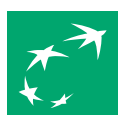


AXA CORE EUROPE FUND S.C.S., SICAV-SIF

An open-ended variable capital investment fund (société d'investissement à capital variable-fonds d'investissement spécialisé) incorporated as a common limited partnership (société en commandite simple) under the laws of the Grand Duchy of Luxembourg

ANNUAL REPORT
for the year ended
31 December 2025

R.C.S. Luxembourg B 202 722
2 - 4, rue Eugène Ruppert, L - 2453 Luxembourg, Grand Duchy of Luxembourg



BNP PARIBAS
ASSET MANAGEMENT

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(1) Effective 31 December 2025, AXA Real Estate Investment Managers SGP was absorbed by BNP Paribas Real Estate Investment Management France.

FUND SUMMARY

MANAGEMENT REPORT

FINANCIAL RESULTS

Since its inception in 2015, the AXA CoRE Europe Fund (“The Fund”) has established a robust and diversified portfolio comprising 397 properties across five sectors—Residential, Industrial, Office (including life science), Retail, and Hotel—and spread across 15 European countries. The Fund’s strategy emphasizes investing in top-tier ESG assets, enhancing diversification, and prioritizing stable cash flow generation. As one of the largest pan-European core real estate funds, The Fund provides investors with stability and resilience in today’s market environment.

Over the past 12 months, the Fund has achieved a total net performance of +2.4%. While income return has increased to +3.5% (up from 3.2% in 2024), the Fund experienced a capital correction of -1.1%, driven by +1.2% growth in real estate values offset by -1.0% in financial assets and liabilities, and other factors contributing a -1.2% impact. During the year, the Fund achieved a net dividend yield of 3.5%.

In July 2025, S&P Global Ratings reaffirmed the BBB+ rating, maintaining a stable outlook. The fund maintains a net LTV of 26.5% and an interest coverage ratio (ICR) of 6.0x. Its debt profile is nearly fully hedged, and discussions are well advanced with existing and new lenders regarding refinancing of the 2026 debt maturities.

MARKET OVERVIEW

European economy

The Euro Area economy grew by 0.3% quarter-on-quarter (q-o-q) in Q3 2025, up from a 0.1% q-o-q growth rate in Q2 2025. This acceleration was driven by a rebound in fixed investment and stronger government spending. Household consumption growth eased slightly, while net exports subtracted as imports grew faster than exports. Among the region’s largest economies, Spain and France led the expansion with growth of 0.6% q-o-q and 0.5% q-o-q respectively, followed by the Netherlands at 0.4% q-o-q and Italy at a modest 0.1% q-o-q. In contrast, Germany’s economy remained stagnant during the quarter. Meanwhile, the UK’s economy expanded by 0.1% q-o-q in Q3 2025, slowing from 0.3% q-o-q in Q2 2025. BNP Paribas forecasts Euro Area growth at 1.5% in 2025 and 1.6% in 2026, whereas the UK is expected to see GDP grow by 1.4% in 2025 and 1.1% in 2026. The roll-out of fiscal measures in Germany and the planned increase in military spending in Europe, against a backdrop of labour market resilience, underpin this scenario.

Hence, in 2026 focus should be on several policy issues. At the country level, these include Germany’s fiscal rollout and

reform agenda, France’s ongoing fiscal and political risks, and Southern Europe’s continued resilience and structural transformation. At the EU level, focus will be on initiatives to reduce macro vulnerabilities, build out the single market and create scale, which could cement Europe’s improved cyclical outlook. Nevertheless, heightened geopolitical risk could negatively impact forecasts. In January 2026, for instance, US President Donald Trump threatened to impose additional tariffs on eight countries (Germany, Denmark, Finland, France, Norway, the Netherlands, the United Kingdom, and Sweden) in the absence of an agreement for the “total and complete acquisition” of Greenland by the US. Also, tensions with China are mounting, creating additional uncertainty around medium-term growth forecasts.

Euro Area inflation has largely normalised. The final release of Euro Area inflation for December showed headline inflation at 1.94% year-on-year (y-o-y), and core inflation at 2.29% y-o-y. Services inflation remained the main driver of headline inflation. Meanwhile, the UK saw December headline inflation rise to 3.37% y-o-y, slightly ahead of a consensus of 3.30% but below the BoE’s estimate of 3.5%. Services inflation rose by slightly less than consensus had expected to 4.53% (from 4.39%). As a result, core inflation also rose by slightly less than consensus had expected to 3.25% (from 3.18%). Accordingly, BNP Paribas expects Euro Area inflation to remain below the 2% target in 2026. UK inflation is forecast to return to target very gradually, coming down to 2.2% by the end of 2026, given smaller regulated price increases relative to last year, the disinflationary impact of the Budget on household energy bills, a fading impact from the employer national insurance hike, and easing wage pressures.

The ECB looks firmly on hold, with Lagarde’s comments and staff projections suggesting no pressure to ease or hike based on the current outlook. The BoE’s MPC voted 5-4 to cut Bank Rate to 3.75% at the December meeting. The Monetary Policy Summary suggested that the risk from greater inflation persistence had “become somewhat less pronounced” since the November meeting while the risk from weaker demand remains and it reiterated that Bank Rate is likely to continue a gradual downward path. Accordingly, BNP Paribas expects ECB and BoE policy rates to stay at 2.00% and to decrease to 3.50% respectively by the end of 2026.

European investment

Investment activity noticeably increased towards the end of 2025 as a more positive investor sentiment begins to permeate throughout the real estate market. CBRE estimates European real estate investment reached an above average €86 billion, up 65% q-o-q and 14% y-o-y. Larger deals observed in the

FUND SUMMARY

MANAGEMENT REPORT (continued)

European investment (continued)

final quarter of 2025 significantly contributed to this strong finish, which led to quarterly levels not seen since Q1 2022. This brought overall 2025 volumes to €241 billion, a 13% increase on 2024 and a level not seen since 2022.

Several larger deals, including portfolios, coming from major institutional players provided much of the increase in investment activity seen in the final quarter of 2025. The markets driving this increase are scattered throughout the European continent from France to the Czech Republic, showing investors remain selective in deploying capital and asset selection remains key to drive returns. Stabilising valuations have also provided more clarity in terms of pricing for investors as cross-border capital continues to drive a significant amount of investment activity across Europe.

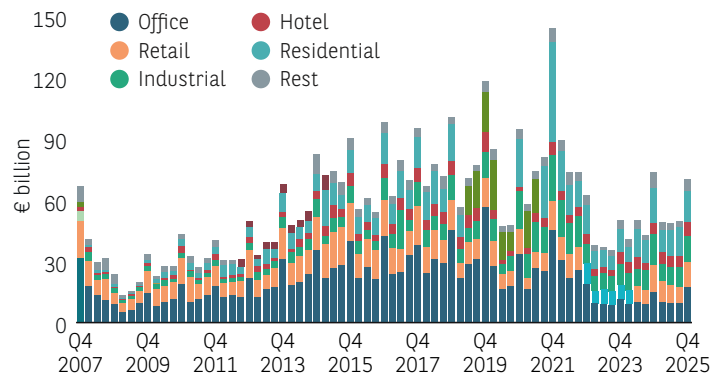
Overall quarterly volumes sit above the 10-year average, but France and Germany saw volumes decrease y-o-y in Q4 whereas the UK saw volumes increase. The UK had the highest investment volumes in Q4, at €30.4 billion, 107% above Q3 2025, followed by Germany (€10.2 billion, +21%), and France (€5.7 billion, +27%). Similarly, the UK was the largest market in 2025 as a whole with €73 billion (+9% y-o-y), followed by Germany (€33 billion, -5% y-o-y) and France (€19 billion, -1% y-o-y).

The healthcare, retail and office sectors posted y-o-y increases in investment volumes in Q4, with gains of 713%, 16% and 16% respectively. In contrast, the retail, industrial & logistics and residential sectors fell 9%, 13% and 8% respectively. Offices regained its place as the largest sector in Q4, with €17.3 billion and 20% of the total, followed by residential (€15.5 billion, 18%), industrial & logistics (€13.2 billion, 15.3%) and retail (€12 billion, 14%).

Despite the push in office deals in Q4, the residential sector dominated overall transaction volumes in 2025 with €53 billion (+9% y-o-y), followed by offices with €47 billion (+9% y-o-y), industrial & logistics with €40 billion (-3% y-o-y) and retail with €38 billion (+11% y-o-y). The strongest annual increase was achieved by the healthcare sector (€23 billion, +285% y-o-y), boosted by two large platform acquisitions in the UK and a merger between two UK REITs.

CBRE monthly data showed inward shifts in yields in most segments in Q4 2025, although they were relatively minor. On average across EMEA, yields moved in 3 basis points (bps) at the All Property level. The residential sector saw the largest inward shift over the quarter (5 bps).

European investment volumes



Source: CBRE, BNPP AM Alts, data as at 21 January 2026

European offices

After a challenging period post-pandemic, European office leasing is stabilising and, in some markets, returning towards pre-crisis levels, although the recovery remains uneven across the continent. While there was a noticeable improvement in the second half of 2025, with take-up being 6% above the levels of the first six months in the 10 key office markets (Amsterdam, Barcelona, Berlin, Dublin, London, Madrid, Milan, Munich, Paris, Stockholm), the overall year ended with a leasing volume that was 3.8% short of 2024 results. There were, however, strong market variations. Amsterdam (27%), Dublin (22%) and Barcelona (14%) saw the largest increases in 2025 in comparison to 2024, while Stockholm and Berlin (both 19%) recorded the largest losses. Take-up remains concentrated in quality stock and prime locations and was mostly driven by small-and medium sized deals with a limited number of large-scale transactions. Certain cities stand out, such as Frankfurt, where there was an upturn in large-scale leases by occupiers mainly from the financial sector, such as Commerzbank (73,000 sqm), KPMG (33,400 sqm) and ING-DiBa (32,400 sqm). Companies' aim to provide high-quality working environments is expected to drive further polarisation in markets and the clear occupier preference for better quality space has resulted in strong prime rental value growth in recent years.

With the exception of Dublin and Stockholm, all key European office markets recorded prime rental value growth in 2025, with Central London (13%), Central Paris (11%) and Munich (10%) reporting the strongest increases in prime rents; no rental value growth was recorded in Dublin nor Stockholm. Limited options for modern buildings in central locations tend to push tenants to consider more affordable alternatives in nearby areas. Fringe markets often become attractive when

FUND SUMMARY

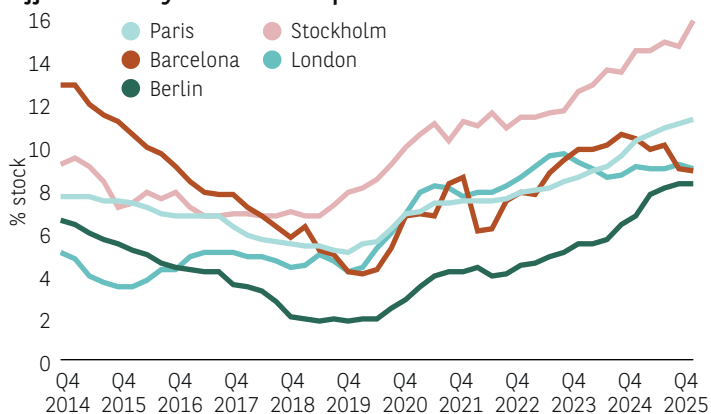
MANAGEMENT REPORT (continued)

European offices (continued)

rents are significantly lower compared to traditional central business districts (CBDs). However, with the rise of hybrid working, fringe markets need to provide more than just cost savings to attract tenants. Key factors include the accessibility of transportation, availability of modern buildings and a unique cultural identity. If these elements are well-balanced, the most successful fringe markets could experience rental growth.

New development pipeline in the key European cities is relatively limited, and construction starts in 2025 were on average at their lowest level in 15 years. Therefore, completion should level off to below trend levels, which will result in further upward pressure on prime rents. In particular, CBDs will face new supply constraints in addition to already low vacancy rates.

Office vacancy rates in Europe



Source: JLL, AXA IM - Real Assets. Data as at Q4 2025

The aggregated absolute amount of vacant office space in the 10 key European markets more than doubled (+106%) from its trough at the end of 2019 to Q4 2025, but the increases in Q3 and Q4 of 2025 were, at 0.5% and 1.4%, more marginal than before, and vacancy rates fell in Dublin (90 basis points (bps)), London (20 bps), Barcelona and Milan (both 10 bps) in Q4.

European retail

After several decades of profound mutations and purges, the retail sector is now in a good position for a recovery, even if the path could be bumpy.

2025 was marked by multiple reversals in tariff announcements, leading to significant turbulence in financial markets and uncertainty about global growth, inflation and interest rates. In Europe, the resurgence of uncertainty and

political instability in some countries (such as France), is still holding back consumer spending, as the gains in purchasing power resulting from gradual disinflation are partly allocated to precautionary savings. Retailers also expressed their concerns about their profitability in a context of rising operating costs.

However, against all expectations, the number of visitors and the performance of some brands were better than expected and leasing activity was very dynamic in 2025, as retailers once again entered "expansion mode". Nonetheless, potential disruptions from macroeconomic uncertainties could hamper the ongoing recovery, as this sector is among the most pro-cyclical. In 2025, retailers warned about the potential repercussions on cost structure and supply chains, along with potential lower demand, resulting from uncertainty and slowing growth. They could be tempted to pass the pressure on to shoppers with price increases. Should uncertainty revive in 2026, real estate expansion plans could be put on hold again.

As far as real estate markets are concerned, prime rents showed significant y-o-y increases for high street shops and shopping centres across the board in 2025. Southern Europe, and in particular Italy, outperformed, with very strong rental growth during the year, which was also seen in several regional cities in the United Kingdom. Prime yields for German and Southern European high street shops showed significant compressions during the year. France was the exception, with modest yield increase for high streets. In contrast, prime yields for shopping centres remained relatively stable overall, except in the United Kingdom and Spain, where significant compressions in prime yields were reported.

The retail sector structural crisis seems now in the past, after a lengthy curation period, which seems to start to bear fruits. Strong repricing that occurred well before, during and after Covid has resulted in higher entry yields for retail assets, especially shopping centres. In combination with a rental rebase, continued growth in tenant sales, more sustainable OCRs and positive rental prospects, this is making retail returns look more attractive again.

However, not all retail assets are painted with the same brush. Bifurcation between large retail destinations and obsolete and poorly-located stock, remains more real than ever. Large retail investment transactions made a comeback in 2025, including prime retail outlets and shopping centre destinations in the UK, France, Italy and Spain, but also portfolios of ultra-prime high street assets across the region. Nonetheless, prospects remain fragile and subject to the easing of economic, political and geopolitical volatility.

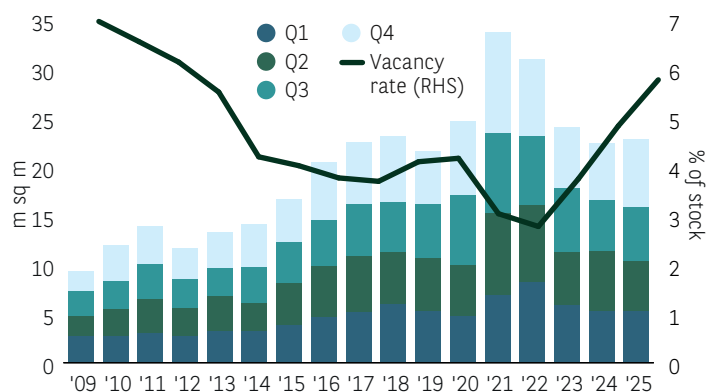
FUND SUMMARY

MANAGEMENT REPORT (continued)

European logistics

Whilst modest economic growth and heightened uncertainty, coupled with the lack of suitable, available space in some markets, slowed occupier decision making in the first half of 2025, a modest recovery appeared to get underway in the second half of the year. European distribution warehouse and logistics take-up rose to 12.4 million sq m in H2, 21% more than in H1. This took the total for 2025 to 22.7 million sq m, marginally up on 2024 and 9% above the five-year pre-pandemic annual average. Distribution and logistics occupiers were the main driver of the growth in demand, and their share of take-up rose to 43% of the total in 2025. There were differences between and within countries, with annual take-up rising in Italy, Germany and the UK but declining in Belgium, France, Spain, and, especially, the Netherlands. However, all countries bar Belgium and Spain saw quarterly take-up increase on a y-o-y basis in Q4.

Europe - Distribution/logistics take-up and vacancy rate



Source: JLL, CBRE, BNPP AM Alts, data as at 29 January 2026
 NB: Europe = Belgium, France, Germany, Italy, Netherlands, Spain, UK, Czech Republic, Hungary and Poland
 Modern warehousing units 5,000+ sq m; 10,000+ sq m in the UK

While aggregated completions across Europe rose 7% q-o-q and 4% y-o-y in Q4, the total for the year as a whole was 2% below 2024 levels. Moreover, although the volume of space under construction rose 1% q-o-q in Q4, it fell 8% y-o-y and was 34% lower than its 2022 peak. Speculative space underway declined 3% q-o-q and 20% y-o-y in Q4 whereas the construction of non-speculative space rose 4% q-o-q and 1% y-o-y.

With demand slower, development continuing and more second-hand space being released to the market as occupiers trade up to more efficient, future-ready facilities, vacancy rates have increased across much of Europe over the past three years. Having fallen to a record low of 2.5% in 2022, the unweighted average vacancy rate for Europe had risen to an estimated 5.8% by the end of Q4 2025, compared to the 10-

year average of 3.9%. However, with demand improving and development slowing more recently, the rate of increase has decelerated - the average vacancy rate increased less than 5 bps q-o-q in Q4. Moreover, rates can vary significantly both between and within markets. For example, the average for France was 6.3% in Q4, but CBRE put the rate in Ile-de-France at 8.4%, with 5% in the north of the region and 11% in the south. There is still a scarcity of suitable, available space in many core European logistics locations.

Prime rental growth has decelerated from the double-digit levels seen in many major markets in 2022 and 2023 as a result of slower demand, an increase in availability and a decline in inflation. However, select markets are still showing growth, which is often attributable to a new generation of assets in supply-constrained locations setting new benchmark rents. Around half of JLL's 38 key European logistics markets experienced rental growth in 2025 and, at 3.9%, European average annual prime rental growth remained well above the 10-year pre-Covid average (0.6%), and above inflation. Whilst a tight demand-supply balance is expected to underpin prime rental growth in many markets, there is a downside risk that slower occupier demand due to the impact of US tariff policy and continued geopolitical uncertainty slows rental growth.

European residential

Despite ongoing macroeconomic headwinds and geopolitical tensions, Europe's residential sector concluded 2025 with renewed investor confidence. Capital market liquidity is returning, supported by enduring demand drivers and constrained new supply, which together underpin robust cash flow dynamics and a diverse range of investment opportunities across the living spectrum.

Structural demand drivers persisted across most of Europe, with net migration driving population growth and urbanisation. However, counter to this, the UK saw a sharp reversal in net migration for the year to June 2025 after a period of record figures. Nonetheless, levels still remained above the long-term average according to the Office for National Statistics. This was largely driven by both fewer immigrants and more emigration of workers, students and dependents after a number of government policy changes to curb excessive migration levels. At the same time, new supply activity is still suppressed by elevated construction costs, complex planning processes and, in some markets, constrained development financing. European residential building permits remain at decade lows and the European Investment Bank estimated a 925,000-unit gap between additional demand and housing completions in 2025. However, quarterly permit activity has started to stabilise, with 2025 year-to-date (y-t-d) activity as at Q3 broadly in line with 2024.

FUND SUMMARY

MANAGEMENT REPORT (continued)

European residential (continued)

The pressure on supply has been further exacerbated by declining household sizes, which have increased demand for smaller units, while demand for larger three and four-bedroom properties has weakened in several markets. Despite this, vacancy rates have remained low and stable, with Europe's city average holding at 2.6% in 2025, according to Green Street. Conversely, affordability pressures have started to ease, driven by the normalisation of inflation, a recovery in real wage growth, and rent control measures implemented in select markets. These fundamentals continue to support operational performance, even as rental growth has moderated from peak levels. Notably, prime multifamily rental growth across European cities increased by 3.8% y-o-y in 2025, led by notable gains in the UK, Germany, the Netherlands and Sweden.

Rent regulation reforms, especially concerning new construction, remained a key policy focus throughout 2025. Following legislative changes in Ireland and Germany earlier this year, Sweden is preparing to implement a reform of its Presumption Rent system starting January 1, 2026. Under this new framework, rents for new-build properties will fully align with local market trends, and landlords will be allowed to adjust rents after renovations within a 15-year period. This policy aims to stimulate development and attract investment to address supply and demand imbalances in major Swedish urban centres.

Despite a volatile year marked by shifts in US tariffs, the European residential market demonstrated resilience, with capital values resuming growth according to INREV's asset-level quarterly index. Investment activity increased by 4% y-o-y in Q4, with CBRE EA estimating total transaction volumes of €56 billion for 2025, up 14% y-o-y. The UK, Germany, and the Nordics together accounted for around 60% of activity, despite slight declines in the former two compared to 2024, whereas notable growth was seen in Italy (+75%), the Netherlands (+32%), Iberia (+24%), and the Benelux region (+38%). Prime multifamily yields stabilised across major Western European cities, with early signs of inward yield movement emerging in the Netherlands and the Nordic markets.

European hotels

Global travel volumes continued to grow in 2025. According to IATA, as of the y-t-d period ending November 2025, global passenger traffic measured by revenue passenger kilometres (RPK) increased by 5.7% y-o-y, a figure that is broadly consistent with the long-term historical average of 5%. Airline capacity was up 7.1% y-o-y, and the load factor was 84.0%

(+0.4 ppt compared to November 2024). According to IATA, global passenger traffic is expected to grow 4.9% y-o-y in 2026. In terms of international tourist arrivals into Europe, volumes have broadly recovered, and are up 6% y-o-y, y-t-d compared to September 2019 levels.

From a hotel performance perspective, according to STR, European Revenue Per Available Room (RevPAR) was, as of December 2025, up 2.1% y-o-y, y-t-d. Occupancy stood at 70.6%, up 0.8% y-o-y, y-t-d. Spain, Portugal and Italy saw increases in RevPAR of 5.5%, 3.1% and 2.3% y-o-y, y-t-d respectively. In contrast, French, UK and German RevPAR readings were down 2.1%, 0.8% and 0.7% y-o-y, y-t-d respectively. Looking forward, Green Street expects European gateway five-year RevPAR growth to amount to 2.8% p.a. even as European households' savings rates remain elevated. Lower-tier hotels have often underperformed as lower income households are cutting back, but market dynamics do differ. From a profitability perspective, according to Savills, Gross Operating Profit Per Available Room expectations are stable to mildly positive, helped by disciplined cost management and steady demand, although labour and operating cost inflation remain persistent headwinds. On the hotel room supply side, selected locations in Western Europe are hamstrung by elevated supply growth, notably Edinburgh, Dublin, Manchester, Dusseldorf and Hamburg. However, supply risks typically remain limited as financing and construction costs are elevated and land scarce. According to PMA as of October 2025, European gateway room stock is expected to grow by 1.5% p.a. over the next five years, significantly slower than the rate seen before Covid.

Trends in hotel property investment remain robust. The European hotel sector continues to recover from previous lows in investment volumes, notably the pandemic-induced trough in 2020 and another low in 2023 which was due to rising interest rates. Value-add remains the dominant investment approach, with opportunistic capital targeting specific assets rather than broad geographies; execution capability, rather than strategy alone, is increasingly seen as the key differentiator. Branding flexibility is emerging as a key driver of liquidity and pricing, a trend that is expected to continue, especially in Europe, supporting further liquidity in the sector. Return expectations have remained broadly stable over the past 12 months, underlining a continued belief in the resilience of the hotel sector despite still elevated cost pressures. According to CBRE, 2025 saw European hotel investment volumes amount to €23.2 billion, up 13.4% compared to 2024. Investors are primarily focusing on the UK, France and Southern Europe. In terms of segment preference, luxury and upper upscale assets, resorts and extended stay formats continue to attract strong interest. According to Savills, hotel transaction volumes are widely expected to

FUND SUMMARY

MANAGEMENT REPORT (continued)

European hotels (continued)

increase modestly through 2026 as bid-ask spreads narrow and refinancing events drive liquidity.

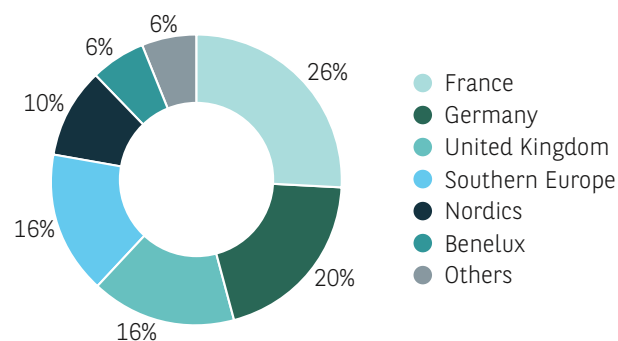
CBRE data suggests hotel yields largely remain stable for both leases and management contracts in most major European markets. Looking ahead, according to Savills, investors are entering 2026 with a net buy-side bias, signalling conviction that pricing is relatively attractive.

Portfolio as at 31 December 2025

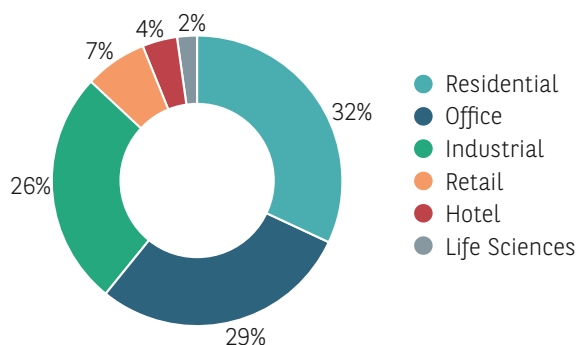
The real estate portfolio comprises balanced pan-European properties strategically located in the strongest Western European economies, focusing on high-conviction investment themes that represent over 60% of the portfolio (Residential, Industrial, and Life Sciences). As of the date of the report, the consolidated real estate portfolio included a total of 397 properties across 15 European countries, with a real estate valuation of €5.5 billion. In 2025, the Fund experienced a positive like-for-like increase in real estate valuation of 0.9%.

The tenant base remains well diversified, consisting of more than 1,000 tenants, supported by a weighted average lease term of 5.7 years.

Percentage of total Net Market Value per geography



Percentage of total Net Market Value per sector



Operational performance

In 2025, the Fund demonstrated a solid operating performance, with a rental growth of +4.2% compared to 2024 (on a like-for-like basis, LfL). This growth has been primarily driven by indexation and positive leasing activity, resulting from proactive asset management efforts. The portfolio maintained a high and stable occupancy ratio standing at 94% (-0.4% YoY on a LfL basis).

Residential sector

The sector experienced rental growth of +6.6% over 2025 (on a like-for-like basis), mainly driven by a 1.9% increase in occupancy.

For the flagship residential asset, Dolphin Square, Phase 1 of the restoration program was successfully completed in Q1 2025. This phase includes 372 newly renovated residential units alongside a modern amenity block. The amenity space features contemporary co-working areas and a food and beverage outlet, enhancing the overall living experience. Within Phase 1, three separate houses have been successfully let.

As part of our business plan, Phase 2 of the refurbishment has commenced, including the renovation of the sizeable in-house swimming pool— a distinctive feature that enhances the property’s overall appeal and value, making it a rare asset.

Additionally, 322 units were delivered during 2025 as part of our French affordable housing platform.

Industrial sector

The sector experienced rental growth of +3.1% over 2025 (on a like-for-like basis) and a weighted average lease term of 6.2 years. It maintained an elevated like-for-like occupancy level of 94% in 2025, demonstrating the health and strength of its fundamentals.

The Fund has completed the delivery of the remaining Forward Funding schemes, reaching 100% of the operational logistics portfolio. One of the two assets was delivered with secured rent (pre-let).

Office sector

The sector experienced rental growth of +2.7% over 2025 (on a like-for-like basis) and a weighted average lease term of 4.2 years.

This rental growth is supported by lettings of recently refurbished office properties, aligned with new tenants’ requirements, with a blended occupancy of approximately 95%.

FUND SUMMARY

MANAGEMENT REPORT (continued)

Retail Sector

The sector experienced rental growth of +7.2% over 2025 (on a like-for-like basis) and has a weighted average lease term of 7.0 years. The like-for-like occupancy rate stood at 94% in 2025.

Hotel Sector

The sector experienced rental growth of +3.4% over 2025 (on a like-for-like basis), with a weighted average lease term of 8.8 years. The occupancy rate remained stable at 100% throughout 2025.

Capital structure

As at 31/12/2025 the Fund has capital committed (including DRIP) of € 4.9bn. The Fund has in place 2 issues of Green Euro Notes for the overall notional amount of € 1bn, that are due 2028 and 2030 respectively, with the interest rate of 0.75% and 1.25%. To maintain its liquidity position, the Fund has also in place 4 Revolving Credit Facilities for an overall amount of € 325m.

Compliance with the Fund's guidelines

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

Target return

The Fund will target a return of 7%, after corporate expenses and taxes but before management fees, over a long-term investment horizon of 7+ years (the "Target Gross Return"). The Target Gross Return should not be considered to be indicative of the target net return. Each investor should consult the management fee applicable to its class of units and deduct the relevant fees accordingly to determine the target net return. Many factors could have an adverse effect on the Target Gross Return, and no assurance or guarantee is given that the Target Gross Return will be achieved. The Target Gross Return is hypothetical and is not a guarantee or a prediction or projection of future performance. The Target Gross Return is based on a number of assumptions that depend on multiple external factors (including economic and market conditions) that may vary over time. There is no guarantee that the conditions on which the assumptions are based will materialise as anticipated or will apply to the Fund's investments. The AIFM reserves the right to amend the level of the Target Gross Return set out in this section from time to time without the consent of investors in the case where the AIFM determines in its absolute discretion that such amendment is warranted by a material change in circumstances.

FUND SUMMARY

AIFM REPORT: RISK MANAGEMENT

RISK PROFILE

The risk management and controls activities are done at each level of the organization and shared between Investment teams (1st level of control), the independent Risk Management Department and the Compliance Department (2nd level of control) and Internal Audit Department (3rd level of control).

The risk management department of the AIFM implements and maintains risk management policies and procedures designed to identify, measure, manage and monitor investment and operational risks.

For each AIF, the management of investment risks at fund level is done through:

- An assessment of the risk profile of each fund against its defined investment objectives,
- An identification of the type of investment risks applicable to each fund,
- A monitoring of investment guidelines (regulatory, contractual and internal if applicable) for each fund,
- In addition to the investment guidelines, a definition of internal risk indicators (KRIs) to periodically monitor changes in risks exposures of each fund,
- The performance of stress-tests to assess impacts of unfavorable market and liquidity conditions on each fund.

The AIFM also 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 Company'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.

FUND SUMMARY

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 offering memorandum.

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.

The Fund did not use any such arrangement during the past financial year.

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”). As AXA IM merged with BNP PARIBAS ASSET MANAGEMENT Holding effective 31 December 2025, the BNP PARIBAS ASSET MANAGEMENT Group policy will apply in 2026.

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 comments regarding the compliance of the effective implementation of the AXA IM’s Remuneration Policy.

The AXA IM Compensation Committee made some modifications to the Overall Remuneration Policy. These modifications mainly concern:

- (i) an update of the remuneration policy following the change in the Shareholder Group (removing all references to the AXA Group),
- (ii) the removal of AXA IM performance shares (AXA IM PS) and the update of the section related to performance shares to notify the final sale of all such shares,
- (iii) the update of the AXA IM Shareholder Long-Term Incentive plan,
- (iv) the removal of the reference to the ESG indicator in the deferred compensation plan (DIP) to be awarded in 2026,
- (v) the introduction of a cap on variable remuneration for certain employees based in Luxembourg, in accordance with regulatory requirements, and
- (vi) minor updates.

FUND SUMMARY

AIFM DIRECTIVE DISCLOSURE: LIQUIDITY ARRANGEMENT & REMUNERATION (continued)

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 2025 after application on remuneration data of the Fund's weighted Asset Under Management allocation key.

Total amount of remuneration paid and/or awarded to staff for the year ended 31 December 2025⁽¹⁾

Fixed Pay ⁽²⁾ ('000 EUR)	3,188
Variable Pay ⁽³⁾ ('000 EUR)	2,513
Number of employees ⁽⁴⁾	2,854 among which 183 for AXA Real Estate Investment Managers SGP

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⁾

	Employees with a direct impact on the risk profile of investment vehicles	Senior Managers/Executives	Total
Fixed Pay & Variable Pay ('000 EUR) ^{(2) (3)}	1,249	818	2,066
Number of identified employees ⁽⁵⁾	308 among which 19 within AXA Real Estate Investment Managers SGP, the fund management company	70 among which 3 within AXA Real Estate Investment Managers SGP, the fund management company	382 among which 22 within AXA Real Estate Investment Managers SGP, the fund management company

(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 1 January 2025.

(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 December 2025.

(5) Number of identified employees within AXA IM Group level and AXA REIM SGP as at 31 December 2025.

FUND SUMMARY

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 equity interests, in proportion to the share held.

Method	Leverage as of 31 December 2025	Maximum leverage authorized
Gross method	174%	300%
Commitment method	142%	200%

2. Material changes

No material changes.

Audit report

To the General Partner of
AXA CoRE Europe Fund S.C.S., SICAV-SIF

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of AXA CoRE Europe Fund S.C.S., SICAV-SIF (the “Fund”) and its subsidiaries (the “Group”) as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- 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; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

Other information

The 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.

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 General Partner for the consolidated financial statements

The General Partner is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the 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 General Partner is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner either intends to liquidate the Group 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 Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner;
- conclude on the appropriateness of the 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities and business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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


Restriction on distribution and use

This report, including the opinion, has been prepared for and only for the General Partner and the Partners in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed.

Luxembourg, 13 April 2026

PricewaterhouseCoopers Assurance, Société coopérative

Represented by

Signed by:

7CD2CFA1AAA14FB...

Aurélie Batrel



Cooper's Cross, Dublin



Logistics platform Miribel, Lyon

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	31 December 2025	31 December 2024
		€	€
ASSETS			
Non-current assets			
Investment property	5	3,586,644,969	3,563,159,988
Investments in associates and joint ventures	6	1,068,919,901	972,874,965
Loans to associates and joint ventures	6	1,059,076,714	1,079,073,437
Financial assets at fair value through profit or loss	7	30,020,262	29,239,091
Deferred tax assets	24	391	1,260
Trade and other receivables	9	18,936,231	20,036,339
Prepayments		10,811,033	12,799,544
Derivatives at fair value through profit or loss	10	8,462,584	32,960,317
Total non-current assets		5,782,872,085	5,710,144,941
Current assets			
Interest receivable from financial assets		222,021	222,021
Interest receivable from associates and joint ventures	6	15,227,794	14,989,362
Trade and other receivables	9	68,755,549	70,890,854
Derivatives at fair value through profit or loss	10	10,907,792	4,309,439
Cash and cash equivalents	11	229,657,780	315,856,821
Total current assets		324,770,936	406,268,497
Non-current assets classified as held for sale	5	51,413,903	-
TOTAL ASSETS		6,159,056,924	6,116,413,438
LIABILITIES			
Non-current liabilities			
Borrowings	17	1,252,498,646	1,828,306,230
Deferred tax liabilities	24	46,313,550	36,394,686
Trade and other payables	12	1,250,560	1,359,191
Derivatives at fair value through profit or loss	10	1,323,664	2,154,948
Total non-current liabilities		1,301,386,420	1,868,215,055
Current liabilities			
Borrowings	17	598,554,710	17,643,184
Derivatives at fair value through profit or loss	10	2,496,202	10,398,497
Deferred income	18	10,736,252	14,911,971
Taxation payable	24	13,461,144	10,218,627
Subscriptions received in advance	23	10,748,801	14,187,962
Trade and other payables	12	98,611,075	104,198,429
Total current liabilities		734,608,184	171,558,670
Net assets attributable to the Partners		3,845,465,627	3,802,492,206
TOTAL LIABILITIES		5,881,460,231	5,842,265,931
Non-controlling interests	20	277,596,693	274,147,507
Adjustments from net assets attributable to the partners to subscription net asset value		111,924,260	136,712,353
SUBSCRIPTION NET ASSET VALUE⁽¹⁾		3,957,389,887	3,939,204,559

(1) Calculated in accordance with Note 2.26

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Year ended 31 December 2025	Year ended 31 December 2024
		€	€
Rental income	13	158,836,594	150,547,255
Service charge income	13	36,521,218	41,876,604
Gross rental income		195,357,812	192,423,859
Service charge expense	13	(35,867,587)	(40,414,842)
Non recoverable property expenses	13	(36,108,043)	(41,084,053)
Property operating expenses		(71,975,630)	(81,498,895)
Net rental income		123,382,182	110,924,964
Administrative expenses	14	(31,870,692)	(33,577,468)
Net unrealised gain from fair value adjustment on investment property	5	24,471,371	43,533,401
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	7	781,171	(853,184)
Share of net profit of associates and joint ventures accounted for using the equity method	6	69,031,323	1,853,151
Loss on sale of joint venture	6	-	(669,376)
Impairment on loans to associates and joint ventures	6	(12,081,049)	(7,933,195)
Interest income from associates and joint ventures	6	35,164,219	36,444,293
Other income		3,493,899	3,454,750
Other operating expenses		(5,700,143)	(2,519,327)
Operational result		206,672,281	150,658,009
Finance income	15	29,934,732	37,847,743
Finance expense	15	(91,610,663)	(89,103,856)
Distribution to the partners	22	(124,968,643)	(118,289,589)
Net finance result		(186,644,574)	(169,545,702)
Profit/(loss) before tax		20,027,707	(18,887,693)
Taxation expense	24	(8,162,737)	(11,016,765)
Deferred taxation	24	(9,919,733)	(1,758,814)
Total tax		(18,082,470)	(12,775,579)
Profit/(loss) for the year after tax		1,945,237	(31,663,272)
Other comprehensive income, net of tax:			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation reserve		(12,585,406)	10,673,122
Total comprehensive loss for the year		(10,640,169)	(20,990,150)
Profit/(loss) for the year attributable to:			
Partners		6,906,067	(52,789,704)
Non-controlling interests	20	(4,960,830)	21,126,432
Total comprehensive loss for the year is attributable to:			
Partners		6,722,720	(52,565,787)
Non-controlling interests	20	(17,362,889)	31,575,637
Net increase/(decrease) in net assets for the year		6,906,067	(52,789,704)
Adjustments from net assets attributable to the partners to subscription net asset value		(24,788,093)	(87,131,317)
Net decrease in subscription net asset value		(30,467,432)	(129,247,899)

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Year ended 31 December 2025	Year ended 31 December 2024
		€	€
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax and distributions to the partners		144,996,350	99,401,896
Adjustments			
Interest income from financial assets		(337,500)	(338,107)
Interest income from associates and joint ventures	6	(35,164,219)	(36,444,293)
Net unrealised gain from fair value adjustment on investment property	5	(24,471,371)	(43,533,401)
Share of net profit of associates and joint ventures accounted for using the equity method	6	(69,031,323)	(1,853,151)
Loss on sale of joint venture	6	-	669,376
Net unrealised (gain)/loss on financial assets at fair value through profit or loss	7	(781,171)	853,184
Finance result	15	61,675,931	51,256,113
Impairment of loans to associates and joint ventures	6	12,081,049	7,933,195
Increase/decrease in operating assets (excluding effect of acquisitions)			
Decrease in trade and other receivables		9,120,017	16,167,351
Decrease/(increase) in prepayments		1,988,511	(9,366,412)
(Decrease)/increase in deferred income		(4,175,719)	4,994,039
Decrease in trade and other payables		(17,686,745)	(19,311,905)
Cash generated from operations		78,213,810	70,427,885
Taxation paid		(4,920,220)	(7,291,611)
Interest received		49,870,737	65,376,741
Interest paid		(44,750,155)	(44,337,776)
Net cash generated from operating activities		78,414,172	84,175,239
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on investment property	5	(115,733,593)	(139,305,064)
Investments in associates and joint ventures	6	(49,506,885)	(24,797,428)
Proceeds from sale of joint venture	6	-	11,759,487
Return of capital on investments in associates and joint ventures	6	22,493,270	27,418,070
Loans to associates and joint ventures issued		(62,088,115)	(11,911,355)
Loans to associates and joint ventures repaid		70,003,790	18,565,167
Net cash used in investing activities		(134,831,533)	(118,271,123)
CASH FLOW FROM FINANCING ACTIVITIES			
Subscriptions received ⁽¹⁾		30,105,204	174,494,899
Redemptions paid		(3,246,419)	(49,949,793)
Bank and other borrowings - loans received	17	-	860,547
Bank and other borrowings - loans repaid	17	-	(69,241,751)
Non-controlling interests borrowings received	17	16,616,906	94,460,547
Distribution to the partners ⁽²⁾	22	(105,378,170)	(92,215,605)
Distribution to non-controlling interests	20	(995,098)	(1,705,790)
Net proceeds from non-controlling interests	20	21,807,173	(196,711)
Net receipt on hedging		3,087,208	(29,187,710)
Net cash (used in)/provided by financing activities		(38,003,196)	27,318,633
NET DECREASE IN CASH AND CASH EQUIVALENTS		(94,420,557)	(6,777,251)
Cash and cash equivalents at beginning of the year		315,856,821	326,269,423
Net currency translation differences		8,221,516	(3,635,351)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		229,657,780	315,856,821

(1) Amount includes movement of subscriptions received in advance of €8,105,101 (2024: €73,903,351) and excludes amount of distributions re-invested into the Fund during the year of €29,899,076 (2024: €26,483,024) as these are considered non-cash transactions.

(2) Excludes amount of distributions re-invested into the Fund during the year of €29,899,076 (2024: €26,483,024) as these are considered non-cash transactions

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE PARTNERS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Limited Partners ⁽¹⁾				General Partner			Total
		Share capital	Retained earnings	Foreign currency translation reserve	Total Limited Partners	Share capital	Retained earnings	Total General Partner	
		€	€	€	€	€	€	€	€
Net assets attributable to the Partners as at 31 December 2023 (IFRS)		4,313,219,733	(702,597,203)	10,858,034	3,621,480,564	100	24	124	3,621,480,688
Capital contributions		273,077,893	-	-	273,077,893	-	-	-	273,077,893
Redemptions		(49,949,793)	-	-	(49,949,793)	-	-	-	(49,949,793)
Loss for the year after tax		-	(52,789,706)	-	(52,789,706)	-	2	2	(52,789,704)
Other comprehensive income		-	-	10,673,122	10,673,122	-	-	-	10,673,122
Net assets attributable to the Partners as at 31 December 2024 (IFRS)		4,536,347,833	(755,386,909)	21,531,156	3,802,492,080	100	26	126	3,802,492,206
Adjustments from net assets attributable to the Partners to subscription net asset value	4	-	136,712,353	-	136,712,353	-	-	-	136,712,353
Net assets attributable to the Partners as at 31 December 2024 (Subscription NAV)		4,536,347,833	(618,674,556)	21,531,156	3,939,204,433	100	26	126	3,939,204,559
Capital contributions		51,899,179	-	-	51,899,179	-	-	-	51,899,179
Redemptions		(3,246,419)	-	-	(3,246,419)	-	-	-	(3,246,419)
Profit for the year after tax		-	6,906,067	-	6,906,067	-	-	-	6,906,067
Other comprehensive loss	2,4	-	-	(12,585,406)	(12,585,406)	-	-	-	(12,585,406)
Net assets attributable to the Partners as at 31 December 2025 (IFRS)		4,585,000,593	(748,480,842)	8,945,750	3,845,465,501	100	26	126	3,845,465,627
Adjustments from net assets attributable to the Partners to subscription net asset value	4	-	111,924,260	-	111,924,260	-	-	-	111,924,260
Net assets attributable to the Partners as at 31 December 2025 (Subscription NAV)		4,585,000,593	(636,556,582)	8,945,750	3,957,389,761	100	26	126	3,957,389,887

(1) Net assets attributable to Limited Partners are presented as a liability in the consolidated statement of financial position

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

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN NUMBER OF UNITS IN ISSUE FOR THE YEAR ENDED 31 DECEMBER 2025

	Year ended 31 December 2025	Year ended 31 December 2024
	Units in issue	Units in issue
CLASS A1 UNITS		
Units in issue at the beginning of the year	4,591,848.20	4,030,474.12
Units subscribed	123,088.60	584,757.17
Units redeemed	(35,512.11)	(259,266.87)
Switch to Class A2/ from Class A3	(442,633.73)	235,883.78
Class A1 units in issue at the end of the year	4,236,790.96	4,591,848.20
CLASS A2 UNITS		
Units in issue at the beginning of the year	5,569,349.99	4,502,383.24
Units subscribed	40,975.17	734,998.22
Units redeemed	-	(283,247.40)
Switch from Class A1 and Class A3	442,008.93	615,215.93
Class A2 units in issue at the end of the year	6,052,334.09	5,569,349.99
CLASS A3 UNITS		
Units in issue at the beginning of the year	3,783,023.83	4,805,755.57
Units subscribed	-	1,449.48
Switch to Class A1, Class A2 and Class A9	-	(1,024,181.22)
Class A3 units in issue at the end of the year	3,783,023.83	3,783,023.83
CLASS A4 UNITS		
Units in issue at the beginning of the year	1,480,200.90	1,480,200.90
Class A4 units in issue at the end of the year	1,480,200.90	1,480,200.90
CLASS A6 UNITS		
Units in issue at the beginning of the year	12,410,047.55	12,329,873.44
Units subscribed	82,290.70	80,174.11
Units redeemed	(308.00)	-
Class A6 units in issue at the end of the year	12,492,030.25	12,410,047.55
CLASS A7 UNITS		
Units in issue at the beginning of the year	3,800,601.22	3,799,760.03
Units subscribed	-	841.19
Class A7 units in issue at the end of the year	3,800,601.22	3,800,601.22
CLASS A8 UNITS		
Units in issue at the beginning of the year	6,472,571.87	6,995,390.04
Units subscribed	205,001.96	36,556.83
Switch to class A9	-	(559,375.00)
Class A8 units in issue at the end of the year	6,677,573.83	6,472,571.87
CLASS A9 UNITS		
Units in issue at the beginning of the year	4,796,890.16	2,616,149.10
Units subscribed	120,360.87	1,515,206.73
Switch from Class A3 and Class A8	-	665,534.33
Class A9 units in issue at the end of the year	4,917,251.03	4,796,890.16
CLASS B UNITS		
Units in issue at the beginning of the year	1.00	1.00
Class B units in issue at the end of the year	1.00	1.00

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN NUMBER OF UNITS IN ISSUE AND NET ASSETS PER UNIT ATTRIBUTABLE TO THE PARTNERS ASSETS FOR THE YEAR ENDED 31 DECEMBER 2025

	31 December 2025	31 December 2024	31 December 2023
	€	€	€
NET ASSETS PER UNIT (IFRS NAV)⁽¹⁾			
Class A1 units	87.57	87.90	88.62
Class A2 units	87.70	88.02	88.76
Class A3 units	82.07	82.38	83.07
Class A4 units	82.01	82.32	83.02
Class A6 units	92.65	92.18	92.97
Class A7 units	91.59	91.93	92.72
Class A8 units	86.62	86.94	87.69
Class A9 units	87.04	87.37	88.12
Class B units	126.73	123.00	119.33

	31 December 2025	31 December 2024	31 December 2023
	€	€	€
NET ASSETS PER UNIT (Subscription NAV)⁽¹⁾			
Class A1 units	90.12	91.06	94.10
Class A2 units	90.25	91.19	94.24
Class A3 units	84.46	85.34	88.21
Class A4 units	84.40	85.28	88.15
Class A6 units	95.34	95.49	98.71
Class A7 units	94.25	95.23	98.45
Class A8 units	89.14	90.07	93.11
Class A9 units	89.57	90.51	93.56
Class B units	130.73	126.79	126.33

(1) Refer to reconciliation of IFRS NAV to Subscription NAV in Note 25.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

1 General information

AXA CoRE Europe Fund S.C.S., SICAV-SIF (the "Fund") is an open-ended variable capital investment fund (*société d'investissement à capital variable-fonds d'investissement spécialisé*) domiciled and incorporated in Grand Duchy of Luxembourg on 17 December 2015 with an initial capital commitment drawdown on 29 February 2016. The Fund is established in the form of a common limited partnership (*société en commandite simple - SCS*) in accordance with the provisions of the Law of 10 August 1915 on commercial companies, as amended, and the Law on Specialised Investment Funds dated 13 February 2007, as amended. The subscription, sale and holding of shares of the Fund are restricted to Institutional Investors with an initial capital commitment drawdown on 29 February 2016.

The Fund has been incorporated for an unlimited duration. It is registered with the Trade Register under number B 202 722. 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, 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 Offering Memorandum. Effective 31 December 2025, AXA Real Estate Investment Managers SGP was absorbed by BNP Paribas Real Estate Investment Management France. BNP Paribas Real Estate Investment Management France is a public limited company (*société anonyme*) incorporated in France.

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 26.

The financial year of the Fund starts on 1 January and ends on 31 December. The Group's accounts are prepared in Euro ("EUR" or "€").

The Investment Objective of the Group is to seek current income combined with long-term capital appreciation through investment in a diversified portfolio of primarily European Real Estate Assets and also, to a lesser extent, cash and securities in accordance with its Investment Policy and the Investment Guidelines, as defined in the Offering Memorandum (the "Offering Memorandum").

The Investment Policy of the Group (as defined in the Offering Memorandum) is to invest directly, or indirectly via subsidiaries, in a diversified portfolio of European Core Real Estate Assets across the office, retail, residential, logistics and hotels real estate sectors (for example as part of an operating company or a property company structure).

The Group's investment activities are managed by its General Partner, AXA CoRE Europe GP S.à r.l. (the "General Partner"), a limited liability company incorporated under the law of Grand Duchy of Luxembourg (R.C.S. Luxembourg B 202 828) and a subsidiary of AXA Real Estate Investment Managers SGP, incorporated in France. The administration of the Group is managed by The Bank of New York Mellon SA/NV, Luxembourg Branch.

The most recent Offering Memorandum of the Fund was issued in December 2025.

The Fund is subject to reporting under Article 8 of Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector. The financial product promotes environmental and social characteristics, but does not have as its objective sustainable investment. The SFDR Disclosure referred to in Article 11 (1) of SFDR under environmental or social characteristics is included in the Annex to these financial statements, which is unaudited.

The consolidated financial statements of AXA CoRE Europe Fund S.C.S., SICAV-SIF were authorised for issue by the General Partner on 8 April 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material 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

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union.

(ii) Going concern basis of preparation

The consolidated financial statements have been prepared on a going concern basis, which the Board of Managers considers appropriate. As at 31 December 2025, the Group is in a net current liability position of approximately €410 million. This position primarily reflects borrowings of €497 million that contractually fall due within the next 12 months and are therefore classified as current liabilities. The reclassification of these borrowings has a significant impact on working capital, which is largely negative at 31 December 2025.

Management's plans and actions to address upcoming maturities and the net current liability position

To address the upcoming maturities and restore a positive liquidity profile, management has a multi-pronged plan intended to be executed within the next 12 months:

- Management has finalized the refinancing for the Dutch B.V.s entities with Landesbank Hessen-Thüringen Girozentrale Bank, as mentioned in Note 17.
- For Dolphin Square Estate Limited, the management has appointed a broker, and the first offers from banks have already been received.
- Loans from non-controlling interests with expiry dates before 31 December 2026 are currently under negotiation with JV partners.

As referenced in Note 17, the Group maintains revolving credit facility agreements that it may draw upon should the above loan restructuring not be successful. These facilities have maturities ranging from August 2028 to December 2029.

Taking into consideration the classification of certain borrowings as current due to maturities within the next 12 months and the resulting negative working capital position at 31 December 2025; and the actions already underway and available to the Group together with the mitigating factors outlined above; management has a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of these consolidated financial statements. Accordingly, the financial statements have been prepared on a going concern basis, and management does not consider that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

(iii) 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 property at fair value, investments in associates and joint ventures, financial assets classified as fair value through profit or loss, investment property held for sale 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.

(iv) Income and cash flow statement

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 cash flows. The acquisition of investment properties are 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

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.

(v) Accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards 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 believe that the underlying assumptions are appropriate. Key estimates, assumptions and judgement that have significant risk of causing material adjustment to carrying amount of assets and liabilities within the next financial year are outlined in Note 2.2.

(vi) New and amended standards adopted by the Group

The Group has adopted all standards and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee of the IASB as adopted by the European Union that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2025. The amendments did not have significant impact on financial statements.

(vii) New standards and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 31 December 2025 reporting year and have not been early adopted by the Group.

The following new and amended standards and interpretations are not expected to have a significant impact on the Group's financial statements.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)
- IFRS 18 Presentation and Disclosure in Financial Statements, endorsed by the EU on 13 February 2026 (effective for annual periods beginning on or after 1 January 2027). The IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- the requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Group is currently still assessing the effect of the forthcoming standards and amendments.

No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.2 Critical 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 year are outlined below.

(a) Financial instruments at fair value through profit or loss

Where the fair value of financial assets and financial liabilities recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation methods and if the valuation method does not fairly represent the fair value, adjustments to the valuation are made by the Group to obtain the best estimate of fair value, using other methods it considers appropriate. Observable market data is used where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and other associated market risks. Changes in assumption about these factors could affect the reported fair value of financial instruments (see Note 7).

(b) Fair value of derivatives and other financial instruments

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. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. See further disclosure in Note 10.

(c) Investment property

The fair value of the investment property held 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.

(d) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audits based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions. The deferred taxes recognised as at 31 December 2025 and 31 December 2024 are mainly deriving from temporary differences linked to investment properties for which sensitivity analysis is provided in Note 5 to the consolidated financial statements.

(e) Joint arrangements and investments in associates

Under IFRS 11 - *Joint Arrangements* ("IFRS 11"), investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

In considering whether significant influence over an investee exists, the Group considers the voting rights held in the investee, representation on the Board of Directors over the investee, participation in the investee's policy making process and other relevant facts and circumstances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.2 Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions (continued)

The Group currently holds 16.67% of the share capital of SCI Backin, and management consider the Group to have significant influence in this associate due to the terms included in the Joint Venture Agreement entered between all parties.

IAS 28 allows exemption from the equity method of accounting where an investment in an associate or joint venture is a mutual fund and can be accounted for at fair value in accordance with IFRS 9.

The exemption from equity accounting in IAS 28 also applies to mutual funds, unit trusts and similar entities including investment-linked insurance funds. Unit trusts, mutual funds and similar funds typically pay a return on their liabilities that is contractually linked to changes in the fair value of an asset or a pool of assets. The application of the exemption avoids a mismatch between the measurement of the assets and liabilities.

The exemption might be applied by these types of entity where changes in the returns on the trust's or fund's liabilities are contractually linked to the fair value of associate investments or a pool of assets that includes the associate investments.

(f) Investment entity

The Board of Managers of the General Partner has determined that the Group does not qualify as an investment entity under IFRS 10 – *Consolidated Financial Statements* (“IFRS 10”) and is required to prepare consolidated financial statements.

The Fund has several investors that are related parties.

In addition to that, the Fund does not evaluate the performance solely on a fair value basis. Although the Fund reports its investment properties (or indirectly through the equity accounting of investments in joint ventures and associates) at fair value in accordance with IAS 40, fair value is not the primary measurement attribute used to evaluate the performance of its investments. The Fund and its investors use other measures, including information about expected cashflows, rental revenues and expenses to assess performance and to make the investment decisions. Similarly, the exit strategy is not only driven by the fair value of the investment properties. It is impacted by macro-economic factors as well as legal and tax regulations changes in specific jurisdictions.

Fair value is only a part of a group of equally relevant key performance indicators.

(g) Impairment of trade receivables and loans to associates and joint ventures

The Group applies the expected credit losses methodology to estimate the recoverability of trade receivables. No material recoverability issues have been identified as at 31 December 2025 and 31 December 2024.

The Group performs the analysis on recoverability of loans to associates and joint ventures when it expects the recoverability issues based on the net asset value of the associates and joint ventures. No major recoverability issues were identified as at 31 December 2025 and 31 December 2024.

The Group did not make any other material critical accounting judgements in the financial years ended 31 December 2025 or 31 December 2024.

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”).

(i) Classification of financial instruments

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

(i) Classification of financial instruments (continued)

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

Financial assets measured at amortised cost:

Loans to associates are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in non-current assets, except for maturities less than 12 months after the statement of financial position date. These are classified as current assets.

Loans to associates and joint ventures and investment in receivable instruments 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.

The Group also includes short-term non-financing receivables including interest receivable, prepayments and 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:

- 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
- 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
- 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 gain and loss on them on a different basis.

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

- Equity instruments: included within equity instruments are investments in entities where the Group does not have significant control or influence.
- Debt instruments: included within debt instruments are receivable instruments which are not held at amortised cost based on SPPI test.
- Instruments held for trading: This category includes financial instruments, which are acquired principally for the purpose of generating a profit from short-term fluctuations in price. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives in this category are classified as current assets. The Group does not apply hedge accounting.

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

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 2.15 for the accounting policy on borrowings), and trade and other payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

(ii) Recognition and measurement of financial assets and liabilities

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.

(iii) Transfer 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.

(iv) Derecognition of financial assets and liabilities

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 profit or loss.

(v) Impairment of financial assets

The Group assesses, on a forward-looking basis, the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The different stages for these financial instruments are as follows:

- Stage 1 - No significant increase in credit risk since acquisition
- Stage 2 - Existence of a significant increase in credit risk compared to original expectations but no losses yet incurred
- Stage 3 - Expected losses to be recognised due to asset being credit impaired

The Group assesses on a forward-looking basis the ECLs associated with its financial instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Stage 1

The expected credit loss is measured over the next twelve months and interest is still computed on the gross carrying amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

(v) Impairment of financial assets (continued)

Stage 2 and stage 3

The expected credit loss is computed over the remaining lifetime of the instrument and interest is computed on the net carrying amount after deduction of the expected credit loss.

Significant financial difficulties of the borrower, probability that the borrower will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

A significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due or when the probability of default with the counterparty is increased as per balance sheet date in comparison of the loan origination.

The Group considers a financial instrument to be in default or credit impaired, when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to action such as realising security (if any is held) or the financial asset is more than 90 days past due.

A debt instrument carried at amortised cost is written off when there is no reasonable expectation of recovering the contractual cash flows.

For each stage, the Group compute expected credit loss in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

All the loans granted by the Group are granted to associates and joint ventures and form long-term interests in associates or joint ventures. Long-term interests are interests that, in substance, form part of the net investment but are not accounted for using equity accounting.

The Group applies IFRS 9 expected credit loss requirements to long-term interests before applying the loss allocation and impairment requirements of IAS 28; and the Group does not take into account any adjustments to the carrying amount of long-term interests that result from the application of IAS 28, when applying the IFRS 9 requirements.

Management expects that a default or impairment on these loans would approximate to an excess of net losses of a joint venture or an associate to the amount originally invested.

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.

A significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due or when the probability of default with the counterparty is increased as per balance sheet date in comparison of the loan origination.

Details on estimates and assumptions used are given in Note 2.2 "Critical accounting estimates and assumptions".

(vi) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

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 operates with the following currencies: British Pound ("GBP" or "£"), Danish Krone ("DKK"), Norwegian Krone ("NOK"), Swedish Krona ("SEK") and Euro ("EUR"). The consolidated financial statements are presented in Euro, which is the parent company's functional currency and the Group's presentational currency.

Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within finance costs and finance income respectively, unless they are capitalised as explained in Note 2.15. All other foreign exchange gains and losses are presented net 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 as a separate component of net assets attributable to partners.

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 equity 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 Expenses

All expenses, including management fees, are recognised in the consolidated statement of comprehensive income on an accrual basis, in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.8 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.

2.9 Group formation expenses

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

2.10 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 obligations; 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.

2.11 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. They are deconsolidated from the date that control ceases.

All the Group companies have 31 December as their year-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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.11 Consolidation (continued)

a. Subsidiaries (continued)

Accounting for business combinations (continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

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 the acquisition of a subsidiary that does not meet 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.

Associates

Associated companies are those companies in which the Group generally has between 20% and 50% of the voting rights, or over which the Group exercises significant influence, but which it does not control. Investments in associated companies are accounted for under the equity method or investment at fair value through profit or loss under IFRS 9 where certain criteria are met under IAS 28.

See Note 6 for further details on investments in associates and joint ventures.

Joint arrangements

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement rather than the legal structure of the joint arrangement. An entity determines the type of joint arrangement in which it is involved by considering the structure and form of the arrangement, the terms agreed by the parties in the contractual arrangement and other facts and circumstances.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of liabilities incurred jointly;
- its revenue from the sale of its share of the output of the joint operation and
- its expenses, including its share of any expenses incurred jointly.

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.11 Consolidation (continued)

a. Subsidiaries (continued)

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Distributions received or receivable from associates and joint ventures can take the form of a return on capital (dividend) or a return of capital (repayment of contributed capital). These distributions are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

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.

2.12 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. 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 properties 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.

See Note 5 for details on valuation of investment properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.12 Investment property (continued)

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.

2.13 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.

(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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.14 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.

Some property management contracts may include multiple elements of service, which are provided to tenants. The Group assesses whether individual elements of service in contract are separate performance obligations. Where the contracts include multiple performance obligations and/or lease and non-lease components, the transaction price will be allocated to each performance obligation (lease and non-lease component) based on the stand-alone selling prices. Where these selling prices are not directly observable, they are estimated based on an expected cost plus margin. In the case of fixed price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

2.15 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.

2.16 Taxation

Under the current legislation, the Group is not subject to any Luxembourg taxes on profits, income or capital gains. However, the Group is liable to subscription tax in Luxembourg at a rate of 0.01% per annum based on the net asset value ("NAV") of the Group at the end of each quarter. 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 entities of the Group are subject to taxation in the countries in which they operate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.16 Taxation (continued)

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 consolidated 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.

2.17 Redeemable units

Redeemable units 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. Redeemable shares are classified as financial liabilities in accordance with IAS 32. The Offering Memorandum of the Fund permits quarterly redemptions.

2.18 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

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.

2.20 Non-current assets held for sale

The Group classifies non-current assets (principally investment property) and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale (except for investment property measured at fair value) are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

Investment property held for sale continues to be measured at fair value. Assets and liabilities classified as held for sale are presented separately in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations:
or
- is a subsidiary acquired exclusively with a view to resale.

2.21 Goodwill

Goodwill arises on the acquisition of businesses and represents 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. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the business acquired, in case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.22 Distribution to the partners

Distributions to the partners are recognised in the consolidated statement of comprehensive income in the period in which the dividends are approved.

2.23 Trade 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.

2.24 Loan commitments

Loan commitments provided by the Group are measured as the amount of the loss allowance (calculated as described in Note 2.3). The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument. For loan commitments the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

2.25 Prepayments

Prepayments are carried at cost less any accumulated impairment losses.

2.26 Adjustments from net assets attributable to the partners to subscription net asset value

The subscription NAV is computed in accordance with the principles of the European Association for Investors in Non-Listed Real Estate Vehicles ("INREV") Guidelines with the exception of the real estate acquisition costs and the Fund formation costs that are amortised over 10 years, the "Adjusted INREV NAV".

The subscription NAV is calculated as set out in clause 5.4.5 of the Offering Memorandum by performing adjustments compared to the IFRS NAV, including:

- i) The acquisition 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) Revaluation to fair value of savings of purchaser's costs such as transfer taxes for some investments. Based on market practices in some jurisdictions, the characteristics of the intended method of disposal may result in a reduction of the transfer taxes and purchaser's costs for the benefit of the seller. This deduction is mainly applied for properties and structures held in Austria, France, Netherlands, and Portugal under certain conditions.
- iv) Revaluation to fair value of deferred taxes (DTL). This adjustment represents the impact on the NAV of the difference between the carrying value of deferred tax calculated in accordance with IFRS and the estimate of deferred tax (DTL) under the settlement consideration. In some jurisdictions sale of shares in a property-owning vehicle may lead to a saving rate up to 50%. The amount of saving rate depends on the current tax legislation. The deduction is mainly applied for entities and structures held in Austria, France, Netherlands, Portugal, Germany, Spain, Finland, Norway in certain conditions.
- v) The debt issuance cost adjustment relates to debt issuance costs associated with subsidiaries acquired which have been fully expensed in IFRS NAV. Such debt issue costs were adjusted to be amortised throughout the duration of the loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.26 Adjustments from net assets attributable to the partners to subscription net asset value (continued)

vi) Other adjustments mainly relate to:

1. The adjustment related to the revaluation to fair value of financial assets and financial liabilities excluding the tax effect of fair value uplift of those financial assets/financial liabilities. The notes issued were valued based on the closing price.
2. Revaluation to fair value of indirect investments not consolidated: Indirect investments in real estate, such as investments in associates and joint ventures are accounted under equity method. The adjustment represents the impact on NAV of the revaluation of Associates investment in Portugal to fair value.

Refer to Note 25 for detailed reconciliation.

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 included inputs for the asset or liability that are not based on observable market data (unobservable input).

Management has considered the impact of climate change and the current macroeconomic environment (rising inflation, increase in the interest rates) and no significant impact to valuation was identified.

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.

Fair value measurement recognised in the consolidated statement of financial position

	Level 1	Level 2	Level 3	Total
	€	€	€	€
As at 31 December 2025				
Investment property ⁽¹⁾	-	-	3,586,644,969	3,586,644,969
Financial assets at fair value through profit or loss	30,020,262	-	-	30,020,262
Interest rate swaps/caps	-	8,675,579	-	8,675,579
Currency forward contracts	-	(263,989)	-	(263,989)
Currency option / swaps	-	7,138,920	-	7,138,920
As at 31 December 2024				
Investment property ⁽¹⁾	-	-	3,563,159,988	3,563,159,988
Financial assets at fair value through profit or loss	29,239,091	-	-	29,239,091
Interest rate swaps/caps	-	30,068,233	-	30,068,233
Currency forward contracts	-	(7,418,278)	-	(7,418,278)
Currency option / swaps	-	2,066,356	-	2,066,356

There were no transfers between levels during the year ended 31 December 2025 or during the year ended 31 December 2024.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Fair value estimation (continued)

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 instrument are observable, the instrument is included in level 2.

Financial instruments at Level 2 are not traded in active market, but these have observable market data. These are measured based on rates in market, so there is available market data.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of currency forward contracts is determined using forward exchange rates at the consolidated statement of financial position date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The fair value of the investments in associates and joint ventures are determined on the basis of the underlying properties (see Note 6).

Assets and liabilities not carried at fair value but for which fair value is disclosed

The following tables analyses within the fair value hierarchy the Group's assets and liabilities (by class) not measured at fair value at 31 December 2025 and 31 December 2024 but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
	€	€	€	€
As at 31 December 2025				
Assets				
Investments in associates and joint ventures ⁽¹⁾	-	-	1,068,919,901	1,068,919,901
Loans to associates and joint ventures ⁽⁴⁾	-	1,059,076,714	-	1,059,076,714
Interest receivable from financial assets	-	222,021	-	222,021
Interest receivable from associates and joint ventures	-	15,227,794	-	15,227,794
Trade and other receivables ⁽²⁾	-	79,339,074	-	79,339,074
Cash and cash equivalents	229,657,780	-	-	229,657,780
Total	229,657,780	1,153,865,603	1,068,919,901	2,452,443,284
Liabilities				
Trade and other payables ⁽²⁾	-	94,944,130	-	94,944,130
Borrowings ^{(2) (3)}	933,485,000	919,488,961	-	1,852,973,961
Net assets attributable to the Partners	-	-	3,845,465,627	3,845,465,627
Total	933,485,000	1,014,433,091	3,845,465,627	5,793,383,718

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Fair value estimation (continued)

Assets and liabilities not carried at fair value but for which fair value is disclosed (continued)

	Level 1	Level 2	Level 3	Total
	€	€	€	€
As at 31 December 2024				
Assets				
Investments in associates and joint ventures ⁽¹⁾	-	-	972,874,965	972,874,965
Loans to associates and joint ventures ⁽⁴⁾	-	1,079,073,437	-	1,079,073,437
Interest receivable from financial assets	-	222,021	-	222,021
Interest receivable from associates and joint ventures	-	14,989,362	-	14,989,362
Trade and other receivables ⁽²⁾	-	83,116,215	-	83,116,215
Cash and cash equivalents	315,856,821	-	-	315,856,821
Total	315,856,821	1,177,401,035	972,874,965	2,466,132,821
Liabilities				
Trade and other payables ⁽²⁾	-	100,331,769	-	100,331,769
Borrowings ^{(2) (3)}	902,774,413	851,943,073	-	1,754,717,486
Net assets attributable to the Partners	-	-	3,802,492,206	3,802,492,206
Total	902,774,413	952,274,842	3,802,492,206	5,657,541,461

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.

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;
- (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.

(1) The valuation techniques, as well as related inputs, for the underlying investment properties held by investments in associates and joint ventures, being the main driver of their valuation, are similar to the ones used for investment properties directly held by the Fund as disclosed in Note 5. See Note 6 for further information in relation to the fair value of investments in associates and joint ventures.

(2) Amounts exclude non-financial assets and liabilities (see Notes 9, 12 and 17).

(3) Amounts presented are based on fair value.

(4) Amounts presented are based on amortised costs, as disclosed in Note 17.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Financial risk management (continued)

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument 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, where relevant, on the exposure to currency and interest rate risk as well as security prices that may be accepted, which are monitored on a regular 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 exchange risk

The Group operates internationally and is exposed to foreign exchange risk, primarily with respect to the British Pound, Danish Krone, Swedish Krona and Norwegian Krone. Foreign exchange 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's policy is to enter into currency hedging transactions with currency forward contracts; however, it does not opt to use hedge accounting in accordance with the requirements of IFRS 9.

The Group has various financial assets and liabilities such as derivative financial instruments, trade and other receivables and cash and short-term deposits that arise directly from its operations.

The Group's principal financial liabilities, besides derivative financial liabilities, comprise bank loans and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations.

The derivative transactions the Group enters into are primarily currency forward contracts and currency options / swaps. The purpose is to manage the currency risks arising from the Group's operations and its sources of finance (economy hedges).

The tables below summarise the reports provided to key management personnel and used to monitor the Group's exposure to foreign currency risk arising from financial instruments at 31 December 2025 and 31 December 2024 before hedging. The Group's financial assets and liabilities are included in the table categorised by currency at their carrying amount.

As at 31 December 2025	Note	DKK	NOK	SEK	€	GBP	Total €
Financial assets							
Loans to associates and joint ventures	6	5,776,143	17,717,021	75,944,949	959,638,601	-	1,059,076,714
Financial assets at fair value through profit or loss	7	-	-	-	30,020,262	-	30,020,262
Interest receivable		-	-	-	15,449,815	-	15,449,815
Trade and other receivable ⁽¹⁾	9	1,330,425	97,757	-	35,590,684	42,320,208	79,339,074
Cash and cash equivalents	11	3,536,547	5,016,008	705,157	187,119,107	33,280,961	229,657,780
Derivatives at fair value through profit or loss	10	-	-	-	10,663,236	8,707,140	19,370,376
Total financial assets		10,643,115	22,830,786	76,650,106	1,238,481,705	84,308,309	1,432,914,021

(1) Amounts exclude non-financial assets (see Note 9) and non-financial liabilities (see Notes 12 and 17).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Financial risk management (continued)

(a) Market risk (continued)

i. Foreign exchange risk (continued)

As at 31 December 2025	Note	DKK	NOK	SEK	€	GBP	Total
							€
Financial liabilities							
Borrowings ⁽¹⁾	17	-	-	-	1,484,606,448	-	1,484,606,448
Borrowings (current)		-	117,401	-	16,993,520	351,256,592	368,367,513
Deferred income		475,871	-	-	5,130,048	5,130,333	10,736,252
Taxation payable	24	1,116,534	523,661	-	8,908,180	2,912,769	13,461,144
Trade and other payables ⁽¹⁾	12	3,352,363	558,766	-	69,971,971	21,061,029	94,944,129
Derivatives at fair value through profit or loss (liabilities)	10	-	-	-	3,819,866	-	3,819,866
Total financial liabilities		4,944,768	1,199,828	-	1,589,430,033	380,360,723	1,975,935,352

As at 31 December 2024	Note	DKK	NOK	SEK	€	GBP	Total
							€
Financial assets							
Loans to associates and joint ventures	6	7,201,052	20,328,825	74,542,550	977,001,010	-	1,079,073,437
Financial assets at fair value through profit or loss	7	-	-	-	29,239,091	-	29,239,091
Interest receivable		-	77,834	781,120	14,352,429	-	15,211,383
Trade and other receivable ⁽¹⁾	9	2,007,612	31,326	-	45,013,324	36,063,953	83,116,215
Cash and cash equivalents	11	3,624,281	4,559,953	1,173,984	253,390,491	53,108,112	315,856,821
Derivatives at fair value through profit or loss	10	-	-	-	8,530,744	28,739,012	37,269,756
Total financial assets		12,832,945	24,997,938	76,497,654	1,327,527,089	117,911,077	1,559,766,703
Financial liabilities							
Borrowings ⁽¹⁾	17	-	-	-	1,467,491,061	364,604,766	1,832,095,827
Borrowings (current)	17	-	-	-	12,841,831	4,801,353	17,643,184
Deferred income		458,499	-	-	8,429,238	6,024,234	14,911,971
Taxation payable	17	636,538	-	-	6,446,472	3,135,617	10,218,627
Trade and other payables ⁽¹⁾	12	2,034,105	(486,933)	-	73,433,976	25,350,621	100,331,769
Derivatives at fair value through profit or loss (liabilities)	10	-	-	-	12,553,445	-	12,553,445
Total financial liabilities		3,129,142	(486,933)	-	1,581,196,023	403,916,591	1,987,754,823

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the euro, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future

(1) Amounts exclude non-financial assets (see Note 9) and non-financial liabilities (see Notes 12 and 17).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Financial risk management (continued)

(a) Market risk (continued)

i. Foreign exchange risk (continued)

transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk.

In order to efficiently manage foreign currency risk, management monitors and hedges the Group's exposure to foreign currency at Group level, not at individual company level.

Nevertheless, the Group does not apply hedge accounting in accordance with IFRS 9. In addition, the Group manages foreign currency risk by matching its principal cash outflows to the currency in which the principal cash inflows are denominated. This is generally achieved by obtaining loan finance in the relevant currency and by entering into currency forward contracts.

The functional currency of the Group is the Euro; the functional currencies of the Group's principal subsidiaries are Euro, DKK, GBP, NOK and SEK. The Company and each of its subsidiaries are exposed to currency risk arising from financial instruments held in currencies other than their individual functional currencies.

The following paragraph presents sensitivities of profit and loss to reasonably possible changes in exchange rates applied at the financial position date relative to the functional currency of the respective Group entities, with all other variables held constant.

As at 31 December 2025 had GBP weakened/strengthened by 5% against the euro, post-tax loss for the year would have been €14,802,621 higher/lower. As at 31 December 2024 had GBP weakened/strengthened by 5% against the euro, post-tax profit for the year would have been €14,300,276 higher/lower.

Foreign exchange risk arising from DKK, NOK and SEK exposure is not considered material to the Group and therefore sensitivity to these currencies have not been presented.

ii. Price risk

The Group is exposed to price risks in respect of its investments in financial assets at fair value through profit and loss (Note 7).

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.

As at 31 December 2025 and 31 December 2024, the Group held a number of interest rate derivative instruments for the purpose of hedging the interest on the bank loans. Any gains or losses recognised on the open interest rate derivative instruments is offset by changes in the interest rates charged on the bank loans. Further details of the interest rate derivative instruments held by the Group can be found in Note 10.

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.

As at 31 December 2025, had market interest rates increased by 100 basis points with all other variables held constant, the impact on the net assets and profit/(loss) for the year would be a decrease of €349,304 (2024: €1,008,438). Had market interest rates decreased by 100 basis points (2024: 100 basis points) or EURIBOR / SONIA interest rates decreased to zero with all other variables held constant, the impact on the net assets would be an increase of €1,761,074 (2024: €3,658,627).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Financial risk management (continued)

(a) Market risk (continued)

iii. Interest rate risk (continued)

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

	31 December 2025		31 December 2024	
	€	GBP	€	GBP
Bank financing and notes issued (prior to impact of interest rate hedging)	1.17%	5.68%	1.17%	6.49%

Refer to Note 17 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, receivable instruments and derivatives. Credit risk is managed on a Group basis. The Group structures the levels of credit risk it accepts by placing, where appropriate, 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, where appropriate. The Group has policies in place to ensure that rental investment 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 and derivatives are agreed with financial institutions within a list of approved counterparties that is regularly monitored and based mainly on the counterparty's creditworthiness. For derivative instruments concluded at Fund level, collateral agreements have been entered to, in order to reduce the credit counterparty risk. Interest rate derivative instruments concluded at the level of subsidiaries partly or wholly owned by Fund in relation to a financing are not collateralised, and the default of the financial counterparty for such derivative could lead to potential losses that could negatively impact the performance of the Group.

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 2025	31 December 2024
	€	€
Loans to associates and joint ventures	1,059,076,714	1,079,073,437
Financial assets at fair value through profit or loss	30,020,262	29,239,091
Interest receivable from financial assets	222,021	222,021
Interest receivable from associates and joint ventures	15,227,794	14,989,362
Trade and other receivables ⁽¹⁾	79,339,074	83,116,215
Cash and cash equivalents	229,657,780	315,856,821
Total	1,413,543,645	1,522,496,947

Refer to Note 6 for details of impairment on loans to associates and joint ventures. Refer to Note 9 for details of impairment on other receivables. There are no other material financial assets that are past due or impaired.

All financial loan commitments to which the Group is exposed are given in Note 21 to the consolidated financial statements.

There are no other collateral nor other credit enhancements held by the Group.

(1) Amount excludes non-financial assets (see Note 9).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Financial risk management (continued)

(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.

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 Unitholder in a timely manner. The Offering Memorandum 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 (as defined in the Offering Memorandum):

- a) All Redemption Notices accepted on the same quarter end will be grouped into the same Redemption Vintage.
- b) Investors' Units in a Redemption Vintage will be redeemed on a pro rata and pari passu basis in the same Redemption Vintage. 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.
- c) 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 18 months if (i) the outstanding redemptions requests in the Redemption Queue represent more than 15% of the NAV as at any given date, or (ii) the General Partner considers that there are special market or adverse conditions.

The Group has entered into loan facility agreements with the following banks (see Note 17 for further information on bank borrowings):

- Landesbank Hessen-Thüringen Girozentrale
- M&G Investment Limited.
- Natixis
- CA-CIB
- BNP Paribas
- Societe Generale
- ING Bank N.V

The Group's liquidity position is monitored on a regular 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Financial risk management (continued)

(c) Liquidity risk (continued)

The maturity analysis at 31 December 2025 is as follows:

	On demand/ < 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Later than 5 years	Total
	€	€	€	€	€	€
Liabilities						
Derivatives at fair value through profit or loss	(255,467)	(723,443)	(1,517,292)	-	(1,323,664)	(3,819,866)
Trade and other payables ⁽²⁾	-	(93,693,570)	-	(1,250,560)	-	(94,944,130)
Net assets attributable to the partners ⁽¹⁾	-	-	(115,464,281)	-	(3,730,001,346)	(3,845,465,627)
Borrowings (net of hedging)	(153,609,174)	(4,035,677)	(371,687,507)	(1,200,960,778)	(179,316,718)	(1,909,609,854)
Total	(153,864,641)	(98,452,690)	(488,669,080)	(1,202,211,338)	(3,910,641,728)	(5,853,839,477)

The maturity analysis at 31 December 2024 was as follows:

	On demand/ < 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Later than 5 years	Total
	€	€	€	€	€	€
Liabilities						
Derivatives at fair value through profit or loss	(6,221,680)	-	(4,176,817)	-	(2,154,948)	(12,553,445)
Trade and other payables ⁽²⁾	-	(98,972,578)	-	(1,359,191)	-	(100,331,769)
Net assets attributable to the partners ⁽¹⁾	-	-	(379,412)	(2,884,624)	(3,799,228,170)	(3,802,492,206)
Borrowings (net of hedging)	(4,612,514)	(4,030,623)	(35,664,891)	(1,172,764,510)	(664,404,010)	(1,881,476,548)
Total	(10,834,194)	(103,003,201)	(40,221,120)	(1,177,008,325)	(4,465,787,128)	(5,796,853,968)

In respect of financial loan commitments, maturity as well as commitments are given in Note 6 to the consolidated financial statements. The amount of contractual undiscounted cash flows related to bank financing is calculated after hedging with the interest rate swaps.

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 exchange 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 partners, 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 share 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 Alternative Investment Fund Manager monitor capital on the basis of the value of net assets attributable to the partners in accordance with the principles defined in the Offering Memorandum.

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

(2) Amounts exclude non-financial liabilities (see Note 12).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Investment property

The Group invests in commercial real estate investment properties.

The valuation of the investment properties was carried out by the External Valuers in accordance with the RICS Valuation – Global Standards 2025 published by the Royal Institution of Chartered Surveyors on the basis of Fair Value in accordance with IFRS 13 or, in the case of investment property held for sale, with reference to the agreed sales price. 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 table below shows the movement of investment properties held by the Group for the year ended 31 December 2025:

	1 January 2025 Fair value	Purchases	Capitalised expenditure	Unrealised gain/loss	Currency translation loss	Transfer of investment property held for sale	Movement on right of use asset	31 December 2025 Fair value
	€			€	€	€	€	€
Investment property	3,563,159,988	-	123,275,032	24,471,371	(76,138,433)	(51,413,903)	3,290,914	3,586,644,969
Total investment property	3,563,159,988	-	123,275,032	24,471,371	(76,138,433)	(51,413,903)	3,290,914	3,586,644,969

The table below shows the movement of investment properties held by the Group for the year ended 31 December 2024:

	1 January 2024 Fair value	Purchases	Capitalised expenditure	Unrealised gain/loss	Currency translation gain	Transfer of investment property held for sale	Movement on right of use asset	31 December 2024 Fair value
	€			€	€	€	€	€
Investment property	3,333,091,894	-	136,747,676	43,533,401	49,944,741	-	(157,724)	3,563,159,988
Total investment property	3,333,091,894	-	136,747,676	43,533,401	49,944,741	-	(157,724)	3,563,159,988

During the year ended 31 December 2025, the Fund's subsidiaries did not acquire any new investment properties.

During the year ended 31 December 2024, the Fund's subsidiaries did not acquire any new investment properties.

Investment property held for sale

As at 31 December 2025, the Group has classified two wholly owned properties as 'investment property held for sale' in the consolidated statement of financial position. The properties meet the criteria in IFRS 5 for classification as held for sale as management is committed to a plan to sell the assets, the assets are available for immediate sale in their present condition, and the sale is considered highly probable. Active marketing of both properties commenced during the fourth quarter of 2025, with the properties being offered at prices consistent with current market valuations. Management expects the sales to be completed during 2026. The hotel in Berlin has been measured at its fair value of €16,100,000 and the Copenhagen residential property at its fair value of €35,313,903. The fair values were determined using external independent valuations based on market comparable methods.

The major asset classes included in the "investment property held for sale" line item in the consolidated statement of financial position are summarised as follows: Hotel property, Berlin: €16,100,000, and Residential property, Copenhagen: €35,313,903.

No liabilities are associated with these assets, as each property is held in an unleveraged structure. The Group has not recognised any gains or losses arising from fair value changes subsequent to classification as held for sale.

As at 31 December 2025, these investment properties have been classified separately as 'investment property held for sale' in the consolidated statement of financial position, in accordance with accounting policy Note 2.20.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Investment property (continued)

Valuation process

The Group's investment properties were valued as at 31 December 2025 and 31 December 2024 by independent professionally qualified valuers who hold a recognised relevant professional qualification and relevant experience in the locations and segments of the investment properties valued or, in the case of investment property held for sale, with reference to the agreed sales price. For all investment properties, their current use equals the highest and best use. The AIFM and the General Partner review 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.

Right of use asset

Right of use assets held by the Group related to land held under ground leases in Finland and Germany that meet the definition of investment properties amounted to €11,554,951 (2024: 8,264,037).

As at 31 December 2025, the Group has invested in the following investment properties:

Country	Valuation technique	Discount rate	Rental yield	Estimated rental value	Fair value	Right of use asset - Ground lease	Fair value including right of use asset
				€	€	€	€
United Kingdom	Discounted cashflow/ Income capitalisation	6% - 10%	0% - 9%	86,700,000	1,468,302,096	-	1,468,302,096
France	Discounted cash flow	5.5% - 7.5%	3% - 10%	30,800,000	528,930,000	-	528,930,000
Spain	Discounted cash flow	5% - 9.5%	3.5% - 8%	15,800,000	253,409,000	-	253,409,000
Luxembourg	Discounted cash flow	6% - 7%	5% - 6%	11,600,000	186,700,000	-	186,700,000
Italy	Discounted cash flow	6% - 7%	4% - 5%	1,200,000	23,260,000	-	23,260,000
Finland	Discounted cash flow	6% - 7.5%	5% - 6%	5,900,000	86,600,000	3,164,047	89,764,047
Norway	Discounted cash flow	6% - 7%	5% - 6%	8,000,000	133,085,744	-	133,085,744
Denmark	Discounted cash flow	6% - 7.5%	4% - 5.5%	4,500,000	92,743,178	-	92,743,178
Germany	Discounted cash flow	5% - 9%	4% - 8%	53,200,000	802,060,000	8,390,904	810,450,904
					3,575,090,018	11,554,951	3,586,644,969

As at 31 December 2024, the Group has invested in the following investment properties:

Country	Valuation technique	Discount rate	Rental yield	Estimated rental value	Fair value	Right of use asset - Ground lease	Fair value including right of use asset
				€	€	€	€
United Kingdom	Discounted cashflow/ Income capitalisation	6% - 7%	0% - 10%	87,000,000	1,419,111,698	-	1,419,111,698
France	Discounted cash flow	5% - 7%	1.7% - 8.2%	31,000,000	538,030,000	-	538,030,000
Spain	Discounted cash flow	5% - 10%	3% - 8%	14,000,000	227,721,000	-	227,721,000
Luxembourg	Discounted cash flow	6% - 7%	5% - 6%	10,900,000	184,200,000	-	184,200,000
Italy	Discounted cash flow	6% - 7%	4% - 5%	1,200,000	22,610,000	-	22,610,000
Finland	Discounted cash flow	6% - 7.5%	4% - 5.6%	5,800,000	85,200,000	2,631,018	87,831,018
Norway	Discounted cash flow	6% - 7%	5% - 6%	7,100,000	125,428,373	-	125,428,373
Denmark	Discounted cash flow	6% - 7%	4% - 5%	6,100,000	120,644,880	-	120,644,880
Germany	Discounted cash flow	5% - 9%	2.5% - 7%	52,800,000	831,950,000	5,633,019	837,583,019
					3,554,895,951	8,264,037	3,563,159,988

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Investment property (continued)

Right of use asset (continued)

As at 31 December 2025 and 31 December 2024, the Group has classified the fair value of investment properties as Level 3.

As at 31 December 2025, if rental yield rates had been 0.5% higher, with all other variables held constant, net assets attributable to the partners and profit/(loss) for the year would have been €235,047,632 (2024: €234,226,024) lower. As at 31 December 2025, if rental yield rates had been 0.5% lower, with all other variables held constant, net assets attributable to partners and profit/(loss) for the year would have been €285,053,303 (2024: €282,110,826) higher.

As at 31 December 2025, if rental income rates had been 5% lower, with all other variables held constant, net assets attributable to partners and profit/(loss) for the year would have been €228,403,254 (2024: €231,759,792) lower. As at 31 December 2025, if rental income rates had been 5% higher, with all other variables held constant, net assets attributable to partners and profit/(loss) for the year would have been €129,794,364 (2024: €131,451,986) higher.

Valuation techniques underlying management's estimation of fair value

Both the income capitalisation method and the discounted cash flow method are based on significant and other 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 capital costs, maintenance costs, vacancy rates and market rents.

6 Investment in associates and joint ventures

As at 31 December 2025	SCI IMMO C47 ⁽¹⁾	Avicdale Limite ⁽¹⁾	Iberubbo Imobiliaria Lda ⁽¹⁾	Paunsdorf Center Luxco S.à r.L. ⁽²⁾	Alpha Log Fund ⁽²⁾	Selectiv Core Italy SICAF ⁽¹⁾	SCI Backin ⁽³⁾
	€	€	€	€	€	€	€
Opening balance	120,396,217	77,607,020	46,994,317	13,818,452	131,595,052	147,815,841	-
Additions/(disposals) during the period:							
- Additions/(disposals)	-	3,490,561	(900,000)	-	44,370,968	1,250,000	-
Dividends distributed	(8,077,636)	-	-	-	(10,733,202)	-	-
Share of net profit of associates and joint ventures accounted for using the equity method	3,410,925	11,060,436	7,487,316	205,368	10,336,379	4,504,550	-
Closing balance	115,729,506	92,158,017	53,581,633	14,023,820	175,569,197	153,570,391	-

(1) Joint venture accounted for using the equity method.

(2) Associate accounted for using the equity method.

(3) Associate accounted for as investment at fair value through profit and loss under IFRS 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 Investment in associates and joint ventures (continued)

As at 31 December 2025	Luxembourg Investment Company 327 S.à r.L. ⁽¹⁾	JV FORTE S.à.r.L. ⁽¹⁾	Core FR 14 SAS ⁽¹⁾	OneLog Invest (Lux) S.à r.L. ⁽²⁾	Claypole Limited ⁽²⁾	Total
	€	€	€	€	€	€
Opening balance	-	18,622,606	155,906,196	245,123,899	14,995,365	972,874,965
Additions/(disposals) during the period:						
- Additions/(disposals)	-	-	2,574,680	(8,700,508)	3,738,750	45,824,451
Dividends distributed	-	-	-	-	-	(18,810,838)
Share of net profit of associates and joint ventures accounted for using the equity method	-	(1,741,075)	3,132,029	31,055,695	(420,300)	69,031,323
Closing balance	-	16,881,531	161,612,905	267,479,086	18,313,815	1,068,919,901

During the year ended 31 December 2025, the Group transferred properties valuing €44m from OneLog Invest (Lux) S.à.r.l to Alpha Log Fund.

For the year ended 31 December 2025, the uplift in the Group's share of net profit from associates and joint ventures (equity method) was mainly driven by increases in the valuation of investment properties held by associates and joint ventures, particularly those held by Avicdale Limited, Alpha Log Fund, and OneLog Invest (Lux) S.à.r.l.

As at 31 December 2024	SCI IMMO C47 ⁽¹⁾	Avicdale Limite ⁽¹⁾	Iberubbo Imobiliaria Lda ⁽¹⁾	Paunsdorf Center Luxco S.à r.L. ⁽²⁾	Alpha Log Fund ⁽²⁾	Selectiv Core Italy SICAF ⁽¹⁾	SCI Backin ⁽³⁾
	€	€	€	€	€	€	€
Opening balance	122,036,287	85,377,690	42,868,778	21,182,128	144,839,621	139,537,945	-
Additions/(disposals) during the period:							
Additions/(disposals)	-	581,760	(3,150,000)	-	(9,948,602)	6,050,000	-
Net unrealised (loss)/gain on investments in associates and joint ventures held at fair value	-	-	-	-	-	-	-
Dividends distributed	(7,714,141)	-	-	-	(5,342,361)	-	-
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	6,074,071	(8,352,430)	7,275,539	(7,363,676)	2,046,394	2,227,896	-
Closing balance	120,396,217	77,607,020	46,994,317	13,818,452	131,595,052	147,815,841	-

As at 31 December 2024	Log Italy Fund REIF ⁽²⁾	Luxembourg Investment Company 327 S.à r.L. ⁽¹⁾	JV FORTE S.à.r.L. ⁽¹⁾	Core FR 14 SAS ⁽¹⁾	OneLog Invest (Lux) S.à r.L. ⁽²⁾	Claypole Limited ⁽²⁾	Total
	€	€	€	€	€	€	€
Opening balance	12,105,427	-	19,162,805	147,582,147	237,383,688	13,994,801	986,071,317
Additions/(disposals) during the period:							
Additions/(disposals)	(11,384,694)	-	-	14,715,879	-	3,074,995	(60,662)
Dividends distributed	(1,083,210)	-	-	(849,129)	-	-	(14,988,841)
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	362,477	-	(540,199)	(5,542,701)	7,740,211	(2,074,431)	1,853,151
Closing balance	-	-	18,622,606	155,906,196	245,123,899	14,995,365	972,874,965

During Q3 2024, the Group disposed of its 32.02% share of Log Italy Fund REIF. The total proceeds on the sale amounted to €11,759,487, and the resulting loss on the sale amounted to €669,376. Additions/ disposals also includes additions amounting to €24,797,428 and return of capital amounting to €13,098,602.

(1) Joint venture accounted for using the equity method.

(2) Associate accounted for using the equity method.

(3) Associate accounted for as investment at fair value through profit and loss under IFRS 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 Investment in associates and joint ventures (continued)

Loans to associates and joint ventures are as follows:

Borrower	Lender	Interest rate	Maturity	Local Currency	Maximum value of	31 December 2025		
						Gross value	Impairment	Carrying value
					€	€	€	€
SCI Backin ⁽¹⁾	ACEF SPPICAV	0.00%	31/03/2026	EUR	100m	96,951,742	(35,394,340)	61,557,402
OneLog Invest (Lux) S.à r.l. ⁽²⁾	ACEF Holding S.C.A.	2.56%	05/09/2049	EUR	n/a	341,611,903	-	341,611,903
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	1.31%	30/11/2029	EUR	n/a	137,448,656	-	137,448,656
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	1.56%	30/11/2049	DKK	n/a	5,776,928	-	5,776,928
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	3.17%	05/09/2049	NOK	n/a	17,722,230	-	17,722,230
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	3.61%	05/09/2049	SEK	n/a	39,232,092	-	39,232,092
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	2.53%	30/11/2049	SEK	n/a	36,734,159	-	36,734,159
Paunsdorf Center Luxco S.à r.l. ⁽³⁾	ACEF Holding S.C.A.	6.80%	31/03/2028	EUR	15.0m	1,006,312	-	1,006,312
Iberubbo Imobiliaria, Lda.	ACEF Holding S.C.A.	5.40%	08/01/2028	EUR	86.2m	85,098,375	-	85,098,375
Luxembourg Investment Company 327 S.à r.l. ⁽⁴⁾	ACEF Holding S.C.A.	4.30%	07/12/2027	EUR	136.4m	134,399,997	(15,111,143)	119,288,854
JV FORTE S.à r.l.	ACEF Holding S.C.A.	5.22%	01/12/2029	EUR	58.2m	58,223,361	-	58,223,361
SCI IMMO C47	CORE FR 2018 2 SCI	0.00%	n/a	EUR	n/a	508,736	-	508,736
Saturne Habitat 2	ACEF 2 SPPICAV	4.36%	31/12/2027	EUR	154.0m	154,867,706	-	154,867,706
						1,109,582,197	(50,505,483)	1,059,076,714

(1) The maturity date has been extended for another 3 years.

(2) Under the loan agreement between ACEF Holding S.C.A. and OneLog Invest (Lux) S.à r.l., the interest rate corresponds to the average interest rate applied on the subordinated loans (i.e. between OneLog Invest (Lux) S.à r.l. and its subsidiaries) minus a margin, determined by Transfer Pricing analysis.

(3) The original maturity date was 31/03/2023, the maturity date has been extended for another 5 years.

(4) The original maturity date was 06/12/2024, the maturity date has been extended for another 3 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 Investment in associates and joint ventures (continued)

Loans to associates and joint ventures are as follows:

Borrower	Lender	Interest rate	Maturity	Local Currency	Maximum value of	31 December 2024		
						Gross value	Impairment	Carrying value
					€	€	€	€
SCI Backin	ACEF SPPICAV	0.00%	31/03/2026	EUR	100m	79,460,786	(30,641,957)	48,818,829
OneLog Invest (Lux) S.à r.l. ⁽¹⁾	ACEF Holding S.C.A.	2.77%	05/09/2049	EUR	n/a	399,131,496	-	399,131,496
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	1.57%	30/11/2029	EUR	n/a	137,448,656	-	137,448,656
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	1.82%	30/11/2029	DKK	n/a	7,201,076	-	7,201,076
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	3.43%	05/09/2049	NOK	n/a	20,328,725	-	20,328,725
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	3.87%	05/09/2049	SEK	n/a	39,781,258	-	39,781,258
OneLog Invest (Lux) S.à r.l.	ACEF Holding S.C.A.	2.79%	30/11/2029	SEK	n/a	34,761,071	-	34,761,071
Paunsdorf Center Luxco S.à r.l. ⁽²⁾	ACEF Holding S.C.A.	6.80%	31/03/2028	EUR	15.0m	2,006,312	-	2,006,312
Iberubbo Imobiliaria, Lda.	ACEF Holding S.C.A.	5.40%	08/01/2028	EUR	56.9m	53,373,375	-	53,373,375
Luxembourg Investment Company 327 S.à r.l. ⁽³⁾	ACEF Holding S.C.A.	4.30%	07/12/2027	EUR	136.4m	134,399,997	(7,782,477)	126,617,520
JV FORTE S.à r.l.	ACEF Holding S.C.A.	5.22%	01/12/2029	EUR	58.2m	58,223,361	-	58,223,361
SCI IMMO C47	CORE FR 2018 2 SCI	0.00%	n/a	EUR	n/a	508,736	-	508,736
Saturne Habitat 2	ACEF 2 SPPICAV	5.75%	31/12/2027	EUR	154.0m	150,873,022	-	150,873,022
						1,117,497,871	(38,424,434)	1,079,073,437

(1) Under the loan agreement between ACEF Holding S.C.A. and OneLog Invest (Lux) S.à r.l., the interest rate corresponds to the average interest rate applied on the subordinated loans (i.e. between OneLog Invest (Lux) S.à r.l. and its subsidiaries) minus a margin, determined by Transfer Pricing analysis.

(2) The original maturity date was 31/03/2023, the maturity date has been extended for another 5 years.

(3) The original maturity date was 06/12/2024, the maturity date has been extended for another 3 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 Investment in associates and joint ventures (continued)

Impairment charges on loans to associates and joint ventures arise due to negative net asset values of the underlying entities. Following the impairment of the equity-accounted investment, residual impairment is allocated to reduce the carrying value of the associated loans.

For the year ended 31 December 2025, interest income recognised on the loans to associates and joint ventures amounted to €35,164,219 (2024: €36,444,293). Accrued interest as at 31 December 2025 amounted to €15,227,794 (2024: €14,989,362).

Investments in associates and joint ventures are accounted for under the equity method under IAS 28. These entities are investing in real estate properties. The most significant factor in the carrying value of the investments is the fair values of the underlying properties held directly / indirectly by these entities. These properties are held at fair value in accordance with IAS 40 Investment Property, with changes in fair value being recognised in profit or loss. The valuation techniques used in the valuation of these properties include: discounted cash flow, hardcore method, investment method and income capitalisation method. The key unobservable inputs used in the valuation include: rental yield and estimated rental value.

Therefore, the Group would classify the fair value of its investments in associates and joint ventures as Level 3 (see Note 3).

IAS 28 allows exemption from the equity method of accounting where an investment in an associate or joint venture is a mutual fund and can be accounted for at fair value in accordance with IFRS 9.

The Group has applied this exemption in the case of the following associate:

SCI Backin

SCI Backin is held (at a level of 16.67%) by SPPICAV, a French regulated Fund i.e. a French OPCI, meeting the definition of a mutual fund.

As at 31 December 2025 and 31 December 2024, SCI Backin had invested in the following investment property:

Country	Valuation technique	Rental Yield	Estimated Rental Value	31 December 2025
			€	€
France	Income capitalisation approach	9.09%	41,515,350	430,000,000

Country	Valuation technique	Rental Yield	Estimated Rental Value	31 December 2024
			€	€
France	Income capitalisation approach	7.67%	40,465,882	485,100,000

As at 31 December 2025, if rental yield rates in relation to these investment properties had been 0.5% higher, with all other variables held constant, net assets attributable to the partners and profit/(loss) for the year would have been €3,819,097 (2024: €5,186,037) lower. As at 31 December 2025, if rental yield rates in relation to these investment properties had been 0.5% lower, with all other variables held constant, net assets attributable to the partners and profit/(loss) for the year would have been €4,277,522 (2024: €5,951,190) higher.

As at 31 December 2025, if rental income rates in relation to these investment properties had been 5% higher, with all other variables held constant, net assets attributable to the partners and profit/(loss) for the year would have been €3,584,050 (2024: €4,044,142) higher. As at 31 December 2025, if rental income rates in relation to this investment properties had been 5% lower, with all other variables held constant, net assets attributable to the partners and profit/(loss) for the year would have been €3,584,050 (2024: €4,042,475) lower.

See Note 21 for details of Group financial commitments towards associates and joint ventures.

The Group had no other contingent liabilities or contingent assets at 31 December 2025 or at 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 Investment in associates and joint ventures (continued)

Summarised information – joint ventures and associates

The tables below provide summarised financial information for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Group's share of those amounts.

	SCI IMMO C47		Avicdale Limited		Iberubbo Imobiliaria Lda		Paunsdorf Center Luxco S.à r.l.		Log Italy Fund REIF		Selectiv Core Italy SICAF		SCI Backin		Saturne Habitat 2 ⁽¹⁾	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€
Non current assets	238,000,000	246,800,000	310,317,867	251,925,480	340,307,094	297,494,902	178,953,304	179,183,245	-	-	287,385,054	293,600,000	402,453,363	302,499,440	1,140,517,411	1,106,843,547
Current assets	1,625,085	2,442,723	7,155,653	14,887,494	17,595,124	21,524,010	12,814,000	21,139,000	-	-	23,121,623	11,819,429	487,183	490,559	81,040	275,880
Total assets	239,625,085	249,242,723	317,473,520	266,812,974	357,902,218	319,018,912	191,767,304	200,322,245	-	-	310,506,677	305,419,429	402,940,546	302,989,999	1,140,598,451	1,107,119,427
Non current liabilities	-	-	-	-	189,107,500	118,607,500	124,847,000	128,119,000	-	-	-	-	609,980,200	486,819,982	552,547,729	538,257,940
Current liabilities	3,442,418	3,536,155	670,436	30,504	49,724,420	95,979,595	10,825,018	16,929,433	-	-	3,365,902	9,787,753	21,557	21,764	13,249,951	14,408,547
Total liabilities	3,442,418	3,536,155	670,436	30,504	238,831,920	214,587,095	135,672,018	145,048,433	-	-	3,365,902	9,787,753	610,001,757	486,841,746	565,797,680	552,666,487
Net assets	236,182,667	245,706,568	316,803,084	266,782,470	119,070,298	104,431,817	56,095,286	55,273,812	-	-	307,140,775	295,631,676	(207,061,211)	(183,851,747)	574,800,771	554,452,940
Group investment in associate / joint venture	49.00%	49.00%	29.09%	29.09%	45.00%	45.00%	25.00%	25.00%	-	-	50.00%	50.00%	16.67%	16.67%	28.03%	28.03%
Carrying amount	115,729,507	120,396,218	92,158,017	77,607,020	53,581,634	46,994,318	14,023,821	13,818,453	-	32.02%	153,570,388	147,815,838	-	-	161,612,906	155,413,159
Total revenues	16,834,043	16,682,306	-	12,030	26,196,722	17,464,501	13,632,000	14,125,000	-	1,142,454	13,425,331	4,920,958	-	-	-	-
Realised gain on disposal of investment property	-	-	-	-	-	-	-	-	-	(4,558,503)	-	-	-	-	-	-
Net unrealised gain/(loss) from fair value on investment property	(9,207,786)	(3,640,000)	42,064,047	(24,153,908)	21,980,107	42,049,180	(6,245,941)	(40,417,559)	-	2,621,245	(933,647)	4,591,091	(28,680,450)	(5,445,867)	20,721,594	(8,364,430)
Total expenses	(619,644)	(602,139)	(1,617,110)	(1,389,143)	(23,239,075)	(29,177,769)	(6,564,466)	(7,401,000)	-	(120,676)	(981,171)	(4,795,541)	(3,169)	(28,288)	(9,559,151)	(11,222,144)
Profit / (loss) from continuing operations	7,006,613	12,440,167	40,446,937	(25,531,021)	24,937,754	30,335,912	821,593	(33,693,559)	-	(915,480)	11,510,513	4,716,508	(28,683,619)	(5,474,155)	11,162,443	(19,586,574)
Taxation	(45,542)	(43,989)	(2,426,323)	8,034,352	(8,299,273)	(14,168,020)	(119)	4,222,404	-	(44)	(1,414)	(1,666)	-	-	-	-
Profit / (loss) after taxation from continuing operations	6,961,071	12,396,178	38,020,614	(17,496,669)	16,638,481	16,167,892	821,474	(29,471,155)	-	(915,524)	11,509,099	4,714,842	(28,683,619)	(5,474,155)	11,162,443	(19,586,574)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	6,961,071	12,396,178	38,020,614	(17,496,669)	16,638,481	16,167,892	821,474	(29,471,155)	-	(915,524)	11,509,099	4,714,842	(28,683,619)	(5,474,155)	11,162,443	(19,586,574)

(1) The information of Marteau and Saturne are consolidated within Saturne Habitat 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 Investment in associates and joint ventures (continued)

Summarised information – joint ventures and associates (continued)

	Alpha Log Fund		Luxembourg Investment Company 327 S.à r.L.		JV FORTE S.à r.L. (formerly Luxembourg Investment)		OneLog Invest (Lux) S.à r.L.		CoRE FR 14 SAS		CoRE FR 15 SAS		Claypole Limited	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	€	€	€	€	€	€	€	€	€	€	€	€	€	€
Non current assets	532,950,000	377,650,000	481,300,000	496,640,000	237,301,806	231,462,000	2,734,325,251	2,818,459,412	-	-	-	-	71,982,716	52,465,803
Current assets	24,948,618	40,561,647	22,462,934	27,424,036	6,233,072	7,036,948	124,234,891	149,820,648	998,399	1,050,152	-	-	1,423,237	7,557,448
Total assets	557,898,618	418,211,647	503,762,934	524,064,036	243,534,878	238,498,948	2,858,560,142	2,968,280,060	998,399	1,050,152	-	-	73,405,953	60,023,251
Non current liabilities	-	-	511,584,244	511,584,244	174,670,083	174,670,083	1,966,314,969	2,139,943,043	-	-	-	-	-	15,596
Current liabilities	9,587,567	7,233,971	29,885,980	31,865,418	18,215,144	7,955,463	56,895,127	62,803,298	5,896	62,576	-	-	150,687	26,193
Total liabilities	9,587,567	7,233,971	541,470,224	543,449,662	192,885,227	182,625,546	2,023,210,096	2,202,746,341	5,896	62,576	-	-	150,687	41,789
Net assets	548,311,051	410,977,676	(37,707,290)	(19,385,626)	50,649,651	55,873,402	835,350,046	765,533,719	992,503	987,576	-	-	73,255,266	59,981,462
Group investment in associate / joint venture	32.02%	32.02%	40.00%	40.00%	33.33%	33.33%	32.02%	32.02%	50.00%	50.00%	0.00%	0.00%	25.00%	25.00%
Carrying amount	175,569,198	131,595,052	-	-	16,881,529	18,622,605	267,479,084	245,123,897	496,252	493,788	-	-	18,313,816	14,995,366
Total revenues	24,693,277	16,454,564	25,446,804	25,224,329	4,849,163	4,227,307	139,035,214	135,258,711	35,519	-	-	-	-	-
Realised gain on disposal of investment property	-	(5,189,166)	-	-	-	-	1,263,240	1,823,567	-	-	-	-	-	-
Net unrealised gain/(loss) from fair value on investment property	11,448,937	(3,803,721)	(17,987,231)	(17,074,672)	1,857,582	342,029	41,451,903	(25,440,909)	-	-	-	-	(807,587)	24,735,949
Total expenses	(1,583,847)	(962,667)	(23,855,310)	(26,450,030)	(10,371,488)	(5,724,083)	(63,980,265)	(78,466,716)	(30,592)	(105,073)	-	-	(291,967)	(252,925)
Profit / (loss) from continuing operations	34,558,367	6,499,010	(16,395,737)	(18,300,373)	(3,664,743)	(1,154,747)	117,770,092	33,174,653	4,927	(105,073)	-	-	(1,099,554)	24,483,024
Taxation	(110,714)	(9,952)	(1,925,927)	748,279	(1,559,008)	(466,011)	(27,755,481)	(9,131,453)	-	-	-	-	(581,642)	(1,152,163)
Profit / (loss) after taxation from continuing operations	34,447,653	6,489,058	(18,321,664)	(17,552,094)	(5,223,751)	(1,620,758)	90,014,611	24,043,200	4,927	(105,073)	-	-	(1,681,196)	23,330,861
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	34,447,653	6,489,058	(18,321,664)	(17,552,094)	(5,223,751)	(1,620,758)	90,014,611	24,043,200	4,927	(105,073)	-	-	(1,681,196)	23,330,861

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 Financial assets at fair value through profit or loss

Financial assets at fair value comprise of investment in Vitura SA and investment in bonds. The movement in fair value of investments in financial assets is as follows:

	31 December 2025	31 December 2024
	€	€

Vitura SA

Opening balance	1,372,160	4,677,817
Net gain/(loss) on investments	(69,301)	(3,305,657)
Closing value	1,302,859	1,372,160

	31 December 2025	31 December 2024
	€	€

Bonds held at fair value

Opening balance	27,866,931	25,414,458
Net gain on bonds held at fair value	850,472	2,452,473
Closing value	28,717,403	27,866,931

Closing balance	30,020,262	29,239,091
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The Group holds less than 5.00% investment in Vitura SA. This investment is treated as an investment in financial assets at fair value through profit or loss. Vitura SA owns interests in commercial properties in Paris, France. Unrealised losses arising from fair value changes for the year ended 31 December 2025 amounted to €69,301 (2024: €3,305,675 loss).

The maturity range of the bonds held as at 31 December 2025 is 2028 to 2030, and the coupon range is 0.75% to 1.25%. Unrealised gains arising from fair value changes for the year ended 31 December 2025 amounted to €850,472 (2024: €2,452,473).

As at 31 December 2025, if the fair value of financial assets had been 1.0% higher/lower, with all other variables held constant, net assets attributable to partners and profit/(loss) for the year would have been €300,203 (2024: €292,391) higher/lower.

8 Investment held at amortised cost

The Group holds an investment in receivable instruments through an underlying fully owned subsidiary, Symbol Holdco C-T S.à r.l. The receivable is accounted for at amortised cost.

As at 31 December 2025 and 31 December 2024, the Group, based on current market information, impaired the receivable to € Nil.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Trade and other receivables

	31 December 2025	31 December 2024
	€	€
Current assets		
Cash collateral and escrow accounts	6,189,344	11,330,087
Gross rent receivable	10,826,911	9,150,519
Restricted cash	2,277,555	1,645,949
Tax receivables ⁽¹⁾	8,352,706	7,810,978
Accrued income	9,064,896	16,313,143
Deposits held for investments	3,393,573	3,283,741
Receivable from seller	32,020	1,992,956
Security deposits	1,825,217	1,757,549
Receivable from joint venture	1,217,160	1,217,160
Other receivables from tenants	1,250,560	1,359,191
Cash held by property managers	18,702,484	12,271,657
Allowance for bad debts - Rent	(2,522,878)	(2,313,788)
Other receivables	8,146,001	5,071,712
Total current assets	68,755,549	70,890,854
Non-current assets		
Other long term deposits	17,685,671	18,677,148
Other receivables from tenants	1,250,560	1,359,191
Total non-current assets	18,936,231	20,036,339
Total trade and other receivables	87,691,780	90,927,193

(1) Amounts considered as non-financial assets.

Other long term deposits includes funds on interest blocked account.

Amounts of cash collateral paid (receivable)/cash collateral received (payable) at year end is dependent on the fair value of the forward exchange contract as at year end.

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.

10 Derivatives at fair value through profit or loss

The Group uses currency forward contracts and currency options and swaps, which represent commitments to purchase domestic currency to hedge against foreign currency exposures. The Group also uses interest rate swaps and 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.

The notional/transaction amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the consolidated 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 foreign exchange rates and interest rates relative to the terms. The aggregate transaction or notional amount of derivative

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 Derivatives at fair value through profit or loss (continued)

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.

Gains and losses recognised on the derivatives are disclosed in Note 15.

The fair values of derivative instruments held are set out below (based on maturity):

As at 31 December 2025	Assets			Liabilities			Net
	Current	Non-current	Total	Current	Non-current	Total	
	€	€		€	€	€	€
Interest rate caps	8,675,579	-	8,675,579	-	-	-	8,675,579
Currency forward contracts	2,232,213	-	2,232,213	(2,496,202)	-	(2,496,202)	(263,989)
Currency option / swaps	-	8,462,584	8,462,584	-	(1,323,664)	(1,323,664)	7,138,920
Total	10,907,792	8,462,584	19,370,376	(2,496,202)	(1,323,664)	(3,819,866)	15,550,510

As at 31 December 2024	Assets			Liabilities			Net
	Current	Non-current	Total	Current	Non-current	Total	
	€	€		€	€	€	€
Interest rate caps	1,329,220	28,739,013	30,068,233	-	-	-	30,068,233
Currency forward contracts	2,980,219	-	2,980,219	(10,398,497)	-	(10,398,497)	(7,418,278)
Currency option / swaps	-	4,221,304	4,221,304	-	(2,154,948)	(2,154,948)	2,066,356
Total	4,309,439	32,960,317	37,269,756	(10,398,497)	(2,154,948)	(12,553,445)	24,716,311

The fair values and nominal values (by currency) of derivative instruments held are set out below:

As at 31 December 2025	Nominal value					Fair value		
	In local currency					Assets	Liabilities	Net
	€	GBP	DKK	NOK	SEK	€	€	€

Derivatives at fair value through profit or loss

Interest rate caps	-	362,500,000	-	-	-	8,675,579	-	8,675,579
Currency forward contracts	-	494,835,000	1,173,300,000	1,284,800,000	1,323,165,000	2,232,213	(2,496,202)	(263,989)
Currency option / swaps	100,000,000	150,000,000	-	700,000,000	-	8,462,584	(1,323,664)	7,138,920
Total	100,000,000	1,007,335,000	1,173,300,000	1,984,800,000	1,323,165,000	19,370,376	(3,819,866)	15,550,510

As at 31 December 2024	Nominal value					Fair value		
	In local currency					Assets	Liabilities	Net
	€	GBP	DKK	NOK	SEK	€	€	€

Derivatives at fair value through profit or loss

Interest rate caps	76,450,000	362,500,000	-	-	-	30,068,233	-	30,068,233
Currency forward contracts	-	437,900,000	1,162,800,000	1,256,100,000	1,346,765,000	2,980,219	(10,398,497)	(7,418,278)
Currency option / swaps	100,000,000	150,000,000	-	700,000,000	-	4,221,304	(2,154,948)	2,066,356
Total	176,450,000	950,400,000	1,162,800,000	1,956,100,000	1,346,765,000	37,269,756	(12,553,445)	24,716,311

Maturities for interest rate caps held as at 31 December 2025 is July 2026 (31 December 2024 range: April 2025 to July 2026).

Maturities for currency forward contracts held as at 31 December 2025 range from January 2026 to November 2026 (31 December 2024: January 2025 to November 2025).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 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. The table below shows cash and cash equivalents by institution, and by the S&P credit ratings of those institutions.

Institution	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	S&P Rating	S&P Rating	€	€
The Bank of New York Mellon, SA/NV	AA-	AA-	105,225,152	184,512,567
Société Générale Luxembourg SA	A	A	10,507,624	22,060,009
Société Générale France	A	A	6,177,336	5,651,947
J.P. Morgan Bank Luxembourg SA (J.P. Morgan SE)	AA-	A	37,009,619	19,424,412
Barclays Bank UK PLC	A+	A+	13,721,206	21,156,349
Berliner Sparkasse - Landesbank Berlin AG	N/A	N/A	20,882,975	15,673,243
Bank of America NT and SA	A-	A-	3,545	504,820
BNP Paribas Securities Services SCA	A+	A+	14,640,429	19,700,840
ABN AMRO Bank N.V.	A	A	180,996	174,753
Santander Bank SA	A+	A+	10,820,562	10,858,398
Nordea Bank Oyj	AA-	AA-	2,144,508	1,797,522
State Street Bank International GmbH	AA-	A	-	888,289
BNP Paribas SA	A+	A+	2,920,176	3,766,770
Other	NA	NA	5,423,652	9,686,902
Total			229,657,780	315,856,821

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 Trade and other payables

	31 December 2025	31 December 2024
	€	€
Current liabilities		
Accrued property related expenses	26,424,895	30,341,051
Trade creditors	17,453,926	21,492,465
Refundable deposits	15,918,905	15,648,832
Management fees	10,449,340	13,446,568
Fixed asset and capital expenditure accruals	4,961,790	3,659,493
Cash collateral payable (Note 9)	9,230,000	6,300,000
Other tax ⁽¹⁾	1,286,379	1,926,926
Value added tax payable ⁽¹⁾	3,624,537	3,291,669
Audit fees	1,690,192	1,300,285
Distributions payable	1,443,941	208,282
Administration fees	241,484	400,009
Accounting fees	479,710	634,368
Depository fees accrued	157,987	314,126
Tax fees	185,495	301,755
Legal fees	77,654	63,677
Valuation fees	105,313	124,955
Withholding tax ⁽¹⁾	6,589	7,256
Interest payable	17,063	21,315
Provisions Reserve	17,312	17,311
Other payables	4,838,563	4,698,086
Total current liabilities	98,611,075	104,198,429
Non-current liabilities		
Other payables and accrued expenses	1,250,560	1,359,191
Total non-current liabilities	1,250,560	1,359,191
Total trade and other payables	99,861,635	105,557,620

The estimated fair values of the above financial liabilities are the discounted amounts of the estimated future cash flows expected to be received and approximate their carrying amounts. Other payables includes accrued corporate costs and other accruals.

(1) Amounts considered as non-financial liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 Net rental income

(i) Rental income

	31 December 2025	31 December 2024
	€	€
Rental income	158,836,594	150,547,255
Total	158,836,594	150,547,255

At year-end the total contractually agreed rental income based on the leases in operation is as follows:

	31 December 2025	31 December 2024
	€	€
No later than 1 year	113,388,418	120,697,795
Later than 1 year and no later than 2 years	82,905,504	82,871,423
Later than 2 years and no later than 3 years	65,245,314	61,861,679
Later than 3 years and no later than 4 years	50,019,004	48,677,412
Later than 4 years and no later than 5 years	33,943,887	38,225,154
Later than 5 years	100,568,343	116,142,091
Total	446,070,471	468,475,554

(ii) Service charge income/expense

Service charge income/expenses for the year ended 31 December 2025 and 31 December 2024, represent service charges incurred which are subsequently recovered from tenants, where the Group acts as principal rather than agent. Service charge income/expenses are presented gross in the consolidated statement of comprehensive income.

(iii) Non recoverable property expenses

	31 December 2025	31 December 2024
	€	€
Other expenses	365,080	107,364
Other property expenses	19,743,025	24,458,929
Real estate expenses	13,637,413	11,518,077
Net service fee expense	2,362,525	4,999,683
Total	36,108,043	41,084,053

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 Administrative expenses

	31 December 2025	31 December 2024
	€	€
Management fees (note 19)	21,589,493	21,788,281
Audit fees	2,039,324	2,361,359
Accounting and professional fees	1,992,486	1,891,800
Other corporate costs	1,736,208	2,697,077
Administration fees	1,086,095	991,147
Tax fees	784,371	984,257
Valuation fees	753,263	346,605
Bank charges	642,092	674,231
Legal fees expense	607,365	1,198,550
Organisational costs	(22,755)	22,799
Other expenses	662,750	621,362
Total	31,870,692	33,577,468

15 Finance result

	31 December 2025	31 December 2024
	€	€
Interest income on derivatives	14,607,450	22,356,378
Unrealised gains on derivatives	6,386,943	3,300,301
Other finance income	5,884,604	8,601,641
Realised foreign exchange gains on forward contracts	3,046,343	-
Unrealised foreign exchange gains	-	3,589,423
Realised foreign exchange gains	9,392	-
Finance income	29,934,732	37,847,743
Interest expense on external loans	37,401,502	40,710,343
Unrealised foreign exchange losses	23,512,871	-
Unrealised losses on derivatives	12,971,310	12,888,553
Interest expense on joint venture loans	11,653,433	8,365,070
Debt issue fees	3,530,975	3,554,045
Interest expense on cross currency swaps	2,540,572	2,552,327
Realised foreign exchange losses on forward contracts	-	20,850,698
Realised foreign exchange losses	-	182,820
Finance expense	91,610,663	89,103,856
Finance result	(61,675,931)	(51,256,113)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Asset disposal and acquisition

a) Asset disposal

The Group did not have any asset disposal during the years ended 31 December 2025 and 31 December 2024.

b) Asset acquisition

The Group did not have any asset acquisition during the years ended 31 December 2025 and 31 December 2024.

17 Borrowings

The table below shows the Group borrowings as at 31 December 2025 and 31 December 2024:

	31 December 2025	31 December 2024
	€	€
Non-current		
Bank borrowings	87,042,261	603,259,056
Loans from non-controlling interests	169,351,250	232,970,459
Debt issue costs ⁽¹⁾	(1,356,281)	(6,841,334)
Amortisation of debt issue costs ⁽¹⁾	(165,406)	3,051,737
Lease liabilities	3,195,604	3,118,350
Notes issued	994,431,218	992,747,962
Total non-current	1,252,498,646	1,828,306,230
Current		
Accrued interest	21,926,691	17,643,184
Bank borrowings	496,790,822	-
Loans from non-controlling interests	80,236,115	-
Debt issue costs ⁽¹⁾	(4,752,544)	-
Amortisation of debt issue costs ⁽¹⁾	4,353,626	-
Total current	598,554,710	17,643,184

As at 31 December 2025 and 31 December 2024, all bank borrowings are secured on investment properties. As at 31 December 2025, fair value of investment properties pledged amounted to €1,764,984,969 (2024: €1,705,248,709).

Note issued

On 7 June 2021, the Group issued a note, 0.75% Green Euro Notes, due 2028, at an issue price of 99.36%, for an amount of €500m and on 19 October 2021, the Group issued another note, 1.250% Green Euro Notes, due 2030, at an issue price of 99.292%, for €500m. The discount on the note issued is amortised over the life of the notes issued. The objective of the issuance of notes is to refinance eligible green projects. Both notes are listed on Euronext Dublin – Global Exchange Market.

Bank borrowings

- On 25 July 2019, the Group, through its 65% owned subsidiaries, the Dutch B.V.s, entered into a loan facility agreement with Landesbank Hessen-Thüringen Girozentrale for a principal amount of €84,000,000, to refinance the cost of acquisition of properties in Germany. The loan bears interest at a fixed rate of 1.38% per annum and matures on 31 July 2024. During 2021, the term of this loan facility was renegotiated and the revised principal amount is €150,350,000 at fixed interest rate of 1.21% per annum and matures on 1 April 2026. Management has finalized the refinancing for the Dutch B.V.s entities with the same lender -Landesbank Hessen-Thüringen Girozentrale Bank with the maturity date on 31st March 2031.

(1) Amounts considered as non-financial liability

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 Borrowings (continued)

Bank borrowings (continued)

- In December 2024, the Fund signed an amendment to extend the maturity of the revolving credit facility of €75,000,000 (the "Facility") with CA-CIB, up to December 2029. The Facility carries a commitment fee on undrawn amounts, which is 40% of the margin of margin. The Facility also carries a utilization fee on drawdown amounts, which is EURIBOR + margin (depending on the LTV), 10/20/40 bps of the drawdown amounts. (depending on the LTV).
- The Group, through its 51% owned subsidiary Dolphin Square Estate Limited, has entered into a loan facility agreement with M&G for a principal amount of GBP 362,500,000, to finance the cost of acquisition of properties in the United Kingdom. On 18 June 2021, the Company refinanced the existing loan for the same amount of GBP 362,500,000. The loan bears interest at a variable SONIA rate plus a fixed margin of SONIA + 1.7% per annum and matures on 2 July 2026. During the year ended 31 December 2024, the Group repaid GBP 60,000,000 on the principal.
- In December 2024, the Fund signed a revolving credit facility of €100,000,000 (the "Facility") with BNP PARIBAS, with a facility period ending 20 December 2029. This contract put an end to the previous Credit Facility agreement with BNP Paribas, The Facility carries a commitment fee on undrawn amounts, which is EURIBOR + margin (depending on the rating), 40% of the margin. The Facility also carries a utilization fee on drawdown amounts, which is 20/30/40 bps of the drawdown amounts.
- In December 2024, the Fund amended revolving credit facility (the "Credit Facility") for a principal amount of €50,000,000 with Société Generale, to extend the maturity up to August 2028. The Credit Facility carries a commitment fee on undrawn amounts, which is 35% of the applicable margin per annum.
- In December 2024, the Fund entered into a revolving credit facility (the "Credit Facility") for a principal amount of €100,000,000 with Natixis, with a facility period ending 19 December 2029. The Credit Facility carries a commitment fee on undrawn amounts, which is 45% of the applicable margin per annum.
- Following the acquisition of Olympe, the French logistic portfolio in December 2023, the Group has entered into a loan facility with ING Bank B.V. for the total amount of €85,096,400. The loan facility matures on 7 February 2027 and bears fixed rate varying from 1.45% to 1.80% and margin from 0.04% to 3.16% depending on the corresponding asset.

As at 31 December 2025 and 2024, the Group has complied with all loan covenants.

Loans from non-controlling interests

- On 9 June 2017, the Group, through its 85% subsidiary, Area Sur Shopping, S.L, entered into a loan facility agreement with Axnae Spain Holdings, S.L., for a principal amount of up to €1,950,000 to refinance the cost of acquisition of a property in Spain. The loan bears interest at a fixed rate of 3.5% and matures on 14 December 2027.
- As part of the acquisition of a 65% share in the seven Dutch B.V.s, the Group has acquired a loan facility with Sirius Finance (Guernsey) Limited, for a principal amount of up to €44,978,063. The loan bears interest at a fixed rate of 5% and matures on 31 December 2026.
- As part of the Nighthawk portfolio, SCI SAPI has subscribed asset linked preferred equity certificates issued by a Group entity, Trias Pool I-T S.à r.l. and Prime Pool I-T S.à r.l. for €6,830,876. The Group also entered into a loan facility agreement with SCI SAPI for a total amount of €5,451,022.
- As the part of the acquisition of 51% share in the Dolphin Square entities, the Group entered into a loan facility with AXA JV partners. During the year ended 31 December 2024, the Group entered into two further loan facilities with AXA JV Partners. As at 31 December 2025, the total facility amounts to GBP 161,700,000, with a principal outstanding as at 31 December 2025 of GBP 161,700,000. Drawdowns during the year ended 31 December 2025 amounted to GBP 19,600,000. The maturity dates of the loans range from 15 September 2030 to 19 January 2034.

As at 31 December 2025 the balance of the loan facilities was €1,851,053,355 (2024: €1,845,949,414) including accrued interest payable of €21,926,691 (2024: €17,643,184). Interest expense for the year amounted to €49,054,935 (2024: €49,075,413). There were no default events during the financial year ended 31 December 2025 and 31 December 2024.

Lease liability

The Group has recognised a lease liability in respect of a ground lease on assets held in Finland and Germany. The corresponding right of use asset has been recognised in investment property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 Borrowings (continued)

Reconciliation of liabilities arising from financing activities

	Cash flows				Non cash changes				Total
	1 January 2025	Loan drawdowns	Payments	Acquired on acquisition of subsidiaries	Lease liabilities	Borrowings directly associated with investment property held for sale	Amortisation/Amortisation of debt issue costs	Foreign exchange	31 December 2025
	€	€				€		€	€
Borrowings - bank financing	603,259,056	-	-	-	-	-	-	(19,425,973)	583,833,083
Borrowings - non-controlling interests	232,970,459	16,616,906	-	-	-	-	-	-	249,587,365
Debt issuance costs	(3,789,597)	-	-	-	-	-	1,868,992	-	(1,920,605)
Lease Liability	3,118,350	-	-	-	77,254	-	-	-	3,195,604
Notes issued	992,747,962	-	-	-	-	-	1,683,256	-	994,431,218
Total	1,828,306,230	16,616,906	-	-	77,254	-	3,552,248	(19,425,973)	1,829,126,665

	Cash flows				Non cash changes				Total
	1 January 2024	Loan drawdowns	Payments	Acquired on acquisition of subsidiaries	Lease liabilities	Borrowings directly associated with investment property held for sale	Amortisation/Amortisation of debt issue costs	Foreign exchange	31 December 2024
	€	€				€		€	€
Borrowings - bank financing	655,732,565	-	(69,241,751)	-	-	-	-	16,768,242	603,259,056
Borrowings - non-controlling interests	138,509,912	94,460,547	-	-	-	-	-	-	232,970,459
Debt issuance costs	(3,959,757)	-	-	-	-	-	170,160	-	(3,789,597)
Lease Liability	2,957,324	-	-	-	161,026	-	-	-	3,118,350
Notes issued	991,072,677	-	-	-	-	-	1,675,285	-	992,747,962
Total	1,784,312,721	94,460,547	(69,241,751)	-	161,026	-	1,845,445	16,768,242	1,828,306,230

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 Deferred income

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

19 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 AXA Real Estate Investment Managers SGP, the General Partner and their affiliates to be related parties.

Investments in associates and joint ventures, loans to associates and joint ventures are disclosed in Note 6. Borrowings from joint venture is disclosed in Note 17.

Management fees

The Group appointed, as Alternative Investment Fund Manager, AXA Real Estate Investment Managers SGP, 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 in accordance with the table below and shared in such proportion among them as they shall determine by mutual agreement.

The AIFM is entitled to receive a management fee from the Fund, ranging between 0.45% and 1.15% of the Fund's NAV, depending on the Unit class, as described in the Offering Memorandum. The classes of units are detailed in the "Net Assets per Unit Attributable to Partners" statement.

Management fee recognised during the period is disclosed in Note 14, with outstanding payable is disclosed in Note 12.

20 Non controlling interests

Movements in non-controlling interests in 2025 are detailed in the table below:

31 December 2025	Dolphin Square entities	NRE entities	Dutch B.V.s	Area Sur Shopping, S.L.	Total
	€	€	€	€	€
Opening balance	234,613,559	5,866,299	24,283,068	9,384,581	274,147,507
Additions during the year	22,447,075	-	-	(639,902)	21,807,173
Foreign exchange movement (recognised in other comprehensive income)	(12,402,059)	-	-	-	(12,402,059)
Distributions during the year	-	-	(995,098)	-	(995,098)
Share premium distribution	-	-	-	-	-
(Loss)/gain allocated during the year	(9,735,048)	(583,763)	2,789,479	2,568,502	(4,960,830)
Closing balance	234,923,527	5,282,536	26,077,449	11,313,181	277,596,693

During the financial year ended December 2025, the Group has not acquired any new entity with non-controlling interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 Non controlling interests (continued)

Movements in non-controlling interests in 2024 are detailed in the table below:

31 December 2024	Dolphin Square entities	NRE entities	Dutch B.V.s	Area Sur Shopping, S.L.	Total
	€	€	€	€	€
Opening balance	206,219,637	7,147,975	22,126,192	8,980,566	244,474,370
Additions during the year	-	-	-	-	-
Foreign exchange movement (recognised in other comprehensive income)	10,449,205	-	-	-	10,449,205
Distributions during the year	-	-	(1,705,790)	-	(1,705,790)
Share premium distribution	-	-	-	(196,710)	(196,710)
Gain allocated during the year	17,944,717	(1,281,676)	3,862,666	600,725	21,126,432
Closing balance	234,613,559	5,866,299	24,283,068	9,384,581	274,147,507

During the financial year ended December 2024, the Group did not acquire any new entity with non-controlling interest. The Group holds a 51% freehold interest in a large private rented residential complex in London via a subsidiary ("Dolphin Square entities", see Note 26). The remaining 49% interest is held by a third parties who have a non-controlling interest in the investment.

As at 31 December 2025 and 31 December 2024, out of a total of 23 NRE entities, there were 9 NRE entities in which a non-controlling interest was held by third parties, amounting to 5.1% in each case. Non-controlling interests in respect of NRE entities are not material with respect to the sub-consolidated level at NRE entities or at the Group level and hence the summarised financial information of NRE entities which have a non-controlling interest has not been presented.

Set out below is summarised financial information for each subsidiary (with the exception of the NRE entities) that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet

31 December 2025	Dolphin Square entities	Dutch B.V.s	Area Sur Shopping, S.L.	Total
	€	€	€	€
Non-current assets	1,201,312,444	362,317,182	146,599,000	1,710,228,626
Current assets	74,408,814	29,390,241	9,436,328	113,235,383
Current liabilities	(57,811,668)	(14,228,603)	(6,479,618)	(78,519,889)
Net current assets	16,597,146	15,161,638	2,956,710	34,715,494
Non-current liabilities	(741,961,496)	(302,323,804)	(74,133,838)	(1,118,419,138)
Net assets	475,948,094	75,155,016	75,421,872	626,524,982
Accumulated non-controlling interest	234,923,527	26,077,449	11,313,181	272,314,157

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 Non controlling interests (continued)

Summarised statement of comprehensive income

31 December 2025	Dolphin Square entities	Dutch B.V.s	Area Sur Shopping, S.L.	Total
	€	€	€	€
Revenue	7,011,881	76,083,101	8,985,651	92,080,633
Profit / (Loss) for the year	(22,719,785)	5,496,919	17,357,337	134,471
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss)	(22,719,785)	5,496,919	17,357,337	134,471
Profit/(Loss) allocated to non-controlling interest	(9,735,048)	2,789,479	2,568,502	(4,377,067)

Summarised balance sheet

31 December 2024	Dolphin Square entities	Dutch B.V.s	Area Sur Shopping, S.L.	Total
	€	€	€	€
Non-current assets	1,173,586,495	359,601,741	125,701,869	1,658,890,105
Current assets	74,810,195	29,360,401	10,820,021	114,990,617
Current liabilities	(23,487,717)	(19,395,660)	(5,296,816)	(48,180,193)
Net current assets	51,322,478	9,964,741	5,523,205	66,810,424
Non-current liabilities	(746,737,820)	(299,908,384)	(68,660,537)	(1,115,306,741)
Net assets	(746,737,820)	69,658,098	62,564,537	610,393,788
Accumulated non-controlling interest	234,613,559	24,283,068	9,384,581	268,281,208

Summarised statement of comprehensive income

31 December 2024	Dolphin Square entities	Dutch B.V.s	Area Sur Shopping, S.L.	Total
	€	€	€	€
Revenue	29,708,569	18,786,878	10,472,879	58,968,326
Profit/(Loss) for the year	(15,438,712)	4,675,122	4,005,072	(6,758,518)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss)	(15,438,712)	4,675,122	4,005,072	(6,758,518)
Profit/(Loss) allocated to non-controlling interest	17,944,717	3,862,666	600,725	22,408,108

21 Commitments

As at 31 December 2025, the total commitment of the investors in the Fund (after redemptions) amounts to €4,477,412,883 (2024: €4,469,743,583). As at 31 December 2025 €2,000,000 (2024: €22,000,000), has not yet been called.

The Group has capital commitments of €3m (2024: €19.7m), €14m (2024: €13.0m), €2m (2024: €2m), €1.1m (2024: €3.6m) and €Nil (2024: €3.1m) towards SCI Backin, Paunsdorf Center Luxco S.à r.l., Luxembourg Investment Company 327 S.à r.l., Iberubbo Imobiliaria, Lda. and Saturne Habitat 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 Distributions to the Partners

The following distributions were declared and paid by the Group during the year:

		31 December 2025	31 December 2024
		€	€
Class A1	Class A1 - 2.68 (2024: 2.33) EUR per unit	11,746,221	10,160,059
Class A2	Class A2 - 2.81 (2024: 2.48) EUR per unit	16,445,643	13,372,428
Class A3	Class A3 - 2.76 (2024: 2.45) EUR per unit	10,441,146	10,395,038
Class A4	Class A4 - 2.88 (2024: 2.58) EUR per unit	4,262,979	3,818,918
Class A6	Class A6 - 2.63 (2024: 3.13) EUR per unit	32,769,408	38,791,774
Class A7	Class A7 - 3.4 (2024: 3.08) EUR per unit	12,922,044	11,705,852
Class A8	Class A8 - 3.13 (2024: 2.82) EUR per unit	20,485,424	18,224,824
Class A9	Class A9 - 3.24 (2024: 2.92) EUR per unit	15,895,778	11,820,696
		124,968,643	118,289,589

Included in the above distributions are amounts of €16,649,383 (2024: €25,645,080) which were re-invested into the Fund during the financial year ended 31 December 2025. During the year ended 31 December 2025, of the €16,649,383 re-invested, €2,048,801 are subscriptions received in advance and will be converted into units of the Fund in January 2026. During the year ended 31 December 2024, of the €25,645,080 re-invested, €13,593,063 are subscriptions received in advance and will be converted into units of the Fund in January 2025.

23 Subscriptions received in advance

Subscriptions received in advance at year-end represent cash amounts received from investors in advance of the issuance of units in the Fund. The relevant investors will remain unsecured creditors of the Fund in respect of amounts paid until the issuance of the units has been completed.

	31 December 2025	31 December 2024
	€	€
Subscriptions received in advance	10,748,801	14,187,962

Of the €16,649,383 re-invested, €2,048,801 are subscriptions received in advance and will be converted into units of the Fund in January 2026. Of the €14,187,962 subscriptions received in advance as at 31 December 2024, €13,593,063 relate to distributions made in 2024, that were reinvested into the Fund in January 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 Taxation

The table below shows the total amount charged for the year amounting to €8,162,737 (2024: €11,016,765), and the amount payable at the year end amounting to €13,461,144 (2024: €10,218,627), split by type of taxation.

	Charge for the year ended 31 December 2025	Accrual 31 December 2025	Charge for the year ended 31 December 2024	Accrual 31 December 2024
	€	€	€	€
Taxation expense	8,162,737	13,461,144	11,016,765	10,218,627
Deferred tax expense/(income)	9,919,733	46,313,550	1,758,814	36,394,686
Total taxation	18,082,470	59,774,694	12,775,579	46,613,313

The tax on the Fund's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate of 24.94% on the applicable profits of the consolidated companies as follows:

	31 December 2025	31 December 2024
	€	€
Profit/(loss) before tax and distributions to the partners	144,996,350	99,401,896
Theoretical tax rate	24.94%	24.94%
Theoretical tax expense	36,162,090	24,790,833
(Income not subject to taxes)/non-deductible losses	(24,603,182)	(21,460,763)
Expenses not deductible	10,405,375	13,187,916
Effect of different foreign tax rate	(30,127,020)	(27,534,751)
Taxation expense	(8,162,737)	(11,016,765)

Based on the assessment performed on the application of the Pillar Two requirements, including the identification of an ultimate parent entity, the assessment of the turnover thresholds, the identification of any excluded entities and the classification of each entity, this legislation does not apply to the Fund and the Group to which it belongs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 Taxation (continued)

Deferred taxation arises in respect of items where there are timing differences between their treatment for accounting purposes and their treatment for taxation purposes. The following table details the movement in deferred taxation during the period.

	31 December 2025	31 December 2024
	€	€
Deferred tax assets		
The balance comprises temporary timing differences attributable to:		
<i>Other:</i>		
Derivatives held for trading	391	391
Fair value of investment properties	-	-
Other	-	869
	391	1,260
Total deferred tax assets	391	1,260
Net deferred tax assets	391	1,260
<i>Movements</i>	Other	Other
	€	€
Balance as at 1 January	1,260	164,359
Acquired on acquisition of subsidiary	-	-
(Charged)/credited to profit or loss	(869)	(163,099)
Balance as at 31 December	391	1,260

	31 December 2025	31 December 2024
	€	€
Deferred tax liabilities		
The balance comprises temporary timing differences attributable to:		
Tax losses	-	-
	-	-
<i>Other:</i>		
Fair value of investment properties	46,313,550	36,394,686
Other	-	-
	46,313,550	36,394,686
Total deferred tax liabilities	46,313,550	36,394,686
Set-off of deferred tax assets	-	-
Net deferred tax liabilities	46,313,550	36,394,686
<i>Movements</i>	Other	Other
	€	€
Balance as at 1 January	36,394,686	34,798,971
Charged/(credited) to profit or loss	9,918,864	1,595,715
Balance as at 31 December	46,313,550	36,394,686

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Adjustments from net assets attributable to the partners to subscription net asset value

	31 December 2025	31 December 2024
	€	€
Total net assets attributable to partners as per IFRS consolidated financial statements	3,845,465,627	3,802,492,206
Adjustments		
Reclassification of certain IFRS liabilities as components of equity		
a. Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	-	-
b. Effect of dividends recorded as a liability which have not been distributed	-	-
NAV after reclassification of equity-like interests and dividends not yet distributed	3,845,465,627	3,802,492,206
Fair value of assets and liabilities	73,187,944	110,472,258
c. Revaluation to fair value of investment properties	-	-
d. Revaluation to fair value of self-constructed or developed investment property	-	-
e. Revaluation to fair value of investment property held for sale	-	-
f. Revaluation to fair value of property that is leased to tenants under a finance lease	-	-
g. Revaluation to fair value of real estate held as inventory	-	-
h. Revaluation to fair value of other investments in real assets	-	-
i. Revaluation to fair value of indirect investments not consolidated	-	(288,175)
j. Revaluation to fair value of financial assets and financial liabilities	65,168,299	93,708,519
k. Revaluation to fair value of construction contracts for third parties	-	-
l. Set-up costs	96,216	141,209
m. Acquisition expenses	7,923,429	16,910,705
n. Contractual fees	-	-
Effects of the expected manner of settlement of sales/vehicle unwinding	(5,143,051)	(23,081,565)
o. Revaluation to fair value of savings of purchaser's costs such as transfer taxes	41,727,441	36,982,488
p. Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	(46,870,492)	(60,064,053)
q. Effect of subsidiaries having a negative equity (non-recourse)	-	-
Other adjustments	577,181	604,562
r. Goodwill	-	-
s. Non-controlling interest effects of INREV adjustments	577,181	604,562
Total adjustments	68,622,074	87,995,255
INREV Net Asset Value of Vehicle (INREV NAV)	3,914,087,701	3,890,487,461
Pricing Adjustments		
Set-up Costs (amortised over a 10-year period)	234,374	332,238
Acquisition Expenses (amortised over a 10-year period)	43,067,812	48,384,860
Total Pricing Adjustments	43,302,186	48,717,098
Adjusted Net Asset Value for Pricing Purposes (subscription NAV)	3,957,389,887	3,939,204,559

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Adjustments from net assets attributable to the partners to subscription net asset value (continued)

- a) Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle.
As of 31 December 2025 and 2024, no adjustment is made as the Fund does not issue any of these instruments.
- b) Effect of dividends recorded as a liability which have not been distributed.
As of 31 December 2025 and 2024, there are no recorded as a liability which have not been distributed.
- c) Revaluation to fair value of investment properties.
As of 31 December 2025 and 2024, all investment properties are measured at Fair Value under IFRS, so no INREV adjustment is required.
- d) Revaluation to fair value of self-constructed or developed investment property.
As of 31 December 2025 and 2024, all investment properties are measured at Fair Value under IFRS, so no INREV adjustment is required.
- e) Revaluation to fair value of investment property held for sale.
As of 31 December 2025 investment property held for sale is valued at fair value. As of 31 December 2024, there is no investment property held for sale.
- f) Revaluation to fair value of property that is leased to tenants under a finance lease.
As of 31 December 2025 and 2024, no adjustment is required.
- g) Revaluation to fair value of real estate held as inventory.
As of 31 December 2025 and 2024, no adjustment is required.
- h) Revaluation to fair value of other investments in real assets.
As of 31 December 2025 and 2024, no adjustment is required.
- i) Revaluation to fair value of indirect investments not consolidated.
As of 31 December 2025 and 2024, an adjustment is made to account for the fair value of one of the Investment held as Joint Venture which is measured using equity method in accordance with IFRS. The fair value is based on the NAV of the Investment held as Joint Venture at year end.
- j) Revaluation to fair value of financial assets and financial liabilities.
The financial liabilities (loans & bonds) are valued at Fair value in line with INREV NAV guidelines. This line contains mainly Fair value adjustment of fixed rate debt instruments, which are measured at amortised cost under IFRS.
- k) Revaluation to fair value of construction contracts for third parties.
As of 31 December 2025 and 2024, there are no construction contracts for third parties.
- l) Set-up costs.
Under IFRS, vehicle set-up costs are expensed immediately through the profit and loss of The Fund. Under INREV guidelines set-up costs are capitalized and amortized over 5 years. For the calculation of trading NAV the Fund uses Adjusted INREV NAV - set-up costs are amortized over 10 years period.
- m) Acquisition expenses.
Under IFRS, acquisition expenses are expensed immediately through the profit and loss of the Fund. Under INREV guidelines acquisition expenses are capitalized and amortized over 5 years. For the calculation of trading NAV the Fund uses Adjusted INREV NAV - acquisition expenses are amortized over a 10-year period.
- n) Contractual fees.
As of 31 December 2025 and 2024, no adjustment is required.
- o) Revaluation to fair value of savings of purchaser's costs such as transfer taxes.
Based on market practices in some jurisdictions, the characteristics of the intended method of disposal may result in a reduction of the transfer taxes and purchaser's costs for the benefit of the seller. This deduction is mainly applied for properties and structures held in France and Netherlands.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Adjustments from net assets attributable to the partners to subscription net asset value (continued)

p) Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments.

This adjustment represents the impact on the NAV of the difference between the carrying value of deferred tax calculated in accordance with IFRS and the estimate of deferred tax (DTL) under the settlement consideration. In some jurisdictions sale of shares in a property-owning vehicle may lead to a saving rate in the range from 0% to 50%. The amount of saving rate depends on the current tax legislation. The deduction is mainly applied for entities and structures held in Germany, Portugal, Netherlands, in certain conditions.

q) Effect of subsidiaries having a negative equity (non-recourse).

As of 31 December 2025 and 2024, no adjustment is required.

r) Goodwill.

As of 31 December 2025 and 2024, the Fund has no goodwill.

s) Non-controlling interest effects of INREV adjustments.

Adjustment made for some investments with non-controlling interest.

26. Group information

The consolidated financial statements include the following entities material to the Group:

Name of company	Registered office of the company	Nature of relationship	Effective ownership percentage	Effective ownership percentage	Consolidation method
			31 December 2025	31 December 2024	
AXA CoRE Europe Fund S.C.S., SICAV-SIF	Luxembourg				
ACEF Holding S.C.A.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
ACEF SPPPICAV	France	Subsidiary	100.00%	100.00%	Full consolidation
ACEF 2 SPPPICAV	France	Subsidiary	100.00%	100.00%	Full consolidation
ACEF 3 SPPPICAV	France	Subsidiary	100.00%	100.00%	Full consolidation
ACEF Campus GmbH	Germany	Subsidiary	100.00%	100.00%	Full consolidation
CORE UK 2016 1 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
CORE UK 2016 3 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
CORE SP 2017 5, S.L.	Spain	Subsidiary	100.00%	100.00%	Full consolidation
CORE UK 2021 19 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Area Sur Shopping, S.L.	Spain	Subsidiary	85.00%	85.00%	Full consolidation
CoRE Spain Holdco SOCIMI S.A.U	Spain	Subsidiary	100.00%	100.00%	Full consolidation
ACEF Spain Propco S.L.U	Spain	Subsidiary	100.00%	100.00%	Full consolidation
CORE Fin 2017 6 Oy	Finland	Subsidiary	100.00%	100.00%	Full consolidation
CORE Regulated Italian Fund	Italy	Subsidiary	100.00%	100.00%	Full consolidation
CORE Lux 2018 7 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
CORE NL 2018 4 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
CORE FR 2018 2 SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
CORE FR 2018 8 SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
CoRE Holding Bully 1 SAS	France	Subsidiary	100.00%	100.00%	Full consolidation
CoRE Holding Bully 2 SAS	France	Subsidiary	100.00%	100.00%	Full consolidation
CoRE Holding Miribel SAS	France	Subsidiary	100.00%	100.00%	Full consolidation
CoRE Holding Fos 1 SAS	France	Subsidiary	100.00%	100.00%	Full consolidation
CoRE Holding Fos 2 SAS	France	Subsidiary	100.00%	100.00%	Full consolidation
CoRE Holding Courcelles SAS	France	Subsidiary	100.00%	100.00%	Full consolidation

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26. Group information (continued)

The consolidated financial statements include the following entities material to the Group (continued)

Name of company	Registered office of the company	Nature of relationship	Effective ownership percentage	Effective ownership percentage	Consolidation method
			31 December 2025	31 December 2024	
CoRE Bully 1 SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
CoRE Bully 2 SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
CoRE Miribel SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
CoRE Fos 1 SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
CoRE Fos 2 SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
CoRE Courcelles SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
Core DK 2019 16 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Core DK 2019 17 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Core DK 2019 18 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Dolphin Square Estate Holding S.à.r.l.	Luxembourg	Subsidiary	51.00%	51.00%	Full consolidation
Dolphin Operation Holding S.à.r.l.	Luxembourg	Subsidiary	51.00%	51.00%	Full consolidation
The Dolphin Square Estate S.à r.l.	Luxembourg	Subsidiary	51.00%	51.00%	Full consolidation
Dolphin Square Operator Limited	United Kingdom	Subsidiary	51.00%	51.00%	Full consolidation
CORE PANEURO 2019 13 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Core DE 2019 10 S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
DDS Edelweiss BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
DDS Lime BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
DDS Maple BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
Falcon BidCO AS	Norway	Subsidiary	100.00%	100.00%	Full consolidation
Osfold Lagerbygg AS	Norway	Subsidiary	100.00%	100.00%	Full consolidation
Moss Lagerbygg AS	Norway	Subsidiary	100.00%	100.00%	Full consolidation
Sirius Labarnum BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
Sirius Orchid BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
Sirius Boxwood BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
DDS Daisy BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
Marpa Pear BV	Netherlands	Subsidiary	65.00%	65.00%	Full consolidation
As Oy Vasamamittarin katu 64 Tampere	Finland	Subsidiary	100.00%	100.00%	Full consolidation
As Oy Mäyränmäenka tu 7 Tampere	Finland	Subsidiary	100.00%	100.00%	Full consolidation
Asunto Oy Kalkunvuorenka tu 16 Tampere	Finland	Subsidiary	100.00%	100.00%	Full consolidation
As Oy Mannisenrinne 9 Jyväskylä	Finland	Subsidiary	100.00%	100.00%	Full consolidation
As Oy Iltamantie 5 Hyvinkää	Finland	Subsidiary	100.00%	100.00%	Full consolidation
As Oy Emalitehtaanka tu 3 Järvenpää	Finland	Subsidiary	100.00%	100.00%	Full consolidation
As Oy Graniittitie 14 Sipoo	Finland	Subsidiary	100.00%	100.00%	Full consolidation
As Oy Hopeakanavank atu 15 Lempäälä	Finland	Subsidiary	100.00%	100.00%	Full consolidation
As Oy Hirvimetsäntie 5 Lempäälä	Finland	Subsidiary	100.00%	100.00%	Full consolidation
As Oy Lauluvainionkatu 7 Tampere	Finland	Subsidiary	100.00%	100.00%	Full consolidation
As Oy Lagerlöfinkatu 1 Tampere	Finland	Subsidiary	100.00%	100.00%	Full consolidation
As Oy Espoon Tiimalasintie 5	Finland	Subsidiary	100.00%	100.00%	Full consolidation
As Oy Lahden Salonaukio 2	Finland	Subsidiary	100.00%	100.00%	Full consolidation
As Oy Lahden Salonaukio 4	Finland	Subsidiary	100.00%	100.00%	Full consolidation

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26. Group information (continued)

The consolidated financial statements include the following entities material to the Group (continued)

Name of company	Registered office of the company	Nature of relationship	Effective ownership percentage	Effective ownership percentage	Consolidation method
			31 December 2025	31 December 2024	
Asunto Oy Turun Joutsenpuisto 1	Finland	Subsidiary	100.00%	100.00%	Full consolidation
Prime Holdco C-T S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Prime UK Condor-T S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Prime GER Dammtorwall-T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Prime GER Drehbahn-T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Prime GER Valentinskamp-T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Prime Pool I-T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Prime Pool II-T S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
OPCI Prime	France	Subsidiary	100.00%	100.00%	Full consolidation
SCI Prime FRA Issy-T	France	Subsidiary	100.00%	100.00%	Full consolidation
SCI Prime FRA Macdonald-T	France	Subsidiary	100.00%	100.00%	Full consolidation
Symbol Holdco C-T S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Trias Pool III - T S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Trias Pool III - TLP S.à r.l.	Luxembourg	Subsidiary	100.00%	100.00%	Full consolidation
Trias FRA Joubert - T SAS	France	Subsidiary	100.00%	100.00%	Full consolidation
Trias FRA Marceau - T SCI	France	Subsidiary	100.00%	100.00%	Full consolidation
Trias Pool I-T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Trias GER Ludwigstrasse - T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Trias GER Ibis Berlin - T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Trias GER IC Berlin - T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation
Trias GER Parexel - T S.à r.l.	Luxembourg	Subsidiary	94.90%	94.90%	Full consolidation

The following entities are included in the Group's consolidated financial statements as associates:

Name of company	Registered office of the company	Nature of relationship	Effective ownership percentage	Effective ownership percentage	Consolidation method
			31 December 2025	31 December 2024	
SCI Backin	France	Associate	16.67%	16.67%	Fair value
OneLog Invest (Lux) S.à r.l.	Luxembourg	Associate	32.02%	32.02%	Equity method
Alpha Log Fund	Italy	Associate	32.02%	32.02%	Equity method
Saturne Habitat 2	France	Associate	28.03%	28.03%	Equity method
Paunsdorf Center Luxco S.à r.l.	Luxembourg	Associate	25.00%	25.00%	Equity method

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. Group information (continued)

The following entities are included in the Group's consolidated financial statements as joint ventures:

Name of company	Registered office of the company	Nature of relationship	Effective ownership percentage	Effective ownership percentage	Consolidation method
			31 December 2025	31 December 2024	
Selectiv CORE Italy SICAF	Italy	Joint venture	50.00%	50.00%	Equity method
Iberubbo Imobiliaria, Lda.	Portugal	Joint venture	45.00%	45.00%	Equity method
SCI IMMO C47	France	Joint venture	49.00%	49.00%	Equity method
Avicdale Limited	Ireland	Joint venture	29.09%	29.09%	Equity method
Luxembourg Investment Company 327 S.à r.l.	Luxembourg	Joint venture	40.00%	40.00%	Equity method
JV Forte	Luxembourg	Joint venture	33.33%	33.33%	Equity method
CoRE 2019 FR 14 SAS SIIC	France	Joint venture	50.00%	50.00%	Equity method
Claypole Limited	Ireland	Joint venture	25.00%	25.00%	Equity method

27. Subsequent events

Since 31 December 2025 (closing date of the financial year), the major event that occurred is the military operations initiated on 28 February 2026, in Iran, which are causing instability in the global economy. These induced events could potentially have a broad impact on markets, affecting performance, valuation, volatility, or liquidity of assets. As of today, these risks are difficult to quantify, and it remains challenging to have visibility on the medium- and long-term impacts. However, they will be closely monitored throughout 2026 as the situation evolves. No impact needs to be reported in the financial statements as of 31 December 2025.

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

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Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AXA CoRE Europe Fund SCS, SICAV-SIF (the “Financial Product”)

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective : ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 43.89% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective : ___%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Capitalised terms not otherwise defined in this appendix shall have the meaning ascribed to them in the legal documentation of the Financial Product.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental characteristics promoted by the Financial Product consist in investing in a minimum of assets considering the ESG Scoring Process described in the legal documentation of the Financial Product, based on a proprietary methodology. The Financial Product invests in and manages real estate assets aiming at reducing the carbon footprint of such assets and/or having a positive impact on the environment.

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Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Financial Product has met the commitments related to the environmental and/or social characteristics promoted for the reference period by investing in assets taking into account the ESG Scoring Process described in the Financial Product documentation.

● How did the sustainability indicators perform?

The Financial Product uses a combination of actual data, external data providers, research and information gathered through stakeholder surveys to assess the performance of the sustainability indicators.

The indicators below are based on latest available data, as of 31 December 2025, i.e. ESG data collected and reviewed covering the period from 1 January to 31 December 2024 for Carbon related data and 31 December 2025 for non carbon related data (i.e. e.g. EPC certificate and sustainability certification).

Sustainability indicator ¹	Value	Unit
Proportion in the Financial Product's portfolio of the Investments having an Investment ESG Score equal or greater than 1.4 according to the of ESG Scoring Process	100.00	Percentage
Global Investment ESG Score average of the Financial Product's portfolio	6.98	Score out of 10
Proportion of certified assets as % of AuM ²	90.56	Percentage
Proportion of utility data coverage as % of AuM ³	94.55	Percentage
Relative carbon emissions (scope 1 and 2) (per square meter of area) ⁴	20.38	kgCO ₂ eq / sqm
Proportion of assets with EPC performance level A or B as % of AuM	48.75	Percentage
GRESB Score Standing assets	89	Score out of 100
GRESB Score: Development assets	94	Score out of 100

¹ Indicators apply to all standing real estate assets owned during the full year of reporting (i.e. excluding i) irrelevant assets (parking, land, cellars, etc.), ii) assets under development and iii) assets not covered by an asset management agreement)

² Calculates the proportion assets being certified by at least one ESG certification among the list provided in the [GRESB reference guide](#).

³ An asset is included in the data coverage only if it has 'complete' actual data for all utilities and has been owned during the full year of reporting. Data is considered as 'complete' if coverage in time and surface is above 90%.

⁴ Only asset with 'complete' scope 1 and 2 data have been included in the calculation of the indicator.

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● ...and compared to previous periods?

Sustainability indicator ⁵	Value for N-1	Value for N	Unit
Proportion in the Financial Product's portfolio of the Investments having an Investment ESG Score equal or greater than 1.4 according to the ESG Scoring	100.00	100.00	Percentage
Global Investment ESG Score average of the Financial Product's portfolio	6.68	6.98	Score out of 10
Proportion of certified assets as % of AuM ⁶	74.69	90.56	Percentage
Proportion of utility data coverage as % of AuM ⁷	96.01	94.55	Percentage
Relative carbon emissions (scope 1 and 2) (per square meter of area) ⁸	21.54	20.38	kgCO ₂ eq / sqm
Proportion of assets with EPC performance level A or B as % of AuM	41.32	48.75	Percentage
GRESB Score Standing assets	83	89	Score out of 100
GRESB Score: Development assets	95	94	Score out of 100

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The objective pursued by the sustainable investments that the Financial Product partially made during the reference period was contributing to climate change mitigation.

The sustainable investments made by the Financial Product contributed to such objectives through the following dimensions:

- 1. The Energy Performance Certificate ("EPC") of the asset should be A or B. The EPC is a European standard, serving as a benchmark to assess the energy efficiency of assets. To extend the applicability of the definition beyond European countries and/or countries which does not apply such standard, our approach involves incorporating such countries*

⁵ Indicators apply to all standing real estate assets owned during the full year of reporting (i.e. excluding excluding i) irrelevant assets (parking, land, cellars, etc.), ii) assets under development and iii) assets not covered by an asset management agreement).

⁶ Calculates the proportion of assets being certified by at least one ESG certification among the list provided in the [GRESB reference guide](#).

⁷ An asset is included in the data coverage only if it has 'complete' actual data for all utilities and has been owned during the full year of reporting. Data is considered as 'complete' if coverage in time and surface is above 90%.

⁸ Only asset with 'complete' scope 1 and 2 data have been included in the calculation of the indicator.

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into our analysis by referencing to an equivalence table for energy ratings based on EPC.⁹

2. *Additional criteria:*

- a. *The asset should be certified by an independent third party. Sustainability certifications accepted by the GRESB (Global Real Estate Sustainability Benchmark), which is a widely recognized body by the real estate investors community, are considered as applicable for this criteria¹⁰. The certification must be valid during the reporting period to be accepted; or*
- b. *The asset is a residential real estate asset; or*
- c. *The asset is a healthcare real estate asset.*

3. *We exclude assets being exposed to fossil fuel¹¹, the exposure to fossil fuels in real estate assets being defined as the share of investments in real estate assets involved in the extraction, storage, transport, or manufacture of fossil fuels.*

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The Financial Product has ensured the sustainable investments that it has partially made did not cause significant harm to any environmental or social sustainable investment objective through:

- (i) *application of AXA IM sectorial exclusion policies and AXA IM ESG standards as in the legal documentation of the Financial Product,*
- (i) *the exclusion of asset exposed to fossil fuel as described above,*
- (ii) *the exclusion of energy inefficient real estate assets, as defined by Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, and*
- (iii) *the consideration and reporting of indicators for adverse impacts on sustainability factors as described below.*

⁹ For non residential real estate asset located in Germany, the equivalence approach used is the one developed by BVI accessible here : https://www.bvi-amk.com/fileadmin/user_upload/Regulierung/Branchenstandards/Umrechnung_von_Energiea...

¹⁰ Such certifications includes notably BREEAM, LEED, DGNB, HQE etc.

¹¹ As of today, our data management system (DWH) only identifies the "main" use of an asset. Meaning that if an asset hosts different activities, only the main activity will be reflected. Due to this limitation, for now we can only identify assets whose main activity is the storage/sale of fossil fuels (e.g. petrol stations) but we can not identify assets that would host a secondary activity related to fossil fuel (e.g. petrol station in a shopping center, fossil fuel storage in a logistics asset, etc). Nonetheless, such secondary activity related to fossil fuel is expected to represent a marginal share of the investment.

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— — — **How were the indicators for adverse impacts on sustainability factors taken into account?**

The indicators for adverse impact were taken into account as described under section “How did this financial product consider principal adverse impacts on sustainability factors?”

— — — **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

The Financial Product invests in the real estate and construction sectors — therefore, this question has limited applicability to investments made by the Financial Product.

As part of its ESG standards policy, the Investment Manager avoids investing in companies which cause, contribute or are linked to violations of international norms and standards in a material manner, focusing in particular on UN Global Compact Principles, International Labor Organization (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs). Those standards notably focus on Human Rights, Society, Labor and Environment.

The Investment Manager also assesses the good practices of the investee companies through the application of the AXA IM exclusions to direct investment.

The Fund acquires or incorporates companies holding ultimately real estate assets. Due diligence (including KYC checks, UNGC breach exclusion) are performed before investing and good governance safeguards (including exclusion and ban list) resulting from the AXA IM exclusions are applied.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

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Reporting on certain principal adverse impact (“PAI”) indicators may be limited or may reflect reporting periods prior to 2025 due to data availability. Not all companies and counterparties currently report on all sustainability factors. AXA IM Alts may rely on a third party data provider. The reports are based on the data available at the time of this report. Therefore, possible date discrepancies may occur (in particular regarding data provided by third parties). AXA IM Alts may change its third party data provider at any time and at its own discretion, which may result in changes in relation to the data and or methodologies used for the same instruments or investments in future reports.

PAIs have been considered through the application of (i) qualitative and (ii) quantitative approaches described in the Financial Product legal documentation, during the reporting period.

(i) The qualitative approach to considering PAIs is based on exclusion policies that were followed throughout the reporting period¹².

(ii) Under the quantitative approach, the integration of several relevant PAI indicators into the ESG Scoring Process as well as the limitation of low-rated investments allowed for the consideration of PAIs during the reporting period.

The indicators below are based on latest available data, as of 31 December 2025, i.e. ESG data collected and reviewed covering the period from 1 January to 31 December 2024 for Carbon related data and 31 December 2025 for non carbon related data (ie e.g. EPC certificate and sustainability certification).

Principal Adverse Impact indicator	Value	Unit	Coverage Rate (%)
Exposure to fossil fuels through real estate assets	0.00	Percentage	96.17
Exposure to energy-inefficient real estate assets	51.25	Percentage	97.67
Total Greenhouse Gas Emissions Scope 1	1 897 721.9	kgCO ₂ eq	84.50
Total Greenhouse Gas Emissions Scope 2	11 745 770.8	kgCO ₂ eq	95.39
Total Greenhouse Gas Emissions Scope 3	16 411 405.3	kgCO ₂ eq	58.77
Total Greenhouse Gas Emissions (scope 1, 2 and 3) ¹³	30 054 898.0	kgCO ₂ eq	95.99

¹² Exclusion policies have specific limitations of application on alternative investments.

¹³ GHG emissions are computed using emission factors supplied by Deepki and may be updated if emission factors or methodologies change. Reported GHG emissions indicators are subject to data coverage conditions and the application of reporting thresholds within KPI calculations (i.e., each utility coverage must exceed 90% in both time and surface). This is particularly relevant for tenant-controlled utilities, for which coverage is inherently more prone to change between reporting periods. As a result, part of the variation observed in reported emissions year-on-year may reflect coverage and methodological effects, rather than a strictly like-for-like evolution.

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What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:

Largest investments ¹⁴	Sector	% Assets	Country
<i>Dolphin Square</i>	<i>Residential</i>	<i>11.08%</i>	<i>UK</i>
<i>Le Dôme</i>	<i>Office</i>	<i>3.40%</i>	<i>Luxembourg</i>
<i>Ubbo</i>	<i>Retail</i>	<i>2.79%</i>	<i>Portugal</i>
<i>Monte Rosa</i>	<i>Office</i>	<i>2.74%</i>	<i>Italy</i>
<i>Area Sur Shopping Center</i>	<i>Retail</i>	<i>2.27%</i>	<i>Spain</i>
<i>Issy</i>	<i>Office</i>	<i>2.24%</i>	<i>France</i>
<i>Smartside</i>	<i>Office</i>	<i>2.12%</i>	<i>France</i>
<i>Asticus</i>	<i>Office</i>	<i>2.07%</i>	<i>UK</i>
<i>Condor</i>	<i>Office</i>	<i>2.04%</i>	<i>UK</i>
<i>Mezquite Mendez Alvaro</i>	<i>Residential</i>	<i>1.94%</i>	<i>Spain</i>
<i>Moss Vestre Vanemvej 40</i>	<i>Industrial</i>	<i>1.81%</i>	<i>Norway</i>
<i>Aachen – The Rocks</i>	<i>Office</i>	<i>1.72%</i>	<i>Germany</i>
<i>Valentinskamp</i>	<i>Office</i>	<i>1.50%</i>	<i>Germany</i>
<i>Parexel</i>	<i>Office</i>	<i>1.38%</i>	<i>Germany</i>
<i>Tour First</i>	<i>Office</i>	<i>1.30%</i>	<i>France</i>
<i>City One</i>	<i>Office</i>	<i>1.29%</i>	<i>France</i>
<i>Drehbahn</i>	<i>Office</i>	<i>1.22%</i>	<i>Germany</i>
<i>Marceau</i>	<i>Office</i>	<i>1.17%</i>	<i>France</i>
<i>Sirius Business Park Augsburg</i>	<i>Industrial</i>	<i>1.04%</i>	<i>Germany</i>
<i>Halldorhus (Plot 7)</i>	<i>Residential</i>	<i>0.94%</i>	<i>Denmark</i>
<i>Logistics platform Miribel</i>	<i>Industrial</i>	<i>0.94%</i>	<i>France</i>
<i>Sirius Business Park Berlin</i>	<i>Industrial</i>	<i>0.90%</i>	<i>Germany</i>
<i>Warwick</i>	<i>Office</i>	<i>0.90%</i>	<i>UK</i>
<i>Logistics platform Fos-sur-Mer 1</i>	<i>Industrial</i>	<i>0.84%</i>	<i>France</i>
<i>Paunsdorf</i>	<i>Retail</i>	<i>0.82%</i>	<i>Germany</i>



Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

● What was the asset allocation?

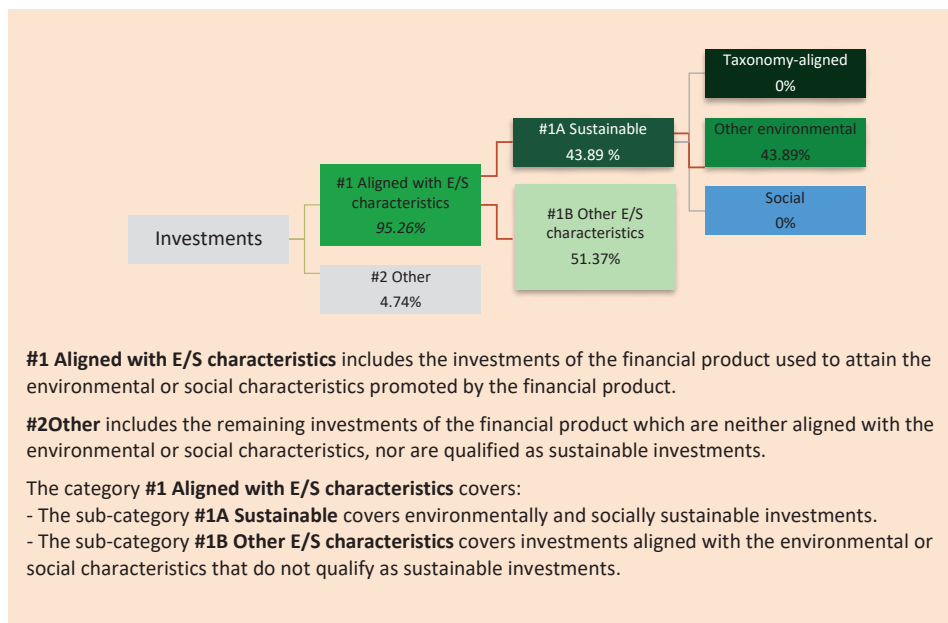
The Financial Product uses a combination of actual data, external data providers, research and information gathered through stakeholders surveys to assess the asset allocation.

¹⁴ Unaudited AXA IM data as of December 31st, 2025.

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The asset allocation below is based on latest available data, as of 31 December 2025.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Category #1A "Sustainable" is described under question "What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?".

Category #1B "Other E/S characteristics" includes investments that are covered by the ESG Scoring Process and having an ESG Score above 1,4.

Category #2 "Other" is described under question "What investments were included under "#2 Other", what was their purpose and were there any minimum environmental or social safeguards?".

● **In which economic sectors were the investments made?**

Investments were made in the construction and real estate sectors.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Financial Product did not take into account the EU Taxonomy's environmental objectives criteria. The Financial Product did not take into account the "do no significant harm" criteria of the EU Taxonomy.

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Taxonomy-aligned activities are expressed as a share of:

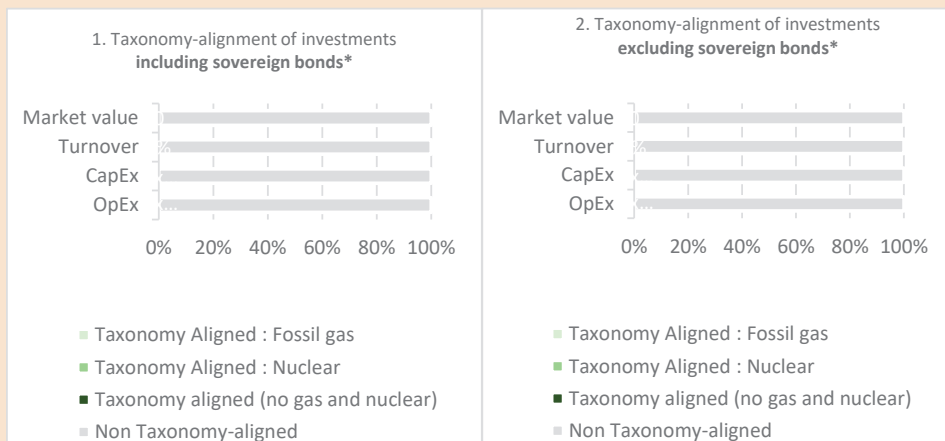
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹⁵?**

Yes : In fossil gas In nuclear energy

No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The share of investments in transitional and enabling activities invested in by the Financial Product was 0% of the Financial Product gross asset value.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable

¹⁵ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (« climate change mitigation ») and do not significantly harm any EU Taxonomy objective-see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy invested in by the Financial Product was 43.89% of the the Financial Product gross asset value.



What was the share of socially sustainable investments?

The share of socially sustainable investments was 0% of the Financial Product gross asset value.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The “Other” assets in which the Fund invest consisted of :

- *Cash and securities used in accordance with the legal documentation of the Financial Product (being specified that any money market instrument/fund qualified as article 8 SFDR shall be included under #1B Other E/S characteristics);*
- *Derivatives used in accordance with the legal documentation of the Financial Product; and*
- *Other instruments eligible to the Fund and that are not covered by the ESG Scoring Process mentioned above, or the ESG score of which is <1.4.*

Environmental or social safeguards have been applied and assessed on all “other” assets with the exception of (i) derivatives other than those relating to a single issuer, and (ii) the cash and cash equivalent investments described above.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

2025, the AIFM continued to deploy its responsible investment strategy across our three pillars: Decarbonisation, Resilience and Building Tomorrow, with a stronger emphasis on demonstrating how ESG decisions are embedded into core asset planning, governance and disclosure processes. Annual ESG performance assessments were maintained using the proprietary real estate methodology, supporting consistent property-level monitoring and the identification of priority actions to be embedded in asset strategies and annual planning.

On decarbonisation, we further strengthened the operationalisation of transition planning by integrating decarbonisation modelling and ESG capex planning into our financial planning solution and progressively rolling this out across the real estate equity portfolio. As ESG capex information is incorporated into the planning process, decarbonisation pathways can be updated to reflect the latest inputs, enabling more consistent modelling, improved data coherence and scenario-based analyses to inform capital allocation and prioritisation decisions. In parallel, our internal decarbonisation approach continues to incorporate an intrinsic performance perspective to better distinguish underlying building

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PERIODIC DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852 (CONTINUED)

efficiency from tenant-driven usage patterns, supporting fairer benchmarking and more targeted action planning. To accelerate the progressive phaseout of fossil-fuel-based systems, we introduced a dedicated Fossil Fuel Removal/Replacement Policy in 2025, establishing clear trigger points (e.g., endoflife replacement and major HVAC retrofit/deep renovation) where lowcarbon alternatives must be prioritised, supported by technical and economic feasibility assessments and a structured financial rationale review for decisions going beyond minimum regulatory compliance.

On physical climate risk and resilience, 2025 focused on reinforcing the integration of physical risk insights into asset management workflows and monitoring, including the transition of assessment processes toward an enhanced physical risk platform to improve forward-looking visibility on risk exposure and to support the definition of appropriate asset-level actions by investment teams.

For Building Tomorrow (ESG development policy deployment), we continued to evidence “policytoasset” implementation by embedding ESG requirements and resulting action plans into annual asset planning and governance, ensuring that ESG ambitions are translated into execution rather than treated as a parallel reporting exercise.

Finally, tenant engagement remained a key delivery lever in 2025: we continued to roll out ESG clauses in leases where feasible and reinforced structured engagement practices (e.g., tenant forums/green committees and guidance materials), alongside ongoing monitoring of tenant experience through surveys and followup action planning—supporting both data availability and the delivery of asset-level sustainability objectives.

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PERIODIC DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852 (CONTINUED)



How did this financial product perform compared to the reference benchmark?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**

Not applicable

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Not applicable

- **How did this financial product perform compared with the reference benchmark?**

Not applicable

- **How did this financial product perform compared with the broad market index?**

Not applicable

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ANNEX TO PERIODIC REPORTS FOR PRODUCTS COVERED BY ART.29 LEC

Annex to periodic reports for products covered by Art.29 LEC

Pursuant to Article 29 of the French Law n°2019-1147 on November 8, 2019 (“Loi énergie-climat” – or LEC), AXA IM’s climate and biodiversity strategies and approach to ESG risks are presented in the paragraphs below.

The fund has also embedded specific ESG features that are described in the Annex pursuant to the Regulation (EU) 2019/2088 (“Sustainable Finance Disclosure Regulation” – or SFDR) of the fund’s annual report..

This includes the application of AXA IM RI exclusion policies, available on BNP Paribas Asset Management (BNPP AM) website following the combination of BNPP AM and AXA IM since 1st January 2026: [Our sustainability policies and reports - BNP Paribas Asset Management - Corporate EN](#)]]

AXA IM Climate strategy

As a founding investor of the [Net Zero Asset Managers \(NZAM\) initiative](#) launched in December 2020, AXA IM is committed to work in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emissions across our portfolios by 2050 or sooner, as well as playing a key role in helping our clients better understand climate change and how it may impact their portfolios and support them in adapting their investment decisions accordingly. As direct real estate asset manager, it is also our responsibility to engage with tenants to ensure we maintain open channels that can enable improved behaviours in building use to the benefit of society and the planet.

Our Climate strategy is aligned with the frameworks proposed by the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#), the [Institutional Investor Group on Climate Change \(IIGCC\)](#) and the [Paris Aligned Investment Initiative \(PAII\)](#) coordinated by the IIGCC, and is evidenced by our active involvement international initiatives such as [Climate Action 100+ \(CA 100+\)](#) or the [Climate Bonds Initiative](#). It consists in:

- **Net Zero Targets:**
 - o AXA IM published its first net zero targets in October 2021, as part of the first NZAM progress report¹. These targets were subsequently revised in April 2022², and covered 68% of AXA IM total AUM at end of 2024³.
 - Specific net zero targets and methodological frameworks⁴ for Listed Corporates (Fixed Income and Listed Equity), Sovereigns, and directly managed Real Estate Equity, and – since 2025 – for Direct Infrastructure Equity & Debt asset classes which all follow the best industry standards⁵ considering internal and external information have been set and allow to determine the net zero asset alignment of our AuM.
 - **Stewardship⁶:**

Engagement and ongoing dialogue with tenants are a key component of our stewardship approach and are critical to supporting the delivery of our ESG objectives, including net-zero pathways. Through our property managers, we seek to foster constructive collaboration with tenants to improve asset-level ESG performance, recognising the role tenants play in energy consumption and operational outcomes. This includes the progressive integration of ESG-related provisions in new leases and lease renewals, where feasible, notably covering data-sharing arrangements, asset certification objectives and the implementation of energy-efficiency measures. Tenant engagement is further supported through regular communication

¹ See NZAM 2021 progress report, December 2021: [NZAM-Progress-Report.pdf \(netzeroassetmanagers.org\)](#)

² See NZAM Initial target disclosure report, May 2022: [NZAM-Initial-Target-Disclosure-Report-May-2022-1.pdf \(netzeroassetmanagers.org\)](#)

³ The net zero targets are currently not implemented to certain alternative asset classes such as Alternative credit, CRE debt, AXA IM Prime private market and hedge funds assets, and AXA IM Select assets..

⁴ The net zero target setting and related methodological frameworks are based on the Net Zero Investment Framework (NZIF) guidance and recommendations: [Net Zero Investment Framework](#)

⁵ The [Task Force on Climate-related Financial Disclosures \(TCFD\) recommendations on metrics and targets](#), the [IIGCC’s Net Zero Investment Framework](#), the [Carbon Risk Real Estate Monitor \(CRREM\) decarbonisation pathways](#) for real estate assets and the [Germanwatch’s Climate Change Performance Index \(CCPI\)](#) for sovereign assets.

⁶ See AXA IM’s Stewardship & Engagement policies: [Our sustainability policies and reports - BNP Paribas Asset Management - Corporate EN](#). While these policies are being implemented at AXA IM level globally, it should be noted that they have inherent limitations for certain asset classes.

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ANNEX TO PERIODIC REPORTS FOR PRODUCTS COVERED BY ART.29 LEC (CONTINUED)

and dedicated forums (such as green committees) to share ESG information and promote best practices. In parallel, tenant satisfaction is monitored through periodic surveys conducted across the portfolio, with feedback used to inform asset management actions and enhance tenant experience and engagement over time.

- **Exclusions:** AXA IM excludes firms which fail to meet certain climate change criteria, focusing in particular on coal, as well as unconventional oil & gas. Our investment portfolios exclude coal-based electric power generating utilities and coal mining assets that are not credibly demonstrating a commitment to energy transition. Since early 2022 we also exclude companies in the unconventional oil & gas sector focusing in particular on tar sands, arctic and shale. More recently, since April 2023, we have tightened multiple exclusion criteria on coal, oil & gas, i) putting a stricter exclusion threshold to companies generating more than 15% of revenues from thermal coal mining and/or power generation (against 30% before), ii) excluding all companies with new coal mining or power generation projects or expansion plans, and iii) putting a stricter exclusion threshold to companies generating more than 5% of revenues from oil sands production (against 20% before). The exclusion threshold based on coal revenues is also planned to be reduced as part of our commitment to exit from coal by 2030 in OECD countries, and AXA IM is committed to exit all coal investments in OECD countries by the end of this decade, and throughout the rest of the world by 2040. This commitment will be implemented over time, using exclusion but also engagement approaches. Investors should note that exclusion policies have limited application for real estate assets.
- **Transparency:** since 2022, the ESG reporting available for our Article 8 and Article 9 products include an enhanced climate section, detailing historic metrics (carbon intensity for scope 1 and 2 as well as upstream scope 3).

The detailed climate strategy applied by AXA IM pursuant to the implementation decree of Article 29 of the LEC, including the list of AXA IM net zero targets, is described in the AXA IM annual Climate Report (TCFD – Article 29 LEC combined report)⁷ available on BNPP AM website: [Our sustainability policies and reports - BNP Paribas Asset Management - Corporate EN](#)

AXA IM Biodiversity strategy⁸

AXA IM is engaged to protect biodiversity. We have strengthened our strategy to better integrate the challenges relating to biodiversity protection in our investment process and fundamental research. As an investor we consider that we have a role to play to:

- Increase understandings of biodiversity impacts on economic activities;
- Integrate risk and opportunities associated with biodiversity in our investment decision and asset management priorities;
- Drive capital flows towards solving biodiversity loss impacts.

Exclusions

AXA IM has been applying a palm oil exclusion policy on all its AUM since 2014 excluding investments that have negative impacts on forest, natural ecosystems, and local communities. In 2021, AXA IM extended this policy to cover investments incorporating significant land use controversies and responsible for biodiversity loss in relation to soy, cattle, and timber. Faced with these consequences, AXA IM actively pursues a rigorous policy as part of its forest investments in selecting its assets, its forest management partners, and in adapting management practices to meet these global challenges. Investors should note that exclusion policies have limited application for real estate assets.

Metrics

We work in close collaboration with data providers, in particular Iceberg Data Lab (IDL), to support the development of biodiversity-related metrics. We currently pilot a corporate biodiversity footprint (CBF) that measures negative impact in

⁷ This includes the entire scope of AXA IM climate strategy: its quantitative targets (both at the entity level and for each main asset class), their time horizons, the underlying metrics and baselines: see sections 6.1 “Climate strategy” and 6.5 “Climate dashboard” of the last AXA IM Climate report.

⁸ While this biodiversity strategy is being implemented at AXA IM level globally, it should be noted that it has inherent limitations for certain asset classes.

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ANNEX TO PERIODIC REPORTS FOR PRODUCTS COVERED BY ART.29 LEC (CONTINUED)

terms of biodiversity loss associated with the pressure on biodiversity generated by corporate investees' economic activities across their value chain. The pressures relate to drivers of biodiversity loss identified by IPBES. The CBF currently covers pressures related to land use change, GHG emissions, water and air pollution. As an innovative and relatively new metric, the CBF is still evolving and is subject to planned methodological improvements such as, for example, greater coverage of pressures. Other biodiversity-related metrics are under development by IDL such as dependencies and positive impacts. We continue to be involved in such advancements.

Across our real estate equity portfolio, we apply a consistent, metrics-led approach to biodiversity appropriate to the lifecycle stage our assets are in, using stage-appropriate indicators to evidence baseline, ambition and delivery: in development and retrofit, biodiversity is embedded in our ESG policy and translated into technical expectations, with projects assessed through (i) the Urban Greening Factor to quantify the amount and quality of vegetated/green infrastructure and highlight where permeability and greening can be improved, and (ii) Biodiversity Net Gain to compare baseline versus proposed habitat conditions and demonstrate biodiversity gain and its longer-term maintenance, supported by dedicated assessments (including Environmental Impact Assessment, a biodiversity design assessment and a water audit) to steer design choices. In acquisition, biodiversity metrics are integrated upfront into underwriting through a full ESG due diligence scope covering biodiversity and water, complemented by our internal rating methodology, which includes dedicated biodiversity questions; outputs are translated into a detailed action plan captured in our ESG data management platform to ensure implementation once the asset is under management. In ownership, we monitor progress annually using our internal rating methodologies, assessing for each building whether a biodiversity assessment has been conducted and whether biodiversity measures have been deployed, while leveraging certification schemes (e.g., BREEAM/HQE/DGNB) as a structured vehicle for delivery and evidence. In parallel, we continue to strengthen the robustness of real-estate-specific biodiversity measurement through pilot work on biodiversity metrics for real estate to enhance impact monitoring over time.

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ANNEX TO PERIODIC REPORTS FOR PRODUCTS COVERED BY ART.29 LEC (CONTINUED)

Initiatives⁹

AXA IM conducts constructive discussions on biodiversity topics with WWF, CDP, Ceres, and other external experts. In 2022, AXA IM became member of two collaborative engagement initiatives described above: the Investor Initiative on Hazardous Chemicals supported by ChemSec¹⁰; and collaborative engagement on Waste & Pollution led by FAIRR¹¹. In 2023, we joined the Emerging Markets Investor Alliance where we are a member of the Consumer Staples working group that undertakes advocacy to support sustainable and transparent best practices in emerging markets on various topics including deforestation. Moreover, we are a part of Nature Action 100 (NA100), a key initiative expected to raise global biodiversity momentum even higher. NA100 was operationally launched in September 2023. AXA IM was a member of the launching investor group, and is currently a member of the steering group. NA100 seeks to engage companies in key sectors deemed to be systemically important in reversing nature and biodiversity loss by 2030. AXA IM also continues to participate actively in the sector-leading initiatives by the Finance for Biodiversity Foundation¹², the organisation behind the Finance for Biodiversity Pledge¹³.

In November 2023, AXA IM participated in a roundtable organised by the ULI Greenprint programme to exchange with peers on approaches to biodiversity measurement and reporting for real estate. In parallel, we strengthened the integration of biodiversity within our proprietary direct real estate ESG rating methodology. Building on a pilot launched in 2021—where biodiversity criteria inspired by certification frameworks were tested on a non-rated basis—we incorporated feedback to introduce two new biodiversity questions (total weighting: 4%) into the assessment at end-2023. As of the 2024 assessment cycle, all buildings are evaluated against two core elements: whether a biodiversity assessment has been conducted and which biodiversity measures have been deployed.

The detailed biodiversity strategy applied by AXA IM pursuant to the implementation decree of Article 29 of the LEC is described in the AXA IM annual Climate Report (TCFD – Article 29 LEC combined report)¹⁴: available on BNPP AM website: [Our sustainability policies and reports - BNP Paribas Asset Management - Corporate ENAs](#) such, it should be noted that AXA IM has not yet set any 2030 quantitative target for biodiversity as requested by the implementation decree of Article 29 of the LEC, as market-based guidance for setting targets aligned with the aims of the Global Biodiversity Framework remain under development, and we still lack related market-based methodological developments to measure the alignment of investment strategies with the global mid- and long-term goals.

However, in fulfillment of our voluntary commitment as a signatory of the FfB Pledge, and in application of the recommendations provided by the FfB Foundation on nature target setting for asset managers, we recently structured the following “initiation targets” as framed by the FfB Foundation¹⁵, which are detailed in the AXA IM annual Climate Report (TCFD – Article 29 LEC combined report)¹⁶ available on BNPP AM website: [Our sustainability policies and reports - BNP Paribas Asset Management - Corporate EN](#)

⁹ While these initiatives are being implemented at AXA IM level globally, it should be noted that they have inherent limitations for certain asset classes

¹⁰ See press release: [Investors with \\$8 trillion call for phase-out of dangerous “forever chemicals” – ChemSec](#)

¹¹ See: [Biodiversity Loss from Waste & Pollution - FAIRR](#)

¹² AXA IM chairs the Finance for Biodiversity Foundation's Biodiversity Impact Metrics working group and actively participates in the Engagement working group.

¹³ Finance for Biodiversity Pledge: [Finance for Biodiversity Foundation | FfB Pledge Signatories & Repository](#)

¹⁴ This includes the funds where a specific biodiversity strategy is applied, and the related impact measurement: see sections 7. “Biodiversity strategy” and 7.3 “Introducing biodiversity-specific indicators” of the last AXA IM Climate report.

¹⁵ See FfB Pledge Reporting Guidance for Signatories: [FfB_Reporting_Guidance_for_Signatories-October-2024.pdf](#)

¹⁶ This includes the funds where a specific biodiversity strategy is applied, and the related impact measurement: see sections 7 “Biodiversity strategy” and 7.3 “Introducing biodiversity-specific indicators” of the last AXA IM Climate report.

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ANNEX TO PERIODIC REPORTS FOR PRODUCTS COVERED BY ART.29 LEC (CONTINUED)

AXA IM management of ESG-related financial risks

AXA IM uses an approach to manage ESG-related financial risks (or “sustainability risks”) that is derived from the integration of ESG criteria in its research and investment processes. AXA IM has implemented a framework to integrate sustainability risks in investment decisions based on sustainability factors which relies notably on:

- **Sectorial and normative exclusions policies** covering E, S and G factors:
 - o **Environmental – E** : climate (coal mining and coal-based energy production; oil sands production and oil sands-related pipelines; shale and tight oil & gas; arctic oil & gas), biodiversity (ecosystem protection and deforestation) and soft commodities (food commodities derivatives);
 - o **Social – S** : health (tobacco producers), labor, society and human rights (violations of international norms and standards; controversial weapons manufacturing; white phosphorus weapons producers; exclusion of investments in securities issued by countries where serious violations of Human rights are observed);
 - o **Governance – G**: business ethics (severe controversies, violations of international norms and standards), corruption (severe controversies, violations of international norms and standards).

Investors should note that exclusion policies have limited application for real estate assets.

- **ESG scoring methodologies:**
 - o AXA IM has implemented scoring methodologies to rate issuers and real assets on ESG criteria.
 - o The ESG rating for Direct Real Estate assets has been developed around 3 pillars: Environment (E), Social (S) and Governance (G), each covered by dedicated indicators. The assessment is linked to the performance of a building over a defined period and therefore takes into account criteria that can be measured at the asset level. All E, S and G pillars are linked to the building itself or to its management method and are defined to allow the evaluation of any type of physical real estate asset, regardless of its asset class (residential, office, hotel, etc.).
 - o The ESG rating is a tool developed by AXA IM and has been constructed in line with regulation and industry benchmarks requirements, such as BREEAM-in-use and GRESB, in order to integrate the expectations of AXA IM’s main stakeholders and to guarantee the coherence of the actions carried out at asset level. For quantitative questions related to energy and water consumption, the rating uses actual consumption data collected by the property managers in the data management platform. AXA IM Alts does not currently use sector averages or estimates to assess the ESG performance of its assets.
 - o AXA IM intends to bring minor updates to the rating methodology, to continue adapting it to leverage on ESG benchmark data improved maturity and availability, improve relevance of some answers to better adapt to market requirements evolution, better address non-EU countries specificities and optimize the process through greater automation.
 - o These ESG scores provide a standardized and holistic view on the performance of real estate assets on ESG factors and enable to further incorporate ESG risks and opportunities in the investment decision.

This framework helps us to ensure we consider how sustainability impacts on the development, performance, or position of an asset, as well as having material effects on the financial value in a broad sense (financial materiality). It also helps us to assess the external impacts of an asset’s activities on ESG factors (ESG materiality).

This framework is complemented with:

- **ESG KPIs:** Investment teams have access to a wide range of extra-financial data and analysis on ESG factors, across asset classes.
- **Stewardship strategy**¹⁷: AXA IM adopts an active approach to stewardship by using our scale as a global investment manager to influence tenant and market practices. In doing so, we strive to reduce investment risk and enhance returns as well as drive positive impacts for our society and the environment. These are key to achieving sustainable long-term value creation for our clients.

If such sustainability risks materialize in respect of any investment, they may have a negative impact on the financial performance of the relevant investment. AXA IM does not guarantee that the investments are not subject to sustainability

¹⁷ See AXA IM’s Stewardship & Engagement policies: [Our sustainability policies and reports - BNP Paribas Asset Management - Corporate EN This policy does not apply to real estate assets.](#)

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risks to any extent and there is no assurance that the sustainability risks assessment will be successful at capturing all sustainability risks at any point in time. Investors should be aware that the assessment of the impact of sustainability risks on the performance is difficult to predict and is subject to inherent limitations such as the availability and quality of the data.

The detailed approach to take into account ESG risks into risks management processes applied by AXA IM pursuant to the implementation decree of Article 29 of the LEC is described in the AXA IM annual Climate Report (TCFD – Article 29 LEC combined report)¹⁸: available on BNPP AM website: [Our sustainability policies and reports - BNP Paribas Asset Management - Corporate EN](#)

¹⁸ This includes AXA IM's ESG risk management framework, impact of ESG factors on returns, and climate transition and physical risks assessment (incl. value-at-risk analysis for 1.5°C, 2°C and 3°C scenarios, using MSCI's Climate VaR methodology): see sections 8. "Risk management" and 6.5 "Climate dashboard" of the last AXA IM Climate report.



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