2023

ANNUAL REPORT

Goodman

GOODMAN EUROPEAN PARTNERSHIP
GOODMAN EUROPEAN LOGISTICS FUND, FCP-FIS
DECEMBER 2023

CONTENTS

Rheinberg, Germany

Goodman European Partnership[1] (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, 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.

Manager's report

Going into 2023, the only certainty seemed to be uncertainty, with the key focus not so much on how existing risks would play out but rather on what new risks would arise. In this context the past year did not disappoint.

While the European economy avoided a recession and the sentiment towards 2024 can be described as cautiously optimistic, a steady recovery cannot be considered as a given. Policy rates remain high, the war in Ukraine continues and new geo-political risks have emerged, most notably the expanding conflict in the Middle East and its potential implications on global supply chains. On the upside, inflation has been decreasing at a faster rate than expected, the consumer remains in good shape and the breakthrough of artificial intelligence offers prospective above cyclical productivity gains.

Against the backdrop of this challenging landscape, I'm pleased to present GEP's Annual Report for the financial year ended 31 December 2023, where GEP continued to demonstrate its ability to preserve and protect value in a difficult market environment resulting in a distribution return of 4.3% (2022: 3.8%) and Unitholder total return of -2.3% (2022: -2.9%). The Manager's Report further offers our view on the past year, and continued opportunities for GEP.

MARKET

2023 has in general been a turbulent year, and real estate was no exception. The most aggressive central bank hiking cycle in over three decades has left its mark with Eurozone GDP growth grinding to a halt and expected to close the year at a modest 0.6%. While this number means a recession has been (narrowly) avoided, it is concerning to see Germany's economy is expected to contract by 0.4%, when the country has been Europe's main engine of growth in years past. Surprising on the upside however is inflation, which has cooled more than expected, dropping from an average 9.9% in February to an expected 2.9% by year end. While this forecast remains above the ECB's 2% target, it is near certain policy rates will not increase further. The question therefore shifts to how long the current rates will need to be kept, to ensure inflation is kept under control without causing undue harm to the economy. In this context markets turned more optimistic and now expect faster and higher rate cuts over the year, representing one more step away from the previously adopted "higher for longer" narrative.

Against this backdrop, real estate underwent further re-pricing, yet once more industrial and logistics proved to be one of the most resilient asset classes. Transactional activity slowed, yet liquidity remained, without a doubt supported by continued strong performance of operational metrics such as occupancy, demand and rental growth.

+ Take up dropped significantly over the year, showing a clear re-balancing following the exceptional COVID years towards more normalised levels. Totals for the year ended up at a 16.5 million sqm, 26% lower than the record numbers in 2022 yet not too dissimilar from the pre-COVID five-year average
+ Supply for 2023 amounted to 11.0 million sqm, up 11% y/y. Space under construction at year-end was 8% lower than the prior year (10.8 million sqm). As developments take time to complete, both metrics lag reality. In the coming year(s) a slowdown in supply is expected, strongly linked to the stark increases in development and financing costs which have had a deterring effect on developers
+ Industrial transaction volumes for the year amounted to €14.1 billion for the year, 48% lower compared to 2022 and 36% lower compared to the five-year average (2018-2022). A big driver of this reduced deal volume was the wait-and-see approach adopted by core capital providers which remained largely on the side-lines. Looking ahead there are early signs of more deal flow taking place, yet predominately centred around more opportunistic pools of capital. Whether or not core capital will return to the market will largely depend on whether economic and geo-political indicators will improve – yet this remains to be seen
+ Rental growth continued throughout 2023, with an average y/y increase of 9.1%, mainly linked to the high degree of CPI capturing modalities built into logistics lease contracts, most of which apply annual review periods. For 2024 we expect rental growth potential to be still present despite economic headwinds, albeit in a more moderated fashion. Such rental growth will be predicated on today's

historically low vacancy levels and expected slowdown in new supply. An important nuance in this respect is however that we don't expect this rental growth to be uniform but rather focused on the best assets in the best locations.

Looking ahead to the coming year, consensus seems to be forming around a soft landing yet this is by no means a given. Ultimately a lot will depend on the strength and confidence of the consumer in an environment rife with (macro-)uncertainties where the impact of past rate hikes will start to fully unwind.

Although we believe a soft landing scenario in 2024 is in fact possible, we are cognisant the hoped for recovery will be fragile. However, where other asset classes face more existential threats (e.g. offices) logistics continues to benefit from structural tailwinds supporting case for higher growth vis-à-vis the base-line economy. E-commerce is here to stay, de-globalisation continuous to support the case for near-shoring and companies increasingly focus on making their supply chains more efficient and secure. Layered on top is the transition towards a green(er) economy where "sustainable" buildings will increasingly gain momentum over outdated / older stock, creating a (re-)direction of occupational activity within the asset class itself.

We therefore remain convinced well located sustainable real estate will continue to attract solid occupational demand resulting in long term stable cashflows with value growth potential.

PORTFOLIO

During 2023, GEP's active leasing approach led to 497k sqm of new leases or renewals signed (2022: 895k sqm), which represents c.17% of the total portfolio income. Year on year such leasing activity was down 44%, however this was due to the portfolio being practically fully let at the start of the year and lease expiries being limited exactly as a result of such (pro)active management by the local teams.

The annualised rent of the portfolio (L4L subset) grew significantly with 7.2% over the year, however since 87% of leases concerned renewals, this is mostly driven by indexation (average indexation of 7.2%). Continued high retention rates (96%) indicate customers are still eager to hold on to well-located space, whereby contractual renewal options (if available) are triggered to secure in-place, and often below market, rental levels. As more leases roll-over, the teams target to gradually unlock the embedded value of the portfolio by realising rent-reversion to market rates.

Overall, GEP's portfolio continued to perform well throughout a challenging year, with an occupancy of 99.5% and 5.2 year weighted average lease expiry (WALE) to first break at the end of December 2023.

CAPITAL MANAGEMENT

Over the last two years, in large part due to persistent inflation, capital markets have been increasingly volatile. As a result, central banks have raised policy rates with the ECB executing 200 bps of rate increases during the year, resulting in a deposit rate of 4.0% as per the end of 2023. Illustrative of this volatility is the 10Y euro swap rate, which increased to c.3.5% in October only to decrease with 100 bps (to 2.5%) by the end of the year. In this environment it is important to be sufficiently hedged to cope with rate increases but equally to be prepared to capitalise on rates decreases.

Based on this approach, GEP has executed several capital management initiatives over the year, the most notable ones being (i) publication of a Green Finance Framework and updated the EMTN prospectus, and (ii) the extension of GEP's RCF facility, expiring in Dec-24, with two years. In addition the €450 million equity, raised in 2022, remains uncalled.

The combination of the aforementioned initiatives with GEP's high quality portfolio and low gearing (c.27%) put GEP in a strong position to endure the current macro-economic uncertainties and capitalise on interesting investment opportunities if and when these arise. Also during the year, GEP's ratings were (re)confirmed, remaining stable at BBB+ (S&P) and Baa1 (Moody's). 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.

PERFORMANCE

Operationally the Partnership continued to perform very well in 2023, with occupancy above 99% for the entire period and a solid 7.2% annualised passing rental growth (on a like-for-like portfolio), resulting in a distribution per unit of €3.04 (2023: €2.86) and a distribution yield of 4.3%, in line with the budget.

Where visibility on income has arguably never been higher, the same cannot be said about valuations, the main driver of GEP's capital return. In 2023, the market continued to re-price real estate on the back of various (macro)uncertainties and most notably the increased interest rate environment. For GEP this implied a cap rate widening of c.62 bps over the full year (with 100% of the portfolio revalued at year end), partly offset by rental growth, this resulted in a valuation write down of c.€262 million (widening GEP's EY to 5.0%). In terms of results for the full year, GEP's total return post-performance fee provisions amounted to (2.3)% (total return pre PF: (4.7)%) equating to a decrease in CUV(ex) from €72.02 per Unit to €67.38 per Unit.

AIFM

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.

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. For the purpose of Article 20 of the 2013 Law, the AIFM confirms that all material changes in the information listed in Article 21 of the 2013 Law during the reporting period were included in the Information Memorandum that was issued during the reporting period. Since then, there was no obligation under the 2007 Law to update the Information Memorandum, the information prescribed by Article 21 of the 2013 Law will be made available to Unitholders on request. The AIFM further confirms that the information prescribed by Article 20(2)(e) and 20(2)(f) of the 2013 Law will be made available to Unitholders and regulators on request.

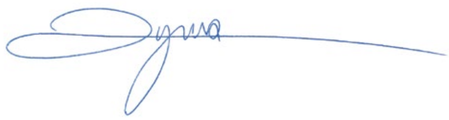
OUTLOOK

As a result of our disciplined investment strategy applied throughout the years, GEP has one of the highest quality portfolios in the market, which is reflected in the strength of its assets, locations and customers. In the current environment, GEP will apply an even higher degree of selectivity for investments and disposals, and is convinced new opportunities will arise. Opportunities GEP can and will execute on thanks to its strong capital position.

Through a mix of existing and new initiatives, the Partnership will increasingly focus on maximally extracting value from the existing portfolio through rolling out various asset management initiatives. Serving as an underlying principle to these activities will be a clear commitment to sustainability which will not only serve to safeguard but also to increase revenue generation out of GEP's assets. By staying true to these principles as well as being nimble and pragmatic in their execution, we believe GEP's portfolio is well placed to outperform the wider market on a relative basis going forward.

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 fourth quarter and for the full year ended 31 December 2023.



Hans Ongena
Investment Manager GEP

CONSOLIDATED FINANCIAL STATEMENTS CONTENTS

Goodman European Partnership[19] and its controlled entities.
For the year ended 31 December 2023 (audited).

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

Audit report

To the Unitholders of
Goodman European Logistics Fund FCP-FIS

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 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

What we have audited

The Fund's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- 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, including material accounting policy information and other explanatory information.

Basis for opinion

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

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

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

Other information

The 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.

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.

Responsibilities of the Board of Managers of the Management Company 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 IFRS Accounting Standards 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.

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

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

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

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

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

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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, 1 March 2024

Electronically signed by:
Amaury Evrard

Amaury Evrard

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023.

	Notes	FY 2023 €m	FY 2022 €m
Net property income	3	**189.1**	**168.5**
Net gains/(losses) from fair value adjustments on investments in property	10	(261.3)	(266.5)
Net gains/(losses) from disposals of investments in property	10	0.2	0.3
Share of net gains/(losses) from joint ventures	9	(0.9)	11.9
Depreciation of solar panels	11	(1.1)	(0.7)
Net gains/(losses) from investments in property, joint ventures and depreciation of solar panels		**(263.1)**	**(255.0)**
Base management fees	21	(19.3)	(20.4)
Performance fees	21	63.7	64.0
Other expenses[20]		(5.7)	(5.6)
Total expenses		**38.7**	**38.0**
Result before finance result and income tax		**(35.4)**	**(48.5)**
Finance costs		(26.8)	(15.8)
Lease liabilities' interest	15	(8.2)	(7.7)
Net gains/(losses) from fair value adjustments on derivative financial instruments		0.0	(0.0)
Finance income		0.2	0.0
Finance result	4	**(34.9)**	**(23.4)**
Result before income tax		**(70.2)**	**(71.9)**
Current income tax		(7.4)	(5.2)
Deferred income tax		41.0	14.5
Income tax	5	**33.6**	**9.4**
Result for the year attributable to Unitholders of GEP		**(36.7)**	**(62.5)**
Other comprehensive income for the year		0.0	0.0
Total comprehensive income/(loss) for the year attributable to Unitholders of GEP		**(36.7)**	**(62.5)**

20. Depositary/Custody fees are included in Other expenses for €0.3 million (FY 2023) and €0.3 million (FY 2022).

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 2023.

	Notes	31 Dec 2023 €m	31 Dec 2022 €m
Current assets			
Cash and cash equivalents	6	33.2	30.8
Receivables	7	10.7	10.1
Other current assets	8	19.2	15.9
Total current assets		**63.1**	**56.9**
Non-current assets			
Investments in property	10	3,888.6	4,020.7
Joint ventures	9	119.1	124.9
Solar panels	11	24.2	21.7
Derivative financial instruments		0.0	0.0
Deferred tax assets	12	6.4	3.8
Total non-current assets		**4,038.4**	**4,171.2**
Total assets		**4,101.5**	**4,228.1**
Current liabilities			
Payables	13	135.9	139.8
Other borrowings	14	1.6	1.5
Lease liabilities	15	8.9	8.9
Total current liabilities		**146.4**	**150.2**
Non-current liabilities			
Payables	13	13.7	95.6
Interest bearing liabilities	14	1,114.0	983.8
Other borrowings	14	6.3	7.9
Lease liabilities	**15**	165.9	151.2
Deferred tax liabilities	12	306.6	345.0
Total non-current liabilities		**1,606.6**	**1,583.5**
Total liabilities		**1,752.9**	**1,733.7**
Net assets		**2,348.6**	**2,494.4**
Equity attributable to Unitholders of GEP			
Issued capital	16	2,393.6	2,393.6
Equity raising costs	16	(8.7)	(8.7)
Distributions	17	(1,849.3)	(1,740.2)
Result brought forward		1,849.7	1,912.2
Result for the year		(36.7)	(62.5)
Total equity attributable to Unitholders of GEP	18	**2,348.6**	**2,494.4**
Non IFRS Accounting Standards measures			
Current Unit Value (cum) (€m)	18	2,466.8	2,634.0
Current Unit Value (cum) (€/Unit)	18	68.12	72.74
Current Unit Value (ex) (€m)	18	2,439.9	2,608.1
Current Unit Value (ex) (€/Unit)	18	67.38	72.02

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023.

	Issued capital €m	Equity raising costs €m	Distributions €m	Result brought forward and for the year €m	Total equity attributable to Unitholders of GEP €m
Balance at 1 Jan 2022	**2,116.9**	**(8.2)**	**(1,642.0)**	**1,912.2**	**2,378.9**
Comprehensive income/(loss)					
Result for the year	0.0	0.0	0.0	(62.5)	(62.5)
Other comprehensive income for the year	0.0	0.0	0.0	0.0	0.0
Total comprehensive income/(loss) for the year	**0.0**	**0.0**	**0.0**	**(62.5)**	**(62.5)**
Transactions with Unitholders					
Contributions by way of cash payment - Units	276.7	0.0	0.0	0.0	276.7
Equity raising costs	0.0	(0.4)	0.0	0.0	(0.4)
Distributable income declared to Unitholders of GEP	0.0	0.0	(98.2)	0.0	(98.2)
Balance at 31 Dec 2022	**2,393.6**	**(8.7)**	**(1,740.2)**	**1,849.7**	**2,494.4**
Balance at 1 Jan 2023	**2,393.6**	**(8.7)**	**(1,740.2)**	**1,849.7**	**2,494.4**
Comprehensive income/(loss)					
Result for the year	0.0	0.0	0.0	(36.7)	(36.7)
Other comprehensive income for the year	0.0	0.0	0.0	0.0	0.0
Total comprehensive income/(loss) for the year	**0.0**	**0.0**	**0.0**	**(36.7)**	**(36.7)**
Transactions with Unitholders					
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
Distributable income declared to Unitholders of GEP	0.0	0.0	(109.1)	0.0	(109.1)
Balance at 31 Dec 2023	**2,393.6**	**(8.7)**	**(1,849.3)**	**1,813.0**	**2,348.6**

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 2023.

	FY 2023 €m	FY 2022 €m
Cash flows from operating activities		
Result before income tax	(70.2)	(71.9)
Adjusted for:		
Net (gains)/losses from investments in property, joint ventures and depreciation of solar panels	263.1	255.0
Net (gains)/losses from fair value adjustments on derivative financial instruments	0.0	0.0
Finance income	(0.2)	(0.0)
Finance costs (incl. redemption costs and lease liabilities' interest)	35.0	23.4
(Increase)/decrease in current assets	(3.9)	24.5
Increase/(decrease) in current liabilities	(5.7)	7.6
Increase/(decrease) in other non-current liabilities	(82.0)	(82.2)
Cash generated from operations	**136.2**	**156.4**
Current income tax paid	(5.9)	(25.3)
Net cash generated from operating activities	**130.3**	**131.2**
Cash flows from/used in investing activities		
Payments for investments in property and solar panels[21]	(97.5)	(525.9)
Net proceeds from disposals of investments in property	0.0	0.0
Payments/receipts for investments in/loans to joint ventures	(13.3)	(68.0)
Net cash from/used in investing activities	**(110.8)**	**(593.9)**
Cash flows from financing activities		
Proceeds from issue of Units	0.0	276.7
Equity raising costs	(0.6)	0.0
Proceeds from interest bearing liabilities	130.0	265.0
Repayments of interest bearing liabilities and other borrowings (incl. costs)	(1.5)	(1.4)
Net interest paid (incl. bank charges and agency fees)	(26.1)	(14.2)
Distributions paid	(109.1)	(98.2)
Lease liabilities payments	(9.9)	(9.1)
Net cash generated from/used in financing activities	**(17.2)**	**418.6**
Net increase/(decrease) in cash and cash equivalents	2.4	(44.1)
Cash and cash equivalents at the beginning of the year	30.8	74.9
Cash and cash equivalents at the end of the year	**33.2**	**30.8**

21. Including payments of €74.7 million (2022: €318.7 million) for share acquisitions and €0.0 million (2022: €170.8 million) for property acquisitions.

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

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 5 December 2022, as amended from time to time. GEP is managed by Goodman Funds 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. On 8 December 2023, the Management Company changed its legal name from GELF Management (Lux) S.à r.l. to Goodman Funds Management (Lux) S.à r.l.

The Management Company is ultimately owned by Goodman Group. The Management Company 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 has a liquidity review every 10th anniversary (next liquidity review date is 13 July 2026). The liquidity review provides Unitholders with the opportunity to sell or redeem all or part of their Units or acquire additional Units.

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

NOTE 1: STATEMENT OF MATERIAL 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 historical 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 (IFRS Accounting 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 23 February 2024.

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 Accounting Standards 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

A joint venture (JV) 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. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Consolidated Entity's share of the post-acquisition profits or losses of the JV in profit or loss, and the Consolidated Entity's share of movements in other comprehensive income of the JV in other comprehensive income. Dividends received or receivable from JVs are recognised as a reduction in the carrying amount of the investment. 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.

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.

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

Business combinations

When an acquisition does not satisfy the concentration test and the acquired set of activities meets the definition of a business, the acquisition method of accounting is applied under IFRS 3. 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), amounts billed to customers for outgoings (e.g. property taxes, energy costs, insurance, cleaning, security, etc) and solar panel income.

GEP acting as a lessor recognises rental income from operating leases is recognised on a straight-line basis over the term of the lease term. Increase in rental income related to index changes are recognised in the periods in which those changes occur. 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.

Amounts billed to customers for outgoings are a cost recovery for GEP and are recognised in service charges once the expense has been incurred. The expense is included in property expenses.

Solar panel income is generated by the energy injected on the grid and by the energy consumed by customers.

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. The gain or loss on disposal is included as net gains/(losses) from disposals of investments in property in the consolidated statement of comprehensive income in the year of disposal.

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, 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. 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. The independent valuation obtained is net of all payments expected to be made for land leases, any related lease liability recognised in the consolidated statement of financial position is added back to arrive at the carrying value of the investments in property using the fair value model.

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 as net gains/(losses) from disposals of investments in property 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). Properties under construction are carried at their fair value.

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 consolidated statement of financial position 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.

GEP applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. In measuring expected credit losses, GEP takes into account information about past events, current conditions and forecasts of future economic conditions.

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 effective interest 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

Various Unitholders own Units in GEP. 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 raising costs

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

New and amended standards

The following relevant amended or improved standards have been adopted by GEP for the first time for the financial year beginning on 1 January 2023:

+ Amendments to IAS 12: Deferred taxes related to assets and liabilities arising from a single transaction
+ Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules
+ Amendments to IAS 8: Definition of accounting estimates
+ Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies.

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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by GEP. GEP does not expect those to have a material impact.

Non IFRS Accounting Standards 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 Accounting Standards) 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 Accounting Standards 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 situation in Ukraine and the consequences deriving from the sanctions taken towards Russia did not have a direct impact on the activity of the Consolidated Entity during FY23 since GEP is not active in these two countries (similar to FY22). Nevertheless, Management will continue to monitor the situation closely.

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.

Segment reporting

The Consolidated Entity reports one segment, being pan-European logistics and industrial properties.

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.

Vicálvaro, Spain

NOTE 3: NET PROPERTY INCOME

Net property income is comprised of the following

	FY 2023 €m	FY 2022 €m
Rental income	194.3	171.3
Service charges	29.7	28.9
Solar panel income	2.2	4.6
Gross property income	**226.2**	**204.8**
Property expenses (non recoverable)	(7.4)	(7.5)
Property expenses (recoverable)	(29.7)	(28.9)
Property expenses	**(37.1)**	**(36.4)**
Total	**189.1**	**168.5**

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

	31 Dec 2023 €m	31 Dec 2023 %	31 Dec 2022 €m	31 Dec 2022 %
No later than 1 year	207.6	18.5	186.9	17.2
Later than 1 year and no later than 2 years	193.8	17.3	176.5	16.2
Later than 2 year and no later than 3 years	164.4	14.7	155.0	14.3
Later than 3 year and no later than 4 years	128.8	11.5	129.6	11.9
Later than 4 year and no later than 5 years	97.3	8.7	102.0	9.4
Later than 5 years	327.8	29.3	337.3	31.0
Total	**1,119.7**	**100.0**	**1,087.3**	**100.0**

As at 31 December 2023, GEP has investments in 7 European countries (2022: 7). 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 2023 €m	FY 2022 €m	31 Dec 2023 €m	31 Dec 2022 €m
Belgium	14.1	13.3	262.5	283.9
France	36.2	33.0	687.8	757.4
Germany	79.9	70.0	1,595.5	1,649.8
Italy	1.2	1.2	24.8	27.1
Netherlands	30.6	28.1	576.1	600.4
Poland	0.4	0.7	16.4	18.3
Spain	26.7	22.2	522.3	513.8
Total	**189.1**	**168.5**	**3,685.4**	**3,850.6**

NOTE 4: FINANCE RESULT

	FY 2023 €m	FY 2022 €m
Bank loans interest, bank charges and agency fees	(16.4)	(4.4)
Euro Medium Term Notes (EMTN) interest	(9.8)	(9.8)
Amortisation of transaction costs	(1.7)	(1.7)
Capitalised borrowing costs	1.0	0.0
Finance costs	**(26.8)**	**(15.8)**
Lease liabilities' interest	(8.2)	(7.7)
Net gains/(losses) from fair value adjustments on derivative financial instruments	0.0	(0.0)
Finance income	0.2	0.0
Finance result	**(34.9)**	**(23.4)**

The weighted average cost of debt (WACD) for the year increased to 2.6% (2022: 1.8%).

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 2023 €m	Deferred income tax FY 2023 €m	Current income tax FY 2022 €m	Deferred income tax FY 2022 €m
Belgium	(1.3)	6.4	(1.1)	(1.6)
France	(0.1)	12.3	0.2	15.3
Germany	(3.2)	16.3	(1.9)	(5.8)
Italy	(0.1)	0.1	(0.1)	1.0
Luxembourg	(0.8)	0.0	(0.9)	0.0
Netherlands	(1.4)	2.0	(1.2)	2.0
Poland	(0.2)	0.1	(0.0)	0.1
Spain	(0.3)	3.8	(0.0)	3.6
Total	**(7.4)**	**41.0**	**(5.2)**	**14.5**

Income tax does not include any tax in relation to disposals as no disposal occurred during the year ended 31 December 2023 and 31 December 2022. Non-operational tax items are reversed in the distribution calculation.

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 2023 €m	FY 2022 €m
Result before income tax	(70.2)	(71.9)
Adjustments for items:		
Share of net (gains)/losses from joint ventures	0.9	(11.9)
Net (gains)/losses from fair value adjustments on derivative financial instruments	0.0	0.0
Adjusted result before income tax	**(69.3)**	**(83.8)**
Tax calculated at domestic tax rates	15.4	18.6
Other items[22]	18.2	(9.3)
Income tax	**33.6**	**9.4**

22. Other items include tax impacts in relation to (i) deductible expenses not included in the consolidated statement of comprehensive income (2023: €14.2 million; 2022: €7.8 million), (ii) items not subject to tax (2023: €15.0 million; 2022: €17.8 million), (iii) items non-deductible for tax (2023: €(10.9) million; 2022: €(34.4) million) and (iv) changes in tax regulations (2023: nil; 2022: €(0.5) million).

NOTE 6: CASH AND CASH EQUIVALENTS

As at 31 December 2023, 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 2023 €m	31 Dec 2022 €m
Trade receivables, net of doubtful debt provisions	2.8	3.6
VAT receivables, net of VAT payables	4.8	2.3
Other receivables	3.1	4.3
Total	**10.7**	**10.1**

Trade receivables (net of doubtful debt provisions) are made of receivables expected to be recovered from customers in relation to (i) rental income for €1.2 million (2022: €1.6 million), (ii) service charges for €1.5 million (2022: €2.0 million) and (iii) other receivables for €0.1 million (2022: €0.0 million). As at 31 December 2023, trade receivables (net of doubtful debt provisions) include: (i) not yet due trade receivables for €1.1 million (2022: €1.7 million) and (ii) overdue trade receivables of €1.7 million (2022: €1.9 million). The ageing analysis of overdue trade receivables is as follows: less than 30 days for €0.9 million (2022: €1.0 million); more than 30 days for €0.8 million (2022: €0.9 million).

The breakdown of the doubtful debt provisions is as follows:

	31 Dec 2023 €m	31 Dec 2022 €m
Opening balance	**1.7**	**1.6**
Doubtful debt provision accrued / (reversed) during the year	(1.6)	0.1
Closing balance	**0.1**	**1.7**

Information about GEP's exposure to credit risks is included in note 19.

VAT receivables (net of VAT payables) mainly relate to property acquisitions and developments and are expected to be recovered within the next 12 months.

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 2023 €m	31 Dec 2022 €m
Prepayments	19.2	15.9
Total	**19.2**	**15.9**

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

NOTE 9: JOINT VENTURES

	31 Dec 2023 €m	31 Dec 2022 €m
Opening balance	**124.9**	**76.6**
Cash movements, net	13.3	68.0
Transfers	(18.2)	(31.5)
Interest accrued, net	0.0	0.0
Share of net gains/(losses)	(0.9)	11.9
Closing balance	**119.1**	**124.9**

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 2023 (equity investments of €0.0 million (2022: €0.0 million) and loan investments of €119.1 million (2022: €124.9 million)). The summarised and combined financial information (100% share) of the joint ventures listed in note 23 are as follows (according to IFRS Accounting Standards): current assets (2023: €28.1 million, including €0.3 million of cash and cash equivalents; 2022: €14.9 million, including €0.7 million of cash and cash equivalents), non-current assets (2023: €349.7 million; 2022: €252.2 million), current liabilities (2023: €9.4 million; 2022: €8.1 million), non-current liabilities (2023: €368.4 million; 2022: €259.1 million), net assets (2023: €0.0 million; 2022: €0.0 million), net property income (2023: €0.7 million; 2022: €(1.0) million), net gains from fair value adjustments on investments in property (2023: €(2.5) million; 2022: €(0.1) million), net gains from disposals of investments in property (2023: nil; 2022: €27.5 million), income tax (2023: €(0.0) million; 2022: €(2.6) million).

During the year, GEP further invested €13.3 million (mainly through loan investments) in new and existing joint ventures with the Goodman Group (50% share) mainly in relation to property developments in Germany, the Netherlands and Spain.

GEP also acquired the Goodman Group's 50% share in relation to an asset in Spain. As a result, GEP's 50% existing share (€18.2 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 €0.9 million share of net losses for the year was recorded on the joint ventures (2022: €11.9 million share of net gains).

According to IFRS Accounting Standards, the JVs recognise their investments in property at fair value and classify those as Level 3 in the fair value hierarchy due to the significant unobservable inputs. During the year, there have been no transfers in or out of Level 3.

NOTE 10: INVESTMENTS IN PROPERTY

	Completed investments in property €m	Properties under construction €m	Right-of-use assets €m	Total investments in property €m
Carrying value as at 1 January 2023	**3,850.6**	**10.0**	**160.1**	**4,020.7**
Acquisitions, construction costs, capital expenditure and other related costs	44.1	50.6	16.3	110.9
Transfer from joint ventures	18.2	0.0	0.0	18.2
Transfer to completed investments in property	27.7	(27.7)	0.0	0.0
Changes in fair value	(255.3)	(4.3)	(1.7)	(261.3)
Carrying value as at 31 December 2023	**3,685.4**	**28.5**	**174.8**	**3,888.6**

All completed investments in property, with a carrying value of €3,685.4 million (2022: €3,850.6 million), have been valued at least once during the year ended 31 December 2023 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 2023, negative fair value adjustments of €259.6 million were recorded on the completed investments in property and properties under construction (2022: €265.0 million positive fair value adjustments on the completed investments in property). A negative fair value adjustment (corresponding to the lease liability capital repayment) of €1.7 million in relation to the right-of-use assets has also been recognised during the year (2022: €1.5 million).

During the year, GEP closed on two forward funded acquisitions in Germany which are under construction at year-end and completed the acquisition of Goodman Group's 50% share in one joint venture asset in Spain. GEP has applied the concentration test in IFRS 3 to the acquisitions in Germany and Spain 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. GEP also completed the development of two sites in Germany which were under construction as at 31 December 2022.

During the year, additional right-of-use assets of €16.3 million have been recognised in relation to two asset acquisitions in Germany and indexations.

During the year, GEP did not sell any assets although it recognised a profit on disposals of €0.2 million in relation to a provision release in relation to a disposal which occurred in previous years (2022: €0.3 million). The gain or loss on disposal is included as net gains/(losses) from disposals of investments in property in the consolidated statement of comprehensive income in the year of disposal.

GEP is exposed to changes in the residual value of properties at the end of current lease agreements. The residual value risk born by GEP is mitigated by active management of its property portfolio.

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 declared value 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 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 categorised 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 2023	31 Dec 2022
Income capitalisation	Range of net market rents (per sqm per annum)	€33 to €189	€30 to €187
	Capitalisation rate (weighted average)	5.0%	4.4%

The valuation technique applied here above performs an estimate of the future cash flows, considering reletting assumptions and current net market rents upon reversion. These future cash flows are then discounted at the applicable capitalisation rate.

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

At 31 December 2023, 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 €161.1 million (2022: €165.7 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 €161.1 million (2022: €165.7 million).

At 31 December 2023, should capitalisation rates have lowered by 25 basis points with all other variables remaining constant, the increase in net assets would amount to approximately €197.5 million (2022: €233.7 million), arising substantially from the increase in market value of properties. If capitalisation rates had risen by 25 basis points the decrease in net assets for the year would amount to approximately €178.2 million (2022: €208.4 million).

NOTE 11: SOLAR PANELS

	Completed €m	Under development €m	Total solar panels €m
Carrying value as at 1 January 2023	**21.2**	**0.5**	**21.7**
Acquisitions and development costs	0.0	3.7	3.7
Transfers	4.2	(4.2)	0.0
Depreciation	(1.1)	0.0	(1.1)
Carrying value as at 31 December 2023	**24.2**	**0.0**	**24.2**

During the year, new solar panels installations have been completed for a total amount of €3.7 million (one in France and five in Spain). Depreciation of solar panels were recorded for a total amount of €1.1 million for the year ended 31 December 2023 (2022: €0.7 million).

NOTE 12: DEFERRED TAX

	Deferred tax assets €m	Deferred tax liabilities €m
Carrying value as at 1 January 2023	**3.8**	**345.0**
Movement due to revaluation and tax depreciation of properties	n/a	(38.4)
Movement due to disposals of properties	0.0	0.0
Movement due to tax losses	2.6	n/a
Movement due to changes in tax regulations	0.0	0.0
Carrying value as at 31 December 2023	**6.4**	**306.6**

The deferred tax assets are expected to be recovered within a period up to five years. An amount of €11.9 million has not been recognised as a deferred tax asset as at 31 December 2023 (2022: €13.8 million).

An amount of €91.6 million has not been recognised as a deferred tax liability as at 31 December 2023 (2022: €94.9 million) due to the exemption on the initial recognition as described in note 1 on material accounting policies, section Income tax.

NOTE 13: PAYABLES

Current payables	31 Dec 2023 €m	31 Dec 2022 €m
Trade payables	6.2	7.7
Tax payables and provisions	43.8	42.3
Deferred income	19.8	24.9
Related party payables	23.8	25.1
Property accruals	19.2	20.2
Other payables and accruals	23.1	19.6
Total	**135.9**	**139.8**

Non-current payables	31 Dec 2023 €m	31 Dec 2022 €m
Customer deposits	4.9	4.5
Provision for performance fees	8.8	91.2
Total	**13.7**	**95.6**

Related party payables mainly consist of performance fees payable as at 31 December 2023, base management fees for the last quarter and other related party fees. For more details in relation to related parties, please refer to note 21 related party disclosures.

Deferred income corresponds to rental income in relation to upcoming periods.

Other payables and accruals include accrued interest on interest bearing liabilities for €3.6 million (2022: €3.4 million).

NOTE 14: INTEREST BEARING LIABILITIES AND OTHER BORROWINGS

	Maturity date	31 Dec 2023 €m	Net cash flows €m	Non-cash changes €m	31 Dec 2022 €m
Interest bearing liabilities					
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 2026	395.0	130.0	0.0	265.0
Unamortised transaction costs	n/a	(6.0)	(1.4)	1.7	(6.2)
Total interest bearing liabilities		**1,114.0**	**128.6**	**1.7**	**983.8**
Other borrowings					
Crédit-bail (current)	May 2027	1.6	(1.5)	1.6	1.5
Crédit-bail (non-current)	May 2027	6.3	0.0	(1.6)	7.9
Total other borrowings		**7.9**	**(1.5)**	**0.0**	**9.4**

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 (2022: €725.0 million). All EMTN covenants were in compliance during the year. The key covenants to the EMTN are as follows:

	31 Dec 2023 %	Test %	Pass/Fail
EMTNs			
Covenant Interest Cover	518.8	> 150.0	Pass
Covenant Priority Debt	0.2	< 30.0	Pass
Covenant Gearing	28.1	< 60.0	Pass

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. Following a 2-year extension agreed in December 2023, the RCF matures in December 2026. As at 31 December 2023, the RCF was €395 million drawn (2022: €265 million). All RCF covenants were in compliance during the year.

The key covenants to the RCF are as follows:

	31 Dec 2023 %	Test %	Pass/Fail
RCF			
Covenant Interest Cover	518.8	> 200.0	Pass
Covenant Priority Debt	0.2	< 30.0	Pass
Covenant Gearing	28.1	< 60.0	Pass

Unamortised transaction costs

The unamortised transaction costs as at 31 December 2023 amount to €6.0 million (2022: €6.2 million) and are deducted from the interest bearing liabilities in the consolidated statement of financial position. During the year, €1.7 million (2022: €1.7 million) of transaction costs have been amortised and €1.4 million of transaction costs have been capitalised in relation to the RCF extension in December 2023.

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 2023, the value of the credit-bail amounts to €7.9 million (2022: €9.4 million) and the fair value of the asset amounts to €48.7 million.

The crédit-bail matures in May 2027.

Fair value of interest bearing liabilities and other borrowings

As a 31 December 2023, the fair value of fixed rate interest bearing liabilities (EMTNs) amounting to €649.1 million has been determined by reference to the quoted market prices as at 31 December 2023 (2022: €583.1million) and the fair value of floating rate interest bearing liabilities (RCF) and other borrowings (crédit-bail) approximates the carrying value.

NOTE 15: LEASE LIABILITIES

The land lease commitments and the land lease liabilities as at 31 December 2023 are as follows:

	31 Dec 2023 €m	31 Dec 2023 %	31 Dec 2022 €m	31 Dec 2022 %
No later than 1 year	8.9	2.0	8.9	2.1
Later than 1 year and no later than 5 years	35.4	7.8	35.6	8.4
Later than 5 years	407.6	90.2	380.6	89.5
Total lease commitments	**451.9**	**100.0**	**425.2**	**100.0**
Effect of discounting	(277.1)		(265.0)	
Total lease liabilities	**174.8**		**160.1**	
of which are:				
Current lease liabilities	8.9		8.9	
Non-current lease liabilities	165.9		151.2	
Total lease liabilities	**174.8**		**160.1**	

For the year ended 31 December 2023, the lease liabilities' interest were €8.2 million (2022: €7.7 million) and the total cash outflow for land leases was €9.9 million (2022: €9.1 million). A net movement of lease liabilities was recognised for €14.6 million during the year ended 31 December 2023 mainly related to two asset acquisitions in Germany and indexations (2022: €23.1 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.

NOTE 16: ISSUED CAPITAL AND EQUITY RAISING COSTS

	Number of issued Units €m	Issued capital €m	Equity raising costs €m
Opening balance as at 1 January 2023	**36.2**	**2,393.6**	**(8.7)**
Movements during the year	0.0	0.0	0.0
Closing balance as at 31 December 2023	**36.2**	**2,393.6**	**(8.7)**

During the year, no capital call was made (2022: €276.7 million).

As at 31 December 2023, uncalled equity commitments amount to €450 million (subject to any single Unitholder other than Goodman Group – which is subject to a maximum of 40% – holding less than 24.9% of all issued Units) in relation to the 2022 equity raise. The 2022 equity raising costs (€0.6 million) will be supported only by those investors who participated in the equity raise (through a pro-rata adjustment to the issue price at each capital call).

The weighted average number of Units for the year was 36.2 million (2022: 35.7 million).

NOTE 17: DISTRIBUTIONS

Distributable income

	FY 2023 €m	FY 2022 €m
Total comprehensive income/(loss) for the year	**(36.7)**	**(62.5)**
Adjusted for:		
Net (gains)/losses from fair value adjustments on investments in property, excluding right-of-use assets	259.6	265.0
Net (gains)/losses from disposals of investments in property, adjusted for capital gain taxes	(0.2)	(0.3)
Share of net (gains)/losses from joint ventures	0.9	(11.9)
Depreciation of solar panels	1.1	0.7
Net (gains)/losses from fair value adjustments on derivative financial instruments	0.0	0.0
Deferred income tax	(41.0)	(14.5)
Performance fees	(63.7)	(64.0)
Amortisation of interest rate caps	0.0	(0.3)
Capital expenditure allowance	(10.0)	(10.0)
Distributable income for the year	**110.1**	**102.2**

	Distributable income per Unit €	Distributable income €m	Date (declared/paid)
Distributable income 2022			
Q1 2022	0.71	24.5	May 2022
Q2 2022	0.72	25.7	Aug 2022
Q3 2022	0.72	26.0	Nov 2022
Q4 2022	0.72	25.9	Feb/Mar 2023
Total for the year ended 31 December 2022	**2.86**	**102.2**	
Distributable income 2023			
Q1 2023	0.77	27.8	May 2023
Q2 2023	0.77	27.9	Aug 2023
Q3 2023	0.76	27.5	Nov 2023
Q4 2023	0.74	26.8	Feb/Mar 2024
Total for the year ended 31 December 2023	**3.04**	**110.1**	

Capital return distributions

During the year ended 31 December 2023, no capital return distributions were made (2022: nil).

NOTE 18: CURRENT UNIT VALUE

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

	31 Dec 2023 €m	31 Dec 2022 €m	31 Dec 2021 €m
Net assets (IFRS)	**2,348.6**	**2,494.4**	**2,378.9**
Adjusted for:			
Reversal of IFRS deferred taxes	300.2	341.2	355.7
Fair value of deferred taxes[23]	(192.6)	(213.9)	(207.5)
Unamortised acquisition costs of investments in property[24]	10.5	12.2	7.9
Unamortised set-up/liquidity costs[24]	0.0	0.0	0.0
CUV (cum)	**2,466.8**	**2,634.0**	**2,535.0**
CUV (ex)	**2,439.9**	**2,608.1**	**2,513.1**
Number of issued Units, year-end (m)	36.2	36.2	32.7
CUV (cum) per Unit (€ per Unit)	**68.12**	**72.74**	**77.56**
CUV (ex) per Unit (€ per Unit)	**67.38**	**72.02**	**76.89**

23. 50% of deferred tax liabilities (ignoring initial recognition exemption) net of off-settable deferred tax assets.
24. 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.

In terms of capital management, GEP's principal objectives are to maintain a strong capital base and provide funds for operating activities (including development expenditure), capital expenditure and investment opportunities as they arise. This is achieved through an appropriate mix of debt and equity.

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 may use 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 long term 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/(loss) for the year would have been €1.1 million lower (2022: €0.22 million), if market interest rates on borrowings had been 25 bps higher and €1.1 million higher (2022: €0.13 million), if market interest rates on borrowings had been 25 bps lower, with all other variables held constant.

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 as GEP's portfolio is primarily based in the Eurozone 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 2023, GEP did not enter into any foreign exchange forward contract. The aggregate outstanding balance of foreign exchange contracts as at 31 December 2023 was nil (2022: 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.

GEP has no debt maturities until December 2026 (aside from a portion of crédit-bail) and the weighted average drawn debt maturity was 3.8 years as at 31 December 2023 (2022: 4.4 years).

Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

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, Management is assessing their creditworthiness and is evaluating all customers' perceived credit risk and may require the lodgment of bank guarantees (or other guarantees), as appropriate, to reduce credit risk. In addition, all rents are payable in advance. Management is considering recording doubtful debt provisions based on historical credit loss experience, adjusted for forward-looking factors specific to the customers and the economic environment and more specifically in case of arrears of more than 90 days or expected uncollectable. Doubtful debt provisions reversed during the year ended 31 December 2023 were €1.6 million or 0.8% of annual rental income (2022: accrued for €0.1 million or 0.1%).

For the year ended 31 December 2023, GEP has complied with the requirements of this Policy.

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 and all amounts disclosed are the contractual undiscounted cash flows:

	31 Dec 2023 €m	Less than 1 year €m	1–5 years €m	More than 5 years €m	31 Dec 2022 €m
Current payables	71.5	71.5	0.0	0.0	70.5
Non-current payables	4.9	0.1	3.0	1.8	4.5
Interest bearing liabilities	1,226.5	31.1	790.8	404.5	1,060.2
Other borrowings	9.2	2.1	7.2	0.0	10.1
Lease liabilities	451.9	8.9	35.4	407.6	425.2
Total financial liabilities	**1,763.9**	**113.6**	**836.4**	**813.9**	**1,570.4**

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 2023 €m	31 Dec 2022 €m
No later than 1 year	114.4	175.0
Later than 1 year	75.5	67.0
Total	**189.9**	**242.0**

As at 31 December 2023, GEP has uncalled equity commitments for an amount of €450 million, subject to any single Unitholder other than Goodman Group – which is subject to a maximum of 40% – holding less than 24.9% of all issued Units (2022: €450 million). For more details, please refer to note 16. As at 31 December 2023 and 2022, GEP has no significant contingent liabilities.

NOTE 21: RELATED PARTY DISCLOSURES

Managers

The names of the persons holding the position of Manager of Goodman Funds Management (Lux) S.à r.l., GEP's Management Company, during the year ended 31 December 2023 were Henry Kelly (independent), Daniel Peeters, Dominique Prince and Hans Ongena. None of the Managers were Unitholders as at 31 December 2023 and as at 31 December 2022.

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 2023 in accordance with the terms of his appointment (2022: €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 2023 €m	FY 2022 €m
Base management fees	19.3	20.4
Performance fees (payable)	18.6	19.8
Expense reimbursements	1.9	1.9

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 2023, performance fees of €63.7 million have been reversed due to GEP's total annual return being below the annual hurdle (2022: €64.0 million reversed). Performance fees of €18.6 million are payable as at 31 December 2023 (2022: €19.8 million) 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 7,164,663 Units (representing 19.8% of the issued Units as at 31 December 2023) and has uncalled equity commitments in relation to the 2023 equity raise for an amount of €89.0 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 2023 €m	FY 2022 €m
Property management fees[25]	3.4	3.1
Leasing fees	2.8	5.0
Transaction fees	0.4	2.4
Project management fees	2.2	2.5
Property services fees	**8.9**	**13.0**
Development fees	0.1	0.0
Financial administration fees	1.4	1.3
Fees to joint ventures (50% share)	1.2	2.2
Other fees	0.0	0.3
Acquisition of investments in property	74.3	481.1
Total	**85.9**	**497.9**

25. Recoverable from customers for €2.7 million (FY 2022: €2.4 million).

NOTE 22: AUDITOR REMUNERATION

During the year ended 31 December 2023, fees to the Consolidated Entity's external auditor (PwC Luxembourg) regarding audit services amounted to €0.2 million (2022: €0.2 million); fees regarding non-audit services provided by the Consolidated Entity's external auditor amounted to €0.0 million (2022: €0.0 million).

NOTE 23: CONSOLIDATED ENTITIES

Controlled entities	Acquisition/ set-up date	Country of establishment	Interest held 2023 %	Interest held 2022 %
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 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 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	100
GEP Val d'Europe Logistics (France) SCI	Jun 2017	France	100	100
Goodman Berre Logistics (France) SCI	Dec 2012	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 Saint Mard 2 Logistics (France) SCI	Dec 2015	France	100	100
Goodman Saint Mard 3 Logistics (France) SCI	Apr 2017	France	100	100
International Développement Management SARL	Jun 2007	France	100	100
A.L.L. Altenwerder Logistikvermietung GmbH[29]	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

Controlled entities	Acquisition/ set-up date	Country of establishment	Interest held 2023 %	Interest held 2022 %
Pine Silver Verwaltungs GmbH & Co KG	Dec 2006	Germany	100	100
Prometheus Logistics GmbH	Dec 2006	Germany	100	100
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.[26]	Jun 2009	Hungary	0	100
Goodman Aurora Logistics (Italy) S.R.L.	Sep 2021	Italy	100	100
Lemon Tree Logistics S.R.L.	Aug 2007	Italy	100	100
TCL International S.R.L.	Dec 2006	Italy	100	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 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	100
Gemini Logistics S.à r.l.	Dec 2006	Luxembourg	100	100
Goodman Alizarin Logistics (Lux) S.à r.l.[29]	Jun 2013	Luxembourg	100	100
Goodman Beige Logistics (Lux) S.à r.l.[29]	Oct 2020	Luxembourg	100	100
Goodman Brown Logistics (Lux) S.à r.l.[29]	Jul 2018	Luxembourg	100	100
Goodman Byzantium Logistics (Lux) S.à r.l.[29]	Jan 2017	Luxembourg	100	100
Goodman Ceramic Logistics (Lux) S.à r.l.[29]	May 2017	Luxembourg	100	100
Goodman Cerulean Logistics (Lux) S.à r.l.[29]	Jun 2013	Luxembourg	100	100
Goodman Cevic Logistics (Lux) S.à r.l.[29]	Jul 2015	Luxembourg	100	100
Goodman Coquelicot Logistics (Lux) S.à r.l.	Jul 2013	Luxembourg	100	100
Goodman Cumin Logistics (Lux) S.à r.l.[29]	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.[29]	Apr 2014	Luxembourg	100	100
Goodman Ginger Logistics (Lux) S.à r.l.[29]	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.[29]	Mar 2014	Luxembourg	100	100
Goodman Industrial Real Estate Germany II S.à r.l.[29]	Aug 2018	Luxembourg	100	100
Goodman Jade Logistics (Lux) S.à r.l.	Jun 2008	Luxembourg	100	100
Goodman Kronos Logistics (Lux) S.à r.l.	Dec 2022	Luxembourg	100	100
Goodman Leipzig Logistics (Lux) S.à r.l.	Apr 2011	Luxembourg	100	100
Goodman Lemon Logistics (Lux) S.à r.l.[29]	Sep 2016	Luxembourg	100	100
Goodman Misty Logistics (Lux) S.à r.l.[29]	Nov 2019	Luxembourg	100	100
Goodman Moss Logistics (Lux) S.à r.l.[29]	Dec 2015	Luxembourg	100	100
Goodman Obsidian Logistics (Lux) S.à r.l.	Dec 2012	Luxembourg	100	100
Goodman Ocean Logistics (Lux) S.à r.l.[29]	Dec 2016	Luxembourg	100	100
Goodman Onyx Logistics (Lux) S.à r.l.[29]	Nov 2017	Luxembourg	100	100

Controlled entities	Acquisition/ set-up date	Country of establishment	Interest held 2023 %	Interest held 2022 %
Goodman Orcades Logistics (Lux) S.à r.l.[24]	Jan 2017	Luxembourg	100	100
Goodman Oregano Logistics (Lux) S.à r.l.[29]	Jun 2021	Luxembourg	100	100
Goodman Paprika Logistics (Lux) S.à r.l.[29]	Aug 2018	Luxembourg	100	100
Goodman Peppermint Logistics (Lux) S.à r.l.[29]	Sep 2013	Luxembourg	100	100
Goodman Platinum Logistics (Lux) S.à r.l.[29]	Aug 2018	Luxembourg	100	100
Goodman Rheinberg I Logistics (Lux) S.à r.l.	Apr 2011	Luxembourg	100	100
Goodman Shamrock Logistics (Lux) S.à r.l.	Mar 2023	Luxembourg	100	0
Goodman Sunglow Logistics (Lux) S.à r.l.[29]	Sep 2018	Luxembourg	100	100
Goodman Tangelo Logistics (Lux) S.à r.l.[29]	Dec 2016	Luxembourg	100	100
Goodman Tangerine Logistics (Lux) S.à r.l.	Mar 2020	Luxembourg	100	100
Goodman Tanzanite Logistics (Lux) S.à r.l.	Jan 2010	Luxembourg	100	100
Goodman Teal Logistics (Lux) S.à r.l.[29]	Apr 2014	Luxembourg	100	100
Goodman Thalia Logistics (Lux) S.à r.l.	Oct 2014	Luxembourg	100	100
Goodman Titan Logistics (Lux) S.à r.l.	Jul 2022	Luxembourg	100	100
Goodman Valeria Logistics (Lux) S.à r.l.	Mar 2023	Luxembourg	100	0
Goodman Vita Logistics (Lux) S.à r.l.	Sep 2020	Luxembourg	100	100
Pine Logistics S.à r.l.	Dec 2006	Luxembourg	100	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.[26]	Jan 2008	Netherlands	0	100
Goodman Alblasserdam Logistics (Netherlands) B.V.	Jan 2022	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 Orchid Logistics (Netherlands) B.V.	Jan 2022	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
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

Controlled entities	Acquisition/ set-up date	Country of establishment	Interest held 2023 %	Interest held 2022 %
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	100
GEP CM Segundo Logistics (Spain), S.L.	Nov 2017	Spain	100	100
GEP Iris Logistics (Spain), S.L.	Apr 2021	Spain	100	100
GEP Jarama Logistics (Spain), S.L.	Feb 2021	Spain	100	100
GEP Madrid Logistics Holding (Spain), S.L.	Mar 2023	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 Guadarrama Logistics (Spain) S.L.	Oct 2022	Spain	100	100
Goodman Majestic Logistics (Spain), S.L.	Jun 2020	Spain	100	100
Loreto Investments 2018, S.L.[28]	Jun 2018	Spain	100	50

Joint ventures	Acquisition / set-up date	Country of establishment	Interest held 2023 %	Interest held 2022 %
GEP Noisy-Le-Sec (France) SCI	Jun 2023	France	50	0
GEP Rungis Logistics (France) SCI	May 2021	France	50	50
Goodman Moussy Le Neuf Logistics (France) SNC[27]	Dec 2022	France	50	50
Le Mesnil Amelot I (France) SNC	Sep 2023	France	50	0
Le Mesnil Amelot II (France) SNC	Sep 2023	France	50	0
Le Mesnil Amelot III (France) SNC	Sep 2023	France	50	0
Le Mesnil Amelot 2 (France) SCI	Jun 2023	France	50	0
Le Mesnil Amelot 3 (France) SCI	Jun 2023	France	50	0
Goodman Flora Logistics (Lux) S.à r.l.	Sep 2021	Luxembourg	50	50
Goodman Holly Logistics (Lux) S.à r.l.	Jul 2022	Luxembourg	50	50
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	50
Goodman Mantis Logistics (Lux) S.à r.l.[26]	Sep 2018	Luxembourg	0	50
Goodman Metis Logistics (Lux) S.à r.l.	Nov 2022	Luxembourg	50	50
Goodman Priam Logistics (Lux) S.à r.l.	Sep 2021	Luxembourg	50	50
Goodman River Logistics (Lux) S.à r.l.	Sep 2021	Luxembourg	50	50
Goodman Serpentine Logistics (Lux) S.à r.l.	Sep 2018	Luxembourg	50	50
Goodman Aries Logistics (Netherlands) B.V. [26]	Jul 2022	Netherlands	0	50
Goodman Aster Logistics (Netherlands) B.V.	Sep 2021	Netherlands	50	50
Goodman Bondi Logistics (Netherlands) B.V.	Jun 2018	Netherlands	50	50
Goodman Jane Logistics (Netherlands) B.V.	Sep 2021	Netherlands	50	50

Joint ventures	Acquisition / set-up date	Country of establishment	Interest held 2023 %	Interest held 2022 %
Goodman Libra Logistics (Netherlands) B.V.	Dec 2021	Netherlands	50	50
Goodman Mona Logistics (Netherlands) B.V.	Aug 2019	Netherlands	50	50
Goodman Timon Logistics (Netherlands) B.V.	Jul 2022	Netherlands	50	50
GEP Ilias Logistics (Spain), S.L.	Mar 2020	Spain	50	50
GEP Nervión Logistics (Spain), S.L.	Feb 2022	Spain	50	50
GEP Tajo Logistics (Spain), S.L.	Apr 2021	Spain	50	50
Goodman Duero Logistics (Spain), S.L.	Feb 2023	Spain	50	0
Goodman Helena Logistics (Spain), S.L.	Dec 2019	Spain	50	50
Goodman Manzanares Logistics (Spain), S.L.	Dec 2021	Spain	50	50
Goodman Serpis Logistics (Spain), S.L.	Apr 2022	Spain	50	50

26. Entity liquidated during FY 2023.
27. Entity changed its legal form during FY2023 from SCI to SNC.
28. Entity transferred from "joint ventures" to "controlled entities" during FY 2023 (due to the acquisition of the remaining 50% interest by GEP during FY 2023).
29. 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%).

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.


KEY
FACTS
In 2022, Gen Z and Millennials combined made up nearly half of the global population (45%) with 3.5 billion people.
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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.

AIFM	Goodman Funds 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.
Benchmark Return	The average of the daily closing prices of the ten (10) year Euro interest rate swap rate over the course of the Financial Year, as recorded by Bloomberg, plus four point five per cent (4.5%) or such other benchmark nominated by the AIFM and approved by a Special Majority of Unitholders.
Board	The Board of Managers of the AIFM.
BREEAM	Building Research Establishment Environmental Assessment Method.
Commitment	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).
Contributed Capital	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).
CSSF	Commission de Surveillance du Secteur Financier.
CUV (cum)	Current Unit Value (cum).
CUV (ex)	Current Unit Value (ex).
DGNB	German Green Building Council.
DPU	Distribution Per Unit.
EMTN Programme	The €5,000,000,000 Euro Medium Term Note Programme of GELF Bond Issuer I S.A.
Euribor	Euro Interbank Offered Rate.
EY	Earnings Yield.
FCP-FIS	Fonds Commun de Placement – Fonds d'Investissement Spécialisé.
GDP	Gross Domestic Product.
GEP or Partnership	Goodman European Partnership (legal entity: Goodman European Logistics Fund, FCP-FIS).
GLA	Gross Lettable Area.
Goodman Group or Goodman	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).
GRESB	Global Real Estate Sustainability Benchmark, a benchmarking entity for real estate focused on GRESB Environmental, Social and Governance topics (ESG).
ICR	Interest Coverage Ratio.
IFRS Accounting Standards	International Financial Reporting Standards.
Information Memorandum	The current version of the information memorandum of GEP, as approved by the CSSF.
Investment Advisory Agreement	The current version of the investment advisory agreement between AIFM and the Investment Advisor(s).

Management Regulations	The current version of the duly signed management regulations between the AIFM and the Depositary.
Manager	A member of the Board.
NIY	Net Initial Yield. Net Operating Income divided by Gross Property Value (including notional acquisition costs).
NPI	Net Property Income.
Occupancy	The economic occupancy of the GEP portfolio which is calculated based on income.
PF	Performance Fee.
Property Servives Agreement	The amended and restated servives 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.
q/q	Quarter on quarter.
RCF	Revolving Credit Facility.
Target	Equity return target as per the Information Memorandum.
Uncalled Commitments	In respect of a Unitholder, its Commitment less its Contributed Capital for the time being.
VAT	Value Added Tax.
Unit	A basic measurement of co-ownership participation in GEP issued by the AIFM pursuant to the Management Regulations.
WACD	Weighted Average Cost of Debt.
WADM	Weighted Average Debt Maturity.
WALE	Weighted Average Lease Expiry.
WIP	Work in Progress.
YOC	Yield on Cost.
y/y	Year on year.

CORPORATE DIRECTORY

Management Company

Goodman Funds Management (Lux) S à.r.l.[30]
5, Rue de Strasbourg
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Grand Duchy of Luxembourg

Board of Managers

Henry Kelly
Daniel Peeters
Dominique Prince
Hans Ongena

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IMPORTANT NOTICE

This Annual Report has been prepared by Goodman Funds Management (Lux) S à.r.l. as the AIFM of the Goodman European Logistics Fund, FCP-FIS. The Annual Report does not constitute an offer or solicitation to deal, whether directly or indirectly, in the Goodman European Logistics Fund, FCP-FIS. Past performance is not necessarily a guide to future performance. The value of investments and any income derived from them can go down as well as up. Nothing in the Annual Report should be taken as an expressed or implied indication of performance nor warranty or guarantee as to future performance. No warranty or representation is given as to the accuracy or completeness of the Annual Report and no liability is accepted for any errors or omissions that it may contain.

Goodman Funds Management (Lux) S à.r.l., registered office 5, rue de Strasbourg, L-2561 Luxembourg, Grand Duchy of Luxembourg. Registered in Luxembourg with share capital of €125,000 and registration number B121702.

All figures are as at 31 December 2023.

30. Entity changed its name on 8 December 2023 (previously: GELF Management (Lux) S.à r.l.)

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