Secondary Public Offering VGP NV

VGP, a pure play integrated logistics real estate group focused on Western and Central & Eastern Europe

VGP (“VGP” or the “Company” or the “Group”) is a **pure-play logistics real-estate group** focused on **Western and Central and Eastern Europe**. The Group is specialised in the acquisition, development, and management of logistics real estate, i.e. buildings suitable for logistical purposes and light industrial activities. In 2016, VGP entered into a **50:50 joint venture with Allianz RE** (the “Joint Venture” or “JV”), 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 Group develops and constructs high-end logistics real estate and ancillary offices for its own account and for the account of its VGP European Logistics joint venture, which is subsequently rented out to reputable clients via long term lease contracts.

We list the main features for you at a glance:

- VGP has a **fully integrated business model** combining a unique expertise as a **developer, asset manager and owner of high-quality logistics assets in Europe**.
- VGP has since 2016 entered into a **50:50 JV with Allianz RE** who has an exclusive right of first refusal in relation to acquiring assets developed by VGP in **Czech Republic, Germany, Hungary and Slovakia**.
- The Company has a proven track record of developing **unique and high quality properties** across **strategic locations** with **blue chip tenants** (e.g. Lekkerland, Rhenus Logistics, Lidl…). The **portfolio** of the Company is **valued at €1.3bn** (as of 30 June 2017 by the independent appraiser Jones Lang LaSalle - excluding Estonia[1]) with a split between 37% own assets (€500 million) and 63% JV assets (€844 million - JV at 100%).
- VGP has a **well located and diversified asset portfolio in Europe’s growing economies**. It geographically focusses on strategically located land plots in Germany, some Central European countries, Spain and the Baltic countries. VGP entered **Germany** in 2013 and has grown to become **a top tier developer and manager/owner** in the country.
- The **markets** where the Group and the Joint Venture are currently active in are **expected to be supported by a continued growth**. **E-commerce, which is expected to remain an important driver of the real estate logistics market in Europe, is estimated to grow 7% per annum for the period 2017 – 2020** (Source: Statista, E-Commerce database).

An investment in the Offer Shares involves substantial risks and uncertainties. Prospective investors should read the entire Prospectus, and, in particular, should see “Risk Factors” beginning on page 17 for a discussion of certain factors that should be considered in connection with an investment in the Shares. All of these factors should be considered before investing in the Offer Shares. Prospective investors must be able to bear the economic risk of an investment in the Shares and should be able to sustain a partial or total loss of their investment. See “Summary—Section D—Risks” and “Risk Factors.”
The Prospectus is available free of charge from your KBC Bank branch, your KBC Brussels branch, the KBC Live (+32 (0)78 152 153) or via www.kbc.be/vgp. The Prospectus is available in English and Dutch. The summary of the Prospectus has been translated in French.

Is this something for you?

Product rating:

Along with the volatility of the market, this product rating, developed by KBC, also takes other factors into account such as scheduled repayment of capital, credit worthiness, asset allocation, exposure to foreign currencies and liquidity. You can find more information under “Product Rating”.

Client risk profile:

This product focuses in the first place on investors with a very dynamic profile. We recommend you to only invest in this product if you understand the essential characteristics of the product and more specifically if you understand what risks are associated with this product.
In case you wish to buy this product outside the context of investment advice, the bank must determine whether you have sufficient knowledge and experience in relation to the product. If this is not the case, the bank has to warn you that the product is not appropriate for you. If the bank offers the product in the context of investment advice, the bank must ascertain whether the product is suitable for you, taking into account your knowledge and experience in relation to the product, your investment goals and your financial capacity. Ask your KBC adviser for advice.

For the complete overview of customer risk profiles, go to www.kbc.be/riskprofile.**www.kbc.be/riskprofile**.

[1] As publicly announced, the Park in Estonia (which was agreed to be sold in June 2017 with a successful closing announced on 15 September 2017) was, as at 30 June 2017, held as asset for disposal on balance sheet and therefore not considered as part of the portfolio.

About VGP NV[2,3]

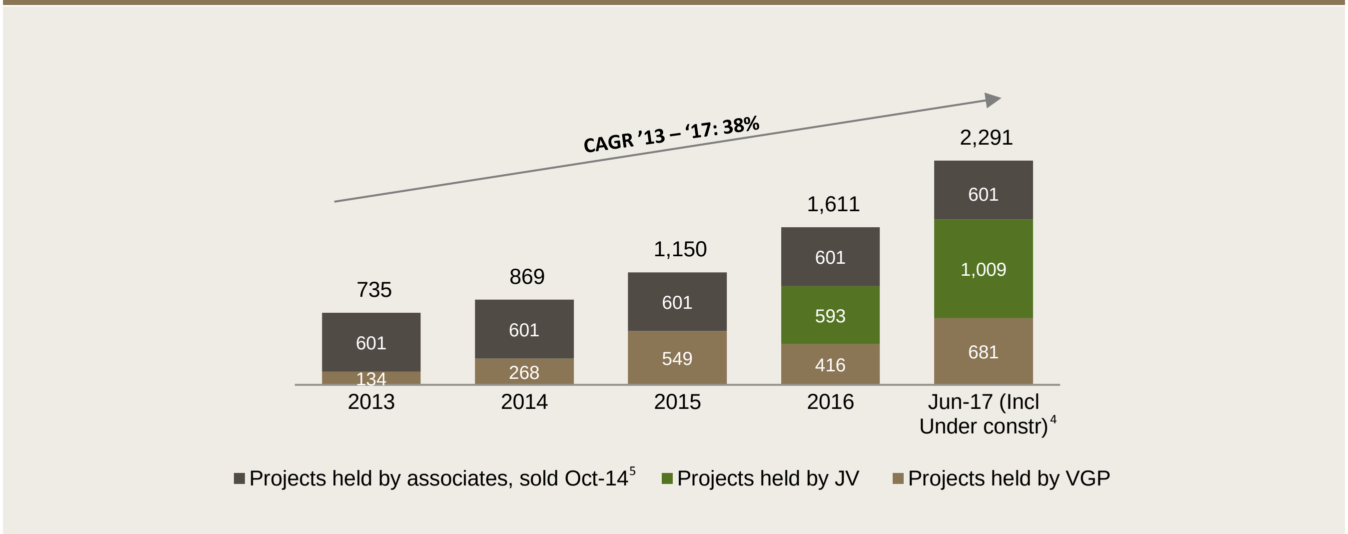
VGP, a fast growing real estate logistics player in Europe

Jan Van Geet, CEO and reference shareholder of the Company, **founded VGP NV in 1998** and has been since then fully devoted to translating the Company's strategy into reality. In 2005-2006, VGP acquired its first land plot in Prague. Since then VGP expanded throughout the mid-European region, with realisations in Slovakia, Hungary and Estonia. **In 2007, VGP became a public company**, with a listing on the regulated markets of **Euronext Brussels and the Main Market in Prague** (Czech Republic). As a public company, VGP increased its geographical presence with market entries in Germany (in 2013) and Spain (in 2015).

Since 2010, the Group has changed its business model and strategy from a strict develop and hold strategy towards **a strategy with an increased focus on development and more pro-active approach in respect of potential disposal of the income generating assets**, as a result of which the Group could (partially) realise valuation gains and generate additional fee income from facility management services. This change in strategy has been reinforced with the entering into a 50:50 joint venture with Allianz RE in the first quarter of 2016. As at 30 June 2017, the Group had an **in-house team of 126 people**, 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 facility management of its own real estate portfolio. **Over the last 10 years, the Group developed more than 2.2 million m² of lettable area** – and thanks to the experience, knowledge and team build-up over the years, VGP was able to develop 438,511 m² of lettable area as from 1 January 2016 until 30 June 2017. As at 30 June 2017 a further 527,876 m² were under construction.

Now, **10 years after the Company's stock market listing**, the Company has reached the critical size to **broaden its investor base** in Belgium and internationally. This Offering will allow VGP to **significantly improve the liquidity** of its shares and **diversify its institutional and retail shareholder base**.

Completed gross leasable area since 2013 (in thousands sqm)



Competitive strengths

VGP has a unique business model based on a **develop, hold and sell strategy**, allowing to maximize shareholder value and optimize capital allocation. The business model is **fully integrated** and managed with **in-house capabilities**. The **vertical integration increases the operational efficiency and creates a flexible and scalable platform**: the Company maximises the value creation by developing assets itself and rapidly converting assets under construction into rental income (as evidenced by the more than 71% of the current pipeline (excluding Estonia) that was already pre-let as at 30 June 2017). The **Group believes that its construction and project management expertise provides it with an advantage over its competitors**.

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[2]Source: company website and prospectus. A description of the risks related to the industry and the business of VGP can be found on page 9 - 14 of this document.

[3]Values disclosed include Own assets and 100% of JV assets; "completed" refers to fully completed investment properties; "under construction" refers to assets under construction; "remaining potential" refers to remaining landbank already on the balance sheet of the Company or contractually locked in; Except as otherwise indicated, values include Estonian assets (which were agreed to be sold in June 2017 with a successful closing announced on 15 September 2017). GAV is Gross asset value; GLA is Gross lettable area.

[4]Including Own and 100% JV land under full ownership and under option; including Estonia (held for disposal, as at 30 June 2017)

[5]Refers to the disposals by the Group's associates Snow Crystal S.à.r.l. (completed the sale of the VGP CZ I and VGP CZ IV portfolio) and Sun S.à.r.l. (completed the sale of the VGP CZ II portfolio) in October 2014.

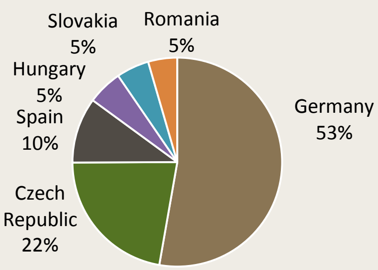
Hold	Develop	Sell to joint venture
• Long term **real estate investor** • Rental portfolio owned and managed • **Recurring** source of earnings • **Long term lease** contracts • Completed assets **fully leased**[6]	• Acquisition of **strategic land bank** • Focus on **business parks** **In-house team** with capabilities across the development value chain	• **Sale** of income-generating assets **to JV** at market value • Realisation of **valuation gains** • Recurrent **portfolio management fees** • **Freeing up capital**

In 2016, a **strategic partnership** was set up in the form of a **50:50 joint venture with Allianz RE** for a term of **10 years**. With the Joint Venture, VGP believes that it has attracted a long-term capital buyer at market value, allowing it to (partially) recycle capital: as at the date of the Prospectus, three closings have taken place for a **total gross asset value of € 735 million** (representing net cash proceeds of ca. € 361 million for VGP). The Joint Venture also creates a **recurring income stream** from Joint Venture fees as VGP continues to service the Joint Venture as asset, property and development manager - securing the necessary financial resources to expand and allowing the Company to focus on its core development business. The Joint Venture is a platform of new, grade A logistics and industrial properties developed by VGP. Allianz RE holds the exclusive right of first refusal to acquire the income generating assets developed by the Group in **Germany, Czech Republic, Hungary and Slovakia**. The goal is to grow the portfolio of the Joint Venture to **ca. € 1.7 billion**, implying a targeted annual contracted rent of € 100 million that would represent a stable income-driven return with potential for capital appreciation.

Portfolio overview

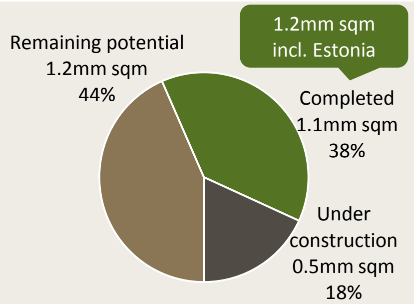
PORTFOLIO BREAKDOWN (excluding Estonia[7])

Split by geography



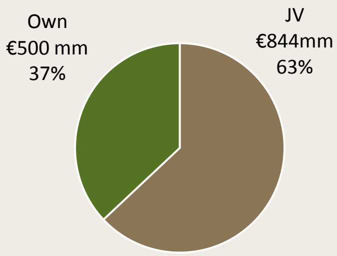
Annualised committed leases[8]: €74 million (€78mm incl. Estonia)

Split by development stage



Total gross leasable area ("GLA"): 2.8 million sqm

Split by ownership



Total gross asset value ("GAV"): €1.3 billion

As at 30 June 2017, VGP's portfolio consisted of 35 parks (Own 17 / JV 21; Three of the parks are owned by both the own and JV portfolio namely Berlin (Own: 5.1%/JV: 94.9%), Hamburg (Own: 5.1%/JV: 94.9%), and Olomouc (Own: 94.9%/ JV 5.1%)), spread out across Western and Central and Eastern Europe.

Based on a valuation by Jones Lang LaSalle, as of 30 June 2017, the Group's property portfolio (including the own property portfolio and the Joint Venture property portfolio (at 100%)) had a gross asset value of (rounded) € 1.3 billion (ca. € 500 million for the own portfolio and ca. € 844 million for the JV portfolio – excluding Estonia).

VGP has a well-leased portfolio and can count on a blue chip customer base (e.g. Lekkerland, Rhenus Logistics, Lidl…). The weighted average term of the annualised committed leases of the own and Joint Venture portfolios combined stood at 10.2 years at the end of June 2017 (excluding Estonia). The own portfolio reached an average annualised committed lease period of 14.1 years as at 30 June 2017 (excluding Estonia), while the Joint Venture portfolio reached 8.1 years. The Group's property portfolio, including the own and Joint Venture property portfolios, both had an occupancy rate of 100.0% at the end of June 2017.

Markets

The markets where the Group and the Joint Venture are currently active in are expected to be supported by a continued growth. **E-commerce, which is expected to remain an important driver of the real estate logistics market in Europe, is estimated to grow 7% per**

[6] As of 30 June 2017.

[7] As publicly announced, the Park in Estonia (which was agreed to be sold in June 2017 with a successful closing announced on 15 September 2017) was, as at 30 June 2017, held as asset for disposal on balance sheet and therefore not considered as part of the portfolio.

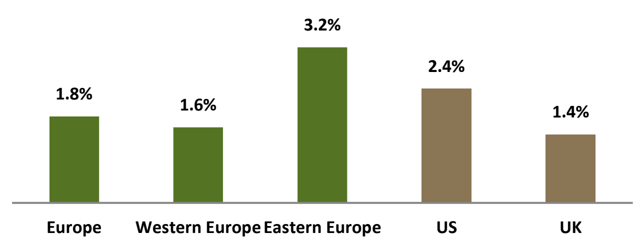
[8] Includes annualised committed leases from completed and under construction assets; for under construction assets it corresponds to only the part of the annualised committed leases from the asset that are already pre-let.

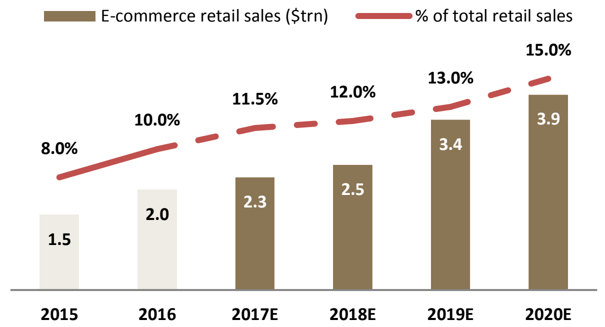
annum for the period 2017 – 2020 (Source: Statista, E-Commerce database). For each € 1 billion in e-commerce sales, it is estimated that Europe needs to add 77,000 m² of logistics space (Source: Prologis). The all-pervasive rise of online retail is having a big impact on the volume of space being taken by tenants. Not only do those companies need about three times more space than traditional warehouse tenants per € 1 million of revenues, but also the total number of tenants is still rising (Source: http://dc-am.co.uk/e-commerce-drives-value-and-opportunities-in-logistics-across-europe/).

VGP has built up its presence in **strategically chosen markets** with **strong macro-economic fundamentals** and **demand dynamics**. Over **50% of the current annual committed leases stem from assets in Germany**[9], one of the economic drivers of the European Union, where the company has built a very strong position strengthened by the partnership with Allianz. **In all the other countries where VGP and the Joint Venture are present, there is an expected GDP growth for the period 2017 – 2020 of at least 2%**, which indicates markets are expected to grow on strong fundamentals (Source: IHS Global Insight, Euromonitor, Statista, E-Commerce database).

Despite some continuing challenges, the overall European economy is performing well as supported by flexible macroeconomic policies, robust job creation, strong consumer confidence, a gradual improvement in world trade, and the euro's relatively low exchange rate. Economic expansion has continued into 2017, thereby completing four years of moderate, uninterrupted GDP economic growth. **Real GDP growth in Western Europe is expected to continue to grow at a CAGR of 1.6% between 2017 and 2020, and at a solid annual rate of 3.2% in Eastern Europe** (Source: European commission, Spring 2017, IHS Global Insight).

Real GDP growth 2017-2020E	Global retail e-commerce sales and % of total retail sales





Source: Bloomberg; e-Marketer, Euromonitor

Key financial figures of VGP (€, in thousands)

	2014A	2015A	2016A	1H 2016	1H 2017
Revenue	15,113	23,118	24,739	17,004	14,296
Net rental income	8,514	16,523	16,138	12,581	8,598
Operating profit	73,225	109,244	129,982	70,048	77,676
Profit for the period	49,359	86,561	91,286	42,738	62,457
Investment properties	416,089	173,972	550,262	-	500,186
Investment JV/associates	17	-103	89,194	-	130,254
Total assets	467,839	717,308	871,594	-	1,022,435
Equity	215,417	361,978	390,305	-	432,692

[9]Includes contracted rent for completed and pipeline assets and Joint Venture assets; Company information as of 30 June 2017.

Features

COMPANY	The Offering (defined below) relates to the offering by VM Invest NV, Bart Van Malderen and Jan Van Geet (via Little Rock SA) of existing shares. The legal name of the Company is VGP NV; it carries out its business under the name of VGP and associated registered trademarks.
ISIN CODE	The Offer Shares are listed on the regulated market of Euronext Brussels and Main Market of Prague and admitted for trading under the symbol “VGP” with an ISIN code of BE0003878957.
SYNDICATE	Joint Global Coordinators and Joint Bookrunners: KBC Securities and J.P. Morgan Co-Lead Manager: Belfius Co-Manager: ING (Altogether the “Underwriters”)
ROLE OF KBC BANK NV	Selling Agent
CURRENCY	EUR
OFFERING AND OVER-ALLOTMENT OPTION	The shares of the Company (the “Shares”) being offered by the Selling Shareholders are herein referred to as the “Offer Shares”. The prospectus (the “Prospectus”) relates to the 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”) (which corresponds to 24.35% of the total outstanding shares of the Company). VM Invest NV and Bart Van Malderen will jointly offer 20.35% and Little Rock SA 4.00%. The offering consists of (i) a secondary public offering to retail and institutional investors in Belgium (the “Belgian Offering”); (ii) a private placement in the United States to persons who are reasonably believed to be “qualified institutional buyers” or “QIBs” (as defined in Rule 144A under the U.S. Securities Act), in reliance on Rule 144A; and (iii) private placements to institutional investors in certain other jurisdictions. (collectively the “Offering”) The shares of the Company (the “Shares”) being offered by the Selling Shareholders are herein referred to as the “Offer Shares”. All Offer Shares are issued under Belgian law. The aggregate number of Offer Shares sold maybe increased by option 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 actual number of Offer Shares to be sold by the Selling Shareholders in the Offering will only be determined after the Offering Period and will be announced by means of a Company press release, simultaneously with the publication of the Offer Price and the allocation of Offer Shares to retail investors. Such publication is currently expected to be made on or about 26 October 2017 and in any event no later than the first business day after the end of the Offering Period. The Selling Shareholders reserve the right to reduce the maximum number of Offer Shares at any time prior to the allocation of the Offer Shares. The Offering will be withdrawn in the event no underwriting agreement is executed or in the event the underwriting agreement is executed but is subsequently terminated. There is no minimum size of the Offering. Any withdrawal of the Offering will be announced by means of a Company press release. If the Offering is withdrawn, the bank accounts of the retail investors having submitted purchase orders will not be debited. Any withdrawal of the Offering or reduction of the number of Offer Shares will be announced by means of a Company press release, through electronic information services such as Reuters or Bloomberg, and in a supplement to the Prospectus following which the investors will have the right to withdraw their orders made prior to the publication of such supplement. Any changes to the maximum number of Offer Shares or any extension or shortening of the Offering Period will not void purchase orders that have already been submitted.

	The Selling Shareholders are expected to grant to KBC Securities, as Stabilization Manager, on behalf of itself and the Underwriters, an Over-allotment Option, i.e., an option to purchase additional Shares in an aggregate amount equal to up to 15% of the aggregate number of subscribed Offer Shares initially offered (including the Offer Shares sold pursuant to the effective exercise of the Increase Option) to cover over-allotments or short positions, if any, at the Offer Price. The Over-allotment Option may be exercised for a period of 30 days following the Pricing Date. The Closing Date is expected to be on 27 October 2017 unless the Offering Period is closed earlier.
OFFER PRICE	The Offer Price is expected to be between €55 and € 63 per Offer Share (the “Price Range”). The price per Offer Share (the “Offer Price”) will be a single price in Euro, exclusive of the Belgian tax on stock exchange transactions, if applicable (see “Tax on Stock Market Transactions”), and costs, if any, charged by financial intermediaries for the submission of applications. The Offer Price will be determined on the basis of a bookbuilding process in which only institutional investors can participate, taking into account various relevant qualitative and quantitative elements, including but not limited to the number of Offer Shares requested, the size of purchase orders received, the condition of the investors submitting such purchase orders and the prices at which the purchase orders were made, as well as market conditions at that time. The Offer Price may be set within the Price Range or below the lower end of the Price Range but will not exceed the higher end of the Price Range. A supplement to the Prospectus will be published in accordance with article 34 of the Prospectus Law if the Offer Price is set below the lower end of the Price Range. The Offer Price must be paid by investors by authorizing their financial institutions to debit their bank accounts with such amount for value on the Closing Date, unless the Offering has been withdrawn. For more information on the right to withdraw, please refer to the section “Right to withdraw” below in this product info sheet.
OFFERING PERIOD	The offering period (the “Offering Period”) will begin on 12 October 2017 and is expected to close no later than 1 p.m. (CET) on 25 October 2017, subject to the possibility of an 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. The Prospectus will be made available as of the first day of the Offering Period. The Offering Period can be closed, at the earliest, three business days after the start of the Offering Period and, hence, prospective investors can submit their orders at least during three business days after the start of the Offering Period. However, and without prejudice to the foregoing, in accordance with the possibility provided for in art. 3, § 2 of the Royal Decree of 17 May 2007 on primary market practices, the Company expects the subscription period for the retail offering to end on 24 October 2017 at 4 p.m., 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 Joint Global Coordinators and with other financial institutions. Any early closing of the Offering Period will be announced by means of a Company press release, and the dates for each of pricing, allocation, publication of the Offer Price and the results of the Offering and closing of the Offering will in such case be adjusted accordingly. The Offering Period can only be closed earlier in case of a coordinated action between the Underwriters. In the event the Offering Period is changed, other than in the event of an early closing of the Offering Period with placement of the total number of Offer Shares, this will be announced by means of a Company press release, through electronic information services such as Reuters or Bloomberg, and will be published in a supplement to the Prospectus. Prospective investors can submit their purchase orders during the Offering Period. Taking into account the fact that the Offering Period may be closed early, investors are invited to submit their applications as promptly as possible. For more information on the right to withdraw, please refer to the section “Right to withdraw” below in this product info sheet.
RIGHT TO WITHDRAW	If an important new factor, material mistake or inaccuracy relating to information contained in the Prospectus, which could influence the investors’ evaluation of the securities, occurs

	before the end of the Offering Period, a supplement to the Prospectus shall be published in accordance with Article 34 of the Prospectus Law. A supplement to the Prospectus will be published in accordance with article 34 of the Prospectus Law in the event (i) the Offering Period is extended, (ii) the lower limit of the Price Range is decreased or the Offer Price is set below the lower end of the Price Range, (iii) the maximum number of Offer Shares is reduced, including due to any early closing of the Offering Period without placement of the total number of Offer Shares (excluding the Increase Option), or (iv) the underwriting agreement is not executed or is executed but subsequently terminated and the Offering is withdrawn. If such supplement to the Prospectus is published, investors will have the right to withdraw their orders made prior to the publication of the supplement. Such withdrawal must be done within the time period set forth in the supplement (which shall not be shorter than two business days after publication of the supplement).
ALLOCATION	The number of Offer Shares allotted to investors will be determined at the end of the Offering Period by the Selling Shareholders in consultation with the Joint Global Coordinators on the basis of the respective demand of both retail and institutional investors and on the quantitative and, for institutional investors only, the qualitative analysis of the order book, and in accordance with Belgian regulations relating to allocation to retail and institutional investors as set forth below. In accordance with Belgian regulations, a minimum of 10% of the Offer Shares must be allocated to retail investors in Belgium, subject to sufficient retail demand. Provided that there is sufficient demand, it is intended that at least 10% of the Offer Shares will be allocated to retail investors in Belgium. The proportion of Offer Shares allocated to retail investors in Belgium may be increased or reduced if applications received from them exceed or do not reach, respectively, 10% of the Offer Shares. In case of over-subscription of the Offer Shares reserved for retail investors, the allocation to retail investors will be made on the basis of objective and quantitative allocation criteria, i.e. the number of shares for which applications are submitted by retail investors. Therefore, retail investors may receive fewer Offer Shares than they subscribed for. The results of the Offering, the allocation for retail investors and the Offer Price will be announced by means of a Company press release, which is currently expected to take place on or about 26 October 2017 and in any event no later than the first business day after the end of the Offering Period (the “Pricing Date”). The Underwriters will use reasonable efforts to deliver the Offer Shares to individual persons residing in Belgium and to investors subject to Belgian income tax on legal entities (“rechtspersonenbelasting”/“impôt des personnes morales”), in this order of priority.
CLOSING DATE	The closing date (the “Closing Date”) is expected to be on or about 27 October 2017 unless the Offering Period is closed earlier or extended.
LISTING	On the regulated market of Euronext Brussels and Main Market of Prague. The (Offer) Shares are already listed.
DIVIDEND POLICY	The Company has prior to the Offering completed capital decreases and has paid dividends on an ad-hoc basis. In view of the successful and sustainable evolution of the Group’s results, 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 JV; (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. 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 Company’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. See section “Risk Factors – The Company may not be able to pay dividends in accordance with its stated dividend policy.” in the Prospectus. 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.

	No dividends have been declared or distributed by the Company for the financial years ending 31 December 2014, 31 December 2015 and 31 December 2016. In August 2017, however, the Company distributed an amount of € 20,069,694.00 to its shareholders (i.e. an equivalent of € 1.08 per share) following a capital decrease approved by the shareholders' meeting in May 2017. The Offer Shares carry the right to participate in dividends declared after the Closing Date, in respect of the financial year ending 31 December 2017 and future years. All Shares participate equally in the Company's profits, if any. In general, the Company may only pay dividends with the approval of the shareholders' meeting of the Company, 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 Company'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 Company 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 Company's share capital. The Company currently has an aggregate legal reserve of 8.57% of the Company's share capital. Accordingly, 5% of the Company's Belgian GAAP annual net profit during certain future years will need to be allocated to the legal reserve, limiting the Company's ability to pay out dividends to its shareholders.
USE OF PROCEEDS	The net proceeds are intended to be used by the Selling Shareholders to be invested in their other businesses and activities or to support the Offering and increase the additional liquidity of the Shares to the benefit of all shareholders. The Company will not receive any proceeds from the Offering. All fees and expenses related to the Offering will be borne by the Selling Shareholders.
RATIONALE FOR THE OFFERING	The Selling Shareholders Bart Van Malderen and VM Invest NV are historic investors and shareholders of the Company who have provided the Company with the relevant funds during the initial start-up phase of the Company. Since these Selling Shareholders believe that the Group is now sufficiently mature and has the capabilities to finance its obligations and activities on a stand-alone basis, these Selling Shareholders wish to decrease their participation in the Company and redeploy their initial investment in the Group into their other businesses and activities. The Selling Shareholder Little Rock SA, controlled by Jan Van Geet, wishes to remain an important shareholder of the Company and Jan Van Geet wishes to remain CEO of the Group. Accordingly, this Selling Shareholder only wishes to divest a small part of the Shares it currently holds in order to support the Offering and the additional liquidity of the Shares on the trading market it believes the Offering will realize. The Company believes that the Offering is in its interest. Among the benefits for the Company to be expected as a result of the Offering are the following: (i) increase of the free float (from current 10.14% of outstanding shares to 34.48%) without additional shareholder dilution should enable the Company to reach more market standard trading volumes, (ii) increase of visibility of the Company on the equity markets, (iii) potential for inclusion/eligibility to be included in European Public Real Estate Association ("EPRA") indices and hence further potential to increase visibility, and (iv) following the expiration of the lock-up provisions entered into by the Selling Shareholders and the Company, the Company could start using more equity financing as a financial instrument to finance future growth.
INVESTMENT OBJECTIVE	A share has an unlimited maturity and does not offer any scheduled repayment of the capital. These shares are expected to trade on the regulated market of Euronext Brussels and the Main Market of the Prague Stock Exchange, which may lead to capital gains or losses. These shares may be entitled to dividends. In the event of liquidation the shareholder ranks only after all other creditors. Usually shareholders do not recover anything. As a shareholder of the Company your rights will be governed by Belgian law.

DOCUMENTATION	The Prospectus was approved by the Belgian Financial Services and Markets Authority (the "FSMA"). The Prospectus is available in English and Dutch and the summary of the Prospectus has been translated into French. The Prospectus is made available for potential investors as of 12 October 2017. The Prospectus will be made available at no cost at your KBC Bank branch, KBC Brussels branch and via KBC Live at +32 (0)78 152 153. You can also view the Prospectus on the websites of KBC Bank NV (www.kbc.be/vgp) and KBC Securities (www.kbcsecurities.be, www.bolero.be, on the website of the Company VGP www.vgpparks.eu and on the website of the FSMA (www.fsma.be).

Risk

REDEMPTION	This investment comprises a share and does not offer any scheduled repayment of capital. Prospective investors must be able to bear the economic risk of an investment in the Shares and should be able to sustain a partial or total loss of their investment.
DIVERSIFICATION	None: investment in a single security
MARKET SENSITIVITY	The stock market price may fluctuate considerably over time depending on how the business develops, the sector in which the business operates, movements on the financial markets and other macroeconomic conditions.
RISKS RELATED TO THE COMPANY'S INDUSTRY AND BUSINESS	The following is a selection of key risks that relate to the Group's industry, business and operations and the Offering. In making the selection, the Group has considered circumstances such as the probability of the risk materialising on the basis of the current state of affairs, the potential impact which the materialisation of the risk could have on the Group's business, financial condition and results of operations. Investors should read, understand and consider all risk factors, set out in the chapter "Risk Factors" beginning on page 17 of the Prospectus before making an investment decision to invest in the Offer Shares. **The Company is subject to the following material risks:** • **The Group's business, operations and financial conditions are significantly affected by the Joint Venture.** The Joint Venture has the exclusive right of first refusal (in accordance with the conditions as set forth in the Joint Venture Agreement (the "JVA")) in relation to acquiring the income generating assets located in Germany, the Czech Republic, Slovakia and Hungary. There is a risk that the Joint Venture would discontinue acquiring the completed assets from the Group. Should a member of the Group or the Company breaches certain material obligations under any management agreement or the Joint Venture Agreement which are not remedied, then Allianz will have the right to terminate all the management agreements, to terminate the Joint Venture Agreement and/or to exercise a call option over all the Company's shares in the Joint Venture against payment of a price equal to 90% of the fair market value. Allianz has the right to dilute the Company in the Joint Venture (i) pursuant to the Company defaulting under its funding obligations towards the Joint Venture under the JVA or (ii) pursuant to Allianz being required to consolidate the Joint Venture within its companies' group. Although not contractually required, the Group has recognized that it has de facto a constructive obligation towards the Joint Venture (of up to its proportional share) as it will always seek to ensure that the Joint Venture and its subsidiaries will be in a position to fulfil their respective obligations, since the proper functioning is material for the Group in realizing its expected capital gains. This entails that ultimately any payment due by the Joint Venture to the Group will be borne by the Joint Venture's shareholders, i.e. VGP and Allianz pro rata their shareholding or, in the event that VGP does not comply with its funding obligations towards the Joint Venture in accordance with the terms of the JVA, will lead to either VGP being diluted by Allianz in accordance with the provisions of the JVA or Allianz replacing VGP's part of the funding by its own funding under preferential repayment and interest conditions. If Jan Van Geet, as CEO of the Group, would no longer devote sufficient time to the development of the portfolio of the Joint Venture, Allianz can stop the acquisition process of the proposed income-generating assets, until Jan Van Geet has been replaced to the satisfaction of Allianz. Such temporary standstill of Allianz's investment obligation might negatively impact the short-term cash position of the Group. • **The inability of the Joint Venture to generate sufficient income may adversely affect the Group's financial position.**

The Joint Venture is exposed to several of the risks to which the Group is exposed. All such risks could have a material adverse effect on the Joint Venture's business, financial condition and results of operations, which might materially impact VGP's ability to generate sufficient dividend income out of the Joint Venture and in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

- **The inability of VGP to recover the aggregate amount under the loans granted to the Joint Venture and the Joint Venture's subsidiaries may adversely affect the Group's financial position.**
  The loans granted by the Group to the Joint Venture and the Joint Venture's subsidiaries comprise development and construction loans granted directly to the project companies of the Joint Venture as well as other shareholder loans granted to the Joint Venture in a total amount of € 105.6 million as at 30 June 2017 (of which € 89.4 million construction and development loans). The purpose of the Joint Venture is only to invest in income generating assets and both Joint Venture's partners have agreed in the JVA that as a result, any development undertaken within the Joint Venture will be in first instance pre-financed by VGP. The repayment of the construction and development loans will be principally driven by the subsequent refinancing of the Joint Venture's assets upon their completion. Should the proceeds of such refinancing be significantly lower than the development costs, then it could be possible that VGP is unable to recover the total amount of the construction and development loans granted to the Joint Venture, as the Joint Venture would not be able to draw the entire amount of such construction and development loans under its existing credit facilities and consequently such shortfall would have to be funded by additional shareholder loans granted to the Joint Venture by VGP and Allianz pro rata their shareholding.
- **The Group's development projects require large investments while they will start generating income only after a period of time.**
  The Group may divest income generating assets, as a result of which its rental income would decrease. As at 31 December 2016, the Group's total gross rental income of € 16.8 million included the gross rental income of the portfolio sold to the Joint Venture in the First JV Closing and of the portfolio sold to the Joint Venture in the Second JV Closing, for an aggregate amount of € 10.2 million. As at 30 June 2017, the Group's total gross rental income of € 9.1 million included the gross rental income of portfolio sold to the Joint Venture in the Third JV Closing for an aggregate amount of € 1.7 million. The proceeds of such divestments may be used for a new development cycle, i.e. to fund the acquisition and development of new plots of land. During the first phase of the development of a new project, no income is generated by the new development until such project is completed and delivered to a tenant.
- **The Group depends on its ability to execute new lease agreements and successfully dispose of its real estate assets.**
  The Group's short term cash flow may be affected if it is unable to continue to successfully sign new lease contracts, which, in its turn, may affect the results of operations of the Group. The medium-term results of the Group may fluctuate significantly depending on the projects/parks that can be divested in a given year. Inability to generate sufficient cash in the medium term may affect the results of operations of the Group.
- **Risks related to the nature of the Group's business: acquiring, developing, owning, managing a logistic real estate portfolio.**
  The results and the outlook of the Group depends among other things on the ability of the management to identify and acquire interesting real estate projects and to develop and commercialise such projects at economically viable conditions.
- **Real estate valuations are based on methods and other considerations that may not accurately reflect the value of the real estate at which the property could be sold.**
  The valuation of the property depends largely on national and regional economic conditions. Due to the nature of the real estate and the lack of alternative uses of logistic properties and such properties' ancillary offices, the ability to respond to adverse changes in the performance of the properties could be limited. In addition thereto, due to this concentration, an economic downturn in this sector could have a material adverse effect on the Group's business. Furthermore, a downturn of the property market or a negative change in one of the assumptions used or factors considered in making a property's valuation could decrease the value of the property of the Group.

- **The Group is exposed to the credit risk on rent payments from its tenants and failure by its tenants to pay rent when due could adversely affect the Group's business, financial consolidated results and operations.**
  The value of a rental property depends largely on the remaining term of the related rental agreement as well as the creditworthiness of the tenants. If one or more of the Group's largest customers is unable to meet its lease obligations, the Group's business could be materially adversely affected.
- **Risks related to the Group's development activities.**
  During the development phase of projects, the Group usually carries the costs of the project and begins to receive revenues only at a later point in time. Delays in the completion, cost overruns, underestimation of costs, etc. could decrease the Group's cash flows.
- **Risks associated with the disposal of projects.**
  The Company's cash flow can fluctuate considerably from year to year depending on the number of projects which can be sold in a given year. The Group's inability to conclude sales can give rise to significant fluctuations of the cash flows of the Company, which could have an adverse effect on the Group's business, financial condition and results of operations.
- **The Group's insurance coverage may be insufficient.**
  The Group may have to bear the costs related to or be liable for any debt or other financial obligation related to the property in case of damages or loss of the property. Certain types of losses may be uninsurable or not economically insurable and insurance proceeds are not always sufficient to cover the costs.
- **Risks related to legal and regulatory matters.**
  Regulatory changes in the different countries where the Group is active could have a material adverse effect on the Group's business. Additionally, the Group may encounter difficulties in obtaining the relevant permits (within the expected timeframe, if at all).
- **Increased competition for acquiring new land plots may adversely affect the Group's financial results.**
  Increased competition could have an impact on the purchase price and development costs of the sites, as well as on rental revenues and Occupancy Rates.
- **Dependency on key personnel.**
  As the Group depends largely on the expertise and commercial quality of its management, commercial and technical team, the loss of or failure to attract such persons may have a material adverse effect on the Group's business.
- **VGP is exposed to counterparty risk.**
  VGP has contractual relationships with multiple parties, such as partners, investors, tenants, contractors, architects, financial institutions, as well as the Joint Venture. The inability of such counterparties to live up to their contractual (financial or otherwise) obligations could have a significant impact on VGP's financial and operational position. For example, a significant portion of the Group's annual rental income results from the lease of a warehouse in Barcelona to Punto Fa S.L. (part of the Mango group). The Group could therefore be adversely affected by the financial difficulties of the Mango group. Furthermore, the completion of the Group's developments could be delayed if the Group is unable to appoint suitable contractors, or if one or more of the appointed contractors is unable to meet the development timetable or otherwise defaults on their construction obligations, including as a result of: (i) labour shortages or disputes; (ii) the failure of any sub-contractors to provide the standard of construction expected or required; (iii) delays arising due to the complexity or technical demands of certain developments; (iv) bankruptcy; or (v) insolvency. Any such delay or default by a contractor or sub-contractor could result in damage to the Group's relationships with its customers and could cause disruptions to the Group's business, any of which could have a material adverse effect on the Group's business, financial condition, operating results and cash flows.
- **The Group is exposed to liability claims.**
  The nature of the Group's business exposes it to potential liability claims by third parties. The Group may face contractual disputes which may or may not lead to legal proceedings as the result of a wide range of events, including, among other things: (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 the Group uses; or (iii)

deficiencies in the goods and services provided by suppliers, contractors, and sub-contractors used by the Group.

A more complete discussion of each of the above risks and additional risks relating to the Company's industry and business is set forth in the section "Risk Factors" of the Prospectus on page 17-24.

RISKS RELATED TO THE COMPANY'S CAPITAL STRUCTURE

The Company is subject to the following financial risks:

- **The Group is materially indebted.**
  The Group has incurred significant borrowings in order to finance its growth via its currently outstanding bonds and/or via bank credit facilities. Among other things, the Group's indebtedness could potentially (i) limit its ability to fund its strategic capital expenditure program, (ii) limit its ability to obtain additional financing, (iii) limit its flexibility in planning for, or reacting to, changes in the markets in which it competes, (iv) place it at a competitive disadvantage relative to its competitors with less indebtedness, (v) render it more vulnerable to general adverse economic and industry conditions, and (vi) require it to dedicate all or a substantial part of its cash flow to service its debt. The Group's ability to make payments on its indebtedness depends upon its ability to maintain its operating performance at a certain level, which is subject to general economic and market conditions and to financial, business and other factors, many of which the Group cannot control. If the Group's cash flow generated from operating activities becomes insufficient, the Group may be required to take certain actions, including delaying or reducing capital or other expenditure in an attempt to restructure or refinance its indebtedness, selling its investment properties or other assets or seeking additional equity capital. The Group may be unable to take any of these actions on favourable terms or in a timely manner.
  Furthermore, such actions may not be sufficient to allow the Group to service its debt obligations in full and, in any event, may have a material adverse effect on its business, financial condition, results of operations and prospects. The Group's inability to service its debt through internally generated cash flow or such other sources of liquidity may put it in default of its obligations to its creditors.
  Furthermore, any refinancing of the Group's indebtedness could be at higher interest rates and may require the Group to comply with more onerous covenants, which could further restrict its business and could have a material adverse effect on its financial condition and results of operations.
- **The Group's borrowings are subject to certain restrictive covenants.**
  A breach of financial covenants could have an adverse effect on the financial position of the Group. The terms and conditions of the 2018 Bond, the 2023 Bond, the 2024 Bond and the 2025 Bond include following financial covenants, evaluated at the level of the Company:
    - Consolidated Gearing (consolidated Total Net Debt divided by the sum of the equity and total liabilities) to equal or to be below 55% (as regards the 2018 Bond) or 65% (as regards the 2023 Bond, the 2024 Bond and the 2025 Bond);
    - Interest Cover Ratio (aggregate net rental income (increased with the available cash and cash equivalents) divided by the net Finance Charges) to equal or to be above 1.2;
    - Debt Service Cover Ratio (or "DSCR") (Cash Available for Debt Service divided by Net Debt Service) to be equal or to be above 1.2.

  As at 30 June 2017 the Consolidated Gearing stood at 34.9% compared to 39.4% as at 31 December 2016. The Interest Cover Ratio was 60.8 as at 30 June 2017 compared to 5.47 as at 31 December 2016 and finally the Debt Service Cover Ratio was 29.2 as at 30 June 2017 compared to 3.36 as at 31 December 2016.
    - The credit agreement entered into with Raiffeisen (Romania) bank includes following financial covenants:
    - Loan to Value: lower than or equal to 65.0%; and
    - Debt Service Cover Ratio: higher than or equal to 1.25.

  As at 30 June 2017 (first testing date for this credit facility), the Loan to Value stood at 33.1% and the Debt Service Cover Ratio stood at 1.91.
- **Availability of adequate credit facilities or shareholder loans.**
  The non-availability of adequate credit facilities or shareholder loans or the lack of possibility to refinance or replace such credit facilities or shareholder loans may have an adverse effect on the growth of the Group and its financial condition.

- **Risks related to the evolution of interest rates.**
  Changes in interest rates could have an adverse effect on the Group's ability to obtain or service debt and other financing on favourable terms.
- **The Group is exposed to interest rate and currency risks related to fluctuation in currency exchange rates.**
  The Group's revenues and a majority of its expenses are denominated in Euro. However, certain expenses, assets and liabilities are recorded in a number of different currencies other than Euro. Variations in exchange rates may affect the amount of these items in the consolidated financial statements when such expenses, assets and liabilities are translated into Euro for the purposes of the preparation of the consolidated financial statements.

Risks relating to the countries in which the Group operates

- **Defects in the ownership title.**
  Real estate registries in some of the countries in which the Group is active do not provide conclusive evidence of ownership of title to property. Some of the members of the Group may not have title to some of the plots of land despite being registered as owners.

A more complete discussion of each of the above risks and additional risks relating to the Company's capital structure is set forth in the section "Risk Factors" of the Prospectus on page 24-28.

RISKS RELATED TO THE SHARES AND THE OFFERING

The Company is subject to the following material risks:

- **The Shares may experience (increased) price and volume fluctuations.**
  Currently, the trading volumes of the Shares and the volatility of the trading price of the Shares have been affected by the relatively low percentage of free float: since the trading volumes are limited, there is limited volatility in the trading price of the Shares. As a result of the Offering, the free float is expected to increase from 10.14% to 34.48%. Such increase in free float should enable the Company to reach more market standard trading volumes, but is also likely to result in increased volatility in the trading price of the Shares. Moreover, there can be no assurance that the currently existing trading market for the Shares can be sustained or will be more liquid following the closing of the Offering. Furthermore, the Offer Price is not necessarily indicative of the prices at which the Shares will subsequently trade on the stock exchange. If an active trading market does not develop or is not maintained, the liquidity and trading price of the Shares could be adversely affected.

The Company is also exposed to the following risks:

- Future sales of substantial amounts of the Company's ordinary shares, or the perception that such sales could occur, could adversely affect the market value of the Shares.
- The Company may not be able to pay dividends in accordance with its stated dividend policy. There can be no assurance as to whether dividends or similar payments will be paid out in the future or, if they are paid, their amount.
- Investors may not be able to recover in civil proceedings for U.S. securities law violations.
- Investors may suffer dilution if they are unable to participate in future preferential subscription rights offerings.
- Investors with a reference currency other than Euro will become subject to foreign exchange rate risk when investing in the Shares.
- Any sale, purchase or exchange of Shares may become subject to the financial transaction tax.
- Certain provisions of the Belgian Companies Code and the Articles of Association may affect potential takeover attempts and may affect the market price of the Shares.
- The market price of the Shares may prove to be highly volatile and may fluctuate significantly in response to a number of factors, many of which are beyond the Group's control, including new government regulation, variations in operating results in the Company's reporting periods, changes in financial estimates by securities analysts, changes in market valuation of similar companies, announcements by the Company or its competitors of significant contracts, acquisitions, strategic alliances, joint ventures, capital commitments or new services, loss of major customers, additions or departures

	of key personnel, any shortfall in revenue or net income or any increase in losses from levels expected by securities analysts, future issues or sales of ordinary shares, and stock market price and volume fluctuations. Any of these events could result in a material decline in the price of the Shares. • The Group is subject to risks relating to related party transactions as it has maintained and continues to maintain relationships with related parties. A more complete discussion of each of the above risks and additional risks relating to the Company's shares and the Offering is set forth in the section "Risk Factors" of the Prospectus on page 28-31.
FURTHER INFORMATION	For further information, please read the Prospectus carefully, paying particular attention to the "Risk Factors" section.

Product rating

PRODUCT RATING	**7** on a scale of 1 (low risk) to 7 (high risk). If estimates of the factors used to determine product ratings change owing to market circumstances, the product rating can also change. Investors will be informed through the usual communication channels of any change in the risk profile (a product rating of 1 corresponds with a highly defensive risk profile, a product rating of 2-3 with a defensive profile, a product rating of 4-5 with a dynamic profile and a product rating of 6-7 with a highly dynamic profile). For more information and background on the various factors used to determine the product ratings see www.kbc.be/productrating

Charges

SUBSCRIPTION CHARGES	None
COSTS RELATING TO THE OFFERING	Based on expected gross proceeds of €266,949,571, the Selling Shareholders estimate that they will receive net proceeds from the Offering of approximately €255,057,827, following the deduction of fees and expenses and underwriting commissions (including discretionary incentive fees, if any) in the amount of approximately €11,891,744. Assuming a full placement of the Offer Shares (including the full exercise of the Increase Option), that the Offer Price is at the mid-point of the Price Range and that the Over-allotment Option is exercised in full, the Selling Shareholders will pay app roximately €16,563,359 in expenses and commissions from cash on hand. All fees and expenses related to the Offering will be borne by the Selling Shareholders.
TAX ON STOCK MARKET TRANSACTIONS	Tax on buy or sell transactions on the secondary market: 0.27% of the transaction value, with a maximum of EUR 1,600 per transaction and per party.
CUSTODY FEE	Charges for holding the shares in custody account: to be borne by the subscriber (see Schedule of Rates and Charges).
FINANCIAL SERVICES	Free of charge at KBC Bank NV (see Schedule of Rates and Charges).
SCHEDULE OF RATES AND CHARGES	All rates and charges applying at KBC Bank NV can be found at http://kbc-pdf.kbc.be/vermogensopbouw/tarieven_effecten_en.pdf

Liquidity

NEGOTIABILITY	Daily.

Tax treatment

GENERAL	The tax treatment will depend on each investor's individual circumstances and may change in the future. The general principles are set out in the section "Taxation in Belgium" of the Prospectus.
TAX TREATMENT IN BELGIUM	Dividends are currently (i.e. on the date of this product info sheet) subject to withholding tax at the rate of 30% on the gross amount. The withholding tax constitutes the final tax for Belgian individuals, which means that any income from the shares does not have to be declared in their annual tax return.

Glossary

For an overview of financial and economic terms, go to **www.kbc.be/lexicon** (available in Dutch and French)

Additional information or subscription details can be obtained from:
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Contact: KBC Live / KBC Brussels Live
Tel: 078 152 153 / 02 303 31 60
Website: www.kbc.be/ask-your-question

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