

---

**VGP**

---

---

**BUILDING  
TOMORROW  
TODAY**

---



# HALF-YEAR FINANCIAL RESULTS PRESS RELEASE

---

For the period from  
1 January 2021 – 30 June 2021

Regulated Information  
Monday, 30 August 2021, 06:00 pm CET

## VGP'S RESULTS FOR FIRST HALF 2021

**30 August 2021, 6:00pm, Antwerp, Belgium:** VGP NV ('VGP' or 'the Group'), a European provider of high-quality logistics and semi-industrial real estate, today announces the results for half-year ended 30 June 2021:

- Strong operating performance resulting in a record net profit of € **203.8** million
  - As of 30 June 2021, a total of 1,127,000 m<sup>2</sup> under construction through 42 projects representing €69.4 million in additional annual rent once fully built and let (81.3% pre-let)
  - 426,000 m<sup>2</sup> of projects started up in 2H21 and a further 386,000 m<sup>2</sup> are expected to be started up in the coming months (total construction portfolio incl. to be started up 78% pre-let)
  - 8.56 million m<sup>2</sup> land bank owned or committed (+11.9% YTD)
  - Total portfolio value increased to €4.48 billion<sup>1</sup> (+16.6% YTD)
  - Our total signed rental income grew with 21.9% over the first 8 months of 2021 to € 225.7 million as of 31 August 2021<sup>2</sup>
  - Strong delivery pipeline of >550,000m<sup>2</sup> expected for 2H21<sup>3</sup>
- Anticipated capex roll-forward is expected to be fully covered by net cash proceeds from joint venture closings
- Advanced discussions with Allianz regarding expansion of partnership through launch of fourth joint venture ongoing; first joint venture has reached investment target
- Strong cash position with €469 million available on balance sheet and gearing ratio at 30.4% as of 30 June 2021 following successful €600 million green bond issue

VGP's Chief Executive Officer, **Jan Van Geet**, said: *"The breadth and depth of client engagement witnessed during the first 8 months of 2021 – stronger than any prior year, buoyed by strong market fundamentals on the foundation of our prime and ready-to-build land bank. This has resulted in several iconic very long-term new lease contracts getting signed. The conversion of land bank into yielding assets for this period alone reflects a portfolio growth of well over €1 billion once completed."*

Jan Van Geet added: *"We are continuing to expand our Corporate and Social Responsibility agenda, making each of our countries, assets and over 300 employees active contributors to our CSR objectives. Whilst our photovoltaic roll-out continues above plan – with 133MWp in solar panel installations underway we will soon produce sufficient solar energy to support 37,000 households. On our brownfield sites in Giessen and Wiesloch, Germany, we are now also planning our first large built-to-suit project earmarked to receive the DGNB KlimaPositiv (CO<sub>2</sub> neutral) certification."*

Jan Van Geet concluded: *"Whilst I am very proud of what has been achieved, at the same time we are looking forward to the ambitious journey that lies ahead. We have several more prestigious projects in our pipeline and we are working hard on potentially starting up new countries both in East and Western Europe. The VGP family keeps growing, aiming to be diverse and inclusive, yet adhering to our core house principles of trying hard to deliver exceptional client service in partnership with local authorities and communities, whilst acting with integrity and responsibility."*

---

<sup>1</sup> Including of Joint Ventures at 100%

<sup>2</sup> incl. of Joint Ventures at 100%. As of 30 Jun '21: €22.7 million worth of signed and renewed lease agreements with total annualised rental income of € 205.7 million (+11.1% YTD)

<sup>3</sup> Delivered 5 projects with 81,000 m<sup>2</sup> of lettable area during 1H 2021. Several other projects currently under construction are scheduled for delivery in the coming months

## FINANCIAL AND OPERATING HIGHLIGHTS

### New leases signed

- As of 30 June 2021, the signed and renewed rental income amounted to € 22.7 million driven by 417,000 m<sup>2</sup> of new lease agreements signed, corresponding to € 21.4 million of new annualised rental income<sup>1</sup>, whilst during same period for a total of 27,000 m<sup>2</sup> of lease agreements were renewed corresponding to € 1.3 million of annualised rental income which all related to the joint ventures<sup>2</sup>. Terminations represented a total of €0.8 million or 15,000 m<sup>2</sup>, all within the joint ventures' portfolio
- The signed annualised committed leases represent € 205.7 million<sup>3</sup> (equivalent to 3.6 million m<sup>2</sup> of lettable area), a 11.1% increase since December 2020
- Leasing activity has continued strongly into H2 2021 with over € 20 million of additional contracts signed in the first few weeks of the new reporting period bringing total annualised rental income to € 225.7 million (+21.9% YTD) as of 31 August 2021
- Leasing activity year-to-date has been strong across the board with increased demand from a broad range of tenants. From a geographical perspective, Germany contributed circa half of new leases and particular strong activity was noted in Czech Republic, Hungary and Spain

### Construction activity

- A total of 42 projects under construction which will create 1,127,000 m<sup>2</sup> of future lettable area, representing €69.4 million of annualised leases once built and fully let – the portfolio under construction is 81.3% pre-let
- During the first 6 months of 2021 a total of 5 projects were completed delivering 81,000 m<sup>2</sup> of lettable area, representing €4.2 million of annualised committed leases. Several other projects currently under construction are scheduled for delivery in the coming months resulting in a delivery pipeline of >550,000m<sup>2</sup> expected for H2 2021
- Another 17 construction projects representing 426,000 m<sup>2</sup> of gross lettable area have since been started up in 2H 2021 and a further 8 construction projects (representing 386,000 m<sup>2</sup> of gross lettable area) are expected to be started up in the coming months (total construction portfolio incl. to be started up 78% pre-let)
- Whilst construction costs are trending upwards this has been offset through higher rental prices and lower yields

---

<sup>1</sup> Of which 367,000 m<sup>2</sup> (€ 18.1 million) related to the own portfolio

<sup>2</sup> 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

<sup>3</sup> For joint venture at 100%

### **Land bank has continued to expand**

- Acquisition of 0.80 million m<sup>2</sup> of development land and a further 2.99 million m<sup>2</sup> committed subject to permits which brings the remaining total owned and committed land bank for development to 8.56 million m<sup>2</sup>, which supports 3.93 million m<sup>2</sup> of future lettable area
- A further 4.01 million m<sup>2</sup> of new land plots have been identified and secured which are under due diligence and have a development potential of 1.64 million m<sup>2</sup> of future lettable area. This brings the land bank of owned, committed and secured to **12.58** million m<sup>2</sup>

### **Renewable Energy**

- A total solar power generation capacity of 61.8MWp is currently installed or under construction through 52 roof-projects. The total anticipated energy production equates to circa 55,000 MWh. This is being realised through a €31.1 million investment to date
- In addition, the pipeline includes 33 solar power projects identified which equates to an additional power generation capacity of 71 MWp. For these projects we expect the installation works to commence in the coming months

### **Completion of the 8<sup>th</sup> closing with the first joint venture and expansion of partnership with Allianz anticipated through launch of fourth joint venture with Allianz Real Estate**

- On 16 June 2021 VGP announced the successful eighth closing with its 50:50 joint venture, VGP European Logistics ('First Joint Venture'). The transaction comprised of four logistic buildings, including two buildings in two VGP parks and another two newly completed logistic buildings which were developed in parks previously transferred to the Joint Venture. The transaction value was € 68.2 million<sup>1</sup> and net proceeds from this transaction amounted to circa € 49.6 million. This was the last closing with the First Joint Venture to include new parks as, with this eighth closing, the First Joint Venture has reached its expanded investment target. The First Joint Venture will maintain its existing portfolio with VGP continuing to act as property, facility and asset manager
- Advanced discussion between VGP and Allianz Real Estate with regards to the setup of a new joint venture similar in form to the first two joint ventures and with the identical geographical remit as the First Joint Venture are progressing well and expected to be finalized in the coming period. An initial closing for the seed portfolio is expected to follow shortly thereafter
- The First Joint Venture is expected to upstream a circa €20 million amount in September 2021

### **Capital and liquidity position**

- On 31 March 2021, VGP announced the successful issue of a first benchmark international green bond for an aggregate nominal amount of € 600 million, for coupon of 1.50% p.a. and maturing on 8 April 2029. Demand exceeded 2.7 times the volume of the issue. The proceeds from this issuance

---

<sup>1</sup> The transaction value is composed of the purchase price for the completed income generating buildings and the net book value of the development pipeline which is transferred as part of a closing but not yet paid for by the First Joint Venture.

are being used to fund the majority pre-let development pipeline, the build out of renewable energy assets and the design and development of new green logistics and semi-industrial parks

- In addition to the net proceeds from the last joint venture closing we have been able to maintain our financial purchasing power and to be able to finance the investment pipeline and to benefit from additional investment opportunities

### **Progress towards our Sustainable Development Goals**

- In addition to the reported successful roll-out of our renewable energy investments we have made significant progress towards our other Sustainable Development Goals in the first half of 2021. In order to allow transparent reporting on the progress on our ESG initiatives we have, in addition to our annual CDP disclosure and our Corporate Responsibility Reporting in accordance with GRI Standards, we participated in the 2021 GRESB (Global Real Estate Sustainability Benchmark) assessment and initiated a Sustainability rating process

### **Outlook**

- It is with confidence that we look at the second half of 2021 and beyond. Following the strong leasing activities as reported over the last few months development activities should continue to operate at elevated levels during the upcoming period. We expect technological changes and e-commerce to continue to be an important driver for demand across our platform. Our existing land bank provides the foundation for growth over the coming years and VGP expects to be able to continue expanding its rental income and property portfolio through the completion and start-up of new building projects in the second half of 2021
- Continued focus on expansion of photovoltaic installations and service offering of VGP Renewable Energy, facilitating our clients in managing their carbon footprint
- Finally, we expect to be able to announce the details of a new joint venture with Allianz Real Estate in the coming period

## KEY FINANCIAL METRICS

	H1 2021	H1 2020	Change (%)
<b>Operations and results</b>			
Committed annualised rental income (€mm)	205.7	165.2	27.8%
IFRS Operating profit (€mm)	240.0	217.9	10.1%
IFRS net profit (€mm)	203.8	196.9	3.5%
IFRS earnings per share (€ per share)	9.90	10.19	(2.8)%
<b>Portfolio and balance sheet</b>			
	30 Jun 21	31 Dec 20	Change (%)
Portfolio value, including joint venture at 100% (€mm)	4,480	3,843	16.6%
Portfolio value, including joint venture at share (€mm)	2,966	2,468	20.2%
Occupancy ratio of standing portfolio (%)	99.4	98.5	-
EPRA NTA per share (€ per share)	73.37	65.78	11.5%
IFRS NAV per share (€ per share)	69.69	63.44	9.6%
Net financial debt (€mm)	909.5	560.9	62.1%
Gearing <sup>1</sup> (%)	30.4	25.2	-

## AUDIO WEBCAST FOR INVESTORS AND ANALYSTS

**VGP will host an audio webcast at 10:30 (CEST) on 31 August 2021**

Webcast link:

- [https://event.webcasts.com/starthere.jsp?ei=1490414&tp\\_key=4b56f881dc](https://event.webcasts.com/starthere.jsp?ei=1490414&tp_key=4b56f881dc)
- Click on the link above to attend the presentation from your laptop, tablet or mobile device. Audio will stream through your selected device
- Please join the event audio webcast 5-10 minutes prior to the start time

A presentation will be available on VGP website:

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

## CONTACT DETAILS FOR INVESTORS AND MEDIA ENQUIRIES

Martijn Vlutters (VP – Business Development & Investor Relations)	Tel: +32 (0)3 289 1433
Petra Vanclova (External Communications)	Tel: +42 0 602 262 107
Anette Nachbar Brunswick Group	Tel: +49 152 288 10363

<sup>1</sup> Calculated as Net debt / Total equity and liabilities

## ABOUT VGP

VGP is a pan-European developer, manager and owner of high-quality logistics and semi-industrial real estate. VGP operates a fully integrated business model with capabilities and longstanding expertise across the value chain. The company has a development land bank (owned or committed) of 8.56 million m<sup>2</sup> and the strategic focus is on the development of business parks. Founded in 1998 as a Belgian family-owned real estate developer in the Czech Republic, VGP with a staff of c. 300 employees today owns and operates assets in 11 European countries directly and through several 50:50 joint ventures. As of June 2021, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 4.48 billion and the company had a Net Asset Value (EPRA NTA) of € 1.51 billion. VGP is listed on Euronext Brussels and on the Prague Stock Exchange (ISIN: BE0003878957).

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

**Forward-looking statements:** This press release may contain forward-looking statements. Such statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. VGP is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements contained in this press release considering new information, future events or otherwise. The information in this announcement does not constitute an offer to sell or an invitation to buy securities in VGP or an invitation or inducement to engage in any other investment activities. VGP disclaims any liability for statements made or published by third parties and does not undertake any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other press release issued by VGP.