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## **Press Release**

### **Regulated Information**

#### **VGP NV announces book-building update: order book for the Offering is fully covered on the Offer Shares**

**16 October 2017, Diegem (Belgium)** – VGP NV (the “Company” or “VGP”), the developer, manager and owner of high quality logistics real estate in Europe, announces today that, in relation to the secondary public offering of existing shares held by Bart Van Malderen, VM Invest NV and Little Rock SA (the “Offering”), the order book for the Offering is fully covered on the Offer Shares (as defined below)

- Offering by VM Invest NV, Bart Van Malderen and Little Rock SA (the “Selling Shareholders”) of up to 4,524,569 existing shares (the “Offer Shares”), being approximately 24.35% of the aggregate existing shares of which VM Invest NV and Bart Van Malderen will jointly offer up to 3,781,247 shares, being approximately 20.35% of the aggregate existing shares and Little Rock SA up to 743,322 shares, being approximately 4.00% of the aggregate existing shares
- The aggregate number of Offer Shares may be increased by up to 25% of the aggregate number of Offer Shares initially offered (the “Increase Option”). Any decision to exercise the Increase Option will be communicated, at the latest, on the date of the announcement of the offer price
- The Selling Shareholders are expected to grant the underwriters, an option to purchase additional shares in an aggregate amount equal to up to 15% of the number of Offer Shares sold in the Offering (including pursuant to any effective exercise of the Increase Option) at the offer price to cover over-allotments or short positions, if any, in connection with the Offering (the “Over-allotment Option”). The Over-allotment Option will be exercisable for a period of 30 days following the pricing date. As used herein, the term “Offer Shares” shall include any over-allotted shares (unless the context requires otherwise)
- Based on an Offering size of 4,524,569 existing shares (excluding any exercise of the Increase Option and Over-allotment Option), the free float of the Company will increase from 10.14% to approximately 34.5%. Including the exercise of the Increase Option and the Over-allotment Option, the free float of the Company will increase to approximately 45.1%
- The offering period (the “Offering Period”) is expected to end no later than 1 p.m. (CET) on 25 October 2017, subject to early closing, provided that the Offering Period will in any event be open for at least three business days from the availability of the prospectus. However, in



accordance with the possibility provided for in Article 3, § 2 of the Royal Decree of May 17, 2007 on primary market practices, the Company expects the subscription period for the retail offering to end at 4 p.m. CET on 24 October 2017, the day before the end of the institutional bookbuilding period, due to the timing and logistical constraints associated with the centralization of the subscriptions placed by retail investors with the underwriters and with other financial institutions. In the event of an early closing of the Offering, a press release will be issued in which it will be made clear until when retail investors can subscribe at their respective banks

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## **ABOUT VGP**

### **Company overview**

- VGP is a pure-play logistics real-estate company focused on Western and Central & Eastern Europe (“CEE”), and is specialised in the acquisition, development, and management of logistics real estate
- In March 2016, VGP entered into a 50/50 joint venture with Allianz (the “Joint Venture”) the objective of which is to build a platform of new grade A logistics and industrial properties with a key focus on expansion in its core German market and high growth CEE markets
- The Company develops and constructs high-end logistics real estate and ancillary offices for its own account and for the account of the Joint Venture, which primarily has a hold strategy and to which certain new developments carried out by VGP are contributed
- The Company focuses on strategically located plots of land in Germany, some Central European countries, Spain and the Baltic countries, suitable for development of logistics business parks of a certain size, with the objective to build up an extensive and well-diversified land bank on top locations
- As at 30 June 2017, the Company had an in-house team of 126 people which manages all the activities of the fully integrated business model
- Over the last 10 years, the Company developed more than 2.2 million sqm of lettable area. As at 30 June 2017 a further 516,461 sqm were under construction (excluding Estonia<sup>1</sup>), 71% of which are pre-leased

### **Strategy**

- The aim of the Company is to become a leading specialised developer and owner of high-quality logistic property for the mid-European region, Germany, Spain and possibly other countries, depending on market demand and perceived trends
- The Joint Venture’s objective is to build a platform of new, grade A logistics and industrial properties with a key focus on expansion in its core German market and high growth CEE markets. The Joint Venture aims to double its portfolio size to ca. €1.7 billion, exclusively via the contribution to the Joint Venture of new logistics developments carried out by VGP

### **Operations**

- VGP’s portfolio, together with the Joint Venture’s portfolio (at 100%), had a gross asset value of €1.3 billion as of 30 June 2017<sup>2</sup> (excluding Estonia<sup>3</sup>), split between 37% own assets (€500 million<sup>4</sup> and 63% Joint Venture assets (€844 million – at 100%)

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<sup>1</sup> The Park in Estonia (successful closing announced on 15 September 2017) was, as at 30 June 2017, held as an asset for sale on the balance sheet. Including Estonia, 527,876 sqm of lettable area were under construction as at 30 June 2017, more than 73% of which were pre-leased.

<sup>2</sup> Based on Jones Lang LaSalle’s (JLL) valuation as of 30 June 2017.

<sup>3</sup> The Park in Estonia (successful closing announced on 15 September 2017) was, as at 30 June 2017, held as an asset for sale on the balance sheet. Gross asset value of VGP’s portfolio, including the JV portfolio (at 100%) and including Estonia was €1.4 billion based on JLL’s valuation as of 30 June 2017, split between 39% own assets and 61% Joint Venture assets.

<sup>4</sup> The Park in Estonia (successful closing announced on 15 September 2017) was, as at 30 June 2017, held as an asset for sale on the balance sheet. Gross asset value of VGP’s Own portfolio, including Estonia, was €550 million based on JLL’s valuation as of 30 June 2017.



- The portfolio (excluding Estonia<sup>5</sup>, and including the Joint Venture's portfolio (at 100%)) was, as of 30 June 2017, spread across Germany (53%), Czech Republic (22%), Spain (10%), Hungary (5%), Slovakia (5%) and Romania (5%) by total contracted rent<sup>6</sup>

### **Dividend policy**

At the end of August 2017, the Board of Directors adopted a formal dividend policy. As a result, as from 2018 onwards and subject to (i) the availability of sufficient distributable reserve, (ii) available cash generated from distributions by the Joint Venture, (iii) free cash generated from the divestment cycles of income generating assets to the Joint Venture and (iv) shareholder approval, the Company intends to gradually increase the distribution of dividends over the next 3 years to target an annual distribution between 40% and 60% of its net profit for the year based on its consolidated IFRS financial statements.

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<sup>5</sup> The Park in Estonia (successful closing announced on 15 September 2017) was, as at 30 June 2017, held as an asset for sale on the balance sheet.

<sup>6</sup> Includes annualised rental income from completed and under construction assets; for under construction assets rental income corresponds to annualised committed rental income (only considers the part of the annualised rental income from the asset that are already pre-let).



## Profile

VGP ([www.vgpparks.eu](http://www.vgpparks.eu)) constructs and develops high-end logistic real estate and ancillary offices for its own account and for the account of its VGP European Logistics joint venture (50:50 joint venture between Allianz Real Estate and VGP), which are subsequently rented out to reputable clients on long term lease contracts. VGP has an in-house team which manages all activities of the fully integrated business model: from identification and acquisition of land, to the conceptualisation and design of the project, the supervision of the construction works, contracts with potential tenants and the facility management.

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