

AXA LOGISTICS EUROPE MASTER S.C.A.

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



**INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**
For the period from
1 January 2026 to 30 June 2026

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



BNP PARIBAS
ASSET MANAGEMENT

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To the Board of Managers of the General Partner of
AXA Logistics Europe Master S.C.A.
2-4, Rue Eugène Ruppert
2453 Luxembourg

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying interim consolidated financial statements of AXA Logistics Europe Master SCA (the "Group") comprising the consolidated statement of financial position as at 30 June 2026 and the consolidated statement of comprehensive income and the consolidated statement of cashflows, for the period from 1 January 2026, to 30 June 2026 and a summary of material accounting policies. The Board of Managers of the General Partner is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with the accounting policies as set out in Note 2 of the interim consolidated financial statements. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements of the Group as at 30 June 2026, taken as a whole, has not been prepared in all material respects, in accordance with the accounting policies as set out in Note 2 of the interim consolidated financial statements.

Emphasis of Matter - Basis of accounting and Restriction on use

We draw attention to Note 2 to the interim consolidated financial statements, which describes the basis of preparation. The interim consolidated financial statements have been prepared to report on the interim financial information and, as such, may not be suitable for any other purpose. This report, including the conclusion, has been prepared for and only for the General Partner 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. Our conclusion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2025, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 17 April 2026.

For Deloitte Audit, *Cabinet de révision agréé*

Ekaterina Fedotova, *Réviser d'entreprises agréé*
Partner

14 August 2026

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B67.895
Autorisation d'établissement 10022179

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	30 June 2026	31 December 2025
	€ (Unaudited)	€ (Audited)
ASSETS		
Non-current assets		
Investment property	5,199,726,920	5,161,040,954
Deferred tax assets	28,749	
Derivatives at fair value through profit or loss	4,659,129	4,640,231
Total non-current assets	5,204,414,798	5,165,681,185
Current assets		
Trade and other receivables	79,483,150	89,216,302
Prepayments	15,624,937	866,868
Derivatives at fair value through profit or loss	11,293,473	-
Cash and cash equivalents	239,418,502	354,196,284
Total current assets	345,820,062	444,279,454
Non-current assets classified as held for sale	70,940,000	103,550,000
TOTAL ASSETS	5,621,174,860	5,713,510,639
LIABILITIES		
Non-current liabilities		
Borrowings	3,510,674,337	3,615,321,644
Deferred tax liabilities	156,069,595	151,234,467
Derivatives at fair value through profit or loss	6,253,674	5,240,645
Total non-current liabilities	3,672,997,606	3,771,796,756
Current liabilities		
Borrowings	333,471,948	335,213,510
Derivatives at fair value through profit or loss	2,761,417	7,802,052
Deferred income	14,887,410	13,433,942
Taxation payable	10,048,157	10,176,789
Trade and other payables	97,108,257	83,966,390
Total current liabilities	458,277,189	450,592,683
Net assets attributable to the partners	1,014,468,045	1,024,087,033
TOTAL LIABILITIES (excluding non-controlling interests)	5,145,742,840	5,246,476,472
Non-controlling interests (equity)	475,432,020	467,034,167
TOTAL LIABILITIES	5,621,174,860	5,713,510,639
Adjustments from net assets attributable to the Partners to Subscription Net Asset Value	57,769,079	66,709,529
ADJUSTED SUBSCRIPTION NET ASSET VALUE⁽¹⁾	1,072,237,124	1,090,796,562

(1) Calculated in accordance with Note 2.27

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY 2026 TO 30 JUNE 2026

	Period ended 30 June 2026	Period ended 30 June 2025
	€ (Unaudited)	€ (Unaudited)
Rental income	130,230,432	130,106,804
Service charge income	14,086,361	19,473,109
Gross rental income	144,316,793	149,579,913
Service charge expense	(17,201,711)	(15,668,573)
Non recoverable property expenses	(6,736,925)	(8,167,032)
Property operating expenses	(23,938,636)	(23,835,605)
Net rental income	120,378,157	125,744,308
Administrative expenses	(13,573,537)	(15,608,511)
Net unrealised gain from fair value adjustment on investment property	29,326,862	53,971,929
Net realised foreign exchange loss on derivative contracts	(21,849,131)	(16,637,057)
Net unrealised foreign exchange gain on derivative contracts	15,339,977	16,692,877
Other operating expenses	(2,682,006)	(2,190,558)
Operational result	126,940,322	161,972,988
Finance income	6,528,780	12,010,728
Finance expense	(58,065,289)	(72,697,693)
Net finance result	(51,536,509)	(60,686,965)
Profit before tax	75,403,813	101,286,023
Taxation expense	(5,932,198)	(5,579,559)
Deferred taxation	(5,538,802)	(11,255,965)
Total tax	(11,471,000)	(16,835,524)
Profit for the period after tax	63,932,813	84,450,499
Other comprehensive income, net of tax:		
Items that may be subsequently reclassified to profit or loss		
Foreign currency translation reserve	(4,171,527)	10,872,170
Total comprehensive income for the period	59,761,286	95,322,669
Profit for the period attributable to:		
Partners	48,157,005	60,734,317
Non-controlling interests	15,775,808	23,716,182
Total comprehensive income for the period is attributable to:		
Partners	43,985,478	71,606,487
Non-controlling interests	15,775,808	23,716,182
Net increase in net assets attributable to the Partners for the period	43,985,478	71,606,487
Adjustments from net assets attributable to the partners to subscription net asset value	(8,940,450)	(9,185,128)
Net increase in subscription net asset value⁽¹⁾	35,045,028	62,421,359

(1) Calculated in accordance with Note 2.27

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 JANUARY 2026 TO 30 JUNE 2026

	Period ended 30 June 2026	Period ended 30 June 2025
	€ (Unaudited)	€ (Unaudited)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	75,403,813	101,286,023
Adjustments		
Net gain from fair value adjustment on investment property	(29,326,862)	(53,971,929)
Net realised foreign exchange loss on derivative contracts	21,849,131	16,637,057
Net unrealised foreign exchange gain on derivative contracts	(15,339,977)	(16,692,877)
Finance result	51,536,509	60,686,965
Increase/decrease in operating assets		
Decrease in trade and other receivables (excluding interest and taxation)	9,733,152	1,188,025
Increase in prepayments	(14,758,069)	(12,689,375)
Increase in deferred income	1,453,468	5,718,067
Decrease in provisions	-	(93,740)
Increase in trade and other payables (excluding interest and taxation)	13,141,867	15,403,793
Cash generated from operations	113,693,032	117,472,009
Taxation paid	(6,793,253)	(3,265,274)
Interest received	3,074,056	2,071,325
Interest paid	(45,514,171)	(40,064,282)
Net cash generated from operating activities	64,459,664	76,213,778
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of investment property (including acquisition costs)	-	(100,228,843)
Sale of investment property	30,850,000	-
Capital expenditure on investment property	(3,141,115)	(39,988,109)
Capitalised lease incentives	(6,298,484)	(536,444)
Net cash from/(used in) investing activities	21,410,401	(140,753,396)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown on borrowings ⁽¹⁾	56,197	46,500,000
Repayment of borrowings	(116,034,938)	(38,954,222)
Distribution to the Partners ⁽¹⁾	(53,414,856)	(15,882,697)
Distribution to Non-controlling interests	(7,344,876)	(10,768,588)
Net payment on forward contracts	(21,849,133)	(17,323,038)
Net cash used in financing activities	(198,587,606)	(36,428,545)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(112,717,541)	(100,968,163)
Cash and cash equivalents at beginning of the period	354,196,284	260,601,489
Net currency translation differences	(2,060,241)	8,171,037
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	239,418,502	167,804,363

(1) Excludes amounts received/paid under Dividend Reinvestment Program of € 14.4m (For the period 1 January 2025 until 30 June 2025: €10.8m) and Interest Free Loan balances converted to share capital during the year as these are considered non-cash transactions.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2026 TO 30 JUNE 2026

1 General information

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

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

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

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

These consolidated interim financial statements present the consolidated financial position of the Fund and the Fund’s subsidiaries (the “Group”).

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

The financial period of the Fund starts on 1 January and ends on 31 December. The Group’s accounts are prepared in Euro (“EUR” or “€”).

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

2 Summary of material accounting policies

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

2.1 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.

The interim consolidated financial statements of the Fund have been prepared on a going concern basis.

Critical accounting estimates and assumptions

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

Investment property

The fair value of investment property is based on a valuation as performed by an independent valuer. Independent valuations may be indicative and not executable or binding.

The Group did not make any other material critical accounting judgements for the period from 1 January 2026 to 30 June 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.2 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:

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

Financial assets measured at amortised cost:

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

The Group includes short-term financial assets including trade 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:

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

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

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

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

Financial liabilities

Financial liabilities measured at fair value through profit or loss:

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

Financial liabilities measured at amortised cost:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.2 Financial assets and financial liabilities (continued)

(ii) Recognition and Measurement

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

Regular purchases of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value minus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the consolidated statement of comprehensive income. Financial assets at fair value through profit or loss are subsequently carried at fair value. Financial assets that are carried at amortised cost include trade and other receivables. 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

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

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

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

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

(v) Impairment of financial assets

For trade receivables the Group applies AXA IM Alts Real Estate 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.

(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)

2.3 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

Group companies

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

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

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

2.4 Deferred income

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

2.5 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.

2.6 Trade and other receivables

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost.

2.7 Prepayments

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

2.8 Expenses

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.9 Interest income and interest expense

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

2.10 Group formation expenses

The Group’s formation expenses are recognised as an expense on accrual basis.

2.11 Provisions

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

2.12 Consolidation

a. Subsidiaries

Control

Subsidiaries are all entities (including structured entities) over which the Group has control. However, for the purpose of the interim consolidated financial statements they are prepared with the closing of 30 June 2026. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

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

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

Accounting for business combinations

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

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

Acquisition-related costs are expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.12 Consolidation (continued)

a. Subsidiaries (continued)

Accounting for business combinations (continued)

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.

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

Accounting for asset acquisitions

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

b. Changes in ownership interests in subsidiaries without change of control

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

c. Disposal of subsidiaries

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

2.13 Investment property

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.13 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.

2.14 Leases

a. Group is the lessee

i) *At initial recognition*

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

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

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

Lease liabilities include the net present value of the following lease payments;

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

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

ii) *Subsequent measurement*

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

The lease liability is measured as follows:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.14 Leases (continued)

b. Group is the lessor

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

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

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

2.15 Revenue recognition

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

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

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

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

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

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

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

2.16 Borrowings

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.17 Taxation

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

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the 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 interim 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.

The Organisation for Economic Co-operation and Development ("OECD") released the Pillar Two model rules (the Global Anti-Base Erosion Proposal, or 'GloBE') to reform international corporate taxation. The legislation is effective for the Group's financial year beginning on or after 1 January 2024.

As the Fund qualifies as an investment entity (or insurance investment entity), it is excluded from the QDMTT implemented by the Luxembourg legislation. As such, any potential Pillar Two exposure and liability will be at the level of the investor or its ultimate parent company.

The Pillar 2 model rules should not impact the interim consolidated financial statements of the Fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.18 Redeemable shares

Redeemable shares are carried at amortised cost, which correspond to the redemption amount that is payable at the consolidated statement of financial position date if the holder exercises the right to put the share back to the Fund. Redeemable shares are classified as financial liabilities in accordance with IAS 32. The ISA of the Fund permits quarterly redemptions.

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 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Refundable deposits

Certain Group companies obtain deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition or for the lease payments for a period ranging from 1 to 24 months. The Group has elected to treat such deposits as financial liabilities in accordance with IFRS 9, and they are initially recognised at fair value. The deposit is subsequently measured at amortised cost.

2.21 Dividend distribution

Distributions to Partners are recognised in the Consolidated Statement of Comprehensive Income in the period in which the dividends are approved. Distributions out of share premium are presented with the Consolidated Statement of Changes in Net Assets.

2.22 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies (continued)

2.23 Other income

Other income is recognised when the right to receive has been established, the amount of the income can be reliably determined and recovery of the consideration due is likely.

2.24 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of the Group. The Group has determined that its chief operating decision-maker is the Board of Managers of the General Partner of the Fund.

2.25 Derivatives

Derivative financial assets and liabilities are classified as financial assets/liabilities at fair value through profit or loss (held for trading). Derivative financial assets and liabilities comprise currency forward contracts for hedging purposes (economic hedge) and interest rate swap. The Fund does not apply hedge accounting in accordance with IFRS 9.

Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered into. They are measured initially and subsequently at fair value; transaction costs are included directly in finance costs. Gains or losses on derivatives are recognised in the profit or loss in net change in fair value of financial instruments at fair value through profit or loss.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the consolidated statement of financial position date, with the resulting value discounted back to present value.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

2.26 Net assets attributable to partners

Net assets attributable to partners are represented by the difference between the assets and liabilities of the Group after the deduction of non-controlling interests. The Net Asset Value ("NAV") per these interim consolidated financial statements differs to the subscription NAV issued to the shareholders on an INREV basis (see Note 2.27). INREV refers to the professional standards published by the European Association for Investors in Non- Listed Real Estate Vehicles ("INREV").

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

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

- i) The acquisition costs (including debt issuance costs) should be amortised over 10 years whereas these costs are fully expensed under IFRS.
- ii) The formation expenses should be amortised over a period of 10 years whereas these expenses are fully expensed under IFRS.
- iii) The tax adjustment corresponds mainly to discounts on latent capital gains tax and revaluations in case of exit on a share deal basis.
- iv) The adjustment related to the revaluation to fair value of financial assets and financial liabilities excluding the tax effects of fair value uplift of those financial assets/financial liabilities.



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