P3 Group S.àr.l.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December 2023

P3 Prague Horní Počernice, Czechia

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Board of Managers Report

For the period 1 January 2023 to 31 December 2023

P3 Group S.àr.l. ("the Company") is a limited liability company incorporated in Luxembourg.

The investment strategy of the Company and its subsidiaries ("the Group") is to build a world-class network of modern distribution facilities.

ACTIVITIES AND REVIEW OF INVESTMENT AND DEVELOPMENT

The Company was incorporated on 27 August 2013. Since then, the Group has expanded across different European countries and as of 31 December 2023 operated in Germany, Czechia, Poland, Spain, Italy, France, Slovakia, Romania, the Netherlands, Austria and Luxembourg and provides asset management services on assets in United Kingdom, owned by related party (as defined in Note 7).

In 2023, the Group acquired additional gross lettable area ("GLA") of 698.2 thousand sqm combined in Poland, Germany, France and Spain. In the Netherlands two projects of 93.6 thousand sqm were structured as forward funding. Three properties in Belgium were sold. The Group also purchased land plots in Poland, Spain and Italy and disposed of one land plot in Germany.

FINANCING ACTIVITIES

Besides cash from operations the Group has funded its activities through external debt, equity and shareholder loans. External debt consists of unsecured bonds, and unsecured and secured bank loans. According to the new financing strategy adopted in 2021, future financing will be on a non-recourse basis to the shareholder, at the end of 2023 there is still a bank loan guaranteed by the shareholder. Main financing activities are summarized below:

- A €5.0 billion Euro Medium Term Note ("EMTN") program is in place since January 2022, approved by Luxembourg Stock Exchange. The Group has issued €1.0 billion Green Bonds in January 2022 and a Green Financing Framework was published at the same time.
- The Group has a BBB credit rating with stable outlook assigned by Standard & Poor's, reconfirmed in November 2023.
- On 23 January 2023, the Group signed a € 450 million secured loan agreement. The new secured loan was set at a floating rate but swapped to fixed rate with an interest rate swap for most part of the nominal value.
- In March 2023, a new €150 million 7.5-year senior unsecured non-recourse green bilateral fixed rate term loan was signed and drawn.
- In March 2023, a new €140 million 6-year senior unsecured non-recourse bilateral floating rate term loan was signed and drawn. The loan was swapped to fixed rate with an interest rate swap.
- €1.05 billion of unsecured guaranteed bank loans were repaid before maturity in March 2023.
- In April 2023, a new €200 million 4-year senior unsecured non-recourse bilateral floating rate term loan was signed and drawn. The loan was swapped to fixed rate with an interest rate swap.
- In August 2023, a new €500 million 12-year senior unsecured non-recourse bilateral fixed rate term loan was signed and drawn with a related party, an associate owned by GIC . Funds were used to refinance short-term debt.
- In August 2023, €50 million 7-year senior unsecured non-recourse green bilateral fixed rate term loan was signed. The loan was drawn in September 2023.
- In August 2023, €400 million of unsecured guaranteed external debt was paid down before the maturity.
- During August and September 2023, the Group drew down €200 million of shareholder loan to finance new acquisitions.
- In October 2023, €75 million 5-year senior unsecured non-recourse green bilateral floating rate term loan was signed and drawn. The loan was swapped to fixed rate with an interest rate swap.
- In October 2023, €200 million 4.5-year senior unsecured non-recourse green bilateral floating rate term loan was signed. The loan was drawn in November 2023. The loan was swapped to fixed rate with an interest rate swap.
- In November 2023, €200 million of guaranteed external debt was paid down before the maturity.
- In December 2023, the Group drew down €75 million of shareholder loan.
- In December 2023, €100 million 5-year senior unsecured non-recourse bilateral floating rate term loan was signed. The loan was undrawn at the end of December 2023.
- In December 2023, €150 million 7-year amortising senior unsecured green non-recourse bilateral facility was signed. The facility was undrawn at the end of December 2023.
- During the reporting period net debt increased by €447.6 million to €4,169.6 million.

The Group experienced no liquidity constraints during 2023 and has a substantial liquidity buffer. The syndicated unsecured committed €750 million revolving credit facility ("RCF") was drawn by €50 million as of 31 December 2023. The facility ensures substantial and flexible liquidity for the Group, as funds can be drawn at a very short notice. In addition, the Group has €59.8 million cash, €50 million overdraft limits and €100 million from an undrawn term loan signed in December 2023.

The Group LTV as of 31 December 2023 was at 46.3%, below the financing policy target of <47.5%.

FINANCIAL RESULTS

In 2023, the Group generated net operating income of €422.9 million. The operating result was a profit of €74.6 million and loss before tax was €125.3 million. The result is primarily impacted by a decrease in the market value of investment properties and development land resulting in a revaluation loss of €278.8 million and by financial costs of €203.8 million.

PROPERTY PORTFOLIO

As of 31 December 2023, the Group owned 340 yielding assets, 3.7 million sqm of land for further development and additional 23 assets under construction, all together valued at €9,005 million as "Total property value" reconciled per Note 5.3 (including asset held for sale as per Note 5.22). The Group's yielding assets are diversified across 10 European countries comprising 8.43 million sqm lettable space and further 820.2 thousand sqm under construction.

In 2023, the Group completed 11 development projects adding an additional 246.5 thousand sqm to the portfolio and purchased 938.6 thousand sqm of land for further development with 512.7 thousand sqm GLA potential in Poland, Spain, Italy and Czech Republic. Three of those locations were put under construction the same year.

With regards to the investment activity in 2023 the Group completed 21 asset acquisitions adding 698.2 thousand sqm to the portfolio.

In March 2023, the Group disposed of a land covering 250 thousand sqm in Germany for € 134.6 million. In July 2023, the Group sold 3 properties in Belgium for €21 million.

RESEARCH AND DEVELOPMENT

The Group was not active in research and development.

PURCHASE OF OWN SHARES

The Group has not purchased any of its own shares within the reported period.

SUMMARY AND OUTLOOK

The focus of the Group is to optimise the performance of the existing portfolio and continue to grow the business by developing and acquiring new properties in strategically relevant countries in Europe.

RISK MANAGEMENT

The Group recognises that its ability to effectively manage risk remains a crucial component of success. The Group's approach to risk management is two-fold: firstly, the Group assesses, manages and, when possible, mitigates identified risks. Secondly, the Group carefully considers its appetite for controllable risks and, within the decision-making process, the Group balances uncertainty and opportunity against the need to create and protect its shareholder's and other stakeholders' value both in the short and long-term.

Management of real estate market risks is one of the core competencies of the Group. Equally essential is the management of key financial risks. The Group's management of these risks is described in Note 8.

Based on assessment of risks associated with the current situation in Ukraine, the Group did not identify any imminent risks, which could materially impact our performance.

SUBSEQUENT EVENTS

Financing activities

In January 2024, €100 million 5-year senior unsecured non-recourse bilateral floating rate term loan was fully drawn, and the loan was swapped to fixed rate with an interest rate swap. The loan proceeds were used for general corporate purposes and to repay €50 million RCF draw down.

In February 2024 the Group has issued €600 million Green Bonds under the existing Euro Medium Term Note ("EMTN") program established in January 2022. The bond has a 6-year tenor and carries a fixed coupon of 4.625%. The proceeds were used to repay €600 million of unsecured guaranteed external debt before the maturity.

In February 2024 the Group drew down €90 million under its RCF. The proceeds were used to repay €90 million of secured external debt before the maturity.

Acquisitions and Disposals of assets

On 30 January 2024, a forward funding acquisition was closed in the Netherlands. The total commitment for this acquisition is amounted to €72 million.

Luxembourg, 8 March 2024

Mr. Frank Pörschke
Management Board member

Mr. Tay Lim Hock
Management Board member

Independent auditor's report

To the Board of Managers of P3 Group S.àr.l

P3 Group S.àr.l
13-15 Avenue de la Liberté
L-1930 Luxembourg

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of P3 Group S.àr.l and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information included in the Board of Manager's Report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
The Board of Managers is responsible for overseeing the Group's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Manager.
- Conclude on the appropriateness of Board Managers use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Jesus Orozco

Luxembourg, 8 March 2024

P3 Lodz, Poland

P3 Group S.àr.l.

Consolidated statement of profit or loss and other comprehensive income

For the yer ended

In € thousand	Note	31 December 2023	31 December 2022
Net rental income		431,364	364,205
Service charges		66,766	56,233
Net rental revenue	**4.1**	**498,130**	**420,438**
Property operating expenses	4.2	(75,236)	(63,687)
Net operating income		**422,894**	**356,751**
Net gains/(losses) from fair value adjustments on investment property	4.4	(278,788)	(143,122)
Gain/(loss) on disposal of investment property	4.5	4,505	75
Other income and expense, net	4.6	(3,135)	1,139
Administrative expenses	4.3	(63,629)	(61,459)
Depreciation and amortisation		(7,264)	(6,212)
Operating profit/(loss)		**74,583**	**147,172**
Financial income	4.7	3,918	12
Shareholder financing costs	4.8	(66,232)	(90,380)
External and other financial costs	4.8	(137,598)	(49,793)
Profit/(Loss) before tax		**(125,329)**	**7,011**
Current income tax expense	4.9	(21,796)	(17,289)
Deferred income tax expense	4.9	(11,910)	9,420
Profit/(Loss) for the period		**(159,035)**	**(858)**
Other comprehensive income which will be subsequently reclassified to profit or loss:			
Net gain/(loss) on cash flow hedges		(37,760)	87,903
Related tax		(195)	(22,553)
Foreign currency translation adjustment		46,326	22,171
Total comprehensive income for the period		**(150,664)**	**86,663**
Profit/(Loss) attributable to:			
Non-controlling interests		329	(632)
Owners of the Group		(159,364)	(226)
Profit/(Loss) for the period		**(159,035)**	**(858)**
Total comprehensive income attributable to:			
Non-controlling interests		329	(632)
Owners of the Group		(150,993)	87,295
Total comprehensive income for the period		**(150,664)**	**86,663**

The accompanying Notes form an integral part of these consolidated financial statements.
The consolidated financial statements were approved by the Board of Managers on the 8 March 2024 and were signed on their behalf by:

Mr. Frank Pörschke
Management Board member

Mr. Tay Lim Hock
Management Board member

Consolidated statement of financial position

In € thousand	Note	31 December 2023	31 December 2022
Assets			
Investment property	5.1	8,495,635	7,861,652
Investment property under construction	5.2	440,417	187,916
Property, plant and equipment	5.4	3,626	3,752
Right-of-use assets	6.1	6,875	5,929
Intangible assets	5.5	7,400	6,947
Derivative financial instruments	5.7	19,059	74,262
Deferred tax assets	5.6	18,849	23,814
Non-current restricted cash	5.13	470	971
Other non-current assets	5.8	99,762	107,746
Total non-current assets		**9,092,093**	**8,272,989**
Trade receivables	5.9	34,815	27,286
Tax receivables	5.12	99,326	102,482
Other current assets	5.10	47,434	49,060
Prepayments	5.11	12,945	9,672
Derivative financial instruments	5.7	559	–
Cash and cash equivalents	5.13	59,822	179,596
		254,901	**368,096**
Assets held for sale	5.22	163,906	368,028
Total current assets		**418,807**	**736,124**
Total assets		**9,510,900**	**9,009,113**
Equity			
Issued share capital	5.14	365	365
Share premium	5.14	3,816	3,816
Other capital funds	5.14	713,020	712,849
Other reserve	5.14	62,152	90,494
Retained earnings	5.14	1,662,595	1,822,297
Translation reserve	5.14	76,058	39,344
Equity attributable to owners of the Company		**2,518,006**	**2,669,165**
Non-controlling interest (NCI)	5.14	4,518	3,386
Total equity		**2,522,524**	**2,672,551**
Liabilities			
Shareholder borrowings	5.15	1,852,429	1,511,208
Bank long-term borrowings	5.15	3,157,059	2,445,565
Long-term bonds	5.15	994,716	992,437
Derivative financial instruments	5.7	14,301	–
Deferred tax liabilities	5.6	503,049	490,159
Long-term payables	5.16	199,701	173,244
Total non-current liabilities		**6,721,255**	**5,612,613**
Bank short-term borrowings	5.15	65,949	451,836
Short-term bonds	5.15	9,459	9,459
Trade payables	5.17	28,625	29,240
Accruals	5.18	69,007	56,096
Deferred income	5.19	37,998	33,556
Tax liabilities	5.20	32,673	80,497
Other payables	5.21	23,410	35,636
		267,121	**696,320**
Liabilities directly associated with assets held for sale	5.22	–	27,629
Total current liabilities		**267,121**	**723,949**
Total equity and liabilities		**9,510,900**	**9,009,113**

The accompanying Notes form an integral part of these consolidated financial statements.
The consolidated financial statements were approved by the Board of Managers on the 8 March 2024 and were signed on their behalf by:

Mr. Frank Pörschke
Management Board member

Mr. Tay Lim Hock
Management Board member

P3 Group S.àr.l.

Consolidated statement of changes in equity

For the yer ended

In € thousand	Note	Issued share capital	Share premium	Other capital funds	Other reserve	Retained earnings	Translation reserve	Non-controlling interest	Total equity
Balance at 1 January 2023		**365**	**3,816**	**712,849**	**90,494**	**1,822,297**	**39,344**	**3,386**	**2,672,551**
Transaction with owners in their capacity as owners									
Contribution to other capital funds	5.14	—	—	—	—	—	—	—	—
Total balance after contributions		**365**	**3,816**	**712,849**	**90,494**	**1,822,297**	**39,344**	**3,386**	**2,672,551**
Profit/(Loss) for the period		—	—	—	—	(159,364)	—	329	(159,035)
Reclassification and other movements		—	—	171	—	(162)	—	1	10
Non-controlling interest	5.14	—	—	—	—	(176)	—	802	626
Other comprehensive income	5.14	—	—	—	(28,342)	—	36,714	—	8,372
Balance at 31 December 2023		**365**	**3,816**	**713,020**	**62,152**	**1,662,595**	**76,058**	**4,518**	**2,522,524**

€ thousand	Note	Issued share capital	Share premium	Other capital funds	Other reserve	Retained earnings	Translation reserve	Non-controlling interest	Total equity
Balance at 1 January 2022		**365**	**3,816**	**712,767**	**25,144**	**1,822,482**	**17,174**	**(762)**	**2,580,986**
Transaction with owners in their capacity as owners									
Contribution to other capital funds	5.14	—	—	—	—	—	—	—	—
Total balance after contributions		**365**	**3,816**	**712,767**	**25,144**	**1,822,482**	**17,174**	**(762)**	**2,580,986**
Profit/(Loss) for the period		—	—	—	—	(226)	—	(632)	(858)
Reclassification and other movements		—	—	82	—	41	—	—	123
Non-controlling interest		—	—	—	—	—	—	4,780	4,780
Other comprehensive income	5.14	—	—	—	65,350	—	22,170	—	87,521
Balance at 31 December 2022		**365**	**3,816**	**712,849**	**90,494**	**1,822,297**	**39,344**	**3,386**	**2,672,551**

The accompanying Notes form an integral part of these consolidated financial statements.

P3 Group S.àr.l.

Consolidated cash flow statement

For the yer ended

In € thousand	Note	31 December 2023	31 December 2022
Cash flows from operating activities			
Profit before taxation		(125,329)	7,011
Adjustment for:			
Depreciation and amortisation		7,264	6,212
Valuation net losses / (gains) on investment property	4.4	278,788	143,122
Valuation net losses / (gains) on derivatives	4.7,4.8	(804)	3
Shareholder financing costs	4.8	66,232	90,380
External and other financial costs	4.8	—	—
Interest and other financial expense	4.8	127,076	48,536
(Profit) / loss on disposal of PPE / investment property	4.5	(4,505)	(75)
Other non-cash items		(8,921)	(939)
Foreign exchange differences		(7,172)	(14,996)
Operating cash flows before working capital changes		**332,629**	**279,254**
Decrease / (increase) in trade and other receivables		(16,793)	(23,115)
Decrease / (increase) in prepayments		4,104	(5,145)
Increase in trade and other payables		7,698	34,665
(Decrease) / increase in accrued expenditure		4,202	4,807
Cash generated from operations		**331,840**	**290,466**
Interest paid	5.15	(80,441)	(34,711)
Taxes paid		(23,570)	(16,946)
Net cash generated from operating activities		**227,829**	**238,809**
Cash flows from investing activities			
Acquisition of investment property and subsequent expenditure		(1,115,826)	(966,043)
Acquisition of tangible, intangible fixed assets and leased assets		(2,504)	(4,527)
Decrease / (increase) in restricted cash	5.13	500	1,326
Proceeds from disposal of Investment Property and PPE	4.5	201,973	603
Net cash used in investing activities		**(915,857)**	**(968,641)**
Cash flow from financing activities			
Proceeds from shareholder borrowings	5.15	275,000	400,000
Repayment of shareholder borrowings	5.15	—	—
Proceeds from external borrowings	5.15	1,965,000	1,180,000
Repayment of external borrowings	5.15	(1,650,000)	(1,730,000)
Proceeds from bond issuance	5.15	—	1,000,000
Payment of transaction costs related to borrowings		(14,938)	(14,477)
Repayment of lease liabilities	5.15	(6,808)	(4,239)
Increase/(decrease) in other capital funds	5.11	—	—
Net cash generated from financing activities		**568,254**	**831,284**
Net increase / (decrease) in cash and cash equivalents		**(119,774)**	**101,452**
Foreign exchange differences		—	—
Cash and cash equivalents at the beginning of the period		**179,596**	**78,144**
Cash and cash equivalents at the end of the period	**5.13**	**59,822**	**179,596**

The accompanying Notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

INTRODUCTION

P3 Group S.àr.l. ("the Company"), under registration number B180123, is a limited liability company incorporated in Luxembourg. The Company and its subsidiaries (together "the Group") is a specialist investor, developer and asset manager of warehouse properties and comprises real estate investment companies, together with companies responsible for the management of those companies.

The Company was incorporated on 27 August 2013 as TPG Cent S.àr.l. On 23 September 2013 the Company changed its name to P3 Group S.àr.l. On 22 December 2016, Euro Vitus Private Limited, a private limited company incorporated in Singapore became the sole owner of the Group. The Company's registered address is 13-15, Avenue de la Liberté, Luxembourg.

DESCRIPTION OF OWNERSHIP STRUCTURE

Euro Vitus Private Limited is ultimately owned by Government of Singapore Investment Corporation ("GIC"), the sovereign wealth fund of the Government of Singapore.

MANAGEMENT BOARD

as at 31 December 2023:

Mr. Tay Lim Hock
Mr. Christopher Paul Jenner
Mr. Michael Robert Kidd
Mr. Mike McKeon
Mr. Frank Pörschke
Mrs. Tracy Stroh
Mr. Adnane Zahrane
Mr. Henri Ost-Duchateau

as at 31 December 2022

Mrs. Chih Lin Du
Mr. Goh Kok Huat
Mr. Christopher Paul Jenner
Mr. Michael Robert Kidd
Mr. Mike McKeon
Mr. Frank Pörschke
Mrs. Tracy Stroh
Mr. Adnane Zahrane

EMPLOYEES

The Group had 263 average full-time equivalent employees during the year 2023 (238 during the year 2022). All the employees were engaged in the core business activities of the Group.

FINANCIAL YEAR

The Group uses fiscal year as financial year from 1 January until 31 December.

CONSOLIDATION GROUP

The Group prepares the consolidated financial statements at the level of P3 Group S.àr.l. located in Luxembourg. The Group is subsequently consolidated on GIC (Realty) Private Limited's level, ultimate parent entity, using fair value method.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1. Basis of preparation of consolidated financial statements

A) STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

The consolidated financial statements were authorised for issue by the Board of Managers on 8 March 2024.

B) BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on a historical cost basis except for the following material items in the consolidated statement of financial position, which are measured as indicated below at each reporting date:

- 'Investment property' and 'Investment property under construction' are measured at fair value;
- 'Investment property – right-of-use asset' are measured at fair value;
- 'Derivative financial instruments' are measured at fair value; and
- 'Disposal groups held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and investment property within the disposal groups are measured at fair value.

C) GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis. In concluding that this is the appropriate basis of preparation, management have taken the following into consideration:

Cash flow projections

The Group reported a small negative net working capital of €12.2 million as of 31 December 2023 which is mainly caused by a portion of a long-term loan being due within 12 months, hence becoming a short-term loan. However, based on the Group's cash flow projections, this should not be a concern.

Availability of bank funding

The Group has a committed credit line of €750 million that provides substantial and flexible liquidity, which can be drawn at a very short notice. Major part of the revolving credit facility will be matured in December 2028. An amount of €50 million was drawn at the end of December 2023. In addition, the Group had €59.8 million in cash, overdraft limits of €50 million available and €100 million term loan undrawn.

See note 5.15 for further details.

Availability of related party funding

The Group has funding from its shareholder (either via equity or loans) that could support investment and development activities.

Cash flow assessment shows that the Group has sufficient headroom and liquidity to meet all payment obligations related to development projects, operations and loan interest payments.

Conclusion

Management remains confident that the consolidated financial statements should continue to be prepared on a going concern basis for the reasons set out above.

D) PRESENTATION CURRENCY

These consolidated financial statements are presented in Euro, which is the functional currency of the Company. All financial information presented in Euro has been rounded to the nearest thousand (€'000), except where indicated otherwise.

E) CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with IFRS as adopted by the European Union requires the use of estimates, and the exercise of professional judgement by management. These estimates and judgements influence the application of accounting principles and the related amounts of assets and liabilities, income and expenses reported. Actual realisable values may diverge from assumptions and estimates that have been used. If they subsequently deviate from actual circumstances, the initial estimates and assumptions are revised to reflect such changes in circumstances during the financial period in which these changes occur.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Property lease classification (the Group as a lessor)

The Group has entered into property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease terms not constituting a major part of the economic life of the properties and the present value of the minimum lease payments not amounting to substantially all of the fair value of the properties, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Valuation of Investment property and Investment property under construction

The fair value of Investment property and Investment property under construction is determined by real estate valuation experts using the hardcore/capitalisation method (see Notes 5.1 and 5.2 for valuation gains/(losses) incurred during the reporting period). The Company's management uses certain assumptions regarding rates of return on the Group's assets, future rent, occupancy rates, contract renewal terms, the probability of leasing vacant areas, asset operating expenses, the tenants' financial stability and the implications of any investments made for future development purposes in order to assess the future expected cash flows from the assets. Any change in the assumptions used to measure the investment property could affect its fair value.

Valuation of derivatives

Financial derivatives are recognised at fair value (see Note 5.7).

In order to ensure clear and proper valuation of financial derivatives, multiple market valuation methods are applied regularly, and management regularly reviews them.

The fair value of financial instruments that are not traded in an active market is determined using market valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

New acquisitions
The Group determines the acquisitions in accordance with the definition of IFRS 3 – Business combination or asset acquisition under IAS 40. The Group acquires companies that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. More specifically, consideration is given to the extent to which significant processes are acquired and, in particular, the extent of services provided by the company.

When the acquisition of companies does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Current income taxes
The Group is subject to taxation in 14 countries within Europe. The determination of the provision for income taxes in these various jurisdictions requires judgement by management, as the ultimate determination of taxes for many transactions and calculations has not yet been finalised with the relevant tax authorities as at the date of these consolidated financial statements.

Deferred income taxes
Assumptions are required to calculate deferred tax assets from tax losses carried forward. These losses are only recognised when the use of the losses in the future is probable. The determination as to whether such losses can be offset in the future is based on estimates of future cash flows deriving from the property, together with estimates by management on the likelihood of utilisation against taxable profits in future periods. Based upon these factors, a probability is assigned to each potential asset and subsequently assessed (see details in Note 5.6.).

Impairment of financial assets measured at amortised cost
When measuring expected credit loss (ECL) the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other as described in Note 2.2. c)vi.

Property leases – estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow from external financial sources over a similar term or term of the recent existing loans financing long-term investments in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available.

Determining the timing of revenue recognition on the sale of property
The Group has also evaluated the timing of revenue recognition on the sale of property based on a careful analysis of the rights and obligations under the terms of the contract. The Group has concluded that contracts relating to the sale of completed property are recognised at a point in time when control transfers. For unconditional exchanges of contracts, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied.

Assets held for sale
Assets held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell. The fair value is determined by the estimated selling price of the assets less estimated costs to sell.

Non-current assets that are accounted for in accordance with the fair value model in IAS 40 Investment Property continue to be recorded at market value (see Note 2.2. c)i).

F) APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS IFRS

For the preparation of these consolidated financial statements, the following new or amended standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2023 (the list does not include new or amended standards and interpretations that affect first-time adopters of IFRS or not-for-profit and public-sector entities since they are not relevant to the Group). The nature and the impact of each new standard/amendment are described below.

Changes in accounting policies and accounting pronouncements adopted since 1 January 2023

- IFRS 17 Insurance contracts including amendments: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (see Note 5.6.)
- Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules (see Note 4.9.)

The management has assessed and determined that the above amendments have no material impact on the Group's consolidated financial statements.

Standards, interpretations and amendments to published standards that are not yet effective and are relevant for the Group's consolidated financial statements

There were several new Standards and amendments to Standards and Interpretations not yet effective as of 31 December 2023 which the Group has not applied in preparing these consolidated financial statements. Of these pronouncements, potentially the following will be relevant for the Group and the Group plans to adopt these pronouncements when they become effective. The Group is in the process of analysing the potential impact, whilst the Group expects the impact should be limited at the date of preparing the consolidated financial statements.

Not yet effective and endorsed by the EU:

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback, effective from 1 January 2024
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, effective from 1 January 2024

Not yet effective and not yet endorsed by the EU:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial instruments: Disclosures: Supplier Finance Arrangements, effective from 1 January 2024
- Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, effective from 1 January 2025

G) CHANGE IN TERMINOLOGY

The Group decided to align terminology used for management reporting with IFRS reporting and applied following changes since 2023:

Old terminology used till 31 December 2022	Newly used terminology from 1 January 2023
Rental income	Net rental income
Net rental income	Net operating income
Gross rental revenue	Net rental revenue

2.2. Material accounting policies

Except for the changes described above in Note 2.1 (f) 'Application of new and revised International Financial Reporting Standards IFRS', the accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

A) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if the Group has:

- Existing rights that give it the current ability to direct the relevant activities of the investee,
- exposure, or rights, to variable returns from its involvement with the investee,
- the ability to use its rights over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has control over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee,
- rights arising from other contractual arrangements,
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date it ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity attributed to owners of the Company.

When the Group loses control over a subsidiary, profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests and other components of equity, and is recognised in the consolidated income statement and other comprehensive income under 'Disposal of investment property'.

When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or IAS 28 Investments in Associates and Joint Ventures.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied by all entities in the Group. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

ACQUISITIONS AND CHANGES TO THE GROUP

The Group completed several acquisitions during 2022 and 2023. The Group assessed these acquisitions to determine whether these acquisitions are treated according to IFRS 3 Business Combinations or as an asset acquisition under IAS 40 Investment Property and IAS 16 Property, Plant and Equipment.

For each investments acquired, the Group considered these relevant factors:

- Inputs: being non-current assets (buildings and land) and contracts;
- Processes: management with unique knowledge related to investment property in the area, or unique processes;
- Outputs: the intended outputs being rental income from leases.

As a result of the assessment, the acquisitions completed in 2023 were treated as asset acquisition under IFRS. This is due to the fact that no processes were acquired as part of the acquisition. Therefore, all directly attributable costs related to the acquisitions were distributed among the acquired identifiable assets and liabilities, and no goodwill is recognised as a result of the acquisitions.

CHANGES IN THE SCOPE OF CONSOLIDATION

The changes in the scope of consolidation in 2023 compared to 2022 are disclosed in Note 10 Group structure.

I. Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to transfer tax, the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss unless criteria for capitalized contract costs are met.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The interest of non-controlling shareholders at the date of the business combination is recorded at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, which are determined at fair value. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

II. Business combinations involving entities under common control
Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the period presented. The assets and liabilities acquired are recognised at the carrying amounts (book values) recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain / loss arising is recognised directly in equity.

III. Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

IV. Transactions eliminated on consolidation
All intragroup assets and liabilities, equity, income, expense and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

V. Property asset acquisitions
Where property is acquired through the acquisition of corporate interests, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred taxation arises.

B) FOREIGN CURRENCY

Functional currencies
Functional currencies of the companies in the Group are the currency of the primary economic environment in which the entity operates, and most of its transactions are made in this currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss, with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Summary of countries and functional currencies:

Country	Functional currency
Luxembourg	EUR
Belgium	EUR
Czech Republic	CZK
Slovakia	EUR
Germany	EUR
France	EUR
Netherlands	EUR
Poland	PLN
Spain	EUR
Italy	EUR
Serbia	RSD
Romania	RON
Austria	EUR
United Kingdom	GBP

Foreign subsidiaries

Assets and liabilities of foreign entities with functional currency different than Euros are translated into Euros at exchange rates ruling at the balance sheet date. Their income, expenses and cash flows are translated at the average rate for the period or at the spot rate for significant items. The exchange differences arising on translation for consolidation are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss. The following exchange rates were used during translations:

Date	Closing exchange rate CZK/EUR	Average exchange rate CZK/EUR for the year
31 December 2023	24.73	24.48
31 December 2022	24.12	24.27

Date	Closing exchange rate PLN/EUR	Average exchange rate PLN/EUR for the year
31 December 2023	4.35	4.33
31 December 2022	4.69	4.68

Date	Closing exchange rate RON/EUR	Average exchange rate RON/EUR for the year
31 December 2023	4.98	4.97
31 December 2022	4.95	4.92

Date	Closing exchange rate GBP/EUR	Average exchange rate GBP/EUR for the year
31 December 2023	0.87	0.86
31 December 2022	—	—

Foreign subsidiary in Serbia is not material to the consolidated financial statements.

In 2023 the management decided to apply net investment approach according to IAS 21 considering intercompany loans in EUR as “quasi equity”. Under IAS 21 foreign exchange differences are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment. Starting 1 January 2023 foreign exchange gains and losses from revaluation of intercompany loans are shown in Translation reserve.

C) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

I. Investment property

InveInvestment property is measured initially at cost. Subsequent to initial recognition, investment property is recorded at market value (which is considered fair value in accordance with IAS 40 and IFRS 13). Appraisals of market values as of 31 December 2023 and as of 31 December 2022 were performed by external, independent appraisers certified by the Royal Institution of Chartered Surveyors (RICS). The appraisals were performed using the hardcore/capitalisation method. See also "Critical accounting estimates and judgements" and Note 5.1 for additional information on appraisal methodology.

Ancillary services (for example security and maintenance services), which are provided by the Group as the owner of investment property to the tenants, are generally an insignificant component of the arrangement.

Expenses incurred after the purchase of the property are only capitalised if they represent improvements to the property and if it is likely that future economic benefits will generate to the Group and if acquisition or construction costs can be reliably measured. All other maintenance and repair costs are recognised immediately in profit or loss in the period in which they are incurred.

The Group might enter into forward contracts for purchasing investment property (forward funding deals). Contracts to buy a non-financial asset (such as property) that are entered into for the purposes of receipt of that non-financial asset are outside the scope of IAS 39/IFRS 9. Since the contract will be settled by physical delivery of property rather than by delivery of a financial asset or exchange of financial instruments, it is not accounted for as a derivative ('own use exemption'). The investment property acquired in a forward funding deal is initially measured at cost equalling the cash consideration paid and is subsequently carried at fair value in line with IAS 40.

The net result arising from a change in the fair value of investment property is recognised in profit or loss in the period in which it arises.

The Group enters into contracts with customers to sell properties that are either complete or under development. The sale of the completed property constitutes a single performance obligation and the Group has determined that this is satisfied at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied.

For contracts relating to the sale of properties under development, the Group is responsible for the overall management of the project and identifies various goods and services to be provided. In such contracts, the goods and services to be provided are not distinct and are generally accounted for as a single performance obligation. Depending on the terms of each contract, the Group determines whether control is transferred at a point in time or over time.

The Group holds some investment properties that are located on leased land, and these ground leases are long-term tenors. The Group is a lessee in respect of the ground lease, and under IFRS 16, it must recognise a right-of-use asset and lease liability in relation to these leases. The Group applies IAS 40 to account for a right-of-use asset as the underlying asset meets the definition of investment property and thus the right-of-use asset is classified as an investment property. This is supported by the fact that the leased land is held solely for the purpose of holding the related investment property building.

The right-of-use asset is measured on initial recognition in accordance with IFRS 16 (as defined further in Note V). IFRS 16 requires a right-of-use asset to be measured at the amount of the initial measurement of the lease liability. On subsequent measurement of the right-of-use asset at fair value, valuation model for investment property includes ground lease payments as cash outflow and present fair value on net basis. However, based on IFRS 16 requirement, the lease liability and the right-of-use investment property need to be presented on a gross basis on the balance sheet. Thus, based on IAS 40, the amount of the recognised lease liability, calculated in accordance with IFRS 16, is added back to the amount determined under the net valuation model, to arrive at the carrying amount of the investment property under fair value model.

II. Investment property under construction

Investment property under construction is measured initially at cost and, to the extent that a fair value can be reliably determined, subsequently recorded at market value in accordance with IAS 40. The adjustment to the market value of investment property under construction is recorded in profit or loss as part of the net change in market value of investment property from the point at which the construction permit is finalised and contract with general contractor signed. The costs capitalised from ongoing construction are recognised first, then as a subsequent step, the fair value measurement is carried out and revaluation is recognised.

III. Property, plant and equipment

Recognition and measurement

Property, plant and equipment consist primarily of office furnishings and leasehold improvements. Furnishings, fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.
Cost includes expenditure that is directly attributable to the acquisition of the asset.
Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. The estimated useful lives for the current and comparative periods are as follows:

Assets	31 December 2023	31 December 2022
Equipment	5–10 years	5–10 years
Motor vehicles	5 years	5 years
Fittings	3–5 years	3–5 years
Capitalized ERP costs	5 years	5 years
Computers	3 years	3 years

Estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

IV. Intangible assets
Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. The cost of software is amortised over 3 to 6 years.

For internally developed software, the Group follows IAS 38, which requires development costs to be capitalised only after technical and commercial feasibility of the asset to be used. Only expenditure arising from the development phase can be considered for capitalisation, with all expenditure on research being recognised as an expense when it is incurred. The cost eligible for capitalisation represent costs directly attributable to development such as compensation costs of employees hired for the project, travel costs, licensing and maintenance fee and other costs invoiced by consultants and suppliers. The project shall be considered completed and put in use once all the core functionalities are up and running and the system operates in line with its intended purpose.

V. Right-of-use assets and lease liabilities
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee – Right-of-use assets

Recognition and measurement

A lease is defined as a contract, or part of a contract, that conveys the right to control the use (direct how and for what purpose the asset is used and obtain substantially all the economic benefits) of a specifically identified asset for the period of time in exchange for consideration.

Exemption is applied to following contracts:
- Short-term leases (having lease term of 12 months and less),
- Leases for which the underlying asset is of low value (under USD 5,000).

Upon lease commencement a lessee recognises a right-of-use asset and a lease liability.

Right-of-use assets (besides ground lease under the scope of IAS 40) are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Subsequent measurement

Right-of-use assets recognised under property, plant and equipment are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. In such cases, the Group reviews the estimated residual values and expected useful lives of assets at least annually. The right-of-use assets are also subject to impairment.

The basis for right-of-use assets shall be consistent with the principles for property, plant and equipment, being depreciated over the lease term, or useful life if exercise option is reflected in the cost.

The Group leases properties that meet the definition of investment property. These right-of-use assets are presented as "Investment property" in the consolidated statement of financial position. The Group elects to apply the fair value model to measure an investment property that is held as a right–of–use asset.

Discount rate

If the interest rate implicit in the lease cannot be readily determined, the interest rate from the latest bank financing before the beginning of the year or the latest reporting period is applied as the incremental borrowing rate for the particular year.

Lease modifications

The lease liability shall be remeasured if there is a change in the lease term, assessment of purchase option, or change in future payments resulting from changes in an index or a rate. The treatment of lease modifications depends on whether a modification increases the scope of the lease (when a separate new lease is accounted for) and the consideration for the lease increases commensurately (lease liability is to be remeasured, revised lease payments discounted at the revised discount rate and corresponding adjustment made to the right-of-use asset).

Group as a lessee – Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

Group as a lessor

Refer to accounting policies on gross rental revenue.

Rent receivables are recognised at their original invoiced value except where the time value of money is material, in which case rent receivables are recognised at fair value and subsequently measured at amortised cost.

Tenant deposits are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term.

VI. Impairment of assets

Non-derivative financial assets

In case of financial assets not classified at fair value through profit or loss, the Group always accounts for expected credit losses, and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

The objective of the impairment requirements is to recognise lifetime expected credit losses for all financial assets for which there have been significant increases in credit risk since initial recognition considering all reasonable and supportable information, including that which is forward-looking. If, at the reporting date, the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses.

Financial assets measured at amortised cost

The Group applies the IFRS 9 simplified approach to measuring expected credit losses ('ECLs') to trade receivables which uses a lifetime expected loss allowance for all trade receivables. To measure ECLs trade receivables have been grouped by portfolios to reflect the shared credit risk characteristics. Expected loss rates are based on the historic credit loss experienced for each portfolio and adjusted for current and forward information affecting the ability of the individual customers to settle receivables. The split of the loss allowance recorded as at the balance sheet date is included in Note 5.9.

The Group presumes that the credit risk on a financial asset (except for cash) has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group applies the IFRS 9 general approach to measuring expected credit losses ('ECLs') to cash balances which requires recognition of ECLs based on stages of credit risk.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, and deferred tax, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into cash generating units (CGU's), defined as the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro-rata basis. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

VII. Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets that are accounted for in accordance with the fair value model in IAS 40 Investment Property continue to be recorded at market value (see Note 2.2c)i).

Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

VIII. Financial Instruments

Financial instruments include both financial assets and financial liabilities, considering the nature of the business and the overall business model, these are further classified under the following primary categories:

- Financial instruments valued at fair value through the profit and loss ("FVTPL")
- Financial instruments valued at fair value through other comprehensive income ("FVOCI")
- Non-derivative financial assets at amortised cost
- Financial liabilities at amortised cost
- Derivative financial instruments which are designated as non-hedged instruments
- Derivative financial instruments which are designated as hedging instruments

Non-derivative financial assets at amortised cost are represented by the following items:

- Trade receivables
  Trade receivables comprise receivables arising mainly from the leasing of investment properties.

— Other current assets
The fair value of other current assets due within one year approximates the carrying value disclosed in the consolidated financial statements, due to the short time in which these transactions are settled. The balance comprises receivables which do not arise from leasing of investment properties.

— Restricted cash
Restricted cash relates to cash balances maintained in designated bank accounts where the use of the cash is restricted by lenders, some tenant deposits which are held in segregated accounts and some deposits or amounts held in escrow required as security in relation to acquisitions or other transactions.

— Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term cash commitments.

Financial liabilities at amortised cost are represented by the following items:

— Bank borrowings
Long and short-term borrowings are variable and fixed interest rate Euro denominated bank loans, on a non-recourse basis and recourse basis to the shareholder. A differentiation is made between long and short-term bank loans based on future repayments. Repayments due within twelve months or amounts that are callable within the next twelve months are classified as current, and the rest as non-current.

— Bonds
Long and short-term bonds are issued under the EMTN program at a fixed coupon rate due annually. As well as for bank borrowings long and short-term differentiation is made based on future repayments.

— Shareholder borrowings
Consists of subordinated shareholder loans provided by its shareholder with long-term tenors.

— Trade payables
Trade payables consist mainly of obligations that arise in connection with the investment properties, for example with leasing activities or renovation of a property, and in connection with administration of the companies.

— All other short and long-term liabilities
These include all other liabilities of the Group, lease payments received in advance, prepayments, tenant deposits, VAT liabilities as well as various accruals and other items.

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value including transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI (either debt investment or equity investment); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

— it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
— its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in Other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Initial measurement

All financial assets are recognised initially at fair value and, in the case of financial assets at amortised cost, addition of directly attributable transaction costs.

Subsequent measurement and gains and losses

Financial assets at FVTPL – These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 2.2. c)viii. Derivative financial instruments for derivatives designated as hedging instruments.

Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

Initial measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when:
- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its risks associated with interest rates and as part of its management of financing costs. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. All derivatives are carried at FVTPL with exception of derivatives designated as hedging instruments where effective portion is recognised in OCI and regularly amortised to P&L.

Cash flow hedges

Derivative financial instruments are used in hedging the interest rate risk on euro denominated interest payments in accordance with the risk management policy. The Group applies hedge accounting, in accordance with IAS 39 standards, to the interest rate swap derivatives outstanding on the balances sheet date, according to which the effective portion in the change of fair value of financial instruments used for hedging is recognised in other comprehensive income. Fair value gains and losses are transferred to the statement of profit or loss in the same period when the hedged cash flows are recognised in the statement of profit or loss.

There is an economic relationship between the hedged items which are floating rate loans and the hedging instruments since the critical terms of the interest rate derivatives have been negotiated to match the respective terms of the variable rate loans. Furthermore, credit risk does not dominate the value changes in the hedge according to the Group's credit risk assessment and the hedge ratio is 1:1.

The cash flows derived from the hedged liabilities over their lifetime represent the basis for determining gain and loss on the effective portions of the derivatives designated as cash flow hedges.

The Company uses qualitative and quantitative methods for assessing the hedge effectiveness in accordance with IAS 39 requirements.

At inception of the designated hedging relationship, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. When a derivative financial instrument is designated as a cash flow hedging instrument, the effective portion of gains and losses resulted from changes in fair value of the hedging instruments is recognised in OCI and accumulated in the Other Reserve in equity. Any ineffective portion is recognised immediately in profit or loss. The amount accumulated in the Other Reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the forecast transaction is no longer expected to occur in the normal course of business, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires, is sold or terminated, or the designation revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur in the normal course of business, then the amounts that have been accumulated in the Other Reserve are immediately reclassified to profit or loss.

IX. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

X. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

D) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

I. Net rental revenue

Revenues are recognised in compliance with IFRS 15 Revenue from Contracts with Customers. Revenue reported from real estate operations comprises exclusively rental income and income from service charges. Rental revenue from operating leases, less the Group's initial direct costs of entering into the leases, is accounted for according to IFRS 16 Leases, and it is recognised on a straight-line basis over the term of the lease. Incentives for lessees to enter into lease agreements are amortised on a straight-line basis over the lease term, even if the payments are not made on such a basis. Amounts received from tenants to terminate leases are recognised in profit or loss when they arise.
Service charge income is a fee enabling the Group to recover the costs of servicing and operating its properties from the tenants. It is dependent on the actual servicing/operating costs and the level of occupancy of the properties for the given period. The income is recognised based on the arrangements made with the tenants in the lease agreement – either as a direct charge to tenants or as a service charge reconciliation. If the Group acts as an agent to its tenants (mostly in case of utilities like energy, water, etc. consumed directly by tenants), income is recognised through direct charge to tenants without any margin as the consumption is under control of tenants. The amounts received from tenants and paid to utilities providers do not gross up revenues and expenses. For the other property operating expenses such as repair and maintenance, insurance, property/facility management, external services and some utilities (mostly for commonly used areas), the Group acts as the principal when delivering these types of services to the tenants due to the following reasons:

- The Group is the contractual party to fulfil the services promised to the tenants via internal or third-party service providers;
- The Group obtains, or commits itself to obtain, the specified goods or service before obtaining a contract with a tenant;
- The Group determines the rate to recover the service costs from the tenants;
- The Group bears the residual risk of service costs not recovered from the tenants.

For these types of services, the Group recognises the income through service charge reconciliation and presents both the service charge income and property operating expenses on a gross basis.

The Group recognises revenue when the services (performance obligation) are transferred over time to the tenants.

Besides rent-free and tenant improvement allowance, as the most common incentives, there might be agreements where the Group promises to provide cash to the tenant or reimburse the costs (e.g. reimbursement of tenant improvement or repair and maintenance costs, contribution on moving costs). In line with the Group policy and IFRS provisions, substance of such contributions is considered as form of discount and is presented as part of revenues on a straight-line basis over the lease term. Lease incentives are then recognised as a separate asset on balance sheet being considered as part of the fair value (see Note 5.1).

Contract costs

Incremental costs exceeding €20 thousand, that are directly linked with signing-off the contract, its renewal or fulfilment, that are incurred with expectation to be recovered from rental income, are recognised as "contract costs", and amortised on a systematic basis over the lease term.

II. Property operating expenses

Property operating expenses include costs directly associated with the individual properties, and include costs for insurance, facility management, taxes, some utilities and other fees. Additionally, property operating expenses include the cost for maintenance and repairs of investment properties. The costs incurred during the reporting period are charged to profit or loss.

III. Administrative expenses

Administrative expenses predominantly include personnel expenses for the entire Group, including personnel directly involved in managing the property portfolio as well as indirect property and administration employees. Other expenses such as fees for legal, tax, appraisal and audit services, bad debts as well as other expenses of an overhead nature are included as well. These costs are recorded on an accrual basis.

Payroll costs related to development activity are capitalised to the value of Investment property. Payroll development costs are compensated via intercompany service fees, which are subject to elimination for Consolidation, therefore this adjustment is calculated at the Group level based on relevant activities.

IV. Utilities

In respect of utilities (energy, water, etc.) consumed directly by tenants, the Group acts as an agent to its tenants. The Group performs payments to utilities providers on behalf of tenants, receives advances paid by tenants and issues final settlements to tenants based on actual utilities consumption. Amounts received from tenants and paid to utilities providers are recognised as payables and receivables respectively until final settlement and do not gross up revenues and expenses.

V. Finance income and finance costs

Finance income comprises of interest income on funds invested (bank interest, interest on provided loans), net foreign exchange gains.

Financial costs primarily consist of interest expense on debt financing, including the interest impact, financing and commitment fees, advisory fees incurred due to refinancing or supporting financing activities and revaluation losses from derivative financial instruments. All financial costs are accrued and recognised in profit or loss based on the effective interest method, except for fair value movements of derivatives.

Borrowing costs directly attributable to borrowings used to finance development properties are removed from the profit or loss and capitalised as part of the acquisition cost of the development property. Borrowing costs that are not directly attributable to the acquisition or construction of a qualifying asset are recognised in profit or loss using the effective interest method. The amount of borrowing costs, which are capitalised, is calculated at the Group level based on principal drawn down during development activity and weighted average interest expense from external financing.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position. Foreign currency gains and losses resulting from revaluation of intercompany loans are subject to IAS 21 adjustment shown as Currency translation difference in the Consolidated statement of profit or loss and other comprehensive income (see Note 2.1. G).

VI. Income taxes

Income tax expenses comprise current and deferred income taxes. Income tax expenses are recorded directly in profit or loss unless they are incurred as part of a transaction included in other comprehensive income. In such cases, the income tax expenses are recorded directly in other comprehensive income in a manner consistent with the underlying transaction.

The Group is subject to income and capital gains taxes in several jurisdictions. Judgement is required to determine the total provision for current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain.

Current income tax

Current income taxes comprise taxes due on the taxable earnings of the Group calculated using the tax rate in effect as of the balance sheet date, together with capital gains tax on the sales of assets and adjustments to tax liabilities or receivables from previous periods.

The Group recognises liabilities for current taxes based on estimates of whether taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which the determination is made.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets from tax loss carry forwards are recognised only to the extent that it is probable that taxable profit will be available against which those losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.3. Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market considering the highest and best use of an asset or non-performance risk related to a liability, at the measurement date.
The Group classifies fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- **Level 1:** Quoted market price (unadjusted) in an active market for an identical instrument.
- **Level 2:** Valuation techniques based on observable inputs, either directly (such as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

I. Investment property and Investment property under construction
An external, independent valuation company, having the appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio at least semi-annually. The fair values reflect the market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Valuations reflect, when appropriate, the type of tenants in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time. The appraisals were performed using the hardcore/capitalisation method.

Investment property under construction is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete construction, financing cost and a reasonable profit margin.

Investment property measurements are classified within Level 3 of the fair value hierarchy.

II. Derivative financial instruments
The fair values of derivative financial instruments are classified within Level 2 of the fair value hierarchy and are based on the use of relevant observable inputs available in active markets and some other unobservable inputs (i.e. credit risks) based on the best information available to the Group. Valuation techniques include discounting of estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

III. Assets and liabilities held for sale

The fair value of investment property included in the position "Assets held for sale" is classified within Level 3 of the fair value. Assets held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell. The fair value is determined by the estimated selling price of the assets less estimated costs to sell. Non-current assets that are accounted for in accordance with the fair value model in IAS 40 Investment Property continue to be recorded at market value based on valuation provided by independent appraiser (see Note 2.3.i). Following the definition of the fair value given by IFRS 13, the Group considers values provided by independent appraiser to be the best estimate of potential realised selling price upon an orderly transaction between market participants. Furthermore, the highest and best use, as defined under provisions of IFRS 13, takes into account only synergies, that would be available to regular market participants. In an event, when the Group can achieve more favourable price upon some specific circumstances, e.g. sale of property to the existing tenant, benefits from license ownership, or other synergies with limited access only for selected market participants, the Group measures such investment property held for sale based on existing fair value assessment performed by an independent appraiser and recognises subsequent gain or loss from sale, when the asset (disposal group) is sold. This principle is followed even in the situation, when the sale is realised after reporting period-end and before issuance of financial statements.

2.4. Recurring EBITDA

Recurring EBITDA is not a defined performance measure in IFRS Standards. Recurring EBITDA is a non-GAAP measure used by the Group to monitor the Group's profitability performance. It is defined as net operating income less administrative expenses. It excludes impacts of changes in fair value, disposals, depreciation and other expenses primarily related to acquisitions or similar costs of one-off nature.

Reconciliation of recurring EBITDA to operating profit:

For the year ended In € thousand	Note	31 December 2023	31 December 2022
Rental income		431,364	364,205
Service charges		66,766	56,233
Net rental revenue	**4.1**	**498,130**	**420,438**
Property operating expenses	4.2	(75,236)	(63,687)
Net operating income		**422,894**	**356,751**
Administrative expenses	4.3	(63,629)	(61,459)
Recurring EBITDA		**359,265**	**295,292**
Recurring EBITDA to net rental income margin		83.3%	81.1%
Net gains/(losses) from fair value adjustments on investment property	4.4	(278,788)	(143,122)
Disposal of investment property	4.5	4,505	75
Other expense, net	4.6	(3,135)	1,139
Depreciation and amortisation	5.4, 5.5, 6.1	(7,264)	(6,212)
Operating profit		**74,583**	**147,172**

3. SEGMENTAL ANALYSIS

The Group's reportable segments are the geographical Business Areas where the Group holds significant assets and reports to the Board as separate distinct Business Area. All geographical Business Areas which are insignificant to the overall portfolio are grouped together in the segment "Other".

In 2023, there is only one tenant representing more than 10% of the Group's rental revenue from investment property. Total annualised rental income of this tenant is €51,023 thousand and it is coming from the German segment.

Eliminations represent the elimination of intragroup transactions covering financing and leasing/development and asset management fees paid by asset companies to management/holding companies.

Segmental analysis for the year ended 31 December 2023 In € thousand	Czech Rep	France	Germany
Consolidated statement of profit or loss			
Net rental revenue*	99,390	26,704	146,264
Property operating expenses	(13,422)	(6,164)	(15,769)
Net operating income	**85,968**	**20,540**	**130,495**
Net gains/(losses) from fair value adjustments on investment property	31,105	(8,283)	(122,259)
Disposal of assets	—	—	11,675
Other income/Other expense	(1,475)	(432)	(9,329)
Administrative expenses	(12,334)	(3,131)	(19,844)
Depreciation and amortisation	—	(91)	(2,750)
Operating profit	**103,264**	**8,603**	**(12,012)**
Financial income	621	835	318
Shareholder financing costs	—	—	—
External and other financial costs	(17,969)	(10,406)	(39,105)
Profit before tax	**85,916**	**(968)**	**(50,799)**
Income tax expense	(35,195)	4,050	(7,802)
Profit for the period	**50,721**	**3,082**	**(58,601)**
Consolidated statement of financial position			
Investment property	1,733,350	497,921	2,840,192
Investment property under construction	27,872	47,550	158,328
Other assets	33,617	76,972	89,433
Total assets	**1,794,839**	**622,443**	**3,087,953**
Borrowings	583,081	375,480	1,584,706
Other liabilities	238,294	53,782	298,598
Total liabilities	**821,375**	**429,262**	**1,883,304**
Equity	**973,464**	**193,181**	**1,204,649**

Segmental analysis for the year ended 31 December 2022 In € thousand	Czech Rep	France	Germany
Consolidated statement of profit or loss			
Net rental revenue*	87,981	14,383	128,811
Property operating expenses	(11,402)	(3,634)	(13,501)
Net operating income	**76,579**	**10,749**	**115,310**
Net gains from fair value adjustments on investment property	42,870	(37,576)	36,159
Disposal of assets	30	—	145
Other income/Other expense	357	3	(84)
Administrative expenses	(10,152)	(2,162)	(17,751)
Depreciation and amortisation	—	(91)	(2,443)
Operating profit	**109,684**	**(29,077)**	**131,336**
Financial income	1	485	63
Shareholder financing costs	—	—	—
External and other financial costs	(15,184)	(6,028)	(31,021)
Profit before tax	**94,501**	**(34,620)**	**100,378**
Income tax expense	(18,828)	10,226	(18,900)
Profit for the period	**75,673**	**(24,394)**	**81,478**
Consolidated statement of financial position			
Investment property	1,693,477	365,156	2,691,067
Investment property under construction	35,852	10,058	62,199
Other assets	56,587	65,536	287,342
Total assets	**1,785,916**	**440,750**	**3,040,608**
Borrowings	586,464	308,770	1,322,365
Other liabilities	241,259	49,175	266,434
Total liabilities	**827,723**	**357,945**	**1,588,799**
Equity	**958,193**	**82,805**	**1,451,809**

* Revenues to external customers
** Comprises Serbia, Austria, Belgium and Group adjustments

Italy	Netherlands	Poland	Romania	Slovakia	Spain	Other**	Mgmt. / Hold	Eliminations	Total
36,773	25,509	64,554	22,595	29,491	43,407	4,061	—	(618)	**498,130**
(7,890)	(2,837)	(22,049)	(5,701)	(8,112)	(1,979)	2,177	(156)	6,666	**(75,236)**
28,883	**22,672**	**42,505**	**16,894**	**21,379**	**41,428**	**6,238**	**(156)**	**6,048**	**422,894**
(31,122)	(20,947)	(70,075)	(1,231)	(21,397)	(16,968)	(17,611)	—	—	**(278,788)**
—	—	(202)	(35)	—	—	(982)	(8,386)	2,435	**4,505**
(574)	(1,128)	(2,009)	(463)	(1,044)	(720)	(2,275)	135,989	(119,675)	**(3,135)**
(4,499)	(3,048)	(7,314)	(2,194)	(3,028)	(6,048)	5,605	(107,646)	99,852	**(63,629)**
—	—	(217)	(95)	—	—	—	(4,111)	—	**(7,264)**
(7,312)	**(2,451)**	**(37,312)**	**12,876**	**(4,090)**	**17,692**	**(9,025)**	**15,690**	**(11,340)**	**74,583**
170	29	1,243	(331)	48	866	—	631,064	(630,945)	**3,918**
—	—	—	—	—	—	—	(66,232)	—	**(66,232)**
(11,408)	(7,508)	(17,803)	(7,200)	(4,592)	(17,386)	5,889	(311,128)	301,018	**(137,598)**
(18,550)	**(9,930)**	**(53,872)**	**5,345**	**(8,634)**	**1,172**	**(3,136)**	**269,394**	**(341,267)**	**(125,329)**
1,662	(1,017)	3,157	(879)	(2,292)	(212)	10,973	(6,151)	—	**(33,706)**
(16,888)	**(10,947)**	**(50,715)**	**4,466**	**(10,926)**	**960**	**7,837**	**263,243**	**(341,267)**	**(159,035)**
601,857	388,731	973,516	253,975	414,708	818,875	45,260	—	(72,750)	**8,495,635**
57,078	34,983	102,583	—	—	23,171	—	—	(11,148)	**440,417**
51,126	23,423	228,868	6,374	9,816	55,735	896	15,006,015	(15,007,427)	**574,848**
710,061	**447,137**	**1,304,967**	**260,349**	**424,524**	**897,781**	**46,156**	**15,006,015**	**(15,091,325)**	**9,510,900**
315,684	311,693	787,210	161,026	154,712	463,278	30,296	12,153,067	(10,840,621)	**6,079,612**
44,513	39,588	126,224	14,460	47,598	43,379	1,876	138,705	(138,253)	**908,764**
360,197	**351,281**	**913,434**	**175,486**	**202,310**	**506,657**	**32,172**	**12,291,772**	**(10,978,874)**	**6,988,376**
349,864	**95,856**	**391,533**	**84,863**	**222,214**	**391,124**	**13,984**	**2,714,243**	**(4,112,451)**	**2,522,524**

Italy	Netherlands	Poland	Romania	Slovakia	Spain	Other**	Mgmt. / Hold	Eliminations	Total
29,593	21,140	46,679	21,083	27,712	39,173	4,437	—	(554)	**420,438**
(7,590)	(2,674)	(15,712)	(5,388)	(6,091)	(2,427)	(374)	—	5,106	**(63,687)**
22,003	**18,466**	**30,967**	**15,695**	**21,621**	**36,746**	**4,063**	**—**	**4,552**	**356,751**
(85,889)	(56,899)	25,395	(8,472)	(14,024)	(56,475)	11,789	—	—	**(143,122)**
—	—	—	—	—	—	—	—	(100)	**75**
(2)	(2)	112	29	(12)	123	(23,808)	125,927	(101,504)	**1,139**
(3,609)	(3,004)	(4,459)	(2,034)	(2,760)	(5,232)	5,174	(105,516)	90,046	**(61,459)**
—	—	(140)	(96)	—	—	—	(3,442)	—	**(6,212)**
(67,497)	**(41,439)**	**51,875**	**5,122**	**4,825**	**(24,838)**	**(2,782)**	**16,969**	**(7,006)**	**147,172**
—	—	7	—	—	—	—	480,018	(480,562)	**12**
—	—	—	—	—	—	—	(90,380)	—	**(90,380)**
(10,797)	(6,202)	(14,172)	(8,260)	(4,610)	(13,876)	1,379	(231,031)	290,009	**(49,793)**
(78,294)	**(47,641)**	**37,710**	**(3,138)**	**215**	**(38,714)**	**(1,403)**	**175,576**	**(197,559)**	**7,011**
17,491	5,343	(7,010)	642	(406)	(114)	519	3,168	—	**(7,869)**
(60,803)	**(42,298)**	**30,700**	**(2,496)**	**(191)**	**(38,828)**	**(884)**	**178,744**	**(197,559)**	**(858)**
624,260	388,649	656,470	254,695	433,978	771,009	47,986	—	(65,095)	**7,861,652**
3,320	—	56,830	—	—	21,857	—	—	(2,200)	**187,916**
75,528	24,397	206,617	7,979	10,189	39,303	20,839	15,085,177	(14,919,949)	**959,545**
703,108	**413,046**	**919,917**	**262,674**	**444,167**	**832,169**	**68,825**	**15,085,177**	**(14,987,244)**	**9,009,113**
319,801	281,266	473,062	167,933	165,020	400,446	48,741	12,307,762	(10,971,125)	**5,410,505**
51,712	30,124	89,983	12,952	46,006	43,122	2,321	167,583	(74,614)	**926,057**
371,513	**311,390**	**563,045**	**180,885**	**211,026**	**443,568**	**51,062**	**12,475,345**	**(11,045,739)**	**6,336,562**
331,595	**101,657**	**356,872**	**81,789**	**233,140**	**388,601**	**17,763**	**2,609,833**	**(3,941,506)**	**2,672,551**

4. ADDITIONAL INFORMATION TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

4.1. Net Rental Revenue

In € thousand	2023	2022
Rental revenue from investment property (including investment property – right-of-use asset)	431,738	364,784
Straight-lining of lease incentives	(374)	(579)
Net rental income	**431,364**	**364,205**
Service charges	66,766	56,233
Net rental revenue	**498,130**	**420,438**

Net rental income from investment property increased due to new investment properties acquired and completed in 2022 and 2023 and strong rental growth of the existing portfolio driven by indexation and re-leasing.

4.2. Property Operating Expenses

In € thousand	2023	2022
Utilities	(9,228)	(9,111)
Property tax	(26,498)	(20,351)
Insurance	(6,107)	(4,892)
Security	(9,578)	(7,921)
Property and facility management fees	(10,241)	(8,298)
Repairs and maintenance	(10,946)	(9,029)
Other	(2,638)	(4,085)
Total	**(75,236)**	**(63,687)**

Majority of the property operating expenses presented above is related to investment property that generated net rental revenue during the year.

4.3. Administrative Expenses

In € thousand	2023	2022
Property administrative expenses (1)	(18,268)	(19,427)
Employee and other administrative expenses (2)	(51,431)	(47,704)
Costs capitalised (3)	6,070	5,672
Total	**(63,629)**	**(61,459)**

(1) Property administrative expenses:

In € thousand	2023	2022
Letting, marketing, legal, and professional fees	(14,883)	(15,208)
Impairment loss on trade receivables (ECL)	(63)	(298)
Other	(3,322)	(3,921)
Total	**(18,268)**	**(19,427)**

(2) Employee and other administrative expenses:

In € thousand	2023	2022
Employee expenses	(41,825)	(39,525)
Audit fees*	(1,182)	(1,101)
Other	(8,424)	(7,078)
Total	**(51,431)**	**(47,704)**

* Comprise of Group's auditors and other external auditors' fees

Employee expenses

In € thousand	2023	2022
Wages and salaries	(35,494)	(32,899)
Social security and health insurance	(4,100)	(3,519)
Other	(2,231)	(3,107)
Total	**(41,825)**	**(39,525)**

The average number of full-time equivalent employees for year 2023 was 263 and 238 for year 2022.

Fees in relation to services provided by the Group's auditors

In € thousand	2023	2022
Audit services		
Parent company	(10)	(12)
Subsidiary undertakings and consolidation	(1,113)	(876)
Total audit services	**(1,123)**	**(888)**
Other audit related services	—	—
Other non-audit related services	(114)	(662)
Total	**(1,237)**	**(1,550)**

(3) Costs capitalised primarily relate to internal employee staff costs directly involved in developing the property portfolio.

4.4. Net gains/(losses) from fair value adjustments on investment property

2023 In € thousand	Valuation gains	Valuation loss	Net change in market value
Investment property	103,360	(438,711)	(335,351)
Investment property under construction	80,618	(24,055)	56,563
Total	**183,978**	**(462,766)**	**(278,788)**
of which Assets held for sale	—	(11,905)	(11,905)

2022 In € thousand	Valuation gains	Valuation loss	Net change in market value
Investment property	260,557	(455,043)	(194,486)
Investment property under construction	65,932	(14,568)	51,364
Total	**326,489**	**(469,611)**	**(143,122)**
of which Assets held for sale	150,158	(9,926)	140,231

4.5. Disposal of investment property

On 16 January 2023, the Group signed a sale and purchase agreement to dispose a land plot covering 250 thousand sqm in Germany for €134.6 million (excluding settlement of borrowings), which was closed on 3 March 2023. In addition, the Group received purchased price adjustment for disposals from 2021 and completed minor sales of equipment.

In July 2023, the Group sold 3 properties in Belgium for €21 million. Gains on disposal of investment property amounted to €4,505 thousand during 2023 net of consideration received and net assets and liabilities disposed.

During 2022, the Group completed only minor sales of some land and equipment resulting in gains on disposal of €75 thousand.

In € thousand	2023	2022
Investment property and property, plant and equipment	(212,841)	(178)
Trade and other receivables	(6,497)	–
Cash and cash equivalents	(314)	–
Deferred tax liabilities	18,736	–
Trade and other payables	3,135	–
Net assets and liabilities disposed	**(197,781)**	**(178)**
Consideration received*	202,286*	253
Cash and cash equivalents disposed	(314)	–
Net cash inflows	**201,973**	**253**

* Consideration received included cash settlement of intercompany loan of € 72,792 thousand in 2023

For further reference on assets and liabilities held for sale see also Note 5.22.

4.6. Other Income/(Expense), Net

Other Income amounted to €6,146 thousand (€9,254 thousand in 2022) and Other Expense amounted to -€9,281 thousand (-€8,115 thousand in 2022), balances primarily include transaction costs related to new acquisitions, other advisory costs related to the Group matters (transfer pricing, legal structuring, etc.), purchase price adjustments, income from management services provided to 3rd parties, insurance income and costs associated with damages covered by insurance, Board management services and late fees paid by tenants.

4.7. Financial Income

In € thousand	2023	2022
Interest income	476	1
Unrealised gains from derivatives and financial instruments	804	–
Other financial income	65	11
Net foreign exchange gains (1)	2,573	–
Total	**3,918**	**12**

(1) Net foreign exchange gains arise primarily from daily settlement of receivables and payables denominated in foreign exchange currency.

4.8. Financial Costs

Shareholder financing costs
Interest expenses on shareholder loans and guarantee fee to shareholder amounted to €66,232 thousand (€90,380 thousand in 2022). The reduction is mainly due to lower amount of the loans subject to guarantee fee.

External and other financial costs
Interest expenses on external borrowings increased due to rising market interest rates, but also due to increased amount of debt and higher credit margins as loans with a guarantee from shareholder has been refinanced with new debt on a non-recourse basis.

In € thousand	2023	2022
Interest expenses – external borrowings	(125,713)	(40,284)
Interest expenses – IFRS 16	(1,363)	(1,098)
Financing fees	(10,522)	(7,154)
Unrealised losses from derivatives and financial instruments	—	(3)
Net foreign exchange losses (1)	—	(1,254)
Total	**(137,598)**	**(49,793)**

(1) Net foreign exchange losses arise primarily from daily settlement of receivables and payables denominated in foreign exchange currency.

4.9. Income Tax

In € thousand	2023	2022
Current income tax expense	(21,796)	(17,289)
Deferred tax income/(expense) (Note 5.6)	(11,910)	9,420
Total income tax expense	**(33,706)**	**(7,869)**

In € thousand	2023	Effective tax rate	2022	Effective tax rate
Profit/(loss) before tax	(125,329)		7,011	
Tax at the domestic tax rates applicable to profits in the country concerned (1)	12,567	10%	(1,517)	22%
Non-deductible expenses	(22,716)	(18%)	(10,225)	146%
Non-taxable revenues	9,796	8%	12,803	(183%)
Gains subject to tax but eliminated in consolidation (2)	—	—	(2,593)	37%
Recognition /(derecognition) of accumulated tax losses and FV	(25,698)	(21%)	(5,791)	83%
Deferred tax not recognised (3)	(1,649)	(1%)	(2,353)	34%
Other effects (4)	(6,005)	(5%)	1,807	(26%)
Income tax expense	**(33,706)**	**(27%)**	**(7,869)**	**112%**

(1) The theoretical tax is calculated as sum of tax expenses/income calculated from profits/losses in each country using the rate applicable in the country concerned.
(2) This line is a tax on gain arising on repayment of certain intercompany loans.
(3) Deferred tax not recognised represents mainly deferred tax assets from trading losses that are not expected to be utilised in the near future.
(4) Other effects are primarily made up by the impact of changed statutory tax rate amounting to €18,400 thousand in 2023 (no impact in 2022), by -€3,794 thousand representing the effect from sale of assets (no impact in 2022), subsequent changes in local tax returns related to prior year and FX translation of deferred tax balance between years.

The Group operates in multiple tax jurisdictions. The average prevailing tax rate for the period has been calculated on a weighted average basis by applying local statutory tax rates to accounting losses and profits arising in each location.

The main tax rules in the countries where the Group is active are as follows:

Luxembourg
The corporate income tax rate of 24.94% (2022: 24.94%) includes a 7% employment fund contribution (2022: 7%). Additionally, a municipal business tax is levied. Tax losses incurred during period up to and including 2016 do not expire, so they can be carried forward for undefined time period. Tax losses incurred as from 2017 onwards may be carried forward during a period limited to seventeen years.

Czech Republic
The corporate income tax rate is 19% (2022: 19%) with approved increased to 21% from 1.1.2024. Tax losses can be carried forward for five years. Losses may not be carried forward on a substantial (approximately 25%) change in the ownership of a company unless certain conditions are met.

Germany
The corporate income tax rate is 15.825% (2022: 15.825%). The overall income tax rate for corporations includes corporate income tax at a rate of 15%, solidarity surcharge at a rate of 0.825% (5.5% of the corporate income tax), and local trade tax. Tax losses can be carried forward for indefinite period.

Netherlands
The corporate income tax rates are 19% (2022: 15%) on the profits up to €200,000 (2022: €395,000) and 25.8% (2022: 25.8%) on the excess. The same rates also apply to capital gains. Losses may not be carried forward on a substantial (approximately 30%) change in the ownership of a company unless certain conditions are met. Otherwise, tax losses may be carried forward for nine years.

France
The corporate income tax rate is 25% (2022: 25%). Tax losses may be carried forward for indefinite period. Tax losses can be offset against taxable profits up to €1.0 million plus 50% of the excess in each fiscal period.

Poland
The corporate income tax rate is 19% (2022: 19%). Tax losses may be carried forward for five years, the loss set off in each year is capped at the 50% of the tax loss.

Italy
The corporate tax rate is 27.9% (IRES at 24% plus IRAP ordinary at 3.9%) (2022: 27.9%). Tax losses can be used for indefinite period. Tax law recognises tax losses unlimited (generated in the first three fiscal periods) and limited which amount to 80% of the tax base.

Slovakia
The corporate income tax rate is 21% (2022: 21%). Tax losses may be carried forward for four years.

Romania
The corporate income tax rate is 16% (2022: 16%). Tax losses may be carried forward for seven years.

Spain
The corporate income tax rate is 25% (2022: 25%). Tax losses may be carried forward for indefinite period. The Spanish portfolio of the Group is subject to SOCIMI regime where the income tax rate in 2023 is 0% (2022: 0%).

Foreign subsidiaries in Belgium, Bulgaria, Serbia and UK are not material to the consolidated financial statements.

PILLAR TWO MODEL RULES
In December 2021, the Organisation for Economic Co-operation and Development (OECD) published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two model rules). The rules generally apply to multinational groups with revenue in their consolidated financial statements exceeding €750 million in at least two of the four preceding fiscal years. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, including Luxembourg. The legislation will be effective for the financial year beginning January 1, 2024. The rules will impose a minimum 15% effective tax rate, based on the OECD's Pillar Two Model Rules, applicable in each jurisdiction in which a Group operates. A top-up tax will be imposed in a jurisdiction whenever the effective tax rate, determined on a jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate.

The annual revenues of the Group for financial years 2020-2023 have not exceeded the threshold of €750 million, hence this legislation does not apply to the Group. Whereas the Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in various jurisdictions.

5. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

5.1. Investment property

Investment properties include both completed yielding assets and undeveloped land intended for future development. As at 31 December 2023 the Group owned 340 completed investment properties in ten countries – Germany, France, Czech Republic, the Netherlands, Poland, Slovakia, Italy, Romania, Spain and Austria (31 December 2022: 310 completed investment properties). 10 properties out of total 340 are presented under Assets held for sale.

For details related to 2023 acquisitions see Note 2 in Board of Managers report and Note 10.

In € thousand	2023	2022
Investment property – yielding assets and land	8,333,535	7,721,372
Investment property – right-of-use asset	162,100	140,280
Investment property	**8,495,635**	**7,861,652**

Appraisals of market values as of 31 December 2023 and as of 31 December 2022 were performed by external, independent appraisers certified by the Royal Institution of Chartered Surveyors (RICS). The appraisals were performed using the hardcore/capitalisation method.

Fair value measurement for investment properties is categorised as a level 3 fair value (same as in 2022) based on the unobservable inputs used in the valuation.

Investment property also includes investment right-of-use asset, comprising of ground lease.

The table below explains the valuation technique followed and the significant assumptions / unobservable inputs used:

Valuation technique	Significant assumptions / unobservable inputs
The properties held for investment are valued using the income approach, capitalising the income to arrive at a capital value net of Capex, R&M costs and purchaser's costs. The method represents a quotient of dividing the annual net operating income (NOI) by the appropriate capitalisation rate (yield). NOI is calculated based on current rent payable to lease expiry (after expiry ERV is used for re-letting assumptions), allowances are made for voids and rent-free periods where appropriate and non-recoverable costs are deducted where applicable. Yield estimations consider the quality of a building, its location (prime vs. secondary), tenant credit quality, lease terms, and market conditions (take-up, vacancy in sub-region and investment volume). Future growth of rents is incorporated implicitly in the opinion of yield. For assets under construction ("AUC"), the asset is valued on an as if complete basis utilising the income approach, and then any outstanding costs to complete and proportion of developer's profit are deducted. The land held for future development is valued utilising either the cost approach (residual method) or the market approach (comparison method) depending on the level of development being undertaken, the type of development and the local market practice. As a sense check the comparison method is often used in conjunction with this approach.	— Rent value derived from lease agreements and subsequently based on market expectations — Void periods between 0-12 months after the end of each lease (31 December 2022: 0-15 months) — Rent-free periods: 0-12 months for new leases (31 December 2022: 0-12 months) — Weighted average Equivalent Yield for investments assets (both yielding and AUC) per country 4.96-7.94% (31 December 2022: 4.55-7.61%), weighted average for the Group 5.73% (2022: 5.19%) — ERV/area unit (both yielding and AUC) per country 50.06-75.50/sqm (31 December 2022: 30.61-72.92/sqm), weighted average for the Group 64.26/sqm (2022: 59.63/sqm) — Transaction costs 1% (2022: 1%) is the assumption that appropriately approximates the amount of acquisition costs for the whole investment property portfolio — For AUC costs to complete and developer's margins vary with each development project (due to size, specification, country, etc.). Assumptions are based on actual progress of works and total construction costs forecasted (costs contracted with general contractor and other construction costs – compared by valuator with the market standard) The estimated fair value would increase (decrease) if: — Rent value derived from lease agreements was higher (lower) — Void periods after the end of each lease were shorter (longer) — Rent-free periods for new leases were shorter (longer) — Equivalent yields were lower (higher) — Transaction costs were lower (higher) — Estimated costs to complete for AUC were lower (higher)

For additional information about fair value measurement see Note 2.3.
For additional information about real estate market risk see Note 8.2

Sensitivity analysis

In € thousand 2023	Sensitivity used	Effect on fair value: Completed investment property	Effect on fair value: Investment property under construction
Increase in ERV	10%	882,399	80,040
Rental growth (each calendar year till lease end)	1%	71,904	7,932
Vacancy allowance (% of Potential Gross Rent)	1%	(70,548)	(8,458)
Yield increase	0.25%	(417,607)	(35,604)
Outstanding costs increase	10%	—	(43,498)
Transaction cost increase	100%	(89,131)	(5,130)

Investment property – yielding asset movement table for the period ended 31 December 2023

In € thousand	Czech Rep	France	Germany	Italy	Netherlands	Poland	Romania	Slovakia	Spain	Other*	Total
At 1 January 2023	**1,677,181**	**361,665**	**2,550,326**	**620,152**	**388,379**	**631,688**	**252,527**	**426,866**	**765,732**	**46,856**	**7,721,372**
Acquisition	—	147,638	278,607	—	—	205,186	—	—	20,645	−1,925	650,151
Additions	5,586	385	5,803	14,388	972	37,214	1,907	2,126	35,100	16,585	120,066
Disposals/change in asset held for sale	—	—	(11,067)	—	—	7,448	—	—	—	(114)	(3,733)
Transfer to investment properties under construction	(1,918)	—	(14,275)	(15,446)	—	(37,486)	—	—	(11,487)	—	(80,612)
Transfer from investment properties under construction	65,536	—	12,658	15,864	—	105,961	—	—	26,158	344	226,521
Valuation gains/(losses)	11,807	(15,167)	(125,831)	(37,655)	(889)	(110,627)	(1,231)	(21,397)	(23,051)	(17,611)	(341,652)
Translation difference	(42,486)	—	—	—	—	84,704	(1,384)	—	—	588	41,422
At 31 December 2023	**1,715,706**	**494,521**	**2,696,221**	**597,303**	**388,462**	**924,088**	**251,819**	**407,595**	**813,097**	**44,723**	**8,333,535**
Lease incentives and commissions**	13,010	1,354	22,013	1,565	3,890	16,058	1,728	4,195	2,953	7	66,773
Held for sale	—	—	—	—	—	155,926	—	—	—	—	155,926
Total Property Value – yielding assets	**1,728,716**	**495,875**	**2,718,234**	**598,868**	**392,352**	**1,096,072**	**253,547**	**411,790**	**816,050**	**44,730**	**8,556,234**

Investment property – yielding asset movement table for the year ended 31 December 2022

In € thousand	Czech Rep	France	Germany	Italy	Netherlands	Poland	Romania	Slovakia	Spain	Other*	Total
At 1 January 2022	**1,504,808**	**237,318**	**2,373,586**	**423,677**	**372,057**	**511,322**	**256,796**	**405,924**	**692,403**	**38,397**	**6,816,288**
Acquisition	—	163,314	249,638	11,839	26,380	—	—	—	—	(23,769)	427,402
Additions	12,600	890	51,722	39,230	1,097	40,579	3,937	16,162	5,283	11,148	182,648
Disposals/change in asset held for sale	—	—	(188,278)	—	—	5,614	—	—	—	3,547	(179,117)
Transfer to investment properties under construction	(7,682)	(5,724)	(55,610)	(4,032)	—	(14,706)	—	—	—	(1,267)	(89,021)
Transfer from investment properties under construction	99,912	—	111,043	234,408	44,205	75,973	—	16,090	139,303	8,832	729,766
Valuation gains/(losses)	16,251	(34,133)	8,225	(84,970)	(55,360)	27,714	(8,279)	(11,310)	(71,257)	10,156	(202,963)
Translation difference	51,292	—	—	—	—	(14,808)	73	—	—	(188)	36,369
At 31 December 2022	**1,677,181**	**361,665**	**2,550,326**	**620,152**	**388,379**	**631,688**	**252,527**	**426,866**	**765,732**	**46,856**	**7,721,372**
Tenant lease incentives**	10,444	1,895	21,392	1,464	4,525	10,981	838	3,898	2,773	376	58,586
Held for sale	—	—	188,100	—	—	163,374	—	—	—	13,603	365,077
Total Property Value – yielding assets	**1,687,625**	**363,560**	**2,759,818**	**621,616**	**392,904**	**806,043**	**253,365**	**430,764**	**768,505**	**60,835**	**8,145,035**

* Other includes properties in Austria, Serbia and group adjustments in both years, Belgium only in 2022.
** Included within other non-current assets and other current assets.
*** Includes Investment property and related tenant lease incentives within Assets held for sale.

Investment property right-of-use assets

In € thousand	2023	2022
At 1 January	**140,280**	**96,290**
Additions	19,958	38,318
Modifications and disposals	4,538	8,285
Depreciation expense	(2,919)	(2,613)
Translation difference	243	—
At 31 December	**162,100**	**140,280**

Investment property right-of-use is represented by the ground lease capitalised according to IFRS 16. New addition in 2023 is primarily due to newly signed ground leases in Poland and Germany. Impact from inflation increase was recognised as modification in 2023 and 2022.

5.2. Investment property under construction

In € thousand	2023	2022
At 1 January	**187,916**	**462,510**
Acquisition	27,314	32,473
Additions	312,206	271,856
Transfer from investment property	80,612	89,021
Transfer to investment property	(226,521)	(729,766)
Transfer to assets held for sale	(7,980)	—
Translation difference	4,006	1,980
Valuation gains	62,864	59,842
At 31 December	**440,417**	**187,916**
Held for sale	7,980	—
Total Investment property under construction	**448,397**	**187,916**

Investment property under construction comprises assets currently under development, i.e. where a construction permit has been obtained. Constructions are completed and transferred to investment property when occupancy permit is obtained.

As of 31 December 2023, the Group had 23 assets under construction in Germany, Poland, Spain, France, Italy, Czech Republic and the Netherlands (31 December 2022: 15 assets under construction in Germany, Poland, Spain, France, Italy and Czech Republic).

Fair value measurement for investment properties under construction has been categorised as a Level 3 fair value based on the unobservable inputs used in the valuation. There was no reclassification between Levels during the period.

5.3. Total property value

Property value is not a measure defined in IFRS Standards. Property value is a non-GAAP measure used by the Group to monitor the Group's unencumbered Property value for covenant compliance. Total property value includes value of assets held for sale, and lease incentives and commissions capitalised in fair value as shown in movement table in Note 5.1. above.

In € thousand	2023	2022
Investment property – yielding assets and land – total property value (Note 5.1.)	8,556,234	8,145,035
Investment property under construction (Note 5.2.)	448,397	187,916
Total Property Value	**9,004,631**	**8,332,951**
Market value of pledged properties	(953,809)	(101,686)
Unencumbered Property Value	**8,050,822**	**8,231,265**

5.4. Property, Plant and Equipment

In € thousand	2023	2022
Cost		
At 1 January	**6,126**	**4,240**
Acquisition	10	41
Additions	344	2,027
Disposals	(29)	(207)
Translation difference	(19)	25
At 31 December	**6,432**	**6,126**
Accumulated depreciation		
At 1 January	**(2,374)**	**(2,108)**
Acquisition	—	—
Charge for the period	(477)	(352)
Eliminated on disposal	29	99
Translation difference	16	(13)
At 31 December	**(2,806)**	**(2,374)**
Net book value at 31 December	**3,626**	**3,752**

Net book value of Property, Plant and Equipment primarily represents furniture, office equipment including leasehold improvements of leased office space and a power station located within one of the Group's logistic parks.

5.5. Intangible Assets

In € thousand	2023	2022
Cost		
At 1 January	**9,427**	**6,970**
Acquisition	—	4
Additions	2,150	2,454
Disposals	—	(8)
Translation difference	(5)	7
At 31 December	**11,572**	**9,427**
Accumulated depreciation		
At 1 January	**(2,480)**	**(1,395)**
Acquisition	—	—
Charge for the period	(1,693)	(1,083)
Eliminated on disposal	—	—
Translation difference	1	(2)
At 31 December	**(4,172)**	**(2,480)**
Net book value at 31 December	**7,400**	**6,947**

Intangible Assets consist of capitalised software costs. The increase in 2023 and 2022 is driven by group wide ERP implementation and related internally developed software and data platform.

5.6. Deferred Tax Assets and Liabilities

In € thousand 31 December 2023	Assets	Liabilities	Net
Investment property and Investment property under construction	7,770	(523,067)	(515,297)
Tax losses	36,414	—	36,414
Derivatives	—	(9,064)	(9,064)
IFRS 16	26,568	(26,384)	184
Other temporary differences	17,294	(13,731)	3,563
Gross deferred tax	**88,046**	**(572,246)**	**(484,200)**
Set-off of deferred tax	**(69,197)**	**69,197**	**—**
Net deferred tax	**18,849**	**(503,049)**	**(484,200)**

In € thousand 31 December 2022	Assets	Liabilities	Net
Investment property and Investment property under construction	17,741	(526,777)	(509,036)
Tax losses	26,101	—	26,101
Derivatives	—	(18,481)	(18,481)
Other temporary differences	21,077	(10,200)	10,877
Gross deferred tax	**64,919**	**(555,458)**	**(490,539)**
Set-off of deferred tax	**(41,105)**	**41,105**	**—**
Net deferred tax	**23,814**	**(514,353)***	**(490,539)**

* The balance presented as Deferred tax liability on the face of balance sheet is €490,159 thousand as at 31 December 2022. The difference of €24,194 relates to disposed assets and is therefore presented as part of Liabilities directly associated with assets held for sale – please refer also to Note 5.22.

The movement in deferred tax assets and liabilities is analysed in the following table.

In € thousand	1 January 2023	Recognised in comprehensive income	Translation reserve	Other movements*	31 December 2023
Investment property and Investment property under construction	(484,842)	(13,933)	7,672	(24,194)	(515,297)
Tax losses	26,101	10,313	—	—	36,414
Derivatives	(18,481)	9,417	—	—	(9,064)
IFRS 16	—	184	—	—	184
Other temporary differences	10,877	(17,892)**	10,578	—	3,563
Total deferred tax	**(466,345)**	**(11,911)**	**18,250**	**(24,194)**	**(484,200)**

* Other movements are represented by reclassification of deferred tax liability related to disposed assets to the position Liabilities held for sale.
** Other temporary differences are made up primarily by the impact from revaluation of loans or not paid interest (both intercompany).

In € thousand	1 January 2022	Recognised in comprehensive income	Translation reserve	Other movements *	31 December 2022
Investment property and Investment property under construction	(509,702)	24,690	(24,024)	24,194	(484,842)
Tax losses	25,022	1,079	—	—	26,101
Derivatives	—	(18,481)	—	—	(18,481)
Other temporary differences	8,745	2,132	—	—	10,877
Total deferred tax	**(475,935)**	**9,420**	**(24,024)**	**24,194**	**(466,345)**

* Other movements are represented by reclassification of deferred tax liability related to disposed assets to the position Liabilities held for sale.

As at 31 December 2023, deferred tax liabilities of €152,662 thousand (31 December 2022: €177,330 thousand), based on differences at the time of initial recognition arising from transactions treated as asset acquisitions have not been recorded, in accordance with IAS 12.

In € thousand Tax losses	31 December 2023	31 December 2022
Total of tax losses carry forwards	**358,109**	**375,543**
there of:		
Expiration within 1 year	12,521	1,107
Expiration from 1-3 years	9,946	27,847
Expiration from 3-5 years	16,515	5,394
Expiration more than 5 years	167,762	147,520
Without time limitation	151,365	193,674

The Group has significant tax losses carry forwards which it can use to offset taxable income in future periods. Deferred tax assets from these tax losses carry forwards are recognised only to the extent that it is probable that taxable profits will be available against which the losses can be utilised. As at 31 December 2023, the unrecognised deferred tax asset from tax losses, and other temporary differences amounted to €44,340 thousand (31 December 2022: €60,640 thousand).

5.7. Derivative financial instruments

In € thousand Maturity of derivatives	Type of contract	Notional amounts 31 December 2023	Fair Value 31 December 2023	Notional amounts 31 December 2022	Fair Value 31 December 2022
Up to 1 year	Interest Rate Cap	50,495	559	—	—
1 to 5 years	Interest Rate Swap	1,485,000	9,738	650,000	39,025
Over 5 years	Interest Rate Swap	140,000	(4,980)	—	—
Over 5 years	Forward Starting Interest Rate Swap	—	—	500,000	35,237
Total		**1,675,495**	**5,317**	**1,150,000**	**74,262**

The classification below is based on the timing of cash flows of the underlying liability.

In € thousand	31 December 2023	31 December 2022
Short-term derivative – assets	559	—
Long-term derivative – assets	19,059	74,262
Short-term derivative – liabilities	—	—
Long-term derivative – liabilities	(14,301)	—
Total	**5,317**	**74,262**

The Group uses interest rate caps, interest rate swaps and forward starting interest rate swaps to manage the interest rate risk. Interest rate caps are carried at fair value through the profit and loss ("FVTPL"). Effective portion of interest rate swaps under cash flow hedge is recognised in other comprehensive income.

During the reporting period the Group entered into seven new interest rate swaps to convert new floating rate loans to fixed rate. Cash flow hedge accounting is applied for the derivatives.

In addition, an interest rate cap was contracted in order to hedge the interest rate risk of an existing secured loan. A positive fair value and settlement received is recognised in the income statement of the Group as hedge accounting is not applied for this particular derivative.

Interest payments relating to bank loans and other loans are recorded under interest expenses in Note 4.8.

Interest rate of derivatives	31 December 2023	31 December 2022
1–3.1%	5,317	74,262
Total	**5,317**	**74,262**

Fair value measurement for derivative financial instruments has been categorised as a level 2 fair value based on the inputs to the valuation used. There was no movement among Levels 1, 2 and 3 during the period. The fair values are based on bank valuation reports. Similar contracts are traded in an active market and the quotes reflect transactions in similar instruments.

5.8. Other Non-Current Assets

In € thousand	31 December 2023	31 December 2022
Accrued income (1)	36,208	37,929
Capitalised costs on new projects (2)	16,388	20,258
Prepaid expense (3)	16,602	12,766
Other (4)	30,564	36,793
Total	**99,762**	**107,746**

(1) Accrued income represents the rent-free incentives the Group has granted to tenants.
(2) Capitalised costs on new acquisitions/development represents investments into IT projects being developed internally and transaction costs incurred as of the balance sheet date for future and not yet fully started projects. The amount capitalised is transferred to investment property upon completion of the acquisition or start of the development. Costs for IT projects are transferred to intangible assets and depreciated over useful life when can be used to generate benefits.
(3) Prepaid expense is primarily made up from leasing commissions being amortised over the lease term.
(4) Other non-current assets represent prepayments on land paid primarily in Germany, Poland and Italy (in 2023: €21,786 thousand, in 2022: €29,573 thousand) and long-term deposits paid in Spain (in 2023: €7,316 thousand, in 2022: €6,755 thousand).

5.9. Trade Receivables

In € thousand 31 December 2023	Receivables	Loss allowance	Current amount
Not yet due	24,861	—	24,861
< 30 days past due	7,270	—	7,270
30–60 days past due	519	—	519
60–90 days past due	615	—	615
90–180 days past due	1,357	—	1,357
180–360 days past due	128	—	128
> 360 days past due	1,111	(1,046)	65
Total	**35,861**	**(1,046)**	**34,815**

In € thousand 31 December 2022	Receivables	Loss allowance	Current amount
Not yet due	20,487	—	20,487
< 30 days past due	4,934	—	4,934
30–60 days past due	953	—	953
60–90 days past due	339	—	339
90–180 days past due	279	(50)	229
180–360 days past due	382	(38)	344
> 360 days past due	1,718	(1,718)	-
Total	**29,092**	**(1,806)**	**27,286**

There is no concentration risk of trade receivables.

Movement in allowance for expected credit losses of trade receivables

In € thousand	2023	2022
At 1 January	**(1,806)**	**(2,306)**
Currency translation difference	10	(58)
Allowance (made)/ released	750	558
At 31 December	**(1,046)**	**(1,806)**

5.10. Other Current Assets

In € thousand	31 December 2023	31 December 2022
Accrued income (1)	22,097	16,406
Prepaid expense (2)	10,975	10,447
Other (3)	14,362	22,207
Total	**47,434**	**49,060**

(1) Accrued income includes the short-term element of rent-free incentives granted to tenants, as well as accrued amounts from the service charge reconciliation.
(2) Prepaid expenses primarily relate to insurance, property taxes and leasing commissions paid in advance.
(3) The item "Other" is represented primarily by short-term receivables related to acquisitions.

5.11. Prepayments

In € thousand	31 December 2023	31 December 2022
Deposits paid (1)	8,961	1,346
Advance payments (2)	3,984	8,326
Total	**12,945**	**9,672**

(1) Deposits paid are primarily represented by short-term payments on escrow accounts relating to new acquisitions mainly in Spain of €6,913 thousand (2022: France €1,137 thousand).
(2) Advance payments consist of recorded advances on utilities.

5.12. Tax Receivables

In € thousand	31 December 2023	31 December 2022
VAT and other tax receivable (1)	97,496	101,171
Income tax receivable	1,830	1,311
Total	**99,326**	**102,482**

(1) VAT receivable relates primarily to construction invoices on development projects and recent acquisitions.

5.13. Cash and cash equivalents and Restricted cash

In € thousand	31 December 2023	31 December 2022
Cash and cash equivalents	59,822	179,596
Non-current restricted cash	470	971
Current restricted cash	—	—
Total	**60,292**	**180,567**

The Group operates bank accounts in all jurisdictions where it has land, investment properties or offices.

In certain instances, the Group is required to hold cash in reserve in order to comply with restrictions under the agreements with tenants or in relation to acquisitions where cash may be held in escrow accounts. This is classified as restricted cash above and is excluded from cash and cash equivalents in the consolidated cash flow statement.

For further information on loss allowance according to IFRS 9 please refer to Note 2.2. c) vi.

5.14. Equity

Share capital and share premium

As of 31 December 2023, and as of 31 December 2022, the share capital of the Group consists of 36,505,930 ordinary shares with the nominal value of €0.01 each, fully paid in, on which share premium of €3,816 thousand arose. Each ordinary share is entitled in the profits and corporate capital to a pro rata portion of the corporate capital it represents, as well as to voting rights. The authorised share capital is amounting to €365 thousand.

The share premium account comprises the amount received in excess of the nominal value of the shares issued by way of subsequent issue of ordinary shares predominantly in connection with consequential increases of share capital in 2016.

Other capital funds

"Other capital funds" is primarily made up of conversion of shareholder loans in prior periods.
There are no such transactions in 2023 nor in 2022.

In € thousand	Number of shares	Share capital	Share premium	Other capital funds
Balance at 1 January 2023	**36,505,930**	**365**	**3,816**	**712,849**
Contribution of the shareholder	—	—	—	—
Allocation to reserve fund	—	—	—	—
Reclassifications and corrections	—	—	—	171
Balance at 31 December 2023	**36,505,930**	**365**	**3,816**	**713,020**

In € thousand	Number of shares	Share capital	Share premium	Other capital funds
Balance at 1 January 2022	**36,505,930**	**365**	**3,816**	**712,767**
Contribution of the shareholder	—	—	—	—
Allocation to reserve fund	—	—	—	—
Reclassifications and corrections	—	—	—	82
Balance at 31 December 2022	**36,505,930**	**365**	**3,816**	**712,849**

The Company is required to transfer a minimum of 5% of its net statutory profit for each financial year to a legal reserve which is part of Other capital funds. This requirement ceases once the balance of the legal reserve reaches 10% of the issued share capital. If the legal reserve later falls below the 10% threshold, at least 5% of net statutory profits must be allocated again toward the reserve. The legal reserve is not available for distribution to the shareholders.

Other reserve

The other reserve consists of the recognition effect from cash flow hedging made up by interest rate risk hedge accounting (see Note 5.7 and 5.25) and from other foreign exchange risk hedge accounting.

In € thousand	31 December 2022	New additions	Amortisation	31 December 2023
Foreign exchange risk instruments				
Hedge accounting	43,154	–	–	43,154
Deferred tax	(8,281)	–	–	(8,281)
Interest rate risk instruments				
Interest swaps	74,101	(21,924)	(15,835)	36,342
Deferred tax	(18,481)	5,468	3,949	(9,064)
Other reserve	**90,494**	**(16,456)**	**(11,886)**	**62,152**

In € thousand	31 December 2021	New additions	Amortisation	31 December 2022
Foreign exchange risk instruments				
Hedge accounting	29,353	14,401	(599)	43,154
Deferred tax	(4,209)	(4,072)	–	(8,281)
Interest rate risk instruments				
Interest swaps	–	70,480	3,621	74,101
Deferred tax	–	(17,578)	(903)	(18,481)
Other reserve	**25,144**	**63,231**	**2,119**	**90,494**

Translation reserve

The translation reserve comprises all foreign exchange differences arising from translation of the financial statements of foreign operations from their functional to the presentation currency and starting from 1 January 2023 there is recognised also the effect from the application of net investment approach according to IAS 21.

In € thousand	31 December 2022	New additions	Amortisation	31 December 2023
Foreign currency translation adjustment	39,344	6,481	–	45,825
Currency translation difference	–	39,845	–	39,845
Deferred tax	–	(8,190)	(1,422)	(9,612)
Translation reserve	**39,344**	**38,136**	**(1,422)**	**76,058**

Non-controlling interest

On 13 December 2017, one of the entities belonging to the Group – P3 Spain Logistic Parks SOCIMI, S.A.U. ("Spain SOCIMI") – was listed on a public stock exchange in Spain. The entity owned 13 subsidiaries in Spain, all of them fully consolidated within the Group. As part of the listing procedure, the Group sold 6.6232 % of its shares in Spain SOCIMI to 25 external investors for €1,403 thousand. The corresponding non-controlling interest in the consolidated equity of Spain SOCIMI was recognised in the Group consolidated financial statements as of 31 December 2017 in the amount of €3,287 thousand.

Together with the shares, the external investors were granted an option which represents their right to sell these shares back to the Group on 28 February 2021. During 2021, most of the options were extended and may be exercised in April 2024 with the selling price to be calculated based on the value of consolidated equity of entities included under Spain SOCIMI in 2017 as of future date.

The future liability arising from this option was recognised as a short-term financial liability in the Group consolidated financial statements as at 30 December 2023 in the amount of €802 thousand (long-term financial liability €1,606 thousand as at 31 December 2022) corresponding to discounted liability. Present-access method was applied due to the access of minority shareholders to returns and therefore the value of option was recognised as part of non-controlling interest (NCI). Subsequent to the initial recognition, the group applies accounting policy, to recognise changes in the carrying amount of the put liability in equity.

The value of the overall obligation against minority shareholders has not materially changed since 2022 year-end. As of 31 December 2023, the total value of the obligation was €5,320 thousand (31 December 2022: €4,992 thousand) consisting of NCI of €4,518 thousand and option obligation of €802 thousand presented in other payables (31 December 2022: NCI of €3,386 thousand and other payable of €1,606 thousand).

5.15. Borrowings

In € thousand Shareholder borrowings	31 December 2023	31 December 2022
Principal	1,682,677	1,407,687
Accrued interest and guarantee fee*	169,752	103,521
Total	**1,852,429**	**1,511,208**

* The Group has shareholder guarantee: a fixed fee guarantee on a€600 million bank loan.

The maturity of the shareholder borrowings falls into the maturity category "Over 5 years" as the tenors exceed 25 years. The shareholder borrowings are subordinated to all external borrowings.

In 2022, the Group drew down €400 million.
In 2022, the Group converted €29.6 million from accrued interest to principal (in 2021: €334.1 million).
In 2023, the Group drew down €275 million of shareholder loan to finance new acquisitions.

In € thousand Net Debt	31 December 2023	31 December 2022
Long-Term Bank Borrowings	**3,158,591**	**2,447,281**
Bank borrowings – principal	3,165,000	2,450,495
Deferred financial costs*	(6,409)	(3,214)
Short-Term Bank Borrowings	**66,607**	**452,400**
Bank borrowings – principal and accrued interest	73,303	453,006
Deferred financial costs*	(6,696)	(606)
Total Bank Borrowings	**3,225,198**	**2,899,681**
Long-Term Bonds	**994,716**	**992,437**
Bonds – principal	1,000,000	1,000,000
Deferred financial costs	(5,284)	(7,563)
Short-Term Bonds	**9,459**	**9,459**
Bonds – accrued interest	11,567	11,567
Deferred financial costs	(2,108)	(2,108)
Total Bonds	**1,004,175**	**1,001,896**
Total Borrowings	**4,229,373**	**3,901,577**
Cash and cash equivalents	(59,822)	(179,596)
Net Debt	**4,169,551**	**3,721,982**

* This overview does not include deferred financing costs associated with revolving credit facility which is draw down by €50 million as of December 2023 (long-term portion €1,531 and short-term portion €658).

In € thousand External Borrowings by type (excluding deferred financial costs)	31 December 2023	31 December 2022
Secured borrowings – mortgages	**503,610**	**50,844**
Unsecured Borrowings	**3,746,259**	**3,864,224**
Bank loans	2,734,692	2,852,657
Bonds	1,011,567	1,011,567
Total	**4,249,869**	**3,915,068**

Financing is provided through a combination of borrowings provided by banks, bond investors and loans provided by related parties. All financing is denominated in Euro.

The table below outlines the maturity profile of the external borrowings:

In € thousand External Borrowings by maturity (excluding Deferred financial costs)	31 December 2023	31 December 2022
Up to 1 year	73,303	453,006
1 to 5 years	2,325,000	2,350,495
Over 5 years	840,000	100,000
Total	**3,238,303**	**2,903,501**

In € thousand Bonds by maturity (excluding Deferred financial costs)	31 December 2023	31 December 2022
Up to 1 year	11,567	11,567
1 to 5 years	500,000	500,000
Over 5 years	500,000	500,000
Total	**1,011,567**	**1,011,567**

Several financing related events took place in January 2022. Standard & Poor's published a BBB credit rating to the Group, a Green Financing Framework was published, and a €5.0 billion Euro Medium Term Note ("EMTN") bond program was established and approved by Luxembourg Stock Exchange. In January 2022, the Group successfully issued €1.0 billion Green Bonds. The Group issued two €500.0 million senior unsecured tranches across 4 and 7-year tenors, carrying a fixed coupon of 0.875% and 1.625% respectively. The bonds are traded on the Euro MTF Market and listed on the official list of the Luxembourg Stock Exchange. In 2022, the Group also signed a total of €750 million senior unsecured non-recourse bilateral term loans.

In 2023 the Group made following financing:

- On 23 January 2023, the Group signed a € 450 million secured loan agreement. The new loan was set at a floating rate but swapped to fixed rate with two separate interest rate swaps for the most part of the nominal value.
- In February 2023, the Group drew down additional € 150 million from existing unsecured non-recourse loan facility.
- In March 2023, a new €140 million 6-year senior unsecured non-recourse bilateral fixed rate term loan was signed and drawn.
- In March 2023, a new €150 million 7.5-year senior unsecured non-recourse green bilateral floating rate term loan was signed and drawn. The loan was swapped to fixed rate using interest rate swap.
- €1.05 billion of unsecured guaranteed bank loans were repaid before maturity in March 2023.
- In April 2023, a new €200 million 4-year senior unsecured non-recourse bilateral floating rate term loan was signed and drawn. The loan was swapped to fixed rate using interest rate swap.
- €160 million was drawn for one month from the €750 million RCF in March.
- In August 2023, a new €500 million 12-year senior unsecured non-recourse bilateral fixed rate term loan was signed and drawn with related party, associate owned by GIC . Funds were used to refinance short-term debt.
- In August 2023, €50 million 7-year senior unsecured non-recourse green bilateral fixed rate term loan was signed. The loan was drawn in September 2023. In August 2023, €400 million of unsecured guaranteed external debt was paid down before the maturity.
- In October 2023, €75 million 5-year senior unsecured non-recourse green bilateral floating rate term loan was signed and drawn. The loan was swapped to fixed rate with an interest rate swap.
- In October 2023, €200 million 4.5-year senior unsecured non-recourse green bilateral floating rate term loan was signed. The loan was drawn in November 2023. The loan was swapped to fixed rate with an interest rate swap. In November 2023, €200 million of guaranteed external debt was paid down before the maturity.
- In December 2023, the Group drew down €75 million of shareholder loan.
- In December 2023, €100 million 5-year senior unsecured non-recourse bilateral floating rate term loan was signed. The loan was undrawn at the end of December 2023.
- In December 2023, €150 million 10-year amortising senior unsecured green non-recourse bilateral facility was signed. The facility was undrawn at the end of December 2023.
- In December 2023, revolving credit facility was drawn by €50 million for 1 month.

The following table outlines the interest rate profile of the Group's borrowings:

In € thousand Borrowings by interest rate (nominal excluding accrued interest)	31 December 2023	31 December 2022
Total floating rate	**2,415,495**	**2,800,495**
Floating rate loans (Reference rate** +0.35 to 2.0% margin)	650,000	2,150,495
Floating rate loans hedged to fixed (Reference rate** +0.95% to 2.0% margin*)	1,765,495	650,000
Total fixed rate	**1,800,000**	**1,100,000**
Fixed coupon bonds +0.875% and 1.625%	1,000,000	1,000,000
Fixed rate loans– 3.93%to 4.57%	800,000	100,000
Total external borrowings and bonds	**4,215,495**	**3,900,495**
Out of which fixed rate or swapped to fixed interest rates	3,425,495	1,750,000
Total blended rate for shareholder's loan – 3.66%+ margin on profit	**1,852,429**	**1,407,687**
Total	**6,067,924**	**5,308,182**

* Hedged with all-in interest of 2.46–5.06%.
** Reference rates are 1M, 3M and 6M EURIBOR.

The weighted average interest rate for external borrowings was 3.54% as of 31 December 2023 (December 2022: 1.61%).

As of 31 December 2023, bank borrowings of €600 million are guaranteed by Europe Realty Holdings Pte Ltd (parent company of the shareholder of the Group), the amount of €2,100 million was guaranteed at the end of 2022.

Liquidity
P3 Group S.àr.l. entered into a €750 million revolving facility agreement in December 2021. This facility is unsecured and non-recourse to the shareholder. It has a 5-year tenor with an extension approved for another year in December 2022 for most part of the facility, and with a second extension approved in November 2023. The Group utilised the facility during the year 2023 and as at 31 December 2023, €700 million remained undrawn and available.

During 2023 the Group implemented cash pooling arrangements in the 10 main countries of operation, to concentrate the liquidity of the Group on daily bases to the parent company of the Group. Cash pool overdraft limits of in total €50 million are linked to the master account of the cash pools which has improved the liquidity of the group further.

Financial Covenants
The current outstanding guaranteed bank loans of the Group do not contain any quantitative financial covenants. The EMTN program, the non-recourse unsecured bank term loan agreements and the revolving credit facility include financial covenants for the Group. As of 31 December 2023, the Group is compliant with the covenants and had substantial headroom in all the covenants requested.

The financial covenants are regularly monitored, presented below as of 31 December 2023:

(1) Loan to Value should not exceed 60% as of 30 June or 31 December of each calendar year.
(2) Interest Cover should exceed 1.5x as of 30 June or 31 December of each calendar year
(3) Unencumbered Assets Ratio should exceed 1.5x as of 30 June or 31 December of each calendar year.
(4) Priority Debt Ratio should not exceed 40% of property value as of 30 June or 31 December of each calendar year.

In addition, the secured loan agreements have separate financial covenants relating to the specific secured portfolio like Debt Yield Ratio, ICR and LTV. We are in compliance with these covenants.

Financial Covenants	2023	2022	Covenant Ratios
(1) Loan to Value ratio	46.3%	44.7%	< 60%
(2) Interest Cover ratio	2.8	6.9	> 1.5
(3) Unencumbered Assets ratio	2.3	2.2	> 1.5
(4) Priority Debt ratio	5.5%	0.6%	< 40%

Reconciliation of changes in liabilities arising from financing activities

The reconciliation between opening and closing balances in the statement of financial position for liabilities arising from financing activities is presented in the following table.

In € thousand Borrowings	Shareholder borrowings long-term	Term loan facilities long-term	Term loan facilities short-term	Bonds long-term	Bonds short-term	Lease liabilities long-term	Lease liabilities short-term	Total
At 1 January 2023	**1,511,208**	**2,445,565**	**451,836**	**992,437**	**9,459**	**143,374**	**4,371**	**5,558,250**
Changes for financing cash flow								
Proceeds from borrowings	275,000	1,965,000	—	—	—	25,953	1,301	2,267,254
Repayment of borrowings	—	(1,200,000)	(450,000)	—	—	—	(6,808)	(1,656,808)
ST/LT reclassifications	—	(50,495)	50,495	—	—	(6,089)	6,089	—
Foreign exchange effect realised	—	—	—	—	—	604	8	612
Total changes from financing cash flows	**1,786,208**	**3,160,070**	**52,331**	**992,437**	**9,459**	**163,842**	**4,961**	**6,169,308**
Other movements								
Interests charged	66,221	—	119,487	—	13,917	1,323	40	200,988
Interests paid	—	—	(67,941)	—	(12,500)	—	—	(80,441)
Impact from hedging in OCI	—	—	(31,744)	—	—	—	—	(31,744)
Realized effect from hedging	—	—	245	—	—	—	—	245
Additions to deferred financial costs	—	(15,382)	—	1,417	(1,417)	—	—	(15,382)
Release of deferred financial costs	—	5,942	—	862	—	—	—	6,804
ST/LT reclassifications	—	6,429	(6,429)	—	—	—	—	—
Total liability related to other changes	**66,221**	**(3,011)**	**13,618**	**2,279**	**—**	**1,323**	**40**	**80,470**
Balance at 31 December 2023	**1,852,429**	**3,157,059**	**65,949**	**994,716**	**9,459**	**165,165**	**5,001**	**6,249,778**

In € thousand Borrowings	Shareholder borrowings long-term	Term loan facilities long-term	Term loan facilities short-term	Bonds long-term	Bonds short-term	Lease liabilities long-term	Lease liabilities short-term	Total
At 1 January 2022	**1,020,827**	**2,446,041**	**1,000,240**	**—**	**—**	**97,910**	**3,985**	**4,569,003**
Changes for financing cash flow								
Proceeds from borrowings	400,000	1,050,000	130,000	1,000,000	—	48,055	1,955	2,630,010
Repayment of borrowings	—	(600,000)	(1,130,000)	—	—	—	(5,291)	(1,735,291)
ST/LT reclassifications	—	(450,000)	450,000	—	—	(3,673)	3,673	—
Foreign exchange effect realised	—	—	—	—	—	17	15	32
Total changes from financing cash flows	**1,420,827**	**2,446,041**	**450,240**	**1,000,000**	**—**	**142,309**	**4,337**	**5,463,754**
Other movements								
Interests charged	90,380	—	29,993	—	12,877	1,066	33	134,349
Interests paid	—	—	(27,397)	—	—	—	—	(27,397)
Additions to deferred financial costs	—	(2,762)	(275)	(8,360)	(3,418)	—	—	(14,815)
Release of deferred financial costs	—	1,562	—	797	—	—	—	2,359
ST/LT reclassifications	—	724	(724)	—	—	—	—	—
Total liability related to other changes	**90,380**	**(476)**	**1,597**	**(7,563)**	**9,459**	**1,066**	**33**	**94,496**
Balance at 31 December 2022	**1,511,208**	**2,445,565**	**451,836**	**992,437**	**9,459**	**143,375**	**4,370**	**5,558,250**

5.16. Long-term payables

As at 31 December 2023, the Group had 'Long-term payables' of €199,701 thousand (31 December 2022: €173,244 thousand) which represent primarily a lease liability of €165,165 thousand (31 December 2022: €143,375 thousand) recognised from the application of IFRS 16 , and amounts received from tenants as security for their rental obligations and retentions from development projects.

5.17. Trade Payables

As at 31 December 2023, 'Trade payables' of €28,625 thousand (31 December 2022: €29,240 thousand) comprise payment obligations to third-party suppliers incurred in the normal course of business. The balance comprises primarily payables related to construction costs incurred from ongoing developments in Poland, Spain, and Italy.

5.18. Accruals

In € thousand	31 December 2023	31 December 2022
Operating expenses	7,427	6,866
Accounting, audit and legal expenses	5,457	6,956
Capex accruals	32,291	23,583
Other expenses	23,832	18,691
Total	**69,007**	**56,096**

5.19 Deferred Income

As at 31 December 2023, 'Deferred income' of €37,998 thousand (31 December 2022: €33,556 thousand) comprises primarily rent paid in advance by tenants.

5.20. Tax Liabilities

In € thousand	31 December 2023	31 December 2022
VAT	10,374	36,158
Income tax payable	5,738	7,956
Other tax payable (1)	16,561	36,383
Total	**32,673**	**80,497**

(1) Other tax payable comprises primarily outstanding real estate transfer tax resulting from acquisitions in Germany.

5.21. Other Current Payables

In € thousand	31 December 2023	31 December 2022
Tenant deposits	2,473	3,234
Advance payments received	1,021	1,433
Payables to employees	1,319	696
Lease liability	5,001	4,370
Other payables (1)	13,596	25,903
Total	**23,410**	**35,636**

(1) Other payables relate primarily to retentions on payments to contractors for developments.

5.22. Assets held for sale and Liabilities directly associated with assets held for sale

In 2022, the Group initiated sale of shares in the entity owning land in Germany, which was completed in March 2023 and three properties in Belgium, whose sale was completed in July 2023.

Assets and liabilities related to the portfolio held for sale are stated at the lower of their carrying amount and fair value less costs to sell.
The investment property classified as held for sale is measured in accordance with IAS 40. As at 31 December 2023, these assets comprised of one park in Poland, which was intended to be sold already in 2022 (details presented in Investment Property movement table in Note 5.1):

Assets held for sale

In € thousand	31 December 2023	31 December 2022
Investment property	155,926	365,077
Investment property under construction	7,980	—
Other non-current assets	—	2,500
Right-of-use assets	—	—
Deferred tax asset	—	—
Trade receivables	—	—
Tax receivables	—	451
Prepayments	—	—
Other current assets	—	—
Total	**163,906**	**368,028**

Liabilities directly associated with assets held for sale

In € thousand	31 December 2023	31 December 2022
Deferred rental income	—	—
Tenant deposits	—	—
Deferred tax liability	—	24,194
Trade payables	—	417
Accruals	—	3,018
Tax liabilities	—	—
Other long-term liabilities	—	—
Total	**—**	**27,629**

5.23 Contingent assets and liabilities

In 2021, as part of completion of the disposal deal, the Group has provided rent guarantee on selected properties for maximum compensation of €3,000 thousand, out of which €573.7 thousand was due in 2021 and the remaining amount of €2,426 thousand was recognised as the provision included in other payables and presented together with cost on asset sold. The provision was fully settled and released in the same amount as accrued in June 2023 against final purchase price agreement.

Bank guarantees
As of 31 December 2023, the Group had outstanding bank guarantees with third parties as beneficiary for a total amount of €7,440 thousand (€12,101 thousand as of 31 December 2022).

5.24 Commitments

As of 31 December 2023, the Group was committed to acquire investment properties under the following contracts as defined by IAS 37:

In € thousand	31 December 2023
Commitments for Assets under construction	308,298
Forward funding deals	14,395
Forward purchase deals	—
Total	**322,693**

5.25. Cash flow hedge accounting for interest rate risk

The strategy of the Group is to protect its cash flows from interest rate risk resulting from its external financing activity. The Group's risk management policy is to hedge 80% of its interest rate risk exposure.

Credit ratings of both Group entity and trading partner are investment grade, therefore credit risk does not materially affect the hedging relationship.

In May 2022, the Group implemented three new hedging programs to lock in the interest rates on recently contracted bilateral loans and implemented cash flow hedge accounting to hedge the volatility of the floating interest rates resulting from the new loans. The derivatives used as hedging instruments are interest rate swaps pay fixed/receive floating.

The Group launched also a fourth hedge program in order to hedge volatility in forecasted and highly probable new financing for €500 million nominal amount exposed to interest rate risk. The derivative used as hedging instruments was a flexi forward starting swap with a fixed rate. This program was realised with a new €500 million 12-year senior unsecured non-recourse bilateral fixed rate term loan was signed and drawn. The realized gain on the flexi forward starting swap was deferred to cash flow hedge reserve and is amortised over five years as initially planned.

In 2023, the Group implemented seven new hedging programs to lock in the interest rates on recently contracted bilateral loans and implemented cash flow hedge accounting to hedge the volatility of the floating interest rates resulting from the new loans. The derivatives used as hedging instruments are interest rate swaps paying fixed and receiving floating. The cash flows derived from all hedged liabilities over their lifetime represent the basis for determining the gain and loss on the effective portions of the derivatives designated as cash flow hedges.

At the reporting date as at 31 December 2023, derivatives under hedge accounting were assessed as highly effective, between 80-125% effectiveness over the life of the hedge. The following methods were used to assess effectiveness: critical terms method, dollar offset method with prospective and retrospective effectiveness testing. If any effectiveness arises outside the 80-125% effectiveness range, mark to market value is recognised in the income statement if the changes in fair value are material and hedge relationship is discontinued. Sources of ineffectiveness can be different terms and conditions between hedging instrument and hedged item, including settlement dates, currencies, maturities and counterparty risks.

The fair value of the derivatives resulting from the seven hedging programs is positive €4.6 million and the change of these fair values which sum up to €4.7 million total fair value is recognised under Other comprehensive income. See Note 5.7 and Note 5.11 Equity, section Other reserve, for further details. The Group has an interest rate cap with a positive fair value of €0.6 million which is not under hedge accounting.

At 31 December 2023, the Group held the following instruments to hedge exposures to changes in interest rates, the amounts related to items designated as hedging instruments and hedge ineffectiveness were as follows:

In € thousand Interest rate risk	Nominal amount	Carrying amount of the hedging portion of the designated instruments - assets	Carrying amount of the hedging proportion of the designated instruments - liabilities	Maturity of the hedging instruments	Average hedged interest rate	Line item in the statement of financial position where the hedging instrument is included
Interest rate swaps	1,625,000	1,010,000	615,000	10. 03. 2029 at the latest	3.83	External long-term borrowings External short-term borrowings

In € thousand Interest rate risk	Changes in the fair value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	(21,924)	–	–	(15,835)	External and other financial costs

The amounts at the reporting date 31 December 2023 relating to items designated as hedged items were as.

In € thousand Interest rate risk	Change in value used for calculating hedge ineffectiveness	Cash flow reserve	Balances in cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied
Interest-bearing loans and borrowings	(37,759)	36,342	34,309

At 31 December 2022, the Group held the following instruments to hedge exposures to changes in interest rates, the amounts related to items designated as hedging instruments and hedge ineffectiveness were as follows:

In € thousand Interest rate risk	Nominal amount	Carrying amount of the hedging portion of the designated instruments - assets	Carrying amount of the hedging proportion of the designated instruments - liabilities	Maturity of the hedging instruments	Average hedged interest rate	Line item in the statement of financial position where the hedging instrument is included
Interest rate swaps	1,150,000	1,150,000	–	30. 08. 2028 at the latest	2.84	External long-term borrowings External short-term borrowings

In € thousand Interest rate risk	Changes in the fair value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	70,480	–	–	3,621	External and other financial costs

The amounts at the reporting date 31 December 2022 relating to items designated as hedged items were as.

In € thousand Interest rate risk	Change in value used for calculating hedge ineffectiveness	Cash flow reserve	Balances in cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied
Interest-bearing loans and borrowings	(74,101)	74,101	–

6. LEASES

6.1. The Group as a lessee

The Group has following types of leases as a lessee: ground lease (primarily from the acquisitions in 2020), offices and cars.

For transition to IFRS 16 cumulative catch-up approach was used measuring the right-of-use asset at an amount equal to the lease liability. The weighted average incremental borrowing rate applied to lease liabilities recognised at the date of initial application is 0.75% p.a., the rate for new additions in 2023 was 1.59% for additions before 30 June 2023 and 3.13% for additions after 30 June 2023 (2022: 1.05% for the whole year).

If indexation applies as a variable lease component in office lease agreements, modification is recognised if the impact from the new payment exceeds 5% from the latest recognised value.

Right-of-Use Asset and Investment Property Right-of-Use Assets

In € thousand	Ground lease*	Offices and parking	Cars	Total
Balance at 1 January 2023	**140,280**	**4,503**	**1,426**	**146,209**
Additions	19,958	1,586	1,621	23,165
Modifications and disposals	4,538	151	(203)	4,486
Depreciation expense	(2,919)	(1,408)	(767)	(5,094)
Translation Difference	243	(19)	(15)	209
Balance at 31 December 2023	**162,100**	**4,813**	**2,062**	**168,975**

* The ground lease represents Investment property – see note 5.1. for details.

In € thousand	Ground lease*	Offices and parking	Cars	Total
Balance at 1 January 2022	**96,290**	**3,848**	**1,169**	**101,307**
Additions	38,318	2,441	961	41,720
Modifications and disposals	8,284	(356)	(7)	7,921
Depreciation expense	(2,612)	(1,475)	(697)	(4,784)
Translation Difference	–	45	–	45
Balance at 31 December 2022	**140,280**	**4,503**	**1,426**	**146,209**

* The ground lease represents Investment property – see note 5.1. for details.

Lease liability

In € thousand	Under 1 year	1–5 years	Over 5 years	Total
Lease liability	5,001	12,279	152,886	170,166
Balance at 31 December 2023	**5,001**	**12,279**	**152,886**	**170,166**

In € thousand	Under 1 year	1–5 years	Over 5 years	Total
Lease liability	4,370	11,311	132,063	147,745
Balance at 31 December 2022	**4,370**	**11,311**	**132,063**	**147,745**

6.2. The Group as a lessor

In € thousand Operating leases*	31 December 2023	31 December 2022
Repayable on demand, up to 1 year	456,213	393,594
2 to 5 years	1,115,386	1,025,344
Over 5 years	644,517	721,777
Total	**2,216,116**	**2,140,715**

* The balances represent the undiscounted lease payments to be received.

Operating leases where Group acts as lessor represent leases of logistic properties which together with development and management represent its core business.

7. RELATED PARTIES

In accordance with IAS 24, the Group identified the following related parties as relevant:

- The Managers of the Group and subsidiary companies
- All companies controlled by the Company (refer to Note 10 outlining the Group Structure)
- The Parent entity (Euro Vitus Private Limited)

Balances and transactions within the Group have been eliminated on consolidation and are not disclosed in this Note. Details of transactions between the Group and other related parties are disclosed below.

As of 31 December 2023, the Group has loans from Euro Vitus Private Limited, with an outstanding balance of €1,852,429 thousand (2022: €1,447,030 thousand). The interest expense amounted to €54,051 thousand for year 2023 with total accrued interest of €93,515 thousand as of 31 December 2023 (accrued interest in 2022: €39,343 thousand). These shareholder loans are in the form of interest-bearing loans and loans covered by total return swap. The shareholder borrowings are subordinated loans with tenors exceeding 20 years.

Further, the Group accounted for guarantee fee for the year 2023 provided by related party Europe Realty Holdings Pte Ltd, the sole shareholder of the Group (for providing parental guarantee over the bank borrowings of the Group). As of 31 December 2023, the outstanding amount was €76,237 thousand including fee for the year 2023 of €12,060 thousand (accrued in 2022: €64,177 thousand, including fee for the year 2022 of €44,253 thousand). The detail is presented under loans from related parties in Note 5.15.

In August 2023, a new €500 million 12-year senior unsecured non-recourse bilateral fixed rate term loan was signed and drawn with a related party, an associate owned by GIC.

In August 2023, the Group started providing asset management services to newly acquired assets in UK owned by the parent company. The amount invoiced in 2023 is €332 thousand.

Transactions with key management personnel
Any remuneration to the key management is provided and accounted for as standard compensation costs that are shown in the table below.

In € thousand	2023	2022
Compensation of key management	5,637	5,095

The compensation of key management is included as part of the Employee Expenses disclosed in Note 4.3.

In addition to the above transactions with key management personnel, a few employees within the Group hold shares in one of the Group's entities (P3 Spain Logistic Parks SOCIMI, S.A.U.). Total number of shares held by the employees is 0.2574% out of the total external shareholding of 2.7588%. More details on this transaction can be found in Note 5.14.

The terms and conditions of these transactions described above were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel-related companies on an arm's length basis.

8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

8.1. Overview

The primary business activity of the Group is ownership, development and acquisition of real estate logistics properties, and the creation of value through active asset management.

The Group attaches significant importance to the active management of risks. The Group has an integrated approach to risk management through which the major risks facing the Group are identified, evaluated and weighed against all mitigating factors. The Management Team (the senior managers of the Group) is responsible for overseeing the Group's risk management activities and regularly review the status of all identified risks, together with actions to reduce or eliminate these risks.

The primary risks impacting the Group and the approach to managing them are set out below.

Principal financial instruments
The principal instruments used by the Group, from which risks arise, are as follows:
- Trade receivables;
- Restricted cash (non-current and current);
- Cash and cash equivalents;
- Borrowings (long term and short term);
- Bonds (long term and short term);
- Derivatives (interest rate caps);
- Trade and other payables (non-current and current)

8.2. Real Estate Market risk

The management of real estate market risk is one of the core competencies of the Group. Essentially, these risks comprise two specific categories – real estate market cycle risk and rental market risk. Real estate market cycle risks are related to fluctuations inherent to the overall commercial real estate market and the related impact on the valuations of the Group's investment portfolio. These risks are partially mitigated by the Group's strategy of geographical diversification. Risks in connection with a change in discount rates as well as market rents are risks that affect the entire property market. The table below shows sensitivity analysis of the potential impact of market risk on property valuations in each country where the Group has invested.

Rental market risks relate to the use of the property, the tenant mix, the credit standing of the tenants, the vacancy rate, the ability to increase rents and the recoverability of running costs. Through its local internal asset management activities, the Group is constantly managing controllable risk factors, and is focused on proactively mitigating these risks where possible. The Group's Portfolio Management Committee monitors and manages the overall tenant structure, reviews any material changes to the credit standing of significant tenants, and analyses any current or pending changes in vacancy rates in each market.

The analysis below shows the potential change in value of the Group's portfolio based on changes in capital yields in each country where the Group owns investment property. The analysis shows the increase/decrease in portfolio value if capital yields decrease/increase by 25 and 50 basis points. The calculation is performed separately for each property and the table shows the aggregate potential change by country in absolute figures. The average capital yield in the Group is approximately 5.73%, and the individual capital yields by country vary from 4.96% to 7.94% in accordance with market conditions in each country. Table below shows the changes in fair value of investment properties and investment properties under construction as of 31 December 2023 and 2022 if the yield is +/– 50 basis points and +/- 25 basis points (b.p.). Investment properties in Serbia were not considered due to immateriality.

In € thousand Equivalent yield – sensitivity 31 December 2023	**-50b.p.**	**-25b.p.**	**+25b.p.**	**+50b.p.**
Czech Republic	166,694	79,518	(72,826)	(139,771)
Germany	321,688	152,307	(137,690)	(262,772)
France	55,833	26,549	(24,179)	(46,293)
Italy	63,181	30,029	(27,327)	(52,301)
Netherlands	40,182	19,187	(17,602)	(33,807)
Poland	91,857	44,166	(41,019)	(79,215)
Slovakia	32,155	15,448	(14,327)	(27,651)
Spain	84,557	40,190	(36,578)	(70,009)
Romania	16,407	7,937	(7,453)	(14,464)
Other	4,799	2,276	(2,063)	(3,942)
Total	**877,353**	**417,607**	**(381,064)**	**(730,225)**
Out of which				
Investment property under construction	74,524	35,604	(32,696)	(62,825)

In € thousand Equivalent yield – sensitivity 31 December 2022	**-50b.p.**	**-25b.p.**	**+25b.p.**	**+50b.p.**
Czech Republic	168,337	80,182	(73,244)	(140,414)
Germany	322,761	151,995	(136,158)	(258,831)
France	44,321	20,918	(18,809)	(35,812)
Italy	67,644	31,950	(28,766)	(54,801)
Netherlands	40,544	19,277	(17,555)	(33,608)
Poland	70,693	33,853	(31,215)	(60,089)
Slovakia	38,394	18,345	(16,849)	(32,378)
Spain	87,237	41,333	(37,412)	(71,436)
Romania	17,139	8,279	(7,752)	(15,027)
Other	6,894	3,259	(2,938)	(5,600)
Total	**863,964**	**409,391**	**(370,698)**	**(707,996)**
Out of which				
Investment property under construction	40,942	19,463	(17,719)	(33,917)

Tables below shows the changes in fair value of investment properties as of 31 December 2023 and 2022 if the market rent is fluctuating between +8% to -8%.

In € thousand Market rent sensitivity 31 December 2023	**+8%**	**+6%**	**+4%**	**+2%**	**-2%**	**-4%**	**-6%**	**-8%**
Czech Republic	138,463	103,847	69,232	34,616	(34,616)	(69,232)	(103,847)	(138,463)
Germany	229,560	172,170	114,780	57,390	(57,390)	(114,780)	(172,170)	(229,560)
France	43,349	32,512	21,675	10,837	(10,837)	(21,675)	(32,512)	(43,349)
Italy	48,593	36,444	24,296	12,148	(12,148)	(24,296)	(36,444)	(48,593)
Netherlands	34,093	25,570	17,046	8,523	(8,523)	(17,046)	(25,570)	(34,093)
Poland	92,095	69,071	46,048	23,024	(23,024)	(46,048)	(69,071)	(92,095)
Slovakia	31,584	23,688	15,792	7,896	(7,896)	(15,792)	(23,688)	(31,584)
Spain	65,107	48,831	32,554	16,277	(16,277)	(32,554)	(48,831)	(65,107)
Romania	19,543	14,657	9,771	4,886	(4,886)	(9,771)	(14,657)	(19,543)
Other	3,532	2,649	1,766	883	(883)	(1,766)	(2,649)	(3,532)
Total	**705,919**	**529,439**	**352,960**	**176,480**	**(176,480)**	**(352,960)**	**(529,439)**	**705,919)**
Out of which								
Investment property under construction	64,032	48,024	32,016	16,008	(16,008)	(32,016)	(48,024)	(64,032)

In € thousand Market rent sensitivity 31 December 2022	+8%	+6%	+4%	+2%	-2%	-4%	-6%	-8%
Czech Republic	135,438	101,579	67,719	33,860	(33,860)	(67,719)	(101,579)	(135,438)
Germany	209,079	156,809	104,540	52,270	(52,270)	(104,540)	(156,809)	(209,079)
France	29,847	22,385	14,923	7,462	(7,462)	(14,923)	(22,385)	(29,847)
Italy	46,179	34,634	23,089	11,545	(11,545)	(23,089)	(34,634)	(46,179)
Netherlands	31,432	23,574	15,716	7,858	(7,858)	(15,716)	(23,574)	(31,432)
Poland	64,093	48,070	32,047	16,023	(16,023)	(32,047)	(48,070)	(64,093)
Slovakia	33,061	24,796	16,531	8,265	(8,265)	(16,531)	(24,796)	(33,061)
Spain	63,104	47,328	31,552	15,776	(15,776)	(31,552)	(47,328)	(63,104)
Romania	19,511	14,633	9,756	4,878	(4,878)	(9,756)	(14,633)	(19,511)
Other	4,781	3,585	2,389	1,194	(1,194)	(2,389)	(3,585)	(4,781)
Total	**636,525**	**477,393**	**318,262**	**159,131**	**(159,131)**	**(318,262)**	**(477,393)**	**(636,525)**
Out of which								
Investment property under construction	31,628	23,721	15,814	7,907	(7,907)	(15,814)	(23,721)	(31,628)

The transaction costs assumption is 1%. If the assumption increases (decreases) by 50 basis points, the fair value of investment property decreases (increases) by €44,565 thousand.

8.3. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In line with its financial risk management policy, the Group aims to protect its cash flows from interest rate risk. The policy target is to have at fixed rate debt ratio >80%.The Group's exposure to the risk of changes in market interest rates relates primarily to its debt obligations with floating interest rates.

To manage its interest rate risk, the Group has, for a portion of its debt, entered into interest rate swaps to secure the maximum amount of interest paid, calculated by reference to an agreed-upon notional principal amount.

At 31 December 2023, 82% of outstanding external debt was fixed rate including 40% hedged with swaps (31 December 2022: 45% were fixed rate including 17% hedged by swaps). The Group constantly monitors its exposure to interest rate risk and adjusts its hedging strategy accordingly. The fixed interest debt ratio has increased with the issuance of €700 million of fixed rate debt and hedge with swaps newly issued floating rate loans, and proceeds used to prepay floating rate debt.

The analysis below shows the potential impact on the consolidated statement of comprehensive income of the Group from a change in interest rates of +/- 10 basis points. This analysis is prepared on the basis that the amount of net debt, the ratio of fixed-to-floating interest rates on the debt and derivatives is constant and using the hedge designations in place at the reporting date. The impact on the consolidated statement of comprehensive income arises from the effect of the assumed changes in interest rates on finance income less finance costs for one year, based on the floating rate financial liabilities held at the reporting date, including the effect of hedging instruments:

In € thousand	Increase / (decrease) in basis points	Effect on profit
Year ended 31 December 2023		
EURIBOR	10	740
EURIBOR	(10)	(740)

In € thousand	Increase / (decrease) in basis points	Effect on profit
Year ended 31 December 2022		
EURIBOR	10	5,308
EURIBOR	(10)	(5,308)

8.4. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks and financial institutions and derivatives.

Trade receivables and other current assets
The Group runs credit evaluation for any new tenant. For most of the tenants bank guarantee or bank deposit is required. The Group has controls in place to regularly monitor overdue receivables and identify receivables at risk – those overdue more then 90 days. Receivables at risk are discussed with property managers, who decide about provision based on assessment of the tenant's ability to settle them. Property managers also closely monitor historical trend of the tenants payment moral. The Group has also late fee policy in place. For additional information about credit risk on Trade receivables see Note 5.9.

Cash and cash equivalents
Credit risk arising from cash and cash equivalents relates to the default of a counterparty with a maximum exposure equal to the carrying amount of these instruments. The Group invests its liquidity in a manner which minimises the risk and primarily placed on bank accounts and in short term deposits, in which the counterparties are commercial banks participating in the Group's credit agreements.

Cash and cash equivalents comprise cash at bank and highly liquid cash deposits with short-term maturities. The Group has bank accounts, deposits and derivatives with banks and financial institutions which have a high investment grade rating. The Group regularly monitors the credit risk associated with counterparties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Credit risk arising as part of the investment of cash and cash equivalents and restricted cash is managed by the fact that the Group only works with banking partners with strong credit ratings, which are rated A-/A3 or higher. During 2023 the Group implemented cash pooling arrangements in the 10 main countries of operation, to concentrate the liquidity of the Group on daily basis to the parent company of the Group. The bank account structures are in two banking groups with strong credit ratings. Therefore, the Group did not recognise impairment as of December 2023 or 2022.

Derivatives
The derivates are entered with financial institutions, which are rated A-/A3 or higher.

The Group maximum exposure to credit risk, by class of financial instrument, is shown below:

	Carrying amount				Maximum exposure	
In € thousand	**Fair value – hedging instruments**		**Financial assets at amortised costs**			
31 December	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Financial assets measured at fair value						
Derivatives (interest caps)	559	–	–	–	559	–
Derivatives (interest swaps)	19,059	74,262	–	–	19,059	74,262
Financial liability measured at fair value						
Derivatives (interest swaps)	14,301	–	–	–	14,301	–
Financial assets not measured at fair value						
Trade receivables	–	–	34,815	27,286	34,815	27,286
Other current assets	–	–	47,434	49,060	47,434	49,060
Prepayments	–	–	12,945	9,672	12,945	9,672
Restricted cash	–	–	470	971	470	971
Cash and cash equivalents	–	–	59,822	179,596	59,822	179,596

8.5. Capital risk

The Group policy is to maintain a strong capital base, to maintain creditor and market confidence and to sustain future development of the business as a going concern. The Group advocates to maintain a prudent mix between debt and equity financing. The long-term target is to keep LTV below 47.5% as set in the financing policy. In addition, the Group ensures that all financial covenants under financing agreements mentioned in Note 5.15 are adhered to.

The current capital structure of the Group consists of equity and debt. The equity comprises issued share capital, other capital funds, other reserves and retained earnings as presented in Note 5. 14, and in consolidated statement of changes in equity. Debt primarily comprises of bank borrowings, bonds and shareholder borrowings, as disclosed in Note 5.15.

8.6. Liquidity risk

The Group monitors cash balances in all Group companies on both local and group levels to ensure all group companies have sufficient liquidity for day-to-day operations and to meet all liabilities as and when they fall due. The Group Treasury is responsible for ensuring liquidity for future acquisitions, development projects, debt service and other ad hoc cash requirements. The Group has access to additional funding for new development projects through the committed revolving credit facility out of which €700 million remains available as of 31 December 2023. The overdraft facilities of €50 million is used by €0.2 million as of 31 December 2023.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

In € thousand 31 December 2023	Under 1 year	1–5 years	Over 5 years	Total
Non-derivative financial liabilities:				
Trade and other payables	484,595	62,230	152,886	699,711
Interest-bearing loans and borrowings*	202,163	3,197,464	3,782,959	7,182,586
Derivative financial instruments:				
Financial derivatives	–	9,320	4,981	14,301
Total	**686,758**	**3,269,014**	**3,940,826**	**7,896,598**

In € thousand 31 December 2022	Under 1 year	1–5 years	Over 5 years	Total
Non-derivative financial liabilities:				
Trade and other payables	423,441	51,098	132,063	606,602
Interest-bearing loans and borrowings*	546,498	3,005,105	2,490,005	6,041,608
Derivative financial instruments:				
Financial derivatives	–	–	–	–
Total	**969,939**	**3,056,203**	**2,622,068**	**6,648,210**

* Interest-bearing loans and borrowings include expected interest payments based on the maturity schedules considering extension options.
For purposes of liquidity risk disclosure, loans from related parties are forecasted to be paid after 5 years.

Trade and other payables include also committed construction works on the current developments of value €308,298 thousand (31 December 2022: €198,333 thousand).

8.7. Fair values of Financial Instruments

The fair values of financial assets and liabilities are an estimate of the amount at which an instrument could be exchanged in a current arm's length transaction, between knowledgeable and willing parties. Fair values are obtained, as appropriate, from quoted market prices, discounted cash flow projections and other valuations models.

The following methods and assumptions are used to estimate fair values of financial instruments:
- Cash, cash equivalents, short term deposits, trade receivables, trade payables, other current assets and other current liabilities: the carrying value of these assets and liabilities is the same as the fair value due to the short-term maturity of these instruments;
- Derivatives: the fair value of derivative instruments is determined using observable market inputs based on valuations provided by brokers and as such the Group had included derivatives in Level 2 of fair value hierarchy; and
- Borrowings: the carrying amount of variable rate bank borrowings corresponds with their fair market value after deducting unamortised financing costs as these are settled on an arm's length basis and interest rates are set with reference to market rates;
- Bonds: the fair value is determined using quoted market price in an active market as such the Group had included Bonds in Level 1 of fair value hierarchy.

The table below shows a comparison by class of the carrying amounts and fair value of the financial instruments in the Group's consolidated statement of financial position:

In € thousand	Carrying amount				Fair value
31 December 2023	**Fair value – hedging instruments**	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Total**	
Financial assets measured at fair value					
Derivatives (interest caps)	559	—	—	559	559
Derivatives (interest swaps)	19,059	—	—	19,059	19,059
Financial assets not measured at fair value					
Rent and other receivables	—	294,282	—	294,282	294,282
Cash and short-term deposits	—	60,292	—	60,292	60,292
Financial liabilities measured at fair value					
Derivatives (interest swaps)	14,301	—	—	14,301	14,301
Financial liabilities not measured at fair value					
Bank borrowings	—	—	3,223,008	3,223,008	3,456,704
Bonds	—	—	1,004,175	1,004,175	908,100
Shareholder borrowings	—	—	1,852,429	1,852,429	2,247,155
Deposits from tenants	—	—	33,122	33,122	33,122
Trade and other payables	—	—	358,292	358,292	358,292

In € thousand	Carrying amount				Fair value
31 December 2022	**Fair value – hedging instruments**	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Total**	
Financial assets measured at fair value					
Derivatives (interest caps)	—	—	—	—	—
Derivatives (interest swaps)	74,262	—	—	74,262	74,262
Financial assets not measured at fair value					
Rent and other receivables	—	296,246	—	296,246	296,246
Cash and short-term deposits	—	180,567	—	180,567	180,567
Financial liabilities measured at fair value					
Derivatives (interest swaps)	—	—	—	—	—
Financial liabilities not measured at fair value					
Bank borrowings	—	—	2,897,401	2,897,401	2,900,495
Bonds	—	—	1,001,896	1,001,896	785,135
Shareholder borrowings	—	—	1,511,208	1,511,208	1,407,687
Deposits from tenants	—	—	2,347	2,347	2,347
Trade and other payables	—	—	433,551	433,551	433,551

8.8. Foreign currency risk

Approximately 63% of the Group's Investment property portfolio and operations are in the Eurozone, 20% in the Czech Republic, 12% in Poland and 5% in Romania. The Group's exposure to foreign currency risk is primarily limited to translation risk as all borrowings are denominated in Euros and cash flows from rental contracts are agreed in Euros (but may be payable in local currency). There is equity translation exposure as balance sheets of all entities are maintained in local currency therefore movements in exchange rates can result in translation adjustments.

9. SUBSEQUENT EVENTS

Financing activities

In January 2023, €100 million 5-year senior unsecured non-recourse bilateral floating rate term loan was fully drawn, and the loan was swapped to fixed rate with an interest rate swap. The loan proceeds were used for general corporate purposes and to repay €50 million RCF draw down.

The Group has issued €600 million Green Bonds in February 2024 under an existing €5.0 billion Euro Medium Term Note ("EMTN") program established in January 2022. The bond proceeds were used to repay €600 million of unsecured guaranteed external debt before the maturity.

In February 2024 the Group drew down €90 million under its RCF. The proceeds were used to repay €90 million of secured external debt before the maturity.

Acquisitions and Disposals of assets

On 30 January 2024, a forward funding acquisition was closed in the Netherlands. The total commitment for this acquisition is amounted to €72 million.

10. GROUP STRUCTURE

The following table outlines the list of consolidated entities as of 31 December 2023.

Name of company	Function (code)	2023 Participation %	2022 Participation %	Comments	Functional Currency	Country
P3 Prague D8 s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Prague D1 s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Prague Horní Počernice 1 s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Prague Horní Počernice 2 s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Prague Green Park s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Přišovice s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Liberec Park I s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Liberec Park s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Mladá Boleslav Park s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Olomouc Park s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Plzeň Park s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Lovosice Park s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Prague D11 s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Czech HoldCo a.s.	HC	100%	100%		CZK	Czech Republic
P3 Czech&Slovakia a.s.	HC	100%	100%		CZK	Czech Republic
P3 Poland I a.s.	HC	100%	100%		CZK	Czech Republic
P3 Spain a.s.	HC	0%	100%	Merged into P3 Czech HoldCo a.s. in 2023	CZK	Czech Republic
P3 France I a.s.	HC	100%	100%		CZK	Czech Republic
P3 Spain II s.r.o.	HC	0%	100%	Merged into P3 Czech HoldCo a.s. in 2023	CZK	Czech Republic
P3 Lovosice s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Prague D6 s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Ostrava s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Liberec Park II s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Plzeň Myslinka a.s.	AC	100%	100%		CZK	Czech Republic
P3 Chomutov Park s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Mýto D5 s.r.o.	AC	100%	100%		CZK	Czech Republic
P3 Logistic Parks s.r.o.	MC	100%	100%		CZK	Czech Republic
SEIP Immo SCI	AC	100%	100%		EUR	France
Second Euro Industrial Properties - Bretigny SAS	AC	100%	100%		EUR	France
SPV IBE	HC	100%	100%		EUR	France
P3 Montpellier	AC	100%	100%		EUR	France
P3 Rouen	AC	100%	100%		EUR	France
P3 Seclin	AC	100%	100%		EUR	France
P3 Denain SAS	AC	100%	100%		EUR	France
P3 Laon SAS	AC	100%	100%		EUR	France
P3 Prouvy SAS	AC	100%	100%	new 2022	EUR	France
P3 Saint-Sauveur SAS	AC	100%	100%	new 2022	EUR	France
P3 Lunéville SCI	AC	100%	0%	new 2023	EUR	France
P3 Dagneux SCI	AC	100%	0%	new 2023	EUR	France
P3 Saulce SCI	AC	100%	0%	new 2023	EUR	France
P3 Rosny SNC	AC	100%	0%	new 2023	EUR	France
P3 Saint-Quentin SCI	AC	100%	0%	new 2023	EUR	France
P3 Albon SCI	AC	100%	0%	new 2023	EUR	France
P3 Mitry SCI	AC	100%	0%	new 2023	EUR	France
P3 Logistic Parks S.A.S.	MC	100%	100%		EUR	France
FE IPF Kamen GmbH	AC	100%	100%		EUR	Germany
FE IPF Mörfelden GmbH	AC	100%	100%		EUR	Germany
FE IPF Bedburg GmbH	AC	100%	100%		EUR	Germany
Kamen Intermediate GmbH	HC	100%	100%		EUR	Germany
Mörfelden Intermediate GmbH	HC	100%	100%		EUR	Germany
Bedburg Intermediate GmbH	HC	100%	100%		EUR	Germany
Euro First Industrial Properties GmbH	HC	100%	100%		EUR	Germany
P3 Germany FixCo GmbH	HC	100%	100%	Prior name FE IPF Kamen Betriebsgesellschaft mbH	EUR	Germany
P3 Real Estate General Partner GmbH	HC	100%	100%		EUR	Germany
P3 Real Estate Holding Gmbh & Co. KG	HC	100%	100%		EUR	Germany
P3 Straubing GmbH	AC	100%	100%	new 2022	EUR	Germany

Name of company	Function (code)	2023 Participation %	2022 Participation %	Comments	Functional Currency	Country
P3 Cologne III GmbH	AC	100%	100%	prior name LCN Real Estate 1 Germany GmbH	EUR	Germany
P3 Logistic Parks GmbH	MC	100%	100%		EUR	Germany
P3 HoldCo IV DE III GmbH	HC	100%	100%		EUR	Germany
P3 Rastatt GmbH & Co. KG	AC	100%	100%		EUR	Germany
P3 Germersheim GmbH	AC	100%	100%	new 2022	EUR	Germany
P3 Biblis GmbH	AC	100%	100%	prior name Dietz Logistik 19. Grundbesitz GmbH; new 2022	EUR	Germany
P3 ProjectCo 1 Germany GmbH	AC	100%	0%	new 2023	EUR	Germany
P3 Fagnano S.r.l.	AC	100%	100%		EUR	Italy
P3 Brignano Societa´a Responsabilita´ Limitata	AC	100%	100%		EUR	Italy
P3 Castel San Giovanni Societa´a Responsabilita´ Limitata	AC	100%	100%		EUR	Italy
P3 Borgo Reno S.r.l.	AC	100%	100%		EUR	Italy
P3 Castelguglielmo S.r.l.	AC	100%	100%		EUR	Italy
P3 Sala Bolognese S.r.l.	AC	100%	100%		EUR	Italy
P3 Ardea S.r.l.	AC	100%	100%		EUR	Italy
P3 Fiano S.r.l.	AC	100%	100%		EUR	Italy
P3 Altedo S.r.l.	AC	100%	100%		EUR	Italy
P3 San Salvo S.R.L.	AC	100%	100%		EUR	Italy
P3 Italy SPV I S.R.L.	AC	100%	100%		EUR	Italy
P3 Italy SPV II S.R.L.	AC	100%	100%		EUR	Italy
P3 Citadella S.R.L.	AC	100%	100%	new 2022	EUR	Italy
P3 Italy SPV III S.R.L.	AC	100%	100%	new 2022	EUR	Italy
P3 Italy SPV IV S.R.L.	AC	100%	100%	new 2022	EUR	Italy
P3 Italy SPV V S.R.L.	AC	100%	0%	new 2023	EUR	Italy
P3 Italy SPV VI S.R.L.	AC	100%	0%	new 2023	EUR	Italy
P3 Logistic Parks S.r.l.	MC	100%	100%		EUR	Italy
AEID II (Lux) Holding Company S.à r.l.	HC	100%	100%		#N/A	Luxembourg
P3 Logistic Parks S.à r.l.	MC	100%	100%		#N/A	Luxembourg
AFD Saint Martin C S.á r.l.	AC	100%	100%		#N/A	France
AFD Rivesaltes A S.á r.l.	AC	100%	100%		#N/A	France
Second Euro Industrial Properties S.à r.l.	HC	100%	100%		EUR	Luxembourg
Second Euro Industrial Unna S.á r.l.	AC	100%	100%		EUR	France
Second Euro Industrial Dreieich, S.á r.l.	AC	100%	100%		EUR	Germany
First Euro Industrial Properties S.à r.l.	HC	100%	100%		EUR	Luxembourg
First Euro Industrial Properties III S.à r.l.	AC	100%	100%		EUR	Germany
LP ONE HALBERGMOOS SARL	AC	100%	100%		EUR	Germany
LP THREE DARMSTADT SARL	AC	100%	100%		EUR	Germany
P3 Group S.à r.l.	HC	100%	100%		EUR	Luxembourg
P3 Rieste S.à r.l.	AC	100%	100%		EUR	Germany
P3 Gottfrieding S.á r.l.	AC	100%	100%		EUR	Germany
P3 Bedburg S.á r.l.	AC	100%	100%		EUR	Germany
P3 Kamen S.á r.l.	AC	100%	100%		EUR	Germany
P3 Obertraubling S.á r.l.	AC	100%	100%		EUR	Germany
P3 Horb S.á r.l.	AC	100%	100%		EUR	Germany
P3 Pfungstadt S.á r.l.	AC	100%	100%		EUR	Germany
P3 Hanau S.á r.l.	AC	0%	100%	sold in 2023	EUR	Germany
P3 Friedrichsdorf S.á r.l.	AC	100%	100%		EUR	Germany
P3 Park Hamburg North S.á r.l.	AC	100%	100%		EUR	Germany
P3 Allersberg S.á r.l.	AC	100%	100%		EUR	Germany
P3 HoldCo IV S.á r.l.	HC	100%	100%		EUR	Luxembourg
P3 Urban HoldCo S.á r.l.	HC	100%	100%		EUR	Luxembourg
P3 Urban Germany S.á r.l.	AC	100%	100%		EUR	Luxembourg
P3 HoldCo IV Holding II S.á.r.l.	HC	100%	100%		EUR	Luxembourg
P3 HoldCo IV Holding I S.á.r.l.	HC	100%	100%		EUR	Luxembourg
P3 HoldCo IV SK S.á.r.l.	HC	100%	100%		EUR	Luxembourg
P3 Aschaffenburg S.á.r.l.	AC	100%	100%		EUR	Germany
P3 Berlin West II S.á.r.l.	AC	100%	100%		EUR	Germany
P3 Berlin West I S.á.r.l.	AC	100%	100%		EUR	Germany
P3 Bergkamen S.á.r.l.	AC	100%	100%		EUR	Germany
P3 Osnabrück S.á.r.l.	AC	100%	100%		EUR	Germany
P3 Cologne S.á.r.l.	AC	100%	100%		EUR	Germany

Name of company	Function (code)	2023 Participation %	2022 Participation %	Comments	Functional Currency	Country
P3 HoldCo IV LUX S.á.r.l.	HC	100%	100%		EUR	Luxembourg
P3 Reichenbach S.á.r.l.	AC	100%	100%		EUR	Germany
P3 Regensburg North S.á.r.l.	AC	100%	100%		EUR	Germany
P3 Bruck an der Leitha S.á.r.l.	AC	100%	100%		EUR	Austria
P3 Hannover S.á.r.l.	AC	100%	100%		EUR	Germany
P3 Spijkenisse S.á.r.l.	AC	100%	100%		EUR	Netherlands
P3 Waalhaven S.á.r.l.	AC	100%	100%		EUR	Netherlands
P3 Antwerp S.á.r.l.	AC	0%	100%	sold in 2023	EUR	Belgium
P3 Wemding S.á.r.l.	AC	100%	100%		EUR	Germany
P3 Kaiserslautern S.á.r.l.	AC	100%	100%		EUR	Germany
P3 Waghäusel S.á.r.l.	AC	100%	100%		EUR	Germany
P3 Fos S.á.r.l.	AC	100%	100%		EUR	France
P3 Echt S.á.r.l.	AC	100%	100%		EUR	Netherlands
P3 Ansbach S.á.r.l.	AC	100%	100%		EUR	Germany
P3 Ebersbach S.á.r.l.	AC	100%	100%	prior name P3 SPV I S.á.r.l.	EUR	Germany
P3 SPV II S.á r.l.	AC	100%	100%		EUR	Germany
P3 Schifferstadt S.á r.l.	AC	100%	100%	prior name P3 SPV III S.á.r.l.	EUR	Germany
P3 Jade Weser Port S.á r.l.	AC	100%	100%	prior name P3 SPV IV S.á r.l.	EUR	Germany
P3 Siegenburg S.á r.l.	AC	100%	100%	prior name P3 SPV V S.á r.l.	EUR	Germany
P3 SPV VI S.á r.l.	AC	100%	100%		EUR	Germany
P3 Barleben S.à r.l.	AC	100%	100%	prior name P3 SPV VII S.á r.l.; new 2022	EUR	Germany
P3 Leipzig II S.à r.l.	AC	100%	100%	prior name P3 SPV VIII S.á r.l.; new 2022	EUR	Germany
P3 Hannover III S.à r.l.	AC	100%	100%	prior name P3 SPV IX S.á r.l.; new 2022	EUR	Germany
P3 SPV X S.á r.l.	shelf company	100%	100%	new 2022	EUR	Luxembourg
P3 Schwarzenbruck S.à r.l.	AC	100%	100%	prior name P3 SPV XI S.á r.l.; new 2022	EUR	Germany
P3 Amstelveen S.á r.l.	AC	100%	100%	prior name P3 SPV XII S.á r.l.; new 2022	EUR	Netherlands
P3 SPV XIII S.á r.l.	shelf company	100%	100%	new 2022	EUR	Luxembourg
P3 SPV XIV S.á r.l.	shelf company	100%	100%	new 2022	EUR	Luxembourg
P3 SPV XV S.á r.l.	HC	100%	100%	new 2022	EUR	Luxembourg
P3 SPV XVI S.á r.l.	HC	100%	100%	new 2022	EUR	Luxembourg
RE Alpha S.á r.l.	HC	100%	100%		EUR	Luxembourg
P3 Cologne 2 S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 1 B.V.)	EUR	Germany
P3 Esslingen S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 2 B.V.)	EUR	Germany
P3 Frankfurt Riederwald S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 3 B.V.)	EUR	Germany
P3 Leverkusen S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 4 B.V.)	EUR	Germany
P3 Dortmund Mitte S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 5 B.V.)	EUR	Germany
P3 Hamburg Harburg S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 6 B.V.)	EUR	Germany
P3 Krefeld S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 8 B.V.)	EUR	Germany
P3 Nürnberg Buch S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 9 B.V.)	EUR	Germany
P3 Nürnberg Eibach S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 10 B.V.)	EUR	Germany
P3 Recklinghausen S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 11 B.V.)	EUR	Germany
P3 Saarbrücken S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 12 B.V.)	EUR	Germany
P3 Bremen S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 14 B.V.)	EUR	Germany
P3 Erfurt S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 15 B.V.)	EUR	Germany
P3 Wiesbaden S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 17 B.V.)	EUR	Germany
P3 Duisburg S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 20 B.V.)	EUR	Germany
P3 Mannheim S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 21 B.V.)	EUR	Germany
P3 Hannover 2 S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 22 B.V.)	EUR	Germany
P3 Dortmund Oespel S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 25 B.V.)	EUR	Germany
P3 Hamburg Niendorf S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 26 B.V.)	EUR	Germany
P3 Frankfurt Rödelheim S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 27 B.V.)	EUR	Germany
P3 Kassel S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 28 B.V.)	EUR	Germany
P3 Hamburg Rahlstedt S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 29 B.V.)	EUR	Germany
P3 Linden S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 30 B.V.)	EUR	Germany
P3 Braunschweig S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 31 B.V.)	EUR	Germany
P3 Chemnitz S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 33 B.V.)	EUR	Germany
P3 Dresden S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 34 B.V.)	EUR	Germany
P3 Leipzig S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 35 B.V.)	EUR	Germany
P3 Magdeburg S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 36 B.V.)	EUR	Germany
P3 Oldenburg S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 37 B.V.)	EUR	Germany
P3 Schönefeld S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 38 B.V.)	EUR	Germany
P3 Laatzen S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 39 B.V.)	EUR	Germany

Name of company	Function (code)	2023 Participation %	2022 Participation %	Comments	Functional Currency	Country
P3 Broderstorf S.á r.l.	AC	0%	100%	Liquidated in 2023; Matrix (prior name Calisto Blue 40 B.V.)	EUR	Germany
P3 Trier S.á r.l.	AC	100%	100%	Matrix (prior name Calisto Blue 41 B.V.)	EUR	Germany
P3 Urban HoldCo Holding II S.á r.l.	HC	100%	100%	Matrix (prior name Calisto Blue Holding 3 B.V.)	EUR	Luxembourg
P3 Urban HoldCo Holding I S.á r.l.	HC	100%	100%	Matrix (prior name Calisto Blue Holding 2 B.V.)	EUR	Luxembourg
Second Euro Ridderkerk Real Estate B.V.	AC	100%	100%		EUR	Netherlands
Second Euro B+W Real Estate B.V.	AC	100%	100%		EUR	Netherlands
P3 Assen B.V.	AC	100%	100%	new 2022	EUR	Netherlands
Rundedal Investment B.V.	AC	100%	0%	new 2023	EUR	Netherlands
P3 Deventer B.V.	AC	100%	100%	new 2022	EUR	Netherlands
P3 HoldCo IV PL I B.V.	HC	100%	100%		EUR	Netherlands
P3 HoldCo IV NL Support B.V.	HC	100%	100%		EUR	Netherlands
P3 HoldCo IV PL II B.V.	HC	100%	100%		EUR	Netherlands
P3 HoldCo IV DE I B.V.	HC	100%	100%		EUR	Netherlands
P3 HoldCo IV DE II B.V.	HC	100%	100%		EUR	Netherlands
P3 Logistic Parks B.V.	MC	100%	100%		EUR	Netherlands
P3 Poznań Park sp. z o.o.	AC	100%	100%		PLN	Poland
P3 Mszczonów Park sp. z o.o.	AC	100%	100%		PLN	Poland
P3 Piotrkow Park sp. z o.o.	AC	100%	100%		PLN	Poland
P3 Blonie Park sp. z o.o.	AC	100%	100%		PLN	Poland
P3 Poznań II sp. z o.o.	AC	100%	100%		PLN	Poland
P3 Warsaw sp. z o.o.	AC	100%	100%		PLN	Poland
P3 Zabrze sp. z .o.o.	AC	100%	100%		PLN	Poland
P3 Wrocław sp. Z.o.o.	AC	100%	100%		PLN	Poland
P3 Logistic Parks sp. z o.o.	MC	100%	100%		PLN	Poland
P3 Last Mile TRI Sp.z.o.o.	AC	100%	100%		PLN	Poland
P3 Warsaw III Sp.z.o.o.	AC	100%	100%		PLN	Poland
P3 Warsaw IV Sp.z.o.o.	AC	100%	100%		PLN	Poland
P3 Łódź I Sp.z.o.o.	AC	100%	100%		PLN	Poland
P3 Łódź II Sp.z o.o.	AC	100%	0%	new 2023	PLN	Poland
P3 Bucharest Alpha SRL	AC	100%	100%		RON	Romania
P3 Bucharest Beta SRL	AC	100%	100%		RON	Romania
P3 Bucharest Gamma SRL	AC	100%	100%		RON	Romania
P3 Bucharest Delta SRL	AC	100%	100%		RON	Romania
P3 Bucharest Infrastructura SRL	AC	100%	100%		RON	Romania
P3 Bucharest Sigma SRL	AC	100%	100%	new 2022	RON	Romania
P3 Bucharest Lambda SRL	AC	100%	100%	new 2022	RON	Romania
P3 Logistic Parks Romania Management SRL	MC	100%	100%		RON	Romania
P3 Parks d.o.o. Beograd	MC	100%	100%		RSD	Serbia
P3 Bratislava Park s.r.o.	AC	100%	100%		EUR	Slovak Republic
P3 Žilina s.r.o.	AC	100%	100%		EUR	Slovak Republic
P3 Bratislava Airport s.r.o.	AC	100%	100%		EUR	Slovak Republic
P3 Bratislava Cargo s.r.o.	AC	100%	100%		EUR	Slovak Republic
P3 Senec I s.r.o.	AC	100%	100%		EUR	Slovak Republic
P3 Logistic Parks Slovakia s.r.o.	MC	100%	100%		EUR	Slovak Republic
P3 Abrera Park S.L.	AC	97.24%	97.24%		EUR	Spain
P3 Spain Logistic Parks SOCIMI, S.A.U.	HC	100%	100%		EUR	Spain
P3 Villanueva Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Zaragoza Plaza Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Quer Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Seseña Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Massalaves Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 CLA Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Loeches Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Toledo Benquerencia Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 San Marcos Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Bilbao Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Villanueva Park Solar Electric, S.L.U.	AC	100%	100%		EUR	Spain
P3 Getafe Los Olivos Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Illescas Park S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Algemesi Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain

Name of company	Function (code)	2023 Participation %	2022 Participation %	Comments	Functional Currency	Country
P3 ILLESCAS LA SAGRA PARK, S.L.	AC	97.24%	97.24%		EUR	Spain
P3 Illescas Sky S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Onda Park SL	AC	97.24%	97.24%		EUR	Spain
P3 Illescas SUR S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Torija Alfa Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Torija Beta Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Ontígola Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Fontanar Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Parets Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 Castellet Park, S.L.U.	AC	97.24%	97.24%		EUR	Spain
P3 REUS PARK S.L.U.	AC	97.24%	97.24%	new 2022	EUR	Spain
P3 Picassent Park, S.L.U.	AC	97.24%	0%	new 2023	EUR	Spain
P3 Zigoitia Park, S.L.U.	AC	97.24%	0%	new 2023	EUR	Spain
P3 Sant Fruitós Park, S.L.U.	AC	97.24%	0%	new 2023	EUR	Spain
P3 Manresa Park, S.L.U.	AC	97.24%	0%	new 2023	EUR	Spain
P3 Logistic Parks Iberia S.L.U.	MC	100%	100%		EUR	Spain
P3 Logistic Parks Ltd	MC	100%	0%	new 2023	GBP	United Kingdom

Legend:

HC Holding company
AC Asset company
IC Infrastructure company
MC Management company

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