AXA Logistics Europe Master S.C.A.

AXA Logistics Europe Master S.C.A.

An open-ended corporate partnership limited by shares (*société en commandite par actions*) under the laws of the Grand Duchy of Luxembourg

Annual report and audited consolidated financial statements

For the year ended 31 December 2020

R.C.S. Luxembourg B 235 921
2 - 4, rue Eugène Ruppert
L - 2453 Luxembourg
Grand Duchy of Luxembourg

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MANAGEMENT AND ADMINISTRATION

Registered Office:	**c/o The Bank of New York Mellon SA/NV, Luxembourg Branch** 2 - 4, rue Eugène Ruppert L-2453 Luxembourg Grand Duchy of Luxembourg
General Partner:	**AXA Logistics Europe GP S.à.r.l.** 21, boulevard Grande-Duchesse Charlotte L-1331 Luxembourg Grand Duchy of Luxembourg
Board of Managers of the General Partner:	Nadine Pereira Michael Kidd Thierry Drinka
Alternative Investment Fund Manager (the "AIFM"):	**AXA Real Estate Investment Managers SGP** Tour Majunga 6 place de la Pyramide 92908 Paris - La Défense Cedex France
Depositary and Paying Agent:	**The Bank of New York Mellon SA/NV, Luxembourg Branch** 2 - 4, rue Eugène Ruppert L-2453 Luxembourg Grand Duchy of Luxembourg
Central Administration, Registrar and Transfer Agent:	**The Bank of New York Mellon SA/NV, Luxembourg Branch** 2 - 4, rue Eugène Ruppert L-2453 Luxembourg Grand Duchy of Luxembourg
Auditor:	**PricewaterhouseCoopers, Société Coopérative** 2 rue Gerhard Mercator, B.P. 1443 L-1014 Luxembourg Grand Duchy of Luxembourg
Legal Advisor:	**Clifford Chance Europe LLP** 10 Boulevard Grande-Duchesse Charlotte, 1147 Luxembourg Grand Duchy of Luxembourg
Tax Advisor:	**Clifford Chance Europe LLP** 10 Boulevard Grande-Duchesse Charlotte, 1147 Luxembourg Grand Duchy of Luxembourg
Real Estate Appraiser:	**CBRE Limited** Henrietta House Henrietta Place London W1G 0NB United Kingdom

MANAGEMENT REPORT

European economy

The Eurozone economy grew by 12.5% quarter-on-quarter (q-o-q) in Q3 2020, recovering from a record slump of 11.7% q-o-q in Q2 2020. GDP shrank by 4.3% year-on-year (y-o-y), easing from a record contraction of 14.7% in Q2. Among the Eurozone's major economies, France posted the largest increase in economic activity, of 18.7% q-o-q, followed by Spain (16.4%), Italy (15.9%) and Germany (8.5%). UK GDP increased by 16% q-o-q in Q3. The UK and the EU announced an agreement on a post-Brexit trade deal in December. The Free Trade Agreement (FTA) that has been agreed will ensure "zero tariffs and quotas on all goods that comply with the appropriate rules of origin". The agreement does not include passporting rights for financial services.

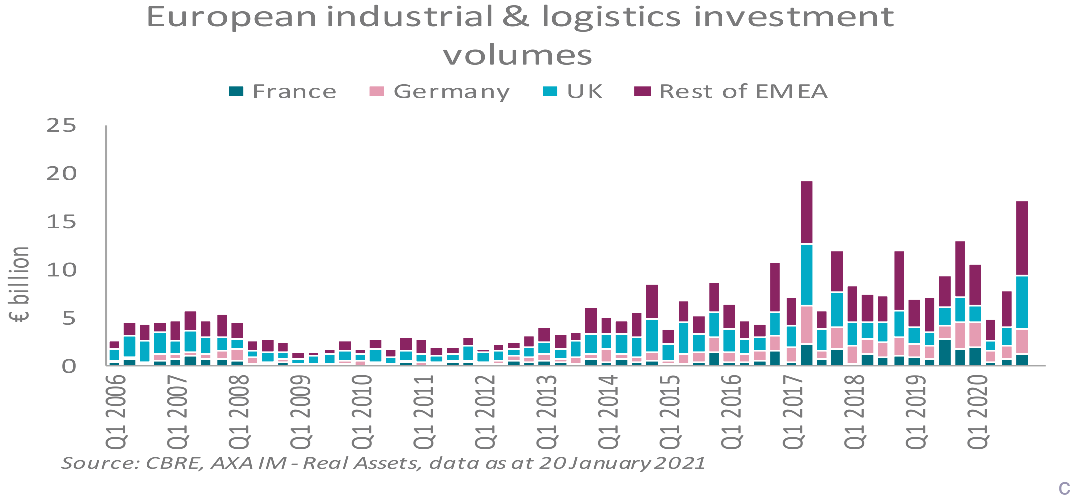
The near-term economic outlook remains challenging, given renewed increases in COVID-19 cases and new nationwide restrictions. The Eurozone is likely to see slightly negative growth in Q1 2021, while a more significant double-dip recession in the UK seems likely. The uncertainty around near-term activity is large given the unpredictability of the new virus strain. Although the vaccine roll-out is off to a slow start in most countries, the pace is likely to pick up notably throughout Q1 2021, which should provide a boost to services activity. A sustained boost from fiscal policy and recovering global growth are expected to support industrial activity across Europe from Q2 2021 onwards. Although the sharp rise in public debt ratios comes with sustainability risks in Southern Europe, the bar seems high for a return of sovereign stress in 2021, given the support of the EU Recovery Fund.

As of January 2021, AXA IM Research forecast Eurozone GDP to have fallen by 7.1% in 2020, which is more severe than the decline of 4.5% seen in 2009. Italy is expected to have shrunk by 8.8% in 2020, while France is expected to have contracted by 9%, Germany by 5.3% and Spain by 11%. UK GDP is projected to have fallen by 10%. Although forecasts have been cut due to a resurgence of COVID-19, a recovery is still expected in 2021, with Eurozone and UK GDP expected to grow by 3.1% and 4.3% respectively. Harmonised CPI inflation fell to 0.4% in the UK in November and remained at -0.3% y-o-y in the Eurozone in December. Unwinding COVID-19 distortions and the reversal of VAT cuts are likely to push core HICP inflation notably higher by mid-2021. Underlying inflation pressures are expected to firm only gradually.

European Investment

News of successful vaccines lifted sentiment and investment volumes in Q4 2020, with CBRE reporting that European volumes totaled €91.3 billion, an 84% q-o-q rise but a 25% decline over the same period a year earlier. This took the total for 2020 to €277 billion, a 17% decline on 2019. Germany accounted for the largest proportion, followed by the UK and then France. The office sector continued to dominate deal volumes in 2020, followed by residential, industrial & logistics and then retail. It was the first time on record that industrial & logistics outperformed retail and reflects the continued preference amongst investors for demonstrable growth and resilient income.

Following the strongest Q1 on record, European industrial & logistics volumes declined 55.4% q-o-q in Q2 2020 but then rose 59.3% in Q3 and 129.2% in Q4. This took the annual figure to €39.3 billion, the second highest level on record and an 11% increase on 2019. The UK attracted the most capital in 2020 (€10.3 billion), followed by Germany (€7.6 billion) and France (€4.4 billion). There is strong demand for prime assets but, with yields for core stock falling and investor competition increasing, several investors have moved up the risk spectrum, for example by undertaking forward-fundings.



MANAGEMENT REPORT (continued)

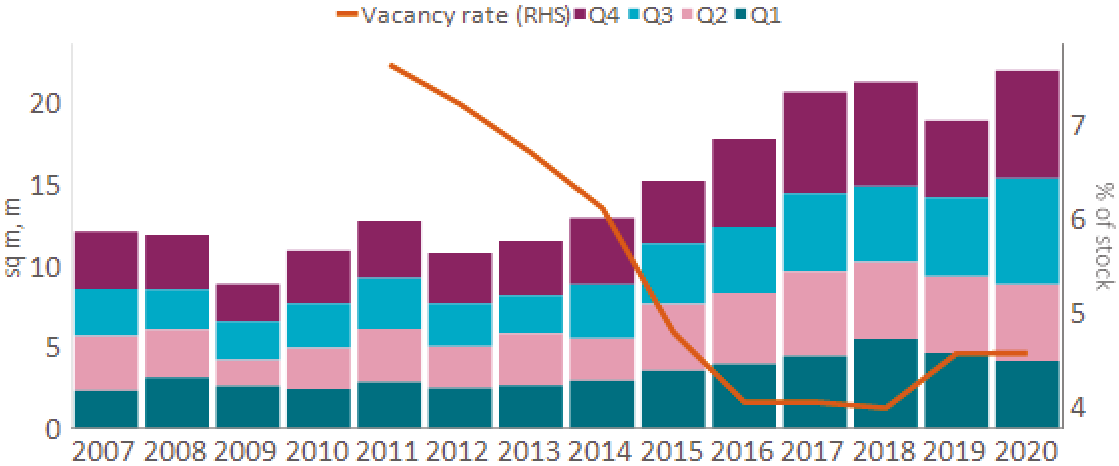
European Investment (continued)

Despite yields shifting inwards, logistics still offers a yield premium over offices and high street retail in many markets, and a significant yield premium over government bonds. With the COVID-19 crisis highlighting the key role played by logistics, the sector is expected to remain of considerable interest to investors. JLL reported that prime yields moved downwards in 30 of Europe's 38 major logistics markets in Q4. Yields moved in an average of 0.28% in France (to 3.79%), 0.15% in Germany (to 3.35%) and 0.23% in the UK (to 3.57%). Over the year, yields moved in 0.29%, 0.4% and 0.23% respectively.

European Logistics

With the pandemic boosting e-commerce and highlighting the importance of logistics, occupier demand increased in the vast majority of major European logistics markets in 2020. JLL data suggests 6.7 million sqm (units of 10,000+ sqm in the UK, 5,000+ sqm elsewhere) of European distribution warehouse and logistics space was taken-up in Q4, the strongest quarterly total on record. This took the total for the year to 22.1 million sqm, also a new record. Indeed, several countries saw record levels of take-up in 2020, including Italy, the UK, Hungary and Poland. Take-up was boosted by e-commerce occupiers, with the segment experiencing its strongest ever year; the segment accounted for 25% of the annual total in Germany and 31% in the UK.

Pan-European distribution warehouse and logistics take-up and vacancy rate



Source: JLL, Macrobond, AXA IM – Real Assets, data as at 29 January 2021
NB: European logistics markets - Belgium, France, Germany, Italy, Netherlands, Spain, UK, Czech Republic, Hungary and Poland
NB: Modern warehousing units 5,000+ sq m; 10,000+ sq m in the UK

Robust take-up and modest speculative development have resulted in a scarcity of suitable, available space in many core European logistics markets. An increase in development in recent years and a slowdown in take-up pushed the European vacancy rate up to 4.9% at the end of Q2 2020, but it had fallen back to 4.6% at the end of Q4 as take-up accelerated. There are considerable differences between markets, with the vacancy rate falling to 2.8% in Germany, 3.9% in France and 7% in the UK in Q4.

JLL data suggests 4.5 million sqm of stock was completed in Europe in Q4 2020, a 2.6% y-o-y and 32.9% q-o-q increase. Around 14.3 million sqm was under construction at the end of Q4, of which an estimated 41% was speculative, a considerable increase on Q3 (33%) due to speculative development increasing in several markets.

JLL's data suggests rents remained stable in most of Europe's top logistics markets in Q4, although rents reportedly rose in Leeds, Manchester, Milan and Rome. Further growth is expected in markets where the demand-supply balance is tight.

Portfolio as of December 31st 2020

1. Introduction

AXA Logistics Europe Master S.C.A. (the "Fund") was launched in July 2019 with an initial seed portfolio of €1.2bn. The investment objective of the Fund is to build a diversified portfolio of Logistics assets with a view to provide investors with regular income distributions and a long-term capital appreciation.

The Fund ended 2020 year with a €1.8bn (excluding non-controlling interest) logistics portfolio across 6 countries in Europe.

2. Asset Management

The following letting events have recently allowed AXA Logistics Europe Master S.C.A to end 2020 with an occupancy ratio of 95% as at Q4 2020:

• Port Saint Louis du Rhône – 88k sqm of standard warehouse in the port area of Marseille, France

A renewal of the lease with Geodis was signed during Q1 2020 on two cells (12k sqm) which are operating for short term contracts directly related to the Covid-19 crisis (storage of health products). The lease renewal was signed at in place rent (€43) for a period of two years ending in March 2022.

In parallel, during Q2 2020, another renewal of lease contract with Geodis was signed for 5 cells. The lease agreement is effective from the 1st of April for 9 years with a break option after 5 years (with indemnity) and after 6 years. Geodis also prolonged short-term lease contracts on 4 cells within the same property.

• Saint Martin de Crau – 23k sqm of cold storage property in Marseille region, France

A lease renewal was signed during Q1 2020 with the existing tenant (Transgourmet) which now provides a 6-year extension until December 31st, 2025.

• Duerrholz – 40k sqm of standard warehouse in Dürrholz, Germany

The tenant, Reifen Gundlach, was impacted with automotive plant closures during the first lockdown in March and had asked for some rent deferral possibilities. A lease amendment was signed during Q3 2020: we offered a 5 months' rent-free period against an early prolongation to a new 10-year lease.

• Ambérieu – 38k sqm of standard warehouse in Lyon region, France

A new lease agreement was signed during Q3 2020 with the existing tenant, Transalliance, following several months of discussions which also involved his end customer (Nestlé). A 6/9 years lease contract started in January 2021 with possibility to break after four and five years.

• Berre-L'Etang/Lesquin/Colombier-Saugnieu – a total of 43k sqm of cross dock units respectively in Marseille, Lille and Lyon regions, France

Renewal of various lease contracts with DB Schenker over three cross-dock units was signed during Q3 2020. The revised fully indexed (ILAT) 3/6/9 years lease agreements in Marseille and Lille started in September 2020 whereas the lease contract in Lyon kicked in January 2021. An indemnity is due by the tenant if the break is exercised in year 3 for the properties in Lille and Lyon.

Portfolio as of December 31st 2020 (continued)

• Kutno – 28k sqm of standard warehouse in the central region of Poland

During Q4 2020 we signed a lease addendum with the tenant, Kellogg's, for the creation of an additional 735 sqm of offices and social premises. The space should be delivered by the end of April 2021, with a newly geared lease of 12 years starting from May 2021 with the option for an additional 8 years. The rent has increased by €28k per month and in the event that Kelloggs opts against the 8-year prolongation, they will be required to pay a penalty of €2.1m, which corresponds to the not yet fully amortised cost of these enhancement works. This new early prolongation demonstrates the commitment of the tenant to the location and will significantly increase the value and liquidity of the asset if we decide to sell it.

• Ayguemorte-les-Graves – 29k sqm of standard warehouse in the Bordeaux region, France

Having completed the acquisition of this development project during Q4 2020, we subsequently launched the construction of this 29k sqm speculative unit in October and signed in Q4 a first 6-year lease for 6k sqm with Rhenus Logistics. The rent will be at the underwritten level without utilising any of the underwritten lease up time. The lease has also led to the creation of some small additional office space that further increases the flexibility of the asset. The teams monitor an existing pipeline of occupiers for the remaining space which is currently all under offer.

3. Acquisitions

• 4NLD Portfolio (Netherlands)

In Q2 2020 the Fund acquired a portfolio of 4 logistics assets in the Netherlands, totaling c. 65,300 sqm. The transaction was completed on a share deal basis (acquisition of Dutch SPVs). Three SPVs were acquired on May 28th, 2020 (Sittard/Veghel/Zwaag), while the formal transfer of the last one (Helmond) took place after the practical completion of the building in July 2020. The initial agreed purchase price was set at c. €75.4m (incl. RETT), corresponding to a Net Initial Yield of 4.57%. However, this amount has been reviewed/ negotiated at the onset of the COVID-19 pandemic in Europe, in March 2020. A price reduction of €3.0m (c. 4%) has been agreed, resulting in a final purchase price of c. €72.4m (incl. RETT), corresponding to a Net Initial Yield of 4.76%.

• DHL Liscate (Italy)

In Q3 2020 the Fund completed the acquisition of a logistics asset located in Liscate, next to Milan's East Ring Road and the new "BreBeMi" motorway (Brescia Bergamo-Milan). It is a c. 46,500 sqm property with standard specifications, composed of two units, and fully let to DHL on a long-term lease (Gross Rental Income: c. €2.2m / WALB: 5.4 years / WALT: 11.3 years). Deutsche Post DHL Group is a tenant of prime standing, being the world's leading mail and logistics company; the target property is dedicated to the storage of telecom and electronics goods. This asset represents an attractive addition to the Portfolio: standard/ flexible warehouse in a strong micro-location, fully let to a tenant with a strong covenant, and offering future rent reversion potential. The final purchase price was c. €35.2m, corresponding to a Net Initial Yield of c. 5.1%.

• Alpha Portfolio (Italy)

In December 2020, the Fund completed the off-market acquisition of a portfolio of 13 logistics assets in Northern Italy, totaling c. 389k sqm. Two of the properties are brand new and were completed in Q4 2020. The portfolio is concentrated in established logistics markets of Greater Milan, Turin, and Padua, with an occupancy rate of 87%. It features a diversified base of high-quality tenants including DHL, SDA Express, Geodis, Kering, and San Carlo (portfolio WALB: 5.4 years/ WALT: 6.4 years). Most tenants are operating in defensive (non-cyclical) sectors, which have shown to be more resilient during downturns.

The acquisition through a share deal, of a 67.95% interest in the Alpha Portfolio, which was structured as the purchase of all of the units of an Italian real estate investment fund that owned the 13 properties, at a real estate price of c. €269.4m. This corresponds to a Net Initial Yield of 4.3%, and a Net Potential Yield (assuming full occupancy) of 5.5%.

MANAGEMENT REPORT (continued)

3. Acquisitions (continued)

• Königs Wusterhausen (Germany)

In November the fund signed the acquisition of a brand new 56.3k sqm logistics asset located 5km South of Berlin, and 15km from the new Berlin-Brandenburg Airport (BER). The location in question offers a mix of industries (logistics, aviation, automotive), and is well connected to motorways. The warehouse meets the highest standards of sustainability and efforts are being made to obtain the "Gold" certification from the German Sustainable Building Council (DGNB). It is fully let on a 5-year lease (plus two options of 2.5 years) to CEVA Logistics. The tenant will use the property to provide logistics services to Amazon and meet its e-commerce requirements.

The Königs Wusterhausen transaction is at the Core end of the fund's investment program given its strong location and excellent technical specifications, thus further strengthening the income resilience of the portfolio. This Core property was acquired in January 2021 at a real estate price of €85.5m, corresponding to a net initial yield of 3.4%.

Disposal

Basse-Ham (France)

In July 2020, the warehouse property in Basse-Ham was sold to Stam Europe on an asset deal basis for a total value of €18.5m (slightly above last net market value). This asset was previously purchased as part of a large portfolio transaction.

4. Compliance with the Fund's guidelines

As at today's report date, there are no breaches in investment guidelines of the Fund.

5. Subsequent events

Please refer to Note 22 of the financial statements for the details of any subsequent events affecting the Fund.

MANAGEMENT REPORT (continued)

Risk profile

1. **Risk profile of the portfolio**

The risk profile of the portfolio is in line with the management objective.

2. **Investment risks**

a- Market risk

Market risk is the risk of changes in market prices, such as real estate assets prices, foreign exchange rates, interest rates and equity prices, affecting the portfolio's income and/or the value of its holdings in real estate assets, financial instruments and assets held in currency.

✓ **Market risk on commercial real estate assets**

The values of real estate assets mainly depend on:

- the real estate market situation which is subject to fluctuations particularly regarding rents and prices determined by the supply, the demand and the general economic conditions, and
- the specificities of each real estate asset.

A downturn of real estate market conditions may have an adverse effect on the value of the real estate assets in which the portfolio is invested.

✓ **Market risk on financial assets**

Financial derivative instruments (Interest Rate Caps/Swaps) are used to hedge the market risk linked to assets financed thanks to floating rate external debt.

The valuation of derivative positions depends on various market parameters and a variation of these parameters may have a negative impact on the valuation of the portfolio.

✓ **Currency risk**

No currency risk is identified at the end of 2020, as the portfolio operates only in Euro so far.

b. Credit and counterparty risk

Credit and counterparty risk is the risk of financial loss if the issuer, the borrower or any counterparty fail to meet its obligations. For this fund, these risks may arise with banks providing cash deposit services, with financial counterparties to derivative transactions and with tenants.

✓ **Issuer credit risk in connection with investments in debt securities**

As at December 31st, 2020, the Fund has no direct exposure to issuer credit risk linked to investments in debt securities.

✓ **Counterparty risk**

The portfolio exposure to counterparty risk comes mainly from:

- The risk of default by a financial counterparty for derivative instruments concluded over-the-counter (FX forward, interest rate swaps, caps). Any potential loss resulting from a default by the counterparty when the derivative has a positive value could impact negatively the performance of the Fund. For FX forwards, collateral agreements have been entered to in order to reduce the counterparty risk,

- The default risk of tenants of the buildings that are physically held by the portfolio. In order to mitigate this risk, security deposit, bank security or first demand guarantee are systematically required from the tenants.

- The risk of default by a financial counterparty with whom cash may be deposited or invested.

c. Liquidity risk

Liquidity risk represents the risk of not being able to dispose of the assets in the portfolio in a timely manner so that liquidity requirements can be met, such as:

- Investors redemptions within the limits and under the conditions set out in the Investment and Shareholders Agreement,
- Operating losses or significant capital expenditures,
- Significant collateral cash payments linked to collateral agreements related to derivatives positions,
- Loans reimbursements (principal and interests).

As part the liquidity monitoring framework, level of cash and liquidity of the real estate assets are monitored internally on a regular basis.

d. Leverage

The use of leverage increases the investment capacity but also increases the risk of loss, which may result in a decrease in the Net Asset Value.

As at December 31st, 2020, the Loan-to-Fund Gross Asset Value is at 13.2%.

Level of the AIFMD leverage indicators as at December 31st, 2020 are disclosed in the dedicated section of this report.

3. <u>Investment risk monitoring</u>

The investment risks monitoring within AXA REIM SGP is shared between Portfolio and Asset Management teams, the Risk Department and the Compliance and Internal Control Department. It allows to identify, measure, manage and control the risks portfolios are subject to. The monitoring is operated through:

- The risk assessment allowing to ensure the risk level is aligned on the management strategy,
- The risk assessment related to specific management actions (investments and divestments),
- A process of identification of all investment risk types and definition of relevant risk indicators (KRIs) allowing to measure the level of risks of each portfolio, given the nature and composition of the portfolios,
- The stress-testing of potential changes in market conditions that might have an adverse impact on each asset during the due-diligence and investment process,
- A periodic review of:
  - investment guidelines (regulatory, contractual and internal) applying to each portfolio,
  - relevant risk indicators (KRIs) of each portfolio,
- Stress tests to evaluate the impact of market and normal/exceptional liquidity conditions on the portfolio. Each stress test is conducted on the basis of reliable and up to date quantitative and qualitative information. The stress tests include all constraints of the investment policy, potential redemptions, constraints related to period of assets sale and all the information regarding the real estate market movement.
- A back testing of the risk process to review the pertinence of the risk indicators used for the fund.

As of 31/12/2020, existing regulatory or contractual risk limits have not been exceeded. Risk indicators that are monitored on the portfolio do not reveal any alert or abnormal level of risk.

4. Operational risk

Operational risk means the risk of loss arising from:

- Inadequate or failed internal processes, people and systems,
- external events which include, but are not limited to, legal risk and documentation risk,
- negotiation, settlement and valuation procedures (the risk that the reported value of an asset may differ from its realizable value) applied to the AIF.

5. Operational risk monitoring

The Group carries out an operational risk program to ensure operational risk is both appropriately measured and effectively managed. The monitoring of operational risks is mainly based on:

- the existence of procedures tailored to the nature of the Group's business,
- a control system that is independent of the business operations,
- a mapping of the operational risk sources and potential impacts on that basis.
- An incident management system.

AIFM DIRECTIVE DISCLOSURE – LIQUIDITY ARRANGEMENT & REMUNERATION

1. Information related to redemption-related liquidity and "special arrangements" within the meaning of the AIFM Directive

a- Information on the redemption-related liquidity

The redemption of the AIF is subject to the limits and under the conditions set out in the Investment and Shareholders Agreement.

b- ''Special arrangements" within the meaning of the AIFM Directive

Pursuant to the AIFM Directive, a "special arrangement" means an arrangement that arises as a direct consequence of the illiquid nature of the assets of an AIF which impacts the specific redemption rights of investors in a type of units or shares of the AIF and which is a bespoke or separate arrangement from the general redemption rights of investors.

None of the portfolio's assets are subject to such arrangements.

2. Information regarding the remuneration policy statement

According to regulatory requirements on remuneration disclosure applicable to asset management companies, this disclosure provides an overview of the approach on remuneration taken by AXA Investment Managers (hereafter "AXA IM"). Further information on the composition of the Remuneration Committee and driving principles of the Remuneration Policy is available on AXA IM website: www.axa-im.com/remuneration. A copy of this information is available upon request free of charge.

Governance - AXA IM's Remuneration Policy, which is reviewed and approved by the AXA IM Remuneration Committee every year, sets out the principles relating to remuneration within all entities of AXA IM and takes into account AXA IM's business strategy, objectives, and risk tolerance, as well as the long-term interests of AXA IM's shareholders, clients and employees. The AXA IM Remuneration Committee, in line with the remuneration policies and procedures set and validated at AXA Group level, ensures consistency and fair application of the Remuneration Policy within AXA IM, as well as compliance with applicable regulations.

The central and independent review that the effective implementation of the AXA IM's Remuneration Policy complies with the procedures and policies adopted by AXA IM Group level, is performed by the AXA IM Internal Audit Department, who present each year its conclusions to the AXA IM Remuneration Committee to enable it to perform its diligences.

These conclusions did not mention any particular comment regarding the compliance of the effective implementation of the AXA IM's Remuneration Policy.

The result of the annual exam by the AXA IM Remuneration Committee is presented to the Board of Directors of AXA Real Estate Investment Managers SGP (hereafter "AXA REIM SGP") along with the amendments implemented into the AXA IM's Remuneration Policy.

The Global Remuneration Policy has been reviewed to ensure compliance with all governing regulations and alignment with the AXA IM business and Human Resource strategies, and, was revised on the proposed deferral structure and on the AXA IM Performance shares attribution.

Quantitative information – Data provided below are those of AXA Investment Managers covering all subsidiaries of the AXA IM Group and types of portfolios as at 31 December 2020 after application on remuneration data of the AXA Logistics Europe Master S.C.A. weighted Asset Under Management allocation key.

Total amount of remuneration paid and/or awarded to staff for the year ended December 31, 2020 (1)	
Fixed Pay (2) ('000 EUR)	551
Variable Pay (3) ('000 EUR)	614
Number of employees (4)	2,516 among which 84 for AXA REIM SGP

AIFM DIRECTIVE DISCLOSURE – LIQUIDITY ARRANGEMENT & REMUNERATION (continued)

2. Information regarding the remuneration policy statement

Aggregate amount of remuneration paid and / or awarded to risk takers and senior management whose activities have a significant impact on the risk profile of portfolios (1)	
Fixed Pay and Variable Pay ('000 EUR) (2) (3)	207,670
Number of identified employees (5)	312 among which 4 within AXA REIM SGP among which 3 Senior Managers

(1) Excluding social charges, after application of the fund's weighted Asset Under Management allocation key.

(2) Fixed Pay amount is based on Fixed Pay effective for all staff at AXA IM on January 1st, 2020.

(3) Variable Pay, composed of discretionary, upfront and deferred items, includes:
- Amounts awarded for the performance of the previous year and fully paid over the financial year under review (non-deferred variable pay)
- Amounts awarded for the performance of previous years and the performance of the year under review (deferred variable pay),
- Long-Term Incentives awarded by the AXA Group.

(4) Number of employees includes Permanent and Temporary contracts excluding interns as at 31/12/2020.

(5) Number of identified employees within AXA IM Group level and AXA REIM SGP as at 31/12/2020.

AIFM DIRECTIVE DISCLOSURE – LEVERAGE & MATERIAL CHANGES

1 . Leverage

In accordance with the EU Commission Delegated Regulation (EU) No 231/13 (the "AIFM Regulation"), leverage is defined as any method which increases the Fund's exposure, including the borrowing of cash and the use of derivatives.

It is expressed as a percentage of the Fund's exposure to its net asset value and is calculated under both a gross and commitment method.

The Fund exposure under both the gross and commitment method is calculated as follows:

- Total Exposure (gross method) = Sum of consolidated assets with derivative instruments converted into equivalent positions in their underlying asset, excluding cash or cash equivalent positions.
- Total Exposure (commitment method) = Sum of consolidated assets with derivative instruments converted into equivalent positions in their underlying asset, taking into account netting and hedging arrangements.

The calculation of the exposure takes into account transparently the debt and derivatives instruments of controlled subsidiaries, in proportion to the share held.

Method	**Leverage as of 31/12/2020**	**Maximum leverage authorized**
Gross method	**195%**	**400%**
Commitment method	**209%**	**300%**

2 . Material Changes

No material change.

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Audit report

To the Shareholders of
AXA Logistics Europe Master S.C.A.

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of AXA Logistics Europe Master S.C.A. and its subsidiaries (the “Fund”) as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

What we have audited

The Fund’s consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in net assets attributable to the partners for the year then ended;
- the consolidated statement of changes in number of shares in issue and net assets per unit attributable to the partners for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the consolidated financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Fund's General Partner is responsible for the other information. The other information comprises the information stated in the annual report but does not include the consolidated financial statements and our audit report thereon.

PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T : +352 494848 1, F : +352 494848 2900, www.pwc.lu

Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518

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

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

Responsibilities of the Fund's General Partner for the consolidated financial statements

The Fund's General Partner is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Fund's General Partner determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Fund's General Partner is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund's General Partner either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund's General Partner;

- conclude on the appropriateness of the Fund's General Partner’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Fund to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Fund audit. We remain solely responsible for our audit opinion.

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 11 May 2021

Electronically signed by:
Amaury Evrard

Amaury Evrard

	Note	31 December 2020 €	31 December 2019 €
Assets			
Non-current assets			
Investment property	5	2,386,005,719	1,880,697,987
Derivatives at fair value through profit or loss	17	2,097,175	-
Total non-current assets		**2,388,102,894**	**1,880,697,987**
Current assets			
Other receivables and prepayments	6	52,466,000	27,067,669
Cash and cash equivalents	7	234,875,273	109,123,390
Total current assets		**287,341,273**	**136,191,059**
Total assets		**2,675,444,167**	**2,016,889,046**
Liabilities			
Current liabilities			
Deferred income		5,724,759	3,819,610
Taxation payable	18	6,427,955	2,900,925
Borrowings	12	294,006,463	35,012,128
Provisions	5	900,000	-
Trade and other payables	8	49,738,192	52,044,927
Derivatives at fair value through profit or loss	17	11,283	122,846
Total current liabilities		**356,808,652**	**93,900,436**
Non-current liabilities			
Borrowings	12	1,468,371,398	1,320,848,069
Deferred tax liabilities	18	55,271,449	20,250,680
Derivatives at fair value through profit or loss	17	-	3,996,607
Total non-current liabilities		**1,523,642,847**	**1,345,095,356**
Non-controlling interests (equity)	14	**241,908,594**	**120,881,268**
Net assets attributable to the Partners		553,084,074	457,011,986
Total liabilities		**2,675,444,167**	**2,016,889,046**
Adjustments from net assets attributable to the Partners to adjusted subscription net asset value*	4	7,465,223	4,197,083
Adjusted Subscription Net Asset Value		**560,549,297**	**461,209,069**

*Calculated in accordance with Note 2.2.

	Note	Year ended 31 December 2020 €	*Period ended 31 December 2019 €
Rental income	9	112,954,700	55,094,572
Net gain from fair value adjustment on investment property	5	104,384,507	75,846,953
Gain on disposal of investment property	5	2,550,808	776,310
Operating expenses	10	(22,549,670)	(14,038,950)
Operating profit		**197,340,345**	**117,678,885**
Finance income	11	2,827,506	684,181
Finance expense	11	(41,390,367)	(26,698,262)
Finance result		**(38,562,861)**	**(26,014,081)**
Profit before tax		**158,777,484**	**91,664,804**
Taxation expense	18	(9,297,975)	(3,029,520)
Deferred taxation	18	(35,246,857)	(20,250,680)
Total tax		**(44,544,832)**	**(23,280,200)**
Profit for the year/period after tax		**114,232,652**	**68,384,604**
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation reserve		107	-
Total comprehensive income for the year/period		**114,232,759**	**68,384,604**
Profit for the year/period is attributable to:			
Partners		95,558,248	52,371,194
Non-controlling interests		18,674,404	16,013,410
Total comprehensive income for the year/period is attributable to:			
Partners		95,558,355	52,371,194
Non-controlling interests	14	18,674,404	16,013,410
Net increase in net assets attributable to the Partners for the year/period		**95,558,355**	**52,371,194**
Adjustments from net assets attributable to the Partners to adjusted subscription net asset value**		3,268,140	4,197,083
Net increase in subscription net asset value		**98,826,495**	**56,568,277**

*Reflects the period from 27 June 2019 (date of incorporation) to 31 December 2019.

**Calculated in accordance with Note 2.2.

The accompanying notes form an integral part of the consolidated financial statements

	Note	Year ended 31 December 2020 €	*Period ended 31 December 2019 €
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		158,777,484	91,664,804
Adjustments			
Net realised and unrealised gain on investment property	5	(106,935,315)	(76,623,263)
Finance result	11	38,562,861	26,014,081
Increase/decrease in operating assets			
Increase in other receivables and prepayments (excluding interest and taxation)	6	(7,186,851)	(2,480,309)
Increase in deferred income		1,905,149	827,815
Increase in provisions		900,000	-
Increase/(decrease) in trade and other payables (excluding interest and taxation)	8	(39,102,364)	19,886,650
Cash generated from operations		46,920,964	59,289,778
Taxation paid		(9,454,122)	(2,228,577)
Interest received		258,963	190,516
Interest and bank charges paid		(40,212,330)	(14,792,926)
Net cash generated from operating activities		(2,486,525)	42,458,791
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash acquired	15	(204,535,803)	(7,777,007)
Purchase of investment property (including acquisition costs)	5	(36,504,207)	(137,088,599)
Capital expenditure on investment property	5	(36,588,912)	-
Capitalised lease incentives	5	(5,183,467)	(5,735,734)
Sale of investment property	5	18,500,000	15,300,000
Net cash used in investing activities		**(264,312,389)**	**(135,301,340)**
CASH FLOW FROM FINANCING ACTIVITIES			
Subscriptions received		25,638,733	30,100
Distribution to the partners		(25,125,000)	-
Drawdown on borrowings	12	834,656,361	196,032,184
Repayment of borrowings	12	(448,961,905)	(11,147,625)
Net proceeds from non-controlling interests		12,146,284	13,307,149
Net payment on hedging		(5,803,676)	3,744,131
Net cash provided by financing activities		**392,550,797**	**201,965,939**
Net increase in cash and cash equivalents		**125,751,883**	**109,123,390**
Cash and cash equivalents at beginning of the year/period		109,123,390	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD		**234,875,273**	**109,123,390**
Supplementary information for non-cash flow transactions			
Capital contributions in specie (see Note 15 for further detail)		-	404,610,692
Shareholder loan contributed (see Note 12 for further detail)		-	567,321,137

*Reflects the period from 27 June 2019 (date of incorporation) to 31 December 2019.

AXA Logistics Europe Master S.C.A.
Consolidated Statement of Changes in Net Assets attributable to the Partners for the year ended 31 December 2020

		Limited Partners*				General Partner			
	Note	Share capital €	Retained Earnings €	Foreign Currency Translation Reserve €	Total Limited Partners €	Share capital €	Retained Earnings €	Total General Partner €	Total €
Net assets attributable to the Partners at beginning of the period (IFRS)		-	-		-	-	-	-	-
Capital contributions		404,640,692	-	-	**404,640,692**	100	-	100	404,640,792
Profit for the year after tax		-	52,371,180	-	**52,371,180**	-	14	14	52,371,194
Net assets attributable to the Partners as at 31 December 2019 (IFRS)		**404,640,692**	**52,371,180**	**-**	**457,011,872**	**100**	**14**	**114**	**457,011,986**
Adjustments from net assets attributable to the Partners to adjusted subscription net asset value	4	-	4,197,083	-	**4,197,083**	-	-	-	4,197,083
Net assets attributable to the Partners as at 31 December 2019 (Adjusted Subscription NAV)		**404,640,692**	**56,568,263**	**-**	**461,208,955**	**100**	**14**	**114**	**461,209,069**
Capital contributions		25,638,733	-	-	25,638,733	-	-	-	25,638,733
Distributions of capital / share premium		(25,125,000)	-	-	(25,125,000)	-	-	-	(25,125,000)
Profit for the year after tax		-	95,558,224		95,558,224	-	24	24	95,558,248
Other comprehensive income		-	-	107	107	-	-	-	107
Net assets attributable to the Partners as at 31 December 2020 (IFRS)		**405,154,425**	**147,929,404**	**107**	**553,083,936**	**100**	**38**	**138**	**553,084,074**
Cumulative adjustments from net assets attributable to the Partners to adjusted subscription net asset value	4	-	7,465,223	-	**7,465,223**	-	-	-	7,465,223
Net assets attributable to the Partners as at 31 December 2020 (Adjusted Subscription NAV)		**405,154,425**	**155,394,627**	**107**	**560,549,159**	**100**	**38**	**138**	**560,549,297**

* All Partners are presented as a liability in the Statement of Financial Position

The accompanying notes form an integral part of the consolidated financial statements

Consolidated Statement of Changes in Number of Shares in Issue and Net Assets per Unit attributable to the partners for the year ended 31 December 2020

NUMBER OF SHARES IN ISSUE (Expressed in units)	Year ended 31 December 2020	Period ended 31 December 2019
Class A Shares		
Shares in issue at the beginning of the year/period	404,910	-
Shares subscribed	20,621	404,910
Shares redeemed	-	-
Class A Shares in issue at the end of the year/period	**425,531**	**404,910**
Class C Shares		
Shares in issue at the beginning of the year/period	1	-
Shares subscribed	-	1
Shares redeemed	-	-
Class C Shares in issue at the end of the year/period	1	**1**

NET ASSETS PER SHARE (IFRS NAV) Expressed in (€)	31 December 2020 €	31 December 2019 €
Class A shares	1,299.75	1,128.68
Class C shares	138.25	113.99

NET ASSETS PER SHARE (SUBSCRIPTION NAV) Expressed in (€)	31 December 2020 €	31 December 2019 €
Class A shares	1,317.29	1,139.04
Class C shares	138.25	113.99

*Reflects the period from 27 June 2019 (date of incorporation) to 31 December 2019.

Note 1 - General

AXA Logistics Europe Master S.C.A., (the "Fund") is a corporate partnership limited by shares *(société en commandite par actions ("S.C.A.")* domiciled and incorporated in the Grand Duchy of Luxembourg on 27 June 2019 for an unlimited duration. The subscription, sale and holding of shares of the Fund are restricted to Institutional Investors.

The Fund is registered with the Luxembourg Trade and Companies Register under number B 235 921.

The registered office is established at 2-4 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg.

The Fund is an alternative investment fund ("AIF") in accordance with the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers ("AIFM Directive"). For these purposes, the General Partner has appointed AXA Real Estate Investment Managers SGP, as the legal person responsible for performing the portfolio and risk management of the Fund, has been identified as the Alternative Investment Fund Manager ("AIFM") of the Fund, as disclosed in the Investment and Shareholders Agreement ("ISA").

These consolidated financial statements present the consolidated financial position of the Fund and the Fund's subsidiaries (the "Group"). For details of all the consolidated entities, please refer to Note 20.

The Group's investment activities are managed by its General Partner, AXA Logistics Europe GP S.à r.l. (the "General Partner"), a private limited liability company incorporated under the law of Grand Duchy of Luxembourg with registration number B 235 839. The administration of the Group is managed by The Bank of New York Mellon SA/NV Luxembourg Branch.

The financial period of the Fund starts on 1 January and ends on 31 December, except for the first period starting on 27 June 2019 (date of incorporation) and ending on 31 December 2019. The Group's accounts are prepared in Euro ("EUR" or "€").

The investment objective of the Fund will be to seek current income combined with long-term capital appreciation through investment directly or indirectly via its subsidiaries in a diversified portfolio of European Real Estate Assets exposed to logistics with a limited exposure to investments in cash in accordance with its investment objective and the investment guidelines.

The consolidated financial statements of AXA Logistics Europe Master S.C.A., were authorised for issue by the General Partner on 11 May 2021.

Note 2 - Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

(a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union and interpretations issued from the IFRS Interpretation Committee ("IFRIC") and adopted by the European Union.

(b) Historical cost convention
The consolidated financial statements have been prepared on a going concern basis, applying the historical cost convention, except for the measurement of investment properties at fair value and derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in Euro and the presentation currency of the consolidated information is Euro.

Note 2 - Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) Historical cost convention (continued)
The Group has elected to present a single consolidated statement of comprehensive income, and presents its expenses by nature. The consolidated statement of cash flows from operating activities is presented using the indirect method. Interest received and interest paid are shown separately within operating cashflows. The acquisition of investment property is disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities. See Note 2.3 for information on the Group's financial assets and liabilities.

Even if some of the derivatives held by the Group are settled gross by distinct delivery of the two legs of the agreements, because of the reduced short timing difference between paying and receiving legs, the Group presents all the payments on hedging instruments on a net basis in the Consolidated Statement of Cash Flows.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires the Board of Managers of the General Partner to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. The Board of Managers of the General Partner believes that the underlying assumptions are appropriate. Key estimates, assumptions and judgement that have significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial period are outlined in Note 2.2.

(c) New and amended standards adopted by the Group
The Group has adopted all standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee of the IASB and as adopted by the European Union that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2020.

The following standards and amendments have been applied by the Group for the first time for the financial year beginning on 1 January 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Revised Conceptual Framework for Financial Reporting

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the future periods.

Definition of a Business – Amendments to IFRS 3, Business Combinations
The Group applied this amendment for the first time in the current financial year. The amendment clarifies the definition of a business, as well as providing additional illustrative examples, including those relevant to the real estate industry. A significant change in the amendment is the option for an entity to assess whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets. If such a concentration exists, the transaction is not viewed as an acquisition of a business and no further assessment of the business combination guidance is required. This amendment has not affected the result of the assessment of acquisitions made during the current period. However, it might be relevant for future acquisitions where the value of the acquired entity is concentrated in one property, or a group of similar properties.

(d) New standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. The Group is assessing the impact of the following standards:

The following standards are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions:

- Amendment to IFRS 16 – COVID-19 rent concessions
- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39 and IFRS 7.
- IFRS 17 Insurance Contracts.
- Proceeds before intended use – Amendments to IAS 16.
- Amendments to IAS 1– Classification of liabilities as current or non-current
- Onerous contracts – Cost of fulfilling a contract – Amendments to IAS 37.

Note 2 - Summary of significant accounting policies (continued)

2.2 Significant accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are outlined below.

Investment property
The fair value of investment property is based on a valuation as performed by an independent valuer. Independent valuations may be indicative and not executable or binding. See Note 5 for further details of the judgements and assumptions made.

The Group did not make any other material critical accounting judgements in the year ended 31 December 2020 or the period ended 31 December 2019.

2.3 Financial assets and financial liabilities

Financial assets and financial liabilities are classified and measured in accordance with IFRS 9 – *Financial instruments* ("IFRS 9").

Financial assets
Financial assets are measured at fair value at initial recognition, and are subsequently classified and measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income on the basis of both:

- The Group's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost:
Financial assets held at amortised cost are measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Assets with maturities of less than 12 months after the statement of financial position date are included in current assets and those assets exceeding 12 months are included in non-current assets.

The Group includes short-term non-financing receivables including other receivables in this category.

Financial assets measured at fair value through profit or loss:

A financial asset is measured at fair value through profit or loss if:

a. Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding; or
b. It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
c. At initial recognition, an equity instrument is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and loss on them different bases.

Due to the cash flow characteristics and the business model for managing the assets, the Group has classified the below as financial assets measured at fair value through profit or loss:

The Group has included derivatives in this category unless they are designated as hedges. The Group does not apply hedge accounting.

The Group has not classified any financial assets as fair value through other comprehensive income.

Note 2 - Summary of significant accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

Financial liabilities
Financial liabilities measured at fair value through profit or loss:
A financial liability is measured at fair value through profit or loss if it meets the definition of held for trading. The Group includes in this category, derivative contracts in a liability position.

Financial liabilities measured at amortised cost:
This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Group includes in this category, borrowings (see Note 2.16 for the accounting policy on borrowings), deferred income, redeemable shares and trade and other payables.

Recognition and Measurement
The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Regular purchases of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value minus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Consolidated Statement of Comprehensive Income. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are recognised initially at fair value and subsequently carried at amortised cost.

Transfers between levels of the fair value hierarchy
Transfers between levels of the fair value hierarchy, if applicable, are deemed to have occurred at the end of the reporting period.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Impairment of financial assets
For trade receivables the Group applies AXA REAL ASSETS bad and doubtful debt policy that is based on the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The methodology considers the historic actual default rate, the current actual default rate with a forward-looking assessment of whether the current default rate is adequate given specific macro-economic and sector specific factors which may apply.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

Expected credit loss allowances are recognised in the consolidated statement of comprehensive income.

Note 2 - Summary of significant accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

The impact of COVID-19 on the recoverability of receivables from rental income has been considered. While the methodologies and assumptions applied in the expected credit losses (ECL) calculation remains significantly unchanged from the prior financial year, the Group has incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic to rental income receivables. Whilst no material recoverability issues have been identified, there is a risk that the economic impact of COVID-19 could results in higher credit losses than those modelled under the Group's impairment provisioning model.

Offsetting
The Group only offsets financial assets and liabilities at fair value through profit or loss if the Group has a legally enforceable right to set off the recognised amounts and either intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.4 Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Group transacts predominantly in €. The consolidated financial statements are presented in €, which is the Group functional currency and Group's presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of such transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i) assets and liabilities in the consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
ii) income and expenses in the consolidated statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
iii) all resulting exchange differences are recognised in other comprehensive income.

On the disposal of a foreign operation, (that is the disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation) all of the exchange differences accumulated in other comprehensive income in respect of that operation attributable to the equity holders of the company are reclassified to profit or loss.

2.5 Deferred income

Deferred income represents rental income received in advance in respect of future periods.

2.6 Cash and cash equivalents

Cash includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position. All items included within cash and cash equivalents are highly liquid instruments that are subject to insignificant risk of changes in value.

2.7 Prepayments

Prepayments are carried at cost, less any accumulated impairment losses.

Note 2 - Summary of significant accounting policies (continued)

2.8 Expenses

All expenses, including management fees, are recognised in the consolidated statement of comprehensive income on an accruals basis.

2.9 Interest income and expense

Interest income and expense are recognised within "finance income" and "finance costs" in the consolidated statement of comprehensive income using the effective interest rate method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.10 Group formation expenses

The Group’s formation expenses are recognised as an expense when accrued.

2.11 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably measured. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost. Provisions are stated at their original amount if the effect of discounting is immaterial.

2.12 Consolidation

(a) Subsidiaries

Control
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

All the Group companies have 31 December as their period-end. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated except where there are indications for impairment.

Accounting for business combinations
The Group may elect to apply the optional concentration test in IFRS 3 to assess whether an acquisition must be accounted for as a business combination. When substantially all of the fair value of the gross assets acquired is concentrated in a single asset (or a group of similar assets), the transaction is accounted for as an asset acquisition. The consideration paid is allocated to the identifiable assets and liabilities acquired on the basis of their relative fair values at the acquisition date. Where an acquisition does not satisfy the concentration test and the acquired set of activities meets the definition of a business, the Group applies the acquisition method of accounting.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary that meets the definition of a business is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Note 2 - Summary of significant accounting policies (continued)

2.12 Consolidation (continued)

Subsidiaries (continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss.

Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the business acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

Accounting for asset acquisitions
For acquisition of a subsidiary not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.13 Investment property

Investment property are property held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in the consolidated statement of comprehensive income in the period in which they arise.

When the Group begins to redevelop an existing investment property for continued future use as an investment property, or with a view to disposal, the property continues to be held as an investment property.

Leases that meet the definition of investment property are classified as investment property and measured at fair value.

Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment property under construction for which the fair value cannot be determined reliably but for which the Group expects that the fair value of the property will be reliably determinable when construction is complete , are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier.

Note 2 - Summary of significant accounting policies (continued)

2.13 Investment property (continued)

See Note 5 for details on valuation of investment properties.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income in the period in which the property is derecognised.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.14 Leases

a. Group is the lessee

(i) At initial recognition

The Group acting as lessee recognises a right-of-use asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The right-of-use asset is measured at its cost which includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the Group; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The lease liability is measured at the present value of the lease payments that are not paid at the date of the consolidated statement of financial position.

- Lease liabilities include the net present value of the following lease payments;
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured at the applicable index or rate at the lease commencement date;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, or the penalty payable on the exercise of a termination option unless the Group is reasonably certain not to exercise the option; and
- any amounts expected to be payable under residual value guarantees.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group is using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

(ii) Subsequent measurement
The Group measures the right-of-use assets that meet the definition of investment property using the fair value model applied to its investment property.

The lease liability is measured as follows:
a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Note 2 - Summary of significant accounting policies (continued)

2.14 Leases (continued)

b. Group is the lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet in accordance with their nature.

The Group elected to recognise lease income for variable payment that depends on an index or a rate on a straight-line basis.

At the commencement date, the Group assesses whether the lessee is reasonably certain to exercise an option to extend the lease or to purchase the underlying asset, or not to exercise an option to terminate the lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise, or not to exercise, the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option.

2.15 Revenue recognition

Revenue includes rental income, and service charges and management charges from properties.

Rental income from operating leases and initial direct costs are recognised on a straight-line basis over the term of the relevant lease.

When the Group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers, which are not for distinct services, this consideration may include discounts, trade allowances, rebates and amounts collected on behalf of third parties. For arrangements that include deferred payment terms that exceed twelve months, the Group adjusts the transaction price for the financing component, with the impact recognised as interest income using the effective interest rate method over the period of the financing.

A receivable is recognised when services are provided as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

Revenue from service and property management charges is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as finance cost over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the consolidated statement of financial position.

Note 2 - Summary of significant accounting policies (continued)

2.17 Taxation

The entities of the Group are subject to taxation in the countries in which they operate. The Group may also incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the consolidated statement of comprehensive income.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised directly in other comprehensive income or equity - in which case, the tax is also recognised in other comprehensive income or equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position in the countries where the Group operates.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The carrying value of the Group’s investment property is assumed to be realised by sale at the end of use. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the consolidated statement of financial position regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Redeemable shares

Redeemable shares are carried at amortised cost, which correspond to the redemption amount that is payable at the consolidated statement of financial position date if the holder exercises the right to put the share back to the Fund. The mechanism for redemption of units is outlined in Note 4.

2.19 Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group’s net assets therein. Non-controlling interests consist of the amount of those interests at the date of the acquisition and the non-controlling shareholder’s share of net assets since the date of the acquisition.

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets. This decision is made on an acquisition-by-acquisition basis. .

Non-controlling interests comply with the “equity” classification criteria of IAS 32 para 11 and are classified as equity.

Note 2 - Summary of significant accounting policies (continued)

2.20 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted. Certain Group companies obtain deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition or for the lease payments for a period ranging from 1 to 24 months. The Group has elected to treat such deposits as financial liabilities in accordance with IFRS 9, and they are initially recognised at fair value. The deposit is subsequently measured at amortised cost.

2.21 Dividend distribution

Distributions to Partners are recognised in the consolidated statement of comprehensive income in the period in which the dividends are approved. Distributions out of share premium are presented with the consolidated statement of changes in net assets.

Note 3 – Fair value estimation

Fair value measurement recognised in the consolidated statement of financial position

The Group uses the following hierarchy for determining and disclosing the fair values of assets and liabilities:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable input).

The following table provides an analysis of the Group's assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value inputs are observable.

	Level 1 €	Level 2 €	Level 3 €	Total €
As at 31 December 2020				
Investment property*	-	-	2,386,005,719	2,386,005,719
Derivatives at fair value through profit or loss (liabilities)		(11,283)		(11,283)
Derivatives at fair value through profit or loss (assets)	-	2,097,175	-	2,097,175
As at 31 December 2019				
Investment property*	-	-	1,880,697,987	1,880,697,987
Derivatives at fair value through profit or loss (liabilities)		(4,119,453)		(4,119,453)

*See Note 5 for further information in relation to the fair value of investment properties.

There were no transfers between levels during the year ended 31 December 2020 and during the period ended 31 December 2019.

Financial instruments in Level 2 and Level 3

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instruments are observable, the instruments is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Note 3 – Fair value estimation (continued)

Specific valuation techniques used to value financial instruments include:
- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate caps / swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- Other techniques, such as discounted cash flow analysis are used to determine fair value for the remaining financial instruments.

Assets and liabilities not carried at fair value

The following table analyses within the fair value hierarchy the Group's assets and liabilities (by class) not measured at fair value at 31 December 2020.

	Level 1 €	Level 2 €	Level 3 €	Total €
As at 31 December 2020				
Assets				
Other receivables and prepayments	-	52,466,000	-	52,466,000
Cash and cash equivalents	234,875,273	-	-	234,875,273
Total	**234,875,273**	**52,466,000**	-	**287,341,273**
Liabilities				
Taxation payable	-	6,427,955	-	6,427,955
Trade and other payables	-	49,738,192	-	49,738,192
Borrowings	-	1,762,377,861	-	1,762,377,861
Total	-	**1,818,544,008**	-	**1,818,544,008**

The following table analyses within the fair value hierarchy the Group's assets and liabilities (by class) not measured at fair value at 31 December 2019.

	Level 1 €	Level 2 €	Level 3 €	Total €
As at 31 December 2019				
Assets				
Other receivables and prepayments	-	27,067,669	-	27,067,669
Cash and cash equivalents	109,123,390	-	-	109,123,390
Total	**109,123,390**	**27,067,669**	**-**	**136,191,059**
Liabilities				
Taxation payable	-	2,900,925	-	2,900,925
Trade and other payables	-	52,044,927	-	52,044,927
Borrowings	-	1,355,860,197	-	1,355,860,197
Total	**-**	**1,410,806,049**	**-**	**1,410,806,049**

Note 4 - Financial risk management

The Board of Managers of the General Partner have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Board of Managers of the General Partner supervises and maintains control of risk management and delegates the implementation of the day-to-day operation to the AIFM. The day-to-day investment risk measurement and management elements of risk management are undertaken by the risk management department of the AIFM. The functional and hierarchical separation of the risk management department of the AIFM is ensured throughout the hierarchical structure of the AIFM.

Note 4 - Financial risk management (continued)

The risk management department of the AIFM implements and maintains risk management policies and procedures designed to identify, measure, manage and monitor (i) the material risks which have been identified relevant to the Group's investment strategies; and (ii) the positions in the Group and their contribution to the overall risk profile of the Group. Liquidity risk is monitored on an ongoing basis as part of the risk management system.

The Group has exposures to the following risks from its use of financial instruments:
(a) Market risk (including foreign currency, price and interest rate risk);
(b) Credit risk; and
(c) Liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing these risks.

a) Market risk

Market risk is the risk that the fair value or future cash flows of an asset will fluctuate because of changes in market prices. The Group's market risks arise from open positions in (a) foreign currencies and (b) interest-bearing assets and liabilities, as well as (c) equity securities price movements, to the extent that these are exposed to general and specific market movements. Management sets limits on the exposure to real estate and interest rate risk as well as security prices that may be accepted, which are monitored on a monthly basis (see details below). However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in one factor while holding all other factors constant. In practice, this is unlikely to occur, and changes in some of the factors may be correlated - for example, changes in interest rate and changes in foreign currency rates.

i. Foreign currency risk

Foreign currency risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the respective Group entity.

The Group does not have any significant exposure to foreign currency risk. All rental contracts are denominated in Euro.

As the Group's exposure to foreign exchange risk is not deemed to be material, no sensitivity analysis has been presented.

ii. Price risk

The Group is exposed to price risk other than in respect of financial instruments, such as property price risk including property rentals risk (Note 5).

The values of real estate assets mainly depend on:

- the real estate market valuation which is subject to fluctuations particularly regarding rents and prices determined by the supply, demand and the general economic conditions, and
- the specificities of each real estate asset. The portfolio is wholly composed of logistics assets located in areas around Europe.

A downturn of real estate market conditions may have an adverse effect on the value of the real estate assets in which the portfolio is invested.

iii. Interest rate risk

The Group is subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. The Group's interest bearing financial assets and liabilities include cash and cash equivalents which earns interest at short-term market rates and floating rate bank loans whose interests are linked to EURIBOR.

Management considered a shift of 100 basis points for sensitivity purposes as being relevant considering the Group's current exposure and historical volatility on variable rates to which it is exposed.

Note 4 - Financial risk management (continued)

a) Market risk (continued)

Interest rate risk (continued)
As at 31 December 2020, had market interest rates increased by 100 basis points with all other variables held constant, the impact on the net assets would be a decrease of €2,989,606 (2019: €2,805,792). A decrease in market interest rates by 100 basis points with all other variables held constant, the impact on the net assets would be an increase of €145,000 (2019: €257,500).

As at 31 December 2020, the Group held a number of interest rate caps for the purpose of hedging the interest on the bank loans. Any gains or losses recognised on the open interest rate swaps is offset by changes in the interest rates charged on the bank loans. Further details of the interest rate caps held by the Group can be found in Note 17.

The average effective interest rates of financial instruments at the date of the consolidated statement of financial position, based on reports reviewed by key management personnel, were as follows:

	31 December 2020	31 December 2019
	€	€
Bank borrowings (see Note 12)	2.80%	1.60%
Shareholder loan (see Note 12)	2.15%	3.49%

Refer to Note 12 for details of fixed and variable interest rates on borrowings.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents held at banks, trade receivables including rental receivables from lessees, rental guarantees and derivatives. Credit risk is managed on a Group basis. The Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to a quarterly or more frequent review. The Group has policies in place to ensure that rental property contracts are entered into only with lessees with an appropriate credit history, but the Group does not monitor the credit quality of receivables on an ongoing basis. Cash balances are held only with financial institutions with strong credit standing.

The Group has policies that limit the amount of credit exposure to any financial institution. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Managers of the General Partner. The utilisation of credit limits is regularly monitored.

The Group's maximum exposure to credit risk by class of financial asset other than derivatives is as follows:

	31 December 2020	31 December 2019
	€	€
Other receivables	52,466,000	27,067,669
Cash and cash equivalents	234,875,273	109,123,390
	287,341,273	136,191,059

There are no financial assets that are past due or impaired. There are no collateral nor other credit enhancements held by the Group.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of capital commitments and the ability to close out market positions.

Note 4 - Financial risk management (continued)

c) Liquidity risk (continued)

An investment in the Fund may provide limited liquidity since the Fund may be restricted in its ability to liquidate its investments. This could also impair the Fund's ability to distribute redemption proceeds to a redeeming Limited Partner in a timely manner. The ISA of the Fund permits quarterly redemptions from the Fund at each quarter end subject to Redemption Queue and suspension mechanism, subject to the following conditions:

a) All Redemption Notices accepted on the same Quarter End will be grouped into the same Redemption Vintage.
b) Investors' Shares in a Redemption Vintage will be redeemed on a *pro rata* basis having regard to the total amounts of Shares presented for redemption on the Redemption Vintage in the same Redemption Vintage and *pari passu* with other Shares in the same Redemption Vintage.
c) If, at the General Partner's sole discretion, a portion or all of the redemption requests of the same Redemption Vintage cannot be satisfied on the relevant Quarter End, a queuing system shall be operated in respect of the outstanding redemption requests.
d) Each Redemption Vintage will be redeemed in turn before the next Redemption Vintage in the Redemption Queue. Redemptions may be suspended for a period not exceeding 18months if (i) the outstanding redemptions requests in the Redemption Queue represent more than 15% of the NAV of the Fund as at any given date, or (ii) the AIFM considers that there are special market or adverse conditions.

In addition to Shareholder loan, the Group has entered into loan facility agreements with the following banks (See Note 12 for further information on bank borrowings):

- HSBC France SA
- Natixis SA
- Natixis Pfandbriefbank AG
- Société Générale S.A. (Frankfurt branch)
- Bayerische Landesbank
- ING Bank N.V.

The Group's liquidity position is monitored on a daily basis by the management and is reviewed quarterly by the Board of Managers of the General Partner. A summary table with maturity of financial liabilities presented below is used by key management personnel to manage liquidity risks and is derived from managerial reports at company level.

The amounts disclosed in the tables below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the consolidated statement of financial position, as the impact of discounting is not significant.

The maturity analysis at 31 December 2020 is as follows:

	On demand / < 1 month €	1 month to 1 year €	1 to 5 years €	Later than 5 years €	Total €
Liabilities					
Derivatives at fair value through profit or loss	(11,283)	-	-	-	(11,283)
Trade and other payables*	-	(57,088,067)	(28,359,371)	(8,560,211)	(94,007,649)
Taxation payable	-	(6,427,955)	-	-	(6,427,955)
Borrowings (net of hedging)	(286,225,600)	(7,780,863)	(14,551,371)	(1,453,820,027)	(1,762,377,861)
Net assets attributable to unit holders**	-	-	-	(553,084,074)	(553,084,074)
	(286,236,883)	(71,296,885)	(42,910,742)	(2,015,464,312)	(2,415,908,822)

*Trade and other payables also includes accrued interest on borrowings.

**Based on the investment profile of the underlying investments (real estate) and the exit mechanism of the Fund as per the ISA, the above classification represents the investment horizon of the Fund.

Note 4 - Financial risk management (continued)

c) Liquidity risk (continued)

The maturity analysis at 31 December 2019 is as follows:

	On demand / < 1 month	3-12 months	1 to 5 years	Later than 5 years	Total
	€	€	€	€	€
Liabilities					
Derivatives at fair value through profit or loss	-	(122,846)	-	(3,996,607)	(4,119,453)
Trade and other payables*	-	(52,132,130)	-	(21,891,881)	(74,024,011)
Taxation payable	-	(2,900,925)	-	-	(2,900,925)
Borrowings (net of hedging)	-	(34,004,152)	(20,003,938)	(1,301,852,107)	(1,355,860,197)
Net assets attributable to unit holders**	-	-	-	(457,011,986)	(457,011,986)
	-	(89,160,053)	(20,003,938)	(1,784,752,581)	(1,893,916,572)

*Trade and other payables also includes accrued interest on borrowings.

**Based on the investment profile of the underlying investments (real estate) and the exit mechanism of the Fund as per the ISA, the above classification represents the investment horizon of the Fund.

The amount of contractual undiscounted cash flows related to bank financing is calculated after hedging with the interest rate swap.

Capital risk management

The capital of the Group is represented by the net assets attributable to the partners, which can change significantly on a quarterly basis because of Group's performance and market evolution (mainly property prices, foreign currency and interest rate markets). The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for unitholders, provide benefits to other stakeholders and maintain a strong capital base to support the development of the investment activities of the Group.

In order to maintain the capital structure, the Group's policy is to perform the following:

- Monitor the level of cash held and required within one month and adjust the amount of distribution the Fund pays, in particular, in the context of unit buy back
- Buy back and issue new shares in accordance with the constitutional documents of the Fund

The Board of Managers of the General Partner and the AIFM monitor capital on the basis of the value of net assets attributable to unitholders in accordance with the principles defined in the ISA.

The Fund deploys a certain level of third party debt to finance part of the Fund's investments in real estate assets, to the extent that such financing is available. Such financing may include unsecured borrowings and non-recourse project level debt secured by the mortgage of one or more real estate assets themselves. The Fund has an absolute limit set at 45% loan to value ("LTV") in aggregate at portfolio level. As at 31 December 2020, the leverage of the real estate portfolio was 21% LTV (2019: 21.5% LTV).

The trading NAV is calculated based on the European Association for Investors in Non-Listed Real Estate Vehicles ("INREV") NAV guidelines.

Note 4 - Financial risk management (continued)

Capital risk management (continued)

The subscription NAV is calculated as set out in clause 17.1.2 of the ISA by performing adjustments compared to the IFRS NAV, including:

(i) The acquisition costs (including debt issuance costs) should be amortised over 10 years whereas these costs are fully expensed under IFRS.
(ii) The formation expenses should be amortised over a period of 10 years whereas these expenses are fully expensed under IFRS.
(iii) The tax adjustment corresponds mainly to discounts on latent capital gains tax and revaluations in case of exit on a share deal basis.

The table below shows the subscription NAV adjustments:

	31 December 2020	31 December 2019
	€	€
Total net assets attributable to the partners as per IFRS consolidated financial statements	**553,084,074**	**457,011,986**
Adjustments		
Set up costs adjustment	567,569	419,170
Acquisition expenses adjustment	16,507,823	11,070,794
Revaluation to fair value of savings of purchaser's costs such as transfer taxes	35,815,731	40,545,298
Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	(45,425,900)	(47,838,179)
Total adjustments	**7,465,223**	**4,197,083**
Subscription net asset value	**560,549,297**	**461,209,069**

Note 5 - Investment property

The Group invests in logistics real estate assets. Logistics real estate assets include predominantly industrial real estate assets such as operating industrial warehouse and logistics buildings such as bulk, trans-shipment, flex, light industrial, cold-storage, cross dock warehouses and parcel hubs. Industrial real assets can also include land utilised for trailer or container storage, parking or similar purposes.

The valuation of the Investment Properties was carried out by the external valuer in accordance with the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors on the basis of Fair Value. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has affected the global economy, with real estate markets experiencing lower levels of transactional activity over the past quarters.

The table below shows the movement of investment properties held by the Group for the year ended 31 December 2020:

	1 January 2020 Fair value	Purchases (including acquisition costs)	Capital expenditure	Unrealised gain/(loss)	Realised gain/(loss)	Acquired through acquisition of subsidiaries	Sales	Capitalised lease incentives	31 December 2020 Fair value
	€	€	€	€	€	€	€	€	€
Investment property	1,880,697,987	36,504,207	36,588,912	104,384,507	2,550,808	338,595,831	(18,500,000)	5,183,467	2,386,005,719
Total	**1,880,697,987**	**36,504,207**	**36,588,912**	**104,384,507**	**2,550,808**	**338,595,831**	**(18,500,000)**	**5,183,467**	**2,386,005,719**

Note 5 - Investment property (continued)

During the year ended 31 December 2020, the Group entered into the following transactions in respect of investment properties;

- The Group acquired indirectly 4 logistics assets located in the Netherlands through share deals (refer to Note 15). The initial fair value of the investment properties at the date of acquisition was €69m.
- The Group, through a newly incorporated 67.98% owned subsidiary, Log Italy Fund REIF, acquired a logistics asset located in greater Milan for a purchase price of €36m.
- The Group acquired through a share deal, a 67.95% interest in an Italian closed end real estate investment fund (Alpha Log Fund, refer to Note 15), holding a portfolio of 13 Logistics assets located in Northern Italy.
- The Group disposed of a warehouse property in Basse-Ham, France for total disposal proceeds of €18.5m. As part of the disposal, the Group has recognised a provision of €0.9m for smoke extraction fees relating to the asset.

The table below shows the movement of investment properties held by the Group for the period ended 31 December 2019:

	27 June 2019 (Date of incorporation) Fair value	Purchases (including acquisition costs)	Capital expenditure	Unrealised gain	Realised gain	Acquired through acquisition of subsidiaries	Sales	Capitalised lease incentives	31 December 2019 Fair value
	€	€	€	€	€	€	€	€	€
Investment property	-	137,088,599	-	75,846,953	776,310	1,676,550,391	(15,300,000)	5,735,734	1,880,697,987
Total	**-**	**137,088,599**	**-**	**75,846,953**	**776,310**	**1,676,550,391**	**(15,300,000)**	**5,735,734**	**1,880,697,987**

During the period ended 31 December 2019, the Group entered into the following transactions in respect of investment properties;

- As part of the acquisition of OneLog Invest (Lux) S.à r.l. (an asset acquisition, see Note 15), the Group acquired 38 logistics assets located across four European Markets; Germany, France, the Netherlands, and Poland. The initial fair value of the investment properties at the date of acquisition was €1,072m.
- The Group acquired LOG FR SAS (an asset acquisition, see Note 15), which owned 20 assets, among which eight were owned directly and twelve through its five subsidiaries. The initial fair value of the investment properties at the date of acquisition was €467m.
- As part of the PRISM transaction, the Group acquired both directly and indirectly a logistics facility currently under development in France and also 6 logistics assets located in Italy, France and the Netherlands through a combination of share deals and assets deals. The initial fair value of the investment properties acquired as part of the share deals was €138m (refer to Logistica Bentivolgio SPA, SPA Salvo and Helmond NL B.V. in Note 15), while the investment properties acquired directly were purchased at a cost of €80.3m.
- Acquired a distribution warehouse in Spain for €44.8m (excluding acquisition costs) through its subsidiary Log SP Partners S.L.U.
- Acquired two distribution warehouses in Netherlands for €13.2m (excluding acquisition costs), through its subsidiary Log NL B.V.
- Disposed of office property in Rotterdam for a total value of €15.3m.

Note 5 - Investment property (continued)

Valuation process

The Group's investment properties were valued as at 31 December 2020 and as at 31 December 2019 by an independent professional qualified valuer, CBRE Limited, who hold a recognised relevant professional qualification and relevant experience in the locations and segments of the investment properties valued. For all investment properties, their current use equals the highest and best use. The AIFM and the General Partner reviewed the valuations performed by the independent valuer for financial reporting purposes. The AIFM has established a process through its Valuation Committee to identify and review material movements in assets and also to ensure valuation trends are in line with market expectations.

As at 31 December 2020, the Group has invested in the following investment properties:

Country	Valuation technique	Rental Yield	Estimated Rental Value €	Market Value €	Right of use asset €	Fair Value €
France	Income capitalisation approach	4.78%	49,700,000	900,735,083	-	900,735,083
Germany	Income capitalisation approach	4.60%	27,155,000	548,645,000	-	548,645,000
Netherlands	Income capitalisation approach	5.21%	24,010,000	427,420,000	2,447,100	429,867,100
Poland	Income capitalisation approach	6.25%	4,605,000	66,866,000	-	66,866,000
Spain	Income capitalisation approach	5.00%	2,570,000	45,600,000	-	45,600,000
Italy	Income capitalisation approach	4.15%	25,520,000	393,590,000	-	393,590,000
United Kingdom	Cost approach	n/a	n/a	702,536	-	702,536
				2,383,558,619	**2,447,100**	**2,386,005,719**

As at 31 December 2019, the Group had invested in the following investment properties:

Country	Valuation technique	Rental Yield	Estimated Rental Value €	Market Value €	Right of use asset €	Fair Value €
France	Income capitalisation approach	5.40%	50,500,000	809,076,230	-	809,076,230
Germany	Income capitalisation approach	4.80%	26,800,000	520,376,400	-	520,376,400
Netherlands	Income capitalisation approach	5.90%	20,500,000	353,235,106	2,426,493	355,661,599
Poland	Income capitalisation approach	6.80%	4,400,000	59,928,000	-	59,928,000
Spain	Income capitalisation approach	5.20%	2,600,000	45,055,758	-	45,055,758
Italy	Income capitalisation approach	5.90%	6,300,000	90,600,000	-	90,600,000
				1,878,271,494	**2,426,493**	**1,880,697,987**

Note 5 - Investment property (continued)

Valuation process (continued)

As at 31 December 2020, the Group has classified the fair value of investment properties as Level 3.

As at 31 December 2020, if rental yield rates had been 0.5% higher, with all other variables held constant, the valuation of investment properties would have been €216,428,498 lower (2019: €158,402,089 lower). As at 31 December 2020, if rental yield rates had been 0.5% lower, with all other variables held constant, the valuation of investment properties would have been €257,971,614 higher (2019: €182,716,341 higher).

As at 31 December 2020, if rental income rates had been 5% higher, with all other variables held constant, the valuation of investment properties would have been €106,821,946 higher (2019: €85,522,982 higher). As at 31 December 2020, if rental income rates had been 5% lower, with all other variables held constant, the valuation of investment properties would have been €117,705,699 lower (2019: €94,183,351 lower).

Valuation techniques underlying management's estimation of fair value

Both the income capitalisation method and the discounted cash flow method are based on significant unobservable inputs including:

- Future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;
- Discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
- Estimated vacancy rates based on current and expected future market conditions after expiry of any current lease;
- Capitalisation rates based on actual location, size and quality of the properties and taking into account market data at the valuation date;
- Terminal value taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

Note 6 - Other receivables and prepayments

	31 December 2020	31 December 2019
	€	€
Value added tax receivable	12,790,887	610,057
Gross rent receivable	14,387,277	9,390,343
Allowance for bad debts - rent	(127,877)	(92,833)
Tenant deposits	735,796	735,796
Trade receivables	4,146,014	4,636,579
Notary deposits	3,350,668	-
Receivable from property managers	405,526	1,658,631
Other taxation paid in advance	5,710,012	2,644,017
Property related expenses receivable	-	6,502,335
Other receivables and prepayments	11,067,697	982,744
	52,466,000	27,067,669

The estimated fair values of receivables are the discounted amount of the estimated future cash flows expected to be received and approximate their carrying amounts. Expected cash flows are discounted at current market rates to determine fair values.

Note 7 – Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. All cash and cash equivalents available are held at banks with credit risk rating within the "good" category of at least one of the three main rating agencies: Moodys, Fitch, and Standard & Poors.

Note 8 – Trade and other payables

	31 December 2020	31 December 2019
	€	€
Accounting fees	39,192	27,475
Administration fees	357,645	93,070
Audit fees	243,120	289,051
Bank loan interest payable (see Note 12)	2,238,620	4,077,298
Shareholder loans interest payable (see Note 12)	4,048,593	6,210,432
Value Added Tax and other taxes payable	4,083,806	1,367,491
Depositary fees accrued	333,742	91,280
Fixed asset accruals	236,373	141,817
Legal fees	10,000	38,638
Management fees (see Note 13)	4,906,911	1,710,080
Refundable deposits	7,903,369	7,473,313
Refinancing fees	-	2,241,433
Property costs	-	7,411,723
Early repayment fees	1,687	5,402,614
Tax fees	-	6,368
Trade payables	3,829,883	1,996,534
Valuation fees	-	11,660
Accrued operating expenses	18,646,522	11,509,910
Consideration payable on acquisition of subsidiary (see Note 15)	1,095,659	-
Other payables and accrued expenses	1,763,070	1,944,740
	49,738,192	52,044,927

Note 9 – Rental income

	31 December 2020	31 December 2019
	€	€
Rental income	112,954,700	55,094,572
	112,954,700	55,094,572

At year-end the total contractually agreed rental income based on the leases in operation (excluding rental guarantees received) is as follows:

	31 December 2020	31 December 2019
	€	€
No later than 1 year	125,076,586	84,319,651
Later than 1 year and no later than 2 years	108,530,574	79,007,173
Later than 2 years and no later than 3 years	87,098,009	66,474,463
Later than 3 years and no later than 4 years	69,139,034	53,561,699
Later than 4 years and no later than 5 years	59,131,645	41,278,434
Later than 5 years	170,480,910	114,572,895
Total	619,456,758	439,214,315

As at 31 December 2020, the rental income of the Group was not materially affected by COVID-19.

Note 10 - Operating expenses

	31 December 2020	31 December 2019
	€	€
Accounting and professional fees	2,123,398	1,138,425
Administration fees	442,702	205,278
Audit fees	1,161,351	750,000
Legal fees	1,328,658	277,245
Management fees (see Note 13)	7,604,758	2,811,754
Other property expenses	4,315,121	5,536,320
Real estate expenses	814,080	157,348
Tax fees	752,702	464,922
Valuation fees	827,217	424,728
Corporate costs	1,024,771	913,011
Acquisition costs written off	1,101,857	-
Other operating expenses	1,053,055	1,359,919
	22,549,670	14,038,950

Note 11 - Finance result

	31 December 2020	31 December 2019
	€	€
Realised foreign exchange gains	257,752	17,868
Unrealised gain on derivatives	2,321,791	450,406
Unrealised foreign exchange gains	-	14,391
Interest income bank accounts	247,963	201,516
Finance income	**2,827,506**	**684,181**
Interest expense on bank loans (see Note 12)	14,139,398	5,270,273
Interest expenses on shareholder's loans (see Note 12)	18,411,722	11,737,876
Unrealised foreign exchange losses	434,588	-
Bank charges	3,579,014	5,908,787
Interest expense on derivatives	1,743,393	857,987
Other interest expense	81,679	2,163,720
Debt issue fees	3,000,573	759,619
Finance expense	**41,390,367**	**26,698,262**
Finance result	**(38,562,861)**	**(26,014,081)**

Note 12 - Borrowings

The table below shows the Group's bank borrowings and Shareholder loan facility as at 31 December 2020 and 31 December 2019:

	31 December 2020	31 December 2019
Non-current	€	€
Bank loans	508,963,750	403,445,303
Shareholder loans	739,199,598	714,273,730
Debt issue costs	(9,391,822)	-
Amortisation of debt issuance costs	1,141,310	-
Loans from non-controlling interests	209,311,393	177,865,655
Lease liability	19,147,169	25,263,381
Total non-current borrowings	**1,468,371,398**	**1,320,848,069**
Current		
Bank loans	-	32,894,664
Interest free loans	286,225,600	-
Debt issuance costs	-	(2,618,882)
Amortisation of debt issuance	-	759,619
Lease liability	7,780,863	3,976,727
Total current borrowings	**294,006,463**	**35,012,128**
Total borrowings	**1,762,377,861**	**1,355,860,197**

Bank loans & finance lease

During the financial year ended 31 December 2020, the Group has entered into the following loan agreements:

- Two loan facility agreements with Société Générale for a combined principal amount of €153m. The loan facilities bear floating interest of 3 month EURIBOR and margins of 1.25 % and 2.0% per annum and mature on 13 February 2027 and 30 April 2027.
- Two loan facility agreements with Natixis for a combined principal amount of €153m. The loan facilities bear floating interest of 3 month EURIBOR and margins of 1.25 % and 2.0% per annum and mature on 13 February 2027 and 30 April 2027.
- Two loan facility agreements with HSBC for a combined principal amount of €153m. The loan facilities bear floating interest of 3 month EURIBOR and margins of 1.25 % and 2.0% per annum and mature on 13 February 2027 and 30 April 2027.
- A loan facility agreement with BayernLB for a principal amount of €14.5m. The loan bears fixed interest of 2.3 % per annum and matures on 31 August 2027.
- A loan facility agreement with ING Bank for a principal amount of €35.8m. The loans bear floating interest of 3 month EURIBOR and margins of 1.4 % per annum and mature on 16 December 2027.

The above facilities replaced the following agreements which were in place at 31 December 2019 and were repaid in full on 20 February 2020, except part of the short term bridge facility agreement with HSBC Bank relating to two Italian properties, which was repaid on 12 May 2020.

- As at 31 December 2019, the Group, through its subsidiary OneLog Invest (Lux) S.à r.l., had the following loan facility agreements:
  - Loan facility agreements with Deka for a combined principal amount of €157.4m. The loans bear fixed interest of 1.6% and 3.1% per annum and mature on 16 November 2023 and 17 December 2020.
  - A loan facility agreement with BerlinHyp AG for a principal amount of €109.4m. The loan bears floating interest of 3 month EURIBOR and a margin of 1.3 % per annum and matures on 31 December 2022.
  - Loan facility agreements with NIBC bank for a combined principal amount of €24.8m. The loans bear floating interest of 3 month EURIBOR and a margin of 3.0 % per annum and mature on 2 December 2020 and 28 June 2023.
  - A loan facility agreement with BayernLB for a principal amount of €10.5m. The loan bears floating interest of 6 month EURIBOR and a margin of 1.2 % per annum and matures on 31 March 2020.

Note 12 – Borrowings (continued)

Bank loans & finance lease (continued)

- A loan facility agreement with Helaba for a principal amount of €23.5m. The loan bears floating interest of 3 month EURIBOR and a margin of 2.1 % per annum and matures on 25 April 2021.
- Loan facility agreements with ING Bank for principal amounts of €33.5m and €5.6m. The loans bear floating interest of 3 month EURIBOR and margins of 1.4 % and 1.9% per annum and mature on 6 January 2024 and 22 July 2023 respectively.
- On 15 October 2019, OneLog Invest (Lux) S.à r.l. entered into a short term bridge facility agreement with HSBC France for a principal amount of €71.8m to finance the acquisition of a portfolio that spans 3 European countries (See Note 5). This loan bears interest of 3 month EURIBOR plus a margin of 1% per annum and matures on 15 April 2020.

The Fund is in compliance with all debt covenants as at 31 December 2020.

Lease liability
The Group, as part of the OIL transaction, has entered into finance lease agreements through a subsidiary named GPE Feuillane22 (FR) SCI. The Group has recognised lease liabilities in respect of two properties located in France and two properties located in The Netherlands.

Shareholder loan
On 6 August 2019, the Fund entered into a Shareholder loan agreement with Logistics Europe AXA Feeder S.C.A. (the "Sole Limited Shareholder") for a shareholder loan facility that corresponds to its Investor Capital Commitment reduced by any amount corresponding to any drawdown allocated from time to time to the subscription of Class A shares. This agreement is effective for thirty years beginning from the effective date of the agreement. The loan bears interest at a rate that equals the average interest rate applicable on the Subordinated Loans provided by the Fund to Local Property Companies where it owns an equity stake directly or indirectly.

For the year ended 31 December 2020, the balance of the loan facility was €739.2m (31 December 2019: €714.2m) with accrued interest payable of €4.1m (31 December 2019: €6.2m) (See Note 8). Interest expense for the year ended 31 December 2020 amounted to €18.4m (2019: €11.7m) (See Note 11).

Interest free loans
On 26 November 2020, the Fund entered into an interest free loan agreement ("IFL") with ALEF Holding S.C.A., for a loan amount of €212,840,071. On the same day, the Fund entered into an IFL with Logistics Europe AXA Feeder S.C.A. for an amount of €73,385,529. The IFLs were converted into equity and interest bearing loans subsequent to year end (See Note 22).

Reconciliation of liabilities arising from financial activities:

		Cash flows		Non cash changes		
	1 January 2020	Loan drawdowns	Repayments	Amortisation of debt issue costs	Acquired on acquisition of subsidiaries	31 December 2020
	€	€	€	€	€	€
Bank loans	436,339,967	490,550,977	(435,749,829)	-	17,822,635	508,963,750
Shareholder loans	714,273,730	35,825,868	(10,900,000)	-	-	739,199,598
Interest free loan	-	286,225,600	-	-	-	286,225,600
Loans from non-controlling interests	177,865,655	31,445,738	-	-	-	209,311,393
Lease liability	29,240,108	-	(2,312,076)	-	-	26,928,032
Debt issuance costs	(1,859,263)	(9,391,822)	-	3,000,573	-	(8,250,512)
	1,355,860,197	834,656,361	(448,961,905)	3,000,573	17,822,635	1,762,377,861

Note 12 – Borrowings (continued)

Reconciliation of liabilities arising from financial activities (continued):

		Cash flows		Non cash changes		
	27 June 2019	Loan drawdowns	Repayments	Amortisation of debt issue costs	Acquired on acquisition of subsidiaries	31 December 2019
	€	€	€	€	€	€
Bank loans	-	40,550,848	-	-	395,789,119	436,339,967
Shareholder loans	-	158,100,218	(11,147,625)	-	567,321,137	714,273,730
Loans from non-controlling interests	-	-	-	-	177,865,655	177,865,655
Lease liability	-	-	-	-	29,240,108	29,240,108
Debt issuance costs	-	(2,618,882)	-	759,619	-	(1,859,263)
	-	196,032,184	(11,147,625)	759,619	1,170,216,019	1,355,860,197

Note 13 - Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial or operating decisions or vice versa or where the Group and other parties are subject to common control or common significant influence. Related parties may be individuals or entities. The Group considers the AIFM, General Partner and their affiliates to be related parties.

Shareholder loan
For details of the shareholder loan, please refer to Note 12.

Interest free loan
For details of the interest free loan, please refer to Note 12.

Management fees
The Group appointed, as Alternative Investment Fund Manager, AXA Real Estate Investment Managers SGP (the "AIFM"), a French regulated management company, which is subject to French regulation and accordingly manages clients' portfolios on real estate investments, securities or other debt products which may be directly or indirectly secured by real estate assets, properties or rights, as advisor to source and to advise on the investment in financial assets owned by the Group and their sales and on the management of certain administrative services in relation with the financial assets of the Group.

The General Partner, the AIFM and their affiliates shall receive from the Group an annual Management Fee that equals 0.55% of the Group's aggregate share value and the NAV per unit of the Class C shares.

Management fees charged for the year ended 31 December 2020 amounted to €7,604,758 (2019: €2,811,754), of which €4,906,911 (2019: €1,710,080) was payable at the financial year end.

Note 14 – Non-controlling interests

As at 31 December 2020, the Group held a 67.98% interest in OneLog Invest (Lux) S.à r.l., (see Note 20). The remaining 32.02% is held by a third party, ACEF Holding S.C.A., who has a non-controlling interest in the investment. Within the OneLog Invest (Lux) S.à r.l subgroup, there are also a number of entities in which a third party has a non-controlling interest of between 5.1% and 6%, none of which are individually material to the Group. The following analysis has been presented at the level of the consolidated OneLog Invest (Lux) S.à r.l. subgroup.

As at 31 December 2020, the Group also held a 67.98% interest in Log Italy Fund REIF and a 67.95% interest in Alpha Log Fund, (see Note 20). The remaining shares in both entities are held by third parties, who have a non-controlling interest in both investments.

Movements in non-controlling interests are detailed in the table below.

	LOG Italy Fund REIF	Alpha Log Fund	OneLog Invest (Lux) S.à r.l.	Year ended 31 December 2020
	€	€	€	€
Opening balance	-	-	120,881,268	120,881,268
Acquired (see Note 15)	-	90,206,638	-	90,206,638
Additions	7,299,102	516,747	4,330,435	12,146,284
Profit allocated during the period	(274,335)	156,959	18,791,780	18,674,404
Closing balance	7,024,767	90,880,344	144,003,483	241,908,594

	OneLog Invest (Lux) S.à r.l.	Period ended 31/12/2019
	€	€
Opening balance	-	-
Acquired (see Note 15)	91,560,709	91,560,709
Additions	13,307,149	13,307,149
Profit allocated during the period	16,013,410	16,013,410
Closing balance	120,881,268	120,881,268

Note 14 – Non-controlling interests (continued)

Below is the summarised financial information for each subgroup that has non-controlling interests that are material to the Group as at 31 December 2020. The amounts disclosed for each subgroup are before inter-company eliminations.

		31 December 2020		
Summarised balance sheet	**LOG Italy Fund REIF**	**Alpha Log Fund**	**OneLog Invest (Lux) S.à r.l.**	**Total**
	€	**€**	**€**	**€**
Non-current assets	35,200,000	267,264,715	1,485,869,822	1,788,334,537
Current assets	1,796,118	23,828,863	159,969,464	185,594,445
Current liabilities	556,893	9,637,609	32,198,424	42,392,926
Net current assets	36,439,225	281,455,969	1,613,640,862	1,931,536,056
Non-current liabilities	14,500,000	-	1,215,390,876	1,229,890,876
Net assets	**21,939,225**	**281,455,969**	**398,249,986**	**701,645,180**
Accumulated non-controlling interests	**7,024,767**	**90,880,344**	**144,003,483**	**241,908,594**

		31 December 2020		
	LOG Italy Fund REIF	**Alpha Log Fund**	**OneLog Invest (Lux) S.à r.l.**	**Total**
Summarised statement of comprehensive income	**€**	**€**	**€**	**€**
Revenue	901,938	-	137,195,072	138,097,010
Profit for the year	(856,773)	-	55,398,322	54,541,549
Other comprehensive income	-	-	-	-
Total comprehensive income	**(856,773)**	**-**	**55,398,322**	**54,541,549**
Total profit /(loss) allocated to non-controlling interest	**(274,334)**	**156,959**	**18,791,780**	**18,674,405**

Note 14 – Non-controlling interests (continued)

Below is the summarised financial information for each subgroup that has non-controlling interests that were material to the Group as at 31 December 2019. The amounts disclosed for each subgroup are before inter-company eliminations.

OneLog Invest (Lux) S.à r.l. **Summarised balance sheet**	**31 December 2019** **Total** **€**
Non-current assets	1,326,745,683
Current assets	107,199,109
Current liabilities	49,903,815
Net current assets	57,295,294
Non-current liabilities	1,027,425,620
Net assets	**346,769,769**
Accumulated non-controlling interests	**120,881,268**

Summarised statement of comprehensive income	**Period ended** **31 December 2019** **€**
Revenue	94,735,529
Profit for the year	**47,084,788**
Other comprehensive income	-
Total comprehensive income	**47,084,788**
Total profit allocated to non-controlling interest	**16,013,410**

Note 15 – Acquisition of subsidiaries

On 28 May 2020, the Group acquired three entities in the Netherlands, OneLog NL Sittard B.V., OneLog NL Hoorn B.V. and OneLog NL Veghel B.V. via share deals. A fourth entity in the Netherlands, OneLog NL Helmond 2 B.V., was subsequently acquired via a share deal in July 2020. Each entity holds a logistics asset in the Netherlands.

On 1 December 2020, the Group through a share deal, acquired a 67.95% interest in a closed end real estate alternative investment fund, Alpha Log Fund, which holds a portfolio of 13 logistics assets located in Northern Italy.

Neither transaction was considered to be a business combination.

The table below shows the assets and liabilities recognised in the consolidated statement of financial position at the date of acquisition.

	Alpha Log Fund	OneLog NL Sittard B.V.	OneLog NL Hoorn B.V.	OneLog NL Veghel B.V.	OneLog NL Helmond 2 B.V.	Total
	€	€	€	€	€	€
Investment property (see Note 5)	269,340,000	31,500,000	4,690,000	15,336,831	17,729,000	338,595,831
Cash and cash equivalents	6,716,135	-	-	-	252,890	6,969,025
Borrowings (see Note 12)	-	(15,242,920)	(2,579,715)	-	-	(17,822,635)
Other receivables	17,691,639	408,623	4,139	112,078	6,001	18,222,480
Tax payable	(203)	(1,620,296)	(1,602)	(1,385,255)	(449,733)	(3,457,089)
Other payables	(10,663,272)	(4,308,770)	(2,126,402)	(8,031,842)	(14,570,202)	(39,700,488)
Non-controlling interest (see Note 14)	(90,206,638)	-	-	-	-	(90,206,638)
Total purchase consideration	**192,877,661**	**10,736,637**	**(13,580)**	**6,031,812**	**2,967,956**	**212,600,486**
Cash balance acquired	(6,716,135)	-	-	-	(252,890)	(6,969,025)
Net inflow/outflow of cash and cash equivalents	(185,065,868)	(10,736,637)	13,580	(6,031,812)	(2,715,066)	(204,535,803)
Consideration payable (see Note 8)	(1,095,658)	-	-	-	-	(1,095,658)

On 25 July 2019, the Fund entered into a Contribution Agreement with its Sole Limited Partner. By the terms of Contribution Agreement, the Sole Limited Partner has contributed 8,498 (67.98%) shares of OneLog Invest (Lux) S.à r.l. having a value of €178.8m, 2,081,387 shares (100%) of LOG FR SAS having a value of €225.79m and 1,000 shares of Log NL B.V. (100%) having a value €1,000 as contribution in kind to subscribe 404,610 shares issued by the Fund having a value of €40,461,000 together with the share premium of €364,149,692. Refer Note 20 for further details of indirect subsidiaries acquired as part of the acquisition of OneLog Invest (Lux) S.à r.l. and LOG FR SAS.

The table below shows the assets and liabilities recognised in the consolidated statement of financial position at the date of acquisition. Log NL B.V. had no assets or liabilities at the acquisition date.

	OneLog Invest (Lux) S.à r.l.	LOG FR SAS	Logistica Bentivolgio SPA	SPA San Salvo	Helmond NL B.V.	Total
	€	€	€	€	€	€
Investment property (see Note 5)	1,072,275,890	466,272,952	66,525,996	20,467,346	51,008,207	1,676,550,391
Cash and cash equivalents	53,049,552	12,383,210	1,293,000	518,099	618,142	67,862,003
Borrowings (see Note 12)	(855,706,234)	(250,999,254)	(34,756,000)	(10,500,000)	(18,254,531)	(1,170,216,019)
Other receivables	16,043,779	6,128,989	267,000	5,925	133,843	22,579,536
Deferred income	(2,058,384)	(933,411)	-	-	-	(2,991,795)
Tax payable	-	(103,158)	-	-	-	(103,158)
Other payables	(13,225,252)	(6,958,278)	(1,665,000)	(23,017)	-	(21,871,547)
Non-controlling interest (see Note 14)	(91,560,709)	-	-	-	-	(91,560,709)
Total purchase consideration	**178,818,642**	**225,791,050**	**31,664,996**	**10,468,353**	**33,505,661**	**480,248,702**
Capital contributions in specie	178,818,642	225,791,050	-	-	-	404,609,692
Net inflow/outflow of cash and cash equivalents	53,049,552	12,383,210	(30,371,996)	(9,950,254)	(32,887,519)	(7,777,007)

Note 16 – Share capital

As at 31 December 2020, the Fund had an issued and fully paid up share capital of €42,553,200 (2019: €40,491,100).

Note 17 – Derivatives at fair value through profit or loss

The Group uses forward currency contracts, which represents commitments to purchase domestic currency to hedge against foreign currency exposures. The Group also uses interest rate caps, which relate to contracts taken out by the Group with major brokers in which the Group either receives or pays a floating rate of interest in return for paying or receiving, respectively, a fixed rate of interest. These derivatives are accounted for as trading instruments.

The notional/transaction amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks.

The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in interest rates relative to the terms. The aggregate transaction or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair value of derivative financial assets and liabilities, can fluctuate significantly from time to time.

The fair values of derivative instruments held are set out below:

		Fair values	
	Contract / notional amount €	**Assets €**	**Liabilities €**
As at 31 December 2020			
Currency forward contracts			
Current	1,083,432	-	(11,283)
Interest rate caps			
Non-current	494,714,000	2,097,175	-

		Fair values	
	Contract / notional amount €	**Assets €**	**Liabilities €**
As at 31 December 2019			
Interest rate swaps			
Current	22,470,000	-	(122,846)
Non-current	190,906,498	-	(3,996,607)

Maturities for interest rate caps held at 31 December 2020 ranged from February 2027 to December 2027 (Interest rate swaps 31 December 2019: March 2020 to January 2024.)

The currency forward contract held at 31 December 2020 was due to mature in January 2021 (31 December 2019: n/a).

Note 18 - Taxation

The Group is liable to income tax and other taxes in Luxembourg. The table below shows the total amount charged for the period, split by type of taxation as follows:

	Charge for the year ended 31 December 2020	Accrual 31 December 2020	Charge for the period ended 31 December 2019	Accrual 31 December 2019
	€	€	€	€
Income tax *	8,751,342	6,427,004	2,247,910	2,900,788
Non recoverable value added tax	169,341	-	90,897	-
Other tax	377,292	951	690,713	137
Taxation expense	9,297,975	6,427,955	3,029,520	2,900,925
Deferred taxation	35,246,857	55,271,449	20,250,680	20,250,680
Total taxation	44,544,832	61,699,404	23,280,200	23,151,605

* The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate on the applicable profits of the consolidated companies as follows:

	31 December 2020	31 December 2019
	€	€
Profit before tax	158,777,484	91,664,804
Theoretical tax rate	24.98%	25.50%
Theoretical tax expense	39,662,616	23,374,525
Other	4,822,216	(94,325)
Taxation expense	44,484,832	23,280,200

Note 19 – Commitments and contingent liabilities

As at 31 December 2020, the total commitment of the investors in the Fund amounts to €1,933,648,306 (2019: €1,705,518,306). As at 31 December 2020, €742,121,560 (2019: €575,456,159) has not yet been called.

The Fund had no commitments to third parties (2019: Nil).

As at 31 December 2020, the shares and/or properties from underlying subsidiaries of OneLog Invest (Lux) S.à r.l. have been pledged when a bank loan is used to finance the asset.

As from February 2020, OneLog Invest (Lux) S.à r.l. entered into a Share pledge agreement (as "Pledgor") with Natixis Pfandbriefbank AG (as "Pledgee") in connection with a common terms and facilities agreement made between, amongst others, OneLog Invest (Lux) S.à r.l. as TopCo, OneLog Treasury S.à r.l. as centralising entity, HSBC France, Natixis, Natixis Pfandbriefbank AG, Société Générale S.A. Frankfurt Branch as original lenders and Natixis Pfandbriefbank AG as facility agent and security agent.

All the shares owned from time to time by OneLog Invest (Lux) S.à r.l. now and in the future in its subsidiaries have been pledged in favour of Natixis Pfandbriefbank AG as first ranking security for the secured liabilities.

On 16 December 2020, following another financing put in place for the 4NLD deal and for a new investment in Germany (Wusterhausen), another Share pledge agreement was signed between OneLog Invest (Lux) S.à r.l. (as "Pledgor") and ING Bank N.V. (as "Pledgee"). All the shares owned from time to time by OneLog Invest (Lux) S.à.r.l. now and in the future in Real Estate Investment 1 S.à r.l., OneLog NL Helmond 2 B.V., OneLog NL HoornB.V., OneLog NL Sittard B.V. and OneLog NL Veghel B.V. have been pledged in favour of ING Bank N.V. as first ranking security for the secured liabilities.

Note 20 – Group information

The consolidated financial statements of the Group includes the following entities:

Name of company	Registered office of the company	Nature of relationship	Effective ownership percentage 31 December 2020	Effective ownership percentage 31 December 2019	Consolidation method
AXA Logistics Europe Master S.C.A.	Luxembourg				
OneLog Invest (Lux) S.à r.l.	Luxembourg	Subsidiary	67.98%	67.98%	Full consolidation
LOG Italy Fund REIF	Italy	Subsidiary	67.98%	0.00%	Full consolidation
Alpha Log Fund	Italy	Subsidiary	67.95%	0.00%	Full consolidation
LOG DE S.à r.l.	Luxembourg	Subsidiary	100.00%	0.00%	Full consolidation
LOG LUX S.à r.l.	Luxembourg	Subsidiary	100.00%	0.00%	Full consolidation
LOG LUX 2 S.à r.l.	Luxembourg	Subsidiary	100.00%	0.00%	Full consolidation
LOG FR SAS	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Onelog NL TZA B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
Onelog NL Ridderkerk B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
Meerane 14 (Lux) S.à r.l.	Luxembourg	Subsidiary	64.51%	64.51%	Full consolidation
Heinsberg 17 (Lux) S.à r.l.	Luxembourg	Subsidiary	64.51%	64.51%	Full consolidation
Castrop S.à r.l.	Luxembourg	Subsidiary	67.98%	67.98%	Full consolidation
Real Estate Investment 1 S.à r.l.	Luxembourg	Subsidiary	67.98%	0.00%	Full consolidation
LOG Peninsular Industry SLU	Spain	Subsidiary	100.00%	100.00%	Full consolidation
LOG SP Partners S.L.U	Spain	Subsidiary	100.00%	100.00%	Full consolidation
Duerrholz 1 (Lux) S.à r.l.	Luxembourg	Subsidiary	64.51%	64.51%	Full consolidation
Friedrichspark 3 (Lux) S.à r.l.	Luxembourg	Subsidiary	64.51%	64.51%	Full consolidation
Frechen 7 (Lux) S.à r.l.	Luxembourg	Subsidiary	64.51%	64.51%	Full consolidation
Juechen 8 (Lux) S.à r.l.	Luxembourg	Subsidiary	64.51%	64.51%	Full consolidation
PDC Industrial Center 47 sp.z.o.o.	Poland	Subsidiary	67.98%	67.98%	Full consolidation
Manua sp.z.o.o.	Poland	Subsidiary	67.98%	67.98%	Full consolidation
Tabosa sp.z.o.o.	Poland	Subsidiary	67.98%	67.98%	Full consolidation
OneLog NL Venray B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
OneLog NL Utrecht B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
OneLog Properties France SPPPICAV	France	Subsidiary	67.98%	67.98%	Full consolidation
Vendôme Logistique OPPCI	France	Subsidiary	100.00%	100.00%	Full consolidation
Princeton Holdings (Lux) S.à r.l.	Luxembourg	Subsidiary	64.51%	64.51%	Full consolidation
Carmine Logistics (Lux) S.à r.l.	Luxembourg	Subsidiary	64.51%	64.51%	Full consolidation
Sepia Logistics (Lux) S.à r.l.	Luxembourg	Subsidiary	64.51%	64.51%	Full consolidation
Princeton Participation GmbH & Co KG	Germany	Subsidiary	60.64%	60.64%	Full consolidation
Princeton Investments (Lux) S.à r.l.	Luxembourg	Subsidiary	64.51%	64.51%	Full consolidation
Princeton Participation Management GmbH	Germany	Subsidiary	64.51%	64.51%	Full consolidation
Langenbach Logistics (Lux) S.à r.l.	Luxembourg	Subsidiary	64.28%	64.28%	Full consolidation
Celestite Logistics (Lux) S.à r.l.	Luxembourg	Subsidiary	64.28%	64.28%	Full consolidation
Marcasite Logistics (Lux) S.à r.l.	Luxembourg	Subsidiary	64.28%	64.28%	Full consolidation
Vanilla Logistics (Lux) S.à r.l.	Luxembourg	Subsidiary	64.28%	64.28%	Full consolidation
Coriander Logistics (Lux) S.à r.l.	Luxembourg	Subsidiary	64.28%	64.28%	Full consolidation
Aventurine Logistics (Lux) S.à r.l.	Luxembourg	Subsidiary	64.28%	64.28%	Full consolidation
OneLog France Holding SAS	France	Subsidiary	67.98%	67.98%	Full consolidation
OnePost SCI	France	Subsidiary	67.98%	67.98%	Full consolidation
GPE Douai Holding 23 (FR) SAS	France	Subsidiary	67.98%	67.98%	Full consolidation
GPE Feuillane Holding 21 (FR) SAS	France	Subsidiary	67.98%	67.98%	Full consolidation
GPE Chester Holding 25 (FR) SAS	France	Subsidiary	67.98%	67.98%	Full consolidation
GPE Feuillane 22 (FR) SCI	France	Subsidiary	67.98%	67.98%	Full consolidation
SCI Castelnau1	France	Subsidiary	67.98%	67.98%	Full consolidation
SCI St Martin	France	Subsidiary	67.98%	67.98%	Full consolidation
Douai Logistics (France) SCI	France	Subsidiary	67.98%	67.98%	Full consolidation
OneLog NL Holding 2 B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
OneLog NL Holding 1 B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
OneLog NL Uden B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation

Note 20 – Group information (continued)

Name of company	Registered office of the company	Nature of relationship	Effective ownership percentage 31 December 2020	Effective ownership percentage 31 December 2019	Consolidation method
OneLog NL Amsterdam B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
OneLog NL Tiel B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
OneLog NL Zaandam B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
OneLog NL Kerkrade B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
OneLog NL OBP B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
OneLog NL Breda B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
OneLog NL Rotterdam B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
OneLog NL Holding 3 B.V.	Netherlands	Subsidiary	67.98%	67.98%	Full consolidation
OneLog NL Helmond 2 B.V.	Netherlands	Subsidiary	67.98%	0.00%	Full consolidation
OneLog NL Sittard B.V.	Netherlands	Subsidiary	67.98%	0.00%	Full consolidation
OneLog NL Hoorn 2 B.V.	Netherlands	Subsidiary	67.98%	0.00%	Full consolidation
OneLog NL Veghel 2 B.V.	Netherlands	Subsidiary	67.98%	0.00%	Full consolidation
Onesotoko SCI	France	Subsidiary	67.98%	67.98%	Full consolidation
OneGrenay SCI	France	Subsidiary	67.98%	67.98%	Full consolidation
OneSaintVulbas SCI	France	Subsidiary	67.98%	67.98%	Full consolidation
One Tigery SCI	France	Subsidiary	67.98%	67.98%	Full consolidation
OneAygue SCI	France	Subsidiary	67.98%	0.00%	Full consolidation
SPA San Salvo	Italy	Subsidiary	67.98%	67.98%	Full consolidation
Logistica Bentivolgio SPA	Italy	Subsidiary	67.98%	67.98%	Full consolidation
PrismItaly S.à r.l.	Luxembourg	Subsidiary	67.98%	67.98%	Full consolidation
OneLog Treasury S.à r.l.	Luxembourg	Subsidiary	67.98%	67.98%	Full consolidation
Angers Marly Logistics Investments SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
FOS Distriport Logistics Investments SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
Meaux Vert St Denis Logistics Investments SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
St Georges Esp. Logistics Investments SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
Lockefarm Invest S.L.	Spain	Subsidiary	67.98%	0.00%	Full consolidation
Nangart Invest S.S.	Spain	Subsidiary	67.98%	0.00%	Full consolidation
Alpha Power S.r.l.	Italy	Subsidiary	67.95%	0.00%	Full consolidation
LOG NL B.V.	Netherlands	Subsidiary	100.00%	100.00%	Full consolidation

Note 21 – Significant events

Covid-19 pandemic situation

The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has affected the global economy, with real estate markets experiencing lower levels of transactional activity over the past quarters.

At the year ending 2020 and with the COVID-19 crisis highlighting the key role played by logistics, the sector has remained of considerable interest to investors, as demonstrated by an important occupier demand in the vast majority of major European countries.

Contrary to other type of assets, Logistics assets have clearly taken advantage of the situation mainly thanks to the exponential growth of the e-commerce sector. In line with RICS Red Book Global, independent external valuers have added a clause on Material Uncertainty for certain type of assets mostly due to less market evidences. For the avoidance of doubt, the inclusion of the “material valuation uncertainty” declaration above does not mean that the valuation cannot be relied upon.

As of today, the management of the Group is not aware of any breaches in relation to its financing strategy and any material impact on the liquidity and the going concern of the Group.

Note 22 – Subsequent events

Newly incorporated entity
On 26 January 2021, a new Luxembourgish company named Log Estate S.à r.l. was incorporated.

This new entity is 100% owned by the Fund.

Milton Keynes transaction
On 27 January 2021, a third drawdown on the existing interest bearing loan between the Fund and Log Lux S.à r.l. amounting to £6m occurred.

This drawdown was requested by the wholly owned subsidiary of the Fund in order to buy land in Milton Keynes (UK). On 5 February 2021, the closing of the Milton Keynes (UK) investment successfully took place with the purchase of the land.

Development projects in Germany
On 8 February 2021, a board meeting was held to approve the financing of two new development project in Germany.

The first project named "Bremen" consists in the opportunity to acquire a site in Bremen, Germany, in order to develop a build to suit warehouse for BLG Logistics.

This asset will be held by Log DE S.à r.l., a fully owned subsidiary of the Fund, which was incorporated in 2020. In order to finance the purchase price and future acquisition costs, a shareholder loan for an amount of up to €66.5m was approved.

The second project named "Stolberg" consists in the opportunity to acquire a site in Stolberg, Germany, in order to build a warehouse divisible in two units. This acquisition will be made on through a share deal using the newly incorporated Luxembourgish company named Log Estate S.à r.l. The German SPV acquired and holding the land will be merged into Log Estate S.à r.l. post closing. In order to finance the purchase price and future acquisition costs, a shareholder loan taking the form of an interest bearing loan for an amount of up to €15.8m was approved and signed.

On the same day, a second drawdown on the interest bearing loan between the Fund and Log Lux 2 S.à r.l. amounting to £50,000 also occurred.

This new drawdown was made by the Fund in order to cover future corporate costs incurred by its subsidiary.

Conversion of interest free loans into equity
Conversion of the Q4 2020 Interest Free Loans (IFL) granted by the Fund's investors took place. The IFLs have been converted into equity for a total of €123,441,963 and into shareholder loans for a total of €162,783,636.

Intergroup Loan activity
On 9 February 2021, as agreed during the board meeting held the day before, an interest bearing loan (IBL) for an amount up to €66.5m was signed between the Fund and Log DE S.à r.l. A first drawdown amounting to €8m then occurred following signature of the IBL.

On 15 February 2021, a first drawdown on the interest bearing loan between the Fund and Log Estate S.à r.l. amounting to €2,890,000 occurred.

On 17 February 2021, a third drawdown on the interest bearing loan between the Fund and Log Lux 2 S.à r.l. amounting to GBP £14,560,500 occurred.

On 18 February 2021, a second drawdown on the interest bearing loan between the Fund and Log Estate S.à r.l. amounting to €260,000 occurred.

Note 22 – Subsequent events (continued)

Nuneaton/Faultlands Farm acquisition

On 2 March 2021, the closing of the "Nuneaton/Faultlands Farm" investment, held by Log Lux 2 S.à r.l. successfully took place with the purchase of the land.

Subscriptions

On 30 March 2021, a total of €132m new subscriptions from third party investors and a total of €70m from AXA investors were approved by the General Partner. This closing thus allowed the Fund to increase its total commitments by €202m.

There were no other material events affecting the Group since the year end.