



GREEN FINANCING ALLOCATION AND IMPACT REPORT


December 2022

Introduction

P3 Logistics Parks (“P3”, the “Company”) is a leading European investor and developer of high-quality logistics and industrial properties with more than 7.6 million m² of assets under management and a land bank of 4.3 million m² for further development. The property portfolio is valued at approximately EUR 8.3 billion.

Currently, P3 has commercial activities in 11 European countries and has been investing, developing and operating assets in the region for over two decades. P3 employs more than 250 people across 10 offices in key European cities, offering integrated investment, development, asset and property management services.

As part of our corporate vision “to help our customers grow every single day”, P3 is committed to providing sustainable and high-quality space for approximately 475 tenants to grow and thrive in. P3’s ability to deliver on tenant needs is seen in high tenant retention and consistently high occupancy rate across the portfolio. Our ability to deliver on development and investment promises has positioned us as a trusted partner for many leading companies.

P3 is convinced that green financing instruments are an effective tool to support its efforts and aspirations to improve the sustainability of the logistics properties we own, acquire and develop. Currently 80.2% (based on the 2022 like-for-like) of P3’s assets have a Building Research Establishment Environmental Assessment Method (“BREAAM”) certification of “Very Good” or better or local equivalent. Further information on how P3’s sustainability activities are reflected in and are aligned with the green financing activities can be found in the Environmental, Social and Governance (“ESG”) report (www.p3parks.com/ESG .

¹ Use of like-for-like is standard practice to track performance against targets and this application is particularly necessary to allow any development and acquisition time to gain certification (e.g., BREEAM New Construction may require up to six months after handover to receive the certification, and newly acquired assets requiring BREEAM In Use certification will require renovation/refurbishment activities to bring them up to our requirements). P3 defines like-for-like as:

Newly developed/acquired property is fully stabilized (operational) for the whole time in both periods being compared
A property is fully stabilized (operational) if it meets all 3 conditions below:

- Is a completed development/acquisition
- Has occupancy at least 90%
- Has WALB at least 1 year

In January 2022, we issued our first dual-tranche Green Bond under our Green Finance Framework (“the Framework”), raising EUR 1.0 billion. The Framework (www.p3parks.com/investors/green-financing) follows the International Capital Market Association Green Bond Principles (“GBP”) 2021² and the Loan Market Association Green Loan Principles (“GLP”) 2021³. It has been reviewed by Sustainalytics who has provided a Second Party Opinion (www.p3parks.com/-a17168---SsSITLI0/p3-green-financing-frame-work-second-party-opinion) on it. As P3 intends to follow best market practice this Allocation and Impact Report provides the following sections as communicated in our the Framework:

- Allocation Report for assets complying with our Green Buildings Use of Proceeds category
- Impact Report for our Green Buildings Use of Proceeds category
- External verification letter

P3 aims to update the Green Finance Framework from time to time considering the business’ targets on Environmental, Social and Governance (“ESG”) and the evolving practices and regulations of the Green Finance markets, and could also consider updating eligibility criteria or adding new categories. We are following the development of the EU Green Taxonomy and are reviewing and considering where possible a further alignment of the Green Financing Framework.

CRITERIA FOR GREEN FINANCING

Use of Proceeds

An amount equal to the net proceeds from the issuance of each Green Financing Instrument will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects that meet the Eligibility Criteria defined below:

Green buildings

Acquisition, construction, development of new and existing properties that meet recognised standards, such as:

- BREEAM certification of at least Very Good
- Deutsche Gesellschaft für Nachhaltiges Bauen (“DGNB”) certification of at least Gold
- Any other equivalent or higher level of certification

Renewable energy

Investments and/or expenditures on acquisition, development, construction, and/or installation of renewable energy production and storage units to generate on-site renewable energy, including (but not limited to):

- On-site solar systems
- Battery storage

Energy efficiency

Investments and/or expenditures on the refurbishment, renovation or upgrade of existing buildings that result in an energy efficiency improvement of at least 20%. These activities contribute to the reduction of energy consumption including, but not limited to, building upgrades, equipment, systems, operational improvements, and maintenance, such as:

- Investments on Light Emitting Diode “LED” lighting
- Improvements to thermal performance of the building fabric
- Heating, Ventilation and Air Conditioning (“HVAC”) systems powered by non-fossil fuels.

² International Capital Market Association, Green Bond Principles, June 2021: www.icmagroup.org/sustainable-finance/theprinciples-guidelines-and-handbooks/green-bondprinciples-gbp/

³ Loan Market Association, Green Loan Principles, February 2021: www.lsta.org/content/green-loan-principles

Green finance reporting

ALLOCATION REPORT

Below table shows values for Eligible Green Assets complying with P3's Green Buildings eligibility criteria. For our inaugural Green Bond, all proceeds have been allocated to the Green Buildings category. Asset value based on external valuation report and as reported in P3's consolidated International Financial Reporting Standards (IFRS) financial statement as of 31 December 2022.

EXISTING GREEN BUILDINGS (31 DECEMBER 2022)	Asset Value (€)
BREEAM New Construction certified – Outstanding	102,270,748
BREEAM New Construction certified – Excellent	11,921,701
BREEAM New Construction certified – Very Good	760,360,109
BREEAM In Use certified – Excellent	33,288,861
BREEAM In Use certified – Very Good	4,012,817,672
DGNB certified – Gold	440,450,608
Total approved Eligible Green Assets	5,361,109,699
Allocated Net Proceeds (Issued Green Bonds)	988,610,000
Remaining unallocated approved Eligible Green Assets	4,372,499,699
Unallocated proceeds	0

IMPACT REPORTING

Below table shows the total number of assets with BREEAM Very Good or higher or local equivalent such as DGNB "Gold" or higher as of 31 December 2022.

EXISTING GREEN BUILDINGS (31 DECEMBER 2022)	Asset Count	GLA (m²)	Asset Value (€)
BREEAM New Construction – Outstanding	1	98,937	102,270,748
Netherlands	1	98,937	102,270,748
BREEAM New Construction – Excellent	2	11,638	11,921,701
Czech Republic	2	11,638	11,921,701
BREEAM New Construction – Very Good	14	725,624	760,360,109
Czech Republic	3	98,498	135,162,072
Italy	1	189,207	164,446,318
Netherlands	1	9,319	14,807,229
Poland	4	89,899	80,218,446
Slovakia	1	63,572	57,727,070
Spain	4	275,129	307,998,974
BREEAM In Use – Excellent	2	42,803	33,288,861
Czech Republic	1	5,925	9,105,405
Poland	1	36,878	24,183,456
BREEAM In Use – Very Good	188	4,096,464	4,012,817,672
Austria	1	42,281	46,134,603
Czech Republic	78	1,184,289	1,437,858,049
France	6	207,463	197,784,873
Germany	21	596,245	811,458,925
Italy	6	228,785	191,645,351
Poland	34	754,915	498,539,726
Romania	14	380,968	236,446,233
Slovakia	19	409,997	338,787,086
Spain	9	291,521	254,162,826
DGNB (Germany only) – Gold	7	319,261	440,450,608
Total approved Eligible Green Assets	214	5,294,728	5,361,109,699
% of total assets meeting P3's green building target⁴	74.0%	72.2%	71.2%

⁴ At the end of 2022, P3 had a total of 289 assets, with 7,331,749 m² GLA and total asset value of € 7,528,052,817 in its portfolio.

In line with standard practice, we also provide our 2022 like-for-like. From a progress against target reporting perspective, this allows P3 the ability to uplift assets that may be acquired as part of our portfolio time for appropriate improvements. BREEAM New Construction certificates may take up to six months to receive, and an existing asset without a BREEAM In Use certificate can require renovation/refurbishment works which will take time to execute. Based on the 2022 like-for-like data, we exceeded our target of 75% of our portfolio reaching BREEAM Very Good or higher or local equivalent such as DGNB “Gold” or higher reaching 80.2%⁵ of our assets.

EXISTING GREEN BUILDINGS (2022 LIKE-FOR-LIKE)	Asset Count	GLA (m²)
BREEAM New Construction certified – Excellent	1	6,726
BREEAM New Construction certified – Very Good	7	445,764
BREEAM In Use certified – Very Good	182	3,893,768
DGNB certified Gold	5	186,302
% of total certifiable assets, 2022 like-for-like⁶	80.2%	82.1%

EXTERNAL VERIFICATION

KPMG has been appointed as an independent external auditor to provide a limited assurance conclusion as to whether the Net Proceeds of the Green Bond issued on January 26, 2022 have been allocated to eligible projects, as described in the Green Financing Allocation and Impact Report as detailed in P3 Green Financing Framework dated December 2021 and in accordance with the International Capital Market Association Green Bond Principles 2021 and the Loan Market Association Green Loan Principles 2021.

⁵ By percent asset

⁶ The P3 2022 like-for-like portfolio has a total of 243 assets, with 5,522,519 m² GLA.



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To the Board of Managers of
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Luxembourg

Independent limited assurance report to P3 Group S.à r.l. on the allocation of the net proceeds to eligible projects as of December 31, 2022

We were engaged by the Board of Managers (the “Management”) of P3 Group S.à r.l. (“the Company”, “P3” or “the Issuer”) to provide a limited assurance conclusion as to whether the Net Proceeds of the Green Bond (“the Green Bond”) issued on January 26, 2022 by the Issuer have been allocated to eligible projects (“Eligible Projects”), (“the Net Proceeds information”), as described in the P3 Green Financing Allocation and Impact Report December 2022 (“the Report”) as per the Internal Criteria included in the Green Financing Framework developed for the Issuer dated December 2021 (“the Green Financing Framework”) and in accordance with the International Capital Market Association Green Bond Principles (“GBP”) 2021 and the Loan Market Association Green Loan Principles (“GLP”) 2021 (“the Criteria”).

The Responsibilities of the Company

The Management of P3 is responsible for the preparation and presentation of the Report in accordance with the Criteria. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the Report.

The Management is responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities.

The Management is also responsible for ensuring that personnel of the Company and its subsidiaries involved with the preparation and presentation of the Report are properly trained, information systems are properly updated and that any changes in reporting relevant to the Net Proceeds information encompass all significant business units.

Independence and Quality of the Réviseur d’entreprises agréé

The firm implements quality control procedures that are applicable to the individual engagement in accordance with the requirements of International Standard on Quality Management 1 (ISQM 1) as adopted for Luxembourg by the Institut des Réviseurs d’entreprises (“IRE”) which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements and the firm implements quality control procedures that are applicable to the individual engagement in accordance with the requirements of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants, including international independence standards, issued by the International Ethics Standards Board for Accountants (the IESBA Code) as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (“CSSF”).

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ IESBA Code as adopted for Luxembourg by the CSSF, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The Responsibilities of the Réviseur d'entreprises agréé

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board, as adopted for Luxembourg by the IRE. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Net Proceeds of the Green Bond issued on January 26, 2022, by the Issuer, and described in the Report, have been allocated to Eligible Projects as described in the Green Financing Framework, in all material respects in accordance with the Criteria and are free from material misstatements.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate, with relation to the data contained in the Report.

The assurance procedures performed included:

- Inquiries and inspection on the related processes and controls implemented;
- Read sections of the prospectus and other documentation related to the Green Bond;
- Conduct interviews with management and key staff responsible for the Green Bond to understand and verify the existence of the processes, systems and controls related to the Use of Proceeds, Project Selection and Evaluation and Management of Proceeds;
- Review documentation which supports the processes, systems and controls related to the Use of Proceeds, Project Selection and Evaluation and Management of Proceeds;
- Verify the eligible projects for the period and allocation of Proceeds to Eligible Projects;
- Recalculate remaining balance to ensure matching between Proceeds and Eligible Projects;
- Verify the monitoring process of the Net Proceeds.

The assurance procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence to give assurance over the matters identified for our report. The assurance procedures selected depend on our judgment, the suitable criteria including our assessment of the risk of material misstatement in the Report whether due to fraud or error.

Inherent limitations

Our assurance work was limited to examining the relevant documents that were made available by the Management. Other than as described in the assurance procedures above, we were not required to, nor have we, verified the accuracy or completeness of the underlying data from which the Report, provided by the client, has been prepared.

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a sample basis. As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Net Proceeds information nor of the underlying records or other sources from which the Net Proceeds information was extracted.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Net Proceeds of the Green Bond issued on January 26, 2022 have not been properly allocated to Eligible Projects as described by the Green Financing Framework developed for the Issuer dated December 2021 and in accordance with the International Capital Market Association Green Bond Principles 2021 and the Loan Market Association Green Loan Principles 2021.

Purpose of our report

In accordance with the terms of our engagement, this assurance report has been prepared for the Board of Managers of P3 Group S.à r.l. and the investors of the related Green Bond issued by the Issuer.

Restriction of Use of Our Report

Our report is solely for the purpose set forth in the above, for your information and for the information of existing investors who have participated in the Green Bond issued on January 26, 2022 and is not to be used for any other purposes or to be distributed to any other parties. This report related only to the items specified above and does not extend to any financial statements or financial information of the Issuer for any period subsequent to 31 December 2022 taken as a whole and does not extend to the assessment the Green Financing Framework alignment with the International Capital Market Association Green Bond Principles 2021 and the Loan Market Association Green Loan Principles 2021.

Luxembourg, 23 March 2023

KPMG Audit S.à r.l.
Cabinet de révision agréé

Michael Eichmüller de Souza
Partner

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