

**Full Year 2019 Results Presentation**  
*28 February 2020*

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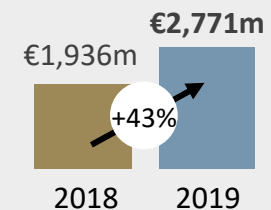
# 1. Highlights 2019

## **Strong demand for premium European logistics assets drives annual results**

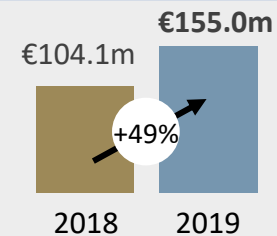
- **Record net profit of €205.6 million, a 69.8% YoY increase**
- **Continued strong business growth**
  - Record signed and renewed rental income of €54.9mm
    - Total signed rental income of € 155.0mm (+48.9% YoY)
  - Record 34 buildings with 706,000 m<sup>2</sup> under construction at year-end
  - Record owned and secured land bank of 6.21mm m<sup>2</sup> (+39.6% YoY)
  - Delivered 19 projects with 287,000 m<sup>2</sup> of lettable area
  - Started landmark VGP Park Munich project with several other iconic projects in the pipeline, including Laatzen and Magdeburg
- **Expanded partnership with Allianz Real Estate**
  - Launched second 50:50 joint venture (similar €1.7 billion gross asset value target)
  - Completed three successful transactions for a total value of €610mm
- **Completed € 150mm bond issue and arranged several bilateral credit facilities**

# Ongoing strong financial performance

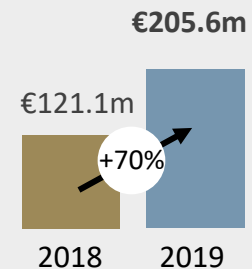
- **Strong growth of total portfolio value<sup>1</sup>**



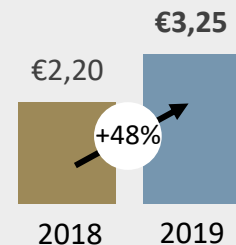
- **Record growth in committed annualised rental income<sup>1</sup>**



- **Record net profit due to development and letting activities at record levels**



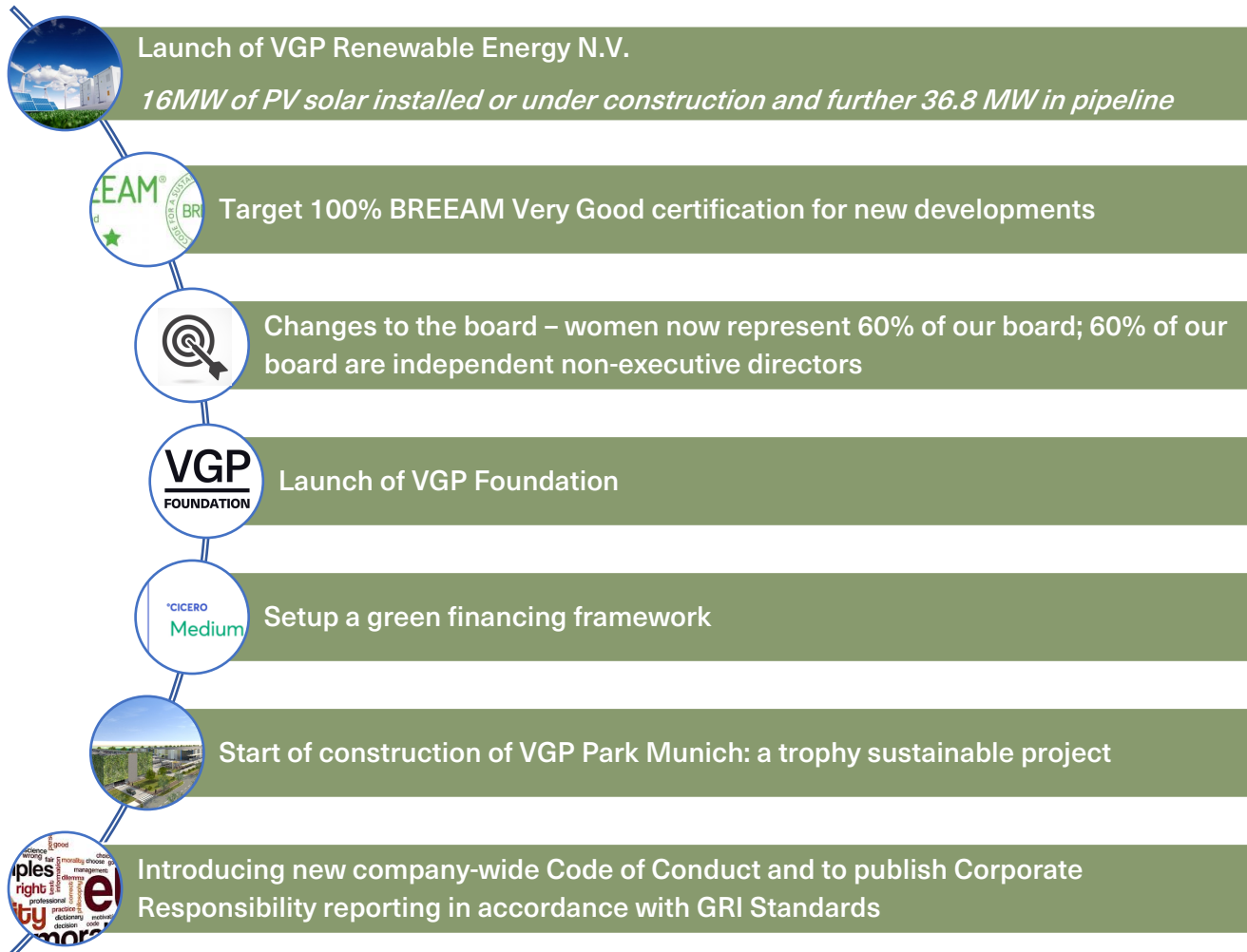
- **Intention to propose to AGM distribution of gross dividend of € 60 million (+ 47.7% YoY)**



<sup>1</sup> Including JVs portfolio at 100%



# Sustainable development achievements for 2019 and enhanced goals for 2020 onwards

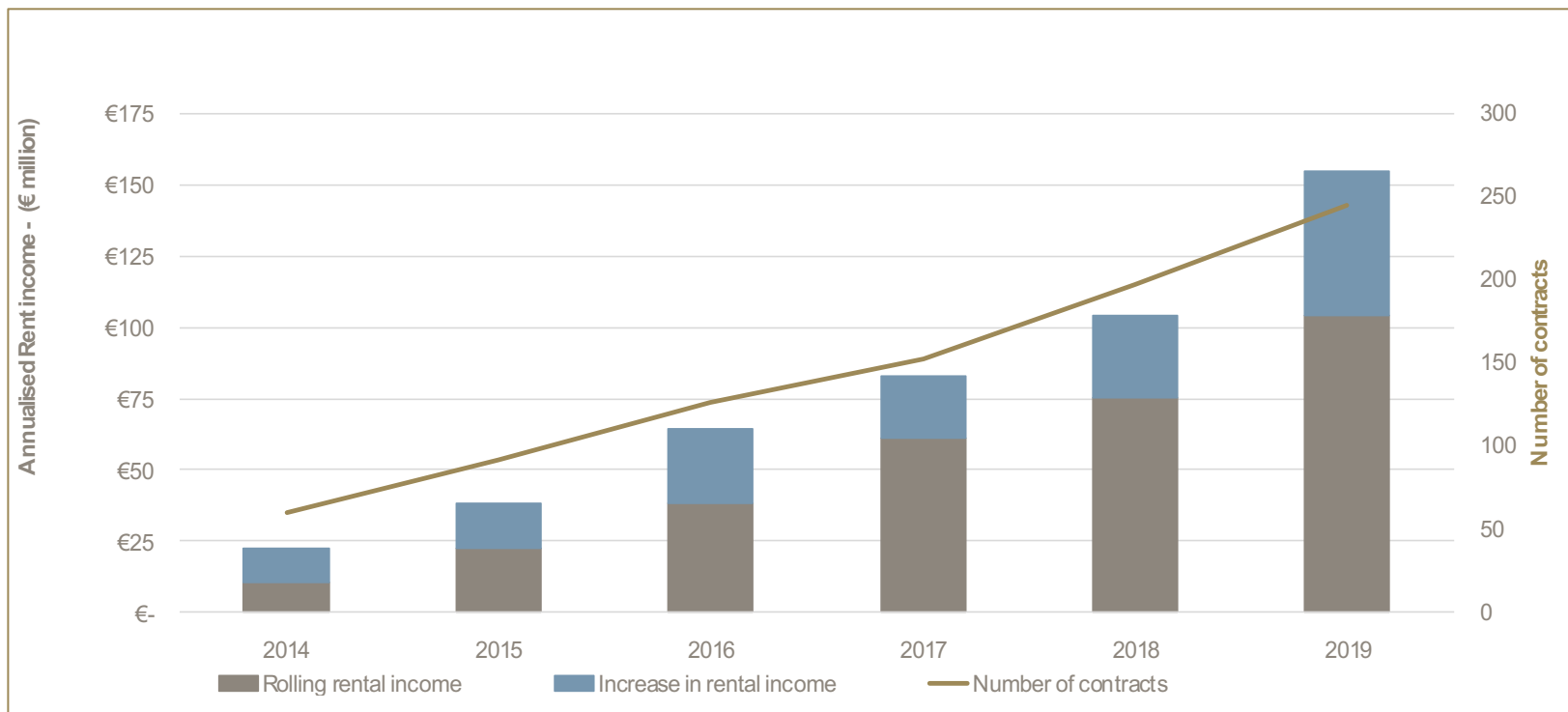


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## 2. Operational performance

# 2019 saw enduring strong momentum for leasing growth...

## Committed annualised rental income and number of tenancy contracts<sup>1</sup>



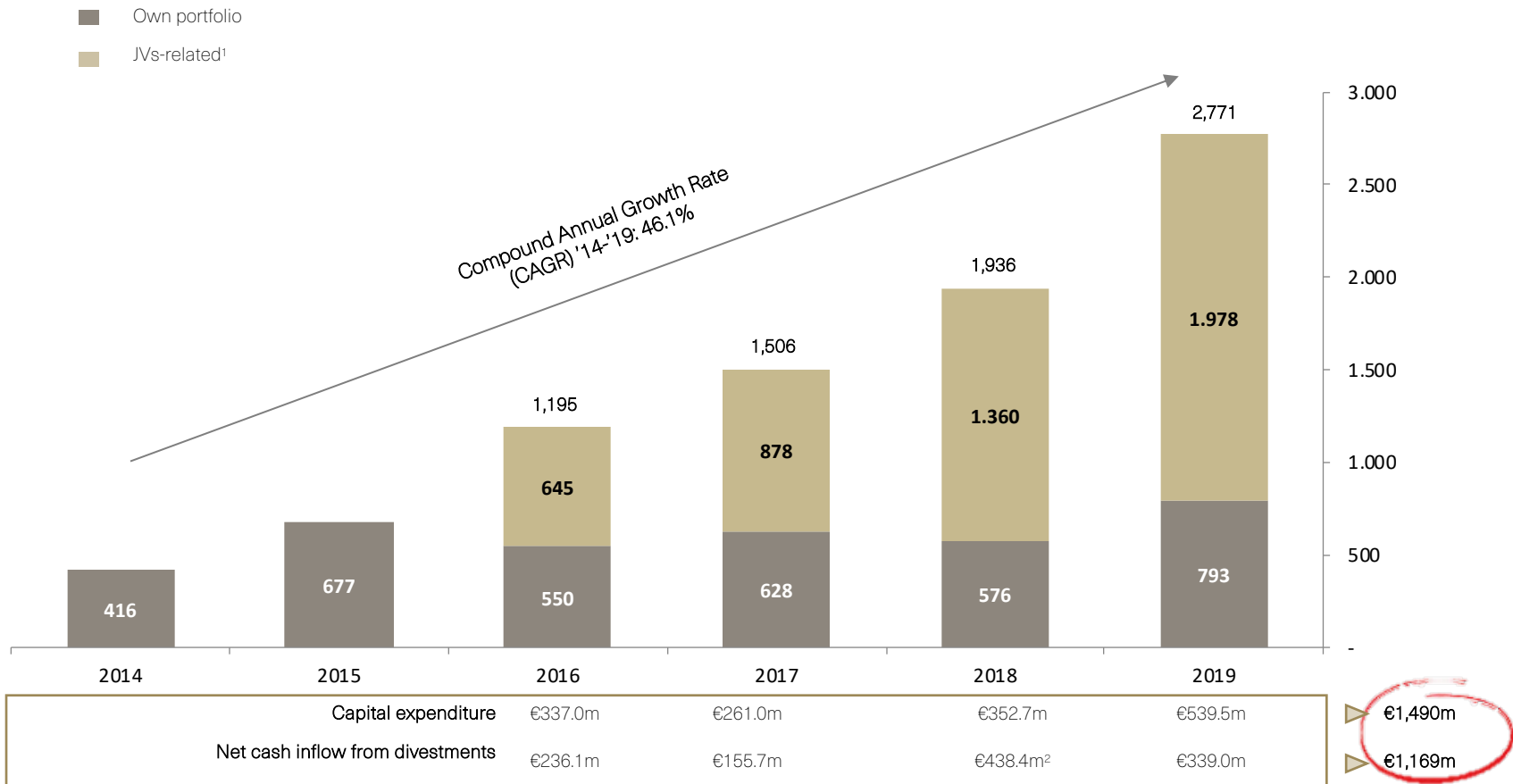
- In total 245 tenant contracts driving committed annualised leases to € 155.0 million, an increase of 48.9% YoY
  - € 52.7 million through own portfolio and € 102.3 million through the Joint Venture
- Occupancy rate of 99.8% for the completed portfolio<sup>1</sup>

**Record signed and renewed rental income of €54.9 million in 2019**

<sup>1</sup> Including 100% of JVs' assets

# ...driving resilient portfolio growth ...

## Total portfolio – including 100% JV (€mm)



**Portfolio growth primarily driven by continued capital expenditure financed mostly by rapid cash recycling**

As of December 2019

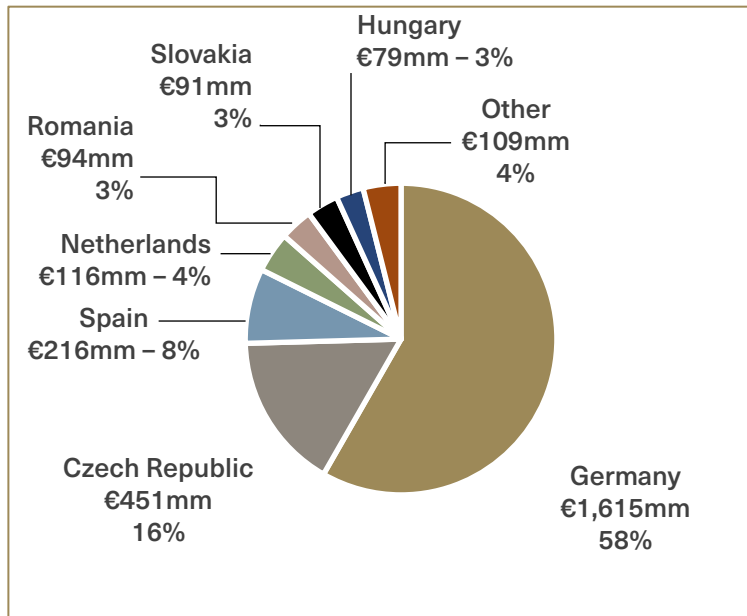
1 JVs-related includes German 5.1% stake held directly by VGP and portion of Held-for-Sale being developed on behalf of the JVs

2 Includes sale of Mango building, Spain (€150m)

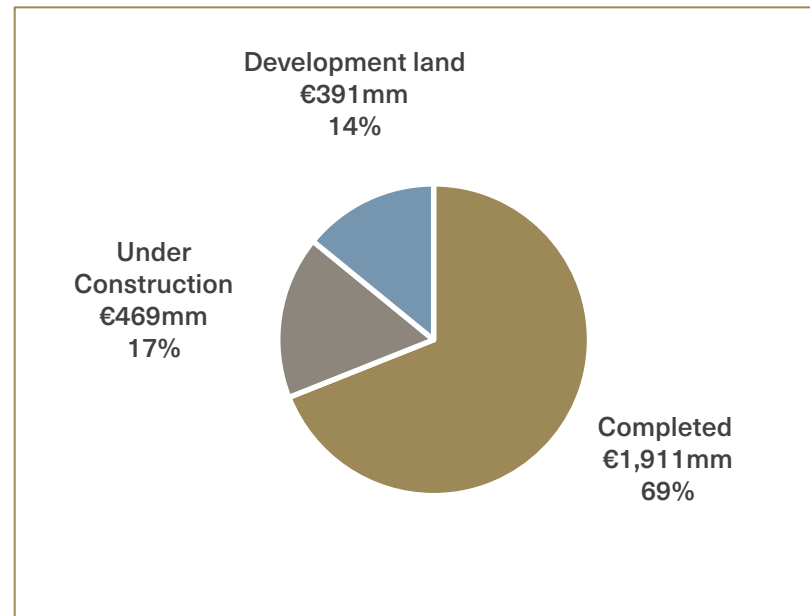
# ...which has resulted in a diversified investment portfolio

## Investment portfolio breakdown<sup>1</sup>

### Country breakdown



### Completed vs Under Construction vs Land Bank



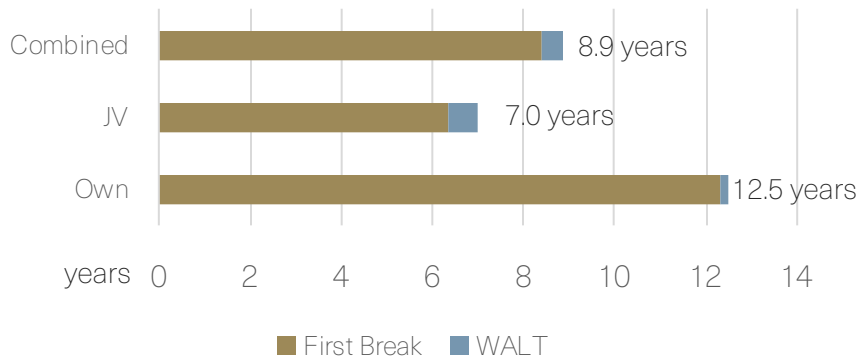
- The Investment portfolio has grown to €2,771 million<sup>1</sup>, up **43.1%YoY**
- As of Dec 2019, Western Europe represents 73% of total portfolio<sup>1</sup> (and 78% of operating EBITDA incl. JVs at share)
  - Germany contributed 65% of the combined portfolio growth
  - Netherlands growing at fastest relative pace (63% YoY)

As of 31 December 2019

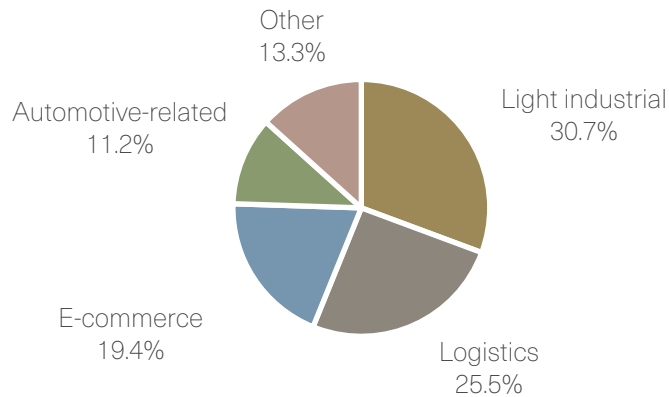
<sup>1</sup> Including 100% of JVs assets

# Portfolio leased on a long-term basis to a diversified and blue-chip customer base

## Weighted average term of the portfolio

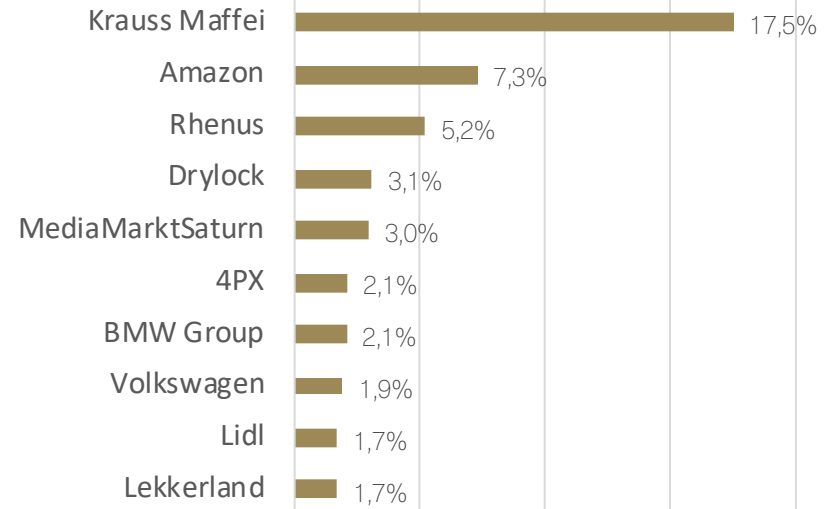


## Tenant portfolio breakdown – by industry segment



Diversified customer base

## Blue-chip top 10 Tenants (JVs at 100%)



Top 10 clients count for 45.5%



# Solid delivery of new developments in 2019

- During 2019 a total of 19 buildings were delivered, representing 287,000 m<sup>2</sup>
- Largest share of new developments delivered for tenants active in:
  - e-commerce (41%)
  - logistics (35%)
  - light industrial (11%)



VGP Park Berlin, Germany



VGP Park San Fernando de Henares, Spain



VGP Park Leipzig, Germany



VGP Park Olomouc, Czech Republic



VGP Park Kekava, Latvia

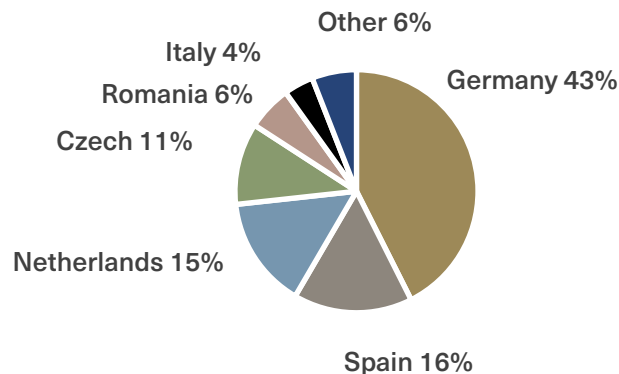


VGP Park Lliçà d'Amunt (Barcelona), Spain

# Current development pipeline

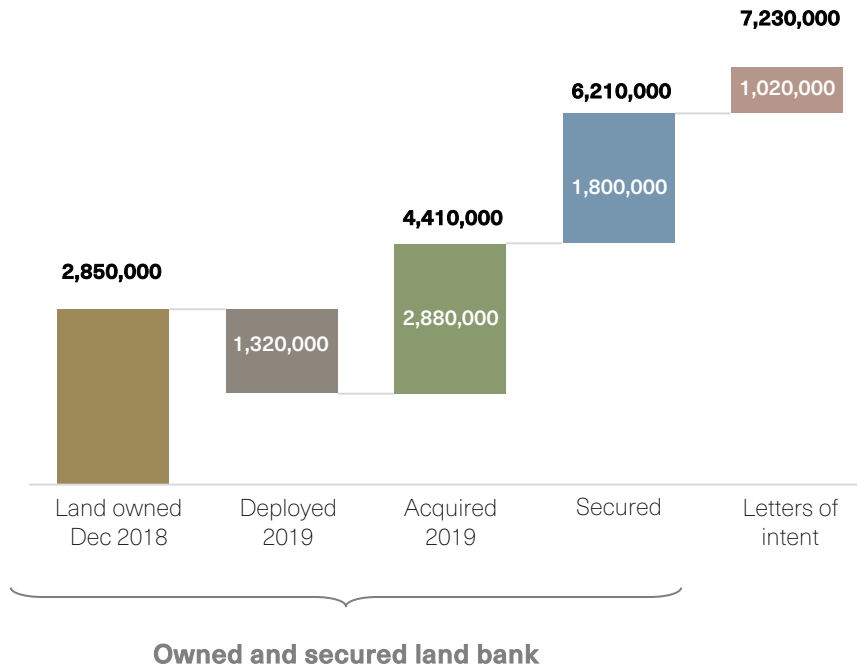
- **At Dec 2019 a total of 34 buildings were under construction, representing 706,000 m<sup>2</sup>**
  - This equates to € 45.8 million of new lease contracts
  - The portfolio Under Construction was 78% pre-let at year-end if immediate pipeline projects are included
- Western Europe reflects 78% of the total development pipeline
- In pipeline we have 11 pre-let projects to be started up in the coming months, representing 331,000m<sup>2</sup>
  - This equates to €30.4 million of pre-let agreements

## Developments – geographic breakdown (by m<sup>2</sup>)

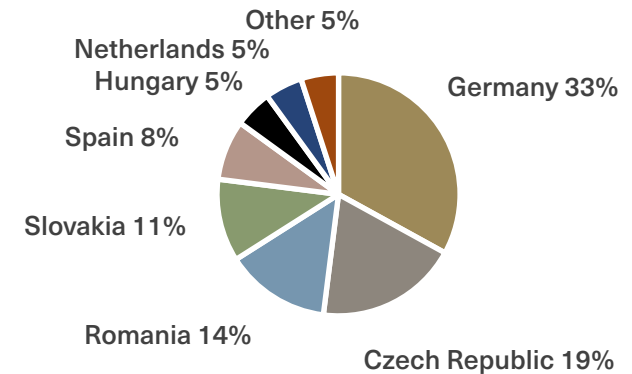


# Well advanced land bank to support future growth

## Build-up of Land bank (m<sup>2</sup>)



## Land bank<sup>1</sup> – geographic breakdown



<sup>1</sup> Geographical breakdown of development potential (m<sup>2</sup>) of the owned and secured land bank

- Total land bank (owned and secured) of 6.21 million m<sup>2</sup> equates to development potential of **2.78 million m<sup>2</sup>**
- In addition, 1.02 million m<sup>2</sup> of land under option, subject to due diligence, with **0.51 million m<sup>2</sup>** of development potential
  - In 2020<sup>1</sup>, a further 1.64 million m<sup>2</sup> Lols with **0.94 million m<sup>2</sup>** development potential has been added

**3.29 million m<sup>2</sup> of development potential embedded in the Land bank**

As of 31 Dec 2019

<sup>1</sup> Additional signed Letters of Intent as of 28 February 2020

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## 2. Financial performance

# Income Statement

- **Operating profit up €101.3mm to €252.4mm**
  - Increased profit share from JVs (+ €20.5 mm) more than offsetting lower net rental income (-€6.4mm) and higher admin expenses (-€2.9mm)
- **On a “look-through”- basis <sup>1</sup> net rental is up € 3.2 mm to € 46.7mm**
- **Net valuation gains on the property portfolio of € 188.2mm**
  - Up €89.6mm YoY driven by increase in new construction activities and revaluation gains
  - The own standing property portfolio is valued on a weighted average yield of 5.76% (vs. 6.29% as at 31 Dec '18)<sup>2</sup>
- **Administrative expenses of € 21.1 mm**
  - Reflects expansion of VGP organisation over last 12 months

## Income statement (€ million)

	2019	2018
<b>Revenue</b>	26.0	30.3
Gross rental income	11.7	16.6
Property operating expenses	(2.6)	(1.1)
<b>Net rental income</b>	<b>9.1</b>	<b>15.5</b>
Joint venture management fee income	10.5	10.0
Net valuation gains on investment properties	188.2	98.6
Administration expenses	(21.1)	(18.2)
Share in result of JVs	65.7	45.2
<b>Operating profit</b>	<b>252.4</b>	<b>151.1</b>
Financial income	5.5	6.1
Financial expense	(19.8)	(20.1)
<b>Net financial result</b>	<b>(14.2)</b>	<b>(14.0)</b>
<b>Profit before taxes</b>	<b>238.1</b>	<b>137.1</b>
Taxes	(32.5)	(16.0)
<b>Profit for the period</b>	<b>205.6</b>	<b>121.1</b>

<sup>1</sup> Look-through basis includes VGP's share of the JVs net rental income

<sup>2</sup> The (re)valuation of the own portfolio was based on the appraisal report of the property expert Jones Lang LaSalle



# Income Statement – by segment

## Investment

	2019	2018
Gross rental income	11.7	16.5
Property operating expenses	(0.3)	(0.1)
<b>Net rental income</b>	<b>11.4</b>	<b>16.5</b>
Joint venture management fee income	-	-
Net valuation gains on investment properties destined to the JVs	-	-
Administration expenses	(1.7)	(1.0)
Share of JVs' adjusted operating profit after tax	36.5	26.9
<b>EBITDA</b>	<b>46.2</b>	<b>42.4</b>

- Share in result of JVs up €9.6 million corresponds to VGP's share in the result of the JVs excluding any revaluation result

## Development

	2019	2018
Gross rental income	-	-
Property operating expenses	(2.3)	(1.0)
<b>Net rental income</b>	<b>(2.3)</b>	<b>(1.0)</b>
Joint venture management fee income	-	-
Net valuation gains on investment properties destined to the JVs	186.8	61.2
Administration expenses	(15.0)	(13.8)
Share of JVs' adjusted operating profit after tax	-	-
<b>EBITDA</b>	<b>169.5</b>	<b>46.4</b>

- Valuation gains/(losses) related to properties destined to be transferred to one of the Joint Ventures: also reflecting broadening of scope following launch of second JV

## Property and Asset Management

	2019	2018
Gross rental income	-	-
Property operating expenses	-	-
<b>Net rental income</b>	<b>-</b>	<b>-</b>
Joint venture management fee income	10.5	10.0
Net valuation gains on investment properties destined to the JVs	-	-
Administration expenses	(3.2)	(3.1)
Share of JVs' adjusted operating profit after tax	-	-
<b>EBITDA</b>	<b>7.2</b>	<b>6.8</b>

- Revenues include asset management, property management and facility management income

**From next year onwards we will introduce a fourth pillar which will be based on income generated out of renewable energy**



## Balance sheet - assets

- Investment Properties of €793mm and Disposal group held for sale of €170mm, combined up €219mm since Dec '18, despite three transactions with JVs for total transaction value of €610mm
  - Completed portfolio has decreased by €27mm to €94mm
  - Under Construction has increased by €204mm to €338mm
  - Development land has increased by €147.8mm to €360.6mm
- Investment in Joint Ventures and associates increased by €145.8 million to €387.2million reflecting the fifth and sixth closing with JV1, the inception and first closing with JV2, and property appreciation
- Cash position of €176 million

	31 Dec '19	31 Dec '18
<b>ASSETS</b>		
Investment properties	792.9	468.5
Investment in joint ventures and associates	387.2	241.4
Other non-current receivables	63.6	41.5
Other non-current assets	6.0	1.6
<b>Total non-current assets</b>	<b>1,249.8</b>	<b>753.0</b>
Trade and other receivables	28.8	23.1
Cash and cash equivalents	176.1	161.4
Disposal group held for sale	169.7	274.9
<b>Total current assets</b>	<b>374.6</b>	<b>459.4</b>
<b>TOTAL ASSETS</b>	<b>1,624.4</b>	<b>1,212.4</b>

## Balance sheet – Shareholders' equity and liabilities

- Shareholders' equity of €700mm, up €156mm since Dec '18
- Total liabilities of €925 million, up €255mm since Dec '18
  - Financial debt of €780 million increased €194 million YoY
    - Reflects €150 million bond placement, and
    - Several multi-year credit facilities
  - Trade debt and other current liabilities reflects increased construction activities<sup>1</sup>
- Gearing at the end of 2019 stood at 37.2%<sup>2</sup>
  - Company's target maximum consolidated gearing of 65%

	31 Dec '19	31 Dec '18
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>	<b>699.8</b>	<b>543.5</b>
Non-current financial debt	767.7	564.4
Other non-current (financial) liabilities	12.8	3.5
Deferred tax liabilities	31.6	22.9
<b>Total non-current liabilities</b>	<b>812.1</b>	<b>590.7</b>
Current financial debt	12.7	22.5
Trade debt and other current liabilities	89.3	46.4
Liabilities related to disposal group HFS	10.5	9.3
<b>Total current liabilities</b>	<b>112.5</b>	<b>78.2</b>
<b>Total liabilities</b>	<b>924.6</b>	<b>669.0</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,624.4</b>	<b>1,212.4</b>
<i>Note: (proposed) dividend to shareholders</i>	60.4	40.9

1 Also includes €26 million due in respect of acquired development land of VGP Park Bratislava

2 Calculated as Net debt / Total equity and liabilities

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## 3. Summary and Outlook

## Summary

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- **Solid business growth across portfolio driving many records**
- **New Joint Venture with Allianz Real Estate allows for continued rapid cash recycling and de-risking, now across the portfolio<sup>1</sup>**
- **Formidable land bank and enduring strong momentum for leasing growth secures a significant future development pipeline**

## Outlook

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- **We are very confident for the outlook for 2020 as we will construct various pre-let pipeline projects and, supported by our expanded land bank, continue implementing our pan-European roll-out**
- **We expect in the course of 2020 to be able to announce the details of an expansion of our first joint venture with Allianz Real Estate beyond the €1.7 billion original target and we anticipate to be able to conduct several JV closings**
- **From FY2020 onwards we will introduce a fourth pillar which will be based on income generated out of renewable energy**

<sup>1</sup> Only VGP country not covered by either of the two Joint Ventures is Latvia

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# Appendix

# Track record of the two joint ventures: in excess of € 1 billion of net cash proceeds

## First JV: VGP European Logistics

Closing I (May '16)	GAV: c.€500mm	€176mm net cash
	15 parks (28 buildings) in Germany, Czech Republic, Slovakia and Hungary	
Closing II (Oct '16)	GAV: c.€80mm	€59mm net cash
	5 buildings in Germany and Slovakia	
Closing III (May '17)	GAV: c.€173mm	€122mm net cash
	6 parks (7 buildings) and 4 newly completed buildings in Germany and Czech Republic	
Closing IV (May '18)	GAV: c.€400mm	€290mm net cash
	6 parks (13 buildings) and 5 newly completed buildings in Germany, Czech Republic and Hungary	
Closing V (Apr '19)	GAV: c.€203mm	€130mm net cash
	3 parks (3 buildings) and another 6 newly completed buildings in Germany and Czech Republic	
Closing VI (Nov '19)	GAV: c.€232mm	€130mm net cash
	13 buildings, including 7 in 3 new VGP Parks in Germany and Czech Republic	

VGP net cash proceeds of €907mm from First JV

## Second JV: VGP European Logistics 2

Closing I (Jul '19)	GAV: c.€175mm	€96mm net cash
	3 parks (8 buildings) in Spain, Austria and Romania	

VGP net cash proceeds of €96mm from Second JV



# VGP Park München



# VGP Park München



Building	Land plot (m <sup>2</sup> )	Total GLA (m <sup>2</sup> )	Tenant
GERMUER-A1	95,148	38,380	BMW
GERMUER-A2	37,523	15,136	BMW
GERMUER-PHN	4,615	22,213	KMT
GERMUER-B	202,165	81,548	KMT
GERMUER-E	97,555	39,351	KMT
GERMUER-F	18,559	7,486	KMT
GERMUER-PHS	4,615	19,418	KMT
GERMUER-C	120,162	48,470	KMT
GERMUER-D	93,904	37,878	[KMT]
<b>Total</b>	<b>674,248</b>	<b>309,881</b>	

- Construction works started in September 2019

Landmark development in München

KraussMaffei – Largest lease agreement signed by VGP

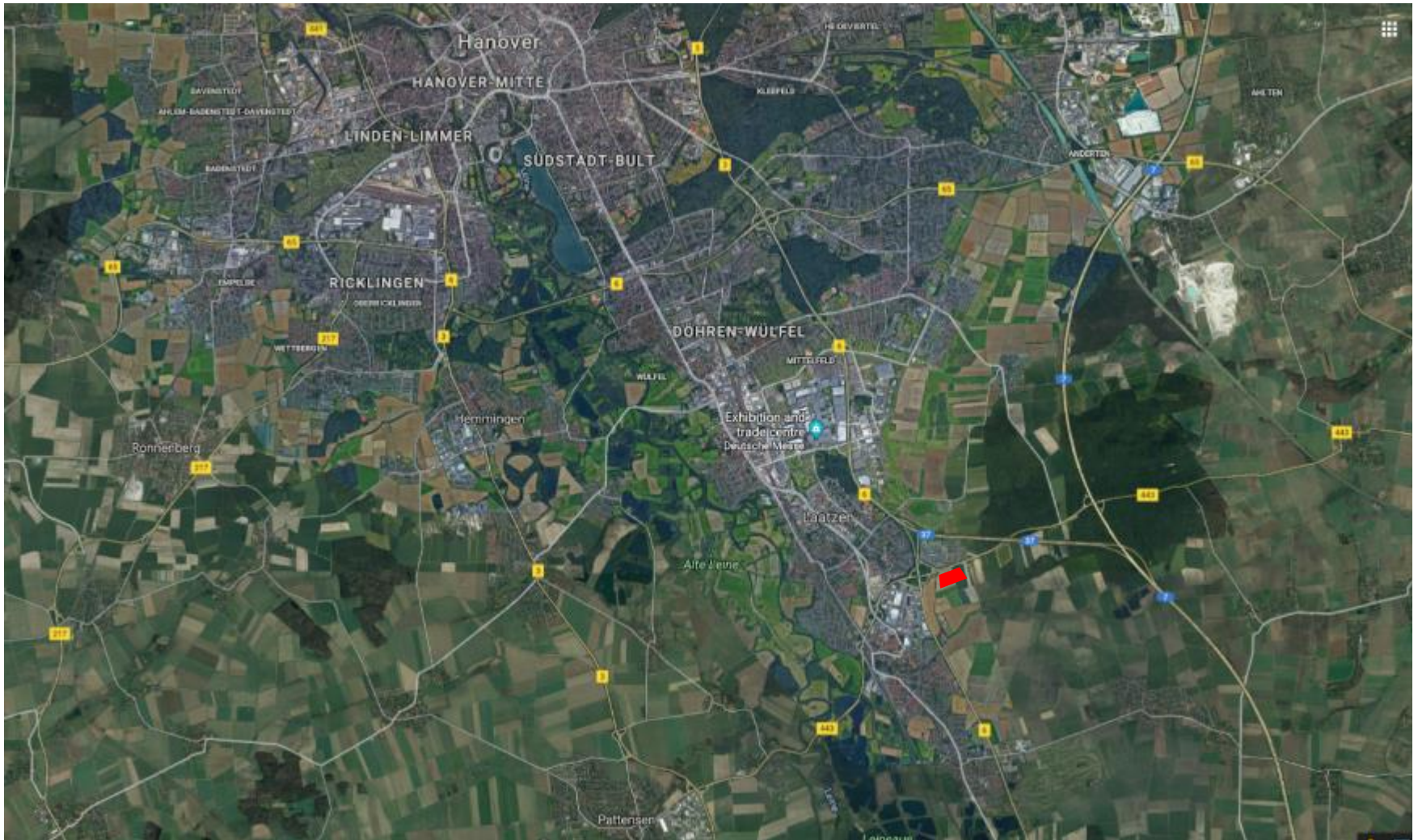


# VGP Park München

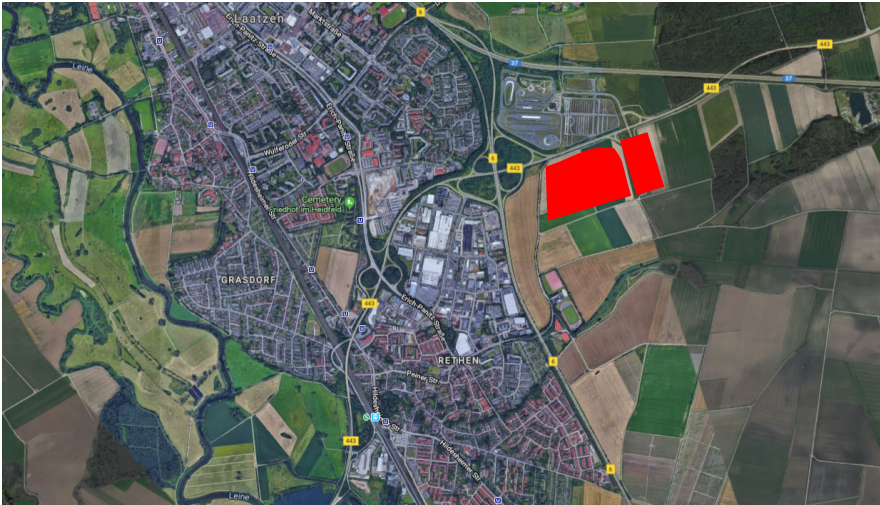




# VGP Park Laatzen (Hanover)

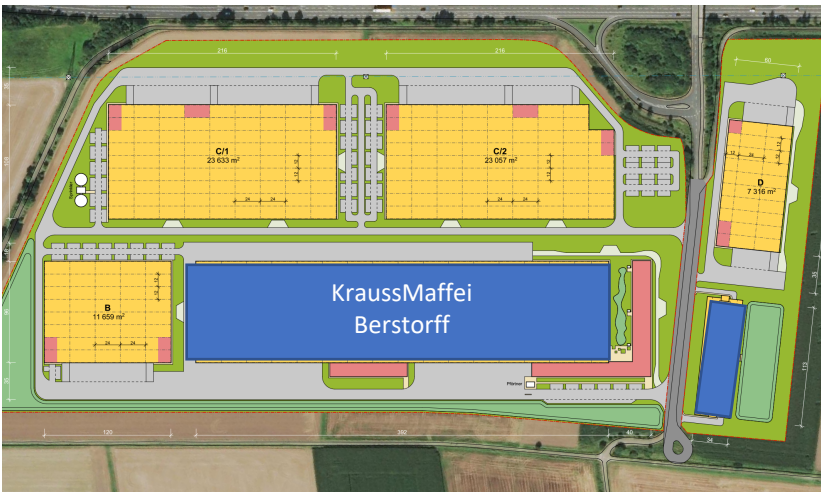


# VGP Park Laatzen (Hanover)



## LOCATION — Laatzen (Hanover)

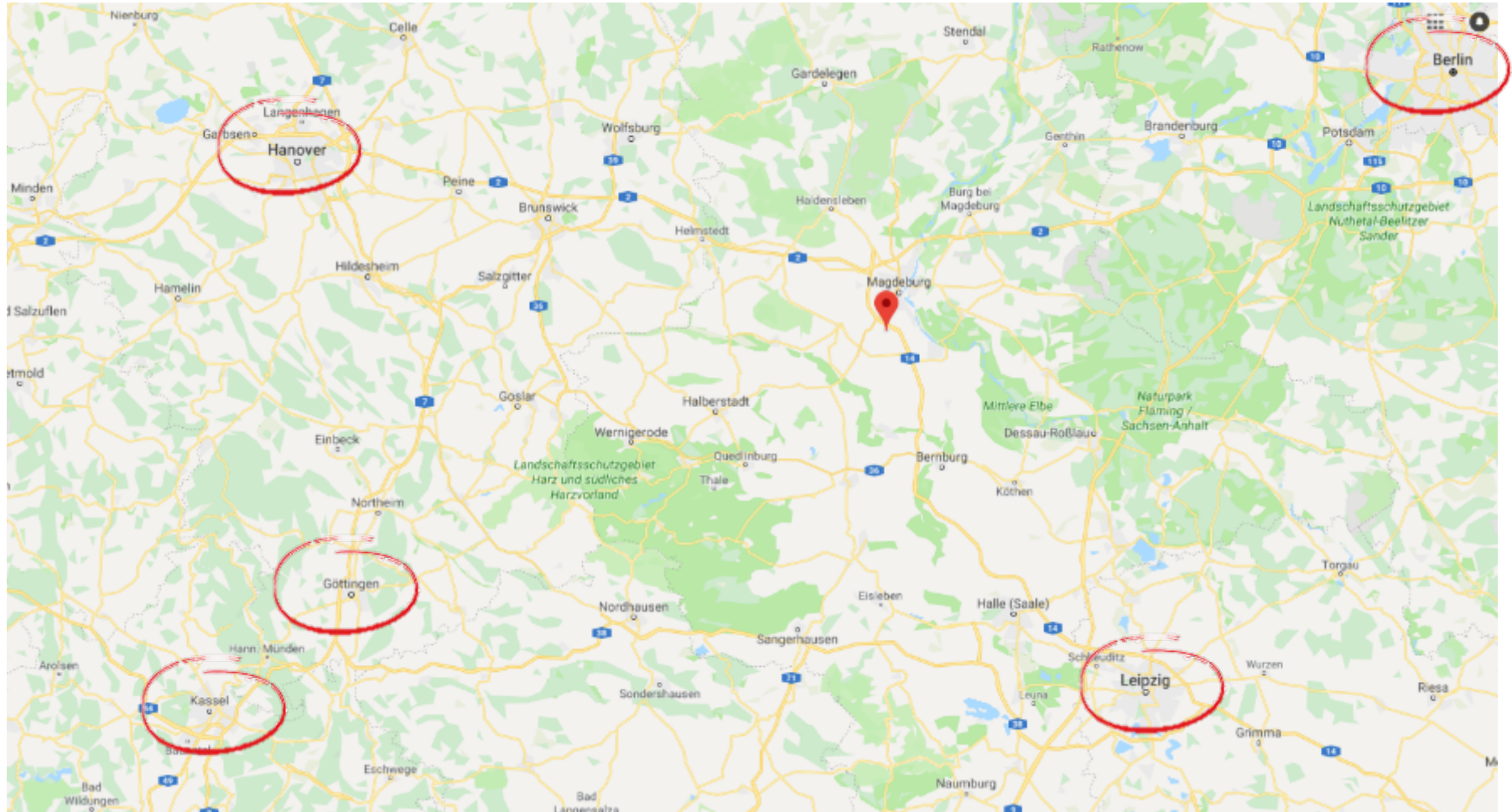
- 284.987 m<sup>2</sup> development land. First part (236,296 m<sup>2</sup>) acquired in Aug-19, second part (48,691 m<sup>2</sup>) acquired in Jan-20
- Pre-let with KraussMaffei
  - 20 year lease
  - Lease start: May-22



Building	Land plot (m <sup>2</sup> )	Total GLA (m <sup>2</sup> )	Tenant
GERLAA - A	114,365	54,728	KMB
GERLAA - PHO (Parkhaus)	24,346	n/a	KMB
GERLAA - B	24,364	11,659	Development
GERLAA - C1	49,386	23,633	Development
GERLAA - C2	48,182	23,057	Development
GERLAA - D	24,346	7,604	Development
<b>Total</b>	<b>284,987</b>	<b>120,681</b>	



# VGP Park Magdeburg





# VGP Park Magdeburg

Building	Land Plot	Total GLA
GERMAG - A	54,619 m <sup>2</sup>	26,365 m <sup>2</sup>
GERMAG - B	72,715 m <sup>2</sup>	35,100 m <sup>2</sup>
GERMAG - C	65,522 m <sup>2</sup>	31,628 m <sup>2</sup>
GERMAG - D	65,522 m <sup>2</sup>	31,628 m <sup>2</sup>
GERMAG - E	115,870 m <sup>2</sup>	55,931 m <sup>2</sup>
GERMAG - F	115,870 m <sup>2</sup>	55,931 m <sup>2</sup>
GERMAG - G	60,088 m <sup>2</sup>	29,005 m <sup>2</sup>
GERMAG - H	54,652 m <sup>2</sup>	26,381 m <sup>2</sup>
<b>TOTAL</b>	<b>604,858 m<sup>2</sup></b>	<b>291,969 m<sup>2</sup></b>

## LOCATION — Magdeburg (Osterweddingen)

- Circa 240,000 inhabitants
- Capital city of Saxony-Anhalt
- 604,858 m<sup>2</sup> development land acquired in June 2019
- Construction works started November 2019



# Disclaimer

## ABOUT VGP

VGP is a leading pan-European developer, manager and owner of high-quality logistics and semi-industrial real estate. VGP operates a fully integrated business model with capabilities and longstanding expertise across the value chain. The company has an owned and secured development land bank of 6.2 million m<sup>2</sup> and the strategic focus is on the development of business parks. Founded in 1998 as a family-owned real estate developer in the Czech Republic, VGP with a staff of over 220 employees today owns and operates assets in 12 European countries directly and through VGP European Logistics, a joint venture with Allianz Real Estate. As of December 2019, the Gross Asset Value of VGP, including the joint venture at 100%, amounted to €2.77 billion and the company had a Net Asset Value (EPRA NAV) of €741 million. VGP is listed on Euronext Brussels and on the Prague Stock Exchange (ISIN: BE0003878957).

For more information, please visit: <http://www.vgpparks.eu>

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