P3 Group S.àr.l.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024


P3 Prague D11, Czechia

Board of Managers Report

For the period 1 January 2024 to 30 June 2024

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.

INTERIM FINANCIAL STATEMENTS

The Group prepared condensed consolidated interim financial statements in accordance with the same closing procedures performed for the interim periods as those performed regularly at year-end, except for taxation where the taxes are calculated based on the effective tax rates derived from the prior year-end period. For the comparative figures, the Group closed the books and prepared interim financial statements on the same basis as those prepared at the year-end. Valuations of the investment properties for both interim periods were performed by external independent appraiser.

ACTIVITIES AND REVIEW OF INVESTMENT AND DEVELOPMENT

The Company was incorporated on 27 August 2013. Since then, the Group has expanded across different European countries and as of 30 June 2024 operated in Germany, Czechia, Poland, Spain, Italy, France, Slovakia, Romania, the Netherlands, Austria and Luxembourg and provides asset management services on assets in United Kingdom, owned by related party (as defined in Note 6).

During the first six months of 2024, the Group completed 11 development projects adding an additional 308 thousand sqm to the portfolio and purchased 247 thousand sqm of land for further development with 125 thousand sqm GLA potential in Poland and Italy. During 2024 the Group closed also 4 forward funding transactions in The Netherlands and Spain, whose were already put under construction.

With regards to the investment activity in the first six months of 2024 the Group completed 2 asset acquisitions (in Czech Republic and Germany) adding 168 thousand sqm to the portfolio.

During the first six months of 2024, the Group has disposed 5 thousand sqm of non-strategically located land in Czech Republic.

FINANCING ACTIVITIES

Besides cash from operations the Group has funded its activities through external debt, equity and shareholder loans. External debt consists of unsecured bonds and unsecured and secured bank loans. According to the financing strategy adopted in 2021, financing is non-recourse to the shareholder, and during the reporting period the last bank loan guaranteed by the shareholder was repaid. Main financing activities are summarized below:

- A €5.0 billion Euro Medium Term Note ("EMTN") program is in place since January 2022, listed on the Luxembourg Stock Exchange.
- The Group has a BBB credit rating with stable outlook assigned by Standard & Poor's.
- The Group LTV as of 30 June 2024 was at 46.3%, below the financing policy target of <47.5%.
- In January 2024 the Group published an updated version of the Green Financing Framework along with a Second Opinion by Sustainalytics. In March the Green Financing and Impact report for 2023 was published.
- During the first 6 months of 2024 the Group has signed €1.1 billion new external debt, raised approximately €1.3 billion new external debt and repaid €1.1 billion of external debt resulting to gross debt increase of approximately €200 million, as it is in detail summarized below:
  - In January a €100 million unsecured bilateral floating rate term loan was drawn. The loan was swapped to fixed rate with an interest rate swap. The facility was signed in December.
  - In February the Group issued a 6-year €600 million Green Bond at a fixed coupon of 4.625% under the EMTN program. The notes are rated BBB and traded on the Luxembourg exchange. Demand was very strong, and issuance was 5 times oversubscribed with an order book of around €3 billion. Proceeds were used to repay the last outstanding €600 million loan guaranteed by the shareholder maturing in January 2025. As a result, the average duration of the Groups debt portfolio was extended significantly, and the next major debt maturity is in January 2026.
  - In April a €100 million a approximately 4-year unsecured bilateral Revolving Credit Facility was signed. The loan remains undrawn and provides additional committed liquidity buffer for the Group.
  - In May a €50 million a 6.5-year unsecured bilateral fixed rate term loan was signed and drawn.
  - In May a €350 million 7-year secured bilateral fixed rate term loan was signed. At the end of the reporting period, €302 million has been drawn, with €48 million remaining to be drawn of the uncommitted loan. Proceeds were used, together with other funds, to fully repay a €450 million secured loan maturing in May 2026, in order to lower the cost of funding and extend the average duration.
  - In addition to external debt, during first half of 2024, the Group also drew down €100 million of shareholder loan to finance new acquisitions.

The Group experienced no liquidity constraints during the first 6 months of 2024 and has a substantial liquidity buffer.

In total €600 million remains available under the committed facilities, ensuring substantial and flexible liquidity for the Group, as funds can be drawn at a very short notice. €250 million of the syndicated unsecured committed €750 million revolving credit facility ("RCF") was drawn as of 30 June 2024 and a new €100 million committed bilateral RCF was signed in April and remains undrawn. In addition, the Group has €101.6 million cash and in addition €47 million unutilized cash pool overdraft limits.

FINANCIAL RESULTS

For the first six months of 2024, the Group generated net operating income of €237.2 million. The operating result was a profit of €222.0 million and profit before tax was €110.7 million. The result is primarily impacted by an increase in the net rental revenue and by financial costs of €116.8 million. Increase in the market value of investment properties and development land resulted in a revaluation gain of €14.5 million.

PROPERTY PORTFOLIO

As of 30 June 2024, the Group owned 353 yielding assets, 3.7 million sqm of land for further development and additional 19 assets under construction, all together valued at €9.363 million as "Total property value" reconciled per Note 5.3 (including asset held for sale as per Note 5.17). The Group's yielding assets are diversified across 10 European countries comprising 8.9 million sqm lettable space and further 789 thousand sqm lettable space under construction.

RESEARCH AND DEVELOPMENT

The Group was not active in research and development.

PURCHASE OF OWN SHARES

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

SUMMARY AND OUTLOOK

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

RISK MANAGEMENT

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

Management of real estate market risks is one of the core competencies of the Group. Equally essential is the management of key financial risks. The Group's management of these risks is described in Note 7.

SUBSEQUENT EVENTS

Financing activities

In August 2024, a €100 million 5-year senior unsecured bilateral Revolving Credit Facility was signed. The loan is undrawn and provides additional committed liquidity buffer for the Group.

In September 2024, the Group drew down a €100 million shareholder loan to partly finance new acquisitions.

Acquisitions and Disposals of assets

On February 2024 P3 signed a preliminary purchase agreement to acquire a land plot in Manresa (Spain) with potential GLA amounting to 50 thousand sqm for a total price of €9.7 million. On 2 July 2024, the acquisition of the referred land was completed.

On 5 June 2024, a preliminary agreement was signed to purchase a portfolio of 12 assets in Southern Germany, with a volume of circa 270 thousand sqm of GLA and a total purchase price of €309 million. The acquisition was closed according to the fulfilment of the condition precedents, starting on 3 July 2024 and ending on 31 July 2024.

On 18 July 2024, a sale agreement for disposal of one property in the Czech Republic was signed, with expected selling price of €12.4 million.

Luxembourg, 5 September 2024

Mr. Frank Pörschke
Management Board member

Mr. Tay Lim Hock
Management Board member

Building a better working world

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Report on review of interim condensed consolidated financial statements

To the Board of Directors of P3 Group S.à r.l.,

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of P3 Group S.à r.l. as of 30 June 2024, which comprise the condensed consolidated interim statement of financial position as at 30 June 2024 and the related condensed consolidated interim statement of profit and loss and other comprehensive income, the condensed consolidated interim statement of changes in equity, the condensed consolidated interim statement of cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as adopted by the European Union (“IAS 34”). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Jesus Orozco

Luxembourg, 5 September 2024

A member firm of Ernst & Young Global Limited

P3 Prague D11, Czechia

Condensed consolidated interim statement of profit or loss and other comprehensive income

For the six months ended

In € thousand	Note	30 June 2024	30 June 2023
Net rental income		240,603	208,301
Service charges		40,326	33,123
Net rental revenue	**4.1**	**280,929**	**241,424**
Property operating expenses	4.2	(43,768)	(36,498)
Net operating income		**237,161**	**204,926**
Net gains/(losses) from fair value adjustments on investment property	4.4	14,498	(269,723)
Gain/(loss) on disposal of investment property	4.5	2,914	12,495
Other income and expense, net	4.6	570	(1,805)
Administrative expenses	4.3	(28,977)	(28,925)
Depreciation and amortisation		(4,169)	(3,474)
Operating profit/(loss)		**221,997**	**(86,506)**
Financial income	4.7	5,471	8,889
Shareholder financing costs	4.8	(32,103)	(31,817)
External and other financial costs	4.8	(84,670)	(60,761)
Profit/(Loss) before tax		**110,695**	**(170,195)**
Current income tax expense	4.9	(7,604)	(9,305)
Deferred income tax expense	4.9	(31,378)	40,138
Profit/(Loss) for the period		**71,713**	**(139,362)**
Other comprehensive income which will be subsequently reclassified to profit or loss:			
Net gain/(loss) on cash flow hedges	5.11	15,342	41,832
Related tax		(3,460)	(8,404)
Foreign currency translation adjustment		(10,069)	35,877
Total comprehensive income for the period		**73,526**	**(70,057)**
Profit/(Loss) attributable to:			
Non-controlling interests		—	305
Owners of the Group		71,713	(139,667)
Profit/(Loss) for the period		**71,713**	**(139,362)**
Total comprehensive income attributable to:			
Non-controlling interests		—	390
Owners of the Group		73,526	(70,447)
Total comprehensive income for the period		**73,526**	**(70,057)**

The accompanying Notes form an integral part of these condensed consolidated interim financial statements.
The condensed consolidated interim financial statements were approved by the Board of Managers on the 5 September 2024 and were signed on their behalf by:

Mr. Frank Pörschke
Management Board member

Mr. Tay Lim Hock
Management Board member

Condensed consolidated interim statement of financial position

In € thousand	Note	30 June 2024	31 December 2023
Assets			
Investment property	5.1	9,060,926	8,495,635
Investment property under construction	5.2	374,940	440,417
Property, plant and equipment		3,611	3,626
Right-of-use assets		6,261	6,875
Intangible assets		7,010	7,400
Derivative financial instruments	5.4	26,526	19,059
Deferred tax assets		15,632	18,849
Non-current restricted cash	5.10	446	470
Other non-current assets	5.5	137,675	99,762
Total non-current assets		**9,633,027**	**9,092,093**
Trade receivables	5.6	44,530	34,815
Tax receivables	5.9	96,248	99,326
Other current assets	5.7	47,515	47,434
Prepayments	5.8	12,671	12,945
Derivative financial instruments	5.4	328	559
Cash and cash equivalents	5.10	101,568	59,822
		302,860	**254,901**
Assets held for sale	5.17	25,010	163,906
Total current assets		**327,870**	**418,807**
TOTAL ASSETS		**9,960,897**	**9,510,900**
Equity			
Issued share capital	5.11	365	365
Share premium	5.11	3,816	3,816
Other capital funds	5.11	713,020	713,020
Other reserve	5.11	73,667	62,152
Retained earnings	5.11	1,735,664	1,662,595
Translation reserve	5.11	66,356	76,058
Equity attributable to owners of the Company		**2,592,888**	**2,518,006**
Non-controlling interest (NCI)	5.11	—	4,518
Total equity		**2,592,888**	**2,522,524**
Liabilities			
Shareholder borrowings	5.12	1,984,531	1,852,429
Bank long-term borrowings	5.12	2,758,538	3,157,059
Long-term bonds	5.12	1,591,852	994,716
Derivative financial instruments	5.4	2,875	14,301
Deferred tax liabilities		529,110	503,049
Long-term payables	5.13	204,210	199,701
Total non-current liabilities		**7,071,116**	**6,721,255**
Bank short-term borrowings	5.12	70,677	65,949
Short-term bonds	5.12	12,723	9,459
Trade payables	5.14	46,761	28,625
Accruals		70,149	69,007
Deferred income		40,492	37,998
Tax liabilities	5.15	25,315	32,673
Other payables	5.16	26,718	23,410
		292,835	**267,121**
Liabilities directly associated with assets held for sale	5.17	4,058	—
Total current liabilities		**296,893**	**267,121**
TOTAL EQUITY AND LIABILITIES		**9,960,897**	**9,510,900**

The accompanying Notes form an integral part of these condensed consolidated interim financial statements.
The condensed consolidated interim financial statements were approved by the Board of Managers on the 5 September 2024 and were signed on their behalf by:

Mr. Frank Pörschke
Management Board member

Mr. Tay Lim Hock
Management Board member

P3 Group S.àr.l.

Condensed consolidated interim statement of changes in equity

For the six months ended

€ 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 2024		**365**	**3,816**	**713,020**	**62,152**	**1,662,595**	**76,058**	**4,518**	**2,522,524**
Transaction with owners in their capacity as owners									
Contribution to other capital funds	5.11	—	—	—	—	—	—	—	—
Allocation to reserve fund		—	—	—	—	—	—	—	—
Total balance after contributions		**365**	**3,816**	**713,020**	**62,152**	**1,662,595**	**76,058**	**4,518**	**2,522,524**
Profit for the period		—	—	—	—	71,713	—	—	71,713
Reclassification and corrections		—	—	—	—	(1)	—	1	—
Non-controlling interest – shares buy-back	5.11	—	—	—	—	1,357	—	(4,519)	(3,162)
Other comprehensive income	5.11	—	—	—	11,515	—	(9,702)	—	1,813
Balance at 30 June 2024		**365**	**3,816**	**713,020**	**73,667**	**1,735,664**	**66,356**	**—**	**2,592,888**

In € thousand	Note	Issued share capital	Share premium	Other capital funds	Other reserve	Retained earnings	Translation reserve	Non-controlling interest	Total equity
Balance at 1 January 2023		**365**	**3,816**	**712,849**	**90,494**	**1,822,297**	**39,344**	**3,386**	**2,672,551**
Transaction with owners in their capacity as owners									
Contribution to other capital funds	5.11	—	—	—	—	—	—	—	—
Allocation to reserve fund		—	—	—	—	—	—	—	—
Total balance after contributions		**365**	**3,816**	**712,849**	**90,494**	**1,822,297**	**39,344**	**3,386**	**2,672,551**
Loss for the period		—	—	—	—	(139,752)	—	390	(139,362)
Reclassification and corrections		—	—	1	—	(8)	—	1	(6)
Non-controlling interest – profit allocation	5.11	—	—	—	—	—	—	(184)	(184)
Other comprehensive income	5.11	—	—	—	33,428	—	35,877	—	69,305
Balance at 30 June 2023		**365**	**3,816**	**712,850**	**123,922**	**1,682,537**	**75,221**	**3,593**	**2,602,304**

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

P3 Group S.àr.l.

Condensed consolidated interim cash flow statement

For the six months ended

In € thousand	Note	30 June 2024	30 June 2023
Cash flows from operating activities			
Profit before taxation		110,695	(170,195)
Adjustment for:			
Depreciation and amortisation		4,169	3,474
Valuation net (gains) /losses on investment property	4.4	(14,498)	269,723
Valuation net (gains) /losses on derivatives	4.7	(2,844)	(966)
Shareholder financing costs	4.8	32,103	31,817
Interest and other financial expense	4.8	74,176	55,471
(Profit) / loss on disposal of PPE /investment property	4.5	(2,914)	(12,495)
Other non-cash items		8,228	(11,352)
Foreign exchange differences		3,655	(8,565)
Operating cash flows before working capital changes		**212,770**	**156,912**
Decrease / (increase) in trade and other receivables		(26,902)	(5,893)
Decrease / (increase) in prepayments		190	(12,209)
(Decrease) / increase in trade and other payables		3,364	(6,782)
(Decrease) / increase in accrued expenditure		(8,439)	(5,801)
Cash generated from operations		**180,983**	**126,227**
Interest paid	5.12	(72,246)	(55,684)
Taxes paid		(12,431)	(7,988)
Net cash generated from operating activities		**96,306**	**62,555**
Cash flows from investing activities			
Acquisition of investment property and subsequent expenditure		(342,553)	(367,738)
Acquisition of tangible, intangible fixed assets and leased assets		(838)	(189)
Decrease / (increase) in restricted cash	5.10	24	(620)
Proceeds from disposal of Investment Property and PPE	4.5	208	190,783
Net cash used in investing activities		**(343,159)**	**(177,764)**
Cash flow from financing activities			
Proceeds from shareholder borrowings	5.12	100,000	—
Proceeds from bank borrowings	5.12	702,000	1,250,000
Repayment of bank borrowings	5.12	(1,100,000)	(1,210,000)
Proceeds from bond issuance	5.12	600,000	—
Payment of transaction costs related to borrowings		(10,124)	(9,107)
Repayment of lease liabilities	5.12	(3,277)	(2,382)
Net cash generated from financing activities		**288,599**	**28,511**
Net increase / (decrease) in cash and cash equivalents		**41,746**	**(86,698)**
Foreign exchange differences		—	—
Cash and cash equivalents at the beginning of the period		**59,822**	**179,596**
Cash and cash equivalents at the end of the period	5.10	**101,568**	**92,898**

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

Notes to the Condensed Consolidated Interim 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 sole owner of the Group. The Company's registered address is 13-15, Avenue de la Liberté, Luxembourg.

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

MANAGEMENT BOARD

as at 30 June 2024:	as at 31 December 2023
Mr. Tay Lim Hock	Mr. Tay Lim Hock
Mr. Christopher Paul Jenner	Mr. Christopher Paul Jenner
Mr. Michael Robert Kidd	Mr. Michael Robert Kidd
Mr. Mike McKeon	Mr. Mike McKeon
Mr. Frank Pörschke	Mr. Frank Pörschke
Mrs. Tracy Stroh	Mrs. Tracy Stroh
Mr. Adnane Zahrane	Mr. Adnane Zahrane
Mr. Henri Ost-Duchateau	Mr. Henri Ost-Duchateau

EMPLOYEES
The Group had 267 average full-time equivalent employees for the 6-month period ended 30 June 2024 (31 December 2023: 263 average full-time equivalent employees).
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. These condensed consolidated interim financial statements were prepared for the 6-month period ended 30 June 2024.

CONSOLIDATION GROUP
The Group prepares the condensed consolidated interim financial statements at the level of P3 Group S.àr.l. located in Luxembourg. The condensed consolidated interim financial statements are available at the seat of this company.

The Group is subsequently consolidated on GIC (Realty) Private Limited's level, ultimate parent entity, using fair value method.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1. Basis of preparation of condensed consolidated interim financial statements

A) STATEMENT OF COMPLIANCE
These condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2023 ("last annual financial statements"). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are material to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The condensed consolidated interim financial statements were authorized for issue by the Board of Managers on 5 September 2024.

B) BASIS OF MEASUREMENT
The condensed consolidated interim financial statements have been prepared on a historical cost basis except for the following material items in the condensed consolidated interim statement of financial position, which are measured as indicated below at each reporting date:
— 'Investment property' and 'Investment property under construction' are measured at fair value;
— 'Investment property - right-of-use assets' are measured at fair value;
— 'Derivative financial instruments' are measured at fair value; and
— 'Disposal groups held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and investment property within the disposal groups are measured at fair value.

C) GOING CONCERN
The condensed consolidated interim 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 positive net working capital of €10.0 million as of 30 June 2024. Based on the available types of funding mentioned below, there are sufficient resources to fund operations, new development and growth of the Group.

Availability of bank funding
The Group has committed credit lines of €850 million that provides substantial and flexible liquidity, which can be drawn at a very short notice. Major part of the revolving credit facility will be matured in December 2028. €250 million was drawn at the end of June 2024. In addition, the Group had €101.6 million in cash and additional available total cash pool overdraft limits of €47 million. See note 5.12 for further details.

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

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

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

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

E) CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS
The preparation of condensed consolidated interim 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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

The policy for recognizing and measuring income taxes in the interim period is based on an effective income tax rate taken from the previous year as described in the Note 4.9.

2.2. New accounting policy and changes in presentation

Except as described below, the accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS IFRS
The Group has not adopted early any standard, interpretation or amendment that has been issued but is not effective yet. Several amendments apply for the first time in 2024, but do not have an impact on the condensed consolidated interim financial statements of the Group.
For the preparation of these condensed consolidated interim financial statements, the following new or amended standards and interpretations are mandatory for the first time for the financial year beginning on 1 January 2024 (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 impact of each new standard/amendment is described below.

Changes in accounting policies and accounting pronouncements adopted since 1 January 2024
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial instruments: Disclosures: Supplier Finance Arrangements

The management has assessed and determined that the above amendments have no material impact on the Group's condensed consolidated interim 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 30 June 2024 which the Group has not applied in preparing these condensed consolidated interim financial statements. Of these pronouncements, potentially the following will be relevant for the Group and the Group plans to adopt these pronouncements once 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 condensed consolidated interim financial statements.

Not yet effective and not yet endorsed by the EU:
- Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Cost Method (Amendments to IAS 7
- Annual Improvements to IFRS Accounting Standards—Introduction and Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Determination of a 'De Facto Agent' (Amendments to IFRS 10)
- Annual Improvements to IFRS Accounting Standards—Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Gain or Loss on Derecognition (Amendments to IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Hedge Accounting by a First-time Adopter (Amendments to IFRS 1)
- Annual Improvements to IFRS Accounting Standards—Derecognition of Lease Liabilities (Amendments to IFRS 9)
- Annual Improvements to IFRS Accounting Standards—Transaction Price (Amendments to IFRS 9)
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

2.3. Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market considering the highest and best use of an asset or non-performance risk related to a liability, at the measurement date.

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

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

I. INVESTMENT PROPERTY AND INVESTMENT PROPERTY UNDER CONSTRUCTION

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

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

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

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

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

II. DERIVATIVE FINANCIAL INSTRUMENTS

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

III. ASSETS AND LIABILITIES HELD FOR SALE

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

2.4. Recurring EBITDA

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

Reconciliation of recurring EBITDA to operating profit:

For the six months ended In € thousand	Note	30 June 2024	30 June 2023
Net rental income		240,603	208,301
Service charges		40,326	33,123
Net rental revenue	**4.1**	**280,929**	**241,424**
Property operating expenses	4.2	(43,768)	(36,498)
Net operating income		**237,161**	**204,926**
Administrative expenses	4.3	(28,977)	(28,925)
Recurring EBITDA		**208,184**	**176,001**
Recurring EBITDA to net rental income margin		86.5%	84.5%
Net gains/(losses) from fair value adjustments on investment property	4.4	14,498	(269,723)
Disposal of investment property	4.5	2,914	12,495
Other income or expense, net	4.6	570	(1,805)
Depreciation and amortisation		(4,169)	(3,474)
Operating profit		**221,997**	**(86,506)**

3. SEGMENTAL ANALYSIS

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

For the first 6 months in 2024, no tenant represented more than 10% of the Group's rental revenue from investment property.

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

Segmental analysis for the six months period ended 30 June 2024

In € thousand	Czech Rep	France	Germany	Italy	Netherlands	Poland	Romania	Slovakia	Spain	Other**	Mgmt. / Hold	Eliminations	Total
Condensed consolidated interim statement of profit or loss for the six months ended 30 June 2024													
Net rental revenue*	54,157	18,062	82,940	19,236	13,262	40,633	12,070	16,237	23,384	1,238	–	(290)	**280,929**
Property operating expenses	(7,899)	(3,475)	(8,926)	(2,660)	(1,567)	(15,151)	(3,160)	(3,687)	(926)	(55)	(7)	3,745	**(43,768)**
Net operating income	**46,258**	**14,587**	**74,014**	**16,576**	**11,695**	**25,482**	**8,910**	**12,550**	**22,458**	**1,183**	**(7)**	**3,455**	**237,161**
Net gains from fair value adjustments on investment property	52,489	7,016	(49,458)	24,178	3,870	(10,577)	(2,272)	3,939	(8,305)	(6,382)	–	–	**14,498**
Disposal of assets	68	–	–	–	–	–	–	–	–	–	2,846	–	**2,914**
Other income/Other expense	3	206	846	(85)	(74)	(65)	(11)	55	121	(1,059)	28,675	(28,042)	**570**
Administrative expenses	(5,355)	(1,674)	(9,050)	(2,040)	(1,624)	(3,894)	(975)	(1,417)	(2,648)	3,362	(26,536)	22,874	**(28,977)**
Depreciation and amortisation	–	(146)	(1,417)	–	–	(159)	(47)	–	–	–	(2,400)	–	**(4,169)**
Operating profit	**93,463**	**19,989**	**14,935**	**38,629**	**13,867**	**10,787**	**5,605**	**15,127**	**11,626**	**(2,896)**	**2,578**	**(1,713)**	**221,997**
Financial income	286	422	475	75	60	2,243	17	66	357	–	175,173	(173,703)	**5,471**
Shareholder financing costs	–	–	–	–	–	–	–	–	–	–	(32,103)	–	**(32,103)**
External and other financial costs	(9,421)	(5,914)	(24,311)	(5,984)	(4,468)	(12,983)	(3,297)	(2,231)	(9,268)	3,628	(171,987)	161,566	**(84,670)**
Profit before tax	**84,328**	**14,497**	**(8,901)**	**32,720**	**9,459**	**47**	**2,325**	**12,962**	**2,715**	**732**	**(26,339)**	**(13,850)**	**110,695**
Income tax expense	(17,660)	(3,243)	(3,961)	(7,499)	(2,052)	(599)	(416)	(2,900)	(97)	(425)	(130)	–	**(38,982)**
Profit for the period	**66,668**	**11,254**	**(12,862)**	**25,221**	**7,407**	**(552)**	**1,909**	**10,062**	**2,618**	**307**	**(26,469)**	**(13,850)**	**71,713**
Condensed consolidated interim statement of financial position as at 30 June 2024													
Investment property	1,774,870	565,109	3,029,586	657,903	428,181	1,159,327	251,953	419,671	812,132	45,602	–	(83,408)	**9,060,926**
Investment property under construction	52,289	–	–	47,034	84,048	149,756	–	–	44,901	–	–	(3,088)	**374,940**
Other assets	78,512	88,645	167,687	68,135	42,023	63,616	13,065	19,389	70,710	816	15,102,677	(15,190,244)	**525,031**
Total assets	**1,905,671**	**653,754**	**3,197,273**	**773,072**	**554,252**	**1,372,699**	**265,018**	**439,060**	**927,743**	**46,418**	**15,102,677**	**(15,276,740)**	**9,960,897**
Borrowings	623,943	381,086	1,699,273	343,139	404,626	839,457	164,316	156,430	475,560	30,601	12,295,634	(10,995,744)	**6,418,321**
Other liabilities	258,781	68,206	298,599	49,158	40,311	134,304	14,019	50,354	59,635	1,263	103,748	(128,690)	**949,688**
Total liabilities	**882,724**	**449,292**	**1,997,872**	**392,297**	**444,937**	**973,761**	**178,335**	**206,784**	**535,195**	**31,864**	**12,399,382**	**(11,124,434)**	**7,368,009**
Equity	**1,022,947**	**204,462**	**1,199,401**	**380,775**	**109,315**	**398,938**	**86,683**	**232,276**	**392,548**	**14,554**	**2,703,295**	**(4,152,306)**	**2,592,888**

Segmental analysis for the six months period ended 30 June 2023

In € thousand	Czech Rep	France	Germany	Italy	Netherlands	Poland	Romania	Slovakia	Spain	Other**	Mgmt. / Hold	Eliminations	Total
Condensed consolidated interim statement of profit or loss for the six months ended 30 June 2023													
Net rental revenue*	49,315	11,066	70,292	19,057	12,903	29,518	11,073	14,377	21,526	2,608	–	(311)	**241,424**
Property operating expenses	(6,287)	(2,672)	(6,708)	(4,794)	(1,637)	(10,139)	(2,670)	(3,619)	(990)	(210)	(6)	3,234	**(36,498)**
Net operating income	**43,028**	**8,394**	**63,584**	**14,263**	**11,266**	**19,379**	**8,403**	**10,758**	**20,536**	**2,398**	**(6)**	**2,923**	**204,926**
Net gains from fair value adjustments on investment property	(51,870)	(16,621)	(99,988)	(17,083)	(3,472)	(67,433)	(291)	(4,635)	(5,756)	(2,574)	–	–	**(269,723)**
Disposal of assets	–	–	11,674	–	–	(202)	(35)	–	–	–	79	979	**12,495**
Other income/Other expense	69	22	(1,641)	12	(2)	(191)	(203)	(5)	85	(3,298)	29,255	(25,908)	**(1,805)**
Administrative expenses	(5,231)	(1,165)	(8,453)	(1,923)	(1,272)	(2,763)	(962)	(1,298)	(2,542)	2,729	(24,499)	18,454	**(28,925)**
Depreciation and amortisation	–	(45)	(1,378)	–	–	(94)	(48)	–	–	–	(1,909)	–	**(3,474)**
Operating profit	**(14,004)**	**(9,415)**	**(36,202)**	**(4,731)**	**6,520**	**(51,304)**	**6,864**	**4,820**	**12,323**	**(745)**	**2,920**	**(3,552)**	**(86,506)**
Financial income	1,805	503	32	2	–	6,710	(246)	–	966	–	160,787	(161,670)	**8,889**
Shareholder financing costs	–	–	–	–	–	–	–	–	–	–	(31,817)	–	**(31,817)**
External and other financial costs	(8,851)	(4,797)	(16,687)	(5,669)	(3,922)	(7,229)	(3,678)	(2,246)	(8,367)	1,881	(150,812)	149,616	**(60,761)**
Profit before tax	**(21,050)**	**(13,709)**	**(52,857)**	**(10,398)**	**2,598**	**(51,823)**	**2,940**	**2,574**	**4,922**	**1,136**	**(18,922)**	**(15,606)**	**(170,195)**
Income tax expense	4,195	3,919	10,471	2,243	(904)	12,547	(598)	(662)	(78)	(43)	(257)	–	**30,833**
Profit for the period	**(16,855)**	**(9,790)**	**(42,386)**	**(8,155)**	**1,694**	**(39,276)**	**2,342**	**1,912**	**4,844**	**1,093**	**(19,179)**	**(15,606)**	**(139,362)**
Condensed consolidated interim statement of financial position as at 30 June 2023													
Investment property	1,710,474	349,527	2,595,109	618,538	390,290	838,741	254,523	430,568	804,979	48,341	–	(68,040)	**7,973,050**
Investment property under construction	28,125	22,949	99,421	22,636	15,438	58,241	–	–	3,339	–	–	(4,972)	**245,177**
Other assets	47,994	66,926	118,321	74,469	27,579	225,915	7,639	13,055	47,753	20,884	14,395,129	(14,323,268)	**722,396**
Total assets	**1,786,593**	**439,402**	**2,812,851**	**715,643**	**433,307**	**1,122,897**	**262,162**	**443,623**	**856,071**	**69,225**	**14,395,129**	**(14,396,280)**	**8,940,623**
Borrowings	592,326	312,097	1,302,844	317,111	297,942	653,592	165,651	160,724	417,806	47,862	11,682,573	(10,474,211)	**5,476,317**
Other liabilities	232,060	45,990	235,019	43,154	31,852	109,611	12,931	47,849	49,931	2,506	156,903	(105,804)	**862,002**
Total liabilities	**824,386**	**358,087**	**1,537,863**	**360,265**	**329,794**	**763,203**	**178,582**	**208,573**	**467,737**	**50,368**	**11,839,476**	**(10,580,015)**	**6,338,319**
Equity	**962,207**	**81,315**	**1,274,988**	**355,378**	**103,513**	**359,694**	**83,580**	**235,050**	**388,334**	**18,857**	**2,555,653**	**(3,816,265)**	**2,602,304**

* Revenues to external customer
** Comprises Serbia, Austria, Belgium (only in 2023) and Group adjustments

4. ADDITIONAL INFORMATION TO THE CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

4.1. Net Rental Revenue

In € thousand For 6 months ended	30 June 2024	30 June 2023
Rental revenue from investment property (including investment property – right-of-use asset)	241,601	207,920
Straight-lining of lease incentives	(998)	381
Net rental income	**240,603**	**208,301**
Service charges	40,326	33,123
Net rental revenue	**280,929**	**241,424**

Net rental income from investment property increased due to new investment properties acquired and completed in 2023 and 2024, maintaining high occupancy and strong rental growth of the existing portfolio due to indexation and re-leasing.

4.2. Property Operating Expenses

In € thousand For 6 months ended	30 June 2024	30 June 2023
Taxation	(17,154)	(12,570)
Property management fees	(5,739)	(4,870)
Security	(5,467)	(4,669)
Repairs and maintenance	(4,868)	(4,511)
Utilities	(3,968)	(6,015)
Insurance	(3,480)	(2,901)
Other	(3,092)	(962)
Total	**(43,768)**	**(36,498)**

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

4.3. Administrative Expenses

In € thousand For 6 months ended	30 June 2024	30 June 2023
Property administrative expenses (1)	(8,155)	(7,470)
Employee and other administrative expenses (2)	(24,335)	(24,427)
Costs capitalised (3)	3,513	2,972
Total	**(28,977)**	**(28,925)**

(1) Property administrative expenses:

In € thousand For 6 months ended	30 June 2024	30 June 2023
Letting, marketing, legal, and professional fees	(7,032)	(6,700)
Impairment loss on trade receivables (ECL)	(253)	87
Other	(870)	(857)
Total	**(8,155)**	**(7,470)**

(2) Employee and other administrative expenses:

In € thousand For 6 months ended	30 June 2024	30 June 2023
Employee expenses	(19,677)	(19,968)
Audit fees*	(618)	(597)
Other	(4,040)	(3,862)
Total	**(24,335)**	**(24,427)**

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

Employee expenses

In € thousand For 6 months ended	30 June 2024	30 June 2023
Wages and salaries	(16,513)	(16,640)
Social security and health insurance	(2,449)	(2,249)
Other	(715)	(1,079)
Total	**(19,677)**	**(19,968)**

The average number of full-time equivalent employees for the six-month period ending 30 June 2024 was 267 and for the six-month period ended 30 June 2023 it was 262.

(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

In € thousand For 6 months ended 30 June 2024	Valuation gains	Valuation loss	Net change in market value
Investment property	125, 429	(137, 957)	(12,528)
Investment property under construction	31, 528	(4, 503)	27,026
Total	**156, 958**	**(142,460)**	**14,498**
of which Assets held for sale	1,060	(330)	730

In € thousand For 6 months ended 30 June 2023	Valuation gains	Valuation loss	Net change in market value
Investment property	34,293	(310,143)	(275,850)
Investment property under construction	23,034	(16,907)	6,127
Total	**57,327**	**(327,050)**	**(269,723)**
of which Assets held for sale	48	(12,365)	(12,317)

4.5. Disposal of investment property

During the first six months of 2024, the Group has disposed of land plot in Czech Republic, received an additional settlement for Hanau disposal from 2023 and completed minor sales of equipment.

On 16 January 2023, the Group signed a sale and purchase agreement to dispose of land plot covering 250 thousand sqm in Germany for €134.6 million (excluding settlement of borrowings). In addition, the Group received purchase price adjustment for disposals from 2021 and completed minor sales of equipment for €0.8 million. The transaction was closed on 3 March 2023. Gains on disposal of investment property amounted to €12,495 thousand during the first six months in 2023 net of consideration received and net assets and liabilities disposed.

In € thousand	30 June 2024	30 June 2023
Investment property and property, plant and equipment	(142)	(199,167)
Trade and other receivables	–	(6,110)
Cash and cash equivalents	–	(256)
Deferred tax liabilities	–	24,194
Trade and other payables	–	2,795
Net assets and liabilities disposed	**(142)**	**(178,544)**
Consideration received from current year disposals	208	191,039[2]
Other consideration	2,848[1]	–
Cash and cash equivalents disposed	–	(256)
Net cash inflows	**3,056**	**190,783**

(1) Consideration received for additional settlement for Hanau sale of €2,848 thousand.
(2) Consideration received in 2023 included cash settlement of intercompany loan of €55,641 thousand.

For further reference on assets and liabilities held for sale see also Note 5.17.

4.6. Other Income/(Expense), Net

Other Income amounted to €2,207 thousand (€2,055 thousand for the first six months in 2023) and Other Expense amounted to €1,637 thousand (€3,860 thousand for the first six months in 2023), balances primarily include transaction costs related to new acquisitions, other advisory costs related to the Group matters (transfer pricing, legal structuring, etc.), purchase price adjustments, income from management services provided to 3rd parties, insurance income and costs associated with damages covered by insurance, Board management services and late fees paid by tenants.

4.7. Financial Income

In € thousand For 6 months ended	30 June 2024	30 June 2023
Interest income	385	—
Realised gains from derivatives and financial instruments	2,844	966
Other financial income	54	3
Net foreign exchange gains (1)	2,188	7,920
Total	**5,471**	**8,889**

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

4.8. Financial Costs

Shareholder financing costs
Interest expenses on shareholder loans and guarantee fee to shareholder amounted to €32,103 thousand (€31,817 thousand for the first six months in 2023). These expenses were not settled in cash and remained accrued for the first six months in 2023 and 2024. The increase is mainly due to newly drawn loan proceeds partly offset by lower amount of the loans subject to guarantee fee.

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

In € thousand For 6 months ended	30 June 2024	30 June 2023
Interest expenses – external borrowings	(73,226)	(54,828)
Interest expenses – IFRS 16	(950)	(643)
Financing fees	(10,494)	(5,290)
Total	**(84,670)**	**(60,761)**

4.9. Income Tax

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the actual effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2024 was 35.2% (six months ended 30 June 2023: 18.1%). The change in effective tax rate was mainly caused by the fact that, comparing 2024 to 2023, the net gain from fair value adjustment on investment property has affected more in countries with higher nominal tax rate and by reduction of IAS 12 initial exemption of €6,647 thousand recognised during first six months in 2024.

5. ADDITIONAL INFORMATION ON THE CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

5.1. Investment property

Investment properties include both completed yielding assets and land intended for future development. As at 30 June 2024 the Group owned 353 completed investment properties in ten countries – Germany, France, Czech Republic, the Netherlands, Poland, Slovakia, Italy, Romania, Spain and Austria (31 December 2023: 340 completed investment properties). One property and land plot are presented under Assets held for sale.

For details related to 2024 acquisitions see Note 2 in Board of Managers' report and Note 9.

In € thousand	30 June 2024	31 December 2023
Investment property – yielding assets and land	8,897,007	8,333,535
Investment property – right-of-use asset	163,919	162,100
Investment property	**9,060,926**	**8,495,635**

Appraisals of market values as of 30 June 2024 and as of 31 December 2023 were performed by external, independent appraisers certified by the Royal Institution of Chartered Surveyors (RICS). The appraisals were performed using the hardcore/capitalisation method. Fair value measurement for investment properties is categorised as a level 3 fair value (same as in 2023) based on the unobservable inputs used in the valuation. Investment property also includes investment right-of-use asset, comprising of ground lease.

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

Valuation technique	Significant assumptions / unobservable inputs
The properties held for investment are valued using the income approach, capitalising the income to arrive at a capital value net of Capex, R&M costs and purchaser's costs. The method represents a quotient of dividing the annual net operating income (NOI) by the appropriate capitalisation rate (yield). NOI is calculated based on current rent payable to lease expiry (after expiry ERV is used for re-letting assumptions), allowances are made for voids and rent-free periods where appropriate and non-recoverable costs are deducted where applicable. Yield estimations consider the quality of a building, its location (prime vs. secondary), tenant credit quality, lease terms, and market conditions (take-up, vacancy in sub-region and investment volume). Future growth of rents is incorporated implicitly in the opinion of yield. For assets under construction ("AUC"), the asset is valued on an as if complete basis utilising the income approach, and then any outstanding costs to complete and proportion of developer's profit are deducted. The land held for future development is valued utilising either the cost approach (residual method) or the market approach (comparison method) depending on the level of development being undertaken, the type of development and the local market practice. As a sense check the comparison method is often used in conjunction with this approach.	— Rent value derived from lease agreements and subsequently based on market expectations — Void periods between 0-12 months after the end of each lease (31 December 2023: 0-12 months) — Rent-free periods: 0-12 months for new leases (31 December 2023: 0-12 months) — Weighted average Equivalent Yield for investments assets (both yielding and AUC) per country 5.06-7.95% (31 December 2023: 4.96-7.94%), weighted average for the Group 5.70% (2023: 5.73%) — ERV/area unit (both yielding and AUC) per country 51.82-73.38/sqm (31 December 2023: 50.06-75.50/sqm), weighted average for the Group 61.92/sqm (2023: 64.26/sqm) — Transaction costs 1% (2023: 1%) is the assumption that appropriately approximates the amount of acquisition costs for the whole investment property portfolio — For AUC costs to complete and developer's margins vary with each development project (due to size, specification, country, etc.). Assumptions are based on actual progress of works and total construction costs forecasted (costs contracted with general contractor and other construction costs – compared by valuator with the market standard) The estimated fair value would increase (decrease) if: — Rent value derived from lease agreements was higher (lower) — Void periods after the end of each lease were shorter (longer) — Rent-free periods for new leases were shorter (longer) — Equivalent yields were lower (higher) — Transaction costs were lower (higher) — Estimated costs to complete for AUC were lower (higher)

For additional information about fair value measurement see Note 2.3.
For additional information about real estate market risk see Note 7.2.

Sensitivity analysis

In € thousand 30 June 2024	Sensitivity used	Effect on fair value Completed investment property	 Investment property under construction
Increase in ERV	10%	918,781	72,450
Rental growth (each calendar year till lease end)	1%	105,167	5,364
Vacancy allowance (% of Potential Gross Rent)	1%	(75,799)	(7,248)
Yield increase	0.25%	(427,621)	(31,116)
Outstanding costs increase	10%	—	(33,356)
Transaction cost increase	100%	(88,989)	(3,817)

Investment property – yielding asset movement table for the period ended 30 June 2024

In € thousand	Czech Rep	France	Germany	Italy	Netherlands	Poland	Romania	Slovakia	Spain	Other*	Total
At 1 January 2024	**1,715,706**	**494,521**	**2,696,221**	**597,303**	**388,462**	**924,088**	**251,819**	**407,595**	**813,097**	**44,723**	**8,333,535**
Acquisition	30,445	—	74,467	—	—	—	—	—	—	(1,069)	**103,843**
Additions	486	319	1,521	3,268	669	10,109	319	992	10,145	7,883	**35,711**
Disposals/change in asset held for sale	(23,610)	—	—	—	—	154,916	—	—	—	—	**131,307**
Transfer to investment properties under construction	(6,128)	—	—	(13,471)	—	(6,121)	—	—	(11,570)	—	**(37,290)**
Transfer from investment properties under construction	1,123	48,986	157,982	61,522	36,697	47,445	—	—	976	5	**354,736**
Valuation gains/(losses)	60,347	7,016	(49,440)	2,989	687	(23,099)	(2,214)	3,959	(6,294)	(6,478)	**(12,528)**
Translation difference	(21,119)	—	—	—	—	8,906	(126)	—	—	34	**(12,306)**
At 30 June 2024	**1,757,250**	**550,841**	**2,880,751**	**651,611**	**426,515**	**1,116,245**	**249,798**	**412,546**	**806,353**	**45,098**	**8,897,007**
Lease incentives and commissions**	13,264	1,725	20,583	2,885	3,821	12,901	1,304	4,363	2,762	79	**63,688**
Held for sale***	23,469	—	—	—	—	1,010	—	—	—	—	**24,479**
Total Property Value – yielding assets and land	**1,793,983**	**552,566**	**2,901,334**	**654,496**	**430,336**	**1,130,156**	**251,102**	**416,908**	**809,115**	**45,178**	**8,985,174**

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

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

* Other includes properties in Austria, Serbia 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.

Investment property right-of-use assets – Movement table for the period ended 30 June 2024

In € thousand	
At 1 January 2024	**162,100**
Additions*	9,135
Modifications and disposals	(5,867)
Depreciation expense	(1,642)
Translation difference	193
At 30 June 2024	**163,919**

* Movement of related fair value component is included under Investment property – yielding asset movement table above.

Investment property right-of-use is represented by the ground lease capitalised according to IFRS 16.
New addition in 2024 is whole due to newly signed ground lease in France.
Impact from inflation increase was recognized as modification in 2024 and 2023.

In € thousand	
At 1 January 2023	**140,280**
Additions	19,958
Modifications and disposals	4,538
Depreciation expense	(2,919)
Translation difference	243
At 31 December 2023	**162,100**

5.2. Investment property under construction

In € thousand	30 June 2024	31 December 2023
At 1 January	**440,417**	**187,916**
Acquisition	21,050	27,314
Additions	195,494	312,206
Transfer from investment property	37,290	80,612
Transfer to investment property	(354,736)	(226,521)
Transfer from/to assets held for sale	7,980	(7,980)
Translation difference	419	4,006
Valuation gains	27,026	62,864
At 30 June 2024/31 December 2023	**374,940**	**440,417**
Tenant lease incentives	2,923	—
Held for sale	—	7,980
Total Investment property under construction	**377,863**	**448,397**

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 30 June 2024, the Group had 19 assets under construction in Poland, Spain, Italy, Czech Republic and the Netherlands (31 December 2023: 23 assets under construction in Germany, Poland, Spain, France, Italy, Czech Republic and the Netherlands).

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. Total 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	30 June 2024	31 December 2023
Investment property – yielding assets and land – total property value (Note 5.1.)	8,985,174	8,556,234
Investment property under construction (Note 5.2.)	377,863	448,397
Total Property Value	**9,363,037**	**9,004,631**
Market value of pledged properties	(801,306)	(953,809)
Unencumbered Property Value	**8,561,731**	**8,050,822**

5.4. Derivative financial instruments

In € thousand Maturity of derivatives	Type of contract	Notional amounts 30 June 2024	Fair Value 30 June 2024	Notional amounts 31 December 2023	Fair Value 31 December 2023
Up to 1 year	Interest Rate Cap	50,495	328	50,495	559
1 to 5 years	Interest Rate Swap	1,365,000	23,650	1,485,000	9,738
Over 5 years	Interest Rate Swap	–	–	140,000	(4,980)
Over 5 years	Forward Starting Interest Rate Swap	–	–	–	–
Total		**1,415,495**	**23,978**	**1,675,495**	**5,317**

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

	30 June 2024	31 December 2023
Short-term derivative – assets	328	559
Long-term derivative – assets	26,526	19,059
Short-term derivative – liabilities	–	–
Long-term derivative – liabilities	(2,876)	(14,301)
Total	**23,978**	**5,317**

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

During the reporting period the Group entered into one new interest rate swap to convert new floating rate loans to fixed rate obligations and closed two interest rate swaps while the hedged loans were repaid. Cash flow hedge accounting is applied for the interest rate swaps.

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

In € thousand Fixed interest rate of derivatives	Fair value 30 June 2024	Fair value 31 December 2023
1.36 – 3.1%	23,978	5,317
Total	**23,978**	**5,317**

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.

5.5. Other Non-Current Assets

In € thousand	30 June 2024	31 December 2023
Accrued income (1)	35,899	36,208
Capitalised costs on new projects (2)	24,622	16,388
Prepaid expense (3)	16,626	16,602
Other (4)	60,528	30,564
Total	**137,675**	**99,762**

(1) Accrued income represents the rent-free incentives the Group has granted to tenants.
(2) Capitalised costs on new acquisitions and developments primarily represent expenditures related to future or not yet fully initiated projects, including transaction costs incurred as of the balance sheet date. Upon completion of an acquisition or the commencement of development, the capitalised amount is transferred to investment property. Additionally, a portion of the capitalised costs pertains to IT projects currently under internal development. Costs associated with IT projects are transferred to intangible assets and amortised over their useful life once they are operational and generating benefits.
(3) Prepaid expense is primarily made up from leasing commissions being amortised over the lease term.
(4) Other non-current assets represent prepayments on land and buildings paid primarily in Germany, Poland and Italy (as of 30 June 2024: €43,010 thousand, 31 December 2023: €21,786 thousand) and long-term deposits paid in Spain (as of 30 June 2024: €7,809 thousand, 31 December 2023: €7,316 thousand).

5.6. Trade Receivables

In € thousand 30 June 2024	Receivables	Loss allowance	Current amount
Not yet due	37,174	–	37,174
< 30 days past due	4,546	–	4,546
30–60 days past due	1,241	–	1,241
60–90 days past due	330	–	330
90–180 days past due	3,789	(2,550)	1,239
180–360 days past due	126	(126)	0
> 360 days past due	973	(973)	0
Total	**48,179**	**(3,649)**	**44,530**

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

There is no concentration of trade receivables.

5.7. Other Current Assets

In € thousand	30 June 2024	31 December 2023
Accrued income (1)	20,783	22,097
Prepaid expense (2)	21,339	10,975
Other (3)	5,393	14,362
Total	**47,515**	**47,434**

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

5.8. Prepayments

In € thousand	30 June 2024	31 December 2023
Deposits paid (1)	8,927	8,961
Advance payments (2)	3,744	3,984
Total	**12,671**	**12,945**

(1) Deposits paid are primarily represented by short-term payments on escrow accounts relating to new acquisitions mainly in Spain, France and Italy of €8,769 thousand (31 December 2023: Spain €6,913 thousand).
(2) Advance payments consist of recorded advances on utilities.

5.9. Tax Receivables

In € thousand	30 June 2024	31 December 2023
VAT and other tax receivable (1)	96,248	97,496
Income tax receivable	–	1,830
Total	**96,248**	**99,326**

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

5.10. Cash and cash equivalents and Restricted cash

In € thousand	30 June 2024	31 December 2023
Cash and cash equivalents	101,568	59,822
Non-current restricted cash	446	470
Total	**102,014**	**60,292**

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

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

5.11. Equity

Share capital and share premium
As of 30 June 2024, and as of 31 December 2023, the share capital of the Group consists of 36,505,930 ordinary shares with the nominal value of €0.01 each, fully paid in, on which share premium of €3,816 thousand arose. Each ordinary share is entitled in the profits and corporate capital to a pro rata portion of the corporate capital it represents, as well as to voting rights. The authorised share capital is amounting to €365 thousand.

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

Other capital funds
"Other capital funds" is primarily made up of conversion of shareholder loans in prior periods.
There are no such transactions in 2024 nor in 2023.

In € thousand	Number of shares	Share capital	Share premium	Other capital funds
Balance at 1 January 2024	**36,505,930**	**365**	**3,816**	**713,020**
Contribution of the shareholder	–	–	–	–
Allocation to reserve fund	–	–	–	–
Reclassifications and corrections	–	–	–	–
Balance at 30 June 2024	**36,505,930**	**365**	**3,816**	**713,020**

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

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

Other reserve
The other reserve consists of the recognition effect from cash flow hedging made up by foreign exchange risk hedge accounting and interest rate risk hedge accounting (see Note 5.4 and 5.20).

In € thousand	31 December 2023	Movement	30 June 2024
Hedge accounting	43,154	–	43,154
Deferred tax	(8,280)	–	(8,280)
Interest swaps	36,342	15,341	51,683
Deferred tax	(9,064)	(3,826)	(12,890)
Other reserve	**62,152**	**11,515**	**73,667**

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

In € thousand	31 December 2023	New additions	Amortisation	30 June 2024
Foreign currency translation adjustment	45,825	(8,876)	–	36,949
Currency translation difference	39,845	(1,192)	–	38,653
Deferred tax	(9,612)	366	–	(9,246)
Translation reserve	**76,058**	**(9,702)**	**–**	**66,356**

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

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

Together with the shares, the external investors were granted an option which represents their right to sell these shares back to the Group on 28 February 2021. During 2021, most of the options were extended and exercised in April 2024.

The future liability arising from this option was recognised as a long-term financial liability in the Group consolidated financial statements as at 30 December 2023 in the amount of €802 thousand 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). The value of the overall obligation against minority shareholders as of 31 December 2023 was €5,320 thousand (30 June 2023: €5,383 thousand) consisting of NCI of €4,518 thousand and option obligation of €802 thousand presented in other payables (30 June 2023: NCI of €3,593 thousand and other payable of €1,606 thousand).

In March 2024 all the Minority Shareholders were informed about their right to execute the Put Option at the strike price of 13,10€ per share. 99.94% of options (302,418) were bought back by P3 for a total price of €3,961.7 thousand. On 7 June 2024 the Company approved the reduction of the Company's share capital in the amount of €168 through the redemption of 168 shares held by the Minority Shareholders with the purpose of returning the value to the shareholders at a price of €13.10 per share. Remaining payment of these shares totalling €2,201 was paid in July 2024.

5.12. Borrowings

In € thousand Shareholder borrowings	30 June 2024	31 December 2023
Principal	1,782,677	1,682,677
Accrued interest and guarantee fee*	201,854	169,752
Total	**1,984,531**	**1,852,429**

* In 2023 the Group had shareholder guarantees: a fixed fee guarantee on a€600 million bank loan which was settled in 2024.

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.

During first six months in 2024, the Group drew down €100 million of shareholder loan to partly finance investments, €275 million was drawn down in 2023.

In € thousand Net Debt	30 June 2024	31 December 2023
Long-Term Bank Borrowings	**2,760,065**	**3,158,591**
Bank borrowings – principal	2,767,000	3,165,000
Deferred financial costs*	(6,935)	(6,409)
Short-Term Bank Borrowings	**71,471**	**66,607**
Bank borrowings – principal and accrued interest	73,563	73,303
Deferred financial costs*	(2,092)	(6,696)
Total Bank Borrowings	**2,831,536**	**3,225,198**
Long-Term Bonds	**1,591,852**	**994,716**
Bonds – principal	1,600,000	1,000,000
Deferred financial costs	(8,148)	(5,284)
Short-Term Bonds	**12,723**	**9,459**
Bonds – accrued interest	15,901	11,567
Deferred financial costs	(3,178)	(2,108)
Total Bonds	**1,604,575**	**1,004,175**
Total Borrowings	**4,436,111**	**4,229,373**
Cash and cash equivalents	(101,568)	(59,822)
Net Debt	**4,334,543**	**4,169,551**

* This overview does not include deferred financing costs associated with revolving credit facility which is undrawn as of June 2024 (long-term portion €1,526 and short-term portion €794).

In € thousand **External Borrowings by type** (excluding deferred financial costs)	30 June 2024	31 December 2023
Secured borrowings – mortgages	**354,484**	**503,610**
Unsecured Borrowings	**4,101,980**	**3,746,259**
Bank loans	2,486,079	2,734,692
Bonds	1,615,901	1,011,567
Total	**4,456,464**	**4,249,869**

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 **Bank Borrowings by maturity** (excluding Deferred financial costs)	30 June 2024	31 December 2023
Up to 1 year	73,563	73,303
1 to 5 years	1,715,000	2,325,000
Over 5 years	1,052,000	840,000
Total	**2,840,563**	**3,238,303**

In € thousand **Bonds by maturity** (excluding Deferred financial costs)	30 June 2024	31 December 2023
Up to 1 year	15,901	11,567
1 to 5 years	1,000,000	500,000
Over 5 years	600,000	500,000
Total	**1,615,901**	**1,011,567**

Several financing related events took place during first six months in 2024, we refer to section III in the Board of Managers Report on page 3 for further details. In total the Group signed €1.1 billion new debt, raised approximately €1.3 billion new debt and repaid €1.1 billion debt, so gross debt has increased by approximately €200 million.

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

In € thousand Borrowings by interest rate (nominal excluding accrued interest)	30 June 2024	31 December 2023
TOTAL floating rate	**1,665,495**	**2,415,495**
Floating rate loans (Reference rate** +0.75 margin)	250,000	740,000
Floating rate loans hedged (Reference rate** +0.95% to 2.0% margin*)	1,415,495	1,675,495
TOTAL fixed rate	**2,752,000**	**1,800,000**
Fixed coupon bonds (0.875%, 1.625% and 4.625%)	1,600,000	1,000,000
Fixed rate loans (3.93%to 4.58%)	1,152,000	800,000
Total external borrowings and bonds	**4,417,495**	**4,215,495**
Out of which fixed rate or hedged	4,167,495	3,475,495
TOTAL blended rate for shareholder's loan – 3.80 (2023: 3.66%)	**1,782,677**	**1,852,429**
Total	**6,200,172**	**6,067,924**

* Hedged with all-in interest of 2.46-4.52% as of June 2024 (December 2023: 2.46-5.06%)
** Reference rates are 1M, 3M and 6M EURIBOR, margin range as of June 2024

The weighted average interest rate for bank borrowings was 3.52% as of 30 June 2024 (December 2023: 3.54%).

As of 30 June 2024, no bank borrowings guaranteed by Europe Realty Holdings Pte Ltd (parent company of the shareholder of the Group) remain, an amount of €600 million was still guaranteed at the end of 2023.

Liquidity

In total €600 million remains available under the committed facilities, ensuring substantial and flexible liquidity for the Group, as funds can be drawn at a very short notice. The Group has €101.6 million cash and in addition €47 million unutilized cash pool overdraft limits.

P3 Group S.àr.l. entered into a syndicated unsecured committed €750 million revolving facility agreement ("RCF") in December 2021. €690 million of commitments mature December 2028 and €60 million in December 2026. At 30 June 2024 €250 million is drawn under the facility.

In April 2024 a new €100 million committed bilateral RCF agreement was signed, and it remains undrawn.

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

Financial Covenants

The EMTN program, the unsecured bank term loan agreements and the revolving credit facilities include the same four financial covenants for the Group, tested 30 June or 31 December of each calendar year.

The financial covenants are regularly monitored. As of 30 June 2024, the Group is compliant with all, with substantial headroom:

Financial Covenants	June 2024	December 2023	Covenant Ratios
(1) Loan to Value ratio	46.3%	46.3%	< 60%
(2) Interest Cover ratio	2.7	2.8	> 1.5
(3) Unencumbered Assets ratio	2.2	2.3	> 1.5
(4) Priority Debt ratio	3.8%	5.5%	< 40%

5.13. Long-term payables

As at 30 June 2024, the Group had 'Long-term payables' of €204,210 thousand (31 December 2023: €199,701 thousand) which represent primarily a lease liability of €166,168 thousand (31 December 2023: €165,165 thousand) recognized from the application of IFRS 16, and amounts received from tenants as security for their rental obligations and retentions from development projects.

5.14. Trade Payables

As at 30 June 2024, 'Trade payables' of €46,761 thousand (31 December 2023: €28,625 thousand) comprise payment obligations to third-party suppliers incurred in the normal course of business. The balance comprises primarily payables related to construction costs incurred from ongoing developments in Poland, the Netherlands, and Czech Republic.

5.15. Tax Liabilities

In € thousand	30 June 2024	31 December 2023
VAT	8,120	10,374
Income tax payable	850	5,738
Other tax payable (1)	16,345	16,561
Total	**25,315**	**32,673**

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

5.16. Other Current Payables

In € thousand	30 June 2024	31 December 2023
Lease liability	5,324	5,001
Tenant deposits	2,550	2,473
Payables to employees	1,313	1,319
Advance payments received	663	1,021
Other payables (1)	16,868	13,596
Total	**26,718**	**23,410**

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

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

Assets and liabilities related to the portfolio held for sale are stated at the lower of their carrying amount and fair value less costs to sell. The investment property classified as held for sale is measured in accordance with IAS 40. As at 30 June 2024, these assets and liabilities comprised one property in the Czech Republic, whose sale was completed in July 2024 and one land plot in Poland (details presented in Investment Property movement table in Note 5.1):

As at 31 December 2023, assets held for sale comprised of one park in Poland, which was intended to be sold already in 2022, whereas due to changes in probability of expected sale driven by changes in the market circumstances this property was reclassified to yielding assets (details presented in Investment Property movement table in Note 5.1):

Assets held for sale

In € thousand	30 June 2024	31 December 2023
Investment property	24,479	155,926
Investment property under construction	-	7,980
Other non-current assets	379	-
Trade receivables	57	-
Tax receivables	83	-
Prepayments	83	-
Other current assets	(71)	-
Total	**25,010**	**163,906**

Liabilities directly associated with assets held for sale

In € thousand	30 June 2024	31 December 2023
Deferred rental income	90	—
Tenant deposits	7	—
Deferred tax liability	3,563	—
Trade payables	70	—
Accruals	11	—
Tax liabilities	80	—
Other long-term liabilities	237	—
Total	**4,058**	**—**

5.18. Contingent assets and liabilities

Bank guarantees
As of 30 June 2024, the Group had outstanding bank guarantees with third parties as beneficiary for a total amount of €13,949 thousand (€7,440 thousand as of 31 December 2023).

5.19. Commitments

As of June 2024, the Group was committed to acquire investment properties under the following contracts as defined by IAS 37:

In € thousand	30 June 2024	31 December 2023
Yielding assets and land	312,600	—
Commitments for Assets under construction	307,021	308,298
Forward funding deals	—	14,395
Total	**619,621**	**322,693**

5.20. 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. The Group's risk management policy is to hedge minimum 80% of its interest rate risk, which is respected as of reporting date.

The Group applies cash flow hedge accounting for all contracted 9 interest rate swaps at a nominal value of €1.4 billion. Interest rate swaps hedge the cash flow variability due to interest rate risk inherent in variable rate loans. The Group designates the fair value of interest rate swaps to hedge its interest rate risk and applies a hedge ratio of 1:1. The fair value of the interest rate swaps is positive €23.7 million and the change of fair value is recognised in Other comprehensive income.

The Group also has an interest rate cap with a positive fair value of €0.3 million which is recorded as fair value through profit and loss.

At the reporting date 30 June 2024, 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 and the regression method with prospective and retrospective effectiveness testing, respectively. If test results are outside the 80-125% effectiveness range and the changes in fair value are material, mark to market value is recognized in the income statement and hedge relationship is discontinued.

See Note 5.4 and Note 5.11 Equity, section Other reserve, for further details.

6. 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 9 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 30 June 2024, the Group has loans from Euro Vitus Private Limited, with an outstanding balance of €1,984,531 thousand (2023: €1,852,429 thousand). The interest expense amounted to €30,693 thousand for 6 months of the year 2024 with total accrued interest of €124,207 thousand as of 30 June 2024 (accrued interest in 2023: €93,515 thousand). These shareholder loans are in the form of interest-bearing loans and loans covered by total return swap. The shareholder borrowings are subordinated loans with tenors exceeding 20 years.

Further, as of 30 June 2024, the Group accounted for guarantee fee for 6 months of the year 2024 provided by related party Europe Realty Holdings Pte Ltd, the sole shareholder of the Group (for providing parental guarantee over the bank borrowings of the Group). The guarantee fee is amounting to €1,410 thousand (2023: €12,060 thousand). The total amount outstanding of €77,647 thousand (2023: €76,237 thousand) is presented under loans from related parties in Note 5.12.

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

In August 2023, the Group started providing asset management services to newly acquired assets in UK owned by the parent company. The amount invoiced for 6 months of the year 2024 is €618 thousand (in 2023: €0).

Transactions with key management personnel
Any remuneration to the key management is provided and accounted for as standard compensation.
The compensation of key management is included as part of the Employee Expenses disclosed in Note 4.3.

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.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

7.1. Overview

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

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

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

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

7.2. 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.

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.

7.3. Interest rate risk

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

To manage its interest rate risk, the Group has, for a portion of its debt, entered into interest rate swaps and caps to secure the maximum amount of interest paid, calculated by reference to an agreed-upon notional principal amount. At end of June 2024, 94% of total Net Debt is fixed interest rate either through derivatives or fixed interest rate debt transactions. The Group constantly monitors its exposure to interest rate risk and adjusts its hedging strategy accordingly.

7.4. Credit risk

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

Trade receivables and other current assets
The Group runs credit evaluation for any new tenant. For most of the tenants bank guarantee or bank deposit is required. The Group has controls in place to regularly monitor overdue receivables and identify receivables at risk – those overdue more then 90 days. Receivables at risk are discussed with property managers, who decide about provision based on assessment of the tenant's ability to settle them. Property managers also closely monitor historical trend of the tenants payment moral. The Group has also late fee policy in place. For additional information about credit risk on Trade receivables see Note 5.6.

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.

Cash and cash equivalents comprise cash at bank and highly liquid cash deposits with short-term maturities. The Group has bank accounts, deposits and derivatives with banks and financial institutions which have a high investment grade rating. The Group regularly monitors the credit risk associated with counterparties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Credit risk arising as part of the investment of cash and cash equivalents and restricted cash is managed by the fact that the Group generally works with banking partners with strong credit ratings, which are rated A-/A3 or higher. During 2023 the Group implemented cash pooling arrangements in the 10 main countries of operation, to concentrate the liquidity of the Group on daily basis to the parent company of the Group. The bank account structures are in two banking groups with strong credit ratings. Therefore, the Group did not recognize impairment as of June 2024 or as of December 2023.

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:

In € thousand	Carrying amount					
	Fair value – hedging instruments		Financial assets at amortised costs		Maximum exposure	
30 June/31 December	2024	2023	2024	2023	2024	2023
Financial assets measured at fair value						
Derivatives (interest caps)	328	559	–	–	328	559
Derivatives (interest swaps)	26,526	19,059	–	–	26,526	19,059
Financial liability measured at fair value						
Derivatives (interest swaps)	2,875	14,301	–	–	2,875	14,301
Financial assets not measured at fair value						
Trade receivables	–	–	44,530	34,815	44,530	34,815
Other current assets	–	–	47,515	47,434	47,515	47,434
Prepayments	–	–	12,671	12,945	12,671	12,945
Restricted cash	–	–	446	470	446	470
Cash and cash equivalents	–	–	101,568	59,822	101,568	59,822

7.5. Capital risk

The Group policy is to maintain a strong capital base, to maintain lender and market confidence and to sustain future development of the business as a going concern. The Group maintains a prudent mix between debt and equity financing, with a long-term target to keep LTV of external borrowings below 47.5% as set in the financing policy. In addition, the Group ensures that all financial covenants under financing agreements mentioned in Note 5.12 are adhered to.

The current capital structure of the Group consists of equity and debt. The equity comprises issued share capital, other capital funds, other reserves and retained earnings as presented in Note 5.11, and in condensed consolidated interim statement of changes in equity. Debt comprises of external borrowings in the form of bank debt and bonds and shareholder borrowings, as disclosed in Note 5.12.

7.6. Liquidity risk

The Group monitors cash balances in all Group companies on both local and group levels to ensure all group companies have sufficient liquidity for day-to-day operations and to meet all liabilities as and when they fall due. The Group Treasury is responsible for ensuring liquidity for future acquisitions, development projects, debt service and other ad hoc cash requirements. The Group has access to additional funding through committed revolving credit facilities of which €600 million remain unutilized. The cash pool overdraft facilities of €50 million is utilized by €3 million, cash and equivalents represent in total €101.6 million as of June 2024.

7.7. Fair values of Financial Instruments

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

The following methods and assumptions are used to estimate fair values of financial instruments:
- Cash, cash equivalents, short term deposits, trade receivables, trade payables, other current assets and other current liabilities: the carrying value of these assets and liabilities is the same as the fair value due to the short-term maturity of these instruments;
- Derivatives: the fair value of derivative instruments is determined using observable market inputs based on valuations provided by brokers and as such the Group had included derivatives in Level 2 of fair value hierarchy;
- Borrowings: the fair value is presented as the nominal value of outstanding principal based on the assessment the results of calculated discounted value and due to the fact, that the Group intent to keep the external borrowings until final maturity and with respect to longer tenure, determination of comparable discount rate would be highly theoretical not giving more reliable value;
- Bonds: the fair value is determined using quoted market price in an active market as such the Group had included Bonds in Level 1 of fair value hierarchy.

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

In € thousand	Carrying amount				
30 June 2024	Fair value – hedging instruments	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Fair value
Financial assets measured at fair value					
Derivatives (interest caps)	328	–	–	328	328
Derivatives (interest swaps)	26,526	–	–	26,526	26,526
Financial assets not measured at fair value					
Rent and other receivables	–	338,639	–	338,639	338,639
Cash and short-term deposits	–	102,014	–	102,014	102,014
Financial liabilities measured at fair value					
Derivatives (interest swaps)	2,875	–	–	2,875	2,875
Financial liabilities not measured at fair value					
Bank borrowings	–	–	2,829,215	2,829,215	2,817,495*
Bonds	–	–	1,604,575	1,604,575	1,521,636
Shareholder borrowings	–	–	1,984,531	1,984,531	1,539,090
Deposits from tenants	–	–	34,690	34,690	34,690
Trade and other payables	–	–	383,013	383,013	383,013

In € thousand	Carrying amount				
31 December 2023	Fair value – hedging instruments	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Fair value
Financial assets measured at fair value					
Derivatives (interest caps)	559	–	–	559	559
Derivatives (interest swaps)	19,059	–	–	19,059	19,059
Financial assets not measured at fair value					
Rent and other receivables	–	294,282	–	294,282	294,282
Cash and short-term deposits	–	60,292	–	60,292	60,292
Financial liabilities measured at fair value					
Derivatives (interest swaps)	14,301	–	–	14,301	14,301
Financial liabilities not measured at fair value					
Bank borrowings	–	–	3,223,008	3,223,008	3,215,495*
Bonds	–	–	1,004,175	1,004,175	908,100
Shareholder borrowings	–	–	1,852,429	1,852,429	1,480,520
Deposits from tenants	–	–	33,122	33,122	33,122
Trade and other payables	–	–	358,292	358,292	358,292

*In line with policy defined in Note 7.7. principal value is applied to reflect fair value of the loans.

7.8. Foreign currency risk

Approximately 62% of the Group's Investment property portfolio and operations are in the Eurozone, 19% in the Czech Republic, 14% in Poland and 4% 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. Starting from January 2023 net investment hedge is applied according to IAS 21 in order to eliminate the foreign currency differences resulting from the revaluation of intercompany loans in non-EUR countries.

8. SUBSEQUENT EVENTS

Financing activities
In August 2024, a €100 million 5-year senior unsecured bilateral Revolving Credit Facility was signed. The loan is undrawn and provides additional committed liquidity buffer for the Group.

In September 2024, the Group drew down a €100 million shareholder loan to partly finance new acquisitions.

Acquisitions and Disposals of assets
On February 2024 P3 signed a preliminary purchase agreement to acquire a land plot in Manresa (Spain) with potential GLA amounting to 50 thousand sqm for a total price of €9.7 million. On 2 July 2024, the acquisition of the referred land was completed.

On 5 June 2024, a preliminary agreement was signed to purchase a portfolio of 12 assets in Southern Germany, with a volume of circa 270 thousand sqm of GLA and a total purchase price of €309 million. The acquisition was closed according to the fulfilment of the condition precedents, starting on 3 July 2024 and ending on 31 July 2024.

On 18 July 2024, a sale agreement for disposal of one property in the Czech Republic was signed, with expected selling price of €12.4 million.

9. GROUP STRUCTURE

The following table outlines changes in the Group structure for the six months period ended as of 30 June 2024.

Name of company	Note	Function (code)	Participation %	Functional Currency	Country
P3 Energo s.r.o.	Prior name P3 Chomutov Park s.r.o.	AC	100.00%	CZK	Czech Republic
P3 Düsseldorf S.à r.l.	Prior name P3 SPV X S.á r.l.	AC	100.00%	EUR	Luxembourg
P3 SPV XVII S.à r.l.	new	AC	100,00%	EUR	Luxembourg
P3 SPV XVIII S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XIX S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XX S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXI S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXII S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXIII S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXIV S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXV S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 Zörbig S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXVII S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 Pfalzfeld S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXIX S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXX S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXXI S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXXII S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXXIII S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXXIV S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXXV S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXXVI S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXXVII S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXXVIII S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XXXIX S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XL S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XLI S.à r.l.	new	AC	100.00%	EUR	Luxembourg
P3 SPV XLII S.à r.l.	new	AC	100.00%	EUR	Luxembourg
DC Veldweg Herkenbosch B.V.	new	AC	100.00%	EUR	The Netherlands
P3 Emmeloord B.V.	new	AC	100.00%	EUR	The Netherlands

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

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