VGP BUILDING TOMORROW TODAY

Annual Report 2021

VGP

BUILDING
TOMORROW
TODAY

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In thousands of €

INVESTMENT PROPERTIES	2021	2020	2019	2018	2017
Own portfolio					
Total lettable area *(m²)*	765,783	205,069	146,079	288,372	445,958
Occupancy rate *(%)*	99.3%	100.0%	100.0%	99.2%	100.0%
Fair value of property portfolio	2,200,119	920,151	792,944	576,143	627,737
Joint Ventures' portfolio (100%)					
Total lettable area *(m²)*	2,326,149	2,236,306	1,764,640	1,333,476	830,905
Occupancy rate *(%)*	99.4%	98.4%	99.8%	99.4%	100.0%
Fair value of property portfolio[1]	3,545,582	2,922,563	1,978,266	1,360,263	877,761

BALANCE SHEET	2021	2020	2019	2018	2017
Shareholders' equity	2,175,565	1,305,736	699,781	543,467	466,230
Gearing					
Net debt/total assets	29.8%	25.2%	37.2%	34.6%	42.3%

INCOME STATEMENT	2021	2020	2019	2018	2017
Gross rental income	17,618	12,078	11,653	16,627	17,046
Property operating expenses	(2,219)	(3,784)	(2,556)	(1,123)	(1,941)
Net rental and related income	**15,399**	**8,294**	**9,097**	**15,504**	**15,105**
Property and facility management/ development income	21,303	14,699	10,492	9,965	8,057
Net valuation gains/(losses) on investment property	610,261	366,361	188,165	98,552	94,628
Administrative costs	(52,112)	(29,296)	(18,100)	(18,167)	(19,353)
Share in the results of joint ventures and associates	186,703	63,338	65,703	45,220	29,229
Other expenses	(5,000)	(4,000)	(3,000)	—	—
Operating profit	**776,554**	**419,396**	**252,357**	**151,074**	**127,666**
Net financial result	(12,654)	(8,592)	(14,238)	(13,970)	(10,466)
Taxes	(113,845)	(39,865)	(32,506)	(15,998)	(21,205)
Profit for the year	**650,055**	**370,939**	**205,613**	**121,106**	**95,995**

RESULT PER SHARE	2021	2020	2019	2018	2017
Net result per share *(in €)* – Basic	31.41	18.58	6.52	5.17	4.91
Net result per share *(in €)* – Diluted	31.41	18.58	6.52	5.17	4.91

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

Letter to the shareholders

Dear fellow share- and bond holders of VGP,

VGP can today look back on a very positive and fruitful 2021. We set new records across all our business goals and built solid foundations for our future business growth.

During 2021 we have signed nearly € 80 million of annualized rental income, an increase of 76% in comparison to the year before. Extrapolating this in terms of portfolio growth in today's yields: a growth of nearly € 2 billion once completed which we were able to contract in one year time. This trend has so far continued in 2022, with several big new long-term leases being signed or under final negotiations.

During last year we have delivered 652.000 m² of pre-let buildings to our customers, most of which we have constructed with our own construction management. At the end of the year we had almost 1.5 million m² of new buildings under construction – the bulk of that (more than 83%) was pre-let.

The technical competence we built up over the years enables us to provide complex and integrated solutions to our customers. This is a big asset in today's world, where there is a fast change to more automation and robotization inside our buildings. Together with our customers we have learned a lot about these evolutions, and I am convinced that going forward, it will become standard that technology will make the biggest part of the building in terms of investment.

Our employees

The past year's success is the product of a talented, smart, committed group of individuals. I would like to express a word of gratitude towards my colleagues and their families, and I take great pride in being a part of this team. These results are a direct reflection of the energy and enthusiasm of our people and the support of their families, for which I would like to sincerely thank them.

VGP becomes a member of BEL20

On 28 March 2022, VGP was welcomed by Vincent Van Dessel, Chief Executive Officer of Euronext Brussels as new member of the BEL20 and honoured with a "bell ringing" ceremony at the Brussels Stock exchange. This is another significant milestone for our company, and again could not have been achieved without the dedication of our employees.

VGP is truly pan-European

Since the inception of VGP, it has always been our mantra to become a truly pan-European company. This needs to be done carefully and slowly, with the right attention for capital deployment and opportunities in each of the so different countries of Europe. That is why it has taken us so long to grow from the Czech Republic, my home, into the twenty countries we are now active in. Recently we have appointed new country managers for Denmark and Sweden – together with France, Greece, Serbia, and Croatia which we added last year we are now close to having a footprint in which we can provide our services to all our pan-European customers.

As I wrote last year already, local culture and de-centralisation remains a key business principle in the organization of VGP. We continue to strengthen our local teams across Europe to provide our clients with a local and customized approach while safeguarding the uniformity of VGP's business model through the strengthening and support of our management on European level.

Big growth brings along big capital needs in our sector

Our model, developing our assets on our own balance sheet and then selling them to a 50/50 joint venture with Allianz has helped us a lot in terms of recycling our working capital thus being able to invest in new development opportunities.

However, the pace at which we are growing now, and the consequent capex requirements have urged us to build up capital buffers, strong enough to handle that growth. That is why in November last year we have done a capital increase of € 300 million to strengthen our balance sheet on the back of which we have issued in the beginning of this year two bonds, one with a five-year and one with an eight-year term with an aggregate amount of € 1 billion at what looks now in retrospect at very attractive interest rates.

Together with our continued operation with Allianz, with which we have agreed several significant closings in the year to come, we are now well financed to cover all our capex requirements.

Turn of time

An event, unseen of in our recent history in Europe, has happened: the barbaric invasion of Russia in Ukraine, a country which has borders with three countries in which VGP is active. Ukraine has suffered horrific attacks. Innocent people – including children – have lost their lives. As I write this letter already more than three million people have fled their country.

Our model of free trade, our concept of peaceful cooperation to produce across borders and continents in the most efficient way, close to raw materials or competences and thus sharing the benefit through which we have created prosperity and price stability is shaking on its foundations.

I recall my early years in Central Europe, just after the fall of the Berlin wall, where there was a climate of enthusiasm and optimism for a brighter future. With the recent events unfolding this positive climate has turned into a climate of fear and uncertainty, where Moscow has once again become, so many years after the end of the cold war, the villain as I remember it to be from my childhood. This has all resulted in a chain reaction of economic sanctions, never-seen before, being imposed on Russia, the main supplier of our energy sources and the real economic impact of these events are only starting to unfold slowly.

How this will affect our beloved Europe in the future is unknown. We will probably choose to be less naïve, and more self-sufficient in strategic resources like food and energy. This will create loads of challenges, as currently nobody knows, how to resolve this conflict.

Nevertheless we have all spent our last days clustered to the news channels, shocked by the faith of those poor people who see their families torn apart, their homes destroyed in a heroic move to try and remain free from dictatorship and authoritarian rule over their country.

Now first is a time to help, a time to put pressure on the Russian regime to stop this war so that we can rebuilt, in trust and confidence a cooperation with the people affected.

VGP has already donated € 3 million through the United Nations which will be spend on refugee help in the three neighbouring countries we are active in i.e. Slovakia, Hungary and Romania. It is heart-warming to see how our people in VGP are actively helping too, how Europe has pulled together and we will continue to do so.

Goals for 2022

Being an entrepreneur means looking forward. We are active in challenging markets where development opportunities become more and more scarce and occupancy levels have grown to historic records in almost all the countries we operate in. The team itself has grown substantially throughout all the countries, and our employees have, with a lot of enthusiasm and commitment nevertheless been able to secure many iconic new land plots, a solid base for future growth and diversification.

The European green deal with its objective to transforming our economy and societies and turning the EU into the first climate neutral continent by 2050 is now becoming more relevant than ever, as the most recent geopolitical events in the Ukraine are demonstrating.

This is not only helping us with the enhanced roll out of our locally produced energy supplies, but it also incentivises our clients to move to new energy efficient buildings in an urge to save on energy costs and achieve their carbon neutrality targets.

In closing

2021 was indeed an incredible year. We at VGP are grateful to our customers for their business. Finally, on behalf of VGP and its management, I want to express again my deepest gratitude to all those who have worked with us, suppliers, financing partners and customers, for their trust and cooperation. It will be necessary in the times ahead of us to stand together and to listen to each other more than ever and we are very much looking forward to continuing supporting you and working together.

I am confident that we will all come out stronger thanks to a more united Europe and I hope we can soon concentrate again on further growth and prosperity.

Yours sincerely,
Jan Van Geet

photo© Trilux

Profile

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, Austria, the Netherlands, Spain, Portugal, Italy, the Czech Republic, the Slovak Republic, Hungary, Romania, Latvia and Serbia, suitable for development of logistic business parks of a certain size, so as to build up an extensive and well-diversified land bank on top locations. The Group is currently expanding into France, Greece and Croatia, and aims to expand further into other European markets in the future.

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

The Group had an in-house team of more than 320 people as at 31 December 2021 which manages all the activities of the fully integrated business model: from the identification and acquisition of the land to the conceptualisation and design of the project, the supervision of the construction works, the contacts with potential tenants and the asset- and property management of the real estate portfolio. VGP focuses on top locations which are located in the vicinity of highly concentrated living and/or production centres, with an optimal access to transport infrastructure.

VGP owns a property portfolio of € 2,200.1 million (in full ownership) as at 31 December 2021 which consists of 29 completed buildings with a total lettable area of over 766,000 m² (€ 745.8 million), 40 buildings under construction representing 1,244,000 m² of lettable area (€ 1,015.9 million) and remaining development land in the amount of € 438.4 million.

The Joint Ventures own a property portfolio of € 3,545.6 million as at 31 December 2021 which consists of 122 completed buildings with a total lettable area of over 2,326,000 m² (€ 2,893.3 million), 10 buildings being developed by VGP representing 235,000 m² of lettable area (€ 525,9 million) and development land in the amount of € 126.4 million.

As at 31 December 2021 VGP has a remaining own development land bank in full ownership of 5,852,000 m². This land bank allows VGP to develop besides the current completed projects and projects under construction (in total 2,009,000 m²) a further 2,644,000 m² of lettable area of which 313,000 m² in Germany, 192,000 m² in the Czech Republic, 311,000 m² in Spain, 181,000 m² in the Netherlands, 14,000 m² in Latvia, 307,000 m² in Slovakia, 469,000 m² in Romania, 233,000 m² in Hungary, 75,000 m² in Italy, 49,000 m² in Austria, 13,000 m² in Portugal and 487,000 m² in Serbia.

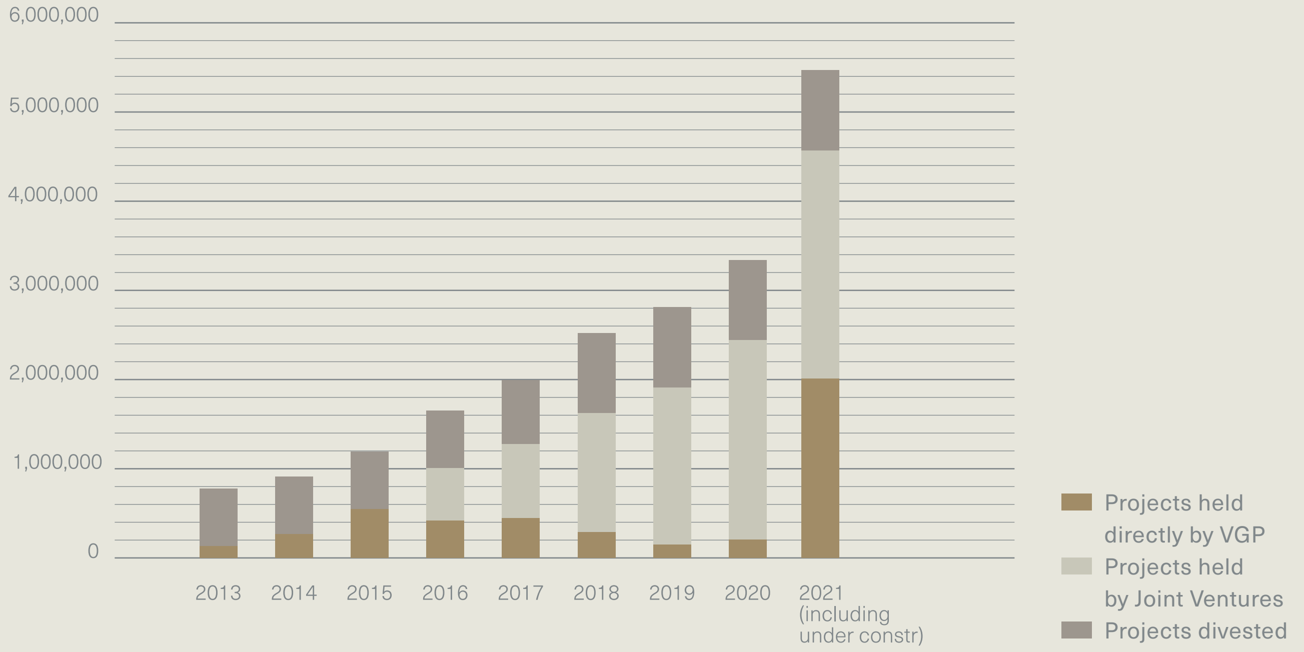
Besides this, VGP had another 3,981,000 m² of new committed plots of land as at 31 December 2021, which are located in Germany, the Czech Republic, the Netherlands, Spain, Slovakia, Romania, Hungary, Italy, Austria and Portugal. These land plots allow for the development of approx. 1,685,000 m² of new projects. It is currently expected that these remaining land plots will be acquired, subject to permits, during the next 12 to 24 months.

The Joint Ventures have a remaining owned land bank of circa 1,105,000 m² as at 31 December 2021, of which 73% is located in the Netherlands. This land bank allows the Joint Ventures to develop – in addition to the current completed projects and projects under construction (totalling 2,561,000 m²) – a further 654,000 m² of lettable area of which 48,000 m² in Germany, 18,000 m² in the Czech Republic, 58,000 m² in Spain, 515,000 m² in the Netherlands, 10,000 m² in Slovakia and 5,000 m² in Hungary.

Reference is also made to section *Business review – Land bank evolution*.

Since its initial IPO in 2007, the Group developed more than 5.4 million m² of lettable area.

TOTAL SQUARE METERS DEVELOPED OVER THE PAST EIGHT YEARS *(in m²)*



EVOLUTION OF THE GROUP'S COMMITTED ANNUALISED RENT INCOME AND NUMBER OF LEASE CONTRACTS (INCLUDING JOINT VENTURES AT 100%) OVER THE PAST EIGHT YEARS

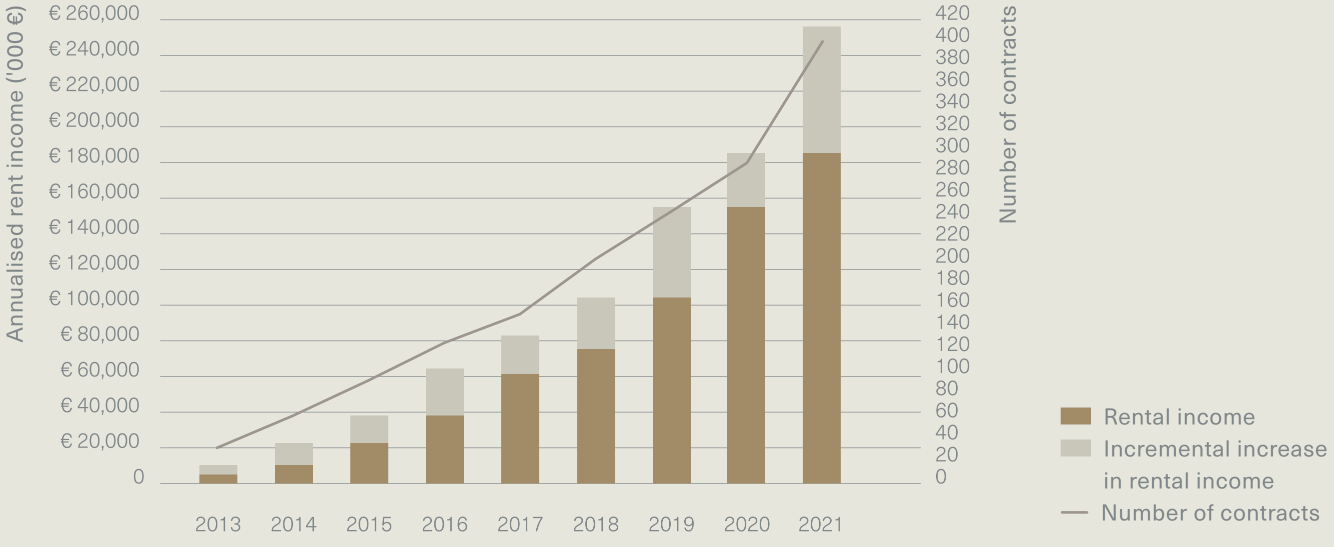



photo © Trilux

Strategy

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

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

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

Strategic partnerships

Strategic partnership with Allianz

In order to sustain its growth over the medium term, VGP entered into four 50:50 joint ventures with the well-known Allianz SE Group, a worldwide leading insurance group. These joint venture structures allow VGP to partially recycle its initial invested capital when completed projects are acquired by the respective joint ventures and allow VGP to re-invest the sales proceeds in the continued expansion of the development pipeline, including the further expansion of the land bank, thus allowing VGP to concentrate on its core development activities.

First Joint Venture

The First Joint Venture was established in May 2016 with an objective to build a platform of new, grade A logistics and industrial properties with a key focus on expansion in core German markets and high growth CEE markets (of Hungary, the Czech Republic and the Slovak Republic) with the aim of delivering stable income-driven returns with potential for capital appreciation. The First Joint Venture aimed to increase its portfolio size (i.e. the gross asset value of the acquired income generating assets) to circa € 1.7 billion by May 2021 at the latest, via the contribution to the First Joint Venture of new logistics developments carried out by VGP. The First Joint Venture's strategy is therefore primarily a hold strategy.

Since its establishment, eight closings with the First Joint Venture have occurred. On 15 June 2021, the First Joint Venture completed its eighth and final closing, whereby the First Joint Venture acquired 4 logistic buildings, including 1 building in 2 new VGP parks and another 2 newly completed buildings (in parks which were previously transferred to the First Joint Venture), for an aggregate transaction value in excess of € 68.2 million and resulting into net cash proceeds of € 49.6 million. Following this eighth closing, the First Joint Venture's property portfolio consists of 98 completed buildings representing a total lettable area of over 1,834,000 m² and has it 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. Some add-on closings related to existing tenant extension options may still occur in the future.

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

Second Joint Venture

The Second Joint Venture was established in July 2019 with the objective to build a platform of core, prime logistic assets in Austria, Italy, the Netherlands Portugal, Romania and Spain with the aim of delivering stable income-driven returns with potential for capital appreciation. The Second Joint Venture aims to increase its portfolio size to circa € 1.7 billion by July 2024 at the latest, via the contribution to the Second Joint Venture of new or recently built logistics developments carried out by VGP. The Second Joint Venture's strategy is therefore primarily a hold strategy.

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

Since its establishment, two closings with the Second Joint Venture have occurred. 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. In respect of the expansion of the Second Joint Venture, a further closing (third closing) occured during the first half of 2022 with a transaction value of € 363.5 million.

Third Joint Venture

The Third Joint Venture was established in June 2020 with an objective to develop VGP Park München. Once fully developed, VGP Park München will consist of five logistic buildings, two stand-alone parking houses and one office building for a total gross lettable area of approx. 314,000 m². The park is entirely pre-let.

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

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

Upon completion of the respective building(s), a closing with the Third Joint Venture occurs which allows the Group to receive the proportional share price allocated to the building(s) from Allianz and to partially/totally recycle its initially invested capital in respect of the building(s) included in such closing through the refinancing of such invested capital by external bank debt. As at 31 December 2021, the consideration to be received in respect of the Third Joint Venture by the Group from Allianz stood at € 73.1 million (unchanged compared to 31 December 2020). This amount will become due and payable by Allianz during 2022 i.e. at the moment of completion of the respective buildings.

Fourth Joint Venture

As the First Joint Venture reached its investment capacity, Allianz and VGP entered into a new joint venture agreement in December 2021 with a view to establish a new Fourth Joint Venture. The Fourth Joint Venture will become effective at the moment of its first closing, currently expected to occur during the second half of 2022. The Fourth Joint Venture's objective is to build a platform of new, grade A logistics and industrial properties with a key focus on expansion within the same geographical scope as the First Joint Venture, i.e. core German markets and high growth CEE markets (of Hungary, the Czech Republic and the Slovak Republic), with the aim of delivering stable income-driven returns with potential for capital appreciation. The Fourth Joint Venture will target the implementation of a comprehensive ESG strategy on a best-efforts basis, as there are currently no clear definitions (legal, regulatory or otherwise) available. Criteria have been defined around the Carbon Risk Real Estate Monitor ("CCREM") Assessment Tool, the EU Sustainable Finance Taxonomy, achieving most efficient EPC or similar rating, sustainable certification of buildings, photovoltaic systems, green lease and ESG portfolio data and reporting.

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

The Fourth Joint Venture has the exclusive right of first refusal in relation to acquiring the income generating assets located in Germany, the Czech Republic, the Slovak Republic and Hungary.

A first closing with the Fourth Joint Venture is anticipated in the second half of 2022.

Development Joint Ventures

To allow VGP to acquire land plots on prime locations for future development, the Group has entered into three strategic partnerships, i.e. (i) a 50:50 joint venture with Roozen (the LPM Joint Venture), (ii) a 50:50 joint venture with VUSA (the VGP Park Belartza Joint Venture), and (iii) a 50:50 joint venture with Revikon (the VGP Park Siegen Joint Venture) (together, the Development Joint Ventures). The Group considers these Development Joint Ventures as an add-on source of land sourcing for land plots which would otherwise not be accessible to the Group.

Similar to the Third Joint Venture, the Development Joint Ventures allow the Group to partially recycle its initial invested capital when buildings are completed by the Development Joint Ventures through refinancing of the invested capital by external bank debt and allows the Group to re-invest these monies in the continued expansion of the development pipeline, including the further expansion of the land bank, thus allowing VGP to concentrate on its core development activities.

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

LPM Joint Venture

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

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

The total development land of this park amounts to circa 140 ha with total development potential of ca. 900,000 m^2 of lettable area. It is currently foreseen that Logistics Park Moerdijk will be jointly developed in four different phases and that the first developments in this park will be initiated during the fourth quarter of 2022. The objective is to build a platform of new, grade A logistics and industrial properties of which 50% (VGP Park Moerdijk) for account of the LPM Joint Venture (i.e. LPM Holding B.V. and its subsidiaries) and the other 50% directly for account of the Port Authority Moerdijk.

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

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 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.

Sustainability and renewable energy

Sustainability

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

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

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

When combined with buildings previously certified, this has resulted in 4,570,000 m^2 total lettable area, or 54% of the total portfolio, being certified or having its certificate pending as at 31 December 2021. VGP has accomplished an occupancy rate benchmark above 97% across its portfolio since 2016 (measured at the end of the respective year). For VGP a high occupancy rate represents good business and sustainable use of the buildings created.

Reference is also made to the *Corporate Responsibility Report* included in this annual report.

Renewable energy

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

As of 31 December 2021, the roofs of VGP's building portfolio enabled a photovoltaic power generation capacity of 74.7 MWp installed or under construction (compared to 42.5MWp as at 31 December 2020), with additional 74.5 MWp in the pipeline.

Reference is also made to the *Corporate Responsibility Report* included in this annual report.

Development activities

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

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

The Group concentrates on the sector of logistic and light industrial accommodation projects situated across Continental Europe. The Group is active in 14 countries and aims to expand into other European markets in the near future.

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

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

Portfolio ancillary services provided

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

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

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

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

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

Key principles of VGP's investment strategy

Strategically located plots of land

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

High quality standardised and **sustainable** logistic real estate

In-house competences enabling a fully integrated business model

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

VGP in 2021

VGP in 2021

Summary

2021 was another successful year for VGP with development and leasing activities breaking previous record levels.

Lease activities

The strong lease growth resulted in the signing of € 74.6 million[1] of new lease contracts (excluding the renewals of existing lease contract). The growth was recorded in all markets where the Group is active with Germany continuing to remain the centre of gravity with Germany accounting for 50% the total newly signed leases. The other countries also saw a very strong growth on the back of the start of the development of new parks. The Czech Republic strongly rebounded taking 14% of the signed annualised committed leases growth for its account. The remaining growth was spread more or less evenly between the remaining countries i.e. Spain 7%, Hungary 6%, Romania 5%, Italy 4%, Austria 4%, Portugal 3%, Latvia 3%, Slovakia 3% and the Netherlands 2%. The signed annualised committed leases increased to € 256.1 million[2] at the end of December 2021 (compared to € 185.2 million[2] at the end of 2020) representing a total of 4,458,000 m^2 of lettable area. Of this total space 1,913,000 m^2 belong to the own portfolio (809,000 m^2 as at 31 December 2020) and 2,545,000 m^2 to the Joint Ventures (2,407,000 m^2 at 31 December 2020).

During the year 2021 VGP **signed € 74.6 million** of new leases

1 € 66.6 million related to the own portfolio and € 8.0 million related to the Joint Ventures.

2 Including the Joint Ventures at 100%. As at 31 December 2021 the annualised committed leases for the Joint Ventures stood at € 151.1 million (2020: € 143.5 million).

Development activities

During 2021, 26 buildings were completed totalling 652,000 m² of lettable area which represent an annualised rent income of € 32.0 million. These buildings were for 99.8% let.

At year-end 50 projects were under construction representing 1,478,000 m² of future lettable area, which, once delivered and fully let, will generate € 93.9 million of annualised committed rental income; the portfolio under construction at year-end was 83.8% pre-let[1].

At the end of December 2021 —
under construction 1,478,000 m² of lettable area

At the end of December 2021 —
secured land bank 10,938,000 m² with **4,983,000 m² development potential**

Land bank evolution

VGP acquired 4,037,000 m² of new development land representing a development potential of 1,776,000 m² and a further 3,981,000 m² of land plots were committed, pending permits, which have a development potential of at least 1,685,000 m² of future lettable area, bringing the total owned and committed land bank to 10,938,000 m² (+ 43.0% year-over-year), supporting a minimum of 4,983,000 m² of future lettable area.

In addition to the owned and committed land bank, VGP has signed non-binding agreements ("land under option") and is currently performing due diligence investigations, on an exclusive basis, on the potential acquisitions of in total circa 2,859,000 m² of new land plots with a development potential of circa 1,304,000 m². This brings the land bank of owned, committed and under option to 13,797,000 m² supporting circa 6,287,000 m² of future lettable area.

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

VGP team expansion

The in-house team expanded to > 320 people[1] as 60 additional people were hired during the year. In view of the continued growth VGP expects that it will continue the expansion of its team but currently expects that this will be at a more moderate rate.

Strategic partnerships through joint ventures

In December 2021, VGP expanded its strategic partnership with Allianz and entered into a fourth 50:50 joint venture with Allianz Real Estate (Fourth Joint Venture). This Fourth Joint Venture succeeds the First Joint Venture which reached its investment capacity during the year. (See section *Strategy* for further information)

An eighth closing was made with the First Joint Venture in which the First Joint Venture acquired 4 logistic buildings, including 1 building in 2 new VGP parks and another 2 newly completed buildings (in parks which were previously transferred to the First Joint Venture),

In order to enable VGP to gain access and acquire land plots on prime locations for future development, the Group entered into two additional development joint ventures i.e. the VGP Park Belartza Joint Venture and the VGP Park Siegen Joint Venture.

Strengthening of capital and financial position

VGP was able to put in place some solid financial foundations to support its current and anticipated future growth through a mix of strengthening of its capital base and attracting some long-term bond financing.

In April 2021, VGP successfully issued its first public benchmark green bond for an aggregate nominal amount of € 600 million, paying a coupon of 1.50%. p.a. and maturing on 8 April 2029.

In November 2021, VGP successfully completed an offering of new shares (1,250,000 new shares were issued) for a total gross consideration of € 300 million (net proceeds: € 294.9 million) by means of a private placement via an accelerated bookbuild offering to international institutional investors.

After year-end (January 2022) VGP successfully issued its second public benchmark green bonds for an aggregate nominal amount of € 1.0 billion, in two tranches, with a € 500 million 5-year bond paying a coupon of 1.625% p.a. and maturing on 17 January 2027 and a € 500 million 8-year bond paying a coupon of 2.250% p.a. and maturing on 17 January 2030.

Finally, VGP managed to increase and extend the existing committed credit facilities to an aggregate amount of € 200 million. As at 31 December 2021 these credit facilities were undrawn.

Expansion of the Group's European footprint

The Group further expanded its European footprint with the acquisition of a first land plot in Serbia, where a 1.1 million m² land position was acquired near the Belgrade Airport.

The Group has opened its first office in France (Lyon). In the coming period the focus will be on identifying suitable development locations. Other continental European countries, including Sweden, Denmark and Greece, remain in focus for potential future expansion.

Significant growth in renewable energy generation

At year-end a total solar power generation capacity of 74.7MWp is installed or under construction through 57 roof-projects. This is being realised through a €38.4 million investment to date. In addition, the currently identified pipeline of 37 projects equates to an additional power generation capacity of 74.5 MWp.

Progress towards VGP's sustainable development goals

Significant progress was made towards VGP's sustainable development goals and the Group is currently on track to achieve carbon neutrality by 2025 and 50% gross reduction by 2030 under scope 1 and 2.

With regards to the sustainable building target, the Group aims for BREEAM Excellent or equivalent for all new builds initiated as from 2022 (requirement minimum BREEAM Very Good).

As of 1 January 2022, all of VGP's European offices switched to renewable energy as a Virtual Power Purchase Agreement was reached with Scholt Energy B.V., the independent energy supplier, and ACT Commodities B.V., the European energy trading house, to provide solar energy from VGP's existing solar farm on the roofs of VGP Park Nijmegen, Netherlands, to VGP offices across Europe. The agreement covers VGP's 20 offices across 13 countries. Additionally, it is envisaged to also include VGP's new offices in France and Serbia this year.

Please also refer to the section – *Corporate Responsibility Report*.

COVID-19

The COVID 19 pandemic did not have any material impact on the Group's operations including rent collection. (See also section *Risk factors – 2.6 Risks and uncertainties linked to the outbreak of a pandemic as COVID-19*).

2 On a Full Time Equivalent (FTE) basis.

Business review

Commercial activities

The increase in demand of lettable area resulted in the signing of new lease contracts in excess of € 79.7 million (own and Joint Ventures' portfolio) in total of which € 74.6 million related to new or replacement leases and € 5.1 million related to renewals of existing lease contracts. During the year lease contracts for a total amount of € 3.7 million were terminated.

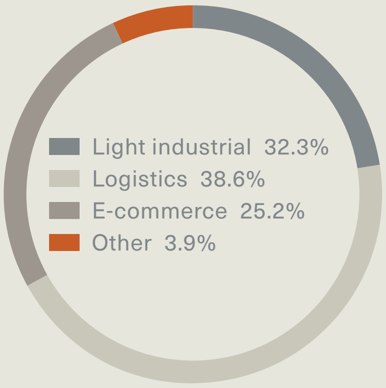
The strong lease growth was recorded in all markets where the Group is active with Germany continuing to remain the centre of gravity with Germany accounting for € 37.3 million (50%) the total newly signed leases. The other countries also saw a very strong growth on the back of the start of the development of new parks. The Czech Republic strongly rebounded taking € 10.2 (13%) of the signed annualised committed leases growth for its account. The remaining growth was spread more or less evenly between the remaining countries i.e. Spain + € 5.4 million (7%), Hungary + € 4.2 million (6%), Romania + € 3.5 million (5%), Italy + € 3.3 million (4%), Austria + € 3.2 million (4%), Portugal+ € 3.5 million (3%), Latvia+ € 1.9 million (3%), Slovakia+ € 2.1 million (3%) and the Netherlands + € 1.1 million (2%)

The annualised committed leases (on an aggregate own and Joint Ventures' portfolio basis) therefore increased to € 256.1 million[1] at the end of December 2021 (compared to € 185.2 million[1] as at the end of December 2020).

The signed lease agreements as at 31 December 2021 represent a total of 4,458,000 m² of lettable area and correspond to 399 different tenants' lease or future lease agreements (on an aggregate own and Joint Ventures' portfolio basis).

The weighted average term of the annualised committed leases of the combined own and Joint Ventures' portfolio stood at 8.6 years at the year-end (8.5 years as at 31 December 2020) and the occupancy rate (own and Joint Ventures' portfolio) reached 99.4 % at year-end (compared to 98.5% at the end of 2020).

TENANT PORTFOLIO BREAKDOWN BY INDUSTRY
31 December 2021 *(in m²)*



COMMITTED LEASE MATURITY
31 December 2021 *(in m²)*

1 Including the Joint Ventures at 100%. As at 31 December 2021 the annualised committed leases for the Joint Ventures stood at € 151.1 million (2020: € 143.5 million).

Own portfolio

During the year 2021 VGP signed new annualised committed leases in excess of € 66.6 million in total, of which were all related to new leases. During the year lease contracts for a total amount of € 1.5 million were terminated.

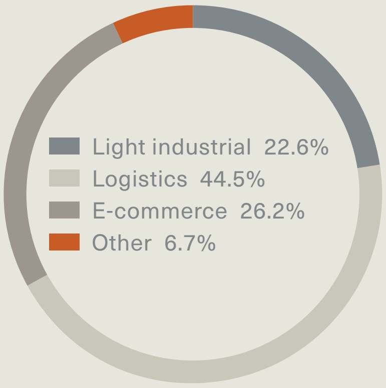
Germany was the main driver of the increases in annualised committed leases with more than € 35.4 million of new leases signed during the year. The other countries also performed very well with new leases being signed in Spain + € 2.9 million, the Czech Republic + € 8.4 million, Romania + € 2.7 million, Hungary +€ 3.7 million, Latvia + € 1.9 million, Slovakia + € 2.0 million, the Netherlands + € 0.7 million, Italy + € 3.3 million, Austria + € 3.2 million, and finally Portugal + € 2.4 million.

This brings the annualised committed leases to € 104.9 million as at 31 December 2021.

The signed lease agreements represent a total of 1,913,000 m^2 of lettable area and correspond to 123 different tenants' lease or future lease agreements.

The weighted average term of the annualised committed leases stood at 10.2 years at the year-end (9.6 years to first break).

TENANT PORTFOLIO BREAKDOWN BY INDUSTRY
31 December 2021 *(in m^2)*



COMMITTED LEASE MATURITY
31 December 2021 *(in m^2)*

Joint Ventures' portfolio

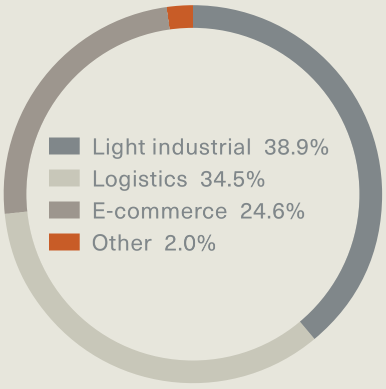
During the year 2021 VGP negotiated for its Joint Ventures new annualised committed leases in excess of € 13.0 million in total of which € 8.0 million related to new or replacement leases and € 5.0 million to the renewal of existing leases. During the year lease contracts for a total amount of € 2.2 million were terminated.

Spain was the main driver of the increases in annualised committed leases with more than € 2.5 million of new leases signed during the year. In the other countries, new leases were signed in Germany +€ 1.9 million, the Czech Republic + € 1.9 million, Romania + € 0.8 million, Hungary + € 0.5 million and finally the Netherlands + € 0.4 million.

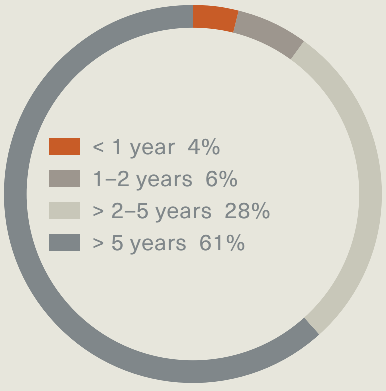
The signed lease agreements represent a total of 2,545,000 m^2 of lettable area and correspond to 276 different tenants' lease or future lease agreements.

The weighted average term of the annualised committed leases stood at 7.4 years at the year-end (7.1 years to first break).

TENANT PORTFOLIO BREAKDOWN BY INDUSTRY
31 December 2021 *(in m^2)*



COMMITTED LEASE MATURITY
31 December 2021 *(in m^2)*



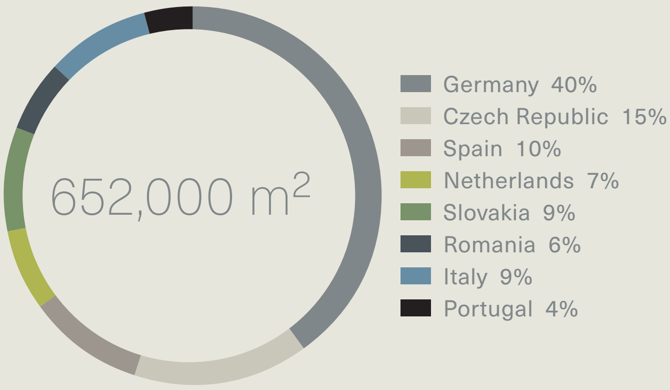
Development activities

During 2021, 26 buildings were completed totalling 652,000 m² of lettable area which represent an annualised rent income of € 32.0 million. These buildings were for 99.8% let.

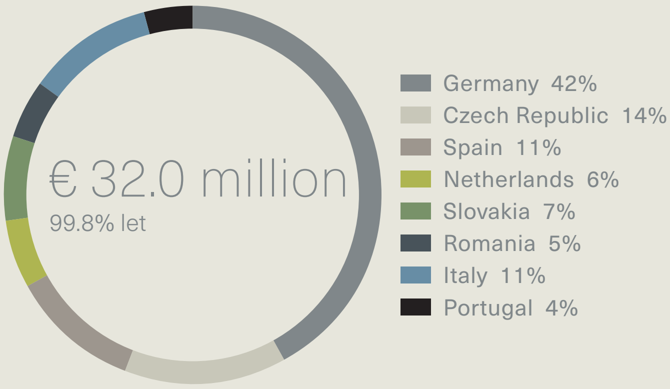
At year-end 50 projects were under construction representing 1,478,000 m² of future lettable area, which, once delivered and fully let, will generate € 93.9 million of annualised committed rental income; the portfolio under construction at year-end was 83.8% pre-let[1].

Completed during the year 2021 Incl. Joint Ventures at 100%

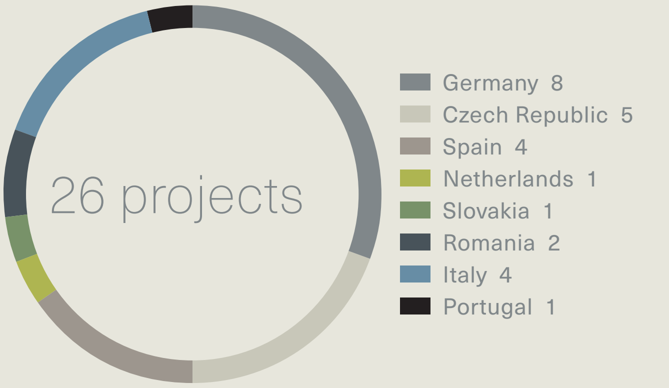
COMPLETED
31 December 2021 *(in m²)*



RENT POTENTIAL
31 December 2021 *(in €)*

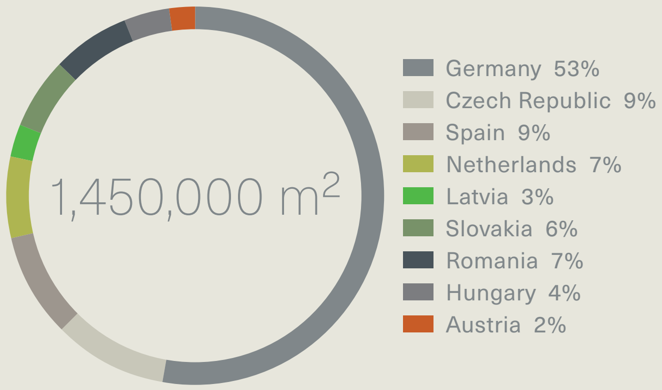


NUMBER OF PROJECTS COMPLETED
31 December 2021

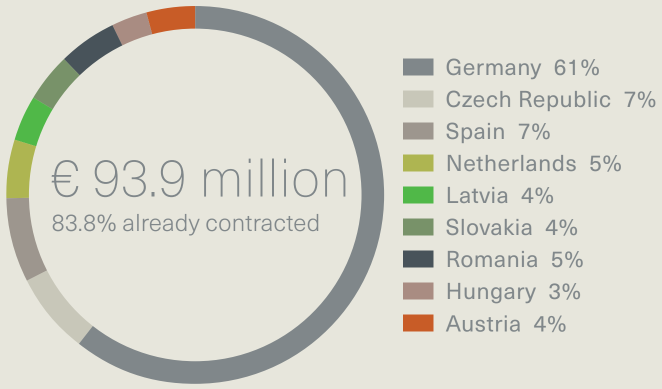


Under construction as at 31 December 2021 Incl. Joint Ventures at 100%

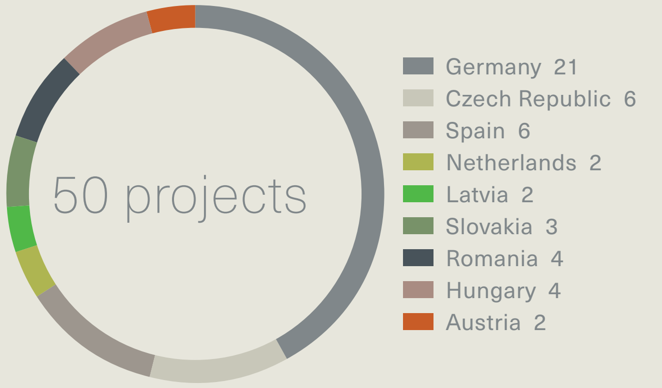
UNDER CONSTRUCTION
31 December 2021 *(in m²)*



RENT POTENTIAL
31 December 2021 *(in €)*



NUMBER OF PROJECTS UNDER CONSTRUCTION
31 December 2021



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

Own portfolio

As at 31 December 2021 the investment property portfolio consists of 29 completed buildings representing 766,000 m² of lettable area.

During the year 26 buildings were completed totalling 652,000 m² of lettable area (of which 5 buildings – 235,000 m² for account of the Joint Ventures).

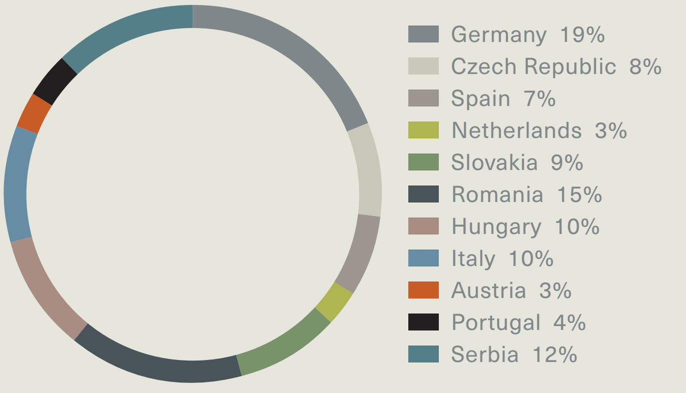
For its own account VGP delivered 21 buildings i.e. In Germany: 1 building of 80,200 m² in VGP Park Göttingen 2, 1 building of 26,800 m² in VGP Park Halle, 1 building of 41,600 m² in VGP Park Magdeburg, 3 buildings in VGP Park Laatzen totalling 72,300 m² and 1 building of 26,300 m² in VGP Park Erfurt. In Italy: 1 building of 23,300 m² in VGP Park Calcio, 1 building of 12,000 m² in VGP Park Sordio and 2 buildings in VGP Park Padova totalling 22,500 m². In Spain: 1 building of 25,400 m² in VGP Park Valencia Cheste and 1 building of 22,500 m² in VGP Park Zaragoza. In the Czech Republic: 2 buildings in VGP Park Prostejov totalling 40,200 m² and 1 building of 28,900 m² in VGP Park Vyskov. In Romania: 1 building of 30,800 m² in VGP Park Timisoara 2 and 1 building of 9,600 m² in VGP Park Brasov. In other countries: 1 building of 57,300 m² in VGP Park Bratislava (Slovakia), 1 building of 42,800 m² in VGP Park Nijmegen 2 (the Netherlands), and finally 1 building of 29,800 m² in VGP Park Santa Maria da Feira (Portugal).

The occupancy rate of the own portfolio reached 99.3% at the end of 2021 (compared to 100% at the end of 2020).

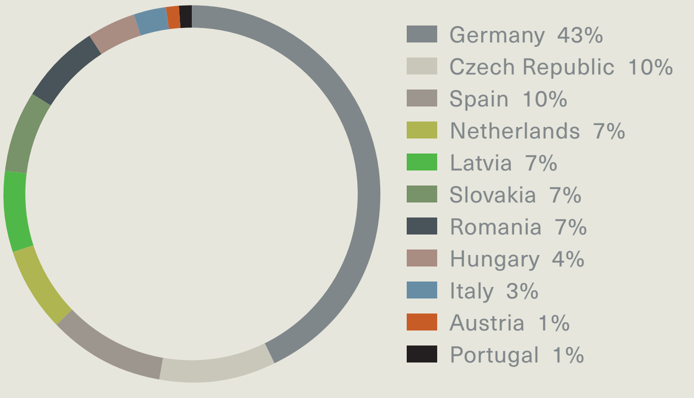
At the end of December 2021 VGP has 50 buildings (of which 10 buildings on behalf of the Joint Ventures) under construction. The new buildings under construction, which are already pre-let for 83.8%[1], represent € 93.9 million of annualised rental income when fully built and let.

For its own account VGP had therefore 40 buildings under construction totalling 1,244,000 m² of lettable area representing € 70.8 million annualised rental income when fully built and let. These projects under construction are located in Czech Republic: 1 building in VGP Park Olomouc, 1 building in VGP Park Hradek and Nisou 2, 1 building in VGP Park Ceske Budejovice and 2 buildings in VGP Park Kladno. In Latvia: 1 building in VGP Park Riga and 1 building in VGP Park Tiraines. In Romania: 1 building in VGP Park Sibiu, 1 building in VGP Park Brasov, 1 building in VGP Park Arad and 1 building in VGP Park Bucharest. In Hungary: 1 building in VGP Park Kecskemet, 1 building in VGP Park Gyor Beta and 1 building in VGP Park Budapest Aerozone. In Slovakia: 3 buildings in VGP Park Bratislava. In Germany: 1 building in VGP Park Halle, 3 buildings in VGP Park Gießen Am Alten Flughafen, 2 buildings in VGP Park Magdeburg, 1 building in VGP Park Laatzen, 3 buildings in VGP Park Oberkraemer, 1 building in VGP Park Rostock, 1 building in VGP Park Leipzig Flughafen and 1 building in VGP Park Berlin. In Spain: 1 building in VGP Park Fuenlabrada, 1 building in VGP Park Valencia Cheste, 2 buildings in VGP Park Zaragoza, 1 building in VGP Park Dos Hermanas and 1 building in VGP Park Granollers. In the Netherlands: 2 buildings in VGP Park Nijmegen and finally in Austria: 2 buildings in VGP Park Graz.

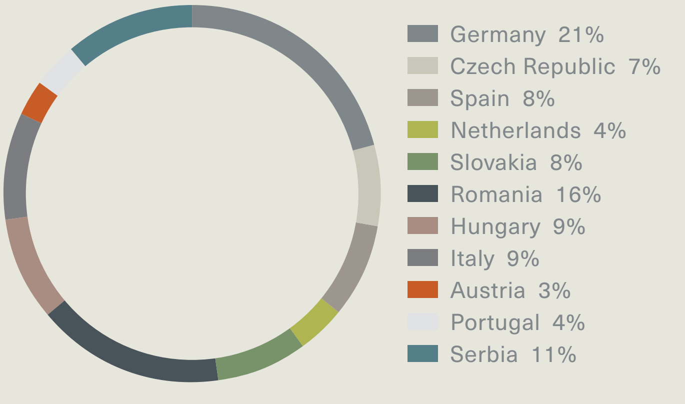
REMAINING DEVELOPMENT LAND – OWN
31 December 2021 *(in m²)*



TOTAL COMPLETED AND PIPELINE – OWN
31 December 2021 *(in m²)*



REMAINING DEVELOPMENT POTENTIAL – OWN
31 December 2021 *(in m²)*



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

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

Joint Ventures

As at 31 December 2021 the investment property portfolio consists of 122 completed buildings representing 2,326,000 m² of lettable area with another 10 buildings being developed by VGP, on behalf of the Joint Ventures, representing 235,000 m² of lettable area.

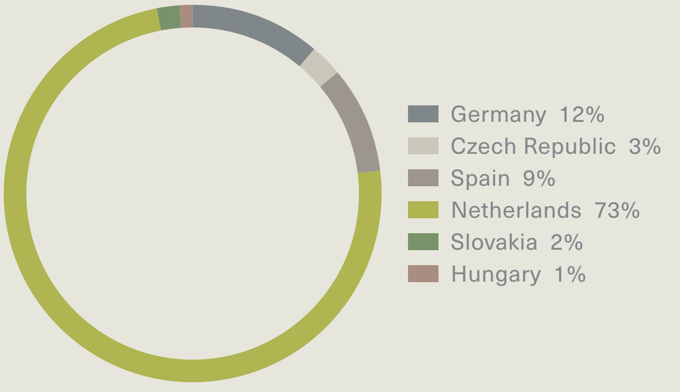
For the Joint Ventures, VGP completed 5 buildings (in total 59,500 m²) i.e. in the Czech Republic: 1 building of 23,300 m² in VGP Park Olomouc, 1 building of 5,800 m² in VGP Park Plzen. In the other countries: 1 building of 11,000 m² in VGP Park Wustermark (Germany) and 2 buildings in VGP Park San Fernando de Henares (Spain) totalling 19,400 m².

The occupancy rate of the own portfolio reached 99.4% at the end of 2021 (compared to 99.3% at the end of 2020).

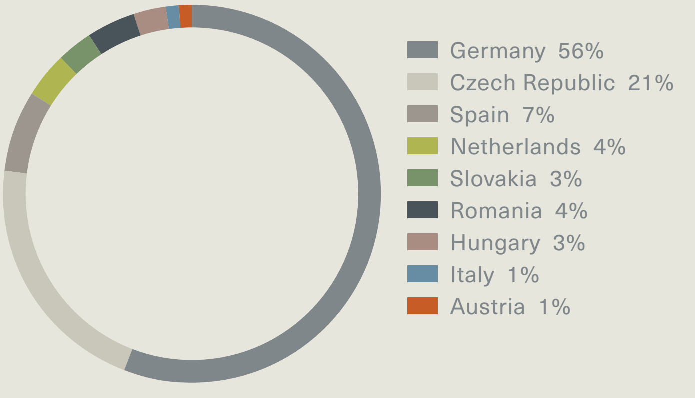
At the end of December 2020 VGP is constructing 10 new buildings on behalf of the Joint Ventures, totalling 235,000 m² of lettable area. These buildings represent € 23.1 million of annualised rental income when fully built and let.

The buildings under construction are located in Germany: 2 buildings in VGP Park Leipzig and 6 buildings in VGP Park München. In the other countries: 1 building in VGP Park Chomutov (Czech Republic) and 1 building in VGP Park Alsonemedi (Hungary).

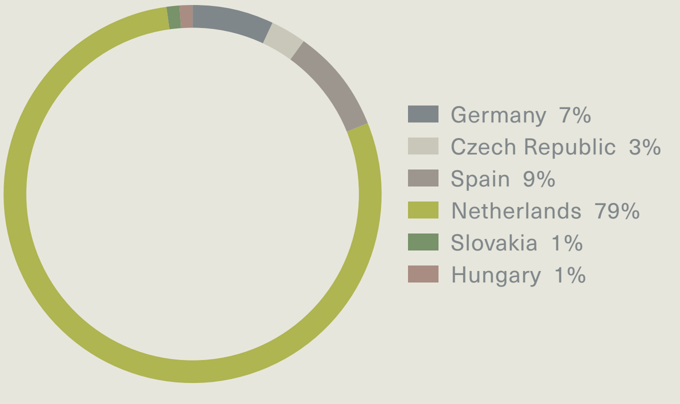
REMAINING DEVELOPMENT LAND – JV
31 December 2021 *(in m²)*



TOTAL COMPLETED AND PIPELINE – JV
31 December 2021 *(in m²)*



REMAINING DEVELOPMENT POTENTIAL – JV
31 December 2021 *(in m²)*



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

Land bank evolution

In 2021, VGP acquired 4,037,000 m^2 of new development land. Of these land plots, 309,000 m^2 (8%) are located in Germany, 212,000 m^2 (5%) are located in the Czech Republic, 537,000 m^2 (13%) are located in Spain, 220,000 m^2 (5%) are located in the Netherlands, 182,000 m^2 (5%) are located in Latvia, 353,000 m^2 (9%) are located in Slovakia, 250,000 m^2 (6%) are located in Romania, 468,000 m^2 (12%) are located in Hungary, 219,000 m^2 (5%) are located in Italy, 120,000 m^2 (3%) are located in Austria, 27,000 m^2 (1%) are located in Portugal and 1,140,000 m^2 (28%) are located in Serbia. These new land plots have a development potential of 1,776,000 m^2 of future lettable area.

Besides this, VGP had another 3,981,000 m^2 of committed plots of land as at 31 December 2021, which are located in Germany, the Czech Republic, the Netherlands, Spain, Slovakia, Romania, Hungary, Italy, Austria and Portugal. These land plots allow for the development of approx. 1,685,000 m^2 of new projects. It is currently expected that these remaining land plots will be acquired, subject to permits, during the next 12 to 24 months.

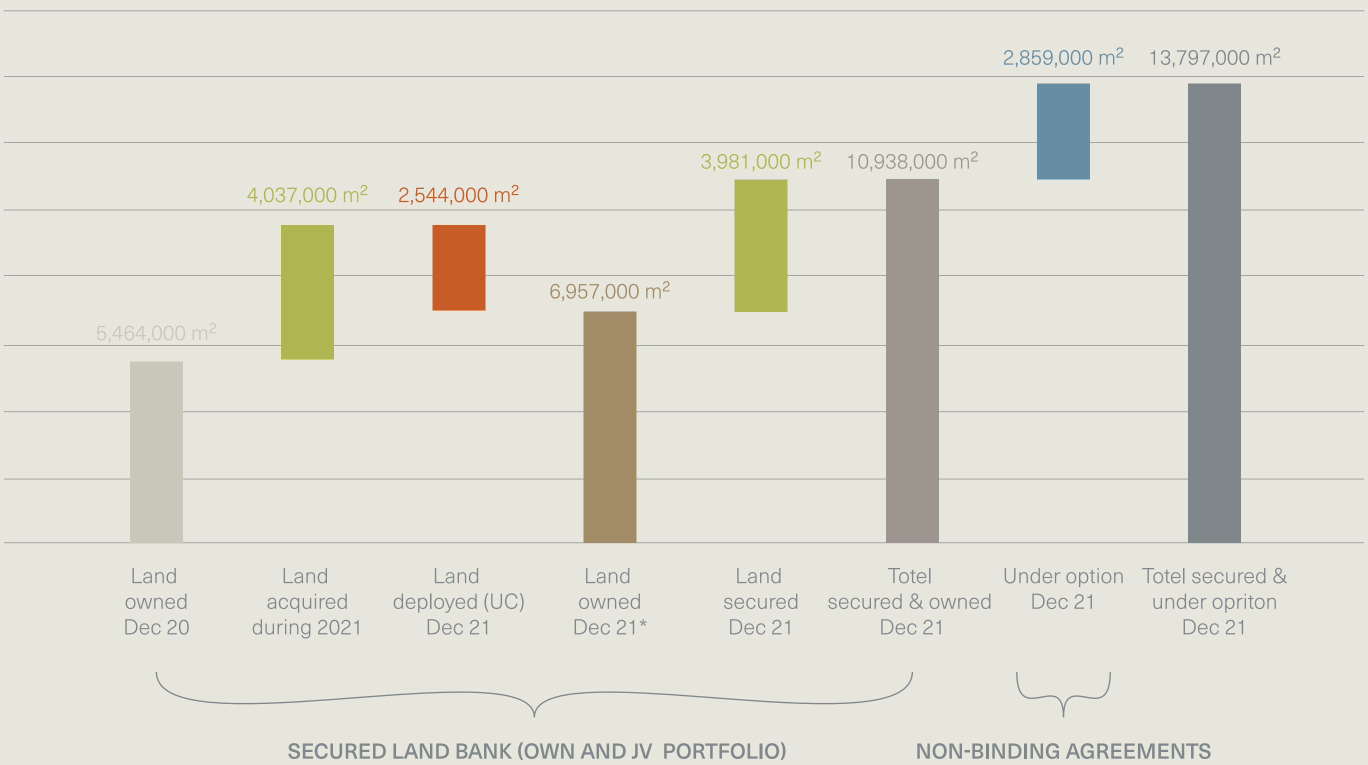
As a result, VGP (own and Joint Ventures'portfolio) has a remaining secured development land bank of 10,938,000 m^2 as at 31 December 2021 (+ 43% year-on-year) of which which 64% or 6,957,000 m^2 in full ownership.

The own portfolio has a remaining secured development land bank of 9,833,000 m^2 as at 31 December 2021, of which 60% or 5,852,000 m^2 in full ownership. This secured land bank allows VGP to develop – in addition to the current completed projects and projects under construction (totalling 2,009,000 m^2) – a further 4,329,000 m^2 of lettable area of which 894,000 m^2 (20.7%) in Germany, 303,000 m^2 (7.0%) in the Czech Republic, 337,000 m^2 (7.8%) in Spain, 181,000 m^2 (4.2%) in the Netherlands, 14,000 m^2 (0.3%) in Latvia, 367,000 m^2 (8.5%) in Slovakia, 697,000 m^2 (16.1%) in Romania, 373,000 m^2 (8.6%) in Hungary, 371,000 m^2 (8.6%) in Italy, 136,000 m^2 (3.1%) in Austria, 169,000 m^2 (3.9%) in Portugal and 487,000 m^2 (11.2%) in Serbia.

The Joint Ventures have a remaining owned land bank (all fully owned) of 1,105,000 m^2 as at 31 December 2021, of which 73% is located in the Netherlands. This land bank allows the Joint Ventures to develop – in addition to the current completed projects and projects under construction (totalling 2,561,000 m^2) – a further 654,000 m^2 of lettable area of which 48,000 m^2 (7.3%) in Germany, 18,000 m^2 (2.8%) in the Czech Republic, 58,000 m^2 (8.9%) in Spain, 515,000 m^2 (78.8%) in the Netherlands, 10,000 m^2 (1.5%) in Slovakia and 5,000 m^2 (0.8%) in Hungary.

In addition to the owned and committed land bank, VGP has signed non-binding agreements and is currently performing due diligence investigations, on an exclusive basis, on the potential acquisitions of in total circa 2,859,000 m^2 of new land plots with a development potential of 1,304,000 m^2.

REMAINING LAND BANK EVOLUTION
31 December 2021 *(in m^2)*



* Joint Ventures hold 1,105,000 m^2 in full ownership as at 31 Dec-21 (73% located in the Netherlands)

Capital and financial position

During 2021, VGP took advantage of favourable capital markets environment and financing conditions to continue improving VGP's capital structure.

Further strengthening of capital

In November 2021, VGP increased its capital by successfully completing an offering of new shares for a total gross consideration of € 300 million (net proceeds: € 294.9 million) by means of a private placement via an accelerated bookbuild offering to international institutional investors.

The capital increase consisted of 1,250,000 new shares at an issue price of € 240 per share. Following this issuance VGP has now in total 21,833,050 of issued shares.

Financing

2021

In April 2021, VGP successfully issued its first public benchmark green bond for an aggregate nominal amount of € 600 million, paying a coupon of 1.50%. p.a. and maturing on 8 April 2029.

During the last quarter of the year VGP extended and increased its committed credit facilities. In November 2021 the existing € 75 million KBC revolving credit facility was extended to 31 December 2026 and the Belfius revolving credit facility was increased to € 75 million and also extended to 31 December 2026. A new 3-year revolving credit facility with BNP Paribas Fortis was entered into for an amount of € 50 million. All of these aforementioned committed credit facilities are unsecured and remained undrawn at year-end.

Finally, the existing € 25 million JP Morgan revolving credit facility with initial expiry date at 8 November 2022 was terminated as at 31 December 2021.

As a result, the Group's main source of funding as at 31 December is composed of bonds (€ 1,320.0 million[1] as at 31 December 2021). Besides bonds, the Group is financed by the Schuldschein Loans (€ 33.5 million[1] as at 31 December 2021) and to a lesser extent by bank debt provided by Swedbank in Latvia (€ 19.0 million as at 31 December 2021). In addition, VGP has undrawn committed facilities totalling € 200 million as at 31 December 2021.

At 31 December 2021, the only debt maturity falling due within 12 months is the € 19.0 million Swedbank secured bank loan which matures on 31 March 2022 and € 4.5 million of Schuldschein loans which fall due in October 2022.

The weighted average maturity of the gross borrowings of the Group was 4.6 years (31 December 2020: 3.7 years) and average cost of debt (excluding commitment fees) was 2.55% (31 December 2020: 3.36%).

Financing after year-end

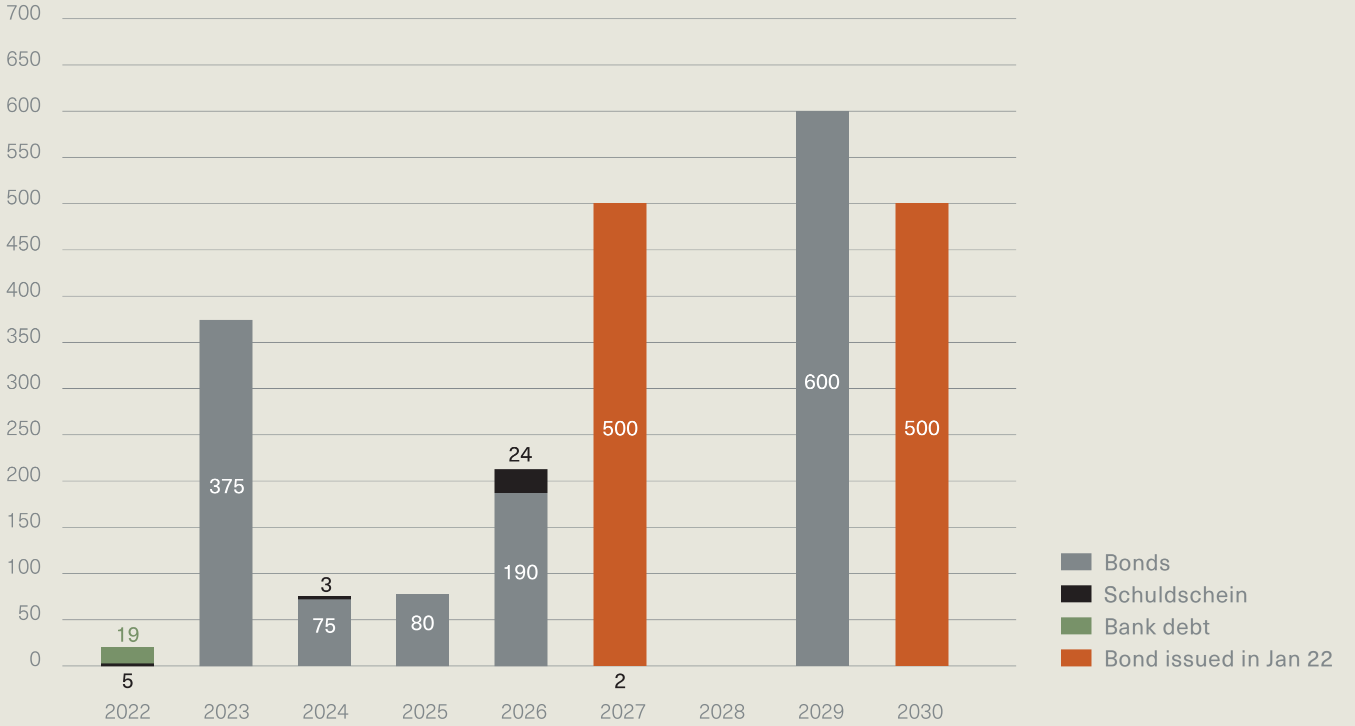
After year-end (January 2022) VGP successfully issued its second public benchmark green bonds for an aggregate nominal amount of € 1.0 billion, in two tranches, with a € 500 million 5-year bond paying a coupon of 1.625% p.a. and maturing on 17 January 2027 and a € 500 million 8-year bond paying a coupon of 2.250% p.a. and maturing on 17 January 2030.

Maturity profile as at 31 December 2021 (on a pro forma basis)

When taking the gross borrowings as at 31 December 2021 adjusted for the bonds issued in January 2022, we find following financial debt maturity profile on a pro forma basis.

The weighted average maturity of the gross borrowings of the Group on a pro forma basis is 5.4 years (31 December 2021: 4.6 years) and average cost of debt (excluding commitment fees) on a pro forma basis is 2.29% (31 December 2021: 2.55%).

MATURITY PROFILE FINANCIAL DEBT – PRO FORMA
31 December 2021 *(in € million)*



1 Excluding capitalised finance costs.

General market overview[1]

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

		WAREHOUSING			
		PRIME RENT *m² per annum*	RENTAL CHANGE *y-o-y (%)*	PRIME YIELD *(%)*	YIELD CHANGE *y-o-y (bp)*
Amsterdam	€	87.5	2.9	3.1	– 50.0
Barcelona	€	84.0	2.9	3.8	– 70.0
Berlin	€	66.0	0.0	3.0	– 32.0
Bratislava	€	72.0	22.0	5.3	– 75.0
Budapest	€	57.0	0.0	5.8	– 115.0
Bucharest	€	48.0	-2.4	7.8	– 25.0
Frankfurt/M	€	78.0	4.8	3.0	– 32.0
Lisbon	€	72.0	0.0	5.8	0.0
Madrid	€	71.0	7.6	3.8	– 70.0
Milan	€	57.0	0.0	3.6	– 85.0
Munich	€	90.0	5.6	3.0	– 32.0
Paris	€	61.0	10.9	3.3	– 50.0
Prague	€	69.0	21.1	4.3	– 100.0
Warsaw	€	46.0	0.0	4.3	– 125.0

Source: JLL Research, January 2022

1 Source: Jones Lang LaSalle – 2021 Industrial Investment Report CEE & Western Europe – February 2022

The breakdown of volumes for 2021 is as follows:

COUNTRY	2021 VOLUME *€ million*	2020 VOLUME *€ million*	2019 VOLUME *€ million*	2018 VOLUME *€ million*
Poland	6,400	5,370	7,750	7,200
Czech Republic	1,640	1,500	3,100	2,510
Romania	900	900	680	950
Slovakia	760	520	720	820
Hungary	1,300	1,240	1,740	1,840
Total CEE	**11,000**	**9,530**	**13,990**	**13,320**
France	25,800	28,200	39,160	31,840
Germany	110,700	81,600	91,900	79,000
Spain	12,100	9,110	15,360	12,080
Portugal	2,020	2,580	3,060	3,260
The Netherlands	18,400	15,900	16,360	18,690
Italy	9,670	8,340	11,380	8,710
Grand Total	**178,690**	**145,730**	**177,220**	**153,580**

Source: JLL Research, January 2022

Western Europe

Focus on Germany

As expected, the German investment market concluded 2021 with a record result, a total transaction volume (including the residential segment) of €111 billion, up 36% on the 2020 result. €77 billion worth of real estate changed hands in the second half of the year alone. While the record result demonstrates the attractiveness of the German market across all segments, it is still evidence of a lack of higher-yielding alternatives. Nonetheless, one thing is certain, all issues that brought uncertainty to the market in 2021 including the Coronavirus, supply bottlenecks, rising inflation, sustainability and the future of (office) work, remain unresolved in 2022.

The biggest question mark at the moment is still inflation which, according to the Federal Statistical Office, reached 5.3% in December. Not only was this an annual high, but it was also the highest level recorded since June 1992. For 2021 as a whole, the inflation rate rose by 3.1%.

However, there will not be a return to times of near-zero inflation any time soon. While the losses caused by the pandemic were too severe for many companies, they will try to compensate for lost sales in part through higher prices, according to the ifo Institute, more companies than ever in Germany plan to raise their prices. Conversely, the economy remains on a growth path which is also driving up prices. The European Central Bank (ECB) will also continue its expansionary monetary and fiscal policy, albeit at a slower pace, although, in view of the current economic situation and the national debt, it is not yet in a position to increase interest rates again.

Capital pressure from investors will remain high in the coming years and increase further. Over the next four years, German government bonds with a total volume of almost €1 trillion will mature. Even if interest rates rise by then, part of this capital will be reinvested in real estate. At present, capital-raising activities are running very successfully and as the pandemic subsides, additional international capital will flow into the German market. There is currently some catch-up potential here.

TRANSACTION VOLUME IN GERMANY *(€mn)*	2018	2019	2020	2021	19–20 %	20–21 %
Single assets	50,700	56,800	44,000	52,600	-23%	20%
Portfolios	28,300	35,000	37,600	58,500	7%	55%
Total	79,000	91,800	81,600	111,100	-11%	36%

Source: JLL, January 2022

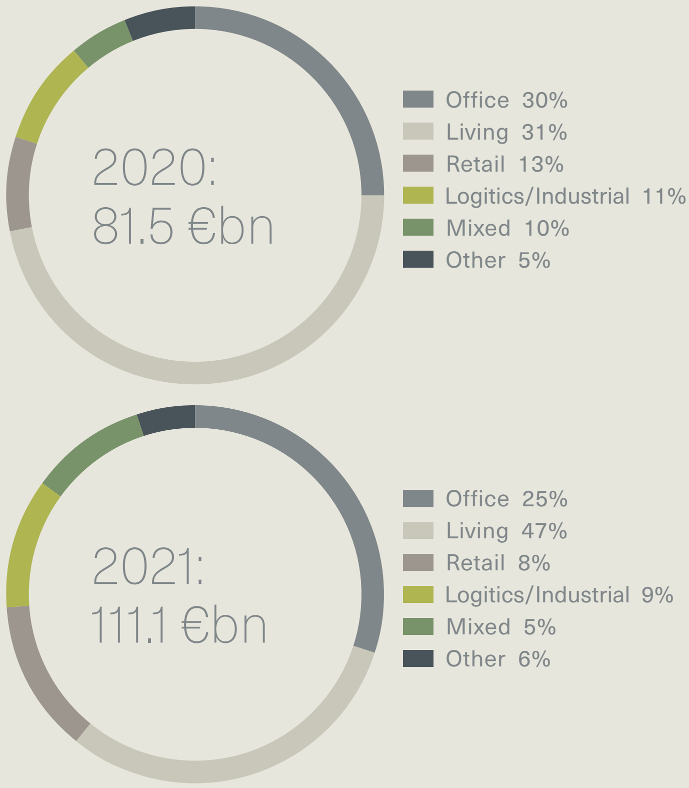
€52.2 billion, or around 47% of the total transaction volume, was invested in residential real estate, nursing homes or student accommodation. Office properties follow with a share of almost 25% (€27.5 billion) and an increase of no less than 12% compared to 2020.

Logistics still has a lot of growth potential in store

Logistic properties have continued to develop dynamically in the shadow of the two dominant real estate segments. With a total of €10.2 billion (share of 9.3%), more capital than ever before has flowed into distribution, production and warehousing facilities. In addition to further surges in demand from the eCommerce, healthcare and life science segments, JLL expects that production sites will move closer to Germany as the market place, thereby optimising the generally global supply chains. Whether production will be reshored to Germany itself remains to be seen, but in view of recent production issues, globally networked industrial companies in particular will build up strategic buffers to better withstand temporary supply chain disruptions. There is still significant growth potential here.

With a volume of €70.7 billion, the Big 7 cities accounted for 64% of the total transaction volume, which corresponds to 75% growth compared to 2020. Berlin has significantly expanded its dominance as a national and international investment destination. More than € 37 billion flowed into real estate in the German capital, a threefold increase compared to 2020. Although residential investors in particular focused on Berlin, there were also a number of high-volume transactions in other real estate segments. The other six strongholds pale in the statistics compared to Berlin, but it should nevertheless be noted that the transaction volume in Cologne grew by 160% to €4.5 billion and that Stuttgart, Munich and Frankfurt also achieved an increase in their annual results. Only Hamburg and Düsseldorf were unable to match their 2020 performance. While the transaction volume in the Hanseatic city declined only moderately by 9% to €6.2 billion, in Düsseldorf the result was just €2.9 billion, down 23% on the previous year.

TRANSACTION VOLUME GERMANY BY TYPE OF USE



*Other: Hotels, Sites, Special Properties
Source: JLL, January 2022

Prime yields continue to decline moderately

Despite the continuing risks related to global political and economic developments, yields for most real estate segments continued to fall at the end of 2021. The largest decline was observed in food-anchored retail parks, where yields fell by a further 25 bps in the final quarter of 2021, to 3.50%. Despite difficult conditions, prime yields for high-street retail properties have remained stable over the year at an average of 2.91% across the Big 7. In addition to food-specific properties, logistic properties were among the winners in terms of value last year. Overall, yields have fallen by 35 bps since the end of 2020 to their current level of 3.03%. Given the volume of the capital that has flowed into this real estate segment, a price increase would not be surprising. We expect this dynamic trend to continue and forecast yields of below 3.00% for 2022. The most expensive investment product in the market remains the premium office property. The average yield for such properties fell by 17 bps over the year and now stands at 2.64% across the Big 7. Given the discussions surrounding the future of work and therefore the future of offices, this development may come as a surprise; however, after an initial consolidation period, the widely held view is that the office will retain its role as a central place of work, and rising new take-up figures bear this out.

Rental prospects justify further declining yields

Although capital pressure, competition and therefore prices for top products will continue to rise, there is no sign of a bubble forming. In simple terms, there is a lack of product, especially in the office and logistics segments, which is keeping the pressure on rents high. Since rising rents are realistic, lower yields are therefore also justified and this situation will only change again once the product pipeline has caught up.

Focus on Spain

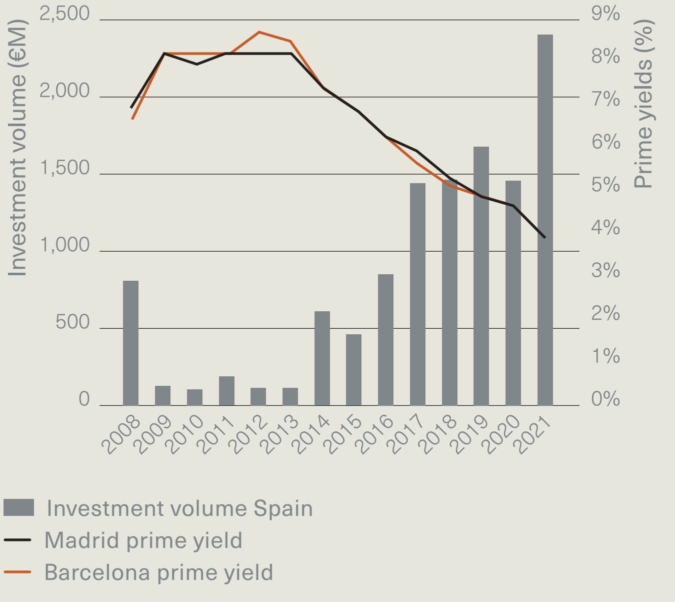
Economic activity in Spain has rebounded during 2021. In the fourth quarter, the Spanish economy grew by 1.7%, according to data from Oxford Economics, driven by private consumption, bringing annual GDP growth to 4.9%. The restrictions resulting from the sixth wave of the coronavirus have slightly lowered the growth expectations forecast a few months ago. By 2022, GDP will grow by 5.5% and is expected to be back to pre-pandemic levels by early 2023.

During the month of December, inflation rose to 6.7% year-on-year, driven mainly by the increase in energy prices, which was also felt in the shopping basket. This is the highest figure in three decades and could affect private consumption. Inflation is expected to start moderating in the second half of the year.

The volume of logistics investment in 2021 reached around € 2.35 billion, an increase of 65% compared to 2020. This is the best investment volume figure since 2017 (as in previous years the cumulative volume was around € 1.4–1.6 billion) and also the highest year-on-year growth in the last five years.

In 2021, investor interest has continued to grow in the logistics sector, which has led to a continued compression of prime yields throughout the year, reaching 3.8% in both Madrid and Barcelona, reflecting a decline of 70 basis points compared to the end of 2020 in both markets and a decline of 25 basis points in the quarterly comparison. As a result, prime yields in logistics are at the lowest levels ever recorded by the sector and for the first time below 4%. Yield compression and the resilience of prime rents have driven up capital values in the last year, increasing by around 28% in Madrid and 22% in Barcelona by the end of 2021. By 2022, yields are expected to continue to compress due to the weight of investor demand and rental growth expectations, albeit more moderately than in 2021. Capital values will continue their upward trend, but will also moderate their growth.

INVESTMENT VOLUME AND PRIME YIELDS IN SPAIN



Source: JLL EMEA, January 2022

The results of JLL's recent study on the Future of Global Logistics Real Estate suggest that the current growth of the logistics sector is likely to continue in the coming years, with a positive outlook on the fundamentals that will drive user and investor demand. E-commerce will continue to be a key driver of logistics demand, although growth is also expected to be strong in other industry sectors such as express parcel delivery, Third Party Logistics (3PL), Healthcare & Life Sciences and Construction & Materials. The market will be increasingly demanding in terms of quality, efficiency and sustainability criteria for logistics assets. In turn, smart technologies and automation and robotics are expected to have the biggest impact on warehouse design and operations in the next five years.

Focus on the Netherlands

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

The investment market remained resilient during the last quarter of the year, though total volume in Q4 2021 decreased 20% compared to the remarkable last quarter of 2020, just before the real estate transfer tax changed. This tax increased the percentage of tax to be paid from 6% to 8% for all sectors except residential, which increased from 2% to 8%. However, the strength of Q3 coupled with multiple large office transactions in Q4 2021 led to the y-o-y decrease of less than 1%. As expected, the fourth quarter of the year was the strongest, with an investment volume of € 6.5 billion.

Unlike the previous four quarters, the office sector was the most dominant sector in Q4 2021, reaching nearly € 2.5 billion, double the volume from Q4 2020. When considering the entire year, the industrial sector remained on top, totaling € 5.7 billion. The office and industrial sectors totaled 57% of the transaction volume.

The bounce back for the offices market mostly occurred within the big 5 cities, and large volumes were also witnessed within science parks, providing further evidence for growing interest in this sector. Substantial industrial investments took place in the Amsterdam and Rotterdam regions, and notably in the region of Noord-Limburg.

Given the increased rent levels in premium CBD offices in the G5 cities, we expect investor appetite to remain in this sector. Interest in the healthcare sector will also persist, and given the rental growth witnessed in the last mile and logistics markets, investor demand is expected to continue to grow.

Given the unforeseen challenges throughout 2021, the Dutch investment market remained resilient and attractive to investors. A slightly subdued first quarter may be observed, but as restrictions ease, we expect interest from domestic and international investors to continue.

Logistics investment reached € 1.3 billion in 2021 Q4 alone, making the total volume in 2021 almost €4 billion. This is the highest investment volume in logistics real estate ever. The largest deal in the last quarter of 2021 is the sale of SmartlogMaasvlakte from DHG to Patrizia for € 230 million.

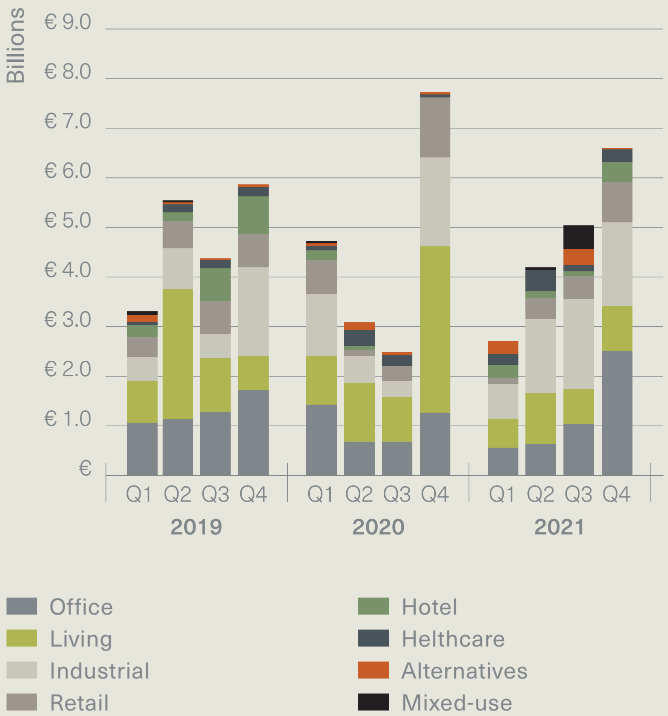
Prime net initial yields are continuing to drop in the Netherlands and currently stand at 3.1%. Slight yield compression is expected; however, stabilization of the prime yield is near.

The last quarter of 2021 has shown again just how strong the logistics market is. It is expected that supply will further decrease, and that more creative solutions are required.

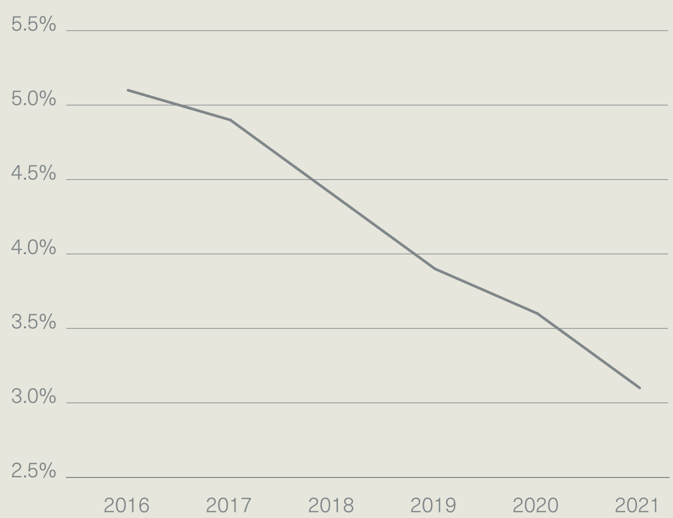
One of the problems that occupiers of distribution warehouses are facing is finding the right staff. This has become increasingly more difficult. Continued labor shortages have caused acceleration towards automation and robots in warehousing and transport to reduce reliance on people. Implementation of robotics and automation in logistics buildings have an impact on specification of buildings and their location.

This would also mean that here is a growing need for adequate power supply, which is already a challenge. For example, automation can lead to greater productivity per m^2 and therefore, could lead to a lower m^2 demand. Moreover, in many cases today, the choice of location is a compromise between the availability of labor and proximity to the end user. In a world of automation, the proximity to the end user will become leading, allowing customers to offer faster delivery times and optimize transportation costs.

INVESTMENT VOLUME AND PRIME YIELDS IN THE NETHERLANDS



Source: JLL EMEA, January 2022



Source: JLL EMEA, January 2022

Focus on Italy

The Italian economy accelerated in the second part of 2021 and grew by 6.5% in 2021, considerably higher than previous forecasts. Italy's GDP is expected to reach its pre-pandemic level by mid-2022, slightly later than European pairs. While COVID infections surged in the first weeks of 2022, high vaccination rates are likely to prevent a significant tightening of containment measures and real output from contracting in the early months of this year.

Driven by energy prices, HICP inflation increased significantly in the second half of 2021 and averaged 1.9% over the whole year. Energy prices are expected to peak in the first quarter of 2022 and are set to remain at elevated levels throughout the year, with higher energy costs likely to further push up food prices. Inflation is set to rise to 3.8% this year, before falling back to 1.6% in 2023

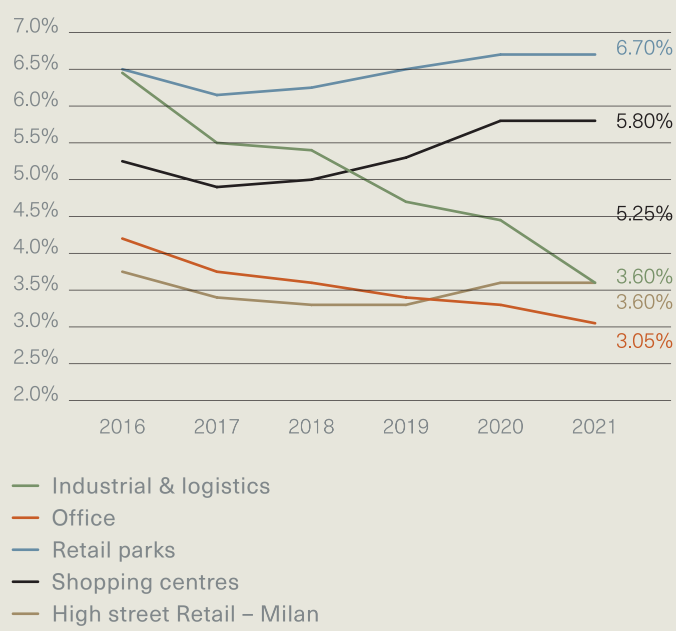
In Italy, 2021 recorded 214 investments deals for a total of around € 9.8 billion, up by 18% on 2020. Logistics sector confirmed as the most dynamic investment category in terms of volumes, amounting to € 2.9 billion (+81% y-o-y). It is the best result in the last ten years for investment into logistics sector. Both investors with a long--standing presence in the market and major European and global property companies are looking at Italy as a high potential new European logistics destination. Investors also showed confidence in the office sector which totaled at €2.7 billion, supported by strong occupational market with office take-up growing by 28% y-o-y in Milan and 13% y-o-y in Rome.

In terms of transactions, in total there were recorded 62 deals out of which were 22 portfolio transactions.

In 2021, industrial rental levels remained mostly stable while prime yield registered sharp compression driven by abudance of liquidity in most locations.

The abundance of liquidity from European and Global investors, targeting product across the risk profile curve has pushed yields downwards with a strong premium for a combination of asset quality, location, covenant and security of income. In Q4 2021, prime logistics yields sharply compressed by 85 bps y-o-y reaching 3.60%; prime rents reached € 4.75/m²/month due to supply-demand discrepancy.

YIELDS IN ITALY *(in %)*



Source: JLL EMEA, January 2022

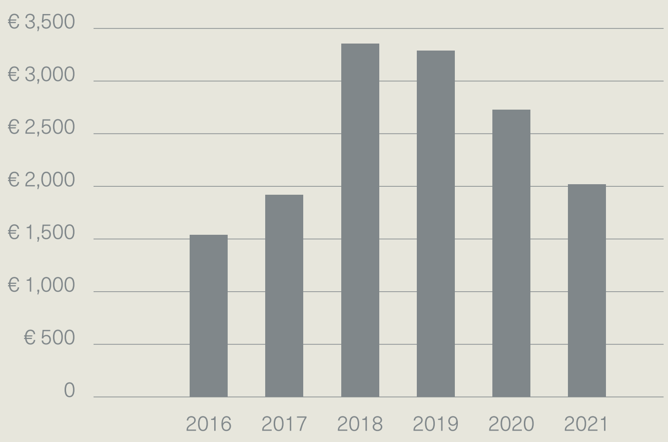
Focus on Portugal

Although the Portuguese economy got negatively affected by the pandemic over the past 2 years, the policy response and the progress in vaccination is triggering a fast and sustainable recovery mainly driven by domestic demand and boosted by EU funds. In spite of the fact that GDP decreased 8.4% in 2020, it sprang back stronger than expected in the last two quarters of the year due to private consumption. Therefore forecasts point out for a GDP growth of 4.8% in 2021 and 5.8% in 2022, surpassing pre crisis level around mid-2022, while tourism industry is recovering and consumer confidence improves.

One of the most important factors to boost the Portuguese economy are the grants from the EU Recovery and Resilience Plan, the so called RRF, which is expected to amount 1.3% of the GDP in 2022 and 1.5% of the GDP in 2023.

Although the wave of restrictions and lockdowns resulting from the Covid-19 outbreak has hampered the investment market, 2021 turnover volume has reached € 2.02 bln. with a very positive performance. Investment turnover has surpassed the threshold of € 3 bln. in 2018 and 2019, which have been record years. 2020 has recorded a backdrop which was explained by the pandemic effect although surpassing the € 2.7 bln. edge due to a first quarter that exceeded € 1.4 bln. Despite the headwinds throughout 2021, volatility in equity market and low fixed income returns have highlighted the value of property, as liquidity is high and total turnover stood at € 2.02 bln. (28% decrease y-o-y).

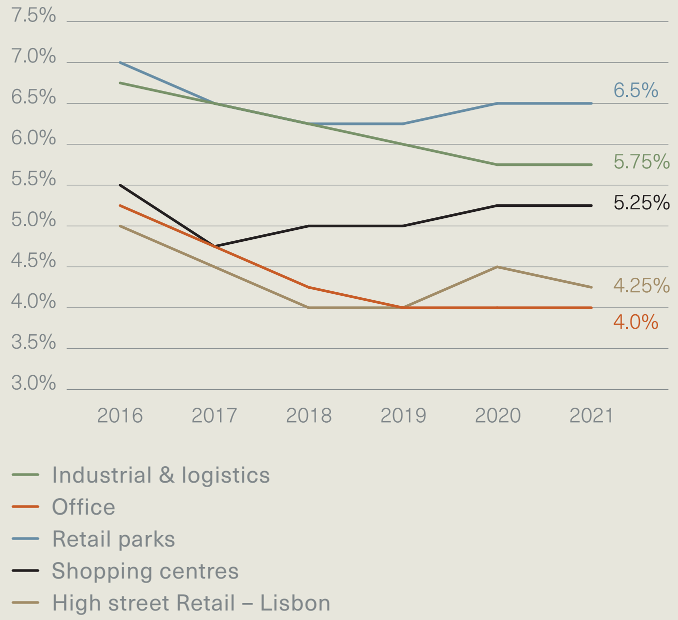
INVESTMENT VOLUME EVOLUTION *(in millions €)*



Source: JLL EMEA, January 2022

Retail and Office were the traditional focus of investment accounting on average for c. 60% of the total turnover over the past 6 years. In 2021 Offices are still the main sector, representing 40% of the total investment volume. Retail has a weight of only 10%, totaling €212 million of which more than a half concentrated in food retail, followed by high street retail transactions and 3 shopping centres, including the Saldanha Residence. Hotels represent 15% of the turnover due to some important transactions in the Algarve, such as the Tivoli Marina Vilamoura & Tivoli Carvoeiro and Vilalara Thalassa Resort Algarve, the Oporto Palacio Hotel and the Intercontinental Estoril.

PRIME YIELDS *(in %)*



Source: JLL EMEA, January 2022

Despite the headwinds and the different performance across sectors, prime yields have remained quite stable across sectors with adjustments in the Industrial & Logistics market and also Food Retail, due to the scarcity of qualified investable stock in the former and the great demand for the later. With the exclusion of retail assets (except for food retail) all sectors are in minimum lows. On the Living Alternatives, prime yields stand at the end of 2021 at 4.5% for Multifamily, 5.0% for Student Housing and 5.5% for Senior Living.

The outlook for 2022 from an investment perspective is positive: there is a significant rise of dry powder (capital that has been raised but not yet deployed), the gap between bonds and real estate yields persist and interest rates remain low. With this as a backdrop, real estate is perceived as being able to generate acceptable returns which fuel investors' appetite. The outlook for investment turnover for 2022 surpass the one in 2021, as at the beginning of the year a number of big transactions and portfolios is on the market and pipeline is robust. Logistics and operational assets are core this year but JLL envisages that Hospitality will re-emerge as one of the strongest asset classes due to key fundamentals and market opportunities, while shopping centres are seen as recovering throughout the year as sales volumes are predicted to grow. On the office segment, a lack of suitable product may impact the capital allocation in 2022. But prospects are rather positive as soon as the buildings in pipeline enter the market as capital chasing the office sector is robust.

Focus on France

Many economies in the European Union, but also around the world, are growing again after several months of difficulties. France's economy grew by 7% in 2021, the most in 52 years, compared to an average of 5.0% for the Eurozone. Despite slowing sharply from Q3 2021, in Q4 2021 GDP surprised on the upside by growing 0.7% q-o-q and lifting activity slightly above pre-crisis levels, one of the best performances in the eurozone. French GDP rose by +3.0% over Q3 2021; this was largely due to household consumption (+5% following +1.3%) which returned to pre-crisis levels in September.

Commercial real estate investment in France in 2021 came in at € 25.8 billion, down 8.5% year-on-year. Following the health crisis and the drop in office take-up last year, investors have been cautious, preferring to wait and see, particularly with the Ile-de-France office market. Investment in commercial real estate in France ran at two different speeds throughout the year: on the one hand, allocations to office and retail premises slowed dramatically; on the other, the boom for industrial assets continued.

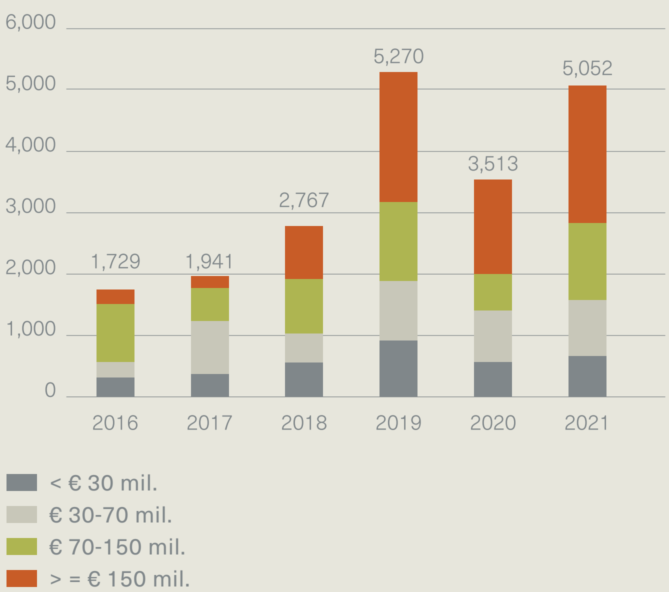
The office market accounted for just under 60% of investment in France in 2021, there was a 17% fall in investment in offices to € 14.7 billion, compared to 2020.

After almost grinding to a halt in H1 2021, investment in retail picked up in H2, although it was not enough to make up the shortfall. A total of € 3.1 billion was invested in Retail in 2021, over half of the capital was invested in the retail warehouses and retail parks with over . € 1.5 billion.

Nearly € 2.2 billion was invested in the French logistics real estate market in Q4 2021, bringing the total amount invested over the whole year to almost € 5.1 billion in 86 transactions. The logistics investment volume increased by 44% year-on-year and is 66% higher than the five-year average, which was the best performance in history after 2019. Around 60% of the sum was transacted in portfolio transfers.

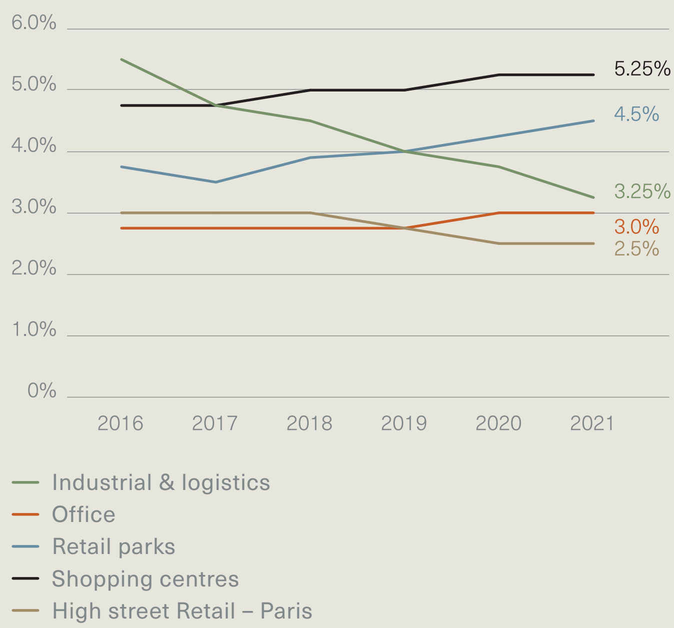
Two main trends have emerged for prime yields, which have held steady for offices and retail. In the absence of a major deal in the street-level segment, the prime yield for retail has changed little and is now estimated at around 3.0%. Conversely, the prime yield for Logistics continues to contract, finishing 2021 at 3.25%. The robust trend in this asset category suggest further compression in 2022.

LOGISTICS INVESTMENT VOLUME *(in millions €)*



Source: JLL EMEA, January 2022

PRIME YIELDS *(in %)*



Source: JLL EMEA, January 2022

CEE Real estate investment Market overview 2021

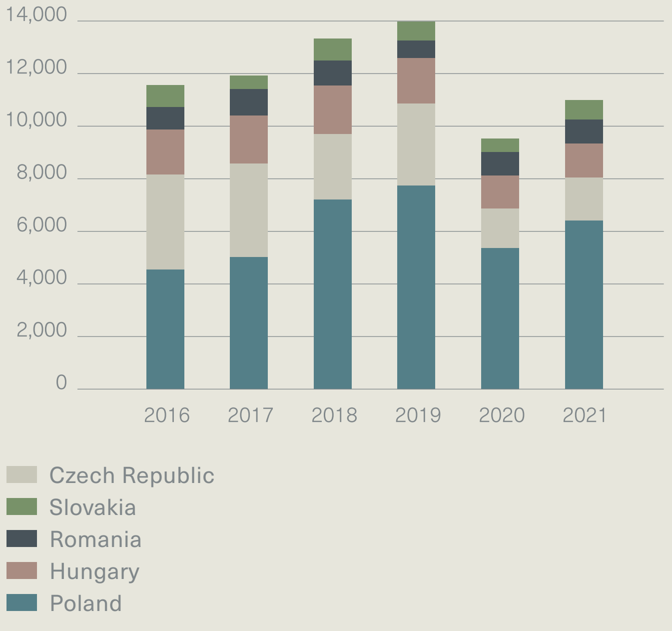
In 2021, the CEE investment market totalled €11.0 billion. Poland secured its position among CEE countries, covering 58% of total investment transactions, follow by the Czech Republic (15%) and Hungary (12%). Industrial and Logistics sector secured 41% of the total transaction volume, followed by offices (34%) and Retail (14%).

The CEE markets continue to attract strong interest from investors, both international and domestic. However, with a shortage of available product and the impact of Covid-19, there have been volume declines compared to 2019 across nearly all markets.

The results observed in 2021 prove that the market seems to be recovering after being exposed to the uncertainty of the pandemic in 2020. The industrial sector is the leading one in the majority of the CEE markets with record-breaking volumes recorded in Poland. Whilst the outlook for 2022 is promising, the market is still depending on the changing economic scene.

CEE INVESTMENT VOLUMES BY COUNTRIES

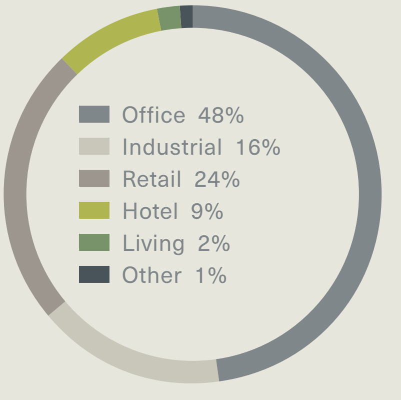
(in millions €)



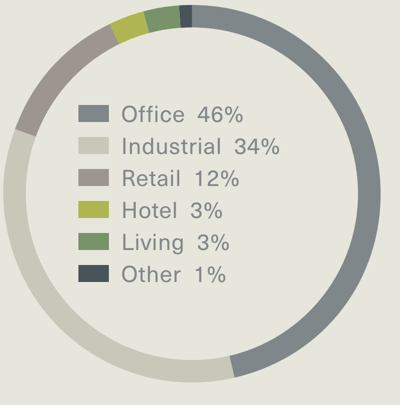
Source: JLL EMEA, January 2022

CEE INVESTMENT VOLUMES BY SECTOR

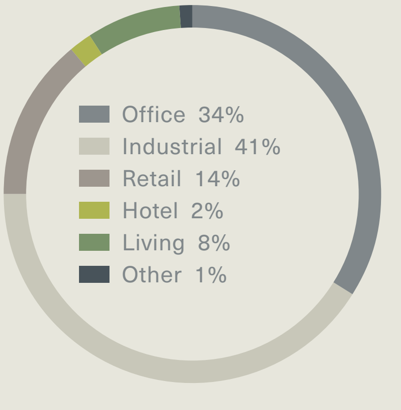
CEE SECTOR SPLIT 2019



CEE SECTOR SPLIT 2020



CEE SECTOR SPLIT 2021



Source: JLL EMEA, January 2022

Focus on the Czech Republic

The Czech economy is forecasted to grow by 3.4% in 2022 as first quarter of 2022 is expected to be weaker than originally predicted due to the rapidly spreading Omicron variant. Oxford Economics predicted GDP growth of 2.7% in 2021 following an upward revision to Q2 and Q3 data. On the other hand, forecasted Q4 growth has been cut to 0.3% q-o-q due to weaker consumer spending as the latest wave of the pandemic took its toll. Despite increasing vaccinations and the booster roll-outs the overall levels of vaccine coverage are still relatively low in comparison to Western Europe countries.

The silver lining remains the continued prominence of the industrial sector. Industrial production, confidence and expectations improved in the month of November as car manufacturers resumed output, but this is unlikely to fully offset the Q4 weakness in general.

Headline inflation rose to 6.6% in December 2021, y-o-y. The average inflation rate reached 3.8% in 2021, which was by 60 bps higher compared to 2020. The development of inflation in 2021 was mainly influenced by the growth of prices in the divisions transport, housing, water, electricity, gas and other fuels. It is expected inflation will continue to rise in the coming months, peaking in Q1 before moderating throughout the rest of the 2022. In response to rising inflation, the Czech National Bank (CNB) further increased the policy rate from 2.75% in November to 3.75% in December 2021. In February 2022 the CNB continued with further increase to 4.50% which is the highest rate since 2002.

The second half of 2021 provided transactional volumes of €991 million. This represents an increase of 36% on the same period in the previous year and 52% increase on H1 2021. The total investment volume for the whole 2021 reached €1.64 billion which is by 11% above 2020 results (excluding Residomo portfolio of apartment housing, which traded at €1.3 billion).

The office sector was the second most dominant and represented 26% of the investment volume during H2 2021. The total office investment volume recorded for H2 2021 reached €254 million, representing a decrease of 30% compared with H1 2021.

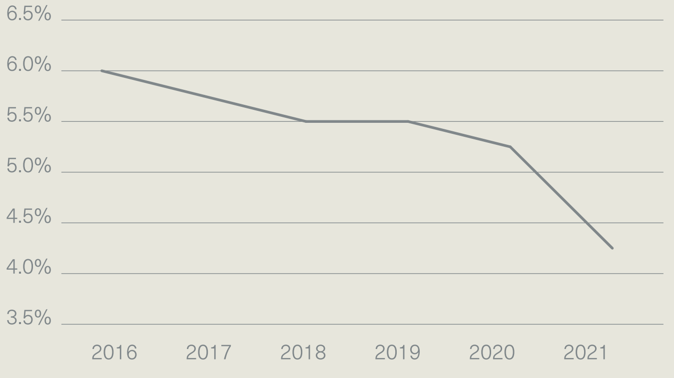
The retail sector had the third largest share with 15%. We continue to experience investor cautiousness when it comes to retail assets. In H2 2021, the retail sector witnessed ten transactions. Total retail investment volume recorded in H2 2021 reached €150 million which is more than twice as much as recorded in H1 2021.

The industrial & logistics sector was the most active during H2 2021 with 44% share on the total volumes. Altogether, there were 15 transactions. The largest transactions included the European Apex portfolio sold by P3 to CNIC (CGL Investment Holdings) where the Czech part amounted to ca. € 85 million, followed by Logistics Park Nošovice (Moravia-Silesia region) sold by Consens/J&T to EQT Exeter for approx. € 75 million and two buildings (hall 1 and 3) within Ostrava Airport Multimodal Park (Moravia-Silesia region) for ca. € 75 million, also transacted between Consens/J&T and EQT Exeter. Total industrial investment volume reached € 437 million in H2 2021, representing more than fivefold increase against H1 2021 results.Investor activity and appetite for this investment product continues to be very strong, however, the market is characterized by shortage of opportunities.

The residential market in H2 2021 recorded only two residential transactions recorded in H2 2021, both of a regional nature. Overall, the residential sector reached an investment volume of € 19 million representing 2% share on the total volumes during H2 2021.

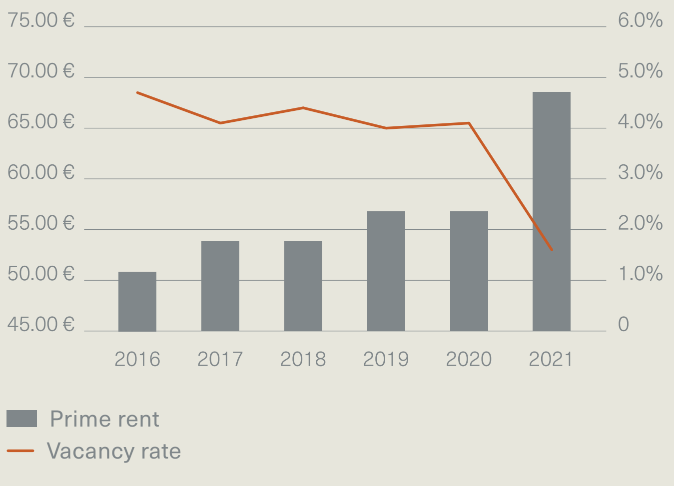
Our views on prime yields as of H2 2021 are 4.25% in the office sector, prime industrial&logistics assets are at 4.25% and retail parks at 5.75%. Prime shopping centre yields are at 5.25% and high-street properties remain at 4.00%. In H1 2022, we expect continued downward pressure on industrial yields in premium locations.

CZECH REPUBLIC PRIME INDUSTRIAL YIELD



Source: JLL EMEA, January 2022

CZECH REPUBLIC PRIME INDUSTRIAL RENT & VACANCY RATE *(€/m²/year)*



Source: JLL EMEA, January 2022

Focus on Hungary

The Hungarian investment market generated a volume of ca. € 1.3 billion in 2021. Although this volume is 7% above the 2020 record, it is still significantly below the pre-pandemic levels of € 1.7–1.8 billion. The underperformance of the market was mainly due to the significant undersupply of available products for sale (especially in an open-market tender), which was particularly critical during the first half of 2021. From the middle of the year we recorded an uptick in the investment activity, however it wasn't enough to boost the annual statistics to levels formerly seen.

More than 85% of annual volume was generated by transactions covering income producing assets, whereas the rest by development site sales and disposals of properties suitable for re-development purposes. We recorded a significant, 25% rise in the volume of development site sales compared to 2020. The majority of these sites allow for large scale logistics developments, yet some residential and office plots were sold as well. Active logistics developers continue their land-banking, and new market players have entered the market as well.

While the number of available products was low, a large array of potential purchasers wished to invest during 2021. The supply-demand imbalance created fierce competition among investors and pushed up prices, especially in the logistics and office sectors. We recorded a massive, 115 bps yield compression in the logistics asset class (5.75% vs. 6.90% by year end 2021 vs. 2021) and a 45 bps yield compression in offices (4.80% vs. 5.25% by year end 2021 vs. 2021).

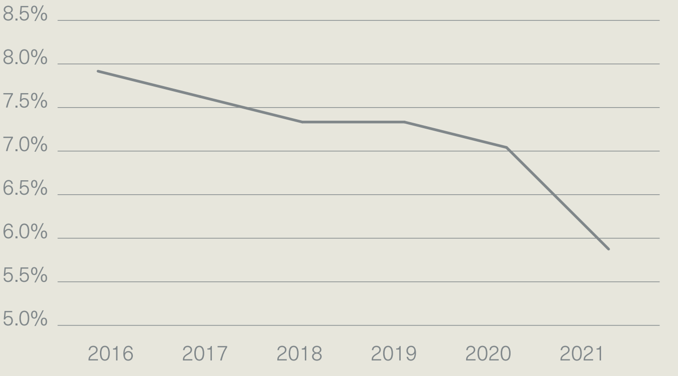
Similarly to the previous years, the strongest activity was recorded in the office asset class, which generated ca. 70% of the annual investment volume. It is followed by logistics assets (11%) and surprisingly, re-development opportunities and development sites with also 11%. As in the previous year, there was minimal activity in the hotel and retail asset categories in 2021.

In spite of the home office trend becoming generalised and the doubts surrounding the future of offices, 2021 was the year of office transactions. Office deals generated a historic record just shy of € 1 billion, indicating a 20% increase on the 2020 volume. We see the prime office yield strengthening 45 bps year-on-year and standing at 4.80%.

Although industrial & logistics is a very sought-after asset class, due to the characteristics of the Hungarian logistics market (majority of stock concentrated in the hands of a few landlords who do not intend to sell) there is a very limited investment activity in the sector. During 2021, the asset class generated ca. € 145 million in deals, a magnitude which comparable to the past 3 years. Almost 70% of the volume was related to acquisitions carried out by CTP, who became the most influential logistics player on the market with assets all over Hungary. Unlike most landlords, the Czech developer has a significant countryside portfolio in Hungary, on top of their high quality parks around Budapest. In 2021, they managed to acquire a fully occupied 46,000 m² shed in Nagytarcsa (10 km from Budapest), and a one-of-a-kind, city-logistics park, Office Campus, offering value through its fully-leased operating building and significant development capacity. Due to limited availability, the asset class generates a strong bidding competition amongst investors, which results in continuous yield compression and price increase. We recorded a year-on-year yield compression of 115 bps and we foresee further yield compression in the course of 2022. We see the prime logistics yield currently standing at 5.75%.

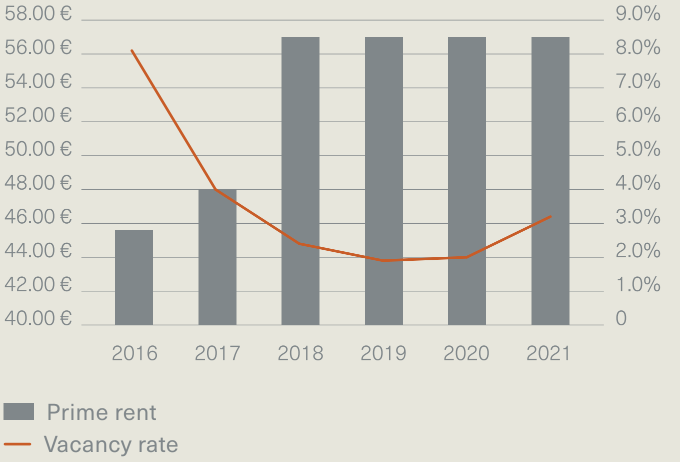
There was minimal activity in the hotel and retail asset classes. We see the prime retail yield standing at 6.25% for shopping centres.

HUNGARY PRIME INDUSTRIAL YIELD



Source: JLL EMEA, January 2022

HUNGARY PRIME INDUSTRIAL RENT & VACANCY RATE



Source: JLL EMEA, January 2022

Focus on Romania

The property investment volume for Romania in 2021 is estimated at approximately € 900 million, a value marginally higher than the one registered in 2020. In H2 2021, the total volume reached almost €600 million, a value 25% higher than the one recorded in H2 2020.

The real estate investment market managed to remain at a healthy level both in 2020 and 2021, despite the Covid-19 outbreak, which had a strong impact on the Romanian macro-economic environment. Several transaction which were started before the pandemic were closed in H2 2021, while several processes initiated during the late 2020 and 2021 were finalized by December 2021. Investors have regained their appetite for commercial properties, especially for offices and logistics, in Romania, encouraged by the swift macro-economic recovery and the appealing returns they are offering. Compared to last year, the number of transactions increased, with the average deal size decreasing to € 32 million. Bucharest continues to be the preferred investment destination in Romania and accounted for around 65% of the total transaction volume in 2021, followed by Timisoara, Oradea, Arad and Iasi. The investment volumes were dominated by office transactions, with close to 45% of the total, followed by industrial (30%), retail (20%) and hotels and residential (5%).

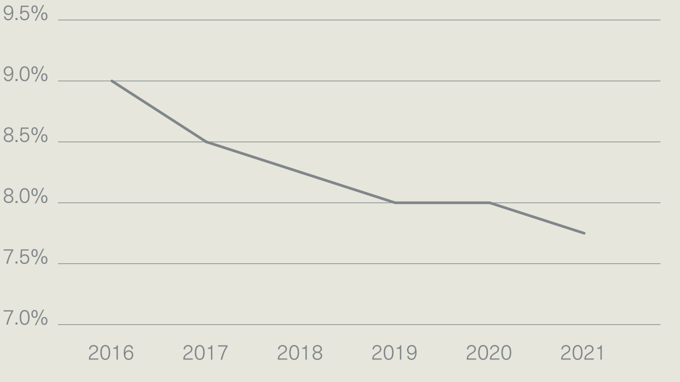
The largest industrial transaction concluded in 2021 was the acquisition of the Olympian industrial portfolio, consisting of 3 assets, in Bucharest, Timisoara and Brasov. The properties were bought by CTP, the largest player on the Romanian market, from Helios Phoenix. Other major logistic/industrial transactions in Romania were the acquisition of Zacaria portfolio of 4 properties (in Sibiu, Craiova and Oradea) by CTP from Zacaria Group for € 60 million and the sale of Eli Park 1, by Element Industrial and Paval Holding to Fortress REIT for around € 30 million. Smaller investment and sale & leaseback transactions were signed in Timisoara, Targu Mures, Dej, Arad, Oradea and Iasi.

Prime office yields are at 6.75%, prime retail yields at 7.25%, while prime industrial yields are at 7.75%.

Yields for office and industrial decreased by 25 bps over the past 12 months ago, while retail yields have increased by 25 bps over the year. Romania is still well positioned from a yield perspective, as the current values are still well above those registered in the last peak (2007) and those currently quoted in the rest of the region.

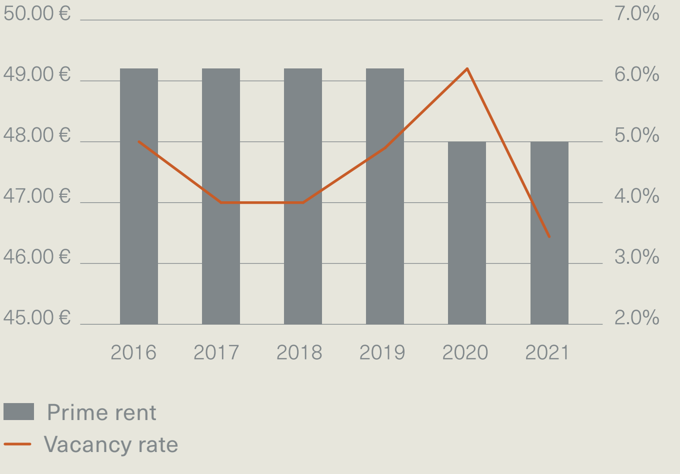
We expect that investment volumes in 2022 will be close to the total registered in 2021, although in this period marked by the uncertainty of the various waves of the pandemic, accurate predictions continue to be difficult to make. Prime yield may come under pressure for logistic and potentially office, in line with regional evolutions, but this will also depend on debt availability and terms.

ROMANIA PRIME INDUSTRIAL YIELD *(%)*



Source: JLL EMEA, January 2022

HUNGARY PRIME INDUSTRIAL RENT & VACANCY RATE *(€/m²/year)*



Source: JLL EMEA, January 2022

Focus on Slovakia

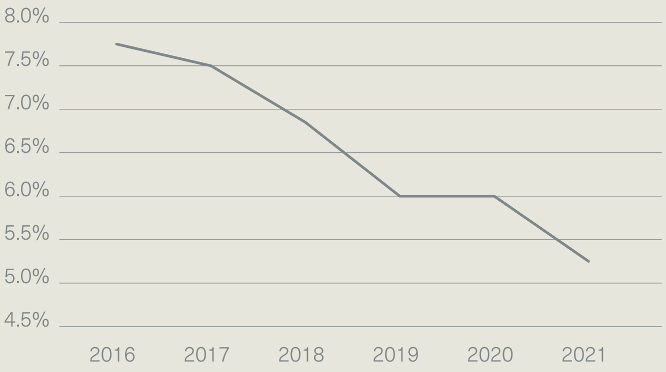
Commercial real estate as one of the major asset classes proved to be resilient in the times of uncertainty and volatility. Institutional and private capital alike continues to be allocated in the class, resulting to the total investment volumes of € 760 million in 2021.

From annual perspective, second half of the year with ca. € 210 million traded was roughly half of the volumes in H1. Lower volumes are not caused by lack of activity, the opposite is true. The market is very active with high and ever-increasing level of liquidity. Domestic and regional capital is strong and abundant, able to compete with long time established international capital. In 2021, the domestic/regional capital accounted for 70% of transaction volumes. This high proportion is mostly caused by the biggest transaction of the year – sale of the Aupark Bratislava shopping centre acquired by local players. Otherwise, three-year average proportion of Slovak and Czech capital on transaction volumes is less than 40%, expected to sustain or increase its share. Overall, ten major deals were closed in H2 at average size of a deal at ca. € 20 million.

Highest activity was witnessed in industrial sector with € 145 million transacted. Two major deals took place in the sector in H2. Karimpol Group, privately held property developer sold its Hall D to German institutional investor Union Investment in joint venture with Garbe. JLL acted on sell-side and managed to set a new record yield for prime single asset industrial properties in Slovakia. The major share on the volumes had the largest industrial transaction of the year – sale of the Accentis Namestovo industrial park to industrial developer CTP for over € 90 million. Accentis Namestovo is the light industrial scheme with tenant mix focused on automotive sector. Strengthening e-commerce and increased demand for warehouses is still the major driver for interest in the sector. Light industrial sub – sector is also targeted. The major driver is strong position of Slovakia as industrial country, likely to further benefit from supply chain reconsideration and nearshoring. We can therefore witness another strong year for the industrial sector if product is available.

Our view on prime yields as of Q4 2021 is as follows: Offices: 5.50% – 5.75%; Logistics/warehouses: 5.25% – 5.50%; Light industrial: 5.90% – 6.15%; Shopping malls: 6.25% – 6.50%; Retail parks: 25% – 7.50%

SLOVAKIA PRIME INDUSTRIAL YIELD *(%)*



Source: JLL EMEA, January 2022

German market[1]

Leading Logistics area

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

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

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

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

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

German market for logistics space achieved a new annual record in 2021

The total take-up in the German market for warehousing and logistics space of around 8.67 million m² in 2021 was a new record. This was a year-on-year increase of 25% (2020: 6.95 million m²), and almost 1.5 million m² (20%) above the previous record from 2018 (7.21 million m²).

There was particularly strong take-up in the fourth quarter, which was the first three-month period with a take-up of over 2.5 million m². Whilst take-up attributable to owner-occupiers fell by 10%, lettings rose by 39% year-on-year. The total demand for logistics space has increased across the board, logistics services providers as well as retailers and manufacturing companies were more active during 2021 compared to the previous year. Some companies are suffering the negative effects of the COVID-19 pandemic with delivery problems and shortages of materials due to breakdowns in global supply chains. For these companies, it is sensible to extend storage capacities on site to reduce their dependency on those networks. Other companies, such as online retailers, are benefiting from the changes in many customers' shopping behaviours, as customers ordered more online during the course of the pandemic, rather than visiting local shops. Those companies require greater amounts of space to service the increased demand. According to a current forecast by the Bundesverband Paket und Expresslogistik (BIEK) e.V., the number of parcels transported are expected to increase by 8% to 5.7 billion p.a. in the period up to 2025. The demand for space amongst online retailers remains a significant driver in terms of take-up. As a result of the strong demand for space, we expect take-up to exceed 7 million m² again in 2022. The scarcity of space remains a challenging topic. Many regions are characterised by a shortage of modern logistics space and sites available in the short term. This is also reflected in the lack of construction activity and hikes in rental prices. Companies are either shifting their attention to wider peripheral areas around the major conurbations or extending their existing leases. Even the development of brownfield sites will play a more important role in future.

1 Source: Jones Lang LaSalle – 2021 Industrial Investment Report CEE & Western Europe – February 2022

New records in the Big 5 regions Frankfurt and Berlin

Total take-up in the Big 5 conurbations (Berlin, Düsseldorf, Frankfurt, Hamburg and Munich) was around 2.42 million m^2 in 2021. This is another record and 170,000 m^2 above the previous record in 2011. It is a year-on-year increase of 27% and around 23% above both the 5 and 10-year averages. Take-up in the Frankfurt region increased by 47% year-on-year with a new record of around 695,000 m^2. There was also a new record in the Berlin region with around 616,000 m^2 (increase of 36% compared to 2020), around 120,000 m^2 above the previous record from 2019. There was also growth in the Düsseldorf (+38%) and Hamburg (+26%) regions. The only downturn was in the Munich region: a fall of 21%. The strongest demand came from companies in the distribution/ logistics sector with a share of around 38% of total-take-up. Retail companies accounted for a further 32% and manufacturing companies contributed 19%. Around 620,000 m^2 of new warehousing space was completed in the Big 5 regions in 2021, and just 28% of the space was still unlet at the point of completion. A further approx. 1.3 million m^2 is currently under construction, of which 70% has already been prelet or is being constructed for owner-occupiers. The majority of construction activity is in the Hamburg region where around 450,000 m^2 is under construction.

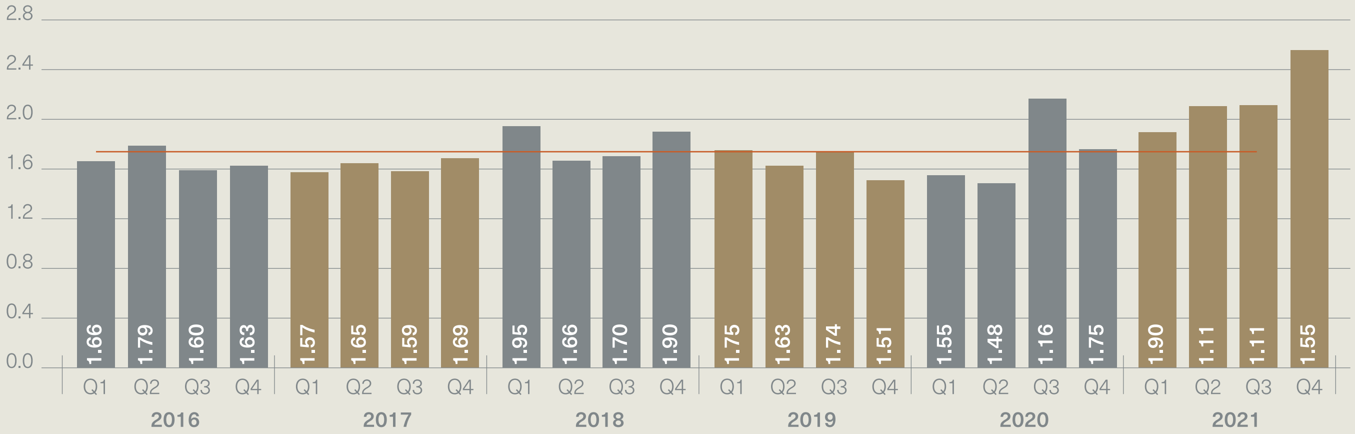
Outside the Big 5, the Ruhr area dominates

There was a take-up of around 6.25 million m² outside the Big 5 conurbations* in 2021. This is above 6 million m² for the first time ever, and is a year-on-year increase of 24% (2020: 5.04 million m²) and 30% above the 5-year average. The strongest demand came from retail and e-commerce companies, which accounted for around 2.7 million m² or 43% of total take-up, having benefited from a number of large volume deals in the ≥50,000 m² size category. All transactions of areas in the ≥100,000 m² size category involved retail companies.

These included Edeka (owner- occupier approx. 100,000 m²) in Marktredwitz, the Berlin Brands Group (letting of around 100,000 m²) in Werne and XXXLutz (owner-occupier approx. 105,000 m²) in Uffenheim. By far the largest deals of the year were attributable to e-commerce companies. Zalando decided in favour of a location in Giessen where it leased an area of around 130,000 m² in the VGP Park for a new logistics centre. Another high-profile online retailer signed a lease for an area of 189,000 m² in Grossenkneten.

The total turnover involving e-commerce companies was around 1.4 million m², which was a new record, and for the second year in succession there was a take-up of over 1 million m² (2020: 1.2 million m²). A further 35% (2.2 million m²) of total take-up was attributable to companies in the distribution/logistics sector and the largest registered lettings were to BLG Logistik in Bremen (95,000 m²) and Rhenus in Wesel (84,000 m²). 18% of take-up was attributable to manufacturing companies, including large-scale transactions such as the letting of around 90,000 m² to a battery manufacturer in Sülzetal near Magdeburg. The majority of take-up outside the Big 5 regions was again in the Ruhr area at around 788,000 m². The largest letting was to an e-commerce company, the Berlin Brands Group, which leased an area of around 100,000 m² in Werne in the fourth quarter. In second and third places were the Leipzig/Halle region (approx. 500,000 m²) and the Hannover/Braunschweig region (around 385,000 m²). Three-quarters of all space take-up was in new-build space and development projects, and in the case of takeup in the ≥50,000 m² size category, that share increases to 97%.

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



Warehousing Take-up in millions m²

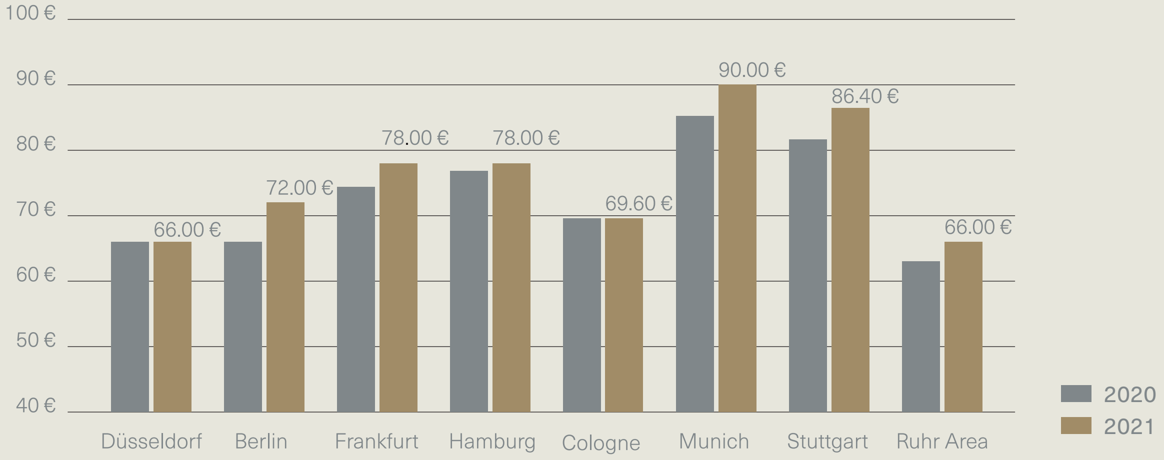
Average (2016 Q1-2021 Q3): 1.74 million m²

* Outside the Big 5 only deals = 5,000 m², in the Big 5 (Berlin, Düsseldorf, Hamburg, Frankfurt and Munich) deals = and < 5,000 m²
Status: February 2022, Source: JLL

Upswing in prime rents

Prime rents for warehousing space in the ≥5,000 m² size category have risen by between 1.6% and 9.1% year-on-year in four of the Big 5 regions. The exception is the Berlin region, where the prime rent remained stable at € 5.50/m²/month in 2021. The strongest increase was in Düsseldorf (+ € 0.50 to its current level of 6.00/m²/month) and the highest prime rent is still paid in Munich at € 7.50/m²/month (increase of 5.6% or € 0.40). Prime rents rose by € 0.30 and € 0.10 in Frankfurt and Hamburg, respectively, to € 6.50/m²/month. Further hikes are expected in 2022.

PRIME RENT IN GERMANY *(€/m²/year)*



Status: February 2022, Source: JLL

WAREHOUSE TAKE-UP TOTAL *(m²)*		**2020**	**2021**
Berlin		451,700	615,900
Düsseldorf		173,000	239,100
Frankfurt		472,500	694,800
Hamburg		498,300	630,300
Cologne	only space ≥ 5,000 m^2	187,400	211,300
Munich		307,200	242,600
Stuttgart	only space ≥ 5,000 m^2	107,700	141,900
Ruhr area	only space ≥ 5,000 m^2	844,500	787,900

WAREHOUSE TAKE-UP TOTAL *(≥ 5,000 m²)*	**2020**	**2021**
Berlin	251,500	404,900
Düsseldorf	108,400	122,400
Frankfurt	329,500	534,500
Hamburg	345,500	498,100
Cologne	187,400	211,300
Munich	205,800	102,400
Stuttgart	107,700	141,900
Ruhr area	844,500	787,900

PRIME RENTS FOR WAREHOUSING SPACE *(≥ 5,000 m²) (€/m²/month)*	**2020**	**2021**
Berlin	5.50	5.50
Düsseldorf	5.50	6.00
Frankfurt	6.20	6.50
Hamburg	6.40	6.50
Cologne	5.80	5.80
Munich	7.10	7.50
Stuttgart	6.80	7.20
Ruhr area	5.25	5.50

COMPLETIONS *(m²)*	**2020**	**2021**
Berlin	349,800	203,000
Düsseldorf	151,600	52,300
Frankfurt	129,100	170,700
Hamburg	9,000	161,500
Cologne	38,800	82,600
Munich	35,000	31,000
Stuttgart	119,500	48,900
Ruhr area	405,900	491,800

Source: JLL – Logistics and Industrial Market Overview / Germany / H2 2021 / February 2022VV

Spanish market[1]

Leading logistics areas

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

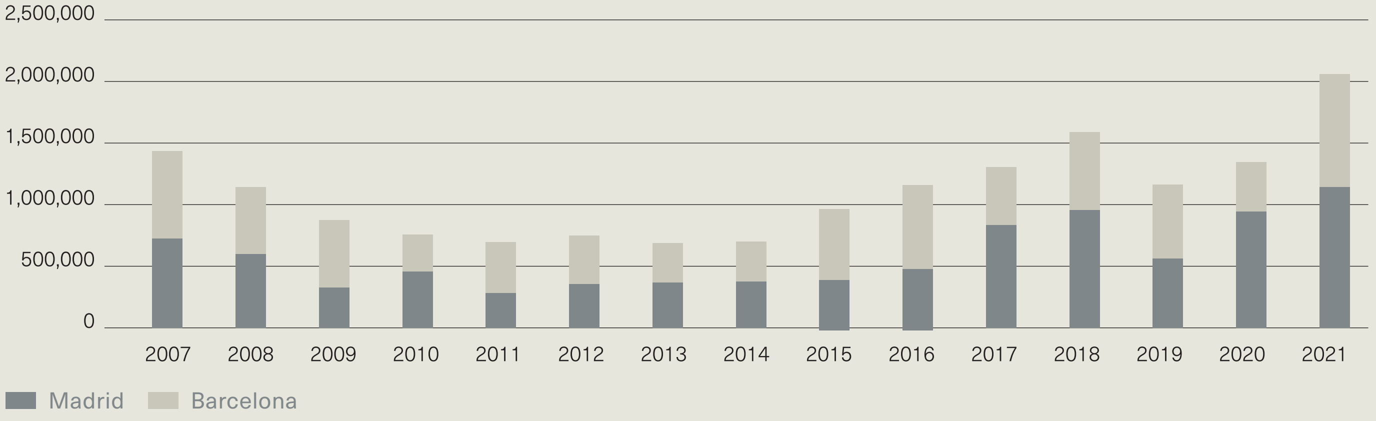
Operators are concentrated along the primary logistics routes. These include the A-2, A-3, A-4 and A-42 roads heading out of Madrid and the A-2 and AP-7 in Barcelona. These roads in both cities pass through all three rings. Operators are located along various stretches depending on the type of freight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

Take-up

Take-up in 2021 in Madrid was around 1,115,000 m^2, an increase of 21% compared to 2020, the highest figure recorded in five years. In the fourth quarter, take-up stood at around 245,500 m^2, a decrease of 5% quarter-on-quarter and year-on-year.

Take-up in 2021 in Barcelona was around 885,000 m^2, an increase of 129% compared to 2020, also representing the highest figure in the last five years. In the fourth quarter, take-up was around 240,000 m^2, a year-on-year increase of 150%.

INDUSTRIAL TAKE-UP *(m^2)*



Source: JLL EMEA, January 2022

1 Source: Jones Lang LaSalle – 2021 Industrial Investment Report CEE & Western Europe – February 2022

Completions and Availability

Completions in Madrid during 2021 totalled 780,000 m^2, representing a decrease of 11% compared to 2020. In the fourth quarter, completions in the capital added 190,000 m^2, 55% less than in the previous quarter. In Barcelona, completions totalled 330,000 m^2 in 2021 (+15% compared to 2020) and 120,000 m^2 in the fourth quarter (+220% compared to the third quarter).

The availability rate in Madrid increased to 9.6% at the end of 2021, while in Barcelona it rose to 3%. However, availability remains limited to meet growing demand.

By 2022, it is expected around 600,000 m^2 of new logistics product under construction to be added to the market in Madrid and 300,000 m^2 in Barcelona. Madrid is dominated by warehouses that are still available (67%), while Barcelona is dominated by warehouses that are already committed (54%) and therefore will not add availability to the market.

Prime Rent

During 2021, the growing demand for logistics space generated by the ecommerce boom and limited supply levels have added upward pressure on rents. In Madrid, rents have grown progressively during 2021. Prime rents stood at €5.95/m^2/month at the end of 2021, a slight quarterly increase and a significant increase (+8%) in the annual comparison. This level of rents is the highest since 2009. Upward pressure on rents is expected to persist throughout 2022, as strong demand will continue to offset the shortage of supply. By 2023, we expect demand to grow, driven by the recovery in global economic activity, but we will also see more supply and therefore more competition in the market, so rents in prime areas are expected to increase slightly compared to 2022, resulting in a "healthy market" that is growing slightly and steadily.

Catalonia remains attractive to both national and international operators and investors, and there is still unsatisfied demand due to a lack of available, quality and sized product. This has driven an annual increase in prime rents of 3% over 2021 to €7/m^2/month. This is the highest level of rents since 2011.

Given the strength of demand and relatively limited availability, prime rents are expected to increase slightly during 2022 and 2023.

The availability of land for logistics development remains scarce especially in areas closer to cities, which is likely to limit the future pipeline of projects. Rising land values and construction costs will also continue to put upward pressure on rents in these areas.

Dutch market[1]

Leading logistics areas

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

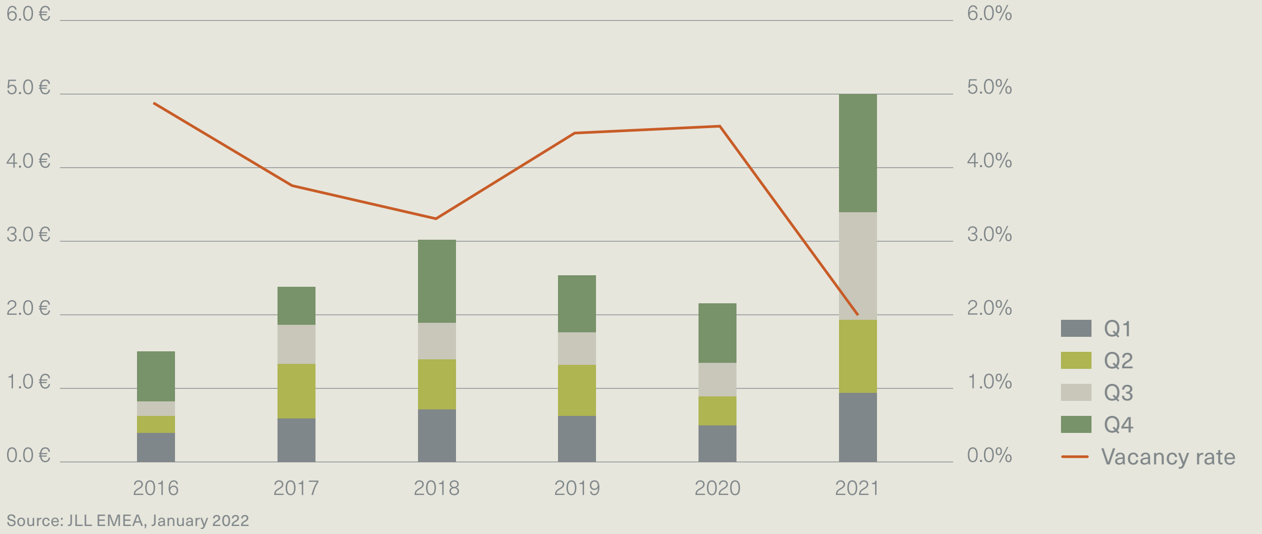
The Dutch logistics market is divided into six different clusters, comprising the two major distribution hubs Amsterdam and Rotterdam as well as the four regional areas including West-Noord Brabant, Mid-Noord Brabant, Southeast-Noord Brabant and North Limburg.

Take-up

The last quarter of 2021 saw continued record performance on the occupier as well is the investment market. In the fourth quarter, 78 transactions were witnessed, with a total take-up volume of 1.6 million m². The total occupier transaction volume 2021 reached a record volume of 4.9 million m², which is an increase of 133% compared to 2020. These numbers are mainly driven by 3PL and e-commerce parties.

The high demand for distribution warehouse space has caused a significant drop in supply. The current supply is 702,000 m², which corresponds to a vacancy rate of 1.9%. Although there are many new developments, the supply is likely to remain low because these are often leased out before completion.

INDUSTRIAL TAKE-UP AND VACANCY RATE *(millions m²)*



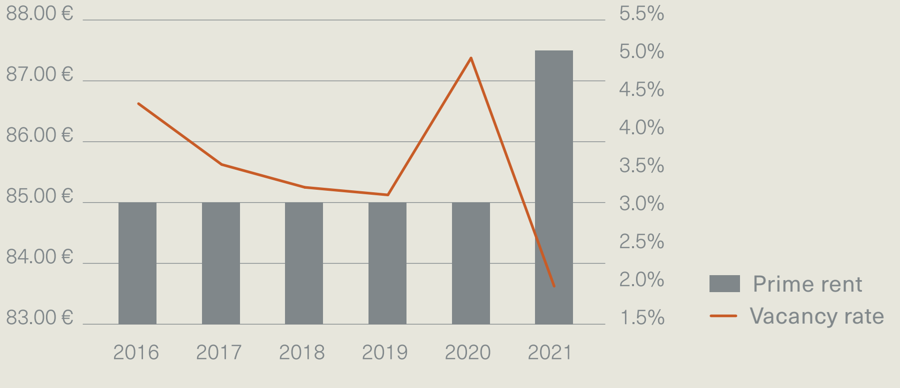
Source: JLL EMEA, January 2022

1 Source: Jones Lang LaSalle – 2021 Industrial Investment Report CEE & Western Europe – February 2022

Prime rent

In 2021, as a result of limited supply and strong demand, prime rents rose in most Dutch submarkets. Prime rents for the whole country at € 87.50/m²/year are held by the Schiphol Airport area. At the same time, with an increase to € 75/m²/year Utrecht overtook Rotterdam, which registered an increase of 4% p.a. to € 72.50/m²/year.

PRIME AND VACANCY RATE *(€/m²/year)*



Source: JLL EMEA, January 2022

Italian market[1]

Leading logistics areas

The logistics stock in Italy consists of around 45 million of m² and more than 2,000 assets. The modern stock (built in the last 10 years) represents just the 17% of the total, corresponding to approximately 300 assets which are owned mainly by institutional players (71%) and end--users (22%).

Among the main consolidated geographies, Veneto and Rome result to have the most recent developments (both 23% of the total), while Milan, Bologna and Torino are in line with the Italian average total), while Milan, Bologna and Torino are in line with the Italian average.

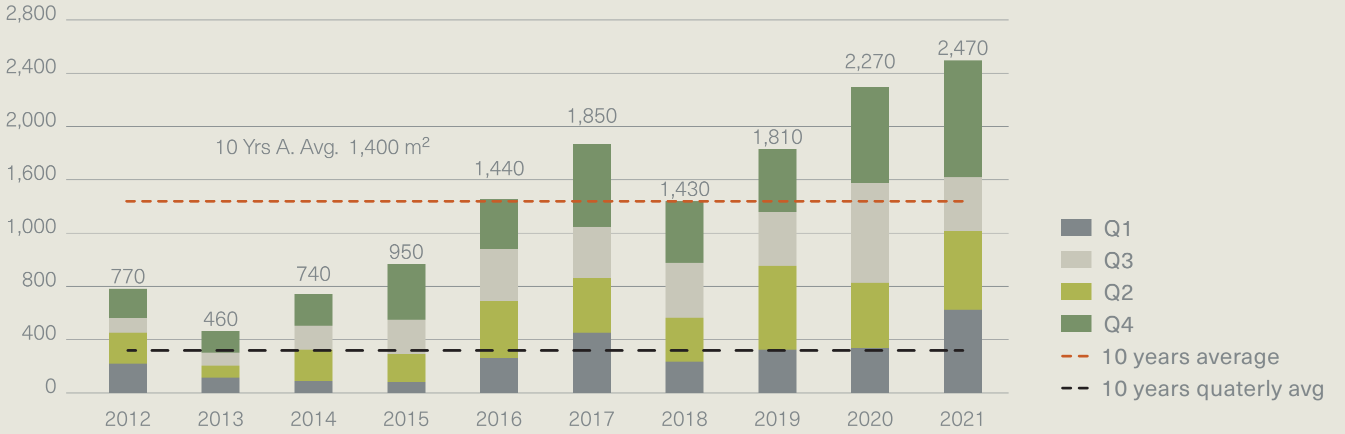
Moreover, more than 1 million square meters are already under construction and expected to be completed by the end of 2022 with majority to be situated in the Milan area.

As in all other real estate sectors, even Logistics is showing increasing attention for Environmental, Social and Governance (ESG) elements and sustainability with carbon neutral goals. Majority of new developments are designed to achieve a green certification, mainly BREEAM and LEED. In 2021, total completions grew by 23% y-o-y and amounted to 1,650 mil m², the share of speculative construction was approximately 30%.

Take-up

The logistics sector has continued to present strong fundamentals and is expected to be resilient moving forward. Take-up in 2021 reached record levels with around 2.47 million m², showing an increase of 9% on 2020 and about 76% up on the 10-year average. Geographically, Milan continued to be the main destination, attracting the 40% share of the total take-up. However, other destinations are gaining ground such as Veneto (10%) and Bologna (8%). The capital city recorded 6% share on the total take-up. The market was driven by 3PLs, retail, and e-commerce demand. Pre-lets formed 39% of the take-up, down form 48% in 2020. Owner-occupiers accounted for 7% share of the total.

TAKE-UP IN ITALY *(thousands m²)*



Status: February 2022, Source: JLL

1 Source: Jones Lang LaSalle – 2021 Industrial Investment Report CEE & Western Europe – February 2022

Prime rents

Prime industrial rents in Milan and Rome area remained stable compared to 2020 reaching € 4.75/m²/month in Q4 2021. In Bologna, the prime rents grew by 1.8% to € 4.67/m²/month and in Veneto region remained unchaged at € 4.10/m²/month.

Prime Rent in Italy

MARKET	PRIME RENT 2020	PRIME RENT 2021
Milan	57/m²/year	57/m²/year
Rome	57/m²/year	57/m²/year
Bologna	55/m²/year	56/m²/year
Veneto region	49/m²/year	49/m²/year

Source: JLL EMEA, February 2022

Portuguese market[1]

The pandemic brought a significant impact on the global logistics market. The change in consumption habits has led to the rapid growth of e-commerce and triggered the need for areas for last-mile distribution, which implies greater speed and flexibility in delivery. Along with the increase on the demand side, requirements for a more innovative supply have grown likewise. Investors and occupiers are focusing on areas and projects that take into consideration decarbonization, digitization, design and technology aspects, as more than ever, regional and local policies are moving towards this direction.

2021 was a record year in terms of take-up. It was strongly shaped by operations involving area expansions and pre-lets. According to Industrial Prime Index (IPI), at least, 580,000 m² was absorbed. Of those, 69% were concentrated in Lisbon region and 15% in Porto region. Developers could not keep pace with the high levels of specific demand, which coupled with the obsolescence of existent supply, have restricted to some extent the absorption levels. Several projects that were launched in the market had already been taken up or committed. Products located within a radius of 10 km from the centres of large cities such as Lisbon and Porto, served by good access, are strongly sought after. Moreover, 3PL and freight operators are in a continuous growth rate and therefore demanding additional quality space.

Take-up

2021 ended up to be one of the strongest years in terms of space occupation for Industrial & Logistics purposes. At least, 580,000 m² is reported to have been occupied in 2021, an impressive 140% increase y-o-y. From the absorbed area, more than 65% is considered new stock. This high percentage is expected as existing supply no longer meets the rising demand and occupiers' requirements. Among the identified operations, the majority of the occupied area was rented out and occupied within 6 months; Lisbon registered more than half of the total reported area. With the sharp increase on demand, whether coming from new players or by expansion processes from existing players, the supply hasn't been able to keep up and developers struggle at this point to produce leasable area at demand pace.

As near 70% of the annual area occupation was reported in Lisbon, the total area for the region peaked in 2021 – a new record over the last years. Among the 8 registered zones, occupiers had solid preference for Alverca-Azambuja (zone 1), followed by Palmela-Setúbal (zone 5). In Lisbon, take-up volume has more than doubled on a y-o-y analysis. In Porto, take-up volume is comparable to levels of 2020. Among the 5 registered zones for this region, tha major absorbed area was registered in Porto South (zone 11), followed by Zone East (zone 13).

Prime rents

Throughout the year, rents increased in some zones due to evidences of occupations closed at higher levels. Sacavém (zone 2) increased from € 4 to € 4.50/m²/ month, Palmela-Setúbal (zone 5) from € 3 to € 3.25/m²/month, and Carnaxide-Alfragide (zone 6), from € 5 to € 6/m²/month. Prime rent in Porto is at€ 4/m²/month.

Prime Rent in Portugal

MARKET	PRIME RENT 2020	PRIME RENT 2021
Lisbon	57/m²/year	72/m²/year
Porto	46.20/m²/year	48/m²/year

Source: JLL EMEA, February 2022

photo © Trilux

1 Source: Jones Lang LaSalle – 2021 Industrial Investment Report CEE & Western Europe – February 2022

French market[1]

The high level of leasing activity demonstrates the strong resilience of the sector as a whole, and foolproof adaptability in the face of the uncertainties generated by the health crisis. The main logistics activities in France are situated in the corridor running from Lille in the North, through the Paris region and Lyon to Marseille on the South coast. The E-commerce players are actively and increasingly participating at a very high level of demand for warehouses in France. The excellent shape of the French rental market is also reflected in the number of signed transactions, more than 144 transactions were recorded over the whole of 2021, which was, 4% higher than last year and 29% higher than 10-years average.

Take-up

In 2021, 3,596,300 m² was let in the French logistics rental market (>10,000 m²), the volume of take-up rose by 8% year on year. Structural changes, such as relocations and e-commerce activity, are driving activity in the logistics sector. The occupier demand was strongest in the medium-sized warehouse segment (10,000 – 20,000 m²) with 86 deals, it was a record number and surpassed the record set in 2017 with 84 transactions. The 20,000 – 40,000 m² segment achieved the same number of transactions as in 2020 (38 transactions). In the XXL warehouse segment (>40,000 m²), 20 transactions were recorded, including three transactions of over 100,000 m². These included the lease of LA REDOUTE's lease of 110,000 m² in Haynecourt, near Cambrai, SEB's lease of 100,640 m² in Bully-les-Mines and the LIDL's transaction for 100,600 m² in Ablis. The main markets along the logistics corridor (Paris, Lille, Lyon and Marseille) have accounted for 54% of the transaction volume in 2021. Paris and Lille, where performance improved year on year, accounted for 25% and 18% of activity respectively. The Lyon region accounted for 8%, while the Marseille region's share fell to 5%.

1 Source: Jones Lang LaSalle – 2021 Industrial Investment Report CEE & Western Europe – February 2022

Prime rents

The prime rent in the Paris region stood at € 61 per m²/year, the highest in the country. Elsewhere, rents stood at € 55 in the Lyon region, € 48 in the Marseille region and € 46 in the Lille market.

Prime Rent in France

MARKET	PRIME RENT 2020	PRIME RENT 2021
Paris	55/m²/year	61/m²/year
Lyon	50/m²/year	55/m²/year
Marseille	48/m²/year	48/m²/year
Lille	44/m²/year	46/m²/year

Source: JLL EMEA, February 2022

Report of the Board of Directors

Report of the Board of Directors

Corporate governance statement

Principles

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

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

As required by the Code 2020, the Company's Corporate Governance Charter describes the main aspects of its corporate governance policy. The Corporate Governance Charter was first approved by the Board of Directors of the Company in its meeting of 20 April 2010 and has been updated by the Board of Directors of the Company in its meetings of 8 December 2016, 9 October 2017, 8 May 2020 and 14 May 2021. The current version of the Corporate Governance Charter, approved by the Board of Directors of the Company on 5 January 2022, supersedes and replaces all previous versions.

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.

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).

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

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

The Board of Directors did not appoint a company secretary for the financial year 2021. 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 function of the Company secretary was taken up by the Company's CFO. However, following the appointment of a new CFO (Mr Piet Van Geet) on 10 January 2022, the Board of Directors appointed the previous CFO (Mr Dirk Stoop) as Company secretary and hence no longer departs from the principles 3.19 and further of the Code 2020.

The Board of Directors held 8 board meetings in 2021. The most important points on the agenda were:

- approval of the 2020 annual accounts and 2021 semi-annual accounts;
- approval of budgets;
- review and discussion of the COVID-19 pandemic's impact on the activities of the Group;
- review and discussion of the eighth closing with the First Joint Venture, the evolution of the VGP Park Moerdijk joint venture and the entering of new Development Joint Ventures
- review and discussion of a new joint venture with Allianz (the Fourth Joint Venture)
- review and discussion on related party transaction procedure of Article 7:97 CCA
- review, discussion and approval of the 2020 Corporate Responsibility Report;
- review, discussion on the VGP foundation and approval to make a further contribution to the VGP foundation;
- review, discussion and approval to issue a first public € 600 million benchmark green bond;
- review and discussion of the property portfolio (i.e. investments, tenant issues etc.);
- review, discussion and approval of the investments and expansion of the land bank;
- approval of allocations and delegated authorities in respect of the Long-Term Incentive Plan;
- review, discussion and approval to delist from the Prague Stock Exchange;
- review and approval of an € 300 million capital increase through an accelerated book building procedure;
- review, discussion and decisions on changes to the corporate governance charter.

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	8
Non-executive director			
VM Invest NV represented by Bart Van Malderen	2021	2025	8
Independent, non-executive directors			
GAEVAN BV represented by Ann Gaeremynck	2019[1]	2023	8
Katherina Reiche	2019	2023	7
Vera Gäde-Butzlaff	2019	2023	8

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

The Annual General Meeting of Shareholders of 14 May 2021 approved the renewal of the mandates of the Executive Director (Jan Van Geet s.r.o.) and the Non-Executive Director (VM Invest NV) for a new term of 4 years.

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

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

Committees of the Board of Directors

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

Audit Committee

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

The Audit Committee is composed of three members who are all non-executive Directors. Two members, Mrs Ann Gaeremynck and Mrs Vera Gäde-Butzlaff, are independent directors.

The members of the committee have sufficient relevant expertise, especially in accounting, auditing and financial matters, to effectively perform their functions.

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

The Audit Committee is chaired by one of its members. The chairman of the board of directors may not chair the Audit Committee.

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

The Audit Committee meets at least four times a year and whenever circumstances require, at the request of its chairman, one of its members, the chairman of the Board of Directors, the CEO or the CFO. It decides if and when the CEO, CFO, the Statutory Auditor(s) or other people should attend its meetings.

The Audit Committee meets at least twice a year with the statutory auditor to consult on matters falling under the power of the Audit Committee and on any matters arising from the audit. The CEO and CFO also attend the meetings of the Audit Committee.

Given the size of the Group no internal audit function has currently been created.

The Audit Committee met four times in 2021. 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 2020 annual accounts and 2021 semi-annual accounts and business updates;
— analysis of the recommendations made by the statutory auditor;
— the different closings with the Allianz Joint Ventures;
— financing structure of the Group;
— the capital increase through an accelerated book building procedure;
— assessment and discussion on the need to create an internal audit function;
— discussion, review and approval of proposed scope and fees for audit and non-audit work carried out by Deloitte.

NAME	YEAR APPOINTED	EXECUTIVE OR NON-EXECUTIVE	INDEPENDENT	NEXT DUE FOR RE-ELECTION	MEETINGS ATTENDED
GAEVAN BV represented by Ann Gaeremynck (Chairwoman)	2019	Non-executive	Independent	2023	4
Vera Gäde-Butzlaff	2019	Non-executive	Independent	2023	4
VM Invest NV represented by Bart Van Malderen	2021	Non-executive	—	2025	4

Remuneration Committee

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

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

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

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

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

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

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

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

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

The Remuneration Committee met two times in 2021. The most important points on the agenda were:

- assessment of the impact of the implementation of the Shareholders Rights Directive II (SRD II) on remuneration policy and report;
- assessment and determination of the achievement of the 2020 performance criteria and performance targets and criteria for the CEO, other members of the Executive Committee and senior managers for the financial year 2021;
- allocation of variable remuneration;
- allocations under the long-term incentive plan;
- changes in the remuneration of board and committee members;
- discussion on the drafting of the new 2021 remuneration policy.

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.

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	2
Katherina Reiche	2019	Non-executive	Independent	2023	1
GAEVAN BV represented by Ann Gaeremynck	2019	Non-executive	Independent	2023	2

Nomination Committee

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

Evaluation of the Board of Directors and its committees

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

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

Remuneration report

Introduction

This remuneration report has been drafted in accordance with the provisions of article 3:6, §3 of the Code of Companies and Associations and the VGP Corporate Governance Charter (Annex 5), and takes into account the VGP Remuneration Policy (see *Annex 7 of the VGP Corporate Governance Charter* on *https://www.vgpparks.eu/investors/corporate-governance/*).

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

The remuneration report for the performance year 2020 was also approved by a large majority of 97.08% of the votes present. And there were no specific comments to be taken into account in the remuneration for performance year 2021.

VGP 2021 highlights

2021 was another year of record growth for VGP with net profit for the financial year 2021 soaring to € 650.1 million (compared to a net profit of € 370.9 million for the financial year 2020).

VGP recorded a solid business growth across its property portfolio with signed and renewed rental income of € 79.7 million (+ 76% YoY) bringing total signed rental income to € 256.1 million (+ 76% YoY).

During the year 26 buildings were completed totalling 652,000 m^2 of lettable area representing € 32.0 million of annualised committed leases (99.8%-let). At the end of the year 50 buildings were under construction representing 1,478,000 m^2 of lettable area – 1.7x level of December 2020 - representing € 93.9 million of annualised committed rental income (83.8% pre-let at year-end).

The weighted average term of the annualised committed leases of the combined own and Joint Ventures' portfolio stood at 8.6 years at the year-end (8.5 years as at 31 December 2020) and the occupancy rate (own and Joint Ventures' portfolio) reached 99.4 % at year-end (compared to 98.5% at the end of 2020).

The land further expanded with the acquisition of 4,037,000 m^2 of new development land with a further 3,981,000 m^2 of committed land plots, pending permits, bringing the total secured (own and committed) land bank to 10,938,000 m^2 (+ 43.0% YoY).

Operations were started in France, Serbia and Croatia.

A new Fourth Joint Venture with Allianz Real Estate was entered into following the reaching of the First Joint Venture's investment capacity. During 2021 there was 1 closing with the respective Allianz joint ventures which resulted in net cash proceeds totalling € 49.6 million.

As of 31 December 2021, the roofs of VGP's building portfolio enabled a photovoltaic power generation capacity of 74.7MWp installed or under construction (compared to 42.5MWp as at the end of December 2020).

At the end of the year 4,570,000 m^2 total lettable area, or 54% of the total portfolio, was certified (BREEAM "Very Good" or equivalent) or having its certificate pending.

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 2021. The non-executive directors receive an annual fixed remuneration of € 75,000. The chairman does not receive any additional fixed remuneration for its chair. The non-executive directors also receive an attendance fee of € 2,000 for each meeting of the board of directors and € 2,000 for each meeting of the Audit Committee or the Remuneration Committee they attend.

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

TABLE A – REMUNERATION OF THE BOARD OF DIRECTORS FOR THE REPORTED FINANCIAL YEAR 2021

2021 REMUNERATION *(in €)*	FIXED REMUNERATION			VARIABLE REMUNERATION		EXTRA-ORDINARY ITEMS	PENSION	TOTAL REMUNE-RATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION	
	BASE SALARY	ATTEN-DANCE FEES	OTHER BENEFITS	ONE-YEAR VARIABLE	MULTI-YEAR VARIABLE				FIXED	VARI-ABLE
Non-executive directors										
VM Invest NV represented by Bart Van Malderen *Chair of the Board of Directors and Remuneration Committee*	75,000	28,000	n.a.	n.a.	n.a.	n.a.	n.a.	103,000	100%	0%
GAEVAN BV represented by Ann Gaeremynck *Independent director and chair of the Audit Committee*	75,000	28,000	n.a.	n.a.	n.a.	n.a.	n.a.	103,000	100%	0%
Katherina Reiche *Independent director*	75,000	16,000	n.a.	n.a.	n.a.	n.a.	n.a.	91,000	100%	0%
Vera Gäde-Butzlaff *Independent director*	75,000	24,000	n.a.	n.a.	n.a.	n.a.	n.a.	99,000	100%	0%
Executive directors										
Jan Van Geet s.r.o. represented by Jan Van Geet *Executive director*[1]	75,000	16,000	n.a.	n.a.	n.a.	n.a.	n.a.	91,000	100%	0%
Total	**375,000**	**112,000**	n.a.	n.a.	n.a.	n.a.	n.a.	**487,000**	100%	0%

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

Total remuneration of the Executive Management Team

General[1]

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

The remuneration for the Executive Management Team consists of:

— *A fixed remuneration:* the base salary is determined in function of the individual responsibilities and skills of each member of the Executive Management Team. The CEO receives a base salary in his capacity as CEO as well as in his capacity as executive director.
— *A short-term variable remuneration:* linked to the performance criteria as described below.
— *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)

Performance criteria short-term variable remuneration

For financial year 2021, the performance of the Executive Management Team was appraised on the basis of the following performance criteria:

1 The natural persons listed here are the respective permanent representatives of (i) Jan Van Geet s.r.o., (ii) Urraco BV, (iii) Dirk Stoop BV, (iii) Tomas Van Geet s.r.o., (iv) Matthias Sander s.r.o., (v) Havbo Consulting Ltd. and (vi) MB Vlutters BV. Mr Jan Prochazka (COO- Czech Republic) terminated his term of office at the end of 2020.

2 As from 10 January 2022.

3 As from 10 January 2022. Until 10 January 2022 CFO.

PERFORMANCE CRITERIA	Relative weighting of the performance criteria	A) Minimum performance target B) corresponding award payment level[1]	A) Maximum performance target B) corresponding award payment level[1]	A) Measured performance B) corresponding award payment level[1]
Jan Van Geet s.r.o., represented by Jan Van Geet, CEO				
Net profit of the Group	50%	a) 75% b) 0.38	a) 125% b) 0.50	a) 260% b) 0.50
Growth in committed annualised lease agreements	20%	a) 80% b) 0.16	a) 125% b) 0.20	a) 205% b) 0.20
— Cash flow from operations and divestments to joint ventures — Occupancy rate — Buildings completed and started-up — Pre-lets under construction — Land acquisition — Other	20%	a) 80% b) 0.16	a) 125% b) 0.20	a) 207% b) 0.20
— ESG — Health and safety — Human resources management — Other	10%	a) 80% b) 0.08	a) 125% b) 0.10	a) 125% b) 0.10
Total bonus payment level		**0.78**	**1.00**	**1.00**
Total variable remuneration 2021				**€ 600,000**

PERFORMANCE CRITERIA	Relative weighting of the performance criteria	A) Minimum performance target B) corresponding award payment level[1]	A) Maximum performance target B) corresponding award payment level[1]	A) Measured performance B) corresponding award payment level[1]
Other members of the Executive Management Team				
Net profit of the Group	50%	a) 75% b) 0.38	a) 125% b) 0.87	a) 260% b) 0.87
Growth in committed annualised lease agreements	20%	a) 80% b) 0.16	a) 125% b) 0.35	a) 205% b) 0.35
— Cash flow from operations and divestments to joint ventures — Occupancy rate — Buildings completed and started-up — Pre-lets under construction — Land acquisition — Other	20%	a) 80% b) 0.16	a) 125% b) 0.35	a) 207% b) 0.35
— ESG — Health and safety — Human resources management — Other	10%	a) 80% b) 0.08	a) 125% b) 0.17	a) 125% b) 0.17
Total bonus payment level		**0.78**	**1.74**	**1.74**
Total variable remuneration 2021				**€ 1,735,000**

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

1 Pay-out level expressed as a multiple of the "target" bonus

Reported financial year 2021

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 2021:

TABLE B – REMUNERATION OF THE EXECUTIVE MANAGEMENT TEAM FOR THE REPORTED FINANCIAL YEAR 2021

2021 REMUNERATION *(in €)*	FIXED REMUNERATION			VARIABLE REMUNERATION		EXTRA-ORDINARY ITEMS	PENSION	TOTAL REMUNE-RATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION	
	BASE SALARY	ATTEN-DANCE FEES	OTHER BENEFITS	ONE-YEAR VARIABLE	MULTI-YEAR VARIABLE[1]				FIXED	VARI-ABLE
Executive Management Team										
Jan Van Geet s.r.o., represented by Jan Van Geet, CEO[2]	600,000	n.a.	35,987	600,000	n.a.	n.a.	n.a.	1,235,987	51%	49%
Other members of Executive Management Team	1,420,429	n.a.	80,301	1,735,000	n.a.	n.a.	39,900	3,275,630	47%	53%
Total	**2,020,429**	**n.a.**	**116,288**	**2,335,000**	**n.a.**	**n.a.**	**39,900**	**4,511,617**	**48%**	**52%**

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.

1 Relates to the LTIP variable remuneration vested during the financial year. During 2021 no LTIP variable remuneration was vested for the EMT.

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

Share-based remuneration

For the financial year 2021, no share-based remuneration was granted.

Severance payments

For the financial year 2021, no severance payments were made in relation to the termination of management or employment agreements of any members of the Executive Management Team.

Claw-back

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

Derogations from the remuneration policy

For the remuneration in respect of financial year 2021, VGP did not derogate from its existing remuneration practices.

Changes in 2022

During a meeting held on 5 January 2022, the Board of Directors based on the recommendations of the remuneration committee took the decision to appoint Piet Van Geet as CFO in replacement of Dirk Stoop. In order to ensure continuity and a smooth transition process as well as further strengthening of the Group's corporate governance, the Board decided to appoint Dirk Stoop as Company Secretary. The incoming CFO has the same remuneration package as the outgoing CFO.

During the same meeting, the Board of Directors decided to terminate the services agreement between Little Rock SA and the Company. Under the terms and conditions of this services agreement the Company called upon Little Rock SA for the purpose of the support and management and execution of the activities of the VGP Group and Little Rock SA in turn called upon the services of Jan Van Geet s.r.o., the CEO of the Company, and Tomas Van Geet s.r.o., the Chief Commercial Officer of the Company, for the performance of the services provided to the Company. In order to simplify the above arrangements, the Board of Directors decided to engage Jan Van Geet s.r.o., with Mr Jan Van Geet as its permanent representative, and Tomas Van Geet s.r.o., with Mr Tomas Van Geet as its permanent representative, directly. Reference is also made to section *Policies of conduct – Conflict of interest.*

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

	2016	2017	2018	2019	2020	2021
Remuneration of non-executive directors						
Total annual remuneration	85,500	82,500	182,000[1]	396,500 [2]	412,000	396,000
Year-on-year difference *(%)*	6%	– 4%	121%	118%	4%	– 4%
Number of non-executive directors under review	4	4	4	4	4	4
Remuneration of CEO and executive director						
Total annual remuneration as executive director	16,000	15,000	16,000	93,000	91,000	91,000
Year-on-year difference *(%)*	7%	– 6%	7%	481%	– 2%	0%
Total annual remuneration as CEO	335,160	336,562 [3]	336,380	837,212	1,234,936	1,235,987
Year-on-year difference *(%)*	– 43%	0%	0%	149%	48%	0%
Remuneration of the Executive Management Team						
Total annual remuneration	1,373,283	1,218,679	1,621,658	5,739,044 [4]	4,467,293	3,275,630
Year-on-year difference *(%)*	35%	– 11%	33%	254%	– 22%	– 27%
Number of non-executive directors under review	4	4	6	7	7	7
Company performance						
Net profit attributable to shareholders *('000 €)*	91,286	95,995	121,106	205,613	370,939	650,055
Year-on-year difference *(%)*	5%	5%	26%	70%	80%	75%
Average remuneration per employee						
Average salary per employee[5]	n.a.	59,160	72,715	76,065	74,512	79,565
Year-on-year difference *(%)*			23%	5%	– 2%	7%

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 2021 pay ratio is 20.7.

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

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

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

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

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

Policies of conduct

Code of Conduct

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

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

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

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

Transparency of transactions involving shares of VGP

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

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

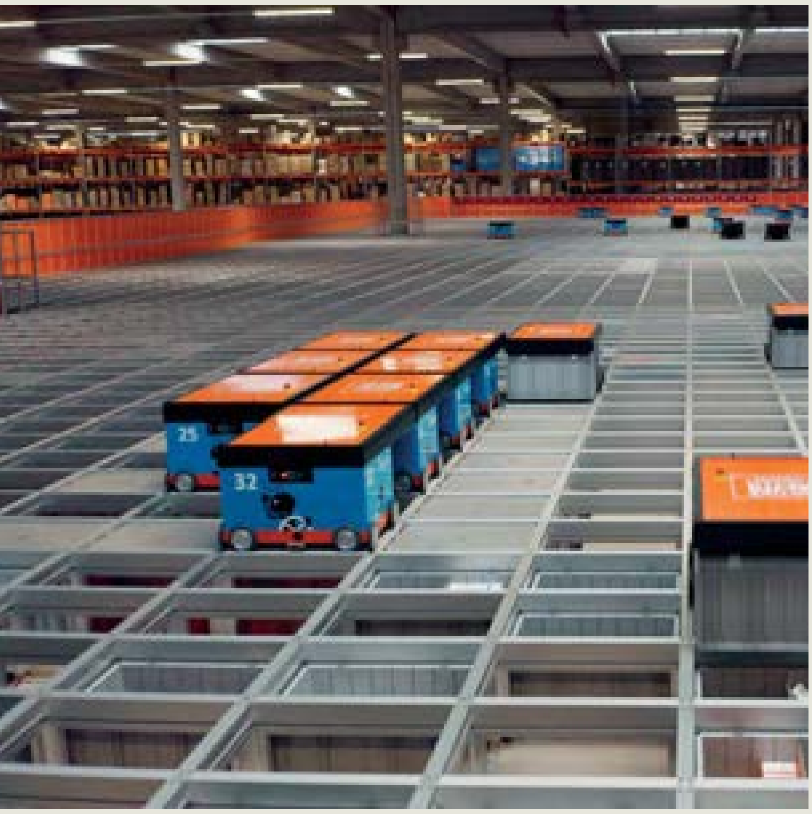
Reference is also made to Annex 4 Rules preventing market abuse (Dealing Code) of the VGP Corporate Governance Charter on https://www.vgpparks.eu/investors/corporate-governance/.

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.

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



The conflict of interests arises because Jan Van Geet s.r.o, (i) is the counterparty to the aforementioned consultancy agreement and, hence, the beneficiary of any remuneration included therein, and (ii) also controls Little Rock S.A.

Consequently, pursuant to article 7:96, §1, fourth paragraph of the CCA, Jan Van Geet s.r.o. and its permanent representative Mr Jan Van Geet are excluded from any deliberation and vote by the board of directors on or related to the Conflicted Decision.

Jan Van Geet s.r.o. and Tomas Van Geet s.r.o. currently provide services to the Company indirectly, under the services agreement between the Company and Little Rock S.A. It is now proposed to terminate the services agreement between the Company and Little Rock S.A. and to enter into new consultancy agreements with each of Jan Van Geet s.r.o. and Tomas Van Geet s.r.o. directly, on the same terms and conditions. The non-conflicted directors are of the opinion that the approval and the entering into the consultancy agreement with Jan Van Geet s.r.o. is in the interest of the Company as it helps to simplify the Company's governance since the consultancy agreements with Jan Van Geet s.r.o. and Tomas Van Geet s.r.o. replace the current services agreement with Little Rock S.A.. As the consultancy agreements will be entered into on the same terms and conditions as the current services agreement with Little Rock S.A., the Conflicted Decision has no financial consequences for the Company.

None of the other directors declared to have an interest in the Conflicted Decision that would require the application of the procedure set out in the provisions of article 7:96 CCA.

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

Insider transactions during 2021
During 2021 no insider transactions occurred

Transparency notifications 2021
Due to the application of the double voting rights and the capital increase of November 2021, a number of transparency declarations were received and published by the Company during 2021. For further details we refer the Company's website: *https://www.vgpparks.eu/investors/shareholding/*.

For further details on the Company's shareholder structure as at 31 December 2021 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.

No conflict of interests arose during 2021 but one conflict of interest arose in January 2022.

Excerpt from the minutes of the Board of Directors meeting of 5 January 2022
Prior to any deliberations on the items of the agenda of the meeting, Jan Van Geet s.r.o., with Jan Van Geet as its permanent representative, informed the other directors of the Company that it has a conflict of interests with respect to the approval by the Company of the termination of the services agreement with Little Rock S.A. and the conclusion of consultancy agreements with Jan Van Geet s.r.o. and Tomas Van Geet s.r.o. (the "Conflicted Decision") within the meaning of article 7:96 of the Code of Companies and Associations (the "CCA").

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 reach the following goals:
— achievement of objectives related to effectiveness and efficiency of operations;
— reliability of 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:
— Code of ethics and conduct;
— Decision and signatory authority limits;
— Quality management and financial reporting system
Given the size of the company and required flexibility these policies and procedures are not always formally documented.

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

RISK MANAGEMENT SYSTEM

Risk management and process and methodology

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

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

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

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

Most important risk factors

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

Statutory auditor

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

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

The Group's revenues are determined by the ability to sign new lease contracts and by the disposal of real estate assets, in particular to the Second Joint Venture and Fourth Joint Venture. The Group's short-term cash flow may be affected if it is unable to continue successfully signing new lease contracts and successfully dispose of 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 solvability depends on its ability to create a healthy financial structure in the long term with (i) a sufficiently large recurring income stream from leasing agreements for the developed logistic property (at both the Group's and the Joint Ventures' level) vis-à-vis the debt that is issued for financing the acquisition and the development of that logistic property, and (ii) the Group's ability to continue its development activities in a sustained and profitable way in order to produce income generating properties which once they have reached a mature stage can be sold to the Joint Ventures or eventually to a third party.

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

The Group's current income stream from the Joint Ventures as well as fee income from the Joint Ventures is rapidly increasing but still relatively limited compared to the considerable amount of debt (at both the Group's as well as Joint Ventures' level), as (i) the First Joint Venture has reached its investment capacity, (ii) the Second Joint Venture is still in its initial 5-year investment phase, (iii) the Fourth Joint Venture – which is intended to replace the investment capacity of the First Joint Venture – will only become effective as from its first closing, currently expected to take place during the second half of 2022, (iv) the Third Joint Venture is in an advanced stage of its development phase of VGP Park München and (v) the Development Joint Ventures are in the initial phases of their development planning.

Please also refer to the following risk factors, which are related hereto and which deal with certain aspects in more detail: risk factor *2.2 "The Group's development projects require large initial investments while they will start generating income only after a period in time", risk factor 3.1 "The Group's business, operations and financial conditions are significantly affected by the Joint Ventures", 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 4.3 "The Group is exposed to risk of financing from its Joint Ventures".*

1.2 The Group may not have the required human and other resources to manage growth or may not continue 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. Such expansion is expected to place significant demands on management, support functions, accounting and financial control, sales and marketing and other resources and involves a number of risks, including: the difficulty of assimilating operations and personnel in the Group's operations, the potential disruption of ongoing business and distraction of management.

As at 31 December 2021, the Group had over 320 employees. The Group's aim is to have a sufficiently large team to support the current growth rate of the Group.

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

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

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

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

Furthermore, a permit may be subject to an appeal by an interested party. Any such procedure could further delay the development and, ultimately, the sale of a project to or completion by the Joint Ventures and negatively impact the financial condition of the Group.

Over the past 12 to 16 months, the Group has experienced a significant lengthening of the period required for receiving zoning permits. This is due to strong construction activity in all asset classes and local authorities which are unable to timely process all the permit requests. It can currently take between 24 to 36 months in order to receive the necessary permits.

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

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

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

At the end of December 2021, the Group has a remaining development land bank in full ownership of 6,957,000 m^2 which allows the Group to develop 3,298,000 m^2 of future lettable area. This includes the remaining 1,105,000 m^2 development land bank held by the Joint Ventures[1] with a development potential of circa 654,000 m^2 of new lettable area. In addition, the Group has another 3,981,000 m^2 of committed land plots which are expected to be purchased during the next 12 to 24 months, subject to obtaining the necessary permits. This brings the remaining total owned and committed land bank for development to 10,938,000 m^2 which represents a remaining development potential of 4,983,000 m^2.

2.2 The Group's development projects require large initial investments while they will start generating income only after a period of time

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

As at 31 December 2021, the Group had contractual obligations to develop new projects which were not yet rent income generating for a total amount of € 685.6 million (compared to € 342.7 million as at 31 December 2020). 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 Group could experience a lower demand for logistic space due to fluctuating economic conditions in certain markets

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

The volume of the Group's development projects depends largely on national and regional economic conditions and other events and occurrences that affect the markets in which the Group's Property Portfolio and development activities are located. The Group is currently active in Germany, Austria, the Netherlands, Spain, Portugal, Italy, the Czech Republic, the Slovak Republic, Hungary, Romania, Latvia and Serbia, and is also currently expanding to France, Greece 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 logistic space, rising vacancy rates and higher risks of default by tenants and other counterparties. The Group's main country exposure is Germany, with 50% of the Group's Property

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

Portfolio and projects under construction (own and Joint Ventures at 100% combined) located there as at 31 December 2021 (compared to 54% as at 31 December 2020).

2.4 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 First Joint Venture and Second Joint Venture, is valued by a valuation expert at 31 December 2021 based on a weighted average yield of 4.64% (compared to 5.51% as at 31 December 2020) 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 € 52.3 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.

2.5 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.

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 retain personnel, a long-term incentive plan is in place.

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 the outbreak of a pandemic as COVID-19

The Group's business could be materially adversely affected by the effects of pandemics, epidemics or other health crises, including the outbreak of COVID-19 in the countries where the Group is active. In March 2020, the World Health Organisation characterized COVID-19 as a pandemic, which resulted in lockdown measures implemented by governments across Europe to combat the spread of the virus resulted in widespread disruption across many sectors of the economy. In particular, governments of the countries where the Group is active have taken measures to protect the health of citizens, slow down the spread of the virus and combat the rise of new variants of the virus, such as most recently the Omicron variant.

As a result, the economic and financial situation of certain tenants may deteriorate, and they may be in default of paying their rent in due time. Requests for rent relief from tenants mainly focussed on short-term deferral of rental payment (to be paid back within a scheduled period). These requests were mainly seen during the first wave of measures in the first half of 2020 but have not repeated during the second half of 2020 nor during 2021. VGP has worked constructively to support tenants facing genuine cash flow challenges by offering to reschedule rental payments or reprofiling. In some limited cases, this has affected the level of rent the Group was able to collect from such tenants.

In addition, the COVID-19 pandemic may have an impact on the projects in progress of the Group due to amongst other delays or third-party defaults. VGP recorded no impacts on the timing of its developments during 2021, despite some shortages of materials. The Group has been able to mitigate any effects of such shortages by managing and optimising the sourcing of such materials on a Group wide cross border basis, but there is no guarantee that it will be able to continue to do so should such shortages worsen.

The continuing impact of the COVID-19 outbreak or any similar health pandemic or epidemic is highly uncertain and subject to rapid change. Any significant worsening of the outbreak (including through the rising of more contagious or more dangerous variants of the virus) and a tightening of the measures implemented by governments of the countries where the Group is active may adversely impact the income stream from leasing agreements or the successful development of the development projects, any of which may have a material adverse effect on the Group's business, financial condition and results of operations.

3 Risks related to the Group's Joint Ventures

3.1 The Group's business, operations and financial conditions are significantly affected by the Joint Ventures

In order to enable the Group to continue to invest in its development pipeline whilst at the same time being adequately financed, the Group has currently entered into four 50:50 joint ventures with Allianz (the Allianz Joint Ventures) and three 50:50 joint ventures with other partners (the Development Joint Ventures). The first two Allianz Joint Ventures and the most recent Allianz Joint Venture (the First Joint Venture, the Second Joint Venture and the Fourth Joint Venture) are mainly focused on acquiring income generating assets which are being developed by the Group. The Fourth Joint Venture is intended to replace the First Joint Venture, which has recently reached its investment capacity of € 2,000 million. The third Allianz Joint Venture (the Third Joint Venture) relates to the development of VGP Park München. The Development Joint Ventures consist of (i) the 50:50 joint venture with Roozen (the LPM Joint Venture), which relates to the development of VGP Park Moerdijk, (ii) the 50:50 joint venture with VUSA (the VGP Park Belartza Joint Venture), which relates to VGP Park Belartza, and (iii) the 50:50 joint venture with Revikon (the VGP Park Siegen Joint Venture), which relates to VGP Park Siegen.

These Joint Ventures allow the Group to partially recycle its initial invested capital when completed projects are acquired by the Second or Fourth Joint Venture or when buildings are completed by the Third Joint Venture or the Development Joint Ventures through refinancing of the invested capital by external bank debt and allow the Group to re-invest these monies in the continued expansion of the development pipeline, including the further expansion of the land bank, thus allowing VGP to concentrate on its core development activities.

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

(i) the Second and Fourth Joint Venture may discontinue acquiring the completed assets from the Group as these joint ventures have no contractual or legal binding obligation to acquire the income generating assets offered by the Group;

The Second and Fourth Joint Venture do not have any contractual or legal obligation to acquire the income generating assets proposed by VGP. There is therefore a risk that these joint ventures would discontinue acquiring the completed assets from the Group. In such an event, VGP is entitled under the terms of the AZ JVAs to dispose of such income-generating assets itself. Any delay in the disposal of such income-generating assets could have a material adverse effect on the short-term cash position of VGP which may in turn have a negative impact on the Group's business, financial condition and results of operations.

The properties that have on the date of this annual report already been sold to the Second and Fourth Joint Ventures generated a significant contribution to the income and result of the Group. Prior to their sale, and their deconsolidation has resulted and will further result in a decrease of the reported gross rental income of the Group.

If Jan Van Geet, as CEO of the Group, would no longer devote sufficient time to the development of the portfolio of the Allianz Joint Ventures, Allianz can, upon notice thereof, stop the acquisition process of the proposed income-generating assets (in case of the Second or Fourth

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Joint Venture) or suspend the delivery period (in case of the Third Joint Venture), until Jan Van Geet has been replaced to the satisfaction of Allianz. Such temporary standstill of Allianz's investment or development obligation might negatively impact the short-term cash position of the Group. Prospective investors should furthermore note that the Allianz Joint Venture Agreement between VGP and Allianz may be subject to amendment or may be terminated in accordance with the provisions thereof. Any such amendment or termination may have a material adverse impact on VGP's financial position and income.

(ii) the Group has recognised that it has a constructive obligation towards the Joint Ventures:
The Group has recognized that it has a de facto constructive obligation towards the Joint Ventures (of up to its proportional share) as it will always seek to ensure that the Joint Ventures and its subsidiaries will be in a position to fulfill their respective obligations, since the proper functioning is material for the Group in realizing its expected capital gains. There is however no contractual obligation to provide capital contributions or funds to financially support the Joint Ventures, other than what is set out in the JVA, i.e. the Group's funding obligations under the JVA towards the Joint Ventures as mentioned in this section "Risk Factors – The Group's business, operations and financial conditions are significantly affected by the Joint Ventures – Risks related to the Group's industry, properties and operations".

This entails that ultimately any payment due by a Joint Venture to the Group will either be borne by such Joint Venture's shareholders, i.e. (i) VGP and Allianz, pro rata their shareholding, or will lead to VGP being diluted by Allianz in accordance with the provisions of the relevant Allianz JVA or alternatively Allianz providing funding to the Allianz Joint Venture on preferential interest terms and repayment conditions; and (ii) VGP and the shareholders of the Development Joint Ventures, pro rata their shareholding, or in the event that a shareholder of a Development Joint Venture does not comply with its aforementioned funding obligations under the respective Development JVA, will lead to VGP providing funding to the Development Joint Venture on preferential interest terms and repayment conditions.

As at 31 December 2021, the "Investments in joint ventures and associates" showed a positive balance of € 858.1 million.

(iii) the sale of properties to the Second and Fourth Joint Ventures 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:
The properties that have on the date of this annual report already been sold to the First, Second and Fourth Joint Venture generated a significant contribution to the income and result of the Group. Prior to their sale, and their deconsolidation has resulted and will further result in a decrease of the reported gross rental income of the Group.

The portfolio sold to the Joint Ventures during 2021 represented € 0.4 million of rent for the period 1 January 2021 to 15 June 2021 related to the property portfolio sold during the eighth closing with the First Joint Venture on 15 June 2021. During the year 2020 the gross rental income included (i) € 0.3 million of rent for the period 1 January 2020 to 15 October 2020 related to the property portfolio sold during the seventh closing with the First Joint Venture on 15 October 2020, and (ii) € 3.7 million of rent for the period 1 January 2020 to 16 November 2020 related to the property portfolio sold during the second closing with the Second Joint Venture on 16 November 2020.

(iv) Allianz may stop the acquisition process of proposed income-generating assets or suspend the delivery period of assets being developed, and the Allianz Joint Venture Agreements may be amended or terminated in accordance with the provisions thereof:
The Group is required to comply with the provisions of several management agreements pursuant to which it is acting as exclusive asset manager, property manager and development manager of the Allianz Joint Ventures and of the Allianz Joint Ventures' subsidiaries. Should a member of the Group materially breach its obligations under a management agreement which is not remedied within a certain period in time following a notification thereof, or should the Company breach its exclusivity obligations under the Allianz Joint Venture Agreements in relation to the offering or development of income-generating assets, then Allianz is entitled to terminate all the management agreements with immediate effect, to terminate the Allianz Joint Venture Agreements and/or to exercise a call option on all the shares the Company holds in the Allianz Joint Ventures against payment of a purchase price of 90% of the fair market value of these shares, which entails a discount of 10% of the fair market value of these shares. The occurrence of any of the aforementioned events might materially impact VGP's ability to generate sufficient dividend income out of the Allianz Joint Ventures and/or to retain joint control over the Allianz Joint Ventures and in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

(v) the Group may incur additional liabilities as a result of cost overrun on developments made on behalf of the Allianz Joint Ventures:
The Group acts as development manager vis-à-vis the Allianz Joint Ventures and in such capacity, the Group is responsible for ensuring that any development is being made within the initially agreed construction price/budget. In case the actual construction cost would be higher than the initial construction budget, any top-up

payment to which VGP would be entitled under the terms of its agreements with the Allianz Joint Ventures and Allianz will be adversely affected. In case the actual construction costs would be higher than the market value of the completed building, then such difference would need to be fully borne by the Group (provided this was due to the Group), which could have a material adverse effect on the Group's business, financial condition and results of operations.

(vi) the Group may be unable to provide funds to the Allianz Joint Ventures which were previously committed under the terms of the relevant Allianz Joint Venture Agreements, which may result in the dilution of the Group:
Any failure by the Company to provide funds to the Allianz Joint Ventures that were committed under the terms of the Allianz Joint Venture Agreements towards Allianz (i.e. for financing of the relevant top-up payment (if any), the repayment of construction and development loans to the Group upon the acquisition by the Second or Fourth Joint Venture of completed assets or at the moment of completion of developed assets by the Third Joint Venture, capital expenditures in relation to repairs and maintenance of such assets and the purchase price for any future completed assets which the Second or Fourth Joint Venture would acquire or any other financing required by Allianz or VGP under the terms of the AZ JVA (such as replacement of bank debt) and acknowledged by an appointed third-party financial expert), entitles Allianz to either exclusively subscribe to three times the number of shares that represents the amount of the funds not provided by the Company or alternatively to provide itself funding to the Allianz Joint Venture on preferential interest terms and repayment conditions. For instance: if there are five hundred (500) issued shares, and if the default amount (the amount which would have otherwise been financed by VGP for example) is equal to 2% of the fair market value of the Allianz Joint Venture, Allianz shall be entitled to subscribe for and acquire, following payment therefore in cash, thirty (three times ten) newly issued shares of the Joint Venture, which is equal to three times 2% of the outstanding shares of the Allianz Joint Venture on a pre-dilution basis. This might impact the Company's ability to retain joint control over the Allianz Joint Venture and its ability to generate sufficient dividend income out of the Allianz Joint Venture and in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

(vii) 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 the event that Allianz would be subject to an obligation to consolidate the Allianz Joint Ventures (for instance after a change in accounting rules or other regulations) within its companies' group, the Allianz Joint Venture Agreements provide that Allianz has the right to replace the existing debt financing in the Allianz Joint Ventures by equity, which might result in a dilution of the Company if the Company is unable to fund its commensurate part of the equity. This might impact the Company's ability to retain joint control over the Allianz Joint Ventures and its ability to generate sufficient dividend income out of the Allianz Joint Ventures and in turn could have a material adverse effect on the Group's business, financial condition and results of operations. However, as the debt position of the Allianz Joint Ventures would be replaced by equity financing by Allianz on a 1:1 basis, in such case, the Net Asset Value of the Company's stake in the Allianz Joint Ventures would not be affected.

(viii) in case of a material breach by the Group or in case the participation that Jan Van Geet holds in the Company would fall below 25%, Allianz may terminate the Joint Ventures Agreements in respect of the First Joint Venture, Second Joint Venture and Third Joint Venture, or may exercise a call option on the Group's shares in the First Joint Venture, Second Joint Venture and Third Joint Venture, at a discounted purchase price:
If at any time during the term of the Joint Venture Agreement, in respect of the First Joint Venture, Second Joint Venture and Third Joint Venture ,the participation that Jan Van Geet, directly or indirectly, holds in the Company falls below 25% of the total outstanding Shares (other than due to the dilution of his participation as a result of capital increases or similar transactions at the level of the Company in which he would not participate), then Allianz is entitled to terminate all the management agreements, in respect of the First Joint Venture, Second Joint Venture and Third Joint Venture, with immediate effect and to terminate the Joint Venture Agreement, in respect of the First Joint Venture, Second Joint Venture and Third Joint Venture. The occurrence of such aforementioned event might materially impact VGP's ability to generate sufficient dividend income out of the the First Joint Venture, Second Joint Venture and Third Joint Venture and/or to retain joint control over the the First Joint Venture, Second Joint Venture and Third Joint Venture and in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

(ix) 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:
The Group has granted significant development and construction loans to the project companies of the Joint Ventures in a total amount of € 271.8 million[1] as at 31 December 2021 (€ 181.6 million as at 31 December 2020). The purpose of the Joint Ventures is only to invest in income generating assets and the joint ventures' partners have agreed that as a result, any development undertaken within the Joint Ventures will be in first instance pre-financed by VGP, except for the Third Joint Venture and the Development Joint Ventures where the joint ventures' partners have agreed that the developments would be financed on a 50:50 basis. The repayment of these construction and development loans as well as the shareholder loans granted for the purpose of financing the proportional development costs for the Third Joint Venture and the Development Joint Ventures will be principally driven by the subsequent refinancing of the Joint Ventures' assets upon their completion. Should the proceeds of such refinancing be significantly lower than the development costs, VGP may be unable to recover the total amount of these construction and development loans granted to the Joint Ventures, as the Joint Ventures would not be able to draw the entire amount of such construction and development loans under their respective existing credit facilities. As a result, such shortfall would have to be funded by additional shareholder loans granted to the Joint Ventures by the respective shareholders of the Joint Ventures pro rata their shareholding, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Any or all such risks could have a material adverse effect on the Joint Ventures' business, financial condition and results of operations, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, the Joint Ventures are exposed to many of the risks to which the Group is exposed, including amongst others the risks for the Group as described in the following sections: risk factor *1.1 "The Group may not be able to continue its development activities in a sustained and profitable way, for which it depends on its ability to execute new lease agreements and dispose of its real estate assets to the Second and Fourth Joint Venture" (but only in relation to the ability to execute new lease agreements, not the ability to dispose of assets), risk factor 2.3 "The Group could experience a lower demand for logistic space due to fluctuating economic conditions in certain markets", and risk factor 2.1 "The Group's development projects may experience delays and other difficulties, especially in respect of receiving necessary permits"*, all as in this part Risk Factors.

3.2 The Company is a holding company with no operating income and is hence solely dependent on distributions made by, and the financial performance of, the Joint Ventures and the members of the Group

The Company is a holding company of which the sole activity is the holding and managing of its only asset, i.e. its participations in its subsidiaries and in the Joint Ventures. The real estate portfolios of the Group are owned through specific asset companies which are 100% subsidiaries of the Group or which are subsidiaries of the Joint Ventures.

Accordingly, the Company's ability to meet its financial obligations will largely depend on the cash flows from the members of the Group and the distributions paid to it by members of the Group or the Joint Ventures. The ability of the subsidiaries and the Joint Ventures to make distributions to the Company depends on the rental income generated by their respective portfolios.

The net rental and related income generated by the Joint Ventures as at 31 December 2021 amounted to 78% of the net rental and related income of the Group (compared to 85% as at 31 December 2020). The share in result of the Joint Ventures amounted to 24% of the Group's operating result as at 31 December 2021 (compared to 15% as at 31 December 2020).

The financing arrangements of the Joint Ventures, and to a lesser extent the Group's 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 Group's 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.

3.3 The Group may be unable to recover their loans granted to the Joint Ventures and their subsidiaries

The Group have granted significant loans to the Joint Ventures and to the Joint Ventures' subsidiaries.

As at 31 December 2021 these loans amount to € 346.9 million (compared to € 266.6 million as at 31 December 2020).

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.

1 € 83.0 million relating to the First and Second Joint Ventures and € 188.8 million relating to the Third and Development Joint Ventures.

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 logistic warehouse space, the Group has incurred significant borrowings in recent years. VGP expects that debt levels in (nominal terms) will continue to increase but is convinced that it will be able to execute its growth strategy within a Gearing Ratio of 65%.

VGP is continuously optimising its capital structure with an aim to maximise shareholder value while keeping the desired flexibility to support its growth. During 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 another share placement resulting in a net increase of the Group's equity with € 294.9 million. The Group operates within and applies a maximum Gearing Ratio of 65%.

As of 31 December 2021, the net debt amounted to € 1,158.8 million (compared to € 560.9 million at 31 December 2020). The Gearing Ratio was 29.8% (compared to 25.2% as at 31 December 2020).

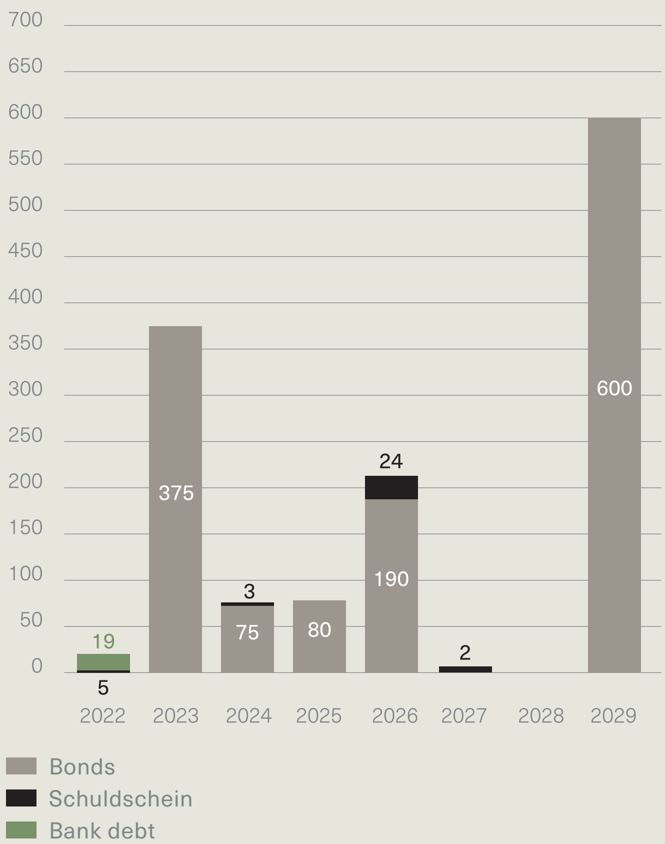
On 31 December 2021, the Group had bonds outstanding for a total amount of € 1,311.7 million[1] (all being unsecured bonds) and had a remaining financial debt of € 73.1 million[2], of which € 19.0 million was related to secured bank debt, € 33.4 million to Schuldschein loans and € 20.7 million related to accrued interest.

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

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

As at 31 December 2021 the maturity profile of the Group's financial debt is as follows:

MATURITY PROFILE FINANCIAL DEBT *(in € million)*



Note: The figures shown in the chart exclude capitalised finance costs on bank borrowings schuldschein loans and bonds.

1 Including € 9.4 million of capitalised finance costs.
2 Including € 0.2 million of capitalised finance costs.

After year-end (January 2022) VGP successfully issued its second public benchmark green bonds for an aggregate nominal amount of € 1.0 billion, in two tranches, with a € 500 million 5-year bond paying a coupon of 1.625% p.a. and maturing on 17 January 2027 and a € 500 million 8-year bond paying a coupon of 2.250% p.a. and maturing on 17 January 2030.

Please also refer to section *"Business Review – Capital and financial position – Maturity profile as at 31 December 2021 (on a pro forma basis)"* in order to assess the effects of the issuance of these bonds on the debt maturity profile of the Group.

4.2 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 all times complies 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 anticipatively 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 2021, the Group remained well within its covenants.

The terms and conditions of the Apr-23 Bond, the Sep-23 Bond, the Jul-24 Bond, the Mar-25 Bond, the Mar-26 Bond, Apr-29 Bond and the Schuldschein Loans have all the same financial covenants. Please also refer to *"Financial Review – Note 17.2 Key terms and covenants"*.

As at 31 December 2021 the Consolidated Gearing[1] stood at 30.0% compared to 25.2% as at 31 December 2020. The Interest Cover Ratio was 9.08 as at 31 December 2021 compared to 11.3 as at 31 December 2020 and finally the Debt Service Cover Ratio was 12.53 as at 31 December 2021 compared to 25.9 as at 31 December 2020.

4.3 The Group is exposed to risk of financing from its Joint Ventures

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

The First Joint Venture has been able to secure 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 2021, the aggregate outstanding credit facilities amounted to € 913.1 million which were drawn for an amount of € 854.1 million. The undrawn amount of € 59.0 million will be applied towards the financing of the acquisition of additional income generating assets developed by VGP and which mainly relate to some smaller top-up buildings or remaining extension options of existing tenants. The investment period of the First Joint Venture has ended in May 2021. The Loan to Value ratio as at 31 December 2021 stood at 40.5%.

The Second Joint Venture has been able to secure a 10-year € 333.9 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 5-year € 29.3 million committed credit facility (maturing in June 2024) in respect of the assets to be acquired in Romania. As at 31 December 2021, the aggregate outstanding credit facilities amounted to € 363.2 million which were drawn for an amount of € 214.9 million. The undrawn amount of € 148.3 million will be applied towards the financing of the acquisition of additional income generating assets developed by VGP over the remaining investment period of 2 years. The Loan to Value ratio as at 31 December 2021 stood at 48.9%.

The Third Joint Venture has been able to secure a committed credit facility (maturing on 22 June 2029) in respect of the financing of the first two completed buildings in VGP Park München. As at 31 December 2021, there were no drawings outstanding under this facility and it is expected that during 2022 the total amount of the facility will be drawn. Additional bank financing will be arranged upon completion of the respective other buildings which are currently under construction.

As at 31 December 2021, no bank debt or credit facilities were outstanding in respect of the Fourth Joint Venture and the Development Joint Ventures.

The Joint Ventures may not be able to refinance their financial debt or may be unable to attract new financing or to negotiate and enter into new financing agreements on terms which are commercially desirable. If the Joint Ventures are unable to receive financing or financing against favourable terms, 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.

4.4 The Company'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 VGP a long-term investment grade rating of 'BBB-' (stable outlook). This rating may be suspended, reduced or withdrawn at any time.

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 VGP 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 VGP'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.

1 Calculated by reference to the terms and conditions of the bonds and schuldschein loan documentation.

5. Political, 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, Austria, the Netherlands, Spain, Portugal, Italy, the Czech Republic, the Slovak Republic, Hungary, Romania, Latvia, Serbia, France, Greece and Croatia), 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, 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".

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, war, governmental changes and restrictions on the ability to transfer capital in the foreign countries in which the Group has invested, could have a materially adverse effect on the Group's business, financial condition, operating results and cash flows.

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

In addition, after the development phase, the Group may become subject to disputes with tenants, commercial contractors or other parties in relation to the leasing.

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 31 December 2021, no governmental, legal or arbitration proceedings have been started or are threatened against VGP which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

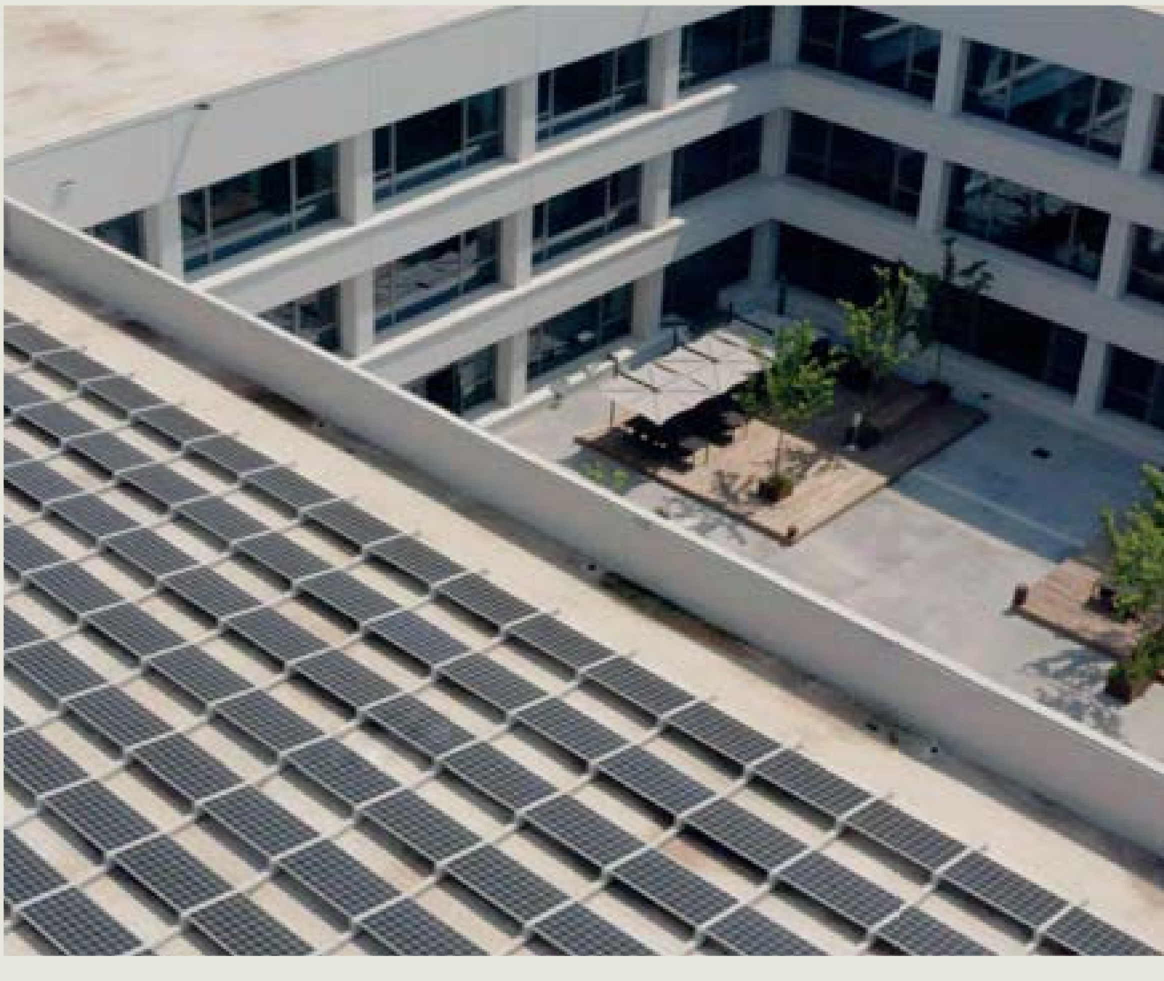
6. Environmental sustainability and climate change risks

Climate transition and the environmental footprint in general holds a series of risks for VGP.

Laws, regulations, policies, taxation, obligations, customer preferences and social attitudes relating to climate change continue to evolve. Non-compliance with laws and regulations, reporting requirements, increased costs of tax and energy could cause loss of value to the Group. Not keeping pace with social attitudes and customer behaviours and preferences could additionally cause reputational damage and reduce the attractiveness and value of our assets. A lack of strong environmental credentials may reduce access to capital or increase cost as these are increasingly important criteria to investors and lenders.

Climate-related risks, their time horizon and the corporate strategy and financial planning response are further detailed in the *Corporate Responsibility Report* included in this Annual Report 2021.

This report also sets out the corporate responsibility strategy, medium and long-term commitments and also reports on the implementation of the strategy and progress against our stated sustainability targets.



Summary of the accounts and comments

Income statement

INCOME STATEMENT *(in thousands of €)*	**2021**	**2020**
Revenue[1]	44,255	29,558
Gross rental income	17,618	12,078
Property operating expenses	(2,219)	(3,784)
Net rental income	**15,399**	**8,294**
Joint ventures' management fee income	21,303	14,699
Net valuation gains/(losses) on investment properties	610,261	366,361
Administration expenses	(52,112)	(29,296)
Share in result of joint ventures and associates	186,703	63,338
Other expenses	(5,000)	(4,000)
Operating profit	**776,554**	**419,396**
Finance income	12,322	9,319
Finance costs	(24,976)	(17,911)
Finance costs – net	**(12,654)**	**(8,592)**
Profit before taxes	**763,900**	**410,804**
Taxes	(113,845)	(39,865)
Profit for the period	**650,055**	**370,939**
Attributable to:		
Shareholders of VGP NV	650,055	370,939
Non-controlling interests	—	—

RESULT PER SHARE *(in €)*	**2021**	**2020**
Basic earnings per share	31.41	18.58
Diluted earnings per share	31.41	18.58

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

Balance sheet

ASSETS *(in thousands of €)*	**2021**	**2020**
Intangible assets	1,046	557
Investment properties	1,852,514	920,151
Property, plant and equipment	32,141	16,944
Investments in joint ventures and associates	858,116	654,773
Other non-current receivables	264,905	264,038
Deferred tax assets	1,953	1,786
Total non-current assets	**3,010,675**	**1,858,249**
Trade and other receivables	148,022	44,828
Cash and cash equivalents	222,160	222,356
Disposal group held for sale	501,882	102,309
Total current assets	**872,064**	**369,493**
Total assets	**3,882,739**	**2,227,742**

SHAREHOLDERS' EQUITY AND LIABILITIES *(in thousands of €)*	**2021**	**2020**
Share capital	78,458	72,225
Other reserves	574,088	285,420
Retained earnings	1,523,019	948,092
Shareholders' equity	**2,175,565**	**1,305,737**
Non-current financial debt	1,340,609	748,796
Other non-current liabilities	32,459	10,461
Deferred tax liabilities	112,295	43,813
Total non-current liabilities	**1,485,363**	**803,070**
Current financial debt	44,147	34,468
Trade debts and other current liabilities	107,510	77,725
Liabilities related to disposal group held for sale	70,154	6,742
Total current liabilities	**221,811**	**118,935**
Total liabilities	**1,707,174**	**922,005**
Total shareholders' equity and liabilities	**3,882,739**	**2,227,742**

Comments on the accounts

Income statement

Net rental income

The net rental income increased with € 7.1 million to € 15.4 million after taking into effect the income generating assets delivered during 2021 offset with the impact of the eighth closing with the First Joint Venture in June 2021.

Including VGP's share of the Joint Ventures and looking at net rental income on a "look-through" basis net rental in total increased by € 15.4 million (from € 55.3 million for the period ending 31 December 2020 to € 70.7 million for the period ending 31 December 2021)[1].

Income from Joint Ventures

The Joint Ventures' management fee income increased by € 6.6 million to € 21.3 million. The increase was mainly due to the growth of the Joint Ventures' portfolio and the development activities undertaken on behalf of the Joint Ventures.

This fee was composed of (i) property and facility management fee income, which increased from € 10.7 million for the period ending 31 December 2020 to € 14.2 million for the period ending 31 December 2021, and (ii) development management fee income generated during the period which was € 7.1 million compared to € 4.0 million for the period ending 31 December 2020.

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

Net valuation gain on investment properties

As at 31 December 2021 the net valuation gains on the property portfolio reached € 610.3 million compared to a net valuation gain of € 366.4 million for the period ended 31 December 2020.

The low yields in real estate valuations continued to persist during the year. 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 2021 based on a weighted average yield of 4.64% (compared to 5.51% as at 31 December 2020) applied to the contractual rents increased by the estimated rental value on unlet space.

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

Administrative costs

The administrative costs for the period were € 52.1 million compared to € 29.3 million for the period ended 31 December 2020, reflecting the continued growth of the development activities of the Group and its geographic expansion as well as 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 an additional accrual in an amount of € 16.0 million was booked in respect of the LTIP.

Other administrative expenses include € 3.5 million of travel costs for the year 2021. Such costs were included under property operating expenses in the previous year in an amount of € 1.9 million. These travel costs are directly linked to the development activities such as sourcing of development land.

As at 31 December 2021 the VGP team comprised more than 320 people active in 14 different countries.

Share in result of joint ventures and associates

VGP's share of the Joint Ventures' profit for the period increased significantly from € 63.3 million for the period ending 31 December 2020 to € 186.7 million for the period ending 31 December 2021, primarily reflecting higher unrealised valuation gains on investment properties driven by further contraction of the yield on the investment portfolio, and continued increase of the net rental income which increased

Net rental income at share increased to € 55.3 million for the period ending 31 December 2021 compared to € 47.0 million for the period ended 31 December 2020. The increase reflects the underlying income growth of the Joint Ventures' portfolio resulting from the full year contribution of rents following the different closings made between the Joint Ventures and VGP.

At the end of December 2021, the Joint Ventures (100% share) had € 151.1 million of annualised committed leases representing 2,545,000 m^2 of lettable area compared to € 143.5 million of annualised committed leases representing 2,407,000 m^2 at the end of December 2020.

The net valuation gains on investment properties at share increased to € 186.7 million for the period ending 31 December 2021 (compared to € 48.1 million for the period ending 31 December 2020). The Joint Ventures' portfolio, excluding development land and the buildings being constructed by VGP on behalf of the Joint Ventures, was valued at a weighted average yield of 4.28% as at 31 December 2021 (compared to 4.76% as at 31 December 2020) mainly reflecting the further contraction of the yields during 2021. The (re)valuation of the Joint Venture portfolio was based on the appraisal report of the property expert Jones Lang LaSalle, except for VGP Park München (please refer to the Financial Review section '*3.2 Critical judgements in applying accounting policies*')

The net financial expenses of the Joint Ventures at share for the period ending 31 December 2021 decreased to € 15.3 million from € 17.8 million for the period ending 31 December 2020. For the period ending 31 December 2021, the financial income at share was € 0.7 million (€ 2.0 million for the period ending 31 December 2020) and included € 0.6 million unrealised gains on interest rate derivatives (compared to € 1.9 million for the period ending 31 December 2020).

The financial expenses at share decreased from € 19.7 million for the period ending 31 December 2020 to € 16.0 million for the period ending 31 December 2021 and included € 4.4 million interest on shareholder debt (€ 5.9 million as at 31 December 2020), € 10.2 million interest on bank debt (€ 8.7 million as at 31 December 2020), € 2.8 million other financial expenses (€ 5.5 million as at 31 December 2020) and a positive impact of € 1.4 million (€ 0.5 million per 31 December 2020) related to capitalised interests.

Other expenses

The other expenses relate to the 2021 contribution to the VGP Foundation which will be paid out during the course of 2022. For further information on the VGP Foundation, reference is made to the *Corporate Responsibility Report* included in this annual report.

Net financial costs

For the period ending 31 December 2021, the financial income was € 12.3 million (€ 9.3 million for the period ending 31 December 2020) and included € 12.3 million interest income on loans granted to the Joint Ventures (€ 9.3 million as at 31 December 2020) and some residual other financial income.

The reported financial expenses as at 31 December 2021 of € 25.0 million (€ 17.9 million as at 31 December 2020) are mainly made up of € 34.1 million expenses related to financial debt (€ 26.6 million as at 31 December 2020), € 3.3 million other financial expenses (€ 2.9 million as at 31 December 2020) and a positive impact of € 13.2 million (€ 11.9 million for the period ending 31 December 2020) related to capitalised interests.

As a result, the net financial costs reached € 12.7 million for the period ending 31 December 2021 compared to € 8.6 million at the end of December 2020.

Shareholder loans to the Joint Ventures amounted to € 346.9 million as at 31 December 2021 (compared to € 266.6 million as at 31 December 2020) of which € 271.8 million (€ 181.7 million as at 31 December 2020) was related to financing of the buildings under construction and development land held by the Joint Ventures.

Taxes

The Group is subject to tax at the applicable tax rates of the respective countries in which it operates. Additionally, a deferred tax charge is provided for on the fair value adjustment of the property portfolio.

The change in the tax line is mainly due to the variance of the fair value adjustments of the property portfolio and has therefore only residual cash effect.

For the period ending 31 December 2021, the taxes were € 113.8 million (2020: € 39.9 million) and included € 113.6 million deferred taxes (2020: € 39.0 million).

Profit for the year

Profit for the year increased from € 370.9 million (€ 18.51 per share) for 2020 to € 650.1 million (€ 31.41 per share) for the financial year ended 31 December 2021.

Balance sheet

Investment properties

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

As at 31 December 2021 the investment property portfolio consists of 29 completed buildings representing 766,000 m^2 of lettable area with another 50 buildings under construction representing 1,478,000 m^2 of lettable area, of which 10 buildings (235,000 m^2) are being developed for the Joint Ventures.

During the year 26 buildings were completed totalling 652,000 m^2 of lettable area. For its own account VGP delivered 21 buildings representing 592,000 m^2 of lettable area and 5 buildings (60,000 m^2) were delivered on behalf of the Joint Ventures.

Investment in joint ventures and associates

At the end of December 2021, the investments in the joint ventures and associates increased to € 858.1 million from € 654.8 million as at 31 December 2020.

The investments in joint ventures and associates as at the end of 2021 reflect the Allianz Joint Ventures and the Development Joint Ventures, all of which are accounted for using the equity method. For further information see section *Strategy – Strategic partnerships*.

Disposal group held for sale

The balance of the Disposal group held for sale increased from € 102.3 million as at 31 December 2020 to € 501.9 million as at 31 December 2021.

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 in an amount of € 136.8 million, and (ii) assets reclassified as held for sale and related to the third closing with the Second Joint Venture in an amount of € 365.1 million. This third closing occurred during the month of March 2022.

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

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

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

Total non-current and current financial debt

The financial debt increased from € 783.3 million as at 31 December 2020 to € 1,384.8 million as at 31 December 2021.

The increase was mainly driven by (i) increase in non-current financial debt through the issuance of a new bond in the amount of € 600 million, (ii) an increase of the accrued interest on bonds and Schuldschein loans (+ € 6.6 million) and (iii) amortisation of capitalised finance costs (+ € 2.1 million), off-set by the repayment of bank debt in an amount of € 1.3 million and € 5.9 million paid finance costs.

The gearing ratio[1] of the Group as of 31 December 2021 amounted to 29.8% compared to 25.2% as at 31 December 2020.

Cash flow statement

SUMMARY *(in thousands of €)*	2021	2020
Cash flow from operating activities	(87,473)	(52,168)
Cash flow from investing activities	(720,423)	(134,530)
Cash flow from financing activities	812,589	233,584
Net increase/(decrease) in cash and cash equivalents	**4,693**	**46,886**

The changes in the cash flow from investing activities was mainly due to: (i) € 680.1 million (2020: € 428.2 million) of expenditure incurred for the development activities and land acquisition; (ii) € 49.6 million cash in from the eighth closing with the First Joint Venture (compared to several closing in 2020 totalling € 405.6 million).

The changes in the cash flow from financing activities were driven by: (i) € 75.1 million dividend paid out in May 2021 (2020: € 60.3 million); (ii) € 294.9 million net proceeds from the capital increase in November 2021 (2020: € 198.3), (iii) € 97.0 million net proceeds from the sale of treasury shares in September 2020, and (iv) € 594.1 million net proceeds from the issuance of the Apr-29 Bond.

Events after the balance sheet date

On 17 January 2022, VGP successfully issued its second public benchmark green bonds for an aggregate nominal amount of € 1.0 billion (€ 991.2 million net proceeds), in two tranches, with a €500 million 5-year bond paying a coupon of 1.625% p.a. and maturing on 17 January 2027 and a € 500 million 8-year bond paying a coupon of 2.250% p.a. and maturing on 17 January 2030.

In March 2022, the third closing with the Second Joint Venture took place with a transaction value of € 363.5 million.

With the outbreak of the war between Russia and Ukraine we are finding ourselves in uncertain economic and political waters. It is unclear whether this war will not turn into a prolonged war which could have significant economic spill over effects for the short to medium term.

One of the immediate consequences of the war in Ukraine is surging energy costs and shortages of building materials. Whether this trend, which we have been able to remedy for the time being, is a lasting one will depend on how the conflict develops further.

It is therefore currently not possible to assess the impact on our Group and different stakeholders. What is clear is that there will be an adverse economic and market disruptive impact but how this will evolve and what the impact will be for our Group is currently impossible to say.

1 Calculated as Net debt / Total equity and liabilities

photo © Trilux

Information about the share

Listing of shares

Euronext Brussels

VGP share   VGP   ISIN BE0003878957

Market capitalisation 31 Dec-21 .... 5,589,260,800 €
Highest capitalisation .... 5,763,925,200 €
Lowest capitalisation .... 2,611,232,780 €
Share price 31 Dec-20 .... 122.60 €
Share price 31 Dec-21 .... 256.00 €

Shareholder structure

As at 31 December 2021 the share capital of VGP was represented by 21,833,050 shares.

Ownership of the Company's shares is as follows:

SHAREHOLDERS[1]	NUMBER OF SHARES	% OF TOTAL SHARES	NUMBER OF VOTING RIGHTS[1]	% OF TOTAL VOTING RIGHTS
Little Rock SA	4,063,999	18.61%	7,936,102	24.49%
Alsgard SA	2,409,914	11.04%	4,819,828	14.87%
Tomanvi SCA	484,205	2.22%	484,205	1.49%
Sub-total Jan Van Geet Group	**6,958,118**	**31.87%**	**13,240,135**	**40.85%**
VM Invest NV	4,149,171	19.00%	7,895,179	24.36%
Public	10,725,761	49.13%	11,275,144	34.79%
Total	**21,833,050**	**100.00%**	**32,410,458**	**100.00%**

Little Rock SA, Alsgard SA and Tomanvi SCA are companies controlled by Mr. Jan Van Geet.

VM Invest NV is a company controlled by Mr. Bart Van Malderen.

1 As at 31 December 2021, on the basis of transparency declarations, information received from the shareholders or press releases issued by the Company in respect of Voting rights and denominator published on the Company's website.

The Extraordinary General Shareholders' Meeting of 8 May 2020 approved the introduction of the double voting right. A double voting right is therefore granted to each VGP share that has been registered for at least two years without interruption under the name of the same shareholder in the register of shares in registered form, in accordance with the procedures detailed in article 29 of the Articles of Association. In accordance with Belgian law, dematerialised shares do not benefit from the double voting right.

VGP has not issued any other class of shares, such as non-voting or preferential shares.

In accordance with Article 15 of the law of 2 May 2007 regarding the publication of major shareholdings ("transparency law") VGP must publish, its (i) total share capital, (ii) the total number of securities granting voting rights and (iii) the total number of voting rights, at the latest by the end of each month during which these numbers have increased or decreased.

Authorised capital

The Board of Directors has been authorized by the Extraordinary Shareholders' Meeting held on 8 May 2020 to increase the Company's subscribed capital in one or more times by an aggregate maximum amount of € 92,666,815 (before any issue premium). The authority is valid for five years from 14 May 2020 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 8 May 2020, 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

2022 first quarter trading update .... 13 May 2022
Annual shareholders' meeting .... 13 May 2022
2022 half year results .... 26 August 2022
2022 third quarter trading update .... 18 November 2022

Outlook 2022

2022 should benefit from client demand and shortage of supply of grade A logistics and industrial buildings supporting rent- and occupancy levels. The underlying fundamentals for logistics and semi-industrial real estate remain robust with e-commerce continuing to be a big driver for demand of new lettable space.

Based on the strong leasing activities as reported over the course of 2021 and indications of interest received for the coming period, development activities are expected to continue to operate at elevated levels well into 2022.

In the longer-term development activities will continue to be driven by client-led demand and our ability to meet these opportunities with a.o. VGP's readily available prime land bank locations.

With regards to VGP Renewable Energy, VGP focuses on an expansion of the service offering through increased production of green energy used for self-consumption and facilitating our clients in their transitioning towards green energy.

Nevertheless, with the outbreak of the war between Russia and Ukraine we are finding ourselves in uncertain economic and political waters. It is unclear whether this war will not turn into a prolonged war which could have significant economic spill over effects for the short to medium term.

One of the immediate consequences of the war in Ukraine is surging energy costs and shortages of building materials. Whether this trend, which we have been able to remedy for the time being, is a lasting one will depend on how the conflict develops further.

It is therefore currently not possible to assess the impact on our Group and different stakeholders. What is clear is that there will be an adverse economic and market disruptive impact but how this will evolve and what the impact will be for our Group is currently impossible to say.

For the medium term we believe that VGP remains well equipped to weather the current uncertain times having (i) sufficiently large cash buffers in its own and Joint Ventures' portfolios topped-up by a significant amount of available undrawn committed credit; (ii) a strong balance sheet with a low gearing level and (iii) a strong partnership with Allianz putting solid foundations underneath VGP's business model.

Board of Directors and Management

Board of Directors and Management

Board of Directors

COMPOSITION ON 31 DECEMBER 2021

NAME		YEAR APPOINTED	EXECUTIVE OR NON-EXECUTIVE	INDEPENDENT	NEXT DUE FOR RE-ELECTION
Chairman	VM Invest NV represented by Bart Van Malderen	2021	Non-executive and reference shareholder	—	2025
CEO	Jan Van Geet s.r.o. represented by Jan van Geet	2021	Executive and reference shareholder	—	2025
Directors	GAEVAN BV represented by Ann Gaeremynck	2019[1]	Non-executive	Independent	2023
	Katherina Reiche	2019	Non-executive	Independent	2023
	Vera Gäde-Butzlaff	2019	Non-executive	Independent	2023

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

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. WDP is a Belgian Real Estate Investment Trust.

Ann Gaeremynck

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

Katherina Reiche

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

Vera Gäde-Butzlaff

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

Executive Management Team

COMPOSITION ON 31 DECEMBER 2021	
Jan Van Geet[1]	Chief Executive Officer
Piet Van Geet[2]	Chief Financial Officer
Dirk Stoop[3]	Company Secretary
Tomas Van Geet[4]	Chief Commercial Officer
Miquel-David Martinez	Chief Technical Officer
Matthias Sander[5]	Chief Operating Officer – Eastern Europe
Jonathan Watkins[6]	Chief Operating Officer – Western Europe
Martijn Vlutters[7]	Vice President – Business Development & Investor Relations

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

Mr. Piet Van Geet

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

Mr. Dirk Stoop

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

Mr. Tomas Van Geet

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

Mr. Miquel-David Martinez

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

Mr. Matthias Sander

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

Mr. Jonathan Watkins

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

Mr. Martijn Vlutters

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

Corporate responsibility report

Green roof of VGP Park Berlin –
facilitating water retention,
bio-diversity stimulation and insulation.

Ratings

ESG Ratings

SUSTAINALYTICS
RATED

LOW RISK

GRESB
REAL ESTATE

CDP
DISCLOSER
2021

Credit rating

Fitch Ratings

ISSUER RATING: BBB-

UN Global Compact commitment

COMMUNICATION ON PROGRESS

UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

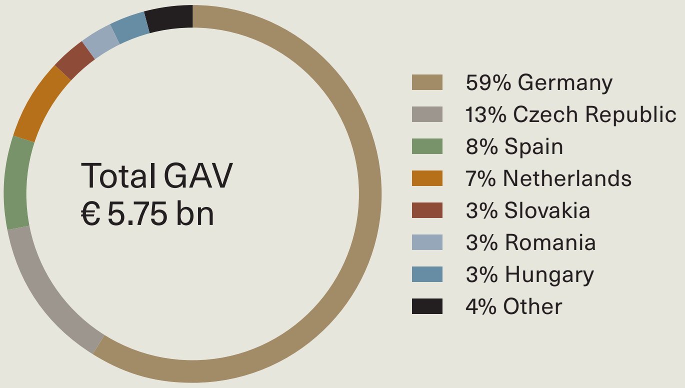
We welcome feedback on its contents.

VGP Park Nijmegen with green walls
and water retention bassin around the park.

Company at a glance

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 10.94 million m² and the strategic focus is on the development of business parks. Founded in 1998 as a Belgian family-owned real estate developer in the Czech Republic, VGP with a staff of circa 350 employees today owns and operates assets in 14 European countries directly and through several 50:50 joint ventures. As of December 2021, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 5.75 billion and the company had a Net Asset Value (EPRA NTA) of € 2.33 billion. VGP is listed on Euronext Brussels (ISIN: BE0003878957).

INVESTMENT PORTFOLIO BREAKDOWN[1]
COUNTRY BREAKDOWN



1 Including the joint venture at 100%

100 Parks

4,570,000 m²
Gross leasable area[1]

1 Completed gross leasable area including under construction (areas held through JVs accounted for at 100%)

Our key figures in 2021

€ 256.1 Mio.

Committed Annualised rental income[2]

399

Number of tenancy contracts

74.7 MWp

Green energy production installed[3]

74.5 MWp

Green energy production pipeline[4]

322

Number of FTEs[5]

39%

% female employees

57

buildings with solar panels on the roof[6]

60%

% female board members

54.3%

of portfolio green certified

60%

% independent directors

For more information, please visit www.vgpparks.eu

2 Including the joint venture at 100%

3 Enabled green energy production through PV installations owned by third parties installed on roofs of VGP Parks (Including operational and installations under construction)

4 Enabled green energy production through own PV installations and PV installations owned by third parties installed on roofs of VGP Parks for which heads of terms have been agreed

5 Full-time equivalent; number of employees was ca. 350 at YE2021

6 Installed or under construction

Building Tomorrow Today

As a family-owned business we think in partnerships and across generations.

Building Tomorrow Today *together*
has since long been our guiding principle.
We are building to create future-proof value.

For our clients, partners, shareholders and for the communities in which we operate.

By doing the right thing today and by doing business in a responsible manner VGP hopes to create a better tomorrow: by moving towards a circular, low-carbon economy, fully integrating business activities within the local communities, investing in the environment and empowering our teams on sustainability and diversity.

Building the foundations today we are working towards a brighter tomorrow. In that way we are constructing a happier, sustainable future for coming generations.

We do this by challenging ourselves and adapting to changing needs every day.

Content

Letter from the CEO

At VGP, we have always considered ourselves and everyone associated with us as family. In the wake of the coronavirus pandemic, this sense of community is more important and meaningful than ever. I know this is a difficult time for all of us. I feel it with my family, with loved ones who live abroad, far from us.

In the past few weeks we have also seen how quickly things can change. The Russian invasion of Ukraine means war has returned to Europe. This is first and foremost a human tragedy, but these events will also have profound and lasting implications for business and society as we know it today. The new reality has already put some of our convictions to the test. Among all the uncertainty and need for immediate and pragmatic solutions to pressing issues, the dependency on Russian oil and gas has made the necessity of the shift towards efficient energy use, energy independency and green energy sources even more apparent. Europe has the chance to change this crisis into an opportunity for accelerated change and become globally one of the front-leaders in terms of technical competence with regards to transition technologies and renewable energy roll-out, a path VGP is actively supporting.

These unsettling days are also a wake-up call, a firm reminder that human well-being is inextricably linked to the health of our planet and can only be achieved if we all work together – whether it's war, climate change, forest fires, emergent tropical diseases, pandemics, loss of freshwater, etc. Protecting biodiversity and our environment nature is really about protecting ourselves.

Over our 24-year history, VGP has faced many challenges. Our approach has been to focus on the path ahead, building upon the technical competence of our teams to do what is right for our clients in the most sustainable way, acting quickly and with responsibility. We have been able to do so because of the actions and investments we have made over many years to build a strong, resilient business. This includes maintaining robust risk, financial and operating controls; maintaining continuous focus on the interests of our clients and communities; advance an inclusive economic recovery; investing in our employees and fostering a diverse and inclusive workplace; upholding a culture that reinforces integrity, fairness and responsibility; and advancing sustainability in our business and operations. Today, this is frequently described as Corporate Responsibility. We like to think of it simply as the smart and right way of doing business – Building Tomorrow Today together.

Our Group's environmental strategy to help accelerate the shift to a more sustainable, circular and low-carbon future is one example of our work in action. All of our offices across Europe have switched to 100 percent renewable energy as of January 1, 2022, and we have made significant investments into photovoltaic installations in our parks. We have made a commitment to reduce the net relative carbon emissions of our "in-use" portfolio with 55% by 2030 and we have increased our targeted building standard to DGNB Gold or equivalent, in addition we have several pilot projects for "DGNB Klima Positiv"-certification underway. We aim to align our portfolios' performance with the goals of the Paris Agreement and working with our clients to help them realize their decarbonization strategies – efforts that are intended to drive near-term actions that will help set the world on a path to achieving net-zero carbon emissions by 2050. The VGP Foundation is helping in the conservation of biodiversity and engaged in unlocking opportunities for underserved communities. We also continue to work on a more equitable and representative workforce within our own company.

Ultimately, our long-term business success depends on the success of the communities we serve. In this report, I invite you to learn more about the ways we strive to operate a thriving company that we can be proud of, and all the ways VGP is putting its business to work for our stakeholders.

Jan Van Geet
CEO & Founder

Several area-sized bog remnants in the districts of Rotenburg (Wümme) and Stade, Germany, with a total area of about 3,000 ha are protected by NABU and supported by VGP Foundation

Key ESG achievements and highlights 2021

Carbon footprint scope 1 and 2 reduction

On track to achieve net carbon neutrality by 2025 and 50% gross reduction by 2030

All VGP offices green energy PPA contract as of 1 January 2022[1]

Carbon footprint Scope 3 reduction

Engaging with tenants on self-consumption renewable energy

Aim for net 55% reduction of "in use" scope 3 carbon emissions by 2030

VGP Renewable Energy

74.7 MWp installed or under construction and 74.5 MWp in pipeline

Increase capacity by 2025 to 300 MWp

Supporting tenants in switch to green drive-train technologies

Pan-European corporate solar energy deal with Scholt Energy B.V. and ACT Commodities B.V. to power all VGP offices with 100% renewable electricity – Power supplied from VGP's existing solar farm on the roof of VGP Park Nijmegen, Netherlands, to VGP offices across Europe.

Green buildings certification

54.3% of portfolio green certified

Aiming for BREEAM Excellent/ DGNB Gold for all new builds in 2022 on a best-efforts basis

Buildings life-cycle management

Several pilot projects DGNB Klima Positiv life-cycle certification under way

EBRD joint research on circular materials

1 https://www.vgpparks.eu/en/newsroom/investor-news/vgp-announces-pan-european-corporate-solar-energy-deal-to-power-alll-vgp-offices-with-100-renewable-electricity/

Governance

Implemented principles 3.19 of the Belgian Code on Corporate Governance by appointing Company Secretary

Updating charter and various policies and guidelines to demonstrate highest standards of business conduct and integrity

Diversity and talent management

Board continues diversity lead with 60% female board members

Various training/development initiatives being implemented

Conducted inaugural annual group employee satisfaction survey

VGP Foundation

19 environmental, 5 culture and 5 social projects supported thus far

€ 7 million commitment made available until 2021

Climate change management

Evaluating Carbon Risk Real Estate Monitor 2050 pathway analysis for portfolio compliance on a best efforts basis

ESG disclosure

GRI compliant CR disclosure

Annual CDP and GRESB submission

Initial Sustainalytics score; plan to initiate MSCI ESG score in 2022

Our Approach to ESG

VGP N.V. ("VGP," "we" or "the Group") has built its reputation based on technical competence and being there for our clients and communities. The continued events of 2021 – the global COVID-19 pandemic and the increasingly visible effects of climate change – underscore why understanding, anticipating and effectively managing environmental, social and governance (ESG) matters is critical to delivering on our mission to serve our clients and communities. Now, more than ever, a strong focus on ESG is a business imperative – and a key driver of long-term business success.

At VGP, ESG matters are an important consideration in how we do business, including our corporate governance systems, risk management and controls, human capital management, approach to serving clients, support for local communities – including through the VGP Foundation – and management of our construction and portfolio management operations. We recognize the potential for ESG-related risks, which we work to identify and manage just as we manage risk in all areas of our business. Equally important, we believe companies like ours have an obligation to put their businesses to work for all of their stakeholders. For our Group, this means we are leveraging our business, capital and pan-European presence to help expand access to economic opportunity and accelerate sustainability and climate solutions.

About This Report

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

This annual Corporate Responsibility Report is designed to consolidate and summarize our work on key topics that are important to our business and stakeholders, and guide readers to where they can access more detailed information about specific topics of interest. All data in this report are as of Dec. 31, 2021, unless otherwise noted.

This applies specifically to the CO_2 emissions and energy consumption data of our portfolio for which last available full-year data has been used (as referenced in the respective tables).

All the energy consumption data, as well as the carbon emission calculations used in this report have been third-party validated by CO2Logic (*https://www.co2logic.com/*) based on PAS 2060 and the GHG protocol.

This Corporate Responsibility Report has been prepared in accordance with the GRI Standards: Core Option. Apart from the Green Finance Framework and Proceeds section which has been reviewed by Cicero, the remainder of this report has not been externally audited. The GRI Content Index can be found on page 189-191.


photo © Trilux

Stakeholder engagement

We maintain an open dialogue with our stakeholders, including our investors, customers, employees, suppliers and the communities in which we operate. We seek feedback during our investor updates and client meetings or as part of our annual client and employee surveys. This has helped us to determine material sustainability priorities and the social impacts of our business. This in turn allows us to calibrate our targets and systems to manage, review and report on our ESG performance.

Our Global Reporting Initiative (GRI) index at the end of this report demonstrates the full view of our updated 2021 ESG topics.

VGP IN DIALOGUE

Dialogue, conferences, meetings and calls with investors and analysts	**Capital markets**
Dialogue in context of joint projects, supplier due diligence, forums & conferences	**Suppliers**
Dialogue through meetings and conferences as member of local and pan-European associations	**Networks and associations**
Dialogue in the context of press releases, information events on new parks, trade fairs	**Media**
Dialogue in context of new initiatives and existing partnerships	**Business and joint venture partners**
Personal meetings, park visits, neighborhood conversations	**Local stakeholders**
One-on-one meetings/dialogue, answering questions	**Civil society and NGOs**
Dialogue with employees, driving forces, idea management, internal media	**Employees**
Dialogue (including in context of park/building design), social media, trade fairs	**Clients**

Commitments

The 2030 Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted in 2015 by the 193 United Nations (UN) member states. They have helped to inform our thinking about where VGP can play a role. VGP contributes in different ways and to different degrees to all the SDGs. In line with UN Global Compact guidance, we have identified which goals are particularly relevant to us: where expectations, risks and opportunities for VGP are greatest, and where we can make the most significant contribution.

We list these priority SDGs in the table below, vis-à-vis last year the changes to the sections and newly introduced main targets include:

- New target aiming to reduce the net Scope 3 ‘in use’ emissions by 55% by 2030
- Increased renewable energy production target from 200 MWp to 300 MWp by 2025 – equivalent to nearly 2.0 × the total energy consumption of our tenants in 2020
- We have updated our building target to 100% DGNB Gold or equivalent[1] for new builds since January 1, 2022 (previously the target was set at BREEAM Very Good and DGNB Silver)
- Aim for development projects to be connected to public transport solutions
- 100% of development projects with biodiversity stakes to implement a biodiversity action plan
- GRI, CDP, GRESB and Sustainalytics aligned disclosure were already provided last year. From 2022 onwards our ambition is to initiate an MSCI ESG rating as well

1 Aim for BREEAM Excellent (which is set above in-house minimum requirement as part of Group Environmental Management System of BREEAM Very Good/DGNB Gold)

The progress for each target has been updated to reflect steps taken in 2021:

TARGET	PROGRESS
Achieve carbon neutrality under scope 1 and 2 by 2025 and reduce gross emissions by 50% by 2030	On track – major step all VGP offices switching to 100% renewable energy as of January 1, 2022. For 2022 the intention is to have all the Group's reduction targets approved by the Science Based Targets initiative (sBTi)
Aim for 55% net relative reduction of "in-use" Scope 3 carbon emissions by 2030	Analysed CO_2 footprint of our building users over FY2020 and set target to aim for a net relative 55% reduction of "in use" Scope 3 emissions caused by tenant operations by 2030 compared to base year 2020
Doubling (300MWp) of solar PV in operation or under construction by 2025	On track for revised target with approximately 74.7 MWp installed or under construction across Europe Projects representing 74.5 MWp are currently in the pipeline (up 53% YoY)
Aim for DGNB Gold or equivalent[1] sustainability certification for all newly constructed buildings as of January 1, 2022	100% of new construction projects across Europe are being environmentally certified. Combined with buildings previously certified this has resulted in 54.3% of the total portfolio certified or with certificate pending as of December 2021
Efficient use of buildings: maintain >95% historical occupancy rate	As of Dec 2021, the average occupancy rate for the completed portfolio was 99.4%
Aim for development projects to be connected to public transport solutions	100% of development projects in 2021
Safe working environment: targeting zero workforce fatalities	Zero workforce fatalities in 2021 We request employees, contracted workforce as well as suppliers of VGP to adhere to our VGP Health and Safety Policy

1 Target DGNB Gold or aim for equivalent (BREEAM Excellent). The aim for BREEAM Excellent is set above in-house minimum requirement as part of Group Environmental Management System of BREEAM Very Good / DGNB Gold

TARGET	PROGRESS
Supply chain ethics 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	We conduct a supplier due diligence and request to adhere to Code of Conduct
Gender equality, diversity and inclusiveness 5 GENDER EQUALITY 10 REDUCED INEQUALITIES	Our board consists of 60% female members and overall gender ratio of the group is 39% female
100% of new employees follow sustainable development training 8 DECENT WORK AND ECONOMIC GROWTH 13 CLIMATE ACTION	In addition to Code of Conduct training the aim is to ensure 100% of new employees complete sustainable development training
100% of employees involved in a culture of trust, evolution and sharing 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	Create an environment encouraging the development of each individual's talent and in which each employee can find himself or herself, by promoting diversity, ethics, well-being and parity
Charitable contributions 11 SUSTAINABLE CITIES AND COMMUNITIES 15 LIFE ON LAND 4 QUALITY EDUCATION	The VGP Foundation received € 7 million capital support from VGP up to 2021 with projects supported (€ 6.5 million has been committed thus far) in the field of environmental protection, social projects and European cultural heritage. A contribution of € 5million is provisioned by VGP for 2022.

POST BALANCE SHEET EVENT	
Charitable contributions after the year end 1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING	In 2022 VGP donated € 3 million for Ukrainian refugee support in neighbouring countries. The donation is to be deployed in collaboration with relief organisations recognized by the UNHCR. UNHCR The UN Refugee Agency

Climate change strategy

As part of our ESG strategy, the Group commits to cutting carbon emissions across its value chain. This strong commitment, marks a broadening of the scope, by introducing, in addition to Scope 1 & 2 emissions, the Group's Scope 3 emissions, including:

— Greenhouse gas (GHG) emissions generated in the construction of development projects; and
— GHG emissions due to the private energy consumption of our tenants

In 2020, the Scope 3 emissions represented 99% of the Group's emissions according to the market-based method. The Group's carbon reduction target between 2018 and 2030 breaks down into the following four complementary objectives:

— Reduce emissions from own operations by 50% by 2030
— Fully compensate all remaining emissions from own operations from 2025 onwards
— Aim for a net relative 55% reduction (compared to base year 2020) of "in use" Scope 3 emissions by 2030
— Reduce emissions from construction activities (target being analysed in 2022)

The Group remains on track to achieve its Scope 1 and Scope 2 carbon reduction target through the initiatives taken in the course of 2021 including transitions to lower carbon transport modalities across the Group. Most importantly, as of January 1, 2022 all VGP offices switched to 100% renewable energy usage through the setup of a virtual Power Purchase Agreement (PPA) spanning 14 countries with ACT Commodities and Scholt Energy. The power being used is generated through the photovoltaic installation at VGP Park Nijmegen. Please see the case study on VGP Park Nijmegen. In addition, for the company car park the policy has been revised and only fully electric or hybrid vehicles are allowed for new leases and replacements in existing leases.

In 2022, all the Group's reduction targets (except for the one for construction which will not yet be submitted) will be analysed by the Science Based Targets initiative (SBTi) in order to confirm consistency with the levels required to meet the goals of the Paris agreement. The aim for:

— The targets covering GHG emissions from the Group's operations (scopes 1 and 2) to be consistent with the reductions required to limit global warming to 1.5°C, the most ambitious goal of the Paris Agreement
— The targets for the emissions from the Group's value chain to meet the SBTi's criteria for ambitious value chain goals, meaning they are in line with current best practice.

Total energy consumption within the organization

ENERGY DATA	2019	2020
Gas (GJ)	166.11	187.33
Grey Electricity (MWh)	993.98	286.19
Renewable Electricity (MWh)	485.62	129.55
Fuels (diesel and gasoline) (GJ)	23,226,26	15,164.17
Total energy GJ	**24,871.97**	**16,381.76**

For the analysis of our full Scope 1 and 2 emissions and Scope 3 emissions concerning i) own operations and ii) portfolio usage the Bilan Carbone® methodology has been used for the calculation of the carbon footprint. The methodology is recognized by the PAS 2060 standard for carbon neutrality, is compliant with the ISO 14064 standard and the GHG Protocol.

Based on the analysis the total CO_2e emissions (direct + indirect) for VGP Group over the year 2020 were estimated at 1,984 tCO_2e compared to 2,308 tCO_2e a year earlier. This emission equates to a total CO_2e emission per FTE employee and per m^2 office surface of 7.9 tCO_2e/FTE (compared to 9.7 a year earlier) and 0.4 tCO_2e/m^2 (compared to 0.6 a year earlier).

Whilst the year over year trend is encouraging and is showing the effect of various measures introduced (most importantly the car fleet switch to 100% electric or PHEV mobility for new vehicles) these measures will take time to take meaningful effect and as such the currently visible decline is mostly driven by corona measures and travel restrictions.

GHG emissions data

ENERGY	UNITS	2019	2020
Scope 1	tonnes CO_2	691	841
Scope 2 *(market based)*	tonnes CO_2	95	105
Scope 2 *(location based)*	tonnes CO_2	95	127
Scope 3[1] (portfolio – "in-use"))	tonnes CO_2	1,522	1,038
Total	**tonnes CO_2**	**2,308**	**1,984**
Operational emissions per employee	*tCO_2e/ FTE*	*9.7*	*7.9*
Operational emissions per square meter office space	*tCO_2e/m^2*	*0.60*	*0.36*
Scope 3[1] (portfolio – "in use")	tonnes CO_2	n/a	73,003
Usage emissions per square meter in completed portfolio	*CO_2e/m^2*	*n/a*	*29.9*
Scope 3[1] (developments)[2]	tonnes CO_2	n/a	274,439
Development related emissions per square meter delivered portfolio	*tCO_2e/m^2*	*n/a*	*0.52*
Total gross	**tonnes CO_2**	**n/a**	**349,425**
Offset emissions	tonnes CO_2	n/a	10,453
Total net	tonnes CO_2		338,973

1 Scope 3 emissions for ease of comparison split into three components – see for definition call-out box **"The scope of VGP's carbon footprint calculations"**

2 Estimate based on embedded carbon in projects delivered during the reported year – see for definition call-out box **"The scope of VGP's carbon footprint calculations"**

The scope of VGP's carbon footprint calculations

Scope 1, which includes direct emissions related to:
- Heating of our own buildings and offices (natural gas / fuel)
- Leased & owned vehicles
- Cooling systems GHG losses

Scope 2, including indirect emissions related to:
- Grid electricity (grey)
- District heating

Scope 3 – split into three components:

a) Own operations, including indirect emissions related to:
- Upstream emissions from scope 1 & 2
- Business travels (air-train)
- Commuting (excl. leased & owned vehicles which are already captured under scope 1)
- Waste from our offices
- Paper consumption

b) Tenants/portfolio – 'in use', including indirect emissions related to tenants usage of portfolio:
- Grid electricity (grey)
- District heating

c) Portfolio – development activities, estimated based on an initial assessment of a building in VGP Park Giessen-Lützellinden and a building in VGP Park Münich. Portfolio assessment based on extrapolation for total projects delivered in 2020 (531,000 m^2). Analysis to be expanded for 2021 data.

First of its kind, pan-European corporate solar energy deal to power all VGP offices with 100% renewable electricity

PRESS RELEASE
21 December 2021

VGP NV will switch as of 1 January 2022 all its European office locations to renewable energy as an agreement was reached with Scholt Energy B.V., the independent energy supplier, and ACT Commodities B.V., the European energy trading house, to purchase 100% renewable electricity for all its European office locations.

The Virtual Power Purchase Agreement (VPPA) will provide power supplied from VGP's existing solar farm on the roofs of VGP Park Nijmegen, Netherlands, to VGP offices across Europe. The solar farm at VGP Park Nijmegen today has a combined power output of almost 4,400 MWh in total of which 2,100 MWh is currently being utilised by local tenants. Of the remaining output circa 450 MWh will be allocated to VGP's offices across Europe and the rest is offered for purchase to Dutch companies and households by Greenchoice, the green energy provider.

This agreement covers VGP's 20 offices across 13 countries[1]. Additionally, it is envisaged to include VGP's new offices in France and Serbia next year also.

VGP's Chief Executive Officer, Jan Van Geet, said: *"As a developer of prime logistics real estate, we know that sustainability is not just part of our business, it is our business. From offering green leases to our new tenants, making use of circular building materials and eliminating unnecessary waste at our building sites to supporting environmental projects through VGP Foundation, we are continuously looking for ways to reduce our environmental impact and aiming to ultimately have a net positive effect."*

Jan Van Geet concluded: *"This is why we are very excited today to announce this partnership with Scholt Energy and to add new European solar capacity through additional photovoltaic projects on the roofs of VGP Parks. As we welcome the European Green Deal, we now ask our customers, colleagues, business partners and fellow companies to join us in shifting towards renewable power – we are committed to making our own 100% renewable electricity generated on roofs of VGP Parks available to our tenants where this is feasible and hope that we all together can support this positive change."*

Virtual Power Purchase Agreement (VPPA) will provide power supplied from VGP's existing solar farm at VGP Park Nijmegen to VGP offices across Europe

Rob van Gennip CEO at Scholt Energy, said: *"Developers like VGP are a driving force in the green energy transition and, with regards to the operational and real estate footprint of their clients, can help play a part in combatting climate change through the offering of renewable energy sources. We are proud to be supporting VGP in their renewable energy transition and to help make affordable, reliable and sustainable energy available to their offices across Europe."*

The operation will be effectuated for all VGP offices by January 1st 2022. For the VGP offices in those countries with existing Scholt Energy operations it is the aim to switch to the new renewable energy contracts by the earliest contractual opportunity. Until this time ACT Commodities will provide VGP with the local delivery of Guarantees of Origin for the equivalent power consumption. Guarantees of Origin will also be delivered by ACT Commodities to the VGP offices in those countries in which Scholt Energy cannot deliver energy directly[2].

As the solar farm on the roof of VGP Park Nijmegen is already operational the green energy supply can be established as of January 1st 2022, however as Southern Europe enjoys higher solar irradiation, the plan is to switch to delivery from photovoltaic installations on roofs of VGP Parks in Italy which are currently still in design phase.

1 The offices in the following countries are covered: Belgium (HQ), Germany, Spain, Czech Republic, Romania, Luxembourg (VGP Asset Management), Hungary, Slovakia, Portugal, Italy, Latvia, Netherlands and Austria

2 Scholt Energy is expected to deliver energy directly to VGP offices in Belgium, Netherlands, Germany and Austria

Sustainable Properties

As part of our sustainable properties strategy, we aim to:
- **Design sustainable buildings** and minimize the environmental impact through innovative design and construction
- **Improve the eco-efficiency** of our buildings by collaborating with our tenants and contractors for efficient resource use
- **Develop connectivity and sustainable mobility** by ensuring access to public transport and sustainable mobility solutions for our tenants
- **Integrate nature and stimulate biodiversity**

Design sustainable buildings

Brownfields

To maintain our concentration of strategic locations, VGP commonly transforms older sites into modern spaces. This is known as a 'brownfield development' – as opposed to building on a new site – known as a 'greenfield' site. Close to 40% of our development projects acquired in 2021 have been brownfield sites, placing our clients closer to their clients and customers and improving their supply chain efficiency and last mile delivery. While these projects can be challenging, they lead to environmentally friendly and visually attractive sites that often benefit the broader community too.

Circular building materials

In 2021 the Group launched a project to setup a low carbon and circular design framework including a low carbon building design methodology and circular building design toolkit.

This practical framework will allow the teams to better understand and apply the right circular economy solutions for their projects. A pilot development project will be considered to test the circular design framework and as part of the resource audit prior to development to identify the materials that could be reused on-site or off-site, and sold for a second life. Thanks to reuse of second-hand steel at our VGP Park La Naval we expect the equivalent to 40,710 tons CO_2 emissions[1] and 17,700 tons of waste to be saved.

In October 2021, VGP had the pleasure to host a DGNB-ceremony at our stand at Expo Real in Munich. During the ceremony we received the DGNB Mehrfachzertifizierung for our VGP standard way of building which shows our engagement towards sustainability.

Certification

100% of new construction projects across Europe are being environmentally certified with the target to achieve DGNB Gold[2] or equivalent. Combined with buildings previously certified this has resulted in 54.3% of the total portfolio certified or with certificate pending as of December 2021.

By 2050, Europe's building stock must be climate neutral. But even today we can plan good, economical buildings and implement them in such a way that they are also climate neutral in operation. In order to distinguish such buildings that already demonstrably meet this requirement and achieve climate neutrality in operation, the DGNB has introduced the "Klima Positiv" certificate. It is awarded by the DGNB for a period of one year to buildings that meet the technical requirements and provide the relevant evidence as part of a certification for buildings in operation.

So far across real estate asset-classes, 16 buildings in Germany have achieved such certification[3]. VGP has several German pilot projects underway which aim for such certification and, once achieved, we will draw on our sustainability assessment experts to rapidly identify the easiest additional credits to attain, creating recommended changes to the VGP Building Standard to embed improved performance across the portfolio.

VGP Park Giessen-Lützellinden – DGNB Klima Positiv certification "in progress"

Example energy saving measures:

- Energy-efficient cooling through well-insulated cold stores in the warehouse, so that energy/cold does not escape unnecessarily to the outside
- Energy-saving LED lighting in the offices, hallways and warehouse to save energy usage
- 650 KV PV system fitted on the roof
- Use of 100% green PV electricity by the tenant
- Electricity savings by reducing cooling in the offices through external solar shading in summer

Other sustainability highlights:

- Electric charging points (with PV electricity) for cars
- Rainwater use for toilet flushing and outdoor irrigation
- Daily updated display of electricity generation by a PV monitor in the building visible to users and visitors
- Evaluation of CO_2 balance underway
- DGNB Gold award, "Klima Positiv" assessment in progress

1 The most energy efficient BF-BOFs emit about 1.8 tonnes CO_2 per tonne of steel made, but the global average is roughly 2.3 tonnes of CO_2e per tonne of steel (oecd.org)

2 DGNB Gold or BREEAM Excellent. Target at BREEAM Excellent is set above in-house minimum requirement as part of Group Environmental Management System of BREEAM Very Good / DGNB Gold

3 https://www.dgnb-system.de

Improving eco efficiency

By collaborating with our tenants and contractors we aim to achieve efficient use of resources. We have made a commitment to have a net relative reduction of 55% of carbon emissions of our "in-use" portfolio by 2030 (compared to base year 2020). We can support our customers by procuring off-site renewable energy and, where possible, generate renewable energy on-site. Our target is to increase the installed capacity for photovoltaic installations to 300 MWp – at close to 2.0x the current energy usage of our tenants.

As part of the eco efficiency drive the plan is to introduce energy efficiency and energy management plans in all standing assets, involving daily energy optimisation actions as well as investments. The environmental management system is designed to help improve the environmental performance of assets, including through a shift towards electricity supply from renewable energy sources for all assets where feasible (including projects in pipeline a total 94 photovoltaic roof projects have so far been identified versus a total buildings portfolio of 151 as of December 2021). The aim is to develop sufficient on-site renewable energy production to be able to at least cover the energy need of our clients. This strategy is an integral part of the life-cycle assessment of development projects.

In order to improve the energy efficiency and be able to improve the self-consumption of renewable energy sourced on-site we are engaging with stakeholders, including tenants and suppliers (e.g. green leases, PPA contracts, and energy performance contracts with maintenance providers).

Total energy consumption by tenants within the portfolio

ENERGY DATA	FY 2019	FY 2020
Gas (MWh)	n/a	83,695
Electricity (MWh) – grey	n/a	137,501
Renewable Electricity (MWh) – *self-consumption*		911
Fuels (diesel and gasoline) (GJ)	n/a	—
Total energy MWh consumed	**n/a**	**222,107**
Total energy consumed kWh / m^2		*102.08*
Renewable Electricity (MWh) – *grid injection*	n/a	13,983

Whilst energy usage within the portfolio is closely monitored and effectively managed downward as of Dec 2021, the average occupancy rate for the completed portfolio was 99.4% and VGP accomplished an occupancy rate benchmark above 95% across its portfolio since 2010 (measured on a 6-months average). For us a high occupancy rate represents good business and sustainable use of the buildings we have created. It suggests our properties are well-located, adaptable to a variety of uses and are continuing to meet the needs of our customers.

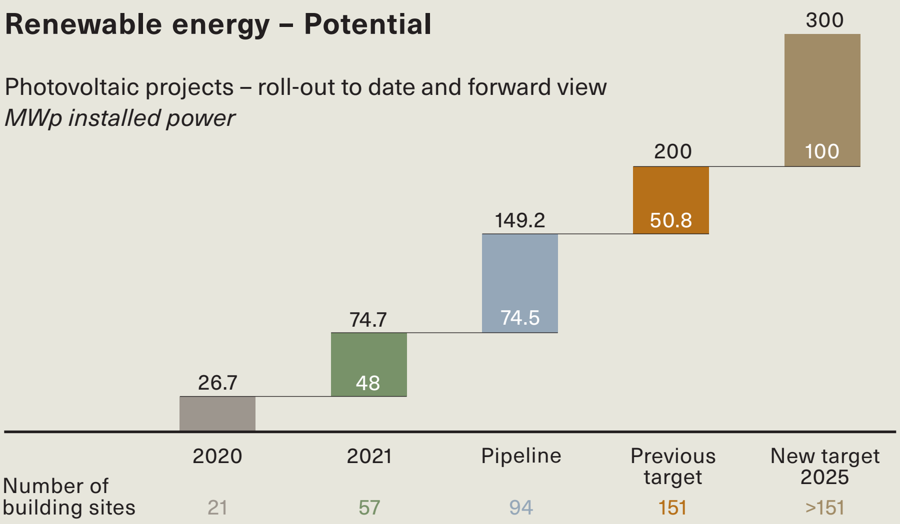
The yearly tenant satisfaction surveys in each park were pursued in 2021, as well as one-on-one meetings with tenants, to secure that the tenants are aware of the Group's strategy and feel supported in their transition strategy.

Renewable energy roll-out

The roll-out of the photovoltaic installations is aimed at improving self-consumption of renewable energy within our buildings and making renewable energy available to the local community. The revised installation target is set at 300 MWp – this equates to a power production capacity equivalent to almost 2.0× the total energy consumption of our tenants in 2020. We anticipate increasing demand for green energy from our tenants over the coming years as drive trains of cars, vans and trucks will increasingly rely on battery and other green powertrains which, we believe, will significantly increase the demand for green energy in our parks. The Group remains on track to achieve the revised target with approximately 74.7 MWp installed or under construction across Europe (through 57 roof projects) and projects representing 74.5 MWp are currently in the pipeline (in total up 53% YoY). This would bring the total to 94 roof projects (compared to 151 buildings in the portfolio in total).

Renewable energy – Potential

Photovoltaic projects – roll-out to date and forward view
MWp installed power



Data for 2021 includes projects under construction.
Pipeline includes projects for which contracts with tenants or feed-in PPA are agreed and construction works is to start in the coming period

Total renewable energy production and consumption

ENERGY DATA	FY 2020	FY 2021A
Own consumption (MWh)	911	3,971
Own consumption (number of clients – PPA or lease / total client contracts)	18/289	36/399
Grid injection (MWh)	13,983	25,016
Total green energy generation MWh	**14,894**	**28,155**

Develop connectivity and sustainable mobility

We aim to ensure that our develop projects have public transport access, thereby reducing the emissions from transport for employees of our tenants.

For new construction projects, we aim for electric recharging stations to be provided for at least 3% of the total car parking capacity for the building, thereby lowering the CO_2 emissions for employees and visitors of our tenants. In addition, during the preparation of the design, 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. Where appropriate, the design team consults with the local community in selecting and implementing additional solutions to enhance the access to the local bicycle network.

VGP Renewable Energy N.V. has been setup by the Group in 2020 to broaden the ability of the Group to assist our clients in making their businesses more sustainable in a cost-effective way. The objective of the Renewable Energy business line is to serve the Group's client base, by offering such clients an ability to assist with their green energy transition including

An ability to offer green energy (produced on or off site).

Smart energy management (including use of batteries and smart local grids).

Facilitate our clients in their transition towards a green (forklift-) truck and car fleet by offering green electric and hydrogen charging facilities and infrastructure at our parks.

Green compensation area at VGP Park Berlin – Ludwigsfelde which includes breeding areas for ground nesting birds (field larks), replacement habitats for sand lizards and breeding net mounds for sand martins

Beekeepers on the roof of a building in VGP Park in Lliça d'Amunt, Spain

VGP Park Giesen am Alten Flughafen – „fence"-lizzard protected living space

VGP Park Gießen am Alten Flughafen – rain water retention basin

Integrate nature and stimulate biodiversity

The EU's biodiversity strategy for 2030 is a comprehensive, ambitious, and long-term plan to protect nature and reverse the degradation of ecosystems. The strategy aims to put Europe's biodiversity on a path to recovery by 2030 and contains specific actions and commitments. We see an urgent need to address the biodiversity crisis that's endangering species and farmlands the world over. Every natural environment preserved is a small win in the larger movement to preserve biodiversity.

With regards to our development projects, we always involve ecologists in the design and construction process. The new commitments and recommendations for the integration of biodiversity in development projects were integrated in the Group's design process through the environmental management system (see section on ESG Risk Management). This may result in green shelters, improved water management, increased greenery ratios on sites, bird houses, native plants, beehives or full-scale urban ecological water preservations areas or forests. We depend heavily on their recommendations to help nature to thrive and grow alongside our buildings and facilities.

A preliminary environmental impact assessment is always conducted, including an environmental/ biodiversity component, which 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.

As cities continue to grow further out into nature, we consider it a responsibility to reintroduce green space into urban areas. To contribute to this effort and to support biodiversity in our parks 2,086 additional trees were planted in existing VGP Parks in all the countries the Group is already active in 2021. The VGP Foundation carries protecting biodiversity as one its three key focus areas as part of the environmental projects.

In keeping with our commitment to turn our parks into more sustainable places, the Group has begun research and development into urban beekeeping projects at a number of VGP Parks. Other than the benefits incurred from diversifying surface usage and influencing food consumption trends, this type of project also has a positive impact on promoting biodiversity in cities.

Biodiversity

Biodiversity is also addressed by the development projects through the "Land Use and Ecology" section in the BREEAM certification or "Biodiversity" in DGNB. For example, for the project VGP Park Gießen am Alten Flughafen the recommendations for the protection and enhancement of the local biosphere – for which the park scored an additional 30 points under DGNB certification - included in an ecology report written by a qualified ecologist and the required biodiversity protection measures were implemented – including living space for the 'fence'-lizzard

People, culture and employee well-being

The family ownership of the business transpires into a collegial team spirit across the company. Integrity means honesty and sincerity in what VGP does and adhering to open communication with issues being openly discussed and addressed as soon as possible. Mutual trust, respect for everyone and opportunity to grow with room for own initiative are important for our employees to feel rewarded and enjoy their work. We like to encourage 'out of the box'-thinking – even if it sometimes goes wrong – because we still can learn from it. We have a no fear of mistakes culture, but encouragement of initiative and responsibility. This is critical in order to be able to execute on the ambitious goals VGP has set for the years ahead.

We operate in culturally diverse markets, and we celebrate our differences. We support an inclusive and transparent workplace, free of harassment and discrimination, where all our people can contribute equally to our commercial goals. VGP believes in equal opportunities for all employees. VGP does not make any distinction on the grounds of gender, religion, ethnic background or sexual orientation in its HR, recruitment and promotion policies or remuneration systems.

Performance and career development reviews are encouraged by senior management. These reviews are conducted on a constructive basis and personal level and generally always conducted by line management.

Business travel

The Group travel policy aims to reduce the associated carbon footprint. Employees are encouraged to travel by train when possible and give preference to videoconferencing rather than physical meetings involving travel.

CO_2 emissions from employees' business travel by train and plane
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.

BUSINESS TRAVEL	2019	2020
Total emissions (ton CO_2 eq)	951.5	647.6
Kg CO_2 eq/employee	4,758	2,698

In 2020, the Group carbon emissions related to business travels were significantly reduced compared to 2019, due to travel restrictions linked with the COVID-19 pandemic and the reorganisation of Group's ways of working. In addition, since 2021 and as part of our Climate Change Strategy, all new company vehicles or renewed lease contracts must either be hybrid or electric vehicles.

photo © Trilux

Occupational Health and Safety

Since the start of the COVID-19 crisis in 2020 and to protect VGP's employees' safety, several measures have been taken and continue to remain in place in all the countries where we operate. We have been working from home since early 2020, and continued to do so in 2021, depending on local authorities' decisions and regulations. During lockdowns, communication was maintained through video conferences. If and where a return to the office is possible, extraordinary sanitary measures are enforced at VGP offices and construction sites, including increased cleaning/ decontamination frequency, stock of masks, hydroalcoholic gel stations, physical distancing, etc. VGP remains committed to safeguarding the health and safety of our employees as we potentially enter a new phase of the COVID-19 pandemic, and of course beyond.

Causes of any work-related accidents are analysed and measures are taken to prevent a recurrence.

Accident type:

	2019	2020
Work-related accident causing injury	2	2
Work-related/commuting accidents causing death	0	0

Workforce as at 31 December 2021:

	2021
Proportion of VGP development projects covered by VGP Health and Safety Framework	100%

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-bribery and Corruption Policy, Political Activity Policy (as part of our Code of Conduct), Dealing Code, etc.). Since January 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 respects local labour laws. As at 31 December 2021 no employees were covered by a collective bargaining agreement.

Ethical culture

Earning and maintaining the trust of the communities in which we operate, our clients, and other stakeholders is essential to our business. To do this, we strive to maintain the highest ethical standards, as encompassed by our Code of Conduct and other internal policies. Every employee is responsible for upholding these standards in their work. We reinforce these expectations through various channels, including our Code of Conduct trainings, and by encouraging our managers to communicate about these issues clearly with their employees. In addition, as part of the annual review process, all employees are evaluated against common performance dimensions that include delivering business results; addressing the needs of clients and stakeholders; fostering a collaborative and inclusive environment; driving a robust risk and control environment; and acting with integrity.

We recognize that clear expectations, policies, and processes are critical to supporting ethical behaviour, and building a culture that reinforces these expectations is equally important. We work to create an environment that not only supports ethical behaviour but also allows employees to feel safe and empowered to speak up if they have concerns about unethical behaviour. We have implemented employee training, protocols, and reporting mechanisms to help prevent behaviour that is not in line with our business principles, Code of Conduct and other internal standards.

The firm prohibits retaliation against any individual who reports a concern or assists with an inquiry or investigation.

We have a Code of Conduct Hotline, which is a channel for employees, clients, and suppliers to raise conduct concerns if they see, hear, or suspect something that violates our firmwide Code of Conduct. The Conduct Hotline is open 24/7, with the option to submit inquiries by phone or online. The Conduct Hotline helps promote integrity, fairness, and accountability. The firm's Code of Conduct is our shared commitment to preserve and build on these values and to maintain exceptional relationships with our clients, shareholders, colleagues, and our communities.

Ethics and culture are key focus areas of our Board of Directors. The Board oversees the governance framework that underpins our firmwide culture of ethics and receives regular updates from management, including on significant conduct issues if any should occur.

Political engagement and public policy

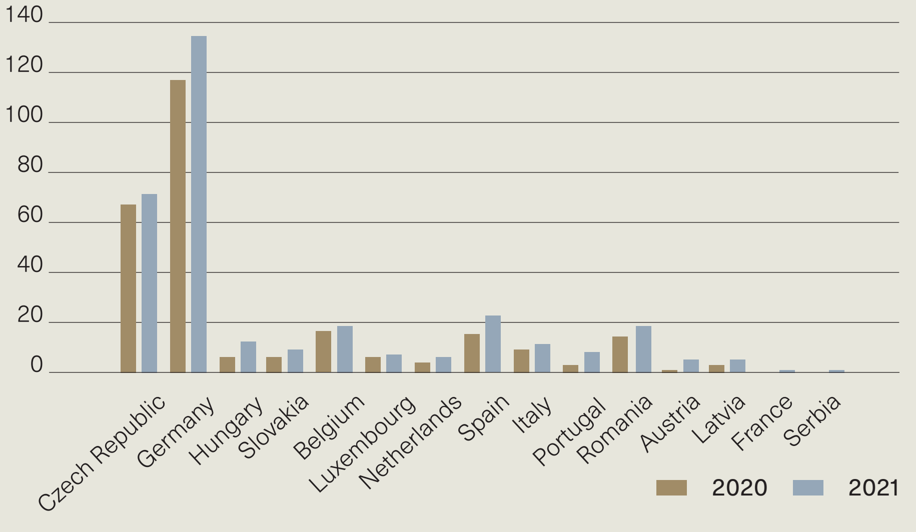
As outlined in our Political Activity Policy, VGP has a principal policy of no political engagement. Employees may participate in political activities in their own free time and should in no way suggest VGP support. Vacation leave may be requested to conduct such activities.

VGP prohibits political donations and in principle does not allow attendance at political events of VGP representatives. Exceptions may be granted by the Group, after careful consideration by Management.

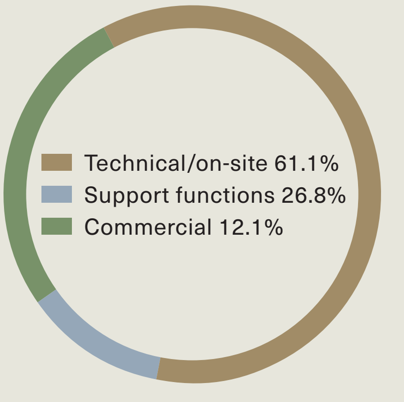
Workforce

Key figures

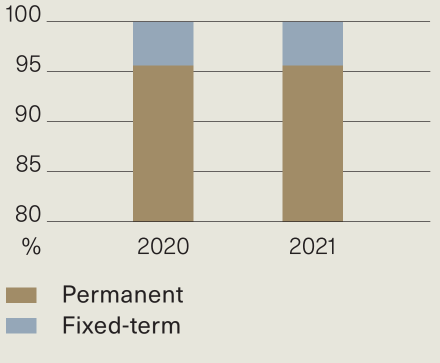
Employment by country
Workforce at YE 2020, 2021 comparison
The Group has 322 FTEs as of December 31, 2021

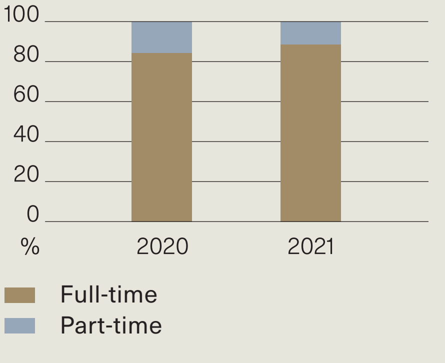


Employment by activity



Employment contracts
Workforce at YE 2020, 2021 comparison





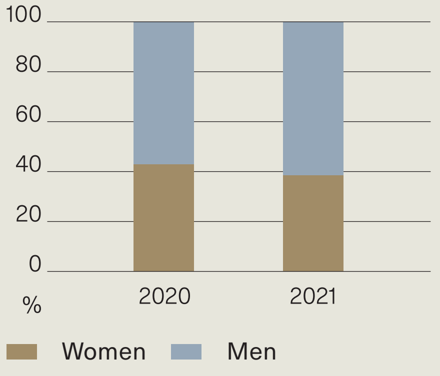
Workforce at YE 2020, 2021 comparison

	2020	2021
Proportion of employees entitled to parental leave	100%	100%

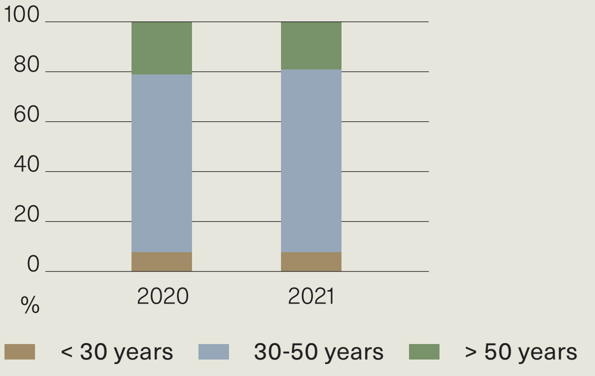
The Company's mission – Building Tomorrow Today together – represents the excellence in the Group's standards and culture. Together at VGP means that we empower all our employees to work together to become sustainability and diversity change-makers. Employee performance is measured against the first value in the annual Performance Reviews and appropriate review contribution is being considered for the second value.

Diversity and inclusion

Employment by Gender



Employment by Age



Proportion of senior management level positions held by women

Workforce at YE 2020, 2021 comparison

	2020	2021
Proportion of the board level positions held by women	60%	60%

Workforce at YE 2020, 2021 comparison

	2020	2021
Proportion of senior/management level positions held by women	13%	16%

VGP operates in industries where jobs have traditionally been predominantly filled by male employees. The percentage of board female leadership provides a strong signal to our commitment to diversity. We realise there are still considerable steps to be taken within the organization.

To this end, and to track progress, this performance indicator for senior/management level positions has been introduced. To further stimulate diversifying skills and competency profiles at all levels within the organization, VGP introduced a new framework – the VGP Diversity Policy – to fully embed the Group's commitment to Diversity and Inclusion at all levels within the organization.

Ratio average compensation men/women 2021

Differences in average compensation are being analysed and can be explained by the structure (presence of more males at the highest responsibility levels), not by company remuneration policy or practices.

Tools are being developed to monitor these ratios, and talent management and remuneration policies are already in place to keep reducing these potential gaps. Diversity and Inclusion forms a key part of the Group's human capital strategy. VGP commits to ensuring full equal opportunities (e.g. gender, nationality, sexual orientation) in HR practices and processes Groupwide.

100% of VGP countries ensure full equal opportunities by having the VGP Equal Opportunity statement included in formalized HR policies relating to Recruitment practices, Compensation & Benefits, Talent Review and Learning & Development. The VGP Diversity Policy and VGP Talent Development Program ensures that HR policies 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.

Supply Chain Management

The ESG strategy of the Group addresses fundamental challenges and encompasses a much wider footprint than its direct actions. Being a substantial buyer, the Group is aware of the importance of driving industry standards. We strive to drive our suppliers and service providers toward more sustainable operations.

Given the size of its portfolio, the Group works with many suppliers and contractors. This ensures that VGP is not exposed to the risk of depending on only a few main strategic suppliers.

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;
— Operating costs, services provided to properties for daily onsite operations, such as maintenance, landscaping and garden maintenance, waste management (if applicable), energy and water provision (OPEX paid by VGP as the property owner or as manager in case of the joint ventures and mostly passed onto tenants as service charges);
— Land and capitalised construction works invested in properties for three main purposes: new development or enhancement works, maintenance works or reletting works (CAPEX paid by VGP as the property owner); these include mainly purchases from constructors, fees for architects, designers and engineering firms, and insurance premiums.

The varied nature of procurements and the diverse locations of the Group's properties result in having most of the supply chain consisting of 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 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).

Operating expenses are spent locally. OPEX and CAPEX costs are mostly comprised of labour-intensive services and to that extent are purchases that cannot be relocated. Capitalised construction works are non-recurring expenses depending on development activity.

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's Anti-Bribery and Corruption policy and in the Code of Conduct as revised in 2022, all purchases must comply with the applicable local laws and regulations, especially labour and environmental laws. These local laws and regulations notably include the respect of the Modern Slavery Act or anti-discrimination clauses.

The ESG approach is fully integrated at each step of the supplier procurement and referencing process of VGP. Suppliers are to sign and comply with the Supplier Code of Conduct which includes requirements related to the conservation of the environment, the working environment and social conditions, and business ethics and compliance. Furthermore, suppliers are subject to a due diligence analysis to ensure ethical work practices related to sustainability, work environment, labour legislation, human rights, among others.

Selection of suppliers

VGP chooses its contractors with great care and ensures that they comply with the procurement policy. Group-wide, the purchasing procedures aim to achieve an optimised price for the best level of service while securing an equal treatment among providers/suppliers. Based on the procedure, 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 "Know Your Partner" procedure of the Group. This due diligence process aims at assessing the partners exposure to corruption risk, but also enable the Group to identify 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 in informing the Group's choice of suppliers: they form part of the criteria considered in any tender process used to select suppliers. Each purchasing step is duly documented for traceability.

A web-based NetSuite solution for purchasing management was launched in 2021. The use of this purchasing platform 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 for local as well as pan-European purchasing decisions. This solution secures the administrative management for the whole purchasing cycle and ultimately should also generate productivity gains.

Inclusion of ESG criteria in contractual clauses

Inclusion of ESG criteria in contractual clauses apply for all the countries in which VGP operates, although they can 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, prevention of all forms of discrimination, respect for human dignity and for employees' work, conservation of the environment and reporting practices that are in breach of these principles using the contact procedure provided by the Group. The procedure ensures the protection of social and labour rights, including a commitment to comply with the conventions of the International Labour Organisation ("ILO") and with local employment legislation.

Suppliers are required to comply with all relevant safety (we generally expect our general contractors and health-and-safety coordination partners to comply with ISO45001), 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.

Raising awareness amongst existing suppliers

To encourage existing suppliers and contractors to improve sustainable operating practices and the use environmentally sustainable materials, the Group is evaluating ways to further raise the awareness amongst existing suppliers. These include, but are not limited to, sharing the ESG policy and related environmental and social targets with all of main service providers Group-wide through official communication letters (including contents and ambitions of the Group ESG strategy) and the announcement of further supplier engagement on ESG topics, including ESG assessments

VGP in the community

Today, more than ever, the Group aims to come together with its communities and stakeholders, building on each other's strengths to create shared value. Anchored in the local areas where it operates, each of the Group's parks has built a network of local partnerships, working closely together to identify and tackle issues which are crucial for the local population and businesses. By building these strong and long-term relationships with local stakeholders, the Group can coordinate common answers, use its technical competence to connect people, commerce, and the build environment.

On 21 April 2021, VGP Portugal organized a volunteering event in Santa Maria de Feira at the Set + Pessao Association. The association supports and develops culture and handicraft projects to promote the reintegration of people in socially vulnerable circles.

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In November 2021 a total of 250 trees were planted by 18 VGP volunteers accompanied by the Ivan Dejmal Foundation in Jizera mountains, Czech Republic.

VGP Community Day

The VGP Community Day is an initiative designed to engage many employees in volunteering for a local community or charity. In 2021, the pilot projects in Czech Republic and Portugal were very well received and the concept is being rolled out to VGP's other markets in 2022. In November 2021 a total of 250 trees were planted by 18 VGP volunteers accompanied by the Ivan Dejmal Foundation in Jizera mountains, Czech Republic.

VGP for jobs

In many of the concrete targets of VGP parks have been agreed with the local municipality in terms of number and type of jobs created. This is often part of an overall agreement with the local municipality to create a new park that is fully integrated in the local community, fostering the social fabric and the environment. Following the development of a park, VGP continues to work with existing tenants and the local community, for example by facilitating job secondments and internships for local schools, colleges and universities. An example of such program has been setup with the HAN – University of Applied Sciences in Arnhem to promote or facilitate logistics jobs for students with tenants at our VGP Park Nijmegen. Finally, at Group level, several community initiatives are supported by the VGP Foundation. For further details on these initiatives please refer to section VGP Foundation. In total, philanthropic contributions from VGP amounted to €6.45 million group-wide in 2021.

Employee well being

Employee retention remains high due to an effective remuneration plan, internal growth opportunities that reward and advance high potential employees and challenging, yet exciting, projects. In 2021 VGP conducted an inaugural employee satisfaction survey which received excellent scores. VGP has a strong culture which is shared across all countries in which we operate and which we believe is a critical part of our business success.

The key elements of our culture:

— Workplace safety
— Effective Group and Country leadership as culture carriers
— Working in partnership – "we like simple projects but are never scared of a challenge"
— ESG performance targets
— Diversity and inclusion
— Seeking regular feedback from our employees
— Promotion of VGP values
— Client well-being

A sustainable work environment is implemented as part of initiatives related to managing Scope 1 and Scope 2 footprint. Out German headquarters is currently running a pilot ergonomics policy. In the last year, the Group has improved its policy to allow cross-border learning and development opportunities. In order to encourage a healthy lifestyle, a "healthy snack"-program has been introduced in those office locations where available. The annual, company-wide 'VGP Community Day', allows our employees to volunteer to support a cause close to them or their team, or to work with a local charity that the VGP Foundation has recently funded.

VGP Foundation

The VGP Foundation was established in September 2019, on the belief that responsible entrepreneurship goes beyond the day-to-day activities.

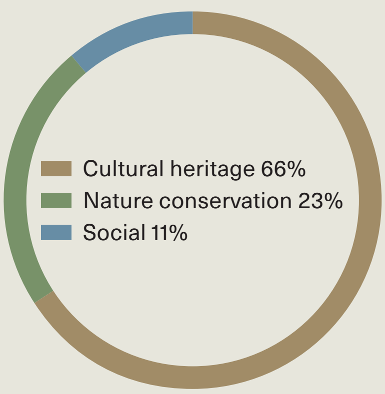
The foundation focuses on three main areas: supporting the education for children and young people in need, the preservation and creation of biospheres and nature conservation zones and the protection of European cultural assets and heritage sites. VGP has committed to donating a part of its profits each year to the VGP Foundation to ensure that it has sufficient financial resources to carry out its charitable causes.

The VGP Foundation received €3 million start-up capital from VGP in the year 2020 and € 4 million in 2021. For the year 2022 VGP has provisioned €5 million additional contribution. Additionally, VGP offers in-kind funding through the provision of expert volunteers, community volunteers, products, and services. It also provides office space, IT and travel support, and hosts the Foundation's website.

As of December 31, 2021 a total of 29 projects were approved with funds allocated to 26 projects so far. For further details please refer to the VGP Foundation Annual Report 2021 which is available at **www.vgp-foundation.eu**

Funding areas since inception

FOR THE YEAR ENDED 31 DECEMBER 2020 AND FOR THE YEAR ENDED 31 DECEMBER 2021 COMBINED



Case study: Example VGP Foundation project in Slovakia

For a vulnerable child, a BUDDY can make a difference

VGP Foundation was one of several main corporate supporters of PROVIDA BUDDY programme in 2021. PROVIDA and its main programme, BUDDY, were established in Slovakia to match dysfunctional young people in-need with caring adult volunteers who want to fulfil that supporting role. There presently are 100 such BUDDY pairs

The BUDDY programme's professional staff and volunteers find, screen, train, and support BUDDY volunteers. Only about 10–15% of applicants ultimately enrol in the programme. The organisation asks volunteers to make a long-term and regular commitment - typically, a BUDDY volunteer and BUDDY youth get together about once a week.

The contribution by the VGP Foundation helped to establish several new BUDDY relationships, as well as to finance research evaluating the programme's long-term impacts on children.

Buddy

ESG Risk Management

The Group's Risk Management framework is presented in the Group's annual report. ESG risks were analysed at Group level. This section presents a detailed analysis of the climate change risks and ESG risks for the Group.

In addition to addressing climate change risks, this section also covers climate change adaptation through the resilience of our assets to climate change: the Group targets for 100% of its development projects to include long-term climate change risk assessments while minimising resource use. This climate change risk assessment enables VGP to have a clear view on the future risks of climate change at the asset level. In addition, VGP performed its first CRREM study (Carbon Risk Real Estate Monitor) in 2021 to analyse stranding risks across the portfolio. The pilot study encompassed the entire portfolio, a deep dive into the existing assets in the German portfolio and into ways how the implementation can be improved as some of the asset definitions applicable are not yet available in the tool. Results are encouraging, as with the German portfolio less than 30% of assets (in gross floor area) are considered as stranded in 2030 and circa 50% in 2050 (using the market-based approach energy consumption). It must be noted that this is a purely theoretical approach that does not integrate any further reduction measures that are planned in the next 10 to 30 years and that is based on 2020 energy consumptions. Please find additional details in the CRREM Reporting section in the Additional Information chapter of this report.

Furthermore, and on a shorter time horizon, the Group complies with regulatory requirements in each country regarding flooding risks, water management, and drainage systems for exceptionally heavy rainfall.

Regarding our development projects, specific requirements including the analysis of climate change physical risks, comfort and energy efficiency topics are already integrated in our sustainability framework (see 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 & Safety (H&S) 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, legionella and electromagnetic radiation.

Managing Environmental Risks: Environmental Management System

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

The Group has defined and monitors several indicators to manage the environmental performance of its standing assets and development projects, in line with the objectives of our ESG strategy. Some of these indicators are incorporated into the budget review processes for standing assets and development projects to ensure alignment between ESG objectives and business decisions. For more information on the Group's Environmental Management System (EMS) please refer to the online policy document *(https://www.vgpparks.eu/en/investors/corporate-governance/)*

Business ethics

Bribery and corruption risk

The VGP Code of Conduct describes the key principles of conduct for the business environment, in which the Group operates, including the zero tolerance of bribery. The VGP anti-bribery and anti-corruption policy further details the principles as outlined in the VGP Code of Conduct and sets out the practices and VGP's firm commitment in fighting against and preventing corruption and bribery conduct.

	2021
Number of sanctions imposed by regulators in 2021 linked to corruption incidents	0
Percentage of employees trained on corruption prevention	c. 100%

Non-transparency in reporting of lobbying activities

As outlined in our Political Activity Policy, VGP has a principal policy of no political engagement and participating in political activities

	2021
Number of reported lobbying actions	0

Breach of personal data and cyber security

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

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

	2021
Percentage of employees trained on cyber security and data protection	100%

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

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

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

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

As part of the response to the COVID-19 pandemic, strong sanitation and hygiene standards have been implemented at all of the Group's parks, building projects, and own offices.

Human Capital

Non-engagement of employees

The turnover rate of employees may increase as employees are not engaged on VGP's ESG agenda in general and at their place of work specifically. In addition to employing strict policies on inclusion, diversity and human rights, the Group is implementing people-oriented policies designed to make VGP a great place to work, including in order to promote work-life balance. A sustainable work environment is implemented as part of initiatives related to managing scope 1 and scope 2 carbon footprint, as well as a pilot ergonomics policy in the main office in Germany. Throughout the last year, the Group has improved its policy to allow cross-border learning and development opportunities. To encourage a healthy life style, the "healthy snack"-program has been introduced in those office locations where available.

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

Lack of attractiveness for employees

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

The Group has a strong partnership with reputable head-hunting firms to map and target best external talent. The Group is working on a setting up a new graduate recruitment program with a pilot program being setup in 2022 in Romania.

Lack of profile diversity

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

Identifying and managing human rights risks

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

VGP Park Leipzig – nature compensation area

Local municipal acceptability

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

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

Environmental pollution

Water, soil and air pollution linked with development projects

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

Not identifying existing pollution in acquired development projects

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

Demolition works at brownfield VGP Park Wiesloch-Walldorf with recyclable materials and soil being sorted and separated

Responsible Supply chain

Controversies linked with service providers, suppliers or subcontractors

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

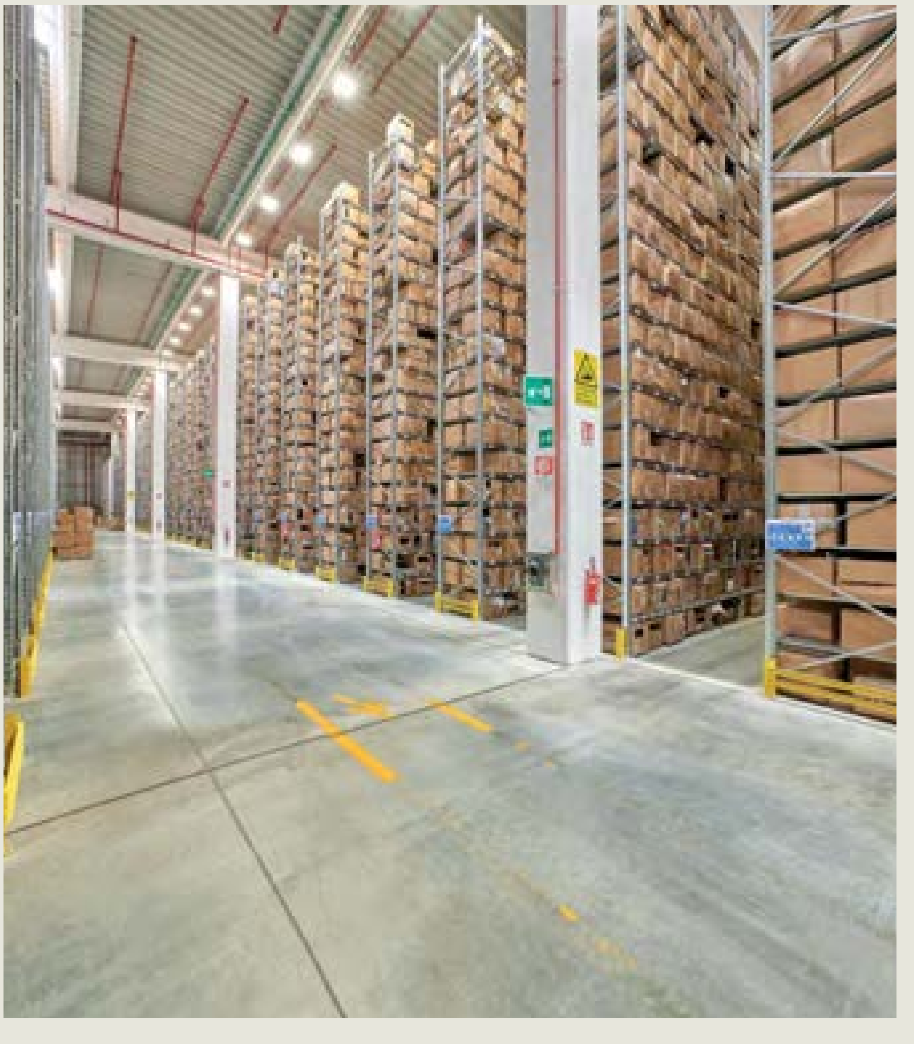
The Group's Considerate Construction Charter is applicable for all development projects describing the Group's requirements and recommendations to optimize the environmental quality of worksites.

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

The Group has a policy to use timber from certified, sustainably managed forests with FSC or PEFC certification in development projects. Furthermore, several pilot projects are underway to plan additional circular building materials concepts.

Controversies linked with tenant activity

VGP screens its tenants in order to minimize the risk that the Group leases premises to a corporation active in a controversial industry (for example arms production) or not complying with regulations or standards of their profession (e.g. fundamental human and labour rights). The group is also pro-actively reaching out to tenants to support transition towards renewable energy consumption as part of green lease concept and as such the Group monitors the percentage of green leases signed among new and active leases.



Energy and greenhouse gases

Price volatility and limited availability of fossil fuels

Energy efficiency targets and energy management action plans are increasingly being rolled out in standing assets, involving energy consumption optimisation actions as well as investments in energy efficient equipment in new construction projects. The Environmental Management System of the Group supports the objective to improve environmental performance of all standing and development assets of the Group. This is also supported by a shift towards sourcing electricity from renewable energy sources for all assets, driven by the development of on-site renewable energy production capacity. For several development projects a life-cycle assessment is being conducted which will help the Group to identify opportunities to reduce the amount of materials used and their carbon footprint. This assessment will also provide lessons learned for the entire Group portfolio. The Group is actively engaging with stakeholders to improve energy efficiency and source renewable energy, including tenants and suppliers (e.g. Green leases, PPA contracts, and energy performance contracts with maintenance providers).

A new main performance indicator has been introduced to monitor the energy intensity per square meter of use (kWh/sqm), as well as the carbon intensity linked with energy consumption of standing assets (Scope 3 “in use”). Please find more in the section on Sustainable Properties in the Commitments chapter.

Increased regulation on building energy efficiency

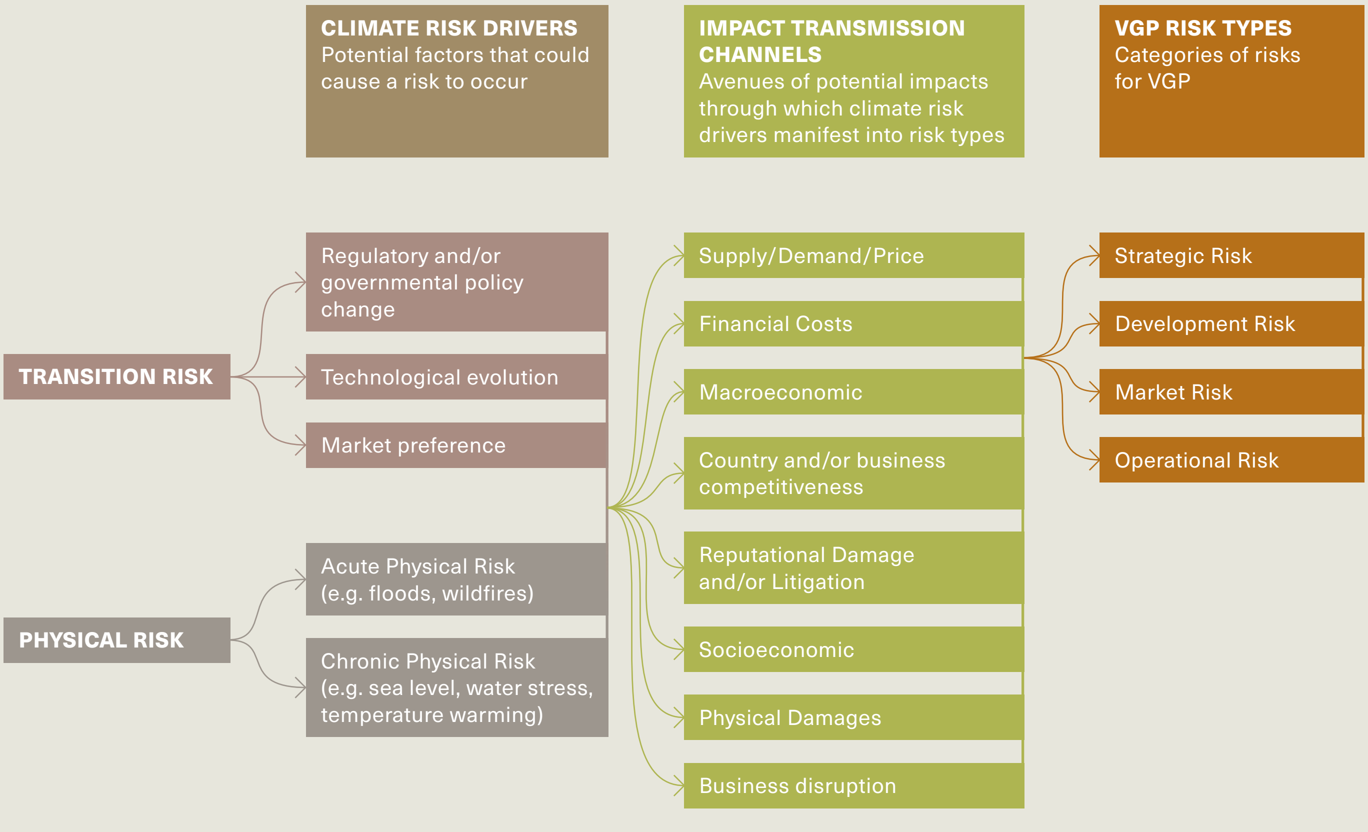
The Group has invested in energy efficiency measures in the majority of the standing portfolio and makes such investments standardized in development projects. Energy management action plans are being rolled out in all standing assets, involving energy optimisation actions as well as investments in renewable energy production. The Group’s Environmental management system aims to improve the environmental performance of assets and the Group engages with stakeholders to improve energy efficiency, including with tenants and service providers (e.g. green leases, and energy performance contracts with maintenance providers).

Identifying, Assessing and Managing Climate-related risks and opportunities

Climate change is among the most critical challenges facing society today. VGP is committed to understanding how climate change may drive or influence the risks we identify and manage.

As illustrated in the chart below, we have developed an internal classification system that describes how climate-related risks can translate into potential impacts for our clients, the communities in which we operate and the Group itself — such as changes in supply or demand, financial costs and/or business disruptions, among others — and how those impacts could manifest as risks to our Group. We also assess these impacts against considerations such as time horizon, industry segment and geography as a means of better understanding how these risks emerge within our Group. This classification framework informs our risk identification process, which will continue to evolve as we deepen our understanding of how climate-related drivers could manifest as risks to the Group.

Climate risk



Azure Stonecrop (Sedum caeruleum L.) growing on green roof at VGP Park Berlin

Transition risks cover a range of potential impacts that stem from how society responds to climate change. These include volatility in energy and carbon pricing and possible changes in energy and climate policy as well as regulation, which could lead to economic impacts or drive other changes, such as the restriction of certain land use for developments and the development of low-carbon technologies. Transition risks also include shifts in consumer preferences toward low-carbon goods and services, and clients' shift towards a need for zero carbon emissions production and logistics facilities. All of these risks could impact our clients. Transition risks could also be further accelerated by changes in the physical climate.

Physical risks include both acute weather events and chronic shifts in the climate, such as altered distribution and intensity of rainfall, prolonged droughts or flooding, increased frequency of wildfires, rising sea levels or extreme heat. These physical risks could have an impact on the Group's own operations and our clients' operations (e.g., interruptions to business operations or supply chains). The physical effects of climate change are likely to increase in frequency and severity over time.

In the absence of significant global action to curtail the effects of climate change, risk drivers such as extreme heat, sea level rise and increased frequency of extreme weather events are expected to impact and exacerbate existing risks to infrastructure, ecosystems and social systems. Transition and physical climate-related risks could also lead to financial impacts such as interruptions to supply chains, declines in asset values or significant shifts in demand for certain products or services.

As noted above, the key drivers of transition risk and physical risk can manifest themselves in a variety of ways. The table below provides selected examples of different types of climate-related transition and physical risks and how they could materialize across the four major risk types we manage: strategic risk, development risk, market risk and operational risk.

	TRANSITION RISK	PHYSICAL RISK
STRATEGIC RISK Risk to earnings, liquidity, reputation associated with poorly designed or failed business plans or inadequate response to change in the operating environment	Stakeholder perceptions of business (e.g. clients, communities, partners) of inadequate response could result in reputational impacts	Parks in areas susceptible to climate-related events face valuation risk, inability to obtain appropriate insurance for property and ultimately business continuity risk
DEVELOPMENT RISK Risks associated with the development activities, risks with the default of a supplier, health and safety related risks amplified by climate change	Shift in client preference for more sustainable building practices, requirements (for example smart and sub-meterings) and certification levels	Temporary disruption in development activities leads to delayed deliveries and loss in profitability
MARKET RISK Risks associated with the effect of changes in market factors, such as appraisal value market yields, renewable energy and carbon-offset prices	Changes in demand for renewable energy and carbon offsets leads to price volatility and with respect to property valuations, forward-looking climate risk analysis and assessment increasingly impacting asset values	Certain events can lead to a long-lasting decline in property prices in geographies that have heretofore been relatively unexposed to extreme weather or climate events, or where intensity and frequency have appreciably increased.
OPERATIONAL RISK Risk associated with an adverse outcome resulting from inadequate or failed internal processes or systems; human factors; or external events impacting the Group's processes or systems.	New legislation and/or regulatory requirements lead to significant changes in operational processes and costs	Extreme weather causes direct damage to existing buildings and or infrastructure

Climate Scenario Analysis

Scenario analysis is a useful tool for understanding risks across a variety of economic, market and other conditions. Scenarios can be designed to monitor a wide range of stress events to give our management insight into the drivers behind risk factors or potential losses. An effective scenario analysis framework creates transparency into the scale and source of hypothetical losses, in order to make business decisions and compare risk appetite with business opportunities. The Group uses a set of scenarios that are relevant to our development and portfolio management business, risk positions, funding and capital management practices. They represent a wide range of severities as well as both broad drivers (e.g., general economic downturn) and specific events (e.g., acute weather events or a credit squeeze).

Leveraging scenario analysis to better understand climate-related risks is a relatively new and rapidly evolving area. We are continuing to consider comprehensive climate-based scenarios as we build our knowledge of climate-related drivers, impacts and potential losses, and we plan to evolve our approach to climate scenario analysis over time, especially as data availability and modelling techniques progress.

We recognize our business is exposed to both transition and physical climate risks, and we are working to understand how climate-driven impacts may emerge. The financial impacts of climate-related risks can differ across clients and geographies due to numerous factors including but not limited to:

— A client's strategy for developing low-carbon transition plans
— Time horizon associated with the transition and physical risks
— Impacts on the specific markets where clients have business activity
— Susceptibility to price fluctuations of construction materials (e.g.,steel, concrete, FSC certified wood)
— Geographical concentrations of operations
— Availability of low-carbon technologies
— Changes in European policies

Transition risks

Over the past year we have further improved our building standard to ensure all current and anticipated climate change requirements are embedded in the design. At the same time, we are conducting pilot projects aiming for CO_2-neutrality (under DGNB certification). Furthermore, we are conducting a consultancy study into building circular materials. The results of these studies will allow us to implement and improve best practices within our Group-wide building standard.

The roll-out of the renewable energy availability across our existing portfolio and the offer to our tenants to switch to renewable energy will answer to the anticipated changing demand for green energy. Our renewable energy roll-out over the coming years should allow the reduction of our gross Scope 3 in-use emissions. More details on the renewable energy roll-out can be found in the section on Sustainable Properties.

It will be important for the Group to continue to showcase improvement and demonstrate environmental qualities of assets (environmental certification, carbon footprint, etc) and maintain or improve our ESG ratings in order to maintain access to green financing.

Physical risks

Over the past year, we have analysed exposures to physical climate risks in pilot studies and also are taking the effects into account with regards to new land purchases. For example, in all of our land purchasing studies we typically include 100-year probability heavy rainfall models. Also we have started to analyse the effects of sea-level rise on our portfolio. With regards to sea level rises our work to this point has used IPCC scenarios of projected areas that will be impacted by sea-level rise[1] up to 0.6 m above current levels, to assess property level impacts and inform our approach to understanding potential losses if rising sea levels were deemed imminent and were accelerating.

Mapping Our Path to Integrated Climate Risk Management

VGP is on a journey to further integrate climate risk into our existing firmwide risk management framework. We have identified the following deliverables that will be used to define success:

— Enhance climate risk capabilities to include climate risk identification and scenario analysis
— Incorporate data and analytics to assess, monitor and measure climate risk
— Adapt existing risk management frameworks to incorporate climate-based transition and physical risks where appropriate
— Include, where relevant, climate risk into our policies and standards to provide effective governance
— Evaluate representative stress scenarios across transition and physical risk to add to the Group's established scenarios

1 Under the IPCC Special Report on Emission Scenarios (SRES) A1B scenario by the mid-2090s, for instance, global sea level reaches 0.22 to 0.44 m above 1990 levels, and is rising at about 4 mm yr. As in the past, sea level change in the future will not be geographically uniform, with regional sea level change varying within about ±0.15 m of the mean in a typical model project

Governance

Lack of resources or ownership for managing ESG risks

The Group ESG agenda has been defined and overviewed at the highest governance levels: Group CEO, Management Team, and the Board.

The Group has integrated the ESG agenda into the core business processes both for standing assets as well as development projects: due diligence process, environmental management system for both development projects and existing assets, ESG information integrated in asset budget reviews, ESG objectives set for all country teams in the assessment process of individual performance and ESG training module rolled-out to all employees.

The Group is aligning initiatives, action plans and targets with the ESG program in all countries and departments (sales, development/technical, etc.), with a 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.

Green financing of the Group activities

Green bond issuance

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.

Eligible Assets

The ESG criteria associated with the Green Bonds were approved by 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 offshore renewable energy facilities, including primarily solar and wind projects, but also hydrogen and geothermal energy projects)

— Category of green buildings (i.e., real estate assets with BREAAM "Very Good" certification or equivalent DGNB/LEED rating)

— Other eligible project categories include energy efficiency (i.e., for existing or new (logistics) buildings, warehouses and technologies-related services and products), waste management (i.e., projects, investments and expenditures which promote better recycling rates), clean transportation (i.e., electric vehicle charging stations, bike facilities), and sustainable water management (i.e., reduce freshwater consumption, capturing and recycling rainwater, green roofing)

Additional criteria and indicators to be monitored for eligible assets – including EU Taxonomy and CCREM, also referring to the section on EU Taxonomy and CRREM respectively in the Additional Information Chapter – are published on the Investor Relations' website under the following link:
https://www.vgpparks.eu/en/investors/financial-debt/

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 is illustrated below:

	GREEN BOND – APRIL 2029		GREEN BOND – JAN 2027		GREEN BOND – JAN 2030	
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**
Renewable Energy	24,420,753	4.1	—	0.0%	—	0.0
Green buildings	572,552,336	95.4	282,134,217	56.4%	290,714,049	58.1
Energy Efficiency	—	0.0	—	0.0%	—	0.0
Waste Management	—	0.0	—	0.0%	—	0.0
Clean Transportation	—	0.0	—	0.0%	—	0.0
Sustainable Water Management	3,746,700	0.6	—	0.0%	—	0.0
(over)/ unallocated	(719,789)	– 0.1	217,865,783	43.6%	209,285,951	41.9
Total gross proceeds	**600,000,000**	**100.0**	**500,000,000**	**100.0%**	**500,000,000**	**100.0**

The allocation of the proceeds for Green buildings split between CAPEX financing and refinancing:

TYPE OF FINANCING	GRAND TOTAL *(€)*	%
CAPEX financing	656,853,160	56
Refinancing	516,714,894	44
Total	**1,173,568,054**	**100**

Green Bond – April 2029

Green buildings allocation by certification type €

COUNTRY	BREEAM EXCELLENT	BREEAM VERY GOOD	DGNB GOLD	DGNB SILVER	LEED SILVER	GRAND TOTAL	%
Austria		—	11,165,410	9,872,193	—	21,037,603	2
Czech Republic		4,382,952	—	—	—	4,382,952	0
Germany		—	96,845,417	235,027,061	—	331,872,478	29
Hungary		39,569,136	—	—	—	39,569,136	3
Italy	10,259,626	31,787,666	—	—	—	42,047,292	4
Latvia		2,293,462	—	—	—	2,293,462	0
Netherlands		—	—	—	—	—	0
Portugal		—	—	—	—	—	0
Romania		44,623,963	—	—	—	44,623,963	4
Serbia		—	—	—	—	—	0
Slovakia		57,662,488	—	—	—	57,662,488	5
Spain		29,062,961	—	—	—	29,062,961	3
Grand Total	**10,259,626**	**209,382,629**	**108,010,827**	**244,899,254**	**—**	**572,552,336**	
% of total	**1**	**18**	**9**	**21**	**0**		

RENEWABLE ENERGY SPECIFICATION ***(€ proceeds allocation)***	
Netherlands	5,309,425
Italy	1,744
Germany	19,109,584
Total	**24,420,753**

SUSTAINABLE WATER MANAGEMENT ***(€ proceeds allocation)***	
Netherlands	175,000
Germany	3,571,700
Total	**3,746,700**

Green Bond – Jan 2027

Green buildings allocation by certification type €

COUNTRY	BREEAM EXCELLENT	BREEAM VERY GOOD	DGNB GOLD	DGNB SILVER	LEED SILVER	GRAND TOTAL	%
Austria	—	—	—	—	—	—	0
Czech Republic	—	62,474,383	—	—	—	62,474,383	5
Germany	—	—	—	194,533,303	—	194,533,303	17
Hungary	—	—	—	—	—	—	0
Italy	—	—	—	—	—	—	0
Latvia	—	—	—	—	—	—	0
Netherlands	—	—	—	—	—	—	0
Portugal	—	14,350,305	—	—	—	14,350,305	1
Romania	—	—	—	—	—	—	0
Serbia	—	—	—	—	—	—	0
Slovakia	—	—	—	—	—	—	0
Spain	—	10,776,224	—	—	—	10,776,224	1
Grand Total	**—**	**87,600,913**	**—**	**194,533,303**	**—**	**282,134,217**	
% of total	**0**	**8**	**0**	**17**	**0**		

Green Bond – Jan 2030

Green buildings allocation by certification type €

COUNTRY	BREEAM EXCELLENT	BREEAM VERY GOOD	DGNB GOLD	DGNB SILVER	LEED SILVER	GRAND TOTAL	%
Austria	—	—	—	—	—	—	0
Czech Republic	—	5,751,291	—	—	7,048,214	12,799,505	1
Germany	—	—	—	78,270,995	—	78,270,995	7
Hungary	—	—	—	—	—	—	0
Italy	—	9,566,403	—	—	—	9,566,403	1
Latvia	—	—	—	—	—	—	0
Netherlands	—	100,437,160	—	—	—	101,839,379	9
Portugal	—	—	—	—	—	—	0
Romania	—	—	—	—	—	—	0
Serbia	—	—	—	—	—	—	0
Slovakia	—	—	—	—	—	—	0
Spain	—	89,639,987	—	—	—	89,639,987	8
Grand Total	**—**	**205,394,840**	**—**	**78,270,995**	**—**	**290,714,049**	
% of total	**0**	**18**	**0**	**7**	**1**		

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.

Criteria of the use of proceeds reporting

Renewable Energy

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.

List of all eligible photovoltaic investment projects and allocation per green bond (only eligible photovoltaic projects have been included):

PARK	BUILDING	PV PRODUCTION (KWP)		BOND ALLOCATION		
		OPERATIONAL	UNDER CONSTRUCTION	Apr.-29	Jan.-27	Jan.-30
VGP Park Nijmegen	NLDNIJ – A3	2,279		×		
	NLDNIJ – A1/2	1,518		×		
	NLDNIJ – A4/5	1,012		×		
	NLDNIJ – B1/B2		3,082	×		
	NLDNIJ – B3/B4		5,940	×		
	NLDNIJ – C1/2		3,779	×		
VGP Park Roosendaal	NLDROO – A1/A2	3,899		×		
VGP Park München	GERMUE – A1	748		×		
	GERMUE – A2/A3		1,696	×		
	GERMUE – B		3,789	×		
	GERMUE – C		3,031	×		
	GERMUE – E		1,894	×		
	GERMUE – F		109	×		
	GERMUE – PHS		311	×		
VGP Park Göttingen	GERGOE – A	750		×		
	GERGOE – A	747		×		
	GERGOE2 – C		3,870	×		
	GERGOE2 – C		497	×		
	GERGOE2 – C		2,244	×		
VGP Park Wustermark	GERWUS – A1		745	×		
VGP Park Berlin	GERBER – A		745	×		
	GERBER2 – B		746	×		
	GERBER2 – C		750	×		
VGP Park Giessen-Buseck	GERBUS – A	749		×		
VGP Park Lützellinden	GERLUE – A	748		×		
VGP Park Chemnitz	GERCHE – A		746	×		
VGP Park Magdeburg	GERMAG – A (ph I)	750		×		
	GERMAG – A (ph II)		1,798	×		
	GERMAG – B		2,244	×		
VGP Park Erfurt	GERERF – A	750		×		
VGP Park Hamburg	GERHAM – A1		748	×		
	GERHAM – A2		750	×		
	GERHAM2 – B2		750	×		
	GERHAM3 – C		750			

PARK	BUILDING	PV PRODUCTION (KWP)		BOND ALLOCATION		
		OPERATIONAL	UNDER CONSTRUCTION	Apr.-29	Jan.-27	Jan.-30
VGP Park Rodgau	GERROD – C	746		×		
VGP Park Borna	GERBOR-A	748		×		
VGP Park Ginsheim	GERGIN – A	748		×		
VGP Park Schwalbach	GERSCH – A	645		×		
VGP Park Soltau	GERSOL – A	749		×		
VGP Park Berlin Oberkrämer	GEROBK – A		299	×		
VGP Park Höchstadt	GERHOE – A	748		×		

The eligible photovoltaic investments have generated green energy in 2021 for in total 8,216 MWh, equivalent to 3,020 TCO_2e. For calculating the equivalent CO_2 emissions the average grid factor of the VGP Parks portfolio of 0.368 tCO_2 / MWh has been used:

RENEWABLE ELECTRICITY (MWh)	FY 2021
Total green energy generation	**8,216**
CO_2 reduction (TCO_2e)	3,020

Green buildings

The financing and/or refinancing of projects, investments and expenditures in relation to real estate assets which have received, or are designed and intended to receive, BREAAM "Very Good" certification (or equivalent DGNB Silver/LEED Silver rating)

In total 80 eligible building projects have been identified and allocated to the three outstanding green bonds according to the following split between the bonds, highlighting the certification level as well as status of the certification process (see table below). 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 of project would not achieve the required certification level it will be removed from the eligible green buildings investments portfolio.

NAME	RENTABLE SPACE – TOTAL (in m²)	CERTIFICATION LEVEL	CERTIFICATION STATUS	BOND ALLOCATION		
				Apr.-29	Jan.-27	Jan.-30
AUTGRA2 – B	7,822	DGNB – Silver	ongoing	×		
AUTGRA2 – C	14,520	DGNB – Gold	initialising	×		
CZECEB – C	9,409	BREEAM – Very Good	ongoing		×	
CZEHNN – H1	40,361	Leed Silver	realized			×
CZEHNN2 – H6	29,566	BREEAM – Very Good	initialising		×	
CZEKLA – A	15,805	BREEAM – Very Good	initialising			×
CZEKLA – B	11,250	BREEAM – Very Good	initialising	×		
CZEOLO5 – F	65,966	BREEAM – Very Good	initialising		×	
CZEPIL – E	5,775	BREEAM – Very Good	ongoing		×	
CZEPRO – A	15,199	BREEAM – Very Good	ongoing		×	
CZEPRO – B	26,850	BREEAM – Very Good	ongoing		×	
CZEVYS – A	28,199	BREEAM – Very Good	pre-checked		×	
ESPDOH – B	26,630	BREEAM – Very Good	pre-checked			×
ESPFUE – A	41,745	BREEAM – Very Good	pre-checked			×
ESPGRA – A	8,323	BREEAM – Very Good	pre-checked		×	
ESPLLI – A	13,639	BREEAM – Very Good	ongoing		×	
ESPLLI – D	7,204	BREEAM – Very Good	ongoing			×
ESPLLI – E	22,193	BREEAM – Very Good	ongoing	×		
ESPSFH – C1	8,251	BREEAM – Very Good	realized			×
ESPSFH – C2	5,165	BREEAM – Very Good	realized	×		
ESPSFH – D1	11,453	BREEAM – Very Good	ongoing			×
ESPVAL – A	13,944	BREEAM – Very Good	ongoing			×
ESPVAL – B	25,547	BREEAM – Very Good	ongoing			×
ESPZAR – A	18,073	BREEAM – Very Good	realized			×
ESPZAR – B	20,736	BREEAM – Very Good	ongoing	×		
ESPZAR – C1	22,556	BREEAM – Very Good	pre-checked	×		
ESPZAR – C2	13,615	BREEAM – Very Good	pre-checked			×
GERBER4 – M	17,327	DGNB – Silver	ongoing	×		
GERERF – A	26,562	DGNB – Silver	partially realized	×		
GERGAF – A	153,272	DGNB – Gold	ongoing	×		
GERGAF – B	49,626	DGNB – Silver	ongoing			×
GERGOE2 – C	79,900	DGNB – Silver	realized		×	
GERHAL – B	26,846	DGNB – Silver	ongoing		×	
GERHAL – C	37,841	DGNB – Silver	ongoing		×	
GERLAA – A+B	54,728	DGNB – Silver	ongoing		×	

NAME	RENTABLE SPACE – TOTAL (in m²)	CERTIFICATION LEVEL	CERTIFICATION STATUS	BOND ALLOCATION		
				Apr.-29	Jan.-27	Jan.-30
GERLAA – C	50,769	DGNB – Silver	realized			×
GERLAA – D	8,518	DGNB – Silver	realized			×
GERLEI – C1	2,397	DGNB – Silver	ongoing		×	
GERLFH – A	21,411	DGNB – Silver	ongoing		×	
GERLUE – A	14,156	DGNB – Gold	realized	×		
GERMAG – A	40,037	DGNB – Silver	ongoing	×		
GERMAG – B	64,768	DGNB – Silver	ongoing	×		
GERMAG – C1	43,202	DGNB – Silver	ongoing	×		
GERMAG – F	56,974	DGNB – Gold	realized	×		
GERMUE – A2	19,248	DGNB – Gold	realized	×		
GERMUE – B	81,548	DGNB – Silver	ongoing	×		
GERMUE – C	48,470	DGNB – Silver	ongoing	×		
GERMUE – E	39,351	DGNB – Silver	ongoing	×		
GERMUE – F	7,486	DGNB – Silver	ongoing	×		
GEROBK – A	13,759	DGNB – Silver	realized	×		
GEROBK – B	13,986	DGNB – Silver	ongoing	×		
GEROBK – C	22,753	DGNB – Silver	ongoing	×		
GERROS – A	23,335	DGNB – Silver	ongoing			×
GERSOL – A	55,812	DGNB – Silver	realized	×		
GERWUS – A1	10,997	DGNB – Silver	realized	×		
HUNBUD – B1	62,669	BREEAM – Very Good	initialising	×		
HUNGYO2 – B	13,162	BREEAM – Very Good	pre-checked	×		
HUNKEC – A	16,942	BREEAM – Very Good	pre-checked	×		
ITACAL – A	23,689	BREEAM – Very Good	realized	×		
ITAPAD – A	15,301	BREEAM – Very Good	pre-checked	×		
ITAPAD – B	7,246	BREEAM – Very Good	pre-checked	×		
ITASOR – A	12,034	BREEAM – Very Good	pre-checked			×
ITAVAL – A/B	6,677	BREEAM – Excellent	realized	×		
LVATIR – A	28,816	BREEAM – Very Good	pre-checked	×		
NLDNIJ – A	67,352	BREEAM – Very Good	realized			×
NLDNIJ – E	19,200	BREEAM – Very Good	initialising			×
NLDNIJ2 – B1/B2	42,835	BREEAM – Very Good	ongoing			×
NLDNIJ2 – B3/B4	60,062	BREEAM – Very Good	ongoing			×
NLDNIJ2 – C	37,384	BREEAM – Very Good	ongoing			×
NLDROO1 – A	41,958	BREEAM – Very Good	pre-checked			×
PRTSMF – A	29,813	BREEAM – Very Good	ongoing		×	
ROMARA – A	28,810	BREEAM – Very Good	pre-checked	×		
ROMBRA – A	27,726	BREEAM – Very Good	ongoing	×		
ROMBRA – E	9,989	BREEAM – Very Good	ongoing	×		
ROMBUC – C	28,508	BREEAM – Very Good	pre-checked	×		
ROMTIM D	31,399	BREEAM – Very Good	ongoing	×		
SVKBRA – A	43,336	BREEAM – Very Good	pre-checked	×		
SVKBRA – F	57,329	BREEAM – Very Good	ongoing	×		
SVKBRA – G	23,748	BREEAM – Very Good	initialising	×		
SVKBRA – H	18,576	BREEAM – Very Good	ongoing	×		

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

VGP PARK	PROJECT	GREEN BOND APRIL 2029	GREEN BOND JAN 2027	GREEN BOND JAN 2030
VGP Park München	Infiltration basin south incl. plants/vegetation	×		
VGP Park Göttingen	Rainwater channels with rainwater retention basin	×		
VGP Park Giessen-Buseck	Use of rainwater for toilet facilities (cistern, piping, separation systems, technology) and Infiltration of rainwater in the rainwater retention basin	×		
VGP Park Magdeburg	Rainwater channels with large rainwater retention basin combined and connected (through transport trenches) with several smaller basins with overflow and throttling system	×		
VGP Park Roosendaal	Infiltration crates, installation built under building for water overflow and retention (independent of public sewerage)	×		
VGP Park Berlin	Entire green Roof for water retention and bio-diversity stimulation	×		

Independent Third Party's report on Green Bond criteria

March 28, 2022

CICERO Green has reviewed the elements of VGP's Corporate Responsibility Report 2021 ("Report") relating to its green financing activities. We review project allocation against the Green Finance Framework criteria and impact metrics for relevance and transparency.

CICERO Green considers VGP's Report to be aligned with VGP's Green Finance Framework, but notes a discrepancy with the allocation of proceeds anticipated by VGP. Specifically, we noted in our Second Opinion that VGP expects most proceeds to be allocated in a balanced way between renewable energy and green building investments. However, only a minor share (less than 5%) has so far been allocated to renewable energy projects. We encourage VGP to have a more balanced allocation towards Dark and Light Green projects going forward and welcome that VGP informed us that it anticipates that it will make substantially more renewable energy investments from its second bond in the course of 2022.

VGP provides transparent, quantitative information about the climate and environmental impacts of its green bond investments, using relevant indicators. For renewable energy projects, VGP reports on total installed capacity on a project level, as well as total energy generated and avoided CO_2 emissions on a portfolio basis. For green buildings, VGP reports the environmental certification obtained for each building. While investments in sustainable water management projects represent a very small share of VGP's green bond investments, it has not reported any impacts for this project category.

Project allocation

VGP has issued two green bonds under its Green Finance Framework, totaling EUR 1.60 billion. The first was issued in March 2021 and raised EUR 600 million, and the second was issued in January 2022 and raised EUR 1 billion in two EUR 500 million tranches. Use of proceeds are reported as of December 31, 2021.

CICERO Green finds no discrepancies with regards to the project allocation. See Table 1 for a detailed review.

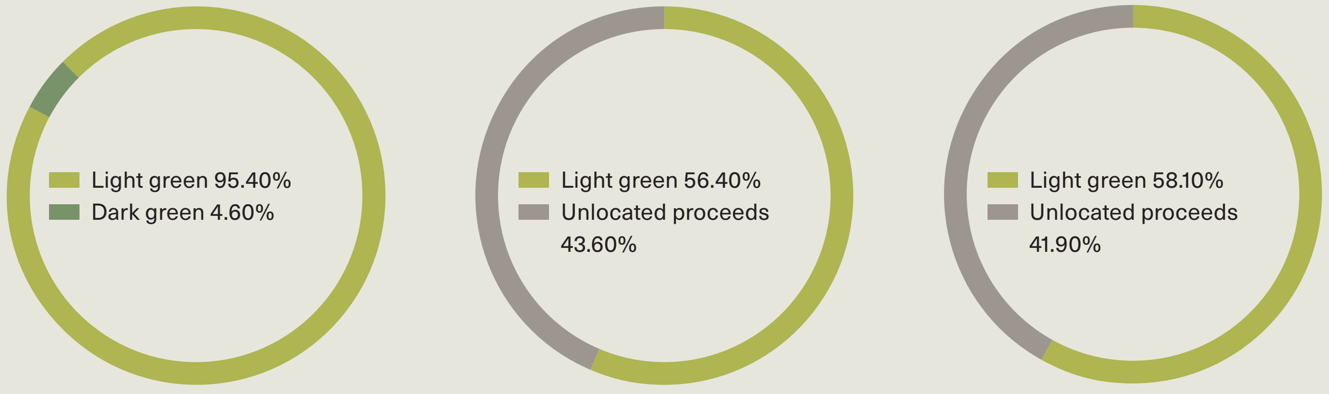
We assigned an overall shading of Medium Green to VGP's Green Finance Framework in our Second Opinion dated March 28, 2021[1]. Project categories were shaded Dark Green (renewable energy, waste management, clean transportation, and sustainable water and wastewater management projects), Light to Medium Green (energy efficiency) and Light Green (green buildings). For the first issuance, most of the proceeds (approx. 95.4%) have been allocated to Light Green investments (green buildings), and a small share of the proceeds (approx. 4.7%) have been allocated to Dark Green investments (renewable energy and sustainable water management). All proceeds from the first issuance have been allocated. For the second issuance most of the proceeds (approx. 56.4% of the first tranche and approx. 58.1% of the second tranche) have been allocated to Light Green investments (green buildings). The remaining (approx. 43.6% of the first tranche and approx. 41.9% of the second tranche) are unallocated proceeds. VGP informed us that unallocated proceeds only apply to the Bonds which were issued post the balance sheet date, and that it anticipates that it will have substantially more renewable energy investments in the course of 2022. These allocations align with VGP's expectation noted in our Second Opinion that most proceeds would be allocated to green buildings and renewable energy investments (*see Figure 1*).

We find a discrepancy in the allocation of proceeds where we noted in our Second Opinion that VGP expects most proceeds to be allocated in a balanced way between renewable energy projects and green buildings. However, only a minor share (less than 5%) has been allocated to renewable energy projects. To be a representative Medium Green framework, the issuer is encouraged to have a more balanced allocation towards Dark and Light Green projects (*see Figure 1*). VGP informed us that it anticipates that it will make substantially more renewable energy investments from its second bond in the course of 2022.

1 Second Opinion (cicero.oslo.no)

FIGURE 1
Allocation by SPO Shade of Green for the first issuance and the two tranches of the second issuance. Shading is based on evaluation at time of issuance and does not reflect ex-post project verification.

FIRST ISSUANCE | **SECOND ISSUANCE** | **THIRD ISSUANCE**



VGP's Report satisfies the commitments in respect of allocation reporting contained in its Green Finance Framework. The Report, for example, sets out:

- The total outstanding amount of green finance instruments issued under the Green Finance Framework (EUR 1.60 billion);
- The allocation of the proceeds of issued green finance instruments by project category and linked to the individual bonds;
- The amount of unallocated proceeds (approx. 30%); and
- The geographic distribution of green building investments.

VGP reports allocation of the proceeds for all investments split between CAPEX financing (56%) and refinancing (44%).

VGP confirms in the Report that the selection process for allocations of proceeds from the green bonds was undertaken as described in its Green Finance Framework.

Impact metrics

VGP reports impacts as of December 31, 2021.

In respect of renewable energy projects. financed by green bond proceeds, VGP reports three metrics: i) total installed capacity for both operational projects and projects under construction in Kwp, ii) energy generated in MWh, and iii) avoided CO_2 emissions in tCO_2e. Installed capacity is reported on a project level, while energy generation and avoided emissions are reported on a portfolio basis.

VGP discloses the methodology used for calculating avoided CO_2 emissions from renewable energy projects using the average grid factor of the VGP Parks portfolio of 0.368 tCO_2/MWh generated. VGP uses the average grid factor of the 14 different European countries in which it operates. While annual reduced emissions represent a relevant metric, there is always uncertainty around emissions data and especially avoided emissions where there are less developed guidelines.

In respect of green buildings financed by green bond proceeds, VGP lists the environmental certification level linked to each green building investment. Reporting on environmental certificates is a fair way to report impact of green building investments, however given these schemes do not, for example, guarantee, guarantee low energy performance, they are best reported with other metrics such as energy performance.

VGP's Green Finance Framework contains additional indicators it would endeavor to report on, subject to the availability of data, e.g., freshwater savings. VGP has not reported any impacts for its sustainable water management investments. It is a weakness that no such impacts have been reported, notwithstanding that these investments are a very small share of overall investments from the green bond proceeds. The inclusion of metrics commonly used for green bond reporting allows investors to better compare across issuances in the same sectors. Investors should, however, use caution when making these comparisons as methodologies, assumptions and baselines are typically not uniform.

VGP stated in its Green Finance Framework that it would pro-rate according to the ownership of a facility, which has occurred according to the issuer.

Alignment with principles for impact reporting

CICERO Green reviews the Report against the ICMA Handbook[1], Harmonized Framework for Impact Reporting and concludes that the Report follows its recommendations[2].

Terms

CICERO Shades of Green provides the elements of VGP's Corporate Responsibility Report 2021 relating to its green financing activities based on documentation provided by VGP and information gathered during teleconferences and e-mail correspondence with VGP. VGP is solely responsible for providing accurate information. All financial aspects of the sustainable finance reporting – including the financial performance of the bond and the value of any investments in the bond – are outside of our scope, as are general governance issues such as corruption and misuse of funds. CICERO Shades of Green does not validate nor certify the existence of the projects financed and does not validate nor certify the climate effects of the projects. Our objective has been to provide an assessment of the extent to which the bond has met the allocation and reporting criteria established in VGP's 2021 Green Finance Framework. The review is intended to inform VGP management, investors and other interested stakeholders and has been made based on the information provided to us. CICERO Shades of Green cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Our review does not follow verification or assurance standards and we can therefore not provide assurance that the information presented does not contain material discrepancies.

1 https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2021-100621.pdf

2 ICMA Handbook, Harmonized Framework for Impact Reporting

Detailed Review

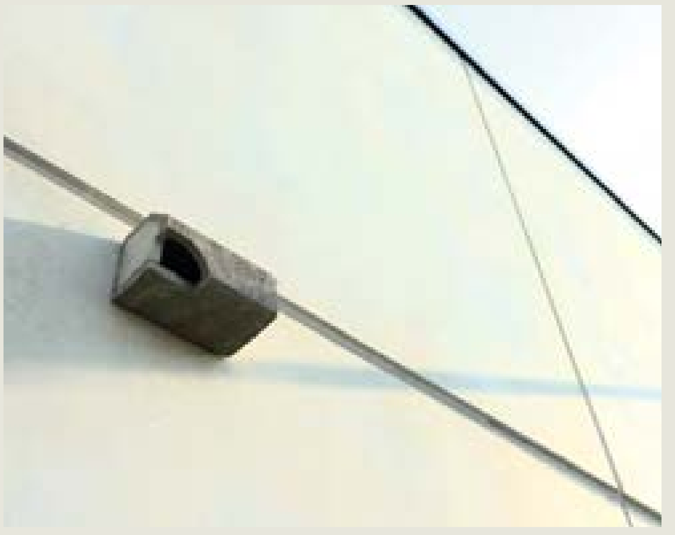
Table 1

CRITERIA	DESCRIPTION	REVIEW AGAINST FRAMEWORK CRITERIA	IMPACT METRICS	RELEVANCE OF METRICS	TRANSPARENCY CONSIDERATIONS
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.	**DISCREPANCY IDENTIFIED** — In our Second Opinion, we noted that VGP expects most proceeds to be allocated in a balanced way between renewable energy projects and green buildings. However, only a minor share (less than 5%) has been allocated to renewable energy projects. — The issuer confirmed that only solar PV projects have been financed.	— Annual production capacity (KWp) — Total green energy generated (MWh) — Avoided CO_2 emissions (tCO_2e).	✓ The metrics provide a fair indication of the environmental impact of the investment. ✓ The metric is commonly used in green finance reporting and are core indicators in the ICMA Handbook.	✓ Energy generation and avoided emissions are reported on a portfolio basis, while production capacity is reported at a project-level. ✓ VGP reports on capacity of both installed projects and those under construction. This is helpful and transparent information. ✓ Methodology, including grid factor, is disclosed for calculating avoided emissions.
Green Buildings	— Projects, investments, and expenditures in relation to real estate assets which have received, or are designed and intended to receive, BREAAM "Very Good" certification (or equivalent DGNB/LEED rating).	**NO DISCREPANCIES IDENTIFIED** — The largest share of proceeds has been allocated to this project category. — VGP has selected DGNB Silver, and LEED Silver as equivalent to BREEAM Very Good. The company bases the equivalence on a paper dated 2014[3]. Investors should note there is no consensus about the equivalence of different certification schemes. — The company confirmed that if any buildings fail to receive environmental certification as above mentioned, they will be removed from the green bond portfolio. — The company informed us that that no proceeds have been allocated to gas heating systems and that no oil--fired heating systems have been installed in any of its buildings included under the Green Framework.	— Environmental certification achieved or expected to be achieved.	✓ The metric indicates which buildings have attained what environmental certifications (or are expected to do so). However, given that environmental certifications do not guarantee e.g., a specific energy use, use of additional indicators such as energy use is encouraged. ✓ Reporting on environmental certifications is common in green finance reporting and is a core indicator in the ICMA Handbook.	✓ VGP is reporting on the level of certification achieved on a project-by-project basis. ✓ VGP could provide more transparency by reporting on other relevant metrics contained in the ICMA Handbook.

3 A comparison between BREEAM, LEED, and DGNB rating levels Source: DGNB... | Download Scientific Diagram (researchgate.net)

CRITERIA	DESCRIPTION	REVIEW AGAINST FRAMEWORK CRITERIA	IMPACT METRICS	RELEVANCE OF METRICS	TRANSPARENCY CONSIDERATIONS
Sustainable water and wastewater management	— Reduction of freshwater consumption. — Capturing and recycling rainwater. — Green roofing.	**NO DISCREPANCIES IDENTIFIED** — A minor share has been allocated to this project category. — The Report mentions different projects financed bin this project category, including: the construction of infiltration basins including plants/vegetation; the construction of rainwater channels with rainwater retention basin; the utilization of rainwater for toilet facilities; the creation of rainwater channels with large rainwater retention basins; the installation of infiltration crates; and the development of green roofs for water retention.	— N/A – no impacts reported.	✓ N/A – no impacts reported.	We encourage VGP to report impacts for this project category. Indicators should ideally align with the ICMA Handbook.

Examples of biodiversity initiatives on VGP Parks



VGP Park Berlin – Bird boxes

VGP Park Vyškov – Insect hotel

VGP Park Nijmegen – Wood wall provides living space for many smalller animals

VGP Park Frankenthal – Beehives

VGP Park Berlin – Water trenches to retain excess rainwater and ecoduct

Additional information

Reporting

TCFD Disclosure

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

The Board has overall responsibility for ensuring that risks, including climate-related risks and opportunities, are effectively and consistently managed throughout the Group. The Board delegates the execution of the risk management process to the Chief Executive Officer. On the operational level, the management team defines implementation strategies and priorities with respect to group-wide Environmental targets. The respective Country Manager, supported by the Chief Technical Officer, is responsible for ensuring that our environmental (and other) targets are met on both existing assets and new developments.

The Chief Technical Officer has Group-wide responsibility related to sustainability in our building practices on a day-to-day basis and works with a network of representatives across the business with the sustainable certification team, that support VGP's sustainability objectives by sharing best practice and providing legislative and technical guidance for their respective areas of the business.

For further information on Governance, please refer to: page 170 and the Annual Report 2021

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material

As a long-term property owner, we need to ensure that our buildings are fit for purpose, now and in the future. One of the ways we do this is to build relatively generic buildings conform "the VGP Standard", suited to more than one type of client. This ensures a longer lifespan for the building as well as reducing the risk of vacancy and future refurbishment costs.

In order to ensure that our buildings are fit for purpose and meet the requirements of our clients for the long term we have integrated adaptation and mitigation into our standard building design. With the potential for a changing climate across Europe, we ensure that aspects such as heating and sustainable drainage are assessed as part of the design. Although these adaptations involve additional cost, we believe that buildings with enhanced sustainability aspects will increasingly be valued more highly than those without.

Climate Change adaptation is now a standard process of our design and maintenance programme. We have identified climate change as a risk to the ongoing operation of our buildings and are considering implications in prioritisation including enhanced drainage.

EU Taxonomy

VGP is currently assessing the implications of EU Taxonomy compliance requirements for its portfolio. Whilst the EU rule setting is mostly determined, the final requirements will depend on local implementation by EU countries with respect to the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU.

Although this leaves a level of uncertainty, we believe this to be manageable and, on this basis, can commit to aim to be compliant with EU Taxonomy on a portfolio basis once the rules are implemented on the following basis:

1) To update the Green Finance Framework with EU Taxonomy once finally implemented
2) Plan to monitor assets compliance with the "Use of Proceeds"-table which will be made available as part of the annual Corporate Responsibility Reporting
3) Aim to be compliant with EU Taxonomy for new buildings on a best-efforts basis

With respect to broader stakeholder engagement, EU Taxonomy compliance has also been agreed as part of the ESG framework within the 4th Joint Venture with Allianz Real Estate.

CRREM pathway

Good cooperation with tenants is a critical part of the success in improving the environmental standards as the Group is determined to continue to work towards a more sustainable and resilient real estate portfolio. VGP considers using CRREM benchmark energy and CO_2 reduction pathways for measuring transitional risks and setting emission reduction targets for its real estate portfolio.

Over the last few months we have been working with the CRREM Tool to analyse and fine-tune logistic-specific pathways particularly in order to reflect the subsector specifics (e.g. different energy consumption profiles for light industrial users versus e-commerce fulfilment versus 'straightforward' warehousing versus cooling facilities, etc.). Our plan is to ultimately adopt the CRREM Tool to be able to identify and separate the stranded versus non-stranded assets for the coming years in order to ensure our portfolio remains compliant with the 1.5ºC GHG pathway.

We have assessed different target-setting options using the CRREM pathways and are also considering pathways from other sources and providers. Although further work remains to be done, particularly in order to reflect the subsector specifics, we believe that CRREM provides a good reference framework for setting emission reduction targets for our real estate portfolio.

The results of the CRREM support us in analysing our portfolio performance, identifying scenarios and the setting of future emission reduction targets for our portfolio as part of TCFD reporting.

With respect to broader stakeholder engagement, CRREM compliance has also been agreed as part of the ESG framework within the 4th Joint Venture with Allianz Real Estate.

Global Reporting Initiative (GRI) Index

This Corporate Responsibility Report describes how we address corporate sustainability, how we implement our sustainability strategy, the policies and guidelines we observe, the targets we have set ourselves including the Sustainable Development Goals (SDGs) and our main achievements.

This Corporate Responsibility Report has been prepared in accordance with the GRI Standards: Core Option. and has not been externally audited. The GRI Content Index can be found below.

CRITERIA	DESCRIPTION	REFERENCE
102-1	Name of the organization	VGP NV
102-2	Activities, brands, products and services	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 10.94 million m² and the strategic focus is on the development of business parks. Founded in 1998 as a Belgian family-owned real estate developer in the Czech Republic, VGP with a staff of circa 350 employees today owns and operates assets in 14 European countries directly and through several 50:50 joint ventures.
102-3	Location of headquarters	Generaal Lemanstraat 55 bus 4, B-2018 Antwerp, Belgium
102-4	Location of operations	Office locations (for park locations refer to our website: www.vgpparks.eu/en/properties/): Vienna, Austria; Prague, Czech Republic; Jenišovice u Jablonce nad Nisou, Czech Republic; Lyon, France; Dusseldorf, Germany; Athens, Greece; Budapest; Hungary; Gyor, Hungary; Rome, Italy; Segrate (Milan), Italy; Riga, Latvia; Luxembourg, Luxembourg; 's-Hertogenbosch, Netherlands Lisbon, Portugal; Porto, Portugal; Bucharest, Romania; Novi Beograd, Serbia; Bratislava, Slovakia; Barcelona, Spain; Madrid, Spain; Zaragoza, Spain
102-5	Ownership and legal form	Ownership information can be found on our website: https://www.vgpparks.eu/en/investors/shareholding/ Legal form of the group is Naamloze Vennootschap ("NV") which is a type of public limited company defined by business law in Belgium
102-6	Markets served	https://www.vgpparks.eu/en/about-us/
102-7	Scale of the organization	https://www.vgpparks.eu/en/about-us/
102-8	Information on employees and other workers	See disclosure in relation to People on page 150
102-9	Supply chain	See section on Supply chain ethics on page 152-153

CRITERIA	DESCRIPTION	REFERENCE
102-10	Significant changes to the organization and supply chain	Change includes VGP and Allianz entering a fourth joint venture which will become effective after the first closing (expected in 2022)
102-11	Precautionary Principle or approach	VGP applies the precautionary principle to risk management
102-12	External initiatives	United Nations Sustainable Development Goals United Nations Global Compact GRI PAS 2060 standard for carbon neutrality and the GHG Protocol GRESB TCFD disclosure
102-13	Membership of associations	Professional membership of various associations in the countries in which we operate Professional member of European Public Real Estate Association
102-14	Statement from senior decision-maker	CEO letter on page 124-125
102-16	Values, principles, standards and norms of behaviour	Refer to page 134-135 for our commitmenst to the SDG principles Refer to page 136-137 for our commitment to climate change strategy Refer to page 140-141 for our commitment to sustainable properties Refer to page 146-147 for our commitment to people, culture and employee well-being Refer to page 160 for Business Ethics
102-18	Governance structure	https://www.vgpparks.eu/en/investors/corporate-governance/
102-40	List of all stakeholder groups	See section on Engaging with stakeholders on page 130-131
102-41	Collective bargaining agreements	Refer to 'Human Rights labour conditions' Page 148
102-42	Identifying and selecting stakeholders	See section on Engaging with stakeholders on page 130-131
102-43	Approach to stakeholder engagement	See section on Engaging with stakeholders on page 130-131
102-44	Key topics and concerns raised	Captured in our material aspects
102-45	Entities included in the consolidated financial statements	See annual report
102-46	Defining report content and topic boundaries	See section Additional Informationt on page 186-187
102-47	List of material topics	See page 134 and page 135
102-48	Restatements of information	No restatements have been made compared to the prior year Corporate Responsibility report
102-49	Changes in reporting	The list of material topics is substantially the same as last year except six updates as described on page 132 The section Commitments has been extended (ref page 130-155), An ESG Risk Management section has been added to the report. (ref. page 158-170)
102-50	Reporting period	Reporting period is 12 months, applying the calendar year
102-51	Date of most recent report	The previous report is the Corporate Responsibility report 2020 which was published on 2 March 2021. The report is available on the website: https://www.vgpparks.eu/media/2921/vgp_corporate-responsility-2020_eng_web_secured.pdf
102-52	Reporting cycle	We foresee to continue publishing a Corporate Responsibility report on an annual basis. Our financial reporting is on a semi-annual basis.
102-53	Contact person for questions regarding the report	martijn.vlutters@vgpparks.eu
102-54	Claims of reporting in accordance with the GRI standard	This report has been prepared in accordance with the GRI standards: Core option
102-55	GRI content index	Included
102-56	External assurance	All the energy consumption data, as well as the carbon emission calculations used in this report have been third-party validated (see the About This Report section on page 128). VGP engaged an independent auditor to verify the assets financed under the Green Finance Framework meet the eligibility criteria (See Independent Third Party's Report on Green Bond criteria on page 180-184).
201-1	Direct economic value generated and distributed	See FY 2021 results press release as released dd 23 February 2022
201-2	Financial implications and other risks and opportunities due to climate change	See Addressing Climate Risk on pages 136-137
205-1	Operations assessed for risks related to corruption	See section on resilience and integrity on pages 148-149

CRITERIA	DESCRIPTION	REFERENCE
205-2	Communication and training about anti-corruption policies and procedures	Refer to 'human rights and labour conditions' Page 148 and refer to 'supply chain management' page 150-151
205-3	Confirmed incidents of corruption and actions taken	Refer to 'Business Ethics' page 160
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	VGP is not subject to legal actions related to anti-competitive behaviour, anti-trust, and monopoly practices
302-1	Energy consumption within the organization	See section on sustainable energy usage pages 136-137
302-4	Reduction of energy consumption	See section on sustainable energy usage pages 136-137
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Ecologists are engaged to research, identify and report on threatened species, terrestrial or aquatic, on development sites (refer to page 145)
305-1	Direct (scope 1) GHG emissions	See Total CO_2 footprint on page 136-137
305-2	Energy indirect (scope 2) GHG emissions	See Total CO_2 footprint on page 136-137
305-3	Other indirect (scope 3) GHG emissions	See Total CO_2 footprint on page 136-137
305-5	Reduction of greenhouse gas emissions	See Total CO_2 footprint on page 134-135
306-2	Management of significant waste related impacts	See Long-term target to reach carbon neutrality under scope 1 and 2 before 2025 on page 134-135
306-3	Composition of waste generated	Total waste emissions are 4.8 tCO_2e, or 0.2% of total emissions. 82% of waste emissions result from residual waste, while only representing 32% of the generated waste. Whereas paper waste caused only 16% of waste emissions and 64% of waste generation. Waste emissions are mainly calculated based on an extrapolation of data from the Belgian office (residual, paper and plastic waste) or benchmark data when extra fractions were sorted
306-5	Waste directed to disposal	VGP does not transport hazardous waste as part of day-to-day operations. If remediation is required, within the development of a project, VGP appoints principal contractors to complete works in accordance with applicable law and regulations. No occurrences of significant spills were identified
307-1	Non-compliance with environmental laws and regulations	No significant breaches of environmental laws
401-3	Parental leave	See page 150 'Workforce' ; information on parental leave take-up and return rates is not available at this stage
403-1	Occupational health and safety management system	See section on 'occupational Health and Safety' page 147 and 'Health, safety, security and wellbeing of people in our properties' page 161
403-2	Hazard identification, risk assessment and incident investigation	See section on 'the Environmental management system'page 161
403-3	Occupational health services	See section on 'occupational Health and Safety' page 147 and 'Health, safety, security and wellbeing of people in our properties' page 161
403-4	Worker participation, consultation and communication on occupational health and safety	See section on 'the Environmental management system' page 161
403-5	Worker training on occupational health and safety	See section on Occupational Health and Safety, page 147
403-9	Work-related injuries	See section on 'occupational Health and Safety' page 147
404-3	Percentage of employees receiving regular performance and career development reviews	See section on 'people, culture and employee well-being' page 146
405-1	Diversity of governance bodies and employees	See section on 'workforce' page 151
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	See section on 'political engagement and public policy' page 149
413-1	Operations with local community engagement, impact assessments, and development programs	See section on 'VGP Foundation' on pages 156-157
414-1	New suppliers that were screened using social criteria	See section on 'supply chain management' on pages 150-151
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no reported incidents

Portfolio

Germany

01 VGP Park Hamburg
02 VGP Park Soltau
03 VGP Park Leipzig
04 VGP Park Leipzig Flughafen
05 VGP Park Berlin
06 VGP Park Berlin Oberkrämer
07 VGP Park Ginsheim
08 VGP Park Schwalbach
09 VGP Park München
10 VGP Park Bingen
11 VGP Park Rodgau
12 VGP Park Höchstadt
13 VGP Park Borna
14 VGP Park Bobenheim-Roxheim
15 VGP Park Frankenthal
16 VGP Park Wustermark
17 VGP Park Göttingen
18 VGP Park Göttingen 2
19 VGP Park Wetzlar
20 VGP Park Halle
21 VGP Park Dresden - Radeburg
22 VGP Park Bischofsheim
23 VGP Park Giessen-Buseck
24 VGP Park Giessen-Lützellinden
25 VGP Park Giessen Am alten Flughafen
26 VGP Park Chemnitz
27 VGP Park Magdeburg
28 VGP Park Laatzen
29 VGP Park Einbeck
30 VGP Park Erfurt
31 VGP Park Rostock
32 VGP Park Erfurt 2
33 VGP Park Erfurt 3
34 VGP Park Wiesloch-Walldorf

The Netherlands

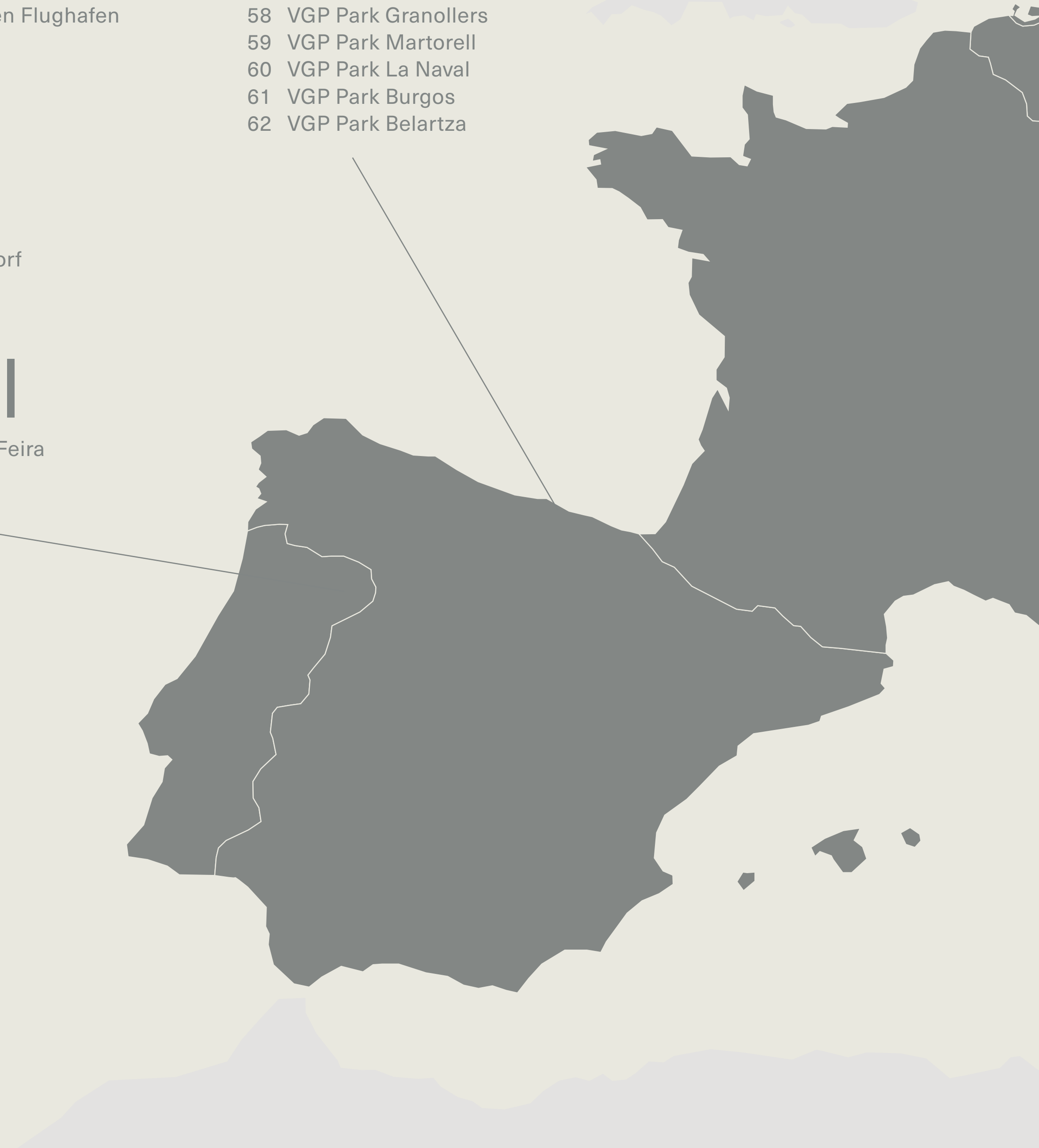
82 VGP Park Nijmegen
83 VGP Park Roosendaal
84 VGP Park Moerdijk

Spain

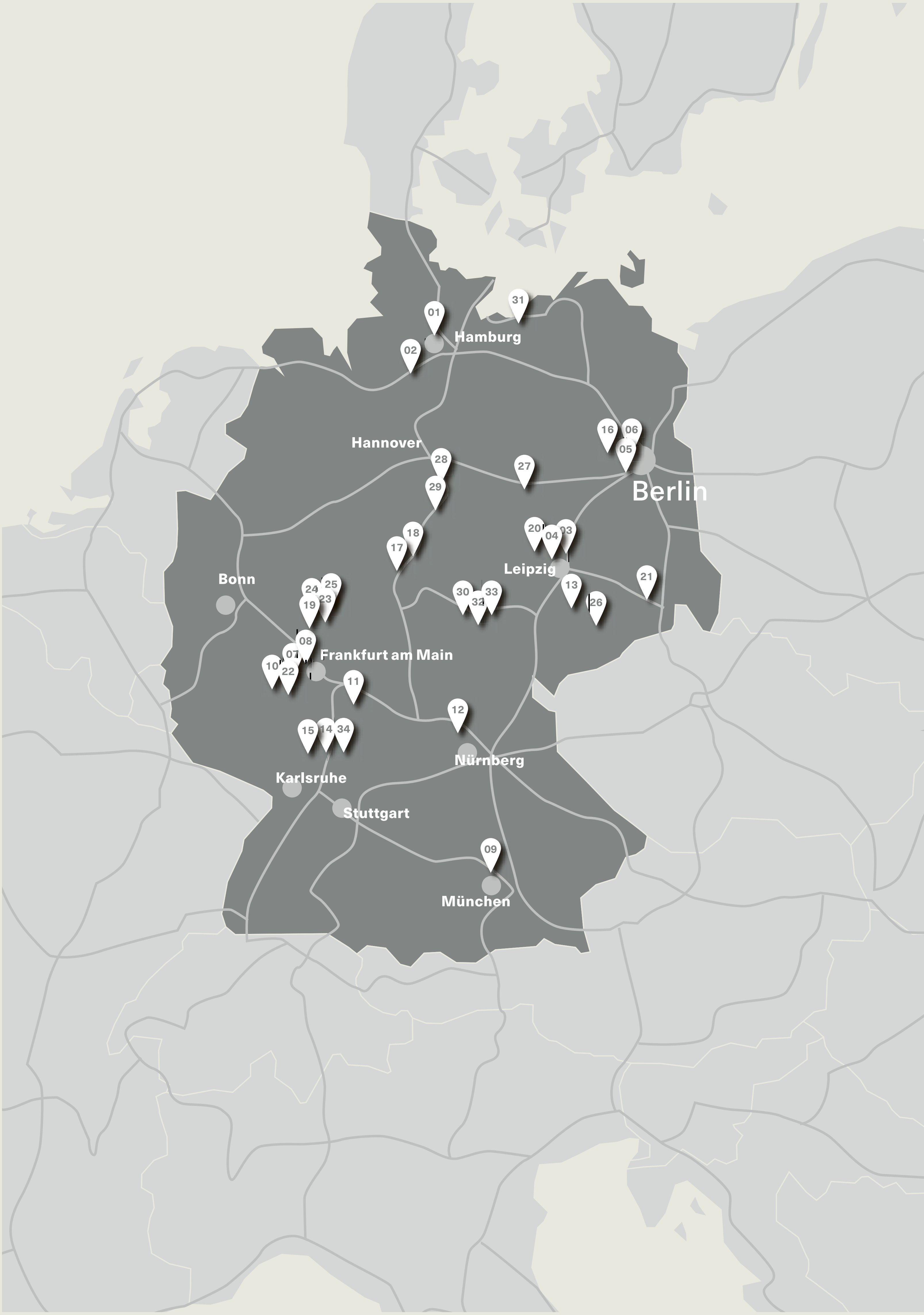
51 VGP Park San Fernado de Henares
52 VGP Park Lliçà d'Amunt
53 VGP Park Fuenlabrada
54 VGP Park Valencia Cheste
55 VGP Park Zaragoza
56 VGP Park Sevilla Dos Hermanas
57 VGP Park Sevilla Ciudad de la Imagen
58 VGP Park Granollers
59 VGP Park Martorell
60 VGP Park La Naval
61 VGP Park Burgos
62 VGP Park Belartza

Portugal

91 VGP Park Santa Maria da Feira
92 VGP Park Sintra



Czech Republic
35 VGP Park Tuchoměřice
36 VGP Park Ústí nad Labem
37 VGP Park Český Újezd
38 VGP Park Liberec
39 VGP Park Olomouc
40 VGP Park Jeneč
41 VGP Park Chomutov
42 VGP Park Brno
43 VGP Park Hrádek nad Nisou
44 VGP Park Hrádek nad Nisou 2
45 VGP Park Plzeň
46 VGP Park Prostějov
47 VGP Park Vyškov
48 VGP Park České Budějovice
49 VGP Park Kladno
50 VGP Park Ústí nad Labem City
Latvia
63 VGP Park Kekava
64 VGP Park Riga
65 VGP Park Tiraines
Hungary
71 VGP Park Győr
72 VGP Park Győr Béta
73 VGP Park Alsónémedi
74 VGP Park Hatvan
75 VGP Park Kecskemét
76 VGP Park Budapest Aerozone
Slovakia
77 VGP Park Malacky
78 VGP Park Bratislava
79 VGP Park Zvolen
Romania
66 VGP Park Timișoara
67 VGP Park Sibiu
68 VGP Park Brașov
69 VGP Park Arad
70 VGP Park Bucharest
Austria
80 VGP Park Graz
81 VGP Park Laxenburg
Serbia
93 VGP Park Belgrade Dobanovice
Italy
85 VGP Park Calcio
86 VGP Park Valsamoggia
87 VGP Park Valsamoggia 2
88 VGP Park Sordio
89 VGP Park Padova
90 VGP Park Paderno Dugnano


31
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Nürnberg
Karlsruhe
Stuttgart
09
München

Germany

01 VGP Park Hamburg
02 VGP Park Soltau
03 VGP Park Leipzig
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27 VGP Park Magdeburg
28 VGP Park Laatzen
29 VGP Park Einbeck
30 VGP Park Erfurt
31 VGP Park Rostock
32 VGP Park Erfurt 2
33 VGP Park Erfurt 3
34 VGP Park Wiesloch-Walldorf

Germany

VGP Park Berlin

BUILDING A

TENANT	Emons Logistik GmbH; Barsan Global Logistik GmbH; Emsland-Stärke GmbH; Isringhausen GmbH & Co. KG, VGP Renewable Energy S.à r.l.
LETTABLE AREA	23,853 m²
BUILT	2015

Germany

VGP Park Berlin

BUILDING B

TENANT	Lillydoo Services GmbH, VGP Renewable Energy S.à r.l.
LETTABLE AREA	9,717 m²
BUILT	2018

Germany

VGP Park Berlin

BUILDING C

TENANT	SSW Stolze Stahl Waren GmbH; DefShop GmbH; Pets Deli Tonius GmbH, VGP PM Services GmbH, VGP Renewable Energy S.à r.l.
LETTABLE AREA	26,062 m²
BUILT	2018

Germany

VGP Park Berlin

BUILDING D

TENANT	Lidl Digital FC GmbH & Co. KG; Solardach LLG GmbH
LETTABLE AREA	53,675 m²
BUILT	2017

Germany

VGP Park Berlin

BUILDING E

TENANT	DD Logistik Vertriebs GmbH
LETTABLE AREA	20,537 m²
BUILT	2020

Germany

VGP Park Berlin

BUILDING F

TENANT	DD Logistik Vertriebs GmbH
LETTABLE AREA	24,860 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 Bingen

BUILDING A

TENANT	Custom Chrome Europe GmbH		
LETTABLE AREA	6,400 m²	**BUILT**	2014

Germany

VGP Park Bobenheim-Roxheim

BUILDING A

TENANT	Lekkerland SE; Energie Südwest – Grüne Energie GmbH		
LETTABLE AREA	23,270 m²	**BUILT**	2016

Germany

VGP Park Borna

BUILDING A

TENANT	Lekkerland SE; VGP Renewable Energy S.à.r.l.		
LETTABLE AREA	13,618 m²	**BUILT**	2016

Germany

VGP Park Frankenthal

BUILDING A

TENANT	Amazon Logistik Frankenthal GmbH; PV Frankenthal GmbH & Co KG		
LETTABLE AREA	146,898 m²	**BUILT**	2018

Germany

VGP Park Ginsheim

BUILDING A

TENANT	INDAT Robotics GmbH; Greenyard Fresh Germany GmbH; 4PX Express GmbH; Vicampo.de GmbH; VGP Renewable Energy S.à.r.l.		
LETTABLE AREA	35,636 m^2	**BUILT**	2017

Germany

VGP Park Hamburg

BUILDING A0

TENANT	GEODIS CL Germany GmbH; Nippon Express (Deutschland) GmbH; Weidner & Neese GmbH; EGC Energie- und Gebäudetechnik Control GmbH & Co. KG; MH Handel GmbH		
LETTABLE AREA	29,885 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	20,064 m^2	**BUILT**	2015

Germany

VGP Park Hamburg

BUILDING A3

TENANT	Zebco Europe GmbH; Hausmann Logistik GmbH		
LETTABLE AREA	9,471 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 Solution SE & Co.KG		
LETTABLE AREA	57,471 m^2	**BUILT**	2015–2017

Germany

VGP Park Hamburg

BUILDING B2

TENANT	Geis Industrie-Service GmbH; Karl Heinz Dietrich GmbH & Co KG; Lagerei und Spedition Dirk Vollmer GmbH; VGP Renewable Energy S.à.r.l.		
LETTABLE AREA	40,587 m^2	**BUILT**	2017

Germany

VGP Park Hamburg

BUILDING B3

TENANT	CARGO-PARTNER GmbH; Lagerei und Spedition Dirk Vollmer GmbH, VGP PM Services GmbH		
LETTABLE AREA	9,455 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	AO Deutschland Ltd.		
LETTABLE AREA	2,502 m^2	**BUILT**	2015

Germany

VGP Park Höchstadt

BUILDING A

TENANT	C&A Mode GmbH & Co. KG; VGP Renewable Energy S.à.r.l.		
LETTABLE AREA	15,002 m^2	**BUILT**	2015

Germany

VGP Park Leipzig

BUILDING A1

TENANT	Deine Tür GmbH; Kohivo Green-Investment GmbH & Co. KG		
LETTABLE AREA	7,231 m^2	**BUILT**	2019

Germany

VGP Park Leipzig

BUILDING A2

TENANT	Flaschenpost Leipzig GmbH; Energie Südwest – Grüne Energie GmbH		
LETTABLE AREA	9,630 m^2	**BUILT**	2019

Germany

VGP Park Leipzig

BUILDING B1

TENANT	USM operations GmbH; Solardach LLG GmbH		
LETTABLE AREA	24,630 m^2	**BUILT**	2017

Germany

VGP Park Rodgau

BUILDING A

TENANT	A & O GmbH, Geis Ersatzteil-Service GmbH; PTG Lohnabfüllung GmbH; toom Baumarkt GmbH		
LETTABLE AREA	24,878 m^2	**BUILT**	2016

Germany

VGP Park Rodgau

BUILDING B

TENANT	Rhenus Warehousing Solution SE & Co.KG		
LETTABLE AREA	43,375 m^2	**BUILT**	2016

Germany

VGP Park Rodgau

BUILDING C

TENANT	toom Baumarkt GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	19,783 m²	**BUILT**	2015

Germany

VGP Park Rodgau

BUILDING D

TENANT	EBARA Pumps Europe S.p.A.; ASENDIA Operations GmbH & Co KG		
LETTABLE AREA	7,062 m²	**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.		
LETTABLE AREA	55,812 m²	**BUILT**	2016

Germany

VGP Park Wetzlar

BUILDING A

TENANT	Ancla Logistik GmbH		
LETTABLE AREA	19,016 m²	**BUILT**	2018–2019

Germany

VGP Park Wetzlar

BUILDING B

TENANT	POCO Einrichtungsmärkte GmbH; Global Cargo Service GmbH; Strieder Transport Logistik GmbH; ILIOS Energie PV3 GmbH, Ancla Logistik GmbH		
LETTABLE AREA	19,265 m^2	**BUILT**	2018

Germany

VGP Park Göttingen

BUILDING A

TENANT	Friedrich ZUFALL GmbH & Co. KG; Amazon EU S.a.r.l.; Niederlassung Deutschland; VGP Renewable Energy S.à.r.l.		
LETTABLE AREA	43,001 m^2	**BUILT**	2018

Germany

VGP Park Göttingen

BUILDING B

TENANT	Amazon EU S.a.r.l.; Niederlassung Deutschland		
LETTABLE AREA	38,381 m^2	**BUILT**	2019

Germany

VGP Park Göttingen

BUILDING C

TENANT	MediaMarktSaturn Beschaffung und Logistik GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	80,158 m^2	**BUILT**	2021

Germany

VGP Park Göttingen

BUILDING E

TENANT	Van Waveren Saaten GmbH		
LETTABLE AREA	6,046 m^2	**BUILT**	2019

Germany

VGP Park Wustermark

BUILDING A1

TENANT	Colossus Logistics GmbH & Co. KG, L&B leit- und Sicherungstechnische Dienstleistungs, SEREDA GmbH, VGP PM Services GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	10,998 m^2	**BUILT**	2021

Germany

VGP Park Wustermark

BUILDING A2

TENANT	Wardow GmbH		
LETTABLE AREA	11,916 m^2	**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 m^2	**BUILT**	2020

Germany

VGP Park Wustermark

BUILDING C1

TENANT	Wepoba Wellpappenfabrik GmbH		
LETTABLE AREA	12,800 m^2	**BUILT**	2018

Germany

VGP Park Wustermark

BUILDING C2

TENANT	TA Technix GmbH		
LETTABLE AREA	6,382 m^2	**BUILT**	2018

Germany

VGP Park Dresden

BUILDING A

TENANT	Schenker Deutschland AG; Kohivo Green-Investment GmbH & Co. KG		
LETTABLE AREA	20,285 m^2	**BUILT**	2018

Germany

VGP Park Bischofsheim

BUILDING A

TENANT	Bettmer GmbH; Wendel Energie UG		
LETTABLE AREA	6,659 m^2	**BUILT**	2019

Germany

VGP Park Halle

BUILDING A

TENANT	L'ISOLANTE K-FLEX GmbH; TTM GmbH Internationale Spedition		
LETTABLE AREA	21,262 m^2	**BUILT**	2019, 2020

Germany

VGP Park Halle

BUILDING B

TENANT	Landgard eG; Ceha Deutschland GmbH; Schenker Deutschland AG		
LETTABLE AREA	26,847 m^2	**BUILT**	2020–2021

Germany

VGP Park Einbeck

BUILDING A

TENANT	Burgsmüller GmbH		
LETTABLE AREA	8,883 m^2	**BUILT**	2020

Germany

VGP Park Chemnitz

BUILDING A

TENANT	ThyssenKrupp System Engineering GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	12,590 m^2	**BUILT**	2019

Germany

VGP Park Giessen-Buseck

BUILDING A

TENANT	PROLIT Verlagsauslieferung GmbH; JingDong Development Deutschland GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	17,357 m^2	**BUILT**	2020

Germany

VGP Park Giessen-Lützellinden

BUILDING A

TENANT	BiUno GmbH; VGP Renewable Energy S.a.r.l.		
LETTABLE AREA	14,156 m^2	**BUILT**	2020

Germany

VGP Park Magdeburg

BUILDING A

TENANT	REWE Markt GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	31,870 m^2	**BUILT**	2020

Germany

VGP Park Magdeburg

BUILDING B

TENANT	Imperial Logistics & Services GmbH, Hörmann Logistic Solutions GmbH, APM Autoteile GmbH, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	41,559 m^2	**BUILT**	2021

Germany

VGP Park München

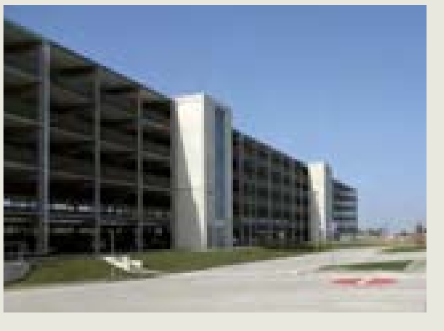
BUILDING A1

TENAN	Bayerische Motoren Werke Aktiengesellschaft, VGP Renewable Energy S.à r.l., VGP Renewable Energy Deutschland GmbH		
LETTABLE AREA	37,625 m^2	**BUILT**	2020

Germany

VGP Park München

BUILDING PH NORD



TENANT	Bayerische Motoren Werke Aktiengesellschaft; Krauss Maffei Technologies GmbH		
LETTABLE AREA	22,850 m^2	**BUILT**	2020

Germany

VGP Park Laatzen

BUILDING C

TENANT	Connox GmbH		
LETTABLE AREA	51,261 m^2	**BUILT**	2021

Germany

VGP Park Laatzen

BUILDING D

TENANT	EDEKA Einkaufskontor GmbH		
LETTABLE AREA	8,519 m^2	**BUILT**	2021

Germany

VGP Park Laatzen

BUILDING PH OST

TENANT	Krauss Maffei Extrusion GmbH, EDEKA Einkaufskontor GmbH		
LETTABLE AREA	12,478 m^2	**BUILT**	2021

Germany

VGP Park Erfurt

BUILDING A

TENANT	Emons Logistik GmbH, JOST-Werke Logistics GmbH, KOMSA AG, VGP Renewable Energy S.à r.l.		
LETTABLE AREA	26,280 m^2	**BUILT**	2021

VGP PARK	OWNER	LAND AREA *(m²)*	LETTABLE AREA *(m²)*				CONTRACTED ANNUAL RENT *(in million €)*
			COMPLETED	UNDER CONSTRUC-TION	POTENTIAL	TOTAL	
VGP Park Hamburg	VGP	32,362	—	—	9,700	9,700	—
VGP Park Göttingen 2	VGP	173,375	86,203	—	—	86,203	4.9
VGP Park Halle	VGP	165,888	48,108	37,855	—	85,964	3.8
VGP Park Gießen Am alten Flughafen	VGP	316,603	—	246,403	—	246,403	16.1
VGP Park Magdeburg	VGP	604,858	73,428	116,818	103,894	294,140	8.0
VGP Park Laatzen	VGP	284,987	72,258	66,538	—	138,796	10.1
VGP Park Erfurt	VGP	50,265	26,280	—	—	26,280	1.3
VGP Park Erfurt 2	VGP	76,443	—	—	39,282	39,282	—
VGP Park Erfurt 3	VGP	46,840	—	—	28,356	28,356	—
VGP Park Berlin Oberkrämer	VGP	180,052	—	34,293	24,099	58,391	4.3
VGP Park Rostock	VGP	105,217	—	20,160	28,024	48,184	—
VGP Park Leipzig Flughafen	VGP	47,361	—	16,285	—	16,285	0.9
VGP Park Wiesloch-Walldorf	VGP	129,867	—	—	74,746	74,746	—
VGP Park Berlin 4	VGP	54,816	—	17,328	4,879	22,207	0.9
TOTAL VGP		**2,268,934**	**306,277**	**555,680**	**312,980**	**1,174,936**	**50.3**

VGP PARK	OWNER	LAND AREA *(m²)*	LETTABLE AREA *(m²)*				CONTRACTED ANNUAL RENT *(in million €)*
			COMPLETED	UNDER CONSTRUCTION	POTENTIAL	TOTAL	
VGP Park Bingen	JV1	15,000	6,400	—	—	6,400	0.4
VGP Park Hamburg	JV1	537,112	245,501	—	—	245,501	14.0
VGP Park Soltau	JV1	119,868	55,812	—	—	55,812	1.9
VGP Park Rodgau	JV1	212,740	103,861	—	—	103,861	6.2
VGP Park Höchstadt	JV1	45,680	15,002	—	—	15,002	0.9
VGP Park Berlin	JV1	460,029	183,573	—	9,950	193,523	9.5
VGP Park Frankenthal	JV1	243,124	146,898	—	—	146,898	9.2
VGP Park Bobenheim-Roxheim	JV1	56,655	23,270	—	—	23,270	1.8
VGP Park Borna	JV1	42,533	13,618	—	—	13,618	0.9
VGP Park Leipzig	JV1	105,885	41,491	4,776	—	46,267	2.4
VGP Park Schwalbach	JV1	19,587	8,387	—	—	8,387	0.5
VGP Park Wetzlar	JV1	67,336	38,280	—	—	38,280	2.0
VGP Park Ginsheim	JV1	59,845	35,636	—	—	35,636	2.3
VGP Park Dresden - Radeburg	JV1	32,383	20,285	—	—	20,285	0.9
VGP Park Goettingen	JV1	138,297	81,382	—	—	81,382	3.2
VGP Park Wustermark	JV1	132,680	71,721	—	—	71,721	3.5
VGP Park Bischofsheim	JV1	13,457	6,659	—	—	6,659	0.5
VGP Park Chemnitz	JV1	40,421	12,591	—	—	12,591	1.1
VGP Park Einbeck	JV1	20,300	8,883	—	—	8,883	0.7
VGP Park Giessen-Buseck	JV1	36,549	17,357	—	—	17,357	0.9
VGP Park Giessen-Lützellinden	JV1	23,379	14,155	—	—	14,155	1.0
VGP Park München	JV3	674,248	60,475	215,521	37,878	313,875	25.6
TOTAL JV'S		**3,097,108**	**1,211,237**	**220,298**	**47,828**	**1,479,362**	**89.4**
TOTAL GERMANY		**5,366,042**	**1,517,513**	**775,977**	**360,808**	**2,654,299**	**139.7**

Czech Republic

35 VGP Park Tuchoměřice
36 VGP Park Ústí nad Labem
37 VGP Park Český Újezd
38 VGP Park Liberec
39 VGP Park Olomouc
40 VGP Park Jeneč
41 VGP Park Chomutov
42 VGP Park Brno
43 VGP Park Hrádek nad Nisou
44 VGP Park Hrádek nad Nisou 2
45 VGP Park Plzeň
46 VGP Park Prostějov
47 VGP Park Vyškov
48 VGP Park České Budějovice
49 VGP Park Kladno
50 VGP Park Ústí nad Labem City

Czech Republic

VGP Park Brno

BUILDING I.

TENANT	KARTON P+P, spol. s r.o.; Igepa velkoobchod papírem spol. 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	14,253 m^2	**BUILT**	2013–2016

Czech Republic

VGP Park Brno

BUILDING III.

TENANT	HARTMANN – RICO a.s.		
LETTABLE AREA	8,621 m^2	**BUILT**	2013

Czech Republic

VGP Park Český Újezd

BUILDING I.

TENANT	Yusen Logistics (Czech) s.r.o.; Spedice Kudrová s.r.o.		
LETTABLE AREA	12,789 m^2	**BUILT**	2018

Czech Republic

VGP Park Český Újezd

BUILDING II.

TENANT	FIA ProTeam s.r.o.		
LETTABLE AREA	2,753 m^2	**BUILT**	2016

Czech Republic

VGP Park Hrádek nad Nisou

BUILDING H1

TENANT	Drylock Technologies s.r.o.		
LETTABLE AREA	40,361 m^2	**BUILT**	2012–2014

Czech Republic

VGP Park Hrádek nad Nisou

BUILDING H4

TENANT	Drylock Technologies s.r.o.		
LETTABLE AREA	14,848 m²	**BUILT**	2020

Czech Republic

VGP Park Hrádek nad Nisou

BUILDING H5

TENANT	Drylock Technologies s.r.o.		
LETTABLE AREA	27,218 m²	**BUILT**	2018

Czech Republic

VGP Park Liberec

BUILDING L1

TENANT	KNORR-BREMSE Systémy pro užitková vozidla ČR, s.r.o.		
LETTABLE AREA	11,436 m²	**BUILT**	2016

Czech Republic

VGP Park Olomouc

BUILDING A

TENANT	Nagel Česko s.r.o.		
LETTABLE AREA	7,807 m²	**BUILT**	2017

Czech Republic

VGP Park Olomouc

BUILDING B

TENANT	John Crane a.s.		
LETTABLE AREA	12,029 m²	**BUILT**	2017

Czech Republic

VGP Park Olomouc

BUILDING C

TENANT	SGB Czech Trafo s.r.o.; Edwards, s.r.o.		
LETTABLE AREA	11,142 m²	**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	12,084 m^2	**BUILT**	2017

Czech Republic

VGP Park Olomouc

BUILDING G2

TENANT	Euro Pool System CZ s.r.o.; FENIX solutions s.r.o.		
LETTABLE AREA	19,859 m^2	**BUILT**	2015

Czech Republic

VGP Park Olomouc

BUILDING H

TENANT	Mürdter Dvořák, lisovna, spol. s r.o.		
LETTABLE AREA	14,254 m^2	**BUILT**	2019

Czech Republic

VGP Park Olomouc

BUILDING I

TENANT	RTR - TRANSPORT A LOGISTIKA s.r.o, HELLA AUTOTECHNIK NOVA, s.r.o., Pilulka Lékárny a.s		
LETTABLE AREA	23,281 m^2	**BUILT**	2021

Czech Republic

VGP Park Olomouc

BUILDING J

TENANT	ARDON SAFETY s.r.o.		
LETTABLE AREA	14,043 m^2	**BUILT**	2019

Czech Republic

VGP Park Olomouc

BUILDING L

TENANT	Nissens Cooling Solutions Czech s.r.o.		
LETTABLE AREA	18,235 m^2	**BUILT**	2020

Czech Republic

VGP Park Pilsen

BUILDING A

TENANT	ASSA ABLOY ES Production s.r.o.		
LETTABLE AREA	8,711 m^2	**BUILT**	2014

Czech Republic

VGP Park Pilsen

BUILDING B

TENANT	FAIVELEY TRANSPORT CZECH a.s.		
LETTABLE AREA	21,918 m^2	**BUILT**	2015

Czech Republic

VGP Park Pilsen

BUILDING C

TENANT	Excell Czech s.r.o.; FAIVELEY TRANSPORT CZECH a.s.		
LETTABLE AREA	9,868 m^2	**BUILT**	2014–2015

Czech Republic

VGP Park Pilsen

BUILDING D

TENANT	COPO CENTRAL EUROPE s.r.o.; TRANSTECHNIK CS, spol. s r.o.		
LETTABLE AREA	3,640 m^2	**BUILT**	2015–2016

Czech Republic

VGP Park Pilsen

BUILDING E

TENANT	Verhoek Europe s.r.o., DHL Express (Czech Republic) s.r.o.		
LETTABLE AREA	5,790 m^2	**BUILT**	2021

Czech Republic

VGP Park Tuchoměřice

BUILDING A

TENANT	CAAMANO CZ INTERNATIONAL GLASS CORPORATION, s.r.o.; Invelt – s.r.o.; FC MORELO CZ s.r.o.; EFACEC PRAHA s.r.o.		
LETTABLE AREA	6,577 m^2	**BUILT**	2013

Czech Republic

VGP Park Tuchoměřice

BUILDING B

TENANT	HARTMANN – RICO a.s.; ESA s.r.o.; Lidl Česká republika v.o.s.		
LETTABLE AREA	18,604 m^2	**BUILT**	2014–2017

Czech Republic

VGP Park Ústí nad Labem

BUILDING P1

TENANT	JOTUN CZECH a.s., Advanced Supply Chain (CR) s.r.o.		
LETTABLE AREA	5,351 m^2	**BUILT**	2014

Czech Republic

VGP Park Ústí nad Labem

BUILDING P2

TENANT	Ligman Europe s.r.o.		
LETTABLE AREA	6,368 m^2	**BUILT**	2018

Czech Republic

VGP Park Ústí nad Labem

BUILDING P3

TENANT	Treves CZ s.r.o.		
LETTABLE AREA	8,725 m^2	**BUILT**	2017

Czech Republic

VGP Park Ústí nad Labem

BUILDING P4

TENANT	Treves CZ s.r.o.		
LETTABLE AREA	6,134 m^2	**BUILT**	2018

Czech Republic

VGP Park Ústí nad Labem

BUILDING P5

TENANT	JOTUN CZECH a.s.; SUTA s.r.o.		
LETTABLE AREA	3,503 m^2	**BUILT**	2020

Czech Republic

VGP Park Ústí nad Labem

BUILDING P6.1

TENANT	SSI Technologies s.r.o.		
LETTABLE AREA	6,080 m^2	**BUILT**	2015

Czech Republic

VGP Park Ústí nad Labem

BUILDING P6.2

TENANT	SSI Technologies s.r.o.		
LETTABLE AREA	4,803 m^2	**BUILT**	2020

Czech Republic

VGP Park Jeneč

BUILDING AB

TENANT	4PX Express CZ s.r.o.		
LETTABLE AREA	52,582 m^2	**BUILT**	2017

Czech Republic

VGP Park Jeneč

BUILDING C

TENANT	4PX Express CZ s.r.o., SUTA s.r.o.		
LETTABLE AREA	11,698 m^2	**BUILT**	2018

Czech Republic

VGP Park Jeneč

BUILDING D1

TENANT	4PX Express CZ s.r.o.		
LETTABLE AREA	1,885 m^2	**BUILT**	2017

Czech Republic

VGP Park Jeneč

BUILDING D2

TENANT	4PX Express CZ s.r.o.		
LETTABLE AREA	3,725 m^2	**BUILT**	2019

Czech Republic

VGP Park Chomutov

BUILDING A

TENANT	Geis Solutions CZ s.r.o., Beinbauer Automotive CZ s.r.o., SUTA s.r.o.		
LETTABLE AREA	15,550 m^2	**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 m^2	**BUILT**	2018

Czech Republic

VGP Park Prostějov

BUILDING A

TENANT	ITAB Shop Concept CZ, a.s., twd CZ, s.r.o.		
LETTABLE AREA	15,200 m^2	**BUILT**	2021

Czech Republic

VGP Park Prostějov

BUILDING B

TENANT	ALFA – RENT PENTE s.r.o.		
LETTABLE AREA	24,996 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

VGP PARK	OWNER	LAND AREA *(m²)*	LETTABLE AREA *(m²)*				CONTRACTED ANNUAL RENT *(in million €)*
			COMPLETED	UNDER CONSTRUC-TION	POTENTIAL	TOTAL	
VGP Park Olomouc	VGP	132,567	—	65,966	—	65,966	3.2
VGP Park Hrádek nad Nisou 2	VGP	105,082	—	29,566	7,488	37,054	1.4
VGP Park Prostějov	VGP	139,661	40,196	—	9,969	50,165	1.7
VGP Park Vyškov	VGP	54,353	28,868	—	—	28,868	1.1
VGP Park České Budějovice	VGP	380,588	—	9,634	121,422	131,056	0.4
VGP Park Kladno	VGP	68,705	—	27,050	—	27,050	0.9
VGP Park Ústí nad Labem City	VGP	108,000	—	—	52,754	52,754	—
TOTAL VGP		**988,956**	**69,064**	**132,216**	**191,633**	**392,913**	**8.8**
VGP Park Tuchoměřice	JV1	58,701	25,181	—	—	25,181	1.2
VGP Park Český Újezd	JV1	45,383	15,542	—	—	15,542	0.8
VGP Park Liberec	JV1	36,062	11,436	—	2,304	13,740	0.6
VGP Park Brno	JV1	63,974	35,099	—	—	35,099	2.0
VGP Park Hrádek nad Nisou	JV1	180,638	85,427	—	—	85,427	4.9
VGP Park Plzeň	JV1	102,044	49,926	—	—	49,926	2.7
VGP Park Ústí nad Labem	JV1	133,209	40,964	—	—	40,964	2.6
VGP Park Olomouc	JV1	347,186	135,334	—	16,054	151,388	6.5
VGP Park Jeneč	JV1	173,859	69,889	—	—	69,889	2.7
VGP Park Chomutov	JV1	106,791	51,645	5,817	—	57,462	2.7
TOTAL JV		**1,247,846**	**520,442**	**5,817**	**18,358**	**544,617**	**26.8**
TOTAL CZECH REPUBLIC		**2,236,803**	**589,506**	**138,033**	**209,991**	**937,531**	**35.6**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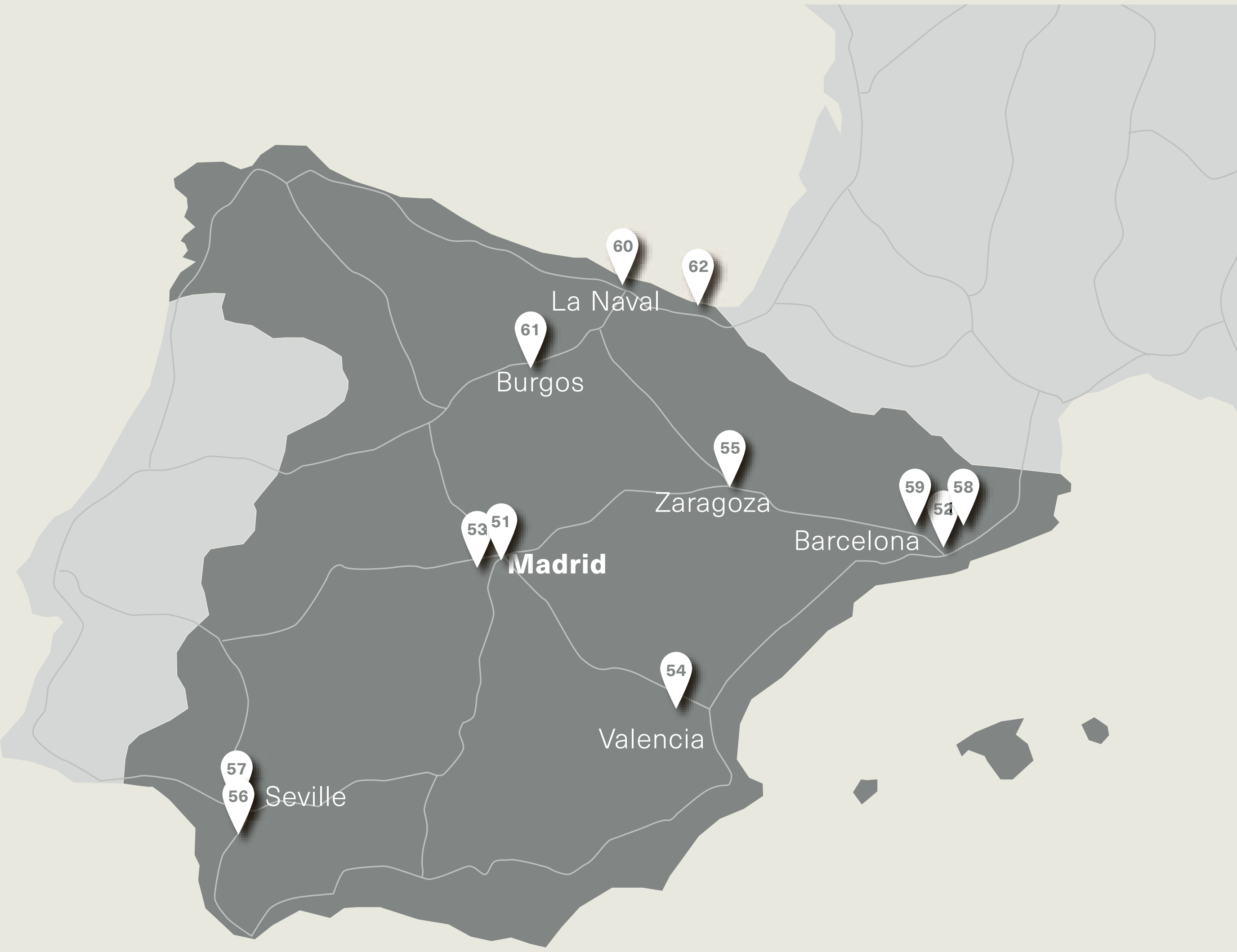

Spain

51 VGP Park San Fernado de Henares
52 VGP Park Lliçà d'Amunt
53 VGP Park Fuenlabrada
54 VGP Park Valencia Cheste
55 VGP Park Zaragoza
56 VGP Park Sevilla Dos Hermanas
57 VGP Park Sevilla Ciudad de la Imagen
58 VGP Park Granollers
59 VGP Park Martorell
60 VGP Park La Naval
61 VGP Park Burgos
62 VGP Park Belartza

Spain

VGP Park Lliça d'Amunt

BUILDING A

TENANT	Picking Farma S.A.		
LETTABLE AREA	13,639 m^2	**BUILT**	2020

Spain

VGP Park Lliça d'Amunt

BUILDING C

TENANT	Noatum logistics Spain, S.A.U.; DistriCenter, S.A.U.; , Vivace Logística, S.A.; Luís Simões Logística Integrada, S.A., Gepanetrans Operador Logistico, S.L.		
LETTABLE AREA	32,170 m^2	**BUILT**	2019

Spain

VGP Park Lliça d'Amunt

BUILDING D

TENANT	Moldstock, S.L.		
LETTABLE AREA	7,205 m^2	**BUILT**	2020

Spain

VGP Park Lliça d'Amunt

BUILDING E

TENANT	Maskokotas, S.L., Gotex, S.A.U.		
LETTABLE AREA	22,194 m^2	**BUILT**	2020

Spain

VGP Park San Fernando de Henares

BUILDING A

TENANT	ThyssenKrupp Elevadores, S.L.U.; Rhenus Logistics S.A.U.		
LETTABLE AREA	22,962 m^2	**BUILT**	2018

Spain

VGP Park San Fernando de Henares

BUILDING B1

TENANT	Rhenus Logistics, S.A.U.; Noatum Logistics Spain, S.A.U.; Logwin Solutions Spain, S.A.		
LETTABLE AREA	19,671 m^2	**BUILT**	2019

Spain

VGP Park San Fernando de Henares

BUILDING B2

TENANT	Rhenus Logistics, S.A.U.		
LETTABLE AREA	12,267 m^2	**BUILT**	2019

Spain

VGP Park San Fernando de Henares

BUILDING C1

TENANT	Huawei Technologies Espana, S.L.		
LETTABLE AREA	7,947 m^2	**BUILT**	2021

Spain

VGP Park San Fernando de Henares

BUILDING C2

TENANT	Digi Spain Telecom, S.L.		
LETTABLE AREA	5,165 m^2	**BUILT**	2020

Spain

VGP Park San Fernando de Henares

BUILDING D1

TENANT	Paack Logistics Iberia, S.L.U.		
LETTABLE AREA	11,453 m^2	**BUILT**	2021

Spain

VGP Park San Fernando de Henares

BUILDING E

TENANT	DSV Road Spain, S.A.U.		
LETTABLE AREA	12,176 m^2	**BUILT**	2019

Spain

VGP Park Zaragoza

BUILDING A

TENANT	Cotrali Zaragoza, S.L.		
LETTABLE AREA	18,074 m^2	**BUILT**	2020

Spain

VGP Park Zaragoza

BUILDING C1

TENANT	Kuehne & Nagel, S.A.		
LETTABLE AREA	22,556 m^2	**BUILT**	2021

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 m^2	**BUILT**	2021

VGP PARK	OWNER	LAND AREA *(m²)*	LETTABLE AREA *(m²)*				CONTRACTED ANNUAL RENT *(in million €)*
			COMPLETED	UNDER CONSTRUC-TION	POTENTIAL	TOTAL	
VGP Park Fuenlabrada	VGP	80,223	—	41,735	—	41,735	1.0
VGP Park Valencia Cheste	VGP	113,104	25,409	13,944	26,696	66,049	1.5
VGP Park Zaragoza	VGP	147,488	40,630	34,352	19,113	94,095	2.6
VGP Park Dos Hermanas	VGP	103,000	—	28,880	25,669	54,549	0.4
VGP Park Sevilla Ciudad de la Imagen	VGP	54,991	—	—	28,803	28,803	—
VGP Park Granollers	VGP	14,385	—	8,727	—	8,727	—
VGP Park Martorell	VGP	18,999	—	—	10,245	10,245	0.1
VGP Park La Naval	VGP	279,020	—	—	123,490	123,490	—
VGP Park Burgos	VGP	128,190	—	—	77,411	77,411	—
TOTAL VGP		**939,400**	**66,039**	**127,638**	**311,427**	**505,104**	**5.6**
VGP Park San Fernando	JV2	222,750	91,641	—	25,395	117,035	7.2
VGP Park Lliçà d'Amunt	JV2	149,597	75,207	—	—	75,207	4.4
VGP Park Belartza	JV5	66,400	—	—	32,548	32,548	—
TOTAL JV'S		**438,747**	**166,848**	**—**	**57,943**	**224,791**	**11.6**
TOTAL SPAIN		**1,378,147**	**232,888**	**127,638**	**369,370**	**729,895**	**17.2**


D1
VGP

Other countries in Europe

Latvia
63 VGP Park Kekava
64 VGP Park Riga
65 VGP Park Tiraines

Romania
66 VGP Park Timișoara
67 VGP Park Sibiu
68 VGP Park Brașov
69 VGP Park Arad
70 VGP Park Bucharest

Hungary
71 VGP Park Győr
72 VGP Park Győr Béta
73 VGP Park Alsónémedi
74 VGP Park Hatvan
75 VGP Park Kecskemét
76 VGP Park Budapest Aerozone

Slovakia
77 VGP Park Malacky
78 VGP Park Bratislava
79 VGP Park Zvolen

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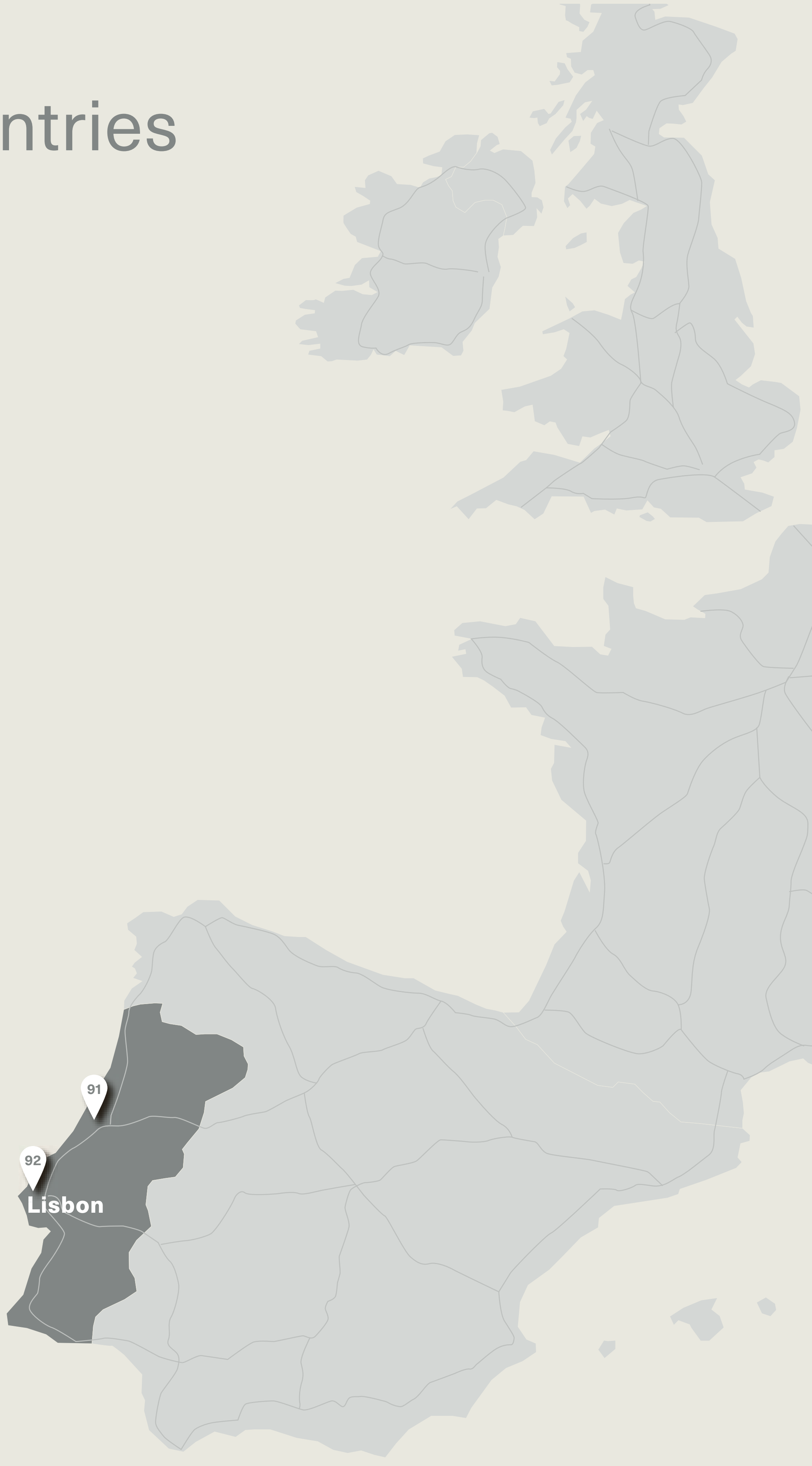
80 VGP Park Graz
81 VGP Park Laxenburg

The Netherlands
82 VGP Park Nijmegen
83 VGP Park Roosendaal
84 VGP Park Moerdijk

Italy
85 VGP Park Calcio
86 VGP Park Valsamoggia
87 VGP Park Valsamoggia 2
88 VGP Park Sordio
89 VGP Park Padova
90 VGP Park Paderno Dugnano

Portugal
91 VGP Park Santa Maria da Feira
92 VGP Park Sintra

Serbia
93 VGP Park Belgrade Dobanovice



63 64 65
Riga
84 83 82
Amsterdam
77 78 81 79
Vienna
Bratislava
74 71 72 73 76
Budapest
80
Graz
Győr
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69 67 68
66
Timişoara
93
Belgrade
70
Bucharest
90 85 88
Milan
89
Verona
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Rome

Hungary

VGP Park Alsónémedi

BUILDING A1.1

TENANT	Nagel Hungária Logisztikai Korlátolt Felelösségü Társaság
LETTABLE AREA	22,905 m² — **BUILT** 2016

Hungary

VGP Park Győr

BUILDING A

TENANT	SKINY Gyártó Korlátolt Felelösségü Társaság; Waberer's-Szemerey Kft.; Gebrüder Weiss Szállítmányozási Kft.
LETTABLE AREA	20,290 m² — **BUILT** 2009

Hungary

VGP Park Győr

BUILDING B

TENANT	Lear Corporation Hungary Kft.; TI Automotive (Hungary) Kft.
LETTABLE AREA	24,741 m² — **BUILT** 2012, 2017

Hungary

VGP Park Győr

BUILDING C

TENANT	Dana Hungary Kft.
LETTABLE AREA	6,463 m² — **BUILT** 2011

Hungary

VGP Park Kecskemét

BUILDING B

TENANT	Flisom Hungary kft.; Bohnenkamp Korlátolt Felelösségü Társaság, HunTex Recycling Kft.
LETTABLE AREA	17,046 m² — **BUILT** 2020

Hungary

VGP Park Hatvan

BUILDING A1

TENANT	LKH LEONI Kft.
LETTABLE AREA	16,664 m² — **BUILT** 2019

Slovakia

VGP Park Malacky

BUILDING A

TENANT	Benteler Automotive SK s.r.o.; SPP – distribuce, a.s.		
LETTABLE AREA	14,863 m^2	BUILT	2009

Slovakia

VGP Park Malacky

BUILDING B

TENANT	Benteler Automotive SK s.r.o.; Cipher Europe s.r.o.; PLP Facility, a.s., ASSA ABLOY Opening Solutions Slovakia s. r. o.		
LETTABLE AREA	19,656 m^2	BUILT	2016

Slovakia

VGP Park Malacky

BUILDING C

TENANT	FROMM SLOVAKIA, a.s.; Tajco Slovakia s. r. o.		
LETTABLE AREA	15,255 m^2	BUILT	2015

Slovakia

VGP Park Malacky

BUILDING D

TENANT	Volkswagen Konzernlogistik GmbH & Co. OHG		
LETTABLE AREA	25,692 m^2	BUILT	2015

Slovakia

VGP Park Malacky

BUILDING E1

TENANT	IDEAL Automotive Slovakia, s.r.o.		
LETTABLE AREA	12,756 m^2	BUILT	2016

Slovakia

VGP Park Bratislava

BUILDING F

TENANT	Continental Barum s.r.o.		
LETTABLE AREA	57,329 m^2	BUILT	2021

Latvia

VGP Park Kekava

BUILDING A

TENANT	MMD Serviss SIA, SIA “BMJ Latvia” , SIA “Mikrotīkls”, Hanzas Maiznīca AS, SIA “CONSTRUCTION TRADE”, Atlas Premium SIA
LETTABLE AREA	35,512 m²
BUILT	2018

Latvia

VGP Park Kekava

BUILDING B

TENANT	MMD Serviss SIA
LETTABLE AREA	26,988 m²
BUILT	2019

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	SC FAN COURIER EXPRESS SRL; ITC LOGISTIC ROMANIA S.R.L.; KLG Europe Logistics SRL; INTER CARS ROMANIA SRL
LETTABLE AREA	18,085 m²
BUILT	2016

Romania

VGP Park Timişoara

BUILDING B1

TENANT	QUEHENBERGER LOGISTICS ROU SRL; UPS Romania SRL; World Media Trans SRL; PROFI ROM FOOD SRL; Acila SRL; Arhivatorul Plus SRL; Ericsson Antenna Technology Romania SRL; VGP Proiecte Industriale SRL
LETTABLE AREA	17,905 m²
BUILT	2014

Romania

VGP Park Timişoara

BUILDING B2

TENANT	DHL International Romania SRL; RESET EMS srl; S.C.; NEFAB PACKAGING ROMANIA SRL; HELBAKO ELECTRONICA SRL; OVT LOGISTICZENTRUM SRL; LOSAN DEPOT SRL, SZW AUTOMOTIVE S.R.L., D.B. GROUP ROMANIA S.R.L.
LETTABLE AREA	18,105 m²
BUILT	2015, 2019

Romania

VGP Park Timişoara

BUILDING C1

TENANT cargo-partner Expeditii s.r.l.; EUROCCOPER SRL; DELIVERY SOLUTIONS S.A.; DYNAMIC PARCEL DISTRIBUTION S.A.

LETTABLE AREA 21,879 m^2 **BUILT** 2018

Romania

VGP Park Timişoara

BUILDING C2

TENANT Hafele Romania SRL; ROFAM TECHNOLOGY S.R.L.; KATHREIN BROADCAST SRL; CONTINENTAL AUTOMOTIVE PRODUCTS SRL; Ericsson Anteena Technology Romania SRL; ITC LOGISTIC ROMANIA S.R.L., DHL International Romania SRL

LETTABLE AREA 21,581 m^2 **BUILT** 2018

Romania

VGP Park Timişoara

BUILDING D

TENANT RPW LOGISTICS SRL, World Media Trans S.R.L., RUS-SAVITAR S.A.

LETTABLE AREA 30,775 m^2 **BUILT** 2021

Romania

VGP Park Braşov

BUILDING E

TENANT FILDAS TRADING SRL, ITC LOGISTIC ROMANIA S.R.L.

LETTABLE AREA 9,556 m^2 **BUILT** 2021

Austria

VGP Park Graz

BUILDING A

TENANT MAGNA Steyr Fahrzeugtechnik AG & Co KG

LETTABLE AREA 17,737 m^2 **BUILT** 2018

Netherlands

VGP Park Nijmegen

BUILDING A

TENANT Conpax Beheer B.V.; ESTG B.V.; Ahold Europe Real Estate & Construction B.V.; Nippon Express (Nederland) B.V.; OTC Medical B.V.; VGP Renewable Energy Netherlands BV

LETTABLE AREA 67,353 m^2 **BUILT** 2019–2020

Netherlands

VGP Park Nijmegen

BUILDING B1B2

TENANT	Holding Geurtsen Thomassen B.V.		
LETTABLE AREA	42,835 m²	**BUILT**	2021

Netherlands

VGP Park Roosendaal

BUILDING A

TENANT	Active Ants B.V.; BAS Warehousing B.V.; VGP Renewable Energy Netherlands BV		
LETTABLE AREA	41,959 m²	**BUILT**	2020

Italy

VGP Park Valsamoggia

BUILDING A

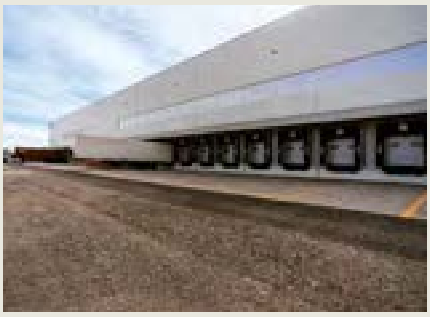
TENANT	Macron S.p.a., VGP Renewable Energy Italy SRL		
LETTABLE AREA	6,679 m²	**BUILT**	2020

Italy

VGP Park Valsamoggia

BUILDING B

TENANT	Macron S.p.a.		
LETTABLE AREA	16,106 m²	**BUILT**	2019



Italy

VGP Park Calcio

BUILDING A

TENANT	FGC S.r.l., General Light, S.L., Skill, S.P.A., VGP Renewable Energy Italy SRL		
LETTABLE AREA	23,303 m²	**BUILT**	2021

Italy

VGP Park Sordio

BUILDING A

TENANT	General Logistics Systems Italy SRL		
LETTABLE AREA	12,034 m²	**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

Portugal

VGP Santa Maria da Feira

BUILDING A

TENANT	Rádio Popular – Electrodomésticos, S.A.		
LETTABLE AREA	29,813 m^2	**BUILT**	2021

VGP PARK	OWNER	LAND AREA *(m²)*	LETTABLE AREA *(m²)*				CONTRACTED ANNUAL RENT *(in million €)*
			COMPLETED	UNDER CONSTRUC-TION	POTENTIAL	TOTAL	
ROMANIA							
VGP Park Timișoara 2	VGP	40,285	30,775	—	—	30,775	1.2
VGP Park Sibiu	VGP	219,636	—	16,527	75,881	92,408	0.1
VGP Park Brașov	VGP	383,758	9,556	28,701	142,011	180,268	1.5
VGP Park Arad	VGP	389,922	—	28,811	167,265	196,076	0.3
VGP Park Bucharest	VGP	250,148	—	28,930	84,492	113,422	0.7
		1,283,749	**40,331**	**102,969**	**469,649**	**612,949**	**3.9**
HUNGARY							
VGP Park Hatvan	VGP	57,584	16,664	—	9,317	25,981	1.0
VGP Park Győr Béta	VGP	104,373	—	14,033	37,744	51,777	0.2
VGP Park Kecskemét	VGP	255,031	17,046	26,246	72,818	116,110	1.5
VGP Park Budapest Aerozone	VGP	380,480	—	10,787	113,114	123,901	3.0
		797,469	**33,710**	**51,066**	**232,993**	**317,769**	**5.6**
SLOVAKIA							
VGP Park Bratislava	VGP	643,519	57,329	85,660	153,048	296,037	4.8
VGP Park Bratislava 2	VGP	284,593	—	—	101,589	101,589	—
VGP Park Zvolen	VGP	102,074	—	—	52,281	52,281	—
		1,030,186	**57,329**	**85,660**	**306,918**	**449,907**	**4.8**
NETHERLANDS							
VGP Park Nijmegen	VGP	435,716	42,835	94,955	180,945	318,735	3.6
ITALY[1]							
VGP Park Calcio	VGP	48,593	23,303	—	—	23,303	1.1
VGP Park Sordio	VGP	26,811	12,034	—	—	12,034	1.0
VGP Park Padova	VGP	50,091	22,547	—	—	22,547	1.5
VGP Park Paderno Dugnano	VGP	94,222	—	—	42,250	42,250	—
VGP Park Valsamoggia 2	VGP	125,184	—	—	32,748	32,748	—
		344,901	**57,885**	**—**	**74,998**	**132,883**	**3.5**
AUSTRIA							
VGP Park Graz 2	VGP	91,674	—	22,712	—	22,712	3.2
VGP Park Laxenburg	VGP	120,247	—	—	48,600	48,600	—
		211,921	**—**	**22,712**	**48,600**	**71,312**	**3.2**
LATVIA							
VGP Park Kekava	VGP	148,442	62,500	—	—	62,500	3.3
VGP Park Riga	VGP	119,030	—	41,789	14,060	55,849	2.3
VGP Park Tiraines	VGP	63,149	—	28,816	—	28,816	1.7
		330,621	**62,500**	**70,605**	**14,060**	**147,165**	**7.3**
PORTUGAL[1]							

1 Exluding 2 new parks for which € 1.3 million of contracted annualised rent has already been signed. The landplots of these parks were secured in 2021 and will be acquired during the course of 2022.

VGP PARK	OWNER	LAND AREA *(m²)*	LETTABLE AREA *(m²)*				CONTRACTED ANNUAL RENT *(in million €)*
			COMPLETED	UNDER CONSTRUC-TION	POTENTIAL	TOTAL	
VGP Park Santa Maria Da Feira	VGP	73,518	29,813	—	—	29,813	1.3
VGP Park Sintra	VGP	27,290	—	—	13,198	13,198	—
		100,808	**29,813**	—	**13,198**	**43,011**	**1.3**
SERBIA							
VGP Park Belgrade Dobanovice	VGP	1,140,401	—	—	486,572	486,572	—
TOTAL VGP		**5,675,772**	**324,403**	**427,967**	**1,827,933**	**2,580,302**	**33.2**

VGP PARK	OWNER	LAND AREA *(m²)*	LETTABLE AREA *(m²)*				CONTRACTED ANNUAL RENT *(in million €)*
			COMPLETED	UNDER CONSTRUC-TION	POTENTIAL	TOTAL	
ROMANIA							
VGP Park Timisoara	JV2	259,149	115,168	—	—	115,168	5.5
HUNGARY							
VGP Park Győr	JV1	121,798	51,494	—	—	51,494	2.9
VGP Park Alsónémedi	JV1	85,349	22,905	8,723	4,900	36,528	1.9
		207,147	**74,399**	**8,723**	**4,900**	**88,022**	**4.8**
SLOVAKIA							
VGP Park Malacky	JV1	220,492	88,223	—	9,880	98,103	4.2
NETHERLANDS							
VGP Park Nijmegen	JV2	162,368	67,352	—	19,200	86,552	4.0
VGP Park Roosendaal	JV2	86,511	41,959	—	9,576	51,535	2.1
VGP Park Moerdijk	JV4	754,592	—	—	486,695	486,695	—
		1,003,471	**109,311**	**—**	**515,471**	**624,782**	**6.1**
ITALY							
VGP Park Valsamoggia	JV2	52,776	22,784	—	—	22,784	1.5
AUSTRIA							
VGP Park Graz	JV2	38,239	17,737	—	—	17,737	1.2
TOTAL JV'S		**1,781,274**	**427,621**	**8,723**	**530,251**	**966,595**	**23.3**
TOTAL OTHER COUNTRIES		**7,457,046**	**752,024**	**436,690**	**2,358,184**	**3,546,897**	**56.5**

1 Exluding 1 new park for which € 1.1 million of contracted annualised rent has already been signed. The land plot of this park was secured in 2021 and will be acquired during the course of 2022.

Financial review

Consolidated income statement

For the year ended 31 December 2021

Income statement *(in thousands of €)*	**Note**	**2021**	**2020**
Revenue[1]	5	44,255	29,558
Gross rental income	5	17,618	12,078
Property operating expenses	6	(2,219)	(3,784)
Net rental income		**15,399**	**8,294**
Joint ventures' management fee income	5	21,303	14,699
Net valuation gains/(losses) on investment properties	7	610,261	366,361
Administration expenses	8	(52,112)	(29,296)
Share in result of joint ventures and associates	9	186,703	63,338
Other expenses		(5,000)	(4,000)
Operating profit		**776,554**	**419,396**
Finance income	10	12,322	9,319
Finance costs	10	(24,976)	(17,911)
Finance costs – net		**(12,654)**	**(8,592)**
Profit before taxes		**763,900**	**410,804**
Taxes	11	(113,845)	(39,865)
Profit for the period		**650,055**	**370,939**
Attributable to:			
Shareholders of VGP NV	12	650,055	370,939
Non-controlling interests		—	—

Result per share *(in €)*	**Note**	**2021**	**2020**
Basic earnings per share	12	31.41	18.58
Diluted earnings per share	12	31.41	18.58

The consolidated income statement should be read in conjunction with the accompanying notes.

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

Consolidated statement of comprehensive income

For the year ended 31 December 2021

Statement of comprehensive income *(in thousands of €)*	**2021**	**2020**
Profit for the year	**650,055**	**370,939**
Other comprehensive income to be reclassified to profit or loss in subsequent periods	—	—
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	—	—
Other comprehensive income for the period	—	—
Total comprehensive income/(loss) of the period	**650,055**	**370,939**
Attributable to:		
Shareholders of VGP NV	650,055	370,939
Non-controlling interest	—	—

Consolidated balance sheet

For the year ended 31 December 2021

Assets *(in thousands of €)*	**Note**	**2021**	**2020**
Intangible assets		1,046	557
Investment properties	13	1,852,514	920,151
Property, plant and equipment		32,141	16,944
Investments in joint ventures and associates	9	858,116	654,773
Other non-current receivables	9	264,905	264,038
Deferred tax assets	11	1,953	1,786
Total non-current assets		**3,010,675**	**1,858,249**
Trade and other receivables	14	148,022	44,828
Cash and cash equivalents	15	222,160	222,356
Disposal group held for sale	20	501,882	102,309
Total current assets		**872,064**	**369,493**
Total assets		**3,882,739**	**2,227,742**

Shareholders' equity and liabilities *(in thousands of €)*	**Note**	**2021**	**2020**
Share capital	16	78,458	72,225
Other reserves	16	574,088	285,420
Retained earnings		1,523,019	948,092
Shareholders' equity		**2,175,565**	**1,305,737**
Non-current financial debt	17	1,340,609	748,796
Other non-current liabilities	18	32,459	10,461
Deferred tax liabilities	11	112,295	43,813
Total non-current liabilities		**1,485,363**	**803,070**
Current financial debt	17	44,147	34,468
Trade debts and other current liabilities	19	107,510	77,725
Liabilities related to disposal group held for sale	20	70,154	6,742
Total current liabilities		**221,811**	**118,935**
Total liabilities		**1,707,174**	**922,005**
Total shareholders' equity and liabilities		**3,882,739**	**2,227,742**

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 31 December 2021

Statement of changes in equity *(in thousands of €)*	**Statutory share capital**	**Capital reserve** *(see note 16)*	**IFRS share capital**	**Other reserves**	**Retained earnings**	**Total equity**
Balance as at 1 January 2020	**92,667**	**(30,416)**	**62,251**	**69**	**637,461**	**699,781**
Other comprehensive income/(loss)	—	—	—	—	—	—
Result of the period	—	—	—	—	370,939	370,939
Total comprehensive income/(loss)	**—**	**—**	**—**	**—**	**370,939**	**370,939**
Capital and share premium increase net of transaction costs (see note 16)	9,974	—	**9,974**	188,346	—	198,320
Sale of treasury shares (see note 16)	—	—		97,005	—	97,005
Dividends	—	—	—	—	(60,308)	(60,308)
Balance as at 31 December 2020	**102,641**	**(30,416)**	**72,225**	**285,420**	**948,092**	**1,305,737**
Balance as at 1 January 2021	**102,641**	**(30,416)**	**72,225**	**285,420**	**948,092**	**1,305,737**
Other comprehensive income/(loss)	—	—	—	—	—	—
Result of the period	—	—	—	—	650,055	650,055
Total comprehensive income/(loss)	**—**	**—**	**—**	**—**	**650,055**	**650,055**
Capital and share premium increase net of transaction costs *(see note 16)*	6,233	—	**6,233**	288,668	—	294,901
Dividends	—	—	—	—	(75,128)	(75,128)
Balance as at 31 December 2021	**108,874**	**(30,416)**	**78,458**	**574,088**	**1,523,019**	**2,175,565**

Consolidated cash flow statement

For the year ended 31 December 2021

Cash flow statement *(in thousands of €)*	**Note**	**2021**	**2020**
Cash flows from operating activities	21		
Profit before taxes		763,900	410,804
Adjustments for:			
Depreciation		2,431	2,076
Unrealised (gains)/losses on investment properties	7	(598,726)	(200,221)
Realised (gains)/losses on disposal of subsidiaries and investment properties	7	(11,535)	(166,140)
Unrealised (gains)/losses on financial instruments and foreign exchange		786	282
Interest (income)		(12,322)	(9,319)
Interest expense		24,190	17,629
Share in (profit)/loss of joint ventures and associates	9	(186,703)	(63,338)
Operating profit before changes in working capital and provisions		**(17,979)**	**(8,227)**
Decrease/(Increase) in trade and other receivables		(51,472)	(28,240)
(Decrease)/Increase in trade and other payables		10,932	10,401
Cash generated from the operations		**(58,519)**	**(26,066)**
Interest income		4	27
Interest paid		(28,726)	(25,259)
Income taxes paid		(232)	(870)
Net cash from operating activities		**(87,473)**	**(52,168)**
Cash flows from investing activities	21		
Proceeds from disposal of tangible assets and other		36	14
Proceeds from disposal of subsidiaries and investment properties	22	49,647	405,644
Investment property and investment property under construction		(680,028)	(428,244)
Distribution by/(investment in) joint ventures and associates		(4,060)	(10,759)
Loans provided to joint ventures and associates		(99,511)	(116,506)
Loans repaid by joint ventures and associates		13,493	15,321
Net cash used in investing activities		**(720,423)**	**(134,530)**
Cash flows from financing activities	21		
Dividends paid		(75,128)	(60,308)
Net proceeds capital and share premium increase	16	294,901	198,320
Net proceeds sale of treasury shares	16	—	97,005
Proceeds from loans	17	594,149	—
Loan repayments	17	(1,333)	(1,433)
Net cash used in financing activities		**812,589**	**233,584**
Net increase/(decrease) in cash and cash equivalents		**4,693**	**46,886**
Cash and cash equivalents at the beginning of the period		222,356	176,148
Effect of exchange rate fluctuations		(1,132)	(678)
Reclassification to (–)/from held for sale		(3,757)	—
Cash and cash equivalents at the end of the period		**222,160**	**222,356**

The consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statement

For the year ended 31 December 2021

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 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 specialised developer and owner of high-quality logistic and light industrial property logistic property. The Group is currently active in Germany, Austria, the Netherlands, Spain, Portugal, Italy, the Czech Republic, the Slovak Republic, Hungary, Romania, Latvia and Serbia, and is also currently expanding to France, Greece and Croatia.

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 8 April 2022.

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 2021.

New standards and interpretations applicable during 2021

A number of new standards, amendments to standards and interpretations became effective during the financial year:

— Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *Interest Rate Benchmark Reform* – Phase 2
— Amendment to IFRS 16 *Leases: COVID-19-Related Rent Concessions* (applicable for annual periods beginning on or after 1 June 2020)
— Amendments to IFRS 4 *Insurance Contracts* – Extension of the Temporary Exemption from Applying IFRS 9 to 1 January 2023 (applicable for annual periods beginning on or after 1 January 2021)

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.

New standards and interpretations not yet effective during 2021

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2021, and have not been applied when preparing financial statements:

— Amendment to IFRS 16 *Leases: COVID-19-Related Rent Concessions beyond 30 June 2021* (applicable for annual periods beginning on or after 1 April 2021)
— Amendments to IAS 16 *Property, Plant and Equipment: Proceeds before Intended Use* (applicable for annual periods beginning on or after 1 January 2022)
— Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract* (applicable for annual periods beginning on or after 1 January 2022)

- Amendments to IFRS 3 *Business Combinations: Reference to the Conceptual Framework* (applicable for annual periods beginning on or after 1 January 2022)
- *Annual Improvements to IFRS Standards 2018–2020* (applicable for annual periods beginning on or after 1 January 2022)
- IFRS 17 *Insurance Contracts* (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current* (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 *Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies* (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates* (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 12 *Income Taxes:* Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

The initial application of the above standards, amendments to standards and interpretation is estimated not to give rise to any material changes in the presentation and preparation of the consolidated financial statements.

2.2 Basis of preparation

The consolidated financial statements are prepared on a historic cost basis, with the exception of investment properties and financial derivatives which are stated at fair value. All figures are in thousands of Euros (in thousands of €), unless stated otherwise. Minor rounding differences might occur.

2.3 Principles of consolidation

Subsidiaries

Subsidiaries are entities over which VGP NV exercises control, which is the case when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Joint ventures and associates

A joint venture exists when VGP NV has contractually agreed to share control with one or more other parties, which is the case only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Associates are companies in which VGP NV, directly or indirectly, has a significant influence and which are neither subsidiaries nor joint ventures. This is presumed if the Group holds at least 20% of the voting rights attaching to the shares. The financial information included for these companies is prepared using the accounting policies of the Group. When the Group has acquired joint control in a joint venture or significant influence in an associate, the share in the acquired assets, liabilities and contingent liabilities is initially re-measured to fair value at the acquisition date and accounted for using the equity method. Any excess of the purchase price over the fair value of the share in the assets, liabilities and contingent liabilities acquired is recognized as goodwill. When the goodwill is negative, it is immediately recognized in profit or loss. Subsequently, the consolidated financial statements include the Group's share of the results of joint ventures and associates accounted for using the equity method until the date when joint control or significant influence ceases. If the Group's share of the losses of a joint venture or associate exceeds the carrying amount of the investment, the investment is carried at nil value and recognition of additional losses is limited except to the extent that VGP has incurred constructive or contractual obligations in respect of the associate.

Unrealized gains arising from transactions with joint ventures and associates are set against the investment in the joint venture or associate concerned to the extent of the Group's interest. The carrying amounts of investments in joint ventures and associates are reassessed if there are indications that the asset has been impaired or that impairment losses recognized in prior years have ceased to apply. The investments in joint ventures and associates in the balance sheet include the carrying amount of any related goodwill.

IAS 28.28 only permits recognition of the gain or loss from downstream transactions "to the extent of unrelated investors' interests in the associate or joint venture". However, the standard does not specifically address the treatment of revenue derived from transactions with equity-method investees (e.g. revenue from the sale of goods, or interest revenue) and whether that revenue should be eliminated from the consolidated financial statements. In respect of the treatment of revenues derived from transactions with joint ventures and associates (e.g. sales services, interest revenue, …), the Group has opted not to eliminate its interest in these transactions. As a matter of example, VGP receives € 100 interest income on a loan provided to a 50/50 joint venture. Under the accounting policy adopted by VGP this interest income would be accounted for as € 100 interest income of the Group. The cost incurred by the joint venture would be accounted for on a proportional (50%) basis through "results in joint ventures and associates" without making any adjustment for the proportional interest held by VGP. By doing so the Group will only recognise its proportional profit or loss in its consolidated figures and ensure that it does not recognise a higher profit or loss than its share in the "results in joint ventures and associates".

In contrast, according to IFRS 10.25 upon loss of control of a subsidiary, a parent de-recognises the assets and liabilities of the subsidiary (including non-controlling interests) in full and measures any investment retained in the former subsidiary at its fair value. In the absence of any other relevant guidance, entities have, in effect, an accounting policy choice of applying either the approach in IFRS 10 or the approach in IAS 28. VGP has made the accounting policy choice to recognize the gain or loss on the disposal of a subsidiary to a joint venture or associate in full in profit or loss.

2.4 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euros (€), which is the Company's functional currency and the Group's presentation currency.

Transactions in foreign currencies are translated to Euro at the foreign exchange rate ruling at the date of the transaction. Consequently, non-monetary assets and liabilities are presented at Euro using the historic foreign exchange rate. Monetary assets and liabilities denominated in a currency other than Euro at the balance sheet date are translated to Euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated income statement.

2.5 Goodwill

When VGP acquires the control over an integrated set of activities and assets, as defined in IFRS 3 Business Combinations, the identifiable assets, obligations and conditional obligations of the acquired company will be booked to their fair value on the purchase date. The goodwill represents the positive difference between the acquisition cost and the part of the group in the fair value of the acquired net assets. If this difference is negative (negative goodwill) it is immediately booked in the result after a re-evaluation of the values.

After the initial take-up the goodwill is not written down, but subject to an impairment test, which is carried out each year on the cash flow generating units to which the goodwill is allocated. If the book value of a cash flow generating unit exceeds the operating value, the loss of value following from this will be booked in the result and in the first instance included in the reduction of the possible goodwill and then subsequently to the other assets of the unit, in proportion to their book value. A write-down on the goodwill cannot be reversed in a subsequent financial year.

2.6 Intangible assets

Intangible assets are measured at cost or fair value less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives. The amortization period and method are reviewed at each financial year-end.

2.7 Investment properties

Completed projects

Completed properties are initially measured at cost (including transaction costs). After initial recognition, investment property is carried at fair value. An external independent valuation expert with recognised professional qualifications and experience in the location and category of the property being valued, values the portfolio at least annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in the consolidated income statement.

Property under construction

Property that is being constructed or developed is also stated at fair value. The properties under construction are also valued by an external independent valuation expert using the same valuation methodology as used for the valuations of the completed projects but deducting the remaining construction costs from the calculated market value of the respective projects.

Any gain or loss arising from a change in fair value is recognised in the consolidated income statement.

All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure qualifying as acquisition costs are capitalised.

Development land

Land of which the Group has the full ownership i.e. registered in the respective land registry as owner and on which the Group intends to start construction (so called "development land") is immediately valued at fair value. The development land is valued by an external independent valuation expert using the valuation sales comparative approach.

Any gain or loss arising from a change in fair value is recognised in the consolidated income statement.

All costs directly associated with the purchase of the development land are capitalised.

Land which is not yet in full ownership but which is secured by a future purchase agreement or purchase option is not recognised as investment property until the Group has become full owner of this land.

The Group will be required to make from time to time down payments when entering into such future purchase agreements or purchase options. The down payments of the land will be recorded as other receivables unless such amounts are immaterial, in which case the Board of Directors may elect to classify such amounts under investment properties.

Infrastructure works are not included in the fair value of the development land but are recognised as investment property and valued at cost.

In case the Board of Directors is of the opinion that the fair value of the development land cannot be reliable determined the Board may elect to value the development land at cost less impairment until the fair value becomes reliably determinable.

2.8 Capitalisation of borrowing costs

Interest and other financial expenses relating to the acquisition of fixed assets incurred until the asset is put in use are capitalised. Subsequently, they are recorded as financial expenses.

2.9 Leases

VGP as lessee

At the start of the lease period, the leases (except for leases with a maximum term of twelve months and leases whose underlying assets are of low value) are recognised on the balance sheet as rights of use and lease liabilities at the present value of the future lease payments. Next, all rights of use that qualify as investment properties are valuated at fair value, in accordance with the valuation rules detailed under 2.7 Investment properties. The minimum lease payments are recognised in part as financing costs and in part as settlement of the outstanding liability, in a manner resulting in a constant periodic interest rate on the remaining balance of the liability. The cost of financing is offset directly against the result. Conditional lease payments are incorporated as costs in the periods in which they were made.

VGP as lessor

If a lease meets the conditions of a financial lease (according to IFRS 16), VGP as the lessor will recognise the lease from its start date as a receivable in the balance sheet at an amount equal to the net investment in the lease. The difference between this latter amount and the book value of the leased property (exclusive of the value of the residual right held by VGP) at the start of the lease will be recognised in the profit and loss account for that period. Each periodic payment made by the lessee will be partly recognised by VGP as a repayment of the capital and partly as financial income based on a constant periodic return for VGP. The residual right held by VGP will be recognised at its fair value on each balance sheet date. This value will increase every year and will correspond to the market value of the full right of ownership at the end of the lease. These increases will be recognised in Net valuation gains/(losses) on investment properties in the profit and loss account.

Group company is the lessor –fees paid in connection with arranging leases and lease incentives

The Group makes payments to agents for services in connection with negotiating lease contracts with the Group's lessees. The letting fees are capitalised within the carrying amount of the related investment property and amortised over the lease term. Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

2.10 Property, plant and equipment

Property, plant and equipment are valued at their cost price less the accumulated depreciations and write-downs. The cost price includes all directly attributable costs and the relevant part of the indirect costs incurred to make the asset ready for use. Future disbursements for repairs are immediately recorded in the result unless they increase the future financial profits of the asset. The straight-line depreciation method is applied over the estimated lifetime of the assets. The useful life and the depreciation method are revised at least annually at the end of each financial year. The tangible fixed assets are depreciated in accordance with the following percentages:

— software:	33%;
— IT equipment:	10–33%;
— office furniture and fittings:	7–20%;
— cars:	25%;
— photovoltaic panels:	5%

2.11 Financial assets at amortised cost

Financial assets at amortized cost include trade receivables, other receivables and cash and cash equivalents and represent non-derivative financial instruments which are held within a business model with the purpose to receive contractual cashflows (held to collect) and the contractual terms of the financial asset give rise to cashflows at fixed dates which represent solely payments of principal and interest (SPPI). Such financial assets are stated at amortised cost with any difference between cost and redemption value being recognised in the consolidated income statement over the period of the borrowings on an effective interest basis.

Trade receivables do not carry any interest and are stated at amortised cost as reduced by appropriate bad debt allowances. Such allowances are based on the expected credit losses, calculated in accordance with IFRS 9. The group has not developed a provision matrix based on historical credit loss experience as historical credit losses are insignificant. In case there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime expected credit losses. This is the case when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the default risk has significantly increased. An impairment loss is recognized in the statement of income, as are subsequent recoveries of previous impairments.

Other financial assets at amortized cost include mainly loan to joint ventures and associates. These financial assets are accounted for at amortized cost and the Group recognizes a loss allowance for expected credit losses in accordance with IFRS 9. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Cash and cash equivalents comprise cash balances and call deposits. Such cash balances are only held with banks with high credit ratings, as such expected credit losses are not deemed significant. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated cashflow statement.

2.12 Non-current assets held for sale and discontinued operations

A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. A discontinued operation is a component of an entity which the entity has disposed of or which is classified as held for sale, which represents a separate major line of business or geographical area of operations and which can be distinguished operationally and for financial reporting purposes.

For a sale to be highly probable, the entity should be committed to a plan to sell the asset (or disposal group), an active program to locate a buyer and complete the plan should be initiated, and the asset (or disposal group) should be actively marketed at a price which is reasonable in relation to its current fair value, and the sale should be expected to be completed within one year from the date of classification. Assets (or disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs necessary to make the sale. Any excess of the carrying amount over the fair value less costs to sell is included as an impairment loss. Depreciation of such assets is discontinued as from their classification as held for sale.

Comparative balance sheet information for prior periods is not restated to reflect the new classification in the balance sheet.

2.13 Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the consolidated income statement over the period of the borrowings on an effective interest basis. The Group classifies as a current portion any part of long-term loans that is due to be settled within one year from the balance sheet date.

2.14 Trade and other payables

Trade and other payables are stated at amortised cost.

2.15 Derivative financial instruments

The Group does not apply hedge accounting in accordance with IFRS 9. Derivative financial assets and liabilities are classified as financial assets or liabilities at Fair Value through Profit or Loss (FVPL). Derivative financial assets and liabilities comprise mainly interest rate swap and forward foreign exchange contracts for hedging purposes (economic hedge). Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered into. They are measured initially and subsequently at fair value; transaction costs are included directly in finance costs. Gains or losses on derivatives are recognised in profit or loss in net change in fair value of financial instruments at FVPL.

2.16 Impairment on property, plant and equipment and intangible assets

The carrying amounts of the Group's property, plant and equipment and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Impairment losses recognised in respect of cash-generating units reduce the carrying amount of the assets in the unit (group of units) on a pro-rata basis.

2.17 Reversal of impairment

An impairment loss is reversed in the consolidated income statement if there has been a change in the estimates used to determine the recoverable amount to the extent it reverses an impairment loss of the same asset that was recognised previously as an expense.

2.18 Provisions

A provision is recognised in the consolidated balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.19 Revenue recognition

Revenue includes rental income, 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.

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).

— 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 is expected to take 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 will be measured at their proportional agreed purchase price with Allianz Real Estate, as this is considered to be the best reflection of their fair value. Following the completion of the majority of the buildings such buildings will continue to be carried at fair value and revalued by an external independent valuation expert at least annually in accordance with the Group's valuation rules. (See note 2.7 – *Investment properties* – in this section further information). As the majority of the buildings are expected to be delivered during the course of the second half of 2022 the Board of Directors has elected to continue to measure these buildings at their respective proportional agreed purchase price as at 31 December 2021 as it considers this to be the best reflection of the fair value of these assets.

— In November 2020, VGP entered into a 50:50 joint venture ("LPM Joint Venture") with Roozen Landgoederen Beheer in respect of the development of the Logistics Park Moerdijk. The land which is currently in ownership of this joint venture will be exchanged for a perpetual leasehold in the future. The exact timing and impact of this exchange is uncertain. The Board of Directors has therefore concluded that the fair value of this development land cannot reliably be determined at this stage. This development land has thus been measured at cost.

3.3 Key sources of estimation uncertainty

— VGP's portfolio is valued at least annually by independent real estate experts. This valuation by real estate experts is intended to determine the market value of a property at a certain date, as a function of the market evolution and the characteristics of the property concerned. The property portfolio is recorded at the fair value established by the real estate experts in the Group's consolidated accounts. (see note 13)

4. Segment reporting

The chief operating decision maker is the person that allocates resources to and assesses the performance of the operating segments. The Group has determined that its chief operating decision-maker is the chief executive officer (CEO) of the Company. He allocates resources to and assesses the performance at business line and country level.

The segmentation for segment reporting within VGP is primarily by business line and secondly by geographical region.

4.1 Business lines

For management purpose, the Group also presents financial information according to management breakdowns, based on these functional allocations of revenues and costs. These amounts are based on a number of assumptions, and accordingly are not prepared in accordance with IFRS audited consolidated financial statements of VGP NV for the years ended 31 December 2021 and 2020.

As the First Joint Venture reached its investment capacity, Allianz and VGP entered into a new joint venture agreement in December 2021 with a view to establish a new Fourth Joint Venture. The Fourth Joint Venture will become effective at the moment of its first closing, currently expected to occur during the second half of 2022. Consequently, such Fourth Joint Venture was not reflected in the business lines at year-end.

To allow VGP to acquire land plots on prime locations for future development, the Group entered into two additional strategic partnerships during 2021, *i.e.* in (i) a 50:50 joint venture with VUSA (the VGP Park Belartza Joint Venture), and (ii) a 50:50 joint venture with Revikon (the VGP Park Siegen Joint Venture).

Consequently, as from 2021 onwards the business lines have been amended to take these new two new development joint ventures into consideration.

Investment business

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. 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.

Property development

The Group's property development business consists of the net development result on the Group's development activities. Valuation gains (losses) on investment properties outside the First, Second and Fourth Joint Venture perimeter i.e. Latvia 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, 90% of total property operating expenses are allocated to the property development business, as are administration expenses after rental business and property management expenses.

Property and asset management

Property and asset management revenue includes asset management, property management and facility management income. Associated operating, administration and other expenses include directly allocated expenses from the respective asset management, property management and facility management service companies. The administrative expenses of the Czech and German property management companies have been allocated on a 50:50 basis between the rental business and the property and asset management business.

Breakdown summary of the business lines

in thousands of €	**2021**	**2020**
Investment EBITDA	67,454	55,452
Property development EBITDA	552,341	342,536
Property management and asset management EBITDA	14,326	9,342
Total operating EBITDA	**634,121**	**407,330**

in thousands of €	**For the year ended 31 December 2021**			
	Investment	**Development**	**Property and asset management**	**Total**
Gross rental income	17,618	—	—	17,618
Property operating expenses	(222)	(1,997)	—	(2,219)
Net rental income	**17,396**	**(1,997)**	**—**	**15,399**
Joint venture management fee income	—	—	21,303	21,303
Net valuation gains/(losses) on investment properties destined to the joint ventures	—	592,772	—	592,772
Administration expenses	(4,270)	(38,434)	(6,977)	(49,681)
Share of joint ventures' adjusted operating profit after tax[1]	54,328	—	—	54,328
Operating EBITDA	**67,454**	**552,341**	**14,326**	**634,121**
Other expenses				(5,000)
Depreciation and amortisation	(28)	(2,334)	(74)	(2,436)
Earnings before interest and tax	**67,426**	**550,007**	**14,252**	**626,685**
Net finance costs – Own				(12,653)
Net finance costs – Joint ventures and associates				(15,987)
Profit before tax				**598,045**
Current income taxes – Own				(232)
Current income taxes – Joint ventures and associates				(2,600)
Recurrent net income				**595,213**
Net valuation gains/(losses) on investment properties – other countries[2]				17,491
Net valuation gains/(losses) on investment properties – Joint ventures and associates				186,668
Net fair value gain/(loss) on interest rate swaps and other derivatives – Joint ventures and associates				645
Deferred taxes – Own				(113,613)
Deferred taxes – Joint ventures and associates				(36,349)
Reported profit for the period				**650,055**

1 The adjustments to the share of profit from the joint ventures (at share) are composed of € 186.7 million of net valuation gains/(losses) on investment properties, € 1.0 million of net fair value loss on interest rate derivatives and € 36.4million of deferred taxes in respect of these adjustments.

2 Relates to developments in countries outside of the JV perimeters i.e. Latvia and Serbia.

in thousands of €	For the year ended 31 December 2020			
	Investment	**Development**	**Property and asset management**	**Total**
Gross rental income	12,078	—	—	12,078
Property operating expenses	(378)	(3,406)	—	(3,784)
Net rental income	**11,700**	**(3,406)**	**—**	**8,294**
Joint venture management fee income	—	—	14,699	14,699
Net valuation gains/(losses) on investment properties destined to the joint ventures	—	365,682	—	365,682
Administration expenses	(2,123)	(19,740)	(5,357)	(27,220)
Share of joint ventures' adjusted operating profit after tax[1]	45,875	—	—	45,875
Operating EBITDA	**55,452**	**342,536**	**9,342**	**407,330**
Other expenses				(4,000)
Depreciation and amortisation	—	(1,996)	(85)	(2,081)
Earnings before interest and tax	**55,452**	**340,540**	**9,257**	**401,249**
Net finance costs – Own				(8,592)
Net finance costs – Joint ventures and associates				(19,613)
Profit before tax				**373,044**
Current income taxes – Own				(870)
Current income taxes – Joint ventures and associates				(1,792)
Recurrent net income				**370,383**
Net valuation gains/(losses) on investment properties – other countries[2]				679
Net valuation gains/(losses) on investment properties – Joint ventures and associates				48,072
Net fair value gain/(loss) on interest rate swaps and other derivatives – Joint ventures and associates				1,862
Deferred taxes – Own				(38,995)
Deferred taxes – Joint ventures and associates				(11,062)
Reported profit for the period				**370,939**

1 The adjustments to the share of profit from the joint ventures (at share) are composed of € 48.1 million of net valuation gains/(losses) on investment properties, € 1.9 million of net fair value loss on interest rate derivatives and € 11.1million of deferred taxes in respect of these adjustments.

2 Relates to developments in countries outside of the JV perimeters i.e. Latvia.

4.2 Geographical markets

This basic segmentation reflects the geographical markets in Europe in which VGP operates. VGP's operations are split into the individual countries where it is active. This segmentation is important for VGP as the nature of the activities and the customers have similar economic characteristics within those segments.

in thousands of €	31 December 2021						
	Gross rental income (Incl. JV at share)	**Net rental income (Incl. JV at share)**	**Share of joint ventures' operating EBITDA**	**Operating EBITDA (Incl. JV at share)**	**Investment properties (Incl. JV at share)**	**Total assets (Incl. JV at share)**	**Capital expenditure[1]**
Western Europe							
Germany	42,442	33,297	29,721	317,886	2,169,350	2,249,782	244,805
Spain	6,267	3,979	3,836	49,137	392,795	409,536	100,921
Austria	663	280	506	26,359	61,825	66,709	33,312
Netherlands	3,445	3,072	2,426	68,180	306,143	326,511	61,449
Italy	1,476	744	598	10,710	93,070	110,591	35,252
France	—	(19)	—	(19)	—	100	—
Portugal	—	(228)	—	5,150	24,873	29,754	13,056
Luxembourg	—	—	—	—	—	160,676	—
Belgium	—	—	—	—	—	381,379	—
	54,293	**41,125**	**37,087**	**477,403**	**3,048,056**	**3,735,037**	**488,794**
Central and Eastern Europe							
Czech Republic	13,507	12,529	11,765	97,861	488,585	504,922	65,284
Slovakia	2,056	1,003	1,795	40,045	190,729	197,004	68,568
Hungary	4,075	3,548	2,012	20,305	126,706	140,346	40,548
Romania	3,227	1,754	2,316	3,124	132,705	156,090	41,424
	22,865	**18,834**	**17,888**	**161,335**	**938,725**	**998,361**	**215,824**
Baltics and Balkan							
Latvia	2,891	2,691	—	2,558	72,840	76,796	15,288
Serbia	4	(51)	—	(213)	23,950	25,176	23,269
	2,895	**2,640**	—	**2,345**	**96,790**	101,972	**38,557**
Other[2]	**—**	**8,119**	**(647)**	**(6,962)**	**73**	**864**	**—**
Total	**80,053**	**70,718**	**54,328**	**634,121**	**4,083,644**	**4,836,234**	**743,176**

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 € 719.3 million (of which € 299.1 related to land acquisition) and amounts to € 23.9 million on development properties of the First and Second Joint Venture.

2 Other includes the Group central costs and costs relating to the operational business which are not specifically geographically allocated.

in thousands of €	31 December 2020						
	Gross rental income (Incl. JV at share)	**Net rental income (Incl. JV at share)**	**Share of joint ventures' operating EBITDA**	**Operating EBITDA (Incl. JV at share)**	**Investment properties (Incl. JV at share)**	**Total assets (Incl. JV at share)**	**Capital expenditure[1]**
Western Europe							
Germany	33,501	27,475	27,072	313,131	1,442,030	1,507,310	294,362
Spain	3,966	2,352	2,126	21,849	216,202	222,260	44,189
Austria	602	434	504	103	25,584	26,581	755
Netherlands	2,574	1,497	127	42,496	168,004	177,789	30,348
Italy	1,053	1,424	(19)	2,515	31,164	39,873	21,706
Portugal	—	(67)	—	(516)	17,511	22,215	1,666
Luxembourg	—	—	—	—	—	93,376	—
Belgium	—	—	—	—	—	391,164	—
	41,695	**33,114**	**29,809**	**379,576**	**1,900,494**	**2,480,567**	**393,026**
Central and Eastern Europe							
Czech Republic	11,713	10,900	10,729	21,775	298,892	311,031	39,087
Slovakia	1,847	1,360	1,625	5,517	77,235	80,706	13,183
Hungary	3,179	2,779	1,954	1,901	64,059	67,229	9,199
Romania	2,630	1,765	2,273	2,154	86,324	94,699	24,396
	19,368	**16,804**	**16,580**	**31,346**	**526,510**	**553,664**	**85,865**
Baltics							
Latvia	3,109	2,921	—	2,790	40,519	43,100	931
Other[2]	—	**2,415**	**(515)**	**(6,383)**	—	**1,541**	—
Total	**64,172**	**55,253**	**45,874**	**407,330**	**2,467,523**	**3,078,872**	**479,823**

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 € 416.1 million (of which € 140.1 related to land acquisition) and amounts to € 63.7 million on development properties of the First and Second Joint Venture.

2 Other includes the Group central costs and costs relating to the operational business which are not specifically geographically allocated.

5. Revenue

in thousands of €	2021	2020
Rental income from investment properties	12,478	10,087
Straight lining of lease incentives	5,140	1,991
Total gross rental income	**17,618**	**12,078**
Property and facility management income	14,213	10,743
Development management income	7,090	3,956
Joint ventures' management fee income	**21,303**	**14,699**
Service charge income	5,334	2,781
Total revenue	**44,255**	**29,558**

The Group leases out its investment property under operating leases. The operating leases are generally for terms of more than 5 years. The gross rental income reflects the full impact of the income generating assets delivered during 2021. During 2021 rental income included € 0.4 million of rent for the period 1 January 2021 to 15 June 2021 related to the property portfolio sold during the eighth closing with the First Joint Venture on 15 June 2021. During the year 2020 the gross rental income included (i) € 0.3 million of rent for the period 1 January 2020 to 15 October 2020 related to the property portfolio sold during the seventh closing with the First Joint Venture on 15 October 2020, and (ii) € 3.7 million of rent for the period 1 January 2020 to 16 November 2020 related to the property portfolio sold during the second closing with the Second Joint Venture on 16 November 2020.

At the end of December 2021, the Group (including the joint ventures) had annualised committed leases of € 256.1 million[1] compared to € 185.2 million[2] as at 31 December 2020.

The breakdown of future lease income on an annualised basis for the own portfolio was as follows:

in thousands of €	2021	2020
Less than one year	104,759	41,713
Between one and five years	397,792	155,977
More than five years	563,840	215,843
Total	**1,066,391**	**413,533**

1 € 151.1 million related to the JV Property Portfolio and € 105.0 million related to the Own Property Portfolio.
2 € 143.5 million related to the JV Property Portfolio and € 41.7 million related to the Own Property Portfolio.

6. Property operating expenses

in thousands of €	2021	2020
Repairs and maintenance	178	(318)
Letting, marketing, legal and professional fees	(487)	(496)
Real estate agents	(861)	(366)
Service charge income	5,334	2,781
Service charge expenses	(5,431)	(3,073)
Other income	2,150	1,904
Other expenses	(3,102)	(4,216)
Total	**(2,219)**	**(3,784)**

7. Net valuation gains/(losses) on investment properties

in thousands of €	2021	2020
Unrealised valuation gains/(losses) on investment properties	464,478	188,863
Unrealised valuation gains/(losses) on disposal group held for sale	134,248	11,358
Realised valuation gains/(losses) on disposal of subsidiaries and investment properties	11,535	166,140
Total	**610,261**	**366,361**

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 2021 based on a weighted average yield of 4.64% (compared to 5.51% as at 31 December 2020) applied to the contractual rents increased by the estimated rental value on unlet space. A 0.10% variation of this market rate would give rise to a variation of the total portfolio value of € 52.3 million.

8. Administration expenses

in thousands of €	2021	2020
Wages and salaries	(22,441)	(9,876)
Audit, legal and other advisors	(19,810)	(15,593)
Other administrative expenses	(7,430)	(1,751)
Depreciation	(2,431)	(2,076)
Total	**(52,112)**	**(29,296)**

Increase in wages, salaries and other advisors mainly relate additional set up of variable remuneration and LTIP accruals in an amount of € 16.0 million for the year ended 31 December 2021 (see note 24).

The other administrative expenses include € 3.5 million of travel costs. Such costs were included under property operating expenses in the previous year in an amount of € 1.9 million.

9. Investments in Joint Ventures

9.1 Profit from Joint Ventures

The table below presents a summary Income Statement of the Group's joint ventures with (i) Allianz Joint Ventures and the associates; and (ii) the Development Joint Ventures, all of which are accounted for using the equity method. For a detailed overview of the Joint Ventures, please refer to section *Strategy – Strategic partnerships* included in the first part of this annual report.

VGP NV holds 50% in all Joint Ventures and holds another 5.1% in the subsidiaries of the First Joint Venture (10.1% in the subsidiaries of the Fourth Joint Venture) holding assets in Germany. The Fourth Joint Venture – which is intended to replace the investment capacity of the First Joint Venture – will only become effective as from its first closing, currently expected to take place during the second half of 2022, and consequently the below mentioned table does not include the Fourth Joint Venture.

in thousands of €	**First Joint Venture excl. minorities) at 100%**	**Second Joint Venture at 100%**	**Third Joint Venture at 100%**	**Development Joint Ventures at 100%**	**Joint Ventures at 50%**	**First Joint Venture's German Asset Companies at 5.1%**	**2021**
Gross rental income	92,432	23,021	3,152	—	59,302	3,132	62,435
Property Operating expenses							
— underlying property operating expenses	(1,157)	(1,064)	(56)	45	(1,116)	(34)	(1,150)
— property management fees	(7,913)	(2,814)	(626)	—	(5,676)	(289)	(5,966)
Net rental income	**83,362**	**19,143**	**2,470**	**45**	**52,510**	**2,809**	**55,319**
Net valuation gains/(losses) on investment properties	304,442	46,771	—	—	175,606	11,063	186,670
Administration expenses	(1,474)	(274)	(89)	(73)	(955)	(40)	(995)
Operating profit	**386,330**	**65,640**	**2,381**	**(28)**	**227,161**	**13,832**	**240,994**
Net financial result	(21,423)	(7,955)	493	(231)	(14,558)	(784)	(15,342)
Taxes	(62,623)	(14,175)	2,944	—	(36,927)	(2,022)	(38,949)
Profit for the period	**302,283**	**43,510**	**5,818**	**(259)**	**175,676**	**11,027**	**186,703**

in thousands of €	**First Joint Venture (excl. minorities) at 100%**	**Second Joint Venture at 100%**	**Third Joint Venture at 100%**	**Development Joint Ventures at 100%**	**Joint Ventures at 50%**	**First Joint Venture's German Asset Companies at 5.1%**	**2020**
Gross rental income	84,896	12,251	1,283	—	49,215	2,880	52,095
Property Operating expenses							
— underlying property operating expenses	(419)	(730)	(154)	(48)	(675)	(11)	(687)
— property management fees	(6,850)	(1,311)	(241)	—	(4,201)	(246)	(4,447)
Net rental income	**77,626**	**10,210**	**888**	**(48)**	**44,338**	**2,624**	**46,962**
Net valuation gains/(losses) on investment properties	82,403	5,847	—	—	44,125	3,947	48,072
Administration expenses	(1,440)	(327)	(75)	(270)	(1,056)	(36)	(1,092)
Operating profit	**158,589**	**15,730**	**813**	**(318)**	**87,407**	**6,535**	**93,942**
Net financial result	(24,855)	(6,054)	(2,878)	—	(16,893)	(857)	(17,751)
Taxes	(20,909)	(2,864)	(195)	—	(11,984)	(869)	(12,853)
Profit for the period	**112,826**	**6,812**	**(2,260)**	**(318)**	**58,530**	**4,808**	**63,338**

9.2 Summarised balance sheet information in respect of Joint Ventures

in thousands of €	**First Joint Venture (excl. minorities) at 100%**	**Second Joint Venture**	**Third Joint Venture at 100%**	**Development Joint Ventures at 100%**	**Joint Ventures at 50%**	**First Joint Venture's German Asset Companies at 5.1%**	**2021**
Investment properties	2,215,851	451,500	551,441	105,322	1,662,057	84,713	1,746,770
Other assets	41	54	3,531	75	1,850	—	1,851
Total non-current assets	**2,215,892**	**451,554**	**554,972**	**105,397**	**1,663,908**	**84,713**	**1,748,620**
Trade and other receivables	10,920	8,044	5,257	1,247	12,734	395	13,129
Cash and cash equivalents	59,747	19,192	16,691	421	48,025	1,836	49,862
Total current assets	**70,667**	**27,236**	**21,948**	**1,668**	**60,760**	**2,231**	**62,990**
Total assets	**2,286,560**	**478,790**	**576,920**	**107,065**	**1,724,667**	**86,943**	**1,811,611**
Non-current financial debt	892,941	239,304	271,522	53,774	728,771	35,325	764,095
Other non-current financial liabilities	399	(15)	—	—	192	—	192
Other non-current liabilities	6,158	2,709	—	950	4,909	141	5,049
Deferred tax liabilities	207,402	40,578	2,408	583	125,486	7,331	132,816
Total non-current liabilities	**1,106,901**	**282,576**	**273,930**	**55,307**	**859,357**	**42,796**	**902,153**
Current financial debt	23,588	5,033	—	—	14,310	744	15,055
Trade debts and other current liabilities	18,505	7,203	41,459	4,604	35,885	402	36,288
Total current liabilities	**42,093**	**12,236**	**41,459**	**4,604**	**50,196**	**1,146**	**51,342**
Total liabilities	**1,148,994**	**294,812**	**315,389**	**59,911**	**909,553**	**43,942**	**953,495**
Net assets	**1,137,566**	**183,978**	**261,531**	**47,154**	**815,114**	**43,001**	**858,116**

in thousands of €	**First Joint Venture (excl. minorities) at 100%**	**Second Joint Venture at 100%**	**Third Joint Venture at 100%**	**Development Joint Ventures at 100%**	**Joint Ventures at 50%**	**First Joint Venture's German Asset Companies at 5.1%**	**2020**
Investment properties	1,847,545	403,423	418,918	80,496	1,375,191	69,871	1,445,062
Other assets	353	113	—	—	233	19	252
Total non-current assets	**1,847,898**	**403,536**	**418,918**	**80,496**	**1,375,424**	**69,890**	**1,445,314**
Trade and other receivables	11,372	8,157	8,451	24	14,002	449	14,451
Cash and cash equivalents	56,724	17,284	14,368	15	44,196	1,945	46,140
Total current assets	**68,096**	**25,441**	**22,819**	**39**	**58,198**	**2,394**	**60,591**
Total assets	**1,915,995**	**428,977**	**441,737**	**80,535**	**1,433,622**	**72,283**	**1,505,905**
Non-current financial debt	898,911	245,188	165,528	49,779	679,703	34,574	714,277
Other non-current financial liabilities	1,537	108	—	—	823	—	823
Other non-current liabilities	6,819	2,561	1,727	—	5,553	164	5,718
Deferred tax liabilities	143,377	27,749	1,821	—	86,474	5,165	91,638
Total non-current liabilities	**1,050,644**	**275,606**	**169,076**	**49,779**	**772,552**	**39,903**	**812,456**
Current financial debt	22,509	3,532	—	—	13,020	707	13,728
Trade debts and other current liabilities	17,888	9,370	16,947	4,750	24,477	471	24,949
Total current liabilities	**40,396**	**12,902**	**16,947**	**4,750**	**37,498**	**1,179**	**38,676**
Total liabilities	**1,091,040**	**288,508**	**186,023**	**54,529**	**810,050**	**41,082**	**851,132**
Net assets	**824,955**	**140,469**	**255,714**	**26,006**	**623,572**	**31,201**	**654,773**

VGP entered into four 50:50 joint ventures with Allianz which are set up according to a similar structure. The First Joint Venture recorded one closing during the year. On 15 June 2021, the First Joint Venture completed its eighth and final closing, whereby the First Joint Venture acquired 4 logistic buildings, including 2 buildings in a new VGP parks and another 2 newly completed buildings (in parks which were previously transferred to the First Joint Venture). Following this closing the First Joint Venture 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.

As the First Joint Venture reached its investment capacity, Allianz and VGP entered into a new joint venture agreement in December 2021 with a view to establish a new Fourth Joint Venture. The Fourth Joint Venture will become effective at the moment of its first closing, currently expected to occur during the second half of 2022. The Fourth Joint Venture's objective is to build a platform of new, grade A logistics and industrial properties with a key focus on expansion within the same geographical scope as the First Joint Venture, i.e. core German markets and high growth CEE markets (of Hungary, the Czech Republic and the Slovak Republic), with the aim of delivering stable income-driven returns with potential for capital appreciation.

To allow VGP to acquire land plots on prime locations for future development, the Group has entered into three strategic partnerships, i.e. in (i) a 50:50 joint venture with Roozen (the LPM Joint Venture) entered into during 2020, (ii) a 50:50 joint venture with VUSA (the VGP Park Belartza Joint Venture), and a 50:50 joint venture with Revikon (the VGP Park Siegen Joint Venture) both entered into during 2021. The Group considers these Development Joint Ventures as an add-on source of land sourcing for land plots which would otherwise not be accessible to the Group.

The Joint Ventures' property portfolio, excluding development land and buildings being constructed by VGP on behalf of the Joint Ventures, is valued at 31 December 2021 based on a weighted average yield of 4.28%[1] (compared to 4.76% as at 31 December 2020). A 0.10% variation of this market rate would give rise to a variation of the Joint Venture portfolio value (at 100%) of € 79.2 million.

The (re)valuation of the First and Second Joint Ventures' portfolio was based on the appraisal report of the property expert Jones Lang LaSalle.

VGP provides certain services, including asset-, property- and development advisory and management, for the Joint Ventures and receives fees from the Joint Ventures for doing so. Those services are carried out on an arms-length basis and do not give VGP any control over the relevant Joint Ventures (nor any unilateral material decision-making rights). Significant transactions and decisions within the Joint Ventures require full Board and/or Shareholder approval, in accordance with the terms of the Joint Venture agreement.

9.3 Other non-current receivables

in thousands of €	**2021**	**2020**
Shareholder loans to First Joint Venture	42,183	51,672
Shareholder loans to Second Joint Venture	15,963	15,351
Shareholder loans to Third Joint Venture	135,908	82,911
Shareholder loans to Development Joint Ventures	52,940	29,030
Shareholder loans to associates (subsidiaries of First Joint Venture)	16,976	17,871
Construction and development loans to subsidiaries of First Joint Venture	36,769	32,507
Construction and development loans to subsidiaries of Second Joint Venture	46,192	37,226
Construction and development loans reclassified as assets held for sale	(82,961)	(69,733)
Other non-current receivables	935	67,203
Total	**264,905**	**264,038**

Other non-current receivables relate to non-current balance due by the co-shareholder of the LPM Joint Venture. The 2020 balance related to the non-current balance due by Allianz Real Estate in respect of the acquisition of VGP Park München and which shall become payable by Allianz Real Estate in different instalments based on the completion dates of the respective buildings. As it is expected that these buildings will be completed during the second half of 2022 this balance was reclassified as Other current receivables in 2021. (see also note 22 *Cash flow from disposal of subsidiaries and investment properties and note 14 Trade and Other Receivables*).

9.4 Investments in joint ventures and associates

in thousands of €	**2021**	**2020**
As at 1 January	**654,773**	**387,246**
Additions	23,770	211,091
Result of the year	186,703	63,338
Repayment of equity	(7,130)	(6,902)
As at the end of the period	**858,116**	**654,773**

1 The First and Second Joint Venture have been valued by an independent valuation expert. The valuation of the Third Joint Venture is based on the agreed proportional purchase price with Allianz Real Estate. The LPM Joint Venture and VGP Park Belartza Joint Venture only hold development land and hence have been excluded from the weighted average yield calculation.

10. Net financial result

in thousands of €	**2021**	**2022**
Bank and other interest income	—	2
Interest income - loans to joint ventures and associates	12,318	9,292
Other financial income	4	25
Financial income	**12,322**	**9,319**
Bond interest expense	(31,251)	(24,706)
Bank interest expense – variable debt	(2,825)	(1,871)
Interest capitalised into investment properties	13,212	11,881
Net foreign exchange expenses	(786)	(282)
Other financial expenses	(3,326)	(2,933)
Financial expenses	**(24,976)**	**(17,911)**
Net financial costs	**(12,654)**	**(8,592)**

11. Taxation

11.1 Income tax expense recognised in the consolidated income statement

in thousands of €	**2021**	**2020**
Current tax	(232)	(870)
Deferred tax	(113,613)	(38,995)
Total	**(113,845)**	**(39,865)**

11.2 Reconciliation of effective tax rate

in thousands of €		**2021**		**2020**
Profit before taxes		763,903		410,804
Adjustment for share in result of joint ventures and associates		(186,703)		(63,338)
Result before taxes and share in result of joint ventures and associates		**577,200**		**347,466**
Income tax using the German corporate tax rate	15.8%	(91,342)	15.8%	(54,986)
Difference in tax rate non-German companies		(15,892)		19,736
Non-tax-deductible expenditure		(2,305)		(1,057)
Losses/Notional interest deduction		(5,326)		(3,765)
Other		1,020		207
Total	**19.7%**	**(113,845)**	**11.5%**	**(39,865)**

The majority of the Group's profit before taxes is earned in Germany. Hence the effective corporate tax rate in Germany is applied for the reconciliation. The change of the 2021 effective tax rate (compared to 2020) is mainly due to the one-off-tax effect of the sale of VGP Park München which occurred in 2020.

The expiry of the tax loss carry-forward of the Group can be summarised as follows:

2021 — *in thousands of €*	**< 1 year**	**2–5 years**	**> 5 years**
Tax loss carry forward	488	8,928	69,655

2020 — *in thousands of €*	**< 1 year**	**2–5 years**	**> 5 years**
Tax loss carry forward	104	2,950	39,753

11.3 Deferred tax assets and liabilities

The deferred tax assets and liabilities are attributable to the following:

in thousands of €	Assets		Liabilities		Net	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Investment properties	—	—	(160,893)	(47,253)	(160,893)	(47,253)
Currency hedge accounting/Derivatives	—	—	(473)	(1,541)	(473)	(1,541)
Tax losses carried-forward	2,144	1,211			2,144	1,211
Capitalised interest	—	—	(1,266)	(917)	(1,266)	(917)
Capitalised cost	—	—	(37)	(87)	(37)	(87)
Other	348	—	—	(183)	348	(183)
Tax assets/liabilities	**2,492**	**1,211**	**(162,668)**	**(49,981)**	**(160,175)**	**(48,770)**
Set-off of assets and liabilities	(539)	574	539	(574)	—	—
Reclassification to liabilities related to disposal group held for sale	—	—	49,834	6,742	49,834	6,742
Net tax assets/liabilities	**1,953**	**1,786**	**(112,295)**	**(43,813)**	**(110,341)**	**(42,028)**

A total deferred tax asset of € 12,962k (€ 7,313k in 2020) was not recognised.

12. Earnings per share

12.1 Earnings per ordinary share (EPS)

in number	**2021**	**2020**
Weighted average number of ordinary shares (basic)	20,696,064	19,960,099
Dilution	—	—
Weighted average number of ordinary shares (diluted)	20,696,064	19,960,099

in thousands of €	**2021**	**2020**
Result for the period attributable to the Group and to ordinary shareholders	650,055	370,939
Earnings per share *(in €)* – basic	31.41	18.58
Earnings per share *(in €)* – diluted	31.41	18.58

12.2 EPRA NAV's – EPRA NAV's per share

In October 2019, the EPRA published its new Best Practice Recommendations which set out the financial indicators listed real estate companies should disclose so as to provide more transparency across the European listed sector. The EPRA NAV and EPRA NNNAV were consequently replaced by three new Net Asset Value indicators: Net Reinstatement Value (NRV), Net Tangible Assets (NTA) and Net Disposal Value (NDV). The EPRA NAV indicators are obtained by adjusting the IFRS NAV in such a way that stakeholders get the most relevant information about the fair value of assets and liabilities. The three different EPRA NAV indicators are calculated on the basis of the following scenarios:

(i) *Net Reinstatement Value:* based on the assumption that entities never sell assets and aims to reflect the value needed to build the entity anew. The purpose of this indicator is to reflect what would be required to reconstitute the company through the investment markets based on the current capital and financing structure, including Real Estate Transfer Taxes. EPRA NRV per share refers to the EPRA NRV based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

(ii) *Net Tangible Assets:* assumes that entities buy and sell assets, thereby realising certain levels of deferred taxation. This pertains to the NAV adjusted to include property and other investments at fair value and to exclude certain items that are not expected to be firmly established in a business model with long-term investment properties. EPRA NTA per share refers to the EPRA NTA based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

(iii) *Net Disposal Value:* provides the reader with a scenario of the sale of the company's assets leading to the realization of deferred taxes, financial instruments and certain other adjustments. This NAV should not be considered a liquidation NAV as in many cases the fair value is not equal to the liquidation value. The EPRA NDV per share refers to the EPRA NDV based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

in thousands of €	31 December 2021				
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
IFRS NAV	2,175,565	2,175,565	2,175,565	2,175,565	2,175,565
IFRS NAV per share *(in €)*	99.65	99.65	99.65	99.65	99.65
NAV at fair value (after the exercise of options, convertibles and other equity)	**2,175,565**	**2,175,565**	**2,175,565**	**2,175,565**	**2,175,565**
To exclude:					
Deferred tax	160,176	160,176	—	160,176	—
Intangibles as per IFRS balance sheet	—	(1,051)	—		—
Subtotal	**2,335,741**	**2,334,690**	**2,175,565**	**2,335,741**	**2,175,565**
Fair value of fixed interest rate debt	—	—	(7,470)	—	(7,470)
Real estate transfer tax	63,285	—	—	—	—
NAV	**2,399,026**	**2,334,690**	**2,168,095**	**2,335,741**	**2,168,095**
Number of shares	21,833,050	21,833,050	21,833,050	21,833,050	21,833,050
NAV/share *(in €)*	109.88	106.93	99.30	106.98	99.30

in thousands of €	31 December 2020				
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
IFRS NAV	1,305,737	1,305,737	1,305,737	1,305,737	1,305,737
IFRS NAV per share *(in €)*	63.44	63.44	63.44	63.44	63.44
NAV at fair value (after the exercise of options, convertibles and other equity)	**1,305,737**	**1,305,737**	**1,305,737**	**1,305,737**	**1,305,737**
To exclude:					
Deferred tax	48,770	48,770	—	48,770	—
Intangibles as per IFRS balance sheet	—	(557)	—		—
Subtotal	**1,354,507**	**1,353,950**	**1,305,737**	**1,354,507**	**1,305,737**
Fair value of fixed interest rate debt	—	—	(8,021)	—	(8,021)
Real estate transfer tax	25,019	—	—	—	—
NAV	**1,379,526**	**1,353,950**	**1,297,716**	**1,354,507**	**1,297,716**
Number of shares	20,583,050	20,583,050	20,583,050	20,583,050	20,583,050
NAV/share *(in €)*	67.02	65.78	63.05	65.81	63.05

13. Investment properties

in thousands of €	2021			
	Completed	Under Construction	Development land	Total
As at 1 January	166,410	456,681	297,060	**920,151**
Capex	163,678	231,983	24,499	**420,160**
Acquisitions	—	17,935	281,211	**299,146**
Capitalised interest	777	12,435	—	**13,212**
Capitalised rent free and agent's fee	7,995	2,045	676	**10,716**
Sales and disposals	(36,419)	—	—	**(36,419)**
Transfer on start-up of development	—	177,545	(177,545)	**—**
Transfer on completion of development	318,947	(318,947)	—	**—**
Net gain from value adjustments in investment properties	124,443	436,253	12,457	**573,153**
Reclassification to held for sale	(183,100)	(160,770)	(3,735)	**(347,605)**
As at 31 December	**562,730**	**855,160**	**434,624**	**1,852,514**

in thousands of €	2020			
	Completed	Under Construction	Development land	Total
As at 1 January	**94,056**	**338,266**	**360,623**	**792,945**
Capex	67,452	201,226	7,353	**276,031**
Acquisitions	—	9,851	130,256	**140,107**
Capitalised interest	3,902	7,934	45	**11,881**
Capitalised rent free and agent's fee	3,245	2,351	32	**5,628**
Sales and disposals	(191,596)	(292,107)	(10,083)	**(493,786)**
Transfer on start-up of development	—	193,574	(193,574)	**—**
Transfer on completion of development	155,018	(155,018)	—	**—**
Net gain from value adjustments in investment properties	36,477	150,604	2,408	**189,489**
Reclassification to held for sale	(2,144)	—	—	**(2,144)**
As at 31 December	**166,410**	**456,681**	**297,060**	**920,151**

As at 31 December 2021 investment properties totalling € 30.8 million (same as at 31 December 2020) were pledged in favour the Group's banks (see note 17).

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 2021 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 in recent years opted to perform the valuations twice per year i.e. as at 30 June and 31 December. Valuations are performed by independent external property appraisers. The Group ordinarily uses Jones Lang LaSalle as the Group's valuator. From time to time, at the discretion of the Company, a small part of the portfolio may be valued by another external independent valuator. For the 31 December 2021 valuations, all valuations were carried out by Jones Lang LaSalle. As a result, the value of the Group's assets depends on developments in the local real estate market in each of the Group's countries of operations and is subject to change. Gains and losses from changes in fair value are recognized in the Group's income statement as valuation results and are also a component of the Group's indirect result.

The Group's valuation contracts are typically entered into for a term of one year and the fees of the property experts are fixed for the term of their appointment and are not related to the value of the properties for which a valuation is made. The valuations are prepared in accordance with the RICS Valuation – Professional Standards (incorporating the International Valuation Standards) Global edition July 2017 (same approach as for the previous period end valuations). The basis of valuation is the market value of the property, as at the date of valuation, defined by the RICS as: *"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

(ii) Valuation methodology

Discounted cash flow approach

In view of the nature of the portfolio and the bases of valuation Jones Lang LaSalle has adopted the income approach, discounted cash flow technique, analysed over a 10- or 15-year period for each property. The cash flow assumes a ten-year hold period with the exit value calculated on ERV. To calculate the exit value Jones Lang Lasalle has used the exit yield which represents their assumption of the possible yield in the 10th 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 less than the valuator's assumed expiry void period.

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.

Equivalent yield approach

For the properties in Spain, the valuator has adopted the equivalent yield approach.

The equivalent yield approach calculates the gross market value by applying a capitalisation rate (equivalent yield) to the net rental income as of the valuation date and capitalising the income into perpetuity.

The abovementioned assumptions are more thoroughly specified below section of the valuation assumptions.

Valuation assumptions

The following main assumptions, together with the quantitative information included in section *"(iv) Quantitative information about fair value measurements using unobservable inputs";* were made by the valuator.

- Jones Lang LaSalle's analyses adopts a 10- or 15-years cash flow approach to reflect the initial income and any agreed rent indexation reverting to the estimated rental value after expiry of the current leases. For the purpose of the valuation the valuator has assumed that the current tenants will stay in the premises until the agreed lease end. In case of early break option, the valuator has assumed that the break will be exercised only if the penalty is less than valuator's assumed expiry void period.
- 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.
- After the termination of existing leases (first break option) the valuator has adopted an expiry void of 3–12 months. The assumed voids are used to cover the time and the cost of marketing, re-letting and possible reconstruction. The voids were adopted to each of the building within the portfolio.
- For properties that are vacant and under construction, the valuator has adopted an initial void starting at the valuation date.
- From the gross income the valuator has deducted a contribution to a sinking fund at 0.50%–3.95%.
- 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 CPI, EU CPI, EICP or HICP. The EICP indexation was assumed at the level of 2.12%.
— The rents after reversion have been indexed on an annual basis each lease anniversary in line with the EU CPI indexation, which is assumed to be at 2.12%.
— The exit value was calculated on ERV.
— 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.

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 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 reference is made to the *"Corporate Responsibility Report"* included in this Annual Report 2021.

(iv) Quantitative information about fair value measurements using unobservable inputs

The quantitative information in the following tables is taken from the different reports produced by the independent real estate experts. The figures provide the range of values and the weighted average of the assumptions used in the determination of the fair value of investment properties.

Region	Segment	Fair value 31 Dec-21 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
Czech Republic	IP	58,900	Discounted cash flow	ERV per m² *(in €)*	38–51
				Discount rate	5.00%–5.50%
				Exit yield	5.00%
				Weighted average yield	4.82%
				Cost to completion *(in '000 €)*	1,050
				Properties valued *(aggregate m²)*	69,064
				WAULT (until maturity) *(in years)*	6.27
				WAULT (until first break) *(in years)*	6.27
	IPUC	88,900	Discounted cash flow	ERV per m² *(in €)*	48–56
				Discount rate	4.25%–6.00%
				Exit yield	4.25%–5.00%
				Weighted average yield	4.96%
				Cost to completion *(in '000 €)*	46,200
				Properties valued *(aggregate m²)*	132,216
	DL	35,530	Sales comparison	Price per m² *(in €)*	
Germany	IP	358,330	Discounted cash flow	ERV per m² *(in €)*	39–62
				Discount rate	4.70%–5.75%
				Exit yield	3.30%–4.35%
				Weighted average yield	4.07%
				Cost to completion *(in '000 €)*	20,350
				Properties valued *(aggregate m²)*	294,554
				WAULT (until maturity) *(in years)*	7.27
				WAULT (until first break) *(in years)*	6.77
	IPUC	536,030	Discounted cash flow	ERV per m² *(in €)*	41–144
				Discount rate	4.50%–7.00%
				Exit yield	3.15%–4.40%
				Weighted average yield	3.78%
				Cost to completion *(in '000 €)*	359,600
				Properties valued *(aggregate m²)*	517,285
	DL	93,625	Sales comparison	Price per m² *(in €)*	
Spain	IP	61,450	Equivalent yield	ERV per m² *(in €)*	44–50
				Equivalent yield	4.90%–5.10%
				Reversionary yield	5.15%–5.40%
				Weighted average yield	4.96%
				Cost to completion *(in '000 €)*	0
				Properties valued *(aggregate m²)*	66,039
				WAULT (until maturity) *(in years)*	7.50
				WAULT (until first break) *(in years)*	3.48
	IPUC	105,530	Equivalent yield	ERV per m² *(in €)*	43–56
				Exit yield	4.20%–5.40%
				Weighted average yield	4.91%

Region	Segment	Fair value 31 Dec-21 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
				Cost to completion *(in '000 €)*	19,600
				Properties valued *(aggregate m²)*	127,638
	DL	68,094	Sales comparison	Price per m² *(in €)*	
Romania	IP	20,700	Discounted cash flow	ERV per m² *(in €)*	38–50
				Discount rate	8.25%–8.50%
				Exit yield	7.75%–8.50%
				Weighted average yield	7.83%
				Cost to completion *(in '000)*	550
				Properties valued *(aggregate m²)*	40,330
				WAULT (until maturity) *(in years)*	3.59
				WAULT (until first break) *(in years)*	3.59
	IPUC	36,900	Discounted cash flow	ERV per m² *(in €)*	44–58
				Discount rate	8.75%–9.90%
				Exit yield	7.75%–9.00%
				Weighted average yield	9.68%
				Cost to completion *(in '000)*	15,650
				Properties valued *(aggregate m²)*	103,122
	DL	41,055	Sales comparison	Price per m² *(in €)*	
Netherlands	IP	51,700	Discounted cash flow	ERV per m² *(in €)*	45
				Discount rate	3.95%
				Exit yield	4.80%
				Weighted average yield	3.69%
				Cost to completion *(in '000)*	0
				Properties valued *(aggregate m²)*	42,157
				WAULT (until maturity) *(in years)*	9.75
				WAULT (until first break) *(in years)*	9.75
	IPUC	92,000	Discounted cash flow	ERV per m² *(in €)*	49–53
				Discount rate	4.00%–4.80%
				Exit yield	4.50%–5.30%
				Weighted average yield	4.22%
				Cost to completion *(in '000)*	21,500
				Properties valued *(aggregate m²)*	93,260
	DL	37,720	Sales comparison	Price per m² *(in €)*	
Italy	IP	56,610	Discounted cash flow	ERV per m² *(in €)*	47–87
				Discount rate	6.25%–6.85%
				Exit yield	5.00%–5.75%
				Weighted average yield	5.73%
				Cost to completion *(in '000)*	5,200
				Properties valued *(aggregate m²)*	56,578
				WAULT (until maturity) *(in years)*	6.92
				WAULT (until first break) *(in years)*	6.25
	DL	22,160	Sales comparison	Price per m² *(in €)*	

Region	Segment	Fair value 31 Dec-21 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
Austria	IPUC	47,360	Discounted cash flow	ERV per m² *(in €)*	76–193
				Discount rate	5.00%–5.50%
				Exit yield	3.50%–4.25%
				Weighted average yield	3.89%
				Cost to completion *(in '000 €)*	40,700
				Properties valued *(aggregate m²)*	22,706
	DL	25,324	Sales comparison	Price per m² *(in €)*	
Hungary	IP	28,790	Discounted cash flow	ERV per m² *(in €)*	58–64
				Discount rate	7%
				Exit yield	6.50%
				Weighted average yield	7.16%
				Cost to completion *(in '000 €)*	0
				Properties valued *(aggregate m²)*	33,713
				WAULT (until maturity) *(in years)*	7.80
				WAULT (until first break) *(in years)*	6.87
	IPUC	33,080	Discounted cash flow	ERV per m² *(in €)*	50–53
				Discount rate	6.50%–7.00%
				Exit yield	6.00%–6.50%
				Weighted average yield	6.83%
				Cost to completion *(in '000 €)*	5,500
				Properties valued *(aggregate m²)*	51,066
	DL	25,447	Sales comparison	Price per m² *(in €)*	
Latvia	IP	43,300	Discounted cash flow	ERV per m² *(in €)*	51–59
				Discount rate	7.25%–7.35%
				Exit yield	7.15%–7.25%
				Weighted average yield	7.35%
				Cost to completion *(in '000)*	3,700
				Properties valued *(aggregate m²)*	62,500
				WAULT (until maturity) *(in years)*	7.36
				WAULT (until first break) *(in years)*	7.36
	IPUC	27,900	Discounted cash flow	ERV per m² *(in €)*	58–61
				Discount rate	7.00%
				Exit yield	7.00%
				Weighted average yield	7.54%
				Cost to completion *(in '000)*	28,100
				Properties valued *(aggregate m²)*	70,605
	DL	1,640	Sales comparison	Price per m² *(in €)*	
Slovakia	IP	45,310	Discounted cash flow	ERV per m² *(in €)*	40
				Discount rate	5.35%
				Exit yield	5.35%
				Weighted average yield	4.90%
				Cost to completion *(in '000 €)*	1,400

Region	Segment	Fair value 31 Dec-21 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
				Properties valued *(aggregate m²)*	57,329
				WAULT (until maturity) *(in years)*	10.04
				WAULT (until first break) *(in years)*	10.04
	IPUC	48,230	Discounted cash flow	ERV per m² *(in €)*	47–54
				Discount rate	5.35%–7.50%
				Exit yield	5.35%–5.50%
				Weighted average yield	5.94%
				Cost to completion *(in '000)*	22,900
				Properties valued *(aggregate m²)*	85,660
	DL	59,682	Sales comparison	Price per m² *(in €)*	
Portugal	IP	20,740	Discounted cash flow	ERV per m² *(in €)*	45
				Discount rate	7.22%
				Exit yield	5.75%
				Weighted average yield	6.08%
				Cost to completion *(in '000)*	1,250
				Properties valued *(aggregate m²)*	29,813
				WAULT (until maturity) *(in years)*	14.83
				WAULT (until first break) *(in years)*	9.83
	DL	4,132	Sales comparison	Price per m² *(in €)*	
Serbia	DL	23,950	Sales comparison	Price per m² *(in €)*	
Total		**2,200,119**			

Region	Segment	Fair value 31 Dec-20 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
Czech Republic	IPUC	8,400	Discounted cash flow	ERV per m² *(in €)*	49
				Discount rate	7.15%
				Exit yield	5.90%
				Weighted average yield	6.70%
				Cost to completion *(in '000 €)*	2,567
				Properties valued *(aggregate m²)*	14,882
	DL	43,503	Sales comparison	Price per m² *(in €)*	
Germany	IP	88,280	Discounted cash flow	ERV per m² *(in €)*	46–74
				Discount rate	5.30%–6.00%
				Exit yield	4.50%–5.00%
				Weighted average yield	5.17%
				Cost to completion *(in '000 €)*	3,587
				Properties valued *(aggregate m²)*	90,737
				WAULT (until maturity) *(in years)*	5.87
				WAULT (until first break) *(in years)*	5.72
	IPUC	302,740	Discounted cash flow	ERV per m² *(in €)*	45–95
				Discount rate	5.00%–7.75%
				Exit yield	3.70%–4.60%

Region	Segment	Fair value 31 Dec-20 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
				Weighted average yield	4.80%
				Cost to completion *(in '000 €)*	132,108
				Properties valued *(aggregate m²)*	339,619
	DL	103,039	Sales comparison	Price per m² *(in €)*	
Spain	IP	13,350	Equivalent yield	ERV per m² *(in €)*	44
				Equivalent yield	5.75%
				Reversionary yield (nominal)	5.97%
				Weighted average yield	5.75%
				Cost to completion *(in '000 €)*	548
				Properties valued *(aggregate m²)*	18,074
				WAULT (until maturity) *(in years)*	5.86
				WAULT (until first break) *(in years)*	2.42
	IPUC	64,431	Equivalent yield	ERV per m² *(in €)*	48–50
				Equivalent yield	4.90–5.80%
				Reversionary yield (nominal)	n.a.
				Weighted average yield	5.57%
				Cost to completion *(in '000 €)*	26,272
				Properties valued *(aggregate m²)*	103,779
	DL	23,115	Sales comparison	Price per m² *(in €)*	
Romania	IPUC	17,300	Discounted cash flow	ERV per m² *(in €)*	43–53
				Discount rate	9.25%–10.00%
				Exit yield	7.75%–9.00%
				Weighted average yield	9.96%
				Cost to completion *(in '000)*	8,251
				Properties valued *(aggregate m²)*	56,548
	DL	35,373	Sales comparison	Price per m² *(in €)*	
Netherlands	IPUC	30,300	Discounted cash flow	ERV per m² *(in €)*	45
				Discount rate	4.65%
				Exit yield	5.20%
				Weighted average yield	4.29%
				Cost to completion *(in '000)*	14,136
				Properties valued *(aggregate m²)*	42,157
	DL	21,858	Sales comparison	Price per m² *(in €)*	
Italy	IPUC	26,710	Discounted cash flow	ERV per m² *(in €)*	44–86
				Discount rate	6.30–6.95%
				Exit yield	5.65–6.00%
				Weighted average yield	6.17%
				Cost to completion *(in '000)*	12,766
				Properties valued *(aggregate m²)*	44,660
	DL	4,454	Sales comparison	Price per m² *(in €)*	
Hungary	IP	24,980	Discounted cash flow	ERV per m² *(in €)*	58–63
				Discount rate	7.65%

Region	Segment	Fair value 31 Dec-20 *(€ '000)*	Valuation technique	Level 3 – Unobservable inputs	Range
				Exit yield	7.25%
				Weighted average yield	7.95%
				Cost to completion *(in '000)*	733
				Properties valued *(aggregate m²)*	33,711
				WAULT (until maturity) *(in years)*	8.64
				WAULT (until first break) *(in years)*	7.71
	DL	8,438	Sales comparison	Price per m² *(in €)*	
Latvia	IP	39,800	Discounted cash flow	ERV per m² *(in €)*	50–58
				Discount rate	7.75–8.25%
				Exit yield	7.75%
				Weighted average yield	8.52%
				Cost to completion *(in '000)*	500
				Properties valued *(aggregate m²)*	62,545
				WAULT (until maturity) *(in years)*	4.63
				WAULT (until first break) *(in years)*	3.34
	DL	719	Sales comparison	Price per m² *(in €)*	
Slovakia	IPUC	6,800	Discounted cash flow	ERV per m² *(in €)*	54
				Discount rate	7.50%
				Exit yield	6.50%
				Weighted average yield	7.46%
				Cost to completion *(in '000)*	6,622
				Properties valued *(aggregate m²)*	18,576
	DL	38,456	Sales comparison	Price per m² *(in €)*	
Austria	DL	13,009	Sales comparison	Price per m² *(in €)*	
Portugal	DL	5,096	Sales comparison	Price per m² *(in €)*	
Total		**920,151**			

IP = completed investment property
IPUC = investment property under construction
DL = development land

(v) Sensitivity of valuations

The sensitivity of the fair value based on changes to the significant non-observable inputs used to determine the fair value of the properties classified in level 3 in accordance with the IFRS fair value hierarchy is as follows (all variables remaining constant):

non observable input	**Impact on fair value in case of**	
	Fall	**Rise**
ERV *(in €/m²)*	Negative	Positive
Discount rate	Positive	Negative
Exit yield	Positive	Negative
Remaining lease term (until first break)	Negative	Positive
Remaining lease term (until final expiry)	Negative	Positive
Occupancy rate	Negative	Positive
Inflation	Negative	Positive

A decrease in the estimated annual rent will decrease the fair value.

An increase in the discount rates and the capitalisation rates used for the terminal value i.e. the exit yield of the discounted cash flow method will decrease the fair value.

There are interrelationships between these rates as they are partially determined by market rate conditions.

For investment properties under construction, the cost to completion and the time to complete will reduce the fair values whereas the consumption of such cost over the period to completion will increase the fair value.

In addition, the sensitivity of the fair value of the portfolio can be estimated as follows: the effect of a rise (fall) of 1% in rental income results in a rise (fall) in the fair value of the portfolio of approximately € 24.8 million (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 € 126.6 million (all variables remaining constant).

14. Trade and other receivables

in thousands of €	**2021**	**2020**
Trade receivables	9,283	7,781
Tax receivables – VAT	64,417	27,865
Accrued income and deferred charges	1,592	1,469
Other receivables	86,490	7,713
Reclassification to (–)/ from held for sale	(13,760)	—
Total	**148,022**	**44,828**

The increase in VAT receivables is due to the increased development activities of the Group. As at 31 December 2021 there were 50 buildings under construction (1,478,000 m^2).

Other receivables mainly relate to the remaining current balance (€ 73.1 million) due by Allianz Real Estate in respect of the acquisition of VGP Park München and the current balance by the shareholder of the LPM Joint Venture (€ 4.1 million). See also note *9 Investments in Joint Ventures – 9.3 Other non-current receivable.*

15. Cash and cash equivalents

The Group's cash and cash equivalents comprise primarily cash deposits of which 73% held at Belgian banks.

16. Share capital and other reserves

16.1 Share capital

Issued and fully paid	**Number of shares**	**Par value of shares** *(€ '000)*
Ordinary shares issued at 1 January 2021	**20,583,050**	**72,225**
Issue of new shares	1,250,000	6,233
Ordinary shares issued at 31 December 2020	**21,833,050**	**78,458**

On 29 November 2021 the Company successfully placed 1,250,000 of ordinary shares in the capital of the Company at a price of € 240.00 per share. The Company raised € 300.0 million, before the € 5.1 million expenses and as a result the Company's share capital increased by € 6.2 million and share premium by € 288.7 million (see note 16.2).

The statutory share capital of the Company after the capital increase amounts to € 108,873k. 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 €	2021	2020
As at 1 January	**285,420**	**69**
Share premium arising on the issue of new shares	288,668	188,346
Gain on the sale of treasury shares (net)	—	97,005
As at 31 December	**574,088**	**285,420**

In September 2020 VGP (through its 100% subsidiary VGP Belgium NV) successfully placed 929,153 existing ordinary VGP NV shares by means of a private placement via an accelerated bookbuild offering to international institutional investors. The gross sales proceeds were in an amount of € 109.2 million. The realised net gain on this transaction (€ 97 million) was directly booked in other reserves (see *also Financial Review – Statement of changes in equity*).

As at 31 December 2021, the Group did not hold any treasury shares.

17. Current and non-current financial debt

The contractual maturities of interest-bearing loans and borrowings (current and non-current) are as follows:

Maturity *in thousands of €*	2021			
	Outstanding balance	**< 1 year**	**> 1–5 year**	**> 5 year**
Non-current				
Bank borrowings				
Schuldschein loans	28,939		26,940	1,999
Bonds				
2.75% bonds Apr-23	149,492	—	149,492	—
3.90% bonds Sep-23	223,890	—	223,890	—
3.25% bonds Jul-24	74,702	—	74,702	—
3.35% bonds Mar-25	79,825	—	79,825	—
3.50% bonds Mar-26	189,076	—	189,076	—
1.50% bonds Apr-29	594,684		—	594,684
	1,311,669	**—**	**716,985**	**594,684**
Total non-current financial debt	**1,340,609**	**—**	**743,925**	**596,684**
Current				
Bank borrowings	18,918	18,918		
Schuldschein loans	4,496	4,496		
Accrued interest	20,733	20,733	—	—
Total current financial debt	**44,147**	**44,147**	**—**	**—**
Total current and non-current financial debt	**1,384,756**	**44,147**	**743,925**	**596,684**

Maturity *in thousands of €*	2020			
	Outstanding balance	**< 1 year**	**> 1–5 year**	**> 5 year**
Non-current				
Bank borrowings	—	—	—	—
Schuldschein loans	33,252	—	7,262	25,990
Bonds				
2.75% bonds Apr-23	149,088	—	149,088	—
3.90% bonds Sep-23	223,246	—	223,246	—
3.25% bonds Jul-24	74,583	—	74,583	—
3.35% bonds Mar-25	79,771	—	79,771	—
3.50% bonds Mar-26	188,857	—	—	188,857
	715,544	**—**	**526,687**	**188,857**
Total non-current financial debt	**748,796**	**—**	**533,949**	**214,847**
Current				
Bank borrowings	20,318	20,318	—	—
Accrued interest	14,150	14,150	—	—
Total current financial debt	**34,468**	**34,468**	**—**	**—**
Total current and non-current financial debt	**783,264**	**34,468**	**533,949**	**214,847**

The above 31 December 2021 balances include capitalised finance costs of (i) € 147k on bank borrowings and schuldschein loans (2020: € 263k) and (ii) € 8,331k on bonds (2020: € 4,456k).

The accrued interest relates to the 6 issued bonds (€ 20.4 million) and the Schuldschein loans (€ 0.2 million). The coupons of the bonds are payable annually on 2 April for the Apr-23 Bond, 21 September for the Sep-23 Bond, 6 July for the Jul-24 Bond, 30 March for the Mar-25 Bond, 19 September for the Mar-26 Bond and 8 April for the Apr-29 Bond

The interests on the Schuldschein loans are payable on a semi-annual basis on 15 April and 15 October for the variable rate Schuldschein loans and annually on 15 October for the fixed rate Schuldschein loans

17.1 Overview

17.1.1 Bank loans

The loans and credit facilities granted to the VGP Group are all denominated in € can be summarised as follows (all figures below are stated excluding capitalised finance costs):

2021 *in thousands of €*	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1–5 years	> 5 years
Swedbank AS – Latvia	19,000	31-Mar-22	19,000	19,000	—	—
KBC Bank NV	75,000	31-Dec-26	—	—	—	—
Belfius Bank NV	75,000	31-Dec-26	—	—	—	—
BNP Paribas Fortis NV	50,000	31-Dec-24	—	—	—	—
Total bank debt	**219,000**		**19,000**	**19,000**	**—**	**—**

2020 *in thousands of €*	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1–5 years	> 5 years
Swedbank AS – Latvia	20,333	31-Aug-21	20,333	20,333	—	—
KBC Bank NV	75,000	31-Dec-22	—	—	—	—
Belfius Bank NV	50,000	31-Dec-22	—	—	—	—
JP Morgan AG	25,000	08-Nov-22	—	—	—	—
Total bank debt	**170,333**		**20,333**	**20,333**	**—**	**—**

17.1.2 Schuldschein loans

On 10 October 2019, VGP completed a *Schuldscheindarlehen* private placement ("Schuldschein loans") for an aggregate amount of EUR 33.5 million (excluding capitalised finance costs) which was used to finance the current development pipeline of the Group.

The Schuldschein loans represents a combination of fixed and floating notes whereby the variable rates represent a nominal amount of EUR 21.5 million which is not hedged. The current average interest rate is 2.73 per cent per annum. The loans have a maturity of 3,5,7 and 8 years (for more information on covenants see note 17.2.2.).

2021 *in thousands of €*	**Loan amount**	**Loan expiry date**	**Outstanding balance**	**< 1 year**	**> 1–5 years**	**> 5 years**
Schuldschein loans	33,500	Oct-22 to Oct-27	33,500	4,500	27,000	2,000

2020 *in thousands of €*	**Loan amount**	**Loan expiry date**	**Outstanding balance**	**< 1 year**	**> 1–5 years**	**> 5 years**
Schuldschein loans	33,500	Oct-22 to Oct-27	33,500	—	7,500	26,000

17.1.3 Bonds

As at 31 December 2021 VGP has following 6 bonds outstanding:

- the € 150 million fixed rate bond maturing on 2 April 2023 which carries a coupon of 2.75% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002677582 – Common Code: 208152149) ("Apr-23 Bond");
- € 225 million fixed rate bonds due 21 September 2023 carry a coupon of 3.90% per annum. The bonds have been listed on the regulated market of NYSE Euronext Brussels (ISIN Code: BE0002258276 – Common Code: 148397694). ("Sep-23 Bond")
- € 75 million fixed rate bonds due 6 July 2024 which carry a coupon of 3.25% per annum. The bonds have been listed on the regulated market of NYSE Euronext Brussels (ISIN Code: BE0002287564 – Common Code: 163738783). ("Jul-24 Bond")
- € 80 million fixed rate bonds due 30 March 2025 carry a coupon of 3.35% per annum. The bonds are not listed (ISIN Code: BE6294349194 – Common Code: 159049558). ("Mar-25 Bond")
- € 190 million fixed rate bonds due 19 March 2026 carry a coupon of 3.50% per annum. The bonds have been listed on the regulated market of NYSE Euronext Brussels (ISIN Code: BE0002611896 – Common Code: 187793777). ("Mar-26 Bond")
- € 600 million fixed rate bonds due 8 April 2029 carry a coupon of 1.50% per annum. The bonds have been listed on the Euro MFT Market Luxemburg (ISIN Code: BE6327721237 – Common Code: 232974028). ("Apr-29 Bond")

17.2 Key terms and covenants

17.2.1 Bank loans

As a general principle, loans are entered into by the Group in EUR at a floating rate, converting to a fixed rate through interest rate swaps in compliance with the respective loan agreements.

For further information on financial instruments we refer to note 23.

VGP Latvia sia (owner of the VGP Park Kekava) entered into a two year EUR 22 million investment loan with Swedbank AS (Latvia) in 2019. These funds were used to partially repay the invested equity made available by the Company. The investment loan is subject to certain covenants i.e.:

- Equity of VGP Latvia sia to remain at above 20% of its balance sheet;
- Debt service cover ratio of at least 1.20; and
- Loan to value not to exceed 70%.

VGP Latvia sia pledged its asset in favour of Swedbank AS. As at 31 December 2021 the outstanding amount under the investment loan was € 19.0 million. It is the Group's intention to repay this loan at its expiry date of 31 March 2022.

There were no other credit facilities outstanding at the level of the Subsidiaries as at 31 December 2021.

In order to bridge temporary funding peaks between the different closings with the Joint Ventures, the Company has arranged following committed credit facilities:

- On 2 November 2021, the Company entered into a 5-year revolving credit facility with Belfius Bank SA/NV for an amount of EUR 75 million which will mature on 31 December 2026.
- On 10 November 2021, the Company entered into a 5-year revolving credit facility for an amount of EUR 75 million with KBC Bank NV which will mature on 31 December 2026.
- On 21 December 2021, the Company entered into a 3-year revolving credit facility with BNP Paribas Fortis SA/NV for an amount of EUR 50 million which will mature on 31 December 2024.

All of the above revolving credit facilities are unsecured.

The interest rate on the credit facilities granted by Belfius Bank SA/NV, KBC Bank NV 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 EUR 21.5 million which is not hedged. The current average interest rate is 2.73 per cent. per annum.

The Schuldschein loans are unsecured and are subject to the same covenants as the bonds (see note 17.2.3.).

During the year the Group operated well within its Schuldschein loan covenants and there were no events of default nor were there any breaches of covenants with respect to Schuldschein loans noted.

17.2.3 Bonds

All bonds are unsecured and at fixed interest rate.

The terms and conditions of the bonds include following financial covenants:
— Consolidated gearing to equal or to be below 65%
— Interest cover ratio to equal or to be above 1.2
— Debt service cover ratio to equal or to be above 1.2

The abovementioned ratios are tested semi-annually based on a 12-month period and are calculated as follows:
— Consolidated gearing means consolidated total net debt divided by the sum of the equity and total liabilities;
— Interest cover ratio means the aggregate net rental income (increased with the available cash and cash equivalents) divided by the net finance charges;
— Debt service cover ratio means cash available for debt service divided by net debt service

During the year the Group operated well within its bond covenants 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

2021 *in thousands of €*	**01-Jan-21**	**Cash Flows**	**Non-cash movement**				**31-Dec-21**
			Acquisitions/ (Divestments)	**Foreign exchange movement**	**Fair value changes**	**Other**	
Non-current financial debt	748,797	594,149	—	—	—	(2,337)	**1,340,609**
Other non-current financial liabilities	—	—	—	—	—	—	**—**
Current financial debt	34,467	(1,333)	—	—	—	11,013	**44,147**
	783,264	**592,816**	**—**	**—**	**—**	**8,676**	**1,384,756**
Non-current financial assets	—	—	—	—	—	—	**—**
Total liabilities from financing activities	**783,264**	**592,816**	**—**	**—**	**—**	**8,676**	**1,384,756**

The cash movements relate to: (i) net proceeds from the issuance of the new Apr-29 Bond and (ii) repayment of bank debt in the amount of € 1.3 million.

The non-cash movements relate to: (i) € 4.5 million of transfer of Schuldschein loan debt from non-current financial to current financial debt, (ii) € 6.6 million relating to changes in accrued interest on bonds and schuldschein loans; and (iii) € 2.1 million relating to amortisation of capitalised finance costs.

2020 *in thousands of €*	01-Jan-20	Cash Flows	Non-cash movement				31-Dec-20
			Acquisitions/ (Divestments)	Foreign exchange movement	Fair value changes	Other	
Non-current financial debt	767,673	(1,433)	—	—	—	(17,443)	748,797
Other non-current financial liabilities	—	—	—	—	—	—	—
Current financial debt	12,673	—	—	—	—	21,794	34,467
	780,346	**(1,433)**	**—**	**—**	**—**	**4,351**	**783,264**
Non-current financial assets	—	—	—	—	—	—	—
Total liabilities from financing activities	**780,346**	**(1,433)**	**—**	**—**	**—**	**4,351**	**783,264**

The cash movements relate to: (i) repayment of bank debt in the amount of € 1.3 million and (ii) € 0.1 million of paid finance costs.

The non-cash movements relate to: (i) € 18.9 million of transfer of bank debt from non-current financial to current financial debt, (ii) € 2.8 million relating to changes in accrued interest on bonds and schuldschein loans; and (iii) € 1.6 million relating to amortisation of capitalised finance costs.

18. Other non-current liabilities

in thousands of €	2021	2020
Deposits	5,072	2,392
Retentions	4,775	5,549
Other non-current liabilities	24,908	2,520
Reclassification to liabilities related to disposal group held for sale	(2,296)	—
Total	**32,459**	**10,461**

Deposits are received from tenants. Retentions are amounts withheld from constructors' invoices. It is common to pay only 90 percent of the total amount due. 5 percent is due upon final delivery of the building; the remaining part is paid, based on individual agreements, most commonly after 3 or 5 years.

The increase in other non-current liabilities is mainly due to the (re)classification of the LTIP liabilities in an amount of € 19.8 million (see note 24). In 2020 these liabilities (€ 7.2 million) were classified under other current liabilities. (see note 19).

19. Trade debts and other current liabilities

in thousands of €	2021	2020
Trade payables	95,185	58,102
Deposits	—	—
Retentions	12,053	884
Accrued expenses and deferred income	7,861	5,228
Other payables	10,435	13,511
Reclassification to liabilities related to disposal group held for sale	(18,025)	—
Total	**107,509**	**77,725**

The increase in trade payables reflects the strong on-going development activities of the Group.

20. Assets classified as held for sale and liabilities associated with those assets

in thousands of €	2021	2020
Intangible assets	5	—
Investment properties	484,360	102,309
Property, plant and equipment	—	—
Deferred tax assets	—	—
Trade and other receivables	13,760	—
Cash and cash equivalents	3,757	—
Disposal group held for sale	**501,882**	**102,309**
Non-current financial debt	—	—
Other non-current financial liabilities	—	—
Other non-current liabilities	(2,296)	—
Deferred tax liabilities	(49,834)	(6,742)
Current financial debt	—	—
Trade debts and other current liabilities	(18,025)	—
Liabilities associated with assets classified as held for sale	**(70,155)**	**(6,742)**
Total net assets	**431,727**	**95,567**

In order to sustain its growth over the medium term, VGP entered into four 50:50 joint ventures with Allianz. The First, Second and Fourth Joint Venture act as an exclusive take-out vehicle of the income generating assets developed by VGP, allowing VGP to partially recycle its initially invested capital when completed projects are acquired by these joint ventures. VGP is then able to re-invest the proceeds in the continued expansion of its development pipeline, including the further expansion of its land bank, allowing VGP to concentrate on its core development activities.

Each of these joint ventures have an exclusive right of first refusal in relation to acquiring the following income generating assets of the Group: (i) for the First Joint Venture: the assets located in the Czech Republic, Germany, Hungary and the Slovak Republic; and (ii) for the Second Joint Venture: the assets located in Austria, Italy, the Benelux, Portugal, Romania and Spain. As the First Joint Venture reached its investment capacity, Allianz and VGP entered into a new joint venture agreement in December 2021 with a view to establish a new Fourth Joint Venture. The Fourth Joint Venture will become effective at the moment of its first closing, currently expected to occur during the second half of 2022. The Fourth Joint Venture's objective is to build a platform of new, grade A logistics and industrial properties with a key focus on expansion within the same geographical scope as the First Joint Venture, i.e. core German markets and high growth CEE markets (of Hungary, the Czech Republic and the Slovak Republic).

The development pipeline which will be transferred as part of any future acquisition transaction between the First, Second or Fourth Joint Venture and VGP is being developed at VGP's own risk and subsequently acquired and paid for by these joint ventures subject to pre-agreed completion and lease parameters.

As at 31 December 2021 the assets of the respective project companies which were earmarked to be transferred to the First and Second Joint Venture in the future, including the next March 2022 closing were therefore reclassified as disposal group held for sale.

The investment properties correspond to the fair value of the asset under construction which are being developed by VGP on behalf of these joint ventures. This balance includes € 83.0 million of interest-bearing development and construction loans (2020: € 69.7 million) granted by VGP to the First and/or Second Joint Venture to finance the development pipeline of the First and/or Second Joint Venture. (See also note 9.3)

21. Cash flow statement

Summary *in thousands of €*	2021	2020
Cash flow from operating activities	(87,473)	(52,168)
Cash flow from investing activities	(720,423)	(134,530)
Cash flow from financing activities	812,589	233,584
Net increase/(decrease) in cash and cash equivalents	**4,693**	**46,886**

The changes in the cash flow from investing activities was mainly due to: (i) € 680.1 million (2020: €428.2 million) of expenditure incurred for the development activities and land acquisition; (ii) € 49.6 million cash in from the eighth closing with the First Joint Venture (compared to several closing in 2020 totalling € 405.6 million).

The changes in the cash flow from financing activities were driven by: (i) € 75.1 million dividend paid out in May 2021 (2020: € 60.3 million); (ii) € 294.9 million net proceeds from the capital increase in November 2021 (2020: € 198.3) and (iii) € 594.1 million net proceeds from the issuance of the Apr-29 Bond. The cash flow from financing activities in 2020 included € 97.0 million net proceeds from the sale of treasury shares in September 2020.

22. Cash flow from disposal of subsidiaries and investment properties

in thousands of €	2021	2020
Investment property	54,496	608,483
Trade and other receivables	678	16,011
Cash and cash equivalents	2,172	24,057
Non-current financial debt	—	—
Shareholder Debt	(41,658)	(372,515)
Other non-current financial liabilities	(502)	(2,229)
Deferred tax liabilities	(2,192)	(31,459)
Trade debts and other current liabilities	(1,108)	(26,637)
Total net assets disposed	**11,886**	**215,711**
Realised valuation gain on sale	12,136	167,111
Total non-controlling interest retained by VGP	(1,108)	(1,989)
Shareholder loans repaid at closing	40,362	313,415
Equity contribution	(11,457)	(191,454)
Total consideration	**51,819**	**502,794**
Consideration to be received – Third Joint Venture	—	(73,093)
Consideration paid in cash	**51,819**	**429,701**
Cash disposed	(2,172)	(24,057)
Net cash inflow from divestments of subsidiaries and investment properties	**49,647**	**405,644**

The cash flow from disposal of subsidiaries and investment properties relate to the different closings with the Allianz Joint Ventures. In 2021 an eight closing of the First Joint Venture took place.

23. Financial risk management and financial derivatives

23.1 Terms, conditions and risk management

Exposures to foreign currency, interest rate, liquidity and credit risk arise in the normal course of business of VGP.

The company analyses and reviews each of these risks and defines strategies to manage the economic impact on the company's performance. The results of these risk assessments and proposed risk strategies are reviewed and approved by the Board of Directors on regular basis.

Some of the risk management strategies include the use of derivative financial instruments which mainly consists of forward exchange contracts and interest rate swaps. The company holds no derivative instruments nor would it issue any for speculative purposes.

As at 31 December 2021 there were no derivative financial instruments outstanding (same as for 31 December 2020).

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 2021 there were no foreign currency derivatives outstanding (same as for 2020).

in thousands	2021			
	CZK	**HUF**	**RON**	**RSD**
Trade & other receivables	68,958	2,042,276	77,477	72,129
Non-current liabilities and trade & other payables	(470,932)	(2,718,017)	(22,964)	(3,254)
Gross balance sheet exposure	**(401,974)**	**(675,741)**	**54,513**	**68,875**
Forward foreign exchange	—	—	—	—
Net exposure	**(401,974)**	**(675,741)**	**54,513**	**68,875**

in thousands	2020		
	CZK	**HUF**	**RON**
Trade & other receivables	74,670	288,184	24,484
Non-current liabilities and trade & other payables	(64,927)	(559,588)	(6,277)
Gross balance sheet exposure	**9,744**	**(271,404)**	**18,207**
Forward foreign exchange	—	—	—
Net exposure	**9,744**	**(271,404)**	**18,207**

The following significant exchange rates applied during the year:

1 € =	2021	2020
	Closing rate	**Closing rate**
CZK	24.86000	26.24500
HUF	369.19000	363.89000
RON	4.94810	4.86940
RSD	117.58210	n.a.

Sensitivity
A 10 percent strengthening of the euro against the following currencies at 31 December 2021 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 2020.

Effects *in thousands of €*	2021	
	Equity	**Profit or (Loss)**
CZK	—	1,470
HUF	—	166
RON	—	(1,002)
RSD	—	(53)
Total	**—**	**582**

Effects *in thousands of €*	2020	
	Equity	**Profit or (Loss)**
CZK	—	(34)
HUF	—	68
RON	—	(340)
Total	**—**	**(306)**

A 10 percent weakening of the euro against the above currencies at 31 December 2021 would have had the equal but opposite effect on the above currencies to amounts shown above, on the basis that all other variables remain constant.

23.3 Interest rate risk

The Group applies a dynamic interest rate hedging approach whereby the target mix between fixed and floating rate debt is reviewed periodically. These reviews are carried out within the confines of the existing loan agreements should such loan agreements require that interest rate exposure is to be hedged when certain conditions are met.

Where possible the Group will apply IFRS 9 to reduce income volatility whereby some of the interest rate swaps may be classified as cash flow hedges. Changes in the value of a hedging instrument that qualifies as highly effective cash flow hedges are recognised directly in shareholders' equity (hedging reserve).

The Group also uses interest rate swaps that do not satisfy the hedge accounting criteria under IFRS 9 but provide effective economic hedges. Changes in fair value of such interest rate swaps are recognised immediately in the income statement. (Interest rate swaps held for trading).

At the reporting date the Group interest rate profile of the Group's (net of any capitalised financing costs) was as follows:

in thousands of € – nominal amounts	2021	2020
Financial debt		
Fixed rate		
Schuldschein loans	12,000	12,000
Bonds	1,320,000	720,000
Variable rate		
Bank debt	19,000	20,333
Schuldschein loans	21,500	21,500
Interest rate hedging		
Interest rate swaps		
Held for trading	n.a.	n.a.
Financial debt after hedging		
Variable rate		
Bank debt	19,000	20,333
Schuldschein loans	21,500	21,500
Total variable debt (A)	**40,500**	**41,833**
Fixed rate		
Bonds	1,320,000	720,000
Bank debt	—	—
Schuldschein loans	12,000	12,000
Total fixed rate debt (B)	**1,332,000**	**732,000**
Total financial debt (C) = (A) + (B)	**1,372,500**	**773,833**
Fixed rate/total financial debt (B)/(C)	**97.0%**	**94.6%**

The effective interest rate on financial debt (bank debt, schuldschein loans and bonds), including all bank margins and cost of interest rate hedging instruments was 2.69% for the year 2020 (3.35% in 2020).

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 € 405k lower/higher (2020: € 418k). 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 2021 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 2020 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 €	2021	2020
	Carrying amount	**Carrying amount**
Other non-current receivables	264,905	264,038
Trade & other receivables	95,773	15,494
Cash and cash equivalents	225,917	222,356
Reclassification to liabilities related to disposal group held for sale	(5,293)	
Total	**581,302**	**501,888**

As at 31 December 2021 there was € 3.0 million of restricted cash held in a bank account (2020: € 0.1 million). The group's cash and cash equivalents comprise primarily cash deposits of which 73% held at Belgian Banks (See note 15).

The aging of trade receivables as at the reporting date was:

in thousands of €	2021	2020
	Carrying amount	**Carrying amount**
Gross trade receivables		
Gross trade receivables not past due	8,827	7,206
Gross trade receivables past due	456	575
Bad debt and doubtful receivables	—	—
Provision for impairment of receivables (–)	—	
Total	**9,283**	**7,781**

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 2021 the Group, in addition to its available cash, has several committed credit lines at its disposal up to a maximum equivalent of € 200 million (2020: € 150 million) at floating interest rates with fixed margins.

After year-end (January 2022) VGP substantially increased its liquidity position through the successful issuance of its second public benchmark green bonds for an aggregate nominal amount of € 1.0 billion. (net proceeds: € 991.2 million)

The following are contractual maturities of financial assets and liabilities, including interest payments and derivative financial assets and liabilities. 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 €	2021					
	Carrying amount	**Contractual Cash flow**	**< 1 year**	**1–2 years**	**2–5 years**	**More than 5 years**
Assets						
Cash and cash equivalents	225,917	225,917	225,917	—	—	—
Trade and other receivables	95,773	95,773	95,773	—	—	—
Reclassified to (–)/ from held for sale	(5,293)	(5,293)	(5,293)	—	—	—
	316,397	**316,397**	**316,397**	**—**	**—**	**—**
Liabilities						
Secured bank loans	18,917	19,000	19,000	—	—	—
Unsecured Schuldschein loans	33,436	37,645	5,426	830	29,329	2,059
Unsecured bonds	1,311,669	1,469,083	33,668	408,668	399,748	627,000
Trade and other payables	148,661	148,661	114,110	8,069	21,141	5,340
Reclassification to liabilities related to disposal group held for sale	(19,601)	(19,601)	(17,162)	—	(132)	(2,307)
	1,493,082	**1,654,787**	**155,042**	**417,567**	**450,085**	**632,092**

in thousands of €	2020					
	Carrying amount	**Contractual Cash flow**	**< 1 year**	**1–2 years**	**2–5 years**	**More than 5 years**
Assets						
Cash and cash equivalents	222,286	222,286	222,286	—	—	—
Trade and other receivables	15,494	15,494	15,494	—	—	—
	237,780	**237,780**	**237,780**	**—**	**—**	**—**
Liabilities						
Secured bank loans	20,318	20,597	20,597	—	—	—
Unsecured Schuldschein loans	33,252	38,571	926	5,426	5,411	26,807
Unsecured bonds	715,544	821,750	24,668	24,668	575,765	196,650
Trade and other payables	78,744	78,744	68,284	5,657	2,798	2,005
	847,858	**959,662**	**114,475**	**35,751**	**583,974**	**225,462**

23.6 Capital management

VGP is continuously optimising its capital structure targeting to maximise shareholder value while keeping the desired flexibility to support its growth. The Group targets to operate within maximum gearing ratio of net debt/total shareholders' equity and liabilities at 65%.

As at 31 December 2021 the Group's gearing was as follows:

in thousands of €	2021	2020
Non-current financial debt	1,340,609	748,796
Current financial debt	44,147	34,468
Financial debt classified under liabilities related to disposal group held for sale	—	—
Total financial debt	**1,384,756**	**783,264**
Cash and cash equivalents	(222,160)	(222,356)
Cash and cash equivalents classified as disposal group held for sale	(3,757)	—
Total net debt (A)	**1,158,839**	**560,908**
Total shareholders' equity and liabilities (B)	**3,882,739**	**2,227,742**
Gearing ratio (A)/(B)	**29.8%**	**25.2%**

23.7 Fair value

The following tables list the different classes of financial assets and financial liabilities with their carrying amounts in the balance sheet and their respective fair value and analyzed by their measurement category under IFRS 9.

Abbreviations used in accordance with IFRS 9 are:
AC Financial assets or financial liabilities measured at amortised cost
FVTPL Financial assets measured at fair value through profit or loss
HFT Financial liabilities Held for Trading

31 December 2021 *in thousands of €*	Category in accordance with IFRS 9	Carrying amount	Fair value	Fair value hierarchy
Assets				
Other non-current receivables	AC	264,905	264,905	Level 2
Trade receivables	AC	9,283	9,283	Level 2
Other receivables	AC	86,490	86,490	Level 2
Derivative financial assets	FVTPL	—	—	Level 2
Cash and cash equivalents	AC	222,935	222,935	Level 2
Reclassification to (–) from held for sale		(5,295)	(5,295)	
Total		**578,318**	**578,318**	
Liabilities				
Financial debt				
Bank debt	AC	52,353	52,353	Level 2
Bonds	AC	1,311,669	1,331,248	Level 1
Trade payables	AC	95,185	95,185	Level 2
Other liabilities	AC	57,244	57,244	Level 2
Derivative financial liabilities	HFT	—	—	Level 2
Reclassification to (–) from held for sale		(19,646)	(19,646)	
Total		**1,496,805**	**1,516,384**	

31 December 2020 *in thousands of €*	**Category in accordance with IFRS 9**	**Carrying amount**	**Fair value**	**Fair value hierarchy**
Assets				
Other non-current receivables	AC	264,038	264,038	Level 2
Trade receivables	AC	7,781	7,781	Level 2
Other receivables	AC	7,713	7,713	Level 2
Derivative financial assets	FVTPL	—	—	Level 2
Cash and cash equivalents	AC	222,286	222,286	Level 2
Total		**501,818**	**501,818**	
Liabilities				
Financial debt				
Bank debt	AC	53,570	53,570	Level 2
Bonds	AC	715,544	732,763	Level 1
Trade payables	AC	58,102	58,102	Level 2
Other liabilities	AC	24,856	24,859	Level 2
Derivative financial liabilities	HFT	—	—	Level 2
Total		**852,076**	**869,294**	

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 2021, 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 2021, 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.

Financial assets amounting to € 30.8 million as at 31 December 2021 (same as in 2020) were pledged in favour of VGP's financing banks.

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 2021 there were 255,000 Units allocated to the VGP team and 61,583 Units were vested. The vested Units represented a net pay-out of € 1.6 million.

Consequently, the total aggregate Units allocated as at 31 December 2021 (after vesting) amount to 620,911 Units. Based on the 31 December 2021 financial figures these Units represent an aggregate net asset value growth of € 20.7 million (2020: € 7.2 million) which was provided for in the 2021 accounts (see Remuneration Report for further details).

25. Contingencies and commitments

As at 31 December 2021, the important contingencies and commitments were:

in thousands of €	**2021**	**2020**
Contingent liabilities	6,266	1,391
Commitments to purchase land	402,094	179,567
Commitments to develop new projects	685,574	342,747

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 3,981,000 m^2 of land for which deposits totalling € 13.0 million (2020: 2,184,000 m^2 with deposits amounting to € 9.1 million). The € 13.0 million down payment on land was classified under investment properties as at 31 December 2021 (same classification treatment applied for 2020). The deposits made mainly relate to land plots in Germany (€ 8.9 million) of which most of them are expected to be acquired during the course of 2022.

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 2021 the main shareholders of the company are:
— Little Rock SA (18.61%): a company controlled by Mr. Jan Van Geet;
— Alsgard SA (11.04%): a company controlled by Mr. Jan Van Geet;
— Tomanvi SCA (2.22%): a company controlled by Mr. Jan Van Geet;
— VM Invest NV (20.16%): 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 40.85% of the voting rights of VGP NV and who is CEO and an executive director and (ii) Mr Bart Van Malderen who holds 24.36% 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 2021 amounts to € 4.4 million (2020: € 3.7 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 2021 aggregate amount paid under these leases was € 104k equivalent (2020: € 98k).

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 €	**2021**	**2020**
Trade receivable/(payable)	—	(23)

VGP occasionally also provides real estate support services to Jan Van Geet s.r.o. (and vice versa). During 2021 VGP recorded a € 13k revenue for these activities (2020: € 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 €	**2021**	**2020**
Loans outstanding at year end	346,931	266,568
Investments in Joint Ventures	23,770	211,091
Equity distributions received	(7,130)	(6,902)
Net proceeds from sales to Joint Ventures	49,647	405,644
Management fee income	14,213	10,743
Interest and similar income from joint ventures and associates	12,318	9,292

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 €	**2021**	**2020**
Basic remuneration and short-term incentives and benefits	4,999	4,733
Long term variable remuneration	—	1,472
Total gross remuneration	**4,999**	**6,205**

The disclosures relating to the Belgian Corporate Governance Code are included in the Corporate Governance Statement of this annual report.

For 2021 no post-employment benefits were granted.

27. Events after the balance sheet date

On 17 January 2022, VGP successfully issued its second public benchmark green bonds for an aggregate nominal amount of € 1.0 billion (€ 991.2 million net proceeds), in two tranches, with a €500 million 5-year bond paying a coupon of 1.625% p.a. and maturing on 17 January 2027 and a €500 million 8-year bond paying a coupon of 2.250% p.a. and maturing on 17 January 2030.

In March 2022, the third closing with the Second Joint Venture took place with a transaction value of € 363.5 million.

With the outbreak of the war between Russia and Ukraine we are finding ourselves in uncertain economic and political waters. It is unclear whether this war will not turn into a prolonged war which could have significant economic spill over effects for the short to medium term.

One of the immediate consequences of the war in Ukraine is surging energy costs and shortages of building materials. Whether this trend, which we have been able to remedy for the time being, is a lasting one will depend on how the conflict develops further.

It is therefore currently not possible to assess the impact on our Group and different stakeholders. What is clear is that there will be an adverse economic and market disruptive impact but how this will evolve and what the impact will be for our Group is currently impossible to say.

28. Services provided by the statutory auditor and related persons

The audit fees for VGP NV and its fully controlled subsidiaries amounted to € 203k and additional non-audit services were performed during the year by Deloitte for which a total fee of € 33k was incurred. Audit fees for jointly controlled entities amounted to € 220k and additional non-audit services for jointly controlled entities were performed for which a total fee of € 254k was incurred.

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 2021 and were fully consolidated:

Subsidiaries	Registered seat address	%	
VGP NV	Antwerpen, Belgium	Parent	(1)
VGP Belgium NV	Antwerpen, Belgium	100	(5)
VGP Renewable Energy NV	Antwerpen, Belgium	100	(1)
VGP CZ X a.s..	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(1)
VGP Park Olomouc 5 a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Prostejov a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Ceske Budejovice a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Mnichovo Hradiste a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Hradek nad Nisou 2 a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Rochlov a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Vyskov a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP Park Kladno a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100	(2)
VGP – 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)

Subsidiaries	Registered seat address	%	
VGP Renewable Energy Deutschland GmbH	Düsseldorf, Germany	100	(3)
VGP Park Hamburg 4 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Halle S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Rostock S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Goettingen 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Magdeburg S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Laatzen S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Ottendorf-Okrilla S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Berlin Oberkraemer S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Erfurt S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Berlin Bernau S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Erfurt 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Gießen Am alten Flughafen S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Leipzig Flughafen S.à r.l	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Berlin 4 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 32 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Berlin-Hönow S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Wiesloch-Walldorf S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Frankenthal 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Hochheim S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Erfurt 3 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Park Halle 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 45 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 46 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 DEU 48 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 Logistics S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
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 DEU 27 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 39 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	(2)
VGP Industriebau Österreich GmbH	Vienna, Austria	100	(3)
VGP Latvia ,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 Park Rae OÜ	Tallin, Estonia	100	(2)
VGP Park Timisoara 2 S.R.L.	Bucharest, Romania	100	(2)

Subsidiaries	Registered seat address	%	
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 SRL	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 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)
D61 Logistics a.s.	Bratislava, Slovakia	100	(2)
VGP – industrialne stavby s.r.o.	Bratislava, Slovakia	100	(3)
VGP Service Kft.	Györ, Hungary	100	(3)
VGP Park Hatvan Kft.	Györ, Hungary	100	(2)
VGP Park Gÿor Beta Kft.	Györ, Hungary	100	(2)
VGP Park Kecskemet Kft.	Györ, Hungary	100	(2)
VGP Park BUD Aerozone KFT	Györ, Hungary	100	(2)
VGP Nederland BV	Tilburg, The Netherlands	100	(2)
VGP Renewable Energy Netherlands BV	Tilburg, The Netherlands	100	(2)
VGP Park Nederland 2 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 Fuenlabrada S.L.U.	Barcelona, Spain	100	(2)
VGP Park Valencia Cheste S.L.U.	Barcelona, Spain	100	(2)
VGP Park Zaragoza S.L.U.	Barcelona, Spain	100	(2)
VGP Park Dos Hermanes S.LU	Barcelona, Spain	100	(2)
VGP Park Sevilla Ciudad de la Imagen S.L.U.	Barcelona, Spain	100	(2)
VGP Park Granollers S.L.U.	Barcelona, Spain	100	(2)
VGP Park Martorell S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 12 S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 13 S.L.U.	Barcelona, Spain	100	(2)
Daisen Investments 2020, S.L.U	Barcelona, Spain	100	(2)
Maliset Investments 2020, S.L.U.	Barcelona, Spain	100	(2)
Urlau Proyectos y Servicios, S.L.U.	Bilbao, Spain	100	(2)
VGP (Park) Espana 17 S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 18 S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 19 S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 20 S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 21 S.L.U.	Barcelona, Spain	100	(2)

Subsidiaries	Registered seat address	%	
VGP (Park) Espana 22 S.L.U.	Barcelona, Spain	100	(2)
VGP (Park) Espana 23 S.L.U.	Barcelona, Spain	100	(2)
VGP Italy SRL	Milan, Italy	100	(3)
VGP Park Verona SRL	Milan, Italy	100	(2)
VGP Park Calcio SRL	Milan, Italy	100	(2)
VGP Park Sordio SRL	Milan, Italy	100	(2)
VGP Park Italy 5 SRL	Milan, Italy	100	(2)
VGP Park Italy 6 SRL	Milan, Italy	100	(2)
VGP Park Padova SRL	Milan, Italy	100	(2)
VGP Park Italy 8 SRL	Milan, Italy	100	(2)
VGP Park Italy 9 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 Italy 13 SRL	Milan, Italy	100	(2)
VGP Park Italy14 SRL	Milan, Italy	100	(2)
VGP Renewable Energy Italia SRL	Milan, Italy	100	(2)
VGP Construção Industrial, Unipessoal Lda	Lisbon, Portugal	100	(3)
VGP Park Portugal 1, S.A.	Lisbon, Portugal	100	(2)
VGP Park Portugal 2, S.A.	Lisbon, Portugal	100	(2)
VGP Park Loures S.A.	Lisbon, Portugal	100	(2)
VGP Park Portugal 4, S.A.	Lisbon, Portugal	100	(2)
VGP Park Portugal 5, S.A.	Lisbon, Portugal	100	(2)
VGP Park Portugal 6, S.A.	Lisbon, Portugal	100	(2)
VGP Park Portugal 7, S.A.	Lisbon, Portugal	100	(2)
VGP Constructions Industrielles SAS	Lyon, France	100	(3)
VGP France SAS	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 Industrial Development Croatia d.o.o.	Zagreb, Croatia	100	(3)
VGP Park Lučko d.o.o.	Zagreb, Croatia	100	(2)

29.2 Companies to which the equity method is applied

Joint Venture	Registered seat address	%	
VGP European Logistics S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	50.00	(4)
VGP European Logistics 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	50.00	(4)
VGP Park München GmbH	Baldham, Germany	50.00	(4)
LPM Holding BV	Tilburg, The Netherlands	50.00	(4)
Belartza Alto SXXI SL	Bilbao, Spain	50.00	(4)
Grekon 11 GmbH	Lahau, Germany	50.00	(4)

Associates	Registered seat address	%	
VGP Park Bingen GmbH	Düsseldorf, Germany	5.1	(6)
VGP Park Hamburg GmbH	Düsseldorf, Germany	5.1	(6)
VGP Park Hamburg 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Hamburg 3 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Rodgau GmbH	Düsseldorf, Germany	5.1	(6)
VGP Park Höchstadt GmbH	Düsseldorf, Germany	5.1	(6)
VGP Park Berlin GmbH	Düsseldorf, Germany	5.1	(6)
VGP Park Berlin 2 S.à r.l	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Berlin 3 S.à r.l	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Frankenthal S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Leipzig S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Leipzig GmbH	Düsseldorf, Germany	5.1	(6)
VGP DEU 3 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Wetzlar S.à r.l	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Ginsheim S.à r.l	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Dresden S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Goettingen S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Berlin Wustermark S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Bischofsheim S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Einbeck S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Chemnitz S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)
VGP Park Gießen S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.1	(6)

(1) Holding and service company
(2) Existing or future asset company.
(3) Services company
(4) Holding company (including its respective subsidiaries as applicable)
(5) Dormant
(6) The remaining 94.9% are held directly by VGP European Logistics S.a r.l.

29.3 Changes in 2021

(i) New Investments

Subsidiaries	Registered seat address	%
VGP Park Nederland 5 BV	Tilburg, The Netherlands	100
VGP Park Nederland 6 BV	Tilburg, The Netherlands	100
VGP Park Nederland 7 BV	Tilburg, The Netherlands	100
VGP (Park) Espana 10 S.L.U.	Barcelona, Spain	100
VGP (Park) Espana 11 S.L.U.	Barcelona, Spain	100
VGP (Park) Espana 12 S.L.U.	Barcelona, Spain	100
VGP (Park) Espana 13 S.L.U.	Barcelona, Spain	100
VGP Park Rae OÜ	Tallinn, Estonia	100
VGP Park BUD Aerozone Kft.	Györ, Hungary	100
Urlau Proyectos y Servicios, S.L.U.	Bilbao, Spain	100
VGP Park Bucharest Two SRL	Bucharest, Romania	100
VGP DEU 41 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100

Subsidiaries	Registered seat address	%
VGP DEU 42 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP DEU 43 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP DEU 44 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP DEU 45 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP Renewable Energy Italia SRL	Milan, Italy	100
VGP Industrial Development d.o.o.Beograd	Belgrade, Serbia	100
VGP Park One d.o.o. Beograd	Belgrade, Serbia	100
Retail Park Antica Fonderia S.r.l	Milan, Italy	100
VGP DEU 46 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP DEU 47 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP DEU 48 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP DEU 49 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP DEU 50 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
Belartza Alto SXXI SL	Bilbao, Spain	50
D61 Logistics a.s.	Bratislava, Slovakia	100
VGP Park Portugal 6, S.A.	Lisbon, Portugal	100
VGP Park Portugal 7, S.A.	Lisbon, Portugal	100
VGP Constructions Industrielles SAS	Lyon, France	100
VGP France SAS	Lyon, France	100
Grekon 11 GmbH	Lahau, Germany	50
VGP Park Italy 12 S.r.l.	Milan, Italy	100
VGP Park Italy 13 S.r.l.	Milan, Italy	100
VGP Park Italy 14 S.r.l.	Milan, Italy	100
VGP Renewable Energy s.r.o.	Jenišovice, Czech Republic	100
VGP Industrial Development Croatia d.o.o.	Zagreb, Croatia	100
VGP Park Lučko d.o.o.	Zagreb, Croatia	100
VGP Park Timisoara Three SRL	Bucharest, Romania	100
VGP Park Timisoara Four SRL	Bucharest, Romania	100
VGP (Park) Espana 17 S.L.U.	Barcelona, Spain	100
VGP (Park) Espana 18 S.L.U.	Barcelona, Spain	100
VGP (Park) Espana 19 S.L.U.	Barcelona, Spain	100
VGP (Park) Espana 20 S.L.U.	Barcelona, Spain	100
VGP (Park) Espana 21 S.L.U.	Barcelona, Spain	100
VGP (Park) Espana 22 S.L.U.	Barcelona, Spain	100
VGP (Park) Espana 23 S.L.U.	Barcelona, Spain	100

(ii) Name change

New Name	Former Name
VGP Park Frankenthal 2 S.à r.l.	VGP DEU 37 S.à r.l.
VGP Park Heidelberg S.à r.l.	VGP DEU 36 S.à r.l.
VGP Park Dos Hermanas S.LU	VGP (Park) Espana 7 S.LU.
VGP Park Sevilla Ciudad de la Imagen S.L.U.	VGP (Park) Espana 8 S.L.U.
VGP Italy S.r.l.	VGP Costruzioni Industriali S.r.l.
VGP Park Padova S.r.l.	VGP Park Italy 7 S.r.l.
VGP Park Wiesloch-Walldorf S.à r.l.	VGP DEU 36 S.à r.l.
VGP Park Hochheim S.á r.l.	VGP DEU 40 S.à r.l.
VGP Park Berlin Bernau S.á r.l.	VGP DEU 26 S.à r.l.
VGP Park Erfurt 3 S.á r.l.	VGP DEU 41 S.à r.l.
VGP Park Halle 2 S.à r.l.	VGP DEU 43 S.à r.l.
VGP Park Granollers S.L.U.	VGP (Park) Espana 10 S.L.U.
VGP Park Martorell S.L.U.	VGP (Park) Espana 11 S.L.U.
VGP Park Loures S.A.	VGP Park Portugal 3, S.A.
VGP Park Milano Paderno Dugnano S.r.l.	Retail Park Antica Fonderia S.r.l
VGP European Logistics 3 S.à r.l.	VGP DEU 44 S.à r.l.

(iii) Subsidiaries sold to First Joint Venture

Subsidiaries	Registered seat address	%
VGP Park Gießen S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	94.9

(iv) Registered numbers of the Belgian companies

Companies	Company number
VGP NV	BTW BE 0887.216.042 RPR – Antwerp (Division Antwerp)
VGP Renewable Energy NV	BTW BE 0894.188.263 RPR – Antwerp (Division Antwerp)
VGP Belgium NV	BTW BE 0894.442.740 RPR – Antwerp (Division Antwerp)

Supplementary notes not part of the audited financial statements

For the year ended 31 December 2021

1. Income statement, proportionally consolidated

The table below includes the proportional consolidated income statement interest of the Group in the Joint Ventures. The interest held directly by the Group (5.1%) in the German asset companies of the Joint Ventures have been included in the 50% Joint Ventures' figures (share of VGP).

in thousands of €	2021			2020		
	Group	**Joint Ventures**	**Total**	**Group**	**Joint Ventures**	**Total**
Gross rental income	17,618	62,435	80,053	12,078	52,095	64,173
Property operating expenses	(2,219)	(7,116)	(9,335)	(3,784)	(5,133)	(8,917)
Net rental and related income	**15,399**	**55,319**	**70,718**	**8,294**	**46,962**	**55,256**
Joint venture management fee income	21,303	—	21,303	14,699	—	14,699
Net valuation gains/(losses) on investment properties	610,261	186,670	796,931	366,361	48,072	414,433
Administration expenses	(52,112)	(995)	(53,107)	(29,296)	(1,092)	(30,388)
Other expenses	(5,000)	—	(5,000)	(4,000)	—	(4,000)
Operating profit/(loss)	**589,851**	**240,994**	**830,845**	**356,058**	**93,942**	**450,000**
Net financial result	(12,654)	(15,342)	(27,996)	(8,593)	(17,751)	(26,344)
Taxes	(113,845)	(38,949)	(152,794)	(39,865)	(12,853)	(52,718)
Profit for the period	**463,352**	**186,703**	**650,055**	**307,600**	**63,338**	**370,938**

2. Balance sheet, proportionally consolidated

The table below includes the proportional consolidated balance sheet interest of the Group in the Joint Ventures. The interest held directly by the Group (5.1%) in the German asset companies of the Joint Ventures have been included in the 50% Joint Ventures' figures (share of VGP).

in thousands of €	2021			2020		
	Group	**Joint Ventures**	**Total**	**Group**	**Joint Ventures**	**Total**
Investment properties	1,852,514	1,746,770	3,599,284	920,151	1,445,062	2,365,213
Investment properties included in assets held for sale	484,360	—	484,360	102,309	—	102,309
Total investment properties	**2,336,874**	**1,746,770**	**4,083,644**	**1,022,460**	**1,445,062**	**2,467,522**
Other assets	300,050	1,851	301,901	283,325	252	283,575
Total non-current assets	**2,636,924**	**1,748,620**	**4,385,544**	**1,305,785**	**1,445,314**	**2,751,097**
Trade and other receivables	148,022	13,129	161,151	44,828	14,451	59,279
Cash and cash equivalents	222,160	49,862	272,022	222,356	46,140	268,496
Disposal group held for sale	17,517	—	17,517	—	—	—
Total current assets	**387,699**	**62,990**	**450,689**	**267,184**	**60,591**	**327,775**
Total assets	**3,024,623**	**1,811,611**	**4,836,234**	**1,572,969**	**1,505,905**	**3,078,872**
Non-current financial debt	1,340,609	764,095	2,104,704	748,796	714,277	1,463,073
Other non-current financial liabilities	—	192	192	—	823	823
Other non-current liabilities	32,459	5,049	37,508	10,461	5,718	16,179
Deferred tax liabilities	112,295	132,816	245,111	43,813	91,638	135,451
Total non-current liabilities	**1,485,363**	**902,153**	**2,387,516**	**803,070**	**812,456**	**1,615,526**
			—			
Current financial debt	44,147	15,055	59,202	34,468	13,728	48,196
Trade debts and other current liabilities	107,510	36,288	143,798	77,725	24,949	102,677
Liabilities related to disposal group held for sale	70,154	—	70,154	6,742	—	6,742
Total current liabilities	**221,811**	**51,342**	**273,153**	**118,935**	**38,676**	**157,614**
Total liabilities	**1,707,174**	**953,495**	**2,660,669**	**922,005**	**851,132**	**1,773,140**
Net assets	**1,317,449**	**858,116**	**2,175,565**	**650,964**	**654,773**	**1,305,737**

Parent company information

1. Financial statements VGP NV

1.1 Parent company accounts

The financial statements of the parent company VGP NV, are presented below in a condensed form.
In accordance with Belgian company law, the directors' report and financial statements of the parent company VGP NV, together with the auditor's report, have been deposited at the National Bank of Belgium.

They are available on request from:

VGP NV
Generaal Lemanstraat 55 bus 4
B-2018 Antwerp (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 €	**2021**	**2020**
Other operating income	9,729	9,124
Operating profit or loss	(18,555)	(9,820)
Financial result	20,984	35,906
Non-recurrent income financial assets	19,659	256,616
Current and deferred income taxes	(55)	(138)
Profit for the year	**22,033**	**282,564**

1.3 Condensed balance sheet after profit appropriation

in thousands of €	2021	2020
Formation expenses, intangible assets	15,446	6,431
Tangible fixed assets	184	112
Financial fixed assets	2,296,328	1,429,880
Other non-current receivables	934	67,203
Total non-current assets	**2,312,892**	**1,503,626**
Trade and other receivables	88,329	9,816
Cash & cash equivalents	66,528	101,472
Total current assets	**154,857**	**111,288**
Total assets	**2,467,749**	**1,614,914**
Share capital	108,873	102,640
Share premium	483,794	190,027
Non-distributable reserves	10,887	10,264
Retained earnings	313,368	441,515
Shareholders' equity	**916,922**	**744,446**
Amounts payable after one year	1,352,926	758,533
Amounts payable within one year	197,901	111,935
Creditors	**1,550,827**	**870,468**
Total equity and liabilities	**2,467,749**	**1,614,914**

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 2021 result

in thousands of €	2021	2020
Profit for the year for appropriation	22,033	282,564
Profit brought forward	441,515	235,076
Profit to be appropriated	**463,548**	**517,640**
Transfer to statutory reserves	623	997
Profit to be carried forward	313,369	441,515
Gross dividends	149,556	75,128
Total	**463,548**	**517,640**

The Board of Directors of VGP NV will propose to the Annual Shareholders' Meeting to distribute a gross dividend of € 6.85 per share corresponding to a total gross dividend amount of € 149,556,392.50.

Auditor's report

Statutory auditor's report to the shareholders' meeting for the year ended 31 December 2021 – Consolidated financial statements

The original text of this report is in Dutch

In the context of the statutory audit of the consolidated financial statements of VGP NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 8 May 2020, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2022. We have performed the statutory audit of the consolidated financial statements of VGP NV for 15 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 2021, 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 3,882,739 (000) EUR and the consolidated statement of comprehensive income shows a profit for the year then ended of 650,055 (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 2021 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties VGP develops, owns and manages a portfolio of logistic and industrial warehousing properties, located mainly across Europe. The property portfolio is valued at 1,852,514 (000) EUR as at 31 December 2021, 1,746,770 (000) EUR is held by joint ventures at share and 484,360 (000) EUR is presented under "disposal group held for sale". The portfolio includes completed investments and properties under construction ("development properties") and is valued using the income approach in accordance with IAS 40 which is based on expected future cash flows. Development properties are valued using the same methodology with a deduction for all costs necessary to complete the development. Key inputs into the valuation exercise are yields and estimated rental values, which are influenced by prevailing market forces, comparable transactions and the specific characteristics of each property in the portfolio. The Group uses professionally qualified external valuers to fair value the Group's portfolio at six-monthly intervals. The valuation of the portfolio is a significant judgement area, underpinned by a number of assumptions which can involve judgements and the existence of estimation uncertainty. Coupled with the fact that only a small percentage difference in individual property valuations, when aggregated, could result in a material misstatement on the income statement and balance sheet, warrants specific audit focus in this area. **Reference to disclosures** The methodology applied in determining the valuation is set out in note 2.7 of the consolidated financial statements. In addition we refer to note 13 of the consolidated financial statements containing the investment property roll-forward, note 20 in relation to the disposal group held for sale and note 9 in relation to investments in joint ventures and associates.	**Assessing the valuer's expertise and objectivity** — We assessed the competence, independence and integrity of the external valuers. — We assessed management's process for reviewing and challenging the work of the external valuers. **Testing the valuations** — We compared the amounts per the valuation reports to the accounting records and from there we agreed the related balances through to the financial statements. — We involved internal valuation specialists to assist the financial audit team to discuss and challenge the significant assumptions and critical judgement areas for specific properties, including yields and estimated rental values and compared to other data we have knowledge of; — We obtained the external valuation reports and confirmed that the valuation approach is in accordance with RICS in determining the carrying value in the balance sheet. — For development properties we also confirmed that the supporting information for construction contracts and budgets was consistent with the cost to complete deducted from the valuation of development properties. — Capitalized expenditure was tested on a sample basis to invoices, and budgeted costs to complete were compared to supporting evidence (for example by inspecting original construction contracts). **Information and standing data** — We tested the standing data the Group provided to the valuers for use in the performance of the valuation, relating to rental income, key rent contract characteristics and occupancy. — We considered the internal controls implemented by management and we tested the design and implementation of controls over investment properties.

Responsibilities of the board of directors for the preparation of the consolidated financial statements
The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
— obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
— conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
— evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
— obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors
The board of directors is responsible for the preparation and the content of the annual report and 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 VP NV as of 31 December 2021 are, in all material respects, prepared in accordance with the ESEF requirements as stipulated by the Delegated Regulation.

Other statements

— This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Signed in Antwerp, 12 April 2022

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL

Represented by Kathleen De Brabander

Glossary of terms

Allianz or Allianz Real Estate
Means, (i) in relation to the First Joint Venture, Allianz AZ Finance VII Luxembourg S.A., SAS Allianz Logistique S.A.S.U. and Allianz Benelux SA (all affiliated companies of Allianz Real Estate GmbH) taken together, (ii) in relation to the Second Joint Venture, Allianz AZ Finance VII Luxembourg S.A., (iii) in relation to the Third Joint Venture, Allianz Pensionskasse A.G., Allianz Versorgungskasse Versicherungsverein A.G., Allianz Lebensversicherungs A.G. and Allianz Private Krankenversicherungs A.G., and (iv) in relation to the Fourth Joint Venture, Allianz Finance IX Luxembourg S.A. and YAO NEWREP Investments S.A.;

Allianz Joint Ventures or AZ JVs
Means either and each of (i) the First Joint Venture; (ii) the Second Joint Venture; (iii) the Third Joint Venture; and (iv) the Fourth Joint Venture;

AZ JVA(s) or Allianz Joint Venture Agreement(s)
Means either and each of (i) the joint venture agreement made between Allianz and VGP NV in relation to the First Joint Venture; (ii) the joint venture agreement made between Allianz and VGP NV in relation to the Second Joint Venture; (iii) the joint venture agreement made between Allianz and VGP NV in relation to the Third Joint Venture; and (iv) the joint venture agreement made between Allianz and VGP NV in relation to the Fourth Joint Venture;

Annualised committed leases or annualised rent income
The annualised committed leases or the committed annualised rent income represents the annualised rent income generated or to be generated by executed lease – and future lease agreements.

Associates
Means either and each of the subsidiaries of the First Joint Venture or Fourth Joint Venture in which VGP NV holds a direct 5.1% (10.1%) participation,

Apr-23 Bond
the € 150 million fixed rate bond maturing on 2 April 2023 which carries a coupon of 2.75% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002677582 – Common Code: 208152149).

Apr-29 Bond
Means the € 600 million fixed rate bond maturing on 8 April 2029 which carries a coupon of 1.50% per annum (listed on the Euro MFT Market in Luxembourg with ISIN Code: BE6327721237 – Common Code: 232974028.

Belgian Code of Companies and Associations
Means the Belgian Code of Companies and Associations dated 23 March 2019 *(Wetboek van vennootschappen en verenigingen / Code des sociétés et associations),* as amended or restated from time to time.

Belgian Corporate Governance Code
Drawn up by the Corporate Governance Commission and including the governance practices and provisions to be met by companies under Belgian Law which shares are listed on a regulated market (the"2020 Code"). The Belgian Corporate Governance Code is available online at www.corporategovernancecommittee.be.

Break
First option to terminate a lease.

Contractual rent
The gross rent as contractually agreed in the lease on the date of signing.

Contribution in kind
The non-cash assets contributed to a company at the time of formation or when the capital is increased.

Dealing Code
The code of conduct containing rules that must be complied with by the members of the Board of Directors, the members of executive management, and all employees of the VGP Group, who by virtue of their position, possess information they know or should know is insider information.

Derivatives
As a borrower, VGP wishes to protect itself from any rise in interest rates. This interest rate risk can be partially hedged by the use of derivatives (such as interest rate swap contracts).

Development Joint Venture(s)
Means either and each of (i) the LPM Joint Venture; (ii) the VGP Park Belartza Joint Venture; and (iii) the VGP Park Siegen Joint Venture.

Development JVA(s)
Means either and each of (i) the joint venture agreement made between Roozen and VGP in relation to the LPM Joint Venture; (ii) the joint venture agreement made between Revikon and VGP in relation to the VGP Park Siegen Joint Venture; and (iii) the joint venture agreement made between VUSA and the VGP in relation to the VGP Park Belartza Joint Venture

Discounted cash flow
This is a valuation method based on a detailed projected revenue flow that is discounted to a net current value at a given discount rate based on the risk of the assets to be valued.

EPRA
The European Public Real Estate Association, a real estate industry body, which has issued Best Practices Recommendations Guidelines in order to provide consistency and transparency in real estate reporting across Europe.

Equivalent yield (true and nominal)
Is a weighted average of the net initial yield and reversionary yield and represents the return a property will produce based upon the timing of the income received. The true equivalent yield assumes rents are received quarterly in advance. The nominal equivalent assumes rents are received annually in arrears.

Estimated rental value ("ERV")
Estimated rental value (ERV) is the external valuers' opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.

Exit yield
Is the capitalisation rate applied to the net income at the end of the discounted cash flow model period to provide a capital value or exit value which an entity expects to obtain for an asset after this period.

Fair value
Means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, as defined in IAS 40. In addition, market value must reflect current rental agreements, the reasonable assumptions in respect of potential rental income and expected costs;

First Joint Venture
VGP European Logistics S.à r.l., the 50:50 joint venture between VGP and Allianz.

Fourth Joint Venture
VGP European Logistics 3 S.à.r.l. (currently named VGP DEU 44 S.à.r.l.), the future 50:50 joint venture between VGP and Allianz.

FSMA
Means the Financial Services and Markets Authority *(Autoriteit voor Financiële Diensten en Markten / Autorité des services et marchés financiers).*

Gearing ratio
Is a ratio calculated as consolidated net financial debt divided by total equity and liabilities or total assets.

IAS/IFRS
International Accounting Standards / International Financial Reporting Standards. The international accounting standards drawn up by the International Accounting Standards Board (IASB), for the preparation of financial statements.

Indexation
The rent is contractually adjusted annually on the anniversary of the contract effective date on the basis of the inflation rate according to a benchmark index in each specific country.

Insider information
Any information not publicly disclosed that is accurate and directly or indirectly relates to one or more issuers of financial instruments or one or more financial instruments and that, if it were publicly disclosed, could significantly affect the price of those financial instruments (or financial instruments derived from them).

Investment value
The value of the portfolio, including transaction costs, as appraised by independent property experts

Joint Ventures
Means either and each of (i) the Allianz Joint Ventures; and (ii) the Development Joint Ventures.

Jul-24 Bond
Means the € 75 million fixed rated bond maturing on 6 July 2024 which carries a coupon of 3.25% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002287564 – Common Code: 163738783.

JVA(s) or Joint Venture Agreement(s)
Means either and each of (i) the Allianz Joint Venture Agreements and; (ii) the Development JVA's.

Lease expiry date
The date on which a lease can be cancelled.

LPM Joint Venture
Means LPM Holding B.V., the 50:50 joint venture between VGP and Roozen.

Mar-25 Bond
Means the € 80 million fixed rate bond maturing on 30 March 2025 which carries a coupon of 3.35% per annum (unlisted with ISIN Code: BE6294349194 – Common Code: 159049558).

Mar-26 Bond
Means the € 190 million fixed rate bond maturing on 19 March 2026 which carries a coupon of 3.50% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002611896 – Common Code: 187793777).

Market capitalisation
Closing stock market price multiplied by the total number of outstanding shares on that date.

Net asset value
The value of the total assets minus the value of the total liabilities.

Net financial debt
Total financial debt minus cash and cash equivalents.

Net Initial Yield
Is the annualised rents generated by an asset, after the deduction of an estimate of annual recurring irrecoverable property outgoings, expressed as a percentage of the asset valuation (after notional purchaser's costs).

Occupancy rate
The occupancy rate is calculated by dividing the total leased out lettable area (m^2) by the total lettable area (m^2) including any vacant area (m^2).

Prime yield
The ratio between the (initial) contractual rent of a purchased property and the acquisition value at a prime location.

Project management
Management of building and renovation projects. VGP employs an internal team of project managers who work exclusively for the company.

Property expert
Independent property expert responsible for appraising the property portfolio.

Property portfolio
The property investments, including property for lease, property investments in development for lease, assets held for sale and development land.

Reversionary Yield
Is the anticipated yield, which the initial yield will rise to once the rent reaches the ERV and when the property is fully let. It is calculated by dividing the ERV by the valuation.

Revikon
Means Revikon GmbH.

Roozen or Roozen Landgoederen Beheer
Means in relation to the LPM Joint Venture, Roozen Landgoederen Beheer B.V.

Second Joint Venture
VGP European Logistics 2 S.à r.l., the 50:50 joint venture between VGP and Allianz.

Sep-23 Bond
the € 225 million fixed rate bond maturing on 21 September 2023 which carries a coupon of 3.90% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002258276 – Common Code: 148397694).

Take-up
Letting of rental spaces to users in the rental market during a specific period.

Third Joint Venture
VGP Park München GmbH, the 50:50 joint venture between VGP and Allianz.

VGP Park Belartza Joint Venture
Means Belartza Alto SXXI, S.L, the 50:50 joint venture between VGP and VUSA..

VGP Park Moerdijk or LPM joint venture
Means the LPM Joint Venture.

VGP Park München or VGP Park München joint venture
Means the Third Joint Venture.

VGP Park Siegen Joint Venture
Means Grekon 11 GmbH, the 50:50 joint venture between VGP and Revikon.

Vusa
Means Valeriano Urrutikoetxea, S.L.U.; Galdakarra XXI, S.L.; Saibigain XXI, S.L.U.; and Belartza Garaia, S.L.U.;

Weighted average term of financial debt
The weighted average term of financial debt is the sum of the current financial debt (loans and bonds) multiplied by the term remaining up to the final maturity of the respective loans and bonds divided by the total outstanding financial debt.

Weighted average term of the leases ("WAULT")
The weighted average term of leases is the sum of the (current rent and committed rent for each lease multiplied by the term remaining up to the final maturity of these leases) divided by the total current rent and committed rent of the portfolio

Weighted average yield
The sum of the contractual rent of a property portfolio to the acquisition price of such property portfolio.

Statement of responsible persons

The undersigned declare that, to the best of their knowledge:

— The annual accounts, which are in line with the standards applicable for annual accounts, give a true and fair view of the capital, the financial situation and the results of the Company and the consolidated subsidiaries;

— The annual report gives a true and fair view of the development and the results of the Company and of the position of the Company and the consolidated companies, as well as a description of the main risks and uncertainties they are faced with.

Jan Van Geet
as permanent representative of
Jan Van Geet s.r.o.
CEO

Piet Van Geet
as permanent representative of
Urraco BV
CFO

Disclaimer

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

Notes

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