

Q2

QUARTERLY REPORT



CONDENSED FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	3 months ended 30 Jun 2024 €m	3 months ended 30 Jun 2023 €m	6 months ended 30 Jun 2024 €m	6 months ended 30 Jun 2023 €m
Net property income	1	49.6	47.2	98.3	93.5
Net gains/(losses) from fair value adjustments on investments in property	7	(17.0)	(65.7)	(23.6)	(76.6)
Net gains/(losses) from disposals of investments in property		(0.0)	(0.0)	(0.2)	0.2
Share of net gains/(losses) from joint ventures		4.7	0.0	5.2	0.1
Depreciation of solar panels		(0.3)	(0.3)	(0.7)	(0.6)
Net gains/(losses) from investments in property, joint ventures and depreciation of solar panels		(12.7)	(66.0)	(19.4)	(76.9)
Base management fees		(4.7)	(4.9)	(9.4)	(9.7)
Performance fees		4.5	15.9	8.6	22.0
Other expenses		(1.3)	(1.4)	(2.8)	(2.8)
Total expenses		(1.5)	9.7	(3.7)	9.5
Result before finance result and income tax		35.4	(9.1)	75.2	26.1
Finance costs		(8.6)	(6.4)	(16.6)	(11.8)
Lease liabilities' interest		(2.2)	(2.0)	(4.4)	(4.0)
Finance income		0.2	0.0	0.3	(0.0)
Finance result	2	(10.5)	(8.4)	(20.7)	(15.8)
Result before income tax		24.9	(17.5)	54.6	10.3
Current income tax		(2.3)	(1.9)	(4.4)	(3.7)
Deferred income tax	3	1.6	11.5	(1.4)	7.8
Income tax		(0.8)	9.6	(5.8)	4.1
Result for the period attributable to Unitholders of GEP		24.1	(7.9)	48.8	14.4
Other comprehensive income for the period		0.0	0.0	0.0	0.0
Total comprehensive income/(loss) for the period attributable to Unitholders of GEP		24.1	(7.9)	48.8	14.4

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 Jun 2024 €m	31 Dec 2023 €m
Current assets			
Cash and cash equivalents	4	29.3	33.2
Receivables	5	5.8	10.7
Other current assets		21.2	19.2
Total current assets		56.2	63.1
Non-current assets			
Investments in property	7	3,898.9	3,888.6
Joint ventures		113.3	119.1
Solar panels		24.4	24.2
Deferred tax assets		5.7	6.4
Total non-current assets		4,042.3	4,038.4
Total assets		4,098.5	4,101.5
Current liabilities			
Payables	6	123.3	135.9
Other borrowings	8	1.6	1.6
Lease liabilities		10.2	8.9
Total current liabilities		135.1	146.4
Non-current liabilities			
Payables	6	5.7	13.7
Interest bearing liabilities	8	1,132.7	1,114.0
Other borrowings	8	5.5	6.3
Lease liabilities		169.1	165.9
Deferred tax liabilities		307.3	306.6
Total non-current liabilities		1,620.3	1,606.6
Total liabilities		1,755.4	1,752.9
Net assets		2,343.1	2,348.6
Equity attributable to Unitholders of GEP			
Issued capital		2,393.6	2,393.6
Equity raising costs		(8.7)	(8.7)
Distributions	10	(1,903.6)	(1,849.3)
Result brought forward		1,813.0	1,849.7
Result for the year-to-date		48.8	(36.7)
Total equity attributable to Unitholders of GEP	9	2,343.1	2,348.6
Non IFRS Accounting Standards measures			
Current Unit Value (cum) (€m)	9	2,462.3	2,466.8
Current Unit Value (cum) (€/Unit)	9	68.00	68.12
Current Unit Value (ex) (€m)	9	2,434.5	2,439.9
Current Unit Value (ex) (€/Unit)	9	67.23	67.38

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital €m	Equity raising costs €m	Distributions €m	Result brought forward and for the period €m	Total equity attributable to Unitholders of GEP €m
Balance at 1 Jan 2024	2,393.6	(8.7)	(1,849.3)	1,813.0	2,348.6
Comprehensive income/(loss)					
Result for the period	0.0	0.0	0.0	48.8	48.8
Other comprehensive income for the period	0.0	0.0	0.0	0.0	0.0
Total comprehensive income/(loss) for the period	0.0	0.0	0.0	48.8	48.8
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	(54.3)	0.0	(54.3)
Balance at 30 Jun 2024	2,393.6	(8.7)	(1,903.6)	1,861.8	2,343.1
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 period	0.0	0.0	0.0	14.4	14.4
Other comprehensive income for the period	0.0	0.0	0.0	0.0	0.0
Total comprehensive income/(loss) for the period	0.0	0.0	0.0	14.4	14.4
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	(53.7)	0.0	(53.7)
Balance at 30 Jun 2023	2,393.6	(8.7)	(1,793.9)	1,864.1	2,455.1

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 Jun 2024	6 months ended 30 Jun 2023
	€m	€m
Cash flows from operating activities		
Result before income tax	54.6	10.3
Adjusted for:		
Net (gains)/losses from investments in property, joint ventures and depreciation of solar panels	18.6	76.9
Finance income	(0.3)	0.0
Finance costs (incl. lease liabilities' interest)	21.0	15.8
(Increase)/decrease in current assets	3.0	(4.6)
Increase/(decrease) in current liabilities	(18.1)	(18.2)
Increase/(decrease) in other non-current liabilities	(8.0)	(22.1)
Cash generated from operations	70.8	58.2
Current income tax paid	(5.6)	(2.0)
Net cash generated from operating activities	65.2	56.1
Cash flows from/used in investing activities		
Payments for investments in property and solar panels	(34.6)	(39.7)
Net proceeds from disposals of investments in property	6.4	0.0
Payments/receipts for investments in/loans to joint ventures	11.0	(14.4)
Net cash from/used in investing activities	(17.2)	(54.1)
Cash flows from financing activities		
Proceeds from issue of Units	0.0	0.0
Equity raising costs	0.0	(0.6)
Proceeds from interest bearing liabilities	198.5	70.0
Repayments of interest bearing liabilities and other borrowings (incl. costs)	(180.8)	(0.7)
Net interest paid (incl. bank charges and agency fees)	(11.0)	(6.5)
Distributions paid	(54.3)	(53.7)
Lease liabilities payments	(4.4)	(4.0)
Net cash generated from/used in financing activities	(51.9)	4.4
Net increase/(decrease) in cash and cash equivalents	(3.9)	6.5
Cash and cash equivalents at the beginning of the period	33.2	30.8
Cash and cash equivalents at the end of the period	29.3	37.3

NOTES TO THE CONDENSED FINANCIAL REPORT

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 2 May 2024, 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.

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.

This condensed financial report has been prepared according to IAS 34 – Interim Financial Reporting. The accounting policies which have been adopted in the preparation of this condensed financial report are set out in the GEP Annual Report 2023.

1. NET PROPERTY INCOME

	3 months ended 30 Jun 2024	3 months ended 30 Jun 2023	6 months ended 30 Jun 2024	6 months ended 30 Jun 2023
	€m	€m	€m	€m
Rental income	51.2	48.1	101.8	95.8
Service charges	5.6	6.3	16.1	16.6
Solar panel income	0.7	0.9	1.0	1.2
Gross property income	57.5	55.4	118.8	113.6
Property expenses (non recoverable)	(2.3)	(1.8)	(4.4)	(3.5)
Property expenses (recoverable)	(5.6)	(6.3)	(16.1)	(16.6)
Property expenses	(7.9)	(8.1)	(20.5)	(20.1)
Total	49.6	47.2	98.3	93.5

Net property income for the quarter increased by €0.9 million compared to previous quarter (3 months ended 31 Mar 2024) mainly due to solar panel income increase and rent indexations.

2. FINANCE RESULT

	3 months ended 30 Jun 2024	3 months ended 30 Jun 2023	6 months ended 30 Jun 2024	6 months ended 30 Jun 2023
	€m	€m	€m	€m
Bank loans interest, bank charges and agency fees	(5.9)	(3.8)	(11.3)	(6.5)
Euro Medium Term Notes (EMTN) interest	(2.4)	(2.4)	(4.9)	(4.9)
Amortisation of transaction costs	(0.5)	(0.4)	(0.9)	(0.8)
Capitalised borrowing costs	0.2	0.2	0.4	0.3
Finance costs	(8.6)	(6.4)	(16.6)	(11.8)
Lease liabilities' interest	(2.2)	(2.0)	(4.4)	(4.0)
Finance income	0.2	0.0	0.3	(0.0)
Finance result	(10.5)	(8.4)	(20.7)	(15.8)

Finance costs for the quarter increased by €0.5 million compared to previous quarter (3 months ended 31 Mar 2024) mainly due to increased average debt drawn balance over the quarter.

3. DEFERRED INCOME TAX

The deferred income tax movement (IFRS) of €1.6 million for the quarter was mainly driven by reversals related to quarterly revaluation losses, partially compensated by quarterly statutory depreciation of investments in property.

4. CASH AND CASH EQUIVALENTS

As at 30 June 2024, the fair value of cash and cash equivalents approximates the carrying value and cash and cash equivalents are expected to be recovered.

5. RECEIVABLES

	30 Jun 2024	31 Dec 2023
	€m	€m
Trade receivables, net of doubtful debt provisions	2.9	2.8
VAT receivables, net of VAT payables	0.2	4.8
Other receivables	2.7	3.1
Total	5.8	10.7

Trade receivables (net of doubtful debt provisions) are made of (i) receivables expected to be recovered from customers in relation to rental income and service charges for €2.9 million (31 Dec 2023: €2.7 million) and (ii) development related receivables for €0.0 million (31 Dec 2023: €0.1 million).

As at 30 June 2024, trade receivables (net of doubtful debt provisions) include: (i) not yet due trade receivables for €1.4 million (31 Dec 2023: €1.1 million) and (ii) overdue trade receivables of €1.5 million (31 Dec 2023: €1.7 million). The ageing analysis of overdue trade receivables is as follows: less than 30 days for €0.9 million (31 Dec 2023: €0.9 million); more than 30 days, €0.5 million (31 Dec 2023: €0.8 million).

6. PAYABLES

Current payables

	30 Jun 2024	31 Dec 2023
	€m	€m
Trade payables	6.5	6.2
Tax payables and provisions	42.6	43.8
VAT payables, net of VAT receivables	0.0	0.0
Deferred income	19.8	19.8
Related party payables	5.5	23.8
Property accruals	20.6	19.2
Other payables and accruals	28.3	23.1
Total	123.3	135.9

Non-current payables

	30 Jun 2024	31 Dec 2023
	€m	€m
Customer deposits	5.4	4.9
Provision for performance fees	0.3	8.8
Total	5.7	13.7

During the quarter, a €4.5 million provision for performance fees was reversed given GEP's Q2 return was below the hurdle. Other payables and accruals include accrued interest on interest bearing liabilities for €9.2 million (31 Dec 2023: €3.6 million).

7. 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 31 Dec 2023	3,685.4	28.5	174.8	3,888.6
Acquisitions/construction costs, capital expenditure and other related costs	14.8	6.5	4.0	25.3
Disposals	(6.9)	0.0	0.0	(6.9)
Transfer to completed investments in property	17.4	(17.4)	0.0	0.0
Changes in fair value	(6.2)	0.0	(0.3)	(6.6)
Carrying value as at 31 Mar 2024	3,704.5	17.6	178.4	3,900.4
Acquisitions/construction costs, capital expenditure and other related costs	4.9	9.3	1.2	15.5
Disposals	0.0	0.0	0.0	0.0
Transfer to completed investments in property	0.0	0.0	0.0	0.0
Changes in fair value	(16.6)	0.0	(0.4)	(17.0)
Carrying value as at 30 Jun 2024	3,692.7	26.9	179.3	3,898.9

During the quarter, c.31.2% of GEP's portfolio was revalued by independent external valuers (Q1: c.24.5%). A €17.0 million revaluation loss for the quarter (Q1: €6.6 million revaluation loss) was recorded on the completed investments in property (including a negative fair value adjustment of €0.4 million in relation to the right-of-use assets (Q1: €0.3 million)).

8. INTEREST BEARING LIABILITIES AND OTHER BORROWINGS

	Maturity date	30 Jun 2024 €m	31 Dec 2023 €m
Interest bearing liabilities			
EMTN 16/26	Oct 2026	325.0	325.0
EMTN 19/29	Jul 2029	400.0	400.0
RCF	Dec 2026	215.0	395.0
Secured financing	Apr 2029	200.0	–
Unamortised transaction costs	n/a	(7.3)	(6.0)
Total interest bearing liabilities		1,132.7	1,114.0
Other borrowings			
Crédit-bail (current)	May 2027	1.6	1.6
Crédit-bail (non-current)	May 2027	5.5	6.3
Total other borrowings		7.1	7.9

GELF Bond Issuer I S.A., a controlled entity of GEP, has on issue €725.0 million of notes under an EMTN Programme as at 30 June 2024 (31 December 2023: €725.0 million). All EMTN covenants were in compliance at the end of the quarter.

The EMTN issued on 20 October 2016 (EMTN 16/26) 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.

The EMTN issued on 18 July 2019 (EMTN 19/29) 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.

Revolving Credit Facility (RCF)

GEP has a €450 million (variable interest bearing) Revolving Credit Facility (RCF) with BNP Paribas, ING Bank, NatWest and HSBC.

The RCF matures in December 2026. As at 30 June 2024, the RCF was drawn for €215.0 million (31 December 2023: €395.0 million).

All RCF covenants were in compliance at the end of the quarter.

Secured financing

At the end of April 2024, GEP entered into a €200 million 5y secured debt facility with ING Bank and Deutsche Hypo at a fixed interest rate of 4.1%.

Unamortised transaction costs

The unamortised transaction costs as at 30 June 2024 amount to €7.3 million (31 December 2023: €6.0 million) and are deducted from the interest bearing liabilities in the consolidated statement of financial position. During the quarter, €2.1m debt transaction costs in relation to the €200 million 5y secured debt facility have been capitalised.

Other borrowings (crédit-bail)

GEP has a crédit-bail (variable interest bearing) related to an asset in Isle d'Abeau (FR). As at 30 June 2024, the value of the crédit-bail amounts to €7.1 million (31 Dec 2023: €7.9 million). The crédit-bail matures in May 2027.

9. CURRENT UNIT VALUE

	30 Jun 2024 €m	31 Dec 2023 €m
Net assets (IFRS)	2,343.1	2,348.6
Adjusted for:		
Reversal of IFRS deferred taxes	301.6	300.2
Fair value of deferred taxes ¹⁴	(193.1)	(192.6)
Unamortised acquisition costs of investments in property ¹⁵	10.7	10.5
Unamortised set-up/liquidity costs ¹⁵	0.0	0.0
CUV (cum)	2,462.3	2,466.8
CUV (ex)	2,434.5	2,439.9
Number of issued Units, quarter-end (m)	36.2	36.2
CUV (cum) per Unit (€ per Unit)	68.00	68.12
CUV (ex) per Unit (€ per Unit)	67.23	67.38

14. 50% of deferred tax liabilities (ignoring initial recognition exemption) net of off-settable deferred tax assets.

15. Capitalised and amortised over 5 years.

As at 30 June 2024, 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 an equity raise which closed in December 2022.

10. DISTRIBUTIONS

Distributable income

	3 months ended 30 Jun 2024 €m	3 months ended 30 Jun 2023 €m	6 months ended 30 Jun 2024 €m	6 months ended 30 Jun 2023 €m
Total comprehensive income/(loss) for the period	24.1	(7.9)	48.8	14.4
Adjusted for:				
Net (gains)/losses from fair value adjustments on investments in property, excluding right-of-use assets	16.6	65.3	22.9	75.8
Net (gains)/losses from disposals of investments in property, adjusted for capital gain taxes	0.0	0.0	0.2	(0.2)
Share of net (gains)/losses from joint ventures	(4.7)	0.0	(5.2)	(0.1)
Depreciation of solar panels	0.3	0.3	0.7	0.6
Deferred income tax	(1.6)	(11.5)	1.4	(7.8)
Performance fees	(4.5)	(15.9)	(8.6)	(22.0)
Capital expenditure allowance	(2.5)	(2.5)	(5.0)	(5.0)
Distributable income for the period	27.9	27.9	55.3	55.7

Capital return distributions

No capital return distributions were made during the quarter (Q2 2023: none).

GLOSSARY

The following definitions apply throughout the Quarterly 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.

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).
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.
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.
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.
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.
WALE	Weighted Average Lease Expiry.
WIP	Work in Progress.
YOC	Yield on Cost.
YOC	Yield on Cost.
y/y	Year on year.



CORPORATE DIRECTORY

Management Company

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

Board of Managers

Henry Kelly
Daniel Peeters
Dominique Prince
Hans Ongena

Investment Advisers

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

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

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

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

Goodman Logisinsure (Belgium) NV
Medialaan 50
1800 Vilvoorde
Belgium

IMPORTANT NOTICE

This Quarterly 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 Quarterly 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 Quarterly 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 Quarterly Report and no liability is accepted for any errors or omissions that it may contain.

©2024 Goodman Fund Management (Lux) S.à r.l. All rights reserved. No part of this publication may be reproduced by any means, whether graphically, electronically, mechanically or otherwise howsoever, including without limitation photocopying and recording on magnetic tape, or included in any information store and/or retrieval system without the prior written permission of Goodman Fund Management (Lux) S.à r.l.

Goodman Fund 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 30 June 2024.

