

# ANNUAL REPORT

Goodman European Partnership

Goodman European Logistics Fund, FCP-FIS



# 2021

**Goodman European Partnership<sup>1</sup>  
(GEP) is focused on providing  
market-leading returns to its Partners,  
driven by a high-quality, geographically  
diverse logistics portfolio.**



1. As from 1 November 2015, the Goodman European Logistics Fund, FCP-FIS has been re-branded to Goodman European Partnership ("GEP" or "Partnership") although it has not changed its legal name or legal form.

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Milan, Piatello, Italy

# MANAGER'S REPORT

2021 marked the second year impacted by the COVID-19 pandemic, with various on and off again lockdowns and restrictions continuing to impact the global economy and the way people live, work and shop. However with the successful roll out of vaccination programs and a general rebound of economic activity, sentiment has improved and we are experiencing a slow but steady "return to normal".

In this context, I am pleased to present GEP's Annual Report for the financial year ended 31 December 2021, where GEP was able to deliver an exceptionally strong performance, resulting in a Unitholder total return of 26.6% (2020: 13.9%), and successfully delivered on its 2021 objectives.

## Market

The past year was a turbulent one. On the back of rising vaccination rates, governments attempted to loosen restrictions and open up economies to boost growth. However the emergence of COVID variants such as Delta and Omicron required tighter measures to be enforced, once again resulting in economic recovery occurring at an uneven pace. Despite these headwinds, growth in the eurozone held up relatively well in 2021 with an estimated annual GDP growth of 5.2%, putting GDP at just below its 2019 pre-pandemic level. This economic recovery was largely driven by consumption. However, the increase in consumption combined with persistent supply-chain bottlenecks presented its own challenges in the form of increasing price pressures, which started to manifest itself by the end of 2021. All in all, business sentiment indicators ended the year on a generally positive note, expecting 2022 to bring better economic conditions despite risks from the pandemic and inflation.

## Portfolio

GEP's real estate portfolio continues to be the main driver for the Partnerships positive results. The active leasing approach in 2021 led to 655k sqm of new leases or renewals signed (2020: 562k sqm, +16% YoY), which represents c.23% of the total portfolio income. Out of total leasing, 81% concerned renewals, leading to 100% income retention over the 12 months ending in December 2021. This exceptionally high retention is indicative of high customer demand for well-located space but also demonstrates existing customers' willingness to trigger renewal options to lock in in-place, and often below market, rental levels.

## Capital management

With an opening cash balance of €332 million and €384 million of sales proceeds generated throughout the year, various capital management initiatives were initiated. The aim was to limit idle cash and maintain conservative gearing, whilst ensuring sufficient liquidity for future investments. These initiatives included:

- Execution of an issuer call on the €254 million remaining outstanding debt under the 2022 bond and capital return distribution of €100 million to Unitholders, following the Alpha and Zephyr disposals
- RCF increase from €200 million to €450 million and extension of the maturity with one year to December 2024
- Reallocation of €204 million of Reserved Amounts to newly committed acquisitions.

As a result of these initiatives and the partial reinvestment of proceeds, GEP's cash balance was €74.9 million at year-end and gearing 16.9% (31 Dec 2020: 19.8%). It is worth noting that the existing commitments of the Partnership, including new acquisitions and developments, exceed GEP's cash balance at year-end. In terms of credit ratings, GEP's ratings were also confirmed during the year, remaining stable at BBB+ (S&P) and Baa1 (Moody's), with S&P's negative outlook having been lifted.

The board of the AIFM is managing the financial risks that GEP is exposed to as described in note 19 of the consolidated financial statements. Under the AIFM Directive, GEP is considered an "alternative investment fund" (an "AIF"), as defined in the 2013 Law. Pursuant to the Management Regulations, GEP has appointed the AIFM as its "alternative investment fund manager" (the "AIFM"), as defined in the 2013 Law, to provide hedging, portfolio management, marketing and other ancillary services (including the valuation of its assets as set out in the Management Regulations).

The AIFM is authorised and regulated by the CSSF in respect of its AIFM activities. GEP is the sole undertaking for collective investment managed by the AIFM. The AIFM maintains own funds in accordance with the requirements under the AIFM Directive, including additional own funds to cover potential liability risks arising from professional negligence.

## Performance

GEP's strong performance during 2021 resulted from its exceptional valuation gains on investments in property, its stable property income and profit on disposals. While the main driver of the €575 million revaluations for the year (€186 million in 2020) remained the result of further yield compression across GEP's core markets, an increasingly large share of this uplift is attributable to positive impacts of selected leasing transactions and the materialisation of market rental growth in certain areas. Over the year, GEP's weighted average equivalent yield of the stabilised portfolio sharpened from 4.4% to 3.7%.

The portfolio's performance resulted in stable cash flows for the Partnership and generated a distribution yield of 4.3% for the financial year (€88 million of distributions or €2.70 per unit, excluding capital distributions). The lower distribution yield in comparison to last year (2020: 5.3%) is to a large extent explained by the higher starting unit value and the sale of the higher yielding Maritime portfolio mid-2020, more fundamentally however this reflects the lower risk adjusted return profile associated with the quality of the current portfolio.

In terms of capital gains, CUV(ex) increased by €14.22 per Unit, however this increase was offset by €100 million capital distributions (€3.06 per Unit), resulting in a CUV(ex) movement from €65.73 per Unit to €76.89 per Unit over the year.

## Outlook

Against the backdrop of another eventful year, GEP performed strongly across multiple key metrics. The core stabilised portfolio's occupancy (99.5%), and average portfolio age (8.5 years), can be considered industry leading in continental Europe. GEP's strong balance sheet position reflects the strength of the portfolio.

With Omicron potentially representing the tail end of the COVID-19 pandemic, there is hope that pandemic related restrictions will be gradually lifted, however this is still to be seen as the year unfolds. In whichever direction 2022 will evolve, Management is confident the relentless focus in recent years on improving GEP's quality by pursuing a targeted acquisition, disposal and asset improvement program, has resulted in a portfolio which is well hedged against possible headwinds and able to benefit from the tailwinds in today's environment.

While the active management of the portfolio will remain one of the key drivers of performance, GEP will continue to focus on increasing its exposure to prime strategic locations, close to the consumer. It is in such locations with high barriers to entry, located in or near urban hubs and often entailing complex redevelopment and permitting processes, where Management believes supply to be limited, customer demand to be strongest and consequentially long term rental and value growth to be most profound. In order to successfully execute on this strategy, GEP will continue to leverage Goodman's experienced pan-European teams to source such sites and unlock their potential.

Management will also continue to engage with Unitholders and the Investment Committee on the 2022 equity raise and seeks to open an Offer to all Unitholders in the first half of 2022.

I would like to thank our customers, capital partners and investors for their continued support. Management remains determined to continue delivering attractive risk adjusted returns.

The following pages provide further insight in the results for the full year ended 31 December 2021.



Hans Ongena  
Investment Manager GEP

# CONSOLIDATED FINANCIAL STATEMENTS

Goodman European Partnership<sup>2</sup> and its controlled entities

For the year ended 31 December 2021 (audited)

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2. Legal entity: Goodman European Logistics Fund, FCP-FIS.

Hamburg, Germany

# AUDIT REPORT



## Audit report

To the Unitholders of  
**Goodman European Logistics Fund FCP-FIS**

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### Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Goodman European Logistics Fund FCP-FIS and its subsidiaries (the "Fund") as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

#### *What we have audited*

The Fund's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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

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### Other information

The Board of Managers of the Management Company 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.

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*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg  
T : +352 494848 1, F : +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)*

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

# CONSOLIDATED FINANCIAL STATEMENTS

## AUDIT REPORT



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.

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### **Responsibilities of the Board of Managers of the Management Company and those charged with governance for the consolidated financial statements**

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

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

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

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

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;



# AUDIT REPORT



- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers of the Management Company;
- conclude on the appropriateness of the Board of Managers of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Fund to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Fund audit. We remain solely responsible for our audit opinion.

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

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 4 March 2022

A handwritten signature in blue ink, appearing to read 'Amaury Evrard', is written over a large, stylized blue ink scribble that forms a wide, shallow triangle.

Amaury Evrard

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	FY 2021 €m	FY 2020 €m
<b>Net property income</b>	3	<b>145.2</b>	<b>174.4</b>
Net gains/(losses) from fair value adjustments on investments in property	10	549.2	175.6
Net gains/(losses) from disposals of investments in property	10	85.5	71.2
Share of net gains/(losses) from joint ventures	9	25.3	10.6
Net gains/(losses) from depreciation of solar panels		(0.4)	(0.2)
<b>Net gains/(losses) from investments in property, joint ventures and solar panels</b>		<b>659.7</b>	<b>257.1</b>
Base management fees	21	(16.8)	(17.0)
Performance fees	21	(114.6)	(50.9)
Other expenses <sup>3</sup>		(5.0)	(5.0)
<b>Total expenses</b>		<b>(136.4)</b>	<b>(73.0)</b>
<b>Result before finance result and income tax</b>		<b>668.5</b>	<b>358.5</b>
Finance costs		(14.5)	(16.8)
Redemption costs		(5.8)	(1.2)
Lease liabilities' interest		(6.0)	(6.1)
Net gains/(losses) from fair value adjustments on derivative financial instruments		0.0	0.0
Finance income		0.0	0.0
<b>Finance result</b>	4	<b>(26.2)</b>	<b>(24.0)</b>
<b>Result before income tax</b>		<b>642.3</b>	<b>334.5</b>
Current income tax		(38.1)	(31.0)
Deferred income tax		(116.3)	(20.8)
<b>Income tax</b>	5	<b>(154.4)</b>	<b>(51.8)</b>
<b>Result for the year attributable to Unitholders of GEP</b>		<b>487.9</b>	<b>282.8</b>
Other comprehensive income for the year		0.0	0.0
<b>Total comprehensive income for the year attributable to Unitholders of GEP</b>		<b>487.9</b>	<b>282.8</b>

3. Depository/Custody fees are included in Other expenses for €0.3 million (FY 2021) and €0.3 million (FY 2020).

The consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	31 Dec 2021 €m	31 Dec 2020 €m
<b>Current assets</b>			
Cash and cash equivalents	6	74.9	332.1
Receivables	7	38.1	6.4
Other current assets	8	12.4	7.0
<b>Total current assets</b>		<b>125.4</b>	<b>345.6</b>
<b>Non-current assets</b>			
Investments in property	10	3,719.5	3,205.3
Joint ventures	9	76.6	55.0
Solar panels		12.0	4.0
Derivative financial instruments	11	0.0	0.0
Deferred tax assets	12	2.1	5.5
<b>Total non-current assets</b>		<b>3,810.1</b>	<b>3,269.8</b>
<b>Total assets</b>		<b>3,935.6</b>	<b>3,615.4</b>
<b>Current liabilities</b>			
Payables	13	156.0	113.3
Other borrowings	14	1.5	1.4
Lease liabilities	15	7.5	6.7
<b>Total current liabilities</b>		<b>165.0</b>	<b>121.4</b>
<b>Non-current liabilities</b>			
Payables	13	177.8	80.4
Interest bearing liabilities	14	717.1	970.4
Other borrowings	14	9.4	10.9
Lease liabilities	15	129.5	107.1
Deferred tax liabilities	12	357.8	244.9
<b>Total non-current liabilities</b>		<b>1,391.7</b>	<b>1,413.7</b>
<b>Total liabilities</b>		<b>1,556.7</b>	<b>1,535.1</b>
<b>Net assets</b>		<b>2,378.9</b>	<b>2,080.3</b>
<b>Equity attributable to Unitholders of GEP</b>			
Issued capital	16	2,116.9	2,116.9
Equity raising costs	16	(8.2)	(8.2)
Distributions	17	(1,642.0)	(1,452.7)
Result brought forward		1,424.3	1,141.5
Result for the year		487.9	282.8
<b>Total equity attributable to Unitholders of GEP</b>	18	<b>2,378.9</b>	<b>2,080.3</b>
<b>Non IFRS measures</b>			
Current Unit Value (cum) (€m)	18	2,535.0	2,171.6
Current Unit Value (cum) (€/Unit)	18	77.56	66.44
Current Unit Value (ex) (€m)	18	2,513.1	2,148.6
Current Unit Value (ex) (€/Unit)	18	76.89	65.73

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Issued capital €m	Equity raising costs €m	Distributions €m	Result brought forward and for the year €m	Total equity €m
<b>Balance at 1 Jan 2020</b>	<b>2,116.9</b>	<b>(8.2)</b>	<b>(1,029.4)</b>	<b>1,141.5</b>	<b>2,220.8</b>
<b>Comprehensive income</b>					
Result for the year	0.0	0.0	0.0	282.8	282.8
Other comprehensive income for the year	0.0	0.0	0.0	0.0	0.0
<b>Total comprehensive income for the year</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>282.8</b>	<b>282.8</b>
<b>Transactions with Unitholders</b>					
Contributions by way of cash payment – Units	0.0	0.0	0.0	0.0	0.0
Equity raising costs	0.0	0.0	0.0	0.0	0.0
Capital return distributions to Unitholders of GEP	0.0	0.0	(300.0)	0.0	(300.0)
Distributions declared to Unitholders of GEP	0.0	0.0	(123.3)	0.0	(123.3)
<b>Balance at 31 Dec 2020</b>	<b>2,116.9</b>	<b>(8.2)</b>	<b>(1,452.7)</b>	<b>1,424.3</b>	<b>2,080.3</b>
<b>Balance at 1 Jan 2021</b>	<b>2,116.9</b>	<b>(8.2)</b>	<b>(1,452.7)</b>	<b>1,424.3</b>	<b>2,080.3</b>
<b>Comprehensive income</b>					
Result for the year	0.0	0.0	0.0	487.9	487.9
Other comprehensive income for the year	0.0	0.0	0.0	0.0	0.0
<b>Total comprehensive income for the year</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>487.9</b>	<b>487.9</b>
<b>Transactions with Unitholders</b>					
Contributions by way of cash payment – Units	0.0	0.0	0.0	0.0	0.0
Equity raising costs	0.0	0.0	0.0	0.0	0.0
Capital return distributions to Unitholders of GEP	0.0	0.0	(100.0)	0.0	(100.0)
Distributions declared to Unitholders of GEP	0.0	0.0	(89.2)	0.0	(89.2)
<b>Balance at 31 Dec 2021</b>	<b>2,116.9</b>	<b>(8.2)</b>	<b>(1,642.0)</b>	<b>1,912.2</b>	<b>2,378.9</b>

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	FY 2021 €m	FY 2020 €m
<b>Cash flows from operating activities</b>		
Result before income tax	642.3	334.5
Adjusted for:		
Net (gains)/losses from investments in property, joint ventures and solar panels	(659.7)	(257.1)
Net (gains)/losses from fair value adjustments on derivative financial instruments	(0.0)	(0.0)
Finance income	(0.0)	(0.0)
Finance costs (incl. redemption costs and lease liabilities' interest)	26.2	24.0
(Increase)/decrease in current assets	(37.0)	17.4
Increase/(decrease) in current liabilities	10.9	(4.9)
Increase/(decrease) in other non-current liabilities	97.4	32.7
<b>Cash generated from operations</b>	<b>79.9</b>	<b>146.6</b>
Current income tax paid <sup>4</sup>	(8.2)	(18.3)
<b>Net cash generated from operating activities</b>	<b>71.7</b>	<b>128.4</b>
<b>Cash flows from/used in investing activities</b>		
Payments for investments in property and solar panels <sup>5</sup>	(242.7)	(108.5)
Net proceeds from disposals of investments in property <sup>6</sup>	388.8	877.6
Payments/receipts for investments in/loans to joint ventures	(3.2)	25.5
<b>Net cash from/used in investing activities</b>	<b>142.9</b>	<b>794.6</b>
<b>Cash flows from financing activities</b>		
Repayments of interest bearing liabilities and other borrowings (incl. costs)	(261.9)	(166.2)
Net interest paid	(13.4)	(14.8)
Distributions paid	(189.2)	(423.3)
Lease liabilities payments	(7.3)	(6.9)
<b>Net cash generated/used in financing activities</b>	<b>(471.8)</b>	<b>(611.2)</b>
Net increase/(decrease) in cash and cash equivalents	(257.2)	311.7
Cash and cash equivalents at the beginning of the year	332.1	20.4
<b>Cash and cash equivalents at the end of the year</b>	<b>74.9</b>	<b>332.1</b>

4. Including capital gain taxes paid of €3.4 million (2020: €13.0).

5. Including payments of €57.2 million (2020: €54.2) for share acquisitions and €182.2 million (2020: €54.3) for property acquisitions.

6. Net proceeds of €139.2 million (2020: €737.9 million) for share sales and €249.6 million (2020: €139.7) for property sales.

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### General information

Goodman European Partnership or GEP (legal entity: Goodman European Logistics Fund, FCP-FIS) is a Fonds Commun de Placement – Fonds d'Investissement Spécialisé (FCP-FIS) registered and domiciled in Luxembourg and established on 19 December 2006. GEP is subject to the law on specialised investment funds of 13 February 2007 and to its latest updated Management Regulations dated 26 October 2021, as amended from time to time. GEP is managed by GELF Management (Lux) S.à r.l. (Management Company), a limited liability company organised under the laws of Luxembourg (registration number: B 121702) having its registered office at 5, Rue de Strasbourg, L-2561 Luxembourg.

The Management Company is ultimately owned by Goodman Group. The Management Company has the exclusive right to manage GEP and is vested with broad powers to administer and manage GEP in the name of and on behalf of the Unitholders, subject to rules and regulations set out in the Management Regulations.

GEP is an Alternative Investment Fund (AIF) in scope of the Alternative Investment Fund Managers (AIFM) Directive, and has appointed the Management Company as its AIFM.

The Management Company is authorised and regulated as an AIFM by the Luxembourg Commission de Surveillance du Secteur Financier (CSSF), having obtained such authorisation in 2014.

GEP's strategy is to invest in high quality pan-European logistics and industrial properties in recognised and emerging warehouse, distribution and logistics locations with access to major transport and infrastructure. These properties should be located in the European Union (excluding the UK and Greece), Norway, Switzerland or Turkey.

The significant accounting policies which have been adopted in the preparation of the consolidated financial statements are set out below.

### Note 1: Statement of significant accounting policies

#### Basis of preparation of the consolidated financial statements

The consolidated financial statements of GEP comprise GEP and its controlled entities (together the Consolidated Entity) and the Consolidated Entity's interest in joint ventures (JVs).

These consolidated financial statements have been prepared on a going concern basis, applying a historic cost convention, except for the investments in property and derivative financial instruments that have been measured at fair value and the investments in joint ventures under equity method.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS)

The accounting policies adopted are consistently applied by the Consolidated Entity. The consolidated financial statements are presented in Euro and were authorised for issue by the Management Company on 24 February 2022.

The Consolidated Entity has 31 December as its year-end.

The information presented in the consolidated financial statements is subject to rounding (to the closest €0.1 million).

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Consolidated Entity's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes the underlying assumptions are appropriate. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

#### Principles of consolidation

##### Controlled entities

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by GEP and the results of all such entities. GEP controls an entity when GEP is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where an entity began or ceased to be controlled during the year, the results for that entity are included only from/ to the date control commenced or ceased.

##### Joint ventures (JVs)

A joint venture is an entity that is jointly controlled by the Consolidated Entity and its joint venture partner. In the consolidated financial statements, equity investments in JVs are accounted for using the equity method of accounting. Loans to JVs are recognised on inception at their fair value plus directly attributable transaction costs. Subsequent to initial recognition, loans to JVs are measured at amortised cost using the effective interest rate method. Impairments of the loans are based on an expected credit loss assessment. Interest income from these loans is included in finance income using the effective interest rate method. The Consolidated Entity's share of the JVs' net gains or losses is recognised in the consolidated statement of comprehensive income from the date joint control commences to the date joint control ceases.

##### Transactions eliminated on consolidation

Unrealised gains and losses and inter-company balances resulting from transactions with or between controlled entities are eliminated in full on consolidation. Unrealised gains resulting from transactions with joint ventures are eliminated to the extent of the Consolidated Entity's interest. Unrealised gains relating to joint ventures are eliminated against the carrying amount of the investment. Unrealised losses are eliminated in the same way as unrealised gains, unless they evidence a recoverable amount impairment.

##### Business combinations

Accounting for business combinations under IFRS 3 only applies if it is considered that a business has been acquired. 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 GEP.

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 as at the acquisition date. GEP 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 acquiree's identifiable net assets

## Revenue recognition

### Net property income

Gross property income comprises rental income under operating leases (net of incentives provided) solar panel income and amounts billed to customers for outgoings. Amounts billed to customers for outgoings is a cost recovery for GEP and are recognised in service charges once the expense has been incurred. The expense is included in property expenses.

Rental income under operating leases is recognised on a straight-line basis over the term of the lease contract. The cost of lease incentives provided to customers is recognised on a straight-line basis over the life of the lease as a reduction of rental income.

### Asset sales

The disposal of investments in property is recognised at the point in time when control over the property has been transferred to the purchaser.

## Value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except where the amounts of VAT are not recoverable. In these circumstances, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of VAT included. The net amount recoverable from, or payable to, the tax authorities is included as a current asset or as a current liability in the consolidated statement of financial position.

## Finance facility costs

Expenditure incurred in obtaining debt facilities is capitalised against the principal amount of the interest bearing liabilities and amortised using the effective interest method over the period of the finance facility. All other finance costs are expensed as incurred.

## Income tax

For GEP controlled entities, income tax on the profit or loss for any year comprises current and deferred tax.

Current income tax is the tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax liabilities (DTL) are recognised in respect of temporary differences between the carrying amounts of investments in property for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not accounted for if arising from initial recognition in

a transaction other than a business combination. Deferred tax liabilities are determined using tax rates enacted or substantially enacted at the date of the statement of financial position.

GEP recognises deferred tax liabilities arising from revaluation differences to the extent that these changes in value are recognised in the consolidated statement of comprehensive income.

Deferred tax assets (DTA) are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. DTA and DTL are offset, if a legally enforceable right exists to offset current tax asset against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

## Derivative financial instruments

In accordance with its Financial Risk Management Policy, GEP may use a number of derivative financial instruments to provide hedges against future movements in both interest rates and foreign currency exchange rates. Movements in the fair values of derivative financial instruments are reported through the consolidated statement of comprehensive income.

## Foreign currency translation

### Functional and presentation currency

Items included in the consolidated financial statements of each of the GEP's controlled entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Euro, which is GEP's functional and presentation 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 in the settlement of such transactions and from the translation at year end exchanges rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income..

## Investments in property

Investments in property applies to the accounting for properties held to earn rentals or for capital appreciation (or both).

Investments in property consist of completed investments in property, of properties under construction and right-of-use assets.

### Completed investments in property

Completed investments in property comprise investment interests in land held for development and in land and buildings held for the purpose of leasing to produce rental income.

Completed investments in property are carried at their fair value. Land and buildings comprising investments in property are regarded as composite assets and are disclosed as such in the consolidated financial statements.

Completed investments in property carrying values include the costs of acquiring the properties.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Where a contract of purchase includes a deferred payment arrangement, the acquisition value is determined as the cash consideration payable in the future, discounted to present value at the date of acquisition.

### Revaluations of completed investments in property

An independent valuation of completed investments in property is obtained at least annually to use as a basis for measuring the fair value of the properties. An independent registered valuer determines the market value based on a willing, but not in a distressed sale, buyer and seller, a reasonable period to sell the property and that the property is reasonably exposed to the market.

At each reporting date occurring between obtaining independent valuations, the Management Company reviews the completed investments in property to be satisfied that, in its opinion, the carrying value of the investments in property reflects the fair value of the investments in property at that date.

Changes in fair value are recognised directly in the consolidated statement of comprehensive income.

### Disposal of completed investments in property

The gain or loss on disposal of property is calculated as the difference between the carrying amount of the property and the net proceeds on disposal (before income tax) and is included in the consolidated statement of comprehensive income in the year of disposal.

### Properties under construction

Properties under construction include the costs of all materials used in construction, costs of managing the project, holding costs and borrowing costs incurred during construction (based on percentage of completion).

### Deferred tenancy costs and leasing incentives

Expenditure on direct leasing and tenancy costs is included within investment property values and amortised over the lease term in proportion to the rental income recognised in each financial year. Amounts provided to customers as lease incentives and assets relating to fixed increases in operating lease contracts are included within investment property values and amortised over the lease term. All other repairs and maintenance costs are expensed when incurred. When part of an investment in property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed.

### Land leases

GEP acting as a lessee recognises right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. At initial recognition, the right-of-use assets are measured at cost which includes the amount of the initial measurement of the lease liabilities.

The lease liabilities are 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
- Any amounts expected to be payable under residual value guarantees.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

Extension options are included in a number of land leases across GEP. The lease payments are discounted using an 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.

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

The lease liabilities are measured as follows:

- Increasing the carrying amount to reflect interest on the lease liability
- Reducing the carrying amount to reflect the lease payments made
- Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Where GEP is exposed to potential future increases in variable lease payments based on an index or rate, these are not included in the lease liability until they take effect.

When adjustments to lease payments based on an index or rate take effect, the lease liabilities are reassessed and adjusted against the right-of-use assets.

Lease payments are allocated between principal and lease liabilities' expenses. The lease liabilities' expenses are 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.



## Property, plant and equipment

Property, plant and equipment consist of solar panels.

### Solar panels

Solar panels include the costs of all materials, costs of managing the project, holding costs and borrowing costs incurred during the installation (based on percentage of completion).

The solar panels are presented on the balance sheet at cost less accumulated depreciation and impairment. The solar panels are depreciated on a straight-line basis over their useful life (20 years). Depreciation and impairment are recognised directly in the consolidated statement of comprehensive income.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### Receivables

Receivables are recognised on the date that they are originated, initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost, less any impairment losses. The ability to collect receivables is assessed at the balance date. Impairments of receivables are based on an expected credit loss assessment.

Receivables which are known to be uncollectable are written off through the consolidated statement of comprehensive income.

Where receipt of any part of a receivable is deferred beyond the Consolidated Entity's normal terms of trade, the amount receivable in the future is discounted to its present value at the date of recognition of the receivable.

### Payables

Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

### Interest bearing liabilities

Interest bearing liabilities are recognised on inception at their fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost using the effective interest rate method.

Interest expense is accrued at the contracted rate and included in the consolidated statement of financial position under current payables.

### Provisions

A provision is recognised when there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

If the effect is material, a provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money

and the risks specific to the liability most closely matching the expected future payments. The unwinding of the discount is treated as part of the expense related to the particular provision and recognised as part of the finance costs in the consolidated statement of comprehensive income.

### Distributions

At the end of every quarter, 100% of GEP's distributable income must be distributed by way of cash distributions. Distributions payable are recognised in the reporting period in which the distributions are declared.

From time to time, capital return distributions can be made, subject to certain conditions. Capital return distributions are recognised in the reporting period in which they are declared.

### Equity

GEP has one single class of Units in issue, with identical features within the class. The Units are classified as equity as all the criteria of IAS 32 §16 A and 16 B are met.

### Equity raise costs

Equity raise costs are reflected as a separate component of the equity. They are recognised pro-rata on the commitments called from time to time.

### Acquisition of assets

The cost of the purchase of an ownership interest in assets acquired is measured as the fair value of the assets given up, securities issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the date of acquisition. Such transactions do not give rise to goodwill.

### New and amended standards

There were no new or amended standards adopted by GEP for the first time for the financial year beginning on or after 1 January 2021.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by GEP.

GEP is assessing the impact of the following standards:

- Amendments to IAS 1 – Classification of liabilities as current or non-current
- Onerous contracts – Cost of fulfilling a contract – Amendments to IAS 37.

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

- IFRS 17 – Insurance contracts
- Amendments to IAS 16 – Proceeds before intended use
- Amendments to IAS 12 – Deferred taxes related to assets and liabilities arising from a single transaction

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Amendments to IFRS 16 – COVID-19 rent concession amendment – extension
- Annual improvements to IFRS's 2018–2020 cycle
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture.

### Non IFRS measures

#### Current Unit Value

For the purposes of calculating the Current Unit Value (CUV), the assets and liabilities of GEP (as accounted for under IFRS) are adjusted as follows (if applicable) in accordance with the Management Regulations:

- Set-up costs and liquidity review costs are capitalised and amortised over the first five years from the incurrence of the relevant costs
- Acquisition costs in relation to investments in property are capitalised and amortised over the first five years after the acquisition of the investments in property
- With respect to transaction costs in relation to investments in property, the most likely exit scenario for transfer taxes and purchaser's costs in relation to investments in property is applied
- With respect to deferred taxes, the difference between the amount determined in accordance with IFRS and the estimate of deferred tax which takes into account the expected manner of settlement is reflected. The CUV (cum), in respect of any period, includes the value of any distributions undeclared and unpaid until the end of that period. The CUV (ex), in respect of any period, excludes the value of any distributions undeclared and unpaid until the end of that period.

The CUV (cum) per Unit and the CUV (ex) per Unit are determined by dividing respectively the CUV (cum) and the CUV (ex) by the number of Units on issue at the end of each period and rounded down to the nearest Eurocent.

#### Distribution yield and distributions per Unit

The distribution yield is based on the GEP's distributable income (excluding capital return distributions), which is calculated taking into account the expenses, provisions, reservations and any other adjustments, such as amortisation, realised and unrealised gains or losses, increments or decrements of assets or the effect of realising mark to market values of derivative contracts considered as appropriate by the Management Company expressed as a percentage of the weighted average Unitholder capital during that financial year.

The distributions per Unit are based on the above mentioned net income calculation divided by the weighted average number of Units over the relevant financial year.

#### Unitholder return

This return is being calculated based on the quarterly distributions (excluding capital return distributions) for the financial year and plus or minus any capital appreciation or

depreciation over the relevant financial year expressed as a percentage of the weighted average Unitholder capital.

#### Gearing

GEP's gearing is calculated in accordance with the Management Regulations and takes into account interest bearing liabilities less cash and cash equivalents divided by total assets, less cash and cash equivalents. The called unpaid capital is assimilated to cash and cash equivalents for the gearing calculation purposes.

#### Covenant Gearing

The Covenant Gearing is calculated in accordance with the debt facilities agreements and is the ratio of Consolidated Total Net Borrowings to Consolidated Total Assets (as defined by the debt facilities agreements).

#### Covenant Interest Cover

The Covenant Interest Cover is calculated in accordance with the debt facilities agreements and is the ratio of Consolidated EBITDA to Consolidated Finance Costs (as defined by the debt facilities agreements).

#### Covenant Priority Debt

The Covenant Priority Debt is calculated in accordance with the debt facilities agreements and is the ratio of Consolidated Priority Borrowings to Consolidated Total Assets (as defined by the debt facilities agreements).

#### Note 2: Critical accounting estimates and judgements used in the preparation of the consolidated financial statements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

Estimates and assumptions concerning the future are made by the Management Company. The resulting accounting estimates will, by definition, seldom equal the related actual results.

No estimates and assumptions are deemed to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The outbreak of COVID-19 has and continues to impact many aspects of daily life and the global economy, including some real estate markets having experienced lower levels of transactional activity and liquidity. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, property markets are mostly functioning as at 31 December 2021, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. The ongoing COVID-19 pandemic has not had a material adverse financial impact on the Consolidated Entity for FY21.



### Investments in property

- Investments in property are carried at their fair value. Valuations are determined based on assessments and estimates of uncertain future events, including:
  - Upturns and downturns in European property markets
  - Development and availability of similar properties
  - Vacancy rates
  - Capital expenditure
  - Extension options (in case of land leases).

### Investment entity assessment

The Consolidated Entity considers it does not meet the definition of investment entity under IFRS 10 essentially due to the active management of the Consolidated Entity's portfolio.

### Fair value estimation

IFRS 13 requires, for assets and liabilities that are measured at fair value, disclosure of fair value measurements by level of the following fair value movement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy, within which the fair value measurement is categorised in its entirety, is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Consolidated Entity. The Consolidated Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

### Current income and deferred income taxes

The Consolidated Entity is subject to corporate income and capital gain taxes in numerous jurisdictions. A significant judgment is required in determining the total provision for current income and deferred income taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain during the ordinary course of business.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax payable, deferred tax liabilities and deferred tax assets in the period in which the determination is made.

### Acquisitions

Significant judgment is required when determining the appropriate method of accounting for acquisitions of shares of a company owning property. In the opinion of the Management Company, the special purpose vehicles which themselves own the investment property do not qualify as business under the definition of IFRS 3 as substantially all of the fair value of the gross assets acquired is concentrated in a single asset (or a group of similar assets). 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, GEP applies the acquisition method of accounting.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 3: Net property income

Net property income is comprised of the following:

	FY 2021 €m	FY 2020 €m
Rental income	150.4	180.9
Service charges	22.2	36.5
Solar panel income	0.8	0.4
<b>Gross property income</b>	<b>173.3</b>	<b>217.8</b>
Property expenses (non recoverable)	(6.0)	(7.0)
Property expenses (recoverable)	(22.2)	(36.5)
<b>Property expenses</b>	<b>(28.1)</b>	<b>(43.4)</b>
<b>Total</b>	<b>145.2</b>	<b>174.4</b>

During the year ended 31 December 2021, doubtful debt provisions were made for a total amount of €0.5 million (2020: €1.1 million).

The future aggregate minimum rental income receivables from customers under non-cancellable operating leases are as follows:

	31 Dec 2021 €m	31 Dec 2021 %	31 Dec 2020 €m	31 Dec 2020 %
No later than 1 year	155.3	19.4	157.5	20.5
Later than 1 year and no later than 2 years	132.1	16.5	135.2	17.6
Later than 2 year and no later than 3 years	109.7	13.7	108.4	14.1
Later than 3 year and no later than 4 years	93.7	11.7	88.2	11.5
Later than 4 year and no later than 5 years	79.6	9.9	74.0	9.7
Later than 5 years	231.0	28.8	203.6	26.5
<b>Total</b>	<b>801.4</b>	<b>100.0</b>	<b>766.9</b>	<b>100.0</b>

As at 31 December 2021, GEP has investments in 7 European countries (2020: 6). The geographical distribution of the completed investments in property (net property income and carrying value) is shown in the following table:

	Net property income		Carrying value of completed investments in property	
	FY 2021 €m	FY 2020 €m	31 Dec 2021 €m	31 Dec 2020 €m
Belgium	12.0	11.2	282.5	227.3
Czech Republic	0.0	1.2	0.0	0.0
France	35.4	42.1	821.2	903.3
Germany	66.2	69.9	1,549.8	1,355.5
Hungary	0.0	4.1	0.0	0.0
Italy	0.4	1.6	31.0	0.0
Netherlands	19.2	16.9	500.6	394.7
Poland	0.5	15.2	26.2	25.4
Slovakia	0.0	2.7	0.0	0.0
Spain	11.5	9.5	371.1	185.2
<b>Total</b>	<b>145.2</b>	<b>174.4</b>	<b>3,582.4</b>	<b>3,091.4</b>

#### Note 4: Finance result

	FY 2021 €m	FY 2020 €m
Bank loans interest, bank charges and agency fees	(2.6)	(2.6)
Euro Medium Term Notes (EMTN) interest	(10.5)	(12.3)
Amortisation of transaction costs	(1.4)	(1.8)
Capitalised borrowing costs	0.0	0.0
<b>Finance costs</b>	<b>(14.5)</b>	<b>(16.8)</b>
Redemption costs	(5.8)	(1.2)
Lease liabilities' interest	(6.0)	(6.1)
Net gains/(losses) from fair value adjustments on derivative financial instruments	0.0	0.0
Finance income	0.0	0.0
<b>Finance result</b>	<b>(26.2)</b>	<b>(24.0)</b>

In April 2021, GEP incurred redemption costs of €5.8 million (including a write-off of unamortised transaction costs of €0.7 million) in relation to the early redemption of the remaining amount of the bond issued on 20 October 2016 (EMTN 16/22) ahead of maturity. In July 2020, other finance costs of €1.2 million were incurred in relation to the repurchase of €71.0 million of the same bond. For more details, please refer to note 14.

The weighted average cost of debt (WACD) for the year slightly increased to 1.7% (2020: 1.6%).

#### Note 5: Income tax

GEP's income tax consists of the below mentioned current income tax and movements in deferred income tax.

	Current income tax FY 2021 €m	Deferred income tax FY 2021 €m	Current income tax FY 2020 €m	Deferred income tax FY 2020 €m
Belgium	(0.7)	(14.8)	(0.6)	(2.8)
Czech Republic	0.0	0.0	0.0	3.1
France	(35.7)	(11.6)	(0.2)	(17.3)
Germany	(1.2)	(45.2)	(2.1)	(15.9)
Hungary	0.4	0.0	(3.8)	1.9
Italy	1.1	(1.1)	(4.9)	1.9
Luxembourg	(0.7)	0.0	(0.2)	0.0
Netherlands	(1.6)	(30.9)	(0.2)	(8.1)
Poland	0.5	(0.2)	(18.7)	17.0
Slovakia	0.0	0.0	(0.0)	4.8
Spain	(0.2)	(12.6)	(0.2)	(5.4)
<b>Total</b>	<b>(38.1)</b>	<b>(116.3)</b>	<b>(31.0)</b>	<b>(20.8)</b>

In relation to disposals which occurred during the year ended 31 December 2021, current income tax of €36.2 million (2020: €26.0 million) has been incurred and deferred income tax of €25.6 million (2020: €33.5 million) has been reversed. Following final tax calculations in relation to disposals which occurred during the year ended 31 December 2020, tax provisions of €1.5 million have been released during the year. Non-operational tax items have been reversed in the distribution calculation.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The tax on the Consolidated Entity's result before income tax differs from the theoretical amount that would arise using the weighted average domestic tax rate of the applicable profits of the consolidated entities as follows:

	FY 2021 €m	FY 2020 €m
Result before income tax	642.3	334.5
<b>Adjustments for items:</b>		
Share of net (gains)/losses from joint ventures	(25.3)	(10.6)
Net (gains)/losses from fair value adjustments on derivative financial instruments	(0.0)	(0.0)
<b>Adjusted result before income tax</b>	<b>616.9</b>	<b>324.0</b>
Tax calculated at domestic tax rates	(134.7)	(69.0)
Other items <sup>7</sup>	(19.7)	17.2
<b>Income tax</b>	<b>(154.4)</b>	<b>(51.8)</b>

7. Other items include tax impacts in relation to (i) deductible expenses not included in the consolidated statement of comprehensive income (2021: €6.8million; 2020: €8.4 million), (ii) items not subject to tax (2021: €9.3million; 2020: €20.9 million), (iii) items non-deductible for tax (2021: €(29.9)million; 2020: €(12.7) million) and (iv) changes in tax regulations (2021: €(5.9)million; 2020: €0.6 million).

During the year, the weighted average applicable tax rate was 21.8% (2020: 21.3%).

### Note 6: Cash and cash equivalents

As at 31 December 2021, the fair value of cash and cash equivalents approximates the carrying value and cash and cash equivalents are expected to be recovered.

### Note 7: Current receivables

	31 Dec 2021 €m	31 Dec 2020 €m
Trade receivables, net of doubtful debt provisions	3.5	3.1
VAT receivables, net of VAT payables	31.0	0.4
Other receivables	3.6	2.8
<b>Total</b>	<b>38.1</b>	<b>6.4</b>

Trade receivables (net of doubtful debt provisions) are made of receivables expected to be recovered from customers in relation to (i) rental income for €0.4 million (2020: €0.5 million), (ii) service charges for €3.1 million (2020: €2.7 million) and (iii) other receivables for €0.0 million (2020: €0.0 million). As at 31 December 2021, trade receivables (net of doubtful debt provisions) include: (i) not yet due trade receivables for €2.1 million (2020: €1.0 million) and (ii) overdue trade receivables of €1.4 million (2020: €2.1 million). The ageing analysis of overdue trade receivables is as follows: less than 30 days for €1.1 million (2020: €1.5 million); more than 30 days, €0.3 million (2020: €0.7 million).

VAT receivables (net of VAT payables) as at 31 December 2021 mainly relate to recent acquisitions in Spain and Italy and are expected to be recovered during the year ended 31 December 2022.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

### Note 8: Other current assets

	31 Dec 2021 €m	31 Dec 2020 €m
Prepayments	12.4	7.0
<b>Total</b>	<b>12.4</b>	<b>7.0</b>

Prepayments are mainly composed of service charges, property tax and insurance accruals.

### Note 9: Joint ventures

	31 Dec 2021 €m	31 Dec 2020 €m
<b>Opening balance</b>	<b>55.0</b>	<b>80.6</b>
Cash movements, net	3.1	(25.5)
Transfers	(6.9)	(10.7)
Interest accrued, net	0.0	0.0
Share of net gains/(losses)	25.3	10.6
<b>Closing balance</b>	<b>76.6</b>	<b>55.0</b>

JVs are determined using the equity method, together with any long-term interests that, in substance, form part of the GEP's net investment in the JVs as at 31 December 2021 (equity investments of €0.0 million (2020: €0.0 million) and loan investments of €76.6 million (2020: €55.0 million)). The summarised and combined financial information (100% share) of the joint ventures listed in note 23 are as follows (according to IFRS): current assets (2021: €13.8 million, including €1.0 million of cash and cash equivalents; 2020: €13.8 million, including €0.8 million of cash and cash equivalents), non-current assets (2021: €146.0 million; 2020: €99.1 million), current liabilities (2021: €6.6 million; 2020: €2.8 million), non-current liabilities (2021: €153.2 million; 2020: €110.1 million), net assets (2021: €0.0 million; 2020: €0.0 million), net property income (2021: €0.0 million; 2020: -€0.1 million), net gains from fair value adjustments on investments in property (2021: €2.3 million; 2020: €1.9 million), net gains from disposals of investments in property (2021: €48.3 million; 2020: €19.3 million), income tax (2021: €0.0 million; 2020: -€0.1 million).

During the year, GEP further invested in existing joint ventures (essentially in relation to property developments) and in nine new joint ventures with the Goodman Group (50% share) in relation to property developments in France, Germany, the Netherlands and Spain. One joint venture has been sold during the year generating net cash proceeds for GEP of €34.1 million.

GEP also acquired the Goodman Group's 50% share in relation to one completed investment in property in Germany. As a result, GEP's 50% existing share (€6.9 million) in this joint venture has been transferred from joint ventures to completed investments in property in the consolidated statement of financial position.

During the year, a €25.3 million (2020: €10.6 million) share of net gains for the year was recorded on the joint ventures, including a €24.2 million (2020: €10.2 million) uplift in relation to disposals.

According to IFRS, the JVs classify their investments in property in Level 3 due to the significant unobservable inputs. During the year, there have been no transfers in or out of Level 3.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 10: Investments in property

	Completed investments in property €m	Properties under construction €m	Right-of-use assets €m	Total investments in property €m
<b>Carrying value as at 1 January 2021</b>	<b>3,091.4</b>	<b>0.0</b>	<b>113.9</b>	<b>3,205.3</b>
Acquisitions/construction costs, capital expenditure and other related costs	237.1	0.0	24.4	261.5
Disposals	(303.5)	0.0	0.0	(303.5)
Transfer from joint ventures	6.9	0.0	0.0	6.9
Changes in fair value	550.5	0.0	(1.3)	549.2
<b>Carrying value as at 31 December 2021</b>	<b>3,582.4</b>	<b>0.0</b>	<b>137.1</b>	<b>3,719.5</b>

All completed investments in property, with a carrying value of €3,582.4 million (2020: €3,091.4 million), have been valued at least once during the year ended 31 December 2021 by an independent external valuer. During the year, the Consolidated Entity used independent external valuers being JLL, CBRE and Cushman and Wakefield.

For the year ended 31 December 2021, a €550.5 million (2020: €176.3 million) uplift for the year was recorded on the completed investments in property and no uplift (2020: €0.5 million) was recognised on the properties under construction. A negative fair value adjustment of €1.3 million in relation to the right-of-use assets has been recognised during the year (2020: €1.2 million).

During the year, GEP closed on the following acquisitions for a total amount of €220.2 million: two assets in Germany (Bremen, Strom III and Duisburg IV), one asset in Italy (Milan, Pioltello I), three assets in Spain (Barcelona, Port B3; Barcelona, Molins de Rei I; Madrid, Mostoles) and the acquisition of Goodman Group's 50% share in one joint venture asset in Germany (Hamburg, Dradenau). GEP has applied the concentration test in IFRS 3 to the acquisitions in Germany and Italy which were done by way of share deals and concluded that they constitute acquisitions of assets as substantially all of the fair value is concentrated in a single asset. During the year, capital expenditure and other related costs amounted to €16.9 million.

During the year, GEP disposed of five assets in France (Project Omega), three assets in Germany (Project Zephyr) and one asset in Spain. The disposals resulted in a net pre-tax profit of €85.5 million.

The Management Company secures liability and property insurance for the benefit of the Consolidated Entity. The insurance coverage includes Public Liability Insurance and Broadform Property Damage Insurance (including cover for Terrorist Acts) and Business Interruption Insurance. The Property Damage and Business Interruption Insurance provide a limit of up to €150.0 million (2020: €150.0 million) for each occurrence subject to industry standard sub-limits, deductibles, definitions, exclusions and limitations. The assets are insured on a replacement cost basis. The Management Company regularly evaluates the types and amounts of insurance coverage in conjunction with Goodman Logisinsure (Belgium) NV (as one of the Investment Advisers) and Aon Belgium B.V. (UK Branch) and Marsh NV/SA (UK Branch) to ensure that the coverage and limits are appropriate for the Consolidated Entity.

The fair value measurement approach for the investments in property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used. The valuation technique used in measuring the fair value, as well as the values assumed for the significant unobservable inputs are summarised in the table below:

Valuation technique	Significant unobservable input	31 Dec 2021	31 Dec 2020
Income capitalisation	Range of net market rents (per sqm per annum)	€30 to €150	€30 to €130
	Capitalisation rate (weighted average)	3.7%	4.4%

During the year, there have been no transfers in or out of Level 3.



At 31 December 2021, should net market rents have lowered by 5 per cent with all other variables remaining constant, the decrease in net assets would amount to approximately €165.7 million (2020: €138.1 million), arising substantially from the decrease in market value of properties. If net market rents had risen by 5 per cent, the increase in net assets for the year would amount to approximately €165.7 million (2020: €138.1 million).

At 31 December 2021, should net initial yields have lowered by 25 basis points with all other variables remaining constant, the increase in net assets would amount to approximately €250.4 million (2020: €175.4 million), arising substantially from the increase in market value of properties. If net initial yields had risen by 25 basis points the decrease in net assets for the year would amount to approximately €218.9 million (2020: €157.2 million).

### Note 11: Derivative financial instruments

As at 31 December 2021, the fair value of derivative financial instruments was less than €0.01 million (2020: less than €0.01 million). According to IFRS, the fair value measurement hierarchy of the derivative financial instruments is classified as Level 2.

### Note 12: Deferred tax

	Assets €m	Liabilities €m
<b>Carrying value as at 1 January 2021</b>	<b>5.5</b>	<b>244.9</b>
Movement due to revaluation and tax depreciation of properties	0.0	132.7
Movement due to disposals of properties	(0.2)	(25.6)
Movement due to tax losses	(3.2)	0.0
Movement due to changes in tax regulations	0.0	5.9
<b>Carrying value as at 31 December 2021</b>	<b>2.1</b>	<b>357.8</b>

The deferred tax assets are expected to be recovered within a period up to five years. An amount of €15.0 million has not been recognised as a deferred tax asset as at 31 December 2021 (2020: €9.0 million).

An amount of €72.3 million has not been recognised as a deferred tax liability as at 31 December 2021 (2020: €70.6 million) due to the exemption on the initial recognition as described in note 1 on significant accounting policies, section Income tax.

### Note 13: Payables

	31 Dec 2021 €m	31 Dec 2020 €m
<b>Current payables</b>		
Trade payables	4.1	1.3
Tax payables and provisions	62.3	32.4
Deferred income	24.2	17.2
Related party payables	21.7	26.5
Property accruals	24.1	21.7
Other payables and accruals	19.6	14.2
<b>Total</b>	<b>156.0</b>	<b>113.3</b>
<b>Non-current payables</b>		
Customer deposits	2.8	3.1
Provision for performance fees	175.0	77.3
<b>Total</b>	<b>177.8</b>	<b>80.4</b>

During the year ended 31 December 2021, tax payables and provisions increased by €29.9 million mainly due to the disposal of five assets in France (Project Omega). Related party payables mainly consist of performance fees payable as at 31 December 2021, base management fees for the last quarter and other related party fees. Deferred income corresponds to rental income in relation to upcoming periods. For more details in relation to related parties, please refer to note 21 related party disclosures. Other payables and accruals include accrued interest on interest bearing liabilities for €3.3 million (2020: €3.7 million). For details on provision for performance fees, please refer to note 21 related party disclosures.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 14: Interest bearing liabilities and other borrowings

	Maturity date	31 Dec 2021 €m	Net cash flows	Non-cash changes	31 Dec 2020 €m
<b>Interest bearing liabilities</b>					
EMTN 16/22	Repaid	0.0	(254.0)	0.0	254.0
EMTN 16/26	Oct 2026	325.0	0.0	0.0	325.0
EMTN 19/29	Jul 2029	400.0	0.0	0.0	400.0
RCF	Dec 2024	0.0	0.0	0.0	0.0
Unamortised transaction costs	n/a	(7.9)	(1.5)	2.2	(8.5)
<b>Total interest bearing liabilities</b>		<b>717.1</b>	<b>(255.5)</b>	<b>2.2</b>	<b>970.4</b>
<b>Other borrowings</b>					
Crédit-bail (current)	May 2027	1.5	(1.4)	1.5	1.4
Crédit-bail (non-current)	May 2027	9.4	0.0	(1.5)	10.9
<b>Total other borrowings</b>		<b>10.9</b>	<b>(1.4)</b>	<b>0.0</b>	<b>12.3</b>

### Euro Medium Term Notes (EMTN)

GELF Bond Issuer I S.A., a Consolidated Entity's controlled entity, has on issue €725.0 million of notes under an EMTN Programme (2020: €979.0 million). All EMTN covenants were in compliance during the year.

The key covenants to the EMTN are as follows:

	31 Dec 2021 %	Test %	Pass/Fail
<b>EMTNs</b>			
Covenant Interest Cover	760.5	> 150.0	Pass
Covenant Priority Debt	0.3	< 30.0	Pass
Covenant Gearing	17.8	< 60.0	Pass

### EMTN 16/22

On 26 April 2021, GEP redeemed the EMTN issued on 20 October 2016 (EMTN 16/22) ahead of maturity (20 October 2022) for a total amount of €259.0 million (excluding interest accrued). The EMTN 16/22 bore a fixed coupon of 0.875% payable annually in arrears. Interest accrued as at that date have also been paid for €1.1 million. The notes have been delisted from the Luxembourg Stock Exchange.

### EMTN 16/26

The EMTN issued on 20 October 2016 bears a fixed coupon of 1.625% payable annually in arrears. The notes mature on 20 October 2026. The notes are listed on the Luxembourg Stock Exchange.

### EMTN 19/29

The EMTN issued on 18 July 2019 bears a fixed coupon of 1.125% payable annually in arrears. The notes mature on 18 July 2029. The notes are listed on the Luxembourg Stock Exchange.

### RCF (Revolving Credit Facility)

The Consolidated Entity has a €450 million (variable interest bearing) Revolving Credit Facility (RCF) with BNP Paribas, ING Bank, NatWest and HSBC. In December 2021, the RCF has been increased from €200 million to €450 million and extended by one more year. As a result, the RCF matures in December 2024. As at 31 December 2021, the RCF was undrawn (2020: undrawn). All RCF covenants were in compliance during the year.

The key covenants to the RCF are as follows:

	31 Dec 2021 %	Test %	Pass/Fail
<b>RCF</b>			
Covenant Interest Cover	760.5	> 200.0	Pass
Covenant Priority Debt	0.3	< 30.0	Pass
Covenant Gearing	17.8	< 60.0	Pass

#### Unamortised transaction costs

The unamortised transaction costs as at 31 December 2021 amount to €7.9 million (2020: €8.5 million) and are deducted from the interest bearing liabilities in the consolidated statement of financial position. During the year, €0.7 million of unamortised transaction costs have been written-off in relation to the early redemption of EMTN 16/22, €1.5 million of transaction costs have been amortised and €1.5 million have been capitalised in relation to the increased and extended RCF.

#### Other borrowings (crédit-bail)

The Consolidated Entity has a crédit-bail (variable interest bearing) related to an asset in Isle d'Abeau (France). As at 31 December 2021, the value of the credit-bail amounts to €10.9 million (2020: €12.3 million) and the fair value of the asset amounts to €42.5 million.

The crédit-bail matures in May 2027.

#### Note 15: Lease liabilities

The land lease commitments and the land lease liabilities as at 31 December 2021 are as follows:

	31 Dec 2021 €m	31 Dec 2021 %	31 Dec 2020 €m	31 Dec 2020 %
No later than 1 year	7.5	2.0	6.7	2.3
Later than 1 year and no later than 5 years	30.1	8.0	27.0	9.2
Later than 5 years	336.8	90.0	259.6	88.5
<b>Total lease commitments</b>	<b>374.4</b>	<b>100.0</b>	<b>293.4</b>	<b>100.0</b>
Effect of discounting	(237.3)		(179.5)	
<b>Total lease liabilities</b>	<b>137.1</b>		<b>113.9</b>	
of which are:				
Current lease liabilities	7.5		6.7	
Non-current lease liabilities	129.5		107.1	
<b>Total lease liabilities</b>	<b>137.1</b>		<b>113.9</b>	

For the year ended 31 December 2021, the lease liabilities' interest were €6.0 million (2020: €6.1 million) and the total cash outflow for land leases was €7.3 million (2020: €7.2 million). A net movement of lease liabilities was recognised for €23.2 million during the year ended 31 December 2021 mainly as a result of acquisitions (2020: €(6.8) million).

If there is a change in future lease payments resulting from an index increase, GEP remeasures the lease liabilities by discounting the revised lease payments.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 16: Issued capital and equity raising costs

	Number of Units m	Issued capital €m	Equity raising costs €m
<b>Opening balance as at 1 January 2021</b>	<b>32.7</b>	<b>2,116.9</b>	<b>(8.2)</b>
Movements during the year	0.0	0.0	0.0
<b>Closing balance as at 31 December 2021</b>	<b>32.7</b>	<b>2,116.9</b>	<b>(8.2)</b>

During the year, no capital call was made (2020: nil).

As at 31 December 2021, equity commitments amount to €276.7 million in relation to the equity raising closed in May 2017. Equity commitments are valid until 29 May 2022 and reserved for existing investment commitments.

The 2017 equity raising costs amounted to €0.5 million and are expected to be supported only by those investors who participated in the equity raising (through a pro-rata adjustment to the issue price at each capital call).

The weighted average number of Units for the year was 32.7 million (2020: 32.7 million).

## Note 17: Distributions

### Distributable income

	FY 2021 €m	FY 2020 €m
<b>Total comprehensive income for the year</b>	<b>487.9</b>	<b>282.8</b>
Adjusted for:		
Net (gains)/losses from fair value adjustments on investments in property, excluding right-of-use assets	(550.5)	(176.7)
Net (gains)/losses from disposals of investments in property, adjusted for capital gain taxes	(50.8)	(45.1)
Share of net (gains)/losses from joint ventures	(25.3)	(10.6)
Net (gains)/losses from depreciation of solar panels	0.4	0.2
Net (gains)/losses from fair value adjustments on derivative financial instruments	(0.0)	(0.0)
Redemption costs	5.8	1.2
Deferred income tax	116.3	20.8
Performance fees	114.6	50.9
Amortisation of interest rate caps	(0.4)	(0.5)
Capital expenditure allowance	(9.6)	(9.4)
<b>Distributable income for the year</b>	<b>88.2</b>	<b>113.6</b>

	Distributions per Unit €m	Distributions €m	Date (declared/paid)
<b>Distributions 2020</b>			
Q1 2020	1.03	33.7	May 2020
Q2 2020	1.00	32.7	Aug 2020
Q3 2020	0.74	24.2	Nov 2020
Q4 2020	0.70	23.0	Feb/Mar 2021
<b>Total for the year ended 31 December 2020</b>	<b>3.48</b>	<b>113.6</b>	
<b>Distributions 2021</b>			
Q1 2021	0.71	23.3	May 2021
Q2 2021	0.66	21.7	Aug 2021
Q3 2021	0.65	21.3	Nov 2021
Q4 2021	0.67	22.0	Feb/Mar 2022
<b>Total for the year ended 31 December 2021</b>	<b>2.70</b>	<b>88.2</b>	

### Capital return distributions

In April 2021, GEP declared and paid capital return distributions for a total amount of €100 million (2020: €300 million) or €3.06 per Unit (2020: €9.18 per Unit).

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 18: Unit price

For the purposes of calculating the Current Unit Value (CUV), the assets and liabilities of GEP (as accounted for under IFRS) are adjusted as follows:

	31 Dec 2021 €m	31 Dec 2020 €m	31 Dec 2019 €m
<b>Net assets (IFRS)</b>	<b>2,378.9</b>	<b>2,080.3</b>	<b>2,220.8</b>
Adjusted for:			
Reversal of IFRS deferred taxes	355.7	239.4	218.6
Fair value of deferred taxes <sup>8</sup>	(207.5)	(151.9)	(147.7)
Unamortised acquisition costs of investments in property <sup>9</sup>	7.9	3.8	6.2
Unamortised set-up/liquidity costs <sup>9</sup>	0.0	0.0	0.1
<b>CUV (cum)</b>	<b>2,535.0</b>	<b>2,171.6</b>	<b>2,298.1</b>
<b>CUV (ex)</b>	<b>2,513.1</b>	<b>2,148.6</b>	<b>2,265.4</b>
Number of issued Units, year-end (m)	32.7	32.7	32.7
<b>CUV (cum) per Unit (€ per Unit)</b>	<b>77.56</b>	<b>66.44</b>	<b>70.31</b>
<b>CUV (ex) per Unit (€ per Unit)</b>	<b>76.89</b>	<b>65.73</b>	<b>69.31</b>

8. 50% of deferred tax liabilities (ignoring initial recognition exemption) net of off-settable deferred tax assets.

9. Capitalised and amortised over 5 years.

### Note 19: Financial risk management

In terms of risk exposure, GEP is primarily exposed to interest rate risk, foreign exchange risk on non-Euro denominated cash flows, refinancing risk, counterparty credit risk and liquidity risk. These risks are managed in accordance with GEP's Financial Risk Management (FRM) Policy. The FRM Policy outlines the controls that must be adhered to, minimising the likelihood that financial risks will result in an unacceptable adverse impact on GEP's performance.

Management is constantly reviewing these risks with a view to the appropriateness of financing and hedging strategies through the cycle. The adherence to this Policy also intends to mitigate potential mismanagement, error or fraud in relation to financial risk management resulting in financial loss to GEP.

Management seeks to ensure that suitably experienced and qualified staff implements this policy (through annual capability statements of the Investment Advisors), systems are in place to measure these risks, appropriate contractual arrangements are in place with counterparties and compliance with the FRM Policy is maintained.

#### Interest rate risk

Interest rate risk refers to the risk that interest payments and profitability will fluctuate due to changes in market interest rates. In order to cover this risk, GEP utilises interest rate derivative financial instruments to manage its exposure to movement in market interest rates by substituting a variable with a fixed or capped interest rate. GEP's FRM Policy dictates both the term and scale (maximum between 80% and 110% of debt) of GEP's hedging positions.

The following instruments can be utilised to create the desired hedging profile:

- Interest rate caps
- Interest rate swaps
- Fixed rate debt.

GEP currently manages its interest exposure primarily through the use of fixed rate debt.

The comprehensive income for the year would have been less than €0.01 million higher (2020: less than €0.01 million higher), if market interest rates on borrowings had been 25 bps higher and less than €0.01 million lower (2020: less than €0.01 million lower), if market interest rates on borrowings had been 25 bps lower, with all other variables held constant.

Given that the movement of the mark-to-market of the derivative financial instruments is reversed in the distribution calculation, the equity attributable to Unitholders would have been less than €0.01 million higher as at 31 December 2021, if market interest rates on borrowings had been 25 bps higher, with all other variables held constant (2020: less than €0.01 million higher).

#### Foreign exchange risk

Foreign exchange risk results from adverse movements in exchange rates which may add volatility to cash flows.

For GEP, this is not expected to be material but should any significant income or expenses be receivable or payable in a currency other than Euro, the exchange rate movement will be hedged using the following:

- Foreign exchange forward contracts
- Foreign exchange swaps
- Purchased options.

During the year ended 31 December 2021, GEP did not enter into any foreign exchange forward contract. The aggregate outstanding balance of foreign exchange contracts as at 31 December 2021 was nil (2020: nil).

#### Refinancing risk

This refers to the risk that unfavourable credit market conditions result in either an unacceptable increase in GEP credit margins or an inability to repay debt facilities on their due date. The approval process for new debt obligations is therefore addressed by the Policy, whereby GEP's FRM Policy identifies key considerations to manage refinancing risk.

Following the early redemption of the EMTN 16/22 in April 2021 and the increased and extended RCF in December 2021, GEP has no debt maturities until December 2024 (aside from a portion of *crédit-bail*) and the weighted average drawn debt maturity was 6.3 years as at 31 December 2021 (2020: 5.9 years).

#### Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and this will result in a financial loss. This risk is managed by only entering into long-term financial contracts with financial counterparties having a long-term credit rating no lower than A-/A3 or if lower, sovereign rating. GEP also will seek to spread its credit exposures, where practical and commercially appropriate, by using multiple financial counterparties for its hedging transactions.

GEP's increased use of fixed rate debt in recent years has reduced the use of financial derivatives and the associated counterparty credit risk.

In relation to existing and potential customers, GEP is assessing their creditworthiness.

For the year ended 31 December 2021, GEP has complied with the requirements of this Policy.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Liquidity risk

Liquidity risk is the risk that GEP will not be able to meet its financial obligations as they fall due. GEP's objective is to maintain sufficient liquidity resources to maintain operations, meet its financial obligations and liabilities, pay distributions and provide funds for capital expenditure and investment opportunities. Management seeks to achieve these objectives through:

- Preparation of regular forecast cash flows to understand the application and use of funds
- Identification of future funding, including new debt facilities, or new equity raises
- Close monitoring of the covenants under GEP's EMTN Programme and RCF. The maturity analysis of financial instruments is set out below:

	31 Dec 2021 €m	Less than 1 year €m	1–5 years €m	More than 5 years €m	31 Dec 2020 €m
Cash and cash equivalents	74.9	74.9	0.0	0.0	332.1
Receivables and other current assets	50.5	50.5	0.0	0.0	13.5
Derivative financial instruments	0.0	0.0	0.0	0.0	0.0
<b>Total financial assets</b>	<b>125.4</b>	<b>125.4</b>	<b>0.0</b>	<b>0.0</b>	<b>345.6</b>
Payables	85.6	85.6	0.0	0.0	68.0
Customer deposits	2.8	0.0	2.8	0.0	3.1
Interest bearing liabilities	725.0	0.0	325.0	400.0	979.0
Other borrowings	10.9	1.5	6.4	3.0	12.3
Interest payables	63.4	10.0	39.8	13.6	77.9
Lease liabilities	374.4	7.5	30.1	336.8	293.4
<b>Total financial liabilities</b>	<b>1,262.0</b>	<b>104.6</b>	<b>404.0</b>	<b>753.4</b>	<b>1,433.6</b>

### Note 20: Commitments and contingencies

Acquisition and/or development of investments in property and/or joint ventures contracted but not provided for and payable:

	31 Dec 2021 €m	31 Dec 2020 €m
No later than 1 year	417.1	251.4
Later than 1 year	190.1	40.7
<b>Total</b>	<b>607.2</b>	<b>292.1</b>

As at 31 December 2021, GEP has uncalled equity commitments for an amount of €276.7 million. For more details, please refer to note 16.

As at 31 December 2021, GEP has no significant contingent liabilities.

### Note 21: Related party disclosures

#### Managers

The names of the persons holding the position of Manager of GELF Management (Lux) S.à r.l., GEP's Management Company, during the year ended 31 December 2021 were Henry Kelly (independent), Daniel Peeters, Dominique Prince, Thomas De Meester (up to 31 March 2021) and Hans Ongena (as from 1 April 2021). None of the Managers were Unitholders as at 31 December 2021 and as at 31 December 2020.

None of the Managers received remuneration from the Consolidated Entity with the exception of the independent Manager who received a gross remuneration of €0.04 million for the year ended 31 December 2021 in accordance with the terms of his appointment (2020: €0.04 million).



## Goodman Group

### Management Company's remuneration

In accordance with GEP's Management Regulations, the Management Company is entitled to receive base management fees, performance fees and expense reimbursements where expenses have been incurred on behalf of GEP. During the year, GEP has made the following payments and/or accruals to the Management Company.

	FY 2021 €m	FY 2020 €m
Base management fees	16.8	17.0
Performance fees (payable)	16.8	17.0
Expense reimbursements	1.3	1.3

As per GEP's Management Regulations, performance fees are payable (subject to a defined cap per annum) to the Management Company if GEP's total annual return (taking into account any performance fee deficit or excess) exceeds an annual hurdle. During the year ended 31 December 2021, performance fees of €114.6 million have been accrued in relation to GEP's total annual return in excess of the annual hurdle. Performance fees of €16.8 million are payable as at 31 December 2021 due to the defined cap per annum.

### Management Company's interests

The Management Company holds no securities directly in GEP. A related entity of the Management Company, Goodman Europe Development Trust, owns 6,656,653 Units (representing 20.4% of the issued Units as at 31 December 2021) and has uncalled equity commitments in relation to the 2017 equity raise for an amount of €39.9 million.

### Other related parties

All dealings between the Consolidated Entity and Goodman Group (including joint ventures entities as disclosed in note 9) are on normal commercial terms and conditions at arm's length basis. All material dealings are, where appropriate, appraised by qualified external parties to ensure they are at commercial market rates. The following transactions have taken place with related entities during the year:

	FY 2021 €m	FY 2020 €m
Property management fees <sup>10</sup>	2.7	3.4
Leasing fees	3.1	2.3
Transaction fees	2.8	4.9
Project management fees	1.4	1.2
<b>Property services fees</b>	<b>10.1</b>	<b>11.7</b>
Development fees	0.2	0.4
Financial administration fees	1.2	1.2
Fees to joint ventures (50% share)	1.5	0.6
Other fees	0.1	0.1
Acquisition of investments in property	177.6	69.6
Rental income	(0.4)	(0.5)
<b>Total</b>	<b>190.2</b>	<b>83.1</b>

10. Recoverable from customers for €2.0 million (FY 2020: €2.7 million).

### Note 22: Auditor remuneration

During the year ended 31 December 2021, fees to the Consolidated Entity's external auditor (PwC) regarding audit services amounted to €0.2 million (2020: €0.2 million); fees regarding non-audit services provided by the Consolidated Entity's external auditor amounted to €0.0 million (2020: €0.1 million).

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 23: Consolidated entities

Controlled entities	Acquisition/ set-up date	Country of establishment	Interest held 2021 %	Interest held 2020 %
Bel Astre NV	Jul 2007	Belgium	100	100
C€LOGIX Belgium Properties NV	Jul 2007	Belgium	100	100
Canal Logistic Center NV	Jul 2007	Belgium	100	100
GELF Arbo Logistics (Belgium) NV	Sep 2015	Belgium	100	100
Jupiter Logistic Holding NV	Dec 2006	Belgium	100	100
Logistics Warehouse Puurs 1 NV	Aug 2018	Belgium	100	100
Mars Logistic Holding NV	Dec 2006	Belgium	100	100
Mechelen Zuid Estate NV	Jul 2007	Belgium	100	100
Mechelen Zuid Investments NV	Jul 2007	Belgium	100	100
Mechelen Zuid Logistics NV	Jul 2007	Belgium	100	100
Mechelen Zuid Projects NV	Jul 2007	Belgium	100	100
Amiens Logistique SARL	Dec 2008	France	100	100
GELF Douai 1 Logistics (France) SCI	May 2014	France	100	100
GELF France Holding SARL	Jan 2008	France	100	100
GELF France SPPPICAV	Nov 2015	France	100	100
GELF Gennevilliers Logistics (France) SCI	Jun 2014	France	100	100
GELF Longvic (France) SARL	Jan 2008	France	100	100
GELF Roissy Logistics (France) SCI	Nov 2013	France	100	100
GELF Satolas Logistics (France) SCI	Dec 2015	France	100	100
GELF Strasbourg Logistics (France) SCI	Oct 2013	France	100	100
GEP Avion Logistics (France) SCI	Apr 2020	France	100	100
GEP Saint-Priest Logistics (France) SCI	Jan 2017	France	100	100
GEP Senlis Logistics (France) SCI	Jul 2018	France	100	100
GEP Serris Logistics (France) SCI	Jul 2018	France	100	100
GEP Solar Logistics (France) SASU	Feb 2021	France	100	0
GEP Val d'Europe Logistics (France) SCI	Jun 2017	France	100	100
Goodman Berre Logistics (France) SCI	Dec 2012	France	100	100
Goodman Carvin Logistics (France) SCI	Dec 2015	France	100	100
Goodman Gidy Logistics (France) SCI	Dec 2016	France	100	100
Goodman Jules Verne Logistics (France) SCI	Dec 2016	France	100	100
Goodman Lauwin 3 Logistics (France) SCI	Dec 2016	France	100	100
Goodman Lauwin 4 Logistics (France) SCI	Dec 2015	France	100	100
Goodman Saint Mard 2 Logistics (France) SCI	Dec 2015	France	100	100
Goodman Saint Mard 3 Logistics (France) SCI	Apr 2017	France	100	100
Goodman Saint-Gilles Logistics (France) SCI	Dec 2015	France	100	100
International Développement Management SARL	Jun 2007	France	100	100
A.L.L. Altenwerder Logistikvermietung GmbH <sup>14</sup>	May 2014	Germany	100	100
Alsdorf GmbH & Co KG	Dec 2006	Germany	100	100
GELF White GmbH & Co KG	Dec 2011	Germany	100	100
Gemini Prometheus Verwaltungs GmbH & Co KG	Dec 2006	Germany	100	100
Maple Logistics GmbH	Dec 2006	Germany	100	100
Pine Silver Verwaltungs GmbH & Co KG	Dec 2006	Germany	100	100
Prometheus Logistics GmbH	Dec 2006	Germany	100	100

<b>Controlled entities</b>	<b>Acquisition/ set-up date</b>	<b>Country of establishment</b>	<b>Interest held 2021 %</b>	<b>Interest held 2020 %</b>
Silver Maple Logistics GmbH	Dec 2006	Germany	100	100
Tulip Maple Verwaltungs GmbH & Co KG	Dec 2006	Germany	100	100
Goodman Üllő Logistics (Hungary) Kft.	Jun 2009	Hungary	100	100
Gyal Logistics Ingatlankezelő Kft. <sup>12</sup>	Oct 2007	Hungary	0	100
Goodman Aurora Logistics (Italy) S.R.L.	Sep 2021	Italy	100	0
Lemon Tree Logistics S.R.L.	Aug 2007	Italy	100	100
TCL International S.R.L.	Dec 2006	Italy	100	100
GELF Alpha (Lux) S.C.Sp. <sup>12</sup>	Dec 2014	Luxembourg	0	100
GELF Bond Issuer I S.A.	Nov 2012	Luxembourg	100	100
GELF Emerald (Lux) S.à r.l.	Sep 2008	Luxembourg	100	100
GELF European Holdings (Lux) S.à r.l.	Dec 2006	Luxembourg	100	100
GELF Fizinvest (Lux) S.à r.l.	Jul 2014	Luxembourg	100	100
GELF FizPartner (Lux) S.à r.l.	Oct 2014	Luxembourg	100	100
GELF Investments (Lux) S.à r.l.	Dec 2006	Luxembourg	100	100
GELF Langenbach (Lux) S.à r.l.	Jan 2008	Luxembourg	100	100
GEP Green Energy (Lux) S.à r.l.	Feb 2021	Luxembourg	100	0
Gemini Logistics S.à r.l.	Dec 2006	Luxembourg	100	100
Goodman Alizarin Logistics (Lux) S.à r.l. <sup>14</sup>	Jun 2013	Luxembourg	100	100
Goodman Azure Logistics (Lux) S.C.Sp. <sup>12</sup>	Dec 2014	Luxembourg	0	100
Goodman Bacchus Logistics (Lux) S.C.Sp. <sup>12</sup>	Jun 2015	Luxembourg	0	100
Goodman Beige Logistics (Lux) S.à r.l. <sup>11, 14</sup>	Oct 2020	Luxembourg	100	50
Goodman Brown Logistics (Lux) S.à r.l. <sup>14</sup>	Jul 2018	Luxembourg	100	100
Goodman Byzantium Logistics (Lux) S.à r.l. <sup>14</sup>	Jan 2017	Luxembourg	100	100
Goodman Candy Logistics (Lux) S.C.Sp. <sup>12</sup>	Apr 2014	Luxembourg	0	100
Goodman Ceramic Logistics (Lux) S.à r.l. <sup>14</sup>	May 2017	Luxembourg	100	100
Goodman Cerulean Logistics (Lux) S.à r.l. <sup>14</sup>	Jun 2013	Luxembourg	100	100
Goodman Cevic Logistics (Lux) S.à r.l. <sup>14</sup>	Jul 2015	Luxembourg	100	100
Goodman Coquelicot Logistics (Lux) S.à r.l.	Jul 2013	Luxembourg	100	100
Goodman Cordovan Logistics (Lux) S.C.Sp.	Dec 2014	Luxembourg	100	100
Goodman Cotton Logistics (Lux) S.C.Sp. <sup>12</sup>	Apr 2014	Luxembourg	0	100
Goodman Cumin Logistics (Lux) S.à r.l. <sup>14</sup>	Aug 2019	Luxembourg	100	100
Goodman Edelweis Logistics (Lux) S.à r.l.	Dec 2011	Luxembourg	100	100
Goodman Flame Logistics (Lux) S.à r.l. <sup>14</sup>	Apr 2014	Luxembourg	100	100
Goodman Ginger Logistics (Lux) S.à r.l. <sup>14</sup>	Oct 2015	Luxembourg	100	100
Goodman Gold Logistics (Lux) S.à r.l.	Jun 2008	Luxembourg	100	100
Goodman Harvest Logistics (Lux) S.à r.l. <sup>14</sup>	Mar 2014	Luxembourg	100	100
Goodman Hermes Logistics (Lux) S.C.Sp. <sup>12</sup>	Jun 2015	Luxembourg	0	100
Goodman Industrial Real Estate Germany II S.à r.l. <sup>14</sup>	Aug 2018	Luxembourg	100	100
Goodman Jade Logistics (Lux) S.à r.l.	Jun 2008	Luxembourg	100	100
Goodman Leipzig Logistics (Lux) S.à r.l.	Apr 2011	Luxembourg	100	100
Goodman Lemon Logistics (Lux) S.à r.l. <sup>14</sup>	Sep 2016	Luxembourg	100	100
Goodman Misty Logistics (Lux) S.à r.l. <sup>14</sup>	Nov 2019	Luxembourg	100	100
Goodman Moss Logistics (Lux) S.à r.l. <sup>14</sup>	Dec 2015	Luxembourg	100	100

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Controlled entities	Acquisition/ set-up date	Country of establishment	Interest held 2021 %	Interest held 2020 %
Goodman Navy Logistics (Lux) S.à r.l. <sup>11, 14</sup>	May 2015	Luxembourg	0	100
Goodman Obsidian Logistics (Lux) S.à r.l.	Dec 2012	Luxembourg	100	100
Goodman Ocean Logistics (Lux) S.à r.l. <sup>14</sup>	Dec 2016	Luxembourg	100	100
Goodman Olivine Logistics (Lux) S.à r.l.	Jun 2008	Luxembourg	100	100
Goodman Onyx Logistics (Lux) S.à r.l. <sup>14</sup>	Nov 2017	Luxembourg	100	100
Goodman Orcades Logistics (Lux) S.à r.l. <sup>14</sup>	Jan 2017	Luxembourg	100	100
Goodman Oregano Logistics (Lux) S.à r.l. <sup>14</sup>	Jun 2021	Luxembourg	100	0
Goodman Paprika Logistics (Lux) S.à r.l. <sup>14</sup>	Aug 2018	Luxembourg	100	100
Goodman Peppermint Logistics (Lux) S.à r.l. <sup>14</sup>	Sep 2013	Luxembourg	100	100
Goodman Platinum Logistics (Lux) S.à r.l. <sup>14</sup>	Aug 2018	Luxembourg	100	100
Goodman Pyrite Logistics (Lux) S.C.Sp. <sup>12</sup>	Dec 2008	Luxembourg	0	100
Goodman Rheinberg I Logistics (Lux) S.à r.l.	Apr 2011	Luxembourg	100	100
Goodman Rheinberg II Logistics (Lux) S.à r.l. <sup>11, 14</sup>	Sep 2015	Luxembourg	0	100
Goodman Sapphire Logistics (Lux) S.C.Sp. <sup>12</sup>	Dec 2007	Luxembourg	0	100
Goodman Silver Logistics (Lux) S.C.Sp. <sup>12</sup>	Dec 2011	Luxembourg	0	100
Goodman Sunglow Logistics (Lux) S.à r.l. <sup>14</sup>	Sep 2018	Luxembourg	100	100
Goodman Tangelo Logistics (Lux) S.à r.l. <sup>14</sup>	Dec 2016	Luxembourg	100	100
Goodman Tanzanite Logistics (Lux) S.à r.l.	Jan 2010	Luxembourg	100	100
Goodman Teal Logistics (Lux) S.à r.l. <sup>14</sup>	Apr 2014	Luxembourg	100	100
Goodman Thalia Logistics (Lux) S.à r.l.	Oct 2014	Luxembourg	100	100
Goodman Vita Logistics (Lux) S.à r.l.	Sep 2020	Luxembourg	100	100
Lubna (Lux) S.C.Sp. <sup>12</sup>	Jun 2007	Luxembourg	0	100
Pine Logistics S.à r.l.	Dec 2006	Luxembourg	100	100
Torun S.C.Sp. <sup>12</sup>	May 2007	Luxembourg	0	100
Tourmaline Logistics (Lux) S.à r.l. <sup>11</sup>	Dec 2010	Luxembourg	0	100
Tulip Logistics S.à r.l.	Dec 2006	Luxembourg	100	100
C€LOGIX N.V.	Jul 2007	Netherlands	100	100
C€LOGIX Participation B.V.	Jul 2007	Netherlands	100	100
C€LOGIX Properties France B.V.	Jul 2007	Netherlands	100	100
C€LOGIX Properties Holding B.V.	Jul 2007	Netherlands	100	100
C€LOGIX SPF	Jul 2007	Netherlands	100	100
Eris Logistics B.V.	Jun 2008	Netherlands	100	100
GELF Logistics Holding (Netherlands) B.V.	Jan 2008	Netherlands	100	100
Goodman Amber Logistics (Netherlands) B.V.	Dec 2007	Netherlands	100	100
Goodman Amsterdam Logistics (Netherlands) B.V.	Nov 2020	Netherlands	100	100
Goodman Azurite Logistics (Netherlands) B.V.	Dec 2007	Netherlands	100	100
Goodman Beryl Logistics (Netherlands) B.V.	Jun 2008	Netherlands	100	100
Goodman Lisa Logistics (Netherlands) B.V.	Jul 2020	Netherlands	100	100
Goodman Pepper Logistics (Netherlands) B.V.	Sep 2020	Netherlands	100	100
Goodman Solar Logistics (Netherlands) B.V.	Sep 2018	Netherlands	100	100
Goodman Tiel Logistics (Netherlands) B.V.	Sep 2007	Netherlands	100	100
Goodman Venlo Logistics (Netherlands) B.V.	Jun 2008	Netherlands	100	100
Venray Logistics (Netherlands) B.V.	Feb 2007	Netherlands	100	100

<b>Controlled entities</b>	<b>Acquisition/ set-up date</b>	<b>Country of establishment</b>	<b>Interest held 2021 %</b>	<b>Interest held 2020 %</b>
GELF FizPartner (Poland) Sp. z o.o.	Dec 2014	Poland	100	100
GELF FizPartner (Poland) Sp. z o.o. Crystal Logistics SpK	May 2007	Poland	100	100
IPOPEMA 103 FIZAN	Nov 2014	Poland	100	100
CELOGIX Espana, S.L.	Jul 2007	Spain	100	100
GELF Madrid (Spain), S.L.	Feb 2008	Spain	100	100
GEP Barbera Logistics (Spain), S.L.	Jul 2018	Spain	100	100
GEP Besós Logistics (Spain), S.L.	Feb 2021	Spain	100	0
GEP CM Segundo Logistics (Spain), S.L.	Nov 2017	Spain	100	100
GEP Iris Logistics (Spain), S.L.	Apr 2021	Spain	100	0
GEP Jarama Logistics (Spain), S.L.	Feb 2021	Spain	100	0
GEP Kiara Logistics (Spain), S.L.	Apr 2021	Spain	100	0
GEP Port Barcelona Logistics (Spain), S.L.	Jul 2018	Spain	100	100
GEP Vicalvaro Logistics (Spain), S.L.	Jul 2018	Spain	100	100
Goodman Can Estella Logistics (Spain), S.L.	Jun 2018	Spain	100	100
Goodman Can Margarit Logistics (Spain), S.L.	Oct 2016	Spain	100	100
Goodman Majestic Logistics (Spain), S.L.	Jun 2020	Spain	100	100

11. Entity sold during FY 2021.

12. Entity liquidated during FY 2021.

13. Entity transferred from "joint ventures" to "controlled entities" during FY 2021 (due to the acquisition of the remaining 50% interest by GEP during FY 2021).

14. Entity legally held by GELF Investments (Lux) S.à r.l., part of GEP (94.8%) and by Goodman Meadow Logistics (Lux) S.à r.l., part of Goodman Group (5.2%).

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Joint ventures	Acquisition/ set-up date	Country of establishment	Interest held 2021 %	Interest held 2020 %
GEP Kiona Logistics (France) SCI	May 2021	France	50	0
Goodman Blue Logistics (Hungary) Kft.	Sep 2018	Hungary	50	50
Goodman Flora Logistics (Lux) S.à r.l.	Sep 2021	Luxembourg	50	0
Goodman Lazulite Logistics (Lux) S.à r.l.	Dec 2008	Luxembourg	50	50
Goodman Levi Logistics (Lux) S.à r.l.	Sep 2021	Luxembourg	50	0
Goodman Mantis Logistics (Lux) S.à r.l.	Sep 2018	Luxembourg	50	50
Goodman Odysse Logistics (Lux) S.à r.l.	May 2017	Luxembourg	50	50
Goodman Priam Logistics (Lux) S.à r.l.	Sep 2021	Luxembourg	50	0
Goodman River Logistics (Lux) S.à r.l.	Sep 2021	Luxembourg	50	0
Goodman Serpentine Logistics (Lux) S.à r.l.	Sep 2018	Luxembourg	50	50
Goodman Tangerine Logistics (Lux) S.à r.l.	Mar 2020	Luxembourg	50	50
Goodman Aster Logistics (Netherlands) B.V.	Sep 2021	Netherlands	50	0
Goodman Bondi Logistics (Netherlands) B.V.	Jun 2018	Netherlands	50	50
Goodman Doris Logistics (Netherlands) B.V. <sup>15</sup>	Jun 2018	Netherlands	0	50
Goodman Jane Logistics (Netherlands) B.V.	Sep 2021	Netherlands	50	0
Goodman Libra Logistics (Netherlands) B.V.	Dec 2021	Netherlands	50	0
Goodman Mona Logistics (Netherlands) B.V.	Aug 2019	Netherlands	50	50
GEP Ilias Logistics (Spain), S.L.	Mar 2020	Spain	50	50
Goodman Helena Logistics (Spain), S.L.	Dec 2019	Spain	50	50
Goodman Manzanares Logistics (Spain), S.L.	Dec 2021	Spain	50	0
Loreto Investments 2018, S.L.	Jun 2018	Spain	50	50

15. Entity sold during FY 2021.

### Note 24: Subsequent events

There were no material events that occurred between the date of the consolidated statement of financial position and the date when the consolidated financial statements were authorised for issue that have a bearing on the understanding of these consolidated financial statements.



Amsterdam, The Netherlands

# GLOSSARY

The following definitions apply throughout the Annual Report, unless the context requires otherwise and reference to the singular shall be deemed to include reference to the plural and vice versa. Terms not defined herein have the meaning ascribed to them in the Management Regulations or in the Information Memorandum. In case of a conflict between the Management Regulations and the Information Memorandum, the Management Regulations shall prevail.

<b>AIFM</b>	GELF Management (Lux) S.à r.l., having its registered office in 5 Rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg or a successor AIFM as the context requires.
<b>Board</b>	The Board of Managers of the AIFM.
<b>BREEAM</b>	Building Research Establishment Environmental Assessment Method.
<b>CEE</b>	Central and eastern Europe.
<b>CIT</b>	Corporate Income Tax.
<b>Commitment</b>	With respect of each Investor, the maximum amount (denominated in Euro) agreed to be contributed to GEP pursuant to its Subscription Form(s) (including any existing and additional Commitment(s) made by such Investor).
<b>Contributed Capital</b>	In respect of each Investor, the aggregate amount of its Commitments that has been contributed and paid to GEP pursuant to one or more Call Notice(s).
<b>CSSF</b>	Commission de Surveillance du Secteur Financier.
<b>CUV (cum)</b>	Current Unit Value (cum).
<b>CUV (ex)</b>	Current Unit Value (ex).
<b>DGNB</b>	German Green Building Council.
<b>DPU</b>	Distribution Per Unit.
<b>EMTN Programme</b>	The €5,000,000,000 Euro Medium Term Note Programme of GELF Bond Issuer I S.A.
<b>Euribor</b>	Euro Interbank Offered Rate.
<b>Euro area (EA19)</b>	Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.
<b>FCP-FIS</b>	Fonds Commun de Placement – Fonds d'Investissement Spécialisé.
<b>GDP</b>	Gross Domestic Product.
<b>GEP or Partnership</b>	Goodman European Partnership (legal entity: Goodman European Logistics Fund, FCP FIS).
<b>GLA</b>	Gross Lettable Area.
<b>Goodman Group or Goodman</b>	Goodman Limited, Goodman Industrial Trust and Goodman Logistics (HK) Limited, trading as Goodman Group, and where the context requires, their controlled entities (which for the purpose of clarity includes trusts).
<b>GRESB</b>	Global Real Estate Sustainability Benchmark, a benchmarking entity for real estate focused on Environmental, Social and Governance topics (ESG).
<b>IC</b>	The Investment Committee established in accordance with article 4 of the Management Regulations.
<b>ICR</b>	Interest Coverage Ratio.
<b>IFRS</b>	International Financial Reporting Standards.
<b>Information Memorandum</b>	The current version of the information memorandum of GEP, as approved by the CSSF.
<b>Investment Committee (IC)</b>	The investment committee established in accordance with article 4 of the Management Regulations.
<b>Investment Advisory Agreement</b>	The current version of the investment advisory agreement between the AIFM and the Investment Advisor(s).
<b>LTV</b>	Loan to value.



<b>Management Regulations</b>	The current version of the duly signed management regulations between the AIFM and the Depositary.
<b>Manager</b>	A member of the Board.
<b>M2M</b>	Mark to market.
<b>NIY</b>	Net Initial Yield. Net Operating Income divided by Gross Property Value (including notional acquisition costs).
<b>NPI</b>	Net Property Income.
<b>Occupancy</b>	The economic occupancy of the GEP portfolio which is calculated based on income.
<b>PF</b>	Performance Fee.
<b>Property Services Agreement</b>	The amended and restated services agreement between the AIFM, Goodman Management Holdings (Lux) S.à r.l. and other Goodman subsidiaries originally dated 6 December 2006 and as most recently amended on 13 July 2016.
<b>RCF</b>	Revolving Credit Facility. The €200,000,000 amended and restated revolving credit facility between, among others, GEP, BNP Paribas, ING Bank N.V. and The Royal Bank of Scotland PLC, originally dated 23 February 2015 and as most recently amended on 20 December 2016.
<b>ROU</b>	Right-Of-Use.
<b>Target</b>	Equity return target as per the Information Memorandum.
<b>Uncalled Commitments</b>	In respect of a Unitholder, its Commitment less its Contributed Capital for the time being.
<b>VAT</b>	Value Added Tax.
<b>Unit</b>	A basic measurement of co-ownership participation in GEP issued by the AIFM pursuant to the Management Regulations.
<b>Unit holders</b>	The registered holder of a Unit (for the avoidance of doubt, this term includes, where appropriate, the Investors).
<b>WACD</b>	Weighted Average Cost of Debt.
<b>WADM</b>	Weighted Average Debt Maturity.
<b>WALE</b>	Weighted Average Lease Expiry.
<b>WIP</b>	Work In Progress.
<b>YOC</b>	Yield on Cost.

# CORPORATE DIRECTORY

## Management Company

GELF Management (Lux) S.à r.l.  
5 Rue de Strasbourg  
L-2561 Luxembourg  
Grand Duchy of Luxembourg

## Board of Managers

Henry Kelly  
Daniel Peeters  
Dominique Prince  
Hans Ongena

## Investment Advisers

Goodman Operator (UK) Limited  
Nelson House  
Central Boulevard  
Blythe Valley Park Solihull  
West Midlands England  
B90 8BG

Goodman Logistics Developments (UK) Limited  
Nelson House  
Central Boulevard  
Blythe Valley Park Solihull  
West Midlands England  
B90 8BG

Goodman Management Services (Belgium) NV  
Medialaan 50  
B-1800 Vilvoorde  
Belgium

Goodman Management Holdings (Lux) S.à r.l.  
5 Rue de Strasbourg  
L-2561 Luxembourg  
Grand Duchy of Luxembourg

Goodman Logisinsure (Belgium) NV<sup>16</sup>  
Medialaan 50  
Vilvoorde  
1800 Belgium

16. As part of an internal re-organisation during FY21, insurance services that were provided by Goodman Logisassure (France) S.à r.l. are provided by Goodman Logisinsure (Belgium) NV as from October 2021.

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