



VGP NV

public limited liability company (*naamloze vennootschap / société anonyme*) under Belgian law  
("VGP" or the "Issuer")

## Public Offering to subscribe for a maximum of 5,458,262 New Shares in a share capital increase with non-statutory preferential rights for EUR 55.50 per New Share at the ratio of 1 New Share for 4 Preferential Rights

### Request for admission to trading of the New Shares and Preferential Rights on Euronext Brussels

This prospectus (the "Prospectus") has been prepared in connection with (i) the public offering to Existing Shareholders (as defined below) and any holders of a non-statutory preferential right ("Preferential Right") (the "Rights Offering") to subscribe to newly issued ordinary shares in the Issuer (the "New Shares") pursuant to a share capital increase in cash with one Preferential Right granted per ordinary share, with an issue price of EUR 55.50 per New Share (the "Issue Price") and (ii) the request for admission to trading of the New Shares and the Preferential Rights on the regulated market of Euronext Brussels ("Euronext Brussels").

Subject to the restrictions in this Prospectus and limitations that may apply under applicable securities laws, each shareholder of the Issuer holding shares of the Issuer at closing of Euronext Brussels on 16 November 2022 (the "Existing Shareholders") will be granted one Preferential Right per ordinary share it holds on that date (the "Record Date"). The Preferential Rights will be represented by coupon no. 11, which will be detached from the underlying share on the Record Date after closing of the market. The Preferential Rights are expected to trade on Euronext Brussels under trading symbol "VGP11" and are expected to be listed on Euronext Brussels under ISIN code BE0970180833. The holders of Preferential Rights are entitled, subject to the restrictions in this Prospectus and limitations that may apply under applicable securities laws, to subscribe to the New Shares at the ratio of 1 New Share for 4 Preferential Rights (the "Ratio"). The subscription period for the New Shares is expected to start on 17 November 2022 and shall end on 24 November 2022 – 4:00 p.m. CET (the "Rights Subscription Period"). Once holders of Preferential Rights exercise their Preferential Rights, they cannot revoke the exercise of their Preferential Rights, except as set out in section 2.9 of Part VII (*Information on the Offering*). Holders of Preferential Rights who have not exercised their Preferential Rights during the Rights Subscription Period will no longer be able to exercise their Preferential Rights.

Preferential Rights that are not exercised during the Rights Subscription Period will be converted into an equal number of scrips (the "Scrips"). The Scrips will be offered for sale by the Underwriters in a private placement with qualified investors in Belgium and by way of a private placement exempt from prospectus requirements or similar formalities in such other jurisdictions as will be determined by the Issuer in consultation with the Global Coordinators, in reliance on Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "Securities Act"), organised by way of an accelerated bookbuilding procedure in order to determine a single market price per Scrip that is expected to start on 25 November 2022 and to end on the same date (the "Scrips Private Placement" and, together with the Rights Offering, the "Offering"). The net proceeds of the sale of the Scrips (if any) will be divided proportionally between all holders of Preferential Rights who have not exercised them, unless the net proceeds of the sale of the Scrips divided by the total number of unexercised Preferential Rights is less than EUR 0.01. Purchasers of Scrips in the Scrips Private Placement shall irrevocably undertake to subscribe for the corresponding number of New Shares at the Issue Price and in accordance with the Ratio. The statutory preferential subscription right of the Existing Shareholders has been cancelled with respect to the Offering, but the Preferential Rights, each representing a non-statutory preferential subscription right, are being granted as described above. The results of the Rights Offering and the Scrips Private Placement as well as, as the case may be, the amount payable to the holders of unexercised Preferential Rights are expected to be announced on 25 November 2022. No minimum amount has been set for the Offering.

Certain entities controlled by Jan Van Geet or by Bart Van Malderen (together the "Reference Shareholders", who currently represent 50.90% of the shares in the Company) have committed to participate in the Rights Offering for an aggregate minimum amount of EUR 120 million and to exercise a minimum of 8,648,652 Preferential Rights (or 77.82% of the total Preferential Rights allocated to them), and to subscribe for the corresponding number of New Shares in accordance with the Ratio.

**An Investment in the New Shares involves substantial risks and uncertainties. Prospective investors must be able to bear the economic risk of an investment in the New Shares, the Preferential Rights or the Scrips and should be able to sustain a partial or total loss of their investment. Before making any investment decision, the investors must read the Prospectus in its entirety (and, in particular, the section on Risk factors starting on page 9). Investors should in particular note that the Issuer's solvability and liquidity depends on the sustainability of its development activities, its ability to execute new lease agreements and its sales cycles of completed projects to the Second Joint Venture and the Fourth Joint Venture, taking into account the postponement of the first closing with the Fourth Joint Venture.**

This Prospectus constitutes a simplified offer and listing prospectus in accordance with Article 14 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 ("Prospectus Regulation") and has been prepared in accordance with Article 3 of the Prospectus Regulation. The English version of this Prospectus was approved by the Belgian Financial Services and Market Authority (the "FSMA") on 15 November 2022 as competent authority under the Prospectus Regulation. The FSMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Preferential Rights or the New Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the New Shares.

This Prospectus is available in English and Dutch. The summary of this Prospectus is also available in French. This Prospectus will be made available to investors at no cost at the registered office of the Issuer, at Generaal Lemanstraat 55, box 4, 2018 Antwerp, Belgium. Subject to selling and transfer restrictions, this Prospectus is also available on the internet at the following websites: [www.vgpparks.eu](http://www.vgpparks.eu), [www.belfius.be/vgp2022](http://www.belfius.be/vgp2022), [www.bnpparibasfortis.be/epargneretplacer](http://www.bnpparibasfortis.be/epargneretplacer), [www.kbc.be/vgp2022](http://www.kbc.be/vgp2022), [www.bolero.be/nl/vgp](http://www.bolero.be/nl/vgp).

The Issuer is not making, and not taking any action to permit, a public offering of the New Shares, Preferential Rights or the Scrips in any jurisdiction outside Belgium. The distribution of this Prospectus outside Belgium may in certain jurisdictions be restricted by law. In particular, subject to certain limited exceptions and at the sole discretion of the Issuer, this document should not be distributed, forwarded to or transmitted, directly or indirectly, in whole or in part, in or into the United States (as defined in Regulation S of the Securities Act). Persons into whose possession this Prospectus comes must inform themselves about, and observe such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the New Shares, Preferential Rights or Scrips in any jurisdiction in which such an offer or solicitation is unlawful. The New Shares, the Preferential Rights and the Scrips have not been and will not be registered under the Securities Act, or under any securities law of any state or other jurisdiction of the United States. Accordingly, none of the Preferential Rights, Scrips or New Shares may be offered, issued, sold, pledged, taken up, delivered, renounced, or otherwise transferred, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of any securities in the United States.

The Preferential Rights, Scrips and New Shares (together, the "Securities") are being offered and sold outside the United States in offshore transactions (as defined in Regulation S) in reliance on Regulation S. In addition, the New Shares may be offered and sold within the United States to certain "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the Securities Act in reliance on exemptions from registration under the Securities Act and only to persons that have executed and timely returned an investor letter to the Issuer. The Scrips Private Placement, if any, will be made only in reliance on Regulation S.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the New Shares, the Preferential Rights, the Scrips offered to any person with a registered address, or who is resident or located, in the United States, subject to certain exceptions, or to any person in any jurisdiction in which such offer or solicitation is unlawful.

Global Coordinators



J.P.Morgan



Prospectus dated 15 November 2022

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## PART I: SUMMARY

### 1 Introduction and warnings

This summary should be read as an introduction to the Prospectus prepared in connection with (i) the public offering by the Issuer of the New Shares pursuant to a share capital increase in cash with one Preferential Right granted per Share, with an Issue Price of EUR 55.50 per New Share (including issue premium) and (ii) the request for admission to trading of the New Shares and the Preferential Rights on Euronext Brussels. The Issuer's registered office is at Generaal Lemanstraat 55, box 4, 2018 Antwerp, (Belgium), company number 0887.216.042 (RLE Antwerp, division Antwerp). The Issuer's telephone number is +32 3 289 14 30. The Issuer's Legal Entity Identifier (LEI) is 315700NENYPIXFR94T49. The New Shares are expected to trade under the same ISIN code as the Existing Shares: BE0003878957. The Preferential Rights will trade under ISIN code BE0970180833.

The Prospectus was filed as a prospectus for the purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 with the FSMA, as a competent authority under the Prospectus Regulation and approved by the FSMA on 15 November 2022. The FSMA's registered office is at Congressstraat 12 – 14, 1000 Brussels (Belgium) and its telephone number is +32 (0)2 220 52 11.

This summary should be read as an introduction to the Prospectus. Any decision to invest in the New Shares, Preferential Rights or the Scrips should be based on consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff may, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this Summary including any translation thereof, but only where the Summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the New Shares, Preferential Rights or the Scrips.

### 2 Key information on the Issuer

#### 2.1 Who is the Issuer of the New Shares, Preferential Rights or the Scrips?

**Identity of the Issuer.** The Issuer is VGP NV, having its registered office at Generaal Lemanstraat 55, box 4, 2018 Antwerp, Belgium, registered with the Crossroads Bank for Enterprises under number 0887.216.042, enterprise court of Antwerp, division Antwerp with LEI code: 315700NENYPIXFR94T49.

**Principal activities.** The Issuer, together with its Subsidiaries (collectively, **VGP**, the **VGP Group** or the **Group**), is a pan-European pure-play logistics real estate group specialised in the acquisition, development, and management of logistic real estate, i.e. buildings suitable for logistical purposes and light industrial activities. The Group focuses on strategically located plots of land in Germany, the Czech Republic, Spain, the Netherlands, Slovakia, Hungary, Romania, Austria, Italy, Latvia, Portugal, Serbia, France and Croatia, suitable for development of logistic business parks of a certain size, so as to build up an extensive and well-diversified land bank on top locations. The Group is currently expanding into Denmark and Sweden, and aims to expand further into other European markets in the future. VGP entered into four 50:50 joint ventures with Allianz. The Allianz Joint Ventures allow the Group to in part recycle its initial invested capital and allow the Group to re-invest these monies in the continued expansion of the development pipeline, thus allowing VGP to concentrate on its core development activities. In addition, the Group has entered into three strategic partnerships (i.e. the LPM Joint Venture, the VGP Park Belartza Joint Venture and the VGP Park Siegen Joint Venture). These joint ventures serve as an add-on source of land sourcing for land plots which would otherwise not be accessible to the Group and, similar to the Allianz Joint Ventures, allow the Group to in part recycle its initial invested capital.

**Major Shareholders.** The two main ultimate reference shareholders of the Issuer are (i) Jan Van Geet, who (directly or indirectly) holds 41.56% of the voting rights of the Issuer and (ii) Bart Van Malderen, who (directly or indirectly) holds 24.77% of the voting rights of the Issuer (together, the "**Reference Shareholders**"). No shareholder exercises *de jure* control over the Issuer within the meaning of article 1:14 of the Belgian Code of Companies and Associations. Jan Van Geet (indirectly) exercised more than 50% of the voting rights that were present or represented at the last and penultimate General Meetings of Shareholders held on 13 May 2022 and 14 May 2021, respectively. As a result, at the date of this Prospectus, Jan Van Geet is presumed to exercise *de facto* control over the Issuer pursuant to article 1:14, §3, second indent of the Belgian Code of Companies and Associations.

**Board of directors.** The Issuer's board of directors (the "**Board of Directors**" or the "**Board**") is composed of at least three members and is currently composed as follows:

Name	Function	Appointment	End of term
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Bart Van Malderen <sup>(1)</sup>	Chairman	2021	2025
Jan Van Geet <sup>(2)</sup>	Non-executive director	2021	2025
	CEO		
Ann Gaeremynck <sup>(3)</sup>	Executive director	2019	2023
	Independent director		
Katherina Reiche	Independent director	2019	2023
Vera Gäde Butzlaff	Independent director	2019	2023

(1) As permanent representative of VM Invest NV.

(2) As permanent representative of Jan Van Geet s.r.o.

(3) As permanent representative of Gaevan BV.

**Executive Management.** The executive management of the Issuer is composed of the following members (acting through their respective management companies): Jan Van Geet (CEO), Piet Van Geet (CFO), Tomas Van Geet (CCO), Miquel-David Martinez (CTO), Matthias Sander (COO – Eastern Europe), Jonathan Watkins (COO – Western Europe), Martijn Vlutters (Vice President) and Dirk Stoop (Company Secretary).

**Statutory Auditor.** The statutory auditor of the Issuer is Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV, a civil company having the legal form of a private limited liability company (*besloten vennootschap/société à responsabilité limitée*), organised and existing under the laws of Belgium, with registered office at Gateway Building, Luchthaven Nationaal 1 J, 1930 Zaventem, Belgium, represented by Mrs. Kathleen De Brabander.

## 2.2 What is the key financial information regarding the Issuer

**Selected information.** Given the interdependencies between the Issuer and the Joint Ventures (which are accounted for on an equity basis), the key financial information is provided separately for the Issuer and the Joint Ventures.

In millions of EUR	Year Ended		Six-Months Ended	
	31 Dec-20	31 Dec-21	30 Jun-21	30 Jun-22
<b>KEY CONSOLIDATED FINANCIAL STATEMENT INFORMATION</b>				
<b>VGP Group</b>				
Net rental and related income	8.3	15.4	6.0	17.1
Joint Ventures' management fee income	14.7	21.3	8.5	9.9
Net valuation gains / (losses) on investment property	366.4	610.3	163.2	155.9
Administration expenses	(29.3)	(52.1)	(20.3)	(20.8)
Share in result of joint ventures and associates	63.3	186.7	84.4	31.4
Other expenses	(4.0)	(5.0)	(2.0)	(3.0)
Operating result	419.4	776.6	240.0	190.5
Net profit	370.9	650.1	203.8	153.1
Basic earnings per share	18.6	31.4	9.9	7.0
Investment properties (incl. disposal group held for sale)	1,022.5	2,336.9	1,372.8	2,692.6
Total financial debt	783.3	1,384.8	1,378.7	2,361.8
Cash and cash equivalents (incl. disposal group held for sale) <sup>(1)</sup>	222.4	225.9	469.2	649.3
Total assets	2,227.7	3,882.7	2,987.1	4,870.0
Total equity	1,305.7	2,175.6	1,434.4	2,179.1
Cash flow from operating activities	(52.2)	(87.5)	(27.0)	(60.8)
Cash flow from investing activities	(134.5)	(720.4)	(243.8)	(338.4)
Cash flows from financing activities	233.6	812.6	518.4	822.6
<b>Joint Ventures and associates (at 100%)<sup>(2)</sup></b>				
Net rental and related income	88.7	105.0	52.3	57.6
Net valuation gains / (losses) on investment property	88.3	351.2	158.3	27.7
Administration expenses	(2.1)	(1.9)	(1.1)	(1.2)
Operating result	174.8	454.3	209.5	84.1
Net Profit	117.1	351.4	158.7	59.0
Investment properties <sup>(3)</sup>	2,750.4	3,324.1	3,029.3	3,755.4
Total financial debt <sup>(3)</sup>	1,387.1	1,486.5	1,464.2	1,744.0
Cash and cash equivalents	88.4	96.1	111.2	147.1
Total assets	2,867.2	3,449.3	3,169.6	3,953.3
Total net assets	1,247.1	1,630.2	1,429.7	1,840.6
<b>KEY ALTERNATIVE PERFORMANCE MEASURES ("APMs")</b>				
<b>VGP Group</b>				
Net debt <sup>(4)</sup>	560.9	1,158.8	909.5	1,712.4
Gearing ratio (net debt on shareholder's equity and liabilities) <sup>(4)</sup>	25.2%	29.8%	30.4%	35.2%
Annualised Committed Leases <sup>(5)</sup>	41.7	104.9	57.9	108.4

Occupancy rate % <sup>(5)</sup>	100.0%	99.3%	100.0%	97.2%
EPRA NTA per share	65.78	106.93	73.37	106.97
EPRA NAV per share	65.81	106.98	73.40	107.02

#### **Joint Ventures and associates (at 100%)**

Net debt <sup>(4)</sup>	1,298.7	1,390.5	1,353.0	1,596.9
Aggregate Loan to Value <sup>(5)(6)</sup>	50.4%	44.7%	48.3%	46.3%
Annualised Committed Leases <sup>4</sup>	143.5	151.2	147.8	172.7
Occupancy rate % <sup>4</sup>	98.4%	99.4%	99.3%	99.4%

#### **KEY PROPORTIONALLY CONSOLIDATED FINANCIAL STATEMENT INFORMATION (not audited)**

Net rental and related income	55.3	70.7	32.0	47.4
Joint Ventures' management fee income	14.7	21.3	8.5	9.9
Net valuation gains / (losses) on investment property	414.4	796.9	247.4	170.9
Administration expenses	(30.4)	(53.1)	(19.2)	(21.4)
Other expenses	(4.0)	(5.0)	(2.0)	(3.0)
Operating result	450.0	830.8	266.7	203.8
Net Profit	370.9	650.1	203.8	153.1
Investment properties <sup>(3)</sup>	2,467.5	4,083.6	2,966.0	4,656.0
Total financial debt	1,512.1	2,163.9	2,148.4	3,269.6
Cash and cash equivalents <sup>(7)</sup>	268.5	272.0	527.7	724.7
Total Assets	3,078.9	4,836.2	3,901.5	5,970.3
Total Equity	1,305.7	2,175.6	1,434.4	2,179.1

<sup>1</sup> Includes the Cash and cash equivalents which are classified as disposal group held for sale in an amount of EUR 3.8 million as at 31 December 2021 and EUR 0.8 million as at 30 June 2022. For the period ending 31 December 2020 and 30 June 2021, no amounts of cash were reclassified as disposal group held for sale.

<sup>2</sup> Excludes the 5.1% direct interest of the Group in the German asset companies of the Joint Ventures.

<sup>3</sup> Excludes the development and construction loans provided by VGP in respect of development land and assets under constructions transferred to the Joint Ventures during previous closings for an amount of EUR 68.6 million as at 31 December 2020, EUR 82.7 million as at 31 December 2021, EUR 70.5 million as at 30 June 2021 and EUR 122.4 million as at 30 June 2022.

<sup>4</sup> Audited figures.

<sup>5</sup> Non-audited figures.

<sup>6</sup> Aggregate Loan to Value is the ratio calculated as the total outstanding financial debt including the shareholders loans granted by the shareholders to the Joint Ventures and the 5.1% direct interest of the Group in the German asset companies of the Allianz Joint Ventures but excluding the development and construction loans granted by VGP to the Joint Ventures divided by the fair market value of the investment properties acquired by the Joint Ventures (including the 5.1% direct interest of the Group in the German asset companies of the Allianz Joint Ventures) as at the respective reporting dates.

<sup>7</sup> Excludes the cash and cash equivalents which are classified as disposal group held for sale in an amount of EUR 3.8 million as at 31 December 2021 and EUR 0.8 million as at 30 June 2022. For the period ending 31 December 2020 and 30 June 2021, no amounts of cash were reclassified as disposal group held for sale.

**Other financial information.** No pro forma financial information is provided in the Prospectus. There are no qualifications to the audit report on the historical financial information.

## **2.3 What are the key risks that are specific to the Issuer?**

The following is a selection of key risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects. In general, and without being exhaustive, the Issuer is subject to the following risks:

- the Group may not be able to continue its development activities in a sustained and profitable way, for which it depends on its ability to execute new lease agreements and dispose its real estate assets to the Second Joint Venture and Fourth Joint Venture;
- the Issuer's development projects may experience delays and other difficulties, especially in respect of receiving necessary permits and increases in construction costs;
- the Group's development projects require large initial investments and will only start to generate income after a period of time;
- the fair market value of the Property Portfolio might not be realised and is subject to competition;
- the Group's business, operations and financial conditions are significantly affected by (i) the underlying operational, financial and organisational risks of the Joint Ventures and (ii) with regards to the Second Joint Venture and Fourth Joint Venture, the continuation of the acquisition of the completed assets from the Group;
- the Issuer 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 Issuer's debt levels have substantially increased over the last years and the Issuer is exposed to a (re)financing risk;
- the Group is exposed to risk of financing from its Joint Ventures;
- the Issuer has to comply with a broad and diverse regulatory framework; and
- the Group is subject to certain transitional climate risks and may not be able to meet all ESG related requirements or expectations of investors in this regard.

### 3 Key information on the Shares, the Preferential Rights and the Scrips

#### 3.1 What are the main features of the Shares and the Preferential Rights?

**Type, class and ISIN.** The Issuer is offering a maximum of 5,458,262 New Shares. The New Shares will be ordinary Shares without nominal value and will have the same rights as the existing Shares. All Shares in the Issuer (including the New Shares) pertain to the same class. The New Shares are expected to trade under the same ISIN code as the Existing Shares: BE0003878957. The Shares are traded in Euro. The Preferential Rights will trade under ISIN code BE0970180833.

**Rights attached to the New Shares and the Preferential Rights.** As from their issue date, the New Shares will be subject to all provisions of the articles of association of the Issuer (the "**Articles of Association**"). All Shares have identical voting, dividend and liquidation rights, except as otherwise provided by the Issuer's Articles of Association. The New Shares will carry the right to a dividend with respect to the financial year that started on 1 January 2022 and, as from their issue date, will carry the right to any distribution made by the Issuer. Each Share gives right to one vote, except that fully paid-up Shares registered in the Issuer's share register in the name of the same shareholders for at least two years confer double voting rights.

The holders of Preferential Rights are entitled, subject to the restrictions in this Prospectus and limitations that may apply under applicable securities laws, to subscribe to the New Shares at the ratio of 1 New Share for 4 Preferential Rights (the "**Ratio**"). The subscription period for the New Shares is expected to start on 17 November 2022 and shall end on 24 November 2022 – 4:00 p.m. (the "**Rights Subscription Period**"). Once holders of Preferential Rights exercise their Preferential Rights, they cannot revoke the exercise of their Preferential Rights, except if a supplement to the Prospectus is published. Holders of Preferential Rights who have not exercised their Preferential Rights during the Rights Subscription Period will no longer be able to exercise their Preferential Rights. The Offering is carried out with non-statutory preferential subscription rights for the Existing Shareholders. The statutory preferential subscription rights of the Existing Shareholders as set forth in Article 7:188 and following of the Belgian Code of Companies and Associations has been cancelled with respect to the Offering. From a practical perspective, the Preferential Rights do not substantially differ from the statutory preferential subscription rights, and the Offering procedure does not differ substantively from the procedure that would otherwise have applied if the Offering had taken place with the statutory preferential subscription rights as provided for by the Belgian Code of Companies and Associations. As one of the exceptions to the procedure that would have applied if the Offering had taken place with statutory preferential subscription rights, the Rights Subscription Period will have a term of 8 days instead of 15 days.

**Ranking.** All Shares represent an equal part of the Issuer's share capital and have the same rank in the event of insolvency of the Issuer. In the event of insolvency, any claims of holders of Shares are subordinated to those of the creditors of the Issuer.

**Restrictions on the free transferability.** The Shares (including the New Shares) and the Preferential Rights are freely transferable. The investors who acquire Scrips enter into an irrevocable commitment to exercise the Scrips and thus to subscribe for the corresponding number of New Shares at the Issue Price and in accordance with the Ratio and cannot transfer such Scrips.

**Dividend policy.** The Board of Directors adopted a formal dividend policy at the end of August 2017. As a result, as from 2018 (with respect to the results from the financial year 2017) onwards and subject to (i) the availability of sufficient distributable reserves; (ii) available cash generated from distributions by the Joint Ventures; (iii) free cash generated from the divestment cycles of income generating assets to the Joint Ventures; and (iv) Shareholder approval, the Issuer targets an annual distribution between 40% and 60% of its net profit for the year based on its consolidated IFRS financial statements. The exact percentage of the distribution may depend on the circumstances at the time, and in particular on developments as regards the growth plans and the resources available to finance such distributions. The amount of any dividends and the determination of whether to pay dividends in any year may be affected by a number of factors. As a consequence, there can be no assurance as to whether dividends or similar payments will be paid in the future or, if they are paid, their amount.

### 3.2 Where will the New Shares and the Preferential Rights be traded?

An application has been made for the admission to listing and trading of the New Shares on Euronext Brussels under the same trading symbol “VGP” as for the existing Shares. The New Shares are expected to have been accepted for clearance through Euroclear Bank NV/SA, as operator of the Euroclear system, under ISIN code BE0003878957. The Shares of the Issuer are traded in Euro. An application for the admission to listing and trading has also been made for the Preferential Rights, which are expected to be listed and traded on Euronext Brussels under ISIN code BE0970180833 from 17 November 2022 to 24 November 2022 – 4:00 p.m. No application for admission to trading of the Scrips will be made.

### 3.3 What are the key risks that are specific to the New Shares, Preferential Rights and Scrips?

The following is a summary of selected key risks that relate to the New Shares and the Offering as such:

- The market price of the New Shares may fluctuate and may fall below the Issue Price;
- The New Shares may not be traded actively, and there is no assurance that the Offering will improve the trading activity, which may lead the New Shares to trade at a discount to the Issue Price, making sales of the New Shares more difficult;
- Failure by an Existing Shareholder to exercise the allocated Preferential Rights in full, may lead to dilution of its proportionate shareholding and a reduction of the financial value of its portfolio; and
- Certain major shareholders of the Issuer may be able to control the Issuer, including the outcome of shareholder votes, and may use their significant interest to take actions not supported by the Issuer or its other shareholders.

## 4 Key information on the Offering and the admission to trading on a regulated market

### 4.1 Under which conditions and timetable can I invest in the New Shares, Preferential Rights or Scrips?

**Terms and conditions of the Offering.** The Issuer has resolved to increase its share capital in cash by an amount of up to EUR 302,933,541.00 including issue premium, with Preferential Rights to subscribe for New Shares in accordance with the Ratio. The Issuer reserves the right to proceed with a share capital increase for a lower amount. No minimum has been set for the Offering. A maximum of 5,458,262 New Shares are offered for subscription by exercise of the Preferential Rights in accordance with the Ratio. Each Share will entitle its holder on the closing of trading on Euronext Brussels on the Record Date to receive one Preferential Right. The Issue Price is EUR 55.50 per New Share, which is below the closing price of EUR 84.90 per Share quoted on Euronext Brussels on 15 November 2022. Based on the closing price on such date, the theoretical ex-rights price (“**TERP**”) is EUR 79.02, the theoretical value of one Preferential Right is EUR 5.88, and the discount of the Issue Price to TERP is 29.76%.

The Rights Offering will be open during the Rights Subscription Period from 17 November 2022 (the “**Opening Date of the Rights Subscription Period**”) until and including 24 November 2022 at 4.00 p.m. CET (the “**Closing Date of the Rights Subscription Period**”).

During the Rights Subscription Period, and subject to restrictions under this Prospectus and subject to applicable securities laws, the holders of Preferential Rights may subscribe for New Shares by exercising their Preferential Rights in accordance with the Ratio or trade their Preferential Rights. After the Rights Subscription Period, the Preferential Rights may no longer be exercised or traded and as a result subscription requests received thereafter will be void.

Depending on the financial intermediary, investors may be required to provide their subscription request prior to 24 November 2022 at 4 p.m. CET. Investors should consult with their financial intermediary to determine the latest date when they should provide their subscription request. Investors wishing to sell part or all of their dematerialised Preferential Rights should instruct their financial intermediary accordingly. Holders of registered Preferential Rights wishing to sell their Preferential Rights should (subject to the restrictions set out in this Prospectus and applicable securities laws) comply with the instructions delivered to them in the letter or e-mail received from the Issuer.

At the closing of the Rights Offering, the unexercised Preferential Rights will be automatically converted into an equal number of Scrips and these Scrips will be sold in a private placement with qualified investors in Belgium and by way of a private placement exempt from prospectus requirements or similar formalities in such other jurisdictions as will be determined by the Issuer in consultation with the Global Coordinators, outside the United States pursuant to Regulation S in transactions exempt from registration under the Securities Act. The Scrips Private Placement will be organised by way of an accelerated book-building procedure, in order to determine a single market price per Scrip. The terms and modalities of the Scrips Private Placement will be determined by the Issuer together with the Global Coordinators. The Scrips Private Placement is expected to last for one day and to take place on or around 25 November 2022.

**Indicative timetable.** The key dates in connection with the Offering are summarised in the following table. The Issuer may amend the dates and times of the share capital increase and periods indicated in the timetable with due notification to the investors.

Approval of the Prospectus by the FSMA	T-1	15 November 2022
Detachment of coupon no. 11 (representing the Preferential Right) after T closing of Euronext Brussels		16 November 2022
Publication of the launch press release and of the Prospectus	T	16 November 2022
Start trading of the Shares ex-Preferential Rights	T+1	17 November 2022
Opening Date of the Rights Subscription Period	T+1	17 November 2022
Listing and start trading of the Preferential Rights on Euronext Brussels	T+1	17 November 2022
Payment of the Issue Price for registered New Shares by subscribers	T+8	24 November 2022 at 4.00 p.m. CET
Closing date of the Rights Subscription Period	T+8	24 November 2022 at 4.00 p.m. CET
End of listing and of trading of the Preferential Rights on Euronext Brussels	T+8	24 November 2022 at 4.00 p.m. CET
Announcement via press release of the subscription with Preferential Rights	T+9	25 November 2022
Suspension of trading of Shares	T+9	25 November 2022
Scripts Private Placement	T+9	25 November 2022
Allocation of the Scripts and the Subscription with Scripts	T+9	25 November 2022
Announcement via press release of the Offering (including the Scripts Private Placement) and of the Net Scripts Proceeds	T+9	25 November 2022
Payment of the Issue Price for dematerialised New Shares by or on behalf of the subscribers	T+9	25 November 2022
Realisation of the capital increase	T+13	29 November 2022
Delivery of the New Shares to the subscribers	T+13	29 November 2022
Listing of the New Shares on Euronext Brussels	T+13	29 November 2022
Payment of Net Scripts Proceeds to holders of unexercised Preferential Rights	T+14	30 November 2022

**Payment of funds and terms of delivery of the New Shares.** The payment of the New Shares subscribed for with dematerialised Preferential Rights is expected to take place on or around 25 November 2022 and will be done by debit of the subscriber's account with the same value date (subject to the relevant financial intermediary procedures). The payment of the New Shares subscribed for with registered Preferential Rights will be done by payment into a blocked account of the Issuer. Payment must have reached such account by 24 November 2022 at 4 p.m. CET as indicated in the instruction letter from the Issuer. The payment for the New Shares subscribed for in the Scripts Private Placement will be made by delivery against payment. Delivery of the New Shares will take place on or around 29 November 2022. The New Shares will be delivered in the form of dematerialised Shares (booked into the securities account of the subscriber) or as registered Shares recorded in the Issuer's Share register.

**Underwriting Agreement.** The Issuer and the Underwriters expect (but have no obligation) to enter into an underwriting agreement (the "**Underwriting Agreement**") on or around 25 November 2022 with respect to the Offering. The entering into of the Underwriting Agreement may depend on various factors including, but not limited to, market conditions. If the Issuer or the Underwriters do not sign the Underwriting Agreement, the Offering will not be completed. Subject to the terms and conditions of the Underwriting Agreement, each of the Underwriters, severally but not jointly or jointly and severally, agrees to underwrite the Offering by procuring payment for the New Shares subscribed for by investors (other than (i) the Committed Shares, (ii) the New Shares subscribed for by holders of shares held in registered form that subscribed for the New Shares via Preferential Rights in registered form ("**Registered New Shares**") and (iii) the New Shares subscribed for by QIBs in the United States that have, with the authorisation of the Issuer, executed and timely delivered to the Issuer an investor letter) (the "**Underwritten Shares**") with a view to immediately placing them with the ultimate investors that subscribed for the New Shares in the Offering through the exercise of Preferential Rights or Scripts. The Underwriters have not committed to subscribe for any of the New Shares that will not be subscribed for by investors in the Offering ('*soft underwriting*'). The Underwriters are and will be under no obligation to subscribe for any Underwritten Shares prior to the execution of the Underwriting Agreement, and thereafter only on the terms and subject to the conditions set out therein. If the Underwriting Agreement is entered into, the Underwriters will deliver the Underwritten Shares to investors who applied for them, subject to prior issue, when, as and if delivered to the Underwriters, subject to the satisfaction or waiver of the conditions that will be contained in the Underwriting Agreement.



**Plan for Distribution.** The Rights Offering is made on the basis of Preferential Rights. The Preferential Rights are allocated to all Existing Shareholders of the Issuer. Subject to applicable securities regulations, the following categories of investors are able to subscribe for the New Shares: (i) the initial holders of Preferential Rights; (ii) persons outside the United States who have acquired Preferential Rights on Euronext Brussels during the Rights Subscription Period; and (iii) qualified investors who have acquired Scrips in the context of the Scrips Private Placement. The Preferential Rights are granted to all Existing Shareholders and may only be exercised by holders of the Preferential Rights who can lawfully do so under any law applicable to those Existing Shareholders. The New Shares to be issued upon the exercise of Preferential Rights are being offered only to holders of Preferential Rights to whom such offer can be lawfully made under any law applicable to those holders. The Issuer has taken all necessary action to ensure that Preferential Rights, and New Shares to be issued upon the exercise of Preferential Rights, may be lawfully exercised and offered to the public (including Existing Shareholders and holders of Preferential Rights) in Belgium. The Issuer has not taken any action to permit any offering of Preferential Rights or New Shares to be issued upon the exercise of Preferential Rights (including a public offering to Existing Shareholders or holders of Preferential Rights) in any other jurisdiction. In particular, none of the Securities have been nor will be registered under the Securities Act, or under any securities law of any state or other jurisdiction of the United States. Accordingly, none of the Securities may be offered, issued, sold, pledged, taken up, delivered, renounced, or otherwise transferred, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of any securities in the United States.

**Estimated expenses.** The expenses related to the Rights Offering, which the Issuer will pay, are estimated at up to EUR 3,974,454.00 and include, among other things, underwriting fees and commissions of EUR 2,974,454.00, the fees due to the FSMA and Euronext Brussels and legal and administrative expenses, as well as publication costs.

**Dilution.** Assuming that an Existing Shareholder holding 1.00% of the Issuer's share capital prior to the Offering does not subscribe for New Shares, such Existing Shareholder's participation in the Issuer's share capital would decrease to 0.80% as a result of the Offering, assuming the issue of the maximum amount of New Shares. If an Existing Shareholder exercises all Preferential Rights allocated to it, there will be no dilution as a result of the Offering in terms of its participation in the Issuer's share capital or in terms of dividend rights. However, to the extent that a shareholder is granted a number of Preferential Rights that does not entitle it to a round number of New Shares in accordance with the Ratio, such shareholder may slightly dilute if it does not purchase the missing Preferential Right(s) on the secondary market and exercises such Preferential Right(s) accordingly.

**Commitment of the Reference Shareholders.** The Reference Shareholders have committed to participate in the Rights Offering for an aggregate minimum amount of EUR 120 million and to exercise a minimum of 8,648,652 Preferential Rights (or 77.82% of the total Preferential Rights allocated to them), and to subscribe for the corresponding number of New Shares in accordance with the Ratio.

## 4.2 Why is this Prospectus being produced?

**Reasons for the Offering.** The principal reason of the Offering is to further finance the acquisition of new development land and the development of new projects.

**Use of proceeds.** If the Offering is fully subscribed, the net proceeds of the Offering are to be used primarily for the development of new projects on development land in the Group's existing and new markets for an amount of approximately EUR 302,933,541.00, and more specifically the following projects which have a timeframe of several years:

- Rouen, France: approximately EUR 100 million for a total planned rental space of 154,000 m<sup>2</sup>;
- Leipzig, Germany: approximately EUR 150 million for a total planned rental space of 210,000 m<sup>2</sup>; and
- Ehrenfeld, Austria: approximately EUR 50 million for a total planned rental space of 80,000 m<sup>2</sup>.

**Estimated net proceeds.** If the Offering is fully subscribed, the gross and net proceeds of the Rights Offering are estimated at up to EUR 302,933,541.00 and EUR 298,959,087.00, respectively.

**Material conflicts of interests pertaining to the Offering and the admission.** There is no natural or legal person involved in the Offering and having an interest that is material to the Offering, other than the Underwriters. Belfius Bank NV, BNP Paribas Fortis SA/NV and KBC Bank NV are lenders to the Issuer. Belfius Bank NV has provided the Issuer with a revolving credit facility for a total facility of EUR 175 million. KBC Bank NV has provided the Issuer with a revolving credit facility for an amount of EUR 75 million and BNP Paribas Fortis SA/NV has provided the Issuer with a revolving credit facility for an amount of EUR 50 million. All of the above revolving credit facilities are unsecured. As at the date of this Prospectus, there were no drawings outstanding under these credit facilities.

## PART II: RISK FACTORS

*The following risk factors may affect the Issuer's business, financial condition, results of operations and prospects. Investors should carefully consider the following risk factors, as well as the other information contained in this Prospectus, before making an investment decision with respect to investing in the New Shares, the Preferential Rights or the Scrips. All of these factors are contingencies which may or may not occur. The risk factors may relate to the Issuer or any of its Subsidiaries (together, the "Group") or to the Joint Ventures or any of the Joint Ventures' subsidiaries. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the New Shares, Preferential Rights and the Scrips are also described below.*

*Prospective investors should note that the risks relating to the Issuer and the New Shares, Preferential Rights and the Scrips summarised in the Prospectus summary are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the New Shares, Preferential Rights and the Scrips. However, as the risks that the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the Prospectus summary but also, among other things, the risks and uncertainties described below.*

*The risk factors are presented in categories, depending on their nature. In each category, the risk factors which in the assessment of the Issuer are most material, taking into account the negative impact on the Issuer and the probability of their occurrence, are mentioned first. The remaining risk factors within each category are not ranked in order of their materiality.*

*Before subscribing to the Offering, prospective investors should carefully consider all of the information in this Prospectus, including the following specific risks and uncertainties. If any of the following risks materialises, the Issuer's business, results of operations, financial condition and prospects could be materially adversely affected. Although the Issuer believes that the risks and uncertainties described below represent all material risks and uncertainties considered relevant on the date of publication of this Prospectus for the Issuer's business, the Issuer may face additional risks and uncertainties not presently known to the Issuer or that the Issuer currently deems to be immaterial. The latter may also have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects, and could negatively affect the value of the New Shares.*

*Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and should reach their own views before making an investment decision with respect to the Offering. Furthermore, before making an investment decision, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Offering and consider such an investment decision in light of the prospective investor's own circumstances.*

*Terms defined in Part VII (Information on the Offering) shall have the same meaning when used below.*

## RISK FACTORS SPECIFIC TO THE ISSUER

### 1 Risks related to the Issuer's growth strategy

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

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

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

The Group is largely dependent on the income stream from the Joint Ventures, as the majority of the mature assets are sold to the Second Joint Venture 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 Issuer. Those dividend streams are important for the liquidity and the solvability of the Issuer for the purpose of cash recycling and repayment of shareholders loans.

The Group's current income stream from the Joint Ventures as well as fee income from the Joint Ventures is rapidly increasing but still relatively limited compared to the considerable amount of debt (at both the Group's as well as Joint Ventures' level), as (i) the First Joint Venture has reached its investment capacity, (ii) the Second Joint Venture is still in its initial 5-year investment phase, (iii) the Fourth Joint Venture – which is intended to replace the investment capacity of the First Joint Venture – will only become effective as from its first closing, (iv) the Third Joint Venture 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.

The Joint Ventures generated EUR 9.9 million in management fee income for the six month period ending 30 June 2022, compared to EUR 8.5 million for the six month period ending 30 June 2021 and EUR 21.3 million for the year ending 31 December 2021. Profit distributions by the Joint Ventures for the period ending 30 June 2022 amounted to EUR 5.5 million (compared to EUR 20.6 million for the year ending 31 December 2021 and EUR 21.5 million for the year ending 31 December 2020). On 1 July 2022 and on 20 October 2022, further profit distributions by the Joint Ventures occurred for an amount of EUR 14.8 million and EUR 7.9 million, respectively, bringing the total profit distributions since the beginning of the year to EUR 28.2 million. It is currently expected that a further profit distribution from the First Joint Venture of ca. EUR 30 million will occur in the course of the last two months of 2022. Interest income from loans to the Joint Ventures amounted to EUR 8.1 million for the six month period ending 30 June

2022 (compared to EUR 5.6 million for the six month period ending 30 June 2021 and EUR 12.3 million for the year ending 31 December 2021).

This income stream from the Joint Ventures compares to a net financial debt which amounted to EUR 1,712.4 million as at 30 June 2022 (compared to EUR 1,158.8 million as at 31 December 2021 and EUR 909.5 million as at 30 June 2021).

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

For more information on the relationship with the Joint Ventures, please see section 2.2 (*Relationship with the Joint Ventures*) of Part VIII (*Description of the Issuer*).

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

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

As at 30 September 2022, the Group has over 389 employees<sup>1</sup> (compared to 385 employees as at 30 June 2022, 322 employees as at 31 December 2021 and 305 employees as at 30 June 2021). The Group aims to have a sufficiently large team to support the current growth rate of the Group.

## **2 Risks related to the Issuer’s business activities and industry**

### **2.1 The Issuer’s development projects may experience delays and other difficulties, especially in respect of receiving necessary permits and increases in construction costs**

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

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

The Group adopts a “first mover” strategy in respect of securing or acquiring land plots on strategic locations without necessarily having already identified a specific future tenant. The Group typically contractually secures land plots to develop its projects prior to the granting of the required permits. The

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<sup>1</sup> On a Full Time Equivalent basis.

secured land plots are only acquired once the necessary permits have been obtained. The Group's projects are therefore subject to the risk of changes in the relevant urban planning regulations and environmental, zoning and construction permits being obtained in a form consistent with the project plan and concept. The realisation of any project may, therefore, be adversely affected by (i) the failure to obtain, maintain or renew necessary permits, (ii) delays in obtaining, maintaining or renewing relevant permits and (iii) the failure to comply with the terms and conditions of the permits. Furthermore, a permit may be subject to an appeal by an interested party. Any such procedure could further delay the development and, ultimately, the sale of a project to or completion by the Joint Ventures and negatively impact the financial condition of the Group.

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

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

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

Finally, the Group is exposed to an increase in construction costs and organisational problems in the supply of the necessary raw materials or materials. In this respect, VGP is to a large extent subject to macro-economic developments, such as the volatility of raw material pricing (which is affected by the volatility in energy prices) - which after a period of significant increases has recently seen a declining trend (also on the back of recent decreasing energy prices) – and building materials and disruptions in the supply chain.

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

As at 31 October 2022, the Group has a remaining development land bank of 8,118,000 m<sup>2</sup> which allows the Group to develop ca. 3,681,000 m<sup>2</sup> of future lettable area. This includes the remaining 1,307,000 m<sup>2</sup> development land bank held by the Joint Ventures<sup>1</sup> with a development potential of circa 662,000 m<sup>2</sup> of new lettable area. In addition, the Group has another 2,519,000 m<sup>2</sup> of committed land plots which allow for the development of ca. 1,352,000 m<sup>2</sup> of new projects. It is expected that these remaining land plots will be purchased during the next 6 to 18 months, subject to obtaining the necessary permits. The total owned and committed land bank (including Joint Ventures at 100%) for development is 10,636,000 m<sup>2</sup> which represents a remaining development potential of ca. 4,812,000 m<sup>2</sup>. For an overview of the current

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<sup>1</sup> Of which 74% is located in the Netherlands through the LPM Joint Venture.

status of the development activities of the Group, please see section 1.2 of Part VIII (*Description of the Issuer*).

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

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

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

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

As at 31 October 2022, the remaining construction cost in respect of projects under construction amounts to EUR 390.6 million, of which an amount of EUR 385.5 million is due to be incurred during the next 12 months and an amount of EUR 5.1 million is due to be incurred during the subsequent 12 months. In addition, the Group has committed land plots for an amount of EUR 150.6 million, of which 49% (EUR 73.7 million) is expected to be acquired during the next 12 months, 27% (EUR 40.8 million) during the subsequent 12 months and 24% (EUR 36.1 million) thereafter.

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

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

The own Property Portfolio, excluding development land but including the assets being developed on behalf of the Second Joint Venture and Fourth Joint Venture, is valued by a valuation expert at 30 June 2022 based on a weighted average yield of 4.57% (compared to 4.64% as at 31 December 2021) applied to the contractual rents increased by the estimated rental value of unlet space. A 0.10% variation of this market rate would give rise to a variation of the total portfolio value of EUR 54.0 million.

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

For further details on the local and international competition of the Group, please refer to section 3.4 in Part VIII (*Description of the Issuer*).

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

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

The volume of the Group's development projects depends largely on national and regional economic conditions and other events and occurrences that affect the markets in which the Group's Property Portfolio and development activities are located. The Group is currently active in Germany, the Czech Republic, Spain, the Netherlands, Slovakia, Hungary, Romania, Austria, Italy, Latvia, Portugal, Serbia, France and Croatia, and is also currently expanding to Greece, Denmark and Sweden.

A change in the general economic conditions of the countries where the Group is present or will be present in the near future could result in lower demand for logistics space, rising vacancy rates and higher risks of default by tenants and other counterparties. For further information on the potential impact of such changes on the Group's portfolio, please refer to the sensitivity analysis included in notes 7, 9.2 and 13(v) of the 2021 Annual Report as well as note 6 to the 2021 half-year results as included in the press release regarding the half-year results for the period ending on 30 June 2022. The Group's main country exposure is Germany, with 51% of the Group's Property Portfolio<sup>1</sup> and projects under construction (own and Joint Ventures at 100% combined) located there as at 30 September 2022 (compared to 51% as at 30 June 2022, and 51% as at 30 June 2021). For an overview of recent developments in the Group's portfolio, please refer to section 1.2 of Part VIII (*Description of the Issuer*).

#### **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.

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<sup>1</sup> Based on m<sup>2</sup>.

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

Experienced technical, marketing and support personnel in the real estate development industry are in high demand and competition for their talent is intense. In order to attract and retain personnel, a long-term incentive plan is in place for selected VGP Group executives and key managers. Further details regarding the long-term incentive plan are available in the Issuer's remuneration policy (Annex 7 of the Issuer's corporate governance charter, as available on the Issuer's website) as well as note 24 in the 2021 Annual Report.

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

## **2.6 Risks and uncertainties linked to major events or business disruption**

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

Given the nature and location of its operations and the fact that VGP Group does not currently have activities in Russia nor in Ukraine or commercial relationships with Russian companies, the Issuer does not foresee a direct impact of the conflict in the Ukraine on its business. The Group is active in certain neighbouring countries (Slovakia, Romania and Hungary), but the activities in these countries have not experienced significant specific negative effects due to the ongoing conflict in Ukraine to date. VGP sees a strong demand for lettable space in these countries, with contracts for an amount of EUR 9 million since the beginning of 2022. However, the global package of sanctions which have been enacted in relation to commercial relationships with Russia and Russian companies which are subject to such sanctions could adversely impact the tenants of the Group. Additionally, there is a strong push at the European level to become less dependent on Russian gas and fossil fuels, leading to the current volatility in energy prices. This volatility in energy prices may adversely impact the income stream from leasing agreements or the successful development of projects, any of which may have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, this volatility in energy prices could adversely impact the tenants of the Group and therefore indirectly impact the Group.

Whilst the direct impacts of the COVID-19 pandemic have largely abated, the heightened global macroeconomic volatility including high inflation and supply chain bottlenecks, exacerbated by the conflict in the Ukraine, is expected to continue to cause increased uncertainty to the Group's operations and stakeholders. As a result, the economic and financial situation of certain tenants may deteriorate and they may be in default of paying their rent in due time. In addition, the COVID-19 pandemic may



have an impact on the projects in progress of the Issuer due to, amongst other things, delays or third-party defaults. These consequences of the COVID-19 pandemic may have a material adverse effect on the Group's business, financial condition and results of operations.

### **3 Risks related to the Issuer's Joint Ventures**

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

In order to enable the Group to continue to invest in its development pipeline whilst at the same time being adequately financed, the Group has currently entered into four 50:50 joint ventures with Allianz (the Allianz Joint Ventures) and three 50:50 joint ventures with other partners (the Development Joint Ventures). The first two Allianz Joint Ventures and the most recent Allianz Joint Venture (the First Joint Venture, the Second Joint Venture and the Fourth Joint Venture) are mainly focused on acquiring income generating assets which are being developed by the Group. The Fourth Joint Venture is intended to replace the First Joint Venture, which reached its investment capacity of EUR 2,000 million in the beginning of 2022. 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 recycle in part its initial invested capital when completed projects are acquired by the Second or Fourth Joint Venture or when buildings are completed by the Third Joint Venture or the Development Joint Ventures through refinancing of the invested capital by external bank debt and allow the Group to re-invest these monies in the continued expansion of the development pipeline, including the further expansion of the land bank, thus allowing VGP to concentrate on its core development activities. Please refer to sections 1.1.1 (*Strategic partnership with Allianz*), 1.1.2 (*Strategic partnership in respect of Development Joint Ventures*) and 2.2 (*Relationship with the Joint Ventures*) of Part VIII (*Description of the Issuer*) for further information.

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

- the Second Joint Venture and Fourth Joint Venture may discontinue acquiring the completed assets from the Group as these Joint Ventures have no contractual or legal binding obligation to acquire the income generating assets offered by the Group;
- the Issuer has recognised that it has a constructive obligation towards the Joint Ventures (please refer to section 2.2.3 of Part VIII (*Description of the Issuer*) for further information);
- the sale of properties to the Second Joint Venture and Fourth Joint Venture could result in a decrease of the reported gross rental income of the Group as some of the sold properties may make a significant contribution to the income of the Group prior to their sale and their respective deconsolidation;

- Allianz may stop the acquisition process of proposed income-generating assets or suspend the delivery period of assets being developed, and the Allianz Joint Venture Agreements may be amended or terminated in accordance with the provisions thereof;
- the Issuer may incur additional liabilities as a result of cost overrun on developments made on behalf of the Allianz Joint Ventures;
- the Issuer 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 Issuer;
- changes in consolidation rules and regulations may trigger a consolidation obligation at the level of Allianz which may result in the dilution of the Issuer;
- in case of a material breach by the Issuer or in case the participation that Jan Van Geet holds in the Issuer would fall below 25%, Allianz may terminate the Allianz Joint Venture Agreements in respect of the First Joint Venture, Second Joint Venture and Third Joint Venture, or may exercise a call option on the Issuer's shares in the First Joint Venture, Second Joint Venture and Third Joint Venture, at a discounted purchase price; and
- the Joint Ventures or any of their subsidiaries may be in default under the development and construction loans granted by the Group which may have a negative impact on the Issuer.

For example, the Fourth Joint Venture was scheduled to become effective at the moment of its first closing, which was initially expected to occur in November 2022. However, in view of the limited transparency on pricing of the seed portfolio and in the current volatile market environment, Allianz and VGP announced on 30 September 2022 that they were postponing the seed portfolio closing of the Fourth Joint Venture until 2023 at which time both partners expect that a calmer environment will have returned. In the unlikely event that the seed portfolio closing does not occur with Allianz and VGP receives a firm offer from a third party investor, VGP may request a formal release notification from Allianz under the Fourth JVA pursuant to which the seed portfolio assets would be contractually released and freely available to VGP (and, potentially for sale to a third party investor). In accordance with the Fourth JVA, Allianz has a final matching right to acquire the assets at the price offered by the third party investor.

The occurrence of any or all such risks could have a material adverse effect on the Joint Ventures' business, financial condition and results of operations, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, the Joint Ventures are exposed to many of the risks to which the Group is exposed, including amongst others the risks for the Group as described in the following sections: risk factor 1.1 *"The Group may not be able to continue its development activities in a sustained and profitable way, for which it depends on its ability to execute new lease agreements and dispose of its real estate assets to the Second Joint Venture and Fourth Joint Venture"* (but only in relation to the ability to execute new lease agreements, not the ability to dispose of assets), risk factor 2.1 *"The Issuer's development projects may experience delays and other difficulties, especially in respect of receiving necessary permits and increases in construction costs"* and risk factor 2.4 *"The Issuer could experience a lower demand for logistics space due to fluctuating economic conditions in regional and global markets"*, all as in this Part II (*Risk Factors*).

### **3.2 The Issuer 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 Issuer is a holding company of which the sole activity is the holding and management of its assets, i.e. its participations in the Subsidiaries and in the Joint Ventures. The real estate portfolios of the Group are owned through specific asset companies which are subsidiaries of the Issuer or which are subsidiaries of the Joint Ventures.

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

The net rental and related income generated by the Joint Ventures as at 30 June 2022 amounted to 64% of the net rental and related income of the Group (compared to 78% as at 31 December 2021). The share in result of the Joint Ventures amounted to 16% of the Group's operating result for the six month period ending 30 June 2022 (compared to 35% for the six month period ending 30 June 2021).

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

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

The Issuer and the Group have granted significant loans to the Joint Ventures and to the Joint Ventures' subsidiaries, amounting to EUR 448.9 million as at 30 September 2022 (compared to EUR 454.4 million as at 30 June 2022). These outstanding loans carry the risk of late, partial or non-repayment in the event of underperformance by any of the Joint Ventures or their subsidiaries.

For further details on the outstanding shareholder loans towards the Joint Ventures, please refer to section 4.4.2 in Part VIII (*Description of the Issuer*). For more details on the effects of the performance of the Joint Ventures, please also refer to risk factor 3.1 "*The Group's business, operations and financial conditions are significantly affected by (i) the underlying operational, financial and organisational risks of the Joint Ventures and (ii) with regards to the Second Joint Venture and Fourth Joint Venture, the continuation of the acquisition of completed assets from the Group*" and risk factor 3.2 "*The Issuer is a holding company with no operating income and is hence solely dependent on distributions made by, and the financial performance of, the Joint Ventures and the members of the Group*".

## **4 Risks related to the Issuer's financial situation**

### **4.1 The Issuer's debt levels have substantially increased over the last years and the Issuer is exposed to a (re)financing risk**

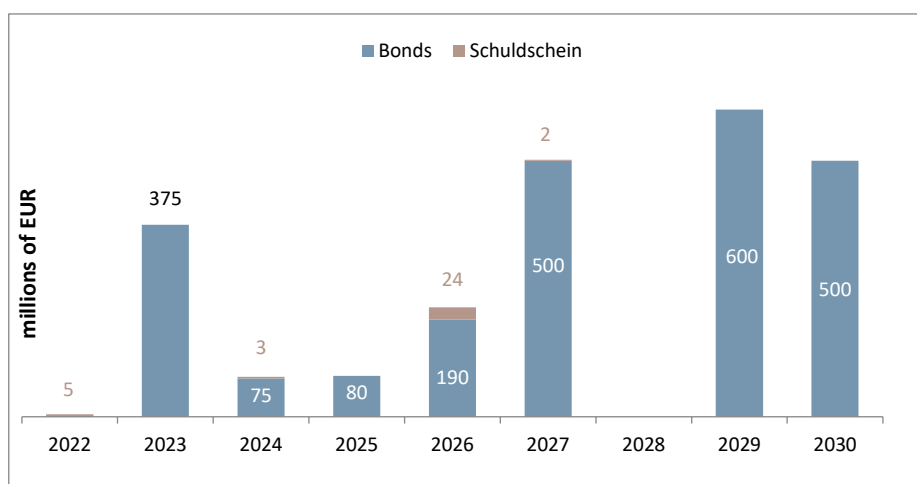
In view of the geographic expansion, accelerated growth of the Group and more generally, the sustained growth of the demand for logistics warehouse space, the Group has incurred significant borrowings in

recent years. VGP expects that debt levels in (nominal terms) will continue to increase, but is convinced that it will be able to execute its growth strategy within a Gearing Ratio of 65%.

VGP is continuously optimising its capital structure with an aim to maximise shareholder value while keeping the desired flexibility to support its growth. During 2020, VGP successfully completed two share placements resulting in a net increase of the Group's equity with EUR 295.4 million. In November 2021, VGP successfully completed another share placement resulting in a net increase of the Group's equity with EUR 294.9 million.

As at 30 June 2022, the net debt of the Group amounted to EUR 1,712 million (compared to EUR 1,159 million as at 31 December 2021). The Gearing Ratio was 35.2% (compared to 29.8% as at 31 December 2021).

As at 30 June 2022, the Group had bonds outstanding for a total amount of EUR 2,304 million<sup>1</sup> (all being unsecured bonds) and had other financial debt of EUR 57.2 million<sup>2</sup>, of which EUR 33.4 million related to *Schuldschein* Loans and EUR 23.8 million related to accrued interest. The weighted average maturity of the debt stands at 5.0 years as at 30 June 2022, with a weighted average interest rate of 2.29% per annum. The maturity profile of the debt can be found in the table below:



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

<sup>1</sup> Including EUR 9.4 million of capitalised finance costs.

<sup>2</sup> Including EUR 0.2 million of capitalised finance costs.

For a detailed overview of the evolution of the Issuer's current financing arrangements, please refer to section 3.4 in Part VIII (*Description of the Issuer*).

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

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

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

The First Joint Venture has 10-year committed credit facilities (all maturing at the end of May 2026), in Germany, the Czech Republic, the Slovak Republic and Hungary. As at 30 June 2022, the aggregate outstanding credit facilities amounted to EUR 900.9 million which were drawn for an amount of EUR 841.9 million. The undrawn amount of EUR 59 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 in parks which are in full ownership of the First Joint Venture. The investment period of the First Joint Venture has ended in May 2021. The Gearing Ratio of the First Joint Venture stood at 32.8% and the Loan to Value Ratio stood at 39.9% as at 30 June 2022.

The Second Joint Venture has a 10-year EUR 340 million committed credit facility (maturing at the end of July 2029), in respect of the assets to be acquired in Spain, Austria, Italy and the Netherlands and a 10-year EUR 44.3 million committed credit facility (maturing in June 2029) in respect of the assets to be acquired in Romania. As at 30 June 2022, the aggregate outstanding credit facilities amounted to EUR 369.5 million were fully drawn. The Gearing Ratio of the Second Joint Venture stood at 45.5% and the Loan to Value Ratio stood at 50.1% as at 30 June 2022.

The Third Joint Venture has 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 30 June 2022, there were no drawings outstanding under this facility; it is expected that in the final quarter of 2022 the total amount of the facility (i.e. EUR 65.5 million) will be drawn. Additional bank financing is expected to be sought upon completion of the respective other buildings which are currently under construction.

As at the date of this Prospectus, no bank debt or credit facilities were outstanding in respect of the Fourth Joint Venture and the Development Joint Ventures.

For further details on the Joint Ventures' current financing arrangements, please refer to section 4.4 of Part VIII (*Description of the Issuer*).

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

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

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

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

The terms and conditions of the April 2023 Bond, the September 2023 Bond, the 2024 Bond, the 2025 Bond, the 2026 Bond, the 2029 Bond, the 2027 Bond, 2030 Bond and the *Schuldschein* Loans all have the same financial covenants.

As at 30 June 2022, the Consolidated Gearing<sup>1</sup> stood at 35.3% compared to 29.8% as at 31 December 2021. The Interest Cover Ratio was 22.62 as at 30 June 2022 compared to 9.08 as at 31 December 2021. The Debt Service Cover Ratio was 17.46 as at 30 June 2022 compared to 12.53 as at 31 December 2021.

For further details on the Group's borrowings and funding sources, please refer to section 4.1 in Part VIII (*Description of the Issuer*).

### **4.4 The Issuer's public financial rating may be suspended, reduced or withdrawn**

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

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

## **5 Legal and regulatory risks**

### **5.1 The Issuer has to comply with a broad and diverse regulatory framework**

As the Group is active and intends to further develop business in the mid-European countries (whereby the Group's current focus is on Germany, the Czech Republic, Spain, the Netherlands, Slovakia, Hungary,

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

Romania, Austria, Italy, Latvia, Portugal, Serbia, France, Croatia, Greece, Denmark and Sweden), the Group is subject to a wide range of EU, national and local laws and regulations. These include requirements in terms of building and occupancy permits (which must be obtained in order for projects to be developed and let), as well as zoning, health and safety, environmental, monument protection, tax, planning, foreign ownership limitations and other laws and regulations.

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

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

## **5.2 The Group may be subject to litigation and other disputes**

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

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

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

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

## **6 Environmental sustainability and climate change risks**

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

The Group seeks to optimise its portfolio in accordance with the demands of the market, the latest technological innovations and environmental, social and governance ("ESG") considerations. Energy efficiency and sustainability are among the Group's top priorities. In this regard, the Group has drawn

up several policies relating to, amongst others, renewable energy, green finance and the EU taxonomy framework.

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

The Group is currently assessing the implications of the compliance requirements with the Taxonomy Climate Delegated Act and commits to aim to be compliant on a portfolio and best efforts basis. In addition, the Group commits to be compliant with the Carbon Risk Real Estate Monitor (‘CRREM’) on a best efforts basis, targeting a minimum of 50% of non-stranded assets during the upcoming 10-year period based on the 1.5°C GHG pathway. When the target at portfolio level is not achieved, a remediation plan for specific stranded assets will be developed if deemed necessary in order to evaluate and identify optimal technical adjustments in order to achieve portfolio compliance. Based on the GRESB 2021 portfolio energy consumption profile offset by the photovoltaic installations pipeline as envisaged to be built in the coming years, the CRREM portfolio stranding occurs not before 2037. In order to achieve this target, current photovoltaic investments (120.9 MWp and EUR 69.6 million invested or committed) and pipeline projects (further ca. 53.7 MWp or EUR 40 million investment) must be completed before 2037.

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

Furthermore, laws, regulations, policies, taxation, obligations, customer preferences and social attitudes relating to climate change continue to evolve. Given the fast-evolving technological and regulatory requirements and environment, as well as the uncertainties in relation to the interpretation of some of the new ESG rules and regulations (including, for example under the Taxonomy Climate Delegated Act), no assurance can be given that the Group will be able to meet all such requirements or expectations or



requirements of investors, shareholders or other stakeholders. The evolving environment, as well as the likelihood of the physical effects of climate change increasing in frequency and severity over time, could lead to interrupted supply chains, declines in asset values or significant shifts in demand for certain products or services, and the Group could be subject to increased costs and liabilities as a result.

## **RISK FACTORS SPECIFIC TO THE SHARES AND THE OFFERING**

### **7 Risks relating to the New Shares, Preferential Rights or Scrips**

#### **7.1 The market price of the New Shares may fluctuate and may fall below the Issue Price**

From time to time, publicly traded securities experience significant price fluctuations that may be unrelated to the performance of the companies that have issued them. The market price of the New Shares may fluctuate as a result of various factors, many of which are beyond the Group's control and may, therefore, fall below the Issue Price. These factors include, but are not limited to, the following:

- market expectations for the Group's financial performance;
- actual or anticipated fluctuations in the Group's business, results of operations and financial condition;
- investors' perception of the impact of the Offering on the Issuer and its Shareholders;
- acquisitions, strategic alliances, joint ventures, or capital commitments;
- volatility in the market as a whole or investor perception of the Group's industries and competitors;
- recent volatility in the domestic or international stock markets; and
- the general economic, financial and political conditions, in particular as to the markets in which the Group operates, or of the financial system.

The market price of the New Shares may be adversely affected by any of the preceding or other factors, regardless of the Issuer's actual results of operation, financial condition or financial performance. Therefore, the Issuer cannot make any predictions about the market price of the New Shares nor assure that the Issue Price will correspond to the market price of the Shares following the Offering or that the market price of the Shares available in the public market will reflect the Issuer's actual financial performance.

The Issuer has entered into a liquidity contract with KBC Securities NV for the purpose of promoting and supporting the normal trade in the Shares.

Furthermore, future issuances of shares by the Issuer may have an adverse impact on the market price and fluctuations thereof. Note in this regard that the Issuer has entered into a standstill commitment in the context of the Offering (see section 6 of Part VII (Information on the Offering)).

#### **7.2 The New Shares may not be traded actively, and there is no assurance that the Offering will improve the trading activity, which may lead the New Shares to trade at a discount to the Issue Price, making sales of the New Shares more difficult.**

The Issuer cannot make any predictions as to the effect of the Offering on the liquidity of the New Shares in the short or long term. The Issuer cannot assure that an active trading market for the New Shares will

be developed, can be sustained or will become more liquid following the closing of the Offering, in particular given the fluctuation in trading activity during recent months.

At the date of this Prospectus, 21,833,050 Shares of the Issuer are publicly traded on Euronext Brussels, of which 10,718,751 (or 49.09%) are free float. Following the Offering, the number of Shares which are publicly traded will increase to a maximum of 27,291,312, with a maximum of 14,014,850 (or 51.35%) free float.

Reduced liquidity may lead to difficulties to sell the New Shares and may lead to a discounted market price for the New Shares. The risk exists that the market price of the New Shares does not accurately reflect the Issuer's actual financial performance and investors may be hampered from selling their New Shares or selling them within the desired deadline.

### **7.3 Investors with a reference currency other than euros will become subject to foreign exchange rate risk when investing in the Issuer's Shares**

The Issuer's Shares are, and any dividends to be announced in respect of the Shares will be, denominated in Euro. An investment in the Issuer's Shares by an investor whose principal currency is not the Euro exposes the investor to currency exchange rate risk that may impact the value of the investment in the Shares or of any dividends. The impact of such risk may be increased by the volatility of the currency exchange rates during recent months.

## **8 Risks related to the Offering**

### **8.1 Failure by a Shareholder to exercise the allocated Preferential Rights in full, may lead to dilution of its proportionate shareholding and a reduction of the financial value of its portfolio**

To the extent that a Shareholder fails to exercise the Preferential Rights allocated to it in full by the closing of Euronext Brussels on the last day of the Rights Subscription Period, its pro rata ownership and voting interest in the Issuer may dilute as a result of the increase of the Issuer's share capital following the Offering and the issuance of the New Shares. In addition, a Shareholder who fails to exercise the Preferential Rights allocated to it may be subject to financial dilution of its portfolio.

For more information on the dilution, please refer to section 9 of Part VII (*Information on the Offering*).

### **8.2 Certain major Shareholders of the Issuer may be able to control the Issuer, including the outcome of Shareholder votes, and may use their significant interest to take actions not supported by the Issuer or its other Shareholders**

Following the closing of the Offering, the Issuer will continue to have a number of major Shareholders, including the Reference Shareholders. For an overview of the Issuer's current major Shareholders, see Part XII (*Major shareholders and related party transactions*).

These major Shareholders could, alone or together, have a significant influence on the outcome of corporate actions requiring Shareholder approval, including dividend policy, appointment and dismissal of directors, mergers, share capital increases, going private transactions and other items. Some of these major shareholders could, alone or together, constitute a blocking minority. Such blocking minority could have a deterrent effect on potential take-over bids over the Issuer, and could be in a position to block resolutions of the General Meeting of Shareholders of the Issuer. This effect is reinforced by means of the double voting right that is granted to each share of the Issuer 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 Articles of Association. See Part XIII (*Description of share capital and articles of association*) for further information in this respect.

The interests and time horizons of any such major Shareholder may differ from those of the Issuer and its other Shareholders. As a result of its influence on the Group's business, the major Shareholders could prevent the Group from making certain decisions or taking certain actions that would protect the interests of the Issuer's other Shareholders. For example, this concentration of ownership may delay or prevent a change of control of the Issuer. Similarly, the major Shareholders could prevent the Issuer from taking certain actions that would dilute its percentage interest in the Shares, even if such actions would generally be beneficial to the Group and/or to other Shareholders. These and other factors related to the major Shareholders' holding of significant interests in the Shares may reduce the liquidity of the Shares and their attractiveness to investors.

**8.3 Investors outside of Belgium may (i) have limited time to place a subscription order for the exercise of their Preferential Rights or (ii) be restricted from participating in this Rights Offering, and may be subject to dilution or other financial adverse consequences if they are unable to participate in future preferential subscription rights offerings**

The Securities are only publicly offered in Belgium through the publication of this Prospectus. The Issuer has not filed to conduct a public offering or register the offer and sale of the Securities under the securities laws of any other jurisdiction, including but not limited to the United Kingdom, any member state of the European Union other than Belgium, the United States, Japan, Canada, Australia or South Africa, and does not expect to do so in the future. The Securities may not be offered or sold in any jurisdiction in which the registration or qualification of the Preferential Rights and New Shares for sale or for subscription is required but has not taken place, including but not limited to the United States, Japan, Canada, Australia and South Africa, unless such offer or sale is exempt from, or in a transaction not subject to, the applicable registration or qualification requirements and the Rights Offering occurs in connection with a transaction that is not subject to such provisions. Investors may therefore not be entitled to purchase, sell, or otherwise transfer Preferential Rights, or purchase, sell, otherwise transfer or subscribe for New Shares and as a consequence may be subject to dilution or other financial adverse consequences in the Rights Offering.

Under Belgian law, shareholders have a waivable and cancellable preferential subscription right to subscribe pro rata to their existing shareholdings to the issuance, against a contribution in cash, of new shares or other securities entitling the holder thereof to new shares. The Shareholders or, in the framework of the authorised capital, the Board of Directors, may cancel such preferential subscription rights in future equity offerings, while no preferential subscription rights apply to capital increases through contributions in kind. In addition, the exercise of preferential subscription rights by certain Shareholders not residing in Belgium may be restricted by applicable local law, practice or other considerations, and such Shareholders may not be entitled to exercise such rights. Shareholders in jurisdictions outside Belgium who are not able or not permitted to exercise their preferential subscription rights in the event of a future preferential subscription rights offering may suffer dilution of their shareholdings.

In particular, shareholders in the United States may not be able to exercise preferential subscription rights unless a registration statement under the Securities Act is filed with the United States Securities and Exchange Commission and declared effective with respect to the Shares that may be issued upon the exercise of such preferential subscription rights, or an exemption from such registration requirements is available. The Issuer does not intend to file a registration statement in the United States or to fulfil any requirement in other jurisdictions (other than Belgium) in order to allow shareholders in

such jurisdictions to exercise their preferential subscription rights (to the extent not excluded or limited). Accordingly, U.S. or other non-Belgian shareholders may experience substantial dilution of their interest in the Issuer.

**8.4 There is no assurance that a trading market will develop for the Preferential Rights, and if a market does develop, the market price for the Preferential Rights may be subject to greater volatility than the market price for the Shares**

The Preferential Rights are expected to be traded on Euronext Brussels from 17 November 2022 to 24 November 2022 at 4.00 p.m. CET. No application for the Preferential Rights on any other exchange will be made. There is no assurance that an active trading market in the Preferential Rights will develop or will sustain during that period or, if a market does develop, there is no assurance regarding the nature of such trading market. If an active trading market does not develop or sustain, the liquidity and market price of the Preferential Rights may be adversely affected. The market price of the Preferential Rights will depend on a variety of factors, including but not limited to the performance of the market price of the Shares, but may also be subject to greater volatility than the Shares.

**8.5 The market price of the Preferential Rights or the New Shares may be negatively affected by actual or anticipated sales of substantial numbers of Preferential Rights or Shares on Euronext Brussels**

A sale of a significant number of Shares or Preferential Rights on Euronext Brussels, or the perception that such sale will occur, may adversely affect the market price of the Preferential Rights or the New Shares or both, and the Preferential Rights could become worthless as a result. The Issuer cannot make any predictions as to the effect of such sale or perception on the market price of the Preferential Rights or the New Shares, in particular given the fluctuation in trading activity during recent months.

The Reference Shareholders have agreed to a lock-up undertaking and the Issuer has entered into a standstill arrangement (for further information hereon, please refer to section 6 of Part VII (*Information on the Offering*)).

**8.6 Withdrawal of subscription in certain circumstances may not allow sharing in the Net Scrips Proceeds and may have other adverse financial consequences**

Any Preferential Rights of which the subscription has been withdrawn, if and to the extent permitted, shall be deemed to have been unexercised for purposes of the Offering. Preferential Rights which are deemed to have been unexercised during the Rights Subscription Period will become null and void and will convert automatically into an equal number of Scrips. Subscribers in the Rights Offering withdrawing their subscription after the Rights Subscription Period, will not share in the Net Scrips Proceeds and will not be compensated in any other way, including for the purchase price (and any related costs or taxes) paid in order to acquire any Preferential Rights or Scrips.

**8.7 Termination of the Offering pursuant to a decision of the Issuer will result in the Preferential Rights and the Scrips becoming null and void**

The Issuer reserves the right not to proceed with the Offering if (i) it determines that market conditions would make the Offering more difficult in a material way or (ii) the Underwriting Agreement has not been signed or has been terminated in accordance with its terms and conditions.

If the Issuer decides to terminate the Offering, the Preferential Rights (and the Scrips, as the case may be) will become null and void. Investors will not be compensated, including for the purchase price (and

any related costs or taxes) paid in order to acquire any Preferential Rights or Scrips. Investors who have acquired any such Preferential Rights may thus suffer a loss, as trades relating to such Preferential Rights will not be unwound once the Offering is discontinued.

**8.8 The capital increase may be lower than the contemplated amount if the Offering is not fully subscribed and no minimum amount has been set for the Offering**

The Issuer considers that the amount of the Offering is appropriate to execute the identified use of proceeds. No minimum amount has however been set for the Offering. The Reference Shareholders, who currently represent 50.90% of the shares in the Company, have committed to participate in the Rights Offering for an aggregate minimum amount of EUR 120 million and to exercise a minimum of 8,648,652 Preferential Rights (or 77.82% of the total Preferential Rights allocated to them), and to subscribe for the corresponding number of New Shares in accordance with the Ratio (for more information, reference is made to section 7 of Part VII (*Information on the Offering*)).

If the Offering is not fully subscribed: (i) only a reduced number of New Shares could be made available for trading on the market which could increase the free float of the Shares to a lesser extent than expected; (ii) the Issuer's financial means in view of the uses of the proceeds of the Offering might be reduced. As indicated above, such risk is however limited to the uncommitted part of the Offering (60 percent of the Offering).

## PART III: GENERAL INFORMATION

### 1 Prospectus approval and supplements

The FSMA approved the English version of this Prospectus on 15 November 2022 in accordance with Article 20 of the Prospectus Regulation. The FSMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Prospectus Regulation. The approval should not be considered as an endorsement of the Issuer or the quality of the New Shares that are the subject of this Prospectus. The Prospectus constitutes a simplified offer and listing prospectus in accordance with Article 14 of the Prospectus Regulation.

This Prospectus has been prepared in English and has been translated into Dutch. The summary of this Prospectus has also been translated into French. The Issuer is responsible for the consistency between the English, Dutch and French versions of (the summary of) this Prospectus. Without prejudice to the responsibility of the Issuer for inconsistencies between the different language versions of (the summary of) this Prospectus, in case of discrepancies between the different versions of this Prospectus, the English version will prevail. However, the translations may be referred to by investors in transactions with the Issuer.

The information in this Prospectus is as of the date printed on the front of the cover, unless expressly stated otherwise. The delivery of this Prospectus at any time does not imply that there has been no change in the Issuer's business or affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date of this Prospectus.

In accordance with Article 23 of the Prospectus Regulation, a supplement to the Prospectus will be published without undue delay in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the evaluation of the Offering by prospective investors and which arises or is noted between the time when this Prospectus is approved and the trading of the New Shares on Euronext Brussels begins. Such prospectus supplement will be subject to approval by the FSMA and subsequently be published in the same manner as this Prospectus. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus. Any statement so modified or superseded shall, except as so modified or superseded, no longer constitute a part of this Prospectus.

Investors who have already agreed to subscribe for the New Shares before the supplement is published, provided that the significant new factor, material mistake or material inaccuracy arose or was noted before the Closing Date of the Rights Subscription Period, shall have the right, exercisable within three business days after publication of the supplement, to withdraw their subscriptions in accordance with Article 23.2a and 23.3a of the Prospectus Regulation. Subscribers in the Rights Offering withdrawing their subscription after the Rights Subscription Period, will not share in the Net Scrips Proceeds and will not be compensated in any other way, including for the purchase price (and any related costs or taxes) paid in order to acquire any Preferential Rights or Scrips.

A supplement to this Prospectus will be published if, amongst other things, (i) the Rights Subscription Period is changed, (ii) the maximum number of New Shares is reduced prior to the allocation of the New Shares, (iii) the Underwriting Agreement is not executed or is executed but subsequently terminated, or (iv) to the extent required, the Issuer decides to revoke or suspend the Offering (see section 2.8 of Part VII (*Information on the Offering*) of this Prospectus).

The Offering and the Prospectus have not been submitted for approval to any supervisory agency or government outside of Belgium.

## **2 Governing Law and Jurisdiction**

The Offering and the contents of this Prospectus are governed by, and construed and interpreted, in accordance with the laws of Belgium.

The courts of Brussels shall have jurisdiction to settle any dispute arising out of or in connection with the Offering and the contents of this Prospectus.

## **3 Enforceability of Civil Liabilities**

The Issuer is a public limited liability company (*naamloze vennootschap/société anonyme*) governed by the laws of Belgium. All of the Issuer's directors and officers reside outside the United States. In addition, all of the assets of such persons, and all of the assets of the Issuer, are located outside the United States. As a result, it may be difficult or impossible for investors to effect service of process within the United States upon the Issuer's directors or officers named in this document, or enforce, in the U.S. courts, judgments obtained outside U.S. courts against the Issuer's directors and officers in any action.

The United States and Belgium currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognised or enforceable in Belgium. In order to enforce any judgment of a U.S. court in Belgium, proceedings must be initiated by way of an action on the judgment of the U.S. court under common law before a court of competent jurisdiction in Belgium. In such an action, a Belgian court generally will not (subject to the following sentence) re-examine the merits of the original matter decided by a U.S. court and will order summary judgment on the basis that there is no reasonable prospect of a defence to the claim for payment. The entry of an enforcement order by a Belgian court is typically conditional upon, amongst other things, the following:

- the U.S. court having had jurisdiction over the original proceedings according to Belgian conflict of law rules;
- the judgment of the U.S. court being final and conclusive on the merits in the court in which the judgment was pronounced;
- the judgment of the U.S. court being for a definite sum of money;
- the judgment of the U.S. court not being for a sum payable in respect of a tax or other charge or in respect of a fine or other penalty;
- the judgment of the U.S. court not being for multiple damages arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damage sustained;
- the judgment not having been obtained by the fraud of the party benefiting from it nor having been affected by any fraud of the U.S. court itself;
- there not having been a prior inconsistent decision of a Belgian court between the same parties;

- the judgment not having been obtained in proceedings which breached principles of natural justice; and
- the judgment of the U.S. court not otherwise contravening Belgian public policy.

Subject to the foregoing, investors may be able to enforce in Belgium judgments in civil and commercial matters obtained from U.S. federal or state courts. However, the Issuer cannot assure investors that those judgments will be recognised or enforceable in Belgium. In addition, it is doubtful whether a Belgian court would accept jurisdiction and impose civil liability in an original action commenced in Belgium and predicated solely upon U.S. federal securities laws.

#### **4 Responsibility statement**

The Issuer, acting through its Board of Directors, assumes responsibility for the information in this Prospectus in accordance with Article 11 of the Prospectus Regulation and Article 26 of the Belgian Law of 11 July 2018 on the public offering of securities and the admission of securities to trading on a regulated market. The Issuer attests that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

None of the Global Coordinators, nor their affiliates, nor any person acting on their behalf, is responsible for, nor are they making any representation or warranty, express or implied, as to the accuracy or completeness or verification of the information in this Prospectus, and nothing in this Prospectus is, or shall be relied upon as, a promise or representation by the Global Coordinators, whether as to the past or the future. Accordingly, the Global Coordinators disclaim, to the fullest extent permitted by applicable law, any and all liability, whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Prospectus.

#### **5 Available Information**

##### **5.1 Prospectus**

This Prospectus will be made available to investors at no cost at the registered office of the Issuer, at Generaal Lemanstraat 55, box 4, 2018 Antwerp, Belgium. Subject to selling and transfer restrictions, this Prospectus is also available on the internet at the following websites: [www.vgpparks.eu](http://www.vgpparks.eu), [www.belfius.be/vgp2022](http://www.belfius.be/vgp2022), [www.bnpparibasfortis.be/epargneretplacer](http://www.bnpparibasfortis.be/epargneretplacer), [www.kbc.be/vgp2022](http://www.kbc.be/vgp2022), [www.bolero.be/nl/vgp](http://www.bolero.be/nl/vgp).

Posting this Prospectus and the summary on the internet does not constitute an offer to sell or a solicitation of an offer to purchase, and there shall not be a sale of, any of the New Shares, Preferential Rights or Scrips in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to its registration or qualification under the laws of such jurisdiction or to or for the benefit of any person to whom it is unlawful to make such offer, solicitation or sale. The electronic version may not be copied, made available or printed for distribution. Except for the information incorporated by reference in this Prospectus (see section 7 of this Part III), other information on the website of the Issuer or any other website does not form part of this Prospectus.

##### **5.2 Company documents**

The Issuer must file its (amended and restated) Articles of Association and all other deeds that are to be published in the Annexes to the Belgian Official Gazette with the clerk's office of the Enterprise Court of Antwerp (Belgium), where they are available to the public. A copy of the most recently restated Articles



of Association (which is incorporated in this Prospectus by reference) and the VGP Charter, is also available on the Issuer's website.

As a listed company, the Issuer must disclose "inside information", information about its shareholder structure and certain other information to the public. In accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "**Market Abuse Regulation**") and the Belgian Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted to trading on a regulated market (*Koninklijk besluit betreffende de verplichtingen van emittenten van financiële instrumenten die zijn toegelaten tot de verhandeling op een gereguleerde markt/Arrêté royal relatif aux obligations des émetteurs d'instruments financiers admis aux négociations sur un marché réglementé*), such information and documentation will be made available through press releases, the communication channels of Euronext Brussels and STORI or a combination of these media.

All press releases published by the Issuer are made available on its website. The Issuer's website address is <https://www.vgpparks.eu/>.

### 5.3 Financial Information

In accordance with Belgian law, the Issuer must prepare audited annual statutory and consolidated financial statements. The annual statutory financial statements, together with the report of the Board of Directors and the audit report of the statutory auditor thereon, as well as the consolidated financial statements, together with the report of the Board of Directors and the audit report of the statutory auditor thereon, must be filed with the National Bank of Belgium, where they are available to the public. Furthermore, as a listed company, the Issuer must publish an annual financial report (comprised of the financial information to be filed with the National Bank of Belgium and a responsibility statement) and a semi-annual financial report (comprised of condensed financial statements, the report of the statutory auditor, if audited or reviewed, and a responsibility statement). These reports will be made publicly available on: (i) the Issuer's website; and (ii) STORI, the Belgian central storage mechanism, which is operated by the FSMA and can be accessed via [stori.fsma.be](http://stori.fsma.be) or [www.fsma.be](http://www.fsma.be). All of the Issuer's statutory financial statements have been prepared in accordance with generally accepted accounting principles in Belgium ("**Belgian GAAP**") and have been audited by the Issuer's Auditor.

The Issuer also prepares annual and interim consolidated financial information in accordance with International Financial Reporting Standards ("**IFRS**"), as adopted by the European Union. The annual financial information is audited by the Issuer's Auditor.

The following financial information is incorporated by reference into this Prospectus (see also section 7 of this Part III and Part IX (*Financial Information*)):

- (i) half-year financial statements of the Issuer as per 30 June 2022. These consolidated half-year financial statements of the Issuer have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting", as adopted by the European Union and have been reviewed by the Issuer's Auditor;
- (ii) statutory financial statements of the Issuer as per 31 December 2021, together with the notes and annual board report and audit report hereon (the "**2021 Statutory Financial Statements**"). These statutory financial statements have been prepared in accordance with Belgian GAAP, and have been audited by the Issuer's Auditor. The Auditor has issued an unqualified opinion for these financial statements;

- (iii) consolidated financial statements of the Issuer as per 31 December 2021, together with the notes and annual board and audit report thereon (the “**2021 Annual Report**” and, together with the 2021 Statutory Financial Statements, the “**2021 Financial Statements**”). These consolidated financial statements of the Issuer have been prepared in accordance with IFRS, and have been audited by the Issuer’s Auditor. The Auditor has issued an unqualified opinion for these financial statements;
- (iv) half-year financial statements of the Issuer as per 30 June 2021. These consolidated half-year financial statements of the Issuer have been prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the European Union and have been reviewed by the Issuer’s Auditor;
- (v) statutory financial statements of the Issuer as per 31 December 2020, together with the notes and annual board report and audit report hereon (the “**2020 Statutory Financial Statements**”). These statutory financial statements have been prepared in accordance with Belgian GAAP, and have been audited by the Issuer’s Auditor. The Auditor has issued an unqualified opinion for these financial statements; and
- (vi) consolidated financial statements of the Group as per 31 December 2020, together with the notes and annual board and audit report thereon (the “**2020 Annual Report**” and, together with the 2020 Statutory Financial Statements, the “**2020 Financial Statements**”). These consolidated financial statements of the Issuer have been prepared in accordance with IFRS, as adopted by the European Union, and have been audited by the Issuer’s Auditor. The Auditor has issued an unqualified opinion for these financial statements.

Deloitte Bedrijfsrevisoren BV, with registered office at Gateway Building, Luchthaven Nationaal 1 J, 1930 Zaventem, Belgium, represented by Mrs. Kathleen De Brabander, has been appointed as the statutory auditor of the Issuer by the General Meeting of Shareholders of the Issuer of 8 May 2020. The mandate of the statutory auditor will expire on the date of the General Meeting of Shareholders deliberating on the financial statements for the year ending on 31 December 2022.

## 6 Presentation of financial and other information

This Prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Issuer’s business and markets. To the extent available, such information has been extracted from reliable third-party sources such as professional organisations, consultants and analysts and information otherwise obtained from third party sources and the National Bank of Belgium. Such information has been accurately reproduced, and, as far as the Issuer is aware of such information and is able to ascertain from information published by that third party, no facts have been omitted which would render the information provided inaccurate or misleading.

Certain other statistical or market-related data has been estimated by management based on reliable third-party sources, where possible, including those referred to above. Although management believes its estimates regarding markets, market sizes, market shares, market positions and other industry data to be reasonable, and without prejudice to the Issuer’s responsibility for the information contained in this Prospectus, these estimates have not been verified by any independent sources (except where explicitly cited to such sources), and the Issuer cannot assure prospective investors as to the accuracy of these estimates or that a third party using different methods to assemble, analyse or compute market data would obtain the same results. Management’s estimates are subject to risks and uncertainties and

are subject to change based on various factors. The Issuer does not intend, and does not assume any obligation, to update the industry or market data set forth herein, other than as required by Article 23 of the Prospectus Regulation.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Issuer has not independently verified and cannot give any assurance as to the accuracy of market data contained in this Prospectus that were extracted or derived from these industry publications or reports. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and estimates and assumptions based on that information are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Part II (*Risk Factors*) of this Prospectus.

Certain financial information and numbers in this Prospectus have had rounding adjustments applied to them. As a result, figures shown in this Prospectus may not be exact arithmetic aggregations of the figures that precede them.

## 7 Information incorporated by reference

This Prospectus should be read and construed in conjunction with (certain sections as described below of) the following documents (which are incorporated by reference in this Prospectus):

Document	Hyperlink
<b>Company documents</b>	
Articles of Association	<a href="https://www.vgpparks.eu/media/3949/vgp-nv_articles-of-association_en_13052022.pdf">https://www.vgpparks.eu/media/3949/vgp-nv_articles-of-association_en_13052022.pdf</a>
<b>Financial information</b>	
Half-year financial statements of the Group as per 30 June 2022	<a href="https://www.vgpparks.eu/media/4166/vgp_press_release_h12022-final-eng_full.pdf">https://www.vgpparks.eu/media/4166/vgp_press_release_h12022-final-eng_full.pdf</a>
2021 Statutory Financial Statements	Available at: <a href="https://consult.cbso.nbb.be/consult-enterprise/0887216042">https://consult.cbso.nbb.be/consult-enterprise/0887216042</a>
2021 Annual Report	<a href="https://www.vgpparks.eu/media/3861/vgp_ar-2021_eng_web_secured.pdf">https://www.vgpparks.eu/media/3861/vgp_ar-2021_eng_web_secured.pdf</a>
Half-year financial statements of the Group as per 30 June 2021	<a href="https://www.vgpparks.eu/media/3299/vgp_press_release_h12021-en.pdf">https://www.vgpparks.eu/media/3299/vgp_press_release_h12021-en.pdf</a>
2020 Statutory Financial Statements	Available at: <a href="https://consult.cbso.nbb.be/consult-enterprise/0887216042">https://consult.cbso.nbb.be/consult-enterprise/0887216042</a>
2020 Annual Report	<a href="https://www.vgpparks.eu/media/3046/vgp_ar-2020_eng.pdf">https://www.vgpparks.eu/media/3046/vgp_ar-2020_eng.pdf</a>
<b>Press releases</b>	

VGP trading update: solid growth, record deliveries and occupancy rate boost recurring rental income of 3 November 2022 (the “October 2022 Trading Update”)	<a href="https://www.vgpparks.eu/en/newsroom/investor-news/vgp-trading-update-solid-growth-record-deliveries-and-occupancy-rate-boost-recurring-rental-income/">https://www.vgpparks.eu/en/newsroom/investor-news/vgp-trading-update-solid-growth-record-deliveries-and-occupancy-rate-boost-recurring-rental-income/</a>
Voting rights and denominator of 31 October 2022	<a href="https://www.vgpparks.eu/en/newsroom/investor-news/voting-rights-and-denominator-31102022/">https://www.vgpparks.eu/en/newsroom/investor-news/voting-rights-and-denominator-31102022/</a>
VGP Financial Calendar of 31 October 2022	<a href="https://www.vgpparks.eu/en/newsroom/investor-news/vgp-financial-calendar/">https://www.vgpparks.eu/en/newsroom/investor-news/vgp-financial-calendar/</a>
Fitch reconfirms VGP's credit rating of 4 October 2022	<a href="https://www.vgpparks.eu/en/newsroom/investor-news/fitch-reconfirms-vgps-credit-rating/">https://www.vgpparks.eu/en/newsroom/investor-news/fitch-reconfirms-vgps-credit-rating/</a>
VGP continues prudent stance in current market turmoil of 30 September 2022	<a href="https://www.vgpparks.eu/en/newsroom/investor-news/vgp-continues-prudent-stance-in-current-market-turmoil/">https://www.vgpparks.eu/en/newsroom/investor-news/vgp-continues-prudent-stance-in-current-market-turmoil/</a>
Fitch affirms VGP's credit rating; Inclusion of VGP shares in GPR250 of 9 September 2022	<a href="https://www.vgpparks.eu/en/newsroom/investor-news/fitch-affirms-vgps-credit-rating-inclusion-of-vgp-shares-in-gpr250/">https://www.vgpparks.eu/en/newsroom/investor-news/fitch-affirms-vgps-credit-rating-inclusion-of-vgp-shares-in-gpr250/</a>
Half-year financial results press release of 26 August 2022	<a href="https://www.vgpparks.eu/media/4166/vgp_press_release_h12022-final-eng_full.pdf">https://www.vgpparks.eu/media/4166/vgp_press_release_h12022-final-eng_full.pdf</a>
VGP announces the signature of its first acquisition project in France, with VALGO of 30 June 2022	<a href="https://www.vgpparks.eu/en/newsroom/investor-news/vgp-announces-the-signature-of-its-first-acquisition-project-in-france-with-valgo/">https://www.vgpparks.eu/en/newsroom/investor-news/vgp-announces-the-signature-of-its-first-acquisition-project-in-france-with-valgo/</a>
Annual financial results press release of 23 February 2022	<a href="https://www.vgpparks.eu/media/3729/vgp-financial-press-release-fy2021-including-notes-23022022-en-2.pdf">https://www.vgpparks.eu/media/3729/vgp-financial-press-release-fy2021-including-notes-23022022-en-2.pdf</a>
Half-year financial results press release of 30 August 2021	<a href="https://www.vgpparks.eu/media/3299/vgp_press_release_h12021-en.pdf">https://www.vgpparks.eu/media/3299/vgp_press_release_h12021-en.pdf</a>
Annual financial results press release of 26 February 2021	<a href="https://www.vgpparks.eu/media/3003/vgp_press_release_fy2020-en-1.pdf">https://www.vgpparks.eu/media/3003/vgp_press_release_fy2020-en-1.pdf</a>

The tables below include references to the sections of the above documents that are incorporated by reference, other than the Articles of Association and the press releases which are incorporated by reference in their entirety. Information contained in the documents incorporated by reference, other than the sections listed in the tables below and the Articles of Association and press releases which are incorporated by reference in their entirety, is for information purposes only and does not form part of this Prospectus and is considered to be additional information which is either not relevant for investors or is covered elsewhere in this Prospectus.

**VGP NV half-year financial statements 30 June 2022 (IAS 34)**

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#### **VGP NV 2021 Consolidated Financial Statements (IFRS)**

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Consolidated statement of comprehensive income	Page 239
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Consolidated cash flow statement	Page 242
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#### **VGP NV 2021 Statutory Financial Statements (Belgian GAAP)**

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#### **VGP NV half-year financial Statements 30 June 2021 (IAS 34)**

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#### **VGP NV 2020 Consolidated Financial Statements (IFRS)**

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Consolidated income statement	Page 192
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Consolidated cash flow statement	Page 196
Explanatory notes	Pages 197-248
Board of Director's report	Pages 62-97
Auditor's report	Pages 255-259

#### **VGP NV 2020 Statutory Financial Statements (Belgian GAAP)**

Statutory balance sheet	Pages 5-6
Statutory income statement	Pages 8-9
Explanatory notes	Pages 10-52
Board of Director's report	Pages 54-79
Auditor's report	Pages 80-86

These documents, which have been filed with the FSMA and/or are available on the website of the Issuer (<https://www.vgpparks.eu/en/>), shall be incorporated in, and form part of, this Prospectus, save that any statement contained in the document which is incorporated by reference shall be modified or superseded for the purpose of the Prospectus to the extent that the statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Prospectus.

Copies of documents incorporated by reference in the Prospectus may be obtained (without charge) from the website of the Issuer (<https://www.vgpparks.eu/en/>) or from the registered office of the Issuer, it being understood that the statutory annual accounts of the Issuer are available on the website of the Belgian National Bank ([www.nbb.be](http://www.nbb.be)).

For the avoidance of any doubt, any profit forecast or estimate contained in any of the documents above is not incorporated by reference into this Prospectus.

## **8 Forward-looking statements**

Certain statements in this Prospectus (including the information incorporated by reference into this Prospectus) are not historical facts and are forward-looking statements. From time to time, the Issuer may make written or oral forward-looking statements in reports to its shareholders and in other communications. Forward-looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditure, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, business strategy and the trends the Issuer anticipates in the industries and the political and legal environment in which it operates, and other information that is not historical information.

Words such as “believe”, “anticipate”, “estimate”, “expect”, “intend”, “predict”, “project”, “could”, “may”, “will”, “plan” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. These risks, uncertainties and other factors include, among other things, those listed under Section 1 “Summary” and Section 2 “Risk Factors”. Investors should be aware that, without prejudice to the Issuer’s responsibility for the information contained in this Prospectus, a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

When relying on forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social, industry and legal environment in which the Issuer and the Group operates. Such forward-looking statements speak only as of the date on which they are made. Accordingly, the Issuer does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, other than as required by applicable laws, rules or regulations. The Issuer makes no representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios.

## **9 Notices to Investors**

### **9.1 General**

In making an investment decision, investors must rely on their own assessment of the Issuer and the terms of the Offering and the contents of this Prospectus, including the merits and risks involved. Any purchase of the New Shares, Preferential Rights or Scrips should be based on the assessments that the investor in question may deem necessary, including the legal basis and consequences of the Offering, and including possible tax consequences that may apply, before deciding whether or not to invest in the New Shares, Preferential Rights or Scrips.

Investors should only rely on the information contained in this Prospectus. No person has been authorised to give any information or to make any representation in connection with the Offering other than those contained in this Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorised. Without prejudice to the Issuer’s obligation to publish supplements to the Prospectus when legally required (as described below), the delivery of this Prospectus at any time after the date hereof shall not, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

The Global Coordinators are acting exclusively for the Issuer and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the Offering and will not be responsible to anyone other than the Issuer for providing the protections afforded to their client nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, purchase, subscription for, resale, pledge or other transfer of the New Shares, the Preferential Rights or the Scrips.

The Offering is conducted as a public offering in Belgium and a private placement exempt from prospectus requirements or similar formalities with qualified investors in Belgium and in such other jurisdictions as will be determined by the Issuer in consultation with the Global Coordinators, in reliance on Regulation S under the Securities Act or another exemption from, or transaction not subject to, registration under the Securities Act.

The Issuer and the Underwriters are not taking any action to permit a public offering of the New Shares, the Preferential Rights and the Scrips in any jurisdiction outside of Belgium. The Offering and the Prospectus have not been and will not be submitted for approval to any supervisory authority outside of Belgium. Therefore, no steps may be taken that would constitute or result in a public offering of the New Shares, the Preferential Rights or the Scrips outside Belgium. The distribution of this Prospectus, the exercise of the Preferential Rights and the Offering may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Accordingly, the New Shares, the Preferential Rights or the Scrips may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other documents related to the Offering may be distributed or published in any jurisdiction, except in circumstances that will result in the compliance with all applicable laws and regulations. The Issuer and the Global Coordinators require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither the Issuer nor the Global Coordinators accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of Shares, of any such restrictions.

Investors must comply with all applicable laws and regulations in force in any jurisdiction in which they purchase, offer or sell the Securities or possess or distribute this Prospectus and must obtain any consent, approval or permission required for the purchase, offer or sale of the Securities under the laws and regulations in force in any jurisdiction in which any purchase, offer or sale is made. Neither the Issuer nor the Global Coordinators are making an offer to sell the New Shares, the Preferential Rights or the Scrips or soliciting an offer to purchase any of the Securities to any person in any jurisdiction where such an offer or solicitation is not permitted.

The Issuer and the Global Coordinators reserve the right to reject any offer to purchase the New Shares, the Preferential Rights or the Scrips which the Issuer or the Global Coordinators believe may give rise to a breach of any laws, rules or regulations.

## **9.2 Notice to prospective investors in the United States**

Other than as authorized by the Issuer, this document should not be distributed, forwarded to, or transmitted in or into the United States (as defined in Regulation S under the Securities Act). Persons into whose possession this document comes are required to inform themselves about and observe any such restrictions.

The Securities have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and, subject to certain exceptions, are being offered and sold outside the United States in compliance with Regulation S.

None of the Securities may be offered, sold, pledged or otherwise transferred, directly or indirectly, in or into the United States, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act; provided that certain QIBs that have, with the authorization of the



Issuer, executed and timely delivered to the Issuer an investor letter may exercise Preferential Rights in the United States. The Scrips Private Placement (if any) will be made only in reliance on Regulation S under the Securities Act. The Securities will be subject to transfer restrictions as set forth in Part VII (*Information on the Offering*).

The information contained in this Prospectus has been provided by the Issuer and other sources identified herein. Distribution of this Prospectus to any person other than shareholders of the Company, the offeree specified by the Underwriters or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without the Issuer's prior written consent, is prohibited. Subject to certain limited exceptions, any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

Until the expiration of the 40-day period beginning on the date of this Prospectus, an offer or a sale of the Securities within the United States by a broker or dealer (whether or not it is participating in the Rights Offering) may violate the registration requirements of the Securities Act.

### 9.3 Notice to investors in the European Economic Area

This Prospectus has been prepared on the basis that all offers of New Shares, Preferential Rights and Scrips, other than the offers contemplated in Belgium, will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of New Shares, Preferential Rights and Scrips. The Prospectus has been approved by the competent authority in Belgium and has been published in accordance with the requirements of the Prospectus Regulation. Accordingly, any person making or intending to make any offer within the European Economic Area (excluding Belgium) of Securities which are the subject of the placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for the Issuer or any of the Underwriters to produce a prospectus for such offer. Neither the Issuer nor the Underwriters have authorised, nor do the Issuer or the Underwriters authorise, the making of any offer of Securities through any financial intermediary, other than offers made by the Underwriters which constitute the final placement of the Securities contemplated in this Prospectus.

The New Shares, the Preferential Rights and the Scrips have not been, and will not be, offered to the public in any Member State of the European Economic Area, except for Belgium (each a "**Relevant Member State**"). Notwithstanding the foregoing, an offering of the Securities may be made in a Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

and provided that no such offer of Securities shall result in a requirement for the publication by the Issuer or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Regulation or a prospectus supplement in accordance with Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the New Shares, Preferential Rights and Scrips so as to enable an investor to decide to purchase New Shares, Preferential Rights or Scrips.

#### **9.4 Notice to investors in the United Kingdom**

The Offer is only made to persons in the United Kingdom that are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation as amended and transposed into the laws of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 and the European Union (Withdrawal Agreement) Act 2020 (the “**UK Prospectus Regulation**”) who are also (i) persons who have professional experience in matters relating to investments falling within the meaning of Article 19(5) of the Financial Services and Markets Act 2000, as amended, (Financial Promotion) Order 2005 (the “**Order**”), or (ii) high net worth entities in the sense of Article 49(2)(A) to (D) of the Order or (iii) persons to whom an offer of shares may otherwise lawfully be communicated and who can lawfully participate in the Offer (all such persons together being referred to as “**Relevant Persons**”). This Prospectus must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

In any case, the Scrips Offering shall only be made to Relevant Persons in the United Kingdom. There shall be no public offering of the Securities in the United Kingdom.

#### **9.5 Notice to prospective investors in Switzerland**

The Securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Swiss Exchange Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares or the Private Placements may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the Offering, the Issuer or the New Shares, the Preferential Rights and the Scrips have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA and the Offering has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes. The investor protection afforded to acquirers of interests in collective investment schemes under the Swiss Federal Act on Collective Investment Schemes does not extend to acquirers of Securities.

## PART IV: REASONS OF THE OFFERING AND USE OF PROCEEDS

If the Offering is fully subscribed, the gross proceeds from the issue of New Shares are estimated to be approximately EUR 302,933,541.00. The net proceeds from the issue of New Shares are estimated to be approximately EUR 298,959,087.

The principal reason of the Offering is to further finance the acquisition of new development land and the development of new projects. If the Offering is fully subscribed, the net proceeds of the Offering are to be used primarily for the development of new projects on development land in the Group's existing and new markets for an amount of approximately EUR 302,933,541.00, and more specifically the following projects which have a timeframe of several years:

- Rouen, France: approximately EUR 100 million for a total planned rental space of 154,000 m<sup>2</sup>;
- Leipzig, Germany: approximately EUR 150 million for a total planned rental space of 210,000 m<sup>2</sup>; and
- Ehrenfeld, Austria: approximately EUR 50 million for a total planned rental space of 80,000 m<sup>2</sup>.

If the Offering is not fully subscribed, the net proceeds of the Offering will be allocated to the abovementioned projects in proportion to their respective investment value on a first come first serve basis, i.e. based on the pre-let status of the respective projects.

Reference is made to section 8 of Part VII (*Information on the Offering*) regarding transaction expenses.

The Issuer expects that the existing financial debt, the revolving credit facilities, the outstanding bonds and the proceeds of the Offering should be sufficient to finance the realization of the current development pipeline over the next 12-18 months. Additional short-term bank debt might occasionally be needed to cover temporary cash shortfalls due to timing of recycling of shareholder loans. The Issuer expects that the aggregate amount of short-term debt under additional credit facilities needed to cover such shortfalls should not exceed EUR 200 million.

The development business (like many businesses) is subject to a series of regulatory and commercial uncertainties (e.g. obtaining zoning and building permits and avoiding environmental issues and the opportunity to acquire suitable plots of land) as a result of which VGP's development pipeline is a dynamic, continuously evolving set of projects. Therefore, VGP can only provide estimates relating to the use of proceeds of the Offering for its acquisition and development plans based on its current pipeline. It cannot be guaranteed that the projects currently contemplated will effectively come to completion. Considering the current development market in the countries in which VGP is active (or looking to expand), VGP is confident that, if the current projects were aborted, sufficient equally attractive replacement projects would be available in the market.

The Issuer reserves the right to proceed with a capital increase for a reduced amount. No minimum has been set for the Offering.

## PART V: CAPITALISATION, INDEBTEDNESS AND WORKING CAPITAL STATEMENT

### 1 Capitalisation and indebtedness

The following tables set forth the cash and cash equivalents, the capitalisation and the indebtedness of the Issuer as at 30 June 2022 and as at 30 September 2022. These tables should be read in conjunction with the section “Financial Information”.

<b>CAPITALISATION</b> <i>(in EUR thousands)</i>	<b>As at 30 June 2022</b> <i>(limited review)</i>	<b>As at 30 September 2022<sup>(1)</sup></b> <i>(unaudited)</i>
<b>Current debt</b>	<b>304,436</b>	<b>501,218</b>
Guaranteed	-	-
Secured	-	-
Unsecured	304,436 <sup>(2)</sup>	501,2018 <sup>(2)</sup>
<b>Non-Current debt</b>	<b>2,225,572</b>	<b>1,995,566</b>
Guaranteed	-	-
Secured	-	-
Unsecured	2,225,572	1,995,566
<b>Total indebtedness</b>	<b>2,530,008<sup>(3)</sup></b>	<b>2,496,784<sup>(4)</sup></b>
Share capital and issue premium	652,546	652,546
Retained earnings and other reserves	1,526,600	1,526,600
<b>Total Shareholders' equity</b>	<b>2,179,146</b>	<b>2,179,146</b>
Non-controlling interest	-	-
<b>Total equity</b>	<b>2,179,146</b>	<b>2,179,146<sup>(5)</sup></b>
<b>Capitalisation</b>	<b>4,709,154</b>	<b>4,675,930</b>

(1) The figures for capitalisation as at 30 September 2022 are based on unaudited internal financial reporting.

(2) Includes accrued interest on issued bonds and Schuldschein Loans of EUR 23.8 million and trade & other current payables of EUR 126.5 million as at 30 June 2022. Includes accrued interest on issued bonds and Schuldschein Loans of EUR 26.2 million and trade & other current payables of EUR 96.4 million as at 30 September 2022.

(3) As at 30 June 2022, the carrying amount of the financial debt amounted to EUR 2,361.8 million. This corresponds to a debt before capitalisation fees of EUR 2,377.3 million when excluding capitalised financing fees of EUR 15.5 million and EUR 168.3 million non-financial payables.

(4) As at 30 September 2022, the carrying amount of the financial debt amounted to EUR 2,364.8 million. This corresponds to a debt before capitalisation fees of EUR 2,379.7 million when excluding capitalised financing fees of EUR 14.9 million and EUR 132 million non-financial payables.

(5) Total equity stated as at 30 June 2022 as no consolidated financial information is available as at 30 September 2022.

<b>NET INDEBTEDNESS</b> <i>(in EUR thousands)</i>	<b>As at 30 June 2022</b> <i>(limited review)</i>	<b>As at 30 September 2022</b> <i>(unaudited)</i>
Cash and cash equivalents	649,307 <sup>(1)</sup>	486,009
<b>Liquidity</b>	<b>649,307</b>	<b>486,009</b>
Current bank debt	4,457	4,415
Current portion of non-current debt		
Bonds issued	149,693	374,167
Accrued interest on issued Bonds and bank debt	23,827	26,220
Other current financial liabilities <sup>1</sup>	0	
<b>Current financial debt</b>	<b>177,977</b>	<b>404,802</b>
<b>Net current financial indebtedness</b>	<b>(471,330)</b>	<b>(81,207)</b>
Non-current bank loans	28,946	28,769
Bonds issued	2,154,829	1,931,254
Other non-current financial liabilities <sup>1</sup>	0	
<b>Non-current financial indebtedness</b>	<b>2,183,775</b>	<b>1,960,023</b>
<b>Net financial indebtedness</b>	<b>1,712,445</b>	<b>1,878,816</b>

(1) Includes EUR 808k of cash which is reported as assets held for sale in the condensed consolidated balance sheet as at 30 June 2022.

## **2 Working Capital Statement**

On the date of this Prospectus, the Issuer is of the opinion that, taking into account its available cash and cash equivalents, it has sufficient working capital to meet its present obligations and cover the working capital needs for a period of at least 12 months as from the date of this Prospectus.

## **PART VI: INFORMATION ON THE NEW SHARES**

### **1 Type and class**

The New Shares will be ordinary Shares without nominal value and that will have the same rights as the existing Shares. All Shares in the Issuer (including the New Shares) pertain to the same class.

### **2 Applicable law and jurisdiction**

The Offering and the New Shares are subject to Belgian law.

The competent courts in case of disputes concerning the Offering or the New Shares will, in principle, be those where the registered office of the Issuer is located (i.e. Antwerp), and will be designated according to the nature of the dispute, unless otherwise provided by Belgian law, applicable treaties or contractual jurisdiction or arbitration clauses. The courts of Brussels shall have jurisdiction to settle any dispute arising out of or in connection with the Offering and the contents of this Prospectus.

### **3 Form**

The New Shares will be delivered in registered or dematerialised form, except for the Existing Shareholders holding registered shares, who will receive New Shares in registered form.

Shareholders may ask the Issuer for their Shares in dematerialised form to be converted into registered Shares, or vice versa, in accordance with the Articles of Association, at their own expense.

An application has been made for the admission to listing and trading of the New Shares on Euronext Brussels. They will be traded under the same trading symbol "VGP" and the same ISIN code BE0003878957 as the existing Shares.

### **4 Currency**

The Offering is in Euro.

### **5 Rights attached to the New Shares**

As from their issue date, the New Shares will be subject to all provisions of the Articles of Association. All Shares have identical voting, dividend and liquidation rights, except as otherwise provided by the Issuer's Articles of Association.

The New Shares will carry the right to a dividend with respect to the financial year that started on 1 January 2022 and, as from their issue date, will carry the right to any distribution made by the Issuer. All Shares represent an equal part of the Issuer's capital and have the same rank in the event of insolvency of the Issuer. In the event of insolvency, any claims of holders of Shares are subordinated to those of the creditors of the Issuer (including the holders of bonds issued by the Issuer).

Each Share gives right to one vote, except that fully paid-up Shares registered in the Issuer's share register in the name of the same Shareholders for at least two years confer double voting rights.

The rights attached to the Shares are further described in Part XIII (*Description of Share Capital and Articles of Association*).

## **PART VII: INFORMATION ON THE OFFERING**

### **1 Decision of the Issuer regarding the Offering**

The extraordinary general meeting of the Issuer held on 13 May 2022 has authorised the Board of Directors to increase the capital of the Issuer in one or several times by a total amount not exceeding EUR 108,873,366.06 (excluding issue premium) in aggregate, with the powers as set out in Article 39 of the Articles of Association. This authorisation is valid for a period of five years as of the publication of the resolution of the extraordinary general meeting in the Annexes to the Belgian Official Gazette on 23 May 2022.

Pursuant to Article 39 of the Articles of Association, the Board of Directors is authorised, within the framework of the authorised capital, to provide for an issue premium and to align the Articles of Association with capital increases that have occurred within this framework. In addition, the Board of Directors is authorised, within the framework of the authorised capital, to cancel the preferential subscription rights of the existing Shareholders in the issuer's interest and in accordance with applicable legal requirements.

Since the authorisation of the extraordinary general meeting of 13 May 2022, the Board of Directors has not made use of the authorised capital. Consequently, the maximum amount that is currently available under the authorised capital amounts to EUR 108,873,366.06 (excluding issue premium).

On 14 November 2022, the Board of Directors has decided, in the framework of the authorised capital, to increase the capital of the Issuer by a maximum amount of EUR 302,933,541.00 (including issue premium), by way of issuance of New Shares with cancellation of the statutory preferential subscription rights of the Shareholders pursuant to Article 7:188 and following of the Belgian Code of Companies and Associations but with non-statutory preferential subscription rights, i.e. the Preferential Rights granted to the Existing Shareholders. The decision by the Board of Directors to increase the share capital was made subject to the conditions precedent that (i) market conditions would not make the Offering more difficult in a material way; and (ii) the Underwriting Agreement has been signed after the completion of the Scrips Private Placement and has not been terminated in accordance with its terms and conditions.

On 15 November 2022, the Issuer determined the Issue Price in consultation with the Global Coordinators, as well as the maximum number of New Shares, the Ratio and the Rights Subscription Period as set out in this Prospectus.

### **2 Terms and conditions of the Offering**

#### **2.1 Maximum amount**

If all New Shares are subscribed to, the total amount of the capital increase (including issue premium) will be EUR 302,933,541.00.

The Issuer reserves the right to proceed with a capital increase for a reduced amount. No minimum has been set for the Offering.

#### **2.2 Maximum number of New Shares**

A maximum of 5,458,262 New Shares are offered for subscription by exercise of the Preferential Rights in accordance with the Ratio.

### **2.3 Preferential Rights**

The Offering is carried out with non-statutory preferential subscription rights for the Existing Shareholders. The statutory preferential subscription rights of the Existing Shareholders as set forth in Article 7:188 and following of the Belgian Code of Companies and Associations have been cancelled with respect to the Offering. However, the Existing Shareholders are being granted Preferential Rights, each conferring a non-statutory preferential subscription right, as described below.

From a practical perspective, the Preferential Rights do not substantially differ from the statutory preferential subscription rights, and the Offering procedure does not differ substantively from the procedure that would otherwise have applied if the Offering had taken place with the statutory preferential subscription rights as provided for by the Belgian Code of Companies and Associations. In particular, the Preferential Rights will be separated from the underlying Shares and, provided they are in dematerialised form, will be separately tradable on the regulated market of Euronext Brussels during the Rights Subscription Period.

As one of the exceptions to the procedure that would have applied if the Offering had taken place with statutory preferential subscription rights, the Rights Subscription Period will have a term of 8 days instead of 15 days.

### **2.4 Allocation of the Preferential Rights**

At closing of Euronext Brussels on the Record Date, each Share will entitle its holder to receive one Preferential Right. The Preferential Rights, represented by coupon no. 11, will be detached from the existing Shares on the Record Date, i.e. on 16 November 2022 after the closing of Euronext Brussels.

The Issuer has applied for admission to trading of the Preferential Rights on Euronext Brussels. The Preferential Rights are expected to be listed and admitted to trading on Euronext Brussels under ISIN code BE0970180833 and trading symbol VGP11 during the Rights Subscription Period, i.e. from 17 November 2022 to 24 November 2022 at 4.00 p.m. CET.

The holders of dematerialised Shares booked on a securities account in their name on the Record Date will automatically receive the number of Preferential Rights they are entitled to, by book-entry into their securities account, subject to the restrictions in this Prospectus and subject to applicable securities laws (see Part III (*Important information*)). Their financial intermediary will, in principle, inform them on the procedures that must be followed to exercise or trade their Preferential Rights.

The holders of registered Shares recorded in the Issuer's share register on the Record Date will receive, at the address indicated in the share register, a letter or e-mail from the Issuer informing them of the aggregate number of Preferential Rights to which they are entitled in respect of their registered Shares, and of the procedures that they must follow in order to exercise or trade their Preferential Rights (see sections 2.6 and 2.7), subject to the restrictions in this Prospectus and subject to applicable securities laws (see Part III (*Important information*)).

### **2.5 Issue price and Ratio**

The Issue Price is equal to EUR 55.50 per New Share.

The Issue Price represents a discount of 34.63% to the closing price of the Share on Euronext Brussels on 15 November 2022 (which amounted to EUR 84.90 per Share). Based on the closing price on such date, the theoretical ex-rights price ("**TERP**") is EUR 79.02, the theoretical value of one Preferential Right is EUR 5.88, and the discount of the Issue Price to TERP is 29.76%.



The TERP can be regarded as the theoretical price of the Shares following completion of the Offering, and is calculated (on a per Share basis) as the result of the following formula:

$$\text{TERP} = \frac{(S \times P) + (S_n \times P_n)}{S + S_n}$$

whereby:

- “S” : the number of outstanding Shares prior to the launch of the Offering, i.e. 21,833,050 Shares
- “P” : the closing price of the Share on Euronext Brussels on 15 November 2022, i.e. EUR 84.90;
- “S<sub>n</sub>” : the maximum number of New Shares to be issued in the Offering, i.e. 5,458,262 New Shares;
- “P<sub>n</sub>” : the Issue Price of the New Shares, i.e. EUR 55.50 per New Share

Based on the formula to determine the TERP, the theoretical value (“TV”) of one Preferential Right can be determined on the basis of the following formula:

$$\text{TV} = (\text{TERP} - P_n) \times \frac{S_n}{S}$$

whereby “S”, “S<sub>n</sub>” and “P<sub>n</sub>” have the meaning given to them in the TERP formula above.

The Issue Price per New Share will be contributed as share capital up to the exact fractional value of the existing Shares (i.e., EUR 4.99 per Share, for legibility purposes, rounded to the nearest whole eurocent) multiplied by the number of New Shares and then rounded up to the nearest whole eurocent. The difference between this contribution to the share capital and the total Issue Price, after deduction of possible costs, will be allocated to a separate “issue premium” account under equity on the liabilities side of the Issuer’s balance sheet.

The holders of Preferential Rights may subscribe for New Shares in the proportion of 4 Preferential Rights for 1 New Share.

Investors will not be charged expenses by the Issuer or the Underwriters in connection with their role as underwriters. Investors may, however, have to bear customary transaction and handling fees charged by their account-keeping financial institution. The purchase and the sale of the New Shares is, under certain conditions, subject to the Belgian tax on stock exchange transactions. For information relating to taxation, please see Part XIV (*Taxation*) and, in particular, section 4 (*Belgian Tax on stock exchange transactions*).

## 2.6 Rules for subscription

Holders of Preferential Rights may only exercise their right to subscribe for New Shares in accordance with the Ratio during the Rights Subscription Period, to the extent permissible under the restrictions in this Prospectus and subject to applicable securities laws (see Part III (*Important information*)).

Subject to the Ratio, there is no minimum or maximum number of New Shares that an investor may subscribe for pursuant to the Offering. Investors, however, should be aware that all New Shares subscribed for will be fully allocated to them. Subscriptions are binding and irrevocable, except as described in section 2.9.

Holders of dematerialised Preferential Rights wishing to exercise and subscribe for New Shares should instruct their financial intermediary accordingly (see section 2.7.1). The financial intermediary is responsible for obtaining the subscription request and for duly transmitting the subscription request to the Global Coordinators. Holders of registered Preferential Rights wishing to exercise and subscribe for New Shares, should comply with the instructions delivered to them in the letter received from the Issuer (see section 2.7.1).

## **2.7 Procedure of the Offering**

### **2.7.1 Rights Offering**

The Rights Offering will be open during the Rights Subscription Period from 17 November 2022 (the “**Opening Date of the Rights Subscription Period**”) until and including 24 November 2022 at 4.00 p.m. CET (the “**Closing Date of the Rights Subscription Period**”). There will be no early closing of the Rights Subscription Period.

During the Rights Subscription Period, and subject to restrictions under this Prospectus and subject to applicable securities laws (see Part III (*Important information*)), the holders of Preferential Rights may subscribe for New Shares by exercising their Preferential Rights in accordance with the Ratio or trade their Preferential Rights. After the Rights Subscription Period, the Preferential Rights may no longer be exercised or traded and as a result subscription requests received thereafter will be void.

#### *Dematerialised Preferential Rights*

The holders of dematerialised Shares booked on a securities account in their name on the Record Date will automatically receive the number of Preferential Rights they are entitled to, by book-entry into their securities account, subject to the restrictions in this Prospectus and subject to applicable securities laws (see Part III (*Important information*)). They will, in principle, be informed by their financial institution of the procedure that they must follow.

Subject to the restrictions in this Prospectus and subject to applicable securities laws (see Part III (*Important information*)), investors holding Preferential Rights in dematerialised form (including Existing Shareholders) can, during the Rights Subscription Period, irreducibly subscribe to the New Shares directly at the counters of Belfius Bank, BNP Paribas Fortis, CBC Banque, KBC Bank, and KBC Securities if they have a client account there, or indirectly through any other financial intermediary. Subscribers should inform themselves about any costs that these financial intermediaries might charge and which they will need to pay themselves. At the time of subscription, the subscribers should remit a corresponding number of Preferential Rights in accordance with the Ratio.

Depending on the financial intermediary, investors may be required to provide their subscription request prior to 24 November 2022 at 4 p.m. CET. Investors should consult with their financial intermediary to determine the latest date when they should provide their subscription request. Investors wishing to sell part or all of their dematerialised Preferential Rights should instruct their financial intermediary accordingly.

#### *Registered Preferential Rights*

The holders of registered Shares recorded in the Issuer’s share register on the Record Date will receive, at the address indicated in the share register, a letter or e-mail from the Issuer informing them of the aggregate number of Preferential Rights to which they are entitled in respect of their registered Shares and of the procedures that they must follow in order to exercise or trade their Preferential Rights, subject to the restrictions in this Prospectus and subject to applicable securities laws (see Part III (*Important information*)).

Shareholders holding registered Preferential Rights who wish to exercise these Preferential Rights must elect to do so and remit the respective amount for such subscription into the blocked account of the Issuer (as will be indicated in the instruction letter or e-mail of the Issuer) prior to 24 November 2022 at 4 p.m. CET. Failure to do so will imply failure of such Shareholders to exercise their Preferential Rights, in which case these will receive the Net Scrips Proceeds (as defined below), if any, for such unexercised Preferential Rights.

Existing Shareholders or investors who do not own the exact number of Preferential Rights required to subscribe for a whole number of New Shares can, during the Rights Subscription Period, either buy (through a private transaction or on the regulated market of Euronext Brussels) the lacking Preferential Rights to subscribe for one or more additional New Shares, sell (through a private transaction or on the regulated market of Euronext Brussels) the Preferential Rights representing a share fraction, or hold such Preferential Rights in order for them to be offered for sale in the form of Scrips after the Rights Subscription Period. Purchasing or selling Preferential Rights and/or acquiring Scrips may entail certain costs.

The results of the Rights Offering will be announced via a press release on or about 25 November 2022 (prior to the opening of Euronext Brussels).

### **2.7.2 Scrips Private Placement**

At the closing of the Rights Offering, the unexercised Preferential Rights will be automatically converted into an equal number of Scrips and these Scrips will be sold in a private placement with qualified investors in Belgium and by way of a private placement exempt from prospectus requirements or similar formalities in such other jurisdictions as will be determined by the Issuer in consultation with the Global Coordinators. The Scrips Private Placement will be conducted in reliance on Regulation S under the Securities Act. The Scrips Private Placement will be organised by way of an accelerated book-building procedure, in order to determine a single market price per Scrip. The terms and modalities of the Scrips Private Placement will be determined by the Issuer together with the Global Coordinators.

The Scrips Private Placement is expected to last for one day and to take place on or around 25 November 2022.

The Scrips Private Placement will only take place if not all Preferential Rights have been exercised during the Rights Subscription Period.

Investors who acquire Scrips enter into an irrevocable commitment to exercise the Scrips and thus to subscribe for the corresponding number of New Shares at the Issue Price and in accordance with the Ratio.

The net proceeds from the sale of Scrips (rounded down to a whole eurocent per unexercised Preferential Right) after deducting expenses, charges and all forms of expenditure which the Issuer has to incur for the sale of the Scrips (the “**Net Scrips Proceeds**”), if any, will be distributed proportionally between all holders of unexercised Preferential Rights.

The Net Scrips Proceeds will be announced via a press release and will be paid to the holders of such unexercised Preferential Rights upon presentation of coupon no. 11. There is, however, no assurance that any Scrips will be sold during the Scrips Private Placement, or that there will be any Net Scrips Proceeds. Neither the Issuer nor the Global Coordinators nor any other person procuring a sale of the Scrips will be responsible for any lack of Net Scrips Proceeds arising from the sale of the Scrips in the Scrips Private Placement.

If the Net Scrips Proceeds are less than EUR 0.01 per unexercised Preferential Right, the holders of such unexercised Preferential Rights are not entitled to receive any payment and, instead, the Net Scrips Proceeds will be transferred to the Issuer. If the Issuer announces that the Net Scrips Proceeds are available for distribution to holders of unexercised Preferential Rights and such holders have not received payment thereof by 30 November 2022, such holders are advised to contact their financial intermediary, except for registered Shareholders who are advised to contact the Issuer.

The costs of the Scrips Private Placement will be covered by the proceeds of the sale of the Scrips. In case insufficient proceeds are raised to cover the costs of the Scrips Private Placement, the uncovered costs will be borne by the Issuer.

The results of the Scrips Private Placement will be announced via a press release on or about 25 November 2022.

## **2.8 Revocation or suspension of the Offering**

The Issuer reserves the right not to proceed with the Offering following consultation with the Underwriters if (i) it determines that market conditions would make the Offering more difficult in a material way or (ii) the Underwriting Agreement has not been signed or has been terminated in accordance with its terms and conditions (see section 4.1).

If the Issuer decides to revoke or suspend the Offering, a press release will be published and, to the extent such event would legally require the Issuer to publish a supplement to the Prospectus, such supplement will be published. Such revocation or suspension of the Offering can occur up to completion of the Scrips Private Placement.

As a result of the decision to revoke the Offering, the subscriptions for New Shares will automatically be withdrawn and the Preferential Rights (and Scrips, as the case may be) will become null and void. Investors will not be compensated, including for the purchase price (and any related costs or taxes) paid in order to acquire any Preferential Rights or Scrips.

## **2.9 Supplement to the Prospectus**

In the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the evaluation of the Offering by prospective investors arises or is noted between the time of approval of the Prospectus and the time when trading of the New Shares on Euronext Brussels begins will be mentioned in a supplement to this Prospectus without undue delay. Such prospectus supplement will be subject to approval by the FSMA and subsequently be published in the same manner as this Prospectus. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus. Any statement so modified or superseded shall, except as so modified or superseded, no longer constitute a part of this Prospectus

Investors who have already agreed to subscribe to the New Shares before the supplement is published, provided that the significant new factor, material mistake or material inaccuracy arose or was noted before the Closing Date of the Rights Subscription Period, shall have the right, exercisable within three business days after the publication of the supplement, to withdraw their subscriptions in accordance with Article 23.2a and 23.3a of the Prospectus Regulation.

Subscribers in the Rights Offering withdrawing their subscription after the Rights Subscription Period, will not share in the Net Scrips Proceeds and will not be compensated in any other way, including for the

purchase price (and any related costs or taxes) paid in order to acquire any Preferential Rights or Scrips. Where the subscriptions to the Rights Offering are made through a financial intermediary, the financial intermediary will assist the investors in exercising their right to withdraw acceptances in such case. The financial intermediary will contact investors by the end of the first working day following that on which the supplement is published.

A supplement to the Prospectus will be published if, amongst other things, (i) the Rights Subscription Period is changed, (ii) the maximum number of New Shares is reduced prior to the allocation of the New Shares, (iii) the Underwriting Agreement is not executed or is executed but subsequently terminated, or (iv) to the extent required, the Issuer decides to revoke or suspend the Offering.

## 2.10 Announcement of the results of the Offering

The results of the subscription with Preferential Rights will be announced via press release on or about 25 November 2022.

The results of the Offering, including the definitive amount of the Offering and the number of New Shares subscribed for, the results of the sale of the Scrips and the payment of the Net Scrips Proceeds, will be announced via press release on or about 25 November 2022.

## 2.11 Payment and delivery of the New Shares

The payment of the New Shares subscribed for with dematerialised Preferential Rights is expected to take place on or around 25 November 2022 and will be done by debit of the subscriber's account with the same value date (subject to the relevant financial intermediary procedures). The payment of the New Shares subscribed for with registered Preferential Rights will be done by payment into a blocked account of the Issuer. Payment must have reached such account by 24 November 2022 at 4 p.m. CET as indicated in the instruction letter from the Issuer.

The payment for the New Shares subscribed for in the Scrips Private Placement will be made by delivery against payment. Delivery of the New Shares will take place on or around 29 November 2022. The New Shares will be delivered in the form of dematerialised Shares (booked into the securities account of the subscriber) or as registered Shares recorded in the Issuer's Share register.

## 2.12 Expected timetable of the Offering

Approval of the Prospectus by the FSMA	T-1	15 November 2022
Detachment of coupon no. 11 (representing the Preferential Right) after T closing of Euronext Brussels		16 November 2022
Publication of the launch press release and of the Prospectus	T	16 November 2022
Start trading of the Shares ex-Preferential Rights	T+1	17 November 2022
Opening Date of the Rights Subscription Period	T+1	17 November 2022
Listing and start trading of the Preferential Rights on Euronext Brussels	T+1	17 November 2022
Payment of the Issue Price for registered New Shares by subscribers	T+8	24 November 2022 at 4.00 p.m. CET
Closing date of the Rights Subscription Period	T+8	24 November 2022 at 4.00 p.m. CET
End of listing and of trading of the Preferential Rights on Euronext Brussels	T+8	24 November 2022 at 4.00 p.m. CET
Announcement via press release of the subscription with Preferential Rights	T+9	25 November 2022
Suspension of trading of Shares	T+9	25 November 2022
Scrips Private Placement	T+9	25 November 2022

Allocation of the Scrips and the Subscription with Scrips	T+9	25 November 2022
Announcement via press release of the Offering (including the ScripsT+9 Private Placement) and of the Net Scrips Proceeds		25 November 2022
Payment of the Issue Price for dematerialised New Shares by or on behalfT+9 of the subscribers		25 November 2022
Realisation of the capital increase	T+13	29 November 2022
Delivery of the New Shares to the subscribers	T+13	29 November 2022
Listing of the New Shares on Euronext Brussels	T+13	29 November 2022
Payment of Net Scrips Proceeds to holders of unexercised PreferentialT+14 Rights		30 November 2022

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The Issuer may amend the dates and times of the capital increase and periods indicated in the above timetable and throughout the Prospectus. In such event, the Issuer will notify Euronext Brussels and inform the investors via a press release. To the extent required by law, any material alterations to this Prospectus will be published in a press release and as a supplement to this Prospectus in the Belgian financial press and on the website of the Issuer.

### **3 Plan of distribution and allocation of the New Shares**

The Rights Offering will only be open to the public in Belgium.

The Rights Offering is made on the basis of Preferential Rights. The Preferential Rights are allocated to all Existing Shareholders of the Issuer.

Subject to applicable securities regulations, the following categories of investors are able to subscribe for the New Shares: (i) the initial holders of Preferential Rights; (ii) persons outside the United States who have acquired Preferential Rights on Euronext Brussels during the Rights Subscription Period; and (iii) qualified investors who have acquired Scrips in the context of the Scrips Private Placement.

The Preferential Rights are granted to all Existing Shareholders and may only be exercised by holders of the Preferential Rights who can lawfully do so under any law applicable to those Shareholders. The New Shares to be issued upon the exercise of Preferential Rights are being offered only to holders of Preferential Rights to whom such offer can be lawfully made under any law applicable to those holders. The Issuer has taken all necessary action to ensure that Preferential Rights, and New Shares to be issued upon the exercise of Preferential Rights, may be lawfully exercised and offered to the public (including Existing Shareholders and holders of Preferential Rights) in Belgium. The Issuer has not taken any action to permit any offering of Preferential Rights or New Shares to be issued upon the exercise of Preferential Rights (including a public offering to Existing Shareholders or holders of Preferential Rights) in any other jurisdiction.

The Scrips Private Placement will only take place by way of an exempt private placement with qualified investors in Belgium and such other countries of the European Economic Area, Switzerland and the United Kingdom as shall be determined by the Issuer in consultation with the Underwriters, and in reliance on Regulation S.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the New Shares or the Preferential Rights to any person with a registered address, or who is resident or located, in the United States, subject to certain exceptions, or to any person in any jurisdiction in which such offer or solicitation is unlawful.

The Securities have not been nor will be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and, subject to certain exceptions, are being offered and sold outside the United States in compliance with Regulation S. None of the Securities may be offered, sold, pledged or otherwise transferred, directly or indirectly, in or into the United States, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act; provided that certain QIBs that have, with the authorisation of the Issuer, executed and timely delivered an investor letter to the Issuer may exercise Preferential Rights in the United States.

## **4 Offering and underwriting**

### **4.1 Underwriting Agreement**

The Issuer and the Underwriters expect (but have no obligation) to enter into an underwriting agreement (the “**Underwriting Agreement**”) on or around 25 November 2022 with respect to the Offering. The entering into of the Underwriting Agreement may depend on various factors including, but not limited to, market conditions. If the Issuer or the Underwriters do not sign the Underwriting Agreement, the Offering will not be completed.

Subject to the terms and conditions to be set forth in the Underwriting Agreement, each of the Underwriters, severally but not jointly or jointly and severally, will enter into a soft commitment to underwrite the Offering by procuring payment for all New Shares taken up in the Offering, excluding (i) the New Shares that the Reference Shareholders have committed to take up pursuant to their shareholders’ subscription undertaking (as set out in section 7 (*Intentions of Shareholders, the Board of Directors, management or others*) below), (ii) the New Shares subscribed by QIBs purchasing New Shares that have delivered an investor letter in transactions eligible for the exemption from registration set forth in Section 4(a)(2) of the Securities Act (whereby all such transactions were undertaken by the Company without any participation by any of the Underwriters) and (iii) the New Shares subscribed to by the Existing Shareholders holding registered shares (the New Shares excluding (i) to (iii) are the “**Underwritten Shares**”).

The Underwriters are and will be under no obligation to subscribe for any Underwritten Shares prior to the execution of the Underwriting Agreement, and thereafter only on the terms and subject to the conditions set out therein.

If the Underwriting Agreement is entered into, the Underwriters will deliver the Underwritten Shares to investors who applied for them, subject to prior issue, when, as and if delivered to the Underwriters, subject to the satisfaction or waiver of the conditions that will be contained in the Underwriting Agreement.

It is anticipated that in the Underwriting Agreement, the Issuer will make certain representations and warranties and the Issuer will agree to indemnify the Underwriters against certain liabilities.

The Underwriting Agreement will provide that each of Underwriters (and not the Issuer) will have the right to terminate the Underwriting Agreement before the completion of the share capital increase in relation to the Offering and the Scrips Private Placement and the listing and delivery to subscribers of the New Shares subscribed with the Preferential Rights and with Scrips upon: (i) any statement contained in any document relating to the Offering is, or has become, or has been discovered to be, inaccurate or misleading in any material respect; (ii) non satisfaction of the conditions precedent set out in the Underwriting Agreement; (iii) failure of the Issuer to comply with its obligations under the Underwriting Agreement, and in particular when the Issuer breaches the covenants and undertakings included in the Underwriting Agreement; (iv) breach or reasonably alleged breach of any of the

representations and warranties of the Issuer in any material respect or an event occurs which, if those representations and warranties were repeated immediately after that event, would make any of those representations and warranties untrue, incorrect or misleading; (v) the Issuer fails to issue the New Shares, (vi) the application for admission to listing of the New Shares on Euronext Brussels is withdrawn or refused; (vii) any event or development that causes or results or is likely to result in a material adverse effect, i.e. any event or effect materially and adversely affecting the Issuer's ability to comply with or complete the operations as set forth in the Underwriting Agreement or to complete the Offering as described in this Prospectus as well as any material adverse effect in or affecting, or any development reasonably likely to give rise to a material adverse effect in or affecting the value, state or condition (financial, legal or otherwise) of shareholders' equity or the property, assets, rights, business, management, prospects, earnings, net worth or results of operations, general affairs, or solvency of the Group, it being understood that a material adverse effect shall also be deemed to have occurred in all cases where isolated events would not have such an effect but where the aggregate of two or more of such events would, taken in aggregate, have such effect, (viii) other specific circumstances described in the Underwriting Agreement such as a suspension or material limitation of trading in the Issuer's securities on Euronext Brussels; a suspension or material limitation in trading of securities on Euronext Brussels, the London Stock Exchange or the New York Stock Exchange; a material disruption in commercial banking or securities settlement or clearance services in the United States, the United Kingdom, Belgium or another member of the EEA; a decrease in the value of the Euro Stoxx 50 index of more than 10 per cent. compared to the closing value of the Euro Stoxx 50 index on Eurex at the close of business on the day before the execution of the Underwriting Agreement; the application for listing of the New Shares being withdrawn or refused by Euronext Brussels; a material adverse change in the financial markets in the United States, Belgium or the United Kingdom or in the international financial markets; an outbreak of hostilities or escalation thereof or other calamity or crisis involving the United States, Belgium or the United Kingdom or internationally; any significant change in any national or international political, military, financial, economic, monetary or social conditions or in taxation in Belgium or a general moratorium on commercial banking activities declared by the relevant authorities in Brussels, London or New York, if any such event, in the reasonable judgement of the Underwriters, following, to the extent reasonably practicable, consultation with the Issuer, is likely to prejudice materially the completion of the Offering, the subscription and delivery of the New Shares or dealings in shares in the secondary markets; (ix) the issue of a supplement to this Prospectus or the publication of additional disclosures; or (x) any of the Underwriters would default under the terms of the Underwriting Agreement in executing its subscription obligations. If the Underwriting Agreement is terminated in accordance with its terms, the Underwriters shall be released from their obligation to subscribe to any underwritten New Shares.

If the Underwriting Agreement is terminated, the allocation of the Underwritten Shares to investors will be cancelled, and investors will not have any claim for delivery of the New Shares. In the event that the Underwriting Agreement is not executed or is executed but subsequently terminated, a supplement to this Prospectus shall be published.

#### **4.2 Counters**

Subscription requests may be submitted directly during the Rights Subscription Period at the counters of the Underwriters, or any other financial intermediary in Belgium which shall then transmit such requests to the Underwriters (see section 2.6). Holders of Preferential Rights should inform themselves about any costs that these financial intermediaries might charge and which they will need to pay themselves. The Underwriters shall not be responsible for the actions of other financial intermediaries in relation to the timely transmission of the subscription requests.



## **5 Admission to trading and dealing arrangements**

### **5.1 Admission to trading**

The Preferential Rights, represented by coupon no. 11, will be detached from the existing Shares on the Record Date, i.e. on 16 November 2022 after the closing of Euronext Brussels.

The Issuer has applied for admission to trading of the Preferential Rights on Euronext Brussels. The Preferential Rights are expected to be listed and admitted to trading on Euronext Brussels under ISIN code BE0970180833 and trading symbol VGP11 during the Rights Subscription Period, i.e. from 17 November 2022 to 24 November 2022 at 4.00 p.m. CET.

The existing Shares will therefore trade ex-rights as from 17 November 2022. Any sale of Shares prior to closing of Euronext Brussels on 16 November 2022 and to be settled after 16 November 2022 will be settled "cum rights". Any Shares sold after the closing of Euronext Brussels on 16 November 2022 will be sold and settled "ex rights".

No application for the listing and admission to trading of the Scrips will be made.

The Issuer has applied for admission to trading of the New Shares on Euronext Brussels. The New Shares are expected to be listed and admitted to trading on Euronext Brussels under ISIN code BE0003878957 and trading symbol "VGP" as of 29 November 2022.

### **5.2 Liquidity contract and financial services**

The Issuer has entered into a liquidity contract with KBC Securities NV.

The financial services for the Shares of the Issuer (including the New Shares) are provided in Belgium by KBC Securities NV. The costs of these financial services are borne by the Issuer.

### **5.3 Settlement agent**

The Issuer has appointed Belfius Bank NV as settlement agent for the Offering.

## **6 Standstill and lock-up undertaking**

### **6.1 The Issuer**

In the Underwriting Agreement, the Issuer will agree that, for a period of 180 calendar days after the first listing date of the New Shares, except with the prior written consent of the Global Coordinators, it will not (i) issue or sell, or attempt to dispose of, or solicit any offer to buy any shares, warrants or other securities or grant any options, convertible securities or other rights to subscribe for or purchase shares or enter into any contract (including derivative transactions) or commitment with like effect; or (ii) reduce its share capital, except (i) any corporate action in connection with a takeover offer, capital reorganisation, legal merger, split up or similar transaction or process, in each case to the extent involving the Issuer and provided that the terms of this undertaking attaching to the Shares shall apply, mutatis mutandis, to any transferee of any of the Shares, (ii) the issuance of any non-convertible bonds or other financial instruments by the Issuer for the purposes of financing or refinancing its outstanding obligations, or (iii) the granting of awards in options or Shares by the Issuer or the issuance of Shares upon exercise of options granted by the Issuer pursuant to existing employee incentive schemes existing as of the date of the Underwriting Agreement and disclosed in the Issuer's publicly available information.

## **6.2 Reference Shareholders**

The Reference Shareholders have entered into a lock-up undertaking with the Global Coordinators with respect to the securities of the Issuer pursuant to which the Reference Shareholders will not, for a period of 180 calendar days from the Closing Date of the Offering, otherwise than with the prior written consent of the Global Coordinators, offer, sell, contract to sell, grant any option to purchase or otherwise dispose of, or cause any other person to dispose of, directly or indirectly, any Shares or any securities convertible into, exchangeable for or representing the right to receive any Shares or any other securities of the Issuer which are substantially similar to such shares or enter into any options or derivatives, cash settled or otherwise, or other transactions relating to the foregoing or having similar economic effect, except to affiliates within the meaning of article 1:20 of the Belgian Code of Companies and Associations, provided, however, that this undertaking shall not prohibit the Reference Shareholders upon any announcement, pursuant to article 7 of the Belgian Royal Decree of 27 April 2007, by the FSMA that it has received notice of a tender offer on the securities of the Issuer, to offer their shares in such tender offer or any higher tender offer, but not otherwise.

## **7 Intentions of Shareholders, the Board of Directors, management or others**

The Reference Shareholders, who currently represent 50.90% of the shares in the Company, have committed to participate in the Rights Offering for an aggregate minimum amount of EUR 120 million and to exercise a minimum of 8,648,652 Preferential Rights (or 77.82% of the total Preferential Rights allocated to them), and to subscribe for the corresponding number of New Shares in accordance with the Ratio.

Accordingly, assuming (i) the issue of the maximum amount of New Shares and (ii) subscription by the Reference Shareholders for the abovementioned amount, the Reference Shareholders will hold, after the Offering, 48.65% of all shares in the Company, whereas the Reference Shareholders would hold 50.90% of all shares in the Company if they exercise all their Preferential Rights.

Other than the abovementioned commitments, the Issuer has not received indications whether members of the Board of Directors, members of the Executive Committee or other persons have the intention to subscribe for the Offering, or whether any person intends to subscribe for more than 5% of the Offering.

## **8 Expenses and net proceeds of the Offering**

The gross and net proceeds of the Rights Offering are estimated at up to EUR 302,933,541.00 and EUR 298,959,087.00, respectively, assuming the issue of the maximum amount of New Shares. The expenses related to the Rights Offering, which the Issuer will pay, are estimated at up to EUR 3,974,454.00 and include, among other things, underwriting fees and commissions of EUR 2,974,454.00, the fees due to the FSMA and Euronext Brussels and legal and administrative expenses, as well as publication costs.

## **9 Dilution**

### **9.1 Dilution of participation in the share capital**

Assuming that a Shareholder holding 1.00% of the Issuer's share capital prior to the Offering does not subscribe for New Shares, such Shareholder's participation in the Issuer's share capital would decrease to 0.80% as a result of the Offering, assuming the issue of the maximum amount of New Shares.

If an Existing Shareholder exercises all Preferential Rights allocated to it, there will be no dilution as a result of the Offering in terms of its participation in the Issuer's share capital or in terms of dividend rights. However, to the extent that a shareholder is granted a number of Preferential Rights that does not entitle it to a round number of New Shares in accordance with the Ratio, such shareholder may slightly dilute if it does not purchase the missing Preferential Right(s) on the secondary market and exercises such Preferential Right(s) accordingly.

## 9.2 Financial dilution

Existing Shareholders who decide not to exercise all of their allocated Preferential Rights should take into account the risk of a financial dilution of their portfolio. Such risk is a consequence of the fact that the Offering is priced at an Issue Price lower than the market price of the Share. The table below sets out the extent of such a dilution. Theoretically, the value of the Preferential Rights should compensate for the reduction in the financial value caused by the Issue Price being lower than the market price. Existing Shareholders may suffer a financial loss if they cannot trade (sell) their Preferential Rights at their theoretical value (and the price at which the Scrips will be sold during the Scrips Private Placement does not lead to a payment equal to the theoretical value of the Scrips) – please see table below for illustration purposes.

	Price before Rights Offering <sup>(1)</sup>	Theoretical ex-Right price	Theoretical Right value +50%	Theoretical Right value -50%	Theoretical Right value -100%
After the issue of the maximum amount of New Shares	EUR 84.90	EUR 79.02	EUR 8.82	EUR 2.94	EUR 0.00
% of financial dilution			+3.46%	-3.46%	-6.93%

(1) Share price as of 15 November 2022.

## 10 Interest of natural and legal persons involved in the Offering

There is no natural or legal person involved in the Offering and having an interest that is material to the Offering, other than the Underwriters.

Belfius Bank NV, BNP Paribas Fortis SA/NV and KBC Bank NV are lenders to the Issuer. Belfius Bank NV has provided the Issuer with a revolving credit facility for a total facility of EUR 175 million. KBC Bank NV has provided the Issuer with a revolving credit facility for an amount of EUR 75 million. BNP Paribas Fortis SA/NV has provided the Issuer with a revolving credit facility for an amount of EUR 50 million. All of the above revolving credit facilities are unsecured. As at the date of this Prospectus, there were no drawings outstanding under these credit facilities.

The Global Coordinators and their affiliates have from time to time provided, and may in the future provide, commercial banking, investment banking and financial advisory or other services to the Issuer in the ordinary course of their businesses. The Global Coordinators have received and will receive customary fees and commissions for these transactions and services. In the ordinary course of their various business activities, the Global Coordinators and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own accounts and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve the Issuer's securities and instruments.

## PART VIII: DESCRIPTION OF THE ISSUER

### 1 General information

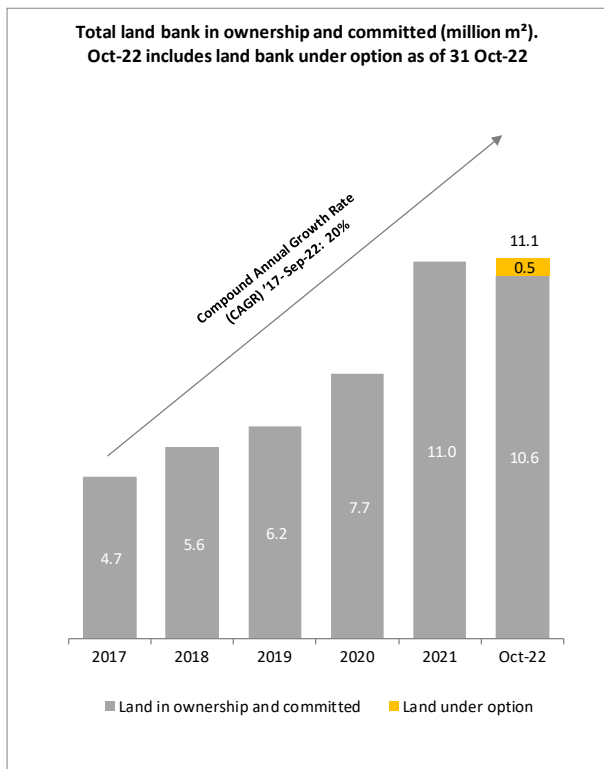
VGP NV is a public limited liability company (*naamloze vennootschap/société anonyme*) that was incorporated under Belgian law on 6 February 2007 for an indefinite period of time with its registered office located at Generaal Lemanstraat 55, box 4, 2018 Antwerp, with telephone number +32 3 289 14 30. VGP is registered with the Crossroads Bank for Enterprises under number 0887.216.042 (enterprise court of Antwerp, division Antwerp) and with Legal Entity Identifier (LEI) code: 315700NENYPIXFR94T49.

VGP NV, being a holding company falling within the exception set forth in Article 7 °1 of the Belgian Law on alternative investment funds of 19 April 2014 (*wet betreffende de alternatieve Instellingen voor collectieve belegging en hun beheerders/loi relative aux organismes de placement collectif alternatifs et à leurs gestionnaires*), has not been set up as a Belgian regulated real estate investment company within the meaning of the Belgian Law of 12 May 2014 on regulated real estate investment companies (*wet betreffende de gereguleerde vastgoedvennootschappen/loi relative aux sociétés immobilières réglementées*) nor as a UCITS undertaking under the Belgian Law of 3 August 2012 (*wet betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles/loi relative à certaines forms de gestion collective de portefeuilles d'investissement*). As a consequence, the Issuer does not benefit from the fiscal advantages of a Belgian real estate investment trust and is not subject to the regulatory framework applicable to these real estate investment trusts.

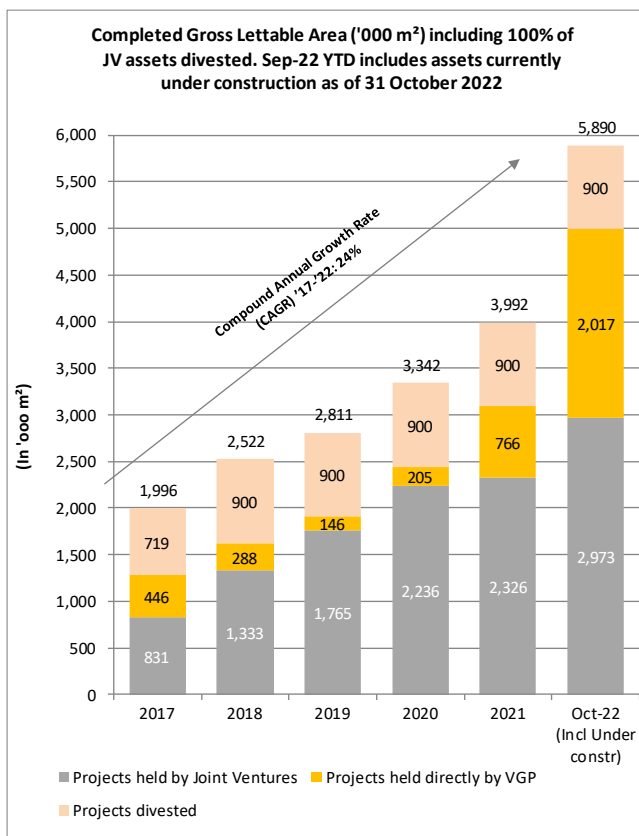
The Issuer, together with its Subsidiaries (collectively, **VGP**, the **VGP Group** or the **Group**), is a pan-European pure-play logistics real estate group specialised in the acquisition, development, and management of logistics real estate, i.e. buildings suitable for logistical purposes and light industrial activities. The Group focuses on strategically located plots of land in Germany, the Czech Republic, Spain, the Netherlands, Slovakia, Hungary, Romania, Austria, Italy, Latvia, Portugal, Serbia, France and Croatia, suitable for development of logistics business parks of a certain size, so as to build up an extensive and well-diversified land bank in top locations. The Group is currently expanding into Greece, Denmark and Sweden, 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 logistics 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 historical evolution of the Group's land bank (including Joint Ventures at 100%) during the past five years has been as follows:



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



The Group has an in-house team 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 optimal access to transport infrastructure.

In addition to its real estate activities, VGP has launched a VGP renewable energy business line to provide renewable energy solutions to its tenants or other stakeholders. For more information, please refer to section 1.3 of this Part VIII (*Description of the Issuer*).

## **1.1 Strategic partnerships**

### **1.1.1 Strategic partnership with Allianz**

VGP entered into four 50:50 joint ventures with Allianz which are set up according to a similar structure. The Allianz Joint Ventures allow the Group to recycle in part its initial invested capital when completed projects are acquired by the First (which reached its investment capacity in June 2021), Second or Fourth Joint Venture or when buildings are completed by the Third Joint Venture 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.

Within the relevant geographical scope or project scope of each Allianz Joint Venture, VGP can at its discretion decide whether an asset is offered to the relevant Allianz Joint Venture. None of the Allianz Joint Ventures can request or require that VGP sells an asset to it. Each Allianz Joint Venture ultimately decides whether or not to purchase an asset offered by VGP, taking into account the location of the asset, the rent agreement and technical requirements. At the moment of each closing with a Joint Venture, the respective Joint Venture generally requires a separate valuation from an external valuation expert on all the assets which are being acquired as part of such closing to ensure that assets are sold to the Joint Ventures at fair market value. VGP continues to service the Allianz Joint Ventures as asset-, property- and development manager.

Finally, VGP retains a 50% share in each Joint Venture holding a growing rental income generating logistics real estate portfolio which over time will generate a recurrent cash flow stream which can support a sustained dividend policy.

### **1.1.2 Strategic partnership in respect of 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) the LPM Joint Venture, (ii) the VGP Park Belartza Joint Venture, and (iii) 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 recycle in part 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.

The LPM Joint Venture is focused on the development of Logistics Park Moerdijk together with the Port Authority Moerdijk on a 50:50 basis. 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.

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

The 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.

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

## **1.2 Portfolio**

The total consolidated assets of VGP Group as at 30 June 2022 stood at EUR 4,870.0 million (compared to EUR 3,882.7 million as at 31 December 2021).

The strategic joint venture transactions with Allianz allowed VGP to realise its historic fair value gains on the respective Property Portfolios. The first sixteen closings with the First, Second and Third Joint Venture allowed the Group to realise EUR 987 million of historically built-up valuation gains. In the future VGP will be able to continue realising its development profits at the moment of each delivery of the buildings to the Allianz Joint Ventures. The properties that were sold generated a significant contribution to the income and result of the Group, prior to their sale, and their deconsolidation resulted and will further result in a decrease of the reported gross rental income of the Group.

As at 30 June 2022, the Group's total gross rental income of EUR 19.1 million (compared to EUR 7.1 million as at 30 June 2021), including the gross rental income for the period of 1 January 2022 to 15 March 2022 of the portfolio sold to the Second Joint Venture in the third closing (on 15 March 2022), for an aggregate amount of EUR 1.9 million.

The gross rental income will show a cyclical pattern during the years to come whereby the growth of the rental income will initially accelerate and increase once buildings are delivered to tenants and showing a significant decrease once buildings are sold to the Allianz Joint Ventures. This loss of revenue will be mitigated by the increased profit contribution of the Allianz Joint Ventures as the portfolio of the Allianz Joint Ventures (reflected in VGP's consolidated income statement via "Share in the results of joint ventures and associates" accounted for using the equity method) is expected to grow substantially over the next years.

During the first half of 2022, the demand of lettable area resulted in the signing of new lease contracts for an amount of EUR 35.4 million in total (VGP and Joint Ventures portfolio) (compared to EUR 79.7 million during 2021), of which EUR 22.4 million related to new or replacement leases and EUR 9.3 million related to renewals of existing lease contracts, as well as indexation of EUR 3.6 million. During the first half of 2022, lease contracts for a total amount of EUR 1.0 million were terminated.

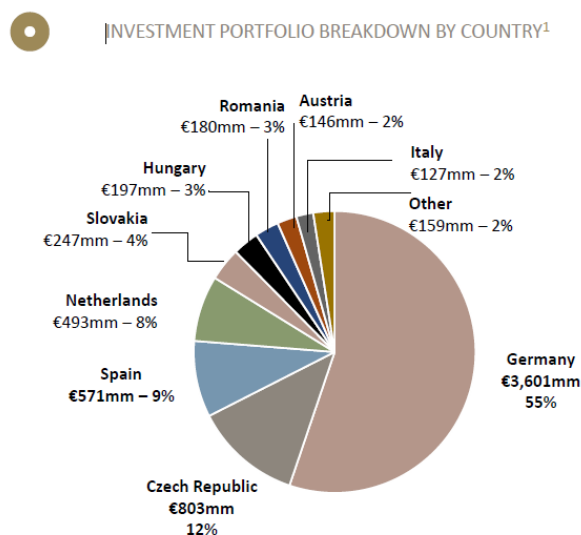
The Annualised Committed Leases (including the Joint Ventures at 100%) increased from EUR 256.1 million as at 31 December 2021 to EUR 281.1 million as at 30 June 2022<sup>1</sup>, representing over 4,855,000 m<sup>2</sup> of lettable area. The Annualised Committed Leases (including the Joint Ventures at 100%) continued to increase during the second half of 2022 to EUR 291.0 million (of which EUR 174.5 million related to the Joint Ventures) as at 31 October 2022, representing over 5,009,000 m<sup>2</sup> of lettable area.

The Annualised Committed Leases are composed of EUR 207.7 million lease agreements which have already become effective as of 31 October 2022 and EUR 83.3 million signed lease agreements which will become effective in the future. The breakdown as to when the Annualised Committed Leases will become effective is as follows:

In Million EUR	Current	<1 year	>1 -2 years	>2-3 years	>3 years	Total
Own	64.1	44.2	5.7	0.6	1.9	116.5
Joint Ventures at 100%	143.6	30.9	0.0	0.0	0.0	174.5
<b>Total</b>	<b>207.7</b>	<b>75.1</b>	<b>5.7</b>	<b>0.6</b>	<b>1.9</b>	<b>291.0</b>

Finally, the Group generates income from its relationship with the Allianz Joint Ventures through interest on shareholder loans as well as profit distributions and additional operational fee income as manager and operator of the Joint Ventures' portfolio. On 30 June 2022, the fees generated by the services provided to the Joint Ventures amounted to EUR 9.9 million (compared to EUR 8.5 million on 30 June 2021). These fees were composed of EUR 8.1 million property and facility management fees and of EUR 1.8 million development management fees (compared to EUR 6.4 million and EUR 2.1 million respectively on 30 June 2021).

As at 30 June 2022, the Group's assets (with Joint Ventures at 100%) were geographically diversified as follows:



As of 30 June 2022  
<sup>1</sup>Including 100% of JVs assets

During the first half of 2022, 17 projects were completed totalling 334,000 m<sup>2</sup> of lettable area. As at 30 June 2022, the own investment Property Portfolio consists of 43 completed buildings representing 991,000 m<sup>2</sup> of lettable area and 28 buildings under construction representing 995,000 m<sup>2</sup> of lettable

<sup>1</sup> As at 30 June 2022, the Annualised Committed Leases for the Joint Ventures stood at EUR 172.7 million compared to EUR 151.2 million as at 31 December 2021.



area, whereas the Joint Ventures Property Portfolio consists of 126 completed buildings representing over 2,473,000 m<sup>2</sup> of lettable area and 12 buildings being developed by VGP representing 352,000 m<sup>2</sup> of lettable area.

The new buildings under construction, on which 87.4%<sup>1</sup> pre-leases have already been signed, represent an estimated annualised rental income of EUR 88.1 million when fully built and let.

During the first half of 2022, VGP acquired 1,547,000 m<sup>2</sup> of new development land. Of these land plots, 298,000 m<sup>2</sup> (19%) is located in Germany, 352,000 m<sup>2</sup> (23%)<sup>2</sup> is located in Hungary, 175,000 m<sup>2</sup> (11%) is located in the Netherlands, 162,000 m<sup>2</sup> (10%) is located in France, 189,000 m<sup>2</sup> (12%) is located in Austria, 128,000 m<sup>2</sup> (8%) is located in Spain, 90,000 m<sup>2</sup> (6%) is located in Croatia, 69,000 m<sup>2</sup> (4%) is located in Italy, 58,000 m<sup>2</sup> (4%) is located in the Czech Republic and 26,000 m<sup>2</sup> (2%) is located in Portugal. These new land plots have a development potential of 1,093,000 m<sup>2</sup> of future lettable area.

Besides this, VGP had another 3,250,000 m<sup>2</sup> of new committed plots of land as at 30 June 2022, which are located in Germany, the Czech Republic, Slovakia, Romania, Hungary, Italy, Portugal and France. These land plots allow for the development of ca. 1,480,000 m<sup>2</sup> of new projects. It is expected that these remaining land plots will be acquired, subject to permits, during the next 6 to 18 months.

As a result, VGP (own portfolio) has a remaining secured development land bank of 10,000,000 m<sup>2</sup> as at 30 June 2022, of which 68% or 6,751,000 m<sup>2</sup> is in full ownership. This secured land bank allows VGP to develop – in addition to the current completed projects and projects under construction (totalling 1,986,000 m<sup>2</sup>) – a further 4,471,000 m<sup>2</sup> of lettable area of which 810,000 m<sup>2</sup> (18.1%) in Germany, 220,000 m<sup>2</sup> (4.9%) in the Czech Republic, 373,000 m<sup>2</sup> (8.3%) in Spain, 133,000 m<sup>2</sup> (3.0%) in the Netherlands, 14,000 m<sup>2</sup> (0.3%) in Latvia, 557,000 m<sup>2</sup> (12.5%) in Slovakia, 753,000 m<sup>2</sup> (16.8%) in Romania, 334,000 m<sup>2</sup> (7.5%) in Hungary, 316,000 m<sup>2</sup> (7.1%) in Italy, 138,000 m<sup>2</sup> (3.1%) in Austria, 149,000 m<sup>2</sup> (3.3%) in Portugal, 487,000 m<sup>2</sup> (10.9%) in Serbia, 149,000 m<sup>2</sup> (3.3%) in France and 38,000 m<sup>2</sup> (0.9%) in Croatia.

During the second half of 2022, VGP expanded its land bank further and as at 31 October 2022, the Group (including the Joint Ventures at 100%) has a remaining development land bank of 8,164,000 m<sup>2</sup> (of which 1,307,000 m<sup>2</sup> held by the Joint Ventures) which allows the Group to develop ca. 3,680,000 m<sup>2</sup> of future lettable area (of which 622,000 m<sup>2</sup> on behalf of the Joint Ventures). In addition, the Group has another 2,519,000 m<sup>2</sup> of secured land plots which are expected to be purchased during the next 6 to 18 months, subject to obtaining the necessary permits.

This brings the remaining total owned and committed land bank for development as at 31 October 2022 to 10,683,000 m<sup>2</sup>, which represents a remaining development potential of ca. 4,812,000 m<sup>2</sup> of which 706,000 m<sup>2</sup> (15%) in Germany, 733,000 m<sup>2</sup> (15%) in Romania, 639,000 m<sup>2</sup> (13%) in the Netherlands, 464,000 m<sup>2</sup> (10%) in the Slovak Republic, 487,000 m<sup>2</sup> (10%) in Serbia, 422,000 m<sup>2</sup> (9%) in Spain, 323,000 m<sup>2</sup> (6%) in Hungary, 316,000 m<sup>2</sup> (7%) in Italy, 263,000 m<sup>2</sup> (5%) in the Czech Republic, 138,000 m<sup>2</sup> (3%) in Austria, 149,000 m<sup>2</sup> (3%) in France, 120,000 m<sup>2</sup> (2%) in Portugal, 38,000 m<sup>2</sup> (1%) in Croatia and the remaining balance of 14,000 m<sup>2</sup> in Latvia.

Besides the abovementioned owned and committed land bank, as at 31 October 2022, VGP has signed non-binding agreements and is currently performing due diligence investigations, on an exclusive basis,

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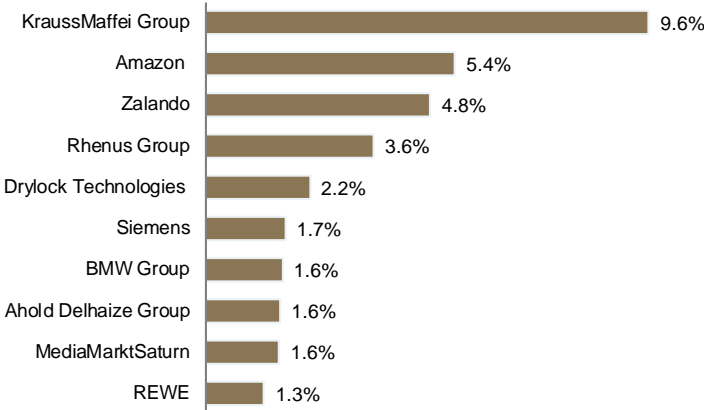
<sup>1</sup> Calculated based on the contracted rent and estimated market rent for the vacant space, derived from the valuation reports of Jones Lang LaSalle.

<sup>2</sup> Including 192,000 m<sup>2</sup> from the Nürnberg site in Germany.

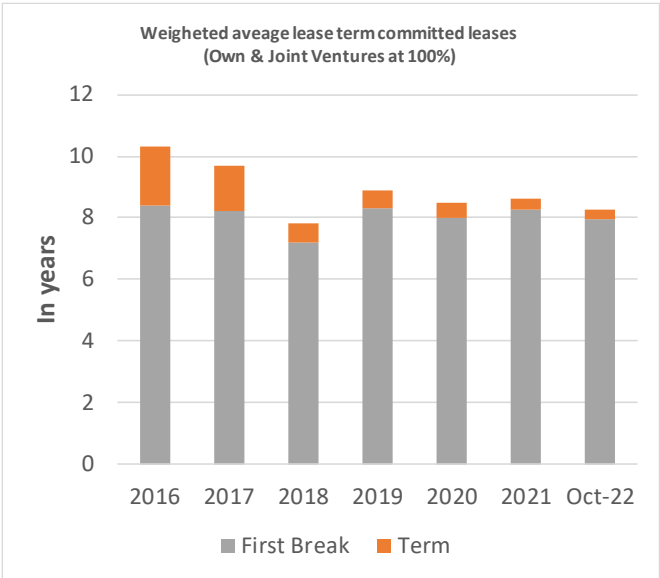
on the potential acquisitions of in total circa 484,000 m<sup>2</sup> of new land plots located in Italy, Spain, the Czech Republic, Portugal and Hungary. These land plots have a development potential of approximately 238,000 m<sup>2</sup>. The majority of these land plots are expected to be secured during the next 18 months.

VGP has been able to attract a diversified reputable and loyal customer base with several multi-location projects. The customers represent a healthy mix of logistic tenants and end users. The top 10 tenants (by annualised rent income) are all blue-chip clients. As at 31 October 2022, the top ten tenants take up approximately 33.3% of the total (own and Joint Ventures) Annualised Committed Leases.

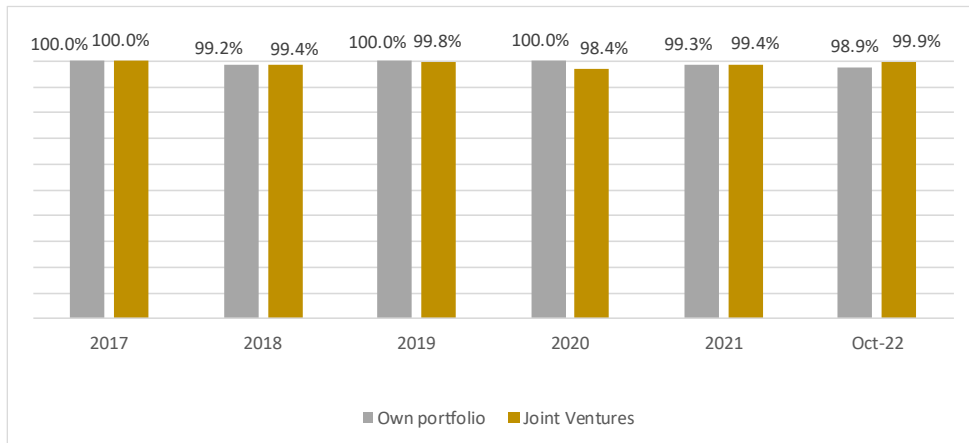
**Top 10 tenants by annualised Gross Rental Income with Joint Ventures at 100% as of 31 October 2022**



Over the years and by offering top quality logistics real estate, VGP was able to develop healthy business relationships with its clients, as evidenced by the long-term weighted average lease terms. As at 31 October 2022, the signed committed lease agreements represent a total of 5,009,000 m<sup>2</sup> of lettable area with the weighted average term of the committed leases (own and Joint Venture combined) standing at 8.3 years (8.0 years until first break). The weighted average term of the Annualised Committed Leases of the own portfolio stood at 8.7 years (8.5 years to first break) and of the Joint Ventures' portfolio at 7.3 years (6.9 years to first break).



The rental portfolio has evolved near maximum capacity over the past years as shown in the below overview of the occupancy rate achieved over the last 5 years.



### 1.3 Sustainability and renewable energy

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

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

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

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

Its multi-criteria approach distinguishes BREEAM from other methods. The building certification process evaluates land use, environmental aspects, the building process, water consumption, waste, contaminations, transport, equipment and materials, health and comfort, alongside energy consumption. Whilst all new-build projects in the past were already completed as energy efficient as possible, separately from the certification process, since January 2020 VGP has ensured that a certification for BREEAM "Very Good" or equivalent is obtained for every new building. As from 1 January 2022, VGP strives to improve the certification of its newly built projects to BREEAM "Excellent" or equivalent, but with due consideration of any other reasonable elements. In previous years, whilst certification was not standard procedure, the VGP building standard was to build to a certifiable level, and selective projects received certification in case such certification was desired by the tenant. For example, during 2019 four BREEAM certified buildings were delivered. The Group is currently assessing the EU Taxonomy compliance of its non-certified portfolio. For example, VGP Park Frankenthal – which was delivered in 2018 without DGNB or BREEAM certification – received EU Taxonomy compliance certification in September 2022 without requirements to make further changes or investments to the 2018 standard.

When combined with buildings previously certified, this has resulted in 2,942,559 m<sup>2</sup> total lettable area, or 61.2% of the total portfolio, being certified or having its certificate pending as at 30 June 2022. 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, as it suggests our properties are well-located, adaptable to a variety of uses and meeting the needs of our customers (including sustainability criteria).

VGP has assessed different target setting options, using the Carbon Risk Real Estate Monitor ('CRREM'). Although further work remains to be done, particularly in order to reflect the subsector specifics, VGP

believes that CRREM provides a good reference framework for setting emission reduction targets for our real estate portfolio. For further information, reference is made to the VGP Corporate Responsibility Report 2021 as well as latest results in the October 2022 Trading Update, as available on the Issuer's website.

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 30 June 2022, the roofs of VGP's building portfolio enabled a photovoltaic power generation capacity of 120.9 MWp installed or under construction (compared to 74.7MWp as at 31 December 2021), with additional 53.7 MWp in the pipeline.

## 2 VGP Group

### 2.1 Organisational structure

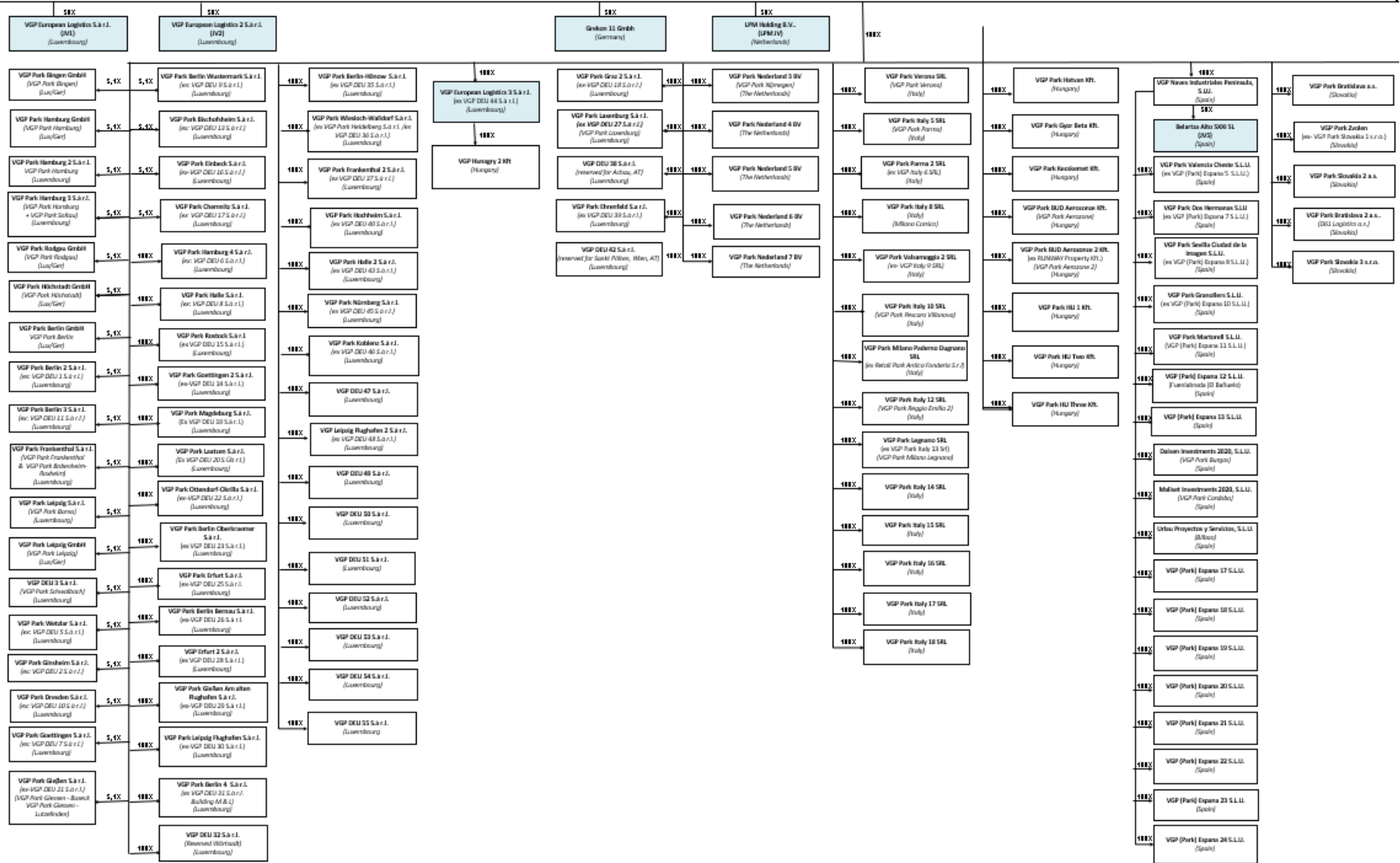
A structure chart of the VGP Group is included on the next page.

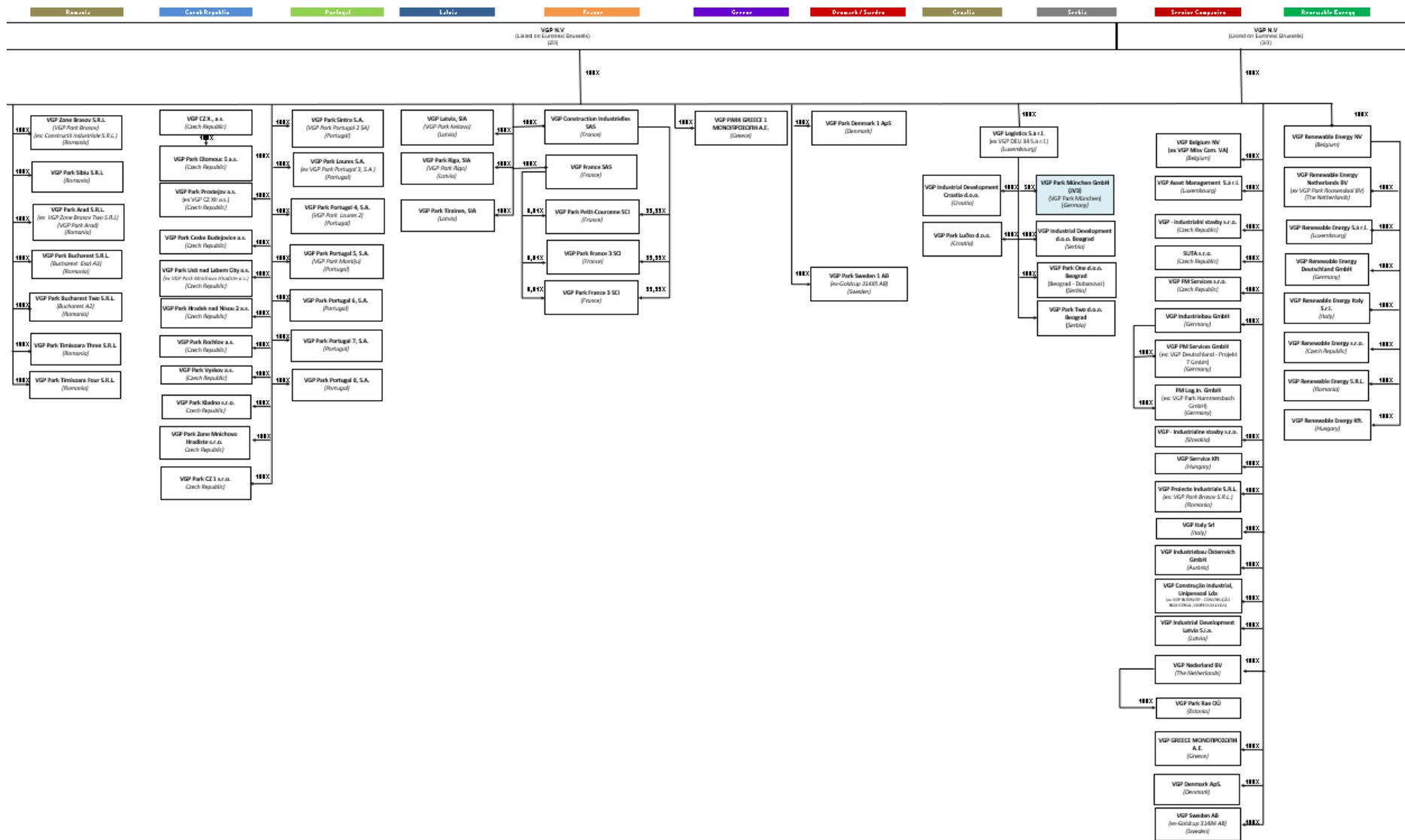
The entities included in the Group structure below, with the exception of (i) VGP European Logistics S.à r.l. (the First Joint Venture) and its respective subsidiaries, (ii) VGP European Logistics 2 S.à r.l. (the Second Joint Venture) and its respective subsidiaries, (iii) VGP Park München GmbH (the Third Joint Venture), (iv) VGP European Logistics 3 S.à r.l. (the Fourth Joint Venture), which will only be a 100% subsidiary of VGP until its first closing, (v) LPM Holding BV (the LPM Joint Venture) and its respective subsidiaries, (vi) Belartza Alto SXXI, S.L. (the VGP Park Belartza Joint Venture), (vii) Grekon 11 GmbH (the VGP Park Siegen Joint Venture), and (viii) the Issuer, are the Issuer's **Subsidiaries**. The Issuer (directly or indirectly) holds 100% of the shares in 216 subsidiaries. VGP European Logistics S.à r.l. and its 38 subsidiaries are the Issuer's **First Joint Venture**. VGP European Logistics 2 S.à r.l. and its 16<sup>1</sup> subsidiaries are the Issuer's **Second Joint Venture**. VGP Park München GmbH, which holds no subsidiaries, is the Issuer's **Third Joint Venture**. VGP European Logistics 3 S.à r.l., which holds no subsidiaries, is the Issuer's **Fourth Joint Venture**. LPM Holding BV and its two subsidiaries are the Issuer's **LPM Joint Venture**. Belartza Alto SXXI, S.L., which holds no subsidiaries, is the Issuer's **VGP Park Belartza Joint Venture**. Grekon 11 GmbH, which holds no subsidiaries, is the Issuer's **VGP Park Siegen Joint Venture**.

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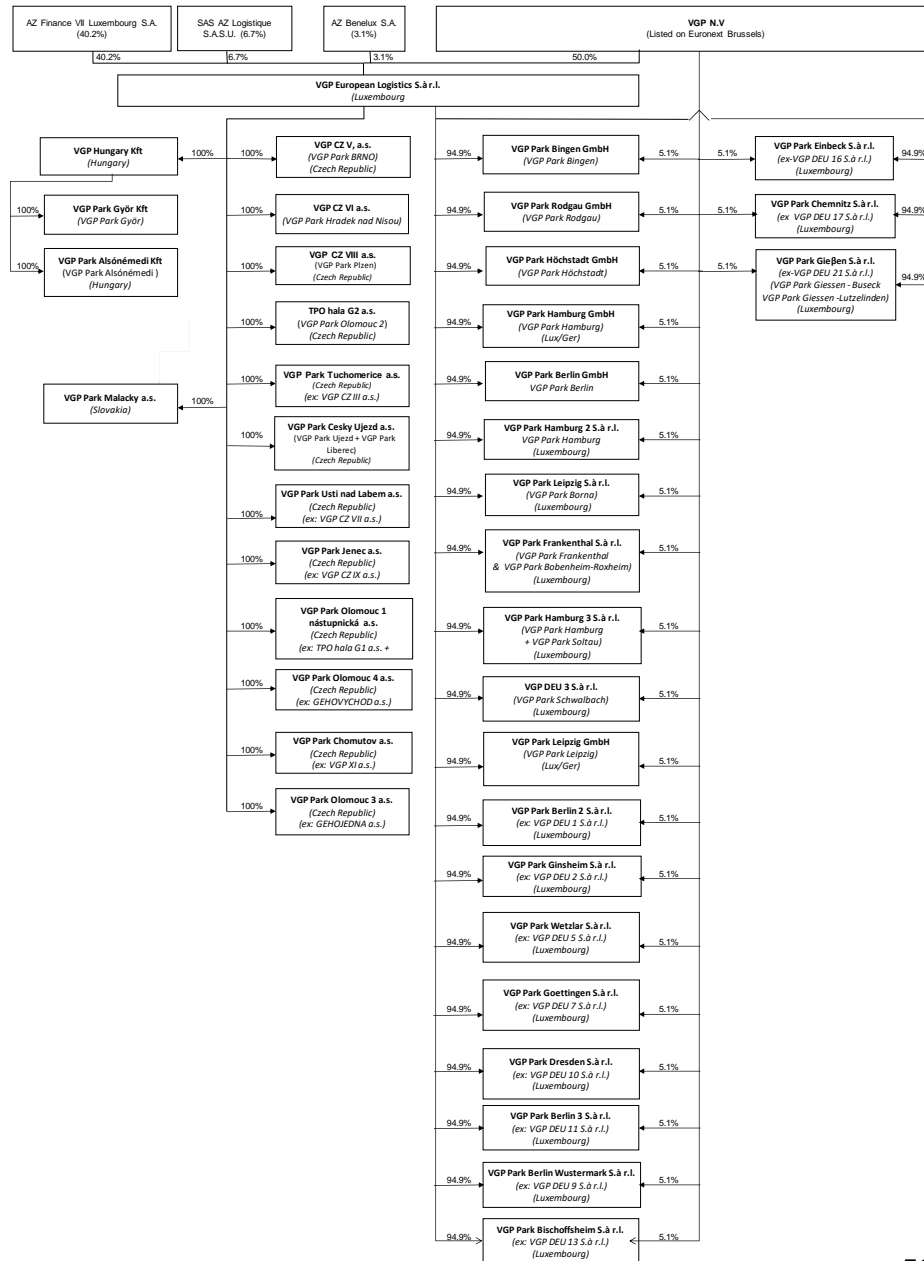
<sup>1</sup> Including VGP Park Santa Maria de Feira S.A., which has been transferred to the Second Joint Venture as per 1 July 2022.

VGP NV  
(Listed on SIX) (Luxemb.)  
NV



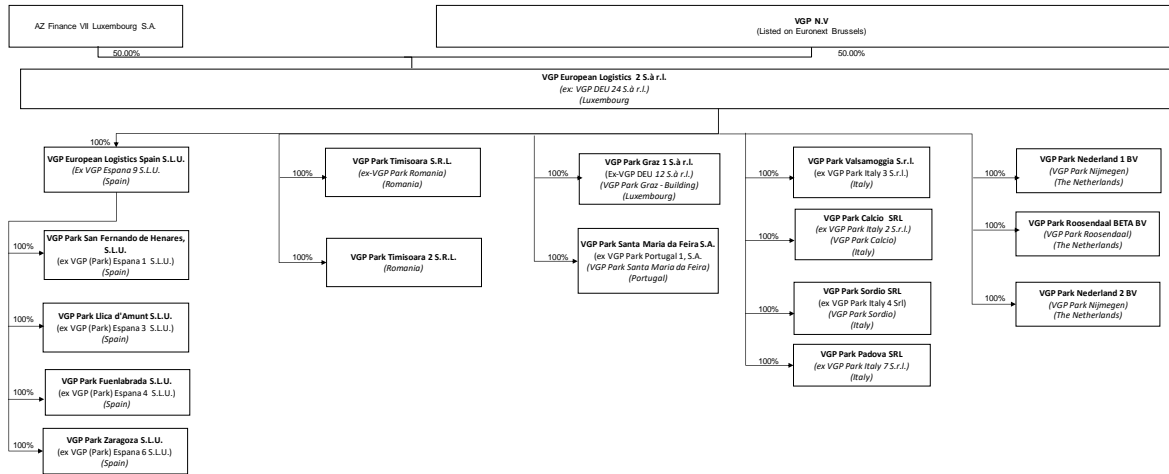


**FIRST JOINT VENTURE - ORGANIGRAM**

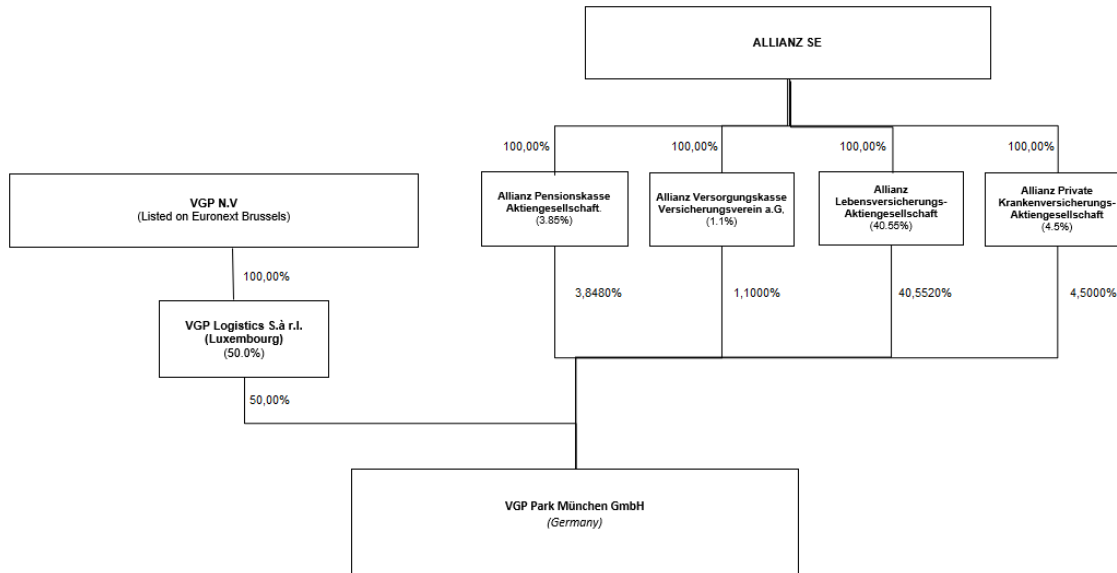




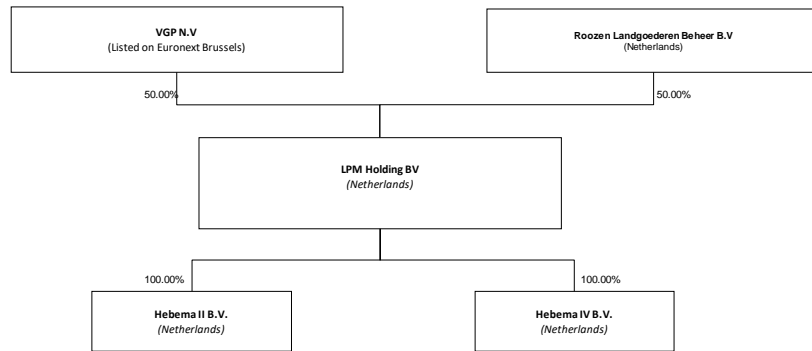
**SECOND JOINT VENTURE - ORGANIGRAM**



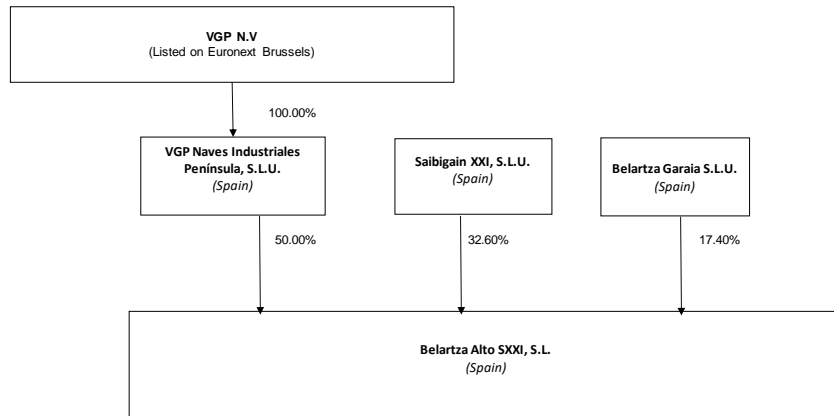
**THIRD JOINT VENTURE - ORGANIGRAM**



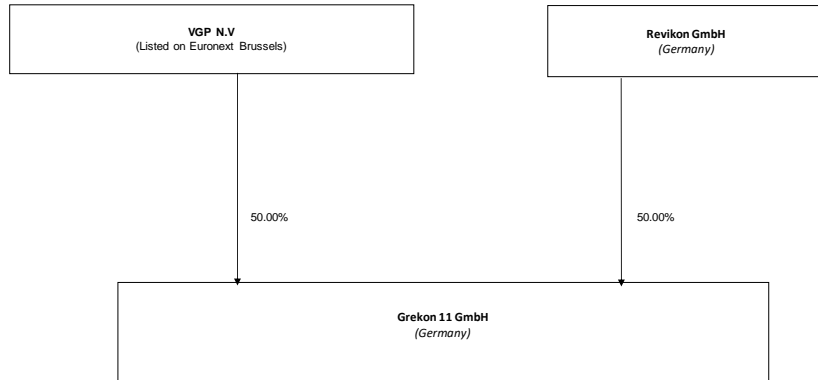
**LPM JOINT VENTURE - ORGANIGRAM**



**VGP PARK BELARTZA JOINT VENTURE - ORGANIGRAM**



**VGP PARK SIEGEN JOINT VENTURE - ORGANIGRAM**



## 2.2 Relationship with the Joint Ventures

### 2.2.1 Allianz Joint Ventures

The Allianz Joint Ventures are set up as a 50:50 partnership whereby the Group, in addition to being a co-owner, provides development management services and acts as asset, property and facility manager (including leasing services) in respect of the portfolios. Each Allianz Joint Venture is entered into for a period of ten years with possible extensions.

VGP and Allianz have contractually agreed to share control and made arrangements whereby both parties have agreed that when decisions about the relevant activities are required such decisions are made with unanimous consent of both parties (it being understood that, in respect of the First Joint Venture, Second Joint Venture and Fourth Joint Venture, Allianz, at its own discretion, is entitled to decide whether a Joint Venture will acquire new assets pursuant to the right of first refusal).

#### *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 ca. EUR 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.

The First Joint Venture is governed by a joint venture agreement from March 2016 among the Issuer, Allianz AZ Finance VII Luxembourg S.A., SAS Allianz Logistique S.A.S.U. and Allianz Benelux SA (further only as Allianz in relation to the First Joint Venture) and VGP European Logistics S.à r.l. (the **First JVA**). The First Joint Venture had the exclusive right of first refusal (in accordance with the conditions of the First JVA) in relation to acquiring the income generating assets located in Germany, the Czech Republic, the Slovak Republic and Hungary.

Since its establishment, nine closings with the First Joint Venture have occurred. On 15 June 2021, the First Joint Venture completed its eighth closing, following which it reached its expanded investment target. On 1 July 2022 the First Joint Venture completed its ninth closing, comprising of completed assets developed on land of the First Joint Venture. The next closing with the First Joint Venture is expected to take place in the first quarter of 2023 for a gross asset value of more than EUR 100 million. The transaction is currently under due diligence. The First Joint Venture will maintain its existing portfolio, with VGP continuing to act as property, facility and asset manager.

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

#### *Second Joint Venture*

The Second Joint Venture was established in July 2019 with the objective to build a platform of core, prime logistics 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 ca. EUR 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 is governed by a joint venture agreement from June 2019 among the Issuer, Allianz AZ Finance VII Luxembourg S.A. (further only as Allianz in relation to the Second Joint Venture) and VGP European Logistics 2 S.à r.l. (the **Second JVA**). The Second Joint Venture has the exclusive right of first refusal (in accordance with the conditions of the Second JVA) in relation to acquiring the income generating assets located in Austria, Italy, the Netherlands, Portugal, Romania and Spain.

Since its establishment, four closings with the Second Joint Venture have occurred. On 15 March 2022, the Second Joint Venture completed its third closing. On 1 July 2022 the Second Joint Venture completed its fourth closing, comprising of completed assets developed on land of the First Joint Venture. The development pipeline and future development of other new projects within its geographical scope will continue to be developed at VGP's own risk to be subsequently acquired by the Second Joint Venture if the right of first refusal is exercised subject to pre-agreed completion and lease parameters. The acquisition of any building by the Second Joint Venture will always occur on the basis of the prevailing market rates at the moment of such acquisition. VGP carries 100% of the development risk of the Second Joint Venture.

#### *Third Joint Venture*

The Third Joint Venture was established in June 2020 with an objective to develop VGP Park München. Once fully developed, VGP Park München will consist of five logistics buildings, two stand-alone parking houses and one office building for a total gross lettable area of ca. 314,000 m<sup>2</sup>. The park is entirely pre-let.

The Third Joint Venture is governed by a shareholders' agreement from June 2020 among VGP Logistics S.à r.l., Allianz Pensionskasse A.G., Allianz Versorgungskasse Versicherungsverein A.G., Allianz Lebensversicherungs A.G. and Allianz Private Krankenversicherungs A.G. (further only as Allianz in relation to the Third Joint Venture) and VGP Park München GmbH (the **Third JVA**). 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 (see section 4.4 (*Funding sources of the Joint Ventures*) of this Part VIII (*Description of the Issuer*)). The development margin is split between VGP (85%) as developer and the shareholders of the Third Joint Venture (15%).

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 30 June 2022, the consideration to be received in respect of the Third Joint Venture by the Group from Allianz stood at EUR 73 million (unchanged compared to 31 December 2021). This amount will become due at the moment of completion of the respective buildings, which is expected to take place in December 2022 for those assets currently under construction within the Third Joint Venture.

#### *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, which was initially expected to occur in November 2022. However, in view of the limited transparency on pricing of the seed portfolio in the current volatile market environment, Allianz and VGP have decided to postpone the seed portfolio

closing of the Fourth Joint Venture until 2023 at which time both partners expect that a calmer environment will have returned.

The Fourth Joint Venture's objective is to build a platform of new, grade A logistics and industrial properties with a key focus on expansion within the same geographical scope as the First Joint Venture, i.e. core German markets and high growth CEE markets (of Hungary, the Czech Republic and the Slovak Republic), with the aim of delivering stable income-driven returns with potential for capital appreciation. The Fourth Joint Venture will target the implementation of a comprehensive ESG strategy on a best efforts basis. Criteria have been defined around the Carbon Risk Real Estate Monitor ("CCREM") Assessment Tool, the EU Sustainable Finance Taxonomy, achieving most efficient EPC or similar rating, sustainable certification of buildings, photovoltaic systems, green lease and ESG portfolio data and reporting.

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

The Fourth Joint Venture is governed by a joint venture agreement from December 2021 among the Issuer, Allianz Finance IX Luxembourg S.A. (for 41.9%) and YAO NEWREP Investments S.A. (for 8.1%) (further only as Allianz in relation to the Fourth Joint Venture) and VGP European Logistics 3 S.à r.l. (the **Fourth JVA**). The Fourth Joint Venture has the exclusive right of first refusal (in accordance with the conditions of the Fourth JVA) in relation to acquiring the income generating assets located in Germany, the Czech Republic, the Slovak Republic and Hungary.

## **2.2.2 Development Joint Ventures**

### *LPM Joint Venture*

The LPM Joint Venture is set up as a 50:50 partnership between the Issuer and Roozen 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 is entered into for an indefinite period.

The Issuer and Roozen have contractually agreed to share control and made arrangements whereby both parties have agreed that when decisions about the relevant activities are required such decisions are made with unanimous consent of both parties.

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 ca. 140 ha with total development potential of ca. 900,000 m<sup>2</sup> 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% will be for the account of the LPM Joint Venture (i.e. LPM Holding B.V. and its subsidiaries) (VGP Park Moerdijk) and the other 50% will be directly for the account of the Port Authority Moerdijk.

The LPM Joint Venture is governed by a joint venture agreement from November 2020 among the Issuer, Roozen, LPM Holding B.V. and its subsidiaries (the **LPM JVA**). 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, in accordance with the conditions of the LPM JVA.

#### *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<sup>2</sup> 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 logistics 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.

In VGP Park Belartza, approximately 50% of all land has been acquired. Additional acquisitions are expected over the coming six months. The initial development of VGP Park Belartza is expected to start in early 2024, after the relevant permit has been obtained.

#### *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. 8,500 m<sup>2</sup> 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.

In VGP Park Siegen, some land has been acquired, but no development has started yet. The first development is expected to take place in the first half of 2023.

### **2.2.3 Constructive Obligation**

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

As at 30 June 2022, the “Investments in joint ventures and associates” accounted for using the equity method amounted to EUR 965.2 million.



### 3 Business

#### 3.1 General strategy

The Group constructs and develops high-end logistics real estate and ancillary offices 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 focuses on (i) strategically located plots of land suitable for development of logistics 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 its tenants through dedicated teams which provide asset-, property- and development services; (iii) growing the 50:50 Joint Ventures with Allianz or with other local partners and (iv) offering solutions and acting as an enabler to help the Group's tenants and other stakeholders in their green energy transition through the roll-out of the renewable energy business line.

#### 3.2 Fully integrated business model



The Group has an in-house team 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.

##### 3.2.1 Plots of land

The first phase of the business model is the identification of plots of land for logistics projects. The Group focuses on top locations which are located in the vicinity of highly concentrated living and/or production centres, with optimal access to transport infrastructure.

##### 3.2.2 Concept and design

VGP applies strict guidelines to the design of its buildings. The Group uses a facility brief describing in detail the minimum requirements the building should respond to. This design ensures multi-purpose utilisation throughout the life cycle of the building. For architectural and design matters, the Group works with its internal team supported where necessary by several local dedicated external offices of architects and designers.

##### 3.2.3 Construction

High quality logistics projects are constructed mainly on a pre-let basis (in such case, in close co-operation with future tenants) and partly at own risk, without the buildings being pre-let. The buildings are finished taking into account the future tenants' requirements and specifications but always in accordance with the Group's prevailing technical and quality standards.

The Group centralises the purchasing of materials and construction components for its buildings at each of its local offices.

### **3.2.4 Rent out and marketing**

The buildings are generally leased under long-term lease agreements to tenants which are active in the logistics sector, e-commerce and/or light manufacturing sector, such as assembling, re-conditioning and final treatment of the goods before they go to the industrial clients or the retailers.

### **3.2.5 Portfolio: ancillary services provided**

The Group provides property-, asset- 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 of 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.

## **3.3 Development activities**

Greenfield developments are the core activity of the VGP Group, with brownfield 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 logistics projects. The plots are zoned for logistic activities. The management of VGP is convinced that the top location of the land and the high-quality standards of its real estate projects contribute to the long-term value of its portfolio.

The Group concentrates on the sector of logistics and light industrial accommodation projects situated across Continental Europe. The Group operates in 19 European countries, 14 of which the Group already carries out development activities or holds a development pipeline for future development activities.

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

The constructions, which respond to the latest modern quality standards, are leased under long-term lease agreements to tenants which are active in the logistics sector, including storing but also assembling, reconditioning and 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 optimal access to transport infrastructure.

### **3.4 Main markets**

This section of the Prospectus describes the geographical and real estate markets in which VGP is active as well as an update on current market circumstances. Logistics real estate is an important element of modern supply chain processes. These include the value stream of raw materials and finished goods from suppliers, the storage and handling of products, distribution to industrial and trade customers, and associated services, e.g. picking, return management, packaging and commercial activities. As a result of globalisation, supply chain processes have become more complex and, due to customer requirements, even faster.

VGP is active in Germany, Spain, the Netherlands, Italy, Austria, Portugal, Greece, France, and a number of mid-European countries with main focus on the Czech Republic. Besides the Czech Republic, VGP is also active in the following periphery countries: Latvia, the Slovak Republic, Romania, Hungary, Serbia and Croatia. The Group is currently expanding into Denmark and Sweden.

The markets in which the Group operates are exposed to local and international competition. In general, there are 4 types of competitors i.e. small local players, large established real estate players, occasional new real estate players, and lease companies.

Overall, Prologis, Segro, Goodman, CTP Invest and Panattoni are some of the largest market players in the European markets in which the Group operates. None of the above-mentioned developers, however, occupies a dominant position in the European market as a whole.

The competition in the Czech Republic comes mainly from large established real estate developers. These developers have land bank positions and established projects and business parks in the Czech Republic. The biggest competitors amongst them are: CTP Invest, P3, Prologis, Goodman and Panattoni. Besides these there are a number of investment funds who have bought existing real estate stock from developers which may from time to time lose a tenant and promote the resulting vacancy in the market. The biggest competitors amongst them are Segro and Heitman.

In Germany, the largest VGP market, a number of regional local developers are active.

The different real estate companies usually have different business models. Whereas the large real estate players will usually concentrate on “big box” logistics warehouses i.e. large buildings >50,000 m<sup>2</sup>, VGP concentrates also on smaller buildings 5,000 m<sup>2</sup> - 20,000 m<sup>2</sup> (up to around 50,000 m<sup>2</sup> and more – mainly in Germany) which attract more interest from end users. VGP experienced this model to be more resilient to an economic downturn.

#### **3.4.1 The logistics property market in Germany**

- (i) Growing challenges on the real estate markets<sup>1</sup>

Geopolitical upheavals, a looming energy crisis, and supply chains that are still not functioning smoothly are placing a growing burden on Germany’s economic development.

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<sup>1</sup> Source: CBRE – Real Estate Market Outlook H2 2022 / Germany

The high global inflation rates are causing the leading central banks to act more swiftly in changing their monetary policies and, in some cases, more decisively. The changed interest rate scenario is impacting the capital markets accordingly and therefore also the asset allocation of investors operating on a global scale. The local real estate markets are also affected by this situation.

While the office letting markets are deriving benefit from the pandemic-related pent-up demand and the trend towards modern, hybrid working environments, and the logistics markets underpinned by strong e-commerce as well as by the move toward re- and nearshoring, heightened uncertainty and significantly higher financing costs have temporarily slowed momentum on the investment markets.

Although the transaction volume at mid-year 2022 still marginally exceeded the previous year's figure, investment activity dipped sharply, especially in the second quarter of the year, pressured by the exogenous risks and the subdued economic outlook. As a result, investors are acting more cautiously overall; in addition, the decision making processes for both investors and banks are taking longer due to more intensive review and approval procedures resulting from the new situation and the generally greater risks. The biggest obstacle at present stems from the diverging price expectations of buyers and sellers, which recently triggered an adjustment of initial yields. In CBRE's opinion, repricing will find its level again over the course of the year and lead to a certain revival on the investment markets. CBRE does not anticipate a strong price correction, particularly as occupier demand for modern, energy-efficient and ESG-compliant properties is set to rise, which is already reflected commensurately in the increase in rents and construction prices.

As real interest rates will continue to yield negative returns over a longer period of time, real estate as an asset class will remain attractive and a fundamental component of sustainable portfolio allocation.

(ii) Economy<sup>1</sup>

*Outlook*

Despite the exogenous risk factors, the economy continues to grow, albeit at a much slower pace than anticipated at the start of the year. While the labour market continues to be very resilient, rising inflation rates and higher financing costs are the reason for subdued sentiment. Downside risks are especially inherent in Russia cutting off energy supplies.

*Germany's economy bracing against exogenous risk factors*

Against a backdrop of the war in Ukraine, high inflation rates and ongoing supply chain disruptions, the German economy is facing huge challenges that vary in terms of how they impact the different economic sectors. Service providers and private consumption have been given a boost from the lifting of pandemic restrictions, while energy and food price hikes are eating into consumer purchasing power. Exacerbated supply bottlenecks are hampering production, and exports are also suffering from weaker

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<sup>1</sup> Source: CBRE – Real Estate Market Outlook H2 2022 / Germany

demand. Growing uncertainty from geopolitical upheavals and the significant increase in financing costs are causing business and household sentiment to dip. CBRE nevertheless expects somewhat greater upside potential for the economic trend as from the second half of 2022, supported by an easing of energy and commodity prices, gradual improvements in global supply chains, stronger demand from abroad, and higher consumer spending from the partial use of savings accumulated during the coronavirus pandemic. Germany's economy is predicted to grow this year and next year by 1.3% and 1.2% respectively. The greatest downside risk consists of Russia imposing a gas embargo that could send macroeconomic activity into a marked decline. CBRE anticipates that the inflation rate will average 7.0% in the current year on the back of the rapid increase in energy, commodities and food prices. CBRE expects inflation to drop to 3.1% in 2023.

(iii) Investment market<sup>1</sup>

Outlook

Despite the economic and geopolitical challenges, Germany remains a preferred market for real estate investments, both for domestic and for international investors. During the second half of 2022, net initial yields were trending down across virtually all asset classes.

*Demand still running high - greater reticence at present due to the changed scenario*

In the second quarter of 2022, the German real estate investment market was unable to repeat previous results due to the economic and geopolitical situation and the turnaround in interest rates. Nevertheless, at EUR 35.6 billion, investment in German real estate in the first half of 2022 was 3% higher than in the corresponding prior-year period and 19% above the average for the last ten first half-years.

Despite this — temporary — dent in market momentum, Germany's real estate market maintains its reputation as a safe haven despite its slightly heightened country risk. The results of CBRE's European Investor Intention Survey 2022 conducted at the start of the year show that, with Berlin, Frankfurt and Munich, three of Europe's top ten most attractive markets are German cities. Investors are focusing more than ever before on tenant creditworthiness and ESG issues.

The German real estate market is currently in the process of striking a new balance. The greatest impediment to market momentum currently lies in the discrepancy between buyer and seller price perceptions. As the year progresses, however, repricing will find its level. Consequently, investors are generally adopting a more cautious stance. Moreover, due diligence processes, both on the part of investors and of banks, are taking longer as investigations are more in-depth due the new set of circumstances and the overall risks. Once the market has steadied itself, transactions will also be stepped up as real estate provides some protection against inflation through lease indexation, especially in the commercial segment. In addition, institutional investors remain under pressure to invest.

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<sup>1</sup> Source: CBRE – Real Estate Market Outlook H2 2022 / Germany

Net initial yields had risen across almost all asset classes by mid-year but will decline again. This scenario will be partly compensated by rising rents which, in turn, will ensure relatively stable asset values, particularly in the logistics market, as well as in individual segments of the office and retail markets.

(iv) Logistics markets<sup>1</sup>

*Outlook*

Supply chain restructuring with regard to re- and nearshoring, together with growth in e-commerce, is ensuring sustained excess demand in the top markets. Coupled with the high price of land and construction costs, CBRE anticipates sound rental growth, which may bring about a convergence of the currently disparate price perceptions in the investment market.

*The German logistics market remains robust despite the growing challenges*

Following a record first quarter with take-up of more than 2.4 million m<sup>2</sup>, brisk market activity is showing no signs of abating. In the second half of 2022 as well, Germany's industrial and logistics real estate market will continue to be characterised by sustained excess demand.

In this environment, the logistics sector will be mainly driven by the demand of e-tailers and CEP service providers for solutions in urban locations to cover the last mile. Furthermore, logistics service providers and production companies are recalibrating their re- and nearshoring strategies to minimise their supply chain vulnerabilities.

The structural lack of logistics space and the rising price of land and building materials will feed into a disproportionately steep increase in rents. Given the lack of suitable land for building in the top markets, developers and occupiers are increasingly turning to regional markets along the international transport corridor. Particularly the east German cluster in Saxony, Saxony-Anhalt and Thuringia is benefiting thanks to its attractive market conditions, available logistics space and massive investment in growth clusters, such as in the semiconductor industry and electro-mobility.

The future in the top markets lies in reinvigorating brownfields, both for conventional storage and distribution logistics, along with urban logistics and light industrial, as well as for production. Against the background of higher construction costs, developers are being required to make significant adjustments to their calculations. This is reflected in higher asking rents or, in individual cases, already in greater price sensitivity for land.

End investors are increasingly factoring in ESG. Along with technical features pertaining to sustainable construction and operation, such consideration also includes social aspects against the backdrop of labour shortages in the retail and logistics industries.

(v) Logistics take-up reaches new record by the mid-point of the year<sup>2</sup>

A record high take-up volume of around 4.78 million m<sup>2</sup> was registered in the German market for warehousing and logistics space in the first half of 2022, exceeding the

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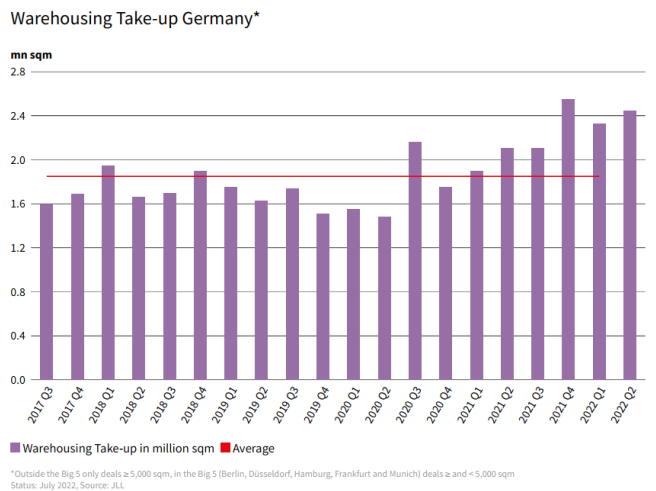
<sup>1</sup> Source: CBRE – Real Estate Market Outlook H2 2022 / Germany

<sup>2</sup> Source: Jones Lang LaSalle – H1 2022 Logistics and Industrial Market Overview Germany

previous year's figure by 19% (H1 2021: 4.0 million m<sup>2</sup>) and the five-year average by 39%.

Take-up by owner-occupiers increased disproportionately, with 58% more space (around 1.45 million m<sup>2</sup>) taken up by them compared to the corresponding period last year. Lettings take-up increased by 8% to 3.33 million m<sup>2</sup> year-on-year.

The current geopolitical and economic challenges (war in Ukraine, disruptions in global supply chains, material shortages, Covid-19 pandemic) have not impacted negatively take-up figures. In fact, many companies are expanding their warehousing capacities in Germany to minimise their exposure to external risk factors. As a result, demand for space remains high and cannot be adequately satisfied in many regions. Often, the only option left for companies is to prolong their existing contracts.



(vi) Above-average take-up in the Big 5, even without counting the new Tesla plant<sup>1</sup>

Around 1.51 million m<sup>2</sup> of space was taken up in the Big 5 regions (Berlin, Düsseldorf, Frankfurt, Hamburg and Munich) in the first two quarters, an incredible 35% increase compared to the corresponding period in 2021. This growth is not only due to the establishment of the new Tesla plant in Grünheide which, after the granting of planning permission, contributed 327,000 m<sup>2</sup> to the first quarter figure. Excluding this deal, the take-up result would be 1.18 million m<sup>2</sup>, 6% up on the previous year and 20% above the five-year average.

The region with the highest take-up was Berlin with 789,000 m<sup>2</sup>, while the Hamburg (248,000 m<sup>2</sup>) and Frankfurt (181,000 m<sup>2</sup>) regions followed in second and third place, albeit at a significant distance behind and down sharply year-on-year. Düsseldorf and Munich, on the other hand, recorded significant increases in take-up of 60% to 180,000 m<sup>2</sup> and 34% to 111,000 m<sup>2</sup>, respectively.

Most enquiries for space were raised by manufacturers (31%) and retailers (30%). The distribution & logistics sector accounted for around 26% of take-up.

<sup>1</sup> Source: Jones Lang LaSalle – H1 2022 Logistics and Industrial Market Overview Germany

A shortage of space is an issue in all regions of the Big 5 and many enquiries cannot be satisfied; therefore, no significant improvement can be expected in the short term, despite the current development pipeline. Although significantly more warehousing space was completed in the Big 5 in the first half of 2022 compared to the same period last year (H1 2022: around 835,000 m<sup>2</sup> compared to H1 2021: 191,000 m<sup>2</sup>), just 4% of this space remains unlet. Of the around 1.1 million m<sup>2</sup> currently under construction, 19% is still available to the market.

(vii) Prime rents are rising everywhere<sup>1</sup>

In addition to the shortage of space, the rise in construction costs has driven prime rents up for warehousing space in the > 5,000 m<sup>2</sup> size category in all Big 5 regions over the past twelve months. The strongest rises were recorded in Hamburg (up 17% to EUR 7.50/m<sup>2</sup> p.m.) and Berlin (up almost 14% to EUR 6.25/m<sup>2</sup> p.m.). In Frankfurt and Düsseldorf, the prime rent rose by 13% and 8% to EUR 7.00/m<sup>2</sup> p.m. and EUR 6.50/m<sup>2</sup> p.m., respectively, over the past twelve months. The highest rents were paid in Munich at EUR 7.75/m<sup>2</sup> p.m., an increase of 9%. Prime rents are expected to rise further over the coming months.

(viii) Online retail remains a key driver of take-up outside the Big 5<sup>2</sup>

In the first half of 2022, around 3.27 million m<sup>2</sup> was taken up outside the Big 5 regions (Note: In these regions, Jones Lang LaSalle only accounts for take-up of space greater than 5,000 m<sup>2</sup>).

This exceeded the previous year's result by 13% (H1 2021: 2.88 million m<sup>2</sup>) and the corresponding five-year average by a third.

An analysis of take-up by sector shows a balanced picture: companies from the distribution & logistics and retail sectors were each responsible for 32% (more than 1 million m<sup>2</sup> each) of take-up, while manufacturers accounted for a further 29%.

Within the retail sector, e-commerce companies dominated with around 750,000 m<sup>2</sup> of take-up (corresponding to 72% of the retail sector take-up volume and 23% of total take-up outside the Big 5). This included two of the largest deals of the first six months, both by the online retailer Amazon, which leased around 225,000 m<sup>2</sup> for a new distribution centre in Erfurt and began construction on an around 189,000 m<sup>2</sup> fulfilment centre in Kaiserslautern.

The Ruhr area also maintained its top position amongst the regions outside the Big 5, with around 374,000 m<sup>2</sup> of take-up registered here by the mid-point of the year. These included the two largest deals concluded in Oberhausen in the second quarter. Picnic began construction of an approximately 50,000 m<sup>2</sup> fulfilment centre as an owner-occupier; and ITG is renting almost 50,000 m<sup>2</sup> in a new building on the site of the former ThyssenKrupp plant. Due to the major deal mentioned above, the Erfurt region followed in second place with around 265,000 m<sup>2</sup>, ahead of the Leipzig/Halle region with around 226,000 m<sup>2</sup>.

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<sup>1</sup> Source: Jones Lang LaSalle – H1 2022 Logistics and Industrial Market Overview Germany.

<sup>2</sup> Source: Jones Lang LaSalle – H1 2022 Logistics and Industrial Market Overview Germany.



### 3.4.2 The logistics property market in Spain<sup>1</sup>

#### (i) General outlook

According to data from Oxford Economics, Spanish GDP may have grown by 1% quarter-on-quarter in the second quarter of 2022 (6.15% year-on-year). Growth is expected to be sustained in the short term, but difficult winter months are expected with the possibility of gas supply disruptions in Europe. This will affect economic activity, which is expected to slow towards the end of the year, but especially early next year. Thus, according to Oxford Economics, GDP growth is expected to be 4.5% in 2022, while by 2023 economic growth will be more moderate at 2%.

Employment data offers encouraging prospects, with job creation levels recovering strongly in June. Unemployment has fallen below pre-Covid levels and is at the lowest level in more than a decade.

During the month of June, inflation reached again a new record high of 10.2%, driven by rising energy and food prices. Inflation is expected to remain high for most of the year and could end the year at an average of 7.7%, according to Oxford Economics data, and is expected to start moderating in 2023. According to Oxford Economics, core inflation is expected to remain around 5% in the coming months, although wage growth remains moderate, limiting the risks of second-round effects driving a wage inflation spiral.

Exports have recovered and are above pre-pandemic levels, but growth is expected to moderate in the second half of the year given the current market environment and future challenges. According to Oxford Economics, total exports could grow by 11.7% this year and by 1.7% in 2023.

Annual e-commerce revenue growth in Spain is estimated at 20% by 2022, especially driven by food. By 2025, e-commerce revenues are expected to be 45% higher than in 2022. Although it is estimated that the proportion of online sales over total retail sales will continue to grow, it is expected to stabilise gradually.

#### (ii) Supply and demand

##### Half yearly take-up records one of its best figures in recent years

Take-up in Madrid was around 330,000 m<sup>2</sup> in the second quarter of 2022 (+60% year-on-year and +55% quarter-on-quarter), the best second quarter figure since 2010. Likewise, it reached the best figure (540,000 sqm) in a first half since 2010, with the exception of the first half of 2021, driven by the occupancy of an 86,000 sqm SBA warehouse in Illescas by the Carreras Group. Highlights in the second quarter included the occupation of a 54,000 sqm warehouse in Marchamalo (Guadalajara) and the leasing by Alcampo of a 30,000 sqm warehouse currently under construction in San Fernando de Henares (Madrid).

Take-up in Barcelona was around 135,000 sqm in the second quarter of 2022 (-35% year-on-year and -40% quarter-on-quarter). This decline is due to the fact that the first

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<sup>1</sup> Source: Jones Lang LaSalle – Logistics Snapshot Spain – July 2022

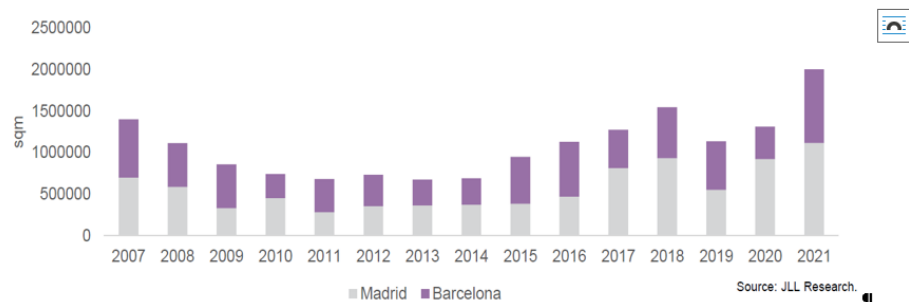
quarter of 2022 was driven by Kave Home's 90,000 sqm self-promotion in Tordera (Gerona) and the second quarter of 2021 by Mango's 90,000 sqm contracting for its expansion in Llica de Amunt. However, take-up in Barcelona reached the best figure (around 360,000 sqm) in a first half of the year since 2016, with the exception of the first half of 2021, which was driven by the occupancy of 140,000 sqm by Amazon in Figueras (Gerona). In the second quarter, Naeko Logistics leased a 40,000 sqm logistics warehouse from Panattoni in La Bisbal del Penedés (Tarragona).

During the second quarter of 2022, near 112,000 sqm of new logistics space was added to the Madrid market (+25% compared to the previous quarter). In Barcelona, around 34,500 sqm were delivered (+103% quarter-on-quarter), a rise driven by the completion in the second quarter of a 26,000 sqm warehouse in Castellbisbal. Approximately 200,000 sqm in Madrid and 52,000 sq m in Barcelona were delivered in the first half of 2022 (-10% and -70% compared to the first half of 2021, respectively), as many projects were delayed as a result of delays in the awarding of building permits. In turn, the supply crisis, rising construction costs and labour shortages are delaying some ongoing projects.

In the face of rising demand and low volumes of finished floor space, the availability rate in Madrid and Barcelona decreased from the first quarter of 2022 to 7.6% and 3.1%, respectively.

By 2022 and 2023, Jones Lang LaSalle expects around 740,000 sqm of new logistics product under construction to be added to the market in Madrid and 500,000 sqm in Barcelona. Madrid is predominated by warehouses that are still available (80%), while Barcelona is predominated by warehouses that are already committed (70%) and will therefore not add availability to the market.

Logistics take-up evolution



Source: JLL-EMEA, January 2022

(iii) Prime rents

Prime rents remain stable

In the second quarter of 2022, prime rents in Madrid stood at EUR 6 /sqm/month, remaining stable compared to the previous quarter and registering an increase of 4% year-on-year. This level of rents continues to be the highest since 2009 and exceeds the year-on-year growth rates recorded since 2007.

Despite the significant volume of speculative space under construction, the level of demand is such that new projects cannot come on stream quickly enough. In turn, the Madrid market faces significant supply constraints due to the scarcity of available land. Given these supply and demand dynamics, a slight upward pressure on rents is estimated until the end of 2022 and 2023.

Prime rents in Catalonia remain constant in the quarterly comparison and also in year-on-year terms, standing at EUR 7 /sqm/month. Thus, the rent levels recorded in 2021, the highest since 2011, are maintained, and one of the highest year-on-year growth rates since 2007 continues to be recorded.

Logistics demand remains very active in Catalonia, but there continues to be a lack of available product, a scarce supply of land for logistics development, which limits the future project pipeline, and a low availability rate. Given the strength of demand and the shortage of quality supply, rents are expected to increase moderately until the end of 2022 and in 2023.

Land availability for logistics development remains scarce, mainly in areas closer to cities. Rising land values and construction costs will also continue to put upward pressure on rents in these areas.

Prime rents by ring Madrid and Barcelona

	€/sqm/month			€/sqm/month	
	Min	Max		Min	Max
<b>Madrid</b>			<b>Barcelona</b>		
1 <sup>st</sup> Ring	4.50	6.00	1 <sup>st</sup> Ring	6.00	7.00
2 <sup>nd</sup> Ring	3.90	5.25	2 <sup>nd</sup> Ring	4.50	5.60
3 <sup>rd</sup> Ring	2.80	3.80	3 <sup>rd</sup> Ring	2.80	4.00

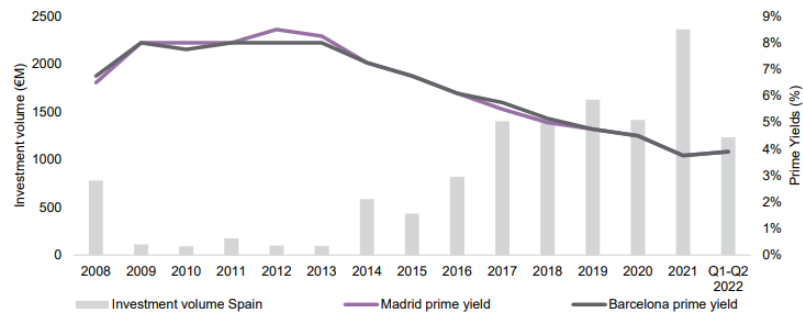
(iv) Investment

Logistics investment moderates, but keeps offering a positive outlook

Logistics investment volume in the first half of 2022 was around EUR 1.3 billion, a decrease of 21% compared to the first half of 2021. This decrease is due to the fact that in the second quarter of 2021 the largest logistics transaction in recent years was closed, a portfolio of around EUR 900 million, in which Bankinter Investment bought the Montepino logistics asset platform. In turn, the first quarter of 2022 was driven by the closing of four large portfolios (between EUR 60 million and EUR 300 million), which accounted for 80% of the total investment.

Reduced operational uncertainty, solid demand and abundant liquidity drove the highest first quarter investment volume since 2017 and, likewise, the highest year-on-year growth in the last five years, continuing the trend of 2021, which already recorded record highs. Despite solid investment market conditions, markets are facing headwinds as a result of high inflation, the geopolitical situation and tighter monetary policy.

### Investment volume and prime yields evolution



Note: volumes exclude transactions <€5M, land, development and entity deals/M&A  
Source: JLL Research

### Yields trend change: upward pressure begins

The long phase of yield compression, driven by strong investor appetite, will change its trend in the coming years, influenced by the rise in interest rates, its consequent impact on financing costs and the progressive increase in 10-year bond yields.

Thus, in the second quarter of 2022 there has been upward pressure on prime yields, which stand at 3.90% in Madrid and Barcelona. This figure represents an increase of 15 basis points in the quarterly comparison, although it remains below the yields of a year ago.

### 3.4.3 The logistics property market in Austria<sup>1</sup>

#### (i) Key facts

- Investment volume H1 2022: EUR 70 million;
- Prime yields logistics: 3.70%;
- Take-up Vienna: 100,000 m<sup>2</sup>;
- Completions: 37,000 m<sup>2</sup>.

Key figures 1H-2022	Vienna	Linz	Graz
Stock (million m <sup>2</sup> )	2.8	1.8	0.9
Vacancy Rate Class A+B (%)	0.4%	n.a.	n.a.
Completions ('000 m <sup>2</sup> )	37,000	-	-
Under construction ('000 m <sup>2</sup> )	134,000	37,000	12,000
Take-up ('000 m <sup>2</sup> )	100,000	n.a.	n.a.
Prime rent (EUR/m <sup>2</sup> /month)	6.10	5.60	5.60

<sup>1</sup> Source: CBRE Austria Logistics Snapshot H1 2022

(ii) Boom on the logistics markets continues

In the first half of 2022, around 100,000 m<sup>2</sup> were let in and around Vienna – more than twice as much as in the same period last year.

The vacancy rate for class A and B logistics space in the Vienna region has reached an all-time low of ca. 0.4%.

The demand for space remains high. Many companies are currently restructuring their business and supply chains aiming to reposition themselves. CBRE has received space requests for a total of almost 1 million m<sup>2</sup> in the Vienna, Graz and Linz regions.

The completion rate will reach a new record level in the coming years. By 2024, ca. 1.4 million m<sup>2</sup> should be completed in the three hotspots Vienna, Graz and Linz. The stock will thus grow by ca. 20%

Prime yields have declined again in Q2 2022 but, given the rising cost of financing and economic uncertainty, are expected to increase in the second half of the year.

#### 3.4.4 The logistics property market in the Netherlands<sup>1</sup>

(i) Leasing conditions remain strong in 2022

The Netherlands is one of the countries, among others, which is feeling the strong impact of the war in Ukraine. Besides the high inflation, uncertainty weighing on confidence and supply chain disruptions, the transport & logistics sector is mainly impacted by the rising fuel prices. Despite these challenges, the logistics real estate market remained positive.

The level of immediate available space declined even further and at the same time, demand for logistics space is still strong. Over the past two quarters this has already led to robust rental growth of ca. 5- 10% per quarter, varying by region. Besides the balance between supply and demand, rental growth is nowadays more driven by other factors including future development limitations due to policy changes, rising land and construction costs and insufficient capacity on the Dutch electricity network to connect new properties.

This will lead to further scarcity and is, as previously mentioned, already leading to strong rental growth. At the end of June, the logistics vacancy rate in the Netherlands stands at 1.2%, considered historically low. Compared to the end of 2021, supply decreased by 3.5%.

(ii) Leading logistics areas

The Netherlands' logistics market is characterised 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

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<sup>1</sup> Source: Jones Lang LaSalle – 2022 quarterly report logistics Netherlands

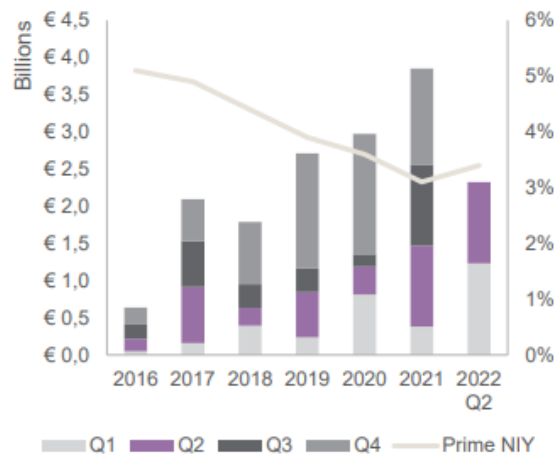
including West-Noord Brabant, Mid-Noord Brabant, Southeast-Noord Brabant and North Limburg.

(iii) Take-up, vacancy and prime yields

Given the large development pipeline scheduled for completion this year, vacancy could – in Jones Lang LaSalle’s view – slightly increase. The expected increase in vacancy however won’t lead to a stabilisation of rental growth in the short term, given the enormous scarcity which already exists.

On the demand side Jones Lang LaSalle still sees occupiers and investors being very active. After a strong start of the year with ca. 1.5 million m<sup>2</sup> in take-up, the second quarter was slightly less active with 740,000 million m<sup>2</sup> of take-up. One of the largest transactions over the last quarter was the lease of 52,000 m<sup>2</sup> by Dayes in Zevenaar. Comparing the first half of 2022 to last year’s volume this is an increase of 21% year-on-year.

**Investment volume and prime yield**



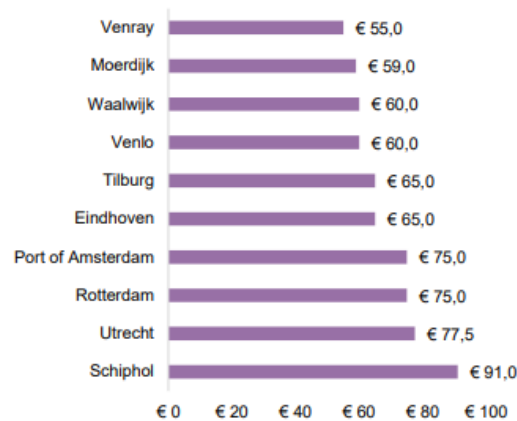
With a total investment volume of EUR 3.36 billion in the second quarter, the logistics investment market was once again the sector with the highest investment volume.

Q2 investment volume for logistics was ca. EUR 1.09 billion, bringing the year-to-date total to EUR 2.3 billion, a 58% increase compared to the same period last year. The largest deal that was registered in Q2 was the portfolio sale of four assets by Mirastar to Prologis for EUR 272 million. After a long period of continuous yield contraction, which was strongly supported by the low interest rate environment, investors now need to adjust to a new reality.

(iv) 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 EUR 87.50/m<sup>2</sup>/year were held by the Schiphol Airport area and increased in Q2 2022 to EUR 91/m<sup>2</sup>/year. At the same time, with an increase to EUR 75/m<sup>2</sup>/year Utrecht overtook Rotterdam, which registered an increase of 4% p.a. to EUR 72.50/m<sup>2</sup>/year and again an increase to EUR 77,5/m<sup>2</sup>/year

### Prime rents



### 3.4.5 The logistics property market in the Czech Republic<sup>1</sup>

#### (i) Key facts

- Modern industrial real estate stock in the Czech Republic reached 10.14 million m<sup>2</sup> in total;
- Additional 1.27 million m<sup>2</sup> of new industrial space is under construction and is due to be delivered within the next 15 months;
- The largest increase in construction activity was recorded in the Pilsen Region. The Moravian-Silesian and South Moravian regions also grew in volume;
- Distribution companies are the main driver of net take-up in Q2 2022 standing behind 54% of deals;
- Although the vacancy rate dropped to 1.5% quarter-on-quarter, Jones Lang LaSalle expects a slight increase in the coming quarters due to high construction volumes and demand starting to cool down in view of the economic situation;
- Average prime rents in Prague continue to increase with EUR 7.50 per m<sup>2</sup> per month now the average prime rent.

Key figures	Q2 2021	Q2 2022
Gross Take-up ('000 m <sup>2</sup> )	533.1	670.7
Stock (million m <sup>2</sup> )	9.32	10.15
Completions ('000 m <sup>2</sup> )	126.8	146.6
Under construction ('000 m <sup>2</sup> )	657.2	1,270
Vacancy rate	2.0%	1.5%
Prime rent (EUR/m <sup>2</sup> /month)	5.25	7.50
Prime Yield	5.00%	4.00%

#### (ii) Stock and supply

<sup>1</sup> Source: Jones Lang LaSalle – Q2 2022 Czech Industrial Market

The total volume of modern class A industrial real estate increased to 10.14 million m<sup>2</sup> in the second quarter of 2022. Greater Prague region remains the largest sub-market in the long term, with 34% of all space. This is followed by the Pilsen region with 16% share and the South Moravia region with the centre in Brno with 12% share.

A total of 146,600 m<sup>2</sup> was completed across 15 industrial parks in Q2 2022, a decrease of 51% compared to the previous quarter. However, compared to the same period last year, the volume of newly completed space increased by 16%. Most of the new halls completed in Q2 2022 already had secured a tenant. Speculatively completed space accounted for only 10% of new supply. The Moravian-Silesian region accounted for the largest share of new completions in Q2 2022 (26%), followed by the Olomouc Region (18%) and Central Bohemian Region (17%).

Given the large volume of projects under construction, which amounted to 1.27 million m<sup>2</sup> at the end of the second quarter, the amount of completed space may seem relatively small. However, current market information suggests that more than 900,000 m<sup>2</sup> of new space could be completed in the second half of this year. The Czech industrial market has barely surpassed the 10 million m<sup>2</sup> mark and will surpass 11 million m<sup>2</sup> within a few months. The most dynamic development in the next 12 months will be in the Olomouc region, which will be close in size to the industrial offer in the Central Bohemia or Ústí nad Labem regions, which are considered the main Czech markets alongside Prague, Pilsen and Moravia-Silesia. In total, there will be an increase of approximately 300,000 m<sup>2</sup>. The market in the Pilsen region will grow by another 250,000 m<sup>2</sup>.

Of this total volume under construction, 67% of the space had already secured a tenant at the end of the second quarter. In the previous 18 months, this ratio was around 75%. However, it would be premature to talk about the return of speculative construction. Today, construction activity is negatively affected by rising prices of building materials, labour shortages and high interest rates.

(iii) Vacancy

During Q2 2022, the average vacancy rate in the Czech Republic dropped to 1.5%. Compared to the previous quarter, it decreased by 17 basis points (bps). Year-on-year (year-on-year), the vacancy rate fell by 53 bps.

In Greater Prague, the vacancy rate stood at 0.5% at the end of Q2 2022, representing a year-on-year decrease of 42 bps. Compared to Q1 2022, the vacancy rate decreased by 29 bps. This already slight vacancy is caused by vacant office space. Calculated from the warehouse area only, it would be zero.

The most significant quarter-on-quarter change in vacancy rates occurred this quarter in the Olomouc region (up 345 bps quarter-on-quarter) from 6.8% to 10.3%. On a quarterly basis, the vacancy rate also increased in the Karlovy Vary region by 291 bps from zero to 2.9%. The vacancy rate decreased the most in the Pilsen region by 133 bps year-on-year and is now at just 3.5%.

At the end of Q2 2022, as in the previous quarter, Jones Lang LaSalle recorded full occupancy in the Hradec Kralove, Zlin, Liberec and Vysočina regions. In this quarter, the aforementioned Karlovy Vary region dropped out of this list, however zero vacancy is



newly in the Pardubice region and almost in Ústí nad Labem region (0.1%), which still had a vacancy rate of over 10% at the beginning of last year.

(iv) Demand

During Q2 2022, net take-up reached a new record as it climbed to 530,500 m<sup>2</sup>. This is an increase of 31% compared to the already very high previous quarter. Year-on-year, the increase is even higher at 36%.

Pre-leases accounted for the largest portion of gross take-up (51%), followed by new leases at 25% and renegotiations at 21%. Expansions accounted for the remaining 3%. In Q2 2022, the highest net demand was recorded in the Karlovy Vary region (44%), followed by Greater Prague (20%) and the Moravia-Silesian region (11%). Distributors secured the largest share of net take-up registering 54% of all newly leased premises in Q2 2022.

(v) Rental levels

The limited supply of vacant modern space and strong demand continue to push rents in upward direction. Rents for prime space across Greater Prague rose to between EUR 6.50 and EUR 7.50 m<sup>2</sup>/month during the first quarter.

Similarly, high increments were recorded in the South Moravia Region (now at 5.30 - 6.75 EUR/m<sup>2</sup>/month). Except for the Olomouc Region, all Czech regions registered an increase in rent of at least EUR 0.10/m<sup>2</sup>/month quarter-on-quarter. This reflects the still very low vacancy rate, which is below 4% in all regions except Olomouc.

### 3.4.6 The logistics property market in Slovakia<sup>1</sup>

(i) Key characteristics

- Total stock: 3,541,900 m<sup>2</sup>
- Vacancy: 4.13%
- Gross take-up: 200,900 m<sup>2</sup>
- Prime rent: EUR 6 / m<sup>2</sup> / month

(ii) Stock, supply and demand

By the end of the second quarter of 2022, the total modern industrial & logistics stock in Slovakia stood at almost 3.54 million m<sup>2</sup>. Western Slovakia (including Greater Bratislava) counts almost 84% of total stock. On the other hand, ca. 10% of the recorded stock is in Central Slovakia and almost 7% in Eastern Slovakia. There is over 315,800 m<sup>2</sup> of new logistics space currently under construction. Approximately 80% is already pre-leased out of total under construction space. In the second quarter of 2022, Jones Lang LaSalle has recorded gross take-up at the level of almost 200,900 m<sup>2</sup>, which represents a 15% increase when compared to the first quarter of 2022. In the last 12 months approximately 52% of the gross take-up was registered in Greater Bratislava, followed

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<sup>1</sup> Source: Industrial Market Commentary – Slovakia / August 2022 by Jones Lang LaSalle











by Western Slovakia with almost 39% share, Eastern Slovakia with 6% and Central Slovakia with 3% share.

(iii) Rent levels, vacancy and forecast

*Rent Levels*

By the end of the second quarter of 2022, vacancy reached the lowest level recorded in the last four years. Continued high demand from logistics and manufacturing companies - combined with lack of available premises - has naturally reflected into rising rents. Since another growth factor - rising construction costs - has stabilized, the rental rates growth in the second quarter also slowed down compared to previous quarters.

*Prime Rent Q2 2022 (EUR)*

Location	Prime rent (€)	
	from	to
Bratislava - Prime locations	4.75 	6.00 
Greater Bratislava	3.75 	4.50 
Western Slovakia	3.50 	4.35 
Central Slovakia	3.85 	4.35 
Eastern Slovakia	3.90 	4.25 

*Vacancy*

By the end of the second quarter of 2022, the average vacancy rate was at around 4.13%. Majority of vacant industrial space within existing logistics parks is located in Greater Bratislava and Western Slovakia.

*Summary / Forecast*

Although the supply chain disruptions still persist in the global logistics, the issues with lack of materials have softened. Rising inflation and lack of available workforce remain the two main problems scaring the industry.

However, the ongoing strong trends of near-shoring and suppliers diversification support the demand for new warehouse and production space. On top of it, the announced arrival of the fifth automotive producer to Slovakia (Volvo, Kosice) has already triggered increased demand particularly in the area of Eastern Slovakia. Jones Lang LaSalle expects continuous interest in this area in the next years.

General forecasts and prospects for 2022 in the industrial and logistics real estate sector remain positive.

**3.4.7 The logistics property market in Hungary<sup>1</sup>**

(i) Industrial market overview – Greater Budapest

The total modern industrial real estate stock in Greater Budapest stood at 2,927,900 sqm. at the end of the second quarter of 2022, showing an increase of 4% quarter-on-quarter.

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<sup>1</sup> Source: Jones Lang LaSalle: Industrial Market Snapshot – Budapest Hungary Q2 2022

In the second quarter of 2022, seven new buildings with 115,400 sqm of new space were handed over to the Greater Budapest market.

Currently there is almost half a million sqm industrial space under construction in the Greater Budapest area, with expected handover dates in 2022-2023. This suggests that the record volume of handovers may continue in the upcoming years. Out of this forecasted volume ca. 25% is already pre-let. It also projects that the total stock continues its growth path and is expected to increase by 17 % in the upcoming years.

Greater Budapest market's industrial vacancy rate has not been this high in the past six years. With the 6.42% in the second quarter of 2022, showing a 2.25 percentage point increase quarter-on-quarter and 2.45 percentage point increase year-on-year.

Total quarterly demand (incl. lease renewals) amounted to 113,525 sqm in the second quarter of 2022, which shows a minimal (9%) decrease quarter-on-quarter and a 34% decrease compared to the volume registered in the corresponding period of 2021. Net take-up reached 65,760 sqm, which represents only 58% of the volume of total transactions in this quarter.

Prime rent slightly increased to EUR 4.95 /sqm/month in the second quarter of 2022, but rents may vary depending on the location and buildings.

New parks are being established, which is strengthening the competition.

Demand and vacancy rates in the Greater Budapest submarkets have changed even in the second quarter of 2022. The available space increased in most of the submarkets, partly due to the recently delivered buildings. Budapest East remained the submarket with the lowest vacancy rate (1.27%), proving that it is still in the emerging phase. As a result of the handover of more than 45,000 sqm space in Budapest North, it became the one with the highest vacancy rate with 10.05% (a drastic change from 2.37%). The other four submarkets are in the middle of this range, with an average vacancy rate of 6-7%

#### *Industrial Key Data – Greater Budapest*

	2018	2019	2020	2021	Q2 2022
Stock (million sq m)	2.17	2.247	2.374	2.734	2.928
Vacancy rate (%)	2.40%	1.85%	2.02%	3.17%	6.42%
Gross take-up (sq m)	377,950	433,820	537,940	635,800	113,525
Net take-up (sq m)	171,310	203,750	343,530	433,450	65,760
Net absorption (sq m)	153,420	79,280	158,350	320,200	44,725
Completions (sq m)	127,350	64,140	127,950	343,920	115,395
Prime rent (€/sq m/mth)	4.75	4.90	4.90	4.75	4.95

(ii) Logistics and industrial market overview – countryside

The Budapest Research Forum announced data about the industrial speculative real estate stock outside of Greater Budapest for the fourth time. Until the second quarter of 2022, 129 buildings were registered in the stock.

1,380,050 million sqm developer-led logistics stock was registered in the countryside regions at the end of the second quarter of 2022.

Jones Lang LaSalle registered a steady growth of the countryside stock as a result of 47,260 sqm development handed over and 287,000 sqm to be completed in 2022-2023. Vacancy rates stand at 5.46%.

In addition to the Greater Budapest Area, the main logistics-industrial hubs in the countryside are the Hatvan-Miskolc corridor, GyőrKomárom – Hegyeshalom corridor, Kecskemét, Székesfehérvár, and the Debrecen-Nyíregyháza region.

Logistics sector is the seventh biggest revenue-generating sector in the Hungarian economy.

Due to the increasing demand from the automotive, pharmaceutical, and high-tech industries the following regions are the major industrial locations: (i) Győr-Székesfehérvár-Budapest triangle, (ii) Miskolc-Hatvan corridor, (iii) Debrecen-Nyíregyháza-Polgár corridor and (iv) Kecskemét.

### 3.4.8 The logistics property market in Romania<sup>1</sup>

(i) Strong take-up

In the first six months of 2022, almost half a million m<sup>2</sup> of logistics spaces was leased throughout the country, with 38% more compared with the similar period of 2021. The highest amount concluded in the first part of the year for more than five years in a row, the industrial and logistics leasing market conquers new heights quarter by quarter and continues to build its prosperity on the momentum created in the first part of 2020.

Gathering 483,000 m<sup>2</sup>, the total leasing activity (TLA) in H1 2022 is more than five times higher than the amount transacted in the first part of 2018 and three times compared with the first half of 2019, the pre-pandemic years that precede the return of the industrial market to the spotlight. Moreover, when compared with record year 2020 when almost 1.0 million m<sup>2</sup> were leased, the total leasing activity from the first half of 2022 represents 52% of the 2020 overall TLA. Take-up (total leasing activity excluding renewal and renegotiations) represented 82% of the TLA, out of which 130,300 m<sup>2</sup> were pre-lease.

The take-up also can as well be interpreted by new demand in the market and during the first part of the year, pre-leases claimed a share of 33% from take-up. Looking at the share of pre-leases in take-up signed in the first halves of the years from 2015 onwards, it can be observed that peaks were achieved in H1 2017 (88%), H1 2020 (63%) and after a decline in H1 2021 (16%) the upward trend was reignited in H1 2022 (33%). Such evolution points toward a strong appetite of the tenants for tailored logistics

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<sup>1</sup> Source: current market research by CBRE

spaces and developers' willingness to address built to suit projects making sure they have the best locations for development with potential for extension and at the same time their reluctance to initiate large speculative developments.

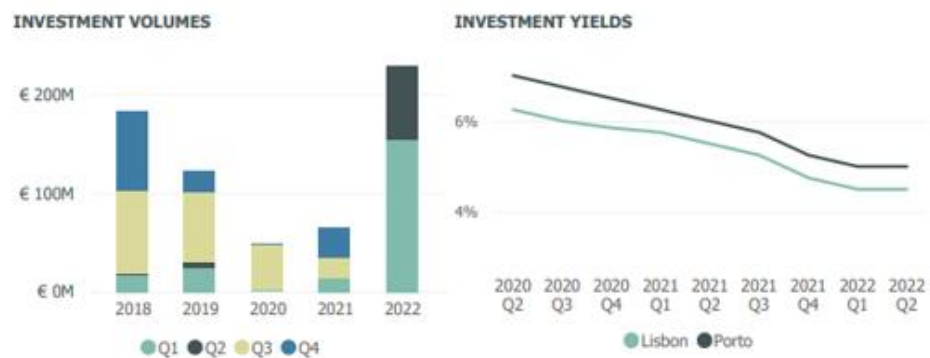
(ii) Increasing footprint of logistics space

At the end of the H1 2022, Romania's real estate stock overpassed the 6.00 million. m<sup>2</sup> threshold, reaching at 6.03 million. m<sup>2</sup> of modern industrial and logistics spaces. Bucharest region is the most developed in terms of modern stock, hosting half of the total surface, while the other half is distributed towards the other four development regions of the country. With a joint share of 37% from the total modern stock, the West/ North-West and the Southern regions proved to be the developers' main focus outside the capital city. During the first six months of the year, a new supply of ca. 373,000 m<sup>2</sup> was added to Romania's modern stock, out of which 48% was concentrated in Bucharest. Nonetheless, at a smaller pace though, all the other industrial regions of the country enlarged their modern stock, respectively with 26% from the year-to-date new supply the West / North West region, with 15% the Central region, with 7% the South and with 4% the East / North East.

**3.4.9 The logistics property market in Portugal<sup>1</sup>**

(i) Logistics occupation spreads across the country. Deals were recorded in Lisbon, Porto, Centre and Algarve regions.

Investment volume in logistics increased strongly in comparison to previous years to over EUR 200 million, while investment yields stabilised in the second quarter of 2022 after a long-term declining trend.

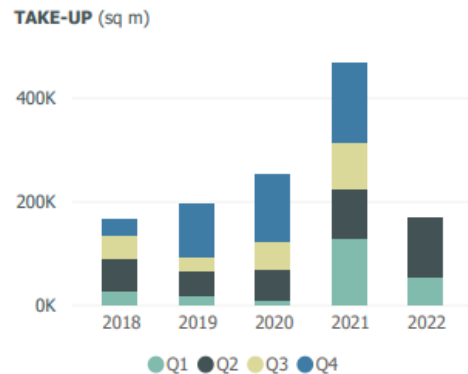


(ii) Scarcity of space halts Lisbon take-up growth while rents maintain the upward trend

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 m<sup>2</sup> 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

<sup>1</sup> Source: CBRE market research – Portugal Logistics Q2 2022.

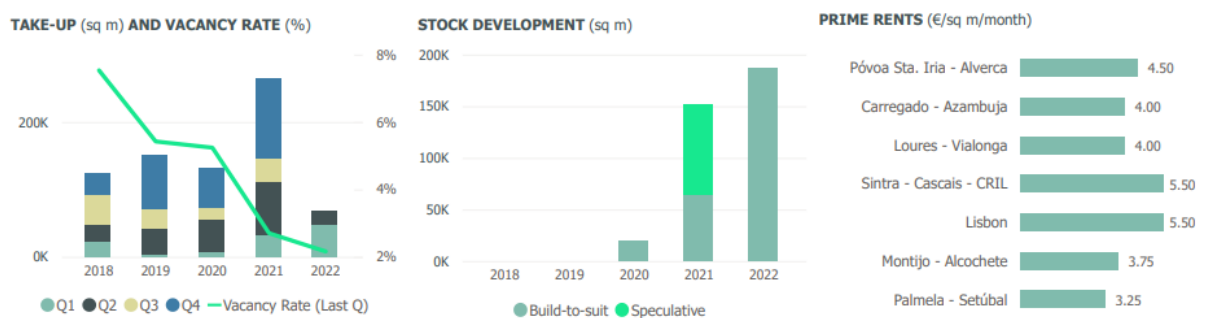
from the centres of large cities such as Lisbon and Porto, served by good access, are strongly sought after. Moreover, 3PL and freight operators are in a continuous growth rate and therefore demanding additional quality space.



Lisbon region recorded 19,400 m<sup>2</sup> take-up in logistics spaces in Q2 2022. It is less than a half of the area occupied in the previous quarter and shows a slowdown in the level of activity recorded in the previous year, although still aligned with the years before. Only two relevant deals were recorded – Logic (15,500 m<sup>2</sup>) and Santos e Vale (3,900 m<sup>2</sup>) – both in second hand spaces located in the Alverca zone.

Take-up reflects the scarcity of spaces to let. A mere 54,000 m<sup>2</sup>, of which almost half in a single building, are currently available to let. Only a pre-let building was completed in the quarter and two speculative developments are currently under construction or renovation in Póvoa Sta. Iria – Alverca zone (totalling 22,200 m<sup>2</sup>), but completions are only expected for 2023.

Therefore, vacancy rates are likely to continue decreasing while rents will probably maintain the upward trend. After increases in several zones in the previous quarter, the prime rent of Póvoa Sta. Iria – Alverca increased to EUR 4.5/m<sup>2</sup>/ month (+ 13% quarter-on-quarter).

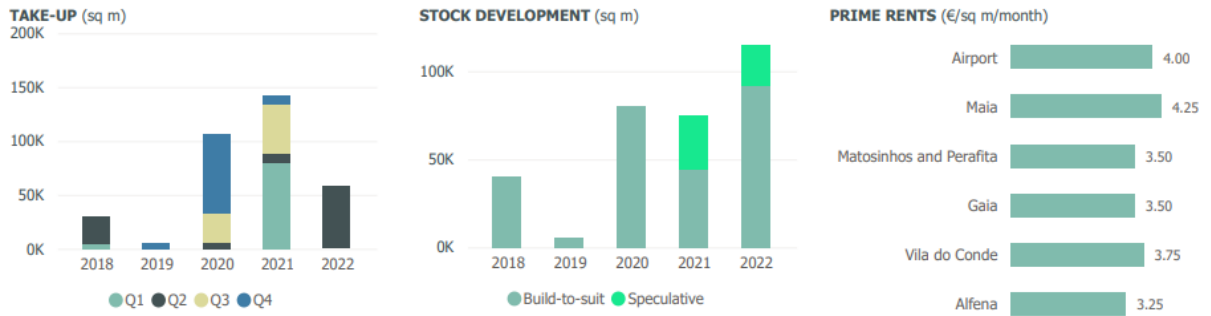


(iii) Prime rents in Porto region under strong upward pressure

Ca. 58,000 m<sup>2</sup> were placed in Porto in Q2 2022. The major contribution to take-up was the start of construction of the Aldi platform at Santo Tirso (40,000 m<sup>2</sup>). An additional two deals were recorded, one in Maia (10,400 m<sup>2</sup>) and the other in Gaia (7,500 m<sup>2</sup>), both in second-hand spaces.

There has been no speculative development in Porto for more than one decade. However, CBRE starts to see the first projects: two developments are currently under construction and due to be completed until the year end, namely 12,000 m<sup>2</sup> in Maia and 10,500 m<sup>2</sup> in Vila do Conde.

Given the inexistence of spaces available to let, CBRE is recording a general upward pressure on Porto prime rents, which increased EUR 0.25/m<sup>2</sup>/month in all Porto zones.



## 4 Funding Sources

### 4.1 Issuer's Funding Sources

The Group's main source of funding is the issuance of bonds (EUR 2,320.0 million<sup>1</sup> as at 30 June 2022). Besides bonds, the Group is financed to a lesser extent by the Schuldschein Loans (EUR 33.5 million as at 30 June 2022). In addition, the Issuer has undrawn committed facilities totalling EUR 200 million as at 30 June 2022, which have been increased to EUR 300 million as per July 2022.

#### 4.1.1 Bonds

On 21 September 2016, the Issuer issued 3.90 per cent. fixed rate bonds (listed on the regulated market of Euronext Brussels) for an aggregate amount of EUR 225 million (the **September 2023 Bond**). The net proceeds of the September 2023 Bond were used to acquire a logistics building in Barcelona, as well as development land in Spain and to further finance the development of new projects on development land.

On 30 March 2017, the Issuer issued 3.35 per cent. fixed rate bonds (not listed) for an aggregate amount of EUR 80 million (the **2025 Bond**). The net proceeds of the 2025 Bond were used for the expansion of the Group's land bank and in order to finance its development pipeline.

On 6 July 2017, the Issuer issued 3.25 per cent. fixed rate bonds (listed on the regulated market of Euronext Brussels) for an aggregate amount of EUR 75 million (the **2024 Bond**). The net proceeds of the 2024 Bond were used for the repayment of all outstanding debt of VGP under the 2017 Bond.

On 19 September 2018, the Issuer issued 3.50 per cent. fixed rate bonds (listed on the regulated market of Euronext Brussels) for an aggregate amount of EUR 190 million (the **2026 Bond**). The net proceeds of the 2026 Bond were used for the repayment of all of the outstanding debt of VGP under the 2018 Bond with the remaining balance to be used for the acquisition of development land in the existing and new markets (i.e. the Netherlands and Italy) and to further finance the development of new projects on development land.

<sup>1</sup> Excluding capitalised finance costs.

On 2 December 2019, the Issuer issued 2.75 per cent. fixed rate bonds (listed on the regulated market of Euronext Brussels) for an aggregate amount of EUR 150 million (the **April 2023 Bond**). The net proceeds of the April 2023 Bond were used to further finance the development of new projects on development land in the existing and new markets.

On 8 April 2021, the Issuer issued its first public benchmark 1.50 per cent. fixed rate green bond (listed on the Euro MTF Market) for an aggregate nominal amount of EUR 600 million (the **2029 Bond**). The net proceeds of the 2029 Bond is being used to fund projects, investments and expenditures, which are owned by the Group or any the Joint Ventures, that relate to renewable energy, energy efficiency and environmentally friendly projects, in accordance with the VGP Green Finance Framework.

On 17 January 2022, the Issuer issued two public benchmark green bonds, each listed on the Euro MTF Market: (i) 1.625 per cent. fixed rate green bond for an aggregate nominal amount of EUR 500 million (the **2027 Bond**) and (ii) 2.25 per cent. fixed rate green bond for an aggregate nominal amount of EUR 500 million (the **2030 Bond**). The net proceeds of the 2027 Bond and the 2030 Bond are being used to fund projects, investments and expenditures, which are owned by the Group or any of the Joint Ventures, that relate to renewable energy, energy efficiency and environmentally friendly projects, in accordance with the VGP Green Finance Framework.

All the above financing arrangements are unsecured and subject to the same covenants. All bonds are at fixed interest rate.

#### **4.1.2 Schuldschein Loans**

On 10 October 2019, the Issuer completed a *Schuldscheindarlehen* transaction (the **Schuldschein Loans**) for an aggregate amount of EUR 33.5 million which was used to finance the current development pipeline of the Group. The Schuldschein Loans have maturities of 3, 5, 7 and 8 years and have fixed and variable interest rates which were expected to range between 2.10 per cent. and 3.00 per cent. per annum and have a weighted average interest margin of 2.73 per cent. As indicated in the related press release of 28 August 2019, the initial target of the Schuldschein Loans was EUR 100 million. This amount was not reached because some lenders wanted to introduce more onerous covenants than the bond covenants. As the Issuer wanted to ensure that all its unsecured lenders would continue to rank *pari passu* to its bondholders, the Issuer decided to accept only those lenders who would accept the same covenant as the bond covenants, therefore resulting in a lower aggregate amount.

The Schuldschein Loans are unsecured and subject to the same covenants as the bonds. 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.

#### **4.1.3 Bank financing**

In order to bridge temporary funding peaks between the different closings with the Joint Ventures, the Issuer has arranged following committed credit facilities:

- On 2 November 2021, the Issuer entered into a 5-year revolving credit facility with Belfius Bank NV for an amount of EUR 75 million which will mature on 31 December 2026. On 29 July 2022, this credit facility was increased with an additional EUR 100 million tranche which will mature on 31 July 2027, bringing the total facility up to EUR 175 million.
- On 10 November 2021, the Issuer 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 Issuer 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. As at the date of this Prospectus, there were no drawings outstanding under these credit facilities.

The interest rate on the credit facilities granted by Belfius Bank NV, BNP Paribas Fortis SA/NV and KBC Bank NV are at floating interest rate plus a margin.

All aforementioned revolving credit facilities are subject to the same covenants as the bonds, except for the Consolidated Gearing which is limited to 55% with the possibility of going up to 60% on two test dates (gearing spikes) provided these two test dates do not follow each other.

#### 4.2 Subsidiaries' Funding Sources

As at 30 June 2022, there are no credit facilities outstanding at the level of the Subsidiaries.

Given that the Group adopts as much as possible a standardised approach in respect of financial bank covenants, in general a Loan to Value Ratio of 65% will apply in respect of borrowings in case the Group decides to fund projects with bank financing. This effectively means that the Group would only be able to leverage its assets base for a maximum amount corresponding to 65% of the value of the investment properties.

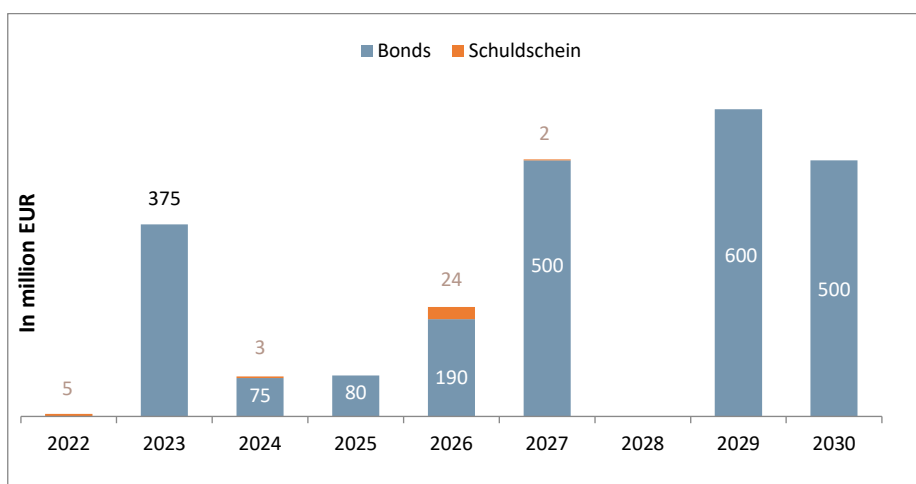
The Subsidiaries benefit from intragroup loans provided by the Issuer. The intragroup loans are usually used to finance the land and the initial stages of the development. Once a building becomes income generating and provided adequate bank financing is in place, the respective intragroup loan will be repaid by the bank financing and the proceeds received by the Issuer will be recycled and re-lent to finance other / new developments.

As at 30 June 2022, the Issuer had granted EUR 2.013 million intragroup loans to its Subsidiaries (compared to EUR 1.578 million as at 31 December 2021).

The intragroup loans are granted by the Issuer to the Subsidiaries on an arm's length basis, are unsecured and are on first demand.

#### 4.3 Maturity profile

The maturity profile of the Group's debt at the date of this Prospectus is as follows:



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

## 4.4 Funding Sources of the Joint Ventures

The primary sources of financing of the Joint Ventures have been, and are expected to be, equity provided by their respective shareholders, bank financing and shareholder loans.

### 4.4.1 Bank financing

The Joint Ventures are primarily funded by bank debt. Any funding shortfall thereafter is funded by the Joint Ventures' shareholders through additional equity or additional shareholder loans in proportion to their respective shareholding (as set out in section 4.4.2 of this Part VIII (*Description of the Issuer*)).

All credit facilities of the Joint Ventures are secured on a geographic or portfolio basis mainly through a mortgage taken out by each lending bank on the respective financed assets.

#### *First Joint Venture*

As at 30 June 2022, four major committed secured credit facilities (for an aggregate amount of EUR 900.9 million) are in place at the level of the First Joint Venture and its respective German, Hungarian and Czech/Slovak portfolios. All these credit facilities expire at the end of May 2026. As at 30 June 2022, the Gearing Ratio of the First Joint Venture stood at 32.8% (compared to 34.8% as at 31 December 2021) and the Loan to Value Ratio stood at 39.9% (compared to 40.5% as at 31 December 2021).

#### *Second Joint Venture*

As at 30 June 2022, two major committed secured credit facilities (for an aggregate amount of EUR 369.5 million) have been arranged at the level of the Second Joint Venture and its Spanish, Italian, Austrian, Dutch on the one hand and its Romanian portfolio on the other hand. The Spanish, Italian, Austrian and Dutch credit facility expires on 31 May 2029 and the Romanian credit facility expires on 30 June 2029. As at 30 June 2022, the Gearing Ratio of the Second Joint Venture stood at 45.5% (compared to 45.6% as at 31 December 2021) and the Loan to Value Ratio stood at 50.1% (compared to 48.9% as at 31 December 2021).

#### *Third Joint Venture*

As at 30 June 2022, one major committed secured credit facility (for an aggregate amount of EUR 65.5 million) has been arranged at the level of the Third Joint Venture. As at 30 June 2022, the credit facility was undrawn and the Third Joint Venture was therefore fully financed through shareholder loans granted by its shareholders. It is expected that this facility will be fully drawn during 2022 in view of refinancing the invested equity of building GERMEU-A1, GERMEU-A2 and building GERMEU-PHN of the Third Joint Venture.

#### *Fourth Joint Venture*

On the date of this Prospectus, the Fourth Joint Venture does not have any bank financing as it will only become effective as from its first closing.

#### *Development Joint Ventures*

As at 30 June 2022, the Development Joint Ventures did not have any bank financing.

### 4.4.2 Shareholder loans

The shareholders (i.e. VGP and Allianz for the Allianz Joint Ventures and VGP and the respective local partner for the Development Joint Ventures) have provided shareholder loans in accordance with the respective JVs.

The shareholder loans to the Allianz Joint Ventures have a term of 120 months. The shareholder loans can be prepaid at first demand. The development and construction loans can only be prepaid at the moment of delivery of the completed building financed by such loan or at the moment of completion of developed assets by the Third Joint Venture. The interest rates applied on the shareholder loans to the Allianz Joint Ventures are between 3.875 per cent. and 4.000 per cent. p.a. All shareholder loans to the Allianz Joint Ventures are unsecured and subordinated to the bank debt.

The shareholder loans to the Development Joint Ventures have a term between 5 and 10 years and the interest rates applied vary between 4 per cent. and 6 per cent.

The shareholder loans to the Joint Ventures (including the construction and development loans) amounted to EUR 454.4 million as at 30 June 2022 (compared to EUR 346.9 million as at 31 December 2021) of which EUR 123.0 million (EUR 83.0 million as at 31 December 2021) was related to financing of the buildings under construction and development land held by the First and Second Joint Ventures.

#### *First Joint Venture*

For project companies of the First Joint Venture holding German assets, VGP will provide 52.55% of shareholder loans and Allianz will grant their respective 47.45% shareholder loans. For all other project companies of the First Joint Venture, VGP will provide 50% of shareholder loans and Allianz will grant their respective 50% shareholder loans. Besides the usual shareholder loans, VGP provides 100% of the development and construction loans to the First Joint Venture.

#### *Second Joint Venture*

VGP and Allianz each provide 50% of the shareholder loans required by the Second Joint Venture to finance its assets. Besides the usual shareholder loans, VGP provides 100% of the development and construction loans to the Second Joint Venture.

#### *Third Joint Venture*

VGP and Allianz each provide 50% of the shareholder loans required by the Third Joint Venture to finance the development and construction of its assets.

#### *Fourth Joint Venture*

For project companies of the Fourth Joint Venture holding German assets, VGP will provide 55.05% of the shareholder loans and Allianz will provide 44.95% of the shareholder loans. For all other project companies of the Fourth Joint Venture, VGP and Allianz will each provide 50% of the shareholder loans. Besides the usual shareholder loans, VGP shall provide 100% of the development and construction loans to the Fourth Joint Venture.

#### *Development Joint Ventures*

VGP and the respective shareholders of the Development Joint Ventures each provide the shareholder loans required by the Development Joint Ventures to finance the development and construction of their assets pro rata their shareholding. In the event a shareholder of a Development Joint Venture does not comply with this funding obligation, VGP can provide additional funding to the respective Development Joint Venture on preferential interest terms and repayment conditions.

## 5 Recent Developments, Investments and Trend Information

### 5.1 Development pipeline

#### 5.1.1 Completed projects

As at 30 June 2022, the own investment Property Portfolio consists of 43 completed buildings representing 991,000 m<sup>2</sup> of lettable area and 28 buildings under construction representing 995,000 m<sup>2</sup> of lettable area. During the first half of 2022, 17 projects were completed totalling 334,000 m<sup>2</sup> of lettable area and representing EUR 17.1 million of annualised committed leases (EUR 12.5 million for VGP's own account and EUR 4.6 million for the Joint Ventures). As at 30 June 2022, the occupancy rate of the own portfolio reached 97.0% (compared to 99.3 as at 31 December 2021).

As at 30 June 2022, the investment Property Portfolio of the Joint Ventures consists of 126 completed buildings representing 2,473,000 m<sup>2</sup> of lettable area and 12 buildings being developed by VGP representing 352,000 m<sup>2</sup> of lettable area. As at 30 June 2022, the occupancy rate of the Joint Ventures portfolio reached 99.4% (same as at 31 December 2021).

Between 1 July 2022 and 31 October 2022, VGP completed another 11 buildings representing 240,000 m<sup>2</sup> of lettable area, i.e. one building of 29 500 m<sup>2</sup> in VGP Park Hradek and Nisou and one building of 15,800 m<sup>2</sup> in VGP Park Kladno (both in Czech Republic), one building of 10,800 m<sup>2</sup> in VGP Park Budapest Aerozone (Hungary), one building of 18,300 m<sup>2</sup> in VGP Park Bratislava (Slovakia), one building of 67,200 m<sup>2</sup> in VGP Park Laatzen (Germany), one building of 20,500 in VGP Park Rostock (Germany), one building of 29,600 m<sup>2</sup> in VGP Park Dos Hermanas (Spain) and one building of 8,200 m<sup>2</sup> in VGP Park Graz 2 (Austria) for its own account, and two buildings totalling 34,800 m<sup>2</sup> in VGP Park Zaragoza (Spain) on behalf of the Joint Ventures.

As at 31 October 2022, the own investment Property Portfolio consists of 41 completed buildings representing 1,077,000 m<sup>2</sup> of lettable area and the investment Property Portfolio of the Joint Ventures consists of 139 completed buildings representing 2,660,000 m<sup>2</sup> of lettable area. As at 31 October 2022, the occupancy rate of the own Property Portfolio stands at 98.9% and the occupancy rate of the Property Portfolio of the Joint Ventures stands at 99.9%. As at 31 October 2022, the average building age of the existing Property Portfolio<sup>1</sup> is 3.7 years.

#### 5.1.2 Projects under construction

##### End of June 2022

As at 30 June 2022, VGP had 40 buildings under construction for a total future lettable area of 1,346,000 m<sup>2</sup>. The new buildings under construction, which are pre-let for 87.4%<sup>2</sup>, represent EUR 88.1 million of annualised leases when fully built and let.

##### *Own portfolio*

For its own account VGP had 28 buildings under construction totalling 995,000 m<sup>2</sup> of lettable area representing EUR 59.3 million of annualised leases:

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<sup>1</sup> including Joint Ventures at 100%.

<sup>2</sup> Calculated based on the contracted rent and estimated market rent for the vacant space.

- Germany: three buildings in VGP Park Giessen am Alten Flughafen and one building in each of VGP Park Erfurt 2, VGP Park Laatzen, VGP Park Magdeburg, VGP Park Oberkrämer and VGP Park Rostock;
- Czech Republic: one building in VGP Park Hradek Nad Nisou, one building in VGP Park Kladno and one building in VGP Park Olomouc;
- Romania: one building in each of VGP Park Arad, VGP Park Brasov, VGP Park Bucharest and VGP Park Sibiu;
- Hungary: two buildings in VGP Park Budapest, two buildings in VGP Park Gyor Beta and one building in VGP Park Kecskemet;
- Slovakia: two buildings in VGP Park Bratislava;
- Spain: one building in VGP Park Dos Hermanas;
- Italy: one building in VGP Park Parma Lumiere;
- Latvia: one building in VGP Park Riga and one building in VGP Park Tiraines;
- Austria: two buildings in VGP Park Graz 2.

#### *Joint Ventures' portfolio*

On behalf of the Joint Ventures, VGP had 12 new buildings under construction totalling 352,000 m<sup>2</sup> of lettable area representing EUR 28.7 million of annualised leases:

- Czech Republic: one building in VGP Park Chomutov;
- Spain: one building in VGP Park San Fernando de Henares and two buildings in VGP Park Zaragoza;
- Germany: six buildings in VGP Park München;
- The Netherlands: one building in VGP Park Nijmegen and one building in VGP Park Roosendaal.

#### **End of October 2022**

As at 31 October 2022, VGP had 39 buildings under construction for a total future lettable area of 1,253,000 m<sup>2</sup>. The new buildings under construction, which are pre-let for 93.7%<sup>1</sup>, represent EUR 82.8 million of annualised leases when fully built and let.

#### *Own portfolio*

For its own account VGP has 30 buildings under construction totalling 940,000 m<sup>2</sup> of lettable area representing EUR 55.9 million of annualised leases:

- Germany: three buildings in VGP Park Giessen am Alten Flughafen, two buildings in VGP Park Magdeburg and one building in each of VGP Park Halle 2, VGP Park Erfurt 2, VGP Park Erfurt 3, VGP Park Oberkrämer and VGP Park Wiesloch Waldorf;
- Czech Republic: one building in VGP Park Olomouc;

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<sup>1</sup> Calculated based on the contracted rent and estimated market rent for the vacant space.

- Romania: two buildings in VGP Park Brasov, two buildings in VGP Park Bucharest and one building in each of VGP Park Arad and VGP Park Sibiu;
- Hungary: one building in VGP Park Budapest, two buildings in VGP Park Gyor Beta and two buildings in VGP Park Kecskemet;
- Slovakia: one building in VGP Park Bratislava;
- Italy: one building in VGP Park Parma Lumiere;
- Latvia: one building in VGP Park Riga and one building in VGP Park Tiraines;
- Austria: one building in VGP Park Graz 2;
- Portugal: two buildings in VGP Park Loures.

#### *Joint Ventures' portfolio*

On behalf of the Joint Ventures, VGP is constructing 9 new buildings totalling 313,000 m<sup>2</sup> of lettable area representing EUR 26.9 million of annualised leases:

- Spain: one building in VGP Park San Fernando de Henares;
- Germany: six buildings in VGP Park München;
- The Netherlands: one building in VGP Park Nijmegen and one building in VGP Park Roosendaal.

## **5.2 Land bank**

During the first half of 2022, VGP continued to acquire new land plots to support the future development pipeline. As at 30 June 2022, VGP had already acquired 1,547,000 m<sup>2</sup> of new development land with a future development potential of ca. 1,093,000 m<sup>2</sup> of lettable area. Of these land plots, 298,000 m<sup>2</sup> (19%) is located in Germany, 352,000 m<sup>2</sup> (23%)<sup>1</sup> is located in Hungary, 175,000 m<sup>2</sup> (11%) is located in the Netherlands, 162,000 m<sup>2</sup> (10%) is located in France, 189,000 m<sup>2</sup> (12%) is located in Austria, 128,000 m<sup>2</sup> (8%) is located in Spain, 90,000 m<sup>2</sup> (6%) is located in Croatia, 69,000 m<sup>2</sup> (4%) is located in Italy, 58,000 m<sup>2</sup> (4%) is located in the Czech Republic and 26,000 m<sup>2</sup> (2%) is located in Portugal.

Besides this, VGP had another 3,250,000 m<sup>2</sup> of new committed plots of land as at 30 June 2022, which are located in Germany, the Czech Republic, Slovakia, Romania, Hungary, Italy, Portugal and France. These land plots allow for the development of ca. 1,480,000 m<sup>2</sup> of new projects. It is expected that these remaining land plots will be acquired, subject to permits, during the next 6 to 18 months.

As a result, VGP (own portfolio) has a remaining secured development land bank of 10,000,000 m<sup>2</sup> as at 30 June 2022, of which 68% or 6,751,000 m<sup>2</sup>. This secured land bank allows VGP to develop – in addition to the current completed projects and projects under construction (totalling 1,986,000 m<sup>2</sup>) – a further 4,471,000 m<sup>2</sup> of lettable area of which 810,000 m<sup>2</sup> (18.1%) in Germany, 220,000 m<sup>2</sup> (4.9%) in the Czech Republic, 373,000 m<sup>2</sup> (8.3%) in Spain, 133,000 m<sup>2</sup> (3.0%) in the Netherlands, 14,000 m<sup>2</sup> (0.3%) in Latvia, 557,000 m<sup>2</sup> (12.5%) in Slovakia, 753,000 m<sup>2</sup> (16.8%) in Romania, 334,000 m<sup>2</sup> (7.5%) in Hungary, 316,000 m<sup>2</sup> (7.1%) in Italy, 138,000 m<sup>2</sup> (3.1%) in Austria, 149,000 m<sup>2</sup> (3.3%) in Portugal, 487,000 m<sup>2</sup> (10.9%) in Serbia, 149,000 m<sup>2</sup> (3.3%) in France, and 38,000 m<sup>2</sup> (0.9%) in Croatia.

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<sup>1</sup> Including 192,000 m<sup>2</sup> from the Nürnberg site in Germany

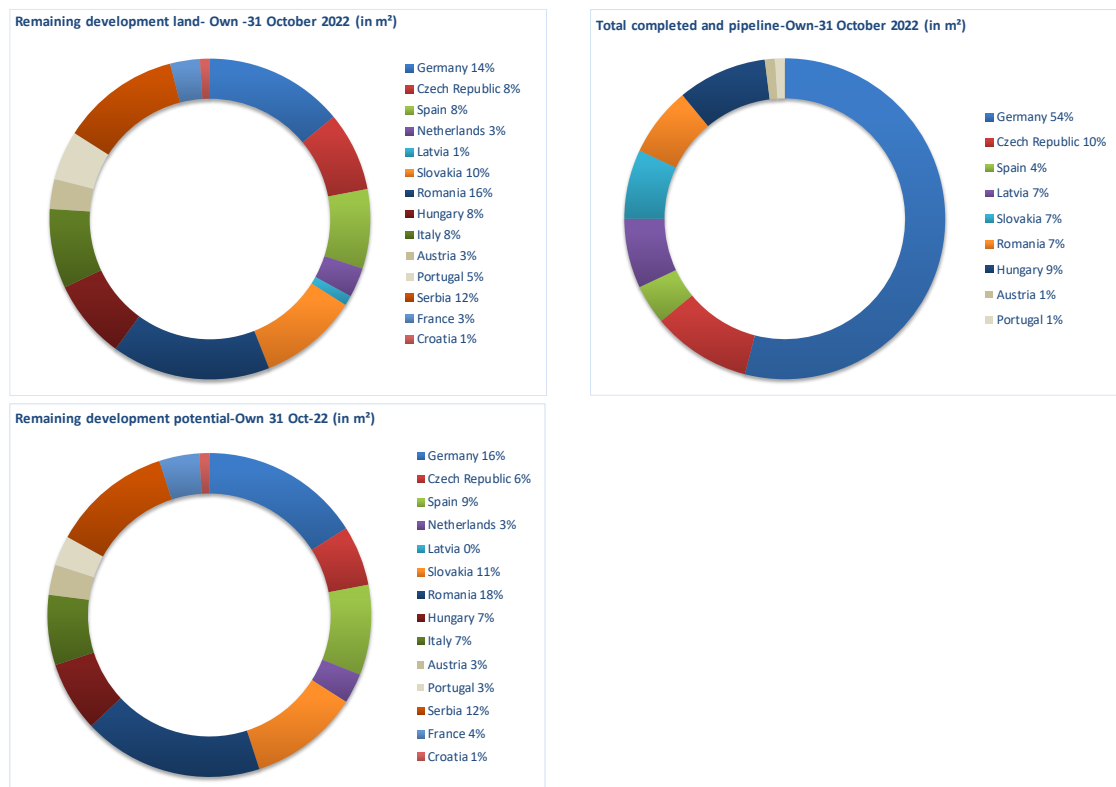
During the second half of 2022, VGP expanded its land bank further and as at 31 October 2022, the Group (including the Joint Ventures at 100%) has a remaining development land bank of 8,164,000 m<sup>2</sup>(of which 1,307,000 m<sup>2</sup> held by the Joint Ventures) which allows the Group to develop ca. 3,680,000 m<sup>2</sup> of future lettable area (of which 622,000 m<sup>2</sup> on behalf of the Joint Ventures). In addition, the Group has another 2,519,000 m<sup>2</sup> of secured land plots which are expected to be purchased during the next 6 to 18 months, subject to obtaining the necessary permits. This brings the remaining total owned and committed land bank for development as at 31 October 2022 to 10,683,000 m<sup>2</sup>, which represents a remaining development potential of ca. 4,812,000 m<sup>2</sup> of which 735,000 m<sup>2</sup> (15%) in Germany, 706,000 m<sup>2</sup> (15%) in Romania, 639,000 m<sup>2</sup> (13%) in the Netherlands, 464,000 m<sup>2</sup> (10%) in the Slovak Republic, 487,000 m<sup>2</sup> (10%) in Serbia, 422,000 m<sup>2</sup> (9%) in Spain, 323,000 m<sup>2</sup> (6%) in Hungary, 316,000 m<sup>2</sup> (7%) in Italy, 263,000 m<sup>2</sup> (5%) in the Czech Republic, 138,000 m<sup>2</sup> (3%) in Austria, 149,000 m<sup>2</sup> (3%) in France, 120,000 m<sup>2</sup> (2%) in Portugal, 38,000 m<sup>2</sup> (1%) in Croatia and the remaining balance of 14,000 m<sup>2</sup> in Latvia.

Besides the abovementioned owned and committed land bank, as at 31 October 2022, VGP has signed non-binding agreements and is currently performing due diligence investigations, on an exclusive basis, on the potential acquisitions of in total ca. 484,000 m<sup>2</sup> of new land plots located in Italy, Spain, the Czech Republic, Portugal and Hungary. These land plots have a development potential of approximately 238,000 m<sup>2</sup>. The majority of these land plots are expected to be secured during the next 18 months.

*Summary of development potential*

The following charts contain a summary of the development potential of the Group’s and the Joint Ventures’ current secured land bank as at 31 October 2022. The assessment of the development potential is based on the development of similar projects.

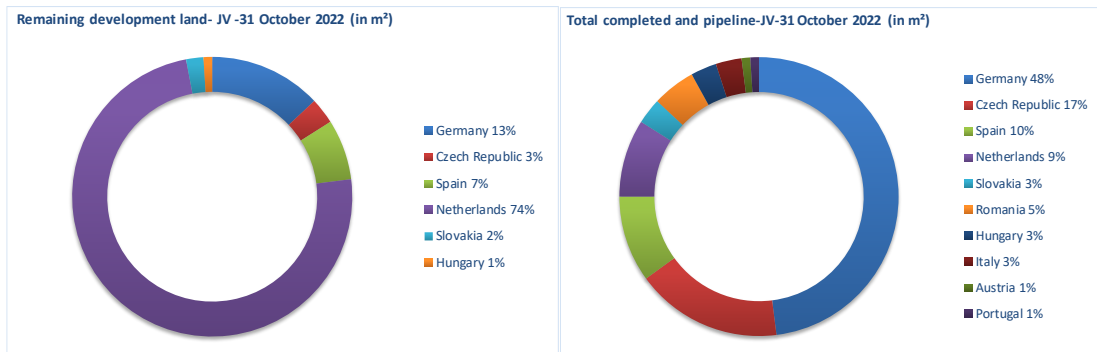
**Development potential of own portfolio**



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 logistics projects.

### Development potential of Joint Venture



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 logistics projects.

### 5.3 No material adverse change in prospects

There has been no material adverse change in the prospects of the Issuer since 30 June 2022.

### 5.4 No significant change in financial performance or financial position

There has been no significant change in the financial performance or the financial position of the Group since 30 June 2022.

## 6 Governmental, Legal and Arbitration Proceedings

There were no governmental, legal or arbitration proceedings (including any such proceedings which were pending or threatened of which the Issuer was aware) during the 12 months preceding the date of this Prospectus, which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability.



## PART IX: FINANCIAL INFORMATION

Selected consolidated financial information (in thousands of EUR) as at 31 December 2020, 31 December 2021, 30 June 2021 and 30 June 2022 is included below. The 2021 and 2022 half-year results have been subject to a limited review, but have not been audited. For more detailed information, please refer to the 2021 Financial Statements and 2020 Financial Statements and the press releases regarding the half year results for the period ending on 30 June 2021 and 30 June 2022, which are incorporated by reference into this Prospectus.

Given the interdependencies between the Issuer and the Joint Ventures (which are accounted for on an equity basis within the VGP Group), the selected financial information is also provided separately for the Joint Ventures. For key proportionally consolidated financial statement information (in which the Joint Ventures are not consolidated using the equity method but using the pro rata method), please refer to the summary of this Prospectus, 2021 Financial Statements and 2020 Financial Statements and the press releases regarding the half-year results for the period ending on 30 June 2021 and 30 June 2022, which are incorporated by reference into this Prospectus.

(in '000 EUR)	Year Ended		Six-Months Ended	
	31-Dec-20	31-Dec-21	30-Jun-21	30-Jun-22
<b>KEY CONSOLIDATED FINANCIAL STATEMENT INFORMATION</b>				
<b>VGP Group</b>				
<b>INCOME STATEMENT</b>				
Gross rental income	12,078	17,618	7,113	19,129
Property operating expenses	(3,784)	(2,219)	(1,071)	(2,028)
<b>Net rental and related income</b>	<b>8,294</b>	<b>15,399</b>	<b>6,042</b>	<b>17,101</b>
Joint Ventures' management fee income	14,699	21,303	8,547	9,931
Net valuation gains / (losses) on investment property	366,361	610,261	163,247	155,914
Administration expenses	(29,296)	(52,112)	(20,290)	(20,801)
Share in result of associates and joint ventures <sup>(1)</sup>	63,338	186,703	84,414	31,383
Other expenses	(4,000)	(5,000)	(2,000)	(3,000)
<b>Operating result</b>	<b>419,396</b>	<b>776,554</b>	<b>239,960</b>	<b>190,528</b>
Net financial result	(8,592)	(12,654)	(6,162)	(14,266)
<b>Profit before taxes</b>	<b>410,804</b>	<b>763,900</b>	<b>233,798</b>	<b>176,262</b>
Taxes	(39,865)	(113,845)	(30,001)	(23,124)
<b>Profit for the period</b>	<b>370,939</b>	<b>650,055</b>	<b>203,797</b>	<b>153,138</b>
<b>BALANCE SHEET</b>				
Investment properties	920,151	1,852,514	1,263,755	2,403,174
Investments in joint ventures and associates <sup>(2)</sup>	654,773	858,116	752,253	965,193
Other non-current receivables	264,038	264,905	314,065	332,310
Other non-current assets	19,287	35,140	26,589	58,537
<b>Total non-current assets</b>	<b>1,858,249</b>	<b>3,010,675</b>	<b>2,356,662</b>	<b>3,759,214</b>
Trade and other receivables	44,828	148,022	52,278	169,267
Cash and cash equivalents	222,356	222,160	469,195	648,499

1 represents VGP's share in the profit for the period of the joint ventures and associates.

2 represents VGP's share in the net assets of the joint ventures and associates.

Disposal group held for sale	102,309	501,882	109,003	292,989
<b>Total current assets</b>	<b>369,493</b>	<b>872,064</b>	<b>630,476</b>	<b>1,110,755</b>
<b>Total Assets</b>	<b>2,227,742</b>	<b>3,882,739</b>	<b>2,987,138</b>	<b>4,869,969</b>
<b>Total shareholders' equity</b>	<b>1,305,737</b>	<b>2,175,565</b>	<b>1,434,406</b>	<b>2,179,146</b>
Total non-current liabilities	803,070	1,485,363	1,424,490	2,351,397
Total Current Liabilities	118,935	221,811	128,242	339,426
<b>Total Liabilities</b>	<b>922,005</b>	<b>1,707,174</b>	<b>1,552,732</b>	<b>2,690,823</b>
<b>Total shareholders' equity and liabilities</b>	<b>2,227,742</b>	<b>3,882,739</b>	<b>2,987,138</b>	<b>4,869,969</b>
<b><u>CASH FLOW STATEMENT</u></b>				
Cash flow from operating activities	(52,168)	(87,473)	(26,961)	(60,767)
Cash flow from investing activities	(134,530)	(720,423)	(243,812)	(338,384)
Cash flows from financing activities	233,584	812,589	518,354	822,592

*Joint Ventures and associates (at 100%)*

<b><u>INCOME STATEMENT</u></b>				
Gross rental Income	98,430	118,605	58,004	64,900
Property operating expenses	(9,753)	(13,585)	(5,683)	(7,338)
<b>Net rental and related income</b>	<b>88,676</b>	<b>105,020</b>	<b>52,321</b>	<b>57,562</b>
Net valuation gains / (losses) on investment property	88,250	351,213	158,288	27,712
Administration expenses	(2,112)	(1,910)	(1,070)	(1,206)
<b>Operating result</b>	<b>174,814</b>	<b>454,323</b>	<b>209,539</b>	<b>84,068</b>
Net financial result	(33,787)	(29,116)	(15,386)	(14,790)
<b>Profit before taxes</b>	<b>141,027</b>	<b>425,207</b>	<b>194,154</b>	<b>69,278</b>
Taxes	(23,968)	(73,854)	(35,491)	(10,314)
<b>Profit for the period</b>	<b>117,060</b>	<b>351,352</b>	<b>158,662</b>	<b>58,964</b>
<b><u>BALANCE SHEET</u></b>				
Investment properties <sup>5</sup>	2,750,382	3,324,114	3,029,346	3,755,384
Other non-current assets	466,000	3,701	345,000	5,738
<b>Total non-current assets</b>	<b>2,750,848</b>	<b>3,327,815</b>	<b>3,029,691</b>	<b>3,761,122</b>
Trade and other receivables	28,004	25,468	28,684	45,122
Cash and cash equivalents	88,391	96,050	111,213	147,100
<b>Total current assets</b>	<b>116,395</b>	<b>121,518</b>	<b>139,897</b>	<b>192,222</b>
<b>Total Assets</b>	<b>2,867,244</b>	<b>3,449,333</b>	<b>3,169,588</b>	<b>3,953,344</b>
Total non-current liabilities <sup>5</sup>	1,545,105	1,718,714	1,656,659	1,999,638
Total Current Liabilities	74,995	100,392	83,211	113,122
<b>Total Liabilities</b>	<b>1,620,100</b>	<b>1,819,106</b>	<b>1,739,871</b>	<b>2,112,760</b>
<b>Net assets</b>	<b>1,247,144</b>	<b>1,630,227</b>	<b>1,429,717</b>	<b>1,840,584</b>
<b><u>CASH FLOW STATEMENT</u></b>				
Cash flow from operating activities	81,309	107,262	53,025	47,307
Cash flow from investing activities	(101,320)	(133,737)	(65,607)	(106,461)
Cash flows from financing activities	1,620	34,000	36,320	111,064

## KEY ALTERNATIVE PERFORMANCE MEASURES ("APMS")

<b>VGP Group</b>				
Net debt <sup>(1)</sup>	560,908	1,158,839	909,472	1,712,445
Gearing ratio (net debt on shareholder's equity and liabilities) <sup>(1)(3)</sup>	25.2%	29.8%	30.4%	35.2%
Annualised Committed Leases <sup>(2)(4)</sup>	41,713	104,929	57,910	108,393
Total lettable area (m <sup>2</sup> ) <sup>(2)</sup>	205,069	765,783	232,486	803,738
Occupancy rate % <sup>(2)</sup>	100.0%	99.3%	100.0%	97.2%
Fair value of property portfolio <sup>(1)(5)</sup>	920,151	2,200,119	1,263,755	2,425,109
<b>Joint Ventures and associates (at 100%)</b>				
Net debt <sup>(1)</sup>	1,298,700	1,390,495	1,353,016	1,596,912
Aggregate Loan to Value <sup>(2)(6)</sup>	50.4%	44.7%	48.3%	46.3%
Annualised Committed Leases <sup>(2)(4)</sup>	143,472	151,139	147,830	172,685
Total lettable area (m <sup>2</sup> ) <sup>2</sup>	2,236,306	2,326,149	2,288,315	1,493,000
Occupancy rate % <sup>(2)</sup>	98.4%	99.4%	99.3%	99.4%
Fair value of property portfolio <sup>(2)(5)</sup>	2,922,563	3,545,582	3,216,911	4,109,278

<sup>1</sup> Audited figures.

<sup>2</sup> Non-audited figures.

<sup>3</sup> In relation to 2020 and 2021, the calculation of net debt is set out in note 23.6 (Capital Management) to the consolidated annual accounts relating to financial year 2021. In relation to the six months' periods ended on 30 June 2021 and 30 June 2022, the calculation of net debt is set out in note 14 (Capital Management) of the press release relating to the half year results as at 30 June 2022.

<sup>4</sup> This includes all annualised rental income generated or to be generated by executed lease agreements and future lease agreements (i.e. lease agreements that have been executed for a building which has not yet been executed; once the building is delivered, the future lease agreement is replaced with an ordinary lease agreement).

<sup>5</sup> The fair value of the own portfolio excludes the development land and assets under constructions which were transferred to the First and Second Joint Venture during the previous closings. The fair value of the First and Second Joint Venture portfolio includes the development land and assets under constructions which were transferred to the First and Second Joint Venture during previous closings, at their respective fair value. As the full development risk in respect of this transferred development land and assets under construction remains with VGP these assets are included in VGP's own balance sheet under Disposal group held for sale for an amount of EUR 102.3 million (as at 31 December 2020), EUR 136.8 million (as at 30 December 2021), EUR 109.3 million (as at 30 June 2021) and EUR 268.2 million (as at 30 June 2022).

<sup>6</sup> Aggregate Loan to Value is the ratio calculated as the total outstanding financial debt including the shareholders loans granted by Allianz and VGP to the Joint Ventures and the 5.1% direct interest of the Group in the German asset companies of the Joint Ventures but excluding the development and construction loans granted by VGP to the Joint Ventures divided by the fair market value of the investment properties acquired by the Joint Ventures (including the 5.1% direct interest of the Group in the German asset companies of the Joint Ventures) as at the respective reporting dates.

## AGGREGATE LOAN TO VALUE OF THE JOINT VENTURES – RECONCILIATION

(in '000 EUR)	Year Ended		Six-Months Ended	
	31 Dec-20	31 Dec-21	30 Jun-21	30 Jun-22
<b>Aggregate Loan to Value<sup>(1)</sup></b>				
Investment properties at 100% <sup>(1)</sup>	2,750,382	3,324,114	3,029,346	3,755,384
Investment properties at 5.1% (minorities) <sup>(2)</sup>	69,871	84,713	78,561	85,723
<b>Total investment properties (incl. 5.1% minorities) (1)</b>	<b>2,820,253</b>	<b>3,408,827</b>	<b>3,107,907</b>	<b>3,841,107</b>
Non-current and current financial debt at 100% <sup>(1)</sup>	1,387,091	1,486,546	1,464,229	1,744,012
Non-current and current financial debt at 5.1% (minorities) <sup>(2)</sup>	35,282	36,069	37,628	35,800
<b>Total financial debt (incl. minorities) (2)</b>	<b>1,422,373</b>	<b>1,522,615</b>	<b>1,501,857</b>	<b>1,779,812</b>
<b>Aggregate Loan to Value (= (2):(1))</b>	<b>50.4%</b>	<b>44.7%</b>	<b>48.3%</b>	<b>46.3%</b>

<sup>(1)</sup> Audited figures.

<sup>(2)</sup> Non-audited figures; relates to the 5.1% direct interest of the Group in the German asset companies of the Joint Ventures.

## KEY PROPORTIONALLY CONSOLIDATED FINANCIAL STATEMENT INFORMATION (not audited)

The table below includes the (not audited) proportional consolidated income statement interest of the Group in the joint ventures and associates. The interest held directly by the Group (5.1%) in the German asset companies of the First Joint Venture has been included (share of VGP).

(in '000 EUR)	Year Ended		Six-Months Ended	
	31 Dec-20	31 Dec-21	30 Jun-21	30 Jun-22
<b><u>INCOME STATEMENT</u></b>				
Gross rental income	64,173	80,053	37,646	53,209
Property operating expenses	(8,917)	(9,335)	(5,674)	(5,850)
<b>Net rental and related income</b>	<b>55,256</b>	<b>70,718</b>	<b>31,972</b>	<b>47,359</b>
Joint Ventures' management fee income	14,699	21,303	8,547	9,931
Net valuation gains / (losses) on investment property	414,433	796,931	247,398	170,926
Administration expenses	(30,388)	(53,107)	(19,196)	(21,424)
Other expenses	(4,000)	(5,000)	(2,000)	(3,000)
<b>Operating result</b>	<b>450,000</b>	<b>830,845</b>	<b>266,721</b>	<b>203,792</b>
Net financial result	(26,344)	(27,996)	(14,251)	(22,042)
Taxes	(52,718)	(152,794)	(48,673)	(28,612)
<b>Profit for the period (Share in result of associates and joint ventures)</b>	<b>370,938</b>	<b>650,055</b>	<b>203,797</b>	<b>153,138</b>
<b><u>BALANCE SHEET</u></b>				
Investment properties	2,467,522	4,083,644	2,965,992	4,656,032
Other non-current assets	283,575	301,901	340,836	393,716
<b>Total non-current assets</b>	<b>2,751,097</b>	<b>4,385,544</b>	<b>3,306,828</b>	<b>5,049,748</b>
Trade and other receivables	59,279	161,151	67,011	192,245
Cash and cash equivalents	268,496	272,022	527,662	724,745
Disposal group held for sale	0	17,517	0	3,546
<b>Total current assets</b>	<b>327,775</b>	<b>450,689</b>	<b>594,673</b>	<b>920,536</b>
<b>Total Assets</b>	<b>3,078,872</b>	<b>4,836,234</b>	<b>3,901,501</b>	<b>5,970,284</b>
Total current and non-current financial liabilities	1,512,091	2,164,098	2,148,409	3,269,558
Total non-current liabilities	151,630	282,620	197,887	318,945
Total Current Liabilities	109,419	213,952	120,799	202,635
Total Liabilities	1,773,140	2,660,669	2,467,095	3,791,138
<b>Total net assets (Investments in joint ventures and associates)</b>	<b>1,305,732</b>	<b>2,175,565</b>	<b>1,434,406</b>	<b>2,179,146</b>

## POST BALANCE SHEET DATE EVENTS

There has been no significant change in the financial or trading position of the Issuer since 30 June 2022. The following events took place since 30 June 2022:

- 28 projects delivered during the year representing 576,000 m<sup>2</sup>, or EUR 31 million in additional annual rent (of which 11 projects totalling 240,000 m<sup>2</sup> delivered during the second half of 2022) and a further 460,00 m<sup>2</sup> estimated for delivery in the remainder of 2022.
- 1,925,000 m<sup>2</sup> of new development land acquired during the year (of which 378,000 m<sup>2</sup> during the second half of 2022) and 696,000 m<sup>2</sup> of development land deployed during the year to support the new developments started up during the year. Total secured development land bank stand at 10,683,000 m<sup>2</sup> at 31 October 2022, representing a development potential of ca. 5 million m<sup>2</sup>.
- EUR 53.1 million of new and renewed leases signed year-to-date (of which EUR 21.3 million in the second half of 2022) bringing the annualised committed leases for the year to date to EUR 291.0 million<sup>1</sup>.
- On 1 July 2022, two additional closings occurred, one with the First Joint Venture and one with the Second Joint Venture, for an aggregate gross asset value of EUR 105 million and with aggregate gross cash proceeds for VGP for an amount of EUR 82 million.
- Second closing of VGP Park München joint venture with Allianz Real Estate on track for December 2022 with proceeds of ca. EUR 70 million to be expected.
- Additional closing with the First Joint Venture expected in the first quarter of 2023 for a total gross asset value of more than EUR 100 million. The transaction is currently under due diligence.
- Profit distribution from the Joint Ventures since 30 June 2022 totals EUR 22.7 million, with a further ca. EUR 30 million profit distribution to be received during November 2022.

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<sup>1</sup> Including Joint Ventures at 100%. As at 31 October 2022, the annualised committed leases of the Joint Ventures stood at EUR 174.5 million (compared to EUR 151.1 million as at 31 December 2021).

## PART X: DIVIDENDS AND DIVIDEND POLICY

### 1 Dividends

All Shares participate equally in the Issuer's profits, if any. In general, the Issuer may only pay dividends with the approval of the General Meeting of Shareholders of the Issuer, although pursuant to the Articles of Association, the Board of Directors may declare interim dividends without Shareholder approval. The right to pay such interim dividends is, however, subject to certain legal restrictions. The maximum amount of dividend that can be paid is determined by reference to the Issuer's stand-alone statutory accounts prepared in accordance with Belgian GAAP.

In addition, under Belgian law and the Articles of Association, before it can pay dividends, the Issuer must allocate an amount of 5% of its Belgian GAAP annual net profit (*nettowinst/bénéfices nets*) to a legal reserve in its stand-alone statutory accounts until the reserve equals 10% of the Issuer's share capital. The Issuer currently complies with this requirement. However, if the Offering is successful and the Issuer's share capital is increased, the Issuer may no longer comply with this requirement. Accordingly, 5% of the Issuer's Belgian GAAP annual net profit during certain future years would need to be allocated to the legal reserve, limiting the Issuer's ability to pay out dividends to its Shareholders.

### 2 Dividend Policy

The Issuer reconfirms the formal dividend policy which was adopted by the Board of Directors at the end of August 2017. As a result, as from 2018 (with respect to the results from the financial year 2017) onwards and subject to (i) the availability of sufficient distributable reserves; (ii) available cash generated from distributions by the Joint Ventures; (iii) free cash generated from the divestment cycles of income generating assets to the Joint Ventures; and (iv) Shareholder approval, the Issuer targets an annual distribution between 40% and 60% of its net profit for the year based on its consolidated IFRS financial statements. The exact percentage of the distribution may depend on the circumstances at the time, and in particular on developments as regards the growth plans and the resources available to finance such distributions.

The amount of any dividends and the determination of whether to pay dividends in any year may be affected by a number of factors, including the Issuer's business prospects, cash requirements, including related to any material external growth opportunities, and financial performance, the condition of the market and the general economic climate and other factors, including tax and other regulatory considerations. As a consequence of these factors, there can be no assurance as to whether dividends or similar payments will be paid in the future or, if they are paid, their amount.

The table below sets forth the historical evolution of the dividends declared or distributed by the Issuer over the past five financial years:

<b>Financial year</b>	<b>Gross amount (in EUR)</b>	<b>Amount per Share (in EUR)</b>	<b>Total Number of Shares</b>
2021	149,556,392.50	6,85	21,833,050
2020	75,128,132.50	3,65	20,583,050
2019	60,394,912.50	2,93	20,583,050
2018	40,882,710.00	2,20	18,583,050
2017	35,307,795.00	1,90	18,583,050

## PART XI: MANAGEMENT AND CORPORATE GOVERNANCE

### 1 Board of Directors

In accordance with Article 14 of the Articles of Association of the Issuer and paragraph 2 of annex 1 to the VGP Charter, the Board of Directors is composed of at least three members, who need not be Shareholders. The majority of the directors must be non-executive directors and at least three of them must be independent within the meaning of Article 7:87 §1 of the Belgian Code of Companies and Associations and based on the criteria of independence drawn up by the Board of Directors and set forth in paragraph 3 of annex 1 to the VGP Charter.

The directors are appointed for a term of no more than four years by the General Meeting of Shareholders and may be re-elected.

Gender diversity and diversity in general, as well as complementary skills, experience and knowledge must be given due consideration in the composition of the Board of Directors. The Board of Directors is aware of the importance of diversity in the composition of the Board of Directors in general and of gender diversity in particular. The composition of the Board of Directors is currently in compliance with the gender diversity rules as set forth in Article 7:86 of the Belgian Code of Companies and Associations.

#### *Current composition*

Name	Function	Appointment	End of term
Bart Van Malderen <sup>(1)</sup>	Chairman	2021	2025
	Non-executive director		
Jan Van Geet <sup>(2)</sup>	CEO	2021	2025
	Executive director		
Ann Gaeremynck <sup>(3)</sup>	Independent director	2019	2023
Katherina Reiche	Independent director	2019	2023
Vera Gäde Butzlaff	Independent director	2019	2023

(1) As permanent representative of VM Invest NV.

(2) As permanent representative of Jan Van Geet s.r.o.

(3) As permanent representative of Gaevan BV.

#### *General information on the directors*

The members of the Board of Directors or their permanent representatives hold or, during the previous 5 years held, the following other mandates:

Name	Principal outside interests as at the date of this Prospectus	Past outside interests
Bart Van Malderen <sup>(1)</sup>	Managing director Drylock Technologies NV, VM Invest NV, director Lvm & Family NV, Vynka Plus Ru Comm. VA, Vadebo France NV, PVM Invest Lux SA, VM Invest Arras S.à r.l., VM Invest Peninsular SL, VM Invest CZ s.r.o., Hastal Apartments s.r.o., Lillydoo GmbH, deputy chairman Family PVM VZW	Not applicable
Jan Van Geet <sup>(2)</sup>	Director Little Rock SA, director Alsgard SA, statutory manager Tomanvi SCA, director VGP Foundation PS, director Hutstuf Holding BV <sup>(4)</sup>	Not applicable
Ann Gaeremynck <sup>(3)</sup>	Director and member of audit committee of Retail Estates NV, Independent Director and member of the board of directors and remuneration committee of Retail Estates, director and chair of the audit committee of Vives Hogeschool, Independent Director of the board of directors of VIVES Hogeschool	Independent director of the audit committee of AZ Delta Roeselare Independent director of board of directors of ICCI (Information Center for Auditing)

Katherina Reiche	Chairwoman of the Management Board of Westenergie AG and chairwoman of the National Hydrogen Council of the Federal Ministry for Economic Affairs and Energy	Chief Executive Officer and Managing Member of the Executive Committee, German Association of Local Public Utilities (VKU)
Vera Gäde Butzlaff	Supervisory board member of Berliner Volksbank, Chairwoman of the Bürgerstiftung Berlin, member of the Supervisory Board of Dussmann Stiftung & Co. KGaA, member of the Supervisory Board of CG Elementum (part of the Gröner Group) and member of the Supervisory Board from Hertha BSC GmbH & Co. KGaA	CEO and Director of the board of directors of GASAG AG (Berlin) Head of Supervisory Board Vivantes, Network for Health, GmbH, Berlin Member of the Supervisory board Nehlsen AG

(1) Either directly or as permanent representative of VM Invest NV.

(2) Either directly or as permanent representative of Jan Van Geet s.r.o.

(3) Either directly or as permanent representative of Gaevan BV.

(4) Indirectly through Alsgard SA.

The following paragraphs contain brief biographies of each of the directors.

**Bart Van Malderen** founded Drylock Technologies in 2012. Drylock Technologies is a hygienic disposable products manufacturer which introduced the revolutionary fluffless 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** is the founder and CEO of VGP. He has overall daily as well as strategic management responsibilities of the Group. He started in the Czech Republic in 1993 and was manager of Ontex in Turnov, a producer of hygienic disposables. Until 2005, he was also managing director of WDP Czech Republic.

**Ann Gaeremynck** is full professor of Accounting and Governance at the KU Leuven, 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 KU Leuven. In the past she fulfilled a position as an external member of the Audit Committee at the hospital AZ Delta.

**Katherina Reiche** is Chairwoman 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** 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.



The Issuer's business address serves as the choice of residence of each of the directors.

Each of the members of the Board of Directors declared that they have not been involved in (i) any convictions in relation to fraudulent offenses during the past five years, (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorship or partner or senior management positions during the past five years, or (iii) any official public incrimination and/or sanctions of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer during the past five years.

None of the directors has a potential conflict of interest between his duties to the Issuer and his private interests and/or any other duties he may have, except for the (potential) conflicts of interest set out in section 6 of this Part XI, or under Part XII (*Major Shareholders and Related Party Transactions*).

No member of the Board of Directors has a family relationship with any other member of the Board of Directors or member of the executive management, except for Jan Van Geet, Piet Van Geet and Tomas Van Geet, who are brothers.

## 2 Board Committees

### 2.1 Audit Committee

The audit committee of the Issuer (the **Audit Committee**) supervises the integrity of the financial information provided by the Issuer and is responsible for the tasks set forth in paragraph 2 of annex 3 to the VGP Charter.

The Audit Committee consists of at least three directors. The members of the Audit Committee must be non-executive directors, with a majority of independent directors. At least one of them must have accounting and auditing experience.

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

#### *Current composition*

<b>Name</b>	<b>End of term</b>
Ann Gaeremynck <sup>(1)</sup> (Chairwoman)	2023
Vera Gäde Butzlaff	2023
Bart Van Malderen <sup>(2)</sup>	2025

(1) As permanent representative of Gaevan BV.

(2) As permanent representative of VM Invest NV.

### 2.2 Remuneration Committee

The remuneration committee of the Issuer (the **Remuneration Committee**) is responsible for the tasks set forth in paragraph 2 of annex 2 to the VGP Charter.

The Remuneration Committee consists of at least three directors. The members of the Remuneration Committee must be non-executive directors, with a majority of independent directors.

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.

### *Current composition*

<b>Name</b>	<b>End of term</b>
Bart Van Malderen <sup>(1)</sup> (Chairman)	2025
Ann Gaeremynck <sup>(2)</sup>	2023
Katherina Reiche	2023

(1) As permanent representative of VM Invest NV.

(2) As permanent representative of Gaevan BV.

## **2.3 Nomination Committee**

The Issuer has not set up a nomination committee. By doing so, the Issuer, as a smaller listed company (in terms of employees) deviates from the recommendation in provision 4.19 and further of the Corporate Governance Code. Given its relatively small size and the small size of its Board of Directors, the Issuer believes setting up a nomination committee would at this stage overly complicate its decision-making processes.

## **2.4 Executive Management**

### *Management Committee*

The Board of Directors has established an informal management committee, chaired by the CEO. The tasks, responsibilities and powers of the CEO and the executive management are set out in the terms of reference of the Board of Directors, as set forth in paragraph 19 of annex 1 to the VGP Charter.

### *Executive Management*

The executive management is composed of the following members:

Jan Van Geet <sup>(1)</sup>	-	Chief Executive Officer ( <b>CEO</b> );
Piet Van Geet <sup>(2)</sup>	-	Chief Financial Officer ( <b>CFO</b> ) <sup>(8)</sup> ;
Tomas Van Geet <sup>(3)</sup>	-	Chief Commercial Officer;
Miquel-David Martinez	-	Chief Technical Officer;
Matthias Sander <sup>(4)</sup>	-	Chief Operating Officer – Eastern Europe;
Jonathan Watkins <sup>(5)</sup>	-	Chief Operating Officer – Western Europe;
Martijn Vlutters <sup>(6)</sup>	-	Vice President – Business Development & Investor Relations; and
Dirk Stoop <sup>(7)</sup>	-	Company Secretary <sup>(9)</sup> .

(1) As permanent representative of Jan Van Geet s.r.o.

(2) As permanent representative of Urraco BV.

(3) As permanent representative of Tomas Van Geet s.r.o.

(4) As permanent representative of Matthias Sander s.r.o.

(5) As permanent representative of HavBo Consulting Ltd.

(6) As permanent representative of MB Vlutters BV.

(7) As permanent representative of Dirk Stoop BV.

(8) As from 10 January 2022.

(9) As from 10 January 2022. Until 10 January 2022 CFO.

### *Long-term incentive plan*

The board of directors has set up a long-term incentive plan (the “LTIP”). The LTIP allocates profit sharing units (“Units”) to the respective VGP team members (i.e. members of the Executive Management Team and designated senior managers). A 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. The total aggregate Units allocated as at 31 December 2021 (after vesting) amounted to 620,911 Units, representing an aggregate net asset value growth of EUR 20.7 million.

*General information on the members of the executive management*

In the five years preceding the date of this Prospectus, the members of the Executive Management have held the following directorships (apart from their directorships of the Issuer) and memberships of administrative, management or supervisory bodies and/or partnerships:

Name	Principal outside interests as at the date of this Prospectus	Past outside interests
Jan Van Geet <sup>(1)</sup>	Executive director Jan Van Geet s.r.o	Not applicable
Piet Van Geet <sup>(2)</sup>	Director Urraco BV, director USSI SA, director Drylock Technologies NV, director Omega Preservation Fund, director Truncus Wealth NV	Not applicable
Tomas Van Geet <sup>(3)</sup>	Executive director Tomas Van Geet	Not applicable
Miquel-David Martinez	Not applicable	Not applicable
Matthias Sander <sup>(4)</sup>	Executive director Matthias Sander	Not applicable
Jonathan Watkins <sup>(5)</sup>	Director Havbo Consulting Limited, director Havbo Consulting BV	Not applicable
Martijn Vlutters <sup>(6)</sup>	Director MB Vlutters BV	Not applicable
Dirk Stoop <sup>(7)</sup>	Director Dirk Stoop BV	Not applicable

(1) As permanent representative of Jan Van Geet s.r.o.

(2) As permanent representative of Urraco BV.

(3) As permanent representative of Tomas Van Geet s.r.o.

(4) As permanent representative of Matthias Sander s.r.o.

(5) As permanent representative of HavBo Consulting Ltd.

(6) As permanent representative of MB Vlutters BV.

(7) As permanent representative of Dirk Stoop BV.

The curriculum vitae of the members of the executive management (except for the CEO – see section 1 above) may be summarised as follows:

**Piet Van Geet** 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 was for 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.

**Tomas Van Geet** 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.

**Miquel-David Martinez** 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.

**Matthias Sander** 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.

**Jonathan Watkins** 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.

**Martijn Vlutters** 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.

**Dirk Stoop** 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.

The Issuer's business address serves as the choice of residence of each of the members of the executive management.

Each of the members of the executive management declared that they have not been involved in (i) any convictions in relation to fraudulent offenses during the past five years, (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorship or partner or senior management positions during the past five years, or (iii) any official public incrimination and/or sanctions of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer during the past five years.

No director has a family relationship with any other director or member of the executive management, except for Jan Van Geet, Piet Van Geet and Tomas Van Geet, who are brothers.

### **3 Evaluation of the Board of Directors and its Committees**

In accordance with its rules of procedure as set forth in paragraph 6 of annex 1 to the VGP Charter, every three years, the Board of Directors conducts an evaluation of its size, composition and performance, and the size, composition and performance of its committees, as well as the interaction with executive management. The Board of Directors and its committees carried out a self-assessment in February 2022 with satisfactory result.

### **4 Auditor**

The Issuer's statutory auditor is Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV, with registered office at Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, Belgium, represented by Mrs Kathleen De Brabander. The statutory auditor is registered with the Belgian *Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*.

## 5 Corporate Governance

In accordance with the recommendations set out by the Belgian Code on Corporate Governance (the **Corporate Governance Code**), the Board of Directors adopted a corporate governance charter (the **VGP Charter**) which is available on the Issuer's website ([www.vgpparks.eu](http://www.vgpparks.eu)).

## 6 Conflicts of Interests

In accordance with article 7:96 of the Belgian Code of 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 Issuer.

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").*

*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."*

## PART XII: MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### 1 Major Shareholders

The Issuer's Shares are listed on Euronext Brussels. Pursuant to Article 6 of the Belgian Law of 2 May 2007 on the disclosure of important participations in listed companies and Article 13 of the Issuer's Articles of Association, the identity of the Shareholders acquiring a participation of 3%, 5% or a multiple of 5% in the Issuer has to be made public.

The table below sets out the ownership of the Issuer's Shares, as indicated on the Issuer's website at the date of this Prospectus:

Shareholders	Number of Shares	% of total Shares	Number of voting rights <sup>(1)</sup>	% of total voting rights
Little Rock SA <sup>(2)</sup>	4,063,999	18.61%	8,127,998	24.26%
Alsgard SA <sup>(2)</sup>	2,409,914	11.04%	4,819,828	14.39%
Tomanvi SCA <sup>(2)</sup>	491,215	2.25%	975,420	2.91%
<b>Sub-total Jan Van Geet Group</b>	<b>6,965,128</b>	<b>31.90%</b>	<b>13,923,246</b>	<b>41.56%</b>
VM Invest NV <sup>(3)</sup>	4,149,171	19.00%	8,298,342	24.77%
Public	10,718,751	49.09%	11,276,194	33.66%
<b>Total</b>	<b>21,833,050</b>	<b>100.00%</b>	<b>33,497,782</b>	<b>100.00%</b>

(1) As at 2 November 2022, on the basis of transparency declarations, information received from the Shareholders or press releases issued by the Issuer in respect of *Voting rights and denominator*, as published on the Issuer's website.

(2) Little Rock SA, Alsgard SA and Tomanvi SCA are companies controlled by Jan Van Geet. Tomas Van Geet (Chief Commercial Officer) also holds an interest through Tomanvi SCA as a limited partner but does not control this company.

(3) VM Invest NV is a company controlled by Bart Van Malderen.

The two main ultimate reference shareholders of the Issuer are therefore (i) Jan Van Geet, who indirectly holds 6,965,128 shares and 41.56% of the voting rights and who is CEO and an executive director and (ii) Bart Van Malderen, who indirectly holds 4,149,171 shares and 24.77% of the voting rights and who is chairman and a non-executive director.

No shareholder exercises *de jure* control over the Issuer within the meaning of article 1:14 of the Belgian Code of Companies and Associations. Jan Van Geet (indirectly) exercised more than 50% of the voting rights that were present or represented at the last and penultimate General Meetings of Shareholders held on 13 May 2022 and 14 May 2021, respectively. As a result, at the date of this Prospectus, Jan Van Geet is presumed to exercise *de facto* control over the Issuer pursuant to article 1:14, §3, second indent of the Belgian Code of Companies and Associations.

### 2 Share Capital

On the date of this Prospectus, the capital of VGP NV amounts to EUR 108,873,366.06 and is fully paid-up. It is represented by 21,833,050 Shares without nominal value.

The extraordinary General Meeting of Shareholders of 8 May 2020 approved the introduction of the double voting right. A double voting right is therefore granted to each share of the Issuer 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.

### **3 Related Party Transactions**

As of the date of the last financial statements, the Issuer has not entered into any related party transactions that materially affect the financial position or results of the Group.

## **PART XIII: DESCRIPTION OF SHARE CAPITAL AND ARTICLES OF ASSOCIATION**

### **1 Corporate object**

Article 3 of the Articles of Association of the Issuer (see [www.vgpparks.eu](http://www.vgpparks.eu)) sets forth that the Issuer has as its object, in Belgium and abroad, exclusively in its own name and for its own account:

- (i) the acquisition through purchase or otherwise, the sale, exchange, improvement, equipment, renovation, encumbering, disposal of, making productive, rent, lease and management of all real estate, and, in general, all real estate transactions;
- (ii) the acquisition of participations in whatever form in commercial, industrial and financial undertakings and companies, Belgian as well as foreign, the management and sale of these participations and the acquisition through participation, subscription, purchase, option or by whatever means of all parts, shares, bonds, values and titles;
- (iii) the representation, management, supervision and liquidation of all companies and undertakings of whatever nature;
- (iv) engineering, development, commercialisation, representation and providing services with regard to movable assets, material, machines and equipment;
- (v) providing services, giving advice, research, preparing and setting up organisation systems, setting up systems for data management and all techniques with regard to technical, administrative, economic and general management of companies.; and
- (vi) acquiring, commercialising or disposing of all patents, trademarks, licenses and intellectual property rights.

In general, it can take all actions to protect its rights and it will perform all transactions that are directly or indirectly in connection with or contribute to the realisation of its object.

It can also hold participations, by means of contribution, subscription or otherwise, in all companies, associations or undertakings that have a similar, analogue or related object, or whose own object it is to promote the Issuer's object. It can provide facilities or guarantee third parties' obligations.

The Issuer can work together with and participate in, directly or indirectly, companies of whatever nature, make any undertakings, grant facilities and loans, guarantee third parties' obligations, mortgage or pledge its assets, including its own commerce. It can do all that is in relation to the abovementioned object or can be beneficial to the realisation of it.

### **2 Share capital and Shares**

#### **2.1 Share capital of the Issuer**

On the date of this Prospectus (as well as at the end of the financial year ended 31 December 2021), the share capital of the Issuer amounts to EUR 108,873,366.06 represented by 21,833,050 Shares without nominal value and each representing an identical fraction of the share capital of the Issuer. The share capital of the Issuer at the date of this Prospectus is fully paid up.

#### **2.2 Form and transferability of the Shares**

All of the Shares are in registered or dematerialised form. A register of registered Shares of the Issuer (which may be held in electronic form) is maintained at the Issuer's registered address. A dematerialised



security is represented by an entry on a personal account of the owner or holder, with a recognised account holder or clearing and settlement institution. Holders of Shares of the Issuer may elect, at any time, to have their registered Shares converted into dematerialised Shares and vice versa, at their own expense.

The Shares (including the New Shares) are freely transferable.

### **2.3 Preferential subscription rights**

The Belgian Code of Companies and Associations and the Articles of Association give Shareholders preferential subscription rights to subscribe on a pro rata basis for any issue of new Shares based on a contribution in cash, convertible bonds or warrants that are exercisable for cash. The statutory preferential subscription rights may be exercised during a period determined by the General Meeting of Shareholders of the Issuer, with a legal minimum of 15 days.

The General Meeting of Shareholders of the Issuer may restrict or cancel the statutory preferential subscription rights for any capital increase or issue of convertible bonds or warrants, subject to the quorum and voting requirements applying to an amendment to the Articles of Association (the presence or representation of at least 50% of the Issuer's share capital and a majority of at least 75% of the votes casted), and subject to special reporting requirements. Shareholders may also authorise the Board of Directors to restrict or cancel the statutory preferential subscription rights for any capital increase or issue of convertible bonds or warrants when issuing securities within the framework of the authorised capital.

### **2.4 Convertible bonds and warrants**

In accordance with article 12 of the Articles of Association, the Issuer may issue (convertible) bonds or warrants either pursuant to a resolution of the General Meeting of Shareholders of the Issuer acting under the conditions necessary for modifying the Articles of Association (the presence or representation of at least 50% of the Issuer's share capital and a majority of at least 75% of the votes casted) or pursuant to a resolution of the Board of Directors acting within the scope of the authorised capital.

At the date of this Prospectus there are no convertible bonds or warrants outstanding.

## **3 Right to attend and vote at the General Meeting of Shareholders**

### **3.1 General Meeting of Shareholders**

The annual General Meeting of Shareholders is held on the second Friday of the month May of each year at 10 a.m., or, if this day is a public holiday, on the first business day thereafter. It takes place at the registered office of the Issuer or at the place designated by the convening notice convening the General Meeting of Shareholders.

Any other (extraordinary or special) General Meeting of Shareholders shall be held on the day, at the hour and in the place designated by the convening notice. They may be held at locations other than the registered office.

The annual, special and extraordinary General Meeting of Shareholders may be convened by the Board of Directors or by the Auditor and must be convened at the request of Shareholders representing one-tenth of the Issuer's share capital.

### **3.2 Notices convening the General Meeting of Shareholders**

Convocations for a general meeting are made on behalf of the Board of Directors either by the chairman of the Board of Directors, by two directors, by a managing director or by the Auditor of the company.

They occur in accordance with article 7:128 the Belgian Code of Companies and Associations.

Holders of registered Shares must receive written notice of the General Meeting of Shareholders by regular mail at least 30 days prior to the meeting. The Issuer must also publish a notice of the meeting in the Belgian State Gazette, in a newspaper with national distribution (except for the annual General Meetings of Shareholders that take place at the location, place, day and hour indicated in the Articles of Association, with an agenda limited to the approval of the annual accounts, the annual reports of the Board of Directors and the Auditor, discharge to be granted to the directors and Auditor, the remuneration report and termination provisions) and in media that can be reasonably considered having effective distribution with the public in the European Economic Area and that is swiftly accessible, and in a non-discriminatory manner. The notices are published at least 30 days prior to the meeting. If a new convocation is required due to lack of quorum and the date of the second meeting was mentioned in the first notice, then, in the absence of new agenda items, notices are published at least 17 days in advance of that second meeting.

As from the publication of the notice, the Issuer shall make the information required by law available on the Issuer's website <https://www.vgpparks.eu> for a period of five years after the relevant General Meeting of Shareholders.

### **3.3 Formalities to attend the General Meeting of Shareholders**

A shareholder wishing to attend and participate in the General Meeting of Shareholders must:

- (i) have the ownership of its Shares recorded in its name, as at midnight Central European Time, on the fourteenth calendar day preceding the date of the meeting either through registration in the Shareholders' register in the case of registered Shares or through book-entry in the accounts of an authorised account holder or clearing institution in the case of dematerialised Shares; and
- (ii) notify the Issuer (or the person designated by the Issuer) by returning a signed original paper form or, if permitted by the Issuer in the notice convening the General Meeting of Shareholders, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), at the latest on the sixth calendar day preceding the day of the meeting, of its intention to participate in the meeting, indicating the number of Shares in respect of which they intend to do so. In addition, the holders of dematerialised Shares must, at the latest on the same day, provide the Issuer (or the person designated by the Issuer), or arrange for the Issuer (or the person designated by the Issuer) to be provided, with an original certificate issued by an authorised account holder or a clearing institution certifying the number of Shares owned on the record date by the relevant shareholder and for which it has notified its intention to participate in the meeting.

Holders of profit sharing certificates, non-voting Shares, bonds, subscription rights or other securities issued by the Issuer, as well as holders of certificates issued with the cooperation of the Issuer and representing securities issued by the latter, may participate in the General Meeting of Shareholders as far as the law or the Articles of Association entitles them to do so and, as the case may be, gives them the right to participate in voting. If they propose to participate, such holders are subject to the same

formalities concerning admission and access, and forms and filing of proxies, as those imposed on the Shareholders.

### **3.4 Voting rights**

Each Share entitles its holder to one vote, subject to the legally and statutorily stipulated exceptions and subject to the double voting right mentioned below.

The extraordinary General Meeting of Shareholders of 8 May 2020 approved the introduction of the double voting right. A double voting right is therefore granted to each share of the Issuer 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 holders of Shares without voting rights, profit sharing certificates without voting rights, convertible bonds, subscription rights or certificates issued with the cooperation of the company may attend the general meeting, although only with an advisory vote.

### **3.5 Voting by proxy**

Any Shareholder with the right to vote may either personally participate in the meeting or give a proxy to another person, who need not be a Shareholder, to represent him or her at the meeting. A Shareholder may designate, for a given meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders. The appointment of a proxy holder may take place in paper form or electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), through a form which shall be made available by the Issuer. The signed original paper or electronic form must be received by the Issuer at the latest on the sixth calendar day preceding the meeting. Any appointment of a proxy holder shall comply with relevant requirements of applicable Belgian law in terms of conflicting interests, record keeping and any other applicable requirements.

### **3.6 Remote voting in relation to the General Meeting of Shareholders**

If permitted by the Issuer in the notice convening the meeting, any Shareholder may vote remotely in relation to the General Meeting of Shareholders, by sending a paper form or by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law). These forms shall be made available by the Issuer. The original signed paper form must be received by the Issuer at the latest on the sixth calendar day preceding the date of the meeting. Voting through the signed electronic form may occur until the last calendar day before the meeting.

The Issuer may also organise a remote vote in relation to the General Meeting of Shareholders through other electronic communication methods, such as, among others, through one or several websites. The Issuer shall specify the practical terms of any such remote vote in the convening notice.

Shareholders voting remotely must, in order for their vote to be taken into account for the calculation of the quorum and voting majority, comply with the admission formalities.

### **3.7 Right to request items to be added to the agenda and ask questions at the General Meeting of Shareholders**

One or more Shareholders that together hold at least 3% of the Issuer's share capital may request for items to be added to the agenda of any convened meeting and submit proposals for resolutions with regard to existing agenda items or new items to be added to the agenda, provided that (i) they prove ownership of such shareholding as at the date of their request and record their Shares representing such shareholding on the record date; and (ii) the additional items on the agenda and/or proposed resolutions have been submitted in writing by these Shareholders to the Board of Directors at the latest on the twenty second day preceding the date of the relevant General Meeting of Shareholders. The shareholding must be proven by a certificate evidencing the registration of the relevant Shares in the share register of the Issuer or by a certificate issued by the authorised account holder or the clearing organisation certifying the book-entry of the relevant number of dematerialised Shares in the name of the relevant Shareholder(s).

If necessary, the Issuer shall publish a revised agenda of the General Meeting of Shareholders, at the latest on the fifteenth day preceding the General Meeting of Shareholders. The right to request that items be added to the agenda or that proposed resolutions in relation to existing agenda items be submitted does not apply in case of a second General Meeting of Shareholders that must be convened because the quorum was not obtained during the first General Meeting of Shareholders.

Within the limits of Article 7:139 of the Belgian Code of Companies and Associations, the Board of Directors and the Auditor answer, during the General Meeting of Shareholders, the questions raised by shareholders. Shareholders can ask questions either during the meeting or in writing, provided that the Issuer receives the written question at the latest on the sixth day preceding the General Meeting of Shareholders.

### **3.8 Quorum and majorities**

In general, there is no attendance quorum requirement for a General Meeting of Shareholders, except as provided for by law in relation to certain decisions. Decisions are taken by a majority of the votes cast, except where the law or the Articles of Association provide for a special majority.

Matters involving special legal quorum and majority requirements include, among others, amendments to the Articles of Association, issues of new Shares, convertible bonds or warrants and decisions regarding mergers and demergers, which require at least 50% of the share capital to be present or represented and a majority of at least 75% of the votes cast. If the quorum is not reached, a second meeting may be convened at which no quorum shall apply. The special majority requirements, however, remain applicable.

## **4 Dividend rights**

All Shares participate equally in the Issuer's profits.

In general, the Issuer may only pay dividends with the approval of the General Meeting of Shareholders, although the Board of Directors may declare interim dividends without Shareholder approval. The right to pay such interim dividends is, however, subject to certain legal restrictions. The maximum amount of the dividend that can be paid is determined by reference to the Issuer's stand-alone statutory accounts prepared in accordance with Belgian GAAP.

Under Belgian Law and the Articles of Association, the Issuer must allocate an amount of 5% of its Belgian GAAP annual net profit (*nettowinst/bénéfices net*) to a legal reserve in its statutory accounts

until the reserve equals 10% of the Issuer's share capital. The Issuer's legal reserve currently complies with this requirement. However, if the Offering is successful and the Issuer's share capital is increased, the Issuer may no longer comply with this requirement. Accordingly, 5% of the Issuer's Belgian GAAP annual net profit during certain future years would need to be allocated to the legal reserve, limiting the Issuer's ability to pay out dividends to its Shareholders.

For more information on the dividend policy of the Issuer see Part X (*Dividends and Dividend Policy*).

## **5 Authorised capital**

The extraordinary General Meeting of Shareholders held on 13 May 2022 has authorised the Board of Directors to increase the capital of the Issuer in one or several times by a total amount not exceeding EUR 108,873,366.06 (excluding issue premium) in aggregate, with the powers as set out in Article 39 of the Articles of Association. This authorisation is valid for a period of five years as of the publication of the resolution of the extraordinary general meeting in the Annexes to the Belgian Official Gazette on 23 May 2022.

If the Issuer's securities become the subject of a public takeover bid, the Board of Directors may use the technique of the authorised capital as defence mechanism if the receipt of the FSMA's announcement of the public takeover bid falls within the term of three years calculated as of 13 May 2022 and insofar as a) the Shares issued pursuant to the capital increase were fully paid up as of their issue; b) the issue price of the Shares issued pursuant to the capital increase does not amount to less than the price of the bid; and c) the number of Shares issued pursuant to the capital increase does not amount to more than one tenth of the Shares issued before the capital increase which represent the capital.

## **6 Liquidation and bankruptcy**

The Issuer may be dissolved by a resolution of the General Meeting of Shareholders passed with (i) a majority of at least 75% of the votes cast, at an extraordinary General Meeting of Shareholders where holders of at least 50% of the share capital is present or represented.

If, as a result of losses incurred, the ratio of the Issuer's net assets (determined in accordance with Belgian legal and accounting rules) to share capital is less than 50%, the Board of Directors must convene a General Meeting of Shareholders within two months of the date upon which the Board of Directors discovered or should have discovered this undercapitalisation. At this General Meeting of Shareholders, the Board of Directors needs to propose either the dissolution or the continuation of the Issuer, in which case the Board of Directors must propose measures to restore the Issuer's financial situation. The Board of Directors must justify its proposals in a special report to the Shareholders. A majority of at least 75% of the votes validly cast at this meeting can decide to dissolve the Issuer, provided that at least 50% of the Issuer's share capital is present or represented at the meeting.

If, as a result of losses incurred, the ratio of the Issuer's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in that event the shareholding representing at least 25% of the votes at this meeting can decide to dissolve the Issuer. If the amount of the Issuer's net assets has dropped below EUR 61,500 (the minimum amount of share capital of a Belgian public limited liability company), any interested party is entitled to request the competent court to dissolve the Issuer. The court can order the Issuer's dissolution or grant a grace period for the Issuer to remedy the situation.

If the Issuer is dissolved for any reason, the liquidation must be carried out by one or more liquidators appointed by the General Meeting of Shareholders and whose appointment has been ratified by the

commercial court. Any balance remaining after discharging all debts, liabilities and liquidation costs shall be equally distributed amongst all the Shareholders.

## **7 Acquisition of own Shares**

In accordance with the Belgian Code of Companies and Associations and the Articles of Association, the Issuer can only acquire its own Shares by virtue of a Shareholders' resolution passed with a majority of at least 75 percent of the votes at a General Meeting of Shareholders where at least 50 percent of the share capital and at least 50 percent of the profit certificates (if any) are present or represented. The prior approval by the Shareholders is not required if the Issuer acquires the Shares to offer them to the Issuer's personnel.

In accordance with the Belgian Code of Companies and Associations, an offer to purchase Shares must be made to all Shareholders under the same conditions. This does not apply to:

- (i) the acquisition of Shares by companies listed on a regulated market and companies whose Shares are admitted to trading on a multilateral trading facility (an "MTF"), provided that the Issuer ensures equal treatment of Shareholders finding themselves in the same circumstances by offering an equivalent price (which is assumed to be the case:
  - (a) if the transaction is executed in the central order book of a regulated market or MTF;  
or
  - (b) if it is not so executed in the central order book of a regulated market or MTF, in case the offered price is lower than or equal to the highest actual independent bid price in the central order book of a regulated market or (if not listed on a regulated market) of the MTF offering the highest liquidity in the share); or
- (ii) the acquisition of Shares that has been unanimously decided by the Shareholders at a meeting where all Shareholders were present or represented.

Shares can only be acquired with funds that would otherwise be available for distribution as a dividend to the Shareholders pursuant to Article 7:212 of the Belgian Code of Companies and Associations.

The Board of Directors is authorised, in accordance with applicable law, to acquire and dispose of the Issuer's own Shares, if such acquisition or disposal is needed for the prevention of impending serious harm to the Issuer, including a public takeover bid on the securities of the Issuer. This authorisation is valid for a period of three years calculated as from 23 May 2022, i.e. the date of publication of the authorisation in the Annexes to the Belgian Official Gazette.

The Board of Directors is authorised, in accordance with applicable law, to acquire a maximum number of Shares which added together does not amount to more than twenty percent (20%) of the issued capital at a price per share which may not be higher than the maximum price permitted by applicable law and which may not be lower than 1 eurocent (EUR 0.01). This authorisation is valid for a period of five years to be calculated as from 23 May 2022, i.e. the date of publication of the authorisation in the Annexes to the Belgian Official Gazette. Moreover, this authorisation also applies to the acquisition of the Issuer's Shares by one of its directly controlled subsidiary companies in accordance with applicable law.

The Board of Directors is authorised to dispose of all own Shares which the company holds at a price which it determines, in accordance with applicable law. This authorisation is valid indefinitely. Moreover,

this authorisation is valid for the disposal of the Issuer's Shares by one of its directly controlled subsidiaries.

The Board of Directors is, in accordance with applicable law, authorised to dispose of acquired Shares of the company by means of an offer to sell directed to one or more persons other than members of the personnel of the Company or one of its Subsidiaries.

## **8 Legislation and jurisdiction**

### **8.1 Notification of significant shareholdings**

Pursuant to the Belgian Law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions (the "**Transparency Law**"), a notification to the Issuer and to the FSMA is required by all natural and legal persons in the following circumstances:

- an acquisition or disposal of voting securities, voting rights or financial instruments that are treated as voting securities;
- the holding of voting securities upon first admission of them to trading on a regulated market;
- the passive reaching of a threshold;
- the reaching of a threshold by persons acting in concert or a change in the nature of an agreement to act in concert;
- where a previous notification concerning the voting securities is updated;
- the acquisition or disposal of the control of an entity that holds the voting securities; and
- where the Issuer introduces additional notification thresholds in the Articles of Association,

in each case where the percentage of voting rights attached to the securities held by such persons reaches, exceeds or falls below the legal threshold, set at 5% of the total voting rights, and 10%, 15%, 20% and so on at intervals of 5% or, as the case may be, the additional thresholds provided in the Articles of Association. The Articles of Association provide for such an additional threshold at 3%.

The notification must be made as soon as possible and at the latest within four trading days following the acquisition or disposal of the voting rights triggering the reaching of the threshold. Where the Issuer receives a notification of information regarding the reaching of a threshold, it has to publish such information within three trading days following receipt of the notification.

No Shareholder may cast a greater number of votes at a General Meeting of Shareholders than those attached to the rights or securities it has notified in accordance with the Transparency Law at least 20 days before the date of the General Meeting of Shareholders, subject to certain exceptions.

### **8.2 Public takeover bids**

Public takeover bids for Shares and other securities giving access to voting rights (such as subscription rights or convertible bonds, if any) are subject to supervision by the FSMA. Public takeover bids must be extended to all of the voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus which has been approved by the FSMA prior to publication.

Belgium has implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) in the Belgian Law of 1 April 2007 on public takeover bids (the “**Takeover Law**”) and the Belgian Royal Decree of 27 April 2007 on public takeover bids (the “**Takeover Royal Decree**”). The Takeover Law provides that a mandatory bid must be launched if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for their account, directly or indirectly holds more than 30% of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility designated by the Takeover Royal Decree. The mere fact of exceeding the relevant threshold through the acquisition of Shares will give rise to a mandatory bid, irrespective of whether the price paid in the relevant transaction exceeds the current market price. The duty to launch a mandatory bid does not apply in certain cases set out in the Takeover Royal Decree such as (i) in case of an acquisition if it can be shown that a third party exercises control over the Issuer or that such party holds a larger stake than the person holding 30% of the voting securities or (ii) in case of a capital increase with preferential subscription rights decided by the General Meeting of Shareholders.

In principle, the authorisation of the Board of Directors to increase the share capital of the Issuer through contributions in cash with cancellation or limitation of the statutory preferential subscription rights of the existing shareholders is suspended as of the notification to the Issuer by the FSMA of a public takeover bid for the securities of the Issuer. The General Meeting of Shareholders can, however, under certain conditions, expressly authorise the Board of Directors to increase the capital of the Issuer in such case by issuing Shares in an amount of not more than 10% of the existing Shares at the time of such a public takeover bid. The Issuer’s Board of Directors has been authorised by the extraordinary general meeting to increase the capital of the Issuer in one or several times by a total amount not exceeding EUR 108,873,366.06 in aggregate (excluding issue premium) (see section 5 of this Part XII).

### **8.3 Squeeze-out**

Pursuant to Article 7:82 of the Belgian Code on Companies and Associations or the regulations promulgated thereunder, a person or legal entity, or different persons or legal entities acting alone or in concert, who own together with the company 95% of the securities with voting rights in a public company are entitled to acquire the totality of the securities with voting rights in that company following a squeeze-out offer. The securities that are not voluntarily tendered in response to such an offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the squeeze-out procedure, the company is no longer deemed a public company, unless bonds issued by the company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value (verified by an independent expert) as to safeguard the interests of the transferring Shareholder.

A squeeze-out offer is also possible upon completion of a public takeover, provided that the bidder holds 95% of the voting capital and 95% of the voting securities of the public company. In such a case, the bidder may require that all remaining Shareholders sell their securities to the bidder at the offer price of the takeover bid, provided that, in case of a voluntary takeover offer, the bidder has also acquired 90% of the voting capital to which the offer relates. The Shares that are not voluntarily tendered in response to any such offer are deemed to be automatically transferred to the bidder at the end of the procedure.

### **8.4 Sell-out right**

Within three months following the expiration of an offer period, holders of voting securities or of securities giving access to voting rights may require the offeror, acting alone or in concert, who owns



95% of the voting capital and 95% of the voting securities in a public company following a takeover bid, to buy its securities from it at the price of the bid, on the condition that, in case of a voluntary takeover offer, the offeror has acquired, through the acceptance of the bid, securities representing at least 90% of the voting capital subject to the takeover bid.

## PART XIV: TAXATION

The paragraphs below present a summary of certain Belgian federal income tax consequences of the ownership and disposal of the New Shares by an investor that acquires such New Shares in connection with this Offering. The paragraphs below also present a summary of certain Belgian federal income tax consequences relating to the Preferential Rights and the Net Scrips Proceeds. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this Prospectus, all of which are subject to change, including changes that could have retroactive effect.

Investors should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

This summary does not purport to address all tax consequences of an investment in the New Shares, Preferential Rights or Net Scrips Proceeds, and does not take into account the specific circumstances of particular investors, some of which may be subject to special rules, or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, collective investment undertakings, dealers in securities or currencies, persons that hold, or will hold, New Shares as a position in a straddle, share-repurchase transaction, conversion transactions, synthetic security or other integrated financial transactions. This summary does not address the tax regime applicable to New Shares held by Belgian tax residents through a fixed basis or a permanent establishment situated outside Belgium. This summary does principally not address the local taxes that may be due in connection with an investment in the New Shares, other than Belgian local surcharges which generally vary from 0 percent to 9 percent of the investor's income tax liability. The tax legislation of the country of an investor and of the Issuer's country of incorporation may have an impact on the income received from the New Shares, the Preferential Rights and the Scrips.

For purposes of this summary, a Belgian resident is:

- an individual subject to Belgian personal income tax, i.e., an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law;
- a company (as defined by Belgian tax law) subject to Belgian corporate income tax, i.e., a corporate entity that has its statutory seat (unless it can be proved that the tax residence of the company is situated in another State than Belgium), its main establishment, its administrative seat or seat of management in Belgium;
- a Belgian pension fund incorporated under the form of an organisation for financing pensions (*organisme voor de financiering van pensioenen/organisme de financement de pensions*) (for purposes of this section, an "OFP") within the meaning of Article 8 of the Belgian Act of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision (for purposes of this section, the "**Belgian Act of 27 October 2006**") subject to Belgian corporate income tax; or
- a legal entity subject to Belgian income tax on legal entities, i.e., a legal entity other than a company subject to Belgian corporate income tax, that has its main establishment, its administrative seat or seat of management in Belgium.

A non-resident is any person that is not a Belgian resident.

Investors (including in particular investors in jurisdictions other than Belgium) should consult their own advisers regarding the tax consequences of an investment in the New Shares, Preferential Rights or Net Scrips Proceeds and the consequences of participation in the Offering and the acquisition, disposition or holding of any Securities in the light of their particular circumstances, including the effect of any state, local or other national laws.

## **1 Belgian Taxation of dividends on New Shares**

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to the New Shares is generally treated as a dividend distribution. By way of exception, the repayment of capital of the Issuer carried out in accordance with the Belgian Code of Companies and Associations is deemed to be paid out on a pro rata basis of the fiscal capital and certain reserves (i.e. and in the following order: the taxed reserves incorporated in the statutory capital, the taxed reserves not incorporated in the statutory capital and the tax-exempt reserves incorporated in the statutory capital). Only the part of the capital reduction that is deemed to be paid out of the fiscal capital may, subject to certain conditions, for Belgian tax purposes, not be considered as a dividend distribution. This fiscal capital includes, in principle, the actual paid-up statutory share capital and, subject to certain conditions, the paid-up issue premiums and the cash amounts subscribed to at the time of the issue of profit sharing certificates.

Belgian withholding tax of 30% is normally levied on dividends, subject to such relief as may be available under applicable domestic or tax treaty provisions.

If the Issuer redeems its own New Shares, the redemption distribution (after deduction of the portion of fiscal capital represented by the redeemed New Shares) will be treated as a dividend subject to a Belgian withholding tax of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No withholding tax will be triggered if such redemption is carried out on Euronext or a similar stock exchange and meets certain conditions.

In case of liquidation of the Issuer, any amounts distributed in excess of the fiscal capital will in principle be subject to withholding tax at a rate of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions.

### **1.1 Belgian resident individuals**

For Belgian resident individuals who acquire and hold the New Shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability. They may nevertheless elect to report the dividends in their personal income tax return. Where such individual opts to report them, dividends will normally be taxable at the lower of the generally applicable 30% withholding tax rate on dividends or at the progressive personal income tax rates applicable to the taxpayer's overall reported income. In addition, if the dividends are reported, the dividend withholding tax withheld at source may be credited against the income tax due and is reimbursable to the extent that it exceeds the income tax due, provided that the dividend distribution does not result in a reduction in value of or a capital loss on the New Shares. The latter condition is not applicable if the individual can demonstrate that he has held the New Shares in full legal ownership for an uninterrupted period of twelve months prior to the payment or the attribution of the dividends.

An exemption from personal income tax could in principle be claimed by Belgian resident individuals in their personal income tax return for a first tranche of dividend income up to the amount of EUR 800 (amount applicable for income year 2022), subject to certain formalities. For the avoidance of doubt, all reported dividends (hence, not only dividends distributed on the Shares) are taken into account to assess whether said maximum amount is reached.

For Belgian resident individuals who acquire and hold the New Shares for professional purposes, the Belgian withholding tax does not fully discharge their income tax liability. Dividends received must be reported by the investor and will, in such case, be taxable at the investor's personal income tax rate increased with local surcharges. Withholding tax withheld at source may be credited against the income tax due and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (1) the taxpayer must own the New Shares in full legal ownership on the date on which the beneficiaries of the dividends are identified and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the New Shares. The latter condition is not applicable if the investor can demonstrate that he has held the full legal ownership of the New Shares for an uninterrupted period of twelve months prior to the payment or the attribution of the dividends.

## 1.2 Belgian resident companies

### *Corporate income tax*

For Belgian resident companies, the dividend withholding tax does not fully discharge the corporate income tax liability. For such companies, the gross dividend income (including withholding tax) must be reported in the corporate income tax return and will be subject to a tax rate of 25%. Subject to certain conditions, a reduced corporate income tax rate of 20% applies for small enterprises (as defined by Article 1:24, §1 to §6 of the Belgian Code of Companies and Associations) on the first EUR 100,000 of taxable profits.

As a general rule, Belgian resident companies can (subject to certain limitations) deduct 100% of gross dividends received from their taxable income (for purposes of this section, the "**dividend received deduction**"), provided that at the time of a dividend payment or attribution: (1) the Belgian resident company holds the New Shares representing at least 10% of the share capital of the Issuer or a participation in the Issuer with an acquisition value of at least EUR 2,500,000; (2) the New Shares have been held or will be held in full ownership for an uninterrupted period of at least one year; and (3) the conditions relating to the taxation of the underlying distributed income, as described in Article 203 of the Belgian Income Tax Code ("**ITC**") are met (together, for purposes of this section, the "**Conditions for the application of the dividend received deduction regime**"). Under certain circumstances the conditions referred to under (1) and (2) do not need to be fulfilled in order for the dividend received deduction to apply.

Conditions (i) and (ii) above are, in principle, not applicable for dividends received by an investment company within the meaning of Article 2, §1, 5°, f) ITC. The Conditions for the application of the dividend received deduction regime depend on a factual analysis, upon each dividend distribution, and for this reason the availability of this regime should be verified upon each dividend distribution.

Any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due, subject to two conditions: (1) the taxpayer must own the New Shares in full legal ownership on the date on which the dividends are paid or attributed; and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the New Shares. The latter condition is not applicable (a) if the taxpayer can demonstrate that it has held the New Shares in full legal ownership for an uninterrupted period of twelve months prior to the attribution of the dividends; or (b) if, during said period, the New Shares never belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the New Shares in a permanent establishment (for purposes of this section, "**PE**") in Belgium.

If the corporate purpose of the beneficiary solely or mainly consists in managing and investing funds collected in order to pay legal or complementary pensions, the Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due, provided that the taxpayer has held the New Shares in full legal ownership for an uninterrupted period of sixty days. This condition is not applicable if the taxpayer can demonstrate that the dividends are not connected to an arrangement or a series of arrangements (*rechtshandeling of geheel van rechtshandelingen/acte juridique ou un ensemble d'actes juridiques*) which is not genuine (*kunstmatig/non authentique*) and has been put in place for the main purpose or one of the main purposes of obtaining a tax credit of the Belgian dividend withholding tax.

#### *Withholding tax*

Dividends distributed to a Belgian resident company will be exempt from Belgian withholding tax provided that the Belgian resident company holds, upon payment or attribution of the dividends, at least 10% of the share capital of the Issuer and such minimum participation is held or will be held during an uninterrupted period of at least one year.

In order to benefit from this exemption, the Belgian resident company must provide the Issuer or its paying agent with a certificate confirming its qualifying status and the fact that it meets the required conditions. If the Belgian resident company holds the required minimum participation for less than one year, at the time the dividends are paid on or attributed to the New Shares, the Issuer will levy the withholding tax but will not transfer it to the Belgian Treasury provided that the Belgian resident company certifies its qualifying status, the date from which it has held such minimum participation, and its commitment to hold the minimum participation for an uninterrupted period of at least one year.

The Belgian resident company must also inform the Issuer or its paying agent if the one-year period has expired or if its shareholding will drop below 10% of the share capital of the Issuer before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the dividend withholding tax which was temporarily withheld, will be refunded to the Belgian resident company.

The above described dividend received deduction regime and the withholding tax exemption will not be applicable to dividends which are connected to an arrangement or a series of arrangements (*rechtshandeling of geheel van rechtshandelingen/acte juridique ou un ensemble d'actes juridiques*) for which the Belgian tax administration, taking into account all relevant facts and circumstances, has proven, unless evidence to the contrary, that this arrangement or this series of arrangements is not genuine (*kunstmatig/non authentique*) and has been put in place for the main purpose or one of the main purposes of obtaining the dividend received deduction, the above dividend withholding tax exemption or one of the advantages of the EU Parent-Subsidiary Directive of 30 November 2011 (2011/96/EU) (for purposes of this section, the “**Parent-Subsidiary Directive**”) in another EU Member State. An arrangement or a series of arrangements is regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality.

### **1.3 Belgian resident organisations for financing pensions**

For OFPs within the meaning of Article 8 of the Belgian Act of 27 October 2006, the dividend income is generally tax exempt.

Subject to certain limitations, any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due.

Belgian (or foreign) OFPs not holding the New Shares – which give rise to dividends – for an uninterrupted period of 60 days in full ownership amounts to a rebuttable presumption that the arrangement or series of arrangements (*rechtshandeling of geheel van rechtshandelingen/acte juridique ou un ensemble d'actes juridiques*) which are connected to the dividend distributions, are not genuine (*kunstmatig/non authentique*). The withholding tax exemption will in such case not apply and/or any Belgian dividend withholding tax levied at source on the dividends will in such case not be credited against the corporate income tax, unless counterproof is provided by the OFP that the arrangement or series of arrangements are genuine.

#### **1.4 Other Belgian resident legal entities subject to Belgian legal entities tax**

For taxpayers subject to the Belgian income tax on legal entities, the Belgian dividend withholding tax in principle fully discharges their income tax liability.

#### **1.5 Non-resident individuals or non-resident companies**

##### *Non-resident income tax*

For non-resident individuals and companies, the dividend withholding tax will be the only tax on dividends in Belgium, unless the non-resident holds the New Shares in connection with a business conducted in Belgium through a fixed base in Belgium or a Belgian PE.

If the New Shares are acquired by a non-resident in connection with a fixed base or a PE in Belgium, the investor must report any dividends received, which will be taxable at the applicable non-resident personal or corporate income tax rate, as appropriate. Belgian withholding tax levied at source may be credited against non-resident personal or corporate income tax and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (1) the taxpayer must own the New Shares in full legal ownership on the date on which the dividends are paid or attributed and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the New Shares. The latter condition is not applicable if (a) the non-resident individual or the non-resident company can demonstrate that the New Shares were held in full legal ownership for an uninterrupted period of twelve months prior to the attribution of the dividends or (b) with regard to non-resident companies only, if, during said period, the New Shares have not belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the New Shares in a Belgian PE.

Non-resident companies whose New Shares are invested in a Belgian PE may deduct 100% of the gross dividends received from their taxable income if, at the date the dividends are paid or attributed, the Conditions for the application of the dividend received deduction regime are met. See "Belgian resident companies". Application of the dividend received deduction regime depends, however, on a factual analysis to be made upon each distribution and its availability should be verified upon each dividend distribution.

##### *Belgian dividend withholding tax relief for non-residents*

Under Belgian tax law, withholding tax is not due on dividends paid to a foreign pension fund which satisfies the following conditions: (i) it is a saver non-resident in the meaning of Article 227, 3° ITC which implies that it has separate legal personality and fiscal residence outside of Belgium; (ii) whose corporate purpose consists solely in managing and investing funds collected in order to pay legal or complementary pensions; (iii) whose activity is limited to the investment of funds collected in the exercise of its statutory mission, without any profit making aim; (iv) which is exempt from income tax in its country of residence;

and (v) except in specific circumstances, provided that it is not contractually obligated to redistribute the dividends to any ultimate beneficiary of such dividends for whom it would manage the New Shares, nor obligated to pay a manufactured dividend with respect to the New Shares under a securities borrowing transaction. The exemption will only apply if the foreign pension fund provides a certificate confirming that it is the full legal owner or usufruct holder of the New Shares and that the above conditions are satisfied. The organisation must then forward that certificate to the Issuer or its paying agent.

Dividends distributed to non-resident qualifying parent companies established in a Member State of the EU or in a country with which Belgium has concluded a double tax treaty that includes a qualifying exchange of information clause, will, under certain conditions, be exempt from Belgian withholding tax provided that the Shares held by the non-resident company, upon payment or attribution of the dividends, amount to at least 10% of the share capital of the Issuer and such minimum participation is held or will be held during an uninterrupted period of at least one year. A non-resident company qualifies as a parent company provided that (i) for companies established in a Member State of the EU, it has a legal form as listed in the annex to the Parent-Subsidiary Directive, or, for companies established in a country with which Belgium has concluded a qualifying double tax treaty, it has a legal form similar to the ones listed in such annex (provided that, as regards the companies governed by Belgian law, the reference to *'besloten vennootschap met beperkte aansprakelijkheid'*, to *'coöperatieve vennootschap met onbeperkte aansprakelijkheid'*, and to *'gewone commanditaire vennootschap'*, should also be understood as a reference to respectively the *'besloten vennootschap'*, the *'coöperatieve vennootschap'*, and the *'commanditaire vennootschap'*); (ii) it is considered to be a tax resident according to the tax laws of the country where it is established and the double tax treaties concluded between such country and third countries; and (iii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime.

In order to benefit from this exemption, the non-resident company must provide the Issuer or its paying agent with a certificate confirming its qualifying status and the fact that it meets the three abovementioned conditions.

If the non-resident company holds a minimum participation for less than one year at the time the dividends are attributed to the New Shares, the Issuer must deduct the withholding tax but does not need to transfer it to the Belgian Treasury provided that the non-resident company provides the Issuer or its paying agent with a certificate confirming, in addition to its qualifying status, the date as of which it has held the New Shares, and its commitment to hold the New Shares for an uninterrupted period of at least one year. The non-resident company must also inform the Issuer or its paying agent when the one-year period has expired or if its shareholding drops below 10% of the Issuer's share capital before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the deducted dividend withholding tax which was temporarily withheld, will be refunded to the non-resident company.

Dividends distributed by a Belgian company to a non-resident company will be exempt from withholding tax, provided that (i) the non-resident company is established in the European Economic Area or in a country with whom Belgium has concluded a tax treaty that includes a qualifying exchange of information clause, (ii) the non-resident company is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime, (iii) the non-resident company does not satisfy the 10%-participation threshold but has a participation in the Belgian company with an acquisition value of at least EUR 2,500,000 upon the date of payment or attribution of the dividends, (iv) the dividends relate to shares which are or will be held in full ownership for at least one

year without interruption; and (v) the non-resident company has a legal form as listed in the annex to the Parent-Subsidiary Directive, as amended from time to time, or, has a legal form similar to the ones listed in such annex (provided that, as regards the companies governed by Belgian law, the reference to '*besloten vennootschap met beperkte aansprakelijkheid*', to '*coöperatieve vennootschap met onbeperkte aansprakelijkheid*', and to '*gewone commanditaire vennootschap*', should also be understood as a reference to respectively the '*besloten vennootschap*', the '*coöperatieve vennootschap*', and the '*commanditaire vennootschap*') and that is governed by the laws of another Member State of the European Economic Area, or, by the law of a country with whom Belgium has concluded a qualifying double tax treaty. This exemption applies to the extent that the withholding tax which would have been due in case this exemption would not exist, would not be creditable nor reimbursable in the hands of the non-resident company.

In order to benefit from the exemption of withholding tax, the non-resident company must provide the Belgian company or its paying agent with a certificate confirming (i) it has the above described legal form, (ii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that deviates from the ordinary domestic tax regime, (iii) it holds a participation of less than 10% in the capital of the Belgian company but with an acquisition value of at least EUR 2,500,000 upon the date of payment or attribution of the dividend, (iv) the dividends relate to shares in the Belgian company which it has held or will hold in full legal ownership for an uninterrupted period of at least one year, (v) to which extent it could in principle, would this exemption not exist, credit the Belgian withholding tax or obtain a reimbursement according to the legal provisions applicable upon 31 December of the year preceding the year of the payment or attribution of the dividends, and (vi) its full name, legal form, address and fiscal identification number, if applicable.

Belgian dividend withholding tax is subject to such relief as may be available under applicable double tax treaty provisions. Belgium has concluded double tax treaties with more than 95 countries, reducing the dividend withholding tax rate to between 0% and 20% for residents of those countries, depending on conditions, among others, related to the size of the shareholding and certain identification formalities.

Prospective holders should consult their own tax advisors to determine whether they qualify for a reduction in withholding tax upon payment or attribution of dividends, and, if so, to understand the procedural requirements for obtaining a reduced withholding tax upon the payment of dividends or for making claims for reimbursement.

## **2 Belgian Taxation of capital gains and losses on New Shares**

### **2.1 Belgian resident individuals**

In principle, Belgian resident individuals acquiring the New Shares as a private investment should not be subject to Belgian capital gains tax on a later disposal of the New Shares and capital losses will not be tax deductible.

Capital gains realised by a Belgian resident individual are however taxable at 33% (plus local surcharges) if the capital gain on the New Shares is deemed to be realised outside the scope of the normal management of its private estate. Capital losses are, however, not tax deductible. Moreover, capital gains realised by Belgian resident individuals on the disposal of the New Shares to a non-resident company (or body constituted in a similar legal form), to a foreign State (or one of its political subdivisions or local authorities) or to a non-resident legal entity, each time established outside the European Economic Area, are in principle taxable at a rate of 16.5% (plus local surcharges) if, at any time



during the five years preceding the sale, the Belgian resident individual has owned, directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding in the Issuer (i.e., a shareholding of more than 25% in the Issuer). Capital losses arising from such transactions are, however, not tax deductible.

Capital gains realised by Belgian resident individuals in case of redemption of the New Shares or in case of liquidation of the Issuer will generally be taxable as a dividend. See "Taxation of dividends on Shares — Belgian resident individuals".

Belgian resident individuals who hold the New Shares for professional purposes are taxable at the ordinary progressive personal income tax rates (plus local surcharges) on any capital gains realised upon the disposal of the New Shares, except for (i) capital gains on New Shares realised in the framework of the cessation of activities, which are taxable at a separate rate of 10 percent or 16.5 percent (depending on the circumstances), plus local surcharges; or (ii) New Shares held for more than five years, which are taxable at 16.5 percent, plus local surcharges. Capital losses on the New Shares incurred by Belgian resident individuals who hold the New Shares for professional purposes are in principle tax deductible.

## **2.2 Belgian resident companies**

Belgian resident companies are normally not subject to Belgian capital gains taxation on gains realised upon the disposal of the New Shares provided that the Conditions for the application of the dividend received deduction regime are met.

If one or more of the Conditions for the application of the dividend received deduction regime are not met, any capital gain realised would be taxable at the standard corporate income tax rate of 25% (or, if applicable, at the reduced rate of 20% for small enterprises, as defined by Article 1:24, §1 to §6 of the Belgian Code of Companies and Associations).

Capital losses on the New Shares incurred by Belgian resident companies are as a general rule not tax deductible.

New Shares held in the trading portfolios of Belgian qualifying credit institutions, investment enterprises and management companies of collective investment undertakings are subject to a different regime. The capital gains on such New Shares are taxable at the standard corporate income tax at the general rates and the capital losses on such New Shares are tax deductible. Internal transfers to and from the trading portfolio are assimilated to a realisation.

Capital gains realised by Belgian resident companies in case of redemption of the New Shares or in case of liquidation of the Issuer will, in principle, be subject to the same taxation regime as dividends.

## **2.3 Belgian resident organisations for financing pensions**

Capital gains on the New Shares realised by OFPs within the meaning of Article 8 of the Belgian Act of 27 October 2006 are exempt from corporate income tax and capital losses are not tax deductible.

## **2.4 Other Belgian resident legal entities subject to Belgian legal entities tax**

Capital gains realised upon disposal of the New Shares by Belgian resident legal entities are in principle not subject to Belgian income tax and capital losses are not tax deductible.

Capital gains realised upon disposal of (part of) a substantial participation in a Belgian company (i.e., a participation representing more than 25% of the share capital of the Issuer at any time during the last

five years prior to the disposal) may, however, under certain circumstances be subject to income tax in Belgium at a rate of 16.5%.

Capital gains realised by Belgian resident legal entities in case of redemption of the New Shares or in case of liquidation of the Issuer will, in principle, be subject to the same taxation regime as dividends.

## **2.5 Non-resident individuals**

Non-resident individuals are, in principle, not subject to Belgian income tax on capital gains realised upon disposal of the New Shares, unless the New Shares are held as part of a business conducted in Belgium through a fixed base in Belgium or a Belgian PE. In such a case, the same principles apply as described with regard to Belgian individuals (holding the New Shares for professional purposes) or Belgian companies.

Non-resident individuals who do not use the New Shares for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the New Shares to Belgium, might be subject to tax in Belgium if the capital gains realised in Belgium arise from transactions which are to be considered speculative or beyond the normal management of one's private estate or in case of disposal of a substantial participation in a Belgian company as mentioned in the tax treatment of the disposal of the New Shares by Belgian individuals. See "Taxation of capital gains and losses on New Shares — Belgian Resident Individuals". Such non-resident individuals might therefore be obliged to file a tax return and should consult their own tax advisor.

## **2.6 Non-resident companies or entities**

Capital gains realised by non-resident companies or other non-resident entities that hold New Shares in connection with a business conducted in Belgium through a PE are generally subject to the same regime as Belgian resident companies or other Belgian resident legal entities subject to Belgian legal entities tax.

## **3 Annual tax on securities accounts**

Pursuant to the Belgian Law of 17 February 2021 on the introduction of an annual tax on securities accounts, a 0.15% tax is applicable to Belgian residents and Belgian non-residents who hold securities accounts with an average value, over a period of twelve consecutive months starting on 1 October and ending on 30 September of the subsequent year, higher than EUR 1,000,000. The aforementioned threshold of EUR 1,000,000 is assessed on the average value of the assets in the securities account at reference points within the reference period (in principle 31 December, 31 March, 30 June and 30 September). The New Shares are principally qualifying securities for the purposes of this tax.

The tax due is limited to 10% on the difference between the taxable amount and the aforementioned cap of EUR 1,000,000. This cap is assessed per securities account (irrespective whether the account is held in Belgium or abroad) and involves Belgian as well as foreign securities accounts held by Belgian residents. Securities held by Belgian non-residents only fall within the scope of the annual tax on securities accounts provided they are held on securities accounts with a financial intermediary established or located in Belgium. Note that pursuant to certain double tax treaties, Belgium has no right to tax capital. Hence, to the extent that the annual tax on securities accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty override may, subject to certain conditions, be claimed.

Belgian establishments from Belgian non-residents are however treated as Belgian residents for purposes of the annual tax on securities accounts so that both Belgian and foreign securities accounts fall within the scope of this tax.

Each securities account is assessed separately. When multiple holders hold a securities account, each holder is jointly and severally liable for the payment of the tax and each holder may fulfil the declaration requirements for all holders.

For the purpose of the annual tax on securities accounts, a financial intermediary is defined as (i) the NBB, the European Central Bank and foreign central banks performing similar functions, (ii) a central securities depository included in Article 198/1, §6, 12° of the BITC 1992, (iii) a credit institution or a stockbroking firm as defined by Article 1, §3 of the Belgian Law of 25 April 2014 on the status and supervision of credit institutions and investment companies and (vi) the investment companies as defined by Article 3, §1 of the Belgian Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

The annual tax on securities accounts is in principle due by the financial intermediary established or located in Belgium. Otherwise, the annual tax on securities accounts needs to be declared and is due by the holder of the securities accounts itself, unless the holder provides evidence that the annual tax on securities accounts has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint an annual tax on securities accounts representative in Belgium. Such a representative is then liable towards the Belgian Treasury (*Thesaurie/Trésorerie*) for the annual tax on securities accounts due and for complying with certain reporting obligations in that respect. If the holder of the securities accounts itself is liable for reporting obligations (e.g. when a Belgian resident holds a securities account abroad with an average value higher than EUR 1,000,000), the deadline for filing the tax return for the annual tax on securities accounts corresponds with the deadline for filing the annual tax return for personal income tax purposes electronically, irrespective whether the Belgian resident is an individual or a legal entity. In the latter case, the annual tax on securities accounts must be paid by the taxpayer on 31 August of the year following the year on which the tax was calculated, at the latest.

When multiple holders hold a securities account, each holder is jointly and severally liable for the payment of the tax and each holder may fulfil the declaration requirements for all holders (in case a financial intermediary has not withheld, declared and paid the annual tax on securities accounts).

As a general rule, no annual tax on securities accounts is due provided that the average value of the securities account is less than EUR 1,000,000. In addition, there are various exemptions to the annual tax on securities accounts, such as securities accounts held by specific types of regulated entities for their own account.

The annual tax on securities accounts contains several (specific) anti-abuse provisions that intend to remediate tax avoidance (e.g. conversion of qualifying financial instruments to non-qualifying financial instruments (such as nominative shares) or splitting an existing securities account into several securities accounts in order to avoid reaching the cap of EUR 1,000,000 on the relevant securities account). The anti-abuse provisions apply retroactively as from 30 October 2020.

Several requests for annulment of the law introducing the tax on securities accounts have been filed with the Constitutional Court. If the Constitutional Court were to annul the tax on securities accounts without upholding its effects, all taxpayers will be authorised to claim restitution of the tax already paid.

Prospective investors are urged to consult their own tax advisors as to the tax consequences of the application of the annual tax on securities accounts on their investment in the New Shares.

#### 4 **Belgian Tax on stock exchange transactions**

The purchase and the sale and any other acquisition or transfer for consideration of existing Shares (secondary market transactions) is subject to the Belgian tax on stock exchange transactions (*taks op de beursverrichtingen/taxe sur les opérations de bourse*) if (i) it is executed in Belgium through a professional intermediary, or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium (both referred to for purposes of this section as a “**Belgian Investor**”). The tax on stock exchange transactions is not due upon the issuance of the New Shares (primary market transactions).

The tax on stock exchange transactions is levied at a rate of 0.35% of the purchase price, capped at EUR 1,600 per transaction and per party and collected by the financial intermediary.

A separate tax is due by each party to the transaction, and both taxes are collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax will in principle be due by the Belgian Investor (who will also be responsible for the filing of a stock exchange tax return), unless that Belgian Investor can demonstrate that the tax has already been paid.

Professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian stock exchange tax representative (for purposes of this section, “**Stock Exchange Tax Representative**”), which will be liable on behalf of clients for the tax on stock exchange transactions that fall within one of the aforementioned categories (provided that these clients do not qualify as exempt persons for stock exchange tax purposes – see below) and to comply with the reporting obligations and the obligations relating to the order statement (*borderel/bordereau*) in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transaction.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided they are acting for their own account: (i) professional intermediaries described in Article 2.9° and 10° of the Belgian Law of 2 August 2002 on the supervision of the financial sector and financial services; (ii) insurance companies described in Article 2, §1 of the Belgian Law of 9 July 1975 on the supervision of insurance companies; (iii) pension institutions referred to in Article 2.1° of the Belgian Law of 27 October 2006 concerning the supervision of pension institutions; (iv) undertakings for collective investment; (v) regulated real estate companies; and (vi) Belgian non-residents provided they deliver a certificate to their financial intermediary in Belgium confirming their non-resident status.

#### 5 **The proposed Financial Transaction Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT, to be levied on transactions in financial instruments by financial institutions if at least one of the parties to the transaction is located in the ‘FTT-zone’ as defined in the Commission’s Proposal. It was approved by the European Parliament in July 2013. Originally, the adopted Commission’s Proposal foresaw the financial transaction tax for 11 “**Participating Member States**” (Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia).

However, on March 16, 2016 Estonia formally withdrew from the group of states willing to introduce the FTT. The actual implementation date of the FTT would depend on the future approval of the European Council and consultation of other EU institutions, and the subsequent transposition into local law.

If the FTT would be introduced, under current published proposals financial institutions and certain other parties would be required to pay tax on transactions in financial instruments with parties (including, with respect to the EU-wide proposal, its affiliates) located in the FTT-zone. The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in the New Shares. It would be a tax on derivatives transactions (such as hedging activities) as well as on securities transactions, i.e. it would apply to trading in instruments such as shares and bonds. The initial issue of instruments such as shares and bonds would be exempt from the FTT in the current Commission's Proposal. This means that the issuance and subscription of the New Shares should not become subject to financial transaction tax.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

In 2019, Finance Ministers of the Member States participating in the enhanced cooperation indicated that they were discussing a new FTT proposal based on the French model of the tax and the possible mutualisation of the tax as a contribution to the EU budget.

According to the latest draft of this new FTT proposal (submitted by the German government), the FTT would be levied at a rate of at least 0.2 percent of the consideration for the acquisition of ownership of shares (including ordinary and any preference shares) admitted to trading on a trading venue or a similar third country venue, or of other securities equivalent to such shares ("**Financial Instruments**") or similar transactions (e.g. an acquisition of Financial Instruments by means of an exchange of Financial Instruments or by means of a physical settlement of a derivative). Only transactions with Financial Instruments that have been issued by a company, partnership or other entity whose registered office is established within one of the Participating Member States and with a market capitalization of at least EUR 1 billion on 1 December of the year preceding the respective transaction would be covered. The FTT would be payable to the Participating Member State in whose territory the issuer of a Financial Instrument has established its registered office. Like the Commission's Proposal, the latest draft of the new FTT proposal also stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax).

As a consequence, Belgium should abolish the tax on stock exchange transactions once the FTT enters into force.

However, the FTT Commission's Proposal remains subject to negotiation between the Participating Member States and therefore may be changed at any time. Further, its legality is at present uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective investors should consult their own professional advisors in relation to the FTT.

## **6 Net Scrips Proceeds Payment and sale of the Preferential Rights prior to the closing of the Rights Subscription Period**

The Net Scrips Proceeds should not be subject to Belgian withholding tax.

The Net Scrips Proceeds should, in principle, not be taxable in the hands of Belgian resident or non-resident individuals who hold the Preferential Rights as a private investment, except if the sale of the Preferential Rights is deemed to be speculative or to fall outside the scope of the normal management of their private estate, in which case any gains realised will be subject to a 33% tax (plus local surcharges) for resident investors or a 30.28% professional withholding tax for non-resident investors (unless the non-resident investor would be entitled to an exemption from such capital gains tax on the basis of the applicable double tax treaty).

For resident individuals who hold the Preferential Rights for professional purposes or for non-resident individuals who hold the Preferential Rights for a business conducted in Belgium through a fixed base, the Net Scrips Proceeds will be taxed at the progressive income tax rates, increased by local surcharges.

The Net Scrips Proceeds will be taxable at the ordinary corporate tax rate for Belgian resident companies.

Non-resident companies holding the Preferential Rights through a PE in Belgium will also be taxed at the ordinary non-resident income tax rate on the Net Scrips Proceeds.

Legal entities subject to Belgian tax on legal entities are not subject to tax on the Net Scrips Proceeds.

The same Belgian tax analysis applies to gains realised upon the transfer of the Preferential Rights prior to the closing of the Rights Subscription Period.

For professional investors, losses realised on the Preferential Rights are, in principle, deductible.

The rules regarding the tax on stock exchange transactions equally apply to the Net Scrips Proceeds and to the sale of the Preferential Rights prior to the closing of the Rights Subscription Period.

## **7 Exchange of Information – Common Reporting Standard (CRS)**

As per 28 July 2022, 117 jurisdictions signed the multilateral competent authority agreement (**MCAA**), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

More than 48 jurisdictions, including Belgium, have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017, relating to income year 2016. More than 50 jurisdictions have committed to exchange information as from 2018, one jurisdiction as from 2019, 6 jurisdictions as from 2020, 2 jurisdictions as from 2021 and 3 jurisdictions as from 2022.

Council Directive 2011/16/EU on administrative cooperation in the field of taxation, as amended by the Directive on Administrative Cooperation (2014/107/EU) of 9 December 2014 (**DAC2**), implemented the exchange of information based on the Common Reporting Standard (**CRS**) within the EU. The CRS has been transposed in Belgium by the Belgian Law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes (for purposes of this section, the “**Belgian Law of 16 December 2015**”).

Under CRS, financial institutions resident in a CRS country are required to identify their customers and report, according to a due diligence standard, personal data and financial information with respect to

reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes e.g. trusts) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

As a result of the Belgian Law of 16 December 2015 and its implementing Royal Decree of 14 June 2017, the mandatory automatic exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of income year 2014 (first information exchange in 2016) towards the U.S. and (iii) with respect to any other non-EU Member States that have signed the MCAA, as of the respective date to be further determined by Royal Decree. In the Belgian Royal Decree of 14 June 2017, as amended from time to time, it has been provided that the automatic exchange of information has to be provided (i) as from 2017 (for the 2016 financial year) for a first list of 18 jurisdictions, (ii) as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions, (iii) as from 2019 (for the 2018 financial year) for a third list including another jurisdiction (Nigeria) and (iv) as from 2020 (for the 2019 financial year) for a fourth list of 6 jurisdictions (Albania, Ecuador, Kazakhstan, Oman, Maldives and Peru).

The Bonds are subject to DAC2 and the Belgian Law of 16 December 2015. Under DAC2 and the Belgian Law of 16 December 2015, Belgian financial institutions holding the Bonds for tax residents in another CRS contracting state shall report financial information regarding the Bonds (e.g. in relation to income and gross proceeds) to the Belgian competent authority, which shall communicate the information to the competent authority of the state of the tax residence of the beneficial owner.

Investors who are in any doubt as to their position should consult their professional advisors.

## PART XV: DEFINITIONS

<b>2017 Bond</b>	means the EUR 75 million fixed rate bond which has matured on 12 July 2017 which carried a coupon of 5.15% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002201672 – Common Code: 094682118);
<b>2018 Bond</b>	means the EUR 75 million fixed rate bond which has matured on 6 December 2018 which carries a coupon of 5.10% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002208743 – Common Code: 099582871);
<b>2020 Annual Report</b>	means the consolidated financial statements of the Issuer as per 31 December 2020, together with the notes and annual board and audit report thereon;
<b>2020 Financial Statements</b>	means the 2020 Annual Report and the 2020 Statutory Financial Statements;
<b>2020 Statutory Financial Statements</b>	statutory financial statements of the Issuer as per 31 December 2020, together with the notes and annual board and audit report thereon;
<b>2021 Annual Report</b>	the consolidated financial statements of the Issuer as per 31 December 2021, together with the notes and annual board and audit report thereon;
<b>2021 Financial Statements</b>	means the 2021 Annual Report and the 2021 Statutory Financial Statements;
<b>2021 Statutory Financial Statements</b>	statutory financial statements of the Issuer as per 31 December 2021, together with the notes and annual board and audit report thereon;
<b>2024 Bond</b>	means the EUR 75 million fixed rate 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);
<b>2025 Bond</b>	means the EUR 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);
<b>2026 Bond</b>	means the EUR 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);
<b>2027 Bond</b>	means the EUR 500 million fixed rate green bonds maturing on 17 January 2027 which carries a coupon of 1.625% per annum (listed on the Euro MTF Market with ISIN Code: BE6332786449– Common Code: 243311268);
<b>2029 Bond</b>	means the EUR 600 million fixed rate green bonds maturing on 8 April 2029 which carries a coupon of 1.50% per annum (listed on the Euro MTF Market with ISIN Code: BE6327721237 – Common Code: 232974028);
<b>2030 Bond</b>	means the EUR 500 million fixed rate green bonds maturing on 17 January 2030 which carries a coupon of 2.250% per annum (listed on the Euro MTF Market with ISIN Code: BE6332787454– Common Code: 243311314);
<b>Accounting Standards</b>	means the accounting standards that are generally accepted in Belgium, including IFRS, to the extent applicable to the relevant financial statements;
<b>Aggregate Net Rental Income</b>	means the sum of any and all income of any member of the Group related to rent of its respective Project Buildings less the Rental Expenses;
<b>Allianz</b>	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.;

<b>Allianz Joint Ventures</b>	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;
<b>Allianz JVA(s) or Allianz Joint Venture Agreement(s)</b>	means either and each of (i) the joint venture agreement made between Allianz and the Issuer in relation to the First Joint Venture; (ii) the joint venture agreement made between Allianz and the Issuer in relation to the Second Joint Venture; (iii) the shareholders' agreement made between Allianz and the Issuer in relation to the Third Joint Venture; and (iv) the joint venture agreement made between Allianz and the Issuer in relation to the Fourth Joint Venture;
<b>Annual Relevant Period</b>	means each period of 12 months ending on the last day of a financial year of the Issuer and each period of 12 months ending on the last day of the first half of the financial year of the Issuer;
<b>Annualised Committed Leases</b>	means the annualised rental income generated or to be generated by executed lease – and future lease agreements;
<b>April 2023 Bond</b>	means the EUR 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);
<b>Articles of Association</b>	means the articles of association of the Issuer;
<b>Audit Committee</b>	means the audit committee of the Issuer supervising among others the integrity of the financial information provided by the Issuer;
<b>Auditor</b>	means Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV, with registered office at Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, Belgium, represented by Mrs Kathleen De Brabander (or such auditor of the Issuer as may be appointed from time to time);
<b>Belgian Code of Companies and Associations</b>	means the Belgian Code of Companies and Associations dated 23 March 2019 ( <i>Wetboek van vennootschappen en verenigingen/Code des sociétés et associations</i> ), as amended or restated from time to time;
<b>Belgian GAAP</b>	means generally accepted accounting principles in Belgium, i.e. the financial reporting framework applicable in Belgium
<b>BITC 1992</b>	means the Belgian Code on income tax of 1992 ( <i>wetboek van de inkomstenbelastingen 1992/code des impôts sur les revenus 1992</i> );
<b>Board or Board of Directors</b>	means the board of directors of the Issuer or any committee thereof duly authorised to act on behalf of the board of directors;
<b>Cash or Cash Equivalents</b>	means <ul style="list-style-type: none"><li>(a) any cash at hand or on a deposit that is callable on first demand; and</li><li>(b) highly liquid financial instruments that are easily convertible into cash, for which a recognised trading market exists, and which are not issued or guaranteed by any member of the Group or subject to any Security,</li></ul>

which in both cases (a) and (b) are freely available for the repayment of any Financial Indebtedness and are held by any member of the Group, and shall exclude restricted or unavailable cash;

**Cash Available for Debt Service**

means, for any Annual Relevant Period:

- (a) after tax profit of the Issuer earned in the relevant Annual Relevant Period;
- (b) **plus** any interest (i) accounted for but unpaid or (ii) accounted for and paid by all members of the Group under the subordinated Financial Indebtedness provided for by the Issuer during the relevant Annual Relevant Period;
- (c) **plus** any amount accounted for by all members of the Group in respect of depreciation and amortisation during the relevant Annual Relevant Period;
- (d) **plus** any expenses accounted for and payable by all members of the Group on non-realised foreign exchange losses in respect of such relevant Annual Relevant Period;
- (e) **plus** the aggregate amount of interest, commissions and other finance charges (including any Interest Rate Hedging costs) due and payable by all the members of the Group under any Financial Indebtedness in such relevant Annual Relevant Period;
- (f) **less** any revenue resulting from re-evaluation (accounted for but unpaid) of any derivatives, options, futures or hedging or other similar financial instruments or contracts;
- (g) **plus** any expense resulting from re-evaluation (accounted for but unpaid) of any derivatives, options, futures or hedging or other similar financial instruments or contracts; and
- (h) **plus** any available Cash and Cash Equivalents on the last day of the Annual Relevant Period;

**CEE**

means Central and Eastern Europe;

**Change of Control**

means the situation whereby (i) any person other than the Reference Shareholders or (ii) a group of persons other than the Reference Shareholders, Acting in Concert, gain(s) Control of the Issuer;

whereby;

Control means (A) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to (i) cast, or control the casting of more than 50% of the maximum number of votes that might be cast at a general meeting of Shareholders of the Issuer; or, (ii) exercise a decisive influence on the appointment or removal of all or a majority of the directors of the Issuer (including, but not limited to the right to nominate, pursuant to the articles of association or pursuant to agreements known by the Issuer, the majority of the directors of the Issuer); or (iii) exercise a decisive influence on the operating or financial policies of the Issuer with which the directors or other equivalent officers of the Issuer are to comply or (B) the acquisition or the holding of a number of voting rights, even if such number is less than 50% of the outstanding voting rights in the Issuer, if such acquisition or holding has resulted in a

	<p>mandatory public offer over the whole of the outstanding shares of the Issuer; and</p> <p>Acting in Concert means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them to obtain or consolidate control over the Issuer;</p>
<b>Commission's Proposal</b>	means the European Commission proposal for a Directive for a common financial transaction tax published on 14 February 2013;
<b>Commitment Letters</b>	The letters dated on or around 15 November 2022 from Little Rock SA, Alsgard SA, Tomanvi SCA and VM Invest NV pursuant to which they, subject to the condition that the Issuer and the Global Coordinators enter into the Underwriting Agreement and subject to the condition as set forth in section 7 of part VII ( <i>Information on the Offering</i> ) of this Prospectus, commit to participate in the Rights Offering for an aggregate minimum amount of EUR 120 million and to exercise a minimum of 8,648,652 Preferential Rights, and to subscribe for the corresponding number of New Shares in accordance with the Ratio.
<b>Committed Shares</b>	The New Shares subscribed for by Little Rock SA, Alsgard SA, Tomanvi SCA and VM Invest NV in accordance with the Commitment Letters;
<b>Consolidated Financial Indebtedness</b>	<p>means, at any time, the aggregate amount of all obligations of the Group for or in respect of Financial Indebtedness but:</p> <p>(a) excluding any such obligation to any other member of the Group; and</p> <p>(b) deducting the aggregate amount of Cash and Cash Equivalents held by any member of the Group at such time</p> <p>and so that no amount shall be included or excluded more than once;</p>
<b>Consolidated Gearing</b>	means, in respect of any Annual Relevant Period, the ratio of Consolidated Total Net Debt on the last day of that Annual Relevant Period to the sum of the equity and the total liabilities (including off-balance sheet liabilities) at Group level in respect of that Annual Relevant Period;
<b>Consolidated Total Net Debt</b>	means, at any time, Total Net Debt calculated at Group level;
<b>Corporate Governance Code</b>	means the principles of corporate governance contained in the Belgian Code on Corporate Governance published on 9 May 2019, as adopted by the Issuer;
<b>Closing Date of the Offering</b>	the day on which the share capital increase in cash pursuant to the Offering is realised before the notary;
<b>Closing Date of the Rights Subscription Period</b>	the last day on which the holders of Preferential Rights may subscribe for New Shares by exercising their Preferential Rights in accordance with the Ratio at the Issue Price;
<b>Debt Service Cover Ratio</b>	<p>means:</p> <p>(a) the Cash Available for Debt Service, <u>divided by</u></p> <p>(b) the Net Debt Service;</p>
<b>Development Joint Venture(s)</b>	means either and each of (i) the LPM Joint Venture; (ii) the VGP Park Belartz Joint Venture; and (iii) the VGP Park Siegen Joint Venture;

<b>Development JVA(s)</b>	means either and each of (i) the joint venture agreement made between Roozen and the Issuer in relation to the LPM Joint Venture; (ii) the joint venture arrangement made between Revikon and the Issuer in relation to the VGP Park Siegen Joint Venture; and (iii) the joint venture agreement made between VUSA and the Issuer in relation to the VGP Park Belartza Joint Venture;
<b>EUR, euro or €</b>	means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
<b>Euronext Brussels</b>	means the regulated market of Euronext Brussels;
<b>EU Sustainable Finance Taxonomy</b>	means the European Union framework to facilitate sustainable investment, as established by the Taxonomy Regulation;
<b>Existing Shareholders</b>	means each shareholder holding shares of the Issuer at closing of Euronext Brussels on 16 November 2022;
<b>Finance Charges</b>	means, for any Annual Relevant Period, the difference between on the one hand the interest charges (being the sum of the aggregate amount of interest, commissions and other finance charges (including any Interest Rate Hedging costs but excluding the placement fee and the discretionary fee (if any) paid by the Issuer to the Global Coordinators for the first 12 months Testing Period) due and payable by all the members of the Group under any Financial Indebtedness in such relevant Annual Relevant Period and on the other hand the interest received (being the sum of the aggregate amount of interest, commissions and other finance income (including any Interest Rate Hedging income) and remuneration on finance leases and related products) in each case calculated on a consolidated basis on the last day of a financial year of the Issuer and on the last day of the first half of the financial year of the Issuer;
<b>Financial Indebtedness</b>	means any indebtedness for or in respect of: <ul style="list-style-type: none"> <li>(a) moneys borrowed (on the basis of any credit agreement, loan agreement or any similar agreement);</li> <li>(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;</li> <li>(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;</li> <li>(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the relevant Accounting Standards, be treated as a finance or capital lease;</li> <li>(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis) and any assumed debt;</li> <li>(f) any Treasury Transaction and, when calculating the value of any Treasury Transaction, only the marked to market value shall be taken into account;</li> <li>(g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;</li> <li>(h) any amount of any liability under any advance or deferred purchase agreement if one of the primary reasons behind entering into the</li> </ul>

	agreement is to raise finance for a purchase of assets and payment is due after more than 90 (ninety) days;
	(i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
	(j) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (i) above;
<b>Financial Instruments</b>	means, in the framework of the Commission's Proposal, shares (including ordinary and any preference shares) admitted to trading on a trading venue or a similar third country venue, or of other securities equivalent to such shares;
<b>First Joint Venture</b>	VGP European Logistics S.à.r.l., the 50:50 joint venture between the Issuer and Allianz;
<b>First JVA</b>	means the joint venture agreement in relation to the establishment of the First Joint Venture;
<b>Fourth Joint Venture</b>	VGP European Logistics 3 S.à.r.l., the future 50:50 joint venture between the Issuer and Allianz;
<b>Fourth JVA</b>	means the joint venture agreement in relation to the establishment of the Fourth Joint Venture;
<b>FSMA</b>	means the Financial Services and Markets Authority ( <i>Autoriteit voor Financiële Diensten en Markten / Autorité des services et marchés financiers</i> );
<b>FTT</b>	means the financial transactions tax proposed by the EU Commission;
<b>Gearing Ratio</b>	means the ratio calculated as consolidated Total Net Debt divided by the sum of the equity and total liabilities;
<b>General Meeting of Shareholders</b>	means the general meeting of shareholders of the Issuer;
<b>Global Coordinators</b>	means Belfius Bank NV, BNP Paribas Fortis SA/NV, J.P Morgan SE and KBC Securities NV;
<b>Group</b>	means the Issuer and its Subsidiaries;
<b>IAS</b>	means the International Accounting Standards, the international accounting standards drawn up by the International Accounting Standards Board (IASB), for the preparation of financial statements;
<b>Ifo Institute</b>	means the Leibniz Institute for Economic Research at the University of Munich;
<b>IFRS</b>	means the International Financial Reporting Standards (see also IAS);
<b>Interest Cover Ratio</b>	means the ratio of Aggregate Net Rental Income (increased with the available Cash and Cash Equivalents on the last day of an Annual Relevant Period) to Finance Charges in respect of any Annual Relevant Period;
<b>Interest Rate Hedging</b>	means the use of derived financial instruments to protect debt positions against interest rate rises;
<b>Issuer</b>	means VGP NV, a public limited liability company ( <i>naamloze vennootschap/société anonyme</i> ) incorporated under Belgian law, having its registered office at Generaal Lemanstraat 55, box 4, 2018 Antwerpen, Belgium (registered with the Crossroads Bank for Enterprises under number 0887.216.042, enterprise court of Antwerp, division Antwerp);

<b>Issue Price</b>	means the subscription price in EUR for each New Share, <i>i.e.</i> EUR 55.50 per New Share;
<b>Joint Ventures</b>	means either and each of (i) the Allianz Joint Ventures; and (ii) the Development Joint Ventures;
<b>JVA(s) or Joint Venture Agreement(s)</b>	means either and each of (i) the Allianz Joint Venture Agreements and; (ii) the Development JVA's;
<b>Little Rock SA</b>	means Little Rock SA, a limited liability company ( <i>société anonyme</i> ) organised and existing under the laws of Luxembourg, having its registered office at 25, Boulevard Prince Henri, L 1724 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B156902;
<b>Loan to Value Ratio</b>	means the ratio calculated as the total outstanding financial debt divided by the fair market value of the investment properties as at the respective reporting dates;
<b>LPM Joint Venture</b>	means LPM Holding B.V., the 50:50 joint venture between the Issuer and Roozen;
<b>LPM JVA</b>	means the joint venture agreement in relation to the establishment of the LPM Joint Venture;
<b>Market Abuse Regulation</b>	means the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
<b>Net Debt Service</b>	means, in respect of any Annual Relevant Period, the sum of: <ul style="list-style-type: none"> <li>(a) the Finance Charges; and</li> <li>(b) any principal due and payable by all members of the Group under any Financial Indebtedness in respect of such relevant Annual Relevant Period;</li> </ul>
<b>Net Scrips Proceeds</b>	means the net proceeds from the sale of the Scrips (rounded down to a whole eurocent per unexercised Preferential Right), after deducting all expenses, charges and all forms of expenditure which the Issuer has incurred for the sale of the Scrips;
<b>Net Scrips Proceeds Payment</b>	means the Net Scrips Proceeds divided proportionally between all entitled holders of unexercised Preferential Rights;
<b>New Shares</b>	means the Shares offered in the framework of the Offering;
<b>October 2022 Trading Update</b>	means the trading update of VGP for the first ten months of the year 2022, as published on 3 November 2022;
<b>Offering</b>	means the Rights Offering and the Scrips Private Placement;
<b>Opening Date of the Rights Subscription Period</b>	means the date as from which the holders of Preferential Rights may submit their subscription orders for the New Shares;
<b>Participating Member States</b>	means, in the framework of the Commission's Proposal, Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia;
<b>Personal Security</b>	means in relation to any Financial Indebtedness of any person, any obligation of another person to pay such Financial Indebtedness including (without limitation): (a) any obligation to purchase such Financial Indebtedness; (b) any obligation to lend money or to provide funds for the payment of such Financial Indebtedness; (c) any indemnity against the consequences of a default in the

payment of such Financial Indebtedness; and (d) any other agreement to be responsible for such Financial Indebtedness;

<b>Preferential Right</b>	means the non-statutory preferential right entitling its holders to subscribe for New Shares in accordance with the Ratio at the Issue Price, represented by coupon no. 11 of the Shares, which will be detached from the existing Shares on the Record Date after the closing of Euronext Brussels and are expected to be listed and admitted to trading on Euronext Brussels under ISIN code BE0970180833 and trading symbol VGP11 during the entire Rights Subscription Period;
<b>Project Buildings</b>	means any buildings the construction and development of which are carried out by any member of the Group;
<b>Project Land</b>	means plots of land owned by any member of the Group on which any Project Buildings are to be constructed and developed;
<b>Projects</b>	means the predevelopment of Project Land and the development, construction and operation of Project Buildings;
<b>Property Portfolio</b>	means the property investments, including property for lease, property investments in development for lease, assets held for sale and development land;
<b>Prospectus</b>	means this listing and admission to trading Prospectus;
<b>Prospectus Regulation</b>	means Regulation (EU) 2017/112 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended;
<b>QIBs</b>	means “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
<b>Ratio</b>	means the ratio of 1 New Share for 4 Preferential Rights or Scrips;
<b>Record Date</b>	means the date on which coupon no. 11 will be detached after closing of Euronext Brussels, i.e. on 16 November 2022;
<b>Reference Shareholders</b>	means (i) VM Invest NV, (ii) Bart Van Malderen, (iii) Little Rock SA, (iv) Jan Van Geet, (v) Alsgard SA, and (vi) Tomanvi SCA;
<b>Registered New Shares</b>	means New Shares subscribed for by holders of shares held in registered form that subscribed for the New Shares via Preferential Rights in registered form;
<b>Regulation S</b>	means Regulation S under the Securities Act;
<b>Relevant Creditor</b>	means the creditors of the relevant Financial Indebtedness;
<b>Remuneration Committee</b>	means the remuneration committee of the Issuer established in accordance with paragraph 2 of annex 2 of the VGP Charter;
<b>Rental Expenses</b>	means the sum of any and all expenses incurred in relation to the operation, administration, maintenance and repairs by any member of the Group in relation to its Projects;
<b>Revikon</b>	means Revikon GmbH;

<b>Rights Offering</b>	means the public offering by the Issuer to Shareholders and any holders of Preferential Rights to subscribe to New Shares pursuant to a share capital increase in cash in accordance with the Ratio;
<b>Rights Subscription Period</b>	means the period during which the holders of Preferential Rights may subscribe for New Shares,
<b>Roozen</b>	means Roozen Landgoederen Beheer B.V.;
<b>Schuldschein Loans</b>	means the Schuldschein loan agreements (" <i>Schuldscheindarlehensvertrag</i> ") dated 10 October 2019, entered into between, amongst others, the Issuer as borrower and Norddeutsche Landesbank Girozentrale as arranger, for a total aggregate amount of EUR 33.5 million, having maturities of 3, 5, 7 and 8 years, bearing an average interest margin (either fixed or floating) of 2.73%;
<b>Scrips</b>	means the instruments resulting from the automatic conversion, in a one-to-one ratio, of any unexercised Preferential Rights at the Closing Date of the Rights Subscription Period;
<b>Scrips Private Placement</b>	means the sale of the Scrips by way of a private placement with qualified investors in Belgium and by way of a private placement exempt from prospectus requirements or similar formalities in such other jurisdictions as will be determined by the Issuer in consultation with the Global Coordinators, outside the United States pursuant to Regulation S in transactions exempt from registration under the Securities Act. The Scrips Private Placement will be organised by way of an accelerated book-building procedure;
<b>Second Joint Venture</b>	VGP European Logistics 2 S.à r.l., the 50:50 joint venture between the Issuer and Allianz;
<b>Second JVA</b>	means the joint venture agreement in relation to the establishment of the Second Joint Venture;
<b>Securities</b>	means the Preferential Rights, Scrips and New Shares;
<b>Securities Act</b>	means the United States Securities Act of 1933, as amended;
<b>Security</b>	means any mortgage, charge, pledge, lien or any other form of encumbrance or security interest or any mandate to create the same, including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;
<b>September 2023 Bond</b>	means the EUR 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);
<b>Shares</b>	means fully paid ordinary shares in the capital of the Issuer currently with no-par value;
<b>Shareholders</b>	means the holders of Shares, from time to time;
<b>Subsidiary</b>	means a subsidiary of the Issuer within the meaning of Articles 1:15, 2° and 1:17 of the Belgian Code of Companies and Associations, with the exclusion of the Fourth Joint Venture;
<b>Taxes</b>	any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Belgium, or any political subdivision or any authority therein or thereof having power to tax;



<b>Taxonomy Climate Delegated Act</b>	means Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives;
<b>Taxonomy Regulation</b>	means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment;
<b>TERP</b>	means the theoretical ex-rights price;
<b>Third Joint Venture</b>	VGP Park München GmbH, the 50:50 joint venture between the Issuer and Allianz;
<b>Third JVA</b>	means the shareholders' agreement in relation to the establishment of the Third Joint Venture;
<b>Total Debt</b>	means at any time (but so that no amount shall be included or excluded more than once), the Consolidated Financial Indebtedness of the Group, excluding however all intra-Group Financial Indebtedness.
<b>Total Net Debt</b>	means the Total Debt less Cash and Cash Equivalents;
<b>Treasury Transaction</b>	means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price;
<b>TV</b>	means the theoretical value;
<b>Underwriters</b>	means the Global Coordinators;
<b>Underwriting Agreement</b>	means the underwriting agreement relating to the Offering that the Issuer and the Global Coordinators expect to enter into before the Closing Date of the Offering;
<b>Underwritten Shares</b>	means the New Shares subscribed for by investors (other than the Committed Shares, the Registered New Shares and the New Shares subscribed for by QIBs in the United States that have, with the authorisation of the Issuer, executed and timely delivered to the Issuer an investor letter);
<b>United States or U.S.</b>	means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;
<b>VGP or VGP Group</b>	see Group;
<b>VGP Charter</b>	means the corporate governance charter of the Issuer adopted by the Board in accordance with the recommendations set out by the Corporate Governance Code and available on the Issuer's website;
<b>VGP Corporate Responsibility Report 2021</b>	means the corporate responsibility report of the Issuer as per 31 December 2021, as available on the Issuer's website;
<b>VGP Green Finance Framework</b>	means the green finance framework of the Issuer adopted by the Board and published in March 2021, in accordance with the International Capital Markets Association's Green Bond Principles and the Loan Market Association's Green Loan Principles voluntary guidelines at the time;

<b>VGP Park Belartza Joint Venture</b>	means Belartza Alto SXXI, S.L, the 50:50 joint venture between the Issuer and VUSA;
<b>VGP Park Siegen Joint Venture</b>	means Grekon 11 GmbH, the 50:50 joint venture between the Issuer and Revikon;
<b>VM Invest NV</b>	means VM Invest NV, a public limited liability company ( <i>naamloze vennootschap/société anonyme</i> ) organised and existing under the laws of Belgium, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium, registered with the Crossroads Bank for Enterprises under number 0418.701.587, enterprise court Ghent, division Dendermonde;
<b>VUSA</b>	means Valeriano Urrutikoetxea, S.L.U.; Galdakarra XXI, S.L.; Saibigain XXI, S.L.U.; and Belartza Garaia, S.L.U.

## The Issuer

### VGP NV

Generaal Lemanstraat 55, box 4  
2018 Antwerp  
Belgium

## Global Coordinators

### Belfius Bank NV

Karel Rogierplein 11  
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