P3 Group S.àr.l.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December 2022

P3 Lovosice, Czech Republic

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Board of Managers' Report

For the period 1 January 2022 to 31 December 2022

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.

1.
ACTIVITIES AND REVIEW OF INVESTMENT AND DEVELOPMENT

The Company was incorporated on 27 August 2013. Throughout the years, the Group has expanded across different European countries and now operates in Germany, Czechia, Poland, Spain, Italy, France, Slovakia, Romania, Netherlands, Austria, Belgium and Luxembourg.

In 2022, the Group acquired additional gross lettable area ("GLA") of 421.2 thousand sqm in France, Germany, Italy and Netherlands. We purchased land in Czech Republic, Poland, Romania, Germany, Slovakia and Italy.

2.
FINANCING ACTIVITIES

The Group has funded its activities through a combination of external debt, equity and shareholder loans provided by its shareholder. External debt mainly consists of unsecured bonds and unsecured bank loans. According to the new financing strategy adopted in 2021, financing going forward will be on a non-recourse basis to the shareholder, but some outstanding bank loans signed earlier remain, that are guaranteed by the shareholder.

- Several financing related events took place in January 2022. Standard & Poor's published a BBB credit rating to the Group with stable outlook, 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. The Group made its bond market debut with a successful €1.0 billion Green Bonds issuance.
- A €600 million guaranteed bank loan was paid before maturity in January 2022, and another €400 million guaranteed bank loan was repaid in May 2022 at maturity.
- Also, in May 2022 two new 5-year senior unsecured non-recourse bilateral term loans were signed totalling €350 million. Both loans are set at a floating rate but swapped to fixed rate with interest rate swaps.
- In July 2022 a new €300 million 5-year senior unsecured non-recourse bilateral term loan was signed. The loan was drawn in August 2022, and it is set at a floating rate but swapped to fixed rate with an interest rate swap.
- In November 2022 a new €100 million 5-year and six-month senior unsecured non-recourse bilateral term loan was signed. The loan was drawn in November 2022, and it is set at a fixed rate.
- A €400 million shareholder loan was drawn in December 2022 to reduce the external net debt and strengthen Loan-to-Value metric.
- In December 2022, additional €300 million guaranteed external debt was paid down before maturity.

The Group experienced no liquidity constraints during 2022 and has a substantial liquidity buffer. The syndicated unsecured committed €750 million revolving credit facility ("RCF"), that was signed in December 2021, was fully undrawn as of 31 December 2022. The facility ensures substantial and flexible liquidity for the Group, as funds can be drawn at a very short notice.

The Group LTV as of 31 December 2022 remained stable at 44.7%, well below the financing policy target of <47.5%.

3.
FINANCIAL RESULTS

In 2022, the Group's net rental income increased by €49.7 million to €356.8 million driven by development completions, acquisitions and strong rental growth of the existing portfolio. The operating profit was €147.2 million and profit before tax was €7.0 million. The result is primarily impacted by decrease in the market value of investment properties and development land of €143.1 million and by financial costs of €140.2 million.

4.

PROPERTY PORTFOLIO

As of 31 December 2022, the Group had 310 yielding assets and development land of 4.3 million sqm and an additional 15 assets under construction, all together valued at €8.333 million (including asset held for sale as per Note 5.22). The Group's yielding assets are diversified across 11 European countries comprising 7.6 million sqm lettable space with a further 354.7 thousand sqm under construction.

In 2022, the Group completed 15 development projects adding an additional 594.4 thousand sqm to the portfolio and purchased additional 1.9 million sqm of land with 1.1 million sqm GLA potential in 6 different countries.

With regards to the investment activity in 2022 the Group completed 8 asset acquisitions added 377.9 thousand sqm to the portfolio and one forward funding deal which added 43.3 thousand sqm after completion. No assets were disposed in 2022.

5.

RESEARCH AND DEVELOPMENT

The Group was not active in research and development.

6.

PURCHASE OF OWN SHARES

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

7.

SUMMARY AND OUTLOOK

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

8.

RISK MANAGEMENT

The Group recognises that its ability to effectively manage risk remains a crucial component of success. Our approach to risk management is two-fold: firstly, we assess, manage and, when possible, mitigate identified risks. Secondly, we carefully consider our appetite for controllable risks and, within the decision-making process, we balance uncertainty and opportunity against the need to create and protect our 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. The Group also does not see any risks associated with the current situation of Covid 19.

9.

SUBSEQUENT EVENTS

Financing activities

On 23 January 2023, the Group signed a €450 million secured loan agreement, the proceeds of which are to be used to refinance a loan maturing in May 2023.

In March 2023, the Group signed two unsecured loan agreements of in total €290 million, the proceeds of which are expected to refinance a €600 million loan maturing in January 2024.

Acquisitions and Disposals of assets

On 16 January 2023, the Group signed a sale and purchase agreement to dispose of land covering 250 thousand sqm in Germany for €134.6 million. The transaction was closed on 2 March 2023.

On 6 February 2023, the Group signed a conditional sale and purchase agreement to acquire assets of 185.6 thousand sqm gross lettable area in Poland for €132.8 million, which was closed on 24 February 2023.

Luxembourg, 23 March 2023

Mr. Frank Pörschke
Management Board member

Mr. Goh Kok Huat
Management Board member

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L-1855 Luxembourg

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To the Shareholders of
P3 Group S.à r.l.
13-15, avenue de la Liberté
L-1930 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of P3 Group S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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 ("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 "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 stated in the consolidated report including the consolidated management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

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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 and Those Charged with Governance for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

The objectives of our audit 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 Managers.

— Conclude on the appropriateness of the Board of 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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.

Luxembourg, 24 March 2023

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

M. Eichmüller de Souza
Partner

P3 Berlin East, Germany

Consolidated statement of profit or loss and other comprehensive income

For the yer ended

In € thousand	Note	31 December 2022	31 December 2021
Rental income		364,205	318,513
Service charge income		56,233	45,668
Gross rental revenue	**4.1**	**420,438**	**364,181**
Property operating expenses	4.2	(63,687)	(57,100)
Net rental income		**356,751**	**307,081**
Net gains/(losses) from fair value adjustments on investment property	4.4	(143,122)	855,230
Disposal of investment property	4.5	75	6,554
Other income/(expense), net	4.6	1,139	(904)
Administrative expenses	4.3	(61,459)	(45,656)
Depreciation		(6,212)	(6,152)
Operating profit		**147,172**	**1,116,153**
Financial income	4.7	12	3,301
Shareholder financing costs	4.8	(90,380)	(148,512)
External and other financial costs	4.8	(49,793)	(22,215)
Profit/(Loss) before tax		**7,011**	**948,727**
Current income tax expense	4.9	(17,289)	(21,109)
Deferred tax income/(expense)	4.9	9,420	(146,726)
Profit/(Loss) for the year		**(858)**	**780,892**
Other comprehensive income which will be subsequently reclassified to profit or loss:			
Hedge accounting	5.14	87,903	29,353
Foreign currency translation adjustment		22,171	33,904
Related tax	5.14	(22,553)	(4,209)
Total comprehensive income for the year		**86,663**	**839,940**
Profit/(Loss) attributable to:			
Non-controlling interests		(632)	1,037
Owners of the Group		(226)	779,855
Profit/(Loss) for the year		**(858)**	**780,892**
Other comprehensive income attributable to:			
Non-controlling interests		—	—
Owners of the Group		87,521	59,048
Other comprehensive income for the year		**87,521**	**59,048**

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 23 March 2023 and were signed on their behalf by:

Mr. Frank Pörschke
Management Board member

Mr. Goh Kok Huat
Management Board member

Consolidated statement of financial position

In € thousand	Note	31 December 2022	31 December 2021 Restated*
Assets			
Investment property*	5.1	7,861,652	6,912,578
Investment property under construction	5.2	187,916	462,510
Property, plant and equipment	5.4	3,752	2,132
Right-of-use assets	6.1	5,929	5,017
Intangible assets	5.5	6,947	5,575
Derivative financial instruments	5.7	74,262	—
Deferred tax assets	5.6	23,814	13,384
Non-current restricted cash	5.13	971	2,297
Other non-current assets	5.8	107,746	82,821
Total non-current assets		**8,272,989**	**7,486,314**
Trade receivables	5.9	27,286	24,787
Tax receivables	5.12	102,482	87,949
Other current assets	5.10	49,060	33,235
Prepayments	5.11	9,672	7,378
Derivative financial instruments	5.7	—	3
Cash and cash equivalents	5.13	179,596	78,144
		368,096	**231,496**
Assets held for sale	5.22	368,028	186,138
Total current assets		**736,124**	**417,634**
Total assets		**9,009,113**	**7,903,948**
Equity			
Issued share capital	5.14	365	365
Share premium	5.14	3,816	3,816
Other capital funds	5.14	712,849	712,767
Other reserve	5.14	90,494	25,144
Retained earnings	5.14	1,822,297	1,822,482
Translation reserve	5.14	39,344	17,174
Equity attributable to owners of the Company		**2,669,165**	**2,581,748**
Non-controlling interest (NCI)	5.14	3,386	(762)
Total equity		**2,672,551**	**2,580,986**
Liabilities			
Shareholder borrowings	5.15	1,511,208	1,020,827
Bank long-term borrowings	5.15	2,445,565	2,446,041
Long-term bonds	5.15	992,437	—
Deferred tax liabilities	5.6	490,159	489,319
Long-term payables	5.16	173,244	126,751
Total non-current liabilities		**5,612,613**	**4,082,938**
Bank short-term borrowings	5.15	451,836	1,000,240
Short-term bonds	5.15	9,459	—
Trade payables	5.17	29,240	42,881
Accruals	5.18	56,096	55,083
Deferred income	5.19	33,556	21,815
Tax liabilities	5.20	80,497	84,558
Other payables	5.21	35,636	35,447
		696,320	**1,240,024**
Liabilities directly associated with assets held for sale	5.22	27,629	—
Total current liabilities		**723,949**	**1,240,024**
Total equity and liabilities		**9,009,113**	**7,903,948**

* The comparative information is restated to achieve a more appropriate presentation. Please refer to Note 2.2 d) vii 'Adjustment of prior year comparative amounts in the Consolidated Statement of Financial Position to achieve a more appropriate presentation' for further details.

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 23 March 2023 and were signed on their behalf by:

Mr. Frank Pörschke
Management Board member

Mr. Goh Kok Huat
Management Board member

Consolidated statement of changes in equity

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 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**
Loss for the period		—	—	—	—	(226)	—	(632)	(858)
Reclassification and corrections	5.14	—	—	82	—	41	—	—	123
Minority interest	5.14	—	—	—	—	—	—	4,780	4,780
Other comprehensive income		—	—	—	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**

€ 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 2021		**365**	**3,816**	**324,506**	**—**	**1,039,245**	**(16,731)**	**5,807**	**1,357,008**
Transaction with owners in their capacity as owners									
Contribution to other capital funds	5.14	—	—	390,442	—	—	—	—	390,442
Allocation to reserve fund		—	—	(763)	—	763	—	—	—
Total balance after contributions		**365**	**3,816**	**714,185**	**—**	**1,040,008**	**(16,731)**	**5,807**	**1,747,451**
Profit for the period		—	—	—	—	779,855	—	1,037	780,892
Reclassification and corrections	5.14	—	—	(1,418)	—	1,427	—	—	9
Minority interest	5.14	—	—	—	—	1,192	—	(7,606)	(6,414)
Other comprehensive income		—	—	—	25,144	—	33,904	—	59,048
Balance at 31 December 2021		**365**	**3,816**	**712,767**	**25,144**	**1,822,482**	**17,174**	**(762)**	**2,580,986**

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

P3 Group S.àr.l.

Consolidated cash flow statement

For the yer ended

In € thousand	Note	31 December 2022	31 December 2021
Cash flows from operating activities			
Profit before taxation		7,011	948,727
Adjustment for:			
Depreciation and amortisation		6,212	6,152
Valuation net losses/(gains) on investment property	4.4	143,122	(855,230)
Valuation net losses/(gains) on derivatives	4.8	3	5
Shareholder financing costs	4.8	90,380	148,512
External and other financial cost	4.8	48,536	22,210
Interest and other financial income	4.7	—	(344)
(Profit) / loss on disposal of assets	4.5	(75)	(6,554)
Other non-cash items		(939)	(25,547)
Foreign exchange differences		(14,996)	(14,325)
Operating cash flows before working capital changes		**279,254**	**223,606**
Decrease / (increase) in trade and other receivables		(23,115)	(11,314)
Decrease / (increase) in prepayments		(5,145)	(829)
Increase in trade and other payables		30,426	17,331
(Decrease) / increase in accrued expenditure		4,807	(5,991)
Cash generated from operations		**286,227**	**222,803**
Interest paid		(34,711)	(19,647)
Taxes paid		(16,946)	(15,271)
Net cash generated from operating activities		**234,570**	**187,885**
Cash flows from investing activities			
Acquisition of investment property and subsequent expenditure		(966,043)	(560,709)
Acquisition of tangible, intangible fixed assets and leased assets		(4,527)	(301)
Decrease / (increase) in restricted cash	5.13	1,326	1,270
Proceeds from disposal of shares	5.14	—	—
Proceeds from disposal of Investment Property	4.5	603	263,020
Net cash used in investing activities		**(968,641)**	**(296,720)**
Cash flow from financing activities			
Proceeds from shareholder borrowings	5.15	400,000	35,000
Repayment of shareholder borrowings	5.15	—	(400,000)
Proceeds from external borrowings	5.15	1,180,000	400,000
Repayment of external borrowings	5.15	(1,730,000)	—
Proceeds from bond issuance	5.15	1,000,000	—
Dividend payments		—	—
Payment of transaction costs related to borrowings	5.15	(14,477)	—
Increase/(decrease) in other capital funds	5.14	—	—
Net cash generated from financing activities		**835,523**	**35,000**
Net increase in cash and cash equivalents		**101,452**	**(73,835)**
Foreign exchange differences		—	—
Cash and cash equivalents at the beginning of the year		**78,144**	**151,979**
Cash and cash equivalents at the end of the year	**5.13**	**179,596**	**78,144**

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

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

INTRODUCTION

P3 Group S.àr.l. ("the Company") 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 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 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

as at 31 December 2021

Mrs. Denise Grant
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 238 average full-time equivalent employees during the year 2022 (197 during the year 2021). 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 consolidated financial statements are available at the seat of this company.

The Group is subsequently consolidated on GIC (Realty) Private Limited's level.

2. BASIS OF PREPARATION AND SIGNIFICANT 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 principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

The consolidated financial statements set out the Group's financial position as of 31 December 2022 and results of operations and cash flows for the year ended 31 December 2022.

The consolidated financial statements were authorized for issue by the Board of Managers on 23 March 2023.

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;
— 'Right-of-use assets' are measured at fair value;
— 'Derivative financial instruments' are measured at fair value; and
— 'Disposal groups' 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 negative net working capital of €328.2 million as of 31 December 2022, 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 available types of funding mentioned below, there are sufficient resources to settle this short-term bank borrowing.

Availability of related party funding

The Group has funding from related parties that could support investment and development activities.

Availability of bank funding

In December 2021 the Group signed a committed credit line of €750 million that provides substantial and flexible liquidity for the Group, which can be drawn at a very short notice. The most part of the revolving credit facility is maturing December 2027. The full facility of €750 million was undrawn at the end of 2022. In addition at year-end the Group had €150 million unutilized under another committed guaranteed credit line.

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.

Conflict in Ukraine

Based on assessment of risks associated with the current situation in Ukraine, the Group did not identify any imminent risks, which could materially impact its performance. As at the date of publication of these consolidated financial statements, the management found minimal direct disruption although future indirect repercussions of economic sanctions and geopolitical instability are yet to be fully understood. The Group has no assets or operations in currently affected countries and is not aware of any material impact affecting its business with tenants. The Management will continue to monitor potential adverse impact and take appropriate mitigation measures.

Conclusion

Management remain 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 otherwise indicated.

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.

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.

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 subsidiaries 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 subsidiary.

When the acquisition of subsidiaries 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.

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. 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.

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.

Valuation of derivatives

Financial derivatives are recognised at fair value.
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.

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 over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset 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.

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 2c)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 2022 (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 2022

- Amendments to IFRS 3 – Business Combinations – Reference to conceptual Framework
- Amendment to IAS 16 Property, Plant and Equipment – Proceeds Before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, Onerous contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018–2020

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 2022 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.

Endorsed by the EU in 2022:

- 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 and Classification of Liabilities as Current or Non-current
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

Not yet effective and not yet endorsed by the EU:

- Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture

2.2. Significant accounting policies

Except for the changes described above in Note 2.1 (f) 'Application of new and revised International Financial Reporting Standards IFRS', and changes described below in Note d)vii and Note d)viii, 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 2022. 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. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. 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 2021 and 2022. 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 investment property 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 2022 should be 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 2022 compared to 2021 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 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.

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

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 2022	24.12	24.27
31 December 2021	24.86	25.26

Date	Closing exchange rate PLN/EUR	Average exchange rate PLN/EUR for the year
31 December 2022	4.69	4.68
31 December 2021	4.60	4.62

Date	Closing exchange rate RON/EUR	Average exchange rate RON/EUR for the year
31 December 2022	4.95	4.92
31 December 2021	4.95	4.95

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

C) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

I. INVESTMENT PROPERTY

Investment 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 2022 and as of 31 December 2021 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 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 otherwise 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. 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 needs 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. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use, capitalised borrowing costs and an appropriate proportion of production overheads.

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 2022	31 December 2021
Investment Property	30–50 years	30–50 years
Equipment	5–10 years	5–10 years
Motor vehicles	5 years	5 years
Fittings	3–5 years	3–5 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 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 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
A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

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 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.

At the end of 2021 the revolving credit facility was signed, although not drawn at December 2022, and it is therefore not shown in the balance sheet.

— 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.

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 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.

Debt investments at FVOCI – These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial liabilities

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 expire. 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 recognized in OCI and regularly amortized to P&L.

Cash flow hedges

The Group designates certain financial liabilities denominated in currency different than the functional currency of a given Group entity as hedging instruments in a cash flow hedge of a foreign currency risk. Financial liabilities denominated in EUR are designated as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions (EUR denominated rental income in non-EUR functional currency subsidiaries) arising from changes in foreign exchange rates.

This hedge model is applied on lease contracts with customers concluded in EUR in non-EUR countries (Czech Republic, Poland and Romania). To minimize foreign currency risks the Group decided to finance its real estate acquisitions through EUR denominated loans. This minimizes foreign currency risks resulting from movements of EUR in terms of collection of rent payments and instalments of loans being executed in EUR.

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 financial liability 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. GROSS 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. In respect of utilities (energy, water, etc.) consumed by tenants, the Group acts as an agent to its tenants and recognises income through direct charge to tenants without any margin. 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 and external services, 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 good 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 we promise to provide cash to the tenant or reimburse their 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.

Contract costs

Incremental costs exceeding €20 thousand, that are directly linked with signing-off the contract, its renewal or fullfilment, 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 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 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 cash flow hedge model (see Note 2.2 c) viii).

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. Deferred tax assets and liabilities are recognised on a net basis to the extent they are relating to the same fiscal jurisdiction and are capable of direct offset.

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.

VII. ADJUSTMENT OF PRIOR YEAR COMPARATIVE AMOUNTS IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION TO ACHIEVE A MORE APPROPRIATE PRESENTATION

Until prior year the Group presented its ground leases capitalised under IFRS 16 on a separate line in the consolidated statement of financial position under 'Investment property – right-of-use asset'. From 1 January 2022, the Group decided to include these ground leases within the caption 'Investment property'. Management believes that such presentation provides more reliable and relevant information as due to the substance it is more precise to see related fair value grouped together. The related lease liabilities continue to be recorded within the captions 'Long-term payables' and 'Other current payables'. The change is also applied on comparatives.

The impact of this restatement was deemed immaterial by the Board of Managers of the Group as it is a reclassification that does not impact the 'Total non-current assets' and 'Total assets' balances in the consolidated statement of financial position. Neither does it impact the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and notes to the consolidated financial statements. The Board of Managers however has decided to adjust the comparative figures.

Prior year comparative figures have therefore been amended to conform to the current year's presentation.

The impact of these amendments can be seen below:

31 December 2021		Impact of adjustment of presentation	
	As previously reported	Adjustment	As restated
Investment property	6,816,288	96,290	6,912,578
Investment property – right-of-use asset*	96,290	(96,290)	–

* The caption is no longer included in the consolidated statement of financial position as it is no longer separately disclosed. The impact on the figures disclosed in the statement of financial position have been indicated with an asterisk.

VIII. NEW ACCOUNTING POLICY

Cash flow hedging for interest rate risk

In 2022 the Group entered into interest rate swaps to manage the interest rate risk. The Group applies hedge accounting, in accordance with IAS 39 standards, to the interest rate swap derivatives outstanding on 31 December 2022, 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.

As of 31 December 2022, hedge accounting is applied in four programs in four different hedge relationships designated, from which three using interest rate swaps with a combined nominal amount of €650 million and another using a flexi forward starting interest rate swap with a nominal amount of €500 million.

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 nonperformance 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 and is based on the expected selling price that is being negotiated with the potential purchaser. The expected selling price is compared with the fair value determined by the independent valuator as described in Note 2.3.i (as the provisions of IAS 40 should be followed in case of investment property). The lower of the two values is used.

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 rental 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 2022	31 December 2021
Rental income		364,205	318,513
Service charge income		56,233	45,668
Gross rental revenue	**4.1**	**420,438**	**364,181**
Property operating expenses	4.2	(63,687)	(57,100)
Net rental income		**356,751**	**307,081**
Administrative expenses	4.3	(61,459)	(45,656)
Recurring EBITDA		**295,292**	**261,425**
Recurring EBITDA to rental income margin		81.1%	82.1%
Net gains/(losses) from fair value adjustments on investment property	4.4	(143,122)	855,230
Disposal of investment property	4.5	75	6,554
Other income/(expense), net	4.6	1,139	(904)
Depreciation and amortization	5.4, 5.5, 6.1	(6,212)	(6,152)
Operating profit		**147,172**	**1,116,153**

3. SEGMENTAL ANALYSIS

Segment reporting is based upon the "management approach". The Group's reportable segments are asset owning companies and management/holding companies. Asset owning companies are further divided by geography.

Each of the segments are managed by country managing directors and reported to the management team separately. For reporting purposes, the Group reports separately segments that are material, defined as representing more than 10% of revenues and 10% of total assets. All other geographic locations are grouped together in the segment "Other".

There are two tenants with the rental income more than 10% of the Group's rental income, total annualized rental income of these tenants is €93,192 thousand and it is coming from the German, Spanish and Italian 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.

In € thousand Segment as at 31 December 2022	Czech Rep	France	Germany
Consolidated statement of profit or loss			
Gross rental revenue*	87,981	14,383	128,811
Property operating expenses	(11,402)	(3,634)	(13,501)
Net rental income	**76,579**	**10,749**	**115,310**
Net gains/(losses) from fair value adjustments on investment property	42,870	(37,576)	36,159
Disposal of invest.property	30	–	145
Other income/(expense), net	357	3	(84)
Administrative expenses	(10,152)	(2,162)	(17,751)
Depreciation	–	(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 income/(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 and Bonds	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**

In € thousand Segment as at 31 December 2021	Czech Rep	France	Germany
Consolidated statement of profit or loss			
Gross rental revenue*	83,607	14,229	113,309
Property operating expenses	(10,895)	(5,026)	(11,703)
Net rental income	**72,712**	**9,203**	**101,606**
Net gains/(losses) from fair value adjustments on investment property	167,628	39,249	208,186
Disposal of invest.property	(22,313)	(745)	(389)
Other income/(expense), net	197	(602)	(365)
Administrative expenses	(9,161)	(1,976)	(15,785)
Depreciation	12	(68)	(2,019)
Operating profit	**209,075**	**45,061**	**291,234**
Financial income	2,747	463	63
Shareholder financing costs	–	–	–
External and other financial costs	(19,499)	(5,486)	(31,023)
Profit before tax	**192,323**	**40,038**	**260,274**
Income tax income/(expense)	(40,611)	(6,067)	(36,815)
Profit for the period	**151,712**	**33,971**	**223,459**
Consolidated statement of financial position			
Investment property	1,519,510	240,901	2,476,463
Investment property under construction	55,223	–	51,545
Other assets	31,331	75,745	93,026
Total assets	**1,606,064**	**316,646**	**2,621,034**
Borrowings and Bonds	581,503	167,941	1,235,883
Other liabilities	190,099	54,655	206,927
Total liabilities	**771,602**	**222,596**	**1,442,810**
Equity	**834,462**	**94,050**	**1,178,224**

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

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**

Italy	Netherlands	Poland	Romania	Slovakia	Spain	Other**	Mgmt / Hold	Eliminations	Total
20,053	15,765	40,311	18,202	25,105	30,059	4,122	—	(580)	**364,181**
(3,313)	(2,239)	(14,278)	(5,325)	(5,898)	(2,908)	(411)	—	4,894	**(57,100)**
16,740	**13,526**	**26,033**	**12,877**	**19,207**	**27,151**	**3,711**	**—**	**4,314**	**307,081**
117,072	62,502	119,089	12,943	79,038	53,782	(4,259)	—	—	**855,230**
(5,926)	(1,073)	(3,979)	490	—	(7,946)	—	40,609	7,827	**6,554**
(10)	(171)	(53)	(46)	51	(84)	25	80,684	(80,530)	**(904)**
(2,248)	(1,858)	(3,749)	(1,805)	(2,355)	(3,918)	3,793	(73,820)	67,224	**(45,656)**
—	(291)	—	(96)	(2)	—	—	(3,687)	—	**(6,152)**
125,628	**72,635**	**137,341**	**24,363**	**95,939**	**68,985**	**3,270**	**43,786**	**(1,167)**	**1,116,153**
117	—	1,492	(524)	—	45	3,730	302,411	(307,241)	**3,301**
—	—	—	—	—	—	—	(148,512)	—	**(148,512)**
(9,080)	(4,327)	(10,047)	(8,868)	(4,590)	(11,298)	(553)	(223,889)	306,444	**(22,215)**
116,665	**68,308**	**128,786**	**14,971**	**91,349**	**57,732**	**6,447**	**(26,204)**	**(1,964)**	**948,727**
(19,382)	(12,844)	(23,332)	(2,423)	(17,929)	(1,152)	(730)	(6,551)	—	**(167,835)**
97,283	**55,464**	**105,454**	**12,548**	**73,420**	**56,580**	**5,717**	**(32,755)**	**(1,964)**	**780,892**
424,907	372,057	526,566	258,964	412,661	694,707	39,001	—	(53,159)	**6,912,578**
156,416	—	81,160	—	12,913	110,535	—	—	(5,282)	**462,510**
43,913	22,822	210,850	8,237	11,348	32,384	22,509	13,626,974	(13,650,280)	**528,860**
625,236	**394,879**	**818,576**	**267,201**	**436,922**	**837,626**	**61,510**	**13,626,974**	**(13,708,721)**	**7,903,948**
225,149	228,416	397,844	169,734	158,085	359,583	41,511	11,168,663	(10,267,204)	**4,467,108**
100,877	36,014	83,240	13,430	45,506	48,301	1,354	154,436	(78,985)	**855,854**
326,026	**264,430**	**481,084**	**183,164**	**203,591**	**407,884**	**42,865**	**11,323,099**	**(10,346,189)**	**5,322,962**
299,210	**130,449**	**337,492**	**84,037**	**233,331**	**429,742**	**18,645**	**2,303,875**	**(3,362,532)**	**2,580,986**

4. ADDITIONAL INFORMATION TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

4.1. Gross Rental Revenue

In € thousand	2022	2021
Rental revenue from investment property	364,784	318,905
Straight-lining of lease incentives	(579)	(392)
Rental income	**364,205**	**318,513**
Service charge income	56,233	45,668
Gross rental revenue	**420,438**	**364,181**

Rental income from investment property increased due to new investment properties acquired and completed in 2021 and 2022 and strong rental growth of the existing portfolio driven by indexation and re-leasing.

4.2. Property Operating Expenses

In € thousand	2022	2021
Utilities	(9,111)	(5,335)
Taxation	(20,351)	(19,077)
Insurance	(4,892)	(4,214)
Security	(7,921)	(7,930)
Property management fees	(8,298)	(8,304)
Repairs and maintenance	(9,029)	(8,281)
Other	(4,085)	(3,959)
Total	**(63,687)**	**(57,100)**

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

4.3. Administrative Expenses

In € thousand	2022	2021
Property administrative expenses (1)	(19,427)	(15,127)
Employee and other administrative expenses (2)	(47,704)	(34,802)
Costs capitalized (3)	5,672	4,273
Total	**(61,459)**	**(45,656)**

(1) Property administrative expenses:

In € thousand	2022	2021
Letting, marketing, legal, and professional fees	(15,208)	(12,346)
Impairment loss on trade receivables (ECL)	(298)	116
Other	(3,921)	(2,897)
Total	**(19,427)**	**(15,127)**

(2) Employee and other administrative expenses:

In € thousand	2022	2021
Employee expenses	(39,525)	(28,982)
Audit fees*	(1,101)	(1,140)
Other	(7,078)	(4,680)
Total	**(47,704)**	**(34,802)**

*Comprise of Group's auditors and other external auditors' fees, see note below for details of audit fee performed by the Group's auditor

Employee expenses

In € thousand	2022	2021
Wages and salaries	(32,899)	(23,924)
Social security and health insurance	(3,519)	(2,908)
Other	(3,107)	(2,150)
Total	**(39,525)**	**(28,982)**

The average number of full-time equivalent employees for year 2022 was 238 and 198 for year 2021.

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

In € thousand	2022	2021
Audit services		
Parent company	(12)	(19)
Subsidiary undertakings and consolidation	(876)	(898)
Total audit services	**(888)**	**(917)**
Other audit related services	—	(105)
Other non-audit related services	(662)	(266)
Total	**(1,550)**	**(1,288)**

(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

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)**
out of which Assets held for sale	150,158	(9,926)	140,231

2021 In € thousand	Valuation gains	Valuation loss	Net change in market value
Investment property	775,306	(35,687)	739,619
Investment property under construction	115,611	—	115,611
Total	**890,917**	**(35,687)**	**855,230**
out of which Assets held for sale	16,667	(4,584)	12,083

See Note 3, 5.1 and 5.2 for more details.

4.5. Disposal of investment property

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

Gains on disposal of investment property amounted to €6,554 thousand in 2021 net of consideration received and net assets and liabilities disposed. In 2021, the Group completed sale of a pan-European portfolio of 16 assets in the net asset value of €153.8 million and disposed land in Romania for €5.8 million (all these assets were presented under Assets held for sale as at 31 December 2020). In addition, the Group also sold one property in Germany for €4.5 million.

In € thousand	2022	2021
Investment property and property, plant and equipment	(178)	(260,715)
Trade and other receivables	—	(1,449)
Cash and cash equivalents	—	(5,295)
Deferred tax liabilities	—	13,553
Trade and other payables	—	98,373
Contingent liability*	—	(3,000)
Net assets and liabilities disposed	**(178)**	**(158,533)**
Consideration received	253	165,087
Settlement of intercompany loans and other liabilities	—	103,228
Cash and cash equivalents disposed	—	(5,295)
Net cash inflows	**75**	**263,020**

*Rent guarantee provided to the buyer, see Note 5.23 for further details

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

4.6. Other Income/(Expense), Net

As of 31 December 2022, as well as of 31 December 2021, 'Other Income/(Expense), Net' comprised primarily expenses from transaction costs related to new acquisitions, other advisory costs related to the Group matters (transfer pricing, legal structuring, etc) and income from late fees paid by tenants.

4.7. Financial Income

In € thousand	2022	2021
Interest income	1	261
Other financial income	11	83
Net foreign exchange gains	—	2,957
Total	**12**	**3,301**

4.8. Financial Costs

Shareholder financing costs

Interest expense and guarantee fee from shareholder loans in the amount of €90,380 thousand (€148,512 thousand in 2021) was not settled in cash and remained accrued in 2022 and 2021. The reduction is due to lower amount of the loans subject to guarantee fee and lower average volume of shareholder loans in 2022.

External and other financial costs

In € thousand	2022	2021
Interest expenses– external borrowings	(41,382)	(19,097)
Financing fees	(7,154)	(3,113)
Unrealized losses from derivatives and financial instruments	(3)	(5)
Net foreign exchange losses	(1,254)	—
Total	**(49,793)**	**(22,215)**

4.9. Income Tax

In € thousand	2022	2021
Current income tax expense	(17,289)	(21,109)
Deferred tax income/(expense) (Note 5.6)	9,420	(146,726)
Total income tax expense	**(7,869)**	**(167,835)**

In € thousand	2022	Effective tax rate	2021	Effective tax rate
Profit before tax	7,011		948,727	
Tax at the domestic tax rates applicable to profits in the country concerned (1)	(1,517)	22%	(164,443)	17%
Non-deductible expenses	(10,225)	146%	(11,868)	1%
Non-taxable revenues	12,803	-183%	22,250	-2%
Gains subject to tax but eliminated in consolidation (2)	(2,593)	37%	(5,457)	1%
Recognition /(derecognition) of accumulated tax losses	(5,791)	83%	2,022	0%
Deferred tax not recognised (3)	(2,353)	34%	(2,840)	0%
Other effects (4)	1,807	-26%	(7,499)	1%
Income tax expense	**(7,869)**	**112%**	**(167,835)**	**18%**

(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 represented by effect of subsequent changes in local tax returns related to prior year (in 2022 €980 thousand, in 2021 €17 thousand), hedge accounting 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% (2021: 24.94%) includes a 7% employment fund contribution (2021: 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 17 years.

Czech Republic
The corporate income tax rate is 19% (2021: 19%). 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% (2021: 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 15% (2021: 15%) on the profits up to €395,000 (2021: €245,000) and 25.8% (2021: 25%) 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% (2021: 26,5%). 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% (2021: 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%) (2021: 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% (2021: 21%). Tax losses may be carried forward for four years.

Romania
The corporate income tax rate is 16% (2021: 16%). Tax losses may be carried forward for seven years.

Spain
The corporate income tax rate is 25% (2021: 25%). Tax losses may be carried forward for indefinite period.
Part of the Spanish portfolio of the Group is subject to SOCIMI regime where the income tax rate in 2022 is 0% (2021: 0%).

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

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 2022 the Group owned 310 completed investment properties in eleven countries - Germany, France, Czech Republic, Netherlands, Poland, Slovakia, Italy, Romania, Spain, Austria and Belgium (31 December 2021: 287 completed investment properties).

For detail related to 2022 acquisitions see Note 1 in Board of Managers' report and Note 10.

In € thousand	31 December 2022	31 December 2021
Investment property – yielding assets and land	7,721,372	6,816,288
Investment property – right-of-use asset	140,280	96,290
Investment property	**7,861,652**	**6,912,578**

Appraisals of market values as of 31 December 2022 and as of 31 December 2021 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 has been categorised as a level 3 fair value (same as in 2021) based on the unobservable inputs used in the valuation.

Investment property also includes investment right-of-use asset, comprising of ground lease primarily obtained from acquisitions made during 2020.

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 have been 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 has been accounted for implicitly in 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 0–15 months after the end of each lease — Rent free periods: 0–12 months for new leases — Weighted average Equivalent Yield for investments assets (both yielding and AUC) for country 4.55–7.61% (in 2021: 3.92–6.37%), weighted average for the Group 5.19% (2021: 4.65%) — ERV/area unit (both yielding and AUC) for country 19.49–208.32/sm (in 2021: 19.49–261.82/sm), weighted average for the Group 59.63/sm (2021: 54.72/sm) — Transaction costs 1% (2021: 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 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) — Estimated developer's margin was 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

Investment property right-of-use assets

In € thousand	2022	2021
At 1 January	**96,290**	**94,728**
Additions	38,318	3,649
Modifications and disposals	8,285	—
Depreciation expense	(2,613)	(2,087)
Transfer to Assets held for sale	—	—
Translation Difference	—	—
At 31 December	**140,280**	**96,290**

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

Investment property 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	**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**

Investment property movement table for the year ended 31 December 2021

In € thousand	Czech Rep	France	Germany	Italy	Netherlands	Poland	Romania	Slovakia	Spain	Other*	Total
At 1 January 2021	**1,300,849**	**170,308**	**2,026,403**	**347,924**	**231,888**	**565,846**	**244,641**	**290,333**	**530,322**	**53,729**	**5,762,243**
Acquisition	4,325	24,173	24,253	—	79,107	—	—	—	98,400	5,029	235,287
Additions	4,422	760	46,545	3,969	1,117	13,039	1,379	2,017	2,533	125	75,906
Disposals/change in asset held for sale	(10,381)	2,828	(2,474)	1,064	(2,557)	(171,761)	23	(153)	5,645	(17,150)	(194,916)
Transfer to investment properties under construction	(26,392)	—	—	(29,448)	—	(14,553)	—	(2,098)	—	—	(72,491)
Transfer from investment properties under construction	5,975	—	107,316	—	—	30,097	1,830	43,693	7,135	1,296	197,342
Valuation gains/(losses)	149,128	39,249	171,543	100,168	62,502	87,845	12,943	72,132	48,368	(4,259)	739,619
Translation difference	76,882	—	—	—	—	809	(4,020)	—	—	(373)	73,298
At 31 December 2021	**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**
Tenant lease incentives**	7,560	1,752	17,136	318	644	7,359	313	3,291	1,949	195	40,517
Held for sale***	—	—	—	—	—	168,988	—	—	—	17,150	186,138
Total Property Value	**1,512,368**	**239,070**	**2,390,722**	**423,995**	**372,701**	**687,669**	**257,109**	**409,215**	**694,352**	**55,742**	**7,042,943**

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

5.2. Investment property under construction

In € thousand	2022	2021
At 1 January	**462,510**	**148,939**
Acquisition	32,473	9,330
Additions	271,856	312,503
Transfer from investment property	89,021	72,491
Transfer to investment property	(729,766)	(197,342)
Change in assets held for sale	—	—
Valuation gains	59,842	115,611
Translation difference	1,980	978
At 31 December	**187,916**	**462,510**

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 2022, the Group had 15 assets under construction in Germany, Poland, Spain, France, Italy and Czech Republic (31 December 2021: 11 assets under construction in Germany, Poland, Slovakia, Spain, 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 capitalized in fair value as shown in movement table in Note 5.1. above.

In € thousand	2022	2021
Investment property – yielding assets and land – total property value (Note 5.1.)	8,145,035	7,042,943
Investment property under construction (Note 5.2.)	187,916	462,510
Total Property Value	**8,332,951**	**7,505,454**
Market value of pledged properties	(101,686)	(111,927)
Unencumbered Property Value	**8,231,265**	**7,393,527**

5.4. Property, Plant and Equipment

In € thousand	2022	2021
Cost		
At 1 January	**4,240**	**3,962**
Acquisition	41	—
Additions	2,027	301
Disposals	(207)	(18)
Translation difference	25	(5)
At 31 December	**6,126**	**4,240**
Accumulated depreciation		
At 1 January	**(2,108)**	**(1,737)**
Acquisition	—	—
Charge of the period	(352)	(374)
Eliminated on disposal	99	13
Translation difference	(13)	(10)
At 31 December	**(2,374)**	**(2,108)**
Net book value at 31 December	**3,752**	**2,132**

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	2022	2021
Cost		
At 1 January	**6,970**	**335**
Acquisition	4	—
Additions	2,454	6,630
Disposals	(8)	—
Correction of presentation	7	5
At 31 December	**9,427**	**6,970**
Accumulated amortisation		
At 1 January	**(1,395)**	**(289)**
Acquisition	—	—
Charge for the period	(1,083)	(1,103)
Disposals	—	—
Correction of presentation	(2)	(3)
At 31 December	**(2,480)**	**(1,395)**
Net book value at 31 December	**6,947**	**5,575**

Intangible Assets consist of capitalised software costs. The increase in 2022 and 2021 is driven by group wide ERP implementation and related internally designed software.

5.6. Deferred Tax Assets and Liabilities

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.

In € thousand 31 December 2021	Assets	Liabilities	Net
Investment property and Investment property under construction	10,727	(520,428)	(509,701)
Tax losses	25,022	—	25,022
Other temporary differences	16,824	(8,080)	8,744
Gross deferred tax	**52,573**	**(528,508)**	**(475,935)**
Set-off of deferred tax	**(39,189)**	**39,189**	**—**
Net deferred tax	**13,384**	**(489,319)**	**(475,935)**

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

In € thousand 31 December 2022	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

In € thousand 31 December 2021	1 January 2021	Recognised in comprehensive income	Translation reserve	Other movements *	31 December 2021
Investment property and Investment property under construction	(352,402)	(138,571)	858	(19,586)	(509,701)
Tax losses	26,993	(1,971)	—	—	25,022
Other temporary differences	14,928	(6,184)	—	—	8,744
Total deferred tax	**(310,481)**	**(146,726)**	**858**	**(19,586)**	**(475,935)**

* 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 2022, deferred tax liabilities of €177,330 thousand (31 December 2021: €145,922 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 2022	31 December 2021
Total of tax losses carry forwards	**375,543**	**383,792**
there of:		
Expiration within 1 year	1,107	488
Expiration from 1-3 years	27,847	32,756
Expiration from 3-5 years	5,394	10,571
Expiration more than 5 years	147,520	9,008
Without time limitation	193,674	330,969

The Group has significant tax loss 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 2022, the unrecognised deferred tax asset from tax losses, and other temporary differences amounted to €60,640 thousand (31 December 2021: €58,353 thousand).

5.7. Derivative financial instruments

In € thousand Maturity of derivatives	Type of contract	Notional amounts 31 December 2022	Fair Value 31 December 2022	Notional amounts 31 December 2021	Fair Value 31 December 2021
Up to 1 year	Interest Rate Cap	—	—	535,781	3
1 to 5 years	Interest Rate Swap	650,000	39,025	—	—
Over 5 years	Forward Starting Interest Rate Swap	500,000	35,237	—	—
Total		**1,150,000**	**74,262**	**535,781**	**3**

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

	31 December 2022	31 December 2021
Short-term derivative – assets	—	3
Long-term derivative – assets	74,262	—
Short-term derivative – liabilities	—	—
Long-term derivative – liabilities	—	—
Total	**74,262**	**3**

The Group uses interest rate caps, interest rate swaps and forward starting interest rate swaps.
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 recognized in other comprehensive income.

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

Interest rate of derivatives	31 December 2022	31 December 2021
0–2.5%	74,262	3
Total	**74,262**	**3**

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 2022	31 December 2021
Accrued income (1)	37,929	37,462
Capitalised costs on new acquisitions (2)	20,258	18,069
Prepaid expense (3)	12,766	4,891
Other (4)	36,793	22,399
Total	**107,746**	**82,821**

(1) Accrued income represents the rent-free incentives the Group has granted to tenants.
(2) Capitalised costs on new acquisitions/development represents 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.
(3) Prepaid expense is primarily made up from leasing commissions being amortized over the lease term.
(4) Other non-current assets represent prepayments on land paid primarily in Germany, Poland and Spain (€29,573 thousand) and long-term deposits paid in Spain (in 2022: €6,755 thousand, in 2021: €5,118 thousand).

5.9. Trade Receivables

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**

In € thousand 31 December 2021	Receivables	Loss allowance	Current amount
Not yet due	17,447	—	17,447
< 30 days past due	4,504	—	4,504
30 - 60 days past due	659	—	659
60 - 90 days past due	905	—	905
90 - 180 days past due	351	(79)	272
180 - 360 days past due	121	(8)	113
> 360 days past due	3,106	(2,219)	887
Total	**27,093**	**(2,306)**	**24,787**

There is no concentration of trade receivables.

Movement in allowance for expected credit losses of trade receivables

In € thousand	2022	2021
31 December 2021	**(2,306)**	**(2,537)**
Currency translation difference	(58)	(190)
Allowance (made)/ released	558	421
31 December 2022	**(1,806)**	**(2,306)**

5.10. Other Current Assets

In € thousand	31 December 2022	31 December 2021
Accrued income (1)	16,406	10,205
Prepaid expense (2)	10,447	8,001
Other (3)	22,207	15,029
Total	**49,060**	**33,235**

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

5.11. Prepayments

In € thousand	31 December 2022	31 December 2021
Deposits paid (1)	1,346	3,885
Advance payments (2)	8,326	3,493
Total	**9,672**	**7,378**

(1) Deposits paid are primarily represented by short-term payments on escrow accounts relating to new acquisitions mainly in France of €1,137 thousand (2021: Italy €2,548 thousand).
(2) Advance payments consist of recorded advances on utilities.

5.12. Tax Receivables

In € thousand	31 December 2022	31 December 2021
VAT and other tax receivable (1)	101,171	85,644
Income tax receivable	1,311	2,305
Total	**102,482**	**87,949**

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

5.13. Cash and cash equivalents and Restricted cash

In € thousand	31 December 2022	31 December 2021
Cash and cash equivalents	179,596	78,144
Non-current restricted cash	971	2,297
Current restricted cash	—	—
Total	**180,567**	**80,441**

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

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.

5.14. Equity

Share capital and share premium

As of 31 December 2022, and 2021, 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 authorized 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 2022.

Changes in "Other capital funds" in 2021 is primarily made up of conversion of shareholder loan €390,441 thousand as part of the review of Group's capital structure and €763 thousand was allocated to settlement of losses from previous year.

In € thousand	Number of shares	Share capital	Share premium	Other capital funds
Balance at 31 December 2021	**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**

In € thousand	Number of shares	Share capital	Share premium	Other capital funds
Balance at 31 December 2020	**36,505,930**	**365**	**3,816**	**324,506**
Contribution of the new shareholder	–	–	–	390,441
Allocation to reserve fund	–	–	–	(763)
Reclassifications and corrections	–	–	–	(1,418)
Balance at 31 December 2021	**36,505,930**	**365**	**3,816**	**712,767**

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 to be necessary 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 foreign exchange risk hedge accounting and interest rate risk hedge accounting (see Note 5.7 and 5.24).

In € thousand	31 December 2021	New additions	Amortization	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	–	(18,481)	–	(18,481)
Other reserve	**25,144**	**62,328**	**3,022**	**90,494**

In € thousand	31 December 2020	New additions	Amortization	31 December 2021
Hedge accounting	–	30,441	(1,088)	29,353
Deferred tax	–	(4,209)	–	(4,209)
Other reserve	**–**	**26,232**	**(1,088)**	**25,144**

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.

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 long-term financial liability in the Group consolidated financial statements as at 31 December 2022 in the amount of €1,606 thousand (€6,413 thousand as at 31 December 2021) 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 initial recognition, the group applies accounting policy, to recognise changes in the carrying amount of the put liability in profit or loss.

The value of the overall obligation against minority shareholders has not materially changed since 2021 year-end. As of 31 December 2022 the total value of the obligation was €4,992 thousand (31 December 2021: €5,651 thousand) consisting of NCI of €3,386 thousand and option obligation of €1,606 thousand presented in other payables (31 December 2021: NCI of €-762 thousand and other payable of €6,413 thousand).

5.15. Borrowings

In € thousand Shareholder borrowings	31 December 2022	31 December 2021
Principal	1,407,687	978,246
Accrued interest and guarantee fee	103,521	42,581
Total	**1,511,208**	**1,020,827**

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 an additional €400 million.
In 2022 the Group converted €29.6 million from accrued interest to principal (in 2021: €334.1 million).
In 2021 a total of €390.4 million shareholder loans were converted to equity, out of which €13.7 million was made up by accrued interest.

In € thousand Net Debt	31 December 2022	31 December 2021
Long-Term Bank Borrowings	**2,447,281**	**2,446,041**
Bank borrowings – principal	2,450,495	2,450,495
Deferred financial costs*	(3,214)	(4,454)
Short-Term Bank Borrowings	**452,400**	**1,000,240**
Bank borrowings – principal and accrued interest	453,006	1,000,410
Deferred financial costs*	(606)	(170)
Total Bank Borrowings	**2,899,681**	**3,446,281**
Long-Term Bonds	**992,437**	**—**
Bonds – principal	1,000,000	—
Deferred financial costs	(7,563)	—
Short-Term Bonds	**9,459**	**—**
Bonds – accrued interest	11,567	—
Deferred financial costs	(2,108)	—
Total Bonds	**1,001,896**	**—**
Total Borrowings	**3,901,577**	**3,446,281**
Cash and cash equivalents	**(179,596)**	**(78,144)**
Net Debt	**3,721,982**	**3,368,137**

* This overview does not include deferred financing costs associated with revolving credit facility which is undrawn as of December 2022 (long-term portion €1,716 and short-term portion €563).

In € thousand External Borrowings by type (excluding deferred financial costs)	31 December 2022	31 December 2021
Secured borrowings - mortgages*	**50,844**	**50,495**
Unsecured Borrowings	**3,864,224**	**3,400,410**
Bank loans	2,852,657	3,400,410
Bonds	1,011,567	—
Total	**3,915,068**	**3,450,905**

* The Group acquired €50,495 thousand of secured borrowings as a result of an acquisition made in 2021 in Spain.

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 2022	31 December 2021
Up to 1 year	453,006	1,000,410
1 to 5 years	2,350,495	2,450,495
Over 5 years	100,000	—
Total	**2,903,501**	**3,450,905**

In € thousand Bonds by maturity (excluding Deferred financial costs)	31 December 2022	31 December 2021
Up to 1 year	11,567	—
1 to 5 years	500,000	—
Over 5 years	500,000	—
Total	**1,011,567**	**—**

Several financing related events took place in January 2022. Standard & Poor's published a BBB credit rating to the Group with stable outlook, 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 rated BBB by S&P, traded on the Euro MTF Market and listed on the official list of the Luxembourg Stock Exchange.

Proceeds from the bond issuance were used for repayment of existing loans. One €600 million guaranteed bank loan was paid before maturity in January 2022, and another €400 million bank loan in May 2022. €300 million of a bank facility was also paid down in January 2022 and drawn again in May 2022.

In May 2022, two new 5-year senior unsecured non-recourse bilateral term loans were signed: a €200 million loan and a €150 million loan. Both loans are set at a floating rate but swapped to fixed rate with interest rate swaps.

In July 2022 a new €300 million 5-year senior unsecured non-recourse bilateral term loan was signed. The loan was drawn in August 2022, and it is set at a floating rate but swapped to fixed rate with an interest rate swap.

In November 2022 a new €100 million 5-year and six-month senior unsecured non-recourse bilateral term loan was signed.
The loan was drawn in November 2022, and it is set at a fixed rate.

In December 2022, €300 million of guaranteed external debt was paid down before maturity.

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 2022	31 December 2021
Total floating rate	**2,800,495**	**3,050,495**
Reference rate +0.35% to 2% margin	2,150,495	3,050,495*
Reference rate +0.95% to 1.1% margin**	650,000	—
Total fixed rate	**1,100,000**	**400,000**
Fixed coupon bonds +0.875 and 1.625%	1,000,000	—
Fixed rate – 3.93%	100,000	400,000
Total external borrowings and bonds	**3,900,495**	**3,450,495**
Out of which fixed rate or swapped to fixed interest rates	1,750,000	400,000
Total blended rate for shareholder's loan – 3.66%+ margin on profit	**1,407,687**	**978,246**
Total	**5,308,182**	**4,428,741**

* Portion of loans with variable interest are hedged against interest rate risk with interest rate caps.
** Fully swapped to fixed interest rate with all-in interest of 2.46-3.31%

The weighted average interest rate for bank borrowings was 1.61% as of 31 December 2022 (December 2021: 0.56%).

In May 2022 the Group executed a €500 million forward starting swap for upcoming debt issuance, locking in 5-year fixed rate as described in Note 5.24. The pre-hedge was extended in November 2022.

As of 31 December 2022, bank borrowings of €2,100 million are guaranteed by Europe Realty Holdings Pte Ltd (parent company of the shareholder of the Group), the amount of €3,400 million was guaranteed at the end of 2021.

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 another extension option for 1 additional year. The Group utilised €130 million for a few months in 2022, but drawings were repaid in May 2022 and as at 31 December 2022, this facility was fully undrawn.

Financial Covenants

The current outstanding guaranteed bank loans of the Group do not contain any quantitative financial covenants. The EMTN program, the non-recourse bank term loan agreements and the revolving credit facility include financial covenants for the Group. As of 31 December 2022, 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 2022:

(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.

Financial Covenants	2022	2021	Covenant Ratios
(1) Loan to Value ratio	44.7%	44.9%	< 60%
(2) Interest Cover ratio	6.9	13.9	> 1.5
(3) Unencumbered Assets ratio	2.2	2.2	> 1.5
(4) Priority Debt ratio	0.6%	0.7%	< 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	Total
At 1 January 2022	**1,020,827**	**2,446,041**	**1,000,240**	**—**	**—**	**4,467,108**
Changes for financing cash flow						
Proceeds from borrowings	400,000	1,050,000	130,000	1,000,000	—	2,580,000
Repayment of borrowings	—	(600,000)	(1,130,000)	—	—	(1,730,000)
ST/LT reclassifications	—	(450,000)	450,000	—	—	—
Foreign exchange effect realized	—	—	—	—	—	—
Total changes from financing cash flows	**1,420,827**	**2,446,041**	**450,240**	**1,000,000**	**—**	**5,317,108**
Other movements						
Acquisitions	—	—	—	—	—	—
Interests charged	90,380	—	29,993	—	12,877	133,250
Interests paid	—	—	(27,397)	—	—	(27,397)
Conversion to equity	—	—	—	—	—	—
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)	—	—	—
Foreign Exchange effect	—	—	—	—	—	—
Total liability related to other changes	**90,380**	**(476)**	**1,597**	**(7,563)**	**9,459**	**93,398**
Balance at 31 December 2022	**1,511,208**	**2,445,565**	**451,836**	**992,437**	**9,459**	**5,410,505**

In € thousand Borrowings	Shareholder borrowings long-term	Term loan facilities long-term	Term loan facilities short-term	Total
At 1 January 2021	**1,627,758**	**2,999,913**	**—**	**4,627,671**
Changes for financing cash flow				
Proceeds from borrowings	35,000	—	400,000	435,000
Repayment of borrowings	(400,000)	—	—	(400,000)
ST/LT reclassifications	—	(600,000)	600,000	—
Foreign exchange effect realized	—	—	—	—
Total changes from financing cash flows	**1,262,758**	**2,399,913**	**1,000,000**	**4,662,671**
Other movements				
Acquisitions	—	50,495	183	50,678
Interests charged	148,512	—	18,555	167,067
Interests paid	—	—	(18,328)	(18,328)
Conversion to equity	(390,443)	—	—	(390,443)
Additions to deferred financial costs	—	(4,977)	(170)	(5,147)
Release of deferred financial costs	—	610	—	610
Foreign Exchange effect	—	—	—	—
Total liability related to other changes	**(241,931)**	**46,128**	**240**	**(195,563)**
Balance at 31 December 2021	**1,020,827**	**2,446,041**	**1,000,240**	**4,467,108**

5.16. Long-term payables

As at 31 December 2022, the Group had 'Long-term payables' of €173,244 thousand (31 December 2021: €126,751 thousand) which represent primarily a lease liability of €143,375 thousand (31 December 2021: €97,910 thousand) recognised from the application of IFRS 16 as described in Note 6.1. and amounts received from tenants as security for their rental obligations and retentions from development projects.

5.17. Trade Payables

As at 31 December 2022, 'Trade payables' of €29,240 thousand (31 December 2021: €42,881 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 Czech Republic, Poland and Spain.

5.18. Accruals

In € thousand	31 December 2022	31 December 2021
Operating expenses	6,866	6,529
Accounting, audit and legal expenses	6,956	11,041
Capex accruals	23,583	27,376
Other expenses	18,691	10,137
Total	**56,096**	**55,083**

5.19 Deferred Income

As at 31 December 2022, 'Deferred income' of €33,556 thousand (31 December 2021: €21,815 thousand) comprises primarily rent paid in advance by tenants.

5.20. Tax Liabilities

In € thousand	31 December 2022	31 December 2021
VAT	36,158	14,665
Income tax payable	7,956	11,823
Other tax payable (1)	36,383	58,070
Total	**80,497**	**84,558**

(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 2022	31 December 2021
Tenant deposits	3,234	2,688
Advance payments received	1,433	2,346
Payables to employees	696	1,161
Lease liability	4,370	3,985
Other payables (1)	25,903	25,267
Total	**35,636**	**35,447**

(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

During 2021, the Group started actively pursuing a sale of one park in Poland and two properties in Belgium, which are presented as assets held for sale still in December 2022 assuming to be closed as asset deal. In 2022, the Group initiated sale of shares in the entity owning land in Germany, which is expected to be closed in Q1 2023.

As at 31 December 2022, the assets and liabilities related to the disposed portfolio were stated at the lower of their carrying amount and fair value less costs to sell. The investment property classified as held for sale was measured in accordance with IAS 40. These assets and liabilities comprised the following:

Assets held for sale

In € thousand	31 December 2022	31 December 2021
Investment property	365,077	186,138
Investment property under construction	–	–
Other non-current assets	2,500	–
Right-of-use assets	–	–
Deferred tax asset	–	–
Trade receivables	–	–
Tax receivables	451	–
Prepayments	–	–
Other current assets	–	–
Total	**368,028**	**186,138**

Liabilities directly associated with assets held for sale

In € thousand	31 December 2022	31 December 2021
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 recognised within other payables and presented together with cost on asset sold. The provision was decreased to €899.5 thousand as of 31 December 2022.

Bank guarantees
As of 31 December 2022, the Group had outstanding bank guarantees with third parties as beneficiary for a total amount of €12,101 thousand (€7,244 thousand as of 31 December 2021).

5.24. Cash flow hedge accounting using financial liabilities as hedging instruments

According to its financial policy, the Group's strategy is to protect its cash flows from interest rate and foreign exchange risk by minimising their impact on the Group Net Earnings and entering into either natural hedging or hedging through standard derivatives.

Lease contracts with customers are generally concluded in EUR, also in the Group's non-euro operating countries. To minimize foreign currency risk the Group has decided to finance its real estate acquisitions through EUR denominated loans (external loans provided by third parties that are consequently transferred to operating subsidiaries in non-EUR countries). This minimizes foreign currency risk resulting from movements of EUR in non-EUR countries (Czech Republic, Poland and Romania) in terms of collection of rental payments and instalments of loans being executed in EUR. To eliminate adverse impacts of foreign currency revaluation of loans used to finance subsidiaries in non-EUR countries (loan balances are revalued using the spot exchange rate, whereas the foreign currency risk related to rental income affects profit or loss only in the period when the income is recognised in the profit or loss) cash flow hedge models were introduced starting in January 2021. Part of the future rental income considered as highly probable is designated as the hedged item. The hedged item is designated only up to the amount of the designated hedging instrument.

The Group's risk management policy is to hedge all loans after completion of development stage of its estimated foreign currency exposure in respect of forecasted rental payments over the useful life of the asset.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item (prospective effectiveness) based on the currency, amount and timing of their respective cashflows/hedged periods. The Group further assesses whether the hedging instrument designated in each hedging relationship is highly effective (retrospective effectiveness) based on the comparison of the change in cash flows of the hedged item and the hedging instrument. In these hedging relationships, the following sources of ineffectiveness were identified:

- the effect of the counterparties' credit risk; however, the Group considers this risk as not significant;
- changes in the timing or amounts of the hedged transactions; the Group does not consider this source of ineffectiveness as substantive as only a part of the future rental income is designated as the hedged item.

The following table provides a reconciliation for foreign currency risk of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

In € thousand Hedging reserve	31 December 2022	31 December 2021
Balance at 1 January	**25,144**	—
Gain or loss on the hedging instruments	14,401	30,441
Amount reclassified to profit or loss	(599)	(1,088)
Tax in movements on reserves during the year	(4,072)	(4,209)
Balance at 31 December	**34,874**	**25,144**

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

In € thousand Foreign currency risk	Carrying amount of the hedging proportion of the designated loans – liabilities	Maturity of the hedging instruments	Average hedged foreign currency rate	Line item in the statement of financial position where the hedging instrument is included
Interest-bearing loans and borrowings	1,008,607*	22. 5. 2028 at the latest	CZK/EUR: 26,15 PLN/EUR: 4,61 RON/EUR: 4,87	External long-term borrowings External short-term borrowings

* The total balance consists of €548,201 thousand related to the entities in the Czech Republic, €332,597 thousand related to entities in Poland and €127,809 thousand related to entities in Romania.

In € thousand Foreign currency risk	Changes in the 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-bearing loans and borrowings	13,802	–	–	599	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 Foreign currency 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
Rental income	(13,802)	43,154	–

At 31 December 2021, the Group held the following instruments to hedge exposures to changes in foreign currency rates, the amounts related to items designated as hedging instruments and hedge ineffectiveness were as follows (the Group did not apply hedge accounting in 2020):

In € thousand Foreign currency risk	Carrying amount of the hedging proportion of the designated loans – liabilities	Maturity of the hedging instruments	Average hedged foreign currency rate	Line item in the statement of financial position where the hedging instrument is included
Interest-bearing loans and borrowings	1,008,707*	22.12.2026 at the latest	CZK/EUR: 26,25 PLN/EUR: 4,61 RON/EUR: 4,87	External long-term borrowings External short-term borrowings

* The total balance consists of €534,221 thousand related to the entities in the Czech Republic, €335,995 thousand related to entities in Poland and €138,491 thousand related to entities in Romania.

In € thousand Foreign currency risk	Changes in the 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-bearing loans and borrowings	29,353	–	–	1,088	External and other financial costs

The amounts at the reporting date 31 December 2021 relating to items designated as hedged items were as follows (the Group did not apply hedge accounting in 2020).

In € thousand Foreign currency 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
Rental income	(29,353)	29,353	–

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 as well as from foreign exchange rate movements on the rental income generated in euro in non-EUR countries. 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 at inception of hedging relationship, are investment grade, therefore credit risk does not materially affect the hedging relationship.

In May 2022 the Group launched 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 is a flexi forward starting swap with a fixed rate.

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 2022, 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, prospective and retrospective effectiveness testing. If any effectiveness arises outside the 80-125% effectiveness range, this is recognized in the income statement. 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 three hedging programs is positive €74.3 million and the change of these fair values totalling €74.3 million is recognised under Other comprehensive income. See Note 5.7 and Note 5.14 Equity, section Other reserve, for further details.

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 (as at 31 December 2021, the Group did not hold any instruments to hedge exposures to changes in interest rates):

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. 8. 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 2022 was 1.05%.

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	Office equipment	Total
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)
Transfer to Assets held for sale	—	—	—	—	—
Translation Difference	—	45	—	—	45
At 31 December 2022	**140,280**	**4,503**	**1,426**	**—**	**146,209**

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

In € thousand	Ground lease*	Offices and parking	Cars	Office equipment	Total
At 1 January 2021	**94,728**	**4,558**	**1,219**	**2**	**100,507**
Additions	3,649	840	607	—	5,097
Modifications	—	(331)	(18)	—	(350)
Depreciation expense	(2,087)	(1,186)	(639)	(2)	(3,914)
Transfer to Assets held for sale	—	—	—	—	—
Translation Difference	—	(33)	—	—	(33)
At 31 December 2021	**96,290**	**3,848**	**1,169**	**—**	**101,307**

* 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	4,370	11,311	132,063	147,745
Lease liability – held for sale	—	—	—	—
As at 31 December 2022	**4,370**	**11,311**	**132,063**	**147,745**

In € thousand	Under 1 year	1 – 5 years	Over 5 years	Total
Lease liability	3,985	9,601	88,309	101,895
Lease liability – held for sale	—	—	—	—
As at 31 December 2021	**3,985**	**9,601**	**88,309**	**101,895**

6.2. The Group as a lessor

In € thousand Operating leases*	31 December 2022	31 December 2021
Repayable on demand, up to 1 year	393,594	328,367
2 to 5 years	1,025,344	833,079
Over 5 years	721,777	440,216
Total	**2,140,715**	**1,601,662**

* 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 2022, the Group has loans from Euro Vitus Private Limited, with an outstanding balance of €1,447,030 thousand (2021: €1,000,903 thousand) (see Note 5.15), of which €39,343 thousand (2021: €22,656 thousand) is accrued yield. 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, as of 31 December 2022, the Group accounted for guarantee fee for the year 2022 provided by related party Europe Realty Holdings Pte Ltd (for providing parental guarantee over the bank borrowings of the Group). The guarantee fee is amounting to €44,253 thousand (2021: €74,996 thousand). The total amount outstanding of €64,177 thousand (2021: €19,925 thousand) is presented under loans from related parties in Note 5.15.

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	2022	2021
Compensation of key management	5,095	6,818

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 0.3616% 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) are 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;
— Tax 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 5.19%, and the individual capital yields vary from 3.50% to 8.00% 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 2022 and 2021 if the yield is +/– 50 basis points and +/- 25 basis points (b.p.). Investment properties in Bulgaria and Serbia were not considered due to immateriality.

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)

In € thousand **Equivalent yield – sensitivity** **31 December 2021**	**-50b.p.**	**-25b.p.**	**+25b.p.**	**+50b.p.**
Czech Republic	174,753	82,670	(74,630)	(142,337)
Germany	328,437	153,766	(136,403)	(258,227)
France	32,597	15,235	(13,475)	(25,479)
Italy	80,287	37,407	(32,919)	(62,111)
Netherlands	48,125	22,603	(20,158)	(38,247)
Poland	68,351	32,611	(29,875)	(57,346)
Slovakia	42,716	20,324	(18,529)	(35,492)
Spain	98,922	46,534	(41,610)	(79,039)
Romania	21,266	10,199	(9,428)	(18,170)
Other	6,276	2,969	(2,682)	(5,115)
Total	**901,729**	**424,318**	**(379,709)**	**(721,562)**
Out of which				
Investment property under construction	79,700	37,468	(33,467)	(63,542)

Tables below shows the changes in fair value of investment properties as of 31 December 2022 and 2021 if the market rent is fluctuating between +8% to -8%.

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)

In € thousand Market rent sensitivity 31 December 2021	**+8%**	**+6%**	**+4%**	**+2%**	**-2%**	**-4%**	**-6%**	**-8%**
Czech Republic	122,774	92,081	61,387	30,694	(30,694)	(61,387)	(92,081)	(122,774)
Germany	193,276	144,957	96,638	48,319	(48,319)	(96,638)	(144,957)	(193,276)
France	18,668	14,001	9,334	4,667	(4,667)	(9,334)	(14,001)	(18,668)
Italy	43,899	32,924	21,949	10,975	(10,975)	(21,949)	(32,924)	(43,899)
Netherlands	29,816	22,362	14,908	7,454	(7,454)	(14,908)	(22,362)	(29,816)
Poland	56,986	42,740	28,493	14,247	(14,247)	(28,493)	(42,740)	(56,986)
Slovakia	33,578	25,184	16,789	8,395	(8,395)	(16,789)	(25,184)	(33,578)
Spain	62,919	47,189	31,459	15,730	(15,730)	(31,459)	(47,189)	(62,919)
Romania	19,965	14,974	9,983	4,991	(4,991)	(9,983)	(14,974)	(19,965)
Other	4,418	3,313	2,210	1,103	(1,103)	(2,210)	(3,313)	(4,418)
Total	**586,300**	**439,725**	**293,150**	**146,575**	**(146,575)**	**(293,150)**	**(439,725)**	**(586,300)**
Out of which								
Investment property under construction	50,147	37,611	25,074	12,537	(12,537)	(25,074)	(37,611)	(50,147)

We assume transaction costs to be 1%. If the assumption increases (decreases) by 50 basis points, the fair value of investment property decreases (increases) by €39,783 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 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 2022, 45% of outstanding external debt was fixed rate including 17% hedged with swaps (31 December 2021: 14% were hedged by caps). 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 €1.0 billion of bonds with fixed coupon, 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 2022		
EURIBOR	+10	5,308
EURIBOR	-10	(5,308)

In € thousand	Increase / (decrease) in basis points	Effect on profit
Year ended 31 December 2021		
EURIBOR	+10	3,050
EURIBOR	-10	(3,050)

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. For additional information about credit risk 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 minimizes 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.

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. Therefore, the Group did not recognise impairment as of December 2022 neither 2021.

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	2022	2021	2022	2021	2022	2021
Financial assets measured at fair value						
Derivatives (interest caps)	–	3	–	–	–	3
Derivatives (interest swaps)	74,262	–	–	–	74,262	–
Financial liability measured at fair value						
Derivatives (interest swaps)	–	–	–	–	–	–
Financial assets not measured at fair value						
Trade receivables	–	–	27,286	24,787	27,286	24,787
Other current assets	–	–	49,060	33,235	49,060	33,235
Prepayments	–	–	9,672	7,378	9,672	7,378
Restricted cash	–	–	971	2,297	971	2,297
Cash and cash equivalents	–	–	179,596	78,144	179,596	78,144

8.5. 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 sufficient 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.

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

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**

In € thousand 31 December 2021	Under 1 year	1 - 5 years	Over 5 years	Total
Non-derivative financial liabilities:				
Trade and other payables	669,002	61,033	88,309	818,343
Interest-bearing loans and borrowings*	1,350,547	2,313,571	1,020,827	4,684,945
Derivative financial instruments:				
Financial derivatives	—	—	—	—
Total	**2,019,549**	**2,374,603**	**1,109,136**	**5,503,288**

* Interest-bearing loans and borrowings include expected interest payments based on the maturity schedules. 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 €198,333 thousand (31 December 2021: €451,808 thousand).

8.6. 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 unamortized 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 of 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 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

In € thousand	Carrying amount				Fair value
31 December 2021	**Fair value – hedging instruments**	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Total**	
Financial assets measured at fair value					
Derivatives	3	–	–	3	3
Financial assets not measured at fair value					
Rent and other receivables	–	236,170	–	236,170	236,170
Cash and short-term deposits	–	80,441	–	80,441	80,441
Financial liabilities measured at fair value					
Derivatives	–	–	–	–	–
Financial liabilities not measured at fair value					
Bank borrowings	–	–	3,466,280	3,466,280	3,450,495
Shareholder borrowings	–	–	1,020,827	1,020,827	978,246
Deposits from tenants	–	–	17,386	17,386	17,386
Trade and other payables	–	–	349,150	349,150	349,150

8.7. Foreign currency risk

Approximately 63% of the Group's Investment property portfolio and operations are in the Eurozone, 21% in the Czech Republic, 11% 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
On 23 January 2023, the Group signed a € 450 million secured loan agreement, the proceeds of which are to be used to refinance a loan maturing in May 2023.

In March 2023 , the Group signed two unsecured loan agreements of in total €290 million, the proceeds of which are expected to refinance a €600 million loan maturing in January 2024.

Acquisitions and Disposals of assets
On 16 January 2023, the Group signed a sale and purchase agreement to dispose of land covering 250 thousand sqm in Germany for € 134.6 million. The transaction was closed on 2 March 2023.

On 6 February 2023, the Group signed a conditional sale and purchase agreement to acquire assets of 185.6 thousand sqm gross lettable area in Poland for €132.8 million, which was closed on 24 February 2023.

10. GROUP STRUCTURE

The following table outlines the list of consolidated entities as of 31 December 2022

Name of company	Function (code)	2022 Participation %	2021 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 Příšovice 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	100%	100%		CZK	Czech Republic
P3 France I a.s.	HC	100%	100%		CZK	Czech Republic
P3 Spain II s.r.o.	HC	100%	100%		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%	new 2021	CZK	Czech Republic
P3 Chomutov Park s.r.o.	AC	100%	100%	new 2021	CZK	Czech Republic
P3 Mýto D5 s.r.o.	AC	100%	100%	new 2021	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
Second Euro Industrial Properties - Bondoufle SAS	AC	100%	100%	merged to P3 Belgium HoldCo S.A. on 11/2022	EUR	France
Second Euro Industrial Properties - Eragny SAS	AC	100%	100%	merged to P3 Belgium HoldCo S.A. on 11/2022	EUR	France
SPV IBE	HC	100%	100%		EUR	France
P3 Montpellier	AC	100%	100%		EUR	France
P3 Rouen	AC	100%	100%	new 2021	EUR	France
P3 Seclin	AC	100%	100%	new 2021	EUR	France
P3 Denain SAS	AC	100%	100%	new 2021	EUR	France
P3 Laon SAS	AC	100%	100%	new 2021	EUR	France
P3 Prouvy SAS	AC	100%	0%	new 2022	EUR	France
P3 Saint-Sauveur SAS	AC	100%	0%	new 2022	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%	0%	new 2022	EUR	Germany
P3 Cologne III GmbH	AC	100%	100%	new 2021 (prior name LCN Real Estate 1 Germany GmbH)	EUR	Germany
P3 Logistic Parks GmbH	MC	100%	100%		EUR	Germany

Name of company	Function (code)	2022 Participation %	2021 Participation %	Comments	Functional Currency	Country
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%	0%	new 2022	EUR	Germany
Dietz Logistik 19. Grundbesitz GmbH	AC	100%	0%	new 2022	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%	new 2021	EUR	Italy
P3 Italy SPV I S.R.L.	AC	100%	100%	new 2021	EUR	Italy
P3 Italy SPV II S.R.L.	AC	100%	100%	new 2021	EUR	Italy
P3 Citadella S.R.L.	AC	100%	0%	new 2022	EUR	Italy
P3 Italy SPV III S.R.L.	AC	100%	0%	new 2022	EUR	Italy
P3 Italy SPV IV S.R.L.	AC	100%	0%	new 2022	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
AFD Le Pouzin A S.á r.l.	AC	100%	100%	merged to Second Euro Industrial Properties S.à r.l. on 12/2022	EUR	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	100%	100%		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	Germany
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	Slovak Republic
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
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

Name of company	Function (code)	2022 Participation %	2021 Participation %	Comments	Functional Currency	Country
P3 Spijkenisse S.á.r.l.	AC	100%	100%		EUR	Netherlands
P3 Antwerp S.á.r.l.	AC	100%	100%		EUR	Belgium
P3 Waalhaven S.á.r.l.	AC	100%	100%		EUR	Netherlands
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%	new 2021	EUR	Germany
P3 Schifferstadt S.á r.l.	AC	100%	100%	new 2021 (prior name P3 SPV III S.á.r.l.)	EUR	Germany
P3 Jade Weser Port S.á r.l.	AC	100%	100%	new 2021 (prior name P3 SPV IV S.á r.l.)	EUR	Germany
P3 Siegenburg S.á r.l.	AC	100%	100%	new 2021 (prior name P3 SPV V S.á r.l.)	EUR	Germany
P3 SPV VI S.á r.l.	AC	100%	100%	new 2021	EUR	Germany
P3 SPV VII S.á r.l.	shelf company	100%	0%	new 2022	EUR	Luxembourg
P3 SPV VIII S.á r.l.	shelf company	100%	0%	new 2022	EUR	Luxembourg
P3 SPV IX S.á r.l.	shelf company	100%	0%	new 2022	EUR	Luxembourg
P3 SPV X S.á r.l.	shelf company	100%	0%	new 2022	EUR	Luxembourg
P3 SPV XI S.á r.l.	shelf company	100%	0%	new 2022	EUR	Luxembourg
P3 SPV XII S.á r.l.	shelf company	100%	0%	new 2022	EUR	Luxembourg
P3 SPV XIII S.á r.l.	shelf company	100%	0%	new 2022	EUR	Luxembourg
P3 SPV XIV S.á r.l.	shelf company	100%	0%	new 2022	EUR	Luxembourg
P3 SPV XV S.á r.l.	shelf company	100%	0%	new 2022	EUR	Luxembourg
P3 SPV XVI S.á r.l.	shelf company	100%	0%	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

Name of company	Function (code)	2022 Participation %	2021 Participation %	Comments	Functional Currency	Country
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
P3 Broderstorf S.á r.l.	AC	100%	100%	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	Germany
P3 Urban HoldCo Holding I S.á r.l.	HC	100%	100%	Matrix (prior name Calisto Blue Holding 2 B.V.)	EUR	Germany
Second Euro Ridderkerk Real Estate B.V.	AC	100%	100%		EUR	Netherlands
Second Euro Westpoint Real Estate B.V.	AC	100%	100%	merged to Second Euro Netherlands Holding B.V. on 11/2022	EUR	Netherlands
Second Euro B+W Real Estate B.V.	AC	100%	100%		EUR	Netherlands
Second Euro Netherlands Holding B.V.	HC	100%	100%	merged to Second Euro Industrial Properties S.à r.l. on 12/2022	EUR	Netherlands
P3 Assen B.V.	AC	100%	0%	new 2022	EUR	Netherlands
P3 Deventer B.V.	AC	100%	0%	new 2022	EUR	Netherlands
P3 HoldCo IV PL I B.V.	HC	100%	100%		EUR	Poland
P3 HoldCo IV NL Support B.V.	HC	100%	100%		EUR	Netherlands
P3 HoldCo IV PL II B.V.	HC	100%	100%		EUR	Poland
P3 HoldCo IV DE I B.V.	HC	100%	100%		EUR	Germany
P3 HoldCo IV DE II B.V.	HC	100%	100%		EUR	Germany
P3 Logistic Parks B.V.	MC	100%	100%	new 2021	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%	new 2021	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 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%	0%	new 2022	RON	Romania
P3 Bucharest Lambda SRL	AC	100%	0%	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	100%	100%		EUR	Spain
P3 Spain Logistic Parks SOCIMI, S.A.U.	HC	100%	100%		EUR	Spain
P3 Villanueva Park, S.L.U.	AC	100%	100%		EUR	Spain
P3 Zaragoza Plaza Park, S.L.U.	AC	100%	100%		EUR	Spain
P3 Quer Park, S.L.U.	AC	100%	100%		EUR	Spain
P3 Seseña Park, S.L.U.	AC	100%	100%		EUR	Spain
P3 Massalaves Park, S.L.U.	AC	100%	100%		EUR	Spain
P3 CLA Park, S.L.U.	AC	100%	100%		EUR	Spain
P3 Loeches Park, S.L.U.	AC	100%	100%		EUR	Spain
P3 Toledo Benquerencia Park, S.L.U.	AC	100%	100%		EUR	Spain
P3 San Marcos Park, S.L.U.	AC	100%	100%		EUR	Spain
P3 Bilbao Park, S.L.U.	AC	100%	100%		EUR	Spain
P3 Villanueva Park Solar Electric, S.L.U.	AC	100%	100%		EUR	Spain

Name of company	Function (code)	2022 Participation %	2021 Participation %	Comments	Functional Currency	Country
P3 Getafe Los Olivos Park, S.L.U.	AC	100%	100%		EUR	Spain
P3 Illescas Park S.L.U.	AC	100%	100%		EUR	Spain
P3 Algemesi Park, S.L.U.	AC	100%	100%		EUR	Spain
P3 ILLESCAS LA SAGRA PARK, S.L.	AC	100%	100%		EUR	Spain
P3 Illescas Sky S.L.U.	AC	100%	100%		EUR	Spain
P3 Onda Park SL	AC	100%	100%		EUR	Spain
P3 Illescas SUR S.L.U.	AC	100%	100%	new 2021	EUR	Spain
P3 Torija Alfa Park, S.L.U.	AC	97.42%	97.42%	new 2021	EUR	Spain
P3 Torija Beta Park, S.L.U.	AC	97.42%	97.42%	new 2021	EUR	Spain
P3 Ontígola Park, S.L.U.	AC	97.42%	97.42%	new 2021	EUR	Spain
P3 Fontanar Park, S.L.U.	AC	97.42%	97.42%	new 2021	EUR	Spain
P3 Parets Park, S.L.U.	AC	97.42%	97.42%	new 2021	EUR	Spain
P3 Castellet Park, S.L.U.	AC	97.42%	97.42%	new 2021	EUR	Spain
P3 REUS PARK S.L.U.	AC	97.42%	0%	new 2022	EUR	Spain
P3 Logistic Parks Iberia S.L.U.	MC	100%	100%		EUR	Spain
P3 Belgium HoldCo S.A.	HC	100%	100%		EUR	Belgium
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	100%	100%		CZK	Czech Republic
P3 France I a.s.	HC	100%	100%		CZK	Czech Republic
P3 Spain II s.r.o.	HC	100%	100%		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%	new 2021	CZK	Czech Republic
P3 Chomutov Park s.r.o. – not used for project	AC	100%	100%	new 2021	CZK	Czech Republic
P3 Mýto D5 s.r.o.	AC	100%	100%	new 2021	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 - Bondoufle SAS	AC	100%	100%		EUR	France
Second Euro Industrial Properties - Bretigny SAS	AC	100%	100%		EUR	France
Second Euro Industrial Properties - Eragny 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%	new 2021	EUR	France
P3 Seclin	AC	100%	100%	new 2021	EUR	France
P3 Denain SAS	AC	100%	100%	new 2021	EUR	France
P3 Laon SAS	AC	100%	100%	new 2021	EUR	France
P3 Hardivillers SAS	AC	100%	100%	new 2022	EUR	France
P3 Saint-Sauveur SAS	AC	100%	100%	new 2022	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

Name of company	Function (code)	2022 Participation %	2021 Participation %	Comments	Functional Currency	Country
Euro First Industrial Properties GmbH	HC	100%	100%		EUR	Germany
FE IPF Kamen Betriebsgesellschaft GmbH	HC	100%	100%		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
LCN Real Estate 1 Germany GmbH	AC	100%	100%	new 2021	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 Straubing GmbH	AC	100%	0%	New 2022	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%	new 2021	EUR	Italy
P3 Italy SPV I S.R.L.	AC	100%	100%	new 2021	EUR	Italy
P3 Italy SPV II S.R.L.	AC	100%	100%	new 2021	EUR	Italy
P3 Citadella S.R.L.	AC	100%	100%	new 2022	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%		EUR	Luxembourg
P3 Logistic Parks S.à r.l.	MC	100%	100%		EUR	Luxembourg
Point Parks Bulgaria S.à.r.l.	HC	100%	100%		EUR	Luxembourg
AFD Saint Martin C S.á r.l.	AC	100%	100%		EUR	France
AFD Rivesaltes A S.á r.l.	AC	100%	100%		EUR	France
AFD Le Pouzin A S.á r.l.	AC	100%	100%		EUR	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.àr.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	100%	100%		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	Germany
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	Slovak Republic
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
P3 HoldCo IV LUX S.á.r.l.	HC	100%	100%		EUR	Luxembourg
P3 Reichenbach S.á.r.l.	AC	100%	100%		EUR	Germany

Name of company	Function (code)	2022 Participation %	2021 Participation %	Comments	Functional Currency	Country
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 Antwerp S.á.r.l.	AC	100%	100%		EUR	Belgium
P3 Waalhaven S.á.r.l.	AC	100%	100%		EUR	Netherlands
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	Austria
P3 Echt S.á.r.l.	AC	100%	100%		EUR	Netherlands
P3 Ansbach S.á.r.l.	AC	100%	100%		EUR	Germany
Second Euro Ridderkerk Real Estate B.V.	AC	100%	100%		EUR	Netherlands
Second Euro Westpoint Real Estate B.V.	AC	100%	100%		EUR	Netherlands
Second Euro B+W Real Estate B.V.	AC	100%	100%		EUR	Netherlands
P3 Roosendaal B.V.	AC	100%	100%		EUR	Netherlands
Second Euro Netherlands Holding B.V.	HC	100%	100%		EUR	Netherlands
P3 Assen B.V.	AC	100%	0%	new 2022	EUR	Netherlands
P3 Deventer B.V.	AC	100%	0%	new 2022	EUR	Netherlands
P3 HoldCo IV PL I B.V.	HC	100%	100%		PLN	Poland
P3 HoldCo IV NL Support B.V.	HC	100%	100%		EUR	Netherlands
P3 HoldCo IV PL II B.V.	HC	100%	100%		PLN	Poland
P3 HoldCo IV DE I B.V.	HC	100%	100%		EUR	Germany
P3 HoldCo IV DE II B.V.	HC	100%	100%		EUR	Germany
P3 Logistic Parks B.V.	MC	100%	100%	new 2021	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%	new 2021	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 Bucharest Alpha S.A.	AC	100%	100%		RON	Romania
P3 Bucharest Beta S.A.	AC	100%	100%		RON	Romania
P3 Bucharest Gamma S.A.	AC	100%	100%		RON	Romania
P3 Bucharest Delta S.A.	AC	100%	100%		RON	Romania
P3 Bucharest Infrastructura S.A.	AC	100%	100%		RON	Romania
P3 Bucharest Lambda S.A.	AC	100%	0%	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 Logistic Parks Slovakia s.r.o.	MC	100%	100%		EUR	Slovak Republic
3 Senec I s.r.o.	AC	100%	100%		EUR	Slovak Republic
P3 Senec II s.r.o.	AC	100%	100%		EUR	Slovak Republic
P3 Abrera Park S.L.	AC	97.24%	97.42%		EUR	Spain
P3 Spain Logistic Parks SOCIMI, S.A.U.	HC	97.24%	97.42%		EUR	Spain
P3 Villanueva Park, S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 Zaragoza Plaza Park, S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 Quer Park, S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 Seseña Park, S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 Massalaves Park, S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 CLA Park, S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 Loeches Park, S.L.U.	AC	97.24%	97.42%		EUR	Spain

Name of company	Function (code)	2022 Participation %	2021 Participation %	Comments	Functional Currency	Country
P3 Toledo Benquerencia Park, S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 San Marcos Park, S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 Bilbao Park, S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 Villanueva Park Solar Electric, S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 Getafe Los Olivos Park, S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 Illescas Park S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 Algemesi Park, S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 ILLESCAS LA SAGRA PARK, S.L.	AC	97.24%	97.42%		EUR	Spain
P3 Illescas Sky S.L.U.	AC	97.24%	97.42%		EUR	Spain
P3 Onda Park SL	AC	97.24%	100%		EUR	Spain
P3 Illescas SUR S.L.U.	AC	97.24%	100%	new 2021	EUR	Spain
P3 Torija Alfa Park, S.L.U.	AC	97.24%	97.42%	new 2021	EUR	Spain
P3 Torija Beta Park, S.L.U.	AC	97.24%	97.42%	new 2021	EUR	Spain
P3 Ontígola Park, S.L.U.	AC	97.24%	97.42%	new 2021	EUR	Spain
P3 Fontanar Park, S.L.U.	AC	97.24%	97.42%	new 2021	EUR	Spain
P3 Parets Park, S.L.U.	AC	97.24%	97.42%	new 2021	EUR	Spain
P3 Castellet Park, S.L.U.	AC	97.24%	97.42%	new 2021	EUR	Spain
P3 REUS PARK S.L.U.	AC	97.24%	0%	new 2022	EUR	Spain
P3 Logistic Parks Iberia S.L.U.	MC	100%	100%		EUR	Spain

Legend:

HC Holding company

AC Asset company

IC Infrastructure company

MC Management Company

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