



## CTP N.V. Q3 2022 TRADING UPDATE

### CTP REPORTS STRONG LIKE-FOR-LIKE RENTAL GROWTH OF 4.3% AND OCCUPANCY IMPROVEMENT – WHILE EXPANDING ITS PORTFOLIO TO 9.9 MILLION SQM AND REALISING A YIELD-ON-COST OF ABOVE 10%

**AMSTERDAM, 9 November 2022** - CTP N.V. (CTPNV.AS), (“CTP”, the “Group” or the “Company”) Continental Europe’s largest owner, developer and manager of high quality industrial and logistics real estate by gross lettable area (“GLA”), reports strong like-for-like rental growth of 4.3%<sup>1</sup> in the first nine months of 2022. Net rental income (“NRI”) through 30 September 2022 rose 36.8% to €328.2 million.

CTP’s Yield-on-Cost (“YoC”) for projects under construction at end Q3 2022 is market-leading at 10.1%. The Group’s owned investment property portfolio grew to 9.9 million sqm of GLA at end Q3 from 9.5 million sqm as at 30 June 2022, with growth driven mainly by the delivery of 329,000 sqm of developments. CTP’s contracted revenues for the next 12 months to 30 September 2023 stood at €566 million as at 30 September 2022.

Company specific adjusted EPRA earnings increased to €194.3 million in the first nine months of this year, from €143.8 million in the same period last year. The Company specific adjusted EPRA EPS amounted to €0.45, and CTP expects the full-year result to be in line with its guidance of €0.60.

**Remon Vos, CEO, comments:** “We continue to see strong occupier demand, as occupiers seek to enhance the resilience of their regional and national supply chains through nearshoring / friend shoring operations, as well as by maintaining higher levels of stocks close to their main markets. CEE markets have proven to be resilient and have higher economic growth projections. These trends, combined with historically low vacancy rates in supply-constrained markets, have resulted in new leases signed 6.2% above ERV in Q3.

In our development business, construction costs continue to trend downwards. Our in-house construction teams, centralised procurement capabilities and increased rents allow us to continue to deliver developments at a 10.1% YoC. During the third quarter we delivered 329,000 sqm, 96% pre-let, securing approximately €17 million of contracted rent.

During the quarter, we ramped-up the roll-out of solar photovoltaic systems to boost our energy business and are on track to reach 40 MWp by year-end, while targeting to add another 100 MWp during 2023, contributing toward our ESG aspirations in addition to developing a new income stream.”

#### Key Highlights

In €m	YTD to 30 Sept. 2022	YTD to 30 Sept. 2021	% Increase	1 July to 30 Sept. 2022	1 July to 30 Sept. 2021	% Increase
Net Rental Income	€328.2	€239.9	+36.8%	€116.7	€79.6	+46.7%
Net valuation result on investment property <sup>2</sup>	€558.1	€265.2	+110.4%	€59.1	€119.6	-50.6%
Profit for the period	€595.9	€317.8	+87.5%	€105.7	€129.5	-18.4%
Company Specific Adjusted EPRA earnings	€194.3	€143.8	+35.2%	€68.3	€51.6	+32.3%

In €m	30 Sept. 2022	31 Dec. 2021	% Increase
Investment Property	€9,780.8	€7,575.1	+29.1%
Investment Property under Development	€1,112.1	€774.2	+43.6%
	30 Sept. 2022	31 Dec. 2021	% Increase
EPRA NTA per share	€13.43	€12.06	+11.3%
YoC of developments	10.1%	11.0%	
LTV	45.0%	42.8%	

## Investment portfolio generates strong cash flow

Through 30 September 2022, the investment portfolio generated a Gross Rental Income (“GRI”) of €354.2 million, up 44.2% y-o-y on an absolute basis and 4.3% on a like-for-like basis. New leases have been signed 6.2% above ERV’s in Q3, illustrating continued strong market rental growth.

An increasing proportion of the rental income stream generated by CTP’s investment portfolio benefits from contracted annual rental growth and inflation protection. Since early 2020, all the Group’s new lease agreements include a double indexation clause, which calculates annual rental increases as the greater of:

- a fixed increase of 1.5%–2.5% a year; or
- the Consumer Price Index.

As at 30 September 2022, 45% of income generated by the Group’s portfolio includes this double indexation clause, and the Group is on track to increase this to around 50% by the end of this financial year. Indexation takes place on 1 January of each year.

The Company’s vacancy rate remained low, with occupancy at 95% (30 June 2022: 94%), or 96% (30 June 2022: 95%) excluding CTP Germany. The Group’s client retention rate remains strong at 91% (30 June 2022: 91%) and demonstrates CTP’s ability to leverage long-standing client relationships. In total, CTP signed leases covering 1,466,000 sqm of GLA, of which 908,000 sqm in standing assets, including leading tenants like Tesco, Lidl, H&M and Kuehne+Nagel. The portfolio WAULT stood at 6.5 years (30 June 2022: 6.4 years), in line with the Company’s target of >6 years.

The rent collection level was sustained at 98% of payments received before falling due, with most of the remainder expected to be collected in the coming month.

## Disciplined capital allocation and profitable pipeline

CTP continued its disciplined investment in its highly profitable pipeline. With construction costs decreasing in the third quarter, and capitalising on strong occupier demand, low vacancies and the growth of market rents, the Company maintains its 10% YoC target.

Significant progress was made by CTP during Q3-2022, including:

- Completion of 329,000 sqm of developments (July – September 2021: 150,000 sqm) of which 96% are leased, at a YoC of 10.2%, securing approximately €17 million of contracted rent and bringing total completions for the first nine months of this year to 486,000 sqm (first nine months 2021: 366,000 sqm). Main Q3 deliveries include 60,000 sqm at CTPark Bor (leased to GXO Logistics), 39,000 sqm at CTPark Illowa (leased to Hermes OTTO) and 34,000 sqm at CTPark Bucharest Mogosoia (leased to Mediplus);
- Construction started of 260,000 sqm of new projects (July – September 2021: 132,000 sqm), taking the total GLA of projects under construction as at 30 September 2022 to 1,243,000 sqm, of which 782,000 sqm is expected to be completed in Q4-2022. The planned 2022 deliveries are 48% pre-let (30 June 2022: 47%), or 62% pre-let excluding Poland where the Group has more developments as part of its market entry. CTP expects to reach 80-90% pre-letting at delivery, in line with historical performance. In addition, the Group has already signed 232,000 sqm for future projects;



- For projects under construction at the period end, the YoC remained strong at 10.1%, in line with the Group's target (30 June 2022: 10.0%); and
- 1.8 million sqm of additional land was secured and 0.4 million sqm transferred to Investment Property under Development ("IPuD"), bringing the Group's total landbank to an industry-leading 21.4 million sqm (30 June 2022: 20 million sqm). This landbank will allow CTP to reach its target of 20 million sqm GLA in the Company's investment portfolio by 202X.

The Group's expansion plans in Romania and Bulgaria are expected to benefit from the expected accession of these countries to the Schengen area in 2023.

### **Ambitious solar energy investments**

In line with its ESG ambitions, in Q3-2022 CTP further accelerated its roll-out of solar photovoltaic systems in its parks, boosting the Company's energy business. CTP is on track to reach 40 MWp by year-end and announced during its Capital Markets Day its target to add at least an additional 100 MWp over the course of 2023. The Group targets a YoC of at least 15-20% for those investments.

Construction of solar PV plants is ongoing in The Netherlands (CTPark Amsterdam City, CTPark Rotterdam), the Czech Republic (CTPark Bor) and Romania (CTPark Bucharest West). The Group also expanded its energy business team by hiring a Group Energy Manager who joined in August, and CTP continues to attract local experts in the countries where it is active.

Other key ESG initiatives during the third quarter included:

- ISO 14001 and ISO 50001 recertification adding new assets in Romania and the Czech Republic, with certification in Slovakia ongoing to externally validate environmental and energy processes.
- Alignment of reporting with GRI requirements and the development of an auditable ESG data collection processes.

### **Pipeline drives valuation results**

Investment Property ("IP") valuation increased from €9.4 billion as at 30 June 2022 to €9.8 billion as at 30 September 2022, driven by among others the €153.0 million transfer of completed projects from IPuD to IP and €92.7 million of acquisitions.

IPuD increased by 5.1% from 30 June 2022 to €1.1 billion as at 30 September 2022, mainly driven by a positive revaluation of €62.1 million and €143.0 million of CAPEX spent, partly offset by the transfer from / to IP.

EPRA NTA per share increased from €12.06 as at 31 December 2021 to €13.43 as at 30 September 2022, representing an increase of 11.3%. In the third quarter, the EPRA NTA per share increased by 0.3%, as no external valuation of CTP's income producing portfolio took place during Q3-2022.

### **Robust balance sheet and strong liquidity position**

In line with its proactive and prudent approach the Group benefits from a solid liquidity position to fund its growth ambitions, with a fixed cost of debt and conservative repayment profile.





During the Q3-2022 CTP signed a €400 million nine-year extension of an existing loan facility with a syndicate of local banks, secured on a portfolio of Czech assets. The margin on this facility was below 200 bps, resulting in an all-in cost of 4.7%. The proceeds will be used for general corporate purposes, including funding the development pipeline and supporting CTP's ambitious growth strategy.

The Group's first material upcoming maturity is a €400 million bond in Q4-2023, after which its next material maturity is not until 2025.

As at 30 September 2022 the Group's:

- Net Loan-to-Value ratio ("LTV") is 45.0% (30 June 2022: 43.9%), in line with CTP's target of an LTV between 40-45%;
- Average debt maturity is 5.9 years (30 June 2022: 5.9 years);
- Average Cost of Debt stands at 1.40% (30 June 2022: 1.15%), of which 100% is fixed/hedged;
- Interest Coverage Ratio of 4.8x (30 June 2022: 4.6x); and
- Liquidity position of €1.15 billion (30 June 2022: €1.44 billion).

### **Continued progress and attractive returns in Western European markets**

CTP has made significant progress in Western European markets, which are instrumental in the Group's pan-European strategy and allow CTP to grow with its tenants, and offer an integrated park network from the North Sea to the Black Sea.

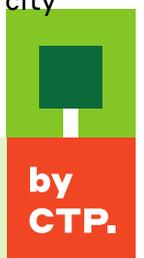
In Austria, CTP has stepped up development activity with four buildings under construction with a total of around 100,000 sqm, while consistently achieving a YoC above 10%.

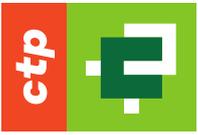
In The Netherlands, CTP has signed a collaboration agreement with the Waalwijk municipality for the development of approximately 40 hectares of land, as well as reaching an agreement with the Gorinchem municipality for an ambitious mixed-use regeneration project involving the relocation of existing business park tenants. Both projects are expected over the medium term to deliver a YoC of 10%.

CTP also completed the legal integration of the former Deutsche Industrie REIT-AG (later: Deutsche Industrie Grundbesitz) into CTP Germany.

Following an in-depth review of the German portfolio, CTP expects a highly attractive stabilised YoC of 10% based on:

- An implied acquisition yield of 5.1%;
- A strong reversionary potential (WAULT to expiry of 5.2 years) with leases currently being negotiated around €52-60 / sqm, i.e. approximately 50% above the in-place rent of €37 / sqm at the time of the acquisition, contributing approximately 200 bps to the stabilised YoC;
- Implementation of CTP's pro-active asset management strategy carried out by CTP's in-house team in Germany, which has been built up over the past months, resulting in an increase of the occupancy levels from 88% at the time of acquisition to 95% and adding approximately 40 bps;
- Expected indexation in the coming years, accruing approximately another 50-75 bps; and
- Opportunities for transformation to other asset classes, e.g. residential, office and life-sciences, as many of the properties are located in mixed-use areas within city boundaries, embedding significant residual value.





## Guidance

CTP is well positioned, with a robust and growing cash flow from its investment portfolio, and a highly profitable and tenant-led development pipeline. Occupier demand also remains strong, supported by structural tail winds like nearshoring / friend shoring, especially in the CEE markets.

The Group expects its Company specific adjusted EPRA EPS for the full year to be in line with its guidance of €0.60.

<sup>1</sup> *Like-for-like gross rental growth compares the growth of the gross rental income of the portfolio that has been consistently in operation (not under development) during the two preceding 12-month periods that are described.*

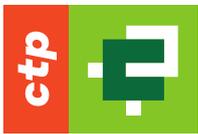
<sup>2</sup> *No external valuation took place on CTP's income-producing portfolio during Q3-2022 and Q3-2021.*

**CTP N.V. - Consolidated statement of profit and loss and other comprehensive income  
January - September 2022 (Unaudited)**

<i>In EUR thousand</i>	<b>YTD to 30 Sept. 2022</b>	<b>YTD to 30 Sept. 2021</b>
Rental income	354,226	245,712
Service charge income	37,755	22,597
Property operating expenses	(63,745)	(28,440)
<b>Net rental income</b>	<b>328,236</b>	<b>239,869</b>
Hotel operating revenue	11,074	5,838
Hotel operating expenses	(9,324)	(5,693)
<b>Net operating income from hotel operations</b>	<b>1,750</b>	<b>145</b>
Income from development activities	31,187	24,866
Expenses from development activities	(23,623)	(17,991)
<b>Net income from development activities</b>	<b>7,564</b>	<b>6,875</b>
<b>Total revenues</b>	<b>434,242</b>	<b>299,013</b>
<b>Total attributable external expenses</b>	<b>(96,692)</b>	<b>(52,124)</b>
<b>Operating profit</b>	<b>337,550</b>	<b>246,889</b>
<b>Net valuation result on investment property</b>	<b>558,138</b>	<b>265,232</b>
Other income	6,597	7,338
Amortization and depreciation	(7,906)	(6,371)
Employee benefits	(33,563)	(22,616)
Impairment of financial assets	1,723	(254)
Other expenses	(48,127)	(14,291)
<b>Net other income/expenses</b>	<b>(81,276)</b>	<b>(36,194)</b>
<b>Profit/loss before finance costs</b>	<b>814,412</b>	<b>475,927</b>
Interest income	3,213	1,468
Interest expense	(60,087)	(55,890)
Other financial expenses	(16,367)	(33,390)
Other financial gains/losses	397	5,961
<b>Net finance costs</b>	<b>(72,844)</b>	<b>(81,851)</b>
<b>Profit/loss before income tax</b>	<b>741,568</b>	<b>394,076</b>
Income tax expense	(145,669)	(76,296)
<b>Profit for the period</b>	<b>595,899</b>	<b>317,780</b>
<b>Other comprehensive income</b>		
<b>Items that will never be reclassified to profit and loss (net of tax)</b>		
Revaluation of PPE	(91)	2,090
<b>Items that are or may be reclassified to profit and loss (net of tax)</b>		
Cash flow hedge - effective portion of changes in fair value	21,857	-
Foreign currency translation differences	(3,001)	(28)
<b>Total other comprehensive income</b>	<b>18,765</b>	<b>2,062</b>
<b>Total comprehensive income for the year</b>	<b>614,664</b>	<b>319,842</b>
<b>Profit attributable to:</b>		
Non-controlling interests	(5,887)	-
Equity holders of the Company	601,786	317,780
<b>Total comprehensive income attributable to:</b>		
Non-controlling interests	(5,887)	-
Equity holders of the Company	620,551	319,842
<b>Earnings per share (EUR)</b>		
Basic earnings per share	1.40	0.84
Diluted earnings per share	1.40	0.84

**CTP N.V. - Consolidated statement of financial position as at 30 September 2022  
(Unaudited)**

<i>In EUR thousand</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Assets</b>		
Investment property	9,780,832	7,575,107
Investment property under development	1,112,078	774,203
Property, plant and equipment	142,357	110,967
Intangible assets	2,414	2,111
Trade and other receivables	20,597	100,739
Derivative financial instruments	31,370	126
Financial investments	421	445
Long-term receivables from related parties	44,668	47,124
Deferred tax assets	34,939	24,052
<b>Total non-current assets</b>	<b>11,169,676</b>	<b>8,634,874</b>
Trade and other receivables	245,018	144,082
Short-term receivables due from related parties	336	528
Derivative financial instruments	3,044	46
Contract assets	3,323	7,039
Current income tax receivable	7,817	7,260
Assets held for sale	-	-
Cash and cash equivalents	747,528	892,816
<b>Total current assets</b>	<b>1,007,066</b>	<b>1,051,771</b>
<b>Total Assets</b>	<b>12,176,742</b>	<b>9,686,645</b>
Issued capital	71,056	64,063
Translation reserve	7,715	10,716
Share premium	3,024,974	2,661,979
Cash flow hedge reserve	21,857	-
Retained earnings	1,349,865	324,920
Revaluation reserve	19,125	19,216
Net result for the year	601,786	1,025,936
<b>Total equity attributable to owners of the Company</b>	<b>5,096,378</b>	<b>4,106,830</b>
<b>Non-controlling Interest</b>	-	-
<b>Total equity</b>	<b>5,096,378</b>	<b>4,106,830</b>
<b>Liabilities</b>		
Interest-bearing loans and borrowings from financial institutions	1,713,725	1,110,471
Bonds issued	3,960,442	3,368,202
Trade and other payables	102,189	64,591
Long-term payables to related parties	3	18
Derivative financial instruments	430	-
Provisions	-	-
Deferred tax liabilities	929,336	746,773
<b>Total non-current liabilities</b>	<b>6,706,125</b>	<b>5,290,055</b>
Interest-bearing loans and borrowings from financial institutions	23,789	20,833
Bonds issued	11,200	13,490
Trade and other payables	323,366	237,148
Short-term payables to related parties	2	-
Derivative financial instruments	289	-
Current income tax payables	15,593	18,289
Liabilities associated with assets held for sale	-	-
Provisions	-	-
<b>Total current liabilities</b>	<b>374,239</b>	<b>289,760</b>
<b>Total liabilities</b>	<b>7,080,364</b>	<b>5,579,815</b>
<b>Total equity and liabilities</b>	<b>12,176,742</b>	<b>9,686,645</b>



## WEBCAST AND CONFERENCE CALL FOR ANALYSTS AND INVESTORS

Today at 9am (GMT) and 10am (CET), the Company will host a video presentation and Q&A session for analysts and investors, via a live webcast and audio conference call.

To view the live webcast, please register ahead at:

<https://www.investis-live.com/ctp/63595beec840ab0f0056f6d6/eampp>

To join the presentation by telephone, please dial one of the following numbers and enter the participant access code **007502**.

United Kingdom	<b>0800 640 6441</b>
United Kingdom (Local)	<b>020 3936 2999</b>
United States	<b>1 855 9796 654</b>
United States (Local)	<b>1 646 664 1960</b>
Germany (Local)	<b>032 22109 8334</b>
Netherlands (Local)	<b>085 888 7233</b>
All other locations	<b>+44 203 936 2999</b>

Press \*1 to ask a question, \*2 to withdraw your question, or \*0 for operator assistance.

The recording will also be available on-demand until **Wednesday 16 November 2022**. To access the telephone replay dial one of the numbers below and enter the participant access code **728467**.

United Kingdom (Local):	<b>020 3936 3001</b>
United States (Local)	<b>1 845 709 8569</b>
All other locations:	<b>+44 203 936 3001</b>

### CONTACT DETAILS FOR ANALYST AND INVESTOR ENQUIRIES:

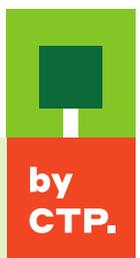
#### CTP

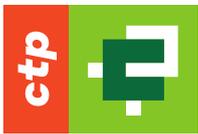
Maarten Otte, Head of Investor Relations  
Mobile: +420 730 197 500  
Email: [maarten.otte@ctp.eu](mailto:maarten.otte@ctp.eu)

### CONTACT DETAILS FOR MEDIA ENQUIRIES:

#### Bellier Communication

Steve Hays  
Mobile: +31 6 52 31 07 62  
Email: [steve.hays@bellierfinancial.com](mailto:steve.hays@bellierfinancial.com)





## CTP FINANCIAL CALENDAR

Action	Date
2022 Full-Year Results	3 March 2023
2023 Annual General Meeting	25 April 2023
2023 First Quarter Results	11 May 2023

### About CTP

CTP is Continental Europe's largest listed owner, developer and manager of logistics and industrial real estate by GLA, owning over 9.9 million sqm of space across 10 countries. CTP became carbon neutral in operations from 2021, underlining its commitment to being a sustainable business. For more information, visit our corporate website: [www.ctp.eu](http://www.ctp.eu)

### Forward looking disclaimer

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of CTP. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "targets", "may", "aims", "likely", "would", "could", "can have", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Forward-looking statements may and often do differ materially from actual results. As a result, undue influence should not be placed on any forward-looking statement. This press release contains inside information as defined in article 7(1) of Regulation (EU) 596/2014 of 16 April 2014 (the Market Abuse Regulation).