. Both supplier purchasing contracts and tenant Green leases establish the minimum requirements to be met for waste sorting and recycling. Tenants are requested to share details of tonnages collected by type of waste and recycling percentages achieved. Tenant education includes delivering tenant-level waste sorting guidelines to the facility management' teams, sharing best practices, highlighting the importance of properly sorting material, and outlining the legal requirements associated with the waste management programs.

Waste: portfolio	
Waste *(metric tonnes)*	**FY 2023**
Hazardous waste	809
Non-hazardous waste[1]	30,204
Total waste produced	31,013

Like-for-like comparison			
2022 base year	**2022**	**2023**	**% Change YoY**
Hazardous waste	879	809	(8)%
Non-hazardous waste	1,690	1,624	(4)%

3.3.7 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 3.1 Address climate change). To further raise awareness of our tenants with respect to the green transition, the Group has introduced a target in 2022 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 3.3.7.1 Connectivity to public transport 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 achievements 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 a green (forklift-) truck/van fleet by offering green electric and hydrogen charging facilities and infrastructure at our park.

In 2023 a pilot project was launched in Germany to offer EV charging facilities at the home of all VGP employees. The other countries within the Group will follow suit.

	FY 2022	**FY 2023**	**Target**
% of parks with EV charging facilities	46%	59%	100%
Number of associated parking spaces with EV charging		545	

1 Waste emissions for FY2023 are calculated based on an extrapolation of tenant disclosed data (data coverage FY2023 4 and 14 % respectively based on floor area)

3.3.7.1 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.

	FY 2022	FY 2023
% of parks with public transport accessible	95.8%	97.3%
Target % of parks with public transport accessible		100%

For the remaining parks adequate solutions are being sought.

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 access to the local bicycle network. At 2023 year-end, 96.4% of the Group's projects are connected to public transport solutions.

VGP Park Roosendaal, The Netherlands

3.4 Protect and improve biodiversity

In the existing parks a total of 2.215 million square meter of green surface is managed by VGP. The Group actively protects and improves the biodiversity value of these green surfaces specifically and its assets in general by assessing biodiversity impacts and mitigation measures in accordance with BREEAM Excellent/DGNB Gold level standards, and by implementing biodiversity action plans based on the Group's Biodiversity Policy that account for unique local conditions. Ecologists and landscape architects are involved in design and development activities to guide architects and developers on existing ecosystems and selecting the best strategy to protect local wildlife.

In order to assert 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 (in the course of 2023 4,040 additional trees were planted in existing VGP Parks and initiatives undertaken to protect and enhance biodiversity), in 2023 eight biotope areas have been created within our parks under construction to enhance or protect specific species and enhance overall local biodiversity, this brings the total biotope areas to 47. The total size of these biotopes, created within VGP Parks measure 548,000 m^2.

3.4.1 Implementing Biophilic design

Whilst individual biodiversity improvement measures within our parks are increasingly implemented either as part of the design phase or during ongoing retrofits of the green spaces, a distinguishing feature of biophilic design is its emphasis on the overall setting or habitat and not a single or isolated occurrence of nature. When taking into account an integrated design, the ecosystem performs at a level greater than the sum of its individual parts.

3.4.2 Protection and restoration of biodiversity and ecosystems for development projects

In addition to the biodiversity due diligence as part of the land acquisition, all development projects with a biodiversity value 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. Such assessment needs to be completed in accordance with the Group's Biodiversity Policy. Where an assessment has been carried out, the required mitigation and compensation measures for protecting the environment are to be implemented.

This assessment will help safeguard the Do No Significant Harm (DNSH) criterium under EU Taxonomy, and in cases of an substantial biotope investment assist in determining a potential significant contribution under the Taxonomy (of the biotope investment as a single measure).

The purpose of project specific assessment 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 commitments and recommendations for the integration of biodiversity in development projects are integrated in the Group's design process through the Sustainability Brief (see Section Project design and review stage in 3.2.1 Design sustainable buildings).

Additionally, for some projects a broader Environmental Impact Assessment is conducted, 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 which achieved first of its kind DGNB Platinum certification 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.

Biodiversity and ecosystems	
% of projects started in 2023 with an ecology plan	100%
Target of projects to have an ecology plan	100%

VGP Hungary looked to biophilic design principles to construct a tree-like installation covered in plants in the central area of new corporate offices in Budapest

Detail from the new VGP Building Standard

Details from VGP Park München with green roofs and green walls, as well as connecting green spaces and a significant biotope have been integrally designed

3.4.3 VGP biodiversity strategy and taxonomy for existing parks

Although nearly all our parks are certified according to BREEAM or DGNB, which provides basic safeguards for restoration and protection of biodiversity, the Group developed an additional ecosystem enhancement safety measure. The implementation of this measure is driven by:
— the aim to align the portfolio with EU Taxonomy regulation, including the biodiversity and ecosystem protection criteria, as well as,
— our continuous improvement philosophy within the scope of the Group's Environmental Management System (which has been based on ISO 14001 standards), and
— the Group's Biodiversity assessment framework (see for more information the Group Biodiversity Policy available on the Group website[1])

As such additional priority improvement measures may be identified in existing portfolio and are already being implemented in three of the Group's existing parks. For those parks, specific measures have been suggested for each based on local tailored ecology studies. This work is now underway in two of the three identified parks and works are expected to start in the third park in the course of 2024.

The aim is to increase the use of "green" spaces, either through enhancing existing green structures into biotopes or through enhancements such as green roofs, green walls, green parking lots.

VGP biodiversity taxonomy for existing parks
Less than 500 meters to natura2000 area and park adjacent to forest or asset location identified by municipality as of ecological importance
Less than 1,000 meters to natura2000 site and adjacent to arable land but not recognized as of high biodiversity value
Less than 500 meters to natura2000 site but plot itself only bounded by other semi-industrial sites
Less than 1,000 meters to natura2000 site or adjacent to arable land but not recognized as of high biodiversity value
Other

	Categorisation of biodiversity initiatives
	Combined identified initiatives achieve a substantial contribution under EU Taxonomy Biodiversity and ecosystems criterium
	Combined identified initiatives achieve DNSH under EU Taxonomy Biodiversity and ecosystems criterium
	Specific ecologically tailored measures have been taken in order to enhance local ecosystems based on a biotope
	Green roof or green façade
	Other significant ecological mitigation measures

In 2023, in existing VGP Parks 4,040 trees were planted to enhance biodiversity.

1 See: *https:/vgpparks.eu/media/4876/vgp-biodiversity-strategy-a4-en-k04.pdf*

An example of an existing park which is being enhanced is VGP Park Gyor Beta. Previously identified through the Group's biodiversity monitor as a park with an outsized potential for additional yielding biodiversity initiatives an ecology study conducted in 2023 identified several improvement measures which are currently being implemented to enhance and protect the existing ecosystem particularly along the southern border of the park which is adjacent to natural territory. See the case study on the following page for additional information.

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 projects with meaningful biodiversity stakes implemented a biodiversity action plan	95.7%
target % of projects with a high biodiversity stake implemented a biodiversity action plan	100.0%

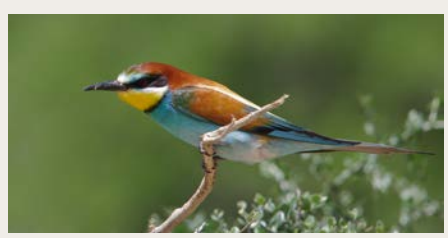
The score improved 10% year-over-year and the aim is to achieve a 100% score by the end of 2024. Once a project has been built and delivered, the Group's facility management team is responsible for maintaining and monitoring biodiversity. The ESG team monitors the application of the Group's biodiversity policy and provides operating teams with the necessary support.

VGP Foundation and NABU initiative started in 2022 "Become an Insect Scout"

Case study – VGP Park Gyor Beta

An example of an existing park (building B was delivered in 2022) which is being enhanced as a result of the implementation of the Group Biodiversity Policy is VGP Park Gyor Beta. Identified through the biodiversity monitor in early 2023 as a park with an outsized potential for additional yielding biodiversity initiatives an ecology study was commissioned and conducted in the same year which identified several improvement measures. These measures are currently being implemented to enhance and protect the existing ecosystem, particularly along the southern border of the park which is adjacent natural territory. Signs in the park will highlight the various ecosystems present, the initiatives taken to protect these and explain the relevance of such measures to any visitors.

Existing pond at VGP Park Gyor Beta to be enhanced allowing several biodiversity improvements including artificial constructed brooding wall and ideal stepped lake bed and shoreline zonation

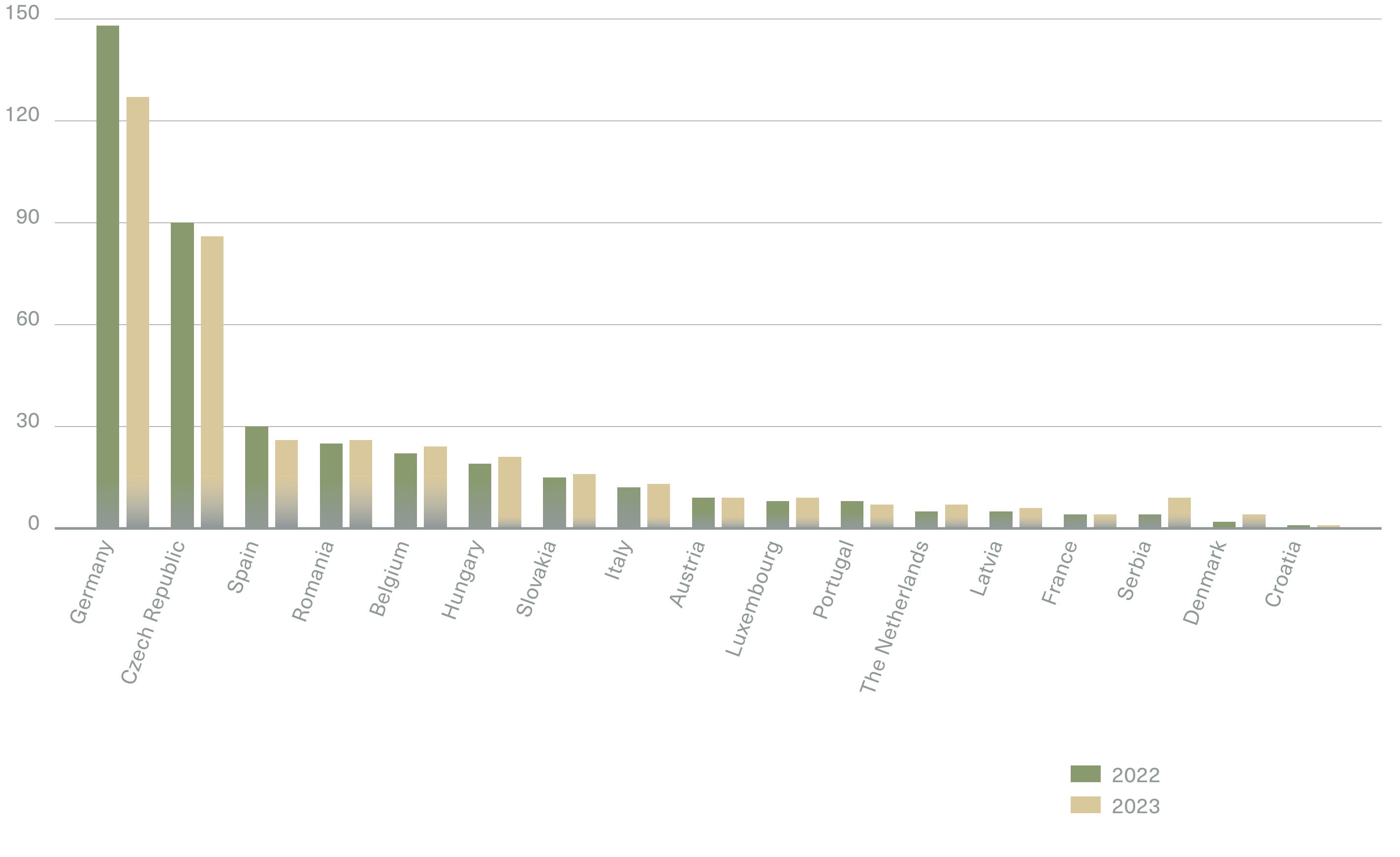


Top – European toad (*Bufo bufo*)
Bottom – European bee-eater (*Merops apiaster*)

3.5 Empowering our workforce

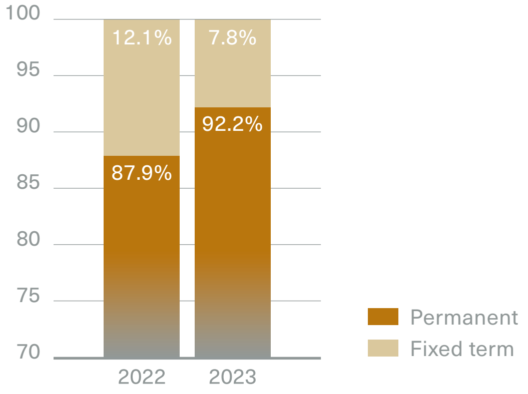
Key figures
The group has 395 employees (368 FTE) as at 31 December 2023, and an average headcount of 401 people (376 FTE) for 2023

Employment by Country (People)

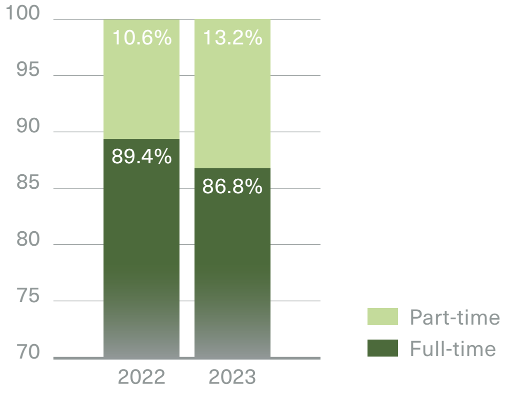


VGP Office Prague, Czech Republic

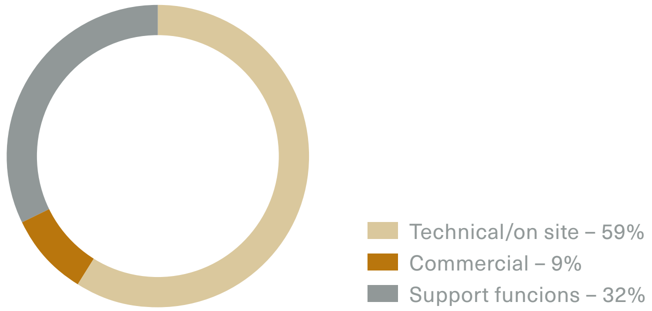
Employment by duration of contract



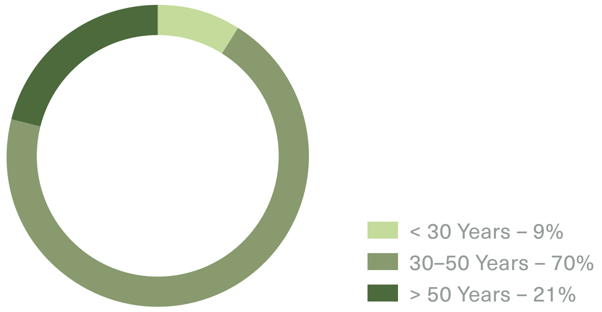
Employment by type of contract



Employment by Activity



Employment by age



3.5.1 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, increase our brand awareness, and build stakeholder relationships. Its audience grew by 2,000 in 2023 to reach close to 15,000 followers by December 2023. Besides stories on our business activities, our parks, and our people, among others, here the Group showcases content to promote our technical expertise, to highlight our ESG initiatives, and to demonstrate the activities to support the communities we are a part of.

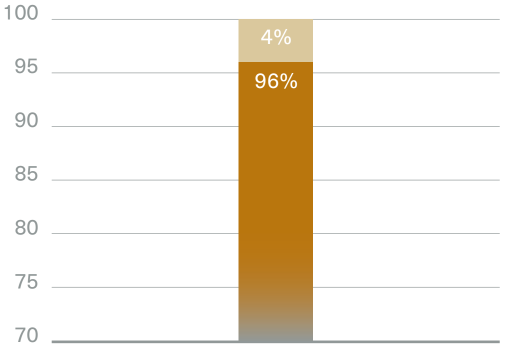
3.5.2 Talent management

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 Group.

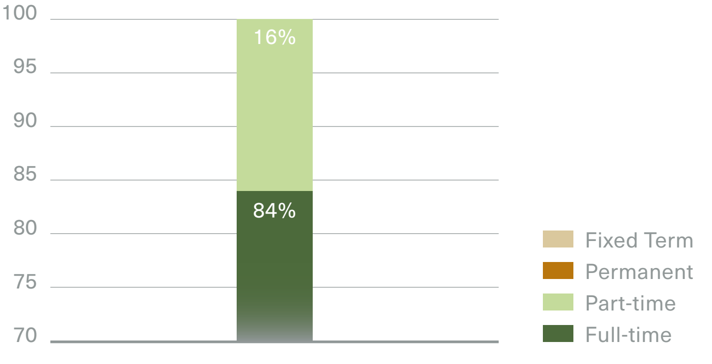
Employees meet with their managers once a year for year-end evaluations, have the opportunity to provide and receive ongoing feedback throughout the year, which gives them the opportunity to discuss their performance, objectives, career advancement and training needs.

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.

New Hires: Employment by duration of contract



New Hires: Employment by type of contract



Departures in 2023 by reason for departure

Turnover	2019	2020	2021	2022	2023
Turnover rate	14%	10%	12%	13%	17%
Voluntary turnover				8%	12%
Unvoluntary Turnover				5%	5%

New hires	2022	2023
New hire ratio	31%	19%

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 2023 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 2023, of 12%. Our strong employee engagement survey results validate that our employees are motivated and engaged – see also section 3.5.4 Diversity for a further explanation of the employee survey results.

3.5.3 Training

The year 2023 saw the inauguration of the VGP Academy, offering a stimulating learning environment through knowledge acquisition and skill development by offering business and soft skill training and resources available to all employees. In 2023, in total 159 employees followed a course organized by the VGP Academy.

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 is held annually 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.

Last year the Group reported that, in response to 2022 employee survey results, further enhancements to the training program were to be reviewed and accessibility of training to be broadened. As a result the VGP Academy was introduced in 2023. Whilst employees did not yet have a full year benefit from the VGP Academy a notable improvement in appreciation for the Group's training offering was noted to a total of 82.5% of employees expressing to be satisfied with the Group's training platform – up 7.2% year-over-year.

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 2023 45% of staff participated in such training.

ESG training	**2023**
% of staff trained on ESG topics in 2023	45%
% target of staff to be trained on ESG topics	100%

3.5.4 Diversity

Employment by gender	**2022**	**2023**
male	65%	63%
female	35%	37%

Employment by Age	**2022**	**2023**
<30	8.5%	9.0%
30–50	70.1%	70.0%
>50	21.4%	21.0%

Diversity (gender)	**2022**	**2023**
Board	60%	60%
Management	19%	20%
Company	35%	37%
EU Women on Boards guideline	*33%*	*33%*

Diversity (nationality)	
Nationalities working for VGP	25

Diversity (parental leave)	
% of VGP employees entitled to parental leave	100%

Diversity and inclusion form 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 2023, 238 employees participated in the survey, representing 60% of the workforce, with 86% 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, since 2022 the Group has 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.

3.5.4.1 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 2023, our Gender Pay Gap for all employees at VGP was 42%.

Gender Pay Gap	2022	2023
Pay Gap for VGP Group	42%	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 Gap is a direct result of our employee profile and does 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 last 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.

3.5.5 Employee commitments and ESG

3.5.5.1 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 2023 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 per year 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. Since 2022, the Group has committed to 100% of Group employees taking part at least one day per year in the VGP Volunteering Program.

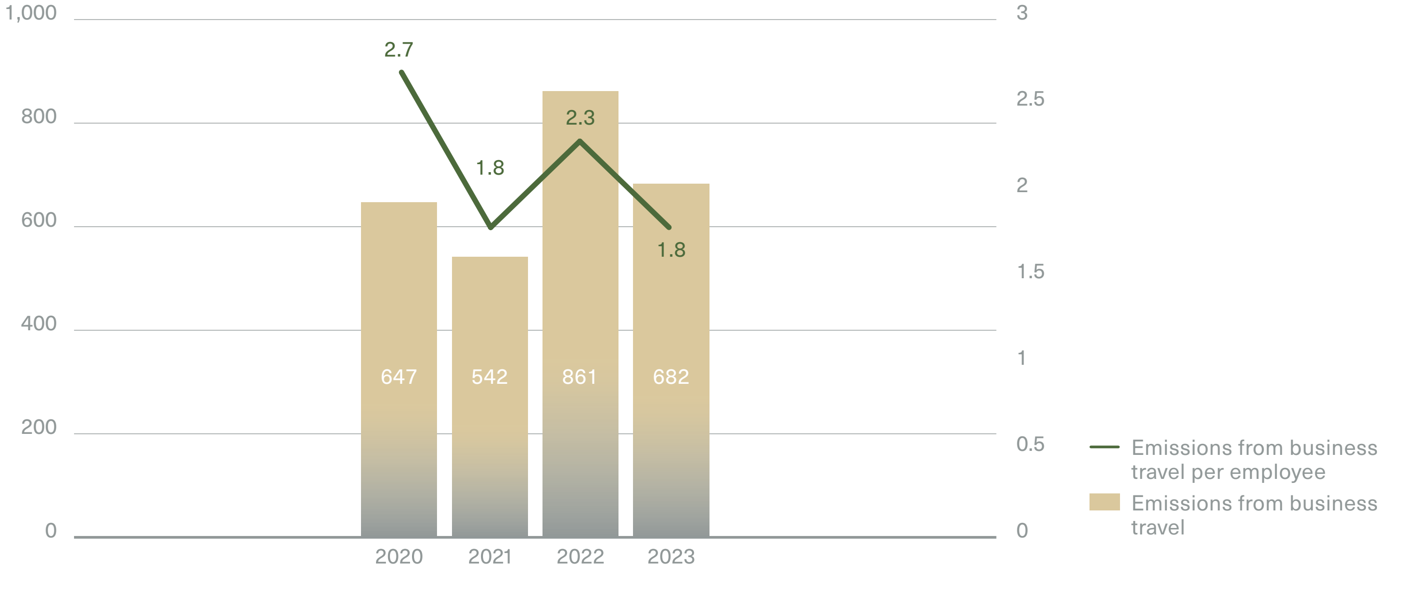
The Group's community-oriented activities in 2023 were focused on supporting the needs of local communities and events to support and enhance local biodiversity. More information on the results of these initiatives is included in Section 3.7 VGP in the community.

3.5.5.2 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.

Travel emissions (in tCO_2e)



In 2023, the Group carbon emissions related to business travels continued to decrease, predominantly due to more conscious travel movements overall. In addition, since 2021, all new company vehicles must either be hybrid or electric. At the end of 2023, 45% of the Group's vehicle fleet was replaced by plug-in hybrid or fully-electric. We anticipate the percentage to grow significantly in 2024 as more cars come to their lease-end period.

3.5.5.3 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 improved waste management, eco-friendly mobility, better water- and energy efficiency, reducing paper waste and improving general awareness.

Spanish VGP Team

3.5.5.4 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. A gym membership roll-out was initiated in 2023 in response to employee requests. The Group's Well-being framework is based on the WorldGBC's Health and Wellbeing Framework.

3.5.5.5 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;
— In total 238 employees participated in the 2023 version of the 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;
— On the 9th of September 2023, VGP organized a Family Day for its employees, their partners and children. On the warmest day of the year, 527 people from all 17 VGP countries gathered together at the Rennbahn site in Düsseldorf, Germany. Lots of different entertainment activities were provided for young and old and all enjoyed a sumptuous BBQ. It was a successful day with an opportunity to get to know each other better, share stories and create new connections within the VGP Family.

3.5.5.6 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

3.5.6 Occupational health and safety

The Group pursued its compliance and HSE risk prevention training strategy in 2023, including a focus on “HR toolbox” training.

- Absenteeism is monitored;
- 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 2023. The Total Recordable Injury Frequency and Lost Time Injury Frequency Rate for contractors in 2023 was 0.12 and 0.58 respectively.

Health and Safety – VGP Employees	**2020**	**2021**	**2022**	**2023**
Employees in VGP premises covered by VGP H&S policy	100%	100%	100%	100%
Employee loss-time injury frequency rate[1]	0	0	0	0
Employee total recordable injury frequency[1]	0	0	0	0
Total number of hours worked	c. 500,000	c. 600,000	c. 700,000	c. 750,000

Development projects – contractor controlled				
Number of contractor fatalities	0	0	1 contractor	1 contractor
Number and rate lost time injury frequency rate[1]	2 contractors	2 contractors	2 contractors	2 contractors
Contractor loss-time injury frequency rate[1]	n.a.	n.a.	0.40	0.58
Total number of contractor hours worked	c. 4.4 million	c. 5.4 million	c. 5.0 million	c. 3.4 million

Absenteeism	**2023**
Average absentee rate	2.99%
Data coverage[2]	81%

3.5.7 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, 2023, 0% of employees were covered by a collective agreement.

1 LTIFR: Lost-time injury frequency rate calibrated to one million hours; TRIF: total recordable injury frequency rates are standardised to 200,000 hours.
2 As HR-policies are defined decentralized and on a country level – absentee rates are not reported for the entire group. Coverage was 81% based on EOP FTE counts.

3.6 Sustainable Supply Chain Management

VGP Park Montijo, Portugal

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.

3.6.1 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 procurement 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.

3.6.2 Value chain due diligence/CSDDD

Whilst the Corporate Sustainability Due Diligence Directive (CSDDD/CS3D) in its current form is not expected to be applicable to VGP due to the turnover and employee thresholds of companies in scope, the Group agrees to the principals of what the Directive is aiming to achieve. As part of its aim to help the EU transition toward a more climate-neutral and green economy, the CSDDD would oblige companies to ensure their business models and strategies are compatible with the Paris Agreement. Additionally, companies that identify climate change as “a principal risk for, or a principal impact of,” their operations would have to include emissions reduction objectives in their business plans. For human rights due diligence, the CSDDD is expected to align with existing international standards to which the Group already complies. These include the UN’s Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the OECD Due Diligence Guidance for Responsible Business Conduct. The impact on Directors’ duty of care and remuneration will be further assessed.

VGP is committed to protecting 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 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.

3.6.3 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.

In the CDP Supplier Engagement Rating Report 2023, VGP received an A- score for its supplier engagement, which is the leadership band higher than the Europe regional average (B-) and higher than the real estate sector average (B-).

VGP Park Rodgau, Germany

3.6.3.1 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.

3.6.3.2 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.

Compliance with ISO HSE and environmental management accreditation	
% of general contractors complying with ISO 45001 – Safety Management System (projects under construction and delivered in 2023)	86%
% of general contractors complying with ISO 14001 – Environmental Management System (projects under construction and delivered in 2023)	86%
% of HSE coordinators separately certified by ISO 45001	33%

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 3.2.3 Construction materials.

3.6.3.3 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 2022-2023 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.

Supplier active dialogue 2023	
% of significant suppliers having to comply with supplier code of conduct	100%
Significant suppliers engaged in ESG dialogue including carbon footprint improvement alternatives	68 (29%)

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.

3.6.3.4 Improving 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.

3.7 VGP in the community

This is the Hungarian team during their Community day

In 2023 a total of 345 books were collected across VGP Parks in Spain which were donated to children during La Diada de Sant Jordi, April 23

Input from and consultation with local stakeholders shapes the design, purpose and tenant occupational mix of VGP Parks. The Group is committed to meeting the distinct interests of each municipality and creating mutually beneficial outcomes including local connectivity, a compelling business mix and direct employment for local residents, and long-term project success.

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 set up 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 2023, 100% of development projects had a community engagement program.

An example of a project is the annual book collection during the week of Sant Jordi in our Spanish parks. The Day of Books and Roses, April 23, is celebrated in Catalonia, Spain. On this day, love and literature are celebrated throughout Catalonia. Books and roses are exchanged. Our local facility & property management team organizes a collection of books across the tenants in our Spanish parks and delivers the books to associations working with children. In total 345 books were collected and donated. In the week before Christmas, they collected toys which were donated to several social organisations.

3.7.1 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, dynamizing 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.

VGP Austria team during local Community Day 2023 planting trees in a forest near Vienna.

3.7.2 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.

During 2023, our local teams were very productive in organizing a VGP Community Day in their respective countries. A total of 46% of Group employees delivered more than 1,440 volunteering hours in 2023.

Some example initiatives:

— Our Hungarian VGP team had a very productive and enriching Community Day at a foster home for vulnerable children, near the Budapest office. They repainted existing benches and toys, created new Canadian benches and development toys on asphalt, cleaned the garden, and much more to brighten the environment and to give the children the best possible place to stay.

— The entire team of VGP Austria spent a productive Community Day at the forest area of the Heiligenkreuz Abbey, near Vienna. On an area of about 3,000 m², 345 silver fir trees were planted by the team. This way, they contributed to the reforestation of the forest areas, with a lot of fun and commitment, and they were able to learn more about ecological forestry and forest management.

3.7.3 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 centres. 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 2023 circa 30,000 people go to work under VGP roofs each day (versus c.25,000 in December 2022 and c.20,000 in December 2021). Based on Oxford Economics peer reports the likely direct and indirect impact is closer to 100,000 jobs.

VGP also aims to help the local community benefit from such job creation, including through internship programs.

One example is our participation to the #JovesFutur+ project of the Barça Foundation and Fundació "La Caixa", a project for the inclusion of young people with less opportunities in the labour market. We gave the opportunity to its participants to visit our Spanish office and our VGP Park Llica d'Amunt. They could also meet our tenants, such as Coats, Districenter, Noatum Logistics, Bomi Group, Miscota and Moldstock,S.L. to learn more about the logistics sector, with the aim of preparing them for the labour market.

Local students visiting our tenants in January 2023 at VGP Park Llica d'Amunt organized by VGP in cooperation with the JovesFutur+ project and Fundació "La Caixa"

3.7.3.1 Cities of Making – smaller business units diversify city manufacturing potential

In line with EU Taxonomy minimum safeguards and OECD guidelines for Enterprises, VGP aims to encourage local capacity building through close cooperation with the local community, including business interests, as well as activities consistent with the need for sound commercial practice. A recent JPI Urban Europe study called "Cities of Making" identified, among 10 other "needs", the "need" for city business parks to offer "a suitable mix of unit sizes for a diverse range of business types in according to the phase of their development"[1]. Whereas urban logistics service sectors are typically dominated by multinational players, a high proportion of manufacturers are SME (Small and Medium-Sized Enterprises), businesses employing fewer than 250 people, or micro-businesses, employing fewer than 11. A significant number of these smaller businesses depend on the local market for a large part of their income and play an important role within their local communities. By offering smaller spaces available for rent in our parks, VGP can help support diversity in the local economic framework by supporting businesses of various sizes and financial means to find their place. Our ability to offer smaller working units in our business parks within city limits, albeit at a small scale, will further support this effort.

The Group has identified several VGP Parks under development as potential locations for such smaller units, amongst other in our parks in Wiesloch, Velizy and Ceske Budejovice.

1 COM-BOOK_20200226.pdf (*citiesofmaking.com*)

Ceske Budejovice (concept small business units)

Snow leopard conservation through environmentally sustainable production of yak wool, Tajikistan, Kyrgyzstan, Mongolia

3.8 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 2023, 5 additional projects were approved bringing the total to 41 projects of which 25 are currently in execution and 16 completed, with € 6.8 million in total committed or spent.

The VGP Foundation has three focus areas:

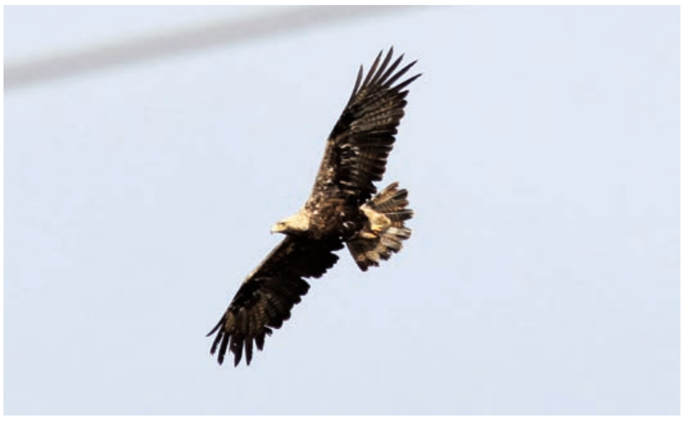
- Nature conservation: engaging in projects encouraging nature conservation, such as saving and creating permanent biotopes, protecting animals and their natural habitats, or educational programmes raising public awareness about respective issues
- Social projects: persuaded that access to education 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

An example of a project currently under execution and expected to be completed in March 2024 is **Villages Go Green**, a project encouraging nature protection at a grassroots level. The following page describes the project in more detail. Some examples of other 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 and a project conducted by Rewilding Europe in the Velebit mountains in Croatia.

VGP Foundation projects currently in execution

For more information, please visit: ***www.vgp-foundation.eu/en/projects/***

Project coordination by NABU International



New Networks for the Eastern Imperial Eagle

Improving the conservation measures for the Eastern Imperial Eagle by transferring knowledge between existing conservation projects and closing knowledge gaps.

Social centre BC Capelderij

BC Capelderij – a safe and inviting place for young people who need to refuel on their life's journey.

TAJO: Talent workshops for disadvantaged youngsters

TAJO is a non-profit initiative started in Ghent (Belgium) promoting a successful educational pathway for disadvantaged youngsters between the age of 10 and 14 years.

Black Rhino Reintroduction

The population of black rhinoceros faced a dramatic decline of 98% in the second half of the 20th century. Classified as "critically endangered", black rhinos are now being reintroduced into the wild in order to avoid their extinction.

Stage fright

A project to make a positive future story possible for underprivileged children who have difficulty finding their way to regular leisure activities or who have problems at school.

New International NABU Crane Centre

NABU e.V. is aiming to establish a unique International Crane Centre in Germany to provide information on climate protection and biodiversity. The New International Crane Centre will be a travel destination for all crane lovers in Europe.

Green educational bastion

The project combines all three focus areas of the Foundation: nature conservation, cultural heritage and education. Bastion IX is an impressive piece of heritage with a piece of unique nature to be integrated into the curriculum of Oscar Romerocollege in Dendermonde.

Tibur Hof

Renovating, bringing to modern ESG standards and occupational use of this late-classicist listed mansion and grounds in Rumst, Belgium. Will house offices for VGP Foundation, offering charitable amenities and head office of VGP NV.

Peatland Restoration

We are currently identifying a peatland plot suitable for restoration.

Monitoring of peatland water levels in Germany

Monitoring of peatland water levels as a basis for controlled rewetting of partially drained peatlands in the Rotenburg (Wümme) and Stade counties.

Reorganization of Retezat Biosphere Reserve

Reorganization and adjustment of Retezat Biosphere Reserve, in order to fulfil the MAB criteria on Biosphere Reserves

Ukrainian Center in Brno

The Ukrainian Center in Brno offers social, psychological, and educational services for people from Ukraine seeking refuge from war, mostly women with children.

Aristeu Bee project

Protection of bees by placing beehives around VGP parks and donating the produced honey to children's social canteens. A start-up project to remove in the VGP park Lliça d'Amunt.

CESAMM: Centre for Social Action and Music Making

The centre is created as part of the Chair Jonet at the University and University College of Ghent to develop research as well as to accompany musicians and social workers who propose music practice as a possible way to navigate towards more attractive positions in society.

The Katra river valley Biodiversity

The Lithuanian biodiversity spot for many rare birds, plants, and animals.

Protection of bats in Transcarpathia region

Protecting bats in church towers and public building attics as an affirmation of biodiversity values among religious and local communities.

Dionysos Now!

The research, development, producing, performing and recording of the music of Adriaen Willaert – Flemish Polyphony.

James by Junior Ballet Antwerp

Junior Ballet Antwerp invests in young talent & forms a bridge between the end of studies and the start of a professional ballet career.

Villages Go Green

VGP Foundation encouraging nature protection at a grassroots level in local villages and schools in Cyprus

In 2023 work continued on a project to expand public awareness of the importance of nature conservation in Cyprus. In March 2022, ÇADER, a non-profit civil society organization in Northern Cyprus, successfully completed an Environmental Protection Project for Northern Cyprus, funded by the VGP Foundation and administrated by NABU International. From the gained experience emerged a new project Villages Go Green aiming to further encourage nature protection at a grassroots level and to expand the awareness-raising activities to more schools and other villages.

Green financing of

VGP Park Olomouc, Czech Republic

the Group activities

4.1 EU Taxonomy

VGP team receiving EU Taxonomy verification at Expo Real 2023

4.1.1 Context

The Taxonomy Regulation introduces a unified classification system to determine the sustainability level of investments, in order to drive capital 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 social and ethical standards:

- 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.

On 13 June 2023, the European Commission (EC) published The final Environmental Delegated Act, with that the technical screening criteria of all six environmental objectives of the Taxonomy Regulation ("Environmental Delegated Act") are defined. The Taxonomy Regulation represents an important step towards the EU's objective of becoming climate neutral by 2050.

The real estate sector is considered eligible to the Taxonomy of these environmental objectives. This means that the real estate sector, which plays a vital part in the economy, also has a key role to play in the transition towards a low carbon and climate resilient future.

4.1.2 VGP share of eligible activities

As a real estate player, VGP is committed to meeting the requirements set by this new Taxonomy Regulation and improving its performance in the coming years to contribute to the broader EU environmental transition. As a developer and operator of assets, VGP's main eligible activities can be split in the following 3 categories:

- 7.1: Construction of new buildings: buildings that VGP develops. Example: GEROBK – B project which VGP developed in VGP Park Oberkrämer, Germany;
- 7.2: Renovation of existing buildings: buildings that VGP redevelops exceeding "major renovation" thresholds according to local building regulations implementing Directive 2010/31/EU (works amounting to at least 25% of total asset value – excluding land – or affecting over 25% of the surface of the building envelope). Example: none today; and
- 7.7: Acquisition and ownership of buildings: buildings that VGP owns and operates for its own account or on behalf of the joint ventures, including those under development or redevelopment that do not exceed "major renovation" thresholds. Example: The building GER-FRA-A in VGP Park Frankenthal, Germany, owned by the Rheingold Joint Venture.

In addition to the above categories, VGP purchases equipment and services relating to the following categories, which enable its activities to reduce their GHG emissions:

- 7.3: Installation, maintenance and repair of energy efficiency equipment;
- 7.4: Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings);
- 7.5: Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings; and
- 7.6: Installation, maintenance and repair of renewable energy technologies.

These activities, qualified as "individual measures" are further described in the paragraph "Individual measures" of section 4.1.3 VGP Share of aligned activities. However, revenues from the sale of (green) electricity to end-customers is not covered by the EU Taxonomy. The Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021 supplementing the Taxonomy Regulation specifies the scope, methodology and disclosure requirements for financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities. The work done by VGP to establish its eligibility and alignment KPIs is based on this regulation, and the associated methodology is presented hereafter. In addition to the regulatory review performed by the statutory auditors of VGP's financial disclosure, some key assumptions in relation to the Group's EU Taxonomy assessment have been submitted by VGP to the independent third party for examination on a voluntary basis in 2022 (eligibility) and in 2023 (alignment).

4.1.3 VGP share of aligned activities

As the first step of the Taxonomy application, companies are to determine which of their activities are "eligible", i.e. covered by the Taxonomy Delegated Acts. Three KPIs are to be disclosed to that end:
— the share of eligible activities in the company's Revenues,
— Capital expenditures ("CAPEX") and
— Operational expenditures ("OPEX")
in alignment with the Group's reported Consolidated Income Statement and Balance sheet and, as an additional reference, VGP also publishes the same metrics based on the proportional consolidated balance sheet.

Eligible activities based on Group's reported IFRS Consolidated Income Statement and Balance sheet

Revenues *(€ '000)*	**31.12.2023**		
	Eligible activities	**Non-eligible activities**	**Total**
Gross rental income	64,642	—	64,642
Service charge income	17,794	—	17,794
Property and facility management income	22,513	—	22,513
Property development income	4,412	—	4,412
Renewable Energy income	4,361	—	4,361
Total reported revenue	**113,722**	**—**	**113,722**

Capital Expenditure ("CAPEX") *(€ '000)*	**31.12.2023**		
	Eligible activities	**Non-eligible activities**	**Total**
CAPEX on investment properties	692,859	—	692,859
Investments in PPE (tangible assets)	32,955	1,191	34,146
CAPEX on intangible assets	—	—	—
Total CAPEX assessed for EU Taxonomy alignment	**725,814**	**1,191**	**727,005**

Operating Expenditure ("OPEX") *(€ '000)*	**31.12.2023**		
	Eligible activities	**Non-eligible activities**	**Total**
Net property operating expenses minus service charge income	23,328	—	23,328
Total OPEX assessed for EU Taxonomy alignment	**23,328**	**—**	**23,328**

Eligible activities based on Group's proportionally Consolidated Income Statement and Balance sheet

Revenues *(€ '000)*	**31.12.2023**		
	Eligible activities	**Non-eligible activities**	**Total**
Gross rental income	166,715	—	166,715
Service charge income	41,194	—	41,194
Property and facility management income	22,513	—	22,513
Property development income	4,412	—	4,412
Renewable Energy income	4,361	—	4,361
Total reported revenue	**239,195**	**—**	**239,195**

Capital Expenditure ("CAPEX") *(€ '000)*	**31.12.2023**		
	Eligible activities	**Non-eligible activities**	**Total**
CAPEX on investment properties	692,859	—	692,859
Investments in PPE (tangible assets)	32,955	1,191	34,146
CAPEX on intangible assets	—	—	—
Total CAPEX assessed for EU Taxonomy alignment	**725,814**	**1,191**	**727,005**

Operating Expenditure ("OPEX") *(€ '000)*	31.12.2023		
	Eligible activities	Non-eligible activities	Total
Net property operating expenses minus service charge income	57,224	—	57,224
Total OPEX assessed for EU Taxonomy alignment	**57,224**	**—**	**57,224**

The change in the share of eligible activities between 2022 (figures published in VGP's 2022 Corporate Responsibility Report) and 2023 is explained by the following factors:
— For eligible revenues: year over year increase driven by increase in total gross revenue growth of the Group (€113.7 million vs €84.7 million over FY2022); and
— For eligible CAPEX: decrease driven by lower capital expenditure (€727 million vs €896 million over FY 2022) and €1.1 million non-eligible expenditure (vs €0.6 million over FY 2022).
— For eligible Operating Expenditure: to the reported net operating expenses service change income has been added back

4.1.4 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 based on the Net property operating expenses.

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 all 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, CAPEX on investment properties and 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.

4.1.5 VGP share of aligned activities

The second part of the Taxonomy application consists of the screening and activities. Three KPIs are to be disclosed to that end: the share of aligned activities in the company's Revenues, CAPEX and OPEX. Financial year 2023 corresponds to the first year of application for which VGP reports alignment figures.

4.1.5.1 2023 Results of VGP's share of aligned activities

Taxonomy alignment figures calculated in accordance with the templates set by the European Commission: based on total activity (including non-eligible activities) and including service charge income lines, in compliance with the IFRS accounting standards, are presented in section 4.1.5 "VGP Share of aligned activities" – European Commission reporting templates, given their size and complexity.

Taxonomy alignment figures presented in the summary table below have been calculated on the basis of eligible activities only, presented in section 4.1.3 VGP share of eligible activities. Two consolidation methodologies have been applied: assets consolidated in compliance with the IFRS accounting standards using the equity method, and assets consolidated in the proportionate methodology including also joint-controlled entities, in order to valorise the alignment of assets in VGP's portfolio that are not accounted for in the IFRS methodology as well. In this specific table, revenue lines corresponding to charges reinvoiced to the tenants (service charges income) have been included for numerator and denominator, so the total reported revenue corresponds to the total reported revenue in the Group's income statement (see Notes to and forming part of the financial statements). For OPEX the service charge income/expenses have been added to the reported Net property operating expenses from the Group's income statement. All VGP activities aligned presented here below contribute substantially to the objective of climate change mitigation.

VGP activity (Taxonomy code)	**Alignment figures (among eligible activities) to the consolidated IFRS accounts**			**Alignment figures (among eligible activities) to the proportionally consolidated accounts**		
	% Revenue	**% CAPEX**	**% OPEX**	**% Revenue**	**% CAPEX**	**% OPEX**
Standing assets (7.7)	0.9%	n/a	0.0%	3.7%	n/a	4.4%
Construction of new buildings (7.1)	0.0%	0.1%	n/a	0.2%	0.1%	0.2%
Major renovations (7.2)	n/a	n/a	n/a	n/a	n/a	n/a
Developments for third parties (7.1)	0.0%	0.0%	n/a	0.0%	0.0%	n/a
Individual measures (7.3 to 7.6)	0.1%	0.3%	0.0%	0.1%	0.3%	0.0%
Total	**1.0%**	**0.5%**	**0.0%**	**4.0%**	**0.5%**	**4.6%**

Alignment figures show that

— on a consolidated basis, VGP has 1.0% of its revenues, 0.5% of its CAPEX and 0% of its OPEX considered as aligned with the EU Taxonomy environmental objectives;

— on a proportional basis, VGP has 4.0% of its revenues, 0.5% of its CAPEX and 4.6% of its CAPEX considered as aligned with the EU Taxonomy environmental objectives.

2023 is the first year the Group is applying this test. VGP's CAPEX alignment share is mainly driven by its development projects, of the projects currently under construction 6 or 23% are under review for EU Taxonomy alignment (of the 26 projects under construction at Dec 2023), a further 9 projects due to be started up are also under review for alignment. The final alignment confirmation of the project will only be confirmed once the project works are completed. Generally, all development projects in VGP's pipeline are managed towards contribution to climate change mitigation with regard to Taxonomy criteria. Whilst photovoltaic projects can generally be considered as contributing to climate change mitigation, for one photovoltaic project the contribution, DNSH and safeguard criteria were confirmed adding to the Individual measures category (7% of total capital expenditure on photovoltaic projects in 2023).

VGP's Revenues alignment share is predominantly driven by the standing assets. 0.9% of gross rental revenues and 3.7% of proportional gross revenues (including share of joint ventures) are aligned with the climate change mitigation objective. Nevertheless, the Taxonomy alignment figures need to be analysed carefully in light of the applicable alignment criteria and do not necessarily reflect the absolute environmental performance of VGP's portfolio. For example, in terms of energy efficiency performance, which is the main criteria for analysing the substantial contribution of standing assets to climate change mitigation according to the Taxonomy regulation, it is important to note that many assets that are reported as not aligned are effectively performing better than some assets which are reported as aligned. This is due to the fact that the assessment of alignment is to be based on relative comparisons to local regulations and benchmarks, which are more stringent in some countries than in others, rather than on absolute terms of performance values. More information on the translation of the Taxonomy screening criteria to VGP's portfolio and its limitations is given in the next section.

4.1.5.2 Environmental technical screening criteria

The Annexes I and II to the Commission Delegated Regulation (EU) 2020/852 of 4 June, 2021 supplementing the Taxonomy Regulation lay down the environmental Technical Screening Criteria ("TSC") to be complied with for each eligible activity to be considered aligned with:

- Climate Change Mitigation (Objective 1), and
- Climate Change Adaptation (Objective 2).

The final Environmental Delegated Act, (EU) 2023/2485 and (EU) 2023/2486 define the TSC of the four other environmental objectives of the Taxonomy Regulation, namely:

- Sustainable use and protection of water and marine resources (objective 3);
- Transition to a circular economy (Objective 4);
- Pollution prevention and control (Objective 5), and
- Protection and restoration of biodiversity and ecosystems (Objective 6).

These criteria are twofold: criteria for checking the substantial contribution of activities to each environmental objective, and criteria for making sure these activities do no significant harm to all the other environmental objectives.

Since the Delegated Acts have been published, VGP teams have worked on translating the regulatory criteria into applicable elements for its own operations across the countries of operation (through the initiation of pilot projects in all countries of operation).

Taxonomy-eligible activities cover a very broad scope of VGP activities, but this does not presume the relevance or practicability of the TSC to be applied to all these activities. For example, many of them cannot be screened based on the current published TSC without having recourse to additional information sources (local regulation, industry benchmarks from sectorial private organisations, ...) or using proxies. Many examples of this situation can be given particularly due to the lack of availability of some standard elements mentioned by the TSC, such as locally endorsed benchmarks to determine the top 15% of the building stock for commercial properties, and sectorial benchmarks.

Below is a summary of the TSC criteria for substantial contribution applied by VGP for each category of its eligible activities, across all its portfolio based on the EPRA Guide for EU Taxonomy[1]:

Key activities of the TSC for Construction and Real Estate

Construction and renovation		Installation, maintenance and repair activities				Acquisition and ownership
7.1	**7.2**	**7.3**	**7.4**	**7.5**	**7.6**	**7.7**
Construction of new buildings *(see Note 1)*	Renovation of existing buildings *(see Note 2)*	Individual renovation measures consisting of Installation, maintenance and repair of energy efficiency equipment	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings	Installation, maintenance and repair of renewable energy technologies	Acquisition and ownership of buildings *(see Note 3)*
Stand-alone	**Transitional**	**Enabling**	**Enabling**	**Enabling**	**Enabling**	**Stand-alone**

Note 1
Development of building projects for residential and non-residential buildings by bringing together financial, technical and physical means to achieve the building projects for later sale and the construction of complete buildings, on own account for sale, on a fee or contract basis

Note 2
Construction and civil engineering works or preparation thereof

Note 3
Buying real estate and exercising ownership of that real estate

"9.3. Professional services related to energy performance of buildings" is also considered relevant for Real Estate from a market perspective, though it is not directly included under the related section.

1 EU Taxonomy Alignment in Listed Real Estate (*epra.com*)

VGP Park Olomouc, Czech Republic

4.1.5.3 Do No Significant Harm criteria

Adaptation to Climate Change

Pursuant to the release of the Climate Delegated Act specifying DNSH (Do No Significant Harm) criteria on adaptation to climate change, VGP has updated in 2022 its climate risk assessment study covering all of the Group's standing assets and development pipeline (see section 3.1.3 Climate risk management and adaptation to climate change). This study confirmed that VGP is compliant with the DNSH criteria of the Taxonomy. The following steps have been followed during 2022 and further during additions in the 2023 climate risk assessment:

1. The Group first performed a screening of the climate-related perils among the ones listed in Appendix A to the Annex I of the Climate Delegated Act to identify the ones most material to the business, based on the type of activities, equipment, materials and the geographical footprint of the portfolio. As a result, the following perils were considered applicable: heat stress, water stress, sea level rise, floods, earthquakes and wildfires;
2. For the climate-related perils considered as material, experts identified the most representative climate indicators. Climate indicator values were retrieved for each asset, based on their location. Climate models were then used to estimate the evolution of such values due to climate change, according to different scenarios aligned with the latest IPCC projections (see below). The climate indicator values were then translated into an impact/damage result ranging from 0% to 100%; and
3. As a follow-up to the risk and vulnerability assessment, site visits have been performed aimed at assessing the adequacy of adaptation measures already in place and at identifying new measures to be implemented. 8 assets have been identified as the ones potentially most at risk from a climate change and business perspective – considering both their multi-peril score and business performances. For each of those assets, adaptation plans will be designed. Asset specific actions will be considered as required. The climate scenarios selected by the experts to perform the climate change related risk analysis up to mid-century (2050) are the SSP2-4.5 ("Middle of the Road") and SSP5-8.5 ("pessimistic") scenarios:
   - SSP2-4.5 is in line with today's climate policies and 2030 Nationally Determined Contributions targets; and
   - SSP5-8.5 is the most pessimistic scenario which was selected to avoid any unanticipated event impacting the Group's assets.

3 timeframes have been considered for the analysis, consistently with the expected lifetime of the activity and the indications of the EU Taxonomy:

- Baseline: average between 1981 and 2010 values;
- 2030: average between 2015 and 2044 values; and
- 2050: average between 2035 and 2064 values

Other DNSH criteria

For existing buildings in ownership (7.7), there are no additional applicable DNSH criteria other than the one on climate change adaptation (see previous section). For construction of new buildings and renovation projects (7.1 and 7.2), the analysis of the compliance with other DNSH criteria than climate change adaptation has been done at project-level with 2 separated workstreams depending on the status of the project:

— For ongoing projects: projects were screened and analysed in their current development stage and, when possible, the technical criteria and/or studies related to the DNSH on water, circular economy and pollution prevention were added to the design specifications of the project to ensure its future compliance. When the projects were too advanced to change their design features, they have been considered as "not aligned" with the EU Taxonomy DNSH criteria if these criteria were not secured; and
— For new projects: an update of the Group design guidelines adding the DNSH criteria on water, circular economy and pollution prevention has been performed. As no CAPEX have been reported to substantially contribute to the objective of climate-change adaptation, the DNSH criteria for climate-change mitigation have not been screened in 2023.

4.1.5.4 Individual measures

The Commission Delegated Regulation (EU) 2021/2178 of July 6th, 2021 translating Article 8 of the Taxonomy Regulation provides for the integration of purchased "Individual measures" in CAPEX and OPEX alignment figures of non-aligned assets. Individual measures correspond to activities purchased that enable the target activities to become low carbon or to lead to GHG reductions, notably activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, such as the installation of solar panels on a building rooftop.

As part of its ESG strategy and asset-level environmental action plans, VGP plans investments in all the aforementioned categories: energy efficiency equipment, charging stations for EVs in buildings, instruments for measuring and controlling energy performance of buildings, and renewable energy technologies (see sections 3.3 Improve eco-efficiency and 3.3.7 Develop connectivity and sustainable mobility). Related CAPEX spent in 2023 have been isolated and screened in accordance with the TSC of Annex I to the Climate Delegated Act for substantial contribution and DNSH where applicable.
— Substantial contribution: the compliance of the activities disclosed in category 7.6 with the minimum requirements set for individual components.
— DNSH: for individual measures installed in assets identified as most vulnerable to physical climate risks (cf. previous "Do No Significant Harm" section), the materiality of the risk for that measure has been assessed (based on equipment location, etc.) as well as the coverage by the mitigation action plan where necessary.

In 2023, VGP's individual measures stand for 4.5% of the Group eligible CAPEX, as presented in the alignment table at the top of this section.

4.1.5.5 Minimum safeguards

In addition to engaging in activities that are eligible and aligned with the European Taxonomy based on the environmental TSC, VGP strictly complies with the 4 aspects of the Minimum Safeguards (MS), as described in the Article 3 (c) and Article 18 of the Taxonomy Regulation and further specified in the Final Report on Minimum Safeguards published in October 2022 by the EU Platform on Sustainable Finance as well as OECD Guidelines for Multinational Enterprises and the UN Guiding Principles of Business and Human Rights.

Human Rights
Regarding human rights guarantees and due diligence in its own workforce, ethics and respect for human rights are among the core values of the Group. VGP is strictly committed to upholding all fundamental individual rights and labour rights protections (see section 3.5.7 Human Rights and Labour Conditions), as well as safeguarding the H&S and the wellbeing of its employees through enforced internal frameworks such as a dedicated Group framework for health and safety risk management and the Group's Your Wellbeing framework (see sections 3.5.5.4 Well-being, 3.5.6 Occupational health and safety and 3.2 Sustainable Properties for the sections: Health and safety, security and environmental risk, and pollution). VGP only operates in countries with high standards of human rights protections and the infringement of human rights in its own workforce has not been identified as a material risk factor in the Group's risk assessment (see section Risk factors). Yet, and as a safeguard, internal procedures are in place to anticipate, identify and prevent any infringement on employees' human rights and freedoms. These include, for instance, clear rules against any form of discrimination along with anti-harassment and anti-bullying practices including a whistleblowing hotline accessible 24/7 to all employees. The Group indeed stands against racism, discrimination, and bias of any kind, striving to ensure that everyone feels equally welcome and embraced. These principles are clearly stated in the Group Code of Conduct applicable to all employees. The Group has a zero-tolerance principle for violations of these rules (see section Conduct and Compliance in the Chapter Report of the Board of Directors). VGP makes sure to cultivate a sound work environment in which employees thrive (see section 3.5.5 "Employee commitments and ESG"). The Group's framework aims to fully embed VGP's commitment to ensure equal opportunities and greater diversity and inclusion across the business (see section 3.5.4 "Diversity"). VGP also cares about the protection of human rights in its value chain, and tackles this issue through the implementation of a due diligence process that identifies sustainability risks (including social and human rights risks) across its different purchasing categories and addresses them through mitigation actions. For example, main tenders are subject to a "Supplier Due Diligence" screening process, and all contracts require the acceptance of the Group's Purchasing Conditions, including provisions on human rights and labour standards based on the ILO conventions and international human rights standards. For further information on the Group's policies and actions to uphold human rights in its supply chain, please refer to sections "Responsible supply chain" of the risk table in 2.1.3 ESG Risks and opportunities and 3.6 Sustainable Supply Chain Management.

Bribery/Corruption
The Group has implemented robust internal mechanisms to anticipate, monitor and counter any risks of engaging in practices that could amount to corruption or bribery, through the Group Compliance program and the Group Code of Conduct. Additionally, all employees are trained to identify and distinguish situations that could be associated with corruption, with a clear communication of our zero-tolerance principle for any violation. For further information on the Group's policies and commitments against corruption, bribery and fraud, please refer to sections "Business Ethics" of the risk table in 2.1.3 ESG risks and opportunities, and the section 'Conduct and Compliance' in the Chapter Report of the Board of Directors.

Taxation

The Group complies with the spirit and the letter of tax law and regulations. The Group's tax policy, which is published in the annual report is regularly updated, describes the principles governing VGP's approach to tax and the processes in place to ensure efficiency of these principles. These principles are also summarized in section Legal and regulatory risks in the Chapter 'Risk Factors'. In essence, the tax position of VGP reflects the geographical location of its real estate portfolio and is consistent with the normal course of its business operations. The tax strategy and tax risks are followed and monitored by a team of internal and external experts and discussed with an internal committee whose members include the CEO and the CFO and the Group's auditors. The aim of the Group is to operate the business with low levels of tax risks. This is being done by ensuring that the tax consequences of arrangements entered into are being understood, including the way those arrangements will likely be viewed by relevant tax authorities. Only arrangements that are considered as acceptable to the relevant tax authorities are entered into.

Fair competition

The Group implements policies to anticipate and avoid engaging in any practice that could amount to a violation of fair competition and anti-trust regulations (See section Legal and regulatory risks in the Chapter 'Risk Factors'). Most exposed employees are educated and are expected to comply with all the competition and anti-trust laws as well as internal policies such as the Code of Conduct. If and when applicable, VGP is committed to fully co-operate with local authorities to preserve market integrity.

VGP liability and absence of convictions

VGP has developed an internal tracking methodology to scan news outlets and relevant platforms to identify whether the Group is involved in any ongoing litigation or proceeding. VGP has not been assigned or convicted for human rights violations or any offence related to anti-trust regulations or corruption. VGP has never been found guilty of tax evasion in any of the countries it operates in.

4.1.6 VGP share of aligned activities – European Commission Reporting Templates

The tables hereafter present taxonomy alignment figures based on total activity denominators (including non-eligible activities), in IFRS methodology only, and including service charge income lines in numerators and denominators, in the format set by the European Commission. To calculate the share of alignment of service charge income (charges refunded to the tenants) in the Revenues table, a pro rata methodology has been used because their consolidated computation on an asset per asset was not available to screen the aligned lines: the share of gross rental income from aligned assets among the total portfolio of eligible standing assets has been applied to the total of service charge and property and facility management income to report the amount of aligned service charge and property and facility management income reinvoiced to the tenants.

VGP Park München, Germany

Revenue KPI – VGP NV Consolidated							
				Substantial contribution criteria	DNSH criteria		
Economic activities	**Code**	**Absolute revenue** *(€ '000)*	**Proportion of revenue**	**Climate change mitigation** *%*	**Climate change mitigation Y/N**	**Climate change adaptation Y/N**	
A. Taxonomy-eligible activities							
A.1 Environmentally sustainable activities (Taxonomy-aligned)							
7.1 Construction of new buildings	7.1	—	0.0%	100%	YES	YES	
7.7 Acquisition and ownership of buildings	7.7	980	0.9%	100%	YES	YES	
7.7 Acquisition and ownership of buildings	7.7	56	0.0%	100%	YES	YES	
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	124	0.1%	100%	YES	YES	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)							
7.1 Construction of new buildings	7.1	4,412	3.9%				
7.7 Acquisition and ownership of buildings	7.7	103,969	91.4%				
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	4,237	3.7%				

Revenue KPI – Proportional (including JVs at share)							
				Substantial contribution criteria	DNSH criteria		
Economic activities	**Code**	**Absolut revenue** *(€ '000)*	**Proportion of revenue**	**Climate change mitigation** *%*	**Climate change mitigation Y/N**	**Climate change adaptation Y/N**	
A. Taxonomy-eligible activities							
A. Environmentally sustainable activities(Taxonomy-aligned)							
7.1 Construction of new buildings	7.1	505	0.2%	100%	YES	YES	
7.7 Acquisition and ownership of buildings	7.7	8,840	3.7%	100%	YES	YES	
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	124	0.1%	N/A	N/A	N/A	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)							
7.1 Construction of new buildings	7.1	4,412	1.8%				
7.7 Acquisition and ownership of buildings	7.7	221,077	92.4%				
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	4,237	1.8%				

	DNSH criteria						
	Water and marine resources Y/N	**Circular Economy Y/N**	**Pollution Y/N**	**Biodiversity and eco-systems Y/N**	**Minimum safeguards Y/N**	**Taxonomy aligned proportion of CAPEX**	**Category (enabling activity) E**
	YES	YES	YES	YES	YES	0.0%	
	N/A	N/A	N/A	N/A	YES	0.9%	
	YES	YES	YES	YES	YES	0.0%	
	N/A	N/A	N/A	N/A	YES	0.1%	E

	DNSH criteria						
	Water and marine resources Y/N	**Circular Economy Y/N**	**Pollution Y/N**	**Biodiversity and eco-systems Y/N**	**Minimum safeguards Y/N**	**Taxonomy aligned proportion of CAPEX**	**Category (enabling activity) E**
	YES	YES	YES	YES	YES	0.2%	
	N/A	N/A	N/A	N/A	YES	3.7%	
	N/A	N/A	N/A	N/A	N/A	0.1%	E

CAPEX KPI – VGP NV Consolidated							
				Substantial contribution criteria	**DNSH criteria**		
Economic activities	**Code**	**Absolute CAPEX** *(€ '000)*	**Proportion of CAPEX**	**Climate change mitigation** *%*	**Climate change mitigation Y/N**	**Climate change adaptation Y/N**	
A. Taxonomy-eligible activities							
A.1 Environmentally sustainable activities (Taxonomy-aligned)							
7.1 Construction of new buildings	7.1	1,042	0.1%	100%	YES	YES	
7.7 Acquisition and ownership of buildings	7.7	N/A	N/A	N/A	N/A	N/A	
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	2,294	0.3%	100%	YES	YES	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)							
7.1 Construction of new buildings	7.1	691,817	95.3%				
7.7 Acquisition and ownership of buildings	7.7	—	N/A				
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	30,661	4.2%				

CAPEX KPI – Proportional (including JVs at share)							
				Substantial contribution criteria	**DNSH criteria**		
Economic activities	**Code**	**Absolute CAPEX** *(€ '000)*	**Proportion of CAPEX**	**Climate change mitigation** *%*	**Climate change mitigation Y/N**	**Climate change adaptation Y/N**	
A. Taxonomy-eligible activities							
A.1 Environmentally sustainable activities (Taxonomy-aligned)							
7.1 Construction of new buildings	7.1	1,042	0.1%	100%	YES	YES	
7.7 Acquisition and ownership of buildings	7.7	N/A	N/A	N/A	N/A	N/A	
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	2,294	0.3%	100%	YES	YES	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)							
7.1 Construction of new buildings	7.1	691,817	95.3%				
7.7 Acquisition and ownership of buildings	7.7	—	N/A				
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	30,661	4.2%				

DNSH criteria						
Water and marine resources Y/N	Circular Economy Y/N	Pollution Y/N	Biodiversity and eco-systems Y/N	Minimum safeguards Y/N	Taxonomy aligned proportion of CAPEX	Category (enabling activity) E
YES	YES	YES	YES	YES	0,1%	
N/A	N/A	N/A	N/A	N/A		
YES	YES	YES	YES	YES	0,3%	E

DNSH criteria						
Water and marine resources Y/N	Circular Economy Y/N	Pollution Y/N	Biodiversity and eco-systems Y/N	Minimum safeguards Y/N	Taxonomy aligned proportion of CAPEX	Category (enabling activity) E
YES	YES	YES	YES	YES	0,1%	
N/A	N/A	N/A	N/A	N/A		
YES	YES	YES	YES	YES	0,3%	E

OPEX KPI – VGP NV Consolidated							
				Substantial contribution criteria	DNSH criteria		
Economic activities	**Code**	**Absolute OPEX** *(€ '000)*	**Proportion of OPEX**	**Climate change mitigation** *%*	**Climate change mitigation Y/N**	**Climate change adaptation Y/N**	
A. Taxonomy-eligible activities							
A.1 Environmentally sustainable activities (Taxonomy-aligned)							
7.1 Construction of new buildings	7.1	N/A	N/A	N/A	N/A	N/A	
7.7 Acquisition and ownership of buildings	7.7	N/A	N/A	N/A	N/A	N/A	
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	N/A	N/A	N/A	N/A	N/A	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)							
7.1 Construction of new buildings	7.1	—					
7.7 Acquisition and ownership of buildings	7.7	23,328	100.0%				
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	N/A	N/A				

OPEX KPI – Proportional (including JVs at share)							
				Substantial contribution criteria	DNSH criteria		
Economic activities	**Code**	**Absolute OPEX** *(€ '000)*	**Proportion of OPEX**	**Climate change mitigation** *%*	**Climate change mitigation Y/N**	**Climate change adaptation Y/N**	
A. Taxonomy-eligible activities							
A.1 Environmentally sustainable activities (Taxonomy-aligned)							
7.1 Construction of new buildings	7.1	142	0.2%	N/A	N/A	N/A	
7.7 Acquisition and ownership of buildings	7.7	2,490	4.4%	100%	YES	YES	
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	N/A	N/A	N/A	N/A	N/A	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)							
7.1 Construction of new buildings	7.1	—					
7.7 Acquisition and ownership of buildings	7.7	54,591	95.4%				
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	N/A	N/A				

DNSH criteria						
Water and marine resources Y/N	**Circular Economy Y/N**	**Pollution Y/N**	**Biodiversity and eco-systems Y/N**	**Minimum safeguards Y/N**	**Taxonomy aligned proportion of CAPEX**	**Category (enabling activity) E**
N/A	N/A	N/A	N/A	N/A		
N/A	N/A	N/A	N/A	N/A		
N/A	N/A	N/A	N/A	N/A		

DNSH criteria						
Water and marine resources Y/N	**Circular Economy Y/N**	**Pollution Y/N**	**Biodiversity and eco-systems Y/N**	**Minimum safeguards Y/N**	**Taxonomy aligned proportion of CAPEX**	**Category (enabling activity) E**
N/A	N/A	N/A	N/A	N/A	0,2%	
N/A	N/A	N/A	N/A	YES	4,4%	
N/A	N/A	N/A	N/A	N/A		

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 BREEAM "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 3.3.4 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 2023 is illustrated below:

	Green Bond – April 2029		**Green Bond – Jan 2027**		**Green Bond – Jan 2030**		**For reference:**
Use of categories	**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**	**EIB loan allocation *(€)***
Renewable Energy	63,037,369	10.5%	—	0.0%	—	0.0%	44,809,712
Green buildings	752,829,611	125.5%	652,838,768	130.6%	861,878,614	172.4%	
o/w min excellent or gold-rated	518,497,981	86.4%	518,501,517	103.7%	500,514,527	100.1%	
Energy Efficiency	26,274,163	4.3%	—	0.0%		0.0%	
Waste Management	—	0.0%	—	0.0%	—	0.0%	
Clean Transportation	658,209	0.1%	—	0.0%	—	0.0%	
Sustainable Water Management	2,702,350	0.5%	—	0.0%	—	0.0%	
(over)/ unallocated	(245,501,701)	(40.8)%	(152,838,768)	(30.6)%	(361,878,614)	(72.4)%	90,190,288
(over)/ unallocated excl BREEAM Very Good or equivalent	**11,170,701**		**(18,501,517)**		**(514,527)**		
Total gross proceeds	**600,000,000**	**100.0%**	**500,000,000**	**100.0%**	**500,000,000**	**100.0%**	**135,000,000**

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%
CAPEX financing 2023	291,031,580	18%
Refinancing	622,824,228	39%
Total	**2,359,724,603**	**147%**
Over/(under) allocation	759,724,603	47%
Total gross proceeds	**1,600,000,000**	**100%**

With regards to EU Taxonomy compliance, 8% of the proportional investments are in compliance with EU Taxonomy 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.

Alignment with EU Taxonomy based on proportional share of investment		
	Dec.23	*%*
Use of proceeds aligned with EU Taxonomy	133,048,522	8%
Incl. proceeds under review/being certified for EU Taxonomy alignment	294,460,522	18%
Use of proceeds eligible for EU Taxonomy (alignment to be assessed)	1,305,539,478	82%
Use of proceeds not aligned with EU Taxonomy	—	
Total	**1,600,000,000**	**100%**

4.2.3.1 Green bond – April 2029

Green buildings allocation by certification type (€ – proceeds allocation)

Country	BREEAM – Outstanding	BREEAM – Excellent	DGNB – Platinum	DGNB/OGNI – Gold	Grand Total	%
Austria	—	—	—	64,565,056	64,565,056	12%
Croatia	—	—	—	—	—	0%
Czechia	—	—	—	—	—	0%
Denmark	—	—	—	—	—	0%
France	—	—	—	—		0%
Germany	—	—	—	429,589,024	429,589,024	83%
Hungary	—	—	—	—	—	0%
Italy	—	3,011,172	—	—	3,011,172	1%
Latvia	—	—	—	—	—	0%
Netherlands	—	—	—	—	—	0%
Portugal	—	—	—	—	—	0%
Romania	—	18,374,282	—	—	18,374,282	4%
Serbia	—	—	—	—	—	0%
Slovakia	—	—	—	—	—	0%
Spain	—	2,958,448	—	—	2,958,448	1%
Grand Total		**24,343,902**	**—**	**494,154,079**	**518,497,981**	
% of total[1]	0%	3%	0%	59%	836,349,774	

Renewable energy specification (€ proceeds allocation)

Country	2021	2022	2023	Total	Total (Apr '29 Bond)
Austria	—	—	—	—	—
Croatia	—	—	—	—	—
Czech Republic	—	73,038	*2,869,960*	*2,942,998*	73,038
France	—	—	—	—	—
Germany	19,072,084	30,270,609	*36,904,646*	*86,247,339*	49,342,693
Hungary	84,909		—	*84,909*	84,909
Italy	—	704,348	*3,131,513*	*3,835,861*	704,348
Latvia	—	—	—	—	—
Netherlands	5,309,425	6,644,132	*835,417*	*12,788,974*	11,953,557
Portugal	—	—	—	—	—
Romania	—	530,824	*1,068,176*	*1,599,000*	530,824
Serbia	—	—	—	—	—
Slovakia	—	—	—	—	—
Spain	—	348,000	—	*348,000*	348,000
Total	**24,466,418**	**38,570,951**	*44,809,712*	*107,847,081*	**63,037,369**

Sustainable Water Management (€ proceeds allocation)	
Czech Republic	185,354
Germany	2,341,996
Netherlands	175,000
Total	**2,702,350**

1 As % of total allocation to the bond (incl over-allocation).

4.2.3.2 Green bond – January 2027

Green buildings allocation by certification type in euros invested

Green buildings specification – € proceeds allocation per sustainable certification level by country						
Country	**BREEAM – Outstanding**	**BREEAM – Excellent**	**DGNB – Platinum**	**DGNB/OGNI – Gold**	**Grand Total**	**%**
Austria	—	—	—	—	—	0%
Croatia	—	—	—	—	—	0%
Czechia	—	—	—	—	—	0%
Denmark	—	—	—	—		0%
France	—	—	—	—	—	0%
Germany	—	—	56,414,224	413,558,655	469,972,879	91%
Hungary	—	—	—	—	—	0%
Italy	—	3,641,157	—	—	3,641,157	1%
Latvia	—	—	—	—	—	0%
Netherlands	—	—	—	—	—	0%
Portugal	—	44,887,482	—	—	44,887,482	9%
Romania	—	—	—	—	—	0%
Serbia	—	—	—	—	—	0%
Slovakia	—	—	—	—	—	0%
Spain	—	—	—	—	—	0%
Grand Total		**48,528,639**	**56,414,224**	**413,558,655**	**518,501,517**	
% of total[1]	0%	6%	7%	49%	652,838,768	

4.2.3.3 Green bond – January 2030

Green buildings allocation by certification type in euros invested

Green buildings specification – € proceeds allocation per sustainable certification level by country						
Country	**BREEAM – Outstanding**	**BREEAM – Excellent**	**DGNB – Platinum**	**DGNB/OGNI – Gold**	**Grand Total**	**%**
Austria	—	—	—	105,376,919	105,376,919	20%
Croatia	—	—	—	—	—	0%
Czechia	—	36,638,240	—	—	36,638,240	7%
Denmark	—	—	—	—		0%
France	—	—	—	—	—	0%
Germany	—	—	—	255,966,862	255,966,862	49%
Hungary	—	—	—	—	—	0%
Italy	—	—	—	—	—	0%
Latvia	—	—	—	—	—	0%
Netherlands	—	—	—	—	—	0%
Portugal	—	17,103,590	—	—	17,103,590	3%
Romania	11,834,453	34,454,989	—	—	46,289,442	9%
Serbia	—	—	—	—	—	0%
Slovakia	—	—	—	—	—	0%
Spain	—	39,139,474	—	—	39,139,474	8%
Grand Total	**11,834,453**	**127,336,293**	**—**	**361,343,782**	**500,514,527**	
% of total[2]	1%	15%	0%	43%	861,878,614	

1 As % of the total allocation to the bond (including over-allocation).
2 As % of the total allocation to the bond (including over-allocation).

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 116 photovoltaic projects on VGP Parks' roofs 104 are owned and operated by VGP and of these 87 are included in the Green Finance Framework allocation. Of these 65 systems were operational by December 2023, representing 86 MWp and a further 22 were under construction/waiting for grid connection, representing 48 MWp.

The eligible photovoltaic investments have generated green energy in 2023 for in total 44 GWh, equivalent to 19,519 tCO_2e. For calculating the equivalent CO_2 emissions, the average grid factor of the VGP Parks portfolio of 0.439 tCO_2/MWh[1] has been used:

Full year actual renewable energy production	**2021**	**2022**	**2023**
Full year production (MWh)	8,216	27,449	44,496
Emission factor (tCO_2/MWh)	0.308	0.333	0.439
Avoided emissions (tCO_2)	2,529	8,450	19,519

Anticipated annual renewable energy production	**2022**	**2023**
Full year production (MWh)	105,303	120,321
Emission factor (tCO_2/MWh)	0.333	0.439
Avoided emissions (tCO_2)	32,417	52,781

Please refer to the table below for the allocation of PV systems per bond and by status of the PV system (operational vs under construction):

	PV capacity *(KWp)*		**Production**	**Bond allocation**		
Country/Park/Building code	**existing**	**awarded**	**KWH p.a.**	**Apr-29**	**Jan-27**	**Jan-30**
Germany						
VGP Park Berlin						
GERBER – A	745		627,698	x		
VGP Park Berlin 2						
GERBER2 – B	746		628,811	x		
GERBER2 – C	750		631,930	x		
VGP Park Berlin 4						
GERBER4 – M		1,591	1,341,044	x		
VGP Park Berlin Oberkrämer						
GEROBK – A		299	243,889	x		
GEROBK – A		849	691,691	x		
GEROBK – D	639		521,078	x		
VGP Park Berlin Wustermark						
GERWUS – A1	745		683,543	x		
VGP Park Borna						
GERBOR – A	748		642,910	x		
VGP Park Buseck						
GERBUS – A	749		643,020	x		

1 For each year the average emission factor for grey electricity for the VGP portfolio has been used. For an explanation of the year-over-year change in emission factor, please refer to section 3.1.2.2 "GHG emissions from tenant operations".

	PV capacity *(KWp)*		Production	Bond allocation		
Country/Park/Building code	**existing**	**awarded**	**KWH p.a.**	**Apr-29**	**Jan-27**	**Jan-30**
VGP Park Chemnitz						
GERCHE – A	746		693,706	x		
VGP Park Erfurt						
GERERF – A	750		622,185	x		
GERERF – A		1,538	1,276,125	x		
VGP Park Erfurt 2						
GERERF2 – B		3,327	2,761,609	x		
VGP Park Erfurt 3						
GERERF3 – A		2,451	2,034,330	x		
VGP Park Gießen Am alten Flughafen						
GERGAF – A	7,770		7,070,245	x		
GERGAF – B	1,000		909,991	x		
GERGAF – B	2,399		2,183,008	x		
GERGAF – PH		869	790,972	x		
VGP Park Ginsheim						
GERGIN – A	748		672,099	x		
VGP Park Göttingen						
GERGOE – A	750		625,367	x		
GERGOE – A	747		623,031	x		
GERGOE – B			—			
VGP Park Göttingen 2			—			
GERGOE2 – C	3,870		3,227,580	x		
GERGOE2 – C	497		409,759	x		
GERGOE2 – C	2,244		1,871,496	x		
VGP Park Halle						
GERHAL – A		1,830	1,661,858	x		
GERHAL – B		2,303	2,090,724	x		
GERHAL – C		3,365	3,055,674	x		
VGP Park Halle 2						
GERHAL2 – A		1,328	1,205,824	x		
GERHAL2 – B						
VGP Park Hamburg						
GERHAM – A1	750		586,952	x		
GERHAM – A2	750		586,952	x		
GERHAM – A3			—			
VGP Park Hamburg 2						
GERHAM2 – B1	2,544		1,991,670	x		
GERHAM2 – B2	750		586,952	x		
GERHAM2 – B3			—			
VGP Park Hamburg 3						
GERHAM3 – C	750		586,952	x		
VGP Park Hochheim						
GERHOH – A		1,115	1,014,832	x		
VGP Park Höchstadt						
GERHOE – A	748		662,560	x		
VGP Park Koblenz						
GERKOB – A		3,174	2,815,338	x		
VGP Park Laatzen						
GERLAA – A		3,624	2,917,642	x		
GERLAA – B						
GERLAA – C	3,567		2,871,435	x		

	PV capacity *(KWp)*		Production	Bond allocation		
Country/Park/Building code	**existing**	**awarded**	**KWH p.a.**	**Apr-29**	**Jan-27**	**Jan-30**
GERLAA – PH Ost		375	301,875	x		
VGP Park Leipzig Flughafen						
GERLFH – A	299		272,064	x		
GERLFH – A	899		817,282	x		
VGP Park Leipzig Flughafen 2						
GERLFH2 – B		2,349	2,135,241	x		
VGP Park Lützellinden						
GERLUE – A	748		654,080	x		
VGP Park Magdeburg						
GERMAG – A	750		643,174	x		
GERMAG – A	1,798		1,542,856	x		
GERMAG – B	2,244		1,925,077	x		
GERMAG – C		10,273	8,814,200	x		
GERMAG – F	4,095		3,513,510	x		
VGP Park München						
GERMUE – A	748		740,207	x		
GERMUE – A	1,696		1,677,423	x		
GERMUE – B	3,791		3,749,101	x		
GERMUE – C	3,003		2,970,442	x		
GERMUE – E	1,895		1,874,551	x		
GERMUE – F	97		96,131	x		
GERMUE – PH Nord		460	454,940	x		
GERMUE – PH Sud	316		312,425	x		
VGP Park Rodgau						
GERROD – C	746		707,132	x		
VGP Park Rostock						
GERROS – A		2,193	1,890,366	x		
VGP Park Schwalbach						
GERSCH – A	645		569,049	x		
VGP Park Soltau						
GERSOL – A	749		593,798	x		
GERSOL – A	2,399		1,902,407	x		
VGP Park Wetzlar						
GERWET – B	747		644,696	x		
Italy						
VGP Park Calcio						
ITACAL – A	16		18,320			
ITACAL – A		3,176	3,636,806	x		
VGP Park Sordio						
ITASOR – A	25		28,400			
ITASOR – A		940	1,068,033	x		
VGP Park Valsamoggia						
ITAVAL – B		992	1,278,688	x		
Netherlands						
VGP Park Nijmegen						
NLDNIJ – A	2,279		2,096,993	x		
NLDNIJ – A	1,518		1,396,762	x		
NLDNIJ – A	1,012		930,764	x		
NLDNIJ – E						
VGP Park Nijmegen 2						
NLDNIJ2 – B1B2	869		799,020	x		

	PV capacity *(KWp)*		Production	Bond allocation		
Country/Park/Building code	**existing**	**awarded**	**KWH p.a.**	**Apr-29**	**Jan-27**	**Jan-30**
NLDNIJ2 – B1B2	2,213		2,036,328	x		
NLDNIJ2 – B3B4	5,940		5,464,800	x		
NLDNIJ2 – C	3,779		3,476,680	x		
VGP Park Roosendaal						
NLDROO – A	3,899		3,579,392	x		
Spain						
VGP Park Fuenlabrada						
ESPFUE – A	100		134,300	x		
VGP Park Lliçà d'Amunt						
ESPLLI – A	46		57,927	x		
ESPLLI – C	78		98,580	x		
ESPLLI – D	83		105,780	x		
VGP Park San Fernando de Henares						
ESPSFH – A	53		69,405	x		
ESPSFH – B1	63		82,625	x		
ESPSFH – C1	36		47,116	x		
ESPSFH – D1	20		26,440	x		
ESPSFH – E	18		23,796	x		
VGP Park Valencia Cheste						
ESPVAL – A	33			x		
ESPVAL – B	66			x		
Grand Total	86,309	48,422	120,321,463		0	0

Please refer to section 3.3.3 Energy Management and specifically 3.3.3.1 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

Definition of the framework
The framework defines eligible 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, BREEAM "Very Good" certification (or equivalent DGNB Silver/LEED Silver rating).

In total 136 eligible building projects have been identified and allocated under the Green Financing framework. This Green building portfolio has predominantly been built since 2021 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.

As a reflection of the year-over-year improvement of the quality of the portfolio, the building allocation has been upgraded to cover the required amount through buildings with a green building certification of BREEAM Excellent or DGNB Gold or better.

CRREM and 1.5°C pathway

The Group has analysed various asset specific and portfolio-based solutions to improve the stranding date. Based on the retrofit plans, heat pump initiatives, photovoltaic roll-out and green electricity transition an upgrade to 1.5°C pathway compliance until 2050 is envisaged. Further details are included in section 3.3.4.1 CRREM retrofit and improvement actions.

Upgrade to minimum BREEAM Excellent or DGNB Gold allocation

The 136 eligible building projects have been identified and allocated to the three outstanding green bonds which is shown in the table below. The table also shows the certification level as well as status of the certification process. The BREEAM Excellent or DGNB Gold rated buildings have been taken as a minimum to allocate the bonds in full.

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.

EPC

Of the completed building portfolio which is part of the net proceeds allocation of the green bonds and which has obtained an EPC rating as of 31 December 2023, 76% has received an energy EPC B score or better[1]. In light of EU Taxonomy reviews existing EPC scores continue to be reviewed and updated (as the initial ECP rating from the development phase not always reflects all retrofits or investments in eco-efficiency conducted since).

1 Given no EPC letter score is available in Germany the (conservative) residential equivalent score has been used with end-use energy below 50 KWh/m²/annum EPC A – *https://eurodw.eu/the-babel-tower-of-energy-performance-certificate-ratings-and-databases-in-europe/*

Building		Certification		Allocation		
Code	**GLA** *(m²)*	**Level**	**Status**	**Green Bond – April 2029**	**Green Bond – Jan 2027**	**Green Bond – Jan 2030**
AUTEHR – A	39,813	ÖGNI – Gold	Ongoing			
AUTEHR – B	33,146	ÖGNI – Gold	Ongoing			x
AUTEHR – C	7,585	ÖGNI – Gold	Ongoing	x		
AUTGRA – A	16,537	BREEAM – Very Good	Ongoing			x
AUTGRA2 – B	8,212	ÖGNI – Gold	Realized	x		
AUTGRA2 – C	14,348	ÖGNI – Gold	Ongoing	x		
AUTLAX – A	26,076	ÖGNI – Gold	Ongoing			x
AUTLAX – B	23,372	ÖGNI – Gold	Ongoing			x
CZECEB – A	5,917	BREEAM – Excellent	Ongoing			x
CZECEB – B	8,749	BREEAM – Excellent	Ongoing			x
CZECEB – C	9,424	BREEAM – Very Good	Realized		x	
CZECEB – D	14,004	BREEAM – Excellent	Ongoing			x
CZECEB – E	48,313	BREEAM – Excellent	Ongoing			x
CZEHNN – H1	40,361	LEED – Silver	Realized			x
CZEHNN2 – H6	30,215	BREEAM – Very Good	Realized		x	
CZEKLA – A	15,806	BREEAM – Very Good	Realized			x
CZEKLA – B	11,193	BREEAM – Very Good	Realized	x		
CZEOLO3 – M	8,665	BREEAM – Excellent	Ongoing			x
CZEOLO4 – E	4,269	BREEAM – Excellent	Ongoing			x
CZEOLO5 – F	65,889	BREEAM – Very Good	Realized		x	
CZEPIL – E	5,790	BREEAM – Very Good	Realized		x	
CZEPRO – A	15,330	BREEAM – Very Good	Realized		x	
CZEPRO – B	25,055	BREEAM – Very Good	Realized		x	
CZEPRO – C	10,351	BREEAM – Excellent	Ongoing			x
CZEUST2 – A	22,813	BREEAM – Very Good	Ongoing			x
CZEUST2 – B	29,309	BREEAM – Very Good	Ongoing			x
CZEVYS – A	28,868	BREEAM – Very Good	Realized		x	
ESPCOR – A	15,419	BREEAM – Excellent	Ongoing			x
ESPCOR – B	7,218	BREEAM – Excellent	Ongoing			x
ESPDOH – B	29,091	BREEAM – Very Good	Realized			x
ESPFUE – A	41,752	BREEAM – Very Good	Realized			x
ESPGRA – A	8,920	BREEAM – Very Good	Realized		x	
ESPLLI – A	13,639	BREEAM – Very Good	Realized		x	
ESPLLI – D	7,205	BREEAM – Very Good	Realized			x
ESPLLI – E	22,195	BREEAM – Very Good	Realized	x		
ESPMAR – A	10,102	BREEAM – Excellent	Ongoing			x
ESPSEV – A	15,057	BREEAM – Excellent	Ongoing			x
ESPSEV – B	13,530	BREEAM – Excellent	Ongoing	x		
ESPSFH – C1	7,947	BREEAM – Very Good	Realized			x
ESPSFH – C2	5,165	BREEAM – Very Good	Realized	x		
ESPSFH – D1	11,453	BREEAM – Very Good	Realized			x
ESPSFH – D2	27,579	BREEAM – Excellent	Realized			x
ESPVAL – A	14,177	BREEAM – Very Good	Realized			x
ESPVAL – B	25,409	BREEAM – Very Good	Realized			x
ESPVAL – C	25,517	BREEAM – Excellent	Ongoing			x
ESPZAR – A	18,074	BREEAM – Very Good	Realized			x
ESPZAR – B	21,373	BREEAM – Very Good	Realized		x	
ESPZAR – C1	22,556	BREEAM – Very Good	Realized			x
ESPZAR – C2	13,616	BREEAM – Very Good	Realized			x
ESPZAR – D	19,146	BREEAM – Excellent	Ongoing			x
GERBER4 – M	17,337	DGNB – Gold	Realized		x	

Building		Certification		Allocation		
Code	GLA *(m²)*	Level	Status	Green Bond – April 2029	Green Bond – Jan 2027	Green Bond – Jan 2030
GERERF – A	26,214	DGNB – Gold	Ongoing			x
GERERF2 – B	41,815	DGNB – Gold	Ongoing			x
GERERF3 – A	29,183	DGNB – Gold	Ongoing			x
GERFRA – A	146,898	BREEAM – Very Good	Realized			x
GERGAF – A1	124,922	DGNB – Gold	Ongoing		x	
GERGAF – A2	28,352	DGNB – Gold	Ongoing		x	
GERGAF – B	59,150	DGNB – Gold	Ongoing			x
GERGOE2 – C	80,157	DGNB – Gold	Realized		x	
GERHAL – B	26,848	DGNB – Gold	Realized		x	
GERHAL – C	37,933	DGNB – Gold	Realized		x	
GERHAL2 – A	14,862	DGNB – Gold	Ongoing		x	
GERHDW – A	20,465	DGNB – Gold	Ongoing		x	
GERHDW – B	29,139	DGNB – Gold	Ongoing	x		
GERHDW – C	25,850	DGNB – Gold	Ongoing			x
GERHDW2 – A	43,471	DGNB – Gold	Initiation	x		
GERHOH – A	12,025	DGNB – Gold	Ongoing		x	
GERKOB – A	32,377	DGNB – Gold	Ongoing	x		
GERLAA – A	55,398	DGNB – Platinum	Realized		x	
GERLAA – B	11,803	DGNB – Platinum	Realized		x	
GERLAA – C	51,262	DGNB – Gold	Realized			x
GERLAA – D	8,519	DGNB – Gold	Realized			x
GERLEI – C1	2,519	DGNB – Gold	Realized		x	
GERLEI – C2	2,379	DGNB – Gold	Realized			x
GERLFH – A	16,298	DGNB – Gold	Ongoing		x	
GERLUE – A	14,156	DGNB – Gold	Realized	x		
GERMAG – A	31,869	DGNB – Gold	Realized	x		
GERMAG – B	42,368	DGNB – Gold	Ongoing	x		
GERMAG – C1	67,376	DGNB – Gold	Ongoing	x		
GERMAG – D	74,045	DGNB – Gold	Ongoing	x		
GERMAG – F	51,995	DGNB – Gold	Ongoing	x		
GERMUE – A	56,874	DGNB – Gold	Realized	x		
GERMUE – B	81,549	DGNB – Gold	Ongoing	x		
GERMUE – C	48,471	DGNB – Gold	Ongoing		x	
GERMUE – E	39,352	DGNB – Gold	Ongoing			x
GERMUE – F	7,487	DGNB – Gold	Ongoing	x		
GEROBK – A	13,717	DGNB – Gold	Realized	x		
GEROBK – B	11,502	DGNB – Gold	Realized	x		
GEROBK – C	9,086	DGNB – Gold	Ongoing	x		
GEROBK – D	24,223	DGNB – Gold	Realized		x	
GERROS – A	20,447	DGNB – Gold	Ongoing			x
GERSOL – A	55,813	DGNB – Gold	Realized	x		
GERWUS – A1	10,997	DGNB – Gold	Realized	x		
HRVLUC – A	36,867	BREEAM – Very Good	Ongoing		x	
HUNBUD – A	29,853	BREEAM – Very Good	Ongoing			x
HUNBUD – B.1	11,015	BREEAM – Very Good	Realized	x		
HUNBUD – C1.1	13,544	BREEAM – Very Good	Ongoing		x	
HUNGYO2 – A	37,998	BREEAM – Very Good	Ongoing			x
HUNGYO2 – B	13,915	BREEAM – Very Good	Ongoing	x		
HUNKEC – A	21,937	BREEAM – Very Good	Ongoing	x		
HUNKEC – C	20,149	BREEAM – Very Good	Ongoing			x
ITACAL – A	23,303	BREEAM – Very Good	Realized	x		

Building		Certification		Allocation		
Code	**GLA** *(m²)*	**Level**	**Status**	**Green Bond – April 2029**	**Green Bond – Jan 2027**	**Green Bond – Jan 2030**
ITAPAD – A	15,301	BREEAM – Very Good	Realized	x		
ITAPAD – B	7,246	BREEAM – Very Good	Realized	x		
ITAPAR2 – A	5,710	BREEAM – Excellent	Realized		x	
ITASOR – A	12,035	BREEAM – Very Good	Realized			x
ITAVAL – A	6,679	BREEAM – Excellent	Realized	x		
ITAVAL – B	16,106	BREEAM – Very Good	Realized	x		
LVARIG – A1	7,030	BREEAM – Very Good	Ongoing			x
LVATIR – A	28,897	BREEAM – Very Good	Realized	x		
NLDNIJ – A	67,352	BREEAM – Very Good	Realized			x
NLDNIJ2 – B1B2	42,505	BREEAM – Very Good	Ongoing			x
NLDNIJ2 – B3B4	62,520	BREEAM – Very Good	Ongoing			x
NLDNIJ2 – C	35,052	BREEAM – Very Good	Ongoing			x
NLDROO – A	41,960	BREEAM – Very Good	Realized			x
NLDROO – B	9,294	BREEAM – Very Good	Realized			x
PRTLOU – A	12,606	BREEAM – Excellent	Ongoing			x
PRTLOU – B	7,143	BREEAM – Excellent	Ongoing		x	
PRTMON – A	31,789	BREEAM – Excellent	Ongoing		x	
PRTSIN – A	12,901	BREEAM – Excellent	Ongoing		x	
PRTSMF – A	29,813	BREEAM – Very Good	Realized		x	
ROMARA – A	29,414	BREEAM – Very Good	Realized	x		
ROMARA – B	40,081	BREEAM – Excellent	Ongoing			x
ROMBRA – A	28,956	BREEAM – Very Good	Realized	x		
ROMBRA – B1	20,920	BREEAM – Excellent	Ongoing			x
ROMBRA – B2	13,812	BREEAM – Excellent	Ongoing			x
ROMBRA – E	9,556	BREEAM – Very Good	Realized	x		
ROMBRA – I	17,465	BREEAM – Excellent	Realized			x
ROMBUC – C	30,507	BREEAM – Very Good	Realized	x		
ROMBUC – D	15,699	206 – BREEAM – Outstanding	Realized			x
ROMTIM2 – D	30,775	BREEAM – Very Good	Realized		x	
ROMTIM3 – E	32,768	BREEAM – Excellent	Ongoing	x		
SVKBRA – F	57,328	BREEAM – Very Good	Realized	x		
SVKBRA – G	19,201	BREEAM – Very Good	Ongoing	x		
SVKBRA – H	18,354	BREEAM – Very Good	Realized	x		

Please refer to section 3.2 Sustainable Properties and more specifically 3.2.2 Environmental certifications for additional details on the Group's certification initiatives.

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.

Whilst not all eco-efficiency measures have been separately accounted for the measures identified include air heat pumps, energy saving LED investments, sun protection and moving sensors in offices to reduce energy consumption. These expenditures and refurbishments in 102 buildings have resulted in ca. €41 million of additional eligible investments, the proportional eligible spent amounts to €26 million.

Properly sized heat pump 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.

Energy efficiency measures	
Avoided energy consumption and emissions	**2023**
Avoided energy consumption (MWh)	35,317
Emission factor (tCO_2/MWh)	0.058
Avoided emissions (tCO_2)	2,054

The emission factor is weighted emission factor based on the effective net kWh savings in electricity and gas against portfolio average emission factors of electricity (0.439 tCO_2/MWh) and gas (0.1850 tCO_2/MWh). For heat pumps an annualized Coefficient of Performance (CoP) of 3.0 is assumed. Details on the energy efficiency measures and related KPIs are discussed in more detail in section 3.3 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 3.3.6 Waste Management for further information on the Group's waste management user data and KPIs and waste 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 2023 amounts to € 1.0 million in 50 VGP Parks locations, reflecting the locations where EV chargers have been installed and cost base could be isolated. The proportional eligible spent amounts to €0.65 million. Based on the limited sites for which charging data is available the total kWh charged at the sites is 300,000 kWh per annum.

EV charging infrastructure	
Avoided emissions	**2023**
Total EV charging *(MWh)*	299
Assumed car KMs covered[1]	1,573,000
Avoided emissions *($kgCO_2$/km)*[2]	0.050
Avoided emissions *(tCO_2)*	**79**
please note this data is based on a gross-up of sites for which charging data is available	

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 3.3.7 Develop connectivity and sustainable mobility.

1 Based on assumed 0.19 kwh/km average reach of new European BEVs (€46,000 new price). Source: *https://alternative-fuels-observatory.ec.europa.eu/general-information/vehicle-types*.
2 Based on the emission factor for diesel vehicles (0.15 $kgCO_2$/KM) minus the emission factor for grey electricity (0.08 $kgCO_2$/KM) for charging EV vehicles (weighted according to car use in VGP countries).

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:

Sustainable Water Management				
Park	**Project**	**Green Bond – April 2029**	**Green Bond – Jan 2027**	**Green Bond – Jan 2030**
VGP Park Munchen	Infiltration basin south incl. plants / vegetation	x		
VGP Park Gottingen	Rainwater channels with rainwater retention basin	x		
VGP Park Buseck	Use of rainwater for toilet facilities (cistern, piping, separation systems, technology) and Infiltration of rainwater in the rainwater retention basin	x		
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	x		
VGP Park Roosendaal	Infiltration crates, installation built under building for water overflow and retention (independent of public sewerage)	x		
VGP Park Berlin	Entire green roof for water retention and bio-diversity stimulation	x		
VGP Park Kladno	Rainwater channels with rainwater retention basin	x		
VGP Park České Budějovice	Rainwater channels with rainwater retention basin	x		

In 2023, the water management projects collected 180,800 m³ of rainwater/greywater on site, which were partially used for cleaning and for watering green spaces.

Please refer to section 3.3.5 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.


Community Day Czech Republic 2023

4.3 VGP External Review of Green Finance Reporting 2023

March 7, 2024

This report was produced by S&P using Shades of Green Methodology.
On December 1, 2022, S&P Global acquired Shades of Green from CICERO.

S&P Global has reviewed the elements of VGP's Corporate Responsibility Report 2023 ("Report") relating to its green financing activities. We review against VGP's Green Finance Framework (dated March 2021, the "Framework") criteria, and impact metrics for relevance and transparency.

We consider that the allocations in the Report align with the Framework. Note that, according to the Report, around 96% of assets in VGP's green portfolio are green buildings. The green buildings project category received a Light Green in our Second Party Opinion. Based on the Shades of Green allocated to the project categories, the investments in VGP's green portfolio are not therefore, 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, while the green portfolio includes around EUR 1.5 billion of green buildings with BREEAM Excellent or DGNB Gold (or better) certifications, exceeding the minimum Framework requirements.

We consider that the Report utilizes relevant and sufficiently transparent impact metrics. In an improvement on last year's Report, VGP now includes impacts for all project categories to which proceeds have been allocated.

Finally, we consider the Report aligns with the core principles and recommendations contained in ICMA's Handbook – Harmonized Framework for Impact Reporting (June 2023). [1]

1 ICMA Handbook

Project allocation

VGP has issued two green bonds under the Framework, totaling EUR 1.6 billion. The first, issued in March 2021, raised EUR 600 million, and the second, issued in January 2022, raised EUR 1 billion in two, EUR 500 million tranches. Allocation is reported as at December 31, 2023 with eligible assets in VGP's green portfolio totaling around EUR 2.4 billion.

In respect of allocation, we consider the Report aligned with the Framework; 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 96% of assets in VGP's green portfolio are green buildings. Based on the Shades of Green allocated to the project categories, the investments in VGP's green portfolio are not therefore – 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 green portfolio includes around EUR 1.5 billion of green buildings with BREEAM Excellent or DGNB Gold (or better) certifications, exceeding the minimum Framework requirements,[2] ii) according to VGP, the green buildings produce more renewable energy than energy consumed, iii) investments made in energy efficiency, including under the Framework, for example the use of heat pumps as standard (where feasible), and iv) VGP expects a substantial growth in these assets that align with the EU Taxonomy as a result of ongoing alignment reviews.

Allocation by Shade of Green

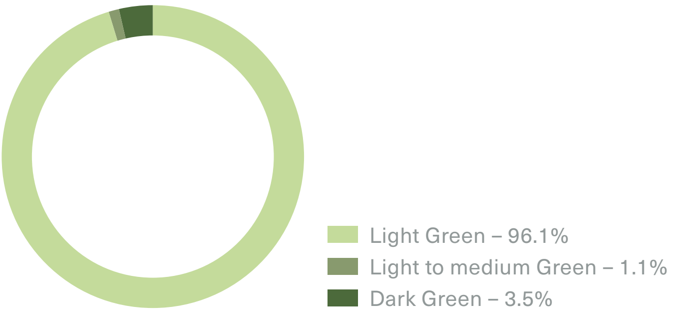


Figure 1: Allocation by SPO Shade of Green. Shading is based on evaluation at time of issuance and does not reflect ex-post project verification.

Impact metrics

VGP reports impacts as at December 31, 2023. We consider that VGP provides transparent and relevant impact reporting for all project categories to which proceeds have been allocated; for a more detailed review, please see Appendix 1.

For renewable energy investments, VGP reports impacts for its 116 photovoltaic projects. More specifically, it reports the capacity, full year production, and 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 – this is considered only a minor omission.

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. As such, it represents a fair improvement that the Report includes the percentage of (completed) green buildings within the green building portfolio that have an EPC B or better.

In a further improvement on last year's Report, VGP now includes impacts for the energy efficiency and clean transportation project categories. For energy efficiency investments, VGP reports avoided energy consumption and avoided emissions derived from the projects, while for clean transportation, it provides data on total EV charging, avoided emissions, and assumed kilometers covered by car. For sustainable water management, the report provides information on collected and reused rainwater/greywater on site.

Terms

S&P Global provides a review of VGP's annual reporting based on documentation provided by the issuer 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. S&P Global does not validate nor certify the existence of investments and does not validate nor certify the climate effects of investments. 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 in VGP's green bond and has been made based on the information provided to us. S&P Global 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 69% of green buildings under the first bond, 79% of the first tranche of the second bond, and 58% of the second tranche of the second bond are (or expect to be) rated BREEAM Excellent or DGNB 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, BREEAM "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 69% of green buildings under the first bond, 79% of the first tranche of the second bond, and 58% of the second tranche of the second bond are (or expect to be) rated BREEAM Excellent or DGNB 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 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 36 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
• 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. • Percentage of (completed) green buildings in the green building portfolio with EPC B or better.	• Certification standard (including environmental certifications such as BREEAM, as well as EPCs) 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. As such, we welcome that the Report includes the percentage of green buildings in the green buildings portfolio with EPC B or better. Going forward, VGP could consider including more contextual information to add colour to this metric, for example how it compares to local regulations. We expect this may occur in parallel with increased reporting on the EU Taxonomy alignment of the green building portfolio.
• Avoided energy consumption (MWh) • Avoided emissions (tCO_2)	• Metrics are relevant and energy savings and avoided emissions are listed as core indicators in the ICMA Handbook – Harmonized Framework for Impact Reporting.	• This is the first year that VGP reports on impacts from energy efficiency projects. • VGP provides information on the baselines used for calculating avoided energy consumption, and how it derives its emissions factors for calculating avoided emissions. • According to VGP, the calculation includes a majority, rather than all, of energy efficiency investments.
• Total EV charging (KWh) • Assumed car kilometres covered • Avoided emissions per km ($kgCO_2km$) • Avoided emissions (tCO_2)	• Metrics are relevant and/or are included in the ICMA Handbook – Harmonized Framework for Impact Reporting as either core or "other sustainability indicators".	• This is the first year that VGP reports on impacts from clean transportation projects. • While the Report includes general information about the number of VGP sites with electric vehicle charging, some more precise information about the number and type of investments under the Framework could be helpful. • VGP provides sufficient and transparent information on how it has calculated impacts. According to the Report, the calculation is limited to sites where charging data is available.
• 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

Biotope at VGP Park München, Germany

VGP Park Magdeburg-Sülzetal

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 (site, region, Group) on a regular basis, assess results against targets, and implement suitable corrective measures. The Group sustainability reporting framework, which tracks performance against each of its ESG Strategy commitments is reviewed and updated every year to fine-tune its accuracy. For a detailed explanation of the indicators used, the reporting scope, gross lettable area reference data as well as GPS coordinates, please refer to the VGP website: *https://www.vgpparks.eu/en/investors/environmental-disclosures/*.

5.2 Independent third-party's ESG assurance report

VGP NV

Independent assurance report on selected environmental performance indicators published in the Annual Report of VGP NV for the year ended 31 December 2023

To the board of directors

We have been engaged to conduct a limited assurance engagement on selected environmental performance indicators ("Selected Information") published in the Annual report of VGP NV ("the Company") for the year ending 31 December 2023. In preparing the Selected Information, VGP NV 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 included in chapter "3.1.2.2 Results: Group carbon footprint" of the Annual Report per 31 December 2023 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
Scope 3 emissions related to the portfolio in use, category 13, downstream leased assets – in $tnCO_2e$	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 included in chapter "3.1.2.2 Results: Group carbon footprint" of the Annual Report of VGP NV per 31 December 2023, 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 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;

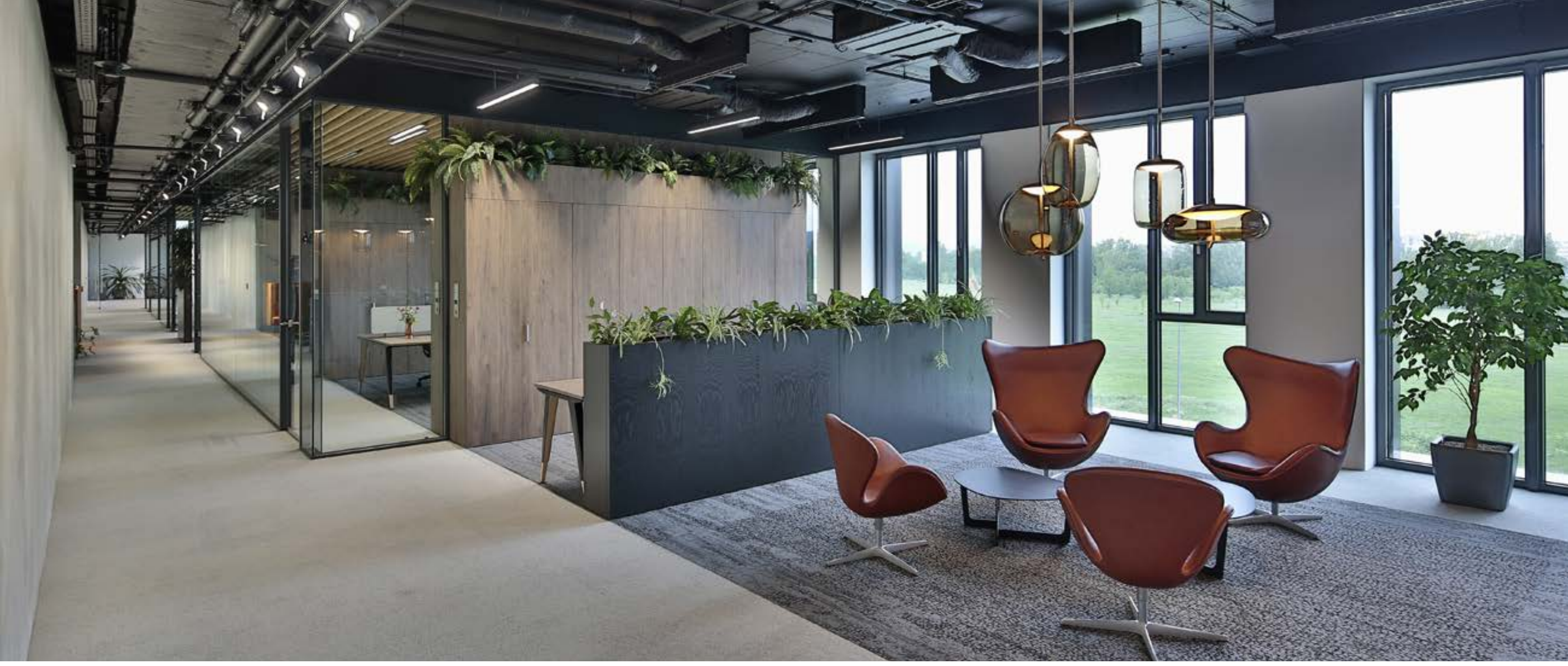
— Confirming to us through written representations that you have provided us with all information relevant to our Services of which you are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria, including that all relevant matters, are reflected 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 as mentioned above. Our conclusion covers therefore only the abovementioned Selected Information included in chapter "3.1.2.2 Results:



VGP Office Prague, Czech Republic

Group carbon footprint" of the Annual Report per 31 December 2023 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 2023.

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::

— Perform analytical review procedures and consider the risks of material misstatement of the Selected Information.
— Through inquiries of management, obtain an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify and assess risks of material misstatement in the Selected Information, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.
— Perform procedures over the Selected Information, including recalculation of relevant formulae used in manual calculations and assessment whether the data has been appropriately consolidated.
— Perform procedures over underlying data on a statistical sample basis to assess whether the data has been collected and reported in accordance with the Applicable Criteria, including verifying to source documentation.
— Perform procedures over the Selected Information including assessing management's assumptions and estimates.
— Accumulate misstatements and control deficiencies identified, assessing whether material.
— Read the narrative accompanying the Selected Information with regard to the Applicable Criteria, and for consistency with our findings.

We apply International Standard on Quality Management 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.

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 organisations and from year to year within an organisation as methodologies develop.

Use of our report

This report is made solely to the board of directors of VGP NV 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 and its board of directors as a body, for our work, for this report, or for the conclusions we have formed.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Sofian Milad

Honey collected at the VGP office in the Czech Republic.

Corporate Directory

VGP NV

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Enterprise number: 0887.216.042

Other VGP offices

Vienna, **Austria**
Prague, **Czech Republic**
Jenišovice u Jablonce nad Nisou, **Czech Republic**
Fredericia, **Denmark**
Lyon, **France**
Paris, **France**
Düsseldorf, **Germany**
Budapest, **Hungary**
Segrate (Milan), **Italy**
Riga, **Latvia**
Luxembourg, **Luxembourg**
’s-Hertogenbosch, **The Netherlands**
Porto, **Portugal**
Lisbon, **Portugal**
Bucharest, **Romania**
Belgrade, **Serbia**
Bratislava, **Slovakia**
Barcelona, **Spain**
Madrid, **Spain**
Zaragoza, **Spain**
Sevilla, **Spain**
Bilbao, **Spain**

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 Bedrijfsrevisoren/
Réviseurs d’Entreprises BV/SRL

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


Cotral

VGP

Portfolio 2023

Germany

1 VGP Park Hamburg
2 VGP Park Soltau
3 VGP Park Leipzig
4 VGP Park Leipzig Flughafen
5 VGP Park Berlin
6 VGP Park Berlin Oberkrämer
7 VGP Park Ginsheim
8 VGP Park Schwalbach
9 VGP Park München
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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
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34 VGP Park Rostock
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36 VGP Park Nürnberg
37 VGP Park Hochheim
38 VGP Park Siegen
39 VGP Park Koblenz
40 VGP Park Rüsselsheim

Czech Republic

41 VGP Park Tuchoměřice
42 VGP Park Ústí nad Labem
43 VGP Park Český Újezd
44 VGP Park Liberec
45 VGP Park Olomouc
46 VGP Park Jeneč
47 VGP Park Chomutov
48 VGP Park Brno
49 VGP Park Hrádek nad Nisou
50 VGP Park Hrádek nad Nisou 2
51 VGP Park Plzeň
52 VGP Park Prostějov
53 VGP Park Vyškov
54 VGP Park České Budějovice
55 VGP Park Kladno
56 VGP Park Ústí nad Labem City

Spain

57 VGP Park San Fernado de Henares
58 VGP Park Lliçà d'Amunt
59 VGP Park Fuenlabrada
60 VGP Park Fuenlabrada 2
61 VGP Park Valencia Cheste
62 VGP Park Zaragoza
63 VGP Park Dos Hermanas
64 VGP Park Sevilla Ciudad de la Imagen
65 VGP Park Granollers
66 VGP Park Martorell
67 VGP Park La Naval
68 VGP Park Burgos
69 VGP Park Alicante
70 VGP Park Córdoba
71 VGP Park Belartza

Latvia

72 VGP Park Kekava
73 VGP Park Riga
74 VGP Park Tiraines

Romania

75 VGP Park Timișoara
76 VGP Park Sibiu
77 VGP Park Brașov
78 VGP Park Arad
79 VGP Park Bucharest

Hungary

80 VGP Park Győr
81 VGP Park Győr Béta
82 VGP Park Alsónémedi
83 VGP Park Hatvan
84 VGP Park Kecskemét
85 VGP Park Budapest Aerozone

Slovakia

86 VGP Park Malacky
87 VGP Park Bratislava
88 VGP Park Zvolen

Austria

89 VGP Park Graz
90 VGP Park Laxenburg
91 VGP Park Ehrenfeld

The Netherlands

92 VGP Park Nijmegen
93 VGP Park Roosendaal
94 VGP Park Moerdijk

Italy

95 VGP Park Calcio
96 VGP Park Valsamoggia
97 VGP Park Valsamoggia 2
98 VGP Park Sordio
99 VGP Park Padova
100 VGP Park Paderno Dugnano
101 VGP Park Legnano
102 VGP Park Parma Lumiere
103 VGP Park Parma Paradigna

Portugal

104 VGP Park Santa Maria da Feira
105 VGP Park Sintra
106 VGP Park Loures
107 VGP Park Montijo

Serbia

108 VGP Park Belgrade Dobanovice

Croatia

109 VGP Park Lučko Zagreb

France

110 VGP Park Rouen
111 VGP Park Vélizy
112 VGP Park Mulhouse

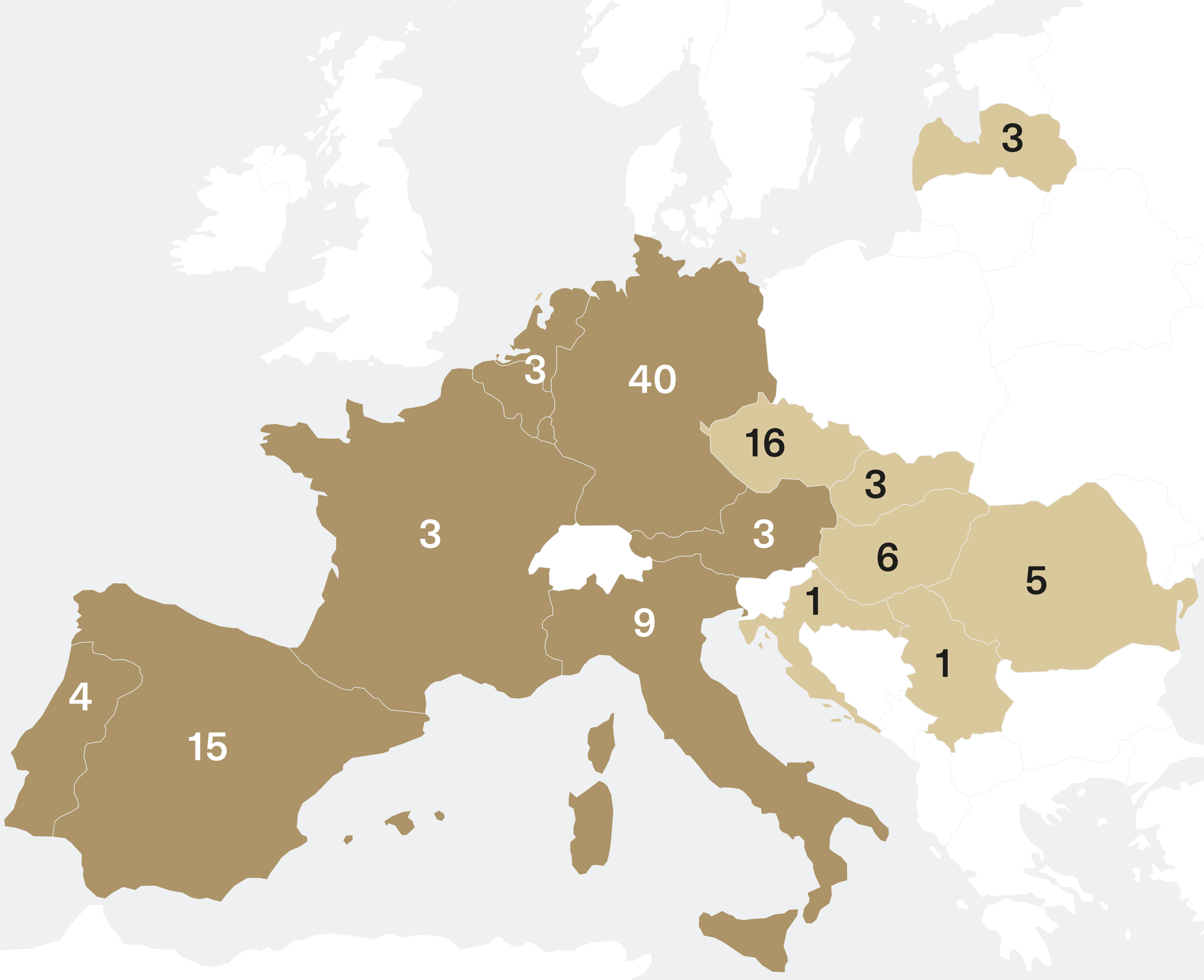
112 VGP Parks all-over Europe

Western and Southern Europe

Germany, Austria, The Netherlands, France, Italy, Portugal, Spain

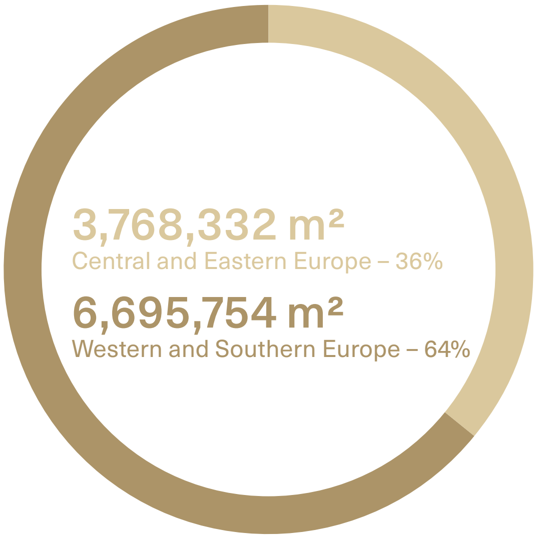
Central and Eastern Europe

Czech Republic, Slovakia, Romania, Hungary, Serbia, Croatia, Latvia

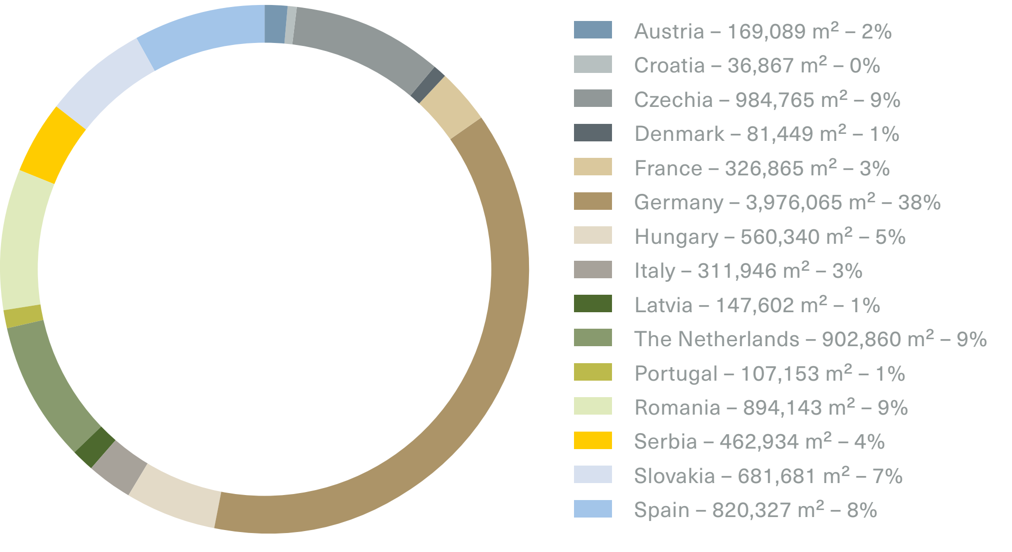


Region	Country	Owner	Land area *(m²)*	Lettable area *(m²)*				Contracted annual rent *(in million €)*
				Completed	Under construction	Potential	Total	
East	Croatia	Own	95,306	—	—	36,867	36,867	0.00
East	Czechia	Committed	80,042	—	—	32,013	32,013	0.00
East	Czechia	JV1	1,475,778	625,515	8,665	8,313	642,493	35.02
East	Czechia	Own	876,544	142,493	39,660	128,106	310,259	8.41
East	Hungary	JV1	207,148	83,174	—	4,900	88,074	5.22
East	Hungary	Own	1,208,566	114,270	105,873	252,123	472,266	15.06
East	Latvia	Own	330,622	133,542	—	14,060	147,602	7.59
East	Romania	JV2	292,724	146,085	—	0	146,085	6.91
East	Romania	Own	1,500,181	169,133	86,046	492,879	748,058	14.13
East	Serbia	Own	1,160,544		76,938	385,996	462,934	4.57
East	Slovakia	JV1	220,492	88,615	—	16,006	104,621	4.99
East	Slovakia	Own	1,283,143	138,244	48,104	390,712	577,060	9.66
West	Austria	JV2	38,239	16,537	—	0	16,537	1.41
West	Austria	Own	400,961	22,560	82,594	47,398	152,552	7.75
West	Denmark	Committed	175,256	—	—	81,449	81,449	0.00
West	France	Own	728,428	—	39,330	287,535	326,865	2.17
West	Germany	Committed	151,790	—	—	77,832	77,832	1.07
West	Germany	JV5	1,584,538	717,812	141,478	0	859,290	52.93
West	Germany	VGP Park Siegen JV	34,035	—	—	20,976	20,976	0.00
West	Germany	JV1	2,411,625	1,173,600	—	14,829	1,188,429	68.80
West	Germany	JV3	644,158	276,003	—	37,878	313,881	26.23
West	Germany	Own	3,113,627	733,867	87,366	694,425	1,515,658	30.35
West	Italy	Committed	171,925	—	—	79,129	79,129	0.00
West	Italy	JV2	197,136	86,380	—	0	86,380	5.64
West	Italy	Own	367,136	—	18,782	127,654	146,437	1.68
West	Netherlands	JV2	448,997	258,683	—	20,088	278,771	14.86
West	Netherlands	LPM JV	719,762	—	—	487,867	487,867	0.00
West	Netherlands	Own	238,041	—	—	136,222	136,222	0.00
West	Portugal	JV2	73,578	29,813	—	0	29,813	1.34
West	Portugal	Own	184,444	19,749	31,789	25,802	77,340	2.91
West	Spain	JV2	830,517	389,395	—	70,402	459,797	22.05
West	Spain	VGP Park Belartza JV	145,215	—	—	63,640	63,640	0.00
West	Spain	Own	569,753	—	7,218	289,673	296,891	0.02
			21,960,252	**5,365,470**	**773,843**	**4,324,774**	**10,464,086**	**350.76**

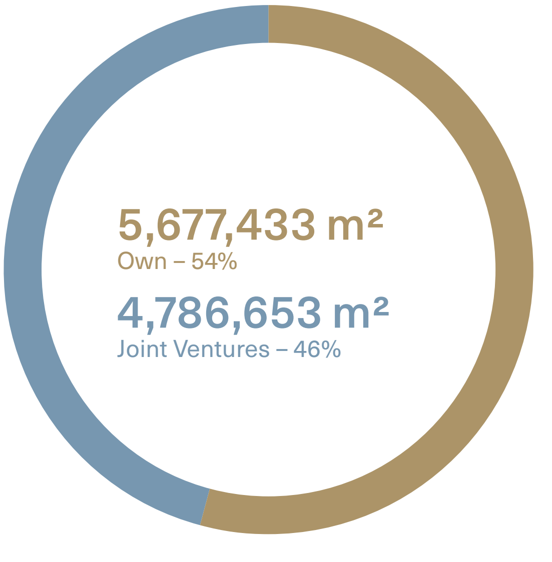
Gross Lettable Area by Region *(in m²)* **— including JV at 100%***



Gross Lettable Area by Country *(in m²)* **— including JV at 100%***



Gross Lettable Area by Ownership *(in m²)* **— JV at 100%***



* Gross Lettable Area is including development potential


Hamburg
Hannover
Berlin
Leipzig
Bonn
Frankfurt am Main
Karlsruhe
Stuttgart
Nürnberg
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Germany

1 VGP Park Hamburg
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36 VGP Park Nürnberg
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38 VGP Park Siegen
39 VGP Park Koblenz
40 VGP Park Rüsselsheim

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.; VGP Renewable Energy Deutschland GmbH (DE)	
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	
Picnic GmbH	
lettable area	10,585 m² + extension 9,950 m²
built	2020

GERMANY

VGP Park Berlin

BUILDING F

tenant	
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	17,337 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	23,271 m^2
built	2016

GERMANY

VGP Park Borna

BUILDING A

tenant	
Lekkerland SE; VGP Renewable Energy S.à r.l.	
lettable area	13,618 m^2
built	2015

GERMANY

VGP Park Frankenthal

BUILDING A

tenant	
Amazon Logistik Frankenthal GmbH; PV Frankenthal GmbH & Co KG	
lettable area	146,898 m^2
built	2018

GERMANY

VGP Park Ginsheim

BUILDING A

tenant	
Greenyard Fresh Germany GmbH; 4PX Express GmbH; VGP Renewable Energy S.à.r.l.; Crane Worldwide Germany GmbH; Stahlgruber GmbH	
lettable area	35,799 m^2
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 m^2
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 m^2
built	2014–2016

GERMANY

VGP Park Hamburg

BUILDING A2

tenant	
MH Handel GmbH; VGP Renewable Energy S.à r.l.	
lettable area	20,170 m^2
built	2015

GERMANY

VGP Park Hamburg

BUILDING A3

tenant	
Zebco Europe GmbH; Hausmann Logistik GmbH; LZ Logistik GmbH	
lettable area	9,452 m^2
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 Solutions SE & Co.KG;
VGP Renewable Energy S.à r.l.

lettable area	57,473 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

Lagerei und Spedition Dirk Vollmer GmbH;
VGP PM Services GmbH; Heik Spedition 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.a r.l.; VGP Renewable Energy Deutschland GmbH

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 Solutions SE & Co.KG; VGP Renewable Energy S.à r.l.	
lettable area	43,376 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	8,734 m²
built	2015

GERMANY

VGP Park Schwalbach

BUILDING A

tenant	
Stronghold Germany GmbH; VGP Renewable Energy S.à r.l.	
lettable area	8,387 m²
built	2017

GERMANY

VGP Park Soltau

BUILDING A

tenant	
AUDI AG; VGP Renewable Energy S.à r.l.; VGP Renewable Energy Deutschland GmbH	
lettable area	55,813 m²
built	2016

GERMANY

VGP Park Wetzlar

BUILDING A

tenant	
Ancla Logistik GmbH	
lettable area	18,994 m²
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 m²
built	2018

GERMANY

VGP Park Göttingen

BUILDING A

tenant	
Friedrich ZUFALL GmbH & Co. KG; Amazon EU S.à r.l.; Niederlassung Deutschland; VGP Renewable Energy S.à.r.l.	
lettable area	43,001 m²
built	2018

GERMANY

VGP Park Göttingen

BUILDING B

tenant	
Amazon EU S.à r.l.; Niederlassung Deutschland	
lettable area	38,381 m²
built	2019

GERMANY

VGP Park Göttingen

BUILDING C

tenant	
MediaMarktSaturn Beschaffung und Logistik GmbH; VGP Renewable Energy S.à r.l.; VGP Renewable Energy Deutschland GmbH	
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-GmbH; SEREDA GmbH; VGP PM Services GmbH; VGP Renewable Energy S.à r.l.	
lettable area	10,997m²
built	2020

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	2019

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 m²
built	2018

GERMANY

VGP Park Dresden

BUILDING A

tenant	
Schenker Deutschland AG; Kohivo Green-Investment GmbH & Co. KG	
lettable area	20,285 m²
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; VGP Renewable Energy S.à r.l.; VGP Renewable Energy Deutschland GmbH, TTM Halle/Leipzig GmbH	
lettable area	21,263 m^2
built	2020

GERMANY

VGP Park Halle

BUILDING B

tenant	
Ceha Deutschland GmbH; Schenker Deutschland AG; VGP Renewable Energy S.à r.l.	
lettable area	26,848 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	37,933 m^2
built	2022

GERMANY

VGP Park Halle 2

BUILDING A

tenant	
Nordlicht Consulting GmbH	
lettable area	14,862 m^2
built	2023

GERMANY
VGP Park Einbeck
BUILDING A

tenant	
Burgsmüller GmbH	
lettable area	8,883 m²
built	2020

GERMANY
VGP Park Chemnitz
BUILDING A

tenant	
ThyssenKrupp Automation Engineering GmbH; VGP Renewable Energy S.à r.l.	
lettable area	12,591 m²
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 m²
built	2020

GERMANY
VGP Park Gießen-Lützellinden
BUILDING A

tenant	
Pharmaserv GmbH; VGP Renewable Energy S.à r.l.; VGP Renewable Energy Deutschland GmbH	
lettable area	14,156 m²
built	2020

GERMANY
VGP Park Magdeburg
BUILDING A

tenant	
REWE Markt GmbH, VGP Renewable Energy S.à r.l.; VGP Renewable Energy Deutschland GmbH	
lettable area	31,869 m²
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.; VGP Renewable Energy Deutschland GmbH	
lettable area	42,368 m²
built	2021

GERMANY

VGP Park Magdeburg

BUILDING C

tenant	
Contemporary Amperex Technology Thuringia GmbH; BW Bekleidungsmanagement GmbH; VGP PM Services GmbH	
lettable area	112,431 m²
built	2022, 2023

GERMANY

VGP Park Magdeburg

BUILDING F

tenant	
APM Autoteile GmbH; Contemporary Amperex Technology Thuringia GmbH; VGP Renewable Energy S.à r.l.; VGP Renewable Energy Deutschland GmbH	
lettable area	51,995 m²
built	2022

GERMANY

VGP Park München

BUILDING A

tenant	
Bayerische Motoren Werke Aktiengesellschaft; VGP Renewable Energy S.à r.l.; VGP Renewable Energy Deutschland GmbH	
lettable area	56,874 m²
built	2020, 2022

GERMANY

VGP Park München

BUILDING B

tenant	
KraussMaffei Technologies GmbH; VGP Renewable Energy S.à r.l.	
lettable area	81,549 m²
built	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 m²
built	2022

GERMANY

VGP Park München

BUILDING F

tenant	
KraussMaffei Technologies GmbH; VGP Renewable Energy S.à r.l.	
lettable area	7,487 m²
built	2022

GERMANY

VGP Park München

BUILDING PH NORD

tenant	
Bayerische Motoren Werke Aktiengesellschaft; Krauss Maffei Technologies GmbH	
lettable area	22,850 m²
built	2020

GERMANY

VGP Park München

BUILDING PH SUD

tenant	
KraussMaffei Technologies GmbH; VGP Renewable Energy S.à r.l.	
lettable area	19,419 m²
built	2022

GERMANY

VGP Park Laatzen

BUILDING A

tenant

KraussMaffei Extrusion GmbH; VGP Renewable Energy S.à r.l.

lettable area	55,398 m^2
built	2022

GERMANY

VGP Park Laatzen

BUILDING B

tenant

KraussMaffei Extrusion GmbH

lettable area	11,803 m^2
built	2022

GERMANY

VGP Park Laatzen

BUILDING C

tenant

Connox GmbH, VGP Renewable Energy S.à r.l.;
VGP Renewable Energy Deutschland GmbH

lettable area	51,262 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.; VGP Renewable Energy Deutschland GmbH	
lettable area	26,214 m²
built	2021

GERMANY
VGP Park Erfurt 2
BUILDING B

tenant	
Kolibri Immobilien GmbH	
lettable area	41,815 m²
built	2023

GERMANY
VGP Park Erfurt 3
BUILDING A

tenant	
Sonova Logistics Center Germany GmbH; LGI TechLog GmbH; Dachser SE Logistikzentrum Erfurt; VGP Renewable Energy S.à r.l.; VGP Renewable Energy Deutschland GmbH	
lettable area	29,183 m²
built	2023

GERMANY
VGP Park Berlin Oberkrämer
BUILDING A

tenant	
GLX Global Logistic Services GmbH; Neolymp GmbH; VGP Renewable Energy S.à r.l.; VGP Renewable Energy Deutschland GmbH	
lettable area	13,717 m²
built	2022

GERMANY
VGP Park Berlin Oberkrämer
BUILDING B

tenant	
BDSK Handels GmbH & Co. KG; VGP PM Services GmbH; VGP Renewable Energy S.à r.l.	
lettable area	11,502 m²
built	2022

GERMANY

VGP Park Berlin Oberkrämer

BUILDING C

tenant

Amazon Deutschland E14 Transport GmbH

lettable area	9,086 m^2
built	2022

GERMANY

VGP Park Berlin Oberkrämer

BUILDING D

tenant

Rieck Logistik Berlin Nord GmbH & Co. KG i.G.;
Rieck Fulfillment Solutions Berlin Nord GmbH & Co. KG;
VGP Renewable Energy S.à r.l.

lettable area	24,223 m^2
built	2022, 2023

GERMANY

VGP Park Berlin Oberkrämer

BUILDING E

tenant

BTG Internationale Spedition GmbH; Toussaint Berlin GmbH

lettable area	10,511 m^2
built	2023

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	65,221 m^2
built	acquired 2022

GERMANY

VGP Park Hochheim

BUILDING A

tenant

Vicampo.de GmbH; VGP Renewable Energy Deutschland GmbH; VGP Renewable Energy S.à r.l.

lettable area	12,025 m^2
built	2023

GERMANY

VGP Park Gießen Am alten Flughafen

BUILDING A1

tenant

Zalando Logistics Gießen SE & Co. KG; VGP Renewable Energy S.à r.l.; VGP Renewable Energy Deutschland GmbH

lettable area	124,922 m^2
built	2023

GERMANY

VGP Park Gießen Am alten Flughafen

BUILDING B

tenant

UPS SCS GmbH & Co. KG; Rhenus Warehousing Solutions SE & Co. KG; VGP Renewable Energy S.à r.l.

lettable area	59,150 m^2
built	2023

GERMANY

VGP Park Rüsselsheim

AREAL K

tenant

Opel Automobile GmbH

lettable area	181,787 m^2
built	acquired 2023

GERMANY

VGP Park Rüsselsheim

AREAL M

tenant	
Opel Automobile GmbH	
lettable area	185,516 m^2
built	acquired 2023

GERMANY

VGP Park Rüsselsheim

AREAL M2/M100

tenant	
Opel Automobile GmbH	
lettable area	24,446 m^2
built	acquired 2023

GERMANY

VGP Park Rüsselsheim

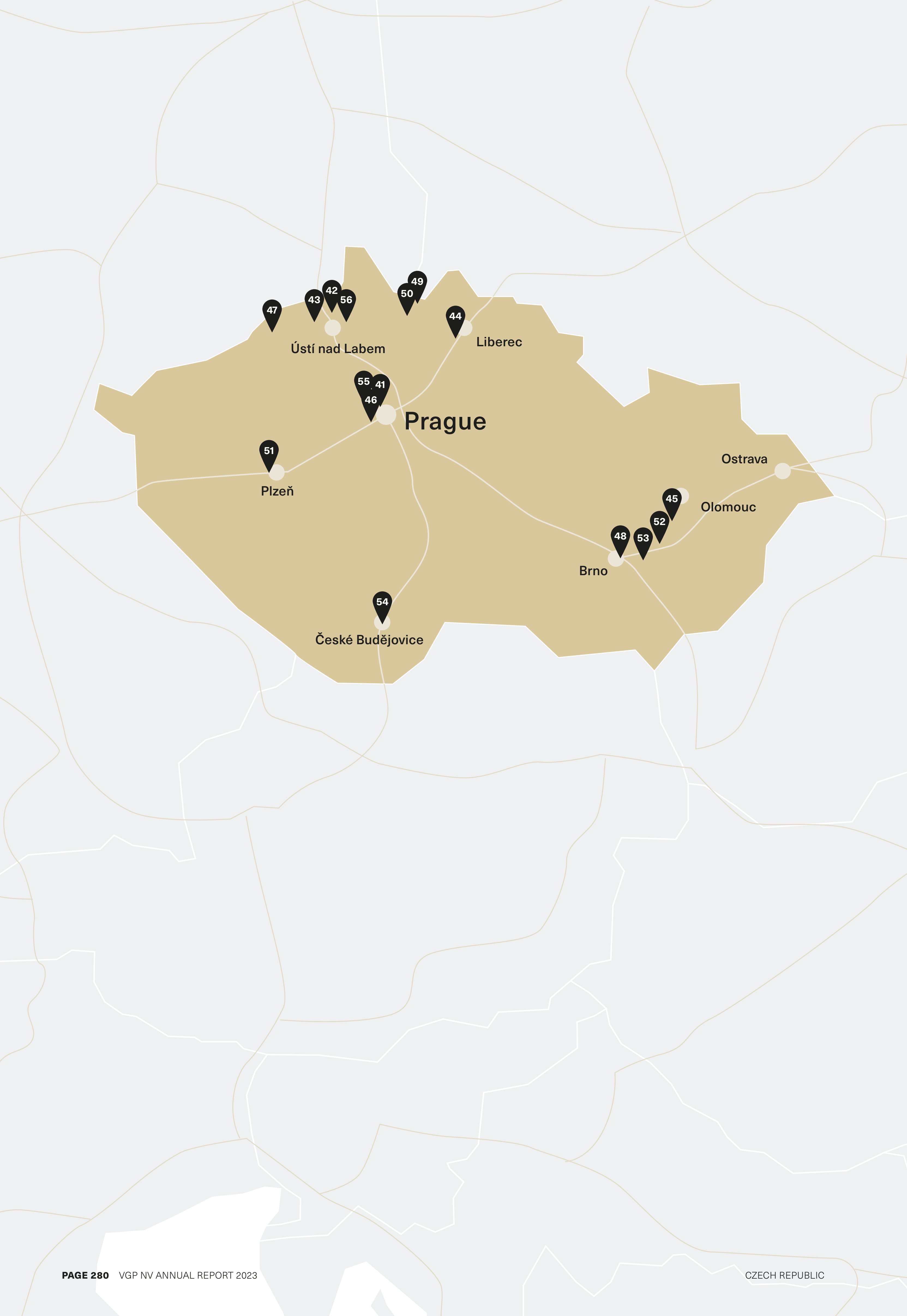
AREAL P

tenant	
Opel Automobile GmbH	
lettable area	30,008 m^2
built	acquired 2023

VGP Park Gießen-Lützellinden, Germany

VGP Park	Owner	Land area *(m²)*	Lettable area *(m²)*				Contracted annual rent *(in million €)*
			Completed	Under construction	Potential	Total	
VGP Park Erfurt	VGP	50,265	26,214	—	—	26,214	1.27
VGP Park Erfurt 2	VGP	76,443	41,815	—	—	41,815	2.15
VGP Park Erfurt 3	VGP	46,840	29,183	—	—	29,183	1.71
VGP Park Halle	VGP	165,888	86,044	—	—	86,044	4.10
VGP Park Halle 2	VGP	50,826	14,862	—	11,533	26,395	0.99
VGP Park Leipzig Flughafen	VGP	47,361	16,298	—	—	16,298	0.91
VGP Park Hamburg 4	VGP	32,362		—	9,700	9,700	0.00
VGP Park Hochheim	VGP	25,308	12,025	—	—	12,025	0.76
VGP Park Koblenz	VGP	63,602		32,377	—	32,377	2.03
VGP Park Leipzig Flughafen 2	VGP	449,253		—	209,461	209,461	0.00
VGP Park Nürnberg	VGP	383,448	65,221	—	89,666	154,887	5.33
VGP Park Rostock	VGP	105,217	20,447	—	24,419	44,866	0.50
VGP Park Rüsselsheim – Areal K	VGP	892,595	181,787	—	96,480	278,267	3.22
VGP Park Rüsselsheim – Areal M	VGP	448,485	209,962	—	177,230	387,192	4.28
VGP Park Rüsselsheim – Areal P	VGP	64,670	30,008	—	12,000	42,008	0.65
VGP Park Wiesloch-Walldorf	VGP	211,064	—	54,989	63,936	118,925	2.44
Total VGP		**3,113,627**	**733,867**	**87,366**	**694,425**	**1,515,658**	**30.35**

VGP Park	Owner	Land area *(m²)*	Lettable area *(m²)*				Contracted annual rent *(in million €)*
			Completed	Under construction	Potential	Total	
VGP Park Berlin Oberkrämer	JV5	204,512	69,039	—	—	69,039	5.19
VGP Park Gießen Am alten Flughafen	JV5	316,866	184,072	67,433	—	251,505	16.28
VGP Park Göttingen 2	JV5	173,375	86,203	—	—	86,203	5.33
VGP Park Laatzen	JV5	284,927	139,835	—	—	139,835	10.44
VGP Park Magdeburg	JV5	604,858	238,663	74,045	—	312,708	15.67
VGP Park Siegen	VGP Park Siegen JV	34,035	—	—	20,976	20,976	0.00
VGP Park Berlin	JV1	46,540	23,853	—	—	23,853	1.29
VGP Park Berlin 2	JV1	187,455	89,454	—	—	89,454	4.38
VGP Park Berlin 3	JV1	225,034	70,277		9,950	80,227	4.15
VGP Park Berlin 4	JV1	54,816	17,337	—	4,879	22,216	1.09
VGP Park Berlin Wustermark	JV1	132,680	71,721	—	—	71,721	3.88
VGP Park Bingen	JV1	15,000	6,400	—	—	6,400	0.49
VGP Park Bischofsheim	JV1	13,457	6,659	—	—	6,659	0.55
VGP Park Bobenheim-Roxheim	JV1	56,643	23,271	—	—	23,271	1.88
VGP Park Borna	JV1	42,533	13,618	—	—	13,618	0.93
VGP Park Buseck	JV1	36,549	17,357	—	—	17,357	1.01
VGP Park Chemnitz	JV1	40,421	12,591	—	—	12,591	1.15
VGP Park Dresden	JV1	32,383	20,285	—	—	20,285	0.94
VGP Park Einbeck	JV1	20,300	8,883	—	—	8,883	0.71
VGP Park Frankenthal	JV1	174,282	146,898	—	—	146,898	9.39
VGP Park Ginsheim	JV1	59,845	35,799	—	—	35,799	2.61
VGP Park Göttingen	JV1	138,297	81,382	—	—	81,382	3.47
VGP Park Hamburg	JV1	271,843	114,742	—	—	114,742	7.49
VGP Park Hamburg 2	JV1	213,918	107,515	—	—	107,515	6.27
VGP Park Hamburg 3	JV1	51,351	23,680	—	—	23,680	1.23
VGP Park Höchstadt	JV1	45,680	15,002	—,	—	15,002	0.95
VGP Park Leipzig	JV1	105,885	46,389	—	—	46,389	2.66
VGP Park Lützellinden	JV1	23,379	14,156	—	—	14,156	1.15
VGP Park Rodgau	JV1	216,543	103,874	—	—	103,874	6.47
VGP Park Schwalbach	JV1	19,587	8,387	—	—	8,387	0.55
VGP Park Soltau	JV1	119,868	55,813	—	—	55,813	1.88
VGP Park Wetzlar	JV1	67,336	38,259	—	—	38,259	2.23
VGP Park München	JV3	644,158	276,003	—	37,878	313,881	26.23
Total Joint Ventures		**4,674,356**	**2,167,415**	**141,478**	**73,683**	**2,382,576**	**147.96**
VGP Park Berlin Bernau	Committed	141,160	—	—	70,618	70,618	0.00
VGP Park Steinbach	Committed	10,630	—	—	7,214	7,214	1.07
Total Committed		**151,790**	**—**	**—**	**77,832**	**77,832**	**1.07**
Total Germany		**7,939,773**	**2,901,282**	**228,844**	**845,940**	**3,976,066**	**179.38**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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 m²
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	29,609 m²
built	2018

CZECH REPUBLIC

VGP Park Hrádek nad Nisou

BUILDING 6

tenant	
Drylock Technologies s.r.o.; VGP Renewable Energy 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 m^2
built	2017

CZECH REPUBLIC

VGP Park Olomouc

BUILDING B

tenant	
John Crane a.s.	
lettable area	12,029 m^2
built	2017

CZECH REPUBLIC

VGP Park Olomouc

BUILDING C

tenant	
SGB Czech Trafo s.r.o.; Edwards, s.r.o.	
lettable area	11,429 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	
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; Pilulka Lékárny a.s.; FM ČESKÁ, s.r.o.; HVM PLASMA, spol. s r.o.	
lettable area	23,283 m^2
built	2021

CZECH REPUBLIC

VGP Park Olomouc

BUILDING J

tenant	
GBC Solino s.r.o.	
lettable area	14,331 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.; Vodafone Czech Republic a.s.
lettable area	65,889 m²
built	2022

CZECH REPUBLIC

VGP Park Pilsen

BUILDING A

tenant	ASSA ABLOY ES Production s.r.o.; Mraknet s.r.o.
lettable area	8,711 m²
built	2014

CZECH REPUBLIC

VGP Park Pilsen

BUILDING B

tenant	FAIVELEY TRANSPORT CZECH a.s.
lettable area	21,918 m²
built	2015

CZECH REPUBLIC

VGP Park Pilsen

BUILDING C

tenant	Excell Czech s.r.o.; FAIVELEY TRANSPORT CZECH a.s.
lettable area	9,868 m²
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 m²
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 m²
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 m²
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 m²
built	2014–2017

CZECH REPUBLIC

VGP Park Ústí nad Labem

BUILDING P1

tenant	
JOTUN CZECH a.s.; Zebra Technologies CZ s.r.o.	
lettable area	5,368 m²
built	2014

CZECH REPUBLIC

VGP Park Ústí nad Labem

BUILDING P2

tenant	
n/a	
lettable area	6,368 m²
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

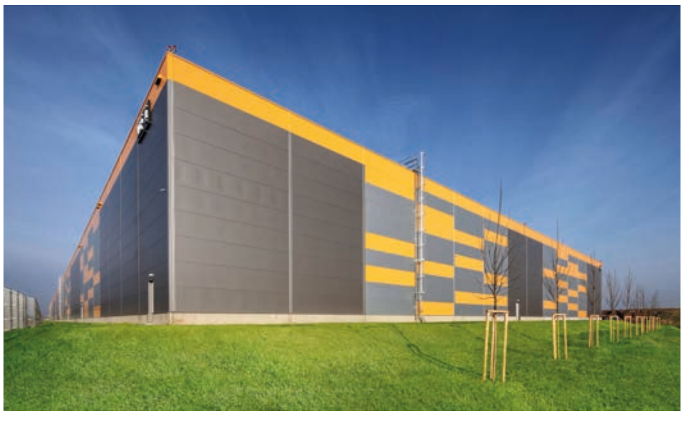
tenant	
JOTUN CZECH a.s.; SUTA s.r.o.	
lettable area	3,503 m^2
built	2020

CZECH REPUBLIC

VGP Park Ústí nad Labem

BUILDING P6

tenant	
SSI Technologies s.r.o.	
lettable area	10,883 m^2
built	2015, 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	15,570 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 m^2
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	15,806 m^2
built	2022

CZECH REPUBLIC

VGP Park Kladno

BUILDING B

tenant	
Kvadrat Czech Republic s.r.o.	
lettable area	11,193 m²
built	2022

CZECH REPUBLIC

VGP Park České Budějovice

BUILDING C

tenant	
DACHSER Czech Republic a.s.	
lettable area	9,424 m²
built	2022

CZECH REPUBLIC

VGP Park České Budějovice

BUILDING D

tenant	
DACHSER Czech Republic a.s.	
lettable area	14,004 m²
built	2023

CZECH REPUBLIC

VGP Park Ústí nad Labem City

BUILDING A

tenant	
Bosal Aftermarket Europe, spol. s r.o.; Exyte Technology CZ s.r.o.	
lettable area	22,813 m²
built	2023

VGP Park Olomouc, Czech Republic

VGP Park	Owner	Land area *(m²)*	Lettable area *(m²)*				Contracted annual rent *(in million €)*
			Completed	Under construction	Potential	Total	
VGP Park Kladno	VGP	68,705	26,999	—	—	26,999	1.66
VGP Park Prostějov	VGP	139,661	40,385	10,351	—	50,736	2.10
VGP Park Vyškov	VGP	54,353	28,868	—	—	28,868	1.10
VGP Park České Budějovice	VGP	438,620	23,428	—	107,357	130,785	1.37
VGP Park Ústí nad Labem City	VGP	108,000	22,813	29,309	—	52,122	2.17
Total VGP		**809,339**	**142,493**	**39,660**	**107, 357**	**289,510**	**8.41**
VGP Park Brno	JV1	63,974	35,485	—	—	35,485	2.18
VGP Park Český Újezd	JV1	45,383	15,542	—	—	15,542	0.83
VGP Park Chomutov	JV1	106,791	57,210	—	—	57,210	3.00
VGP Park Hrádek nad Nisou	JV1	180,638	87,818	—	—	87,818	5.77
VGP Park Hrádek nad Nisou 2	JV1	105,082	30,215	—	—	30,215	1.71
VGP Park Jeneč	JV1	173,859	69,889	—	—	69,889	2.86
VGP Park Liberec	JV1	36,062	11,436	—	2,304	13,740	0.62
VGP Park Olomouc 1	JV1	28,490	12,117	—	—	12,117	0.74
VGP Park Olomouc 2	JV1	54,647	19,859	—	—	19,859	0.76
VGP Park Olomouc 3	JV1	175,313	70,103	8,665	—	78,768	4.25
VGP Park Olomouc 4	JV1	88,708	33,865	—	6,009	39,874	2.36
VGP Park Olomouc 5	JV1	132,567	65,889	—	—	65,889	3.29
VGP Park Plzeň	JV1	102,044	49,926	—	—	49,926	2.92
VGP Park Tuchoměřice	JV1	58,701	25,181	—	—	25,181	1.32
VGP Park Ústí nad Labem	JV1	123,519	40,981	—	—	40,981	2.40
Total Joint Ventures		**1,475,778**	**625,515**	**8,665**	**8,313**	**642,493**	**35.02**
VGP Park Malé Přítočno	Committed	80,042	—	—	32,013	32,013	—
VGP Park Kladno	Committed	67,205	—	—	20,749	20,749	—
Total Committed		**147,247**	**—**	**—**	**52,762**	**52,762**	**—**
Total Czech Republic		**2,432,364**	**768,008**	**48,325**	**168,432**	**984,765**	**43.43**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La Naval
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Burgos
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Zaragoza
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Barcelona
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Madrid
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Valencia
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63
Sevilla
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Spain

57 VGP Park San Fernado de Henares
58 VGP Park Lliçà d'Amunt
59 VGP Park Fuenlabrada
60 VGP Park Fuenlabrada 2
61 VGP Park Valencia Cheste
62 VGP Park Zaragoza
63 VGP Park Dos Hermanas
64 VGP Park Sevilla Ciudad de la Imagen
65 VGP Park Granollers
66 VGP Park Martorell
67 VGP Park La Naval
68 VGP Park Burgos
69 VGP Park Alicante
70 VGP Park Córdoba
71 VGP Park Belartza

SPAIN

VGP Park Lliça d'Amunt

BUILDING A

tenant	
Picking Farma S.A.U.	
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.; Staci Logistics Spain, 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	22,195 m^2
built	2020

SPAIN

VGP Park San Fernando de Henares

BUILDING A

tenant	
ThyssenKrupp Elevadores, S.L.U.; Rhenus Logistics S.A.U.; Noatum Logistics Spain, 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.; Logwin Solutions Spain, S.A.	
lettable area	19,671 m²
built	2019

SPAIN

VGP Park San Fernando de Henares

BUILDING B2

tenant	
Rhenus Logistics, S.A.U.	
lettable area	12,267 m²
built	2019

SPAIN

VGP Park San Fernando de Henares

BUILDING C1

tenant	
Huawei Technologies Espana, S.L.	
lettable area	7,947 m²
built	2020

SPAIN

VGP Park San Fernando de Henares

BUILDING C2

tenant	
Areatrans S.A.	
lettable area	5,165 m²
built	2020

SPAIN

VGP Park San Fernando de Henares

BUILDING D1

tenant	
Paack Logistics Iberia, S.L.U.	
lettable area	11,453 m²
built	2021

SPAIN

VGP Park San Fernando de Henares

BUILDING D2

tenant	
Picking Farma, S.A.U.	
lettable area	27,579 m^2
built	2023

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 m^2
built	2022

SPAIN

VGP Park Zaragoza

BUILDING C1

tenant	
Kuehne & Nagel, S.A.	
lettable area	22,556 m^2
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	29,091 m^2
built	2022

VGP Park	Owner	Land area *(m²)*	Lettable area *(m²)*				Contracted annual rent *(in million €)*
			Completed	Under construction	Potential	Total	
VGP Park Alicante	VGP	41,834	—	—	24,528	24,528	0.00
VGP Park Burgos	VGP	128,190	—	—	78,264	78,264	0.00
VGP Park Córdoba	VGP	35,986	—	7,218	15,419	22,637	0.00
VGP Park Fuenlabrada 2	VGP	65,005	—	—	23,363	23,363	0.00
VGP Park La Naval	VGP	225,792	—	—	109,409	109,409	0.02
VGP Park Martorell	VGP	18,235	—	—	10,102	10,102	0.00
VGP Park Sevilla Ciudad de la Imagen	VGP	54,712	—	—	28,587	28,587	0.00
Total VGP		**569,753**	**—**	**7,218**	**289,673**	**296,891**	**0.02**
VGP Park Dos Hermanas	JV2	103,000	29,091	—	25,739	54,829	1.18
VGP Park Fuenlabrada	JV2	80,223	41,752	—	—	41,752	2.12
VGP Park Granollers	JV2	14,385	8,920	—	—	8,920	0.59
VGP Park Lliçà d'Amunt	JV2	149,597	75,208	—	—	75,208	4.99
VGP Park San Fernando de Henares	JV2	222,713	119,219	—	—	119,219	7.57
VGP Park Valencia Cheste	JV2	113,104	39,586	—	25,517	65,103	1.85
VGP Park Zaragoza	JV2	147,495	75,618	—	19,146	94,764	3.75
VGP Park Belartza	VGP Park Belartza JV	145,215		—	63,640	63,640	0.00
Total Joint Ventures		**975,732**	**389,395**	**—**	**134,042**	**523,437**	**22.05**
Total Spain		**1,545,486**	**389,395**	**7,218**	**423,715**	**820,327**	**22.07**

Other european countries

Portugal

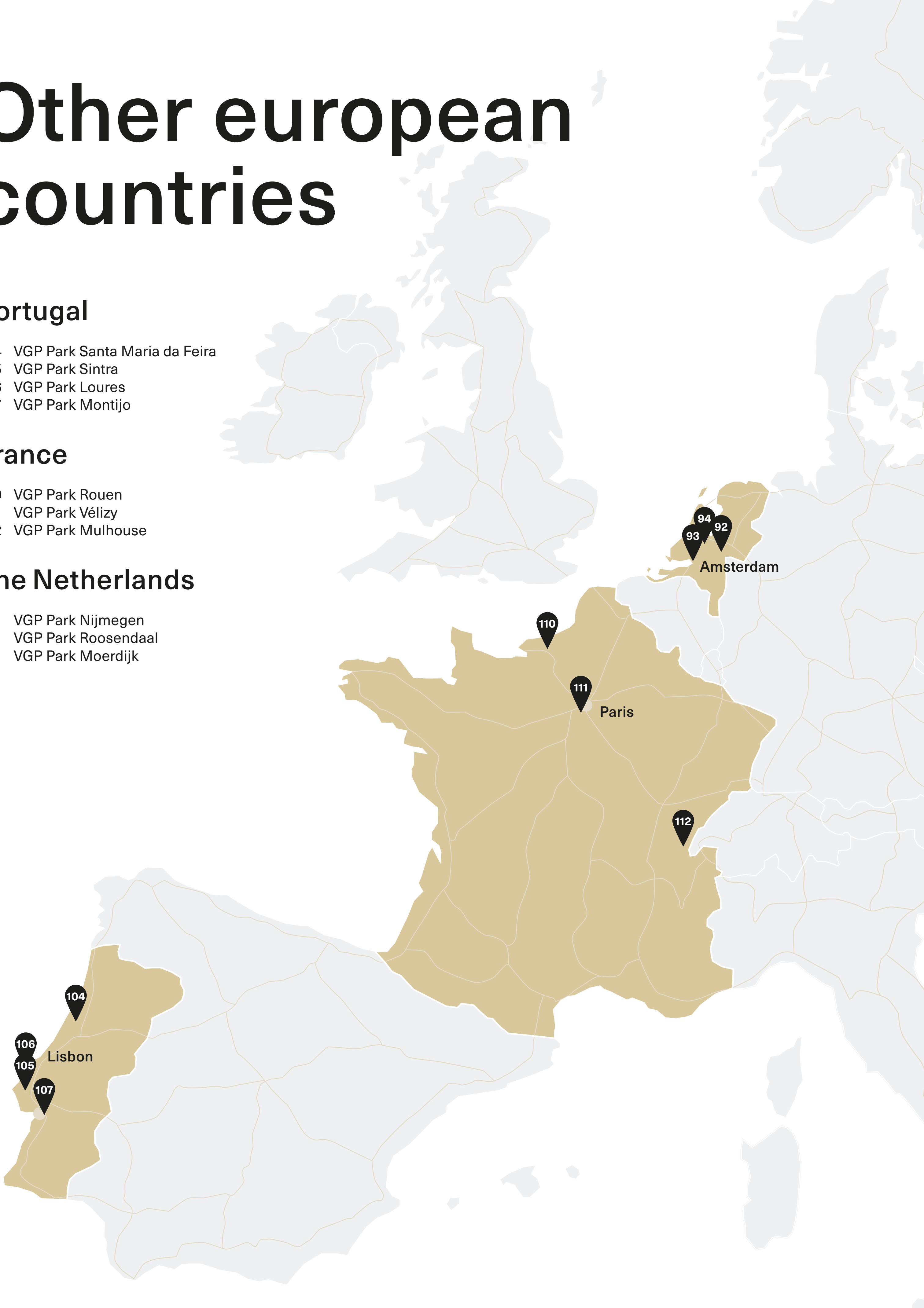
104 VGP Park Santa Maria da Feira
105 VGP Park Sintra
106 VGP Park Loures
107 VGP Park Montijo

France

110 VGP Park Rouen
111 VGP Park Vélizy
112 VGP Park Mulhouse

The Netherlands

92 VGP Park Nijmegen
93 VGP Park Roosendaal
94 VGP Park Moerdijk



Latvia

72 VGP Park Kekava
73 VGP Park Riga
74 VGP Park Tiraines

Romania

75 VGP Park Timișoara
76 VGP Park Sibiu
77 VGP Park Brașov
78 VGP Park Arad
79 VGP Park Bucharest

Hungary

80 VGP Park Győr
81 VGP Park Győr Béta
82 VGP Park Alsónémedi
83 VGP Park Hatvan
84 VGP Park Kecskemét
85 VGP Park Budapest Aerozone

Slovakia

86 VGP Park Malacky
87 VGP Park Bratislava
88 VGP Park Zvolen

Austria

89 VGP Park Graz
90 VGP Park Laxenburg
91 VGP Park Ehrenfeld

Italy

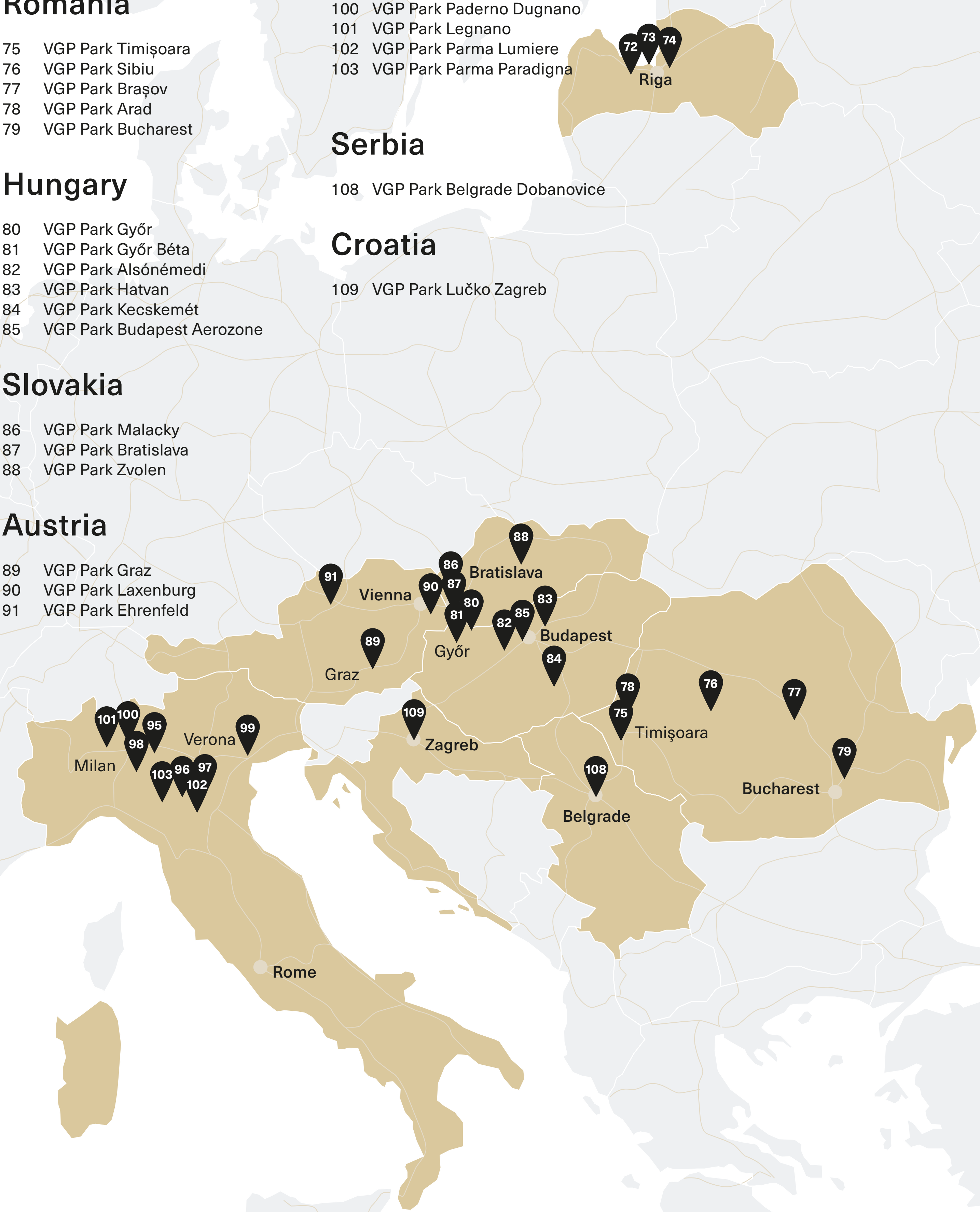
95 VGP Park Calcio
96 VGP Park Valsamoggia
97 VGP Park Valsamoggia 2
98 VGP Park Sordio
99 VGP Park Padova
100 VGP Park Paderno Dugnano
101 VGP Park Legnano
102 VGP Park Parma Lumiere
103 VGP Park Parma Paradigna

Serbia

108 VGP Park Belgrade Dobanovice

Croatia

109 VGP Park Lučko Zagreb



HUNGARY

VGP Park Alsónémedi

BUILDING A1.1

tenant

Nagel Hungária Logisztikai Kft.

lettable area	22,905 m^2
built	2016

HUNGARY

VGP Park Alsónémedi

BUILDING A2

tenant

Magyar Lapterjesztő ZRT

lettable area	8,774 m^2
built	2022

HUNGARY

VGP Park Győr

BUILDING A

tenant

SKINY Logisztikai Kft.; WSZL Kft.;
Gebrüder Weiss Szállítmányozási Kft.

lettable area	20,290 m^2
built	2009

HUNGARY

VGP Park Győr

BUILDING B

tenant

Lear Corporation Hungary Kft.; TI Automotive (Hungary) Kft.

lettable area	24,742 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 m²
built	2022

HUNGARY

VGP Park Kecskemét

BUILDING A

tenant

Andreas Schmid Kontrakt Logistik GmbH & Co. KG; Bohnenkamp Kft.; Cargoport Kft.; Mercedes-Benz Manufacturing Hungary Kft.

lettable area	21,937 m²
built	2022

HUNGARY

VGP Park Kecskemét

BUILDING B

tenant

HunTex Recycling Kft.

lettable area	17,046 m²
built	2020

HUNGARY

VGP Park Kecskemét

BUILDING C

tenant

P-Development Vagyonkezelő Kft.

lettable area	20,149 m²
built	2023

HUNGARY

VGP Park Hatvan

BUILDING A1

tenant

LKH LEONI Kft.

lettable area	16,664 m²
built	2019

HUNGARY
VGP Park Budapest Aerozone
BUILDING B.1

tenant	
BOXY Logisztikai Zrt.	
lettable area	11,015 m²
built	2022

HUNGARY
VGP Park Budapest Aerozone
BUILDING C1.1

tenant	
Agroloop Hungary Kft.	
lettable area	13,544 m²
built	2023

SLOVAKIA
VGP Park Malacky
BUILDING A

tenant	
Benteler Automotive SK s.r.o.; SPP – distribuce, a.s.	
lettable area	14,863 m²
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 m²
built	2016

SLOVAKIA
VGP Park Malacky
BUILDING C

tenant	
FROMM SLOVAKIA, a.s.; Molandertech s.r.o.	
lettable area	15,255 m²
built	2015

SLOVAKIA

VGP Park Malacky

BUILDING D

tenant	
Volkswagen Konzernlogistik GmbH & Co. OHG	
lettable area	25,692 m²
built	2015

SLOVAKIA

VGP Park Malacky

BUILDING E1

tenant	
IDEAL Automotive Malacky, s.r.o.	
lettable area	12,756 m²
built	2016

SLOVAKIA

VGP Park Bratislava

BUILDING A

tenant	
Dirks Consumer Slovakia GmbH, org. zložka	
lettable area	43,361 m²
built	2022

SLOVAKIA

VGP Park Bratislava

BUILDING F

tenant	
Continental Barum s.r.o.	
lettable area	57,328 m²
built	2021

SLOVAKIA

VGP Park Bratislava

BUILDING G

tenant	
Coca-Cola HBC Česko a Slovensko, s.r.o.; Hossa family, s.r.o.; HOLLEX SLOVAKIA, s.r.o.	
lettable area	19,201 m²
built	2023

SLOVAKIA

VGP Park Bratislava

BUILDING H

tenant	
Geis SK s.r.o.	
lettable area	18,354 m²
built	2022

LATVIA

VGP Park Kekava

BUILDING A

tenant	
SIA “BMJ Latvia”; Hanzas Maiznīca AS; SIA “CONSTRUCTION TRADE”, MDL Terminal SIA; Power Solution SIA; GRIPsteel SIA; Energokomplekss SIA; JAS Worldwide Latvia SIA; VILKS SIA	
lettable area	35,841 m²
built	2018

LATVIA

VGP Park Kekava

BUILDING B

tenant	
MMD Serviss SIA	
lettable area	26,988 m²
built	2019

LATVIA

VGP Park Riga

BUILDING B

tenant	
DO IT SIA	
lettable area	41,816 m²
built	2022

LATVIA

VGP Park Tiraines

BUILDING A

tenant	
EUGESTA un Partneri SIA; TeleTower SIA	
lettable area	28,897 m²
built	2023

ROMANIA
VGP Park Timişoara
BUILDING A1

tenant	
QUEHENBERGER LOGISTICS ROU SRL	
lettable area	17,613 m²
built	2016

ROMANIA
VGP Park Timişoara
BUILDING A2

tenant	
FAN COURIER EXPRESS SRL; ITC LOGISTIC ROMANIA S.R.L.; KLG Europe Logistics SRL; INTER CARS ROMANIA SRL	
lettable area	18,085 m²
built	2017

ROMANIA
VGP Park Timişoara
BUILDING B1

tenant	
UPS Romania S.R.L.; World Media Trans S.R.L.; Acila SRL; Ericsson Antenna Technology Romania S.R.L.; ITC LOGISTIC ROMANIA S.R.L., DUMERA S.R.L.; EUTRON ELECTRONIC SERVICES S.R.L.; EKOL INTERNATIONAL LOGISTICS S.R.L	
lettable area	17,976 m²
built	2015

ROMANIA
VGP Park Timişoara
BUILDING B2

tenant	
DHL Freight 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 m²
built	2016

ROMANIA
VGP Park Timişoara
BUILDING C1

tenant	
cargo-partner Expeditii S.R.L.; EUROCCOPER S.A.; DELIVERY SOLUTIONS S.A.; DYNAMIC PARCEL DISTRIBUTION S.A.	
lettable area	21,879 m²
built	2019

ROMANIA

VGP Park Timişoara

BUILDING C2

tenant	
Hafele Romania SRL; SYNTRONIC PRODUCTION AND AFTERMARKET SERVICES S.R.L.; CONTINENTAL AUTOMOTIVE PRODUCTS SRL; Ericsson Anteena Technology Romania SRL; DHL International Romania SRL	
lettable area	21,581 m^2
built	2019

ROMANIA

VGP Park Timişoara

BUILDING D

tenant	
RPW LOGISTICS SRL; World Media Trans S.R.L.	
lettable area	30,775 m^2
built	2021

ROMANIA

VGP Park Brasov

BUILDING A

tenant	
ECOPAL DISTRIBUTION SRL; DACHSER ROMANIA SRL; NEFAB PACKAGING ROMANIA SRL; DRIM DANIEL DISTRIBUȚIE FMCG SRL; OLSTRAL HPT SRL; TRADY 2000 SRL; COS 2000 DISTRIBUTION SRL; KARL HEINZ DIETRICH INTERNATIONAL EXPED SRL; ITC LOGISTIC ROMANIA SRL; TRANSMEC RO SRL; AUTOLIV ROMANIA SRL	
lettable area	28,956 m^2
built	2023

ROMANIA

VGP Park Brasov

BUILDING B1

tenant	
AUTOLIV ROMANIA SRL	
lettable area	20,920 m^2
built	2023

ROMANIA

VGP Park Brasov

BUILDING E

tenant	
FILDAS TRADING SRL; ITC LOGISTIC ROMANIA S.R.L.	
lettable area	9,556 m^2
built	2021

ROMANIA

VGP Park Brasov

BUILDING I

tenant	
SCHENKER LOGISTICS ROMANIA S.A.; DYNAMIC PARCEL DISTRIBUTION SA; MIELE TEHNICA SRL; RETURO SISTEM GARANȚIE RETURNARE S.A.	
lettable area	17,465 m²
built	2023

ROMANIA

VGP Park Arad

BUILDING A

tenant	
KUEHNE + NAGEL S.R.L.; Fan Courier Express SRL; NDB LOGISTICA ROMANIA SRL; DYNAMIC PARCEL DISTRIBUTION SA; DRIM DANIEL DISTRIBUTIE FMCG SRL; Vodafone Romania SA; CAPS INDUSTRIES RO SRL	
lettable area	29,414 m²
built	2022

ROMANIA

VGP Park Sibiu

BUILDING B

tenant	
Englmayer Romania SRL; IKEA ROMANIA S.A.; SOMAREST SRL; VEL PITAR SA; TRANSMEC RO SRL	
lettable area	16,616 m²
built	2022

ROMANIA

VGP Park Bucharest

BUILDING C

tenant	
SELECT FRUITS SRL; GOLDEN PROVIDER DISTRIBUTION SRL; ASTON COM SA; ALASKA ENERGIES SRL; INTER CARS ROMANIA SRL	
lettable area	30,507 m²
built	2023

ROMANIA

VGP Park Bucharest

BUILDING D

tenant	
RAWPLUG ROMANIA SRL; S.C Würth Romania S.R.L.; TOMRA COLLECTION ROMANIA S.R.L.	
lettable area	15,699 m²
built	2023

AUSTRIA

VGP Park Graz

BUILDING A

tenant	
MAGNA Steyr Fahrzeugtechnik GmbH & Co. KG	
lettable area	16,537 m²
built	2017

AUSTRIA

VGP Park Graz

BUILDING B

tenant	
WeShip Fulfillment GmbH; LEVL GmbH; Johann Weiss GmbH	
lettable area	8,212 m²
built	2022

AUSTRIA

VGP Park Graz

BUILDING C

tenant	
Amazon Transport Austria GmbH	
lettable area	14,348 m²
built	2023

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; Albert Heijn B.V.- afdeling online	
lettable area	67,352 m²
built	2020

NETHERLANDS

VGP Park Nijmegen

BUILDING B1, B2

tenant	
Holding Geurtsen Thomassen B.V.; VGP Renewable Energy Netherlands BV	
lettable area	42,505 m²
built	2021

NETHERLANDS

VGP Park Nijmegen

BUILDING B3, B4

tenant	
VGP Renewable Energy Netherlands BV, Bol.com B.V.	
lettable area	62,520 m²
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 m²
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 m²
built	2020

NETHERLANDS

VGP Park Roosendaal

BUILDING B

tenant	
Loendersloot Global Logistics BV	
lettable area	9,294 m²
built	2023

ITALY

VGP Park Valsamoggia

BUILDING A

tenant	
Macron S.p.a.; VGP Renewable Energy Italy SRL	
lettable area	6,679 m²
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.; Consorzio Service Internation CSI; VGP Renewable Energy Italy SRL	
lettable area	23,303 m^2
built	2020

ITALY

VGP Park Sordio

BUILDING A

tenant	
General Logistics Systems Italy S.P.A; VGP Renewable Energy Italy SRL	
lettable area	12,035 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 m^2
built	2021

ITALY

VGP Park Padova

BUILDING B

tenant	
Gruppo Executive Societa Consortile a r.l.	
lettable area	7,246 m^2
built	2021

ITALY

VGP Park Parma Lumiere

BUILDING A

tenant	
GLS Enterprise s.r.l.	
lettable area	5,710 m^2
built	2022

PORTUGAL

VGP Park Santa Maria da Feira

BUILDING A

tenant	
Rádio Popular – Electrodomésticos, S.A.	
lettable area	29,813 m^2
built	2021

PORTUGAL

VGP Park Loures

BUILDING A

tenant	
DPD Portugal Transporte Expresso, S.A	
lettable area	12,606 m^2
built	2023

PORTUGAL

VGP Park Loures

BUILDING B

tenant	
DHL Parcel Portugal; Unipessoal, Lda.	
lettable area	7,143 m^2
built	2023

VGP Park	Owner	Land area *(m²)*	Lettable area *(m²)*				Contracted annual rent *(in million €)*
			Completed	Under construction	Potential	Total	
Latvia							
VGP Park Kekava	VGP	148,442	62,829	—	—	62,829	3.59
VGP Park Riga	VGP	119,031	41,816	—	14,060	55,876	2.31
VGP Park Tiraines	VGP	63,149	28,897	—	—	28,897	1.69
Total VGP		**330,622**	**133,542**	**—**	**14,060**	**147,602**	**7.59**
Romania							
VGP Park Timisoara	JV2	252,439	115,310	—	—	115,310	5.56
VGP Park Timisoara 2	JV2	40,285	30,775	—	—	30,775	1.35
VGP Park Arad	VGP	388,977	29,414	—	167,309	196,723	1.45
VGP Park Brașov	VGP	361,527	76,897	53,278	62,439	192,614	6.96
VGP Park Bucharest	VGP	248,289	46,206	—	71,989	118,195	3.41
VGP Park Bucharest 2	VGP	227,782	—	—	113,813	113,813	0.00
VGP Park Sibiu	VGP	217,232	16,616	—	77,329	93,945	0.99
VGP Park Timisoara 3	VGP	56,374	—	32,768	—	32,768	1.33
Total Joint Ventures		**292,724**	**146,085**	**—**	**—**	**146,085**	**6.91**
Total VGP		**1,500,181**	**169,133**	**86,046**	**492,879**	**748,058**	**14.13**
Hungary							
VGP Park Alsónémedi	JV1	85,349	31,679	—	4,900	36,579	2.00
VGP Park Győr	JV1	121,799	51,495	—	—	51,495	3.22
VGP Park Hatvan	VGP	37,808	16,664	—	—	16,664	1.10
VGP Park Budapest Aerozone	VGP	378,859	24,559	29,853	70,748	125,160	4.46
VGP Park Budapest Aerozone 2	VGP	372,798	—	—	136,314	136,314	0.00
VGP Park Győr Béta	VGP	142,294	13,915	37,998	19,740	71,653	3.98
VGP Park Hatvan	VGP	21,776			9,317	9,317	0.00
VGP Park Kecskemét	VGP	255,031	59,132	38,022	16,004	113,158	5.52
Total Joint Ventures		**207,148**	**83,174**	**—**	**4,900**	**88,074**	**5.22**
Total VGP		**1,208,566**	**114,270**	**105,873**	**252,123**	**472,266**	**15.06**
Slovakia							
VGP Park Malacky	JV1	220,492	88,615	—	16,006	104,621	4.99
VGP Park Bratislava	VGP	575,624	138,244	39,624	72,588	250,456	9.07
VGP Park Bratislava	Committed	239,517	—	—	119,101	119,101	0.00
VGP Park Bratislava 2	VGP	365,928	—	—	155,325	155,325	0.00
VGP Park Zvolen	VGP	102,074	—	8,480	43,698	52,178	0.59
Total Committed		**239,517**	**—**	**—**	**119,101**	**119,101**	**0.00**
Total Joint Ventures		**220,492**	**88,615**	**—**	**16,006**	**104,621**	**4.99**
Total VGP		**1,043,626**	**138,244**	**48,104**	**271,611**	**457,959**	**9.67**
Austria							
VGP Park Graz	JV2	38,239	16,537	—	—	16,537	1.41
VGP Park Ehrenfeld	VGP	189,367	—	33,146	47,398	80,544	1.63
VGP Park Graz 2	VGP	100,117	22,560	—	—	22,560	3.41
VGP Park Laxenburg	VGP	111,477	—	49,448	—	49,448	2.71
Total Joint Ventures		**38,239**	**16,537**	**—**	**—**	**16,537**	**1.41**
Total VGP		**400,961**	**22,560**	**82,594**	**47,398**	**152,552**	**7.75**

VGP Park	Owner	Land area (m^2)	Lettable area (m^2)				Contracted annual rent (in million €)
			Completed	Under construction	Potential	Total	
The Netherlands							
VGP Park Nijmegen	JV2	162,214	67,352	—	20,088	87,440	4.49
VGP Park Nijmegen 2	JV2	200,272	140,077	—	—	140,077	7.33
VGP Park Roosendaal	JV2	86,511	51,254	—	—	51,254	3.04
VGP Park Moerdijk	LPM JV	719,762	—	—	487,867	487,867	0.00
VGP Park Nijmegen 3	VGP	238,041	—	—	136,222	136,222	0.00
Total Joint Ventures		**1,168,759**	**258,683**	**—**	**507,955**	**766,638**	**14.86**
Total VGP		**238,041**	**—**	**—**	**136,222**	**136,222**	**0.00**
Italy							
VGP Park Verona	Committed	171,925	—	—	79,129	79,129	0.00
VGP Park Calcio	JV2	48,593	23,303	—	—	23,303	0.86
VGP Park Padova	JV2	50,091	22,547	—	—	22,547	1.61
VGP Park Parma Lumiere	JV2	18,865	5,710	—	—	5,710	0.56
VGP Park Sordio	JV2	26,811	12,035	—	—	12,035	1.00
VGP Park Valsamoggia	JV2	52,776	22,784	—	—	22,784	1.61
VGP Park Legnano	VGP	50,177	—	—	23,141	23,141	0.00
VGP Park Paderno Dugano	VGP	92,288	—	—	40,182	40,182	0.00
VGP Park Parma Paradigna	VGP	99,487	—	—	50,160	50,160	0.00
VGP Park Valsamoggia 2 (Lunga)	VGP	125,184	—	18,782	14,172	32,954	1.68
Total Committed		**171,925**	**—**	**—**	**79,129**	**79,129**	**0.00**
Total Joint Ventures		**197,136**	**86,380**	**—**	**—**	**86,380**	**5.64**
Total VGP		**367,136**	**—**	**18,782**	**127,654**	**146,437**	**1.68**
Portugal							
VGP Park Santa Maria da Feira	JV2	73,578	29,813	—	—	29,813	1.34
VGP Park Loures	VGP	51,526	19,749	—	—	19,749	1.66
VGP Park Montijo	VGP	75,550	—	31,789	—	31,789	1.25
VGP Park Sintra	VGP	57,368	—	—	25,802	25,802	0.00
Total Joint Ventures		**73,578**	**29,813**	**—**	**—**	**29,813**	**1.34**
Total VGP		**184,444**	**19,749**	**31,789**	**25,802**	**77,340**	**2.91**
Serbia							
VGP Park Belgrade – Dobanovci	VGP	1,160,544	—	76,938	385,996	462,934	4.57
Total VGP		**1,160,544**	**—**	**76,938**	**385,996**	**462,934**	**4.57**
Croatia							
VGP Park Zagreb Lučko	VGP	95,306	—	—	36,867	36,867	0.00
Total VGP		**95,306**	**—**	**—**	**36,867**	**36,867**	**0.00**
France							
VGP Park Mulhouse	VGP	213,472	—	—	93,127	93,127	0.00
VGP Park Rouen 1	VGP	81,468	—	39,330	—	39,330	2.17
VGP Park Rouen 2	VGP	78,115	—	—	34,412	34,412	0.00
VGP Park Rouen 3	VGP	161,708	—	—	79,996	79,996	0.00
VGP Park Vélizy	VGP	193,665	—	—	80,000	80,000	0.00
Total VGP		**728,428**	**—**	**39,330**	**287,535**	**326,865**	**2.17**
Denmark							
VGP Park Vejle	Committed	175,256	—	—	81,449	36,867	0.00
Total VGP		**175,256**	**—**	**—**	**81,449**	**81,449**	**0.00**

Financial review 2023

Content

Consolidated income statement

For the year ended 31 December 2023

Income Statement *(in thousand of €)*	**Note**	**31. 12. 2023**	**31. 12. 2022**
Revenue[1]	5	113,722	84,784
Gross rental and renewable energy income	5	**69,003**	**51,230**
Net property operating expenses	6	(5,534)	(8,223)
Net rental and renewable energy income		**63,469**	**43,007**
Joint venture management fee income	5	26,925	21,537
Net valuation gains/(losses) on investment properties[2]	7	87,958	(97,230)
Administration expenses	8	(48,863)	(33,956)
Share in result of Joint Ventures	9.1	(10,715)	(45,927)
Other expenses		—	(3,000)
Operating result		**118,774**	**(115,569)**
Financial income	10	34,076	17,329
Financial expenses	10	(40,107)	(44,337)
Net financial result		**(6,031)**	**(27,008)**
Result before taxes		**112,743**	**(142,577)**
Taxes	11	(25,451)	20,035
Result for the period		**87,292**	**(122,542)**
Attributable to:			
Shareholders of VGP NV		87,292	(122,542)
Non-controlling interests		—	—

Earnings Per Share[3] *(in €)*	**Note**	**31. 12. 2023**	**31. 12. 2022**
Basic earnings per share	12	3.20	(5.49)
Diluted earnings per share	12	3.20	(5.49)

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 Includes realized gains on disposals of subsidiaries of € 59 million in '23 and € 87.2 million in '22
3 Calculated based on the weighted average number of shares amounting to 22,311,583 shares as at 31 December 2022. The total issued shares at year-end 2022 and for the full year 2023 were 27,291,312 shares.

Consolidated statement of comprehensive income

For the year ended 31 December 2023

Statement of comprehensive income *(in thousand of €)*	**31. 12. 2023**	**31. 12. 2022**
Result for the year	87,292	(122,542)
Other comprehensive income to be reclassified to profit or loss	—	—
Other comprehensive income not to be reclassified to profit or loss	—	—
Other comprehensive income for the period	—	—
Total comprehensive income/(loss) of the period	**87,292**	**(122,542)**
Attributable to:		
Shareholders of VGP NV	87,292	(122,542)
Non-controlling interest	—	—

Consolidated balance sheet

For the year ended 31 December 2023

Assets *(in thousand of €)*	**Note**	**31. 12. 2023**	**31. 12. 2022**
Intangible assets		1,000	1,200
Investment properties	13	1,508,984	2,395,702
Property, plant and equipment		107,426	73,280
Investments in Joint Ventures and associates	9.2, 9.4	1,037,228	891,201
Other non-current receivables	9.3	565,734	359,644
Deferred tax assets	11	8,304	3,839
Total non-current assets		**3,228,676**	**3,724,866**
Trade and other receivables	14	79,486	122,113
Cash and cash equivalents	15	209,921	699,168
Disposal group held for sale	20	892,621	299,906
Total current assets		**1,182,028**	**1,121,187**
Total Assets		**4,410,704**	**4,846,053**

Shareholders' Equity and Liabilities *(in thousand of €)*	**Note**	**31. 12. 2023**	**31. 12. 2022**
Share capital	16	105,676	105,676
Share premium	16	845,579	845,579
Retained earnings		1,263,162	1,250,920
Shareholders' equity		**2,214,417**	**2,202,175**
Non-current financial debt	17	1,885,154	1,960,464
Other non-current liabilities	18	38,085	46,419
Deferred tax liabilities	11	23,939	79,671
Total non-current liabilities		**1,947,178**	**2,086,554**
Current financial debt	17	111,750	413,704
Trade debts and other current liabilities	19	84,075	110,676
Liabilities related to disposal group held for sale	20	53,284	32,944
Total current liabilities		**249,109**	**557,324**
Total liabilities		**2,196,287**	**2,643,878**
Total Shareholders' Equity and liabilities		**4,410,704**	**4,846,053**

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

Statement of changes in equity

For the year ended 31 December 2023

Statement of changes in equity *(in thousand of €)*	**Statutory**	**Capital reserve**	**IFRS**	**Other reserves**	**Retained earnings**	**Total equity**
Balance as at 1 January 2022	**108,874**	**(30,416)**	**78,458**	**574,088**	**1,523,019**	**2,175,565**
Other comprehensive income/(loss)	—	—	—	—	—	—
Result of the period	—	—	—	—	(122,542)	(122,542)
Effect of disposals	—	—	—	—	—	—
Total comprehensive income/(loss)	**—**	**—**	**—**	**—**	**(122,542)**	**(122,542)**
Capital and share premium increase net of transaction costs	27,218	—	27,218	271,491	—	298,709
Share capital distribution to shareholders	—	—	—	—	—	—
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**
Balance as at 1 January 2023	**136,092**	**(30,416)**	**105,676**	**845,579**	**1,250,920**	**2,202,175**
Other comprehensive income/(loss)	—	—	—	—	—	—
Result of the period	—	—	—	—	87,292	**87,292**
Effect of disposals	—	—	—	—	—	—
Total comprehensive income/(loss)	**—**	**—**	**—**	**—**	**87,292**	**87,292**
Capital and share premium increase net of transaction costs		—	—		—	—
Share capital distribution to shareholders	—	—	—	—	—	—
Dividends	—	—	—	—	(75,050)	**(75,050)**
Balance as at 31 December 2023	**136,092**	**(30,416)**	**105,676**	**845,579**	**1,263,162**	**2,214,417**

Consolidated cashflow statement

For the year ended 31 December 2023

Cash flow statement *(in thousand of €)*	**Note**	**31. 12. 2023**	**31. 12. 2022**
Cash flows from operating activities	21		
Result before taxes		112,743	(142,577)
Adjustments for:			
Depreciation		5,920	4,479
Unrealised (gains)/losses on investment properties	7	(28,938)	184,447
Realised (gains)/losses on disposal of subsidiaries and investment properties	7	(59,020)	(87,217)
Unrealised (gains)/losses on financial instruments and foreign exchange		(73)	1,426
Interest (income)		(34,003)	(17,329)
Interest expense		40,107	42,911
Share in (profit)/loss of Joint Ventures and associates	9.1	10,715	45,927
Operating profit before changes in working capital and provisions		**47,451**	**32,067**
Decrease/(Increase) in trade and other receivables		(20,773)[1]	(43,215)[2]
(Decrease)/Increase in trade and other payables		12,532	(12,632)
Cash generated from the operations		**39,210**	**(23,780)**
Interest received		6,713	24
Interest paid		(57,331)	(39,292)
Income taxes paid		(15,923)	(7,590)
Net cash generated from operating activities		**(27,331)**	**(70,638)**
Cash flows from investing activities	21		
Proceeds from disposal of tangible assets and other		—	—
Proceeds from disposal of subsidiaries and investment properties	22	676,245	347,372
Investments in Investment Property and Property Plant and Equipment		(667,015)	(851,792)
Distribution by/(investment in) Joint Ventures and associates		12,823	21,382
Loans provided to Joint Ventures and associates		(99,371)	(108,443)
Loans repaid by Joint Ventures and associates		69,241	25,331
Net cash used in investing activities		**(8,078)**	**(566,150)**
Cash flows from financing activities	21		
Dividends paid		(75,050)	(149,557)
Net Proceeds/(cash out) from the issue/(repayment) of share capital		—	298,709
Net Proceeds from sale of own shares		—	—
Proceeds from loans		—	990,749
Loan repayments		(375,000)	(23,500)
Net cash used in financing activities		**(450,050)**	**1,116,401**
Net increase/(decrease) in cash and cash equivalents		**(485,459)**	**479,613**
Cash and cash equivalents at the beginning of the period		699,168	222,160
Effect of exchange rate fluctuations		(569)	(157)
Reclassification to (–)/from held for sale		(3,219)	(2,448)
Cash and cash equivalents at the end of the period		**209,921**	**699,168**

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

1 The movement on the receivables due to the sale of entities to the Joint Ventures amount € -53.8 million. Next to this, reclassification occur mainly with respect to receivable from Allianz which is shown as proceeds from disposal of subsidiaries and investment properties for an amount of € 7 million (See note 22).
2 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 2023

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 4 April 2024.

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 2023.

Standards and interpretations applicable for the annual report beginning on or after 1 January 2023

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately – disclosures are required for annual periods beginning on or after 1 January 2023)

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 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)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025, 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 and development of 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 financial assets 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 cash-flow 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 period ended 2023 and 2022. The Group reports three segments as follows:

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 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.

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 Sixth Joint Venture perimeter i.e. Latvia, Croatia, 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 favor of a revenue recognition in the Investment segment.

Breakdown summary of the business lines

In thousands of €	31. 12. 2023	31. 12. 2022
Investment & Property and Asset Management EBITDA	171,388	122,139
Property development EBITDA	42,872	(112,062)
Renewable energy EBITDA	1,603	3,912
Total EBITDA	**215,863**	**13,989**

Adjusted operating profit	**For the year ended 31 December 2023**				
	Investment (+Prop. and asset mng)	**Development**	**Renewable Energy**	**Intersegment eliminations**	**Total**
Gross rental and renewable energy income	**64,705**	**—**	**4,361**	**(63)**	**69,003**
Property operating expenses	(470)	(4,231)	(896)	63	(5,534)
Net property income	**64,235**	**(4,231)**	**3,465**	**—**	**63,469**
Joint Venture management fee income	26,925	—	—	—	26,925
Net valuation gains/(losses) on investment properties destined to the Joint Ventures	—	78,667	—	—	78,667
Administration expenses	(9,517)	(31,564)	(1,862)	—	(42,943)
Share of Joint Ventures' Adjusted profit after tax[1]	89,745	—	—	—	89,745
EBITDA	**171,388**	**42,872**	**1,603**	**—**	**215,863**
Other expenses	—	—	—	—	—
Depreciation and amortisation	(698)	(2,790)	(2,432)	—	(5,920)
Earnings before interest and tax	**170,690**	**40,082**	**(829)**	**—**	**209,943**
Net financial cost – Own	—	—	—	—	(6,032)
Net financial cost – Joint Ventures and associates	—	—	—	—	(34,199)
Profit before tax	**—**	**—**	**—**	**—**	**169,713**
Current income taxes – own	—	—	—	—	(15,923)
Current income taxes – Joint Ventures and associates	—	—	—	—	(6,297)
Recurrent net income	**—**	**—**	**—**	**—**	**147,493**
Net valuation gains/(losses) on investment properties – other countries[2]	—	—	—	—	9,291
Net valuation gains/(losses) on investment properties – Joint Ventures and associates	—	—	—	—	(61,181)
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	—	—	—	—	(1,239)
Deferred taxes – own	—	—	—	—	(9,528)
Deferred taxes – Joint Ventures and associates	—	—	—	—	2,455
Reported result for the period	**—**	**—**	**—**	**—**	**87,292**

1 The adjustments to the share of profit from the joint ventures (at share) are composed of € 61.1 million of net valuation losses on investment properties, € 1.2 million of net fair value loss on interest rate derivatives and € 2.5 million of reversal deferred taxes in respect of these adjustments.
2 Relates to developments in countries outside of the JV perimeters i.e. Latvia, Croatia, Denmark and Serbia.

Adjusted operating profit	For the year ended 31 December 2022				
	Investment (+Prop. and asset mng)	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 property 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 profit after tax[2]	62,796	—	—	—	62,796
EBITDA	**122,139**	**(112,062)**	**3,912**	**—**	**13,989**
Other expenses	—	—	—	—	(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)
Profit 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 million.
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.

4.2 Geographical information

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

31. 12. 2023 *In thousands of €*	**Gross rental and renewable energy income (Incl. JV at share)**	**Net rent 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**	**Total assets (Incl. JV at share)**	**Capital expenditure[1]**
Western Europe							
Germany	94,050	88,920	116,823	2,429,295	76,817	2,632,744	344,106
Spain	11,207	8,444	8,233	329,102	—	342,664	15,780
Austria	1,674	730	11,699	190,978	—	200,223	47,283
Netherlands	8,418	7,034	16,784	280,989	15,238	310,394	17,778
Italy	2,885	2,077	(77)	91,886	3,797	108,727	12,476
France	—	1,218	7,872	97,333	—	110,501	67,680
Portugal	974	858	(6,996)	54,826	—	66,757	11,080
Denmark	—	(24)	(830)	2,488	—	3,583	2,488
Luxembourg[2]	—	—	—	—	—	168,203	—
Belgium[2]	—	—	—	—	—	569,770	—
	119,208	**109,257**	**153,508**	**3,476,897**	**95,852**	**4,513,566**	**518,671**
Central and Eastern Europe							
Czech Republic	22,737	21,501	33,022	513,940	2,287	531,634	23,048
Slovakia	6,669	5,834	(5,546)	227,649	—	233,207	20,708
Hungary	8,020	6,772	14,638	227,256	—	237,937	47,248
Romania	9,001	7,469	1,904	208,060	555	238,516	43,089
Croatia	—	(15)	(248)	6,246	—	7,969	144
	46,427	**41,561**	**43,770**	**1,183,151**	**2,842**	**1,249,263**	**134,237**
Baltics and Balkan							
Latvia	5,418	6,366	5,359	99,460	—	106,008	9,353
Serbia	23	(250)	(1,130)	67,936	5	72,289	30,599
	5,441	**6,116**	**4,229**	**167,396**	**5**	**178,297**	**39,952**
Other[3]	—	**(1,888)**	**14,357**	**75**	—	**2,471**	—
Total	**171,076**	**155,046**	**215,864**	**4,827,519**	**98,699**	**5,943,597**	**692,859**

1 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 € 662.5 million (of which € 212.4 relates to acquisitions) and amount to € 30.4 million on development properties on behalf of First, Second and Fifth Joint Venture.
2 Balance sheet only
3 Other includes the Group central costs and costs relating to the operational business which are not specifically geographically located

31. 12. 2022 *In thousands of €*	Gross rental and renewable energy income (Incl. JV at share)	Net rent 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	Total assets (Incl. JV at share)	Capital expenditure[1]
Western Europe							
Germany	68,258	61,276	(60,528)	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[2]	—	—	—	—	—	190,145	—
Belgium[2]	—	—	—	—	—	733,144	—
	88,277	**77,577**	**(11,813)**	**3,403,359**	**65,163**	**4,688,287**	**637,904**
Central and Eastern Europe							
Czech Republic	18,889	17,526	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[3]	**—**	**(1,477)**	**12,735**	**75**	**—**	**2,431**	**—**
Total	**123,768**	**107,134**	**13,988**	**4,604,590**	**65,767**	**5,962,833**	**857,945**

1 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.
2 Balance sheet only
3 Other includes the Group central costs and costs relating to the operational business which are not specifically geographically located

The table below shows the geographic segmentation, excluding the share in the Joint Ventures.

31. 12. 2023 *In thousands of €*	**Gross rental and renewable energy income (Own**	**Net rent and renewable energy income (Own)**	**Investment properties (Own)**	**Property plant and equipment and Intangible assets (Own)**	**Total non-current assets (IP[1], PPE and Intangibles)**
Western Europe					
Germany	38,150	37,638	960,417	77,189	1,037,606
Spain	1,269	146	104,838	214	105,052
Austria	968	113	178,478	71	178,549
Netherlands	1,287	942	47,409	15,290	62,699
Italy	222	72	44,467	3,876	48,343
France	—	1,218	97,333	71	97,404
Portugal	352	322	44,154	54	44,208
Denmark		(24)	2,485	224	2,709
Luxembourg	—	—	—	37	37
Belgium	—	—	—	7,435	7,435
	42,248	**40,427**	**1,479,581**	**104,461**	**1,584,042**
Central and Eastern Europe					
Czech Republic	5,551	5,202	180,791	2,947	183,738
Slovakia	4,640	4,190	192,067	58	192,125
Hungary	5,398	4,263	191,600	102	191,702
Romania	5,725	4,460	167,120	838	167,958
Croatia	—	(15)	6,246	2	6,248
	21,314	**18,100**	**737,824**	**3,947**	**741,771**
Baltics and Balkan					
Latvia	5,418	6,366	99,460	6	99,466
Serbia	23	(250)	67,936	12	67,948
	5,441	**6,116**	**167,396**	**18**	**167,414**
Other[2]		**(1,174)**	**—**	**—**	**—**
Total	**69,003**	**63,469**	**2,384,801**	**108,426**	**2,493,227**

1 Including investment properties included in assets held for sale for an amount of € 875.8 million
2 Other includes the Group central costs and costs relating to the operational business which are not specifically geographically located

31. 12. 2022 *In thousands of €*	**Gross rental and renewable energy income (Own**	**Net rent and renewable energy income (Own)**	**Investment properties (Own)**	**Property plant and equipment and Intangible assets (Own)**	**Total non-current assets (IP[1], PPE and Intangibles)**
Western Europe					
Germany	30,905	28,353	1,311,996	49,645	1,361,641
Spain	2,675	1,830	215,015	293	215,308
Austria	462	399	115,943	38	115,981
Netherlands	1,921	1,726	144,835	15,356	160,191
Italy	714	360	40,374	791	41,165
France	—	(72)	21,218	8	21,226
Portugal	104	306	37,998	67	38,065
Luxembourg	—	—	—	34	34
Belgium	—	—	—	6,465	6,465
	36,781	**32,902**	**1,887,379**	**72,697**	**1,960,076**
Central and Eastern Europe					
Czech Republic	5,234	4,251	242,545	670	243,215
Slovakia	2,552	2,879	178,605	50	178,655
Hungary	2,779	2,547	132,014	114	132,128
Romania	1,619	615	124,102	825	124,927
Croatia	—	(64)	5,825	—	5,825
	12,184	**10,228**	**683,091**	**1,659**	**684,750**
Baltics and Balkan					
Latvia	2,241	1,014	93,530	5	93,535
Serbia	24	(524)	24,243	2	24,245
	2,265	**490**	**117,773**	**7**	**117,780**
Other[2]	**—**	**(613)**	**—**	**117**	**117**
Total	**51,230**	**43,007**	**2,688,243**	**74,480**	**2,762,723**

1 Including investment properties included in assets held for sale for an amount of € 292.5 million
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 €	31. 12. 2023	31. 12. 2022
Rental income from investment properties	54,298	35,177
Rent incentives	10,344	10,152
Total gross rental income	**64,642**	**45,329**
Gross renewable energy income	**4,361**	**5,901**
Property and facility management income	22,513	18,016
Development management income	4,412	3,521
Joint Venture management fee income	**26,925**	**21,537**
Service charge income	17,794	12,017
Total revenue	**113,722**	**84,784**

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 in 2023. During 2023, gross rental income included € 22.8 million of rent for the period related to the property portfolio sold during the tenth closing with the First Joint Venture, the fourth closing with Second Joint Venture and the first closing with the Fifth Joint Venture.

At the end of 2023, the Group (including the joint ventures) had annualized committed leases of € 350.8 million[1] compared to € 303.2 million[2] as at 31 December 2022. 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 2023, the top ten tenants take up approximately 32.0% of the total (own and Joint Ventures) Annualised Committed Leases.

The breakdown of future lease income for the own portfolio and Joint Ventures at share is as follows:

31. 12. 2023 *In thousands of €*	Lease income in < 1 year	Lease income in < 2 years	Lease income in < 3 years	Lease income in < 4 years	Lease income in < 5 years	Lease income > 5 years	Total
JV at share – Active Leases	113,473	107,853	96,697	86,456	74,573	348,475	827,527
JV at share – Committed Leases	321	339	339	339	339	1,722	3,399
Total – JV at share	**113,794**	**108,192**	**97,036**	**86,795**	**74,912**	**350,197**	**830,926**
Own – Active Leases	82,136	81,071	78,103	62,153	55,232	287,216	645,911
Own – Committed Leases	19,084	39,625	41,227	41,434	42,058	282,090	465,518
Total – Own	**101,220**	**120,696**	**119,330**	**103,587**	**97,290**	**569,306**	**1,111,429**
Total – at share	**215,014**	**228,888**	**216,366**	**190,382**	**172,202**	**919,504**	**1,942,355**

31. 12. 2022 *In thousands of €*	Lease income in < 1 year	Lease income in < 2 years	Lease income in < 3 years	Lease income in < 4 years	Lease income in < 5 years	Lease income > 5 years	Total
JV at share – Active Leases	86,458	82,610	76,642	67,024	59,461	260,623	632,818
JV at share – Committed Leases	629	742	742	706	437	2,567	5,859
Total – JV at share	**87,087**	**83,352**	**77,384**	**67,730**	**59,934**	**263,190**	**638,677**
Own – Active Leases	95,629	112,349	112,848	108,541	98,662	604,581	1,132,610
Own – Committed Leases	3,004	9,337	10,194	10,194	9,694	90,197	132,620
Total – Own	**98,633**	**121,686**	**123,042**	**118,735**	**108,356**	**694,778**	**1,265,230**
Total – at share	**185,720**	**205,038**	**200,426**	**186,465**	**168,290**	**957,968**	**1,903,907**

1 € 225.1 million related to the joint ventures' property portfolio and € 125.6 million related to the own property portfolio.
2 € 173.3 million related to the joint ventures' property portfolio and € 129.9 million related to the own property portfolio.

6. Net property operating expenses

In thousands of €	31. 12. 2023	31. 12. 2022
Repairs and maintenance	(796)	(653)
Letting, marketing, legal and professional fees	(766)	(742)
Real estate agents	(1,022)	(1,911)
Service charge income	17,794	12,017
Service charge expenses	(16,890)	(11,891)
Other operating income	6,477	3,505
Other operating expenses	(9,498)	(8,253)
Renewable energy operating expenses	(833)	(295)
Total	**(5,534)**	**(8,223)**

7. Net valuation gains/(losses) on investment properties

In thousands of €	31. 12. 2023	31. 12. 2022
Unrealised valuation gains/(losses) on investment properties	22,399	(180,111)
Unrealised valuation gains/(losses) on disposal group held for sale	6,539	(4,336)
Realised valuation gains/(losses) on disposal of subsidiaries and investment properties	59,020	87,217
Total	**87,958**	**(97,230)**

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 2023 based on a weighted average yield of 6.22% (compared to 5.29% as at 31 December 2022) 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 this portfolio value of € 31.6 million.

The realized gain comprises gains on the effectuated transactions in '23 with the First, Second and Fifth Joint Venture. Please note that the realized gains include a € 23.8 million gain on the Fifth Joint Venture, such gain was recorded in H1 '23 as unrealized and has been reported as fully realized over the full year '23 in the table above.

8. Administration expenses

In thousands of €	31. 12. 2023	31. 12. 2022
Wages and salaries	(26,120)	(14,066)
Audit, legal and other advisors	(7,168)	(6,833)
Other administrative expenses	(9,655)	(8,578)
Depreciation	(5,920)	(4,479)
Total	**(48,863)**	**(33,956)**

The administrative costs for the period increased from € 34 million for the period ended 31 December 2022 to € 48.9 million for the period ended 31 December 2023. The increase is mainly due to the increased 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 2022 a reversal of this accrual was booked in an amount of € 4 million, whereas in '23 an additional € 5.5 million has been expensed, which is a variance of € 9.5 million versus previous year.

As at 31 December 2023, the group employed 367.5 full-time equivalents, a decrease of 15.5 FTE versus '22.

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 Real Estate (VGP European Logistics, VGP European Logistics 2, VGP Park München) and the associates; (ii) the joint venture with Roozen Landgoederen Beheer (LPM), (iii) the joint venture with VUSA (Belartza) located in San Sebastian, Spain (iv) the joint venture with Weimer Bau (Siegen) in Germany and (v) the joint venture with Deka, all of which are accounted for using the equity method.

VGP European Logistics and VGP European Logistics 2 are incorporated in Luxembourg. VGP European Logistics owns logistics property assets in Germany, the Czech Republic, Slovakia and Hungary. VGP European Logistics 2 owns logistics property assets in Spain, Austria, the Netherlands, Italy and Romania. VGP Park München is incorporated in München (Germany) and owns and develops the VGP park located in München. LPM Joint Venture will develop Logistics Park Moerdijk ("LPM") together with the Port Authority Moerdijk on a 50:50-basis and has been sold in '24. The joint venture with Deka contains five parks located in Germany.

The joint ventures with Vusa and Grekon contain land to be developed jointly with its partner.

VGP NV holds 50% directly in all joint ventures and holds another 5.1% in the subsidiaries of VGP European Logistics holding assets in Germany and specifically 10.1% in the German subsidiary[1] that has been disposed to the First Joint Venture in Q1 '23.

INCOME STATEMENT *in thousand of €*	**First Joint Venture (excl. minorities) at 100%**	**Second Joint Venture at 100%**	**Third Joint Venture at 100%**	**Development Joint Ventures at 100%**	**Fifth Joint Venture at 100%**	**Joint Ventures at 50%**	**First Joint Venture Asset Companies minority share**	**31. 12. 2023**
Gross rental income	107,748	48,667	27,729	16	12.996	98,578	3.495	102.073
Property Operating expenses	—	—	—	—	—	—	—	—
— underlying property operating expenses	1,969	(2,859)	427	(307)	(457)	(613)	52	(561)
— property management fees	(10,208)	(5,959)	(2,398)	—	(602)	(9,584)	(351)	(9.935)
Net rental income	**99,509**	**39,849**	**25,758**	**(291)**	**11.937**	**88,381**	**3.196**	**91.577**
Net valuation gains/(losses) on investment properties	(76,864)	(38,137)	(26,064)	(1,669)	27.986	(57,374)	(3.805)	(61.179)
Administration expenses	(2,239)	(867)	(116)	(29)	(292)	(1,772)	(65)	(1.837)
Operating result	**20,406**	**845**	**(422)**	**(1,989)**	**39.631**	**29,235**	**(674)**	**28.561**
Financial income	114	1,063	153	—	101	715	(203)	512
Financial expense	(25,743)	(20,199)	(12,210)	(573)	(12.027)	(35,376)	(570)	(35,946)
Net financial result	**(25,629)**	**(19,136)**	**(12,057)**	**(573)**	**(11.926)**	**(34,661)**	**(773)**	**(35.434)**
Taxes	(3,579)	3,661	(806)	(1,678)	(5.761)	(4,082)	240	(3.842)
Result For The Period	**(8,802)**	**(14,630)**	**(13,285)**	**(4,240)**	**21.944**	**(9,508)**	**(1.207)**	**(10.715)**
Other comprehensive income	—	—	—	—	—	—	—	—
Total Comprehensive Income/Loss For The Period	**(8,802)**	**(14,630)**	**(13,285)**	**(4,240)**	**21.944**	**(9,508)**	**(1.207)**	**(10.715)**

1 VGP Park Berlin 4

INCOME STATEMENT *in thousand 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 Asset Companies minority share**	**31. 12. 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)**
Financial income	2,118	2,313	—	—	2,216	—	2,216
Financial expenses	(21,535)	(11,984)	(2,502)	(408)	(18,215)	(757)	(18,972)
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)**
Other comprehensive income	—	—	—	—	—	—	—
Total Comprehensive Income/Loss For The Period	**(51,508)**	**(55,805)**	**21,364**	**3,073**	**(41,438)**	**(4,489)**	**(45,927)**

9.2 Summarised balance sheet information in respect of Joint Ventures

BALANCE SHEET *in thousand of €*	First Joint Venture (excl. minorities) at 100%	Second Joint Venture at 100%	Third Joint Venture at 100%	Development Joint Ventures at 100%	Fifth Joint Venture at 100%	Joint Ventures at 50%	First Joint Venture's German Companies minority share	31. 12. 2023
Investment properties	2,215,320	916,912	630,859	226,200	742,658	2,365,975	76,743	2,442,718
Other assets	2,196	(997)	3,392	75	(186)	2,238	—	2,238
Total non-current assets	**2,217,516**	**915,915**	**634,251**	**226,275**	**742,472**	**2,368,213**	**76,743**	**2,444,956**
Trade and other receivables	19,282	13,878	20,870	19,333	27,187	50,275	535	50,810
Cash and cash equivalents	46,997	18,078	33,467	4,011	42,813	72,683	1,672	74,355
Total current assets	**66,280**	**31,956**	**54,337**	**23,344**	**70,000**	**122,958**	**2,207**	**125,165**
Total assets	**2,283,796**	**947,871**	**688,588**	**249,619**	**812,472**	**2,491,171**	**78,950**	**2,570,121**
Non-current financial debt	948,283	545,534	379,245	144,930	534,980	1,276,486	33,767	1,310,253
Other non-current financial liabilities	512	—	—	—	—	256	—	256
Other non-current liabilities	7,257	6,236	—	2,971	10,298	13,381	200	13,581
Deferred tax liabilities	197,363	39,043	—	583	22,006	129,498	6,127	135,625
Total non-current liabilities	**1,153,415**	**590,813**	**379,245**	**148,484**	**567,284**	**1,419,621**	**40,094**	**1,459,715**
Current financial debt	27,368	11,355	1,016	—	—	19,869	744	20,613
Trade debts and other current liabilities	19,452	10,037	11,600	37,993	25,060	52,071	494	52,564
Total current liabilities	**46,819**	**21,392**	**12,616**	**37,993**	**25,060**	**71,940**	**1,238**	**73,178**
Total liabilities	**1,200,234**	**612,205**	**391,861**	**186,477**	**592,344**	**1,491,561**	**41,332**	**1,532,893**
Net assets	**1,083,561**	**335,666**	**296,727**	**63,142**	**220,128**	**999,610**	**37,618**	**1,037,228**

BALANCE SHEET *in thousand 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 minority share**	**31. 12. 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**

On 17th of January 2023, VGP concluded a tenth transaction with its 50:50 joint venture, VGP European Logistics ("First Joint Venture"). The transaction comprised 3 logistic buildings, which are located in Germany (one) and in the Czech Republic (two). The gross asset value of the completed assets amounted to € 114.6 million[1] and the net proceeds from this transaction amounted to € 73.5 million. Following the completion of this tenth closing, the First Joint Venture's property portfolio consist of 104 completed buildings representing around 1,971,000 m^2 of lettable area, with an 98.9% occupancy rate.

VGP and their 50:50 joint venture, VGP European Logistics 2 (The "Second Joint Venture" also called "Aurora") concluded upon a transaction comprising 11 logistic buildings, including 5 buildings in 4 new VGP parks and another 6 newly completed logistic buildings which were developed in parks which were already transferred to the joint venture in a prior closing. The 11 buildings are located in Spain (7), the Netherlands (3) and Italy (1). The transaction with VGP European Logistics 2 formed the 4th closing between VGP and this joint venture. The gross asset value of the assets amounted to a value of € 253 million with net proceeds of € 194.4 million.

Following the completion of fourth closing, the Second Joint Venture's property portfolio consist of 43 completed buildings representing around 927,000 m^2 of lettable area, with an 98.2% occupancy rate.

VGP has signed 21 July 2023 a new joint venture agreement with Deka Immobilien, a prominent real estate investment company. The joint venture endeavours that two of Deka Immobilien's public funds, Deka Westinvest InterSelect and Deka Immobilien Europa, acquire a 50% stake in five project companies owned by VGP.

The project companies own and operate five strategically located parks in Germany, namely Gießen – Am alten Flughafen, Laatzen, Göttingen 2, Magdeburg and Berlin Oberkrämer. These parks boast a portfolio of 20 buildings, generating a total annualized rental income of € 52.9 million at the time of the transaction.

The agreed gross asset value of all assets stands at over € 1.1 billion. The transaction was foreseen to be executed in three closings, with the first closing effectuated in Q3 2023. Pricing has been agreed for the full portfolio, thus including the remaining two closings which are set to materialize in H1 and H2 of '24.

VGP is set to recycle over € 700 million of cash from all closings. The first closing, encompassing 17 of the 20 buildings, generated € 393 million in net proceeds (€ 455 million gross). The remaining closings are set for H1 (two buildings) and Q3 2024 (one building), once the construction of the respective assets are completed. These closings expect to generate minimum € 250 million of gross cash proceeds.

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 2023 based on a weighted average yield of 5.01% (compared to 4.68% as at 31 December 2022). A 0.10% variation of this market rate would give rise to a variation of the Joint Venture portfolio value (at 100%) of € 88.9 million.

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

The (re)valuation of the First, Second, third and Fifth Joint Ventures' portfolio was based on the appraisal report of the property expert IO Partners, preferred partner of 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 €	**31. 12. 2023**	**31. 12. 2022**
Shareholder loans to First Joint Venture	47,619	38,047
Shareholder loans to Second Joint Venture	31,822	32,614
Shareholder loans to Third Joint Venture	158,132	183,526
Shareholder loans to Development Joint Ventures	140,992	79,350
Shareholder loans to Fifth Joint Venture	172,490	—
Shareholder loans to associates (subsidiaries of First Joint Venture)	4,977	16,402
Construction and development loans to subsidiaries of the First Joint Venture	8,482	5,280
Construction and development loans to subsidiaries of the Second Joint Venture	22,786	96,071
Construction and development loans to the Fifth Joint Venture	287,813	—
Construction and development loans reclassified as assets held for sale	(319,081)	(101,351)
Other long term receivables	9,702	9,705
Total	**565,734**	**359,644**

The other non-current receivables increased by € 206.1 million. Main changes include financing to the Development Joint Ventures (mainly LPM) of € 61.6 million, as well as a new shareholder loan following the transaction with the Fifth Joint Venture of € 172.5 million. Shareholder loans to the First, Second and Third Joint Venture reduced by € 28 million. This includes the set off between the creation of new shareholder loans following the transactions with the First and Second Joint Venture in the first half of '23 and € 57 million net distributions through shareholder loans.

9.4 Investments in joint ventures and associates

In thousands of €	**31. 12. 2023**	**31. 12. 2022**
As at 1 January	891,201	858,116
Additions	166,211	116,379
Result of the year	(10,715)	(45,927)
Repayment of equity[1]	(3,407)	(14,154)
Dividends[1]	(6,062)	(23,214)
Adjustment from sale of participations	—	—
As at the end of the period	1,037,228	891,201

The investments in joint ventures and associates increased by € 146 million. This change is mainly related to (i) equity contributions of transactions with Joint Ventures in an amount of € 166.2 million; (ii) an equity repayment from the Development Joint Venture Siegen of € 3.4 million; (iii) a dividend received from the First Joint Venture for an amount of € 6 million, (iv) as well as the share in the result of the Joint Ventures, a loss of € 10.7 million.

1 On top of the equity distribution and dividends from the joint ventures for an amount of € 9.5 million (in 2022: € 37.4 million), VGP group received a partial repayment of shareholders loan for a total amount of € 72.5 million (in 2022: € 22.6 million). Resulting in a total profit distribution by the Joint Ventures of € 82 million (in 2022: € 60 million).

9.5 EPRA performance measures on the Joint Ventures at share

This paragraph provides additional performance measures for the Joint Ventures (excluding the Development Joint Ventures), calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA). We assess that the metrics are most accurate when determined on the developed portfolio. Therefore, our Development Joint Ventures, which only contain development land, were not considered in the performance measures below.

We provide these measures on the Joint Ventures at share, in particular for the First, Second, Third and Fifth Joint Venture, to aid comparison with other European real estate businesses.

(i) Summary

EPRA Metrics of Joint Ventures at share[1]	31. 12. 2023	31. 12. 2022
EPRA Net Tangible Assets (EPRA NTA)	1,130,627	957,554
EPRA Earnings	43,678	39,530
EPRA Net Initial Yield (NIY)	4.98%	4.52%
EPRA 'Topped-up' NIY	5.03%	4.65%
EPRA Vacancy Rate	0.9%	1.0%
EPRA Cost Ratio (including direct vacancy costs)	10.0%	11.7%
EPRA Cost Ratio (excluding direct vacancy costs)	9.8%	11.5%
EPRA Loan to value (LTV) ratio	31.6%	31.3%

(ii) Detailed calculation of EPRA Metrics

EPRA NTA – Joint Ventures at share *(in thousands of €)*	31. 12. 2023	31. 12. 2022
IFRS NAV	997,200	826,648
IFRS NAV per share *(in €)*	36.54	30.29
NAV at fair value (after the exercise of options, convertibles and other equity)	**997,200**	**826,648**
To exclude:		
Deferred tax	134,111	130,732
Fair value of financial instruments	(681)	174
Intangibles as per IFRS balance sheet	(3)	—
Subtotal	**1,130,627**	**957,554**
Fair value of fixed interest rate debt		
Real estate transfer tax		
NAV	**1,130,627**	**957,554**
Number of shares	27,291,312	27,291,312
NAV per share *(in €)*	41.43	35.09

EPRA Earnings of Joint Ventures at share *(in thousands of €)*	31. 12. 2023	31. 12. 2022
Earnings per IFRS income statement	**(8,598)**	**(47,464)**
Adjustments to calculate EPRA Earnings, **exclude**:		
Changes in value of investment properties, development properties held for investment and other interests	**58,988**	**108,631**
Profits or losses on disposal of investment properties, development properties held for investment and other interests	**1,359**	**14**
Profits or losses on sales of trading properties including impairment charges in respect of trading properties.	—	—
Tax on profits or losses on disposals	—	—
Negative goodwill/goodwill impairment	—	—
Changes in fair value of financial instruments and associated close-out costs	**1,239**	**(2,093)**
Acquisition costs on share deals and non-controlling joint venture interests	**1,972**	**1,212**
Deferred tax in respect of EPRA adjustments	**(11,282)**	**(20,770)**
Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	—	—
Non-controlling interests in respect of the above	—	—
EPRA Earnings	**43,678**	**39,530**

1 First, Second, Third and Fifth Joint Venture (at share) – excluding development Joint Ventures.

EPRA NIY and 'topped-up' NIY of Joint Ventures at share *(in thousands of €)*	31. 12. 2023	31. 12. 2022
Investment property – share of Joint Ventures	2,492,104	1,899,055
Trading property	—	—
Less: developments	(183,306)	(81,193)
Completed property portfolio	2,308,798	1,817,861
Allowance for estimated purchasers' costs	40,529	30,768
Gross up completed property portfolio valuation	**2,349,327**	**1,848,629**
Annualised cash passing rental income	116,806	83,359
Property outgoings	160	144
Annualised net rents	**116,966**	**83,503**
Add: notional rent expiration of rent free periods or other lease incentives	1,105	2,465
Topped-up net annualised rent	**118,071**	**85,968**
EPRA NIY	**4.98%**	**4.52%**
EPRA "topped-up" NIY	**5.03%**	**4.65%**

EPRA Vacancy Rate of Joint Ventures at share *(in thousands of €)*	31. 12. 2023	31. 12. 2022
Estimated Rental Value of vacant space	1,241	867
Estimated rental value of the whole portfolio	132,415	90,1567
EPRA Vacancy Rate	**0.9%**	**1.0%**

EPRA Cost Ratios of Joint Ventures at share *(in thousands of €)*	31. 12. 2023	31. 12. 2022
Include:		
Administrative/operating expense line per IFRS income statement	11,572	8,452
Net service charge costs/fees	307	439
Management fees less actual/estimated profit element	—	—
Other operating income/recharges intended to cover		
overhead expenses less any related profits	1,678	395
Exclude (if part of the above):		
Investment property depreciation	6	2
Ground rent costs	—	—
Service charge costs recovered through rents but not separately invoiced	—	—
EPRA Costs (including direct vacancy costs)	**10,195**	**8,494**
Direct vacancy costs	159	144
EPRA Costs (excluding direct vacancy costs)	**10,036**	**8,350**
Gross Rental Income less ground rents – per IFRS	**102,070**	**72,519**
EPRA Cost Ratio (including direct vacancy costs)	**10.0%**	**11.7%**
EPRA Cost Ratio (excluding direct vacancy costs)	**9.8%**	**11.5%**

EPRA LTV Metric of Joint Ventures at share *(in thousands of €)*	**31. 12. 2023**	**31. 12. 2022**
Include[1]:		
Borrowings from Financial Institutions	854,723	638,592
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	—	—
Bond loans	—	—
Foreign currency derivatives (futures, swaps, options and forwards)	(681)	(1,919)
Net payables	5,753	6,661
Owner-occupied property (debt)	—	—
Current accounts (equity characteristic)	—	—
Exclude:		
Cash and cash equivalents	(72,355)	(46,619)
Net Debt	**787,441**	**596,716**
Include:		
Owner-occupied property	38	2
Investment properties at fair value	2,489,307	1,905,968
Properties under development	—	—
Intangibles	3	3
Net receivables	5,204	1,362
Financial assets	—	—
Total Property Value	**2,494,551**	**1,907,335**
LTV	**31.6%**	**31.3%**

10 Net financial result

In thousands of €	**31. 12. 2023**	**31. 12. 2022**
Bank and other interest income	6,488	—
Interest income – loans to Joint Ventures and associates	27,505	17,305
Net foreign exchange gains	73	—
Other financial income	10	24
Financial income	**34,076**	**17,329**
Bond interest expense	(47,488)	(52,140)
Bank interest expense – variable debt	(1,971)	(3,708)
Bank interest expense – interest rate swaps – hedging	—	—
Interest	14,960	18,144
Fair value loss on interest rate derivatives	—	—
Net foreign exchange losses	—	(1,426)
Other financial expenses	(5,608)	(5,207)
Financial expenses	**(40,107)**	**(44,337)**
Net financial result	**(6,031)**	**(27,008)**

1 Shareholder loans are excluded from calculation.

11 Taxation

11.1 Income tax expense recognised in the consolidated income statement

In thousands of €	**31. 12. 2023**	**31. 12. 2022**
Current tax	(15,923)	(7,590)
Deferred tax	(9,528)	27,625
Total	**(25,451)**	**20,035**

11.2 Reconciliation of effective tax rate

In thousands of €		**31. 12. 2023**		**31. 12. 2022**
Result before taxes		112,740		(142,577)
Adjustment for share in result of joint ventures and associates		10,715		45,927
Result before taxes and share in result of joint ventures and associates		**123,455**		**(96,650)**
Income tax using the German corporate tax rate	15.825%	(19,537)	15.825%	15,295
Difference in tax rate non-German companies		6,736		14,329
Non-tax-deductible expenditure		(1,578)		(1,253)
Compensation fiscal losses		(9,301)		(6,968)
Other		(1,771)		(1,368)
Total	**20.6%**	**(25,451)**	**20.7%**	**20,035**

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:

2023 *In thousands of €*	**< 1 year**	**2–5 years**	**> 5 years**
Tax loss carry forward	92	16,873	85,936

2022 *In thousands of €*	**< 1 year**	**2–5 years**	**> 5 years**
Tax loss carry forward	1,178	15,299	96,200

11.3 Deferred tax assets and liabilities

In thousands of €	**Assets**		**Liabilities**		**Net**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Investment properties	—	—	(57,537)	(101,427)	(57,537)	(101,427)
Currency hedge accounting/Derivates	—	—	(161)	(1,260)	(161)	(1,260)
Tax losses carried-forward	**3,515**	**3,026**	**—**	**—**	**3,515**	**3,026**
Capitalised interest	—	—	(865)	(1,429)	(865)	(1,429)
Capitalised cost	—	—	(79)	(103)	(79)	(103)
Other	732	266	—	—	732	266
Tax assets/liabilities	**4,247**	**3,292**	**(58,642)**	**(104,219)**	**(54,395)**	**(100,927)**
Set-off of assets and liabilities	4,057	547	(4,057)	(547)	—	—
Reclassification to liabilities related to disposal group held for sale	—	—	38,760	25,095	38,760	25,095
Net tax assets/liabilities	**8,304**	**3,839**	**(23,939)**	**(79,671)**	**(15,635)**	**(75,832)**

A total deferred tax asset of € 16,134k (€ 17,325k in 2022) was not recognised.

12 Earnings per share

12.1 Earnings per ordinary share (EPS)

In number	**31. 12. 2023**	**31. 12. 2022**
Weighted average number of ordinary shares (basic)	27,291,312	22,311,583
Weighted average number of ordinary shares (diluted)	27,291,312	22,311,583
Weighted average number of ordinary shares (diluted and after correction for reciprocal interest through associates)	27,291,312	22,311,583

In thousands of €	**31. 12. 2023**	**31. 12. 2022**
Result for the period attributable to the Group and to ordinary shareholders	87,292	(122,542)
Earnings per share (in €) – basic	3.20	(5.49)
Earnings per share (in €) – diluted	3.20	(5.49)
Earnings per share (in €) – after dilution and correction for reciprocal interest through associates	3.20	(5.49)

12.2 EPRA NAV's – EPEA NAV's per share

The EPRA NAV metrics make adjustments to the IFRS NAV in order to provide stakeholders with the most relevant information on the fair value of the assets and liabilities. The three different EPRA NAV indicators are calculated on the basis of the following scenarios:

1. *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.
2. *Net Tangible Assets:* assumes that entities buy and sell assets, thereby realizing 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.
3. *Net Disposal Value:* provides the reader with a scenario of the sale of the company's assets leading to the realization of deferred taxes, financial instruments and certain other adjustments. This NAV should not be considered a liquidation NAV as in many cases the fair value is not equal to the liquidation value. The EPRA NDV per share refers to the EPRA NDV based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

31 December 2023 *In thousands of €*	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**	**EPRA NAV**	**EPRA NNNAV**
IFRS NAV	2,214,417	2,214,417	2,214,417	2,214,417	2,214,417
IFRS NAV per share (in €)	81.14	81.14	81.14	81.14	81.14
NAV at fair value (after the exercise of options, convertibles and other equity)	**2,214,417**	**2,214,417**	**2,214,417**	**2,214,417**	**2,214,417**
To exclude:					
Deferred tax	54,395	54,395	—	54,395	—
Fair value of financial instruments	—	—	—	—	—
Intangibles as per IFRS balance sheet	—	(1,000)	—		—
Subtotal	**2,268,812**	**2,267,812**	**2,214,417**	**2,268,812**	**2,214,417**
Fair value of fixed interest rate debt	—	—	327,837	—	327,837
Real estate transfer tax	27,521	—	—	—	—
NAV	**2,296,333**	**2,267,812**	**2,542,254**	**2,268,812**	**2,542,254**
Number of shares	27,291,312	27,291,312	27,291,312	27,291,312	27,291,312
NAV/share (in €)	84.14	83.10	93.15	83.13	93.15

31 December 2022 *In thousands of €*	**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 €)	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	—
Fair value of financial instruments	—	—	—	—	—
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 €)	87.59	84.35	100.24	84.39	100.24

13 Investment properties and Property, Plant and Equipment

In thousands of €	31. 12. 2023			
	Completed	Under Construction	Development land	Total
As at January 1	**1,276,093**	**561,489**	**558,120**	**2,395,702**
Reclassification from held for sale	117,120	—	1,400	**118,520**
Capex	131,165	161,478	157,408	**450,051**
Acquisitions	79,407	49,538	83,489	**212,434**
Capitalised interest	4	12,125	2,660	**14,789**
Capitalised rent free and agent's fee	5,278	2,004	145	**7,427**
Sales and disposal	(900,957)	(313,100)	(13,064)	**(1,227,121)**
Transfer on start-up of development	—	135,893	(135,893)	—
Transfer on completion of development	278,610	(278,610)	—	—
Net gain (loss) from value adjustments in investment properties	(17,696)	46,164	7	**28,475**
Reclassification to held for sale	(448,579)	(20,750)	(21,964)	**(491,293)**
As at December 31	**520,445**	**356,231**	**632,308**	**1,508,984**

In thousands of €	31. 12. 2022			
	Completed	Under Construction	Development land	Total
As at January 1	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 disposal	(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 December 31	**1,276,093**	**561,489**	**558,120**	**2,395,702**

Any of the Group's investment property is pledged at 31 December 2023.

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 2023 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 used 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 2023 valuations, all valuations were carried out by iO Partners, Jones Lang LaSalle preferred partner. With the exemption of the assets destined for the Fifth and Sixth Joint Venture, classified as held for sale, which are valued at the agreed market value with the Joint Venture partner, net of ancillary cost and gains such as supplementary rent and construction variation orders, remaining rent incentives and transaction fee. 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 iO Partners, Jones Lang LaSalle preferred partner 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 iO Partners, Jones Lang LaSalle preferred partner 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 above-mentioned 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.

- iO Partners, Jones Lang LaSalle preferred partner 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 0.25%–8.20%. (for JV, it is however 0.0%–3.0%)
- 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, 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 6.40% for year 2024 and 1.49% for the following years, prognosis in cashflow. .
- 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 6.40% for year 2024 and 1.49% for the following years, prognosis in cashflow.
- 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. Since December 2022, following the completion of the majority of the buildings in the second half of 2022, such buildings are 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). With the exemption of the land plot destined for construction of building D, has still been valued at the proportional agreed purchase price with Allianz Real Estate, as this is still considered as the best reflection of the fair value until the building will be completed. 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. In February 2024 *(refer to note 27 Events after the balance sheet date)* the group divested its stake in the LPM Joint Venture. The Board of Directors has therefore concluded that the acquisition cost is 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 2023.

(iv) Quantitative information about fair value

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-23 (€ '000)	Valuation Technique	Level 3 – Unobservable Inputs	Range
Czech Republic	IP	134,283	Discounted cash flow	ERV per m^2 (in €)	39–65
				Discount rate *	6.15%–6.40%
				Exit yield *	6.15%
				Weighted average yield	5.72%
				Cost to completion (in '000)	0
				Properties valued (aggregate m^2)	142,493
				WAULT (until maturity) (in years)	5.75
				WAULT (until first break) (in years)	5.75
Czech Republic	IPUC	17,290	Discounted cash flow	ERV per m^2 (in €)	63
				Discount rate	7.50%
				Exit yield	6.15%
				Weighted average yield	7.55%
				Cost to completion (in '000)	14,050
				Properties valued (aggregate m^2)	29,309
Czech Republic	DL	23,923	Sales comparison	Price per m^2	
Germany	IP	339,078	Discounted cash flow	ERV per m^2 (in €)	46–82
				Discount rate *	6.80%–8.20%
				Exit yield *	4.95%–5.70%
				Weighted average yield	5.42%
				Cost to completion (in '000)	916
				Properties valued (aggregate m^2)	312,160
				WAULT (until maturity) (in years)	6.29
				WAULT (until first break) (in years)	6.00
Germany	IPUC	89,010	Discounted cash flow	ERV per m^2 (in €)	74–82
				Discount rate	6.05%–7.30%
				Exit yield	4.55%–5.30%
				Weighted average yield	5.16%
				Cost to completion (in '000)	42,892
				Properties valued (aggregate m^2)	87,366
Germany	DL	180,017	Sales comparison	Price per m^2	
Spain	IPUC	850	Discounted cash flow	ERV per m^2 (in €)	44
				Discount rate	n/a
				Exit yield	6.00%
				Weighted average yield	7.12%
				Cost to completion (in '000)	3,400
				Properties valued (aggregate m^2)	6,905
Spain	DL	86,595	Sales comparison	Price per m^2	
Romania	IP	104,360	Discounted cash flow	ERV per m^2 (in €)	52–66
				Discount rate	8.25%–9.75%
				Exit yield	8.00%–9.50%
				Weighted average yield	9.06%
				Cost to completion (in '000)	3,385
				Properties valued (aggregate m^2)	169,110
				WAULT (until maturity) (in years)	5.51
				WAULT (until first break) (in years)	4.89
Romania	IPUC	18,460	Discounted cash flow	ERV per m^2 (in €)	50
				Discount rate	9.00%–9.50%
				Exit yield	8.50%–8.75%

Region	Segment	Fair Value 31 Dec-23 (€ '000)	Valuation Technique	Level 3 – Unobservable Inputs	Range
				Weighted average yield	11.10%
				Cost to completion (in '000)	29,250
				Properties valued (aggregate m²)	86,045
Romania	DL	44,300	Sales comparison	Price per m²	
Nederlands	DL	40,545	Sales comparison	Price per m²	
Italy	IPUC	6,700	Discounted cash flow	ERV per m² (in €)	85
				Discount rate	8.80%
				Exit yield	5.90%
				Weighted average yield	8.13%
				Cost to completion (in '000)	13,900
				Properties valued (aggregate m²)	18,773
Italy	DL	37,767	Sales comparison	Price per m²	
Austria	IP	64,700	Discounted cash flow	ERV per m² (in €)	85–192
				Discount rate	6.50%–6.75%
				Exit yield	5.40%–5.50%
				Weighted average yield	5.41%
				Cost to completion (in '000)	—
				Properties valued (aggregate m²)	22,558
				WAULT (until maturity) (in years)	13.30
				WAULT (until first break) (in years)	13.30
Austria	IPUC	89,400	Discounted cash flow	ERV per m² (in €)	84–99
				Discount rate	6.85%–7.00%
				Exit yield	5.35%–5.60%
				Weighted average yield	6.76%
				Cost to completion (in '000)	39,100
				Properties valued (aggregate m²)	82,685
Austria	DL	24,378	Sales comparison	Price per m²	
Hungary	IP	91,072	Discounted cash flow	ERV per m² (in €)	50–70
				Discount rate *	7.00%–8.00%
				Exit yield *	6.50%–7.25%
				Weighted average yield	7.42%
				Cost to completion (in '000)	0
				Properties valued (aggregate m²)	114,270
Hungary	IP	91,072	Discounted cash flow	WAULT (until maturity) (in years)	5.40
				WAULT (until first break) (in years)	5.40
Hungary	IPUC	65,760	Discounted cash flow	ERV per m² (in €)	53–58
				Discount rate	7.50%–8.00%
				Exit yield	6.75%–7.25%
				Weighted average yield	7.81%
				Cost to completion (in '000)	21,800
				Properties valued (aggregate m²)	105,874
Hungary	DL	33,348	Sales comparison	Price per m²	
Latvia	IP	97,820	Discounted cash flow	ERV per m² (in €)	56–63
				Discount rate	8.00%–8.75%
				Exit yield	8.00–8.25%
				Weighted average yield	7.88%

Region	Segment	Fair Value 31 Dec-23 (€ '000)	Valuation Technique	Level 3 – Unobservable Inputs	Range
				Cost to completion (in '000)	950
				Properties valued (aggregate m^2)	133,535
				WAULT (until maturity) (in years)	7.48
				WAULT (until first break) (in years)	7.48
Latvia	DL	1,640	Sales comparison	Price per m^2	
Slovakia	IP	110,296	Discounted cash flow	ERV per m^2 (in €)	40–74
				Discount rate *	n/a
				Exit yield *	n/a
				Weighted average yield	6.17%
				Cost to completion (in '000)	0
				Properties valued (aggregate m^2)	138,209
				WAULT (until maturity) (in years)	7.54
				WAULT (until first break) (in years)	7.36
Slovakia	IPUC	19,910	Discounted cash flow	ERV per m^2 (in €)	65
				Discount rate	7.50%
				Exit yield	7.25%
				Weighted average yield	8.05%
				Cost to completion (in '000)	1,650
				Properties valued (aggregate m^2)	8,480
Slovakia	DL	60,619	Sales comparison	Price per m^2	
Portugal	IP	27,415	Discounted cash flow	ERV per m^2 (in €)	66–72
				Discount rate	7.81%–7.87%
				Exit yield	5.81%–5.87%
				Weighted average yield	6.09%
				Cost to completion (in '000)	580
				Properties valued (aggregate m^2)	19,749
				WAULT (until maturity) (in years)	20.64
				WAULT (until first break) (in years)	15.49
Portugal	IPUC	5,101	Discounted cash flow	ERV per m^2 (in €)	51
				Discount rate	8.28%
				Exit yield	6.28%
				Weighted average yield	6.97%
				Cost to completion (in '000)	26,520
				Properties valued (aggregate m^2)	31,789
Portugal	DL	11,638	Sales comparison	Price per m^2	
Serbia	IPUC	44,380	Discounted cash flow	ERV per m^2 (in €)	61–77
				Discount rate	9.25%–9.50%
				Exit yield	8.25%
				Weighted average yield	9.36%
				Cost to completion (in '000)	17,150
				Properties valued (aggregate m^2)	76,938
Serbia	DL	23,556	Sales comparison	Price per m^2	
Croatia	DL	6,246	Sales comparison	Price per m^2	
France	IPUC	20,120	Discounted cash flow	ERV per m^2 (in €)	55
				Discount rate	6.45%

Region	Segment	Fair Value 31 Dec-23 (€ '000)	Valuation Technique	Level 3 – Unobservable Inputs	Range
				Exit yield	5.50%
				Weighted average yield	5.30%
				Cost to completion (in '000)	20,850
				Properties valued (aggregate m²)	39,329
France	DL	77,213	Sales comparison	Price per m²	
Denmark	DL	2,487	Sales comparison	Price per m²	
Total		2,000,277[1]			

IP = completed investment property
IPUC = investment property under construction
DL = development land

1 This includes the investment property reclassified to held for sale for an amount of € 491,293 (000) (see table note 13).

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 m^2 (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 m^2)	201,762
				WAULT (until maturity) (in years)	7.99
				WAULT (until first break) (in years)	7.60
	DL	37,666	Sales comparison	Price per m^2 (in €)	
Germany	IP	845,250	Discounted cash flow	ERV per m^2 (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 m^2)	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 m^2 (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 m^2)	408,825
	DL	85,318	Sales comparison	Price per m^2 (in €)	
Spain	IP	61,670	Equivalent yield	ERV per m^2 (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 m^2)	77,440
				WAULT (until maturity) (in years)	4.10
				WAULT (until first break) (in years)	3.50
	DL	93,500	Sales comparison	Price per m^2 (in €)	
Romania	IP	27,503	Discounted cash flow	ERV per m^2 (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 m^2)	55,928
				WAULT (until maturity) (in years)	5.18
				WAULT (until first break) (in years)	5.82
Romania	IPUC	53,110	Discounted cash flow	ERV per m^2 (in €)	48–66
				Discount rate	8.30%–8.95%
				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
Romania	DL	43,489	Sales comparison	Price per m^2 (in €)	

Region	Segment	Fair Value 31 Dec-22 (€ '000)	Valuation Technique	Level 3 – Unobservable Inputs	Range
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
Hungary	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
				Properties valued (aggregate m^2)	101,150
	DL	33,205	Sales comparison	Price per m^2 (in €)	
Latvia	IP	71,420	Discounted cash flow	ERV per m^2 (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 m^2)	104,377
				WAULT (until maturity) (in years)	7.69
				WAULT (until first break) (in years)	7.69

Region	Segment	Fair Value 31 Dec-22 (€ '000)	Valuation Technique	Level 3 – Unobservable Inputs	Range
	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
Portugal	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).

(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 € 19.9 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 € 77.1 million[1] (all variables remaining constant).

13.3 Property Plant and Equipment

In thousands of €	31. 12. 2023	31. 12. 2022
Photovoltaic Equipment – in use	60,533	16,063
Photovoltaic Equipment – under construction	31,330	87,048
Leases capitalized under IFRS 16	13,213	2,280
Other property plant and equipment	2,350	17,882
Total	**107,426**	**73,280**

14 Trade and other receivables

In thousands of €	31. 12. 2023	31. 12. 2022
Trade receivables	15,926	16,063
Tax receivables – VAT	58,328	87,048
Accrued income and deferred charges	2,470	2,280
Other receivables	10,142	17,882
Reclassification to (–)/from held for sale	(7,380)	(1,160)
Total	**79,486**	**122,113**

The reclassification to held for sale pertains mainly to the assets earmarked for the Fifth and Sixth Joint Venture per 31. 12. 2023.

15 Cash and cash equivalents

The Group's cash and cash equivalents comprise only cash deposits of which 68% held at Belgian banks.

1 Determined on the yield and rental income of the own and held for sale portfolio

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 2023	27,291,312	105,676
issue of new shares	—	—
Ordinary Shares issued at 31 December 2023	27,291,312	105,676

The statutory share capital of the Company 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 €	31. 12. 2023	31. 12. 2022
As at 1 January	**845,579**	**574,088**
Share premium arising on the issue of new shares	—	271,491
As at 31 December	**845,579**	**845,579**

As at 31 December 2023, the Group did not hold any treasury shares.

17 Current and non-current financial debts

The contractual maturities of interest-bearing loans and borrowings (current and non-current) are as follows:

MATURITY *In thousands of €*	**31. 12. 2023**			
	Outstanding balance	**< 1 year**	**> 1–5 year**	**> 5 year**
Non-current				
Bank borrowings	—		—	—
Schuldschein Loan	25,686		25,686	—
Bonds				
3.35% bonds Mar-25	79,933		79,933	—
3.50% bonds Mar-26	189,514		189,514	—
1.50% bonds Apr-29	596,147		—	596,147
1.625% bonds Jan-27	497,654		497,654	—
2.25% bonds Jan-30	496,220		—	496,220
	1,859,468		**767,101**	**1,092,367**
Total non-current financial debt	**1,885,154**		**792,787**	**1,092,367**
Current				
Bank borrowings	—	—		
Schuldschein Loan	3,000	3,000		
Bonds				
3.25% bonds Jul-24	74,939	74,939		
Accrued interests	33,811	33,811		
Liabilities related to disposal group held for sale	—			
Total current financial debt	**111,750**	**111,750**		
Total current and non-current financial debt	**1,996,904**	**111,750**	**792,787**	**1,092,367**

The above 31 December 2023 balances include capitalised finance costs of (i) € 314 000 on bank borrowings and schuldschein loans (2022: € 425 000) and (ii) € 10.6 million on bonds (2022: € 13.7 million). The accrued interest relates to the 6[1] issued bonds (€ 33.5 million) and the Schuldschein loans (€ 0.3 million).

The coupons of the bonds are payable annually on 6 July for the Jul-24 Bond, 30 March for the Mar-25 Bond, 19 March for the Mar-26, 8 April for the Apr-29 bond and 17 January for bonds Jan-27 & Jan-30. The interest 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.

MATURITY *In thousands of €*	**31. 12. 2022**			
	Outstanding balance	**< 1 year**	**> 1–5 year**	**> 5 year**
Non-current				
Bank borrowings	—	—	—	—
Schuldschein Loan	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 Ap-r29	595,416		—	595,416
1.625% bonds Jan-27	496,884		496,884	—
2.25% bonds Jan-30	495,595		—	495,595
Total non-current financial debt	**1,960,464**	**—**	**869,454**	**1,091,010**
Current				
Bank borrowings	—	—	—	—
Schuldschein Loan	—	—	—	—
Bonds				
2.75% bonds Apr-23	149,897	149,897	—	—
3.90% bonds Sep-23	224,534	224,534	—	—
Accrued interests	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**

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):

31. 12. 2023 *In thousands of €*	**Facility amount**	**Facility expiry date**	**Outstanding balance**	**< 1 year**	**> 1–5 year**	**> 5 year**
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 Parisbas Fortis	50,000	31-dec-26	—	—	—	—
BNP Parisbas Fortis	50,000	31-dec-26	—	—	—	—
JP Morgan SE	50,000	12-dec-25	—	—	—	—
European Investment Bank	150,000	05-feb-34	—	—	—	—
Total bank debt	**550,000**		**—**	**—**	**—**	**—**

1 The issued bond as per January 10th 2022 has been considered as two bonds, given their dual tranche maturity as well as different cost.

31. 12. 2022 *In thousands of €*	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1–5 year	> 5 year
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	50,000	31-dec-25	—	—	—	—
BNP Paribas Fortis	50,000	31-dec-26	—	—	—	—
JP Morgan SE	50,000	12-dec-25	—	—	—	—
Total bank debt	**400,000**		**—**	**—**	**—**	**—**

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 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 3.49 per cent per annum. The loans have a remaining weighted average term of 2.65 years.

31. 12. 2023 *In thousands of €*	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1–5 year	> 5 year
Schuldschein loans	29,000	Oct -24 to Oct-27	29,000	3,000	26,000	—

31. 12. 2022 *In thousands of €*	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1–5 year	> 5 year
Schuldschein loans	29,000	Oct -24 to Oct-27	29,000	—	29,000	—

17.1.3 Bonds

The following bonds have been repaid in 2023:

— 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)("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). ("Sep-23 Bond")

The following five bonds are outstanding at 31 December 2023:

— € 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). ("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). ("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). ("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 Luxembourg Stock Exchange (Euro MTF) (ISIN Code: BE6327721237). ("Apr-29 Bond")

— € 1,000 million fixed rate bonds, dual tranche on five and eight years due 17 January 2027 and 17 January 2030, carry a coupon of 1.625% and 2.25% per annum. The bonds have been listed on the Luxembourg Stock Exchange (Euro MTF) (ISIN Code: BE6332786449 and BE6332787454). ("Jan-27 and 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. There are no bank credit facilities outstanding at the level of the subsidiaries as at 31 December 2023.

All of the revolving credit facilities, mentioned in note 17.1.1, 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 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 financial 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

2023 *In thousands of €*	**01-Jan-23**	**Cash**	**Non-cash movements**				**31-Dec-23**
			Acquisitions/ (divestments)	**Foreign exchange movement**	**Fair value changes**	**Other**	
Non-current financial debt	1,960,464	—	—	—	—	(75,310)	1,885,154
Other non-current financial liabilities	—	—	—	—	—	—	—
Current financial debt	413,704	(375,000)	—	—	—	73,046	111,750
	2,374,168	**(375,000)**	**—**	**—**	**—**	**(2,264)**	**1,996,904**
Non-current financial assets	—	—	—	—	—	—	—
Total liabilities from financing activities	**2,374,168**	**(375,000)**	**—**	**—**	**—**	**(2,264)**	**1,996,904**

The cash movements relate to: (i) repayment of bond debt in the amount of € 375 million. The non-cash movements relate to: (i) € 75 million of transfer of Jul-24 bond from non-current financial to current financial debt and € 3 million transfer for the short-term part of the Schuldschein loan (ii) € 5,5 million relating to decrease in accrued interests on bonds and schuldschein loans; and (iii) € 3.2 million relating to amortisation of capitalised finance costs.

2022 *In thousands of €*	**01-Jan-22**	**Cash**	**Non-cash movements**				**31-Dec-22**
			Acquisitions/ (divestments)	**Foreign exchange movement**	**Fair value changes**	**Other**	
Non-current financial debt	1,340,609	990,749	—	—	—	(370,894)	1,960,464
Other non-current financial liabilities	—	—	—	—	—	—	—
Current financial debt	44,147	(23,500)	—	—	—	393,057	413,704
	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**

18 Other non-current liabilities

In thousands of €	31. 12. 2023	31. 12. 2022
Deposits	4,517	8,252
Retentions	9,330	19,057
Other non-current liabilities	27,535	20,772
Reclassification to liabilities related to disposal group held for sale	(3,297)	(1,662)
Total	**38,085**	**46,419**

The other non-current liabilities decreased by € 8.3 million which is the result of (i) a decrease in deposits received from tenants (-€ 3.7 million) and (ii) long-term retentions (-€ 9.7 million). Last year the deposits and retentions were mainly in companies which are sold in 2023 to the Fifth Joint Venture. The increase in other non-current liabilities is mainly the result of a higher provision for LTIP.

19 Trade debt and other current liabilities

In thousands of €	31. 12. 2023	31. 12. 2022
Trade payables	67,023	98,079
Deposits	—	—
Retentions	1,491	4,945
Accrued expenses and deferred income	5,189	3,330
Other payables	21,599	10,507
Reclassification to liabilities related to disposal group held for sale	(11,227)	(6,185)
Total	**84,075**	**110,676**

The trade debts and other current liabilities lowered by € 26 million. The trade payables decreased by € 31 million. Other payables increased to € 21.6 million and relates mainly to VAT payables, short-term leasing obligations (mainly in Renewable Energy) and obligations for wages.

20 Assets classified as held for sale and liabilities associated with those assets

In thousands of €	31. 12. 2023	31. 12. 2022
Intangible assets	—	—
Investment properties	875,817	292,541
Property, plant and equipment	—	—
Deferred tax assets	—	—
Trade and other receivables	7,380	1,160
Cash and cash equivalents	9,424	6,205
Disposal group held for sale	**892,621**	**299,906**
Non-current financial debt	—	—
Other non-current financial liabilities	—	—
Other non-current liabilities	(3,297)	(1,662)
Deferred tax liabilities	(38,760)	(25,095)
Current financial debt	—	—
Trade debts and other current liabilities	(11,227)	(6,187)
Liabilities associated with assets classified as held for sale	**(53,284)**	**(32,944)**
Total net assets	**839,337**	**266,962**

In order to sustain its growth over the medium term, VGP entered into three 50/50 joint ventures with Allianz (First, Second and the recently terminated Fourth Joint Venture) in respect of acquiring income generating assets developed by VGP. These Joint Ventures act as an exclusive take-out vehicle of the income generating assets, allowing VGP to partially recycle its initially invested capital when completed projects are acquired by the 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.

The development pipeline which will be transferred as part of any future acquisition transaction between the 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 investment properties which are being developed by VGP on behalf of the First and Second Joint Venture have a total net asset value of € 35.9 million.

The Fourth Joint Venture was 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). As no further transaction with the Fourth Joint Venture were envisaged on the short to midterm, the Joint Venture has been terminated.

As per 21 July 2023, VGP entered into a new Joint Venture agreement (the Fifth Joint Venture) with Deka of which a first closing took place in August '23. The remaining assets have been classified as held for sale and these assets have been recognized at the agreed fair market value with the Joint Venture partner net of ancillary cost and gains such as supplementary rent and construction variation orders, remaining rent incentives and transaction fees. The total net assets pertaining to the Fifth Joint Venture amount to € 338.1 million.

As per 15 December 2023 VGP entered into a new Joint Venture agreement with AREIM Pan-European Logistics Fund (D) AB, or Areim, on a 50:50 basis, with the purpose of investing into VGP developed assets in Germany, Czech Republic, France, Slovakia and Hungary. The venture will utilize debt up to a loan-to-value of 35%. The investor, Areim, has committed a € 500 million equity investment. The investment period lasts until 15 December 2028, with possibilities to extend the Joint Venture by mutual agreement. A seed portfolio has been identified and has been classified as held for sale and these assets have been recognized at the agreed fair market value with the Joint Venture partner net of ancillary cost and gains such as supplementary rent and construction variation orders and remaining rent incentives. The total net assets pertaining to the Sixth Joint Venture amount to € 465 million.

21 Cash flow statement

In thousands of €	**31. 12. 2023**	**31. 12. 2022**
Cash flow from operating activities	(27,331)	(70,637)
Cash flow from investing activities	(8,078)	(566,150)
Cash flow from financing activities	(450,050)	1,116,401
Net increase/(decrease) in cash and cash equivalents	(485,459)	479,614

The changes in the cash flow from investing activities was mainly due to: (i) € 667 million (2022: € 851.8 million) of expenditure incurred for the development activities and land acquisition; (ii) € 676.2 million cash recycled resulting from the fourth closing with the Second Joint Venture (€ 194.4 million), the tenth closing with the First Joint Venture (€ 73.5 million); the first closing with the Fifth Joint Venture (€ 393 million) and some final settlements of previous closings (€ 15.5 million).

The changes in the cash flow from financing activities were driven by: (i) € 75 million dividend paid out in May 2023 (2022: € 150 million); (ii) € 375 million repayment from the Apr-23 and Sep-23 Bonds.

22 Cash flow from disposal of subsidiaries and investment properties

In thousands of €	31. 12. 2023	Second JV	First JV	Fifth JV	Third JV	Other
Investment property	1,034,382	252,672	117,331	664,379	—	—
Trade and other receivables	46,404	3,678	1,003	41,723	—	—
Cash and cash equivalents	71,515	2,255	7,270	61,990	—	—
Non-current financial debt	—	—	—	—	—	—
Shareholder debt	(755,586)	(167,525)	(75,080)	(512,981)	—	—
Other non-current financial liabilities	(14,933)	(1,244)	(1,668)	(12,021)	—	—
Deferred tax liabilities	(56,057)	(20,430)	(7,210)	(28,417)	—	—
Trade debts and other current liabilities	(62,363)	(2,309)	(6,215)	(53,839)	—	—
Total net assets disposed	**263,362**	**67,097**	**35,431**	**160,834**	**—**	**—**
Realized valuation gain on sale	59,021	18,557	9,928	30,776	—	(240)
Total non-controlling interest retained by VGP	(1,027)	—	(1,027)	—	—	—
Additional share price due at completion of buildings	7,025	—	—	—	7,025	—
Shareholder loans repaid at closing	584,407	154,834	67,083	362,490	—	—
Equity contribution	(165,028)	(43,831)	(22,105)	(99,092)	—	—
Total consideration	**747,760**	**196,657**	**89,310**	**455,008**	**7,025**	**(240)**
Consideration to be received	—	—	—	—	—	—
Consideration paid in cash	**747,760**	**196,657**	**89,310**	**455,008**	**7,025**	**(240)**
Cash disposed	(71,515)	(2,255)	(7,270)	(61,990)	—	—
Net cash inflow from divestment of subsidiaries and investment properties	**676,245**	**194,402**	**82,040**	**393,018**	**7,025**	**(240)**

In thousands of €	31. 12. 2022	Second JV	First JV	Fifth JV	Third JV	Other
Investment property	369,657	294,209	75,448	—	—	—
Trade and other receivables	16,019	16,019	—	—	—	—
Cash and cash equivalents	18,086	18,086	—	—	—	—
Non-current financial debt	—	—	—	—	—	—
Shareholder Debt	(191,009)	(191,009)	—	—	—	—
Other non-current financial liabilities	(2,458)	(2,458)	—	—	—	—
Deferred tax liabilities	(76,675)	(25,898)	(50,777)	—	—	—
Trade debts and other current liabilities	(13,511)	(13,511)	—	—	—	—
Total net assets disposed	**120,109**	**95,438**	**24,671**	**—**	**—**	**—**
Realized valuation gain on sale	87,612	49,015	11,321	—	27,163	113
Total non-controlling interest retained by VGP	(227)	—	(227)	—	—	—
Additional share price due at completion of buildings	63,689	—	—	—	63,689	—
Shareholder loans repaid at closing	205,491	168,562	36,929	—	—	—
Equity contribution	(104,190)	(72,727)	(17,882)	—	(13,581)	—
Total consideration	**372,484**	**240,288**	**54,812**	**—**	**77,271**	**113**
Consideration to be received	(7,026)	—	—	—	(7,026)	
Consideration paid in cash	**365,458**	**240,288**	**54,812**	**—**	**70,245**	**113**
Cash disposed	(18,086)	(18,086)	—	—	—	
Net cash inflow from divestment of subsidiaries and investment properties	**347,372**	**222,202**	**54,812**	**—**	**70,245**	**113**

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 2023 there were no derivative financial instruments outstanding (same as for 31 December 2022).

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 2023 there were no foreign currency derivatives outstanding (same as for 2022).

In thousands	2023				
	CZK	DKK	HUF	RON	RSD
Trade & other receivables	43,113	779	1,058,564	142,382	430,545
Non-current liabilities and trade & other	(135,417)	(84)	(698,801)	(37,318)	(640,549)
Gross balance sheet exposure	**(92,303)**	**695**	**359,764**	**105,064**	**(210,004)**
Forward foreign exchange	—	—	—	—	—
Net exposure	**(92,303)**	**695**	**359,764**	**105,064**	**(210,004)**

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	(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**

The following significant exchange rates applied during the year:

1 € =	**31. 12. 2023**	**31. 12. 2022**
	Closing rate	**Closing rate**
CZK	24.72500	24.11500
DKK	7.45564	—
HUF	382.80000	400.87000
RON	4.97460	4.94740
RSD	117.17370	117.32240

Sensitivity

A 10 % strengthening of the euro against the following currencies at 31 December 2023 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 2022.

Effects *In thousands of €*	**2023**	
	Equity	**Profit or (Loss)**
CZK	—	339
DKK	—	(8)
HUF	—	(85)
RON	—	(1,920)
RSD	—	163
Total	—	(1,512)

Effects *In thousands of €*	**2022**	
	Equity	**Profit or (Loss)**
CZK	—	798
HUF	—	125
RON	—	(1,344)
RSD	—	(3)
Total	—	(423)

A 10 % weakening of the euro against the above currencies at 31 December 2023 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 €	**31. 12. 2023**	**31. 12. 2022**
Financial debt		
Fixed rate		
Schuldschein Loan	8,000	8,000
Bonds	1,945,000	2,320,000
Variable rate		
Bank debt	—	—
Schuldschein Loan	21,000	21,000
Reclassified to liabilities related to disposal group held for sale	—	—
Interest rate hedging		
Interest rate swaps		
Held for trading	—	—
Reclassified to liabilities related to disposal group held for sale	—	—
Financial debt after hedging		
Variable rate		
Bank debt	—	—
Schuldschein Loan	21,000	21,000
Total variable debt (A)	**21,000**	**21,000**
Fixed rate		
Bonds	1,945,000	2,320,000
Bank debt	—	—
Schuldschein Loan	8,000	8,000
Total fixed rate debt (B)	**1,953,000**	**2,328,000**
Total financial debt (C) = (A) + (B)	**1,974,000**	**2,349,000**
Fixed rate/total financial liabilities	**98.9%**	**99.1%**

The effective interest rate on financial debt (bank debt, schuldschein loans and bonds), including all bank margins on the outstanding financial debt amount 2.11 % for the year-ended 2023 (2.31 % in 2022).

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 (2022: € 210k). 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 2023 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 2022 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 €	**31. 12. 2023**	**31. 12. 2022**
	Carrying amount	**Carrying amount**
Other non–current receivables	565,734	359,644
Trade & other receivables	26,068	33,945
Cash and cash equivalents	219,345	705,373
Reclassification to (–)/from held for sale	(10,812)	(6,774)
Total	**800,335**	**1,092,188**

As at 31 December 2023 there was € 1.6 million of restricted cash held in a bank account (2022: € 5.3 million). The group's cash and cash equivalents comprise primarily cash deposits of which 68% held at Belgian Banks (See note 15). The aging of trade receivables as at the reporting date was:

In thousands of €	**31. 12. 2023**	**31. 12. 2022**
	Carrying amount	**Carrying amount**
Gross trade receivables		
Gross trade receivables not past due	14,826	15,371
Gross trade receivables past due	1,305	692
of which bad debt and doubtful receivables	205	—
Provision for impairment of receivables (–)	(205)	—
Total	**15,926**	**16,063**

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 2023 the Group, in addition to its available cash, has several committed credit lines at its disposal up to a maximum equivalent of € 550 million (2022: € 400 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 €	2023					
	Carrying amount	**Contractual Cash flow**	**< 1 year**	**1–2 years**	**2–5 years**	**More than 5 years**
Assets						
Cash and cash equivalents	219,345	219,345	219,345	—	—	—
Derivate financial instruments	—	—	—	—	—	—
Trade and other receivables	26,068	26,068	26,068			
Other non-current receivables	565,734	565,734	—	150,694	242,550	172,490
Reclassified to (–) from held for sale	(10,812)	(10,812)	(10,812)	—	—	—
	800,335	**800,335**	**234,601**	**150,694**	**242,550**	**172,490**
Liabilities						
Secured bank loans	—	—	—	—	—	—
Unsecured Schuldschein loans	28,686	31,388	3,833	748	26,807	—
Unsecured bonds	1,934,407	2,137,998	115,143	117,705	773,650	1,131,500
Derivative financial instruments	—	—	—	—	—	—
Trade and other payables	131,496	120,265	78,883	19,892	13,186	8,304
Reclassification to liabilites related to disposal group held for sale	(13,461)	(13,461)	(10,165)	(1,444)	(1,379)	(474)
	2,081,128	**2,276,189**	**187,693**	**136,902**	**812,264**	**1,139,330**

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	—	—	—
Derivate financial instruments	—	—	—	—	—	—
Trade and other receivables	33,945	33,945	33,945			
Other non-current receivables	359,644	359,644	—	—	359,644	
Reclassified to (–)from held for sale	(6,774)	(6,774)	(6,774)			
	1,092,188	**1,092,188**	**732,544**	**—**	**359,644**	**—**
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
Derivative financial instruments	—	—	—	—	—	—
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**

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 operates within and applies a maximum gearing ratio of net debt/total shareholders' equity and liabilities at 65%.

As at 31 December 2023 the Group's gearing was as follows:

In thousands of €	**31. 12. 2023**	**31. 12. 2022**
Non-current financial debt	1,885,154	1,960,464
Other non-current financial liabilities	—	—
Current financial debt	111,750	413,704
Financial debt classified under liabilities related to disposal group held for sale	—	—
Total financial debt	**1,996,904**	**2,374,168**
Cash and cash equivalents	(209,921)	(699,168)
Cash and cash equivalents classified as disposal group held for sale	(9,424)	(6,205)
Total net financial debt (A)	**1,777,559**	**1,668,795**
Total shareholders' equity and liabilities (B)	**4,410,704**	**4,846,053**
Gearing ratio ((A)/(B))	**40.3%**	**34.4%**

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. 12. 2023 *In thousands of €*	**Category in accordance with IFRS 9**	**Carrying amount**	**Fair value**	**Fair value hierachy**
Assets				
Other non-current receivables	AC	565,734	565,734	Level 2
Trade receivables	AC	15,926	15,926	Level 2
Other receivables	AC	10,142	10,142	Level 2
Derivative financial assets	FVTPL	—	—	Level 2
Cash and cash equivalents	AC	217,753	217,753	Level 2
Reclassification to (–) from held for sale		(10,812)	(10,812)	
Total		**798,743**	**798,743**	
Liabilities				
Financial debt				
Bank debt	AC	28,686	28,686	Level 2
Bonds	AC	1,934,407	1,629,160	Level 1
Trade payables	AC	67,023	67,023	Level 2
Other liabilities	AC	64,472	64,472	Level 2
Derivative financial liabilities	HFT	—	—	Level 2
Reclassification to liabilities related to disposal group held for sale		(13,460)	(13,460)	
Total		**2,081,128**	**1,775,881**	

31. 12. 2022 *In thousands of €*	**Category in accordance with IFRS 9**	**Carrying amount**	**Fair value**	**Fair value hierachy**
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 labilities	HFT	—	—	Level 2
Reclassification to liabilities related to disposal group held for sale		(7,594)	(7,594)	
Total		**2,488,912**	**1,980,044**	

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 2023, 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 2023, 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.

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 2023 there were 787,987 Units allocated to the VGP team and 134,332 Units were vested. The total pay-out of the 134,332 units amounts to € 6.1 million, which has been paid for € 1.4 million in 2023. The remainder is expected to be paid out in 2024. Consequently, the total aggregate Units allocated as at 31 December 2023 (after vesting) amount to 1,364,566 Units. Based on the 31 December 2023 financial figures these Units represent an aggregate net asset value of € 22.3 million (2022: € 18.1 million) which was provided for in the 2023 accounts. (see Remuneration Report for further details).

25 Contingencies and commitments

In thousands of €	**31. 12. 2023**	**31. 12. 2022**
Contingent liabilities	40,950	6,230
Commitments to purchase land	58,270	149,266
Commitments to develop new projects	296,513	370,629

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 795,000 m^2 of land for which deposits totalling € 2.9 million have been made. The down payment on land was classified under investment properties as at 31 December 2023 (same classification treatment applied for 2022) and is mainly composed of € 2.2 million for the acquisition of a land plot located in Vejle, Denmark.

It is expected that 30.2 million of the commitments to purchase land and € 284.3 million of the commitments to develop new projects will be payable in ’24.

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 2023 the main shareholders of the company are:
— Little Rock S.à.r.l. (29.65%): 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 39.52% of the voting rights of VGP NV and who is CEO and an executive director and (ii) Mr Bart Van Malderen who holds 23.53% 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 2023 amounts to € 7.1 million (2022: € 5.1 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 2023 aggregate amount paid under these leases was € 132 k equivalent (2022: € 123 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 €	**31. 12. 2023**	**31. 12. 2022**
Trade receivable/(payable)	(67)	—

VGP occasionally also provides real estate support services to Jan Van Geet s.r.o. (and vice versa). During 2023 VGP recorded a € 17 k revenue for these activities (2022: € 12k).

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:

In thousands of €	31. 12. 2023	31. 12. 2022
Loans outstanding at year-end	875,113	451,289
Investments in Joint Ventures	166,211	116,379
Equity distributions received	3,407	14,154
Dividends distributions received	6,062	23,214
Net proceeds from sales to Joint Ventures	676,245	347,372
Other receivables from/(payables) to the Joint Ventures at year-end	—	55
Management fee income	22,514	18,017
Interest and similar income from Joint Ventures and associates	27,505	17,305

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 €	2023	2022
Basic remuneration and short-term incentives and benefits	5,163	4,717
Long term variable remuneration	3,566	—
Total gross remuneration	8,729	4,717

The disclosures relating to the Belgian Corporate Governance Code are included in the Corporate Governance Statement of this annual report. For 2023 no post-employment benefits were granted.

27 Events after the balance sheet date

As per January '24, the group acquired its first site in Denmark, which is located in the northern part of the Triangle Region, a commercially important region in the centre of Denmark. On an area of more than 175,000 m² will be developed more than 80,000 m² of semi-industrial premises which are suitable for light industry and logistics services. The site is adjacent to the highway E45, exit 61 b Vejle Syd. The park will offer full-scale services including photovoltaics, on-site electric car charging and high-quality technical and sustainable features.

As per February '24, the group divested its stake in the LPM Joint Venture for a consideration of ca € 170 million.

28 Services provided by the statutory auditor and related persons

The audit fees for VGP NV and its fully controlled subsidiaries amounted to € 216.8k and additional non-audit services were performed during the year by Deloitte for which a total fee of € 86.8k was incurred. These fees were mainly paid for the obtained ESG limited assurance report.

Audit fees for jointly controlled entities amounted to € 233.6k. Additional non-audit services for jointly controlled entities amounted to € 335.6k.

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 2023 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 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 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 s.r.o.	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 Ottendorf-Okrilla 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 Leipzig Flughafen 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)

Subsidiaries	Registered seat address	%	
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)
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.	Budapest, Hungary	100	(3)
VGP Park Hatvan Kft.	Budapest, Hungary	100	(2)
VGP Park Györ Beta Kft.	Budapest, Hungary	100	(2)
VGP Park Kecskemet Kft.	Budapest, Hungary	100	(2)
VGP Park BUD Aerozone Kft.	Budapest, 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 Sevilla Ciudad de la Imagen, S.L.U.	Barcelona, Spain	100	(2)
VGP Park Martorell, S.L.U.	Barcelona, Spain	100	(2)
VGP Park Fuenlabrada 2, S.L.U.	Barcelona, Spain	100	(2)
VGP Park Alicante, S.L.U.	Barcelona, Spain	100	(2)

Subsidiaries	Registered seat address	%	
VGP Park Burgos, S.L.U.	Barcelona, Spain	100	(2)
VGP Park Córdoba, S.L.U.	Barcelona, Spain	100	(2)
VGP Park La Naval, S.L.U.	Bilbao, Spain	100	(2)
VGP (Park) Espana 17, S.L.U.	Barcelona, Spain	100	(2)
VGP Renewable Energy Spain, 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)
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 Parma 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 Italy14 SRL	Milan, Italy	100	(2)
VGP Park Italy15 SRL	Milan, Italy	100	(2)
VGP Park Italy16 SRL	Milan, Italy	100	(2)
VGP Park Italy17 SRL	Milan, Italy	100	(2)
VGP Park Italy18 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 Montijo, 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 Energia Renovável Portugal, S.A.	Porto, Portugal	100	(2)
VGP Constructions Industrielles SAS	Lyon, France	100	(3)
VGP France SAS	Lyon, France	100	(1)
VGP France 2 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 Park Vélizy SCI	Lyon, France	100	(2)
VGP Park France 5 SCI	Lyon, France	100	(2)
VGP Park France 6 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)

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	(4)
VGP European Logistics 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	50	(4)
VGP Park München GmbH	Baldham, Germany	50	(4)
LPM Holding BV	Haghorst, The Netherlands	50	(4)
Belartza Alto SXXI SL	Bilbao, Spain	50	(4)
Grekon 11 GmbH	Lahnau, Germany	50	(4)
VGP Park Goettingen 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	50	(4)
VGP Park Magdeburg S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	50	(4)
VGP Park Laatzen S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	50	(4)
VGP Park Gießen Am alten Flughafen S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	50	(4)
VGP Park Berlin Oberkraemer S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	50	(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)
VGP Park Berlin 4 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	10,1	(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% (89.9%) are held directly by VGP European Logistics S.a r.l..

29.3 Changes in 2023

(i) New investments

Subsidiaries	Registered seat address	%
VGP Park France 4 SCI	Lyon, France	100
VGP Park France 5 SCI	Lyon, France	100
VGP Park France 6 SCI	Lyon, France	100
VGP France 2 SAS	Lyon, France	100

(ii) Name change

New Name	Former Name
VGP Energia Renovável Portugal, S.A.	VGP Park Portugal 8 S.A.
VGP Park Fuenlabrada 2, S.L.U.	VGP (Park) España 12, S.L.U.
VGP Park Alicante, S.L.U.	VGP (Park) España 13, S.L.U.
VGP Park Burgos, S.L.U.	Daisen Investments 2020, S.L.U.
VGP Park Córdoba, S.L.U.	Maliset Investments 2020, S.L.U.
VGP Park La Naval, S.L.U.	Urlau Proyectos y Servicios, S.L.U.
VGP Park Vélizy SCI	VGP Park France 4 SCI
VGP Park Parma SRL	VGP Park Italy 5 SRL
VGP Park Montijo, S.A.	VGP Park Portugal 5, S.A.
VGP Renewable Energy Spain, S.L.U.	VGP (Park) Espana 18 S.L.U.

(iii) Subsidiaries divested

Subsidiaries	Registered seat address	%
VGP Park Sweden 1 AB	Bromma, Sweden	100%
VGP Sweden AB	Bromma, Sweden	100%

(iv) Subsidiaries sold to the First Joint Venture

Subsidiaries	Registered seat address
VGP Park Hradek nad Nisou 2 a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic
VGP Park Olomouc 5 a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic
VGP Park Berlin 4 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg

(v) Subsidiaries sold to the Second Joint Venture

Subsidiaries	Registered seat address
VGP Park Dos Hermanas, S.L.U.	Barcelona, Spain
VGP Park Granollers, S.L.U.	Barcelona, Spain
VGP Park Valencia Cheste, S.L.U.	Barcelona, Spain
VGP Park Parma 2 Srl	Milan, Segrate, Italy

(vi) Subsidiaries sold to the Fifth Joint Venture

Companies	Registered seat address
VGP Park Goettingen 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg
VGP Park Magdeburg S.à r.l.	Luxembourg, Grand Duchy of Luxembourg
VGP Park Laatzen S.à r.l.	Luxembourg, Grand Duchy of Luxembourg
VGP Park Gießen Am alten Flughafen S.à r.l.	Luxembourg, Grand Duchy of Luxembourg
VGP Park Berlin Oberkraemer S.à r.l.	Luxembourg, Grand Duchy of Luxembourg

(vii) Registered number 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)

(viii) Subsidiaries sold from VGP NV to VGP Renewable Energy

Companies
VGP Renewable Energy Spain S.L.U.
VGP Energia Renovável Portugal, S.A.

Supplementary notes not part of the audited financial statements

For the year ended 31 December 2023

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% and 10.1%) in the German asset companies of the Joint Ventures have been included in the Joint Ventures' figures (share of VGP).

Proportionally consolidated income statement *In thousands of €*	**31. 12. 2023**			**31. 12. 2022**		
	Group	**Joint Ventures**	**Total**	**Group**	**Joint Ventures**	**Total**
Gros rental and renewable energy income	69,003	102,073	171,076	51,230	72,539	123,769
Property operating expenses	(5,534)	(10,496)	(16,030)	(8,223)	(8,412)	(16,635)
Net rental and renewable energy income	**63,469**	**91,577**	**155,046**	**43,007**	**64,127**	**107,134**
Joint Ventures management fee income	26,925	—	26,925	21,537	—	21,537
Net valuation gains/(losses) on investment properties	87,958	(61,179)	26,779	(97,230)	(106,117)	(203,347)
Administration expenses	(48,863)	(1,837)	(50,700)	(33,956)	(1,333)	(35,289)
Other expenses	—	—	—	(3,000)	—	(3,000)
Operating result	**129,489**	**28,561**	**158,050**	**(69,642)**	**(43,323)**	**(112,965)**
Net financial result	(6,031)	(35,434)	(41,465)	(27,008)	(16,756)	(43,764)
Taxes	(25,451)	(3,842)	(29,293)	20,035	14,152	34,187
Result for the period	**98,007**	**(10,715)**	**87,292**	**(76,615)**	**(45,927)**	**(122,542)**

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% and 10.1%) in the German asset companies of the Joint Ventures have been included in the Joint Ventures' figures (share of VGP).

Proportionally consolidated balance sheet *In thousands of €*	**31. 12. 2023**			**31. 12. 2022**		
	Group	**Joint Venture**	**Total**	**Group**	**Joint Venture**	**Total**
Investment properties	1,508,984	2,442,718	3,951,702	2,395,702	1,916,347	4,312,049
Investment properties included in assets held for sale	875,817	—	875,817	292,541	—	292,541
Total investment properties	**2,384,801**	**2,442,718**	**4,827,519**	**2,688,243**	**1,916,347**	**4,604,590**
Other assets	682,464	2,238	684,702	437,963	3,965	441,928
Total non-current assets	**3,067,265**	**2,444,956**	**5,512,221**	**3,126,206**	**1,920,312**	**5,046,518**
Trade and other receivables	79,486	50,810	130,296	122,113	36,462	158,575
Cash and cash equivalents	209,921	74,355	284,276	699,168	51,207	750,375
Disposal group held for sale	16,804	—	16,804	7,365	—	7,365
Total current assets	**306,211**	**125,165**	**431,376**	**828,646**	**87,669**	**916,315**
Total assets	**3,373,476**	**2,570,121**	**5,943,597**	**3,954,852**	**2,007,981**	**5,962,833**
Non-current financial debt	1,885,154	1,310,253	3,195,407	1,960,464	926,409	2,886,873
Other non-current financial liabilities	—	256	256	—	—	—
Other non-current liabilities	38,085	13,581	51,666	46,419	8,308	54,727
Deferred tax liabilities	23,939	135,625	159,564	79,671	124,440	204,111
Total non-current liabilities	**1,947,178**	**1,459,715**	**3,406,893**	**2,086,554**	**1,059,157**	**3,145,711**
Current financial debt	111,750	20,613	132,363	413,704	17,805	431,509
Trade debts and other current liabilities	84,075	52,564	136,640	110,676	39,818	150,494
Liabilities related to disposal group held for sale	53,284	—	53,284	32,944	—	32,944
Total current liabilities	**249,109**	**73,178**	**322,287**	**557,323**	**57,623**	**614,946**
Total liabilities	**2,196,287**	**1,532,893**	**3,729,180**	**2,643,877**	**1,116,780**	**3,760,657**
Net assets	**1,177,189**	**1,037,298**	**2,214,417**	**1,310,975**	**891,201**	**2,202,176**

Parent company information

For the year ended 31 December 2023

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 €	**2023**	**2022**
Other operating income	21,589	21,630
Operating profit or loss	**(6,666)**	**1,897**
Financial result	118,081	36,780
Non-recurring income/(expense) financial assets	175,261	111,688
Current and deferred income taxes	(11,876)	(5,002)
Result for the year	**274,800**	**145,362**

1.3 Condensed balance sheet after profit appropriation

In thousands of €	2023	2022
Formation expenses, intangible assets	18,271	23,737
Tangible fixed assets	91	134
Financial fixed assets	3,481,466	3,271,101
Other non-current receivables	9,705	9,705
Total Non-current assets	**3,509,533**	**3,304,677**
Trade and other receivables	31,714	24,225
Cash & cash equivalents	48,678	441,162
Total current assets	**80,392**	**465,387**
Total assets	**3,589,925**	**3,770,064**
Share capital	136,092	136,092
Share Premium	759,509	759,509
Non-distributable reserves	13,609	13,609
Retained earnings	554,779	380,957
Shareholders' equity	**1,463,989**	**1,290,167**
Amounts payable after one year	1,903,605	1,980,071
Amounts payable within one year	222,331	499,826
Creditors	**2,125,936**	**2,479,897**
Total equity and liabilities	**3,589,925**	**3,770,064**

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 2023 result

In thousands of €	2023	2022
Result for the year for appropriation	274,800	145,362
Result brought forward	380,957	313,368
Result to be appropriated	**655,757**	**458,730**
Transfer to legal reserves	—	2,722
Result to be carried forward	554,779	380,957
Gross dividend	100,978	75,051
Total	**655,757**	**458,730**

The Board of Directors of VGP NV will propose to the Annual Shareholders' Meeting to distribute a gross dividend of € 3.70 per share corresponding to a total gross dividend amount of € 100,977,854.

Auditor's report

Statutory auditor's report to the shareholders' meeting for the year ended 31 December 2023 – Consolidated financial statements

The original text of this report is in Dutch

Statutory auditor's report to the shareholders' meeting of VGP NV for the year ended 31 December 2023 – Consolidated financial statements

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 12 May 2023, 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 2024. We have performed the statutory audit of the consolidated financial statements of VGP NV for 17 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 2023, 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 4 410 704 (000) EUR and the consolidated statement of comprehensive income shows a profit for the year then ended of 87,292 (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 2023 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 matters	How our audit addressed the key audit matters
Valuation of investment properties Assessing the valuer's expertise and objectivity VGP develops, owns and manages a portfolio of logistic and industrial warehousing properties, located mainly across Europe. The property portfolio is valued at 1 508 984 (000) EUR as at 31 December 2023, 2 442 718 (000) EUR is held by joint ventures at share and 875 817 (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.
Creation of a new joint venture In July 2023, VGP has signed a joint venture agreement with DEKA (the "Fifth Joint Venture") through which VGP sold 50% of the shares of 5 subsidiaries directly to DEKA, thereby losing control over these entities (the "Joint Venture Entities") which mainly own multiple investment properties. The proper accounting treatment of this joint arrangement in accordance with IFRS is complex, and requires management judgement specifically with respect to: — Assessing whether under the joint venture agreement, VGP has joint control over the Joint Venture Entities; — Determining the appropriate accounting treatment upon loss of control of the Joint Venture Entities in the consolidated financial statements of VGP NV; Proper accounting treatment of the creation of the joint venture is material to the Group's financial statements: the value of these investments per 31 December 2023, reported on the balance sheet as Investments in joint ventures and associates, for the Fifth Joint Venture amounts to 110 064 (000) EUR. Therefore, the key audit matter relates to the appropriate accounting treatment and disclosure in accordance with IFRS of the creation of this new joint venture. **Reference to disclosures** Refer to note 2.3 for the related accounting policies, note 3.2 in relation to the critical judgements in applying accounting policies and note 9 in relation to investments in joint ventures.	— We held discussions with management and obtained supporting documentation as necessary to ensure that we understood the nature of the transaction. We reviewed the proposed accounting treatment in relation to the Group's accounting policies and relevant IFRS standards. — We have read the paragraphs and addenda to the contracts supporting these transactions and evaluated the appropriateness of the recognition and measurement policies applied to the creation of these new joint ventures. — We have challenged management's assessment in relation to the joint control of the Fifth Joint Venture. — We have assessed the accounting treatment upon loss of control of the Joint Venture Entities in the consolidated financial statements of VGP NV. — We have involved our own IFRS experts to analyze the appropriate accounting treatment of this transaction. — We have assessed appropriate disclosure of this transaction in the notes to the consolidated financial statements.

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 2023 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 at Antwerp.
The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Kathleen De Brabander

Glossary of terms

Allianz or Allianz Real Estate
Means, in relation to (i) 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) the Second Joint Venture, Allianz AZ Finance VII Luxembourg S.A., and (iii) the Third Joint Venture, Allianz Pensionskasse AG, Allianz Versorgungskasse Versicherungsverein a.G., Allianz Lebensversicherungs-AG and Allianz Lebensversicherungs AG.

Allianz Joint Ventures or AZ JV
Means the First Joint Venture, the Second Joint Venture and the Third Joint Venture taken together.

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; and (iii) the joint venture agreement made between Allianz and VGP Logistics S.à r.l. (a 100% subsidiary of VGP NV) in relation to the Third Joint Venture.

Annualized committed leases or annualized rent income
The annualized committed leases or the committed annualized rent income represents the annualized 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,

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

Belgian Corporate Governance Code
Drawn up by the Corporate Governance Commission and including the governance practices and provisions to be met by companies under Belgian Law which shares are listed on a regulated market (the“2020 Code”). The Belgian Corporate Governance Code is available online at HYPERLINK www.corporate-governancecommittee.be.; www.corporategovernance-committee.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.

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 Ventures
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

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.

EPRA Net Reinstatement Value (EPRA NRV)
Basic NAV adjusted for fair valuation of derivatives; deferred tax and transaction costs (real estate transfer tax and purchaser’s costs).

EPRA Net Tangible Assets (EPRA NTA)
Basic NAV adjusted for fair valuation of derivatives, deferred taxes and Intangible fixed assets. This metric includes the transaction costs (real estate transfer tax and purchaser’s costs).

EPRA Net Disposal Value (EPRA NDV)
Basic NAV adjusted for fair valuation of fixed interest rate debt.

EPRA Earnings
Earnings from operational activities, i.e. (i) excluding changes in value of investment properties; (ii) result on disposal of investment properties, development properties held for investment and other interests; (iii) fair value of derivatives; (iv) deferred taxes and (v) acquisition costs on share deals and non-controlling joint venture interests.

EPRA Net Initial Yield (NIY)
Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

EPRA "Topped-up" NIY
This metric incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

EPRA Vacancy Rate
Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.

EPRA Cost Ratio
Administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income.

EPRA Loan to value (LTV) ratio
The proportion of the gross asset value of Investment property funded by net debt.

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

First Joint Venture
Means VGP European Logistics S.à r.l., the 50:50 joint venture between VGP and Allianz, also referred to as "Rheingold"

Fourth Joint Venture
Means VGP European Logistics 3 S.à r.l., the 50:50 joint venture between VGP and Allianz, also referred to as "Europa"

Fifth Joint Venture
Means the 50:50 joint venture between Deka Immobilien, through their funds "Deka Immobilien Europa" and "Deka Westinvest InterSelect" and VGP.

Grekon Joint Venture or Grekon
Means Grekon 11 GmbH, the 50:50 joint venture between VGP and Revikon GmbH, part of Weimar Gruppe

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 rice of those financial instruments (of financial instruments derived from them).

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

Joint Ventures
Means either and each of (i) the First Joint Venture; (ii) the Second Joint Venture, (iii) the Third Joint Venture, (iv) the LPM Joint Venture, (v) the Grekon Joint Venture; and (vi) the Fifth Joint Venture .

LPM Joint Venture or LPM
Means LPM Holding B.V., the 50:50 joint venture between VGP and Roozen Landgoederen Beheer.

LPM JVA or LPM Joint Venture Agreement
Means the joint venture agreement made between Roozen Landgoederen Beheer and VGP NV in relation to the LPM Joint Venture.

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

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, the 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 annualized 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.

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

Second Joint Venture
Means VGP European Logistics 2 S.à r.l., the 50:50 joint venture between VGP and Allianz, also referred to as "Aurora"

Sixth Joint Venture
Means 50:50 Joint Venture with AREIM Pan-European Logistics Fund (D) AB, or Areim, also referred to as "Saga"

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

Third Joint Venture
Means VGP Park München Gmbh, the 50:50 joint venture between VGP and Allianz.

VGP European Logistics or VGP European Logistics joint venture
Means the First Joint Venture.

VGP European Logistics 2 or VGP
European Logistics 2 joint venture
Means the Second Joint Venture.

VGP Park Moerdijk
Means the LPM Joint Venture.

VGP Park Belartza Joint Venture
Means Belartza Alto SXXI, S.L., a 50:50 joint venture between VGP en VUSA

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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